

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 417 Session of  
2005

INTRODUCED BY MUSTO, KITCHEN, TARTAGLIONE, COSTA, STOUT, O'PAKE,  
RAFFERTY, D. WHITE, LEMMOND, BOSCOLA, ERICKSON, WOZNIAK,  
GREENLEAF, PIPPY, PILEGGI, STACK, C. WILLIAMS, GORDNER,  
MELLOW, FUMO, HUGHES, LOGAN AND RHOADES, MARCH 21, 2005

REFERRED TO EDUCATION, MARCH 21, 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 reimbursable  
6 rental for leases and reimbursable sinking fund charges on  
7 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, subsections  
13 (b) and (c) are amended by adding paragraphs and the section is  
14 amended by adding subsections to read:

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

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

1       \* \* \*

2       (4) For school buildings for which the general construction  
3 contract is awarded subsequent to January 1, 2005, and for  
4 approved school building projects for which the general  
5 construction contract was awarded but for which a lease or  
6 general obligation bond resolution was not approved by the  
7 Department of Education prior to January 1, 2005, the product of  
8 the rated pupil capacity as determined by the Department of  
9 Education at the time the project is approved and (i) four  
10 thousand seven hundred dollars (\$4,700) in the case of  
11 elementary schools, (ii) six thousand two hundred dollars  
12 (\$6,200) in the case of secondary schools, (iii) an amount in  
13 the case of combined elementary-secondary schools obtained by  
14 multiplying the rated elementary pupil capacity by four thousand  
15 seven hundred dollars (\$4,700) and the rated secondary pupil  
16 capacity by six thousand two hundred dollars (\$6,200) and  
17 dividing the sum by the total rated pupil capacity.

18       (b.1) For school buildings constructed from school facility  
19 design clearinghouse standards received from a Department of  
20 Education approved school facility design clearinghouse, for  
21 which the general construction contract is awarded subsequent to  
22 January 1, 2005, and for approved school building projects for  
23 which the general construction contract was awarded but for  
24 which a lease or general obligation bond resolution was not  
25 approved by the Department of Education prior to January 1,  
26 2005, the approved building construction cost shall additionally  
27 include the product of the rated pupil capacity as determined by  
28 the Department of Education at the time the project is approved  
29 and (i) four hundred seventy dollars (\$470) in the case of  
30 elementary schools, (ii) six hundred twenty dollars (\$620) in

1 the case of secondary schools, (iii) an amount in the case of  
2 combined elementary-secondary schools obtained by multiplying  
3 the rated elementary pupil capacity by four hundred seventy  
4 dollars (\$470) and the rated secondary pupil capacity by six  
5 hundred twenty dollars (\$620) and dividing the sum by the total  
6 rated pupil capacity.

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

9 \* \* \*

10 (4) For school buildings for which the general construction  
11 contract is awarded subsequent to January 1, 2005, and for  
12 approved school building projects for which the general  
13 construction contract was awarded but for which a lease or  
14 general obligation bond resolution was not approved by the  
15 Department of Education prior to January 1, 2005, the difference  
16 obtained by subtracting the appraisal value of the existing  
17 building from the product of the rated pupil capacity of the  
18 altered or expanded building as determined by the Department of  
19 Education at the time the project is approved and (i) four  
20 thousand seven hundred dollars (\$4,700) in the case of  
21 elementary schools, (ii) six thousand two hundred dollars  
22 (\$6,200) in the case of secondary schools, (iii) an amount in  
23 the case of combined elementary-secondary schools obtained by  
24 multiplying the rated elementary pupil capacity by four thousand  
25 seven hundred dollars (\$4,700) and the rated secondary pupil  
26 capacity by six thousand two hundred dollars (\$6,200) and  
27 dividing the sum by the total rated pupil capacity of the  
28 altered or expanded building.

