

---

THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

SENATE BILL

No. 700 Session of  
2019

---

INTRODUCED BY BROWNE, SCARNATI, CORMAN, LANGERHOLC, AUMENT,  
COSTA, HUGHES, DINNIMAN, BREWSTER, GORDNER, FOLMER,  
TOMLINSON, DiSANTO, L. WILLIAMS, ARGALL, MARTIN, KILLION,  
MENSCH, VOGEL, YAW, K. WARD, LAUGHLIN, PHILLIPS-HILL,  
SCAVELLO, SCHWANK, SANTARSIERO, BLAKE, LEACH, COLLETT,  
TARTAGLIONE, BROOKS, REGAN, STEFANO, BOSCOLA, KEARNEY, BAKER,  
BARTOLOTTA, FONTANA, J. WARD, FARNESE, A. WILLIAMS, SABATINA,  
YUDICHAK, IOVINO, MUTH, STREET AND HAYWOOD, JUNE 3, 2019

---

REFERRED TO EDUCATION, JUNE 3, 2019

---

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," providing for construction and  
6 renovation of buildings by school entities; and establishing  
7 a grant program for maintenance projects.

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

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

13 ARTICLE XXVI-J

14 CONSTRUCTION AND RENOVATION OF BUILDINGS

15 BY SCHOOL ENTITIES

16 Section 2601-J. Definitions.

17 The following words and phrases when used in this article

1 shall have the meanings given to them in this section unless the  
2 context clearly indicates otherwise:

3 "Adjustment factor." A fraction between zero and one  
4 established under this article.

5 "Base reimbursement amount." The State median structural  
6 cost per full-time equivalent student for completed school  
7 building projects receiving reimbursement calculated by the  
8 department for every five years prior to the effective date of  
9 this section and every five-year period thereafter.

10 "Department." The Department of Education of the  
11 Commonwealth.

12 "Emergency." A deficiency in a school building that  
13 prohibits the school building or a portion of the building from  
14 being occupied or puts the health, safety or welfare of students  
15 at risk.

16 "Full-time equivalent building capacity." The sum of the  
17 products of the room capacity multiplied by the cost weighting  
18 factor for each of the building's rooms as follows:

19 (1) For a regular classroom that is instructional space  
20 with no specialized construction, the room capacity shall be  
21 25 and the cost weighting factor shall be one.

22 (2) For a prekindergarten or kindergarten classroom that  
23 is instructional space with no specialized construction, the  
24 room capacity shall be 25 and the cost weighting factor shall  
25 be one.

26 (3) For a special education classroom, the room capacity  
27 shall be 15 and the cost weighting factor shall be one.

28 (4) For an alternative education classroom, the room  
29 capacity shall be 20 and the cost weighting factor shall be  
30 one.

1       (5) For an art or music classroom, including a band  
2 room, orchestra room or choral room, the room capacity shall  
3 be 25 and the cost weighting factor shall be one and one-  
4 tenth.

5       (6) For a career and technical education classroom or  
6 television studio, the room capacity shall be 20 and the cost  
7 weighting factor shall be one and six-tenths.

8       (7) For a laboratory, including a science laboratory,  
9 business room, consumer science room or computer laboratory,  
10 the room capacity shall be 25 and the cost weighting factor  
11 shall be one and three-tenths.

12       (8) For a library or gymnasium, including an auxiliary  
13 gymnasium, the room capacity shall be 50 and the cost  
14 weighting factor shall be one and four-tenths.

15 For the purpose of performing the full-time equivalent building  
16 capacity calculation, a planetarium, natatorium and  
17 administration building shall not be included.

18       "Program." The maintenance project grant program established  
19 under this article.

20       "Project." The construction of a new building, the addition  
21 to an existing building or the renovation of an existing  
22 building.

23       "School entity." A school district or career and technical  
24 center.

25       "Secretary." The Secretary of Education of the Commonwealth.

26       "Wealth factor." As follows:

27       (1) For a career and technical center, the market value  
28 aid ratio of the career and technical center.

