

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2910 Session of  
1994

INTRODUCED BY VEON, TRICH, RAYMOND, PRESTON, GIGLIOTTI,  
LaGROTTA, ROEBUCK, ROONEY, WOZNIAK, BURNS, MELIO, LAUGHLIN,  
MICOZZIE AND YOUNGBLOOD, JUNE 14, 1994

REFERRED TO COMMITTEE ON EDUCATION, JUNE 14, 1994

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," providing for mergers of school  
6 districts and for payments and subsidies.

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

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

12 Section 261.1. Mandated Mergers of School Districts.--(a)  
13 The State Board of Education shall, in accordance with  
14 provisions of this section, have the power to order the merger  
15 of any two or more school districts having a common boundary or  
16 boundaries as it deems wise and in the best interest of the  
17 educational system of the Commonwealth.

18 (b) The State Board of Education, within six months of the  
19 effective date of this act, shall adopt standards for

1 implementation of this section. The standards shall identify  
2 criteria for mergers of school districts. Upon completion, the  
3 standards shall be published in the Pennsylvania Bulletin. When  
4 adopting the standards, the State Board of Education shall  
5 consider the following factors: declining population trends in  
6 the school districts, average daily student membership of the  
7 school districts, population density of the school districts,  
8 the financial condition of the school districts, transportation  
9 time for students and any other factors the State Board of  
10 Education deems necessary and appropriate.

11 (c) No later than January 31, 1996, and every thirty-first  
12 day of January thereafter, the State Board of Education shall  
13 submit a written list of school districts to be merged to the  
14 General Assembly and to the superintendent and the president of  
15 the school board of school directors of the school districts  
16 included on the list. Each merger proposal included on the list  
17 shall name the school districts to be merged and identify the  
18 criteria used to determine the merger: Provided, however, That  
19 only criteria for mergers promulgated by the State Board of  
20 Education under this subsection shall be considered in the  
21 determination.

22 (d) Upon receiving the list from the State Board of  
23 Education, the General Assembly may, by concurrent resolution,  
24 nullify any school merger or mergers of school districts  
25 proposed therein. Immediately upon the concurrent resolution by  
26 the General Assembly, the State Board of Education shall cause  
27 the nullified merger or mergers to be removed from the list. The  
28 removal shall ensure that any proposed merger nullified by the  
29 General Assembly is not considered by the State Board of  
30 Education.

1     (e) Any two or more school districts designated for merger  
2     on the State Board of Education's list pursuant to subsection  
3     (c) of this section may merge voluntarily in accordance with  
4     section 224 of this act: Provided, That the State Board of  
5     Education has not already notified the school districts and  
6     initiated the merger process under subsection (g) of this  
7     section:--

8     (1) The State Board of Education shall, upon the filing of  
9     an application for approval of voluntary merger by the school  
10    districts in accordance with section 224 of this act, cause the  
11    school districts to be removed from the list. If the application  
12    is not approved by the State Board of Education, the school  
13    districts shall remain on the merger list;

14    (2) Any school districts which have merged voluntarily to  
15    create a new school district under the conditions of this  
16    subsection shall be eligible for the subsidy incentive offered  
17    to certain merged school districts pursuant to section 2597 of  
18    this act.

19    (f) The Department of Education shall cooperate with the  
20    State Board of Education by offering statistical, financial and  
21    any other information pertaining to school districts the State  
22    Board of Education deems useful during the development of the  
23    standards and of the annual list required under this section.

24    (g) Exactly one year following the submission of the list  
25    for proposed school district mergers under subsection (c) of  
26    this section, the State Board of Education may initiate the  
27    merger process for districts designated on the list. The merger  
28    process shall be administered by the State Board of Education in  
29    the following manner: at least six months prior to any order for  
30    the merger of school districts by the State Board of Education,

the State Board of Education shall notify the superintendents and presidents of the school boards of the affected districts. The notification shall be in written form and shall enumerate the specific reason or reasons for merger:--

(1) In addition to the required notification, the State Board of Education shall hold at least one hearing prior to the merger of any school districts at which an opportunity to be heard shall be afforded to all affected parties in accordance with 2 Pa.C.S. (relating to administrative law and procedure);

(2) The State Board of Education, after proper hearing and after reviewing all evidence presented in conformity with its established criteria, may order the merger of the affected districts if it deems the action wise and in the best interest of the educational system of the Commonwealth;

(3) The decision of the State Board of Education shall be final unless, within thirty (30) days of the decision of the State Board of Education, an appeal shall have been taken in accordance with 2 Pa.C.S. or if the General Assembly shall adopt a concurrent resolution with thirty (30) days of the decision of the State Board of Education disapproving the merger or mergers ordered by the State Board of Education. The concurrent resolution by the General Assembly shall negate any merger or mergers of school districts ordered by the State Board of Education.

