

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 700 Session of 2019

INTRODUCED BY BROWNE, SCARNATI, CORMAN, LANGERHOLC, AUMENT, COSTA, HUGHES, DINNIMAN, BREWSTER, GORDNER, FOLMER, TOMLINSON, DISANTO, L. WILLIAMS, ARGALL, MARTIN, KILLION, MENSCH, VOGEL, YAW, K. WARD, LAUGHLIN, PHILLIPS-HILL, SCAVELLO, SCHWANK, SANTARSIERO, BLAKE, LEACH, COLLETT, TARTAGLIONE, BROOKS, REGAN, STEFANO, BOSCOLA, KEARNEY, BAKER, BARTOLOTTA, FONTANA, J. WARD, FARNESE, A. WILLIAMS, SABATINA, YUDICHAK, IOVINO, MUTH, STREET, HAYWOOD, PITTMAN AND MASTRIANO, JUNE 3, 2019

AS RE-REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, AS AMENDED, JUNE 25, 2019

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," ESTABLISHING THE PUBLIC HIGHER <--
6 EDUCATION FUNDING COMMISSION; providing for construction and
7 renovation of buildings by school entities; and establishing
8 a grant program for maintenance projects.

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

11 Section 1. The act of March 10, 1949 (P.L.30, No.14), known
12 as the Public School Code of 1949, is amended by adding an <--
13 ~~article~~ ARTICLES to read: <--

ARTICLE XX-I <--

MISCELLANEOUS PROVISIONS RELATING TO

INSTITUTIONS OF HIGHER EDUCATION

1 SECTION 2001-I. PUBLIC HIGHER EDUCATION FUNDING COMMISSION.

2 (A) ESTABLISHMENT.--THE PUBLIC HIGHER EDUCATION FUNDING  
3 COMMISSION IS ESTABLISHED.

4 (B) DUTIES.--THE COMMISSION SHALL REVIEW AND MAKE  
5 RECOMMENDATIONS RELATED TO HIGHER EDUCATION FUNDING,  
6 AFFORDABILITY AND EFFECTIVENESS AND ADMINISTRATION AND  
7 OPERATIONS AS PROVIDED IN THIS SECTION.

8 (C) MEMBERSHIP.--

9 (1) THE COMMISSION SHALL CONSIST OF THE FOLLOWING  
10 MEMBERS:

11 (I) THE CHAIR AND MINORITY CHAIR OF THE  
12 APPROPRIATIONS COMMITTEE OF THE SENATE AND THE CHAIR AND  
13 MINORITY CHAIR OF THE EDUCATION COMMITTEE OF THE SENATE.

14 (II) THE CHAIR AND MINORITY CHAIR OF THE  
15 APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES  
16 AND THE CHAIR AND MINORITY CHAIR OF THE EDUCATION  
17 COMMITTEE OF THE HOUSE OF REPRESENTATIVES.

18 (III) TWO LEGISLATORS FROM EACH OF THE FOUR  
19 LEGISLATIVE CAUCUSES, TO BE APPOINTED BY THE PRESIDENT  
20 PRO TEMPORE OF THE SENATE AND THE SPEAKER OF THE HOUSE OF  
21 REPRESENTATIVES IN CONSULTATION WITH THE MAJORITY LEADER  
22 AND MINORITY LEADER OF THE SENATE AND THE MAJORITY LEADER  
23 AND MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES.

24 (IV) THE SECRETARY OF EDUCATION.

25 (V) THE DEPUTY SECRETARY FOR POSTSECONDARY AND  
26 HIGHER EDUCATION.

27 (VI) AN INDIVIDUAL FROM THE ADMINISTRATION APPOINTED  
28 BY THE GOVERNOR.

29 (2) THE COMMISSION SHALL APPOINT A MEMBER TO SERVE AS  
30 CHAIR OF THE COMMISSION.

1 (D) MEETINGS.--

2 (1) THE COMMISSION SHALL HOLD ITS FIRST MEETING WITHIN  
3 45 DAYS OF THE EFFECTIVE DATE OF THIS SECTION, REGARDLESS OF  
4 WHETHER ALL LEGISLATIVE CAUCUSES HAVE APPROVED MEMBERS TO THE  
5 COMMISSION.

