

**D25E03**  
**Interagency Committee on School Construction**

***Operating Budget Data***

	(\$ in Thousands)				
	<u>FY 02 Actual</u>	<u>FY 03 Approp.</u>	<u>FY 04 Allowance</u>	<u>FY 03 - 04 Change</u>	<u>FY 03 - 04 % Change</u>
<b>General Funds</b>	<b>\$11,374</b>	<b>\$11,444</b>	<b>\$16,484</b>	<b>\$5,040</b>	<b>44.0%</b>
FY 2003 Cost Containment	0	-53	0	53	-100.0%
Contingent & Back of Bill Reductions	0	-1	-6	-5	418.7%
<b>Adjusted General Funds</b>	<b>\$11,374</b>	<b>\$11,390</b>	<b>\$16,478</b>	<b>\$5,088</b>	<b>44.7%</b>
Special Funds	1	1,893	0	-1,893	-100.0%
Reimbursable Funds	25	82	0	-82	-100.0%
<b>Adjusted Grand Total</b>	<b>\$11,400</b>	<b>\$13,365</b>	<b>\$16,478</b>	<b>\$3,113</b>	<b>23.3%</b>

- The Interagency Committee on School Construction's fiscal 2004 allowance contains a \$3.1 million, or 23.3% increase over the fiscal 2003 working appropriation, after accounting for fiscal 2003 cost containment measures.
- The \$5.0 million general fund increase, offset by the \$1.9 million special fund decrease, primarily reflects the \$3.2 million increase in funds over fiscal 2003 needed for the fiscal 2004 lease payment for wiring schools for technology. It also reflects the switch from using special funds from the Cigarette Restitution Fund (CRF) to using general funds to make the lease payment. The switch in fund source indicates the Governor's intent to dedicate all fiscal 2004 CRF expenditures to health- and social services-related programs.

***Personnel Data***

	<u>FY 02 Actual</u>	<u>FY 03 Working</u>	<u>FY 04 Allowance</u>	<u>Change</u>
Regular Positions	17.00	17.00	17.00	0.00
Contractual FTEs	0.00	0.00	0.00	0.00
<b>Total Personnel</b>	<b>17.00</b>	<b>17.00</b>	<b>17.00</b>	<b>0.0</b>

***Vacancy Data: Regular Positions***

Budgeted Turnover: FY 04	0.00	0.00%
Positions Vacant as of 12/31/02	1.00	5.88%

- The Governor's allowance does not provide for any new positions in fiscal 2004.
- The IAC has a financial compliance auditor position that has been vacant since September 13, 2002.

Note: Numbers may not sum to total due to rounding.

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## *Analysis in Brief*

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### Major Trends

***The Percentage of Schools Rated as in Less Than Good Physical Condition Is Anticipated to Decrease Slightly:*** The IAC's fiscal 2004 Managing for Results (MFR) submission anticipates that the percentage of schools rated less than good as measured by local education agency (LEA) standards will decrease slightly in fiscal 2003 and 2004.

***Changes in the Number of Relocatable Classrooms Should Be Monitored:*** When schools are under construction or faced with overcrowding, LEAs may provide the schools with one or more relocatable classrooms. As data in the MFR section of the analysis will show, while the State has only 212 relocatable classrooms, local jurisdictions have a collective total of 2,407 relocatable classrooms. Given new options for school choice under the new federal No Child Left Behind Act (NCLB), requirements under the Bridge to Excellence in Public Schools Act, and a recommendation of the Task Force to Study School Facilities changes in the number of relocatable classrooms should be monitored. **DLS recommends that the IAC begin including a measure of relocatable classrooms in its fiscal 2005 MFR submission. Providing the measure would help the General Assembly determine if the number of relocatable classrooms is increasing significantly. Additionally, the measure would help the General Assembly explore whether any increase is attributable to temporary enrollment fluctuations or an ongoing need for more permanent facilities.**

