


ED COMMITTEE #1&2
May 1, 2014

MEMORANDUM

April 30, 2014

TO: Education Committee

FROM:  Keith Levchenko, Senior Legislative Analyst

SUBJECT: **FY15-20 Montgomery County Public Schools (MCPS) Capital Improvements Program (CIP) Follow-up Issues: Affordability and County Executive Recommended Adjustments to the MCPS CIP**

FY15-20 MCPS CIP REVIEW SCHEDULE TO DATE

The Board of Education's FY15-20 Proposed CIP was transmitted to the Council on December 2, 2013. The County Executive's Recommended CIP was transmitted on January 15, 2014.

The Council held public hearings on the FY15-20 CIP on February 5 and 6, 2014.

The Education Committee held an overview discussion on February 10 and also met on March 10 to discuss specific projects.

At the March 10 meeting, the Committee asked MCPS to provide further information as to how the FY15-20 MCPS CIP request could be adjusted in case the \$230.7 million in new State aid (School Financing Bonds) assumed in the County Executive's Recommended CIP for MCPS was not forthcoming. Ultimately, the necessary State legislation to create the new State Financing Bond program did not pass during the 2014 Legislative session which ended earlier this month.

On April 28, the Education Committee discussed an affordability scenario (see ©2-4) recommended by the Superintendent (with the support of the Board of Education President). This scenario partially addressed the \$230.7 million issue. Council Staff developed some additional alternatives (#2 and #3 below) that, in conjunction with MCPS' scenario, offset the \$230.7 million gap. The Education Committee supported these changes pending final reconciliation of the FY15-20 CIP.

The changes supported by the Education Committee include:

- 1) The MCPS scenario (6 year savings = \$169.5 million), which includes the following assumptions:
 - The Board of Education's FY15-20 CIP Transmittal from December 2013 is assumed to be the baseline from which this new scenario starts (see ©1 for a summary list of projects and expenditures included in the original request).
 - Elementary school revitalization/expansion projects would be delayed one year (this is in addition to any delays assumed in the Board of Education's original request), beginning with Wayside Elementary School.
 - Secondary school revitalization/expansion projects would be delayed one year, beginning with Tilden Middle School and Seneca Valley High School.
 - All new schools and addition projects would be delayed one year (except for those schools already in design or under construction).
 - The requested Blair Ewing Center Improvements project would begin design in FY16 instead of FY15 as originally requested.

A list of the specific projects (including revitalization/expansion projects) affected in this scenario is attached on ©3-4. Council Staff confirmed with MCPS staff that these project deferrals would not result in any moratoria from the County's Subdivision Staging Policy Schools test.¹

- 2) Remove the following four outyear projects from the CIP (6 year savings = \$36.9 million)
 - Ashburton ES (Walter Johnson Cluster)
 - Burtonsville ES (Northeast Consortium)
 - Judith Resnick ES (Magruder Cluster)
 - S. Christa McAuliffe ES (Seneca Valley Cluster)
- 3) Reduce (by about half) the requested increase in the HVAC/Electrical project (6 year savings = \$24.3 million)

The following chart summarizes the Committee recommendations to date.

¹ One project, RM cluster ES #5 (Hungerford Park) in the Rehab/Renovation of Closed Schools project, is located in the City of Rockville and could affect the Adequate Public Facilities Ordinance (APFO). Council Staff asked City of Rockville staff to provide further information as to how the Hungerford Park ES #5 schedule may affect the City's APFO. The City's response is attached on ©7.

	Total 6 Years	FY15	FY16	FY17	FY18	FY19	FY20
Original BOE Request	1,741,972	251,589	348,228	397,790	278,312	236,014	230,039
MCPS Affordability Scenario - 1 Yr Delays	1,572,439	242,209	282,316	236,282	318,589	262,620	230,423
Expenditure Change From BOE Request	(169,533)	(9,380)	(65,912)	(161,508)	40,277	26,606	384
CE State Financing Bonds (SFB) Assumption	230,700		72,000	149,000	9,700		
Remaining Gap	61,167	(9,380)	6,088	(12,508)	49,977	26,606	384
Council Staff Additional Adjustments							
Remove Four Out year ES Addition Projects	(36,911)				(1,502)	(12,061)	(23,348)
HVAC/Electrical Replacement (Lower Level of Increase)	(24,256)	-9000	-9000	-4000	-2256		
Remaining Gap	-	(18,380)	(2,912)	(16,508)	46,219	14,545	(22,964)

COUNTY EXECUTIVE CIP ADJUSTMENTS

On April 28, the County Executive forwarded CIP adjustments to the Council (see excerpt on ©8-14). A second memorandum (dated April 29; see ©16-17) was later transmitted which took into account the Interagency Committee on School Construction (IAC) 100 percent allocation recommendation (\$39.95 million) for Montgomery County.

The focus of the May 1 meeting is to discuss the County Executive's adjustments, to consider further input from MCPS in light of these adjustments, and to consider whether the Education Committee wishes to revise its recommendations from April 28.

The table below presents the overall expenditure changes in the MCPS CIP recommended by the County Executive.

Total CE Recommended Expenditure Adjustments to the FY15-20 CIP							
	Total 6 Years	FY15	FY16	FY17	FY18	FY19	FY20
CE Original MCPS CIP Recommendation (January 15)	1,717,700	247,542	344,408	395,151	275,033	231,394	224,172
CE Latest MCPS CIP Recommendation (April 29)	1,533,256	254,519	280,808	246,151	265,333	244,226	242,219
change	(184,444)	6,977	(63,600)	(149,000)	(9,700)	12,832	18,047

Overall, the County Executive has reduced his MCPS CIP request by \$184.4 million.

The County Executive's funding adjustments to his Recommended MCPS FY15-20 CIP include:

- Removing the \$230.7 million in School Financing Bond revenue
- Adding \$2.008 million in excess FY14 Schools Facilities Payment revenue received in FY15.
- Adding \$2.342 million in excess FY14 Schools Impact Tax revenue received in FY15.
- Assume approximately \$39.7 million in additional bond funding for MCPS from changes in "macro" assumptions for the CIP including:
 - Assuming a lower inflation rate (increases bond capacity by \$24.86 million). This adjustment is consistent with the inflation information the County Executive previously transmitted in March, and
 - Reducing the GO Bond set aside (increases bond capacity by \$14.81 million). The Council had considered this same reduction in the set-aside during its spending affordability deliberations on the CIP.

These changes are reflected in the County Executive's latest recommended General Obligation Bond Adjustment Chart (dated April 28; see ©14). The January 15 chart is attached on ©15.

REVISED MCPS CIP SCENARIO

In response to the Committee's recommendations on April 28 and the County Executive's CIP adjustments from April 28 and April 29, MCPS has provided Council Staff with a revised affordability scenario (see ©5-6). This scenario assumes the same six year savings (\$169.5 million) but would keep planning and design expenditures for individual schools and modernizations on their Board of Education originally requested schedules. The following chart shows how the revised scenario compares to the original scenario.

Change in MCPS Affordability Scenario							
	Total 6 Years	FY15	FY16	FY17	FY18	FY19	FY20
MCPS Affordability Scenario - 1 Yr Delays	1,572,439	242,209	282,316	236,282	318,589	262,620	230,423
MCPS Affordability Scenario - 1 Yr Delays - Revised	1,572,439	249,589	277,713	246,027	318,475	259,625	221,010
change	-	7,380	(4,603)	9,745	(114)	(2,995)	(9,413)

As shown in the following table, MCPS' revised scenario is about \$39.2 million higher than the County Executive's latest MCPS CIP recommendation in the following table.

