
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2836 Session of
1992

INTRODUCED BY STRITTMATTER, SCHULER, BARLEY, ARMSTRONG, SCHEETZ,
HERSHEY, E. Z. TAYLOR, HAYES, NAILOR, G. SNYDER, SERAFINI,
HERMAN, DEMPSEY, CARLSON, GRUITZA, MERRY, PITTS, FAIRCHILD,
SAURMAN, M. N. WRIGHT, FARMER, LUCYK, PESCI, BROWN, HECKLER,
GODSHALL, McCALL, GERLACH, KING, LEH, D. W. SNYDER, BOYES,
CLYMER, VROON, BILLOW, FAJT, GEIST, BUNT, LANGTRY, GLADECK,
JOHNSON, TRELLO, WOZNIAK, HALUSKA, THOMAS, FARGO AND NOYE,
JUNE 15, 1992

REFERRED TO COMMITTEE ON EDUCATION, JUNE 15, 1992

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 construction or
6 contracts to construct or lease new school buildings or
7 substantial additions to existing buildings.

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

10 Section 1. Section 701.1 of the act of March 10, 1949
11 (P.L.30, No.14), known as the Public School Code of 1949, added
12 June 27, 1973 (P.L.75, No.34), is amended to read:

13 Section 701.1. Referendum or Public Hearing Required Prior
14 to Construction or Lease.--(a) Except where the approval of the
15 electors is obtained to incur indebtedness to finance the
16 construction of a school project, the board of school directors
17 of any school district of the second, third or fourth classes,

1 shall not construct, enter into a contract to construct or enter
2 into a contract to lease a new school building or substantial
3 addition to an existing school building without the consent of
4 the electors obtained by referendum or without holding a public
5 hearing as hereinafter provided. In the event that a new school
6 building or a substantial addition to an existing building is to
7 be constructed or leased, the school board shall, by a majority
8 vote of all its members, authorize a maximum project cost and a
9 maximum building construction cost to be financed by the
10 district or amortized by lease rentals to be paid by the
11 district. Building construction cost shall consist of the cost
12 of all building construction under the construction schedule and
13 for an additional three years, including general construction
14 costs, plumbing, heating, electrical, ventilating and other
15 structural costs, equipment and fixtures and architectural and
16 engineering fees relating thereto[, but not including].
17 Construction costs shall not include maintenance or
18 reconstruction work due to faulty work by contractors, costs for
19 site acquisition and development, rough grading to receive the
20 building, sewage treatment facilities or equivalent capital
21 contributions, and architectural and engineering fees relating
22 thereto. In all cases, a public hearing shall be held not later
23 than thirty (30) days before the school district submits the
24 initial building construction cost estimates to the Department
25 of Education for approval. Notice of the hearing shall be given
26 not later than twenty (20) days before the date of the scheduled
27 hearing. In the event that the maximum building construction
28 cost 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 by multiplying said amounts by the ratio of
3 the composite construction cost index compiled and published by
4 the United States Department of Commerce for the preceding
5 calendar year to such index for the next preceding calendar
6 year. Rated elementary pupil capacity or rated secondary pupil
7 capacity for any school building shall be the rated pupil
8 capacity determined on the basis of the method used by the
9 Department for school building reimbursement purposes during the
10 school year 1971-1972.

11 For purposes of this section:

12 (1) "Site acquisition" includes the cost of land and mineral
13 rights, demolition and clearing, rights-of-way and related
14 utility relocations, surveys and soils analysis, and the cost of
15 all fees relating thereto.

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

19 (3) "Equipment and fixtures" means property fixed or movable
20 which is incidental and necessary to conduct the educational
21 program, and includes, but is not limited to movable equipment
22 such as desks, chairs, tables, portable physical education
23 equipment, audio-visual equipment and science, homemaking,
24 industrial art and business equipment and instructional
25 materials and fixtures such as casework, laboratory equipment,
26 kitchen equipment, auditorium seating and any other special
27 fixtures or equipment required to conduct a particular
28 educational program.

29 (4) "Substantial addition" means more than twenty (20) per
30 centum of the area and replacement value of the structure to

1 which the improvement is to be added.

2 (b) For the 1992-1993 school year, and each year thereafter,
3 the aggregate building expenditure standard shall be determined
4 by the Department of Education using projected student
5 enrollment for the construction project. The Department of
6 Education shall develop the method for determining projected
7 student enrollment to replace the method of determining the
8 rated pupil capacity and shall publish the method as a
9 regulation within six (6) months of the effective date of this
10 subsection. The Department of Education shall adjust the
11 aggregate building expenditure standard to reflect the
12 differences in changing from the rated pupil capacity to
13 projected student enrollment capacity for the 1992-1993 school
14 year. Increases in the expenditure standard shall be calculated
15 by increasing per pupil amounts as specified in subsection (a)
16 of this section.

17 Section 2. This act shall take effect July 1, 1993.