
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 700 Session of 2018

INTRODUCED BY BROWNE, SCARNATI, HUGHES, COSTA, AUMENT,
EICHELBERGER, FOLMER, LANGERHOLC, MARTIN, REGAN, McGARRIGLE,
KILLION, BREWSTER, DINNIMAN, SCHWANK, ALLOWAY, LAUGHLIN,
McILHINNEY, TOMLINSON, WHITE, WARD, YAW, VOGEL, MENSCH,
STEFANO, SCAVELLO AND GORDNER, JUNE 22, 2018

REFERRED TO EDUCATION, JUNE 22, 2018

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

1 "Adjustment factor." A fraction between zero and one
2 established under this article.

3 "Base reimbursement amount." The State median structural
4 cost per full-time equivalent student for completed school
5 building projects calculated by the department every five years.

6 "Department." The Department of Education of the
7 Commonwealth.

8 "Emergency." A deficiency in a school building that
9 prohibits the school building from being occupied or puts the
10 health, safety or welfare of students at risk.

11 "Full-time equivalent building capacity." The sum of the
12 products of the room capacity multiplied by the cost weighting
13 factor for each of the project's rooms as follows:

14 (1) For a regular classroom that is instructional space
15 with no specialized structural modifications, the room
16 capacity shall be 25 and the cost weighting factor shall be
17 one.

18 (2) For a prekindergarten or kindergarten classroom that
19 is instructional space with no specialized structural
20 modifications, the room capacity shall be 25 and the cost
21 weighting factor shall be one.

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

24 (4) For an alternative education classroom, the room
25 capacity shall be 20 and the cost weighting factor shall be
26 one.

27 (5) For an art and music classroom, including a band
28 room, orchestra room and choral room, the room capacity shall
29 be 25 and the costs weighting factor shall be one and one-
30 tenth.

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

4 (7) For a laboratory, including a science laboratory,
5 business room and computer laboratory, the room capacity
6 shall be 25 and the cost weighting factor shall be one and
7 three-tenths.

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

11 A planetarium, natatorium and administration building shall not
12 be included.

13 "Program." The maintenance project grant program established
14 under this article.

15 "Project." The construction of a new building, the addition
16 to an existing building or the renovation to an existing
17 building.

18 "School entity." A school district or career and technical
19 center.

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

21 "Wealth factor." As follows:

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

24 (2) For a school district, the greater of the market
25 value aid ratio of the school district and the result of the
26 following calculation:

27 (i) Multiply the school district's median household
28 income index by the school district's local effort
29 capacity index.

30 (ii) Divide the State median of the products in

1 subparagraph (i) by the school district's product in
2 subparagraph (i).

3 (iii) Subtract 1 from 0.5 and multiply the
4 difference.

5 (iv) Determine the greater of the product in
6 subparagraph (iii) and 0.1500.

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

9 (A) If the school district qualifies for the
10 sparsity size adjustment under section 2502.53(c) (1)
11 (vii), the amount of 0.1000.

12 (B) If the school district qualifies for the
13 concentrated poverty weight under section 2502.53(c)
14 (1) (iv), the amount of 0.0500.

15 Section 2602-J. School construction and renovation approval
16 process.

17 (a) General rule.--To be eligible to receive reimbursement
18 from the Commonwealth for costs of a project, a school entity
19 must receive appropriate approval from the department. To be
20 eligible to receive approval, a school entity shall comply with
21 the following process as developed and administered by the
22 department under this section:

23 (1) Part 1 - Project Justification.

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

27 (A) A school entity-wide facility study that is
28 not more than five years old.

29 (B) Evidence of the school entity's approval of
30 the project.

1 (C) The educational specifications of the
2 project.

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

5 (E) A site plan for the project.

6 (F) Preliminary materials required under section
7 701.1.

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

10 (A) Verify the existence of the school entity's
11 facility study.

12 (B) Verify the school entity's approval of the
13 project.

14 (C) Assess whether the project meets educational
15 specifications and enrollment needs.

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

18 (E) Calculate the project's preliminary
19 reimbursement amount.

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

21 (2) Part 2 - Construction Documents.

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) Evidence of the school entity's intent to
26 award contracts.

27 (B) Materials required under section 701.1.

28 (C) Bid and construction documents for the
29 project.

30 (D) Notice of the intent to award bids and bid

1 outcome materials for the project.

2 (E) Confirmation of the project's compliance
3 with the requirements of other agencies.

4 (F) The project's scheduled area floor plan.

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

7 (A) Review bid and construction documents for
8 the project.

9 (B) Review the project's compliance with section
10 701.1.

11 (C) Confirm decisions of bids received for each
12 bid event for the project.

13 (D) Approve the project's construction documents
14 before contracts are signed as a condition of
15 reimbursement.

16 (E) Confirm the project has complied with the
17 requirements of other agencies.

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

20 (G) Calculate the project's final reimbursement
21 amount.

22 (3) Part 3 - Project Bid Awards.

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

26 (A) Evidence of the project's approval of signed
27 contracts.

28 (B) Prime contractor certifications for the
29 project.

30 (C) Final bid tabulations for the project.

1 (D) An application for reimbursement for the
2 project under section 2606-J.

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

6 (A) Assess the project's cost accounting based
7 on the actual bids.

8 (B) Review the project's compliance with
9 subsection (b).

10 (C) Review the project's compliance with section
11 701.1.

12 (D) Review the project's application for
13 reimbursement to the school entity under section
14 2606-J.

15 (4) Part 4 - Project Completion.

16 (i) The school entity must submit an application
17 containing the following to the department pursuant to
18 the requirements developed by the department:

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

22 (B) Attestation of the project's compliance with
23 section 701.1.

