

Presentation to
Howard County HB 1450
Revenue Options Study Task Force
Meeting #3

October 9, 2024

Agenda

- A. Introductions
- B. Orientation to the IAC and State Capital Funding
- C. Five Major Buckets of Facilities Need
- D. Statewide Facilities Condition
- E. HCPSS Facilities Condition
- F. HCPSS Maintenance Effectiveness
- G. HCPSS Capital Funding
- H. MDCI
- I. Priority Fund
- J. Q&A



History of the IAC

1971 - Creation of the IAC

The Public School Construction program, the staffing support for the Interagency Committee, was established as a result of the Hughes Commission study of State funding for education and functioned with little change under the authority established by the Board of Public Works.

2016 - Knott Commission

Recommendations of the Knott Commission generated the first major structural change to the IAC and the establishment of the Interagency Commission that now forms the decision making body. The restructuring included an expansion of the staff and functional requirements of the IAC.

2023 - IAC Established as an Independent Agency

Established the IAC as an independent unit of State Government. From 2018 to 2023, the IAC operated as an independent unit of the Maryland State Department of Education; from 1971 to 2018, the IAC was a unit of the Board of Public Works.

IAC's Roles and Responsibilities

Mission: The mission of the Interagency Commission on School Construction is to achieve a safe, healthy, and educationally sufficient learning environment for every child attending a public school in Maryland.

Vision: **A fiscally sustainable statewide portfolio of K-12 school facilities that will remain educationally sufficient for current and future generations of students and teachers.**

Primary Roles:

- Allocation of State capital funds for school construction
- Technical assistance to Local Education Agencies (LEAs) re: facilities-portfolio management
- Maintenance Effectiveness Assessment (MEA)
- Statewide Facilities Assessment (SFA) of condition + educational sufficiency of LEAs' facilities

State Capital Funding

A. Capital Improvement Program (CIP)

- Between \$250M and \$320M per year (peak: \$485M in FY 2024)
- *Project-specific* grants
 - based upon IAC discretion
 - within the context of statewide needs
 - with a focus on equity in terms of funding per student
 - but historically with significant deference given to local priorities
- FY 2026 CIP target allocation for Howard: **\$16,625,853**
- FY 2026 State cost share for Howard: 51% of eligible costs (down from 54% in FY 2025)

HCPSS Reserve Account

- 2023 EGRC: \$13.1M – **expired 5/2024**
- 2024 EGRC: **\$3.28M** – available for awards

B. Enrollment Growth & Relocatable Classrooms Program (EGRC)

- Usually \$40M; going to \$80M in FY 2027
- Howard does not qualify for FY 2026 (\$3.4M in FY 2025)

- ★ Allocations are at IAC discretion and assigned to specifically approved projects.
- ★ Specific funding programs are established by legislation and subject to annual changes.

State Capital Funding

D. Healthy School Facility Fund

- Project-specific grants per statutory priorities
- \$45M per year statewide, in competitive grants

E. School Safety Grant Program:

- *Project-specific* grants based upon statutory criteria
- \$10M per year in competitive grants
- Administered by Md. Center for School Safety; approved by the IAC

F. Built to Learn (BTL) Program:

- *Project-specific* grants
- Projected \$112,200,000 allocation available per statute to Howard
- Must spend by 2031

HCPSS Built to Learn:

