

ED #1  
February 13, 2012  
**Worksession**

**(Councilmembers should bring the CIP book to the Worksession)**

MEMORANDUM

February 10, 2012

TO: Education Committee  
FROM: Justina Ferber,  Legislative Analyst  
SUBJECT: FY13-18 Capital Improvements Program for Montgomery College

The following individuals will be present to discuss the Montgomery College CIP:

Dr. DeRionne Pollard, President  
Cathy Jones, Senior Vice President for Administrative and Fiscal Services  
David Capp, Vice President of Facilities and Security  
Susan Madden, Chief Government Relations Officer  
John McLean, Director of Capital Planning and Design  
Kristina Schramm, Capital Budget Manager  
Bryan Hunt, OMB Analyst

**Comments by Dr. Pollard**

**Introduction:** FY13 is a year for the full six-year Capital Improvements Program in which agencies provide a comprehensive six-year program for capital improvements for review by the Executive and the Council. *The CIP contains only those projects for which the Executive recommends a change from the College's request.* The projects for which the Executive agrees are not in the County published CIP. A list of all College projects and the Executive's recommendations is at ©1.

**Overview of the College's request:** The College's requested Capital Budget dated November 22, 2011, from the College President (see ©2 for the transmittal memorandum) includes 31 projects with spending projected for the six years at \$510.8 million. There are three new projects for which funding is requested – Rockville Parking Garage, Takoma Park/Silver Spring Science and Math Center construction and Germantown Science & Applied Studies Building Renovation/Addition

Phase I. The State has recognized an increase in construction costs by allowing a 4 percent escalation factor in FY13 which has resulted in a modest cost increase for all of the College's State-assisted projects.

The College states that projected enrollment growth of the College will be significant over the next ten years and will exacerbate the current, as well as future, deficit in instructional space. The CIP includes the construction of several projects at each of the three campuses in an effort to address student needs with new academic space that will continue to support the instructional needs of the College.

The College maintains and renovates existing facilities and infrastructure to preserve them and to modify space for new or different programs and constructs new facilities for existing and future enrollment. The College's request is based on three factors: enrollment, the condition of facilities, and the facilities master plan. The County usually does not approve the College's entire request, considering the lack of State aid and competition from other projects for County bonds.

**Overview of Executive's Recommendations:** On January 17, 2012, the Executive submitted his Recommended FY13-18 Capital Improvements Program to the Council. The Executive recommends a six-year program of \$332.5 million for the College which is an increase of \$8.0 million or 2.5 percent compared to the FY11-16 capital program of \$324.5. The Executive's recommendation is \$178.3 million less than the College's \$510.8 million request. The following is quoted from the Executive's CIP: "The Executive believes the College's \$186 million requested increase is not affordable and he has given priority to projects that add classroom and laboratory space, leverage State Aid, provide critical student support services and maintain core infrastructure. In order to maximize support for these initiatives, the Executive's recommended budget assumes that further construction and information technology efficiencies through value engineering and other techniques can be found to reduce individual project costs. Although it would not be possible to fully fund the College's request without sacrificing other important projects for other county agencies, full or partial funding has been provided for 29 of the 31 projects requested by the College."

As noted in the briefs following the College PDFs, the Executive proposes to fund only the planning and design components of one project until the estimates of State Aid are clearly defined and assured and project planning, design, and cost estimates are at more advanced stages. He also advises that other projects, as indicated in those briefs be deferred or funded at reduced expenditure levels for fiscal capacity.

The County cannot afford all projects the agencies requested, based on bond limits. The Council will have to make similar hard choices in May based on affordability, after reviewing all competing requests. However, at this stage in the review, the Committee can recommend more funding than the Executive was able to recommend, however, other projects in the CIP may have to be deferred or deleted to accommodate any changes to the recommended CIP. This year it will be particularly difficult to add to the CIP without affecting other projects.

**Funding:** The College’s funding request is shown in the next chart in millions. The College finances its six-year CIP using resources from four primary sources: County General Obligation Bonds, State Aid, County Current Revenue and Recordation Tax.

