

ED COMMITTEE #3
April 20, 2016

Worksession

M E M O R A N D U M

April 18, 2016

TO: Education Committee

FROM: *KL* Keith Levchenko, Senior Legislative Analyst
Essie McGuire, Senior Legislative Analyst *EMC*

SUBJECT: **FY17-22 Montgomery County Public Schools (MCPS) Capital Improvements Program (CIP) (continued)**

Update:

- **FY17 State Aid for School Construction**
- **Gaithersburg ES Cluster Solution**
- **Board of Education Letter dated April 4, 2016 to the Council President**
 - **MCPS' "Non-Recommended Reductions"**
 - **Strategies for School Construction Funding**

The intent of this Education Committee meeting is to update the Committee on several MCPS CIP items in advance of the Council's initial CIP reconciliation.

Status of FY17 State Aid for School Construction

The Executive's Recommended Budget assumes a higher level of annual state aid (\$55.5 million) than previously assumed in recent years (typically \$40 million). Part of this increase is expected to come from the "Capital Grant Program for Local School Systems with Significant Enrollment Growth" (or EGRC) fund (established during the 2015 legislative session) which, based on its formula-based allocation of aid, helped bump the total FY16 state aid MCPS received last year from \$39.8 million to \$45.6 million. This year, the Governor was required to provide \$20 million statewide in this fund. However SB 271, which passed the General Assembly this year, would double the EGRC funding to \$40 million per year. Under this higher statewide amount, according to the Fiscal and Policy Note prepared by the Department of Legislative Services, MCPS is estimated by formula to receive \$11.7 million. The Governor has not yet signed or vetoed the bill.

With regard to the regular school construction fund, MCPS has typically received \$30 to \$40 million per year, as shown in the table below. MCPS is typically eligible for far more aid (\$150 million for FY17). However, each year is very competitive, with statewide requests generally totaling two to three times the budgeted funds.

**State Aid for School Construction
FY07-FY17 (in millions)**

Fiscal Year	LEA Requests	Statewide Allocation	MCPS Request	Approved	% of Statewide Allocation
FY07	\$730.4	\$320.5	\$125.2	\$40.1	12.5%
FY08	\$893.8	\$400.0	\$134.0	\$52.3	13.1%
FY09	\$871.4	\$340.0	\$132.8	\$46.3	13.6%
FY10	\$766.0	\$266.7	\$113.9	\$28.4	10.6%
FY11	\$729.1	\$263.7	\$139.1	\$30.2	11.5%
FY12*	\$612.3	\$311.6	\$163.5	\$42.0	13.5%
FY13	\$576.3	\$347.9	\$184.5	\$43.1	12.4%
FY14	\$684.0	\$320.8	\$149.2	\$35.1	10.9%
FY15	\$643.1	\$318.8	\$162.9	\$40.0	12.5%
FY16**	\$569.9	\$318.2	\$148.0	\$39.8	12.5%
FY17***	\$599.1	\$280.0	\$150.0	TBD	TBD

*For FY12, \$47.5 million in alcohol beverage sales and use tax proceeds (HB1213) is included in the statewide allocation totals. MCPS received an additional \$9.0 million from these proceeds.

**FY16 approved total does not include EGRC funding of \$5.8 million received by MCPS.

***For FY17 the total statewide allocation is based on the Governor's preliminary allocation

Based on the Interagency Committee on School Construction's (IAC) latest allocation to date (90 percent of the Governor's \$280 million preliminary allocation), MCPS' total amount currently stands at \$31.4 million. Another \$28 million remains to be allocated statewide, not counting any prior year reverted contingency funds that will be available from FY16 (typically about \$35 to \$40 million each year).

We will not know the final outcome of MCPS' state aid request until the Board of Public Works final action, scheduled for May 11. At that point, approved state aid will need to be incorporated into the Council's final CIP actions.

Based upon where things stand today, OMB and Council Staff support assuming \$40 million for state aid from regular school construction funding for FY17 and subsequent years. The \$40 million plus the \$11.7 million for the EGRC dollars results in a total assumption of \$51.7 million for FY17 and subsequent years.

Update: Gaithersburg ES Cluster Solution

On February 22, the Education Committee discussed the Gaithersburg ES Cluster Solution placeholder project. The Gaithersburg cluster is on the edge of moratorium (118.9%) without the approved placeholder project (a 10 classroom addition).

The Board requested a large increase in this placeholder project (bringing the project up to the equivalent cost of a new elementary school), with planning and design dollars included in FY17 and a scope of work pending the outcome of the Tri-cluster Roundtable Discussion Group, which was looking at elementary school utilization issues options across the Gaithersburg, Magruder, and Wootton clusters.

At the February 22 meeting, Council Staff recommended deferring consideration of this cluster solution project pending Board action expected later this spring.

On April 19, the Board of Education is scheduled to take action to address elementary school capacity issues reviewed by the Tri-cluster Roundtable Discussion Group for the Gaithersburg, Col. Zadok Magruder, and Thomas S. Wootton Clusters. The Interim Superintendent provided his recommendation on March 11. A draft resolution to the Board (see ©18-19) calls for:

“a feasibility study for an addition at Gaithersburg Elementary School be conducted beginning in July 2016 to include an option to construct an addition for a Pre-K–5 school, and an option to construct an addition and create two schools in one adjoining building—Grades Pre-K–2 in one part of the facility, and Grades 3–5 in the other part of the facility—with physical separation where possible.”

Assuming Board action on April 19, Council Staff has asked MCPS to transmit a new project description form with a specific project scope, expenditure schedule, and appropriation request (if needed) to replace the current placeholder project¹ in the CIP. The Council can consider this new project as part of its final action in mid-May.

Discussion of MCPS’ “Non-Recommended Reductions”

On April 4, the Board transmitted a letter (see ©1-10) to Council President Floreen outlining a list of “non-recommended reductions” to bring the FY17-22 MCPS CIP closer in line with the County Executive’s recommended six-year totals. The Education Committee had asked the Board of Education for this information in a March 8 letter (see ©11-12). This detail was needed since the County Executive’s January 15 Recommended CIP did not specify how his MCPS CIP recommendation would be achieved (i.e., which projects would be deferred or removed).

Summary of Non-Recommended Reductions (see ©4-5 in the BOE letter)

- Delay elementary and high school rev/ex projects by one year (beginning with Cold Spring ES and Wootton HS) (see ©16 for the original BOE requested rev/ex schedule with non-recommended reductions noted)
- Remove all expenditures for three requested school capacity projects: East Silver Spring ES Addition, Greencastle ES Addition, and Woodlin ES Addition.
- Delay all other newly requested elementary school capacity projects by two years.
- Delay all middle school capacity projects by one year.
- Remove all expenditures for the requested Artificial Turf Program project
- Lower the increases requested in FY17 and FY18 for the HVAC Replacement, PLAR, and Roof Replacement projects
- Remove \$2.0 million in requested funding in the Building Modifications and Program Improvements project in FY17 earmarked for improvements at Silver Spring International Middle School.

The Board did not revisit any school capacity projects already in the Approved FY15-20 CIP, so those projects would be assumed to remain on their approved schedules (see ©14). However, the approved rev/ex schedule would be deferred one year from the Approved FY15-20 CIP.

¹ A “cluster solution” project is a placeholder project with dollars for classroom space in the outyears of the CIP that provides sufficient capacity to keep a cluster below the 120 percent moratorium threshold. The Council utilizes placeholder projects only in cases where MCPS has the capability to add the required space within the window of the school test period. Placeholder projects are not intended to include appropriations (as the currently requested Gaithersburg ES Cluster Solution placeholder project does).

