

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 894 Session of 2007

INTRODUCED BY LEACH, BENNINGTON, CALTAGIRONE, DePASQUALE, FABRIZIO, FREEMAN, GEORGE, GRUCELA, HENNESSEY, JAMES, JOSEPHS, McCALL, M. O'BRIEN, PALLONE, ROEBUCK, ROSS, RUBLEY, SCHRODER, McILVAINE SMITH, STURLA, THOMAS, VITALI AND YOUNGBLOOD, MARCH 22, 2007

REFERRED TO COMMITTEE ON STATE GOVERNMENT, MARCH 22, 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," further providing for referendum or
 6 public hearing required prior to construction or lease.

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

9 Section 1. Section 701.1 of the act of March 10, 1949
 10 (P.L.30, No.14), known as the Public School Code of 1949,
 11 amended July 4, 2004 (P.L.536, No.70), is amended to read:

12 Section 701.1. Referendum or Public Hearing Required Prior
 13 to Construction or Lease.--Except where the approval of the
 14 electors is obtained to incur indebtedness to finance the
 15 construction of a school project, the board of school directors
 16 of any school district of the second, third or fourth classes,
 17 shall not construct, enter into a contract to construct or enter
 18 into a contract to lease a new school building or substantial

1 addition to an existing school building without the consent of
2 the electors obtained by referendum or without holding a public
3 hearing as hereinafter provided. In the event that a new school
4 building or a substantial addition to an existing building is to
5 be constructed or leased, the school board shall, by a majority
6 vote of all its members, authorize a maximum project cost and a
7 maximum building construction cost to be financed by the
8 district or amortized by lease rentals to be paid by the
9 district. Building construction cost shall consist of the cost
10 of all building construction including general construction
11 costs, plumbing, heating, electrical, ventilating and other
12 structural costs, equipment and fixtures and architectural and
13 engineering fees relating thereto, but not including costs for
14 site acquisition and development, rough grading to receive the
15 building, sewage treatment facilities or equivalent capital
16 contributions, and architectural and engineering fees relating
17 thereto. Building construction cost shall not include the
18 additional cost involved in the building construction of a
19 school that meets the Leadership in Energy and Environmental
20 Design standards as established and published by the United
21 States Green Building Council. In all cases, a public hearing
22 shall be held not later than thirty (30) days before the school
23 district submits the initial building construction cost and
24 operating cost estimates to the Department of Education for
25 approval. Notice of the hearing shall be given not later than
26 twenty (20) days before the date of the scheduled hearing. In
27 the event that the maximum building construction cost
28 authorization exceeds the aggregate building expenditure
29 standard hereinafter specified, the aforesaid authorization of
30 the school board shall be submitted to the electors of the

1 school district for their approval within six (6) months prior
2 to submission of the final building construction cost bids to
3 the Department of Education for approval. Such referendum shall
4 be held in the same manner as provided by law for the approval
5 of the incurring of indebtedness by referendum. The question as
6 submitted shall specify the maximum project cost, the maximum
7 building construction cost and the annual sinking fund charge or
8 lease rental to be incurred by the school district and the
9 portion of such charge or rental expected to be reimbursed by
10 the Commonwealth. If the final building construction cost bids
11 to be submitted to the Department of Education for approval are
12 less than the aggregate building expenditure standard hereafter
13 specified but exceed by eight (8) per cent or more the initial
14 building construction cost estimates submitted to the Department
15 for approval, a second public hearing shall be held before the
16 Department shall give its final approval.

17 The applicable aggregate building expenditure standard shall
18 be a total amount calculated for each building or substantial
19 addition by multiplying the rated pupil capacity under the
20 approved room schedule by the following: two thousand eight
21 hundred dollars (\$2,800) for each pupil of rated elementary
22 capacity; four thousand two hundred dollars (\$4,200) for each
23 pupil of rated secondary capacity in grades seven, eight and
24 nine and five thousand two hundred dollars (\$5,200) for each
25 pupil of rated secondary capacity in grades ten, eleven and
26 twelve and five thousand two hundred dollars (\$5,200) for each
27 pupil of rated vocational-technical capacity in grades ten,
28 eleven and twelve to not include the cost of equipment and
29 fixtures in such vocational-technical schools: Provided,
30 however, That each of the preceding per pupil amounts shall be

1 adjusted by the Department of Education on July 1, 1974; and
2 annually thereafter through July 1, 2003, by multiplying said
3 amounts by the ratio of the composite construction cost index
4 compiled and published by the United States Department of
5 Commerce for the preceding calendar year to such index for the
6 next preceding calendar year; and Further Provided, however,
7 That each of the preceding per pupil amounts shall be adjusted
8 by the Department of Education on July 1, 2004; and annually
9 thereafter by multiplying said amounts by the ratio of the
10 Building Cost Index published by the McGraw-Hill Companies for
11 the preceding calendar year to such index for the next preceding
12 calendar year. Rated elementary pupil capacity or rated
13 secondary pupil capacity for any school building shall be the
14 rated pupil capacity determined on the basis of the method used
15 by the Department for school building reimbursement purposes
16 during the school year 1971-1972.

17 For purposes of this section:

18 (1) "Site acquisition" includes the cost of land and mineral
19 rights, demolition and clearing, rights-of-way and related
20 utility relocations, surveys and soils analysis, and the cost of
21 all fees relating thereto.

22 (2) "Site development" includes excavation, grouting or
23 shoring, special foundations for buildings, access roads to
24 site, utilities on site, extension of utilities to site.

25 (3) "Equipment and fixtures" means property fixed or movable
26 which is incidental and necessary to conduct the educational
27 program, and includes, but is not limited to movable equipment
28 such as desks, chairs, tables, portable physical education
29 equipment, audio-visual equipment and science, homemaking,
30 industrial art and business equipment and instructional

1 materials and fixtures such as casework, laboratory equipment,
2 kitchen equipment, auditorium seating and any other special
3 fixtures or equipment required to conduct a particular
4 educational program.

5 (4) "Substantial addition" means more than twenty (20) per
6 centum of the area and replacement value of the structure to
7 which the improvement is to be added.

8 Section 2. This act shall take effect in 60 days.