

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1307 Session of 2011

INTRODUCED BY MILNE, BOYD, CALTAGIRONE, CLYMER, COHEN, D. COSTA, DAY, GABLER, GINGRICH, HALUSKA, KAVULICH, MAJOR, MILLARD, MOUL, MUNDY, MURT, PAYTON, PEIFER, PICKETT, PYLE, RAPP, REICHLEY, ROSS, SCHRODER, SONNEY, THOMAS, TOEPEL AND WAGNER, APRIL 7, 2011

SENATOR PICCOLA, EDUCATION, IN SENATE, AS AMENDED, MAY 22, 2012

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," IN DUTIES AND POWERS OF BOARDS OF
6 SCHOOL DIRECTORS, FURTHER PROVIDING FOR ELEMENTARY SCHOOLS;
7 IN SCHOOL FINANCES, FURTHER PROVIDING FOR WHEN DISTRICT
8 DISTRESSED; REPEALING PROVISIONS RELATING TO SPECIAL BOARD OF
9 CONTROL, PETITION AND APPOINTMENTS, WHEN NO APPOINTMENT IS
10 MADE AND COMPENSATION OF SPECIAL BOARD OF CONTROL; FURTHER
11 PROVIDING FOR POWERS OF SPECIAL BOARD OF CONTROL AND FOR
12 DISTRESS IN SCHOOL DISTRICTS OF THE FIRST CLASS; REPEALING
13 PROVISIONS RELATING TO ADDITIONAL TAX AND TO SCHOOL DIRECTORS
14 TO REMAIN IN OFFICE AND ELECTIONS; ADDING PROVISIONS RELATING
15 TO SCHOOL DISTRICT FINANCIAL RECOVERY; ESTABLISHING THE
16 FINANCIAL RECOVERY SCHOOL DISTRICT TRANSITIONAL LOAN ACCOUNT;
17 further providing for distress in school districts of the
18 first class; in intermediate units, further providing for
19 subsidies for services, for financial reports and for
20 superintendents' salaries; and AND FOR FINANCIAL REPORTS;
21 FURTHER PROVIDING FOR MANNER OF ELECTION OR APPROVAL;
22 PROVIDING FOR PERFORMANCE REVIEW; FURTHER PROVIDING FOR
23 ELECTION OF ASSISTANT DISTRICT SUPERINTENDENTS, FOR TERM AND
24 SALARY OF ASSISTANTS, FOR COMMISSIONS AND FOR REMOVAL; IN
25 HIGH SCHOOLS, FURTHER PROVIDING FOR ATTENDANCE IN OTHER
26 DISTRICTS; AND providing for wearing of military uniform at
27 graduation ceremony and for audits of school districts-
28 SUPERINTENDENTS OF SCHOOLS OR BUILDINGS AND OF SUPPLIES.

29 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2 ~~Section 1. Section 696(i)(3) of the act of March 10, 1949~~ ←
3 ~~(P.L.30, No.14), known as the Public School Code of 1949,~~
4 ~~amended October 30, 2001 (P.L.828, No.83), is amended to read:~~

5 SECTION 1. SECTION 501 OF THE ACT OF MARCH 10, 1949 (P.L.30, ←
6 NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949, IS AMENDED TO
7 READ:

8 SECTION 501. ELEMENTARY SCHOOLS.--(A) THE BOARD OF SCHOOL
9 DIRECTORS IN EVERY SCHOOL DISTRICT SHALL ESTABLISH, EQUIP,
10 FURNISH, AND MAINTAIN A SUFFICIENT NUMBER OF ELEMENTARY PUBLIC
11 SCHOOLS, IN COMPLIANCE WITH THE PROVISIONS OF THIS ACT, TO
12 EDUCATE EVERY PERSON, RESIDING IN SUCH DISTRICT, BETWEEN THE
13 AGES OF SIX AND TWENTY-ONE YEARS, WHO MAY ATTEND.

14 (B) A BOARD OF SCHOOL DIRECTORS MAY SATISFY THE REQUIREMENT
15 SET FORTH IN SUBSECTION (A) BY ANY OF THE FOLLOWING:

16 (1) OPERATING A SCHOOL BUILDING.

17 (2) CONVERTING A SCHOOL BUILDING TO A CHARTER SCHOOL.

18 (3) CONTRACTING WITH AN EDUCATION MANAGEMENT SERVICE
19 PROVIDER TO OPERATE A SCHOOL BUILDING. FOR PURPOSES OF THIS
20 PARAGRAPH, "EDUCATION MANAGEMENT SERVICE PROVIDER" SHALL MEAN A
21 FOR-PROFIT EDUCATION MANAGEMENT ORGANIZATION, NONPROFIT CHARTER
22 MANAGEMENT ORGANIZATION, SCHOOL DESIGN PROVIDER, BUSINESS
23 MANAGER OR ANY OTHER PARTNER ENTITY WITH WHICH A SCHOOL DISTRICT
24 CONTRACTS TO PROVIDE EDUCATIONAL DESIGN, BUSINESS SERVICES,
25 COMPREHENSIVE MANAGEMENT OR PERSONNEL FUNCTIONS. THE TERM SHALL
26 NOT INCLUDE A CHARTER SCHOOL FOUNDATION.

27 (4) PAYING TUITION FOR STUDENTS RESIDING IN THE SCHOOL
28 DISTRICT TO ATTEND SCHOOL IN ANOTHER SCHOOL DISTRICT UPON THE
29 AGREEMENT OF BOTH SCHOOL DISTRICTS.

30 SECTION 2. SECTION 691(A) OF THE ACT, AMENDED APRIL 27, 1998

1 (P.L.270, NO.46), IS AMENDED TO READ:

2 SECTION 691. WHEN DISTRICT DISTRESSED.--(A) [A] EXCEPT FOR
3 A SCHOOL DISTRICT OF THE FIRST CLASS A, SECOND CLASS, THIRD
4 CLASS OR FOURTH CLASS, A SCHOOL DISTRICT SHALL BE DEEMED TO BE
5 DISTRESSED WHEN ANY ONE OF THE FOLLOWING CIRCUMSTANCES SHALL
6 ARISE AND THE SECRETARY OF EDUCATION, AFTER PROPER INVESTIGATION
7 OF THE DISTRICT'S FINANCIAL CONDITION, THE ADMINISTRATIVE
8 PRACTICES OF THE BOARD AND SUCH OTHER MATTERS DEEMED APPROPRIATE
9 BY THE SECRETARY OF EDUCATION, HAS ISSUED A CERTIFICATE
10 DECLARING SUCH DISTRICT IN FINANCIAL DISTRESS:

11 (1) THE SALARIES OF ANY TEACHERS OR OTHER EMPLOYES HAVE
12 REMAINED UNPAID FOR A PERIOD OF NINETY (90) DAYS.

13 (2) THE TUITION DUE ANOTHER SCHOOL DISTRICT REMAINS UNPAID
14 ON AND AFTER JANUARY FIRST OF THE YEAR FOLLOWING THE SCHOOL YEAR
15 IT WAS DUE AND THERE IS NO DISPUTE REGARDING THE VALIDITY OR
16 AMOUNT OF THE CLAIM.

17 (3) ANY AMOUNT DUE ANY JOINT BOARD OF SCHOOL DIRECTORS UNDER
18 A JOINT BOARD AGREEMENT REMAINS UNPAID FOR A PERIOD OF NINETY
19 (90) CALENDAR DAYS BEYOND THE DUE DATE SPECIFIED IN THE JOINT
20 BOARD'S ARTICLES OF AGREEMENT.

21 (4) THE SCHOOL DISTRICT HAS DEFAULTED IN PAYMENT OF ITS
22 BONDS OR INTEREST ON SUCH BONDS OR IN PAYMENT OF RENTALS DUE ANY
23 AUTHORITY FOR A PERIOD OF NINETY (90) CALENDAR DAYS AND NO
24 ACTION HAS BEEN INITIATED WITHIN THAT PERIOD OF TIME TO MAKE
25 PAYMENT.

26 (5) THE SCHOOL DISTRICT HAS CONTRACTED ANY LOAN NOT
27 AUTHORIZED BY LAW.

28 (6) THE SCHOOL DISTRICT HAS ACCUMULATED AND HAS OPERATED
29 WITH A DEFICIT EQUAL TO TWO PER CENTUM (2%) OR MORE OF THE
30 ASSESSED VALUATION OF THE TAXABLE REAL ESTATE WITHIN THE

1 DISTRICT FOR TWO SUCCESSIVE YEARS.

2 (7) A NEW, MERGED OR UNION SCHOOL DISTRICT HAS BEEN FORMED
3 AND ONE OR MORE OF THE FORMER SCHOOL DISTRICTS WHICH COMPOSE THE
4 MERGED OR UNION SCHOOL DISTRICT WAS A DISTRESSED SCHOOL DISTRICT
5 AT THE TIME OF THE FORMATION OF THE MERGED OR UNION SCHOOL
6 DISTRICT.

7 * * *

8 SECTION 3. SECTION 692 OF THE ACT, AMENDED DECEMBER 9, 2002
9 (P.L.1472, NO.187), IS REPEALED:

10 [SECTION 692. SPECIAL BOARD OF CONTROL; PETITION;
11 APPOINTMENTS.--WHENEVER ON THE BASIS OF A PROPER INVESTIGATION
12 AS HEREIN PROVIDED FOR, THE SECRETARY OF EDUCATION HAS DECLARED
13 A SCHOOL DISTRICT OF THE FIRST CLASS A, SECOND CLASS, THIRD
14 CLASS OR FOURTH CLASS TO BE A DISTRESSED SCHOOL DISTRICT UNDER
15 SECTION 691(A), HE OR HIS DESIGNATED REPRESENTATIVE WHO SHALL BE
16 A PERSON TRAINED IN PUBLIC SCHOOL ADMINISTRATION, POSSESSING THE
17 CERTIFICATION PREREQUISITES DEMANDED OF A DISTRICT OR ASSISTANT
18 SUPERINTENDENT, OR HOLDING IN THE DEPARTMENT OF EDUCATION THE
19 RANK OF DEPUTY SECRETARY, SHALL PETITION THE COURT OF COMMON
20 PLEAS OF THE COUNTY IN WHICH SUCH DISTRICT, OR THE LARGEST PART
21 IN AREA, IS LOCATED TO APPOINT TWO CITIZENS WHO SHALL BE
22 QUALIFIED ELECTORS AND TAXPAYERS IN THE COUNTY IN WHICH THE
23 SCHOOL DISTRICT IS LOCATED. SCHOOL DIRECTORS AND EMPLOYEES OF ANY
24 SUCH SCHOOL DISTRICT SHALL BE INELIGIBLE FOR APPOINTMENT BY THE
25 COURT. THE APPOINTEES, TOGETHER WITH THE DESIGNATED
26 REPRESENTATIVE OF THE SECRETARY OF EDUCATION, SHALL CONSTITUTE A
27 SPECIAL BOARD OF CONTROL AND SHALL SERVE FOR TERMS OF FIVE
28 YEARS. NO MEMBER OF THE BOARD MAY BE REMOVED FROM OFFICE DURING
29 A TERM, EXCEPT THAT THE SECRETARY OF EDUCATION MAY UPON CLEAR
30 AND CONVINCING EVIDENCE OF MALFEASANCE OR MISFEASANCE IN OFFICE

1 REMOVE A MEMBER PRIOR TO THE EXPIRATION OF THE TERM. BEFORE A
2 MEMBER OF THE BOARD IS REMOVED, THAT MEMBER MUST BE PROVIDED
3 WITH A WRITTEN STATEMENT OF THE REASONS FOR REMOVAL AND AN
4 OPPORTUNITY FOR A HEARING IN ACCORDANCE WITH 2 PA.C.S. CH. 5
5 SUBCH. A (RELATING TO PRACTICE AND PROCEDURE OF COMMONWEALTH
6 AGENCIES) AND CH. 7 SUBCH. A (RELATING TO JUDICIAL REVIEW OF
7 COMMONWEALTH AGENCY ACTION). VACANCIES OCCURRING BECAUSE OF
8 DEATH, REMOVAL OR RESIGNATION OF MEMBERS OF THE BOARD SHALL BE
9 FILLED WITHIN THIRTY (30) DAYS OF THE CREATION OF THE VACANCY IN
10 THE MANNER IN WHICH THAT POSITION WAS ORIGINALLY FILLED. A
11 MEMBER OF THE BOARD SHALL HOLD OFFICE UNTIL A SUCCESSOR IS
12 APPOINTED AND QUALIFIED. THE SPECIAL BOARD OF CONTROL SHALL
13 ASSUME CONTROL OF THE AFFAIRS OF THE DISTRICT AND OPERATE IT IN
14 THE PLACE OF THE SCHOOL DIRECTORS DURING THE PERIOD NECESSARY TO
15 REESTABLISH A SOUND FINANCIAL STRUCTURE IN THE DISTRICT. THE
16 COSTS OF THE COURT PROCEEDINGS SHALL BE PAID BY THE DEPARTMENT
17 OF EDUCATION.]

18 SECTION 4. SECTION 692.1 OF THE ACT, AMENDED JANUARY 14,
19 1970 (1969 P.L.468, NO.192), IS REPEALED:

20 [SECTION 692.1. WHEN NO APPOINTMENT IS MADE.--IN THE EVENT
21 THAT THE COURT OF COMMON PLEAS HAS MADE NO APPOINTMENT OF
22 MEMBERS TO A SPECIAL BOARD OF CONTROL WITHIN THIRTY (30) DAYS OF
23 THE DATE OF THE FILING OF THE PETITION FOR SUCH APPOINTMENT, THE
24 SUPERINTENDENT OF PUBLIC INSTRUCTION MAY DESIGNATE THE EXECUTIVE
25 DIRECTOR OF THE INTERMEDIATE UNIT AND A MEMBER OF THE
26 INTERMEDIATE UNIT BOARD OF DIRECTORS OF THE INTERMEDIATE UNIT IN
27 WHICH THE PETITION IS PRESENTED TO SERVE UNTIL THE COURT MAKES
28 ITS APPOINTMENTS. A SCHOOL DIRECTOR OF THE DISTRESSED SCHOOL
29 DISTRICT SERVING ON THE INTERMEDIATE BOARD OF DIRECTORS SHALL BE
30 INELIGIBLE FOR APPOINTMENT.]

1 SECTION 5. SECTION 692.2 OF THE ACT, AMENDED JUNE 30, 1995
2 (P.L.220, NO.26), IS REPEALED:

3 [SECTION 692.2. COMPENSATION OF SPECIAL BOARD OF CONTROL.--
4 THE MEMBERS OF THE SPECIAL BOARD APPOINTED BY THE COURT, OR THE
5 MEMBER OTHER THAN THE EXECUTIVE DIRECTOR OF THE INTERMEDIATE
6 UNIT APPOINTED ON A TEMPORARY BASIS BY THE SUPERINTENDENT OF
7 PUBLIC INSTRUCTION, SHALL BE PAID SEVENTY-FIVE DOLLARS (\$75) FOR
8 EACH MEETING OF THE REGULAR BOARD OF SCHOOL DIRECTORS OF THE
9 DISTRESSED SCHOOL DISTRICT WHICH THEY ATTEND: PROVIDED, HOWEVER,
10 THAT THE TOTAL AMOUNT TO BE PAID IN ANY FISCAL YEAR TO EACH SUCH
11 MEMBER SHALL NOT EXCEED NINE HUNDRED DOLLARS (\$900). SUCH
12 PAYMENTS SHALL BE MADE FROM THE FUNDS OF THE SCHOOL DISTRICT AND
13 SHALL BE CHARGED TO ADMINISTRATIVE SERVICES EVEN THOUGH NO
14 PREVIOUS PROVISION HAS BEEN MADE IN THE BUDGET OF THE SCHOOL
15 DISTRICT FOR SUCH EXPENSES.]

16 SECTION 6. SECTION 693 OF THE ACT, ADDED DECEMBER 15, 1959
17 (P.L.1842, NO.675), IS AMENDED TO READ:

18 SECTION 693. POWERS OF SPECIAL BOARD OF CONTROL.--[WHEN]

19 (A) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (B), WHEN THE
20 SPECIAL BOARD OF CONTROL ASSUMES CONTROL OF A DISTRESSED SCHOOL
21 DISTRICT, IT SHALL HAVE POWER AND IS HEREBY AUTHORIZED TO
22 EXERCISE ALL THE RIGHTS, POWERS, PRIVILEGES, PREROGATIVES AND
23 DUTIES IMPOSED OR CONFERRED BY LAW ON THE BOARD OF SCHOOL
24 DIRECTORS OF THE DISTRESSED DISTRICT, AND THE BOARD OF SCHOOL
25 DIRECTORS SHALL HAVE NO POWER TO ACT WITHOUT THE APPROVAL OF THE
26 SPECIAL BOARD OF CONTROL. IN ADDITION THERETO, THE SPECIAL BOARD
27 OF CONTROL SHALL HAVE POWER TO REQUIRE THE BOARD OF DIRECTORS
28 WITHIN SIXTY (60) DAYS TO REVISE THE DISTRICT'S BUDGET FOR THE
29 PURPOSE OF EFFECTING SUCH ECONOMIES AS IT DEEMS NECESSARY TO
30 IMPROVE THE DISTRICT'S FINANCIAL CONDITION. TO THIS END THE

1 SPECIAL BOARD OF CONTROL MAY REQUIRE THE BOARD:

2 (1) TO CANCEL OR TO RENEGOTIATE ANY CONTRACT OTHER THAN
3 TEACHERS' CONTRACTS TO WHICH THE BOARD OR THE SCHOOL DISTRICT IS
4 A PARTY, IF SUCH CANCELLATION OR RENEGOTIATION OF CONTRACT WILL
5 EFFECT NEEDED ECONOMIES IN THE OPERATION OF THE DISTRICT'S
6 SCHOOLS.

7 (2) TO INCREASE TAX LEVIES IN SUCH AMOUNTS AND AT SUCH TIMES
8 AS IS PERMITTED BY THE ACT TO WHICH THIS IS AN AMENDMENT.

9 (3) TO APPOINT A SPECIAL COLLECTOR OF DELINQUENT TAXES FOR
10 THE DISTRICT WHO NEED NOT BE A RESIDENT OF THE SCHOOL DISTRICT.
11 SUCH SPECIAL TAX COLLECTOR SHALL EXERCISE ALL THE RIGHTS AND
12 PERFORM ALL THE DUTIES IMPOSED BY LAW ON TAX COLLECTORS FOR
13 SCHOOL DISTRICTS. THE SUPERSEDED TAX COLLECTOR SHALL NOT BE
14 ENTITLED TO ANY COMMISSIONS ON THE TAXES COLLECTED BY THE
15 SPECIAL COLLECTOR OF DELINQUENT TAXES.

16 (4) TO DIRECT THE SPECIAL SCHOOL AUDITORS OF THE DEPARTMENT
17 OR TO APPOINT A COMPETENT INDEPENDENT PUBLIC ACCOUNTANT TO AUDIT
18 THE ACCOUNTS OF THE DISTRESSED SCHOOL DISTRICTS.

19 (5) TO DISPENSE WITH THE SERVICES OF SUCH NONPROFESSIONAL
20 EMPLOYES AS IN HIS JUDGMENT ARE NOT ACTUALLY NEEDED FOR THE
21 ECONOMICAL OPERATION OF THE SCHOOL SYSTEM.

22 (6) TO SUSPEND, IN ACCORDANCE WITH THE PROVISIONS OF SECTION
23 1124 OF THE ACT TO WHICH THIS IS AN AMENDMENT, SUCH NUMBER OF
24 PROFESSIONAL AND TEMPORARY PROFESSIONAL EMPLOYES AS MAY BE
25 NECESSARY TO MAINTAIN A PUPIL-TEACHER RATIO OF NOT LESS THAN
26 TWENTY-SIX PUPILS PER TEACHER FOR THE COMBINED ELEMENTARY AND
27 SECONDARY SCHOOL ENROLLMENTS.

28 (B) THE PROVISIONS OF SUBSECTION (A) SHALL NOT APPLY TO A
29 SCHOOL DISTRICT OF THE FIRST CLASS A, SECOND CLASS, THIRD CLASS
30 OR FOURTH CLASS.

1 SECTION 7. SECTION 694 OF THE ACT, ADDED DECEMBER 15, 1959
2 (P.L.1842, NO.675), IS REPEALED:

3 [SECTION 694. ADDITIONAL TAX.--WHEN THE OPERATION OF A
4 DISTRESSED SCHOOL DISTRICT HAS BEEN ASSUMED BY THE SPECIAL BOARD
5 OF CONTROL, THE BOARD OF SCHOOL DIRECTORS OF THE DISTRICT SHALL,
6 UPON THE RECOMMENDATION AND WITH THE APPROVAL OF THE SPECIAL
7 BOARD OF CONTROL, LEVY AN ADDITIONAL TAX OR TAXES SUFFICIENT TO
8 LIQUIDATE THE INDEBTEDNESS OF THE DISTRICT: PROVIDED, THAT WHEN
9 SUCH SCHOOL DIRECTORS FAIL TO LEVY SUCH ADDITIONAL TAXES WITHIN
10 A REASONABLE TIME, THE SPECIAL BOARD OF CONTROL MAY PETITION THE
11 COURT OF COMMON PLEAS OF THE COUNTY IN WHICH SUCH DISTRICT OR
12 THE LARGEST PART IN AREA IS LOCATED TO ISSUE A WRIT OF MANDAMUS
13 REQUIRING THE BOARD TO LEVY SUCH ADDITIONAL TAX OR TAXES, OR HE
14 MAY, IN HIS OWN NAME, INITIATE ACTION TO HAVE THE BOARD REMOVED
15 FROM OFFICE FOR NEGLECT OF DUTY SUBJECT TO THE PROVISIONS OF
16 SECTION 318 OF THIS ACT. NOTWITHSTANDING PRESENT LIMITATIONS ON
17 TAX RATES IMPOSED BY LAW, SUCH LIMITATIONS SHALL NOT APPLY TO
18 DISTRESSED SCHOOL DISTRICTS.]

19 SECTION 8. SECTION 695 OF THE ACT, AMENDED JULY 31, 1963
20 (P.L.407, NO.215), IS REPEALED:

21 [SECTION 695. SCHOOL DIRECTORS TO REMAIN IN OFFICE;
22 ELECTIONS.--THE SCHOOL DIRECTORS OF A DISTRESSED DISTRICT MAY
23 NOT RESIGN THEIR OFFICES, EXCEPT WITH THE UNANIMOUS CONSENT OF
24 THE SPECIAL BOARD OF CONTROL AND SHALL CONTINUE IN OFFICE,
25 UNLESS REMOVED FROM OFFICE FOR NEGLECT OF DUTY UNDER THE
26 PROVISIONS OF SECTION 318 OF THIS ACT BY THE COURT OF COMMON
27 PLEAS OF THE COUNTY IN WHICH SUCH DISTRICT OR THE LARGEST PART
28 IN AREA IS LOCATED, OR UNLESS ANY OF SUCH DIRECTORS ARE ELECTED
29 TO ANOTHER POSITION NOT COMPATIBLE WITH THE POSITION OF SCHOOL
30 DIRECTOR OR ARE APPOINTED TO ANY POSITION FOR WHICH THERE IS A

1 REQUIREMENT THAT SAID APPOINTEE SHALL HOLD NO ELECTIVE OFFICE,
2 FOR THE REMAINDER OF THEIR TERMS DURING THE TIME THE DISTRICT IS
3 OPERATED BY THE SPECIAL BOARD OF CONTROL AND SHALL PERFORM ANY
4 DUTIES DELEGATED TO THEM BY IT. THE ASSUMPTION OF CONTROL OF A
5 DISTRESSED SCHOOL DISTRICT BY THE SPECIAL BOARD OF CONTROL SHALL
6 IN NO WAY INTERFERE WITH THE REGULAR ELECTION OR REELECTION OF
7 SCHOOL DIRECTORS FOR THE DISTRICT.]

8 SECTION 9. SECTION 696(I) (3) OF THE ACT, AMENDED OCTOBER 30,
9 2001 (P.L.828, NO.83), IS AMENDED TO READ:

10 Section 696. Distress in School Districts of the First
11 Class.--* * *

12 (i) In addition to all powers granted to the superintendent
13 by law and a special board of control under section 693 and
14 notwithstanding any other law to the contrary, the School Reform
15 Commission shall have the following powers:

16 * * *

17 (3) To suspend the requirements of this act and regulations
18 of the State Board of Education except that the school district
19 shall remain subject to those provisions of this act set forth
20 in [section] ~~1075, section~~ SECTIONS 1073, 1073.1, 1076, 1077, ←
21 1078, 1080, 1732-A(a), (b) and (c) [and section], 1714-B AND ←
22 2104 and regulations under those sections.

