

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2124 Session of
2014

INTRODUCED BY GROVE, DeLUCA, LUCAS, BAKER, DUNBAR, WATSON,
AUMENT, PEIFER, TALLMAN, GINGRICH, MILNE, TOOHL, EVERETT,
ENGLISH, BOBACK, CUTLER, SWANGER, GREINER, GABLER, MARSHALL,
SAYLOR, GODSHALL, MAJOR, ROCK, MAHER, CLYMER, TOBASH, MOUL,
BENNINGHOFF AND QUINN, MARCH 25, 2014

AS REPORTED FROM COMMITTEE ON EDUCATION, HOUSE OF
REPRESENTATIVES, AS AMENDED, APRIL 30, 2014

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 approval by Department of Education of plans,
7 etc. of buildings and exceptions; providing for
8 accountability and reducing costs in construction process;
9 further providing for limitation on new applications for
10 Department of Education approval of school building projects;
11 ~~providing for interest on delayed reimbursements; providing~~
12 ~~for interest on delayed reimbursement; and,~~ in reimbursements
13 by Commonwealth and between school districts, further
14 providing for definitions, for approved reimbursable rental
15 for leases hereafter approved and approved reimbursable
16 sinking fund charges on indebtedness, for payments on account
17 of leases hereafter approved and on account of sinking fund
18 charges on indebtedness for school buildings hereafter
19 constructed and for payments on account of building costs;
20 and providing for lump sum reimbursement for construction or
21 reconstruction.

22 The General Assembly finds and declares that:

23 (1) Recognizing challenges have developed and escalated
24 over a period of years in the process of Commonwealth
25 reimbursement for public school construction and



1 reconstruction, which have caused delays in approvals by the
2 Department of Education for reimbursement payments owed to
3 school districts throughout this Commonwealth as well as the
4 limitation on school district submission of new applications
5 for Commonwealth reimbursement, and acknowledging that these
6 challenges were born of an antiquated, complex and overly
7 burdensome administrative process, as well as financially
8 unsustainable Commonwealth construction and reconstruction
9 reimbursement obligations, it is a matter of high priority
10 that these challenges be addressed.

11 (2) Therefore, it is the intent of the General Assembly
12 to reform the existing process of Commonwealth reimbursement
13 for public school construction and reconstruction to ensure
14 that a modern, simplified and financially sustainable process
15 is instituted.

16 The General Assembly of the Commonwealth of Pennsylvania
17 hereby enacts as follows:

18 Section 1. Section 731 of the act of March 10, 1949 (P.L.30,
19 No.14), known as the Public School Code of 1949, amended June
20 27, 1973 (P.L.75, No.34), is amended to read:

21 Section 731. Approval by Department of Plans, etc., of
22 Buildings; Exceptions.--(a) The Department of Education, with
23 respect to construction or reconstruction of public school
24 buildings, shall have the power and its duties shall be:

25 (1) To review all projects, plans and specifications for
26 school building construction or reconstruction, and to make
27 recommendations thereon to the General Assembly and the
28 Governor: Provided, however, That approval of the Department of
29 Education shall not be required for projects, plans and
30 specifications for school construction projects for which



1 reimbursement from the Commonwealth is not requested;

2 (2) To assist school districts in preplanning construction
3 and reconstruction projects, and offer such architectural,
4 engineering and financial advice as will enable the project to
5 comply with the standards prescribed by the State Board of
6 Education;

7 (3) To hold hearings on any or all projects and subpoena
8 witnesses, administer oaths, take testimony and compel the
9 production of documents relevant to any investigation;

10 (4) To act as liaison between the public, local school
11 officials, the General Assembly, and the Governor on school
12 building construction and reconstruction projects;

13 (5) To receive and investigate complaints from the public or
14 other source concerning any school building construction or
15 reconstruction project;

16 (6) To conduct investigations on any phase of school
17 building construction or reconstruction projects.

18 (7) To provide for an electronic database on its publicly
19 accessible Internet website for the purpose of providing public
20 access to information on public school construction and
21 reconstruction projects, building purchases and charter school
22 lease reimbursements submitted for the approval of, or approved
23 by, the Department of Education. The electronic database shall
24 indicate the date each application for reimbursement was
25 submitted to the Department of Education and the date of
26 approval for each step of the reimbursement process as outlined
27 in section 731.2 of this act.

28 (b) The Department of Education shall employ engineers,
29 architects, financial advisors, and such other staff personnel
30 as may be necessary for the proper performance of the duties of



1 the Department with respect to construction or reconstruction of
2 public school buildings.

3 (c) No public school building shall be contracted for,
4 constructed, or reconstructed, in any school district of the
5 second, third, or fourth class until the plans and
6 specifications therefor have been approved by the Department of
7 Education[.

8 When ordinary repairs are proposed, such as plastering,
9 painting, replacement of floors, improvement of school grounds,
10 repairing or providing walks, roadways or retaining walls, the
11 cost of which in districts of the second class or in districts
12 of the third and fourth class will not exceed fifteen thousand
13 dollars (\$15,000) per building, no approval shall be required.
14 Where any structural change is involved, such as moving or
15 adding doors, windows, partitions, making additions or any
16 excavations, or any work which may affect the safety or health
17 of the pupils, or any work which comes under the jurisdiction of
18 another department of the Commonwealth, approval of the
19 Department of Education shall be required regardless of the cost
20 of such structural change.];

21 Provided, however, That approval of the Department of Education
22 shall not be required for projects, plans and specifications for
23 school construction projects for which reimbursement from the
24 Commonwealth is not requested.

25 (d) No school building shall be purchased by any school
26 district until such purchase shall have been approved by the
27 Department of Education. Such approval shall not be given unless
28 the school building to be purchased and any approved structural
29 changes or renovations meet the standards required to operate
30 public school buildings of a similar age currently in use in the



Commonwealth.

(e) A new school building construction or reconstruction project approved by the Department of Education for reimbursement under this act shall comply with the provisions of the act of August 15, 1961 (P.L.987, No.442), known as the Pennsylvania Prevailing Wage Act.

(f) For the 2014-2015 fiscal year and thereafter, a new school building construction or reconstruction project application shall include documentation that each contractor or firm performing work participates in an active apprenticeship program which is currently registered with and approved by the United States Department of Labor or the Pennsylvania Apprenticeship and Training Council for each separate trade or classification for which it is performing work on that project and which has an apprentice currently registered or graduated within the previous 12 months.

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

Section 731.2. Accountability and Reducing Costs in Construction Process.--(a) No later than July 1, 2015, the department shall develop and implement a process, including standardized forms and procedures, which shall be used by school districts to apply for Commonwealth reimbursement for school construction and reconstruction projects and which shall be known as the Accountability and Reducing Costs in Construction Process. In developing the Accountability and Reducing Costs in Construction Process, the department shall separate the process into five (5) benchmark steps of department approval which shall be labeled one (1) through five (5) and shall minimally include the following:

(1) Step 1 shall consist of the following:



1 (i) project description;
2 (ii) project justification; and
3 (iii) a technical schematic design review conference with
4 the department.