(millions)

Source	College		Executive	
	FY13	Six year	FY13	Six year
County current revenue Including Recordation Tax	16.704	94.139	6.646	81.676
County bonds	35.949	260.898	31,976	156.179
State aid	17.256	154.218	17,256	93.097
Other	1.320	1.520	1.320	1.520
Total	71.229	510.775	57.198	332.472

**Executive’s goal of reducing debt service by reducing County bond funding:** In a memorandum dated August 10, 2011, the Executive asked each agency to reduce its County bond funding. He asked the College to reduce its County bond funding by \$6.4 million in the first four years FY13-16, compared to the approved FY11-16 CIP. The details are below:

- Per the County Executive’s request, the College has decreased its general obligation bond funding by \$6,357,000 during the first four years of the 6-year capital improvement program as indicated below:
  - Elevator Modernization Project – Total decrease of \$2,320,000 (\$580,000 per fiscal year [FY13-16])
  - Roof Replacement Project – Total net decrease of \$427,000 in FY13
  - Takoma Park/Silver Spring Math & Science Center – Total decrease of \$2,224,000 as a result of planned shift of design from FY16 to FY17
  - Capital Renewal Project – Total decrease of \$1,386,000 (\$346,000 in FY2013; \$346,000 in FY14; \$347,000 in FY15; \$347,000 in FY16)

**Review of Policy: “How costs should be shown on the expenditure schedule for projects that have been planned but not yet designed”:** The objective of this policy is to try to ensure that cost estimates for construction are “reasonably accurate” and that the State has approved or is likely to approve its share of the costs before showing construction costs in the spending schedule, at which time the projects take some of the County’s scarce bond capacity.

The question/issue is -- at what point in the process does the College have cost estimates for construction that are “reasonably accurate”, accurate enough to put in the spending schedule? For every renovation or new building, the College completes and submits to the State a facility program (also referred to as a program of requirements [POR] or “Part 1” by the State). The College typically submits the facility program approximately two years before the start of design (whether State funds are used or not). The facility program (POR) includes an estimate of construction cost.

In March 2011, the ED Committee recommended and the Council agreed to:

1. Show construction costs in the expenditure schedule only after the College submits the facility program to the State (as just noted above, this is approximately two years before the start of design) and to use the construction cost estimate from the facility program. The rationale for accepting the cost estimate at this point is that the College will not be able to increase the cost unless the State agrees (the State will pay half the cost). The estimate of construction cost should be shown in the narrative, not in the expenditure schedule.
2. Appropriate construction funds for the year in which construction will start, but only after the State approves its share. The amount of appropriation will be the County share plus the State share.

**State Aid:** The College expects State aid to fund the FY13 capital budget for the following projects:

<b>Project</b>	<b>FY13 State Funding Request</b>
Rockville Science East Building Renovation	\$6,097,000 (Preauthorized Construction) \$1,931,000 (Furniture, Fixtures, and Equipment) \$8,028,000
Germantown Science and Applied Studies Building – Phase 1 – 2 <sup>nd</sup> Floor Renovation, and Addition	\$2,673,000 (Design)
Rockville Student Services Center	\$5,359,000 (Design)
<b>Total FY13 State Funding Request</b>	<b>\$16,060,000</b>

**Macro Issues:** There are several wide-ranging issues which the Committee should discuss with the College:

**1. Architectural and Engineering Design Costs**

The State has recently decided that architectural and engineering design costs should make up only 13% of the costs of a project. Montgomery College has experienced costs of 15% and higher for A&E design. The College requests that the County continue to fund design costs at the higher level which will affect the 50/50 County/State split for projects.

**2. 10% Reduction in funding in various projects**

The Executive recommends a 10% reduction in construction costs for some projects with a recommendation for value engineering or design modifications to meet the reduced construction funding. In other projects, the 10% reduction is for fiscal reasons.

**3. Information Technology Funding**

- a. The College has been in discussions with the County on fibernet and local area network issues and when an agreement is reached, the outcome could affect some projects. The Interagency Technology Policy and Coordination Committee (ITPCC) will be discussing IT issues on February 29<sup>th</sup> and hopefully an agreement will be reached on fibernet issues. Also, the College has a technology needs study underway which should be completed soon.
- b. The Executive recommends reductions in IT costs for many projects by suggesting they be funded through College IT Project No. 856509. However, the ED Committee agreed in FY12 that projects should receive the funding necessary to prepare a facility for use. (See discussion below)

**FY 12 Discussion of the Cost of IT Equipment:** For FY12, the College provided the following explanation regarding IT equipment. "In the past, IT expenses were funded using MC funds, IT Capital funds, or a combination of both. In an effort to better plan for the increased costs associated with specific project expenses tied to IT equipment, the College has been working to budget these additional costs as part of a project budget, and to include this expense in the project's furniture, fixtures, and equipment category." The College informed the Committee that IT equipment is not eligible for State aid. The College requested adding IT Equipment costs to projects starting in FY13.

**The ED Committee and the Council agreed with the concept of adding IT costs to new and modernized facilities.** Committee members agreed that each project should receive the funding necessary to fully prepare the facility for its intended use.