\$112,200,000

- \$34,901,360 Hammond HS
- \$1,742,000 Oakland Mills MS

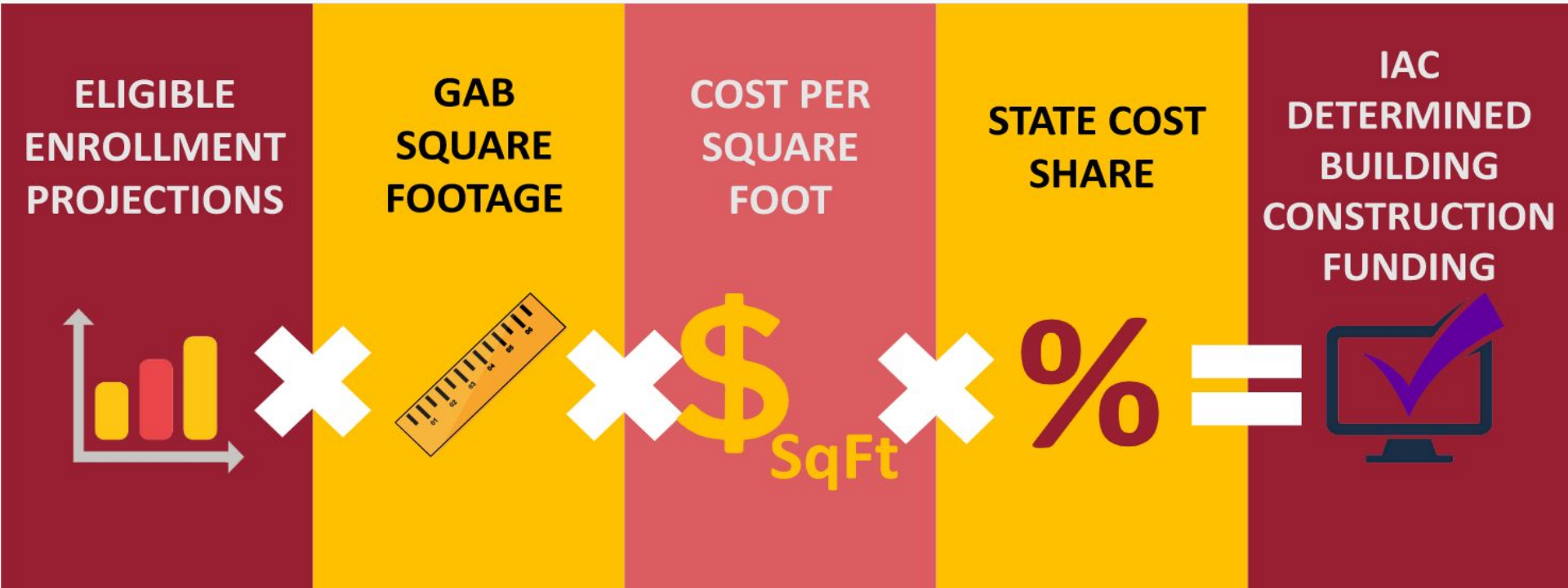
\$75,556,640 unawarded

- \$18,220,000 earmarked for
Oakland Mills MS (est. max. elig.)

- \$31,846,480 planned for
Dunloggin MS? (est. max. elig.)

\$25,490,160

Project Funding Formula



GABs = Reasonable outer boundary of square footage for a given enrollment

Five Areas of School Facilities Need

Areas of Need	Drivers/Requirements
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Perennial

