

SENATE BILL 1243

F1, B5, P1

8lr2602
CF HB 1783

By: **Senators DeGrange, King, and Serafini**

Introduced and read first time: March 5, 2018

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **21st Century School Facilities Act**

3 FOR the purpose of requiring a county board of education to submit the purchase of ground
4 or a school site to the State Superintendent of Schools to approve or disapprove
5 within a certain period of time; authorizing certain exceptions to the requirement
6 that certain public school property must be held in trust by a county board;
7 authorizing a county board to contract with a county in a public-private partnership
8 agreement; establishing a design-construct-operate-maintain-finance
9 arrangement as an alternative financing method available for use by a county or a
10 county board; authorizing a county board to solicit certain proposals and lease
11 certain property; authorizing certain alternative financing methods to include
12 certain reserves; requiring each county board to make a certain determination
13 regarding the designation of a school as an emergency management shelter; altering
14 the requirements for awarding contracts to bidders for school buildings,
15 improvements, supplies, or equipment; encouraging and authorizing county boards
16 to use certain procurement methods; requiring certain systems or items to have a
17 certain median useful life to be an eligible public school construction cost; requiring
18 the regulations that govern the Public School Construction Program to contain
19 requirements for preventative maintenance plans and the submission of long-range
20 plans and certain annual plans that include plans for specific projects; requiring the
21 Interagency Committee on School Construction to establish and provide certain
22 incentives after a certain review and comment period; requiring the Interagency
23 Committee to allow electronic submission of any documents or data required by the
24 Interagency Committee; requiring the Interagency Committee to be a central
25 repository for certain information; requiring the Interagency Committee to take
26 certain actions in consultation with the School Construction Technical and
27 Innovative Assistance Office; altering the State agency responsible for conducting
28 inspections of public school buildings; requiring the Interagency Committee to
29 develop and adopt certain standards and to create a certain index for educational
30 facilities on or before a certain date; requiring the Interagency Committee to conduct
31 a certain facility assessment under certain conditions on or before a certain date and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 annually thereafter; requiring local education agencies to follow certain standards
2 and contribute certain data annually to update a certain facility assessment;
3 requiring the Interagency Committee to compare certain data; requiring the
4 Interagency Committee to manage the Integrated Master Facility Asset Library and
5 to enter certain data into the Library; requiring the Interagency Committee to
6 establish rankings annually based on certain criteria; requiring each county board
7 to develop and adopt certain preventative maintenance schedules for certain public
8 school facilities; requiring certain preventative maintenance schedules to be based
9 on certain standards and to be subject to certain review and approval; requiring each
10 county board to report annually on or before a certain date to the Interagency
11 Committee on the board's compliance with certain preventative maintenance
12 schedules; requiring the Interagency Committee to enter certain information into
13 the Integrated Master Facility Asset Library; specifying the process for the review
14 and approval of public school construction projects; requiring certain reviews and
15 approvals of certain educational specifications and schematic designs for certain
16 projects; prohibiting certain change orders for certain projects from being subject to
17 certain reviews and approvals; prohibiting a certain percentage of a certain State
18 allocation from being withheld; requiring certain reviews and approvals of certain
19 design and construction documents for certain projects; exempting certain local
20 education agencies from the requirements for certain reviews and approvals if
21 certain conditions are met; requiring the Department of General Services to develop
22 a certain certification process and requiring the certification process to be subject to
23 certain review and approval; exempting certain school construction projects from
24 review by the Maryland State Department of Education; requiring certain provisions
25 of law to prevail in the event of a conflict with certain regulations and procedures;
26 establishing the Local Share of School Construction Costs Revolving Loan Fund as
27 a special, nonlapsing fund; specifying the purpose of the Fund; requiring the
28 Interagency Committee to administer the Fund; requiring the State Treasurer to
29 hold the Fund and the Comptroller to account for the Fund; specifying the contents
30 of the Fund; specifying the purpose for which the Fund may be used; providing for
31 the investment of money in and expenditures from the Fund; requiring interest
32 earnings of the Fund to be credited to the Fund; specifying that money expended
33 from the Fund is supplemental to certain other funds; requiring the Interagency
34 Committee to establish application procedures and certain eligibility criteria for
35 loans from the Fund; exempting the Fund from a certain provision of law requiring
36 interest earnings on State money to accrue to the General Fund of the State;
37 requiring the Maryland Green Building Council to develop certain guidelines for
38 certain public school buildings; establishing the School Construction Technical and
39 Innovative Assistance Office in the Maryland Stadium Authority; providing for the
40 purpose of the Office; authorizing the Office to take certain actions; declaring the
41 intent of the General Assembly regarding funding for public school construction;
42 providing for the recalculation of a certain funding goal after certain conditions are
43 met; establishing the Workgroup on Educational Development Specifications;
44 establishing the Workgroup on the Assessment and Funding of School Facilities;
45 providing for the composition, chair, and staffing of the workgroups; prohibiting a
46 member of the workgroups from receiving certain compensation, but authorizing the
47 reimbursement of certain expenses; requiring the workgroups to study and make

1 recommendations regarding certain matters; requiring the workgroups to report
2 their findings and recommendations to the Governor and the General Assembly on
3 or before certain dates; requiring the Interagency Committee to take certain actions,
4 review certain matters, and examine certain requirements and to provide certain
5 reports to the Governor and the General Assembly on or before certain dates;
6 requiring the Interagency Committee to explore the feasibility and funding of certain
7 regional school construction projects and to report to the Commission on Innovation
8 and Excellence in Education on or before a certain date; defining certain terms; and
9 generally relating to the funding and administration of public school construction.

10 BY repealing and reenacting, with amendments,

11 Article – Education

12 Section 2–303(f), 4–114, 4–126, 5–112(c) and (h), 5–301, 5–302, 5–309, and 5–310

13 Annotated Code of Maryland

14 (2014 Replacement Volume and 2017 Supplement)

15 BY adding to

16 Article – Education

17 Section 4–134, 5–112(h), 5–301.3, 5–314, and 5–315

18 Annotated Code of Maryland

19 (2014 Replacement Volume and 2017 Supplement)

20 BY repealing and reenacting, without amendments,

21 Article – State Finance and Procurement

22 Section 4–809(a) and 6–226(a)(2)(i)

23 Annotated Code of Maryland

24 (2015 Replacement Volume and 2017 Supplement)

25 BY repealing and reenacting, with amendments,

26 Article – State Finance and Procurement

27 Section 4–809(f) and 6–226(a)(2)(ii)101. and 102.

28 Annotated Code of Maryland

29 (2015 Replacement Volume and 2017 Supplement)

30 BY adding to

31 Article – State Finance and Procurement

32 Section 6–226(a)(2)(ii)103.

33 Annotated Code of Maryland

34 (2015 Replacement Volume and 2017 Supplement)

35 BY adding to

36 Article – Economic Development

37 Section 10–610.1

38 Annotated Code of Maryland

39 (2008 Volume and 2017 Supplement)

40 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

1 That the Laws of Maryland read as follows:

2 **Article – Education**

3 2–303.

4 (f) (1) Subject to the bylaws, rules, and regulations of the State Board, **AND**
5 **EXCEPT AS PROVIDED IN PARAGRAPH (5) OF THIS SUBSECTION**, the State
6 Superintendent shall approve or disapprove each:

7 (i) Proposal for the purchase or sale of any ground, school site, or
8 building;

9 (ii) Plan or specification for the remodeling of a school building if the
10 remodeling costs more than \$350,000;

11 (iii) Plan or specification for the construction of a new school building;
12 and

13 (iv) Change order that costs more than \$25,000 for the remodeling,
14 restoration, or construction of a school building.

15 (2) If the State Superintendent disapproves any plan, specification,
16 proposal, or change order, he shall state in writing the reasons for his disapproval.

17 (3) If the construction is to be done by a county board, the board may not
18 begin until the plans and specifications are approved in writing by the State
19 Superintendent.

20 (4) If the construction is to be done by contract, the contract is invalid
21 without the written approval of the State Superintendent.

