

Public Hearing

MEMORANDUM

March 29, 2019

TO: County Council

FROM: *KL* Keith Levchenko, Senior Legislative Analyst

SUBJECT: **Public Hearing:** Special appropriation to the Montgomery County Public Schools FY19 Capital Budget - \$5.0 million for Relocatable Classrooms (Source: Current Revenue)¹

PURPOSE: To receive testimony regarding the Board of Education's requested special appropriation request for Relocatable Classrooms.

Background

On March 8, the Council received the Board of Education's special appropriation request for \$5.0 million for the leasing, purchase, movement, and rehabilitation of relocatable classrooms needed for the 2019-20 school year (see ©3-5). A draft resolution is attached on ©1-2.

MCPS' request would accelerate \$5.0 million in current revenue-funded requested appropriation from FY20 to FY19 to allow MCPS to move forward with contractual work this spring, so that the relocatable classrooms can be ready by the start of the 2019-20 school year. The expenditures related to the appropriation would still occur in FY20.

Within the Approved FY19-24 CIP, the Relocatable Classrooms project already includes \$5.0 million in expenditures in FY20, so the special appropriation request does not involve an expenditure change for the project.

On March 15, the County Executive transmitted his recommendation to approve the request (see ©6-10). His recommendation assumes utilizing \$1.731 million in Recordation Tax revenue and \$3.269 million in Current Revenue: General.

A Transportation & Environment Committee worksession is tentatively scheduled for April 8.

Attachments

KML:f:\levchenko\mcps\fy19 24 cip amendments and supplementals\ph 4 2 19 relocatables special appropriation.docx

¹ Key words: #MCPSCapitalBudget, Relocatable Classrooms.

Resolution No.: _____
Introduced: _____
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Special Appropriation to the FY19 Capital Budget
Montgomery County Public Schools
Relocatable Classrooms (No. 846540), \$5,000,000

Background

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

<u>Project Name</u>	<u>Project Number</u>	<u>Amount</u>	<u>Source of Funds</u>
Relocatable Classrooms	846540	\$5,000,000	Current Revenue: General

3. The special appropriation will allow MCPS to begin contracting work related to Approved FY20 Capital Budget expenditures during FY19 so that new and existing relocatable classrooms can be moved early in the summer of 2019 and be ready for use for the 2019-20 schoolyear.
4. Notice of public hearing was given, and a public hearing was held on April 2, 2019.
5. The County Council declares this request is in the public interest, to be acted upon without delay, as provided for under special appropriation requirements described in Article 3, Section 308 of the Montgomery County Charter.

Action

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

A special appropriation to the FY19 Capital Budget is approved for the Montgomery County Public Schools as follows.

<u>Project Name</u>	<u>Project Number</u>	<u>Amount</u>	<u>Source of Funds</u>
Relocatable Classrooms	846540	\$5,000,000	Current Revenue: General

This is a correct copy of Council action.


Megan Davey Limarzi, Esq.
Clerk of the Council

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

March 8, 2019

MEMORANDUM

To: The Honorable Marc Elrich, County Executive
The Honorable Nancy Navarro, President, Montgomery County Council

From: Jack R. Smith, Superintendent of Schools 

Subject: Transmittal of Board of Education Agenda Item #9.3

Fiscal Year 2019 Supplemental Appropriation Request—Relocatable Classrooms

BOE Meeting Date: February 25, 2019

Type of Action: Supplemental Appropriation—Relocatable Classrooms

JRS:AMZ:ak

Attachment

Copy to:

Dr. Zuckerman

Ms. Karamihas

Mr. Song

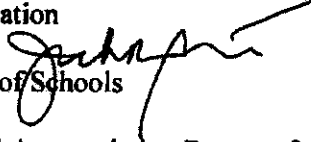
Montgomery County Office of Management and Budget

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

February 25, 2019

MEMORANDUM

To: Members of the Board of Education

From: Jack R. Smith, Superintendent of Schools 

Subject: Fiscal Year 2019 Supplemental Appropriation Request for Relocatable Classrooms

