

R00A07
Interagency Commission on School Construction

Program Description

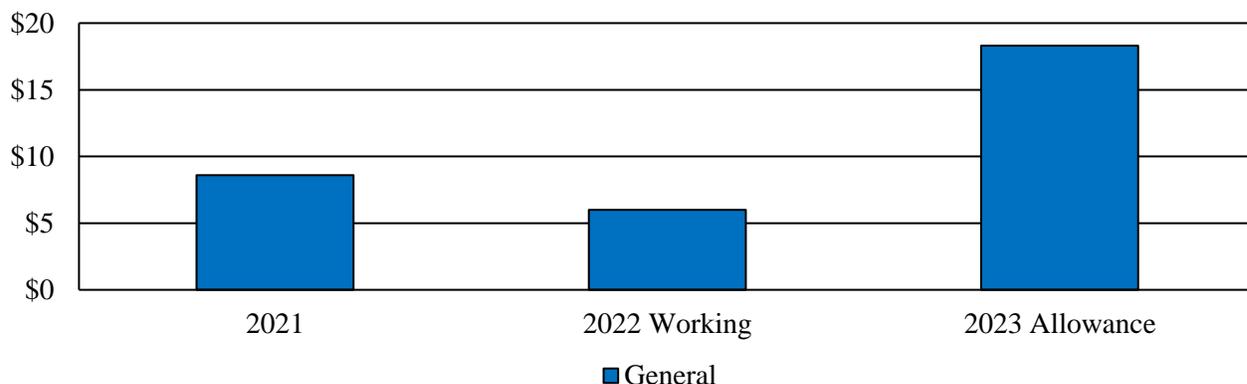
The Interagency Commission on School Construction (IAC) is an independent agency within the Maryland State Department of Education (MSDE) that reviews, analyzes, and approves requests for State school construction funds distributed to local education agencies (LEA). IAC’s goals are to promote (1) equity in the quality of school facilities throughout the State and (2) well-maintained, safe physical environments for teaching and learning.

Previously under the authority of the Board of Public Works (BPW), the 21st Century School Facilities Act (Chapter 14 of 2018) created IAC as an independent commission within MSDE and expanded its membership and staff. In this expanded form, members of the commission include the State Superintendent of Schools, the Secretary of Planning, the Secretary of General Services, two members of the public appointed by the Governor, two members of the public appointed by the President of the Senate, and two members of the public appointed by the Speaker of the House of Delegates. IAC staff assist the commission to administer school construction funding under the Built to Learn Act (Chapter 20 of 2020); the Public School Construction Program; and State supplemental grants, including the Aging Schools Program for public and nonpublic schools.

More information on the State’s public school construction program and supplemental grants can be found in the IAC capital budget analysis (RA0702).

Operating Budget Summary

**Fiscal 2023 Budget Increases by \$12.4 Million, or 206.8%, to \$18.4 Million
(\$ in Millions)**



Note: Numbers may not sum due to rounding. The fiscal 2022 working appropriation includes deficiency appropriations. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and annual salary review adjustments.

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- The IAC fiscal 2023 proposed budget increases by approximately \$12.4 million, primarily due to a change in the funding source for school safety grant programs from a capital appropriation funded with pay-as-you-go (PAYGO) funds in fiscal 2022 to a general fund operating appropriation in fiscal 2023.