29 \* \* \*

30 (c.3) For school buildings for which the general

1 construction contract is awarded on or after January 1, 2005,  
2 and for approved school building projects for which the general  
3 construction contract was awarded but for which a lease or  
4 general obligation bond resolution was not approved by the  
5 Department of Education prior to January 1, 2005, and where the  
6 general construction contract alters or adds to an existing  
7 school building in lieu of construction of a new school  
8 building, the approved building construction cost shall  
9 additionally include the difference obtained by subtracting the  
10 appraisal value of the existing building from the product of the  
11 rated pupil capacity of the altered or expanded building as  
12 determined by the Department of Education at the time the  
13 project is approved and (i) four hundred seventy dollars (\$470)  
14 in the case of elementary schools, (ii) six hundred twenty  
15 dollars (\$620) in the case of secondary schools, (iii) an amount  
16 in the case of combined elementary-secondary schools obtained by  
17 multiplying the rated elementary pupil capacity by four hundred  
18 seventy dollars (\$470) and the rated secondary pupil capacity by  
19 six hundred twenty dollars (\$620) and dividing the sum by the  
20 total rated pupil capacity.

21 (c.4) For school buildings for which the general  
22 construction contract is awarded on or after January 1, 2005,  
23 and for approved school building projects for which the general  
24 construction contract was awarded but for which a lease or  
25 general obligation bond resolution was not approved by the  
26 Department of Education prior to January 1, 2005, and where the  
27 school building receives a silver, gold or platinum  
28 certification from the United States Green Building Council's  
29 Leadership in Energy and Environmental Design Green Building  
30 Rating System on or after January 1, 2005, the Department of

1 Education shall adjust the approved building construction cost  
2 to additionally include the product of the rated pupil capacity  
3 as determined by the Department of Education at the time the  
4 project is approved and (i) four hundred seventy dollars (\$470)  
5 in the case of elementary schools, (ii) six hundred twenty  
6 dollars (\$620) in the case of secondary schools, (iii) an amount  
7 in the case of combined elementary-secondary schools obtained by  
8 multiplying the rated elementary pupil capacity by four hundred  
9 seventy dollars (\$470) and the rated secondary pupil capacity by  
10 six hundred twenty dollars (\$620) and dividing the sum by the  
11 total rated pupil capacity. The Department of Education in  
12 consultation with the Governor's Green Government Council shall  
13 issue guidelines to carry out this section.

14 \* \* \*

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

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

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

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

1 of preparation and the cost of sewage treatment and the interest  
2 on such cost.

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

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

12 The provisions of the foregoing paragraph shall apply to all  
13 school building projects for which the general construction  
14 contract is awarded prior to July 1, 1966, and for approved  
15 school building projects for which a lease was approved by the  
16 Department of Education prior to July 1, 1966. For school  
17 buildings for which the general construction contract is awarded  
18 subsequent to July 1, 1966, and for approved school building  
19 projects for which the general construction contract was awarded  
20 but for which a lease was not approved by the Department of  
21 Education prior to July 1, 1966, the approved building  
22 construction cost and the interest on such construction cost  
23 shall not exceed the product of the rated full-time pupil  
24 capacity, as determined by the Department of Education at the  
25 time the project is approved, and three thousand seven hundred  
26 dollars (\$3700).

27 For school buildings for which the general construction  
28 contract is awarded subsequent to July 1, 1984, and for approved  
29 school building projects for which the general construction  
30 contract was awarded but for which a lease or general obligation

1 bond resolution was not approved by the Department of Education  
2 prior to July 1, 1984, the approved building construction cost  
3 and the interest on such construction cost shall not exceed the  
4 product of the rated full-time pupil capacity, as determined by  
5 the Department of Education at the time the project is approved,  
6 and six thousand three hundred dollars (\$6,300).

7 For school buildings for which the general construction  
8 contract is awarded subsequent to January 1, 2005, and for  
9 approved school building projects for which the general  
10 construction contract was awarded but for which a lease or  
11 general obligation bond resolution was not approved by the  
12 Department of Education prior to January 1, 2005, the approved  
13 building construction cost shall not exceed the product of the  
14 rated full-time pupil capacity, as determined by the Department  
15 of Education at the time the project is approved, and seven  
16 thousand six hundred dollars (\$7,600).

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

24 \* \* \*

25 Section 2. This act shall take effect immediately.