

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 2024 Session of
1981

INTRODUCED BY HARPER, DEAL, J. D. WILLIAMS, RICHARDSON AND
BARBER, OCTOBER 27, 1981

REFERRED TO COMMITTEE ON EDUCATION, OCTOBER 27, 1981

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
2 act relating to the public school system, including certain
3 provisions applicable as well to private and parochial
4 schools; amending, revising, consolidating and changing the
5 laws relating thereto," further providing for the
6 determination, administration and operation of a distressed
7 school district of the first class.

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

10 Section 1. The act of March 10, 1949 (P.L.30, No.14), known
11 as the "Public School Code of 1949," is amended by adding a
12 subdivision and sections to read:

13 ARTICLE VI.

14 SCHOOL FINANCES.

15 * * *

16 (g) Distressed School Districts of the First Class.

17 Section 691-A. Applicability of Subdivision.--The provisions
18 of this subdivision shall apply to solely to school districts of
19 the first class. The provisions of sections 691, 692, 692.1,
20 692.2, 693, 694 and 695 shall not apply to any school district

1 of the first class.

2 Section 692-A. When School District of the First Class is
3 Distressed.--(a) A school district of the first class shall be
4 deemed to be distressed when any one of the following
5 circumstances shall arise and the city council of the
6 coterminous city of the first class, after proper investigation
7 of the district's financial condition, the administrative
8 practices of the board and such other matters as to him may seem
9 pertinent, has issued a certificate declaring such district in
10 financial distress:

11 (1) The salaries of any teachers or other employes have
12 remained unpaid for a period of ninety (90) days.

13 (2) The tuition due another school district remains unpaid
14 on and after January first of the year following the school year
15 it was due and there is no dispute regarding the validity or
16 amount of the claim.

17 (3) Any amount due any joint board of school directors under
18 a joint board agreement remains unpaid for a period of ninety
19 (90) calendar days beyond the due date specified in the joint
20 board's articles of agreement.

21 (4) The school district has defaulted in payment of its
22 bonds or interest on such bonds or in payment of rentals due any
23 authority for a period of ninety (90) calendar days and no
24 action has been initiated within that period of time to make
25 payment.

26 (5) The school district has contracted any loan not
27 authorized by law.

28 (6) The school district has accumulated and has operated
29 with a deficit equal to two per centum (2%) or more of the
30 assessed valuation of the taxable real estate within the

1 district for two successive years.

2 (7) A new merged or union school district has been formed
3 and one or more of the former school districts which compose the
4 merged or union school district was a distressed school district
5 at the time of the formation of the merged or union school
6 district.

7 (b) In addition to the causes enumerated in subsection (a),
8 a school district of the first class shall be deemed to be
9 distressed when the court of common pleas has determined that
10 the board of school directors of the school district of the
11 first class has insufficient funds on hand to comply with
12 provisions of a contract negotiated under the act of July 23,
13 1970 (P.L.563, No.195), known as the "Public Employe Relations
14 Act." Upon certification by the court of common pleas to the
15 Secretary of Education that such a condition exists, the city
16 council shall find that district to be distressed.

17 Section 693-A. Special Board of Control; Petition;
18 Appointments.--Whenever the city council has declared any school
19 district of the first class to be a distressed school district
20 the council and the mayor or their designated representative who
21 shall be a person trained in public school administration,
22 possessing the certification prerequisites demanded of a
23 district or assistant superintendent, shall operate the school
24 district in the place of the school directors until the end of
25 the mayor's current term of office to reestablish a sound
26 financial structure in the district.

27 Section 694-A. Powers of the Mayor and City Council.--When
28 the mayor and city council have assumed control of a distressed
29 school district of the first class, they shall have power and
30 are hereby authorized to exercise all the rights, powers,

1 privileges, prerogatives and duties imposed or conferred by law
2 on the board of school directors of the distressed district. In
3 addition thereto, the mayor and city council shall have power to
4 revise the district's budget for the purpose of effecting such
5 economies as it deems necessary to improve the district's
6 financial condition.

7 Section 2. This act shall take effect immediately.