

Department of Legislative Services
 Maryland General Assembly
 2020 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

House Bill 615
 Appropriations

(Delegate Solomon, *et al.*)

Education, Health, and Environmental Affairs

Education - School Construction - Pedestrian Safety Plans

This bill requires a local school board that is seeking State funds for the construction of a new public school or, for the renovation or addition to an existing school, under specified circumstances, to submit a pedestrian safety plan to the Interagency Commission on School Construction (IAC). Pedestrian safety plans must be developed in collaboration with the State Highway Administration (SHA) and county departments of transportation, and IAC must review submitted pedestrian safety plans in consultation with SHA. **The bill takes effect July 1, 2020.**

Fiscal Summary

State Effect: Transportation Trust Fund expenditures increase by \$250,000 annually beginning in FY 2021 to help develop pedestrian safety plans. General fund expenditures increase by \$89,100 in FY 2021 to review and assess pedestrian safety plans submitted by local school systems; out-year costs reflect annualization and ongoing costs. No effect on revenues.

(in dollars)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	89,100	108,000	110,600	114,400	118,400
SF Expenditure	250,000	250,000	250,000	250,000	250,000
Net Effect	(\$339,100)	(\$358,000)	(\$360,600)	(\$364,400)	(\$368,400)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Local expenditures for some local schools systems may increase modestly to prepare pedestrian safety plans that they must submit to IAC, as discussed below; other school systems can develop the plans with existing resources because they have engineers on staff. No effect on revenues. **This bill may impose a mandate on a unit of local government.**

Small Business Effect: Minimal.

Analysis

Bill Summary: Local school systems in “high-density counties,” defined by the bill as Baltimore City and Anne Arundel, Baltimore, Howard, Montgomery, and Prince George’s counties, must submit a pedestrian safety plan to IAC when requesting State funds for the construction of a new school or the renovation or addition to an existing school that would increase the school’s capacity by more than 100 students. Local school systems in all other counties must submit a pedestrian safety plan for the same types of projects as high-density counties but only if the proposed project is for a school in a city with more than 10,000 residents.

The pedestrian safety plan required by the bill must:

- be developed in collaboration with the local department of transportation or equivalent entity and SHA;
- identify existing and potential safe routes for students to walk or bike to school;
- evaluate the infrastructure, including sidewalk infrastructure, along existing and potential pedestrian or cyclist routes to the school to determine whether increased capacity is necessary;
- analyze existing and potential school zones, including the need for expanding school zones on State and county roads; and
- include documentation of public participation and input related to the pedestrian safety plan.

Current Law: As enacted by Chapter 14 of 2018 (the 21st Century School Facilities Act), IAC manages State review and approval of local school construction projects. Each year, local systems develop and submit to IAC a facilities master plan that includes an analysis of future school facility needs based on the current condition of school buildings and projected enrollment. The master plan must be approved by the local school board. Subsequently, each local school system submits a capital improvement plan to IAC that includes projects for which it seeks planning and/or funding approval for the upcoming fiscal year, which may include projects that the local system has forward funded. In addition to approval from the local school board, the request for the upcoming fiscal year must be approved by the county’s governing body. Typically, the submission letter to IAC contains signatures of both the school board president and either the county executive and county council president or chair of the board of county commissioners.

Based on its assessment of the relative merit of all the project proposals it receives, and subject to the projected level of school construction funds available, IAC determines which projects to fund. By December 31 of each year, IAC must approve projects comprising 75% of the preliminary school construction allocation projected to be available by the

Governor for the upcoming fiscal year. Local school systems may appeal these preliminary decisions by IAC. By March 1 of each year, IAC must recommend to the General Assembly projects comprising 90% of the allocation for school construction submitted in the Governor's capital budget. Following the legislative session, IAC approves projects comprising the remaining school construction funds included in the enacted capital budget, no earlier than May 1. The final allocations are not subject to appeal.

