



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 #7F

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, MCPS Local Unliquidated Surplus Account (No.999), \$3,182,226 to Gaithersburg Cluster Elementary School #8 (No. 651518)

EXPECTED ATTENDEES

None

DESCRIPTION/ISSUE

The Council will introduce an amendment to the MCPS FY21-26 CIP Gaithersburg Cluster Elementary School #8 project and a related transfer within the FY21 Capital Budget from 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 MCPS Local Unliquidated Surplus Account to the Gaithersburg Cluster Elementary School #8 project. The transfer request requires an amendment to the FY21-26 CIP Gaithersburg Cluster Elementary School #8 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 to address the shortfall in expenditures. The Board requested the surplus funds be transferred to the MCPS Local Unliquidated Surplus Account and then to the Gaithersburg Cluster Elementary School #8 project to meet the funding contract.
- The Council is tentatively scheduled to hold a public hearing and consider action on this transfer request and CIP amendment on March 16, 2021.

This report contains:

Board of Education Request

©1-3

Draft Resolution

©4-5

Current Revitalization/Expansions Marked-Up PDF

©6

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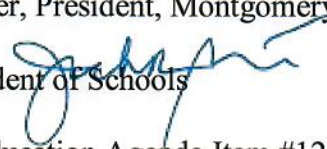
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Office of the Superintendent of Schools
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

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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Gaithersburg Cluster Elementary School #8

(P651518)

Category	Montgomery County Public Schools	Date Last Modified	05/14/20
SubCategory	Individual Schools	Administering Agency	Public Schools
Planning Area	Gaithersburg and Vicinity	Status	Planning Stage

	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	2,757	1,260	1,347	150	150	-	-	-	-	-	-
Site Improvements and Utilities	5,850	-	-	5,850	4,550	1,300	-	-	-	-	-
Construction	29,068	3,027	2,000	24,041	7,044	6,077	10,920	-	-	-	-
Other	1,325	-	-	1,325	-	1,325	-	-	-	-	-
TOTAL EXPENDITURES	39,000 42,182	4,287 7,469	3,347	31,366	11,744	8,702	10,920	-	-	-	-

FUNDING SCHEDULE (\$000s)											
G.O. Bonds	37,839	3,435	3,038	31,366	11,744	8,702	10,920	-	-	-	-
School Facilities Payment	1,161	852	309	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	39,000 42,182	4,287 7,469	3,347	31,366	11,744	8,702	10,920	-	-	-	-

OPERATING BUDGET IMPACT (\$000s)											
Maintenance				272	-	-	68	68	68	68	
Energy				100	-	-	25	25	25	25	
NET IMPACT				372	-	-	93	93	93	93	

APPROPRIATION AND EXPENDITURE DATA (\$000s)			
Appropriation FY 21 Request	29,891	Year First Appropriation	FY16
Appropriation FY 22 Request	1,325	Last FY's Cost Estimate	26,000
Cumulative Appropriation	7,784		
Expenditure / Encumbrances	3,466		
Unencumbered Balance	4,318		

PROJECT DESCRIPTION

Elementary school student enrollment growth continues in the Gaithersburg Cluster and, therefore, several schools exceed their program capacities-Gaithersburg, Rosemont, Strawberry Knoll, Summit Hall, and Washington Grove elementary schools. In April 2017, the Board of Education approved the construction of an addition at Gaithersburg Elementary School. A feasibility study was conducted for the addition at Gaithersburg Elementary School and revealed a number of challenges. Based on those challenges, as well as the absence of a solution in the approved CIP to address the overutilization at Rosemont and Strawberry Knoll elementary schools, the Board of Education, on August 31, 2017, approved that a Site Selection Advisory Committee convene to evaluate potential elementary school sites in the Gaithersburg Cluster. On February 26, 2018, the superintendent of school supported the Site Selection Advisory Committee recommendation and recommended the City of Gaithersburg Kelley Park site as the location for the new Gaithersburg Cluster Elementary School. On March 22, 2018, the Board of Education approved the superintendent of schools recommendation. It is likely that funding for this project will be adjusted next fall as part of the FY 2021-2026 CIP process. An FY 2019 appropriation was approved to begin the planning for this new school. Funding requested in the FY 2021-2026 CIP reflects the expenditures needed for this new elementary school. An FY 2021 appropriation was approved for construction funds. This new school is scheduled to be completed September 2022.