

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2451 Session of  
1990

INTRODUCED BY STRITTMATTER, BRANDT, McCALL, BARLEY, SCHULER,  
WOZNIAK, STAIRS, LANGTRY, MORRIS, FARMER, PESCI, BILLOW,  
G. SNYDER, HERMAN, FAIRCHILD, HECKLER, SERAFINI, NOYE,  
GLADECK, BOYES, CLYMER, D. W. SNYDER, HALUSKA, JOHNSON,  
E. Z. TAYLOR, GODSHALL, ARGALL, JACKSON, MOEHLMANN, TRELLO,  
SCHEETZ AND MILLER, APRIL 17, 1990

REFERRED TO COMMITTEE ON EDUCATION, APRIL 17, 1990

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 subsidies for  
6 construction of and additions or alterations to school  
7 buildings.

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

10 Section 1. Section 2574(b)(3.1), (c)(3.1) and (e) of the act  
11 of March 10, 1949 (P.L.30, No.14), known as the Public School  
12 Code of 1949, amended July 10, 1987 (P.L.286, No.50), are  
13 amended and subsections (b) and (c) are amended by adding  
14 clauses to read:

15 Section 2574. Approved Reimbursable Rental for Leases  
16 Hereafter Approved and Approved Reimbursable Sinking Fund  
17 Charges on Indebtedness.--\* \* \*

18 (b) For new school buildings the approved building

1 construction cost shall be the lesser of

2 \* \* \*

3 (3.1) For school buildings for which the general  
4 construction contract is awarded subsequent to July 1, 1984 and  
5 prior to July 1, 1989, and for approved school building projects  
6 for which the general construction contract was awarded but for  
7 which a lease or general obligation bond resolution was not  
8 approved by the Department of Education prior to July 1, 1984,  
9 the product of the rated pupil capacity as determined by the  
10 Department of Education at the time the project is approved and  
11 (i) three thousand nine hundred dollars (\$3,900) in the case of  
12 elementary schools, (ii) five thousand one hundred dollars  
13 (\$5,100) in the case of secondary schools, (iii) an amount in  
14 the case of combined elementary-secondary schools obtained by  
15 multiplying the rated elementary pupil capacity by three  
16 thousand nine hundred dollars (\$3,900) and the rated secondary  
17 pupil capacity by five thousand one hundred dollars (\$5,100) and  
18 dividing the sum by the total rated pupil capacity.

19 (3.2) For school buildings for which the general  
20 construction contract is awarded subsequent to July 1, 1989, and  
21 for approved school building projects for which the general  
22 construction contract was awarded but for which a lease or  
23 general obligation bond resolution was not approved by the  
24 Department of Education prior to July 1, 1989, the product of  
25 the rated pupil capacity as determined by the Department of  
26 Education at the time the project is approved and (i) five  
27 thousand five hundred dollars (\$5,500) in the case of elementary  
28 schools, (ii) seven thousand two hundred dollars (\$7,200) in the  
29 case of secondary schools, (iii) an amount in the case of  
30 combined elementary-secondary schools obtained by multiplying

1 the rated elementary pupil capacity by five thousand five  
2 hundred dollars (\$5,500) and the rated secondary pupil capacity  
3 by seven thousand two hundred dollars (\$7,200) and dividing the  
4 sum by the total rated pupil capacity.

5 (c) For additions or alterations to existing buildings  
6 approved building construction cost shall be the lesser of

7 \* \* \*

8 (3.1) For school buildings for which the general  
9 construction contract is awarded subsequent to July 1, 1984 and  
10 prior to July 1, 1989, and for approved school building projects  
11 for which the general construction contract was awarded but for  
12 which a lease or general obligation bond resolution was not  
13 approved by the Department of Education prior to July 1, 1984,  
14 the difference obtained by subtracting the appraisal value of  
15 the existing building from the product of the rated pupil  
16 capacity of the altered or expanded building as determined by  
17 the Department of Education at the time the project is approved  
18 and (i) three thousand nine hundred dollars (\$3,900) in the case  
19 of elementary schools, (ii) five thousand one hundred dollars  
20 (\$5,100) in the case of secondary schools, (iii) an amount in  
21 the case of combined elementary-secondary schools obtained by  
22 multiplying the rated elementary pupil capacity by three  
23 thousand nine hundred dollars (\$3,900) and the rated secondary  
24 pupil capacity by five thousand one hundred dollars (\$5,100) and  
25 dividing the sum by the total rated pupil capacity of the  
26 altered or expanded building.