Fiscal 2022

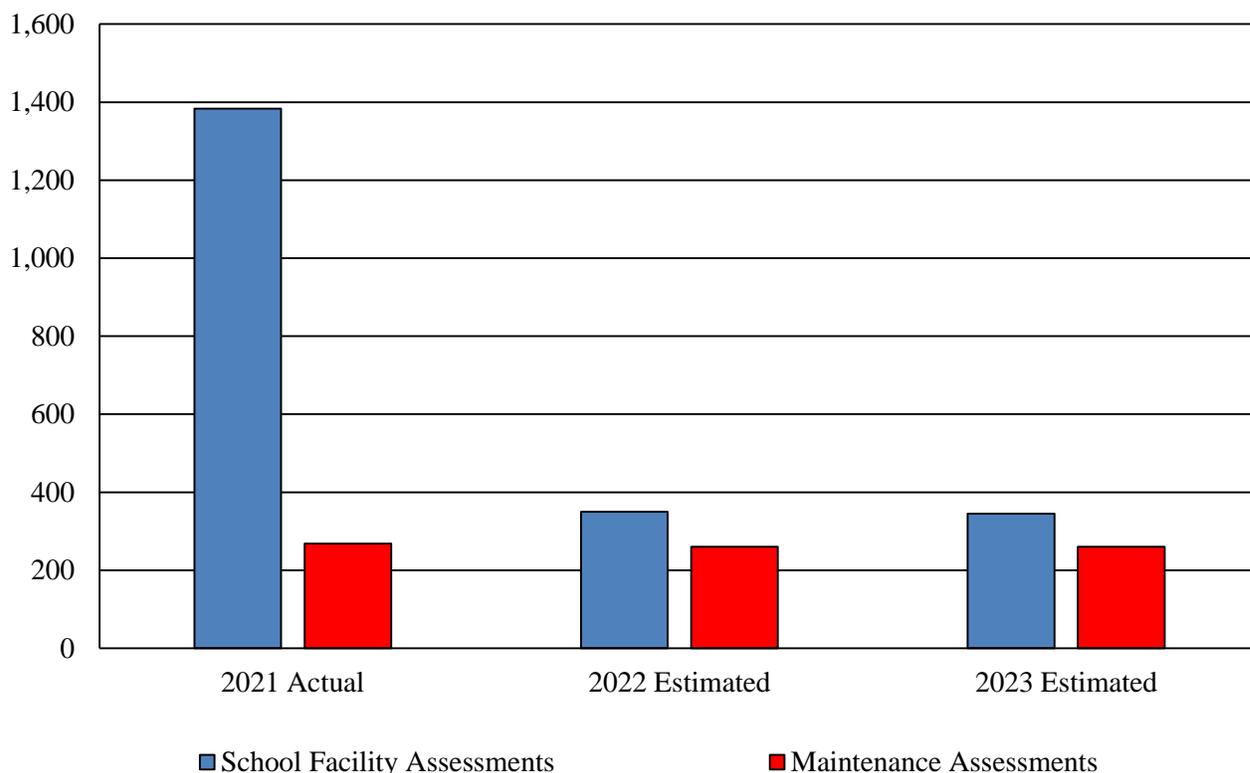
Proposed Deficiency

The Governor’s fiscal 2023 budget proposes to provide IAC with a fiscal 2022 general fund deficiency appropriation of \$1.3 million for the continuation of the Statewide Facility Assessments (SFA) required as part of Chapter 14. IAC used an external vendor, Bureau Veritas Technical Assessments, LLC (BV), to conduct the baseline SFA of all 1,383 school buildings in Maryland. BV collected these baseline data between November 2020 and July 2021 and shared those data with the Workgroup on Assessment and Funding of School Facilities from July to December 2021 for the purpose of funding decisions. However, as these data were shared with the workgroup, it became clear that some data were of poor quality and contained flaws that could not be easily explained or fixed by IAC or BV. As a result, the workgroup asked IAC to continue to review and confirm the accuracy of these data with LEAs in calendar 2022, which resulted in a delay of the workgroup’s funding decisions.

Facility and Maintenance Assessments

With the baseline SFA data collection complete, to meet requirements in Chapter 14 that a school’s facility assessment cannot be more than four years old, fiscal 2022 starts a four-year, SFA cycle for IAC to complete approximately 350 school facility assessments per year, with all school facilities assessed by the end of the four-year cycle in fiscal 2025. IAC also expects to conduct approximately 260 maintenance assessments during this period. **Exhibit 1** highlights the number of facility and maintenance assessments that IAC anticipated for fiscal 2021 through 2023. With resolution of the baseline SFA and data evaluation having bled into fiscal 2022, work on the next assessment cycle has yet to begin, causing concern that the designated number of assessments is capable of being completed before the end of the fiscal year.