### Issues

***Substantial Payments on Money Borrowed for School Wiring Are Now Due:*** The State borrowed money to wire all schools for technology by the end of fiscal 2002. The IAC notes that 959 schools in 23 local school systems have received Technology in Maryland Schools (TIMS) funding for the wiring projects. When these projects are completed the IAC notes that all public schools will be fully wired and able to access the Internet. Only now are substantial payments on the borrowed money due, despite prior fiscal year authorizations for the payments. **DLS recommends the IAC be prepared to discuss (1) how it can ensure the budget committees that the entire \$5.1 million in general funds will be needed in fiscal 2004 for lease payments on wiring schools for technology; and (2) what savings could be generated from the discounts provided to local jurisdictions under the E-rate Program.**

***State Eligible for \$9.0 Million in QZABs:*** The State is again eligible to issue Qualified Zone Academy Bonds (QZABs) to renovate, repair, or make capital improvements to certain schools. How the QZAB program works and what the State must do to issue the bonds is examined. **DLS recommends the IAC discuss how the \$18.1 million in QZABs previously distributed in fiscal 2000 and 2001 improved school facilities and how this additional \$9.0 million will further improve school facilities.**

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**Recommended Actions**

	<u><b>Funds</b></u>	<u><b>Positions</b></u>
1. Reduce funds for replacement vehicle.	\$ 6,733	
2. Add language to the Budget Reconciliation and Financing Act of 2003 to reduce fiscal 2003 spending due to the anticipated turnover in the executive director position.		
<b>Total Reductions</b>	<b>\$ 6,733</b>	

**Updates**

***IAC Executive Director Expected to Retire in January 2003:*** Dr. Yale Stenzler, the Executive Director of the IAC, is expected to retire on January 31, 2003. How the new executive director will be selected is reviewed. DLS recommends that language be added to the Budget Reconciliation and Financing Act of 2003, increasing the amount of turnover expectancy on the executive director position, given that interviewing and hiring a new executive director will require a standard three-month recruiting process.

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**D25E03**  
**Interagency Committee on School Construction**

***Operating Budget Analysis***

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**Program Description**

The Interagency Committee on School Construction (IAC) administers the Public School Construction Program (PSCP) under the authority of the Board of Public Works. The IAC analyzes local education agency requests for capital improvement projects to public school buildings. The IAC also assists local school systems in planning, designing, and constructing primary and secondary educational facilities that support Smart Growth, the Technology in Maryland Schools Program, and the Aging School Program. Additionally, employees of the Maryland State Department of Education, the Department of General Services, and the Maryland Department of Planning support the activities of the PSCP and provide technical assistance to the public school systems.

In administering the PSCP, the IAC seeks to achieve the following goals:

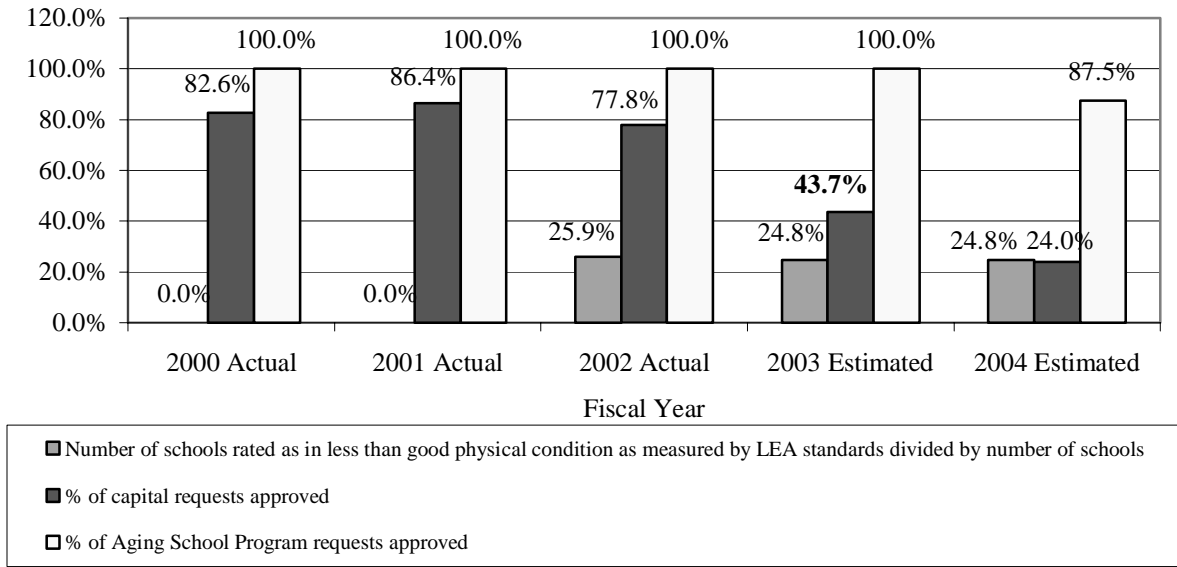
- Promote physical learning environments that support the educational goals of the Maryland State Department of Education and local education agencies;
- Promote safe physical environments in which to teach and learn;
- Support State goals for community redevelopment, environmental protection, and preservation of the State's natural resources; and
- Ensure the judicious use of State funds for school construction projects.

