



# **PLANNING AND CONSTRUCTION WORKBOOK**

## **General Instructions**

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Bureau of Budget and Fiscal Management  
Division of School Facilities  
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## **GENERAL INSTRUCTIONS**

### **INTRODUCTION**

When a school district or area vocational-technical school (AVTS)/career and technology center (CTC) undertakes a major construction project and seeks reimbursement from the Commonwealth, a process known as PlanCon is initiated. PlanCon, an acronym for Planning and Construction Workbook, is a set of forms and procedures used to apply for Commonwealth reimbursement. The PlanCon forms are designed to: (1) document a local school entity's planning process; (2) provide justification for a project to the public; (3) ascertain compliance with state laws and regulations; and (4) establish the level of state participation in the cost of the project. Note that the PlanCon instructions and forms throughout may only reference school districts and their projects, however these instructions and all requirements described herein apply to both school district and area vocational-technical school (AVTS)/career and technology center (CTC) projects unless otherwise noted.

### **DESCRIPTION OF PLANCON**

**Part A** "Project Justification" provides the description of a proposed project and the justification of its need.

**Part B** "Schematic Design" includes a technical review conference of the conceptual drawings, site plan and educational specifications. The architect and a school district administrator who is knowledgeable about the project and the educational program must be present at the schematic design conference.

**Part C** "Site Acquisition" deals with the acquisition of land for school building projects or the purchase of a building for school or school district administration office use. This part is completed only if land is acquired or a building is purchased as part of the scope of the project.

**Part D** "Project Accounting Based on Estimates" is concerned with estimated project costs. In this part, various "tests" of a school district's financial ability to make payments are performed, as required by Section 21.51 of the State Board of Education Regulations. This part also addresses the requirements for public hearings on school building projects, as required by Sections 7-701.1 and 7-731 of the Public School Code of 1949, as amended. PlanCon Part D also provides an estimate of state reimbursement.

**Part E** "Design Development" includes a conference to review the architectural aspects of a project when the design is fully developed. The architect and a school district administrator must be present at this review conference.

**Part F** "Construction Documents" includes a conference to review bid specifications and drawings for the project and documentation that other state and local agency requirements have been met or will be met before entering into construction contracts. Departmental approval of PlanCon Part F authorizes a school district to enter into construction contracts. The architect and a school district administrator must be present at this review conference.

**Part G** "Project Accounting Based on Bids" is concerned with actual construction bids. A project's eligibility for reimbursement is determined at PlanCon Part G.

**Part H** "Project Financing" addresses the financing used for a project. Calculation of the temporary reimbursable percent for a project's financing occurs at PlanCon Part H. When PlanCon Part H is approved, reimbursement on a project commences.

**Part I** "Interim Reporting" provides for the reporting of change orders and/or supplemental contracts during construction.

**Part J** "Project Accounting Based on Final Costs" is the final accounting for the project. The permanent reimbursable percent is calculated at PlanCon Part J.

**Part K** "Project Refinancing" is used if a reimbursable bond issue is refunded, refinanced or restructured.

**Note:** The "Protection" feature is activated on PlanCon forms. Occasionally it is necessary to activate the "Unprotect Sheet" feature to modify information for specific project submissions. If the "Unprotect Sheet" has been activated, be sure to reset the "Protection" feature after information has been entered.

**PRELIMINARY MEETINGS, TIME FRAME AND BOARD ACTION DATES**

The Division of School Facilities staff is available to meet with school administrators, board members and representatives from architectural firms prior to the submission of PlanCon Part A to discuss any questions or concerns or to discuss the PlanCon process in general. To schedule a preliminary meeting, the following information must be provided: (1) the general topic to be discussed at the meeting; and (2) the names of the individuals who will attend. If possible, any pertinent information for the meeting should be submitted to the Division of School Facilities one week prior to the scheduled date of the meeting so that the material can be reviewed prior to the meeting.