Revised MCPS Affordability Scenario Compared to Latest CE Recommendation							
	Total 6 Years	FY15	FY16	FY17	FY18	FY19	FY20
MCPS Affordability Scenario - 1 Yr Delays - Revised	1,572,439	249,589	277,713	246,027	318,475	259,625	221,010
CE Latest MCPS CIP Recommendation (April 29)	1,533,256	254,519	280,808	246,151	265,333	244,226	242,219
change	(39,183)	4,930	3,095	124	(53,142)	(15,399)	21,209

Given this revised "gap" of \$39.2 million, Council Staff's affordability recommendations described earlier could be modified to take less from the HVAC/Electrical project. The following chart shows how Council Staff would suggest meeting the revised gap.

Affordability Reconciliation Assuming Latest County Executive Recommendations and MCPS' Revised Scenario							
	Total 6 Years	FY15	FY16	FY17	FY18	FY19	FY20
CE Latest MCPS CIP Recommendation (April 29)	1,533,256	254,519	280,808	246,151	265,333	244,226	242,219
MCPS Affordability Scenario - 1 Yr Delays - Revised	1,572,439	249,589	277,713	246,027	318,475	259,625	221,010
Difference/Gap	39,183	(4,930)	(3,095)	(124)	53,142	15,399	(21,209)
Council Staff Additional Adjustments							
Remove Four Outyear ES Addition Projects	(36,911)				(1,502)	(12,061)	(23,348)
HVAC/Electrical Replacement (Lower Level of Increase)	(2,272)	0	0	-1136	-1136		
Remaining Gap (Surplus)	-	(4,930)	(3,095)	(1,260)	50,504	3,338	(44,557)
Affordability Reconciliation MCPS CIP Expenditure Schedule	1,533,256	249,589	277,713	244,891	315,837	247,564	197,662

This approach has the following advantages:

- Planning and design work in MCPS' projects in FY15 and beyond is kept on the requested schedule. If additional funding is secured in future years, some of the projects could have construction funds accelerated back to the Board requested schedule and thus avoid delays that would occur if design work is delayed now.

- The HVAC/Electrical project would be funded at a level much closer to the Board of Education's request. The first two years would be funded at the Board of Education's requested level.

Some cautions should be considered as well:

- The above approach would use up all of the extra bond capacity created by modifying inflation assumptions and reducing the Bond set-aside. This would make funding any projects outside the MCPS CIP higher than recommended by the County Executive very difficult.
- By keeping planning and design dollars on the Board of Education's requested schedule, the Council may be creating expectations in the school community that these projects are ultimately going to proceed on their requested schedules. However, if sufficient increased State aid is not obtained in future years, the construction delays in these projects would likely have to stay in place.
- While the above approach addresses the six-year MCPS CIP gap, the individual years are not in balance. FY18 and FY20 in particular may require substantial adjustments as part of the overall CIP reconciliation.

COUNCIL STAFF RECOMMENDATIONS

Council Staff recommends incorporating the County Executive's most recent recommendations regarding the MCPS CIP, MCPS' revised affordability scenario, and the modified Council Staff adjustments noted above. As with all CIP recommendations at this stage, final CIP reconciliation in early May could result in both technical and substantive changes to the MCPS CIP.

Attachments

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Board of Education's Requested FY 2015 Capital Budget and FY 2015–2020 Capital Improvements Program

December
2013

(figures in thousands)

Project	FY 2015 Approp.	Total	Thru FY 2013	Remaining FY 2014	Total Six-Years	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Individual School Projects											
Arcola ES Addition	130	3,841	141	1,096	2,604	1,057	1,547				
Ashburton ES Addition					7,221			256	2,052	4,017	896
Lucy Barnsley ES Addition	1,156	12,974			12,974	462	3,462	7,434	1,616		
Bethesda ES Addition	171	3,970	143	1,168	2,659	1,082	1,577				
Bethesda-Chevy Chase HS Addition	2,808	30,787			30,787	1,123	9,034	17,325	3,305		
Bethesda-Chevy Chase MS #2		52,314		250	52,064	829	15,181	30,674	5,380		
Brookhaven ES Addition (DCC Solution)		5,381			5,381		192	1,515	3,026	648	
Burtonsville ES Addition		12,818			12,818			469	3,692	7,288	1,369
Clarksburg Cluster ES (Clarksburg Village Site #1)		28,218	7,194	8,613	12,411	12,411					
Clarksburg HS Addition	529	11,823	377	3,229	8,217	3,269	4,948				
Clarksburg/Damascus MS (New)	48,750	52,764	200	1,107	51,457	14,633	31,246	5,578			
Diamond ES Addition	804	8,926			8,926	322	2,615	4,971	1,018		
Blair Ewing Center Improvements	1,512	16,579			16,579	605	3,527	10,425	2,022		
Glen Haven ES Addition (DCC Solution)		4,092			4,092		147	1,306	2,180	459	
Highland ES Addition (DCC Solution)		8,225			8,225		285	2,320	4,502	1,118	
Kemp Mill ES Addition (DCC Solution)		8,658			8,658		310	2,515	4,803	1,030	
Kensington-Parkwood ES Addition	998	11,156			11,156	399	3,244	6,192	1,321		
S. Christa McAuliffe ES Addition		10,171			10,171			364	2,959	5,646	1,202
North Bethesda MS Addition	1,691	18,610			18,610	676	5,324	10,547	2,063		
North Chevy Chase ES Addition	260	6,820	230	1,921	4,669	1,880	2,789				
Northwest ES #8	2,979	32,450			32,450	1,192	8,958	18,831	3,469		
Judith Resnik ES Addition		11,512			11,512			413	3,358	6,397	1,344
Rosemary Hills ES Addition	172	5,708	198	1,668	3,842	1,569	2,273				
Sargent Shriver ES Addition (DCC Solution)		3,881			3,881		136	1,108	2,136	501	
Waters Landing ES Addition		8,827	1,794	3,487	3,546	3,546					
Julius West MS Addition	13,798	15,303		409	14,894	4,664	8,554	1,676			
Wood Acres ES Addition	7,800	8,606		232	8,374	2,637	4,822	915			
Systemwide Projects											
ADA Compliance: MCPS	3,000	24,393	10,393	3,200	10,800	3,000	3,000	1,200	1,200	1,200	1,200
Asbestos Abatement	1,145	15,520	7,505	1,145	6,870	1,145	1,145	1,145	1,145	1,145	1,145
Building Modifications and Program Improvements	3,500	27,432	18,132	2,300	7,000	3,500	3,500				
Current Replacement/Modernizations	55,906	1,374,005	507,905	121,982	744,118	97,274	132,654	187,357	162,667	115,679	48,487
Design and Construction Management	4,900	65,775	31,475	4,900	29,400	4,900	4,900	4,900	4,900	4,900	4,900
Energy Conservation: MCPS	2,057	29,750	15,351	2,057	12,342	2,057	2,057	2,057	2,057	2,057	2,057
Facility Planning: MCPS	900	10,997	6,807	600	3,590	900	450	770	400	670	400
Fire Safety Upgrades	2,000	15,483	6,712	1,503	7,268	2,000	2,000	817	817	817	817
Future Replacements/Modernizations		153,375			153,375	0	0	0	3,368	33,772	116,235
HVAC (Mechanical Systems) Replacement	28,000	169,775	63,415	10,360	96,000	28,000	28,000	10,000	10,000	10,000	10,000
Improved (Safe) Access to Schools	1,200	10,828	7,228	1,200	2,400	1,200	1,200				
Indoor Air Quality Improvements	2,147	28,061	16,282	1,497	10,282	2,147	2,147	1,497	1,497	1,497	1,497
Planned Life-Cycle Asset Replacement (PLAR)	7,250	90,404	52,199	4,741	33,464	7,250	7,250	4,741	4,741	4,741	4,741
Rehabilitation/Renovation of Closed Schools (RROCS)	3,258	110,820	75,439		35,381	1,303	8,780	21,391	3,907		
Relocatable Classrooms	5,000	45,811	26,811	4,000	15,000	5,000	5,000	5,000			
Restroom Renovations	1,000	13,085	8,735	1,000	3,350	1,000	1,000	1,000	350		
Roof Replacement: MCPS	8,000	78,929	30,589	6,468	41,872	8,000	8,000	6,468	6,468	6,468	6,468
School Security Systems		18,610	9,614	5,860	3,136	3,136					
Stormwater Discharge and Water Quality Management	616	9,367	5,055	616	3,696	616	616	616	616	616	616
Technology Modernization	26,805	315,487	138,949	22,088	154,450	26,805	26,358	23,997	25,277	25,348	26,665
Total Requested CIP	240,242	3,002,321	1,048,873	218,697	1,741,972	251,589	348,228	397,790	278,312	236,014	230,039

