

ED COMMITTEE #4&5  
July 26, 2012  
**Worksession**

**MEMORANDUM**

July 24, 2012

TO: Education Committee

FROM: Essie McGuire, Senior Legislative Analyst 

SUBJECT: **Worksession – Special appropriation to the Montgomery County Public Schools’ FY13 Capital Budget and amendment to the FY13-18 Capital Improvements Program, \$3,100,000 for Planned Lifecycle Asset Replacement (PLAR), State Aging Schools Program and Special appropriation to the Montgomery County Public Schools’ FY13 Capital Budget and amendment to the FY13-18 Capital Improvements Program, \$2,000,000 for Planned Lifecycle Asset Replacement (PLAR), State Aid Qualified Zone Academy Bonds**

Today the Education Committee will hold a worksession to consider two special appropriations:

- Special appropriation to the Montgomery County Public Schools’ FY13 Capital Budget and amendment to the FY13-18 Capital Improvements Program, \$3,100,000 for Planned Lifecycle Asset Replacement (PLAR), State Aging Schools Program
- Special appropriation to the Montgomery County Public Schools’ FY13 Capital Budget and amendment to the FY13-18 Capital Improvements Program, \$2,000,000 for Planned Lifecycle Asset Replacement (PLAR), State Aid Qualified Zone Academy Bonds

The Council introduced these appropriations on July 17, and is tentatively scheduled to hold a public hearing and take action on July 31. The Board of Education requested these appropriations on June 25 (transmittals attached on circles 4,9). Draft appropriation resolutions are attached at circles 1-3 and 6-8. The County Executive recommends approval of both appropriations (circles 5,10).

The County typically receives funding from these State programs each year, and uses the funds to support work in the PLAR project. This project has a standing backlog of needed infrastructure projects that will be more rapidly addressed with the additional funds. At the worksession MCPS staff can provide more detail as to the specific kind of projects that these State funds will support.

Below are descriptions of the State funding programs:

- The State of Maryland's Aging Schools Program provides funds for capital improvements, repairs, maintenance, and deferred maintenance of existing school buildings.
- The Qualified Zone Academy Bond (QZAB) grants program is authorized by the Federal government. The program provides funds for capital improvements, repairs, maintenance, and deferred maintenance of existing school buildings. For projects to be eligible, the school must be located in either a Federal Empowerment or Enterprise Zone, or have 35% or more of the student body eligible for Free and Reduced Meals (FARMs).

**Council staff recommends approval of the special appropriations.**

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Resolution No.: \_\_\_\_\_  
Introduced: \_\_\_\_\_  
Adopted: \_\_\_\_\_

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

**SUBJECT:** Special Appropriation to the FY13 Capital Budget and  
Amendment to the FY13-18 Capital Improvements Program  
Montgomery County Public Schools  
Planned Lifecycle Asset Replacement: MCPS (No. 896586), \$3,100,000

**Background**

1. Section 308 of the County Charter provides that a special appropriation is an appropriation which states that it is necessary to meet an unforeseen disaster or other emergency, or to act without delay in the public interest. Each special appropriation shall be approved by not less than six Councilmembers. The Council may approve a special appropriation at any time after public notice by news release. Each special appropriation shall specify the source of funds to finance it.
2. Section 302 of the County Charter provides that the Council may amend an approved capital improvements program at any time by an affirmative vote of six Councilmembers.
3. The Board of Education requested a special appropriation for the Montgomery County Public Schools' Planned Lifecycle Asset Replacement FY13 capital project as follows:

<u>Project Name</u>	<u>Project Number</u>	<u>Amount</u>	<u>Source of Funds</u>
PLAR	896586	\$3,100,000	State Aging Schools Program
TOTAL		\$3,100,000	State Aging Schools Program

4. The State of Maryland's Aging Schools Program provides funds for capital improvements, repairs, maintenance, and deferred maintenance of existing school buildings. For FY13, the State Legislature allocated \$31 million statewide for the Aging Schools Program using General Obligation Bonds and has allocated \$3,100,000 of the statewide total to the Montgomery County Public Schools.

5. The State of Maryland public schools construction program requires that the approved Aging Schools Program projects be completed before reimbursement can occur. Payment for work completed under the Aging Schools Program is through reimbursement to the school system after the work is completed.
6. Notice of public hearing was given and public hearing was held:
7. The County Council declares this request is in the public interest to be acted upon without delay as provided for under special appropriation requirements described in Article 3, Section 308 of the Montgomery County Charter.

