

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1996 Session of  
2007

INTRODUCED BY PETRI, OCTOBER 30, 2007

REFERRED TO COMMITTEE ON APPROPRIATIONS, OCTOBER 30, 2007

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 community colleges, repealing  
6 provisions relating to the Community College Capital Fund;  
7 establishing the Community Colleges Capital Projects Pooled  
8 Financing Program and the Community Colleges Capital Projects  
9 Pooled Financing Program Fund; and providing for the powers  
10 and duties of the Pennsylvania State Public School Building  
11 Authority.

12 The General Assembly of the Commonwealth of Pennsylvania  
13 hereby enacts as follows:

14 Section 1. Section 1917-A of the act of March 10, 1949  
15 (P.L.30, No.14), known as the Public School Code of 1949, added  
16 July 13, 2005 (P.L.226, No.46), is repealed:

17 [Section 1917-A. Community College Capital Fund.--(a) The  
18 Community College Capital Fund is hereby established as a  
19 separate fund in the State Treasury for the purpose of making  
20 payments to community colleges for capital expenses approved  
21 under section 1913-A(b)(4). The moneys of the fund are hereby  
22 appropriated to the Department of Education to carry out the

1 provisions of this section.

2 (b) The Community College Capital Fund shall consist of all  
3 funds appropriated and allocated during the 2005-2006 fiscal  
4 year and each fiscal year thereafter for capital expenses  
5 approved for payment by the Department of Education under  
6 section 1913-A(b)(4).

7 (c) At the end of each fiscal year, any unencumbered funds  
8 shall not lapse to the General Fund and shall be available for  
9 payment of any capital expenses approved under section 1913-  
10 A(b)(4) in any subsequent fiscal year.

11 (d) Payments for capital expenses approved under section  
12 1913-A(b)(4) shall be limited to the total amount of funds  
13 included in the Community College Capital Fund.]

14 Section 2. The act is amended by adding a section to read:

15 Section 1917.1-A. Pennsylvania Community Colleges Capital  
16 Projects Pooled Financing Program.--(a) The Pennsylvania  
17 Community Colleges Capital Projects Pooled Financing Program is  
18 established. The program shall be funded through the  
19 Pennsylvania State Public School Building Authority and  
20 administered by a not-for-profit organization established and  
21 governed by the community colleges, acting as program  
22 administrator. The program shall establish a fund from which  
23 Pennsylvania community colleges may borrow amounts, at  
24 subsidized rates, to be applied to approved capital projects.

25 (b) Beginning in Fiscal Year 2008-2009 and for each fiscal  
26 year thereafter, the State Treasurer shall transfer fifteen  
27 million dollars (\$15,000,000) plus non-required prior  
28 appropriations to a special fund held by or on behalf of the  
29 State Public School Building Authority, which fund is hereby  
30 created and shall be known as the Pennsylvania Community

Colleges Capital Projects Pooled Financing Program Fund. Funds shall be applied by the authority by deposit of such amounts with the trustee for the bonds issued to fund the program. The trustee shall apply such amounts as required or permitted by the trust indenture securing the program bonds.

(c) A not-for-profit organization established and governed by the community colleges, acting as program administrator, shall administer the program and shall establish program guidelines setting forth, among other things, the following:

(1) The manner of funding the program through the authority.

(2) The means by which Pennsylvania community colleges may apply for loans from the program.

(3) The method to prioritize requests for funding.

(4) The manner in which repayment of borrowed amounts are to be structured.

(5) The manner in which loans are to be secured.

(6) Procedures to permit amounts repaid to the program to be made available for additional loans to Pennsylvania community colleges.

(7) Program fees, including the fee of the program administrator.

(8) The designation or manner of selection of the trustee, a financial advisor, bond counsel and other necessary or appropriate consulting professionals.

(9) Such other necessary or appropriate program operating guidelines.

(d) Nothing in this section shall be construed to impair any existing Commonwealth agreement with Pennsylvania community colleges with respect to Commonwealth appropriations for capital projects.

1     (e) For purposes of this section, "non-required prior  
2     appropriations" shall mean an amount equal to the difference  
3     between the Commonwealth's appropriations for community college  
4     capital projects debt service allocated to all Pennsylvania  
5     community colleges in Fiscal Year 2007-2008 and the amount  
6     appropriated for community college capital projects debt service  
7     allocated to all Pennsylvania community colleges in the fiscal  
8     year at issue.

9     Section 3. This act shall take effect immediately.