As shown in the chart below, the non-recommended reductions (if all taken) would result in an MCPS FY17-22 CIP total of \$1.59 million. This amount is still \$46.8 million more than the amended FY15-20 CIP, but \$137.7 million less than the Board’s original request and about \$22.4 million more than the County Executive’s assumption.

**BOE Non-Recommended Reductions
Compared to the Approved, BOE Request, and CE Recommendations**

	Six-Year	FY17	FY18	FY19	FY20	FY21	FY22
FY15-20 Amended	1,543,670	264,930	257,398	260,351	224,712		
FY17-22 Board Request	1,728,202	345,630	330,954	318,523	334,536	244,122	154,437
change from amended	184,532	80,700	73,556	58,172	109,824		
FY17-22 CE Recommended	1,568,032	284,975	278,238	286,838	250,591	243,436	223,954
change from amended	24,362	20,045	20,840	26,487	25,879		
change from Board Request	(160,170)	(60,655)	(52,716)	(31,685)	(83,945)		
FY17-22 Board Non-Recommended Reductions	1,590,456	293,874	284,203	286,573	251,843	245,153	228,810
change from amended	46,786	28,944	26,805	26,222	27,131	245,153	228,810
change from Board Request	(137,746)	(51,756)	(46,751)	(31,950)	(82,693)	1,031	74,373
change from CE	22,424	8,899	5,965	(265)	1,252	1,717	4,856

The Council President is currently developing an initial CIP reconciliation package for consideration by the Council. This initial reconciliation is being done because of the very large fiscal gap (both six-year gap and gaps in particular fiscal years) faced by the Council given all of the agency requests and CIP recommendations to date by Council Committees and the Council itself. However, it is possible that some of the “non-recommended reductions” noted above may not be needed for the initial or final reconciliation. **Therefore, this package of “non-recommended reductions” should not be considered final or inevitable at this point.**

Strategies for School Construction Funding

In its April 4 letter, the Board of Education also offered some suggestions for generating additional revenue for school construction. One is to raise the Recordation Tax School Increment, which is dedicated to MCPS capital projects and Montgomery College information technology capital projects. The rate is currently set at \$2.50/\$1,000 (actually, \$1.25/\$500) of a home sale or refinancing, and it has not been raised since it went into effect 12 years ago. (Like the base Recordation Tax, the first \$50,000 of value is exempt for homebuyers.) Council President Floreen is proposing Expedited Bill 15-16 to increase the School Increment rate to \$4.00/\$1,000 (\$2.00/\$500), which would generate \$125 million more revenue over the next six years. Furthermore, Bill 15-16 would dedicate all future revenue collected from the School Increment to be spent on MCPS capital projects. **This bill is scheduled for a public hearing on May 10, review by the Government Operations and Fiscal Policy (GO) Committee on May 12, and action by the Council on May 17.**

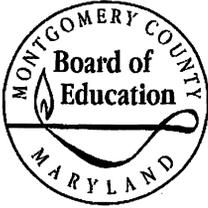
The BOE also recommends raising school impact tax rates, which it notes was set at 90% of the per-student cost of adding capacity when the rates were last revised by the Council in 2007. (The rates are revised automatically every two years by the increase in construction cost inflation; the next inflation adjustment is due on July 1, 2017.) The rates were set at 90% instead of 100% because, at the same time, the Council established the school facility payment—paid by developments where utilization in a cluster is between 105-120% of program capacity—at a rate equal to another 60% of the per-student cost of adding capacity. The Council believed that these two exactions together would generate at least 100% of the per-student cost of adding capacity.

The current school impact tax and school facility payment rates are displayed on ©19-20. Should the Council wish to increase the school impact tax rates, it can do so by resolution after a public hearing. Increasing the school impact tax rates by 11.1%--what the increase would have to be for that tax to cover 100% of the per-student cost of capacity—would generate about \$23 million more over the next six years. Another means of raising school impact tax revenue without raising the rates Countywide would be to enact the provision in Bill 34-15 (sponsored by Councilmembers Elrich and Rice) that would eliminate the exemption for former enterprise zones. Currently there is only one former enterprise zone for which all impact taxes and school facility payments are exempt: the Silver Spring CBD, which has not been designated as an enterprise zone since 2006. The Department of Finance estimates that eliminating this exemption would generate up to \$27 million more in school impact tax revenue (and \$19 million more in transportation impact tax revenue) over the next six years. **Bill 34-15 was introduced on June 30, 2015 and its public hearing was held on July 21, 2015, but to date it has not been scheduled for review by the GO Committee or the Council.**

The school facility payment has generated very little revenue: only \$4.8 million over the past six years, including \$611,000 in the first nine months of FY16. Potential residential developments in clusters where one or more school levels are in the 105-120% utilization range have largely decided either not to proceed or to wait until the Council funds capacity to bring the cluster/level beneath 105% utilization. Unlike for school impact taxes, the school facility payment rates are not automatically updated by inflation. After several years of remaining static, the Council did increase the school facility payment rates last year by resolution. The BOE suggests that school facility payment rates be raised to cover a larger proportion of the per-student cost of adding capacity, to reconsider the timing of the payment, and update the rates annually. **Since the school facility payment is part of the Subdivision Staging Policy (SSP), the best time to re-evaluate it would be this fall as part of the Council's deliberation on the 2016-2020 SSP.**

Attachments

- Letter dated April 4, 2016 from Board of Education President Michael Durso to Council President Nancy Floreen (©1-10)
- Letter dated March 8, 2016 from Education Committee Chair Craig Rice to Board of Education President Michael Durso (©11-12)
- Board of Education Requested FY17-22 CIP Request Summary by Project (©13)
- Board of Education Requested Schedule of Individual School Projects with Non-Recommended Reductions Noted (©14-15)
- FY17-22 Board of Education Requested Rev/Ex Schedule by Project (©13) with Non-Recommended Reductions Noted (©16)
- Interim Superintendent's Recommendation (dated April 19, 2016) Concerning the Tri-cluster Roundtable Discussion Group for the Gaithersburg, Col. Zadok Magruder, and Thomas S. Wootton Clusters (©17-18)
- Current School Impact Tax and School Facility Payment Rates (©19-20)



MONTGOMERY COUNTY BOARD OF EDUCATION

850 Hungerford Drive ♦ Room 123 ♦ Rockville, Maryland 20850

April 4, 2016



The Honorable Nancy Floreen, President
Montgomery County Council
Stella B. Werner Council Office Building
100 Maryland Avenue
Rockville, Maryland 20850

Dear Ms. Floreen:

On February 22, 2016, the Education Committee held a work session to begin review of the *Board of Education's Requested Fiscal Year (FY) 2017 Capital Budget and FY 2017–2022 Capital Improvements Program* (CIP). At that time, Education Committee members asked that the Board of Education submit a list of projects that could be delayed or removed to reflect the CIP recommendation submitted by Montgomery County Executive Isiah Leggett for Montgomery County Public Schools (MCPS). On March 8, 2016, the Board of Education received a letter from Councilmember Craig Rice, chair, Education Committee, officially requesting a priority list to address the potential shortfall of both local and state funding.

CIP Funding History and the County Executive's Recommendation

The recommendation by the county executive totaled \$1.568 billion for the six-year CIP with an FY 2017 expenditure of \$284.9 million. This recommendation is \$160.2 million less than the Board's request and only \$24.4 million more than the adopted FY 2015–2020 Amended CIP.