**Scenario -- BOE Request with one year delay of all individual capacity projects,
one year delay of all Rev/Ex Projects**

(figures in thousands)

Project	FY 2015 Approp.	Total	Thru FY 2013	Remaining FY 2014	Total Six-Years	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Beyond
Individual School Projects												
Arcola ES Addition	130	3,841	141	1,096	2,604	1,057	1,547					
Ashburton ES Addition		7,221			6,325				256	2,052	4,017	896
Lucy Barnsley ES Addition		12,974			12,974		482	3,462	7,434	1,616		
Bethesda ES Addition	171	3,970	143	1,168	2,659	1,082	1,577					
Bethesda-Chevy Chase HS Addition		30,787			30,787		1,123	9,034	17,325	3,305		
Bethesda-Chevy Chase MS #2		52,314		250	52,064	829	15,181	30,674	5,380			
Brookhaven ES Addition (DCC Solution)		5,381			5,381			192	1,515	3,026	648	
Burtonsville ES Addition		12,818			11,449				469	3,692	7,288	1,369
Clarksburg Cluster ES (Clarksburg Village Site #1)		28,218	7,194	8,613	12,411	12,411						
Clarksburg HS Addition	529	11,823	377	3,229	8,217	3,269	4,948					
Clarksburg/Damascus MS (New)	48,750	52,764	200	1,107	51,457	14,633	31,246	5,578				
Diamond ES Addition		8,926			8,926		322	2,615	4,971	1,018		
Blair Ewing Center Improvements		16,579			16,579		605	3,527	10,425	2,022		
Glen Haven ES Addition (DCC Solution)		4,092			4,092			147	1,306	2,180	459	
Highland ES Addition (DCC Solution)		8,225			8,225			285	2,320	4,502	1,118	
Kemp Mill ES Addition (DCC Solution)		8,658			8,658			310	2,515	4,803	1,030	
Kensington-Parkwood ES Addition		11,156			11,156		399	3,244	6,192	1,321		
S. Christa McAuliffe ES Addition		10,171			8,969				364	2,959	5,646	1,202
North Bethesda MS Addition		18,610			18,610		676	5,324	10,547	2,063		
North Chevy Chase ES Addition	260	6,820	230	1,921	4,669	1,880	2,789					
Northwest ES #8		32,450			32,450		1,192	8,958	18,831	3,469		
Judith Resnik ES Addition		11,512			10,168				413	3,358	6,397	1,344
Rosemary Hills ES Addition	172	5,708	198	1,668	3,842	1,569	2,273					
Sargent Shriver ES Addition (DCC Solution)		3,881			3,881			136	1,108	2,136	501	
Waters Landing ES Addition		8,827	1,794	3,487	3,546	3,546						
Julius West MS Addition	13,798	15,303		409	14,894	4,664	8,554	1,676				
Wood Acres ES Addition	7,800	8,606		232	8,374	2,637	4,822	915				
ADA Compliance: MCPS												
Asbestos Abatement	1,145	15,520	7,505	1,145	6,870	1,145	1,145	1,145	1,145	1,145	1,145	
Building Modifications and Program Improvements	3,500	27,432	18,132	2,300	7,000	3,500	3,500					
Current Replacement/Modernizations	48,143	1,027,827	507,905	121,982	397,940	93,976	106,674	60,563	75,691	41,826	19,210	
Design and Construction Management	4,900	65,775	31,475	4,900	29,400	4,900	4,900	4,900	4,900	4,900	4,900	
Energy Conservation: MCPS	2,057	29,750	15,351	2,057	12,342	2,057	2,057	2,057	2,057	2,057	2,057	
Facility Planning: MCPS	900	10,997	6,807	600	3,590	900	450	770	400	670	400	
Fire Safety Upgrades	2,000	15,483	6,712	1,503	7,268	2,000	2,000	817	817	817	817	
Future Replacements/Modernizations		334,831			334,831	0	0	26,654	70,668	113,906	123,603	
HVAC (Mechanical Systems) Replacement	28,000	169,775	63,415	10,360	96,000	28,000	28,000	10,000	10,000	10,000	10,000	
Improved (Safe) Access to Schools	1,200	10,828	7,228	1,200	2,400	1,200	1,200					
Indoor Air Quality Improvements	2,147	28,061	16,282	1,497	10,282	2,147	2,147	1,497	1,497	1,497	1,497	
Planned Life-Cycle Asset Replacement (PLAR)	7,250	90,404	52,199	4,741	33,464	7,250	7,250	4,741	4,741	4,741	4,741	
Rehabilitation/Renovation of Closed Schools (RROCS)	3,258	110,820	75,439		35,381		1,303	8,780	21,391	3,907		
Relocatable Classrooms	5,000	45,811	26,811	4,000	15,000	5,000	5,000	5,000				
Restroom Renovations	1,000	13,085	8,735	1,000	3,350	1,000	1,000	1,000	350			
Roof Replacement: MCPS	8,000	78,929	30,589	6,468	41,872	8,000	8,000	6,468	6,468	6,468	6,468	
School Security Systems		18,610	9,614	5,860	3,136	3,136						
Stormwater Discharge and Water Quality Management	616	9,367	5,055	616	3,696	616	616	616	616	616	616	
Technology Modernization	26,805	315,487	136,949	22,088	154,450	26,805	26,358	23,997	25,277	25,348	26,665	
Total - Scenario	220,531	2,844,820	1,048,873	218,697	1,572,439	242,209	282,316	236,282	318,589	262,620	230,423	

MCPS Affordability
Scenario

MCPS Affordability Scenario: Impact on Individual School Projects

Projects Under Construction - No Change Recommended

Arcola ES Addition (DCC)
Bethesda ES Addition (B-CC)
Clarksburg Cluster ES
Clarksburg HS Addition
North Chevy Chase ES Addition (B-CC)
Rosemary Hills ES Addition (BCC)
Waters Landing ES Addition (SV)

