



Committee: E&C
Committee Review: Completed
Staff: Keith Levchenko, Senior Legislative Analyst
Purpose: Final action – vote expected
Keywords: #MCPSCIP and Relocatable Classrooms

AGENDA ITEM #7
March 21, 2023
Public Hearing/Action

SUBJECT

Supplemental Appropriation to the FY23 Capital Budget and Amendment to the FY23-28 Capital Improvements Program, Montgomery County Public Schools (MCPS), Relocatable Classrooms (No. 846540), \$7,500,000 (source of funds: Current Revenue)

EXPECTED ATTENDEES

- Seth Adams, Director of the Department of Facilities Management, MCPS
- Adrienne Karamihas, Director of the Division of Capital Planning, MCPS

DESCRIPTION/COMMITTEE RECOMMENDATION

- On February 28, 2023, the County Council received a recommendation from the County Executive (see ©1-2) to approve an FY23 supplemental appropriation and amendment request from Montgomery County Public Schools (MCPS) totaling \$7.5 million for its Relocatable Classrooms project. This request would increase approved expenditures in FY24 from \$5.0 million to \$7.5 million (consistent with the Board of Education's Requested FY24 Capital Budget and Amendments to the FY 2023-2028 Capital Improvements Program).
- The increase is needed to address increases in construction costs and to implement the new Blueprint for Maryland's Future for schools that are currently overutilized.
- The request would also accelerate the appropriation for these FY24 expenditures into FY23. The accelerated appropriation will allow MCPS to move forward with contractual work this spring, so that the relocatable classrooms can be ready by the start of the 2023-24 school year. The expenditures related to the appropriation would still occur in FY24.
- **The Council's Education and Culture Committee discussed this item on March 16 and recommended approval.**

This report contains:


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|---|--------|
| • County Executive Transmittal Memorandum | ©1-2 |
| • Draft Resolution | ©3-5 |
| • MCPS Transmittal Memorandum | ©6-8 |
| • Racial Equity and Social Justice Impact Statement from MCPS | ©9-10 |
| • E&C Committee March 16, 2023 Staff Report Excerpt | ©11-12 |

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MEMORANDUM

February 28, 2023

TO: Evan Glass, President
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Amendment to the FY23-28 Capital Improvements Program and
Supplemental Appropriation #23-84 to the FY23 Capital Budget
Montgomery County Public Schools (MCPS)
Relocatable Classrooms (No. 846540), \$7,500,000

I am recommending a supplemental appropriation to the FY23 Capital Budget and an amendment to the FY23-28 Capital Improvements Program in the amount of \$7,500,000 for the Relocatable Classrooms project (No. 846540). Appropriation for this project will fund additional relocatable classrooms as well as the replacement and maintenance of existing units at multiple schools.

This increase is needed to allow MCPS to begin contracting work related to FY24 Capital Budget Expenditures during FY23 so that relocatable classrooms can be moved early in the summer of 2023 and therefore be ready for use for the next school year beginning in August 2023. Relocatable classrooms are required to accommodate student population changes as well as to start the implementation of the Blueprint for Maryland's Future Act for schools that are currently overutilized. The recommended amendment is consistent with the criteria for amending the CIP because it addresses an urgent school capacity need in the first two years of the CIP.

I recommend that the County Council approve this supplemental appropriation and an amendment to the FY23-28 Capital Improvements Program in the amount of \$7,500,000 and specify the source of funds as Current Revenue: General.

Amendment to the FY23-28 Capital Improvements Program and Supplemental
Appropriation #23-84 to the FY23 Capital Budget
February 28, 2023
Page 2 of 2

I appreciate your prompt consideration of this action.

ME: vmj

Enclosure: Amendment and Supplemental Appropriation #23-84

cc: Jennifer Bryant, Director, Office of Management and Budget
Mary Beck, Capital Budget Coordinator, Office of Management and Budget
Seth Adams, Director, Department of Facilities Management
Adrienne Karamihas, Director, MCPS Division of Capital Planning/Real Estate

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 #23-84 to the FY23 Capital Budget
Montgomery County Public Schools (MCPS)
Relocatable Classrooms (No. 846540), \$7,500,000

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 six Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of seven 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:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Relocatable Classrooms	846540	Planning, Design and Supervision	\$750,000	Current Revenue: General
		Construction	<u>\$6,750,000</u>	Current Revenue: General
		TOTAL	<u>\$7,500,000</u>	Current Revenue: General

