



Workgroup on the
Assessment and Funding
of School Facilities

Annapolis, Maryland
January 2022

Workgroup on the Assessment and Funding of School Facilities

**Department of Legislative Services
Office of Policy Analysis
Annapolis, Maryland**

January 2022

Contributing Staff

Writers

Michele K. Lambert
John Travers

Reviewer

Michael C. Rubenstein
Rachel H. Hise

Support Staff

Mindy L. McConville

For further information concerning this document contact:

Library and Information Services
Office of Policy Analysis
Department of Legislative Services
90 State Circle
Annapolis, Maryland 21401

Baltimore Area: 410-946-5400 • Washington Area: 301-970-5400

Other Areas: 1-800-492-7122, Extension 5400

TTY: 410-946-5401 • 301-970-5401

TTY users may also use the Maryland Relay Service
to contact the General Assembly.

Email: libr@mlis.state.md.us

Home Page: <http://dls.maryland.gov>

The Department of Legislative Services does not discriminate on the basis of age, ancestry, color, creed, marital status, national origin, race, religion, gender, gender identity, sexual orientation, or disability in the admission or access to its programs, services, or activities. The Department's Information Officer has been designated to coordinate compliance with the nondiscrimination requirements contained in Section 35.107 of the Department of Justice Regulations. Requests for assistance should be directed to the Information Officer at the telephone numbers shown above.



THE MARYLAND GENERAL ASSEMBLY
ANNAPOLIS, MARYLAND 21401-1991

January 31, 2022

The Honorable Larry Hogan
Governor of Maryland

The Honorable Bill Ferguson
President of the Senate

The Honorable Adrienne A. Jones
Speaker of the House

Re: Report required by Chapter 698 of the Acts of 2021

Dear Governor, Mr. President, and Madame Speaker:

On behalf of the Workgroup on the Assessment and Funding of School Facilities, I am pleased to transmit to you the final report of the Workgroup on the Assessment and Funding of School Facilities.

The Workgroup was established pursuant to Chapter 14 of 2018, based on recommendations by the Knott Commission, to examine the data results of the initial school facility assessment and make recommendations on the use of the facility assessments in future school construction funding decisions. Because of the delay in the facility assessment, the Workgroup did not complete its work in 2019. Both Chapter 20 of 2020 and Chapter 698 of 2021 extended the deadline and expanded the scope of the Workgroup.

This Workgroup has worked diligently since I was appointed chair in June 2021 to complete its work. When we first met in July 2021, we were excited to dig into the data produced from the initial facility assessment. But by the October 2021 meeting, the Workgroup and staff had not received a workable dataset to even begin this process. More importantly, the Workgroup had heard concerns from local school systems and members of the public related to the assessment process and it became clear that the data from the initial facility assessment would not be available for our Workgroup to make any funding decisions related to the facility assessment by December 2021.

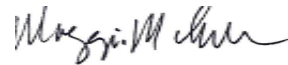
The Honorable Larry Hogan
The Honorable Bill Ferguson
The Honorable Adrienne A. Jones
January 31, 2022
Page 2

Our recommendations related to the facility assessment process and timeline should not be indicative of our lack of faith in the assessment. Although many things have changed since the 21st Century School Facilities Act passed in 2018, the needs of school facilities in the State have remained present. Once these issues with the assessment are corrected, the Workgroup still believes in the goal that schools with the most critical needs will be most equitably served when data drives school construction funding decisions.

This final report submitted to you today includes a set of unanimous recommendations related to the facility assessment, gross area baselines, cost-share formula, funding incentives for school systems, and the Local Share of the School Construction Revolving Loan Fund. We believe that these recommendations, together with the implementation of the Blueprint for Maryland's Future and the Built to Learn Act, will provide all students with the schools they deserve to be successful in the 21st century.

I want to express my appreciation to members of the Workgroup, State and local officials, and staff of the Interagency Commission on School Construction and the Department of Legislative Services for their time, expertise, and assistance in helping the Workgroup to complete its work.

