

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 1155 Session of
1981

INTRODUCED BY ROCKS, SALVATORE, WESTON, PERZEL AND WOGAN,
APRIL 7, 1981

REFERRED TO COMMITTEE ON URBAN AFFAIRS, APRIL 7, 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," transferring the finance, budget,
6 taxation and fiscal policy decisions and functions related
7 thereto of school districts of the first class to other
8 municipal officials, providing for certain preaudit
9 functions, recommending that the superintendent of a school
10 district of the first class be a member of the mayor's
11 cabinet, and making repeals.

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

14 Section 1. The definition of "Board of school directors" in
15 section 102, act of March 10, 1949 (P.L.30, No.14), known as the
16 "Public School Code of 1949," amended January 14, 1970 (1969,
17 P.L.468, No.192), is amended to read:

18 Section 102. Definitions.--When used in this act the
19 following words and phrases shall have the following meanings:

20 (1) "Board of school directors" shall include the board of
21 [public] education in school districts of the first class,
22 except where specifically limited to school districts of other

1 classes.

2 * * *

3 Section 2. Section 201 of the act, amended October 21, 1965
4 (P.L.601, No.312), is amended to read:

5 Section 201. How Constituted.--All school districts shall
6 remain as now constituted until changed as authorized by this
7 act. Except as otherwise now or hereafter constituted, each
8 city, incorporated town, borough, or township in this
9 Commonwealth, now existing or hereafter created, shall
10 constitute a separate school district, to be designated and
11 known as the "School District of :"
12 Provided, That notwithstanding any other provision of this act,
13 a school district of the first class shall be coterminous with
14 the municipality from which it was formed: And, provided
15 further, That where any city, incorporated town, borough, or
16 township, or a part of the school district remaining after its
17 separation would constitute a third or fourth class school
18 district, it shall remain a part of the school district to which
19 it formerly belonged until the change to a new school district
20 is approved by the Council of Basic Education, as hereinafter
21 provided.

22 Section 3. Section 229 of the act, amended May 13, 1949
23 (P.L.1332, No.397), is amended to read:

24 Section 229. Annexation to District of First Class A.--
25 Whenever hereafter the territory comprising a school district of
26 the second, third, or fourth class is annexed to a city
27 comprising a school district of the [first class or of the]
28 first class A, the annexed school district shall immediately
29 become merged in and become a part of said school district of
30 the [first class or of the] first class A.

1 Section 4. Subsection (a) of section 302 of the act, amended
2 June 2, 1965 (P.L.86, No.59), is amended to read:

3 Section 302. Number and Appointment in Districts [First
4 Class and] First Class A; Reorganized District of First Class A
5 Containing Former Districts of Second, Third or Fourth Class:
6 Terms of Office.--(a) In each school district of the [first
7 class or of the] first class A, the board shall be known as the
8 "Board of Public Education," and shall consist of fifteen (15)
9 school directors, whose term of office shall be six (6) years.
10 The terms of five of the members shall expire on the second
11 Monday of November of each odd numbered year, as now provided by
12 law. The judges of the courts of common pleas of the county in
13 which such school district is situated shall, in October of
14 every odd numbered year, appoint five (5) members for terms of
15 six (6) years. Their term of office shall begin on the second
16 Monday of November next following their appointment.

17 * * *

18 Section 5. Section 315 of the act, amended November 28, 1973
19 (P.L.361, No.127), is amended to read:

20 Section 315. Filling of Vacancies.--In case any vacancy
21 shall occur in any board of school directors by reason of death,
22 resignation, removal from the district, or otherwise, such
23 vacancy shall, in a school district of the [first class or of
24 the] first class A, be filled for the unexpired term by the
25 court of common pleas of the county in which such school
26 district is situated from the qualified electors of the
27 district; and in a school district of the second, third, or
28 fourth classes, the remaining members of the board of school
29 directors shall, by a majority vote thereof, fill such vacancy
30 from the qualified electors of the district within thirty (30)

1 days thereafter. In a district of the second, third, or fourth
2 class, the person selected to fill such vacancy shall be a
3 qualified elector of the district and shall hold his office, if
4 the term thereof so long continues, until the first Monday of
5 December after the first municipal election occurring more than
6 sixty (60) days after his appointment. At such election an
7 eligible person shall be elected for the remainder of the
8 unexpired term. If, by reason of a tie vote or otherwise, such
9 vacancy shall not have been filled by the board of school
10 directors within thirty (30) days after such vacancy shall have
11 occurred from the qualified electors of the district, the court
12 of common pleas of the proper county, upon the petition of ten
13 or more resident taxpayers, shall fill such vacancy by the
14 appointment of a suitable person from the qualified electors of
15 the district if the term of the vacant office so long continues,
16 until the first Monday of December after the first municipal
17 election occurring more than sixty (60) days after his
18 appointment. At such election an eligible person shall be
19 elected for the remainder of the unexpired term. When any member
20 of a board of school directors heretofore or hereafter enlists
21 or is inducted into the military or naval forces of the United
22 States in time of war, a temporary vacancy shall be declared,
23 which shall be filled by the remaining members of the board or
24 the court, as the case may be from the qualified electors of the
25 district, until the return of such member of the board from the
26 military or naval service, or until the expiration of the term
27 for which he shall have been elected, whichever shall be the
28 shorter period.

29 Section 6. Subsection (a) of section 401 of the act is
30 repealed.

1 Section 7. Section 402 of the act is amended to read:

2 Section 402. Notice of Organization Meetings; Temporary
3 Officers; etc.--All members of the board of school directors in
4 every school district, other than a school district of the first
5 class, shall be given five days' notice, by mail, by the
6 secretary of the retiring board, of the time and place of
7 meeting for organization, at which time and place, if a majority
8 are present, an organization shall be effected as follows: [In
9 districts of the first class there shall be elected from the
10 hold-over members a temporary president and secretary; and in
11 all other school districts] there shall be elected from the
12 hold-over members a temporary president, and the secretary of
13 the board shall act as secretary of such meeting. The
14 certificates of the election or appointment of all new school
15 directors shall be read, and a list of the legally elected or
16 appointed and qualified school directors prepared. If any of the
17 members have not taken and subscribed to the oath of office
18 required by this act, the same may be administered to them by
19 the temporary president.

20 Section 8. Section 403 of the act, amended June 2, 1965
21 (P.L.86, No.59), is amended to read:

22 Section 403. Districts [First Class and] First Class A
23 Permanent Organization; Election of Officers.--In all school
24 districts of the [first class or] first class A, the school
25 directors shall effect a permanent organization by electing a
26 president and vice-president from their members, and a secretary
27 who is not a member. They shall elect the treasurer of the city
28 constituting all or the greater part of such school district of
29 the [first class or] first class A as the school treasurer for
30 such school district for the ensuing fiscal year.

1 The school treasurer of each school district of the [first
2 class or] first class A may recommend to the board of public
3 education for appointment, a deputy school treasurer. The board
4 of public education shall appoint as deputy school treasurer the
5 candidate recommended by the school treasurer, who, in case of
6 death, resignation, or inability of the school treasurer to act,
7 for any cause whatsoever, shall have the same powers and shall
8 perform the same duties as imposed by law on the school
9 treasurer. In case the school treasurer does not recommend to
10 the board of public education for appointment a deputy school
11 treasurer, the board of public education may elect a deputy
12 school treasurer who shall serve until such time as the school
13 treasurer recommends to the board of public education the
14 appointment of a deputy school treasurer. The salary of the
15 deputy school treasurer shall be fixed by the board of public
16 education. He shall furnish bond in the sum of ten thousand
17 dollars (\$10,000).

