

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2386 Session of 2024

INTRODUCED BY TOPPER, JAMES, MARCELL, STAATS, STRUZZI, PICKETT AND FRIEL, JUNE 5, 2024

AS REPORTED FROM COMMITTEE ON EDUCATION, HOUSE OF REPRESENTATIVES, AS AMENDED, JUNE 24, 2024

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 administrative partnerships
6 between school entities, further providing for legislative
7 intent and for definitions, providing for instructional
8 programming partnerships authorized, for consolidation SCHOOL <--
9 DISTRICT feasibility study and for construction, further
10 providing for establishment, for application, for grant
11 awards, for funds, for technical assistance, for reports by
12 school entities and for reports by department; in
13 reimbursements by Commonwealth and between school districts,
14 repealing provisions relating to administrative/instructional
15 consolidation incentives; and making editorial changes.

16 The General Assembly of the Commonwealth of Pennsylvania
17 hereby enacts as follows:

18 Section 1. Article XV-H heading, sections 1501-H and 1502-H
19 and Subarticle B heading of Article XV-H of the act of March 10,
20 1949 (P.L.30, No.14), known as the Public School Code of 1949,
21 are amended to read:

ARTICLE XV-H

23 ADMINISTRATIVE AND INSTRUCTIONAL PROGRAMMING PARTNERSHIPS
24 BETWEEN SCHOOL ENTITIES AND CONSOLIDATION FEASIBILITY STUDIES <--

1 Section 1501-H. Legislative intent.

2 It is the intent of the General Assembly to help school
3 entities save money and operate more efficiently by encouraging
4 the following:

5 (1) partnerships of [routine] administrative functions
6 between school entities[. It is also the intent of the
7 General Assembly to provide for additional];

8 (2) opportunities between school entities to
9 cooperatively develop joint or shared educational programs
10 for students and educators[.]; and

11 (3) exploration of school district consolidations or
12 mergers through feasibility studies.

13 Section 1502-H. Definitions.

14 The following words and phrases when used in this article
15 shall have the meanings given to them in this section unless the
16 context clearly indicates otherwise:

17 "Department." The Department of Education of the
18 Commonwealth.

19 "Grant program." The Administrative, Instructional
20 Programming Partnership and Consolidation Feasibility Studies <--
21 Grant [Pilot] Program established under this article.

22 "School entity." A school district, an area career and
23 technical school or an intermediate unit.

24 "Secretary." The Secretary of Education of the Commonwealth.

25 SUBARTICLE B
26 ADMINISTRATIVE, INSTRUCTIONAL PROGRAMMING AND CONSOLIDATION <--

27 FEASIBILITY PROVISIONS

28 Section 2. The act is amended by adding sections to read:

29 Section 1512-H. Instructional programming partnerships
30 authorized.

1 Two or more school entities may enter into an agreement to
2 share the following between the school entities:

3 (1) Instructional programming, including services of
4 professional employees~~;~~ IF SUCH PROGRAMMING IS NOT OFFERED <--
5 IN ONE OF THE SCHOOL ENTITIES OR IF THE PROGRAMMING IS NO
6 LONGER AVAILABLE FOR IN-PERSON INSTRUCTION.

7 (2) Student services designed to support the
8 instructional program and to help students attain their
9 educational and career goals, including services of
10 professional employees~~;~~ IF SUCH SERVICES ARE NOT OFFERED IN <--
11 ONE OF THE SCHOOL ENTITIES OR IF THE SERVICES ARE NO LONGER
12 AVAILABLE IN PERSON.

13 Section 1513-H. ~~Consolidation~~ SCHOOL DISTRICT feasibility <--
14 study.

15 (A) CONSOLIDATION.--Two or more school entities DISTRICTS <--
16 may jointly explore combining or merging to form a single school
17 district through a feasibility study UNDER THIS ARTICLE. <--

18 (B) COMBINING OR MERGING SCHOOLS.--A SCHOOL DISTRICT MAY <--
19 EXPLORE COMBINING OR MERGING TWO OR MORE SCHOOLS WITHIN THE
20 SCHOOL DISTRICT THROUGH A FEASIBILITY STUDY UNDER THIS ARTICLE.

