

Pre-Development Work Session

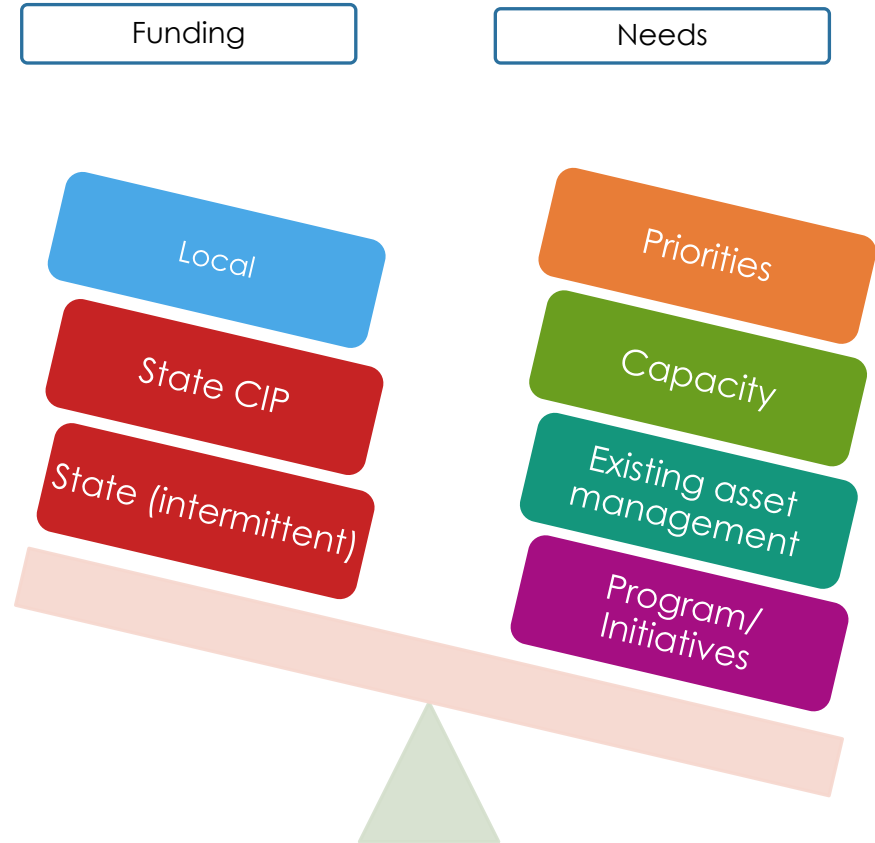
FY 2025 Capital Budget and FY 2026-2030 Capital Improvement Program

