



Committee: E&C

Committee Review: At a future date

Staff: Nicole Rodriguez-Hernandez, Legislative Analyst

Purpose: To introduce agenda item—no vote expected

Keywords: #MCPS #Current Revitalization/Expansion

AGENDA ITEM #7E

February 23, 2021

Introduction

SUBJECT

Transfer of Unexpended Project Balance within the FY21 Capital Budget and Amendment to the FY21-26 Capital Improvements Program: Montgomery County Public Schools, Current Revitalization/Expansion (No. 926575), \$3,182,226 to MCPS Local Unliquidated Surplus Account (No.999)

EXPECTED ATTENDEES

None

DESCRIPTION/ISSUE

The Council will introduce an amendment to the MCPS FY21-26 CIP Current Revitalization/Expansion project and a related transfer within the FY21 Capital Budget to the MCPS Local Unliquidated Surplus Account.

SUMMARY OF KEY DISCUSSION POINTS

- On February 18, the Board of Education (BOE) requested a transfer of \$3,182,226 from the Current Revitalization/Expansion project to the MCPS Local Unliquidated Surplus Account. The transfer request requires an amendment to the FY21-26 CIP Current Revitalization/Expansions PDF. The County Executive has not provided a recommendation on the Board's request.
- The transfer request is to fund an increase to the guaranteed maximum price contract awarded to Skanska USA Building, Inc. for the construction of the new Gaithersburg Cluster Elementary School #8. The new school addresses overutilization at the elementary school level in the Gaithersburg Cluster. Additional related Board approved overutilization solutions included improvements to the existing Gaithersburg Elementary School and the construction of two-eight classroom modular buildings at Summit Hall Elementary School.
- The expenditures required for the Summit Hall Elementary School modular buildings, as well as improvements made to the existing Gaithersburg Elementary School, created a shortfall in the expenditures planned for the new elementary school in the Gaithersburg Cluster.
- MCPS identified surplus funds from four sub-projects within the Current Revitalization/Expansion project for the transfer request:
 - a. \$423,284 from Luxmanor Elementary School;
 - b. \$846,505 from Maryvale Elementary School/Carl Sandburg Learning Center;
 - c. \$362,021 from Potomac Elementary School; and
 - d. \$1,550,416 from Tilden Middle School

- The Council is tentatively scheduled to hold a public hearing and consider action on this transfer request and CIP amendment on March 16, 2021.

OTHER ISSUES

- Three of the four schools identified for surplus funds in the current revitalization/expansion project are located in Council District 1: Luxmanor and Potomac Elementary Schools and Tilden Middle School. Maryvale Elementary School/Carl Sandburg Learning Center is located in Council District 3.

This report contains:

Board of Education Request/Transmittal	©1-3
Current Revised Resolution (GaithRevEx)	©4-5
Current Revised Marked-Up PDF	©6

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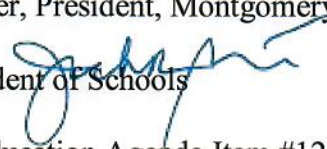
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Office of the Superintendent of Schools
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

February 18, 2021

MEMORANDUM

To: The Honorable Marc Elrich, County Executive
The Honorable Tom Hucker, President, Montgomery County Council

From: Jack R. Smith, Superintendent of Schools 

Subject: Transmittal of Board of Education Agenda Item #12.4

Fiscal Year 2021 Capital Budget and Amendment to the Fiscal Year 2021–2026 Capital Improvements Program Transfer of Funds for Gaithersburg Cluster Elementary School #8

BOE Meeting Date: January 28, 2021

Amount: \$3,182,226

Type of Action: Approval

JRS:MBM:DGT:EM:SA:AK

Attachment


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

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

January 28, 2021

MEMORANDUM

To: Members of the Board of Education

From: Jack R. Smith, Superintendent of Schools 

Subject: Fiscal Year 2021 Capital Budget and Amendments to the Fiscal Year 2021–2026
Capital Improvements Program Transfer of Funds for Gaithersburg Cluster
Elementary School #8

Elementary school student enrollment growth continues in the Gaithersburg Cluster and several schools exceed their program capacities—Gaithersburg, Rosemont, Strawberry Knoll, Summit Hall, and Washington Grove elementary schools. A Fiscal Year (FY) 2017 appropriation was approved for the planning of an addition at Gaithersburg Elementary School and for the replacement of relocatable classrooms at Summit Hall Elementary School. A feasibility study conducted during FY 2017 for the addition at Gaithersburg Elementary School revealed a number of site and programmatic challenges.

