A Comprehensive RACP Seminar



November 2026
Harrisburg, PA

Pennsylvania
Office of the Budget

Bureau of Redevelopment, Capital, & Debt

Dustin Bailey, Director

Redevelopment Assistance Capital Program (RACP)

40 Years of Investment in Pennsylvania Communities

Pennsylvania
Office of the Budget

What is RACP?

“A Cornerstone of Economic Development”

- Created to support transformative capital projects across Pennsylvania
- Funds economic, cultural, civic, recreational, and historic improvements
- Administered by the Pennsylvania Office of the Budget
- Focuses on projects with regional impact and economic benefits

Origins and Early Growth (1986-1999)

Building the Foundation

- Established in 1986 with $400 million in borrowing authority
- Created to support large-scale projects beyond local funding capacity
- Expanded throughout the 1990s as demand for development funding increased
- Set the stage for statewide capital investment initiatives

The Modern RACP Framework (1999)

Capital Facilities Debt Enabling Act

- Act 1 of 1999 established today's program structure
- Defined eligibility requirements and financing procedures
- Formalized the capital budget itemization process
- Created a consistent framework for project authorization and funding

Expansion and Impact (2000-2010)

A Decade of Growth

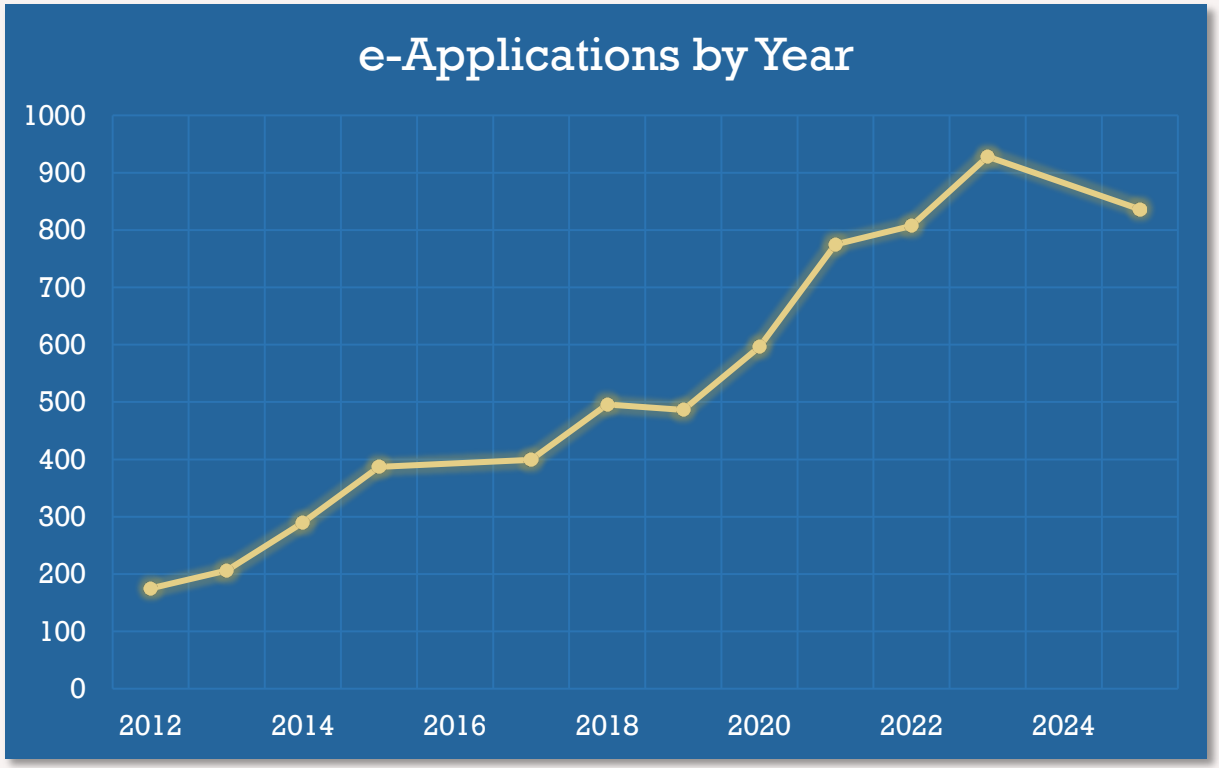
- Significant increases in borrowing authority
- Investments in healthcare, education, manufacturing, infrastructure, and community development
- Borrowing authority grew to approximately $4.05 billion by 2010
- RACP became one of Pennsylvania's primary economic development tools

