



**Committee:** E&C  
**Committee Review:** Completed  
**Staff:** Essie McGuire, Senior Legislative Analyst  
**Purpose:** To receive testimony/final action—vote expected  
**Keywords:** #MCPS #Capital Projects

AGENDA ITEM #8  
July 12, 2022  
**Public Hearing/Action**  
**REVISED**

## SUBJECT

**Public Hearing/Action** - 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)

## EXPECTED ATTENDEES

None

## DESCRIPTION/ISSUE

The Council will receive testimony and consider action on a FY23 capital budget supplemental appropriation and amendment to the MCPS FY23-28 CIP Major Capital Projects—Secondary for Neelsville Middle School. The source of funds for this project is G.O. bonds.

## SUMMARY OF KEY DISCUSSION POINTS

- On June 11, the Board of Education (BOE) approved the requested appropriation and amendment request. The County Executive recommended approval on June 16.
- The Education & Culture Committee discussed this item on June 27 and recommended (3-0) for approval.
- This appropriation is needed due to construction cost increases—the costs assume prevailing wage to maximize State Aid. The project has experienced validated extraordinary inflation reflected in cost escalation.

### **This report contains:**

|                                 |     |
|---------------------------------|-----|
| June 27 E&C Staff Report        | ©1  |
| County Executive Recommendation | ©3  |
| Draft Resolution                | ©4  |
| BOE Request                     | ©6  |
| Draft Revised PDF               | ©9  |
| REIA                            | ©10 |

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**MEMORANDUM**

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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MEMORANDUM

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

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By: Council President at the Request of the County Executive

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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 Secondary | 652102         | Construction | <u>\$12,000,000</u> | GO Bonds        |
| 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.

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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 Albornoz, 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:imt



## Major Capital Projects - Secondary (P652102)

**Category** Montgomery County Public Schools **Date Last Modified** 05/20/22  
**SubCategory** Countywide **Administering Agency** Public Schools  
**Planning Area** Countywide **Status**

|  | Total          | Thru FY21    | Est FY22      | Total 6 Years  | FY 23         | FY 24         | FY 25         | FY 26          | FY 27         | FY 28         | Beyond 6 Years |        |
|--|----------------|--------------|---------------|----------------|---------------|---------------|---------------|----------------|---------------|---------------|----------------|--------|
| <b>EXPENDITURE SCHEDULE (\$000s)</b>               |                |              |               |                |               |               |               |                |               |               |                |        |
| 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                                       | 409,232        | 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         | -              |        |
| <b>TOTAL EXPENDITURES</b>                          | <b>484,108</b> | <b>3,897</b> | <b>17,955</b> | <b>395,321</b> | <b>36,836</b> | <b>65,387</b> | <b>89,265</b> | <b>110,990</b> | <b>39,852</b> | <b>52,991</b> | <b>66,935</b>  |        |
| <b>FUNDING SCHEDULE (\$000s)</b>                   |                |              |               |                |               |               |               |                |               |               |                |        |
| G.O. Bonds   | 316,555        | 304,555      | 1,634         | 17,955         | 238,330       | 19,791        | 41,980        | 51,984         | 60,332        | 26,929        | 37,314         | 46,636 |
| 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         |        |
| <b>TOTAL FUNDING SOURCES</b>                       | <b>484,108</b> | <b>3,897</b> | <b>17,955</b> | <b>395,321</b> | <b>36,836</b> | <b>65,387</b> | <b>89,265</b> | <b>110,990</b> | <b>39,852</b> | <b>52,991</b> | <b>66,935</b>  |        |
| <b>APPROPRIATION AND EXPENDITURE DATA (\$000s)</b> |                |              |               |                |               |               |               |                |               |               |                |        |
| Appropriation FY 23 Request                        |                |              | 77,566        |                |               |               |               |                |               |               |                |        |
| Appropriation FY 24 Request                        |                |              | 125,433       |                |               |               |               |                |               |               |                |        |
| Cumulative Appropriation                           |                |              | 143,505       |                |               |               |               |                |               |               |                |        |
| Expenditure / Encumbrances                         |                |              | -             |                |               |               |               |                |               |               |                |        |
| 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.