22 **(5) FOR THE PURCHASE OF ANY GROUND OR SCHOOL SITE UNDER**
23 **PARAGRAPH (1) OF THIS SUBSECTION, THE COUNTY BOARD SHALL SUBMIT THE**
24 **PURCHASE TO THE STATE SUPERINTENDENT FOR APPROVAL OR DISAPPROVAL NOT**
25 **MORE THAN 3 YEARS BEFORE THE PROJECT IS SUBMITTED TO THE INTERAGENCY**
26 **COMMITTEE ON SCHOOL CONSTRUCTION FOR LOCAL PLANNING APPROVAL.**

27 4–114.

28 (a) All property granted, conveyed, devised, or bequeathed for the use of a
29 particular public school or school system:

30 (1) Except as provided in [subsection] **SUBSECTIONS (c) THROUGH (E)** of
31 this section, shall be held in trust for the benefit of the school or school system by the
32 appropriate county board or, for real property in Baltimore City, by the Mayor and City

1 Council of Baltimore; and

2 (2) Is exempt from all State and local taxes.

3 (b) Money invested in trust for the benefit of the public schools for any county or
4 city is exempt from all State and local taxes.

5 (c) (1) A private entity **OR A COUNTY** may hold title to property used for a
6 particular public school or local school system if the private entity **OR COUNTY** is
7 contractually obligated to transfer title to the appropriate county board on a specified date.

8 (2) The conveyance of title of school property to a private entity **OR A**
9 **COUNTY** for a specified term under this subsection may not be construed to prohibit the
10 allocation of construction funds to an approved school construction project under the Public
11 School Construction Program.

12 (3) A county or county board may convey or dispose of surplus land under
13 the jurisdiction of the county or county board in exchange for public school construction or
14 development services.

15 **(D) (1) THIS SUBSECTION APPLIES ONLY TO A PROJECT THAT USES AN**
16 **ALTERNATIVE FINANCING METHOD UNDER § 4-126 OF THIS SUBTITLE.**

17 **(2) A COUNTY BOARD MAY TRANSFER TITLE TO PROPERTY USED FOR**
18 **A PARTICULAR PUBLIC SCHOOL OR LOCAL SCHOOL SYSTEM TO A COUNTY, COUNTY**
19 **REVENUE AUTHORITY, OR PRIVATE ENTITY IF THE COUNTY, COUNTY REVENUE**
20 **AUTHORITY, OR PRIVATE ENTITY IS CONTRACTUALLY OBLIGATED TO OPERATE AND**
21 **MAINTAIN THE PROPERTY UNTIL:**

22 **(I) THE PROPERTY OUTLIVES ITS USEFUL LIFE;**

23 **(II) THE PROPERTY IS NO LONGER NEEDED FOR SCHOOL**
24 **PURPOSES; OR**

25 **(III) AS OTHERWISE AGREED TO BY THE PARTIES.**

26 **(E) A COUNTY, COUNTY REVENUE AUTHORITY, OR PRIVATE ENTITY MAY**
27 **HOLD TITLE TO PROPERTY LEASED BY A COUNTY BOARD TO BE USED FOR A**
28 **PARTICULAR PUBLIC SCHOOL OR LOCAL SCHOOL SYSTEM UNDER TERMS AGREED TO**
29 **BY THE PARTIES.**

30 4-126.

31 (a) **(1) In this section[, “alternative”] THE FOLLOWING WORDS HAVE THE**
32 **MEANINGS INDICATED.**

1 **(2) “ALTERNATIVE financing methods” includes ONE OR MORE OF THE**
 2 **FOLLOWING METHODS:**

3 **[(1)] (I)** Sale–leaseback arrangements, in which a county board agrees to
 4 transfer title to a property, including improvements, to a private entity that simultaneously
 5 agrees to lease the property back to the county board and, on a specified date, transfer title
 6 back to the county board;

7 **[(2)] (II)** Lease–leaseback arrangements, in which a county board leases
 8 a property to a private entity that improves the property and leases the property, with the
 9 improvements, back to the county board;

10 **[(3)] (III)** Public–private partnership agreements, in which a county board
 11 contracts with a **COUNTY OR A** private entity for the acquisition, design, construction,
 12 improvement, renovation, expansion, equipping, or financing of a public school, and may
 13 include provisions for cooperative use of the school or an adjacent property and generation
 14 of revenue to offset the cost of construction or use of the school;

15 **[(4)] (IV)** Performance–based contracting, in which a county board enters
 16 into an energy performance contract to obtain funding for a project with guaranteed energy
 17 savings over a specified time period;

18 **[(5)] (V)** Preference–based arrangements, by which a local governing body
 19 gives preference first to business entities located in the county and then to business entities
 20 located in other counties in the State for any construction that is not subject to prevailing
 21 wage rates under Title 17, Subtitle 2 of the State Finance and Procurement Article; **[and]**

22 **[(6)] (VI)** Design–build arrangements, that permit a county board to
 23 contract with a design–build business entity for the combined design and construction of
 24 qualified education facilities, including financing mechanisms where the business entity
 25 assists the local governing body in obtaining project financing; **AND**

26 **(VII) DESIGN–CONSTRUCT–OPERATE–MAINTAIN–FINANCE**
 27 **ARRANGEMENTS THAT PERMIT A COUNTY BOARD TO CONTRACT WITH A COUNTY OR**
 28 **A PRIVATE ENTITY FOR THE DESIGN, CONSTRUCTION, OPERATION, AND**
 29 **MAINTENANCE OF A PUBLIC SCHOOL UNDER TERMS AGREED TO BY THE PARTIES.**

30 **(3) “COUNTY” INCLUDES, UNLESS THE CONTEXT REQUIRES**
 31 **OTHERWISE, A COUNTY REVENUE AUTHORITY.**

32 **(b) (1)** Except when prohibited by local law, in order to finance or to speed
 33 delivery of, transfer risks of, or otherwise enhance the delivery of public school construction,
 34 a county **BOARD** may:

- 1 (i) The county governing body;
- 2 (ii) The State Superintendent of Schools; or
- 3 (iii) The Interagency Committee on School Construction and the
4 Board of Public Works.

5 (e) Use of alternative financing methods under this section may not be construed
6 to prohibit the allocation of State funds for public school construction to a project under the
7 Public School Construction Program.

8 (f) A county board may not use alternative financing methods under this section
9 without the approval of the county governing body.

10 (g) The Board of Public Works shall adopt regulations recommended by the
11 Interagency Committee on School Construction to implement the provisions of this section,
12 including:

13 (1) Guidelines for the content of proposals, for the acceptance and
14 evaluation of unsolicited proposals, and for accepting competing unsolicited proposals;

15 (2) Requirements for the content and execution of a comprehensive
16 agreement governing an arrangement authorized under this section;

17 (3) Guidelines for content and issuance of solicitations;

18 (4) Requirements for the prequalification of bidders or offerors;

19 (5) Requirements for public notice of solicited and unsolicited proposals
20 and proposed execution of a comprehensive agreement;

21 (6) Regulations that require compliance with requirements applicable to
22 qualified projects that would otherwise be in effect under the State procurement law if the
23 procurement were competitively bid; and

24 (7) (i) Regulations that require that contracts and subcontracts adhere
25 to the requirements of Title 17, Subtitle 2 and Title 14 of the State Finance and
26 Procurement Article if the requirements would otherwise be applicable; and

27 (ii) Regulations that specify elements to be included in any
28 preference-based arrangement adopted by a local governing body that gives preference first
29 to business entities located in the county and then to business entities located in other
30 counties in the State for any construction that is not subject to prevailing wage rates under
31 Title 17, Subtitle 2 of the State Finance and Procurement Article.

1 **(A) EACH COUNTY BOARD SHALL MAKE A DETERMINATION OF THE PUBLIC**
2 **SCHOOLS WITHIN THE JURISDICTION OF THE COUNTY BOARD THAT SHOULD BE**
3 **DESIGNATED AS EMERGENCY MANAGEMENT SHELTERS.**

4 **(B) THE DETERMINATION OF THE COUNTY BOARD SHALL BE BASED ON:**

5 **(1) CONSISTENCY WITH LOCAL EMERGENCY MANAGEMENT PLANS**
6 **AND CRITERIA; AND**

7 **(2) THE AVAILABILITY OF FUNDING.**

8 5-112.

