

Chapter 698

(Senate Bill 551)

AN ACT concerning

~~**School Construction Incentive Act of 2021**~~
~~**Workgroup on School Construction Incentives**~~
21st Century School Facilities Act and Built to Learn Act – Revisions

FOR the purpose of ~~requiring an eligible cost of a public school construction or capital improvement project to include costs relating to certain planning, design, and analysis; authorizing the Interagency Commission on School Construction to adopt regulations for requiring the installation of certain utilities metering for certain school construction projects and the use of a certain maintenance management system; requiring the Interagency Commission to establish a certain incentive program for certain school construction and renewal projects; specifying criteria for a project to qualify for an incentive; providing for the calculation of the incentive, including an increase in the State share percentage and a decrease in the local share percentage of school construction and renewal costs; requiring the Interagency Commission to distribute certain incentive funding at certain periods of time; requiring a local education agency to submit to the Interagency Commission for certain projects an estimated total cost of ownership during a certain phase of the project and a projected actual total cost of ownership as constructed during a certain period of time; requiring the Interagency Commission to develop certain cost standards in coordination with the State Department of Education; requiring the Interagency Commission to adopt certain regulations; defining certain terms; and generally relating to public school construction~~ establishing the Workgroup on School Construction Incentives; providing for the purpose, composition, chair, and staffing of the Workgroup; prohibiting a member of the Workgroup from receiving certain compensation, but authorizing the reimbursement of certain expenses; requiring the Interagency Commission on School Construction to use certain funds for a certain purpose; authorizing the Commission to contract with any person for a certain purpose; requiring the Workgroup to report certain findings and recommendations regarding school construction incentives to certain committees of the General Assembly on or before a certain date; requiring the Department of Budget and Management to disburse a certain amount to the Interagency Commission on School Construction for a certain purpose, subject to a certain limitation; providing for the termination of this Act; and generally relating to the Workgroup on School Construction Incentives 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 education agency's enrollment projections under certain circumstances; making this Act an emergency measure; and generally relating to public school construction.

~~BY repealing and reenacting, with amendments,
Article — Education
Section 5-303(a)(1) and (d)(2)
Annotated Code of Maryland
(2018 Replacement Volume and 2020 Supplement)~~

~~BY repealing and reenacting, without amendments,
Article — Education
Section 5-310(a)(1) and (3)
Annotated Code of Maryland
(2018 Replacement Volume and 2020 Supplement)~~

~~BY adding to
Article — Education
Section 5-324
Annotated Code of Maryland
(2018 Replacement Volume and 2020 Supplement)~~

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)

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 – 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

~~SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,~~

~~That the Laws of Maryland read as follows:~~

~~**Article – Education**~~

~~5-303.~~

~~(a) (1) (i) The Interagency Commission shall define by regulation what constitutes an eligible and ineligible public school construction or capital improvement cost.~~

~~(ii) In order for the cost of an item or a system funded with the proceeds of general obligation bonds to be considered an eligible cost, it must have a median useful life of at least 15 years.~~

~~(III) AN ELIGIBLE PUBLIC SCHOOL CONSTRUCTION OR CAPITAL IMPROVEMENT COST SHALL INCLUDE COSTS RELATED TO:~~

~~1. PLANNING, INCLUDING THE PREPARATION OF AN ESTIMATE OF TOTAL COST OF OWNERSHIP, AND DESIGN FOR THE PUBLIC SCHOOL CONSTRUCTION OR CAPITAL IMPROVEMENT; AND~~

~~2. ANALYZING THE PROJECTED ACTUAL TOTAL COST OF OWNERSHIP AS CONSTRUCTED FOR THE CONSTRUCTION OF A NEW SCHOOL BUILDING OR A SCHOOL FACILITY RENEWAL IN ACCORDANCE WITH § 5-324 OF THIS SUBTITLE.~~

~~(d) (2) The regulations adopted by the Interagency Commission may contain requirements for:~~

~~(i) The submission of other data or information that is relevant to school construction or capital improvement;~~

~~(ii) The approval of sites, plans, and specifications for the construction of new school buildings or the improvement of existing buildings;~~

~~(iii) Site improvements;~~

~~(iv) Competitive bidding;~~

~~(v) The hiring of personnel in connection with school construction or capital improvements;~~

