

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: HB563

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input checked="" type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: O'Quinn

3. Committee: Finance and Appropriations

4. Title: School Construction Matching Grant Fund and Program; established; funding sources.

5. Summary: Requires the Department of Education, in consultation with the Department of General Services, to develop or adopt and maintain a data collection tool to assist each school board to determine the relative age of each public school building in the local school division and the amount of maintenance reserve funds that are necessary to restore each such building. The bill also establishes the School Construction Fund and Program for the purpose of awarding grants from the Fund to local school boards to fund the construction of new public school buildings in the local school division. The bill also provides that any remaining revenues not appropriated by the Gaming Proceeds Fund shall be appropriated to the School Construction Fund and Program. Under current law, any remaining revenues in the Gaming Proceeds Fund not appropriated remain in the Fund until appropriated by the General Assembly for programs established to address public school construction, renovations, or upgrades.

6. Budget Amendment Necessary: Yes, Item 83 and Item 135.

7. Fiscal Impact Estimates: Preliminary, see Item 8.

8. Fiscal Implications: The bill places primary responsibility for the data collection on the Department of Education (DOE) but requires DOE to work with the Department of General Services (DGS). Based on DGS's M-R FIX tool, used for similar data collection for state agencies, DOE anticipates the need for one full-time-equivalent (FTE) position to work with both DGS and the local school divisions to collect the required data. DOE estimates an annual cost of \$132,932 for salary, benefits, and support costs beginning in FY 2023. This cost is ongoing.

If the M-R FIX or a similar tool is used, DGS indicates a substantial increase in workload to set up and maintain, on an ongoing basis, 134 school divisions and approximately 2,000 school buildings in the DGS M-R FIX tool. DGS anticipates the need for one FTE position to support the increased data input and ongoing data maintenance. DGS estimates an annual cost of \$102,000 for salary, benefits, and support costs beginning in FY 2023. This cost is ongoing.

Depending on how the data is submitted from the local school divisions to DOE or DGS and stored by the agencies, the agencies also may incur additional data storage costs, but such costs are indeterminate at this time.

The fiscal impact for local school divisions to meet this ongoing reporting requirement is indeterminate.

This bill provides that any remaining revenues not appropriated by the General Assembly from the Gaming Proceeds Fund shall be appropriated to the School Construction Fund and Program. Because present statute provides that such revenues shall be appropriated by the General Assembly for programs to address public school construction, renovations, or upgrades, depositing these revenues into the proposed School Construction Fund and Program appears consistent with this requirement.

The Department of Education (DOE) can absorb the cost of developing and implementing the School Construction Program but estimates it will require \$25,000 annually to support staff needed to administer the program.

9. Specific Agency or Political Subdivisions Affected: Board of Education, Department of Education, local school divisions

10. Technical Amendment Necessary: No

11. Other Comments: None