9 (c) (1) A contract for the school building, improvements, supplies, or other
10 equipment shall be awarded to the [lowest] responsible bidder who **PROVIDES THE BEST**
11 **VALUE AND** conforms to specifications with consideration given to:

12 (i) The quantities involved;

13 (ii) The time required for delivery;

14 (iii) The purpose for which required;

15 (iv) The competency and responsibility of the bidder;

16 (v) The ability of the bidder to perform satisfactory service; [and]

17 (vi) The plan for utilization of minority contractors; **AND**

18 **(VII) THE PRICE OFFERED BY THE BIDDER.**

19 (2) The county board may reject any and all bids and readvertise for other
20 bids.

21 **(H) (1) A COUNTY BOARD IS ENCOURAGED, CONSISTENT WITH**
22 **COMPETITIVE BIDDING, TO USE BULK PURCHASING, BUNDLING, AND**
23 **INTERGOVERNMENTAL PURCHASING.**

24 **(2) A COUNTY BOARD MAY BUNDLE, FOR APPROVAL AND**
25 **PROCUREMENT PURPOSES:**

26 **(I) SIMILAR SYSTEMIC RENOVATION PROJECTS AT DIFFERENT**
27 **SCHOOLS; AND**

1 **(II) INTERRELATED SYSTEMIC PROJECTS AT A SINGLE SCHOOL.**

2 **[(h)] (I)** A contract entered into or purchase made in violation of this section is
3 void.

4 5–301.

5 (a) In this subtitle, “Interagency Committee” means the Interagency Committee
6 on School Construction established under § 5–302 of this subtitle.

7 (b) (1) **(I)** For the purposes of this section other than subsection (c), the
8 Board of Public Works shall define by regulation what constitutes an eligible and ineligible
9 public school construction or capital improvement cost.

10 **(II) IN ORDER FOR THE COST OF AN ITEM OR A SYSTEM FUNDED**
11 **WITH THE PROCEEDS OF GENERAL OBLIGATION BONDS TO BE CONSIDERED AN**
12 **ELIGIBLE COST, IT MUST HAVE A MEDIAN USEFUL LIFE OF AT LEAST 15 YEARS.**

13 (2) (i) The Board of Public Works shall include modular construction as
14 an approved public school construction or capital cost.

15 (ii) The Board of Public Works, at the recommendation of the
16 Interagency Committee on School Construction, shall adopt regulations that:

17 1. Define modular construction; and

18 2. Establish the minimum specifications required for
19 approval of modular construction as a public school construction or capital improvement
20 cost.

21 (3) The cost of acquiring land may not be considered a construction or
22 capital improvement cost and may not be paid by the State.

23 (b–1) The Board of Public Works, in consultation with the Department of General
24 Services and the Department of Housing and Community Development, shall adopt
25 regulations establishing criteria designed to enhance indoor air quality for the occupants
26 of relocatable classrooms constructed after July 1, 2014, that are purchased or leased using
27 State or local funds, including specifications that:

28 (1) Require each unit to include appropriate air barriers to limit
29 infiltration;

30 (2) Require that each unit be constructed in a manner that provides
31 protection against water damage through the use of proper roofing materials, exterior
32 sheathing, water drainage systems, and flashing;

1 (3) Require that each unit provide continuous forced ventilation when the
2 unit is occupied;

3 (4) Require each unit to include a programmable thermostat;

4 (5) Require each unit to be outfitted with energy efficient lighting and
5 heating and air-conditioning systems; and

6 (6) Mandate that each unit be constructed with building materials that
7 contain low amounts of volatile organic compounds (VOC) in accordance with industry
8 standards.

9 (c) The State shall pay the costs in excess of available federal funds of the State
10 share of public school construction projects and public school capital improvements in each
11 county if:

12 (1) The projects or improvements have been approved by the Board of
13 Public Works; and

14 (2) Contracts have been executed on or after July 1, 1971 for the projects
15 or improvements.

16 (d) (1) The Board of Public Works may adopt regulations for the
17 administration of the programs provided for in this section.

18 (2) The regulations adopted by the Board of Public Works may contain
19 requirements for:

20 (i) [The development and submission of long range plans;

21 (ii) The submission of annual plans and plans for specific projects;

22 (iii)] The submission of other data or information that is relevant to
23 school construction or capital improvement;

24 [(iv)] (II) The approval of sites, plans, and specifications for the
25 construction of new school buildings or the improvement of existing buildings;

26 [(v)] (III) Site improvements;

27 [(vi)] (IV) Competitive bidding;

28 [(vii)] (V) The hiring of personnel in connection with school
29 construction or capital improvements;

30 [(viii)] (VI) The actual construction of school buildings or their

1 improvements;

2 [(ix)] (VII) The relative roles of different State and local
3 governmental agencies in the planning and construction of school buildings or school
4 capital improvements;

5 [(x)] (VIII) School construction and capital improvements necessary
6 or appropriate for the proper implementation of this section;

7 [(xi)] (IX) At the recommendation of the Interagency Committee, the
8 establishment of priority public school construction programs;

9 [(xii)] (X) Development of cooperative arrangements that permit the
10 sharing of facilities among two or more school systems;

11 [(xiii)] (XI) The selection of architects and engineers by school
12 systems;

13 [(xiv)] (XII) The award of contracts by school systems; and

14 [(xv)] (XIII) Method of payments made by the State under the Public
15 School Construction Program.

16 (3) The regulations adopted by the Board of Public Works shall contain
17 provisions:

18 (i) Establishing a State and local cost-share formula for each county
19 that identifies the factors used in establishing the formulas;

20 (ii) Requiring local education agencies to adopt educational facilities
21 master plans and annual capital improvement programs;

22 (iii) Providing a method for establishing a maximum State
23 construction allocation for each project approved for State funding;

24 (iv) Referencing the policies stated in § 5-7B-07 of the State Finance
25 and Procurement Article;

26 (v) Requiring local school systems to adopt procedures consistent
27 with the minority business enterprise policies of the State as required under the Code of
28 Maryland Regulations;

29 (vi) Establishing a process for the appeal of decisions by the
30 Interagency Committee to the Board of Public Works;

31 (vii) Requiring local education agencies to adopt, implement, and

1 periodically update comprehensive maintenance plans AND PREVENTATIVE
2 MAINTENANCE PLANS; [and]

3 (viii) Authorizing the Board of Public Works to withhold State public
4 school construction funds from a local education agency that fails to comply with the
5 requirements of item (vii) of this paragraph;

6 (IX) REQUIRING THE DEVELOPMENT AND SUBMISSION OF
7 LONG-RANGE PLANS, INCLUDING A REQUIREMENT FOR THE ANNUAL SUBMISSION
8 OF A 10-YEAR EDUCATIONAL FACILITIES MASTER PLAN; AND

9 (X) REQUIRING THE SUBMISSION OF AN ANNUAL CAPITAL
10 IMPROVEMENT PLAN, WHICH MAY ONLY BE REQUIRED TO INCLUDE PLANS FOR
11 SPECIFIC PROJECTS AND REQUESTS FOR PLANNING AND CONSTRUCTION PROJECTS
12 FOR THE UPCOMING FISCAL YEAR.

13 (4) In adopting any of these requirements, the State Board and the Board
14 of Public Works shall provide for the maximum exercise of initiative by school personnel in
15 each county to ensure that the school buildings and improvements meet both the needs of
16 the local communities and the rules and regulations necessary to ensure the proper
17 operation of this section and the prudent expenditure of State funds.

18 (e) The Board of Public Works shall develop the rules, regulations, and
19 procedures authorized by this section in consultation with representatives of the county
20 boards and the county governing bodies.

21 (f) The regulations and procedures of the Board of Public Works adopted under
22 this section and their promulgation are exempt from § 8-127(b) of the State Finance and
23 Procurement Article.