Since FY 2009, the County Council adopted CIPs for MCPS have been significantly lower than the Board's request. This substantial shortfall in funding has impacted our construction program and has left schools overutilized; therefore, extending the dependency on relocatable classrooms to address our capacity needs. Also, our aging infrastructure has been neglected, often resulting in "band aid" approaches to repairs instead of permanent improvements. During the course of four CIP cycles, the total shortfall of approximately \$667 million from what was requested to what was approved, created a backlog of capacity and infrastructure projects. With each new CIP cycle, construction costs increased, and therefore, the backlog of projects actually cost more now than if constructed when requested by the Board. The following table illustrates where projects were delayed and funding reduced.

Capital Improvements Program Funding—FY 2009—FY 2015

Capital Improvements Program	Board of Education's Request (billions)	County Council Adopted (billions)	Shortfall (millions)	Projects Delayed/Funding Reduced
FY 2009–2014	\$1.497	\$1.288	(\$209.0)	<ul style="list-style-type: none"> • One-year delay—high school revitalization/expansion projects • Two-year delay—Wheaton High School revitalization/expansion project • Two-year delay—elementary school gymnasium projects • Reduced funding for Improved Safe Access to Schools; Planned Life-cycle Asset Replacement (PLAR); Roof Replacement; and Technology Modernization
FY 2011–2016	\$1.494	\$1.386	(\$108.0)	<ul style="list-style-type: none"> • One-year delay—three individual capacity projects • Reduced funding for Building Modifications and Program Improvements; Heating, Ventilation, and Air Conditioning (HVAC) Replacement; Indoor Air Quality; PLAR; and Technology Modernization
FY 2013–2018	\$1.489	\$1.352	(\$136.0)	<ul style="list-style-type: none"> • Two-year delay—Richard Montgomery Elementary School #5 • One-year delay—middle and high school revitalization/expansion projects • Reduced funding for Design and Construction Management; HVAC Replacement; PLAR; and Technology Modernization • Removal of all funding for the Transportation Depot project
FY 2015–2020	\$1.742	\$1.528	(\$214.0)	<ul style="list-style-type: none"> • One-year delay—All individual capacity projects but maintained planning funds • One-year delay—elementary revitalization/expansion projects • One-year delay—secondary revitalization/expansion projects • Reduced funding for Technology Modernization and HVAC Replacement

The Board understands that Montgomery County continues to recover from the fiscal constraints of the past several years; however, the county executive's recommendation will have a severe impact on our construction program that aims to address the overutilization at many of our schools through new schools and additions, as well as address our aging facilities through our revitalization/expansion program and countywide systemic projects.

The county executive's recommendation for the FY 2017–2022 CIP included \$690.2 million in General Obligation (GO) bonds for the six-year period, which is \$85.4 million less than what was included in the adopted CIP. The chart below illustrates the percentage of GO bonds MCPS has received from the county as part of our CIP funding for school construction. For the FY 2017–2022 CIP, the county executive's recommendation for the MCPS share of GO bonds is the lowest percentage in the past eight CIP cycles. This reduction in GO bonds will have a significant impact on our construction program.

MCPS Share of General Obligation Bonds

CIP	Total GO Bonds (billions)	MCPS Share (millions)	Percentage of Total
FY 2009–2014 CIP	\$1.800	\$712.7	39.6%
FY 2009–2014 Amended CIP	\$1.840	\$739.9	40.2%
FY 2011–2016 CIP	\$1.950	\$842.6	43.2%
FY 2011–2016 Amended CIP	\$1.910	\$798.2	41.8%
FY 2013–2018 CIP	\$1.770	\$765.2	43.2%
FY 2013–2018 Amended CIP	\$1.770	\$743.2	42.0%
FY 2015–2020 CIP	\$1.947	\$796.8	40.9%
FY 2015–2020 Amended CIP	\$1.999	\$775.7	38.8%
FY 2017–2022 CIP (County Executive Recommended)	\$2.040	\$690.2	33.8%

Also, the county executive recommended a significant change in the state aid assumption over the six-year period—\$55.5 million per year, an increase of \$15.5 million per year, for a total of \$93 million over the six years. The county executive's budget assumed \$40 million in "traditional" state aid and also assumed an additional \$93 million over the six years based on the *Capital Grant Program for Local School Systems With Significant Enrollment Growth or Relocatable Classrooms* legislation approved by the Maryland General Assembly in April 2015. The current legislation includes \$20 million for counties that meet the eligibility requirements, and of that \$20 million, MCPS received \$5.9 million.

Based on the county executive's recommendation, MCPS would need to receive \$15.5 million from the grant, as well as \$40 million from the statewide allocation to meet the \$55.5 million assumption for state aid in the recommended FY 2017–2022 CIP. Legislation has been introduced in the 2016

Maryland General Assembly to amend the current legislation and increase the total allocation to \$40 million instead of the current \$20 million. Even if this legislation is approved, it is unlikely that Montgomery County would receive \$15.5 million from this state grant.

Non-recommended Reductions

Delays to vital capacity and revitalization/expansion projects will be a great disappointment to our school communities. However, adhering to the Education Committee's request, the following is the list of non-recommended reductions to the *Board of Education's FY 2017 Capital Budget and FY 2017–2022 Capital Improvements Program*.

- Delay the elementary and high school revitalization/expansion projects one year beyond the Board's request, beginning with Cold Spring Elementary School and Thomas S. Wootton High School; however, planning funds will remain on their approved schedules.
- Delay new capacity projects by two years:
 - Clarksburg Cluster Elementary School (New)
 - Montgomery Knolls Elementary School Addition Project
 - Pine Crest Elementary School Addition Project
 - Piney Branch Elementary School Addition Project
 - Walt Whitman High School Addition Project
- Delay the completion dates for the Thomas W. Pyle, Col. E. Brooke Lee, and Takoma Park middle schools addition projects by one year. The Public Schools Facilities Test of the Subdivision Staging Policy places a moratorium on housing subdivision approvals if a cluster is forecasted to exceed 120 percent of program capacity at any school level five years from when the test is complete. Based on the test, the Walt Whitman and Northwood clusters at the middle school level will be just shy of the 120 percent utilization and the Montgomery Blair Cluster, at the middle school level, will be more than the 120 percent utilization if the additions are not completed by August 2021. Therefore, a one-year delay for these addition projects is the prudent recommendation.
- Remove all expenditures for new capacity projects:
 - East Silver Spring Elementary School Addition Project
 - Greencastle Elementary School Addition Project
 - Woodlin Elementary School Addition Project
- Reduce expenditures for some countywide systemic projects:
 - Artificial Turf Program—remove all expenditures from requested CIP
 - Building Modifications and Program Improvements—\$2.0 million reduction in FY 2017 earmarked for improvements at Silver Spring International Middle School
 - HVAC Replacement—\$24.0 million reduction (\$12.0 million in FY 2017 and \$12.0 million in FY 2018)
 - PLAR—\$2.5 million reduction (\$1.25 million in FY 2017 and \$1.25 million in FY 2018)
 - Roof Replacement—\$5.0 million reduction (\$2.5 million in FY 2017 and \$2.5 million in FY 2018)

The non-recommended reductions listed above try to balance the impact to individual capacity projects, revitalization/expansion projects, and countywide systemic projects. The *Board of Education's*

Requested FY 2017 Capital Budget and FY 2017–2022 Capital Improvements Program will be reduced by a total of \$137.7 million—\$34.6 million by deferring or removing expenditures from individual capacity projects; \$58.6 million by delaying elementary and high school revitalization/expansion projects by one year; and \$44.5 million by reducing expenditures for some countywide systemic projects. Enclosed for your consideration is the list of projects, by Councilmanic district, impacted by the non-recommended reductions.