4. This increase is needed to allow MCPS to begin contracting work related to FY24 Capital Budget Expenditures during FY23 so that relocatable classrooms can be moved early in the summer of 2023 and therefore be ready for use for the next school year beginning in August 2023. Relocatable classrooms are required to accommodate student population changes as well as to start the implementation of the Blueprint for Maryland's Future Act for schools that are currently overutilized. The recommended amendment is consistent with the criteria for amending the CIP because it addresses an urgent school capacity need in the first two years of the CIP.
5. The County Executive recommends an amendment to the FY23-28 Capital Improvements Program and a supplemental appropriation in the amount of \$7,500,000 for Relocatable Classrooms (No. 846540) and specifies that the source of funds will be Current Revenue: General.
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 Government 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>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Relocatable Classrooms	846540	Planning, Design and Supervision	\$750,000	Current Revenue: General
		Construction	<u>\$6,750,000</u>	Current Revenue: General
		TOTAL	<u>\$7,500,000</u>	Current Revenue: General

This is a correct copy of Council action.

Judy Rupp, Clerk of the Council

Relocatable Classrooms

(P846540)

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

Total	Thru FY21	Est FY22	Total 6 Years	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	Beyond 6 Years
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EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	8,025	5,475	500	2,050	800	750	500	-	-	-	-
Construction	81,536	58,545	4,541	18,450	7,200	6,750	4,500	-	-	-	-
TOTAL EXPENDITURES	89,561	64,020	5,041	20,500	8,000	7,500	5,000	-	-	-	-

FUNDING SCHEDULE (\$000s)

Current Revenue: General	83,406	57,451	5,455	20,500	8,000	7,500	5,000	-	-	-	-
Recordation Tax	6,155	6,569	(414)	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	89,561	64,020	5,041	20,500	8,000	7,500	5,000	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 23 Request	-	Year First Appropriation	FY84
Appropriation FY 24 Request	5,000	Last FY's Cost Estimate	74,061
Supplemental Appropriation Request	7,500		
Cumulative Appropriation	77,061		
Expenditure / Encumbrances	-		
Unencumbered Balance	77,061		

PROJECT DESCRIPTION

MCPS utilizes relocatable classrooms on an interim basis to accommodate student enrollment in overutilized facilities. Units around 15-20 years old require general renovation if they are to continue in use as educational spaces. An FY 2019 supplemental appropriation was approved for \$5 million to accelerate the FY 2020 appropriation request for the placement of relocatable classrooms for the 2019-2020 school year to address enrollment growth and overutilization at schools throughout the county. An FY 2020 supplemental appropriation was approved for \$6 million to accelerate the FY 2021 appropriation request to ensure placement of relocatable classrooms for the 2020-2021 school year. An FY 2021 supplemental appropriation was approved for \$5 million to accelerate the FY 2022 appropriation request to provide relocatable classroom placement for the 2021-2022 school year. An FY 2022 supplemental appropriation was approved to accelerate the FY 2023 appropriation request to provide relocatable classroom placement for the 2022-2023 school year. An FY 2022 supplemental appropriation of \$3 million was approved to implement the Wellness Program Initiative and provide Wellness spaces at high schools in Montgomery County that currently do not have a Wellness Center.

FISCAL NOTE

FY18 supplemental appropriation was approved for \$5.0 million in Current Revenue: General to accelerate the FY2019 request to enter into contracts to allow for the placement of relocatable classrooms by the start of the 2018-2019 school year. Funding switch in FY19 and in FY20 to reduce Current Revenue: General and increase Recordation Tax. FY23 supplemental in Current Revenue: General for the amount of \$7,500,000 to amend the project and to accelerate FY24 appropriation.

DISCLOSURES

Expenditures will continue indefinitely.

