

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1411 Session of 2013

INTRODUCED BY CHRISTIANA, HELM, CALTAGIRONE, SACCONI, MUSTIO, MILLARD, R. MILLER, EMRICK, SIMMONS, DAVIS, SWANGER, MALONEY, RAPP, MURT, KAUFFMAN, TRUITT, BLOOM, PETRI, AUMENT, GROVE, ROCK, BROOKS, BENNINGHOFF, COX, DENLINGER, EVERETT, R. BROWN, MOUL, GABLER, TOOHL, SCAVELLO, MARSHALL AND HEFFLEY, MAY 16, 2013

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, DECEMBER 16, 2013

AN ACT

1 Providing for the posting of annual financial reports for public
2 school entities, for the convening of an advisory committee,
3 for posting of final adopted budgets for public school
4 entities and for the Department of Education's establishment
5 of a searchable Internet website detailing certain
6 information concerning receipts and expenditures by public
7 school entities.

8 The General Assembly of the Commonwealth of Pennsylvania
9 hereby enacts as follows:

10 Section 1. Short title.

11 This act shall be known and may be cited as the Public School
12 Web Accountability and Transparency (SchoolWATCH) Act.

13 Section 2. Definitions.

14 The following words and phrases when used in this act shall
15 have the meanings given to them in this section unless the
16 context clearly indicates otherwise:

17 "Administrative staff." Employees of a public school entity
18 that include, but are not limited to, superintendents, assistant

1 superintendents, deputy superintendents, principals, assistant
2 principals, supervisors, managers, directors and coordinators.

3 "Area vocational-technical school." As defined in section
4 1841 of the act of March 10, 1949 (P.L.30, No.14), known as the
5 Public School Code of 1949.

6 "Charter school." As defined in section 1703-A of the act of
7 March 10, 1949 (P.L.30, No.14), known as the Public School Code
8 of 1949.

9 "CHARTER SCHOOL ENTITY." A CHARTER SCHOOL, CYBER CHARTER <--
10 SCHOOL OR REGIONAL CHARTER SCHOOL AS DEFINED IN SECTION 1703-A
11 OF THE ACT OF MARCH 10, 1949 (P.L.30, NO.14), KNOWN AS THE
12 PUBLIC SCHOOL CODE OF 1949.

13 "Cyber charter school." As defined in section 1703-A of the
14 act of March 10, 1949 (P.L.30, No.14), known as the Public
15 School Code of 1949.

16 "Department." The Department of Education of the
17 Commonwealth.

18 "Entity." Any of the following:

19 (1) A corporation, association, limited liability
20 company or limited liability partnership.

21 (2) An individual who is not an employee of the public
22 school entity.

23 (3) Any other legal business entity, including a
24 nonprofit, a grantee, a contractor and a sole proprietor.

25 (4) Any political subdivision or other local government
26 entity.

27 "EXPENDITURE AND PERFORMANCE MEASURE." AN ANNUAL MEASURE <--
28 DEVELOPED BY THE DEPARTMENT OF EDUCATION IN CONSULTATION WITH
29 THE ADVISORY COMMITTEE ESTABLISHED UNDER SECTION 5 THAT COMPARES
30 THE PUBLIC SCHOOL ENTITY INSTRUCTIONAL EXPENDITURES FOR EACH

1 PUBLIC SCHOOL ENTITY TO THAT PUBLIC SCHOOL ENTITY'S STUDENT
2 ACADEMIC PERFORMANCE. THE MEASURE SHALL INCLUDE, BUT NOT BE
3 LIMITED TO, ACADEMIC GROWTH AS MEASURED BY THE PENNSYLVANIA
4 VALUE-ADDED ASSESSMENT SYSTEM.

5 "Funding action or expenditure." A payment by a public
6 school entity to include:

7 (1) A grant.

8 (2) A loan.

9 (3) Reimbursement.

10 (4) Payment made pursuant to the purchase of goods and
11 services, excluding employee salaries, or to a construction
12 or other contract.

13 (5) Payment of debt service.

14 (6) Payments made pursuant to a formula.

15 (7) Payments to political subdivisions or other local
16 government entities.

