



Fiscal Year 2026 Capital Improvement Program (CIP) Notification

August 9, 2024

BALTIMORE, MD - The IAC is slated to open its FY 2026 Capital Improvement Program cycle on Monday, August 26, 2024. The deadline for project submissions is by close of business on October 4, 2024. All project submissions should be submitted via the IAC's newly developed Business Management System (BMS). The BMS serves as a one-system solution that provides transparency and accountability into processes from start to finish. IAC staff are prepared to provide extensive support to LEAs when the BMS CIP process opens on August 26, 2024; a BMS release notice with a schedule of upcoming office hours will be distributed to LEAs next week.

The FY 2026 CIP Supplemental Information Survey will be submitted via a separate BMS process in early 2025. For additional information on the BMS application process, please see the [CIP Instructions](#).

New Information and Important Notes:

- IAC staff are available to meet prior to or after your submission to answer any questions or provide assistance. Please work with your assigned Capital Projects Manager to determine whether a meeting is needed and to coordinate a time.
- The **Cost per Square Foot** for projects receiving first-time construction funding in the FY 2026 CIP (and that have not been previously bid) is \$416. The cost per square foot for construction with site development at 19% is \$495.
- The **State cost share** for FY 2026 is as follows:

Table 1

LEA	FY 2026 State Cost Share
Allegany	89%
Anne Arundel	50%
Baltimore City	91%
Baltimore County	57%
Calvert	56%
Caroline	94%
Carroll	54%
Cecil	61%
Charles	64%
Dorchester	98%
Frederick	67%

LEA	FY 2026 State Cost Share
Garrett	89%
Harford	58%
Howard	51%
Kent	50%
Montgomery	50%
Prince George's	68%
Queen Anne's	50%
St. Mary's	58%
Somerset	100%
Talbot	50%
Washington	78%
Wicomico	95%
Worcester	50%
MD School for the Blind	93%

- **Gross Area Baseline (GAB)** - The updated GABs have been incorporated into the appropriate submission forms, as well as the three gross-square-foot (GSF) add-ons. You will see a new tab on the Major Construction Worksheet titled GSF Add-On Calculator, which will allow you to estimate the add-on based on the available project information. This will only provide an estimate as the actual add-on must be calculated based on the actual square footage of the space to be included in the program. The actual add-on amount will be calculated by the IAC at the time of funding approval and will represent the most up-to-date information available at that time. Coordinate with your CPM for assistance in calculating these add-ons.
- Please note that **applications for Built to Learn Funding should not be submitted** in the Capital Improvement Program *except* when funding is requested jointly with Capital Improvement Program Funding. To submit funding requests for the Built to Learn Program, email a 102 Form and supporting documentation to iac.pscp@maryland.gov.
- **Project Development and Design Services Funding** - Please note that submissions for project development and design services funding are not required to meet project progress requirements for local planning approval in order to be considered eligible.
 - An award of project development and design services funding does not guarantee subsequent approval of local planning and/or an award of construction funds.
 - Nor is the award of project development or design services funds considered the first award of construction funds.
 - Awards for project development funding are intended to provide support for the establishment of project documents such as feasibility studies and Educational

Specifications but are not a separate category of funding and will be included in the 10% award for design funding for future awards.

- **Local Planning (LP) Approval** - For FY 2026 projects will continue to be allowed to request LP approval and Construction Funding in the same fiscal year.
- **Pedestrian Safety Plans** - The Safe Walk to Schools Act (2022 Md. Laws, Ch. 553) requires that LEA submissions to the IAC for approval of projects that increase the capacity of a school by more than 100 students include a Pedestrian Safety Plan. The BMS will require this plan as a separate file upload field. See Section 10, page 7 of the CIP Instructions for additional information. Please note that Pedestrian Safety Plans must be submitted with an LEA's CIP request before approval of construction funding will be considered.
- **Actual and Projected Enrollment Updates** - For FY 2026, eligible enrollment will be based on the seven-year (2030 for FY 2026) enrollment projections for a major CIP project school and the schools adjacent to a major CIP project school found in the most recent LEA Board of Education-approved Educational Facilities Master Plan (EFMP).
- **State Rated Capacity (SRC) Updates** - For FY 2026, SRC update requests for a major CIP project school and/or the schools adjacent to a major CIP project school must be submitted on or before September 6 2024.
- **Net-Zero-Energy (NZE) State-Share Add-On** - An LEA requesting the NZE State-Share Add-On, which results in a 5% increase to the State cost share for eligible projects, must submit the [NZE Add-On Request Form](#) at each design submission, including Ed Specs, SDs, DDs, and CDs.

