

HB 727 as Amended – Build to Learn Act of 2019

Revenue Bond Authorization

- Authorizes \$2.2B in MSA revenue bonds (30 year bonds). Paid for by \$125m ETF beginning FY 21. Allocates \$2.2B in the bill as percentages to counties.
- In order to participate, school systems and counties must have MOU with MSA approved by IAC. LEAs choose whether to have MSA manage the project – if opt to use MSA, must be part of MOU. (Baltimore City must use MSA.)
- School construction projects subject to same IAC rules, procedures and approvals as any other project, or as agreed in MOU if MSA managing projects.
- Revenue bond proceeds represent State share of eligible costs for the projects – counties must provide local share and any ineligible costs (except as described below for small systems).
- In using the bond proceeds under the program, LEAs must give priority schools that are the oldest buildings in the system with significant facility deficiencies, schools with high concentrations of students eligible for free and reduced price meals, and schools with high number of relocatable classrooms.
- Annual report and 10–year evaluation of program
- Any bond allocations that are not utilized within 10 years are subject to reallocation

Prince George's P3

- Prince George's County (county and county board) may choose to enter into P3 agreement and receive the equivalent of its share of the allocation (\$25m) for 30 years as an availability payment to a third party.
- P3 agreement must be reviewed by MSA and approved by IAC. P3 agreement must include at least 10 schools (rough equivalent to 28 schools in City) and demonstrate county and school system commitment to fund their share of the total required availability payment annually.
- Creates State special fund in which the county and school system shares are deposited and State share of \$25m from ETF/MSA is deposited only for PGCP3 P3 – process for payment thru IAC
- Annual report and 5 year evaluation

School Construction Funding

- For small school systems (less than 20,000 students), eligible costs include architectural, engineering, and consulting cost and any other planning costs if the project has been approved for local planning by the IAC. (includes projects funded from revenue bonds)
- Creates Public School Facilities Priority Fund – beginning in FY 22, mandates at least \$40M to address highest priority schools around the State on the School Facilities Assessment completed by IAC. (includes \$30M when Healthy School Facilities mandate ends after FY21). In FY 26 and after, mandate increases to \$80M (includes \$6.1M Aging Schools, \$10M Safe Schools)
- Enrollment Growth and Relocatable Classrooms – reduces relocatable classroom cap to 250 beginning in FY 20; mandate increases to \$80M beginning in FY26