

HHS/ED COMMITTEE #2
April 29, 2016
Worksession

MEMORANDUM

April 28, 2016

TO: Health and Human Services Committee
Education Committee

FROM: Vivian Yao, Legislative Analyst 

SUBJECT: **Worksession – Recommended FY17-22 Capital Improvements Program (CIP) Adjustment: Child Care in Schools**

The Health and Human Services (HHS) and Education Committees will meet jointly to review a CIP adjustment for the Child Care in Schools project recommended by the County Executive on April 21. Representatives from the Department of Health and Human Services (DHHS), Montgomery County Public Schools (MCPS), and the Office of Management and Budget (OMB) are expected to participate in the worksession.

On March 8, the Council reviewed and approved in a straw vote a project description form (PDF) for the Child Care in Schools project (©1), which incorporated the following changes:

- Added a child care center at Burtonsville Elementary School at a total cost of \$505,000.
- Reflected updated costs and expenditure schedules for the Wheaton Woods and Brown Station centers, including \$422,000 for the Wheaton Woods project and \$391,000 for Brown Station project.

The April 21 CIP adjustment (©2) programs a higher cost for the Burtonsville project of \$860,000, which was originally recommended by the County Executive in his January 15 CIP submission and subsequently lowered by the Council. The portion of the February 29 Joint Committee packet which analyzes the historical cost trend data for centers constructed as a part of this CIP project and recommends the lower \$505,000 for the Burtonsville project is attached at ©4-6.

Council staff does not recommend approval of the April 21 CIP adjustment.

Council approved 3/8/16
Child Care in Schools (P649187)

| | | | |
|----------------------|---------------------------|-----------------------------------|----------|
| Category | Health and Human Services | Date Last Modified | 11/17/14 |
| Sub Category | Health and Human Services | Required Adequate Public Facility | No |
| Administering Agency | General Services (AAGE29) | Relocation Impact | None |
| Planning Area | Countywide | Status | Ongoing |

| | Total | Thru FY15 | Est FY16 | Total 6 Years | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | FY 22 | Beyond 6 Yrs | | | |
|--------------------------------------|--------------|--------------|--------------|----------------|------------------|----------------|-----------|----------------|-----------|------------|--------------|----------|----------|----------|
| EXPENDITURE SCHEDULE (\$000s) | | | | | | | | | | | | | | |
| Planning, Design and Supervision | 1,268 | 1,528 | 1,143 | 0 | 75,125 | 112 | 90 | 42 | 87 | 10 | 3 | 0 | 0 | 0 |
| Land | 0 | 0 | 0 | 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 | 0 | 0 | 0 |
| Construction | 2,936 | 3,417 | 978 | 766,566 | 1,193,948 | 243,186 | 0 | 363,583 | 87,187 | 0 | 0 | 0 | 0 | 0 |
| Other | 4,226 | 22 | 22 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 4,226 | 4,767 | 2,141 | 766,566 | 1,318,000 | 813,200 | 42 | 373,573 | 90 | 100 | 0 | 0 | 0 | 0 |

| | Total | Thru FY15 | Est FY16 | Total 6 Years | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | FY 22 | Beyond 6 Yrs |
|----------------------------------|--------------|-----------|-----------|---------------|----------|----------|----------|----------|----------|----------|--------------|
| FUNDING SCHEDULE (\$000s) | | | | | | | | | | | |
| G.O. Bonds | 4,226 | 18 | 18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PAYGO | 4,226 | 18 | 18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 4,226 | 18 | 18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

APPROPRIATION AND EXPENDITURE DATA (000s)

| | | |
|------------------------------------|-------|---------|
| Appropriation Request | FY 17 | 0 |
| Appropriation Request Est. | FY 18 | 585,880 |
| Supplemental Appropriation Request | | 0 |
| Transfer | | 0 |
| Cumulative Appropriation | | 3,907 |
| Expenditure / Encumbrances | | 2,141 |
| Unencumbered Balance | | 1,766 |

| | |
|--------------------------|-------|
| Date First Appropriation | FY 91 |
| First Cost Estimate | |
| Current Scope | FY 17 |
| Last FY's Cost Estimate | 3,907 |

4,226

Description

This project provides for the placement of a large designated child care classroom at public schools where Montgomery County Public Schools (MCPS) is undertaking major construction or renovation. MCPS will oversee the construction or renovation of the school, and the County will arrange to lease the child care portion of the building to a private child-care provider. Cost estimates are based on per square foot costs for elementary school construction, and adjusted by the additional State licensing requirements for child care, related to restroom and food preparation facilities. Site specific factors are not included.

