

SB0551/704062/1

BY: Appropriations Committee

AMENDMENTS TO SENATE BILL 551
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 3, strike “**Workgroup on School Construction Incentives**” and substitute “**21st Century School Facilities Act and Built to Learn Act – Revisions**”.

On pages 1 and 2, strike beginning with “establishing” in line 21 on page 1 down through “Incentives” in line 8 on page 2 and substitute “requiring certain public school facilities projects to comply with a certain memorandum of understanding; prohibiting the Interagency Commission on School Construction from the unreasonable delay of certain approval under certain circumstances; altering certain dates for certain requirements; adding certain agencies to certain reporting requirements; altering a certain memorandum of understanding; repealing certain reporting requirements; adding certain items to the list of issues that require priority in awarding a grant under the Healthy Schools Facility Fund; requiring Baltimore City to identify certain eligible projects for approval by the Interagency Commission on School Construction under the Healthy Schools Facility Fund; repealing certain provisions related to reserve funding for Baltimore City; requiring the Maryland Stadium Authority to use certain funds for certain purposes; repealing certain provisions regarding depositing certain funds into the Prince George’s County Public–Private Partnership Fund; altering the considerations of the Workgroup on the Assessment and Funding of School Facilities; altering the date for a certain report; requiring the State share of eligible school construction costs to be not less than a certain percentage in certain fiscal years; requiring the Interagency Commission on School Construction to utilize a local”.

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education agency's enrollment projections under certain circumstances; making this Act an emergency measure; and generally relating to public school construction".

On page 2, after line 23, insert:

"BY repealing and reenacting, with amendments,

Article - Education

Section 4-126(e)(3)(ii), 4-126.1(c), (d)(1) and (3), and (e) through (g), 4-126.2(d) and (j), and 5-322(j) and (k)(1)

Annotated Code of Maryland

(2018 Replacement Volume and 2020 Supplement)

(As enacted by Chapter 20 of the Acts of the General Assembly of 2020)

BY repealing

Article - Education

Section 4-126(e)(3)(iii) and 4-126.2(k)

Annotated Code of Maryland

(2018 Replacement Volume and 2020 Supplement)

(As enacted by Chapter 20 of the Acts of the General Assembly of 2020)

BY repealing and reenacting, without amendments,

Article - Education

Section 4-126.2(a) and 5-322(a)

Annotated Code of Maryland

(2018 Replacement Volume and 2020 Supplement)

(As enacted by Chapter 20 of the Acts of the General Assembly of 2020)

BY adding to

Article - Education

Section 5-322(k)(4)

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(2018 Replacement Volume and 2020 Supplement)
(As enacted by Chapter 20 of the Acts of the General Assembly of 2020)

BY repealing and reenacting, without amendments,
Article - Economic Development
Section 10–656(a), 10–657(a), and 10–658(a)
Annotated Code of Maryland
(2018 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, with amendments,
Article - Economic Development
Section 10–656(b), 10–657(b), and 10–658(c)
Annotated Code of Maryland
(2018 Replacement Volume and 2020 Supplement)
(As enacted by Chapter 20 of the Acts of the General Assembly of 2020)

BY repealing and reenacting, with amendments,
Chapter 14 of the Acts of the General Assembly of 2018, as amended by Chapter
20 of the Acts of the General Assembly of 2020
Section 3”.

AMENDMENT NO. 2

On page 1, at the top of the page, insert “EMERGENCY BILL”.

On page 2, strike line 24 in its entirety; in line 25, strike “That”; and in the same line, strike the colon.

On pages 6 through 8, strike in their entirety the lines beginning with line 32 on page 6 through line 26 on page 8, inclusive, and substitute:

“SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
MARYLAND, That the Laws of Maryland read as follows:

(Over)

Article – Education

4–126.