23 * * *

24 ~~Section 2. Section 907 A of the act, added May 4, 1970~~ ←
25 ~~(P.L.311, No.102), is amended to read:~~

26 ~~Section 907 A. Subsidies for Services. (a) Intermediate~~
27 ~~units shall receive subsidies from the Commonwealth as herein~~
28 ~~provided only for services performed pursuant to and authorized~~
29 ~~by law, as hereinafter provided. Nothing contained herein shall~~
30 ~~prohibit intermediate units from receiving funds from school~~

1 ~~districts and other sources including nonpublic nonprofit~~
2 ~~schools and expending such funds to provide additional services~~
3 ~~not included in the approved program of services.~~

4 ~~(b) (1) No later than February 1, 2012, and each year~~
5 ~~thereafter, the Department of Education shall prepare a report~~
6 ~~on subsidies and funds received under this section. The report~~
7 ~~shall include, but not be limited to, the following information:~~

8 ~~(i) A listing of all contracts, interagency agreements and~~
9 ~~purchase orders executed by a Commonwealth agency with each~~
10 ~~intermediate unit and between intermediate units.~~

11 ~~(ii) The total amount, including annual amount for any~~
12 ~~multiyear contract, agreement or purchase order, and the~~
13 ~~duration of each.~~

14 ~~(iii) The source and amount of funding to cover the entire~~
15 ~~cost of the contract.~~

16 ~~(iv) A description of programs and services being provided,~~
17 ~~including performance measures by which each intermediate unit~~
18 ~~will be assessed and penalties for nonperformance, if any.~~

19 ~~(v) A description of the selection process used in entering~~
20 ~~into the arrangement.~~

21 ~~(vi) The number of all employes, contractors and agents~~
22 ~~covered under the contracts and the remuneration provided under~~
23 ~~the contract.~~

24 ~~(2) The Department of Education shall develop the format to~~
25 ~~be used by the intermediate unit in the collection of the~~
26 ~~information specified in paragraph (1).~~

27 ~~(3) The Department of Education shall post the reports on~~
28 ~~the department's Internet website.~~

29 ~~(4) The report submitted in 2011-2012 shall cover fiscal~~
30 ~~years 2009-2010 and 2010-2011. Future reports shall cover the~~

1 ~~previous fiscal year.~~

2 ~~Section 3. Section 921 A of the act is amended by adding a~~
3 ~~subsection to read:~~

4 ~~Section 921 A. Financial Reports. * * *~~

5 ~~(a.1) The Department of Education shall post on its Internet~~
6 ~~website, in the format consistent with those already posted for~~
7 ~~the other local education agencies, information included in the~~
8 ~~intermediate units' annual financial report.~~

9 ~~* * *~~

10 ~~Section 4. Section 1075 of the act, amended January 14, 1970~~
11 ~~(1969 P.L.468, No.192), is amended to read:~~

12 ~~Section 1075. Salary. (a) The board of school directors at~~
13 ~~any convention electing a district superintendent or an~~
14 ~~assistant district superintendent shall determine the amount of~~
15 ~~salary to be paid such district superintendent or assistant~~
16 ~~district superintendent which compensation shall be paid out of~~
17 ~~the funds of the district. If a district superintendent or an~~
18 ~~assistant district superintendent is employed in a joint school~~
19 ~~system including kindergarten or grades 1 to 12, his salary~~
20 ~~shall be fixed by a majority vote of all the school directors in~~
21 ~~the districts operating the joint school systems, and shall be~~
22 ~~paid by the districts in the same proportions as they contribute~~
23 ~~to the support of the joint school.~~

24 ~~(b) District superintendents and assistant district~~
25 ~~superintendents shall be entitled to the following minimum~~
26 ~~annual salaries:~~

27 ~~(1) Assistant district superintendents having less than one~~
28 ~~hundred (100) teachers under their supervision, nine thousand~~
29 ~~dollars (\$9,000).~~

30 ~~(2) Assistant district superintendents having one hundred~~

1 ~~(100) teachers or more but less than three hundred (300)~~
2 ~~teachers under their supervision, ten thousand dollars~~
3 ~~(\$10,000).~~

4 ~~(3) Assistant district superintendents having three hundred~~
5 ~~(300) or more teachers under their supervision, eleven thousand~~
6 ~~dollars (\$11,000).~~

7 ~~(4) District superintendents having less than one hundred~~
8 ~~(100) teachers under their supervision, thirteen thousand~~
9 ~~dollars (\$13,000).~~

10 ~~(5) District superintendents having one hundred (100)~~
11 ~~teachers or more but less than three (300) teachers under their~~
12 ~~supervision, fourteen thousand dollars (\$14,000).~~

13 ~~(6) District superintendents having three hundred (300) or~~
14 ~~more teachers under their supervision, fifteen thousand dollars~~
15 ~~(\$15,000).~~

16 ~~(c) Except as provided under subsection (b), district~~
17 ~~superintendents and assistant district superintendents of a~~
18 ~~school district that has been issued a certification declaring~~
19 ~~the school district in financial distress under section 691 may~~
20 ~~not receive:~~

21 ~~(1) Any form of annual compensation except for an annual~~
22 ~~salary. For the purposes of this paragraph, annual compensation~~
23 ~~shall include bonuses, incentive payments and any other type of~~
24 ~~compensation. Annual compensation shall not include medical~~
25 ~~benefits or a severance payment if the district superintendent~~
26 ~~or assistant district superintendent is not terminated.~~

27 ~~(2) Any type of severance payment if the district~~
28 ~~superintendent or assistant district superintendent was~~
29 ~~terminated.~~

30 SECTION 10. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ: 

1 ARTICLE VI-A

2 SCHOOL DISTRICT FINANCIAL RECOVERY

3 (A) PRELIMINARY PROVISIONS

4 SECTION 601-A. SCOPE OF ARTICLE.

5 THIS ARTICLE PROVIDES FOR FINANCIAL RECOVERY IN CERTAIN
6 SCHOOL DISTRICTS.

7 SECTION 602-A. DEFINITIONS.

8 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
9 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
10 CONTEXT CLEARLY INDICATES OTHERWISE:

11 "ADVISORY COMMITTEE." THE ADVISORY COMMITTEE ESTABLISHED BY
12 A BOARD OF SCHOOL DIRECTORS UNDER SECTION 654-A.

13 "CHIEF RECOVERY OFFICER." THE CHIEF RECOVERY OFFICER
14 APPOINTED BY THE SECRETARY OF EDUCATION UNDER SECTION 631-A.

15 "CLAIM." A RIGHT TO:

16 (1) PAYMENT, WHETHER OR NOT THE RIGHT IS REDUCED TO
17 JUDGMENT, LIQUIDATED, UNLIQUIDATED, FIXED, CONTINGENT,
18 MATURED, UNMATURED, DISPUTED, UNDISPUTED, LEGAL, EQUITABLE,
19 SECURED OR UNSECURED; OR

20 (2) AN EQUITABLE REMEDY FOR BREACH OF PERFORMANCE IF THE
21 BREACH GIVES RISE TO A RIGHT TO PAYMENT, WHETHER OR NOT THE
22 RIGHT TO AN EQUITABLE REMEDY IS REDUCED TO JUDGMENT, FIXED,
23 CONTINGENT, MATURED, UNMATURED, DISPUTED, UNDISPUTED, SECURED
24 OR UNSECURED.

25 "CREDITOR." AN INDIVIDUAL, PARTNERSHIP, CORPORATION,
26 ASSOCIATION, ESTATE, TRUST OR GOVERNMENTAL UNIT THAT HAS A CLAIM
27 AGAINST A SCHOOL DISTRICT. THE TERM SHALL INCLUDE THE PUBLIC
28 SCHOOL EMPLOYEES' RETIREMENT BOARD.

29 "DEFICIT." THE EXCESS OF EXPENDITURES OVER REVENUES,
30 CALCULATED AS A PERCENTAGE OF REVENUE, DURING AN ACCOUNTING

1 PERIOD, AND WHICH CALCULATION INCLUDES ALL GOVERNMENTAL FUND
2 TYPES AND ALL PROPRIETARY FUND TYPES, BUT EXCLUDES ALL FIDUCIARY
3 FUND TYPES OF THE SCHOOL DISTRICT.

4 "DEPARTMENT." THE DEPARTMENT OF EDUCATION OF THE
5 COMMONWEALTH.

6 "EMPLOYEE ORGANIZATION." AS DEFINED IN SECTION 1101-A.

7 "EXPENDITURES." REDUCTIONS IN FUND EQUITY, INCLUDING CURRENT
8 OPERATING EXPENSES THAT REQUIRE THE USE OF FUND EQUITY, DEBT
9 SERVICE AND CAPITAL OUTLAYS. THE TERM SHALL NOT INCLUDE
10 INTERFUND TRANSFERS.

11 "FINANCIAL RECOVERY PLAN" OR "PLAN." A FINANCIAL RECOVERY
12 PLAN UNDER SUBARTICLE (C).

13 "FINANCIAL RECOVERY SCHOOL DISTRICT." A SCHOOL DISTRICT OF
14 THE FIRST CLASS A, SECOND CLASS, THIRD CLASS OR FOURTH CLASS
15 DECLARED BY THE SECRETARY OF EDUCATION TO BE IN FINANCIAL
16 RECOVERY STATUS UNDER SECTION 621-A.

17 "FINANCIAL RECOVERY SCHOOL DISTRICT TRANSITIONAL LOAN
18 ACCOUNT." THE ACCOUNT FOR LOANS AWARDED UNDER SUBDIVISION (VII)
19 OF SUBARTICLE (C).

20 "FUND EQUITY." EXCESS OF ASSETS OF A FUND OVER ITS
21 LIABILITIES. THE TERM SHALL INCLUDE A FUND BALANCE.

22 "RECEIVER." THE RECEIVER OF A FINANCIAL RECOVERY SCHOOL
23 DISTRICT APPOINTED UNDER SUBDIVISION (VI) OF SUBARTICLE (C).

24 "REVENUES." ADDITIONS TO FUND EQUITY OTHER THAN FROM
25 INTERFUND TRANSFERS, PROCEEDS OF DEBT AND PROCEEDS OF
26 DISPOSITION OF GENERAL FIXED ASSETS.

27 "SCHOOL DISTRICT." A SCHOOL DISTRICT OF THE FIRST CLASS A,
28 SECOND CLASS, THIRD CLASS AND FOURTH CLASS AND A FINANCIAL
29 RECOVERY SCHOOL DISTRICT. THE TERM DOES NOT INCLUDE A SCHOOL
30 DISTRICT OF THE FIRST CLASS.

1 "SECRETARY." THE SECRETARY OF EDUCATION OF THE COMMONWEALTH.

2 (B) SCHOOL DISTRICT FINANCIAL WATCH

3 SECTION 611-A. EARLY WARNING SYSTEM.

4 (A) ESTABLISHMENT.--

5 (1) THE DEPARTMENT SHALL DEVELOP AND IMPLEMENT AN EARLY
6 WARNING SYSTEM UNDER WHICH THE DEPARTMENT SHALL:

7 (I) COMPILE FINANCIAL DATA AND MAINTAIN ACCURATE AND
8 CURRENT INFORMATION AND DATA ON THE FINANCIAL CONDITIONS
9 OF SCHOOL DISTRICTS. EACH SCHOOL DISTRICT SHALL PROVIDE
10 ITS FINANCIAL DATA AND INFORMATION TO THE DEPARTMENT
11 WITHIN 15 DAYS OF A REQUEST BY THE DEPARTMENT.

12 (II) REGULARLY ANALYZE AND ASSESS SCHOOL DISTRICT
13 BUDGET REPORTS, DATA AND OTHER INFORMATION DIRECTLY
14 RELATED TO THE FINANCIAL CONDITIONS OF SCHOOL DISTRICTS.

15 (III) UTILIZE APPROPRIATE FISCAL AND SOCIOECONOMIC
16 VARIABLES TO IDENTIFY FINANCIAL DIFFICULTIES IN SCHOOL
17 DISTRICTS IN FINANCIAL WATCH STATUS.

18 (IV) NOTIFY ANY SCHOOL DISTRICT IDENTIFIED FOR
19 FINANCIAL WATCH STATUS.

20 (V) OFFER TECHNICAL ASSISTANCE TO SCHOOL DISTRICTS
21 IN FINANCIAL WATCH STATUS TO CORRECT MINOR FINANCIAL
22 PROBLEMS AND TO AVOID A DECLARATION OF FINANCIAL RECOVERY
23 STATUS UNDER SECTION 621-A.

24 (2) (I) THE DEPARTMENT SHALL DEVELOP THE FISCAL AND
25 ECONOMIC VARIABLES TO BE USED IN IDENTIFYING SCHOOL
26 DISTRICTS IN FINANCIAL WATCH STATUS, SHALL TEST THE
27 VALIDITY AND RELIABILITY OF THE VARIABLES AND SHALL
28 CONTINUOUSLY MONITOR THE VARIABLES TO ASSURE THEIR
29 EFFECTIVENESS.

30 (II) THE VARIABLES DEVELOPED BY THE DEPARTMENT UNDER

1 THIS PARAGRAPH SHALL INCLUDE, BUT SHALL NOT BE LIMITED
2 TO, WHETHER ANY POLITICAL SUBDIVISION LOCATED WITHIN THE
3 SCHOOL DISTRICT IS A FINANCIALLY DISTRESSED MUNICIPALITY
4 UNDER THE ACT OF JULY 10, 1987 (P.L.246, NO.47), KNOWN AS
5 THE MUNICIPALITIES FINANCIAL RECOVERY ACT.

6 (3) IN DEVELOPING AN EARLY WARNING SYSTEM UNDER THIS
7 SECTION, THE DEPARTMENT MAY EMPLOY OR CONTRACT WITH FISCAL
8 CONSULTANTS AS DEEMED NECESSARY TO ADMINISTER THE PROVISIONS
9 OF THIS SECTION.

10 (B) DUTIES.--WHEN A SCHOOL DISTRICT IS IDENTIFIED THROUGH
11 THE EARLY WARNING SYSTEM FOR FINANCIAL WATCH STATUS, THE
12 DEPARTMENT SHALL:

13 (1) NOTIFY THE SCHOOL DISTRICT THAT THE DEPARTMENT HAS
14 IDENTIFIED THE SCHOOL DISTRICT FOR FINANCIAL WATCH STATUS.

15 (2) REQUEST FROM THE SCHOOL DISTRICT ALL INFORMATION
16 NECESSARY TO ENABLE THE DEPARTMENT TO CONDUCT A REVIEW OF THE
17 SCHOOL DISTRICT'S FINANCIAL CONDITION. A SCHOOL DISTRICT THAT
18 RECEIVES A REQUEST FOR INFORMATION UNDER THIS PARAGRAPH SHALL
19 PROVIDE THE DEPARTMENT WITH ALL INFORMATION REQUESTED WITHIN
20 15 DAYS.

21 (3) PERFORM A THOROUGH REVIEW OF THE SCHOOL DISTRICT'S
22 FINANCIAL CONDITION, WHICH SHALL INCLUDE A REVIEW OF THE
23 INFORMATION PROVIDED BY THE SCHOOL DISTRICT UNDER PARAGRAPH
24 (2) AND WHICH MAY INCLUDE VISITS AND CORRESPONDENCE WITH
25 SCHOOL DISTRICT OFFICERS AND EMPLOYEES.

26 (4) PROVIDE THE SCHOOL DISTRICT WITH TECHNICAL
27 ASSISTANCE APPROPRIATE TO REMEDYING THE SCHOOL DISTRICT'S
28 FINANCIAL DIFFICULTIES, WHICH MAY INCLUDE, BUT SHALL NOT BE
29 LIMITED TO, CONTRACTING WITH FINANCIAL CONSULTANTS TO ASSIST
30 THE SCHOOL DISTRICT.

1 (C) GUIDELINES.--

2 (1) WITHIN 60 DAYS OF THE EFFECTIVE DATE OF THIS
3 SECTION, THE DEPARTMENT SHALL ESTABLISH GUIDELINES FOR THE
4 OPERATION OF THE EARLY WARNING SYSTEM ESTABLISHED UNDER THIS
5 SECTION, INCLUDING A DESCRIPTION OF THE VARIABLES THAT WILL
6 BE USED BY THE DEPARTMENT TO IDENTIFY SCHOOL DISTRICTS IN
7 FINANCIAL WATCH STATUS. THE GUIDELINES SHALL BE PUBLISHED AS
8 A STATEMENT OF POLICY IN THE PENNSYLVANIA BULLETIN AND SHALL
9 BE POSTED ON THE DEPARTMENT'S PUBLICLY ACCESSIBLE INTERNET
10 WEBSITE.

11 (2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE
12 CONTRARY, GUIDELINES REQUIRED UNDER THIS SUBSECTION SHALL NOT
13 BE SUBJECT TO REVIEW, REGULATION OR APPROVAL BY THE STATE
14 BOARD OF EDUCATION.

15 (3) THE GUIDELINES ESTABLISHED BY THE DEPARTMENT, AND
16 ANY AMENDMENTS THERETO, SHALL BE EXEMPT FROM THE REQUIREMENTS
17 OF THE FOLLOWING:

18 (I) THE ACT OF JUNE 25, 1982 (P.L.633, NO.181),
19 KNOWN AS THE REGULATORY REVIEW ACT.

20 (II) THE ACT OF JULY 31, 1968 (P.L.769, NO.240),
21 REFERRED TO AS THE COMMONWEALTH DOCUMENTS LAW.

22 (III) THE ACT OF OCTOBER 15, 1980 (P.L.950, NO.164),
23 KNOWN AS THE COMMONWEALTH ATTORNEYS ACT.

24 (4) THE EARLY WARNING SYSTEM MAY NOT BECOME OPERATIONAL
25 UNTIL PUBLICATION OF THE GUIDELINES AS REQUIRED UNDER
26 PARAGRAPH (1).

27 (C) SCHOOL DISTRICT FINANCIAL RECOVERY

28 (I) DECLARATION OF SCHOOL DISTRICT
29 FINANCIAL RECOVERY STATUS

30 SECTION 621-A. ISSUANCE OF DECLARATION.

1 (A) CRITERIA.--SUBJECT TO THE PROVISIONS OF SUBSECTION (B)
2 AND AFTER PROPER INVESTIGATION OF THE SCHOOL DISTRICT'S
3 FINANCIAL CONDITION, THE ADMINISTRATIVE PRACTICES OF THE BOARD
4 OF SCHOOL DIRECTORS AND SUCH OTHER MATTERS DEEMED APPROPRIATE BY
5 THE SECRETARY, THE FOLLOWING SHALL APPLY:

6 (1) (I) SUBJECT TO THE PROVISIONS OF SUBPARAGRAPH (II),
7 THE SECRETARY SHALL ISSUE A DECLARATION THAT A SCHOOL
8 DISTRICT IS IN FINANCIAL RECOVERY STATUS WHEN EITHER OF
9 THE FOLLOWING APPLIES:

10 (A) THE SCHOOL DISTRICT HAS AN AVERAGE DAILY
11 MEMBERSHIP GREATER THAN 7,500 AND RECEIVES AN ADVANCE
12 OF ITS BASIC EDUCATION SUBSIDY AT ANY TIME.

13 (B) THE SCHOOL DISTRICT RECEIVES AN ADVANCE OF
14 ITS BASIC EDUCATION SUBSIDY AT ANY TIME AND IS EITHER
15 SUBJECT TO A DECLARATION OF FINANCIAL DISTRESS UNDER
16 SECTION 691 OR ENGAGED IN LITIGATION AGAINST THE
17 COMMONWEALTH IN WHICH THE SCHOOL DISTRICT SEEKS
18 FINANCIAL ASSISTANCE FROM THE COMMONWEALTH TO ALLOW
19 THE SCHOOL DISTRICT TO CONTINUE IN OPERATION.

20 (II) NOTWITHSTANDING THE PROVISIONS OF SUBPARAGRAPH
21 (I), THE SECRETARY MAY DECLINE TO ISSUE A DECLARATION
22 THAT A SCHOOL DISTRICT IS IN FINANCIAL RECOVERY STATUS
23 WHERE THE SECRETARY DETERMINES THAT THE SCHOOL DISTRICT,
24 WITHIN THE PREVIOUS FIVE YEARS, HAS FACED AN EMERGENCY
25 THAT CAUSED THE OCCURRENCE OF A CIRCUMSTANCE SET FORTH IN
26 SUBPARAGRAPH (I).

27 (2) (I) WITHIN TWO YEARS OF THE EFFECTIVE DATE OF THIS
28 SECTION, THE STATE BOARD OF EDUCATION SHALL PROMULGATE
29 FINAL-OMITTED REGULATIONS UNDER THE ACT OF JUNE 25, 1982
30 (P.L.633, NO.181), KNOWN AS THE REGULATORY REVIEW ACT,

1 ESTABLISHING ADDITIONAL CRITERIA WHICH THE SECRETARY MAY
2 CONSIDER IN DETERMINING WHETHER TO ISSUE A DECLARATION
3 THAT A SCHOOL DISTRICT IS IN FINANCIAL RECOVERY STATUS
4 AND WHETHER A SCHOOL DISTRICT IN FINANCIAL RECOVERY
5 STATUS SHALL BE DEEMED A MODERATE FINANCIAL RECOVERY
6 SCHOOL DISTRICT UNDER SUBDIVISION (IV) OR A SEVERE
7 FINANCIAL RECOVERY SCHOOL DISTRICT UNDER SUBDIVISION (V).

8 (II) (A) IN PROMULGATING THE REGULATIONS REQUIRED
9 UNDER SUBPARAGRAPH (I), THE STATE BOARD OF EDUCATION
10 SHALL CONVENE AND CONSULT WITH A STATEWIDE ADVISORY
11 COMMITTEE WHICH SHALL INCLUDE A SUPERINTENDENT, A
12 SCHOOL BOARD MEMBER, A SCHOOL DISTRICT BUSINESS
13 MANAGER OR CHIEF FINANCIAL OFFICER, ONE DESIGNEE FROM
14 THE DEPARTMENT AND ONE DESIGNEE FROM THE OFFICE OF
15 THE BUDGET.

16 (B) MEMBERS OF THE STATEWIDE ADVISORY COMMITTEE
17 REQUIRED TO BE CONVENED UNDER CLAUSE (A) SHALL BE
18 SELECTED TO BE REPRESENTATIVE OF THE RURAL, SUBURBAN
19 AND URBAN SCHOOL DISTRICTS OF THIS COMMONWEALTH.

20 (C) THE STATEWIDE ADVISORY COMMITTEE REQUIRED TO
21 BE CONVENED UNDER CLAUSE (A) SHALL BE CONVENED NOT
22 LATER THAN 60 DAYS AFTER THE EFFECTIVE DATE OF THIS
23 SECTION AND SHALL MEET REGULARLY TO FULFILL THE
24 REQUIREMENTS OF THIS PARAGRAPH.

25 (B) FAILURE OF COMMONWEALTH TO MAKE PAYMENT.--NO SCHOOL
26 DISTRICT SHALL BE DECLARED IN FINANCIAL RECOVERY STATUS BY
27 REASON OF ANY OF THE CIRCUMSTANCES ENUMERATED IN SUBSECTION (A)
28 (1) OR ANY OF THE CRITERIA STATED IN REGULATIONS PROMULGATED
29 UNDER SUBSECTION (A) (2) HAVING BEEN CAUSED BY THE FAILURE OF THE
30 COMMONWEALTH TO MAKE ANY PAYMENT OF MONEY DUE THE SCHOOL

1 DISTRICT AT THE TIME THE PAYMENT IS DUE, INCLUDING PAYMENT OF
2 ANY FEDERAL FUNDING THAT IS DISTRIBUTED THROUGH THE
3 COMMONWEALTH.

4 (C) APPEAL.--A DECLARATION OF FINANCIAL RECOVERY STATUS BY
5 THE SECRETARY UNDER THIS SECTION IS APPEALABLE UNDER 2 PA.C.S.
6 (RELATING TO ADMINISTRATIVE LAW AND PROCEDURE).

7 SECTION 622-A. COMMITMENT TO ENSURE DELIVERY OF EFFECTIVE
8 EDUCATIONAL SERVICES.

9 THE COMMONWEALTH SHALL ENSURE THE DELIVERY OF EFFECTIVE
10 EDUCATIONAL SERVICES TO ALL STUDENTS ENROLLED IN A SCHOOL
11 DISTRICT IN FINANCIAL RECOVERY STATUS UNDER SUBDIVISION (I) OR
12 IN RECEIVERSHIP UNDER SUBDIVISION (VI).

