



Mary Pat Fannon, Executive Director
1217 S. Potomac Street
Baltimore, MD 21224
410-935-7281
marypat.fannon@pssam.org

BILL: HB 854
TITLE: School Construction – Nonpublic Special Education School Renovation Program – Established
DATE: February 17, 2026
POSITION: Letter of Information
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 Maryland local school superintendents, submits this **letter of information** for HB 854.

This legislation establishes the Nonpublic Special Education School Renovation Program in the Interagency Commission on School Construction to provide grant funding to certain nonpublic special education schools for renovations and improvements to classrooms, upgrades to residential cottages on school grounds, health, safety and accessibility upgrades, infrastructure modernization, and certain new construction.

At the outset, we want to emphasize and acknowledge the many students served in nonpublic special education placements are public school students. These are children whose needs cannot reasonably be met in traditional public school environments, and local school systems are committed - both legally and morally - to ensuring they receive appropriate services in safe, high-quality settings. However, we urge caution before creating a new State capital grant program for nonpublic facilities.

Maryland's public school systems are currently facing an unprecedented school construction backlog. The Interagency Commission on School Construction has documented significant unmet need across our public school buildings. Systems throughout the State are managing aging infrastructure, deferred maintenance, overcrowding, and health and safety upgrades - all in the context of rapidly escalating construction costs. The cost per square foot has risen dramatically in recent years, and there is no clear solution in sight to close the existing gap between need and available State and local funding.

Simply put, there is not enough funding today to address the health and safety needs of our own public school buildings.

It is also important to consider how nonpublic placements are funded. The tuition rates paid by local school systems for students placed in nonpublic special education schools are designed to cover the operational costs of educating those students. Just as the Foundation formula for public schools is intended to cover the “other operating costs of running a school,” including maintenance and debt service on school construction, the rates paid to nonpublic schools are structured to support their full cost of operations. Those payments should be inclusive of the costs necessary to operate and maintain their facilities.

In addition, nonpublic special education schools are private entities. While they provide critical services to public school students placed by local systems, they are private ventures and may also serve students who are not placed by local boards of education. As private organizations, they have access to financing tools available in the private sector, including private debt, philanthropy, and other mechanisms to address capital needs.

We fully recognize the importance of safe, appropriate facilities for all students, including those in nonpublic placements. Our concern is not about the students served, but about fiscal sustainability and alignment with Maryland’s broader school construction strategy. Creating a State-funded capital grant program for private facilities raises broad policy questions about equity, precedent, and the prioritization of limited construction dollars.

We respectfully ask the Committee to thoughtfully consider these complex issues about whether the State should create a new capital program for nonpublic entities while public school systems struggle to modernize and maintain the facilities that serve the vast majority of Maryland’s students.