Due to "other agency" review/approval requirements, the time frame for a project to proceed from PlanCon Part A to PlanCon Part G is often 9-12 months. All PlanCon parts must be approved by the local school board and submitted in sequential order for all second, third and fourth class school districts unless indicated otherwise below:

PLANCON PART	BOARD ACTION DATE
A	Must occur after Board's acceptance of the school district-wide facility study and must be approved prior to all other PlanCon parts except Part C.
B	Submitted with PlanCon Part A; no separate board action required.
C	May be approved at any time prior to PlanCon Part F. <u>Written</u> Departmental approval must be obtained prior to the date of settlement or the filing date of the Declaration of Taking.
D	Must be approved after PlanCon Part A. May have same board action date as PlanCon Part E. If Act 34 of 1973 applies, the board action date must be no less than 30 days after the date of the Act 34 hearing.
E	Must be approved simultaneously with or after PlanCon Part D, but before PlanCon Part F-Phase or Part F.
F-Phase	Must be approved after PlanCon Part E, but before PlanCon Part F for the entire project.
F	Must be approved after PlanCon Part E <u>and</u> prior to PlanCon Part F architectural review.
G-Phase	Must be approved after PlanCon Part F-Phase.
G	Must be approved after PlanCon Part F. May have same board action date as PlanCon Part H if the project financing is in place.
H	May be approved simultaneously with or after PlanCon Part G.
I	Must be approved after PlanCon Part G.
J	Must be approved after PlanCon Parts G and H. The board action date should be after the completion of the construction project.
K	Must be approved after the settlement date of the bond issue or note.

## LAWS, REGULATIONS, STANDARDS AND BASIC EDUCATION CIRCULARS

The following is a list of laws, regulations, standards and Basic Education Circulars (BEC) which pertain to the PlanCon process:

1. Articles 7 and 25 of the Pennsylvania Public School Code of 1949;
2. Chapter 21, School Buildings, of the State Board of Education Regulations;
3. Chapter 349, School Building Standards, of the Department of Education Standards;
4. BEC 24 P.S. § 25-2574, "Reimbursements for School Construction Bond Issues," provides information on state reimbursement for bond issues funding school construction projects; and
5. BEC 24 P.S. § 7-733, "School Construction Reimbursement Criteria," contains the following requirements for reimbursable school construction projects:
  - a. CURRENT STANDARDS - A condition of reimbursement is to bring the entire building up to prevailing educational and reasonably current construction standards;
  - b. DISTRICT-WIDE FACILITY STUDY - A school district-wide facility study for all school district facilities must have been completed and accepted by the Board prior to the submission of PlanCon Part A and within two years of that date. Refer to Attachment C in the PlanCon Part A instructions for additional information on school district-wide facility study requirements;
  - c. WOOD CONSTRUCTION - For any project involving the renovation of a multi-storied building which has wood framing (i.e., interior framing is partially or wholly of wood), a school district must describe the plans and methods designed to address the health and safety issues related to this type of construction;
  - d. EARLY CHILDHOOD - For elementary school projects, school districts should consider providing enough space for pre-kindergarten, full-day kindergarten and preK-3 classes with no more than 17 students per teacher;
  - e. HIGH PERFORMANCE GREEN BUILDINGS - School districts should consider designing their projects to meet the U.S. Green Building Council's Leadership in Energy and Environmental Design Green Building Rating System (LEED-NC™) standards or the Green Building Initiative's Green Globes™ Building Rating System;
  - f. 20 YEAR RULE - Buildings may only qualify for school construction reimbursement every twenty years at a minimum **unless a variance is requested and approved**. To determine the applicability of the "20-year" rule on a project building, calculate the number of years from the bid opening date of the previous reimbursable project to the bid opening date of the planned project; and
  - g. 20% RULE FOR ALTERATION COSTS - An alteration project may not be eligible for reimbursement where the costs for alterations are less than 20% of the project building's replacement value **unless a variance is requested and approved**. This rule does not apply to career and technical centers (CTCs) or to leased buildings.

BEC 24 P.S. 7-733 enables school districts to request variances of both the "20% Rule for Alteration Costs" and the 20-Year Rule so that renovations on a project building reimbursed in the past twenty years may now be eligible for state reimbursement. A request for a variance must be submitted in the form of a resolution of the Board of School Directors. Variance requests may be justified based on educational, operational, building envelope (structural, foundation, roof and window systems), and health and safety issues, if applicable. Unanticipated changes in building conditions or other factors may also help to justify a request. Each request is reviewed on a case-by-case basis. School districts should contact this office for further direction when considering substantial renovations to any school buildings reimbursed within the past twenty years.

### **ACT 34 OF 1973**

Act 34 of 1973 requires that a public hearing be held on all new construction and substantial additions for second, third and fourth class school districts. A building addition is considered substantial when the new architectural area divided by the existing structure's architectural area is greater than 20 percent. Act 34 applies only to costs for new construction. The legal requirements do not address the costs for alterations to existing structures or costs for site development.

