

Department of Legislative Services  
Maryland General Assembly  
2020 Session

FISCAL AND POLICY NOTE  
First Reader

Senate Bill 1026

(Senator McCray)

Budget and Taxation

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Interagency Commission on School Construction - Project Approval -  
Prioritization

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This bill requires the Interagency Commission on School Construction (IAC), when approving public school construction projects, to give priority to a project in or near a school facility that closed during the school year due to a severe issue in the facility. **The bill takes effect July 1, 2020.**

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Fiscal Summary

**State Effect:** None. IAC can implement the bill's requirement with existing resources. No effect on revenues.

**Local Effect:** The bill may result in some school construction projects that are prioritized by local school systems and county governments being delayed, as discussed below.

**Small Business Effect:** None.

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Analysis

**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. Each year, local systems develop and submit to IAC a facilities master plan that includes an analysis of future school facility needs based on the current condition of school buildings and projected enrollment. The master plan must be approved by the local school board. Subsequently, each local school system submits a capital improvement plan to IAC that includes projects for which it seeks planning and/or funding approval for the upcoming fiscal year, which may include projects that the local system has forward funded. In

addition to approval from the local school board, the request for the upcoming fiscal year must be approved by the county's governing body. Typically, the submission letter to IAC contains signatures of both the school board president and either the county executive and county council president or chair of the board of county commissioners.

Based on its assessment of the relative merit of all the project proposals it receives, and subject to the projected level of school construction funds available, IAC determines which projects to fund. By December 31 of each year, IAC must approve projects comprising 75% of the preliminary school construction allocation projected to be available by the Governor for the upcoming fiscal year. Local school systems may appeal these preliminary decisions by IAC. By March 1 of each year, IAC must recommend to the General Assembly projects comprising 90% of the allocation for school construction submitted in the Governor's capital budget. Following the legislative session, IAC approves projects comprising the remaining school construction funds included in the enacted capital budget, no earlier than May 1. The final allocations are not subject to appeal.

**Background:** In January 2018, all public schools in Baltimore City were closed for one day due to heating outages that left students in unheated classrooms as a result of the extremely cold weather and aging facilities. About 60 public school buildings were closed for more than one day due to lack of heating and related problems such as burst pipes. A total of 80 buildings were impacted by the extreme weather conditions.

In September 2019, Baltimore County Public Schools closed eight non-air conditioned schools for a day due to excessive heat.

**Local Fiscal Effect:** The bill requires IAC to give priority to projects in or near schools that have closed during the year due to a severe issue. As noted above, IAC makes funding decisions based on multiple factors, including the condition of a school facility. A key factor, however, is the priority given to a project by the local school system and county government in the capital improvement plan submitted to IAC. IAC advises that if a school in poor condition is given a low priority by a local government, IAC requests additional information about the project but typically IAC does not overrule the prioritization provided by local governments. Under the bill, it may be required to ignore local priorities, which may mean that other high priority projects are not funded, including some that may be underway and have already received partial funding.

## **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Maryland State Department of Education; Public School Construction Program; Department of Legislative Services

**Fiscal Note History:** First Reader - March 10, 2020  
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