Strategies for School Construction Funding

We understand that funding the CIP continues to be complex with the four main sources of funding—GO bonds, state aid, current revenue, and Recordation and School Impact taxes. Construction costs are on the rise and will continue to increase for the foreseeable future. The amount of Recordation and School Impact taxes collected are governed by the formulas established by the county from the sale and refinancing of existing homes and the construction of new residential development.

Currently, the Recordation Tax is calculated at \$6.90 per thousand selling price up to \$500,000, and, for sales above \$500,000, the rate is calculated at one percent of the amount more than \$500,000. Of the \$6.90 per thousand, \$2.50 per thousand is allocated to MCPS for our school construction program, as well as for our Technology Modernization Project and Montgomery College's Technology Program. With respect to the School Impact Tax, this tax is charged on all new residential development and is calculated by estimating the number of students that will be generated by a new development. The number of students is then multiplied by the per student cost of construction schools at all three levels to arrive at a K–12 construction cost impact—developers are charged at 90 percent of these costs.

Changes to these two formulas could provide additional funding for our school construction program. For example, the Recordation Tax rate charged per thousand selling price as well as the MCPS share of this tax could be increased for school construction projects. Also, if developers were charged at 100 percent of construction costs, instead of only 90 percent, MCPS would receive an additional 10 percent in School Impact Tax revenue. We request that the County Council reevaluate the Recordation and School Impact taxes to adjust the formulas to more accurately reflect the current construction market.

A fifth source, the School Facilities Payment, is collected by the county for clusters that are above 105 percent utilization, with the payment not collected until the occupancy permits are issued; however, the required payment is established at the time of site approval. The rates paid by the developers only are updated on the four-year review cycle for the Subdivision Staging Policy. Currently, the School Facilities Payment is calculated at 60 percent of school construction costs per student generated by the new housing. With continued increases in construction costs, the Board asks that the County Council reconsider evaluating the School Facilities Payment rate on an annual basis, increase the percentage used to calculate the payment, and reconsider when the required payment is established in order to coincide with the current construction market. We also should examine whether these payments are adequate given the school construction needs in Montgomery County.

With respect to the Subdivision Staging Policy, the County Council has established a practice to include a placeholder project for clusters that will be 120 percent overutilized within the six-year planning period in order to avoid a residential moratorium. The placeholder project includes the number of classrooms and associated funding levels that will bring the cluster right below the

120 percent utilization; however, the project does not include the actual number of classrooms and associated funding level required to address the entire capacity deficit. Therefore, the placeholder project does not accurately reflect the amount needed to address the overutilization. When MCPS includes the “real” capital project in the CIP request, based on a completed feasibility study, the project cost is always considerably more than the approved placeholder project. The County Council’s practice of including a placeholder project that does not accurately reflect the cost to address the cluster overutilization diminishes the impact of additional development on the school system, and we may want to consider using actual costs when adding placeholders in the future.

MCPS will continue to do its part to keep our construction costs low and have, through the years, pursued a number of strategies to reduce costs. These include strategies such as:

- implementation of design guidelines for architects and engineers to ensure consistency in deliverables and result in low change order rates;
- consultant negotiation strategies that retain best value at below the industry standard costs;
- life-cycle calculations performed from a holistic building perspective, as well as component levels to ensure best value when considering present and future costs;
- requirement of designers and contractors to utilize technologies, such as Building Information Modeling for quality control purposes;
- implementation of quick pay strategies to minimize cash flow costs and attract best pricing from contractors;
- relationship-building measures with various permitting agencies, utility organizations, and regulatory entities to maintain project schedules;
- creative design and project-delivery strategies to offset or eliminate regulatory costs associated with stormwater management, green building certifications, and prevailing wage requirements;
- implementation of Construction Management-at-Risk Delivery Method with a guaranteed maximum price for our revitalization/expansion projects which produces a more manageable, predictable project, saves time and money, and reduces risk;
- architecture strategies that increase building efficiencies, and therefore reduce the overall square footage requirements;
- use of a building commissioning process that ensures the building energy performance and operations meet or exceed the design intent;
- monitoring of post-construction building operations to ensure all warranty work is governed in compliance with contractual requirements; and
- emphasis on the preventative maintenance procedures to extend life expectancy of building components and systems.

All of these best practices have been refined over the past 30 years and have resulted in 100 percent completion on time and within budget deliveries with an average change order rate of less than 3 percent. In addition, our reroofing program is one of the lowest costs in the state. This is achieved through refining roofing standards and designs and inspections managed by in-house expert staff.

The Board of Education believes it is important to highlight all of these strategies because we know the importance of our fiduciary responsibility with Montgomery County taxpayer dollars and know we

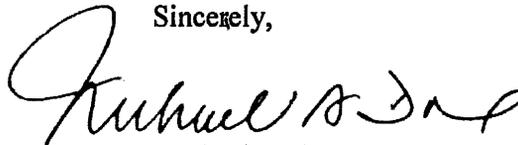
must do everything we can to make the most of limited funding. Therefore, we can assure the citizens of this county that we are utilizing our local funding allocation well.

Conclusion

The non-recommended reductions have been made to align with the county executive's recommendation for the MCPS CIP. We respectfully request that the County Council explore all possible alternatives that would maintain the funding levels included in the Board's CIP submission. The non-recommended reductions noted above are not in priority order since the amount of funding the County Council will make available for school construction is unknown. We are hopeful that the County Council will recognize our needs and increase the county executive's recommended capital funding for school construction projects. At that time, MCPS will work with County Council staff to adjust this non-recommended reduction to accurately reflect the County Council's funding level.

If you have any questions, please contact Dr. Andrew M. Zuckerman, chief operating officer, at 301-279-3627 or Mr. James Song, director, Department of Facilities Management, at 240-314-1064.

Sincerely,



Michael A. Durso
President

MAD:AMZ:alk

Enclosure

Copy to:

Members of the Montgomery County Council
Members of the Board of Education
Mr. Bowers
Dr. Navarro
Dr. Statham
Dr. Zuckerman
Mr. Edwards
Mr. Song
Mr. Ikheloa

Councilmanic Districts
Impact of Non-Recommended Reductions on Capital Projects
FY 2017–2022 Capital Improvements Program

District 1

	School	Project Type	Board of Education's Requested Completion Date	Non-Recommended Reduction Completion Date
1	Winston Churchill High School	PLAR–Running Track Resurface	8/16	8/17
2	Poolesville High School	Revitalization/Expansion	8/23	8/24
3	Thomas W. Pyle Middle School	Addition	8/20	8/21
4	Thomas W. Pyle Middle School	Roof Replacement	8/17	8/18
5	Walt Whitman High School	Addition	8/20	8/22