24P.S. § 7-701.1 requires that the board of school directors hold a second Act 34 hearing on a project whenever the maximum building construction cost based on bids exceeds the maximum building construction cost based on estimates by eight percent or more. Moreover, a referendum must be held on a project if the maximum building construction cost based on bids exceeds the aggregate building expenditure standard. The second Act 34 of 1973 hearing or the Act 34 referendum must be held before a school district enters into construction contracts and commences work on any portion of a project, the cost of which would cause the statutory limit to be exceeded. Since the calculations to determine the need for a second Act 34 hearing or referendum, as well as other eligibility criteria, are included in PlanCon Part G, school districts are cautioned about entering into contracts and starting construction before obtaining Departmental approval of PlanCon Part G. Failure to comply with the legal, regulatory and Departmental requirements applicable to a school construction project will result in the denial of reimbursement.

Under Act 34's provisions, an Act 34 project is subject to the second hearing and referendum requirements until all construction is completed. In fact, an Act 34 referendum or second hearing may be required even during construction if a project's accumulated costs, including any planned equipment purchases or future construction work, exceed a project's statutory limit. When the Act 34 referendum limit or second Act 34 hearing limit for a project is exceeded, the only options available are: (1) to hold a referendum or hearing before proceeding with any work or equipment purchases causing the statutory limit to be exceeded; or (2) to reduce the scope of any proposed work or equipment purchases.

### **APPROVAL OF CONSTRUCTION DOCUMENTS AND REIMBURSEMENT DETERMINATION**

Section 731 of the Public School Code of 1949 states that no public school building shall be contracted for, constructed, or reconstructed in any school district of the second, third, or fourth class until plans and specifications have been approved by the Department of Education. Departmental approval of final plans and specifications only occurs upon the issuance of written approval of PlanCon Part F "Construction Documents." For the Philadelphia City School District (First Class) and Pittsburgh School District (First Class A), PlanCon Part F must also be approved by the Department prior to entering into contracts for a school construction project to qualify for state reimbursement. Failure to comply with the applicable statutory or Departmental requirement will result in denial of reimbursement for a project.

Departmental approval of PlanCon Part F for a project does not guarantee reimbursement for that project. A project is deemed eligible for reimbursement only upon written Departmental approval of PlanCon Part G "Project Accounting Based on Bids."

#### **CALCULATION OF REIMBURSEMENT FOR SCHOOL CONSTRUCTION PROJECTS**

In general, reimbursement for school construction projects is based on the capacity of a building which can be justified by present or projected student enrollment. Classroom capacity is normally calculated on the basis of 25 students per regular classroom. (Other values are assigned to laboratories, gymnasiums, art rooms, music rooms, etc.) For example, if a school district has a 20 classroom elementary building, the normal calculation would be a full-time equivalent capacity of 500 (20 x 25).

The capacity would have to be supported by current or projected enrollment. This capacity is then converted to rated pupil capacity. The term "rated pupil capacity" has no significance other than it is a method for calculating reimbursement. An elementary building with a full-time equivalent capacity of 500 is deemed to have a "rated pupil capacity" of 700. (Refer to PlanCon Part A instructions for conversion charts.)

**For a new building,** reimbursement is calculated on the lesser of (1) the product of the rated pupil capacity multiplied by a legislated per pupil dollar amount (24 P.S. Section 25-2574), or (2) structure costs plus architect's fee (six percent maximum) and essential movable fixtures and equipment. To the lesser of (1) or (2) above, additional funding for certain types of projects and specified eligible ancillary costs is added. Additional information about legislative changes affecting school construction reimbursement follows this section.

**For a building addition or additions/alterations,** reimbursement is determined similar to that for a new building. The rated pupil capacity for the total building is multiplied by the legislated per pupil dollar amount to arrive at a total reimbursable amount. The gross area of the addition is divided by the gross area of the completed facility to arrive at the proration of the addition to the total building. The same method is used to determine the proration of the existing building to the completed building. These values are then compared to the actual bid costs of the addition and renovation work. To the lesser of the maximum reimbursable formula amount or actual bid costs, additional funding for certain types of projects and specified eligible ancillary costs is added. Additional information about legislative changes affecting school construction reimbursement follows this section.

