

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE

House Bill 689 (Delegate Leopold. *et al.*)

Appropriations

Education - Aging School Maintenance and Repair Program

This bill provides State grants to local boards of education for use in the maintenance and repair of aging schools for project costs between \$10,000 and \$100,000. The State grant must equal twice the amount of matching funds provided by a local board. Funds for this program will be as provided in the annual State budget. The Interagency Committee on School Construction must report to the General Assembly by January 1 of each year on the implementation of the program.

This bill takes effect July 1, 1999 and sunsets when Chapter 565 of the Acts of 1998 terminates.

Fiscal Summary

State Effect: Indeterminate increase in State general fund expenditures. Revenues would not be affected.

Local Effect: Indeterminate increase in State aid for aging school projects. Local expenditures could increase by an indeterminate amount.

Small Business Effect: Minimal.

Fiscal Analysis

Background: The Aging Schools Program provides funds to local school systems for the improvement, repair, and deferred maintenance of public school buildings exceeding 15 years of age. A five-year funding commitment for this program totaling \$4.35 million annually was incorporated into legislation enacted in 1997. Chapter 565 of 1998 provided an additional \$6.02 million in funding for the program. Funding for this program sunsets at the

end of fiscal 2002. The Board of Public Works adopted regulations to guide the program, and the Interagency Committee on Public School Construction administers the program as part of the public school construction program.

State Effect: This bill provides local boards of education with State grants for use in the maintenance and repair of aging schools. To qualify for a grant, a local board must spend more than the total combined operating and capital maintenance and repair funds approved for the schools as averaged over a three-year period. The State grant must equal twice the amount of matching funds provided by the local board. The Maryland State Department of Education would have to review the financial data specified in the bill to determine the eligibility for State grants. Absent information on the amount of funds local school systems spent on maintenance and repair of aging schools in previous years and the amount anticipated being spent in future years, the total impact on State expenditures cannot be determined at this time. The Interagency Committee on Public School Construction advises that the bill would have a limited impact on the agency's operating budget.

Local Effect: State aid for maintenance and repair of aging schools could increase by an indeterminate amount. Local school expenditures could increase by an indeterminate amount due to the local matching requirement.

Additional Comments: Chapter 565 of 1998 established the School Accountability Funding for Excellence Program, which provides additional targeted State funding for education programs serving at-risk students. This funding included \$6.02 million for the Aging Schools Program. The bill took effect July 1, 1998 and will sunset June 30, 2002.

Information Source(s): Interagency Committee on Public School Construction,
Department of Legislative Services

Fiscal Note History: First Reader - February 26, 1999
dmm/jr

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