Projects in Design - No Change Recommended

Clarksburg/Damascus MS (C/D)
Julius West MS Addition (RM)
Wood Acres (Whitman)
Bethesda-Chevy Chase MS (B-CC)

Projects with Design Requested in FY15 - To Be Delayed One Year

Bethesda-Chevy Chase HS Addition (B-CC)
Blair Ewing Center Improvements
Diamond ES Addition (NW)
Kensington-Parkwood ES Addition (WJ)
Lucy V. Barnesley ES Addition (Rockville)
North Bethesda MS Addition (WJ)
Northwest ES #8 (NW)
RM Cluster ES #5 (Hungerford Park site) - RROCs

New Projects Requested to Begin in FY16 or Beyond - Not to Be Included in the FY15-20 CIP

Ashburton ES Addition (WJ)
Burtonsville ES Addition (NE)
Judith Resnick ES Addition (Magruder)
S. Christa McAuliffe ES Addition (SV)

Projects with Design Requested to Begin in FY16 or Beyond - To Be Delayed One Year

Brookhaven ES Addition (DCC)
Glen Haven ES Addition (DCC)
Highland ES Addition (DCC)
Kemp Mill ES Addition (DCC)
Sargent Shriver ES Addition (DCC)

FY 2015-2020 CIP
Scenario
Revitalization/Expansion Schedule
One Year Delay of ES Rev/Ex Projects beyond BOE Request and
One Year Delay of Secondary Rev/Ex Projects beginning with Tilden MS and Seneca Valley HS

	School	FY 15 Approp.	Comp Date	Total Project	Prior Years Expend.	Six-Year Total	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Beyond
1	Gaithersburg HS		8/13	107,149	95,812	11,337	11,337						
2	Bel Pre ES		8/14	28,872	17,206	11,666	11,666						
3	Candlewood ES	950	1/15	24,133	5,224	18,909	9,763	9,146					
4	Rock Creek Forest ES	976	1/15	29,100	4,677	24,423	11,839	12,584					
5	William Farquhar MS	46,217	8/16	50,892	1,035	49,857	13,767	31,061	5,029				
6	Wheaton HS/Edison Tech	3,950	8/18	171,595	8,917	162,678	35,604	50,585	52,910	16,941	6638		
7	Wayside ES		8/18	24,074	329	23,745			5,661	15,339	2,745		
8	Brown Station ES		8/18	34,446	400	34,046			8,988	21,405	3,653		
9	Wheaton Woods ES		8/18	33,406	457	32,949			8,483	20,930	3,536		
10	Seneca Valley HS	3,813	8/19	129,126	200	119,070		3,298	2,624	58,750	35,188	19,210	9856
11	Potomac ES		1/20	21,320		21,320			457	6,091	12,505	2,267	
12	Maryvale ES/Sandburg Learning Ctr.		1/20	48,908		48,908			894	3,205	24,733	20,076	
13	Luxmanor ES		1/20	20,747		20,747			257	609	11,574	8,307	
14	Tilden MS @ Tilden Center*		8/20	54,985		45,968			1,107	1,476	27,971	15,414	9,017
15	Wootton HS		8/21	101,767		70,008			807	1,613	23,821	43,767	31,759
16	Cold Spring ES		8/21	20,273		7,565					403	7,162	12,708
17	Duffie ES		8/21	20,273		7,565					403	7,162	12,708
18	Belmont ES		8/21	20,273		7,565					403	7,162	12,708
19	Stonegate ES		8/21	20,273		7,565					403	7,162	12,708
20	Eastern MS		8/22	50,786		2,406					802	1,604	48,380
21	Damascus ES		1/23	25,012		403						403	24,609
22	Twinbrook ES		1/23	25,012		403						403	24,609
23	Summit Hall ES		1/23	25,012		403						403	24,609
24	Rosemary Hills ES		1/23	25,012		403						403	24,609
25	Poolesville HS		8/23	83,889		2,862					954	1,908	81,027
26	E. Brooke Lee MS		N/A	50,028		0							50,028
27	Poolesville ES		N/A	25,012		0							25,012
28	Burrit Mills ES		N/A	25,012		0							25,012
29	South Lake ES		N/A	25,012		0							25,012
30	Woodfield ES		N/A	25,012		0							25,012
	Current Rev/Ex	55,906		880,520	134,257	397,940	93,976	106,674	60,563	75,691	41,826	19,210	9,856
	Future Rev/Ex			465,891	0	334,831	0	0	26,654	70,668	113,906	123,603	469,527

Revised Scenario FY 15-20 CIP

**BOE Request with one year delay of all individual capacity projects,
one year delay of all Rev/Ex Projects, but keep planning funds on requested schedule**