WHEREAS, The Montgomery County Public Schools Adopted *Fiscal Year 2020 Capital Budget and Amendments to the Fiscal Year 2019–2024 Capital Improvements Program* includes \$5,000,000 in Fiscal Year 2020 for relocatable classrooms to accommodate student population changes for the 2019–2020 school year; and

WHEREAS, These funds are programmed to be expended during summer 2019 but will not be available until the Montgomery County Council takes final action on the *Fiscal Year 2020 Capital Budget and the Fiscal Year 2019–2024 Capital Improvements Program* request in May 2019; and

WHEREAS, The contracts for the leasing, relocation, and installation work for the Fiscal Year 2020 relocatable classroom moves must be executed prior to May 1, 2019, in order to have the units ready for the start of school in September 2019; and

WHEREAS, The appropriation authority to expend the funds programmed for Fiscal Year 2020 must be approved by the Montgomery County Council before the Board of Education can enter into contracts; now therefore be it

Resolved, That the Board of Education request a Fiscal Year 2019 supplemental appropriation in the amount of \$5,000,000 to accelerate the requested Fiscal Year 2020 appropriation to provide for the execution of contracts for leasing and relocatable classroom moves planned for summer 2019 to address school enrollment changes in time for the beginning of the 2019–2020 school year; and be it further

Resolved, That this request be forwarded to the county executive and the Montgomery County Council.

JRS:AMZ:JS:dlg

Relocatable Classrooms (P846540)

Category	Montgomery County Public Schools	Date Last Modified	05/18/18
SubCategory	Countywide	Administering Agency	Public Schools
Planning Area	Countywide	Status	Ongoing

Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
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EXPENDITURE SCHEDULE (\$000s)

	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
Planning, Design and Supervision	5,225	3,225	500	1,500	500	500	500	-	-	-	-
Construction	57,836	39,836	4,500	13,500	4,500	4,500	4,500	-	-	-	-
TOTAL EXPENDITURES	63,061	43,061	5,000	15,000	5,000	5,000	5,000	-	-	-	-

FUNDING SCHEDULE (\$000s)

	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
Current Revenue: General	58,637	38,637	5,000	15,000	5,000	5,000	5,000	-	-	-	-
Recortation Tax	4,424	4,424	-	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	63,061	43,061	5,000	15,000	5,000	5,000	5,000	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 19 Request	<i>Supplemental</i>	<i>5,000</i>	Year First Appropriation	FY84
Appropriation FY 20 Request		<i>5,000</i>	Last FY's Cost Estimate	53,061
Cumulative Appropriation		53,061		
Expenditure / Encumbrances		42,763		
Unencumbered Balance		10,298		

PROJECT DESCRIPTION

For the 2015-2016 school year, MCPS has a total of 500 relocatable classrooms. Of the 500 relocatables, 381 are used to address over utilization at various schools throughout the system. The balance, 119 relocatables, are used to provide daycare at schools, are used at schools undergoing construction projects on-site, or at holding schools, or for other uses countywide. Units around 15-20 years old require general renovation if they are to continue in use as educational spaces. An FY 2015 supplemental appropriation of \$5.0 million was approved to accelerate the FY 2016 appropriation requested by the Board of Education to enter into contracts in order to have relocatables ready for the 2015-2016 school year. An FY 2016 supplemental appropriation of \$2.250 was approved to accelerate the FY 2017 appropriation requested by the Board of Education to enter into contracts in order to have relocatables ready for the 2016-2017 school year. The expenditure for FY 2017 reflects the ability to utilize some expenditures from FY 2106 due to the conversion of computer labs to classrooms at some elementary schools, as well as the rerating of the class-size reduction schools, which resulted in the placement of less units for the 2015-2016 school year. The expenditures showing in FY 2018 and beyond will once again show the level of effort for this project. An FY 2017 supplemental appropriation was approved for \$5.0 million to accelerate the FY 2018 request to enter into contracts to allow for the placement of relocatable classrooms by the start of the 2017-2018 school year. An FY 2018 supplemental appropriation was approved for \$5 million to accelerate the FY 2019 appropriation request to address enrollment growth and overutilization at schools throughout the system with the placement of relocatable classrooms.