For the FY12 budget, OMB staff stated their view that all IT equipment must be funded with current revenue because such equipment has a short life. Council staff agreed that **replacement** IT equipment must be funded with current revenue.

However, Council staff believes that IT equipment for both **new** facilities and for **modernized** facilities can be funded with bonds (or current revenue) because all costs necessary to prepare a new/modernized facility for its initial use can be funded with bonds. MCPS staff told Council staff that they have been using bonds to fund all costs, including IT costs, for MCPS new and modernized facilities.

**Public Hearing Testimony**

The testimony of Mr. Stephen Kaufman, Chair of the Montgomery College Board of Trustees, is attached at ©5.

Juan Cardenas testified for the Upcounty Citizen’s Advisory Board and supported improvements in and around Montgomery College, Germantown related to science and technology education and job training.

**Specific Projects:**

**I. The Executive and Council staff agree with the College’s request for the following projects:**

<b>Project#</b>	<b>Project Name</b>	<b>College Request</b>	<b>Exec Recommendation</b>
936660	ADA Compliance	\$300,000	\$300,000
096600	Capital Renewal	\$10,614,000	\$10,614,000
046602	Computer Science Alterations	\$841,000	\$841,000
056608	Elevator Modernization	\$1,155,000	\$1,155,000
816611	Energy Conservation	\$750,000	\$750,000
956645	Germantown Child Care Center	\$466,000	\$466,000
096604	Germantown Observation Drive Reconstruc	\$900,000	\$900,000
096607	Germantown Science & Tech Pk Infra	\$2,520,000	\$2,520,000
096603	Health Sciences Expansion	\$858,000	\$858,000
036603	Macklin Tower Alterations	\$4,600,000	\$4,600,000
076618	Network Operating Center	\$12,000,000	\$12,000,000
076600	Outdoor Athletic Facilities	\$225,000	\$225,000
926659	Planned Lifecycle Asset Replacement	\$24,000,000	\$24,000,000
096602	Rockville Pk Lot & Tennis Ct Relocation	\$650,000	\$650,000
036600	Rockville Science Center	\$200,000	\$200,000
876664	Roof Replacement	\$1,169,000	\$1,169,000
076623	Science East Building Renovation	\$21,964,000	\$21,964,000
076601	Site Improvements	\$4,200,000	\$4,200,000

**II. The Executive's Recommendations Modify the Following Projects:**

**BIOSCIENCE EDUCATION CENTER - Germantown**

Page	Description		FY13-FY18	FY13	FY14
CIP	Design and construction of a new biotechnology & science building - Germantown	<b>College Request</b>	<b>\$20,463,000</b>	<b>\$0</b>	<b>\$14,413,000</b>
38-4		<b>Executive Rec</b>	<b>\$18,227,000</b>	<b>\$0</b>	<b>\$12,177,000</b>
38-5		FY13-14			
38-6		Appropriation			

**Cost Change:** The cost of the project has increased to match the State's allowed escalation factor – 4%.

**Executive Recommendation:** Reduce FY14 IT expenditures and funding by \$2,236,000 with the expectation that a portion of IT equipment costs may be funded through IT College Project No. 856509.

**College Comments:** The College is working with the County on IT funding issues but believes this project is too far along to modify the funding for the IT equipment. The College requests that the funding for IT related costs remain within the Bioscience Education Center project.

**Council Staff Comments:**

Council staff agrees that this project is too far along for modifications to IT funding. The reduction does not agree with the previous consensus of the ED Committee that each project should receive the funding necessary to fully prepare the facility for its intended use. **Staff recommends restoring the \$2,236,000 reduction made in IT equipment.** Restoring the \$2,236,000 will increase G.O. bond funding for FY14.

**FACILITY PLANNING**

Page	Description		FY13-FY18	FY13	FY14
CIP	Funding for facility planning studies for potential CIP projects	<b>College Request</b>	<b>\$1,800,000</b>	<b>\$300,000</b>	<b>\$300,000</b>
38-7		<b>Executive Rec</b>	<b>\$1,620,000</b>	<b>\$270,000</b>	<b>\$270,000</b>
38-8		FY13-14 Appro			

**Executive Recommendation:** Reduce six-year expenditures and funding by \$180,000 for fiscal reasons

**College Comments:** Accepts the Executive's modification.

**Council Staff Comments:** Accept the Executive's recommendation.

**GERMANTOWN SCIENCE & APPLIED STUDIES – PHASE I RENOVATION (new project)**

Page	Description		FY13-FY18	FY13	FY14
CIP 38-9	Realignment/renovation of space in Science & Applied Studies Building - Germantown	<b>College Request</b>	<b>\$38,888,000</b>	<b>\$5,346,000</b>	<b>\$0</b>
38-10		<b>Executive Rec</b> FY13-14 Appro	<b>\$38,512,000</b>	<b>\$5,346,000</b>	<b>\$0</b>