(figures in thousands)												
Project	FY 2015 Approp.	Total	Thru FY 2013	Remaining FY 2014	Total Six Years	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Beyond
Individual School Projects												
Arcola ES Addition	130	3,841	141	1,096	2,604	1,057	1,547					
Ashburton ES Addition		7,221			6,389			256	192	1,988	3,953	832
Lucy Barnsley ES Addition	1,156	12,974			12,974	462	347	3,346	7,319	1,500		
Bethesda ES Addition	171	3,970	143	1,168	2,659	1,082	1,577					
Bethesda-Chevy Chase HS Addition	2,808	30,787			30,787	1123	842	8,754	17,044	3,024		
Bethesda-Chevy Chase MS #2		52,314		250	52,064	829	13,181	32,674	5,380			
Brookhaven ES Addition (DCC Solution)		5,381			5,381		192	144	1,467	2,979	599	
Burtonsville ES Addition		12,818			11,566			469	352	3,574	7,171	1,252
Clarksburg Cluster ES (Clarksburg Village Site #1)		28,218	7,194	8,613	12,411	12,411						
Clarksburg HS Addition	529	11,823	377	3,229	8,217	3,269	4,948					
Clarksburg/Damascus MS (New)	48,750	52,764	200	1,107	51,457	12,633	30,246	8,578				
Diamond ES Addition	804	8,926			8,926	322	241	2,535	4,890	938		
Blair Ewing Center Improvements	1,512	16,579			16,579	605	454	3,375	10,274	1,871		
Glen Haven ES Addition (DCC Solution)		4,082			4,082		147	110	1,269	2,144	422	
Highland ES Addition (DCC Solution)		8,225			8,225		285	214	2,249	4,430	1,047	
Kemp Mill ES Addition (DCC Solution)		8,658			8,658		310	232	2,438	4,725	953	
Kensington-Parkwood ES Addition	998	11,156			11,156	399	299	3,145	6,092	1,221		
S. Christa McAuliffe ES Addition		10,171			9,060			364	273	2,868	5,555	1,111
North Bethesda MS Addition	1,691	18,610			18,610	676	507	5,155	10,379	1,893		
North Chevy Chase ES Addition	260	6,820	230	1,921	4,669	1,880	2,789					
Northwest ES #8	2,979	32,450			32,450	1192	894	8,660	18,532	3,172		
Judith Resnik ES Addition		11,512			10,271			413	310	3,254	6,294	1,241
Rosemary Hills ES Addition	172	5,708	198	1,668	3,842	1,569	2,273					
Sargent Shriver ES Addition (DCC Solution)		3,881			3,881		136	102	1,074	2,103	466	
Waters Landing ES Addition		8,827	1,794	3,487	3,546	3,546						
Julius West MS Addition	13,798	15,303		409	14,894	4,664	8,554	1,676				
Wood Acres ES Addition	7,800	8,606		232	8,374	2,637	4,822	915				
ADA Compliance: MCPS	3,000	24,393	10,393	3,200	10,800	3,000	3,000	1,200	1,200	1,200	1,200	
Asbestos Abatement	1,145	15,520	7,505	1,145	6,870	1,145	1,145	1,145	1,145	1,145	1,145	
Building Modifications and Program Improvements	3,500	27,432	18,132	2,300	7,000	3,500	3,500					
Current Replacement/Modernizations	48,143	1,234,403	507,905	121,982	604,516	97,274	105,522	69,115	87,366	139,435	105,804	
Design and Construction Management	4,900	65,775	31,475	4,900	29,400	4,900	4,900	4,900	4,900	4,900	4,900	
Energy Conservation: MCPS	2,057	29,750	15,351	2,057	12,342	2,057	2,057	2,057	2,057	2,057	2,057	
Facility Planning: MCPS	900	10,997	6,807	600	3,590	900	450	770	400	670	400	
Fire Safety Upgrades	2,000	15,483	6,712	1,503	7,268	2,000	2,000	817	817	817	817	
Future Replacements/Modernizations		127,880			127,880	0	0	23,132	61,042	15,466	28,240	
HVAC (Mechanical Systems) Replacement	28,000	169,775	63,415	10,360	96,000	28,000	28,000	10,000	10,000	10,000	10,000	
Improved (Safe) Access to Schools	1,200	10,828	7,228	1,200	2,400	1,200	1,200					
Indoor Air Quality Improvements	2,147	28,061	16,282	1,497	10,282	2,147	2,147	1,497	1,497	1,497	1,497	
Planned Life-Cycle Asset Replacement (PLAR)	7,250	90,404	52,199	4,741	33,464	7,250	7,250	4,741	4,741	4,741	4,741	
Rehabilitation/Renovation of Closed Schools (RROCS)	3,258	110,820	75,439		35,381	1303	977	8,455	21,065	3,581		
Relocatable Classrooms	5,000	45,811	26,811	4,000	15,000	5,000	5,000	5,000				
Restroom Renovations	1,000	13,085	8,735	1,000	3,350	1,000	1,000	1,000	350			
Roof Replacement: MCPS	8,000	78,929	30,589	6,468	41,872	8,000	8,000	6,468	6,468	6,468	6,468	
School Security Systems		18,610	9,614	5,880	3,136	3,136						
Stormwater Discharge and Water Quality Management	616	9,367	5,055	616	3,696	616	616	616	616	616	616	
Technology Modernization	26,805	315,487	138,949	22,088	154,450	26,805	26,358	23,997	25,277	25,348	26,665	
Total -- Scenario 9	232,479	2,844,445	1,048,873	218,697	1,572,439	249,569	277,713	246,027	318,475	259,625	221,010	
CE Revised Recommendation (April)					1,528,306	249,569	280,808	246,151	265,333	244,226	242,219	
Difference					44,133	20	-3,095	-124	53,142	15,399	-21,209	

FY 2015-2020 CIP
Revised Scenario
Revitalization/Expansion Schedule
One Year Delay of ES Rev/Ex Projects beyond BOE Request and
One Year Delay of Secondary Rev/Ex Projects beginning with Tilden MS and Seneca Valley HS
Keep Planning Funds on Schedule

	School	FY 15 Approp.	Comp Date	Total Project	Prior Years Expend.	Six-Year Total	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Beyond
1	Gaithersburg HS		8/13	107,149	95,812	11,337	11,337						
2	Bel Pre ES		8/14	28,872	17,206	11,666	11,666						
3	Candlewood ES	950	1/15	24,133	5,224	18,909	9,763	9,146					
4	Rock Creek Forest ES	976	1/15	29,100	4,677	24,423	11,839	12,584					
5	William Farquhar MS	46,217	8/16	50,892	1,035	49,857	13,767	29,061	7,029				
6	Wheaton HS/Edison Tech	3,950	8/18	171,595	8,917	162,678	35,604	48,585	54,910	16,941	6638		
7	Wayside ES		8/18	24,074	329	23,745			5,661	15,339	2,745		
8	Brown Station ES		8/18	34,446	400	34,046			8,988	21,405	3,653		
9	Wheaton Woods ES		8/18	33,406	457	32,949			8,483	20,930	3,536		
10	Seneca Valley HS	3,813	8/19	129,126	200	119,070	3298	2,624	875	57,750	35,186	19,337	9856
11	Potomac ES		1/20	21,320		21,320		457	909	5,739	12,039	2,176	
12	Maryvale ES/Sandburg Learning Ctr.		1/20	48,908		48,908		894	1,694	2,852	23,839	19,629	
13	Luxmanor ES		1/20	20,747		20,747		257	609	926	11,117	7,838	
14	Tilden MS @ Tilden Center		8/20	54,985		45,593		1,107	1,476	738	27,602	14,670	9,392
15	Wootton HS		8/21	101,767		70,008		807	1,613	2,420	23,014	42,154	31,759
16	Cold Spring ES		8/21	20,273		7,565				403	805	6,357	12,708
17	Duffie ES		8/21	20,273		7,565				403	805	6,357	12,708
18	Belmont ES		8/21	20,273		7,565				403	805	6,357	12,708
19	Stonegate ES		8/21	20,273		7,565				403	805	6,357	12,708
20	Eastern MS		8/22	50,786		2,406				802	604	1,000	48,380
21	Damascus ES		1/23	25,012		403					200	203	24,609
22	Twinbrook ES		1/23	25,012		403					200	203	24,609
23	Summit Hall ES		1/23	25,012		403					200	203	24,609
24	Rosemary Hills ES		1/23	25,012		403					200	203	24,609
25	Poolesville HS		8/23	83,869		2,862				954	908	1,000	81,027
26	E. Brooke Lee MS		N/A	50,028		0							50,028
27	Poolesville ES		N/A	25,012		0							25,012
28	Burnt Mills ES		N/A	25,012		0							25,012
29	South Lake ES		N/A	25,012		0							25,012
30	Woodfield ES		N/A	25,012		0							25,012
	Current Rev/Ex	55,906		880,520	134,257	397,940	97,274	105,522	69,115	87,366	139,435	105,804	51,007
	Future Rev/Ex			465,891	0	334,456	0	0	23,132	61,042	15,466	28,240	428,751

Levchenko, Keith

From: JWasilak@rockvillemd.gov
Sent: Wednesday, April 30, 2014 2:13 PM
To: Levchenko, Keith
Cc: Karamihas, Adrienne; Crispell, Bruce; LMoran@rockvillemd.gov
Subject: RE: City of Rockville Development Moratorium

Keith: Here is our response to your request. Let me know if you have questions or need clarification. Thanks, Jim Wasilak

The City of Rockville requires that schools have adequate capacity within two years, which means that capacity must exist in both year one and year two from the approval date. The City's school capacity limit is 110%, and the individual schools at each level in the attendance area of the project must meet the test. The City must also reserve capacity for approved but unbuilt projects in the City, County and Gaithersburg within the school clusters serving Rockville. Students generated from approved projects, as well as students generated by the development proposal, are added to the projections done by MCPS to accomplish Rockville's schools test. If the schools at each level remain under 110% of program capacity after projected students are added, the schools test is satisfied. If not, residential development cannot be approved. Per the Zoning Ordinance, if capacity is not available, an application could be granted a conditional approval such that construction could take place if capacity becomes available during the validity period of the application (two years). However, developers have not been able to take advantage of this, as school capacity has always been more than two years away.

