

Mary Pat Fannon, Executive Director

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BILL: SB 646

TITLE: School Construction - Public Charter School Facility Fund - Establishment

DATE: March 7, 2023

POSITION: Oppose

COMMITTEE: Budget & Taxation

CONTACT: Mary Pat Fannon, Executive Director, PSSAM

The Public School Superintendents' Association of Maryland (PSSAM), on behalf of all twenty-four public school superintendents, **opposes** Senate Bill 646.

This bill creates the Public Charter School Facility Fund, administered by the Interagency Commission on School Construction (IAC), to provide funding to public charter schools for eligible expenses associated with public charter school facilities. The Governor must include an annual appropriation in the budget bill of \$2,000 per student enrolled in a public charter school (approximately \$48 million annually).

The Charter School law stipulates that charter schools are Maryland *public schools* under the auspices of their local education agency (LEA). However, PSSAM sees no reason to create a separate fund for these schools, especially with expanded uses not currently available to traditional schools. It is important to recall that capital funding for charters was specifically discussed and dismissed during the legislation deliberations that authorized charter schools. This legislation would mostly affect Baltimore City Public Schools, which hosts the majority of charters and is home to the oldest buildings in the State; however, this also affects other LEAs.

Many charters are located in underutilized or closed public schools. In this situation, since the buildings are owned by the local government or the LEA, these requests would be evaluated for capital needs and participate in the LEA's Capital Improvement Process (CIP). In doing so, they are prioritized just like the rest of the system's infrastructure. For charters that are using non-government owned buildings, the law allows for these schools and their operators to use creative financing to make complete capital projects or work with other organizations to address their

facility needs. This is also true for charters in government owned buildings - so these schools have two opportunities to be included and funded.

The Maryland public school construction program is overseen by the IAC. As part of the CIP process, the IAC receives a list of schools, by priority, from each local school board and the IAC then grades those projects and provides funding based upon available school construction dollars. Again, those charter schools that are housed in LEA-owned buildings are considered for inclusion into the priority list for funding.

Even though this would be "new" funding, it still would create possibility inequities within a system where a charter may receive funds ahead of a non-charter school in far worse condition because they are "competing" against a smaller number of projects, with a dedicated and known funding stream.

Every system has unmet capital needs and skyrocketing inflationary costs, creating new and more expensive costs for every capital project. These inflationary pressures further our opposition to carving out additional state funding for charter school facilities when there is already insufficient funding to support the current facility needs.

For these reasons, PSSAM opposes Senate Bill 646 and requests an unfavorable report.