



Committee: Directly to Council
Committee Review: N/A
Staff: Keith Levchenko, Senior Legislative Analyst
Purpose: To receive testimony/final action - vote expected
Keywords: #MCPSCIP, State Aid for School Construction

REVISED
 AGENDA ITEM #8
 January 11, 2022
Public Hearing/Action

SUBJECT

Special Appropriations to Montgomery County Public Schools’ (MCPS) FY22 Capital Budget and Amendments to the FY21-26 Capital Improvements Program - Clarksburg Cluster ES #9 (New) (No. 651901), \$5,125,000 Major Capital Projects – Elementary (No. 652101), \$16, 725,000 (for Burnt Mills ES, South Lake ES, Stonegate ES, and Woodlin ES) (Source of Funds: State Aid)

EXPECTED ATTENDEES

Adrienne Karamihas, Director of the Division of Capital Planning, MCPS
 Seth Adams, Director of the Department of Facilities Management, MCPS
 Mary Beck, CIP Manager, Office of Management and Budget (OMB)
 Veronica Jaua, Fiscal and Policy Analyst, OMB

FISCAL SUMMARY

Project	FY21-26 Expenditure Increase	Estimated Increase in State Aid
Clarksburg Cluster ES #9 (New)	\$5,125,000	12,569,000
Major Capital Projects - Elementary	\$16,725,000	52,699,034
- Burnt Mills ES	5,200,000	13,000,000
- South Lake ES	2,057,000	12,569,000
- Stonegate ES	3,528,000	12,014,726
- Woodlin ES	5,940,000	14,213,757
Totals	\$21,850,000	\$65,268,034

DESCRIPTION/ISSUE

- On December 8, 2021, the Board of Education requested \$21.85 million in additional funding for two capital projects: Clarksburg Cluster ES 9 (New) and Major Capital Projects – Elementary. This request involves five schools scheduled to begin construction during the current fiscal year (FY22). The additional funding would allow the construction contracts for the five schools to proceed using prevailing wage rates.
- These projects were approved by the Council last May as part of the FY21-26 CIP amendment reconciliation process.
- On September 9, 2021, the Board of Education requested and the Council later approved amendments to these same projects to increase project costs to address construction cost increases based on market conditions.

- By opting to use prevailing wage rates for these projects, MCPS estimates that the total combined State aid eligibility for these projects via the State’s Built-to-Learn program will be \$65.3 million higher than if the projects were to proceed without prevailing wage through the State’s traditional State aid program. The State of Maryland’s prevailing wage law requires that projects which receive 25 percent or more of their construction costs funded by the State must utilize prevailing wage.
- On January 7, 2022, the County Executive transmitted his recommendation to approve the supplemental appropriations/amendments for these projects.

COUNCIL STAFF RECOMMENDATION

- Given that the substantial increase in estimated State Aid would more than offset the cost increases assumed by using prevailing wage rates for these projects, this action will improve the County’s fiscal position in the Capital Improvements Program. **Council Staff recommends approval of the supplemental appropriations and CIP amendments as attached.**
- Council Staff has worked with OMB staff to draft project description forms (pdfs) for the two amendments: Clarksburg Cluster ES 9 (New) and Major Capital Projects – Elementary. State aid is not reflected in these projects at this time but will be added later after it is awarded. The expenditure schedules and funding assumed on the PDFs can be reviewed again next Spring during the Council’s review of the FY23-28 CIP. *NOTE: The PDFs attached to the draft resolution for Council action are consistent with the County Executive’s transmittal.*

This report contains:

Draft Resolution and Project Description Forms	Pages ©1-4
December 8, 2021, Board of Education Transmittal Memorandum	Pages ©5-8
County Executive Transmittal Memorandum of January 7, 2022	Pages ©9-17

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Resolution No.: _____
 Introduced: _____
 Adopted: _____

**COUNTY COUNCIL
 FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Special Appropriations to the FY22 Capital Budget and Amendments to the FY21-26 Capital Improvements Program Montgomery County Public Schools Clarksburg Cluster ES #9 (New) (No. 651901), \$5,125,000 Major Capital Projects – Elementary (No. 652101), \$16,725,000
 - Burnt Mills ES (No. 652110), \$5,200,000
 - South Lake ES (No. 652109), \$2,057,000
 - Stonegate ES (No. 652111), \$3,528,000
 - Woodlin ES (No. 652108), \$5,940,000