(e) (3) (ii) In Prince George’s County, projects that use alternative financing methods under this section and receive State funding for a yearly availability payment:

1. Do not have to comply with the requirements under subparagraph (i)1 through 3 of this paragraph;

2. Shall comply with the requirements under subparagraph (i)4 through 8 of this paragraph; and

3. [Except as provided in subparagraph (iii) of this paragraph,] IF THE PROJECT RECEIVES STATE FUNDING FOR A YEARLY AVAILABILITY PAYMENT FROM THE SUPPLEMENTAL PUBLIC SCHOOL CONSTRUCTION FINANCING FUND UNDER § 10–658 OF THE ECONOMIC DEVELOPMENT ARTICLE, THE PROJECT shall comply with a [three–party] FOUR–PARTY memorandum of understanding entered into and signed by the Prince George’s County Board, Prince George’s County, THE MARYLAND STADIUM AUTHORITY, and the Interagency Commission on School Construction that:

A. Specifies the roles, rights, terms, and responsibilities of each party with respect to school projects undertaken with a private or public entity using alternative financing methods, including any amounts the parties are required to deposit into the Prince George’s County Public–Private Partnership Fund established under § 4–126.2 of this subtitle;

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B. Specifies that § 2–203(f) and Title 5, Subtitle 3 of this article and regulations governing the Public School Construction Program are not applicable to projects using alternative financing methods;

C. Requires the Prince George’s County Board to submit projects to the Interagency Commission on School Construction for review before commencement of the project;

D. Specifies the time frames in which the Interagency Commission on School Construction shall complete its review of projects;

E. Requires the Prince George’s County Board to submit annual reports to Prince George’s County, **THE MARYLAND STADIUM AUTHORITY**, and the Interagency Commission on School Construction during the term of the alternative financing method contract with the public or private entity; and

F. [Identifies a dedicated source of State funding for an availability payment] **SPECIFIES THE TERMS UNDER WHICH EACH PARTY WILL COMPLY WITH THE PROVISIONS OF §§ 4–126.1 AND 4–126.2 OF THIS SUBTITLE.**

[(iii) In Prince George’s County, for a project that uses alternative financing methods under this section and receives State funding for a yearly availability payment from the Supplemental Public School Construction Financing Fund under § 10–658 of the Economic Development Article, the project shall comply with the project memorandum of understanding under § 10–650 of the Economic Development Article.]

4–126.1.

(c) (1) This section applies only if, on or before July 1, [2022] **2024**, the Prince George’s County government and the Prince George’s County Board enter into a

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public-private partnership agreement with a private entity to enhance the delivery of public school construction in Prince George's County.

(2) (I) [Before] SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, BEFORE entering into a public-private partnership agreement under paragraph (1) of this subsection, the public-private partnership agreement shall be reviewed by the Maryland Stadium Authority and approved by the Interagency Commission on School Construction.

(II) THE APPROVAL OF THE INTERAGENCY COMMISSION ON SCHOOL CONSTRUCTION MAY NOT BE UNREASONABLY WITHHELD OR DELAYED AS SPECIFIED IN THE MEMORANDUM OF UNDERSTANDING REQUIRED UNDER § 4-126 OF THIS SUBTITLE.

(d) (1) Subject to paragraph (2) of this subsection, in fiscal year [2024] 2026 and each fiscal year thereafter through not later than fiscal year [2053] 2055, if the Prince George's County government, the Prince George's County Board, and the private entity remain in the public-private partnership agreement described under subsection (c) of this section, the Maryland Stadium Authority shall deposit the amount under § 10-658 of the Economic Development Article from the Supplemental Public School Construction Financing Fund established under § 10-658 of the Economic Development Article into the Prince George's County Public-Private Partnership Fund established under § 4-126.2 of this subtitle.

(3) In fiscal year [2024] 2026 and each fiscal year thereafter through not later than fiscal year [2053] 2055, if the Prince George's County government, the Prince George's County Board, and the private entity remain in the public-private partnership agreement described under subsection (c) of this section, the Prince George's County government and the Prince George's County Board each shall deposit the availability payment amount required under the public-private partnership

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agreement into the Prince George's County Public-Private Partnership Fund established under § 4-126.2 of this subtitle.

(e) In fiscal year [2024] 2026 and each fiscal year thereafter through not later than fiscal year [2053] 2055, if the Prince George's County government, the Prince George's County Board, and the private entity remain in the public-private partnership agreement described under subsection (c) of this section and the Prince George's County government and the Prince George's County Board deposit the availability payment in the manner described under subsection (d)(3) of this section, the Interagency Commission on School Construction shall pay the private entity from the Prince George's County Public-Private Partnership Fund established under § 4-126.2 of this subtitle for the availability payment required under the public-private partnership agreement.