5 (2) Step 2 shall consist of the following:

6 (i) site acquisition, if applicable to the project;
7 (ii) project accounting based on cost estimates; and
8 (iii) a conference with the department to review completed
9 construction documents, including bid specifications, drawings
10 for the project and documentation regarding the fulfillment of
11 State and local agency requirements.

12 (3) Step 3 shall consist of the following:

13 (i) project accounting based on costs for actual
14 construction bids for which contracts shall be awarded; and
15 (ii) project financing, including financing method and the
16 calculation of the temporary reimbursable percent for the
17 project. In calculating the temporary reimbursable percent, the
18 department shall factor in a ~~twenty (20)~~ FIVE (5) percentage
19 point reduction which shall be utilized until the calculation of
20 the permanent reimbursable percent is completed in Step 4.
21 Approval through Step 3 shall initiate project reimbursement
22 from the Commonwealth.

23 (4) Step 4 shall consist of the following:

24 (i) interim reporting of project modifications, including
25 the reporting of change orders and supplemental contracts; and
26 (ii) project accounting based on the final costs of a
27 project after completion of the following:
28 (A) construction of the project; and
29 (B) payment for all construction or reconstruction work,
30 unless the department has granted an exception.



The calculation of the permanent reimbursable percent for a project shall take place during Step 4.

(5) Step 5 shall consist of project refinancing, where applicable, to allow for the restructuring, refinancing or refunding of existing indebtedness.

(b) (1) Except as provided for in paragraph (2), school districts shall be reimbursed by the department in the order in which their projects received approval for Commonwealth reimbursement by the Department of Education.

(2) The Secretary of Education may prioritize the reimbursement of a school construction or reconstruction project of a school district declared to be in financial recovery status under Article VI-A of this act. Projects that are given priority under this paragraph shall be reimbursed before all other projects.

(c) (1) School districts shall develop a complete districtwide facility study of all district educational facilities, including the district administrative offices. The study shall be completed prior to, and within five (5) years of, the initial date of submission to the department of an application for Commonwealth reimbursement of a school construction or reconstruction project.

(2) The study shall provide an appraisal as to each facility's ability to meet current and planned education program requirements, the degree to which the present facilities meet reasonably current construction standards, and an estimated cost of necessary repairs and improvements.

(3) The study shall be submitted to the department along with an initial application for Commonwealth reimbursement of a school construction or reconstruction project.



1 (4) The department shall not grant to school districts any
2 exceptions, waivers or variances to the provisions of this
3 subsection.

4 (d) (1) In order to receive Commonwealth reimbursement for
5 the construction of a new building, a school district shall,
6 within Step 1 of the Accountability and Reducing Costs in
7 Construction Process provided for in subsection (a), complete
8 and submit to the department a cost-benefit analysis of the
9 project that compares the construction of the proposed new
10 building to the expansion or renovation of an existing building
11 for the same purpose.

12 (2) If the cost of a new building exceeds that of the
13 expansion or renovation of an existing building for the same
14 purpose, the school district shall only be eligible for
15 Commonwealth reimbursement for the new building if substantial
16 evidence is presented which demonstrates the necessity of a new
17 building and how a new building would better meet the needs of
18 the school district and its students than a building expansion
19 or renovation.

20 (3) A determination by the department that insufficient
21 evidence was provided to demonstrate the necessity of a new
22 building rather than a building expansion or renovation shall be
23 appealable by a school district under 2 Pa.C.S. (relating to
24 administrative law and procedure).

25 (4) The department shall not grant to school districts any
26 exceptions, waivers or variances to the provisions of this
27 subsection.

28 (e) (1) School districts shall not be eligible for
29 Commonwealth reimbursement of school construction or
30 reconstruction project costs for any existing building which is



1 less than thirty (30) years old or for which a Commonwealth
2 reimbursable project has been approved by the department within
3 the preceding thirty (30) years. The thirty (30) year period
4 between eligible Commonwealth reimbursable projects for a school
5 building shall be calculated from the bid opening date of the
6 previous Commonwealth reimbursable project to the bid opening
7 date of the proposed Commonwealth reimbursable project.

8 (2) The department shall not grant to school districts any
9 exceptions, waivers or variances to the provisions of this
10 subsection except in the case of an emergency. For the purposes
11 of this paragraph, an emergency shall include a natural
12 disaster, fire or flood, ~~FLOOD OR AN EXTRAORDINARY AND~~
13 ~~UNANTICIPATED INCREASE IN STUDENT ENROLLMENT~~ or flood.

14 (f) (1) School districts shall not be eligible for
15 Commonwealth reimbursement of school construction or
16 reconstruction project costs for any existing building where the
17 cost of expansion or renovation of the building, excluding costs
18 for building purchase, movable fixtures and equipment, asbestos
19 abatement, roof replacement, site development and architect
20 fees, is less than forty (40) percent of the replacement value
21 of the entire building.

22 (2) The provisions of this subsection shall not apply to
23 area vocational-technical school construction or reconstruction
24 projects.

25 (3) The department shall not grant to school districts any
26 exceptions, waivers or variances to the provisions of this
27 subsection.

28 (g) The department shall, where possible and appropriate,
29 automate the Accountability and Reducing Costs in Construction
30 Process to allow school districts to submit plans and documents.



1 relating to reimbursement for a school construction or
2 reconstruction project electronically.

3 (h) A school district shall not be required to submit any
4 school construction or reconstruction project plans, drawings,
5 bid specifications or other documents to the department on
6 microfilm as a condition of receiving Commonwealth reimbursement
7 for a construction or reconstruction project.

8 (i) A school district shall not be required to resubmit to
9 the department any completed plans, drawings, bid specifications
10 or other documents for a school construction or reconstruction
11 project for which the department received a completed ~~INITIAL~~
12 application by October 1, 2012, due to the implementation of
13 this section.

14 (j) Subsections (c), (d), (e) and (f) shall not apply to any
15 school construction or reconstruction project for which a
16 completed ~~INITIAL~~ school construction or reconstruction project
17 application was submitted to the department by October 1, 2012.

18 (k) No later than twelve (12) months after the effective
19 date of this section, the department shall develop such rules
20 and guidelines as may be necessary to implement this section:
21 Provided, however, That the department shall not create steps of
22 approval in addition to those provided for under subsection (a)
23 and shall not require more than one school board resolution at
24 each step.

25 (l) For the purposes of this section, the term "department"
26 shall mean the Department of Education of the Commonwealth.