The State pays at least 50% of *eligible* costs of school construction and renovation projects, based on a funding formula that takes into account numerous factors including each local school system's wealth and ability to pay. Regulations specify public school construction-related costs that are eligible and ineligible for State funding. In general, the following costs are included among *eligible* expenses:

- construction of a new facility, a renovation of a new facility, an addition to an existing facility, or a replacement of an existing building or building portion (*i.e.*, "bricks and mortar");
- building and site development;
- modular construction that meets specified standards;
- State-owned relocatable facilities and temporary facilities that are required to be on site during construction; and
- built-in equipment and furnishings.

Among the major items that explicitly are *ineligible* for State funding (besides site acquisition) are (1) architectural, engineering, and other consulting fees; (2) master plans and feasibility studies; (3) projects or systemic renovations for buildings and systems that have been replaced, upgraded, or renovated within the last 15 years; (4) movable equipment and furnishings; and (5) items that do not have a useful life of at least 15 years.

Background: For the fiscal 2021 Public School Construction Program, IAC received 168 funding requests from local school systems. Of those, 82 were for new or replacement schools or for substantial renovations or additions for existing schools. The level of requests is consistent with requests in recent years.

State Expenditures: This analysis assumes that pedestrian safety plans must be submitted with planning and funding requests, as IAC must assess the plans before giving planning approval in addition to funding approval. Given the number of requests it receives and processes, IAC has to include in its review of planning and funding requests for school construction projects an assessment of a significant number of pedestrian safety plans. Adding that layer to its review process likely results in meaningful delays in the approval

process, as IAC does not currently have the capacity or expertise to conduct a meaningful review of those plans.

Therefore, general fund expenditures for IAC increase by \$89,145 in fiscal 2021, which accounts for a 90-day start-up delay from the bill's July 1, 2020 effective date. This estimate reflects the cost of IAC hiring a planner to conduct the review of pedestrian safety plans required by the bill. Due to IAC difficulty in hiring qualified personnel, the position is at Step 15. In addition, SHA will need to hire a transportation engineering consultant to assist with the development of pedestrian safety plans. These costs will be paid from the Transportation Trust Fund. The estimate includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses. The information and assumptions used in calculating the estimate are stated below.

- Of the approximately 80 submissions annually for new, replacement, and renovated/expanded schools, this analysis assumes that 50 submissions each year require the submission of pedestrian safety plans. The remainder are assumed to be renovations that either do not increase capacity by more than 100 students or are in low-density counties but not in cities with more than 10,000 students.
- SHA advises that it must retain the services of a transportation engineering consultant to assist local school systems with the development of pedestrian safety plans at a cost of between \$25,000 and \$50,000 per project. Based on estimates from local school systems, the Department of Legislative Services believes that the cost per project will be closer to \$10,000. School systems that have in-house transportation engineering staff may not require assistance from SHA, so SHA's expenses will vary each year. This analysis assumes that half of the 50 projects require SHA assistance each year.

Position	1
Salary and Fringe Benefits	\$83,779
Transportation Engineering Consultant (SHA)	250,000
Operating Expenses	<u>5,366</u>
Total FY 2021 State Expenditures	\$339,145

Future year expenditures reflect a full salary with annual increases and employee turnover and ongoing operating expenses, including transportation engineering consulting services.

Local Expenditures: The bill requires local school systems to develop pedestrian safety plans in collaboration with local transportation agencies and SHA. Some local school systems advise that they do not have staff with expertise to develop pedestrian safety plans. If local transportation agencies can provide the necessary transportation engineering expertise with in-house staff, or if SHA can provide the necessary expertise through their consultant at no cost to the local school system, local expenditures are not affected.

Otherwise, local expenditures may increase to the extent that local school systems require transportation engineering assistance from a third-party consultant. Given the assistance available from SHA, it is assumed that local school systems will bear only a minimal share of the cost of developing the plans. Other local school systems indicate that they have the in-house expertise to develop the plans with existing resources.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland State Department of Education; Public School Construction Program; Maryland Department of Transportation; Baltimore City Public Schools; Baltimore County Public Schools; Anne Arundel County Public Schools; Montgomery County Public Schools; Frederick County Public Schools; Department of Legislative Services

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