

State funding of school construction quite naturally served to lift a significant burden from the local governments (and the local property tax rates), but it soon placed in jeopardy the state's own excellent bond rating. In 1976 the New York rating organizations began to express concern over the dramatic rise in authorized state debt, and the governor, the General Assembly, and the board started to look for ways to bring the rate of debt creation under some control.

As the school construction program was a major contributing factor in the overall problem, it became a prime candidate for retrenchment. In January 1976 Gov. Marvin Mandel appointed a commission to study revision in the school construction program, noting that the program had been far more expensive than originally anticipated and warning that if continued unchecked it threatened the state's sound fiscal structure. The commission, chaired by Treasurer Williams S. James (also a member of the board), made a report in January 1977 recommending a number of substantial cutbacks in the program, primarily through changes in the board's implementation of rules and regulations.<sup>24</sup>

The subdivisions, which had been such profound beneficiaries of the program, were not enamored with the proposed curtailment, but after considerable discussion the board amended its rules in order to effectuate most of what the commission recommended. Essentially the changes made certain cost items completely ineligible for state funding and reduced the level of funding on a variety of renovation and modernization projects.

The year 1975 was the high-water mark of the school construction program. In the years 1971-75, \$1,042 million had been authorized; in the next five years, 1976-80, the total authorizations amounted to only \$283 million. That did not, however, eliminate either the annual protests by the subdivisions over IAC deletions or the need for the board to set aside one or more entire meetings to consider and deal with those protests.<sup>25</sup> Though operating at a much reduced rate, the program still requires careful review of the IAC recommendations and facing the annual protests from disappointed county officials.

Despite predictable outcries from the localities, the school construction program seems to have worked well, and even those who came before the board to argue for restoration of projects deleted by IAC offered praise for its administration. The one blight, in terms of administration, arose from the dishonesty of the IAC executive director, Alford Carey, which first came to light in February 1975. Carey was ultimately charged with and convicted of forgery, false pretenses, bribery, and extortion in connection with contracts for the construction of "relocatable" classrooms.<sup>26</sup> As a result of that incident, the General Assembly in 1976 made IAC a statutory body within the State Department of Education, subject to its administrative and budgetary review, and in 1978 it strengthened the laws relating to extortion by state and local employees.<sup>27</sup>

The general school construction program was the state's major effort in assuring an adequate educational plant, but it was not the state's only effort in that regard. Supplementing that program were two others, which provided for grants to the subdivisions to assist in the construction of community colleges and area vocational schools. The Board of Public Works played an important role in each.

There was a common format to both the community college and vocational school programs. The subdivisions submitted project requests to the State Board of Education, which would determine a "priority of need" among the applicants and recommend to

24. *Ibid.*, p. 7.

25. See, for example, BPW Minutes (tape rec.), 28 February 1979, MdHR 40369-569/573; 11 February 1980, MdHR 40369-663/666; 6 February 1981, MdHR 40369-762/765.

26. See *Carey v. State*, 37 Md. App. 589 (1977); *Carey v. State*, 43 Md. App. 246 (1979), *cert. den.* 445 U.S. 967. See also BPW Minutes, 26 February 1975, MdHR 40281-274.

27. Acts of 1976, ch. 539; 1978, chs. 448, 449.