

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE

House Bill 597
Appropriations

(Prince George's County Delegation)

**Prince George's County Board of Education - Public High Schools - Outdoor
Synthetic Turf Fields
PG 407-15**

This bill requires the Prince George's County Board of Education to install an outdoor artificial turf field at each of 21 public high schools in the county by June 30, 2020 (fiscal 2020). It prioritizes the schedule for completion of the installation of fields by fiscal year and limits installation to no more than five fields in any fiscal year. Installation of the fields is deemed an eligible cost under the Public School Construction Program (PSCP), and the local share of the costs must be paid from Program Open Space (POS). The Prince George's County Board of Education may also use funds donated by a corporation and raised by a school, parent-teacher organization, school parent organization, or school athletic department. All fields installed under the bill must be for joint use under the board's education facility master plan.

The bill takes effect July 1, 2015.

Fiscal Summary

State Effect: No effect on total State funding for public school construction projects, which is established annually by the Governor and General Assembly through the capital budget process. However, to the extent that State school construction funding is allocated to the installation of fields in Prince George's County beginning in FY 2016, fewer funds will be available for school construction projects in Prince George's County or other jurisdictions. No effect on revenues.

Local Effect: Based on an estimated cost of between \$600,000 and \$750,000 to install an artificial turf field at four or five high schools each year, and a local cost share of 37%, annual expenditures by Prince George's County increase by between \$1.0 million and

\$1.25 million each year from FY 2016 through 2020. Local POS funds may be available to offset this cost, but their use may result in other funding priorities being delayed. To the extent that POS funds are not available, local expenditures increase. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: Potential meaningful for small businesses that manufacture and/or install artificial turf athletic fields.

Analysis

Current Law: State law does not address the installation of turf fields at public high schools.

For a description of PSCP, please see the **Appendix – State Funding for Public School Construction Projects.**

In addition to county operating revenue or general obligation debt revenue, several State funding sources are available to the county to fund the installation of turf fields at its high schools. First, POS, established in 1969 and administered by the Department of Natural Resources (DNR), provides funds for State and local acquisition and development of public outdoor recreational sites, facilities, and open space, which may include turf fields. Second, PSCP funds can be used to install an artificial turf or grass field at a new or replacement school or a major renovation project, but not as a separate project. Third, the Aging Schools Program (ASP) provides funds to local school systems for various school renovation projects including turf fields; projects must cost at least \$10,000 to be funded through the program. The Maryland State Department of Education (MSDE) and PSCP review ASP project requests submitted by local school systems, approve eligible projects, and determine if additional review of any construction documents will be required. The Governor's proposed fiscal 2016 capital budget includes \$6.1 million for the program, which is allocated in statute to each local school system based on each county's proportion of pre-1970 square footage in public school facilities.

Fourth, Qualified Zone Academy Bonds (QZABs), created by the federal Tax Reform Act of 1997, may be used to finance specified education projects. Under current federal guidelines, QZAB funds may be used only to rehabilitate or repair school facilities, provide equipment, develop course materials, or train teachers and other school personnel; they may not be used for new construction. They can be used only for qualified zone academies, which are defined as public schools that (1) are designed in cooperation with business to enhance the academic curriculum, increase graduation and employment rates, and prepare students for college and the workforce and (2) require students to meet the same academic standards and assessments as other students in the same school system. Qualified zone

academies must either be located in a federal Enterprise or Empowerment Zone or have at least 35% of their student population qualify for free or reduced-price meals. The Governor's proposed fiscal 2016 capital budget includes \$4.6 million in QZAB funds. In general, Maryland has allowed QZAB proceeds to be used only for renovation and repair (brick-and-mortar) projects; beginning with the 2011 sale of QZABs, Maryland has awarded QZAB funds in two ways:

- through competitively awarded grants by the Interagency Committee on School Construction to eligible school systems for qualified academies, including public charter schools; and
- for targeted grants awarded by MSDE to eligible school systems for qualified academies, including public charter schools, under the Breakthrough Center Program.

Background: Artificial turf fields are made of synthetic “blades” that are made to look like grass. “Crumb rubber,” which is derived from shredded scrap tires or from the retreading process, is frequently used as infill between the turf fibers to provide stability, uniformity, and resiliency. The Synthetic Turf Council reports that artificial turf fields have been installed in approximately 4,500 locations. The cost of installing a field is estimated to range between \$600,000 and \$750,000. DNR advises that local POS funds have been used or approved to install more than 40 artificial turf fields statewide. Prince George's County's POS allocation for fiscal 2015 is \$3.7 million, which includes \$1.5 million for the installation of turf fields at Gwynn Park High School and Dr. Henry A. Wise, Jr. High School; under the bill, those two schools are slated for field installations in fiscal 2016. The Department of Legislative Services notes that both fields were originally slated to be installed using POS funding in fiscal 2014 but were delayed.