21 Section 1514-H. Construction.

22 Nothing contained in this subarticle shall be construed to <--
23 supersede or preempt any provisions of a collective bargaining
24 agreement negotiated by a school entity and the employee
25 organization that is in effect on the effective date of this
26 section. SUPERSEDE OR PREEMPT THE RIGHTS, REMEDIES AND <--
27 PROCEDURES AFFORDED TO SCHOOL EMPLOYEES OR LABOR ORGANIZATIONS
28 UNDER FEDERAL OR STATE LAW, INCLUDING THE ACT OF JULY 23, 1970
29 (P.L.563, NO.195), KNOWN AS THE PUBLIC EMPLOYE RELATIONS ACT, OR
30 ANY PROVISION OF A COLLECTIVE BARGAINING AGREEMENT NEGOTIATED

1 BETWEEN A SCHOOL EMPLOYER AND AN EXCLUSIVE REPRESENTATIVE OF THE
2 EMPLOYEES IN ACCORDANCE WITH THE PUBLIC EMPLOYE RELATIONS ACT.

3 Section 3. Subarticle C heading of Article XV-H and sections
4 1521-H, 1522-H, 1523-H, 1524-H, 1525-H, 1526-H and 1527-H of the
5 act are amended to read:

6 SUBARTICLE C

7 ADMINISTRATIVE, INSTRUCTIONAL PROGRAMMING PARTNERSHIP AND
8 CONSOLIDATION FEASIBILITY STUDIES <--

9 GRANT [PILOT] PROGRAM

10 Section 1521-H. Establishment.

11 The Administrative, Instructional Programming Partnership and
12 Consolidation Feasibility Studies Grant [Pilot] Program is <--
13 established in the department to provide financial assistance to
14 facilitate the sharing of administrative functions and
15 instructional programming between school entities and to explore
16 the feasibility of consolidation or merger to form a single
17 school district AND TO EXPLORE THE FEASIBILITY OF CONSOLIDATION <--
18 OR MERGER OF TWO OR MORE SCHOOLS WITHIN A SCHOOL DISTRICT as
19 authorized under Subarticle B.

20 Section 1522-H. Application.

21 (a) Procedure.--The department shall develop a procedure for
22 awarding grants under the program. Two or more school entities
23 may apply for a grant under [the program] SUBSECTION (B) OR A <--
24 SCHOOL DISTRICT OR SCHOOL DISTRICTS MAY APPLY FOR A GRANT UNDER
25 SUBSECTION (C) as prescribed by the department. [The]

26 (b) Administrative or instructional programming.--An
27 application related to administrative or instructional
28 programming at a minimum shall [contain] include the following:

29 (1) A detailed description of the administrative
30 functions or instructional programming the school entities

1 intend to share under Subarticle B.

2 (2) The amount of grant funding being requested.

3 (3) An estimate of the cost savings or other
4 efficiencies that the partnership will achieve.

5 (4) Any additional benefits to students and educators.

6 (5) Adoption of a resolution by the governing bodies of
7 the school entities approving the partnership described in
8 paragraph (1).

9 (c) Feasibility studies.--An application related to a
10 feasibility study at a minimum shall include the following:

11 (1) A narrative describing the feasibility study,
12 including:

13 (i) The planned study's participants.

14 (ii) The basis for undertaking the study, including
15 viability and commitment of BY THE SCHOOL DISTRICTS TO <--
16 the partnership.

17 (iii) A description of the objectives of the study
18 and areas of focus, including needs and goals related to
19 coordinating curriculum EQUITABLE STUDENT OPPORTUNITIES, <--
20 IMPROVING STUDENT ACHIEVEMENT, ESTABLISHING GREATER
21 ECONOMIES OF SCALE, LOCAL COMMUNITY INTERESTS AND
22 CONCERNS and enhancing the STUDENTS' learning <--
23 environment.