Background

1. 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.
2. Article 3, Section 308 of the Charter of Montgomery County, Maryland provides that a special appropriation: (a) may be made at any time after public notice by news release to meet an unforeseen disaster or other emergency, or to act without delay in the public interest; (b) must specify the revenues to finance it; and (c) must be approved by no fewer than six members of the Council.
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 requested supplemental appropriations and amendments for the Montgomery County Public Schools’ Capital Improvements Program as follows:

<u>Project Name</u>	<u>Project Number</u>	<u>Amount</u>	<u>Source of Funds</u>
Clarksburg Cluster ES #9 (New)	651901	\$5,125,000	GO Bonds
Major Capital Projects – Elementary	652101	<u>\$16,725,000</u>	GO Bonds
Total		\$21,850,000	

5. This request increases planned expenditures in these projects to accommodate prevailing wage rates within the guaranteed maximum price contracts awarded by the Board of Education on December 2, 2021, to Clarksburg Cluster ES #9 (New) and Burnt Mills ES, Stonegate ES, South Lake ES, and Woodlin ES major capital projects.
6. Utilizing prevailing wage in each of these projects will increase the estimated State aid eligibility for these projects by \$65.3 million through funding provided via the State's Built to Learn Act of 2020.
7. Notice of public hearing was given, and a public hearing was held on January 11, 2022.
8. The County Council declares this request is in the public interest, to be acted upon without delay, as provided for under special appropriation requirements described in Article 3, Section 308 of the Montgomery County Charter.

Action

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

Special appropriations to the FY22 Capital Budget and amendments to the FY21-26 Capital Improvements Program are approved for the Montgomery County Public Schools as follows and as shown on the attached project description forms.

<u>Project Name</u>	<u>Project Number</u>	<u>Amount</u>	<u>Source of Funds</u>
Clarksburg Cluster ES #9 (New)	651901	\$5,125,000	GO Bonds
Major Capital Projects – Elementary	652101	<u>\$16,725,000</u>	GO Bonds

This is a correct copy of Council action.

Selena Mendy Singleton, Esq.
Clerk of the Council



Clarksburg Cluster ES 9 (New) (P651901)

Category	Montgomery County Public Schools	Date Last Modified	05/21/21
SubCategory	Individual Schools	Administering Agency	Public Schools
Planning Area	Clarksburg and Vicinity	Status	Planning Stage

	Total	Thru FY20	Rem 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	2,981	469	723	1,789	895	596	198	100	-	-	-
Site Improvements and Utilities	4,410	-	-	4,410	-	3,307	1,103	-	-	-	-
Construction	36,785	-	-	36,785	-	954	20,848	14,983	-	-	-
Other	1,325	-	-	1,325	-	-	1,325	-	-	-	-
TOTAL EXPENDITURES	45,501	469	723	44,309	895	4,857	23,474	15,083	-	-	-

FUNDING SCHEDULE (\$000s)											
G.O. Bonds	45,501	469	723	44,309	895	4,857	23,474	15,083	-	-	-
TOTAL FUNDING SOURCES	45,501	469	723	44,309	895	4,857	23,474	15,083	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)				
Appropriation FY 22 Request		34,180	Year First Appropriation	FY20
Supplemental Appropriation Request		5,125	Last FY's Cost Estimate	38,486
Cumulative Appropriation		2,981		
Expenditure / Encumbrances		-		
Unencumbered Balance		2,981		

