

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 654 Session of
2003

INTRODUCED BY TIGUE, CAWLEY, DeWEESE, D. EVANS, KELLER,
YUDICHAK, GRUCELA, HENNESSEY, WOJNAROSKI, GORDNER, RUBLEY,
YOUNGBLOOD, HARHAI, SCAVELLO, GODSHALL, TANGRETTI, GOODMAN,
SEMMEL, LEACH, STABACK, HORSEY, SCHRODER, HESS, WRIGHT,
SAYLOR, McCALL, BEBKO-JONES, PALLONE, LEWIS, WALKO,
SCRIMENTI, BUXTON, MELIO, BAKER, SATHER, CORRIGAN, ROBERTS,
DALLY, NAILOR, BELARDI, SANTONI, CURRY, SAINATO, BELFANTI,
EACHUS, THOMAS, GEORGE, WATSON, PISTELLA, SOLOBAY AND MUNDY,
MARCH 4, 2003

REFERRED TO COMMITTEE ON EDUCATION, MARCH 4, 2003

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
2 act relating to the public school system, including certain
3 provisions applicable as well to private and parochial
4 schools; amending, revising, consolidating and changing the
5 laws relating thereto," further providing for approved
6 reimbursable rental for leases hereafter approved and
7 approved reimbursable sinking fund charges on indebtedness.

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

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

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

17 (b) For new school buildings the approved building

1 construction cost shall be the lesser of

2 * * *

3 (4) For school buildings for which the general construction
4 contract is awarded on or after July 1, 2003, the product of the
5 rated pupil capacity as determined by the Department of
6 Education at the time the project is approved and (i) four
7 thousand seven hundred dollars (\$4,700) in the case of
8 elementary schools, (ii) six thousand two hundred dollars
9 (\$6,200) in the case of secondary schools, (iii) an amount in
10 the case of combined elementary-secondary schools obtained by
11 multiplying the rated elementary pupil capacity by four thousand
12 seven hundred dollars (\$4,700) and the rated secondary pupil
13 capacity by six thousand two hundred dollars (\$6,200) and
14 dividing the sum by the total rated pupil capacity.

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

17 * * *

18 (4) For school buildings for which the general construction
19 contract is awarded on or after July 1, 2003, the difference
20 obtained by subtracting the appraisal value of the existing
21 building from the product of the rated pupil capacity of the
22 altered or expanded building as determined by the Department of
23 Education at the time the project is approved and (i) four
24 thousand seven hundred dollars (\$4,700) in the case of
25 elementary schools, (ii) six thousand two hundred dollars
26 (\$6,200) in the case of secondary schools, (iii) an amount in
27 the case of combined elementary-secondary schools obtained by
28 multiplying the rated elementary pupil capacity by four thousand
29 seven hundred dollars (\$4,700) and the rated secondary pupil
30 capacity by six thousand two hundred dollars (\$6,200) and

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

3 * * *

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

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

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

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

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

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

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

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

26 For school buildings for which the general construction
27 contract is awarded on or after July 1, 2003, the approved
28 building construction cost and the interest on such construction
29 cost shall not exceed the product of the rated full-time pupil
30 capacity, as determined by the Department of Education at the

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

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

10 * * *

11 Section 2. This act shall take effect July 1, 2003.