17 "Funding source." A public school entity's general fund or
18 special funds.

19 "Public School Code of 1949." The act of March 10, 1949
20 (P.L.30, No.14), known as the Public School Code of 1949.

21 "Public school entity." Any of the following:

22 (1) An area vocational-technical school, as defined in
23 section 1841 of the Public School Code of 1949.

24 (2) A school district, as defined in section 102 of the
25 Public School Code of 1949.

26 ~~(3) A charter school, cyber charter school or regional <--~~
27 ~~charter school, as defined in section 1703 A of the Public~~
28 ~~School Code of 1949.~~

29 (3) A CHARTER SCHOOL ENTITY. <--

30 "PUBLIC SCHOOL ENTITY INSTRUCTIONAL EXPENDITURES."

1 EXPENDITURES MADE FROM THE GENERAL FUND FOR INSTRUCTIONAL AND
2 SUPPORT SERVICES BY THE PUBLIC SCHOOL ENTITY AS REPORTED ON THE
3 PUBLIC SCHOOL ENTITY'S MOST RECENT ANNUAL FINANCIAL REPORT, TO
4 BE DETERMINED BY THE DEPARTMENT OF EDUCATION IN CONSULTATION
5 WITH THE ADVISORY COMMITTEE ESTABLISHED UNDER SECTION 5. THE
6 TERM SHALL INCLUDE, BUT NOT BE LIMITED TO, ALL FUNCTIONS RELATED
7 TO INSTRUCTION AND SUPPORT SERVICES PURSUANT TO THE MANUAL OF
8 ACCOUNTING AND RELATED FINANCIAL PROCEDURES.

9 "Regional charter school." As defined in section 1703-A of
10 the Public School Code of 1949.

11 "School district." As defined in section 102 of the Public
12 School Code of 1949.

13 "SchoolWATCH." The single, searchable, public Internet
14 website to be established by the Department of Education under
15 this act.

16 "Secretary." The Secretary of Education of the Commonwealth.
17 Section 3. Annual financial reports to be posted.

18 Within 90 days of the effective date of this act, and by
19 December 31 of each year thereafter, the department shall post
20 on its publicly accessible Internet website, as the first phase
21 of a single, searchable, public Internet website to be called
22 SchoolWATCH, the most recent annual financial reports for each
23 public school entity submitted to the secretary pursuant to
24 section 218(a) of the Public School Code of 1949. The department
25 shall post SchoolWATCH in a location and in a manner that is
26 easily accessible to the public and shall include on SchoolWATCH
27 all explanatory references that may be necessary to assist
28 website users in understanding the content of public school
29 entities' annual financial reports.

30 Section 4. Annual budgets to be posted.

1 (a) Filing.--Within 11 months of the effective date of this
2 act, and by September 1 of each year thereafter, each public
3 school entity shall file with the department an electronic copy
4 of its most recent final adopted budget.

5 (b) Posting.--Within one year of the effective date of this
6 act, and by October 1 of each year thereafter, the department
7 shall post on SchoolWATCH, as the second phase of SchoolWATCH,
8 the final adopted budgets for each public school entity filed
9 with the department pursuant to subsection (a) and shall include
10 on SchoolWATCH all explanatory references that may be necessary
11 to assist website users in understanding the content of public
12 school entities' final adopted budgets.

13 Section 5. Searchable database.

14 (a) Development.--

15 (1) Within 45 days of the effective date of this act,
16 the department shall convene an advisory committee to develop
17 ~~a plan for the department's establishment of the third phase~~ <--
18 ~~of SchoolWATCH, which shall consist of a searchable database~~
19 ~~detailing certain information concerning receipts and~~
20 ~~expenditures by public school entities.~~ PLANS FOR THE <--
21 DEPARTMENT'S DEVELOPMENT AND ESTABLISHMENT OF THE FOLLOWING:

22 (I) THE THIRD PHASE OF SCHOOLWATCH, WHICH SHALL
23 CONSIST OF A SEARCHABLE DATABASE DETAILING CERTAIN
24 INFORMATION CONCERNING RECEIPTS AND EXPENDITURES BY
25 PUBLIC SCHOOL ENTITIES; AND

26 (II) THE FOURTH PHASE OF SCHOOLWATCH, UNDER WHICH
27 THE EXPENDITURE AND PERFORMANCE MEASURE FOR EACH PUBLIC
28 SCHOOL ENTITY SHALL BE ADDED TO THE SEARCHABLE DATABASE.