6 (2) THE COMMISSION SHALL HOLD MEETINGS AT THE CALL OF  
7 THE CHAIR.

8 (E) PAYMENTS TO MEMBERS.--THE MEMBERS MAY NOT RECEIVE  
9 COMPENSATION FOR THEIR SERVICES, BUT SHALL BE REIMBURSED FOR ALL  
10 NECESSARY TRAVEL AND OTHER REASONABLE EXPENSES INCURRED IN  
11 CONNECTION WITH THE PERFORMANCE OF THEIR DUTIES AS MEMBERS OF  
12 THE COMMISSION.

13 (F) ADMINISTRATIVE SUPPORT.--THE GENERAL ASSEMBLY SHALL  
14 PROVIDE ADMINISTRATIVE SUPPORT, MEETING SPACE AND ANY OTHER  
15 ASSISTANCE REQUIRED BY THE COMMISSION TO CARRY OUT ITS DUTIES  
16 UNDER THIS SECTION IN COOPERATION WITH THE DEPARTMENT. THE  
17 DEPARTMENT SHALL PROVIDE THE COMMISSION WITH DATA, RESEARCH AND  
18 OTHER INFORMATION UPON REQUEST BY THE COMMISSION.

19 (G) COOPERATION FROM PUBLIC INSTITUTIONS OF HIGHER EDUCATION  
20 AND AGENCY.--THE PUBLIC INSTITUTIONS OF HIGHER EDUCATION AND THE  
21 AGENCY SHALL PROVIDE MEETING SPACE AND ANY OTHER ASSISTANCE  
22 REQUIRED BY THE COMMISSION TO CARRY OUT ITS DUTIES UNDER THIS  
23 SECTION. THE PUBLIC INSTITUTIONS OF HIGHER EDUCATION AND THE  
24 AGENCY SHALL PROVIDE THE COMMISSION WITH DATA, RESEARCH AND  
25 OTHER INFORMATION UPON REQUEST OF THE CHAIRMAN.

26 (H) HIGHER EDUCATION FUNDING FORMULA.--THE COMMISSION SHALL  
27 DEVELOP A HIGHER EDUCATION FUNDING FORMULA AND IDENTIFY FACTORS  
28 THAT MAY BE USED TO DETERMINE THE DISTRIBUTION OF FUNDING AMONG  
29 THE PUBLIC INSTITUTIONS OF HIGHER EDUCATION. THE FACTORS  
30 IDENTIFIED UNDER THIS SUBSECTION MAY INCLUDE ALL OF THE

1 FOLLOWING:

2 (1) GOALS FOR HIGHER EDUCATION.

3 (2) GOALS FOR HIGHER EDUCATION COMPLETION AND  
4 ATTAINMENT.

5 (3) THIS COMMONWEALTH'S HIGHER EDUCATION NEEDS.

6 (4) THE AFFORDABILITY OF HIGHER EDUCATION FOR RESIDENTS  
7 OF THIS COMMONWEALTH.

8 (5) RESIDENT AND NONRESIDENT UNDERGRADUATE AND GRADUATE  
9 ENROLLMENTS.

10 (6) GRADUATION RATES.

11 (7) RETENTION RATES.

12 (8) TIME TO DEGREE, INCLUDING ASSOCIATE'S DEGREES AND  
13 BACHELOR'S DEGREES.

14 (9) COST PER DEGREE, INCLUDING TUITION AND FEES.

15 (10) OPERATIONAL COST PER FULL-TIME STUDENT.

16 (11) STUDENT DEBT, INCLUDING DEBT OF GRADUATES AND  
17 NONCOMPLETERS.

18 (12) STUDENT FINANCIAL AID, INCLUDING PROGRAMS  
19 ADMINISTERED BY THE AGENCY ON BEHALF OF THE COMMONWEALTH.

20 (13) JOB PLACEMENT AFTER GRADUATION.

21 (14) ENTRY LEVEL WAGES.

22 (15) DEGREES GRANTED IN OCCUPATIONS THAT WILL ALIGN WITH  
23 THE COMMONWEALTH'S LONG-TERM ECONOMIC NEEDS.

24 (16) UTILIZATION OF EXISTING EDUCATIONAL PROGRAMS AND  
25 FACILITIES.

