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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1056 Session of  
2015

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INTRODUCED BY COHEN, BISHOP, V. BROWN, BROWNLEE, CARROLL,  
McCARTER, O'BRIEN, THOMAS AND TRUITT, APRIL 27, 2015

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REFERRED TO COMMITTEE ON EDUCATION, APRIL 27, 2015

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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 school finances, further providing  
6 for distress in school districts of the first class; and  
7 providing for school board in distressed school districts.

8 The General Assembly finds and declares as follows:

9 (1) The School Reform Commission was created in 2001 to  
10 oversee the Philadelphia School District. The School Reform  
11 Commission replaced a nine-member school board appointed by  
12 the Mayor of Philadelphia.

13 (2) The School Reform Commission has five members: three  
14 members appointed by the Governor and two members by the  
15 mayor.

16 (3) Three members are accountable to the Governor and  
17 two members are accountable to the mayor.

18 (4) Neither the taxpayers of Philadelphia nor the  
19 General Assembly, who combined supply 100% of the funding for  
20 the school district, have any representation or

1 accountability on the school board.

2 (5) This absence of accountability has eroded public  
3 confidence in the School District of Philadelphia.

4 (6) Recent financial shortfalls, increases in taxes and  
5 hiring practices have further eroded public confidence in the  
6 School District of Philadelphia.

7 (7) Most Philadelphians do not know who serves as  
8 members of the School Reform Commission, who appoints the  
9 members and who runs the School District of Philadelphia.

10 (8) Further eroding public confidence is the lack of  
11 taxpayer, student and parental involvement in the selection  
12 of members of the School Reform Commission and the leadership  
13 of the School District of Philadelphia.

14 (9) It is necessary to increase accountability to boost  
15 public confidence and taxpayer, parent and student  
16 involvement in the school district.

17 (10) Greater taxpayer, parent and student involvement in  
18 the school district will lead to better schools and  
19 communities.

20 (11) The School District of Philadelphia's 2009-2010  
21 Academic Achievement Report Card compiled by the Department  
22 of Education of the Commonwealth shows that only 56% of  
23 Philadelphia school children tested at or above grade level  
24 for mathematics and that 50% of students tested at or above  
25 grade level for reading.

26 (12) Forty percent of Philadelphia schools are not  
27 meeting average yearly progress and are instituting  
28 corrective action plans.

29 (13) Establishing an elected school board will allow  
30 taxpayers, parents and students to select their school board

1 members and to have an active role in the financial  
2 accountability, leadership and direction of the school  
3 district.

4 (14) In addition to establishing an elected school  
5 board, accountability could be increased by adopting  
6 financial, budgeting and auditing reforms.

7 (15) The financial, budgeting and auditing reforms that  
8 need to be adopted include the following:

9 (i) Requiring the school district to adopt annual  
10 five-year budget plans.

11 (ii) Requiring the Philadelphia Intergovernmental  
12 Cooperation Authority to approve each five-year budget  
13 plan.

14 (iii) Giving the Philadelphia City Controller and  
15 Auditor General of the Commonwealth the authority to  
16 conduct fiscal audits and performance audits.

17 (iv) Giving the elected school board of Philadelphia  
18 taxing power.

19 The General Assembly of the Commonwealth of Pennsylvania  
20 hereby enacts as follows:

21 Section 1. Section 696(h), (i) and (n) of the act of March  
22 10, 1949 (P.L.30, No.14), known as the Public School Code of  
23 1949, amended October 30, 2001 (P.L.828, No.83), June 29, 2002  
24 (P.L.524, No.88) and July 12, 2012 (P.L.1142, No.141), are  
25 amended and the section is amended by adding subsections to  
26 read:

27 Section 696. Distress in School Districts of the First  
28 Class.--\* \* \*

29 (c.1) Notwithstanding the provisions of section 1075, the  
30 superintendent of a school district of the first class shall not

1 receive:

2 (i) Any form of annual compensation except for an annual  
3 salary. For the purposes of this subparagraph, annual  
4 compensation shall include bonuses, incentive payments and any  
5 other type of compensation. Annual compensation shall not  
6 include a severance payment, if the district superintendent is  
7 not terminated, and medical benefits.

8 (ii) Any type of severance payment, if the district  
9 superintendent was terminated.