***Performance Analysis: Managing for Results***

**Exhibit 1** projects that in fiscal 2003 and 2004, the approval rates for capital and aging schools requests will decline as funding levels shrink. Nonetheless, the IAC expects the percentage of rated as in "less than good" physical condition will decline slightly. This decline is attributed to the fact that 177 additional schools will come into service in 2003 and 2004, thereby increasing the proportion of better rated facilities in the statewide stock of schools.

**Exhibit 1**

**Physical Condition of Schools v. Funding**



Note: Bold denotes actual data. Ratings on physical condition not available in fiscal 2000 and 2001.

Source: Governor’s Fiscal 2004 Budget Book

When schools are under construction or faced with overcrowding, LEAs may provide the schools with one or more relocatable classrooms. As **Exhibit 2** shows, the State owns 212 relocatable classrooms. The LEAs collectively own 1,752 relocatable classrooms and lease or have available to them an additional 655 relocatable classrooms. All of these relocatable classrooms are currently in use.

If it is assumed that a relocatable classroom typically houses 25 students then, as shown in Exhibit 2, based on the estimated September 30, 2002 enrollment count, eight of the 24 local jurisdictions have at least 10% of their student populations in relocatable classrooms.

## Exhibit 2

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**Estimated Percent of Student Enrollment in Relocatable Classrooms**

<u>LEA</u>	<u>State</u>	<u>Local</u>	<u>Other*</u>	<u>Total</u>	<u>Enrollment**</u>	<u>% of Student Enrollment in Relocatable Classrooms***</u>
Allegany	0	2	0	2	10,129	0.5%
Anne Arundel	0	117	0	117	74,798	3.9%
Baltimore City	4	35	0	39	96,327	1.0%
Baltimore County	3	153	68	224	108,343	5.2%
Calvert	10	74	0	84	17,154	12.2%
Caroline	2	11	0	13	5,535	5.9%
Carroll	0	118	0	118	28,431	10.4%
Cecil	0	54	6	60	16,204	9.3%
Charles	53	84	2	139	24,797	14.0%
Dorchester	4	0	4	8	4,817	4.2%
Frederick	4	143	0	147	38,566	9.5%
Garrett	0	0	4	4	4,833	2.1%
Harford	12	43	25	80	40,254	5.0%
Howard	2	105	0	107	47,197	5.7%
Kent	0	0	0	0	2,630	0.0%
Montgomery	56	73	506	635	138,998	11.4%
Prince George's	21	466	3	490	136,566	9.0%
Queen Anne's	0	25	34	59	7,525	19.6%
St. Mary's	37	93	0	130	16,112	20.2%
Somerset	3	3	0	6	2,979	5.0%
Talbot	0	11	0	11	4,498	6.1%
Washington	1	32	3	36	20,102	4.5%
Wicomico	0	77	0	77	14,810	13.0%
Worcester	0	33	0	33	6,877	12.0%
<b>Total</b>	<b>212</b>	<b>1,752</b>	<b>655</b>	<b>2,619</b>	<b>868,482</b>	<b>7.5%</b>

\* Leased or available to the LEA.