Sincerely,



Delegate Maggie McIntosh
Chair

MM/MKL/mlm

General Assembly of Maryland
Workgroup on the Assessment and Funding of School Facilities
2021 Membership Roster

Delegate Maggie McIntosh, Chair

Jan H. Gardner, Frederick County Executive
Edward J. Kasemeyer, Interagency Commission on School Construction Chair
Senator Nancy J. King
Treasurer Nancy K. Kopp
Delegate Marc Korman
Senator Cory V. McCray
Moalie Jose, Baltimore County Board of Education
Perry Willis, Cecil County Public Schools

Department of Legislative Services Staff to the Workgroup

Michele K. Lambert
Rachel H. Hise
Laura Hyde
Michael C. Rubenstein
Michael Sousane

Interagency Commission on School Construction Staff

Robert Gorrell
Cassandra Viscarra
Alex Donahue

Introduction

The 21st Century School Facilities Act, Chapter 14 of 2018, established the Workgroup on the Assessment and Funding of School Facilities. The Workgroup was created to review the results from the first statewide facilities assessment and to determine, collaboratively with State and local officials, how the results should be incorporated into funding decisions. The Workgroup met in 2019, but because of delays in the procurement process for the statewide facilities assessment, the Workgroup was unable to complete its charge. The Built to Learn Act, Chapter 20 of 2020, extended the Workgroup, and Chapter 698 of 2021 added additional charges for the Workgroup to consider. This final report summarizes the Workgroup's activities and puts forth a set of unanimous recommendations regarding the use of the statewide facilities assessment and the determination of State funding for school construction projects.

Summary of the Work of the Workgroup on the Assessment and Funding of School Facilities

Chapter 14 of 2018 required the Workgroup, after the completion of the initial school facility assessment, to (1) consider how the relative condition of public school facilities, as determined by the educational facilities sufficiency standards and the facility condition index, should be prioritized and (2) determine whether the results should be incorporated into school funding decisions. The Workgroup was also required to consider whether the State should provide funding incentives for local jurisdictions that reduce the total cost of ownership of public school facilities. The Workgroup began meeting in June 2019 and held six meetings. Because of delays in the procurement process, the Workgroup was unable to make recommendations to the legislature but produced an interim report that outlined its work up to that point and expressed an intent to meet again to make recommendations after the completion of the initial statewide facility assessment.

The Built to Learn Act altered provisions related to the Workgroup by requiring the Chair of the Workgroup to be appointed jointly by the President of the Senate and the Speaker of the House of Delegates, replaced the Superintendent of Schools with the Chair of the Interagency Commission on School Construction as a member of the Workgroup, and extended the Workgroup's final report to December 1, 2021. The Act, enacted during the 2020 session, was contingent on the passage of the Blueprint for Maryland's Future – Implementation (HB 1300 of 2020); due to the veto of the bill, it was enacted as Chapter 36 of 2021 until February 2021, which is when the legislative changes to the Workgroup took effect. As a result, the Workgroup did not meet in 2020.

During the 2021 session, Chapter 698 of 2021 added four additional charges for the Workgroup to consider in addition to the charges related to the statewide facility assessment. The Workgroup was required to consider and make recommendations on (1) the factors used in the State and local cost-share formula for each county to incorporate changes to the State's primary

and secondary education funding formulas adopted in the Blueprint for Maryland's Future; (2) the methods used to establish the gross area baselines (GAB) and the maximum State construction allocation for each public school construction project approved for State funding; (3) the purpose and implementation of the Local Share of School Construction Costs Revolving Loan Fund; and (4) the long-term effects of school construction decisions for public school facilities, including appropriate funding or other incentives for local jurisdictions within the school construction process. Chapter 698 also extended the deadline for the Workgroup's final report by one month, to December 31, 2021.

