

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

House Bill 887
Appropriations

(Delegate Impallaria, *et al.*)

Education - Public School Construction - Plans and Specifications

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.

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.

Analysis

Current Law: Although the practice is not authorized in statute, a local board of education may sell plans and specifications for a school construction or improvement project 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 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 7.5% 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 jurisdictions 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. Even if the outer designs of two schools are the same, there are significant changes that must be made to the architectural and engineering plans to account for different topographies, drainage patterns, soil conditions, and building orientations. Assuming no better than a 25% reduction in the design fee for a purchasing board, paying a school system that owns the plans 50% of the initial design fee would not be advantageous. However, the bill does not prohibit a local board from selling plans for less than 50% of the cost. A lower sale cost combined with 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: An increase in the use of repeat designs would result in reductions in the design fees being paid by local boards of education to architecture and engineering companies. However, the bill does require a board that reuses a design to offer the contract for plan modifications to the originating architects before opening the contract to competitive bidding. A small architecture firm could benefit significantly from repeated uses of its design. It could do multiple redesigns without ever going through the competitive bidding process.

Additional Information

Prior Introductions: This bill was introduced last year as HB 1221. It received an unfavorable report from the House Committee on Appropriations.

Cross File: None.

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

Fiscal Note History: First Reader - March 20, 2006
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