

Department of Legislative Services
 Maryland General Assembly
 2004 Session

FISCAL AND POLICY NOTE
 Revised

House Bill 1230

(Delegate Hixson, *et al.*)

(Task Force to Study Public School Facilities)

Appropriations and Ways and Means

Budget and Taxation

Public School Facilities Act of 2004

This bill implements many of the recommendations of the Task Force to Study Public School Facilities to include additional State and local funding for public school construction and alternative methods to finance school construction projects.

Except for certain provisions, the bill takes effect July 1, 2004. The provision relating to relocatable classrooms takes effect July 1, 2005 and terminates on June 30, 2008. The provision relating to the Aging Schools Program takes effect July 1, 2005.

Fiscal Summary

State Effect: General fund expenditures would increase by \$2.3 million in FY 2005. Annuity Bond Fund expenditures for debt service costs would increase by \$2.4 million in FY 2007 and by \$131.5 million in FY 2020.

(\$ in millions)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	2.3	3.3	3.5	3.5	2.3
Bond Exp.	0	0	2.4	7.1	15.9
Net Effect	(\$2.3)	(\$3.3)	(\$5.9)	(\$10.6)	(\$18.2)

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

Local Effect: Local funding for school construction would be significantly affected by the bill's provisions. Twelve local school systems would realize an increase in the State share of eligible school construction costs, while five systems would realize a decrease. Funding under the Aging Schools Program is modified with seven systems realizing an increase in funding and nine systems realizing a decrease.

Small Business Effect: Meaningful.

Analysis

Bill Summary: This bill implements many of the recommendations of the Task Force to Study Public School Facilities. Major provisions are discussed below.

State and Local Funding for Public School Construction

The bill states that it is the intent of the Governor and the General Assembly that a minimum of \$3.85 billion be provided to fund school facility needs by fiscal 2013. Of this amount, the State will provide \$2 billion and local governments will provide \$1.85 billion over the next eight years.

Allocation of State School Construction Funds

The Interagency Committee on School Construction (IAC) must provide recommendations to the Board of Public Works (BPW) by December 31 of each year for public school construction projects that comprise at least 75% of the anticipated school construction allocation for the following fiscal year. The remaining allocation may be allocated by BPW as provided in regulation.

State and Local Cost-share Formula

BPW must establish a new State and local cost-share formula for each county for use beginning in fiscal 2006, consistent with the recommendations contained in the task force report. Special school construction funding provisions relating to Baltimore City and Prince George's County may be altered depending upon the new cost-share formula adopted by the board. Pay-as-you-go funding provided by a county must be included in the local debt calculation used to determine the State share. The new State and local cost-share formula adopted must ensure that, during fiscal 2006 through 2008, no county has a State share that is less than the county's State share in fiscal 2005.

Class Size/State Rated Capacity

The State rated capacity (SRC) for elementary classes in grades one to five is lowered from 25 students per class to 23 students.

Emergency Repair Fund

It is the bill's intent that BPW and IAC establish an emergency repair fund to finance renovations and improvements to public schools, thereby resolving deficiencies that present an immediate hazard to the health or safety of the students or staff of the schools. BPW and IAC must develop procedures for the use of the funds by July 1, 2004. The fund must receive at least \$2 million in fiscal 2005.

Aging Schools Program

The bill alters the allocation of the Aging Schools Program beginning in fiscal 2006 by basing funding on the current percentage of pre-1970 square footage and by retaining the \$65,000 and \$85,000 minimum allocations.

Authorization to Issue Bonds to Fund Public School Construction

A county is authorized to issue bonds to finance the costs of construction or improvement of public school facilities. The bonds must be authorized by a resolution of the local governing body. The resolution must: (1) describe the public school construction or improvements to be financed through the sale of the bonds; (2) state the maximum principal amount of the bonds; (3) describe the sources of repayment of the bonds; (4) state the maximum term of the bonds, which may not exceed 30 years; and (5) describe any terms or conditions under which the bonds may be redeemed before maturity.

Bonds issued constitute an irrevocable pledge of the full faith and credit and unlimited taxing power of the county to the payment of the principal and interest on the bonds when the bonds become payable and are exempt from State, county, and municipal taxation. A county may enter into agreements with agents, banks, fiduciaries, insurers, or others to enhance the marketability of and security for the bonds; or secure any tender option granted to the holders of the bonds.

