

**MCA**  
**Summary of Legislation**  
**August 2016**

**Public School Building Construction and Reconstruction Advisory Committee Holds Hearings**

While there is generally no legislative voting session in the state capitol during the summer months, committees still meet for public hearings and to tee up issues for future action. One such committee of interest to contractors and designers is the newly formed Public School Building Construction and Reconstruction (PLANCON) Advisory Committee. PLANCON is the state program that reimburses school districts for eligible construction. In recent years, it has been a target for spending cuts. Earlier this year, legislation passed to allow the state to float bonds to pay for local school projects that have already applied for funding. That same bill, though, placed a moratorium on new applications. It also created the PLANCON Study committee which is charged with making recommendations on the future of the program.

The study committee has been meeting monthly since June and gathering information on the condition of Pennsylvania's public school facilities and how other states address funding school construction. Your association's lobbyist, John Wanner, is a voting member of the committee along with the Secretary of Education, a representative from the school boards association and the Senators and Representatives that chair the Appropriations and Education committees in both the Senate and House.

The (PlanCon) Advisory Committee held a public hearing on best practices of other states for school construction projects on August 31. **Michael Griffith**, School Finance Strategist, Education Commission of the States, provided an overview of the basic steps to capital funding and decisions that must be made by every state. He explained that Pennsylvania provided \$1.6 billion for capital expenditures in fiscal year (FY) 2013-14, which amounts to \$976 per pupil and is far less than the average of the Commonwealth's neighboring states with the exception of Ohio and New Jersey. Over the course of FYs 1994-2013, Griffith said there was \$48.9 billion in capital expenditures with \$7.3 billion coming from state funding which amounts to a 15 percent state share of funding. He noted that the 15 percent state share was lower than all of Pennsylvania's contiguous states with the exception of West Virginia. He added that 12 states provided no capital funding over the past 20 years, seven states provided some capital funding in the past but no longer do, and six states provided greater than 50 percent of capital funding over the past 20 years.

Griffith then discussed **funding mechanisms** utilized by other states and explained that 23 states utilize a grant method for distributing funds. He went on to explain that the process is easier to administer and funds can be targeted to less wealthy schools districts but the method requires winners and losers to be picked and funding is not always predictable. He said nine states utilize a per pupil method within the state's existing funding formula and said the upside of the method is that funding is equalized based on a district's relative wealth but the funding is not targeted and assumes all districts have the same capital needs. Griffith added that eight states utilize debt service grants, five states act as bond guarantors, and four states distribute loans to districts to spend on capital projects. Griffith also discussed the Massachusetts' method of capital funding. He explained that an onsite assessment of all 1,757 school building is conducted by an engineering firm every five years and the state prioritizes funding based on need. He said that between 2004 and 2015 Massachusetts expended \$12.1 billion on school facilities and provided 67 percent of the funding for capital projects, which was paid for by a 20 percent earmark of the state's sales taxes.

**Committee Chairman Rep. Stan Saylor (R-York)** requested a comparison of the number of school buildings in Pennsylvania's contiguous states as well as the number of school districts compared to the Commonwealth's per pupil spending on capital projects. He inquired about the Massachusetts building authority and questioned if there is inspection of every building in order to ensure that every school's grant application is accurate. Griffith explained that an engineering firm inspects every school building before the funds are distributed to the schools. Chairman Saylor questioned how other states determine which schools get funding for things such as science labs. Griffith indicated there are numerous rules in place depending on the state and said that he would provide greater detail to the committee. "Some states prioritize based simply on the general condition of the school building and the wealth of the school district," he stated.

**Rep. Leanne Krueger-Braneky (D-Delaware)** said she was “shocked” by the state share of construction funding per pupil in Pennsylvania compared to neighboring states and questioned if the state share of funding for basic education and special education is smaller as well. Griffith said Pennsylvania contributes a smaller percentage of funds to basic education compared to neighboring states and is in the bottom five in terms of the percentage nationally. He noted that he did not have the figures for special education funding. Rep. Krueger-Braneky said eight states provide debt service for capital projects and asked if those states have faced credit downgrades. Griffith indicated that he would provide that information to the committee but noted that New Jersey received a credit downgrade and Arkansas, Kentucky, Minnesota, and Alabama have not received a downgrade.

The backdrop to the committee's work is the government austerity movement that questions all government spending. In this hearing, **John Wanner** questions whether or not the state will continue to fund any portion of school construction for Pennsylvania's 500 school districts. "Some of the key decision makers in Harrisburg want to end PLANCON," Wanner said. "They simply don't want the state spending money on future school construction and renovations." He went on to say that "the study commission needs to come up with a plan that changes those minds. If not, the temporary moratorium on new project funding will become permanent."

