

**Department of Legislative Services**  
 Maryland General Assembly  
 2002 Session

**FISCAL NOTE**

Senate Bill 683 (Senator Pinsky)  
 Budget and Taxation

**Public School Construction - Use of Solar Energy - Pilot Program**

This bill alters a condition for receiving a State grant under the public school solar energy pilot program by requiring that solar energy meet some of the school building's electrical energy needs instead of a certain percentage. The bill also extends funding eligibility to existing public schools that intend to install a solar energy system as an independent project that is not a part of an approved school construction or renovation project.

**Fiscal Summary**

**State Effect:** State funding in the amount of \$500,000 is available in FY 2003 for the solar energy pilot program. This funding is sufficient to install ten solar energy systems in public schools.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	500,000	0	0	0	0
Net Effect	(\$500,000)	\$0	\$0	\$0	\$0

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

**Local Effect:** Local school systems intending to install a solar energy system may receive a State grant to cover a portion of the costs.

**Small Business Effect:** None.

## Analysis

**Current Law:** The Interagency Committee on Public School Construction (IAC) may provide grants to local boards of education to assist in implementing the use of solar energy systems in newly constructed or renovated school buildings. To be eligible for funding, the solar energy system must be a part of an approved school construction or renovation project. The State grants cover 90% of the total additional cost of constructing or renovating school buildings to utilize solar energy systems. Local matching funds cover 10% of the cost and all architectural and engineering fees. To be eligible for a grant, the solar energy system must provide a certain percentage of the school's energy demands: 20% for an elementary school; 15% for a middle school; and 10% for a high school.

**Background:** Chapter 300 of 2000 established a Solar Energy Pilot Program to promote the use of solar energy systems in public school buildings. Several local school systems have expressed interest in applying for a grant, including Anne Arundel and Montgomery counties. However, no local school project has met the existing eligibility requirements for State funding. Prior to the establishment of the pilot program, Montgomery and Prince George's counties have used solar energy technology in several school construction projects.

**State Fiscal Effect:** The Governor included \$250,000 in the State budget for the solar energy pilot program in both fiscal 2001 and 2002. The funds have not been expended nor reverted back to the State's general fund. Accordingly, \$500,000 remains available to fund the solar energy pilot program in fiscal 2003. The Governor has not included any additional funding in the fiscal 2003 State budget for the pilot program. The cost to install a solar energy system varies by the system's size. The IAC advises that a 7.7 kilowatt system at a cost of \$55,000 would be installed at ten public schools. The State share of the costs would total \$500,000 and the local share would total \$50,000.

---

## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland State Department of Education, Maryland Energy Administration, Interagency Committee on Public School Construction, Department of Legislative Services

**Fiscal Note History:** First Reader - February 25, 2002  
ncs/cer

---

Analysis by: Hiram L. Burch Jr.

Direct Inquiries to:  
John Rixey, Coordinating Analyst  
(410) 946-5510  
(301) 970-5510