

- 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.