

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 reimbursement;~~ and, in <--
12 reimbursements by Commonwealth and between school districts,
13 further providing for definitions, for approved reimbursable
14 rental for leases hereafter approved and approved
15 reimbursable sinking fund charges on indebtedness, for
16 payments on account of leases hereafter approved and on
17 account of sinking fund charges on indebtedness for school
18 buildings hereafter constructed and for payments on account
19 of building costs; and providing for lump sum reimbursement
20 for construction or reconstruction.

21 The General Assembly finds and declares that:

22 (1) Recognizing challenges have developed and escalated
23 over a period of years in the process of Commonwealth
24 reimbursement for public school construction and
25 reconstruction, which have caused delays in approvals by the

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

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

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

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

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

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

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

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

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

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

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

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

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

1 public school buildings.

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

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

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

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

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

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

14 (1) Step 1 shall consist of the following:

15 (i) project description;

16 (ii) project justification; and

17 (iii) a technical schematic design review conference with
18 the department.

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

20 (i) site acquisition, if applicable to the project;

21 (ii) project accounting based on cost estimates; and

22 (iii) a conference with the department to review completed
23 construction documents, including bid specifications, drawings
24 for the project and documentation regarding the fulfillment of
25 State and local agency requirements.

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

27 (i) project accounting based on costs for actual
28 construction bids for which contracts shall be awarded; and

29 (ii) project financing, including financing method and the
30 calculation of the temporary reimbursable percent for the

1 project. In calculating the temporary reimbursable percent, the
2 department shall factor in a ~~twenty (20)~~ FIVE (5) percentage <--
3 point reduction which shall be utilized until the calculation of
4 the permanent reimbursable percent is completed in Step 4.
5 Approval through Step 3 shall initiate project reimbursement
6 from the Commonwealth.

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

8 (i) interim reporting of project modifications, including
9 the reporting of change orders and supplemental contracts; and

10 (ii) project accounting based on the final costs of a
11 project after completion of the following:

12 (A) construction of the project; and

13 (B) payment for all construction or reconstruction work,
14 unless the department has granted an exception.

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

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

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

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

30 (c) (1) School districts shall develop a complete

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

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

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

15 (4) The department shall not grant to school districts any
16 exceptions, waivers or variances to the provisions of this
17 subsection.

18 (d) (1) In order to receive Commonwealth reimbursement for
19 the construction of a new building, a school district shall,
20 within Step 1 of the Accountability and Reducing Costs in
21 Construction Process provided for in subsection (a), complete
22 and submit to the department a cost-benefit analysis of the
23 project that compares the construction of the proposed new
24 building to the expansion or renovation of an existing building
25 for the same purpose.

26 (2) If the cost of a new building exceeds that of the
27 expansion or renovation of an existing building for the same
28 purpose, the school district shall only be eligible for
29 Commonwealth reimbursement for the new building if substantial
30 evidence is presented which demonstrates the necessity of a new

1 building and how a new building would better meet the needs of
2 the school district and its students than a building expansion
3 or renovation.

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

9 (4) The department shall not grant to school districts any
10 exceptions, waivers or variances to the provisions of this
11 subsection.

12 (e) (1) School districts shall not be eligible for
13 Commonwealth reimbursement of school construction or
14 reconstruction project costs for any existing building which is
15 less than thirty (30) years old or for which a Commonwealth
16 reimbursable project has been approved by the department within
17 the preceding thirty (30) years. The thirty (30) year period
18 between eligible Commonwealth reimbursable projects for a school
19 building shall be calculated from the bid opening date of the
20 previous Commonwealth reimbursable project to the bid opening
21 date of the proposed Commonwealth reimbursable project.

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

<--

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

1 cost of expansion or renovation of the building, excluding costs
2 for building purchase, movable fixtures and equipment, asbestos
3 abatement, roof replacement, site development and architect
4 fees, is less than forty (40) percent of the replacement value
5 of the entire building.

6 (2) The provisions of this subsection shall not apply to
7 area vocational-technical school construction or reconstruction
8 projects.

9 (3) The department shall not grant to school districts any
10 exceptions, waivers or variances to the provisions of this
11 subsection.

12 (g) The department shall, where possible and appropriate,
13 automate the Accountability and Reducing Costs in Construction
14 Process to allow school districts to submit plans and documents
15 relating to reimbursement for a school construction or
16 reconstruction project electronically.

17 (h) A school district shall not be required to submit any
18 school construction or reconstruction project plans, drawings,
19 bid specifications or other documents to the department on
20 microfilm as a condition of receiving Commonwealth reimbursement
21 for a construction or reconstruction project.

22 (i) A school district shall not be required to resubmit to
23 the department any completed plans, drawings, bid specifications
24 or other documents for a school construction or reconstruction
25 project for which the department received a completed INITIAL <--
26 application by October 1, 2012, due to the implementation of
27 this section.