24 (g) (1) With respect to public school construction or public school capital
25 improvements, including sites for school buildings, the authority, responsibilities, powers,
26 and duties of the following are subject to the regulations adopted by the Board of Public
27 Works under this section:

28 (i) The State Board;

29 (ii) The State Superintendent;

30 (iii) The county governments;

31 (iv) The county boards; and

32 (v) All other State or local governmental agencies under this article.

33 (2) If, as to public school construction or public school capital

1 improvements, there is any conflict between the regulations and procedures of the Board
2 of Public Works and the authority, responsibilities, powers, and duties of the individuals
3 and agencies specified in paragraph (1) of this subsection, the regulations and procedures
4 of the Board of Public Works shall prevail.

5 (h) The obligation of the State to pay the costs of public school construction and
6 public school capital improvements extends only to those projects or parts of projects that
7 comply with the regulations and procedures of the Board of Public Works.

8 (i) (1) This subsection does not apply to the proceeds from the sale, lease, or
9 disposition of public school buildings constructed under contracts executed before February
10 1, 1971.

11 (2) Consistent with § 4–115 of this article and regulations adopted by the
12 Board of Public Works to implement § 4–126 of this article, the Board of Public Works may
13 require by regulation that the portion of the proceeds received by a county from the sale,
14 lease, or disposal of any public school building that represent State funds provided within
15 15 years prior to the date of the transaction shall be used solely as part of the State funding
16 of the construction of future public school buildings in the county in which the sale, lease,
17 or disposal occurred, if the public school building was constructed under a contract executed
18 on or after February 1, 1971.

19 (3) The part of the proceeds from the sale, lease, or disposal of a public
20 school building that fairly represents the appraised value of land and that part of the cost
21 of the public school building that was funded by the county shall remain as the funds of the
22 county.

23 (4) A transfer of interest in a public school building in connection with a
24 financing of the cost of construction and improvements to such buildings is not a sale, lease,
25 or disposal of the public school facility.

26 (j) (1) Whether by budget bill or supplementary appropriation bill, all money
27 appropriated to carry out the purposes of this section is a separate fund that shall be
28 administered by the State Comptroller in accordance with the regulations adopted by the
29 Board of Public Works.

30 (2) Subject to paragraph (3) of this subsection, any unexpended allocations
31 of funds for previously approved projects shall be transferred to the fund established under
32 paragraph (1) of this subsection.

33 (3) (i) Any funds approved for a county for a project that has not been
34 contracted for within 2 years of the approval of the project, shall be:

35 1. Available for another eligible project in the county in the
36 current fiscal year; or

37 2. Reserved for eligible projects in the county in the next

1 fiscal year, in addition to the new funds allocated for eligible projects in the county in the
2 next fiscal year.

3 (ii) Any funds reserved under subparagraph (i)2 of this paragraph
4 that have not been used to contract for a project within 2 years of the date the funds were
5 reserved shall be available for allocation to an eligible project in any county.

6 (4) On or before March 30, June 30, September 30, and December 31 of
7 each year, the Interagency Committee shall report to the General Assembly, in accordance
8 with § 2-1246 of the State Government Article, and the Department of Legislative Services
9 on the balance in the fund as of the reporting date as the result of transfers or reversions
10 required under this subsection and any expenditures.

11 **5-301.3.**

12 (A) IN THIS SECTION, "NET-ZERO" MEANS THAT THE TOTAL AMOUNT OF
13 ENERGY USED BY A BUILDING ON AN ANNUAL BASIS IS EQUAL TO OR LESS THAN THE
14 AMOUNT OF RENEWABLE ENERGY CREATED ON THE SITE.

15 (B) THE INTERAGENCY COMMITTEE SHALL ESTABLISH INCENTIVES FOR:

16 (1) THE CONSTRUCTION OF NET-ZERO SCHOOL BUILDINGS; AND

17 (2) THE USE OF ENERGY EFFICIENT OR OTHER PREFERRED
18 MATERIALS IN PUBLIC SCHOOL CONSTRUCTION.

19 (C) BEFORE THE INTERAGENCY COMMITTEE MAY PROVIDE ANY
20 INCENTIVES ESTABLISHED IN ACCORDANCE WITH SUBSECTION (B) OF THIS
21 SECTION, THE INTERAGENCY COMMITTEE SHALL:

22 (1) NOTIFY THE BUDGET COMMITTEES OF THE GENERAL ASSEMBLY
23 IN WRITING OF THE PROPOSED INCENTIVES; AND

24 (2) ALLOW THE BUDGET COMMITTEES 30 DAYS TO REVIEW AND
25 COMMENT ON THE PROPOSED INCENTIVES.

26 **5-302.**

27 (a) (1) The Board of Public Works shall establish the Interagency Committee
28 on School Construction as a unit within the Department for administrative and budgetary
29 purposes.

30 (2) The Interagency Committee consists of the following members:

31 (i) The State Superintendent of Schools, or the Superintendent's

1 designee;

2 (ii) A member of the public appointed by the President of the Senate;

3 (iii) A member of the public appointed by the Speaker of the House;

4 (iv) The Secretary of the Department of Planning, or the Secretary's
5 designee; and

6 (v) The Secretary of General Services, or the Secretary's designee.

7 (3) The State Superintendent of Schools, or the Superintendent's designee,
8 shall be the Chairman of the Interagency Committee.

9 (4) A member of the Interagency Committee on School Construction may
10 not be:

11 (i) An individual who is a regulated lobbyist as described in §
12 5-702(a)(1), (2), (3), or (4) of the General Provisions Article;

13 (ii) A member of the General Assembly;

14 (iii) An employee of a county government or board of education; or

15 (iv) A local elected official.

16 (5) The Board of Public Works may delegate the administrative and
17 budgetary authority of the Board to the Interagency Committee as determined by the Board
18 to be necessary and appropriate.

19 (b) (1) The Department or any other State agency may lend its employees to
20 serve as the staff for the Interagency Committee.

21 (2) These employees shall be paid by the agency that employs them.

22 (c) The Executive Director of the Interagency Committee shall be appointed by
23 the Interagency Committee with the approval of the Board of Public Works.

24 (d) (1) (i) The Interagency Committee shall prepare projections of school
25 construction and capital improvement needs for submission to the Capital Debt
26 Affordability Committee under § 8-112(c)(3) of the State Finance and Procurement Article.

27 (ii) The projections shall be prepared in accordance with the
28 regulations adopted by the Board under § 5-301 of this subtitle.

29 (2) (i) The Board of Public Works or the Interagency Committee shall
30 notify each county board and each local governing body of the annual allocation of school

1 construction funds recommended to the Board of Public Works by the Governor under the
2 consolidated capital debt program of the State Finance and Procurement Article.

3 (ii) The notification shall be made immediately after the Governor
4 has recommended the allocations so that each county may structure its respective school
5 construction and capital improvement priorities in accordance with the annual allocation
6 and any amendments.

7 (e) (1) Before May 1 of each year, the Board of Public Works may not approve
8 public school construction projects that comprise more than 75% of the preliminary school
9 construction allocation, determined under § 8–113 of the State Finance and Procurement
10 Article, for the following fiscal year.

11 (2) On or before December 31 of each year, the Interagency Committee
12 shall provide recommendations to the Board of Public Works for public school construction
13 projects that comprise 75% of the preliminary school construction allocation, determined
14 under § 8–113 of the State Finance and Procurement Article, for the following fiscal year.

15 (3) On or before March 1 of each year, the Interagency Committee shall
16 provide recommendations to the Board of Public Works, the presiding officers and the
17 budget committees of the General Assembly, and the Department of Legislative Services
18 for public school construction projects that comprise 90% of the school construction
19 allocation included in the capital budget submitted by the Governor for the following fiscal
20 year.

21 (4) The remaining public school construction allocation for the following
22 fiscal year may be allocated by the Board of Public Works as provided in regulation.

23 (f) (1) The Interagency Committee on School Construction is a public body and
24 subject to Title 3 of the General Provisions Article.