29       (2) For a school district, the greater of the market  
30 value aid ratio of the school district or the result of the

1 following calculation:

2 (i) Multiply the school district's median household  
3 income index under section 2502.53(d)(5) by the school  
4 district's local effort capacity index under section  
5 2502.53(c)(4).

6 (ii) Divide the State median of the products in  
7 subparagraph (i) by the school district's product in  
8 subparagraph (i).

9 (iii) Multiply the quotient in subparagraph (ii) by  
10 0.5 and subtract the product from 1.

11 (iv) Determine the greater of the product in  
12 subparagraph (iii) and 0.1500.

13 (v) If applicable, add the following amount to the  
14 amount determined under subparagraph (iv):

15 (A) If the school district qualifies for the  
16 sparsity size adjustment under section 2502.53(c)(1)  
17 (vii), the amount of 0.1000.

18 (B) If the school district qualifies for the  
19 concentrated poverty weight under section 2502.53(c)  
20 (1)(iv), the amount of 0.0500.

21 Section 2602-J. School construction and renovation approval  
22 process.

23 (a) General rule.--To be eligible to receive reimbursement  
24 from the Commonwealth for costs of a project, a school entity  
25 must receive appropriate approval from the department. To be  
26 eligible to receive approval, a school entity shall comply with  
27 the following process as developed and administered by the  
28 department in the order prescribed under this section:

29 (1) Part 1 - Project Justification.

30 (i) The school entity must first submit an

1 application containing the following to the department  
2 pursuant to the requirements developed by the department:

3 (A) The summary page from a school entity-wide  
4 facility study that is not more than five years old.

5 (B) A school board resolution approving the  
6 project.

7 (C) The educational specifications of the  
8 project.

9 (D) A design overview, drawings and scheduled  
10 area floor plan for the project.

11 (E) A site plan for the project.

12 (F) Preliminary materials required under section  
13 701.1.

14 (ii) To approve a school entity's application under  
15 this paragraph, the department shall:

16 (A) Verify compliance with the school entity's  
17 facility study.

18 (B) Verify receipt of the school board  
19 resolution approving the project.

20 (C) Assess whether the project meets educational  
21 specifications and enrollment needs.

22 (D) Review the project's compliance with section  
23 701.1.

24 (E) Calculate the project's preliminary  
25 reimbursement amount.

26 (F) Verify compliance with subsection (b).

27 (2) Part 2 - Construction Documents.

28 (i) The school entity must submit an application  
29 containing the following to the department pursuant to  
30 the requirements developed by the department:

1           (A) Evidence of the school entity's intent to  
2 award contracts.

3           (B) Materials required under section 701.1.

4           (C) Bid and construction documents for the  
5 project.

6           (D) Notice of the intent to award bids and bid  
7 outcome materials for the project.

8           (E) Confirmation of the project's compliance  
9 with the requirements of other agencies.

10          (F) The project's updated scheduled area floor  
11 plan.

12          (ii) To approve a school entity's application under  
13 this paragraph, the department shall:

14           (A) Review bid and construction documents for  
15 the project.

16           (B) Review the project's compliance with section  
17 701.1.

18           (C) Confirm decisions of bids received for each  
19 bid event for the project.

20           (D) Approve the project's construction documents  
21 before contracts are signed as a condition of  
22 reimbursement.

23           (E) Confirm the project has complied with the  
24 requirements of other agencies.

25           (F) Review the project's updated scheduled area  
26 floor plan and the school entity's enrollment.

27           (G) Calculate the project's final reimbursement  
28 amount.

29          (3) Part 3 - Project Bid Awards.

30           (i) The school entity must submit an application

1 containing the following to the department pursuant to  
2 the requirements developed by the department:

3 (A) Evidence of the school board's approval of  
4 signed contracts.

5 (B) Contractor certifications for the project.

6 (C) Final bid tabulations for the project.

7 (D) An application for reimbursement for the  
8 project under section 2606-J.

9 (ii) To approve a school entity's application under  
10 this paragraph and begin reimbursement to the school  
11 entity under section 2606-J, the department shall:

12 (A) Assess the project's cost accounting based  
13 on the actual bids.

14 (B) Review the project's compliance with  
15 subsection (b).

16 (C) Review the project's compliance with section  
17 701.1.