26 (17) TRANSFER AND ARTICULATION OF CREDITS BETWEEN PUBLIC  
27 INSTITUTIONS OF HIGHER EDUCATION.

28 (18) INSTITUTIONAL MISSION, INCLUDING METRICS THAT  
29 REFLECT DIFFERENCES IN THE MISSIONS BETWEEN INSTITUTIONS AND  
30 THE DIFFERENCES BETWEEN TWO-YEAR AND FOUR-YEAR INSTITUTIONS.

1           (19) THE APPROPRIATE LEVEL OF RECURRING STATE SUPPORT TO  
2 MAINTAIN OPERATIONS.

3           (20) THE APPROPRIATE LEVEL OF FORMULA DRIVEN FUNDING TO  
4 INCENTIVIZE SUCCESS.

5           (21) THE ACCESS, ENROLLMENT AND OUTCOMES OF  
6 UNDERREPRESENTED POPULATIONS, INCLUDING, BUT NOT LIMITED TO,  
7 LOW-INCOME STUDENTS, FIRST-GENERATION STUDENTS, RURAL  
8 STUDENTS, ADULT STUDENTS, VETERANS AND STUDENTS OF COLOR.

9           (22) COMPARISONS OF THE FACTORS CONTAINED IN THIS  
10 SECTION WITH THOSE FACTORS FOR PRIVATE INSTITUTIONS OF HIGHER  
11 EDUCATION THAT ARE LOCATED INSIDE AND OUTSIDE THIS  
12 COMMONWEALTH, WHEN AVAILABLE.

13           (23) OTHER FACTORS RELATED TO HIGHER EDUCATION AND THE  
14 DISTRIBUTION OF HIGHER EDUCATION FUNDING THAT THE COMMISSION  
15 DEEMS APPROPRIATE.

16           (I) ADDITIONAL POWERS AND DUTIES.--THE COMMISSION SHALL HAVE  
17 ALL OF THE FOLLOWING POWERS AND DUTIES:

18           (1) REVIEW AND MAKE FINDINGS AND RECOMMENDATIONS RELATED  
19 TO HIGHER EDUCATION FUNDING IN THIS COMMONWEALTH.

20           (2) CONSULT WITH AND UTILIZE EXPERTS TO ASSIST THE  
21 COMMISSION IN CARRYING OUT THE DUTIES UNDER THIS SUBSECTION.

22           (3) RECEIVE INPUT FROM INTERESTED PARTIES, INCLUDING,  
23 BUT NOT LIMITED TO, PUBLIC INSTITUTIONS OF HIGHER EDUCATION.

24           (4) HOLD PUBLIC HEARINGS IN DIFFERENT REGIONS OF THIS  
25 COMMONWEALTH.

26           (5) REVIEW AND CONSIDER HIGHER EDUCATION FUNDING  
27 FORMULAS AND FACTORS UTILIZED THROUGHOUT THE UNITED STATES.

28           (6) IN IDENTIFYING THE HIGHER EDUCATION FUNDING FACTORS  
29 UNDER SUBSECTION (H) AND IN COMPLETING THE REPORT REQUIRED  
30 UNDER THIS SUBSECTION, CONSIDER THE IMPACT THESE FACTORS MAY

1 HAVE ON THE DISTRIBUTION OF HIGHER EDUCATION FUNDING AMONG  
2 THE PUBLIC INSTITUTIONS OF HIGHER EDUCATION.

3 (7) REVIEW THE ADMINISTRATION AND OPERATION OF STATE AND  
4 REGIONAL HIGHER EDUCATION PROGRAMS AND SERVICES, INCLUDING  
5 THE PUBLIC INSTITUTIONS OF HIGHER EDUCATION AND THE AGENCY TO  
6 DETERMINE IF COST SAVINGS FOR THE COMMONWEALTH AND ITS  
7 STUDENTS MAY BE ACHIEVED AND MAKE RECOMMENDATIONS TO  
8 IMPLEMENT SAVINGS AND EFFICIENCIES.

9 (8) REVIEW THE ADMINISTRATION AND OPERATIONS OF STATE  
10 AND REGIONAL HIGHER EDUCATION PROGRAMS AND SERVICES,  
11 INCLUDING THE PUBLIC INSTITUTIONS OF HIGHER EDUCATION AND THE  
12 AGENCY, AND MAKE RECOMMENDATIONS REGARDING ADMINISTRATION AND  
13 OPERATIONS.