28 (j) Subsections (c), (d), (e) and (f) shall not apply to any
29 school construction or reconstruction project for which a
30 completed INITIAL school construction or reconstruction project <--

1 application was submitted to the department by October 1, 2012.

2 (k) No later than twelve (12) months after the effective
3 date of this section, the department shall develop such rules
4 and guidelines as may be necessary to implement this section:

5 Provided, however, That the department shall not create steps of
6 approval in addition to those provided for under subsection (a)
7 and shall not require more than one school board resolution at
8 each step.

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

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

14 Section 732.1. Limitation on New Applications for Department
15 of Education Approval of Public School Building Projects.--* * *

16 (b) (1) The Department of Education shall, in consultation
17 with school district officials and the General Assembly, conduct
18 a review of the Department of Education's current process
19 through which public school building projects are reviewed and
20 approved for Commonwealth reimbursement. The review shall
21 incorporate an analysis of impacting local factors, including,
22 but not limited to, tax effort and building requirements, and
23 shall make recommendations to the chair and minority chair of
24 the Appropriations Committee of the Senate, the chair and
25 minority chair of the Education Committee of the Senate, the
26 chair and minority chair of the Appropriations Committee of the
27 House of Representatives and the chair and minority chair of the
28 Education Committee of the House of Representatives by May 1,
29 2013. The Department of Education shall also conduct a Statewide
30 analysis of school facilities and future capital needs and shall

1 submit a preliminary report on that analysis by May 1, 2014.

2 (2) The Statewide analysis shall be completed and submitted
3 to the chairman and minority chairman of the Appropriations
4 Committee of the Senate, the chairman and minority chairman of
5 the Education Committee of the Senate, the chairman and minority
6 chairman of the Appropriations Committee of the House of
7 Representatives and the chairman and minority chairman of the
8 Education Committee of the House of Representatives no later
9 than May 1, 2015.

10 (c) (1) Any school district that began a school
11 construction or reconstruction project during the time in which
12 the Department of Education was not accepting or approving new
13 school construction and reconstruction project applications for
14 reimbursement pursuant to subsection (a) shall remain eligible
15 and may apply for Commonwealth reimbursement for those school
16 construction or reconstruction projects following the expiration
17 of the limitation provided for under subsection (a).

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

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

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

1 ~~of required documentation, shall be eligible to receive interest~~
2 ~~on the delayed reimbursement.~~

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

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

15 Section 5 4. Section 2501 of the act is amended by adding a <--
16 definition to read:

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

19 * * *

20 ~~(31) "Department." The Department of Education of the~~
21 ~~Commonwealth.~~

22 ~~Section 6. Section 2574(b.1), (c.4) and (c.6) of the act,~~ <--
23 ~~amended or added July 13, 2005 (P.L.226, No.46) and July 11,~~
24 ~~2006 (P.L.1092, No.114), are repealed:~~

25 SECTION 5. SECTION 2574(B), (B.1), (C), (C.4) AND (C.6) OF <--
26 THE ACT, AMENDED OR ADDED JUNE 12, 1968 (P.L.192, NO.96), JULY
27 10, 1987 (P.L.286, NO.50), JULY 13, 2005 (P.L.226, NO.46) AND
28 JULY 11, 2006 (P.L.1092, NO.114), ARE AMENDED AND THE SECTION IS
29 AMENDED BY ADDING A SUBSECTION TO READ:

30 Section 2574. Approved Reimbursable Rental for Leases

1 Hereafter Approved and Approved Reimbursable Sinking Fund
2 Charges on Indebtedness.--* * *

3 (B) FOR NEW SCHOOL BUILDINGS THE APPROVED BUILDING <--
4 CONSTRUCTION COST SHALL BE THE LESSER OF

5 (1) THE COST OF CONSTRUCTING THE SCHOOL BUILDINGS INCLUDING
6 THE COST OF ESSENTIAL FIXTURES AND EQUIPMENT BUT EXCLUDING
7 ARCHITECT'S FEES IN EXCESS OF SIX PER CENT (6%) OF THE CONTRACT
8 PRICE, OR

9 (2) THE PRODUCT OF THE RATED PUPIL CAPACITY AS DETERMINED BY
10 THE DEPARTMENT OF PUBLIC INSTRUCTION AT THE TIME THE PROJECT IS
11 APPROVED AND (I) ONE THOUSAND ONE HUNDRED DOLLARS (\$1100) IN THE
12 CASE OF ELEMENTARY SCHOOLS, (II) ONE THOUSAND SEVEN HUNDRED
13 DOLLARS (\$1700) IN THE CASE OF SECONDARY SCHOOLS, (III) AN
14 AMOUNT IN THE CASE OF COMBINED ELEMENTARY-SECONDARY SCHOOLS
15 OBTAINED BY MULTIPLYING THE RATED ELEMENTARY PUPIL CAPACITY BY
16 ONE THOUSAND ONE HUNDRED DOLLARS (\$1100) AND THE RATED SECONDARY
17 PUPIL CAPACITY BY ONE THOUSAND SEVEN HUNDRED DOLLARS (\$1700) AND
18 DIVIDING THE SUM BY THE TOTAL RATED PUPIL CAPACITY.