18 (D) Review the project's application for  
19 reimbursement to the school entity under section  
20 2606-J.

21 (4) Part 4 - Project Completion.

22 (i) The school entity must submit an application  
23 containing the following to the department pursuant to  
24 the requirements developed by the department:

25 (A) Within one year of occupancy, an independent  
26 audit of the project that may correspond with the  
27 school entity's annual audit.

28 (B) Attestation of the project's compliance with  
29 section 701.1.

30 (ii) To approve a school entity's application under

1 this paragraph, the department shall:

2 (A) Review the project's final costs pursuant to  
3 the independent audit.

4 (B) Review the project's compliance with section  
5 701.1.

6 (b) Additions to and renovations of existing buildings.--  
7 Unless the secretary grants an exception, the department may not  
8 approve the following for school construction reimbursement:

9 (1) An addition to or renovation of an existing school  
10 building where a previous reimbursable construction project  
11 occurred at the school building within 20 years of the  
12 current application.

13 (2) Renovation of an existing school building if the  
14 cost of the addition or renovation is less than 20% of the  
15 replacement value of the entire building.

16 (c) Internet-based application.--The department shall  
17 develop an Internet-based application to comply with the  
18 provisions of this section and provide for school entities to  
19 submit required documents electronically via the Internet.

20 (d) (Reserved).

21 (e) Project information.--The department shall maintain the  
22 information submitted and reviewed under this section in an  
23 electronic format and make project information available  
24 electronically to the applicant school entity.

25 (f) (Reserved).

26 Section 2603-J. High-performance building standards.

27 (a) Recognition of standards.--

28 (1) The secretary shall recognize the United States  
29 Green Building Council's Leadership in Energy and  
30 Environmental Design green building rating system or two,



1 three or four Globes under the Green Building Initiative's  
2 Green Globes Green Building Rating System as high-performance  
3 building standards and the department shall use the standards  
4 in the administration of this article.

5 (2) The secretary may recognize other high-performance  
6 building standards, in addition to those under paragraph (1),  
7 that meet or exceed the standards outlined under paragraph  
8 (1).

9 (3) The department shall use only the recognized  
10 standards provided for in this section in the administration  
11 of this article.

12 (4) Prior to recognizing a high-performance building  
13 standard under paragraph (2), the secretary shall transmit  
14 notice to the Legislative Reference Bureau for publication in  
15 the Pennsylvania Bulletin and on the department's publicly  
16 accessible Internet website 90 days prior to recognizing the  
17 new standard.

18 (b) Reimbursement enhancement.--

19 (1) A school entity that utilizes the high-performance  
20 building standards for a project under subsection (a) and  
21 satisfies the requirement under paragraph (2) shall receive a  
22 10% increase above the amount calculated under section 2606-  
23 J.

24 (2) For a school entity to receive the reimbursement  
25 incentive for a project under paragraph (1), the school  
26 entity must provide the department with a projection showing  
27 a positive return on investment over the building's lifetime  
28 for utilizing the high-performance building standards when  
29 compared to regular construction practices.

30 (3) The department shall develop standards and a

1 process, in coordination with the application process in  
2 section 2602-J, for awarding an enhanced reimbursement for  
3 compliance with high-performance building standards.

4 Section 2604-J. Maintenance program.

5 (a) Grant program to be established.--The department shall  
6 establish a maintenance project grant program to support school  
7 entity maintenance projects.

8 (b) Eligibility.--Maintenance projects that are eligible for  
9 grants under this section shall include the following:

10 (1) Roof repairs and roof replacement.

11 (2) Heating, ventilation and air conditioning equipment.

12 (3) Boilers and controls.

13 (4) Plumbing systems.

14 (5) Energy savings projects.

15 (6) Health and safety upgrades.

16 (7) Emergencies.

17 (8) Other projects approved by the secretary.

18 (c) Application process.--The department shall develop a  
19 process through which school entities may submit applications  
20 for grant awards.

21 (d) Funding rubric.--The department shall develop a rubric  
22 to prioritize grant awards under this section. The rubric shall  
23 consider the following:

24 (1) School entity wealth.

