

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL****No. 894**      Session of  
2007

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INTRODUCED BY LEACH, BENNINGTON, CALTAGIRONE, DePASQUALE,  
FABRIZIO, FREEMAN, GEORGE, GRUCELA, HENNESSEY, JAMES,  
JOSEPHS, McCALL, M. O'BRIEN, PALLONE, ROEBUCK, ROSS, RUBLEY,  
SCHRODER, McILVAINE SMITH, STURLA, THOMAS, VITALI,  
YOUNGBLOOD, WAGNER AND KORTZ, MARCH 22, 2007

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AS REPORTED FROM COMMITTEE ON EDUCATION, HOUSE OF  
REPRESENTATIVES, AS AMENDED, JUNE 11, 2007

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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," further providing for referendum or  
6 public hearing required prior to construction or lease.

7 The General Assembly of the Commonwealth of Pennsylvania  
8 hereby enacts as follows:

9 Section 1. Section 701.1 of the act of March 10, 1949  
10 (P.L.30, No.14), known as the Public School Code of 1949,  
11 amended July 4, 2004 (P.L.536, No.70), is amended to read:

12 Section 701.1. Referendum or Public Hearing Required Prior  
13 to Construction or Lease.--Except where the approval of the  
14 electors is obtained to incur indebtedness to finance the  
15 construction of a school project, the board of school directors  
16 of any school district of the second, third or fourth classes,  
17 shall not construct, enter into a contract to construct or enter  
18 into a contract to lease a new school building or substantial

1 addition to an existing school building without the consent of  
2 the electors obtained by referendum or without holding a public  
3 hearing as hereinafter provided. In the event that a new school  
4 building or a substantial addition to an existing building is to  
5 be constructed or leased, the school board shall, by a majority  
6 vote of all its members, authorize a maximum project cost and a  
7 maximum building construction cost to be financed by the  
8 district or amortized by lease rentals to be paid by the  
9 district. Building construction cost shall consist of the cost  
10 of all building construction including general construction  
11 costs, plumbing, heating, electrical, ventilating and other  
12 structural costs, equipment and fixtures and architectural and  
13 engineering fees relating thereto, but not including costs for  
14 site acquisition and development, rough grading to receive the  
15 building, sewage treatment facilities or equivalent capital  
16 contributions, and architectural and engineering fees relating  
17 thereto. Building construction cost shall not include the  
18 additional cost involved in the building construction of a  
19 school that meets the Leadership in Energy and Environmental  
20 Design standards as established and published by the United  
21 States Green Building Council. In all cases, a public hearing  
22 shall be held not later than thirty (30) days before the school  
23 district submits the initial building construction cost and  
24 operating cost estimates to the Department of Education for  
25 approval. Notice of the hearing shall be given not later than  
26 twenty (20) days before the date of the scheduled hearing. In  
27 the event that the maximum building construction cost  
28 authorization exceeds the aggregate building expenditure  
29 standard hereinafter specified, the aforesaid authorization of  
30 the school board shall be submitted to the electors of the

1 school district for their approval within six (6) months prior  
2 to submission of the final building construction cost bids to  
3 the Department of Education for approval. Such referendum shall  
4 be held in the same manner as provided by law for the approval  
5 of the incurring of indebtedness by referendum. The question as  
6 submitted shall specify the maximum project cost, the maximum  
7 building construction cost and the annual sinking fund charge or  
8 lease rental to be incurred by the school district and the  
9 portion of such charge or rental expected to be reimbursed by  
10 the Commonwealth. If the final building construction cost bids  
11 to be submitted to the Department of Education for approval are  
12 less than the aggregate building expenditure standard hereafter  
13 specified but exceed by eight (8) per cent or more the initial  
14 building construction cost estimates submitted to the Department  
15 for approval, a second public hearing shall be held before the  
16 Department shall give its final approval.

17 The applicable aggregate building expenditure standard shall  
18 be a total amount calculated for each building or substantial  
19 addition by multiplying the rated pupil capacity under the  
20 approved room schedule by the following: two thousand eight  
21 hundred dollars (\$2,800) for each pupil of rated elementary  
22 capacity; four thousand two hundred dollars (\$4,200) for each  
23 pupil of rated secondary capacity in grades seven, eight and  
24 nine and five thousand two hundred dollars (\$5,200) for each  
25 pupil of rated secondary capacity in grades ten, eleven and  
26 twelve and five thousand two hundred dollars (\$5,200) for each  
27 pupil of rated vocational-technical capacity in grades ten,  
28 eleven and twelve to not include the cost of equipment and  
29 fixtures in such vocational-technical schools: Provided,  
30 however, That each of the preceding per pupil amounts shall be

1 adjusted by the Department of Education on July 1, 1974; and  
2 annually thereafter through July 1, 2003, by multiplying said  
3 amounts by the ratio of the composite construction cost index  
4 compiled and published by the United States Department of  
5 Commerce for the preceding calendar year to such index for the  
6 next preceding calendar year; and Further Provided, however,  
7 That each of the preceding per pupil amounts shall be adjusted  
8 by the Department of Education on July 1, 2004; and annually  
9 thereafter by multiplying said amounts by the ratio of the  
10 Building Cost Index published by the McGraw-Hill Companies for  
11 the preceding calendar year to such index for the next preceding  
12 calendar year. Rated elementary pupil capacity or rated  
13 secondary pupil capacity for any school building shall be the  
14 rated pupil capacity determined on the basis of the method used  
15 by the Department for school building reimbursement purposes  
16 during the school year 1971-1972.

17 For purposes of this section:

18 (1) "Site acquisition" includes the cost of land and mineral  
19 rights, demolition and clearing, rights-of-way and related  
20 utility relocations, surveys and soils analysis, and the cost of  
21 all fees relating thereto.

22 (2) "Site development" includes excavation, grouting or  
23 shoring, special foundations for buildings, access roads to  
24 site, utilities on site, extension of utilities to site.

25 (3) "Equipment and fixtures" means property fixed or movable  
26 which is incidental and necessary to conduct the educational  
27 program, and includes, but is not limited to movable equipment  
28 such as desks, chairs, tables, portable physical education  
29 equipment, audio-visual equipment and science, homemaking,  
30 industrial art and business equipment and instructional

1 materials and fixtures such as casework, laboratory equipment,  
2 kitchen equipment, auditorium seating and any other special  
3 fixtures or equipment required to conduct a particular  
4 educational program.

5 (4) "Substantial addition" means more than twenty (20) per  
6 centum of the area and replacement value of the structure to  
7 which the improvement is to be added.

8 (5) "OPERATING COST" MEANS BUILDING EXPENSES NECESSARY IN ←  
9 THE OPERATION OF THE SCHOOL BUILDING, INCLUDING, BUT NOT LIMITED  
10 TO, INSULATION OF THE BUILDING STRUCTURE OR SYSTEMS, AUTOMATED  
11 OR COMPUTERIZED ENERGY CONTROL SYSTEMS, HEATING, VENTILATING,  
12 AIR CONDITIONING, LIGHTING OR ENERGY RECOVERY SYSTEMS AND ENERGY  
13 CONSERVATION MEASURES THAT PROVIDE UTILITY COST REDUCTIONS. THE  
14 TERM SHALL NOT INCLUDE THE COST ASSOCIATED WITH SCHOOL DISTRICT  
15 PERSONNEL OR STUDENT INSTRUCTION.

16 Section 2. This act shall take effect in 60 days.