27 (3.2) For school buildings for which the general  
28 construction contract is awarded subsequent to July 1, 1989, and  
29 for approved school building projects for which the general  
30 construction contract was awarded but for which a lease or

1 general obligation bond resolution was not approved by the  
2 Department of Education prior to July 1, 1989, the difference  
3 obtained by subtracting the appraisal value of the existing  
4 building from the product of the rated pupil capacity of the  
5 altered or expanded building as determined by the Department of  
6 Education at the time the project is approved and (i) five  
7 thousand five hundred dollars (\$5,500) in the case of elementary  
8 schools, (ii) seven thousand two hundred dollars (\$7,200) in the  
9 case of secondary schools, (iii) an amount in the case of  
10 combined elementary-secondary schools obtained by multiplying  
11 the rated elementary pupil capacity by five thousand five  
12 hundred dollars (\$5,500) and the rated secondary pupil capacity  
13 by seven thousand two hundred dollars (\$7,200) and dividing the  
14 sum by the total rated pupil capacity of the altered or expanded  
15 building.

16 \* \* \*

17 (e) For area vocational-technical school and technical  
18 institute projects leased subsequent to July 1, 1964, by or for  
19 lease to a board of school directors authorized to operate such  
20 a school, the Department of Education shall calculate an  
21 approved reimbursable rental charge.

22 For area vocational-technical school and technical institute  
23 projects constructed or purchased subsequent to July 1, 1964, by  
24 a board of school directors authorized to operate such a school,  
25 the Department of Education may calculate an approved  
26 reimbursable sinking fund charge.

27 Approved reimbursable rental or sinking fund charge shall  
28 consist of that part of the annual rental or sinking fund  
29 attributable to:

30 (1) Cost of acquiring land and preparing it for use to the

1 extent that such costs are deemed reasonable by the Department  
2 of Education and the interest on such cost of acquisition, cost  
3 of preparation and the cost of sewage treatment and the interest  
4 on such cost.

5 (2) Machinery, apparatus, furniture and equipment and all  
6 other necessary expenses and interest charges, but excluding  
7 architects' fees in excess of six percent of the construction  
8 cost.

9 The approved building construction cost and the interest on  
10 such construction cost shall not exceed the product of the rated  
11 full-time pupil capacity, as determined by the Department of  
12 Education at the time the project is approved and two thousand  
13 two hundred dollars (\$2,200).

14 The provisions of the foregoing paragraph shall apply to all  
15 school building projects for which the general construction  
16 contract is awarded prior to July 1, 1966, and for approved  
17 school building projects for which a lease was approved by the  
18 Department of Education prior to July 1, 1966. For school  
19 buildings for which the general construction contract is awarded  
20 subsequent to July 1, 1966, and for approved school building  
21 projects for which the general construction contract was awarded  
22 but for which a lease was not approved by the Department of  
23 Education prior to July 1, 1966, the approved building  
24 construction cost and the interest on such construction cost  
25 shall not exceed the product of the rated full-time pupil  
26 capacity, as determined by the Department of Education at the  
27 time the project is approved, and three thousand seven hundred  
28 dollars (\$3700).

29 For school buildings for which the general construction  
30 contract is awarded subsequent to July 1, 1984 and prior to July

1 1, 1989, and for approved school building projects for which the  
2 general construction contract was awarded but for which a lease  
3 or general obligation bond resolution was not approved by the  
4 Department of Education prior to July 1, 1984, the approved  
5 building construction cost and the interest on such construction  
6 cost shall not exceed the product of the rated full-time pupil  
7 capacity, as determined by the Department of Education at the  
8 time the project is approved, and six thousand three hundred  
9 dollars (\$6,300).

10 For school buildings for which the general construction  
11 contract is awarded subsequent to July 1, 1989, and for approved  
12 school building projects for which the general construction  
13 contract was awarded but for which a lease or general obligation  
14 bond resolution was not approved by the Department of Education  
15 prior to July 1, 1989, the approved building construction cost  
16 and the interest on such construction cost shall not exceed the  
17 product of the rated full-time pupil capacity, as determined by  
18 the Department of Education at the time the project is approved,  
19 and eight thousand nine hundred dollars (\$8,900).

20 The Department of Education shall not approve the expenditure  
21 of any funds borrowed or obtained by the sale of bonds by any  
22 authority, nonprofit corporation, profit corporation, company or  
23 individual for construction of area vocational-technical schools  
24 or technical institutes for bleachers, athletic field, lighting  
25 equipment or apparatus used to promote and conduct  
26 interscholastic athletics.

27 \* \* \*

28 Section 2. This act shall take effect July 1, 1990.