Exhibit 1
Facility and Maintenance Assessments
Fiscal 2021-2023 Estimated



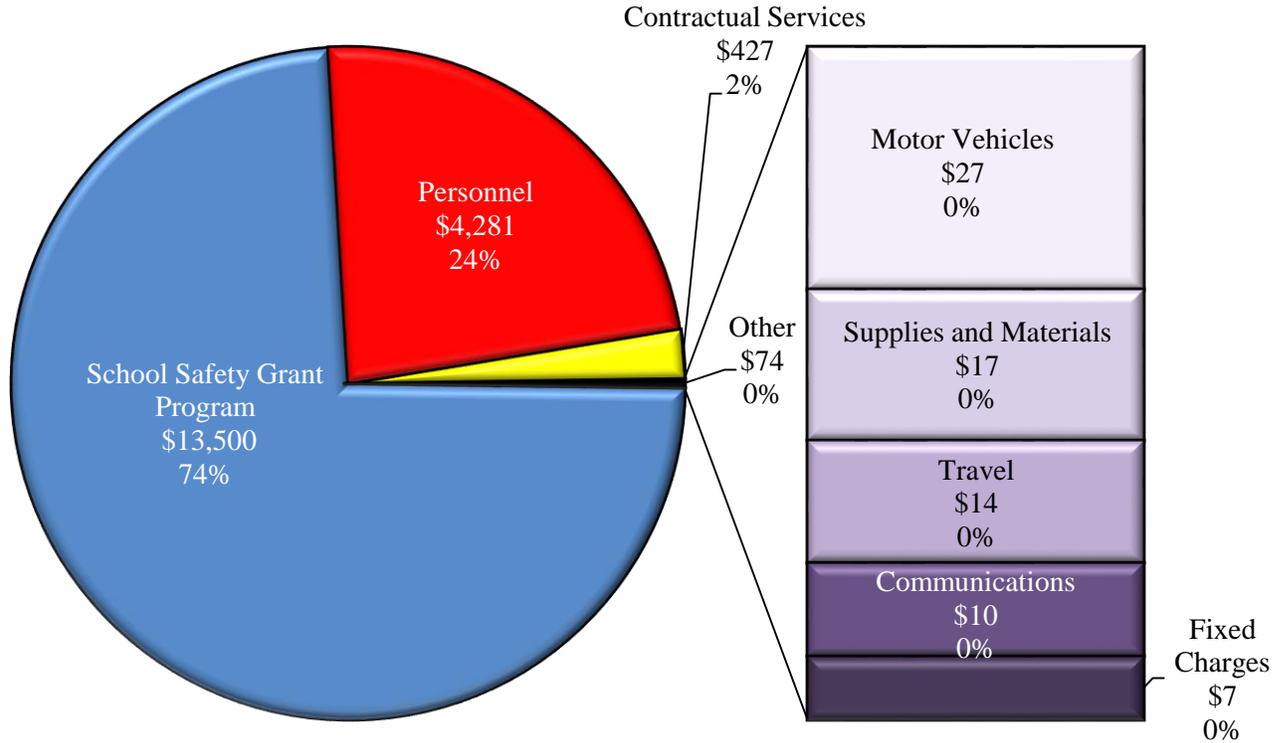
Source: Interagency Commission on School Construction, Managing for Results

Due to these issues, the Department of Legislative Services (DLS) recommends that the relationship with this vendor should not be continued. DLS further recommends a cut to this deficiency allocation. For more information on this issue, see the Key Observations section.

Fiscal 2023 Overview of Agency Spending

In the fiscal 2023 proposed budget, IAC’s total allowance is nearly \$18.4 million. School safety grants, newly reflected in the IAC operating budget for fiscal 2023, receive \$13.5 million, or 74%, of this allowance. IAC’s administrative budget receives \$4.8 million, or 26%, of this allowance. **Exhibit 2** shows the fiscal 2023 proposed budget by object for IAC’s \$4.8 million administrative allowance.

Exhibit 2
Overview of Agency Spending – Administrative
Fiscal 2023 Allowance
(\$ in Thousands)



Source: Governor’s Fiscal 2023 Budget Books

In fiscal 2023, IAC’s personnel allowance is approximately \$4.2 million, or 90%, of the total administrative budget. Of this amount, \$3.8 million is allocated for regular salaries and wages, and the remaining \$600,000 is allocated for other personnel expenses. Contractual services receive \$427,000, or 9% of this budget, which includes an economic analysis project with the University of Maryland, support for databases associated with the Integrated Master Facilities Asset Library (IMFAL), and temporary staffing to support the agency due to shortages. All other administrative expenses receive less than 1% of this allowance.

Proposed Budget Change

In fiscal 2023, a proposed budget increase of nearly \$12.4 million is primarily due to a change in the funding source for school security improvement grants from a capital appropriation funded with PAYGO in fiscal 2022 to general funds in fiscal 2023. **Exhibit 3** shows these proposed changes.