13 SECTION 623-A. SCHOOL DIRECTORS TO REMAIN IN OFFICE AND
14 ELECTIONS.

15 (A) RESIGNATION PROHIBITED.--THE SCHOOL DIRECTORS OF A
16 SCHOOL DISTRICT THAT HAS BEEN DECLARED IN FINANCIAL RECOVERY
17 STATUS UNDER THIS SUBDIVISION OR IS IN RECEIVERSHIP UNDER
18 SUBDIVISION (VI) MAY NOT RESIGN THEIR OFFICES, EXCEPT WITH THE
19 CONSENT OF THE CHIEF RECOVERY OFFICER OR RECEIVER, AND SHALL:

20 (1) REMAIN IN OFFICE, UNLESS:

21 (I) REMOVED FROM OFFICE FOR NEGLIGENCE OF DUTY UNDER
22 THE PROVISIONS OF SECTION 318; OR

23 (II) THE DIRECTORS ARE ELECTED TO ANOTHER POSITION
24 INCOMPATIBLE WITH THE POSITION OF SCHOOL DIRECTOR OR ARE
25 APPOINTED TO ANY POSITION FOR WHICH THERE IS A
26 REQUIREMENT THAT THE APPOINTEE MUST HOLD NO ELECTIVE
27 OFFICE,

28 FOR THE REMAINDER OF THEIR TERMS DURING THE TIME THE SCHOOL
29 DISTRICT IS IN FINANCIAL RECOVERY STATUS OR RECEIVERSHIP.

30 (2) PERFORM ANY DUTIES DELEGATED TO THEM BY THE CHIEF

1 RECOVERY OFFICER OR THE RECEIVER APPOINTED TO SERVE THE
2 SCHOOL DISTRICT.

3 (3) COMPLY WITH ANY DIRECTIVE ISSUED TO THEM BY THE
4 CHIEF RECOVERY OFFICER OR THE RECEIVER IF THE DIRECTIVE IS
5 CONSISTENT WITH THE FINANCIAL RECOVERY PLAN FOR THE SCHOOL
6 DISTRICT.

7 (B) NO INTERFERENCE WITH ELECTIONS.--A DECLARATION BY THE
8 SECRETARY THAT A SCHOOL DISTRICT IS IN FINANCIAL RECOVERY STATUS
9 UNDER SECTION 621-A OR THE APPOINTMENT OF A RECEIVER UNDER
10 SUBDIVISION (VI) SHALL IN NO WAY INTERFERE WITH THE REGULAR
11 ELECTION OR REELECTION OF SCHOOL DIRECTORS FOR THE SCHOOL
12 DISTRICT.

13 SECTION 624-A. TERMINATION OF STATUS.

14 (A) DECLARATION BY SECRETARY.--

15 (1) (I) FOLLOWING A DETERMINATION THAT THE SCHOOL
16 DISTRICT HAS SATISFIED AND IS CONTINUING TO SATISFY THE
17 CRITERIA FOR TERMINATION OF FINANCIAL RECOVERY STATUS
18 ENUMERATED IN SECTION 641-A(9), THE SECRETARY MAY ISSUE A
19 DECLARATION TERMINATING THE SCHOOL DISTRICT'S FINANCIAL
20 RECOVERY STATUS.

21 (II) IN MAKING THE DETERMINATION UNDER THIS
22 PARAGRAPH, THE SECRETARY SHALL CONSIDER WHETHER THE
23 MONTHLY FINANCIAL REPORTS SUBMITTED BY THE CHIEF RECOVERY
24 OFFICER TO THE SECRETARY AND THE DEPARTMENT CONCERNING
25 THE SCHOOL DISTRICT'S PROGRESS UNDER THE FINANCIAL
26 RECOVERY PLAN UNDER SECTION 653-A(A) (3) OR 664-A(A) (3)
27 INDICATE THAT TERMINATION OF FINANCIAL RECOVERY STATUS IS
28 APPROPRIATE.

29 (2) IF THE SECRETARY DETERMINES TO TERMINATE A SCHOOL
30 DISTRICT'S FINANCIAL RECOVERY STATUS UNDER THIS SECTION, THE

1 SECRETARY SHALL ISSUE A WRITTEN DECLARATION STATING:

2 (I) THAT THE SCHOOL DISTRICT'S FINANCIAL RECOVERY
3 STATUS HAS BEEN TERMINATED.

4 (II) THE EFFECTIVE DATE OF THE TERMINATION OF
5 FINANCIAL RECOVERY STATUS.

6 (III) A STATEMENT OF THE FACTS UPON WHICH THE
7 SECRETARY RELIED IN MAKING THE DETERMINATION.

8 (B) DETERMINATION UPON PETITION BY A SCHOOL DISTRICT.--A
9 FINANCIAL RECOVERY SCHOOL DISTRICT MAY PETITION THE SECRETARY
10 FOR A DECLARATION THAT THE SCHOOL DISTRICT'S FINANCIAL RECOVERY
11 STATUS HAS BEEN TERMINATED. A DECLARATION ISSUED UNDER THIS
12 SUBSECTION SHALL COMPLY WITH SUBSECTION (A).

13 SECTION 625-A. TRANSITION PERIOD.

14 (A) BOARD RESUMES CONTROL AND OVERSIGHT.--SUBJECT TO THE
15 PROVISIONS OF SUBSECTIONS (B) AND (C), AFTER THE SECRETARY
16 TERMINATES A SCHOOL DISTRICT'S FINANCIAL RECOVERY STATUS UNDER
17 SECTION 624-A, THE FOLLOWING SHALL APPLY:

18 (1) THE BOARD OF SCHOOL DIRECTORS SHALL RESUME FULL
19 CONTROL OVER SCHOOL DISTRICT MANAGEMENT.

20 (2) THE CHIEF RECOVERY OFFICER AND THE DEPARTMENT SHALL
21 OVERSEE THE BOARD OF SCHOOL DIRECTORS FOR FIVE YEARS TO
22 ENSURE FINANCIAL STABILITY IS MAINTAINED.

23 (B) PETITION FOR APPOINTMENT OF RECEIVER.--IF, DURING THE
24 TRANSITION PERIOD AFTER THE SECRETARY TERMINATES A SCHOOL
25 DISTRICT'S FINANCIAL RECOVERY STATUS UNDER SECTION 624-A, THE
26 BOARD OF SCHOOL DIRECTORS FAILS TO MAINTAIN THE OBJECTIVES
27 STATED IN THE FINANCIAL RECOVERY PLAN, THE SECRETARY SHALL
28 PETITION THE COURT OF COMMON PLEAS IN THE COUNTY IN WHICH THE
29 SCHOOL DISTRICT OR THE LARGEST PART IN AREA OF THE SCHOOL
30 DISTRICT IS LOCATED FOR THE APPOINTMENT OF A RECEIVER UNDER

1 SUBDIVISION (VI).

2 (C) OVERSIGHT WHERE MUNICIPALITIES FINANCIALLY DISTRESSED.--
3 NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (A), THE CHIEF
4 RECOVERY OFFICER AND THE DEPARTMENT SHALL OVERSEE THE BOARD OF
5 SCHOOL DIRECTORS OF ANY FORMER FINANCIAL RECOVERY SCHOOL
6 DISTRICT FOR SO LONG AS ANY POLITICAL SUBDIVISION LOCATED WITHIN
7 THE SCHOOL DISTRICT IS A FINANCIALLY DISTRESSED MUNICIPALITY
8 UNDER THE ACT OF JULY 10, 1987 (P.L.246, NO.47), KNOWN AS THE
9 MUNICIPALITIES FINANCIAL RECOVERY ACT, WITHOUT REGARD TO WHETHER
10 THE SCHOOL DISTRICT CONTINUES TO MAINTAIN THE OBJECTIVES STATED
11 IN ITS FINANCIAL RECOVERY PLAN. THE OVERSIGHT SHALL BE SUBJECT
12 TO THE PROVISIONS OF SUBSECTION (B).

13 SECTION 626-A. TECHNICAL ASSISTANCE.

14 SUBJECT TO SECTIONS 652-A(C) (2) (II) AND 663-A(C) (2) (II), THE
15 DEPARTMENT SHALL PROVIDE TECHNICAL ASSISTANCE TO EACH FINANCIAL
16 RECOVERY SCHOOL DISTRICT. THE DEPARTMENT'S PROVISION OF
17 TECHNICAL ASSISTANCE SHALL BE COORDINATED THROUGH THE CHIEF
18 RECOVERY OFFICER OR RECEIVER APPOINTED TO SERVE THE FINANCIAL
19 RECOVERY SCHOOL DISTRICT.

20 (II) CHIEF RECOVERY OFFICER

21 SECTION 631-A. APPOINTMENT.

22 (A) APPOINTMENT.--NOT LATER THAN FIVE DAYS AFTER A
23 DECLARATION OF FINANCIAL RECOVERY STATUS UNDER SECTION 621-A,
24 THE SECRETARY SHALL APPOINT A CHIEF RECOVERY OFFICER FOR THE
25 FINANCIAL RECOVERY SCHOOL DISTRICT. THE CHIEF RECOVERY OFFICER
26 SHALL SERVE AT THE PLEASURE OF THE SECRETARY.

27 (B) QUALIFICATIONS AND PROHIBITIONS.--

28 (1) THE CHIEF RECOVERY OFFICER MUST BE AN INDIVIDUAL WHO
29 SATISFIES ONE OF THE FOLLOWING:

30 (I) POSSESSES AT LEAST FIVE YEARS' EXPERIENCE IN ONE

1 OR MORE OF THE FOLLOWING AREAS: BUDGET AND FINANCIAL
2 MANAGEMENT, PUBLIC SCHOOL FINANCE, SCHOOL ADMINISTRATION,
3 ACCOUNTING, ACADEMIC ASSESSMENT OR EDUCATION LAW;

4 (II) HOLDS A GRADUATE DEGREE FROM AN ACCREDITED
5 INSTITUTION OF HIGHER EDUCATION IN BUSINESS OR FINANCE
6 AND HAS AT LEAST FOUR YEARS' RELEVANT EXPERIENCE IN
7 BUSINESS, FINANCE OR MANAGEMENT; OR

8 (III) IS THE CURRENT BUSINESS MANAGER OR FINANCIAL
9 OFFICER OF A SCHOOL DISTRICT IN THIS COMMONWEALTH.

10 (2) THE CHIEF RECOVERY OFFICER MAY NOT BE AN ELECTED OR
11 AN APPOINTED OFFICIAL OR EMPLOYEE OF THE FINANCIAL RECOVERY
12 SCHOOL DISTRICT FOR WHICH HE IS APPOINTED TO SERVE AS CHIEF
13 RECOVERY OFFICER.

14 (3) DURING THE TERM OF APPOINTMENT AS CHIEF RECOVERY
15 OFFICER AND FOR THE FOLLOWING TWO YEARS, THE CHIEF RECOVERY
16 OFFICER MAY NOT SEEK OR HOLD ELECTED OFFICE IN THE FINANCIAL
17 RECOVERY SCHOOL DISTRICT FOR WHICH THE CHIEF RECOVERY OFFICER
18 WAS APPOINTED OR IN ANY POLITICAL SUBDIVISION LOCATED IN THE
19 FINANCIAL RECOVERY SCHOOL DISTRICT.

20 (C) NOT SUBJECT TO CONTRACTUAL COMPETITIVE BIDDING
21 PROCEDURES.--NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE
22 CONTRARY, THE APPOINTMENT OF A CHIEF RECOVERY OFFICER SHALL NOT
23 BE SUBJECT TO CONTRACTUAL COMPETITIVE BIDDING PROCEDURES.

24 SECTION 632-A. COMPENSATION.

25 THE DEPARTMENT SHALL PAY A CHIEF RECOVERY OFFICER APPOINTED
26 BY THE SECRETARY UNDER SECTION 631-A ACTUAL AND NECESSARY
27 EXPENSES INCURRED IN THE PERFORMANCE OF DUTIES AS CHIEF RECOVERY
28 OFFICER AND A REASONABLE SALARY DETERMINED BY THE DEPARTMENT.

29 SECTION 633-A. POWERS AND DUTIES.

30 SUBJECT TO SECTION 662-A, THE CHIEF RECOVERY OFFICER SHALL:

1 (1) WITH THE ASSISTANCE OF THE DEPARTMENT, DEVELOP,
2 IMPLEMENT AND ADMINISTER A FINANCIAL RECOVERY PLAN IN
3 ACCORDANCE WITH SUBDIVISION (III).

4 (2) COORDINATE THE DEPARTMENT'S PROVISION OF TECHNICAL
5 ASSISTANCE TO THE FINANCIAL RECOVERY SCHOOL DISTRICT UNDER
6 SECTION 626-A.

7 (3) MAINTAIN OVERSIGHT OF THE FINANCIAL RECOVERY SCHOOL
8 DISTRICT DURING THE TRANSITION PERIOD UNDER SECTION 625-A.

9 (4) ATTEND REGULAR AND EXECUTIVE SESSIONS OF THE BOARD
10 OF SCHOOL DIRECTORS.

11 (5) WHEN A RECEIVER IS APPOINTED TO OVERSEE THE
12 MANAGEMENT OF THE FINANCIAL RECOVERY SCHOOL DISTRICT UNDER
13 SUBDIVISION (VI), SERVE AS AN ADVISOR TO THE RECEIVER.

14 (6) WHERE AN ADVISORY COMMITTEE IS ESTABLISHED UNDER
15 SECTION 654-A, MEET AT LEAST MONTHLY WITH THE ADVISORY
16 COMMITTEE.

17 (7) IN A FINANCIAL RECOVERY SCHOOL DISTRICT TO WHICH
18 SECTION 654-A DOES NOT APPLY, CONDUCT AT LEAST FOUR PUBLIC
19 FORUMS ON THE BASIS FOR THE FINANCIAL RECOVERY DECLARATION
20 AND THE DEVELOPMENT AND IMPLEMENTATION OF A FINANCIAL
21 RECOVERY PLAN.

22 SECTION 634-A. ACCESS TO INFORMATION.

23 (A) SCHOOL DISTRICT REQUIRED TO PROVIDE RECORDS AND
24 INFORMATION.--THE CHIEF RECOVERY OFFICER SHALL BE GIVEN FULL
25 ACCESS TO ALL RECORDS OF THE FINANCIAL RECOVERY SCHOOL DISTRICT.
26 EMPLOYEES AND ELECTED AND APPOINTED OFFICIALS OF THE FINANCIAL
27 RECOVERY SCHOOL DISTRICT SHALL PROVIDE THE CHIEF RECOVERY
28 OFFICER WITH ALL RECORDS AND INFORMATION REQUESTED.

29 (B) ENFORCEMENT.--

30 (1) IF THE CHIEF RECOVERY OFFICER REASONABLY BELIEVES

1 THAT AN EMPLOYEE OR AN ELECTED OR APPOINTED OFFICIAL OF THE
2 FINANCIAL RECOVERY SCHOOL DISTRICT HAS FAILED TO ANSWER
3 QUESTIONS ACCURATELY OR COMPLETELY OR HAS FAILED TO FURNISH
4 INFORMATION REQUESTED, THE CHIEF RECOVERY OFFICER SHALL
5 DIRECT THE EMPLOYEE OR ELECTED OR APPOINTED OFFICIAL IN
6 WRITING TO FURNISH ANSWERS TO QUESTIONS OR TO FURNISH
7 DOCUMENTS OR RECORDS, OR BOTH.

8 (2) IF THE EMPLOYEE OR ELECTED OR APPOINTED OFFICIAL
9 REFUSES TO FURNISH ANSWERS TO QUESTIONS OR TO FURNISH
10 DOCUMENTS OR RECORDS WITHIN 15 DAYS OF A WRITTEN REQUEST, THE
11 CHIEF RECOVERY OFFICER SHALL PETITION THE COURT OF COMMON
12 PLEAS OF THE COUNTY IN WHICH THE FINANCIAL RECOVERY SCHOOL
13 DISTRICT OR THE LARGEST PART IN AREA OF THE FINANCIAL
14 RECOVERY SCHOOL DISTRICT IS LOCATED FOR A WRIT OF MANDAMUS
15 REQUIRING THE EMPLOYEE OR ELECTED OR APPOINTED OFFICIAL TO
16 PROVIDE THE CHIEF RECOVERY OFFICER WITH THE INFORMATION,
17 DOCUMENTS OR RECORDS REQUESTED.

18 (3) WITHIN SEVEN DAYS OF THE FILING OF A PETITION UNDER
19 PARAGRAPH (2), THE COURT SHALL CONDUCT A HEARING ON THE
20 PETITION. THE COURT SHALL GRANT THE PETITION AND COMPEL THE
21 EMPLOYEE OR ELECTED OR APPOINTED OFFICIAL TO PROVIDE THE
22 REQUESTED INFORMATION UNLESS THE COURT FINDS BY CLEAR AND
23 CONVINCING EVIDENCE THAT THE REQUEST FOR INFORMATION IS
24 ARBITRARY, CAPRICIOUS OR WHOLLY IRRELEVANT TO THE DUTIES OF
25 THE CHIEF RECOVERY OFFICER.

26 SECTION 635-A. PUBLIC AND PRIVATE MEETINGS.

27 (A) PUBLIC MEETINGS AUTHORIZED.--

28 (1) THE CHIEF RECOVERY OFFICER MAY HOLD PUBLIC MEETINGS,
29 AS DEFINED IN 65 PA.C.S. CH. 7 (RELATING TO OPEN MEETINGS),
30 IN CONNECTION WITH THE PREPARATION AND IMPLEMENTATION OF A

1 FINANCIAL RECOVERY PLAN.

2 (2) MEETINGS BETWEEN THE CHIEF RECOVERY OFFICER AND AN
3 ADVISORY COMMITTEE ESTABLISHED UNDER SECTION 654-A SHALL BE
4 PUBLIC MEETINGS AS DEFINED IN 65 PA.C.S. CH. 7.

5 (B) PRIVATE MEETINGS AUTHORIZED.--NOTWITHSTANDING THE
6 PROVISIONS OF 65 PA.C.S. CH. 7, THE CHIEF RECOVERY OFFICER MAY
7 CONDUCT PRIVATE NEGOTIATION SESSIONS BETWEEN THE FINANCIAL
8 RECOVERY SCHOOL DISTRICT AND THE INDIVIDUAL CREDITORS OF THE
9 FINANCIAL RECOVERY SCHOOL DISTRICT IN AN EFFORT TO OBTAIN THE
10 CONSENT OF EACH CREDITOR TO THE PROPOSED ADJUSTMENT AND HANDLING
11 OF SPECIFIC CLAIMS AGAINST THE FINANCIAL RECOVERY SCHOOL
12 DISTRICT.

13 (III) FINANCIAL RECOVERY PLAN

14 SECTION 641-A. CONTENTS.

15 A FINANCIAL RECOVERY PLAN DEVELOPED UNDER THIS SUBARTICLE
16 SHALL:

17 (1) PROVIDE FOR THE DELIVERY OF EFFECTIVE EDUCATIONAL
18 SERVICES TO ALL STUDENTS ENROLLED IN THE FINANCIAL RECOVERY
19 SCHOOL DISTRICT.

20 (2) PROVIDE FOR THE PAYMENT OF LAWFUL FINANCIAL
21 OBLIGATIONS OF THE FINANCIAL RECOVERY SCHOOL DISTRICT.

22 (3) PROVIDE FOR THE TIMELY DEPOSIT OF REQUIRED PAYMENTS
23 TO THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT FUND.

24 (4) PROVIDE A PLAN FOR THE FINANCIAL RECOVERY SCHOOL
25 DISTRICT'S RETURN TO FINANCIAL STABILITY, WHICH MAY INCLUDE
26 ANY OF THE FOLLOWING, IF APPROPRIATE TO RESTORING THE
27 FINANCIAL RECOVERY SCHOOL DISTRICT'S FINANCIAL STABILITY:

28 (I) RECOMMENDATIONS FOR:

29 (A) SATISFYING JUDGMENTS, PAST-DUE ACCOUNTS
30 PAYABLE AND PAST-DUE AND PAYABLE PAYROLL AND FRINGE

1 BENEFITS.

2 (B) ELIMINATING DEFICITS AND DEFICIT FUNDS.

3 (C) RESTORING TO SPECIAL FUND ACCOUNTS MONEY
4 FROM THOSE ACCOUNTS THAT WAS USED FOR PURPOSES OTHER
5 THAN THOSE SPECIFICALLY AUTHORIZED.

6 (D) BALANCING THE BUDGET, AVOIDING FUTURE
7 DEFICITS IN FUNDS AND MAINTAINING CURRENT PAYMENTS OF
8 PAYROLL, FRINGE BENEFITS AND ACCOUNTS THROUGH
9 POSSIBLE REVENUE ENHANCEMENT RECOMMENDATIONS,
10 INCLUDING TAX OR FEE CHANGES.

11 (E) AVOIDING A FUTURE DECLARATION OF FINANCIAL
12 RECOVERY STATUS.

13 (F) ENHANCING THE ABILITY OF THE FINANCIAL
14 RECOVERY SCHOOL DISTRICT TO NEGOTIATE NEW GENERAL
15 OBLIGATION BONDS, LEASE RENTAL DEBT, FUNDED DEBT AND
16 TAX AND REVENUE ANTICIPATION BORROWINGS.

17 (G) CONSIDERING CHANGES IN ACCOUNTING AND
18 AUTOMATION PROCEDURES FOR THE FINANCIAL BENEFIT OF
19 THE FINANCIAL RECOVERY SCHOOL DISTRICT.

20 (H) PROPOSING A REDUCTION OF DEBT DUE ON
21 SPECIFIC CLAIMS BY AN AMORTIZED OR LUMP-SUM PAYMENT
22 CONSIDERED TO BE THE MOST REASONABLE DISPOSITION OF
23 EACH CLAIM POSSIBLE FOR THE FINANCIAL RECOVERY SCHOOL
24 DISTRICT CONSIDERING THE TOTALITY OF THE
25 CIRCUMSTANCES.

26 (II) RECOMMENDATIONS FOR:

27 (A) CHANGES IN PERMANENT AND TEMPORARY STAFFING
28 LEVELS.

29 (B) CHANGES IN ORGANIZATION.

30 (C) CHANGES IN SCHOOL DISTRICT POLICY.

1 (D) SPECIAL AUDITS OR FURTHER STUDIES.

2 (E) THE SALE, LEASE, CONVEYANCE, ASSIGNMENT OR
3 OTHER USE OR DISPOSITION OF THE FINANCIAL RECOVERY
4 SCHOOL DISTRICT'S ASSETS.

5 (F) THE APPLICATION FOR A LOAN UNDER THE
6 FINANCIAL RECOVERY TRANSITIONAL LOAN PROGRAM
7 ESTABLISHED IN SUBDIVISION (VII) IN AN AMOUNT
8 SPECIFIED BY THE CHIEF RECOVERY OFFICER IN THE
9 FINANCIAL RECOVERY PLAN. THE FINANCIAL RECOVERY PLAN
10 SHALL SPECIFY THE CURRENT EXPENSES OF THE SCHOOL
11 DISTRICT TO WHICH THE LOAN PROCEEDS WOULD BE APPLIED.

12 (III) AN ANALYSIS OF WHETHER FUNCTIONAL
13 CONSOLIDATION OR PRIVATIZATION OF EXISTING SCHOOL
14 DISTRICT SERVICES IS APPROPRIATE AND FEASIBLE AND
15 RECOMMENDATIONS FOR CARRYING OUT SUCH CONSOLIDATION OR
16 PRIVATIZATION, INCLUDING TIMELINES FOR IMPLEMENTATION AND
17 ANTICIPATED COST EFFICIENCIES TO BE ATTAINED.

18 (IV) A CAPITAL BUDGET WHICH ADDRESSES INFRASTRUCTURE
19 DEFICIENCIES.

20 (V) RECOMMENDATIONS FOR GREATER USE OF COMMONWEALTH
21 OR INTERMEDIATE UNIT PROGRAMS.

22 (VI) RECOMMENDATIONS FOR, AND ANTICIPATED COST
23 SAVINGS RESULTING FROM, THE USE OF POWERS PERMITTED TO BE
24 USED UNDER SECTION 642-A.

25 (5) SET FORTH A CASH FLOW ANALYSIS FOR THE FINANCIAL
26 RECOVERY SCHOOL DISTRICT.

27 (6) STATE PROJECTIONS OF REVENUES AND EXPENDITURES FOR
28 THE CURRENT YEAR AND THE NEXT TWO YEARS, BOTH ASSUMING THE
29 CONTINUATION OF PRESENT OPERATIONS AND AS IMPACTED BY THE
30 MEASURES INCLUDED IN THE FINANCIAL RECOVERY PLAN.

1 (7) STATE BENCHMARKS AND TIMELINES FOR RESTORING THE
2 FINANCIAL RECOVERY SCHOOL DISTRICT TO FINANCIAL STABILITY.