14 (9) PRIOR TO RECOMMENDING A HIGHER EDUCATION FUNDING  
15 FORMULA UNDER THIS SECTION, CONSIDER THE POTENTIAL  
16 CONSEQUENCES OF A HIGHER EDUCATION FUNDING FORMULA THAT DOES  
17 NOT ALLOCATE TO EACH PUBLIC INSTITUTION OF HIGHER EDUCATION  
18 AT LEAST THE SAME LEVEL OR PROPORTION OF STATE FUNDING AS THE  
19 INSTITUTION RECEIVED IN THE PRIOR FISCAL YEAR.

20 (10) PRIOR TO RECOMMENDING A HIGHER EDUCATION FUNDING  
21 FORMULA UNDER THIS SECTION, CONSIDER NATIONALLY ACCEPTED  
22 ACCOUNTING AND BUDGETING STANDARDS.

23 (11) DEVELOP A PROPOSED HIGHER EDUCATION FUNDING FORMULA  
24 AND FACTORS PURSUANT TO SUBSECTION (H).

25 (12) DRAFT PROPOSED LEGISLATION BASED ON THE  
26 COMMISSION'S FINDINGS.

27 (13) ISSUE A REPORT OF THE COMMISSION'S FINDINGS AND  
28 RECOMMENDATIONS TO THE GOVERNOR, THE PRESIDENT PRO TEMPORE OF  
29 THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE  
30 MAJORITY LEADER AND MINORITY LEADER OF THE SENATE, THE

1 MAJORITY LEADER AND MINORITY LEADER OF THE HOUSE OF  
2 REPRESENTATIVES, THE SECRETARY OF EDUCATION AND THE STATE  
3 BOARD OF EDUCATION, THE APPROPRIATIONS COMMITTEE OF THE  
4 SENATE, THE APPROPRIATIONS COMMITTEE OF THE HOUSE OF  
5 REPRESENTATIVES, THE EDUCATION COMMITTEE OF THE SENATE AND  
6 THE EDUCATION COMMITTEE OF THE HOUSE OF REPRESENTATIVES NOT  
7 LATER THAN ONE YEAR AFTER THE EFFECTIVE DATE OF THIS SECTION.

8 (J) EFFECTIVE DATE OF HIGHER EDUCATION FUNDING FORMULA.--THE  
9 HIGHER EDUCATION FUNDING FORMULA DEVELOPED BY THE COMMISSION  
10 SHALL NOT GO INTO EFFECT UNLESS THE FORMULA IS APPROVED BY AN  
11 ACT OF THE GENERAL ASSEMBLY ENACTED AFTER THE EFFECTIVE DATE OF  
12 THIS SECTION.

13 (K) CONTINUATION OF COMMISSION.--EVERY FIVE YEARS THE  
14 COMMISSION SHALL BE RECONSTITUTED IN ACCORDANCE WITH SUBSECTION  
15 (C) AND SHALL MEET AND HOLD PUBLIC HEARINGS TO REVIEW THE  
16 OPERATION OF THE HIGHER EDUCATION FUNDING PROVISIONS OF THIS  
17 SECTION AND SHALL MAKE A FURTHER REPORT AND ISSUE THE REPORT TO  
18 THE RECIPIENTS LISTED IN SUBSECTION (I) (13).

19 (L) LEVEL OF STATE FUNDING THROUGH APPROPRIATIONS.--THE  
20 GENERAL ASSEMBLY SHALL, THROUGH THE ANNUAL APPROPRIATIONS  
21 PROCESS, DETERMINE THE LEVEL OF STATE FUNDING FOR PUBLIC  
22 INSTITUTIONS OF HIGHER EDUCATION.

23 (M) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING  
24 WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS  
25 SUBSECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

26 "AGENCY." THE PENNSYLVANIA HIGHER EDUCATION ASSISTANCE  
27 AGENCY.

28 "COMMISSION." THE PUBLIC HIGHER EDUCATION FUNDING COMMISSION  
29 ESTABLISHED UNDER THIS SECTION.

