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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 472 Session of  
2019

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INTRODUCED BY EVERETT, SIMMONS, BERNSTINE, DUNBAR, MILLARD,  
PYLE, ZIMMERMAN, HILL-EVANS, LAWRENCE, PICKETT, DeLUCA AND  
HAHN, FEBRUARY 11, 2019

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REFERRED TO COMMITTEE ON STATE GOVERNMENT, FEBRUARY 11, 2019

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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 grounds and buildings, further  
6 providing for referendum or public hearing required prior to  
7 construction or lease.

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

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

13 Section 701.1. Referendum or Public Hearing Required Prior  
14 to Construction or Lease.--(a) Except as otherwise provided in  
15 subsection (b) and except where the approval of the electors is  
16 obtained to incur indebtedness to finance the construction of a  
17 school project, the board of school directors of any school  
18 district of the second, third or fourth classes, shall not  
19 construct, enter into a contract to construct or enter into a  
20 contract to lease a new school building or substantial addition

1 to an existing school building without the consent of the  
2 electors obtained by referendum or without holding a public  
3 hearing as hereinafter provided. The following shall apply:

4 (1) In the event that a new school building or a substantial  
5 addition to an existing building is to be constructed or leased,  
6 the school board shall, by a majority vote of all its members,  
7 authorize a maximum project cost and a maximum building  
8 construction cost to be financed by the district or amortized by  
9 lease rentals to be paid by the district. Building construction  
10 cost shall consist of the cost of all building construction  
11 including general construction costs, plumbing, heating,  
12 electrical, ventilating and other structural costs, equipment  
13 and fixtures and architectural and engineering fees relating  
14 thereto, but not including costs for site acquisition and  
15 development, rough grading to receive the building, sewage  
16 treatment facilities or equivalent capital contributions, and  
17 architectural and engineering fees relating thereto.

18 (2) In all cases, a public hearing shall be held not later  
19 than thirty (30) days before the school district submits the  
20 initial building construction cost estimates to the Department  
21 of Education for approval. Notice of the hearing shall be given  
22 not later than twenty (20) days before the date of the scheduled  
23 hearing.

24 (3) In the event that the maximum building construction cost  
25 authorization exceeds the aggregate building expenditure  
26 standard hereinafter specified, the aforesaid authorization of  
27 the school board shall be submitted to the electors of the  
28 school district for their approval within six (6) months prior  
29 to submission of the final building construction cost bids to  
30 the Department of Education for approval. Such referendum shall

1 be held in the same manner as provided by law for the approval  
2 of the incurring of indebtedness by referendum. The question as  
3 submitted shall specify the maximum project cost, the maximum  
4 building construction cost and the annual sinking fund charge or  
5 lease rental to be incurred by the school district and the  
6 portion of such charge or rental expected to be reimbursed by  
7 the Commonwealth.

8 (4) If the final building construction cost bids to be  
9 submitted to the Department of Education for approval are less  
10 than the aggregate building expenditure standard hereafter  
11 specified but exceed by eight (8) per [cent] centum or more the  
12 initial building construction cost estimates submitted to the  
13 Department for approval, a second public hearing shall be held  
14 before the Department shall give its final approval.

15 (b) Prior to constructing, entering into a contract to  
16 construct or entering into a contract to lease a new school  
17 building or prior to the substantial addition to or renovation  
18 of an existing school building that would result in the school  
19 district borrowing more than the equivalent of fifty (50) per  
20 centum of the school district's annual revenue of the prior  
21 school year, the board of school directors of any school  
22 district of the second, third or fourth classes must obtain  
23 consent of the electors by referendum in the manner prescribed  
24 in subsection (a) (3).

25 (c) The applicable aggregate building expenditure standard  
26 shall be a total amount calculated for each building or  
27 substantial addition by multiplying the rated pupil capacity  
28 under the approved room schedule by the following: two thousand  
29 eight hundred dollars (\$2,800) for each pupil of rated  
30 elementary capacity; four thousand two hundred dollars (\$4,200)

1 for each pupil of rated secondary capacity in grades seven,  
2 eight and nine and five thousand two hundred dollars (\$5,200)  
3 for each pupil of rated secondary capacity in grades ten, eleven  
4 and twelve and five thousand two hundred dollars (\$5,200) for  
5 each pupil of rated vocational-technical capacity in grades ten,  
6 eleven and twelve to not include the cost of equipment and  
7 fixtures in such vocational-technical schools: Provided,  
8 however, That each of the preceding per pupil amounts shall be  
9 adjusted by the Department of Education on July 1, 1974; and  
10 annually thereafter through July 1, 2003, by multiplying said  
11 amounts by the ratio of the composite construction cost index  
12 compiled and published by the United States Department of  
13 Commerce for the preceding calendar year to such index for the  
14 next preceding calendar year; and Further Provided, however,  
15 That each of the preceding per pupil amounts shall be adjusted  
16 by the Department of Education on July 1, 2004; and annually  
17 thereafter by multiplying said amounts by the ratio of the  
18 Building Cost Index published by the McGraw-Hill Companies for  
19 the preceding calendar year to such index for the next preceding  
20 calendar year. Rated elementary pupil capacity or rated  
21 secondary pupil capacity for any school building shall be the  
22 rated pupil capacity determined on the basis of the method used  
23 by the Department for school building reimbursement purposes  
24 during the school year 1971-1972.

25 (d) For purposes of this section:

26 (1) "Site acquisition" includes the cost of land and mineral  
27 rights, demolition and clearing, rights-of-way and related  
28 utility relocations, surveys and soils analysis, and the cost of  
29 all fees relating thereto.

30 (2) "Site development" includes excavation, grouting or

1 shoring, special foundations for buildings, access roads to  
2 site, utilities on site, extension of utilities to site.

3 (3) "Equipment and fixtures" means property fixed or movable  
4 which is incidental and necessary to conduct the educational  
5 program, and includes, but is not limited to movable equipment  
6 such as desks, chairs, tables, portable physical education  
7 equipment, audio-visual equipment and science, homemaking,  
8 industrial art and business equipment and instructional  
9 materials and fixtures such as casework, laboratory equipment,  
10 kitchen equipment, auditorium seating and any other special  
11 fixtures or equipment required to conduct a particular  
12 educational program.

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

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