

November 13, 2019

Dr. Karen B. Salmon  
State Superintendent of Schools  
Chair, Workgroup on the Assessment & Funding of School Facilities  
Maryland State Department of Education  
200 West Baltimore Street  
Baltimore, Maryland 21201

Dear Dr. Salmon and Workgroup Members:

The Maryland Association of Boards of Education (MABE), representing Maryland's 24 local boards of education, requests your consideration of the following positions and perspectives as the Workgroup on the Assessment and Funding of School Facilities prepares to adopt final recommendations. MABE greatly appreciates the ongoing efforts to improve Maryland's state and local school construction programs through the implementation of the 21<sup>st</sup> Century School Facilities Act of 2018. The Act created the Workgroup on Educational Development Specifications, which recently completed its work, and the Assessment and Funding Workgroup, which has discussed a draft of its final report and is scheduled to adopt final recommendations on November 19, 2019.

The following comments provided by MABE are informed by input from local facility planners from the majority of local school systems. The primary concerns raised in response to this Workgroup's recommendations are stated as follows:

- *The original intent of the 21<sup>st</sup> Century School Facilities Act of 2018 (HB 1783) was for the Funding Workgroup to have the facility assessment data available before they made recommendations about how to use the information. We, the facility planners, feel strongly that any recommendations about how to use the information for funding decisions should be delayed until the assessments are completed. Although local facility planners were asked for input on the categories and weighting factors, they were only given three weeks for that review. This is not a sufficient amount of time to consider the categories and the weightings. The use of hypothetical modeling makes it difficult to discuss and develop recommendations on policy changes. It would be more valuable to conduct one initial assessment in each local school system so that actual building scores can be reviewed by each school system. These initial assessments would give something tangible for each system to look at and compare with their local knowledge and expertise regarding their school facilities.*

In light of these concerns, and based on our support for fidelity in implementing the 21<sup>st</sup> Century School Facilities Act, MABE opposes the Assessment and Funding Workgroup's adoption of funding policy or legislative recommendations in the absence of a completed statewide school facilities assessment; an assessment called for in the law establishing the Workgroup and intended to be the basis of the Workgroup's deliberations and recommendations.

**School Conditions: Adequacy, Equity and Excellence**

MABE greatly appreciates the State's participation in funding a significant share of school construction and renovation costs. For Maryland's 24 local school boards, the mission to provide all of Maryland's students with high performing school facilities conducive to learning is a top priority. The Maryland

Constitution requires that the State provide a “thorough and efficient” system of public education; and MABE believes that this includes the duty to equitably provide safe, high quality school facilities in which all students can learn.

MABE has consistently advocated for increased State investments in school facilities, both in the overall annual capital budget and also through many initiatives to provide targeted funding to address priority needs, including: heating and air conditioning, school safety and security, overcrowding and use of relocatable classrooms, schools serving low-income students, and systemic improvements in aging schools. MABE has adopted a legislative priority to secure a baseline annual State capital investment in school construction of at least \$400 million; a clear indication that we believe much more needs to be done.

However, MABE rejects the premise that Maryland’s school facility conditions “do not appear to be improving based upon the measure currently available and comparable (average age).” This opening statement in the draft report’s executive summary is telling, both in terms of the overly broad and negative assessment of Maryland’s public school facilities, and in the assertion that other comparable measures of school conditions are not available. MABE firmly believes that the condition of our schools is improving, based on ample and readily available evidence of the many newly constructed and renovated schools and systemic projects to improve school conditions successfully completed across the State.

Local boards appreciate the State’s role in making this progress possible, while at the same time applauding the enormous role our local governments play in providing local funding and support for excellent school buildings and programs. In this regard, both the Educational Specifications Workgroup’s report and this Workgroup’s draft report refer to a State portfolio of school facilities. However, the State does not own, operate or maintain any public school facilities. Rather, local systems and local governments collaborate in identifying needs, priorities, and local resources, and then pursue the available amount of state funding, which varies significantly as a percentage of total costs, allowing them to proceed to design, build, and maintain their own local school facilities. In short, MABE recognizes that there are 24 local school facility portfolios.

### **The Workgroup’s Charge and Timeline**

The Workgroup was created by the 21<sup>st</sup> Century School Facilities Act of 2018 and provided with specific duties and timelines. The newly formed Interagency Commission on School Construction was to adopt educational facility sufficiency standards (completed on May 31, 2018) and a facilities condition index (FCI) and then conduct a statewide facility assessment. More specifically, the law directs the IAC to contract with a third-party to conduct the assessment, utilize the FCI and existing data sources, coordinate with local school systems to identify data elements, and to complete the assessment by July 1, 2019.