The Workgroup resumed its work in July 2021 with five new members, including Delegate Maggie McIntosh, who was appointed as the new Chair by the Presiding Officers in June 2021. The Workgroup met seven times, and on December 15, 2021, the Workgroup held its final meeting and adopted final recommendations. The agendas for all of these meetings are included in this report as **Appendix 1**. Legislation will be proposed during the 2022 session to implement the Workgroup's recommendations.

Current School Construction Process and Funding

Cost-share Formula

The State uses a cost-share formula to determine the State and local share of funding for eligible costs of school construction projects. The factors used in the formula have not been updated since fiscal 2006, when changes to the education aid formulas enacted in 2002 based on recommendations of the Thornton Commission were incorporated into the formula, as well as other changes recommended by the Task Force on Public School Facilities (known as the Kopp Commission). The State pays at least 50% of eligible costs of school construction and renovation projects, and as much as 100%. The funding formula takes into account numerous factors, including each local school system's wealth and ability to pay. Chapter 14 of 2018 required that the State and local shares be recalculated every 2 years (previously 3 years); regulations provide that decreases in the State share of more than 5 percentage points are phased in over 2 years. Through administrative actions and legislation, local jurisdictions have been held harmless from reductions in the State share since fiscal 2019. The Built to Learn Act expanded eligible costs under the formula to include planning; design; and furniture, fixtures, and equipment with a median useful life of at least 15 years. The approved State shares for eligible school construction costs for fiscal 2023 and 2024 are shown in **Exhibit 1**.

Exhibit 1
State Share of Eligible School Construction Costs
Fiscal 2023 and 2024

County	2023 and 2024
Allegany	90%
Anne Arundel	50%
Baltimore City	96%
Baltimore	61%
Calvert	56%
Caroline	88%
Carroll	59%
Cecil	66%
Charles	65%
Dorchester	93%
Frederick	65%
Garrett	90%
Harford	63%
Howard	56%
Kent	50%
Montgomery	50%
Prince George's	73%
Queen Anne's	51%
St. Mary's	58%
Somerset	100%
Talbot	50%
Washington	79%
Wicomico	100%
Worcester	50%
MD School for the Blind	93%

Source: Interagency Commission on School Construction

Built to Learn Act

The Built to Learn Act was enacted as Chapter 20 of 2020, but its implementation was delayed because it was contingent on the enactment of the Blueprint for Maryland's Future – Implementation (Chapter 36 of 2021), which was vetoed by the Governor in May 2020. Following the General Assembly's vote to override the veto in February 2021, the Built to Learn Act immediately took effect, although funding mandates in the Act for fiscal 2022 no longer applied due to the delayed implementation. The Built to Learn Act authorizes the Maryland Stadium

Authority (MSA) to issue up to \$2.2 billion in revenue bonds, backed by annual payments from the Education Trust Fund, for public school construction projects in the State, including to support a possible public-private partnership in Prince George's County. Chapter 698 of 2021 revised provisions of the Built to Learn Act due to the delay in the Act's implementation.

Prior to the issuance of any Built to Learn bonds, MSA and IAC are required to enter into a program memorandum of understanding (MOU) that sets forth, among other things, the selection criteria under which schools will receive priority for funding under the program. The program MOU was approved on July 8, 2021. Additionally, Chapter 20 requires MOUs between MSA, local boards of education, and local governments for proposed projects before any Built to Learn funds may be allocated to a project. Any allocation for an approved project must be used within 10 years or be subject to reallocation. The project memorandum includes a provision that the State and local cost-share for each county apply to a project approved for funding under the Built to Learn program.

Statewide Facilities Assessment

The 21st Century School Facilities Act required IAC to complete a statewide school facilities assessment every four years. The Act required IAC to (1) contract with a third-party vendor to complete the first school facilities assessment by July 1, 2019; (2) coordinate with local school systems to identify data elements for the assessment; and (3) develop standards and procedures to comprehensively update the State's data on the condition of school facilities so that this data is not more than four years old. The first step in the assessment was to use an industry standard methodology called the facility condition index (FCI). This measure is used to quantify the remaining useful life of a school facility and its various systems in order to provide a standardized comparative rating of building condition. The Act also required IAC to adopt educational sufficiency standards for public school buildings. Together, FCI and sufficiency data collected by the assessment would be used to develop the Maryland Condition Index (MDCI), which would rank schools according to their overall facility condition. The Workgroup was charged with determining whether and how MDCI should be used to prioritize funding allocations to school construction projects.