**Action**

The County Council for Montgomery County, Maryland approves the following action:

A special appropriation to the FY13 Capital Budget and an amendment to the FY13-18 Capital Improvements Program are approved for the Montgomery County Public Schools as follows and as shown on the attached project description form.

<u>Project Name</u>	<u>Project Number</u>	<u>Amount</u>	<u>Source of Funds</u>
PLAR	896586	\$3,100,000	State Aging Schools Program
TOTAL		\$3,100,000	State Aging Schools Program

This is a correct copy of Council action.

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Linda M. Lauer, Clerk of the Council

## Planned Life Cycle Asset Repl: MCPS -- No. 896586

Category  
Subcategory  
Administering Agency  
Planning Area

Montgomery County Public Schools  
Countywide  
MCPS  
Countywide

Date Last Modified  
Required Adequate Public Facility  
Relocation Impact  
Status

May 21, 2012  
No  
None  
On-going

### EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY11	Est. FY12	Total 6 Years	FY13	FY14	FY15	FY16	FY17	FY18	Beyond 6 Years
Planning, Design, and Supervision	7,508	618	990	5,900	1,400	900	900	900	900	900	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	9,895	4,297	2,098	3,500	1,000	500	500	500	500	500	0
Construction	53,401	26,093	5,774	21,534	4,829	3,341	3,341	3,341	3,341	3,341	0
Other	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>70,804</b>	<b>31,008</b>	<b>8,862</b>	<b>30,934</b>	<b>7,229</b>	<b>4,741</b>	<b>4,741</b>	<b>4,741</b>	<b>4,741</b>	<b>4,741</b>	<b>*</b>

### FUNDING SCHEDULE (\$000)

G.O. Bonds	62,754	25,657	6,163	30,934	7,229	4,741	4,741	4,741	4,741	4,741	0
Qualified Zone Academy Funds	5,995	4,145	1,850	0	0	0	0	0	0	0	0
Aging Schools Program	2,055	1,206	849	0	<del>3,000</del>	0	0	0	0	0	0
<b>Total</b>	<b>70,804</b>	<b>31,008</b>	<b>8,862</b>	<b>30,934</b>	<b>7,229</b>	<b>4,741</b>	<b>4,741</b>	<b>4,741</b>	<b>4,741</b>	<b>4,741</b>	<b>0</b>

**DESCRIPTION**

This project funds a comprehensive and ongoing plan to replace key facility and site components based on an inventory of their age and conditions. A comprehensive inventory of all such components has been assembled so that replacements can be anticipated and accomplished in a planned and orderly manner. Facility components included in this project are code corrections, physical education facility/field improvements, school facility exterior resurfacing, partitions, doors, lighting, media center security gates, bleachers, communication systems, and flooring.

An FY 2008 transfer of \$1.080 million was approved to expand the freezer capacity of the Central Food Production Facility, as well as address the electrical needs for the existing data center at CESC. An FY 2008 Special Appropriation in the amount of \$620,000 was approved as a result of state funding through the Qualified Zone Academy Bond (QZAB) program/Aging Schools Program (ASP). Also, an FY 2008 Special Appropriation in the amount of \$821,000 was as a result of state funding, through the QZAB) program. For the FY 2009-2014 CIP, the Board of Education approved an increase to each of the fiscal years beyond the approved expenditures in the Amended FY 2007-2012 CIP. On May 22, 2008, the County Council, in the adopted FY 2009-2014 CIP, reduced the Board of Education's requested increase by half for each fiscal year. An FY 2009 appropriation was approved to continue this project.

An FY 2009 special appropriation in the amount of \$1.250 million was approved by the County Council on January 27, 2009 to address emergency repairs at Darnestown Elementary School. An FY 2010 appropriation was approved to continue this project. On July 28, 2009 an FY 2010 special appropriation of \$603,000 was approved to provide funding through the state's ASP program. An FY 2010 special appropriation in the amount of \$151,000 was approved as a result of state funding through the QZAB program.