~~(vi) The actual construction of school buildings or their improvements;~~

~~(vii) The relative roles of different State and local governmental agencies in the planning and construction of school buildings or school capital improvements;~~

~~(viii) School construction and capital improvements necessary or appropriate for the proper implementation of this section;~~

~~(ix) The establishment of priority public school construction programs;~~

~~(x) Development of cooperative arrangements that permit the sharing of facilities among two or more school systems;~~

~~(xi) The selection of architects and engineers by school systems;~~

~~(xii) The award of contracts by school systems; [and]~~

~~(xiii) Method of payments made by the State under the Public School Construction Program;~~

~~(xiv) THE INSTALLATION OF REAL TIME UTILITIES METERING FOR THE CONSTRUCTION OF A NEW SCHOOL BUILDING OR A SCHOOL FACILITY RENEWAL, AS DEFINED IN § 5-324 OF THIS SUBTITLE; AND~~

~~(xv) THE USE OF A STANDARD STATEWIDE COMPUTERIZED MAINTENANCE MANAGEMENT SYSTEM FOR TRACKING AND REPORTING ON SCHOOL FACILITIES MAINTENANCE WORK ORDERS.~~

~~5-310.~~

~~(a) (1) In this section the following words have the meanings indicated.~~

~~(3) "Facility condition index" means a calculation to determine the relative physical condition of public school facilities by dividing the total repair cost of a facility by the total replacement cost of a facility.~~

~~5-324.~~

~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(2) "BASELINE TOTAL COST OF OWNERSHIP" MEANS THE TYPICAL TOTAL COST OF OWNERSHIP OF A NEW SCHOOL BUILDING OR A SCHOOL FACILITY RENEWAL, AS CALCULATED BY THE INTERAGENCY COMMISSION.~~

~~(3) "ESTIMATED TOTAL COST OF OWNERSHIP" MEANS THE TOTAL COST OF OWNERSHIP OF A NEW SCHOOL BUILDING OR A SCHOOL FACILITY RENEWAL AND THE CONCOMITANT ANALYSIS AS ESTIMATED BY A LOCAL EDUCATION AGENCY BEFORE THE CONSTRUCTION OF A NEW SCHOOL BUILDING OR A SCHOOL FACILITY RENEWAL BEGINS.~~

~~(4) "LOCAL SHARE PERCENTAGE" MEANS THE PERCENTAGE OF ELIGIBLE COSTS, AS DEFINED IN § 5-303 OF THIS SUBTITLE, FOR THE CONSTRUCTION OF A NEW SCHOOL BUILDING OR A SCHOOL FACILITY RENEWAL PAID FOR BY A COUNTY.~~

~~(5) (1) "PROJECTED ACTUAL TOTAL COST OF OWNERSHIP AS CONSTRUCTED" MEANS THE TOTAL COST OF OWNERSHIP OF A NEW SCHOOL~~

~~BUILDING OR A SCHOOL FACILITY RENEWAL AND THE CONCOMITANT ANALYSIS AS CALCULATED BY A LOCAL EDUCATION AGENCY AFTER THE CONSTRUCTION OF THE NEW SCHOOL BUILDING OR THE SCHOOL FACILITY RENEWAL IS COMPLETE.~~

~~(H) "PROJECTED ACTUAL TOTAL COST OF OWNERSHIP AS CONSTRUCTED" INCLUDES:~~

~~1. THE ACTUAL COSTS OF CONSTRUCTION AND OPERATION OF THE NEW SCHOOL BUILDING OR THE SCHOOL FACILITY RENEWAL AS OF THE DATE OF THE CALCULATION; AND~~

~~2. AN ESTIMATION OF FUTURE COSTS.~~

~~(6) "SCHOOL FACILITY RENEWAL" MEANS A CAPITAL IMPROVEMENT PROJECT FOR AN EXISTING SCHOOL THAT, ON COMPLETION:~~

~~(i) WILL REDUCE THE SCHOOL'S FACILITY CONDITION INDEX, AS DEFINED IN § 5-310 OF THIS SUBTITLE, TO 0.15 OR LOWER; AND~~

~~(ii) RESULTS IN A LIKE NEW OPERATIONAL CONDITION FOR THE SCHOOL.~~

~~(7) "STATE SHARE PERCENTAGE" MEANS THE PERCENTAGE OF ELIGIBLE COSTS, AS DEFINED IN § 5-303 OF THIS SUBTITLE, FOR THE CONSTRUCTION OF A NEW SCHOOL BUILDING OR A SCHOOL FACILITY RENEWAL PAID FOR BY THE STATE.~~