18 Section 9. Section 439 of the act is amended to read:

19 Section 439. Receipt and Payment of School Funds.--The
20 treasurer of each school district, other than a school district
21 of the first class, shall receive all State appropriations,
22 district school taxes, and other funds belonging to the school
23 district, and make payments out of the same on proper orders
24 approved by the board of school directors, signed[, except in
25 districts of the first class,] by the president[, and, in any
26 school district of the first class by the secretary]. The
27 treasurer may pay out such funds on orders which have been
28 prepared and [signed by the secretary, and in school districts
29 other than in school districts of the first class,] signed by
30 the president, without the approval of the board first having

1 been secured, for the payment of amounts owing under any
2 contracts which shall previously have been approved by the
3 board, and by the prompt payment of which the district will
4 receive a discount or other advantage. [In all school districts
5 of the first class, all school orders before being paid by the
6 school treasurer shall be approved by the school controller of
7 such district.]

8 Section 10. Section 602 of the act is amended to read:

9 Section 602. Tax Levies.--All taxes required by any school
10 district, other than a school district of the first class, in
11 addition to the State appropriation, shall be levied by the
12 board of school directors therein. In a school district of the
13 first class, all taxes required by the school district shall be
14 levied by the council.

15 Section 11. Section 603 of the act, amended June 2, 1965
16 (P.L.86, No.59) and September 1, 1965 (P.L.433, No.218), is
17 amended to read:

18 Section 603. Only One Annual Tax Levy.--There shall be but
19 one levy of school taxes made in each school district in each
20 year, which shall be assessed, levied, and collected for all the
21 purposes provided in this act, and shall be uniform throughout
22 the territorial limit of each school district, except that those
23 school taxes which school districts are empowered to levy under
24 the authority of the act of June 25, 1947 (P.L.1145), as
25 amended, may be levied at any time during the period authorized
26 for the assessment and levy of any school taxes: Provided, That
27 (1) where two or more school districts have voted to become a
28 union school district in accordance with the provisions of this
29 act and prior to the actual creation of the union school
30 district, the school board members by a majority vote of all the

1 members comprising said school boards shall assess and levy a
2 uniform school tax in all of the districts comprising said union
3 school district for general revenue purposes necessary to
4 operate said union school district commencing the first day of
5 July following the vote establishing said union district, and
6 (2) whenever hereafter a school district of the second, third,
7 or fourth class shall be annexed to and merged in, and become a
8 part of a school district of the [first class or] first class A,
9 be merged into and become a part of a school district of the
10 first class A as a reorganized district under the provisions of
11 Article II, subdivision (i) of this act, the board of public
12 education of said school district of the [first class or] first
13 class A shall have power to levy a special school tax on the
14 territory which comprised said annexed and merged school
15 district or on the territory which comprised the school district
16 merged into and becoming a part of a school district of the
17 first class A as a reorganized district, to provide for the
18 expense and maintenance of the schools thereof from the end of
19 the school year of said annexed and merged or merged by force of
20 reorganization school district to the beginning of the next
21 school year in said school district of the [first class or]
22 first class A, and to provide for and pay the floating
23 indebtedness of said annexed and merged or merged by force of
24 reorganization school district. Said levy shall not exceed one-
25 half of the last previous total annual millage levied by said
26 school district of the [first class or] first class A.

27 Section 12. Section 607 of the act is amended to read:

28 Section 607. Payments; How Made; Limitations.--[All] Except
29 for a school district of the first class, all payments made by
30 the board of school directors of any school district from the

1 school funds shall be made by proper school orders drawn on the
2 treasurer. No school order shall be authorized by the board, or
3 signed by the president or secretary of any board of school
4 directors, unless there are sufficient funds in the treasury of
5 the district to pay the same, and no school order shall be made
6 payable at any time in the future, or draw interest. A separate
7 school order shall be drawn for each account or payment:

8 Provided, That the monthly payroll of teachers, janitors, or
9 other employes may be included on one or more orders, which may
10 be made payable to the order of such person or persons, and
11 distributed in such manner as the board of school directors in
12 any school district may determine.

13 [In all school districts of the first class, each school
14 order shall state on its face the particular item of the annual
15 school estimate upon which it is drawn.]

16 In all school districts of the second, third, and fourth
17 class, each school order shall state on its face the particular
18 class of expenditure of the annual school budget upon which the
19 same is drawn.

20 Section 13. Section 651 of the act, amended December 22,
21 1965 (P.L.1159, No.453), is amended to read:

22 Section 651. Fiscal Year.--In all school districts of the
23 [first class and] first class A, the fiscal year shall begin on
24 the first day of January in each year: Provided, That the Board
25 of Public Education of any district of the [first class or]
26 first class A may, by resolution adopted by two-thirds vote of
27 the members thereof at a meeting of the board after not less
28 than ten days' notice of the fact that such resolution would be
29 presented for action at such meeting, fix the fiscal year of
30 such school district so as to begin on the first day of July in

1 each year instead of on the first day of January as hereinabove
2 provided.

3 Section 14. Section 652 of the act, amended August 5, 1977
4 (P.L.178, No.46), is amended to read:

5 Section 652. Tax Levy; Purposes; Limitations.--In all
6 school districts of the first class the school taxes for the
7 following fiscal year shall be levied annually, by [the board of
8 public education thereof] ordinance of the council of the
9 municipality, on or after the second Monday of November and
10 before the first Monday of December following. In all school
11 districts of the first class A the school taxes for the
12 following fiscal year shall be levied annually by the board of
13 public education on or after the first Monday of December and
14 before the end of the current fiscal year. The council or the
15 board of public education thereof shall annually levy a tax on
16 each dollar of the total assessments of all property assessed
17 and certified for taxation in said district, which tax shall be
18 ascertained, determined, and fixed by adding together the
19 following:

20 (1) An amount which, with all moneys received from the
21 Commonwealth applicable thereto, shall be sufficient to pay the
22 minimum salaries and increments of the teaching and supervisory
23 staff thereof as fixed and provided by law and to pay the
24 contributions of said district to the teachers' retirement
25 system. For the purpose of computing the amount required to pay
26 the minimum salaries and increments fixed by law, but without
27 otherwise limiting the rights of the district to employ teachers
28 or other employes, (i) The number of teachers on the salary
29 schedule of the elementary schools shall not exceed one for
30 every thirty pupils in average daily membership in such schools,

1 (ii) The number of teachers on the salary schedule of the junior
2 high schools shall not exceed one for every twenty-two pupils in
3 average daily membership in such schools, (iii) The number of
4 teachers on the salary schedule of the senior high schools shall
5 not exceed one for every twenty-two pupils in average daily
6 membership in such schools, (iv) The number of teachers with
7 salaries and increments fixed by law, on any salary schedule now
8 established or hereafter established, and not specially
9 mentioned in this act, shall not exceed one for every twenty-two
10 pupils in average daily membership, (v) The number of principals
11 in the elementary schools, and the principals in charge of all
12 other character of schools now established or hereafter
13 established, and not specially mentioned in this act, shall not
14 exceed one for every six hundred pupils in average daily
15 membership in such schools, (vi) The number of principals in the
16 junior and senior high schools shall not exceed one for every
17 twelve hundred pupils in average daily membership in such
18 schools, (vii) The number of supervisors in all schools shall
19 not exceed one for every fifteen hundred pupils in average daily
20 membership, (viii) The number of attendance officers and home
21 and school visitors shall not exceed one for every two thousand
22 pupils in average daily membership in all elementary and
23 secondary schools, (ix) In all adult and extension school
24 classes, the number of teachers shall not exceed one for every
25 twenty pupils in average daily membership in such schools.

26 The salary and increments, fixed by law, of members of the
27 teaching and supervisory staff whose number is not in some
28 manner limited hereby, shall not be included within the purposes
29 authorized by clause (1) of this section, but shall be construed
30 and regarded as constituting expenses within the meaning of

1 clause (3) of this section.

2 Average daily membership, as used herein, shall be based upon
3 membership during the preceding school term.

4 (2) An amount sufficient to pay the interest on, and retire
5 at maturity the principal of, the indebtedness of said district
6 incurred as authorized by law.

7 (2.1) An amount sufficient to pay any rentals agreed to be
8 paid to the State Public School Building Authority or any other
9 authority created by the General Assembly, having State-wide
10 jurisdiction.

