

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 798
Appropriations

(Delegates Rosenberg and Bridges)

Baltimore City - Public School Facility - Modifying, Use, and Closing

This emergency bill requires, after the Baltimore City Board of School Commissioners takes specified final actions, the Baltimore City Department of Planning to appoint a community task force. This requirement applies when the board is considering (1) discontinuing a program and closing the school facility that houses the program; (2) closing a public school facility and declaring it surplus property, when the sale of surplus property has not been completed; or (3) modifying the ongoing use of an academic space. The task force must examine and make recommendations concerning any future use of the facility, including any real property that is part of the facility. The task force must include residents of the local community where the school facility is located and representatives of institutional organizations located in or that serve residents in the community. The board may authorize a school building to be used as swing space for up to four years. The bill applies retroactively to any final action taken by the board on the actions described above or the board's use of a swing school.

Fiscal Summary

State Effect: None. The bill pertains only to Baltimore City.

Local Effect: Baltimore City and Baltimore City Public Schools (BCPS) experience operational delays and potential fiscal effects to the extent that the community engagement process delays school closures. No effect on revenues. **This bill may impose a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Current Law:

School Closures

State law and regulations delineate a process that local school systems must follow before deciding to close a school. First, they specify a number of factors that must be considered, including enrollment trends, financial considerations, student relocation, and the effect on the community. Second, the school system must hold a public hearing, before any final decision is made, to allow concerned citizens to submit their views orally or in writing. Regulations specify how notification of the meeting must be carried out to ensure broad distribution and sufficient time for members of the community to respond. Third, the final decision to close a school must be announced in a public session and must also be in writing. Regulations also specify some of the content and form of the final decision. Except in specified emergencies, the decision to close a school must be announced at least 90 days before the date of closure but not later than April 30 of any school year. If a local school board finds, with the approval of the State Superintendent, that any land, school site, or building is no longer needed for school purposes, it must inform the county commissioners or county council of that determination.

Within 30 days of receiving the notice from the local school board, the county government must notify the local school board either (1) of the need to transfer the land, site, or building to the county if it is an integral part of an existing economic development plan that will significantly benefit the county or (2) that the county government has no existing plans for the land, site, or building. If the county government has no plans for the property or does not provide notification within 30 days, the local school board must make the property available to any charter school in the district, under terms established by the local school board. If no charter schools in the county want the property, the local school board must transfer the property to the county commissioners or county council, which can then use, sell, lease, or otherwise dispose of the property, except by gift.

In general, the State requires counties to reimburse it for any outstanding debt service for schools that:

- were built at least in part using State debt;
- were initially constructed or substantially altered by additions, alterations, or renovations valued at more than \$100,000 and completed after February 1971;
- are no longer used for school purposes;
- have had their titles transferred to the county government;
- are being used for local government purposes other than public education; and

- have outstanding debt that exceeds \$5,000.

Under specified circumstances, counties do not need to reimburse the State for any outstanding debt service for schools initially constructed before February 1971.

21st Century Schools

Chapter 647 of 2013 authorized the Maryland Stadium Authority (MSA) to sell up to \$1.1 billion in bonds to finance the construction or renovation of 23 to 28 public schools in Baltimore City by 2020. Financing for the resulting 21st Century Schools initiative is shared among the State, Baltimore City, and BCPS, with each contributing \$20.0 million annually to cover the debt service and operating expenses for the initiative until the bonds are paid off. The State contribution comes from State Lottery proceeds.

Under a memorandum of understanding (MOU) among MSA, the Interagency Committee on School Construction, Baltimore City, and BCPS, 26 school buildings in Baltimore City were initially required to be closed/surplused as part of the 21st Century Schools initiative. The closures are designed to meet building occupancy targets for BCPS that are part of the MOU. Since then, the list of closures has undergone several changes, with buildings added and removed from the list, and some closures delayed or accelerated depending on a variety of factors. The most recent list includes at least 5 schools that are or may be eligible for closure in the future; some of those buildings are currently being used as swing space for other schools undergoing construction or renovation.

Local Fiscal Effect: The community engagement process established by the bill may affect the scheduled closure of schools under the 21st Century Schools initiative, which could have ramifications for BCPS's ability to meet building occupancy targets in the MOU. In addition, any delays in transferring a building to Baltimore City means that BCPS continues to pay maintenance and utility costs for the building.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 849 (Senator Carter) - Education, Energy, and the Environment.

Information Source(s): Baltimore City; Public School Construction Program; Department of Legislative Services

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