

E&C COMMITTEE #1
June 27, 2022
Worksession

M E M O R A N D U M

June 23, 2022

TO: Education and Culture Committee

FROM: Essie McGuire, Senior Legislative Analyst

SUBJECT: **FY23 Capital Budget Supplemental Appropriation and Amendment to the FY23-28 Capital Improvements Program: Montgomery County Public Schools, \$12,000,000, Major Capital Projects-- Secondary (P652102) (Source of funds: G.O. Bonds)**

PURPOSE: Worksession; vote expected

Expected Attendees:

Seth Adams, Director, Department of Facilities Management, Montgomery County Public Schools (MCPS)
Adrienne Karamihas, Director, Division of Capital Planning and Real Estate, MCPS
Veronica Jaua, Montgomery County Office of Management and Budget

On June 11, the Board of Education (BOE) approved the requested FY23 Capital Budget supplemental appropriation and FY23-28 Capital Improvements Program (CIP) amendment. The County Executive recommended approval on June 16. The Council introduced this resolution on June 21, and is scheduled to hold a public hearing and consider action on July 12.

This appropriation is necessary to meet increased costs in the Neelsville Middle School sub project. The \$12 million requested increase is spread across three years of the project, with an additional \$2 million requested in FY23; an additional \$8 million in FY24; and an additional \$2 million in FY25.

MCPS reports that the cost increases were experienced during the construction bid process for the project. Construction bids were received during the Council's reconciliation process for the FY23-28 CIP, and therefore were not available for review during the budget cycle. Large projects are bid in a number of various packages to increase competition and bid participation. MCPS reports

receiving over 70 bids for the project in total. MCPS also reports that staff has engaged in a value engineering process to reduce the amount of the requested increase.

The appropriation is needed at this time in order to maintain the approved schedule for Neelsville Middle School, which is a high priority project among middle schools due to facility conditions. Approximately 65% of the students at Neelsville Middle School are eligible for Free and Reduced Meals (FARMS), and nearly 30% receive English for Speakers of Other Languages (ESOL) services.

Council staff recommends approval of the FY23 Supplemental Appropriation and FY23-28 CIP Amendment, \$12 million for Major Capital Projects – Secondary, Neelsville Middle School, as requested by the Board of Education and recommended by the County Executive.

This report contains:

County Executive Recommendation, Draft Resolution, BOE Request

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OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

M E M O R A N D U M

June 16, 2022

TO: Gabe Albornoz, President
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Amendment to the FY23-28 Capital Improvements Program and
Supplemental Appropriation #23-05 to the FY23 Capital Budget
Montgomery County Public Schools (MCPS)
Major Capital Projects – Secondary (P652102), \$12,000,000

I am recommending a Supplemental Appropriation to the FY23 Capital Budget and Amendment to the FY23-28 Capital Improvements Program (CIP) in the amount of \$12,000,000 for the Major Capital Projects – Secondary (P652102). Appropriation for this project will fund escalation cost increases in the Neelsville Middle School Major Capital Sub-Project.

This increase is needed because of construction cost increases. Construction costs assume prevailing wage costs to maximize State Aid. The recommended amendment is consistent with the criteria for amending the CIP because the project has experienced validated extraordinary inflation reflected in cost escalation.

I recommend that the County Council approve this Supplemental Appropriation and Amendment to the 23-28 Capital Improvements Program in the amount of \$12,000,000 and specify the source of funds as GO Bonds.

I appreciate your prompt consideration of this action.