\*\* Enrollment is estimated as of September 30, 2002 and is based on the Maryland State Department of Education's Enrollment for Calculating the Foundation Program DRAFT – December 23, 2002. These enrollment figures have not been audited by the Maryland State Department of Education's Audit Office.

\*\*\* Assumes 25 students per relocatable classroom.

Source: Data on the number of relocatable classrooms from the Public School Construction Program, November 2002

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The federal NCLB mandates that LEAs provide students with the option of transferring from a low-performing school to a better-performing school within the same local jurisdiction. Additionally, the State's requirement under the Bridge to Excellence in Public Schools Act (Thornton legislation) requires that all local jurisdictions provide full-day kindergarten by the 2007-2008 school year. Furthermore, the Task Force to Study Public School Facilities has recommended that the State consider providing funding

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for local school systems to purchase relocatable classrooms as a temporary space solution for meeting their full-day kindergarten needs. These three factors may significantly increase the number of relocatable classrooms in the State in future years. However, the IAC's MFR submission does not include a measure showing the changes in the number of State and local relocatable classrooms and what percentage of each local jurisdiction's student population is taught in relocatable classrooms.

**DLS recommends that the IAC begin including a measure of relocatable classrooms in its fiscal 2005 MFR submission. Providing the measure would help the General Assembly determine if the number of relocatable classrooms is increasing significantly. Additionally, the measure would help the General Assembly explore whether any increase is attributable to temporary enrollment fluctuations or an ongoing need for more permanent facilities.**

## **Fiscal 2003 Actions**

### **Impact of Cost Containment**

The Governor reduced the IAC's fiscal 2003 general fund legislative appropriation by \$52,628, or 0.4% to meet cost containment goals. The reduction included eliminating \$13,000 in health insurance subsidies. The IAC indicated that since estimates of the cost of the health insurance premiums were overestimated by \$13,000, this reduction will not impact IAC operations.

The reduction also included lowering expenditures for office equipment and supplies by \$12,628, with the IAC continuing to use its existing equipment and supplies. The reduction also included lowering expenditures for training, seminars, and workshops on the planning, design, construction, maintenance, operation, and management of public school facilities for local school system employees by \$9,000. Another \$5,000 was taken out of printing expenditures which the IAC anticipates will result in a corresponding decrease in the number of fiscal 2004 *Capital Improvement Program* hard copies available for distribution. The IAC has indicated that it will attempt to distribute copies by facsimile or email. Furthermore, telecommunications expenditures were reduced by \$3,500 and gas and oil expenditures by \$2,500, with the IAC relying more heavily on email to communicate with local jurisdictions. Another \$1,000 was removed from the budget for agency auditor travel expenses. The remaining \$6,000 of the reduction is currently unallocated.

The fiscal 2003 cost containment also includes a \$1,100 general fund reversion of appropriations supporting free transit ridership for employees, contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2003.

## **Governor's Proposed Budget**

The IAC's fiscal 2004 allowance contains a \$5,087,657, or 44.7% general fund increase over the fiscal 2003 working appropriation after accounting for fiscal 2003 and 2004 cost containment measures. The general fund increase is primarily attributable to a higher lease payment due in fiscal 2004 for wiring schools for technology. Offsetting the general fund increase is a \$1,893,000, or 100.0% special fund

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decrease reflecting the switch of fund source for the lease payment.

If the funds for the lease payment are excluded from the fiscal 2004 allowance, the fiscal 2004 allowance represents a \$70,506, or 0.5% decrease from the fiscal 2003 working appropriation after accounting for fiscal 2003 and 2004 cost containment measures.

#### **Impact of Cost Containment**

The fiscal 2004 allowance reflects the elimination of \$5,706 for matching employee deferred compensation contributions up to \$600, contingent upon enactment of a provision in the Budget Reconciliation and Financing Act of 2003.