Additional Local Taxing Authority (Property Taxes)

The county must impose an ad valorem tax on all assessable property within the county for the purpose of covering the debt service on the outstanding bonds.

Alternative Financing Methods

Except when prohibited by local law, a county may engage in the following to finance or to speed delivery of, transfer risks of, or enhance the delivery of public school construction: alternative financing methods; competitive negotiation instead of competitive bidding; accepting unsolicited proposals for the development of public

schools; and using quality-based selection in which selection is based on a combination of qualifications and cost factors. Alternative financing methods include sale-leaseback arrangements, lease-leaseback arrangements, public-private partnership agreements, performance-based contracting, and design-build arrangements. BPW must adopt regulations recommended by IAC to implement these provisions. The Public School Construction Program (PSCP) must provide assistance to Baltimore City, counties, and local boards of education in using alternative financing mechanisms, when appropriate. PSCP must report to BPW, Baltimore City, county governments, local school systems, and the General Assembly by September 1 of each year on the use of alternative financing mechanisms to finance public school construction in Maryland in the prior fiscal year.

Eligible Costs for Relocatable Classrooms

The bill makes the purchase of relocatable classrooms an eligible cost under PSCP for the three-year period fiscal 2006 through 2008. BPW must adopt regulations that define relocatable classrooms and establish the minimum specifications for relocatable classrooms which may be purchased using State funds. The Governor must provide \$1 million in fiscal 2006 through 2008 for public school construction in excess of the estimates of funding for public school construction contained in the fiscal 2005 through 2009 capital improvement plan for the purpose of funding the State share of the cost of purchasing relocatable classrooms.

Survey of Public School Facilities

IAC must survey the condition of school buildings identified by the Maryland State Department of Education (MSDE) each year. The Department of General Services (DGS) must conduct the inspections of individual school buildings. IAC must report to the Governor and the General Assembly by October 1 of each year on the results of the survey for the prior year. In addition, MSDE must adopt regulations that provide for periodic surveys of the condition of public school facilities in Maryland at least every four years. The surveys must be similar to the Facility Assessment Survey that MSDE conducted at the direction of the task force. The State must provide the funds necessary to conduct the survey.

Termination of Authorization

Any funds approved for a project that has not been contracted for within two years shall revert to the statewide contingency fund. IAC, with the approval of BPW may extend the time period if IAC determines that unusual circumstances exist. Any unexpended allocation of funds for previously approved projects must be transferred to the fund. IAC

must report to the General Assembly by June 1 and December 1 of each year on the balance in the fund as the result of transfers or reversions.

Ownership of Public School Facilities

The bill enables a private entity to hold the title to property used for a particular public school or local school system if the private entity is contractually obligated to transfer the title to the appropriate local board of education on a specified date. The conveyance of title of school property to a private entity for a specified term may not be construed to prohibit the allocation of construction funds to an approved school construction project under the Public School Construction Program. A county or local board of education may convey or dispose of surplus land in exchange for public school construction or development services.

Reuse of Plans and Specifications for School Construction Projects

Local boards of education are encouraged to reuse recently used school designs, when educationally appropriate and cost effective over the useful life of the project, within each county and across local school systems.

Purchasing Contracts

DGS must provide a report to MSDE and each local school system by July 1 of each year that describes existing State purchasing contracts that the local school systems may use to purchase school furniture, equipment, commodities, and services.

IAC and BPW

The bill expands the types of regulations that BPW can implement and codifies IAC membership to include the State Superintendent of Schools, the Secretary of Planning, and the Secretary of General Services. BPW is authorized to adopt regulations that establish priority public school construction programs and provide for the development of cooperative arrangements that permit the sharing of facilities among two or more local school systems.

Capital Debt Affordability Committee

The Capital Debt Affordability Committee must review annually beginning in 2005, the additional school construction funding needs as identified in the 2004 Task Force to Study Public School Facilities report and must make a specific recommendation regarding additional funding for school construction when recommending the State's

annual debt limit. This recommendation must include a multiyear funding recommendation that will provide stability in the annual funding for school construction.

Current Law: PSCP, through oversight by IAC, provides State funding to local school systems for school construction and improvement projects. Each September, the Governor provides IAC with the proposed amount of funding for public school construction for the upcoming fiscal year. IAC then transmits this information to the local jurisdictions and requests their annual and five-year capital improvement programs (CIPs) by October 15.