Capital Budget Process, Factors,
and Planning for the Future

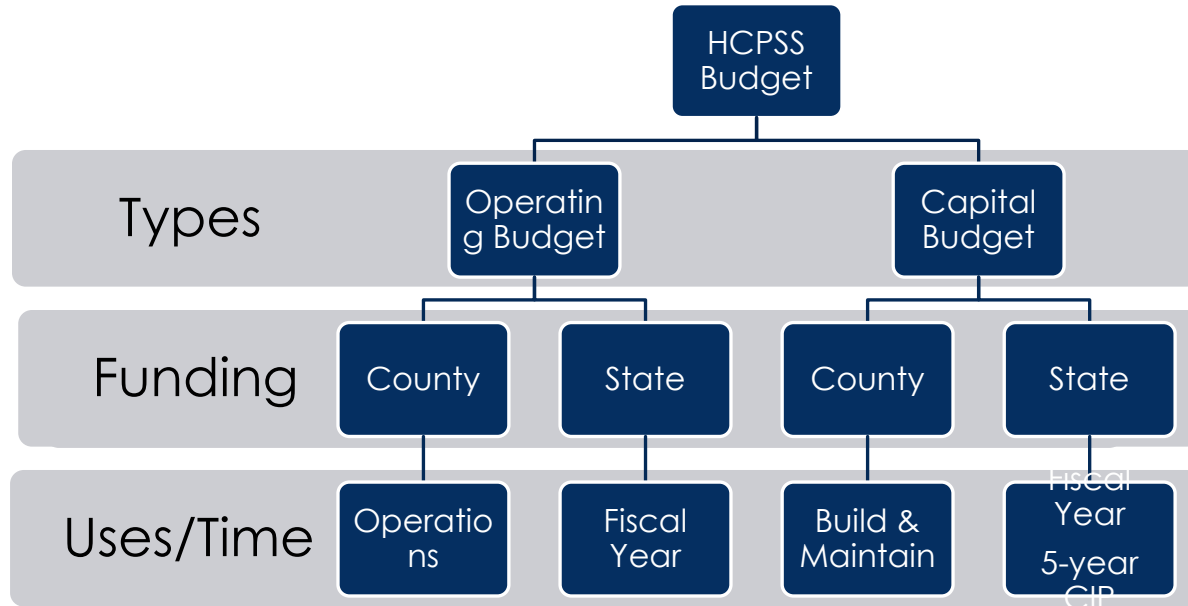
August 31, 2023

Scott W. Washington
Chief Operating Officer

Daniel Lubeley
Director, Capital Planning and
Construction



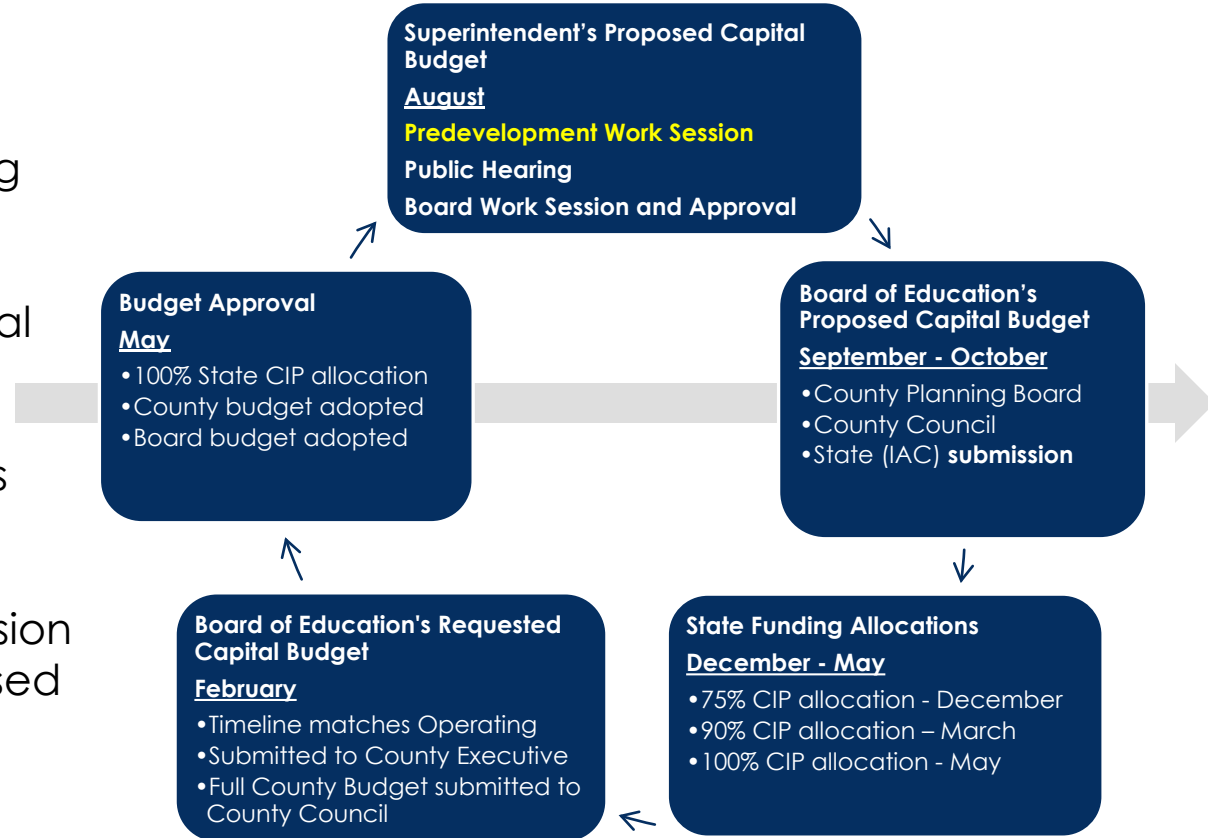
HCPSS Budgets



- Capital Budget is funding for capital needs
- Project evaluation criteria:
 - Capacity/program needs
 - Age of facilities, systemic condition, time since last renovation
 - Maintenance and State Facility Assessment (SFA)
 - State eligibility of funding
 - Financial parameters, (funding availability, cost benefit)
- Challenge: balance growing need within fiscal constraints

