

## SCHOOL DISTRICT MERGERS TO BE A HOT TOPIC IN UPCOMING YEAR

In 2009, Governor Rendell urged Pennsylvania school districts to consider voluntary mergers. The stated intent is to reduce overhead by combining services among smaller school districts who may not be operating at capacity or are experiencing a decline in student population. If successful, this would be the second round of statewide school district mergers, following the legislative effort in the 1960s to reduce the number of school districts from several thousand to the 501 that existed before July 1, 2009.

The number of school districts in Pennsylvania was reduced from 501 to 500 on July 1 when the merger between the former Center Area and Monaca School Districts in Beaver County, Pennsylvania became effective, forming the new Central Valley School District. MB&M acted as Solicitor to Center Area School District before and during the merger process and was named the Solicitor of the Central Valley School District, and in conjunction with Monaca's Solicitor, Nicholas Francalancia, guided the two districts through the process of completing the state's first voluntary merger in forty years. There were many significant issues which required resolution, including (1) deciding on school building utilization and grade structure, (2) selecting a common curriculum, (3) merging two school boards, preparing election districts and an election schedule for court approval for the new district's board, (4) combining the two districts' employee groups (such as teachers, secretaries and custodians) and their respective collective bargaining agreements, (5) choosing a new name, colors and mascot, and (6) combining the districts' budgets and setting tax rates.

Pennsylvania School Code Section 2-224 provides that school districts may choose to combine to form larger districts. The prescribed process calls for a Petition for Merger to be adopted by Resolution of the school boards of the merging districts. The Petition is presented to the State Board of Education, which convenes a public hearing on the application and requires the districts to collect information concerning the two districts while the application is pending. Thereafter, the matter is placed on the agenda of the State Board for approval or denial of the Petition for Merger. While the process sounds straightforward, MB&M's experience with the Center-Monaca merger was that there were many issues which required resolution by the merging districts which were not adequately addressed in the existing School Code provisions, and several other unforeseen matters arose in the course of the merger. If the circumstances are right for the pursuit of a merger by your District, MB&M is prepared to assist with our experience in the voluntary merger area.

## IS YOUR SCHOOL DISTRICT A PRIME CANDIDATE FOR A MERGER?

MB&M guided the Center Area and Monaca School Districts in through the intricacies of the first voluntary merger in Pennsylvania since the 1960's and was named Solicitor of the newly-formed Central Valley School District.

1. Has your district experienced a stagnant or declining tax base or student population over a period of recent years?
2. Has a shrinking student population led to reduction of curriculum offerings, extracurricular activities or closing of facilities?
3. Is there another district contiguous to yours with beneficial characteristics if a merger occurred? For example, a district with a growing residential tax base and stagnant commercial tax base might benefit from merging with a district with opposite characteristics, or a district with renovated elementary facilities and outdated secondary facilities might benefit from merging with a district with the reverse.

If you believe your District could benefit from a merger, Maiello, Brungo & Maiello is available to answer your questions.