In October and November, IAC staff reviews the CIPs and recommends to IAC which projects should be funded based on certain criteria. In December, IAC develops a list of eligible projects and decides which of those projects should be recommended to BPW for its approval. IAC typically recommends an initial allocation of 75% of the proposed school construction budget. In January, BPW listens to appeals from the local jurisdictions and votes on IAC recommendations. The list of projects approved by BPW and any supplemental requests made by the Governor become part of the State's proposed capital budget. The proposed budget is then submitted to the General Assembly for approval. In May, BPW allocates any remaining school construction funds to school construction projects recommended by IAC and the Governor.

BPW defines by regulation what constitutes an approved public school construction or capital improvement cost. Although it is not written into regulations or any other published policy manuals or guidelines, the purchase of relocatable classrooms has never been eligible for State funding. Under current law, all public school property must be held in trust by the appropriate local board of education.

Background: In 2002, the Bridge to Excellence in Public Schools Act (Chapter 288) established a Task Force to Study Public School Facilities. Chapter 288 directed the task force to look at whether the State's public school facilities are adequate to sustain programs provided for under the Act and supported by proposed funding levels. The Act further directed the task force to examine the equity of the State's school construction program, particularly the equity of the State and local cost shares for school construction projects; whether to continue the Aging Schools Program as a permanent program; and any other issues the task force determines are relevant to evaluate the adequacy and equity of the State's school construction program.

In completing its charge, the task force undertook an assessment of the current conditions of the State's existing public schools. A survey was conducted by MSDE based on 31 minimum facility standards developed by a workgroup chaired by the State Superintendent of Schools and approved by the task force in March 2003. The standards were based on local, State, and federal standards for facilities and included the ability of

the facility to support educational programs. The National Clearinghouse for Educational Standards reported that Maryland's survey is the first of its kind in the nation. The survey results were released on November 6, 2003.

The survey indicated that \$3.9 billion is needed to bring existing public schools up to standards of which \$1.5 billion is needed for additional student capacity for the 2007-2008 school year. **Appendix 1** shows the amount of needed funds in each county. Furthermore, more than one-third of public schools across the State did not meet the standard in at least one of eight facility areas. Among the facility areas in need of attention are student capacity, accessibility for students with disabilities, existing pre-kindergarten and kindergarten classrooms, and spaces for secondary science, fine arts, and health services. It should be noted that many of the standards are based on relatively new standards developed in the last 10 to 15 years. Only 26% of Maryland's school space has been constructed or undergone major renovation since 1990. All schools are required to meet the current standards when they are constructed or renovated.

State Fiscal Effect: General fund expenditures could increase by \$2.3 million in fiscal 2005. **Exhibit 1** shows the potential cost by agency in fiscal 2005 through 2009. It is assumed that State PAYGO funds would be used for the emergency repair fund and relocatable classrooms. MSDE is responsible for conducting the facilities assessment survey.

Exhibit 1
General Fund Expenditures at MSDE and PSCP

<u>Agency/Expenditure</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
MSDE – Administrative	\$56,500	\$70,100	\$73,900	\$78,000	\$82,300
PSCP – Administrative	225,100	221,500	172,300	171,300	180,500
Emergency Repair Fund	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Relocatable Classrooms	0	1,000,000	1,000,000	1,000,000	0
Facilities Survey	<u>0</u>	<u>0</u>	<u>250,000</u>	<u>250,000</u>	<u>0</u>
Total	\$2,281,600	\$3,291,600	\$3,496,200	\$3,499,300	\$2,262,800

Administrative Costs – MSDE

The proposed fiscal 2005 budget for MSDE's School Facilities Branch includes four registered architect positions and one administrative assistant. Existing staffing is adequate to manage an annual school construction program of up to \$187 million.

Beyond this level, additional staff support would be required. Due to the bill's funding intent, the level of State funding for public school construction will average \$250 million per year over the next eight years. This will require one additional registered architect position to review local funding requests. Accordingly, general fund expenditures within MSDE would increase by \$56,500 in fiscal 2005. Future year expenditures increase to \$70,100 in fiscal 2006 and \$82,300 in fiscal 2009, which reflects annualization and inflation.

Administrative Costs – PSCP

This bill increases the responsibilities and activities of PSCP, resulting in the need for two additional staff positions, consultants, and various support services. PSCP would need one program manager and one administrative assistant to manage the development of regulations, develop PSCP procedures, provide technical assistance to local school systems, engage and monitor the work of consultants, and periodically propose revisions to regulations and procedures.

