

Current information on the infrastructure of our public and charter schools is not available. Act 59 of 2013 required the Pennsylvania Department of Education to conduct a statewide analysis of school facilities and future capital needs. Data collection of information on school buildings owned by school districts and charter schools throughout the Commonwealth was scheduled to be completed at the end of April 2014. The information collected will be publicly available and included in a preliminary report due to be submitted to the General Assembly in May 2014.

The Commonwealth has had a moratorium on approving new school construction projects since 2011 as there were more construction projects approved through the PlanCon process than there were funds available. Progress on addressing the findings of the pending report through streamlining of the PlanCon process and providing adequate, predictable and sustainable state funding for the repair, renovation and construction of school buildings is critical for school districts and charter schools to address their facility needs.

BACKGROUND

Formal education and schools have existed in the Commonwealth of Pennsylvania since the founding of Pennsylvania as a Province in 1682. Early schools were associated with churches and synagogues established by immigrant settlers. Not until 1831, by way of the Common School Fund Act, and shortly thereafter the Common School Law of 1834, were local and state funding mechanisms established, and local governments were provided a framework to administer free public education. When the 1834 law was enacted, the formula for educational funding required County taxes to provide at least twice the amount of revenue received from the State. Since then, the funding formula has changed many times, as have the state laws governing the administration of public education.

Beginning in 1973, Act 34 implemented the Planning and Construction Workbook (PlanCon) process as a safeguard against costly, elaborate school design plans. In addition to codifying the Pennsylvania Department of Education approval requirements, Act 34 contains provisions that require new public school buildings and refurbishment of existing buildings to conform to standards established by the State Board of Education. Shortly after the passage of Act 34, the State Board of Education began promulgating a complex set of standards and regulatory requirements to which school construction projects must conform and comply. The Pennsylvania Department of Education developed the multi-step PlanCon process that exists today to carry out its duties as the regulatory agency charged by the General Assembly with the oversight of public school construction in the commonwealth. The PlanCon process is required to be followed for the Pennsylvania Department of Education to provide school districts partial reimbursements for construction costs. It has been very useful for districts which

may lack the ability to obtain resources to fully support educational needs, as the poorer the district is, the higher the level of reimbursement available from the state.

In 2005, the Legislature increased the reimbursement rate under PlanCon for the first time in twenty years. Districts also began receiving extra monies for environmentally conscious school designs, known as LEED-certified. Additionally the Legislature allowed charter schools to get partial lease reimbursements through the PlanCon fund. Those changes resulted in a backlog of payments to school districts. In 2011, the State cut the funds available for reimbursement payments by \$20 million to \$296 million and the Pennsylvania Department of Education placed a moratorium on approving new projects for reimbursement by essentially shutting down the program that funds the construction of facilities that require state assistance.

As of January 2014, the Pennsylvania Department of Education owes about \$1 billion to numerous school districts, for about 350 state-approved renovation and construction projects.

CONDITION AND CAPACITY

Act 82 of 2012 authorized a moratorium on the acceptance of new PlanCon applications. The moratorium, which was effective October 1, 2012, was necessary because of the backlog and the appropriation amount. The moratorium is currently in place (until June 30, 2014) unless the Legislature extends it.

Act 59 of 2013 required the Pennsylvania Department of Education to conduct a statewide analysis of school facilities and future capital needs. The survey conducted by the Department requested the following information:

- Long-range facilities status
- Estimated costs based on long-range facilities plan
- Total number of buildings and construction types
- Years in which buildings were originally constructed
- Years when most recent additions or major renovations occurred
- Overall building assessments
- Primary sources of energy
- Number of pupils
- Energy efficiency certifications

The preliminary report due on the Department findings is scheduled to be submitted to the General Assembly in May 2014.

POLICY OPTIONS

The following is the current policy employed by the Division of School Facilities at the Pennsylvania Department of Education:

“Section 7-731 of the Public School Code of 1949, as amended, requires Department of Education approval of plans and specifications for all public school construction or reconstruction, and for ordinary repairs or maintenance work of a value greater than \$15,000 for any second, third or fourth class district. When a district initiates work involving maintenance, construction, or repairs, e.g., roof replacement, sidewalk repairs or the installation of new carpeting, Form PDE-3074, Self-Certification Application for Non-Reimbursable Construction Projects, is submitted to the Department. This form provides a brief description of the project and a certification by the school board and its design professional that the project complies with pertinent laws, regulations and standards.