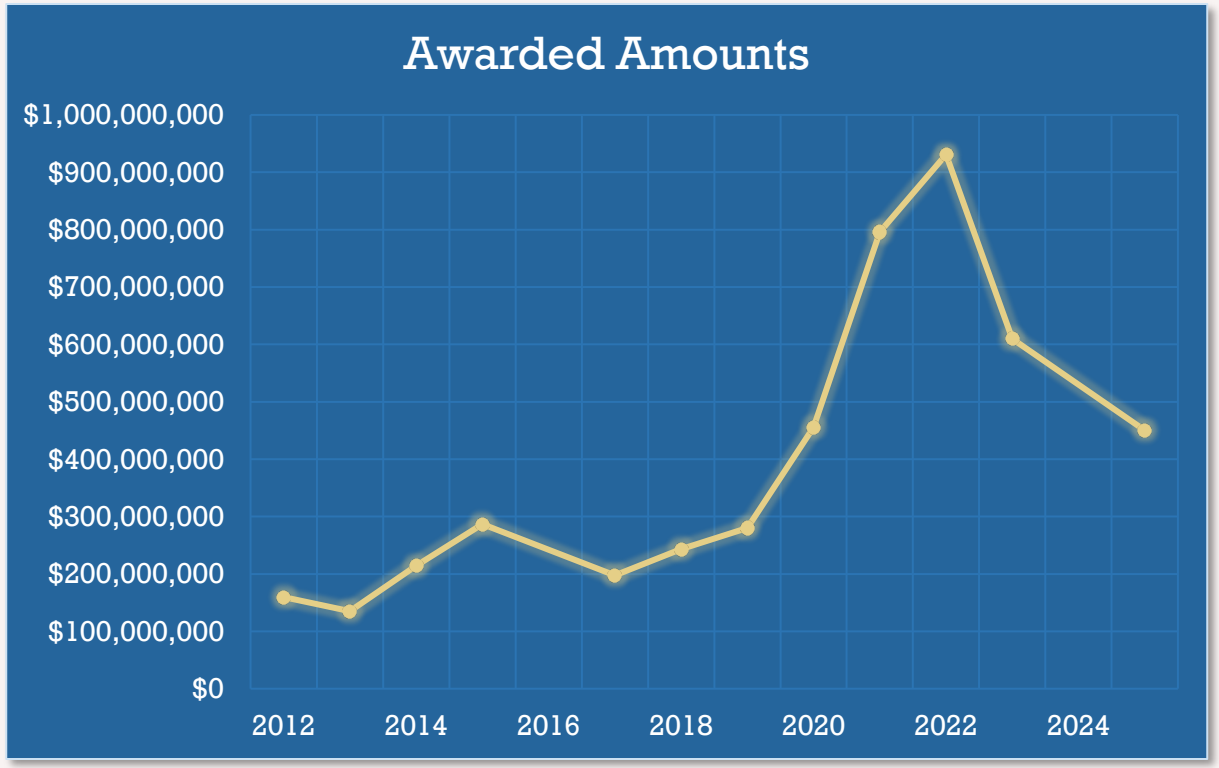
Program Modernization (2013-Present)

Modernization and Accountability

- Act 77 (2013) modified borrowing authority to $3.45 billion
- Introduction of the electronic grant management system
- Enhanced compliance, transparency, and oversight
- Streamlined application and reimbursement processes

Growth of RACP





Forty Years of Transformative Investment

RACP continues to leverage public investment to create economic opportunity, strengthen communities, and build a more competitive Pennsylvania.

- Provided funding for over 5,000 projects
- Program awards of over $9 billion
- Program disbursements of over $6 billion

