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BILL: House Bill 1430
TITLE: Maryland Public Charter School Program – School Facilities – Funding
HEARING DATE: April 1, 2026
POSITION: UNFAVORABLE
COMMITTEE: Budget and Taxation
CONTACT: Jessica Goff, Governmental Affairs Associate (jgoff@mabe.org)

The Maryland Association of Boards of Education (MABE), representing all the state’s local boards of education, **respectfully opposes House Bill 1430 – Maryland Public charter School Program – School Facilities – Funding.**

House Bill 1430 would require the Governor, beginning in fiscal year 2028, to include in the annual budget an appropriation for public charter school facility maintenance and operations equal to \$200 for each student enrolled in a charter school the year prior. The bill directs the Interagency Commission on School Construction (IAC) to distribute these funds directly to charter schools.

MABE supports efforts to ensure that all Maryland students learn in safe, modern, and well-maintained facilities. However, House Bill 1430 would establish a separate, per-pupil funding stream for charter school facilities outside of Maryland’s school construction funding framework. At a time when the State cannot even meet the facilities needs of traditional public schools, MABE cannot support legislation like HB 1430 that prioritizes charter facilities at the expense of traditional public schools. Per the IAC, local county boards have requested \$ 754,360,056 for school construction-related projects in FY 2027. However, the IAC is only able to fund \$ 362,755,007. This leaves **\$391,605,049 in unfunded, yet necessary, traditional public school construction projects for FY 2027.**

Maryland’s school construction program allocates capital funds based on demonstrated facility need rather than enrollment. Under current law, the Interagency Commission on School Construction administers State school construction allocations through an independent evaluation process in which local school systems submit capital improvement priorities and projects are assessed based on factors such as facility condition, age, capacity, and utilization. See Md. Code Ann., Educ. Art. § 5-302(c) (providing that the purpose of the IAC is to be “independent and merit-based” in its allocations). This framework allows limited capital resources to be directed to the highest facility priorities across hundreds of public school buildings. **House Bill 1430 would depart from this need-based system** by establishing a facilities funding allocation tied solely to student enrollment, creating a separate funding stream for charter school facilities that risks introducing inequity among public school facilities competing for limited State resources.

Charter schools are public schools operating under the authority of their local education agencies, and many operate in facilities owned and maintained by local boards of education. When charter schools are in school system-owned buildings, those facilities are already included in the local school system's Capital Improvement Program and are prioritized alongside other public school facilities. Creating a separate per-pupil facilities allocation for charter schools would provide additional funding for buildings that are already maintained through the existing capital planning process.

For charter schools operating in facilities not owned by a local school system, there are already mechanisms available to address facility needs. Charter operators can pursue independent financing arrangements or partnerships to support capital projects. In addition, the IAC adopted a policy in 2023 allowing State school construction funds to support capital improvements in leased public charter school facilities not owned by local school systems, provided the charter school has a long-term lease and a written guarantee from its school system authorizer.

Further, charter schools are also eligible for federal programs specifically designed to support charter school facility financing. The federal **Credit Enhancement for Charter School Facilities** program provides competitive grants (not available for traditional public schools) to help charter schools obtain facilities and to leverage financing for construction and renovation projects. See 20 U.S.C. § 7223. This grant is specifically intended to address facility financing challenges unique to charter schools, including costs associated with mortgages, leasing, and major improvements. **Importantly, the Credit Enhancement program does not require any amendments to State law for Maryland charter schools to be eligible.**

As school systems across Maryland face substantial unmet capital needs and rising construction costs, establishing a separate statewide funding stream for charter school facility maintenance would divert scarce resources from the broader pool of public school facilities competing for support while advantaging charter school facilities over district-run counterparts.

For these reasons, MABE opposes House Bill 1430 respectfully requests an unfavorable report.