

State of Maryland
Interagency Commission on School Construction

FY 2023 SB 291 Pass-Through Grant
Administrative Procedures Guide



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These procedures are available for download at iac.mdschoolconstruction.org

Record of Changes

Version	Description	IAC Approval Date
1.0	Initial Publication	06/08/2022
1.1	Revisions to eligible projects; Clarify that the funds cannot replace the local share of projects that received funding from the IAC in any fiscal year; Funds may be combined with other funding programs	08/11/2022
1.2	Clarify definition of eligible school projects; eligibility of change orders; update reporting requirements	4/20/2023

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1. Background

2022 Md. Laws, Ch. 344 (SB 291) appropriated \$237 million to be distributed to specified Local Education Agencies (LEAs) for school construction projects selected by each County. These Pass Through Grant (PTG) funds are statutorily required to be allocated as block grants to the LEAs with minimal oversight by the IAC.

2. Allocations - General

2.1. General

2.1.1. Allocations are required to be distributed as follows:

LEA	Allocation Amount
Baltimore City	\$75,000,000
Baltimore County	\$80,000,000
Charles County	\$5,000,000
Frederick County	\$10,000,000
Howard County	\$35,000,000
Prince George's County	\$30,000,000

2.1.2. Additionally, \$2 million is available to be allocated to a County or Counties that are not specified in the table above and are not eligible for an increase in the gross area baseline for projects funded through the Built to Learn Act of 2020 as provided in Economic Development Article, § 10-650(c)(2). The IAC will distribute the funding based on each eligible County's proportionate share of the final full time equivalent enrollment as of September 30, 2021 (see Attachment 1).

2.2. Project Eligibility and Allocation Basis

2.2.1. The requirement that PTG funds be used for school construction projects means that only projects at schools, defined as facilities providing educational services to students, are eligible. Projects for general school system administrative buildings or similar are not eligible for application of PTG funds.

2.2.2. Funds may only be applied to projects selected by each County Government.

2.2.3. Funds shall not be used to replace the local share of projects that received or subsequently receive any allocation of State funds by the IAC under any other IAC-administered program.

- 2.2.4. PTG funds may be combined with other State funding programs, such as the Capital Improvement Program or Built To Learn. When PTG funds are combined with another program, the other program funding must be expended prior to use of PTG funds.
 - 2.2.4.1. Example: A \$13 million project, for which \$10 million was eligible for state funding, with a State cost share of 60 percent was approved by the IAC to receive \$6 million in CIP funds. The LEA used local funds to cover their \$4 million local share. The project required an additional \$3 million above the original allocation and the LEA used PTG funds to cover the additional cost.
- 2.2.5. PTG funds may be used for change orders, so long as the change order is on a project that would be eligible for PTG funds.
- 2.2.6. Funding shall be provided without a local match requirement.
- 2.2.7. Because the PTG funds are general-obligation (GO) bond funds, all items purchased with these funds must have a median lifespan of at least 15 years.

3. Application and Approval Procedures

- 3.1. LEAs should complete the SB 291 Pass-Through Funding Application (.xlsx) and submit to iac.pscp@maryland.gov before May 1, 2023.
- 3.2. IAC staff will review applications to ensure projects are eligible for funding in accordance with Section 2.2 of this procedures guide, and notify the LEA within 10 days of the eligibility determination
- 3.3. The application will be deemed incomplete unless signed by an authorized LEA representative AND County Government representative.
- 3.4. Applications shall be submitted to iac.pscp@maryland.gov with the subject “[County] SB 291 Pass-Through Funding Application” prior to May 1, 2023. Please submit the unsigned excel version of the application as well as a signed PDF version of the form.

4. Procurement

- 4.1. Procurements shall be in compliance with all applicable Federal, State, and Local requirements.

5. Grant Processing, Distribution, and Financial Reporting

- 5.1. Upon receipt of an application and subsequent verification by the IAC that the submitted project(s) are eligible, the IAC will process a block grant payment to the LEA for the requested amount.

- 5.2. LEAs will be required to report expenditures and project progress to the IAC twice per year, on March 15 and September 15, beginning September 15, 2023. Project status and expenditure information shall be provided in the PTG reporting form.

6. **Project Closeout**

- 6.1. Bond funds are subject to reversion if not expended within 7 years of allocation. LEAs shall ensure all funds are expended and closeout requirements are met by May 1, 2029.
- 6.2. Within 18 months of the LEA's final payment to the contractor, the LEA shall submit to the IAC all contract documents and pay applications for work performed with SB 291 Pass-Through Grant Funding.
- 6.3. The IAC will perform a financial audit and may require a reimbursement to the State if all provided funds are not demonstrated to have been expended for projects authorized by the IAC for PTG funds.

Attachment 1: Funding Allocation of \$2 Million to Eligible Counties

LEA	Full Time Equivalent Enrollment as of 9/30/21	Percentage	Total Allocation
Allegany	7,662	4.14%	\$82,869.00
Calvert	14,949	8.08%	\$161,696.00
Caroline	5,259	2.84%	\$56,883.00
Carroll	24,608	13.31%	\$266,168.00
Cecil	14,160	7.66%	\$153,156.00
Dorchester	4,315	2.33%	\$46,670.00
Garrett	3,348	1.81%	\$36,216.00
Harford	36,880	19.95%	\$398,906.00
Kent	1,707	0.92%	\$18,459.00
Queen Anne's	7,124	3.85%	\$77,055.00
St. Mary's	16,714	9.04%	\$180,784.00
Somerset	2,558	1.38%	\$27,665.00
Talbot	4,233	2.29%	\$45,783.00
Washington	21,100	11.41%	\$228,224.00
Wicomico	13,888	7.51%	\$150,217.00
Worcester	6,402	3.46%	\$69,249.00
Total	184,907	100.00%	\$2,000,000