11 (3) An amount sufficient to pay all other expenses and
12 requirements of said school district, which amount shall be
13 equivalent to not less than three, nor more than five, mills on
14 the dollar of the total assessment of all property assessed and
15 certified for taxation therein.

16 The total annual school tax levy for all purposes in any
17 school district of the first class shall not be more than eleven
18 and three-quarter (11 3/4) mills on the dollar of the total
19 assessment of all property assessed and certified for taxation
20 in the territory constituting the district.

21 Section 15. Sections 653 and 654 of the act are repealed.

22 Section 16. Section 656 of the act, amended June 2, 1965
23 (P.L.91, No.60), is amended to read:

24 Section 656. Certification of Assessments.--(a) In order to
25 enable the board of public education to levy the necessary
26 school taxes for each school year, there shall be certified to
27 the board, annually, before the first day of November of each
28 year, by the board or bureau of assessors, board of revision of
29 taxes, or other proper authorities in the municipality or
30 municipalities comprising school districts of the [first class

1 or] first class A, an estimated statement of the total
2 assessment of all real estate and property taxable for municipal
3 purposes in such municipality or municipalities comprising a
4 school district of the [first class or] first class A, for the
5 ensuing year. In school districts of the [first class or] first
6 class A that are coterminous with a municipality or
7 municipalities, the taxes of which are levied and assessed on
8 real estate and personal property as contained in the
9 assessments made for county tax purposes, the proper county
10 assessing authorities shall furnish to the board of public
11 education, annually, on or before the first day of November, a
12 properly certified duplicate of the then existing adjusted
13 valuation of all property taxable for county purposes and for
14 municipal purposes within the territorial limits of such
15 municipality or municipalities comprising such school district
16 of the [first class or] first class A, excepting only such
17 assessments of intangible personal property as is not subject to
18 the payment of school taxes.

19 (b) In the case of a school district of the first class, the
20 certifications provided for in subsection (a) shall be made to
21 the council.

22 Section 17. Section 657 of the act is hereby repealed.

23 Section 18. Section 658 of the act is amended to read:

24 Section 658. Bond of Collector[; Neglect to Furnish].--(a)
25 Every collector or receiver of taxes, [city treasurer,] or other
26 authority in a school district of the first class, who is by the
27 provisions of this act authorized to collect or receive the
28 school taxes therein, shall, before entering upon the duties of
29 his office as collector or receiver of school taxes, furnish to
30 the school district a bond, in such amount and with such surety

1 or sureties as the board of [public] education may approve,
2 conditioned upon the faithful performance of his duty in the
3 office of such collector or receiver. The cost of such bond
4 shall be paid by the school district.

5 (b) In lieu of furnishing such a bond, each such collector
6 or receiver of taxes, [city treasurer,] or other authority, may
7 file his own collateral bond, in such amount as may be required
8 by the board of [public] education, secured by an actual deposit
9 with the board of [public] education, or with any bank or trust
10 company within the Commonwealth which may be agreed upon, of any
11 of the securities which depositories may use to secure the
12 deposit of school funds as herein provided. The total market
13 value of the securities, thus deposited, shall equal the amount
14 of the collateral bond. Such collateral bond shall be
15 conditioned upon the faithful performance of his duties as
16 receiver or collector of taxes. The securities, thus deposited,
17 shall constitute a trust fund to be available for the
18 satisfaction of any liability accruing upon the collateral bond.
19 The securities shall be accompanied by a proper assignment or
20 power of attorney for their transfer. Such trust deposit, in the
21 event of any depreciation in its value, shall be maintained,
22 upon request in writing of the board of [public] education, at
23 the amount provided herein. The board of [public] education may
24 permit the receiver or collector of taxes to substitute for any
25 one or more bonds or obligations included in any such
26 securities, other bonds or obligations that meet the
27 requirements of this act.

28 [(c) In case any receiver of taxes, or city treasurer
29 elected as receiver of taxes or as school treasurer in a school
30 district of the first class, shall refuse or neglect to furnish

1 a proper bond with the proper sureties or securities, as herein
2 provided, after his election, then, in that case, the board of
3 public education may elect any other proper person as receiver
4 of school taxes or school treasurer.]

5 Section 19. Section 659 and 660 of the act are amended to
6 read:

7 Section 659. Compensation; Stationery; Books[; Clerks].--
8 Every [such treasurer] collector or receiver of school taxes
9 shall be paid such compensation as the board of [public]
10 education in the district may determine, and, in addition to his
11 salary, be furnished by the school district with the necessary
12 stationery and books required by him in the performance of his
13 duties as [treasurer] collector or receiver of school taxes.
14 [The board of public education may also appoint, annually, such
15 clerks as it may deem necessary to assist the receiver of
16 taxes.]

17 Section 660. Monthly Reports; Payment of Taxes Collected.--
18 In every school district of the first class the collector or
19 receiver of taxes, [city treasurer,] or other proper authority
20 collecting or receiving the school taxes as herein provided,
21 shall, at the end of each month, report to the board of [public]
22 education, and to the [school controller] superintendent, the
23 total amount of school taxes collected during the month, setting
24 forth the years for which collected. He shall pay the same when
25 and as collected to the [school treasurer] municipal treasurer
26 for deposit in the school fund in the treasury of the
27 municipality, and shall file with the [school controller]
28 superintendent a duplicate receipt therefor, and shall, at the
29 end of each month, also report the total amount collected during
30 the current fiscal year, and the unexonerated balance remaining

1 uncollected on the tax duplicate for each year in such district.

2 Section 20. Section 661 of the act, amended November 30,
3 1959 (P.L.1606, No.583), is amended to read:

4 Section 661. Annual Reports.--The collector or receiver of
5 taxes, [city treasurer,] or other proper authority collecting or
6 receiving school taxes in any school district of the first
7 class, shall, annually, on the first Monday of April of each
8 year, settle his accounts for the school taxes for the preceding
9 fiscal year, and shall, at the same time, furnish the board of
10 [public] education and the superintendent with a statement of
11 the total amount of school taxes standing unpaid upon the tax
12 duplicates.

13 Section 21. Section 662 of the act is amended to read:

14 Section 662. Liens of Unpaid Taxes.--In all school districts
15 of the first class, all unpaid school taxes assessed upon any
16 real property shall be liens thereon, in like way and manner,
17 and subject to like provisions and restrictions, as exist and
18 shall exist in the cases of all other taxes assessed in this
19 Commonwealth. Such taxes and liens shall be filed, enforced, and
20 collected by the collector or receiver of taxes, [treasurer,] or
21 other proper authority, in the manner and under and in
22 accordance with the provisions which are and shall be applicable
23 in the cases of other taxes assessed in this Commonwealth.

24 Section 22. Sections 664 and 665 of the act are repealed.

25 Section 23. Subsection (b) of section 913-A, added May 4,
26 1970 (P.L.311, No.102), is amended to read:

27 Section 913-A. Staff.--* * *

28 (b) An executive director shall be appointed by each
29 intermediate unit board of directors for a term of four years:
30 Provided, That the initial term shall commence July 1, 1971 and

1 terminate June 30, 1974: And, provided further, however, That
2 each intermediate unit planning committee may employ an
3 executive director-elect to serve prior to July 1, 1971. In the
4 case of an intermediate unit comprised of a single school
5 district, which is a school district of the first class, the
6 term of the executive director shall correspond to the term
7 served by him as district superintendent. An executive director
8 shall hold a commission issued by the [Superintendent of Public
9 Instruction] Secretary of Education, in accordance with
10 regulations adopted by the State Board of Education.

11 * * *

12 Section 24. Subsection (a) of section 1071, amended January
13 14, 1970 (1969 P.L.468, No.192), is amended to read:

14 Section 1071. Election.--(a) [The] Except in a school
15 district of the first class, the board of school directors in
16 every school district shall, by a majority vote of all the
17 members thereof, elect a properly qualified person as district
18 superintendent, together with such properly qualified assistant
19 superintendents as it deems wise. If a district superintendent
20 has jurisdiction over a joint school system including grades 1
21 to 12, he shall be elected by a majority vote of all the school
22 directors in the districts operating the joint school system.

