



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

BILL: HB 1329
TITLE: Education - Public School Construction - Funding
DATE: March 11, 2026
POSITION: Favorable
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 local school superintendents, **supports** House Bill 1329.

This bill states that it is the intent of the General Assembly that at least \$550 million is included in the annual State budget for public school construction beginning in fiscal year 2027.

Students learn best in schools that are safe, healthy, and designed for modern educational needs. Today's schools must support heightened safety expectations, including secure entrances, clear sight lines, modern communication systems, and full ADA accessibility. At the same time, building conditions directly affect student health and learning. Outdated ventilation, heating, and cooling systems contribute to poor air quality, increased asthma rates, absenteeism, and difficulty concentrating. Aging facilities also struggle to support modern technology and may even face heat-related closures during extreme weather. Maryland's commitment to climate solutions also requires school facilities to meet higher environmental standards. While these improvements create long-term energy savings, they often increase upfront construction costs. In short, unsafe or outdated school buildings directly undermine student success.

Maryland's funding for school construction through the State Capital Improvement Program (CIP) has remained largely stagnant in recent years and does not include an inflationary adjustment. At the same time, every local school system faces significant unmet capital needs while construction costs continue to rise rapidly. Inflation in labor, materials, and supply chains has dramatically reduced purchasing power for school construction projects. As a result, projects are becoming more expensive and in some cases must be scaled back or delayed because available funding cannot meet the original scope.

Construction inflation has been particularly severe. According to the U.S. Bureau of Labor Statistics *Producer Price Index* for New School Building Construction, costs rose from 157.5 in January 2018 to 224.7 in January 2024—**an increase of 42.7% in just six years**. The increase over a longer time horizon is even more striking. **In 2003, the State cost per square foot for school construction was \$139; in 2026, it is \$431**. Without adjustments to state funding levels, these rising costs continue to erode the ability of school systems to build and modernize facilities.

Maryland's school infrastructure faces a substantial backlog of aging and unreliable facilities. According to the Interagency Commission on School Construction (IAC):

- 46% (627 facilities) are considered unreliable and in need of major repair, and
- 34% (463 facilities) are rated as “OK” but occasionally unreliable.

Delaying construction only makes the problem more expensive. Temporary repairs and emergency fixes often create a costly “band-aid” approach that does not address underlying structural issues. As projects are postponed, inflation continues to drive costs even higher.

Investment in school construction also benefits Maryland's economy. High-quality school facilities help attract families, employers, and a talented workforce. School construction funding generates a ripple effect across the economy by supporting skilled trades and construction jobs; architects, engineers, and designers; manufacturing and material suppliers, and local small businesses. These investments strengthen both local communities and the statewide economy.

The success of the Blueprint for Maryland's Future depends on having facilities that can support its programs. This includes safe and healthy **community schools**, high-quality **prekindergarten classrooms**, modern **career and technical education labs**, and expanded and mission-critical **special education spaces**. If Maryland is serious about educational equity, students across the state must have access to comparable learning environments.

Local governments have increasingly shouldered the burden of school construction costs, but ***many counties—especially lower-wealth jurisdictions—cannot meet facility needs without strong state partnership.*** Even when local governments attempt to advance funding for projects, it can take decades to recover those investments. In some cases, counties simply do not have the fiscal capacity to move projects forward without additional state support.

Historic cost escalation and ongoing inflationary pressures are making it increasingly difficult for school systems to address facility needs. Ensuring safe, modern schools will require a renewed commitment and increased funding commitment from the State to partner with local governments and provide funding that reflects today's construction realities.

For these reasons, PSSAM **supports** House Bill 1329 and requests a **favorable** report.