Supplemental appropriation request \$5,125

PROJECT DESCRIPTION

The Clarksburg Master Plan allows for the development of up to 15,000 residential units. The plan includes five future elementary school sites. Little Bennett Elementary School opened in September 2006, William B. Gibbs, Jr. Elementary School opened in September 2009, and Wilson Wims Elementary School opened in September 2014. With continued growth in elementary school enrollment, another new elementary school is approved and scheduled to open September 2019. Elementary enrollment continues to grow beyond the elementary schools in the cluster and the one scheduled to open in September 2019. Therefore, the Board of Education's requested FY 2019-2024 CIP included funds for the opening of the next elementary school in this cluster. An FY 2019 appropriation was requested to begin planning this new school. This project was scheduled to be completed September 2021. However, due to fiscal constraints, the County Council delayed this project one year. An FY 2020 appropriation was approved to begin the planning of this new school. An FY 2021 appropriation was requested for construction funding. Due to fiscal constraints, the County Council delayed this project one year. An FY 2022 appropriation was approved for construction funds. This project is scheduled to be completed September 2023.

FISCAL NOTE

FY22 supplemental in G.O. Bonds for the amount of \$5,125,00 to add prevailing wage.

Includes, transfer for \$1,890,000 in GO Bonds from Dufief ES Addition/Facility Upgrade project.

COORDINATION

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



Major Capital Projects - Elementary

(P652101)

Category	Montgomery County Public Schools	Date Last Modified	05/21/21
SubCategory	Countywide	Administering Agency	Public Schools
Planning Area	Countywide	Status	

	Total	Thru FY20	Rem 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	10,536	-	2,483	8,053	2,681	3,684	1,688	-	-	-	-
Site Improvements and Utilities	22,353	-	-	22,353	4,944	12,287	4,800	322	-	-	-
Construction	143,209	-	-	143,209	3,024	17,351	43,921	49,410	29,503	-	-
Other	6,232	-	-	6,232	-	775	5,457	-	-	-	-
TOTAL EXPENDITURES	182,330	-	2,483	179,847	10,649	34,097	55,866	49,732	29,503	-	-

FUNDING SCHEDULE (\$000s)											
G.O. Bonds	182,330	-	2,483	179,847	10,649	34,097	55,866	49,732	29,503	-	-
TOTAL FUNDING SOURCES	182,330	-	2,483	179,847	10,649	34,097	55,866	49,732	29,503	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)			
Appropriation FY 22 Request		122,091	Year First Appropriation
Supplemental Appropriation Request		16,725	Last FY's Cost Estimate
Cumulative Appropriation		19,754	
Expenditure / Encumbrances		-	
Unencumbered Balance		19,754	

Supplemental Appropriation Request \$16,725

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 elementary level, the first set of schools identified are Burnt Mills, South Lake, Woodlin, and Stonegate Elementary Schools. An FY 2021 appropriation was requested to begin the architectural planning and design for these first four projects. Burnt Mills, South Lake and Woodlin Elementary Schools have scheduled completion dates of September 2023 and Stonegate Elementary School has a scheduled completion date of January 2024. However, due to fiscal constraints, the County Council, in the adopted FY2021-2026 CIP, approved the completion dates for South Lake, Woodlin, and Stonegate elementary schools one year beyond the Board of Education's request, but maintained the planning funds. South Lake and Woodlin elementary schools now have a scheduled completion date of September 2024 and Stonegate now has a scheduled completion date of January 2025. An FY 2022 appropriation and amendment to the FY 2021-2026 CIP was approved to accelerate the completion dates of the four elementary school major capital projects to September 2023. The requested completion dates aligned with the Board of Education's request in the FY 2021-2026 CIP. Based on the request to accelerate the completion dates, an FY 2022 appropriation was approved for construction funds for all of the four elementary major capital projects.

Includes FY22 transfer for \$19,178,000 for Burnt Mills ES (\$5.292 million), Stonegate ES (\$4.840 million), South Lake ES (\$5.946 million), and Woodlin ES (\$3.1 million) from the Dufief ES Addition/Facility Upgrade project.

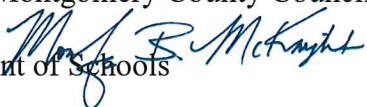
FY22 supplemental in GO Bonds for \$16,725,000 million to add prevailing wage to the following subprojects: Burnt Mills ES (\$5.2 million), South Lake ES (\$2.057 million), Stonegate ES (\$3.528 million), and Woodlin ES (\$5.940 million).