10 \* \* \*

11 (h) The [School Reform Commission] Board of Education shall  
12 be responsible for financial matters related to the distressed  
13 school district of the first class and:

14 (1) All taxes authorized to be levied by a school district  
15 of the first class or for a school district of the first class  
16 by a city or county of the first class on the date of the  
17 declaration of distress shall continue to be authorized and  
18 levied in accordance with this act and shall be transmitted to  
19 the school district. For the first fiscal year or part thereof  
20 and every fiscal year thereafter in which the school district is  
21 declared to be distressed, the amount appropriated or paid by  
22 the city or county to the school district and the tax authorized  
23 by the city or county to be levied for the school district or  
24 dedicated to the school district shall be an amount or tax not  
25 less than the highest amount paid by the city or county to the  
26 school district or authorized by the city or county to be levied  
27 for the school district or dedicated to the school district  
28 during any of the three full preceding fiscal years. In  
29 addition, the city of the first class shall provide to the  
30 school district of the first class all other available local

1 non-tax revenue, including grants, subsidies or payments made  
2 during the prior year.

3 (2) In addition to the moneys collected under paragraph (1),  
4 the city of the first class shall remit to the school district  
5 of the first class for each year that the school district is  
6 declared distressed that portion of all other local tax revenue  
7 levied for a full fiscal year by a city or county of the first  
8 class coterminous with a school district of the first class that  
9 was allocated to the school district prior to the school  
10 district being declared distressed in accordance with section  
11 691(c).

12 (3) All taxes collected on behalf of a school district of  
13 the first class by any person or entity, including a city or  
14 county of the first class, shall be promptly paid following  
15 collection to the [School Reform Commission] Board of Education  
16 for the benefit of the school district.

17 (4) In the event the city or county of the first class does  
18 not meet the financial obligations prescribed in this  
19 subsection, the Commonwealth may apply to that obligation any  
20 amounts otherwise due from the Commonwealth to the city or  
21 county of the first class, including, but not limited to,  
22 grants, awards and moneys collected by the Commonwealth on  
23 behalf of the city or county of the first class. Funds withheld  
24 shall be maintained in a separate account by the State Treasurer  
25 to be disbursed as determined by the Secretary of Education in  
26 consultation with the State Treasurer.

27 [(5) The School Reform Commission shall adopt a budget.]

28 (6) The Board of Education shall adopt a budget. Beginning  
29 with the first budget adopted after the effective date of this  
30 paragraph, the budget shall contain a five-year budget plan.

1 The five-year budget plan shall be adopted annually and shall be  
2 submitted to the Philadelphia Intergovernmental Cooperation  
3 Authority for review and approval by June 30 of each year.

4 (i) In addition to all powers granted to [the superintendent  
5 by law and] a special board of control under section 693 and  
6 notwithstanding any other law to the contrary, the [School  
7 Reform Commission] Board of Education shall have the following  
8 powers:

9 (1) (i) To appoint such persons and other entities as  
10 needed to conduct fiscal and performance audits and other  
11 necessary analyses.

12 (ii) Notwithstanding the provisions of subclause (i), the  
13 Department of the Auditor General or the city controller of a  
14 city of the first class may conduct fiscal audits and  
15 performance audits, as necessary and as determined by the  
16 Department of the Auditor General and the city controller. The  
17 Department of the Auditor General and the city controller shall  
18 coordinate such audits so as not to disrupt the operations of  
19 the school district of the first class or to duplicate efforts.

20 (2) To enter into agreements with persons or for-profit or  
21 nonprofit organizations to operate one or more schools. A school  
22 operated under this clause shall be funded in accordance with  
23 the terms of the agreement. This clause shall be subject to the  
24 following provisions:

25 (i) All applications to operate a charter school in a school  
26 year after a declaration of distress is issued and all charter  
27 schools established after a declaration of distress is issued  
28 shall not be subject to sections 1717-A(b), (c), (d), (e), (f),  
29 (g), (h) and (i), 1722-A(c) and 1724-A.

30 (ii) The School Reform Commission may suspend or revoke a

1 charter pursuant to section 1729-A.

2 (3) To suspend the requirements of this act and regulations  
3 of the State Board of Education except that the school district  
4 shall remain subject to those provisions of this act set forth  
5 in sections 1073, 1073.1, 1076, 1077, 1078, 1080, 1732-A(a), (b)  
6 and (c), 1714-B and 2104 and regulations under those sections.

7 (4) To employ professional and senior management employes  
8 who do not hold State certification if the School Reform  
9 Commission has approved the qualifications of the person at a  
10 salary established by the commission.

11 (5) To enter into agreements with persons or for-profit or  
12 nonprofit organizations providing educational or other services  
13 to or for the school district. Services provided under this  
14 clause shall be funded in accordance with the terms of the  
15 agreement.

16 [(6) Notwithstanding any other provisions of this act, to  
17 close or reconstitute a school, including the reassignment,  
18 suspension or dismissal of professional employes.

19 (7) To suspend professional employes without regard to the  
20 provisions of section 1125.1.]

21 (8) To appoint managers, administrators or for-profit or  
22 nonprofit organizations to oversee the operations of a school or  
23 group of schools within the school district.

24 (9) To reallocate resources, amend school procedures,  
25 develop achievement plans and implement testing or other  
26 evaluation procedures for educational purposes.