29 (2) The advisory committee required pursuant to
30 ~~paragraph (1) shall consist of the following members, to be~~ <--

1 PARAGRAPH (1) SHALL CONSIST OF THE FOLLOWING: <--

2 (I) THE FOLLOWING MEMBERS, TO BE appointed by the
3 secretary in consultation with education associations
4 representing school districts, charter school entities
5 and area vocational-technical schools:

6 ~~(i) Five school district business managers.~~ <--

7 ~~(ii) Three charter school entity business managers.~~

8 ~~(iii) Three area vocational technical school
9 business managers.~~

10 ~~(iv) The chairman and minority chairman of the
11 Education Committee of the Senate.~~

12 ~~(v) The chairman and minority chairman of the
13 Education Committee of the House of Representatives.~~

14 (A) FIVE SCHOOL DISTRICT BUSINESS MANAGERS. <--

15 (B) THREE CHARTER SCHOOL ENTITY BUSINESS
16 MANAGERS.

17 (C) THREE AREA VOCATIONAL-TECHNICAL SCHOOL
18 BUSINESS MANAGERS.

19 (II) THE CHAIRMAN AND MINORITY CHAIRMAN OF THE
20 EDUCATION COMMITTEE OF THE SENATE.

21 (III) THE CHAIRMAN AND MINORITY CHAIRMAN OF THE
22 EDUCATION COMMITTEE OF THE HOUSE OF REPRESENTATIVES.

23 (IV) TWO MEMBERS WHO SHALL BE SELECTED BY THE
24 SECRETARY FROM AMONG THE CITIZENS OF THIS COMMONWEALTH.

25 (3) The following shall apply to the advisory committee
26 required pursuant to paragraph (1):

27 (i) The advisory committee shall:

28 (A) Develop a plan for the department's
29 establishment of a searchable, public Internet
30 database, which shall impose no additional cost on

1 public school entities, that the department shall
2 establish, place online and fully implement as the
3 third phase of SchoolWATCH within two years of the
4 effective date of this act, provided that the
5 department may extend the implementation date for the
6 third phase of SchoolWATCH by one year by publishing
7 notice of the extension in the Pennsylvania Bulletin
8 within two years of the effective date of this act.

9 (B) Determine the manner and frequency of
10 reporting to the department by public school
11 entities, which shall be no less frequent than
12 quarterly.

13 (C) Within nine months of the effective date of
14 this act, issue a report to the Governor and the
15 General Assembly setting forth a plan for the
16 department's development of the Internet database
17 that the department is required to establish pursuant
18 to subclause (A).

19 (ii) The advisory committee may consider including
20 ~~the following information on the Internet database:~~ <--

21 ~~(A) The expected and achieved performance~~
22 ~~outcomes from each funding action or expenditure.~~

23 ~~(B) Individual~~ ON THE INTERNET DATABASE <--
24 INDIVIDUAL salary information for employees who are
25 not administrative staff.

26 (iii) In developing a plan for the department's
27 establishment of the Internet database, the advisory
28 committee shall consider the following:

29 (A) How the Internet database established under
30 this act can be coordinated with existing databases

1 and electronic reporting systems.

2 (B) Whether any current public school entity
3 reporting requirements that may be duplicated by the
4 reporting requirements of this act may be eliminated.

5 (C) Development of an efficient and transparent
6 method for the department and public school entities
7 to comply with the reporting requirements of this
8 act.

9 (iv) The department shall provide the advisory
10 committee with administrative and technical support,
11 including the assistance of department information
12 technology and budget staff, meeting space and any other
13 assistance required by the advisory committee to carry
14 out its duties under this act.