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

December 8, 2021

MEMORANDUM

To: The Honorable Marc Elrich, County Executive
The Honorable Gabe Alborno, President, Montgomery County Council

From: Monifa B. McKnight, Interim Superintendent of Schools 

Subject: Transmittal of Board of Education Agenda Item #13.23

Recommended Fiscal Year 2022 Supplemental Appropriation for the Fiscal Year 2022 Capital Budget and Amendments to the Fiscal Year 2021–2026 Capital Improvements Program for Major Capital Projects–Elementary and Clarksburg Elementary School #9 Projects.

BOE Meeting Date: December 2, 2021

Amount: \$21,850,000

Type of Action: Supplemental Appropriation

MBM:ESD:SPA:AK

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

December 2, 2021

MEMORANDUM

To: Members of the Board of Education

From: Monifa B. McKnight, Interim Superintendent of Schools 

Subject: Recommended Fiscal Year 2022 Supplemental Appropriation for the Fiscal Year 2022 Capital Budget and Amendments to the Fiscal Year 2021–2026 Capital Improvements Program for Major Capital Projects—Elementary and Clarksburg Elementary School #9 Projects

The Clarksburg Master Plan allows for the development of up to 15,000 residential units. The plan includes five elementary school sites. Little Bennett, William B. Gibbs, Jr., Snowden Farm, and Wilson Wims elementary schools opened between 2006 and 2018. An appropriation was approved in Fiscal Year 2020 to begin planning for the new Clarksburg Elementary School #9. A Fiscal Year 2022 appropriation was approved for construction funds.

Montgomery County Public Schools (MCPS) contracted with a consultant to conduct full facility assessments of all schools during the spring and summer of 2018. This assessment provided an important baseline of condition information for all school facilities to make informed decisions about future capital projects. A Fiscal Year 2021 appropriation was approved to begin planning for the first four elementary schools identified through the Major Capital Project program—Burnt Mills, South Lake, Stonegate, and Woodlin elementary schools. A Fiscal Year 2022 appropriation was approved for construction funds for all of the four elementary school Major Capital Projects.

During the past 20 months, the construction industry has experienced an unprecedented rise in material prices, disruptions in the supply chain, and staffing shortages which have caused an increase in construction costs of more than 25 percent. Due to these extraordinary circumstances, there is a funding shortfall between the budgeted costs and the actual planned expenditures for all capital projects in the adopted Capital Improvements Program.

At its meeting on September 9, 2021, the Board of Education approved the removal and reallocation of expenditures from the DuFief Elementary School Addition/Facility Upgrade Project and requested that the Montgomery County Council approve the transfer of these funds to the Clarksburg Elementary School #9 Project, the Major Capital Projects—Elementary, and the Major Capital Projects—Secondary (Resolution No. 442-21). This transfer of funds was

to address expenditure shortfalls based on the increase in construction costs. On November 2, 2021, the County Council approved the transfer as requested by the Board of Education.

MCPS receives construction funding not only from the county, but also from the state. The Maryland General Assembly approved the *Built to Learn Act of 2020*, which provides additional school construction funds beyond the annual statewide allocation for capital projects. The total funds available for all school systems across the state from the *Built to Learn Act* are approximately \$2.2 billion spanning a 10-year period. For MCPS, the additional state funds from the *Built to Learn Act* are approximately \$460 million, during the 10-year period.

In order to utilize the *Built to Learn Act* funds, our construction projects need to be bid using prevailing wage rates. Previously, our budget estimates for capital projects did not include prevailing wage rates because it was more cost-effective to implement capital projects without prevailing wage due to an increased cost per project of approximately 15 percent. However, based on the allocation criteria for the *Built to Learn Act* funding, MCPS would receive a substantial increase in school construction funds if these projects were bid using prevailing wage rates. Therefore, an increase of local funds is required on many of our capital projects to adjust total project costs to reflect the use of prevailing wage rates.