**Executive Recommendation:** Reduce FY16 IT expenditures and funding by \$376,000 with the expectation that a portion of IT equipment costs may be funded through College IT Project No. 856509

**College Comments:** The College requests that the County funding level for design remain the same at \$2.673 million, even though the Governor’s Capital Budget Authorization for FY13 has reduced the State share by \$817,000. State funding will not be officially approved until April, and there is still a chance that this amount could be restored. If the State doesn’t reinstate the \$817,000, the College requests that the County maintain their original share (\$2.673 million).

**Council Staff Comments:** The State share of the design funding for Germantown Science has been reduced in FY13 by \$817,000. The College requests that the County not reduce its share of design costs which means the County may have to pick up a more than 50% share of design costs. **Council staff recommends the County continue to fund design at a level of at least 15%. Accept the Executive’s recommendation.**

**GERMANTOWN STUDENT SERVICES CENTER**

Page	Description		FY13-FY18	FY13	FY14
CIP 38-11	Design of a new student resource center - Germantown	<b>College Request</b>	<b>\$92,018,000</b>	<b>\$0</b>	<b>\$0</b>
38-12		<b>Executive Rec</b>	<b>\$13,144,000</b>	<b>\$0</b>	<b>\$0</b>
			<b>FY15</b>	<b>FY16</b>	<b>FY17</b>
		<b>College Request</b>	<b>\$6,572,000</b>	<b>\$6,572,000</b>	<b>\$32,856,000</b>
		<b>Executive Rec</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,572,000</b>

**Cost Change:** The cost of the project has increased to match the State’s allowed escalation factor – 4%.

**Executive Recommendation:** Reduce FY13 expenditures to zero with the expectation that a portion of information technology equipment costs (\$1,652,000) may be funded through College IT Project No. 856509 and that \$6,571,000 of construction costs will be avoided through value engineering or design modifications.

**College Comments:** Accepts the Executive’s modification.

**Council Staff Comments:** The IT funding issue and the savings through value engineering and design issue should be discussed in relation to this project. The construction funding has been reduced by 10%. **Accept the Executive’s recommendation.**

**INFORMATION TECHNOLOGY**

Page	Description		FY13-FY18	FY13	FY14
CIP 38-13	Design/installation/construction of College Information Technology Systems	<b>College Request</b>	<b>\$52,077,000</b>	<b>\$9,577,000</b>	<b>\$8,500,000</b>
38-14		<b>Executive Rec</b>	<b>\$42,500,000</b>	<b>\$0</b>	<b>\$8,500,000</b>

**Executive Recommendation:** Reduce FY13 expenditures to zero as the project has significant carryover amounts available from prior years.

**Council Staff Comments:** The Committee should discuss the Executive's recommendations on numerous College projects that IT costs be funded through College IT Project No. 856509 which is this project. The funding of all IT equipment in this project is contradictory to the ED Committee's previous consensus that each project should receive the funding necessary to fully prepare the facility for its intended use. There is no additional funding for FY13 for this project. There are also issues related to fibernet in this project. Executive staff and College representatives have been in discussions about fibernet issues.

**Council staff suggests the Committee may want to delay action on this project until issues have been discussed by the ITPCC on February 29.**

**INSTRUCTIONAL FURNITURE AND EQUIPMENT**

Page	Description		FY13-FY18	FY13	FY14
CIP 38-15	Funding for new and replacement instructional furniture & equipment	<b>College Request</b>	<b>\$1,800,000</b>	<b>\$300,000</b>	<b>\$300,000</b>
38-16		<b>Executive Rec</b>	<b>\$1,620,000</b>	<b>\$270,000</b>	<b>\$270,000</b>

**Executive Recommendation:** Reduce six-year expenditures and funding by \$180,000 for fiscal reasons

**College Comments:** Accepts the Executive's modification.

**Council Staff Comments:** Accept Executive's recommendation.

**NETWORK INFRASTRUCTURE AND SUPPORT SYSTEMS**

Page	Description		FY13-FY18	FY13	FY14
CIP 38-17	Technology replacements and upgrades; maintain network	<b>College Request</b>	<b>\$12,000,000</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>
38-18		<b>Executive Rec</b>	<b>\$10,800,000</b>	<b>\$1,800,000</b>	<b>\$1,800,000</b>