27 Section 3. Section 732.1(b) of the act, amended July 9, 2013
28 (P.L.408, No.59), is amended to read and the section is amended
29 by adding a subsection to read:

30 Section 732.1. Limitation on New Applications for Department



1 of Education Approval of Public School Building Projects.--* * *

2 (b) (1) The Department of Education shall, in consultation
3 with school district officials and the General Assembly, conduct
4 a review of the Department of Education's current process
5 through which public school building projects are reviewed and
6 approved for Commonwealth reimbursement. The review shall
7 incorporate an analysis of impacting local factors, including,
8 but not limited to, tax effort and building requirements, and
9 shall make recommendations to the chair and minority chair of
10 the Appropriations Committee of the Senate, the chair and
11 minority chair of the Education Committee of the Senate, the
12 chair and minority chair of the Appropriations Committee of the
13 House of Representatives and the chair and minority chair of the
14 Education Committee of the House of Representatives by May 1,
15 2013. The Department of Education shall also conduct a Statewide
16 analysis of school facilities and future capital needs and shall
17 submit a preliminary report on that analysis by May 1, 2014.

18 (2) The Statewide analysis shall be completed and submitted
19 to the chairman and minority chairman of the Appropriations
20 Committee of the Senate, the chairman and minority chairman of
21 the Education Committee of the Senate, the chairman and minority
22 chairman of the Appropriations Committee of the House of
23 Representatives and the chairman and minority chairman of the
24 Education Committee of the House of Representatives no later
25 than May 1, 2015.

26 (c) (1) Any school district that began a school
27 construction or reconstruction project during the time in which
28 the Department of Education was not accepting or approving new
29 school construction and reconstruction project applications for
30 reimbursement pursuant to subsection (a) shall remain eligible



1 and may apply for Commonwealth reimbursement for those school
2 construction or reconstruction projects following the expiration
3 of the limitation provided for under subsection (a).

4 (2) No later than twelve (12) months after the effective
5 date of this section the department shall develop such rules and
6 guidelines as may be necessary to implement this subsection.

7 Section 4. The act is amended by adding a section to read:

8 Section 732.2. Interest on Delayed Reimbursement.--(a) Each
9 school district which has satisfactorily met all construction or
10 reconstruction reimbursement requirements established by this
11 act, 22 Pa. Code (relating to education) and the Department of
12 Education, has submitted all appropriate documentation to the
13 Department of Education necessary to receive approval for
14 reimbursement for a school construction or reconstruction
15 project and has not been approved for reimbursement after a
16 period of one (1) year following the last date of submission of
17 required documentation shall be eligible to receive interest on
18 the delayed reimbursement.

19 (b) The interest on delayed reimbursement shall be an amount
20 equal to the prime rate of interest, as listed in the first
21 edition of the Wall Street Journal published in the year,
22 multiplied by the total amount of construction or reconstruction
23 reimbursement for which the school district is eligible under
24 Article XXV of this act but has not received, calculated for
25 each year in which the school district does not receive
26 reimbursement.

27 (c) Interest payments on delayed reimbursement shall be
28 included in those payments made to a school district for
29 Commonwealth reimbursement of a construction or reconstruction
30 project when such payments commence.



Section 4. ~~The act is amended by adding a section to read:~~

~~Section 732.2. Interest on Delayed Reimbursement. (a) Each school district which has satisfactorily met all construction or reconstruction reimbursement requirements established by this act, Title 22 of the Pennsylvania Code and the Department of Education and which has submitted all appropriate documentation to the Department of Education necessary to receive approval for reimbursement for a school construction or reconstruction project and which has not been approved for reimbursement after a period of one (1) year following the last date of submission of required documentation, shall be eligible to receive interest on the delayed reimbursement.~~

~~(b) The interest on delayed reimbursement shall be an amount equal to the prime rate of interest, as listed in the first edition of the Wall Street Journal published in the year, multiplied by the total amount of construction or reconstruction reimbursement for which the school district is eligible under Article XXV of this act but has not received, calculated for each year in which the school district does not receive reimbursement.~~

~~(c) Interest payments on delayed reimbursement shall be included in those payments made to a school district for Commonwealth reimbursement of a construction or reconstruction project when such payments commence.~~

Section 5 ~~4~~ 5. Section 2501 of the act is amended by adding a definition to read:

Section 2501. Definitions.--For the purposes of this article the following terms shall have the following meanings:

* * *

(31) "Department." The Department of Education of the



1 Commonwealth.

2 ~~Section 6. Section 2574(b.1), (c.4) and (c.6) of the act,~~
3 ~~amended or added July 13, 2005 (P.L.226, No.46) and July 11,~~
4 ~~2006 (P.L.1092, No.114), are repealed:~~

5 ~~SECTION 5. SECTION 2574(B), (B.1), (C), (C.4) AND (C.6) OF~~
6 ~~THE ACT, AMENDED OR ADDED JUNE 12, 1968 (P.L.192, NO.96), JULY~~
7 ~~10, 1987 (P.L.286, NO.50), JULY 13, 2005 (P.L.226, NO.46) AND~~
8 ~~JULY 11, 2006 (P.L.1092, NO.114), ARE AMENDED AND THE SECTION IS~~
9 ~~AMENDED BY ADDING A SUBSECTION TO READ:~~

10 Section 6. Section 2574(b.1), (c.4) and (c.6) of the act,
11 amended or added July 13, 2005 (P.L.226, No.46) and July 11,
12 2006 (P.L.1092, No.114), are repealed:

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

16 ~~(B) FOR NEW SCHOOL BUILDINGS THE APPROVED BUILDING~~
17 ~~CONSTRUCTION COST SHALL BE THE LESSER OF~~

18 ~~(1) THE COST OF CONSTRUCTING THE SCHOOL BUILDINGS INCLUDING~~
19 ~~THE COST OF ESSENTIAL FIXTURES AND EQUIPMENT BUT EXCLUDING~~
20 ~~ARCHITECT'S FEES IN EXCESS OF SIX PER CENT (6%) OF THE CONTRACT~~
21 ~~PRICE, OR~~

22 ~~(2) THE PRODUCT OF THE RATED PUPIL CAPACITY AS DETERMINED BY~~
23 ~~THE DEPARTMENT OF PUBLIC INSTRUCTION AT THE TIME THE PROJECT IS~~
24 ~~APPROVED AND (I) ONE THOUSAND ONE HUNDRED DOLLARS (\$1100) IN THE~~
25 ~~CASE OF ELEMENTARY SCHOOLS, (II) ONE THOUSAND SEVEN HUNDRED~~
26 ~~DOLLARS (\$1700) IN THE CASE OF SECONDARY SCHOOLS, (III) AN~~
27 ~~AMOUNT IN THE CASE OF COMBINED ELEMENTARY SECONDARY SCHOOLS~~
28 ~~OBTAINED BY MULTIPLYING THE RATED ELEMENTARY PUPIL CAPACITY BY~~
29 ~~ONE THOUSAND ONE HUNDRED DOLLARS (\$1100) AND THE RATED SECONDARY~~
30 ~~PUPIL CAPACITY BY ONE THOUSAND SEVEN HUNDRED DOLLARS (\$1700) AND~~