Artificial turf fields have advantages and disadvantages compared with natural grass fields. Artificial turf fields tend to have significantly lower maintenance costs compared with grass fields. Turf fields are also better suited to year-round use. However, older turf fields have been found to have elevated lead content, although both the U.S. Environmental Protection Agency and the Consumer Product Safety Commission have found levels of lead and other contaminants in newer fields to be safe. Regarding injuries, a 2012 study published in the *American Journal of Sports Medicine* found that college football players were 1.39 times more likely to suffer knee injuries on artificial turf than on natural grass fields. However, the level of injuries on natural grass fields likely increases if they are poorly maintained, which is often the case with high school fields.

Local Fiscal Effect: As noted above, the installation cost per field is estimated to be between \$600,000 and \$750,000. Under the fiscal 2016 PSCP cost-share formula, Prince George's County is responsible for 37% of the cost of each field, or approximately

\$250,000 per field. With four or five fields slated for installation each fiscal year, the total cost to the county is roughly \$1.0 million to \$1.25 million each year through fiscal 2020.

Additional Information

Prior Introductions: Similar bills were introduced in 2013 (HB 1108) and 2014 (HB 1013). Both bills received hearings in the House Appropriations Committee, but no further action was taken on either bill.

Cross File: Although SB 867 (Senator Peters, *et al.* – Rules) is designated as a cross file, it is not identical.

Information Source(s): Department of Natural Resources, Prince George’s County, Public School Construction Program, U.S. Environmental Protection Agency, U.S. Consumer Product Safety Commission, *American Journal of Sports Medicine*, Synthetic Turf Council, Department of Legislative Services

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min/rhh

Analysis by: Michael C. Rubenstein

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

Appendix – State Funding for Public School Construction Projects

Subject to the final approval of the Board of Public Works (BPW), the Interagency Committee on School Construction (IAC) manages State review and approval of local school construction projects. Each year, local systems develop and submit to IAC a facilities master plan that includes an analysis of future school facility needs based on the current condition of school buildings and projected enrollment. The master plan must be approved by the local school board. Subsequently, each local school system submits a capital improvement plan to IAC that includes projects for which it seeks planning and/or funding approval for the upcoming fiscal year, which may include projects that the local system has forward funded. In addition to approval from the local school board, the request for the upcoming fiscal year must be approved by the county's governing body. Typically, the submission letter to IAC contains signatures of both the school board president and either the county executive and county council president or chair of the board of county commissioners.

Based on its assessment of the relative merit of all the project proposals it receives, and subject to the projected level of school construction funds available, IAC makes recommendations for which projects to fund to BPW. By December 31 of each year, IAC must recommend to BPW projects comprising 75% of the preliminary school construction allocation projected to be available by the Governor for the upcoming fiscal year. Local school boards may then appeal the IAC recommendations directly to BPW. By March 1 of each year, IAC must recommend to BPW and the General Assembly projects comprising 90% of the allocation for school construction submitted in the Governor's capital budget. Following the legislative session, IAC recommends projects comprising the remaining school construction funds included in the enacted capital budget for BPW approval, no earlier than May 1.

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. The Public School Facilities Act (Chapters 306 and 307 of 2004) requires that the cost-share formula be recalculated every three years. The first recalculation occurred in 2007, the second recalculation occurred in 2010, and the third, begun in 2013, was completed in 2014. **Exhibit 1** shows the State share of eligible school construction costs for all Maryland jurisdictions for fiscal 2015, which was determined by the 2010 recalculation, and for fiscal 2016 through 2018, as determined by the 2014 recalculation. Reductions in the State shares for Allegany, Cecil, and St. Mary's counties are phased in over two years because of the magnitude of the reductions.