(h) In the event of a merger pursuant to this section, all employees of the two or more former districts shall become employees of the merged school district: Provided, however, That the employees shall serve under the terms and conditions of the collective bargaining agreement applicable to the positions they are filling, negotiated by the former district with the lowest

1 aid ratio. Where not covered by a collective bargaining  
2 agreement, the collective bargaining agreement of the other  
3 district shall apply. In cases of more than two merging  
4 districts, the collective bargaining agreement of the district  
5 with the lowest aid ratio shall apply. The collective bargaining  
6 agreement shall be binding upon the merged school district and  
7 shall remain in force until its expiration date, or if it has  
8 already expired and has been extended by agreement of the former  
9 district, until the deadline for extension is reached: Provided,  
10 That nothing in this section shall preclude the merged school  
11 district from agreeing to further extensions of the expired  
12 collective bargaining agreement until such time as the merged  
13 school district negotiates and ratifies a new collective  
14 bargaining agreement.

15 (i) In the event of a merger pursuant to this section, all  
16 employees shall retain the seniority rights they had prior to the  
17 merger. Employees of the merged school district shall be credited  
18 with their sick leave and also for their years of service in  
19 their former school districts, the latter for purposes of  
20 sabbatical leave eligibility and placement on the salary  
21 schedule.

22 (j) In the event of a merger pursuant to this section, no  
23 professional employee shall be suspended from a merged school  
24 district during the duration of the collective bargaining  
25 agreement in force pursuant to subsection (h) of this section,  
26 if the result of the suspension would be to increase class size  
27 in any class or course in the former districts in the year  
28 immediately preceding the effective date of the merger.

29 (k) If the provisions of this section conflict with any  
30 other statute, ordinance, regulation or rule, the provisions of

1 this section shall control.

2 (1) The new school district shall become operative on the  
3 first day of July next following the order of the State Board of  
4 Education.

5 Section 2. Section 2517(d) of the act, amended June 7, 1993  
6 (P.L.49, No.16), is amended to read:

7 Section 2517. Payments.--\* \* \*

8 (d) Subsection (c) of this section shall apply to:

9 (1) All payments to which a school district is entitled  
10 under any provision of sections 2502, 2502.3, 2502.4, 2502.8,  
11 2502.9 and 2592 for the school year 1981-1982.

12 (2) Payments to which a school district is entitled under  
13 any provision of sections 2502, 2502.8 and 2502.11 for the  
14 school year 1982-1983 and the school year 1983-1984.

15 (3) Payments to which a school district is entitled under  
16 any provision of sections 2502, 2502.8, 2502.11, 2502.13 and  
17 2502.20 for the school [year 1984-1985 and each school year  
18 thereafter.] years 1984-1985, 1985-1986, 1986-1987, 1987-1988,  
19 1988-1989, 1989-1990, 1991-1992, 1992-1993 and 1993-1994.

20 (4) Payments to which a school district is entitled under  
21 any provision of sections 2502, 2502.8, 2502.11, 2502.13,  
22 2502.20 and 2597 for the school year 1994-1995 and each school  
23 year thereafter.

24 Section 3. The act is amended by adding a section to read:

25 Section 2597. Subsidy Incentives Payable to Certain Merged  
26 School Districts.--(a) The provisions of this section shall be  
27 applicable to any school district created by the voluntary  
28 merger of two or more former school districts created on or  
29 after July 1, 1995, in accordance with the provisions of section  
30 224 of this act: Provided, however, That at least one of the

former school districts had fewer than one thousand five hundred (1,500) students in average daily membership of its existence and was less than twenty-five (25) square miles in size or the former school districts which merged voluntarily to create a new school district in accordance with the provisions of this act.