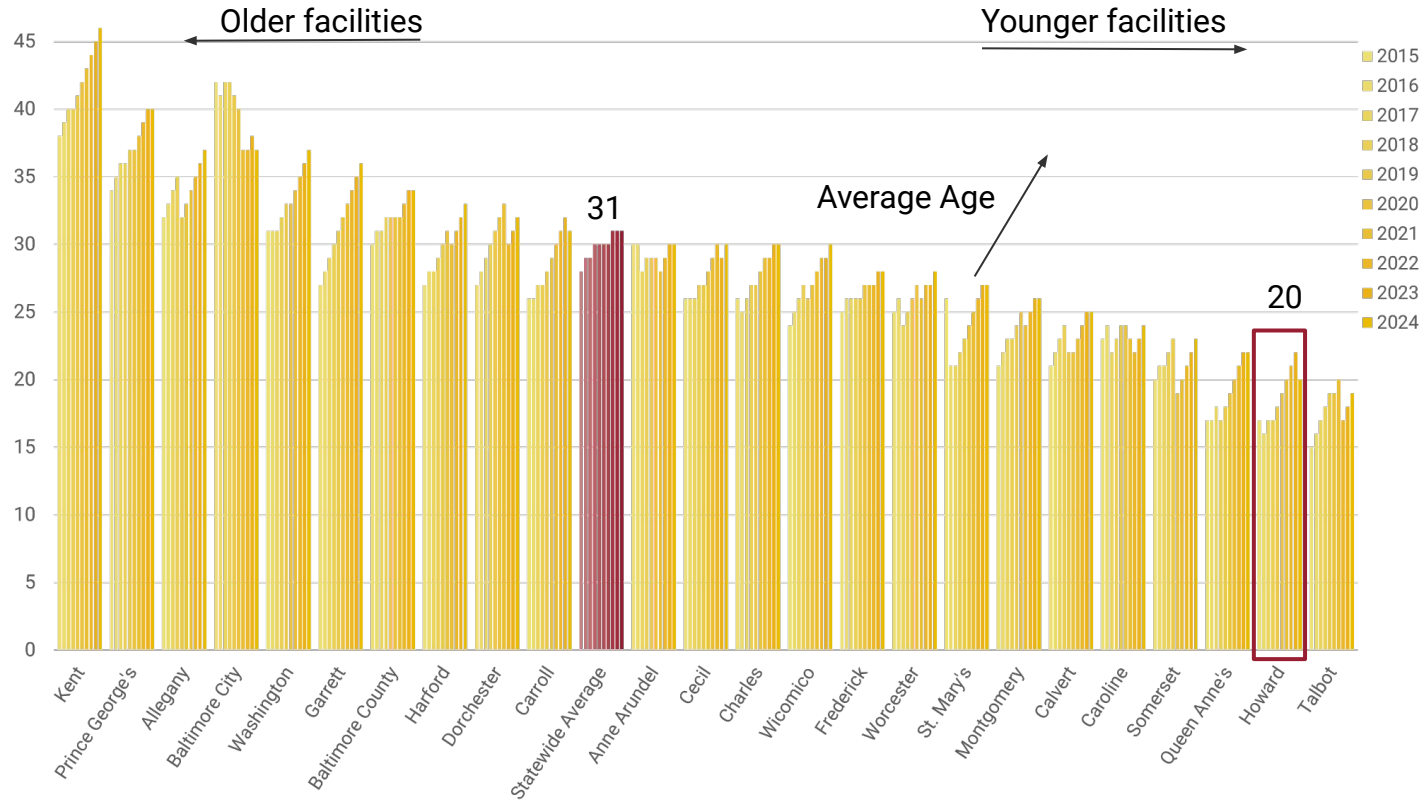
1) Maintain sufficient physical condition	<ul style="list-style-type: none">● Support teaching and learning
2) Maintain educational sufficiency	<ul style="list-style-type: none">● Keep facilities affordable to own & operate
3) Accommodate projected enrollment growth	<ul style="list-style-type: none">● Support teaching and learning

New/Recent

4) Expand pre-Kindergarten services	<ul style="list-style-type: none">● Blueprint for Maryland's Future
5) Decarbonize by 2045	<ul style="list-style-type: none">● State-adopted climate-protection goals

Need Area #1: Condition

Average Age of Square Footage, 2015-2024 – As a **Very Rough** Proxy for Condition



Need Area #1: Condition

Facility Condition Index (FCI) Bands

Lower FCI is better



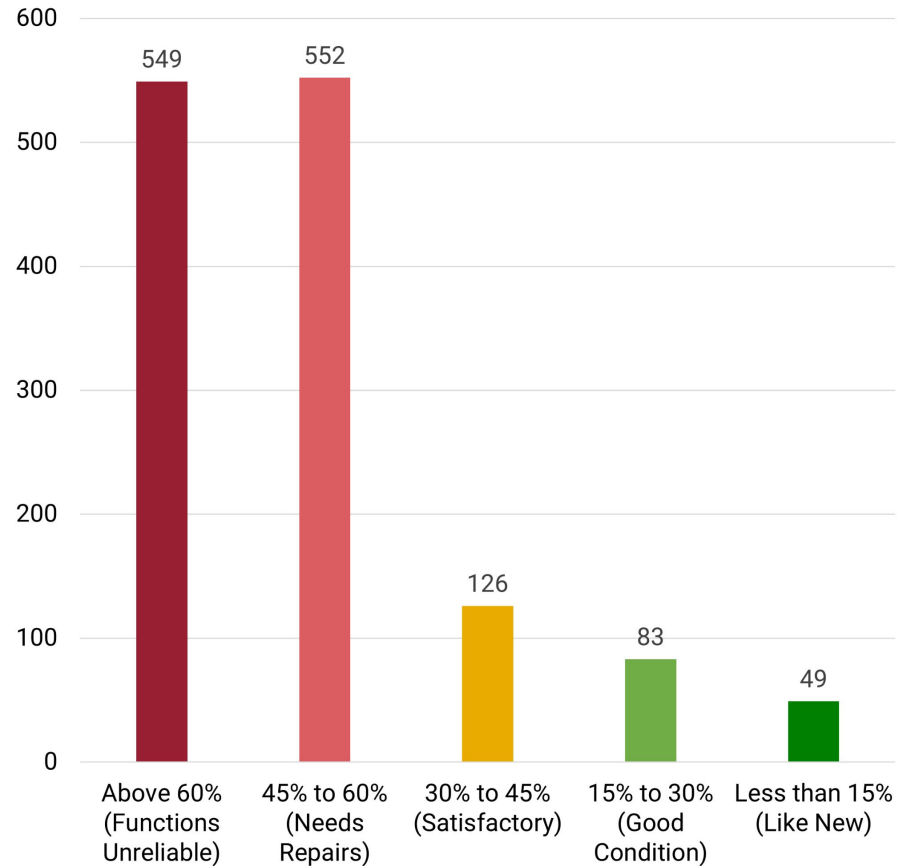
FCI	Common First Perceptions from Parents, Teachers, or Students
15% and below	Feels essentially like a new building!
15-30%	Good condition. Comfortable. Appears to be in good overall repair. Generally, everything operates as intended.
30-45%	Condition is satisfactory, although some repairs are needed. Does not generally feel uncomfortable anywhere in the occupied spaces of the facility.
45-60%	Visibly in need of repair. Conditions verge on uncomfortable with some areas of the facility worse than others. Building generally functions OK, but occasionally becomes unreliable. LEA should be considering and planning improvement solutions.
Above 60%	Building functions have become unreliable. Not esthetically or environmentally comfortable in some or all areas of the facility. Should be considered imminently for improvements (including potential renovation/replacement).