19 (3) THE PROVISIONS OF CLAUSE (2) OF SUBSECTION (B) HEREOF
20 SHALL APPLY TO ALL SCHOOL BUILDING PROJECTS FOR WHICH THE
21 GENERAL CONSTRUCTION CONTRACT IS AWARDED PRIOR TO JULY 1, 1966,
22 AND FOR APPROVED SCHOOL BUILDING PROJECTS FOR WHICH A LEASE WAS
23 APPROVED BY THE DEPARTMENT OF PUBLIC INSTRUCTION PRIOR TO JULY
24 1, 1966. FOR SCHOOL BUILDINGS FOR WHICH THE GENERAL CONSTRUCTION
25 CONTRACT IS AWARDED SUBSEQUENT TO JULY 1, 1966 AND FOR APPROVED
26 SCHOOL BUILDING PROJECTS FOR WHICH THE GENERAL CONSTRUCTION
27 CONTRACT WAS AWARDED BUT FOR WHICH A LEASE WAS NOT APPROVED BY
28 THE DEPARTMENT OF PUBLIC INSTRUCTION PRIOR TO JULY 1, 1966, THE
29 PRODUCT OF THE RATED PUPIL CAPACITY AS DETERMINED BY THE
30 DEPARTMENT OF PUBLIC INSTRUCTION AT THE TIME THE PROJECT IS

1 APPROVED AND (I) TWO THOUSAND THREE HUNDRED DOLLARS (\$2300) IN
2 THE CASE OF ELEMENTARY SCHOOLS, (II) THREE THOUSAND DOLLARS
3 (\$3000) IN THE CASE OF SECONDARY SCHOOLS, (III) AN AMOUNT IN THE
4 CASE OF COMBINED ELEMENTARY-SECONDARY SCHOOLS OBTAINED BY
5 MULTIPLYING THE RATED ELEMENTARY PUPIL CAPACITY BY TWO THOUSAND
6 THREE HUNDRED DOLLARS (\$2300) AND THE RATED SECONDARY PUPIL
7 CAPACITY BY THREE THOUSAND DOLLARS (\$3000) AND DIVIDING THE SUM
8 BY THE TOTAL RATED PUPIL CAPACITY.

9 (3.1) FOR SCHOOL BUILDINGS FOR WHICH THE GENERAL
10 CONSTRUCTION CONTRACT IS AWARDED SUBSEQUENT TO JULY 1, 1984, AND
11 FOR APPROVED SCHOOL BUILDING PROJECTS FOR WHICH THE GENERAL
12 CONSTRUCTION CONTRACT WAS AWARDED BUT FOR WHICH A LEASE OR
13 GENERAL OBLIGATION BOND RESOLUTION WAS NOT APPROVED BY THE
14 DEPARTMENT OF EDUCATION PRIOR TO JULY 1, 1984, THE PRODUCT OF
15 THE RATED PUPIL CAPACITY AS DETERMINED BY THE DEPARTMENT OF
16 EDUCATION AT THE TIME THE PROJECT IS APPROVED AND (I) THREE
17 THOUSAND NINE HUNDRED DOLLARS (\$3,900) IN THE CASE OF ELEMENTARY
18 SCHOOLS, (II) FIVE THOUSAND ONE HUNDRED DOLLARS (\$5,100) IN THE
19 CASE OF SECONDARY SCHOOLS, (III) AN AMOUNT IN THE CASE OF
20 COMBINED ELEMENTARY-SECONDARY SCHOOLS OBTAINED BY MULTIPLYING
21 THE RATED ELEMENTARY PUPIL CAPACITY BY THREE THOUSAND NINE
22 HUNDRED DOLLARS (\$3,900) AND THE RATED SECONDARY PUPIL CAPACITY
23 BY FIVE THOUSAND ONE HUNDRED DOLLARS (\$5,100) AND DIVIDING THE
24 SUM BY THE TOTAL RATED PUPIL CAPACITY.

