



Senate Education Committee

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SENATE BILL 694-SENATOR EICHELBERGER

SYNOPSIS:

Provides for changes to the public school construction process and the state reimbursement process for school construction.

SUMMARY:

Amends the Public School Code to require the Department of Education to provide an electronic database on its publicly accessible website for public access to information on public school construction and reconstruction projects, building purchases and charter school lease reimbursements submitted for approval or approved by the department. Requires the date of approval for each step of the reimbursement process. Requires the database to be established no later than July 1, 2016.

Clarifies that the approval of the department is not required for school construction plans and specifications when no reimbursement from the Commonwealth is required.

Adds a new section creating the accountability and reducing costs construction process. Requires the department, no later than July 1, 2016, to develop and implement a process, including standardized forms and procedures, which shall be used by school districts to apply for Commonwealth reimbursement for school construction and reconstruction. Requires the department to separate the process into five benchmark steps of department approval.

Step 1

Project description
Project justification
Technical schematic design review conference with the department

Step 2

Site acquisition, if applicable to the process
Project accounting based on cost estimates
A conference with the department to review completed construction documents, including bid specifications, drawings for the project and documentation regarding the fulfillment of State and local agency requirements

Step 3

Project accounting based on costs for actual construction bids for which contracts shall be awarded
Project financing, including financing method and the calculation of the temporary reimbursable percent for the project. Approval through step 3 shall initiate project reimbursement from the Commonwealth.

Step 4

Interim reporting of project modifications, including the reporting of change orders and supplemental contracts; and

Project accounting based on the final costs of a project after completion of
Construction of the process

Payment for all construction or reconstruction work, unless the department granted an exception.

Requires the calculation of the permanent reimbursable percent to take place during Step 4.

Requires Step 5 to consist of project refinancing, where applicable, to allow for the restructuring, refinancing or refunding of existing indebtedness.

Except as provided below, districts shall be reimbursed by the department in the order in which their projects received approval for Commonwealth reimbursement by the department.

Permits the Secretary to prioritize the reimbursement of a project of a school district declared to be in financial recovery status. Projects given priority shall be reimbursed before all other projects.

Requires school districts to develop a complete district-wide facility study of all district educational facilities, including the district administrative offices. Requires the study to be completed prior to, and within five years of, the initial date of submission of an application for Commonwealth reimbursement. Requires the study to provide an appraisal of each facility's ability to meet current and planned education program requirements, the degree to which the present facilities meet reasonably current construction standards and an estimated cost of necessary repairs and improvements. Requires the study to be submitted with the construction application.

Requires a school district within Step 1 to submit a cost-benefit analysis of the project that compares the construction of the proposed new building to the expansion or renovation of an existing building for the same purpose. Requires substantial evidence that a new building is necessary and requires demonstration of the necessity of a new building that would better meet the needs of the school district and its students.

Provides that school districts shall not be eligible for Commonwealth reimbursement for an existing building that is less than 30 years old or for which a reimbursable project has been approved within the preceding 30 years. Provides for exceptions to this rule in specific emergency situations.

Provides that school districts shall not be eligible for reimbursement for any existing building where the cost of expansion is less than 40 percent of the replacement value of the entire building.

States that a school district shall not be required to resubmit any completed plans when the department received a completed initial application before July 1, 2016.

Requires the development of rules and guidelines within 12 months of the effective date.

Permits any school district that began a school construction project during the time when the department was not accepting or approving new school construction projects shall be eligible and may apply for reimbursement.

Initial applications for projects submitted to the department on or after July 1, 2016, shall not receive supplementary reimbursements for using designs from the department's school facility design clearinghouse and green building certifications.

Eliminates the use of the capital account reimbursement fraction.

Creates a new section providing for lump sum reimbursement for construction or reconstruction. Permits the department, upon the availability of sufficient funds and the mutual agreement of the department and a school district as full reimbursement for a project that has received all required approvals from the department for Commonwealth reimbursement. Limits the lump sum payment to no more than 75% of the total allowable reimbursement, provided that the payment shall not include reimbursement for interest incurred by a school district. Provides that a district that does not agree to this lump sum reimbursement shall remain eligible for the total allowable reimbursement. Requires a district receiving a lump sum reimbursement to relinquish any current claim to allowable reimbursement. Requires the department to make the lump sum payment available to school districts in the order in which each project receives approval from the Commonwealth.

For the 2015-2016 fiscal year and each fiscal year thereafter, requires the State Public Building Authority to assist all school districts with refinancing projects that are currently receiving state reimbursement for a portion of their school construction costs to make additional funds available through which to provide State reimbursement to projects that have not yet begun receiving state reimbursement.

Effective in 60 days.