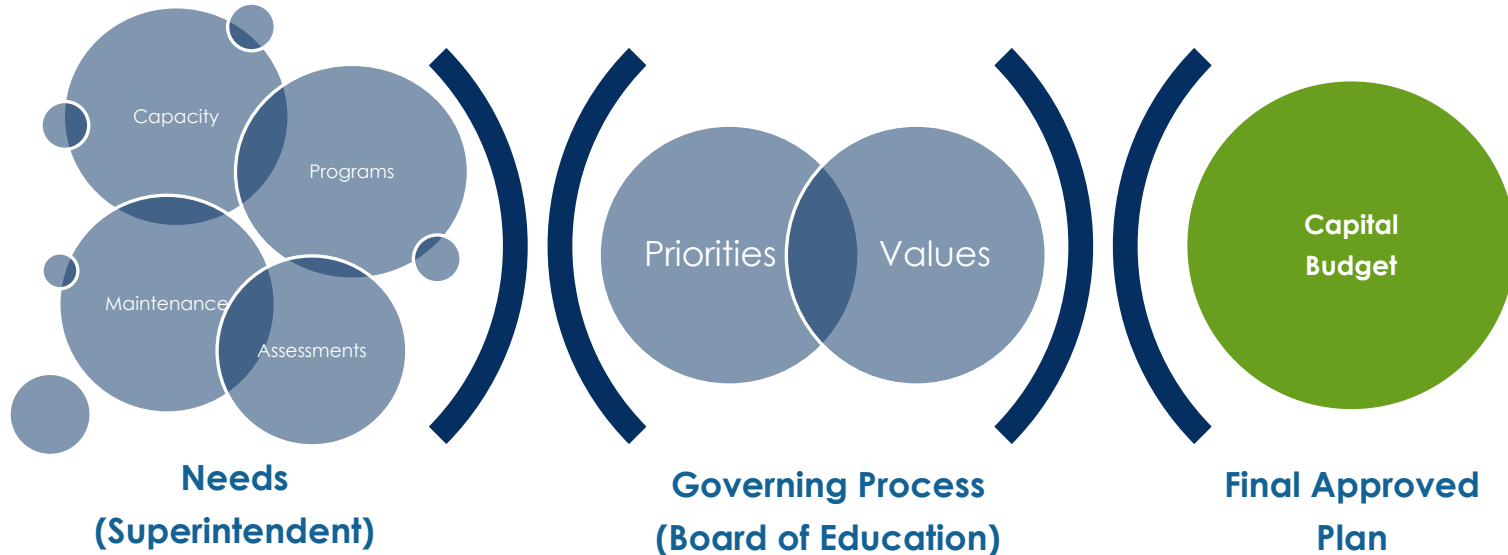
Capital Budget Timeline

- The Capital Budget follows the fiscal year cycle which is July 1 through June 30 of the following year
- Board approved FY 2024 Capital Budget on May 25, 2023
- FY 2025 Capital Budget process begins in June.
 - June – Feasibility Study
 - August – Predev. Work Session
 - September – Board Proposed



Why is Budgeting so Important

It is the process for how we civilly decide to share our individual resources to meet competing priorities and values for the benefit of the public good



**“Don’t tell me what you value.
Show me your budget and I’ll tell you what you value.”**

Types of Capital Projects

New Schools/Replacements:

- Guilford Park HS
- Talbott Springs ES

Major Renovations:

- Hammond HS
- Faulkner Ridge Center

Additions:

- Laurel Woods ES
- Running Brook ES

Systemic Upgrades:

- Mt. View MS, Pointers Run ES
- Burleigh Manor MS, Rockburn ES

Temporary Classrooms (Portables)

Specialty Projects

- Barrier Free projects

LEED Certified Projects

Platinum:

Wilde Lake Middle School (Net Zero)

Gold:

Atholton High School

Ducketts Lane Elementary School

Hanover Hill Elementary School

Silver:

Bollman Bridge Elementary School

Deep Run Elementary School

Longfellow Elementary School

Northfield Elementary School

Phelps Luck Elementary School

Stevens Forest Elementary School

Thomas Viaduct Middle School

Thunder Hill Elementary School

Swansfield Elementary School

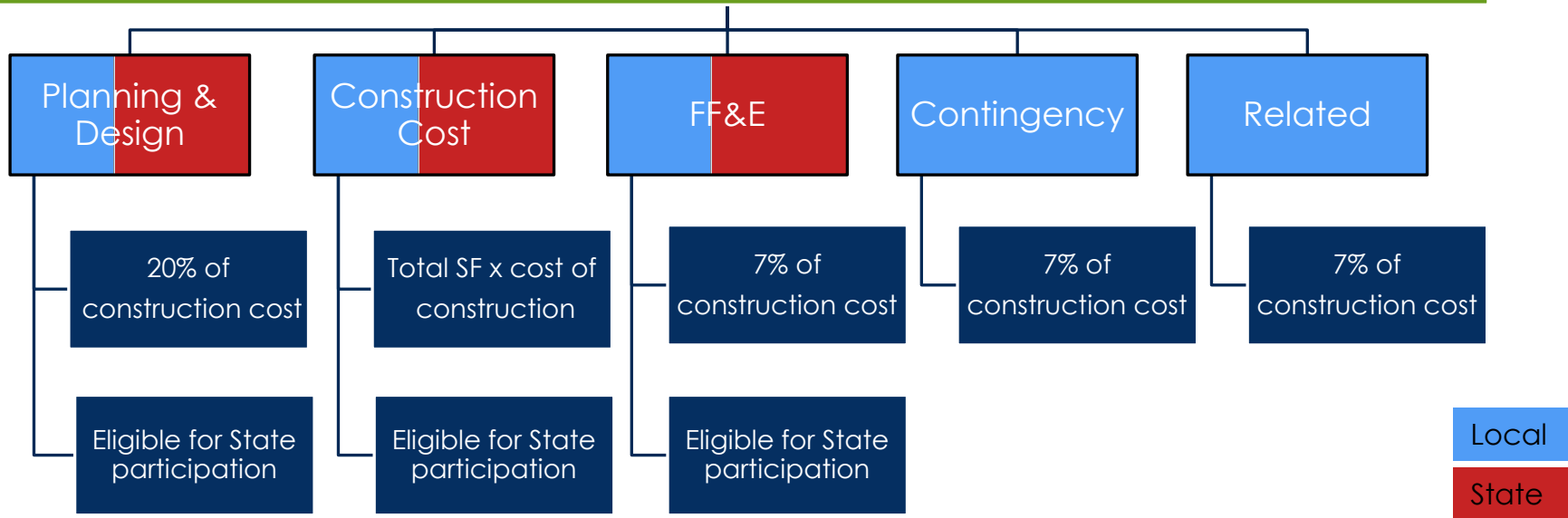
Certified:

Waverly Elementary School

Patuxent Valley Middle School

“Building” a Project Estimate

Total Project Budget



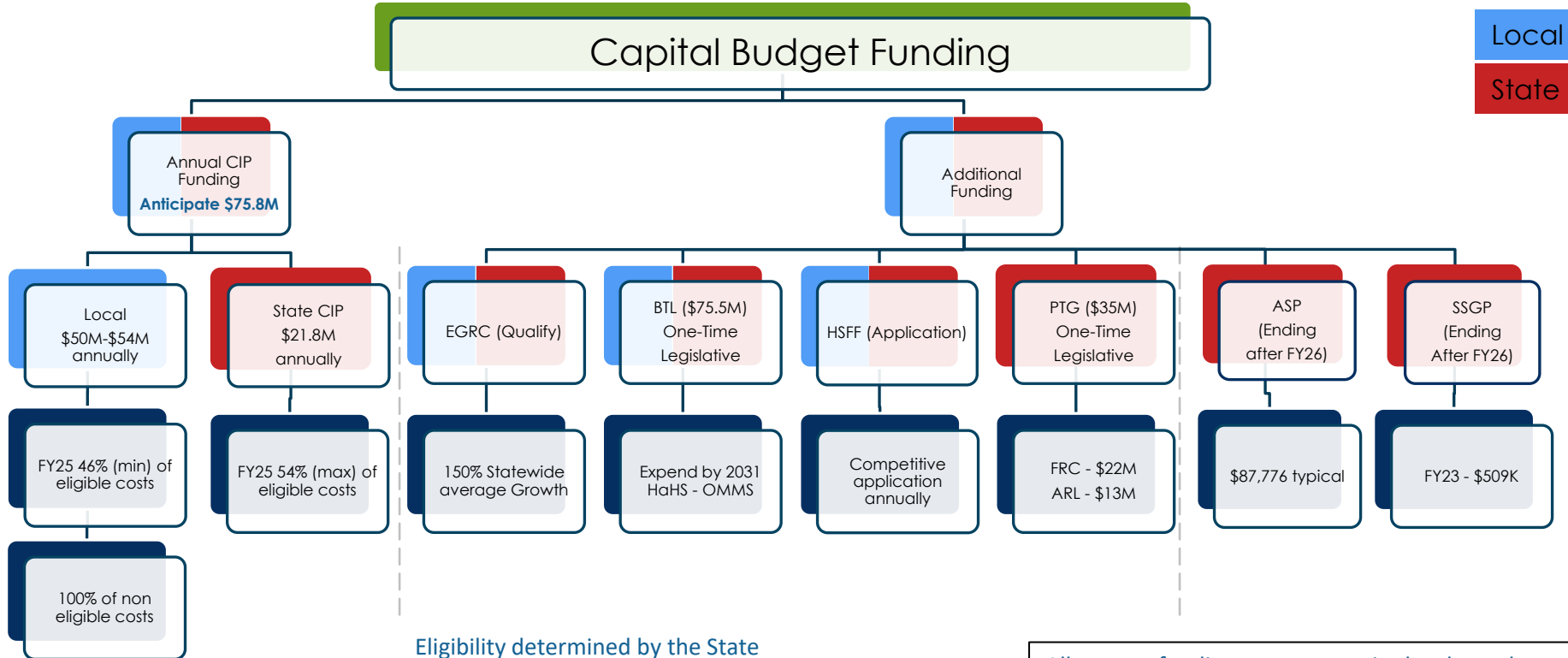
Eligibility determined by the State

- State participation is on eligible cost only and can be reduced based on multiple factors
- State percentage can increase per project if requirements are met