Exhibit 3
Proposed Budget
Interagency Commission on School Construction
(\$ in Thousands)

How Much It Grows:	General Fund	Total
Fiscal 2021 Actual	\$8,633	\$8,633
Fiscal 2022 Working Appropriation	5,982	5,982
Fiscal 2023 Allowance	<u>18,350</u>	<u>18,350</u>
Fiscal 2022-2023 Amount Change	\$12,368	\$12,368
Fiscal 2022-2023 Percent Change	206.8%	206.8%

Where It Goes:	Change
Personnel Expenses	
Turnover adjustments	\$290
Employee and retiree health insurance	226
Social Security	-1
Retirement	-3
Unemployment compensation	-4
New positions	-44
Reclassification	-314
Other Changes	
Public and nonpublic school safety security improvement grants added to operating budget	13,500
Contractual services	34
Data processing and communication expenses	-34
One-time deficiency allocation in fiscal 2022 for 350 school facilities assessments	-1,282
Total	\$12,368

Note: Numbers may not sum due to rounding. The fiscal 2022 working appropriation includes deficiency appropriations. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

School Safety Grant Program General Fund Allowance Intended for Public and Nonpublic Schools

The fiscal 2023 allowance for IAC reflects the addition of \$13.5 million in operating expenses to support the School Safety Grant Program (SSGP) to fund security improvements for public and nonpublic schools. The expenditures supported with these grants, which include security cameras, lockable doors, and areas of refuge, represent facility-based improvements but do not meet the 15-year standard to be eligible for capital funding. Up to this point, however, this program was supported with PAYGO funding and general obligation bonds.

Due the change in fund source for SSGP and the Nonpublic School Security Improvement Program (NSSI) from a capital appropriation to a general fund allowance, DLS recommends to the budget committees that IAC and the Maryland Center for School Safety submit a joint update on this program.

For more information on SSGP and NSSI expenditures in fiscal 2021 and 2022, see the IAC capital budget analysis (RA0702).

Personnel Data

	FY 21 <u>Actual</u>	FY 22 <u>Working</u>	FY 23 <u>Allowance</u>	FY 22-23 <u>Change</u>
Regular Positions	27.00	41.00	41.00	0.00
Contractual FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Personnel	27.00	41.00	41.00	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	2.87	7.01%
Positions and Percentage Vacant as of 12/31/21	6.80	16.59%
Vacancies Above Turnover	3.93	

- IAC has approximately 34 of 41 positions filled. The agency’s current vacancy rate is 16.6%, compared to 22% at the same time last year. IAC’s budgeted turnover rate for fiscal 2023 is 7.01%, allowing the agency to fill the equivalent of approximately 4 additional positions in the upcoming fiscal year.
- IAC recently hired 8 new employees – 5 employees started in December 2021 and 3 employees started in January 2022. Despite IAC’s recent hiring, the agency has also had significant turnover in calendar 2021, which contributes to the positions and percentage vacant headed into fiscal 2023.

Further discussion of IAC personnel can be found in the Updates section.

Key Observations

1. Ongoing Implementation of Chapter 14

Chapter 14 required a comprehensive review of the State’s process to assess and fund public school construction. This law reconstituted IAC as an independent agency within MSDE, authorized new positions, expanded IAC staff responsibilities, and created two new workgroups to examine school construction planning and funding. It also required IAC to conduct the SFA, adopt and implement IMFAL, and hire additional personnel to meet Chapter 14 requirements. In calendar 2021, IAC completed the SFA and hired additional personnel but, due to continued procurement delays, did not implement the IMFAL as planned.

SFA Completed in 2021

Chapter 14 required IAC to (1) contract with a third-party vendor to complete the SFA by July 1, 2019; (2) coordinate with LEAs to identify data elements for the assessment; and (3) develop standards and procedures to comprehensively update the State’s data on the condition of school facilities so that the data is not more than four years old. To provide a standardized comparison of building conditions across the State, IAC used a facility condition index (FCI) to quantify the school facility attributes and estimate the cost to improve and/or maintain the physical condition of a building. The FCI data was then to be used in a new tool called the Maryland Condition Index (MDCI), which uses the FCI but also accounts for a school building’s space deficiencies using the Maryland Educational Facilities Sufficiency Standards. As currently proposed, the MDCI uses a categorical weighting system to determine the relative value of corrective issues in State school buildings, with corrections that pose an immediate threat to health and safety weighted more heavily than building systems that might be old but remain functional.

In September 2020, BPW approved a contract with BV for the SFA. In November 2020, BV completed the SFA pilot and, by July 2021, had completed the assessment of all 1,383 school buildings across the State. As part of a request in the 2021 *Joint Chairmen’s Report* (JCR), in September 2021, BV and IAC submitted a draft of the final SFA report as well as initial assessment data to be used by the Workgroup on the Assessment and Funding of School Facilities for potential funding decisions. A final report summarizing the results of the assessment is due in February 2022. **Exhibit 4** displays both completed and upcoming milestones for this project, including deadlines met as part of the 2021 JCR.