(f) On January 15, [2022] 2025, and each January 15 thereafter, the Prince George's County government, the Prince George's County Board, **THE MARYLAND STADIUM AUTHORITY**, and the Interagency Commission on School Construction jointly shall report to the Governor and, in accordance with § 2-1257 of the State Government Article, the fiscal committees of the General Assembly on the progress of construction and renovations of public school facilities under the public-private partnership agreement described under subsection (c) of this section, including actions:

- (1) Taken during the previous fiscal year; and
- (2) Planned for the current fiscal year.

(g) (1) On or before July 1, [2027] 2029, the Interagency Commission on School Construction shall complete a 5-year evaluation of the effectiveness of the public-private partnership agreement described under subsection (c) of this section.

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(2) On or before December 31, [2027] 2029, the Interagency Commission on School Construction shall submit a report on the results of the evaluation required under paragraph (1) of this subsection to the Governor and, in accordance with § 2–1257 of the State Government Article, the fiscal committees of the General Assembly.

4–126.2.

(a) In this section, “Fund” means the Prince George’s County Public–Private Partnership Fund.

(d) The Interagency Commission on School Construction shall administer the Fund as described in the [three–party] FOUR–PARTY memorandum of understanding entered into under § 4–126(e)(3)(ii) of this subtitle [or the project memorandum of understanding described in § 10–650(f) of the Economic Development Article].

(j) If a memorandum of understanding is entered into under § 4–126 of this subtitle [or § 10–650(f) of the Economic Development Article] and State funding is provided for an availability payment, the Prince George’s County Board and Prince George’s County shall deposit into the Fund the amounts required under the memorandum of understanding.

[(k) On January 15, 2021, and each January 15 thereafter, the Prince George’s County Board, Prince George’s County, and the Interagency Commission on School Construction jointly shall report to the Governor and, in accordance with § 2–1257 of the State Government Article, the fiscal committees of the General Assembly, on the progress of construction and renovations of public school facilities using an alternative financing method and that receive State funds, including actions:

(1) Taken during the previous fiscal year; and

(2) Planned for the current fiscal year.]

5-322.

(a) In this section, "Fund" means the Healthy School Facility Fund.

(j) (1) (i) In each of fiscal years 2020 through 2022, the Governor shall appropriate at least \$30,000,000 to the Fund.

(ii) In each of fiscal years 2023 and 2024, the Governor shall appropriate at least \$40,000,000 to the Fund.

(iii) For each of fiscal years 2021 through 2024, 50% of the funds appropriated under subparagraphs (i) and (ii) of this paragraph shall be awarded to public schools in Baltimore City.

(2) (i) Subject to subparagraphs (ii) and (iii) of this paragraph, the Interagency Commission on School Construction shall give priority in awarding grants to schools based on the severity of issues in the school, including:

1. Air conditioning;
2. Heating;
3. Indoor air quality;
4. Mold remediation;
5. Temperature regulation;

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6. Plumbing, including PIPE INSULATION TO REDUCE CONDENSATION IN ORDER TO PREVENT MOLD AND the presence of lead in drinking water outlets in school buildings;

7. Windows; [and]

8. ROOFS; AND

9. Any additional severe issue in the school that required the school to be closed.

(ii) [No jurisdiction may receive more than a total of \$15,000,000 in a fiscal year.

(iii) The amount of the grant is not required to cover the full cost of the project.

(k) (1) [Subject] EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION AND SUBJECT to paragraphs (2) and (3) of this subsection, the Interagency Commission on School Construction shall establish application procedures for school systems to request funds under this section.

(4) (I) FOR BALTIMORE CITY, THE SCHOOL SYSTEM SHALL ESTABLISH A PROCEDURE TO IDENTIFY SCHOOLS AND SUBMIT ELIGIBLE PROJECTS FOR AWARDS BY THE INTERAGENCY COMMISSION ON SCHOOL CONSTRUCTION FOR FUNDING PROVIDED UNDER SUBSECTION (J)(1)(II) AND (III) OF THIS SECTION.

(II) THE INTERAGENCY COMMISSION ON SCHOOL CONSTRUCTION SHALL AWARD GRANTS TO SCHOOLS WITH ELIGIBLE PROJECTS SUBMITTED IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH.