**For alterations to existing structures,** reimbursement for roof replacement and asbestos abatement (if applicable) are each limited to twenty percent (20%) of the remaining assignable alteration costs. Reimbursement for site development is limited to ten percent (10%) of adjusted structure costs for new construction; site development for existing structures is non-reimbursable. For all non-vocational projects, reimbursement for movable fixtures and equipment is limited to five percent (5%) of adjusted structure costs; for all vocational projects, reimbursement for movable fixtures and equipment is limited to twenty percent (20%) of adjusted structure costs. Both estimated and actual costs for movable fixtures and equipment, and architect's fee are not considered for reimbursement until PlanCon Part J "Project Accounting Based on Final Costs," is processed by the Division of School Facilities.

For new construction as well as alterations to existing buildings, the reimbursable project amount is then divided by the total project costs to determine a reimbursable percent. A five tenths of one percent (0.5%) reduction in the reimbursable percent is made until final project accounting.

**For projects financed by the issuance of debt,** the reimbursable percent is multiplied by the school district's bond issue (principal and interest payments) to determine the level of Commonwealth participation in the cost of the project. The Commonwealth's share is then multiplied by a measure of a school district's wealth, i.e., the greater of Market Value Aid Ratio (MVAR), Capital Account Reimbursement Fraction (CARF) or Density Factor, to determine the net state subsidy. An application for state subsidy PDE-2071, "Application for Reimbursement for School Construction Project," must be submitted for each scheduled payment on the approved payment schedule after the school district has actually made each payment.

**For projects financed by cash,** i.e. without the issuance of debt, the reimbursable percentage is multiplied by the total project costs for the school construction project to determine the level of Commonwealth participation in the cost of the project. The Commonwealth's share is then multiplied by a measure of a school district's wealth, i.e., the greater of Market Value Aid Ratio (MVAR), Capital Account Reimbursement Fraction (CARF) or Density Factor, to determine the net state subsidy.

If a project is financed by cash, no reimbursement will be paid until PlanCon Part J "Project Accounting Based on Final Costs," is submitted and approved by the Department unless otherwise approved by this office. At PlanCon Part J, a certification must be provided indicating that, in accordance with Section 2575.1 of the Public School Code of 1949, the school district/CTC is providing full payment on account of the approved building construction cost without incurring debt or without incurring a lease. For purposes of calculating reimbursement, bond proceeds that are transferred to the general fund and then used for a reimbursable construction project are still considered bond proceeds. A PDE-2071 form must be filed with the Comptroller's Office if cash is the method of financing for a project.

The above explanation is intended to be a general introduction to the reimbursement calculations used for school construction projects.

#### **LEGISLATIVE CHANGES AFFECTING SCHOOL CONSTRUCTION REIMBURSEMENT**

Act 46 of 2005 increased the reimbursement rates for eligible projects, revised the vocational reimbursement formula and provided additional funding for certain projects. The changes apply to projects for which the general construction contract awarded subsequent to January 1, 2005, and for approved school building projects for which the general construction contract was awarded but for which a lease or general obligation bond resolution was not approved by the Department of Education prior to January 1, 2005. Department approval of a project's financing occurs at PlanCon Part H "Project Financing."

For eligible projects, the applicable per pupil reimbursement amounts are \$4,700 for elementary capacity, \$6,200 for secondary capacity, and \$7,600 for vocational capacity. The base reimbursement formula for eligible vocational projects does not include bond interest in determining the approved building construction cost.

Additional funding is also provided for: (1) projects constructed and based on an approved school facility design published on the Department's School Design Clearinghouse ([www.sdcpublic.ed.state.pa.us](http://www.sdcpublic.ed.state.pa.us)); (2) projects where the general construction contract alters or adds to an existing building; and (3) school buildings receiving a Silver, Gold or Platinum certification from the U.S. Green Building Council's Leadership in Energy and Environmental Design Green Building Rating System (LEED-NC™) or two, three or four Green Globes™ certification from the Green Building Initiative's Green Globes Building Performance Rating System on or after January 1, 2005. Information on the School Design Clearinghouse and LEED and Green Globes certification follow this section.



To receive the additional funding for a project constructed and based on an approved facility design on the clearinghouse, the architect must certify at PlanCon Part J "Project Accounting Based on Final Costs," that the project actually was constructed and based on a clearinghouse design. To ensure design conformance with an approved school design published on the clearinghouse, the Department may inspect a project building before any additional funding for a project is included in the calculation of the permanent reimbursable percent. If a project fails to conform to an approved clearinghouse design, reimbursement will be calculated without the additional funding.

To receive the additional funding for a school building receiving a Silver, Gold or Platinum LEED-NC™ or two, three or four Green Globes™ certification, a copy of the certification must be provided with the PlanCon Part J submission.