Exhibit 4
Milestones for Statewide Facilities Assessment
Calendar 2020-2022

<u>Milestones</u>	<u>Date Completed or Intended Date of Completion</u>
Pilot Completed	November 2020
Assessment of First 50% of Facilities Completed	March 2021
Assessment of Second 50% of Facilities Completed	July 2021
Contractor Preliminary Report on First 50% of Facilities	September 2021
Review of Assessment Data	Ongoing
Final Report Summarizing Results of Assessment	February 2022

Source: Interagency Commission on School Construction; Department of Legislative Services

Workgroup on Assessment and Funding of School Facilities Convenes to Complete Work

In calendar 2020, delays in the completion of the SFA did not allow the Workgroup on the Assessment and Funding of School Facilities to complete its work. Chapter 20 extended the deadline for the workgroup’s final report until December 1, 2021, and established that assessment data cannot be used in IAC funding decisions before May 1, 2022, for fiscal 2023. In calendar 2021, as part of Chapter 698 of 2021, the deadline for the final report was extended to December 31, 2021, and the workgroup was charged with making the following recommendations involved in school construction funding:

- revisions to State and local cost-share formulas to accommodate changes enacted in Chapters 36 and 55 of 2021;
- methods to determine gross area baseline and the maximum State construction allocation for each public school construction project approved for State funding, including recommendations on how to determine projected enrollment;
- the purpose and implementation of the Revolving Loan Fund, which was established as part of Chapter 14 and is intended to assist local governments in forward-funding their local share of school construction costs to begin or complete a project; and
- appropriate incentives for school construction that may reduce the cost per student and the total cost of ownership of public school facilities.

The workgroup met eight times between July and December 2021 to review SFA data and determine possible recommendations. At the final meeting on December 15, 2021, the workgroup made its final recommendations, which are detailed in **Exhibit 5**.

Exhibit 5
Final Recommendations of the
Workgroup on Assessment and Funding of School Facilities
December 2021

<u>Topic</u>	<u>Final Recommendations</u>
State and Local Cost-share Formula and Incentives	<ol style="list-style-type: none">(1) Update State share of the foundation and guaranteed tax base calculations to align with Blueprint for Maryland’s Future formulas.(2) Add new components for Concentration of Poverty by school, and incentives by project, to begin in fiscal 2023.(3) Cap decreases at 5% for each two-year cycle.(4) Implement new formula starting in fiscal 2025 and 2026 cycle.
Gross Area Baselines and Projected Enrollment	<ol style="list-style-type: none">(1) Establish in regulation limitations on the applicability of excess capacity in adjacent schools for enrollment determinations and an appeals process.(2) Align sufficiency standards and square foot allowances with new requirements in the Blueprint for Maryland’s Future Program, including allowances for:<ul style="list-style-type: none">• English language learners;• Concentration of Poverty schools;• collaborative spaces for teachers;• one-on-one and small group instruction; and• career and technical education pathways.
Revolving Loan Fund	<ol style="list-style-type: none">(1) Allow flexibility for funding across school construction programs but clarify in statute that eligible projects must have the Interagency Commission on School Construction’s planning approval, and loan funds may be used in place of the State and/or local share.(2) Allocate \$50 million in pay-as-you-go in fiscal 2023, \$20 million in fiscal 2024, and \$10 million in each of fiscal 2025 and 2026.(3) Priority given to jurisdictions that have not forward-funded in recent years and that have limited debt capacity.(4) Require repayment within five years with no interest and allowance for waivers.

Source: Interagency Commission on School Construction; Department of Legislative Services

Continued Review of SFA Data Delays Funding Decisions

Due to concerns about the assessment data raised by the workgroup, LEAs, and DLS and an ongoing review of the data by IAC in response to those concerns, the workgroup was unable to complete the weighting of the MDCI components and other related funding decisions. Instead, the workgroup offered an additional set of recommendations related to the assessment data, its future use, and a timetable for future funding decisions. Recommended actions prior to the end of calendar 2022 include:

- extending the Healthy School Facilities Fund by two years, from fiscal 2024 to 2026;
- delay use of the assessment data in all funding decisions until May 1, 2026; and
- update of regulations involving the use of the SFA data.

Exhibit 6 displays a timetable for implementation of these proposed recommendations.