~~DIVIDING THE SUM BY THE TOTAL RATED PUPIL CAPACITY.~~

~~(3) THE PROVISIONS OF CLAUSE (2) OF SUBSECTION (B) HEREOF SHALL APPLY TO ALL SCHOOL BUILDING PROJECTS FOR WHICH THE GENERAL CONSTRUCTION CONTRACT IS AWARDED PRIOR TO JULY 1, 1966, AND FOR APPROVED SCHOOL BUILDING PROJECTS FOR WHICH A LEASE WAS APPROVED BY THE DEPARTMENT OF PUBLIC INSTRUCTION PRIOR TO JULY 1, 1966. FOR SCHOOL BUILDINGS FOR WHICH THE GENERAL CONSTRUCTION CONTRACT IS AWARDED SUBSEQUENT TO JULY 1, 1966 AND FOR APPROVED SCHOOL BUILDING PROJECTS FOR WHICH THE GENERAL CONSTRUCTION CONTRACT WAS AWARDED BUT FOR WHICH A LEASE WAS NOT APPROVED BY THE DEPARTMENT OF PUBLIC INSTRUCTION PRIOR TO JULY 1, 1966, THE PRODUCT OF THE RATED PUPIL CAPACITY AS DETERMINED BY THE DEPARTMENT OF PUBLIC INSTRUCTION AT THE TIME THE PROJECT IS APPROVED AND (I) TWO THOUSAND THREE HUNDRED DOLLARS (\$2300) IN THE CASE OF ELEMENTARY SCHOOLS, (II) THREE THOUSAND DOLLARS (\$3000) IN THE CASE OF SECONDARY SCHOOLS, (III) AN AMOUNT IN THE CASE OF COMBINED ELEMENTARY SECONDARY SCHOOLS OBTAINED BY MULTIPLYING THE RATED ELEMENTARY PUPIL CAPACITY BY TWO THOUSAND THREE HUNDRED DOLLARS (\$2300) AND THE RATED SECONDARY PUPIL CAPACITY BY THREE THOUSAND DOLLARS (\$3000) AND DIVIDING THE SUM BY THE TOTAL RATED PUPIL CAPACITY.~~

~~(3.1) FOR SCHOOL BUILDINGS FOR WHICH THE GENERAL CONSTRUCTION CONTRACT IS AWARDED SUBSEQUENT TO JULY 1, 1984, AND FOR APPROVED SCHOOL BUILDING PROJECTS FOR WHICH THE GENERAL CONSTRUCTION CONTRACT WAS AWARDED BUT FOR WHICH A LEASE OR GENERAL OBLIGATION BOND RESOLUTION WAS NOT APPROVED BY THE DEPARTMENT OF EDUCATION PRIOR TO JULY 1, 1984, THE PRODUCT OF THE RATED PUPIL CAPACITY AS DETERMINED BY THE DEPARTMENT OF EDUCATION AT THE TIME THE PROJECT IS APPROVED AND (I) THREE THOUSAND NINE HUNDRED DOLLARS (\$3,900) IN THE CASE OF ELEMENTARY~~



SCHOOLS, (II) FIVE THOUSAND ONE HUNDRED DOLLARS (\$5,100) IN THE CASE OF SECONDARY SCHOOLS, (III) AN AMOUNT IN THE CASE OF COMBINED ELEMENTARY SECONDARY SCHOOLS OBTAINED BY MULTIPLYING THE RATED ELEMENTARY PUPIL CAPACITY BY THREE THOUSAND NINE HUNDRED DOLLARS (\$3,900) AND THE RATED SECONDARY PUPIL CAPACITY BY FIVE THOUSAND ONE HUNDRED DOLLARS (\$5,100) AND DIVIDING THE SUM BY THE TOTAL RATED PUPIL CAPACITY.

~~(4) FOR SCHOOL BUILDINGS FOR WHICH THE GENERAL CONSTRUCTION CONTRACT IS AWARDED SUBSEQUENT TO JANUARY 1, 2005, AND FOR APPROVED SCHOOL BUILDING PROJECTS FOR WHICH THE GENERAL CONSTRUCTION CONTRACT WAS AWARDED BUT FOR WHICH A LEASE OR GENERAL OBLIGATION BOND RESOLUTION WAS NOT APPROVED BY THE DEPARTMENT OF EDUCATION PRIOR TO JANUARY 1, 2005, THE PRODUCT OF THE RATED PUPIL CAPACITY AS DETERMINED BY THE DEPARTMENT OF EDUCATION AT THE TIME THE PROJECT IS APPROVED AND (I) FOUR THOUSAND SEVEN HUNDRED DOLLARS (\$4,700) IN THE CASE OF ELEMENTARY SCHOOLS, (II) SIX THOUSAND TWO HUNDRED DOLLARS (\$6,200) IN THE CASE OF SECONDARY SCHOOLS, (III) AN AMOUNT IN THE CASE OF COMBINED ELEMENTARY SECONDARY SCHOOLS OBTAINED BY MULTIPLYING THE RATED ELEMENTARY PUPIL CAPACITY BY FOUR THOUSAND SEVEN HUNDRED DOLLARS (\$4,700) AND THE RATED SECONDARY PUPIL CAPACITY BY SIX THOUSAND TWO HUNDRED DOLLARS (\$6,200) AND DIVIDING THE SUM BY THE TOTAL RATED PUPIL CAPACITY.~~

(5) FOR SCHOOL BUILDINGS FOR WHICH THE GENERAL CONSTRUCTION CONTRACT IS AWARDED SUBSEQUENT TO OCTOBER 1, 2012, AND FOR APPROVED SCHOOL BUILDING PROJECTS FOR WHICH THE GENERAL CONSTRUCTION CONTRACT WAS AWARDED BUT FOR WHICH A LEASE OR GENERAL OBLIGATION BOND RESOLUTION WAS NOT APPROVED BY THE DEPARTMENT OF EDUCATION BY OCTOBER 1, 2012, THE PRODUCT OF THE RATED PUPIL CAPACITY AS DETERMINED BY THE DEPARTMENT OF