COORDINATION


CIP Master Plan for School Facilities

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

February 8, 2023

MEMORANDUM

To: The Honorable Marc Elrich, County Executive
The Honorable Evan Glass, President, Montgomery County Council

From: Monifa B. McKnight, Superintendent of Schools 

Subject: Transmittal of Board of Education Agenda Item #8.13

Fiscal Year 2023 Supplemental Appropriation and Amendment to the Fiscal Year 2023–2028
Capital Improvements Program—Relocatable Classrooms

Board of Education Meeting Date:	January 12, 2023
Amount:	\$7,500,000
Type of Action:	Supplemental Appropriation

MBM:MBH:DEE:SPA:lmr

Attachment

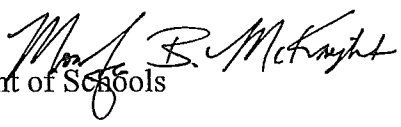
Copy to:
Mr. Hull
Mrs. Edwards
Montgomery County Office of Management and Budget

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

January 12, 2023

MEMORANDUM

To: Members of the Board of Education

From: Monifa B. McKnight, Superintendent of Schools 

Subject: Fiscal Year 2023 Supplemental Appropriation and Amendment to the Fiscal Year 2023 Capital Budget and Amendments to the Fiscal Years 2023–2028 Capital Improvements Program—Relocatable Classrooms

WHEREAS, In May 2022, the Montgomery County Council adopted the Fiscal Year 2023 Capital Budget and Fiscal Years 2023–2028 Capital Improvements Program for Montgomery County Public Schools which included a Fiscal Year 2024 expenditure of \$5.0 million for the relocatable classrooms project; and

WHEREAS, The *Board of Education's Requested Fiscal Year 2024 Capital Budget and Amendments to the Fiscal Years 2023–2028 Capital Improvements Program* includes \$7.5 million in Fiscal Year 2024, an increase of \$2.5 million, for relocatable classrooms to accommodate student population changes for the 2023–2024 school year, to begin to implement the new *Blueprint for Maryland's Future* for schools that currently are overutilized, and for the maintenance and replacement of existing relocatable classrooms; and

WHEREAS, These funds are programmed to be expended during the summer 2023, but will not be available until the Montgomery County Council takes action on the *Fiscal Year 2024 Capital Budget and Amendments to the Fiscal Years 2023–2028 Capital Improvements Program* request in May 2023; and

WHEREAS, The contracts for the leasing, relocation, maintenance, and installation work for the summer 2023 relocatable classroom moves must be executed prior to May 1, 2023, in order to have the units ready for the start of school in August 2023; and

WHEREAS, The authority to appropriate the requested and programmed funds for Fiscal Year 2024 must be approved by the Montgomery County Council before the Board of Education may enter into contracts; now therefore be it

Resolved, That the Board of Education request a Fiscal Year 2023 supplemental appropriation and amendment to the Fiscal Year 2023 Capital Budget and the Fiscal Years 2023–2028 Capital Improvements Program in the amount of \$7.5 million to increase the adopted Fiscal Years 2023–2028 Capital Improvements Program expenditure and to accelerate the Fiscal Year 2024 expenditure in order to provide for the execution of contracts to lease relocatable classrooms and to provide the maintenance and replacement of existing relocatable classrooms planned for summer 2023; and be it further

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

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

MBM:MBH:DEE:SPA:lmr

Racial Equity and Social Justice

Please use this template to explain how a supplemental appropriation promotes racial equity and social justice in Montgomery County.

Question # 1: Who is benefiting? Explain and provide backups to support your answer.

The Relocatable Classroom project is a countywide project to address overutilization, class-size reduction, special education and pre-kindergarten programs throughout the school system. Therefore, students systemwide will benefit from this supplemental appropriation because, if approved, placements for relocatable classrooms can occur over the summer of 2023 for use during the 2023–2024 school year. Below is the demographic characteristics of the preliminary September 30, 2022 student enrollment for MCPS.

School Year	Native Hawaiian/ Pacific Islander		American Indian/ Alaskan Native		Two or more races		Asian		Black or African American		Hispanic		White		Total Enrollment
	Enrollment	Percent	Enrollment	Percent	Enrollment	Percent	Enrollment	Percent	Enrollment	Percent	Enrollment	Percent	Enrollment	Percent	
2022–23	143	≤5%	316	≤5%	8,191	5.1%	22,293	13.8%	35,025	21.7%	55,845	34.7%	39,289	24.4%	161,102

Question # 2: Who is burdened? Explain and provide backups to support your answer.

Since this is a countywide project and addresses capacity and programmatic issues systemwide, if funding is not approved, students across the system could be impacted.

Question # 3: Does the initiative/program receiving the supplemental appropriation reduce racial inequities in the County? If yes, please tell us how.

This supplemental not only will address overutilization at many schools throughout the county, but will address space needs at schools with class-size reduction, Title I schools, and schools that will house pre-kindergarten program.

Question # 4: Are there any potential disproportionate effects on communities of color or low-income?