30 "DEPARTMENT." THE DEPARTMENT OF EDUCATION OF THE

1 COMMONWEALTH.

2 "PUBLIC INSTITUTION OF HIGHER EDUCATION." ANY OF THE  
3 FOLLOWING:

4 (1) A COMMUNITY COLLEGE OPERATING UNDER ARTICLE XIX-A OF  
5 THE ACT OF MARCH 10, 1949 (P.L.30, NO.14), KNOWN AS THE  
6 PUBLIC SCHOOL CODE OF 1949.

7 (2) A RURAL REGIONAL COLLEGE ESTABLISHED UNDER ARTICLE  
8 XIX-G OF THE PUBLIC SCHOOL CODE OF 1949.

9 (3) A UNIVERSITY WITHIN THE STATE SYSTEM OF HIGHER  
10 EDUCATION UNDER ARTICLE XX-A OF THE PUBLIC SCHOOL CODE OF  
11 1949.

12 (4) A STATE-RELATED INSTITUTION AS DEFINED IN SECTION  
13 2001-C OF THE PUBLIC SCHOOL CODE OF 1949.

14 (5) THE THADDEUS STEVENS COLLEGE OF TECHNOLOGY.

15 (6) THE PENNSYLVANIA COLLEGE OF TECHNOLOGY.

16 ARTICLE XXVI-J

17 CONSTRUCTION AND RENOVATION OF BUILDINGS

18 BY SCHOOL ENTITIES

19 Section 2601-J. Definitions.

20 The following words and phrases when used in this article  
21 shall have the meanings given to them in this section unless the  
22 context clearly indicates otherwise:

23 "Adjustment factor." A fraction between zero and one  
24 established under this article.

25 "Base reimbursement amount." The State median structural  
26 cost per full-time equivalent student for completed school  
27 building projects receiving reimbursement calculated by the  
28 department for every five years prior to the effective date of  
29 this section and every five-year period thereafter.

30 "Department." The Department of Education of the



1 Commonwealth.

2 "Emergency." A deficiency in a school building that  
3 prohibits the school building or a portion of the building from  
4 being occupied or puts the health, safety or welfare of students <--  
5 at risk.

6 "Full-time equivalent building capacity." The sum of the  
7 products of the room capacity multiplied by the cost weighting  
8 factor for each of the building's rooms as follows:

9 (1) For a regular classroom that is instructional space  
10 with no specialized construction, the room capacity shall be  
11 25 and the cost weighting factor shall be one.

12 (2) For a prekindergarten or kindergarten classroom that  
13 is instructional space with no specialized construction, the  
14 room capacity shall be 25 and the cost weighting factor shall  
15 be one.

16 (3) For a special education classroom, the room capacity  
17 shall be 15 and the cost weighting factor shall be one.

18 (4) For an alternative education classroom, the room  
19 capacity shall be 20 and the cost weighting factor shall be  
20 one.

21 (5) For an art or music classroom, including a band  
22 room, orchestra room or choral room, the room capacity shall  
23 be 25 and the cost weighting factor shall be one and one-  
24 tenth.

25 (6) For a career and technical education classroom or  
26 television studio, the room capacity shall be 20 and the cost  
27 weighting factor shall be one and six-tenths.

28 (7) For a laboratory, including a science laboratory,  
29 business room, consumer science room or computer laboratory,  
30 the room capacity shall be 25 and the cost weighting factor

1 shall be one and three-tenths.

2 (8) For a library or gymnasium, including an auxiliary  
3 gymnasium, the room capacity shall be 50 and the cost  
4 weighting factor shall be one and four-tenths.

5 For the purpose of performing the full-time equivalent building  
6 capacity calculation, a planetarium, natatorium and  
7 administration building shall not be included.

8 "Program." The maintenance project grant program established  
9 under this article.

10 "Project." The construction of a new building, the addition  
11 to an existing building or the renovation of an existing  
12 building.

13 "School entity." A school district or career and technical  
14 center.

15 "Secretary." The Secretary of Education of the Commonwealth.

16 "Wealth factor." As follows:

17 (1) For a career and technical center, the market value  
18 aid ratio of the career and technical center.