3 (8) REQUIRE THE FINANCIAL RECOVERY SCHOOL DISTRICT TO
4 USE FINANCIAL DATA SOFTWARE THAT IS CONNECTED DIRECTLY TO THE
5 DEPARTMENT'S FINANCIAL DATA SYSTEMS TO ENSURE THAT BOTH THE
6 FINANCIAL RECOVERY SCHOOL DISTRICT AND THE DEPARTMENT ARE
7 USING ACCURATE AND CONSISTENT DATA. ALL COSTS OF THE
8 FINANCIAL DATA SOFTWARE REQUIRED TO BE USED BY THE FINANCIAL
9 RECOVERY SCHOOL DISTRICT UNDER THIS PARAGRAPH SHALL BE PAID
10 BY THE DEPARTMENT.

11 (9) ESTABLISH SPECIFIC CRITERIA THAT THE FINANCIAL
12 RECOVERY SCHOOL DISTRICT MUST SATISFY BEFORE THE SECRETARY
13 MAY TERMINATE THE FINANCIAL RECOVERY SCHOOL DISTRICT'S
14 FINANCIAL RECOVERY STATUS UNDER SECTION 624-A. SUCH CRITERIA
15 SHALL INCLUDE, BUT SHALL NOT BE LIMITED TO:

16 (I) THE FINANCIAL RECOVERY SCHOOL DISTRICT DOES NOT
17 REQUEST AN ADVANCE OF ITS BASIC EDUCATION SUBSIDY.

18 (II) ALL TEACHER AND OTHER EMPLOYEE SALARIES ARE
19 PAID WHEN DUE.

20 (III) THE FINANCIAL RECOVERY SCHOOL DISTRICT IS NOT
21 IN DEFAULT ON ANY BONDS, NOTES OR LEASE RENTALS AND IS
22 NOT SUBJECT TO WITHHOLDING BY THE SECRETARY UNDER SECTION
23 633.

24 (IV) THE FINANCIAL RECOVERY SCHOOL DISTRICT DOES NOT
25 SATISFY THE CRITERIA STATED IN REGULATIONS PROMULGATED
26 UNDER SECTION 621-A(A) (2).

27 (V) THE FINANCIAL RECOVERY SCHOOL DISTRICT IS MAKING
28 PROGRESS TOWARD FINANCIAL STABILITY.

29 SECTION 642-A. POWERS AND DUTIES.

30 (A) GENERAL RULE.--A SCHOOL DISTRICT IN FINANCIAL RECOVERY

1 STATUS UNDER THIS SUBDIVISION OR IN RECEIVERSHIP UNDER
2 SUBDIVISION (VI) MAY EXERCISE ANY OF THE FOLLOWING POWERS ONLY
3 TO THE EXTENT THAT THE POWERS ARE SPECIFICALLY INCLUDED IN THE
4 SCHOOL DISTRICT'S FINANCIAL RECOVERY PLAN:

5 (1) REOPEN ITS BUDGET FOR THE CURRENT SCHOOL YEAR,
6 NOTWITHSTANDING ANY OTHER PROVISION OF LAW.

7 (2) CONVERT SCHOOL BUILDINGS TO CHARTER SCHOOLS. THE
8 FOLLOWING SHALL APPLY:

9 (I) THE SCHOOL DISTRICT MAY CONVERT AN EXISTING
10 PUBLIC SCHOOL BUILDING OR A PORTION OF AN EXISTING PUBLIC
11 SCHOOL BUILDING TO A CHARTER SCHOOL. THERE SHALL BE NO
12 LIMIT ON THE NUMBER OF PUBLIC SCHOOLS IN THE SCHOOL
13 DISTRICT THAT CAN BE CONVERTED TO A CHARTER SCHOOL.

14 (II) THE BOARD OF SCHOOL DIRECTORS MAY DESIGNATE AND
15 APPROVE BY MAJORITY VOTE THE EXISTING PUBLIC SCHOOL
16 BUILDING OR PORTION OF AN EXISTING PUBLIC SCHOOL BUILDING
17 THAT IT SEEKS TO CONVERT TO A CHARTER SCHOOL.

18 (III) (A) THE BOARD OF SCHOOL DIRECTORS SHALL
19 SOLICIT APPLICATIONS TO OPERATE A CHARTER SCHOOL
20 ESTABLISHED UNDER THIS PARAGRAPH THROUGH A
21 COMPETITIVE REQUEST FOR PROPOSAL PROCESS. THE CONTENT
22 AND DISSEMINATION OF THE REQUEST FOR PROPOSAL SHALL
23 BE CONSISTENT WITH THE PURPOSE AND THE REQUIREMENTS
24 OF ARTICLE XVII-A. THE BOARD OF SCHOOL DIRECTORS MAY
25 ACCEPT APPLICATIONS BY AN INDIVIDUAL OR ENTITY
26 AUTHORIZED TO ESTABLISH A CHARTER SCHOOL UNDER
27 SECTION 1717-A(A) TO OPERATE THE CONVERTED CHARTER
28 SCHOOL.

29 (B) THE BOARD OF SCHOOL DIRECTORS SHALL EVALUATE
30 EACH SUBMITTED PROPOSAL IN A PUBLIC MANNER. ONCE A

1 PROPOSAL HAS BEEN SELECTED, THE BOARD OF SCHOOL
2 DIRECTORS SHALL EXPLAIN HOW AND WHY THE PROPOSAL WAS
3 SELECTED AND PROVIDE EVIDENCE, IF AVAILABLE, OF THE
4 PROVIDER'S SUCCESS IN SERVING STUDENT POPULATIONS
5 SIMILAR TO THE TARGETED POPULATION, INCLUDING
6 DEMONSTRATED ACADEMIC ACHIEVEMENT, SUCCESSFUL
7 MANAGEMENT OF NONACADEMIC SCHOOL FUNCTIONS AND SAFE
8 SCHOOL ENVIRONMENT, IF APPLICABLE.

9 (C) NO MEMBER OF THE BOARD OF SCHOOL DIRECTORS
10 MAY SERVE ON THE BOARD OF TRUSTEES OF AN EXISTING
11 SCHOOL OR PORTION OF AN EXISTING SCHOOL WHICH IS
12 CONVERTED TO A CHARTER SCHOOL UNDER THIS SUBSECTION.

13 (D) THE PROVISIONS OF ARTICLE XVII-A SHALL APPLY
14 TO AN EXISTING PUBLIC SCHOOL BUILDING OR PORTION OF
15 AN EXISTING PUBLIC SCHOOL BUILDING CONVERTED TO A
16 CHARTER SCHOOL, PROVIDED THAT ANY APPLICATION TO
17 OPERATE A CHARTER SCHOOL UNDER THE PROVISIONS OF THIS
18 SECTION AND ANY CHARTER SCHOOL ESTABLISHED UNDER THE
19 PROVISIONS OF THIS SECTION SHALL NOT BE SUBJECT TO
20 SECTIONS 1717-A(B), (C), (D), (E), (F), (G), (H) AND
21 (I) AND 1724-A, INCLUDING AFTER THE SCHOOL DISTRICT'S
22 FINANCIAL RECOVERY STATUS IS TERMINATED UNDER SECTION
23 624-A OR AFTER THE SCHOOL DISTRICT'S RECEIVERSHIP
24 EXPIRES UNDER SECTION 675-A.

25 (E) IN THE CASE OF AN EXISTING SCHOOL OR PORTION
26 OF AN EXISTING SCHOOL BEING CONVERTED TO A CHARTER
27 SCHOOL, THE BOARD OF SCHOOL DIRECTORS SHALL ESTABLISH
28 THE ALTERNATIVE ARRANGEMENTS FOR CURRENT STUDENTS WHO
29 CHOOSE NOT TO ATTEND THE CHARTER SCHOOL.

30 (3) CANCEL OR RENEGOTIATE ANY CONTRACT, OTHER THAN A

1 COLLECTIVE BARGAINING AGREEMENT, TO WHICH THE BOARD OF SCHOOL
2 DIRECTORS OR THE SCHOOL DISTRICT IS A PARTY, IF THE
3 CANCELLATION OR RENEGOTIATION OF CONTRACT WILL EFFECT NEEDED
4 ECONOMIES IN THE OPERATION OF THE DISTRICT'S SCHOOLS.

5 (4) INCREASE TAX LEVIES IN SUCH AMOUNTS AND AT SUCH
6 TIMES AS IS RECOMMENDED BY THE CHIEF RECOVERY OFFICER,
7 SUBJECT TO THE ACT OF JUNE 27, 2006 (1ST SP.SESS., P.L.1873,
8 NO.1), KNOWN AS THE TAXPAYER RELIEF ACT.

9 (5) APPOINT A SPECIAL COLLECTOR OF DELINQUENT TAXES FOR
10 THE SCHOOL DISTRICT WHO NEED NOT BE A RESIDENT OF THE SCHOOL
11 DISTRICT. THE SPECIAL TAX COLLECTOR SHALL EXERCISE ALL THE
12 RIGHTS AND PERFORM ALL THE DUTIES IMPOSED BY LAW ON TAX
13 COLLECTORS FOR SCHOOL DISTRICTS. THE TAX COLLECTOR SUPERSEDED
14 BY THE SPECIAL TAX COLLECTOR SHALL NOT BE ENTITLED TO ANY
15 COMMISSIONS ON THE TAXES COLLECTED BY THE SPECIAL TAX
16 COLLECTOR.

17 (6) DISPENSE WITH THE SERVICES OF SUCH NONPROFESSIONAL
18 EMPLOYEES AS IN THE JUDGMENT OF THE CHIEF RECOVERY OFFICER
19 ARE NOT ACTUALLY NEEDED FOR THE ECONOMICAL OPERATION OF THE
20 SCHOOL DISTRICT.

21 (7) ENTER INTO AGREEMENTS WITH PERSONS OR FOR-PROFIT OR
22 NONPROFIT ORGANIZATIONS TO OPERATE ONE OR MORE SCHOOLS. A
23 SCHOOL OPERATED UNDER THIS PARAGRAPH SHALL BE FUNDED IN
24 ACCORDANCE WITH THE TERMS OF THE AGREEMENT.

25 (8) SUSPEND OR REVOKE A CHARTER UNDER SECTION 1729-A.

26 (9) EMPLOY PROFESSIONAL AND SENIOR MANAGEMENT EMPLOYEES
27 WHO DO NOT HOLD STATE CERTIFICATIONS IF THE SECRETARY HAS
28 APPROVED THE QUALIFICATIONS OF THE PERSONS AT SALARIES THAT
29 ARE WITHIN THE LIMITATIONS STATED IN THE FINANCIAL RECOVERY
30 PLAN.

1 (10) ENTER INTO AGREEMENTS WITH PERSONS OR FOR-PROFIT OR
2 NONPROFIT ORGANIZATIONS PROVIDING EDUCATIONAL OR OTHER
3 SERVICES TO OR FOR THE SCHOOL DISTRICT. SERVICES PROVIDED
4 UNDER THIS PARAGRAPH SHALL BE FUNDED IN ACCORDANCE WITH THE
5 TERMS OF THE AGREEMENT.

6 (11) CLOSE OR RECONSTITUTE A SCHOOL, INCLUDING THE
7 REASSIGNMENT, SUSPENSION OR DISMISSAL OF PROFESSIONAL
8 EMPLOYEES.

9 (12) APPOINT MANAGERS, ADMINISTRATORS OR FOR-PROFIT OR
10 NONPROFIT ORGANIZATIONS TO OVERSEE THE OPERATIONS OF A SCHOOL
11 OR GROUP OF SCHOOLS WITHIN THE SCHOOL DISTRICT.

12 (13) REALLOCATE RESOURCES, AMEND SCHOOL PROCEDURES,
13 DEVELOP ACHIEVEMENT PLANS AND IMPLEMENT TESTING OR OTHER
14 EVALUATION PROCEDURES FOR EDUCATIONAL PURPOSES.

15 (14) SUPERVISE AND DIRECT PRINCIPALS, TEACHERS AND
16 ADMINISTRATORS.

17 (15) NEGOTIATE A NEW COLLECTIVE BARGAINING AGREEMENT IF
18 THE NEGOTIATION OF A NEW COLLECTIVE BARGAINING AGREEMENT WILL
19 EFFECT NEEDED ECONOMIES IN THE OPERATION OF THE DISTRICT'S
20 SCHOOLS, PROVIDED THAT:

21 (I) COLLECTIVE BARGAINING BETWEEN EMPLOYEES AND THE
22 SCHOOL DISTRICT SHALL BE CONDUCTED IN ACCORDANCE WITH
23 THIS SUBSECTION, NOTWITHSTANDING ANY PROVISION OF LAW TO
24 THE CONTRARY.

25 (II) ON THE DATE FOLLOWING THE SECRETARY'S APPROVAL
26 OF THE PLAN UNDER SECTION 652-A OR 663-A, THE CHIEF
27 RECOVERY OFFICER SHALL NOTIFY THE EMPLOYEE ORGANIZATION
28 THAT A NEW COLLECTIVE BARGAINING AGREEMENT MUST BE
29 RENEGOTIATED AND EXECUTED WITHIN 90 DAYS OF THE DATE OF
30 NOTICE.

1 (III) IF, UPON THE EXPIRATION OF THE 90-DAY
2 RENEGOTIATION PERIOD REQUIRED UNDER SUBPARAGRAPH (II), A
3 NEW COLLECTIVE BARGAINING AGREEMENT HAS NOT BEEN
4 RATIFIED, THE CHIEF RECOVERY OFFICER SHALL ESTABLISH A
5 PERSONNEL SALARY SCHEDULE AND OTHER CONTRACT TERMS THAT
6 SHALL APPLY UNTIL A NEW COLLECTIVE BARGAINING AGREEMENT
7 IS RATIFIED.

8 (IV) NO SCHOOL DISTRICT IN FINANCIAL RECOVERY STATUS
9 UNDER THIS SUBDIVISION OR IN RECEIVERSHIP UNDER
10 SUBDIVISION (VI) SHALL BE REQUIRED TO ENGAGE IN
11 COLLECTIVE BARGAINING NEGOTIATIONS OR ENTER INTO
12 MEMORANDA OF UNDERSTANDING OR OTHER AGREEMENTS REGARDING
13 ANY OF THE FOLLOWING ISSUES:

14 (A) CONTRACTS WITH THIRD PARTIES FOR THE
15 PROVISION OF GOODS OR SERVICES, INCLUDING EDUCATIONAL
16 SERVICES OR THE POTENTIAL IMPACT OF SUCH CONTRACTS ON
17 EMPLOYEES.

18 (B) DECISIONS RELATED TO REDUCTIONS IN FORCE.

19 (C) STAFFING PATTERNS AND ASSIGNMENTS, CLASS
20 SCHEDULES, ACADEMIC CALENDAR, PLACES OF INSTRUCTION,
21 PUPIL ASSESSMENT AND TEACHER PREPARATION TIME.

22 (D) THE USE, CONTINUATION OR EXPANSION OF
23 PROGRAMS DESIGNATED BY THE CHIEF RECOVERY OFFICER OR
24 BOARD OF DIRECTORS AS PILOT OR EXPERIMENTAL PROGRAMS.

25 (E) THE APPROVAL OR DESIGNATION OF A SCHOOL AS A
26 CHARTER OR MAGNET SCHOOL.

27 (F) THE USE OF TECHNOLOGY TO PROVIDE
28 INSTRUCTIONAL OR OTHER SERVICES.

29 (V) A COLLECTIVE BARGAINING AGREEMENT FOR
30 PROFESSIONAL EMPLOYEES ENTERED INTO AFTER THE EXPIRATION

1 OR TERMINATION OF THE COLLECTIVE BARGAINING AGREEMENT IN
2 EFFECT ON THE DATE OF THE DECLARATION OF FINANCIAL
3 RECOVERY STATUS SHALL PROVIDE FOR THE FOLLOWING:

4 (A) THE SCHOOL DAY FOR PROFESSIONAL EMPLOYEES
5 SHALL BE EQUAL TO OR EXCEED THE STATE AVERAGE AS
6 DETERMINED BY THE DEPARTMENT. AN EXTENSION OF THE
7 SCHOOL DAY RESULTING FROM THIS REQUIREMENT SHALL BE
8 USED EXCLUSIVELY FOR INSTRUCTIONAL TIME FOR STUDENTS.

9 (B) THE NUMBER OF INSTRUCTIONAL DAYS SHALL BE
10 EQUAL TO OR EXCEED THE STATE AVERAGE NUMBER OF
11 INSTRUCTIONAL DAYS.

12 (C) THE BOARD OF DIRECTORS SHALL NOT INCREASE
13 COMPENSATION FOR EMPLOYEES SOLELY TO FULFILL THE
14 REQUIREMENTS UNDER CLAUSES (A) AND (B).

15 (VI) A PROVISION IN ANY CONTRACT IN EFFECT ON THE
16 DATE OF THE DECLARATION OF FINANCIAL RECOVERY STATUS
17 UNDER THIS ARTICLE THAT IS IN CONFLICT WITH THIS SECTION
18 SHALL BE DISCONTINUED IN ANY NEW OR RENEWED CONTRACT.

19 (VII) DURING THE TIME THE SCHOOL DISTRICT IS IN
20 FINANCIAL RECOVERY STATUS OR IN RECEIVERSHIP UNDER
21 SUBDIVISION (VI), ALL SCHOOL EMPLOYEES SHALL BE
22 PROHIBITED FROM ENGAGING IN ANY STRIKE AS DEFINED IN
23 ARTICLE XI-A AND SECTION 301 OF THE ACT OF JULY 23, 1970
24 (P.L.563, NO.195), KNOWN AS THE PUBLIC EMPLOYE RELATIONS
25 ACT. THE SECRETARY MAY SUSPEND THE CERTIFICATE OF AN
26 EMPLOYEE WHO VIOLATES THIS SUBPARAGRAPH.

27 (VIII) WHEN A SCHOOL DISTRICT ENTERS RECEIVERSHIP
28 UNDER SUBDIVISION (VI), THE 90-DAY PERIOD FOR
29 RENEGOTIATION OF A COLLECTIVE BARGAINING AGREEMENT UNDER
30 SUBPARAGRAPH (I) SHALL BEGIN ON THE DATE FOLLOWING THE

1 COURT'S ISSUANCE OF AN ORDER GRANTING RECEIVERSHIP UNDER
2 SECTION 671-A.

3 (16) DELEGATE TO A PERSON, INCLUDING AN EMPLOYEE OF THE
4 SCHOOL DISTRICT OR A FOR-PROFIT OR NONPROFIT ORGANIZATION,
5 POWERS THE CHIEF RECOVERY OFFICER DEEMS NECESSARY TO CARRY
6 OUT THE PURPOSES OF THIS ARTICLE, SUBJECT TO THE SUPERVISION
7 AND DIRECTION OF THE CHIEF RECOVERY OFFICER.

8 (17) EMPLOY, CONTRACT WITH OR ASSIGN PERSONS OR FOR-
9 PROFIT OR NONPROFIT ORGANIZATIONS TO REVIEW THE FINANCIAL AND
10 EDUCATIONAL PROGRAMS OF SCHOOL BUILDINGS AND MAKE
11 RECOMMENDATIONS TO THE CHIEF RECOVERY OFFICER REGARDING
12 IMPROVEMENTS TO THE FINANCIAL OR EDUCATIONAL PROGRAMS OF
13 SCHOOL BUILDINGS.

14 (18) NEGOTIATE A CONTRACT WITH A CHARTER SCHOOL UNDER
15 SECTION 681-A(F).

16 (B) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING
17 WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS
18 SUBSECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

19 "PROFESSIONAL EMPLOYEE." THE TERM SHALL HAVE THE MEANING AS
20 GIVEN IN SECTION 1101(1).

21 "TEACHER." AN INDIVIDUAL WHO HOLDS AN INSTRUCTIONAL
22 CERTIFICATE ISSUED BY THE DEPARTMENT UNDER THIS ACT AND IS
23 EMPLOYED FULL TIME AS A TEMPORARY PROFESSIONAL OR PROFESSIONAL
24 EMPLOYEE BY A SCHOOL ENTITY AND PROVIDES LEARNING EXPERIENCES
25 DIRECTLY TO STUDENTS DURING THE INSTRUCTIONAL DAY.

26 SECTION 643-A. FINANCIAL RECOVERY PLAN NOT AFFECTED BY CERTAIN
27 COLLECTIVE BARGAINING AGREEMENTS OR SETTLEMENTS.

28 NO COLLECTIVE BARGAINING AGREEMENT OR ARBITRATION SETTLEMENT
29 MAY IN ANY MANNER VIOLATE, EXPAND OR DIMINISH THE PROVISIONS OF
30 A FINANCIAL RECOVERY PLAN IN EFFECT ON THE DATE OF EXECUTION OF

1 THE COLLECTIVE BARGAINING AGREEMENT OR ARBITRATION SETTLEMENT.

2 (IV) PROCESS FOR MODERATE FINANCIAL

3 RECOVERY SCHOOL DISTRICTS

4 SECTION 651-A. APPLICABILITY.

5 (A) GENERAL RULE.--THIS SUBDIVISION SHALL APPLY TO SCHOOL

6 DISTRICTS THAT SATISFY THE CRITERIA FOR FINANCIAL RECOVERY

7 STATUS STATED IN SECTION 621-A(A) (1) (I) (A).

8 (B) DESIGNATION.--SCHOOL DISTRICTS THAT SATISFY THE CRITERIA

9 FOR FINANCIAL RECOVERY STATUS STATED IN SECTION 621-A(A) (1) (I)

10 (A) SHALL BE DEEMED "MODERATE FINANCIAL RECOVERY" SCHOOL

11 DISTRICTS.

12 SECTION 652-A. DEVELOPMENT AND APPROVAL OF PLAN.

13 (A) SUBMISSION OF PLAN.--

14 (1) WITHIN 90 DAYS OF APPOINTMENT, THE CHIEF RECOVERY

15 OFFICER SHALL DEVELOP A FINANCIAL RECOVERY PLAN THAT COMPLIES

16 WITH SECTION 641-A AND SHALL PROVIDE COPIES OF THE PLAN TO

17 THE SCHOOL DISTRICT BUSINESS OFFICE, EACH MEMBER OF THE BOARD

18 OF SCHOOL DIRECTORS, THE SUPERINTENDENT OF THE SCHOOL

19 DISTRICT, THE SOLICITOR OF THE SCHOOL DISTRICT AND EACH

20 MEMBER OF THE ADVISORY COMMITTEE ESTABLISHED UNDER SECTION

21 654-A. THE CHIEF RECOVERY OFFICER MAY COMPLY WITH THIS

22 SUBSECTION BY PROVIDING COPIES OF THE PLAN BY ELECTRONIC

23 MAIL.

24 (2) (I) THE CHIEF RECOVERY OFFICER MAY REQUEST FROM THE

25 SECRETARY AN EXTENSION OF TIME TO COMPLY WITH PARAGRAPH

26 (1).

27 (II) THE SECRETARY SHALL GRANT THE REQUEST FOR AN

28 EXTENSION OF TIME, IF THE SECRETARY DETERMINES THAT THE

29 CHIEF RECOVERY OFFICER NEEDS ADDITIONAL TIME TO DEVELOP A

30 FINANCIAL RECOVERY PLAN THAT COMPLIES WITH SECTION 641-A.

1 (B) PUBLIC INSPECTION.--UPON RECEIPT OF THE PLAN, THE BOARD
2 OF SCHOOL DIRECTORS SHALL IMMEDIATELY PLACE THE PLAN ON FILE FOR
3 PUBLIC INSPECTION IN THE SCHOOL DISTRICT BUSINESS OFFICE AND
4 MAKE THE PLAN AVAILABLE ON THE SCHOOL DISTRICT'S PUBLICLY
5 ACCESSIBLE INTERNET WEBSITE.

6 (C) BOARD OF SCHOOL DIRECTORS' APPROVAL.--

7 (1) WITHIN 30 DAYS OF THE CHIEF RECOVERY OFFICER'S
8 SUBMISSION OF THE PLAN TO THE BOARD OF SCHOOL DIRECTORS, THE
9 BOARD OF SCHOOL DIRECTORS SHALL APPROVE OR DISAPPROVE THE
10 PLAN BY MAJORITY VOTE AT A PUBLIC MEETING OF THE BOARD OF
11 SCHOOL DIRECTORS. APPROVAL OF THE PLAN BY THE BOARD OF SCHOOL
12 DIRECTORS SHALL CONSTITUTE THE SCHOOL DISTRICT'S APPLICATION
13 FOR A LOAN UNDER SUBDIVISION (VII) IN THE AMOUNT SPECIFIED IN
14 THE FINANCIAL RECOVERY PLAN.

15 (2) IF THE BOARD OF SCHOOL DIRECTORS DOES NOT APPROVE
16 THE PLAN WITHIN 30 DAYS, THE FOLLOWING SHALL APPLY:

17 (I) THE SCHOOL DISTRICT SHALL NOT BE ELIGIBLE FOR A
18 FINANCIAL RECOVERY TRANSITIONAL LOAN UNDER SUBDIVISION
19 (VII).