Total Project Participation

- Participation varies from project to project
- General overall participation percentages are roughly 30% State and 70% Local

Capital Budget Funding Sources



Local
State

Eligibility determined by the State

- Eligible project and time since last State funding
- Capacity demonstrated need
- Gross Area Baseline (GAB)
- State Facility Assessment starting in FY 2027

All current funding sources require local match, except the one-time Pass-Through Grant (PTG) and Aging Schools Program (ASP) and School Security Grant Program (SSGP) which end after FY 2026

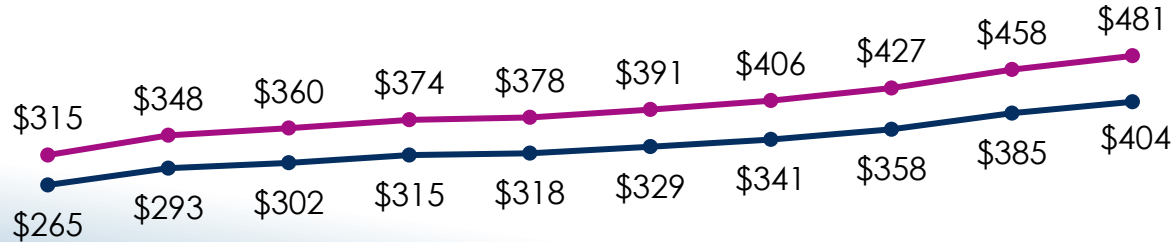
State Cost Share Percentage

- FY23-FY24 – 56% State 44% Local
- FY25 – 54% State 46% Local
- FY26 – 51% State 49% Local

Capital Budget Funding Factors

State Cost of Construction Per SqFt

—●— State Cost/SqFt for Building —●— State Cost/SF for Building with Site



Fiscal Year	Middle FY 2018	Fiscal Year 2019	Fiscal Year 2020	Middle FY 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
\$265	\$293	\$302	\$315	\$318	\$329	\$341	\$358	\$385	\$404
\$315	\$348	\$360	\$374	\$378	\$391	\$406	\$427	\$458	\$481

Capital Funding Considerations:

- State participation percentage decreasing for FY 2025 (54%) and FY 2026 (51%)
- Cost of construction continues to rise with 52% increase since FY 2018
- Anticipated static funding level in standard CIP funding
- Time constraints on use of State funding (BTL and PTG)

Probable Capital Budget Impacts:

- Local funding covers more
- Each Capital dollar covers less
- Change in level of service
- Capital needs deferred

Capital Needs Challenge

Capital General Needs:

- Capacity needs – 2023 Feasibility Study
- Blueprint for Maryland's Future:
 - Full Day Pre-K
 - CTE requirements
 - (annual CTE waiting list)
- Program initiative/growth
 - Special Education Growth
 - Mental Health and Psychologists at schools
 - Program growth/change
- Maintenance:
 - Deferred Maintenance List
 - Comprehensive Maintenance Plan
 - State Annual Maintenance Review
 - State Facilities Assessment (SFA) - Facility Condition Index (FCI)
- Aging asset modernizations
 - 80+ buildings to maintain



Challenge: balancing capacity needs, asset management, programmatic needs

Capital Needs – Capacity/Programs

FY 2024 CAPITAL BUDGET
2027 Oakland Mills MS +195 Dunloggin MS +233
2029 Oakland Mills HS +400
2030 New Northern ES +600
2032 Centennial HS +340
2032+ Thomas Viaduct MS +195 Patapsco MS +194 Murray Hill MS +253 New Southeast ES +600 New HS #14 +1600

Priority	Need	Util.	Seats
1	Southeast (MS)	102-112	350
2	North (MS)	108-111	300
3	Southeast (ES)	99-106	300
4	Marriotts Ridge HS	104-112	200
5	North/ Northwest (ES)	102	150



Proposed Captial Solutions ** (Occupancy Year)
1. Murray Hill MS Add. 253 (2028) 2. Thomas Viaduct MS Add. +195 (2030) <i>Alternative - Oakland Mills MS Add.</i>
1. Dunloggin MS Add. +233 (2027) 2. Patapsco MS Add. +194 (2029)
New ES in Southeast +500 for PreK-5 (2028)
Centennial HS Add. +340 (2032)
1. New ES in North +289 (2032+); Turf Valley Facility

** Charts from page 12 of the [2023 Feasibility Study](#).

Project prioritization and occupancy year are based on projected capacity need only. Renovation priorities are not included.

