Mr. Chairman and members of the Commission, I am Joy Schaefer, Legislative Committee Chair of the Maryland Association of Boards of Education (MABE), and a member of the Frederick 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 in ways which will preserve local board governance and enhance cost containment. Specifically, on behalf of MABE, I am requesting the Commission’s recognition of local discretion in the use of repeat or standardized school designs; and changes in the law to lessen or mitigate the impact of prevailing wage rates on school construction project costs.

Local boards are accountable to our local communities to design, build and maintain outstanding school facilities for student learning. Local school systems not only develop capital improvement plans (CIPs) and construct and maintain school facilities in accordance with adopted procurement and construction laws and regulations, but also strive to reflect our community preferences and priorities. Therefore, MABE believes that local school systems should remain able to prioritize project requests according to locally established criteria, and opposes any state mandated standard school designs or school sizes for elementary, middle or high schools.

Each local school system relies on, and greatly appreciates, the significant amount of state funding provided for school construction. At the same time, in many jurisdictions local funding exceeds the state share of funding; and in all jurisdictions, local priorities and preferences in school design must be taken into consideration. However, in light of the cost savings that can be achieved, MABE does encourage local school systems to consider the use of repeat school designs, and knows that many systems have benefitted from doing so.

The Frederick County Public School System (FCPS) has been utilizing standardized school designs, or prototypes, at every level (elementary, middle and high) for decades. Benefits include: cost savings and cost avoidance through decreased costs in architectural and engineering fees (10-20% per project), more efficient and accurate bid process, the opportunity to refine design with each iteration resulting in further cost reduction through value engineering or design improvements, and the provision of equitable facilities across the system. FCPS notes the following challenges in using standardized, prototype designs: limitations as a result of unique, unpredictable school sites, the need to update or change designs in response to changes to construction requirements or new/additional programmatic demands.

Also in the interest of cost containment, MABE supports repealing or limiting the scope of prevailing wage requirements as they apply to school construction projects. State policy regarding prevailing wage and school construction shifted in 2000 when the General Assembly enacted legislation to lower the percentage
of State funding triggering prevailing wage requirements from 75 percent to 50 percent. Following 2000, the 50 percent threshold resulted in dramatically increased project costs for many school systems and unnecessarily diluted the benefit of the State and local investment in public school construction during these years. In 2014 the General Assembly again lowered the threshold of state funding mandating prevailing wage from 50 percent to 25 percent.

For many years now, local boards of education have bid construction projects both as prevailing wage and non-prevailing wage projects. These bids provide convincing evidence of cost savings under the non-prevailing wage rates. In light of the significant potential cost savings, MABE strongly supports proposals such as creating a waiver process or additional state funding to compensate for increased project costs. FCPS’s experience with side-by-side bidding bears out that construction projects bid at the prevailing wage result in added construction costs of 10 to 13 percent.

A recent report by the Maryland Public School Construction Program (PSCP) confirms the high cost of prevailing wage:

“There is incontrovertible evidence that prevailing wage rates increase construction costs. The PSCP has examined 262 trade package and small project bids that were solicited both with and without prevailing wage rates, and finds that prevailing wage rates increase bid costs by an average of 11.65%. These side-by-side bids are taken at the same time, for the same scope of work, and are submitted by the same contractors; all factors are therefore the same except for the labor rates.”

Local boards greatly appreciate the fact that the General Assembly and Governor consistently strive to sustain robust funding for school facilities projects benefiting students in each of the twenty-four school systems. MABE firmly believes that providing relief from increased costs arising from prevailing wage requirements (increases of 10 percent or more) would provide an important boost to State and local efforts to address these school facility needs. Therefore, MABE has adopted a legislative position which “supports raising the threshold amount of state funding that triggers prevailing wage requirements from 25% to 50%, as it was from 2000 to 2014.”

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 for MABE and local boards of education, most importantly, the 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.