

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 76
Appropriations

(Delegate McCray, *et al.*)

Budget and Taxation

Baltimore City Public Schools - Capital Project Scoring System

This bill requires the Baltimore City Board of School Commissioners to develop and implement a scoring system for evaluating capital projects by January 1, 2018. By January 1, 2020, the scoring system must be applied to 75% of the public school facilities that are operated by the Baltimore City Public School System (BCPS) and used by students; it must be applied to the remaining 25% of school facilities by January 1, 2021. Results of the scoring system must be posted on the school system's website and reported to the Baltimore City delegation. Beginning January 1, 2021, and every four years thereafter, the board must use the scoring system to update the evaluation of projects for each public school facility and then report the results in the same manner.

The bill takes effect July 1, 2017.

Fiscal Summary

State Effect: None. The bill affects only BCPS.

Local Effect: None. BCPS can develop and implement the required scoring system and meet the deadlines specified in the bill with existing budgeted resources.

Small Business Effect: None.

Analysis

Current Law/Background: Chapter 647 of 2013 authorized the Maryland Stadium Authority to sell up to \$1.1 billion in bonds to finance the construction or renovation of 23 to 28 schools in Baltimore City by 2020. Financing for the resulting 21st Century

Schools initiative is shared among the State, Baltimore City, and BCPS, with each contributing \$20.0 million annually to cover the debt service and operating expenses for the initiative until the bonds are paid off, which will take a minimum of 15 years. The State contribution comes from State Lottery proceeds.

Year 1 of the initiative involves 11 schools of which 7 are currently under construction. Two schools are slated to open in August 2017 and 2 in December 2017, with most of the remaining Year 1 schools slated to open in August 2018. The 17 schools in the Year 2 cohort are all in various stages of feasibility studies.

Background: In June 2012, Jacobs Project Management released its comprehensive assessment of the condition of BCPS facilities, concluding that district facilities overall were “in very poor condition.” According to the Jacobs report, the total cost of building deficiencies was \$2.4 billion over 10 years, of which \$1.4 billion represented current facility deficiencies and \$1.0 billion represented 10-year life cycle deficiencies. Among the report’s key findings were:

- almost one-quarter (23%) of BCPS buildings were built before 1946;
- more than two-thirds (69%) of the buildings were rated in “very poor” condition; and
- the district used just 65% of available classroom space, with middle and high schools being especially underutilized.

BCPS advises that it currently employs a rating system to identify urgent systemic needs, which are then reviewed, scored, and prioritized based on their condition, financial effect, school environment effect, and long-term planning efforts. The scoring system is used to prioritize emergent systemic issues (*e.g.*, failing boilers or leaky roofs) and does not provide aggregate condition measures for every facility in the district. However, BCPS has contracted with a third-party vendor to complete a new facilities assessment study that updates the results of the Jacobs study and will provide a facility condition index score for each facility. BCPS anticipates that the facility assessment study currently underway will be completed in 2020.

Local Fiscal Effect: BCPS has already developed the scoring system required by the bill. The cost of applying the system to all its schools is approximately \$375,000 annually for four years, which is consistent with BCPS’ plan and the deadlines established by the bill. BCPS also plans to update the school-level scores every four years. Thus, the bill has no fiscal impact.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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Analysis by: Michael C. Rubenstein

Direct Inquiries to:
(410) 946-5510
(301) 970-5510