Estimated Schedule

Planning and design for Wheaton Woods and Brown Station Child Care Centers is scheduled for FY16. Construction for both projects is expected to begin in FY16 and to be completed in FY17. Design of Burtonsville Child Care Center is scheduled to begin in FY18.

Cost Change

net effect of the

Cost increase due to the addition of Burtonsville Child Care Center, and reduction of estimated cost for the Wheaton Woods & Brown Station Child Care Centers.

Justification

Findings from the Child Care Modular Study (1989) support this project. The Report of the Interagency Committee on Child Care Facilities at Public School Sites (1989) established the policy of locating child day care facilities at school sites, with priority given to programs that met school selection criteria, facility size, capital budgeting and fiscal procedures.

Disclosures

A pedestrian impact analysis will be performed during design or is in progress.

Coordination

Department of Health and Human Services, Department of General Services, Montgomery County Public Schools

CE Recommended Adjustment 4/21/16

Child Care in Schools (P649187)

| | | | |
|----------------------|---------------------------|-----------------------------------|----------|
| Category | Health and Human Services | Date Last Modified | 11/17/14 |
| Sub Category | Health and Human Services | Required Adequate Public Facility | No |
| Administering Agency | General Services (AAGE29) | Relocation Impact | None |
| Planning Area | Countywide | Status | Ongoing |

| | Total | Thru FY15 | Est FY16 | Total 6 Years | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 | FY 22 | Beyond 6 Yrs |
|--------------------------------------|--------------|--------------|------------|---------------|------------|-----------|------------|------------|----------|----------|--------------|
| EXPENDITURE SCHEDULE (\$000s) | | | | | | | | | | | |
| Planning, Design and Supervision | 1,323 | 1,143 | 0 | 180 | 70 | 97 | 10 | 3 | 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 | 3,235 | 976 | 766 | 1,493 | 743 | 0 | 563 | 187 | 0 | 0 | 0 |
| Other | 22 | 22 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 4,580 | 2,141 | 766 | 1,673 | 813 | 97 | 573 | 190 | 0 | 0 | 0 |
| FUNDING SCHEDULE (\$000s) | | | | | | | | | | | |
| G.O. Bonds | 4,562 | 2,123 | 766 | 1,673 | 813 | 97 | 573 | 190 | 0 | 0 | 0 |
| PAYGO | 18 | 18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 4,580 | 2,141 | 766 | 1,673 | 813 | 97 | 573 | 190 | 0 | 0 | 0 |

APPROPRIATION AND EXPENDITURE DATA (000s)

| | | | | | |
|------------------------------------|-------|-------|--------------------------|-------|-------|
| Appropriation Request | FY 17 | 0 | Date First Appropriation | FY 91 | |
| Appropriation Request Est. | FY 18 | 673 | First Cost Estimate | | |
| Supplemental Appropriation Request | | 0 | Current Scope | FY 17 | 4,767 |
| Transfer | | 0 | Last FY's Cost Estimate | | 3,907 |
| Cumulative Appropriation | | 3,907 | | | |
| Expenditure / Encumbrances | | 2,141 | | | |
| Unencumbered Balance | | 1,766 | | | |

Description

This project provides for the placement of a large designated child care classroom at public schools where Montgomery County Public Schools (MCPS) is undertaking major construction or renovation. MCPS will oversee the construction or renovation of the school, and the County will arrange to lease the child care portion of the building to a private child-care provider. Cost estimates are based on per square foot costs for elementary school construction, and adjusted by the additional State licensing requirements for child care, related to restroom and food preparation facilities. Site specific factors are not included.

Estimated Schedule

Planning and design for Wheaton Woods and Brown Station Child Care Centers is scheduled for FY16. Construction for both projects is expected to begin in FY16 and to be completed in FY17. Design of Burtonsville Child Care Center is scheduled to begin in FY18.

Cost Change

Cost increase due to the net effect of the addition of Burtonsville Child Care Center and reduction of estimated cost for the Wheaton Woods and Brown Station Child Care Centers.

Justification

Findings from the Child Care Modular Study (1989) support this project. The Report of the Interagency Committee on Child Care Facilities at Public School Sites (1989) established the policy of locating child day care facilities at school sites, with priority given to programs that met school selection criteria, facility size, capital budgeting and fiscal procedures.

Disclosures

A pedestrian impact analysis will be performed during design or is in progress.

