

Letter of Information Testimony on House Bill 854
Appropriations
February 17, 2026
1:00 pm

Jessica Cook and Jocelyn I. Collins
MSEA Government Relations

The Maryland State Education Association (MSEA) submits this letter of information on Senate Bill 854, which establishes the Nonpublic Special Education School Renovation Program within the Interagency Commission on School Construction to provide grants for health, safety, accessibility, and facility improvements at eligible nonpublic special education schools.

MSEA recognizes that many students placed in these nonpublic special education schools are public school students whose local school systems have determined that their needs cannot be met in-district. These placements are often for students with significant and complex disabilities. Ensuring that the facilities in which they learn, receive services, and, in some cases, residences are safe and appropriately maintained is fundamentally a health and safety issue.

The bill authorizes grants for renovations and upgrades, including improvements to classrooms, infrastructure, and residential facilities. These are important considerations, particularly when they directly impact student safety and well-being. At the same time, MSEA notes several important fiscal and policy considerations for the Committee.

First, Senate Bill 854 authorizes the creation of a program but does not mandate or designate a dedicated funding source. Any funding would be subject to annual budget decisions. Maryland continues to face significant capital needs in its public school buildings, many of which require urgent health and safety upgrades, including HVAC improvements, modernization, and remediation of aging infrastructure.

The Interagency Commission on School Construction has documented substantial unmet need across Maryland’s public school facilities. School systems throughout the State are managing aging infrastructure, deferred maintenance, capacity challenges, and critical safety improvements — all while construction costs continue to escalate. The average cost per square foot for school construction has increased markedly in recent years, placing additional strain on already limited State and local capital funding. Despite sustained investment, available resources do not fully meet the documented needs of Maryland’s public school buildings.

Given these ongoing challenges, the General Assembly must consider how the creation of a new capital grant program fits within Maryland’s broader school construction strategy and long-term fiscal commitments. Expanding State capital obligations warrants careful review, particularly when public school systems are working to modernize and maintain facilities serving the vast majority of Maryland’s students.

Second, local school systems pay tuition rates for students placed in nonpublic special education programs. Those rates are intended to support the cost of delivering educational services and should encompass operational expenses, including facility-related costs. If existing tuition methodologies do not sufficiently account for capital or renovation needs, that issue may be more appropriately addressed within the placement funding structure rather than through a separate capital program that could compete with public school construction funding.

It is also important to recognize that nonpublic special education schools are private entities. While they provide critical services to students placed by public school systems, they operate independently and may serve students outside of local board placements. As private organizations, they have access to financing mechanisms available in the private sector, including borrowing, philanthropic partnerships, charitable giving, and other capital-raising strategies.

Establishing a State-funded capital program for private facilities raises broader considerations related to equity, precedent, and the prioritization of limited construction dollars. Policymakers should evaluate whether such a program aligns



with existing capital priorities and how it may affect the State's ability to address the documented needs within public school infrastructure.

Before moving forward with a new capital initiative, we respectfully encourage the Committee to consider:

- The magnitude of unmet need in public school facilities documented across the State;
- The long-term implications of expanding State capital obligations at a time of constrained resources; and,
- Whether existing tuition structures and available private financing mechanisms can appropriately address renovation and capital improvement needs in nonpublic settings.

MSEA represents 76,000 educators and school employees who work in Maryland's public schools and community colleges, teaching and supporting our almost 900,000 K-12 students so they can pursue their dreams. MSEA represents more than 44 local affiliates in every county across the state of Maryland, and our parent affiliate is the 3-million-member National Education Association (NEA).

While MSEA does not oppose the goal of ensuring safe facilities for students placed in nonpublic special education schools, we urge the Committee to carefully consider the broader fiscal context and the need to prioritize and fully fund health and safety improvements in Maryland's public school buildings. Any new program should not come at the expense of urgently needed investments in public school infrastructure.

We appreciate the opportunity to provide this information on Senate Bill 854.