The annual feasibility studies are one factor considered in the preparation of the annual Capital Budget.

Enrollment and Program Capacity:

- Enrollment projected to continue to rise, at a slower rate
- CTE waiting list for multiple programs

Program initiative/growth:

- Special Education Growth
- Mental Health and Psychologist
- Program growth/change

Blueprint for Maryland's Future:

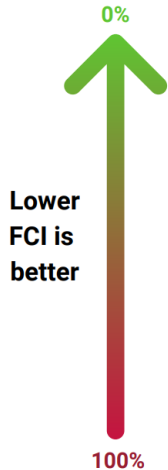
- Full Day Pre-K
- CTE graduation requirements

Capital Needs - Maintenance

Maintenance:

- Deferred Maintenance List
- State Annual Maintenance Review
- State Facility Assessment (SFA)
- Comprehensive Maintenance Plan
- Aging asset modernizations

Current SFA Priority listing based on FCI



FCI	Common First Perceptions
0%	
15% and below	Feels like a new building!
15-30%	Good condition. Comfortable. Appears to be in good overall repair. Generally, everything operates as intended.
30-45%	Condition is satisfactory, although some repairs are needed. Does not generally feel uncomfortable anywhere in the occupied spaces of the facility.
45-60%	Visibly in need of repair. Conditions verge on uncomfortable with some areas of the facility worse than others. Building generally functions OK, but occasionally becomes unreliable.
Above 60%	Building functions have become unreliable. Not esthetically or environmentally comfortable in some or all areas of the facility.
100%	

PS	School	FCI
13.008	Oakland Mills Middle	65.01%
13.052	Manor Woods Elementary	63.62%
13.045	Mayfield Woods Middle	62.84%
13.018	Applications and Research Lab	61.40%
13.001	Dunloggin Middle	60.06%
13.051	Patapsco Middle	59.64%
13.047	Forest Ridge Elementary	59.12%
13.058	Wilde Lake High	56.70%
13.012	Howard High	56.38%
13.054	Elkridge Landing Middle	56.24%
13.076	Hammond Middle	55.55%
13.030	Atholton Elementary	55.25%
13.071	Bonnie Branch Middle	55.21%
13.005	Centennial Lane Elementary	55.07%
13.059	Murray Hill Middle	54.94%
13.053	River Hill High	54.91%
13.057	Ilchester Elementary	54.91%
13.014	Jeffers Hill Elementary	54.53%
13.028	St. Johns Lane Elementary	54.47%
13.003	Harpers Choice Middle	54.30%
13.070	Lime Kiln Middle	53.94%
13.064	Hammond Elementary	53.18%
13.026	Ellicott Mills Middle	53.15%
13.035	Cradlerock ES/Lake Elkhorn MS	52.93%
13.010	Worthington Elementary	52.59%
13.036	Centennial High	52.12%
13.055	Long Reach High	51.95%
13.033	Guilford Elementary	51.46%
13.067	Hollifield Station Elementary	51.28%
13.002	Oakland Mills High	50.93%

FY 2024 Capital Budget Long-Range Plan

FY 2024-2033 Long-Range Master Plan

Board of Education Approved

May 25, 2023

(In Thousands)