Article – Economic Development

10–656.

(a) There is a Baltimore City Public School Construction Financing Fund.

(b) (1) The Baltimore City Public School Construction Financing Fund is a continuing, nonlapsing fund that shall be available in perpetuity to implement this subtitle concerning Baltimore City public school facilities.

(2) The Authority shall:

(i) use the Baltimore City Public School Construction Financing Fund as a revolving fund for carrying out this subtitle concerning Baltimore City public school facilities; and

(ii) pay any and all expenses from the Baltimore City Public School Construction Financing Fund that are incurred by the Authority related to any Baltimore City public school facilities.

[(3) Notwithstanding any other provision of law, the Authority may use \$10,000,000 of available funds held in reserve for Baltimore City, in accordance with § 10–645(i) of this subtitle, to supplement funding for additional Baltimore City projects in accordance with the memorandum of understanding under § 10–646 of this subtitle.]

10–657.

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(a) There is a Baltimore City Public School Construction Facilities Fund.

(b) (1) The Baltimore City Public School Construction Facilities Fund is a continuing, nonlapsing fund that shall be available in perpetuity to implement this subtitle concerning Baltimore City public school facilities.

(2) The Authority shall:

(i) use the Baltimore City Public School Construction Facilities Fund as a revolving fund for carrying out this subtitle concerning Baltimore City public school facilities; and

(ii) to the extent authorized by federal tax law, pay any and all expenses from the Baltimore City Public School Construction Facilities Fund that are incurred by the Authority related to any Baltimore City public school facilities.

(3) [The Authority may:

(i) notwithstanding] NOTWITHSTANDING any other provision of law, [use] THE AUTHORITY SHALL TRANSFER \$10,000,000 of available funds to THE BALTIMORE CITY PUBLIC SCHOOL SYSTEM TO supplement funding for additional Baltimore City projects [in accordance with the memorandum of understanding under § 10-646 of this subtitle; and

(ii) advance up to \$1,000,000 of available funds in fiscal year 2021 for the start-up and administration of Chapter 20 of the Acts of the General Assembly of 2020, which shall be reimbursed from the Supplemental Public School Construction Facilities Fund established under § 10-658.1 of this subtitle].

10-658.

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(a) There is a Supplemental Public School Construction Financing Fund.

(c) [(1)] (1) To the extent considered appropriate by the Authority, the money on deposit in the Supplemental Public School Construction Financing Fund shall be pledged to and used to pay the following related to public school facilities:

[(i)] (1) debt service on Authority bonds;

[(ii)] (2) debt service reserves under a trust agreement;

[(iii)] (3) all reasonable charges and expenses related to Authority borrowing; and

[(iv)] (4) all reasonable charges and expenses related to the Authority's administration of the Supplemental Public School Construction Financing Fund and management of the Authority's obligations.

[(2) (i) This paragraph applies only if a public-private partnership agreement to enhance the delivery of public school construction in Prince George's County has been entered into by the Prince George's County government, the Prince George's County Board of Education, and a private entity and the agreement has been approved by the Interagency Commission on School Construction in accordance with § 4-126.1 of the Education Article.

(ii) In addition to the money on deposit in the Supplemental Public School Construction Financing Fund, the money deposited by the Authority in accordance with § 4-126.1(d) of the Education Article into the Prince George's County Public-Private Partnership Fund established under § 4-126.2 of the Education Article shall be pledged to and used to pay for the items listed in paragraph (1) of this subsection related to public school facilities.

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(3) The pledge shall be effective as provided in § 10–634 of this subtitle and any applicable Authority resolution.]

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Chapter 14 of the Acts of 2018, as amended by Chapter 20 of the Acts of 2020

SECTION 3. AND BE IT FURTHER ENACTED, That:

- (a) There is a Workgroup on the Assessment and Funding of School Facilities.
- (b) The Workgroup consists of the following members:
 - (1) two members of the Senate of Maryland, appointed by the President of the Senate;
 - (2) two members of the House of Delegates, appointed by the Speaker of the House;
 - (3) the Chair of the Interagency Commission on School Construction;
 - (4) the State Treasurer, or the State Treasurer’s designee;
 - (5) one representative of the Maryland Association of Counties, appointed by the Maryland Association of Counties;
 - (6) one representative of the Maryland Association of Boards of Education, appointed by the Executive Director of the Association; and
 - (7) one representative of the Public School Superintendents Association of Maryland, appointed by the Executive Director of the Association.