An FY 2011 appropriation was approved to continue this project and fund one additional position to manage the playground renovation project, as well as to centralize the asphalt and concrete project development and management duties. Due to fiscal constraints, the County Council's adopted FY 2011-2016 CIP reduced the expenditures in FYs 2012-2016 by approximately \$6.6 million. Two FY 2011 supplemental appropriations were approved - one for \$603,000 through the state's ASP program and the other for \$480,000 through the state's QZAB program. An FY 2012 appropriation and amendment to the FY 2011-2016 CIP was approved to provide an additional \$948,000 above the adopted CIP to reinstate funds that were removed by the County Council during reconciliation in May 2010. An FY 2012 supplemental appropriation was approved for \$1.85 million through the state's QZAB program. An FY 2012 supplemental appropriation was approved for \$849,000 through the state's ASP program. An FY 2013 appropriation was approved to fund capital projects that will address MCPS infrastructure. Projects include: exterior resurfacing, repair/replacement of partitions and doors, lighting upgrades/replacement, replacement of media center security gates, repair/replacement of bleachers, communication systems upgrades, and repair/replacement of various flooring. This project also funds playground equipment replacement, tennis court and running track renovations, and cafeteria equipment replacement. The County Council, in the adopted FY 2013-2018 CIP significantly reduced the expenditures requested by the Board of Education for this project for FY 2014 and beyond. See Appendix F of the FY 2013 Educational Facilities Master Plan for a full list of PLAR projects.

**OTHER DISCLOSURES**

- MCPS asserts that this project conforms to the requirements of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.
- \* Expenditures will continue indefinitely.

**APPROPRIATION AND EXPENDITURE DATA**

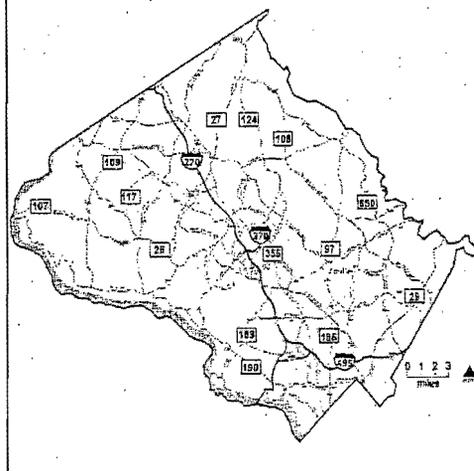
Date First Appropriation	FY89	(\$000)
First Cost Estimate	FY96	24,802
Current Scope		
Last FY's Cost Estimate		56,657
Appropriation Request	FY13	7,229
Appropriation Request Est.	FY14	4,741
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		39,870
Expenditures / Encumbrances		37,982
Unencumbered Balance		1,888
Partial Closeout Thru	FY10	48,159
New Partial Closeout	FY11	522
Total Partial Closeout		48,681

**COORDINATION**

CIP Master Plan for School Facilities

	FY 13	FY 14-18
Salaries and Wages	361	1805
Fringe Benefits	161	805
Workyears	5	25

3100



Agency Request

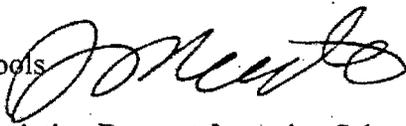
5/21/2012 11:21:56AM

Office of the Superintendent of Schools  
MONTGOMERY COUNTY PUBLIC SCHOOLS  
Rockville, Maryland

June 25, 2012

MEMORANDUM

To: Members of the Board of Education

From: Joshua P. Starr, Superintendent of Schools 

Subject: Fiscal Year 2013 Supplemental Appropriation Request for Aging Schools Program Funds

WHEREAS, On May 24, 2012, the Maryland Board of Public Works approved the allocation of \$31 million in funding for the Aging Schools Program to those jurisdictions that will participate in the Fiscal Year 2013 Aging Schools Program; and

WHEREAS, The Maryland State Interagency Committee on Public School Construction and the Maryland Board of Public Works approved \$3.1 million for Montgomery County Public Schools; and

WHEREAS, The Maryland State Public School Construction Program requires that the approved Aging Schools Program projects be completed before reimbursement may occur; and

WHEREAS, A supplemental appropriation from the County Council is required to forward-fund the Aging Schools Program projects; and

WHEREAS, The Maryland State Public School Construction Program will reimburse Montgomery County for the entire cost of the projects once completed; now therefore be it

Resolved, That the Board of Education requests a Fiscal Year 2013 supplemental appropriation and amendment to the Fiscal Year 2013–2018 Capital Improvements Program in the amount of \$3.1 million to fund eligible projects in the Aging Schools Program; and be it further

Resolved, That a copy of this resolution be transmitted to the county executive and County Council.

