

No. 1979-62

A SUPPLEMENT

HB 1207

To the act of \_\_\_\_\_, entitled "An act providing for the capital budget for the fiscal year 1979-1980," itemizing public improvement projects to be acquired or constructed by the Department of General Services together with their estimated financial cost; authorizing the incurring of debt without the approval of the electors for the purpose of financing the projects, stating the estimated useful life of the projects and making an appropriation.

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

Section 1. Itemization and Authorization of Projects.—Additional capital projects in the category of public improvement projects to be acquired or constructed by the Department of General Services, its successors or assigns, and to be financed by the incurring of debt, are hereby itemized, together with the respective estimated financial cost and the total additional amount authorized for the public improvement projects as follows:

A. Total Authorization . . . . . \$4,482,000

B. Itemization of Public Improvement Projects:

	Base Project Cost	Design and Contin- gencies	Total Project Cost
I. Department of Education			
(a) California State College			
(1) Roof Maintenance			\$150,000
II. Department of Environmental Resources			
(a) Borough of Turtle Creek Allegheny County			
(1) Channel Rectification Saw Mill Run	\$2,500,000	\$205,000	\$2,705,000
III. Department of Military Affairs	\$1,227,000	\$245,000	\$1,472,000
(a) Erie Soldiers' and Sailors' Home			
(1) Renovation of Main Building	1,227,000	245,000	1,472,000

IV. Department of Public Welfare	\$129,000	\$26,000	\$155,000
(a) Pennhurst Center			
(1) Utility Tunnel	129,000	26,000	155,000

Section 2. Debt Authorization.—The Governor, Auditor General and State Treasurer are hereby authorized and directed to borrow, from time to time, in addition to any authorization heretofore or hereafter enacted, on the credit of the Commonwealth, subject to the limitations provided in the current capital budget, money not exceeding in the aggregate the sum of \$4,482,000 as may be found necessary to carry out the acquisition and construction of the public improvement projects specifically itemized in a capital budget.

Section 3. Issue of Bonds.—The indebtedness herein authorized shall be incurred from time to time and shall be evidenced by one or more series of general obligation bonds of the Commonwealth in such aggregate principal amount for each series as the Governor, Auditor General and State Treasurer shall determine, but the latest stated maturity date shall not exceed 30 years from the date of the bond first issued for each such series.

Section 4. Estimated Useful Life of Projects.—The General Assembly states the estimated useful life of the public improvement projects heretofore itemized is not less than 30 years from the date of completion thereof, which period is hereby stated to be the maximum term of the debt to be incurred.

Section 5. Appropriation.—The net proceeds of the sale of the obligations herein authorized are hereby appropriated from the Capital Facilities Fund to the Department of General Services in the maximum amount of \$4,482,000 to be used by it exclusively to defray the financial cost of the public improvement projects specifically itemized in a capital budget. After reserving or paying the expenses of the sale of the obligation, the State Treasurer shall pay to the Department of General Services the moneys as required and certified by it to be legally due and payable.

Section 6. Federal Funds.—In addition to those funds appropriated in section 5, all moneys received from the Federal Government for the construction of the public improvement projects specifically itemized herein are also hereby appropriated for those projects.

Section 7. Allocation of Funds.—Whenever as determined by the Department of General Services the full estimated financial cost of the public improvement projects itemized in section 1 hereof are not necessary for the proper design, acquisition or construction of the projects, the excess funds no longer required may be allocated to increase the estimated cost of any one or more of the public improvement projects specifically itemized in a capital budget.

Section 8. Effective Date.—This act shall take effect July 1, 1979 or, if enacted subsequent to this date, immediately.

Approved this 20th day of July, 1979 except as to the following:

Section 5. Appropriation.—The net proceeds of the sale of the obligations herein authorized are hereby appropriated from the Capital Facilities Fund to the Department of General Services in the maximum amount of \$4,482,000 to be used by it exclusively to defray the financial cost of the public improvement projects specifically itemized in a capital budget. After reserving or paying the expenses of the sale of the obligation, the State Treasurer shall pay to the Department of General Services the moneys as required and certified by it to be legally due and payable.

I approve this item in the amount of \$4,332,000. I withhold my approval from the remainder of said appropriation and debt authorization because one of the projects in the bill will not be implemented. The project not to be implemented is:

I. Department of Education

a. California State College

(1) Roof Maintenance \$150,000

This project is for routine maintenance which should be financed from operating funds. It is not a project which fits the definition of a capital project; that is, new construction or major renovation of a structure.

Due to the high bond indebtedness of the Commonwealth, the high cost of financing a maintenance project from bond funds, and the fact that this is a maintenance not capital project, it would be a very dangerous precedent to set in terms of financing normal maintenance projects under the bond funded capital program.

DICK THORNBURGH