

NEWS RELEASE

PlanCon Advisory Committee

FOR IMMEDIATE RELEASE

May 23, 2018

PlanCon Committee Recommendations and Report

The PA Public School Building Construction and Reconstruction Advisory Committee made several recommendations yesterday (May 23rd) regarding the state's reimbursement program for school districts for costs associated with construction and reconstruction and lease of public school buildings (commonly known as PlanCon), including shortening the administrative process, recognizing high-performance building standards, creating a maintenance and repair program and streamlining the reimbursement formula, according to statement from the co-chairs of the advisory committee.

The advisory committee was established pursuant to Act 25 of 2016 to review and make recommendations on school district construction and reconstruction to the Governor and the General Assembly and was co-chaired by Senate Appropriations Committee Chairman Pat Browne, House Education Committee Chairman Stan Saylor and Secretary of Education Pedro Rivera.

The current PlanCon process includes 11 steps and it has taken an average of 14 months to get through the first seven steps of the process. The advisory committee is recommending to eliminate five of the original administrative steps and combine the remaining six steps into four for the new four-step administration process. The new four-step process would include project justification, construction, project bid awards and project completion.

"Throughout the committee's review of the PlanCon process, we heard testimony that the formula for reimbursement for school construction projects needed to be simple to understand, and relevant to current school construction costs and the demographics of the Commonwealth's school districts," the co-chairs of the committee said.

The advisory committee then developed a new reimbursement formula. The new formula would be focused on four key factors: per pupil amount, adjustment factor, building capacity and wealth factor. These four factors multiplied together develop the state's share.

The PlanCon Advisory Committee suggested designating 75 percent of the state's share to new construction, while 20 percent would be allocated to maintenance, repairs and modernization projects through a new small project building maintenance and repair grant program. The final five percent would be allocated for the new building reimbursement program dedicated to school safety projects.

As part of the 20 percent allocated to the small project building maintenance and repair grant program, the advisory committee recommended a rubric be developed to prioritize grant awards based upon several factors including school district wealth, condition of school facilities, prior small project grant awards and emergency projects. Emergency projects are those defined as having deficiencies which prohibit a school building from being occupied.

"The committee discussed the development of a rubric to assist in prioritizing small project grant awards to ensure that funding could be objectively awarded to school districts based on criteria. As the condition of school facilities and the financial condition of school districts across the Commonwealth is not uniform, the committee considered including both the condition of school facilities and school district wealth as part of the objective rubric through which to evaluate applications for small project grant awards," the co-chairs of the committee said.

Additionally, the committee recommended consideration of prior small project grant awards to the district as part of the rubric, as well as consideration of whether the project constituted an emergency, such as a project to cure a deficiency that prevented occupation of a building.

Finally, the advisory committee set a maximum payment amount from the state and a payment schedule. The maximum state share payment amount cannot exceed 65 percent of school district projects structural costs. The payment schedule will divide the state's share into 20 equal payments to be made over 20-year periods.

"We believe that these recommendations will not only streamline the process, but will also provide a more reliable, fair way of distributing state dollars towards the construction or reconstruction of school district buildings," the co-chairs of the committee said. "On top of that, we highlighted the need to prioritize those school district building needs that create an emergency due to a deficiency that prevents the occupation of a building."

The advisory committee made its recommendations for changes based on public hearings and tours of school districts, material submitted to the committee and reviewing how several other states provide funding and oversight to school construction.

The advisory committee held eight hearings, receiving testimony from 50 stakeholders, and toured six school facilities.

Joining the three co-chairs on the advisory committee in unanimously approving the recommendations were: Sens. Ryan Aument, James Brewster, Andrew Dinniman, John Eichelberger and Vincent Hughes; Reps. David Hickernell, Leanne Krueger-Braneky, Ryan Mackenzie, Joseph Markosek and James Roebuck; Jeff Mummert, business manager for South Western School District, John Callahan, Director of Government Affairs for the Pennsylvania School Boards Association; and John Wanner of Wanner Associates.

While the PlanCon Advisory Committee unanimously voted on the recommendations for a new formula and process for school district construction and reconstruction reimbursements, the recommendations of the committee will not go into effect without legislation enacted by the General Assembly and the Governor.

For more information on the report recommended by the advisory committee, visit the PlanCon Advisory Committee's website at <http://plancon.pasenategop.com/>.

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