

Briefing: Financial Assistance for Public School Construction in Pennsylvania

This briefing provides an overview of the current status of financial assistance for public school construction in Pennsylvania, including key programs, funding allocations, eligibility requirements, and strategic recommendations.

Current Status

- The traditional PlanCon reimbursement program has been discontinued. A moratorium has been in place since 2012, and Act 34 of 2023 replaced it with a grant-based approach, funded through line item targeted budgets in the annual state budgeting process
- No new statewide general reimbursement program exist. Limited funding is now competitive and targeted at repairs and modernization rather than new construction. It is also weighted toward economically disadvantaged districts.
- There is a general understanding that the state will need to replace aging facilities but the State budgeting process will not create open ended cost sharing. Future cost sharing will be heavily dependent upon district-wide facility assessments and master planning. Currently the state will not participate in either facility planning or new facility construction / renovation

Current Key Programs

Public School Facility Improvement Grant Program (Act 34 of 2023):

- Grants range from \$500,000 to \$5 million for facility upgrades (roof, HVAC, plumbing, energy efficiency, accessibility, emergency repairs).
- Requires a 25% local match, with exceptions for emergencies or financial hardship.
- \$175 million awarded in 2024 to 208 projects statewide.

Environmental Repairs Grant Program:

- \$75 million distributed to 109 schools for lead, mold, and asbestos remediation.
- In 2025 / 2026, there will be on separate pool of funding for solar, energy reducing projects.

Recent Budget Context (2025–26)

- Increased Basic Education Funding and Ready to Learn Block Grants focus on classroom operations, not construction.
- Career and Technical Education funding remains level, limiting facility upgrade opportunities.

Strategic Recommendations

- Monitor upcoming grant cycles and prepare applications early. The application window is expected to be March to May
- Keep and update a district-wide facility assessment which addresses physical condition, educational appropriateness, enrollment capacity trends, physical and environmental student safety, and major capital maintenance needs.
- Prioritize projects that align with health, safety, and energy efficiency criteria, accomplishing program evolution within smaller targeted projects.
- Establish a Capital Fund with the intent of having available local matching funds.
- As existing capital debt declines, consider using the savings to fund a Sinking Fund for future facility replacement or updates. In general, each existing facility will require significant renovation (20% or replacement value) every twenty-five years.