

Executive Summary and Overview of Recommendations

The Public School Building Construction and Reconstruction Advisory Committee (Committee) identified four key areas in the program where substantial revisions were critical. The Committee recommends the following based on public hearings and tours of school facilities as well as materials submitted to the Committee.

Administrative Process Recommendations:

- Simplify by reducing to a 4-step administrative process.
- Authorize PDE to develop a web-based application and data collection system.
- Allow electronic submittal of required documents via the Internet.

High-Performance Building Standards Recommendations:

- Recognize LEED and Green Globes as high-performance building standards.
- Allow the Secretary of Education to recognize other high-performance building standards with the goal to meet or exceed LEED and Green Globes standards.
- Provide a ten percent (10%) incentive in the reimbursement formula for projects that use recognized High-Performance building standards.
- Require projects seeking the high-performance building standards reimbursement incentive to provide a projected return on investment for utilizing high-performance standards versus code construction which must show a positive return on investment over the building's lifetime.

Maintenance, Repairs, and Modernization Project recommendations:

- Create a small project building maintenance and repair grant program by designating a twenty percent (20%) set-aside of monies appropriated for the new building reimbursement program. Eligible projects shall include:
 - Roof repairs and replacement
 - HVAC boilers and controls
 - Plumbing systems
 - Energy savings projects
 - Health and safety upgrades
 - Emergencies, and
 - Other projects as approved by the Secretary
 - Per project maximum award of \$1 million with a fifty percent (50%) local match.
- Annual allocation of funds to a district cannot exceed twenty percent (20%) of annual set-aside funds.
- Use funding rubric to prioritize grant awards which shall consider:
 - School district wealth
 - Prior receipt of grant awards
 - Building conditions
 - Emergency

- Allocate fifty percent (50%) of grant awards on December 31 and allocate remaining funds no later than June 30.
- Define emergencies as deficiencies which prohibit a school building from being occupied. No local match is required for emergencies.
- Require PDE to annually transmit grant award information, including scoring, to the Senate and House Appropriations Committees.
- Develop guidelines for voluntary reporting of information by districts related to building safety, inventory and condition.
 - Require PDE to create a uniform Facility Condition Assessment (FCA) for all school districts that includes, but is not limited to, a projection of costs to maintain and renovate the district's existing facilities. Each district's completed FCA shall be submitted to the Department and the Department shall post the FCAs on its website.
 - Incentivize districts to complete FCAs on a decennial basis:
 - Provide additional points in small project grant funding rubric for participation.
 - Provide two percent (2%) incentive in reimbursement formula for participation.
- Require the Department of Labor and Industry to make information available to public school districts to help them understand the difference between "public work" and "maintenance work" based on industry standards and the existing language of the Pennsylvania Prevailing Wage Act.
- Create a set-aside of five percent (5%) of monies appropriated for the new building reimbursement program to be dedicated to school safety projects.

Reimbursement Formula Recommendations:

Per Pupil Amount

- Determine a base per full-time equivalent (FTE) reimbursement amount using the state median structural cost of completed school building projects during the last five (5) years as determined by PDE.
- At present, PDE calculates this amount to be \$18,251.
- Recalculate base per FTE reimbursement every five (5) years.

Adjustment Factor

- The adjustment factor shall be set by the General Assembly and the Governor from 0 to 1 to determine the state share of the base per FTE amount.
- Consideration shall be given to provide for a consistent level of funding from year-to-year for school districts planning future projects.

School Building Capacity

- Use the lesser of a school buildings enrollment and the per FTE building capacity schedule that will be the same for all building types.

- Determine the per FTE building capacity using a room schedule that weighs the FTEs per room based on the cost of each type of room.
- Use room schedule developed by PDE's Architect which considers costs.

Wealth Factor

- Use the greater of the Market Value Aid Ratio and a new aid ratio which utilizes factors contained in the Basic Education Funding Formula. The new aid ratio uses the following factors:
 - Median Household Income Index
 - Local Effort Capacity Index
 - Sparsity-Size Adjustment (School districts that qualify for a sparsity-size adjustment receive an additional 0.1000)
 - Concentrated Poverty (School districts with concentrated poverty receive an additional 0.0500)
 - Provides for a minimum wealth factor of 0.1500.

Formula Calculation

- Multiply the Per Pupil Amount by the Adjustment Factor by the Building Capacity by the Wealth Factor to determine the State share.

Maximum Payment Amount

- State share cannot exceed sixty five percent (65%) of school building projects structural costs.

Payment Schedule

- Divide state share into 20 equal payments to be made over 20 years.

RECOMMENDED 4-STEP SCHOOL BUILDING/ RENOVATION REIMBURSEMENT PROCESS

SCHOOL DISTRICT SUBMISSIONS

DEPARTMENT REVIEW

Part

1

PROJECT JUSTIFICATION

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| <ol style="list-style-type: none"> (1) Districtwide facility study, not more than 5 year old (2) Evidence of school board approval (3) Educational specifications (4) Design overview, drawings and scheduled area floor plan (5) Site plan (6) Preliminary Act 34 hearing materials | <ol style="list-style-type: none"> (1) Verify existence of districtwide facility study (2) Verify school board approval (3) Assess whether project meets educational specifications and enrollment needs (4) Verify compliance with 20-year and 20% rules (5) Evaluate district financial health. (a) Is debt service greater than 25% of local revenue; and (b) Does Annual Financial Report (AFR) show evidence of financial distress. (6) Review project's compliance with Act 34 (7) Calculate preliminary reimbursement amount |
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Part

2

CONSTRUCTION DOCUMENTS

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| <ol style="list-style-type: none"> (1) Evidence of school board approval of intent to award (2) Act 34 hearing materials (3) Bid/construction documents (4) Notice of intent to award and outcome materials (5) Confirmation of compliance with other agency requirements (6) Scheduled area floor plan | <ol style="list-style-type: none"> (1) Review bid/construction documents (2) Review project's compliance with Act 34 (3) Confirm decisions on bids received for each bid event (4) Approve construction documents before contracts are signed as a condition of reimbursement (5) Confirm other agency requirements (6) Review updated scheduled area floor plan and enrollment. (7) Calculate final reimbursement amount |
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Part

3

PROJECT BID AWARDS

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| <ol style="list-style-type: none"> (1) Evidence of school board approval of signed contracts (2) Prime contractor certifications (3) Final bid tabulations (4) Submit invoice for payment | <ol style="list-style-type: none"> (1) Assess project cost accounting based on actual bid awards (2) Review compliance with 20% rule for alterations (3) Review project's compliance with Act 34 (4) Process invoice to begin payment |
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Part

4

PROJECT COMPLETION

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| <ol style="list-style-type: none"> (1) Independent audit within one year of occupancy, may correspond with school district annual audit. (2) Attestation of compliance with Act 34 | <ol style="list-style-type: none"> (1) Review final project costs (2) Review project's compliance with Act 34 |
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Notes:

- (1) Require PDE to develop a web based application
- (2) Provide for electronic submission of necessary documents via Internet
- (3) If independent audit is not submitted within one year, unless waived by the Secretary due to extenuating circumstances, then funding withheld.