

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE
Revised

House Bill 217 (Delegate Morhaim. *et al.*)

Appropriations

School Construction - Task Force to Study Sustainable Public School Buildings

This bill establishes a 24-member Task Force to Study Sustainable Public School Buildings to study the implementation of the following six basic principles of sustainable public school buildings in school construction projects in Maryland: (1) the conservation of energy use and the maximization of renewable energy use; (2) the use of environmentally preferable materials; (3) the enhancement of indoor environmental quality; (4) the optimization of site potential; (5) the protection and conservation of water resources; and (6) the optimization of operation and maintenance practices. The task force must submit its findings and recommendations on how best to design, construct, operate, and maintain sustainable public school buildings in the State to the Governor and the General Assembly by December 15, 2001. The Interagency Committee on School Construction must provide staff support for the task force.

The bill provides that it is the intent of the General Assembly that all public school buildings to be built or renovated in the State be designed, constructed, operated, and maintained consistent with the six basic principles of sustainable public school buildings.

The bill takes effect July 1, 2000 and sunsets on December 31, 2001.

Fiscal Summary

State Effect: Any expense reimbursement for task force members and staffing costs could be handled with existing budgeted resources. Indeterminate effect on State school construction cost resulting from the incorporation of the six basic principles of sustainable public school buildings into school construction and renovation projects.

Local Effect: Indeterminate affect on local school construction cost resulting from the incorporation of the six basic principles of sustainable public school buildings into school

construction and renovation projects.

Small Business Effect: Minimal.

Analysis

Current Law: The Interagency Committee on School Construction administers Maryland's public school construction program. Local school systems submit their capital funding request to the Interagency Committee. After reviewing the submissions, the Interagency Committee makes recommendations to the Board of Public Works.

Background: The State provides between 50% and 90% of eligible costs for approved school construction projects, depending upon the wealth of the local school systems whereby less affluent school systems receive a higher State share. The remaining eligible costs and 100% of noneligible costs are paid by the local school system. Noneligible costs include architectural and engineering fees, land acquisition, certain off-site development work, removable furniture and equipment, and square footage above the State formula. It is estimated that noneligible costs may account for between 25% and 30% of the total cost for a school construction project.

Based on a review of seven counties, local school systems spend between 1.5% to 3% of total school expenditures on gas and electric utilities. For example, the Baltimore County Public School Systems spent approximately \$11.4 million on gas and electric utilities in fiscal 1999, representing 1.7% of total school expenditures. Assuming the costs are equally distributed throughout the system's 168 public schools, the average cost per school is \$67,800. **Exhibit 1** shows the gas and electricity expenses for seven local school systems.

Exhibit 1 Gas and Electricity Expenses for Selected Local School Systems

**Fiscal 1999
(in millions)**

Local School System	Gas and Electricity Expenses	Percentage of Total School Expenditures
Anne Arundel	\$10.2	2.2%
Baltimore County	\$11.4	1.7%
Caroline	\$0.5	1.7%
Frederick	\$5.0	2.3%
Howard	\$7.2	2.6%
Prince George's	\$13.9	1.6%
Worcester	\$1.1	2.7%

Source: Local school budgets

State Fiscal Effect: Maryland's capital budget for fiscal 2001 includes \$256 million to provide new and renovated classrooms for elementary and secondary school students. The actual cost to implement the six basic principles of sustainable public school buildings into public school construction and renovation projects is not known at this time. However, for illustrative purposes, each 1% increase in costs relating to incorporating these principles into school construction would increase State expenditures by \$2.5 million, assuming that the same number of school projects are built and that the six basic principles are considered eligible costs.

Local Fiscal Effect: In fiscal 1998, local school systems spent \$471 million on school construction, of which \$300 million went for contracted services, \$150 million went for buildings and equipment, and \$17 million went for other charges. In fiscal 1998, the State provided local school systems with \$136 million for school construction purposes. For each 1% increase in contracted services cost, local school expenditures would increase by \$3 million. A portion of these increased costs would be covered by the State if the projects are approved by the Board of Public Works.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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