To mitigate these challenges and to address the overutilization at the other overutilized elementary schools in the cluster, on August 31, 2017, the Board of Education approved that a Site Selection Advisory Committee convene to evaluate potential new elementary school sites in the Gaithersburg Cluster (Resolution No. 385-17). On March 22, 2018, the Board of Education approved the superintendent of schools' recommendation to use a portion of the Kelley Park site for a new elementary school in the Gaithersburg Cluster (Resolution No. 156-18).

As part of the solution to address the overutilization at the elementary school level in the Gaithersburg Cluster, on March 14, 2017, the Board of Education approved the design-build construction of two eight-classroom modular buildings at Summit Hall Elementary School (Resolution No. 132-17) to replace their aging relocatable classrooms. The expenditures required for the Summit Hall Elementary School solution, as well as improvements made to the existing Gaithersburg Elementary School, created a shortfall in the expenditures planned for the new elementary school in the Gaithersburg Cluster.

Surplus funds to address the shortfall in expenditures for the Gaithersburg Cluster Elementary School #8 project have been identified from the current revitalization/expansion project. These funds are available to be transferred for budget neutral funding of the award of contract for the Gaithersburg Cluster Elementary School #8.

I recommend that the Board of Education approve the following resolution.

WHEREAS, A recommendation of the award of contract for the new Gaithersburg Cluster Elementary School #8 is being presented to the Board of Education on January 28, 2021; and

WHEREAS, Additional funds will be required to fund an increase to the guaranteed maximum price contract awarded by the Board of Education to Skanska USA Building Inc. for general conditions, contingency, and fee; and

WHEREAS, Surplus funds have been identified in the current revitalization/expansion project and are available for transfer to the Unliquidated Surplus account to fund the Gaithersburg Cluster Elementary School #8 project; and

WHEREAS, The following transfer between projects is presented for consideration and action by the Board of Education; now therefore be it

Resolved, That the Board of Education request a Fiscal Year 2021 Capital Budget and Amendments to the Fiscal Year 2021–2026 Capital Improvements Program to transfer surplus funds in the amount of \$3,182,226 from sub-projects in the current revitalization/expansion project to the Capital Budget Unliquidated Surplus account as indicated in the following list:

- \$ 423,284 from Luxmanor Elementary School;
- \$ 846,505 from Maryvale Elementary School/Carl Sandburg Learning Center;
- \$ 362,021 from Potomac Elementary School;
- \$1,550,416 from Tilden Middle School;

and be it further

Resolved, That the Board of Education request the Montgomery County Council to transfer the total of \$3,182,226 from the Capital Budget Unliquidated Surplus account to the Gaithersburg Cluster Elementary School #8 project for Fiscal Year 2021; and be it further

Resolved, That a copy of this resolution be forwarded to the county executive and the 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.

JRS:MBM:DGT:EM:SPA:dlg

Resolution No. _____
Introduced: February 23, 2021
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: County Council

SUBJECT: Transfer of Unexpended Project Balance within the FY21 Capital Budget and Amendment to the FY21-26 Capital Improvements Program, Montgomery County Public Schools

From: Current Revitalizations/Expansions (No. 926575), \$3,182,226

To: MCPS Local Unliquidated Surplus Account (No. 999), \$3,182,226

Background

1. Section 5-106 (c) of the Education Article of the Annotated Code of Maryland provides for transfers of unexpended project balances within the capital budget of the Board of Education only with the approval of the County Council.
2. Section 5-306 of the Education Article of the Annotated Code of Maryland requires that the County Council adopt a six-year capital improvements program for the Board of Education. This section also allows the Council to make amendments, revisions, and modifications to the program.
3. Section 302 of the County Charter provides that the Council may amend an approved capital improvements program at any time by an affirmative vote of six Councilmembers.
4. The Board of Education has requested the following transfer of appropriation within the FY21 Capital budget:

<u>Project</u>	<u>Project Number</u>	<u>Amount</u>	<u>Source of Funds</u>
Current Revitalization/Expansions	926575	-\$3,182,226	G.O. Bonds
Local Unliquidated Surplus Account	999	+\$3,182,226	G.O. Bonds

5. This transfer and amendment, in conjunction with Resolution **XXXX**, is required to fund an increase to the guaranteed maximum price contract awarded by the Board of Education to Skanska USA Building Inc. for general conditions, contingency, and fee for the construction of Gaithersburg Cluster Elementary School #8.

6. A total of \$3,182,226 has been identified within several ongoing Current Revitalization/Expansions subprojects including: Luxmanor Elementary School, Maryvale Elementary School/Carl Sandburg Learning Center, Potomac Elementary School, and Tilden Middle School.
7. A public hearing was held.

