Maryland Association of Boards of Education
Comments to the 21st Century School Facilities Commission
by Donna Brightman, MABE President-Elect
July 21, 2016

Mr. Chairman and members of the Commission, I am Donna Brightman, President-elect of the Maryland Association of Boards of Education (MABE), and President of the Washington County Board of Education. I am pleased to be here today, representing all twenty-four of the State’s local boards of education, to request your best efforts to develop recommendations to improve Maryland’s public school construction program. Specifically, on behalf of MABE, I am requesting your pursuit of changes in law, regulations or procedures to facilitate the availability of alternative financing methods for school facilities projects.

MABE has adopted a legislative position which “supports the pursuit of innovative funding policies and strategies to maximize the capacity of state and local bonding authority in support of school facility project funding.” Alternative financing refers to financing a project completely or partially using approaches other than traditional revenue bond financing or pay-as-you-go (PAYGO) financing. Alternative financing methods include sale-leaseback arrangements, lease-leaseback arrangements, public-private partnership agreements, performance-based contracting, and design-build arrangements. MABE supported the School Facilities Act of 2004, which enhanced efforts to address Maryland’s public school facility needs by providing clear statutory authority for local boards and governments to utilize alternative financing methods.

There are several examples of successfully completed school projects which were financed through the sale-leaseback or other alternative financing approach. The merits of alternative financing are often very case-specific, but these methods can also generate much needed revenue when traditional financing methods are lacking.

For the last few years, many school districts have begun to think outside of the traditional classroom approach to instruction and curriculum delivery, while working to align Maryland College and Career Standards with functional facility usage. With that in mind, here are several examples that may inform this statewide discussion.

Barbara Ingram School for the Arts (BISFA): A unique downtown learning environment was the first school constructed utilizing alternative financing as set forth in the 2004 legislation. Our experience, though successful, was very technical, with many barriers, and a long two-year process. Recently, BISFA was named a gold medal school for the second year by US News and World Report and is ranked the 5th best school in Maryland.

Public Service Academy: An existing facility and maintenance building was converted to serve the Fire & Rescue, and Criminal Justice Academy Students. WCPS paid the $500,000 renovation cost out of our general fund, since there is no process in place that allows for a rapid respond to programing needs.
Urban Improvement Project: WCPS/BOE is currently partnering with the City of Hagerstown, Washington County, University of Maryland Hagerstown System, and Maryland Theater to expand our academic footprint downtown. BOE, County, City, Community, and State are currently working to develop a non-traditional funding model. Again, there is no current process in place that addresses this type of funding partnership.

Public Private Partnerships: WCPS (safety, ADA, Title IX), BOE (restricted use of fund balance), Community (fund-raising, donations, investors) No process in place to seek state dollars to leverage a P3 project, even when the project enhances existing state and county assets.

- Williamsport High School – Athletic Facility Expansion
- Clear Spring High School – Agriculture and Environmental Science Center Expansion
- Boonsboro High School – Auditorium and Performing Arts Upgrade/Expansion

Many school systems and county governments are hard pressed to afford a new traditional high school at a cost of $80 million to $100 million. Yet, the existing traditional CIP process and the more recent alternative financing method do not allow the flexibility needed to tackle, case by case, district by district opportunity for a more creative approach to non-traditional CIP models. Districts that have the ability, experience and interest in developing creative projects should be given the tools needed to act.

The 2004 School Facilities Act also allowed for alternative procurement and bidding procedures, including competitive sealed proposals, solicited proposals, or unsolicited proposals. MABE continues to support expanding local school system and county government options to pursue innovative, cost-effective, public-private partnerships to facilitate improvements to existing school facilities and build new schools.

This past session legislation was introduced, but not passed, to restrict the use of the cooperative purchasing method of procurement in the area of school construction, renovation and maintenance projects. MABE opposed this legislation in support of maintaining the option for local school systems to use alternative methods of project delivery, and to procure school construction by methods other than competitive bidding, in order to optimize cost savings and efficiencies in procurement. MABE recognizes the need for further education of local government and school system facilities, budget, and procurement staff, as well as builders and investors, on the potential benefits of alternative procurement and financing methods to building and maintaining high quality public schools in Maryland.

Again, MABE appreciates this opportunity to present our perspective and positions on issues being considered by this Commission. We look forward to recommendations to improve Maryland’s public school construction program in the best interests of all Marylanders, and most importantly our more than 870,000 public school students.

For more information on this or any other education matter, please contact MABE’s Director of Governmental Relations, John R. Woolums, Esq., at jwoolums@mabe.org or 410-841-5414.