**Executive Recommendation:** Reduce six-year expenditures and funding by \$1,200,000 for fiscal reasons

**College Comments:** Accepts the Executive's modification.

**Council Staff Comments:** Accept Executive's recommendation.

**PLANNING DESIGN & CONSTRUCTION**

Page	Description		FY13-FY18	FY13	FY14
CIP 38-19 38-20	Provides for positions to plan, design, manage & implement College capital program	<b>College Request</b>	<b>\$9,330,000</b>	<b>\$1,455,000</b>	<b>\$1,455,000</b>
		<b>Executive Rec</b>	<b>\$9,078,000</b>	<b>\$1,413,000</b>	<b>\$1,413,000</b>
<b>Executive Recommendation:</b> Reduce six-year expenditures and funding by \$252,000 for fiscal reasons					
<b>College Comments:</b> Accepts the Executive's modification.					
<b>Council Staff Comments:</b> <b>Accept Executive's recommendation.</b> Note that the College will have to revisit the reductions when employee compensation increases.					

**ROCKVILLE PARKING GARAGE (new project)**

Page	Description		FY13-FY18	FY13	FY14
CIP 38-21 38-22	Design and construction funding for 680 spaces; 5-level parking garage - Rockville.	<b>College Request</b>	<b>\$34,220,000</b>	<b>\$3,952,000</b>	<b>\$30,268,000</b>
		<b>Executive Rec</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Executive Recommendation:</b> Does not recommend inclusion in the FY13-18 CIP for fiscal reasons particularly since this project is not eligible for State aid.					
<b>College Comments:</b> The College requests full funding for this project.					
<b>Council Staff Comments:</b> The Executive is recommending \$20,000,000 to fund a garage at the Universities at Shady Grove with \$5,000,000 scheduled in FY15; however, the MC Rockville campus has needed parking relief for over 30 years. <b>Council staff recommends placing \$3,952,000 for design of the Rockville parking garage in FY15 and asking the College to explore opportunities for creative financing. Discuss this project with the College as they would like to see it move forward in FY13.</b> G.O. funding for the garage in FY13 and FY14 can affect the funding of other County projects.					

**ROCKVILLE STUDENT SERVICES CENTER**

Page	Description		FY13-FY18	FY13	FY14
CIP 38-23	Construction of a new student services center - Rockville	College Request	\$75,954,000	\$10,718,000	\$0
38-24		Executive Rec FY13-14 Appro	\$68,781,000	\$10,718,000	\$0

**Cost Change:** The cost of the project has increased to match the State's allowed escalation factor – 4%.

**Executive Recommendation:** Recommends reduced expenditures and funding of \$7,173,000 with the expectation that a portion of Information Technology equipment costs (\$1,817,000) may be funded through College IT Project No. 856509 and that (\$5,356,000) construction costs will be avoided through value engineering or design modifications.

**College Comments:** The College requests that the County funding level for design remain the same at \$5.359 million, even though the Governor's Capital Budget Authorization for FY13 has reduced the State share by \$1,645,000. State funding will not be officially approved until April, and there is still a chance that this amount could be restored. If the State doesn't reinstate the \$1,645,000, the College requests the County maintain their original share (\$5.359 million). There is also a 10% decrease in construction costs, which presents another funding challenge for this project.

**Council Staff Comments:** This project did not get full funding for design from the State and the College would like the County design funding to remain intact. There are also IT funding issues for this project and a 10% decrease in construction funding. The Committee should discuss the issues affecting this project. **Council staff recommends the County continue to fund design at a level of at least 15%. Accept the Executive's recommendation.**

**SCIENCE WEST BUILDING RENOVATION - Rockville**

Page	Description		FY13-FY18	FY13	FY14
CIP 38-25	Realignment/renovation of space in the Science west Building - Rockville	College Request	\$33,699,000	\$0	\$26,498,000
38-26		Executive Rec FY13-14 Appro	\$32,178,000	\$0	\$26,498,000

**Cost Change:** The cost of the project has increased to match the State's allowed escalation factor – 4%.

**Executive Recommendation:** Recommends reduced expenditures and funding of \$1,521,000 with the expectation that a portion of Information Technology equipment costs (\$1,817,000) may be funded through College IT Project No. 856509.