These two positions would increase general fund expenditures by \$117,300 in fiscal 2005 and by \$173,700 in fiscal 2009. In addition, the provisions relating to alternative financing and innovative building techniques will require the hiring of contractual consultants. Combined costs for these provisions total \$107,800 in fiscal 2005, \$73,600 in fiscal 2006, \$16,400 in fiscal 2007, and \$6,800 in fiscal 2008 and 2009. **Exhibit 2** shows the estimated costs for PSCP.

Exhibit 2
PSCP Administrative Costs

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Administrative	\$117,300	\$147,900	\$155,900	\$164,500	\$173,700
Alternative Financing	80,200	35,000	6,800	6,800	6,800
Innovative Buildings	<u>27,600</u>	<u>38,600</u>	<u>9,600</u>	<u>0</u>	<u>0</u>
Total	\$225,100	\$221,500	\$172,300	\$171,300	\$180,500

Emergency Repair Fund

The Emergency Repair Fund must receive at least \$2 million in fiscal 2005. It is assumed that this minimum level of funding would be continued each year.

Eligible Costs for Relocatable Classrooms

The Governor must include \$1 million in fiscal 2006 through 2008 for public school construction in excess of the estimates of funding for public school construction contained in the fiscal 2005 through 2009 capital improvement plan for the purpose of funding the State share of the cost of purchasing relocatable classrooms.

Facilities Assessment Survey

MSDE is required to conduct periodic surveys of the condition of public school facilities in Maryland at least every four years. The surveys must be similar to the Facility Assessment Survey that MSDE conducted at the direction of the task force. The State must provide the funds necessary to conduct the survey. MSDE advises that approximately \$8 million would be needed to conduct the survey. The Department of Legislative Services advises that MSDE conducted the original survey for the task force in 2003 within existing resources. Accordingly, the cost to periodically update the survey should not reach the amount requested by MSDE and may be in the range of \$500,000 over two years.

State Funding for Public School Construction

The bill specifies that \$2 billion in State funding be provided for public school construction projects by fiscal 2013. This amount is significantly higher than the current State commitment for public school construction. The fiscal 2005-2009 capital improvement program includes \$501.6 million for the public school construction program. To meet the bill's funding level by fiscal 2013, approximately \$250.0 million in State funds would be needed annually. This is approximately \$150.0 million more than the State's commitment for each of the next four fiscal years.

To meet the funding commitment specified in the legislation, the State will have to issue \$1.2 billion in additional bonds in fiscal 2006 through fiscal 2017. Annual debt service will total \$2.4 million in fiscal 2007, increasing to \$131.5 million in fiscal 2020, and declining to \$1.5 million in fiscal 2032. Interest payments on the \$1.2 billion bond issuance would total \$641.9 million. This estimate assumes a 5.25% to 5.5% annual interest rate over a 15-year period and a phased-in issuance stream. Without a corresponding reduction in the overall State capital budget, the increased issuance of general obligation bonds for public school construction would require either a State property tax increase or a general fund appropriation to the Annuity Bond Fund. Based on the current Annuity Bond Fund forecast which assumes a stable property tax rate, the State will be required to make a \$15 million general fund appropriation in fiscal 2007 to pay existing general obligation bond debt service. The required general fund appropriation increases to \$42 million in fiscal 2008 and \$58 million in fiscal 2009.

Pursuant to this legislation, the required general fund appropriation to the Annuity Bond Fund would total \$17.4 million in fiscal 2007, \$49.1 million in fiscal 2008, and \$73.9 million in fiscal 2009. **Exhibit 3** shows the projected State debt service costs for the additional bond issuance in fiscal 2006 through 2010. **Appendix 2** shows the amortization table for the additional bond issuance.

Exhibit 3
Potential Increase in State Debt Service Costs
(\$ in millions)

	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Issuance Stream	31%	25%	20%	15%	9%
Interest Rate	5.25%	5.5%	5.5%	5.5%	5.5%
Years to Maturity	15	15	15	15	15
Additional Bond Issuance	\$46.5	\$84.0	\$114.0	\$136.5	\$150.0
Debt Service Costs	\$0	\$2.4	\$7.1	\$15.9	\$28.0

Local Fiscal Effect: The bill states that it is the intent of the Governor and the General Assembly that localities provide \$1.85 billion to fund school facility needs by fiscal 2013. Local funding needs would be affected by several provisions of the bill.