23 * * *

24 Section 25. Section 1342 of the act is amended to read:

25 Section 1342. Term of Employment; Compensation.--Attendance
26 officers or home and school visitors may be employed for the
27 full calendar year, and shall be paid such amounts and in such
28 manner as the board of school directors appointing them may
29 decide. They shall at all times perform the duties of their
30 appointment under the direction of the board of school directors

1 appointing them.

2 [In districts of the first class the minimum salaries of
3 attendance officers and home and school visitors in elementary
4 schools shall be: Minimum annual salary, one thousand two
5 hundred dollars (\$1200); minimum annual increment, one hundred
6 dollars (\$100); minimum number of increments, ten (10). No
7 school district of the first class shall, reduce the
8 compensation of any attendance officer below that paid on the
9 second day of July, one thousand nine hundred thirty-seven.]

10 Section 26. Sections 2101, 2102, 2103, 2104, 2107, 2108,
11 2109, 2110, 2111, 2112, 2113 are repealed.

12 Section 27. Section 2121 of the act, amended June 2, 1965
13 (P.L.86, No.59), is amended to read:

14 Section 2121. City Controller to be Elected School
15 Controller; Deputy Controller.--In each school district of the
16 [first class or] first class A, the board of public education
17 therein shall elect the controller of the city comprising all or
18 the greater part of such district as school controller for said
19 district for and during his term of office as city controller.
20 The school controller of each school district of the [first
21 class or] first class A may recommend to the board of public
22 education for appointment a deputy school controller. The board
23 of public education shall appoint as deputy school controller
24 the candidate recommended by the school controller, who, in case
25 of death, resignation or inability of the school controller to
26 act for any cause whatsoever, shall have the same powers and
27 shall perform the same duties as imposed by law on the school
28 controller. In case the school controller does not recommend to
29 the board of public education for appointment a deputy school
30 controller, the board of public education may elect a deputy

1 school controller who shall serve until such time as the school
2 controller recommends to the board of public education the
3 appointment of a deputy school controller. The salary of the
4 deputy school controller shall be fixed by the board of public
5 education. He shall furnish bond in the sum of ten thousand
6 dollars (\$10,000).

7 Section 28. Section 2122 of the act, amended January 16,
8 1974 (P.L.1, No.1), is amended to read:

9 Section 2122. Oath, Bond, and Compensation of Controller.--
10 Every person elected as a school controller shall, before
11 entering upon such duties of his office, take or subscribe to
12 the oath or affirmation herein provided for school directors,
13 and shall furnish to the school district in which he is elected
14 a proper bond, in the amount of twenty-five thousand dollars
15 (\$25,000), with such surety or sureties as the board of school
16 directors may approve, conditioned upon the faithful performance
17 of all duties of his office during his term.

18 [The school controller in each district of the first class
19 shall be paid, from the funds of the school district, an annual
20 salary of four thousand four hundred dollars (\$4,400), payable
21 monthly.] The school controller in each district of the first
22 class A shall be paid, from the funds of the school district, an
23 annual salary fixed by the Board of Public Education, payable
24 monthly.

25 Section 29. Sections 2123, 2124 and 2125 of the act are
26 repealed.

27 Section 30. Section 2126 of the act, amended April 21, 1949
28 (P.L.692, No.164), is amended to read:

29 Section 2126. Contracts.--All contracts made by any school
30 district of the first class shall state therein on what item in

1 the annual estimate of school expenditures the same is based.
2 Every contract before becoming valid shall be properly certified
3 by the [school controller] superintendent, who shall, at the
4 time of so doing, charge up the amount of any such contract
5 against the item in the annual estimate on which the same is
6 based. No contract shall be certified by the [school controller]
7 superintendent if the amount to become due thereon shall exceed
8 the item of expenditure on which it is based.

9 Section 31. Section 2127 of the act is amended to read:

10 Section 2127. Payment of Contracts; Liability of Controller
11 and his Surety.--It shall be the duty of each [school
12 controller] superintendent to certify all contracts, for the
13 payment of which a sufficient sum has been provided in the
14 annual school estimate as herein provided. If any [school
15 controller] superintendent shall certify any contract in excess
16 of the amount of the item of expenditure in the annual estimate
17 made thereof, he together with his surety or sureties shall be
18 individually liable on his bond therefor.

19 Section 32. Sections 2128, 2129 and 2130 of the act are
20 repealed.

21 Section 33. The act is amended by adding an article to read:

22 ARTICLE XXI-A.

23 SCHOOL DISTRICTS OF THE FIRST CLASS; ADDITIONAL PROVISIONS

24 (a) General Provisions.

25 Section 2140. Additional Provisions.--Subject to the general
26 provisions of this act, and in addition to the several
27 provisions regulating the affairs of school districts of the
28 first class, as otherwise provided, the following additional
29 provisions shall relate to and regulate school districts of the
30 first class.

Section 2141. Definitions.--When used in this article, or in any other provision of this act relating to school districts of the first class, the following words and phrases shall have the following meanings:

(1) "Controller." The controller of a municipality or the officer responsible for auditing of finances in any other municipality which is coterminous with a school district of the first class.

(2) "Council." The council of a municipality or the governing body of any other municipality which is coterminous with a school district of the first class.

(3) "Mayor." The mayor of a municipality or, in the case of municipalities which do not provide for the office of mayor, the chairman of the governing body of the municipality which is coterminous with a school district of the first class.

(4) "Municipality." A political subdivision which is coterminous with a school district of the first class.

(b) Board of Education.

Section 2142. Board of Education; Selection; Qualification; Terms; Vacancies; Application of School Laws.--(a) The board of education of a school district of the first class shall consist of an officer of the municipal government, to be appointed by the mayor, and of the following eight (8) members, to be appointed by the mayor with the consent of a two-thirds majority of the members elected to the council:

(1) Three (3) members from the school district at large, one (1) of whom shall be a member of a collective bargaining unit representing employees of the school district.

(2) A member from each of the five (5) regions of the school district who shall have continuously resided in the region from

1 which he or she is appointed for a period of not less than three
2 (3) years immediately preceding the date of appointment.

3 (b) The members of the board of education shall be
4 registered electors of the municipality. No person shall be
5 eligible to be appointed to more than two (2) consecutive full
6 four (4) year terms.

7 (c) (1) With the exception of the municipal officer, whose
8 board term shall coincide with his other term of office, each
9 member of the board of education shall serve for a term of four
10 (4) years, which terms shall commence one hundred twenty (120)
11 days following enactment of this article, or one hundred twenty
12 (120) days after a school district of the first class becomes
13 subject to the provisions of this article. Of the first members
14 appointed to the board, other than the municipal officer, two
15 (2) regional members and two (2) at large members shall serve
16 for an initial term ending January 30 after the next municipal
17 election occurring ten (10) months after a school district of
18 the first class becomes subject to the provisions of this
19 article, and three (3) regional members and one (1) at large
20 member shall serve for an initial term ending January 30, two
21 (2) years thereafter. The terms of all members of the board of
22 education in office upon enactment of this article shall expire
23 one hundred twenty (120) days thereafter.

24 (2) With respect to the initial appointments, until such
25 time as at least five (5) members of the board are sworn and
26 qualified, the interim superintendent of the district shall
27 exercise all powers of the board of education.

28 (d) Vacancies in the office of a member of the board of
29 education shall be filled for the balance of the unexpired term
30 in the same manner as the original appointment.

1 (e) (1) Except as otherwise provided by this article,
2 members of the board of education in a school district of the
3 first class shall be subject to the same provisions governing
4 conflict of interest, removal from office, incompatible offices
5 and any other criminal offenses and penalties that are
6 applicable to all school districts in the Commonwealth.

7 (2) Insofar as this article provides otherwise, the
8 provisions of section 322, relating to incompatible offices,
9 shall not apply to the municipal officer appointed to the board
10 of education.