## OFFICE OF RACIAL EQUITY AND SOCIAL JUSTICE

Marc Elrich  
County Executive

Tiffany Ward  
Director

### MEMORANDUM

July 11, 2022

To: Jennifer Bryant, Director  
Office of Management and Budget

cc: Gabe Albornoz, President  
County Council

From: Tiffany Ward, Director  
Office of Racial Equity and Social Justice

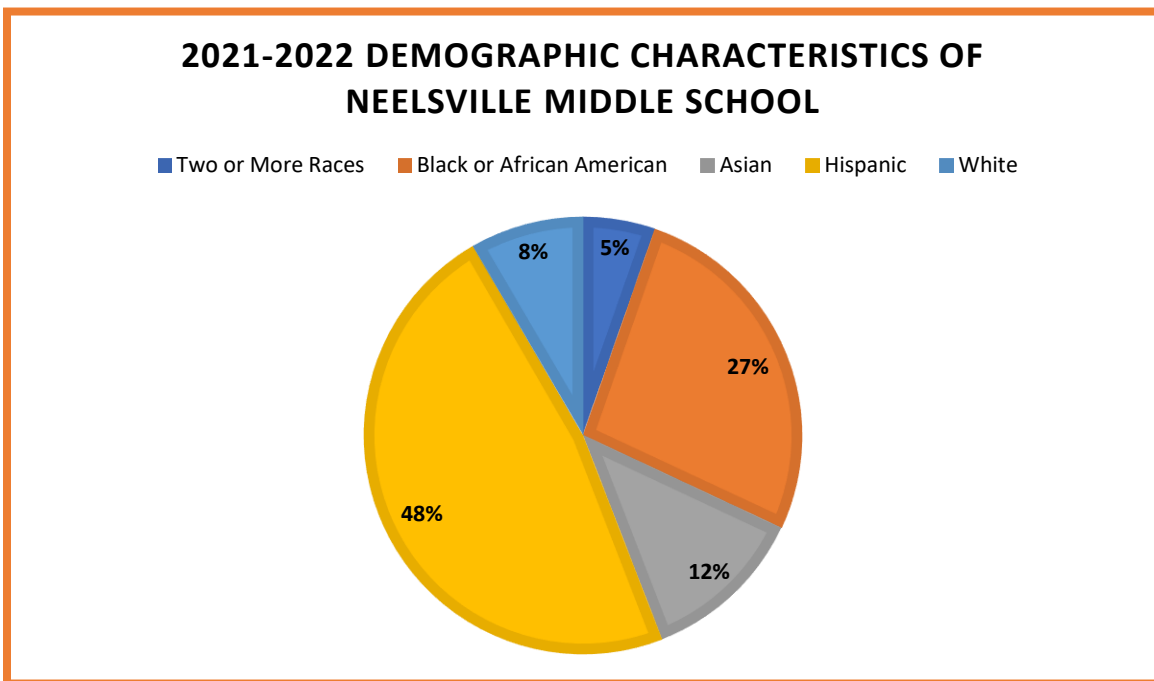
Re: Racial Equity Impact Assessment (REIA) for Supplemental Appropriation (SA) #23-05  
FY23 Capital Budget of Montgomery County Public Schools (MCPS) Major Capital  
Projects – Secondary (P652102)

- I. **FINDING:** The Office of Racial Equity and Social Justice (ORESJ) finds that Supplemental Appropriation #23-05 FY23 Capital Budget of Montgomery County Public Schools (MCPS) Major Capital Projects – Secondary (P652102) could advance racial equity and social justice in Montgomery County as the requested funds are needed to adjust for inflationary costs associated with construction of a new Neelsville Middle School which primarily serves students of color.
- II. **BACKGROUND:** The purpose of Supplemental Appropriation #23-05 FY23 Capital Budget of Montgomery County Public Schools (MCPS) Major Capital Projects is to fund cost increases in the Neelsville Middle School Major Capital Sub-Project as the project has experienced validated extraordinary inflation in construction costs.