15 (b) Internet database contents.--

16 (1) The Internet database the department is required to
17 establish pursuant to subsection (a) shall, ~~at a minimum,~~ <--
18 ~~provide~~ PROVIDE ONLY the following information for each <--
19 public school entity, unless the provision of such
20 information conflicts with other Federal or State law:

21 (i) The name and business address of the public
22 school entity.

23 (ii) The total amount of funding received by the
24 public school entity from, and broken down by, each of
25 the following sources and deposited in the public school
26 entity's general fund or special fund during the previous
27 reporting period:

28 (A) Federal.

29 (B) State.

30 (C) Local.

1 (D) Private.

2 (iii) The name of the entity receiving a payment
3 from the public school entity pursuant to a funding
4 action or expenditure.

5 (iv) A general description and the amount of each
6 funding action or expenditure.

7 (v) The funding source for each funding action or
8 expenditure.

9 (vi) A counter to show the number of times the
10 Internet website is accessed.

11 (vii) A link to each public school entity's Internet
12 website, where available.

13 (viii) The total number of individuals employed by
14 each public school entity as of the last day of the
15 previous reporting period who are not administrative
16 staff and the aggregate compensation, as defined in
17 section 303(a)(1)(i) of the act of March 4, 1971 (P.L.6,
18 No.2), known as the Tax Reform Code of 1971, paid by the
19 public school entity to such individuals.

20 (ix) For each individual employed by a public school
21 entity as administrative staff, the following:

22 (A) Name.

23 (B) Position or title.

24 (C) Current annual salary, based on the
25 employee's pay schedule and current salary.

26 (D) Any additional compensation received by the
27 individual and the basis for such compensation,
28 including, but not limited to, duties as a coach or
29 activity advisor.

30 (E) Compensation, as defined in section 303(a)

1 (1) (i) of the Tax Reform Code of 1971, paid by the
2 public school entity.

3 (X) COPIES OF ALL CURRENTLY EFFECTIVE CONTRACTS <--
4 BETWEEN THE PUBLIC SCHOOL ENTITY AND ANY UNION.

5 (2) Notwithstanding any other provision of this act,
6 records determined by the department to be not subject to
7 disclosure under the act of February 14, 2008 (P.L.6, No.3),
8 known as the Right-to-Know Law, shall not be included on the
9 Internet database.

10 (3) The Internet database shall allow the public to
11 search for and aggregate information at no cost to the
12 public.

13 (4) Information posted on SchoolWATCH, including annual
14 financial reports, final adopted budgets and information
15 included in the database, shall remain on SchoolWATCH for a
16 period of no less than eight years from the date of posting.

17 (5) THE INTERNET DATABASE SHALL NOT PROVIDE ANY <--
18 ADDITIONAL INFORMATION THAT IS NOT SPECIFICALLY REQUIRED OR
19 PERMITTED UNDER THIS ACT.

20 SECTION 5.1. EXPENDITURE AND PERFORMANCE MEASURES TO BE POSTED.

21 WITHIN FOUR YEARS OF THE EFFECTIVE DATE OF THIS ACT, THE
22 DEPARTMENT, IN CONSULTATION WITH THE ADVISORY COMMITTEE, SHALL
23 DO ALL OF THE FOLLOWING:

24 (1) DEVELOP THE EXPENDITURE AND PERFORMANCE MEASURE. IN
25 DEVELOPING THE EXPENDITURE AND PERFORMANCE MEASURE, THE
26 DEPARTMENT AND THE ADVISORY COMMITTEE SHALL:

27 (I) CONSULT WITH SCHOOL DISTRICT SUPERINTENDENTS,
28 CHARTER SCHOOL ENTITY ADMINISTRATORS, AREA VOCATIONAL-
29 TECHNICAL SCHOOL CHIEF ADMINISTRATIVE OFFICERS AND
30 CURRICULUM DIRECTORS REPRESENTING SCHOOL DISTRICTS,

1 CHARTER SCHOOL ENTITIES AND AREA VOCATIONAL-TECHNICAL
2 SCHOOLS.

3 (II) USE DATA SUBMITTED BY EACH PUBLIC SCHOOL ENTITY
4 ON ITS MOST RECENT ANNUAL FINANCIAL REPORT AND RELEVANT
5 ACADEMIC PERFORMANCE DATA AS DETERMINED BY THE DEPARTMENT
6 IN CONSULTATION WITH THE ADVISORY COMMITTEE.