19 (2) For a school district, the greater of the market  
20 value aid ratio of the school district or the result of the  
21 following calculation:

22 (i) Multiply the school district's median household  
23 income index under section 2502.53(d) (5) by the school  
24 district's local effort capacity index under section  
25 2502.53(c) (4).

26 (ii) Divide the State median of the products in  
27 subparagraph (i) by the school district's product in  
28 subparagraph (i).

29 (iii) Multiply the quotient in subparagraph (ii) by  
30 0.5 and subtract the product from 1.

1           (iv) Determine the greater of the product in  
2 subparagraph (iii) and 0.1500.

3           (v) If applicable, add the following amount to the  
4 amount determined under subparagraph (iv):

5                   (A) If the school district qualifies for the  
6 sparsity size adjustment under section 2502.53(c)(1)  
7 (vii), the amount of 0.1000.

8                   (B) If the school district qualifies for the  
9 concentrated poverty weight under section 2502.53(c)  
10 (1)(iv), the amount of 0.0500.

11 Section 2602-J. School construction and renovation approval  
12 process.

13       (a) General rule.--To be eligible to receive reimbursement  
14 from the Commonwealth for costs of a project, a school entity  
15 must receive appropriate approval from the department. To be  
16 eligible to receive approval, a school entity shall comply with  
17 the following process as developed and administered by the  
18 department in the order prescribed under this section:

19           (1) Part 1 - Project Justification.

20                   (i) The school entity must first submit an  
21 application containing the following to the department  
22 pursuant to the requirements developed by the department:

23                           (A) The summary page from a school entity-wide  
24 facility study that is not more than five years old.

25                           (B) A school board resolution approving the  
26 project.

27                           (C) The educational specifications of the  
28 project.

29                           (D) A design overview, drawings and scheduled  
30 area floor plan for the project.

- 1                   (E) A site plan for the project.
- 2                   (F) Preliminary materials required under section  
3                   701.1.
- 4                   (ii) To approve a school entity's application under  
5                   this paragraph, the department shall:
- 6                   (A) Verify compliance with the school entity's  
7                   facility study.
- 8                   (B) Verify receipt of the school board  
9                   resolution approving the project.
- 10                  (C) Assess whether the project meets educational  
11                  specifications and enrollment needs.
- 12                  (D) Review the project's compliance with section  
13                  701.1.
- 14                  (E) Calculate the project's preliminary  
15                  reimbursement amount.
- 16                  (F) Verify compliance with subsection (b).
- 17                  (2) Part 2 - Construction Documents.
- 18                  (i) The school entity must submit an application  
19                  containing the following to the department pursuant to  
20                  the requirements developed by the department:
- 21                  (A) Evidence of the school entity's intent to  
22                  award contracts.
- 23                  (B) Materials required under section 701.1.
- 24                  (C) Bid and construction documents for the  
25                  project.
- 26                  (D) Notice of the intent to award bids and bid  
27                  outcome materials for the project.
- 28                  (E) Confirmation of the project's compliance  
29                  with the requirements of other agencies.
- 30                  (F) The project's updated scheduled area floor

1           plan.

2           (ii) To approve a school entity's application under  
3 this paragraph, the department shall:

4           (A) Review bid and construction documents for  
5 the project.

6           (B) Review the project's compliance with section  
7 701.1.

8           (C) Confirm decisions of bids received for each  
9 bid event for the project.

10          (D) Approve the project's construction documents  
11 before contracts are signed as a condition of  
12 reimbursement.

13          (E) Confirm the project has complied with the  
14 requirements of other agencies.

15          (F) Review the project's updated scheduled area  
16 floor plan and the school entity's enrollment.

17          (G) Calculate the project's final reimbursement  
18 amount.

19 (3) Part 3 - Project Bid Awards.

20          (i) The school entity must submit an application  
21 containing the following to the department pursuant to  
22 the requirements developed by the department:

23          (A) Evidence of the school board's approval of  
24 signed contracts.

25          (B) Contractor certifications for the project.

26          (C) Final bid tabulations for the project.

27          (D) An application for reimbursement for the  
28 project under section 2606-J.

29          (ii) To approve a school entity's application under  
30 this paragraph and begin reimbursement to the school

1 entity under section 2606-J, the department shall:

2 (A) Assess the project's cost accounting based  
3 on the actual bids.