Bureau of Redevelopment, Capital, & Debt

Scott Bowman, Assistant Director

Pennsylvania
Office of the Budget

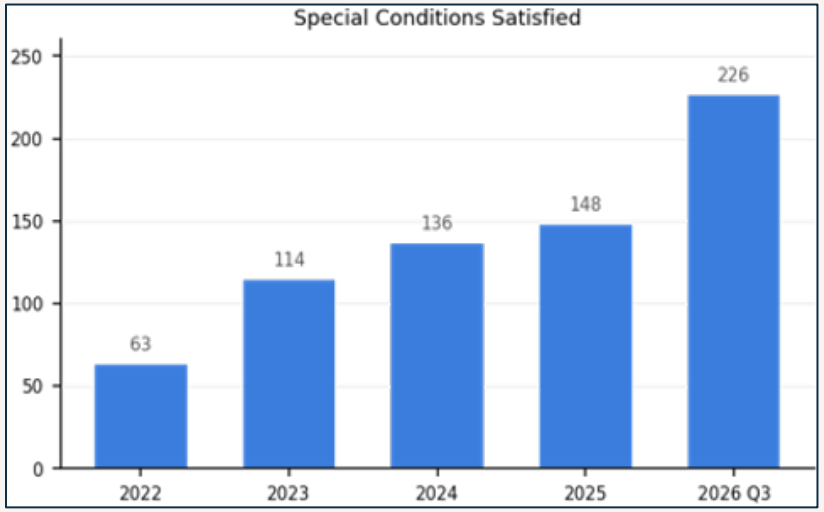
Seminar Objectives

- ✓ Meet our Stakeholders
- ✓ Communicating RACP changes and improvements
- ✓ Looking towards the future

Progression

Since Governor Shapiro took office, more than $1.05 billion in RACP investments are supporting 767 projects statewide—from economic development and community revitalization to workforce development and public safety.

- ✓ Average scope approval: 150–260+ days in 2020–2023 to just 25 days in Q3 2026
- ✓ RACP processed 81 grants and amendments in 2022, 167 in 2023, and 334 in 2024
- ✓ Through September 2026, RACP processed 277 payment requests—already more than the 244 processed during all of 2025
- ✓ More efficient with special condition review process



2025 Funding Round

Funding Round 2025 Highlights

- ✓ 836 e-applications received, totaling $3,062,838,068
- ✓ 356 awards released, totaling $450,990,651
- ✓ What's next?

General Remarks

- ✓ Diana Phillips – Retirement
- ✓ Hold program-related questions until the end of the Presentation (Q&A portion)
- ✓ Project-specific questions can be discussed directly with RACP staff after the presentation.

Overview of the e-Grants System

General Information

- **RACP staff are available** at any time during the process
  - even prior to receiving an award!
- **Utilize the resource account**! The earlier we are in contact the better.
  - ➢ **RA-OB-RACP@pa.gov**
- ESA is **only being utilized** for ME#s of 4000+ starting for funding **Round 2023**

Internal ESA/Partner Portal (and demo!)

- **Partner Roles**
  - no longer asking projects to define roles for partners
  - must submit worksheet for access
  - do not request access
- **Project Tracking**
  - information/documentation submittals
  - event log and workflow progression
  - comments (do not use to communicate with OB!)
- **PMP and Other Document Uploads**
  - Labeling of documents
  - Save versus submit
  - PMP submission and the **workflow button**

Grantee and Subgrantee Responsibilities

Grantees

- ✓ contracts with Commonwealth
- ✓ provides technical assistance and oversight to subgrantee
- ✓ responsible for signing off and submitting documents
- ✓ financial management
- ✓ pass through of grant funds
- ✓ obligated to reimburse the Commonwealth ineligible expenditures, as determined by OB

Subgrantees

- ✓ administers/manages project
  - unless using a third-party administrator
- ✓ prepare construction documents, special conditions, etc.
- ✓ solicits bids, holds construction contracts, holds site control,
- ✓ gathers all paperwork from contractors and should be checking compliance
- ✓ drafts and delivers to grantee, documents for submission to OB
  - SCs, RDAs, PR forms

Both

- ✓ executing cooperation agreement
- ✓ compliance w/ all rules and regulations
  - via legislation, application, grant agreement, special conditions and policy
- ✓ deliver requested documents to the consultant for compliance testing and reporting
- ✓ coordinate press releases and public relations
- ✓ close out audit

Responsibilities of State Consultants

Services are Twofold

- Objective 1 – **PMP Review**
  - Results in OB writing the grant agreement
- Objective 2 – **compliance review, testing and reporting**
  - Results in release of grant funds

Timing of Consultant Services

- Importance of **PMP submittal date vs construction dates**
  - Submit PMP's early in the process!
- **Email** to projects
  - Consultant engagement email notice vs purchase order (PO) needed for consultant start date
- Timely **submission of documentation to consultants**
  - Grant writing and payment request will be delayed

Common Compliance Issues

General Compliance

- RACP compliance requirements S/B in contracts/specification manuals
- Removal of a contract and/or cost that cannot achieve compliance
- Still need the essence of a RACP project

