



**Committee:** Directly to Council  
**Committee Review:** N/A  
**Staff:** Craig Howard, Deputy Director  
**Purpose:** To receive testimony/final action - vote expected  
**Keywords:** MCPS

AGENDA ITEM #9  
March 24, 2020  
**Public Hearing/Action**

## SUBJECT

Supplemental Appropriation to the FY20 Capital Budget and Amendment to the FY19-24 Capital Improvements Program, Montgomery County Public Schools, \$367,850 for the HVAC (Mechanical Systems) Replacement: MCPS Project (Source of Funds: State Aid)

## EXPECTED ATTENDEES

None

## COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

None

## DESCRIPTION/ISSUE

The County Council will hold a public hearing and consider action on a supplemental appropriation to the FY20 Capital Budget and Amendment to the FY19-24 Capital Improvements Program, Montgomery County Public Schools, \$367,850 for the HVAC (Mechanical Systems) Replacement: MCPS Project. The source of funds is State Aid.

## SUMMARY OF KEY DISCUSSION POINTS

- The Board of Education requested this supplemental appropriation and CIP amendment on January 9. The County Executive recommended approval on February 4. The Council introduced the supplemental appropriation and CIP amendment on February 25.
- This supplemental appropriation is needed because MCPS received funding from the State of Maryland Healthy Schools Fund for HVAC improvements in schools.

### **This report contains:**

County Executive Recommendation (February 4, 2020)	©1
Draft Supplemental Appropriation Resolution	©2-4
Board of Education Request (January 9, 2020)	©5-7

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OFFICE OF MANAGEMENT AND BUDGET


Marc Elrich  
County Executive

Richard S. Madaleno  
Director

MEMORANUM

February 4, 2020

TO: Sidney A. Katz, President, County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Amendment to the FY19-24 Capital Improvements Program and Supplemental Appropriation 21-S20-CMCPS-5 to the FY20 Capital Budget  
Montgomery County Public Schools  
HVAC (Mechanical Systems) Replacement: MCPS (No. P816633), \$367,850

I am recommending an Amendment to the FY19-24 Capital Improvements Program and a Supplemental Appropriation to the FY20 Capital Budget in the amount of \$367,850 for the HVAC (Mechanical Systems) Replacement: MCPS (No. P816633) capital project. This supplemental appropriation is from the Maryland's Healthy Schools Facility Fund to improve environmental health conditions in Montgomery County Public Schools (MCPS) school buildings.

This increase is needed because the Healthy Schools Facility Fund program funds from the State of Maryland leverage non-County funding for capital improvements, repairs, maintenance, and deferred maintenance of existing school buildings. In FY20, MCPS will add \$367,850 to the HVAC (Mechanical Systems) Replacement: MCPS (No P816633) and use these State Aid funds.

The Healthy Schools Facility Fund program was established in calendar year 2018 to improve the conditions related to air conditioning, heating, indoor air quality, mold remediation, temperature regulation, plumbing (including the presence of lead in drinking water outlets), and windows. The State requires that MCPS' projects approved under this program are completed before reimbursement can occur. For this reason, I recommend that the County Council approve this Amendment to the FY19-24 Capital Improvements Program and a Supplemental Appropriation in the amount of \$367,850 and specify the source of funds as State Aid.

I appreciate your prompt consideration of this action.

ME:vmj

Attachments: ■ Amendment to the FY19-24 Capital Improvements Program and Supplemental Appropriation 21-S20-CMCPS-5  
■ Superintendent of Schools' Request

Office of the Director

101 Monroe Street, 14th Floor • Rockville, Maryland 20850 • 240-777-2800  
www.montgomerycountymd.gov/omb

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Resolution: \_\_\_\_\_  
Introduced: \_\_\_\_\_  
Adopted: \_\_\_\_\_

COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND

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By: Council President at the Request of the County Executive

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**SUBJECT:** Amendment to the FY19-24 Capital Improvements Program and Supplemental Appropriation 21-S20-CMCPS-5 to the FY20 Capital Budget  
Montgomery County Public Schools  
HVAC (Mechanical Systems) Replacement: MCPS (No. 816633), \$367,850

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 Board of Education requested a supplemental appropriation in FY20 for the HVAC (Mechanical Systems) Replacement: MCPS (P816633) capital project as follows:

<u>Project Name</u>	<u>Project Number</u>	<u>Amount</u>	<u>Source of Funds</u>
HVAC: MCPS	816633	\$367,850	State Aid

Amendment to the FY19-24 Capital Improvements Program and Supplemental Appropriation  
21-S20-CMCPS-5  
Page Two

4. This increase is needed because the Healthy Schools Facility Program funds from the State of Maryland leverage non-County funding for capital improvements, repairs, maintenance, and deferred maintenance of existing school buildings. In FY20, MCPS will add \$367,850 to the HVAC (Mechanical Systems) Replacement: MCPS project (No. 816633).
5. 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 FY19-24 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:

<u>Project Name</u>	<u>Project Number</u>	<u>Amount</u>	<u>Source of Funds</u>
HVAC – MCPS	816633	\$367,850	State Aid

This is a correct copy of Council action.