The Richard Montgomery HS cluster, the majority of which is within the municipal boundaries of Rockville, has been effectively in residential development moratorium since 2011, due to capacity issues at Julius West MS, which serves the entire cluster, as well as at all of the elementary schools (Beall ES, College Gardens ES, Ritchie Park ES and Twinbrook ES). This has precluded redevelopment of key areas of the City for any residential development, particularly since Beall ES, which serves Town Center, has been beyond capacity limits since 2008. The addition of RM ES5 is expected to add capacity to the Beall ES, College Gardens ES and Ritchie Park ES attendance areas, therefore allowing residential development projects to be approved within two years of the capacity becoming available. The delay of RM ES5 will further delay development approvals, including conditional approvals, in areas of the City where redevelopment is desirable.

R. James Wasilak, AICP
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Rockville, Maryland 20850
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BUD, FIN &
ECON DEV



OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM


April 28, 2014

RECEIVED
MONTGOMERY COUNTY
COUNCIL

2014 APR 28 PM 2:35

SBF
CC
have - ANALYSIS

TO: Craig L. Rice, President, County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Recommended Adjustments to the FY15 Operating and Capital Budgets

Attached for your consideration and review are a number of recommended adjustments to both the FY15 Recommended Operating Budget and the FY15 Recommended Capital Budget and FY15-20 Capital Improvements Program. These adjustments recognize recent developments such as State legislative actions and more current information. Because I anticipated that there could be potential expenditure needs, I maintained an adequate set aside in my March 17 recommended budget to fund these contingencies. I am continuing to retain a set aside for two potential purposes:

First is spring cleanup. Typically the Department of Transportation spends close to \$3 million for this type of work. I believe it is prudent to hold funds aside for this purpose.

Second is the fiscal fallout from the *DeWolfe v. Richmond* decision that is likely to require expenditures that could be several million for our public safety departments. We are working on final details and its related costs that will be presented to you once finalized. I will then follow up with a supplemental appropriation request or an additional FY 2015 budget amendment.

FY15 Operating Budget

I am including in these adjustments funds for the creation of eight additional School Resource Officer positions. In my prior statements, I indicated that we would fund additional officers in order to effectively promote safety and positive relations in our community and schools. Most recently, Council President Rice and the community have made a compelling case for the importance of these additional officers now, and I am pleased to have found the additional resources for this purpose. Additionally, I am including an adjustment of \$100,000 to allow the Police Department to purchase additional AED's.

I have included budget adjustments for four additional community grants that will support senior transportation, behavioral health outreach and education, youth leadership programs, and workplace excellence.

I have already transmitted a revised resolution on transportation fares, which would maintain consistency with WMATA's adopted transit fares. This amendment recognizes the estimated reduction in revenues resulting from the reduction in Ride On fares compared to my original recommendation in March. In addition, an expenditure adjustment is needed for Mass Transit. In the interests of safety, the County has imposed a weight restriction on the Lyttonsville Bridge near the Silver

reduction in revenues resulting from the reduction in Ride On fares compared to my original recommendation in March. In addition, an expenditure adjustment is needed for Mass Transit. In the interests of safety, the County has imposed a weight restriction on the Lyttonsville Bridge near the Silver Spring Ride On depot, which has forced an increase in the mileage of certain routes that must detour to avoid the bridge. This increased mileage results in additional operational costs.

I am recommending an adjustment to the Department of Environmental Protection's Water Quality Fund to pay for enhancements for the Soil Conservation District, which will support the County's water quality improvement efforts. Promoting environmentally sound agricultural practices is a priority. I am pleased that the ongoing discussions between DEP and the Conservation District have resulted in a concrete proposal to fund technical assistance activities that will enhance Conservation District resources and help farmers improve the water quality in our streams and ultimately the Chesapeake Bay.

I have included in this memorandum revised fiscal plans for the Group Insurance Fund, Liquor Control, and the Silver Spring Parking District. One of my CIP amendments described below requires an increase in Current Revenue, which reflects reimbursements from the Group Insurance Fund and Liquor Control for applications implemented through the County's Technology Modernization project. The adjustment to Current Revenue will be paid for by increased transfers to the General Fund from these non-tax supported funds. The revised fiscal plan for the Silver Spring Parking District reflects the planned sale of Garage 21 in FY16. The proceeds from this sale will allow us to accelerate the repayment of the MEDCO bonds (refunded as General Obligation bonds in 2012) that were used to finance this garage.

The State's failure to adequately deal with the DeWolfe case in this legislative session will likely result in significant additional local costs. The public safety agencies are working together to come up with an operational solution to this problem, but since the costs are not known, I have not included a budget amendment at this time. However, in making overall decisions on the FY15 operating budget, please consider the reality that we are likely to incur costs that could be several million dollars related to the State's inaction in this area.

FY15 Capital Budget and FY15-20 Capital Improvements Program

Montgomery County Public Schools

One positive outcome of our efforts in Annapolis will be the Governor's issuance of an executive order requiring a study to explore alternative funding options to address public school construction funding needs. Historically, major initiatives to establish new funding mechanisms have required a multi-year effort. Just as we prevailed in establishing increased transportation funding, I am optimistic that our coordinated advocacy and partnership with Baltimore and Prince George's counties and with the Board of Education and Parent-Teacher Associations -- not to mention pledges of support from all the Democratic gubernatorial candidates -- will ultimately result in a new revenue stream for school construction here in Montgomery County over and above our normal allocation.

Last year our traditional State Aid for School construction totaled \$34.4 million. Final decisions on this year's total school aid will not be made by the State until early May. Though the final amount could be more, right now, I am estimating that we will receive \$35.6 million in traditional State aid. I am recommending using increased school facility payments and school impact taxes received in

FY14 as well as some bond funding to address our previous budget estimates if that becomes necessary.

In addition, I am recommending an additional \$41.306 million in GO bond funding to provide construction funding equal to the Superintendent's FY15-20 CIP request, as well as the additional security and facility planning funding included in the Board of Education's request.

With my recommended modifications, my total recommended funding for Montgomery County Public Schools will be \$1.528 billion – an all-time high, and an 11.9 percent increase over last year's funding. While this demonstrates our shared commitment to preserving the school system that attracts businesses and residents to our county, we simply cannot go it alone. We must continue to pressure the State to adequately invest in our schools so that we are able to build and renovate our schools in a timely way.

Transportation

Over the past eight years, I have made catching up on needed road maintenance and resurfacing a priority. For the eight years before I took office, the County spent only \$37 million on our primary and arterial roads. My budgets have included \$67 million for those – an increase of 80 percent. The eight years prior to my taking office saw only \$18 million spent on our residential and rural roads. My eight years have totaled \$138 million – a 676 percent increase.

I am allocating almost all of our remaining FY14 GO bond set-aside (\$8.334 million) and an additional \$992,000 in State aid to make additional repairs and improvements to our primary/arterial and residential and rural roads. This funding will signal our ongoing commitment to providing our residents with improvements to one of our most basic County services – neighborhood road maintenance.

I am also recommending funding to replace the concrete deck of the Lyttonsville Place Bridge. This bridge has deteriorated to the point where the routine volume of buses cannot travel safely over the bridge, and it is affecting Transit operations. As noted above, there will be operating budget impacts until we can make the bridge safe enough to sustain normal levels of traffic.