20 (II) THE SCHOOL DISTRICT SHALL NOT RECEIVE TECHNICAL
21 ASSISTANCE FROM THE DEPARTMENT UNDER SECTION 626-A.

22 (3) IF THE BOARD OF SCHOOL DIRECTORS DOES NOT APPROVE
23 THE PLAN WITHIN 365 DAYS FOLLOWING A DECLARATION OF FINANCIAL
24 RECOVERY STATUS, THE SECRETARY SHALL PETITION THE COURT OF
25 COMMON PLEAS OF THE COUNTY IN WHICH THE SCHOOL DISTRICT OR
26 THE LARGEST PART IN AREA OF THE SCHOOL DISTRICT IS LOCATED
27 FOR THE APPOINTMENT OF A RECEIVER UNDER SUBDIVISION (VI). THE
28 SECRETARY SHALL FILE THE PETITION UNDER THIS PARAGRAPH NOT
29 LESS THAN 366 DAYS NOR MORE THAN 370 DAYS FOLLOWING THE
30 DECLARATION OF FINANCIAL RECOVERY STATUS.

1 (D) SECRETARY APPROVAL.--

2 (1) IF THE BOARD OF SCHOOL DIRECTORS APPROVES THE PLAN
3 UNDER SUBSECTION (C), THE CHIEF RECOVERY OFFICER SHALL
4 PROVIDE A COPY OF THE PLAN TO THE SECRETARY WITHIN FIVE DAYS
5 OF THE BOARD'S APPROVAL.

6 (2) WITHIN TEN DAYS OF THE CHIEF RECOVERY OFFICER'S
7 SUBMISSION OF THE PLAN TO THE SECRETARY, THE SECRETARY SHALL
8 APPROVE OR DISAPPROVE THE PLAN IN A WRITTEN STATEMENT.
9 APPROVAL OF THE PLAN BY THE SECRETARY SHALL CONSTITUTE THE
10 DEPARTMENT'S APPROVAL OF A LOAN UNDER SUBDIVISION (VII) IN
11 THE AMOUNT SPECIFIED IN THE FINANCIAL RECOVERY PLAN.

12 (3) IF THE SECRETARY DISAPPROVES THE PLAN, THE FOLLOWING
13 SHALL APPLY:

14 (I) THE SECRETARY'S WRITTEN STATEMENT SHALL STATE
15 THE REASONS FOR THE SECRETARY'S DISAPPROVAL OF THE PLAN
16 AND RECOMMENDATIONS FOR REVISIONS TO THE PLAN.

17 (II) THE CHIEF RECOVERY OFFICER SHALL DEVELOP A
18 REVISED PLAN WITHIN 20 DAYS OF RECEIPT OF THE SECRETARY'S
19 WRITTEN STATEMENT DISAPPROVING THE PLAN, DISTRIBUTE
20 COPIES OF THE PLAN AS REQUIRED UNDER SUBSECTION (A) AND
21 SUBMIT THE REVISED PLAN TO THE BOARD OF SCHOOL DIRECTORS
22 AND THE SECRETARY FOR APPROVAL PURSUANT TO SUBSECTION (C)
23 AND THIS SUBSECTION.

24 SECTION 653-A. IMPLEMENTATION OF FINANCIAL RECOVERY PLAN.

25 (A) CHIEF RECOVERY OFFICER CHARGED WITH IMPLEMENTING PLAN.--
26 FOLLOWING THE SECRETARY'S APPROVAL OF THE FINANCIAL RECOVERY
27 PLAN UNDER SECTION 652-A(D), THE CHIEF RECOVERY OFFICER SHALL:

28 (1) IMPLEMENT THE PLAN.

29 (2) GIVE WRITTEN NOTICE OF THE PLAN'S ADOPTION TO
30 CREDITORS, THE EMPLOYEE ORGANIZATION AND OTHER PARTIES WHO

1 WILL BE DIRECTLY AFFECTED BY THE PLAN'S IMPLEMENTATION. THE
2 NOTICE SHALL OUTLINE THE PROVISIONS OF THE PLAN AND SPECIFY
3 HOW THAT PARTY'S CLAIM OR INTEREST WILL BE TREATED.

4 (3) OVERSEE THE IMPLEMENTATION AND COMPLETION OF THE
5 PLAN BY DIRECTLY CONTROLLING THE IMPLEMENTATION PROCESS,
6 INCLUDING DIRECTING EMPLOYEES AND ELECTED OR APPOINTED
7 OFFICIALS OF THE SCHOOL DISTRICT TO TAKE ACTIONS THAT, IN THE
8 JUDGMENT OF THE CHIEF RECOVERY OFFICER, ARE NECESSARY TO
9 IMPLEMENT THE PLAN AND TO REFRAIN FROM TAKING ACTIONS THAT,
10 IN THE JUDGMENT OF THE CHIEF RECOVERY OFFICER, WOULD IMPEDE
11 THE IMPLEMENTATION OF THE PLAN.

12 (4) PROVIDE THE DEPARTMENT AND THE SECRETARY WITH
13 MONTHLY REPORTS THAT CONTAIN THE FOLLOWING INFORMATION:

14 (I) EVIDENCE OF PAYMENTS TO CREDITORS AS REQUIRED
15 UNDER THE PLAN.

16 (II) EVIDENCE THAT ANY LOAN GIVEN TO THE SCHOOL
17 DISTRICT FROM THE DEPARTMENT UNDER SUBDIVISION (VII) IS
18 BEING REPAID.

19 (III) MONTHLY REVENUE AND EXPENDITURE SHEETS WHICH
20 INDICATE THE BALANCES OF EACH IN RELATION TO THE OTHER.

21 (IV) EVIDENCE THAT THE RECOMMENDATIONS STATED IN THE
22 PLAN ARE BEING ACCOMPLISHED BY THE DATES SPECIFIED IN THE
23 PLAN, WHERE APPLICABLE.

24 (5) SUGGEST AMENDMENTS OR REVISIONS TO THE PLAN THAT MAY
25 BE NECESSARY TO IMPLEMENT OR COMPLETE THE PLAN OR ADAPT THE
26 PLAN TO CIRCUMSTANCES THAT ARISE OR BECOME APPARENT AFTER
27 APPROVAL OF THE PLAN BY THE SECRETARY. IN DETERMINING WHETHER
28 TO SUGGEST AMENDMENTS OR REVISIONS TO THE PLAN, THE CHIEF
29 RECOVERY OFFICER SHALL CONSULT WITH THE BOARD OF SCHOOL
30 DIRECTORS, THE ADVISORY COMMITTEE ESTABLISHED UNDER SECTION

1 654-A AND THE SUPERINTENDENT OF THE SCHOOL DISTRICT.
2 AMENDMENTS OR REVISIONS TO THE PLAN SHALL BE SUBMITTED TO THE
3 BOARD OF SCHOOL DIRECTORS AND THE SECRETARY FOR APPROVAL AS
4 PROVIDED IN SECTION 652-A.

5 (6) UPON ACHIEVEMENT OF THE GOALS AND OBJECTIVES STATED
6 IN THE PLAN, RECOMMEND TO THE SECRETARY THAT FINANCIAL
7 RECOVERY STATUS BE TERMINATED UNDER SECTION 624-A.

8 (B) DUTY TO COMPLY.--

9 (1) THE BOARD OF SCHOOL DIRECTORS SHALL COMPLY WITH ALL
10 DIRECTIVES OF THE CHIEF RECOVERY OFFICER UNDER SUBSECTION (A)
11 (3) AND MAY TAKE NO ACTION THAT IS:

12 (I) INCONSISTENT WITH THE PLAN;

13 (II) NOT SPECIFICALLY IDENTIFIED IN THE PLAN; OR

14 (III) NOT DIRECTED BY THE CHIEF RECOVERY OFFICER AS
15 NECESSARY TO IMPLEMENT THE PLAN.

16 (2) IF A BOARD OF SCHOOL DIRECTORS FAILS TO COMPLY WITH
17 PARAGRAPH (1), THE SCHOOL DISTRICT SHALL BE SUBJECT TO THE
18 APPOINTMENT OF A RECEIVER UNDER SUBDIVISION (VI).

19 SECTION 654-A. ADVISORY COMMITTEE.

20 (A) ESTABLISHMENT.--

21 (1) WITHIN TEN DAYS AFTER A SCHOOL DISTRICT TO WHICH
22 THIS SUBDIVISION APPLIES IS DECLARED TO BE IN FINANCIAL
23 RECOVERY STATUS UNDER SECTION 621-A, THE BOARD OF SCHOOL
24 DIRECTORS SHALL ESTABLISH AN ADVISORY COMMITTEE TO MEET AND
25 CONSULT WITH THE CHIEF RECOVERY OFFICER OR RECEIVER IN
26 CARRYING OUT THE DUTIES OF THE CHIEF RECOVERY OFFICER OR
27 RECEIVER UNDER THIS ARTICLE.

28 (2) THE SOLE FUNCTION OF THE ADVISORY COMMITTEE SHALL BE
29 TO PROVIDE RECOMMENDATIONS AND FEEDBACK TO THE CHIEF RECOVERY
30 OFFICER OR RECEIVER ON THE DEVELOPMENT AND IMPLEMENTATION OF

1 THE FINANCIAL RECOVERY PLAN.

2 (B) COMPOSITION.--THE ADVISORY COMMITTEE ESTABLISHED UNDER
3 SUBSECTION (A) SHALL CONSIST OF:

4 (1) THE FOLLOWING MEMBERS APPOINTED BY THE BOARD OF
5 SCHOOL DIRECTORS:

6 (I) TWO MEMBERS OF THE BOARD OF SCHOOL DIRECTORS.

7 (II) ONE PRINCIPAL EMPLOYED BY THE SCHOOL DISTRICT.

8 (III) ONE BUSINESS OFFICIAL EMPLOYED BY THE SCHOOL
9 DISTRICT.

10 (2) THE FOLLOWING MEMBERS APPOINTED BY THE INTERMEDIATE
11 UNIT OF WHICH THE SCHOOL DISTRICT IS A MEMBER:

12 (I) ONE EMPLOYEE OF THE INTERMEDIATE UNIT.

13 (II) ONE REPRESENTATIVE OF A CHARTER SCHOOL OR CYBER
14 CHARTER SCHOOL IN WHICH STUDENTS RESIDING IN THE SCHOOL
15 DISTRICT ARE ENROLLED.

16 (III) ONE SPECIAL EDUCATION ADVOCATE.

17 (IV) ONE SUPERINTENDENT, SCHOOL DIRECTOR OR BUSINESS
18 OFFICIAL OF AN ADJOINING SCHOOL DISTRICT.

19 (V) TWO RESIDENTS OF THE SCHOOL DISTRICT.

20 (3) ONE TEACHER APPOINTED BY THE EMPLOYEE ORGANIZATION
21 THAT REPRESENTS TEACHERS EMPLOYED BY THE SCHOOL DISTRICT.

22 (C) COMPENSATION PROHIBITED.--MEMBERS OF THE ADVISORY
23 COMMITTEE SHALL RECEIVE NO COMPENSATION FOR THEIR SERVICES.

24 (D) MEETINGS.--THE ADVISORY COMMITTEE SHALL MEET WITH THE
25 CHIEF RECOVERY OFFICER OR RECEIVER AT LEAST MONTHLY TO DISCUSS
26 THE DEVELOPMENT OR IMPLEMENTATION OF THE FINANCIAL RECOVERY
27 PLAN. MEETINGS OF THE ADVISORY COMMITTEE SHALL BE IN ACCORDANCE
28 WITH 65 PA.C.S. CH. 7 (RELATING TO OPEN MEETINGS).

29 (E) TERMINATION.--THE ADVISORY COMMITTEE SHALL TERMINATE
30 WHEN THE SCHOOL DISTRICT'S FINANCIAL RECOVERY STATUS TERMINATES

1 UNDER SECTION 624-A.

2 (F) ESTABLISHMENT OF ADVISOR COMMITTEE FOLLOWING APPOINTMENT
3 OF RECEIVER.--

4 (1) IF A RECEIVER IS APPOINTED UNDER SECTION 671-A(A) (1)
5 (III), THE BOARD OF SCHOOL DIRECTORS SHALL ESTABLISH AN
6 ADVISORY COMMITTEE WITHIN TEN DAYS OF THE APPOINTMENT OF THE
7 RECEIVER.

8 (2) THE SOLE FUNCTION OF THE ADVISORY COMMITTEE SHALL BE
9 TO PROVIDE RECOMMENDATIONS AND FEEDBACK TO THE RECEIVER ON
10 THE DEVELOPMENT AND IMPLEMENTATION OF THE FINANCIAL RECOVERY
11 PLAN.

12 (3) THE PROVISIONS OF SUBSECTIONS (B), (C) AND (D) SHALL
13 APPLY TO THE ADVISORY COMMITTEE.

14 (4) THE ADVISORY COMMITTEE SHALL TERMINATE WHEN THE
15 SCHOOL DISTRICT'S RECEIVERSHIP EXPIRES UNDER SECTION 675-A.

16 (V) PROCESS FOR SEVERE FINANCIAL
17 RECOVERY SCHOOL DISTRICTS
18 SECTION 661-A. APPLICABILITY.

19 (A) GENERAL RULE.--THIS SUBDIVISION SHALL APPLY TO SCHOOL
20 DISTRICTS THAT SATISFY THE CRITERIA FOR FINANCIAL RECOVERY
21 STATUS STATED IN SECTION 621-A(A) (1) (I) (B).

22 (B) DESIGNATION.--SCHOOL DISTRICTS THAT SATISFY THE CRITERIA
23 FOR FINANCIAL RECOVERY STATUS STATED IN SECTION 621-A(A) (1) (I)
24 (B) SHALL BE DEEMED "SEVERE FINANCIAL RECOVERY" SCHOOL
25 DISTRICTS.

26 SECTION 662-A. VOTE TO PROCEED.

27 (A) GENERAL RULE.--WITHIN 14 DAYS FOLLOWING A DECLARATION OF
28 FINANCIAL RECOVERY STATUS UNDER SECTION 621-A, THE BOARD OF
29 SCHOOL DIRECTORS OF A SCHOOL DISTRICT TO WHICH THIS SUBDIVISION
30 APPLIES SHALL, AT A REGULAR OR SPECIAL MEETING OF THE BOARD OF

1 SCHOOL DIRECTORS, ADOPT BY MAJORITY VOTE A RESOLUTION ELECTING
2 TO PROCEED WITH ONE OF THE FOLLOWING:

3 (1) COOPERATION WITH THE CHIEF RECOVERY OFFICER
4 APPOINTED UNDER SUBDIVISION (II) AND DEVELOPMENT, APPROVAL
5 AND IMPLEMENTATION OF A FINANCIAL RECOVERY PLAN UNDER
6 SECTIONS 663-A AND 664-A; OR

7 (2) THE APPOINTMENT OF A RECEIVER UNDER SUBDIVISION
8 (VI).

9 (B) EFFECT OF FAILURE TO VOTE.--ANY FAILURE BY THE BOARD OF
10 SCHOOL DIRECTORS TO HOLD A VOTE UNDER THIS SECTION WITHIN 14
11 DAYS SHALL BE DEEMED A VOTE TO PROCEED WITH THE APPOINTMENT OF A
12 RECEIVER.

13 (C) RECEIVERSHIP.--WHERE THE BOARD OF SCHOOL DIRECTORS VOTES
14 TO PROCEED WITH THE APPOINTMENT OF A RECEIVER UNDER SUBSECTION
15 (A) (2) OR FAILS TO HOLD A VOTE UNDER SUBSECTION (A), THE
16 SECRETARY SHALL FILE A PETITION FOR THE APPOINTMENT OF A
17 RECEIVER UNDER SECTION 671-A(A) BY THE EARLIER OF THE FOLLOWING:

18 (1) FIVE DAYS FOLLOWING THE VOTE OF THE BOARD OF SCHOOL
19 DIRECTORS TO PROCEED WITH THE APPOINTMENT OF A RECEIVER; OR

20 (2) NINETEEN DAYS FOLLOWING THE DECLARATION OF FINANCIAL
21 RECOVERY STATUS.

22 SECTION 663-A. DEVELOPMENT AND APPROVAL OF PLAN.

23 (A) SUBMISSION OF PLAN.--

24 (1) WITHIN 30 DAYS OF APPOINTMENT, THE CHIEF RECOVERY
25 OFFICER OF A SCHOOL DISTRICT THAT VOTES TO PROCEED UNDER
26 SECTION 662-A(1) SHALL DEVELOP A FINANCIAL RECOVERY PLAN THAT
27 COMPLIES WITH SECTION 641-A AND PROVIDE COPIES OF THE PLAN TO
28 THE SCHOOL DISTRICT BUSINESS OFFICE, EACH MEMBER OF THE BOARD
29 OF SCHOOL DIRECTORS, THE SUPERINTENDENT OF THE SCHOOL
30 DISTRICT AND THE SOLICITOR OF THE SCHOOL DISTRICT. THE CHIEF

1 RECOVERY OFFICER MAY COMPLY WITH THIS SUBSECTION BY PROVIDING
2 COPIES OF THE PLAN BY ELECTRONIC MAIL.

3 (2) (I) THE CHIEF RECOVERY OFFICER MAY REQUEST FROM THE
4 SECRETARY AN EXTENSION OF TIME TO COMPLY WITH PARAGRAPH
5 (1).

6 (II) THE SECRETARY SHALL GRANT THE REQUEST FOR AN
7 EXTENSION OF TIME, IF THE SECRETARY DETERMINES THAT THE
8 CHIEF RECOVERY OFFICER NEEDS ADDITIONAL TIME TO DEVELOP A
9 FINANCIAL RECOVERY PLAN THAT COMPLIES WITH SECTION 641-A.

10 (B) PUBLIC INSPECTION.--UPON RECEIPT OF THE PLAN, THE BOARD
11 OF SCHOOL DIRECTORS SHALL IMMEDIATELY PLACE THE PLAN ON FILE FOR
12 PUBLIC INSPECTION IN THE SCHOOL DISTRICT BUSINESS OFFICE AND
13 MAKE THE PLAN AVAILABLE ON THE SCHOOL DISTRICT'S PUBLICLY
14 ACCESSIBLE INTERNET WEBSITE.

15 (C) BOARD OF SCHOOL DIRECTORS' APPROVAL.--

16 (1) (I) WITHIN TEN DAYS OF THE CHIEF RECOVERY OFFICER'S
17 SUBMISSION OF THE PLAN TO THE BOARD OF SCHOOL DIRECTORS,
18 THE BOARD OF SCHOOL DIRECTORS SHALL APPROVE OR DISAPPROVE
19 THE PLAN BY MAJORITY VOTE AT A PUBLIC MEETING OF THE
20 BOARD OF SCHOOL DIRECTORS. THE APPROVAL OF THE PLAN BY
21 THE BOARD OF SCHOOL DIRECTORS SHALL CONSTITUTE THE SCHOOL
22 DISTRICT'S APPLICATION FOR A LOAN UNDER SUBDIVISION (VII)
23 IN THE AMOUNT SPECIFIED IN THE FINANCIAL RECOVERY PLAN.

24 (II) ANY FAILURE BY THE BOARD OF SCHOOL DIRECTORS TO
25 VOTE ON THE PROPOSED PLAN WITHIN TEN DAYS SHALL BE DEEMED
26 A VOTE TO DISAPPROVE THE PLAN.

27 (2) IF THE BOARD OF SCHOOL DIRECTORS DOES NOT APPROVE
28 THE PLAN WITHIN TEN DAYS, THE FOLLOWING SHALL APPLY:

29 (I) THE SCHOOL DISTRICT SHALL NOT BE ELIGIBLE FOR A
30 FINANCIAL RECOVERY TRANSITIONAL LOAN UNDER SUBDIVISION

1 (VII).

2 (II) THE SCHOOL DISTRICT SHALL NOT RECEIVE TECHNICAL
3 ASSISTANCE FROM THE DEPARTMENT UNDER SECTION 626-A.

4 (III) THE SECRETARY SHALL PETITION THE COURT OF
5 COMMON PLEAS OF THE COUNTY IN WHICH THE SCHOOL DISTRICT
6 OR THE LARGEST PART IN AREA OF THE SCHOOL DISTRICT IS
7 LOCATED FOR THE APPOINTMENT OF A RECEIVER UNDER
8 SUBDIVISION (VI).

9 (3) THE SECRETARY SHALL FILE THE PETITION UNDER THIS
10 PARAGRAPH NOT LATER THAN FIVE DAYS FOLLOWING THE VOTE BY THE
11 BOARD OF SCHOOL DIRECTORS TO DISAPPROVE THE PLAN.

12 (D) SECRETARY APPROVAL.--

13 (1) IF THE BOARD OF SCHOOL DIRECTORS APPROVES THE PLAN
14 UNDER SUBSECTION (C), THE CHIEF RECOVERY OFFICER SHALL
15 PROVIDE A COPY OF THE PLAN TO THE SECRETARY WITHIN FIVE DAYS.

16 (2) WITHIN TEN DAYS OF THE CHIEF RECOVERY OFFICER'S
17 SUBMISSION OF THE PLAN TO THE SECRETARY, THE SECRETARY SHALL
18 APPROVE OR DISAPPROVE THE PLAN IN A WRITTEN STATEMENT. THE
19 APPROVAL OF THE PLAN BY THE SECRETARY SHALL CONSTITUTE THE
20 DEPARTMENT'S APPROVAL OF A LOAN UNDER SUBDIVISION (VII) IN
21 THE AMOUNT SPECIFIED IN THE FINANCIAL RECOVERY PLAN.

22 (3) IF THE SECRETARY DISAPPROVES THE PLAN, THE FOLLOWING
23 SHALL APPLY:

24 (I) THE SECRETARY'S WRITTEN STATEMENT SHALL STATE
25 THE REASONS FOR THE SECRETARY'S DISAPPROVAL OF THE PLAN
26 AND RECOMMENDATIONS FOR REVISIONS TO THE PLAN.

27 (II) THE CHIEF RECOVERY OFFICER SHALL DEVELOP A
28 REVISED PLAN WITHIN 20 DAYS OF RECEIPT OF THE SECRETARY'S
29 WRITTEN STATEMENT DISAPPROVING THE PLAN, DISTRIBUTE
30 COPIES OF THE PLAN AS REQUIRED UNDER SUBSECTION (A) AND

1 SUBMIT THE REVISED PLAN TO THE BOARD OF SCHOOL DIRECTORS
2 AND THE SECRETARY FOR APPROVAL UNDER SUBSECTION (C) AND
3 THIS SUBSECTION.

4 SECTION 664-A. IMPLEMENTATION OF FINANCIAL RECOVERY PLAN.

5 (A) CHIEF RECOVERY OFFICER CHARGED WITH IMPLEMENTING PLAN.--
6 FOLLOWING THE SECRETARY'S APPROVAL OF THE FINANCIAL RECOVERY
7 PLAN UNDER SECTION 663-A(D), THE CHIEF RECOVERY OFFICER SHALL
8 IMPLEMENT THE PLAN AND:

9 (1) GIVE WRITTEN NOTICE OF THE PLAN'S ADOPTION TO
10 CREDITORS, THE EMPLOYEE ORGANIZATION AND OTHER PARTIES WHO
11 WILL BE DIRECTLY AFFECTED BY THE PLAN'S IMPLEMENTATION. THE
12 NOTICE SHALL OUTLINE THE PROVISIONS OF THE PLAN AND SPECIFY
13 HOW THAT PARTY'S CLAIM OR INTEREST WILL BE TREATED.

14 (2) OVERSEE THE IMPLEMENTATION AND COMPLETION OF THE
15 PLAN BY DIRECTLY CONTROLLING THE IMPLEMENTATION PROCESS,
16 INCLUDING DIRECTING EMPLOYEES AND ELECTED OR APPOINTED
17 OFFICIALS OF THE SCHOOL DISTRICT TO TAKE ACTIONS THAT, IN THE
18 JUDGMENT OF THE CHIEF RECOVERY OFFICER, ARE NECESSARY TO
19 IMPLEMENT THE PLAN AND TO REFRAIN FROM TAKING ACTIONS THAT,
20 IN THE JUDGMENT OF THE CHIEF RECOVERY OFFICER, WOULD IMPEDE
21 THE IMPLEMENTATION OF THE PLAN.

22 (3) PROVIDE THE DEPARTMENT AND THE SECRETARY WITH
23 MONTHLY REPORTS THAT CONTAIN THE FOLLOWING INFORMATION:

24 (I) EVIDENCE OF PAYMENTS TO CREDITORS AS REQUIRED
25 UNDER THE PLAN.

26 (II) EVIDENCE THAT ANY LOAN GIVEN TO THE SCHOOL
27 DISTRICT FROM THE DEPARTMENT UNDER SUBDIVISION (VI) IS
28 BEING REPAYED.

