

AGENDA ITEM #8B
July 27, 2010
Introduction

MEMORANDUM

July 23, 2010

TO: County Council

FROM: Essie McGuire, Legislative Analyst 

SUBJECT: **Introduction – Special Appropriation to the FY11 Capital Budget and Amendment to the FY11-16 Capital Improvements Program for the Montgomery County Public Schools, \$480,090 for Planned Lifecycle Asset Replacement (PLAR)**

Today a special appropriation to the FY11 Capital Budget and amendment to the FY11-16 Capital Improvements Program for the Montgomery County Public Schools, \$480,090 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 July 9 (transmittal attached beginning on circle 3). A draft appropriation resolution is attached at circles 1-2. The County Executive recommends approval of the appropriation (memorandum at circle 6). The Council is tentatively scheduled to hold a public hearing and take action on September 21.

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 FY11 Capital Budget and
Amendment to the FY11-16 Capital Improvements Program
Montgomery County Public Schools
Planned Lifecycle Asset Replacement: MCPS (No. 896586), \$480,090
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	\$480,090	State Aid—QZAB
TOTAL		\$480,090	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 \$480,090 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 FY11 Capital Budget and an amendment to the FY11-16 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	\$480,090	State Aid—QZAB
TOTAL		\$480,090	State Aid—QZAB

This is a correct copy of Council action.

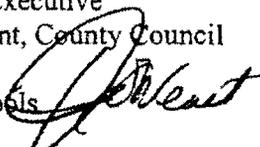
Linda M. Lauer, Clerk of the Council

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

July 9, 2010

MEMORANDUM

To: The Honorable Isiah Leggett, County Executive
The Honorable Nancy Floreen, President, County Council

From: Jerry D. Weast, Superintendent of Schools 

Subject: Transmittal—Fiscal Year 2011 Supplemental Appropriation Request for Qualified
Zone Academy Bond Funding for the Planned Life-cycle Asset Replacement
Project

Board of Education Meeting Date: July 8, 2010

Type of Action:

Supplemental Appropriation

Transfer

Notification

JDW:JS:ak

Attachments

Copy to:
Montgomery County Office of Management and Budget

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

July 8, 2010

MEMORANDUM

To: Members of the Board of Education

From: Jerry D. Weast, Superintendent of Schools 

Subject: Fiscal Year 2011 Supplemental Appropriation Request for Qualified Zone Academy Bond Grant

WHEREAS, On May 19, 2010, the Board of Public Works approved the allocation of \$4.2 million in Qualified Zone Academy Bond interest earnings to those jurisdictions that will participate in the Fiscal Year 2011 Qualified Zone Academy Bond 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 or reduced-price meals; and

WHEREAS, The Interagency Committee on Public School Construction and the Board of Public Works approved \$480,090 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 Board of Education request a Fiscal Year 2011 supplemental appropriation and amendment to the Fiscal Year 2011-2016 Capital Improvements Program in the amount of \$480,090 to fund eligible projects in the Qualified Zone Academy program; and be it further

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

JDW:LAB:JS:JL:jl

Attachment

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

Category	Montgomery County Public Schools	Date Last Modified	May 21, 2010
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 FY09	Est. FY10	Total 6 Years	FY11	FY12	FY13	FY14	FY15	FY16	Beyond 6 Years
Planning, Design, and Supervision	4,840	0	400	4,440	740	740	740	740	740	740	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	9,451	1,898	653	6,900	1,150	1,150	1,150	1,150	1,150	1,150	0
Construction	40,822	16,677	5,143	19,002	4,273	3,325	2,851	2,851	2,851	2,851	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	55,113	18,578	6,196	30,342	6,183	5,215	4,741	4,741	4,741	4,741	*

FUNDING SCHEDULE (\$000)

G.O. Bonds	50,358	14,574	5,442	30,342	6,183	5,215	4,741	4,741	4,741	4,741	0
Qualified Zone Academy Funds	4,152	4,001	151	0	4,828	0	0	0	0	0	0
Aging Schools Program	603	0	603	0	0	0	0	0	0	0	0
Total	55,113	18,578	6,196	30,342	6,183	5,215	4,741	4,741	4,741	4,741	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 FY 2008 transfer of \$1.080 million was approved to 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 of \$603,000 was approved to provide funding for this program through the state's Aging Schools Program (ASP). An FY 2010 special appropriation in the amount of \$151,000 was approved as a result of federal funding, issued by the state, through the Qualified Academy Bond (QZAB) program.

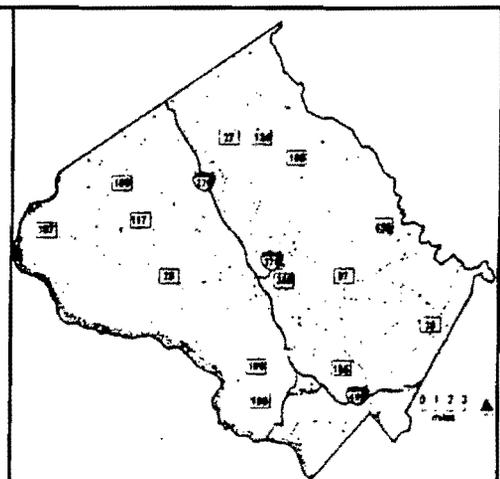
An FY 2011 appropriation was approved to continue this project to address the aging infrastructure with projects such as exterior resurfacing, repair/replacement of partitions and doors, lighting upgrades/replacement, replacement of media center security gates, repair/replacement of bleachers, communication 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 FY 2011 appropriation also will fund one additional position to assume the responsibilities of the management of 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, as requested in the Board of Education's FY2011-2016 CIP in FYs 2012-2016 by approximately \$6.6 million.

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		42,587
Appropriation Request	FY11	6,183
Appropriation Request Est.	FY12	5,215
Supplemental Appropriation Request		4,828
Transfer		0
Cumulative Appropriation		24,771
Expenditures / Encumbrances		21,201
Unencumbered Balance		3,570
Partial Closeout Thru	FY08	46,190
New Partial Closeout	FY09	1,482
Total Partial Closeout		47,672

COORDINATION		
CIP Master Plan for School Facilities		
	FY 11	FY 12-16
Salaries and Wages	285	1325
Fringe Benefits	105	525
Workyears	5	25



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OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

July 16, 2010

2010 JUL 19 AM 9:58

RECEIVED
MONTGOMERY COUNTY
COUNCIL

TO: Nancy Floreen, President, County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Special Appropriation #3-E11-CMCPs-2 to the FY11 Capital Budget
Montgomery County Public Schools
Qualified Zone Academy Bonds Program, \$480,090

I am recommending a special appropriation to the FY11 Capital Budget in the amount of \$480,090 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 FY11, MCPS will add \$480,090 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 \$480,090 and specify the source of funds as Qualified Zone Academy Bonds. I appreciate your prompt consideration of this action.

HL:bd