



Pennsylvania Association of School Business

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Testimony of Dr. Wayne McCullough, DBA, PRSBA

Chief Financial & Operations Officer/Board Secretary

Southern York County School District

House Education Committee

Public Hearing on House Bill 2124

March 31, 2014

Good morning. My name is Wayne McCullough. I serve the Southern York County School District, in Glen Rock, as the Chief Financial & Operations Officer and Secretary to the Board of Education.

The Southern York County School District began the planning process for additions and renovations to Friendship Elementary School more than six years ago. The project was vital to our community due to growing enrollment in the school that serves the children of Glen Rock Borough and Codorus Township and updating of an infrastructure, including the roof, which dated back to 1958. The project included an update to life safety systems and much needed energy efficient improvements to lighting and HVAC.

The Southern York County School District entered the PlanCon process with the full expectation that the Commonwealth of Pennsylvania would fund a portion of the project. We filed PlanCon part A – project justification—in September 2010, which was approved by the Department of Education in January 2011.

PlanCon part G –accounting based on actual bids – was filed in June 2011 and was approved by the Department in September 2011. PlanCon part H - project financing, which addresses the financing used for the project and also calculates the temporary reimbursable percent – was filed with the Department in August 2011.

Construction began in July 2011 and was completed in December 2012. The total cost of the project was \$16,418,000. We made our first scheduled debt service payment in September 2011. We expected to receive reimbursement from the PA Department of Education in the amount of \$4.7 million, which was estimated to be received annually in the amount of \$241,000 to \$283,000. I mention this because the project was well planned and met all Department timelines along the way. We fully expected the reimbursement to also be made in a timely manner.

The total amount owed to the Southern York County School District to date is \$745,000. We have made up for the lack of state reimbursement by using fund balance and reducing staff. The lack of state reimbursement has had a negative impact on the financial health of the Southern York County School District and our educational program, and has placed additional burden on our local taxpayers.

This project was done during a time when state and local leaders were encouraging us to “get shovels in the ground” to help stimulate the economy. We did just that. In fact, the project was completed on time and under budget.

The Southern York County School District pleads that the commitment associated with PlanCon be kept. We did the right thing; we kept our promise, and continue to keep our promise by making payments on our bonds. We ask the Department to please keep its commitment to us.

On behalf of the Southern York County School District, we strongly support House Bill 2124, which would increase the total Authority Rentals and Sinking Fund Reimbursements line item in order to provide the immediate result of fully funding the many school districts due this money. Without these funds, there will be continued cuts to our educational program.

Thank you.