



## **Interagency Commission on School Construction** **Fiscal Year 2027 Capital Budget Testimony**

**House Appropriations Committee**  
**Capital Budget Subcommittee**  
**Delegate Malcolm P. Ruff, Chair**  
**Monday, March 9, 2026**

**Senate Budget and Taxation Committee**  
**Capital Budget Subcommittee**  
**Senator Craig J. Zucker, Chair**  
**Tuesday, March 10, 2026**

### Presenters:

Edward Kasemeyer, IAC Chair  
Alex Donahue, IAC Executive Director  
Cassandra Viscarra, IAC Deputy Director  
Arabia Davis, Funding Programs Manager

The IAC would first like to thank the Capital Budget Subcommittees for the opportunity to respond to questions from the Department of Legislative Services (DLS) and to comment on the capital budget for the IAC. More importantly, the IAC thanks you for your strong and continuing support for public school construction in Maryland. We also thank our DLS Analyst Katharine Barbour and DLS staff for their excellent analysis and support.

### **Background about the IAC and the allocation of capital funds**

Each year, the IAC begins the CIP cycle in July by publishing a target allocation for each LEA that is an enrollment-based share, adjusted for county wealth, of a conservative estimate of expected appropriations for the CIP and the Supplemental Capital Grant Program (a.k.a. EGRC) as informed by the applicable program statutes and appropriations targets adopted by the General Assembly. For FY 2027, the conservative estimates were \$280 million and \$80 million, respectively. This conservative estimate is designed to inform LEAs' project-request planning such that each LEA submits enough project requests to fully utilize its likely share of a reasonably likely total appropriation for the CIP without having to prepare additional project requests last-minute in spring if appropriations were to exceed expectations. It also is designed to reduce the risk of creating LEA expectations of funding that may not become available if the General Assembly appropriates fewer dollars than are in the Governor's CIP, which could result in costly project delays.

For FY 2027, the IAC received LEA requests for funding for school-construction projects totaling \$754 million. IAC staff estimate that, of this total, the most urgent school-construction projects in the state make up approximately \$622 million of this total request. Against this level of need, the current legislative target of \$450 million in total school-construction appropriations is \$172 million or 28% short. This shortfall comes not due to a significant change in project-need levels, but



because the IAC has awarded nearly all of the \$1.7 billion in Built to Learn Act funds, which from 2022 through 2026 covered a significant portion of extant urgent project needs above what the CIP appropriations could cover.

**IAC should comment on the process for making its 90% recommendations and why its February 2026 recommendations account for only 84% of the proposed fiscal 2027 authorization.**

As it does each February, the IAC adopts preliminary CIP project-funding figures totaling 90% of the total expected amount that the IAC projected the previous July. As described above, this figure was a conservative \$280 million selected to take into account the budget uncertainties associated with the especially challenging budget outlook that the State faces for FY 2027.

The IAC has plans to use any appropriations above the \$280 million amount on high-priority ongoing LEA projects that need more of their State funding in FY 2027 than the IAC can provide with the \$280 million. There are a number of pending projects—particularly large projects in small LEAs—that need additional funding in order to continue on schedule and without significant forward funding by the County of the State share for the project. Should the General Assembly approve budget bills that provide not \$280 million but \$300 million or more, the IAC stands ready to award the additional funds above the \$280 million amount in its May 100% CIP approvals.

**IAC should discuss its process for prioritizing projects in fiscal 2027 and in future years if the workgroup does not convene.**

The IAC’s approach to project prioritization in fiscal 2027 through the CIP program is expected to continue to operate as normal regardless of whether or not the Workgroup on the Assessment and Funding of School Facilities convenes. This is because the charge of the Workgroup statutorily pertains only to the prioritization of projects within the Nancy K. Kopp Public School Facilities Priority Fund (KPF) and not to prioritization of projects within the CIP.

Within the CIP, the IAC sets target allocations for each fiscal year in the July prior to Session, then makes project awards within those targets as a guide based upon LEA submissions and critical project needs. In awarding funds to each LEA, the IAC continues to generally follow the prioritization adopted by that LEA in its project submissions, subject of course to project eligibility under the IAC’s regulations.

How the IAC prioritizes projects to be funded through the Kopp Priority Fund will depend on whether and how the statute may change during this year or future years. In FY 2027, the IAC is preparing to award funds based upon the most severe needs using criteria similar to the prior Healthy School Facility Fund program based upon provisions in Ed. Art., § 5-326 (c)(2). If the Workgroup does not



convene, the Kopp Priority Fund statute could be modified in a number of ways to allow the IAC to adopt project-eligibility criteria and make awards based upon a combination of facility condition and educational sufficiency. The Commission and its staff would be happy to work with the General Assembly and other State decision makers and stakeholders in order to determine an appropriate and beneficial way forward.