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

26 (A) Review the project's final costs pursuant to
27 the independent audit.

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

30 (b) Additions to and renovations of existing buildings.--

1 Unless the secretary grants exception, the department may not
2 approve the following for school construction reimbursement:

3 (1) A renovation to a building on which a reimbursable
4 project has been approved within the preceding 20 years.

5 (2) An addition or renovation to an existing school
6 building if the cost of the addition or renovation is less
7 than 20% of the replacement value of the entire building.

8 (c) Internet-based application.--The department shall
9 develop an Internet-based application to comply with the
10 provisions of this section and provide for school entities to
11 submit required documents electronically via the Internet.

12 (d) (Reserved).

13 (e) Project information.--The department shall maintain the
14 information submitted and reviewed under this section in an
15 electronic format and make project information available
16 electronically to the applicant school entity.

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

18 (a) Recognition of standards.--

19 (1) The secretary shall recognize the United States
20 Green Building Council's Leadership in Energy and
21 Environmental Design green building rating system or two,
22 three or four Globes under the Green Building Initiative's
23 Green Globes Green Building Rating System as high-performance
24 building standards and the department shall use the standards
25 in the administration of this article.

26 (2) The secretary may recognize other high-performance
27 building standards that meet or exceed the standards outlined
28 under paragraph (1), and the department shall use the other
29 recognized standards in the administration of this article.

30 (b) Reimbursement enhancement.--

1 (1) A school entity that utilizes the high-performance
2 building standards for a project under subsection (a) and
3 satisfies the requirement under paragraph (2) shall receive a
4 10% increase above the amount calculated under section 2607-
5 J.

6 (2) For a school district to receive the reimbursement
7 incentive for a project under paragraph (1), the school
8 entity must provide the department with a projection showing
9 a positive return on investment over the building's lifetime
10 for utilizing the high-performance building standards when
11 compared to regular construction practices.

12 (3) The department shall develop a process, in
13 coordination with the application process in section 2602-J,
14 for awarding an enhanced reimbursement for compliance with
15 high-performance building standards.

16 Section 2604-J. Maintenance projects.

17 (a) Grant program to be established.--The department shall
18 establish a maintenance project grant program to support school
19 entity maintenance projects.

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

22 (1) Roof repairs and replacement.

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

24 (3) Boilers and controls.

25 (4) Plumbing systems.

26 (5) Energy savings projects.

27 (6) Health and safety upgrades.

28 (7) Emergencies.

29 (8) Other projects approved by the secretary.

30 (c) Application process.--The department shall develop a

1 process through which school entities may submit applications
2 for grant awards.

3 (d) Funding rubric.--The department shall develop a rubric
4 to prioritize grant awards under this section. The rubric shall
5 consider the following:

- 6 (1) School entity wealth.
- 7 (2) Prior receipt of grant awards.
- 8 (3) Building conditions.
- 9 (4) Emergencies.
- 10 (5) Safety and security.

11 (e) Local match required.--

12 (1) A school entity shall provide a 50% match for each
13 grant awarded.

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

16 (f) Limitation on grant award.--

17 (1) No grant award for a maintenance project may exceed
18 \$1,000,000.

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

22 (g) Funding.--

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

26 (2) No less than 20% of the funds allocated to the
27 program under subsection (h) (1) shall be awarded to projects
28 that enhance school building safety and security.

29 (3) In any fiscal year when funds are available for
30 grants under the program as provided in paragraph (1), the

1 department shall allocate 50% of the set-aside for grants by
2 December 31 and the other 50% of the set-aside for grants not
3 later than June 30 of that fiscal year.

4 (h) Transmission of information to General Assembly.--The
5 department shall annually transmit grant award information to
6 the Appropriations Committee of the Senate and the
7 Appropriations Committee of the House of Representatives,
8 including grant amounts and scoring from the rubric under
9 subsection (d).

10 Section 2605-J. Building condition assessments.

11 (a) Duties of department.--

12 (1) The department shall develop guidelines for school
13 districts to report information related to school building
14 safety, inventory and condition. The guidelines shall include
15 a uniform building condition assessment to be completed every
16 10 years for school districts that includes, but is not
17 limited to, a projection of costs to maintain and renovate
18 existing school buildings.

19 (2) The department shall post completed building
20 condition assessments on the department's publicly accessible
21 Internet website.

22 (3) The department shall provide additional points under
23 the funding rubric contained in section 2604-J(d) for grants
24 applied for by school districts that complete building
25 condition assessments.

26 (b) Completion incentive.--A school district that completes
27 a building condition assessment shall receive a 2% increase
28 above the amount calculated under section 2606-J. The department
29 shall develop a process, in coordination with the application
30 process in section 2602-J, for awarding an enhanced

1 reimbursement for completing a school building assessment.

2 Section 2606-J. Project reimbursement.

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

6 (1) Multiplying the base reimbursement amount by the
7 adjustment factor.

8 (2) Multiplying the product under paragraph (1) by the
9 lesser of the project's enrollment and full-time equivalent
10 building capacity.

11 (3) Multiplying the product under paragraph (2) by the
12 school entity's wealth factor.

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

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

18 (d) Adjustment factor.--Beginning July 1, 2019, the
19 adjustment factor shall be zero.

20 Section 2607-J. School entity education.

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

26 Section 2608-J. Applicability.

27 This article shall apply to projects for which approval and
28 reimbursement is sought after the effective date of this
29 section.

30 Section 2609-J. Guidelines.

1 The department shall issue guidelines for the administration
2 of this article not later than March 31, 2019.

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

4 (1) The addition of section 2602-J(d) of the act and
5 this section shall take effect immediately.

6 (2) The remainder of this act shall take effect July 1,
7 2019.