Expenses for salaries, retirement, Social Security contributions, health insurance, and other personnel expenses add about \$32,000. The IAC's request to replace a 1998 Chevy Cavalier which the IAC estimates will have 115,197 miles by February 2004, contributes another \$7,233 to the increase. Another \$2,724 is added for lease payments for Y2K-related equipment expenses as calculated by the State Treasurer's Office. Almost entirely offsetting these increases is a decrease in funding for computer contractual services, printing, reproduction, communications, and other operating costs.

The State borrowed \$48.7 million in TIMS funding in fiscal 2001 and 2002 to wire all of its schools for technology by the end of fiscal 2002 to give all schools the capacity to provide multiple teaching and learning mediums. The State had intended to repay the loan with monies from the CRF. The IAC estimated that it would need \$1,893,000 from the CRF to make its lease payment in fiscal 2003 and received the \$1.9 million in its fiscal 2003 legislative appropriation. However, due to delays in awarding contracts at the local level, the local education agencies have not yet completed the TIMS projects and consequently requested only \$49,738 in reimbursement in fiscal 2003 for finished projects. The remaining \$1,843,262 will be reverted at the end of fiscal 2003. For fiscal 2004, the allowance includes the \$5,076,391 in general funds that the IAC estimates will be needed to reimburse the local education agencies for their wiring expenditures. The Governor, in efforts to concentrate monies from the CRF on health- and social services-related activities, has elected to make the payments from general funds instead of special funds. (*See Issue 1.*)

The \$70,506, or 0.5% decrease in the allowance when the increase in funds for the lease payment is removed is primarily driven by an \$81,772, or 100% decrease in administrative funds. The administrative funds were used to implement the Federal School Repair Program. The program provides funding for school repairs and renovation. The \$10.5 million in federal funds for the repairs and renovation under the program were located in the PSCP. Since the federal funds have been fully utilized in fiscal 2003, the administrative funds will no longer be available in fiscal 2004.

**Exhibit 3**

**Governor's Proposed Budget  
Interagency Committee on School Construction  
(\$ in Thousands)**

	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 03 - 04</u>	<u>FY 03 - 04</u>
	<u>Actual</u>	<u>Approp.</u>	<u>Allowance</u>	<u>Change</u>	<u>% Change</u>
<b>General Funds</b>	<b>\$11,374</b>	<b>\$11,444</b>	<b>\$16,484</b>	<b>\$5,040</b>	<b>44.0%</b>
FY 2003 Cost Containment	0	-53	0	53	-100.0%
Contingent & Back of Bill Reductions	0	-1	-6	-5	418.7%
<b>Adjusted General Funds</b>	<b>\$11,374</b>	<b>\$11,390</b>	<b>\$16,478</b>	<b>\$5,088</b>	<b>44.7%</b>
Special Funds	1	1,893	0	-1,893	-100.0%
Reimbursable Funds	25	82	0	-82	-100.0%
<b>Adjusted Grand Total</b>	<b>\$11,400</b>	<b>\$13,365</b>	<b>\$16,478</b>	<b>\$3,113</b>	<b>23.3%</b>

**Where It Goes:**

Fiscal 2004 salary increments, employee retirement rate increases, higher social security contributions, increased unemployment compensation, decreased turnover expectancy and health insurance changes .....	\$32
Purchase of a replacement vehicle for staff travel .....	7
Lease payment for Y2K- related equipment expenses .....	3
Other operating .....	-38
Lease payment for wiring schools for technology .....	3,183
Conclusion of federal school repair program .....	-81
<b>Other</b> .....	<b>7</b>
<b>Total</b>	<b>3,113</b>

Note: Numbers may not sum to total due to rounding.

## Issues

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### 1. Substantial Payments on Money Borrowed for School Wiring Are Now Due

The State borrowed money to wire all schools for technology by the end of fiscal 2002. The IAC notes that 959 schools in 23 local school systems have received TIMS funds for wiring projects. When these projects are completed, the IAC notes that all public schools will be fully wired and able to access the Internet. Only now are substantial payments on the borrowed money for the projects due, despite prior fiscal year authorizations for the payments. **Exhibit 4** shows the difference between how much money was appropriated in prior fiscal years and how much was actually needed.