25 (4) FOR SCHOOL BUILDINGS FOR WHICH THE GENERAL CONSTRUCTION
26 CONTRACT IS AWARDED SUBSEQUENT TO JANUARY 1, 2005, AND FOR
27 APPROVED SCHOOL BUILDING PROJECTS FOR WHICH THE GENERAL
28 CONSTRUCTION CONTRACT WAS AWARDED BUT FOR WHICH A LEASE OR
29 GENERAL OBLIGATION BOND RESOLUTION WAS NOT APPROVED BY THE
30 DEPARTMENT OF EDUCATION PRIOR TO JANUARY 1, 2005, THE PRODUCT OF

1 THE RATED PUPIL CAPACITY AS DETERMINED BY THE DEPARTMENT OF
2 EDUCATION AT THE TIME THE PROJECT IS APPROVED AND (I) FOUR
3 THOUSAND SEVEN HUNDRED DOLLARS (\$4,700) IN THE CASE OF
4 ELEMENTARY SCHOOLS, (II) SIX THOUSAND TWO HUNDRED DOLLARS
5 (\$6,200) IN THE CASE OF SECONDARY SCHOOLS, (III) AN AMOUNT IN
6 THE CASE OF COMBINED ELEMENTARY-SECONDARY SCHOOLS OBTAINED BY
7 MULTIPLYING THE RATED ELEMENTARY PUPIL CAPACITY BY FOUR THOUSAND
8 SEVEN HUNDRED DOLLARS (\$4,700) AND THE RATED SECONDARY PUPIL
9 CAPACITY BY SIX THOUSAND TWO HUNDRED DOLLARS (\$6,200) AND
10 DIVIDING THE SUM BY THE TOTAL RATED PUPIL CAPACITY.

11 (5) FOR SCHOOL BUILDINGS FOR WHICH THE GENERAL CONSTRUCTION
12 CONTRACT IS AWARDED SUBSEQUENT TO OCTOBER 1, 2012, AND FOR
13 APPROVED SCHOOL BUILDING PROJECTS FOR WHICH THE GENERAL
14 CONSTRUCTION CONTRACT WAS AWARDED BUT FOR WHICH A LEASE OR
15 GENERAL OBLIGATION BOND RESOLUTION WAS NOT APPROVED BY THE
16 DEPARTMENT OF EDUCATION BY OCTOBER 1, 2012, THE PRODUCT OF THE
17 RATED PUPIL CAPACITY AS DETERMINED BY THE DEPARTMENT OF
18 EDUCATION AT THE TIME THE PROJECT IS APPROVED AND (I) FOUR
19 THOUSAND TWO HUNDRED THIRTY DOLLARS (\$4,230) IN THE CASE OF
20 ELEMENTARY SCHOOLS, (II) FIVE THOUSAND FIVE HUNDRED EIGHTY
21 DOLLARS (\$5,580) IN THE CASE OF SECONDARY SCHOOLS, (III) AN
22 AMOUNT IN THE CASE OF COMBINED ELEMENTARY-SECONDARY SCHOOLS
23 OBTAINED BY MULTIPLYING THE RATED ELEMENTARY PUPIL CAPACITY BY
24 FOUR THOUSAND TWO HUNDRED THIRTY DOLLARS (\$4,230) AND THE RATED
25 SECONDARY PUPIL CAPACITY BY FIVE THOUSAND FIVE HUNDRED EIGHTY
26 DOLLARS (\$5,580) AND DIVIDING THE SUM BY THE TOTAL RATED PUPIL
27 CAPACITY.

28 [(b.1) For school buildings constructed and based on an
29 approved school facility design received from the Department of
30 Education's school facility design clearinghouse, for which the

1 general construction contract is awarded subsequent to January
2 1, 2005, and for approved school building projects for which the
3 general construction contract was awarded but for which a lease
4 or general obligation bond resolution was not approved by the
5 Department of Education prior to January 1, 2005, the approved
6 building construction cost shall additionally include the
7 product of the rated pupil capacity as determined by the
8 Department of Education at the time the project is approved and
9 (i) four hundred seventy dollars (\$470) in the case of
10 elementary schools, (ii) six hundred twenty dollars (\$620) in
11 the case of secondary schools, (iii) an amount in the case of
12 combined elementary-secondary schools obtained by multiplying
13 the rated elementary pupil capacity by four hundred seventy
14 dollars (\$470) and the rated secondary pupil capacity by six
15 hundred twenty dollars (\$620) and dividing the sum by the total
16 rated pupil capacity.]

17 (C) FOR ADDITIONS OR ALTERATIONS TO EXISTING BUILDINGS <--
18 APPROVED BUILDING CONSTRUCTION COST SHALL BE THE LESSER OF

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

23 (2) THE DIFFERENCE OBTAINED BY SUBTRACTING THE APPRAISAL
24 VALUE OF THE EXISTING BUILDING FROM THE PRODUCT OF RATED PUPIL
25 CAPACITY OF THE ALTERED OR EXPANDED BUILDING AS DETERMINED BY
26 THE DEPARTMENT OF PUBLIC INSTRUCTION AT THE TIME THE PROJECT IS
27 APPROVED AND (I) ONE THOUSAND ONE HUNDRED DOLLARS (\$1100) IN THE
28 CASE OF ELEMENTARY SCHOOLS, (II) ONE THOUSAND SEVEN HUNDRED
29 DOLLARS (\$1700) IN THE CASE OF SECONDARY SCHOOLS, (III) AN
30 AMOUNT IN THE CASE OF COMBINED ELEMENTARY-SECONDARY SCHOOLS