Statewide Facility Condition Distribution by Band

1,359 Public PK-12 Facilities Assessed

Weighted Average Asset Condition (FCI):
52.66% of expected useful lifespan (EUL)
depleted

FCI	# of Buildings	% of Buildings
Above 60% (Functions Unreliable)	549	40.40%
45% to 60% (Needs Repairs)	552	40.62%
30% to 45% (Satisfactory)	126	9.27%
15% to 30% (Good Condition)	83	6.11%
Less Than 15% (Like New)	79	3.61%
Total	1359	100%

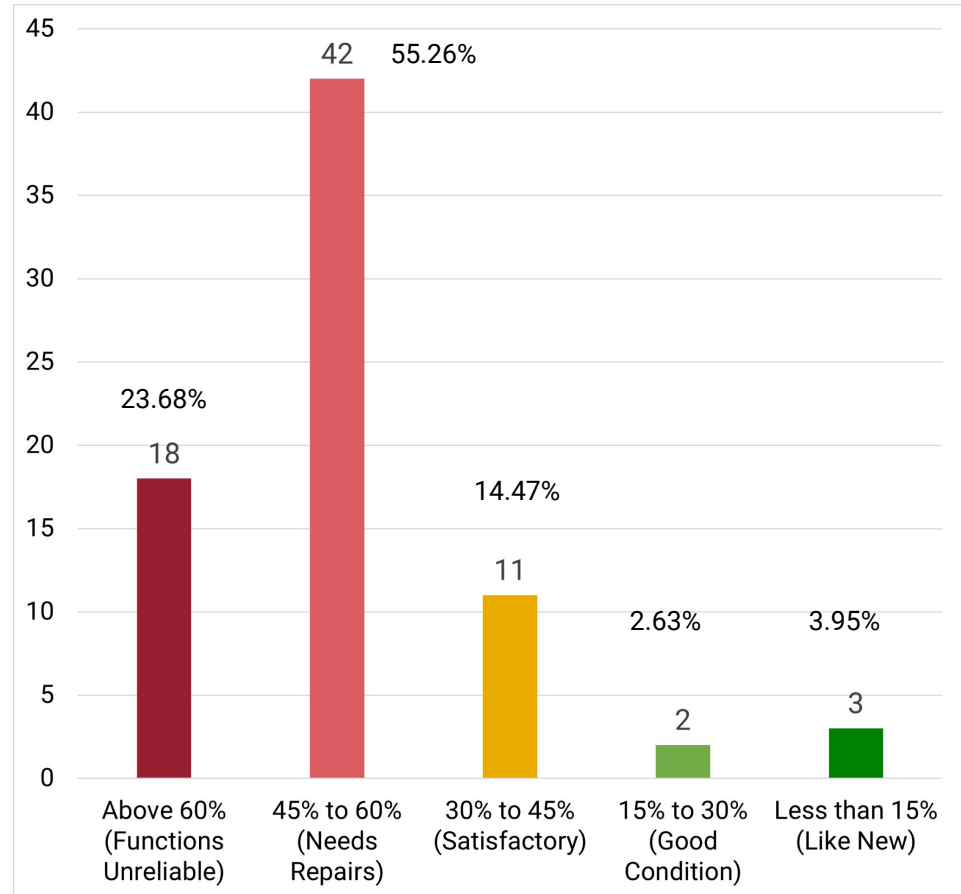


Key Factors Affecting Current Condition

Factors	Consequences
<p>1) Significant population growth and migration in the 1960s-1970s drove a bulge of spending and construction</p>	<ul style="list-style-type: none"> ● Large number of facilities reaching end of useful lifespan in 2020s <ul style="list-style-type: none"> ○ >250 (>18%) of Maryland schools are 50+ years old
<p>2) Construction costs have doubled since 2012 while local and State capital budgets have not increased commensurately</p> <ul style="list-style-type: none"> a) State Cost/SF 2012: \$207 b) State Cost/SF 2024: \$416 	<ul style="list-style-type: none"> ● Purchasing power of local and State budgets has been cut nearly in half ● LEAs have deferred more and more of the needed maintenance, capital-maintenance, and capital-renewal work

HCPSS Facility Condition Distribution by Band

- 76 Public PK-12 Facilities Assessed
- Weighted Average Asset Condition (FCI): **49.00%** of expected useful lifespan (EUL) depleted
- 4th best LEA avg. condition (range: 47.99 to 62.43)
- But average asset FCI of **49% is much higher than it should be** for an average age of GSF of 20 years.
 - *Anne Arundel has average age of GSF of 30 years and average asset FCI of 48.54%.*