11 Section 2143. Creation of Regions; Regional Apportionment
12 Commission.--(a) All school districts of the first class shall
13 be divided into five (5) regions for the purpose of providing
14 for the appointment of one (1) member from each region to the
15 board of education. A regional apportionment commission shall be
16 established for this purpose. Within sixty (60) days after
17 enactment of this article, or after a school district becomes
18 subject to the provisions of this article, the commission shall
19 fix and establish the boundaries of the five (5) regions in such
20 manner that the population of each region shall be as nearly
21 equal as practicable.

22 (b) The commission shall consist of three (3) members:

23 (1) The mayor, or his designee.

24 (2) The president of the council, or his designee.

25 (3) A member to be appointed by the board of education then
26 in office. The commission shall elect one (1) of its members
27 chairman and shall act by a majority of its entire membership.

28 (c) Before adopting an apportionment plan, the commission
29 shall publish the proposed plan once in two (2) newspapers of
30 general circulation in the municipality, which publication shall

1 contain a map of the school district showing the five (5)
2 proposed regions. The publication shall also state the
3 population of each proposed region.

4 (d) Each year following the year in which such Federal
5 census data is officially reported, a regional reapportionment
6 commission shall be constituted in like manner and with like
7 composition as the initial regional apportionment commission
8 herein set forth. Such commission shall adopt a reapportionment
9 plan no later than sixty (60) days after the population data for
10 the first class school district as determined by the Federal
11 decennial census becomes available.

12 (e) The council shall appropriate sufficient funds for the
13 compensation and expenses of staff appointed by such
14 apportionment and reapportionment commissions, and other
15 necessary expenses. The members of such commissions shall not be
16 entitled to compensation for their services but shall be
17 reimbursed for actual expenses incurred in the performance of
18 their duties.

19 Section 2144. Board of Education; Powers and Duties.--(a)
20 Except as otherwise provided by this article, the board of
21 education shall exercise all powers and duties provided for by
22 this act. This includes, but is not limited to, powers and
23 duties regarding: the adoption of textbooks and courses of
24 study; appointing, disciplining and dismissing principals,
25 teachers and other personnel; fixing salaries or compensation of
26 officers and other school employes not subject to the provisions
27 of collective bargaining agreements; and any other matters
28 relating to the setting of general educational policy for the
29 district. The board shall have the power to enter into
30 contracts, to make purchases and to authorize disbursements of

1 school funds as provided by this article.

2 (b) In addition, the board shall have the power:

3 (1) To approve collective bargaining agreements negotiated
4 by the superintendent of the district.

5 (2) To appoint a solicitor for the board, as provided by
6 section 406, except that actions relating to the collection of
7 delinquent school taxes, and other matters delegated by the
8 board, shall be referred to the solicitor of the municipality.

9 (3) To provide for residency requirements for employes of
10 the school district, subject to the approval of the council.

11 Section 2145. Officers of the Board of Education; Duties.--

12 (a) The officers of the board of education shall be a
13 president, a vice-president, a secretary and a treasurer, who
14 shall be the assistant superintendent of the district, and such
15 other officers as the board may from time to time determine and
16 who shall have such duties as the board shall prescribe.

17 (b) The superintendent and assistant superintendent of the
18 district shall attend all meetings of the board, and may attend
19 all meetings of any board committees, except those concerned
20 with their own salaries or benefits. The superintendent and
21 assistant superintendent shall have the right to advise on any
22 question or matter under consideration but shall have no right
23 to vote.

24 Section 2146. Organization and Procedures.--(a) The board
25 of education shall hold an annual organization meeting on the
26 first Monday of December and shall by a majority vote of all its
27 members elect a president, a vice-president and a secretary from
28 among its members.

29 (b) The board shall hold public meetings not less often than
30 once every two (2) months during the school year.

1 (c) A majority of all the members of the board shall
2 constitute a quorum for the transaction of business. No action
3 of the board shall be binding unless a majority of the members
4 present at a public meeting shall be recorded as voting in its
5 favor.

6 (d) The board may adopt rules for its government,
7 organization and procedures not inconsistent with the provisions
8 of this act.

9 Section 2147. Personnel Policies.--(a) The board of
10 education shall establish a table of organization setting forth
11 a roster of positions for each principal administrative unit of
12 the district and the superintendent shall report monthly any
13 changes made in the table.

14 (b) The board shall adopt regulations based on merit
15 principles and scientific methods governing all incidents of
16 employment, including appointment, promotion, demotion, removal
17 and discipline for all employes of the district except the
18 following:

19 (1) Deputy superintendents, associate superintendents,
20 district superintendents, directors of departments responsible
21 directly to the superintendent or to any deputy superintendent
22 and such personal assistants as the superintendent may require.

23 (2) Persons employed by contract to perform special services
24 for the district where the superintendent certifies that such
25 services cannot be performed by district employes.

26 (3) Persons temporarily appointed or designated to make or
27 conduct a special inquiry or study, to perform a special service
28 of a unique character which cannot or should not be performed by
29 regular district employes.

30 (4) In addition, the superintendent may, with the consent of

1 the board, exempt not more than five per centum (5%) of the
2 professional employees of the district.

3 (c) Except as otherwise provided by a collective bargaining
4 agreement, the personnel regulations adopted by the board shall
5 provide for the preparation, maintenance and revision of a
6 position classification plan and of a pay plan for all employees,
7 policies and procedures for recruitment, examinations,
8 promotions, eligible lists and certifications, provisional and
9 emergency appointments, suspension, discharge or reduction in
10 rank, hours of work, holidays, leaves and vacations, employe
11 hearings and such other matters as may be necessary or proper.
12 Copies of the personnel regulations shall be available for
13 public information and distribution at all times.

14 (d) The board shall in its personnel regulations preserve
15 and safeguard all rights of employment, status and tenure of all
16 employees of the school district which exist at the time of
17 enactment of this article, consistent with law and the
18 requirements of a fair and effective system of personnel
19 administration.

20 (c) Superintendent of the School District.

21 Section 2148. Superintendent of School District;
22 Appointment, Term of Office and Compensation; General Powers.--

23 (a) The mayor shall appoint a superintendent for the school
24 district, with the approval of the board of education. The
25 superintendent shall serve at the pleasure of the mayor and
26 shall be responsible to the mayor for the conduct of the office.
27 Compensation for the superintendent shall be set by ordinance of
28 the council.

29 (b) Until such time as at least five (5) members of the
30 initial board are appointed and take the oath of office, the

mayor shall appoint an interim superintendent, to exercise all powers of the board of education. The interim superintendent shall also perform the duties of the superintendent until such time as a superintendent is appointed by the mayor and approved by the board.

(c) The superintendent shall:

(1) Be the chief administrative officer and chief instructional officer of the board of education and the school district, and shall be responsible for the execution of all actions of the board, the administration and operation of the public school system subject to the policies of the board and the supervision of all matters pertaining to instruction in all the schools under the direction of the board.

(2) Be the chief financial, accounting and budget officer of the school district.

(3) Exercise those powers and duties conferred upon him by this article.

(4) Exercise those powers not inconsistent with this article conferred generally upon a superintendent of a school district.

(d) Where the municipality has adopted a home rule charter establishing a mayor's cabinet, the superintendent shall be a member of said cabinet.

Section 2149. Superintendent of the District, Specific Powers.--In addition to other powers conferred by this article, the superintendent shall have the power:

(1) To enter into agreements, upon consultation with the board, relating to, but not limited to, joint purchasing of supplies, equipment and contractual services, use of recreational and park equipment and facilities, control and prevention of juvenile delinquency, municipal planning,

1 comprehensive development planning and health services with any
2 department, agency, office, board or commission of the
3 municipality, or with any agency of the Commonwealth or of the
4 United States, or with any nonprofit private agency, when, in
5 the opinion of the superintendent, such agreement will further
6 the efficient and effective administration of the school
7 district. In any such agreements, the superintendent shall,
8 insofar as possible, safeguard all rights of employment, status
9 and tenure of employes who may be transferred into or out of the
10 school district service by virtue of the operation of such
11 agreements.