Sen. Browne noted that the **next committee will be held September 7 at Donegal High School in Lancaster.**

### **Wolf Names Bruce Beemer Successor to Kathleen Kane**

Gov. Tom Wolf this month nominated Bruce Beemer, Pennsylvania's current inspector general, to succeed Kathleen Kane as attorney general. Beemer served as Kane's first deputy and testified against her in a criminal trial, in which a Montgomery County jury found her guilty of charges related to the leak of secret grand jury materials to embarrass professional rivals. That verdict prompted her resignation. The Senate called a voting session to consider Beemer's nomination on August 30<sup>th</sup>, and voted unanimously to confirm the appointment.

Beemer's nomination ended the brief tenure of Bruce Castor, the former Montgomery County district attorney who had replaced Beemer as Kane's top deputy, handling the legal work she was not permitted to perform after the Supreme Court suspended her law license, and then served as Acting Attorney General between her resignation and Beemer's confirmation. Beemer will serve out the remainder of the current term, which ends in January, and will be succeeded by the winner of the Josh Shapiro-John Rafferty race in November.

### **Legislative Activity**

**The General Assembly acted on the following bills of interest to the construction industry in the past month.**

#### **Bidding / Contracting**

NONE

#### **Budget Related Bills**

NONE

#### **Environmental Building Standards**

NONE

#### **Local/State Government/Regulations**

[HB 2302](#) RE: PENNVEST Projects (by Rep. Kathy Watson, et al)

A Supplement to the act entitled "An act providing for the establishment, implementation & administration of the PA Infrastructure Investment Authority" for additional projects to mitigate contamination of drinking water.

**Filed, not yet referred to Committee, 8/25/2016**

[HB 2308](#) RE: Utility Line Protection Law (by Rep. Bob Godshall, et al)

Amends Underground Utility Line Protection Law extending the expiration by one year to December 31, 2017.  
**Introduced and referred to House Consumer Affairs Committee, 9/1/2016**

**Cosponsor memo filed**

[HCO3477](#) RE: Riparian Buffer Waiver Process (by Rep. James Santora, et al)  
Restores riparian buffer waiver process under the Clean Streams Law.  
**Filed, 8/16/2016**

**Liability**

NONE

**Prevailing Wage**

NONE

**Professional Licensure**

[HB 2296](#) RE: Elevator Contractors Licensing (by Rep. Madeleine Dean, et al)  
Act providing for licensing of elevator contractors and mechanics; and imposing duties on the Department of Labor and Industry.  
**Filed, not yet referred to Committee, 8/19/2016**

**Cosponsor memo filed**

[HCO3456](#) (Mullery) - Requires elevator contractors and mechanics be licensed by the Department of Labor and Industry.  
**Filed, 8/5/2016**

**Local/Property Tax Reform**

NONE

**Mandate Waivers**

NONE

**Mechanic's Lien**

NONE

**School Construction**

NONE

**Transportation**

NONE

**Worker's Comp**

NONE

**Workforce Development**

NONE

**Upcoming meetings of Interest**

Some House Committee meetings and session can be viewed online at: <http://www.pahousegop.com/>  
Senate Committee meetings and session can be streamed at: <http://www.pasenategop.com/>

**TUESDAY - 9/6/16**

**House Democratic Policy Committee**

**4:00 p.m., Allentown City Hall, City Council Chambers, 435 Hamilton Street, Allentown**

Public hearing on raising the minimum wage

**THURSDAY - 9/8/16**

**House Democratic Policy Committee**

**10:00 a.m., Luzerne County Community College's Educational Conference Center, 1333 South Prospect Street, Nanticoke**

Public hearing on jobs

**TUESDAY - 9/13/16**

**House Labor and Industry**

**10:00 a.m., Room G-50, Irvis Office Building**

Public hearing on: [HB 1141](#) (Saylor) - Amends Workers' Compensation Act, in interpretation and defs., providing for defs., in liability & compensation, providing for schedule of compensation; &, for compensation with or without agreement & reporting injuries.

**WEDNESDAY - 10/5/16**

**House Finance Committee**

**10:00 a.m., Bensalem Township Building, Council Chambers, 2400 Byberry Road, Bensalem**

Public hearing on: [HB 2142](#) (Stephens) - Amends the Sterling Act providing for municipal tax reimbursement.

**2016 SENATE SESSION SCHEDULE**

<b>September</b>	<b>26, 27, 28</b>
<b>October</b>	<b>17, 18, 19, 24, 25, 26</b>
<b>November</b>	<b>16</b>

**2016 House Fall Legislative Schedule**

<b>September</b>	<b>19, 20, 21, 26, 27, 28</b>
<b>October</b>	<b>17, 18, 19, 24, 25, 26</b>
<b>November</b>	<b>14, 15</b>

*Copies of all bills of interest can be accessed via the Internet at:*

<http://www.legis.state.pa.us/cfdocs/legis/home/session.cfm>