Informed by a 2018 countywide assessment of school facilities that examined capital projects, systemic replacements, and other facility infrastructure challenges, it was determined that Neelsville Middle School (among others) was in need of various building systems and programmatic updates. An FY2021 appropriation was approved for planning funds to begin the architectural design of the project while an FY2022 appropriation was

approved to begin the construction of the project (which is scheduled to be completed in August 2024).<sup>1</sup>

Located in Germantown, Neelsville Middle school primarily serves children of color in grades 6 through 8. During the 2021-2022 school year, it was reported that 61.1% of Neelsville Middle School students were eligible to participate in the Free and Reduced-priced Meals Program (FARMS) – primarily serving children identified as low-income, homeless, migrant, runaway, or foster children<sup>2</sup> – while 22.2% participated in the English for Speakers of Other Languages (ESOL) program.<sup>3</sup>



**Source:** \*FY 2023 Educational Facilities Master Plan and the FY 2023–2028 Capital Improvements Program: Seneca Valley Cluster

Research continues to highlight links between access to wealth and academic achievement. Due to historical and systemic factors that intentionally built wealth for white families while denying Black, Indigenous, People of Color (BIPOC) families the same opportunities,

<sup>1</sup> The Department of Materials Management. *FY 2023 educational facilities master plan and the FY 2023–2028 capital improvements program*. 2022. Available at:

<https://www.montgomeryschoolsmd.org/departments/planning/cipmaster.aspx>

<sup>2</sup> U.S. Department of Agriculture. *The national school lunch program: fact sheet*. 2017. Available at:

<https://www.fns.usda.gov/nslp>

<sup>3</sup> The Department of Materials Management. *FY 2023 educational facilities master plan and the FY 2023–2028 capital improvements program*. 2022. Available at:

<https://www.montgomeryschoolsmd.org/departments/planning/cipmaster.aspx>

achievement gaps in education persist and are exacerbated as Black assets – which fund their local public schools – continue to be undervalued<sup>4</sup>. As a result, BIPOC children are more likely to attend under resourced schools, making it difficult to meet the needs of both the students and teachers alike.

III. **ANALYSIS:** Neelsville Middle School primarily serves children that most often face the greatest systemic barriers to success. ORESJ therefore supports funding increases to continue construction of the new building. The research is clear, demonstrating that beyond aesthetics, facility conditions impact a student’s educational environment and achievement as well as teacher performance and satisfaction and the social and community environment.<sup>5</sup> Most notably, a 2018 study from the California Policy Lab at UCLA and UC Berkley found that when it comes to school spending, productivity, and student outcomes, school facilities matter with investments in new facility construction even having a positive effect on student’s test scores.<sup>6</sup> Overall, they discovered that when school facilities are improved:<sup>7</sup>

- Student test scores gradually and modestly improved;
- School attendance immediately and significantly improved; and
- Student effort significantly improved.

Upon completion of Neelsville Middle School, ORESJ would ask that MCPS consider the following points to ensure that students continue to be equitably served in their new building:

- Upon reopening, make efforts to recruit and retain a highly qualified workforce that is reflective of the student population;
- Regularly examine the facility’s accessibility to safely accommodate students with disabilities;
- Ensure that regular maintenance and upkeep efforts are addressed to prevent the new facility from falling into disrepair;
- As we continue to grapple with the effects of the COVID-19 pandemic on students, their caregivers, and their educators, be sure to keep up with the most up-to-date recommendations from county health officials regarding proper air filtration, sanitation, and capacity limits.

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<sup>4</sup> Perry, A., Rothwell, J., & et. al. *The devaluation of assets in Black neighborhoods: The case of residential property*. 2018. Available at: <https://www.brookings.edu/research/devaluation-of-assets-in-black-neighborhoods/>

<sup>5</sup> Jacksonville Public Education Fund. *Student achievement and school facilities*. 2020. Available at: <https://www.jaxpef.org/what-we-do/research/student-achievement-and-school-facilities>

<sup>6</sup> Lafortune, J. & Schönholzer, D. *Do school facilities matter? Measuring the effects of capital expenditures on student and neighborhood outcomes*. 2018.

<sup>7</sup> Learning Liftoff. *A better school building may mean better test scores [study results]*. 2019. Available at: <https://www.learningliftoff.com/better-school-building-better-test-scores/>

Racial Equity Impact Assessment (REIA) for Supplemental Appropriation (SA) #23-05 FY23  
Capital Budget of Montgomery County Public Schools (MCPS) Major Capital Projects –  
Secondary (P652102)  
July 11, 2022  
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cc: Monifa McKnight, Superintendent, Montgomery County Public Schools  
Ken Hartman, Director, Office of Strategic Partnership, Office of the County Executive