Exhibit 1
State Share of Eligible School Construction Costs
Fiscal 2015-2018

<u>County</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Allegany	93%	88%	83%	83%
Anne Arundel	50%	50%	50%	50%
Baltimore City	93%	93%	93%	93%
Baltimore	50%	52%	52%	52%
Calvert	56%	53%	53%	53%
Caroline	78%	80%	80%	80%
Carroll	58%	59%	59%	59%
Cecil	69%	64%	63%	63%
Charles	63%	61%	61%	61%
Dorchester	69%	76%	76%	76%
Frederick	60%	64%	64%	64%
Garrett	50%	50%	50%	50%
Harford	63%	63%	63%	63%
Howard	60%	55%	55%	55%
Kent	50%	50%	50%	50%
Montgomery	50%	50%	50%	50%
Prince George's	62%	63%	63%	63%
Queen Anne's	50%	50%	50%	50%
St. Mary's	64%	59%	58%	58%
Somerset	82%	100%	100%	100%
Talbot	50%	50%	50%	50%
Washington	71%	71%	71%	71%
Wicomico	96%	97%	97%	97%
Worcester	50%	50%	50%	50%
Maryland School for the Blind	93%	93%	93%	93%

Source: Public School Construction Program

Chapters 306 and 307 also established the State's intent to provide \$2.0 billion of funding for school construction by fiscal 2013, an average of \$250.0 million each year for eight years. As a result, PSCP funding increased from \$125.9 million in fiscal 2005 to \$253.8 in fiscal 2006, and has remained above the \$250.0 million target each year since, which resulted in significant increases in school construction assistance to local school boards. As a result, the State achieved the \$2.0 billion goal ahead of schedule. **Exhibit 2** shows annual State public school construction funding from fiscal 2007 through 2015, by county.

The Governor's proposed fiscal 2016 budget includes \$250.0 million in general obligation bonds and \$30.0 million in pay-as-you-go general funds for PSCP. The fiscal 2016 *Capital Improvement Program* includes \$250.0 million annually for the program in fiscal 2017 through 2020.

Exhibit 2
State Public School Construction Funding
Fiscal 2007-2015
(\$ in Thousands)

<u>County</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY2015</u>
Allegany	\$18,650	\$412	\$0	\$0	842	\$727	\$1,999	\$2,496	\$6,597
Anne Arundel	22,675	27,827	27,420	25,020	26,200	32,400	33,349	34,870	36,200
Baltimore City	39,436	52,665	41,000	27,733	28,559	41,000	46,102	39,478	35,329
Baltimore	35,053	52,250	40,985	28,000	29,000	39,000	47,394	52,068	34,561
Calvert	2,723	12,644	7,824	8,181	8,450	7,317	7,129	5,577	2,653
Caroline	2,935	2,426	8,100	6,000	3,767	235	756	7,788	0
Carroll	8,282	8,219	11,741	10,520	8,444	9,079	15,211	4,874	3,915
Cecil	8,271	9,533	2,674	1,538	1,744	2,830	1,915	1,268	8,194
Charles	10,200	13,170	11,704	8,898	8,335	9,180	12,480	9,426	8,200
Dorchester	872	6,137	10,400	6,469	5,436	3,639	979	1,590	768
Frederick	17,942	18,728	14,759	16,226	14,000	16,532	19,254	20,163	15,901
Garrett	1,235	6,243	3,020	666	0	382	319	134	0
Harford	11,096	16,238	14,751	16,253	13,835	17,040	16,573	13,214	12,791
Howard	17,808	23,206	18,265	18,262	18,290	26,936	32,811	25,931	20,772
Kent	3,479	1,335	0	388	0	104	123	95	817
Montgomery	40,040	52,297	53,312	28,350	30,183	42,000	43,794	38,592	39,950
Prince George's	37,425	52,250	41,000	28,200	29,500	40,348	42,192	39,371	38,539
Queen Anne's	3,000	3,925	4,951	3,947	5,750	5,374	649	4,371	5,112
St. Mary's	5,495	9,806	7,266	4,028	6,600	3,354	3,172	7,472	11,876
Somerset	12,022	5,153	0	6,000	6,000	3,371	289	3,811	2,752
Talbot	2,405	2,038	0	436	344	135	35	634	0
Washington	4,478	8,970	9,368	7,965	7,970	8,571	9,117	8,494	7,467
Wicomico	4,178	8,143	12,960	13,170	9,975	1,864	11,290	13,327	10,991
Worcester	6,872	8,213	5,483	403	0	165	166	4,882	0
MD School for the Blind							2,800	6,063	14,733
Bond Premium	6,100								
Statewide					500		100	500	660
Total	\$322,672	\$401,828	\$346,983	\$266,653	\$263,724	\$311,583	\$349,997	\$347,277	\$318,778
Amount Over \$250M	\$72,672	\$151,828	\$96,983	\$16,653	\$13,724	\$61,583	\$99,997	\$97,277	\$68,778

Note: Includes new general obligation bonds, pay-as-you-go funds, and reallocated funds that were previously authorized. Counties receiving \$0 did not request any eligible projects to be funded in that year.

Source: Department of Legislative Services