



TESTIMONY OF SITELOGIQ BEFORE THE SENATE COMMITTEE ON EDUCATION REGARDING PLANCON & SCHOOL FACILITIES

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Good Morning, Chairman Argall, Chairperson Williams, members of the Senate Committee on Education. On behalf of SitelogIQ, thank you for inviting us to testify on school reimbursement for construction and Pennsylvania's K-12 facilities. My name is Garrett Lewis, I am the Executive Vice President for SitelogIQ Northeast, I am joined by Rick Evans, President of SitelogIQ Northeast. We are both proud products of the Pennsylvania public school system and excited to participate today. We applaud the Senate Committee on Education for hosting a hearing on this very important issue and your dedication to improving the environments of our students and teachers.

SitelogIQ is dedicated to delivering comprehensive facility solutions that support the resiliency, futureproofing, energy savings, operating efficiency, and sustainability goals of our clients. While doing so, we are creating healthy, comfortable indoor environments that promote productivity and improved experiences. We are not strictly architects or engineers nor are we solely a construction management firm. Our over 110 employees are facility experts made up of educational consultants, retired superintendents, facility analysts, master planners, certified energy managers, controls specialists, lighting specialists, commissioning agents, estimators, and construction managers.

Today, we serve over 40 Pennsylvania public school districts from our main offices in Harrisburg and Oakmont and our satellite offices across the state. Everything we do is with education in mind. With roughly \$1.7 billion worth of construction under management we are the preeminent building partner for Pennsylvania's public schools. We can serve our clients in a variety of capacities through planning and design, implementation, building optimization, operation and maintenance, and full-facility renovations.

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The origin for SitelogIQ began in Harrisburg in 1994, by providing innovative building solutions to Pennsylvania's public schools. Approximately twenty years ago we served as the construction manager for the Capitol restoration project. SitelogIQ is prequalified by the Pennsylvania Department of General Services for the following programs and services: Contractor for the Commonwealth's Guaranteed Energy Savings Program, Energy Consultant for the Commonwealth's Guaranteed Energy Savings Program, Construction Manager, and Commissioning Agent. SitelogIQ is the only Energy Savings Company (ESCO) in Pennsylvania to have the unique distinction of being certified as both a Contractor and Consultant for the Commonwealth Energy Savings Program. We are also certified as Construction Managers and Commissioning Agents to serve Pennsylvania's public agencies and the commonwealth's public schools.

In these roles we have been able to quantify financial savings of over \$25 million in total cumulative savings from rebates and incentives, operational and maintenance savings, and total energy savings. Overall, these savings have led to a range of \$0.15 to \$0.28 a square foot across energy savings projects implemented in 84 buildings across 32 school districts. Additionally, our clients have reduced their CO2 emissions by 87,253 metric tons of CO2. Which is equivalent to 26 wind turbines installed or over 3.9 million propane cylinders used for home barbeques.

We are pleased to see a client of ours testifying today, the Upper Darby School District, who engaged SitelogIQ in 2022. Upper Darby, having recognized a need to better understand their facilities, partnered with SitelogIQ and Schrader Group Architects to complete a conditions assessment. As a part of the conditions assessment, SIQ completed site evaluations, system and equipment inventories, preventative maintenance schedules, a facilities condition index, enrollment, and capacity study. The results of these efforts helped Upper Darby gain tremendous insight into the facility needs of their district and helped to justify specific investments into their facilities.

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In March, Governor Shapiro outlined his priorities for the FY 2023-2024 Budget. The proposed budget contained a program that would create healthy learning environments for all Pennsylvania students by investing \$100 million in matching grants for schools to make environmental repairs and improvements. The number of districts we see that are burdened by costly asbestos remediation and abatement continues to increase. Additionally, the proposed budget called for \$100 million in school safety and security grants to address physical safety enhancements. These are critical investments that will have a direct impact on the educational experience. If we do not create and sustain safe learning environments, we cannot expect to properly educate the future of the Commonwealth. We applaud Governor Shapiro for his direction on this topic.

We feel this directly addresses the most pressing physical needs of our Pennsylvania schools. According to a Pennsylvania School Boards Association (PSBA) State of Education report, 71.4% of survey respondents indicated that one or more of their buildings needed major repair or replacement. In the PSBA report, the survey respondents listed HVAC, Building Envelope, and Energy Efficiency upgrades as their top areas of need. Given the fiduciary responsibilities of state policymakers and public-school boards, we must focus our limited resources on the most pressing physical needs of our schools.

As a result of COVID-19, indoor air quality and the environment of classrooms became the focus of facility improvement measures. With the Elementary and Secondary School Emergency Relief (ESSER) Funds that were created to help reduce the spread of COVID-19 and mitigate health hazards in school, many school districts urgently used these one-time expenditures to improve indoor air quality. SitelogIQ supported many districts through the prior approval process as the deadline to obligate ESSER III Funds is September 30, 2024.

