

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 264 Session of
1995

INTRODUCED BY PITTS, WAUGH, ROBERTS, LEVDANSKY, E. Z. TAYLOR,
FLICK, SATHER, FICHTER, LYNCH, MERRY, LEH, LAWLESS, PLATTS,
GODSHALL, BAKER, ROHRER, CIVERA, M. N. WRIGHT, RAYMOND,
CONTI, BROWNE, S. H. SMITH, MELIO, GEIST, CORNELL, HERSHEY,
FARGO, EGOLF, TRUE, PETTIT, CLARK, FAIRCHILD, MARSICO,
ARMSTRONG, MICOZZIE, MILLER, PETRONE, HASAY, DeLUCA, CLYMER,
HENNESSEY, BIRMELIN AND STEIL, JANUARY 25, 1995

REFERRED TO COMMITTEE ON EDUCATION, JANUARY 25, 1995

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," imposing restrictions on certain
6 programs; further providing for the adoption of annual
7 budgets; and providing for voter approval of certain adopted
8 budgets.

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

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

14 Section 113. Limitation on Program Initiatives and
15 Expansions.--The board of school directors of a school district
16 shall not be required to implement a Commonwealth-mandated new
17 program or expand an existing program unless the necessary cost
18 of the new or expanded program is fully funded by the

1 Commonwealth.

2 Section 613. Budgetary Preparation and Voter Referendum.--

3 (a) (1) The provisions of this subsection apply to any school
4 district which operates on a fiscal year that begins on the
5 first day of January.

6 (2) For purposes of section 664 or 687, the board of public
7 education or the board of school directors shall, annually, at
8 least seventy-five days prior to the scheduled November election
9 day for each calendar year, prepare an estimated budget for the
10 next school fiscal year. The estimated budget shall be
11 advertised at least sixty days prior to the scheduled November
12 election day for that calendar year. Final action on the
13 proposed budget shall occur no later than forty-five days prior
14 to the scheduled November election day for that calendar year.

15 (3) Whenever the rate of increase in the total amount of the
16 adopted budget divided by the estimated average daily membership
17 for that adopted budget compared to the total amount of the
18 current budget divided by the average daily membership for the
19 current budget exceeds the rate of increase in the most recent
20 Consumer Price Index for the immediately preceding twelve
21 months, the board of public education or the board of school
22 directors shall, at the scheduled November election day for that
23 calendar year, obtain voter approval of a referendum question
24 approving the total amount of the adopted budget. If the voters
25 refuse to approve the referendum question, the board of public
26 education or the board of school directors shall reopen the
27 adopted budget and reduce the growth of total expenditures per
28 average daily membership to a level that is less than or equal
29 to the rate of increase in the most recent Consumer Price Index
30 for the immediately preceding twelve-month period.

1 (b) (1) The provisions of this subsection apply to any
2 school district which operates on a fiscal year that begins on
3 the first day of July.

4 (2) For purposes of section 664 or 687, the board of public
5 education or the board of school directors shall, annually, at
6 least seventy-five days prior to the scheduled primary election
7 day for each calendar year, prepare an estimated budget for the
8 next school fiscal year. The estimated budget shall be
9 advertised at least sixty days prior to the scheduled primary
10 election day for that calendar year. Final action on the
11 proposed budget shall occur no later than forty-five days prior
12 to the scheduled primary election day for that calendar year.

13 (3) Whenever the rate of increase in the total amount of the
14 adopted budget divided by the estimated average daily membership
15 for that adopted budget compared to the total amount of the
16 current budget divided by the average daily membership for the
17 current budget exceeds the rate of increase in the most recent
18 Consumer Price Index for the immediately preceding twelve
19 months, the board of public education or the board of school
20 directors shall, at the scheduled primary election day for that
21 calendar year, obtain voter approval of a referendum question
22 approving the total amount of the adopted budget. If the voters
23 refuse to approve the referendum question, the board of public
24 education or the board of school directors shall reopen the
25 adopted budget and reduce the growth of total expenditures per
26 average daily membership to a level that is less than or equal
27 to the rate of increase in the most recent Consumer Price Index
28 for the immediately preceding twelve-month period.

29 Section 2. Sections 664 and 665 of the act are amended to
30 read:

1 Section 664. Annual Budget; Advertising; Public Hearing.--

2 (a) The board of public education of each school district of
3 the first class shall, annually, [at or before the time of
4 levying the annual school taxes,] prepare an approximate
5 estimate of the amount of funds that will be required by the
6 school district in its several departments for the following
7 fiscal year. Such annual estimate shall be apportioned to the
8 several classes of expenditures of the districts as the board of
9 public education thereof may determine. The total amount of such
10 estimate shall not exceed the amount of funds, including the
11 proposed annual tax levy and State appropriation, available for
12 school purposes in the district; and, without voter approval
13 under section 613, shall not exceed the rate of increase in the
14 most recent Consumer Price Index for the immediately preceding
15 twelve-month period. The annual estimates shall be properly
16 certified to the school controller of the district by the
17 secretary of the board.

