

BOARD OF EDUCATION OF HARFORD COUNTY
INFORMATIONAL REPORT AND
DECISION ON
FY 2024 CAPITAL IMPROVEMENT PROGRAM

July 18, 2022

August 22, 2022

September 19, 2022

October 24, 2022

November 14, 2022

December 19, 2022

March 13, 2023

Background Information:

The Rules, Regulations, and Procedures for the Administration of the Public School Construction Program require each Local Education Agency (LEA) to submit annually its school system's Capital Improvement Program (CIP) to the State and local governments.

On September 19, 2022, the Harford County Board of Education (BOE) approved the FY 2024 CIP request, and projects eligible for State funding. The total FY 2024 State eligible CIP request was \$46,475,000. The total State portion was \$13,587,000 and the total local portion was \$32,888,000. That request was submitted to the State funding authority for public school construction projects, known as the Interagency Commission on School Construction (IAC), on October 4, 2022.

Due to unprecedented inflation, recent third-party project estimates, and trends across the State, on November 14, 2022, the BOE approved amendments to the State CIP request for the Harford Technical High School Limited Renovation Project and the Aberdeen Middle School HVAC Systemic Renovation Project. The total amended FY 2024 State eligible CIP request was \$56,744,125. The total amended State portion was \$20,055,125 and the total local portion was \$36,689,000. That request was submitted to the IAC, on November 30, 2022.

On December 19, 2022, the BOE approved the local FY 2024 CIP budget request in the amount of \$37,836,600 for submission to the county government.

Each year the IAC provides an estimated anticipated allocation for each LEA based on prior State budgets; typically, around \$280,000,000 statewide. On January 20, 2023, Governor Moore released his proposed budget for FY 2024, increasing the State school construction capital budget to \$485,000,000 annually. At the IAC meeting on February 9, 2023, IAC staff presented updates to the FY 2024 CIP including the following that will impact the FY 2024 CIP for Harford County Public Schools (HCPS).

Discussion:

This is the seventh presentation of the FY 2024 CIP. This presentation will provide updates on market conditions, the impact on current construction estimates for the Homestead/Wakefield Elementary School Replacement project and the Harford Technical High

School Limited Renovation project and updates from the IAC impacting the HCPS' FY 2024 CIP. The State updates include:

- Governor Moore's proposed FY 2024 State capital budget for school construction increased funding from the anticipated \$280,000,000 to \$485,000,000.
- Enrollment Growth and Relocatable Classroom program eligibility.
- 2022 legislation pertaining to school projects in areas of concentrated poverty.
- Built to Learn funding.

Based on these changes, the IAC reopened the FY 2024 CIP for LEAs to submit amended requests based on this new information. The intent to amend must be provided by March 17, 2023, and the final BOE approval and county executive support letter must be submitted by April 13, 2023.

Based on the revised information, the following CIP amendments are recommended:

- 1) Adjust the State and local cost share to increase the amount of the State share for projects at schools in high poverty areas. Local funding requirements will decrease.
 - Havre de Grace Elementary School Roof Replacement
 - Aberdeen Middle School HVAC Systemic
- 2) Rescind Harford Technical High School Limited Renovation and request reapproval of the project in the FY 2024 CIP to maximize State funding. Increase requested amount to match new potential State FY 2024 State CIP allocation.
- 3) Add the State share of the Homestead/Wakefield Elementary School Replacement Project that is not covered by Built to Learn funding to the FY 2024 State CIP request.

Project	Proposed Amended	
	State Request	Local Request
Harford Tech High School Limited Renovation	\$9,864,518	\$11,595,000
Havre de Grace Elementary School Roof Replacement	\$1,752,788	\$1,110,212
Aberdeen Middle School HVAC Systemic Renovation	\$9,216,900	\$7,871,000
Harford Academy at Campus Hills New School	\$0	\$16,000,000
Homestead/Wakefield Elementary School Replacement	\$482,917	\$0
TOTAL	\$21,317,123	\$36,576,212

Superintendent's Recommendation:

The Superintendent of Schools recommends that the Board of Education:

- 1) Rescind the Harford Technical High School Limited Renovation project that was approved by the State in the FY 2023 CIP and request that the first year of funding for the project in the amount of \$9,865,518 be granted in the FY 2024 CIP

Funding Source	FY 2023 Funding ¹	FY 2024 Amended CIP Request	Projected ² FY 2025 CIP Request	Projected Total Project Cost
State	\$10,000,000	\$9,864,518	\$21,187,482	\$41,052,000
Local	\$10,000,000	\$11,595,000	\$6,624,087	\$28,219,087
Total	\$20,000,000	\$21,459,518	\$27,811,569	\$69,271,087
¹ Rescinded FY 2023 State funding in the amount of \$10,000,000 will go into the State Contingency account and be reapplied to this project once approved in the FY 2024 CIP				
² FY 2025 request will adjust based on actual bid data.				

