

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1295
Appropriations

(Delegate Solomon, *et al.*)

Public School Construction – School District Energy Use – Policy and Study

This bill prohibits, beginning July 1, 2021, the Interagency Commission on School Construction (IAC) from approving a public school construction project for a local school system that has not adopted or updated a specified school district energy policy. IAC must coordinate with the Maryland Energy Administration (MEA) and the Maryland Clean Energy Center (MCEC) to study and make recommendations on expanding and providing additional funding for the Maryland Net-Zero Energy School Initiative Grant Program. **The bill takes effect July 1, 2020.**

Fiscal Summary

State Effect: IAC and MEA can carry out the bill’s requirements with existing budgeted resources. No effect on revenues.

Local Effect: Local school systems that have not already done so will be required to develop an energy policy in accordance with the bill’s requirements in order to receive State funding for public school construction projects. They can do so with existing resources.

Small Business Effect: Minimal.

Analysis

Bill Summary: A school district energy policy must:

- address the purchasing, conservation, and efficiency of energy for the school system;

- provide for the monitoring and reporting of the amount and percentage of the school system's use of electricity from renewable sources; and
- include current and historical data on the school system's energy use.

Each local school system is encouraged to set targets to increase its use of renewable energy and reduce its greenhouse gas emissions. The policy must be posted on the school system's website and be updated every two years.

By January 1, 2021, IAC, MEA, and the Maryland Department of the Environment must develop a standardized reporting template that school systems can use to report their energy use.

IAC, MEA, and MCEC must report their findings and recommendations regarding the Maryland Net-Zero School Initiative Grant Program to the Governor and General Assembly by December 1, 2020.

Current Law: As enacted by Chapter 14 of 2018 (the 21st Century School Facilities Act), IAC manages State review and approval of local school construction projects. Based on its assessment of the relative merit of all the project proposals it receives from local school systems each year, and subject to the projected level of school construction funds available, IAC determines which projects to fund. The State pays at least 50% of eligible costs of school construction and renovation projects, based on a funding formula that takes into account numerous factors including each local school system's wealth and ability to pay.

MEA's mission is to promote affordable, reliable, and cleaner energy for Marylanders. It administers grant and loan programs to encourage clean energy technologies in all sectors of Maryland's economy.

Background: The World Green Building Council defines a net-zero carbon building as a building that is highly energy efficient and is fully powered from on-site and/or off-site renewable energy sources.

The 2012 merger of Constellation Energy and Exelon Corporation yielded, as a condition of the merger, a \$9 million contribution to MEA's Customer Investment Fund to provide resources for long-term energy efficiency and conservation goals. The funds were used to establish the Maryland Net-Zero Energy School Initiative Grant Program, which made grants to design and construct three net-zero energy schools in the State. Wilde Lake Middle School in Howard County has been completed and occupied, and two schools in Baltimore City, Graceland Park/O'Donnell Heights Middle/High School and Holabird Elementary School are in the process of being constructed as net-zero schools. No additional funds have been available for the grant program since the initial grants were made.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland State Department of Education; Public School Construction Program; World Green Building Council; Department of Legislative Services

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Analysis by: Michael C. Rubenstein

Direct Inquiries to:

(410) 946-5510

(301) 970-5510