As per 24 P.S. Section 25-2574 (c.5), reimbursement for an approved school construction project cannot exceed total project costs. For School Design Clearinghouse and LEED/Green Globes projects, the sum of \$470 multiplied by the elementary rated pupil capacity and \$620 multiplied by the secondary and vocational rated pupil capacities is added to the approved building construction cost. To calculate the additional funding for additions and/or alterations to an existing building, the appraisal value of the existing building is subtracted from the sum of \$470 times the elementary rated pupil capacity and \$620 for the secondary and vocational rated pupil capacities (minimum value equals zero). For reimbursement purposes only, the appraisal value of an existing building is calculated as follows:

1. Multiply the rated pupil capacity for the entire building by the applicable per pupil reimbursement rates to determine the reimbursable formula amount for the total building;
2. Divide the architectural area of the additions by the architectural area of the total building, and then multiply this fraction by the reimbursable formula amount for the total building calculated in Step 1 to determine the formula amount for the additions; and
3. Subtract the reimbursable formula amount for the additions and the adjusted alteration costs from the reimbursable formula amount for the entire building. The result equals the appraisal value of the existing building; minimum equals zero.

Refer to the PlanCon Part D forms for the line-by-line calculations.

By law, three appraisers must be appointed for projects involving additions and/or alterations to an existing building. For reimbursement purposes only, this office will assume, unless advised otherwise, that the school district/CTC representative is the appraiser for the school district/CTC, the appraiser for the Department is the chief of the Division of School Facilities, and the appraiser appointed jointly by the Department and the school district/CTC is the project architect.

By law, reimbursable rental or sinking fund charges on indebtedness is limited to costs for building construction, site acquisition, rough grading and sanitary sewage disposal, and the interest on such costs. Since fees charged for bond underwriting, financial and legal consultation, and other related financing costs are not included in the aforementioned costs nor are they interest, these costs are not eligible for reimbursement. Accordingly, underwriter's fee, original issue discount and original issue premium will not be included in the calculation of the reimbursable percent on any bond issues or leases financing a project affected by school construction reimbursement changes. Also, original issue discount and original issue premium must be reported under revenue sources.

### **SCHOOL DESIGN CLEARINGHOUSE**

To assist school districts in meeting their facility needs, the Department maintains a School Design Clearinghouse (SDC), which may be accessed via the Department's website at [www.sdcpublic.ed.state.pa.us](http://www.sdcpublic.ed.state.pa.us), to showcase new elementary and secondary school building designs that meet minimum design standards established by the Department. The information posted on the SDC website provides school districts and design professionals with information that may lead to cost and time savings on future projects by increasing access to design and cost information on recently completed PlanCon projects.

School districts are encouraged to submit information on new school buildings approved for state funding through the PlanCon process. For a school building design to be published on the SDC website, the building must be fully occupied, preferably for at least one school year following the end of construction. PlanCon projects still in design or under construction are not eligible for consideration.

To be published on the School Design Clearinghouse, a project must meet design standards established by the Department, which focus on cost-effectiveness, academics, and health and safety. As stated previously, projects constructed and based on an approved school facility design published on the SDC website will be eligible for additional state funding.

### **HIGH PERFORMANCE GREEN SCHOOLS**

High performance buildings provide a healthier environment for their occupants and enhance their performance while significantly reducing annual operating costs. Moreover, the cost of building a high performance school is not inherently higher than that of a conventional school. However, the integrated design process for delivering a high performance building differs significantly from the conventional linear design process. Using an integrated design process requires collaborative participation from the outset by all the stakeholders including the building owner and the design professionals from each discipline to develop the building as a single integrated system.

To help accelerate the process for delivering high performance green buildings, schools that achieve LEED certification at the Silver Level or above OR two, three or four Green Globes certification are eligible for additional reimbursement as an incentive to building facilities which provide an enhanced learning environment while minimizing operating costs borne by taxpayers. Information on LEED and Green Globes certification follows this section.

In selecting the LEED and Green Globes points to be pursued, it is strongly recommended that the design team aim for points which have multiple impacts and which maximize return on investment. Areas of best value include reducing energy and water usage, daylighting, and improving indoor air quality. Implementing proper daylighting strategies, for instance, will improve student performance while reducing energy usage and cost.

Information and resources on high performance schools can be found at [www.gggc.state.pa.us](http://www.gggc.state.pa.us) on the Governor's Green Government Council's website by clicking on both "Schools" and "Buildings." The site includes links to the U.S. Green Building Council's LEED web page and the U.S. Environmental Protection Agency's Energy Star for K-12 School Districts program, as well as an award-winning online video on high performance green schools, called "Better Places to Learn."

