

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

House Bill 514
Appropriations

(Delegate Stocksdales, *et al.*)

State Board of Education - Study on the Use of Prefabricated School Construction

This bill requires the State Board of Education to conduct a study of the feasibility, advantages, disadvantages, and potential savings of the use of prefabricated school construction in Maryland. The State board must report its findings to the General Assembly by December 31, 2012.

The bill takes effect June 1, 2012, and terminates May 31, 2013.

Fiscal Summary

State Effect: General fund expenditures by the Maryland State Department of Education (MSDE) increase on a one-time basis by \$4,000 to \$8,000 in FY 2013 to hire a design consultant to assist with the completion of the mandated study. No effect on revenues.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The State pays at least 50% of eligible costs of school construction and renovation projects, based on a funding formula that takes into account numerous factors including each local school system's wealth and ability to pay. Eligible costs include modular construction that meets specified standards for quality and temporary relocatable facilities that are necessary on-site during construction of a State-funded project.

Background: Maryland schools have limited experience with using prefabricated building technologies for school construction, much of it negative. Recently erected prefabricated school buildings or classroom units in Queen Anne's County and Baltimore City were found to be of poor quality. The facility in Queen Anne's County developed a severe mold problem, and the roof was found to not be structurally sound. In 2010, Baltimore City Public Schools banned any additional use of prefabricated portable classrooms at its schools, except as temporary classrooms during school renovations.

Prefabricated school construction has been used with some success in other jurisdictions, most notably in Alberta, Canada. However, that effort is very new, so an assessment of its long-term durability cannot be made.

State Fiscal Effect: Both the Public School Construction Program and MSDE's Facilities Division have some knowledge and expertise regarding the potential benefits and disadvantages of prefabricated school construction. However, due to a combination of staffing shortages and the need for a comprehensive examination of the prefabricated school construction industry, MSDE advises that it would need to hire a short-term design consultant for approximately 64 hours to assist in doing industry research and drafting the report. The cost of the consultant is expected to range from \$4,000 to \$8,000. It is assumed that the consultant will begin work in July 2012 following a one-month delay to procure his or her services.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 12, 2012
mc/rhh

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