

## **Adequate School Facility Funding**

(Adopted 1999; amended 2001, 2002, 2005, 2008, 2011, 2013, 2016)

WHEREAS, the Maryland Constitution requires that the state provide a “thorough and efficient” system of public education, and providing a “thorough and efficient” system of public education requires adequate public school facilities; and

WHEREAS, all 24 school districts are in urgent need of adequate capital funding and annually request state and local funding to construct, renovate, and maintain school facilities; and

WHEREAS, adequately maintaining school facilities requires significant investments from both state and local governments; and

WHEREAS, needs and uses of public schools are dynamic, and local boards of education must be able to adequately address and finance the range of facility needs in capital projects; and

WHEREAS, local school systems develop capital improvement plans (CIPs) and construct and maintain school facilities in accordance with adopted procurement and construction laws and regulations; and

WHEREAS, the General Assembly has authorized the Board of Public Works, comprised of the Governor, State Comptroller, and State Treasurer, to adopt rules, regulations, and procedures for the administration of the school construction and capital improvement program. The Board of Public Works regulations provide for the administration of the state school construction program by the Interagency Committee on School Construction (IAC); and

WHEREAS, current IAC regulations exclude state funding of specific costs related to facilities, such as land acquisition and architectural and engineering fees; and

WHEREAS, the Bridge to Excellence in Public Schools Act of 2002 mandated that all local school systems provide universal full-day kindergarten and targeted pre-kindergarten programs for all economically disadvantaged four-year-olds; and

WHEREAS, the Task Force to Study Public School Facilities created by the Bridge to Excellence in Public Schools Act of 2002 conducted a statewide facilities needs assessment and recommended revisions to the state school construction program which were included in the School Facilities Act of 2004; and

WHEREAS, the survey of school facility needs focused on 31 minimum standards deemed essential for complying with current federal and state facility requirements regarding fire safety, mechanical systems, instructional programs including full-day kindergarten, security, air conditioning and indoor

air quality, and student capacity; and

WHEREAS, the School Facilities Act of 2004 revised state and local cost share formulas, reduced the state rated capacity for grades 1 to 5 from 25 to 23 students per classroom, enhanced opportunities to use alternative financing methods to fund projects, and adopted the goal of providing \$250 million per year in state capital funding for school facilities; and

WHEREAS, school construction costs continue to escalate, resulting in project costs that can dramatically exceed projected cost estimates and the anticipated state and local appropriations for pending projects; and

WHEREAS, the General Assembly has enacted significant mandates affecting school construction procedures and project costs, including: expanding the scope of prevailing wage rates; raising minority business enterprise contracting participation standards; and strict environmental design standards; and

WHEREAS, 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, resulting in school facility project cost increases of more than 10 percent; and

WHEREAS, in 2007 the General Assembly enacted the High Performance Buildings Act, which requires that all new school buildings be constructed to meet or exceed the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) criteria for a silver rating or satisfy a comparable numeric rating approved by the Board of Public Works; and

WHEREAS, since the late 1970s Maryland's Minority Business Enterprise (MBE) program has promoted the awarding of state contracts, including school construction projects, to certified MBEs; and the level of monitoring and enforcement of MBE program compliance by the Governor's Office of Minority Affairs (GOMA) has grown significantly since the 2000s; and

WHEREAS, in 2013 the General Assembly enacted a school construction and renovation funding initiative to provide more than \$1 billion in state and local funding for the Baltimore City Public School System over a ten-year period; and

WHEREAS, the funding adequacy study contracted by the state between 2014 and 2016 includes the study of the impact of school size on Maryland schools in terms of educational outcomes, extracurricular activities, operating costs, and construction costs; and resulted in the "Final School Size Study Report: Impact of Smaller Schools" which recommends creating a state policy establishing maximum school sizes by school level (elementary, middle, and high); and instituting a competitive grant program to support the construction of small schools and/or the renovation of existing large school buildings; and

WHEREAS, the state capital budget has provided additional funding for the Capital Grant Program for Local School Systems with Significant Enrollment Growth or Relocatable Classrooms established

in 2015, including \$20 million in FY 2016 and \$40 million in FY 2017; and

WHEREAS, in 2015 the Interagency Committee on School Construction (IAC) issued a report requested by the Governor and Board of Public Works, entitled “The Cost of School Construction: A Comparison of the Monarch Global Academy and Conventional School Facilities.” The Monarch Global Academy is a “contract school” that is operated by the Children’s Guild as a kindergarten-8th grade public school in the Anne Arundel County school system; and as a privately owned and

financed school facility under contract to the school system, the project cost was substantially less than that of a comparable public school; and

WHEREAS, in 2016 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; and

WHEREAS, in 2016 the Speaker of the House and President of the Senate established the 21st Century School Commission to: review existing educational specifications; identify best practices and efficiencies from the construction industry; identify a long-term plan for jurisdictions with growing or declining enrollment; identify innovative financing mechanisms including public-private partnerships and alternatives to general obligation debt; and evaluate the appropriate role for state agencies including the Maryland Department of Planning, Department of General Services, Board of Public Works, and Interagency Committee for Public School Construction;

NOW, THEREFORE, BE IT RESOLVED, that MABE urges a continued commitment by the Governor and General Assembly in future years to provide the state’s share of the funding needed to address the school facility needs identified by local school systems; and

BE IT FURTHER RESOLVED, that MABE supports legislation to exempt school construction from prevailing wage requirements or, in the alternative, to raise the state funding threshold for the application of prevailing wage rates to school construction projects significantly above 25 percent in order to reduce construction costs; and

BE IT FURTHER RESOLVED, that MABE supports 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; and

BE IT FURTHER RESOLVED, that MABE opposes any state mandated school sizes for elementary, middle or high schools; and

BE IT FURTHER RESOLVED, that MABE shall make every reasonable lobbying effort supporting sufficient state funding for school construction and renovation projects and building maintenance to ensure quality sustainable school facilities for all Maryland students; and

BE IT FURTHER RESOLVED, that MABE urges the Governor and the General Assembly to take steps to ensure that state funding for public school facilities is allocated equitably.