24 (iv) Initial indicators or projections related to
25 improved efficiency and OR cost savings, IF ANY. <--

26 (V) PROJECTIONS OF ANY FRONT-END COSTS OF A MERGER <--
27 FOR THE SCHOOL DISTRICTS IN THE PARTNERSHIP, INCLUDING
28 TECHNICAL ASSISTANCE, REAL AND PERSONAL PROPERTY,
29 INDEBTEDNESS AND RENTAL OBLIGATIONS OF THE PARTICIPANT
30 SCHOOL DISTRICTS.

1 (VI) EXPENDITURES RELATING TO STAFFING, CURRICULUM
2 ALIGNMENT, RESOLVING DIFFERENCES BETWEEN CONTRACTS,
3 TRANSPORTATION SERVICES AND NEW ADMINISTRATIVE EXPENSES.

4 (VII) A DESCRIPTION OF ANY IDENTIFIED BARRIERS OR
5 IMPEDIMENTS TO A MERGER OR CONSOLIDATION OF THE SCHOOL
6 DISTRICTS IN A PARTNERSHIP.

7 (2) The estimate of the total cost of the study.

8 (3) The amount of grant funding requested.

9 Section 1523-H. Grant awards.

10 (a) General rule.--[The] Beginning with the 2024-2025 fiscal
11 year, and each year thereafter, AND TO THE EXTENT FUNDING IS <--
12 MADE AVAILABLE FOR THE PROGRAM, the secretary shall make [no
13 more than four grant awards each fiscal year in an amount not to
14 exceed \$250,000 per grant award.] grant awards to school
15 entities.

16 (a.1) Notice.--The department shall provide information
17 regarding the availability of grant funding on its publicly
18 accessible Internet website and transmit notice of the program
19 to all school entities.

20 (b) Grant prioritization.--

21 (1) The secretary shall give priority to an application
22 for grant funding under this subarticle to those school
23 districts who have applied and demonstrated an existing
24 partnership consistent with this article.

25 (2) The secretary shall allocate at least 25% of the
26 funds appropriated for the program to applicants requesting
27 grant funding for ~~consolidation~~ feasibility studies. If the <--
28 amount of grant funding requested for feasibility studies is
29 less than 25% of the funds appropriated for the program, the
30 difference shall be allocated to applications for

1 administrative and instructional partnerships.

2 (c) Construction.--Nothing in this section shall be
3 construed to prohibit the secretary from making a grant award to
4 the same applicants in subsequent years, provided, however, that
5 no school entity may be eligible to receive more than three
6 grant awards.

7 Section 1524-H. Funds.

8 The department may use the following to award grants under
9 the program:

10 (1) Appropriations made by the General Assembly for the
11 program.

12 (2) Funding appropriated to the department for general
13 government operations.

14 [(3) Up to \$250,000 annually of undistributed funds not
15 expended, encumbered or committed from appropriations for
16 grants and subsidies made to the department to award grants.
17 The funds shall be transferred by the Secretary of the Budget
18 to a restricted account as necessary to award grants and,
19 when transferred, are hereby appropriated to carry out the
20 provisions of this subarticle.]

21 Section 1525-H. Technical assistance.

22 The department shall provide technical assistance to school
23 entities applying to share administrative and instructional
24 functions under this article.

25 Section 1526-H. Reports by school entities.

26 [School entities that are] (a) Reports regarding shared
27 services.--A school entity awarded a grant for shared services
28 under this subarticle shall make a preliminary report to the
29 department detailing the progress made toward achieving the
30 shared services outlined in its grant application no later than

1 180 days following [a] the grant award and make a final report
2 no later than 60 days after the completion of the administrative
3 or instructional partnership outlined in the grant application.
4 The reports required under this section shall include, at a
5 minimum, the following:

6 (1) Actual cost savings, either directly or through
7 avoided costs, achieved by the sharing of services authorized
8 under this article.