25 (2) Prior receipt of grant awards.

26 (3) Building conditions.

27 (4) Emergencies.

28 (5) Safety and security.

29 (e) Local match required.--

30 (1) A school entity shall provide a 50% match for each

1 grant awarded.

2 (2) No matching funds shall be required for a project  
3 that is determined by the secretary to be an emergency.

4 (f) Limitation on grant award.--

5 (1) No grant award for a maintenance project may exceed  
6 \$1,000,000.

7 (2) No school entity may receive an annual allocation of  
8 grants that exceeds 20% of the funds available under the  
9 program.

10 (g) Funding.--

11 (1) The program shall be funded from a set-aside equal  
12 to 25% of the appropriation for school building projects  
13 annually under this article.

14 (2) No less than 20% of the funds allocated to the  
15 program under paragraph (1) shall be awarded to projects that  
16 enhance school building safety and security.

17 (3) In any fiscal year when funds are available for  
18 grants under the program as provided in paragraph (1), the  
19 department shall allocate 50% of the set-aside for grants by  
20 December 31 and the other 50% of the set-aside for grants not  
21 later than June 30 of that fiscal year.

22 (h) Transmission of information to General Assembly.--The  
23 department shall annually transmit grant award information to  
24 the Appropriations Committee of the Senate and the  
25 Appropriations Committee of the House of Representatives,  
26 including grant amounts and scoring from the rubric under  
27 subsection (d).

28 Section 2605-J. Building condition assessments.

29 (a) Duties of department.--

30 (1) The department shall develop guidelines for school

1 entities to voluntarily report information related to school  
2 building safety, inventory and condition. The guidelines  
3 shall include a building condition assessment to be  
4 voluntarily completed every 10 years for school entities that  
5 includes, but is not limited to, a projection of costs to  
6 maintain and renovate existing school buildings.

7 (2) The department shall post completed building  
8 condition assessments on the department's publicly accessible  
9 Internet website.

10 (3) The department shall provide additional points under  
11 the funding rubric contained in section 2604-J(d) for grants  
12 applied for by school entities that complete building  
13 condition assessments.

14 (b) Completion incentive.--A school entity that completes a  
15 building condition assessment shall receive a 2% increase above  
16 the amount calculated under section 2606-J. The department shall  
17 develop a process, in coordination with the application process  
18 in section 2602-J, for awarding an enhanced reimbursement for  
19 completing a building condition assessment.

20 Section 2606-J. Project reimbursement.

21 (a) General rule.--The Commonwealth shall reimburse a school  
22 entity that receives department approval on an application under  
23 section 2602-J(a)(3) by the amount calculated as follows:

24 (1) Multiply the base reimbursement amount by the  
25 adjustment factor.

26 (2) Multiply the product under paragraph (1) by the  
27 lesser of the project's enrollment and full-time equivalent  
28 building capacity.

29 (3) Multiply the product under paragraph (2) by the  
30 school entity's wealth factor.

1 (b) Limitation.--The maximum payment under this section  
2 shall not exceed 65% of a project's structural cost.

3 (c) Installment payments.--A school entity shall receive  
4 equal payments over 20 years totaling the amount determined for  
5 reimbursement under subsections (a) and (b).

6 (d) Adjustment factor.--Beginning July 1, 2020, the  
7 adjustment factor shall be zero.

8 Section 2607-J. School entity education.

9 The Department of Labor and Industry shall make information  
10 available to school entities to help them understand the  
11 difference between "public work" and "maintenance work" based on  
12 industry standards and the act of August 15, 1961 (P.L.987,  
13 No.442), known as the Pennsylvania Prevailing Wage Act.

14 Section 2608-J. Applicability.

15 This article shall apply to projects for which approval and  
16 reimbursement is sought after the effective date of this  
17 section.

18 Section 2609-J. Guidelines.

19 The department shall issue guidelines for the administration  
20 of this article not later than March 31, 2020.

21 Section 2. This act shall take effect as follows:

22 (1) The addition of section 2602-J(c) of the act and  
23 this section shall take effect immediately.

24 (2) The remainder of this act shall take effect July 1,  
25 2020, or immediately, whichever is later.