

## Maryland Leads the Way in 2022 for K-12 School Funding

This article is based on the Workgroup on Assessment and Funding of School Facilities, January 2022. This report was based on a recommendation of the Knott Commission in 2018 and was delayed in 2019-2021. This report builds upon the 21<sup>st</sup> Century School Facilities Act of 2018.



**Did you know that in 2022, 25% of the Maryland schools are required to have a Facility Condition Assessment?**

**Schools in Maryland are required to be reassessed every 4 years.**

The Federal government accountability office (GAO) reports that school districts typically fund 81% of the capital expenditures with local moneys, with states typically contributing less than 20% of facility construction and renovation costs. Maryland is proposing to increase this to between 50 and 100% for 2022. On January 31, 2022, the Maryland General Assembly presented a report to the Governor on the Assessment and Funding of School Facilities. The report states that in 2022, the State of MD will fund school construction or renovation according to:

- The state will pay at least 50% and as much as 100% of eligible school construction and renovation projects.
- Facility Condition Assessments are required to be completed every 4 years by the State's Interagency Commission on School Construction.

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### The FCA reports are required to contain:

- FCI indexing to quantify the RUL, remaining useful life, of all of the schools.
- Data assessing the overall utilization of the schools based on Educational Sufficiency Standards.

Together, the FCI indexing and Educational Sufficiency Standards data are to be used to rank state K-12 schools according to a Maryland Condition Index (MDCI). This would be used to rank and prioritize school facility funding. Key dates include:

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- Beginning in 2022, 25% of the schools will be reassessed. This is based on the last assessment spanning between 2018 and 2021. The first set of school assessments were required to be completed by July 2019. This was not completed until July 2021.
- In 2023, \$400,000,000 is recommended to be set aside for school construction funding (base on the 21<sup>st</sup> Century School Facility Act)
- In 2025, \$40,000,000 will be set aside for use in 2025 and 2026. This is a “Priority Fund for Public School Facilities.”
- In 2026, \$80,000,000 will be set aside for each fiscal year, thereafter.
- Funding for school projects will be allocated based on Gross Area Baselines that allocate square footage per student. Schools that lose or gain student population will be affected by this funding formula.
- No or low-interest loans will be allocated to school districts to assist local governments in funding their share of the projects. In 2023, \$40,000,000 is proposed for this loan program. This fund will be known as the School Construction Revolving Loan Fund. Additional funding of \$20M in 2024 and \$10M in the following two years will be added to help keep the fund solvent in the initial years. Loans are expected to be repaid within 5 years.

**In the second round of Facility Assessments, due to start in 2022, additional data is required, including:**

- Temperature, Humidity, Carbon Dioxide, and Acoustics
- Lead Paint and Asbestos – ensure that a Management Plan is in place
- Kitchen Sanitary Equipment – based on MD Dept. of Health minimum standards
- Lighting – to be tested

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- Emergency Communication Systems – Identify and note RUL
- Health Room assessment – note fixtures and attributes
- Laboratory Spaces – note safety fixtures
- Potable Water – Status
- Functional use of HVAC, Life Safety, Roofs, and any other Critical Building System

**The state of MD typically expects to fund 50% of the school facility costs. Increases to this formula include:**

- 10% for schools with 80% FRPM (free or reduced-price meals)
- 5% for schools with 55% FRPM
- 5% for schools rated Good or Superior maintenance-effectiveness
- 5% if total cost of ownership is 15% below the state average.
- 5% if constructed as a net-zero energy use school.

In 2022, the GAO notes that “53% of school districts, nationwide, need to replace multiple building systems (HVAC, electrical, Plumbing, gas piping, fire protection, etc.) while 16% of districts have not assessed their building needs in more than 10 years... Recent estimates indicate that \$85 billion per year is needed to maintain “good stewardship” of our nation’s schools.”