

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 262 Session of  
2005

INTRODUCED BY WRIGHT, BARRAR, CREIGHTON, GODSHALL, HERSHEY,  
HUTCHINSON, KILLION, LEH, MANN, METCALFE, MILLARD, S. MILLER,  
PYLE, REICHLEY, ROHRER, YOUNGBLOOD AND BROWNE,  
FEBRUARY 8, 2005

REFERRED TO COMMITTEE ON EDUCATION, FEBRUARY 8, 2005

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 referenda and  
6 public hearing required prior to construction or lease of  
7 school 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,  
12 amended July 4, 2004 (P.L.536, No.70), is amended to read:

13 Section 701.1. Referendum [or] and Public Hearing Required  
14 Prior to Construction or Lease.--Except where the approval of  
15 the 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,  
18 shall not construct, enter into a contract to construct or enter  
19 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] and without holding a  
3 public hearing as hereinafter provided. In the event that a new  
4 school building or a substantial addition to an existing  
5 building is to be constructed or leased, the school board shall,  
6 by a majority vote of all its members, authorize a maximum  
7 project cost and a maximum building construction cost to be  
8 financed by the district or amortized by lease rentals to be  
9 paid by the district. Building construction cost shall consist  
10 of the cost of all building construction including general  
11 construction costs, plumbing, heating, electrical, ventilating  
12 and other structural costs, equipment and fixtures and  
13 architectural and engineering fees relating thereto, but not  
14 including costs for site acquisition and development, rough  
15 grading to receive the building, sewage treatment facilities or  
16 equivalent capital contributions, and architectural and  
17 engineering fees relating thereto. In all cases, a public  
18 hearing shall be held not later than thirty (30) days before the  
19 school district submits the initial building construction cost  
20 estimates to the Department of Education for approval. Notice of  
21 the hearing shall be given not later than twenty (20) days  
22 before the date of the scheduled hearing. In the event that the  
23 maximum building construction cost authorization exceeds [the  
24 aggregate building expenditure standard hereinafter specified]  
25 the greater of five million dollars (\$5,000,000) or fifty (50)  
26 per cent of the school district's average annual revenue, the  
27 aforesaid authorization of the school board shall be submitted  
28 to the electors of the school district for their approval within  
29 six (6) months prior to submission of the final building  
30 construction cost bids to the Department of Education for

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

15       The applicable aggregate building expenditure standard shall  
16 be a total amount calculated for each building or substantial  
17 addition by multiplying the rated pupil capacity under the  
18 approved room schedule by the following: two thousand eight  
19 hundred dollars (\$2,800) for each pupil of rated elementary  
20 capacity; four thousand two hundred dollars (\$4,200) for each  
21 pupil of rated secondary capacity in grades seven, eight and  
22 nine and five thousand two hundred dollars (\$5,200) for each  
23 pupil of rated secondary capacity in grades ten, eleven and  
24 twelve and five thousand two hundred dollars (\$5,200) for each  
25 pupil of rated vocational-technical capacity in grades ten,  
26 eleven and twelve to not include the cost of equipment and  
27 fixtures in such vocational-technical schools: Provided,  
28 however, That each of the preceding per pupil amounts shall be  
29 adjusted by the Department of Education on July 1, 1974; and  
30 annually thereafter through July 1, 2003, by multiplying said

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

15 For purposes of this section:

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

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

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

1 fixtures or equipment required to conduct a particular  
2 educational program.

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

6 (5) "Average annual revenue" means the annual arithmetic  
7 average of the total revenues for the three (3) most recently  
8 completed fiscal years as set forth in a certificate stating the  
9 total revenues in each of these years and stating the average,  
10 executed by the authorized officials of the school district or  
11 by an independent accountant.

12 (6) "Total revenues" means total revenues as defined in 53  
13 Pa.C.S. § 8002(c) (relating to definitions).

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