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Selena Mendy Singleton, Esq.  
Clerk of the Council

# HVAC (Mechanical Systems) Replacement: MCPS (P816633)

**Category** Montgomery County Public Schools **Date Last Modified** 05/22/19  
**SubCategory** Countywide **Administering Agency** Public Schools  
**Planning Area** Countywide **Status** Ongoing

	Total	Thru FY18	Rem FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
<b>EXPENDITURE SCHEDULE (\$000s)</b>											
Planning, Design and Supervision	23,800	3,000	-	20,800	5,500	5,000	1,800	2,500	3,000	3,000	-
Construction	129,894	26,481	20,845	82,200	20,500	20,000	8,200	9,500	12,000	12,000	-
<b>TOTAL EXPENDITURES</b>	<b>153,326</b>	<b>29,481</b>	<b>20,845</b>	<b>103,000</b>	<b>26,000</b>	<b>25,000</b>	<b>10,000</b>	<b>12,000</b>	<b>15,000</b>	<b>15,000</b>	-
<b>FUNDING SCHEDULE (\$000s)</b>											
Current Revenue: General	-	9,344	(9,344)	-	-	-	-	-	-	-	-
G.O. Bonds	16,642	137,052	19,965	96,950	21,398	23,552	10,000	12,000	15,000	15,000	-
State Aid	16,274	-	10,224	6,050	4,602	1,448	-	-	-	-	-
<b>TOTAL FUNDING SOURCES</b>	<b>153,326</b>	<b>29,481</b>	<b>20,845</b>	<b>103,000</b>	<b>26,000</b>	<b>25,000</b>	<b>10,000</b>	<b>12,000</b>	<b>15,000</b>	<b>15,000</b>	-

<b>APPROPRIATION AND EXPENDITURE DATA (\$000s)</b>			
Appropriation FY 20 Request	25,000	Year First Appropriation	FY81
Cumulative Appropriation	76,326	Last FY's Cost Estimate	175,629
Expenditure / Encumbrances	103,568	Partial Closeout Thru FY19	22,303
Unencumbered Balance	(27,242)	New Partial Closeout	22,303
		Total Partial Closeout	44,606

**Supplemental FY20 368**

**PROJECT DESCRIPTION**

This project provides for the systematic replacement of heating, ventilating, air conditioning, automated temperature controls, and plumbing systems for MCPS facilities. This replacement approach is based on indoor environmental quality (IEQ), energy performance, maintenance data, and the revitalization/expansion schedule. Qualifying systems and/or components are selected based on the above criteria and are prioritized within the CIP through a rating system formula. MCPS is participating in interagency planning and review to share successful and cost effective approaches. For projects on the revitalization/expansion schedule, the scope is reduced to the minimum necessary to maintain the operation of the existing mechanical system. Any new equipment installations will be salvaged at the time of the revitalization/expansion project and will be re-used. An FY 2017 appropriation was approved, but was \$3 million less than the Board of Education's request. The funds will be used for mechanical systems upgrades and/or replacements at John T. Baker (Phase I) and Silver Spring International middle schools; and Greencastle, Olney, Greenwood, Jones Lane, Stone Mill, Brooke Grove, Clearspring, Laytonsville, New Hampshire Estates, and Sligo Creek elementary schools. An FY 2018 appropriation was approved for mechanical systems upgrades and/or replacements at John T. Baker (Phase II), Briggs Chaney (Phase I), and Silver Spring International middle schools; and Jones Lane, Lois P. Rockwell, and Stone Mill elementary schools. An FY 2019 appropriation was requested for mechanical systems upgrades and/or replacements for Ashburton, Bethesda, Burtonsville, Flower Hill, Forest Knolls, Highland View, Monocacy, Oakland Terrace, and Sequoyah elementary schools; Briggs Chaney and White Oak middle schools; and Quince Orchard and Walt Whitman high schools. However, due to fiscal constraints, the County Council reduced the FY 2019 appropriation by \$4 million. Therefore, the list shown above will be aligned with the approved funding level for FY 2019. The Indoor Air Quality and Energy Conservation projects are now merged with this project to better reflect the coordination of work performed. The workyears reflected in this project are from that merger. An FY 2020 appropriation was approved to continue this level of effort project to address mechanical system upgrades and/or replacements of systems at various schools throughout MCPS.