1 OBTAINED BY MULTIPLYING THE RATED ELEMENTARY PUPIL CAPACITY OF
2 THE ALTERED OR EXPANDED BUILDING BY ONE THOUSAND ONE HUNDRED
3 DOLLARS (\$1100) AND THE RATED SECONDARY PUPIL CAPACITY OF THE
4 ALTERED OR EXPANDED BUILDING BY ONE THOUSAND SEVEN HUNDRED
5 DOLLARS (\$1700) AND DIVIDING THE SUM BY THE TOTAL RATED PUPIL
6 CAPACITY OF THE ALTERED OR EXPANDED BUILDING.

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

12 (3) THE PROVISIONS OF CLAUSE (2) OF SUBSECTION (C) HEREOF
13 SHALL APPLY TO ALL SCHOOL BUILDING PROJECTS FOR WHICH THE
14 GENERAL CONSTRUCTION CONTRACT IS AWARDED PRIOR TO JULY 1, 1966
15 AND FOR APPROVED SCHOOL BUILDING PROJECTS FOR WHICH A LEASE WAS
16 APPROVED BY THE DEPARTMENT OF PUBLIC INSTRUCTION PRIOR TO JULY
17 1, 1966. FOR SCHOOL BUILDINGS FOR WHICH THE GENERAL CONSTRUCTION
18 CONTRACT IS AWARDED SUBSEQUENT TO JULY 1, 1966 AND FOR APPROVED
19 SCHOOL BUILDING PROJECTS FOR WHICH THE GENERAL CONSTRUCTION
20 CONTRACT WAS AWARDED BUT FOR WHICH A LEASE WAS NOT APPROVED BY
21 THE DEPARTMENT OF PUBLIC INSTRUCTION PRIOR TO JULY 1, 1966, THE
22 DIFFERENCE OBTAINED BY SUBTRACTING THE APPRAISAL VALUE OF THE
23 EXISTING BUILDING FROM THE PRODUCT OF RATED PUPIL CAPACITY OF
24 THE ALTERED OR EXPANDED BUILDING AS DETERMINED BY THE DEPARTMENT
25 OF PUBLIC INSTRUCTION AT THE TIME THE PROJECT IS APPROVED AND
26 (I) TWO THOUSAND THREE HUNDRED DOLLARS (\$2300) IN THE CASE OF
27 ELEMENTARY SCHOOLS, (II) THREE THOUSAND DOLLARS (\$3000) IN THE
28 CASE OF SECONDARY SCHOOLS, (III) AN AMOUNT IN THE CASE OF
29 COMBINED ELEMENTARY-SECONDARY SCHOOLS OBTAINED BY MULTIPLYING
30 THE RATED ELEMENTARY PUPIL CAPACITY OF THE ALTERED OR EXPANDED

1 BUILDING BY TWO THOUSAND THREE HUNDRED DOLLARS (\$2300) AND THE
2 RATED SECONDARY PUPIL CAPACITY OF THE ALTERED OR EXPANDED
3 BUILDING BY THREE THOUSAND DOLLARS (\$3000) AND DIVIDING THE SUM
4 BY THE TOTAL RATED PUPIL CAPACITY OF THE ALTERED OR EXPANDED
5 BUILDING.

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

11 (3.1) FOR SCHOOL BUILDINGS FOR WHICH THE GENERAL
12 CONSTRUCTION CONTRACT IS AWARDED SUBSEQUENT TO JULY 1, 1984, AND
13 FOR APPROVED SCHOOL BUILDING PROJECTS FOR WHICH THE GENERAL
14 CONSTRUCTION CONTRACT WAS AWARDED BUT FOR WHICH A LEASE OR
15 GENERAL OBLIGATION BOND RESOLUTION WAS NOT APPROVED BY THE
16 DEPARTMENT OF EDUCATION PRIOR TO JULY 1, 1984, THE DIFFERENCE
17 OBTAINED BY SUBTRACTING THE APPRAISAL VALUE OF THE EXISTING
18 BUILDING FROM THE PRODUCT OF THE RATED PUPIL CAPACITY OF THE
19 ALTERED OR EXPANDED BUILDING AS DETERMINED BY THE DEPARTMENT OF
20 EDUCATION AT THE TIME THE PROJECT IS APPROVED AND (I) THREE
21 THOUSAND NINE HUNDRED DOLLARS (\$3,900) IN THE CASE OF ELEMENTARY
22 SCHOOLS, (II) FIVE THOUSAND ONE HUNDRED DOLLARS (\$5,100) IN THE
23 CASE OF SECONDARY SCHOOLS, (III) AN AMOUNT IN THE CASE OF
24 COMBINED ELEMENTARY-SECONDARY SCHOOLS OBTAINED BY MULTIPLYING
25 THE RATED ELEMENTARY PUPIL CAPACITY BY THREE THOUSAND NINE
26 HUNDRED DOLLARS (\$3,900) AND THE RATED SECONDARY PUPIL CAPACITY
27 BY FIVE THOUSAND ONE HUNDRED DOLLARS (\$5,100) AND DIVIDING THE
28 SUM BY THE TOTAL RATED PUPIL CAPACITY OF THE ALTERED OR EXPANDED
29 BUILDING.

