

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 252 Session of  
1989

INTRODUCED BY HESS, JANUARY 24, 1989

AS REPORTED FROM COMMITTEE ON EDUCATION, HOUSE OF  
REPRESENTATIVES, AS AMENDED, JUNE 27, 1989

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 GROUP INSURANCE <—  
6 CONTRACTS; further providing for property tax assessment in  
7 certain school districts; FURTHER PROVIDING FOR SUBMISSION OF <—  
8 BUDGETS BY INTERMEDIATE UNITS; PROVIDING FOR THE USE OF  
9 CERTAIN RETURNED FUNDS; AND PROVIDING FOR BUSINESS  
10 ADMINISTRATORS.

11 The General Assembly of the Commonwealth of Pennsylvania  
12 hereby enacts as follows:

13 SECTION 1. SECTION 513(B.1) OF THE ACT OF MARCH 10, 1949 <—  
14 (P.L.30, NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949, ADDED  
15 OCTOBER 20, 1988 (P.L.827, NO.110), IS AMENDED TO READ:

16 SECTION 513. GROUP INSURANCE CONTRACTS.--\* \* \*

17 (B.1) (1) SCHOOL DISTRICTS, INTERMEDIATE UNITS AND AREA  
18 VOCATIONAL-TECHNICAL SCHOOLS SHALL GIVE EMPLOYES AND THEIR  
19 DEPENDENTS, UPON THE EMPLOYEE'S RETIREMENT, THE OPTION OF  
20 CONTINUING COVERAGE IN ANY OR ALL OF THE GROUP HEALTH [PLAN]

1 PLANS TO WHICH THEY BELONGED AS EMPLOYES.

2 (2) NOTWITHSTANDING THE PROVISIONS OF TITLE XXII OF THE  
3 PUBLIC HEALTH SERVICE ACT (58 STAT. 682, 42 U.S.C. § 300 BB-1 ET  
4 SEQ.) AND AMENDMENTS THERETO, ANNUITANTS OF THE PUBLIC SCHOOL  
5 EMPLOYEES' RETIREMENT SYSTEM MAY CONTINUE TO PURCHASE THAT  
6 COVERAGE AFTER RETIREMENT, AS DEFINED IN PARAGRAPH (4), UNTIL  
7 SIXTY-FIVE YEARS OF AGE OR UNTIL THEY ARE COVERED BY ANOTHER  
8 PLAN. AN ANNUITANT WHO IS ELIGIBLE TO BE COVERED AS AN EMPLOYEE  
9 OR DEPENDENT BY ANY OTHER EMPLOYER-PROVIDED HEALTH PLAN SHALL  
10 NOT BE ELIGIBLE FOR COVERAGE IN THE SCHOOL UNITS'S HEALTH PLAN:  
11 PROVIDED, HOWEVER, THAT SUCH ANNUITANT SHALL BE ELIGIBLE FOR  
12 REINSTATEMENT IN THE SCHOOL UNIT'S HEALTH PLAN WHENEVER SUCH  
13 ALTERNATE COVERAGE CEASES.

14 (3) PURCHASE OF THE COVERAGE PROVIDED FOR IN THIS SUBSECTION  
15 SHALL EQUAL THE COST OF THE PROGRAM FOR ACTIVE EMPLOYES AND  
16 DEPENDENTS PLUS AN ADDITIONAL TWO PER CENTUM.

17 (4) FOR PURPOSES OF THIS SECTION, AN ANNUITANT SHALL MEAN A  
18 MEMBER OF THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM WHO HAS  
19 TAKEN SUPERANNUATION RETIREMENT, HAS RETIRED WITH THIRTY OR MORE  
20 YEARS OF CREDITED SERVICE, OR HAS TAKEN DISABILITY RETIREMENT.

21 (5) QUALIFYING ANNUITANTS WHO RETIRED FROM THE SCHOOL ENTITY  
22 PRIOR TO JULY 1, 1989, OR SUBSEQUENT TO THAT DATE SHALL BE  
23 ELIGIBLE FOR CONTINUING COVERAGE UNDER THE SCHOOL UNIT'S GROUP  
24 HEALTH PLAN. NO QUALIFYING ANNUITANT, HOWEVER, MAY PURCHASE SUCH  
25 COVERAGE UNTIL JULY 1, 1989. ANNUITANTS SHALL BE REQUIRED TO  
26 COMPLY WITH THE FOLLOWING CONDITIONS IN ORDER TO PURCHASE  
27 CONTINUING COVERAGE AS PROVIDED IN THIS SECTION:

28 (1) ANNUITANTS WHO RETIRED PRIOR TO JULY 1, 1989, SHALL,  
29 WITHIN SIXTY DAYS OF THE EFFECTIVE DATE OF THIS ACT, BE NOTIFIED  
30 BY THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM OF THEIR

1 ENTITLEMENT TO PURCHASE CONTINUING MEDICAL COVERAGE AS PROVIDED  
2 HEREIN. WITHIN FORTY-FIVE DAYS FROM THE DATE OF SUCH NOTICE,  
3 ANNUITANTS WHO ELECT TO PURCHASE CONTINUING COVERAGE SHALL  
4 PROVIDE WRITTEN NOTIFICATION TO THE SCHOOL UNIT FROM WHICH THEY  
5 RETIRED OF THEIR DECISION TO ENROLL IN ITS HEALTH PLAN.