#### Exhibit 4

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##### Legislative Appropriation vs. Expenditures for Lease Payments Fiscal 2002 – 2004

	Fiscal 2002	Fiscal 2003	Fiscal 2004**
Legislative Appropriation	\$787,000	\$1,893,000	\$5,076,391
Expenditure	0	49,738	5,076,391 ***
<b>Difference</b>	<b>\$787,000 *</b>	<b>\$1,843,262</b>	<b>\$0</b>

\* Since this amount was originally held in escrow, the IAC borrowed \$787,000 from the Information Technology Investment Fund (ITIF). However, the IAC did not need the \$787,000 in fiscal 2002 and returned it to the ITIF.

\*\* General Funds

\*\*\* Anticipated Expenditure

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The IAC anticipates that \$5,076,391 will be needed for lease payments in fiscal 2004. To help ensure that sufficient funding is available for health and social programs, the Governor has substituted general funds for CRF monies for many non-health or non-social services programs – such as the lease payments – that were funded in prior fiscal years with CRF.

### Federal Program May Help State Recover Some Funds for School Wiring

Given the switch in fund source from the CRF to general funds and given the State's budget crisis, any recovery of State funds would be welcome. One federal program, called the Schools and Libraries Universal Support Mechanism and known as the "E-rate" program, may allow the IAC to recover some of the State funds spent on wiring schools for technology. The program provides discounts to schools and libraries serving disadvantaged populations. The discounts can be applied to eligible telecommunications services, Internet access, and internal connections. As **Exhibit 5** shows, the discounts range from 20% to 90% depending on the number of free and reduced price meal students in each district, and the district's classification as urban or rural as determined by the U.S. Office of Management and Budget's Metropolitan Statistical Area method.

**Exhibit 5**

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**Eligibility and Discounts Available Under the E-Rate Program**

Percentage of Students in a District that are Eligible for Free or Reduced Price Meals	Discount Available	
	Urban Districts	Rural Districts
Less than 1%	20%	25%
1% to 19%	40%	50%
20% to 34%	50%	60%
35% to 49%	60%	70%
50% to 74%	80%	80%
75% to 100%	90%	90%

Source: Universal Service Administrative Company

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According to the Maryland State Department of Education, all Maryland school districts and libraries are participating in the E-rate Program. The wiring within the schools is eligible for the discount. The IAC will be looking into whether any funds the LEAs saved as a result of the discounts can be applied toward reimbursing the State's share of wiring costs. Any reimbursements would be put into the PSCP's statewide contingency account.

**DLS recommends the IAC be prepared to discuss (1) how it can ensure the budget committees that the entire \$5.1 million in general funds will be needed in fiscal 2004 for lease payments on wiring schools for technology; and (2) what savings could be generated from the E-rate Program.**

**2. State Eligible for \$9.0 Million in QZABs**

The State is again eligible to issue \$9 million in Qualified Zone Academy Bonds (QZABs) to renovate, repair, or make capital improvements to certain schools. QZABs are a type of debt interest that States can issue only to financial institutions, insurance companies, and investment houses. The financial institutions, insurance companies, and investment houses that purchase these bonds receive a federal tax credit rather than interest on the bonds. Consequently, the State receives the proceeds from the sale of the bonds but does not have to pay interest on them. The proceeds from the bonds may only be used for schools that are either located in enterprise or empowerment zones or have at least 35 percent of their students eligible for free and reduced price meals.

The State must authorize the Board of Public Works to sell the bonds. Senate Bill 7 of 2003, if enacted, would authorize the Board of Public Works to issue the bonds. The bonds would be issued over the next two years. In the first year, up to \$4,632,000 can be issued, and in the second year, up to \$4,411,000 can be issued.

