



# Pennsylvania Association of School Business Officials

Mailing Address:  
P.O. Box 6993  
Harrisburg, PA 17112

Office Location:  
2608 Market Place  
Harrisburg, PA 17110

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Telephone 717-540-9551

[www.pasbo.org](http://www.pasbo.org)

FAX 717-540-1796

*For Immediate Release*

January 16, 2014

Contacts:

Jay Himes, Executive Director, (717) 350-8593 (cell) or [jhimes@pasbo.org](mailto:jhimes@pasbo.org)

Hannah Barrick, Director of Advocacy, (717) 540-9551 or [hbarrick@pasbo.org](mailto:hbarrick@pasbo.org)

## **SCHOOL DISTRICTS OWED MILLIONS IN SCHOOL CONSTRUCTION REIMBURSEMENT**

The PA Association of School Business Officials (PASBO) urges the General Assembly to prioritize funding to reimburse school districts for a portion of their school construction costs. School districts across the Commonwealth are owed millions of dollars in needed reimbursement through the Department of Education's PlanCon school construction process.

For many of these school districts, school construction is complete and the facilities are in use, debt is in place and payments are coming due, and applications to begin receiving reimbursement have been submitted to the Department.

According to Richard Fantauzzi, PASBO President and Director of Finance & Operations at Elizabeth Forward School District, "many districts have been waiting at this stage for over 2 years, and despite careful financial planning, districts have had to throw their plans out the window and increase taxes, cut programs and staff and use up their reserves waiting for reimbursements, all to cover the continually delayed state reimbursement."

The longer school districts wait for this overdue reimbursement, the more challenging it becomes for districts to cover the state's growing share. According to Amy Swartz, Business Administrator at Donegal School District, "as a result of hard work, solid planning, consolidation, realignment, annual property tax increases, and cutting programs, we have been able to operate to this point with a balanced budget. Unfortunately we are running out of rabbits to pull out of our hats."

With rising employee pension costs, charter school tuition costs, and special education costs, PASBO believes it is absolutely critical that these districts receive PlanCon reimbursement in a timely manner. "These school districts played by the rules and entered the PlanCon process with no knowledge or indication that reimbursement would be delayed in any way. They have significant financial obligations and do not have the liberty of simply delaying payment until state reimbursement is received," said Jay Himes, Executive Director of PASBO.

PASBO encourages the General Assembly to recognize the negative impact this delayed reimbursement has on the financial and educational health of school districts across the Commonwealth and to act to ensure that school districts receive their promised reimbursement without additional delay.