- 2) Approve the amendments to the FY 2024 CIP for State eligible projects to increase the State funding request to \$21,317,123 and decrease the local request for these projects to \$36,576,212, for a total request of \$57,893,335 to be submitted to the State by March 17, 2023, and to the county executive for final approval by April 13, 2023.

ATTACHMENTS

I. February 2, 2023, IAC Public Notice - Possible Adjustments to FY 2024 CIP

Notice from the IAC about the anticipated increase in the FY 2024 State CIP, reopening FY 2024 CIP submission deadline, and a table showing recalculated anticipated allocations.

II. IAC Feb9 Agenda Pg 45 - 2022 Legislation Impact¹

Page 45 from the February 9, 2022, IAC agenda explaining the results of the IAC analysis pertaining to 2022 Md. Laws., Chapter 32 (HB 1290).

III. IAC Feb9 Agenda Pg 58 - 90% Recommended funding – Harford¹

Page 58 of the IAC Agenda showing the current proposed 90% funding allocation based on current data.

IV. Feb 17 IAC Notice FY 2024 CIP 90% Allocations and Resubmission Deadline Extension

Updated notice from the IAC about the resubmission reopening and the Enrollment Growth and Relocatable Classroom program (EGRC) calculations.

V. Scan Letter from Quandt Re: Price Increase

Letter from Brian Soethe, chief estimator at Quandt J. Vinton Schafer, discussing the price increases in construction estimates. This letter was provided in response to the increased cost estimate for the Homestead/Wakefield Elementary School Replacement project.

VI. PowerPoint Presentation to Board of Education March 13, 2023

PowerPoint Presentation created for the Harford County Board of Education (BOE) for the March 13, 2023, BOE Meeting to provide updates and recommendations for the FY 2024 CIP.

Footnote:

- ¹. To access the full minutes from the February 9, 2023 IAC meeting please follow the link below:
<https://iac.mdschoolconstruction.org/wp-content/uploads/2023/02/IAC-Agenda-2023-02-09-Updated.pdf>



**Interagency Commission
on School Construction**

Possible Adjustments to FY 2024 Capital Improvement Program Between 90% and 100% Stages

February 2, 2023

BALTIMORE, MD - The January publication of Governor Wes Moore's proposed capital budget for school construction included a significant increase in anticipated funds for the FY 2024 Capital Improvement Program (CIP). At the February IAC Meeting, for which the [agenda is now available](#), funding recommendations reflect the statutory requirement that the IAC must allocate 90% of the CIP funding identified in the Governor's proposed budget.

Please note that the 90% recommendations should be considered preliminary and are subject to significant changes prior to the 100% approvals in May. The IAC recognizes that if the significant additional funding included in the Governor's budget is approved, some LEAs may desire to submit additional applications for funding or to reprioritize their current project list. At the February 9 IAC meeting, IAC staff will recommend that the IAC approve reopening the CIP application period for revisions to existing applications or for the submission of new applications until March 17, 2023. IAC staff recommend that LEAs consider submitting additional projects to not only meet, but to even exceed, a total State estimated program of \$485 million. Please see each LEA's CIP targets on page 2, updated for the current budget and in accordance with the IAC's decision on January 13, 2022 to freeze LEA allocation targets for FY 24 and FY 25 at FY 23 proportions. Current budget language suggests that there is potential for an additional \$100 million to become available, and there is potential for significant changes to the budget throughout the legislative process, including specifying that portions of the potential additional funding be dedicated to funding programs other than the CIP.

Although IAC staff are recommending that the IAC approve the reopening of applications until March 17, 2023, we strongly encourage LEAs to submit any revisions, and especially additional projects, as soon as possible. The sooner new projects are submitted, the sooner IAC staff can work with each LEA to resolve eligibility concerns, making it more likely that projects will be eligible to receive funding in May.

Please contact your [assigned IAC Regional Facility Manager](#) or the IAC's Senior Regional Facilities Manager, Melissa Wilfong (melissa.wilfong@maryland.gov) should you have any questions or concerns.