~~(B) (1) THE INTERAGENCY COMMISSION SHALL ESTABLISH A SCHOOL CONSTRUCTION INCENTIVE PROGRAM IN ACCORDANCE WITH THIS SECTION.~~

~~(2) A PROJECT FOR THE CONSTRUCTION OF A NEW SCHOOL BUILDING OR A SCHOOL FACILITY RENEWAL QUALIFIES FOR THE INCENTIVE IF THE ESTIMATED TOTAL COST OF OWNERSHIP FOR THE CONSTRUCTION OR RENEWAL IS AT LEAST 10% LESS THAN THE BASELINE TOTAL COST OF OWNERSHIP FOR THE CONSTRUCTION OR RENEWAL.~~

~~(3) FOR EACH WHOLE PERCENTAGE POINT THAT THE ESTIMATED TOTAL COST OF OWNERSHIP FOR THE PROJECT IS LESS THAN THE BASELINE TOTAL COST OF OWNERSHIP FOR THE PROJECT, THE INCENTIVE IS AN INCREASE OF 0.75% TO THE STATE SHARE PERCENTAGE.~~

~~(4) SUBJECT TO PARAGRAPH (5) OF THIS SUBSECTION, IF A PROJECT QUALIFIES FOR THE INCENTIVE UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE INTERAGENCY COMMISSION SHALL:~~

~~(i) DISTRIBUTE HALF OF THE INCENTIVE FUNDING, AS CALCULATED UNDER PARAGRAPH (3) OF THIS SUBSECTION, BEFORE CONSTRUCTION IS COMPLETE; AND~~

~~(ii) IF THE ANALYSIS SUBMITTED UNDER SUBSECTION (C)(1)(II) OF THIS SECTION DEMONSTRATES THAT THE PROJECT'S PROJECTED ACTUAL TOTAL COST OF OWNERSHIP AS CONSTRUCTED IS LESS THAN OR EQUAL TO THE ESTIMATED TOTAL COST OF OWNERSHIP FOR THE PROJECT, DISTRIBUTE THE REMAINING INCENTIVE FUNDING AFTER THE PROJECT IS COMPLETE, BUT BEFORE 18 MONTHS AFTER THE DATE ON WHICH THE PROJECT IS COMPLETE.~~

~~(5) IF THE ANALYSIS SUBMITTED UNDER SUBSECTION (C)(1)(II) OF THIS SECTION DEMONSTRATES THAT THE PROJECT'S PROJECTED ACTUAL TOTAL COST OF OWNERSHIP AS CONSTRUCTED EXCEEDS THE ESTIMATED TOTAL COST OF OWNERSHIP FOR THE PROJECT, THE PROJECT DOES NOT QUALIFY FOR THE DISTRIBUTION OF INCENTIVE FUNDING UNDER PARAGRAPH (4)(II) OF THIS SUBSECTION.~~

~~(6) IF A LOCAL EDUCATION AGENCY RECEIVES AN INCENTIVE UNDER THIS SECTION, THE LOCAL SHARE PERCENTAGE SHALL DECREASE BY THE SAME PERCENTAGE POINTS AS THE INCREASE TO THE STATE SHARE PERCENTAGE.~~

~~(C) (1) TO BE ELIGIBLE TO RECEIVE THE INCENTIVE, A LOCAL EDUCATION AGENCY SHALL SUBMIT TO THE INTERAGENCY COMMISSION FOR EACH PROJECT FOR THE CONSTRUCTION OF A NEW SCHOOL BUILDING OR A SCHOOL FACILITY RENEWAL:~~

~~(i) DURING THE PLANNING PHASE FOR THE CONSTRUCTION OF A NEW SCHOOL BUILDING OR A SCHOOL FACILITY RENEWAL, AN ESTIMATED TOTAL COST OF OWNERSHIP FOR THE BUILDING OR RENEWAL; AND~~