Updated costs for Purple Line related projects (Bethesda Station South, Capital Crescent Trail, and the Silver Spring Green Trail) have been received from the Maryland Transit Administration and the relevant project description forms have been updated to reflect these new costs. On net, costs have increased by \$18.5 million. The Department of Transportation will continue to negotiate with the MTA and to pursue outside funding options to reduce the costs to the County. However, in order to ensure these projects stay on schedule, I believe it is prudent to assume MTA's figures in our capital budget. Similarly, the Rapid Transit System project description form has been updated to reflect the County's agreement with the State regarding the allocation of work that will be done by the State and the County.

Health and Human Services

Progress is being made in upgrading facilities at the Avery Road Treatment Center. An REOI has been issued to solicit private partners to help redevelop and operate the facility, and the State has awarded \$310,000 in State aid rather than the \$100,000 previously anticipated. At this time, I am adding a placeholder amount for County funding to reflect the County's commitment to working with the State and private providers to provide a quality substance abuse service facility.

**FY15-20 RECOMMENDED CIP
APRIL BUDGET AMENDMENTS SUMMARY (\$000S)
April 28, 2014**

Circle #	PROJECT #	PROJECT NAME	EXPLANATION OF ADJUSTMENT	FY15-20 CHANGE	FUNDING SOURCES
*FY14 SUPPLEMENTAL/AMENDMENT (changes also reflected in adjustments to FY15-20 CIP)					
1	P501421	Lyttons ville Bridge	New project. Project being developed to address safety concern and to minimize transit operational impacts.	1,950	Recordation Tax Premium
2	P501108	Permanent Patching: Residential/Rural Roads	Allocate \$2 million of remaining FY14 GO bond set-aside and \$992,000 in State Aid to address significant road damage from FY14 weather	-	GO Bonds, State Aid
3	P508527	Resurfacing: Primary/Arterial	Allocate \$4.369 million of remaining FY14 GO bond set-aside to address significant road damage from FY14 weather	-	GO Bonds
4	P500511	Resurfacing: Residential/Rural Roads	Allocate \$1.965 million of remaining FY14 GO bond set-aside to address significant road damage from FY14 weather	-	GO Bonds
EXISTING PROJECTS - FY15-20 AMENDMENTS					
5	P896536	State Aid Reconciliation	Allocated additional funds to make up for an anticipated \$4.4M shortfall in state aid based on past funding patterns. Also adjusted PDF to reflect state legislative action on Bill SB927.	-	GO Bonds, School Facilities Payments, School Impact Taxes, State Aid
6	P056516	MCPS Affordability Reconciliation	Allocated an additional \$41.306M to provide MCPS construction funding at the superintendent's requested level (including security and facility planning components noted in BOE submission). Also adjusted PDF to reflect state legislative action on Bill SB927.	(189,394)	GO Bonds
7	P500929	Bethesda Metro Station South	Project costs updated to reflect latest MTA cost estimates	(22,890)	GO Bonds
8	P501316	Capital Crescent Trail	Project costs updated to reflect latest MTA cost estimates. Cost increases of \$18.5M are included in beyond 6 years and includes \$600K for lighting upgrades along trail	27,858	GO Bonds
9	P509975	Silver Spring Green Trail	Project costs updated to reflect latest MTA Cost Estimates	(4,966)	GO Bonds
10	P501318	Rapid Transit System	Reflects current agreement with state regarding relative share of work to be completed by County vs. State	(9,000)	State Aid
11	P641300	Children's Resource Center	Cost estimates are updated to reflect CRC relocation to Broome School building.	(3,396)	GO Bonds
12	P601502	Avery Road Treatment Center	Reflects corrected State Aid amount (\$310,000) and placeholder County funding to reflect potential funding needed to match state aid and/or work with private partner	4,700	GO Bonds, State Aid
13	P508331	Roof Replacement: MCG	Adds funding for roof replacement for the Strathmore mansion and Montgomery County Detention Center	1,008	GO Bonds

State Aid Reconciliation (P896536)

Category
Sub Category
Administering Agency
Planning Area

Montgomery County Public Schools
Miscellaneous Projects
Public Schools (AAGE18)
Countywide

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

4/21/14
No
None
Ongoing

	Total	Thru FY13	Est FY14	Total 6 Years	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	0	0	0	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

FUNDING SCHEDULE (\$000s)											
G.O. Bonds	-292,862	-52,912	0	-239,950	-39,950	-40,000	-40,000	-40,000	-40,000	-40,000	0
School Facilities Payment	2,008	0	0	2,008	2,008	0	0	0	0	0	0
Schools Impact Tax	2,342	0	0	2,342	2,342	0	0	0	0	0	0
State Aid	288,512	52,912	0	235,600	35,600	40,000	40,000	40,000	40,000	40,000	0
Total	0	0	0	0	0	0	0	0	0	0	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 15	0
Appropriation Request Est.	FY 16	0
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		0
Expenditure / Encumbrances		0
Unencumbered Balance		0

Date First Appropriation	
First Cost Estimate	
Current Scope	FY 96
Last FY's Cost Estimate	0

Description

This project shows assumed traditional State Aid for FY2015 and beyond. When actual State Aid is known for specific projects, the amount of such aid is shown in those projects and then this PDF is zeroed out for the budget year.

The budget assumes \$235.6 million in traditional State Aid for school construction. An anticipated FY15 State Aid shortfall from the previously budgeted \$40 million will be covered by excess FY14 receipts for School Facilities Payment and School Impact Taxes and \$50,000 in GO Bonds.

Justification

From 2009-2014, MCPS grew by 13,526 students, more than the growth of Anne Arundel, Howard, Frederick, and Baltimore Counties combined over the same period. Due to this high increases in enrollment, half of MCPS schools are projected to have seat deficits by the 2018-2019 school year even with the approved FY13-18 CIP assumed.

Public Schools (A18) asserts that this project conforms to the requirements of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.

MCPS Affordability Reconciliation (P056516)

Category
 Sub Category
 Administering Agency
 Planning Area

Montgomery County Public Schools
 Miscellaneous Projects
 Public Schools (AAGE18)
 Countywide

Date Last Modified
 Required Adequate Public Facility
 Relocation Impact
 Status

4/21/14
 No
 None
 Ongoing

Total	Thru FY13	Est FY14	Total 6 Years	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	Beyond 6 Yrs
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EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	0	0	0	0	0	0	0	0	0	0
and	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0
Other	-213,666	0	0	-213,666	-2,020	-67,420	-151,639	-12,979	8,212	12,180
Total	-213,666	0	0	-213,666	-2,020	-67,420	-151,639	-12,979	8,212	12,180

FUNDING SCHEDULE (\$000s)

Current Revenue: General	-24,272	0	0	-24,272	-4,047	-3,820	-2,639	-3,279	-4,620	-5,867	0
i.O. Bonds	-189,394	0	0	-189,394	2,027	-63,600	-149,000	-9,700	12,832	18,047	0
Total	-213,666	0	0	-213,666	-2,020	-67,420	-151,639	-12,979	8,212	12,180	0

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation Request	FY 15	-4,047
Appropriation Request Est.	FY 16	-3,820
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		0
Expenditure / Encumbrances		0
Unencumbered Balance		0

Date First Appropriation	FY 15
First Cost Estimate	
Current Scope	FY01
Last FY's Cost Estimate	0

Description

This project reconciles the Superintendent's request with the County Executive's recommendation. Fiscal constraints lead the Executive to adjust the annual amounts to be affordable within the CIP. The Executive's recommended budget will fund \$1,528,306 - an amount equal to the Superintendent's request, with additional funds included for the security and facility planning enhancements added by the Board of Education. The Executive recommends maintaining the FY13-18 approved funding level of \$130.2 million for the Technology Modernization Project for FY15-18.