~~EDUCATION AT THE TIME THE PROJECT IS APPROVED AND (I) FOUR THOUSAND TWO HUNDRED THIRTY DOLLARS (\$4,230) IN THE CASE OF ELEMENTARY SCHOOLS, (II) FIVE THOUSAND FIVE HUNDRED EIGHTY DOLLARS (\$5,580) IN THE CASE OF SECONDARY SCHOOLS, (III) AN AMOUNT IN THE CASE OF COMBINED ELEMENTARY SECONDARY SCHOOLS OBTAINED BY MULTIPLYING THE RATED ELEMENTARY PUPIL CAPACITY BY FOUR THOUSAND TWO HUNDRED THIRTY DOLLARS (\$4,230) AND THE RATED SECONDARY PUPIL CAPACITY BY FIVE THOUSAND FIVE HUNDRED EIGHTY DOLLARS (\$5,580) AND DIVIDING THE SUM BY THE TOTAL RATED PUPIL CAPACITY.~~

[(b.1) For school buildings constructed and based on an approved school facility design received from the Department of Education's school facility design clearinghouse, for which the general construction contract is awarded subsequent to January 1, 2005, and for approved school building projects for which the general construction contract was awarded but for which a lease or general obligation bond resolution was not approved by the Department of Education prior to January 1, 2005, the approved building construction cost shall additionally include the product of the rated pupil capacity as determined by the Department of Education at the time the project is approved and (i) four hundred seventy dollars (\$470) in the case of elementary schools, (ii) six hundred twenty dollars (\$620) in the case of secondary schools, (iii) an amount in the case of combined elementary-secondary schools obtained by multiplying the rated elementary pupil capacity by four hundred seventy dollars (\$470) and the rated secondary pupil capacity by six hundred twenty dollars (\$620) and dividing the sum by the total rated pupil capacity.]

~~(C) FOR ADDITIONS OR ALTERATIONS TO EXISTING BUILDINGS~~



~~APPROVED BUILDING CONSTRUCTION COST SHALL BE THE LESSER OF~~
~~(1) THE COST OF CONSTRUCTING THE ADDITIONS OR ALTERATIONS~~
~~INCLUDING THE COST OF ESSENTIAL FIXTURES AND EQUIPMENT BUT~~
~~EXCLUDING ARCHITECT'S FEES IN EXCESS OF SIX PER CENT (6%) OF THE~~
~~CONTRACT PRICE, OR~~

~~(2) THE DIFFERENCE OBTAINED BY SUBTRACTING THE APPRAISAL~~
~~VALUE OF THE EXISTING BUILDING FROM THE PRODUCT OF RATED PUPIL~~
~~CAPACITY OF THE ALTERED OR EXPANDED BUILDING AS DETERMINED BY~~
~~THE DEPARTMENT OF PUBLIC INSTRUCTION AT THE TIME THE PROJECT IS~~
~~APPROVED AND (I) ONE THOUSAND ONE HUNDRED DOLLARS (\$1100) IN THE~~
~~CASE OF ELEMENTARY SCHOOLS, (II) ONE THOUSAND SEVEN HUNDRED~~
~~DOLLARS (\$1700) IN THE CASE OF SECONDARY SCHOOLS, (III) AN~~
~~AMOUNT IN THE CASE OF COMBINED ELEMENTARY SECONDARY SCHOOLS~~
~~OBTAINED BY MULTIPLYING THE RATED ELEMENTARY PUPIL CAPACITY OF~~
~~THE ALTERED OR EXPANDED BUILDING BY ONE THOUSAND ONE HUNDRED~~
~~DOLLARS (\$1100) AND THE RATED SECONDARY PUPIL CAPACITY OF THE~~
~~ALTERED OR EXPANDED BUILDING BY ONE THOUSAND SEVEN HUNDRED~~
~~DOLLARS (\$1700) AND DIVIDING THE SUM BY THE TOTAL RATED PUPIL~~
~~CAPACITY OF THE ALTERED OR EXPANDED BUILDING.~~

~~APPRAISAL VALUE SHALL BE THE VALUATION MADE IMMEDIATELY~~
~~BEFORE THE ADDITIONS OR ALTERATIONS ARE BEGUN BY THREE COMPETENT~~
~~APPRAISERS, ONE APPOINTED BY THE SCHOOL AUTHORITIES, ONE BY THE~~
~~SUPERINTENDENT OF PUBLIC INSTRUCTION, AND THE THIRD BY THE OTHER~~
~~TWO.~~

~~(3) THE PROVISIONS OF CLAUSE (2) OF SUBSECTION (C) HEREOF~~
~~SHALL APPLY TO ALL SCHOOL BUILDING PROJECTS FOR WHICH THE~~
~~GENERAL CONSTRUCTION CONTRACT IS AWARDED PRIOR TO JULY 1, 1966~~
~~AND FOR APPROVED SCHOOL BUILDING PROJECTS FOR WHICH A LEASE WAS~~
~~APPROVED BY THE DEPARTMENT OF PUBLIC INSTRUCTION PRIOR TO JULY~~
~~1, 1966. FOR SCHOOL BUILDINGS FOR WHICH THE GENERAL CONSTRUCTION~~



~~CONTRACT IS AWARDED SUBSEQUENT TO JULY 1, 1966 AND FOR APPROVED SCHOOL BUILDING PROJECTS FOR WHICH THE GENERAL CONSTRUCTION CONTRACT WAS AWARDED BUT FOR WHICH A LEASE WAS NOT APPROVED BY THE DEPARTMENT OF PUBLIC INSTRUCTION PRIOR TO JULY 1, 1966, THE DIFFERENCE OBTAINED BY SUBTRACTING THE APPRAISAL VALUE OF THE EXISTING BUILDING FROM THE PRODUCT OF RATED PUPIL CAPACITY OF THE ALTERED OR EXPANDED BUILDING AS DETERMINED BY THE DEPARTMENT OF PUBLIC INSTRUCTION AT THE TIME THE PROJECT IS APPROVED AND (I) TWO THOUSAND THREE HUNDRED DOLLARS (\$2300) IN THE CASE OF ELEMENTARY SCHOOLS, (II) THREE THOUSAND DOLLARS (\$3000) IN THE CASE OF SECONDARY SCHOOLS, (III) AN AMOUNT IN THE CASE OF COMBINED ELEMENTARY SECONDARY SCHOOLS OBTAINED BY MULTIPLYING THE RATED ELEMENTARY PUPIL CAPACITY OF THE ALTERED OR EXPANDED BUILDING BY TWO THOUSAND THREE HUNDRED DOLLARS (\$2300) AND THE RATED SECONDARY PUPIL CAPACITY OF THE ALTERED OR EXPANDED BUILDING BY THREE THOUSAND DOLLARS (\$3000) AND DIVIDING THE SUM BY THE TOTAL RATED PUPIL CAPACITY OF THE ALTERED OR EXPANDED BUILDING.~~