JPS:LAB:JS:ak



OFFICE OF THE COUNTY EXECUTIVE  
ROCKVILLE, MARYLAND 20850

Isiah Leggett  
County Executive

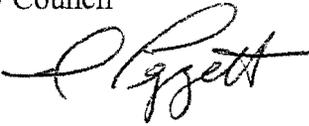
MEMORANDUM

July 16, 2012

RECEIVED  
MONTGOMERY COUNTY  
EXECUTIVE

2012 JUL 16 PM 2:39

TO: Roger Berliner, President, County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Special Appropriation #3-S13-CMCPS-2 to the FY13 Capital Budget  
Montgomery County Public Schools  
Aging Schools Program, \$3,100,000

I am recommending a special appropriation to the FY13 Capital Budget in the amount of \$3,100,000 for the Montgomery County Public Schools (MCPS) to receive funding under the Aging Schools Program (ASP).

The ASP funds from the State of Maryland provide funding for capital improvements, repairs, maintenance, and deferred maintenance of existing school buildings. Funds will be restricted to project types that have a 15-year anticipated lifespan. In FY13, MCPS will add \$3,100,000 to the Planned Life Cycle Asset Replacement project (#896586) using these State funds. This action will not affect the amount of County general obligation bonds or State aid already provided to this project.

I recommend that the County Council approve this special appropriation in the amount of \$3,100,000, and specify the source of funds as Aging Schools Program funds. I appreciate your prompt consideration of this action.

IL:jm

Attachments

Resolution No.: \_\_\_\_\_  
Introduced: \_\_\_\_\_  
Adopted: \_\_\_\_\_

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

**SUBJECT:** Special Appropriation to the FY13 Capital Budget and  
Amendment to the FY13-18 Capital Improvements Program  
Montgomery County Public Schools  
Planned Lifecycle Asset Replacement: MCPS (No. 896586), \$2,000,000  
Source of Funds: State Aid – Qualified Zone Academy Bonds (QZAB)

**Background**

1. Section 308 of the County Charter provides that a special appropriation is an appropriation which states that it is necessary to meet an unforeseen disaster or other emergency, or to act without delay in the public interest. Each special appropriation shall be approved by not less than six Councilmembers. The Council may approve a special appropriation at any time after public notice by news release. Each special appropriation shall specify the source of funds to finance it.
2. Section 302 of the County Charter provides that the Council may amend an approved capital improvements program at any time by an affirmative vote of six Councilmembers.
3. The Board of Education requested a special appropriation for the Montgomery County Public Schools' Planned Lifecycle Asset Replacement FY13 capital project as follows:

<u>Project Name</u>	<u>Project Number</u>	<u>Amount</u>	<u>Source of Funds</u>
PLAR	896586	\$2,000,000	State Aid—QZAB
TOTAL		\$2,000,000	State Aid—QZAB

4. The Qualified Zone Academy Bond Grants (QZAB) program is authorized by the Federal government and enables the State of Maryland to sell bonds and allocate the proceeds to public school systems for capital improvements at eligible public school buildings. These funds can be used for capital improvements, repairs, and deferred maintenance work for existing public school buildings. These funds may not be used to construct new public schools. Additionally, these funds may be used to renovate facilities that have not previously been used for education.

5. For a project to be eligible under the QZAB program the applicable school must be located in either a Federal Empowerment or Enterprise Zone, or have 35% or more of the student body eligible for Free and Reduced cost Meals (FARMS) through the school lunch program under the National School Lunch Act. For each project, a 10% contribution to the applicable school, either financial or in-kind, is required from a business or private entity to be provided during the life of the QZAB bonds.
6. The Interagency Committee on School Construction and the Board of Public Works allocated \$2,000,000 to Montgomery County Public Schools as part of the QZAB program. Payment for work completed under the QZAB program is through reimbursement to the school system after the work is completed.
7. Notice of public hearing was given and public hearing was held.
8. The County Council declares this request is in the public interest to be acted upon without delay as provided for under special appropriation requirements described in Article 3, Section 308 of the Montgomery County Charter.

**Action**

The County Council for Montgomery County, Maryland approves the following action:

A special appropriation to the FY13 Capital Budget and an amendment to the FY13-18 Capital Improvements Program are approved for the Montgomery County Public Schools as follows and as shown on the attached project description form.

<u>Project Name</u>	<u>Project Number</u>	<u>Amount</u>	<u>Source of Funds</u>
PLAR	896586	\$2,000,000	State Aid—QZAB
TOTAL		\$2,000,000	State Aid—QZAB

This is a correct copy of Council action.