Exhibit 6
Workgroup Recommended Timeline for Use of Statewide Facilities Assessment
Data in Funding Decisions
Calendar 2022-2026

<u>Implementation Date</u>	<u>Action</u>
Immediately	<ul style="list-style-type: none">• Healthy Schools Facilities Fund extended until fiscal 2026.• Funding decisions using assessment data are delayed until May 1, 2026.• Assessment and maintenance data must be accessible by the local education agencies (LEA) in the Integrated Master Facilities Assessment Library (IMFAL) before the statewide facility assessments data may be used for funding decisions.• The Interagency Commission on School Construction (IAC) must publish in regulation how it plans to use assessment data.
July 1, 2022	<ul style="list-style-type: none">• Deadline for IAC to incorporate revised sufficiency standards as specified by the workgroup beginning with the 2022 assessments• Proposed revisions to sufficiency standards include:<ul style="list-style-type: none">• temperature, humidity, and carbon dioxide;• acoustics and lighting;• lead paint and asbestos;• emergency communication systems;• health room attributes;• laboratory spaces and equipment; and• potable water.
July 1, 2024	Legislative workgroup formed to determine the Maryland Condition Index weights to be used for the new Priority Fund.
May 1, 2026	Assessment data may be used in funding decisions if available to LEAs through the IMFAL.
July 1, 2026	<ul style="list-style-type: none">• Healthy School Facility Fund terminates.• Priority Fund implemented using assessment data with \$80 million annual funding.

Source: Interagency Commission on School Construction; Department of Legislative Services

With the first round of SFA assessment data collected and a baseline assessment established in fiscal 2021 for all Maryland school buildings, IAC now moves to a four-year schedule for assessments starting in fiscal 2022 for which IAC receives a deficiency allocation for \$1.3 million for the current SFA contractor to conduct 350 school facility assessments.

IMFAL Experiences Continued Delays

Chapter 14 required IAC to build a cloud-based, asset library that would integrate preventive maintenance and facilities assessment data and allow LEAs to access these data electronically. At that time, the expected cost for this project was \$1.5 million. In February 2020, IAC issued a request for proposals (RFP) for this project and expected to secure a contractor by September 2020. In November 2020, the original solicitation was terminated before a vendor was selected. In April 2021, IAC issued an amended RFP and solicited new bids. This solicitation is still active, and IAC expects an award in April 2022, with project completion scheduled for September 2023.

IAC received an initial allocation of \$1.1 million in fiscal 2021 for this project. The total project cost is expected at approximately \$2.0 million, with \$400,000 provided in fiscal 2023 and the remainder of funds, including maintenance costs, estimated in fiscal 2024.

Due to delays in IMFAL procurement and implementation, continued review of SFA data, and final workgroup requests, DLS recommends the addition of restrictive language pending a report from IAC documenting the progress on these tasks.

Operating Budget Recommended Actions

1. Add the following language to the general fund appropriation:

, provided that \$300,000 of this appropriation may not be expended until the Interagency Commission on School Construction (IAC) submits to the budget committees two reports on Chapter 14 of 2018 implementation requirements related to the Statewide Facilities Assessment, the Integrated Master Facility Asset Library (IMFAL), and recommendations from the Workgroup on the Assessment and Funding of School Facilities. The first report should be submitted on July 15, 2022, and include:

- (1) detailed information on steps taken by IAC to resolve outstanding data and dataset issues with the Department of Legislative Services and local education agencies (LEA) including, but not limited to:
 - (a) receipt of requested datasets;
 - (b) development of a data dictionary;
 - (c) confirmation of the accuracy of the facility condition index at the school, system, and LEA level; and
 - (d) calculations for, and confirmation of, the accuracy of the enrollment growth index;
- (2) revisions to Maryland Educational Sufficiency Standards and details as to how those standards will be used in future school facility assessments starting in fiscal 2022;
- (3) regulations adopted by IAC that support workgroup decisions involving the use of assessment data and revised sufficiency standards;
- (4) progress on IMFAL, including the implementation schedule for the business processing system; system costs for fiscal 2022, 2023 and 2024; and progress on other key system software and/or components needed to integrate school construction data for LEA use.

The second report should be submitted on December 15, 2022 and include additional actions taken by IAC in calendar 2022 to complete the aforementioned tasks and fulfill workgroup recommendations, including progress made on items submitted as part of the July 15, 2022 report.

Explanation: Chapter 14 requires the IAC to conduct a Statewide Facilities Assessment, build an IMFAL, and work with the Workgroup on the Assessment of Funding of School Facilities on recommendations related to the use of assessment data for funding decisions. The workgroup completed its work in December 2021 and provided IAC with recommendations on

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Chapter 14 implementation and alignment of those recommendations with Chapter 20 of 2020 and Chapters 36, 55, and 698 of 2021. This language directs IAC to submit two reports to provide the budget committees with timely information on IAC’s progress to implement workgroup recommendations.

