

Priority Issue: School Construction Funding and PlanCon Process

The Pennsylvania School Boards Association (PSBA) and the PA Association of School Administrators (PASA) urge the General Assembly to support these recommendations regarding state approval and reimbursement of school construction and renovation projects.

Annual state investments needed for school construction

Recommendation:

- **The state must continue to provide reimbursement for school construction and renovation projects. There should be annual funding in the state budget to ensure payment due for approved projects and for the continued sustainability of the program.**

School districts have an obligation to provide facilities that are constructed, furnished and maintained to meet the educational and safety needs of their students and staff. In turn, the state has a responsibility to help districts pay for needed construction and renovation projects. However, inadequate or nonexistent state funding for reimbursement has caused major delays in moving school construction and renovation projects forward. A moratorium that took effect in 2016 on accepting school projects for reimbursement has left districts left to carry the full financial burden.

The need to address aging, deteriorating, and inadequate school facilities is critical. However, the proposed 2019-20 state budget proposal does not include funding for school building projects or address the need to reform the state's reimbursement program for construction and renovation projects (PlanCon).

Meanwhile, school buildings have continued to deteriorate. Nearly one-third of school district buildings are in need of replacement or major renovation. The biggest obstacle to construction and renovation projects is financial considerations. As a result, more than half of districts postponed maintenance and renovation projects.

Act 25 of 2016 required the Commonwealth Financing Authority (CFA) to establish a program to issue up to \$2.5 billion in appropriation-backed bonds in order to address a major backlog in providing reimbursements to school districts. With the bonds issued, districts that were waiting years for reimbursement are being paid. However, no state funding has been provided in subsequent years for the continuation of the program, and there has been no reimbursement for any district that was not already in the PlanCon pipeline for payment.

In the absence of state reimbursement for school construction, many school districts are likely to be put in the untenable position of being forced to cut educational programs and staff to free up resources to address critical facility needs such as failing HVAC systems or leaking roofs.

Streamlined reimbursement approval process needed for school construction and renovation projects

Recommendation:

- **The state should modernize the PlanCon approval process based on the recommendations of the state Public School Building Construction and Reconstruction Advisory Committee.**

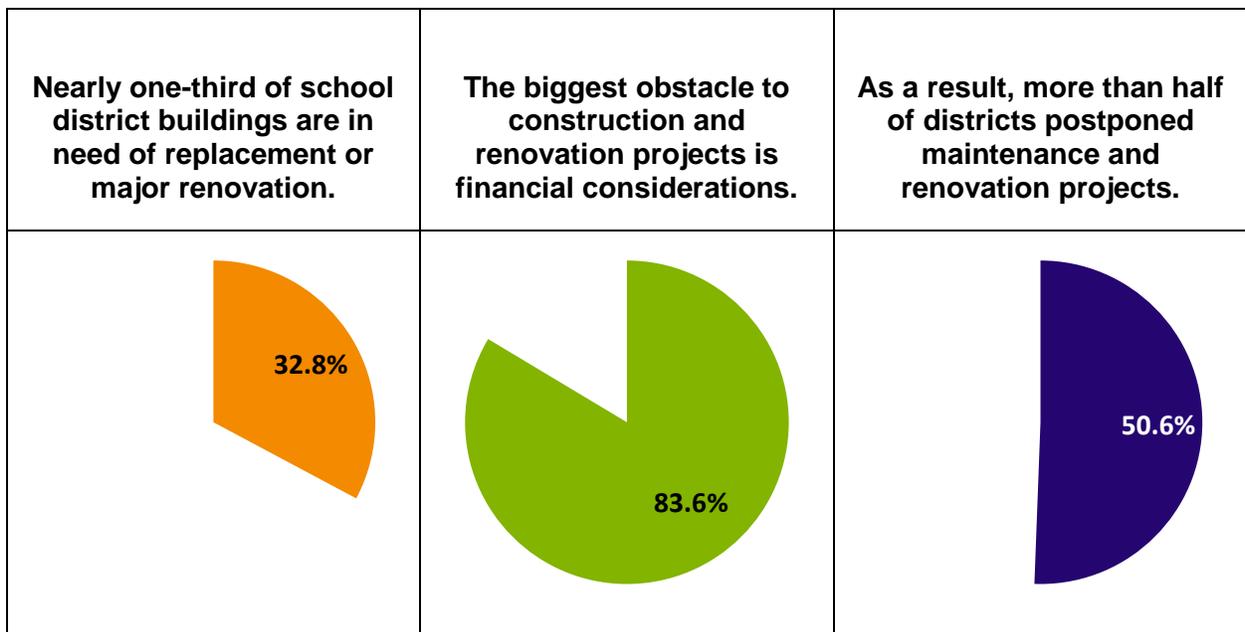
Traditionally, school districts that undertook projects and sought partial state reimbursement were required to engage in an 11-step process called PlanCon to receive approval from the PA Department of Education. The PlanCon process is an acronym for Planning and Construction Workbook, a set of forms and procedures used to apply for state reimbursement. This process for reimbursement for a portion of the cost has been established in the School Code and state regulation since the 1970's and is in dire need of modernization.

The bi-partisan state Public School Building Construction and Reconstruction Advisory Committee, established under Act 25 of 2016, issued a report and recommendations last year that address many of the issues and concerns identified with the outdated procedures. The 2018 report addressed four critical areas:

- Simplifying the administrative process
- Recognizing high-performance building standards
- Creating a program for smaller maintenance and modernization projects that include a special set-aside for school safety needs
- Establishing a new reimbursement formula

With these recommendations awaiting legislative action, now is the time to institute and fund a new PlanCon process that will serve schools, students and communities for years to come.

Since the moratorium on new PlanCon applications took effect in 2016 school buildings have continued to deteriorate.



2017 State of Education report based on a survey of superintendents (available at www.psba.org).