6 (II) ANNUITANTS WHO RETIRE AFTER JULY 1, 1989, SHALL, WITHIN  
7 SIXTY DAYS OF THEIR RETIREMENT, BE NOTIFIED BY THE SCHOOL UNIT  
8 TO WHICH THEY BELONGED AT THE TIME OF RETIREMENT OF THEIR  
9 ENTITLEMENT TO PURCHASE CONTINUING MEDICAL COVERAGE AS PROVIDED  
10 HEREIN. WITHIN FORTY-FIVE DAYS FROM THE DATE OF SUCH NOTICE,  
11 ANNUITANTS WHO ELECT TO PURCHASE CONTINUING COVERAGE SHALL  
12 PROVIDE WRITTEN NOTIFICATION TO THE SCHOOL UNIT OF THEIR  
13 DECISION TO ENROLL IN THE HEALTH PLAN TO WHICH THEY BELONGED AT  
14 THE TIME OF RETIREMENT.

15 (III) THE SCHOOL UNIT SHALL BE RESPONSIBLE FOR PROVIDING  
16 ANNUITANTS WITH WRITTEN NOTIFICATION OF DEADLINES FOR PAYMENT OF  
17 PREMIUMS. FAILURE TO PAY PRESCRIBED PREMIUMS AND FEES, AS  
18 PROVIDED IN THIS SECTION, IN NOT LESS THAN SIXTY DAYS FROM THE  
19 DATE OF NOTICE, SHALL AUTOMATICALLY TERMINATE ELIGIBILITY OF AN  
20 ANNUITANT TO PARTICIPATE IN THE HEALTH CARE PLAN: PROVIDED,  
21 HOWEVER, THAT NOTHING IN THIS SUBSECTION SHALL PROHIBIT THE  
22 REINSTATEMENT OF PERSONS INTO THE HEALTH PLAN IN ACCORDANCE WITH  
23 PROCEDURES ESTABLISHED BY THE SCHOOL UNIT, CONSISTENT WITH  
24 POLICIES OF THE PROVIDER OF THE HEALTH PLAN.

25 (6) SCHOOL DISTRICTS, INTERMEDIATE UNITS AND AREA  
26 VOCATIONAL-TECHNICAL SCHOOLS SHALL REPORT ANNUALLY TO THE  
27 DEPARTMENT OF EDUCATION THE INCREASED COSTS RESULTING  
28 EXCLUSIVELY FROM THE INCLUSION OF QUALIFIED ANNUITANTS AND THEIR  
29 DEPENDENTS IN THE ENTITY'S GROUP HEALTH PLAN, FOR THE PURPOSE OF  
30 EVALUATING THE FEASIBILITY OF FUTURE COMMONWEALTH FUNDING.

1       \* \* \*

2       Section ± 2. Section 677.1 of the act, ~~of March 10, 1949~~ <—  
3     ~~(P.L.30, No.14), known as the Public School Code of 1949,~~  
4     amended July 22, 1970 (P.L.555, No.191), is amended to read:

5       Section 677.1. Additions and Revisions to Duplicates.--

6     Whenever in second, third and fourth class school districts  
7     there is any construction of a building or buildings not  
8     otherwise exempt as a dwelling[, after September first of any  
9     year] and such building is not included in the tax duplicate of  
10    the school district, the authority responsible for assessments  
11    in the city, borough, township or county shall, upon the request  
12    of the board of school directors, direct the assessor in the  
13    district to inspect and [reassess] assess, subject to the right  
14    of appeal and adjustment provided by the act of Assembly under  
15    which assessments are made, all taxable property in the district  
16    to which major improvements have been made [after September  
17    first,] and to give notice of such [reassessments] change in the  
18    assessed valuation within ten days to the authority responsible  
19    for assessments, the school district and the property owner.

20    Such property shall then be added to the duplicate, and shall be  
21    taxable for school purposes at the [reassessed] assessed  
22    valuation for that proportionate part of the fiscal year of the  
23    school district remaining after the property was improved. Any  
24    improvement made during the month shall be computed as having  
25    been made on the first of the next succeeding month. A certified  
26    copy of the additions or revisions to the duplicate shall be  
27    furnished monthly by the board of school directors to the tax  
28    collector for the district, and within ten days thereafter the  
29    tax collector shall notify the owner of the property of the  
30    taxes due the school district.