Capacity	Project	County Project	Occupancy	Approved Appropriations	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	Total Approp. plus FY24-FY33 Request	
1,658	New HS #13	E1035	Sept 2023	123,042	\$ 6,955	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 129,997	
195	Oakland Mills MS Replacement	E1036	Sept 2027	-	6,189	12,414	37,207	23,254	11,627	2,325	-	-	-	-	93,016	
233	Dunloggin MS Replacement	E1049	Sept 2027	-	6,478	13,203	39,362	24,602	12,301	2,460	-	-	-	-	98,406	
PK	Faulkner Ridge Center	E1060	Sept 2031	-	22,000	1,056	-	-	-	-	-	-	-	-	23,056	
	Applications and Research Lab Renovation	E1062	TBD	-	13,000	1,000	-	-	-	-	-	-	-	-	14,000	
400	Oakland Mills HS Renovation/Addition	E1053	Sept 2029	-	-	-	10,191	16,982	54,343	33,965	16,982	3,396	-	-	135,859	
600	New ES #43 (Turf Valley)	E1039	Sept 2030	-	-	-	-	-	4,446	22,230	23,712	7,410	1,482	-	59,280	
340	Centennial HS Renovation/Addition	E1025	Sept 2032	-	-	-	-	-	-	9,865	16,441	52,612	32,882	16,441	128,241	
195	Thomas Viaduct MS Addition	E1063	Sept 2032	-	-	-	-	-	-	-	1,078	9,342	3,953	-	14,373	
194	Patapsco MS Renovation/Addition	E1056	TBD	-	-	-	-	-	-	-	4,688	7,813	25,002	15,626	53,129	
253	Murray Hill MS Renovation/Addition	E1061	TBD	-	-	-	TBD	-	-	-	-	5,205	8,675	27,760	41,640	
PK	Regional Early Childhood Center	E1054	TBD	-	-	-	-	-	-	-	-	1,629	2,716	8,690	13,035	
600	New ES #44 (Southeast)	E1040	TBD	-	-	-	-	-	-	-	-	-	5,731	28,653	34,384	
	Jeffers Hill ES Renovation	E1057	TBD	-	-	-	-	-	-	-	-	-	-	2,197	2,197	
TBD	New HS #14	E1052	TBD	-	-	-	-	-	-	-	-	-	-	13,737	13,737	
	Systemic Renovations/Modernizations	E1058		-	45,130	34,197	23,931	30,402	27,500	21,500	8,000	8,000	8,000	8,000	214,660	
	Roofing Projects	E1059		-	1,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	46,000	
	Playground Equipment	E0990			3,680	275	550	550	550	550	550	550	550	550	8,905	
	Relocatable Classrooms	E1045			10,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	25,000	
	Site Acquisition & Construction Reserve	E1047			1,000	-	-	-	2,000	2,000	2,000	2,000	2,000	2,000	13,000	
	Technology	E1048			13,000	5,500	5,500	5,500	4,500	5,500	5,500	5,500	5,500	5,500	67,000	
	School Parking Lot Expansions	E1012			5,400	600	600	600	600	600	600	600	600	600	11,400	
	Planning and Design	E1038			1,550	300	300	300	300	300	300	300	300	300	4,550	
	Barrier Free	E0989			6,353	200	200	200	200	200	200	200	200	200	8,353	
	TOTALS				\$ 164,025	\$ 109,127	\$ 75,520	\$ 124,341	\$ 107,890	\$ 125,867	\$ 107,995	\$ 86,551	\$ 111,057	\$ 104,091	\$ 136,754	\$ 1,253,218

This is a long-range master plan that evolves annually and changes based on need and funding availability.

State CIP funding includes anticipated 100% allocations. 2024 State SB291 indicates approved Pass Through Grant Funding.

E1036 OMMS R/A and E1049 DMS R/A updated to include replacement cost project estimates. Project name changes to be addressed in the FY 2025 budget cycle.

