

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 366
Appropriations

(Delegate Smith)

Budget and Taxation

Maryland School for the Blind - Public School Construction Program - Eligibility

This bill maintains the Maryland School for the Blind’s (MSB) eligibility for funding under the Public School Construction Program (PSCP) beyond fiscal 2028 by repealing the termination date for MSB’s eligibility for those funds. **The bill takes effect June 1, 2023.**

Fiscal Summary

State Effect: No effect on total funding for PSCP beginning in FY 2029, as that amount is determined annually by the Governor and General Assembly through the capital budget process. No effect on revenues.

Local Effect: To the extent that PSCP funds are awarded to MSB beginning in FY 2029, fewer funds are available for public school construction projects in local school systems. To the extent local school systems receive fewer State matching funds for school construction, any local funds otherwise reserved for school construction can be redirected to other local capital construction projects.

Small Business Effect: None.

Analysis

Current Law:

Public School Construction Program

The Interagency Commission 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 determines which projects to fund through PSCP. By December 31 of each year, IAC must approve projects comprising 75% of the preliminary school construction allocation projected to be available by the Governor for the upcoming fiscal year. Local school systems may appeal these preliminary decisions by IAC. By March 1 of each year, IAC must recommend to the General Assembly projects comprising 90% of the allocation for school construction submitted in the Governor's capital budget. Following the legislative session, IAC approves projects comprising the remaining school construction funds included in the enacted capital budget, no earlier than May 1. The final allocations are not subject to appeal.

Maryland School for the Blind – Eligibility for Public School Construction Program Funding

MSB is an independent, nonprofit organization. As it is not administered by a local school system, it is not otherwise eligible for funding from PSCP. However, Chapter 144 of 2012 made MSB eligible for PSCP funding from fiscal 2013 through 2028. The State currently funds 93% of eligible costs for MSB's school construction projects. Since fiscal 2013, IAC has approved funding for MSB construction projects totaling approximately \$85.3 million. MSB is subject to the same application and approval process as local school systems that apply for PSCP funding.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 175 (Senators Guzzone and Benson) - Budget and Taxation.

Information Source(s): Department of Legislative Services

Fiscal Note History: First Reader - January 30, 2023
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