

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 940 Session of 2005

INTRODUCED BY HANNA, CALTAGIRONE, CRAHALLA, DALEY, DeLUCA,  
KOTIK, R. MILLER, MUNDY, O'NEILL, PRESTON, ROEBUCK, SHANER,  
WASHINGTON AND TIGUE, MARCH 14, 2005

REFERRED TO COMMITTEE ON EDUCATION, MARCH 14, 2005

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," requiring charter schools to be  
6 subject to the limitations on certain unreserved fund  
7 balances.

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

10 Section 1. Section 688 of the act of March 10, 1949 (P.L.30,  
11 No.14), known as the Public School Code of 1949, added December  
12 23, 2003 (P.L.304, No.48), is amended to read:

13 Section 688. Limitations on Certain Unreserved Fund  
14 Balances.--(a) For the 2005-2006 school year and each school  
15 year thereafter, no school district shall approve an increase in  
16 real property taxes unless it has adopted a budget that includes  
17 an estimated ending unreserved, undesignated fund balance less  
18 than the percentages set forth as follows:

19 School District	Estimated Ending Unreserved, Undesignated
20 Total Budgeted	Fund Balance as Percentage of

1	Expenditures	Total Budgeted Expenditures
2	Less Than or Equal to \$11,999,999	12%
3	Between \$12,000,000 and \$12,999,999	11.5%
4	Between \$13,000,000 and \$13,999,999	11%
5	Between \$14,000,000 and \$14,999,999	10.5%
6	Between \$15,000,000 and \$15,999,999	10%
7	Between \$16,000,000 and \$16,999,999	9.5%
8	Between \$17,000,000 and \$17,999,999	9%
9	Between \$18,000,000 and \$18,999,999	8.5%
10	Greater Than or Equal to \$19,000,000	8%

11       (b) By August 15, 2005, and August 15 of each year  
12 thereafter, each school district that approves an increase in  
13 real property taxes shall provide the Department of Education  
14 with information certifying compliance with this section. Such  
15 information shall be provided in a form and manner prescribed by  
16 the Department of Education and shall include information on the  
17 school district's estimated ending unreserved, undesignated fund  
18 balance expressed as a dollar amount and as a percentage of the  
19 school district's total budgeted expenditures for that school  
20 year.

21       (b.1) The limitations on unreserved fund balances as  
22 provided for in this section shall apply to charter schools as  
23 defined in section 1703-A.

24       (c) As used in this section, "estimated ending unreserved,  
25 undesignated fund balance" shall mean that portion of the fund  
26 balance which is appropriable for expenditure or not legally or  
27 otherwise segregated for a specific or tentative future use,  
28 projected for the close of the school year for which a school  
29 district's budget was adopted and held in the General Fund  
30 accounts of the school district.

1       Section 2.   This act shall take effect immediately.