



House Bill 349

Education - Maintenance of Effort - Lease Payment Exclusion

MACo Position: **SUPPORT**

Date: March 25, 2014

To: Budget & Taxation Committee

From: Robin Clark

The Maryland Association of Counties (MACo) **SUPPORTS** HB 349. House Bill 349 as amended would require the Department of Legislative Services to study the use of alternative financing methods for school construction and report any findings to the General Assembly before December 15, 2014.

Maryland prides itself on its commitment to education and makes a significant investment of State and county dollars in school construction, but in recent years funding has not kept pace with need. This year the average age of K-12 schools in Maryland increased to 28 years and, as is common each year, requests for school construction funding by local boards exceeded the available funding.

State and local funding has been restrained in part by the recent recession and a slow recovery. As described in the Report of the Capital Debt Affordability Committee on Recommended Debt Authorizations for Fiscal Year 2015, the escalation in building costs over the past ten years has hampered the State's efforts to bring all public schools up to minimum standards and school construction needs continue to exceed the anticipated level of State funding. At the same time, student populations have grown by nearly 5% in Anne Arundel, Howard, and St. Mary's Counties and by over 6% in Montgomery County.

HB 349 requires the Department of Legislative Services to study alternative financing methods for school construction, including private investment. Private investment in school construction could help county governments and the State to meet the needs of our schools. At the same time, this investment would allow county governments to support school and county government operations in other ways.

School construction financing should not be impeded by rigid State funding laws, and this bill is a needed step in bringing us closer to a solution. For these reasons, MACo recommends the Committee issue a **FAVORABLE** report on HB 349.