25 (2) Deliberations and decisions regarding the eligibility of projects and
26 allocation of funding shall be considered quasi–legislative functions for the purposes of the
27 Open Meetings Law.

28 **(G) THE INTERAGENCY COMMITTEE SHALL ALLOW ANY DOCUMENTS OR**
29 **DATA REQUIRED BY THE INTERAGENCY COMMITTEE FROM ANY SOURCE,**
30 **INCLUDING LOCAL EDUCATION AGENCIES AND STATE AGENCIES, TO BE SUBMITTED**
31 **ELECTRONICALLY TO THE INTERAGENCY COMMITTEE.**

32 **(H) THE INTERAGENCY COMMITTEE SHALL BE A CENTRAL REPOSITORY**
33 **FOR INFORMATION ON:**

34 **(1) THE USE OF PRE–FAB AND BUILDING SYSTEM OPTIONS;**

35 **(2) PROCUREMENT METHODS;**

1 **(3) SCHOOL FACILITY DESIGN AND CONSTRUCTION; AND**

2 **(4) BEST PRACTICES IN SCHOOL CONSTRUCTION.**

3 **(I) IN CONSULTATION WITH THE SCHOOL CONSTRUCTION TECHNICAL AND**
4 **INNOVATIVE ASSISTANCE OFFICE IN THE MARYLAND STADIUM AUTHORITY, THE**
5 **INTERAGENCY COMMITTEE SHALL:**

6 **(1) PROVIDE TECHNICAL ASSISTANCE AND SUPPORT TO LOCAL**
7 **EDUCATION AGENCIES ON THE USE OF ALTERNATIVE FINANCING AND ALTERNATIVE**
8 **PROJECT DELIVERY METHODS FOR SCHOOL CONSTRUCTION;**

9 **(2) DEVELOP A PUBLIC-PRIVATE PARTNERSHIP PILOT PROGRAM**
10 **THAT:**

11 **(I) PROVIDES FINANCIAL ASSISTANCE TO ASSIST LOCAL**
12 **EDUCATION AGENCIES INTERESTED IN PURSUING ALTERNATIVE FINANCING TO**
13 **COVER THE COST OF ASSOCIATED RISKS; AND**

14 **(II) REQUIRES LOCAL EDUCATION AGENCIES THAT USE**
15 **ALTERNATIVE FINANCING TO FULLY DOCUMENT THE PROCESS, EXPECTATIONS, AND**
16 **RESULTS;**

17 **(3) PROVIDE TECHNICAL SUPPORT FOR AGREEMENTS BETWEEN AND**
18 **AMONG LOCAL EDUCATION AGENCIES AND COUNTY GOVERNING BODIES,**
19 **INCLUDING REGIONAL PARTNERSHIPS, TO PROMOTE EFFICIENCY;**

20 **(4) UTILIZE AND PROMOTE TECHNOLOGICAL ADVANCES TO MAKE**
21 **SCHOOL BUILDING DESIGN MORE EFFICIENT AND INNOVATIVE; AND**

22 **(5) UTILIZE AND PROMOTE TECHNOLOGY TO STREAMLINE**
23 **COMPLIANCE REVIEW AND PROJECT DELIVERIES.**

24 **(J) THE INTERAGENCY COMMITTEE SHALL WORK WITH A LOCAL**
25 **EDUCATION AGENCY WITH DECLINING ENROLLMENT TO IDENTIFY BUILDINGS FOR**
26 **CONSOLIDATION OR FIND ALTERNATIVE USES FOR UNDERUTILIZED SCHOOL**
27 **BUILDINGS, SUBJECT TO THE APPROVAL OF THE COUNTY BOARD.**

28 5-309.

29 **(A) It is the intent of the General Assembly that the Department and the Public**
30 **School Construction Program encourage local education agencies to reuse recently used**
31 **school designs, when educationally appropriate and cost effective over the useful life of the**

1 project, within each county and across local school system boundaries.

2 **(B) (1) THE INTERAGENCY COMMITTEE ON SCHOOL CONSTRUCTION**
3 **SHALL DEVELOP AND PROVIDE INCENTIVES FOR LOCAL EDUCATION AGENCIES TO**
4 **USE PROTOTYPE SCHOOL DESIGNS.**

5 **(2) THE INCENTIVES TO USE PROTOTYPE SCHOOL DESIGNS MAY**
6 **INCLUDE EXPEDITED STATE REVIEW OF PROJECTS.**

7 **(C) BEFORE THE INTERAGENCY COMMITTEE MAY PROVIDE ANY**
8 **INCENTIVES ESTABLISHED IN ACCORDANCE WITH SUBSECTION (B) OF THIS**
9 **SECTION, THE INTERAGENCY COMMITTEE SHALL:**

10 **(1) NOTIFY THE BUDGET COMMITTEES OF THE GENERAL ASSEMBLY**
11 **IN WRITING OF THE PROPOSED INCENTIVES; AND**

12 **(2) ALLOW THE BUDGET COMMITTEES 30 DAYS TO REVIEW AND**
13 **COMMENT ON THE PROPOSED INCENTIVES.**

14 5–310.

15 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
16 **INDICATED.**

17 **(2) “EDUCATIONAL FACILITIES SUFFICIENCY STANDARDS” MEANS A**
18 **UNIFORM SET OF CRITERIA AND MEASURES FOR EVALUATING THE PHYSICAL**
19 **CONDITION AND EDUCATIONAL SUITABILITY OF PUBLIC ELEMENTARY AND**
20 **SECONDARY SCHOOL FACILITIES IN THE STATE.**

21 **(3) “FACILITY CONDITION INDEX” MEANS A CALCULATION TO**
22 **DETERMINE THE RELATIVE CONDITION OF PUBLIC SCHOOL FACILITIES BY DIVIDING**
23 **THE TOTAL REPAIR COST OF A FACILITY BY THE TOTAL REPLACEMENT COST OF A**
24 **FACILITY.**

25 **[(a)] (B) (1) Each fiscal year, the Interagency Committee shall survey the**
26 **condition of school buildings identified by the Department.**

27 **[(b)] (2) The [Department of General Services] INTERAGENCY COMMITTEE**
28 **shall conduct the inspections of individual school buildings that [the Interagency**
29 **Committee requires] ARE NECESSARY to complete the survey required in PARAGRAPH**
30 **(1) OF THIS subsection [(a) of this section].**

31 **[(c)] (3) The Interagency Committee shall report to the Governor and the**
32 **General Assembly, on or before October 1 of each year, in accordance with § 2–1246 of the**

1 State Government Article, on the results of the survey for the prior fiscal year.

2 (C) ON OR BEFORE JULY 1, 2018, THE INTERAGENCY COMMITTEE ON
3 SCHOOL CONSTRUCTION SHALL ADOPT EDUCATIONAL FACILITIES SUFFICIENCY
4 STANDARDS AND, IN ACCORDANCE WITH SUBSECTION (D) OF THIS SECTION, A
5 MARYLAND SCHOOL FACILITY INDEX.

6 (D) THE EDUCATIONAL FACILITIES SUFFICIENCY STANDARDS AND THE
7 FACILITY CONDITION INDEX SHALL BE WEIGHTED TO ADDRESS THE FUNCTIONAL
8 RELEVANCY OF SPECIFIC FACILITY DEFICIENCIES, AS DETERMINED BY THE
9 INTERAGENCY COMMITTEE, TO CREATE THE MARYLAND SCHOOL FACILITY INDEX.

10 (E) (1) ON OR BEFORE JULY 1, 2019, THE INTERAGENCY COMMITTEE
11 SHALL COMPLETE AN INITIAL STATEWIDE FACILITIES ASSESSMENT USING THE
12 EDUCATIONAL FACILITIES SUFFICIENCY STANDARDS ADOPTED UNDER SUBSECTION
13 (C) OF THIS SECTION.

