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INTERAGENCY COMMISSION ON SCHOOL CONSTRUCTION

2020 Operational Budget Hearing Testimony

House Appropriations Education and
Economic Development Subcommittee
Delegate Jones, Chair
February 7, 2019

Senate Budget and Taxation Education,
Business and Administration Subcommittee
Senator Ferguson, Chair
February 8, 2019

Presenters

Dr. Karen Salmon, IAC Chair
Robert Gorrell, Executive Director
Kim Spivey, Director of Fiscal Services

Attachments:

Projected Organization Chart

Thank you for your continuing support for public school construction in Maryland, and for the opportunity to report today on the operating budget for the Interagency Commission on School Construction (IAC). The Commission and their staff are tasked with a significant mission to:

Provide leadership and resources to local education agencies in the development of school facilities so that all Maryland public school students, teachers, administrators, and staff have safe and educationally supportive environments in which to teach and learn. The overriding goal of the IAC is to promote equity in the quality of school facilities throughout the State of Maryland.

In this report we will respond to the analyst's questions, and will provide additional information that may be of interest to the members of the committee.

As last year's HB 1783 has changed and increased the requirements of our program, we are striving to meet the changes as quickly as possible. The Educational Facilities Sufficiency Standards, which establish a minimum acceptable condition for school facilities, were adopted by the IAC last May. We are working to procure an assessment to measure each school facility in the State against those minimum standards. The IAC and our staff are working to promote greater transparency, live streaming every meeting of the reformed Interagency Commission. We are also actively working to implement procedures and regulations for the Innovation Incentive Pilot Program, the Healthy School Facilities Fund, and the Revolving Loan Fund.

Moving forward, we'll work with workgroups established by HB 1783—the Educational Specifications Workgroup and the Funding Workgroup—to make recommendations and improve our processes. We'll also be looking at public private partnerships and alternative financing arrangements, while studying the impact of prevailing wage and working to fill positions and increase our staff to be able to provide best practices and technical expertise to the LEAs.

IAC should update the budget committees on how its role in supporting LEAs facilities management and its organizational structure will change over the next three years, including how it will create and implement its satellite offices.

HB 1783 and the recommendations of the Knott Commission clearly intend to transition the IAC from a mostly grant management organization to an organization that can provide technical support and expertise to the LEAs. This requires the IAC to add additional positions, which for the most part are highly technical in nature. These requested positions include:

- Support for satellite offices on the eastern shore and in western Maryland as follows:
 - Two (2) Maintenance Support positions on the eastern shore
 - One (1) Facility Assessor on the eastern shore
 - One (1) Project Manager on the eastern shore
 - One (1) Maintenance Support position for western Maryland

- One (1) Facility Assessor in western Maryland
- One (1) Project Manager in western Maryland
- Central Support positions, including:
 - Two (2) Maintenance Support positions
 - One (1) Project Development Support Manager to oversee, at a high level including considerations of statewide priorities, early planning and design of school projects.
 - Two (2) Systems Trainers to train LEAs and stakeholders on newly implemented systems, including a system that houses facility assessment data and the business process management system – These positions will be housed centrally but will travel extensively throughout the State to provide training.
 - One (1) Application Developer to provide support for continuous upgrades to IAC systems, databases, and reporting.
 - One (1) maintenance Computerized Maintenance Management System (CMMS) support administrator.

Satellite offices will be critical as our agency continues to strive to support the LEAs in order for the IAC staff to be accessible to the LEAs. Our desire would be to co-locate in regional offices with, for example, regional planners for the Maryland Department of Planning in order to share and best utilize information and expertise. We have had preliminary discussions with MDP, but are not aware of whether or not existing regional planner offices could accommodate additional staff. We will continue to pursue opportunities to further define potential options to submit a comprehensive budget request for FY 2021.

IAC should explain to the budget committees what the terms are for the contract for its Deputy Director of Field Support position, if it is paying for this position with savings from vacancies in fiscal 2019, and if those savings are sufficient to support the position.

The IAC has utilized the services of a contractual Designated Administrative Manager Senior II since September of 2017. The current contract expires June 30, 2019 (FY 2019). This employee performs management duties, including, but not limited to assisting the Executive Director with the presentations and implementation of the Maryland Public School Facilities Sufficiency Standards. The incumbent directs and administers all aspects of the agency program and represents the agency before State and local officials, legislative committees, senior managers and executives of other agencies concerning the Maryland Public School Facilities Sufficiency Standards.

Additionally, this employee has been instrumental in managing the procurement activities related to the Facility Assessment. The results of the Facility Assessment will help to quantify and describe the capital needs at the facility, LEA, and state levels so that LEAs, counties, and the State can each more accurately and effectively plan, budget for, and implement their facilities-management activities. The IAC requires the continuation of this position beyond fiscal year 2019 as this employee will continue to work

collaboratively with the vendor to collaborate, compile and analyze the data resulting from the assessment, as well as manage implementation and expansion of the agency field support mission.

The expansion or transition of the agency toward the development of an Integrated Master Facility Asset Library (IMFAL), repository of best practices for construction and maintenance, and project management requires the expansion of the IAC agencies positions in the project management, as well as the approval of an additional Deputy Director of Field Support position. We are requesting a permanent position for the Deputy Director of Field Support, given that the position will be providing the leadership and guidance in every aspect of project management, maintenance support, and facility assessments. Approval of this position will allow the agency to shift the administration of the Maintenance Inspection Program out from under the Deputy Director of Operations, thereby alleviating some of the workload.

The current Deputy Director of Operations has a central role in every aspect of the agency's operation and funding, including the development of the annual Capital Improvement Program, the review and updating of the Administrative Procedures Guide (APG), tracking our Managing for Results (MFR) information for budget purposes, administration of the Maintenance Inspection Program, and overall agency and personnel administration. The expansion of the positions required to implement HB 1783 and outlined in the attached organization chart will generate additional operational duties on the part of the current Deputy Director.

The savings from vacancies in fiscal 2019, are sufficient to support this contractual position. However, the level (%) of vacancy experienced in fiscal 2019, has had a significant impact on the level of services we provide.

Due to the changing roles for IAC staff under the 21st Century School Facilities Act and the challenges it faces in hiring, the Department of Legislative Services recommends the adoption of committee narrative for IAC to report to the budget committees by October 1, 2019, on its staffing so that the budget committees may stay informed on how IAC's staff are being utilized.

The IAC will be happy to report to the budget committees on our staffing. As DLS noted in their analysis, the IAC faces severe challenges in hiring, in particular for our construction industry and facilities positions. State wages for these classifications pay significantly less than in the private sector. Due to demand and competition, the IAC has struggled to fill high level positions. One example is our Maintenance Program Manager, which has been vacant since February of 2017, and for which we have interviewed and made offers a number of times. Each time, our selected candidates ultimately refuse the job in lieu of a higher paying job elsewhere. We recently reclassified the position to increase by 1 grade and are in the process of interviewing candidates.

While we are appreciative of DBM's support to reclassify the position at a higher grade level it still may not be sufficient to compete with the local jurisdictions or private sector. MSDE HR found a similar position in a county offering a salary on the 12 Month Pay Scale of \$88,678 - \$137,092 versus our State salary, Grade 22: \$65,901 - \$105,818. This difference of 30% at base and 26% at the maximum salary.

Candidates interviewed working in the private sector are in positions similar with salaries at or exceeding the State's maximum salary.