

MEMORANDUM

February 2, 2012

TO: Education Committee

FROM: *KL* Keith Levchenko, Senior Legislative Analyst

SUBJECT: **FY13-18 Montgomery County Public Schools (MCPS) Capital Improvements Program (CIP): Overview: Enrollment and Demographic Trends, Modernization Discussion, CIP Request**

Meeting Agenda

- School Enrollment/Demographics Presentation – by Bruce Crispell, Director of Long Range Planning, MCPS
- MCPS Briefing on the Modernization program – by James Song, Director of Facilities Management, MCPS
- MCPS CIP Overview – by Council Staff (slides attached on ©20-35)

The following officials and staff are expected to participate in this meeting:

MCPS

Shirley Brandman, President of the Board of Education

Michael Durso, Board of Education

Joshua Starr, Superintendent of Schools

Larry Bowers, Chief Operating Officer

James Song, Director, Department of Facilities Management

Bruce Crispell, Director of Long Range Planning, Department of Facilities Management

Adrienne Karamihas, Capital Budget Manager, Department of Facilities Management

County Government

Blaise Defazio, Office of Management and Budget

LaKisha Giles, Office of Management and Budget

FY13-18 CIP Schedule

The Board of Education's FY13-18 Proposed CIP was transmitted to the Council on December 1, 2011 (transmittal letter attached on ©1-6). The County Executive's Recommended CIP was transmitted on January 17, 2012 (budget excerpt attached on ©14-19).

The Council will hold public hearings on the FY13-18 CIP on February 7, and 9, with February 9 being focused on MCPS CIP issues.

In addition to this February 6 overview discussion, the Education Committee has three dates scheduled for review of the FY13-18 MCPS CIP: February 27, March 5, and March 19.

PART I: ENROLLMENT AND DEMOGRAPHIC TRENDS

Enrollment

Enrollment changes are one of the biggest drivers of both the Operating Budget and CIP for MCPS. From a CIP perspective, enrollment increases drive the need for additional classrooms and core space improvements.

Bruce Crispell, Director of Long-Range Planning for MCPS, will provide the Committee with a presentation on enrollment and demographic trends and forecasts. Some summary information is noted below:

- Official enrollment for the 2011-12 schoolyear is 146,497 students. This is 2,433 students more than 2010-11 official enrollment and 152 fewer students than was projected for 2011-12 at this time last year.
- Elementary enrollment is expected to climb and then plateau over the six-year period. Middle school enrollment is expected to steadily climb during the six-year period as the bump in elementary school enrollment ages out. High school enrollment is expected to be flat and then grow again as the bump in middle school enrollment ages into high school during the later part of the six-year period.
- Birth rates have remained at historically high levels over the past 10 years (13,273 in 2010) and are a major reason for the continued increases in elementary school enrollment.
- Overall enrollment is expected to climb to 156,020 (a gain of nearly 9,500 more students) through FY18.

These enrollment trends are causing significant space needs throughout the County over the next six years. Specific capacity issues and MCPS' requested projects to address these issues will be discussed at a later Committee worksession.

Also, MCPS is still working to address the capacity needs of programmatic initiatives (such as class size reduction and the expansion of Full-Day Kindergarten countywide). Many schools accommodated these programs initially with relocatable classrooms. As MCPS plans

additions and modernizations, these programmatic needs are assumed to be addressed through permanent classroom space.

Annual Growth Policy

The schools test within the Annual Growth Policy test looks at projected enrollment and capacity at the beginning of the 6th schoolyear of the CIP period (August 2017 for the FY13-18 CIP) in 25 high school clusters at each school level (elementary, middle, and high school). For purposes of the test, the Northeast Consortium schools and the Downcounty Consortium schools are divided into the home high school areas.

There are three categories into which a cluster may fall within the school test:

- **Cluster utilization is at 105 percent or below at each of the three school levels:** The cluster passes the test.
- **Cluster utilization is between 105 percent and 120% at one or more school levels:** The Planning Board may approve a residential subdivision if the developer commits to pay a school facilities payment.
- **Cluster utilization is above 120% at one or more school levels:** The Planning Board must not approve a residential subdivision in that cluster during the upcoming fiscal year.

Currently, the Richard Montgomery cluster is under moratorium because of projected overutilization beyond 120% at both the middle and elementary school levels in August 2016.

Three other clusters (B-CC, DownCounty Consortium (Northwood) and Northwest) would also have fallen into moratorium, but the Council approved “solution” projects effective July 1, 2011 within the FY11-16 CIP. These projects are placeholders with dollars for classroom space in the outyears of the CIP that provide sufficient capacity to keep these clusters below the 120% moratorium threshold, pending review and approval of specific projects for the FY13-18 CIP this spring. The Council utilizes placeholder projects only in cases where MCPS has the capability to add the required space within the window of the school AGP test period.¹

With regard to the FY13-18 CIP period, which begins July 1, 2012, the summary chart on ©18 shows which clusters would fail the 105% or 120% tests based on the Board of Education’s Proposed CIP.

The Richard Montgomery Cluster would now pass the County test, assuming the approval of two new projects proposed by MCPS:

¹ The Council considered approving a “solution” placeholder elementary and middle school project for the Richard Montgomery Cluster. However, while this approach would have kept the cluster out of the County moratorium, it would not have helped the cluster avoid a similar moratorium within the City of Rockville, which has its own capacity test. The City of Rockville’s test counts future capacity that is coming on-line within the next 2 years.

- Richard Montgomery ES #5 (Hungerford Park), a school reopening project within the Rehab/Renovation of Closed Schools (RROCs) umbrella project that would open in August 2015.
- A classroom addition project at Julius West Middle School that would come on-line in August 2016.

The Bethesda-Chevy Chase (B-CC) cluster would go into moratorium because of inadequate space at the high school level. MCPS is planning an addition to open at B-CC High School in August 2015 that would address this capacity problem. However, the project is in facility planning and will not count toward the test until funding is approved for the project. **The B-CC cluster is a good candidate for a cluster solution project. The Committee can discuss this and other capacity issues in more detail at a future worksession on the MCPS CIP.**

Diversity

MCPS' school enrollment continues to get more diverse racially/ethnically and economically.

Mr. Crispell's presentation notes the following about the MCPS student population:

- MCPS' student population became a "majority minority" population in the 2000-01 schoolyear, well ahead of the County as a whole.
- In the current schoolyear, Whites still make up the largest single racial group but are only about 1/3 of the overall population (33.7%). Hispanics are second at 26%, followed by Blacks at 21.2%, Asians at 14.3 percent and other racial designations making up the final 4.8%.
- Over the past ten years, the Hispanic student population has grown the fastest. The Asian and Black populations have remained about the same share, and the White population share has been steadily declining.
- English Speakers of Other Language (ESOL) participation has also steadily increased over the past 25 years at the elementary school level to 15,394 students.
- With regard to economic diversity, Free and Reduced Meals (FARMS) rates have increased substantially over the past six years to over 32% (47,365 students) of the overall student population. MCPS' FARMS program has more students than many school systems' total student populations in the Washington Metropolitan area and in the State of Maryland.

These demographic trends make the school system of 2011-12 far different than it was even a decade ago, with MCPS continuing to adapt its programs and budget accordingly.

PART II: MODERNIZATIONS

Background

Modernizations are comprehensive facility improvements that involve building system upgrades as well as changes in programmatic space at a school (such as increases in, changes,

and movement of core spaces). Modernizations may preserve some or all of the original building shell or may involve complete tear downs and rebuilds on site.

MCPS has prioritized its modernization schedule through a Facilities Assessment with Criteria and Testing (FACT) scoring process. See ©11 for details regarding the FACT process. A list showing the approved modernizations and costs by fiscal year is attached on ©13. The Board’s proposed schedule is attached on ©10.

The school modernization program is a major driver of CIP expenditures in the MCPS CIP, making up about half of the entire MCPS CIP. Council Staff developed the following chart to highlight the fiscal magnitude and challenge of the modernization program.

Fiscal Impact of MCPS School Modernization Program

	School Category						Totals		
	Elementary		Middle		High School				
Number of Schools*	131		38		25		194		
Replacement Cycle Examples	40	65	40	76	40	50	40	actual	
Annual Pace of Mods	3.3	2.0	0.95	0.50	0.63	0.50			
Estimated Cost Per Mod (in \$000s)**	20,000		45,000		100,000				
Annual Fiscal Impact (in \$000s)	65,500	40,308	42,750	22,500	62,500	50,000	170,750	112,808	
Six-Year Fiscal Impact in (\$000s)							1,024,500	676,846	
MCPS' FY11-17 Current and Future Modernizations Approved (amended 7/1/11)							670,311	670,311	
% Increase Required							52.8%		

*does not include special schools

**Based on budgeted costs for projects in the modernization program. Note: There can be a wide variation in project costs.

The chart presents the current average replacement cycles by type of school. According to MCPS, the replacement cycle is currently averaging about 65 years for elementary schools, 76 years for middle schools, and 50 years for high schools. Council Staff has noted rough costs per type of modernization. Actual costs for modernizations can vary tremendously.

The chart also shows the cost to achieve a 40 year replacement cycle (which is in line with what MCPS, in past years, had identified as its goal). Expenditures would have to increase more than 50% (over \$350 million) beyond approved levels to achieve a 40 year replacement cycle.

MCPS has recognized that a 40 year replacement cycle is not feasible and has ramped up its systemic programs (Roofs, HVAC, PLAR, etc.) in recent years with the recognition that its schools will go much longer than 40 years before being modernized.

MCPS Briefing

MCPS has been asked to brief the Committee on some key aspects of the modernization program as well as some recent developments (such as the new FACT assessments recently completed for a number of additional schools).

Specifically, Council Staff has asked MCPS to address the following topics:

- The old and new FACT assessment process (and the major programmatic and facility elements reviewed)

- Typical schedule for an ES, MS, and HS modernization (from facility planning to completion)
- The differences between a modernization and a renovation (scope and costs) and why MCPS pursues modernizations
- Costs for modernizations (and the major costs drivers such as labor, materials, code issues, LEED, etc.)
- State aid eligibility for modernizations
- Reuse of the existing building shell versus rebuild and what the factors are that lead MCPS to pursue one option or another; plus the State role in reviewing this decision vis a vis State aid.
- Relationship of modernizations to the specific systemic projects in the CIP
- Holding School status and issues
- The future of the modernization program and how the program may evolve over time as MCPS completes modernization at all assessed schools and begins to address its newer generation buildings.

PART III: CIP OVERVIEW (see presentation slides on ©20-35 prepared by Council Staff)

A list of projects in the Board's Requested CIP is included on ©7. The major elements of the Board's request include:

- Capacity Projects:
 - Approximately 3,900 seats to be added through new projects requested, including:
 - Three new school projects: Bethesda-Chevy Chase MS #2, Northwest ES #8, and Richard Montgomery Cluster ES #5 (in RROCs)
 - 7 new addition projects
- Modernizations: Elementary schools requested to stay on schedule, but one-year delays proposed for several middle and high schools for fiscal reasons
- Countywide Projects:
 - Big increase in HVAC project
 - New food service equipment replacement project
 - Increase in ADA project
 - New Transportation Depot project
 - TechMod increase

⁴ The Council's Government Operations and Fiscal Policy (GO) Committee discussed CIP revenue assumptions on January 30, 2011, including the Executive's assumptions regarding school impact tax and recordation tax.