ATTACHMENT I
Adjustments to FY 24 CIP Between 90% and 100% Approvals
February 2, 2023

LEA	Proportion	Target Based on \$475 Million
Allegany	1.41%	\$6,699,810
Anne Arundel	9.57%	\$45,469,288
Baltimore City	9.34%	\$44,365,178
Baltimore County	11.71%	\$55,636,020
Calvert	1.93%	\$9,176,165
Caroline	1.22%	\$5,793,889
Carroll	2.44%	\$11,608,668
Cecil	1.58%	\$7,482,584
Charles	3.33%	\$15,820,726
Dorchester	1.18%	\$5,581,606
Frederick	5.44%	\$25,845,940
Garrett	0.60%	\$2,854,195
Harford	4.02%	\$19,083,123
Howard	6.18%	\$29,343,546
Kent	0.59%	\$2,779,149
Maryland School for the Blind	1.85%	\$8,790,944
Montgomery	14.79%	\$70,265,532
Prince George's	12.01%	\$57,037,831
Queen Anne's	0.78%	\$3,701,574
Somerset	1.32%	\$6,271,414
St. Mary's	1.81%	\$8,618,361
Talbot	0.88%	\$4,185,585
Washington	2.57%	\$12,216,722
Wicomico	2.60%	\$12,373,076
Worcester	0.84%	\$3,999,073
Totals	100.00%	\$475,000,000

The Interagency Commission on School Construction is an agency of the State of Maryland. Staff of the IAC can be reached at iac.pscp@Maryland.gov. Learn more about the IAC and its programs at mndschoolconstruction.org.

ATTACHMENT II

2022 Md. Laws., Chapter 32 (HB 1290) provides for a number of project specific incentives that increase the LEA's State cost share percentage for eligible projects. These incentives include:

- a 10 percentage point increase in the State share of a school construction project when the school's Concentration of Poverty level is 80% or greater.
- a 5 percentage point increase in the State share of a school construction project when the school's Concentration of Poverty is less than 80% but greater than 55%.
- a 5 percentage point increase in the State share of a school construction project if the most recent maintenance effectiveness assessment for the school received a rating of *good* or *superior* OR if the most recent rating was *adequate* AND the school's current Statewide Facilities Assessment percent of expected useful life is at least 120%.
- a 5 percentage point increase in the State share of a school construction project if the proposed project is to build a net-zero school.

The IAC has conducted the appropriate analyses and identified most instances where one or more of these incentives may apply. However, some additional incentive increases may be identified prior to the 100% approval. IAC staff are working closely with each LEA to confirm application of the appropriate factors for incentive analysis. Further, the IAC typically limits the Maximum State Allocation to the lesser of the eligible amount or the amount identified by the LEA. Because of the application of incentives, there may be some projects that currently show a Maximum State Allocation higher than the project request. In each of these instances, IAC staff will work with the appropriate LEA to determine whether their request should be increased as a result of the expanded eligibility due to the incentive analysis. At the 100% approval, the IAC will reduce the Maximum State Allocation to the requested amount for projects where the request is lower than potential eligibility.

90% Recommendation Project Details of Note:

1. Inclusion of funding for Priority #3/#4 -CAT North (PSC 02.006) in Anne Arundel County, is contingent upon the establishment of the maximum State allocation and additional evidence of design progress.
2. Reallocation of funding for four Baltimore County systemic projects previously approved during the 75% round to be reallocated to other eligible projects in the FY 2024 CIP based on the following:
 - Priority #3 - Cockeysville Middle School (PSC 03.006) Intercom Replacement: This project was approved for FY 2021 SSGP funds and based on bids that came in much higher than the available budget. The project was put on hold and subsequently rescope and submitted for funding through the FY 2024 CIP. It has since been determined that the LEA would resubmit the project for FY 2021 SSGP funds and that project status will be updated to a "D" - denied for funding through the CIP, contingent upon approval of Item 3 of this agenda.
 - Priority #7 - Logan Elementary School (PSC 03.110) Electrical System Upgrade: The LEA has rescope and will resubmit in a future CIP.
 - Priority #11 - Chesapeake Terrace Elementary (PSC 03.035) Electrical System Upgrade: A decision from the Board of Education is pending on the school

ATTACHMENT III



FY 2024 Capital Improvement Program Summary of 90% Recommendation Details by Project