**College Comments:** Accepts the Executive's modification.

**Council Staff Comments:** **Accept Executive's recommendation.**

**STUDENT LEARNING SUPPORT SYSTEMS**

Page	Description		FY13-FY18	FY13	FY14
CIP 38-27	Installation, upgrading and replacement of technology systems used to support learning & student assessment.	<b>College Request</b>	<b>\$9,800,000</b>	<b>\$1,800,000</b>	<b>\$1,600,000</b>
38-28		<b>Executive Rec</b> FY13-14 Appro	<b>\$8,600,000</b>	<b>\$1,600,000</b>	<b>\$1,400,000</b>
<b>Executive Recommendation:</b> Reduce six-year expenditures and funding by \$1,200,000 for fiscal reasons.					
<b>College Comments:</b> Accepts the Executive's modification.					
<b>Council Staff Comments:</b> Accept Executive's recommendation.					

**TAKOMA PARK/SILVER SPRING MATH & SCIENCE CENTER (new project)**

Page	Description		FY13-FY18	FY13	FY14
CIP 38-29	Funding for the design and construction of a new science and math building - Takoma Park	<b>College Request</b>	<b>\$41,314,000</b>	<b>\$0</b>	<b>\$0</b>
38-30		<b>Executive Rec</b> FY13-14 Appro	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
			<b>FY15</b>	<b>FY16</b>	<b>FY17</b>
		<b>College Request</b>	<b>\$0</b>	<b>\$4,448,000</b>	<b>\$7,356,000</b>
		<b>Executive Rec</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Executive Recommendation:</b> Does not recommend project inclusion in the FY13-18 CIP for fiscal reasons.					
<b>College Comments:</b> The College requests that this project be moved back into the FY13-FY18 CIP. The current space on the Takoma Park/Silver Spring campus is inadequate for the math and science disciplines.					
<b>Council Staff Comments:</b> The Takoma Park campus is the most diverse campus with least amount of science facilities. <b>Staff recommends moving the project back in the 6-year CIP at \$41,314,000 with funding of \$4,448,000 beginning in FY17.</b>					

©PAGE	ATTACHMENTS
©1	List of College Projects
©2	Transmittal letter from the College
©5	Board of Trustees Public Hearing Testimony
	<b>PLEASE BRING THE CIP DOCUMENT TO THE WORKSESSION</b>

**FY13-18 EXECUTIVE RECOMMENDED CIP  
Agency Request Compared to Executive Recommended  
Montgomery College**

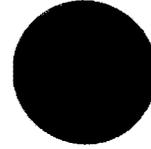
Project	Project Name	Agency Request	Executive Recommended
936660	ADA Compliance: College	300	300
056603	<u>Bioscience Education Center</u>	20,463	18,227
096600	Capital Renewal: College	10,614	10,614
046602	Computer Science Alterations	841	841
056608	Elevator Modernization: College	1,155	1,155
816611	Energy Conservation: College	750	750
886686	<u>Facility Planning: College</u>	1,800	1,620
956645	Germantown Child Care Center	466	466
096604	Germantown Observation Drive Reconstruction	900	900
136600	<u>Germantown Science &amp; Applied Studies Phase 1- Renov</u>	38,888	38,512
096607	Germantown Science & Technology Pk. Infrastructure	2,520	2,520
076612	<u>Germantown Student Services Center</u>	92,018	13,144
096603	Health Sciences Expansion	858	858
856509	<u>Information Technology: College</u>	52,077	42,500
096601	<u>Instructional Furniture and Equipment: College</u>	1,800	1,620
036603	Macklin Tower Alterations	4,600	4,600
076619	<u>Network Infrastructure and Support Systems</u>	12,000	10,800
076618	Network Operating Center	12,000	12,000
076600	Outdoor Athletic Facilities: College	225	225
926659	Planned Lifecycle Asset Replacement: College	24,000	24,000
906605	Planning, Design & Construction	9,330	9,078
136601	<u>Rockville Parking Garage</u>	34,220	0
096602	Rockville Parking Lot and Tennis Court Relocation	650	650
036600	Rockville Science Center	200	200
076604	<u>Rockville Student Services Center</u>	75,954	68,781
876664	Roof Replacement: College	1,169	1,169
076623	Science East Building Renovation	21,964	21,964
076622	<u>Science West Building Renovation</u>	33,699	32,178
076601	Site Improvements: College	4,200	4,200
076617	<u>Student Learning Support Systems</u>	9,800	8,600
076607	<u>Takoma Park/Silver Spring Math &amp; Science Center</u>	41,314	0

BUDGET BOOKS



Office of the President

065790



JF  
CC  
SBF  
LL

November 22, 2011

The Honorable Isiah Leggett  
Montgomery County Executive  
Executive Office Building  
101 Monroe Street  
Rockville, Maryland 20850  
and  
The Honorable Valerie Ervin, President  
Montgomery County Council  
and  
Members of the Montgomery County Council  
Stella B. Werner Office Building  
100 Maryland Avenue  
Rockville, Maryland 20850