29 (III) MONTHLY REVENUE AND EXPENDITURE SHEETS WHICH
30 INDICATE THE BALANCES OF EACH IN RELATION TO THE OTHER.

1 (IV) EVIDENCE THAT THE RECOMMENDATIONS STATED IN THE
2 PLAN ARE BEING ACCOMPLISHED BY THE DATES SPECIFIED IN THE
3 PLAN WHERE APPLICABLE.

4 (4) SUGGEST AMENDMENTS OR REVISIONS TO THE PLAN THAT MAY
5 BE NECESSARY TO IMPLEMENT OR COMPLETE THE PLAN OR ADAPT THE
6 PLAN TO CIRCUMSTANCES THAT ARISE OR BECOME APPARENT AFTER
7 APPROVAL OF THE PLAN BY THE SECRETARY. IN DETERMINING WHETHER
8 TO SUGGEST AMENDMENTS OR REVISIONS TO THE PLAN, THE CHIEF
9 RECOVERY OFFICER SHALL CONSULT WITH THE BOARD OF SCHOOL
10 DIRECTORS AND THE SUPERINTENDENT OF THE SCHOOL DISTRICT.
11 AMENDMENTS OR REVISIONS TO THE PLAN SHALL BE SUBMITTED TO THE
12 BOARD OF SCHOOL DIRECTORS AND THE SECRETARY FOR APPROVAL AS
13 PROVIDED IN SECTION 663-A.

14 (5) UPON ACHIEVEMENT OF THE GOALS AND OBJECTIVES STATED
15 IN THE PLAN, RECOMMEND TO THE SECRETARY THAT FINANCIAL
16 RECOVERY STATUS BE TERMINATED UNDER SECTION 624-A.

17 (B) DUTY TO COMPLY.--

18 (1) THE BOARD OF SCHOOL DIRECTORS SHALL COMPLY WITH ALL
19 DIRECTIVES OF THE CHIEF RECOVERY OFFICER UNDER SUBSECTION (A)
20 (2) AND MAY TAKE NO ACTION THAT IS:

- 21 (I) INCONSISTENT WITH THE PLAN;
22 (II) NOT SPECIFICALLY IDENTIFIED IN THE PLAN; OR
23 (III) NOT DIRECTED BY THE CHIEF RECOVERY OFFICER AS
24 NECESSARY TO IMPLEMENT THE PLAN.

25 (2) IF A BOARD OF SCHOOL DIRECTORS FAILS TO COMPLY WITH
26 PARAGRAPH (1), THE SCHOOL DISTRICT SHALL BE SUBJECT TO THE
27 APPOINTMENT OF A RECEIVER UNDER SUBDIVISION (VI).

28 (VI) RECEIVERSHIP
29 SECTION 671-A. APPOINTMENT OF A RECEIVER.

30 (A) DUTY TO FILE PETITION.--

1 (1) THE SECRETARY SHALL PETITION THE COURT OF COMMON
2 PLEAS IN THE COUNTY IN WHICH A SCHOOL DISTRICT OR THE LARGEST
3 PART IN AREA OF THE SCHOOL DISTRICT IS LOCATED FOR THE
4 APPOINTMENT OF THE INDIVIDUAL NAMED IN THE PETITION TO SERVE
5 AS RECEIVER FOR THE SCHOOL DISTRICT UPON THE OCCURRENCE OF
6 ANY OF THE FOLLOWING CONDITIONS:

7 (I) A FAILURE BY THE BOARD OF SCHOOL DIRECTORS TO
8 APPROVE A FINANCIAL RECOVERY PLAN UNDER SECTION 652-A(C)
9 OR 663-A(C).

10 (II) A FAILURE BY THE BOARD OF SCHOOL DIRECTORS TO
11 COMPLY WITH DIRECTIVES ISSUED BY THE CHIEF RECOVERY
12 OFFICER UNDER SECTION 653-A(A) (2) OR 664-A(A) (2).

13 (III) A FAILURE BY THE BOARD OF SCHOOL DIRECTORS TO
14 SATISFY OR CONTINUE TO SATISFY THE OBJECTIVES STATED IN
15 THE FINANCIAL RECOVERY PLAN UNDER SECTION 641-A(9) DURING
16 THE TRANSITION PERIOD UNDER SECTION 625-A.

17 (IV) A VOTE BY THE BOARD OF SCHOOL DIRECTORS TO
18 PROCEED WITH THE APPOINTMENT OF A RECEIVER UNDER SECTION
19 662-A(2).

20 (2) FOR A SCHOOL DISTRICT THAT WAS DECLARED TO BE IN
21 FINANCIAL RECOVERY STATUS UNDER SECTION 621-A(A) (1) (I) (A),
22 THE SECRETARY SHALL FILE A PETITION UNDER THIS SECTION NOT
23 LESS THAN 366 DAYS NOR MORE THAN 370 DAYS FOLLOWING THE
24 DECLARATION OF FINANCIAL RECOVERY STATUS.

25 (B) FINANCIAL RECOVERY PLAN.--THE SECRETARY SHALL ATTACH TO
26 THE PETITION FILED UNDER SUBSECTION (A) A COPY OF A FINANCIAL
27 RECOVERY PLAN FOR THE SCHOOL DISTRICT. THE FINANCIAL RECOVERY
28 PLAN ATTACHED TO THE PETITION SHALL COMPLY WITH SECTION 641-A.
29 WHEN A RECEIVER IS APPOINTED UNDER THIS SUBDIVISION, ALL
30 REFERENCES TO THE CHIEF RECOVERY OFFICER IN SECTION 641-A SHALL

1 BE DEEMED REFERENCES TO THE RECEIVER APPOINTED UNDER THIS
2 SUBDIVISION.

3 (C) REQUIREMENTS FOR INDIVIDUAL APPOINTED AS RECEIVER.--

4 (1) TO BE APPOINTED AS RECEIVER UNDER THIS SUBDIVISION,
5 AN INDIVIDUAL MUST SATISFY ONE OF THE FOLLOWING:

6 (I) POSSESS AT LEAST FIVE YEARS' EXPERIENCE IN ONE
7 OR MORE OF THE FOLLOWING AREAS: BUDGET AND FINANCIAL
8 MANAGEMENT, PUBLIC SCHOOL FINANCE, SCHOOL ADMINISTRATION,
9 ACCOUNTING, ACADEMIC ASSESSMENT OR EDUCATION LAW;

10 (II) HOLD A GRADUATE DEGREE FROM AN ACCREDITED
11 HIGHER EDUCATION INSTITUTION IN BUSINESS OR FINANCE AND
12 HAVE AT LEAST FOUR YEARS' RELEVANT EXPERIENCE IN
13 BUSINESS, FINANCE OR MANAGEMENT; OR

14 (III) BE THE CURRENT BUSINESS MANAGER OR FINANCIAL
15 OFFICER OF A SCHOOL DISTRICT IN THIS COMMONWEALTH.

16 (2) THE CHIEF RECOVERY OFFICER OF THE FINANCIAL RECOVERY
17 SCHOOL DISTRICT MAY BE APPOINTED AS RECEIVER.

18 (3) THE RECEIVER SHALL NOT:

19 (I) SEEK OR HOLD A POSITION AS AN EMPLOYEE OR AS AN
20 ELECTED OR APPOINTED OFFICIAL OF THE SCHOOL DISTRICT FOR
21 WHICH THE INDIVIDUAL IS APPOINTED TO SERVE AS RECEIVER
22 DURING THE TERM OF THE RECEIVERSHIP OR FOR A PERIOD OF
23 TWO YEARS AFTER THE RECEIVERSHIP HAS ENDED.

24 (II) SEEK OR HOLD ELECTED OFFICE IN A POLITICAL
25 SUBDIVISION WITHIN THE SCHOOL DISTRICT DURING THE TERM OF
26 THE RECEIVERSHIP OR FOR A PERIOD OF TWO YEARS AFTER THE
27 RECEIVERSHIP HAS ENDED.

28 (III) ENGAGE IN ANY CONDUCT PROHIBITED BY THE ACT OF
29 JULY 19, 1957 (P.L.1017, NO.451), KNOWN AS THE STATE
30 ADVERSE INTEREST ACT, OR 65 PA.C.S. CH. 11 (RELATING TO

1 ETHICS STANDARDS AND FINANCIAL DISCLOSURE).

2 (D) CONSENT.--THE OCCURRENCE OF ANY OF THE CONDITIONS
3 ENUMERATED IN SUBSECTION (A) SHALL BE DEEMED CONSENT BY THE
4 BOARD OF SCHOOL DIRECTORS TO A PETITION FILED BY THE SECRETARY
5 FOR THE APPOINTMENT OF A RECEIVER UNDER THIS SUBDIVISION.

6 (E) NOTICE.--ON THE SAME DAY THE SECRETARY FILES THE
7 PETITION UNDER SUBSECTION (A), THE SECRETARY SHALL:

8 (1) SERVE THE PETITION BY ELECTRONIC MAIL, FIRST CLASS
9 MAIL OR HAND DELIVERY UPON ALL OF THE FOLLOWING:

10 (I) EACH MEMBER OF THE BOARD OF SCHOOL DIRECTORS OF
11 THE SCHOOL DISTRICT.

12 (II) THE CHIEF RECOVERY OFFICER OF THE SCHOOL
13 DISTRICT.

14 (III) THE SUPERINTENDENT OF THE SCHOOL DISTRICT.

15 (IV) THE SOLICITOR OF THE SCHOOL DISTRICT.

16 (V) EACH MEMBER OF THE ADVISORY COMMITTEE, IF AN
17 ADVISORY COMMITTEE HAS BEEN ESTABLISHED UNDER SECTION
18 654-A.

19 (2) PUBLISH NOTICE OF THE FILING OF THE PETITION ONCE IN
20 A NEWSPAPER OF GENERAL CIRCULATION IN THE SCHOOL DISTRICT.

21 (F) HEARING.--WITHIN SEVEN DAYS AFTER THE FILING OF A
22 PETITION UNDER SUBSECTION (A), THE COURT OF COMMON PLEAS SHALL
23 CONDUCT A HEARING ON THE PETITION.

24 (G) ORDER.--

25 (1) NOT LATER THAN TEN DAYS FOLLOWING THE HEARING
26 CONDUCTED UNDER SUBSECTION (F), THE COURT SHALL ISSUE AN
27 ORDER GRANTING OR DENYING THE RECEIVERSHIP. THE COURT SHALL
28 GRANT THE RECEIVERSHIP UNLESS THE COURT FINDS BY CLEAR AND
29 CONVINCING EVIDENCE THAT THE PETITION FOR THE APPOINTMENT OF
30 A RECEIVER IS ARBITRARY, CAPRICIOUS OR WHOLLY IRRELEVANT TO

1 RESTORING THE SCHOOL DISTRICT TO FINANCIAL STABILITY.

2 (2) AN ORDER ISSUED UNDER THIS SUBSECTION GRANTING THE
3 RECEIVERSHIP SHALL DO ALL OF THE FOLLOWING:

4 (I) DECLARE THE SCHOOL DISTRICT TO BE IN
5 RECEIVERSHIP FOR A PERIOD OF THREE YEARS, SUBJECT TO
6 EXTENSION UNDER SECTION 675-A(B).

7 (II) STATE THE CRITERIA UPON WHICH THE ORDER IS
8 GRANTED.

9 (III) STATE FINDINGS OF FACT TO SUPPORT THE ORDER.

10 (IV) APPOINT THE INDIVIDUAL NAMED IN THE PETITION TO
11 BE THE RECEIVER IF THE INDIVIDUAL SATISFIES THE
12 PROVISIONS OF SUBSECTION (C). THE COURT MAY NOT APPOINT
13 ANYONE OTHER THAN THE INDIVIDUAL NAMED IN THE PETITION AS
14 THE RECEIVER.

15 (V) DIRECT THE RECEIVER TO IMPLEMENT THE FINANCIAL
16 RECOVERY PLAN ATTACHED TO THE PETITION UNDER SUBSECTION
17 (B).

18 (VI) ORDER THE DEPARTMENT TO AWARD A LOAN TO THE
19 SCHOOL DISTRICT UNDER SECTION 682-A(A) (1) (II), IF THE
20 RECEIVER APPOINTED FOR THE SCHOOL DISTRICT HAS APPLIED
21 FOR A LOAN UNDER SECTION 682-A(A) (1) (II) AND THE SCHOOL
22 DISTRICT SATISFIES THE CRITERIA STATED IN SECTION 681-
23 A(A).

24 (3) AN ORDER ISSUED UNDER THIS SUBSECTION DENYING THE
25 RECEIVERSHIP SHALL STATE:

26 (I) THE REASONS THE PETITION WAS DENIED.

27 (II) FINDINGS OF FACT TO SUPPORT THE ORDER.

28 (H) COMPENSATION.--

29 (1) THE RECEIVER'S COMPENSATION SHALL BE SET PURSUANT TO
30 A CONTRACT BETWEEN THE RECEIVER AND THE DEPARTMENT AND PAID

1 BY THE DEPARTMENT.

2 (2) THE DEPARTMENT SHALL REIMBURSE THE RECEIVER FOR ALL
3 ACTUAL AND NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF
4 THE INDIVIDUAL'S DUTIES AS RECEIVER.

5 (I) LIABILITY AND IMMUNITY.--THE RECEIVER SHALL NOT BE
6 PERSONALLY LIABLE FOR ANY OBLIGATIONS OF THE SCHOOL DISTRICT.
7 THE RECEIVER SHALL BE ENTITLED TO SOVEREIGN AND OFFICIAL
8 IMMUNITY AS PROVIDED IN 1 PA.C.S. § 2310 (RELATING TO SOVEREIGN
9 IMMUNITY REAFFIRMED; SPECIFIC WAIVER) AND SHALL REMAIN IMMUNE
10 FROM SUIT EXCEPT AS PROVIDED BY AND SUBJECT TO THE PROVISIONS OF
11 42 PA.C.S. CH. 85 SUBCHS. A (RELATING TO GENERAL PROVISIONS) AND
12 B (RELATING TO ACTIONS AGAINST COMMONWEALTH PARTIES).

13 SECTION 672-A. POWERS AND DUTIES.

14 (A) ASSUMPTION OF POWERS AND DUTIES.--

15 (1) WHEN A RECEIVER IS APPOINTED UNDER SECTION 671-A,
16 THE RECEIVER SHALL ASSUME ALL POWERS AND DUTIES OF THE CHIEF
17 RECOVERY OFFICER AND THE BOARD OF SCHOOL DIRECTORS, INCLUDING
18 ALL POWERS AND DUTIES OF THE BOARD OF SCHOOL DIRECTORS STATED
19 IN THE FINANCIAL RECOVERY PLAN.

20 (2) PARAGRAPH (1) SHALL NOT APPLY TO THE POWER TO LEVY
21 AND RAISE TAXES. SUCH POWER SHALL REMAIN SOLELY WITH THE
22 BOARD OF SCHOOL DIRECTORS, PROVIDED THAT THE BOARD OF SCHOOL
23 DIRECTORS SHALL LEVY AND RAISE TAXES IF DIRECTED TO DO SO BY
24 THE RECEIVER.

25 (3) THE CHIEF RECOVERY OFFICER APPOINTED FOR THE
26 FINANCIAL RECOVERY SCHOOL DISTRICT UNDER SECTION 631-A SHALL
27 REMAIN IN PLACE AS AN ADVISOR TO THE RECEIVER.

28 (4) IF THE CHIEF RECOVERY OFFICER APPOINTED UNDER
29 SECTION 631-A IS APPOINTED AS RECEIVER BY THE COURT UNDER
30 SECTION 671-A, THE SECRETARY MAY APPOINT AN INDIVIDUAL TO

1 REPLACE THE CHIEF RECOVERY OFFICER, SUBJECT TO SECTION 631-
2 A(B).

3 (B) POWERS AND DUTIES OF THE RECEIVER.--IN ADDITION TO THE
4 POWERS ASSUMED UNDER SUBSECTION (A), A RECEIVER APPOINTED UNDER
5 SECTION 671-A SHALL HAVE THE FOLLOWING POWERS AND DUTIES,
6 NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY:

7 (1) IMPLEMENT THE FINANCIAL RECOVERY PLAN ATTACHED TO
8 THE PETITION FILED UNDER SECTION 671-A(A).

9 (2) SUBMIT QUARTERLY REPORTS TO THE SECRETARY,
10 SUPERINTENDENT AND BOARD OF SCHOOL DIRECTORS OF THE SCHOOL
11 DISTRICT CONCERNING THE PROGRESS OF THE SCHOOL DISTRICT UNDER
12 THE FINANCIAL RECOVERY PLAN. WHERE AN ADVISORY COMMITTEE HAS
13 BEEN ESTABLISHED UNDER SECTION 654-A, THE REPORTS SHALL ALSO
14 BE SUBMITTED TO THE ADVISORY COMMITTEE. THE REPORTS SHALL BE
15 POSTED ON THE SCHOOL DISTRICT'S PUBLICLY ACCESSIBLE INTERNET
16 WEBSITE.

17 (3) DIRECT EMPLOYEES AND APPOINTED OFFICIALS OF THE
18 SCHOOL DISTRICT TO TAKE ACTIONS THAT, IN THE JUDGMENT OF THE
19 RECEIVER, ARE NECESSARY TO IMPLEMENT THE FINANCIAL RECOVERY
20 PLAN AND TO REFRAIN FROM TAKING ACTIONS THAT, IN THE JUDGMENT
21 OF THE RECEIVER, WOULD IMPEDE THE IMPLEMENTATION OF THE PLAN.

22 (4) DIRECT THE BOARD OF SCHOOL DIRECTORS TO LEVY AND
23 RAISE TAXES.

24 (5) MODIFY THE FINANCIAL RECOVERY PLAN AS NECESSARY TO
25 RESTORE THE SCHOOL DISTRICT TO FINANCIAL STABILITY BY
26 SUBMITTING A PETITION TO THE COURT OF COMMON PLEAS. WITHIN
27 SEVEN DAYS OF THE FILING OF THE PETITION, THE COURT OF COMMON
28 PLEAS SHALL ISSUE A DECISION APPROVING OR DISAPPROVING THE
29 PETITION. THE COURT OF COMMON PLEAS SHALL APPROVE THE
30 MODIFICATION, UNLESS THE COURT FINDS BY CLEAR AND CONVINCING

1 EVIDENCE THAT THE MODIFICATION IS ARBITRARY, CAPRICIOUS OR
2 WHOLLY INADEQUATE TO RESTORE THE SCHOOL DISTRICT TO FINANCIAL
3 STABILITY.

4 (6) EMPLOY FINANCIAL OR LEGAL EXPERTS THE RECEIVER DEEMS
5 NECESSARY TO IMPLEMENT OR MODIFY THE FINANCIAL RECOVERY PLAN.
6 NOTWITHSTANDING ANY LAW TO THE CONTRARY, THE EMPLOYMENT OF
7 SUCH EXPERTS SHALL NOT BE SUBJECT TO CONTRACTUAL COMPETITIVE
8 BIDDING PROCEDURES.

9 (7) ATTEND REGULAR AND EXECUTIVE SESSIONS OF THE BOARD
10 OF SCHOOL DIRECTORS OF THE SCHOOL DISTRICT.

11 (8) PETITION THE COURT OF COMMON PLEAS IN THE COUNTY IN
12 WHICH THE SCHOOL DISTRICT OR THE LARGEST PART IN AREA OF THE
13 SCHOOL DISTRICT IS LOCATED TO ISSUE A WRIT OF MANDAMUS UPON
14 ANY EMPLOYEE OR ELECTED OR APPOINTED OFFICIAL OF THE SCHOOL
15 DISTRICT TO SECURE COMPLIANCE WITH A DIRECTIVE OF THE
16 RECEIVER ISSUED UNDER PARAGRAPH (3) OR (4). WITHIN SEVEN DAYS
17 OF THE FILING OF THE PETITION, THE COURT SHALL GRANT THE
18 RELIEF REQUESTED IF THE COURT DETERMINES THAT THE DIRECTIVE
19 IS CONSISTENT WITH THE FINANCIAL RECOVERY PLAN.

20 (9) MEET AT LEAST MONTHLY WITH THE ADVISORY COMMITTEE,
21 WHERE AN ADVISORY COMMITTEE HAS BEEN ESTABLISHED UNDER
22 SECTION 654-A.

23 (C) PROHIBITED ACTIVITY.--NOTHING IN THIS SUBARTICLE OR THE
24 FINANCIAL RECOVERY PLAN SHALL BE CONSTRUED TO AUTHORIZE THE
25 RECEIVER TO DO ANY OF THE FOLLOWING:

26 (1) UNILATERALLY LEVY OR RAISE TAXES.

27 (2) UNILATERALLY ABROGATE, ALTER OR OTHERWISE INTERFERE
28 WITH A LIEN, CHARGE, COVENANT OR RELATIVE PRIORITY THAT IS:

29 (I) HELD BY A HOLDER OF A DEBT OBLIGATION OF A
30 SCHOOL DISTRICT.

1 (II) GRANTED BY THE CONTRACT, LAW, RULE OR
2 REGULATION GOVERNING THE DEBT OBLIGATION.

3 (3) UNILATERALLY IMPAIR OR MODIFY EXISTING BONDS, NOTES,
4 SCHOOL DISTRICT SECURITIES OR OTHER LAWFUL CONTRACTUAL OR
5 LEGAL OBLIGATIONS OF THE SCHOOL DISTRICT, EXCEPT AS OTHERWISE
6 ORDERED BY A COURT OF COMPETENT JURISDICTION OR AS PROVIDED
7 IN SECTION 642-A(A) (3) AND (15).

8 SECTION 673-A. EFFECT OF APPOINTMENT OF RECEIVER.

9 (A) GENERAL RULE.--THE APPOINTMENT OF A RECEIVER UNDER THIS
10 SUBDIVISION SHALL HAVE THE EFFECT OF:

11 (1) IMPOSING ON THE EMPLOYEES AND ELECTED AND APPOINTED
12 OFFICIALS OF THE SCHOOL DISTRICT A DUTY TO COMPLY WITH
13 DIRECTIVES OF THE RECEIVER ISSUED UNDER SECTION 672-A(B) (3)
14 OR (4).

15 (2) SUSPENDING THE AUTHORITY OF THE ELECTED AND
16 APPOINTED OFFICIALS OF THE SCHOOL DISTRICT TO EXERCISE POWER
17 ON BEHALF OF THE SCHOOL DISTRICT PURSUANT TO LAW, CHARTER,
18 RESOLUTION, ORDINANCE, RULE OR REGULATION, EXCEPT AS DIRECTED
19 BY THE RECEIVER UNDER SECTION 672-A(B) (3) OR (4).

20 (B) FORM OF GOVERNMENT.--APPOINTMENT OF A RECEIVER UNDER
21 THIS ARTICLE SHALL NOT BE CONSTRUED TO CHANGE THE FORM OF
22 GOVERNMENT OF THE SCHOOL DISTRICT.

23 SECTION 674-A. VACANCY AND REVOCATION.

24 (A) GENERAL RULE.--WHEN A VACANCY IN THE OFFICE OF THE
25 RECEIVER OCCURS, THE SECRETARY SHALL FILE A PETITION WITH THE
26 COURT OF COMMON PLEAS IN THE COUNTY IN WHICH THE SCHOOL DISTRICT
27 OR THE LARGEST PART IN AREA OF THE SCHOOL DISTRICT IS LOCATED
28 REQUESTING THAT THE INDIVIDUAL NAMED IN THE PETITION BE
29 APPOINTED AS RECEIVER.

30 (B) REVOCATION.--THE SECRETARY MAY, FOR ANY REASON, FILE A

1 PETITION WITH THE COURT OF COMMON PLEAS IN THE COUNTY IN WHICH
2 THE SCHOOL DISTRICT OR THE LARGEST PART IN AREA OF THE SCHOOL
3 DISTRICT IS LOCATED REQUESTING THAT THE APPOINTMENT OF THE
4 RECEIVER BE REVOKED AND THAT THE CURRENT RECEIVER BE REPLACED BY
5 THE INDIVIDUAL NAMED IN THE PETITION.

6 (C) REQUIREMENTS.--

7 (1) THE REQUIREMENTS OF SECTION 671-A(C) SHALL APPLY TO
8 THE INDIVIDUAL NAMED IN A PETITION FILED UNDER SUBSECTION (A)
9 OR (B). WITHIN SEVEN DAYS OF THE SECRETARY'S FILING OF A
10 PETITION UNDER SUBSECTION (A) OR (B), THE COURT SHALL GRANT
11 THE PETITION TO APPOINT THE NAMED INDIVIDUAL AS RECEIVER IF
12 THE INDIVIDUAL SATISFIES THE REQUIREMENTS OF SECTION
13 671-A(C).

14 (2) THE COURT MAY NOT APPOINT ANYONE OTHER THAN THE
15 INDIVIDUAL NAMED IN THE PETITION AS THE RECEIVER.