~~APPRAISAL VALUE SHALL BE THE VALUATION MADE IMMEDIATELY BEFORE THE ADDITIONS OR ALTERATIONS ARE BEGUN BY THREE COMPETENT APPRAISERS, ONE APPOINTED BY THE SCHOOL AUTHORITIES, ONE BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION, AND THE THIRD BY THE OTHER TWO.~~

~~(3.1) FOR SCHOOL BUILDINGS FOR WHICH THE GENERAL CONSTRUCTION CONTRACT IS AWARDED SUBSEQUENT TO JULY 1, 1984, AND FOR APPROVED SCHOOL BUILDING PROJECTS FOR WHICH THE GENERAL CONSTRUCTION CONTRACT WAS AWARDED BUT FOR WHICH A LEASE OR GENERAL OBLIGATION BOND RESOLUTION WAS NOT APPROVED BY THE DEPARTMENT OF EDUCATION PRIOR TO JULY 1, 1984, THE DIFFERENCE OBTAINED BY SUBTRACTING THE APPRAISAL VALUE OF THE EXISTING~~



~~BUILDING FROM THE PRODUCT OF THE RATED PUPIL CAPACITY OF THE
ALTERED OR EXPANDED BUILDING AS DETERMINED BY THE DEPARTMENT OF
EDUCATION AT THE TIME THE PROJECT IS APPROVED AND (I) THREE
THOUSAND NINE HUNDRED DOLLARS (\$3,900) IN THE CASE OF ELEMENTARY
SCHOOLS, (II) FIVE THOUSAND ONE HUNDRED DOLLARS (\$5,100) IN THE
CASE OF SECONDARY SCHOOLS, (III) AN AMOUNT IN THE CASE OF
COMBINED ELEMENTARY SECONDARY SCHOOLS OBTAINED BY MULTIPLYING
THE RATED ELEMENTARY PUPIL CAPACITY BY THREE THOUSAND NINE
HUNDRED DOLLARS (\$3,900) AND THE RATED SECONDARY PUPIL CAPACITY
BY FIVE THOUSAND ONE HUNDRED DOLLARS (\$5,100) AND DIVIDING THE
SUM BY THE TOTAL RATED PUPIL CAPACITY OF THE ALTERED OR EXPANDED
BUILDING.~~

~~(4) FOR SCHOOL BUILDINGS FOR WHICH THE GENERAL CONSTRUCTION
CONTRACT IS AWARDED SUBSEQUENT TO JANUARY 1, 2005, AND FOR
APPROVED SCHOOL BUILDING PROJECTS FOR WHICH THE GENERAL
CONSTRUCTION CONTRACT WAS AWARDED BUT FOR WHICH A LEASE OR
GENERAL OBLIGATION BOND RESOLUTION WAS NOT APPROVED BY THE
DEPARTMENT OF EDUCATION PRIOR TO JANUARY 1, 2005, THE DIFFERENCE
OBTAINED BY SUBTRACTING THE APPRAISAL VALUE OF THE EXISTING
BUILDING FROM THE PRODUCT OF THE RATED PUPIL CAPACITY OF THE
ALTERED OR EXPANDED BUILDING AS DETERMINED BY THE DEPARTMENT OF
EDUCATION AT THE TIME THE PROJECT IS APPROVED AND (I) FOUR
THOUSAND SEVEN HUNDRED DOLLARS (\$4,700) IN THE CASE OF
ELEMENTARY SCHOOLS, (II) SIX THOUSAND TWO HUNDRED DOLLARS
(\$6,200) IN THE CASE OF SECONDARY SCHOOLS, (III) AN AMOUNT IN
THE CASE OF COMBINED ELEMENTARY SECONDARY SCHOOLS OBTAINED BY
MULTIPLYING THE RATED ELEMENTARY PUPIL CAPACITY BY FOUR THOUSAND
SEVEN HUNDRED DOLLARS (\$4,700) AND THE RATED SECONDARY PUPIL
CAPACITY BY SIX THOUSAND TWO HUNDRED DOLLARS (\$6,200) AND
DIVIDING THE SUM BY THE TOTAL RATED PUPIL CAPACITY OF THE~~



1 ~~ALTERED OR EXPANDED BUILDING.~~

2 ~~(5) FOR SCHOOL BUILDINGS FOR WHICH THE GENERAL CONSTRUCTION~~
3 ~~CONTRACT IS AWARDED SUBSEQUENT TO OCTOBER 1, 2012, 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 BY OCTOBER 1, 2012, THE DIFFERENCE~~
8 ~~OBTAINED BY SUBTRACTING THE APPRAISAL VALUE OF THE EXISTING~~
9 ~~BUILDING FROM THE PRODUCT OF THE RATED PUPIL CAPACITY OF THE~~
10 ~~ALTERED OR EXPANDED BUILDING AS DETERMINED BY THE DEPARTMENT OF~~
11 ~~EDUCATION AT THE TIME THE PROJECT IS APPROVED AND (I) FOUR~~
12 ~~THOUSAND TWO HUNDRED THIRTY DOLLARS (\$4,230) IN THE CASE OF~~
13 ~~ELEMENTARY SCHOOLS, (II) FIVE THOUSAND FIVE HUNDRED EIGHTY~~
14 ~~DOLLARS (\$5,580) IN THE CASE OF SECONDARY SCHOOLS, (III) AN~~
15 ~~AMOUNT IN THE CASE OF COMBINED ELEMENTARY SECONDARY SCHOOLS~~
16 ~~OBTAINED BY MULTIPLYING THE RATED ELEMENTARY PUPIL CAPACITY BY~~
17 ~~FOUR THOUSAND TWO HUNDRED THIRTY DOLLARS (\$4,230) AND THE RATED~~
18 ~~SECONDARY PUPIL CAPACITY BY FIVE THOUSAND FIVE HUNDRED EIGHTY~~
19 ~~DOLLARS (\$5,580) AND DIVIDING THE SUM BY THE TOTAL RATED PUPIL~~
20 ~~CAPACITY OF THE ALTERED OR EXPANDED BUILDING.~~

21 * * *

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



1 Rating System or two, three or four Globes under the Green
2 Building Initiative's Green Globes Green Building Rating System
3 on or after January 1, 2005, the Department of Education shall
4 adjust the approved building construction cost to additionally
5 include the product of the rated pupil capacity as determined by
6 the Department of Education at the time the project is approved
7 and (i) four hundred seventy dollars (\$470) in the case of
8 elementary schools, (ii) six hundred twenty dollars (\$620) in
9 the case of secondary schools, (iii) an amount in the case of
10 combined elementary-secondary schools obtained by multiplying
11 the rated elementary pupil capacity by four hundred seventy
12 dollars (\$470) and the rated secondary pupil capacity by six
13 hundred twenty dollars (\$620) and dividing the sum by the total
14 rated pupil capacity. The Department of Education in
15 consultation with the Governor's Green Government Council shall
16 issue guidelines to carry out this section.]