14 (2) IN COMPLETING THE ASSESSMENT THE INTERAGENCY
15 COMMITTEE SHALL:

16 (I) INCORPORATE THE MARYLAND SCHOOL FACILITY INDEX
17 ESTABLISHED IN SUBSECTION (D) OF THIS SECTION;

18 (II) CONTRACT WITH AN INDEPENDENT THIRD-PARTY VENDOR
19 TO CONDUCT DATA COLLECTION AND ASSESSMENT;

20 (III) UTILIZE, TO THE EXTENT POSSIBLE, EXISTING DATA
21 SOURCES, INCLUDING THE EDUCATIONAL FACILITIES MASTER PLAN AND THE
22 MARYLAND ASSOCIATION OF BOARDS OF EDUCATION; AND

23 (IV) COORDINATE WITH LOCAL EDUCATION AGENCIES TO
24 IDENTIFY DATA ELEMENTS TO BE USED IN THE FACILITY ASSESSMENT.

25 (F) (1) FOLLOWING THE COMPLETION OF THE INITIAL STATEWIDE
26 FACILITIES ASSESSMENT, THE INTERAGENCY COMMITTEE SHALL DEVELOP
27 STANDARDS TO COMPREHENSIVELY UPDATE THE FACILITIES ASSESSMENT SUCH
28 THAT FACILITY ASSESSMENT DATA IS NOT OLDER THAN 4 YEARS.

29 (2) LOCAL EDUCATION AGENCIES SHALL:

30 (I) FOLLOW THE STANDARDS DEVELOPED IN PARAGRAPH (1)
31 OF THIS SUBSECTION; AND

1 **(II) CONTRIBUTE DATA ANNUALLY TO REGULARLY AND**
2 **COMPREHENSIVELY UPDATE THE ASSESSMENT.**

3 **(3) THE INTERAGENCY COMMITTEE SHALL COMPARE THE DATA**
4 **FROM THE INITIAL STATEWIDE FACILITIES ASSESSMENT TO THE DATA SUBMITTED**
5 **BY LOCAL EDUCATION AGENCIES UNDER PARAGRAPH (2)(II) OF THIS SUBSECTION.**

6 **(4) (I) THE INTERAGENCY COMMITTEE SHALL ENTER THE**
7 **FACILITY ASSESSMENT DATA INTO AN INTEGRATED DATA SYSTEM, WHICH SHALL BE**
8 **KNOWN AS THE INTEGRATED MASTER FACILITY ASSET LIBRARY.**

9 **(II) THE INTERAGENCY COMMITTEE SHALL MANAGE THE**
10 **INTEGRATED MASTER FACILITY ASSET LIBRARY AND SHALL PROVIDE ACCESS TO**
11 **THE LIBRARY FOR ALL LOCAL EDUCATION AGENCIES USING A CLOUD-BASED**
12 **SYSTEM.**

13 **(G) AFTER COMPLETION OF THE INITIAL ASSESSMENT, AND ANNUALLY**
14 **THEREAFTER, THE INTERAGENCY COMMITTEE SHALL DETERMINE A RANKING OF**
15 **EACH PUBLIC ELEMENTARY AND SECONDARY SCHOOL FACILITY USING THE**
16 **MARYLAND SCHOOL FACILITY INDEX ESTABLISHED IN SUBSECTION (D) OF THIS**
17 **SECTION.**

18 **(H) (1) EACH COUNTY BOARD SHALL DEVELOP AND ADOPT**
19 **PREVENTATIVE MAINTENANCE SCHEDULES FOR THE PUBLIC SCHOOL FACILITIES**
20 **WITHIN THE JURISDICTION OF THE COUNTY BOARD.**

21 **(2) A COUNTY BOARD'S PREVENTATIVE MAINTENANCE SCHEDULE**
22 **SHALL BE:**

23 **(I) BASED ON INDUSTRY STANDARDS; AND**

24 **(II) SUBJECT TO REVIEW AND APPROVAL BY THE INTERAGENCY**
25 **COMMITTEE.**

26 **(3) ON OR BEFORE JULY 1 EACH YEAR, EACH COUNTY BOARD SHALL**
27 **REPORT TO THE INTERAGENCY COMMITTEE ON THE BOARD'S COMPLIANCE WITH**
28 **THE PREVENTATIVE MAINTENANCE SCHEDULES ADOPTED UNDER THIS**
29 **SUBSECTION.**

30 **(4) THE INFORMATION REPORTED IN ACCORDANCE WITH**
31 **PARAGRAPH (3) OF THIS SUBSECTION SHALL BE ENTERED INTO THE INTEGRATED**
32 **MASTER FACILITY ASSET LIBRARY.**

1 **5-314.**

2 (A) THE PROCESS FOR THE REVIEW AND APPROVAL OF PUBLIC SCHOOL
3 CONSTRUCTION PROJECTS SHALL BE IN ACCORDANCE WITH THE PROVISIONS OF
4 THIS SECTION.

5 (B) (1) EDUCATIONAL SPECIFICATIONS AND SCHEMATIC DESIGNS FOR
6 MAJOR CONSTRUCTION PROJECTS ARE REQUIRED TO BE:

7 (I) REVIEWED BY THE DEPARTMENT; AND

8 (II) APPROVED BY THE INTERAGENCY COMMITTEE.

9 (2) TO PROVIDE EFFICIENCY WITHIN THE PROCESS, THE
10 DEPARTMENT AND THE INTERAGENCY COMMITTEE SHALL CONSIDER ALTERING
11 THE REVIEW AND APPROVAL PROCESS REQUIRED UNDER PARAGRAPH (1) OF THIS
12 SUBSECTION, INCLUDING A ROLLING DEADLINE FOR SUBMISSION OF DOCUMENTS,
13 WITH SCHEMATIC DESIGNS SUBMITTED FOLLOWING THE COMPLETION OF THE
14 EDUCATIONAL SPECIFICATIONS REVIEW.

15 (C) (1) CHANGE ORDERS FOR MAJOR CONSTRUCTION PROJECTS AND
16 SYSTEMIC RENOVATION PROJECTS MAY NOT BE:

17 (I) REVIEWED BY THE DEPARTMENT OF GENERAL SERVICES;
18 AND

19 (II) APPROVED BY THE INTERAGENCY COMMITTEE.

20 (2) A PERCENTAGE OF THE STATE ALLOCATION RELATED TO CHANGE
21 ORDERS MAY NOT BE WITHHELD.

22 (3) LOCAL EDUCATION AGENCIES SHALL MAINTAIN CONTINGENCY
23 FUNDS FOR EACH APPROVED PROJECT TO ADDRESS UNANTICIPATED
24 CONSTRUCTION COSTS ABOVE THE STATE ALLOCATION.

25 (D) (1) EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION,
26 DESIGN AND CONSTRUCTION DOCUMENTS FOR MAJOR CONSTRUCTION PROJECTS
27 AND SYSTEMIC RENOVATION PROJECTS ARE REQUIRED TO BE:

28 (I) REVIEWED BY THE DEPARTMENT OF GENERAL SERVICES;
29 AND

30 (II) APPROVED BY THE INTERAGENCY COMMITTEE.