Information Request	Author	Due Date
Report on implementation of Chapter 14	IAC	July 15, 2022 December 15, 2022

2. Add the following language to the general fund appropriation:

, provided that \$3,500,000 of this appropriation made for the purpose of funding security improvements in nonpublic schools may be provided only to nonpublic schools that were eligible to participate in the Aid to Non-Public Schools R00A03.04 (for the purchase of textbooks or computer hardware and software for loans to students in eligible nonpublic schools) during the 2021-2022 school year or nonpublic schools that serve students with disabilities through the Non-Public Placement Program R000A02.07 Subprogram 0762, with a maximum amount of \$65 per eligible nonpublic school student for participating schools, except that at schools where at least 20% of the students are eligible for the free or reduced-price meal program or for schools that service students with disabilities through the Non-Public Placement Program, there shall be a distribution of \$85 per student, and no individual school may receive less than \$5000. Payment for work completed under this program will be through reimbursement to the grant recipient.

Explanation: This language recognizes the intent as stated in the proposed fiscal 2023 Budget Bill that \$3.5 million of the \$13.5 allowance for the School Safety Grant Program is provided for the Nonpublic School Security Improvement Program, which has been authorized and funded since fiscal 2019 in either the capital or operating budget. This action also reinstates language for this program from the fiscal 2022 Budget Bill.

3. Adopt the following narrative:

Report on Public and Nonpublic School Safety Grants: The budget committees are concerned about recent changes in the School Safety Grant Program (SSGP) and the Nonpublic School Security Improvement Program (NSSI). For the first time in fiscal 2023, these programs receive general funds in the operating budget; therefore, eligible projects will no longer need to meet the 15-year lifespan requirement for capital improvements. Due to these changes, the budget committees request that the Interagency Commission on School Construction (IAC) and the Maryland Center for School Safety (MCSS) submit a joint update on both programs by December 1, 2022. This update should include:

- the criteria for distribution of SSGP and NSSI grants to local education agencies in fiscal 2023 and amounts allocated;

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- changes to administrative guides to reflect the new fund source; and
- for SSGP, documentation of regulations aligned with new grant requirements.

Information Request	Author	Due Date
Report on public and nonpublic school safety grants	IAC MCSS	December 1, 2022

	Amount Reduction
4. Delete general fund deficiency appropriation for school facility assessments contractor. The unsatisfactory quality of assessment data provided to date is an indicator that the State should not continue funding future assessments with the incumbent vendor.	\$ 1,282,482 GF
Total Reductions to Fiscal 2022 Deficiency	\$ 1,282,482

Updates

- ***IAC Continues to Fill Vacancies to Meet Chapter 14 Requirements:*** IAC is an independent unit within MSDE, so hiring IAC staff is the responsibility of MSDE’s Office of Human Resources. Chapter 14 required MSDE to hire additional IAC staff to manage enhanced responsibilities with school facilities assessment, data collection and reporting, and serving LEA needs. As part of a request in the 2021 JCR, MSDE was asked to fill 3 vacant IAC positions by October 1, 2021, and IAC was asked to submit an update on current vacancies by December 15, 2021. To meet this request, MSDE hired 4 new IAC staff, and IAC submitted a status report that indicated the agency had 16 vacancies out of 40 staff positions.

As of January 2022, IAC reports 7 vacancies with 34 of 41 available positions filled. IAC’s budget for personnel in fiscal 2022 totals \$3.7 million, with total obligations to date of \$2.4 million. Due to reclassifications in fiscal 2022, IAC does not receive additional personnel or funding in the proposed budget. For more information on MSDE’s role in hiring personnel for its independent units and vacancy rates, see the MSDE Headquarters operating budget analysis (R00A01).