4 (B) Review the project's compliance with  
5 subsection (b).

6 (C) Review the project's compliance with section  
7 701.1.

8 (D) Review the project's application for  
9 reimbursement to the school entity under section  
10 2606-J.

11 (4) Part 4 - Project Completion.

12 (i) The school entity must submit an application  
13 containing the following to the department pursuant to  
14 the requirements developed by the department:

15 (A) Within one year of occupancy, an independent  
16 audit of the project that may correspond with the  
17 school entity's annual audit.

18 (B) Attestation of the project's compliance with  
19 section 701.1.

20 (ii) To approve a school entity's application under  
21 this paragraph, the department shall:

22 (A) Review the project's final costs pursuant to  
23 the independent audit.

24 (B) Review the project's compliance with section  
25 701.1.

26 (b) Additions to and renovations of existing buildings.--  
27 Unless the secretary grants an exception, the department may not  
28 approve the following for school construction reimbursement:

29 (1) An addition to or renovation of an existing school  
30 building where a previous reimbursable construction project

1 occurred at the school building within 20 years of the  
2 current application.

3 (2) Renovation of an existing school building if the  
4 cost of the addition or renovation is less than 20% of the  
5 replacement value of the entire building.

6 (c) Internet-based application.--The department shall  
7 develop an Internet-based application to comply with the  
8 provisions of this section and provide for school entities to  
9 submit required documents electronically via the Internet.

10 (d) (Reserved).

11 (e) Project information.--The department shall maintain the  
12 information submitted and reviewed under this section in an  
13 electronic format and make project information available  
14 electronically to the applicant school entity.

15 (f) (Reserved).

16 Section 2603-J. High-performance building standards.

17 (a) Recognition of standards.--

18 (1) The secretary shall recognize the United States  
19 Green Building Council's Leadership in Energy and  
20 Environmental Design green building rating system or two,  
21 three or four Globes under the Green Building Initiative's  
22 Green Globes Green Building Rating System as high-performance  
23 building standards and the department shall use the standards  
24 in the administration of this article.

25 (2) The secretary may recognize other high-performance  
26 building standards, in addition to those under paragraph (1),  
27 that meet or exceed the standards outlined under paragraph  
28 (1).

29 (3) The department shall use only the recognized  
30 standards provided for in this section in the administration

1 of this article.

2 (4) Prior to recognizing a high-performance building  
3 standard under paragraph (2), the secretary shall transmit  
4 notice to the Legislative Reference Bureau for publication in  
5 the Pennsylvania Bulletin and on the department's publicly  
6 accessible Internet website 90 days prior to recognizing the  
7 new standard.

8 (b) Reimbursement enhancement.--

9 (1) A school entity that utilizes the high-performance  
10 building standards for a project under subsection (a) and  
11 satisfies the requirement under paragraph (2) shall receive a  
12 10% increase above the amount calculated under section 2606-  
13 J.

14 (2) For a school entity to receive the reimbursement  
15 incentive for a project under paragraph (1), the school  
16 entity must provide the department with a projection showing  
17 a positive return on investment over the building's lifetime  
18 for utilizing the high-performance building standards when  
19 compared to regular construction practices.

20 (3) The department shall develop standards and a  
21 process, in coordination with the application process in  
22 section 2602-J, for awarding an enhanced reimbursement for  
23 compliance with high-performance building standards.

24 Section 2604-J. Maintenance program.

25 (a) Grant program to be established.--The department shall  
26 establish a maintenance project grant program to support school  
27 entity maintenance projects.

28 (b) Eligibility.--Maintenance projects that are eligible for  
29 grants under this section shall include the following:

30 (1) Roof repairs and roof replacement.



- 1       (2) Heating, ventilation and air conditioning equipment.
- 2       (3) Boilers and controls.
- 3       (4) Plumbing systems.
- 4       (5) Energy savings projects.
- 5       (6) Health and safety upgrades.
- 6       (7) Emergencies.
- 7       (8) Other projects approved by the secretary.

8       (c) Application process.--The department shall develop a  
9 process through which school entities may submit applications  
10 for grant awards.