February 9, 2022

LEA	Priority	Project Name	Funding Status (Inc. recommended approvals)	Request Type	Anticipated Bid Date	Total Estimated Project Cost	FY 2024 Request	Maximum State Allocation (Estimated or Actual) ¹	Prior Year Funding	Project Specific (Estimated or Actual) State Cost Share based on Incentive Add-on ¹	Staff Recommendation (Prior or Design Funding)	Approved 75% New Authorization 12/8/22	Staff Recommendation 90% New Authorization	Projected Recommendation 100% New Authorization 5/11/23	Projected Recommendation Total New Authorization	Projected Recommendation Prior Year Appropriations (State & LEA) 5/11/23	Projected Recommendation Prior Year EGRC 5/11/23	IAC Staff Recommendation FY 2024 EGRC 5/11/23	Total 100% IAC Staff Recommendation Allocation from All Sources
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
Frederick	10	Ballenger Creek Elementary C - Limited Renovation PSC #10.043	A	F	01/30/24	\$ 17,575,944	\$ 11,622,000	\$ 12,172,000	\$ -	70%		\$ 738,750	\$ -	\$ -	\$ 738,750	\$ -	\$ 11,433,250	\$ -	\$ 12,172,000
Frederick	11	Brunswick Middle SR - Roof PSC #10.055	A	F	02/01/23	\$ 760,000	\$ 494,000	\$ 532,000	\$ -	70%		\$ 532,000	\$ -	\$ -	\$ 532,000	\$ -	\$ -	\$ -	\$ 532,000
Frederick Total						\$ 242,266,516	\$ 39,201,502	\$ 139,751,750	\$ 22,677,262			\$ 14,980,528	\$ 11,519,912	\$ 243,500	\$ 26,743,940	\$ -	\$ 12,706,000	\$ 505,022	\$ 39,954,962
Garrett	1	Southern High LP - Limited Renovation PSC #11.005	A	LP	10/01/23	\$ -	\$ -	\$ -	\$ -	90%	LP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Garrett	2	Southern High C - Limited Renovation PSC #11.005	A	F	10/01/23	\$ 4,706,250	\$ 4,051,000	\$ 4,051,000	\$ -	90%		\$ 1,148,413	\$ 2,268,250	\$ 634,337	\$ 4,051,000	\$ -	\$ -	\$ -	\$ 4,051,000
Garrett	3	Southern Middle LP - Renovation/Addition PSC #11.008	B	LP	12/01/23	\$ -	\$ -	\$ -	\$ -	95%		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Garrett	4	Southern Middle C - Renovation/Addition - Planning Services PSC #11.008	A	F	12/01/23	\$ 47,662,500	\$ 3,451,980	\$ 36,849,000	\$ 150,000	90%	Planning Services	\$ -	\$ 3,211,000	\$ -	\$ 3,211,000	\$ -	\$ -	\$ -	\$ 3,211,000
Garrett Total						\$ 52,368,750	\$ 7,502,980	\$ 40,900,000	\$ 150,000			\$ 1,148,413	\$ 5,479,250	\$ 634,337	\$ 7,262,000	\$ -	\$ -	\$ -	\$ 7,262,000
Harford	1	Harford Technical High C - Limited Renovation PSC #12.008	A	F	04/01/23	\$ 61,487,600	\$ 9,198,000	\$ 24,121,000	\$ 10,000,000	63%		\$ 6,698,000	\$ 2,142,734	\$ -	\$ 8,840,734	\$ 357,266	\$ -	\$ -	\$ 9,198,000
Harford	2	Havre de Grace Elementary SR - Roof PSC #12.028	A	F	04/01/24	\$ 2,863,000	\$ 1,640,000	\$ 1,752,788	\$ -	68%		\$ 1,230,000	\$ 522,788	\$ -	\$ 1,752,788	\$ -	\$ -	\$ -	\$ 1,752,788
Harford	3	Aberdeen Middle SR - HVAC/Windows/Door PSC #12.006	A	F	03/01/24	\$ 34,174,275	\$ 9,216,900	\$ 19,896,800	\$ -	68%		\$ 802,000	\$ 8,414,900	\$ -	\$ 9,216,900	\$ -	\$ -	\$ -	\$ 9,216,900
Harford	4	Harford Academy at Campus Hills LP - New/Replacement PSC #12.025	C	LP	04/01/24	\$ 174,035,400	\$ -	\$ -	\$ -	63%		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Harford Total						\$ 272,560,275	\$ 20,054,900	\$ 45,770,588	\$ 10,000,000			\$ 8,730,000	\$ 11,080,422	\$ -	\$ 19,810,422	\$ 357,266	\$ -	\$ -	\$ 20,167,688
Howard	1	Oakland Mills Middle C - Renovation/Addition - Design Services PSC #13.008	R	F	12/01/24	\$ 58,868,344	\$ -	\$ -	\$ -	56%		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Howard	2	Dunloggin Middle C - Renovation/Addition - Design Services PSC #13.001	A	F	12/01/24	\$ 57,914,864	\$ 1,937,700	\$ 22,840,000	\$ -	61%	Design	\$ 1,831,000	\$ 163,000	\$ -	\$ 1,994,000	\$ -	\$ -	\$ -	\$ 1,994,000
Howard	3	West Friendship Elementary SR - MBR PSC #13.032	A	F	05/01/25	\$ 5,650,000	\$ 1,450,167	\$ 3,159,286	\$ -	61%		\$ 1,087,625	\$ 217,525	\$ 145,017	\$ 1,450,167	\$ -	\$ -	\$ -	\$ 1,450,167