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MONTGOMERY COUNTY  
GENERAL

NOV 29 PM 2:26

Re: FY2013 Capital Budget Request as part of a FY2013-2014 Biennial Capital Budget, and FY2013-2018 Capital Improvements Program

Dear Mr. Leggett and Ms. Ervin:  
and Members of the Montgomery County Council:

Montgomery College respectfully transmits for your consideration its FY2013 Capital Budget request as part of a FY2013-2014 Biennial Capital Budget, and FY2013-2018 Capital Improvements Program. The FY2013 Capital Budget request totals \$50,551,000 for thirty-two projects on the three campuses of the College. Among its FY2013 projects, the College requests an appropriation of \$6.574 million for furniture, fixtures, and equipment for the Rockville Science East Renovation (\$4.643 million in county funding, and \$1.931 million in state funding). The College also requests design funding for the Germantown Science and Applied Studies Renovation and Addition project, and for the Rockville Student Services Center project. It is anticipated the state will fund 50% of these projects. Montgomery College is also seeking support for its continuing deferred maintenance efforts through the following projects: the Planned Lifecycle Asset Replacement project (\$4 million) and the Instructional Furniture and Equipment project (\$300,000).

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Per the County Executive's request, the College has decreased its general obligation bond funding by \$6,357,000 during the first four years of the 6-year capital improvement program as indicated below:

- Elevator Modernization project – Total decrease of \$2,320,000 (\$580,000 per fiscal year [FY2013-2016])
- Roof Replacement project – Total net decrease of \$427,000 in FY2013
- Takoma Park/Silver Spring Math & Science Center – Total decrease of \$2,224,000 as a result of planned shift of design from FY2016 to FY2017
- Capital Renewal project – Total decrease of \$1,386,000 (\$346,000 in FY2013; \$346,000 in FY2014; \$347,000 in FY2015; \$347,000 in FY2016)

For our biennial request, the College proposes three new projects (Rockville Parking Garage, Takoma Park/Silver Spring Science and Math Center construction, and Germantown Science & Applied Studies Building Renovation/Addition Phase 1). Also, the state has recognized an increase in construction costs by allowing a 4% escalation factor in FY2013, which has resulted in a modest cost increase for all of the College's state assisted projects. The Planning, Design, and Construction project will escalate by 3% in FY2013 due to the addition of a position and benefits which are necessary to meet existing workload demands.

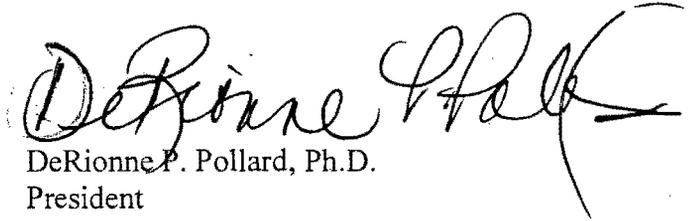
The College would like to take this opportunity to thank you for your support, and to provide an update on the status of several capital projects. During the past year, the College has made considerable progress on projects to meet the needs of students and the larger community. As you know, at the Rockville Campus the Science Center has been completed, and the building opened on time for classes. Also on the Rockville Campus, bids have been received for the Science East building renovation, with construction anticipated to begin winter 2012. At the Germantown Campus, site work for the Bioscience Education Center continues, and the building construction is expected to begin in spring 2012. At the Takoma Park/Silver Spring Campus, the Health Sciences Expansion is currently underway with an anticipated completion during winter 2013.

The projected enrollment growth of the College will be significant over the next ten years and will exacerbate the current, as well as future, deficit in instructional space. This Capital Improvement Program includes the construction of several projects at each of the three campuses in an effort to address student needs with new academic space that will continue to support the instructional needs of the College.

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Thank you for your continuing support of the College's capital projects, and your on-going interest in the College and its students, programs and services.

Sincerely,



DeRionne P. Pollard, Ph.D.  
President

Enclosure



**Testimony on the FY13 Capital Budget and amendments  
to the FY13-18 Capital Improvements Program (CIP)**

**By Mr. Stephen Z. Kaufman, Chair  
Board of Trustees, Montgomery College**

**3<sup>rd</sup> floor Hearing Room, Council Office Building, Rockville  
February 9, 2012 at 7:00 p.m.**

We thank the County Executive and the County Council for your long-standing support of Montgomery College and our students. Your investments in Montgomery College allow us to offer high quality education in the appropriate facilities.