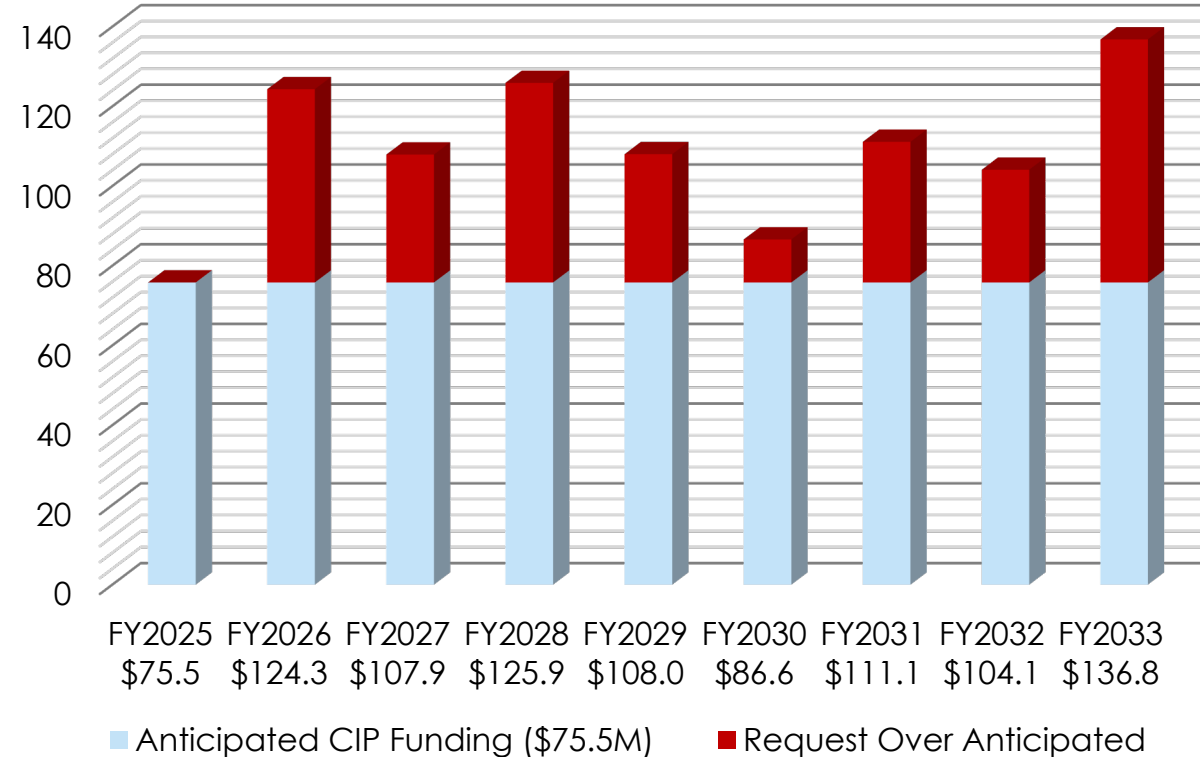
FY 2024 LRMP Analysis

FY 2024-2033 Long-Range Master Plan

Board of Education Approved

May 25, 2023

(In Thousands)

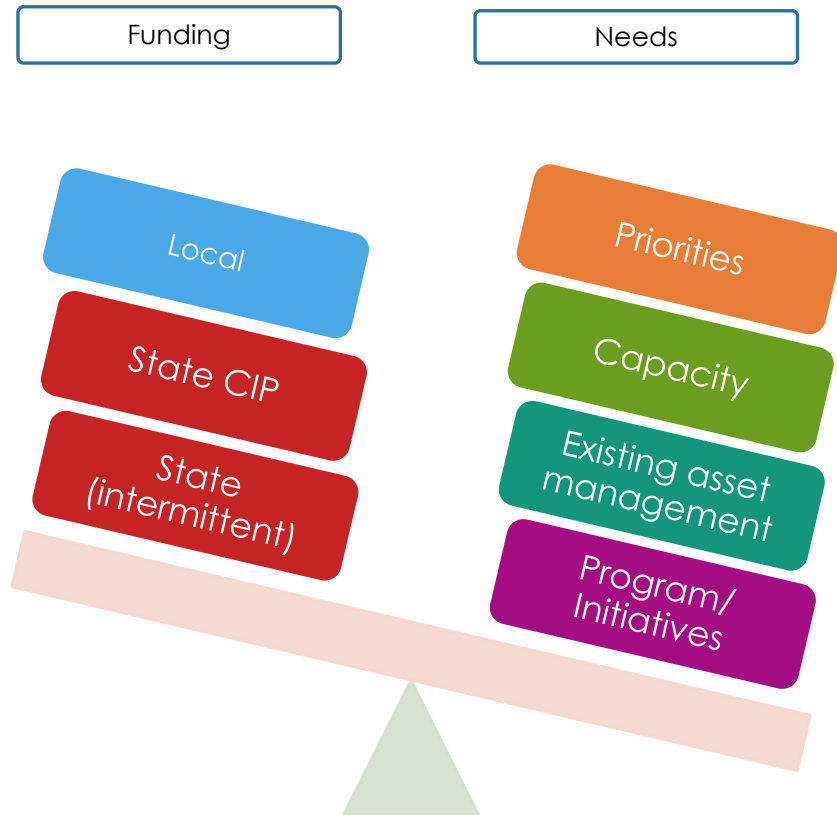


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233	Dunloggin MS Replacement	E1049	Sept 2027
PK	Faulkner Ridge Center	E1060	Sept 2031
	Applications and Research Lab Renovation	E1062	TBD
400	Oakland Mills HS Renovation/Addition	E1053	Sept 2029
600	New ES #43 (Turf Valley)	E1039	Sept 2030
340	Centennial HS Renovation/Addition	E1025	Sept 2032
195	Thomas Viaduct MS Addition	E1063	Sept 2032
194	Patapsco MS Renovation/Addition	E1056	TBD
253	Murray Hill MS Renovation/Addition	E1061	TBD
PK	Regional Early Childhood Center	E1054	TBD
600	New ES #44 (Southeast)	E1040	TBD
	Jeffers Hill ES Renovation	E1057	TBD
TBD	New HS #14	E1052	TBD

FY 2024 LRMP Priority Order

- Pass-Through Grant funds are to be spent within 7-years (FY 2030)
- Built to Learn Act funds are to be spent within 10-years (2031)
 - Approved Feb. 21, 2021
- Cost of construction has increased since FY 2024 Budget adoption
- Identified Capital needs are deferred

Summary



- Challenge balancing funding and growing needs
- Cost and needs continue to grow without funding to match the pace
- Majority of Capital funding is local with participation from the State on eligible projects and items
- Superintendent identifies Capital needs
- Board of Education sets Capital priorities

Capital Planning and Construction
9020 Mendenhall Court, Suite C
Columbia, MD 21045
410-313-6805

<http://www.hcps.org/school-planning/construction/>