

BILL: Senate Bill 934
TITLE: Education - Public School Construction – Funding
HEARING DATE: March 11, 2026
POSITION: FAVORABLE
COMMITTEE: Budget and Taxation
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The Maryland Association of Boards of Education (MABE), representing all the state’s local boards of education, **supports Senate Bill 934, Education - Public School Construction – Funding.**

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 most effectively in school environments that are safe, healthy, and equipped to meet modern educational demands. Today’s facilities must address heightened safety expectations, including secure entrances, clear sight lines, reliable communication systems, and full compliance with ADA accessibility requirements. At the same time, the physical condition of school buildings has a direct impact on student health and learning. Outdated ventilation, heating, and cooling systems can lead to poor air quality, higher asthma rates, increased absenteeism, and greater difficulty concentrating. Older facilities also often lack the infrastructure needed to support modern technology and may be vulnerable to heat-related closures during periods of extreme weather. In addition, Maryland’s commitment to climate solutions requires school facilities to meet higher environmental performance standards. Although these upgrades can generate long-term energy savings, they frequently increase upfront construction costs. Ultimately, unsafe or outdated school buildings can significantly undermine student success.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 for 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. Delay itself, of course, increases cost for projects further.

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 per square foot in January 2018 to \$224.7 per square foot 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 school 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, mission-critical special education spaces. If Maryland is committed to advancing educational equity, students across the state must have access to comparable learning environments.

Local governments have increasingly borne the responsibility for school construction costs, but many counties—particularly lower-wealth jurisdictions—cannot meet their facility needs without a strong partnership with the State. Even when local governments move forward with funding projects, it can take decades to recover those investments. In some cases, counties simply lack the fiscal capacity to advance projects without additional state support. At the same time, historic cost escalation and persistent inflationary pressures are making it more difficult for school systems to address facility needs. Ensuring safe and modern schools will require renewed commitment from the State and increased funding to partner with local governments in a way that reflects today's construction costs.

For these reasons, MABE supports Senate Bill 934 and requests a favorable report.