The December 1, 2011 transmittal memorandum from the Board of Education President is attached on ©1-6.

Expenditures

The following chart presents six-year and annual totals for the original approved FY11-16 MCPS CIP, the latest (i.e., amended) FY11-16 CIP, the FY13-18 Board request, and the FY13-18 CIP as recommended by the County Executive.

Table 1:
FY13-18 versus Amended FY11-16 Expenditures (in 000's)

Six-Year	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
FY11-16 Amended	1,361,675	250,338	223,990	228,814	269,280	215,210	174,043	
FY13-18 Board Request	1,489,044			274,139	272,752	237,093	272,416	228,235 204,409
change from amended	127,369	9.4%		45,325	3,472	21,883	98,373	
FY13-18 CE Recommended	1,355,121			267,266	253,684	186,962	235,298	211,105 200,806
change from amended	(6,554)	-0.5%		38,452	(15,596)	(28,248)	61,255	
change from Board Request	(133,923)	-9.0%		(6,873)	(19,068)	(50,131)	(37,118)	

The Board’s FY13-18 request totals nearly \$1.5 billion. This level of funding is \$127.4 million (or 9.4 percent) more than the amended (latest) FY11-16 CIP of \$1.36 billion.

An excerpt of the County Executive’s Recommended FY13-18 CIP regarding MCPS is attached (©14-19).

The County Executive recommended reducing the Board request by approximately \$134 million over the six year period and \$6.9 million in FY13 (see ©19). The County Executive identified a number of project deferrals and expenditure reductions, including:

- Assume an opening date for the new Richard Montgomery Cluster ES #5 (Hungerford Park) in August 2017 (instead of August 2015 as requested by the Board).
- Defer the Tilden at Woodward and Eastern MS modernizations each two years (rather than one year as requested by the Board).
- Defer the Seneca Valley HS and Wheaton HS modernizations two years (rather than one year as requested by the Board).
- Defer Wootton HS and Poolesville one year.
- Delete the newly requested Transportation Depot project.
- Adjust Facility Planning expenditures across the six-year period.
- Assume an \$18.7 million level of funding in the project (about an 18% reduction from the Amended CIP and 25% below what the Board has requested).
- Assume a transfer of funding (rather than a new current revenue appropriation) for the Relocatable Classroom project in FY13.

Each of these recommended changes will be discussed in more detail during the Committee’s project by project review at the February 27 worksession.

Funding Sources

Expenditures by funding source are shown on the following table.

**Table 2:
Amended FY11-16 & FY13-18 Board Request & CE Recommendation by Funding Source**

	Six-Year	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Amended CIP	1,361,675	250,338	223,990	228,814	269,280	215,210	174,043		
Bonds	800,825	186,280	146,687	133,997	164,494	106,285	63,082		
Current Revenue	320,073	27,308	33,276	54,817	64,786	68,925	70,961		
State Aid	233,626	31,626	42,000	40,000	40,000	40,000	40,000		
Contributions	-	-	-	-	-	-	-		
Federal Aid	7,151	5,124	2,027	-	-	-	-		
Board Request	1,489,044			274,139	272,752	237,093	272,416	228,235	204,409
Bonds	1,041,599			177,517	167,459	146,299	167,074	204,178	179,072
Current Revenue	287,445			56,622	65,293	50,794	65,342	24,057	25,337
State Aid	160,000			40,000	40,000	40,000	40,000		
Contributions	-								
Federal Aid	-								
CE Recommendation	1,355,121			267,266	253,684	186,962	235,298	211,105	200,806
Bonds	748,689			176,331	150,288	96,844	130,775	104,559	89,892
Current Revenue	366,432			50,935	63,396	50,118	64,523	66,546	70,914
State Aid	240,000			40,000	40,000	40,000	40,000	40,000	40,000
Contributions	-								
Federal Aid	-								

This chart shows that six-year bond funding would increase substantially under the Board of Education request. However, the Board’s request does not make assumptions about State aid, school impact taxes, or recordation taxes for FY17 and FY18. Therefore, those two years show higher bond totals than would otherwise be the case. For FY13-16, the Board assumes approved levels of funding for those same funding sources.

The Executive is recommending a large decrease in bonds. This reduction is made up of technical funding switches, including:

- Assuming \$40 million annually in FY17 and FY18 and reducing bonds by the same amount in those years. State aid issues are discussed later in this memorandum.
- Revising school impact taxes and recordation taxes up for FY13-18 based on more recent assumptions; further offsetting some additional bonds as well as general current revenue.⁴
- Substantive changes in projects (scope, level of effort, or timing) from what the Board requested.

State Aid Assumptions

The Executive recommends assuming \$40 million per year for each of the next six years. This annual total is the same as assumed in the Amended FY11-16 CIP.

State Aid History: Each year, the County submits a State aid request to the Interagency Committee for State Public School Construction (IAC). This request is for State aid for individual school projects, modernizations, roof, and HVAC replacement, educational technology, relocatable classrooms, and other projects. The following chart presents requested and approved State aid amounts over the past 8 years:

**State Aid for School Construction
FY06-FY13 (in millions)**

Fiscal Year	Statewide Requests	Statewide Allocation	MCPS Request	Approved	% of Statewide Allocation
FY06	\$592.7	\$250.0	\$126.3	\$30.4	12.2%
FY07	\$730.4	\$320.5	\$125.2	\$40.1	12.5%
FY08	\$893.8	\$400.0	\$134.0	\$52.3	13.1%
FY09	\$871.4	\$340.0	\$132.8	\$46.3	13.6%
FY10	\$766.0	\$266.7	\$113.9	\$28.4	10.6%
FY11	\$729.1	\$263.7	\$139.1	\$30.2	11.5%
FY12*	\$612.3	\$311.6	\$163.5	\$42.0	13.5%
FY13**	\$576.3	\$373.0	\$184.5	TBD	TBD

*For FY12, \$47.5 million in alcohol beverage sales and use tax proceeds (HB1213) is included in the statewide allocation totals. MCPS received an additional \$9.0 million from these proceeds.

**For FY13 the total statewide allocation is based on the Governor's Recommended Budget. The MCPS Request reflects MCPS' latest estimates for eligibility.

As shown in the chart, approved aid ultimately falls far below MCPS' requested levels.

FY13: On November 15, 2011, the Council approved a resolution supporting MCPS' request for \$184.5 million in State aid for school construction. The dollar request by school is shown on ©8.

In December, the IAC made recommendations to the Board of Public Works for allocating \$187.5 million in State aid for school construction. This allocation represented 75 percent of the total assumed statewide allocation at the time of \$250 million. For Montgomery County, the IAC recommended \$24.009 million.

The Governor's FY13 Capital Budget assumes \$373 million statewide for school construction, leaving \$185.5 million unallocated by the IAC at this time. The Governor's recommended statewide allocation is far higher than in past years and means there is much more State aid to be allocated (based on the IAC recommendations) than there otherwise would be at the \$250 million statewide level.

To meet the County Executive's budget assumption of \$40 million, the County will need to increase the current IAC recommended allocation by about \$16 million from this unallocated balance. Given the far higher statewide allocation recommended by the Governor, it is possible the County will be awarded more than the \$40 million assumed in the Recommended Budget. However, with requests across the entire state totaling \$576.3 million, the competition for additional dollars is strong.

The final State-wide allocation for school construction dollars will be known once the State legislative session concludes. Final allocations by county are determined by the Board of Public Works in late April or early May.

Given recent history and the Governor's substantial increase in the recommended statewide allocation, Council Staff believes the County Executive's \$40 million budget assumption is conservative. However, since the Council will know the State aid award

prior to final reconciliation of the CIP, Council Staff recommends leaving the \$40 million assumption unchanged for now. If the award exceeds the assumption, then the Council will have some additional flexibility when it reconciles the CIP.

Affordability

Bond funding accounts for more than half of the MCPS CIP. On January 30, 2012, the Council’s Government Operations and Fiscal Policy Committee voted to maintain the Council’s current FY13-18 spending affordability assumptions for bonds. The Council will take this issue up on February 7. These assumptions are the same as those assumed by the County Executive in his Recommended CIP and as shown in the table below.

**Table #4
General Obligation Bonds Spending Affordability Assumptions (in \$millions)**

	FY13-18	FY13	FY14	FY15	FY16	FY17	FY18
Approved Spending Affordability							
Total Funds Available	2,224.517	387.814	387.814	377.079	366.999	357.184	347.627
Total Funds Programmed	2,040.454	378.433	373.308	357.057	336.931	307.128	287.597
Set-Aside (not yet programmed)	184.063	9.381	14.506	20.022	30.068	50.056	60.030
Assumptions							
Council Approved Bond Limits	1,770.00	295.00	295.00	295.00	295.00	295.00	295.00
implementation rate =		82.33%	82.33%	82.33%	82.33%	82.33%	82.33%
inflation =		2.50%	2.60%	2.80%	2.70%	2.70%	2.70%
PAYGO =	177.000	29.500	29.500	29.500	29.500	29.500	29.500
MCPS Bond-Funded Request*	748.70	178.67	162.62	138.88	160.24	116.47	87.00
percent of total programmed	36.7%	47.2%	43.6%	38.9%	47.6%	37.9%	30.2%

*Reflects MCPS request but with Executive recommended revenue assumptions through FY18

Overall, six-year bond funded programming is recommended to decrease about \$97 million (4.8%) from last year and \$132.6 million from two years ago (about a 6.5% decrease). In other words, the bond-funded pie is getting smaller.

At the same time, if fully funded, the MCPS six-year bond-funded request would increase about \$43 million from last year, and its share of all bond capacity would increase to 41.4% of all bond capacity in the CIP. This compares to about 37% for the Amended FY11-16 CIP approved last year and 38.8% in the original Approved FY11-16 CIP.

At the Executive’s recommended six-year level (\$748.7 million), MCPS’ six-year bond funding would drop about \$49.5 million, and its share of total bond funding would be 36.7%.

Current revenue funding in the CIP is also under considerable pressure this year as the County continues to face fiscal challenges in the Operating Budget.

Prioritization of Projects

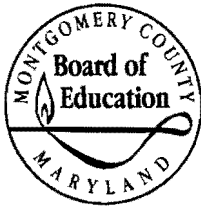
The Council’s CIP process involves separate Committee and Council review of all of the Agency CIPs in February and March, followed by a final reconciliation process in early May that must balance all of the Council’s expenditure recommendations by fiscal year with spending

affordability assumptions (for G.O. bonds, for instance) and with Operating Budget assumptions (current revenue funding and PAYGO).

In order to avoid surprises later and to ensure that the Committee and MCPS priorities are considered, Council Staff will present some options for Committee consideration that would provide flexibility to the Council at reconciliation should projects need to be deferred or deleted or, conversely, if additional resources are available, where to add or restore funding within the MCPS CIP.