11       (d) Funding rubric.--The department shall develop a rubric  
12 to prioritize grant awards under this section. The rubric shall  
13 consider the following:

- 14           (1) School entity wealth.
- 15           (2) Prior receipt of grant awards.
- 16           (3) Building conditions.
- 17           (4) Emergencies.
- 18           (5) Safety and security.

19       (e) Local match required.--

20           (1) A school entity shall provide a 50% match for each  
21 grant awarded.

22           (2) No matching funds shall be required for a project  
23 that is determined by the secretary to be an emergency.

24       (f) Limitation on grant award.--

25           (1) No grant award for a maintenance project may exceed  
26 \$1,000,000.

27           (2) No school entity may receive an annual allocation of  
28 grants that exceeds 20% of the funds available under the  
29 program.

30       (g) Funding.--

1           (1) The program shall be funded from a set-aside equal  
2 to 25% of the appropriation for school building projects  
3 annually under this article.

4           (2) No less than 20% of the funds allocated to the  
5 program under paragraph (1) shall be awarded to projects that  
6 enhance school building safety and security.

7           (3) In any fiscal year when funds are available for  
8 grants under the program as provided in paragraph (1), the  
9 department shall allocate 50% of the set-aside for grants by  
10 December 31 and the other 50% of the set-aside for grants not  
11 later than June 30 of that fiscal year.

12       (h) Transmission of information to General Assembly.--The  
13 department shall annually transmit grant award information to  
14 the Appropriations Committee of the Senate and the  
15 Appropriations Committee of the House of Representatives,  
16 including grant amounts and scoring from the rubric under  
17 subsection (d).

18 Section 2605-J. Building condition assessments.

19       (a) Duties of department.--

20           (1) The department shall develop guidelines for school  
21 entities to voluntarily report information related to school  
22 building safety, inventory and condition. The guidelines  
23 shall include a building condition assessment to be  
24 voluntarily completed every 10 years for school entities that  
25 includes, but is not limited to, a projection of costs to  
26 maintain and renovate existing school buildings.

27           (2) The department shall post completed building  
28 condition assessments on the department's publicly accessible  
29 Internet website.

30           (3) The department shall provide additional points under

1 the funding rubric contained in section 2604-J(d) for grants  
2 applied for by school entities that complete building  
3 condition assessments.

4 (b) Completion incentive.--A school entity that completes a  
5 building condition assessment shall receive a 2% increase above  
6 the amount calculated under section 2606-J. The department shall  
7 develop a process, in coordination with the application process  
8 in section 2602-J, for awarding an enhanced reimbursement for  
9 completing a building condition assessment.

10 Section 2606-J. Project reimbursement.

11 (a) General rule.--The Commonwealth shall reimburse a school  
12 entity that receives department approval on an application under  
13 section 2602-J(a) (3) by the amount calculated as follows:

14 (1) Multiply the base reimbursement amount by the  
15 adjustment factor.

16 (2) Multiply the product under paragraph (1) by the  
17 lesser of the project's enrollment and full-time equivalent  
18 building capacity.

19 (3) Multiply the product under paragraph (2) by the  
20 school entity's wealth factor.

21 (b) Limitation.--The maximum payment under this section  
22 shall not exceed 65% of a project's structural cost.

23 (c) Installment payments.--A school entity shall receive  
24 equal payments over 20 years totaling the amount determined for  
25 reimbursement under subsections (a) and (b).

26 (d) Adjustment factor.--Beginning July 1, 2020, the  
27 adjustment factor shall be zero.

28 Section 2607-J. School entity education.

29 The Department of Labor and Industry shall make information  
30 available to school entities to help them understand the

1 difference between "public work" and "maintenance work" based on  
2 industry standards and the act of August 15, 1961 (P.L.987,  
3 No.442), known as the Pennsylvania Prevailing Wage Act.

4 Section 2608-J. Applicability.

5 This article shall apply to projects for which approval and  
6 reimbursement is sought after the effective date of this  
7 section.

8 Section 2609-J. Guidelines.

9 The department shall issue guidelines for the administration  
10 of this article not later than March 31, 2020.

11 Section 2. This act shall take effect as follows:

12 (1) The addition of ARTICLE XX-I AND section 2602-J(c) <--  
13 of the act and this section shall take effect immediately.

14 (2) The remainder of this act shall take effect July 1,  
15 2020, or immediately, whichever is later.