1 **(2) THE DEPARTMENT OF GENERAL SERVICES AND THE**
2 **INTERAGENCY COMMITTEE, IN CONSULTATION WITH LOCAL EDUCATION AGENCIES,**
3 **SHALL DEVELOP A TIMELINE FOR SUBMISSION, REVIEW, AND APPROVAL OF DESIGN**
4 **AND CONSTRUCTION DOCUMENTS.**

5 **(E) (1) THE PROVISIONS OF SUBSECTION (D) OF THIS SECTION DO NOT**
6 **APPLY TO A LOCAL EDUCATION AGENCY THAT SUCCESSFULLY COMPLETES A**
7 **CERTIFICATION PROCESS THAT MEETS THE REQUIREMENTS OF THIS SUBSECTION.**

8 **(2) SUBJECT TO THE REVIEW AND APPROVAL OF THE INTERAGENCY**
9 **COMMITTEE, THE DEPARTMENT OF GENERAL SERVICES SHALL DEVELOP A**
10 **CERTIFICATION PROCESS THROUGH WHICH A LOCAL EDUCATION AGENCY IS ABLE**
11 **TO DEMONSTRATE THE EXPERTISE AND CAPACITY TO COMPLETE THE REVIEW OF**
12 **DESIGN AND CONSTRUCTION DOCUMENTS WITHIN THE COUNTY.**

13 **(3) THE CERTIFICATION PROCESS DEVELOPED BY THE DEPARTMENT**
14 **OF GENERAL SERVICES SHALL PROVIDE FOR A RENEWABLE, MULTIYEAR**
15 **CERTIFICATION FOR A LOCAL EDUCATION AGENCY THAT SUCCESSFULLY**
16 **COMPLETES THE CERTIFICATION PROCESS.**

17 **(F) SCHOOL CONSTRUCTION PROJECTS THAT ARE FUNDED ENTIRELY WITH**
18 **LOCAL FUNDS ARE NOT REQUIRED TO BE REVIEWED BY THE DEPARTMENT UNLESS**
19 **THE PROJECT SUBSTANTIALLY ALTERS OR EXPANDS AN EXISTING SCHOOL**
20 **BUILDING THAT WAS BUILT IN PART WITH STATE FUNDS.**

21 **(G) IF THERE IS ANY CONFLICT BETWEEN THE PROVISIONS OF THIS**
22 **SECTION AND THE REGULATIONS AND PROCEDURES OF THE BOARD OF PUBLIC**
23 **WORKS, THE INTERAGENCY COMMITTEE, THE DEPARTMENT, OR THE DEPARTMENT**
24 **OF GENERAL SERVICES, THE PROVISIONS OF THIS SECTION SHALL PREVAIL.**

25 **5-315.**

26 **(A) IN THIS SECTION, "FUND" MEANS THE LOCAL SHARE OF SCHOOL**
27 **CONSTRUCTION COSTS REVOLVING LOAN FUND.**

28 **(B) THERE IS A LOCAL SHARE OF SCHOOL CONSTRUCTION COSTS**
29 **REVOLVING LOAN FUND.**

30 **(C) THE PURPOSE OF THE FUND IS TO PROVIDE LOANS TO LOCAL**
31 **GOVERNMENTS TO FORWARD FUND THE LOCAL SHARE OF SCHOOL CONSTRUCTION**
32 **COSTS FOR LOCAL EDUCATION AGENCIES THAT RELY ON THE LOCAL SHARE TO BE**
33 **FULLY FUNDED IN ORDER TO COMPLETE A PROJECT.**

1 (D) THE INTERAGENCY COMMITTEE SHALL ADMINISTER THE FUND.

2 (E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
3 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE THAT
4 SHALL BE AVAILABLE IN PERPETUITY FOR THE PURPOSE OF PROVIDING LOANS IN
5 ACCORDANCE WITH THE PROVISIONS OF THIS SECTION.

6 (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,
7 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

8 (F) THE FUND CONSISTS OF:

9 (1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

10 (2) ANY INTEREST EARNINGS OF THE FUND;

11 (3) REPAYMENTS OF PRINCIPAL AND INTEREST FROM LOANS MADE
12 FROM THE FUND; AND

13 (4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR
14 THE BENEFIT OF THE FUND.

15 (G) THE FUND MAY BE USED ONLY TO PROVIDE LOW- OR NO-INTEREST
16 LOANS TO LOCAL GOVERNMENTS.

17 (H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND
18 IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

19 (2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO
20 THE FUND.

21 (I) MONEY EXPENDED FROM THE FUND IS SUPPLEMENTAL TO AND IS NOT
22 INTENDED TO TAKE THE PLACE OF FUNDING THAT OTHERWISE WOULD BE
23 APPROPRIATED TO LOCAL GOVERNMENTS FOR SCHOOL CONSTRUCTION.

24 (J) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE
25 INTERAGENCY COMMITTEE SHALL ESTABLISH APPLICATION PROCEDURES AND
26 ELIGIBILITY CRITERIA FOR LOANS FROM THE FUND.

27 (2) THE ELIGIBILITY CRITERIA SHALL INCLUDE THAT A LOCAL
28 GOVERNMENT IS:

1 **(I) IN NEED OF A LOAN TO FORWARD FUND THE LOCAL SHARE**
2 **OF SCHOOL CONSTRUCTION COSTS IN ORDER TO COMPLETE A PROJECT; AND**

3 **(II) ABLE TO DEMONSTRATE THE ABILITY TO REPAY THE LOAN**
4 **IF REQUIRED AT A LATER DATE.**

5 **Article – State Finance and Procurement**

6 4–809.

7 (a) There is a Maryland Green Building Council.

8 (f) The Maryland Green Building Council shall:

9 (1) evaluate current high performance building technologies;

10 (2) provide recommendations concerning the most cost-effective green
11 building technologies that the State might consider requiring in the construction of State
12 facilities, including consideration of the additional cost associated with the various
13 technologies;

14 (3) provide recommendations concerning how to expand green building in
15 the State;

16 (4) develop a list of building types for which green building technologies
17 should not be applied, taking into consideration the operational aspects of facilities
18 evaluated, and the utility of a waiver process where appropriate; [and]

19 (5) establish a process for receiving public input; AND

20 **(6) DEVELOP GUIDELINES FOR NEW PUBLIC SCHOOL BUILDINGS TO**
21 **ACHIEVE THE EQUIVALENT OF THE CURRENT VERSION OF THE U.S. GREEN**
22 **BUILDING COUNCIL’S LEED (LEADERSHIP IN ENERGY AND ENVIRONMENTAL**
23 **DESIGN) GREEN BUILDING RATING SYSTEM SILVER RATING WITHOUT REQUIRING**
24 **LEED CERTIFICATION OF THE SCHOOL BUILDINGS, INCLUDING AN INDEPENDENT**
25 **CERTIFICATION THAT THE BUILDINGS HAVE ACHIEVED THE REQUIRED STANDARDS.**

26 6–226.

27 (a) (2) (i) Notwithstanding any other provision of law, and unless
28 inconsistent with a federal law, grant agreement, or other federal requirement or with the
29 terms of a gift or settlement agreement, net interest on all State money allocated by the
30 State Treasurer under this section to special funds or accounts, and otherwise entitled to
31 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
32 Fund of the State.

1 (ii) The provisions of subparagraph (i) of this paragraph do not apply
2 to the following funds:

3 101. the Advance Directive Program Fund; [and]

4 102. the Make Office Vacancies Extinct Matching Fund; AND

5 **103. THE LOCAL SHARE OF SCHOOL CONSTRUCTION**
6 **COSTS REVOLVING LOAN FUND.**

7 **Article – Economic Development**

8 **10–610.1.**

9 **(A) THERE IS A SCHOOL CONSTRUCTION TECHNICAL AND INNOVATIVE**
10 **ASSISTANCE OFFICE IN THE AUTHORITY.**

11 **(B) THE PURPOSE OF THE OFFICE IS TO:**

12 **(1) PROVIDE TECHNICAL ASSISTANCE ON PUBLIC SCHOOL**
13 **CONSTRUCTION PROJECTS, INCLUDING PROJECT SCOPE, PROJECT DELIVERY**
14 **METHOD, AND RESEARCH–BASED BEST PRACTICES IN ALL AREAS OF SCHOOL**
15 **DESIGN AND CONSTRUCTION; AND**

16 **(2) EXPLORE AND PROMOTE EFFICIENT, EFFECTIVE, ECONOMICAL,**
17 **AND INNOVATIVE WAYS TO CONSTRUCT PUBLIC SCHOOL FACILITIES IN THE STATE.**

18 **(C) TO CARRY OUT THE PURPOSES OF THIS SECTION, IN CONSULTATION**
19 **WITH THE INTERAGENCY COMMITTEE ON SCHOOL CONSTRUCTION, THE OFFICE**
20 **MAY:**

21 **(1) FACILITATE THE USE OF ALTERNATIVE FINANCING METHODS FOR**
22 **SCHOOL CONSTRUCTION BY:**

23 **(I) PROVIDING TECHNICAL ASSISTANCE TO LOCAL EDUCATION**
24 **AGENCIES THAT ARE INTERESTED IN PURSUING ALTERNATIVE FINANCING**
25 **METHODS FOR SCHOOL CONSTRUCTION;**

26 **(II) DEVELOPING TEMPLATE LEASE AGREEMENTS BETWEEN**
27 **DEVELOPERS AND LOCAL EDUCATION AGENCIES; AND**

28 **(III) EXPLORING THE FINANCIAL INCENTIVES THAT MAY**
29 **ENCOURAGE LOCAL EDUCATION AGENCIES TO PURSUE ALTERNATIVE FINANCING**
30 **METHODS FOR SCHOOL CONSTRUCTION; AND**

1 **(2) PERFORM ANY OTHER ACT NECESSARY.**

2 SECTION 2. AND BE IT FURTHER ENACTED, That:

3 (a) It is the intent of the General Assembly that the State should provide at least
4 \$345 million for public school construction in fiscal year 2019.