The following list provides Council Staff's suggestions for how to categorize and prioritize projects in the MCPS CIP.

1. Identify critical health and safety projects (or portions within projects).
2. Review capacity-related projects not yet under construction and consider the projected short and long-term utilization rates at the school, in the cluster, and at neighboring schools to see which capacity projects are more urgent than others. Another factor to take into account when considering addition projects is whether relocatable classrooms are a feasible short-term solution or not (see ©9 for list of relocatable classrooms in place during the FY11-12 schoolyear).
3. Capital Maintenance projects: Some level of minimum funding in these projects would fall within critical health and safety. However, MCPS is seeking substantial increases in several systemic projects for the FY13-18 CIP. While some ramp up is necessary to keep up with aging infrastructure, a portion of the increases in some of these projects may warrant consideration for deferral, depending on fiscal needs.
4. Modernizations: already prioritized. However, as noted earlier, a modernization may also include additional capacity.
5. Other: This category would include anything not already covered.



MONTGOMERY COUNTY BOARD OF EDUCATION

850 Hungerford Drive ♦ Rockville, Maryland 20850

December 1, 2011

The Honorable Isiah Leggett
Montgomery County Executive
Executive Office Building
101 Monroe Street
Rockville, Maryland 20850

The Honorable Valerie Ervin, President
and Members of the Montgomery County Council
Stella B. Werner Council Office Building
100 Maryland Avenue
Rockville, Maryland 20850

Dear Mr. Leggett, Ms. Ervin, and Members of the Montgomery County Council:

At its November 17, 2011, meeting, the Board of Education adopted the Requested Fiscal Year (FY) 2013 Capital Budget and the FY 2013–2018 Capital Improvements Program (CIP) for Montgomery County Public Schools (MCPS). Enclosed is a copy of the Board of Education resolution requesting a FY 2013 Capital Budget appropriation of \$159,063,000 and a FY 2013–2018 CIP totaling \$1,489,044,000 (Action 6.0).

The Board of Education is committed to working with Montgomery County elected officials to address our many facility needs in the most prudent way; however, we also must provide our students with the best possible learning environment. We believe, as representatives of our staff, students, and parent community, that it is our responsibility to request a CIP that reflects the needs of our school system but also is mindful of the fiscal limitations of Montgomery County. This requested CIP accomplishes both of these goals.

Enrollment

For the 2011–2012 school year, MCPS continues to experience record enrollment growth. The official September 30, 2011, enrollment of 146,497 is 2,433 more students than last year's enrollment of 144,064. Since 2007, MCPS has experienced a significant surge in enrollment. Between 2007 and 2011, enrollment increased by more than 9,000 students and projections for the 2017–2018 school year indicate an increase of approximately 9,000 more students.

The growth that MCPS has experienced since 2007 has been caused by rising births as well as the impact of the economic conditions in the region and the country. Fewer families have moved out of Montgomery County, while migration into the county remains at pre-recession levels. In addition, many more students have entered MCPS from private schools during this period, and about 85 percent of all school-aged students in the county attend MCPS, an increase of about 4 percent from the beginning of the previous decade. The following chart shows the official September 30 enrollment for this year and the previous four years, as well as the enrollment projection for 2018:

Mr. Leggett
Ms. Ervin and
Members of the County Council

December 1, 2011

FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2018
137,745	139,276	141,777	144,064	146,497	156,020

Total enrollment is projected to reach 156,020 in 2017–2018, an increase of more than 9,000 students from this year’s enrollment of 146,497, and an increase of 18,000 over this 10-year period. At the elementary school level, capacity shortages are the most severe, with 90 percent of our 350 relocatable classrooms located at these schools. As the wave of elementary school enrollment ages up to middle school, MCPS will begin to face more capacity deficits, especially in clusters with only one middle school. At most high schools, capacity deficits are not as significant; however, this will change in the long-term as enrollment continues to rise.

Requested CIP

Fiscal Year 2013 is the first year of the biennial CIP review process. In accordance with the Montgomery County charter, all CIP projects are considered in off-numbered fiscal years; therefore, this requested CIP will receive a full review by the county executive and the County Council.

The Board of Education’s Requested FY 2013 Capital Budget and the FY 2013–2018 CIP totals \$1.489 billion, an increase of \$129.7 million or 9.13 percent over the previously approved six-year plan. The request includes \$274.1 million in expenditures for FY 2013, an increase of \$45.3 million over the previously approved FY 2013 expenditures.

In order to formulate his recommendations for the CIP, the superintendent of schools placed all capital projects in six categories and then established the following priority for these categories:

1. Compliance with regulations—projects that are mandated by law or other government agencies
2. Capital maintenance—projects that preserve our capital assets and maintain learning environments that are safe, secure, and comfortable
3. Capacity—projects that build new schools and additions so facilities operate within capacity and core areas are not overutilized
4. Modernizations—projects that bring our older facilities up to current educational program standards and assure a long life-cycle for these facilities
5. System infrastructure—projects that allow MCPS support facilities to keep pace with enrollment increases as well as make needed improvements to these facilities
6. Technology modernization—projects that fund computers and other technology upgrades to ensure students have access to up-to-date technologies

The Board of Education recognizes the need to categorize and prioritize the capital projects included in the CIP request. We believe that the development of these priorities was valuable in guiding the Board of Education in its deliberations on the superintendent’s recommendations.

The Board of Education’s Requested FY 2013–2018 CIP includes funding for critical capacity projects through new schools and additions, modernization projects, and capital maintenance

projects, as well as compliance and system infrastructure projects and technology modernization. Specifically, it:

- maintains the completion dates of seven elementary school and one high school addition projects;
- maintains the completion date of one new elementary school;
- maintains the completion dates for all elementary school modernizations;
- maintains the approved funding levels of many countywide systemic projects;
- requests six new elementary school and one middle school addition projects;
- requests two new elementary schools and one new middle school;
- requests a significant increase in funding for the Heating, Ventilation, and Air Conditioning (HVAC) project;
- requests completion dates for eight new elementary school modernizations as a result of the recent Facilities Assessment with Criteria and Testing assessment; and
- requests that the remaining 39 schools assessed for restroom renovations be completed in the six-year CIP period.

While the Requested FY 2013 Capital Budget and FY 2013–2018 CIP includes funding for many individual capital projects and countywide systemic projects, it delays projects long awaited by some communities. In order to create a six-year CIP that balances MCPS' capital needs with the funding limitations of the county, the superintendent of schools recommended a one-year delay to the secondary modernization schedule, starting with William H. Farquhar Middle School and Wheaton High School/Thomas Edison High School of Technology, as well as a one-year delay to an approved project, Clarksburg/Damascus Middle School #2.

While the Board of Education certainly understands and respects the recommendation by the superintendent of schools to delay the secondary modernization program based on his priorities, we believe that school modernizations, which bring our older facilities up to current educational program standards and help to foster a thriving learning environment, also must continue to be a priority. The Board of Education, mindful of the current economic climate, could not place all of the secondary modernizations back on their approved schedule; however, we acknowledge that the Wheaton High School/Thomas Edison High School of Technology is a unique situation.

Wheaton High School is part of the Downcounty Consortium, and in order to be competitive and attract students, it must have the program offerings available at the other high schools within the consortium. The programs offered at the Thomas Edison High School of Technology focus on rigorous and relevant instruction that prepares students for college and careers. This high school must have the most up-to-date facility to adequately benefit our students who may choose to embark on a career after high school. Therefore, the Board of Education amended the superintendent's recommendation to place the Wheaton High School/Thomas Edison High School of Technology back on its approved modernization schedule.

In order to place the Wheaton High School/Thomas Edison High School of Technology back on its approved modernization schedule and keep this change cost neutral, the Board of Education made the

following modifications to the superintendent's recommendation:

- Reduced the FY 2014 expenditure for the HVAC project
- Delayed for two years the expenditures for the Transportation Depot project
- Delayed for two years the expenditures for the renovations of the Edwin W. Broome facility

The construction of a new middle school in the Bethesda-Chevy Chase Cluster is necessary in order to address increasing enrollment in the cluster and to reassign Grade 6 students, currently served at Chevy Chase and North Chevy Chase elementary schools, to the middle school level. The new middle school (B-CC Middle School #2) is included in the superintendent's recommendation.

The Board of Education took action on April 28, 2011, to select Rock Creek Hills Local Park—one of the two locations recommended by the Site Selection Advisory Committee (SSAC)—as the site for the new middle school. Following the Board's action on the Rock Creek Hills Local Park site, a concern was raised about the site selection process. The superintendent determined that these concerns and complications with federal funds used to develop the park were eroding support for the site and that the best course of action was to conduct the site selection process again, including an expanded group of stakeholders and being as inclusive as possible. The superintendent recommended, and the Board concurred, that the new process be conducted to allow any additional candidate sites be identified and evaluated by the new SSAC.

While the Board of Education would have preferred not to include any delays in the Requested FY 2013–2018 CIP, the current economic circumstances left us little choice.

Local and State Funding

Funding for the CIP continues to be a complex issue. Local funding sources—such as county General Obligation (GO) bonds, current revenue, the county Recordation Tax, and the School Impact Tax—are utilized in conjunction with state aid to fund the CIP. MCPS relies heavily on GO bonds to fund many of our capital projects included in the six-year CIP.

As noted in the Superintendent's Recommended FY 2013 Capital Budget and FY 2013–2018 CIP, Montgomery County continues to face fiscal constraints and projected revenue shortfalls. The county executive previously stated his desire to reduce capital expenditures and the County Council's action to lower the Spending Affordability Guidelines (SAG) make the economic circumstances all the more challenging.

On October 4, 2011, the Montgomery County Council set the SAG for the FY 2013–2018 CIP at \$295 million for both FY 2013 and FY 2014, with a six-year total of \$1.77 billion, a decrease of \$140 million from the previously approved SAG limit of \$1.91 billion. As you know, the County Council will have an opportunity to review the SAG limit in February 2012 and at that time, we believe that it is imperative that the Council raise the SAG limit in order to fund the many critical needs of our school system. Should the County Council not raise the SAG limit, this reduction will have a significant impact on our students and staff who spend their days in increasingly overcrowded

schools that need additional capacity and in older schools that need systemic improvements and modernizations. The Board of Education is ready to work with our elected officials to provide a shared commitment to address our capital needs within the current economic climate. The desire to maintain the AAA bond rating should be balanced with the need to provide sufficient space for our students to learn.

State funding of school construction has been and continues to be a critical component of MCPS CIP funding. For FY 2013, the revised state aid request is \$184.5 million. This figure is based on current eligibility of projects approved by the County Council in May 2011. Of the \$184.5 million request, \$5.1 million is for two projects that have received partial state funding in a prior year, \$5.9 million is for two forward-funded construction projects, \$9.8 million is for systemic roofing and HVAC projects, and the remaining \$163.7 million is for 21 projects that will require state planning approval in addition to construction funding.