District 2

	School	Project Type	Board of Education's Requested Completion Date	Non-Recommended Reduction Completion Date
1	John T. Baker Middle School	HVAC Replacement Phase I	8/17	8/18
2	John T. Baker Middle School	HVAC Replacement Phase II	8/18	TBD
3	Clarksburg Cluster Elementary School	New School	8/19	8/21
4	Clearspring Elementary School	PLAR–Gym Floor Replacement	8/16	8/17
5	Clearspring Elementary School	PLAR–Emergency Generator	8/16	8/17
6	Captain James Daly Elementary School	PLAR–Emergency Generator	8/16	8/17
7	Dufief Elementary School	Revitalization/Expansion	8/21	8/22
8	Damascus Elementary School	Revitalization/Expansion	1/23	1/24
9	Damascus High School	HVAC Replacement	8/17	8/18
10	Goshen Elementary School	PLAR–Gym Floor Replacement	8/16	8/17
11	Martin Luther King, Jr. Middle School	PLAR–Paint (interior & exterior)	8/17	8/18
12	Dr. Sally K. Ride Elementary School	Roof Replacement	8/18	TBD
13	Lois P. Rockwell Elementary School	HVAC Replacement	8/18	TBD
14	Strawberry Knoll Elementary School	HVAC Replacement	8/18	TBD
15	Watkins Mill Elementary School	PLAR–Walk-in Refrigerator Replacement	8/17	8/18
16	Watkins Mill High School	PLAR–Green House Improvements	8/17	8/18
17	Watkins Mill High School	PLAR–Bridge Walkway Skylight Replacement	8/17	8/18
18	Whetstone Elementary School	HVAC Replacement	8/17	8/18
19	Woodfield Elementary School	PLAR–Concrete Walkway Replacement	8/17	8/18

*N/A indicates all expenditures removed from the requested CIP and will be reconsidered for funding in a future CIP request.

**TBD indicates countywide systemic projects that are not included in the first two years of the CIP are reevaluated for a completion date in the next CIP.

**Councilmanic Districts
Impact of Non-Recommended Reductions on Capital Projects
FY 2017–2022 Capital Improvements Program**

District 3

	School	Project Type	Board of Education's Requested Completion Date	Non-Recommended Reduction Completion Date
1	Thomas S. Wootton High School	Revitalization/Expansion	8/21	8/22
2	Cold Spring Elementary School	Revitalization/Expansion	8/21	8/22
3	Robert Frost Middle School	PLAR–Asphalt (Basketball)	8/16	8/17
4	Rockville High School	Roof Replacement	8/18	TBD
5	Twinbrook Elementary School	Revitalization/Expansion	1/23	1/24
6	Summit Hall Elementary School	Revitalization/Expansion	1/23	1/24

District 4

	School	Project Type	Board of Education's Requested Completion Date	Non-Recommended Reduction Completion Date
1	Belmont Elementary School	Revitalization/Expansion	8/21	8/22
2	Brooke Grove Elementary School	HVAC Replacement	8/17	8/18
3	Flower Hill Elementary School	HVAC Replacement	8/18	TBD
4	Flower Hill Elementary School	PLAR–Emergency Generator	8/16	8/17
5	Georgian Forest Elementary School	Roof Replacement	8/18	TBD
6	Laytonsville Elementary School	HVAC Replacement	8/17	8/18
7	Laytonsville Elementary School	PLAR–Window Replacement	8/17	8/18
8	Col. E. Brooke Lee Middle School	Addition	8/20	8/21
9	Olney Elementary School	HVAC Replacement	8/17	8/18
10	Sequoyah Elementary School	HVAC Replacement	8/18	TBD
11	Stonegate Elementary School	Revitalization/Expansion	8/21	8/22
12	Springbrook High School	PLAR–Auditorium Seating and Floor Covering	8/17	8/18

*N/A indicates all expenditures removed from the requested CIP and will be reconsidered for funding in a future CIP request.

**TBD indicates countywide systemic projects that are not included in the first two years of the CIP are reevaluated for a completion date in the next CIP.

Councilmanic Districts
Impact of Non-Recommended Reductions on Capital Projects
FY 2017–2022 Capital Improvements Program

District 5

	School	Project Type	Board of Education's Requested Completion Date	Non-Recommended Reduction Completion Date
1	Briggs Chaney Middle School	HVAC Replacement	8/18	TBD
2	Cloverly Elementary School	HVAC Replacement	8/18	TBD
3	East Silver Spring Elementary School	Addition	8/20	N/A
4	Forest Knolls Elementary School	PLAR–Emergency Generator	8/16	8/17
5	Greencastle Elementary School	Addition	8/20	N/A
6	JoAnn Leleck Elementary School at Broad Acres	Roof Replacement	8/17	8/18
7	Montgomery Knolls Elementary School	Addition	8/20	8/22
8	Montgomery Knolls Elementary School	HVAC Replacement	8/18	TBD
9	New Hampshire Estates Elementary School	HVAC Replacement	8/17	8/18
10	Pine Crest Elementary School	Addition	8/20	8/22
11	Piney Branch Elementary School	Addition	8/21	8/23
12	Rosemary Hills Elementary School	Revitalization/Expansion	1/23	1/24
13	Silver Spring International Middle School	Building Modifications and Program Improvements	8/17	N/A
14	Takoma Park Middle School	Addition	8/20	8/21
15	Woodlin Elementary School	PLAR–Floor Covering Replacement	8/17	8/18
16	Woodlin Elementary School	Addition	8/20	N/A

*N/A indicates all expenditures removed from the requested CIP and will be reconsidered for funding in a future CIP request.

**TBD indicates countywide systemic projects that are not included in the first two years of the CIP are reevaluated for a completion date in the next CIP.



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

CRAIG RICE
COUNCILMEMBER
DISTRICT 2

CHAIRMAN
EDUCATION COMMITTEE

Montgomery County Public Schools
President, Michael Durso
Board of Education Office
Carver Education Services Center
850 Hungerford Drive, #123
Rockville, MD 20850

March 8, 2016

Dear Mr. Durso:

At the Council's Education Committee meeting on February 22, the Committee discussed the Board of Education's Proposed FY17-22 Capital Improvements Program (CIP) and in particular the difficult fiscal situation the County finds itself in again this year even as Montgomery County Public Schools faces capital needs related to continued enrollment growth, aging schools, and construction cost increases.

The County Executive's FY17-22 Recommended CIP, which assumes the Council's overall spending affordability guidelines for General Obligation Bonds of \$340 million per year, includes funding for Montgomery County Public Schools (MCPS) slightly above the Amended FY15-20 CIP. This increase is notable given the overall decrease in the Recommended CIP from the Amended CIP (down 3.1 percent). However, the Executive's MCPS CIP recommendation for FY17-22 is still \$160 million below the Board's Proposed CIP. The Council will face a big challenge in balancing CIP funding across all agencies while also seeking to fund the many critical capital needs in the Board's Proposed CIP.

The County also faces uncertainty again this year in terms of school construction funding from the State. The County Executive's Recommended CIP assumes a higher annual level of school construction funding (\$55.5 million) than was received last year (\$45.7 million). However, the statewide allocation for school construction funding is at a similar level to last year.

While the Council reconciles the CIP each year in early May, the Council will need the assistance of MCPS to address such a large potential hole in funding. Therefore, as we have done the past two years, the Education Committee is asking MCPS to develop a priority list of project changes to the Board of Education Request that (if all made) would bring the annual and six-year funding in the MCPS CIP down to the levels assumed in the County Executive's FY17-22 CIP and would address any potential State aid gap (from the County Executive's assumptions) in FY17 and beyond. Hopefully, the Council will not have to take all of the cuts on your priority list, so it would be helpful if your priority list indicates in what order the Board would like to see individual or groups of projects restored to the original Board proposal.

STELLA B. WERNER OFFICE BUILDING • 100 MARYLAND AVENUE, 6TH FLOOR • ROCKVILLE, MARYLAND 20850
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The Education Committee plans to meet in late April or early May after the conclusion of the State Legislative session to discuss the reconciliation of the MCPS CIP. The Committee would appreciate receiving MCPS' expenditure reduction scenarios in time for discussion at that meeting.

