



## **Senate Bill 556**

### *Procurement – Construction Contingency Fund*

MACo Position: **SUPPORT**

To: Appropriations Committee

Date: March 27, 2024

From: Brianna January

The Maryland Association of Counties (MACo) **SUPPORTS** SB 556. As amended, this bill authorizes expenditure from the Construction Contingency Fund to consider price adjustments for material price fluctuations of identified eligible project-specific materials.

The Construction Contingency Fund is primarily available for state projects. However, school construction projects are eligible to apply for the Fund to support various expenses. As funding partners in school construction, counties welcome SB 556's steps to address increased capital project costs associated with the recently volatile construction industry.

SB 556, by expanding eligible costs to include price adjustments for project materials, addresses a recent challenge for local education agencies and county governments pursuing school capital projects. During and following the COVID-19 pandemic, the country experienced significant supply chain issues, price fluctuations in materials and labor costs, and a volatile market, especially in construction.

Counties believe SB 556, as amended by the Senate, will help to address vexing cost issues in major construction projects. For these reasons, MACo **SUPPORTS SB 556** and urges a **FAVORABLE** report.