

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2243 Session of  
2008

INTRODUCED BY PETRI, BARRAR, BISHOP, CAPPELLI, CLYMER, GEORGE,  
GODSHALL, GRUCELA, HARHART, HESS, MACKERETH, MELIO,  
R. MILLER, MILNE, MOYER, MYERS, PYLE, REICHLEY, RUBLEY,  
SAYLOR, SCHRODER, THOMAS, YOUNGBLOOD AND WATSON,  
FEBRUARY 14, 2008

REFERRED TO COMMITTEE ON EDUCATION, FEBRUARY 14, 2008

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 work to be done  
6 under contract let on bids and exception, for approved  
7 reimbursable rental for leases hereafter approved and  
8 approved reimbursable sinking fund charges on indebtedness  
9 and for approved reimbursable annual rental for leases of  
10 buildings and facilities for school use.

11 The General Assembly of the Commonwealth of Pennsylvania  
12 hereby enacts as follows:

13 Section 1. Section 751 of the act of March 10, 1949 (P.L.30,  
14 No.14), known as the Public School Code of 1949, amended July  
15 13, 1979 (P.L.94, No.41), is amended by adding a subsection to  
16 read:

17 Section 751. Work to be Done Under Contract Let on Bids;  
18 Exception.--\* \* \*

19 (b.1) Subsequent to January 1, 2008, the Department of  
20 Education shall annually adjust the limit on work completed by

1 district personnel in accordance with the United States  
2 Department of Commerce Construction Cost Index. The rate shall  
3 equal or be greater than twenty thousand dollars (\$20,000).

4 \* \* \*

5 Section 2. Section 2574(e) of the act, amended July 13, 2005  
6 (P.L.226, No.46), is amended and subsections (b) and (c) are  
7 amended by adding paragraphs to read:

8 Section 2574. Approved Reimbursable Rental for Leases  
9 Hereafter Approved and Approved Reimbursable Sinking Fund  
10 Charges on Indebtedness.--\* \* \*

11 (b) For new school buildings the approved building  
12 construction cost shall be the lesser of

13 \* \* \*

14 (5) Subsequent to January 1, 2008, the Department of  
15 Education shall annually adjust the approved building  
16 construction cost reimbursement rate for new school buildings in  
17 accordance with the United States Department of Commerce  
18 Construction Cost Index. The reimbursement rate shall equal or  
19 be greater than five thousand nine hundred dollars (\$5,900) for  
20 elementary projects and seven thousand seven hundred dollars  
21 (\$7,700) for secondary projects.

22 \* \* \*

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

25 \* \* \*

26 (5) Subsequent to January 1, 2008, the Department of  
27 Education shall annually adjust the approved building  
28 construction cost reimbursement rate for additions or  
29 alterations to existing buildings in accordance with the United  
30 States Department of Commerce Construction Cost Index. The

1 reimbursement rate shall equal or be greater than five thousand  
2 nine hundred dollars (\$5,900) for elementary projects and seven  
3 thousand seven hundred dollars (\$7,700) for secondary projects.

4 \* \* \*

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

10 For area vocational-technical school and technical institute  
11 projects constructed or purchased subsequent to July 1, 1964, by  
12 a board of school directors authorized to operate such a school,  
13 the Department of Education may calculate an approved  
14 reimbursable sinking fund charge.

15 Approved reimbursable rental or sinking fund charge shall  
16 consist of that part of the annual rental or sinking fund  
17 attributable to:

18 (1) Cost of acquiring land and preparing it for use to the  
19 extent that such costs are deemed reasonable by the Department  
20 of Education and the interest on such cost of acquisition, cost  
21 of preparation and the cost of sewage treatment and the interest  
22 on such cost.

23 (2) Machinery, apparatus, furniture and equipment and all  
24 other necessary expenses and interest charges, but excluding  
25 architects' fees in excess of six percent of the construction  
26 cost.

27 The approved building construction cost and the interest on  
28 such construction cost shall not exceed the product of the rated  
29 full-time pupil capacity, as determined by the Department of  
30 Education at the time the project is approved and two thousand

1 two hundred dollars (\$2,200).