The Education Committee looks forward to working with you, and all of the groups supportive of your CIP Proposal, to make a strong push for the funding we need from the State. We also appreciate your continued cooperation in helping the Council make the best decisions it can with regard to the MCPS CIP.

Sincerely,



Craig Rick, Chair
Education Committee
Montgomery County Council

**Board of Education's Requested FY 2017 Capital Budget
and FY 2017-2022 Capital Improvements Program**

(figures in thousands)

Project	FY 2017 Approp.	Total	Thru FY 2015	Remaining FY 2016	Total Six-Years	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Individual School Projects											
Ashburton ES Addition	1,205	13,944			13,944	603	7,003	5,314	1,024		
Lucy V. Barnsley ES Addition	11,495	13,224	462	347	12,415	6,391	5,041	983			
Bethesda-Chevy Chase HS Addition	35,245	39,647	1,123	842	37,682	15,821	18,952	2,909			
Bethesda-Chevy Chase MS #2	1,700	52,314	1,079	13181	38,054	32,674	5,380				
Brookhaven ES Addition (DCC Solution)	-481	192		192	0						
Burtonsville ES Addition	1,172	12,818			12,818	469	352	3,574	5,371	3,052	
Clarksburg Cluster ES (New) (Clarks. Village Site #2)	2,476	36,008			36,008	1,238	18,058	13,877	2,835		
Clarksburg/Damascus MS (New)		52,764	13940	30,246	8,578	8,578					
Diamond ES Addition	7,807	9,147	322	241	8,584	4,329	3,578	677			
East Silver Spring ES Addition (for Rolling Terrace)	320	3,514			3,514	160	96	1,448	1,578	232	
Albert Einstein Cluster HS Solution		2,334			2,334		89	556	994	695	
Blair Ewing Center Improvements		16,579	605	454	15,520		3,375	6,274	5,871		
Gaithersburg ES Cluster Solution	3,872	26,000			26,000	2,000	1,872	6,954	12,254	2,920	
Glen Haven ES Addition (DCC Solution)	-367	147		147	0						
Greencastle ES Addition	995	11,218			11,218	498	398	5,239	4,303	780	
Highland ES Addition (DCC Solution)	-713	285		285	0						
Walter Johnson Cluster HS Solution		3,111			3,111		118	741	1,325	927	
Kemp Mill ES Addition (DCC Solution)	-774	310		310	0						
Kensington-Parkwood ES Addition	11,205	12,679	399	299	11,981	6,293	4,756	932			
Col. E. Brooke Lee ES Addition	1,536	20,045			20,045	769	481	7,664	9,615	1,536	
S. Christa McAuliffe ES Addition	1,024	11,386			11,386	512	5,848	4,235	791		
Montgomery Knolls ES Addition (for Forest Knolls ES)	546	6,605			6,605	273	218	3,227	2,443	444	
North Bethesda MS Addition	18,931	21,593	676	507	20,410	10,702	8,168	1,540			
Northwest ES #8		19,450	1,192	894	17,364			4,660	7,532	5,172	
Northwood Cluster HS Solution		3,888			3,888		147	927	1,656	1,158	
Pine Crest ES Addition (for Forest Knolls ES)	703	8,623			8,623	362	211	3,492	3,942	626	
Piney Branch ES Addition		4,211			4,211		274	219	1,727	1,544	447
Thomas W. Pyle MS Addition	1,426	18,899			18,899	713	570	8,968	7,323	1,325	
Judith Resnik ES Addition	871	10,989			10,989	436	348	5,292	4,120	793	
Sargent Shriver ES Addition (DCC Solution)	-341	136		136	0						
Takoma Park MS Addition	1,954	25,186			25,186	977	782	12,220	9,403	1,804	
Julius West MS Addition		15,303	5,073	8,554	1,676	1,676					
Walt Whitman HS Addition	1,660	22,073			22,073	830	664	10,567	8,480	1,532	
Wood Acres ES Addition		8,606	2,869	4,822	915	915					
Woodlin ES Addition	1,166	15,297			15,297	583	350	5,728	7,437	1,199	
Countywide Projects											
ADA Compliance: MCPS	2,100	28,593	16,593	3,000	9,000	2,100	2,100	1,200	1,200	1,200	1,200
Artificial Turf Program	2,500				11,000	2,500	2,500	1,500	1,500	1,500	1,500
Asbestos Abatement	1,145	17,810	9,795	1,145	6,870	1,145	1,145	1,145	1,145	1,145	1,145
Building Modifications and Program Improvements	5,200	37,132	25,232	3,500	8,400	5,200	3,200				
Current Revitalizations/Expansions	17,842	1,576,859	729,661	120,654	726,544	121,794	110,970	123,905	161,691	139,022	69,162
Design and Construction Management	4,900	75,575	41,275	4,900	29,400	4,900	4,900	4,900	4,900	4,900	4,900
Energy Conservation: MCPS	2,057	33,864	19,465	2,057	12,342	2,057	2,057	2,057	2,057	2,057	2,057
Facility Planning: MCPS	635	11,767	8,307	550	2,910	635	535	360	460	460	460
Fire Safety Upgrades	5,000	25,483	10,215	2,000	13,268	5,000	5,000	817	817	817	817
Future Revitalizations/Expansions		32,330			32,330	0	0	1,612	4,022	10,444	16,252
HVAC (Mechanical Systems) Replacement	30,000	249,775	101,775	16,000	132,000	30,000	30,000	18,000	18,000	18,000	18,000
Improved (Safe) Access to Schools	2,000	14,828	9,628	1,200	4,000	2,000	2,000				
Indoor Air Quality Improvements	1,497	31,055	19,926	2,147	8,982	1,497	1,497	1,497	1,497	1,497	1,497
Planned Life-Cycle Asset Replacement (PLAR)	11,000	116,516	65,802	9,750	40,964	11,000	11,000	4,741	4,741	4,741	4,741
Rehabilitation/Renovation of Closed Schools (RROCS)	36,023	115,820	76,742	977	38,101	13,455	21,065	3,581			
Relocatable Classrooms	2,250	53,061	35,811	5,000	12,250	2,250	5,000	5,000			
Restroom Renovations	2,290	16,275	10,735	1,000	4,540	2,290	2,250				
Roof Replacement: MCPS	12,000	103,057	45,057	8,000	50,000	12,000	12,000	6,500	6,500	6,500	6,500
Stormwater Discharge and Water Quality Management	616	10,599	6,287	616	3,696	616	616	616	616	616	616
Technology Modernization	27,399	363,610	185,795	25,538	152,277	27,399	26,010	22,875	25,366	25,484	25,143
Total Requested CIP	271,087	3,432,534	1,445,841	269,491	1,728,202	345,630	330,954	318,523	334,536	244,122	154,437

*Bold indicates a new project.