State and Local Shared Cost Formula

The State and local shared cost formula is used to distribute the costs for school construction projects between the State and locality. Since the formula is wealth-equalized, the State pays a greater share of the costs for less wealthy counties. This bill requires BPW to establish a new State and local cost-share formula for each county for use beginning in fiscal 2006, consistent with the recommendations contained in the task force report. The task force recommended that the formula be based on the actual State share of the foundation program and include adjustments for the Guaranteed Tax Base program, the percentage of students in the district qualifying for free and reduced-price meals, distressed county factors, five-year enrollment growth above the State average, and a measure of prior local effort toward school construction.

The current and the proposed task force State and local shared cost formula is shown in **Appendix 3**. Twelve local school systems would realize an increase in the State share of eligible school construction costs, while five systems would realize a decrease. However, the legislation specifies that the new State and local cost-share formula adopted must

ensure that, during fiscal 2006 through 2008, no county would receive a State share that would be less than the amount in fiscal 2005. Altering the shared cost formula would not affect total State funding for public school construction but would affect the amount of local funds required to match State funding.

Class Size/State Rated Capacity

PSCP uses an assumed school building capacity in evaluating requests for additional space and new schools. At the elementary school level the current SRC is 25 students per classroom for grades one to five. However, the average class size is 23 students for grades one to five. This bill lowers SRC to reflect the average class sizes in Maryland public schools. By lowering SRC from 25 to 23 students per classroom for grades one to five, local school systems would need additional classrooms at the elementary school level. For example a 20-classroom school would have an SRC of 500 students under current regulations and an SRC of 460 students under the new rating. This results in the need for two additional classrooms. The average construction cost for a new classroom is approximately \$200,000. Altering SRC would not affect total State funding for public school construction in any given year.

Aging Schools Program

The Aging Schools Program was established by Chapter 105 of 1997 to provide additional funds to jurisdictions to address the needs at their aging school facilities. The funds may be used for capital improvements, repairs, and deferred maintenance. Projects selected will protect the school building from deterioration, improve the safety of students and staff, or enhance the delivery of educational programs.

The initial funding, \$4.35 million, was established in the same legislation as the Baltimore City-State Partnership. The annual funding was increased in 1998 to \$10.37 million as part of the School Accountability and Funding for Excellence (SAFE) legislation. Funds for each jurisdiction are specified in statute. Allocations are based on each jurisdiction's proportion of square footage in the State built before 1960 (as of 1995). Each jurisdiction receives a minimum allocation. Originally set to expire in 2002, the Aging Schools Program has been extended several times by legislation.

This bill alters the allocation of the Aging Schools Program beginning in fiscal 2006 by basing funding on the current percentage of pre-1970 square footage and by retaining the \$65,000 and \$85,000 minimum allocations. Local school systems with 0.49% or less of the statewide pre-1970 square footage receive \$65,000 and local school systems with 0.50% but less than 1.0% of the statewide pre-1970 square footage receive \$85,000. **Appendix 4** compares the allocation under current law with the proposed allocation

under the bill. Seven local school systems would receive more funding while nine local school systems would receive less funding.

Authorization to Issue Bonds to Fund Public School Construction

A county is authorized to issue bonds to finance the costs of construction or improvement to public school facilities and to implement transfer taxes, excise taxes, and property taxes in order to fund the local share of school construction, without obtaining General Assembly approval.

Property Tax Provision

Local property tax rates could increase to the extent that localities issue additional bonds to finance school construction or improvement projects. Any increased property taxes would be in an amount equal to cover the required debt service amount.

Reuse of Plans and Specifications for School Construction Projects

The ownership of plans and specifications for school construction projects are governed by the terms of the contract between the local board of education and the contractor that developed the work product. Current law does not address this issue. The development of construction documents, such as architectural and engineering plans, accounts for approximately 6% of the total construction cost for a public school project. Since architectural and engineering plans are ineligible costs under the State PSCP, local school systems are required to pay the full cost to develop the plans. Local school systems frequently reuse an architectural and engineering plan for multiple school construction projects within their county.