ME:vj

Enclosures Amendment to the FY23-28 Capital Improvements Program and Supplemental
Appropriation #23-05
Superintendent of Schools Request

Resolution: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Amendment to the FY23-28 Capital Improvements Program and
Supplemental Appropriation #23-05 to the FY23 Capital Budget
Montgomery County Public Schools (MCPS)
Major Capital Projects – Secondary (P652102), \$12,000,000

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. Section 302 of the Montgomery County Charter provides that the Council may amend an approved capital improvements program at any time by an affirmative vote of no fewer than six members of the Council.
3. The County Executive recommends the following capital project appropriation increases:

Project Name	Project Number	Cost Element	Amount	Source of Funds
Major Capital Projects	652102	Construction	<u>\$12,000,000</u>	GO Bonds
Secondary				
TOTAL			<u>\$12,000,000</u>	

4. This increase is needed because of construction cost increases. Construction costs assumed prevailing wage costs to maximize State Aid. The recommended amendment is consistent with the criteria for amending the CIP because the project has experienced validated extraordinary inflation reflected in cost escalation.
5. The County Executive recommends an amendment to the FY23-28 Capital Improvements Program and a supplemental appropriation in the amount of \$12,000,000 for The Major Capital Projects - Secondary (P652102) and specifies that the source of funds will be GO Bonds.
6. Notice of public hearing was given, and a public hearing was held.

Action

The County Council for Montgomery County, Maryland, approves the following action:

The FY23-28 Capital Improvements Program of the Montgomery County Public Schools is amended as reflected on the attached project description form and a supplemental appropriation is approved as follows:

Project Name	Project Number	Cost Element	Amount	Source of Funds
Major Capital Projects Secondary	652102	Construction	<u>\$12,000,000</u>	GO Bonds
TOTAL			<u>\$12,000,000</u>	

This is a correct copy of Council action.


Judy Rupp
Clerk of the Council

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

June 11, 2022

MEMORANDUM

To: The Honorable Marc Elrich, County Executive
The Honorable Gabe Alborno, President, Montgomery County Council

From: Monifa B. McKnight, Interim Superintendent of Schools 

Subject: Transmittal of Board of Education Agenda Item #12.9

Fiscal Year 2023 Supplemental Appropriation and Amendment to the Fiscal Year 2023–2028
Capital Improvements Program for Major Capital Projects—Secondary

BOE Meeting Date:	June 7, 2022
Amount:	\$12,000,000
Type of Action:	Supplemental Appropriation

MBM:ESD:SPA:ALK:lm

Attachment

Copy to:
Dr. Dawson
Mr. Adams
Ms. Karamihas
Montgomery County Office of Management and Budget


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

June 7, 2022

REVISED

MEMORANDUM

To: Members of the Board of Education

From: Monifa B. McKnight, Interim Superintendent of Schools 

Subject: Fiscal Year 2023 Supplemental Appropriation and Amendment to the Fiscal Year 2023–2028 Capital Improvements Program for Major Capital Projects—Secondary

WHEREAS, A recommendation of the award of contract for the Neelsville Middle School Major Capital Project is being presented to the Board of Education on June 7, 2022; and

WHEREAS, It was determined that in order to maximize state funding for this project, the contract would be awarded with prevailing wages; and

WHEREAS, The continuous escalation of construction material and labor costs, and the recommended award of contract with prevailing wages results in a shortfall in expenditures for the Neelsville Middle School Major Capital Project; and

WHEREAS, A Fiscal Year 2023 Supplemental Appropriation and Amendment to the Fiscal Year 2023–2028 Capital Improvements Program for Major Capital Projects—Secondary in the amount of \$12,000,000 is presented for consideration and action by the Board of Education; and

WHEREAS, The adopted Fiscal Year 2023–2028 Capital Improvements Program goes into effect on July 1, 2022, therefore, these funds would be available after that date; now therefore be it

Resolved, That the Board of Education request a Fiscal Year 2023 Supplemental Appropriation and Amendment to the Fiscal Year 2023–2028 Capital Improvements Program for Major Capital Projects—Secondary in the amount of \$12,000,000; and be it further

Resolved, That a copy of this resolution be forwarded to the county executive and Montgomery County Council, and be it further

Resolved, That the county executive be requested to recommend approval of the resolution to the Montgomery County Council.