PWA

- Compliance *cannot* be waived
- Underpayment of PWA rates will require restitution
- Project should perform 1st review of certified payroll reports for *completeness*
- Davis Bacon supersedes PWA

Steel

- Make sure ALL contractors/subcontractors are aware of SPPA (*not Buy American*) requirements
- Discussion on “significant components" for steel compliance
- Structural steel vs non-structural

Common Compliance Issues (cont'd)

Change Orders

- Utilizing bid alternatives
  - These are not deemed a "change order" for OB review over 20%
  - Will need change order documentation for any "unforeseen circumstances"

Payment & Performance (P&P) Bonds

- Avoids re-bidding issues if a contractor goes out of business and/or does not finish/perform as required
- Total of P&P bonds does not cover Total RACP construction scope?

Key take aways, OB suggestions to avoid delays from common compliance issues.

Policies, Procedures, and Documentation Standards – In General

- ✓ Check the **website first**!
  - guidance, video tutorials, handbooks, forms, and more are available
- ✓ **Resource account** for general questions
  - really helpful for pre-award questions
- ✓ Any project-specific questions should be brought **through consultant**

Policies, Procedures, and Documentation Standards – ASU

Application Assistance and PMP

- Only **one attachment** is required (RDAs)
  - save the rest for your consultant!
- **Extensions** for submission deadline
  - next year will implement **more in-depth review** of extension requests
- Itemizations
  - **Please reach out if there are questions on itemizations**, there is a lot of confusion surrounding itemizations and changes
- Combining Projects
  - submit a combined PMP if one or both awards have not submitted a PMP
  - what to submit if a PMP has already been submitted for both awards
  - process for combining old and new (pre ESA/post ESA)
  - process for combing two old versus two new
  - all combinations will go through a **scope review**

Policies, Procedures, and Documentation Standards – ASU

Scope

- Changes from e-app
  - admin reviews, timing
- Down-scoping
  - new builds versus renovations
  - L&I is the final authority on demarcations
    - Non-RACP scopes may still have PWA implications

- Rescopes
  - should not be altered after grant agreement executed
  - work w/ consultant to submit rescope package
  - must conform to itemization
  - possible **admin review**
  - **slows down** the grant process
  - removing compliance issues are not automatic as previously discussed

Policies, Procedures, and Documentation Standards – GSCU

Grant Drafting

- PMPRR Submission via consultant
- Standard special conditions
- Changes ahead
  - detailed review at grant drafting stage
  - possible scope stage review
  - unavailable/insufficient documentation made into SC

Grant Amendments

- Awarded additional money, time extensions
- Additional awards

Circulating Grants

- For signature/execution

FTP and ESA Downloads

- Retrieved daily
- Receipt of submission will be confirmed

Special Condition Reviews and Documentation

- Reviewed based on date of initial SC submission
- SC reviewer will send updates
  - review begins/ends, etc.

Policies, Procedures, and Documentation Standards – PRU

- **Payment Request Submission (the 4 W's)**
  - ✓ **When** to submit
  - ✓ **Where** to submit
  - ✓ **What** to submit
  - ✓ **What Not** to submit
- **Minimum Requirements for Release of Funds**
- **Tips & Tricks**
- **Facilitation Meetings**

Policies, Procedures, and Documentation Standards – RCU

Close-Out Audits

- Timeframe (after payment request approval)
  - Reach out once treasury payment made
  - Required for proof of bank information
- Collect Documentation
  - Engagement letter last page
  - Send via email or FTP
- Grantee and subgrantee meeting
  - Entrance conference
  - Exit email versus meeting twice
  - Exit conference if finding/observation
- Close-out Audit Report, Retainage, Records
  - Close-out audit email confirmation
  - Full audit available on request
  - Retainage released when email sent

Any Questions?

"Oh, just one more thing..."

~ Columbo

Thank you!

Your Presenter's have been:

Dustin Bailey, Bureau Director
Scott Bowman, Assistant Director, RACP Division
Wendy Yeager, ASU Unit Supervisor
Kathy Kyle, CAU Unit Supervisor
Adrienne Bordner, Acting GSCU Unit Supervisor
Mathew Smith, PRU Unit Supervisor
Jordan Bobitz, RCU Unit Supervisor

Presenters Contact Information can be found on the RACP Website.

RACP Resource Account: RA-OB-RACP@pa.gov