7 (III) NOT REQUIRE PUBLIC SCHOOL ENTITIES TO REPORT
8 ANY ADDITIONAL DATA.

9 (2) INCLUDE ON THE INTERNET DATABASE, AS THE FOURTH
10 PHASE OF SCHOOLWATCH, THE EXPENDITURE AND PERFORMANCE MEASURE
11 FOR EACH PUBLIC SCHOOL ENTITY, WHICH THE DEPARTMENT SHALL
12 UPDATE ANNUALLY.

13 Section 6. Administration.

14 (a) Public school entity requirements.--

15 (1) Upon the implementation of the SchoolWATCH Internet
16 website required to be developed pursuant to this act, each
17 public school entity shall:

18 (i) Provide the department with all information
19 regarding Federal, State, local and private funding
20 received and all funding actions or expenditures as
21 required under this act and at such times, which shall be
22 at least quarterly, as directed by the department in
23 consultation with the advisory committee.

24 (ii) Provide the department with complement and
25 employment compensation information as required under
26 this act and at such times, which shall be at least
27 quarterly, as directed by the department in consultation
28 with the advisory committee.

29 (III) PROVIDE THE DEPARTMENT WITH COPIES OF ALL
30 UNION CONTRACTS AS REQUIRED UNDER THIS ACT AND AT SUCH

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1 TIMES, WHICH SHALL BE AT LEAST QUARTERLY, AS DIRECTED BY
2 THE DEPARTMENT IN CONSULTATION WITH THE ADVISORY
3 COMMITTEE.

4 (2) Notwithstanding paragraph (1), a public school
5 entity shall not be required to provide the department with
6 information required to be posted on SchoolWATCH where the
7 department is able to obtain such information from other
8 sources, including from other reports by public school
9 entities.

10 (b) Accuracy.--Each public school entity is responsible for
11 verifying the accuracy and completeness of information submitted
12 to the department.

13 (c) Format.--Each public school entity shall compile,
14 maintain and report the information required to be posted under
15 sections 4 ~~and 5(b)~~, 5(B) AND 5.1 in a manner and on a reporting <--
16 schedule prescribed by the department, in consultation with the
17 advisory committee.

18 (C.1) ADDITIONAL INFORMATION.-- <--

19 (1) A PUBLIC SCHOOL ENTITY SHALL NOT BE REQUIRED TO
20 PROVIDE ANY ADDITIONAL INFORMATION THAT IS NOT SPECIFICALLY
21 REQUIRED OR PERMITTED UNDER THIS ACT.

22 (2) NO PUBLIC SCHOOL ENTITY SHALL BE REQUIRED TO PROVIDE
23 ADDITIONAL INFORMATION BEYOND THE INFORMATION REQUIRED TO BE
24 PROVIDED BY ANY OTHER PUBLIC SCHOOL ENTITY.

25 (d) Penalty.--The following shall apply:

26 (1) When a school district fails to comply with the
27 provisions of this act, the secretary shall withhold State
28 appropriations due the school district pursuant to section
29 2552 of the Public School Code of 1949 until the secretary
30 determines that the school district is in compliance with the

1 provisions of this act. When the secretary determines that
2 the school district is in compliance with the provisions of
3 this act, the secretary shall make payment to the school
4 district of the funds withheld pursuant to this paragraph.
5 THE DEPARTMENT SHALL PROVIDE 30 DAYS' NOTICE TO THE SCHOOL <--
6 DISTRICT PRIOR TO THE WITHHOLDING. IF THE SCHOOL DISTRICT
7 BECOMES COMPLIANT DURING THE 30-DAY PERIOD, NO FUNDS SHALL BE
8 WITHHELD.