Interagency Commission on School Construction

FY 2024 CIP 90% Allocations and Resubmission Deadline Extension

Resubmissions Reopened until March 17, 2023

February 17, 2023

BALTIMORE, MD - At its meeting on February 9, 2023, the IAC adopted the Fiscal Year 2024 90% Capital Improvement Program (CIP) IAC Staff recommendations for each school system and the Maryland School for the Blind, bringing the total IAC recommended allocation to \$436.5 million, as published within the [meeting agenda](#) beginning on page 43.

Governor Wes Moore's proposed capital budget, which was released on January 20, 2023, included significant additional funding for school construction in FY 2024 above the amount that had previously been expected. The number of funding requests originally submitted by several LEAs in the fall of 2022 for the FY 2024 CIP are not sufficient to utilize this additional funding, based on proportional target allocations. Accordingly, the IAC approved the reopening of the application resubmission period for additional project requests until March 17, 2023.

On February 2, 2023, the IAC sent a notice of possible adjustments to the FY 2024 CIP. That notice is attached here for your reference. As a reminder, the 90% recommendations approved by the IAC are considered preliminary and are subject to change prior to the 100% approval on May 11, 2023. IAC staff recommend that LEAs consider submitting additional projects to not only meet, but to even exceed, a total State estimated program of \$485 million. In addition to the \$485 million currently in the Governor's budget, an additional \$100 million may become available for the CIP in accordance with the capital budget. Additional changes may be made throughout the legislative session that may increase or reduce funding availability.

LEAs are encouraged to submit sufficient applications to utilize whatever amount of funding ultimately becomes available through passage of the capital budget bill for FY 2024. Although the IAC approved the reopening of applications until March 17, 2023, we strongly encourage LEAs to submit any revisions, and especially additional projects, as soon as possible. The sooner new projects are submitted, the sooner IAC staff can work with each LEA to resolve eligibility concerns, making it more likely that projects will be eligible to receive funding in May.

We recognize that gaining the required approvals of the Board of Education and support of the local Government within this limited timeframe may be challenging. The IAC will accept these



notifications of governance support and approval until April 13, 2023. As a reminder, requests for changes to the CIP requests require a letter of support signed by the Board of Education president or minutes indicating approval from a Board of Education meeting. Local governments must have approved support for the entire local share of a school construction project, but need not approve changes to prioritization or fiscal year specific funding requests.

Finally, please note that funds for the Enrollment Growth and Relocatable Classroom program are *in addition* to the CIP targets provided in the February 2 notice. FY 2024 EGRC funds are anticipated to be included in the FY 2024 budget as shown in the table below. Please note that EGRC eligibility presented at the time of the 75% allocations was recalculated in February 2023 to ensure that enrollments include full time equivalent students only and appropriations beginning with FY 2024 will no longer be rounded to the closest dollar amount.

