

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2591 Session of
2018

INTRODUCED BY EVERETT, MILLARD, DUNBAR, MARSICO, DeLUCA,
WHEELAND AND COX, AUGUST 8, 2018

REFERRED TO COMMITTEE ON EDUCATION, AUGUST 8, 2018

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," in grounds and buildings, further
6 providing for referendum or public hearing required prior to
7 construction or lease.

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, is
12 amended to read:

13 Section 701.1. Referendum or Public Hearing Required Prior
14 to Construction or Lease.--(a) Except as otherwise provided in
15 subsection (b) and except where the approval of the electors is
16 obtained to incur indebtedness to finance the construction of a
17 school project, the board of school directors of any school
18 district of the second, third or fourth classes, shall not
19 construct, enter into a contract to construct or enter into a
20 contract to lease a new school building or substantial addition

1 to an existing school building without the consent of the
2 electors obtained by referendum or without holding a public
3 hearing as hereinafter provided. The following shall apply:

4 (1) In the event that a new school building or a substantial
5 addition to an existing building is to be constructed or leased,
6 the school board shall, by a majority vote of all its members,
7 authorize a maximum project cost and a maximum building
8 construction cost to be financed by the district or amortized by
9 lease rentals to be paid by the district. Building construction
10 cost shall consist of the cost of all building construction
11 including general construction costs, plumbing, heating,
12 electrical, ventilating and other structural costs, equipment
13 and fixtures and architectural and engineering fees relating
14 thereto, but not including costs for site acquisition and
15 development, rough grading to receive the building, sewage
16 treatment facilities or equivalent capital contributions, and
17 architectural and engineering fees relating thereto.

18 (2) In all cases, a public hearing shall be held not later
19 than thirty (30) days before the school district submits the
20 initial building construction cost estimates to the Department
21 of Education for approval. Notice of the hearing shall be given
22 not later than twenty (20) days before the date of the scheduled
23 hearing.

24 (3) In the event that the maximum building construction cost
25 authorization exceeds the aggregate building expenditure
26 standard hereinafter specified, the aforesaid authorization of
27 the school board shall be submitted to the electors of the
28 school district for their approval within six (6) months prior
29 to submission of the final building construction cost bids to
30 the Department of Education for approval. Such referendum shall

1 be held in the same manner as provided by law for the approval
2 of the incurring of indebtedness by referendum. The question as
3 submitted shall specify the maximum project cost, the maximum
4 building construction cost and the annual sinking fund charge or
5 lease rental to be incurred by the school district and the
6 portion of such charge or rental expected to be reimbursed by
7 the Commonwealth.

8 (4) If the final building construction cost bids to be
9 submitted to the Department of Education for approval are less
10 than the aggregate building expenditure standard hereafter
11 specified but exceed by eight (8) per [cent] centum or more the
12 initial building construction cost estimates submitted to the
13 Department for approval, a second public hearing shall be held
14 before the Department shall give its final approval.

15 (b) Prior to constructing, entering into a contract to
16 construct or entering into a contract to lease a new school
17 building or prior to the substantial addition to or renovation
18 of an existing school building that would result in the school
19 district borrowing more than the equivalent of fifty (50) per
20 centum of the school district's annual revenue of the prior
21 school year, the board of school directors of any school
22 district of the second, third or fourth classes must obtain
23 consent of the electors by referendum in the manner prescribed
24 in subsection (a) (3).

25 (c) The applicable aggregate building expenditure standard
26 shall be a total amount calculated for each building or
27 substantial addition by multiplying the rated pupil capacity
28 under the approved room schedule by the following: two thousand
29 eight hundred dollars (\$2,800) for each pupil of rated
30 elementary capacity; four thousand two hundred dollars (\$4,200)

1 for each pupil of rated secondary capacity in grades seven,
2 eight and nine and five thousand two hundred dollars (\$5,200)
3 for each pupil of rated secondary capacity in grades ten, eleven
4 and twelve and five thousand two hundred dollars (\$5,200) for
5 each pupil of rated vocational-technical capacity in grades ten,
6 eleven and twelve to not include the cost of equipment and
7 fixtures in such vocational-technical schools: Provided,
8 however, That each of the preceding per pupil amounts shall be
9 adjusted by the Department of Education on July 1, 1974; and
10 annually thereafter through July 1, 2003, by multiplying said
11 amounts by the ratio of the composite construction cost index
12 compiled and published by the United States Department of
13 Commerce for the preceding calendar year to such index for the
14 next preceding calendar year; and Further Provided, however,
15 That each of the preceding per pupil amounts shall be adjusted
16 by the Department of Education on July 1, 2004; and annually
17 thereafter by multiplying said amounts by the ratio of the
18 Building Cost Index published by the McGraw-Hill Companies for
19 the preceding calendar year to such index for the next preceding
20 calendar year. Rated elementary pupil capacity or rated
21 secondary pupil capacity for any school building shall be the
22 rated pupil capacity determined on the basis of the method used
23 by the Department for school building reimbursement purposes
24 during the school year 1971-1972.

25 (d) For purposes of this section:

26 (1) "Site acquisition" includes the cost of land and mineral
27 rights, demolition and clearing, rights-of-way and related
28 utility relocations, surveys and soils analysis, and the cost of
29 all fees relating thereto.

30 (2) "Site development" includes excavation, grouting or

1 shoring, special foundations for buildings, access roads to
2 site, utilities on site, extension of utilities to site.

3 (3) "Equipment and fixtures" means property fixed or movable
4 which is incidental and necessary to conduct the educational
5 program, and includes, but is not limited to movable equipment
6 such as desks, chairs, tables, portable physical education
7 equipment, audio-visual equipment and science, homemaking,
8 industrial art and business equipment and instructional
9 materials and fixtures such as casework, laboratory equipment,
10 kitchen equipment, auditorium seating and any other special
11 fixtures or equipment required to conduct a particular
12 educational program.

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

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