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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1418 Session of  
2013

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INTRODUCED BY PETRI, BISHOP, COHEN, GIBBONS, GINGRICH, GODSHALL,  
HARHAI, HARHART, HESS, KOTIK, MOUL, O'NEILL, PARKER, ROEBUCK,  
ROZZI AND WATSON, MAY 17, 2013

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REFERRED TO COMMITTEE ON EDUCATION, MAY 17, 2013

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AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An  
2 act relating to the public school system, including certain  
3 provisions applicable as well to private and parochial  
4 schools; amending, revising, consolidating and changing the  
5 laws relating thereto," in community colleges, repealing  
6 provisions relating to the Community College Capital Fund;  
7 establishing the Pennsylvania Community Colleges Capital  
8 Projects Pooled Financing Program and the Pennsylvania  
9 Community Colleges Capital Projects Pooled Financing Program  
10 Fund; and providing for the powers and duties of the  
11 Pennsylvania State Public School Building Authority and for  
12 an interfund transfer.

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

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17 July 13, 2005 (P.L.226, No.46), is repealed:

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

1 appropriated to the Department of Education to carry out the  
2 provisions of this section.

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

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

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

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

16 Section 1917.1-A. Pennsylvania Community Colleges Capital  
17 Projects Pooled Financing Program.--(a) The Pennsylvania  
18 Community Colleges Capital Projects Pooled Financing Program is  
19 established for the purpose of making payments to community  
20 colleges for capital expenses authorized under section 1913-A(b)  
21 (4). The program shall be funded through the Pennsylvania State  
22 Public School Building Authority and administered by a not-for-  
23 profit organization established and governed by the community  
24 colleges, acting as program administrator. The program shall  
25 establish a fund from which Pennsylvania community colleges may  
26 borrow amounts, at subsidized rates, to be applied to approved  
27 capital projects.

28 (b) Beginning in fiscal year 2013-2014, and for each fiscal  
29 year thereafter, the State Treasurer shall transfer fifteen  
30 million dollars (\$15,000,000) plus prior appropriations to a

1 special fund held by or on behalf of the State Public School  
2 Building Authority, which fund is created and shall be known as  
3 the Pennsylvania Community Colleges Capital Projects Pooled  
4 Financing Program Fund. Funds shall be applied by the authority  
5 by deposit of such amounts with the trustee for the bonds issued  
6 to fund the program. The trustee shall apply such amounts as  
7 required or permitted by the trust indenture securing the  
8 program bonds.

9 (c) A not-for-profit organization established and governed  
10 by the community colleges, acting as program administrator,  
11 shall administer the program with oversight provided by the  
12 capital project committee and shall establish program guidelines  
13 setting forth, among other things, the following:

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

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

17 (3) The method to prioritize requests for funding.

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

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

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

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

27 (8) Such other necessary or appropriate program operating  
28 guidelines.

29 (d) Nothing in this section shall be construed to impair any  
30 existing Commonwealth agreement with Pennsylvania community

1 colleges with respect to Commonwealth appropriations for capital  
2 projects.

3 (e) For purposes of this section, "prior appropriations"  
4 shall mean an amount equal to the Commonwealth's appropriations  
5 for community college capital projects debt service allocated to  
6 all Pennsylvania community colleges in the fiscal year at issue.  
7 Prior appropriations already obligated to community colleges for  
8 previously approved and funded projects cannot be used for  
9 purposes of the Pennsylvania Community Colleges Capital Projects  
10 Pooled Financing Program until such time as those obligations  
11 have expired and the funds lapse into the program.

12 Section 3. The balance in the Community College Capital Fund  
13 on the effective date of this section shall be transferred to  
14 the Pennsylvania Community College Capital Projects Pooled  
15 Financing Program Fund.

16 Section 4. This act shall take effect immediately.