18 (b) The board of public education shall [, at least fifteen
19 days prior to the time final action is taken on any budget,]
20 publish, by advertisement at least once in two newspapers of
21 general circulation printed in the municipality in which such
22 school district is located, notice that such proposed budget has
23 been prepared and is open to public inspection at the office of
24 the board of public education. Such advertisement shall include
25 a notice of public hearing on the proposed budget, scheduled for
26 at least ten days before final action is taken upon any budget.

27 Section 665. Emergency Appropriations.--The board of public
28 education in school districts of the first class may, during any
29 fiscal year, make additional appropriations, or increase the
30 existing appropriations, to meet emergencies such as epidemics,

1 floods, fire or other catastrophies, [and to increase the
2 salaries of the employes of the board,] the funds therefor to be
3 provided from unexpended balances in existing appropriations,
4 from unappropriated revenues, if any, or from temporary loans.
5 Such additional appropriations, and such temporary loans, shall
6 be authorized by the affirmative vote of two-thirds of all the
7 members of the board. If an emergency occurs, then the cost of
8 meeting that emergency shall not be included in the current
9 budget amount which is used to establish the basis for the
10 current year's budget for purposes of section 613.

11 The board of public education shall have the power to
12 transfer any unencumbered balance, or any portion thereof, from
13 one appropriation to another, or from one spending agency to
14 another, by the affirmative vote of two-thirds of all the
15 members of the board.

16 Section 3. Section 687(a), (b) and (c) of the act, amended
17 January 21, 1952 (1951 P.L.2195, No.627) and January 14, 1970
18 (1969 P.L.468, No.192), are amended to read:

19 Section 687. Annual Budget; Additional or Increased
20 Appropriations; Transfer of Funds.--(a) The board of school
21 directors of each school district of the second, third, or
22 fourth class shall, annually, [at least thirty (30) days prior
23 to the adoption of the annual budget,] prepare a proposed budget
24 of the amount of funds that will be required by the school
25 district in its several departments for the following fiscal
26 year. Such proposed budget shall be prepared on a uniform form,
27 prepared and furnished by the Department of [Public Instruction]
28 Education, and shall be apportioned to the several classes of
29 expenditures of the district as the board of school directors
30 thereof may determine. Final action shall not be taken on any

1 proposed budget, in which the estimated expenditures exceed two
2 thousand dollars (\$2000), until after ten (10) days' public
3 notice. Nothing in this act shall be construed to prevent any
4 school district, whose total estimated expenditures do not
5 exceed two thousand dollars (\$2000), from holding a public
6 hearing. The proposed budget shall be printed, or otherwise made
7 available for public inspection to all persons who may interest
8 themselves [, at least twenty (20) days prior to the date set
9 for the adoption of the budget].

10 (b) The board of school directors, after making such
11 revisions and changes therein as appear advisable, shall adopt
12 the budget and the necessary appropriation measures required to
13 put it into effect. The total amount of such budget shall not:

14 (1) exceed the amount of funds, including the proposed
15 annual tax levy and State appropriation, available for school
16 purposes in that district[.]; and

17 (2) without voter approval as required in section 613, shall
18 not exceed the rate of increase in the most recent Consumer
19 Price Index for the immediately preceding calendar year.

20 Within fifteen (15) days after the adoption of the budget, the
21 board of school directors shall file a copy of the same in the
22 office of the Department of [Public Instruction] Education.

23 (c) The board of school directors may, during any fiscal
24 year, make additional appropriations or increase existing
25 appropriations to meet emergencies, such as epidemics, floods,
26 fires[, or other catastrophies[, or to provide for the payment
27 for rental under leases or contracts to lease from the State
28 Public School Building Authority or any municipality authority
29 entered into subsequent to the date of the adoption of the
30 budget]. The funds therefor shall be provided from unexpended

1 balances in existing appropriations, from unappropriated
2 revenue, if any, or from temporary loans. Such temporary loans,
3 when made, shall be approved by a two-thirds vote of the board
4 of school directors. If an emergency occurs, then the cost of
5 meeting that emergency shall not be included in the current
6 budget amount which is used to establish the basis for the
7 current year's budget for purposes of section 613.

8 * * *

9 Section 4. The addition or amendment of sections 613, 664
10 and 687 of the act shall not apply to the costs associated with
11 any collective bargaining agreement or any outstanding bonded
12 indebtedness in effect on the effective date of this act.

13 Section 5. This act shall take effect in 60 days.