16 SECTION 675-A. TERMINATION OF RECEIVERSHIP.

17 (A) TIME.--EXCEPT AS OTHERWISE PROVIDED UNDER SUBSECTION
18 (B), A RECEIVERSHIP GRANTED UNDER SECTION 671-A SHALL EXPIRE
19 THREE YEARS AFTER THE INITIAL APPOINTMENT OF THE RECEIVER UNDER
20 SECTION 671-A.

21 (B) EXTENSION.--

22 (1) THE SECRETARY MAY PETITION THE COURT OF COMMON PLEAS
23 IN THE COUNTY IN WHICH THE SCHOOL DISTRICT OR THE LARGEST
24 PART IN AREA OF THE SCHOOL DISTRICT IS LOCATED FOR ONE OR
25 MORE EXTENSIONS OF THE RECEIVERSHIP.

26 (2) THE COURT SHALL GRANT EACH EXTENSION FOR ANOTHER
27 THREE YEARS UNLESS THE COURT FINDS BY CLEAR AND CONVINCING
28 EVIDENCE THAT THE REQUEST FOR EXTENSION IS ARBITRARY,
29 CAPRICIOUS OR WHOLLY IRRELEVANT TO RESTORING THE SCHOOL
30 DISTRICT TO FINANCIAL STABILITY.

1 SECTION 676-A. TRANSITION PERIOD.

2 (A) BOARD RESUMES CONTROL.--SUBJECT TO THE PROVISIONS OF
3 SUBSECTIONS (B) AND (C), AFTER A RECEIVERSHIP GRANTED UNDER
4 SECTION 671-A EXPIRES ACCORDING TO THE PROVISIONS OF SECTION
5 675-A, THE FOLLOWING SHALL APPLY:

6 (1) THE BOARD OF SCHOOL DIRECTORS SHALL RESUME FULL
7 CONTROL OVER SCHOOL DISTRICT MANAGEMENT.

8 (2) THE CHIEF RECOVERY OFFICER AND THE DEPARTMENT SHALL
9 OVERSEE THE BOARD OF SCHOOL DIRECTORS FOR FIVE YEARS TO
10 ENSURE FINANCIAL STABILITY IS MAINTAINED.

11 (B) DECLARATION OF FINANCIAL RECOVERY STATUS.--IF, DURING
12 THE TRANSITION PERIOD AFTER THE EXPIRATION OF THE RECEIVERSHIP,
13 THE BOARD OF SCHOOL DIRECTORS FAILS TO MAINTAIN THE OBJECTIVES
14 STATED IN THE FINANCIAL RECOVERY PLAN, THE SCHOOL DISTRICT SHALL
15 BE SUBJECT TO A DECLARATION OF FINANCIAL RECOVERY STATUS UNDER
16 SUBDIVISION (I).

17 (C) OVERSIGHT WHERE MUNICIPALITIES FINANCIALLY DISTRESSED.--
18 NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (A), THE CHIEF
19 RECOVERY OFFICER AND THE DEPARTMENT SHALL OVERSEE THE BOARD OF
20 SCHOOL DIRECTORS OF ANY SCHOOL DISTRICT FORMERLY IN RECEIVERSHIP
21 UNDER THIS SUBDIVISION FOR SO LONG AS ANY POLITICAL SUBDIVISION
22 LOCATED WITHIN THE SCHOOL DISTRICT IS A FINANCIALLY DISTRESSED
23 MUNICIPALITY UNDER THE ACT OF JULY 10, 1987 (P.L.246, NO.47),
24 KNOWN AS THE MUNICIPALITIES FINANCIAL RECOVERY ACT, WITHOUT
25 REGARD TO WHETHER THE SCHOOL DISTRICT CONTINUES TO MAINTAIN THE
26 OBJECTIVES STATED IN ITS FINANCIAL RECOVERY PLAN.

27 (VII) FINANCIAL RECOVERY
28 TRANSITIONAL LOAN PROGRAM

29 SECTION 681-A. PROGRAM.

30 (A) ESTABLISHMENT.--THE FINANCIAL RECOVERY TRANSITIONAL LOAN

1 PROGRAM IS ESTABLISHED IN THE DEPARTMENT UNDER WHICH THE
2 DEPARTMENT SHALL PROVIDE LOANS TO SCHOOL DISTRICTS THAT SATISFY
3 BOTH OF THE FOLLOWING:

4 (1) THE SCHOOL DISTRICT SATISFIES THE CRITERIA FOR A
5 DECLARATION OF FINANCIAL RECOVERY STATUS UNDER SECTION 621-
6 A(A) (1) (I).

7 (2) THE BOARD OF SCHOOL DIRECTORS HAS APPROVED A
8 FINANCIAL RECOVERY PLAN UNDER SECTION 652-A(C) OR 663-A(C).

9 (B) NATURE OF LOANS.--ALL LOANS GRANTED BY THE DEPARTMENT
10 SHALL BE FREE FROM INTEREST AND SHALL BE REPAYABLE ACCORDING TO
11 A COVENANT THAT STATES A SCHEDULE FOR REPAYMENT IN SPECIFIED
12 AMOUNTS AND DATES.

13 (C) FUNDING OF LOANS.--ALL LOANS GRANTED BY THE DEPARTMENT
14 UNDER THIS SUBDIVISION MAY BE MADE FROM MONEYS IN THE ACCOUNT
15 ESTABLISHED UNDER SUBSECTION (D).

16 (D) FINANCIAL RECOVERY SCHOOL DISTRICT TRANSITIONAL LOAN
17 ACCOUNT.--

18 (1) THE FINANCIAL RECOVERY SCHOOL DISTRICT TRANSITIONAL
19 LOAN ACCOUNT IS ESTABLISHED AS A RESTRICTED ACCOUNT IN THE
20 DEPARTMENT.

21 (2) THE ACCOUNT MAY BE FUNDED BY ANY ANNUAL
22 APPROPRIATION FROM THE GENERAL ASSEMBLY FOR THIS PROGRAM,
23 PRINCIPAL REPAYMENTS ON ALL LOANS MADE UNDER THIS
24 SUBDIVISION, OTHER FUNDS NOT ENCUMBERED OR COMMITTED FROM
25 APPROPRIATIONS FOR GRANTS AND SUBSIDIES MADE TO THE
26 DEPARTMENT TO ASSIST SCHOOL DISTRICTS FOR THE PRIOR FISCAL
27 YEAR WHICH ARE AUTHORIZED FOR USE BY THE GENERAL ASSEMBLY ON
28 AN ANNUAL BASIS AND ANY INTEREST EARNED ON MONEYS IN THE
29 ACCOUNT.

30 (3) THE MONEYS IN THE ACCOUNT MAY BE USED TO MAKE LOANS

1 UNDER THIS SUBDIVISION.

2 (E) ELIGIBILITY AND SUSPENSION OF LOAN.--

3 (1) A SCHOOL DISTRICT THAT SATISFIES THE CRITERIA STATED
4 IN SUBSECTION (A) SHALL RECEIVE A LOAN UNDER THIS SUBDIVISION
5 IN THE AMOUNT, AND ACCESSIBLE OVER THE TERM, STATED IN THE
6 FINANCIAL RECOVERY PLAN APPROVED BY THE SECRETARY UNDER
7 SECTION 652-A(D) (2) OR 663-A(D) (2) OR ORDERED BY THE COURT
8 UNDER SECTION 671-A(G) (2) (VI).

9 (2) (I) ANY LOAN GRANTED UNDER THIS SUBDIVISION TO A
10 SCHOOL DISTRICT SHALL BE SUSPENDED AND IMMEDIATELY DUE
11 AND PAYABLE IF, IN THE JUDGMENT OF THE SECRETARY, THE
12 SCHOOL DISTRICT FAILS TO TAKE ALL ACTIONS NECESSARY TO
13 IMPLEMENT A FINANCIAL RECOVERY PLAN UNDER SECTION 653-
14 A(B) OR 664-A(B) AND IS NOT PROGRESSING TOWARD FINANCIAL
15 STABILITY.

16 (II) WHERE THE SECRETARY DETERMINES TO SUSPEND A
17 LOAN UNDER THIS PARAGRAPH, THE SECRETARY SHALL NOTIFY THE
18 CHAIR AND MINORITY CHAIR OF THE APPROPRIATIONS COMMITTEE
19 OF THE SENATE, THE CHAIR AND MINORITY CHAIR OF THE
20 APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES,
21 THE CHAIR AND MINORITY CHAIR OF THE EDUCATION COMMITTEE
22 OF THE SENATE AND THE CHAIR AND MINORITY CHAIR OF THE
23 EDUCATION COMMITTEE OF THE HOUSE OF REPRESENTATIVES.

24 (F) VOLUNTARY AGREEMENT.--

25 (1) A SCHOOL DISTRICT THAT RECEIVES A LOAN UNDER THIS
26 SUBDIVISION MAY ENTER INTO A VOLUNTARY AGREEMENT WITH ONE OR
27 MORE CHARTER SCHOOLS IN WHICH STUDENTS RESIDING WITHIN THE
28 SCHOOL DISTRICT ARE ENROLLED, WHICH AGREEMENT PROVIDES THAT
29 THE CHARTER SCHOOL MAY GIVE THE SCHOOL DISTRICT FUNDS TO
30 ASSIST THE SCHOOL DISTRICT IN REPAYMENT OF THE LOAN.

1 (2) ANY AMOUNT PROVIDED BY THE CHARTER SCHOOL UNDER THIS
2 SUBSECTION SHALL BE IN AN AMOUNT AGREED UPON BY THE CHARTER
3 SCHOOL AND THE SCHOOL DISTRICT.

4 SECTION 682-A. LOAN PROCEDURE.

5 (A) GENERAL RULE.--

6 (1) (I) THE CHIEF RECOVERY OFFICER OF A SCHOOL DISTRICT
7 THAT IS ELIGIBLE FOR A LOAN UNDER SECTION 681-A(A) MAY
8 APPLY TO THE SECRETARY FOR A LOAN ON BEHALF OF THE SCHOOL
9 DISTRICT. THE SUBMISSION OF A FINANCIAL RECOVERY PLAN TO
10 THE SECRETARY UNDER SECTION 652-A(D) OR 663-A(D) THAT
11 RECOMMENDS THE APPLICATION FOR A LOAN UNDER SECTION 641-
12 A(4) (II) (F) SHALL CONSTITUTE AN APPLICATION TO THE
13 SECRETARY FOR A LOAN UNDER THIS SUBDIVISION.

14 (II) IF A RECEIVER HAS BEEN APPOINTED FOR THE SCHOOL
15 DISTRICT IN ACCORDANCE WITH SECTION 671-A(A) (1) (III), THE
16 RECEIVER MAY APPLY TO THE SECRETARY FOR A LOAN ON BEHALF
17 OF THE SCHOOL DISTRICT. THE SUBMISSION OF A FINANCIAL
18 RECOVERY PLAN TO THE COURT UNDER SECTION 671-A(B) THAT
19 RECOMMENDS THE APPLICATION FOR A LOAN PURSUANT TO SECTION
20 641-A(4) (II) (F) SHALL CONSTITUTE AN APPLICATION TO THE
21 SECRETARY FOR A LOAN UNDER THIS SUBDIVISION. THROUGH AN
22 ORDER ISSUED UNDER SECTION 671-A(G), THE COURT SHALL
23 ORDER THE DEPARTMENT TO APPROVE A LOAN TO THE SCHOOL
24 DISTRICT UNDER THIS SUBDIVISION IF THE SCHOOL DISTRICT
25 SATISFIES THE CRITERIA STATED IN SECTION 681-A(A).

26 (2) IF A SCHOOL DISTRICT SATISFIES THE CRITERIA STATED
27 IN SECTION 681-A(A), THE SECRETARY SHALL APPROVE THE
28 APPLICATION AND REQUEST THE RELEASE OF FUNDS FROM THE
29 SECRETARY OF THE BUDGET.

30 (B) IMMEDIATE EMERGENCIES.--

1 (1) NOTWITHSTANDING THE REQUIREMENTS OF SECTION 681-
2 A(A), PRIOR TO A SCHOOL DISTRICT'S APPROVAL OF A FINANCIAL
3 RECOVERY PLAN, THE CHIEF RECOVERY OFFICER MAY APPLY TO THE
4 SECRETARY FOR AN EXPEDITED LOAN TO IMMEDIATELY ASSIST THE
5 SCHOOL DISTRICT IF THE CHIEF RECOVERY OFFICER VERIFIES THE
6 FOLLOWING UPON REASONABLE BELIEF:

7 (I) ALL STEPS HAVE BEEN TAKEN TO ENSURE ONLY
8 CRITICAL PAYMENTS HAVE BEEN MADE TO MAINTAIN AND CONTINUE
9 INSTRUCTION OF STUDENTS ENROLLED IN THE SCHOOL DISTRICT;
10 AND

11 (II) EITHER OF THE FOLLOWING EXISTS:

12 (A) THE SCHOOL DISTRICT IS IN IMMINENT DANGER OF
13 INSOLVENCY; OR

14 (B) THE SCHOOL DISTRICT MAY CEASE OPERATIONS
15 WITHIN 30 DAYS.

16 (2) (I) UPON RECEIPT OF AN APPLICATION UNDER THIS
17 SUBSECTION, THE SECRETARY SHALL REVIEW ALL DATA
18 IMMEDIATELY AVAILABLE AND SHALL DETERMINE WHETHER A LOAN
19 IS WARRANTED.

20 (II) IF WARRANTED, THE SECRETARY SHALL APPROVE THE
21 APPLICATION AND REQUEST THE RELEASE OF THE FUNDS FROM THE
22 SECRETARY OF THE BUDGET. THE SECRETARY MAY IMPOSE SUCH
23 TERMS AND CONDITIONS ON A LOAN APPROVED UNDER THIS
24 SUBSECTION AS THE SECRETARY DETERMINES ARE NECESSARY AND
25 APPROPRIATE.

26 (III) THE SECRETARY'S DETERMINATION UNDER THIS
27 SUBSECTION IS APPEALABLE UNDER 2 PA.C.S. (RELATING TO
28 ADMINISTRATIVE LAW AND PROCEDURE).

29 SECTION 683-A. LIMITATIONS.

30 (A) USE.--A LOAN TO A SCHOOL DISTRICT UNDER THIS SUBDIVISION

1 SHALL BE USED SOLELY TO IMPLEMENT THE COMPONENTS OF THE
2 FINANCIAL RECOVERY PLAN, INCLUDING THE PAYMENT OF CURRENT
3 EXPENSES OF THE SCHOOL DISTRICT AS IDENTIFIED IN THE FINANCIAL
4 RECOVERY PLAN.

5 (B) LOCAL GOVERNMENT UNIT DEBT ACT.--A LOAN TO A SCHOOL
6 DISTRICT UNDER THIS SUBDIVISION SHALL NOT BE SUBJECT TO, AND
7 SHALL BE SUBORDINATE TO INDEBTEDNESS INCURRED UNDER, THE
8 PROVISIONS OF 53 PA.C.S. PT. VII SUBPT. B (RELATING TO
9 INDEBTEDNESS AND BORROWING).

10 (C) AMOUNT.--THE AGGREGATE AMOUNT OF LOANS AWARDED TO SCHOOL
11 DISTRICTS UNDER THIS SUBDIVISION SHALL NOT AT ANY TIME EXCEED
12 THE AMOUNT IN THE FINANCIAL RECOVERY SCHOOL DISTRICT
13 TRANSITIONAL LOAN ACCOUNT.

14 (D) NUMBER OF LOANS.--A SCHOOL DISTRICT ELIGIBLE FOR A LOAN
15 UNDER THIS SUBDIVISION SHALL RECEIVE A MAXIMUM OF ONE LOAN PER
16 FISCAL YEAR.

17 (E) WITHHOLDING NOT APPLICABLE.--A SCHOOL DISTRICT'S FAILURE
18 TO MAKE TIMELY PAYMENT OF PRINCIPAL ON A LOAN ISSUED UNDER THIS
19 SUBDIVISION SHALL NOT SUBJECT THE SCHOOL DISTRICT TO WITHHOLDING
20 OF UNPAID AMOUNTS FROM STATE APPROPRIATIONS UNDER SECTION 633.

21 (VIII) MISCELLANEOUS PROVISIONS
22 SECTION 691-A. APPLICABILITY.

23 (A) GENERAL RULE.--EXCEPT AS OTHERWISE PROVIDED IN
24 SUBSECTION (B), NOTHING IN THIS ARTICLE IS INTENDED TO LIMIT OR
25 OTHERWISE ABROGATE THE APPLICABILITY OF ANY OTHER PART OF THIS
26 ACT.

27 (B) CONFLICT.--IF THERE IS A CONFLICT BETWEEN A PROVISION OF
28 THIS ARTICLE AND ANY OTHER PROVISION OF THIS ACT OR OTHER STATE
29 LAW, THE PROVISION OF THIS ARTICLE SHALL PREVAIL.

30 SECTION 692-A. BANKRUPTCY PROHIBITED.

1 A SCHOOL DISTRICT MAY NOT FILE A MUNICIPAL DEBT ADJUSTMENT
2 ACTION UNDER THE BANKRUPTCY CODE (11 U.S.C. § 101 ET SEQ).
3 SECTION 693-A. TERMINATION OF SPECIAL BOARD OF CONTROL.

4 WHERE A SCHOOL DISTRICT IS GOVERNED BY A SPECIAL BOARD OF
5 CONTROL UNDER SECTION 692 AS OF THE EFFECTIVE DATE OF THIS
6 SECTION, THE SPECIAL BOARD OF CONTROL SHALL TERMINATE
7 IMMEDIATELY UPON THE APPOINTMENT OF A CHIEF RECOVERY OFFICER FOR
8 THE SCHOOL DISTRICT AS PROVIDED UNDER SECTION 631-A.

9 SECTION 11. SECTIONS 907-A(B) (3) AND 921-A(A.1) OF THE ACT,
10 AMENDED OR ADDED JUNE 30, 2011 (P.L.112, NO.24), ARE AMENDED TO
11 READ:

12 SECTION 907-A. SUBSIDIES FOR SERVICES.--* * *

13 (B) NO LATER THAN FEBRUARY 1, 2012, AND BY FEBRUARY 1 OF
14 EACH YEAR THEREAFTER, AN INTERMEDIATE UNIT SHALL SUBMIT TO THE
15 DEPARTMENT OF EDUCATION A REPORT ON SUBSIDIES AND FUNDS RECEIVED
16 IN ACCORDANCE WITH THIS SECTION.

17 * * *

18 (3) THE DEPARTMENT OF EDUCATION SHALL POST THE REPORTS
19 ON ITS PUBLICLY ACCESSIBLE INTERNET WEBSITE BY MARCH 1 OF
20 EACH YEAR.

21 * * *

22 SECTION 921-A. FINANCIAL REPORTS.--* * *

23 (A.1) [THE] BY MARCH 1 OF EACH YEAR, THE DEPARTMENT OF
24 EDUCATION SHALL POST ON ITS PUBLICLY ACCESSIBLE INTERNET WEBSITE
25 INFORMATION INCLUDED IN THE INTERMEDIATE UNITS' ANNUAL FINANCIAL
26 REPORTS. IN POSTING THE INFORMATION, THE DEPARTMENT OF EDUCATION
27 SHALL USE A FORMAT CONSISTENT WITH THE FORMAT THE DEPARTMENT OF
28 EDUCATION USES WHEN POSTING THE ANNUAL FINANCIAL REPORT
29 INFORMATION OF OTHER LOCAL EDUCATION AGENCIES.

30 * * *

1 SECTION 12. SECTION 1073 OF THE ACT, AMENDED JANUARY 14,
2 1970 (1969 P.L.468, NO.192) AND JANUARY 16, 1974 (P.L.1, NO.1),
3 IS AMENDED TO READ:

4 SECTION 1073. MANNER OF ELECTION OR APPROVAL.-- (A) THE
5 BOARD OF SCHOOL DIRECTORS OF EACH SCHOOL DISTRICT[, EXCEPT IN
6 SCHOOL DISTRICTS OF THE FIRST CLASS,] SHALL MEET AT ITS REGULAR
7 PLACE OF MEETING, DURING THE LAST YEAR OF THE TERM OF THE
8 DISTRICT SUPERINTENDENT OR AT ANY OTHER TIME WHEN A VACANCY
9 SHALL OCCUR IN THE OFFICE OF DISTRICT SUPERINTENDENT, AT AN HOUR
10 PREVIOUSLY FIXED BY THE BOARD. THE SECRETARY OF EACH BOARD OF
11 SCHOOL DIRECTORS SHALL MAIL TO EACH MEMBER THEREOF AT LEAST FIVE
12 DAYS BEFOREHAND, A NOTICE OF THE TIME, PLACE AND PURPOSE OF SUCH
13 MEETING. AT SUCH MEETING THE BOARD SHALL ELECT OR APPROVE A
14 PROPERLY QUALIFIED DISTRICT SUPERINTENDENT TO ENTER INTO A
15 CONTRACT TO SERVE A TERM OF [FROM] THREE TO FIVE YEARS FROM THE
16 FIRST DAY OF JULY NEXT FOLLOWING HIS ELECTION OR FROM A TIME
17 MUTUALLY AGREED UPON BY THE DULY ELECTED DISTRICT SUPERINTENDENT
18 AND THE BOARD OF SCHOOL DIRECTORS. THE CONTRACT SHALL BE SUBJECT
19 TO THE ACT OF FEBRUARY 14, 2008 (P.L.6, NO.3), KNOWN AS THE
20 "RIGHT-TO-KNOW LAW."

21 (B) AT A REGULAR MEETING OF THE BOARD OF SCHOOL DIRECTORS
22 OCCURRING AT LEAST ONE HUNDRED FIFTY (150) DAYS PRIOR TO THE
23 EXPIRATION DATE OF THE TERM OF OFFICE OF THE DISTRICT
24 SUPERINTENDENT, THE AGENDA SHALL INCLUDE AN ITEM REQUIRING
25 AFFIRMATIVE ACTION BY FIVE OR MORE MEMBERS OF THE BOARD OF
26 SCHOOL DIRECTORS TO NOTIFY THE DISTRICT SUPERINTENDENT THAT THE
27 BOARD INTENDS TO RETAIN HIM FOR A FURTHER TERM OF [FROM] THREE
28 (3) TO FIVE (5) YEARS OR THAT ANOTHER OR OTHER CANDIDATES WILL
29 BE CONSIDERED FOR THE OFFICE. IN THE EVENT THAT THE BOARD FAILS
30 TO TAKE SUCH ACTION AT A REGULAR MEETING OF THE BOARD OF SCHOOL

1 DIRECTORS OCCURRING AT LEAST ONE HUNDRED FIFTY (150) DAYS PRIOR
2 TO THE EXPIRATION DATE OF THE TERM OF OFFICE OF THE DISTRICT
3 SUPERINTENDENT, HE SHALL CONTINUE IN OFFICE FOR A FURTHER TERM
4 OF SIMILAR LENGTH TO THAT WHICH HE IS SERVING.

5 (D) THE TERM OF OFFICE OR COMMISSION OF A DISTRICT
6 SUPERINTENDENT OR ASSISTANT DISTRICT SUPERINTENDENT SHALL NOT BE
7 SHORTENED BY REASON OF THE FACT THAT THE DISTRICT IN WHICH HE
8 SERVES SHALL BE COME PART OF A JOINT SCHOOL, OR BY REASON OF THE
9 FACT THAT THE DISTRICT IN WHICH HE SERVES SHALL BECOME A PART OF
10 A NEW SCHOOL DISTRICT ESTABLISHED AS THE RESULT OF
11 REORGANIZATION OF SCHOOL DISTRICTS PURSUANT TO ARTICLE II.,
12 SUBDIVISION (I) OR SECTION 224 OF THIS ACT. ANY DISTRICT
13 SUPERINTENDENT, ASSISTANT DISTRICT SUPERINTENDENT OR SUPERVISING
14 PRINCIPAL NOT SELECTED AS THE DISTRICT SUPERINTENDENT OF THE
15 JOINT SCHOOL OR NEWLY ESTABLISHED SCHOOL DISTRICT IN WHICH THE
16 DISTRICT HE SERVES BECOMES A PART SHALL BE ASSIGNED TO A
17 POSITION OR OFFICE FOR WHICH HE IS ELIGIBLE: PROVIDED, HOWEVER,
18 THAT IN A NEW SCHOOL DISTRICT REORGANIZED UNDER ARTICLE II.,
19 SUBDIVISION (I) OR SECTION 224 OF THIS ACT, HE SHALL BE ASSIGNED
20 TO A POSITION OR OFFICE WHICH IS ADMINISTRATIVE OR SUPERVISORY
21 IN NATURE ONLY, BUT THERE SHALL BE NO REDUCTION IN SALARY UNTIL
22 THE EXPIRATION OF HIS COMMISSION. THEREAFTER, UNLESS ELECTED TO
23 AN OFFICE REQUIRING A COMMISSION HE SHALL HAVE THE STATUS OF A
24 PROFESSIONAL EMPLOYE: PROVIDED, THAT THE BOARD OF SCHOOL
25 DIRECTORS MAY ADJUST THE SALARY ACCORDING TO THE CLASSIFICATION
26 OF THE POSITION TO WHICH HE MAY BE ASSIGNED, AND THAT THE PERIOD
27 OF SERVICE AS A COMMISSIONED DISTRICT SUPERINTENDENT, ASSISTANT
28 DISTRICT SUPERINTENDENT OR ASSOCIATE SUPERINTENDENT SHALL BE
29 COUNTED AS TIME SERVED AS A PROFESSIONAL EMPLOYE IN DETERMINING
30 HIS SENIORITY RIGHTS.