The reuse of plans will not eliminate the planning costs for a school construction project because local school systems may need to modify the original plans to reflect site-specific characteristics, building code changes, school capacity and educational program differences, and changes to mechanical and structural systems. Due to these factors, local school systems will still need to hire an architectural and engineering firm. According to IAC, reusing a plan could reduce the total construction cost for a typical capital project by 1.5%. This represents approximately 25% of the architectural and engineering fees incurred by local school systems for a capital project.

Relocatable Classrooms

There are currently 212 classrooms in State-owned relocatable buildings, 1,833 classrooms in locally-owned relocatable buildings, and 647 classrooms in relocatable buildings that are leased by local school systems. According to PSCP, the policy that the

State has followed since the inception of the program has been to fund projects that provide student capacity solutions that are more permanent than relocatable classrooms.

Relocatable classrooms range in price from approximately \$36,000 for a single classroom unit to \$63,000 for a double classroom with rest rooms. These amounts do not include the costs of installing fire alarm and protection services, electrical systems, water lines, sewer supply and connections, steps, decks, platforms, and walkways. Three-year leasing costs range from approximately \$20,000 for a single classroom unit to approximately \$30,000 for a double classroom unit. Leasing costs include some of the installation costs mentioned above. Pursuant to this bill, local school systems that use relocatable classrooms in order to provide a quicker and less expensive solution to school capacity problems could receive additional funds from the State.

Alternative Financing Methods

In alternative financing, a government entity does not issue its own debt; instead, a private party serves as an intermediary and secures financing. Typically, the government entity repays the cost of financing through its operating budget. The principal types of alternative financing are lease-leaseback, sale-leaseback, performance-based contracting, public-private partnerships, and design-build arrangements.

The task force found that traditional municipal bond financing is the least expensive and most efficient financing method available for public school construction. Alternative methods may be desirable when the financial benefits of completing a project quickly outweigh the additional cost over time or when a limited project scope warrants a performance-based contracting approach.

Small Business Effect: Assuming the State complies with the intent of this legislation, State funding for public school construction would increase by \$150 million annually. This will have a positive impact on architectural, engineering, construction, and service firms throughout Maryland. As of calendar 2002, there were 17,000 construction firms in Maryland employing 165,725 individuals. Construction workers earned a total of \$6.8 billion in wages which average to approximately \$800 per week. The construction industry accounts for approximately 7% of total employment in Maryland. In addition, there are 5,750 licensed architects and 13,500 professional engineers in Maryland. However, the potential benefit for architectural and engineering firms could be mitigated from the loss in revenue due to the reuse of plans and specifications for multiple projects.

Additional Information

Prior Introductions: None.

Cross File: SB 787 (Senators Hogan and McFadden) (Task Force to Study Public School Facilities) – Budget and Taxation.

Information Source(s): Department of General Services, Board of Public Works, Maryland State Department of Education, Public School Construction Program, Department of Legislative Services

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Appendix 1
Cost Estimates to Bring Facilities Up to Current
Standards for New Construction

<u>Local School System</u>	<u>Estimated Cost</u>
Allegany	\$71,426,000
Anne Arundel	336,458,000
Baltimore City	570,599,000
Baltimore	408,845,000
Calvert	102,911,000
Caroline	5,435,000
Carroll	135,297,000
Cecil	46,873,000
Charles	178,419,000
Dorchester	33,816,000
Frederick	203,625,000
Garrett	20,142,000
Harford	204,666,000
Howard	168,727,000
Kent	1,180,000
Montgomery	279,307,000
Prince George's	778,225,000
Queen Anne's	9,666,000
St. Mary's	52,530,000
Somerset	9,030,000
Talbot	18,989,000
Washington	93,827,000
Wicomico	69,993,000
Worcester	54,122,000
Total Cost	\$3,854,108,000

Note: Costs reported by local school systems in July 2004 dollars and includes both State and local costs.