MBM:ESD:SPA:lmr



Major Capital Projects - Secondary (P652102)

Category
SubCategory
Planning Area

Montgomery County Public Schools
Countywide
Countywide

Date Last Modified
Administering Agency
Status

05/20/22
Public Schools

	Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	24,570	3,897	3,243	17,430	7,530	4,873	4,705	322	-	-	-
Site Improvements and Utilities	49,281	-	13,965	35,316	5,921	6,208	3,571	10,127	4,959	4,530	-
Construction	397,232	-	747	329,550	22,635	49,421	80,989	98,441	34,893	43,171	66,935
Other	13,025	-	-	13,025	750	4,885	-	2,100	-	5,290	-
TOTAL EXPENDITURES	484,108	3,897	17,955	395,321	36,836	65,387	89,265	110,990	39,852	52,991	66,935
FUNDING SCHEDULE (\$000s)											
G.O. Bonds	316,555	304,555	1,634	17,965	238,330	19,791	41,980	51,984	60,332	26,929	37,314
Recordation Tax	2,263	2,263	-	-	-	-	-	-	-	-	-
State Aid	177,290	-	-	156,991	17,045	23,407	37,281	50,658	12,923	15,677	20,299
TOTAL FUNDING SOURCES	484,108	3,897	17,955	395,321	36,836	65,387	89,265	110,990	39,852	52,991	66,935
APPROPRIATION AND EXPENDITURE DATA (\$000s)											
Appropriation FY 23 Request			77,556		Year First Appropriation						
Appropriation FY 24 Request			125,433		Last FY's Cost Estimate				336,401		
Cumulative Appropriation			143,505								
Expenditure / Encumbrances			-		Supplemental				12,000		
Unencumbered Balance			143,505								

PROJECT DESCRIPTION

MCPS contracted with an external entity to conduct full facility assessments of all schools during the spring and summer of 2018. This provided an important baseline of facility condition information across all school facilities to inform decision making about capital projects, systemic replacements, and other work needed to address facility infrastructure challenges. The Key Facility Indicator (KFI) data was compiled into a public facing website in the spring of 2019. As part of the amended FY 2019-2024 CIP, the superintendent identified the first set of schools to be included in the Major Capital Project project. At the secondary level, the first set of schools identified are Neelsville MS; and, Poolesville, Damascus, Thomas S. Wootton, and Col. Zadok Magruder high schools. An FY 2021 appropriation was approved to begin the architectural planning and design for Neelsville MS and Poolesville HS. Neelsville MS and Poolesville HS have a scheduled completion date of August 2024. Due to fiscal constraints, the County Council, in the adopted FY2021-2026 CIP, approved the completion dates for Thomas S. Wootton and Damascus high schools one year beyond the Board of Education's request. The scheduled completion date for Damascus HS is August 2026 and for Thomas S. Wootton HS, August 2027. The County Council maintained the completion date for Col. Zadok Magruder HS of August 2027. An FY 2022 appropriation was approved for construction funds for the Neelsville MS and Poolesville HS major capital projects. An FY 2023 appropriation was approved to complete the projects at Poolesville HS and Neelsville MS, for planning funds for Damascus HS, and funding for site modifications at Thomas S. Wootton HS. In addition, the FY 2023 appropriation will fund the architectural planning and design for Eastern MS, the next school to be identified for a major capital project. Construction funds will be considered in a future CIP for Eastern MS, therefore, this project has a TBD completion date. Due to fiscal constraints, the County Council, in the adopted FY2023-2028 CIP, delayed the major capital projects for Thomas S. Wootton and Col. Zadok Magruder high schools by two years. Therefore, the new completion date for these two projects is August 2029.

DISCLOSURES

MCPS asserts that this project conforms to the requirement of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.

FY23 supplemental in G.O. Bonds for \$12,000,000 for the Neelsville M.S. Major Capital Project.