Apparent High-Priority Capital Needs

School	FCI	Electrical					Interior		Interior		Modulars	Plumbing		Program		Relocatable			Wall	
		Ceilings	Conveyances	Distribution	Flooring	HVAC	Construction	Doors and Hardware	Life Safety	Fixtures		Support	Equipment	Roofs	Site	Skin	Structural	Finishes		
1 Manor Woods Elementary	72.21%	91.45%		81.43%	78.16%	96.66%	60.00%	75.00%	82.40%		75.00%	65.60%	90.67%	80.00%	83.53%	71.77%		30.00%		
2 Oakland Mills Middle	71.50%	84.00%		81.79%	78.07%	80.99%	65.31%	62.50%	74.52%		95.00%	80.00%		60.00%	73.21%	68.58%		50.20%		
3 Mayfield Woods Middle	68.81%	83.04%	84.00%	72.92%	57.71%	88.50%	66.00%	82.50%	66.78%	77.50%	82.50%	79.63%		82.49%	80.81%	71.86%		32.00%	82.50%	
4 Applications and Research	67.54%	82.97%		26.55%	68.25%	74.85%	51.23%	62.50%	80.18%		85.00%	79.44%		95.00%	63.47%	87.51%		80.00%	80.00%	
5 Dunloggin Middle	66.58%	83.01%	84.00%	74.05%	76.87%	88.70%	55.80%	60.00%	54.45%		87.50%	84.78%	40.00%	55.00%	76.46%	58.17%		50.00%		
6 Patapsco Middle	66.23%	53.14%		46.86%	72.59%	100.00%	58.40%	67.50%	57.40%		67.50%	60.82%	86.67%	65.00%	73.27%	58.60%		52.00%		
7 Forest Ridge Elementary	65.36%	71.50%		65.68%	72.72%	80.77%	64.07%	65.00%	72.88%		77.50%	60.00%	100.00%	89.00%	59.98%	68.00%		27.00%		
8 Wilde Lake High	63.15%	77.58%	80.00%	61.89%	75.42%	83.15%	57.26%	72.50%	59.14%		72.50%	74.81%		36.23%	71.46%	67.47%		26.83%		
9 Howard High	63.15%	73.82%	80.21%	48.27%	77.16%	77.46%	55.07%	55.45%	68.44%	25.00%	87.50%	65.03%	62.22%	87.87%	47.11%	49.76%		64.00%		
10 Elkridge Landing Middle	62.40%	72.00%	87.63%	66.22%	69.61%	82.43%	58.50%	72.50%	70.39%		72.50%	84.35%		49.15%	52.08%	63.02%		28.00%	50.00%	
11 Atholton Elementary	61.86%	84.00%	84.00%	52.43%	63.51%	81.86%	47.04%	32.50%	51.30%		45.00%	78.25%	57.78%	95.00%	77.16%	52.30%		52.00%	55.00%	
12 Ellicott Mills Middle	61.74%	92.00%	92.00%	58.65%	81.18%	77.84%	46.00%	57.50%	93.15%		90.00%	65.79%	73.33%	65.00%	91.12%	27.11%		42.34%		
13 Bonnie Branch Middle	61.52%	68.00%	80.00%	48.10%	74.77%	80.79%	48.85%	60.00%	48.75%		60.00%	80.79%	93.33%	95.00%	49.35%	53.89%		49.00%	60.00%	
14 Centennial Lane Elementary	61.36%	60.06%	60.00%	69.52%	73.86%	54.80%	59.95%	37.50%	48.05%		67.50%	72.64%	93.33%	60.00%	61.20%	61.68%		50.00%	80.00%	
15 Murray Hill Middle	61.20%	72.71%	76.00%	56.31%	77.41%	91.00%	53.06%	65.00%	70.63%		65.00%	74.56%	86.67%	89.98%	63.61%	63.66%		26.00%		
16 River Hill High	61.18%	56.54%	72.00%	64.64%	72.38%	80.38%	58.40%	75.00%	73.59%		75.00%	89.43%		45.50%	82.03%	70.41%		27.00%		
17 St. Johns Lane Elementary	61.12%	48.29%		55.71%	68.95%	81.10%	63.83%	57.50%	86.41%		82.50%	84.58%	60.95%	20.00%	63.20%	65.42%		65.00%		
18 Hammond Elementary / H	60.97%	64.89%	52.00%	48.45%	61.24%	66.53%	64.70%	47.32%	81.99%		87.50%	68.28%	71.68%	65.97%	62.57%	56.59%		52.54%		
19 Lime Kiln Middle	60.11%	63.46%	68.00%	53.78%	73.48%	81.27%	50.16%	60.00%	67.03%		60.00%	69.24%		90.00%	69.96%	52.30%		24.00%	60.00%	
20 Worthington Elementary	59.53%	56.00%	32.00%	41.71%	74.29%	62.87%	60.00%	37.50%	54.80%		85.00%	60.38%	86.67%	65.87%	49.24%	64.71%		59.27%		
21 Centennial High	58.75%	38.25%		79.46%	58.40%	92.09%	61.25%	68.98%	47.60%	25.56%	55.00%	94.76%		38.08%	66.10%	63.37%		27.00%		
22 Ilchester Elementary	58.66%	74.66%	80.00%	54.39%	60.52%	79.40%	54.14%	67.72%	54.80%		67.50%	74.59%	42.22%	89.60%	63.31%	59.69%		28.00%		
23 Hollifield Station Element	58.47%	64.00%		58.60%	65.75%	76.01%	54.26%	67.50%	56.32%		65.00%	69.85%	40.00%	90.00%	60.16%	59.33%		27.00%		
24 Guilford Elementary	57.76%	67.78%	68.00%	48.11%	60.57%	68.71%	60.00%	42.50%	59.23%		45.00%	47.68%	38.67%	80.00%	58.94%	57.71%		54.00%	45.00%	
25 West Friendship Elementa	57.51%	76.00%		49.73%	65.92%	58.92%	61.86%	50.00%	52.81%		50.00%	81.47%		60.00%	71.22%	56.65%		48.00%		
26 Oakland Mills High	57.47%	71.51%	76.00%	34.88%	76.70%	89.99%	67.68%	39.32%	44.73%		22.50%	80.38%		62.21%	62.73%	77.95%		50.00%		
27 Reservoir High	56.59%	83.59%	88.00%	52.74%	74.67%	77.47%	44.83%	55.00%	1.00%		55.00%	84.56%	93.33%	85.00%	78.10%	50.97%		22.00%		
28 Jeffers Hill Elementary	55.64%	56.00%	32.00%	46.72%	65.88%	71.78%	60.00%	62.50%	63.89%		72.50%	74.07%	66.67%	44.59%	47.50%	46.73%		49.00%	62.50%	
29 Bellows Spring Elementar	55.38%	80.00%		52.44%	67.24%	64.46%	43.92%	52.05%	22.55%	43.00%	55.00%	74.92%		75.00%	57.42%	49.32%		52.00%		