~~(ii) BETWEEN 12 AND 17 MONTHS AFTER THE DATE ON WHICH CONSTRUCTION IS COMPLETE AND THE LOCAL EDUCATION AGENCY BEGINS USING THE BUILDING OR RENEWAL FOR ITS INTENDED PURPOSE, THE PROJECTED ACTUAL TOTAL COST OF OWNERSHIP AS CONSTRUCTED FOR THE BUILDING OR RENEWAL.~~

~~(2) IN DETERMINING THE ESTIMATED TOTAL COST OF OWNERSHIP, THE LOCAL EDUCATION AGENCY SHALL BASE THE ESTIMATE ON LIFE CYCLE COST ANALYSIS STANDARDS ESTABLISHED UNDER SUBSECTION (D) OF THIS SECTION.~~

~~(D) THE INTERAGENCY COMMISSION, IN COORDINATION WITH THE DEPARTMENT, SHALL DEVELOP LIFE CYCLE COST ANALYSIS STANDARDS.~~

~~(E) THE INTERAGENCY COMMISSION SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.~~

~~(a) There is a Workgroup on School Construction Incentives.~~

~~(b) The purpose of the Workgroup is to convene a working group of diverse stakeholders to:~~

~~(1) make recommendations regarding appropriate incentives within the school construction process to encourage consideration of the long term effects of construction decisions for school facilities; and~~

~~(2) consider the benefits of school construction incentives for students and taxpayers.~~

~~(c) 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) two representatives of the Maryland Association of Counties, designated by the Executive Director of the Association;~~

~~(4) two representatives of the Maryland Association of Boards of Education, designated by the Executive Director of the Association;~~

~~(5) two representatives of the Interagency Commission on School Construction, designated by the Executive Director of the Commission;~~

~~(6) two representatives of the Public School Superintendents' Association of Maryland, designated by the Executive Director of the Association; and~~

~~(7) the following nonvoting members of the Workgroup, designated by the Executive Director of the Interagency Commission on School Construction:~~

~~(i) any appropriate professional staff of the Interagency Commission on School Construction; and~~

~~(ii) any other appropriate stakeholders.~~

~~(d) The Workgroup shall elect by a majority vote a chair from among its legislator members.~~

~~(e) The Interagency Commission on School Construction:~~

~~(1) shall provide staff for the Workgroup;~~

~~(2) shall use the funds appropriated under subsection (h) of this section to support the Workgroup in carrying out its duties under this section, including by contracting with any person in accordance with item (3) of this subsection; and~~

~~(3) may contract with any person for the purpose of supporting the Workgroup in carrying out the duties under this section.~~

~~(f) 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.~~

~~(g) On or before November 1, 2021, the Workgroup shall report to the Senate Budget and Taxation Committee and the House Appropriations Committee, in accordance with § 2-1257 of the State Government Article, on its findings and recommendations, including:~~

~~(1) identification and analysis of approaches for accelerating school construction while reducing costs per student using appropriate incentives offered by local governments for school construction in 10 school systems in the State that volunteer to be the subject of this analysis, to the extent practicable;~~

~~(2) recommendations on total cost of ownership, real-time utilities metering, and other methods of assessing project efficiency and the appropriate uses of those assessments in applicable State administrative processes, project approval criteria, and funding structures; and~~

~~(3) for each formula or calculation that the Workgroup recommends under item (2) of this subsection:~~

~~(i) examples using different types of school facility projects; and~~

~~(ii) a sensitivity analysis of design decisions that the Workgroup recommends to be favored or disfavored in the formula or calculation.~~

~~(h) The Department of Budget and Management shall, subject to the State budget, disburse \$30,000 to the Interagency Commission on School Construction for the purposes of carrying out the Workgroup's duties under this section.~~

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

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;

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 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 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.

(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].

(i) 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.

(i) (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;

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.

(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]

(I) 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) THE AUTHORITY MAY advance up to \$1,000,000 of available funds in ~~fiscal year 2021~~ FISCAL YEARS 2021 AND 2022 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.

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

(c) [(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.

(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.

(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:**

(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 CHAPTER 55 OF THE ACTS OF THE GENERAL ASSEMBLY 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 OF 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.

SECTION 2. AND BE IT FURTHER ENACTED, That ~~this Act shall take effect July June 1, 2021. It shall remain effective for a period of 1 year and, at the end of May 31, 2022, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect~~ 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.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 30, 2021.