1 (E) THE FOLLOWING SHALL APPLY:

2 (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, NO
3 INDIVIDUAL SHALL BE EMPLOYED AS A DISTRICT SUPERINTENDENT OR
4 ASSISTANT DISTRICT SUPERINTENDENT BY A SCHOOL DISTRICT EXCEPT
5 PURSUANT TO A WRITTEN CONTRACT OF EMPLOYMENT EXPRESSLY STATING
6 THE TERMS AND CONDITIONS OF EMPLOYMENT.

7 (2) A CONTRACT FOR THE EMPLOYMENT OF A DISTRICT
8 SUPERINTENDENT OR ASSISTANT DISTRICT SUPERINTENDENT SHALL DO ALL
9 OF THE FOLLOWING:

10 (I) CONTAIN THE MUTUAL AND COMPLETE AGREEMENT BETWEEN THE
11 DISTRICT SUPERINTENDENT OR ASSISTANT DISTRICT SUPERINTENDENT AND
12 THE BOARD OF SCHOOL DIRECTORS WITH RESPECT TO THE TERMS AND
13 CONDITIONS OF EMPLOYMENT.

14 (II) CONSISTENT WITH STATE BOARD OF EDUCATION CERTIFICATION
15 REQUIREMENTS, SPECIFY THE DUTIES, RESPONSIBILITIES, JOB
16 DESCRIPTION AND PERFORMANCE EXPECTATIONS, INCLUDING PERFORMANCE
17 STANDARDS AND ASSESSMENTS PROVIDED FOR UNDER SECTION 1073.1.

18 (III) INCORPORATE ALL PROVISIONS RELATING TO COMPENSATION
19 AND BENEFITS TO BE PAID TO OR ON BEHALF OF THE DISTRICT
20 SUPERINTENDENT OR ASSISTANT DISTRICT SUPERINTENDENT.

21 (IV) SPECIFY THE TERM OF EMPLOYMENT AND STATE THAT THE
22 CONTRACT SHALL TERMINATE IMMEDIATELY, EXCEPT AS OTHERWISE
23 PROVIDED UNDER THIS SECTION, UPON THE EXPIRATION OF THE TERM
24 UNLESS THE CONTRACT IS ALLOWED TO RENEW AUTOMATICALLY UNDER
25 SUBSECTION (B).

26 (V) SPECIFY THE TERMINATION, BUYOUT AND SEVERANCE
27 PROVISIONS, INCLUDING ALL POSTEMPLOYMENT COMPENSATION AND THE
28 PERIOD OF TIME IN WHICH THE COMPENSATION SHALL BE PROVIDED.
29 TERMINATION, BUYOUT AND SEVERANCE PROVISIONS MAY NOT BE MODIFIED
30 DURING THE COURSE OF THE CONTRACT OR IN THE EVENT A CONTRACT IS

1 TERMINATED PREMATURELY.

2 (VI) CONTAIN PROVISIONS RELATING TO OUTSIDE WORK THAT MAY BE
3 PERFORMED, IF ANY.

4 (VII) STATE THAT ANY MODIFICATION TO THE CONTRACT MUST BE IN
5 WRITING.

6 (VIII) STATE THAT THE CONTRACT SHALL BE GOVERNED BY THE LAWS
7 OF THIS COMMONWEALTH.

8 (IX) LIMIT COMPENSATION FOR UNUSED SICK LEAVE IN NEW
9 EMPLOYMENT CONTRACTS ENTERED INTO AFTER THE EFFECTIVE DATE OF
10 THIS SUBSECTION FOR DISTRICT SUPERINTENDENTS OR ASSISTANT
11 DISTRICT SUPERINTENDENTS WHO HAVE NO PRIOR EXPERIENCE AS A
12 DISTRICT SUPERINTENDENT OR ASSISTANT DISTRICT SUPERINTENDENT TO
13 THE MAXIMUM COMPENSATION FOR UNUSED SICK LEAVE UNDER THE SCHOOL
14 DISTRICT'S ADMINISTRATOR COMPENSATION PLAN UNDER SECTION 1164 IN
15 EFFECT AT THE TIME OF THE CONTRACT.

16 (X) LIMIT TRANSFERRED SICK LEAVE FROM PREVIOUS EMPLOYMENT TO
17 NOT MORE THAN THIRTY (30) DAYS IN NEW EMPLOYMENT CONTRACTS AFTER
18 THE EFFECTIVE DATE OF THIS SUBSECTION FOR DISTRICT
19 SUPERINTENDENTS OR ASSISTANT DISTRICT SUPERINTENDENTS WHO HAVE
20 NO PRIOR EXPERIENCE AS A DISTRICT SUPERINTENDENT OR ASSISTANT
21 DISTRICT SUPERINTENDENT.

22 (XI) SPECIFY POSTRETIREMENT BENEFITS AND THE PERIOD OF TIME
23 IN WHICH THE BENEFITS SHALL BE PROVIDED.

24 (3) NO AGREEMENT BETWEEN THE BOARD OF SCHOOL DIRECTORS AND A
25 DISTRICT SUPERINTENDENT OR ASSISTANT DISTRICT SUPERINTENDENT FOR
26 A NEGOTIATED SEVERANCE OF EMPLOYMENT PRIOR TO THE END OF THE
27 SPECIFIED CONTRACT TERM SHALL PROVIDE FOR SEVERANCE COMPENSATION
28 TO THE DISTRICT SUPERINTENDENT OR ASSISTANT DISTRICT
29 SUPERINTENDENT, INCLUDING THE REASONABLE VALUE OF ANY NONCASH

1 SEVERANCE BENEFITS OR POSTEMPLOYMENT BENEFITS NOT OTHERWISE
2 ACCRUING UNDER THE CONTRACT OR PURSUANT TO LAW, THAT:

3 (I) IF THE AGREEMENT TAKES EFFECT TWO (2) YEARS OR MORE
4 PRIOR TO THE END OF THE SPECIFIED CONTRACT TERM, EXCEEDS THE
5 EQUIVALENT OF ONE (1) YEAR'S COMPENSATION AND BENEFITS OTHERWISE
6 DUE UNDER THE CONTRACT.

7 (II) IF THE AGREEMENT TAKES EFFECT LESS THAN TWO (2) YEARS
8 PRIOR TO THE END OF THE SPECIFIED CONTRACT TERM, EXCEEDS THE
9 EQUIVALENT OF ONE-HALF OF THE TOTAL COMPENSATION AND BENEFITS
10 DUE UNDER THE CONTRACT FOR THE REMAINDER OF THE TERM.

11 SECTION 13. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

12 SECTION 1073.1. PERFORMANCE REVIEW.-- (A) IN ADDITION TO ANY
13 OTHER REQUIREMENTS PROVIDED FOR UNDER THIS ACT, THE EMPLOYMENT
14 CONTRACT FOR A DISTRICT SUPERINTENDENT OR ASSISTANT DISTRICT
15 SUPERINTENDENT SHALL INCLUDE OBJECTIVE PERFORMANCE STANDARDS
16 MUTUALLY AGREED TO IN WRITING BY THE BOARD OF SCHOOL DIRECTORS
17 AND THE DISTRICT SUPERINTENDENT OR ASSISTANT DISTRICT
18 SUPERINTENDENT. THE OBJECTIVE PERFORMANCE STANDARDS MAY BE BASED
19 UPON THE FOLLOWING:

20 (1) ACHIEVEMENT OF ANNUAL MEASURABLE OBJECTIVES ESTABLISHED
21 BY THE SCHOOL DISTRICT;

22 (2) ACHIEVEMENT ON PENNSYLVANIA SYSTEM OF SCHOOL ASSESSMENT
23 (PSSA) TESTS;

24 (3) ACHIEVEMENT ON KEYSTONE EXAMS;

25 (4) STUDENT GROWTH AS MEASURED BY THE PENNSYLVANIA VALUE-
26 ADDED ASSESSMENT SYSTEM;

27 (5) ATTRITION RATES OR GRADUATION RATES;

28 (6) FINANCIAL MANAGEMENT STANDARDS;

29 (7) STANDARDS OF OPERATIONAL EXCELLENCE; OR

30 (8) ANY ADDITIONAL CRITERIA DEEMED RELEVANT AND MUTUALLY

1 AGREED TO BY THE BOARD OF SCHOOL DIRECTORS AND THE DISTRICT
2 SUPERINTENDENT OR ASSISTANT DISTRICT SUPERINTENDENT.

3 (B) THE BOARD OF SCHOOL DIRECTORS SHALL CONDUCT A FORMAL
4 WRITTEN PERFORMANCE ASSESSMENT OF THE DISTRICT SUPERINTENDENT
5 AND ASSISTANT DISTRICT SUPERINTENDENT ANNUALLY. A TIME FRAME FOR
6 THE ASSESSMENT SHALL BE INCLUDED IN THE CONTRACT.

7 (B.1) THE BOARD OF SCHOOL DIRECTORS SHALL POST THE MUTUALLY
8 AGREED TO OBJECTIVE PERFORMANCE STANDARDS CONTAINED IN THE
9 CONTRACT ON THE SCHOOL DISTRICT'S PUBLICLY ACCESSIBLE INTERNET
10 WEBSITE. UPON COMPLETION OF THE ANNUAL PERFORMANCE ASSESSMENT,
11 THE BOARD OF SCHOOL DIRECTORS SHALL POST THE DATE OF THE
12 ASSESSMENT AND WHETHER OR NOT THE DISTRICT SUPERINTENDENT AND
13 ASSISTANT DISTRICT SUPERINTENDENT HAVE MET THE AGREED TO
14 OBJECTIVE PERFORMANCE STANDARDS ON THE SCHOOL DISTRICT'S
15 PUBLICLY ACCESSIBLE INTERNET WEBSITE.

16 (C) THE STATE BOARD OF EDUCATION MAY PROMULGATE REGULATIONS
17 PURSUANT TO THE ACT OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS
18 THE "REGULATORY REVIEW ACT," IN ORDER TO IMPLEMENT THIS SECTION.

19 SECTION 14. SECTIONS 1076 AND 1077 OF THE ACT, AMENDED
20 JANUARY 16, 1974 (P.L.1, NO.1), ARE AMENDED TO READ:

21 SECTION 1076. ELECTION OF ASSISTANT DISTRICT
22 SUPERINTENDENTS[, EXCEPT IN DISTRICTS FIRST CLASS].--[EXCEPT IN
23 DISTRICTS OF THE FIRST CLASS, ASSISTANT] ASSISTANT DISTRICT
24 SUPERINTENDENTS SHALL BE CHOSEN BY A MAJORITY VOTE OF ALL THE
25 MEMBERS OF THE BOARD OF SCHOOL DIRECTORS OF THE DISTRICT, FOR A
26 TERM OF [FROM] THREE TO FIVE YEARS UPON THE NOMINATION BY THE
27 DISTRICT SUPERINTENDENT.

28 SECTION 1077. TERM AND SALARY OF ASSISTANTS.--(A) ASSISTANT
29 DISTRICT SUPERINTENDENTS MAY SERVE THROUGH THE TERM OF THE
30 DISTRICT SUPERINTENDENT, OR ENTER A CONTRACT FOR A TERM OF

1 [FROM] THREE TO FIVE YEARS AT SALARIES PAID BY THE DISTRICT, AND
2 FIXED BY A MAJORITY VOTE OF THE WHOLE BOARD OF SCHOOL DIRECTORS
3 PRIOR TO THEIR ELECTION. THE CONTRACT SHALL BE SUBJECT TO THE
4 ACT OF FEBRUARY 14, 2008 (P.L.6, NO.3), KNOWN AS THE "RIGHT-TO-
5 KNOW LAW."

6 (B) AT A REGULAR MEETING OF THE BOARD OF SCHOOL DIRECTORS
7 OCCURRING AT LEAST ONE HUNDRED FIFTY (150) DAYS PRIOR TO THE
8 EXPIRATION DATE OF THE TERM OF OFFICE OF THE ASSISTANT DISTRICT
9 SUPERINTENDENT, THE AGENDA SHALL INCLUDE AN ITEM REQUIRING
10 AFFIRMATIVE ACTION BY FIVE (5) OR MORE MEMBERS OF THE BOARD OF
11 SCHOOL DIRECTORS TO NOTIFY THE ASSISTANT DISTRICT SUPERINTENDENT
12 THAT THE BOARD INTENDS TO RETAIN HIM FOR A FURTHER TERM OF
13 [FROM] THREE (3) TO FIVE (5) YEARS OR THAT ANOTHER OR OTHER
14 CANDIDATES WILL BE CONSIDERED FOR THE OFFICE. IN THE EVENT THAT
15 THE BOARD FAILS TO TAKE SUCH ACTION AT A REGULAR MEETING OF THE
16 BOARD OF SCHOOL DIRECTORS OCCURRING AT LEAST ONE HUNDRED FIFTY
17 (150) DAYS PRIOR TO THE EXPIRATION DATE OF THE TERM OF OFFICE OF
18 THE ASSISTANT DISTRICT SUPERINTENDENT, HE SHALL CONTINUE IN
19 OFFICE FOR A FURTHER TERM OF SIMILAR LENGTH TO THAT WHICH HE IS
20 SERVING.

21 SECTION 15. SECTION 1078 OF THE ACT, AMENDED JANUARY 14,
22 1970 (1969 P.L.468, NO.192), IS AMENDED TO READ:

23 SECTION 1078. COMMISSIONS.--DISTRICT SUPERINTENDENTS AND
24 ASSISTANT DISTRICT SUPERINTENDENTS SHALL BE COMMISSIONED BY THE
25 [SUPERINTENDENT OF PUBLIC INSTRUCTION] SECRETARY OF EDUCATION.

26 SECTION 16. SECTION 1080 OF THE ACT IS AMENDED TO READ:

27 SECTION 1080. REMOVAL.--(A) DISTRICT SUPERINTENDENTS AND
28 ASSISTANT DISTRICT SUPERINTENDENTS MAY BE REMOVED FROM OFFICE
29 AND HAVE THEIR CONTRACTS TERMINATED, AFTER HEARING, BY A
30 MAJORITY VOTE OF THE BOARD OF SCHOOL DIRECTORS OF THE DISTRICT,

1 FOR NEGLECT OF DUTY, INCOMPETENCY, INTEMPERANCE, OR IMMORALITY,
2 OF WHICH HEARING NOTICE OF AT LEAST ONE WEEK HAS BEEN SENT BY
3 MAIL TO THE ACCUSED, AS WELL AS TO EACH MEMBER OF THE BOARD OF
4 SCHOOL DIRECTORS.

5 (B) THE BOARD OF SCHOOL DIRECTORS SHALL PUBLICLY DISCLOSE AT
6 THE NEXT REGULARLY SCHEDULED MONTHLY MEETING THE REMOVAL OF A
7 DISTRICT SUPERINTENDENT OR ASSISTANT DISTRICT SUPERINTENDENT
8 FROM OFFICE UNDER SUBSECTION (A).

9 (C) PROCEEDINGS UNDER THIS SECTION SHALL BE HELD UNDER 2
10 PA.C.S. CH. 5 SUBCH. B (RELATING TO PRACTICE AND PROCEDURE OF
11 LOCAL AGENCIES).

12 SECTION 17. SECTION 1607(B) (1) OF THE ACT, AMENDED NOVEMBER
13 23, 2010 (P.L.1350, NO.123), IS AMENDED TO READ:

14 SECTION 1607. ATTENDANCE IN OTHER DISTRICTS.--* * *

15 (B) IF A THIRD CLASS SCHOOL DISTRICT OPERATING UNDER A
16 SPECIAL BOARD OF CONTROL PURSUANT TO SECTION 692 HAS, WITH THE
17 APPROVAL OF THE SECRETARY OF EDUCATION, CURTAILED ITS
18 EDUCATIONAL PROGRAM BY ELIMINATING ITS HIGH SCHOOL AND HAS NOT
19 ASSIGNED ITS HIGH SCHOOL PUPILS TO ANOTHER SCHOOL DISTRICT AND
20 PROVIDED ADEQUATE TRANSPORTATION IN A MANNER UNDER SUBSECTION
21 (A), THE SECRETARY SHALL HAVE THE FOLLOWING AUTHORITY:

22 (1) TO DESIGNATE TWO OR MORE SCHOOL DISTRICTS, WHICH SHALL
23 ACCEPT ON A TUITION BASIS THE HIGH SCHOOL STUDENTS OF THE
24 DISTRESSED SCHOOL DISTRICT, SO LONG AS A DESIGNATED SCHOOL
25 DISTRICT'S BORDER IS NO MORE THAN THREE (3) MILES FROM THE
26 BORDER OF THE DISTRESSED SCHOOL DISTRICT. THE DESIGNATION UNDER
27 THIS PARAGRAPH SHALL OCCUR NO LATER THAN THIRTY (30) DAYS AFTER
28 RECEIVING THE APPROVAL OF THE SECRETARY TO CURTAIL ITS
29 EDUCATIONAL PROGRAM BY THE ELIMINATION OF ITS HIGH SCHOOL,
30 PROVIDED, HOWEVER, THAT IF ANY SCHOOL DISTRICT MEETS THE

1 CRITERIA OF THIS SUBSECTION ON THE EFFECTIVE DATE OF THIS
2 SUBSECTION, THE DESIGNATION OF SCHOOL DISTRICTS SHALL OCCUR NO
3 LATER THAN THIRTY (30) DAYS AFTER THE EFFECTIVE DATE OF THIS
4 SUBSECTION. [NO DESIGNATED SCHOOL DISTRICT SHALL BE ASSIGNED
5 MORE THAN ONE HUNDRED SIXTY-FIVE (165) STUDENTS FROM THE
6 DISTRESSED SCHOOL DISTRICT.]

7 * * *

8 Section 5 18. The act is amended by adding ~~sections~~ A ←
9 SECTION to read:

10 Section 1616. Wearing of Military Uniform at Graduation
11 Ceremony.--A student shall have the right to wear a dress
12 uniform issued to the student by a branch of the United States
13 Armed Forces while participating in the graduation ceremony for
14 the student's high school if that student meets the following
15 requirements:

16 (1) The student has fulfilled all of the requirements for
17 receiving a high school diploma in this Commonwealth and is
18 otherwise eligible to participate in the graduation ceremony.

19 (2) The student has completed basic training for, and is an
20 active member of, a branch of the United States Armed Forces.

21 ~~Section 2411. Audits of School Districts. The Department of~~ ←
22 ~~the Auditor General shall, every four years, have the power, and~~
23 ~~its duty shall be, to audit the financial accounts and records~~
24 ~~of each school district that has been issued a certification~~
25 ~~declaring the school district in financial distress under~~
26 ~~section 691 that receives an appropriation of money, payable out~~
27 ~~of any fund in the State Treasury, or entitled to receive any~~
28 ~~portion of any State tax for any purpose whatsoever, as far as~~
29 ~~may be necessary to satisfy the Department of the Auditor~~
30 ~~General that the money received was expended or is being~~


1 ~~expended for no purpose other than that for which it was paid.~~

2 ~~If at any time the Department of the Auditor General shall~~
3 ~~find that any money received by a school district that has been~~
4 ~~issued a certification declaring the school district in~~
5 ~~financial distress under section 691 has been expended for any~~
6 ~~purpose other than that for which it was paid, it shall notify~~
7 ~~the Department of Education within ninety days of the finding,~~
8 ~~and shall decline to approve any further requisition for the~~
9 ~~payment of any appropriation, or any further portion of any~~
10 ~~State tax, to the school district, until an amount equal to that~~
11 ~~improperly expended shall have been expended for the purpose for~~
12 ~~which the money improperly expended was received from the State~~
13 ~~Treasury.~~

14 ~~The Treasury Department shall submit, at least annually, to~~
15 ~~the Department of the Auditor General, its listing of~~
16 ~~appropriations made to each school district and the fund or~~
17 ~~account from which the appropriation was released.~~

18 ~~Section 6. The amendment of section 1075 of the act shall~~
19 ~~apply to a contract setting the compensation of a district~~
20 ~~superintendent or assistant district superintendent of a school~~
21 ~~district that has been issued a certification declaring the~~
22 ~~school district in financial distress under section 691 entered~~
23 ~~into or renewed on or after the effective date of this section.~~

24 ~~Section 7. This act shall take effect in 60 days.~~

25 SECTION 19. SECTION 2104 OF THE ACT IS AMENDED TO READ: 

26 SECTION 2104. SUPERINTENDENTS OF SCHOOLS OR BUILDINGS AND OF
27 SUPPLIES.--THE BOARD OF PUBLIC EDUCATION IN EACH SCHOOL DISTRICT
28 OF THE FIRST CLASS SHALL, WHENEVER A VACANCY IN SAID OFFICE
29 SHALL OCCUR, APPOINT A DISTRICT SUPERINTENDENT, WHO SHALL BE
30 DESIGNATED AND KNOWN AS SUPERINTENDENT OF SCHOOLS[, FOR A TERM

1 OF NOT MORE THAN SIX (6) YEARS]. THE BOARD MAY ALSO APPOINT A
2 SUPERINTENDENT OF BUILDINGS AND A SUPERINTENDENT OF SUPPLIES.
3 THE BOARD SHALL PRESCRIBE THE TERMS AND DUTIES AND FIX THE
4 SALARIES OF EACH OF SUCH EMPLOYES. THEY SHALL BE RESPONSIBLE TO
5 THE BOARD FOR THE CONDUCT OF THEIR RESPECTIVE DEPARTMENTS, SHALL
6 MAKE ANNUAL REPORTS TO THE BOARD, AND SHALL FROM TIME TO TIME
7 SUBMIT SUCH PLANS AND SUGGESTIONS FOR THE IMPROVEMENT OF THE
8 SCHOOLS AND THE SCHOOL SYSTEM AS THEY SHALL DEEM EXPEDIENT OR AS
9 THE BOARD OF PUBLIC EDUCATION MAY REQUIRE.

10 THE SUPERINTENDENT OF BUILDINGS SHALL BE AN ENGINEER OR
11 ARCHITECT OF GOOD STANDING IN HIS PROFESSION. THE SUPERINTENDENT
12 OF BUILDINGS AND THE SUPERINTENDENT OF SUPPLIES SHALL EACH GIVE
13 SUCH SECURITY FOR THE FAITHFUL PERFORMANCE OF THE DUTIES OF
14 THEIR RESPECTIVE OFFICES AS THE BOARD OF PUBLIC EDUCATION SHALL
15 PRESCRIBE.

16 SECTION 20. THE AMENDMENT OR ADDITION OF SECTIONS 1073,
17 1073.1, 1076, 1077, 1078 AND 1080 OF THE ACT SHALL APPLY TO
18 CONTRACTS OF DISTRICT SUPERINTENDENTS OR ASSISTANT DISTRICT
19 SUPERINTENDENTS ENTERED INTO OR RENEWED ON OR AFTER THE
20 EFFECTIVE DATE OF THIS SECTION.

21 SECTION 21. THE PROVISIONS OF ARTICLE VI-A OF THE ACT ARE
22 SEVERABLE. IF ANY PROVISION OF THAT ARTICLE OR ITS APPLICATION
23 TO ANY PERSON OR CIRCUMSTANCE IS HELD INVALID, THE INVALIDITY
24 SHALL NOT AFFECT OTHER PROVISIONS OR APPLICATIONS OF THAT
25 ARTICLE WHICH CAN BE GIVEN EFFECT WITHOUT THE INVALID PROVISION
26 OR APPLICATION.

27 SECTION 22. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

28 (1) THE AMENDMENT OR REPEAL OF SECTIONS 691, 692, 692.1,
29 692.2, 693, 694 AND 695 OF THE ACT SHALL TAKE EFFECT IN 180
30 DAYS.

1 (2) THE AMENDMENT OR ADDITION OF SECTIONS 696, 907-A,
2 914-A, 921-A, 1073, 1073.1, 1076, 1077, 1078, 1080, 1616 AND
3 2104 OF THE ACT SHALL TAKE EFFECT IN 60 DAYS.

4 (3) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT
5 IMMEDIATELY.