

AGENDA ITEM #2B
October 13, 2009
Introduction

MEMORANDUM

October 9, 2009

TO: County Council

FROM: Essie McGuire, Legislative Analyst *Essie McGuire*

SUBJECT: **Introduction – Special Appropriation to the FY10 Capital Budget and Amendment to the FY09-14 Capital Improvements Program for the Montgomery County Public Schools, \$151,000 for Planned Lifecycle Asset Replacement (PLAR)**

Today a special appropriation to the FY10 Capital Budget and amendment to the FY09-14 Capital Improvements Program for the Montgomery County Public Schools, \$151,000 for Planned Lifecycle Asset Replacement (PLAR) is before the Council for introduction. The source of funds for this appropriation is a State grant under the Qualified Zone Academy Bond grants program.

The Board of Education requested this appropriation on September 21 (transmittal attached beginning on circle 3). A draft appropriation resolution is attached at circles 1-2. The Council is tentatively scheduled to hold a public hearing on November 3.

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).

Resolution No.: _____
Introduced: _____
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Special Appropriation to the FY10 Capital Budget and
Amendment to the FY09-14 Capital Improvements Program
Montgomery County Public Schools
Planned Lifecycle Asset Replacement: MCPS (No. 896586), \$151,000
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 FY10 capital project as follows:

<u>Project Name</u>	<u>Project Number</u>	<u>Amount</u>	<u>Source of Funds</u>
PLAR	896586	\$151,000	State Aid—QZAB
TOTAL		\$151,000	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 \$151,000 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 on
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 FY10 Capital Budget and an amendment to the FY09-14 Capital Improvements Program are approved for the Montgomery County Public Schools as follows and as shown on the attached project description form.

Project Name	Project Number	Amount	Source of Funds
PLAR	896586	\$151,000	State Aid—QZAB
TOTAL		\$151,000	State Aid—QZAB

This is a correct copy of Council action.

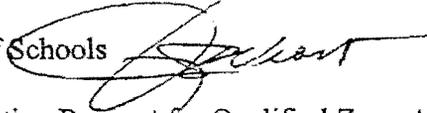
Linda M. Lauer, Clerk of the Council

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

September 21, 2009

MEMORANDUM

To: Members of the Board of Education

From: Jerry D. Weast, Superintendent of Schools 

Subject: FY 2010 Supplemental Appropriation Request for Qualified Zone Academy Bond Grant

WHEREAS, On August 26, 2009, the Board of Public Works approved the reallocation of \$1.433 million in Qualified Zone Academy Bond interest earnings to those jurisdictions that participated in the FY 2008 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 Interagency Committee on Public School Construction and the Board of Public Works approved \$151,000 for Montgomery County Public Schools; and

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

Resolved, That the Montgomery County Board of Education requests a supplemental appropriation to the FY 2010 Capital Budget and the Amended FY 2009-2014 Capital Improvements Program in the amount of \$151,000 to forward fund the Qualified Zone Academy Bond program; and be it further

Resolved, That a copy of this resolution be transmitted to the county executive requesting approval of this action.

JDW:LAB:JLJ:jlc

Planned Life Cycle Asset Rep: MCPS -- No. 896586

Category	Montgomery County Public Schools	Date Last Modified	July 28, 2009
Subcategory	Countywide	Required Adequate Public Facility	No
Administering Agency	MCPS	Relocation Impact	None
Planning Area	Countywide	Status	On-going

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY08	Rem. FY08	Total 6 Years	FY09	FY10	FY11	FY12	FY13	FY14	Beyond 6 Years
Planning, Design, and Supervision	3,380	280	200	2,900	650	450	450	450	450	450	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	5,400	875	775	3,750	600	650	625	625	625	625	0
Construction	34,390	6,910	6,120	21,360	3,647	4,945	3,192	3,192	3,192	3,192	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	43,170	8,065	7,095	28,010	4,897	6,045	4,267	4,267	4,267	4,267	*

FUNDING SCHEDULE (\$000)

G.O. Bonds	38,566	5,505	5,654	27,407	4,897	5,442	4,267	4,267	4,267	4,267	0
Aging Schools Program	603	0	0	603	0	603	0	0	0	0	0
Qualified Zone Academy Funds	4,001	2,560	1,441	0	0	0	0	0	0	0	0
Total	43,170	8,065	7,095	28,010	4,897	6,045	4,267	4,267	4,267	4,267	0

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 amendment to the FY 2003-2008 CIP was approved to provide two additional staff members for the Department of Facilities Management to manage the additional contracts within the PLAR project office. The approved amendment also provided cafeteria upgrades to four high schools and one middle school, and provided upgrades to the mechanical/electrical/emergency preparedness systems at the Carver Education Services Center (CESC). The Board of Education requested funds to provide minor improvements at the swimming pool at Piney Branch Elementary School; however, the County Council in the adopted CIP, moved these funds from this project in MCPS to the county government's PLAR project. An FY 2003 special appropriation and amendment to the FY 2003-2008 CIP in the amount of \$1.586 million was approved for systemic renovation projects and funded through the Federal School Renovation Program Funds via the Maryland State Department of Education.

An FY 2005 appropriation was approved to continue this project. The appropriation also includes funding for the replacement of walk-in and serving lines at various cafeterias throughout the system. For FY 2005, an additional \$428,000 in state aid was included in this project as a result of federal funding, issued by the state, through the Qualified Zone Academy Bond (QZAB) program. An FY 2006 appropriation was approved to continue this project at its current level of effort. An FY 2007 appropriation was approved to continue to address PLAR projects systemwide. The increase in expenditures shown above will address the rise in construction costs and a rising backlog of projects, as well as provide additional funding for playground equipment, and the replacement of a variety of cafeteria equipment throughout the school system. The County Council approved, in the FY 2007-2012 CIP additional funding to provide minor modifications to the Gosvenor holding facility. An FY 2007 Special Appropriation in the amount of \$992,000 was approved in this project as a result of federal funding, issued by the state, through the Qualified Zone Academy Bond (QZAB) program. An FY 2008 appropriation was approved to continue this level of effort project.

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 federal funding, issued by the state, 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 federal funding, issued by the state, through the Qualified Academy Bond (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 to address PLAR projects, as well as the replacement of playground equipment and replacement of cafeteria equipment systemwide. 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 in the amount of \$603,000 was approved to provide additional funding for this program through the state's Aging Schools Program (ASP).

APPROPRIATION AND EXPENDITURE DATA		
Date First Appropriation	FY89	(\$000)
First Cost Estimate	FY96	24,802
Current Scope		
Last FY's Cost Estimate		41,304
Appropriation Request	FY10	5,045
Supplemental Appropriation Request		151
Transfer		0
Cumulative Appropriation		21,057
Expenditures / Encumbrances		10,658
Unencumbered Balance		10,399
Partial Closeout Thru	FY07	46,190
New Partial Closeout	FY08	0
Total Partial Closeout		46,190

COORDINATION		
CIP Master Plan for School Facilities		
	FY 09	FY 10-14
Salaries and Wages	252	1260
Fringe Benefits	96	480
Workyears	4	20

