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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 569 Session of  
2021

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INTRODUCED BY DeLUCA, PISCIOTTANO AND McNEILL, FEBRUARY 22, 2021

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REFERRED TO COMMITTEE ON EDUCATION, FEBRUARY 22, 2021

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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,  
12 amended October 30, 2019 (P.L.460, No.76), is amended to read:

13 Section 701.1. Referendum or Public Hearing Required Prior  
14 to Construction or Lease.--Except where the approval of the  
15 electors is obtained to incur indebtedness to finance the  
16 construction of a school project, the board of school directors  
17 of any school district of the second, third or fourth classes,  
18 shall not construct, enter into a contract to construct or enter  
19 into a contract to lease a new school building or substantial  
20 addition to an existing school building without the consent of  
21 the electors obtained by referendum or without holding a public

1 hearing as hereinafter provided. In the event that a new school  
2 building or a substantial addition to an existing building is to  
3 be constructed or leased, the school board shall, by a majority  
4 vote of all its members, authorize a maximum project cost and a  
5 maximum building construction cost to be financed by the  
6 district or amortized by lease rentals to be paid by the  
7 district. Building construction cost shall consist of the cost  
8 of all building construction including general construction  
9 costs, plumbing, heating, electrical, ventilating and other  
10 structural costs, equipment and fixtures and architectural and  
11 engineering fees relating thereto, but not including costs for  
12 site acquisition and development, rough grading to receive the  
13 building, sewage treatment facilities or equivalent capital  
14 contributions, and architectural and engineering fees relating  
15 thereto. In all cases, a public hearing shall be held not later  
16 than thirty (30) days before the school district submits the  
17 initial building construction cost estimates to the Department  
18 of Education for approval. Notice of the hearing shall be given  
19 not later than twenty (20) days before the date of the scheduled  
20 hearing. [In the event that] The school district shall submit  
21 the building construction cost estimates to the Department of  
22 Education, which shall review and determine if the maximum  
23 building construction cost authorization exceeds the aggregate  
24 building expenditure standard hereinafter specified[, ] and, if  
25 the authorization exceeds the expenditure, the aforesaid  
26 authorization of the school board shall be submitted to the  
27 electors of the school district for their approval within six  
28 (6) months prior to submission of the final building  
29 construction cost bids to the Department of Education for  
30 approval. Such referendum shall be held in the same manner as

1 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 career and technical capacity in grades ten,  
25 eleven and twelve to not include the cost of equipment and  
26 fixtures in such career and 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 Section 2. This act shall take effect in 60 days.