Source: Public School Construction Program

Appendix 2
Public School Construction Program
Cost of Authorizing an Additional \$1.2 Billion in GO Bonds
(\$ in millions)

<u>Fiscal Year</u>	<u>Debt Authorized</u>	<u>Debt Issued</u>	<u>Debt Service</u>	<u>Debt Outstanding</u>
2005	\$0.0	\$0.0	\$0.0	\$0.0
2006	150.0	46.5	0.0	46.5
2007	150.0	84.0	2.4	130.5
2008	150.0	114.0	7.1	244.5
2009	150.0	136.5	15.9	378.4
2010	150.0	150.0	28.0	521.1
2011	150.0	150.0	42.5	657.2
2012	150.0	150.0	58.2	785.0
2013	150.0	150.0	74.7	903.4
2014	0.0	103.5	91.1	965.4
2015	0.0	66.0	105.0	979.4
2016	0.0	36.0	116.8	952.4
2017	0.0	13.5	124.5	893.7
2018	0.0	0.0	128.8	814.0
2019	0.0	0.0	130.8	727.9
2020	0.0	0.0	131.5	636.4
2021	0.0	0.0	131.5	539.8
2022	0.0	0.0	126.5	443.0
2023	0.0	0.0	117.3	350.0
2024	0.0	0.0	104.8	264.5
2025	0.0	0.0	89.8	189.2
2026	0.0	0.0	73.4	126.2
2027	0.0	0.0	56.9	76.2
2028	0.0	0.0	40.5	40.0
2029	0.0	0.0	24.0	18.1
2030	0.0	0.0	12.7	6.5
2031	0.0	0.0	5.4	1.4
2032	0.0	0.0	1.5	0.0
2033	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	0.0
Total	\$1,200.0	\$1,200.0	\$1,841.9	

Source: Department of Legislative Services, February 2003

Appendix 3
Revised Cost-share Formula Approved by Task Force to Study Public School Facilities

<u>County</u>	<u>Percent State Share Current</u>	<u>Percent Local Share Current</u>	<u>Percent State Share With Add-ons</u>	<u>Percent Local Share with Add-ons</u>
Allegany	75%	25%	90%	10%
Anne Arundel	50%	50%	50%	50%
Baltimore City	90%	10%	96%	4%
Baltimore	50%	50%	50%	50%
Calvert	55%	45%	69%	31%
Caroline	75%	25%	89%	11%
Carroll	65%	35%	62%	38%
Cecil	70%	30%	68%	32%
Charles	65%	35%	70%	30%
Dorchester	70%	30%	77%	23%
Frederick	65%	35%	71%	29%
Garrett	70%	30%	70%	30%
Harford	65%	35%	58%	42%
Howard	50%	50%	58%	42%
Kent	50%	50%	50%	50%
Montgomery	50%	50%	50%	50%
Prince George's	75%	25%	69%	31%
Queen Anne's	55%	45%	69%	31%
St. Mary's	70%	30%	71%	29%
Somerset	80%	20%	97%	3%
Talbot	50%	50%	50%	50%
Washington	65%	35%	59%	41%
Wicomico	70%	30%	81%	19%
Worcester	50%	50%	50%	50%

*This analysis assumes the add-ons would be based on the additional aid that counties would receive if the Guaranteed Tax Base program were fully implemented in fiscal 2004. The program is scheduled to start in fiscal 2005 and be fully implemented by fiscal 2008.

**The legislation specifies that the new State and local cost-share formula adopted must ensure that, during fiscal 2006 through 2008, no county would receive a State share that would be less than the amount received in fiscal 2005.

Appendix 4
State Funding for the Aging Schools Program

<u>County</u>	<u>Current Law</u>	<u>Under SB 787</u>	<u>Difference</u>
Allegany	\$355,000	\$166,000	-\$189,000
Anne Arundel	570,000	859,000	289,000
Baltimore City	1,635,000	2,356,000	721,000
Baltimore	2,940,000	1,484,000	-1,456,000
Calvert	65,000	65,000	0
Caroline	85,000	85,000	0
Carroll	385,000	233,000	-152,000
Cecil	355,000	163,000	-192,000
Charles	65,000	85,000	20,000
Dorchester	65,000	65,000	0
Frederick	85,000	310,000	225,000
Garrett	85,000	65,000	-20,000
Harford	400,000	369,000	-31,000
Howard	65,000	149,000	84,000
Kent	65,000	65,000	0
Montgomery	1,170,000	1,023,000	-147,000
Prince George's	970,000	2,053,000	1,083,000
Queen Anne's	85,000	85,000	0
St. Mary's	85,000	85,000	0
Somerset	65,000	65,000	0
Talbot	155,000	65,000	-90,000
Washington	200,000	229,000	29,000
Wicomico	355,000	181,000	-174,000
Worcester	<u>65,000</u>	<u>65,000</u>	<u>0</u>
Total	\$10,370,000	\$10,370,000	\$0