

# **GENERAL CONTRACTORS ASSOCIATION OF PENNSYLVANIA**

A VOICE FOR UNION CONSTRUCTION

## **Testimony on HB 2124**

### **Presented by Terrence McDonough, Executive Director**

Thank you, Chairmen Clymer and Roebuck and members of the House Education Committee for inviting the General Contractors Association of Pennsylvania (GCAP) to testify today in support of HB 2124. I would also like to take this opportunity to thank Rep. Grove for introducing this legislation which addresses the backlog in the process of reimbursements to school districts for school construction and renovations and which provides for additional funding to address those projects that are currently in the PlanCon pipeline.

GCAP is a united group of union contractors that establishes positions and recommendations from the union contractors' point of view. GCAP believes that addressing the complex problems with the reimbursement process in the Department of Education is beneficial for economic development and job creation in Pennsylvania.

Many years of level funding and in more recent years, the moratorium placed upon school construction reimbursement has brought into focus a cumbersome process and a broken system. While the moratorium was a well-intended measure to avoid exacerbating the backlog in the application review process, it did little to correct the systemic problem with the PlanCon process. Because of the moratorium, many school districts were forced to borrow additional

funds for construction projects since anticipated state support was denied. Because of the increased debt, school districts were forced to scale back, place on hold or cancel in their entirety many school construction and renovation projects.

GCAP believes delays or cancelation of school construction and renovation projects has a rippling impact on Pennsylvania's economy. On construction projects, GCAP members employ carpenters, laborers, cement masons, operating engineers, painters and other tradesmen who make family-sustaining wages, pay state and local taxes and stimulate the local economy. School construction projects drive economic development and job creation in Pennsylvania. When school construction and renovation projects are delayed or canceled due to lack of state funding resulting from a cumbersome reimbursement process, jobs are impacted. Tax revenues are lost. Local economies suffer.

In addition to creating jobs and generating tax revenue, additional state investment in much needed school construction and renovation can actually save taxpayer dollars in the long term. New construction standards and materials prioritize clean and green building. Replacing old and antiquated school buildings with new energy efficient buildings and systems will create long-term savings in energy costs for the school district.

HB 2124 not only simplifies a burdensome reimbursement process for school districts addressing the underlying problems causing the backlog and provides for additional funding, it creates jobs which increases revenue collections, spurs investment in our local economies and saves taxpayer dollars through energy efficient buildings in the future. GCAP applauds Rep. Grove for his efforts to modernize the PlanCon system. These efforts reach far beyond

establishing a more efficient way of doing business. These efforts stimulate job creation and economic development throughout Pennsylvania.

Thank you for allowing GCAP to present to you our opinion of the impact that HB 2124 would have on our members and the tradesmen contractors employ. GCAP respectfully urges the Education Committee and the Legislature to support HB 2124.