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BILL: HB 233
TITLE: Education - Public School Construction - Alterations
DATE: February 17, 2026
POSITION: Support with Amendments
COMMITTEE: House Appropriations Committee
CONTACT: Mary Pat Fannon, Executive Director, PSSAM

The Public School Superintendents' Association of Maryland (PSSAM), on behalf of all twenty-four public school superintendents, **supports** House Bill 233 **with amendments**.

This bill proposes several changes to the public school construction program including, clarifying the type of proposals and plans that require the approval of the State Superintendent of Schools; requiring a county board of education to request and receive approval from the State Superintendent before the county board may proceed with certain actions; authorizing the Interagency Commission on School Construction (IAC) to adopt requirements for eligibility for certain State funding; modifying due dates of Commission reports; repealing the requirement for the Commission to approve a certain percentage of the preliminary school construction allocation by a certain date; requiring the Commission to establish an appeal process; clarifying the circumstances when the State may not require or shall require counties to reimburse the State for debt service; altering the requirement for certain assessments and inspections the Commission is required to conduct; and generally relating to public school construction.

PSSAM appreciates several provisions in the bill that clarify or streamline existing statute, but we have identified a number of concerns for LEAs and county partners.

The proposed language in **4-115** appears to narrow the types of land acquisition and projects requiring approval from the State Superintendent. In addition, it appears that minor projects (e.g., paint or patch work) would be exempt unless they exceed a dollar threshold and involve substantive structural changes. ***We are fully supportive of this provision.***

Below are areas of concern that we have shared with the IAC, and where appropriate, hope to clarify or resolve these concerns through amendments.

- **We are supportive of the changes in §2-303 (Change Order Review Threshold) but propose an amendment to increase the threshold to \$500,000 and limit review to educational spaces.** The increase (2-303) in the threshold for State review of change orders is a positive step, particularly given that the State does not participate in funding for change orders. The Department's (MSDE) proposed amount appropriately narrows State review only to major change orders, but is still very low and will trigger an excessive amount of review that will create unnecessary delays.
 - However, we feel a more appropriate threshold would be \$500,000 or for the Department to adopt a process similar to the IAC where all change orders are examined at the time of project close-out. Again, since the State (through the IAC or MSDE) does not participate in funding these change orders, this process more appropriately reflects the Department's oversight.
 - Further, we request an amendment to this section, specifically line 19 on page 2, to STUDENT-OCCUPIED SPACES **THAT DIRECTLY RELATE TO THE DELIVERY OF EDUCATION** in a school building. Again, this more appropriately reflects the Department's role in oversight of educational spaces, not all buildings and ancillary spaces that are not in direct use for students.

- **§5-303(d)(2)(xv) – Project Eligibility Authority:**

The proposed language appears to grant the IAC substantially greater authority to define eligibility criteria for State funding through regulation rather than statute. Shifting eligibility standards to regulations may provide less opportunity for LEAs and counties to respond to changes.

 - After speaking with the IAC, it is our understanding that this language is meant to provide more transparency by explaining the eligibility requirements, rather than creating new requirements and will be working on clarifying language.

- **§5-304 – Timing:**

Eliminating the requirement for 75% approval by December 31 delays meaningful State CIP guidance until March (90% approval). This timing is very late for many LEAs and county governments to plan effectively for the upcoming fiscal year. The December 75% approval has been a critical planning tool for aligning capital programs and local budget development. In addition, many non-charter counties, and Baltimore City, must introduce bond resolutions through their state legislative delegations for consideration during the annual legislative session as part of their capital debt issuance structure. Therefore, this proposed timing further complicates important steps that are mandated in local and state laws regarding financing local debt.

- In our discussions with the IAC they have explained that in their opinion, the current process does not provide for the most reliable decision making process. In its place, they are considering a more robust monthly project request status update that will provide more productive dialogue between the LEAs and the IAC. They believe the existing deadline of December 31st does not provide enough time for important information to be developed about proposed projects. Further, they believe making these allocations before the state's capital budget is introduced provides less reliability.

We appreciate the IAC's commitment to a more reliable and accurate process for policymakers and the public. However, since the "75% allocation date" is a longstanding historical practice, we are hopeful that the IAC will share their newly proposed timeline, as well as propose legislative language that would ensure meaningful input from the LEAs and the counties before upending a decades-long established process.

- **§5-310 – Expanded Reporting Requirements:**

The proposed reporting requirements appear to significantly increase the burden on LEAs by requiring annual reporting of all changes to every building in an LEAs' portfolio. Typically this level of reporting is done the year in which the quadrennial assessment is undertaken by the IAC. Switching to annual reporting on all schools would be a substantial increase in workload for local school systems.

- We have discussed these concerns with the IAC and they understand our interpretation and will provide amendment language to make it clear that this requirements in this section are required "at least once every four years."

- **§5-314 – Educational Specifications and Schematic Design:**

This section appears to expand requirements for educational specifications and schematic design for HVAC replacement or modification projects exceeding \$1 million. This review and approval are typically reserved for projects that change educational programs and exceed \$1 million. Applying this same level of review to systemic HVAC projects would increase consultant design fees and overall project costs without clear educational benefit. In addition, our facilities directors are concerned that the \$1 million threshold is too low for many common upgrades on these systems. If the intent is to limit review to only substantial or major projects, the threshold needs to be significantly increased.

- According to the IAC, this section was meant to strengthen the State's oversight of heating, ventilation, or air conditioning systems earlier in the project's lifecycle. In addition, the \$1 million threshold was to codify existing rules by the Department of General Services (DGS). We have discussed clarifying language for both of these issues that were inadvertently drafted together, confusing the

intent. Further, the IAC is open to increasing the threshold review of HVAC systems to trigger more substantial project reviews.

As currently written, HB 233 makes significant changes to Maryland's school construction approval and funding framework. These changes could reduce project planning and funding predictability, while increasing costs and administrative burden at the local level.

However, we are encouraged by our discussions with the IAC and look forward to continuing our work to amend the bill in a way that ensures the intent of the IAC, and preserves predictability in the process for LEAs. We support the many improvements in the legislation, but need to protect LEAs and counties from unintended increased costs and human capital in fulfilling our obligation to provide the safest facilities possible for our students, staff and communities.

For these reasons, PSSAM **supports** HB 233 **with the amendments** described above.