It is crucial that MCPS receives a minimum of \$40 million, which is the amount assumed by the County Council in the adopted CIP. We need to continue to make a compelling case to our state leaders to provide Montgomery County with its fair share of state construction funds. If sufficient state aid is not allocated to MCPS for our capital projects, it will be the county's responsibility to provide the additional funds, or project schedules will have to be delayed.

Non-Capital Items

This past spring, feasibility and capacity studies for new schools and additions to existing facilities were conducted to address overutilization in many clusters, including one for a new elementary school on the former Hungerford Park Elementary School site in the Richard Montgomery Cluster. Currently, the Children's Resource Center (CRC) is located at this site and houses a number of programs that are overseen by the Montgomery County Department of Health and Human Services. In February 2010, the Cross-Agency Resource Sharing (CARS) Committee was established to address the county's long-term budget challenges through cross-agency collaboration to achieve operational efficiencies, reduce costs, and improve the quality of services for Montgomery County residents. With the goals of the CARS Committee in mind, the feasibility study for the new Richard Montgomery Cluster elementary school included options to collocate some of the services currently located at the Hungerford Park site, as well as a stand-alone elementary school.

The majority of feasibility study participants expressed their support for the elementary school- only option and shared concerns regarding the collocation of CRC that included additional traffic, safety of students, and site constraints. To address these concerns, MCPS staff worked with Montgomery County Department of General Services (DGS) staff to develop an option that would meet everyone's interests. After a thorough evaluation of the Hungerford Park site and an analysis of alternative sites, both MCPS staff and DGS staff have determined that an alternative site to relocate the CRC services would be the better and less costly solution. The superintendent of schools recommended that the Hungerford Park site include the school-only option for the new Richard Montgomery Cluster elementary school, and the Board of Education concurs with this recommendation.

Mr. Leggett
Ms. Ervin and
Members of the County Council

6

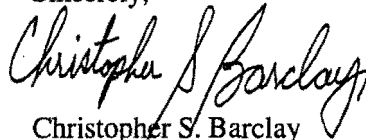
December 1, 2011

The Superintendent's Recommended FY 2013 Capital Budget and FY 2013–2018 Capital Improvements Program also included two boundary study recommendations. The first boundary recommendation was to relieve overcrowding at Bethesda, Chevy Chase, North Chevy Chase, and Rosemary Hills elementary schools. The second boundary study was to create the service area for the new Downcounty Consortium Elementary School #29 (McKenney Hills site). The Board of Education concurs with the superintendent's recommendation for both boundary studies.

Finally, a roundtable advisory committee was convened in spring 2011 to study the possible collocation of the Carl Sandburg Learning Center program at Maryvale Elementary School once the school is modernized. After review of the feedback from the advisory committee, the superintendent of schools recommended collocating the Carl Sandburg Learning Center on the Maryvale Elementary School site when the modernization is complete in August 2018. The Board of Education concurs with the superintendent's recommendation.

The Board of Education stands ready to work with you to secure the necessary funding to provide school buildings that have seats for every student and programmatic spaces essential for learning.

Sincerely,



Christopher S. Barclay
President

CSB:ak

Enclosure

Copy to:
Members of the Board of Education
Dr. Starr

**Board of Education Requested FY 2013 Capital Budget
and the FY 2013–2018 Capital Improvements Program**
(figures in thousands)

Project	FY 2013 Approp.	Total	Thru FY 2011	Remaining FY 2012	Total Six-Years	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Individual School Projects											
Arcola ES Addition	281	3,841			3,841	141	1,096	1,057	1,547		
Bethesda ES Addition	286	3,970			3,970	143	1,168	1,082	1,577		
Bethesda-Chevy Chase MS #2		46,485			46,485		250	1,099	18,054	15,798	11,284
Bradley Hills ES Addition	605	14,249		2,650	11,599	4,894	6,705				
Clarksburg Cluster ES (Clarksburg Village Site #1)	25,700	28,218		784	27,434	6,410	8,613	12,411			
Clarksburg HS Addition	755	11,823			11,823	377	3,229	3,269	4,948		
Clarksburg/Damascus MS (New)	2,614	44,808			44,808	200	1,107	17,400	15,225	10,876	
Darnestown ES Addition	375	11,100		2,488	8,612	4,069	4,543				
Georgian Forest ES Addition	446	10,620		2,337	8,283	3,924	4,359				
Highland View ES Addition		10,551			10,551			346	2,806	2,955	4,444
North Chevy Chase ES Addition	459	6,820			6,820	230	1,921	1,880	2,789		
Northwest ES #8		28,157			28,157			738	10,967	9,597	6,855
Rosemary Hills ES Addition	395	5,708			5,708	198	1,668	1,569	2,273		
Seven Locks ES Add/Mod.		22,287	1,793	17,494	3,000	3,000					
Viers Mill ES Addition	569	11,177		2,347	8,830	4,092	4,738				
Waters Landing ES Addition	7,758	8,827		268	8,559	1,526	3,487	3,546			
Julius West MS Addition		12,311			12,311		409	3,265	3,447	5,190	
Westbrook ES Addition	586	11,805		2,177	9,628	4,744	4,884				
Wood Acres ES Addition		6,853			6,853		232	2,051	1,874	2,696	
Wyngate ES Addition	520	10,230		1,914	8,316	4,272	4,044				
Countywide Projects											
ADA Compliance: MCPS	3,035	18,393	6,158	1,200	11,035	3,035	3,200	1,200	1,200	1,200	1,200
Asbestos Abatement	1,145	13,230	5,215	1,145	6,870	1,145	1,145	1,145	1,145	1,145	1,145
Building Modifications and Program Improvements	2,300	19,222	12,622	2,000	4,600	2,300	2,300				
Current Replacement/Modernizations	21,433	997,404	269,617	106,778	621,009	131,710	125,542	102,134	119,223	92,549	49,851
Design, Engineering & Construction	4,900	56,475	21,775	4,800	29,900	4,900	5,000	5,000	5,000	5,000	5,000
Energy Conservation: MCPS	2,057	25,636	11,237	2,057	12,342	2,057	2,057	2,057	2,057	2,057	2,057
Facility Planning: MCPS	610	8,447	5,097	1,100	2,250	610	380	420	440	200	200
Fire Safety Upgrades	1,503	11,483	4,392	817	6,274	1,503	1,503	817	817	817	817
Food Services Equipment Replacement		6,600			6,600		6,600				
Future Replacements/Modernizations		87,261			87,261			1,070	2,581	23,471	60,139
HVAC (Mechanical Systems) Replacement	22,000	121,415	26,415	15,000	80,000	22,000	18,000	10,000	10,000	10,000	10,000
Improved (Safe) Access to Schools	1,500	8,428	4,528	1,200	2,700	1,500	1,200				
Indoor Air Quality Improvements	1,497	23,767	12,697	2,088	8,982	1,497	1,497	1,497	1,497	1,497	1,497
Land Acquisition	4,200	4,200			4,200	4,200					
Modifications to Holding, Special Education & Alternative Centers	1,500	3,000			3,000	1,500	1,500				
Planned Life-Cycle Asset Replacement (PLAR)	7,229	82,395	31,008	8,013	43,374	7,229	7,229	7,229	7,229	7,229	7,229
Rehabilitation/Renovation of Closed Schools (RROCS)	1,749	116,277	57,611	12,826	45,840	9,677	4,106	10,922	14,278	377	6,480
Relocatable Classrooms	4,000	32,811	20,611	2,200	10,000	4,000	4,000	2,000			
Restroom Renovations	1,000	13,085	6,735	1,000	5,350	1,000	1,000	1,000	1,000	1,000	350
Roof Replacement: MCPS	6,468	62,929	17,653	6,468	38,808	6,468	6,468	6,468	6,468	6,468	6,468
School Security Systems	1,500	12,750	6,250	1,500	5,000	1,500	1,500	500	500	500	500
Stormwater Discharge and Water Quality Management	616	8,135	3,835	604	3,696	616	616	616	616	616	616
Technology Modernization	21,847	266,100	98,182	18,178	149,740	21,847	25,456	26,805	26,358	23,997	25,277
Transportation Depots		19,000			19,000			6,500	6,500	3,000	3,000
WSSC Compliance	5,625	6,400		775	5,625	5,625					
Total Requested CIP	159,063	2,334,683	623,431	222,208	1,489,044	274,139	272,752	237,093	272,416	228,235	204,409

*Bold indicates new project to the FY 2013-2018 CIP.

Revised FY 2013 State Capital Improvement Program for Montgomery County Public Schools

(figures in thousands)

Local Priority No.	PFA Y/N	Project	Total Estimated Cost	Non PSCP Funds	Prior IAC Funding Thru FY 2012	FY 2013 Request For Funding
Balance of Funding (Forward-Funded)						
1	Y	Fox Chapel ES Addition (CSR)	7,205	5,153	1,880	172
2	Y	Garrett Park ES Modernization	24,166	17,475	1,709	4,982
		Subtotal	31,371	22,628	3,589	5,154
Construction Request (Forward-Funded)						
3	Y	Jackson Road ES Addition (CSR)	6,791	5,537		1,254
4	N	Redland MS Upgrades/Limited Renovation	14,233	9,599		4,634
		Subtotal	21,024	15,136	0	5,888
Systemic Projects						
5	Y	Piney Branch ES, HVAC	1,995	1,018		977
6	N	Col. Zadok Magruder HS, Phase III, HVAC	1,800	918		882
7	Y	Bannockburn ES, HVAC	1,615	824		791
8	Y	Waters Landing ES, HVAC	1,550	791		759
9	Y	Rosemary Hills ES, HVAC	1,520	776		744
10	Y	Rachel Carson ES, HVAC	1,475	753		722
11	Y	Judith A. Resnick ES Roof	1,340	684		656
12	Y	Neelsville MS, HVAC	1,275	651		624
13	Y	East Silver Spring ES, HVAC	1,260	643		617
14	Y	Westbrook ES, HVAC	850	434		416
15	N	Sequoyah ES Roof	848	433		415
16	Y	Whetstone ES Roof	760	388		372
17	Y	Stedwick ES Roof	755	386		369
18	Y	Damascus ES Roof	750	383		367
19	Y	South Lake ES Roof	718	367		351
20	N	Dr. Charles R. Drew ES Roof	718	367		351
21	Y	Pine Crest ES Roof	434	222		212
22	Y	Summit Hall ES Roof	300	153		147
		Subtotal	19,963	10,191	0	9,772
Planning and Construction Request (Forward-Funded)						
23/24	Y	Rock View ES Addition (CSR)	5,470	3,532		1,938
25/26	Y	Brookhaven ES Addition (CSR)	5,819	4,172		1,647
27/28	Y	Harmony Hills ES Addition (CSR)	5,949	3,122		2,827
29/30	Y	Montgomery Knolls ES Addition (CSR)	8,753	6,167		2,586
31/32	Y	Fairland ES Addition (CSR)	7,729	5,643		2,086
33/34	Y	Ridgeview MS Limited Renovation	13,524	11,570		1,954
35/36	Y	Whetstone ES Addition (CSR)	7,633	6,373		1,260
		Subtotal	54,877	40,579	0	14,298
Planning and Construction Request						
37/38	Y	Downcounty Consortium ES #29 (McKenney Hills re-opening)	32,221	22,816		9,405
39/40	Y	Seven Locks ES Modernization	22,662	16,752		5,910
41/42	Y	Paint Branch HS Modernization	98,498	59,563		38,935
43/44	Y	Herbert Hoover MS Modernization	48,788	33,976		14,812
45/46	Y	Glenallan ES Modernization (CSR)	29,611	20,223		9,388
47/48	Y	Beverly Farms ES Modernization	29,260	20,694		8,566
49/50	Y	Weller Road ES Modernization (CSR)	24,547	18,594		5,953
51/52	Y	Bradley Hills ES Addition	14,249	9,663		4,586
53/54	Y	Westbrook ES Addition	11,805	8,442		3,363
55/56	Y	Wyngate ES Addition	10,230	7,722		2,508
57/58	Y	Viers Mills ES Addition	11,177	8,487		2,690
59/60	Y	Georgian Forest ES Addition	10,620	8,226		2,394
61/62	N	Darnestown ES Addition	11,100	8,767		2,333
63/64	Y	Gaithersburg HS Modernization	119,300	80,734		38,566
		Subtotal	474,068	324,659	0	149,409
Planning Approval Request						
65	Y	Bel Pre ES Modernization*	LP			LP
66	Y	Candlewood ES Modernization*	LP			LP
67	Y	Clarksburg Cluster ES*	LP			LP
68	Y	Rock Creek Forest ES Modernization*	LP			LP
69	Y	Waters Landing ES Addition	LP			LP
70	N	Farquhar MS Modernization*	LP			LP
71	Y	Wheaton HS Modernization*	LP			LP
		TOTAL	601,303	413,193	3,589	184,521