All of this work was to benefit the next step, which was the convening of the Workgroup on the Assessment and Funding of School Facilities. To the best of MABE’s knowledge, other than the adoption of sufficiency standards, none of the other steps intended to precede this Workgroup and inform its recommendations have been completed, and the facilities assessment itself has not begun.

The assessment, incorporating the FCI and professional input from local school systems, was clearly intended to inform the deliberations of the Workgroup and its recommendations, which were to be completed by December 1, 2019. In this context, MABE requests that the draft report be re-titled “Preliminary Recommendations” as opposed to “Findings and Recommendations”, recognizing that without the statewide assessment data there should be no final findings or recommendations.

The timeline set forth in the law is doubly impacted by the failure to complete the assessment. In our view, the Workgroup should not be making recommendations without the benefit of the assessment, and any such recommendations should not result in regulations or funding decisions. The law provides that based on the recommendations of the Workgroup ... and not before May 2, 2020, for use in funding decisions no sooner than fiscal year 2021, the IAC shall adopt regulations establishing the use of the facility assessment results in annual school construction funding decisions” (Education Article, Section 5-310 (g)). MABE believes that without the assessment, proposed regulatory changes and revised funding criteria are not in compliance with the statute, and premature by at least a full fiscal year. Specifically, due to the delay in conducting the statewide assessment, MABE believes that the dates referenced above should be amended to May 2, 2021 and fiscal year 2022, respectively.

### **Total Cost of Ownership (TCO)**

The Workgroup was charged with considering whether to create a funding incentive for local school systems to build schools with reduced total costs of ownership over a 30-year period. MABE does not believe the Workgroup has been presented with sufficient evidence or analysis to adopt a recommendation to apply the proposed total cost of ownership (TCO) calculation as the basis of a new State funding incentive program.

Local boards object to incentivizing a reduction in TCO, or adherence to a TCO baseline, given the over-emphasis on limiting gross square footage and other state level, one-size-fits-all criteria, and the under-emphasis on local priorities and challenges, including design preferences, providing community space, compliance with mandated environmental design standards, and locally funding and administering facility maintenance staff and programs. School systems unable to fund amenities which may be considered major facility enhancements would be rewarded with additional state funding for the construction of minimally sufficient schools, and jurisdictions with more wealth will be penalized by funding calculations that impose a higher burden on local governments and school systems that choose to fund and build excellent schools.

MABE did not support this Workgroup charge as amended on to the School Facilities Act and does not support the recommendation from IAC staff that such an incentive be recommended by the Workgroup. Local facility planners have also raised the concern that a rigid application of the TCO proposal would promote the construction of schools opening at full capacity unless the local school system funds additional space above the baseline to accommodate projected enrollment growth. Local systems strongly believe that given the significant role of local funding and long-term capital and operating budget planning, we already have the incentive to weigh long-term planning decisions with the fiscal sustainability of those choices.

Further, MABE is troubled by the reference in the draft report to the Workgroup recommending “implementation” of this TCO funding incentive, even as a pilot program. As stated previously in these comments, MABE opposes any final policy, regulatory or statutory changes recommended by this Workgroup as being premature until the statewide assessment is completed.

### **Category Weights for the MDCI Calculation**

The Workgroup is poised to recommend a table or rubric of categories and weights of school facility conditions and needs. The IAC staff has proposed category weights for the purpose of establishing a Maryland Condition Index (MDCI) calculation, or score, for each of Maryland’s 1,400 schools. MABE has serious concerns with the current iteration of the proposal, and is even more troubled by the apparent reluctance of staff to acknowledge the de facto insufficiency of relocatable classrooms in assessing school facility conditions. MABE is pleased that the Workgroup appears to have reached consensus on rating relocatables in Category 2, which would define them as space deficiencies of the

second highest priority. Another issue of concern is the proposal to assign the lowest possible rating to HVAC systems until they reach 200% of their life expectancy.

The intent of this recommendation is also rather unclear given the draft report's statement that "final funding prioritization should be determined only after the data from the statewide facilities assessment is available." Given these concerns, MABE objects to the recommendation to create and pilot a standards-based funding program utilizing the proposed category weights and MDCI calculation.