2 The provisions of the foregoing paragraph shall apply to all  
3 school building projects for which the general construction  
4 contract is awarded prior to July 1, 1966, and for approved  
5 school building projects for which a lease was approved by the  
6 Department of Education prior to July 1, 1966. For school  
7 buildings for which the general construction contract is awarded  
8 subsequent to July 1, 1966, and for approved school building  
9 projects for which the general construction contract was awarded  
10 but for which a lease was not approved by the Department of  
11 Education prior to July 1, 1966, the approved building  
12 construction cost and the interest on such construction cost  
13 shall not exceed the product of the rated full-time pupil  
14 capacity, as determined by the Department of Education at the  
15 time the project is approved, and three thousand seven hundred  
16 dollars (\$3700).

17 For school buildings for which the general construction  
18 contract is awarded subsequent to July 1, 1984, and for approved  
19 school building projects for which the general construction  
20 contract was awarded but for which a lease or general obligation  
21 bond resolution was not approved by the Department of Education  
22 prior to July 1, 1984, the approved building construction cost  
23 and the interest on such construction cost shall not exceed the  
24 product of the rated full-time pupil capacity, as determined by  
25 the Department of Education at the time the project is approved,  
26 and six thousand three hundred dollars (\$6,300).

27 For school buildings for which the general construction  
28 contract is awarded subsequent to January 1, 2005, and for  
29 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 January 1, 2005, the approved  
3 building construction cost shall not exceed the product of the  
4 rated full-time pupil capacity, as determined by the Department  
5 of Education at the time the project is approved, and seven  
6 thousand six hundred dollars (\$7,600).

7 Subsequent to January 1, 2008, the Department of Education  
8 shall annually adjust the approved building construction cost  
9 reimbursement rate for vocational-technical projects in  
10 accordance with the United States Department of Commerce  
11 Construction Cost Index. The reimbursement rate shall equal or  
12 be greater than nine thousand five hundred dollars (\$9,500).

13 The Department of Education shall not approve the expenditure  
14 of any funds borrowed or obtained by the sale of bonds by any  
15 authority, nonprofit corporation, profit corporation, company or  
16 individual for construction of area vocational-technical schools  
17 or technical institutes for bleachers, athletic field, lighting  
18 equipment or apparatus used to promote and conduct  
19 interscholastic athletics.

20 \* \* \*

21 Section 3. Section 2574.2 of the act, added December 6, 1972  
22 (P.L.1445, No.323), is amended to read:

23 Section 2574.2. Approved Reimbursable Annual Rental for  
24 Leases of Buildings and Facilities for School Use.--For extended  
25 leases of buildings and facilities for school use authorized  
26 under the provisions of section 703.1 which have been approved  
27 by the Secretary of Education, the Department of Education shall  
28 calculate an approved reimbursable annual rental charge.

29 Approved reimbursable annual rental for such approved leases  
30 of building facilities constructed for school use shall be the

1 lesser of (i) the product of the annual rental payable under the  
2 provisions of the approved lease agreement times the ratio of  
3 the pupil scheduled area to the architectural area, or (ii) the  
4 product of the rated pupil capacity as determined by the  
5 Department of Education at the time of initial lease times one  
6 hundred sixty dollars (\$160) for elementary schools, two hundred  
7 twenty dollars (\$220) for secondary schools, or two hundred  
8 seventy dollars (\$270) for area vocational-technical schools.

9 Annual approved rental payable for approved leases of  
10 existing facilities altered for school use shall be the lesser  
11 of (i) the product of the annual rental payable under the  
12 provisions of the approved lease agreement times the ratio of  
13 the pupil scheduled area to the architectural area, or (ii) the  
14 product of the rated pupil capacity, as determined by the  
15 Department of Education at the time of initial lease, times one  
16 hundred twelve dollars (\$112) for elementary, one hundred fifty-  
17 four dollars (\$154) for secondary, or one hundred eighty-nine  
18 dollars (\$189) for area vocational-technical schools.

19 Subsequent to January 1, 2008, the Department of Education  
20 shall annually adjust the approved reimbursable annual rental  
21 for leases of buildings and facilities rate and the approved  
22 rental payable for approved leases of existing facilities  
23 altered for school use rate in accordance with the United States  
24 Department of Commerce Construction Cost Index. The  
25 reimbursement rates shall equal or be greater than six hundred  
26 forty dollars (\$640) for elementary schools, eight hundred  
27 eighty dollars (\$880) for secondary schools and one thousand  
28 eighty dollars (\$1,080) for vocational schools.

29 Section 4. This act shall take effect immediately.