*Split-FY Funding Request

Appendix D

Montgomery County Public Schools Relocatable Classrooms: 2011-2012 School Year

Cluster/ School	Relocatables on site for 2011-2012 to Address:			Cluster/ School	Relocatables on site for 2011-2012 to Address:			Cluster/ School	Relocatables on site for 2011-2012 to Address:		
	Overutilization	DC	Total		Overutilization	DC	Total		Overutilization	DC	Total
Bethesda-Chevy Chase				Col. Zadok Magruder				Watkins Mill			
Westland MS	2	1	3	Flower Hill	4		4	Total	0	0	0
Bethesda	5		5	Mill Creek Towne	3		3	Walt Whitman			
North Chevy Chase	5		5	Judith A. Resnik	2		2	Bannockburn	2		2
Rock Creek Forest	5	1	6	Total	9	0	9	Bradley Hills**	0		0
Rosemary Hills	5		5	Richard Montgomery				Burning Tree	3		3
Westbrook	5		5	Beall	8		8	Wood Acres	6		6
Total	27	2	29	College Gardens	3		3	Total	11	0	11
Winston Churchill				Ritchie Park	5		5	Thomas S. Wootton			
Beverly Farms**	2		2	Twinbrook	4		4	Thomas S. Wootton HS	9		9
Potomac	5		5	Total	20	0	20	Cold Spring	1		1
Total	7	0	7	Northeast Consortium*				DuFief	1	1	2
Clarksburg				James H. Blake HS	4		4	Total	11	1	12
Clarksburg HS	9		9	Broad Acres	2		2				
Rocky Hill MS	8		8	Burnt Mills	3		3	Grand Total by Use	340	10	350
Clarksburg ES	4		4	Burtonsville	4		4				
Daly	4		4	Cloverly	2		2	SCHOOL TOTAL:	350		
Little Bennett	6		6	Greencastle	3		3				
Total	31	0	31	Page	2		2				
Damascus				Stonegate	3	1	4				
Cedar Grove	3		3	Westover	2		2				
Clearspring	1		1	Total	25	1	26				
Total	4	0	4	Northwest							
Downcounty Consortium*				Clopper Mill	3		3				
Wheaton HS	2		2	Darnestown	6		6				
Arcola	3		3	Diamond	2	1	3				
Bel Pre	8		8	Great Seneca Creek	3		3				
Forest Knolls	1		1	Spark M. Matsunaga	14	1	15				
Georgian Forest	11		11	Ronald McNair	4		4				
Glenallan**	0		0	Total	32	2	34				
Highland View	6		6	Poolesville							
Kemp Mill ES	1		1	Monocacy	1		1				
Oakland Terrace	7		7	Total	1	0	1				
Pine Crest	2		2	Quince Orchard							
Rolling Terrace	3		3	Brown Station	5		5				
Shriver	4		4	Rachel Carson	5	1	6				
Viars Mill	15		15	Jones Lane	6		6				
Weller Road**	0		0	Marshall	1		1				
Wheaton Woods	8		8	Total	17	1	18				
Woodlin	4		4	Rockville							
Total	75	0	75	Lucy V. Bamsley	9		9				
Gaithersburg				Flower Valley	1		1				
Coshen	4		4	Maryvale	1		1				
Laytonsville		1	1	Meadow Hall	2		2				
Rosemont		1	1	Rock Creek Valley	2		2				
Strawberry Knoll	5		5	Sandburg	2		2				
Summit Hall	8		8	Total	17	0	17				
Total	17	2	19	Seneca Valley							
Walter Johnson				Lake Seneca	3		3				
Ashburton	3		3	S. Christa McAuliffe	3		3				
Kensington-Parkwood	5		5	Sally K. Ride	4		4				
Luxmanor	3		3	Waters Landing	5		5				
Wyngate	10		10	Total	15	0	15				
Total	21	0	21	Sherwood							
				Belmont		1	1				
				Total	0	1	1				

Cluster/ School	Relocatables on site for 2011-2012 to Address:		
	Overutilization	DC	Total
Grand Total by Use	340	10	350
SCHOOL TOTAL:		350	

Other Relocatable Uses		
	# Units	Comment
Phased Construction		
Gaithersburg HS	15	Modernization
Paint Branch HS	10	Modernization
Ridgeview MS	4	Improvements
Total	29	
Holding Schools for Modernizations		
Fairland Center	9	Cannon Road/Glenallan
Grosvenor Center	21	Garrett Park/Weller Road
North Lake Center	16	Beverly Farms ES
Radnor Center	13	Seven Locks/Bradley Hills
Tilden Center	14	Herbert Hoover MS
Total	73	
Other Uses at Schools		
Gaithersburg ES	1	Parent Resource Center
Gaithersburg HS	1	Mont. College Program
Rolling Terrace ES	1	Judy Center
Rosemary Hills ES	1	Benchmarks Program
Seneca Valley HS	1	Transition (CCC)
Sherwood ES	1	Baldrige Lab
Summit Hall ES	1	Judy Center
Wootton HS	1	Modular Bathroom
Wootton HS	1	Mont. College Program
Total	9	
Nonschool Locations		
Bethesda Depot	3	Offices
Children's Res. Ctr.	1	Infants & Todd. offices
Clarksburg Depot	1	Maintenance
Clarksburg Depot	2	Transportation
Emory Grove Ctr.	1	Transitions Program
Kingsley	5	Transitions
Lincoln Warehouse	1	Copy Plus Program
Mont. College		
Germantown	2	
Randolph Depot	3	Offices
Rockinghorse	2	ESOL Offices
Shady Grove Depot	10	
Smith Center	2	Outdoor Education
Total	33	
OTHER TOTAL:		144

DC = Paid for by day-care provider to enable a day-care center to operate inside school.
 * In terms of the number of schools, the Downcounty Consortium is the equivalent of 5 clusters, and the NE Consortium is the equivalent of 3 clusters.
 ** Units to be removed in January 2012.

Appendix E

Modernization Schedule for Assessed Schools

Schools	Year Built	Year Renovated	FACT Score	Schedule
Elementary				
Seven Locks	1964		1344	1/2012
Cannon Road	1967		1357	1/2012
Garrett Park	1948	1973	1388	1/2012
Glenallan	1966		1418	8/2013
Beverly Farms	1965		1427	1/2013
Weller Road	1953	1975	1461	8/2013
Bel Pre	1968		1476	8/2014
Candlewood	1968		1489	1/2015
Rock Creek Forest	1950	1971	1492	1/2015
Wayside	1969		1502	8/2016
Brown Station	1969		1516	8/2016
Wheaton Woods	1952	1976	1525	8/2016
Potomac	1949	1976	1550	1/2018
Luxmanor	1966		1578	1/2018
Maryvale	1969		1578	1/2018
<i>Sandburg (collocation with Maryvale)</i>	1962		414.05	1/2018
<i>Cold Spring</i>	1972		382.04	8/2019
<i>Dufief</i>	1975		357.01	8/2019
<i>Belmont</i>	1974		349.28	8/2019
<i>Stonegate</i>	1971		334.95	8/2019
<i>Damascus</i>	1934	1980	331.89	1/2021
<i>Twinbrook</i>	1952	1986	330.58	1/2021
<i>Summit Hall</i>	1971		328.90	1/2021
<i>Rosemary Hills</i>	1956	1988	327.05	1/2021
Middle				
Francis Scott Key	1967		1389	8/2009
Cabin John	1968		1422	8/2011
Herbert Hoover	1966		1427	8/2013
William H. Farquhar	1968		1434	8/2016
Tilden @ Woodward	1966		1455	8/2018
Eastern	1951	1976	1472	8/2020
E. Brooke Lee	1966		1479	TBD
High				
Walter Johnson	1956	1977	1405	1/2010 Building 8/2010 Site
Paint Branch	1969		1425	8/2012 Building 8/2013 Site
Gaithersburg	1951	1978	1214	8/2013 Building 8/2014 Site
Wheaton	1954	1983	1220	8/2016 Building 8/2019 Site
Seneca Valley	1974		1254	8/2017 Building 8/2018 Site
Thomas S. Wootton	1970		1301	8/2019 Building 8/2020 Site
Poolesville	1953	1978	1362	8/2021 Building 8/2022 Site
Col. Zadok Magruder	1970		1471	TBD
Damascus	1950	1978	1496	TBD
Northwood	1956	2004	****	TBD

Note: Schools were assessed for modernization in 1992, 1996, and 1999. Assessments were completed on the remaining 34 elementary and 11 middle schools during December 2010 and June 2011. (These schools are listed above in italics.) Four holding centers, three Special Education Learning Centers, and one Alternative Program Center also were assessed during December 2010 and June 2011. Schools will be added to the modernization list once planning and/or construction expenditures are included in the six-year Capital Improvements Program. See Appendix R for a complete list of schools that were assessed in the 2010-2011 school year.

Projects with a TBD are projects that were assessed prior to December 2010 and do not have planning and/or construction expenditures in the Superintendent's Recommended FY2013 Capital Budget and the FY2013-2018 CIP have completion dates to be determined (TBD). This TBD status will be revised in a future CIP.

Appendix R

Assessing Schools for Modernization

On December 7, 2010, the Board of Education adopted Policy FKB, *Sustaining and Modernizing Montgomery County Public Schools (MCPS) Facilities*. This policy updated Policy FKB, Modernization/Renovation that was adopted in 1992 and had never been updated by the Board of Education. The updated version of Policy FKB provides for a new emphasis on sustaining Montgomery County Public Schools (MCPS) facilities in good condition through systematic life-cycle asset replacement. At the same time, the policy recognizes the need to modernize schools as a facility reaches the end of its useful lifecycle. In order to implement Policy FKB it was necessary to have an updated means of assessing and prioritizing schools for modernization.