FISCAL NOTE

FY18 supplemental appropriation was approved for \$5.0M in Current Revenue: General to accelerate the FY2019 request to enter into contracts to allow for the placement of for relocatable classrooms by the start of the 2018-2019 school year.

DISCLOSURES

Expenditures will continue indefinitely.

COORDINATION

CIP Master Plan for School Facilities



OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Marc Elrich
County Executive

MEMORANDUM

March 15, 2019

TO: Nancy Navarro, President, County Council

FROM: Marc Elrich, County Executive *Marc Elrich*

SUBJECT: Supplemental Appropriation 8-S19-MCPS-1 to the FY19 Capital Budget
Montgomery County Public Schools
Relocatable Classrooms (No. 846540), \$5,000,000

I am recommending a supplemental appropriation to the FY19 Capital Budget and amendment to the FY19-24 Capital Improvements Program in the amount of \$5,000,000 for Relocatable Classrooms (846540). Appropriation for this project will fund eligible projects through Current Revenue: General and Recordation Tax funds.

This increase is needed to allow Montgomery County Public Schools (MCPS) to begin contracting work related to FY20 Capital Budget Expenditures during FY19 so that new and existing relocatable classrooms can be moved early in the summer of 2019 and therefore be ready for use for the next school year beginning in September 2019.

I recommend that the County Council approve this supplemental appropriation to the FY19-24 Capital Improvements Program in the amount of \$5,000,000 and specify the sources of funds as Current Revenue: General and Recordation Tax.

I appreciate your prompt consideration of this action.

ME:elf

Attachment: Supplemental Appropriation to the FY19-24 Capital Improvements Program 8-S19-MCPS-1
Board of Education Request

Resolution: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation 8-S19-MCPS-1to the FY18 Capital Budget
Montgomery County Public Schools
Relocatable Classrooms (No. 846540), \$5,000,000

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. Section 302 of the Montgomery County Charter provides that the Council may amend an approved capital improvements program at any time by an affirmative vote of no fewer than six members of the Council.
3. The County Executive recommends the following capital project appropriation increases:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Relocatable Classrooms	846540	Planning, Design, and Supervision	\$ 3,269,000	Current Revenue: General
		Construction	<u>\$1,731,000</u>	Recordation Tax
			\$5,000,000	

Supplemental Appropriation to the FY19-24 Capital Improvements Program
8-S19-MCPS-1
Page Two

4. This increase is needed to allow MCPS to begin contracting work related to FY20 Capital Budget Expenditures during FY19 so that new and existing relocatable classrooms can be moved early in the summer of 2019 and therefore be ready for use for the next school year beginning in September 2019.
5. Notice of public hearing was given and a public hearing was held.

Action

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

The FY19-24 Capital Improvements Program of the Montgomery County Public Schools is amended as reflected on the attached project description form and a supplemental appropriation is approved as follows:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Relocatable Classrooms	846540	Planning, Design, and Supervision	\$ 3,269,000	Current Revenue: General
		Construction	<u>\$1,731,000</u>	Recordation Tax
			\$5,000,000	

This is a correct copy of Council action.

Megan Davey Limarzi, Clerk of the Council



Relocatable Classrooms (P846540)

Category	Montgomery County Public Schools	Date Last Modified	03/05/19
SubCategory	Countywide	Administering Agency	Public Schools
Planning Area	Countywide	Status	Ongoing

Total	Thru FY18	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
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EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	5,225	3,725	-	1,500	500	500	500	-	-	-
Construction	57,836	44,582	-	13,254	4,254	4,500	4,500	-	-	-
TOTAL EXPENDITURES	63,061	48,307	-	14,754	4,754	5,000	5,000	-	-	-

FUNDING SCHEDULE (\$000s)

