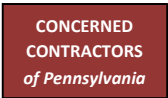




March 26, 2012

The Honorable Mike Turzai
110 Main Capitol Bldg.
PO Box 202028
Harrisburg, PA 17120-2028



Dear Representative Turzai,

School districts that receive multiple approvals from the Department of Education’s planning and construction process (PlanCon), are reimbursed a percentage of the approved cost of the school building project. The PlanCon process and reimbursement to schools for a portion of the cost has been established in the School Code and State Board of Education regulations for decades. However, a proposed moratorium on new school construction and renovation projects in the PlanCon process changes the rules in the middle of the game for many school districts. We ask that you oppose the imposition of a moratorium on future school construction projects and that you ensure that school districts that have begun or in some cases completed construction projects for which debt has been incurred receive timely payments to pay for their approved projects.



Although the Commonwealth has an obligation to provide reimbursement to school districts for their school construction costs, the proposed 2012-13 budget appropriation for PlanCon reimbursement will not be able to reduce the extreme backlog of project PlanCon submission approved. This backlog has been created by a reduction in the funding level of more than 11% over the last two fiscal years while additional changes to the School Code, such as including charter schools in the PlanCon process, have increased funding requirements.



With the Department’s approval, schools proceeded with PlanCon submissions under the reasonable expectation that the district would receive state reimbursement for a percentage of its costs. Now the Department is changing the rules. To jeopardize or delay needed reimbursement to these districts, especially when they are facing economic challenges, is financially irresponsible and puts districts, students, staff, and taxpayers at risk.



The many school districts that have assumed debt and started construction and are suddenly now not guaranteed reimbursement will be forced to make cuts to educational programs or increase local property taxes, to ensure that they do not default on their financing and contractual obligations. These school districts have significant financial obligations and do not have the liberty of simply delaying payment until state



reimbursement is received. Instead, they will be forced to look into their budgets to cut educational staff or programs, undermining the quality of education they can provide, to borrow additional money, which may negatively impact their bond rating, or they may be forced to place an even greater share of the burden for the project on the local property taxpayer as the state's share of education funding continues to decrease.

This proposal will also have a chilling effect on jobs across the state at a time when Pennsylvania's economy is just beginning to get back on its feet. School districts across the state will delay projects until they are guaranteed that the Commonwealth will meet its obligations, jeopardizing thousands of jobs and dealing our economic recovery a significant blow.

It is obvious that the consequences of this proposed moratorium on school construction are dire for our school districts, students, taxpayers, and businesses alike. The Commonwealth must live up to its obligation to providing adequate funding for the all school construction and renovation projects in the PlanCon pipeline, in a timely manner, as well ensure that this line item is appropriately funded in the future. We ask that you oppose the imposition of a moratorium on future school construction and that you ensure school districts that have already entered the PlanCon process, and may have even begun construction or incurred debt, receive timely payments for their approved projects. Just as our school districts cannot walk away from their contractual and financial obligations regarding school construction, we ask that you ensure the Commonwealth cannot walk away from its obligation to support school construction.

Thank you for your consideration of this important issue. Please do not hesitate to contact us if you have any questions or concerns.

Sincerely,

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