Original BOE Request - Projects Already in the CIP

Project Name	6 Year	FY17	FY18	FY19	FY20	FY21	FY22	Comment
Ashburton ES Addition	13,944	603	7,003	5,314	1,024			14 classroom addition (229 seats) to open in August 2019. Design appropriation requested for FY17
Barnsley ES Addition	12,415	6,391	5,041	983				11 classroom addition (274 seats) to open in August 2018. Construction appropriation requested for FY17
Bethesda-Chevy Chase HS Addition	37,682	15,821	18,952	2,909				33 classroom addition (724 seats) to open in August 2018. Construction appropriation requested for FY17
Brookhaven ES Addition	-							Project Removed from the CIP
Burtonsville ES Addition	12,818	469	352	3,574	5,371	3,052		9 classroom addition (251 seats) to open in August 2020. Design appropriation requested for FY17
Diamond ES Addition	8,584	4,329	3,578	677				7 classroom addition (207 seats) to open in August 2018. Construction appropriation requested for FY17
Albert Einstein Cluster HS Solution	2,334		89	556	994	695		6 classroom addition placeholder (135 seats) assumed by August 2020.
Blair Ewing Center Improvements	15,520		3,375	6,274	5,871			
Gaithersburg Cluster ES Solution	26,000	2,000	1,872	6,954	12,254	2,920		CHANGE IN SCOPE: New ES placeholder (745 seats) assumed to open by August 2020.
Glen Haven ES Addition	-							Project Removed from the CIP
Highland ES Addition	-							Project Removed from the CIP
Walter Johnson Cluster HS Solution	3,111		118	741	1,325	927		8 classroom addition placeholder (180 seats) assumed by August 2020.
Kemp Mill ES Addition	-							Project Removed from the CIP
Kensington-Parkwood ES Addition	11,981	6,293	4,756	932				14 classroom addition (274 seats) to open in August 2018. Construction appropriation requested for FY17
S. Christa McAuliffe ES Addition	11,386	512	5,848	4,235	791			12 classroom addition (231 seats) to open in August 2019. Construction appropriation requested for FY17
North Bethesda MS Addition	20,410	10,702	8,168	1,540				17 classroom addition (365 seats) to open in August 2018. Construction appropriation requested for FY17
Northwest ES #8 (NW)	17,364			4,660	7,532	5,172		CHANGE IN COST/TIMING: New school (740 seats) opening pushed back to August 2020. Other solutions being reviewed
Northwood Cluster HS Solution	3,888		147	927	1,656	1,158		10 classroom addition placeholder (225 seats) assumed by August 2020.
Judith Resnik ES Addition	10,989	436	348	5,292	4,120	793		9 classroom addition (224 seats) to open in August 2020. Design appropriation requested for FY17
Sergeant Shriver ES Addition	-							Project Removed from the CIP
RM ES #5 (Hungerford Park) - RROCs	33,101	8,455	21,065	3,581				Reopened school to open in August 2018 with a capacity of 602 seats.
Subtotal	241,527	56,011	80,712	49,149	40,938	14,717	-	

No non-recommended reductions transmitted

Project Name	Original BOE Request - New Projects							Comment	Non-Recommended Reductions
	6 Year	FY17	FY18	FY19	FY20	FY21	FY22		
Clarksburg Cluster ES (new) (Clarksburg Village Site #2)	36,008	1,238	18,058	13,877	2,835			New elementary school (740 seats) to open in August 2019. Design appropriation requested for FY17	Delay 2 Years
East Silver Spring ES Addition (for Rolling Terrace)	3,514	160	96	1,448	1,578	232		4 classroom addition (97 seats) to open in August 2020. Design appropriation requested for FY17	Removed
Greencastle ES Addition	11,218	498	398	5,239	4,303	780		8 classroom addition (143 seats) to open in August 2020. Design appropriation requested for FY17	Removed
Col E. Brooke Lee MS Addition	20,045	769	461	7,664	9,615	1,536		21 classroom addition (477 seats) to open in August 2020. Design appropriation requested for FY17	Delay 1 Year
Montgomery Knolls ES Addition (for Forest Knolls ES)	6,605	273	218	3,227	2,443	444		4 classroom addition (108 seats) to open in August 2020. Design appropriation requested for FY17	Delay 2 Years
Pine Crest ES Addition (for Forest Knolls ES)	8,623	352	211	3,492	3,942	626		9 classroom addition (207 seats) to open in August 2020. Design appropriation requested for FY17	Delay 2 Years
Piney Branch ES Addition	4,211		274	219	1,727	1,544	447	5 classroom addition (138 seats) to open in August 2021. Design appropriation requested for FY17	Delay 2 Years
Thomas W. Pyle MS Addition	18,899	713	570	8,968	7,323	1,325		14 classroom addition (213 seats) to open in August 2020. Design appropriation requested for FY17	Delay 1 Year
Takoma Park MS Addition	25,186	977	782	12,220	9,403	1,804		25 classroom addition (559 seats) to open in August 2020. Design appropriation requested for FY17	Delay 1 Year
Walt Whitman HS Addition	22,073	830	664	10,567	8,480	1,532		27 classroom addition (507 seats) to open in August 2020. Design appropriation requested for FY17	Delay 2 Years
Woodlin ES Addition	15,297	583	350	5,728	7,437	1,199		8 classroom addition (172 seats) to open in August 2020. Design appropriation requested for FY17	Removed
Subtotal	171,679	6,393	22,082	72,649	59,086	11,022	447		

Board Proposed FY17-22 Rev/Ex Expenditure Schedule

Completion Date	School	Total	Through FY16*	Total 6 Years	FY17	FY18	FY19	FY20	FY21	FY22	Beyond 6 Years	Non-Recommended Reductions
8/16	William Farquhar MS	50,892	43,863	7,029	7,029							
8/18	Wheaton HS/Edison Tech	185,095	95,606	89,489	61,910	16,941	10,638					exp. schedule change
8/17	Wayside ES	24,074	4,990	19,084	12,339	6,745						
8/17	Brown Station ES	34,446	5,388	29,058	16,405	12,653						
8/17	Wheaton Woods ES	33,406	5,940	27,466	15,930	11,536						
8/19	Seneca Valley HS	152,121	6,122	145,999	875	28,348	25,925	53,901	36,950			exp. schedule change
1/20	Potomac ES	30,391	457	29,934	631	8,390	11,558	9,355				
1/20	Maryvale ES/Sandburg Learning Ctr.	58,997	894	58,103	2,170	12,256	17,736	25,941				exp. schedule change
1/20	Luxmanor ES	29,190	257	28,933	1,416	7,575	13,700	6,242				
8/20	Tilden MS @ Tilden Center*	54,985	1,107	53,878	1,476	738	16,602	18,670	16,392			
8/21	Wootton HS	101,767	807	100,960	1,613	2,420	23,014	36,154	25,317	12,442		1 year delay
8/21	Cold Spring ES**	10,273	-	10,273	-	403	805	2,357	3,708	3,000		1 year delay
8/21	Dufief ES**	10,273	-	10,273	-	403	805	2,357	3,708	3,000		1 year delay
8/21	Belmont ES**	10,273	-	10,273	-	403	805	2,357	3,708	3,000		1 year delay
8/21	Stonegate ES**	10,273	-	10,273	-	403	805	2,357	3,708	3,000		1 year delay
8/22	Eastern MS	50,786	-	42,450	-	802	604	1,000	22,474	17,570	8,336	exp. schedule change
8/23	Poolesville HS	83,889	-	53,069	-	954	908	1,000	23,057	27,150	30,820	1 year delay
Subtotal - Current Rev/Ex		931,131	165,431	726,544	121,794	110,970	123,905	161,691	139,022	69,162	39,156	
1/23	Damascus ES**	10,273	-	6,273	-	-	403	805	2,057	3,008	4,000	1 year delay
1/23	Twinbrook ES**	10,273	-	6,273	-	-	403	805	2,057	3,008	4,000	1 year delay
1/23	Summit Hall ES**	10,273	-	6,273	-	-	403	805	2,057	3,008	4,000	1 year delay
1/23	Rosemary Hills ES**	10,273	-	6,273	-	-	403	805	2,057	3,008	4,000	1 year delay
8/24	E. Brooke Lee MS	54,860	-	7,238	-	-	-	802	2,216	4,220	47,622	
TBD	Poolesville ES**	-	-	-	-	-	-	-	-	-	-	
TBD	Burnt Mills ES**	-	-	-	-	-	-	-	-	-	-	
TBD	South Lake ES**	-	-	-	-	-	-	-	-	-	-	
TBD	Woodfield ES**	-	-	-	-	-	-	-	-	-	-	
Subtotal - Future Rev/Ex		95,952	-	32,330	-	-	1,612	4,022	10,444	16,252	63,622	
Total Rev/Ex		1,027,083	165,431	758,874	121,794	110,970	125,517	165,713	149,466	85,414	102,778	

*Through FY16 costs shown here only includes costs for projects with spending in FY17 and beyond. Costs for projects completed before FY17 are not shown.