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Linda M. Lauer, Clerk of the Council

## Planned Life Cycle Asset Repl: MCPS -- No. 896586

Category  
Subcategory  
Administering Agency  
Planning Area

Montgomery County Public Schools  
Countywide  
MCPS  
Countywide

Date Last Modified  
Required Adequate Public Facility  
Relocation Impact  
Status

May 21, 2012  
No  
None  
On-going

### EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY11	Est. FY12	Total 6 Years	FY13	FY14	FY15	FY16	FY17	FY18	Beyond 6 Years
Planning, Design, and Supervision	7,508	618	990	5,900	1,400	900	900	900	900	900	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	9,895	4,297	2,098	3,500	1,000	500	500	500	500	500	0
Construction	53,401	26,093	5,774	21,534	4,829	3,341	3,341	3,341	3,341	3,341	0
Other	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>70,804</b>	<b>31,008</b>	<b>8,862</b>	<b>30,934</b>	<b>7,229</b>	<b>4,741</b>	<b>4,741</b>	<b>4,741</b>	<b>4,741</b>	<b>4,741</b>	<b>*</b>

### FUNDING SCHEDULE (\$000)

G.O. Bonds	62,754	25,657	6,163	30,934	7,229	4,741	4,741	4,741	4,741	4,741	0
Qualified Zone Academy Funds	5,995	4,145	1,850	0	<del>2,000</del>	0	0	0	0	0	0
Aging Schools Program	2,055	1,206	849	0	0	0	0	0	0	0	0
<b>Total</b>	<b>70,804</b>	<b>31,008</b>	<b>8,862</b>	<b>30,934</b>	<b>7,229</b>	<b>4,741</b>	<b>4,741</b>	<b>4,741</b>	<b>4,741</b>	<b>4,741</b>	<b>0</b>

**DESCRIPTION**

This project funds a comprehensive and ongoing plan to replace key facility and site components based on an inventory of their age and conditions. A comprehensive inventory of all such components has been assembled so that replacements can be anticipated and accomplished in a planned and orderly manner. Facility components included in this project are code corrections, physical education facility/field improvements, school facility exterior resurfacing, partitions, doors, lighting, media center security gates, bleachers, communication systems, and flooring.

An FY 2008 transfer of \$1.080 million was approved to expand the freezer capacity of the Central Food Production Facility, as well as address the electrical needs for the existing data center at CESC. An FY 2008 Special Appropriation in the amount of \$620,000 was approved as a result of state funding through the Qualified Zone Academy Bond (QZAB) program/Aging Schools Program (ASP). Also, an FY 2008 Special Appropriation in the amount of \$821,000 was approved as a result of state funding, through the QZAB program. For the FY 2009-2014 CIP, the Board of Education approved an increase to each of the fiscal years beyond the approved expenditures in the Amended FY 2007-2012 CIP. On May 22, 2008, the County Council, in the adopted FY 2009-2014 CIP, reduced the Board of Education's requested increase by half for each fiscal year. An FY 2009 appropriation was approved to continue this project.

An FY 2009 special appropriation in the amount of \$1.250 million was approved by the County Council on January 27, 2009 to address emergency repairs at Darnestown Elementary School. An FY 2010 appropriation was approved to continue this project. On July 28, 2009 an FY 2010 special appropriation of \$603,000 was approved to provide funding through the state's ASP program. An FY 2010 special appropriation in the amount of \$151,000 was approved as a result of state funding through the QZAB program.

An FY 2011 appropriation was approved to continue this project and fund one additional position to manage the playground renovation project, as well as to centralize the asphalt and concrete project development and management duties. Due to fiscal constraints, the County Council's adopted FY 2011-2016 CIP reduced the expenditures in FYs 2012-2016 by approximately \$6.6 million. Two FY 2011 supplemental appropriations were approved -- one for \$603,000 through the state's ASP program and the other for \$480,000 through the state's QZAB program. An FY 2012 appropriation and amendment to the FY 2011-2016 CIP was approved to provide an additional \$948,000 above the adopted CIP to reinstate funds that were removed by the County Council during reconciliation in May 2010. An FY 2012 supplemental appropriation was approved for \$1.85 million through the state's QZAB program. An FY 2012 supplemental appropriation was approved for \$849,000 through the state's ASP program. An FY 2013 appropriation was approved to fund capital projects that will address MCPS infrastructure. Projects include: exterior resurfacing, repair/replacement of partitions and doors, lighting upgrades/replacement, replacement of media center security gates, repair/replacement of bleachers, communication systems upgrades, and repair/replacement of various flooring. This project also funds playground equipment replacement, tennis court and running track renovations, and cafeteria equipment replacement. The County Council, in the adopted FY 2013-2018 CIP significantly reduced the expenditures requested by the Board of Education for this project for FY 2014 and beyond. See Appendix F of the FY 2013 Educational Facilities Master Plan for a full list of PLAR projects.