An investment in Montgomery College produces results. Since the opening of the Health Sciences Center at the Takoma Park/Silver Spring Campus, the College has produced 50 percent more nursing graduates. In many cases, the county can leverage its investment against state funds. Investing in Montgomery College maximizes your investment in Montgomery County Public Schools--60 percent of the graduates who remain in state to attend college begin at MC!

Finally, the College is a good investment because we can help you address the long-term fiscal and economic health of our county. We believe that our academic and workforce training programs are essential to maintaining and building a skilled county workforce--a workforce that is the backbone of a strong economy and a thriving middle class.

Our record credit enrollment of nearly 27,000 students this fall speaks to the fact that returning adults, young people and their families recognize the need and value of Montgomery College.

We not only have the largest space deficit of any community college in Maryland, we now have the largest undergraduate student body in the state, surpassing even the University of Maryland College Park. In addition to our credit students, another 24,000 students enrolled in our Workforce Development and Continuing Education programs last year. It is clear that college programs--from traditional transfer programs like engineering to career programs like automotive technology--are in high demand. Our residents clearly understand that a post-secondary educational is essential to succeeding in today's economy.

The College understands that there are limited resources for the vast array of important capital requests in the county, and we very much appreciate the County Executive's recommendations to support our ongoing projects, including the renovations of Science East and West at Rockville and the new Bioscience Building at Germantown. We also appreciate the Executive's recommendation to fully fund the design of two crucial new projects in the FY13 budget: the Rockville Student Services Center and the Germantown Science and Applied Studies Building renovation.

The new Student Services Center will serve as a one-stop shop for admissions, registration, financial aid, and advising on the Rockville Campus. Currently, student services are spread across three different buildings. These spaces are outdated and too small to meet the demands of today's student population. With 17,000 students, the Rockville Campus is our largest campus--the size of UMBC and Frostburg University's combined undergraduate enrollments. We believe students need to spend more time mapping their future rather than studying campus maps and trying to locate essential services.

Expanding the Science and Applied Studies building will help us handle increased enrollment on the Germantown Campus. A larger modern facility allows for increased access to math, physics and engineering; it helps to meet student and workforce demand for these crucial fields.

We appreciate the County Executive's support for these key Montgomery College projects, projects that address the demand for post-secondary education by county residents of all ages.

Montgomery College requested \$506.2 million in capital funding. The proposed budget includes \$332.5 million for Montgomery College--\$173.8 million below our request. However, at this juncture, considering the current fiscal situation the College is not seeking full funding of our request. However, we are concerned about the following projects:

- The proposed budget does not include funding for a new Rockville Campus parking garage. That campus has only 2,500 spaces for over 17,000 students, many of whom rely on cars to navigate work, family and college responsibilities. A garage is a necessary element to ensuring access to their college campus for our busy students. Currently, a student parking space at the Rockville Campus needs to turn over five to six times a day to accommodate all the student need. Complicating parking further, the new Student Services Center will be constructed on a portion of the existing parking lot. We would note that financial aid requests have grown by 80 percent over the last five years, and we want to avoid asking the students to take on the added burden of financing this garage.
- Essential IT equipment totaling \$2.2 million for the new Germantown Bioscience Education Center was not funded as part of that project.

In addition, design and construction funds for a new Science and Math Center at the Takoma Park-Silver Spring Campus have been moved out of the six year CIP. Construction for a new Student Services Center at the Germantown Campus was moved out beyond the six years. We are also concerned by the recommendation to reduce out-year construction requests by ten percent.

Other IT projects that went unfunded include the FY13 funding request for the Information Technology project, which was reduced by \$9.6 million leaving no funds available for next year. Network infrastructure and student learning support systems were reduced by \$2.4 million across the six years of the CIP.

Again, thank you for giving careful consideration to our capital requests and for recognizing the crucial role of Montgomery College in supporting and building the workforce of the 21<sup>st</sup> century and securing a thriving middle class. Your support for the two new projects in the CIP—a student services building at Rockville and a science and math facility at Germantown—is essential to that effort.

We've said it before but it bears repeating: 60 percent of MCPS graduates who stay in state for college attend Montgomery College. These young people have the potential to be our “next great generation.” We need to ensure that every one of these students has a place at the College; has the opportunity to be successful and obtain a degree, certificate or credential. We need to ensure that every adult who needs to retool or enhance their skills should be able to do so. We want every student to have the opportunity to transfer or obtain work that is meaningful and pays a living wage. After all, our students are this county's future engineers, scientists, nurses, mechanics, and small business people. Your support is crucial to creating that next greatest generation.

Thank you. We look forward to continued discussions of our capital projects.