12 (2) To appoint an assistant superintendent, with the
13 approval of the mayor and the board of education, who will be
14 the treasurer of the school district and who will act as
15 superintendent when there is a vacancy in that position.

16 (3) To appoint, with the approval of the board, deputy
17 superintendents, associate superintendents, district
18 superintendents, assistant district superintendents, directors
19 of departments responsible directly to the superintendent, the
20 assistant superintendent or to any deputy superintendent and
21 such personal assistants as he deems consistent with the
22 educational needs of the district.

23 (4) To establish and maintain a separate accounting system
24 for the school district, which shall be separate and distinct
25 from the municipality's accounting system and revenues.

26 (5) To negotiate, or to designate a negotiator for,
27 collective bargaining agreements with employes of the school
28 district, pursuant to the provisions of the act of July 23, 1970
29 (P.L.563, No.195), known as the "Public Employe Relations Act."
30 All collective bargaining agreements negotiated by the

1 superintendent, or by his designated negotiator, must be
2 approved by the board and by the mayor before such agreements
3 shall become effective.

4 (6) To submit an annual report to the mayor and the board on
5 the financial affairs of the school district.

6 (7) To make recommendations to the mayor regarding the levy
7 of taxes for the school district.

8 (8) To sell or lease, with the approval of the board, unused
9 or unnecessary school property or buildings in the manner
10 provided by this act and to approve the proposed utilization of
11 operating school facilities by the board to insure efficient
12 management and use of school grounds and buildings.

13 (9) To perform all other acts necessary to manage the fiscal
14 affairs of the school district.

15 Section 2150. Personnel Administration.--(a) The
16 superintendent shall have the authority to assign and reassign
17 all professional and classified employees of the district
18 consistent with the laws of the Commonwealth.

19 (b) The superintendent shall report annually to the board:

20 (1) All assignments and reassignments of professional and
21 classified employees made during the school year.

22 (2) All appointments of professional employees which were
23 exempted from the personnel regulations of the board, including
24 the titles of the positions to which such assignments are made,
25 the duties and responsibilities assigned and the salaries and
26 benefits received by the appointees.

27 (3) On such other subjects as the board may deem necessary
28 or proper.

29 (d) Fiscal Affairs of School District.

30 Section 2160. Fiscal Year.--The council shall adopt, by

1 ordinance, a date for the beginning of each fiscal year
2 appropriate to the requirements of the school district and shall
3 adopt a fiscal calendar consistent with such fiscal year and
4 with all public notice requirements. Any change in fiscal year
5 shall be made only after public notice and public hearing on the
6 proposed change. Not less than ninety (90) days prior to any
7 proposed change in fiscal year, the council shall publish notice
8 of such proposed change by advertisement at least once in two
9 (2) newspapers of general circulation for the municipality. Such
10 advertisement shall include notice of public hearing scheduled
11 for not less than sixty (60) days before the change is to become
12 effective.

13 Section 2161. Subsidies and Other Funds; Construction.--
14 Unless otherwise expressly provided by this article, the
15 provisions of this article shall be deemed to be consistent with
16 State or Federal law governing subsidies and other moneys
17 received from State or Federal sources for the use of the school
18 district or for use for school purposes.

19 Section 2162. Establishment of School Fund in Municipal
20 Treasury; Separate Accounting.--(a) There shall be established
21 in the treasury of the municipality a school fund, to be under
22 the custody and control of the treasurer of the municipality.
23 The fund shall be administered separate and apart from other
24 funds in the treasury of the municipality and shall be used only
25 for school district purposes. In no case, shall school and
26 municipal funds be commingled, and no municipal funds shall be
27 used for school purposes. Furthermore, no revenues from any tax
28 imposed on the wages, salaries or net income of nonresidents
29 employed in the municipality shall be used for school purposes
30 or deposited in the school fund.

1 (b) All tax revenues collected by the municipality for the
2 school district shall be deposited in the school fund
3 established in the treasury of the municipality. Moneys shall be
4 appropriated from the fund by ordinance of council, in the same
5 manner as municipal funds are appropriated, for use by the
6 school district, such moneys to be used only for school district
7 purposes or as otherwise expressly provided by enabling
8 legislation.

9 (c) The treasurer of the municipality may invest moneys
10 deposited in the school fund in the same manner as moneys in the
11 municipal treasury generally are invested, except as otherwise
12 provided by law. All income from such investments shall be
13 placed in the school fund, to be used for school district
14 purposes.

15 Section 2163. Receipt of Funds.--The treasurer of the board
16 of education shall receive all State and Federal funds, all
17 appropriations from the school fund established in the treasury
18 of the municipality and all other funds belonging to the school
19 district and shall deposit them in a school treasury.

20 Section 2164. Payment of Moneys Out of School Treasury.--(a)
21 All payments out of the school treasury shall be by the check of
22 the treasurer of the board issued upon order of the
23 superintendent.

24 (b) The superintendent shall issue orders for payments out
25 of the school treasury only upon requisition of the board of
26 education and only after he has satisfied himself as to the
27 legality and reasonableness of the requisition.

28 (c) If the board of education approves a requisition, it
29 shall deliver the original to the superintendent. If the
30 superintendent approves the requisition, he shall issue an order

for payment and shall deliver it to the treasurer of the board.
If he disapproves the requisition, he shall attach a memorandum
thereto detailing the objections and return the requisition to
the board of education.

Section 2165. The Annual Operating Budget Ordinance.--(a)
It shall be the duty of the council, thirty (30) days before the
end of the fiscal year, to adopt the annual operating budget
ordinance for the school district for the next fiscal year. The
consideration of the operating budget ordinance shall begin
forthwith upon the receipt from the mayor of his annual
operating budget message and the proposed annual operating
budget ordinance for the district, both of which shall be
submitted in printed form. The proposed budget ordinance shall
be regarded as having been introduced immediately upon its
receipt.

(b) The annual operating budget ordinance for the school
district shall provide for discharging any deficit and shall
make appropriations to the district for school purposes. All
appropriations shall be made in lump sum amounts and according
to the following classes of expenditures:

(1) Personal services.

(2) Materials, supplies and equipment.

(3) Debt service.

(4) Such additional classes as the mayor shall recommend in
his proposed annual operating budget ordinance.

Expenditures for the repair of any property and for the
acquisition of any property or for any work or project which
does not have a probable useful life to the school district of
at least five (5) years following the time the expenditure is
made for it shall be deemed to be ordinary expenses to be

1 provided for in the annual operating budget ordinance for the
2 school district. Appropriations for the use of the school
3 district shall be made to the school district.

4 (c) The mayor's estimates of receipts for the ensuing fiscal
5 year and of surplus or deficit, if any, for the current fiscal
6 year may not be altered by the council.

7 (d) The annual operating budget ordinance may be amended
8 after its passage to authorize the transfer of items but the
9 aggregate of the appropriations made by it may not be increased
10 and transfers of budget items may not be made during the last
11 four (4) months of any fiscal year, except upon the
12 recommendation of the mayor.

13 (e) The council shall, at least thirty (30) days prior to
14 the time any budget or amendment thereto is adopted, conduct at
15 least one (1) public hearing thereon. At least thirty (30) days'
16 notice of such public hearings shall be published by
17 advertisement at least once in two (2) newspapers of general
18 circulation printed in the municipality. The council shall make
19 available to the public a reasonable number of copies of such
20 budget or amendment, and the notice of public hearing shall
21 state where copies may be obtained or inspected.

22 (f) The council by ordinance shall have the power to make
23 additional appropriations or increase existing appropriations to
24 meet emergencies which could not be anticipated when the budget
25 was adopted, the funds therefore to be provided from unexpended
26 balances in existing appropriations, from unappropriated
27 revenues, if any, or from temporary loans. Under no other
28 circumstances may the council increase the aggregate total of
29 budget appropriations unless unappropriated revenues become
30 available in sufficient amount to maintain the budget in

balance, in which event the council may make additional or increased appropriations.

