

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Bond Bill

Senate Bill 296 (Senators Currie and Madden)
Budget and Taxation

Creation of a State Debt - School for Contemporary Education
(\$1,300,000)

This bill provides \$1,300,000 in State bond proceeds as a grant to the Board of Trustees of the School for Contemporary Education in Laurel, Maryland to prepare the site and repair, plan, design, renovate, construct, and equip an addition to the main building of the School for Contemporary Education. The school is currently serving students who have been referred from the boards of education of eight counties in the State. The addition will include classrooms, a gymnasium, a creative arts room, offices, and a meeting room.

The board of trustees must provide matching funds by June 1, 1999.

Fiscal Summary

State Effect: This \$1,300,000 bond authorization would be part of the total \$415 million general obligation debt authorization for FY 1998 as recommended by the Capital Debt Affordability Committee. State debt service costs on the \$415 million would be a maximum of \$43.9 million annually based on an interest rate of 4.90%.

Local Effect: None.

Small Business Effect: Minimal effect on small businesses as discussed below.

Fiscal Analysis

Small Business Effect: This bond bill would be part of the annual State capital program. Each year, the State approves a program of general obligation bond funded capital spending. The fiscal 1998 funding totals \$415 million, an amount consistent with the level of funding authorized in prior years. The State's capital program contributes to the construction industry

in Maryland, which includes many small businesses. In 1995, the total value of non-residential building construction contracts in Maryland was \$1.8 billion. The fiscal 1998 capital program will continue the State's contribution to the construction industry in Maryland but because it is only \$15 million over the fiscal 1997 level, it will not add substantially to it.

Information Source(s): Department of Fiscal Services

Fiscal Note History: First Reader - March 3, 1997

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