27 (10) To supervise and direct principals, teachers and  
28 administrators.

29 (11) To negotiate any memoranda of understanding under the  
30 collective bargaining agreement in existence on the effective

1 date of this section.

2 (12) To negotiate a new collective bargaining agreement at  
3 the close of an existing collective bargaining agreement.

4 (13) To delegate to a person, including an employe of the  
5 school district or a for-profit or nonprofit organization,  
6 powers it deems necessary to carry out the purposes of this  
7 article, subject to the supervision and direction of the School  
8 Reform Commission.

9 (14) To employ, contract with or assign persons or for-  
10 profit or nonprofit organizations to review the financial and  
11 educational programs of school buildings and make  
12 recommendations to the School Reform Commission regarding  
13 improvements to the financial or educational programs of school  
14 buildings.

15 \* \* \*

16 (n) [The Secretary of Education, only upon the  
17 recommendation of a majority of the School Reform Commission,  
18 may issue a declaration to dissolve the School Reform  
19 Commission. The dissolution declaration shall be issued at least  
20 one hundred eighty (180) days prior to the end of the current  
21 school year and shall be effective at the end of that school  
22 year.] (1) The Secretary of Education shall, within ten (10)  
23 days of the effective date of this paragraph, issue a  
24 declaration to dissolve the School Reform Commission. The  
25 dissolution declaration shall be effective at the end of the  
26 2015-2016 school year.

27 (2) Except as otherwise provided in this section, after  
28 dissolution the board of school directors established in  
29 accordance with the provisions of section 696.1 shall have the  
30 powers and duties of the School Reform Commission.

1 (3) Upon the effective date of the dissolution declaration,  
2 the provisions of subsections (a), (b), (b.1), (b.2), (c), (j),  
3 (l) and (n.1) shall expire.

4 \* \* \*

5 (p) For purposes of this section, "Board of Education" shall  
6 mean the elected board of school directors of a distressed  
7 school district as provided in section 696.1.

8 Section 2. The act is amended by adding a section to read:

9 Section 696.1. School Board in Distressed School

10 Districts.--(a) Each distressed school district shall have a  
11 seventeen (17) member elected school board with taxing power.

12 There shall be ten (10) elected school board members, initially  
13 one elected from each city council district. After the 2020  
14 census and subsequent censuses, the school board shall  
15 redistrict the school board seats. The school board is not  
16 required to adopt the same districts as the city council  
17 districts. There shall be seven (7) school board members elected  
18 at large, five (5) from the majority party and two (2) from a  
19 minority party.

20 (b) Odd-numbered districts shall elect school board members  
21 for four (4) year terms beginning in 2016. Even-numbered  
22 districts shall elect school board members for two (2) year  
23 terms in 2016 and for four (4) year terms beginning in 2018.

24 (c) District school board member candidates shall be  
25 required to obtain the same number of signatures as district  
26 councilmen candidates are required to obtain in cities of the  
27 first class. At-large school board candidates shall be required  
28 to get the same number of signatures as at-large city council  
29 candidates.

30 (d) The school board in a distressed school district shall

1 have the same taxing authority as the city council in a city of  
2 the first class. The existing spending caps for other school  
3 districts shall apply for cities of the first class at such time  
4 as the distressed school district does the following:

5 (1) Achieves budget surpluses in five (5) consecutive years.

6 (2) Achieves average PSSA scores equal to or in excess of  
7 the Statewide average.

8 (e) (1) After the election of school directors from  
9 specified districts in accordance therewith, the Board of Public  
10 Education of the first class school district shall be governed  
11 by the provisions of this act and other provisions of general  
12 law relating to first class school districts which are not  
13 inconsistent with the provisions of this section.

14 (2) The provisions of this section shall supersede all other  
15 parts of this act and all other acts affecting the organization  
16 of school districts of the first class to the extent that they  
17 are inconsistent or in conflict with this section.

18 (3) All existing acts or parts of acts and resolutions  
19 affecting the organization of first class school districts not  
20 inconsistent or in conflict with the provisions of this section  
21 shall remain in full force until modified or repealed as  
22 provided by law.

23 (f) No superintendent, assistant superintendent, supervising  
24 principal, teacher or other employe shall serve either  
25 temporarily or permanently as a member of the school board by  
26 which the employee is employed.

27 (g) For the purposes of this section, "distressed school  
28 district" shall mean a school district of the first class which  
29 has been declared to be distressed by the Secretary of Education  
30 under section 691.

1       Section 3.  The act of August 9, 1963 (P.L.643, No.341),  
2 known as the First Class City Public Education Home Rule Act, is  
3 repealed to the extent of any inconsistency with this act.

4       Section 4.  This act shall take effect in 60 days.