While a primary factor in the need to modernize a school is the age of the facility, a number of other factors also are considered in assessing the condition of a school. When the MCPS modernization program began in the early 1990s, a methodology known as Facilities Assessment with Criteria and Testing (FACT) was developed. The original FACT methodology was applied to three groups of school assessments—the first group in FY 1993, the second in FY 1996 and the third in FY 2000. Through the 2011–2012 school year, these assessments resulted in the modernizations of 35 elementary schools, 8 middle schools, and 8 high schools. Another 12 elementary schools, 5 middle schools, and 9 high schools are now either under construction, in design, or are in the queue for modernization. The list of these schools is provided in Appendix E.

The list of elementary schools in the queue for modernization is almost complete, with the last three elementary schools in the queue scheduled for completion in January 2018. As a result, it was necessary to assess additional elementary and secondary schools that are aging and in need of modernization. A total of 53 facilities were identified for FACT assessments. The new list includes facilities that were built prior to the mid 1980s and had never been modernized, although some of these schools may have had some renovation work performed.

Beginning in spring 2010, a process to update the FACT methodology was undertaken. A multi-stakeholder committee reviewed and prepared recommendations to update the methodology. Board of Education supported the recommendations of the committee by adopting the updated FACT methodology on July 8, 2010. The updated FACT methodology describes the criteria to assess the condition of schools, the measures for each criterion, and the relative weights to apply to various

criteria to obtain an overall score for each facility. Consultants EMG, Inc., provided technical expertise in the development of the detailed revised FACT methodology and were responsible for conducting the assessments.

The old FACT methodology scoring system used a 2,000 point scale and schools in worse condition scored lower while schools in better condition received a higher score. In contrast, the new FACT methodology uses a 600 points scale in which the buildings in worse condition received higher scores and the buildings in better condition received lower scores. "Educational Program" parameters such as educational specifications, open plan schools, and controlled access were assigned 300 points and "Physical Infrastructure" parameters, such as facility design guidelines, utility and energy efficiency, maintenance cost, and community use of public facilities, were assigned 300 points. The final report of the assessments, including the facility scores, was presented to the Board of Education on October 11, 2011.

The table on the following page presents the scores for each school in rank order for elementary schools and secondary schools. As the current queue of schools scheduled for modernization is completed (see Appendix E), schools on the following page will be placed in the modernization queue according to their score. The movement of the newly assessed schools to the modernization queue will occur as planning and construction funds are programmed in the six year CIP period. At that time a completion date for the modernization also will be provided. The purpose of the following list is to show the rank order and scores of all the schools that were recently assessed.

In addition to 34 elementary schools and 11 middle schools, the recent FACT assessments included three special education program centers—Stephen Knolls, Rock Terrace, and Carl Sandburg—the Blair G. Ewing Center, and the four elementary school holding centers. Stephen Knolls is placed in the list of elementary schools on the following page and Rock Terrace and the Blair G. Ewing Center are placed in the list of secondary schools. The Carl Sandburg Learning Center is not included on the following table because a recommendation to collocate this school at Maryvale Elementary School will be considered by the Board of Education in November 2011. Finally, the elementary school holding centers are not included on the following table because improvements to these facilities will be addressed through a separate capital project.

FACT* Scores (Schools Assessed in 2010–2011)

Rank	Elementary Schools	Total FACT Score Maximum Score = 600
1	Cold Spring Elementary School	382.04
2	Dufief Elementary School	357.01
3	Belmont Elementary School	349.28
4	Stonegate Elementary School	334.95
5	Damascus Elementary School	331.89
6	Twinbrook Elementary School	330.58
7	Summit Hall Elementary School	328.90
8	Rosemary Hills Elementary School	327.05
9	Burnt Mills Elementary School	318.29
10	Poolesville Elementary School	314.42
11	Woodfield Elementary School	314.09
12	South Lake Elementary School	302.69
13	Cedar Grove Elementary School	302.46
14	Greenwood Elementary School	300.47
15	Piney Branch Elementary School	294.73
16	Whetstone Elementary School	293.22
17	Takoma Park Elementary School	292.86
18	Gaithersburg Elementary School	290.88
19	Strathmore Elementary School	289.46
20	Diamond Elementary School	286.57
21	Fox Chapel Elementary School	278.71
22	Stephen Knolls School	276.56
23	East Silver Spring Elementary School	276.41
24	Broad Acres Elementary School	275.88
25	Woodlin Elementary School	273.72
26	Germantown Elementary School	272.61
27	Fallsmead Elementary School	267.41
28	Watkins Mill Elementary School	266.33
29	Fields Road Elementary School	257.61
30	Stedwick Elementary School	249.55
31	Cloverly Elementary School	244.31
32	Darnestown Elementary School	241.67
33	Washington Grove Elementary School	227.68
34	Bradley Hills Elementary School	212.04
35	Sherwood Elementary School	210.92

Rank	Secondary Schools	Total FACT Score Maximum Score = 600
1	Rock Terrace School	382.13
2	Blair G. Ewing Center	380.99
3	Banneker Middle School	341.88
4	Arglye Middle School	322.24
5	Newport Mill Middle School	315.72
6	Ridgeview Middle School	309.03
7	Silver Spring Intl. Middle School	301.37
8	Neelsville Middle School	291.74
9	Baker Middle School	279.58
10	Frost Middle School	255.22
11	Loiederman Middle School	254.66
12	Redland Middle School	245.35
13	North Bethesda Middle School	240.74

* FACT refers to the Facilities Assessment with Criteria and Testing methodology for evaluating and scoring the condition of schools.

Council Approved (Amended) FY11-16 Modernization Expenditure Schedule

Completion Date	School	Total	Through FY10	Total 6 Years	FY11	FY12	FY13	FY14	FY15	FY16	Beyond 6 Years
Aug-10	Cresthaven ES	25,549	20,632	4,917	4,917						
Aug-10	Carderock Springs ES	23,187	17,070	6,117	6,117						
Aug-11	Cabin John MS	38,572	4,460	34,112	15,607	18,505					
Aug-12	Paint Branch HS	96,495	4,642	91,853	20,449	19,984	30,176	21,244			
Jan-11	Farmland ES	21,482	4,610	16,872	9,328	7,544					
Jan-12	Cannon Road ES	25,925	600	25,325	16,079	9,246					
Jan-12	Garrett Park ES	25,016	688	24,328	14,890	9,438					
Aug-13	Gaithersburg HS	117,149	1,406	115,743	4,109	19,728	42,441	30,128	19,337		
Aug-09	Carl Sandburg Learning Center	-	-	-							
Aug-13	Glenallan ES	29,091	220	28,871	441	2,621	9,845	15,964			
Aug-13	Beverly Farms ES	28,747	221	28,526	442	5,456	11,313	11,315			
Aug-13	Weller Road ES	24,119	182	23,937	363	4,895	8,201	10,478			
Aug-13	Herbert Hoover MS	47,930	371	47,559	741	7,645	18,596	20,577	-		
Aug-14	Bel Pre ES	26,241	-	26,241	215	429	3,137	11,592	10,868		
Jan-15	Candlewood ES	20,034	-	20,034		152	304	4,428	15,150	-	
Jan-15	Rock Creek Forest ES	24,465	-	24,465		185	371	5,458	18,451	-	
Aug-15	William Farquhar MS	47,798	-	47,798		345	690	6,758	17,285	22,720	-
Aug-16	Wheaton HS	91,187	-	37,100		605	1,211	9,931	12,846	12,507	54,087
Subtotal - Current Mods		712,987	55,102	603,798	93,698	106,778	126,285	147,873	93,937	35,227	54,087
Aug-16	Wayside ES	18678		4869			142	284	2386	2057	13809
Aug-16	Brown Station ES	23136		6817			176	351	2988	3302	16319
Aug-16	Wheaton Woods ES	24584		7772			186	372	3344	3870	16812
Aug-17	Seneca Valley HS	102914		32744			681	1362	15097	15604	70170
Aug-17	Tilden @ Woodward MS	47921		4260				345	690	3225	43661
Jan-18	Potomac ES	23123		2309					175	2134	20814
Jan-18	Maryvale ES	25193		2793					190	2603	22400
Jan-18	Luxmanor ES	24410		2620					185	2435	21790
Aug-19	Wootton HS	99598		1980					660	1320	97618
Aug-19	Eastern MS	48438		349						349	48089
Subtotal - Future Mods		437,995	-	66,513	-	-	1,185	2,714	25,715	36,899	371,482
Total Modernizations		1,150,982	55,102	670,311	93,698	106,778	127,470	150,587	119,652	72,126	425,569

Montgomery County Public Schools

AGENCY DESCRIPTION

The Montgomery County Board of Education (BOE or Board) consists of seven publicly elected members; one student member elected by public school students; and the Superintendent of Schools, who is appointed by the Board of Education and is responsible for the administration of the school system. The vote of the Superintendent is not counted for capital and operating budget appropriations. The Montgomery County Public Schools (MCPS) operates and maintains a Countywide system of public schools for students from pre-kindergarten through high school (including special education, interagency, and alternative programs) and also provides adult education services. At the start of the 2011-2012 school year, 146,497 students were attending 200 separate public educational facilities.

PROGRAM DESCRIPTION AND OBJECTIVES

The Board's FY13-18 CIP request consists of 13 new and 32 ongoing projects with expenditures in the six-year period. Included within the ongoing projects are three projects with multiple subprojects: Current Modernization / Renovations, Future Modernization / Renovations, and Rehab / Renovation of Closed Schools.

Two projects are included for technical reasons. State Aid Reconciliation includes State aid funding not yet allocated to specific projects, as well as bond funding reductions assumed from this State aid. MCPS Affordability Reconciliation adjusts total expenditures to conform to the Executive's recommended funding levels, which are affordable within the CIP.

The section following this narrative only shows the project description forms (PDFs) for which the Executive recommends changes to the BOE's request. The complete BOE request can be found on the MCPS web site at www.montgomeryschoolsmd.org/departments/planning/CIPMaster_Current2.shtml.

PROGRAM CONTACTS

Contact Adrienne Karamihas of the Montgomery County Public Schools at 240.314.1035 or LaKisha Giles of the Office of Management and Budget at 240.777.2771 for more information about this agency's capital budget.

CAPITAL PROGRAM REVIEW

Board of Education Request

The Board's FY13-18 capital program request for MCPS totals \$1,489.0 million, a \$130.1 million or 9.6 percent increase from the amended FY11-16 capital program of \$1,358.9 million.

Executive Recommendations

The Executive recommends \$1,355.1 million over the six-year CIP, an amount which is only 0.3 percent below FY11-16 funding despite a 7.3 percent reduction in general obligation bonds issued.