17 * * *

18 [(c.6) If a school district receives reimbursement for a
19 school construction project under this section, the school
20 district, upon request by the Department of Education, shall do
21 all of the following:

22 (i) Provide information required by the department to
23 determine whether the school construction project meets criteria
24 established by the department for certification as an approved
25 school facility design for purposes of the department's school
26 facility design clearinghouse.

27 (ii) Authorize the department, in its discretion, to certify
28 the school construction project as an approved school facility
29 design and to include information about the certified project in
30 the department's school facility design clearinghouse.]



* * *

~~(G) SUBSECTIONS (B) (5) AND (C) (5) OF THIS SECTION SHALL NOT
APPLY TO ANY SCHOOL CONSTRUCTION OR RECONSTRUCTION PROJECT FOR
WHICH A COMPLETED INITIAL SCHOOL CONSTRUCTION OR RECONSTRUCTION
PROJECT APPLICATION WAS SUBMITTED TO THE DEPARTMENT OF EDUCATION
BY OCTOBER 1, 2012.~~

~~Section 7. Section 2575(a) of the act, amended July 12, 1968
(P.L.192, No.96), is amended to read:~~

SECTION ~~6~~ 7. SECTION 2575 (A) OF THE ACT, AMENDED JULY 12,
1968 (P.L.192, NO.96), IS AMENDED ~~AND THE SECTION IS AMENDED BY~~
~~ADDING A SUBSECTION~~ TO READ:

Section 2575. Payments on Account of Leases Hereafter
Approved and on Account of Sinking Fund Charges on Indebtedness
for School Buildings Hereafter Constructed.--(a) ~~(1)~~ The
Commonwealth shall pay annually to each school district erecting
or sharing in the erection of a building or buildings under the
provisions of the Public School Building Authority Act, the
Municipality Authority Act, section 758 [of the Public School
Code of 1949,] or section 791 of [the Public School Code of
1949,] THIS ACT on account of buildings for which the lease is
approved on or after March 22, 1956, or through the incurring of
indebtedness by the issuance of general obligation bonds on
account of buildings for which the general construction contract
is awarded on or after March 22, 1956, an amount to be
determined by multiplying the district's ~~†~~[capital account
reimbursement fraction computed for the year 1967 or]~~†~~ aid ratio
~~†~~[whichever is larger]~~†~~ by the approved reimbursable rental or
approved reimbursable sinking fund charge.

~~(2) THE PROVISIONS OF THIS SUBSECTION SHALL ONLY APPLY TO
SCHOOL CONSTRUCTION OR RECONSTRUCTION PROJECTS FOR WHICH A~~



~~COMPLETED INITIAL SCHOOL CONSTRUCTION OR RECONSTRUCTION PROJECT
APPLICATION WAS SUBMITTED TO THE DEPARTMENT OF EDUCATION BY
OCTOBER 1, 2012.~~

~~(A.1) (1) THE COMMONWEALTH SHALL PAY ANNUALLY TO EACH
SCHOOL DISTRICT ERECTING OR SHARING IN THE ERECTION OF A
BUILDING OR BUILDINGS UNDER THE PROVISIONS OF THE PUBLIC SCHOOL
BUILDING AUTHORITY ACT, THE MUNICIPALITY AUTHORITY ACT OR
SECTION 758 OR 791 OF THIS ACT, ON ACCOUNT OF BUILDINGS FOR
WHICH THE LEASE IS APPROVED ON OR AFTER OCTOBER 1, 2012, OR
THROUGH THE INCURRING OF INDEBTEDNESS BY THE ISSUANCE OF GENERAL
OBLIGATION BONDS ON ACCOUNT OF BUILDINGS FOR WHICH THE GENERAL
CONSTRUCTION CONTRACT IS AWARDED ON OR AFTER OCTOBER 1, 2012, AN
AMOUNT TO BE DETERMINED BY MULTIPLYING THE DISTRICT'S AID RATIO
BY THE APPROVED REIMBURSABLE RENTAL OR APPROVED REIMBURSABLE
SINKING FUND CHARGE.~~

~~(2) THE PROVISIONS OF THIS SUBSECTION SHALL ONLY APPLY TO
SCHOOL CONSTRUCTION OR RECONSTRUCTION PROJECTS FOR WHICH A
COMPLETED INITIAL SCHOOL CONSTRUCTION OR RECONSTRUCTION PROJECT
APPLICATION WAS SUBMITTED TO THE DEPARTMENT OF EDUCATION AFTER
OCTOBER 1, 2012.~~

* * *

Section ~~8~~ 7 8. Section 2575.1 of the act, amended July 9,
1992 (P.L.392, No.85), is amended to read:

Section 2575.1. Payments on Account of Building Costs.--(a)
~~(1)~~ The Commonwealth shall pay to any school district making a
preliminary payment on account of the approved building
construction or approved renovation cost as authorized by
section 783 or by clause (4) of section 790 or by clause (5) of
section 791 of this act, an amount determined by multiplying the
district's ~~+~~ capital account reimbursement fraction computed for



1 the year 1967 or]† aid ratio †[whichever is larger]† by the
2 amount of the payment made by the school district.

3 ~~(2) THE PROVISIONS OF THIS SUBSECTION SHALL ONLY APPLY TO~~
4 ~~SCHOOL CONSTRUCTION OR RECONSTRUCTION PROJECTS FOR WHICH A~~
5 ~~COMPLETED INITIAL SCHOOL CONSTRUCTION OR RECONSTRUCTION PROJECT~~
6 ~~APPLICATION WAS SUBMITTED TO THE DEPARTMENT OF EDUCATION BY~~
7 ~~OCTOBER 1, 2012.~~

8 ~~(A.1) (1) THE COMMONWEALTH SHALL PAY TO ANY SCHOOL DISTRICT~~
9 ~~MAKING A PRELIMINARY PAYMENT ON ACCOUNT OF THE APPROVED BUILDING~~
10 ~~CONSTRUCTION OR APPROVED RENOVATION COST AS AUTHORIZED BY~~
11 ~~SECTION 783 OR BY CLAUSE (4) OF SECTION 790 OR BY CLAUSE (5) OF~~
12 ~~SECTION 791 OF THIS ACT, AN AMOUNT DETERMINED BY MULTIPLYING THE~~
13 ~~DISTRICT'S AID RATIO BY THE AMOUNT OF THE PAYMENT MADE BY THE~~
14 ~~SCHOOL DISTRICT.~~

15 ~~(2) THE PROVISIONS OF THIS SUBSECTION SHALL ONLY APPLY TO~~
16 ~~SCHOOL CONSTRUCTION OR RECONSTRUCTION PROJECTS FOR WHICH A~~
17 ~~COMPLETED INITIAL SCHOOL CONSTRUCTION OR RECONSTRUCTION PROJECT~~
18 ~~APPLICATION WAS SUBMITTED TO THE DEPARTMENT OF EDUCATION AFTER~~
19 ~~OCTOBER 1, 2012.~~

20 (b) ~~(1)~~ Whenever any school district provides the full
21 payment on account of approved building construction or approved
22 renovation cost without incurring debt, or without assuming a
23 lease, the Commonwealth shall pay to such school district an
24 amount determined by multiplying the district's †[capital
25 account reimbursement fraction computed for the year 1967 or]†
26 aid ratio †[whichever is larger]† by the amount of the payment
27 made by the school district.