Delays in the procurement process led to the initial statewide facility assessment not being completed until July 2021. IAC is required to develop standards and procedures to comprehensively update the facility assessment so that facility assessment data is not older than four years. IAC plans to have each school assessed once every four years. Beginning in 2022, 25% of schools will be reassessed.

Chapter 20 of 2020 created the Public School Facilities Priority Fund to provide State funds to address facility needs of the highest priority schools in the State, as identified by the statewide facilities assessment. Chapter 20 mandates allocations of \$40,000,000 to the fund in fiscal 2025 and 2026 and \$80,000,000 in fiscal 2027 and each fiscal year thereafter.

Gross Area Baselines

IAC uses a formula to determine the maximum amount that the State will allocate for a new or renovated public school building. GABs are a major factor in determining how much the State will pay for a new or renovated public school building based on the square footage of a new or renovated building that is eligible for State funding. Any square footage that exceeds the GAB is entirely the responsibility of the local government. The 21st Century School Facilities Act established a Workgroup on Educational Development Specifications to review the per-student square foot allocations used by IAC. Based on the workgroup's recommendations, IAC approved new GABs in May 2019. The new baselines generally increased the square footage of school construction projects that is eligible for State funding.

Local Share of School Construction Costs Revolving Loan Fund

The Revolving Loan Fund was created by Chapter 14 of 2018 to provide no- or low-interest loans to local governments to forward fund the local share of school construction costs for school systems that rely on the local share to be fully funded in order to complete a project. The Revolving Loan Fund was funded for the first time in the Governor's proposed fiscal 2023 capital budget at \$40 million.

Recommendations

Facility Assessments and Funding

In 2003, the Kopp Commission completed an assessment survey that assessed the condition of every school building in the State. The Kopp Commission recommended that the statewide facility assessment survey conducted in 2003 be repeated every four years. In subsequent years, no facility assessment was conducted due to lack of funding.

In 2018, the 21st Century School Facilities Commission recommended that the State conduct a statewide facility assessment of all schools by July 2019, and every four years thereafter, to enable IAC and local education agencies to regularly assess school facilities in a uniform manner. The data from the assessment would be accessible to all local education agencies in an integrated data system known as the Integrated Master Facility Asset Library (IMFAL). Delays in the procurement process led to the initial statewide facilities assessment not being completed until July 2021.

Despite completion of the initial assessment, the Workgroup was unable to review final results from the assessment prior to the deadline to complete its work. IAC delivered four datasets to the Department of Legislative Services (DLS) that were incomplete or contained significant errors. These issues were discussed at the October 20 and November 3 meetings of the Workgroup, where DLS staff presented to the Workgroup its concerns with the data provided.

The Workgroup was especially concerned that the data did not include measures related to a number of sufficiency standards important to the Workgroup, including humidity, temperature, lead paint, and asbestos. At almost every meeting, Workgroup members expressed concern about how sufficiency standards were not assessed in the way members expected in the assessment process.

At the November 3 meeting, the Workgroup also heard from local school system representatives about their concerns with the process used to collect data for the assessment. Local education agencies all shared similar concerns about (1) inconsistencies in how different schools were assessed; (2) failure to ascertain the actual operational functionality of systems; and (3) insufficient local education agency involvement in the process prior to, during, and after assessors visited schools. In response, the Workgroup approved the following recommendations.

Recommendation 1: IAC may not use the assessment data to determine any funding decisions until it has created IMFAL as intended in Chapter 14 of 2018, including local education agency access to all assessment data. However, the Workgroup appreciates the value that the assessment data, once verified, will bring to IAC's work and recommends that IAC be authorized to use the assessment data to provide context to IAC programs but not to determine any funding decisions until May 1, 2026. Additionally, IAC may use the assessment data to (1) work with local education

agencies; (2) fulfill legislative requests; (3) complete any internal analysis or reports; or (4) assist with any external reports.

