

HOUSE BILL 1436

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By: **Delegate Miller**

Introduced and read first time: February 7, 2025

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Public School Construction – Projections and Funding – Inflationary**
3 **Adjustments**

4 FOR the purpose of requiring the Interagency Commission for School Construction to
5 include a certain inflation adjustment in projections of school construction and
6 capital improvement needs in its submission to the Capital Debt Affordability
7 Committee and the Governor; clarifying the intent of the General Assembly
8 regarding funding for public school construction; and generally relating to public
9 school construction projections and funding.

10 BY repealing and reenacting, with amendments,
11 Article – Education
12 Section 5–304(a)(1)
13 Annotated Code of Maryland
14 (2022 Replacement Volume and 2024 Supplement)

15 BY repealing and reenacting, without amendments,
16 Article – State Finance and Procurement
17 Section 8–108, 8–112(a), (b), and (c)(3), and 8–113
18 Annotated Code of Maryland
19 (2021 Replacement Volume and 2024 Supplement)

20 BY repealing and reenacting, with amendments,
21 Chapter 32 of the Acts of the General Assembly of 2022, as amended by Chapter 354
22 of the Acts of the General Assembly of 2024
23 Section 4

24 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
25 That the Laws of Maryland read as follows:

26 **Article – Education**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



5–304.

(a) (1) (i) The Interagency Commission shall prepare projections of school construction and capital improvement needs for submission to the Capital Debt Affordability Committee under § 8–112(c)(3) of the State Finance and Procurement Article.

(ii) The projections shall be prepared in accordance with the regulations adopted by the Interagency Commission under § 5–303 of this subtitle.

(III) 1. THE PROJECTIONS SHALL INCLUDE AN INFLATIONARY ADJUSTMENT USING A COST OF CONSTRUCTION INFLATION INDEX.

2. IN ADDITION TO PROVIDING THE PROJECTIONS TO THE CAPITAL DEBT AFFORDABILITY COMMITTEE, THE INTERAGENCY COMMISSION SHALL PROVIDE THE PROJECTIONS TO THE GOVERNOR FOR CONSIDERATION WHEN SETTING THE ANNUAL ALLOCATION OF SCHOOL CONSTRUCTION FUNDS IN THE CAPITAL BUDGET.

Article – State Finance and Procurement

8–108.

There is a Capital Debt Affordability Committee in the Executive Department.

8–112.

(a) The Committee shall review on a continuing basis the size and condition of the State tax supported debt as well as other debt of State units, including the University System of Maryland, Morgan State University, St. Mary's College of Maryland, and the Baltimore City Community College.

(b) On or before October 20 of each year, the Committee shall submit to the Governor and the General Assembly the Committee's estimate of the total amount of new State debt that prudently may be authorized for the next fiscal year.

(c) In making the estimate, the Committee shall consider:

(3) capital improvement and school construction needs during the next 5 fiscal years, as projected by the Interagency Commission on School Construction;

8–113.

On or before November 1 of each year, after considering the current estimate of the Committee, the Governor shall determine:

(1) the total authorizations of new State debt that the Governor considers advisable for the next fiscal year; and

(2) the preliminary allocation of new State debt for:

(i) general construction projects;

(ii) school construction projects; and

(iii) other special projects.

Chapter 32 of the Acts of 2022, as amended by Chapter 354 of the Acts of 2024

SECTION 4. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that:

(1) beginning in fiscal year 2023, within the current debt affordability guidelines, the State should provide at least \$450,000,000 each year for public school construction in order to maintain a relatively stable number of funded projects in the Capital Improvement Program; and

(2) the annual goal established under item (1) of this section:

(i) should be recalculated:

1. WITH AN INFLATIONARY ADJUSTMENT THAT USES A COST OF CONSTRUCTION INFLATION INDEX; AND

2. prior to the Public School Facilities Priority Fund being funded; and

(ii) does not include funding provided for public school construction through the Built to Learn Program.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025.