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BILL: HB 1430
TITLE: Maryland Public Charter School Program - School Facilities - Funding
DATE: April 1, 2026
POSITION: Unfavorable
COMMITTEE: Senate Budget and Taxation Committee
CONTACT: Mary Pat Fannon, Executive Director, PSSAM

The Public School Superintendents' Association of Maryland (PSSAM), on behalf of all twenty-four public school superintendents, **opposes** House Bill 1430.

This bill directs the Governor, for fiscal year 2028 and each fiscal year thereafter, to include in the annual budget bill an appropriation (to be distributed by the Interagency on School Construction [IAC]) for the maintenance and operation of public charter school facilities that is equal to the total aggregate student enrollment in the Maryland Public Charter School Program for the prior fiscal year multiplied by \$200.

PSSAM supports efforts to ensure all Maryland students learn in safe, modern, and well-maintained facilities; however, we oppose House Bill 1430 because it would establish a separate, per-pupil funding stream specifically for public charter school facilities outside of the State's existing school construction funding process.

This bill would depart from the State's school construction process (and underlying philosophy) that directs funding to schools based on need, toward a separate funding model that will create inequities among public school students. Under the current model, capital funds are granted through a rigorous evaluation process administered by the IAC. School systems and the Commission balance competing demands based on the age, condition, size, and use of every school building in a jurisdiction, ensuring that scarce dollars are targeted to the highest priorities. This proposal would bypass that longstanding process and its associated accountability safeguards.

Maryland's charter school law stipulates that charters are public schools under the auspices of their local education agency (LEA). It is important to recognize that charter schools already receive a higher per-pupil allocation because facilities costs are removed from traditional schools before allocation. Creating an additional, separate stream for facilities risks further distorting those allocations and exacerbating inequities between students.

This proposal represents the first instance of an education funding formula and mandated appropriation that is allocated based on category alone, rather than student need. This approach runs counter to the core principles of the Blueprint for Maryland's Future, which are grounded in directing resources to students who need them most. To date, no evidence has been presented to demonstrate that students in charter schools are faring worse than their peers in traditional public schools in a way that would justify this departure from a need-based framework.

If additional funding is available - and we were not aware that it was - those resources should first be directed toward well-established areas of need, such as special education, or toward Blueprint priorities, such as collaborative time, that have already been identified as critical but deferred due to fiscal constraints.

Many charters are located in underutilized or closed public school buildings. Since these buildings are owned by the local government or the LEA, requests for improvements are evaluated through the LEA's Capital Improvement Process (CIP) and prioritized alongside all other system needs. For those charters that have chosen to operate in non-publicly owned facilities, these decisions were made with an understanding of the associated costs and financing structures available to them.

There are other opportunities for charters to access State capital funding. For charters that are using non-government owned buildings, the law allows for these schools and their operators to use creative financing to complete capital projects, or work with other organizations to address their facility needs. Additionally, beginning in 2023, the Interagency Commission on School Construction (IAC) adopted a policy allowing state bond proceeds to fund capital improvements for leased public charter school buildings not owned by local school systems.

There are well documented insufficient State funds for existing capital needs. Maryland's funding for school construction 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. 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.

The State is already unable to fully fund projects that have been vetted, prioritized, and, in many cases, waiting for years in the IAC pipeline. Creating a new funding stream for a subset of schools risks diverting limited resources away from these high-priority projects and disrupting an already strained queue.

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 also 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.

Please see the chart below for the funding requested by each LEA in FY ‘27 in relation to the ultimate award. **For a list of school projects requested by each LEA, identifying projects awarded and those denied funding, please [visit this link](#).** It is also important to note that IAC asked districts to limit their requests in FY ‘27 due to the lack of expected funding. Therefore, both this chart and the accompanying document significantly understate the true needs in each LEA.

Local Education Agency	Current Year State	Total FY 2027 Awards
Allegany	\$ 7,220,575	\$ 2,831,319
Anne Arundel	\$ 76,304,989	\$ 27,658,733
Baltimore City	\$ 83,267,000	\$ 25,752,036
Baltimore County	\$ 50,193,255	\$ 36,815,384
Calvert	\$ 4,992,187	\$ 4,196,862
Caroline	\$ 5,389,000	\$ 2,750,000
Carroll	\$ 17,637,929	\$ 17,441,162
Cecil	\$ 27,491,002	\$ 6,000,000
Charles	\$ 27,429,000	\$ 16,428,569
Dorchester	\$ 10,000,000	\$ 2,750,000
Frederick	\$ 50,466,275	\$ 28,292,641
Garrett	\$ 7,093,638	\$ 4,953,745
Harford	\$ 26,328,040	\$ 13,656,520
Howard	\$ 27,925,597	\$ 18,070,320
Kent	\$ 16,818,000	\$ 2,750,000
Maryland School for the Blind	\$ 30,750,740	\$ 12,000,000
Montgomery	\$ 47,380,337	\$ 40,910,538
Prince George's	\$ 64,435,132	\$ 47,089,412
Queen Anne's	\$ 7,373,472	\$ 2,750,000
Somerset	\$ 29,658,517	\$ 2,750,000
St. Mary's	\$ 22,752,391	\$ 5,089,106
Talbot	\$ 2,340,000	\$ 2,340,000
Washington	\$ 20,873,550	\$ 12,519,766
Wicomico	\$ 84,689,931	\$ 14,684,021
Worcester	\$ 5,549,499	\$ 4,824,948
Statewide Reserve	\$ -	\$ 7,449,925
Grand	\$ 754,360,056	\$ 362,755,007
Total State Funding is a combination of the anticipated FY '27 appropriation reserve funds, and other sources		

Proponents of the bill have pointed to the *federal State Charter School Facilities Incentive Grants (SFIG) program* as a justification for establishing this per-pupil funding structure in Maryland. While it is true that this structure is required to access SFIG funds, it is important to fully understand what participation in the program entails. *The federal funding is temporary and over time, the state funding must supplant federal funding.* Within five years, there is not a single federal dollar invested in this program.

At a time when Maryland faces serious structural budget pressures, it is fiscally irresponsible to create a new and expanding State obligation - particularly one not driven by student need - that will displace longstanding, evidence-based priorities that have yet to be funded.

For these reasons, PSSAM **opposes** House Bill 1430 and respectfully requests an **unfavorable** committee report.