HOUSE OF REPRESENTATIVES
DEMOCRATIC COMMITTEE BILL ANALYSIS

Bill No:	HB2401 PN3077	**Prepared By:**	Chris Fetterman (717) 783-1540
Committee:	Appropriations	**Executive Director:**	Courtney Richardson
Sponsor:	Harris, Jordan		
Date:	3/24/2026		

A. Brief Concept

House Bill 2401, Printer's Number 3077, provides for the capital budget for the 2026/27 fiscal year, authorizing the overall limitations on debt to be incurred for capital projects.

C. Analysis of the Bill

This bill authorizes up to a total of $1.645 billion in additional principal debt to be issued by the commonwealth to pay for capital projects specifically itemized in a capital budget project itemization bill. Debt is specifically authorized by capital category as follows:

Category	Authorization
Public Improvement Projects: Buildings and structures	$1,200,000,000
Public Improvement Projects: Furniture and equipment	$20,000,000
Transportation Assistance Projects	$100,000,000
Redevelopment Assistance Projects	$325,000,000
Flood Control Projects	$0
Total	$1,645,000,000

Debt can be incurred in the 2026/27 fiscal year or thereafter until the enactment of the 2027/28 capital budget, up to the maximum amounts laid out in the bill.

Effective Date:

The bill takes effect immediately.

G. Relevant Existing Laws

Constitutional requirements
The Pennsylvania Constitution requires the General Assembly to pass a capital budget each year. The last capital budget was Act 48 of 2025. In addition to the annual issuance limits set under capital budget acts like HB 2401, the Pennsylvania Constitution limits aggregate capital budget debt to 1.75 times the five-year average of tax revenues collected by the commonwealth. The Auditor General certifies this limit semi-annually. The most recent certification on February 28, 2026 set the capital budget debt limit at $94.2 billion, with $11.1 billion in debt outstanding at that date.

RACP Debt Limit - Capital Facilities Debt Enabling Act and in other acts
The Capital Facilities Debt Enabling Act (CFDEA) provides the statutory framework and procedures for capital budget debt issuance, and use of those proceeds. The CFDEA typically contained a limit on the aggregate amount of redevelopment assistance capital projects (RACP) debt that can be outstanding at any one time. In recent years, the General Assembly has revised this limit by enacting changes in both the CFDEA and in other statutes. The current RACP debt limit is $3.1 billion.

Capital Budget Debt Structure Changes

Act 43 of 2019 amended the CFDEA to require that the commonwealth use the equal annual maturities debt service structure, also known as a level principal methodology. Previously, the issuing officials had the option to use either a level principal or a level debt service structure. Act 43 applies for bonds issued after July 1, 2021, so any debt issued under HB 2401's authorization will be required to use a level principal structure. Using a level principal methodology means the commonwealth will have higher principal repayment and debt service costs early in the life of the bonds, but lower interest payments and debt service costs in total over the life of the debt.

E. **Prior Session** (Previous Bill Numbers & House/Senate Votes)

Act 48 of 2025, the 2025/26 Capital Budget, was approved in the House by a vote of 184-18. The Bill passed the Senate by a vote of 43-3-3.