Although the recently approved transfer of funds from the DuFief Elementary School Addition/Facility Upgrade Project to the Clarksburg Elementary School #9, Major Capital Projects—Elementary and Major Capital Projects—Secondary increased the project totals to address increases in construction costs, the approved transfer did not address the additional funds needed to bid these projects prevailing wage to capture the additional state funding available through the *Built to Learn Act* funds. Recent bidding has provided data that indicates if prevailing wage rates are utilized, it would result in an increase in construction cost of a minimum of 10 to 12 percent. As a result, additional funding will be required to apply prevailing wage rates to these capital projects in order to fully utilize the *Built to Learn Act* funds.

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

WHEREAS, A recommendation of the award of contract for the new Clarksburg Elementary School #9, and the following Major Capital Projects—Burnt Mills, South Lake, Stonegate, and Woodlin elementary schools is being presented to the Board of Education on December 2, 2021; and

WHEREAS, Additional funds will be required to fund the increase due to prevailing wage rates to the guaranteed maximum price contracts awarded by the Board of Education on December 2, 2021; and

WHEREAS, The following supplemental appropriation request 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 2022 Supplemental Appropriation for the Fiscal Year 2022 Capital Budget and Amendment to the Fiscal Year 2021–2026 Capital Improvements Program in the amount of \$21,850,000 to provide additional funding to the following projects:

- \$5,200,000 to the Burnt Mills Elementary School Major Capital Project
- \$5,125,000 to the Clarksburg Elementary School #9 Project
- \$2,057,000 to the South Lake Elementary School Major Capital Project
- \$3,528,000 to the Stonegate Elementary School Major Capital Project
- \$5,940,000 to the Woodlin Elementary School Major Capital Project;

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:lmt

MEMORANDUM

January 7, 2022

TO: Gabe Albornoz, President, County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Amendments to the Amended FY21-26 Capital Improvements Program and Supplemental Appropriation 54-22 to the FY22 Capital Budget
Montgomery County Public Schools (MCPS)
Major Capital Projects - Elementary (No. 652101), \$16,725,000
Clarksburg Cluster ES #9 (No. 651901), \$5,125,000

I am recommending a supplemental appropriation to the FY22 Capital Budget and amendment to the Amended FY21-26 Capital Improvements Program in the total amount of \$21,850,000 for the Major Capital Projects: Elementary (No. 652101) for \$16,725,000 and for the Clarksburg Cluster ES #9 (No. 651901) for \$5,125,000. Appropriation for these projects will fund prevailing wage costs to allow MCPS to access State Aid under the Built to Learn program.

This increase is needed to allow MCPS to leverage larger State Aid match contributions under the Built to Learn Act of 2020. These projects were bid without prevailing wage because under the traditional State Aid it was more cost-effective to implement capital projects without prevailing wage. However, under the Built to Learn program, the allocation criteria for the State Aid contribution would be significantly larger if the projects reflect prevailing wage costs. Therefore, it would be beneficial to the MCPS CIP to assume prevailing wage costs. I firmly support prevailing wage policies and intend to increase funding in the MCPS CIP to accommodate prevailing wage costs. This increase will have the added benefit of leveraging more State Aid. The recommended amendment is consistent with the criteria for amending the CIP because it leverages non-tax supported funds.

I recommend that the County Council approve these supplemental appropriations and amendments to the FY21-26 Capital Improvements Program in the total amount of \$21,850,000 and specify the source of funds as GO Bonds.

I appreciate your prompt consideration of this action.

ME:vmj

Enclosures:

- Amendments to the Amended FY21-26 Capital Improvements Program and Supplemental Appropriation 54-22
- Superintendent of Schools Request

Resolution: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Amendments to the Amended FY21-26 Capital Improvements Program and Supplemental Appropriation 54-22 to the FY22 Capital Budget
Montgomery County Public Schools (MCPS)
Major Capital Projects: Elementary (No. 652101), \$16,725,000
Clarksburg Cluster ES #9 (No. 651901), \$5,125,000

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 Interim Superintendent of Schools requested a supplemental appropriation for the following projects:

<u>Project Name</u>	<u>Project Number</u>	<u>Amount</u>	<u>Source of Funds</u>
Major Capital Projects: Elementary	652101	\$16,725,000	GO Bonds
Clarksburg Cluster ES #9	651901	<u>\$ 5,125,000</u>	GO Bonds
		<u>\$21,850,000</u>	