There are no potential disproportionate effects on any communities of color or low income with this supplemental.

are a high priority to address infrastructure needs; however final determination on the FY24 amount will need to be made in the full CIP affordability context.

Relocatable Classrooms

On February 28, 2023, the County Council received a recommendation from the County Executive (see ©18-22) to approve an FY23 supplemental appropriation and amendment request from Montgomery County Public Schools (MCPS) (see ©23-27) totaling \$7.5 million for its Relocatable Classrooms project for the leasing, purchase, movement, and rehabilitation of relocatable classrooms needed for the 2023-24 school year.

This request would increase approved expenditures in FY24 from \$5.0 million to \$7.5 million (consistent with the Board of Education's Requested FY24 Capital Budget and Amendments to the FY 2023-2028 Capital Improvements Program).

The increase is needed to address increases in construction costs and to implement elements of the new Blueprint for Maryland's Future for schools that are currently overutilized.

The request would also accelerate the appropriation for these FY24 expenditures into FY23. The accelerated appropriation will allow MCPS to move forward with contractual work this spring, so that the relocatable classrooms can be ready by the start of the 2023-24 school year. The expenditures related to the appropriation would still occur in FY24.

Public hearing and action are scheduled for March 21, 2023 at 1:30 p.m.

Current Allocation of Relocatable Classrooms

**Table 1:
Use of Relocatable Classrooms**

	FY22	FY23	Change		
			from FY22	Five-Year	Ten-Year
Phased Construction	13	14	1	14	(9)
Holding Schools	90	81	(9)	2	6
Day Care	5	3	(2)	(2)	(7)
Enrollment/CSR/FDK	458	417	(41)	(6)	32
Misc	30	30	-	(6)	(10)
Total	596	545	(51)	2	12
			-8.6%	0.4%	2.3%
change from prior year	4.7%	-8.6%			

As shown in the above table, MCPS currently uses 545 relocatable classrooms for a variety of purposes (see the attached Appendix H from the Superintendent's Recommended FY2024 Capital Budget and Amendments to the FY 2023-2028 Capital Improvements Program for a detailed listing of current Relocatable Classroom placements). 81 units are being used at holding schools. 14 units are being used at Poolesville High School during its major capital project. Another 30 units are being used for miscellaneous purposes at schools and non-school locations. The remaining 420 units are spread across elementary, middle, and high schools and are being used to address capacity issues (417) or provide daycare space (3).

The number of relocatable classrooms in use is down from last year (-51, or -8.6%), mostly because of enrollment decreases (reducing needed placements at schools and holding facilities). However, looking back over the five and ten-year period, placements are up slightly.

As noted at the E&C Committee's January 23, 2023 initial discussion of the MCPS CIP amendments on January 23, enrollment projections over the past several years were complicated by the pandemic's impact on current enrollment, which led to less predictable enrollment patterns and lower enrollment than previously projected (especially at the elementary school level). The current enrollment projections show enrollment growing modestly post pandemic. This growth, plus additional Blueprint-related space requirements may result in increased needs for relocatable classrooms going forward.

Request Detail

The following table breaks out the cost components of the request:

**Table 2:
FY24 Relocatable Classrooms Project Costs**

	# of Units	Unit Cost	Total Cost
Moves	25		
- New - Fall 2023	15	100,000	1,500,000
- Existing	10	65,000	650,000
Returns	102	25,000	2,550,000
Design per site	40	15,000	600,000
Site Restoration (due to returns)			525,000
Fire Access			500,000
Other (electrical upgrades)			250,000
Fire Alarm and Security			625,000
Promethean Relocations			25,000
Maintenance (Rehabs)			250,000
Total			7,475,000

The numbers shown are preliminary. Each year, many units are moved from where permanent classroom additions are completed. However, exactly where the units will go is more complicated and will not be firm until revised enrollment projections for each school (and the number of teaching stations required) are finalized later this spring.

Over the past several years, MCPS has returned older units (when no longer needed on their current sites) back to the vendor and, where needed, replaced these units with newer units. In addition to being in better condition, the newer units also take up less space on a site, since groups of the newer units can be clustered closer together than is possible with the older units.

Because of current market conditions and supply chain issues, the assumed cost for bringing in each new unit (\$100,000) is substantially higher than in past years (\$60,000). On-site costs are also substantially higher than in past years.

Council Staff recommends approval of MCPS' request as transmitted by the County Executive.