Coordination

Department of Health and Human Services, Department of General Services, Montgomery County Public Schools

CE Recommended

Cost Breakout by School for FY17-22 Child Care in Schools CIP

| | | TOTAL | Thru FY15 | Estimate FY16 | Total 6 Years | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | Beyond 6 Y | COMMENTS |
|-----------------|----------|-----------|--------------|------------------|------------------|---------|------|------|------|------|------|------------|--|
| Total for PDF | PDS | 1,329,228 | 1,143 | 0 | 180,100 | 70 | 97 | 10 | 3 | 0 | 0 | 0 | |
| | Site Imp | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Constr | 2,226,446 | 977 | 766,149 | 1,493,298 | 745,108 | 0 | 563 | 187 | 0 | 0 | 0 | |
| | Other | 22 | 22 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | 4,581,208 | 2,142 | 766,149 | 1,673,400 | 815,208 | 97 | 573 | 190 | 0 | 0 | 0 | |
| Prior Years | PDS | | 1,143 | | | | | | | | | | |
| | Site Imp | | | | | | | | | | | | |
| | Constr | | | 977 | | | | | | | | | |
| | Other | | | 22 | | | | | | | | | |
| TOTAL | | | 2,142 | | | | | | | | | | |
| Wheaton Woods | PDS | | | 0 | 35 | 35 | | | | | | | |
| | Site Imp | | | 0 | 0 | 0 | | | | | | | |
| | Constr | | | 0 | 387 | 387 | | | | | | | |
| | Other | | | 0 | 0 | 0 | | | | | | | |
| TOTAL | | | 0 | 387 | 387 | | | | | | | | |
| Brown Station | PDS | | | 0 | 35 | 35 | | | | | | | |
| | Site Imp | | | 0 | 0 | 0 | | | | | | | |
| | Constr | | | 0 | 356 | 356 | | | | | | | |
| | Other | | | 0 | 0 | 0 | | | | | | | |
| TOTAL | | | 0 | 387 | 387 | | | | | | | | |
| Burtonsville ES | PDS | | | | 110 | 0 | 97 | 10 | 3 | | | | MCPS has this school is in design (FY18) |
| | Site Imp | | | | 0 | 0 | | | | | | | |
| | Constr | | | | 750 | 0 | 563 | 187 | | | | | |
| | Other | | | | 0 | 0 | | | | | | | |
| TOTAL | | | | 860 | 0 | 97 | 573 | 190 | 0 | 0 | 0 | | |

FY18 Appropriation Need is

FY19 Appropriation Need is

-FY17 Appropriation Needs

Adjustment
for Prior
Projects 766

FY16 shippage = 798

Reduce total PDF by 7187k

Not Assume 10% contingency for Wheaton Woods;
Brown Station for potential change orders.

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HHS/ED COMMITTEE #1&2
February 29, 2016
Worksession

MEMORANDUM

February 26, 2016

TO: Health and Human Services Committee
Education Committee

FROM: Vivian Yao, Legislative Analyst *VY*

SUBJECT: **Worksession – Recommended FY17-22 Capital Improvements Program (CIP) and FY17 Capital Budget, Department of Health and Human Services, Child Care and CIP amendment to the FY15-20 CIP and Supplemental Appropriation to the FY16 Capital Budget -- 345,000 for High School Wellness Center**

The Health and Human Services (HHS) and Education Committees meeting jointly will review three school-related projects recommended by the Executive for the FY17-22 Capital Improvements Program (CIP) and the FY7 Capital Budget for the Department of Health and Human Services: Child Care in Schools, High School Wellness Center, and School Based Health and Linkages to Learning Centers. In addition, the Committees will review a recommended amendment to the FY15-20 CIP and FY16 Capital Budget for the High School Wellness Center project. These umbrella projects provide space for health and human service-related programs integrated within individual schools.

Representatives from the Department of Health and Human Services (DHHS), Montgomery County Public Schools (MCPS), and the Office of Management and Budget (OMB) are expected to participate in the worksession.

I. CHILD CARE IN SCHOOLS (CCIS) (©1)

The County Executive is recommending \$1.060 million over the six-year period to place child care facilities at three public schools where MCPS will be undertaking major construction: Wheaton Woods, Brown Station, and Burtonsville Elementary Schools. The Burtonsville project is newly recommended in the FY17-22 CIP. There is no FY17 appropriation, but the estimated FY18 appropriation request is \$860,000. The source of funds is G.O. Bonds.

The recommended PDF includes the following costs (\$000s)(©2):

| | 6 Year Total | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | Total Cost |
|----------------------|--------------|------------|-----------|------------|------------|----------|----------|--------------|
| Wheaton Woods | 100 | 100 | 0 | 0 | 0 | 0 | 0 | 883 |
| Brown Station | 100 | 100 | 0 | 0 | 0 | 0 | 0 | 883 |
| Burtonsville | 860 | 0 | 97 | 573 | 190 | 0 | 0 | 860 |
| Total | 1,060 | 200 | 97 | 573 | 190 | 0 | 0 | 2,626 |

The Wheaton Woods and Brown Station projects are scheduled for construction from February 2016 through July 2017. The design of the Burtonsville center is scheduled to begin in FY18.

