

Chapter 192

(Senate Bill 581)

AN ACT concerning

~~School Construction Revolving Loan Fund~~ **Public School Construction Program**
- Maryland School for the Blind - ~~Eligibility~~ **State and Local Cost-Share**

FOR the purpose of altering the ~~eligibility requirements of the School Construction Revolving Loan Fund to include the Maryland School for the Blind; and generally relating to the eligibility of the Maryland School for the Blind for the School Construction Revolving Loan Fund~~ *State and local cost-share formula for the Public School Construction Program for the Maryland School for the Blind; and generally relating to the Public School Construction Program and the Maryland School for the Blind.*

BY repealing and reenacting, with amendments,
Article – Education
Section ~~5-315~~ 5-303(d)
Annotated Code of Maryland
(2022 Replacement Volume and 2023 Supplement)

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

Article – Education

5-303.

(d) (1) The Interagency Commission may adopt regulations for the administration of the programs provided for in this section.

(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;

(xiii) Methods of payments made by the State under the Public School Construction Program; and

(xiv) The use of a standard statewide computerized maintenance management system for school facilities maintenance work order tracking and reporting.

(3) The regulations adopted by the Interagency Commission shall contain provisions:

(i) Subject to **PARAGRAPH (6) OF THIS SUBSECTION AND** subsection (k) of this section, establishing a State and local cost-share formula for each county that identifies the factors used in establishing the formulas and the actual State and local cost-share percentages by the formula for each county;

(ii) Requiring local education agencies to adopt educational facilities master plans and annual capital improvement programs;

(iii) Subject to subsection (l) of this section, providing a method for establishing a maximum State construction allocation for each project approved for State funding;

(iv) Referencing the policies stated in § 5-7B-07 of the State Finance and Procurement Article;

(v) Requiring local school systems to adopt procedures consistent with the minority business enterprise policies of the State as required under the Code of Maryland Regulations;

(vi) Establishing a process for appeal of Interagency Commission decisions, including an appeal process specifically for approved enrollment projections for individual projects to the full Interagency Commission;

(vii) Requiring local education agencies to adopt, implement, and periodically update comprehensive maintenance plans and preventative maintenance plans;

(viii) Authorizing the Interagency Commission to withhold State public school construction funds from a local education agency that fails to comply with the requirements of item (vii) of this paragraph;

(ix) Requiring the development and submission of long-range plans, including a requirement for the annual submission of a 10-Year Educational Facilities Master Plan; and

(x) Requiring the submission of an annual Capital Improvement Program, which may only be required to include plans for specific projects and requests for planning and construction projects for the upcoming fiscal year.

(4) In adopting any of these requirements, the State Board and the Interagency Commission shall provide for the maximum exercise of initiative by school personnel in each county to ensure that the school buildings and improvements meet both the needs of the local communities and the rules and regulations necessary to ensure the proper operation of this section and the prudent expenditure of State funds.

(5) The Interagency Commission shall:

(i) Update the regulations required under paragraph (3)(i) of this subsection every 2 years; and

(ii) When updating the regulations in accordance with item (i) of this paragraph, limit the percentage decrease in the State share of school construction costs to not more than 5% for each county.

(6) WHEN ADOPTING THE STATE AND LOCAL COST-SHARE FORMULA UNDER PARAGRAPH (3)(I) OF THIS SUBSECTION, THE INTERAGENCY COMMISSION SHALL SET THE STATE SHARE AT 100% FOR THE MARYLAND SCHOOL FOR THE BLIND.

~~(a) In this section, "Fund" means the School Construction Revolving Loan Fund.~~

~~(b) There is a School Construction Revolving Loan Fund.~~

~~(c) The purpose of the Fund is to provide loans to local governments AND THE MARYLAND SCHOOL FOR THE BLIND to forward fund the State or local share of school construction costs [for local education agencies that rely on the State or local share to be fully funded in order to complete a project].~~

~~(d) The Interagency Commission shall administer the Fund.~~

~~(e) (1) The Fund is a special, nonlapsing fund that is not subject to § 7-302 of the State Finance and Procurement Article that shall be available in perpetuity for the purpose of providing loans in accordance with the provisions of this section.~~

~~(2) The State Treasurer shall hold the Fund separately, and the Comptroller shall account for the Fund.~~

~~(f) The Fund consists of:~~

~~(1) Money appropriated in the State budget to the Fund;~~

~~(2) Any interest earnings of the Fund;~~

~~(3) Repayments of principal and interest from loans made from the Fund;~~

~~and~~

~~(4) Any other money from any other source accepted for the benefit of the~~

~~Fund.~~

~~(g) The Fund may be used only to provide low or no interest loans to local governments AND THE MARYLAND SCHOOL FOR THE BLIND.~~

~~(h) (1) The State Treasurer shall invest the money of the Fund in the same manner as other State money may be invested.~~

~~(2) Any interest earnings of the Fund shall be credited to the Fund.~~

~~(i) Money expended from the Fund is supplemental to and is not intended to take the place of funding that otherwise would be appropriated to local governments OR THE MARYLAND SCHOOL FOR THE BLIND for school construction.~~

~~(j) (1) Subject to paragraph (2) of this subsection, the Interagency Commission shall establish application procedures and eligibility criteria for loans from the Fund.~~

~~(2) The eligibility criteria shall include that a local government OR THE MARYLAND SCHOOL FOR THE BLIND:~~

~~(i) Is in need of a loan to forward fund the State or local share of school construction costs in order to complete a project;~~

~~(ii) Is able to demonstrate the ability to repay the loan if required at a later date; and~~

~~(iii) Has received planning approval for the project from the Interagency Commission.~~

~~(3) The Interagency Commission shall give priority in awarding loans from the Fund to [counties]:~~

~~(I) COUNTIES that have:~~

~~[(i)] 1. Not advanced construction funding for projects in the Public School Construction Program that the Interagency Commission has approved for planning; and~~

~~[(ii)] 2. Limited debt capacity; AND~~

~~(II) THE MARYLAND SCHOOL FOR THE BLIND.~~

~~(k) (1) Except as provided in paragraph (2) of this subsection, a county OR THE MARYLAND SCHOOL FOR THE BLIND shall repay a loan from the Fund not less than 5 years after receiving the loan from the Fund.~~

~~(2) The Interagency Commission may establish a procedure for a waiver from the requirement under paragraph (1) of this subsection.~~

~~(l) (1) In fiscal year 2023, the Governor shall include in the annual budget bill an appropriation of at least \$40,000,000 to the Fund.~~

~~(2) In fiscal year 2024, the Governor shall include in the annual budget bill an appropriation of at least \$20,000,000 to the Fund.~~

~~(3) In each of fiscal years 2025 and 2026, the Governor shall include in the annual budget bill an appropriation of at least \$10,000,000 to the Fund.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2024.

Approved by the Governor, April 25, 2024.