
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 212 Session of
2017

INTRODUCED BY LEACH, FARNESE, HAYWOOD, COSTA AND SCHWANK,
JANUARY 26, 2017

REFERRED TO EDUCATION, JANUARY 26, 2017

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 referendum or public hearing required prior to
7 construction or lease; and, in reimbursements by Commonwealth
8 and between school districts, further providing for approved
9 reimbursable rental for leases hereafter approved and
10 approved reimbursable sinking fund charges on indebtedness.

11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

13 Section 1. Sections 701.1 and 2574(a) of the act of March
14 10, 1949 (P.L.30, No.14), known as the Public School Code of
15 1949, are amended to read:

16 Section 701.1. Referendum or Public Hearing Required Prior
17 to Construction or Lease.--Except where the approval of the
18 electors is obtained to incur indebtedness to finance the
19 construction of a school project, the board of school directors
20 of any school district of the second, third or fourth classes,
21 shall not construct, enter into a contract to construct or enter
22 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 any
18 additional LEED costs. In all cases, a public hearing shall be
19 held not later than thirty (30) days before the school district
20 submits the initial building construction cost and LEED cost
21 estimates to the Department of Education for approval. Notice of
22 the hearing shall be given not later than twenty (20) days
23 before the date of the scheduled hearing. In the event that the
24 maximum building construction cost authorization exceeds the
25 aggregate building expenditure standard hereinafter specified,
26 the aforesaid authorization of the school board shall be
27 submitted to the electors of the school district for their
28 approval within six (6) months prior to submission of the final
29 building construction cost bids to the Department of Education
30 for approval. Such referendum shall be held in the same manner

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

14 The applicable aggregate building expenditure standard shall
15 be a total amount calculated for each building or substantial
16 addition by multiplying the rated pupil capacity under the
17 approved room schedule by the following: two thousand eight
18 hundred dollars (\$2,800) for each pupil of rated elementary
19 capacity; four thousand two hundred dollars (\$4,200) for each
20 pupil of rated secondary capacity in grades seven, eight and
21 nine and five thousand two hundred dollars (\$5,200) for each
22 pupil of rated secondary capacity in grades ten, eleven and
23 twelve and five thousand two hundred dollars (\$5,200) for each
24 pupil of rated vocational-technical capacity in grades ten,
25 eleven and twelve to not include the cost of equipment and
26 fixtures in such vocational-technical schools: Provided,
27 however, That each of the preceding per pupil amounts shall be
28 adjusted by the Department of Education on July 1, 1974; and
29 annually thereafter through July 1, 2003, by multiplying said
30 amounts by the ratio of the composite construction cost index

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

14 For purposes of this section:

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

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

22 (3) "Equipment and fixtures" means property fixed or movable
23 which is incidental and necessary to conduct the educational
24 program, and includes, but is not limited to movable equipment
25 such as desks, chairs, tables, portable physical education
26 equipment, audio-visual equipment and science, homemaking,
27 industrial art and business equipment and instructional
28 materials and fixtures such as casework, laboratory equipment,
29 kitchen equipment, auditorium seating and any other special
30 fixtures or equipment required to conduct a particular

1 educational program.

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

5 (5) "LEED" means the Leadership in Energy and Environmental
6 Design, a program designed by the USGBC and committed to
7 designing buildings in an energy-efficient and environmentally
8 conservative manner.

9 (6) "LEED for schools rating system" means the most current
10 version of the LEED program designed by the USGBC to measure the
11 energy and environmental performance of K-12 schools.

12 (7) "LEED cost" means the design, construction and
13 registration costs directly attributable to achieving points
14 under the LEED for schools rating system, including, but not
15 limited to, energy performance benchmarking, life-cycle cost
16 assessments, low-impact development storm water management
17 technologies, energy and lighting modeling, alternative energy
18 technology, building commissioning and registration with the
19 USGBC.

20 (8) "USGBC" means the United States Green Building Council.

21 Section 2574. Approved Reimbursable Rental for Leases
22 Hereafter Approved and Approved Reimbursable Sinking Fund
23 Charges on Indebtedness.--(a) For school building projects for
24 which the general construction contract is awarded subsequent to
25 March 22, 1956, and for approved school building projects for
26 which the general construction contract was awarded but for
27 which a lease was not approved by the Department of Education
28 prior to March 22, 1956, the Department of Education shall
29 calculate an approved reimbursable rental or approved
30 reimbursable sinking fund charges. Reimbursable sinking fund

1 charges may include charges for temporary indebtedness within
2 constitutional limitations, if the indebtedness is incurred for
3 approved permanent improvements to the school plant including
4 the cost of acquiring a suitable site for a school building, the
5 cost of constructing a new school building, or the cost of
6 providing needed additions or alterations to existing buildings
7 for which no bond issue is provided and for which an approved
8 obligation or obligations other than bonds have been issued and
9 the obligation or obligations are payable within five (5) years
10 from the date of issue of the obligation in equal annual
11 installments. As used in this section, the term "building" shall
12 include a permanent structure that contains or is attached to
13 relocatable or modular classrooms. The term "relocatable or
14 modular classroom" shall mean a classroom not of a permanent
15 nature which meets the criteria and specifications of the
16 Department of Education.

17 Nothing in this section or in the Department of Education
18 guidelines shall prohibit a school district from receiving
19 reimbursement for approved building improvements, including the
20 cost of acquiring a suitable site for a school building, the
21 cost of constructing a new school building or the cost of
22 providing needed additions or alterations to existing buildings,
23 if a school district elects not to remove any relocatable or
24 modular classroom utilized after the completion of a building
25 project. The term "relocatable or modular classroom" shall mean
26 a classroom not of a permanent nature which meets the criteria
27 and specifications of the Department of Education.

28 Approved reimbursable rental or sinking fund charge shall
29 consist of that part of the annual rental or sinking fund charge
30 attributable to--

1 (1) The cost of acquiring the land upon which the school
2 buildings are situate, the cost of necessary rough grading to
3 permit proper placement of the building upon said land and the
4 cost of sewage treatment plants, as required by the Department
5 of Health, to the extent that such costs are deemed reasonable
6 by the Department of Education and the interest on such costs of
7 acquisition, grading and sewage treatment plants earned
8 subsequent to date the construction contract is awarded, and

9 (2) The approved building construction cost and the interest
10 on such construction cost.

11 * * *

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