Recommendation 2: The Priority Fund should begin in fiscal 2027 (instead of fiscal 2025), funded at \$80,000,000 annually. Because the Priority Fund will be delayed by two years, the Workgroup recommends the continuation of the Healthy School Facility Fund until fiscal 2026, funded at no less than the current amount (\$40 million) and following the current procedures of the fund.

Additionally, the Workgroup recommends that the State should provide at least \$400 million each year for school construction funding, beginning in fiscal 2023. This annual goal was set in the 21st Century School Facility Act, and the Workgroup reiterates that the State needs to meet that goal in the fiscal 2023 budget.

Recommendation 3: A new legislative workgroup should be formed in July 2024 to determine the MDCI categories and weights to be used to identify projects to receive funding from the Priority Fund beginning in fiscal 2027. IAC may not use draft MDCI calculations to inform or determine any funding decisions.

In addition, the new workgroup should also revisit the \$400 million annual goal based on the school facility needs identified by the final MDCI.

Recommendation 4: IAC must adopt in regulation how it plans to use assessment data, when authorized under the law, to determine funding decisions.

During its review of IAC's implementation of 21st Century School Facilities Act and the Built to Learn Act, DLS staff were unable to determine statutory compliance because IAC has not published or adopted regulations on some provisions of each Act. Subsequently, the Workgroup Chair requested advice from the Attorney General's Office regarding IAC's legal duty to publish regulations. In alignment with the Attorney General's advice, the Workgroup additionally encourages IAC to comply with Title 10 of the State Government Article when issuing any statements that have general effect on the operations or procedures of IAC, including any guidelines, rules, statements, policies, or interpretations.

Recommendation 5: The legislative budget committees should request the following reports from IAC in the fiscal 2023 Budget Bill: (1) a report on how Workgroup concerns have been addressed for the second (2022) assessment of schools, specifically the new and improved process for local education agency involvement and updated assessor rubrics that include updated sufficiency standards and functionality of each system; (2) a report on a data dictionary, including how the FCI is calculated; and (3) submission of updated data sets to DLS at specified times. Additionally, IAC must work with DLS to continue verification of the assessment data until at least July 2025.

Recommendation 6: All future facility assessments should include data on the following sufficiency standards in the following manner:

- *Temperature, Humidity, Carbon Dioxide, and Acoustics:* Local education agencies should report annually to IAC any schools with deficiencies in these areas and the nature of those deficiencies. IAC should follow up with site visits to flagged schools to collect data to document the deficiencies. Depending on the timing, data collection can also be carried out by an assessor during the assessment process. Measurements should be entered into the IMFAL.
- *Lead Paint and Asbestos:* Local education agencies should use their facility records to identify which spaces are likely to contain lead paint and should certify that their Asbestos Hazard Emergency Response Act plan exists and the steps being taken in accordance with the plan.
- *Kitchen Sanitary Equipment:* IAC should work with the Maryland Department of Health to develop minimum equipment needed in each school for food preparation, and these minimum standards should be used by assessors in future assessments.
- *Lighting:* Assessors should test lighting during future facility assessments.
- *Emergency Communication Systems:* Local education agencies should identify emergency notification systems that exist in each school, and the assessment should determine the remaining useful life of each school's emergency communication system.
- *Health Room Attributes:* Future assessment should note the fixtures and attributes of each health room space in a school.
- *Laboratory Spaces:* Future assessments should determine what safety fixtures are in each laboratory (for example, an assessor should note that a laboratory includes an eye wash station).
- *Potable Water:* Local education agencies should have the ability to note whether potable water is available during the assessment process.

