

Department of Legislative Services  
Maryland General Assembly  
2005 Session

FISCAL AND POLICY NOTE

House Bill 1221  
Appropriations

(Delegate Impallaria, *et al.*)

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Education - Public School Construction - Plans and Specifications

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This bill provides that the original plans and specifications for a public school construction or capital improvement project are the property of the local board of education that commissioned the plans and specifications. On completion of a project, a local board may use, sell, or convey the original plans for a school construction or improvement project. The local board may not charge another local board of education a fee for the plans and specifications that is more than 50% of the cost for the original plans and specifications. A local board that purchases plans from another local board and is required to modify the original plans must offer the contract for plan modification to the originating architects before opening the contract to competitive bidding. The bill only applies to plan and specification contracts executed after the effective date of the bill.

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Fiscal Summary

**State Effect:** None. The bill would not impact State funding for public school construction.

**Local Effect:** Local board of education revenues would increase for boards that are able to sell plans. The impact on local school expenditures for boards that purchase plans would depend on the cost of the plans and the cost of plan modifications.

**Small Business Effect:** Potential meaningful.

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## Analysis

**Current Law:** Although the practice is not authorized in statute, local boards of education may sell plans and specifications for school construction and improvement projects with the permission of the architect.

**Background:** One of the recommendations of the Task Force to Study Public School Facilities, which released its final report in February 2004, was for the Public School Construction Program (PSCP) and the Maryland State Department of Education (MSDE) to “encourage the reuse of recent school designs, when educationally and appropriate and with appropriate site and programmatic adaptation, within and across local school system boundaries.” The final report also suggests that the Interagency Committee on Public School Construction consider whether incentives or requirements for sharing plans and specifications would be appropriate. MSDE advises that it and PSCP currently encourage school systems to reuse plans when the educational requirements of the schools are similar.

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’s school construction program, local school systems are required to pay the full cost to develop the plans.

**Local Fiscal Effect:** The bill would authorize local boards of education to sell plans and specifications for school construction and improvement projects, potentially increasing local board of education revenues.

The financial benefit for local boards of education that wish to purchase plans from another board would depend on the sale price and the amount that could be saved by purchasing the plans. In general, the reuse of plans is thought to save approximately 25% on the design fee. Therefore, paying 50% of the design fee to purchase plans would not be advantageous in most situations. The bill prohibits a local board from selling plans for more than 50% of the cost, but does not prohibit a sale at a lower price. A lower sale cost combined with a higher design fee savings could provide a financial benefit for the purchasing board. Regardless, the primary benefit for a local board of education that purchases school plans and specifications would be a reduction in design time.

**Small Business Effect:** Any transactions between local boards of education would result in reductions in the design fees being paid by local boards to architecture and engineering companies.

## Additional Information

**Prior Introductions:** A similar bill was introduced last year as HB 58. The bill received an unfavorable report from the Appropriations Committee.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - March 15, 2005  
mam/rhh

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