5 (b) (1) It is the intent of the General Assembly that, as soon as practicable and
6 within the current debt affordability guidelines, the State should provide at least \$400
7 million each year for public school construction.

8 (2) The \$400 million annual goal may be phased in over several years if
9 fiscal constraints prevent the State from fully funding the goal in one fiscal year.

10 (c) The annual goal established under subsection (b) of this section should be
11 recalculated after the initial school facility assessment required by § 5-310(e) of the
12 Education Article is completed and the Workgroup on the Assessment and Funding of
13 School Facilities established under Section 3 of this Act reports its findings and
14 recommendations.

15 SECTION 3. AND BE IT FURTHER ENACTED, That:

16 (a) There is a Workgroup on the Assessment and Funding of School Facilities.

17 (b) The Workgroup consists of the following members:

18 (1) two members of the Senate of Maryland, appointed by the President of
19 the Senate;

20 (2) two members of the House of Delegates, appointed by the Speaker of
21 the House;

22 (3) the State Superintendent of Schools;

23 (4) the State Treasurer, or the State Treasurer's designee;

24 (5) one representative of the Maryland Association of Counties, appointed
25 by the Maryland Association of Counties;

26 (6) one representative of the Maryland Association of Boards of Education,
27 appointed by the Executive Director of the Association; and

28 (7) one representative of the Public School Superintendents Association of
29 Maryland, appointed by the Executive Director of the Association.

30 (c) The State Superintendent of Schools shall chair the Workgroup.

1 (d) The Interagency Committee on School Construction and the Department of
2 Legislative Services shall provide staff for the Workgroup.

3 (e) A member of the Workgroup:

4 (1) may not receive compensation as a member of the Workgroup; but

5 (2) is entitled to reimbursement for expenses under the Standard State
6 Travel Regulations, as provided in the State budget.

7 (f) (1) After the initial school facility assessment required by § 5–310(e) of the
8 Education Article is completed, the Workgroup shall determine whether the results should
9 be incorporated into school construction funding decisions.

10 (2) If the Workgroup determines that the assessment results should be
11 incorporated into school construction funding decisions, the Workgroup shall determine
12 how the assessment results should be incorporated into school construction funding.

13 (g) On or before December 1, 2019, the Workgroup shall report its findings and
14 recommendations to the Governor and, in accordance with § 2–1246 of the State
15 Government Article, the General Assembly.

16 SECTION 4. AND BE IT FURTHER ENACTED, That the Interagency Committee
17 on School Construction shall:

18 (1) update the State and local cost–share formula every 2 years; and

19 (2) adopt a common definition of local pay–as–you–go funding so that all
20 local jurisdictions are reporting comparable data to be included in the local debt calculation
21 used to determine the State share.

22 SECTION 5. AND BE IT FURTHER ENACTED, That:

23 (a) (1) The Interagency Committee on School Construction shall explore the
24 feasibility of regional school construction projects, including regional public–private
25 partnership zones and regional career and technical education high schools.

26 (2) Additionally, the Interagency Committee on School Construction shall
27 develop mechanisms and incentives to provide State funding for regional school
28 construction projects.

29 (b) On or before July 1, 2018, the Interagency Committee on School Construction
30 shall report on the feasibility and financing of regional school construction projects to the
31 Commission on Innovation and Excellence in Education.

32 SECTION 6. AND BE IT FURTHER ENACTED, That:

1 (a) The Interagency Committee on School Construction shall review the public
2 school construction and capital improvement costs that are eligible and ineligible for State
3 funding, including:

4 (1) whether to make project design costs eligible for State funding;

5 (2) whether to reduce or eliminate State support for systemic renovations
6 to focus available resources on major construction projects; and

7 (3) whether a system or an item that has not exceeded its median useful
8 life may be eligible for State funding under certain circumstances, such as the system or
9 item has failed despite a documented record of preventative maintenance or the system or
10 item is no longer supported by the manufacturer.

11 (b) On or before July 1, 2019, the Interagency Committee on School Construction
12 shall report on its review of eligible and ineligible costs to the Governor and, in accordance
13 with § 2-1246 of the State Government Article, the General Assembly.

14 SECTION 7. AND BE IT FURTHER ENACTED, That:

15 (a) There is a Workgroup on Educational Development Specifications.

16 (b) The Workgroup consists of relevant stakeholders selected by the Interagency
17 Committee on School Construction, which shall include:

18 (1) two members of the Senate of Maryland, appointed by the President of
19 the Senate;

20 (2) two members of the House of Delegates, appointed by the Speaker of
21 the House;

22 (3) local education agency facility designers and planners; and

23 (4) other members with expertise in school design and construction.

24 (c) The Executive Director of the Interagency Committee on School Construction
25 shall chair the Workgroup.

26 (d) The Interagency Committee on School Construction shall provide staff for the
27 Workgroup.

28 (e) A member of the Workgroup:

29 (1) may not receive compensation as a member of the Workgroup; but

30 (2) is entitled to reimbursement for expenses under the Standard State

1 Travel Regulations, as provided in the State budget.

2 (f) The Workgroup shall:

3 (1) review the square footage allocations that are currently used to
4 calculate the State maximum allowable square footage for a project to identify any overly
5 restrictive requirements and to determine if alternative methodologies or allocation could
6 result in more efficient use of space in school buildings;

7 (2) review the Maryland State Department of Education school design
8 standards and guidelines to ensure that the standards and guidelines:

9 (i) are aligned with the space allowance for each type of space, such
10 as health suites, classrooms, and community use areas; and

11 (ii) are not overly specific;

12 (3) examine the use of regional cost-per-square-foot figures in the State
13 allowable cost-per-square-foot figures that are established annually, which would reflect
14 the different construction and labor markets in regions of the State; and

15 (4) review the State Rated Capacity process.

16 (g) The Workgroup shall make recommendations regarding:

17 (1) the square footage allocations that should be used to calculate the State
18 maximum allowable square footage allocations, including recommendations on community
19 use space in schools, especially in community schools and in schools with a high proportion
20 of students eligible for free and reduced-price meals;

21 (2) the Maryland State Department of Education school design standards
22 and guidelines;

23 (3) the use of regional cost-per-square-foot figures in the State allowable
24 cost-per-square-foot figures; and

25 (4) updates to the State Rated Capacity process, including any updates
26 necessary to address special programs and adjacent schools.

27 (h) On or before July 1, 2019, the Workgroup shall report its findings and
28 recommendations to the Governor and, in accordance with § 2-1246 of the State
29 Government Article, the General Assembly.

30 SECTION 8. AND BE IT FURTHER ENACTED, That:

31 (a) The Interagency Committee on School Construction shall examine the effect
32 of prevailing wage requirements on school construction costs, including in:

1 (1) different regions of the State; and

2 (2) counties with different State and local cost–share percentages.

3 (b) On or before July 1, 2020, the Interagency Committee on School Construction
4 shall report on its examination of the effect of prevailing wage requirements on school
5 construction costs to the Governor and, in accordance with § 2–1246 of the State
6 Government Article, the General Assembly.

7 SECTION 9. AND BE IT FURTHER ENACTED, That this Act shall take effect June
8 1, 2018.