Appendix 1
2021 Joint Chairmen’s Report Responses from Agency

The 2021 JCR requested that IAC prepare three reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Draft of Final Report on Statewide Facilities Assessment:*** Chapter 14 required IAC to conduct an SFA so that data on the condition of school facilities are not more than four years old. To meet this request, the vendor and IAC submitted a draft of the final SFA report as well as initial assessment data to be used by the Workgroup on the Assessment and Funding of School Facilities for potential funding decisions. Further discussion of the SFA report can be found in the Key Observations section.
- ***Status Update on IMFAL:*** Chapter 14 required IAC to build a cloud-based, asset library that would integrate preventive maintenance and facilities assessment data and allow LEAs to access these data electronically. Although this project experienced multiple delays, it is currently in solicitation, and an award is expected shortly. Further discussion can be found in the Key Observations section.
- ***Certification of 3 New Hires and Status Report on IAC Staffing:*** Chapter 14 required MSDE to hire additional IAC staff to manage responsibilities associated with school facilities assessment, data collection and reporting, and serving LEA needs. To meet this request, MSDE hired 4 new IAC staff, and IAC submitted a status report that indicated the agency currently had 16 vacancies out of 40 staff positions. Further discussion of IAC staffing can be found in the Updates section.

Appendix 2
Interagency Commission on School Construction Business Management System
Major Information Technology Project

See the Key Observations section for more information on this project.

New/Ongoing: New							
Start Date: 7/12/2021				Est. Completion Date: September 2023			
Implementation Strategy: Agile							
(\$ in Millions)	Prior Year	2022	2023	2024	2025	2026	Total
GF	\$0.000	\$1.100	\$0.400	\$0.500	\$0.000	\$0.000	\$2.000
Total	\$0.000	\$1.100	\$0.400	\$0.500	\$0.000	\$0.000	\$2.000

- **Project Summary:** This project procures and establishes a state-of-the-art, configurable, online business management system that will contain, route, and save the documents and information related to IAC’s many business processes. It is intended to streamline and enhance agency business processes and operational efficiencies.
- **Need:** Under Chapter 14, IAC is mandated to utilize technology to “streamline compliance review and project deliveries.” To meet this requirement, IAC requires a robust, cloud-based solution to manage asset tracking, capital planning, engineering, site approval, design review, delivery, funding, payment, accounting, and completion processes, including tracking of post-occupancy and warranty materials. This system will be utilized by all 24 LEAs and the Maryland School for the Blind for that purpose.
- **Observations and Milestones:** The project start date was originally August 2020. However, due to procurement delays and the cancellation of the most recent RFP in November 2020, this project will not enter procurement until April 2022. If the implementation schedule remains as in this proposal, the project would be completed by September 2023.
- **Changes:** Adjustments to the schedule are ongoing, due to procurement delays.
- **Concerns:** (1) IAC has limited information technology (IT) staff for onboarding this system, which could interfere with system configuration and implementation; (2) IAC’s business processes are mandated primarily by statute and are not necessarily modifiable or flexible, so there may be a technical challenge in configuring this system to meet mandated requirements; (3) IAC’s human resources, finance, procurement, and IT activities must be conducted through MSDE, and many staff involved in those activities that are not familiar with IAC’s mission, responsibilities, functions, requirements, or operating procedures, which presents some risk of delays, misunderstandings, and other complications.

**Appendix 3
Object/Fund Difference Report
Interagency Commission on School Construction**

<u>Object/Fund</u>	<u>FY 21 Actual</u>	<u>FY 22 Working Appropriation</u>	<u>FY 23 Allowance</u>	<u>FY 22 - FY 23 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	27.00	41.00	41.00	0.00	0%
Total Positions	27.00	41.00	41.00	0.00	0%
Objects					
01 Salaries and Wages	\$ 2,543,507	\$ 4,129,990	\$ 4,280,673	\$ 150,683	3.6%
02 Technical and Special Fees	595	0	0	0	0.0%
03 Communication	7,304	10,251	10,251	0	0%
04 Travel	19,270	12,162	13,462	1,300	10.7%
07 Motor Vehicles	16,640	26,720	26,720	0	0%
08 Contractual Services	5,888,124	393,209	426,745	33,536	8.5%
09 Supplies and Materials	0	16,600	16,600	0	0%
10 Equipment – Replacement	82,457	0	0	0	0.0%
11 Equipment – Additional	69,588	103,306	68,306	-35,000	-33.9%
12 Grants, Subsidies, and Contributions	0	0	13,500,000	13,500,000	N/A
13 Fixed Charges	5,716	6,920	6,920	0	0%
Total Objects	\$ 8,633,201	\$ 4,699,158	\$ 18,349,677	\$ 13,650,519	290.5%
Funds					
01 General Fund	\$ 8,633,201	\$ 4,699,158	\$ 18,349,677	\$ 13,650,519	290.5%
Total Funds	\$ 8,633,201	\$ 4,699,158	\$ 18,349,677	\$ 13,650,519	290.5%

Note: The fiscal 2022 working appropriation does not include deficiency appropriations. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and annual salary review adjustments.