

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2842 Session of
2008

INTRODUCED BY REICHLEY, CLYMER, CREIGHTON, DALLY, EVERETT,
HARRIS, HERSHEY, M. KELLER, MARSICO, MURT, SONNEY AND WATSON,
NOVEMBER 17, 2008

REFERRED TO COMMITTEE ON EDUCATION, NOVEMBER 17, 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 required
6 referendum or public hearing prior to construction or lease;
7 and repealing provisions relating to public referendum
8 requirements for increasing certain taxes.

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

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

14 Section 701.1. Referendum or Public Hearing Required Prior
15 to Construction or Lease.--[Except where the approval of the
16 electors is obtained to incur indebtedness to finance the
17 construction of a school project, the] Notwithstanding any other
18 provision of this act or any other law to the contrary, the
19 board of school directors of any school district of the second,
20 third or fourth classes, shall not construct, enter into a

1 contract to construct or enter into a contract to lease a new
2 school building or substantial addition to an existing school
3 building in which the maximum project cost exceeds five million
4 dollars (\$5,000,000) without the consent of the electors
5 obtained by referendum [or without holding a public hearing as
6 hereinafter provided]. In the event that a new school building
7 or a substantial addition to an existing building is to be
8 constructed or leased, the school board shall, by a majority
9 vote of all its members, authorize a maximum project cost and a
10 maximum building construction cost to be financed by the
11 district or amortized by lease rentals to be paid by the
12 district. Building construction cost shall consist of the cost
13 of all building construction 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 costs for
17 site acquisition and development, rough grading to receive the
18 building, sewage treatment facilities or equivalent capital
19 contributions, and architectural and engineering fees relating
20 thereto. In all cases, a public hearing shall be held not later
21 than thirty (30) days before the school district submits the
22 initial building construction cost estimates to the Department
23 of Education for approval. Notice of the hearing shall be given
24 not later than twenty (20) days before the date of the scheduled
25 hearing. [In the event that the maximum building construction
26 cost authorization exceeds the aggregate building expenditure
27 standard hereinafter specified, the aforesaid authorization of
28 the school board shall be submitted to the electors of the
29 school district for their approval within six (6) months prior
30 to submission of the final building construction cost bids to

1 the Department of Education for approval.] Such referendum shall
2 be held in the same manner as provided by law for the approval
3 of the incurring of indebtedness by referendum. The question as
4 submitted shall specify the maximum project cost, the maximum
5 building construction cost and the annual sinking fund charge or
6 lease rental to be incurred by the school district and the
7 portion of such charge or rental expected to be reimbursed by
8 the Commonwealth. [If the final building construction cost bids
9 to 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 Section 2. The amendment of section 701.1 of the act shall
7 apply to any of the following which occur on or after the
8 effective date of this act:

9 (1) Construction of a new school building or a
10 substantial addition to an existing building.

11 (2) Entry into a contract for construction of a new
12 school building or a substantial addition to an existing
13 building.

14 (3) Entry into a contract to lease a school building.

15 Section 3. Repeals are as follows:

16 (1) The General Assembly declares that the repeal under
17 paragraph (2) is necessary to effectuate the amendment of
18 section 701.1 of the act.

19 (2) Section 333(f)(2)(iii) of the act of June 27, 2006
20 (1st Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief
21 Act, is repealed.

22 Section 4. This act shall take effect immediately.