30 (4) FOR SCHOOL BUILDINGS FOR WHICH THE GENERAL CONSTRUCTION

1 CONTRACT IS AWARDED SUBSEQUENT TO JANUARY 1, 2005, AND FOR
2 APPROVED SCHOOL BUILDING PROJECTS FOR WHICH THE GENERAL
3 CONSTRUCTION CONTRACT WAS AWARDED BUT FOR WHICH A LEASE OR
4 GENERAL OBLIGATION BOND RESOLUTION WAS NOT APPROVED BY THE
5 DEPARTMENT OF EDUCATION PRIOR TO JANUARY 1, 2005, THE DIFFERENCE
6 OBTAINED BY SUBTRACTING THE APPRAISAL VALUE OF THE EXISTING
7 BUILDING FROM THE PRODUCT OF THE RATED PUPIL CAPACITY OF THE
8 ALTERED OR EXPANDED BUILDING AS DETERMINED BY THE DEPARTMENT OF
9 EDUCATION AT THE TIME THE PROJECT IS APPROVED AND (I) FOUR
10 THOUSAND SEVEN HUNDRED DOLLARS (\$4,700) IN THE CASE OF
11 ELEMENTARY SCHOOLS, (II) SIX THOUSAND TWO HUNDRED DOLLARS
12 (\$6,200) IN THE CASE OF SECONDARY SCHOOLS, (III) AN AMOUNT IN
13 THE CASE OF COMBINED ELEMENTARY-SECONDARY SCHOOLS OBTAINED BY
14 MULTIPLYING THE RATED ELEMENTARY PUPIL CAPACITY BY FOUR THOUSAND
15 SEVEN HUNDRED DOLLARS (\$4,700) AND THE RATED SECONDARY PUPIL
16 CAPACITY BY SIX THOUSAND TWO HUNDRED DOLLARS (\$6,200) AND
17 DIVIDING THE SUM BY THE TOTAL RATED PUPIL CAPACITY OF THE
18 ALTERED OR EXPANDED BUILDING.

19 (5) FOR SCHOOL BUILDINGS FOR WHICH THE GENERAL CONSTRUCTION
20 CONTRACT IS AWARDED SUBSEQUENT TO OCTOBER 1, 2012, AND FOR
21 APPROVED SCHOOL BUILDING PROJECTS FOR WHICH THE GENERAL
22 CONSTRUCTION CONTRACT WAS AWARDED BUT FOR WHICH A LEASE OR
23 GENERAL OBLIGATION BOND RESOLUTION WAS NOT APPROVED BY THE
24 DEPARTMENT OF EDUCATION BY OCTOBER 1, 2012, THE DIFFERENCE
25 OBTAINED BY SUBTRACTING THE APPRAISAL VALUE OF THE EXISTING
26 BUILDING FROM THE PRODUCT OF THE RATED PUPIL CAPACITY OF THE
27 ALTERED OR EXPANDED BUILDING AS DETERMINED BY THE DEPARTMENT OF
28 EDUCATION AT THE TIME THE PROJECT IS APPROVED AND (I) FOUR
29 THOUSAND TWO HUNDRED THIRTY DOLLARS (\$4,230) IN THE CASE OF
30 ELEMENTARY SCHOOLS, (II) FIVE THOUSAND FIVE HUNDRED EIGHTY

1 DOLLARS (\$5,580) IN THE CASE OF SECONDARY SCHOOLS, (III) AN
2 AMOUNT IN THE CASE OF COMBINED ELEMENTARY-SECONDARY SCHOOLS
3 OBTAINED BY MULTIPLYING THE RATED ELEMENTARY PUPIL CAPACITY BY
4 FOUR THOUSAND TWO HUNDRED THIRTY DOLLARS (\$4,230) AND THE RATED
5 SECONDARY PUPIL CAPACITY BY FIVE THOUSAND FIVE HUNDRED EIGHTY
6 DOLLARS (\$5,580) AND DIVIDING THE SUM BY THE TOTAL RATED PUPIL
7 CAPACITY OF THE ALTERED OR EXPANDED BUILDING.