(b) The subsidy incentive provided for in this section shall be paid to all qualified school districts in addition to any other subsidies to which the districts shall be entitled:

Provided, however, That the subsidy incentive shall not be considered to be part of any school district's equalized subsidy for basic education and shall not be considered in the computation of any school district's subsidy entitlements in future years.

(c) A subsidy incentive shall be computed as follows:

(1) During the first four years of existence of a qualifying district, the Department of Education shall compute and pay the district the equalized subsidy for basic education to which it is entitled, according to the provisions of sections 2501, 2502, 2502.5 and 2502.11, in addition to which the department shall compute and pay the subsidy incentive provided for in clause (2) during the first such year, in clause (3) during the second such year, in clause (4) during the third such year and in clause (5) during the fourth such year.

(2) During the first year of existence of a qualified district, the department shall pay a subsidy incentive that is twenty percent (20%) of the equalized subsidy for basic education amount provided for in clause (1).

(3) During the second year of existence of a qualified district, the department shall pay a subsidy enhancement that is fifteen percent (15%) of the equalized subsidy for basic

1 education amount provided for in clause (1).

2 (4) During the third year of existence of a qualified  
3 district, the department shall pay a subsidy incentive that is  
4 ten percent (10%) of the equalized subsidy for basic education  
5 amount provided for in clause (1).

6 (5) During the fourth year of existence of a qualified  
7 district, the department shall pay a subsidy incentive that is  
8 five percent (5%) of the equalized subsidy for basic education  
9 amount provided for in clause (1).

10 (6) During the fifth year of existence of a qualified  
11 district, the department shall compute and pay the district only  
12 the amount of equalized subsidy for basic education to which it  
13 is entitled, in accordance with the provisions cited in clause  
14 (1).

15 (d) Annually, the Secretary of Education in the secretary's  
16 initial budget request shall report to the Governor on voluntary  
17 mergers anticipated the following year which would qualify  
18 districts for the subsidy incentive provided for in this  
19 section, along with an estimate of the appropriation needed to  
20 meet the requirements of this section. Annually, the Governor  
21 shall include the information in the Governor's budget message  
22 to the General Assembly.

23 (e) Any funds appropriated by the General Assembly for the  
24 purposes of this section which, at the end of any year, remain  
25 unexpended shall be lapsed in accordance with the provisions of  
26 section 621 of the act of April 9, 1929 (P.L.177, No.175), known  
27 as "The Administrative Code of 1929."

28 (f) In the event of a merger pursuant to this section, all  
29 employees of the two or more former districts shall become  
30 employees of the merged school district: Provided, however, That



1 the employees shall serve under the terms and conditions of the  
2 collective bargaining agreement applicable to the positions they  
3 are filling, negotiated by the former district with the lowest  
4 aid ratio. Where not covered by a collective bargaining  
5 agreement, the collective bargaining agreement of the other  
6 district shall apply. In cases of more than two merging  
7 districts, the collective bargaining agreement of the district  
8 with the lowest aid ratio shall apply. The collective bargaining  
9 agreement shall be binding upon the merged school district and  
10 shall remain in force until its expiration date, or if it has  
11 already expired and has been extended by agreement of the former  
12 district, until the deadline for extension is reached: Provided,  
13 That nothing in this section shall preclude the merged school  
14 district from agreeing to further extensions of the expired  
15 collective bargaining agreement until such time as the merged  
16 school district negotiates and ratifies a new collective  
17 bargaining agreement.

18 (g) In the event of a merger pursuant to this section, all  
19 employees shall retain the seniority rights they had prior to the  
20 merger. Employees of the merged school district shall be credited  
21 with their sick leave and also for their years of service in  
22 their former school districts, the latter for purposes of  
23 sabbatical leave eligibility and placement on the salary  
24 schedule.

25 (h) In the event of a merger pursuant to this section, no  
26 professional employee shall be suspended from a merged school  
27 district during the duration of the collective bargaining  
28 agreement in force pursuant to subsection (f) of this section,  
29 if the result of the suspension would be to increase class size  
30 in any class or course in the former districts in the year

1 immediately preceding the effective date of the merger.

2 (i) If the provisions of this section conflict with any  
3 other statute, ordinance, regulation or rule, the provisions of  
4 this section shall control.

5 Section 4. This act shall take effect immediately.