

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

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

* * *

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

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

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

* * *

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

* * *

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

* * *

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

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

* * *

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

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

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

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

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

The approved building construction cost and the interest on such construction cost shall not exceed the product of the rated full-time pupil capacity, as determined by the Department of 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.