**OTHER DISCLOSURES**

- MCPS asserts that this project conforms to the requirements of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.
- \* Expenditures will continue indefinitely:

APPROPRIATION AND EXPENDITURE DATA		COORDINATION	
Date First Appropriation	FY89 (\$000)	CIP Master Plan for School Facilities	
First Cost Estimate		FY 13	FY 14-18
Current Scope	FY96 24,802	Salaries and Wages	361 1805
Last FY's Cost Estimate	56,657	Fringe Benefits	161 805
		Workyears	5 25
Appropriation Request	FY13 7,229	<div style="font-size: 2em; font-weight: bold;">2000</div>	
Appropriation Request Est.	FY14 4,741		
Supplemental Appropriation Request	0		
Transfer	0		
Cumulative Appropriation	39,870		
Expenditures / Encumbrances	37,982		

Office of the Superintendent of Schools  
MONTGOMERY COUNTY PUBLIC SCHOOLS  
Rockville, Maryland

June 25, 2012

MEMORANDUM

To: Members of the Board of Education

From: Joshua P. Starr, Superintendent of Schools 

Subject: Fiscal Year 2013 Supplemental Appropriation Request for Qualified Zone Academy Bond Grant

WHEREAS, On May 23, 2012, the Maryland Board of Public Works approved the Fiscal Year 2013 Qualified Zone Academy Bond program allocations for the jurisdictions that will participate in the program; and

WHEREAS, The allocations are based on each school district's proportion of the statewide pre-1970 building area that has not been renovated and its percentage of students eligible for Free and Reduced-price Meals System services; and

WHEREAS, The Maryland State Interagency Committee on Public School Construction and the Maryland Board of Public Works approved \$2.0 million for Montgomery County Public Schools; and

WHEREAS, The Maryland State Public School Construction Program requires that the approved Qualified Zone Academy Bond projects be completed before reimbursement can occur; and

WHEREAS, A supplemental appropriation from the County Council is required to forward fund the Qualified Zone Academy Bond projects; and

WHEREAS, The Maryland State Public School Construction Program will reimburse Montgomery County once the projects are complete; now therefore be it

Resolved, That the Board of Education requests a Fiscal Year 2013 supplemental appropriation and amendment to the Fiscal Year 2013-2018 Capital Improvements Program in the amount of \$2.0 million to fund eligible projects in the Qualified Zone Academy Bond program; and be it further

Resolved, That a copy of this resolution be transmitted to the county executive and the County Council.

JPS:LAB:JS:ak



OFFICE OF THE COUNTY EXECUTIVE  
ROCKVILLE, MARYLAND 20850

Isiah Leggett  
County Executive

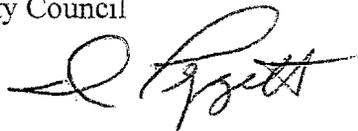
MEMORANDUM

July 16, 2012

RECEIVED  
MONTGOMERY COUNTY  
GOVERNMENT

2012 JUL 16 PM 2:39

TO: Roger Berliner, President, County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Special Appropriation #1-S13-CMCPS-1 to the FY13 Capital Budget  
Montgomery County Public Schools  
Qualified Zone Academy Bonds Program, \$2,000,000

I am recommending a special appropriation to the FY13 Capital Budget in the amount of \$2,000,000 for the Montgomery County Public Schools (MCPS) to receive funding under the Qualified Zone Academy Bonds (QZAB) program.

QZAB is a form of public-private partnership under which the State issues bonds exempt from Federal taxes for specified facility improvements. There are strict definitions in the tax code about who can purchase these bonds. Qualified buyers earn Federal tax credits, not interest payments. The State authorizes a limited amount of QZAB each year and reimburses jurisdictions for completed projects from the proceeds of the bond sales. In FY13, MCPS will add \$2,000,000 to the Planned Life Cycle Asset Replacement project (#896586) using these State funds. This action will not affect the amounts of County general obligation bonds or State aid already provided to these projects.

I recommend that the County Council approve this special appropriation in the amount of \$2,000,000 and specify the source of funds as Qualified Zone Academy Bonds. I appreciate your prompt consideration of this action.

IL:jm

Attachments