FY 2026 LEA Allocation Targets

IAC staff recognize that stability in allocations and expectations is critical for LEAs to successfully plan and execute their school facilities projects, but also recognize that continuing to use past allocations as the primary factor to develop funding targets has the potential to perpetuate funding inequities. For the FY 2026 allocation targets, staff calculated wealth-adjusted enrollment-based figures for each LEA and then determined a target that was halfway between those figures and the frozen funding level that was set for the last three fiscal years (FY 2023 to FY 2025). By combining these two methodologies, the IAC is moving the process for setting the targets to a more data-driven and formula-based methodology while phasing in change so as to provide time for the adjustment of expectations. When considering deviations from prior expectations, the updated methodology also explicitly separates the \$5 million set aside in reserve funding (\$5 million of the estimated \$280 million state-wide allocation) from the calculation, to more accurately communicate the target for each LEA compared to prior years in which a wider target-allocation range may have been provided.

It's also important to note that the IAC implemented a 1% floor, so every LEA has a target of at least \$2.75 million based upon an estimated \$275 million in available funding (not including reserve funding).

The FY 2026 LEA Allocation Targets provided in Table 2, approved by the IAC at the August 2024 meeting, are not guaranteed allocations. The final amount an LEA receives in the CIP will be based upon available funding, eligibility of submitted projects, statewide needs, cash flow projections, and other considerations. The final project allocations will be approved by the Commission at the May 2025 meeting.

Table 2

LEA	IAC Approved FY 2026 Target Allocation
Allegany	\$3,628,549
Anne Arundel	\$23,830,997
Baltimore City	\$26,373,926
Baltimore County	\$32,536,093
Calvert	\$3,832,523
Caroline	\$2,750,000
Carroll	\$7,440,228
Cecil	\$4,788,586
Charles	\$9,228,066
Dorchester	\$2,750,000
Frederick	\$15,026,634
Garrett	\$2,750,000
Harford	\$11,604,590
Howard	\$16,625,853
Kent	\$2,750,000
Maryland School for the Blind	\$2,750,000
Montgomery	\$37,603,159
Prince George's	\$38,366,746
Queen Anne's	\$2,750,000
Somerset	\$2,750,000
St. Mary's	\$5,389,181

LEA	IAC Approved FY 2026 Target Allocation
Talbot	\$2,750,000
Washington	\$7,532,826
Wicomico	\$6,442,043
Worcester	\$2,750,000
<i>Statewide Reserve Fund</i>	\$5,000,000
Total	\$280,000,000

FY 2026 Enrollment Growth & Relocatable Classroom (EGRC) Funding

For FY 2026, \$40 million in EGRC funding is anticipated to be allocated to LEAs as shown in the following table. Eligible LEAs are advised to submit sufficient requests for the FY 2026 CIP to fully utilize the anticipated appropriation and any prior-year EGRC funds that have been held in reserve for that specific LEA. Please contact your assigned Capital Projects Manager if you have any questions about available reserve funds.

Table 3: FY 2026 CIP EGRC Allocation distribution proportionate to each LEAs FTE using September 30, 2023 FTE

LEA	Qualifies by Enrollment	Qualifies by Relocatables	9/30/2023 FTE	% Total Enrollment	Allocation
Anne Arundel	X		81,748.75	13.24%	5,295,794
Baltimore County		X	106,103.25	17.18%	6,873,511
Carroll	X		25,618.50	4.15%	1,659,601
Charles	X	X	26,728.50	4.33%	1,731,508
Frederick	X		46,022.50	7.45%	2,981,399
Harford	X		36,951.50	5.98%	2,393,768
Montgomery		X	154,454.50	25.01%	10,005,770
Prince George's		X	125,423.00	20.31%	8,125,070
Wicomico	X		14,411.25	2.33%	933,580
Total			617,461.75	100.00%	40,000,000

Notes:

1. Enrollment includes SEED School MD students in home school systems.
2. Prekindergarten students are not included in the Full-time equivalent enrollment for the MSDE Foundation program funding.
3. Full-time equivalent enrollment is defined in State Education Article §5-202.



Important Dates

- 10/4/2024 - Deadline for LEAs to upload FY 2026 CIP requests to the IAC
- 11/29/2024 - Deadline for LEAs to upload final amendments to the FY 2026 CIP request and letters of support from local government (required)
- 12/12/2024 - IAC hearing for preliminary approval of 75% of anticipated total CIP funding
- 5/8/2025 - IAC approval of 100% CIP

We look forward to receiving your FY 2026 CIP submission on or before October 4, 2024. Please contact arabia.davis1@maryland.gov or (410) 767-2153 with questions or concerns about the CIP application process. Please contact your Capital Projects Manager for technical assistance with project development. For information regarding projected enrollment and adjacent schools, please contact Jamie Bridges at jamie.bridges@maryland.gov.

The Interagency Commission on School Construction is an agency of the State of Maryland. Staff of the IAC can be reached at iac.pscp@Maryland.gov. Learn more about the IAC and its programs at mdschoolconstruction.org.