

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

# HOUSE BILL

## No. 139

Session of  
2011

INTRODUCED BY GODSHALL, BOYD, CLYMER, CREIGHTON, DALEY, DeLUCA,  
GROVE, HARPER, HENNESSEY, MARSHALL, MILLER, READSHAW,  
REICHLEY, SWANGER AND DENLINGER, JANUARY 20, 2011

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES,  
JUNE 7, 2011

## 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 DISTRESS IN  
6 SCHOOL DISTRICTS OF THE FIRST CLASS; providing for State  
7 reimbursement for mobile classroom facilities; and making  
8 editorial changes. ←

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

11 ~~Section 1. Section 2574(a) of the act of March 10, 1949~~ ←  
12 ~~(P.L.30, No.14), known as the Public School Code of 1949,~~  
13 ~~amended September 29, 1959 (P.L.992, No.407), is amended to~~  
14 ~~read:~~

15 SECTION 1. SECTION 696(H) AND (I) (3) OF THE ACT OF MARCH 10, ←  
16 1949 (P.L.30, NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949,  
17 AMENDED OCTOBER 30, 2001 (P.L.828, NO.83) AND JUNE 29, 2002  
18 (P.L.524, NO.88), ARE AMENDED TO READ:

19 SECTION 696. DISTRESS IN SCHOOL DISTRICTS OF THE FIRST  
20 CLASS.--\* \* \*

(H) THE SCHOOL REFORM COMMISSION SHALL BE RESPONSIBLE FOR FINANCIAL MATTERS RELATED TO THE DISTRESSED SCHOOL DISTRICT OF THE FIRST CLASS AND:

(1) ALL TAXES AUTHORIZED TO BE LEVIED BY A SCHOOL DISTRICT OF THE FIRST CLASS OR FOR A SCHOOL DISTRICT OF THE FIRST CLASS BY A CITY OR COUNTY OF THE FIRST CLASS ON THE DATE OF THE DECLARATION OF DISTRESS SHALL CONTINUE TO BE AUTHORIZED AND LEVIED IN ACCORDANCE WITH THIS ACT AND SHALL BE TRANSMITTED TO THE SCHOOL DISTRICT. FOR THE FIRST FISCAL YEAR OR PART THEREOF AND EVERY FISCAL YEAR [THEREAFTER] UP TO AND INCLUDING FISCAL YEAR 2010-2011 IN WHICH THE SCHOOL DISTRICT IS DECLARED TO BE DISTRESSED, THE AMOUNT APPROPRIATED OR PAID BY THE CITY OR COUNTY TO THE SCHOOL DISTRICT AND THE TAX AUTHORIZED BY THE CITY OR COUNTY TO BE LEVIED FOR THE SCHOOL DISTRICT OR DEDICATED TO THE SCHOOL DISTRICT SHALL BE AN AMOUNT OR TAX NOT LESS THAN THE HIGHEST AMOUNT PAID BY THE CITY OR COUNTY TO THE SCHOOL DISTRICT OR AUTHORIZED BY THE CITY OR COUNTY TO BE LEVIED FOR THE SCHOOL DISTRICT OR DEDICATED TO THE SCHOOL DISTRICT DURING ANY OF THE THREE FULL PRECEDING FISCAL YEARS. IN ADDITION, THE CITY OF THE FIRST CLASS SHALL PROVIDE TO THE SCHOOL DISTRICT OF THE FIRST CLASS ALL OTHER AVAILABLE LOCAL NON-TAX REVENUE, INCLUDING GRANTS, SUBSIDIES OR PAYMENTS MADE DURING THE PRIOR YEAR.

(2) IN ADDITION TO THE MONEYS COLLECTED UNDER PARAGRAPH (1), THE CITY OF THE FIRST CLASS SHALL REMIT TO THE SCHOOL DISTRICT OF THE FIRST CLASS FOR EACH YEAR THAT THE SCHOOL DISTRICT IS DECLARED DISTRESSED THAT PORTION OF ALL OTHER LOCAL TAX REVENUE LEVIED FOR A FULL FISCAL YEAR BY A CITY OR COUNTY OF THE FIRST CLASS COTERMINOUS WITH A SCHOOL DISTRICT OF THE FIRST CLASS THAT WAS ALLOCATED TO THE SCHOOL DISTRICT PRIOR TO THE SCHOOL DISTRICT BEING DECLARED DISTRESSED IN ACCORDANCE WITH SECTION

1 691 (C) .

2 (3) ALL TAXES COLLECTED ON BEHALF OF A SCHOOL DISTRICT OF  
3 THE FIRST CLASS BY ANY PERSON OR ENTITY, INCLUDING A CITY OR  
4 COUNTY OF THE FIRST CLASS, SHALL BE PROMPTLY PAID FOLLOWING  
5 COLLECTION TO THE SCHOOL REFORM COMMISSION FOR THE BENEFIT OF  
6 THE SCHOOL DISTRICT.