(g) Not later than the passage of the annual operating budget ordinance for the school district, the council shall adopt by ordinance such revenue measures as are permitted for school districts of the first class which will, in the opinion of the mayor, yield sufficient revenue to balance the budget. For this purpose new sources of revenue or increased rates from existing sources of revenue not proposed by the mayor shall be deemed to yield in the ensuing fiscal year such amounts as the mayor shall determine. The annual operating budget ordinance for the school district shall not become effective and the controller shall not approve any order for any expenditure thereunder until the council has balanced the budget.

Section 2166. The Capital Program and Capital Budget.--(a) Prior to the Passage of the annual operating budget ordinance for the school district, the council shall adopt a capital program and a capital budget for the school district.

(b) The capital program for the school district shall embrace all physical public improvements and any preliminary studies and surveys relative thereto, the acquisition of property of a permanent nature, and the purchase of equipment for any public improvement when first erected or acquired that are to be financed in whole or in part from funds subject to control or appropriation by the council. It shall show the capital expenditures which are planned for each of the six (6) ensuing fiscal years. For each separate purpose, project, facility, or other property there shall be shown the amount, if any, and the source of the money that has been spent, encumbered, or is intended to be spent or encumbered prior to

1 the beginning of the ensuing fiscal year and also the amounts
2 and the sources of the money that are intended to be spent
3 during each of the ensuing six (6) years. The council may delete
4 projects from the capital program as submitted to it, but it
5 shall not otherwise amend the capital program until it has
6 requested through the mayor the recommendations of the board of
7 education and the superintendent. The council shall not be bound
8 by such recommendations and may act without them if they are not
9 received within thirty (30) days from the date they were
10 requested.

11 (c) The council shall at least thirty (30) days prior to the
12 time any capital program or amendment thereto is adopted,
13 conduct at least one (1) public hearing thereon. At least thirty
14 (30) days' notice of such public hearing shall be published by
15 advertisement at least once in two (2) newspapers of general
16 circulation printed in the municipality. The council shall make
17 available to the public a reasonable number of copies of such
18 program, and the notice of public hearing shall state where
19 copies may be obtained or inspected.

20 (d) The capital budget ordinance for the school district
21 shall show in detail the capital expenditures intended to be
22 made or incurred in the ensuing fiscal year that are to be
23 financed from funds subject to control or appropriation by the
24 council, and shall be in full conformity with that part of the
25 capital program applicable to the year which it covers. Amounts
26 specified as intended to be spent out of new appropriations
27 shall, upon enactment of the capital budget ordinance,
28 constitute appropriations of such amounts. The council may amend
29 the capital budget ordinance but no amendment shall be valid
30 which does not conform to the capital program.

Section 2167. Annual Operating Budget, Capital Program and Capital Budget.--(a) The superintendent shall:

(1) Obtain such information as shall be necessary to enable him to compile for the mayor the information necessary for the preparation and submission to the council of the annual operating budget for the school district.

(2) Obtain annually such information as the mayor shall require to enable the mayor to prepare the capital program and capital budget for the school district.

(3) Prepare and supply to the mayor such information as will enable the mayor to keep currently acquainted with the financial conditions and prospective receipts and expenditures of the school district during the current fiscal year in order to control expenditures in such a manner as to avoid deficits.

(b) The mayor shall:

(1) Submit to the council not later than ninety (90) days before the end of the fiscal year his operating budget message for the school district and a proposed annual operating budget for the school district for the ensuing fiscal year. In the operating budget message of the school district, the mayor shall furnish to the council the estimated surplus, or deficit, if any, of the current fiscal year and the estimated actual receipts of the school district from all sources for the ensuing fiscal year which shall be available for meeting ordinary expenses and all other information pertinent to an operating budget, shall state the known liabilities of every kind which must be met during the year, and shall recommend appropriations included in the proposed annual operating budget ordinance for the school district.

(2) In connection with his submission of the operating

budget for the school district, recommend to the council
measures which he believes necessary to balance the budget.

(3) At the same time that he submits to the council the
proposed operating budget for the school district for the
ensuing fiscal year, also submit to the council the recommended
capital program and the recommended capital budget for the
school district as received from the superintendent to the
extent approved by the mayor.

(4) See to it that the school district does not, except in
case of unforeseeable emergency, incur a deficit in any fiscal
year.

(c) The annual operating budget and the capital budget for
the school district shall be adopted in accordance with the same
procedures required for the adoption of the annual operating
budget and capital budget for the municipality.

Section 2168. Debt Incurred by School District.--A school
district of the first class shall remain subject to the
provisions of the act of July 12, 1972 (P.L.781, No.185), known
as the "Local Government Unit Debt Act," except that:

(1) The council, by ordinance, shall approve the incurrence
of any indebtedness by the board, and, where incurrence of the
indebtedness requires electoral approval, council approval must
be secured before the question goes on the ballot.

(2) The superintendent, or the applicable municipal agency
pursuant to a cooperative agreement, shall perform whatever
supervisory responsibilities over the debt are otherwise
conferred by law upon the board of education.

Section 2169. Levy of Taxes.--(a) Notwithstanding any
provisions to the contrary in affected statutes, all taxes which
may be levied under any statute for the use of a school district

1 of the first class shall, be levied by ordinance of council upon
2 the recommendation of the mayor, such statutes including, but
3 not limited to, the following:

4 (1) Act of June 20, 1947 (P.L.745, No.320), imposing a
5 Mercantile License Tax.

6 (2) Act of May 23, 1949 (P.L.1661, No.505), imposing a real
7 estate tax.

8 (3) Act of May 23, 1949 (P.L.1669, No.508), imposing a tax
9 on receipts.

10 (4) Act of May 23, 1949 (P.L.1676, No.509), imposing a tax
11 on personal property.

12 (5) Act of July 8, 1957 (P.L.548, No.303), imposing
13 additional real estate tax.

14 (6) Act of November 19, 1959 (P.L.1552, No.557), imposing
15 additional real estate tax.

16 (7) Act of August 8, 1963 (P.L.592, No.310), imposing
17 additional real estate tax.

18 (8) Act of August 9, 1963 (P.L.640, No.338), providing for
19 various taxes.

20 (b) The council shall levy taxes annually within such limits
21 and upon such subjects as the General Assembly may from time to
22 time prescribe, in amounts sufficient to provide funds for the
23 current operation of the schools of the district, the payment of
24 interest and sinking fund charges on or other amortization of
25 the debt of the district and its predecessor districts, and to
26 provide for any services which may be incidental to the
27 operation of the schools. Provided, that if the rate of taxation
28 shall be fixed at a mill rate it shall also be stated in dollars
29 and cents on each one hundred dollar (\$100) of assessed
30 valuation.

1 (c) When any levy of school taxes has been made by the
2 council, the council shall forthwith certify the levy, under the
3 seal of the municipality attested by the president of the
4 council, to the proper authority of the municipality authorized
5 to prepare tax duplicates, to be entered thereon, and by such
6 authority to be properly certified to the collector or receiver
7 of taxes for the municipality. The school taxes shall be
8 collected as provided by law, at the same time, in the same
9 manner and with like authority, subject to the same discounts
10 and penalties as other taxes collected in the municipality.

11 (d) No tax for school purposes shall be imposed on the
12 wages, salary or net income of any person not a resident of a
13 school district of the first class.

14 Section 2170. Collection of School District Taxes.--The
15 agency of the municipality or the person which is the collector
16 or receiver of taxes for the municipality shall be the
17 collection or receiver of taxes for the school district.

