



## **Board of Education** of Howard County

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William J. Barnes Acting Superintendent, Secretary/Treasurer Board of Education of Howard County Testimony Submitted to the Maryland House of Delegates, Appropriations Committee March 12, 2024

## **HB1442: FAVORABLE WITH AMENDMENTS**

Workgroup to Study the Fiscal and Operational Viability of Public-Private Partnerships for Howard County Public Schools - Established Ho. Co. 14-24

The Board of Education of Howard County (the Board) supports **HB1442 Workgroup** to Study the Fiscal and Operational Viability of Public-Private Partnerships for **Howard County Public Schools - Established Ho. Co. 14-24** with amendments to create a balanced approach to the required study.

HB1442 establishes a Workgroup to study the use of public-private partnerships for Howard County Public School System (HCPSS) school construction and make recommendations on the potential to increase speed of construction, reduce or increase upfront costs, reduce or increase overall costs, as well as potential funding options, legislative changes needed to facilitate use, and any other potential benefits or risks of public-private partnerships for school construction in Howard County. The Workgroup consists of Senate and House representation from the Howard County Delegation, the Howard County Executive, two members of the Howard County Council, two members of the Board as appointed by the Board Chair, the Superintendent of HCPSS, and the Howard County Director of Finance. The bill requires the County Executive and the HCPSS Superintendent to jointly provide staff for the Workgroup. A final report would be due by December 1, 2025.

Two Maryland school systems currently utilize partnerships established in statute to facilitate school construction. Baltimore City has worked with the Maryland Stadium Authority <a href="mailto:since">since</a> <a href="mailto:2013">2013</a>, while Prince George's County recently completed their first phase of schools under a fully locally funded public-private partnership, and <a href="mailto:recently began work">recently began work</a> under authorization through the Built to Learn Act of 2020 on their second phase, as well as a fund developed in 2019. <a href="mailto:SB0916/HB0739">SB0916/HB0739</a>, passed in 2022, established a workgroup similar to the one proposed in HB1442 for Charles County Public School System, although with differing charges for recommendations.

In order to get the most out of a study, HB1442 would benefit from funding to hire technical, financial, and potentially legal consultants to facilitate the proposed Workgroup. Charles County utilized a piggyback contract with the consultants from Prince George's County to facilitate their workgroup, which provided a beneficial environment with consultants familiar with Maryland and the challenges Maryland school districts may face in using this potential delivery method.

Additionally, while prevalent in the title of the Workgroup, staff suggests the following language addition on page 2 in line 12 to clarify its intent:

(f) The Workgroup shall study the use of public-private partnerships for school construction in other counties and <a href="https://docs.private.com/THE FISCAL AND OPERATIONAL VIABILITY">THE FISCAL AND OPERATIONAL VIABILITY</a>
OF USING A PUBLIC-PRIVATE PARTNERSHIP FOR FINANCING,
CONSTRUCTING, MAINTAINING, AND OPERATING SCHOOLS IN
HOWARD COUNTY IN ORDER TO make recommendations on

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As currently written, both "(4) how public-private partnerships would achieve any reduction to the upfront costs of school construction, including wages and benefits" on page 2 starting in line 20, and "(6) how public-private partnerships would achieve any reduction to overall costs of school construction, including wages and benefits" on page 2 starting in line 24 are redundant of existing language under (3) and (5) in this same section. These could also be perceived as one-sided if instructing the Workgroup to only study the potential to achieve reductions in costs and not the potential to reduce or increase costs as found under (3) and (5). The Board recommends (4) and (6) in this section be struck entirely from the bill.

Looking beyond just the County's spending affordability limits and bond ratings, the Workgroup should also determine the anticipated impact to the overall HCPSS capital budget. For instance, would financing through a public-private partnership mean that much less funding is available for the annual capital budget? An amendment in lines 3 through 5 on page 10 could read:

(f) (10) the potential benefits or risks of financing schools constructed through public—private partnerships, including the **OVERALL** impact on Howard County's spending affordability limits and bond ratings, **INCLUDING THE POTENTIAL CHANGES IN REVENUES AND ANNUAL ALLOCATIONS AVAILABLE FOR THE SCHOOL SYSTEM CAPITAL BUDGET.** 

With these changes, we urge a FAVORABLE report of HB1442 from this Committee.