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**DLS recommends the IAC discuss how the \$18.1 million in QZABs previously distributed in fiscal 2000 and 2001 improved school facilities and how this additional \$9 million will further improve school facilities.**

## ***Recommended Actions***

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	<b><u>Amount Reduction</u></b>	<b><u>Position Reduction</u></b>
1. Reduce funds for replacement vehicle. Although the vehicle is expected to accrue 115,197 miles by February 2004, making the Chevy Cavalier eligible for replacement, the current fiscal crisis mandates that the vehicle not be replaced in fiscal 2004. However, realizing that repairs may be needed on the vehicle to continue its operation throughout fiscal 2004, \$500 has been deducted from the cost of the replacement vehicle. The \$500 can be used for any necessary repairs attributable to the vehicle's extended use.	\$ 6,733	GF
2. Add language to the Budget Reconciliation and Financing Act of 2003 reducing fiscal 2003 funding for the Interagency Committee by \$30,058. The retirement of the current executive director will generate an estimated three months in turnover savings during fiscal 2003.		
<b>Total General Fund Reductions</b>	<b>\$ 6,733</b>	

## ***Updates***

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### **1. IAC Executive Director Expected to Retire in January 2003**

Dr. Yale Stenzler, the Executive Director of the IAC, is expected to retire on January 31, 2003. According to Section 5-302 of the Education Article, his successor will be appointed by the IAC with the approval of the Board of Public Works. DLS recommends that language be added to the Budget Reconciliation and Financing Act of 2003 increasing the amount of turnover expectancy on the executive director position, given that interviewing and hiring a new executive director will require a standard three-month recruiting process.

## *Current and Prior Year Budgets*

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### Current and Prior Year Budgets Interagency Committee on School Construction (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
<b>Fiscal 2002</b>					
Legislative Appropriation	\$11,428	\$3,643	\$0	\$0	\$15,071
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	788	0	106	894
Reversions and Cancellations	-54	-4,430	0	-82	-4,566
<b>Actual Expenditures</b>	<b>\$11,374</b>	<b>\$1</b>	<b>\$0</b>	<b>\$24</b>	<b>\$11,399</b>
<b>Fiscal 2003</b>					
Legislative Appropriation	\$11,444	\$1,893	\$0	\$0	\$13,337
Budget Amendments	0	0	0	82	82
Cost Containment	-53	0	0	0	-53
<b>Working Appropriation</b>	<b>\$11,391</b>	<b>\$1,893</b>	<b>\$0</b>	<b>\$82</b>	<b>\$13,366</b>

Note: Numbers may not sum to total due to rounding.

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The fiscal 2002 special fund appropriation increase of \$788,194 was offset by a \$4,429,628 million reversion. The \$788,194 increase includes a \$787,000 loan from the Information Technology Investment Fund (ITIF). The IAC anticipated needing the loan to make a lease payment in fiscal 2002 on its school wiring agreement. The remaining \$1,194 of the special fund increase is attributable to restoring reverted Information Technology grant appropriations provided to local education agencies for technology projects.

The \$4.4 million special fund reversion in fiscal 2002 consists of returning \$3.6 million in unused Cigarette Restitution Funds and a \$787,000 ITIF loan in fiscal 2002. The IAC notes that local project delays in school wiring eliminated the need to make a lease payment in fiscal 2002.

The fiscal 2002 reimbursable fund appropriation was increased by \$106,302 to reflect administrative funds transferred from the Maryland State Department of Education to the IAC to implement the Federal School Repair Program. The federal funds for the program, which provides funding for school repairs and renovation, are located in the PSCP. Since the IAC only needed \$97,530 for administering the program in fiscal 2002, \$81,772 in administrative funds was carried over into fiscal 2003.

The fiscal 2003 reimbursable fund appropriation has increased by \$81,772 reflecting the carryover from fiscal 2002 of administrative funds to continue implementing the Federal School Repair Program.