4. This increase is needed to allow MCPS to access larger State Aid match contribution under the Built to Learn Act program. These projects were bid without prevailing wage because under the traditional State Aid it was more cost-effective to implement capital projects without prevailing wage. However, under the Built To Learn program the allocation criteria for the State Aid contribution would be significantly larger if the projects reflect prevailing wage costs.
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 Amended FY21-26 Capital Improvements Program of the Montgomery County Public Schools is amended as reflected on the attached project description forms and a supplemental appropriation is approved as follows:

<u>Project Name</u>	<u>Project Number</u>	<u>Amount</u>	<u>Source of Funds</u>
Major Capital Projects: Elementary	652101	\$16,725,000	GO Bonds
Clarksburg Cluster ES #9	651901	<u>\$ 5,125,000</u>	GO Bonds
		<u>\$21,850,000</u>	

This is a correct copy of Council action.

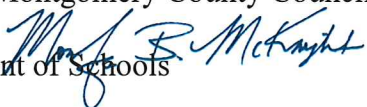
Selena Mendy Singleton, Esq.
Clerk of the Council

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

December 8, 2021

MEMORANDUM

To: The Honorable Marc Elrich, County Executive
The Honorable Gabe Alborno, President, Montgomery County Council

From: Monifa B. McKnight, Interim Superintendent of Schools 

Subject: Transmittal of Board of Education Agenda Item #13.23

Recommended Fiscal Year 2022 Supplemental Appropriation for the Fiscal Year 2022 Capital Budget and Amendments to the Fiscal Year 2021–2026 Capital Improvements Program for Major Capital Projects–Elementary and Clarksburg Elementary School #9 Projects.

BOE Meeting Date: December 2, 2021

Amount: \$21,850,000

Type of Action: Supplemental Appropriation

MBM:ESD:SPA:AK

Attachment


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

December 2, 2021

MEMORANDUM

To: Members of the Board of Education

From: Monifa B. McKnight, Interim Superintendent of Schools 

Subject: Recommended Fiscal Year 2022 Supplemental Appropriation for the Fiscal Year 2022 Capital Budget and Amendments to the Fiscal Year 2021–2026 Capital Improvements Program for Major Capital Projects—Elementary and Clarksburg Elementary School #9 Projects

The Clarksburg Master Plan allows for the development of up to 15,000 residential units. The plan includes five elementary school sites. Little Bennett, William B. Gibbs, Jr., Snowden Farm, and Wilson Wims elementary schools opened between 2006 and 2018. An appropriation was approved in Fiscal Year 2020 to begin planning for the new Clarksburg Elementary School #9. A Fiscal Year 2022 appropriation was approved for construction funds.

Montgomery County Public Schools (MCPS) contracted with a consultant to conduct full facility assessments of all schools during the spring and summer of 2018. This assessment provided an important baseline of condition information for all school facilities to make informed decisions about future capital projects. A Fiscal Year 2021 appropriation was approved to begin planning for the first four elementary schools identified through the Major Capital Project program—Burnt Mills, South Lake, Stonegate, and Woodlin elementary schools. A Fiscal Year 2022 appropriation was approved for construction funds for all of the four elementary school Major Capital Projects.

During the past 20 months, the construction industry has experienced an unprecedented rise in material prices, disruptions in the supply chain, and staffing shortages which have caused an increase in construction costs of more than 25 percent. Due to these extraordinary circumstances, there is a funding shortfall between the budgeted costs and the actual planned expenditures for all capital projects in the adopted Capital Improvements Program.

At its meeting on September 9, 2021, the Board of Education approved the removal and reallocation of expenditures from the DuFief Elementary School Addition/Facility Upgrade Project and requested that the Montgomery County Council approve the transfer of these funds to the Clarksburg Elementary School #9 Project, the Major Capital Projects—Elementary, and the Major Capital Projects—Secondary (Resolution No. 442-21). This transfer of funds was

to address expenditure shortfalls based on the increase in construction costs. On November 2, 2021, the County Council approved the transfer as requested by the Board of Education.