Recommendation 7: While the Workgroup recognizes that capturing the functionality of every building system in a school would be time consuming and expensive, it believes that functionality of critical building systems (outside of the remaining useful life calculation) should be reflected in the data. Moving forward, future assessments should include a way to capture functionality of HVAC, life safety, roofs, and any other critical building systems.

Recommendation 8: IAC should update the facility assessment process to include opportunities for local education agencies to report any additional information about a school that the local education agencies believe are relevant. IAC should also determine a way to incorporate maintenance data into the assessment process. The Workgroup reiterated the intent from the Kopp Commission and the Knott Commission that local education agencies' involvement is

critical to capturing accurate and reliable assessment data so that the State has a true picture of the condition of schools in making funding decisions.

Cost-share Formula and Incentives

Counties have been held harmless from reductions in the State share since fiscal 2019. The State share of the cost-share formula is the sum of the following factors for each school system:

- percentage state share of foundation program;
- Guaranteed Tax Base (GTB) program amount as a percentage of Foundation program (local school funding effort);
- one-fifth of the amount by which free and reduced-price meal (FRPM) percentage exceeds State average;
- percentage points by which five-year enrollment growth exceeds State average growth for the same period;
- 5 percentage points for Tier 1 “One Maryland” counties that meet specified unemployment rate thresholds;
- 5 percentage points for Tier 1 counties that meet specified median household income thresholds; and
- percentage points by which outstanding school construction debt plus general fund pay-as-you-go (PAYGO) exceeds one percent of county wealth (local construction effort).

If the total for any school system is less than 50%, the State cost share is adjusted upward to meet the minimum 50% State share threshold.

At the October 20 meeting, DLS made a presentation on how changes to the State’s primary and secondary education formulas enacted by the Blueprint for Maryland’s Future (Chapter 36 of 2021 and revised by Chapter 55 of 2021) could affect the cost-share formula. At the December 1 meeting, the Workgroup recommended changes to the calculation of the State share of the school construction in response to changes to the education funding formulas. It also recommended the addition of incentives to increase the State share on specific projects.

Recommendation 9: Beginning for the fiscal 2025-2026 cycle, the cost-share formula components for the foundation formula and GTB should be updated to align with the Blueprint for Maryland’s Future so that the changes in the funding formulas will flow through these components of the cost-share formula. Additionally, the Workgroup had concerns about significant decreases

in the State cost-share formula in a single cycle and, therefore, recommended to cap the State share decrease at 5% for each two-year cycle. These changes would all apply to the State cost-share formula at the systemwide level.

The Workgroup did not recommend changes related to the following components: (1) enrollment growth; (2) FRPM percentage; (3) One Maryland; (4) local school construction effort; and (5) the minimum and maximum State share.

Recommendation 10: The Workgroup also recommended changes to the State cost-share formula that apply for the first time to individual projects, beginning in fiscal 2023. All of these new additions would be added to the State share for each school system. All the additions are “stackable,” meaning that a project could receive an add-on for each of these components. For school systems at the minimum 50% State share, the additional percentages for an individual project are added to 50%. These changes should also apply to Built to Learn projects.

- *Concentration of Poverty Schools:* Add 10 percentage points to the State share for schools with 80% or more FRPM students. A school with 55% to less than 80% FRPM students would receive 5 percentage points added to the State share. Based on DLS projections, 567 schools have at least 55% of their students eligible for FRPM, and all but one county in the State has a school with at least 55% FRPM eligible students.
- *Maintenance Incentive:* Add 5 percentage points to the State share for a project if either the most recent school maintenance-effectiveness assessment rating for the school is “Good” or “Superior” or if the rating is “Adequate” and the school’s current school facility assessment percent of expected useful life is 100% or greater.
- *Total Cost of Ownership:* Add 5 percentage points to the State share if the estimated total cost of ownership is at least 15% below the State average. Because the estimated total cost of ownership is calculated before projects begin, there would need to be a provision in the regulations to claw back funding for any project that does not achieve the estimated reduction in total cost of ownership upon project completion.
- *Net-zero Schools Incentive:* Add 5 percentage points to the State share for any school being constructed as a net-zero school. This incentive will help school systems with the increased costs associated with building a net-zero school. Incentives for net-zero schools were first discussed by the Knott Commission.