There is no disputing the aging infrastructure of schools across the Commonwealth. However, the process for implementing those critical infrastructure investments is what brings us here today. SitelogIQ can confidently say that in the absence of

PlanCon funding, districts have shifted their priorities away from new construction and toward long-term facility maintenance. Before discussing long-term facility maintenance, it is important to contextualize what drives major facilities projects for Pennsylvania's public schools. The three most common factors are:

1. Deferred maintenance.
 - a. Repairs, or replacement to building assets and infrastructure that are delayed or rescheduled due to limited resources.
2. Capacity constraints.
 - a. Increased enrollment causing classrooms, gymnasiums, cafeterias, and shared spaces to reach capacity.
3. Programmatic and functionality changes.
 - a. Providing our schools with a 21st century learning environment.

How does SitelogIQ deliver long-term facility maintenance planning? This begins with properly assessing your building, beginning with a physical conditions assessment, as well as a review of the educational or functional needs. Through this effort we create an index of all building systems to determine the useful life remaining on the equipment. This evaluation includes sound and light readings; indoor air quality evaluation measuring temperature, humidity, and CO2 readings to identify possible interruptions to the educational environment. The Penn State University's School of Architectural Engineering and partnering research institutions completed a study as recently as 2022 concluding educational performance was directly tied to indoor air quality. The result from this assessment allows school districts to plan and prioritize a long term facility maintenance schedule and budget for their facility needs.

SitelogIQ has invested heavily into a proprietary tool called mysitelQ, a web-based facility maintenance and planning tool that allows your traditional feasibility study to come to life. This tool gives the user, business managers, superintendents, facility managers, and administrators the ability to review their plan and see the costs associated with each facility improvement measure.

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SitelogIQ strives to bring private sector solutions to public agencies through Guaranteed Energy Savings Agreements and the positive outcomes that come with this project delivery method. Through Guaranteed Energy Savings Agreements school districts can implement major renovations with no change orders; leverage an expedited construction schedule by limiting project related disturbances to summer months; and reduce the school district's exposure to litigious contractors, cost overruns, and schedule delays. This approach also promotes sustainability by targeting systems in need of replacement versus wholesale renovations.

The health systems in this state are an example of a proper long-term facility maintenance planning. Penn State's Hershey Medical Center was originally constructed in 1963 but continues to offer world-class medical services. Life-saving technologies are incorporated into the original structure as well as throughout the recently constructed portions of the hospital. It is this type of sustainable approach that is necessary for our Pennsylvania public schools.

If the intent behind enhancing the commonwealth's public education facilities is to improve test scores, increase student and teacher performance, reduce absenteeism, and provide energy efficient buildings that control operation and maintenance costs, we must recognize that PlanCon reimbursement limits the school district's ability to directly achieve these measures through only new construction.

SitelogIQ believes that should the legislature and Governor choose to fund school construction reimbursement it is imperative that we prioritize and emphasize long-term facility maintenance as equally as new construction. PlanCon funding, as it was administered prior to the 2016 moratorium¹, incentivized the disposable approach to

¹ With mounting debt, Act 25 of 2016, authorized the Commonwealth Financing Authority to issue bonds not to exceed \$2.5 billion. The total obligation in 2016 was \$5.3 billion. Many of the projects with pending status remained unapproved due to a lack of state funding. The goal of the bond financing was to fund the state's share of the funding by 2044-2045 for all the projects either awaiting approval or in the process of obtaining approval. The inefficiency to timely reimburse school districts and fund new projects was a symptom of the level of funding in the PDE budget. The result of this program was unpaid debts and PlanCon obligations become a luxury the Commonwealth could not afford.

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public facilities. Instead of rewarding proper maintenance and operation, it rewarded those who were patient. Districts were instructed to budget and plan around the twenty-year window for reimbursement when state funding for new construction would become available again. With that condition in mind, the incentive to properly maintain was not appropriately encouraged. Leading school districts toward more costly projects that replaced all systems and finishes, instead of evaluating the remaining useful life.

The absence of PlanCon reimbursement has not led to school districts stopping their facility needs conversation. But has led to creative and budget conscious decision-making that should be celebrated. Our Pennsylvania public schools are still electing to renovate, add-on, and build new educational facilities. Directing funding toward planning and construction is a worthy public policy consideration. Mandating that process to be directed solely by an architect is limiting school district's decision-making powers.

SitelogIQ stands ready to support the direction of the legislature and Governor and appreciates the opportunity to convey our opinion on school construction in Pennsylvania. Through Guaranteed Energy Savings Agreements and mysitelQ SitelogIQ strives to bring competitive solutions to Pennsylvania's public schools that responsible measures educational needs and tax-payer investments. We thank the committee for allowing us to testify and will be happy to answer any questions you may have.