

FISCAL NOTE

June 1, 2023

Bill No:	HB 137	Printer's No:	550	Sponsor:	Fiedler
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COST / (SAVINGS)

Fund (s)	2022-23	2023-24
General Fund	\$0	\$500 million

SUMMARY: This bill establishes the Solar for Schools Grant Program; and provides for powers and duties of the Department of Community and Economic Development.

ANALYSIS: HB 137 establishes the Solar for Schools Grant Program within the Department of Community and Economic Development (DCED) to award grants to school districts, intermediate units, career and technical schools, chartered schools for the deaf and blind, community colleges, Thaddeus Stevens College of Technology, and Pennsylvania College of Technology. Grants shall be awarded on a competitive basis for solar energy projects to the extent that money is appropriated for this purpose. Grants are limited to a maximum of 50 percent of project costs.

DCED shall establish guidelines for implementation and processes for application for the program, develop requirements for feasibility assessments, and provide technical assistance and education. Preference shall be given to applicants seeking funding under the Inflation Reduction Act. DCED may randomly audit and monitor grant recipients.

Applicants shall include a solar feasibility assessment with an application. If a school facility that benefited from a grant is leased or sold, the new owner shall reimburse DCED the amount of the grant. Contractors completing projects under the program shall pay the prevailing minimum wage for all classifications other than maintenance work.

The act shall take effect on July 1, 2023, or immediately, whichever is later.

FISCAL IMPACT: HB 137 appropriates \$500 million in non-lapsing funds for the Solar for Schools Grant Program. Program operation would be contingent on money being appropriated for that purpose. DCED may use money appropriated for the program to pay for administrative costs, including technical assistance. Grants are limited to fifty percent of project costs, with eligible schools responsible for covering remaining costs.

DCED would incur an annual cost of one percent, or \$5 million, to administer the program. Approximately 3,000 public schools and universities currently operate in Pennsylvania. Participation in the program would vary greatly across the state. The Commonwealth Financing Authority distributes a similar volume of grant funding annually and operates at a cost of \$4.7 million.