9 (2) When a charter school entity fails to comply with
10 the provisions of this act, the secretary shall direct the
11 school district of residence of each student enrolled in the
12 charter school entity to transfer any payments required under
13 section 1725-A(a) of the Public School Code of 1949 to the
14 department to be held in escrow until the secretary
15 determines that the charter school entity is in compliance
16 with the provisions of this act. Where, pursuant to section
17 1725-A(a) (5) of the Public School Code of 1949, the secretary
18 deducts payments required under section 1725-A(a) of the
19 Public School Code of 1949 from State payments made to the
20 school district, the department shall hold such deducted
21 amounts in escrow until the secretary determines that the
22 charter school entity is in compliance with the provisions of
23 this act. When the secretary determines that the charter
24 school entity is in compliance with the provisions of this
25 act, the secretary shall order the department to make payment
26 of the funds held in escrow to the charter school entity. THE <--
27 DEPARTMENT SHALL PROVIDE 30 DAYS' NOTICE TO THE CHARTER
28 SCHOOL ENTITY PRIOR TO DIRECTING A SCHOOL DISTRICT OF
29 RESIDENCE TO TRANSFER REQUIRED PAYMENTS TO THE DEPARTMENT OR
30 HOLDING DEDUCTED AMOUNTS IN ESCROW UNDER THIS PARAGRAPH. IF

1 THE CHARTER SCHOOL ENTITY BECOMES COMPLIANT DURING THE 30-DAY
2 PERIOD, NO FUNDS SHALL BE TRANSFERRED TO THE DEPARTMENT OR
3 HELD IN ESCROW.

4 (3) When an area vocational-technical school fails to
5 comply with the provisions of this act, the secretary shall
6 direct the school districts participating in the vocational-
7 technical school pursuant to section 1850.1 of the Public
8 School Code of 1949 to transfer any payments required under
9 Article XVIII of the Public School Code of 1949 to the
10 department to be held in escrow until the secretary
11 determines that the area vocational-technical school is in
12 compliance with the provisions of this act. When the
13 secretary determines that the area vocational-technical
14 school is in compliance with the provisions of this act, the
15 secretary shall order the department to make payment of the
16 funds held in escrow to the area vocational-technical school.

17 THE DEPARTMENT SHALL PROVIDE 30 DAYS' NOTICE TO THE AREA <--
18 VOCATIONAL-TECHNICAL SCHOOL PRIOR TO DIRECTING A SCHOOL
19 DISTRICT TO TRANSFER REQUIRED PAYMENTS TO THE DEPARTMENT OR
20 HOLDING FUNDS IN ESCROW UNDER THIS PARAGRAPH. IF THE AREA
21 VOCATIONAL-TECHNICAL SCHOOL BECOMES COMPLIANT DURING THE 30-
22 DAY PERIOD, NO FUNDS SHALL BE TRANSFERRED TO THE DEPARTMENT
23 OR HELD IN ESCROW.

24 (4) ALL DECISIONS BY THE SECRETARY UNDER THIS SUBSECTION
25 SHALL BE APPEALABLE TO THE COURT OF COMMON PLEAS OF THE
26 COUNTY IN WHICH THE PUBLIC SCHOOL ENTITY IS LOCATED. NO FUNDS
27 SHALL BE WITHHELD, TRANSFERRED TO THE DEPARTMENT OR HELD IN
28 ESCROW UNDER PARAGRAPHS (1), (2) OR (3) UNTIL ALL APPEALS ARE
29 EXHAUSTED.

30 Section 7. Report to Governor and General Assembly.

1 The department shall prepare an annual report containing
2 statistical information on the usage and performance of the
3 Internet website. The report shall describe frequency of user
4 access of the Internet website, types of data being accessed and
5 Internet website performance. The report shall be submitted to
6 the Governor, the chairman and minority chairman of the
7 Appropriations Committee of the Senate, the chairman and
8 minority chairman of the Appropriations Committee of the House
9 of Representatives, the chairman and minority chairman of the
10 Education Committee of the Senate and the chairman and minority
11 chairman of the Education Committee of the House of
12 Representatives within two years of the date on which the
13 Internet website has been implemented, and by March 30 of each
14 year thereafter.

15 Section & 20. Effective date.

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16 This act shall take effect immediately.