MCPS receives construction funding not only from the county, but also from the state. The Maryland General Assembly approved the *Built to Learn Act of 2020*, which provides additional school construction funds beyond the annual statewide allocation for capital projects. The total funds available for all school systems across the state from the *Built to Learn Act* are approximately \$2.2 billion spanning a 10-year period. For MCPS, the additional state funds from the *Built to Learn Act* are approximately \$460 million, during the 10-year period.

In order to utilize the *Built to Learn Act* funds, our construction projects need to be bid using prevailing wage rates. Previously, our budget estimates for capital projects did not include prevailing wage rates because it was more cost-effective to implement capital projects without prevailing wage due to an increased cost per project of approximately 15 percent. However, based on the allocation criteria for the *Built to Learn Act* funding, MCPS would receive a substantial increase in school construction funds if these projects were bid using prevailing wage rates. Therefore, an increase of local funds is required on many of our capital projects to adjust total project costs to reflect the use of prevailing wage rates.

Although the recently approved transfer of funds from the DuFief Elementary School Addition/Facility Upgrade Project to the Clarksburg Elementary School #9, Major Capital Projects—Elementary and Major Capital Projects—Secondary increased the project totals to address increases in construction costs, the approved transfer did not address the additional funds needed to bid these projects prevailing wage to capture the additional state funding available through the *Built to Learn Act* funds. Recent bidding has provided data that indicates if prevailing wage rates are utilized, it would result in an increase in construction cost of a minimum of 10 to 12 percent. As a result, additional funding will be required to apply prevailing wage rates to these capital projects in order to fully utilize the *Built to Learn Act* funds.

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

WHEREAS, A recommendation of the award of contract for the new Clarksburg Elementary School #9, and the following Major Capital Projects—Burnt Mills, South Lake, Stonegate, and Woodlin elementary schools is being presented to the Board of Education on December 2, 2021; and

WHEREAS, Additional funds will be required to fund the increase due to prevailing wage rates to the guaranteed maximum price contracts awarded by the Board of Education on December 2, 2021; and

WHEREAS, The following supplemental appropriation request 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 2022 Supplemental Appropriation for the Fiscal Year 2022 Capital Budget and Amendment to the Fiscal Year 2021–2026 Capital Improvements Program in the amount of \$21,850,000 to provide additional funding to the following projects:

- \$5,200,000 to the Burnt Mills Elementary School Major Capital Project
- \$5,125,000 to the Clarksburg Elementary School #9 Project
- \$2,057,000 to the South Lake Elementary School Major Capital Project
- \$3,528,000 to the Stonegate Elementary School Major Capital Project
- \$5,940,000 to the Woodlin Elementary School Major Capital Project;

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:lmt



Clarksburg Cluster ES 9 (New) (P651901)

Category	Montgomery County Public Schools	Date Last Modified	05/21/21
SubCategory	Individual Schools	Administering Agency	Public Schools
Planning Area	Clarksburg and Vicinity	Status	Planning Stage

	Total	Thru FY20	Rem FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
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EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	2,981	469	723	1,789	895	596	198	100	-	-	-
Site Improvements and Utilities	4,410	-	-	4,410	-	3,307	1,103	-	-	-	-
Construction	36,785	-	-	36,785	-	954	20,848	14,983	-	-	-
Other	1,325	-	-	1,325	-	-	1,325	-	-	-	-
TOTAL EXPENDITURES	45,501	469	723	44,309	895	4,857	23,474	15,083	-	-	-

FUNDING SCHEDULE (\$000s)

G.O. Bonds	45,501	469	723	44,309	895	4,857	23,474	15,083	-	-	-
TOTAL FUNDING SOURCES	45,501	469	723	44,309	895	4,857	23,474	15,083	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 22 Request	34,180	Year First Appropriation	FY20
Supplemental Appropriation Request	5,125	Last FY's Cost Estimate	38,486
Cumulative Appropriation	2,981		
Expenditure / Encumbrances	-		
Unencumbered Balance	2,981		