9 (2) A description of how operational efficiencies were
10 improved as a result of the sharing of services authorized
11 under this article.

12 (3) Information relating to any impediments the
13 districts experienced in successfully implementing the
14 sharing of services under this article.

15 (4) Information relating to any enhancements or
16 additions to educational programming or improvements in
17 student achievement as a result of the sharing of services
18 authorized under this article.

19 (5) Any other information a school entity may deem
20 necessary.

21 (b) Reports regarding feasibility studies.--A school entity <--
22 DISTRICT awarded a grant for a consolidation feasibility study <--
23 under this subarticle shall make a preliminary report to the
24 department detailing the progress of the feasibility study
25 project no later than 180 days following the grant award and
26 make a final report no later than 60 days after the completion
27 of the feasibility study outlined in the grant application. The
28 reports required under this section shall include, at a minimum,
29 findings and recommendations related to the consolidation or
30 merger of the participating school entities DISTRICTS. <--

1 Section 1527-H. Reports by department.

2 The department shall compile the reports it receives under
3 section 1526-H and transmit them to the chairperson and minority
4 chairperson of the Appropriations Committee of the Senate, the
5 chairperson and minority chairperson of the Education Committee
6 of the Senate, the chairperson and minority chairperson of the
7 Appropriations Committee of the House of Representatives and the
8 chairperson and minority chairperson of the Education Committee
9 of the House of Representatives annually beginning no later than
10 June 30, [2017] 2026.

11 Section 4. Section 2599 of the act is repealed:

12 [Section 2599. Administrative/Instructional Consolidation
13 Incentives.--(a) The purpose of this section is to establish a
14 program of incentives to school entities to encourage greater
15 efficiency in the management of schools and the consolidation of
16 administrative and instructional programming.

17 (b) Any school district, area career and technical school,
18 intermediate unit or joint school is eligible to participate in
19 the consolidation incentives program and shall be considered a
20 school entity for the purposes of this section.

21 (c) Funding will be provided only to programs which have the
22 participation of two or more school entities. Funding will be
23 provided for programs which are initiated after July 1, 1998.

24 (d) (1) Funding will be provided through a competitive
25 request for proposal process. Proposals will be evaluated by a
26 team of Department of Education and nondepartment personnel. The
27 evaluations will be completed and funds awarded in the second
28 semester of the school year following the submission of a
29 proposal.

30 (2) Funds may be awarded for two years. School entities may

1 be awarded up to fifty percent (50%) of the savings the first
2 year. The award in the second year may be up to one-half of the
3 amount of the first year's award.

4 (3) The Department of Education will establish general
5 criteria for qualifying for these funds:

6 (i) for rating purposes, savings will be calculated as a
7 percentage of the applicable part of the budgets of the entities
8 involved in the consolidation;

9 (ii) the Department of Education will establish multiple
10 categories to allow for awards based on the size and variety of
11 proposals;

12 (iii) awards for consolidation of administrative services
13 must result in the reduction of the overall administrative
14 complements of the participating entities;

15 (iv) awards for consolidation of instructional staff must
16 result in the reduction of the overall staffing complement of
17 the participating entities or the participating school entities
18 not hiring additional personnel.

19 (4) All data submissions from the school entities shall be
20 subject to audit, and any incentive payments subsequently
21 determined to be excessive due to inappropriate data will be
22 deducted from subsequent basic education funding payments.

23 (5) Incentive funds shall be paid to school entities for use
24 in consolidated programs.

25 (6) Nothing contained in this section shall be construed to
26 supersede or preempt any provisions of a collective bargaining
27 agreement negotiated by a school district, intermediate unit or
28 area career and technical school and the employe organization
29 that is in effect on the effective date of this section.]

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