“When a school district undertakes a major school 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 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.¹

“The Division of School Facilities in the Department of Education reviews proposed school building projects including their plans and specifications, enrollments, building utilization and building condition. The Division also calculates state reimbursement for qualified school construction projects, and reviews and approves the financing for reimbursable projects.²”

The primary funding of school construction is accomplished from short-term loans, grants and general obligation bonds managed by the Local School Districts, Career and Technical Centers and Charter Schools.

Additional assistance is provided by the Pennsylvania State Public School Building Authority. The Authority is a public corporation and a governmental instrumentality of

¹ School Construction and Facilities Overview at the website of the Division of School Facilities at the Pennsylvania Department of Education

http://www.pde.state.pa.us/portal/server.pt/community/school_construction_and_facilities/7457

² Pennsylvania Department of Education, Summaries of Annual Financial Report Data, Detailed, Miscellaneous Short and Long Term Debt, http://www.portal.state.pa.us/portal/server.pt/gateway/PTARGS_0_123706_702508_0_0_18/Finances_AFR_SOIN_9697-0708.xls

the Commonwealth of Pennsylvania, created by Act of the 1947 General Assembly for the purpose of financing the construction and improvement of public school facilities.

The Authority finances projects through the issuance of bonds; the principal and interest of which are paid by the annual lease/loan payments collected from public schools.³

Further assistance is provided to public schools by way of the following initiatives:

- Pennsylvania Governor's Green Government Council Green Schools Planning Grants. Since the inception of the program in 2005, 22 public schools have received grants.⁴
- Early Childhood Capital Investment Fund. Provides low-interest loans to school districts in order to increase the availability of early childhood educational learning opportunities. The loans may be used for construction costs, to renovate an existing facility, for needed equipment and furniture, or any combination of the former.⁵
- School Design Clearinghouse. Provides case study documentation of recent school construction projects which have met cost efficiency and design standards established by the Department of Education.⁶

RECOMMENDATIONS

Recommendations from ASCE National request the following actions be considered at the federal level:

- Publish regular updates of the Department of Education report following is 2014 release.
- Streamline the existing PlanCon process.
- Establish a state, multiyear capital budget goal for school infrastructure construction and rehabilitation to provide a predictable and sustainable funding stream for school districts and charter schools to plan capital projects.
- Expand federal tax credits to support increased use of school construction bonds
- Continue and increase federal grants for high-poverty, high-need school districts
- Encourage school districts to explore alternative financing, including lease financing and financing/ownership/use arrangements, to facilitate construction

³ Pennsylvania State Public School Building Authority website, <http://www.phefa.org/index.htm>

⁴ Pennsylvania Governor's Green Government Council, Green Schools Initiative
<http://www.gggc.state.pa.us/portal/server.pt/community/schools/13838>

⁵ Pennsylvania Department of Education, Pennsylvania Accountability Block Grant Program
http://www.portal.state.pa.us/portal/server.pt/community/early_childhood_education/8698

⁶ Pennsylvania Department of Education, School Design Clearinghouse website
<http://www.sdcpublic.ed.state.pa.us/PublishScreens/wfSDCHome.aspx>

- Encourage school districts to adopt regular, comprehensive construction and maintenance programs
- Increase the emphasis on research and development for design and construction to meet the rapidly changing teaching environment
- Encourage the use of life-cycle cost analysis principles to evaluate the total costs of projects

SOURCES

- Pennsylvania Department of Education [Planning and Construction Workbook: A Report to the General Assembly](#) – May 2013
- Pennsylvania Department of Education [School Facilities Survey Instructions and Copy of Survey](#)
- *Public Elementary and Secondary Schools in Pennsylvania, 1682-1969*, Historic Educational Resources of Pennsylvania, Pennsylvania Historical and Museum Commission, June 27, 2007.
http://www.portal.state.pa.us/portal/server.pt/gateway/PTARGS_0_2_18731_240_4_293092_43/http%3B/pubcontent.state.pa.us/publishedcontent/publish/copy_environment/phmc/communities/extranet/preservationprograms/schoolpreservation/phmcextschoolpreservationu_content/historic_educational_resources_of_pennsylvania.pdf
- The Morning Call, January 19, 2014 “School districts still waiting for \$1 billion from state” http://articles.mcall.com/2014-01-19/news/mc-pa-school-construction-funding-20140119_1_districts-construction-workbook-plancon

ASCE POLICY STATEMENTS

- ASCE Policy Statement 452: [Investing in America’s Schools](#)