### **LEED CERTIFICATION**

The U.S. Green Building Council's LEED (Leadership in Energy and Environmental Design) rating system is a voluntary consensus-based national standard for developing high-performance, sustainable buildings. Buildings rated under the LEED system achieve certification at one of four levels - certified, Silver, Gold or Platinum - depending on the number of points gained for performance in six categories: sustainable sites, water efficiency, energy and atmosphere, materials and resource, indoor environmental efficiency, and innovation and design process. For eligible projects to receive the additional funding, a copy of the LEED certification must be provided at PlanCon Part J "Project Accounting Based on Final Costs." Information and resources on the LEED rating system can be found at [www.usgbc.org](http://www.usgbc.org) on the U.S. Green Building Council website.

### **GREEN GLOBES CERTIFICATION**

The Green Building Initiative's Green Globes rating system is an interactive design guidance, environmental assessment and rating tool addressing sustainability issues on buildings during design and construction. The Green Globes system provides a building rating of one, two, three or four globes based on the percentage of total points achieved in seven areas of the building and design process - project management, site, energy, water, resources, emissions, effluents and other impacts, and indoor environment. To achieve a Green Globes rating, the building project must be third party verified by a Green Building Initiative authorized verifier. For eligible projects to receive the additional funding, a copy of the official certification documentation from the awarding body, based on third party verification of points claimed, must be provided at PlanCon Part J "Project Accounting Based on Final Costs." Information and resources on the Green Globes rating system can be found at [www.thegbi.org](http://www.thegbi.org) on the Green Building Initiative website.

### **BUILDING PURCHASE**

In order to receive reimbursement, the following must be submitted:

- For the purchase and additions/alterations of a building, a school district must complete PlanCon Parts A through H.
- For a building purchase with no additions or alterations, all parts except Parts B, E and F need to be submitted. With the PlanCon Part A submission, the school district must submit educational specifications and a separate floor plan drawing identifying spaces listed on the room schedule with calculated area noted therein and perimeter of each scheduled area clearly marked in a contrasting color. PlanCon Parts A and D may be approved by the board at the same meeting with PlanCon Parts G and H approved at a subsequent meeting. PlanCon Part C may be approved by the board either before or at the same time as PlanCon Part A. Written PDE approval of PlanCon Part C must be obtained prior to the date of settlement or the filing of the Declaration of Taking if reimbursement is being sought.

Information pertaining to the capacity and areas of the purchased building should be treated as if the building to be purchased were already owned by the school district. For example, costs for the purchased building and any planned alterations to the existing structure should be provided under the heading of "Existing" in PlanCon documents; the purchase price of the building should be listed separately under "Existing" for Structure Costs. Costs for planned additions should be reported under the heading of "New". Costs associated with site acquisition must be designated separately.

The Department will consider separate reimbursement for site acquisition (in addition to the purchase of a building for school use) under certain circumstances. It will be incumbent for the school district to produce adequate documentation (such as separate appraisals for land and buildings) if separate reimbursement for site costs is sought. In many cases, the amount of reimbursement generated by the maximum reimbursable formula amount will make it unnecessary to consider site costs separately.

As per Basic Education Circular 24 P.S. 7-733, a school district-wide facility study must be completed prior to and within two years of the date of the PlanCon Part A submission.

#### **BUILDING LEASES ELIGIBLE FOR STATE REIMBURSEMENT**

Under Section 703.1 of the Public School Code of 1949, as amended, school districts have the authority to lease for five or more years existing buildings or buildings constructed or renovated for school use. By law, Department approval of the lease agreement is required before the building lease is executed. Section 2574.2 provides reimbursement for buildings leased under Section 703.1.

As defined in Section 2574.2, reimbursement for approved leases of buildings constructed for school use is based on the lesser of (1) the annual rental multiplied by the ratio of the scheduled area to architectural area or (2) the rated pupil capacity multiplied by \$160 for elementary schools, \$220 for secondary schools, and \$270 for area vocational technical schools. Reimbursement for approved leases of existing buildings altered for school use is based on the lesser of (1) the annual rental multiplied by the ratio of the scheduled area to architectural area or (2) the rated pupil capacity multiplied by \$112 for elementary schools, \$154 for secondary schools, and \$189 for area vocational technical schools.