Need Areas #2 & #3

Need Area	Key Points
#2) Educational Sufficiency	<ul style="list-style-type: none">● Not yet measurable in a simple manner● IAC is working with LEAs to identify the most essential needed improvements● Capital-renewal projects replacing the worst-condition buildings will cover some but not all educational sufficiency needs
#3) Capacity for Enrollment Growth	<ul style="list-style-type: none">● MDP projects statewide total growth of 1.5% (12,400 students) by 2033<ul style="list-style-type: none">○ 14 of 24 counties will see >1.5% growth○ Existing capacity may accommodate some of this growth but some new seats will be needed

Need Areas #4 & #5

Need Area	Key Points
#4) Additional classrooms for Blueprint Pre-K	<ul style="list-style-type: none">● Rough estimate: 300 classrooms @ \$1M each<ul style="list-style-type: none">○ @ Current average State share (~62%) = \$186 million State liability spread over the next ~5 years
#5) Decarbonization by 2045	<ul style="list-style-type: none">● No cost estimate currently available● IAC working to develop need-scoping framework, collect needed data, and develop scenarios with various trajectory options and cost estimates● Capital-renewal projects replacing the worst-condition buildings can and should decarbonize some facilities if the new facilities are fully electrified and Net-Zero-Energy

Maintenance Effectiveness Assessment (MEA)

- Purpose: To evaluate evidence of maintenance processes, structures, and practices that is visible on the day of the assessment.
- Coverage: 21 major building-system areas plus Preventive Maintenance and use of Computerized Maintenance Management System (CMMS)
- Rating scale: **Adequate** *is Good Enough*

Score Range	Overall Rating	Description
90–100%	Superior	Maintenance is likely to extend the life of systems within the facility beyond expected.
80–89%	Good	
70–79%	Adequate	Maintenance is sufficient to achieve the life of each system within the facility and, with appropriate capital spending and renewal, the total expected facility lifespan.
60–69%	Not Adequate	Maintenance is insufficient to achieve the expected life cycle of systems within the facility.
0-59%	Poor	

HCPSS Maintenance Effectiveness - FY 2024

- 7 facilities of 76 visited
- Avg. overall rating: 73.08 (10th of 24) = Adequate – up from 72.20 in FY 2023
- Average overall rating is masking some deficiencies:

Rating of Individual Categories
(does not include items not rated) Deficiencies

School Name	School Type	Square Footage	Adjusted Age	Overall Rating	Superior	Good	Adequate	Not Adequate	Poor	Major	Minor
1. Dunloggin Middle (13.001)	Middle	79,220	23	Good	5	4	13	1	0	0	0
2. Forest Ridge Elementary (13.047)	Elementary	81,823	29	Adequate	1	4	14	3	0	0	0
3. Manor Woods Elementary (13.052)	Elementary	77,169	28	Adequate	0	4	14	4	0	0	2
4. Elkridge Landing Middle (13.054)	Middle	101,226	28	Not Adequate	0	1	13	8	0	0	4
5. Ilchester Elementary (13.057)	Elementary	75,438	26	Adequate	0	4	15	4	0	0	3
6. Wilde Lake High (13.058)	High	258,098	28	Adequate	3	4	12	4	0	0	3
7. Lime Kiln Middle (13.070)	Middle	95,092	24	Adequate	2	1	14	5	0	0	1
Totals					11	22	95	29	0	0	13
Percentage of Total Ratings for System					7%	14%	61%	18%	0%		

HCPSS Maintenance Effectiveness - FY 2024

Key Takeaways:

- 1) **Insufficient resources** (budget and staffing) for facilities maintenance.

Industry standards for annual Maintenance & Operations spending:

3% of portfolio current replacement value (CRV) annually

$$\text{CRV} = 8,451,641 \text{ GSF} \times \$452 = \$3,820,141,732 \times .03 = \mathbf{\$114,604,252}$$

HCPSS FY 2023 M&O budget: **\$54,985,600 (= 48%)**

- 2) **Key weaknesses:** Work order completion generally; autopopulation in CMMS of preventive-maintenance work orders; routine HVAC maintenance.