28 ~~(2) THE PROVISIONS OF THIS SUBSECTION SHALL ONLY APPLY TO~~
29 ~~SCHOOL CONSTRUCTION OR RECONSTRUCTION PROJECTS FOR WHICH A~~
30 ~~COMPLETED INITIAL SCHOOL CONSTRUCTION OR RECONSTRUCTION PROJECT~~



~~APPLICATION WAS SUBMITTED TO THE DEPARTMENT OF EDUCATION BY
OCTOBER 1, 2012.~~

~~(B.1) (1) WHENEVER ANY SCHOOL DISTRICT PROVIDES THE FULL
PAYMENT ON ACCOUNT OF APPROVED BUILDING CONSTRUCTION OR APPROVED
RENOVATION COST WITHOUT INCURRING DEBT, OR WITHOUT ASSUMING A
LEASE, THE COMMONWEALTH SHALL PAY TO SUCH SCHOOL DISTRICT AN
AMOUNT DETERMINED BY MULTIPLYING THE DISTRICT'S AID RATIO BY THE
AMOUNT OF THE PAYMENT MADE BY THE SCHOOL DISTRICT.~~

~~(2) THE PROVISIONS OF THIS SUBSECTION SHALL ONLY APPLY TO
SCHOOL CONSTRUCTION OR RECONSTRUCTION PROJECTS FOR WHICH A
COMPLETED INITIAL SCHOOL CONSTRUCTION OR RECONSTRUCTION PROJECT
APPLICATION WAS SUBMITTED TO THE DEPARTMENT OF EDUCATION AFTER
OCTOBER 1, 2012.~~

(c) The payment required by this section shall be made for
the year in which the school district made its payment on
account of the approved building construction or approved
renovation cost.

Section 9 & 9. The act is amended by adding a section to
read:

Section 2581. Lump Sum Reimbursement for Construction or
Reconstruction.--(1) (A) The department may, AT ANY TIME, upon
the availability of sufficient funds and the mutual agreement of
the department and a school district, provide an immediate lump
sum payment to the school district as full reimbursement for a
construction or reconstruction project that has received all
required approvals from the department for Commonwealth
reimbursement that has received all required approvals from the
department for Commonwealth reimbursement. The lump sum payment
provided for under this section shall be equal to NO GREATER
THAN equal to seventy-five percent (75%) of the total allowable



1 construction or reconstruction reimbursement provided for under
2 Article XXV of this act for which the school district is
3 eligible: Provided, however, That such payments shall not
4 include reimbursement for interest incurred by a school
5 district.

6 ~~(B) EACH AGREEMENT FOR LUMP SUM REIMBURSEMENT UNDER THIS~~
7 ~~SECTION SHALL REQUIRE THE SCHOOL DISTRICT RECEIVING A LUMP SUM~~
8 ~~PAYMENT TO RELINQUISH ANY CURRENT CLAIM TO THE TOTAL ALLOWABLE~~
9 ~~CONSTRUCTION OR RECONSTRUCTION REIMBURSEMENT PROVIDED FOR UNDER~~
10 ~~ARTICLE XXV OF THIS ACT FOR WHICH THE SCHOOL DISTRICT IS~~
11 ~~ELIGIBLE IN EXCHANGE FOR THE IMMEDIATE LUMP SUM PAYMENT OF A~~
12 ~~LESSER AMOUNT.~~

13 ~~(C) THE DEPARTMENT SHALL MAKE THE OPPORTUNITY FOR A LUMP SUM~~
14 ~~PAYMENT AVAILABLE TO SCHOOL DISTRICTS IN THE ORDER IN WHICH~~
15 ~~SCHOOL DISTRICTS SUBMITTED COMPLETED INITIAL APPLICATIONS FOR~~
16 ~~REIMBURSEMENT OF CONSTRUCTION OR RECONSTRUCTION PROJECTS.~~

17 ~~(D) FOR THE 2014 2015 FISCAL YEAR AND EACH FISCAL YEAR~~
18 ~~THEREAFTER, WHERE THE GENERAL ASSEMBLY MAKES AN APPROPRIATION TO~~
19 ~~THE DEPARTMENT OF EDUCATION IN THE GENERAL APPROPRIATION ACT,~~
20 ~~FOR THE PURPOSE OF PAYMENTS ON ACCOUNT OF ANNUAL RENTAL OR~~
21 ~~SINKING FUND CHARGES ON SCHOOL BUILDINGS, INCLUDING CHARTER~~
22 ~~SCHOOLS, IN EXCESS OF THE AMOUNT APPROPRIATED TO THAT LINE ITEM~~
23 ~~FOR THE 2013 2014 FISCAL YEAR, THE DEPARTMENT SHALL FIRST USE~~
24 ~~THE ADDITIONAL FUNDING TO OFFER LUMP SUM REIMBURSEMENT TO SCHOOL~~
25 ~~DISTRICTS AS PROVIDED FOR IN THIS SECTION.~~

26 ~~(2) (E)~~ (b) No later than twelve (12) months after the
27 effective date of this section, the department shall develop
28 such rules and guidelines as may be necessary to implement this
29 section.

30 ~~Section 10. For the 2014 2015 fiscal year the General~~



1 ~~Assembly shall appropriate not less than \$396,198,000 to the~~
2 ~~Authority Rentals and Sinking Fund Requirements line item in the~~
3 ~~General Appropriation Act.~~

4 ~~Section 11. This act shall take effect as follows:~~

5 ~~(1) The addition of section 731.2(d), (e), (f) and (g)~~
6 ~~of the act shall take effect July 1, 2015.~~

7 ~~(2) The remainder of this act shall take effect~~
8 ~~immediately.~~

9 ~~SECTION 9. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.~~

10 Section 10. For the 2014-2015 fiscal year the General
11 Assembly shall appropriate not less than \$396,198,000 to the
12 Authority Rentals and Sinking Fund Requirements line item in the
13 General Appropriation Act.

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

15 (1) The addition of section 731.2(d), (e), (f) and (g)
16 of the act shall take effect July 1, 2015.

17 (2) The remainder of this act shall take effect
18 immediately.