8 * * *

9 [(c.4) For school buildings for which the general
10 construction contract is awarded on or after January 1, 2005,
11 and for approved school building projects for which the general
12 construction contract was awarded but for which a lease or
13 general obligation bond resolution was not approved by the
14 Department of Education prior to January 1, 2005, and where the
15 school building receives a silver, gold or platinum
16 certification from the United States Green Building Council's
17 Leadership in Energy and Environmental Design Green Building
18 Rating System or two, three or four Globes under the Green
19 Building Initiative's Green Globes Green Building Rating System
20 on or after January 1, 2005, the Department of Education shall
21 adjust the approved building construction cost to additionally
22 include the product of the rated pupil capacity as determined by
23 the Department of Education at the time the project is approved
24 and (i) four hundred seventy dollars (\$470) in the case of
25 elementary schools, (ii) six hundred twenty dollars (\$620) in
26 the case of secondary schools, (iii) an amount in the case of
27 combined elementary-secondary schools obtained by multiplying
28 the rated elementary pupil capacity by four hundred seventy
29 dollars (\$470) and the rated secondary pupil capacity by six
30 hundred twenty dollars (\$620) and dividing the sum by the total

1 rated pupil capacity. The Department of Education in
2 consultation with the Governor's Green Government Council shall
3 issue guidelines to carry out this section.]

4 * * *

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

9 (i) Provide information required by the department to
10 determine whether the school construction project meets criteria
11 established by the department for certification as an approved
12 school facility design for purposes of the department's school
13 facility design clearinghouse.

14 (ii) Authorize the department, in its discretion, to certify
15 the school construction project as an approved school facility
16 design and to include information about the certified project in
17 the department's school facility design clearinghouse.]

18 * * *

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

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

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

29 Section 2575. Payments on Account of Leases Hereafter
30 Approved and on Account of Sinking Fund Charges on Indebtedness

1 for School Buildings Hereafter Constructed.-- (a) (1) The <--
2 Commonwealth shall pay annually to each school district erecting
3 or sharing in the erection of a building or buildings under the
4 provisions of the Public School Building Authority Act, the
5 Municipality Authority Act, section 758 [of the Public School <--
6 Code of 1949,] or section 791 of [the Public School Code of <--
7 1949,] THIS ACT on account of buildings for which the lease is <--
8 approved on or after March 22, 1956, or through the incurring of
9 indebtedness by the issuance of general obligation bonds on
10 account of buildings for which the general construction contract
11 is awarded on or after March 22, 1956, an amount to be
12 determined by multiplying the district's †capital account <--
13 reimbursement fraction computed for the year 1967 or† aid ratio <--
14 †whichever is larger† by the approved reimbursable rental or <--
15 approved reimbursable sinking fund charge.

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

21 (A.1) (1) THE COMMONWEALTH SHALL PAY ANNUALLY TO EACH
22 SCHOOL DISTRICT ERECTING OR SHARING IN THE ERECTION OF A
23 BUILDING OR BUILDINGS UNDER THE PROVISIONS OF THE PUBLIC SCHOOL
24 BUILDING AUTHORITY ACT, THE MUNICIPALITY AUTHORITY ACT OR
25 SECTION 758 OR 791 OF THIS ACT, ON ACCOUNT OF BUILDINGS FOR
26 WHICH THE LEASE IS APPROVED ON OR AFTER OCTOBER 1, 2012, OR
27 THROUGH THE INCURRING OF INDEBTEDNESS BY THE ISSUANCE OF GENERAL
28 OBLIGATION BONDS ON ACCOUNT OF BUILDINGS FOR WHICH THE GENERAL
29 CONSTRUCTION CONTRACT IS AWARDED ON OR AFTER OCTOBER 1, 2012, AN
30 AMOUNT TO BE DETERMINED BY MULTIPLYING THE DISTRICT'S AID RATIO

1 BY THE APPROVED REIMBURSABLE RENTAL OR APPROVED REIMBURSABLE
2 SINKING FUND CHARGE.

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 AFTER
7 OCTOBER 1, 2012.

8 * * *

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

11 Section 2575.1. Payments on Account of Building Costs.--(a) <--
12 (1) The Commonwealth shall pay to any school district making a
13 preliminary payment on account of the approved building
14 construction or approved renovation cost as authorized by
15 section 783 or by clause (4) of section 790 or by clause (5) of
16 section 791 of this act, an amount determined by multiplying the
17 district's †capital account reimbursement fraction computed for <--
18 the year 1967 or† aid ratio †whichever is larger† by the amount <--
19 of the payment made by the school district.

20 (2) THE PROVISIONS OF THIS SUBSECTION SHALL ONLY APPLY TO <--
21 SCHOOL CONSTRUCTION OR RECONSTRUCTION PROJECTS FOR WHICH A
22 COMPLETED INITIAL SCHOOL CONSTRUCTION OR RECONSTRUCTION PROJECT
23 APPLICATION WAS SUBMITTED TO THE DEPARTMENT OF EDUCATION BY
24 OCTOBER 1, 2012.