### **Maintenance Incentive Program**

Local facility planners have raised major concerns regarding the proposal to create an incentive program based on maintenance practices. The explanation of this proposal in the draft report, albeit conditioned on the completion of the facilities assessment, raises the specter of rewarding systems that fail to replace aging systems and instead continue to utilize them for many years beyond the equipment's useful life. This program appears to be contrary to industry standards for proactive planned replacement cycles for building systems. Again, this proposal references the need to review the results of the statewide assessment before proceeding. However, the underlying concern is that the proposal itself does not reflect best practices or the desire of local school systems to secure sufficient funding to upgrade systemics in accordance with industry standards, and the local policies and priorities for maintaining high quality school facilities.

### **A Formula-based CIP**

MABE opposes the recommendation that the Workgroup propose a formula-based approach to developing the CIP. This recommendation represents a radical departure from Maryland's longstanding and highly successful State and local school facility funding program. However, the concept is not entirely new. Maryland's Public School Construction Program convened a workgroup on enrollment-based school funding many years ago, without reaching any consensus on recommendations. One issue of major concern was the per pupil weighting of state funding for school projects or jurisdictions based on the operating funding categories for students receiving special education services, economically disadvantaged students, and students learning English. MABE cautions that any similar analysis today would need to be fully informed by the work of the Kirwan Commission on Innovation and Excellence. While a formula-based approach may have merit, it would involve a complex and comprehensive study that is outside the scope of the charge of this Workgroup.

### **Conclusion**

The Knott Commission's final report appropriately characterized their efforts as follows: "Our work reflects our shared dedication to providing the students, teachers, and parents of Maryland with the finest educational facilities in which our children can learn and grow." By contrast, the draft Assessment and Funding Workgroup report appears to be focused on recommendations couched in terms of "minimum sufficiency", "baseline total cost of ownership", and the creation of incentive programs leading to smaller school facilities with older HVAC, roofing, and other systems.

MABE urges the Workgroup to revise its final recommendations toward the goal of enhancing and improving the State's role in funding a significant share of school construction costs, providing significant requirements and guidance to local school systems in support of high quality schools, and providing flexibility in the design and construction of schools where local resources and expertise warrant delegated authority to do so. These are the hallmarks of the Knott Commission report and resulting School Facilities Act that established this Workgroup. Again, MABE respectfully requests the Workgroup to forestall any final recommendations until it has the benefit of a completed statewide school facilities assessment; a process that will help ensure the full engagement of local school systems and school facility design, construction, and maintenance professionals.

Maryland has many outstanding school facilities, and many in need of total renovation or replacement with a new school. MABE is not convinced that the Workgroup's draft report recommends funding and policy reforms designed to promote the completion of these much needed projects. Instead, the draft report appears to focus on adopting a statewide school facility condition index and funding incentives that will reduce the State's participation in the construction of high quality schools.

MABE wholly appreciates the State's responsibility to develop funding strategies to provide outstanding schools as replacements for our highest need schools; schools often located in low-wealth school systems and communities. A clear focus on equity in State funding priorities and allocations is certainly called for to benefit the students and families in these communities. This is why MABE strongly supports sustained and increased investments in initiatives such as the Baltimore City 21<sup>st</sup> Century School Building Plan, and the program providing supplemental funding to correct systemic HVAC problems. In addition, MABE supports the proposed expansion of school construction bonding and financing authority to the Maryland Stadium Authority. Most importantly, MABE believes that these initiatives are capable of achieving major improvements in the equity of state funding and the overall quality of learning environments for students, teachers, and communities, while being far less disruptive to the State's appropriate role in providing funding and oversight and the successful track record of local school systems operating high quality school construction programs across the State.

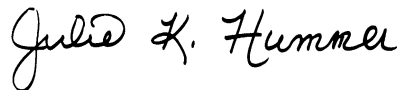
As you prepare to adopt final recommendations in light of these comments, please feel free to contact MABE's Director of Governmental Relations, John R. Woolums, for additional information.

Thank you again for your commitment to equity and excellence in teaching and learning conditions, including ensuring high quality school facilities, for all of Maryland's nearly 1 million students.

Sincerely,



Martha James-Hassan  
President



Julie Hummer  
Legislative Committee Chair

Cc:

Local Board Presidents/Chairs

Local Superintendents/CEOs

School Facilities Workgroup Members

House Speaker Adrienne A. Jones

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Robert A. Gorrell, Director, Public School Construction Program