~~Section 2. This act shall take effect in 60 days.~~

SECTION 3. SECTION 922.1-A(G) OF THE ACT, ADDED AUGUST 1, 1975 (P.L.180, NO.89), IS AMENDED AND THE SECTION IS AMENDED BY ADDING A SUBSECTION TO READ:

SECTION 922.1-A. AUXILIARY SERVICES.--\* \* \*

(G) PRELIMINARY BUDGET. ANNUALLY, EACH INTERMEDIATE UNIT SHALL SUBMIT TO THE SECRETARY A PRELIMINARY BUDGET ON OR BEFORE [JANUARY 31] MAY 1 AND A FINAL BUDGET ON OR BEFORE JUNE 15, FOR THE SUCCEEDING YEAR; AND SHALL FILE A FINAL FINANCIAL REPORT ON OR BEFORE OCTOBER 31 FOR THE PRECEDING YEAR.

(H) RETURNED FUNDS.--MONEYS RETURNED TO THE DEPARTMENT OF EDUCATION BY OCTOBER 31 ON ACCOUNT OF THIS SECTION SHALL BE MADE AVAILABLE TO INTERMEDIATE UNITS ON A NEED BASIS. INTERMEDIATE UNITS SHALL SUBMIT, IN WRITING, TO THE DEPARTMENT OF EDUCATION PROPOSALS REQUESTING FUNDS FOR THE PURCHASE OF EQUIPMENT WHICH WILL BE UTILIZED IN THE PROVISION OF SERVICES REQUIRED BY THIS SECTION. THE DEPARTMENT OF EDUCATION SHALL EVALUATE THE PROPOSALS BASED ON NEED AND AWARD THE PROPOSALS BY JANUARY 1 OF THE SUCCEEDING YEAR. THE NUMBER OF PROPOSALS AWARDED SHALL BE LIMITED TO THE AMOUNT OF FUNDS RETURNED.

SECTION 4. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

SECTION 1089. BUSINESS ADMINISTRATOR.--(A) A GOVERNING BOARD OF A SCHOOL ENTITY MAY EMPLOY OR CONTINUE TO EMPLOY A PERSON SERVING IN THE FUNCTION OF BUSINESS ADMINISTRATOR OF THE SCHOOL ENTITY WHO SHALL PERFORM SUCH DUTIES AS THE GOVERNING BOARD MAY DETERMINE, INCLUDING, BUT NOT LIMITED TO, THE BUSINESS RESPONSIBILITIES SPECIFIED IN SECTION 433 OF THIS ACT.

(B) THE GOVERNING BOARD MAY ENTER INTO A WRITTEN EMPLOYMENT AGREEMENT WITH A PERSON HIRED AFTER THE EFFECTIVE DATE OF THIS SECTION TO SERVE AS A BUSINESS ADMINISTRATOR OR INTO AN AMENDED

1 OR RENEWED AGREEMENT WITH A PERSON SERVING IN THAT FUNCTION AS  
2 OF SUCH EFFECTIVE DATE. THE AGREEMENT MAY DEFINE THE PERIOD OF  
3 EMPLOYMENT, SALARY, BENEFITS, OTHER RELATED MATTERS OF  
4 EMPLOYMENT AND PROVISIONS OF RENEWAL AND TERMINATION OF THE  
5 AGREEMENT.

6 (C) UNLESS OTHERWISE SPECIFIED IN AN EMPLOYMENT AGREEMENT,  
7 THE GOVERNING BOARD SHALL, AFTER DUE NOTICE, GIVING THE REASONS  
8 THEREFOR, AND AFTER HEARING IF DEMANDED, HAVE THE RIGHT AT ANY  
9 TIME TO REMOVE A BUSINESS ADMINISTRATOR FOR INCOMPETENCY,  
10 INTEMPERANCE, NEGLECT OF DUTY, VIOLATION OF ANY OF THE SCHOOL  
11 LAWS OF THIS COMMONWEALTH OR OTHER IMPROPER CONDUCT.

12 (D) A PERSON SERVING AS BUSINESS ADMINISTRATOR SHALL NOT BE  
13 A MEMBER OF THE GOVERNING BOARD OF THE SCHOOL ENTITY.

14 (E) A PERSON SERVING AS BUSINESS ADMINISTRATOR MAY SERVE AS  
15 SECRETARY OR TREASURER OF THE GOVERNING BOARD.

16 (F) FOR PURPOSES OF THIS SECTION, THE TERM "SCHOOL ENTITY"  
17 SHALL MEAN A SCHOOL DISTRICT, INTERMEDIATE UNIT OR AN AREA  
18 VOCATIONAL-TECHNICAL SCHOOL. THE TERM "GOVERNING BOARD" SHALL  
19 MEAN THE BOARD OF DIRECTORS OR JOINT BOARD OF SUCH ENTITY.

20 SECTION 5. SECTION 1 (SECTION 513(B.1)), SECTION 3 (SECTION  
21 922.1-A(G)) AND SECTION 4 (SECTION 1089) SHALL BE RETROACTIVE TO  
22 JULY 1, 1989.

23 SECTION 6. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

24 (1) SECTION 1 (SECTION 513(B.1)), SECTION 3 (SECTION  
25 922.1-A(G)) AND SECTION 4 (SECTION 1089) SHALL TAKE EFFECT  
26 IMMEDIATELY.

27 (2) SECTION 2 (SECTION 677.1) SHALL TAKE EFFECT IN 60  
28 DAYS.