18 Section 2171. Pre-audit of School District.--(a) The
19 superintendent shall pre-audit all requisitions for school
20 district disbursements made from the school treasury and all
21 other funds belonging to or controlled by the school district,
22 which requisitions shall be submitted to the superintendent for
23 this purpose by the board of education or any authorized officer
24 thereof. The superintendent shall approve a requisition which it
25 finds to be for a purpose comprehended by the appropriation
26 against which it is drawn and in a proper amount and with which
27 the superintendent is satisfied as to reasonableness. Otherwise
28 the requisition shall be disapproved.

29 (b) Whenever a requisition for disbursement of funds from
30 the school treasury or any fund belonging to or controlled by

1 the school district shall be presented to the superintendent,
2 the superintendent may require evidence that the amount stated
3 in the requisition is justly due, and for that purpose may
4 summon to appear before him any officer of the school district
5 or any other person and examine him upon oath or affirmation
6 relative to such requisition.

7 (c) Nothing in this section shall be construed to prohibit
8 any auditing procedures required by State or Federal law
9 relative to school district finances and applicable to school
10 districts of the first class.

11 Section 2172. Post-audit of School Finances.--(a) The
12 controller shall conduct an annual post-audit of the finances of
13 every department of the school district, and of all persons
14 handling the school treasury and all other funds of the
15 district, including the accounts of the receiver of school
16 taxes, the treasurer of the board, school depositories,
17 teachers' retirement funds, directors' association funds,
18 sinking funds, and all other funds belonging to or controlled by
19 the district. At the end of each fiscal year after conducting
20 such audit, the controller shall certify to the board of
21 education and to the mayor that it has audited these accounts
22 and report to the board and to the mayor the result of such
23 audit. A summary of the annual audit shall be published by the
24 board once a week for three (3) successive weeks, beginning the
25 first week after the audit has been furnished to the board, in
26 two (2) newspapers of general circulation printed in the
27 municipality. The board shall include with the summary a notice
28 that the audit is available for public inspection during regular
29 business hours at the business office of the district.

30 (b) Nothing in this section shall be construed to prohibit

any auditing procedure required by State or Federal law relative to school district finances, including any audit performed by the Auditor General of the Commonwealth. Special audits of the affairs of the district may be made whenever in the judgment of the controller they appear necessary, and shall be made by a competent and responsible firm of certified public accountants retained by the controller.

Section 2173. Cost Analysis.--The superintendent shall from time to time made studies of the cost of performing the various functions which are committed to the school district. Such studies shall be made on such basis as the superintendent may deem useful or as the mayor may request. Reports showing the results of such studies shall be made to the mayor.

Section 2174. Inventory Accounting.--The superintendent shall:

(1) Be responsible for the maintenance of a perpetual inventory of all unissued school property. He shall devise, install and supervise the operation of systems under which withdrawals from and replacements in stores will be currently recorded and reported to his office. He shall have supervision over the periodic (at least twice annually) counting, weighing or measuring of inventory quantities.

(2) Supervise the making of inventory lists of furniture and equipment by every employe having any supervisory responsibility for the custody and control of district owned property. The inventory lists shall be signed by such officer. The superintendent shall devise a system under which additions to and withdrawals from such furniture or equipment shall be currently recorded, and shall have supervision over the periodic (at least annually) counting of such furniture and equipment,

1 and the reconciliation of such accounts with the district's
2 perpetual inventory records.

3 Section 2175. Accounts.--The superintendent shall establish
4 a general accounting system for the school district. He shall:

5 (1) Keep separate accounts of each item of appropriation
6 made by the council to the school district. Each such account
7 shall show the amount of the appropriation, the amounts paid
8 therefrom, the unpaid obligations against it and the
9 unencumbered balance.

10 (2) Have complete supervision over the keeping of detailed
11 accounting records by any officer, department or board of the
12 school district. After consultation with the controller, he
13 shall devise, and from time to time improve, a uniform system of
14 accounting for the school district and shall require such system
15 to be installed and maintained by all such officers, departments
16 and boards of the school district. Such system shall avoid
17 duplication of records and of bookkeeping to the greatest extent
18 possible consistent with the provisions of this article and the
19 safeguarding of the school district's finances.

20 (3) Supervise the accounting for all moneys received and
21 receivable by the school district from any source whatever, such
22 accounting to be consistent with appropriate State or Federal
23 requirements.

24 (4) Reflect in the accounts in his office the amounts
25 collected by the applicable agency of the municipality, as shown
26 by the daily reports of that agency.

27 (5) Issue as soon as practicable after the close of each
28 fiscal year a statement as of the end of that year showing the
29 balances in all funds of the school district, the amounts of the
30 school district's known liabilities, and such other information

1 as is necessary to furnish a true picture of the school
2 district's financial condition.

3 Section 34. Clause (1) of sections 2401 and 2421 of the act,
4 are repealed.

5 Section 35. (a) All school districts of the first class
6 which have been created pursuant to the act of August 9, 1963
7 (P.L.643, No.341), known as the "First Class City Public
8 Education Home Rule Act," are hereby abolished. The district
9 newly formed pursuant to the provisions of this amendatory act
10 shall succeed directly the now existing school district for all
11 purposes, including, but not limited to, receipt of all grants,
12 gifts, appropriations, subsidies or other payments. In addition,
13 the new district shall:

14 (1) Take over from the now existing school district all
15 assets, property, real and personal, tangible and intangible,
16 all easements and all evidences of ownership in part or in
17 whole, and all records, and other evidences pertaining thereto.

18 (2) Assume all debt, contractual obligations, liabilities,
19 and causes of action of the now existing school district, as
20 well as any long term debt to be issued, secured and retired in
21 the manner now provided by law.

22 (b) Nothing in this amendatory act shall be construed to
23 deprive the employes of the school district of any rights or
24 protections provided them by tenure, pension, or retirement laws
25 of this Commonwealth or by any collective bargaining agreement.
26 In no case shall school employes be deemed employes of the
27 municipality.

28 Section 36. For school districts of the first class in
29 existence upon the enactment of this act, the following shall
30 apply:

1 (1) The selection process for the initial board of
2 education may commence upon enactment of this act; however,
3 those board members appointed and approved shall not take
4 office until at least 120 days after enactment.

5 (2) The term for the superintendent of the district in
6 office at the time of enactment shall expire 120 days
7 thereafter.

8 (3) The process for apportionment of regions may
9 commence upon enactment of this act, however such regions
10 shall not be established until at least 60 days after
11 enactment.

12 (4) The board of education for the district in office at
13 the time of enactment, and officers or employees of the
14 municipality coterminous with a school district of the first
15 class, shall take whatever steps may be necessary in order to
16 assure an orderly, efficient, and economical transition.

17 Section 37. Whenever this act requires an ordinance of the
18 council, such ordinance shall be enacted in the same manner and
19 be subject to the same conditions, as ordinances enacted
20 generally by the council, including any veto power held by the
21 mayor.

22 Section 38. No subsequent act shall be deemed to repeal or
23 modify any provision of Article XXI-A of the "Public School Code
24 of 1949" unless it does so expressly or otherwise specifically
25 indicates that it has direct application to a school district of
26 the first class.

27 Section 39. (a) The act of August 9, 1963 (P.L.643,
28 No.341), known as the "First Class City Public Education Home
29 Rule Act," is repealed.

30 (b) All parts of any Home Rule Charter adopted pursuant to

1 the act of August 9, 1963 (P.L.643, No.341), known as the "First
2 Class City Public Education Home Rule Act," are abrogated.

3 (c) The provisions of the act of July 12, 1972 (P.L.781,
4 No.185), known as the "Local Government Unit Debt Act,"
5 pertaining to the limitations on the incurring of debt by or on
6 behalf of every school district of the first class shall
7 continue to apply. This act shall not be deemed to alter or
8 repeal any provision of the "Local Government Unit Debt Act"
9 except as otherwise expressly provided.

10 (d) The provisions of Article XXI-A of the "Public School
11 Code of 1949" shall supersede all other parts of the act to
12 which this is an amendment and all other acts affecting school
13 districts of the first class to the extent that they are
14 inconsistent or in conflict therewith.

15 Section 40. This act shall take effect in 120 days except as
16 otherwise provided by section 36.