Gross Area Baselines

GABs are calculated by multiplying the projected enrollment of a school construction project by the per-student allowable square footage approved by IAC. For a new or renovated school construction project, local education agencies submit a seven-year enrollment projection for the school, including the rationale and basis for the projection. The State does not project

enrollment for individual schools. Local education agencies also submit enrollment projections for adjacent schools, which allows IAC to assess if there is excess capacity in nearby facilities. IAC reviews the local education agencies enrollment projection and makes a final determination regarding projected enrollment. IAC approved new per-student square foot allocations in May 2019.

Recommendation 11: IAC should establish guidelines in regulations that limit the applicability of excess capacity in adjacent schools when evaluating projected enrollments for school construction projects. Excess capacity in adjacent schools may not be appropriate if it is scattered among multiple schools or grade levels. Excess capacity in an adjacent school should only be considered when it exceeds a specific threshold, such as 15% of the school's enrollment.

Recommendation 12: IAC should establish an appeal process that allows local education agencies to appeal the enrollment projections approved for individual projects to the full IAC. Currently, IAC staff determine a project's enrollment size based on information provided by the local school system, and the school system has no avenue to appeal staff's determination.

Recommendation 13: IAC should review sufficiency standards and square foot allowances to align the standards with requirements in the Blueprint for Maryland's Future, including but not limited to:

- instructional space for English-language learners;
- community schools/schools eligible for Concentration of Poverty grants;
- collaborative planning spaces for teachers (taking into consideration there will be more teachers in schools as additional collaborative time during the school day is phased in);
- break out space for more one-on-one and small group instruction; and
- Career and Technical Education pathways.

Local Share Revolving Loan Fund

Recommendation 14: Rename the fund to be the School Construction Revolving Loan Fund and clarify in statute that loan funds may be used to forward fund the State and/or local shares of projects that have received planning approval from IAC.

Recommendation 15: Provide \$50.0 million PAYGO allocation in fiscal 2023 to capitalize the fund. Additionally, mandate funding in the out-years of \$20.0 million in fiscal 2024 and \$10.0 million in each of fiscal 2025 and 2026 to allow for further participation in the fund before repayments from local governments begin (see next recommendation). The fund is a nonlapsing

special fund so that if demand is not high in the first few years, those funds will still be available in future years.

Recommendation 16: Require loans to be repaid by local governments within five years of receiving a loan from the fund. IAC should allow waivers from the five-year limit for counties that have not received sufficient State school construction funding to repay the loans at the end of five years.

Recommendation 17: IAC should determine loan eligibility based on statutory criteria and should give priority to local jurisdictions that have not forward funded (in advance of receiving State funds) school construction projects in recent years and that have a limited debt capacity. Loan funds should be available to support both the *Capital Improvement Program* and Built to Learn projects.

Appendix 1. Meeting Agendas

Workgroup on the Assessment and Funding of School Facilities

Delegate Maggie McIntosh, Chair

Wednesday, July 7, 2021

10:00 a.m.

Virtual Meeting

Agenda

- I. Call to Order and Opening Remarks
- II. Summary of Recent Legislation and Workgroup's Charge
- III. Update on the Process and Progress of the School Facilities Assessment
- IV. Discussion of Future Meetings
- V. Closing Remarks and Adjournment

Workgroup on the Assessment and Funding of School Facilities

Delegate Maggie McIntosh, Chair

Wednesday, July 28, 2021

3:00 p.m.

