



House Bill 365

Public School Construction - Fossil Fuel-Based Energy System Costs - Prohibition (Green School Construction Act of 2022)

MACo Position: **SUPPORT**

To: Appropriations Committee

WITH AMENDMENTS

Date: February 8, 2022

From: Brianna January

The Maryland Association of Counties (MACo) **SUPPORTS HB 365 WITH AMENDMENTS**. This bill would prohibit the Interagency Commission on School Construction (IAC) from considering a new or replacement fossil fuel-based energy system as a construction or capital improvement cost eligible for state funding.

Counties share the general goal of HB 365 to pursue more environmentally-sound capital projects — and many already take measures to install renewable resources in capital projects. However, under HB 365, counties would be forced to pursue such projects in all school construction, regardless of feasibility and practicality, or they would have to support the full financial burden of a project that uses nonrenewable sources.

There are situations in which a local jurisdiction may need to use fossil fuel-based energy systems at no fault of their own. These include the ongoing challenges and disruptions to the supply chain and the scarcity of certain materials, as well as various geographical issues that make it virtually impossible to use geothermal, solar, or wind sources. Additionally, it may not be reasonable or fiscally sound policy to convert aging school facilities that use nonrenewable sources to renewable systems when the lifecycle of those facilities is ending.

Under HB 365, counties facing this dilemma would have to pay the full costs of energy system procurement and maintenance. **This puts county governments — serving as both stewards of taxpayer dollars and environment health — in a precarious and unfair predicament.**

Amendments could possibly resolve county concerns.

One possible amendment to HB 365 could require the State to first adjust its own calculated baseline per-square-foot funding amount to directly account for the increased capital and operational costs of implementing and maintaining renewable energy systems. Doing so would recognize these costs as fully appropriate for the standard state contribution, and fairly split the fiscal burden of pursuing such systems.

An additional amendment could provide a waiver process for projects that cannot practicably and reasonably support renewable energy systems based on circumstances specific to that facility or site. Such a carve-out, with standards of approval by some independent body, could help ideally separate those projects that can feasibly support such systems from those that cannot.

Counties stand ready to work with state policymakers to develop flexible tools and incentives to modernize school facilities to better pursue renewable energy options, but resist attempts to do so that deny these local fiscal and operational realities. Accordingly, MACo urges a **FAVORABLE WITH AMENDMENTS** report on HB 365, to develop a more collaborative and flexible approach to the bill's goals.