For leases authorized by Section 703.1 to qualify for state reimbursement, the following must be submitted: (1) PlanCon Part A "Project Justification," except page A21; (2) a draft lease agreement; (3) the number of rooms to be leased; (4) a scheduled area floor plan drawing of the building showing door swings and identifying scheduled spaces with the calculated area noted therein and perimeter clearly marked; (5) a Department of Labor and Industry Certificate of Occupancy. During the term of the building lease, updated information must be submitted on an annual basis if the lease provisions permit the lease amount, the number of rooms or square footage to change. Amendments affecting lease costs or room use must also be submitted for our review and approval.

As per Basic Education Circular 24 P.S. 7-733, a school district-wide facility study must be completed prior to and within two years of the date of the PlanCon Part A submission.

#### **RELOCATABLE CLASSROOMS**

Section 2574 of the Public School Code of 1949 provides reimbursement for "approved permanent improvements to the school plant including...the cost of providing needed additions or alterations to existing buildings..." Some relocatables, however, can meet this requirement and be considered the same as traditional permanent construction. Attachment D in the PlanCon Part A instructions lists the conditions which must be satisfied for a relocatable facility to be considered "permanent" and thus eligible for reimbursement.

**ELIGIBILITY REQUIREMENTS FOR THE PHILADELPHIA CITY  
AND PITTSBURGH SCHOOL DISTRICTS**

In addition to the information discussed on previous pages, the Departmental requirements described below will apply to all capital projects for the Philadelphia City and Pittsburgh School Districts submitted to the Department, effective July 1, 2010. The PlanCon forms in effect July 1, 2010, except as indicated below, must be submitted in order for school construction projects initiated by the Philadelphia City and Pittsburgh School Districts to qualify for state reimbursement. In addition, applicable supplemental documents must be included with each PlanCon part submitted.

PLANCON PART A: PROJECT JUSTIFICATION

All pages must be completed if applicable. However, since the Division of School Facilities already has pages A07, Elementary Building Capacity, through A09, Summary of Owned Buildings and Land, on current projects in our files, the school district may omit these pages and include a statement about changes, if any, which have occurred since its last PlanCon project was approved by the Division. In addition, the Division will also consider a request for a variance from the Departmental requirement for a District-Wide Facility Study in view of the number of school buildings in the school district.

PLANCON PART B: SCHEMATIC REVIEW

A site plan, floor plan and scheduled area floor plan completed in accordance with the instructions must be submitted with PlanCon Part A. Staff architects will be available to review other Schematic Review documents if requested by the school district.

PLANCON PART C: SITE ACQUISITION

All pages must be completed if a site or building will be acquired as part of a reimbursable project. Written Departmental approval of PlanCon Part C is required prior to the date of settlement or the filing date of the Declaration of Taking for a site or building.

PLANCON PART D: PROJECT ACCOUNTING BASED ON ESTIMATES

Complete pages D01, Board Transmittal, through D18, Local Effort Limit.

PLANCON PART E: DESIGN DEVELOPMENT

This part may be omitted unless the school district plans to phase the bidding of a project or if a mine subsidence evaluation report is required. For approval of phased bidding, page E01, Board Transmittal, and page E06, Request for Phased Bidding, must be submitted. For all projects by the Pittsburgh School District, page E07, the Pennsylvania Department of Environmental Protection Mine Subsidence Evaluation Report, must be completed. Staff architects will be available to review other Design Development documents if requested by the school district.

PLANCON PART F: CONSTRUCTION DOCUMENTS

Complete pages F01, Board Transmittal, through F14, Full Time Equivalents Converted to Rated Pupil Capacity, as well as pages F18, Rough Grading to Receive the Building, through page F20, Certification in Lieu of Agency Approvals, Permits and Service Availability Letters. Page F15, Certificate of Ownership, is required only if the project includes the purchase, donation, or taking of property acquired as part of this PlanCon project even if the School District is not seeking reimbursement for the site

acquisition. Omit pages F16, Project Building Characteristics, and F17, Construction Specification Requirements. The scheduled area floor plan drawing (as indicated on the bottom of page F01) is also needed as it is critical for determining reimbursement. The certification on page F20, Certification in Lieu of Agency Approvals, Permits and Service Availability Letters, only applies to approvals needed before entering into contracts; if an application for an approval or permit requires a contractor's signature on the construction documents, this requirement does not apply to that approval.

Following bid opening and the decision by the local school board to award and/or reject bids, Attachment C, with information on bids received, alternates accepted and other pertinent information must be submitted before final processing of PlanCon Part F can take place. PlanCon Part F approval for a project will not be issued until this notification is received and bidding issues have been resolved. Refer to the Part F instructions for additional information about this requirement.