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(c) The President of the Senate and the Speaker of the House of Delegates jointly shall appoint the chair of the Workgroup.

(d) The Interagency Commission on School Construction and the Department of Legislative Services shall provide staff for the Workgroup.

(e) A member of the Workgroup:

(1) may not receive compensation as a member of the Workgroup; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(f) (1) After the initial school facility assessment required by § 5-310(e) of the Education Article is completed, the Workgroup shall:

(i) consider how the relative condition of public school facilities within the educational facilities sufficiency standards and the facility condition index should be prioritized, taking into account local priorities and in consultation with local jurisdictions, including whether the prioritization should be by category and by local jurisdiction or statewide;

(ii) determine whether the results should be incorporated into school construction funding decisions; and

(iii) if the Workgroup determines that the assessment results should be incorporated into school construction funding decisions, determine how the assessment results should be incorporated into school construction funding.

(2) The Workgroup shall also consider **AND MAKE RECOMMENDATIONS RELATED TO:**

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(I) THE FACTORS USED IN THE STATE AND LOCAL COST-SHARE FORMULA FOR EACH COUNTY AS REQUIRED BY § 5-303 OF THE EDUCATION ARTICLE TO INCORPORATE CHANGES TO THE STATE’S PRIMARY AND SECONDARY EDUCATION FUNDING FORMULAS ADOPTED IN THE BLUEPRINT FOR MARYLAND’S FUTURE ENACTED BY CHAPTER 36 OF THE ACTS OF THE GENERAL ASSEMBLY OF 2021, AND REVISED BY HOUSE BILL 1372 (CH) OF 2021;

(II) THE METHODS USED TO ESTABLISH THE GROSS AREA BASELINE AND THE MAXIMUM STATE CONSTRUCTION ALLOCATION FOR EACH PUBLIC SCHOOL CONSTRUCTION PROJECT APPROVED FOR STATE FUNDING;

(III) THE PURPOSE AND IMPLEMENTATION OF THE LOCAL SHARE OF SCHOOL CONSTRUCTION COSTS REVOLVING LOAN FUND, WHICH WAS ESTABLISHED BY CHAPTER 14 OF THE ACTS THE GENERAL ASSEMBLY OF 2018 TO ASSIST LOCAL GOVERNMENTS TO FORWARD FUND THE LOCAL SHARE OF SCHOOL CONSTRUCTION COSTS FOR SCHOOL SYSTEMS THAT RELY ON THE LOCAL SHARE TO BE FULLY FUNDED IN ORDER TO BEGIN AND COMPLETE A PROJECT;
AND

(IV) THE LONG-TERM EFFECTS OF SCHOOL CONSTRUCTION DECISIONS FOR PUBLIC SCHOOL FACILITIES, INCLUDING APPROPRIATE [whether the State should provide] funding OR OTHER incentives for local jurisdictions WITHIN THE SCHOOL CONSTRUCTION PROCESS that reduce THE COST PER STUDENT AND the total cost of ownership of public school facilities.

(g) On or before December [1] 31, 2021, the Workgroup shall report its findings and recommendations to the Governor and, in accordance with § 2-1257 of the State Government Article, the General Assembly.”

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On page 8, strike beginning with “this” in line 27 down through “effect” in line 30 and substitute “notwithstanding any other provision of law, for fiscal years 2023 and 2024, the State share of eligible school construction costs established by § 5–303 of the Education Article and the Code of Maryland Regulations and used by the Interagency Commission on School Construction to determine State funding for eligible school construction projects shall not be less than the State share percentage used for fiscal year 2022 for any county including Baltimore City.

SECTION 3. AND BE IT FURTHER ENACTED, That notwithstanding any other provision of law, the Interagency Commission on School Construction shall utilize the local education agency’s enrollment projections to determine the gross area baseline and the maximum State construction allocation for a proposed school construction project at a public high school that is located in a historically designated building and is co-located with a special education program.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.”.