Executive staff explains that in responding to the Council’s interest in expanding the availability of child care, it evaluated four elementary schools for expansion of the CCIS program and selected Burtonsville as the site with the highest needs.

Council staff raises the following issues for the Committees’ consideration:

Burtonsville: The recommendation to add a child care facility at Burtonsville Elementary School is consistent with analysis performed by the Office of Legislative Oversight (OLO) in Report Number 2016-3, “Child Care in Montgomery County.” OLO conducted a geographic analysis of data on regulated child care and child care subsidies, and found that Election District 5, which includes Burtonsville, showed lower levels of child care availability and higher use or and need for child care subsidies than other areas in the County. Consequently, Council staff recommends inclusion of the site in the CCIS project. Council staff notes, however, that simply adding child care space in schools does not guarantee that low-income families will be served in those facilities.

Council staff recommends adjusting the amount programmed for the Burtonsville child care center to \$505,000.¹ The Executive has programmed \$860,000 for the center. MCPS typically prices DHHS projects as stand-alone projects for budgeting purposes; however, savings are typically realized by linking the DHHS project with major school construction, and thus, the actual cost or bid price for HHS projects tied to school construction are typically much lower than the stand-alone figures provided by MCPS. Programming the higher cost has almost always results in unused capacity in the CIP. **Council staff notes that if MCPS determines that the centers will require additional funding after the completion of initial design work, the Council could add funding through an amendment to the FY17-22 CIP.**

The following table provides historical trend data showing the variation between projected and actual costs for the last eight centers developed in the CCIS project. MCPS uses the projected cost figure as a place holder estimate until feasibility studies for modernization projects are conducted.

¹ Council staff derived the figure by applying a 10% escalation rate per year to the averaged cost of the last three centers.

| School | Original Projected Cost | Revised Estimate | Actual/Bid Cost | % Difference Original to Actual | % Difference Revised to Actual | Opening Date |
|-----------------|-------------------------|------------------|-----------------|---------------------------------|--------------------------------|--------------|
| Sargent Shriver | \$368,000 | \$460,000 | \$433,899 | 17.9% | -5.7% | 2006 |
| Arcola | \$580,000 | \$460,000 | \$303,700 | -47.6% | -34.0% | 2007 |
| Galway | \$839,000 | \$375,000 | \$317,246 | -62.2% | -15.4% | 2009 |
| Takoma Park | \$500,000 | \$871,000 | \$276,952 | -44.6% | -68.2% | 2010 |
| Weller Road | \$1,012,000 | \$762,000 | \$432,470 | -57.3% | -43.2% | 2014 |
| Bel Pre | \$1,012,000 | \$635,000 | \$407,688 | -59.7% | -9.4% | 2015 |
| Wheaton Woods | \$800,000 | \$660,000 | \$379,277 | -52.6% | -42.5% | 2017* |
| Brown Station | \$800,000 | \$660,000 | \$352,704 | -55.9% | -46.6% | 2017* |

*Anticipated opening date

The table shows:

- an average difference of 45.3%, and as much as a 62.2% difference, from the original projected cost to the actual cost, and
- an average difference of 33.1%, and as much as a 68.2% difference, from the revised estimate to the actual cost.

Wheaton Woods and Brown Station: Although the most recent total MCPS costs for the Wheaton Woods and Brown Station projects are \$379,277 and \$352,704, the amounts programmed in the PDF are significantly higher -- \$883,000 for each project. These amounts, more than doubling the total MCPS cost estimate, are reflected as estimated FY16 expenditures. **The Committee should not approve the project as submitted and should seek updated cost figures for the Wheaton Woods and Brown Station projects. Council staff notes that the expenditures reviewed and approved by the Council were increased by over 100% without notice to the Council. The nature of the school-based umbrella projects allows appropriated but unspent funds to be transferred to other projects without technically needing a separate Council appropriation action.**

Future Child Care in School Projects: DHHS considers various factors before recommending the addition of child care space in schools undergoing major school construction (e.g., FARMS, mobility, ESOL rates, and the availability of high quality child care). However, there is no specific standard or formula for measuring and determining need for child care space. Furthermore, it is not clear whether the current POR, which provides for placing one dedicated child care classroom, effectively addresses the need for child care space in a community or is sufficient to sustain the delivery of child care services by private providers.

Before additional schools are added to the CCIS project, Council staff recommends that the HHS Child Care Policy Officer perform an analysis of child care space needs in the County, set standards for recommending new CCIS projects, and review the effectiveness of the CCIS POR for adequacy in furthering child care space goals.