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Appendix 2

Object/Fund Difference Report  
Interagency Committee on School Construction

Object/Fund	FY02	FY03	FY04	FY03 - FY04	Percent Change
	<u>Actual</u>	<u>Working Appropriation</u>	<u>Allowance</u>	<u>Amount Change</u>	
<b>Positions</b>					
01 Regular	17.00	17.00	17.00	0	0%
<b>Total Positions</b>	<b>17.00</b>	<b>17.00</b>	<b>17.00</b>	<b>0</b>	<b>0%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 899,289	\$ 998,735	\$ 962,583	(\$ 36,152)	(3.6%)
02 Technical & Spec Fees	24,433	21,986	480	(21,506)	(97.8%)
03 Communication	8,120	9,870	7,725	(2,145)	(21.7%)
04 Travel	10,061	17,919	7,379	(10,540)	(58.8%)
07 Motor Vehicles	4,608	12,237	12,185	(52)	(0.4%)
08 Contractual Services	62,677	50,917	30,810	(20,107)	(39.5%)
09 Supplies & Materials	25,449	14,206	6,941	(7,265)	(51.1%)
10 Equip - Replacement	0	591	591	0	0%
11 Equip - Additional	25,415	27,594	5,112	(22,482)	(81.5%)
12 Grants,Subsidies,Contr	10,338,165	12,263,000	15,446,391	3,183,391	26.0%
13 Fixed Charges	1,696	1,753	3,474	1,721	98.2%
<b>Total Objects</b>	<b>\$ 11,399,913</b>	<b>\$ 13,418,808</b>	<b>\$ 16,483,671</b>	<b>\$ 3,064,863</b>	<b>22.8%</b>
<b>Funds</b>					
01 General Fund	\$ 11,374,189	\$ 11,444,036	\$ 16,483,671	\$ 5,039,635	44.0%
03 Special Fund	1,194	1,893,000	0	(1,893,000)	(100.0%)
09 Reimbursable Fund	24,530	81,772	0	(81,772)	(100.0%)
<b>Total Funds</b>	<b>\$ 11,399,913</b>	<b>\$ 13,418,808</b>	<b>\$ 16,483,671</b>	<b>\$ 3,064,863</b>	<b>22.8%</b>

Notes: 1. Full-time and contractual positions and salaries are reflected for operating budget programs only.  
2. Fiscal 2003 appropriations and fiscal 2004 allowance do not include cost containment and contingent reductions.

Fiscal Summary  
Interagency Committee on School Construction

<u>Unit/Program</u>	<u>FY02 Actual</u>	<u>FY03</u>		<u>FY03 Working Appropriation</u>	<u>FY02 - FY03 % Change</u>		<u>FY04 Allowance</u>	<u>FY03 - FY04 % Change</u>	
		<u>Legislative Appropriation</u>	<u>Working Appropriation</u>						
01 General Administration	\$ 1,061,748	\$ 1,074,036	\$ 1,155,808	\$ 1,155,808	8.9%		\$ 1,037,280	(10.3%)	
02 School Facilities Program	10,338,165	12,263,000	12,263,000	12,263,000	18.6%		15,446,391	26.0%	
<b>Total Expenditures</b>	<b>\$ 11,399,913</b>	<b>\$ 13,337,036</b>	<b>\$ 13,418,808</b>	<b>\$ 13,418,808</b>	<b>17.7%</b>		<b>\$ 16,483,671</b>	<b>22.8%</b>	
General Fund	\$ 11,374,189	\$ 11,444,036	\$ 11,444,036	\$ 11,444,036	0.6%		\$ 16,483,671	44.0%	
Special Fund	1,194	1,893,000	1,893,000	1,893,000	158442.7%		0	(100.0%)	
<b>Total Appropriations</b>	<b>\$ 11,375,383</b>	<b>\$ 13,337,036</b>	<b>\$ 13,337,036</b>	<b>\$ 13,337,036</b>	<b>17.2%</b>		<b>\$ 16,483,671</b>	<b>23.6%</b>	
Reimbursable Fund	\$ 24,530	\$ 0	\$ 81,772	\$ 81,772	233.4%		\$ 0	(100.0%)	
<b>Total Funds</b>	<b>\$ 11,399,913</b>	<b>\$ 13,337,036</b>	<b>\$ 13,418,808</b>	<b>\$ 13,418,808</b>	<b>17.7%</b>		<b>\$ 16,483,671</b>	<b>22.8%</b>	

Note: Fiscal 2003 appropriations and fiscal 2004 allowance do not include cost containment and contingent reductions.