



SPONSOR: Rep. Smith & Rep. Oberle & Rep. Roy & Sen. Cook & Sen. Sokola; Reps. Spence, Boulden, Buckworth, Capano, Carey, Cathcart, Caulk, Cloutier, DiPinto, D. Ennis, Ewing, Lee, Lofink, Maier, Miro, Quillen, Reynolds, Valihura; Reps. Gilligan, Brady, Plant, Williams, Buckworth; Sens. Blevins, Henry, Vaughn, Sens. Amick, Connor, Sorenson, Winslow

HOUSE OF REPRESENTATIVES

140th GENERAL ASSEMBLY

HOUSE BILL NO. 701

AN ACT TO AMEND TITLE 14 AND TITLE 29 OF THE DELAWARE CODE AND AMENDING THE LAWS OF DELAWARE RELATING TO THE ESTABLISHMENT OF A PUBLIC SCHOOL CONSTRUCTION BOND RESERVE FUND TO FUND MAJOR SCHOOL CONSTRUCTION PROJECTS INCLUDING NEIGHBORHOOD SCHOOLS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1 Section 1. There is hereby established an account within the Office of the Budget entitled "Public School
2 Construction Bond Reserve" the purpose of which shall be to provide major school construction funding to the
3 Fiscal Year 2001, and subsequent Capital Improvement Acts. The fund shall not be subject to reversion until June
4 30, 2010, to the contrary notwithstanding. The Budget Director and Controller General are hereby authorized to
5 transfer monies from this Fund to school districts for transition costs pursuant to §224(d), Title 14 and Section 3,
6 Chapter 287, Volume 72, Laws of Delaware.

7 Section 2. With the exception of monies transferred pursuant to Section 1 of this Act, no monies shall be
8 expended from the School Construction Fund except pursuant to an appropriation incorporated in the State's Bond
9 and Capital Improvement Act. Further, it is the intent of the General Assembly that any such Bond and Capital
10 Improvement Act appropriations will carry a reversion date of June 30, 2010, to the contrary notwithstanding.
11 Beginning with the Fiscal Year 2001 Bond and Capital Improvement Act and through and including the Fiscal Year
12 2010 Bond and Capital Improvement Act, major capital school construction projects shall have first priority on all

13 general obligation debt authorization and general fund cash appropriated in these Bond and Capital Improvement
14 Acts.

15 Section 3. Amend §7509, Title 29, Delaware Code by deleting the first sentence contained therein and
16 inserting in lieu thereof the following:

17 “The Department of Education shall determine the present necessity for any school construction
18 program as authorized by any school construction bond authorization act in the several school districts of
19 the State and, in so doing, shall take into consideration the provisions contained in §224 (a) and (b) of Title
20 14, Delaware Code, the number of pupils, actual or potential, in the school district, the feasibility and
21 possibility of the consolidation of school districts, the present and future possibility of overcrowding of
22 school facilities within the school district, the condition and quality of existing school facilities within the
23 district and all other matters and conditions pertinent to the determination of the present necessity of the
24 school construction program, including the reasonable future development or dissolution of the school
25 district. For a project to be approved under the provisions of 224(a) and (b) of Title 14, the project must
26 entail new construction, renovation of vacant facilities or the renovation/rehabilitation of an existing
27 facility to accommodate a grade reconfiguration.”.

28 Section 4. Amend §224(d), Title 14, Delaware Code by deleting the words “\$1.25 million” as they appear
29 therein and substituting in lieu thereof the number “\$625,000”.

30 Section 5. Amend Section 3, Chapter 287, Volume 72, Laws of Delaware, by deleting the number
31 “\$350,000.00” as it appears therein and substituting in lieu thereof the number “\$175,000”.

32 Section 6. Notwithstanding the provisions of §7511, Title 29 and §1903 and §2116 of Title 14, a school
33 district which has passed a major capital school construction referendum during Fiscal Year 2000, may modify the
34 associated certificate of necessity, with local school board and Department of Education approval, without the
35 necessity for a new referendum. In no case shall such a modification to the certificate of necessity result in the
36 ability of the local school district to issue local school bonds in an amount greater than the amount permitted by the
37 original referendum.”

38 Section 7. Amend §7503(c), Title 14 of the Delaware Code by inserting after the fourth sentence the
39 following:

40 “For the fiscal year beginning July 1, 2001, the local share ratio shall be computed by multiplying
41 the school district ability index for the school district, or in the case of vocational schools or special

42 schools, the county wide ability index, as defined in § 1707 of Title 14, by .20, providing, however, that the
43 product shall not exceed .20 or be less than .10 for any school district, but in no case, shall this provision
44 apply to any major school construction referendum passed prior to July 1, 1999.”

45 Section 8. Amend House Bill No. 700 of the 140th General Assembly entitled the Fiscal Year 2001 Bond
46 and Capital Improvement Act by reducing the Public School Construction Bond Reserve by an amount equivalent to
47 one-half of the amount of the combined local shares associated with the project authorizations and appropriations as
48 they also appear therein for the following school districts: Appoquinimink, Caesar Rodney, Colonial, Cape
49 Henlopen, Smyrna, New Castle County Vocational and Indian River. Further, the authorization or appropriation
50 amounts of the districts listed herein as they appear in the Section 1 Addendum of House Bill No. 700 shall be
51 increased by an amount equivalent to one half of the local share associated with the projects in each district prior to
52 this adjustment.

SYNOPSIS

This Act creates a Public School Construction Bond Reserve Fund to pay for school construction projects including neighborhood schools. This Act further reduces by 50% the local share of major school construction beginning in Fiscal Year 2002. Further, transition costs associated with the implementation of neighborhood schools is reduced by 50%.