Supplemental appropriation request \$5,125

PROJECT DESCRIPTION

The Clarksburg Master Plan allows for the development of up to 15,000 residential units. The plan includes five future elementary school sites. Little Bennett Elementary School opened in September 2006, William B. Gibbs, Jr. Elementary School opened in September 2009, and Wilson Wims Elementary School opened in September 2014. With continued growth in elementary school enrollment, another new elementary school is approved and scheduled to open September 2019. Elementary enrollment continues to grow beyond the elementary schools in the cluster and the one scheduled to open in September 2019. Therefore, the Board of Education's requested FY 2019-2024 CIP included funds for the opening of the next elementary school in this cluster. An FY 2019 appropriation was requested to begin planning this new school. This project was scheduled to be completed September 2021. However, due to fiscal constraints, the County Council delayed this project one year. An FY 2020 appropriation was approved to begin the planning of this new school. An FY 2021 appropriation was requested for construction funding. Due to fiscal constraints, the County Council delayed this project one year. An FY 2022 appropriation was approved for construction funds. This project is scheduled to be completed September 2023.

FISCAL NOTE

FY22 supplemental in G.O. Bonds for the amount of \$5,125,00 to add prevailing wage.

Includes, transfer for \$1,890,000 in GO Bonds from Dufief ES Addition/Facility Upgrade project.

COORDINATION

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



Major Capital Projects - Elementary

(P652101)

Category	Montgomery County Public Schools	Date Last Modified	05/21/21
SubCategory	Countywide	Administering Agency	Public Schools
Planning Area	Countywide	Status	

	Total	Thru FY20	Rem 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	10,536	-	2,483	8,053	2,681	3,684	1,688	-	-	-	-
Site Improvements and Utilities	22,353	-	-	22,353	4,944	12,287	4,800	322	-	-	-
Construction	143,209	-	-	143,209	3,024	17,351	43,921	49,410	29,503	-	-
Other	6,232	-	-	6,232	-	775	5,457	-	-	-	-
TOTAL EXPENDITURES	182,330	-	2,483	179,847	10,649	34,097	55,866	49,732	29,503	-	-

FUNDING SCHEDULE (\$000s)											
G.O. Bonds	182,330	-	2,483	179,847	10,649	34,097	55,866	49,732	29,503	-	-
TOTAL FUNDING SOURCES	182,330	-	2,483	179,847	10,649	34,097	55,866	49,732	29,503	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)			
Appropriation FY 22 Request		122,091	Year First Appropriation
Supplemental Appropriation Request		16,725	Last FY's Cost Estimate
Cumulative Appropriation		19,754	
Expenditure / Encumbrances		-	
Unencumbered Balance		19,754	

Supplemental Appropriation Request \$16,725

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 elementary level, the first set of schools identified are Burnt Mills, South Lake, Woodlin, and Stonegate Elementary Schools. An FY 2021 appropriation was requested to begin the architectural planning and design for these first four projects. Burnt Mills, South Lake and Woodlin Elementary Schools have scheduled completion dates of September 2023 and Stonegate Elementary School has a scheduled completion date of January 2024. However, due to fiscal constraints, the County Council, in the adopted FY2021-2026 CIP, approved the completion dates for South Lake, Woodlin, and Stonegate elementary schools one year beyond the Board of Education's request, but maintained the planning funds. South Lake and Woodlin elementary schools now have a scheduled completion date of September 2024 and Stonegate now has a scheduled completion date of January 2025. An FY 2022 appropriation and amendment to the FY 2021-2026 CIP was approved to accelerate the completion dates of the four elementary school major capital projects to September 2023. The requested completion dates aligned with the Board of Education's request in the FY 2021-2026 CIP. Based on the request to accelerate the completion dates, an FY 2022 appropriation was approved for construction funds for all of the four elementary major capital projects.

Includes FY22 transfer for \$19,178,000 for Burnt Mills ES (\$5.292 million), Stonegate ES (\$4.840 million), South Lake ES (\$5.946 million), and Woodlin ES (\$3.1 million) from the Dufief ES Addition/Facility Upgrade project.

FY22 supplemental in GO Bonds for \$16,725,000 million to add prevailing wage to the following subprojects: Burnt Mills ES (\$5.2 million), South Lake ES (\$2.057 million), Stonegate ES (\$3.528 million), and Woodlin ES (\$5.940 million).