

Office of the County Auditor
Auditor's Analysis

Council Resolution No. 171-2023

Introduced: October 2, 2023

Auditor: Diane Zagorski and Lori Buchman

Fiscal Impact:

There is no direct fiscal impact as a result of this legislation. However, this legislation's approval by the County Council is necessary prior to the Howard County Public School System (HCPSS) applying to the Interagency Commission on School Construction (IAC) for state funding in the FY 2025 Capital Budget.

The Board of Education's Proposed Fiscal Year 2025 Capital Budget request of \$77,758,000, per the legislation, will be amended to \$75,738,000 after the Board of Education's vote to approve the FY 2025 request. The actual appropriation and sources of financing will occur as requested by the County Executive and approved by the County Council in the Annual Budget and Appropriation Ordinance.

HCPSS provided the following details regarding their anticipated allocations of State funding:

- A request of approximately \$14.4 million in its FY 2025 State priority submission.
- No Built to Learn Program funding is expected in FY 2025, but they anticipate it to be requested in FY 2026 through FY 2031 for Oakland Mills Middle School.

Purpose:

This legislation approves the Board of Education's (BOE) Capital Budget Request for Fiscal Year 2025 and Capital Improvement Program Request for Fiscal Years 2026-2030 (CIP) for the purpose of submission to the IAC. These requests are necessary if the County is to be considered for IAC grant funding.

Other Comments:

The Administration advised that it will prepare an amendment to this resolution to make the following adjustments. These changes were made by the BOE after the legislation was pre-filed.

- Reducing the appropriation for Oakland Mills Middle School Renovation/Addition (E1036) by approximately \$2 million in FY 2025 and \$14.4 million in the CIP. The scope of this project changed to replace the previously planned auditorium with a cafeteria.

- Reducing the appropriation for Dunloggin Middle School Renovation/Addition (E1049) by approximately \$13.8 million in the CIP. The scope of this project changed to replace the previously planned auditorium with a cafetorium.
- Reducing the appropriation for Systemic Renovations (E1058) by approximately \$11 million in the CIP

Per HCPSS, the BOE has delayed their vote on the Five-Year Capital Master Plan and Long-Range Master Plan. It is undetermined when the BOE expects to hold a vote on these plans.

In February 2024, the BOE will adopt its budget request, which will then be submitted to the County Executive. In May 2024, the County Council will adopt the County Capital Budget, which will be followed by the BOE adopting the final Capital Budget.

Attachment A provides an overview of changes identified between this proposed FY 2025 BOE Approved Capital budget and the FY 2024 Council Approved Budget.

Attachment B provides a comparison of the FY 2025 Board of Education Proposed Capital Budget to the FY 2025 amounts programmed in the FY 2024 Council Approved CIP.

Attachment A

Board of Education's FY 2025 Capital Budget Request for IAC Auditor's Review Notes

Please see the following notes based on review of the Board's proposed FY 2025 Capital budget versus what was programmed in their FY 2024 Council Approved Capital Budget:

- The Board's Budget for FY 2025 is approximately \$11 million more than the amount programmed in the FY 2024 Council Approved Capital Budget.
- The Board's FY 2026-FY 2030 Capital Improvement Program, per this legislation, is approximately \$40.4 million lower than the amount programmed for the same period in the FY 2024 Council Approved Capital Budget.
- The following capital projects have revised schedules from those noted in the Board Approved FY 2024 Capital Budget from May 25, 2023:

Project #	Project Title	Adjusted Occupancy Date
E1025	Centennial HS Reno/Addition	Delayed from September 2032 to September 2036
E1036	Oakland Mills MS Renovation	Delayed from September 2027 to September 2028
E1039	New ES #43 (Southeast)	Delayed from September 2030 to September 2034
E1049	Dunloggin MS Replacement	Delayed from September 2027 to September 2030
E1053	Oakland Mills HS Reno/Addition	Delayed from September 2029 to September 2032
E1060	Faulkner Ridge Center	Moved up from September 2031 to September 2027
E1063	Thomas Viaduct MS Addition	Delayed from September 2032 to September 2034

- Increases in the State cost of construction impacted the following projects:
 - Dunloggin Middle School (E1049) funding as increased by approximately \$26.3 million between FY 2025 to FY 2030.
 - Oakland Mills Middle School (E1036) funding has increased by approximately \$22.3 million between FY 2025 to FY 2030.

- The site of New Elementary School #43 (E1039) has changed from Turf Valley to the Southeast. HCPSS indicated this is based on a 2023 Feasibility Study that indicated greater elementary school capacity is needed in the Southeast.
 - Per HCPSS, the Turf Valley elementary school was removed from the Superintendent's proposed long range master plan. However, the Turf Valley site was conveyed by the County to HCPSS in April 2023.

Attachment B
Comparison of FY 2025 Board of Education Proposed vs
Executive Programmed Capital Projects

(In Thousands)

Project #	Project Title	FY2025 Executive Programmed	FY2025 BOE Proposed	Difference
<u>School Projects</u>				
E1036	Oakland Mills MS Replacement	\$ 7,411	\$ 10,197	\$ 2,786
E1060	Faulkner Ridge Center	1,056	1,056	-
E1062	Applications & Research Lab Renovations	1,000	1,000	-
E1049	Dunloggin MS Replacement	7,472	-	(7,472)
<u>System Projects</u>				
E1058	Systemic Renovations	\$ 34,197	\$ 49,665	\$ 15,468
E1048	Technology	5,500	6,620	1,120
E1059	Roofing Projects	5,000	4,000	(1,000)
E1045	Relocatable Classrooms	1,500	1,500	-
E1012	School Parking Lot Expansions	600	600	-
E1038	Planning and Design	300	300	-
E0990	Playground Equipment	550	600	50
E0989	Barrier Free	200	200	-
	Totals	\$ 64,786	\$ 75,738	\$ 10,952