Highlights of Executive Recommendation

- Allocate \$1,351.9 million for school construction.
- Maintain previously approved modernization schedule for all elementary schools.
- Address capacity needs from higher enrollment by opening two new elementary schools and one new middle school, constructing six elementary school additions, and one middle school addition.
- Maintain funding to MCPS countywide infrastructure projects including heating, ventilation and air-conditioning, restroom renovations and life-cycle asset replacement.
- As part of the Smart Growth Initiative, fund design and construction of a new, larger MCPS Food Distribution Facility.
- Address countywide special education needs by adding new funding for modifications to Holding, Special Education and Alternative Centers.

PROGRAM EXPENDITURES

The County Executive reaffirms his commitment to preparing children to live and learn. Despite fiscal constraints faced by the County, the Executive is recommending maintaining 99.7 percent of the amended FY11-16 capital program.

Individual Schools

The Executive supports the Board's capacity-related requests, which include constructing additions for six elementary schools and one middle school, opening a new elementary school, opening a new middle school, and reopening one elementary school. The Executive also supports modernization to existing facilities by recommending funding five elementary school, one middle school and two high school modernization projects. However, the Executive recommends delaying the reopening of

one elementary school, Richard Montgomery #5, by two years. The Children's Resource Center is currently using this school and the Center will have to relocate to accommodate the elementary school's reopening. This elementary school reopening delay will save the County taxpayers \$3.45 million by avoiding funding a temporary space for the Children's Resource Center and allowing a permanent Center to be built before MCPS needs the property.

Countywide Projects

For the FY13-18 CIP, the Board has requested \$708.3 million for its school modernization program. The Board proposal results in an average expenditure level per year of \$118.0 million, an increase of \$6.3 million per year or 5.7 percent over the current approved average annual expenditure level. The following table shows annual funding for modernizations since FY99. The Executive is recommending a one-year delay for two current high school modernizations and four secondary school modernizations. The Executive is also reiterating his past recommendation to comprehensively revisit the costly practice of "tear down and rebuild" modernizations.

Modernization Funding (\$000s)

Six-Year CIP	Average Per Year	Six-Year Total
FY99-04 Amended	45,893	275,360
FY01-06 Amended	59,887	359,319
FY03-08 Amended	39,282	235,691
FY05-10 Amended	48,569	291,413
FY07-12 Amended	92,119	552,716
FY09-14 Amended	110,966	665,796
FY11-16 Amended	111,719	670,311
FY13-18 Request	118,045	708,270
Change from FY11-16 Amended	6,327	37,959

The Executive sees maintaining the current MCPS infrastructure as a priority. Americans with Disabilities Act (ADA) Compliance, Energy Conservation, Fire Safety, Heating, Ventilation, and Air Conditioning (HVAC), Indoor Air Quality, Roof Replacement, School Security Systems, and Restroom Renovations are among a number of level of effort projects being recommended for higher or continued funding in FY13-18.

PROGRAM FUNDING

The MCPS capital program would be funded using \$748.7 million of County bonds; \$366.4 million of other local resources including current revenue, recordation tax, schools impact tax, and federal funding; and \$240 million of State aid. The table following this narrative compares funding sources for the amended FY11-16 Capital Program to the FY13-18 Board request and Executive recommendation.

County General Obligation Bonds

The Board's request includes large increases in general obligation bond expenditures throughout the six-year program. The Executive recommendation provides a level of general obligation bond-funded expenditures which, when combined with proposals of all agencies, is consistent with Spending Affordability Guidelines (SAG) set by the Council. The Executive recommends bond funding of \$748.7 million over six years, which reflects the resources available within the CIP. This represents a decrease of \$49.4 million or 6.2 percent compared to the amended FY11-16 capital program, which is mostly offset by \$45.6 million in increases in other funds. An allocation of approximately 59.8% of planned FY13 general obligation bond issues has been recommended for MCPS.

Other County Resources

The Executive's recommendation includes \$108.8 million in current revenue over the six-year CIP. His proposal also assumes \$145.5 million in recordation tax, and \$112.1 million of school impact tax, during FY13-18. The allocation of these funding sources to MCPS increased by 14.4 percent over the FY11-16 CIP.

State Aid

Support for BOE initiatives is contingent on a successful County effort to secure State aid for school construction over the next six years. The Executive's recommendation assumes \$240 million of State aid over six years with \$40 million in FY13. The following table compares the annual amount of State aid requested by MCPS to the amount finally approved since 1998.

State Aid Funding (\$millions)

Fiscal Year	State Aid Requested	State Aid Approved
FY98	72.7	37.9
FY99	68.8	50.0
FY00	57.5	50.2
FY01	59.0	50.0
FY02	55.7	44.4
FY03	22.1	18.0
FY04	18.5	10.6
FY05	59.9	9.0
FY06	126.2	30.4
FY07	125.2	40.1
FY08	134.0	52.3
FY09	132.7	46.3
FY10	113.8	28.4
FY11	139.1	30.2
FY12	163.6	42.0
FY13 Rec.	184.5	N/A

Montgomery County has requested \$184.5 million of State funding in FY13 for 25 construction projects and 18 systems renovation projects. A chart at the end of this chapter presents

FY13-18 budget assumptions and projects likely to require State aid.

The State's Interagency Committee on School Construction (IAC) made a preliminary recommendation on December 9, 2011, to the State Board of Public Works (BPW) for \$24.0 million of State aid for Montgomery County in FY13. The table presented below shows details by project. The BPW will make final allocations in the Spring of 2012 after the end of the Maryland General Assembly session.

The Executive will vigorously pursue State aid for all eligible projects and urges the Board, the Council, the County Delegation, and the community to request that the State fully fund the County's State aid request.

**FY13 State Aid for School Construction
(\$000)**

Project by Category	Total Est.	FY13	IAC Rec.	Balance
	Cost	Request		
<i>Construction:</i>				
Fox Chapel ES	7,205	172	172	-
Garrett Park ES	24,166	4,982	4,982	-
Subtotal, Construction	31,371	5,154	5,154	-
<i>Planning & Construction:</i>				
Beverly Farms ES	29,260	8,566		8,566
Bradley Hills ES	14,249	4,586		4,586
Brookhaven ES	5,819	1,647	200	1,447
Damestown ES	11,100	2,333		2,333
Downcounty Consortium ES	32,221	9,405		9,405
Fairland ES	7,729	2,086	1,000	1,086
Gaithersburg HS	119,300	38,566		38,566
Glenallan ES	29,611	9,388		9,388
Georgian Forest ES	10,620	2,394		2,394
Harmony Hills ES	5,949	2,827	400	2,427
Herbert Hoover MS	48,788	14,812		14,812
Jackson Road ES	6,791	1,254	1,254	-
Montgomery Knolls ES	8,753	2,586	1,200	1,386
Paint Branch HS	98,498	38,935		38,935
Redland MS	14,233	4,634	2,270	2,364
Ridgeview MS	13,524	1,954	1,000	954
Rock View ES	5,470	1,938		1,938
Seven Locks ES	22,662	5,910	2,159	3,751
Viers Mills ES	11,177	2,690		2,690
Weller Road ES	24,547	5,953		5,953
Westbrook ES	11,805	3,363		3,363
Whetstone ES	7,633	1,260	150	1,110
Wyngate ES	10,230	2,508		2,508
Subtotal, Plan. & Construct.	549,969	169,595	9,633	159,962
<i>Countywide:</i>				
Roof Replacement	6,623	3,240	2,690	550
HVAC/Electrical Replacement	13,340	6,532	6,532	-
Subtotal, Countywide	19,963	9,772	9,222	550
Total, All Projects	801,303	184,521	24,009	160,512

GROWTH POLICY

Article II of Chapter 33A-15 of the Montgomery County Code requires that, no later than November 15 in odd-numbered years, the County Council adopt the County's Growth Policy. The Growth Policy is the tool used to ensure that approvals of

new subdivisions are commensurate with adequate transportation and school facilities. For the purposes of public school analysis and local area review of school facilities at time of subdivision, the County has been divided into 25 sectors which reflect the service areas of each of the MCPS high schools, including the middle schools and elementary schools which feed students to these high schools. These sectors are called "clusters."

The current Growth Policy test of school adequacy applies to requests for residential subdivisions that have been filed with the Planning Board since January 1, 2011, and assesses school capacity five years in the future in each of the clusters. For each school level, the total projected enrollment of all schools in the cluster is compared to total school capacity in the future, including the additional capacity that will be built if the County Council approves the recommended CIP. The Growth Policy test calculates a fixed structural capacity for schools. It assumes a class size of 22 for all-day kindergarten, 23 for elementary grades, and 25 for secondary grades. This measure does not count relocatable classrooms in computing capacity.

Clusters where enrollment is projected to be above 120 percent of program capacity are placed in development moratorium, which would apply to any residential subdivision plan that had not received approval from the Planning Board as of July 1, 2012, in the case of the FY13 school test. Clusters where enrollment is projected to be above 105 percent of program capacity, but not over 120 percent, are identified as requiring a special school facility payment from developers who choose to submit subdivision plans in these areas.

The tables that appear at the end of this chapter present the outcome of the Growth Policy test based on the Board's requested FY13-18 CIP. The application of the school test produces a moratorium in the Bethesda-Chevy Chase cluster. The school test also requires a school facilities payment at the high school level in the Blake, Walter Johnson, Northwood, Quince Orchard, Walter Whitman and Wootton clusters; at the middle school level in the Blair, Walter Johnson, Rockville, Springbrook, Wheaton and Whitman; and at the elementary level Blake, Gaithersburg, Magruder, Paint Branch, Quince Orchard, Rockville and Seneca Valley clusters.

OPERATING BUDGET IMPACT

Operating budget impacts measure resources needed to maintain or operate new or modernized facilities. They include such elements as salaries for administrators and building service workers and the cost of energy. They do not reflect teacher salaries because it is assumed that teachers already on staff would be transferred to fill positions in new schools.

According to MCPS standards and using FY13 dollars, each new 740 student elementary school will require approximately \$2.4 million in additional operating costs for the first year.

These costs include salaries for 18.1 workyears of non-classroom positions. Each new 1,000 student middle school will require approximately \$4.3 million in additional operating costs for the first year. These costs include salaries for 36.0 workyears of non-classroom positions. A new 2,000 student high school is estimated to require approximately \$4.0 million in additional operating costs for the first year. These costs include salaries for 66.0 workyears of non-classroom positions.

STATUTORY AUTHORITY

Titles 3, 4, and 5 of the Education Article, Annotated Code of Maryland, govern the establishment of county boards of education, local school administration, and financing. Each county board is to maintain throughout its county a reasonably uniform system of public schools that is designed to provide quality education and equal educational opportunities for all children. Subtitle 3 of Title 5, State Aid for School Construction, provides for payment of certain public school construction and capital improvement costs by the State through its Public School Construction Program. The CIP review process for the public schools is governed by laws and regulations of the State of Maryland, the Montgomery County Charter, and the Board of Education's Policy on Long-Range Educational Facilities Planning.