If relevant Pennsylvania Municipalities Planning Code provisions apply, the school district must provide a letter or equivalent written certification from the municipality and the county planning agency that the project is consistent with the applicable comprehensive plans and zoning ordinance. If applicable, PlanCon Part F approval for a project will not be issued until this certification is received.

#### PLANCON PART G: PROJECT ACCOUNTING BASED ON BIDS

Complete pages G01, Board Transmittal, through G10, Project Financing and submit bid tabulations with bid opening date thereon.

#### PLANCON PART H: PROJECT FINANCING

Complete all pages.

#### PLANCON PART I: INTERIM REPORTING

Complete pages I01, Board Transmittal, through I03, Application for Change Order Approval, or I04, Application for Supplemental Contract Approval, if requesting an exception to the  $\pm 3\%$  or  $\pm \$300,000$  threshold.

#### PLANCON PART J: PROJECT ACCOUNTING BASED ON FINAL COSTS

Complete pages J01, Board Transmittal, through J06, Financial Information Certification, for all projects. Final Project Costs - Detail, pages J07 through J12, should only be completed if applicable.

#### PLANCON PART K: PROJECT REFINANCING

Complete all pages.

#### BOARD ACTIONS

In recognition of the process the Philadelphia City and Pittsburgh School Districts use for capital projects, PlanCon Parts A, B, D and E may be approved by the school board for submission to the Department at the same board meeting. PlanCon Parts F and G must be approved at separate board meetings. All other applicable parts of PlanCon should be approved by the board when appropriate. The Department, however, strongly recommends that the parts of PlanCon be submitted in sequential order to avoid potential problems.

## REIMBURSEMENT QUALIFICATIONS

To be eligible for reimbursement, a school construction project undertaken by the Philadelphia City or Pittsburgh School District must have PlanCon Part F "Construction Documents" approved by the Department prior to the school district entering into contracts for that project. In addition, all other legal and regulatory requirements must be met in order for a project to qualify for reimbursement. Failure to comply with these Departmental requirements will result in denial of reimbursement for a project. For this reason, the school district is advised to submit PlanCon Part F after bid advertisement but before bid opening. This will provide ample time for any needed revisions to the PlanCon Part F documents to ensure their compliance with Departmental requirements.

The school district should be aware that Departmental approval of PlanCon Part F for a project does not guarantee reimbursement for a project. A project is deemed eligible for reimbursement only upon written approval of PlanCon Part G "Project Accounting Based on Bids."

### CHANGES TO PLANCON

The current policy of the Department of Education, in partnership with the Department of Environmental Protection, is to encourage construction projects that result in green and sustainable school buildings. Changes have been made to PlanCon in support of this policy. The Department believes these changes will encourage school districts and career and technology centers to create green and sustainable schools by increasing energy efficiency, improving energy and water conservation, and reducing greenhouse gas emissions. Ultimately, these changes will result in energy cost savings. Changes are summarized below:

- (a) Geothermal well fields, photovoltaic energy generation systems (ground or roof mounted) and wind energy generation systems (ground or roof mounted) will be considered site development rather than structure costs. A green roof will also be considered site development since it supports stormwater management.
- (b) The District-Wide Facility Study must include the following:
  - 1) For each existing building, an Energy Portfolio Survey, including facility benchmarking, must be completed using the EPA/DOE Portfolio Manager tool.
  - 2) For each construction option, an Energy Portfolio Survey, including a predictive utility budget, must be completed using the EPA/DOE Target Finder tool.
- (c) Energy Modeling must be performed for the PlanCon project (ie: for the construction option chosen from the District-Wide Facility Study). This includes:
  - 1) Comprehensive (8,760 hour) energy modeling, using the EPA/DOE Target Finder tool.
  - 2) Preliminary energy modeling documentation provided at the time of the Part E "Design Development" submittal.
  - 3) Final energy modeling documentation provided at the time of the Part F "Construction Documents" submittal, by way of a "Statement of Energy Design Intent," generated from the EPA/DOE Target Finder tool.

Each PlanCon Part A "Project Justification," received on or after July 1, 2011, is subject to the new District-Wide Facility Study requirements listed above. A PlanCon project that is based upon an option in a District-Wide Facility Study, subject to these Survey requirements, will then be subject to comprehensive (8,760 hour) Energy Modeling requirements using the EPA/DOE Target Finder tool.