

March 28, 2014

The Honorable Seth Grove
House of Representatives
B-8 Main Capital Building
P. O. Box 202196
Harrisburg, PA 17120

Dear Mr. Grove:

Thank you for introducing HB 2124 regarding the reinstatement of payment of reimbursement for school district construction projects in the Commonwealth. My firm, Robert W. Baird & Co., works with over 80 Pennsylvania school districts, many which have issued reimbursable long term debt to finance the renovations, additions and new construction to their facilities. I previously served as Business Manager for two Pennsylvania school districts and certainly understand the frustration many school districts have regarding the lack of reimbursement promised through the PlanCon process as well as the inability to obtain any information on when the payments may be forthcoming.

There are many concerns that have been created by the nonpayment of the reimbursement including: actual and potential rating downgrades to those districts with insufficient funds to replace the nonpayment; furlough of instructional and support staff due to lack of funds; discouraging school districts from trying to appropriately maintain their facilities to create a proper educational environment; and larger tax increases than required if the reimbursement would have been received in a timely manner. As stated in numerous news articles, the current liability of \$1.2 billion of unpaid reimbursement will increase if the Commonwealth continues the lack of funding above the current annual appropriation of \$296 million.

I also agree with your concern of the existing PlanCon process. The system is outdated and needs to be modified to order to: eliminate duplicate submission of information in multiple sections; eliminate the request of documents on microfilm; and reduce the cumbersome process requiring School Board and Department approval of each section of the submittals.

Your efforts with this proposed legislation are to be applauded. Please do not hesitate to request any assistance that can be provided by Robert W. Baird & Co.

Sincerely,



Leslie L. Bear
Managing Director