

Chapter 767

(House Bill 1430)

AN ACT concerning

**Maryland Public Charter School Program – School Facilities – Funding**

FOR the purpose of requiring the Interagency Commission on School Construction to distribute certain funds to public charter schools for ~~the maintenance and operation~~ of capital improvements to public charter school facilities, debt service, or rent or lease payments; requiring certain public charter schools to report to the Interagency Commission on School Construction on the status of certain projects; and generally relating to the funding of public charter school facilities in the Maryland Public Charter School Program.

BY adding to

Article – Education

Section 9–109(c)

Annotated Code of Maryland

(2022 Replacement Volume and 2025 Supplement)

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

**Article – Education**

9–109.

**(C) (1) ~~(H)~~ IN THIS SUBSECTION, ~~“PUBLIC THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.”~~**

**~~(H)~~ “PUBLIC “PUBLIC CHARTER SCHOOL FACILITIES” MEANS PREMISES THAT ARE:**

**~~(H)~~ 1. (I) OWNED OR LEASED BY A PUBLIC CHARTER SCHOOL;**  
**OR**

**~~(H)~~ 2. (II) OCCUPIED AND UTILIZED BY A PUBLIC CHARTER SCHOOL TO PROVIDE A PROGRAM OF PRIMARY OR SECONDARY EDUCATION TO ITS STUDENTS.**

**~~(H)~~ “TOTAL AGGREGATE STUDENT ENROLLMENT” DOES NOT INCLUDE STUDENT ENROLLMENT IN LOCAL SCHOOL SYSTEMS THAT:**

~~1. HAVE CLOSED OVER 50 SCHOOLS SINCE 2010; AND~~

~~2. MADE SURPLUS FACILITIES AVAILABLE TO CHARTER SCHOOLS.~~

(2) (i) 1. ~~THE~~ SUBJECT TO SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, THE INTERAGENCY COMMISSION ON SCHOOL CONSTRUCTION SHALL DISTRIBUTE FUNDS TO PUBLIC CHARTER SCHOOLS FOR THE MAINTENANCE AND OPERATION OF IN ACCORDANCE WITH THIS SUBSECTION FOR CAPITAL IMPROVEMENTS TO PUBLIC CHARTER SCHOOL FACILITIES, DEBT SERVICE, OR RENT OR LEASE PAYMENTS.

2. A PUBLIC CHARTER SCHOOL MAY RECEIVE FUNDS UNDER THIS SUBSECTION ONLY IF THE OPERATOR'S MOST RECENT REQUIRED CERTIFIED FINANCIAL AUDIT IS UNQUALIFIED.

(ii) FUNDS DISBURSED UNDER SUBPARAGRAPH (i) OF THIS PARAGRAPH SHALL BE PAID DIRECTLY TO THE PUBLIC CHARTER SCHOOL AND MAY NOT BE PAID TO A LOCAL GOVERNING BODY OR COUNTY BOARD.

(3) IF A PUBLIC CHARTER SCHOOL IS LOCATED IN A BUILDING OWNED BY THE LOCAL SCHOOL SYSTEM, THE INTERAGENCY COMMISSION ON SCHOOL CONSTRUCTION MAY NOT DISTRIBUTE FUNDS TO THE PUBLIC CHARTER SCHOOL FOR CAPITAL IMPROVEMENTS TO THE SCHOOL FACILITY, DEBT SERVICE, OR RENT OR LEASE PAYMENTS UNDER THIS SUBSECTION IN FISCAL YEARS DURING WHICH THE SCHOOL FACILITY IS UNDERGOING A PROJECT THAT IS RECEIVING STATE FUNDING THROUGH THE CAPITAL IMPROVEMENT PROGRAM.

(4) IF THE TOTAL AMOUNT OF THE CAPITAL IMPROVEMENT PROGRAM IN A FISCAL YEAR IS LESS THAN THE TOTAL AMOUNT IN THE PRIOR FISCAL YEAR, THE AMOUNT OF FUNDS DISTRIBUTED TO PUBLIC CHARTER SCHOOLS UNDER THIS SUBSECTION FOR THE FISCAL YEAR SHALL BE PROPORTIONATELY REDUCED.

(5) THE INTERAGENCY COMMISSION ON SCHOOL CONSTRUCTION MAY NOT USE FUNDS DISTRIBUTED TO A PUBLIC CHARTER SCHOOL UNDER THIS SUBSECTION AS JUSTIFICATION TO REDUCE THE AMOUNT PROVIDED TO A LOCAL SCHOOL SYSTEM THROUGH THE CAPITAL IMPROVEMENT PROGRAM.

(6) A PUBLIC CHARTER SCHOOL THAT RECEIVES FUNDS UNDER THIS SUBSECTION DURING A FISCAL YEAR SHALL REPORT TO THE INTERAGENCY COMMISSION ON SCHOOL CONSTRUCTION ON THE STATUS OF ANY PROJECT FOR CAPITAL IMPROVEMENTS TO PUBLIC CHARTER SCHOOL FACILITIES, DEBT SERVICE,

**OR RENT OR LEASE PAYMENTS BEFORE THE PUBLIC CHARTER SCHOOL MAY RECEIVE FUNDS FOR THE FOLLOWING FISCAL YEAR.**

~~(3)~~ (7) FOR FISCAL YEAR 2028 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION FOR ~~THE MAINTENANCE AND OPERATION OF~~ CAPITAL IMPROVEMENTS TO PUBLIC CHARTER SCHOOL FACILITIES, DEBT SERVICE, OR RENT OR LEASE PAYMENTS THAT IS EQUAL TO THE TOTAL AGGREGATE STUDENT ENROLLMENT IN THE MARYLAND PUBLIC CHARTER SCHOOL PROGRAM FOR THE PRIOR FISCAL YEAR MULTIPLIED BY ~~\$1,600~~ \$200.

~~(4)~~ (8) (I) THE INTERAGENCY COMMISSION ON SCHOOL CONSTRUCTION SHALL ADOPT REGULATIONS TO CARRY OUT THIS SUBSECTION.

(II) IN THE REGULATIONS ADOPTED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE INTERAGENCY COMMISSION ON SCHOOL CONSTRUCTION SHALL INCLUDE REGULATIONS THAT:

1. ESTABLISH THE PROCEDURES TO COMPLY WITH PARAGRAPH (3) OF THIS SUBSECTION IF A LOCAL SCHOOL SYSTEM SUBMITS A MID-YEAR CAPITAL PROJECT FUNDING REQUEST; AND

2. ENSURE A PUBLIC CHARTER SCHOOL RECEIVES FUNDS UNDER THIS SUBSECTION IF THE LOCAL SCHOOL SYSTEM RESCINDS A CAPITAL PROJECT FUNDING REQUEST AND THE PUBLIC CHARTER SCHOOL IS SUBSEQUENTLY ELIGIBLE FOR FUNDING UNDER THIS SUBSECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2026.

Approved by the Governor, May 26, 2026.