Virtual Meeting

Agenda

- I. Call to Order and Chairs' Opening Remarks
- II. Facility Condition Index (FCI) Presentation
- III. Total Cost of Ownership Presentation
- IV. Closing Remarks and Adjournment

Workgroup on the Assessment and Funding of School Facilities
Delegate Maggie McIntosh, Chair

Agenda
September 22, 2021
3:00 pm
Virtual Meeting

I. Call to Order and Opening Remarks

II. Gross Area Baselines in Public School Construction

Michael Rubenstein, Principal Analyst, DLS

III. Facilities Assessment and Educational Facilities Sufficiency Standards

Bob Gorrell, Executive Director, IAC

Alex Donahue, Deputy Director of Field Operations, IAC

Tom Bart, Bureau Veritas

Bill Champion, Bureau Veritas

IV. Closing Remarks and Adjournment

Workgroup on the Assessment and Funding of School Facilities
Delegate Maggie McIntosh, Chair

Agenda
October 20, 2021
3:00 p.m.
Virtual Meeting

I. Call to Order and Opening Remarks

II. Discussion of State Facilities Assessment

III. Cost Share Formula

Michael Rubenstein, Principal Analyst, Department of Legislative Services

IV. Revolving Loan Fund

Michael Rubenstein, Principal Analyst, Department of Legislative Services

V. Closing Remarks and Adjournment

Workgroup on the Assessment and Funding of School Facilities
Delegate Maggie McIntosh, Chair

Agenda
November 3, 2021
3:00 p.m.
Virtual Meeting

I. Call to Order and Opening Remarks

II. School Facilities Assessment

Michele Lambert, Senior Policy Analyst, Department of Legislative Services
Laura Hyde, Policy Analyst, Department of Legislative Services

III. Local Education Agency Testimony

John Woolums, Maryland Association of Boards of Education

Alison Perkins-Cohen, Chief of Staff, Baltimore City Public Schools

Jan Gardner, Frederick County Executive and workgroup member

Perry Willis, workgroup member

IV. Interagency Commission on School Construction Comments from October 20th Meeting

Bob Gorrell, Executive Director, Interagency Commission on School Construction

V. Workgroup Discussion

VI. Closing Remarks and Adjournment

Workgroup on the Assessment and Funding of School Facilities
Delegate Maggie McIntosh, Chair

Agenda
November 17, 2021
3:00 pm
Virtual Meeting

I. Call to Order and Opening Remarks

II. Presentation on Incentives for Local Jurisdictions

Bob Gorrell, Executive Director, Interagency Commission on School Construction (IAC)
Alex Donahue, Deputy Director of Field Operations, IAC
Cassandra Viscarra, Acting Deputy Director for Administration, IAC

III. Revolving Loan Fund Decision Discussion

Michael Rubenstein, Principal Policy Analyst, Department of Legislative Services (DLS)

IV. Facilities Assessment Decision Discussion

Michele Lambert, Senior Policy Analyst, DLS
Rachel Hise, Principal Policy Analyst, DLS

V. Closing Remarks and Adjournment

Workgroup on the Assessment and Funding of School Facilities

Delegate Maggie McIntosh, Chair

Wednesday, December 1, 2021

3:00 p.m.

Virtual Meeting

Agenda

I. Call to Order and Chairs' Opening Remarks

II. Revolving Loan Fund Decisions

Michael Rubenstein, Principal Policy Analyst, Department of Legislative Services

III. Cost-share Formula Decisions

Rachel Hise, Lead Principal Analyst, Department of Legislative Services

IV. Facilities Assessment Decisions

Bob Gorrell, Executive Director, Interagency Commission on School Construction

Michele Lambert, Senior Policy Analyst, Department of Legislative Services

V. Closing Remarks and Adjournment

Workgroup on the Assessment and Funding of School Facilities
Delegate Maggie McIntosh, Chair

Agenda
December 15, 2021
3:00 pm
Virtual Meeting

I. Call to Order and Opening Remarks

II. Decisions on Calculation of State Funding for School Construction Projects

Rachel Hise, Lead Principal Policy Analyst, Department of Legislative Services

III. Decisions on Facilities Assessment

Rachel Hise, Lead Principal Policy Analyst, Department of Legislative Services

Michele Lambert, Senior Policy Analyst, Department of Legislative Services

IV. Closing Remarks and Adjournment