7 (4) IN THE EVENT THE CITY OR COUNTY OF THE FIRST CLASS DOES  
8 NOT MEET THE FINANCIAL OBLIGATIONS PRESCRIBED IN THIS  
9 SUBSECTION, THE COMMONWEALTH MAY APPLY TO THAT OBLIGATION ANY  
10 AMOUNTS OTHERWISE DUE FROM THE COMMONWEALTH TO THE CITY OR  
11 COUNTY OF THE FIRST CLASS, INCLUDING, BUT NOT LIMITED TO,  
12 GRANTS, AWARDS AND MONEYS COLLECTED BY THE COMMONWEALTH ON  
13 BEHALF OF THE CITY OR COUNTY OF THE FIRST CLASS. FUNDS WITHHELD  
14 SHALL BE MAINTAINED IN A SEPARATE ACCOUNT BY THE STATE TREASURER  
15 TO BE DISBURSED AS DETERMINED BY THE SECRETARY OF EDUCATION IN  
16 CONSULTATION WITH THE STATE TREASURER.

17 (5) THE SCHOOL REFORM COMMISSION SHALL ADOPT A BUDGET.

18 (I) IN ADDITION TO ALL POWERS GRANTED TO THE SUPERINTENDENT  
19 BY LAW AND A SPECIAL BOARD OF CONTROL UNDER SECTION 693 AND  
20 NOTWITHSTANDING ANY OTHER LAW TO THE CONTRARY, THE SCHOOL REFORM  
21 COMMISSION SHALL HAVE THE FOLLOWING POWERS:

22 \* \* \*

23 (3) TO SUSPEND THE REQUIREMENTS OF THIS ACT AND REGULATIONS  
24 OF THE STATE BOARD OF EDUCATION EXCEPT THAT THE SCHOOL DISTRICT  
25 SHALL REMAIN SUBJECT TO THOSE PROVISIONS OF THIS ACT SET FORTH  
26 IN SUBSECTION (H) (1) AND SECTION 1732-A(A), (B) AND (C) AND  
27 SECTION 1714-B AND REGULATIONS UNDER THOSE [SECTIONS]  
28 PROVISIONS.

29 \* \* \*

30 SECTION 2. SECTION 2574(A) OF THE ACT, AMENDED SEPTEMBER 29,

1 1959 (P.L.992, NO.407), IS AMENDED TO READ:

2 Section 2574. Approved Reimbursable Rental for Leases  
3 Hereafter Approved and Approved Reimbursable Sinking Fund  
4 Charges on Indebtedness.--(a) For school building projects for  
5 which the general construction contract is awarded subsequent to  
6 March 22, 1956, and for approved school building projects for  
7 which the general construction contract was awarded but for  
8 which a lease was not approved by the Department of [Public  
9 Instruction] Education prior to March 22, 1956, the Department  
10 of [Public Instruction] Education shall calculate an approved  
11 reimbursable rental or approved reimbursable sinking fund  
12 charges. Reimbursable sinking fund charges may include charges  
13 for temporary indebtedness within constitutional limitations, if  
14 the indebtedness is incurred for approved permanent improvements  
15 to the school plant including the cost of acquiring a suitable  
16 site for a school building, the cost of constructing a new  
17 school building, or the cost of providing needed additions or  
18 alterations to existing buildings for which no bond issue is  
19 provided and for which an approved obligation or obligations  
20 other than bonds have been issued and the obligation or  
21 obligations are payable within five (5) years from the date of  
22 issue of the obligation in equal annual installments. Nothing in  
23 this section or in the Department of Education guidelines shall  
24 prohibit a school district from receiving reimbursement for  
25 approved building improvements, including the cost of acquiring  
26 a suitable site for a school building, the cost of constructing  
27 a new school building or the cost of providing needed additions  
28 or alterations to existing buildings, if a school district  
29 elects not to remove any relocatable or modular classroom  
30 utilized after the completion of a building project. The term

1 "relocatable or modular classroom" shall mean a classroom not of  
2 a permanent nature which meets the criteria and specifications  
3 of the Department of Education.

4 Approved reimbursable rental or sinking fund charge shall  
5 consist of that part of the annual rental or sinking fund charge  
6 attributable to--

7 (1) The cost of acquiring the land upon which the school  
8 buildings are situate, the cost of necessary rough grading to  
9 permit proper placement of the building upon said land and the  
10 cost of sewage treatment plants, as required by the Department  
11 of Health, to the extent that such costs are deemed reasonable  
12 by the Department of [Public Instruction] Education and the  
13 interest on such costs of acquisition, grading and sewage  
14 treatment plants earned subsequent to date the construction  
15 contract is awarded, and

16 (2) The approved building construction cost and the interest  
17 on such construction cost.

18 \* \* \*

19 Section 2 3. This act shall take effect in 60 days.

