

Department of Legislative Services  
Maryland General Assembly  
2003 Session

**FISCAL AND POLICY NOTE**

Senate Bill 2

(Senator Pinsky)

Budget and Taxation

Appropriations

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

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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.

The bill takes effect July 1, 2003.

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**Fiscal Summary**

**State Effect:** The FY 2004 State budget does not include any funding for the Solar Energy Pilot Program. While this bill makes the pilot program's criteria less restrictive, it does not mandate any additional State funding for the program.

**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.

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**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.

The Governor included \$250,000 in the State budget for the solar energy pilot program in both fiscal 2001 and 2002. The funds were not expended and were reverted back to the State's general fund during the 2002 session. The Governor has not included any funding in the fiscal 2004 State budget for the pilot program.

**State Fiscal Effect:** The cost to install a solar energy system varies by the system's size. The IAC advises that a 7.7 kilowatt system would cost approximately \$55,000. This size system would generate a very small portion of a school's electrical needs; however, the system would aid in the teaching and promotion of energy conservation. While this bill makes the program's criteria less restrictive, it does not mandate any additional State funding. However, the less restrictive criteria may encourage local school systems to apply for a grant under the program.

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### **Additional Information**

**Prior Introductions:** A similar bill was introduced at the 2002 session as SB 683. The bill received an unfavorable report by the Senate Budget and Taxation Committee.

**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 - January 20, 2003  
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