



Testimony

presented to the

Senate Education Committee

Jessica L. Sites, Director,
Bureau of Budget and Fiscal Management

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Senate Education Committee Hearing on School Facilities and PlanCon

Majority Chair Argall, Minority Chair Williams, and distinguished members of the Senate Education Committee, good morning and thank you for the opportunity to join you today to discuss Governor Shapiro's FY2023-24 proposal for investing \$100 million/year for five years to support environmental repairs and improvements in schools and the history of the Planning and Construction Workbook (PlanCon).

I am Jessica Sites, and I have the immense privilege of serving as the Director of PDE's Bureau of Budget and Financial Management.

To ensure that every Pennsylvania student has access to a quality education, it is imperative that the Commonwealth continue to invest in Pennsylvania's public education system and target solutions that prepare learners of all ages for the current and future workforce. Governor Shapiro's proposed FY2023-24 Budget is the first step toward a comprehensive solution to improve schools.

School Environmental Repairs and Improvement Grant Program

Students and educators deserve learning environments free from environmental toxins. Pennsylvania has the 6TH highest rate of children suffering from lead poisoning. Research shows there is no safe level of lead exposure. Even low-level lead exposure can cause long term or permanent cognitive challenges affecting a child's ability to pay attention and their academic achievement.

Under the Governor's 2023-2024 proposed budget, \$100 million each year for five years would be allocated to a School Environmental Repairs and Improvements Fund to provide matching grants to schools for the abatement and remediation of environmental hazards such as lead, asbestos, and mold. Priority will be given to high-need schools based on factors that increase their students' cumulative risks of exposure to environmental hazards including, but not limited to, lead in water sources, asbestos, and mold. By removing these risks, the Commonwealth can lower cumulative exposure across childhood, improve the cognitive and overall health outcomes for students, and increase their likelihood of academic and career success.

Planning and Construction Workbook (PlanCon)

The PlanCon process is initiated when a school district or CTC undertakes a major construction project and seeks reimbursement from the Department of Education to assist in off-setting costs. PlanCon stands for Planning and Construction Workbook and is a set of forms and procedures used to apply for reimbursement. The forms are designed to: 1) document a local school district's planning process; 2) provide justification for a project to the public; 3) ascertain compliance with state laws, regulations, and standards; and 4) establish the level of state participation in the cost of the project.

The Commonwealth subsidizes LEAs for payments to bonds issued for new construction, additions to existing buildings and renovations or alterations to existing buildings. The criteria for a reimbursable school construction project are: 1) a district-wide facility study must be developed within five years of the submission of PlanCon Part 1; 2) the project must address the needs of the project building, as set forth in the facility study; and 3) if the project includes the renovation of an existing facility, the costs for such renovation must be greater than 20 percent of its replacement value. A project is not reimbursable if the project building is less than 20 years old, or if PDE approved a reimbursable project within the preceding 20 years. However, under certain circumstances, PDE may grant an exception to this requirement.

In 2019, Act 70 amended the Pennsylvania School Code to reauthorize and modernize the PlanCon program by creating a new application and reimbursement formula reimbursement for comprehensive PlanCon projects. The reauthorized version of PlanCon – which is often referred to as PlanCon 2.0 – eliminates a fluctuating state reimbursement procedure based on local bond amortization schedules. Under the new process, once PDE approves a project, a set 20-year subsidy plan would ensue.

Act 70 also established a separate Building Maintenance program for repairs and maintenance that cannot be covered as stand-alone projects through the traditional PlanCon program. Funding is competitively awarded. A maintenance project award may not exceed \$1 million, and no school district or charter school may receive an annual allocation that exceeds 20 percent of the total funds available under the program. Eligible project types include roof repairs and replacement, HVAC systems, boilers and controls, plumbing systems, energy savings projects, health and safety upgrades, emergencies, and other projects approved by the Secretary. Projects are prioritized and awarded based upon a rubric that considers school entity wealth, prior receipt of grant awards, building conditions, emergencies, and safety and security. All project types, except for those awarded for emergencies, require a local fund match. Grant applications and the awarding of funds occurs twice a fiscal year.

Since 2016-17, legislation has placed a moratorium on new projects submissions. However, the Department continues to process and approve projects submitted prior to 2016-17 using the pre-Act 70 PlanCon process. The Department is funding about 2,800 bonds for 430 school districts and career and technical centers at an estimated cost of \$235 million. Funding for the PlanCon program comes from a mix of funding annually appropriated under the Authority Rentals and Sinking Fund, and bond funding, authorized by borrowing language in the 2016 Fiscal Code (Act 25 of 2016).

Conclusion

Thank you for the opportunity to join you today to discuss these important issues related to the improvement of school facilities and how the Commonwealth and Department of Education can continue to support schools with providing safe environments for students and staff. I'm happy to take any questions.