

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1258 Session of  
2005

INTRODUCED BY TIGUE, W. KELLER, D. EVANS, CAWLEY, YUDICHAK,  
ROEBUCK, BARRAR, BELARDI, BENNINGHOFF, BUXTON, CALTAGIRONE,  
CAPPELLI, CORRIGAN, CURRY, FABRIZIO, GEORGE, GOODMAN, HARRIS,  
HERSHEY, LEH, MANDERINO, McILHATTAN, O'NEILL, REICHLEY,  
SANTONI, SCHRODER, B. SMITH, STABACK, SURRA, WATSON, WRIGHT,  
CLYMER, CRAHALLA, DALLY, FREEMAN, GODSHALL, GRUCELA, HASAY,  
LEACH, MAITLAND, MANN, MUNDY, READSHAW, SAINATO, SCAVELLO,  
SHANER, SOLOBAY, STURLA, WALKO, WOJNAROSKI AND YOUNGBLOOD,  
MARCH 31, 2005

REFERRED TO COMMITTEE ON EDUCATION, MARCH 31, 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 approved  
6 reimbursable rental for leases hereafter approved and  
7 approved reimbursable sinking fund charges on indebtedness.

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

10 Section 1. Section 2574(e) of the act of March 10, 1949  
11 (P.L.30, No.14), known as the Public School Code of 1949,  
12 amended July 10, 1987 (P.L.286, No.50), is amended and  
13 subsections (b) and (c) are amended by adding clauses to read:

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

17 (b) For new school buildings the approved building

1 construction cost shall be the lesser of

2 \* \* \*

3 (4) For school buildings for which the general construction  
4 contract is awarded on or after January 1, 2005, the product of  
5 the rated pupil capacity as determined by the Department of  
6 Education at the time the project is approved and (i) four  
7 thousand seven hundred dollars (\$4,700) in the case of  
8 elementary schools, (ii) six thousand two hundred dollars  
9 (\$6,200) in the case of secondary schools, (iii) an amount in  
10 the case of combined elementary-secondary schools obtained by  
11 multiplying the rated elementary pupil capacity by four thousand  
12 seven hundred dollars (\$4,700) and the rated secondary pupil  
13 capacity by six thousand two hundred dollars (\$6,200) and  
14 dividing the sum by the total rated pupil capacity.

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

17 \* \* \*

18 (4) For school buildings for which the general construction  
19 contract is awarded on or after January 1, 2005, the difference  
20 obtained by subtracting the appraisal value of the existing  
21 building from the product of the rated pupil capacity of the  
22 altered or expanded building as determined by the Department of  
23 Education at the time the project is approved and (i) four  
24 thousand seven hundred dollars (\$4,700) in the case of  
25 elementary schools, (ii) six thousand two hundred dollars  
26 (\$6,200) in the case of secondary schools, (iii) an amount in  
27 the case of combined elementary-secondary schools obtained by  
28 multiplying the rated elementary pupil capacity by four thousand  
29 seven hundred dollars (\$4,700) and the rated secondary pupil  
30 capacity by six thousand two hundred dollars (\$6,200) and

1 dividing the sum by the total rated pupil capacity of the  
2 altered or expanded building.

3 \* \* \*

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

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

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

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

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

26 The approved building construction cost and the interest on  
27 such construction cost shall not exceed the product of the rated  
28 full-time pupil capacity, as determined by the Department of  
29 Education at the time the project is approved and two thousand  
30 two hundred dollars (\$2,200).

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

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

26       For school buildings for which the general construction  
27 contract is awarded on or after January 1, 2005, the approved  
28 building construction cost and the interest on such construction  
29 cost shall not exceed the product of the rated full-time pupil  
30 capacity, as determined by the Department of Education at the

1 time the project is approved, and seven thousand six hundred  
2 dollars (\$7,600).

3       The Department of Education shall not approve the expenditure  
4 of any funds borrowed or obtained by the sale of bonds by any  
5 authority, nonprofit corporation, profit corporation, company or  
6 individual for construction of area vocational-technical schools  
7 or technical institutes for bleachers, athletic field, lighting  
8 equipment or apparatus used to promote and conduct  
9 interscholastic athletics.

10       \* \* \*

11       Section 2. This act shall take effect July 1, 2005.