



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

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SENATE BILL 21 Budget and Taxation – Education – Public School Stadium Grant Program and Study – Established

STATEMENT OF INFORMATION

DATE: January 15, 2024

COMMITTEE: Senate Budget and Taxation

SUMMARY OF BILL: This bill establishes the Public School Stadium Grant Program to provide grants to local school boards for the major renovation or replacement of stadiums for public high schools. The Interagency Commission on School Construction (IAC) would administer the program, which would not be subject to established State-local cost share formulas. The Governor would have to include \$60.0 million in the operating or capital budget each year beginning in FY 2026. Funding for the grant program is intended to be supplemental and not replace funding that would otherwise be appropriated for public school construction. In addition, the IAC would conduct a study analyzing the condition of public school athletic and physical education facilities and submit a report to the General Assembly by December 1, 2024. The bill would take effect June 1, 2024.

EXPLANATION: The FY 2025 – 2029 Capital Improvement Program (CIP) includes \$2.9 billion for school construction programs, including \$2.2 billion in General Obligation (GO) bonds. This amount comprises nearly one-third of all GO bonds in the five-year CIP to renovate, replace, expand, and improve school facilities. These funds are critically needed to upgrade or replace deteriorated buildings, modernize teaching and learning spaces, and address overcrowding. In addition, appropriately sized stadiums are eligible for funding from the Public School Construction Program if they are included in the renovation, replacement, or new construction of high school facilities. Therefore, select stadium projects will be addressed through this existing program.

Of note, these existing investments through the Public School Construction Program are subject to a State-local cost share formula. This cost share formula leverages State funds with local funds, maximizing the outcome of State investments and ensuring local governments are incentivized to construct and maintain their facilities effectively and efficiently.

Importantly, the \$60 million annual funding mandate set forth by SB 21 will cost \$240 million through the FY 2025-2029 CIP. This mandate would likely require a reduction in funding to existing school construction programs or other critical programs and projects already planned in the CIP.

45 Calvert Street □ Annapolis, MD 21401-1907

Tel: 410-260-7041 □ Fax: 410-974-2585 □ Toll Free: 1-800-705-3493 □ TTY Users: Call via Maryland Relay

<http://dbm.maryland.gov>

Finally, implementing and administering this new program would likely require additional IAC positions and operational funds at a time when the State is facing economic challenges, including a structural deficit.

**For additional information, contact Laura Vykol-Gray at
(410) 260-6371 or laura.vykol@maryland.gov**