Summary of School Test for FY 2013

Based on BOE Requested FY 2013-2018 CIP
Would Be Effective July 1, 2012

School Test Level	Description	Cluster Outcomes by Level		
		Elementary Inadequate	Middle Inadequate	High Inadequate
<u>Clusters over 105% utilization</u> School facility payment required in inadequate clusters to proceed.	5-year test Effective July 1, 2012 Test year 2017-18	Blake (106.7%) Gaithersburg (110.0%) Magruder (105.4%) Paint Branch (114.5%) Quince Orchard (108.9%) Rockville (113.3%) Seneca Valley (111.9%)	Blair (106.9%) Walter Johnson (112.3%) Rockville (115.4%) Springbrook (106.7%) Wheaton (109.4%) Whitman (116.0%)	Blake (106.7%) Walter Johnson (106.3%) Northwood (111.5%) Quince Orchard (107.1%) Walt Whitman (109.3) Wootton (107.6%)
<u>Clusters over 120% utilization</u> Moratorium required in clusters that are inadequate.	5-year test Effective July 1, 2012 Test year 2017-18			B-CC (131.7%)

37-6

MCPS Affordability Reconciliation -- No. 056516

Category
Subcategory
Administering Agency
Planning Area

Montgomery County Public Schools
Miscellaneous Projects
Public Schools
Countywide

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

January 10, 2012
No
None
On-going

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY11	Est. FY12	Total 6 Years	FY13	FY14	FY15	FY16	FY17	FY18	Beyond 6 Years
Planning, Design, and Supervision	0	0	0	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	-57,645	0	0	-133,923	-6,873	-19,068	-50,131	-37,118	-17,130	-3,603	76,278
Total	-57,645	0	0	-133,923	-6,873	-19,068	-50,131	-37,118	-17,130	-3,603	76,278

FUNDING SCHEDULE (\$000)

Current Revenue: General	-51,522	0	0	-51,522	-4,532	-6,733	-20,884	-7,653	-5,220	-6,500	0
Current Revenue: Recordation Tax	64,555	0	0	64,555	-2,094	-3,258	14,050	-438	27,354	28,941	0
G.O. Bonds	-129,297	0	7,335	-212,910	-1,186	-17,171	-49,455	-36,299	-59,619	-49,180	76,278
Schools Impact Tax	58,619	0	-7,335	65,954	939	8,094	6,158	7,272	20,355	23,136	0
Total	-57,645	0	0	-133,923	-6,873	-19,068	-50,131	-37,118	-17,130	-3,603	76,278

DESCRIPTION

This project reconciles the Board of Education request with the Executive's recommendation.

The Executive's priority of educational excellence has resulted in his recommending maintaining 99.7 percent of the amended FY11-16 capital program in the next six-year period. Fiscal constraints lead the Executive to adjust the annual amounts to be affordable within the CIP. The Executive recommends staying within the Spending Affordability Guidelines approved by the County Council in October 2011. The Executive reached the FY13-18 funding level by recommending a two year reopening delay of Richard Montgomery Elementary School #5 to accommodate the relocation of the Children's Resource Center and avoid \$3.45 million in temporary relocation cost as well as a one year delay for two current high school modernizations, and future modernizations for two middle schools and two high schools. The Executive also recommends deleting the Transportation Depot project until we can study alternative options for bus depot operations to ensure that expensive investments in stand alone depots are warranted; maintaining the Technology Modernization project on the currently approved five year cycle; maintaining the Facility Planning project funding at the currently approved FY12 level; and using current revenue funds currently allocated in the Technology Modernization project to help fund the Relocatable Classrooms project's FY13 requested increase.

FISCAL NOTE

FY12 adjustment figures reflect a FY12 amendment to switch school impact tax funds to general obligation bonds in light of the expected impact of Bill 26-11.

APPROPRIATION AND EXPENDITURE DATA	COORDINATION	MAP
Date First Appropriation	FY01	(\$000)
First Cost Estimate	FY01	0
Current Scope		0
Last FY's Cost Estimate		0
Appropriation Request	FY13	-4,532
Appropriation Request Est.	FY14	-6,733
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		0
Expenditures / Encumbrances		0
Unencumbered Balance		0
Partial Closeout Thru	FY10	0
New Partial Closeout	FY11	0
Total Partial Closeout		0

MCPS CIP FY13-18

Highlights

- Expenditure Summary
- Board Request
- CE Recommendations
- Next Steps

Expenditure Summary

Expenditure Summary

	Amended FY11-16	BOE Req FY13-18	Change from Amended % Change	CE Rec FY13-18	Change From	
					Amended % Change	BOE % Change
Six Year Total	1,361,675	1,489,044	127,369	1,355,121	(6,554)	(133,923)
			9.4%		-0.5%	-9.0%
FY11	250,338					
FY12	223,990					
FY13	228,814	274,139	45,325	267,266	38,452	(6,873)
FY14	269,280	272,752	3,472	253,684	(15,596)	(19,068)
FY15	215,210	237,093	21,883	186,962	(28,248)	(50,131)
FY16	174,043	272,416	98,373	235,298	61,255	(37,118)
FY17		228,235		211,105		
FY18		204,409		200,806		

Board Request

Newly Requested Capacity Projects

- 3,911 seats to be added in 10 school/addition projects newly requested in the FY13-18 CIP.
- Three New Schools Requested
 - B-CC Middle School #2
 - Northwest ES #8 (was previously a “cluster solution project”)
 - Richard Montgomery ES #5 (Hungerford Park) in Rehab/Renovation of Closed Schools (RROCs) project

Newly Requested Capacity Projects (continued)

- 6 elementary school addition projects requested
 - Arcola ES Addition (Downcounty Consortium)
 - Bethesda ES Addition (B-CC Cluster)
 - Highland View ES Addition (Downcounty Consortium)
 - North Chevy Chase ES Addition (B-CC Cluster)
 - Rosemary Hills ES Addition (B-CC Cluster)
 - Wood Acres ES Addition (Walt Whitman Cluster)

- 1 middle school addition project requested
 - Julius West ES Addition (Richard Montgomery Cluster)

Ongoing Projects: New Schools/Additions

- 8 elementary school capacity projects already under construction (Total seats added = 2,523)
 - Bradley Hills ES Addition (Whitman Cluster) – 8/13
 - Darnestown ES Addition (Northwest Cluster) – 8/13
 - Downcounty Consortium ES (McKenney Hills) – 8/12
 - Georgian Forest ES Addition (Downcounty Consortium) – 8/13
 - Seven Locks ES Addition/Modernization – opened 1/12
 - Viers Mill ES Addition (Downcounty Consortium) – 8/13
 - Westbrook ES Addition (B-CC Cluster) – 8/13
 - Wyngate ES Addition (Walter Johnson Cluster) – 8/13

Ongoing Projects: New Schools/Additions

- 4 Approved Capacity Projects (+2,381 seats) not yet under construction
 - Clarksburg Cluster ES – 8/14
 - Clarksburg High School Addition – 8/15
 - Clarksburg/Damascus MS – (BOE recommending a 1 year delay from 8/15 to 8/16)
 - Waters Landing ES Addition (Seneca Valley Cluster) – 8/14

BOE Requested Modernization Schedule

- Elementary schools remain on the approved schedule. 12 schools (plus Sandburg collocation with Maryvale) to open within the FY13-18 CIP (i.e. by 1/18).
- 8 schools (including Sandburg) added based on the recently completed FACT assessment process.
- Farquhar MS (8/16), Tilden @ Woodward MS (8/18), and Eastern MS (8/19) reflect one year delays.
- Wheaton HS (8/16), Seneca Valley HS (8/17), and Wootton HS (8/19) reflect one year delays.
- Poolesville HS added to the mod schedule (8/21).

Systemic Projects

- Big increase in HVAC project
- New food service equipment replacement project
- Increase in ADA project
- New Transportation Depot project
- Tech mod increase

County Executive Recommendations

CE Recommended Changes to the BOE Request

- Assume an opening date for the new Richard Montgomery Cluster ES #5 (Hungerford Park) in August 2017 (instead of August 2015 as requested by the Board)
- Defer the Tilden @ Woodward and Eastern MS modernizations each two years (rather than one year as recommended by the Board)
- Defer the Seneca Valley HS and Wheaton HS modernizations two years (rather than one year as recommended by the Board)
- Defer Wootton HS and Poolesville one year.
- Delete the newly requested Transportation Depot project.
- Adjust Facility Planning expenditures across the 6-years
- Assume an \$18.7 million level of funding in the project (about an 18% reduction from the Amended CIP and 25% below what the Board has requested)
- Assume a transfer of current revenue funding (rather than a new current revenue appropriation) for the Relocatable Classroom project in FY13.

Schedule

- Council Public Hearings – Feb 7, 8, 9
- Education Committee:
 - Feb 6 (Enrollment and Demographics Briefing/CIP Overview/Modernizations Discussion)
 - Worksessions: Feb 27, March 5, and March 19
- Council Worksession – March 27 (tentative)
- Reconciliation – Early May

Council Staff Review (Next Steps)

Based on Bond SAG limits and historic State aid levels, a variety of options must be considered to give the Council flexibility to adjust the MCPS CIP including:

- Reviewing enrollment and capacity figures to see if any of the approved capacity projects that are not yet under construction or which are requested for the first time this year can be deferred.
- Prioritizing the various new school and addition projects based on severity of over-utilization, AGP test considerations, linkages to other projects, capacity to accommodate relocatable classrooms on-site, core space issues, etc.. So that, if necessary, some of the capacity project schedules (and dollars) can be pushed out of the early years or even partially out of the CIP.
- Reviewing the mod schedule to identify the fiscal impacts of various deferrals (including BOE requested, CE recommended deferrals or other options).
- Considering lower levels of funding for some of the ongoing systemic projects (such as HVAC and Roofs) than what is requested by the MCPS.
- Delaying or reducing some of the new "one-time" systemic projects

Things to Keep in Mind

- The “base” from which we should compare is the Approved CIP.
 - Unless conditions have changed, approved projects (at existing funding levels) should have the first claim on CIP resources going forward.
 - One cannot defer a project that is not in the Approved CIP. (Example: A new project requested by the Board with an opening date of 8/15 that the Council approves to open in 8/16 **is not** a deferral since there is no approved schedule.)
- The CE Recommended CIP is helpful in that it “balances” based on latest revenue estimates and Council SAG recommendations. However, the Council is free to create whatever CIP it wants within the fiscal boundaries and assumptions it chooses.
- All Committee and Council CIP decisions on capital projects are “tentative” pending final CIP reconciliation in May.

Resources

- Approved FY11-16 CIP (amended July 1, 2011)
http://www.montgomeryschoolsmd.org/departments/planning/PDF/Archive_MP12_Complete.pdf
- FY13-18 Superintendent's Recommended Master Plan/CIP
http://www.montgomeryschoolsmd.org/departments/planning/CIPMaster_Current2.shtml
- FY13-18 Board of Education Requested CIP
http://www.montgomeryschoolsmd.org/departments/planning/PDF/CIP13_BOE_Requested_FY2013CIP.pdf
- County Executive's Recommended FY13-18 CIP for MCPS
<http://www.montgomerycountymd.gov/content/omb/FY13/ciprec/pdf/mcps.pdf>