**OTHER**

Master Plan for School Facilities, Department of Environmental Protection, Department of Health and Human Services, American Lung Association, County Government, Interagency Committee--Energy and Utilities Management, MCPS Resource Conservation Plan, County Code 8-14a  
 FY 2019 -- Salaries and Wages: \$440K, Fringe Benefits: \$197K, Workyears: 5 FY2020-2024 -- Salaries and Wages: \$2.2M, Fringe Benefits: \$985K, Workyears: 25

**FISCAL NOTE**

Reflects MCPS correction for funding allocations prior to FY19. **FY20 supplemental in State Aid for \$367,850 from the Maryland Healthy Schools Facility Fund.**

**DISCLOSURES**

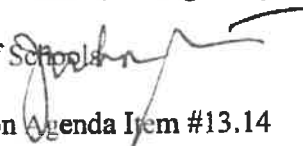
Expenditures will continue indefinitely. MCPS asserts that this project conforms to the requirement of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.

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

January 22, 2020

MEMORANDUM

To: The Honorable Marc Elrich, County Executive  
The Honorable Sidney A. Katz, President, Montgomery County Council

From: Jack R. Smith, Superintendent of Schools 

Subject: Transmittal of Board of Education Agenda Item #13.14

Fiscal Year 2020 Supplemental Appropriation and Amendment to the Fiscal Year 2019–2024  
Capital Improvements Program—Healthy Schools Facility Fund

BOE Meeting Date: January 9, 2020

Amount: \$367,850

Type of Action: Supplemental Appropriation—Healthy Schools Facility  
Fund

JRS:AMZ:AK

Attachment

Copy to:

Dr. Zuckerman

Mr. Adams

Ms. Karamihas

Montgomery County Office of Management and Budget

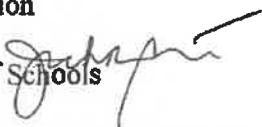
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Office of the Superintendent of Schools  
MONTGOMERY COUNTY PUBLIC SCHOOLS  
Rockville, Maryland

January 9, 2020

MEMORANDUM

To: Members of the Board of Education

From: Jack R. Smith, Superintendent of Schools 

Subject: Fiscal Year 2020 Supplemental Appropriation and Amendment to the Fiscal Year 2019–2024 Capital Improvements Program—Healthy Schools Facility Fund

**Background**

The state of Maryland's Healthy Schools Facility Fund was established as a new program by legislation in calendar year 2018 through the enactment of Senate Bill 611. This grant provides Local Educational Agencies with funds for projects that will improve environmental health in school facilities. Education Article §5-322, Annotated Code of Maryland, requires the Interagency Commission on School Construction (IAC) to administer the grant, approve expenditures, and develop administrative procedures for the grant program.

The Healthy School Facility Fund will provide grants to public primary and secondary schools for capital projects that will improve the health of school facilities. This includes projects that will improve the conditions related to air conditioning, heating, indoor air quality, mold remediation, temperature regulation, plumbing (including the presence of lead in drinking water outlets in school buildings), and windows. IAC prioritized projects from the grant that correct issues posing an immediate life, safety, or health threat to occupants of a facility.

On October 16, 2019, Montgomery County Public Schools received confirmation from the IAC regarding our Fiscal Year 2020 Healthy Schools Facility Fund. All projects submitted statewide were prioritized and evaluated based on the severity of the life, safety, and health deficiency. As a result of the prioritization and the funding formula, the eligible allocation for MCPS is \$367,850. MCPS did submit more project requests than were recommended for funding; however, those projects were identified as deferred.

WHEREAS, On October 16, 2019, Montgomery County Public Schools was informed by the state of Maryland Interagency Commission on School Construction of the recommended allocation from the Healthy Schools Facility Fund; and

WHEREAS, The Interagency Commission on School Construction approved \$367,850 for Montgomery County Public Schools for the projects submitted; and

WHEREAS, The state of Maryland Interagency Commission on School Construction requires that the approved Healthy Schools Facility Fund projects be completed before reimbursement can occur; and

WHEREAS, A supplemental appropriation from the Montgomery County Council is required to forward fund the projects; and

WHEREAS, The state of Maryland Interagency Commission on School Construction will reimburse Montgomery County once the projects are complete; now therefore be it

Resolved, That the Board of Education request a Fiscal Year 2020 supplemental appropriation and amendment to the Fiscal Year 2019–2024 Capital Improvements Program in the amount of \$367,850 to fund eligible projects in the Healthy Schools Facility Fund; and be it further

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

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

JRS:AMZ:SA:ak