



## **Letter of Support for SB 934/HB 1329 – Education - Public School Construction - Funding – March 11, 2026**

**Senator Guy Guzzone**  
**Chair, Senate Budget & Taxation Committee**  
**3 West Miller Senate Office Building**  
**Annapolis, Maryland 21401**

**Delegate Ben Barnes**  
**Chair, House Appropriations Committee**  
**121 Taylor House Office Building**  
**Annapolis, Maryland 21401**

**Senator Guzzone and Delegate Barnes,**

The IAC appreciates the opportunity to provide a Letter of Support for SB 934/HB 1329.

### **Outline of Benefits**

Maryland’s portfolio of public school facilities is currently experiencing significant problems with reliability resulting in more frequent and higher-cost preventive and ongoing maintenance projects. Since 2005, the average age of public PreK-12 school facilities has increased to 32 years from 24 years. With the exception of 2025, the IAC has observed a steady increase in the average Facility Condition Index (FCI) score—which is a measure of how depleted the condition of a facility is—of the school facilities in Maryland, with the baseline average for all LEAs in 2020 being 49.95%, and the 2025 average FCI across all jurisdictions being 52.26%. These parallel declines show that capital spending levels have been insufficient to counteract the natural aging and wear and tear on school facilities and to maintain their condition at levels that support teaching and learning..

Presently, the IAC estimates the minimum amount of State funding needed to support on-schedule execution of the top-priority school-construction projects in Maryland is \$622 million in FY 2027. This exceeds the present legislative target for appropriations of \$450 million and Governor’s proposed budget for school construction by about \$170 million.

For FY 2027, the IAC received requests for funding from LEAs totaling \$754 million, consisting of funding requests for 144 projects. At estimated funding levels, the IAC anticipates only being able to fund 104 of those projects in FY 2027. Should the legislation pass and the IAC’s capital budget for FY 2027 be increased by \$100 million, the IAC could fully fund 59% of the currently unfunded top-priority projects, including six key projects in low-wealth small counties and three in medium-sized counties.

Making these additional awards to at least ten projects in FY 2027 would have four valuable effects. First, it would avoid forcing counties to “forward-fund” \$100 million worth of State share by borrowing the funds (or deferring other project investments) needed to keep design and construction of these projects on schedule. Second, it would free up the State AND local capital funds needed for the next urgent backlogged projects in the queue to start when needed rather than being deferred if local fiscal capacity is insufficient. Third, it would save a projected \$4 million in State purchasing power that will otherwise be lost to construction-cost inflation



affecting those projects that are postponed. And, fourth, because executing the next urgent backlogged projects a year earlier will reduce the cost of those projects by about 4% and potentially avoid requiring LEAs to make costly temporary fixes to failing building systems while waiting for the capital funding to arrive, the funding will obtain another estimated \$4 million to \$6 million in savings to the State.

### **IAC Operational Impact**

The IAC anticipates no operational impact as a result of the proposed legislation. As mentioned above, IAC staff have already reviewed the \$754 million worth of submitted CIP projects and determined their eligibility to be well above \$622 million. Without any significant additional effort, IAC staff could award an additional \$100 million in appropriated funding in FY 2027 to eligible projects from the submitted set. Because the IAC generally only awards funds that are likely to be spent in the fiscal year in which they are awarded, the additional \$100 million should result in payments to contractors or reimbursements to LEAs during FY 2027.

### **Conclusion**

While SB 934/HB 1329 comes with a price tag, it will obtain a set of fiscal benefits that quantitatively exceed that price tag by an estimated 8-10% as well as unquantifiable but meaningful direct benefits to students, staff, and communities. Even if the additional \$100 million proposed in SB 934/HB 1329 were to be obtained by bonding a greater amount in FY 2027 and reducing the FY 2028 bonded amount by the equivalent, the value of completing the projects sooner produces such meaningful net benefits that having the funding earlier would be valuable and welcomed by LEAs and the IAC.

Regards,

Alex Donahue  
Executive Director