Current Revenue: General	58,906	44,220	-	12,686	3,091	4,595	5,000	-	-	-
Recordation Tax	6,155	4,087	-	2,068	1,663	405	-	-	-	-
TOTAL FUNDING SOURCES	63,061	48,307	-	14,754	4,754	5,000	5,000	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Supplemental Request	5,000	Year First Appropriation	FY84
Cumulative Appropriation	53,061	Last FY's Cost Estimate	63,061
Expenditure / Encumbrances	-		
Unencumbered Balance	53,061		

PROJECT DESCRIPTION

For the 2015-2016 school year, MCPS has a total of 500 relocatable classrooms. Of the 500 relocatables, 381 are used to address over utilization at various schools throughout the system. The balance, 119 relocatables, are used to provide daycare at schools, are used at schools undergoing construction projects on-site, or at holding schools, or for other uses countywide. Units around 15-20 years old require general renovation if they are to continue in use as educational spaces. An FY 2015 supplemental appropriation of \$5.0 million was approved to accelerate the FY 2016 appropriation requested by the Board of Education to enter into contracts in order to have relocatables ready for the 2015-2016 school year. An FY 2016 supplemental appropriation of \$2.250 was approved to accelerate the FY 2017 appropriation requested by the Board of Education to enter into contracts in order to have relocatables ready for the 2016-2017 school year. The expenditure for FY 2017 reflects the ability to utilize some expenditures from FY 2106 due to the conversion of computer labs to classrooms at some elementary schools, as well as the rerating of the class-size reduction schools, which resulted in the placement of less units for the 2015-2016 school year. The expenditures showing in FY 2018 and beyond will once again show the level of effort for this project. An FY 2017 supplemental appropriation was approved for \$5.0 million to accelerate the FY 2018 request to enter into contracts to allow for the placement of relocatable classrooms by the start of the 2017-2018 school year. An FY 2018 supplemental appropriation was approved for \$5 million to accelerate the FY 2019 appropriation request to address enrollment growth and overutilization at schools throughout the system with the placement of relocatable classrooms. An FY 2020 appropriation is requested for the placement of relocatable classrooms for the 2019-2020 school year to address enrollment growth and overutilization at schools throughout the county.

FISCAL NOTE

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

DISCLOSURES

Expenditures will continue indefinitely.

COORDINATION

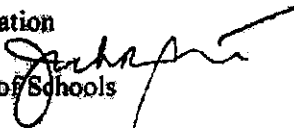
CIP Master Plan for School Facilities

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

February 25, 2019

MEMORANDUM

To: Members of the Board of Education

From: Jack R. Smith, Superintendent of Schools 

Subject: Fiscal Year 2019 Supplemental Appropriation Request for Relocatable Classrooms

WHEREAS, The Montgomery County Public Schools Adopted *Fiscal Year 2020 Capital Budget and Amendments to the Fiscal Year 2019–2024 Capital Improvements Program* includes \$5,000,000 in Fiscal Year 2020 for relocatable classrooms to accommodate student population changes for the 2019–2020 school year; and

WHEREAS, These funds are programmed to be expended during summer 2019 but will not be available until the Montgomery County Council takes final action on the *Fiscal Year 2020 Capital Budget and the Fiscal Year 2019–2024 Capital Improvements Program* request in May 2019; and

WHEREAS, The contracts for the leasing, relocation, and installation work for the Fiscal Year 2020 relocatable classroom moves must be executed prior to May 1, 2019, in order to have the units ready for the start of school in September 2019; and

WHEREAS, The appropriation authority to expend the funds programmed for Fiscal Year 2020 must be approved by the Montgomery County Council before the Board of Education can enter into contracts; now therefore be it

Resolved, That the Board of Education request a Fiscal Year 2019 supplemental appropriation in the amount of \$5,000,000 to accelerate the requested Fiscal Year 2020 appropriation to provide for the execution of contracts for leasing and relocatable classroom moves planned for summer 2019 to address school enrollment changes in time for the beginning of the 2019–2020 school year; and be it further

Resolved, That this request be forwarded to the county executive and the Montgomery County Council.

JRS:AMZ:JS:dlg