**Part of the 2011 FACT Assessment

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

April 19, 2016

MEMORANDUM

To: Members of the Board of Education

From: Larry A. Bowers, Interim Superintendent of Schools

Subject: Interim Superintendent's Recommendation Concerning the Tri-cluster Roundtable Discussion Group for the Gaithersburg, Col. Zadok Magruder, and Thomas S. Wootton Clusters

On November 16, 2015, the Board of Education authorized a Tri-cluster Roundtable Discussion Group (Roundtable) process to include representatives of the Gaithersburg, Col. Zadok Magruder, and Thomas S. Wootton clusters. The purpose of the Roundtable was to explore approaches to address overutilization at Gaithersburg Cluster elementary schools through an evaluation of all three clusters.

WHEREAS, In January 2016, the interim superintendent of schools convened a Tri-cluster Roundtable Discussion Group, including representatives of the Gaithersburg, Col. Zadok Magruder, and Thomas S. Wootton clusters, to explore approaches to address overutilization in Gaithersburg Cluster elementary schools; and

WHEREAS, The Tri-cluster Roundtable Discussion Group met from January through February 2016 and submitted a report to the interim superintendent of schools on March 4, 2016, with member evaluations of the seven approaches that had been identified; and

WHEREAS, The interim superintendent of schools reviewed and carefully considered the report of the Tri-cluster Roundtable Discussion Group and feedback from the community at-large and on March 11, 2016, submitted a recommendation to the Board of Education to address overutilization of Gaithersburg Cluster elementary schools; and

WHEREAS; On March 21, 2016, the Board of Education conducted a work session to consider the interim superintendent of school's recommendation for the Tri-cluster Roundtable Discussion Group and adopted an alternative for consideration that would build an addition at Gaithersburg Elementary School and maintain a Pre-K-5 school; and

WHEREAS, The Board of Education conducted a public hearing on April 12, 2016, in accordance with Board of Education Policy FAA, *Long-range Educational Facilities Planning*, and Montgomery County Public Schools Regulation FAA-RA, *Long-range Educational Facilities Planning*, on the interim superintendent of school's recommendation; now therefore be it

Resolved, That a feasibility study for an addition at Gaithersburg Elementary School be conducted beginning in July 2016 to include an option to construct an addition for a Pre-K–5 school, and an option to construct an addition and create two schools in one adjoining building—Grades Pre-K–2 in one part of the facility, and Grades 3–5 in the other part of the facility—with physical separation where possible; and be it further

Resolved, That the Gaithersburg Elementary School addition be completed in August 2020; and be it further

Resolved, The six older relocatable classrooms at Summit Hall Elementary School be evaluated for replacement with newer relocatable classrooms, or modular classrooms, by fall 2017; and be it further

Resolved, That the portion of the Shady Grove Sector Plan that is located east of Interstate 370 and in the Washington Grove Elementary School, Forest Oak Middle School, and Gaithersburg High School service areas be reassigned to Col. Zadok Magruder Cluster schools with a boundary study to be conducted in spring 2017, Board of Education action in fall 2017, and reassignments beginning fall 2018.

LAB:AMZ:JS:bmr



**DPS | Montgomery County
Department of Permitting Services**

255 Rockville Pike, 2nd Floor
Rockville, MD 20850-4166
Phone: 311 in Montgomery County or (240)777-0311
Fax: (240)777-6262
<http://www.montgomerycountymd.gov/permittingservices>



NEW AND REVISED IMPACT TAXES AND SCHOOL FACILITIES PAYMENT FEES
EFFECTIVE JULY 1, 2015

Additional information on the Impact Tax laws can be found at the following web site:
<http://www.montgomerycountymd.gov/csltempl.asp?url=/content/council/packet/index.asp>
Questions concerning impact-tax collections may be directed to MC311 at 240-777-0311.

Applicants for building permits for residential development fees paid on and after July 1, 2015, will be assessed the tax rates below:

Dwelling Type	School Impact Tax Per Dwelling Unit
Single-family detached	\$26,827
Single-family attached	\$20,198
Single Family house surcharge	\$2 per square foot of gross floor area that exceeds 3,500 square feet, to a maximum of 8,500 square feet)
Multifamily (except high-rise)	\$12,765
High-rise	\$5,412
Multifamily senior	\$0

In the event the school cluster has exceeded the 105% school program capacity, applicants will be required to pay a per unit School Facilities payment.

School Type	Cost per student	student generation rate/school level /unit type			
		Single Family Detached [SFD]	Single Family Attached [SFA]	Multi-Family 4 or fewer floors	Multi-Family 5 or more floors
Elementary School Student Generation Rate x Cost of Seat	\$19,439	0.357	0.214	0.146	0.060
Middle School Student Generation Rate x Cost of Seat	\$21,250	0.153	0.082	0.055	0.025
High School Student Generation Rate x Cost of Seat	\$24,375	0.190	0.113	0.077	0.033
ES facilities payment		\$6,940	\$4,160	\$2,838	\$1,166
MS facilities payment		\$3,251	\$1,743	\$1,169	\$531
HS facilities payment		\$4,631	\$2,754	\$1,877	\$804
facilities payment if 3 school levels are over 105% capacity		\$14,822	\$8,657	\$5,884	\$2,501

In addition to the School Impact Tax, applicants for building permits in a residential development must also pay the applicable Transportation Impact Tax.

Building Type	Metro Station	Clarksburg	General
Single-Family detached residential (per dwelling unit)	\$6,984	\$20,948	\$13,966
Single-Family attached residential (per dwelling unit)	\$5,714	\$17,141	\$11,427
Multifamily residential (Garden apartments) (per dwelling unit)	\$4,443	\$13,330	\$8,886
High-rise residential (per dwelling unit)	\$3,174	\$9,522	\$6,347
Multifamily-senior residential (per dwelling unit)	\$1,269	\$3,808	\$2,539

Office (per sq. ft. GFA)	\$6.35	\$15.30	\$12.75
Industrial (per sq. ft. GFA)	\$3.20	\$7.60	\$6.35
Bioscience facility (per sq. ft. GFA)	\$0	\$0	\$0
Retail (per sq. ft. GFA)	\$5.70	\$13.70	\$11.40
Place of worship (per sq. ft. GFA)	\$0.35	\$0.90	\$0.65
Private elementary and secondary school (per sq. ft. GFA)	\$0.50	\$1.35	\$1.05
Hospital (per sq. ft. GFA)	\$0	\$0	\$0
Charitable, Philanthropic Institution (per sq. ft. GFA)	\$0	\$0	\$0
Other nonresidential (per sq. ft. GFA)	\$3.20	\$7.60	\$6.35