GENERAL OBLIGATION BOND ADJUSTMENT CHART

FY15-20 Capital Improvements Program

COUNTY EXECUTIVE RECOMMENDED

APRIL 28, 2014

(\$ millions)	6 YEARS	FY15	FY16	FY17	FY18	FY19	FY20
BONDS PLANNED FOR ISSUE	1,947.000	324.500	324.500	324.500	324.500	324.500	324.500
Plus PAYGO Funded	194.700	32.450	32.450	32.450	32.450	32.450	32.450
Adjust for Implementation **	291.543	50.818	50.818	49.444	48.047	46.786	45.630
Adjust for Future Inflation **	(85.343)	-	-	(8.774)	(17.696)	(25.745)	(33.128)
SUBTOTAL FUNDS AVAILABLE FOR DEBT ELIGIBLE PROJECTS (after adjustments)	2,347.900	407.768	407.768	397.620	387.300	377.992	369.452
Less Set Aside: Future Projects	189.373 8.07%	10.790	16.952	22.747	28.876	50.008	60.000
TOTAL FUNDS AVAILABLE FOR PROGRAMMING	2,158.527	396.978	390.816	374.873	358.424	327.984	309.452
MCPS	(823.287)	(145.343)	(161.136)	(124.887)	(146.607)	(124.405)	(120.909)
MONTGOMERY COLLEGE	(156.969)	(37.535)	(35.385)	(34.840)	(10.056)	(13.917)	(25.236)
M-NCPPC PARKS	(67.106)	(9.107)	(11.103)	(13.135)	(11.977)	(10.472)	(11.312)
TRANSPORTATION	(540.414)	(87.036)	(72.340)	(72.273)	(79.803)	(118.471)	(110.491)
MCG - OTHER	(634.534)	(163.357)	(121.855)	(134.667)	(112.298)	(60.853)	(41.504)
Programming Adjustment - Unspent Prior Years*	63.783	45.400	11.003	4.929	2.317	0.134	-
SUBTOTAL PROGRAMMED EXPENDITURES	(2,158.527)	(396.978)	(390.816)	(374.873)	(358.424)	(327.984)	(309.452)
AVAILABLE OR (GAP)	-	-	-	-	-	-	-
NOTES:							
* See additional information on the GO Bond Programming Adjustment for Unspent Prior Year Detail Chart							
** Adjustments Include:							
Inflation =		2.03%	2.22%	2.52%	2.63%	2.43%	2.28%
Implementation Rate =		86.46%	86.46%	86.46%	86.46%	86.46%	86.46%

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GENERAL OBLIGATION BOND ADJUSTMENT CHART

FY15-20 Capital Improvements Program

COUNTY EXECUTIVE RECOMMENDED

JANUARY 15, 2014

(\$ millions)	6 YEARS	FY15	FY16	FY17	FY18	FY19	FY20
BONDS PLANNED FOR ISSUE	1,947.000	324.500	324.500	324.500	324.500	324.500	324.500
Plus PAYGO Funded	194.700	32.450	32.450	32.450	32.450	32.450	32.450
Adjust for Implementation **	287.650	50.818	50.818	49.243	47.507	45.631	43.633
Adjust for Future Inflation **	(110.201)	-	-	(10.060)	(21.142)	(33.123)	(45.877)
SUBTOTAL FUNDS AVAILABLE FOR DEBT ELIGIBLE PROJECTS (after adjustments)	2,319.149	407.768	407.768	396.133	383.316	369.458	354.706
Less Set Aside: Future Projects	204.185 8.80%	12.046	24.864	29.302	22.434	55.815	59.724
TOTAL FUNDS AVAILABLE FOR PROGRAMMING	2,114.964	395.722	382.904	366.831	360.882	313.643	294.982
MCPS	(784.221)	(142.257)	(150.938)	(124.338)	(146.993)	(113.576)	(106.119)
MONTGOMERY COLLEGE	(158.969)	(37.535)	(35.385)	(34.840)	(10.056)	(13.917)	(25.236)
M-NCPPC PARKS	(67.106)	(9.107)	(11.103)	(13.135)	(11.977)	(10.472)	(11.312)
TRANSPORTATION	(548.231)	(90.820)	(71.836)	(74.582)	(77.018)	(121.164)	(110.811)
MCG - OTHER	(623.439)	(160.622)	(124.645)	(124.865)	(117.155)	(54.648)	(41.504)
Programming Adjustment - Unspent Prior Years*	63.002	44.619	11.003	4.929	2.317	0.134	-
	-						
SUBTOTAL PROGRAMMED EXPENDITURES	(2,114.964)	(395.722)	(382.904)	(366.831)	(360.882)	(313.643)	(294.982)
AVAILABLE OR (GAP)	-	-	-	-	-	-	-
NOTES:							
* See additional information on the GO Bond Programming Adjustment for Unspent Prior Year Detail Chart							
** Adjustments Include:							
Inflation =		2.20%	2.50%	2.90%	3.30%	3.70%	4.10%
Implementation Rate =		86.46%	86.46%	86.46%	86.46%	86.46%	86.46%

MEMORANDUM

April 29, 2014

TO: Craig L. Rice, President, County Council

FROM: Isiah Leggett, County Executive

SUBJECT: Change to Recommended Adjustments to the FY15 Operating and Capital Budgets

I would like to make you aware of some good news conveyed to me by the State that could raise the State's contribution to school construction for FY 15. The Interagency Committee on School Construction (IAC) today recommended providing Montgomery County a total of \$39.95 million in traditional State aid. Including an aging schools contribution of \$603,000 that was approved by the General Assembly, the total is \$40.553 million.

Prior to this announcement, I sent to you my recommended adjustments to the FY 15 Recommended Operating Budget and the FY 15 Recommended Capital Budget and FY15-20 Capital Improvements Program (CIP) that included an estimate for traditional State aid for school construction of \$35.6 million. This was the amount Montgomery County expected to receive.

Last year, Montgomery County received about \$35.7 million in State school construction dollars, so this year's total is nearly \$5 million more. Over the past eight years, the County will have received over \$300 million in State school construction funding – despite the Great Recession and fiscal difficulties – compared with about \$250 million in the eight years before I assumed office.

As you know, the Board of Public Works (BPW) must approve the IAC's recommendation, but we fully expect it will do so. The BPW has already approved 90 percent of the basic program and the Maryland General Assembly has approved the aging schools amount. The BPW will meet next month to approve the final 10 percent.

I recommend adding the additional funding reflected in the IAC's recommendation to the total request in my recommended budget adjustments. This would bring my total recommended funding for Montgomery County Public Schools to a record \$1.533 billion, a 12.3 percent increase (\$167.8 million) from the amount previously approved for FY15 in the FY 13-18 CIP. The IAC's action today is an important step in

securing more school construction aid from the State to build and renovate our schools. This is good news for Montgomery County and the many students that will benefit from these dollars. However, we must continue our efforts to meet the facility needs of all our students. I look forward to working with you to accomplish this task in the coming year.