- 3) **Highest return-on-investment opportunities:**

- a) Remediate all minor deficiencies assessed in a timely manner (45 days)
- b) Fully utilize the CMMS
- c) Execute recommended preventive maintenance at levels required to obtain reliable operation of building assets for full expected useful lifespans at minimum total cost of ownership

HCPSS Capital Expenditures

Industry standards for annual Capital Maintenance, Alterations, & Capital Renewal
(excl. new capacity needed for enrollment growth & Blueprint PK expansion):

3.67% of portfolio current replacement value (CRV) annually

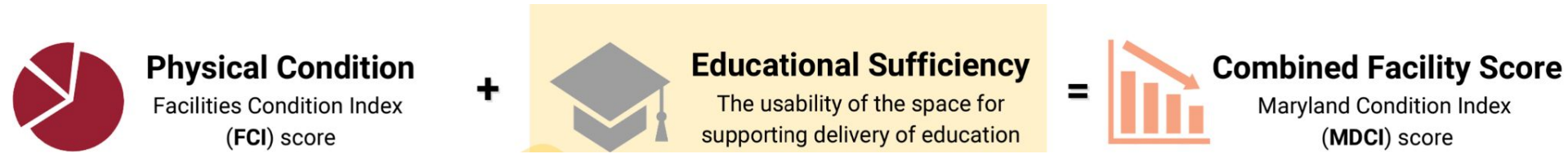
$$\text{CRV} = 8,451,641 \text{ GSF} \times \$452 = \$3,820,141,732 \times .0367 = \mathbf{\$140,199,202}$$

HCPSS FY 2025 capital budget:	\$61,247,000
One-time approp. - HS #14 Land:	+ \$15,000,000
FY 2025 State CIP awarded:*	+ \$15,636,721 (29 projects)**
	<hr/>
	\$91,883,721 (= 66%)

* FY23: \$16.6M; FY24: \$20.8M

** \$15,614,485 requested

Maryland Condition Index (MDCI)



- The Maryland Educational Facilities Sufficiency Standards are bare-minimum standards for existing PK-12 facilities, used for triage and comparability, not for designing facilities.
- 19 space types (such as cafeterias, general classrooms, and special education) are measured for sufficiency against the Standards.

Space: Insufficient square footage

Each space type has a minimum per student standard for square footage. This is checked vs projected enrollment to determine if a school will have insufficient space in the near future.

Space Attributes: Inadequate lighting, temperature, acoustics, etc.

If deficiencies are substantial and widespread, the Remaining Useful Lifespan of the building system is adjusted to reflect this. Deficiencies that pose a threat to use of the facility are placed into a special category for emphasis.

Maryland Condition Index (MDCI)



Physical Condition

Facilities Condition Index
(FCI) score

+



Educational Sufficiency

The usability of the space for
supporting delivery of education

=



Combined Facility Score

Maryland Condition Index
(MDCI) score

- Legislative Workgroup to determine MDCI categories and weights in late 2025
- Weights to be incorporated into MDCI
- MDCI to be used as basis for Statewide ranking list for Priority Fund

MDCI Category	RFP Weights (Defaults)
1 - Immediate Code/Life/Health Threat (x3.50)	3.5
2 - Sufficiency Deficiency - Space (x3.00)	3
3 - Mitigate Additional Damage (x2.00)	2
4 - Degraded w/Potential Mission Impact (x1.50)	1.5
5 - Beyond Expected Life (x0.25 to 1.50)	0.25 - 1.5
6 - Grandfathered or State/District Standards (x0.50)	0.5
7 - Sufficiency Deficiency - Facility (x1.00)	1
9 - Normal/Within Life Cycle (x0.25)	0.25

Priority Fund

- Ed. Art. § 5-326: There is a Nancy K. Kopp Public School Facilities Priority Fund.
- FY 2027 and each fiscal year thereafter: The Governor shall appropriate at least **\$70,000,000** to the Fund.
 - **ADDITIONAL and COMPLEMENTARY to the CIP and existing programs**
 - (k): “Money expended from the Fund is supplemental to and is not intended to take the place of funding that otherwise would be appropriated in the annual State operating or capital budget bill to primary and secondary schools under this article.”
- FY 2027: The purpose of the Fund is to . . . address the severity of issues in a school, including:
 - (i) Air conditioning; (ii) Heating; (iii) Indoor air quality; (iv) Mold remediation; (v) Temperature regulation; (vi) Plumbing, including the presence of lead in drinking water outlets in school buildings; (vii) Windows; and (viii) Any additional severe issues in the school that require the school to be closed.
- FY 2028 and thereafter: The purpose of the Fund is to address the facility needs of the highest priority schools in the State as identified by the statewide facilities assessment completed by the IAC.

We'd love
to hear your questions

<https://iac.mdschoolconstruction.org/>