Action

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

Amendments to the FY21-26 Capital Improvements Program and FY21 transfer of appropriation from various projects listed below to the Local Unliquidated Surplus account is approved as follows and as noted on the attached project description form:

<u>Project</u>	<u>Project Number</u>	<u>Amount</u>	<u>Source of Funds</u>
Current Revitalization/Expansions	926575	-\$3,182,226	G.O. Bonds
Local Unliquidated Surplus Account	999	+\$3,182,226	G.O. Bonds

This is a correct copy of Council action.

Selena Mendy Singleton, Esq.
Clerk of the Council

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Current Revitalizations/Expansions (P926575)

Category	Montgomery County Public Schools	Date Last Modified	05/14/20
SubCategory	Countywide	Administering Agency	Public Schools
Planning Area	Countywide	Status	Ongoing

	Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	34,508	26,922	7,586	-	-	-	-	-	-	-	-
Site Improvements and Utilities	62,674	62,674	-	-	-	-	-	-	-	-	-
Construction	475,454	235,907	116,486	123,061	91,561	31,500	-	-	-	-	-
Other	14,085	14,078	7	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	586,721	339,581	124,079	123,061	91,561	31,500	-	-	-	-	-

583,539 336,399

FUNDING SCHEDULE (\$000s)											
Contributions	2,500	1,582	918	-	-	-	-	-	-	-	-
Current Revenue: General	44	44	-	-	-	-	-	-	-	-	-
G.O. Bonds	358,372	197,481	67,285	93,606	62,106	31,500	-	-	-	-	-
Recordation Tax	56,630	53,666	660	2,304	2,304	-	-	-	-	-	-
School Facilities Payment	168	-	168	-	-	-	-	-	-	-	-
Schools Impact Tax	55,367	55,367	-	-	-	-	-	-	-	-	-
State Aid	113,640	31,441	55,048	27,151	27,151	-	-	-	-	-	-
TOTAL FUNDING SOURCES	586,721	339,581	124,079	123,061	91,561	31,500	-	-	-	-	-

583,539 336,399

APPROPRIATION AND EXPENDITURE DATA (\$000s)			
Appropriation FY 21 Request	-	Year First Appropriation	
Appropriation FY 22 Request	-	Last FY's Cost Estimate	611,702
Cumulative Appropriation	597,549	Partial Closeout Thru FY19	142,942
Expenditure / Encumbrances	-	New Partial Closeout	24,981
Unencumbered Balance	597,549	Total Partial Closeout	167,923

PROJECT DESCRIPTION

This project combines all current revitalization/expansion projects as prioritized by the FACT assessments. An FY 2018 appropriation was approved for construction funds for Seneca Valley HS and Potomac, Maryvale/Carl Sandburg, and Luxmanor elementary schools and planning funds for Tilden/Rock Terrace and Eastern middle schools and Poolesville HS. With regards to Seneca Valley HS, this project will expand the existing school to accommodate 2,400 students. The enrollment at Seneca Valley HS is projected to be 1,499 students by the end of the six-year planning period. With a capacity of 2,400 seats, there will be approximately 900 seats available to accommodate students from Clarksburg and Northwest high schools when the project is complete. The Montgomery County Office of Legislative Oversight released a study in July 2015 regarding the MCPS revitalization/expansion program. Based on the report, MCPS reconvened the FACT review committee to update the FACT methodology used to rank schools. Since the approach to reassess and prioritize schools will continue into the development of the FY 2019-2024 CIP, the Board of Education approved an amendment to the Board of Education's Requested FY 2018 Capital Budget and Amendments to the FY 2017-2022 CIP to shift planning funds for four elementary school projects from FY 2018 to FY 2019. This shift in planning expenditures will not impact the completion dates for these projects. The County Council, in the adopted FY 2017-2022 Amended CIP approved the Board of Education's request. An FY 2019 appropriation was approved for the balance of funding for three elementary school projects and one high school project and construction funding for one middle school project. An FY 2020 appropriation and amendment to the FY 2019-2024 CIP was requested to expand the scope of the Career and Technology Education program at Seneca Valley High School. Due to fiscal constraints, the Board of Education, instead requested an FY 2019 supplemental appropriation and offsetting reductions of \$7.5 million in expenditures from the PLAR, Restroom Renovations, and Roof Replacement projects to fund the expanded scope of the Career and Technology Education program at Seneca Valley High School. The County Council approved this request. An FY 2021 appropriation was requested for the Maryvale Elementary School/Carl Sandburg Learning Center collocation project for the classroom shell construction to be completed by the 2023-2024 school year. However, due to fiscal constraints, the County Council, in the adopted FY2021-2026 CIP, removed these expenditures.

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.

COORDINATION

Mandatory Referral - M-NCPPC, Department of Environmental Protection, Building Permits, Code Review, Fire Marshal Inspections, Department of Transportation, Sediment Control, Stormwater Management, WSSC Permits