25 (A.1) (1) THE COMMONWEALTH SHALL PAY TO ANY SCHOOL DISTRICT
26 MAKING A PRELIMINARY PAYMENT ON ACCOUNT OF THE APPROVED BUILDING
27 CONSTRUCTION OR APPROVED RENOVATION COST AS AUTHORIZED BY
28 SECTION 783 OR BY CLAUSE (4) OF SECTION 790 OR BY CLAUSE (5) OF
29 SECTION 791 OF THIS ACT, AN AMOUNT DETERMINED BY MULTIPLYING THE
30 DISTRICT'S AID RATIO BY THE AMOUNT OF THE PAYMENT MADE BY THE

1 SCHOOL DISTRICT.

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

7 (b) (1) Whenever any school district provides the full <--
8 payment on account of approved building construction or approved
9 renovation cost without incurring debt, or without assuming a
10 lease, the Commonwealth shall pay to such school district an
11 amount determined by multiplying the district's ~~†capital account~~ <--
12 reimbursement fraction computed for the year 1967 or ~~†aid ratio~~ <--
13 ~~†whichever is larger†~~ 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 BY
19 OCTOBER 1, 2012.

20 (B.1) (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 AID RATIO BY THE
25 AMOUNT OF THE PAYMENT MADE BY THE SCHOOL DISTRICT.

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

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

5 Section 9 8. The act is amended by adding a section to read: <--

6 Section 2581. Lump Sum Reimbursement for Construction or
7 Reconstruction.--(1) (A) The department may, AT ANY TIME, upon <--
8 the availability of sufficient funds and the mutual agreement of
9 the department and a school district, provide an immediate lump
10 sum payment to the school district as full reimbursement for a
11 construction or reconstruction project that has received all <--
12 required approvals from the department for Commonwealth
13 reimbursement. The lump sum payment provided for under this
14 section shall be equal to NO GREATER THAN seventy-five percent <--
15 (75%) of the total allowable construction or reconstruction
16 reimbursement provided for under Article XXV of this act for
17 which the school district is eligible: Provided, however, That
18 such payments shall not include reimbursement for interest
19 incurred by a school district.

20 (B) EACH AGREEMENT FOR LUMP SUM REIMBURSEMENT UNDER THIS <--
21 SECTION SHALL REQUIRE THE SCHOOL DISTRICT RECEIVING A LUMP SUM
22 PAYMENT TO RELINQUISH ANY CURRENT CLAIM TO THE TOTAL ALLOWABLE
23 CONSTRUCTION OR RECONSTRUCTION REIMBURSEMENT PROVIDED FOR UNDER
24 ARTICLE XXV OF THIS ACT FOR WHICH THE SCHOOL DISTRICT IS
25 ELIGIBLE IN EXCHANGE FOR THE IMMEDIATE LUMP SUM PAYMENT OF A
26 LESSER AMOUNT.

27 (C) THE DEPARTMENT SHALL MAKE THE OPPORTUNITY FOR A LUMP SUM
28 PAYMENT AVAILABLE TO SCHOOL DISTRICTS IN THE ORDER IN WHICH
29 SCHOOL DISTRICTS SUBMITTED COMPLETED INITIAL APPLICATIONS FOR
30 REIMBURSEMENT OF CONSTRUCTION OR RECONSTRUCTION PROJECTS.

1 (D) FOR THE 2014-2015 FISCAL YEAR AND EACH FISCAL YEAR
2 THEREAFTER, WHERE THE GENERAL ASSEMBLY MAKES AN APPROPRIATION TO
3 THE DEPARTMENT OF EDUCATION IN THE GENERAL APPROPRIATION ACT,
4 FOR THE PURPOSE OF PAYMENTS ON ACCOUNT OF ANNUAL RENTAL OR
5 SINKING FUND CHARGES ON SCHOOL BUILDINGS, INCLUDING CHARTER
6 SCHOOLS, IN EXCESS OF THE AMOUNT APPROPRIATED TO THAT LINE ITEM
7 FOR THE 2013-2014 FISCAL YEAR, THE DEPARTMENT SHALL FIRST USE
8 THE ADDITIONAL FUNDING TO OFFER LUMP SUM REIMBURSEMENT TO SCHOOL
9 DISTRICTS AS PROVIDED FOR IN THIS SECTION.

10 ~~(2) (E) No later than twelve (12) months after the effective~~ <--
11 date of this section, the department shall develop such rules
12 and guidelines as may be necessary to implement this section.

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

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

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

20 ~~(2) The remainder of this act shall take effect~~
21 ~~immediately.~~

22 SECTION 9. THIS ACT SHALL TAKE EFFECT IMMEDIATELY. <--