LEA	FY 2024 Appropriation per ED Art. §5-313	Prior Year EGRC	Anticipated FY 2024 Appropriation
Anne Arundel	\$4,899,000	\$3,897,160	\$8,796,160
Baltimore	\$6,489,000	\$7,937,000	\$14,426,000
Carroll	\$1,491,000	\$-	\$1,491,000
Charles	\$1,574,000	\$-	\$1,574,000
Frederick	\$2,654,000	\$12,706,422	\$15,360,422
Harford	\$2,234,000	\$-	\$2,234,000
Howard	\$3,383,000	\$15,816,967	\$19,199,967
Montgomery	\$9,354,000	\$5,662,710	\$15,016,710
Prince George's	\$7,534,000	\$-	\$7,534,000
Worcester	\$388,000	\$-	\$388,000
Total	\$40,000,000	\$46,020,259	\$86,020,259

Ongoing conversations between LEAs and their [assigned](#) Regional Facilities Managers are highly encouraged.

The Interagency Commission on School Construction is an agency of the State of Maryland. Staff of the IAC can be reached at iac.pscp@Maryland.gov. Learn more about the IAC and its programs at mdschoolconstruction.org

ATTACHMENT V



J. VINTON SCHAFFER CONSTRUCTION, LLC, a *Quandel Enterprises Company*

1309-Q Continental Drive | Abingdon, MD 21009

P 410.335.3000 | F 410.335.6529 quandel.com/schafer

February 13, 2023

Mr. Harry Miller
Assistant Supervisor, Planning and Construction
Harford County Public Schools
2209 Conowingo Road
Bel Air, Maryland 21015

Re: Price Increase from Prior Estimate Performed 2/4/2022

Dear Mr. Miller:

Since February 4, 2022, we've seen several market corrections across various sectors. We did not have the price proposal yet for West County Elementary School in which we reached out to vendors once more to determine why there was such a large variance in pricing. The general theme was that they were continuing to face increased wages and delays due to the global economy. Part of the correction we see here is due to that, especially in the Masonry area which saw several increases to the price of CMU as well as mortar and accessories required for construction. As well as Plumbing and HVAC. These were due to the shortage of microchips used in many of the units and constant increases with the piping. Raw materials themselves were also scarce and such had a supply/demand effect on the market. At this time, that has leveled out on the cost escalation front, but is still much higher than it was a year ago. Also hampering a steady inflation market was the supply chain issues as well as increased costs of oil and gasoline. During this last year, we had an unprecedented inflation rate of roughly 8.3% within the construction field as well as all other sectors of industry.

We are available at your convenience to answer any questions related to the above or any other aspects of our proposal.

Thank you,

Brian Soethe
Chief Estimator

CC:
Christopher Morton (HCPS)
Stephen Smallidge (JVS)
Tom Gnau (JVS)



FY 2024 Capital Improvement Program

Seventh presentation to the Board of Education

July 18, 2022

August 22, 2022

September 19, 2022

October 24, 2022

November 14, 2022

December 19, 2022

March 13, 2023



Background

FY 2024 CIP

- September 19, 2022 – BOE approved State CIP request for submission
 - Submission to State by October 4, 2023
 - County Executive letter of local support for four (4) projects
- November 14, 2022 – BOE approved amended State request
 - Updated budgets based on market conditions

Homestead/Wakefield Elementary School Replacement Project

- Ongoing litigation
- Project delay
- Potential impact to budget
- Defer second year of local CIP funding request until FY 2025

State CIP Updates

- Increased State school construction funding from Governor
 - Anticipated allocation: \$280 million statewide
 - January 20, 2023 - Governor proposed allocation: \$485 million statewide
 - Potential additional funding to be determined: \$100 million statewide

Date	HCPS Anticipated State CIP Allocation
December 2022	\$8,160,589-\$11,424,824
February 2023	\$19,083,123
Change	\$7,658,299 - \$10,922,534

- February 2023 – Recalculated the Enrollment Growth and Relocatable Classroom program (EGRC)
 - Add-on allocation through the CIP program to LEAs with significant enrollment growth
 - Enrollment growth exceeding 150% of the statewide average growth or LEAs have more than 300 relocatable classrooms
 - For the first time since it started (FY 2016), HCPS qualifies for this additional funding

Source	Funding Amount
State CIP	\$19,083,123
ERGC	\$2,234,000
Total	\$21,317,123

- 2022 legislation – School projects in areas of concentration of poverty is less than 80% but greater than 55% receive a 5% increase in the State share. February 9, 2023, IAC staff presented the results of analysis

Project	State Share			Local Share		
	63%	68%	Difference	37%	32%	Difference
Havre de Grace Elementary Roof Replacement	\$1,640,000	\$1,752,788	\$112,788	\$1,223,000	\$1,110,212	-\$112,788
Aberdeen Middle Systemic Renovation	\$18,433,800	\$19,896,800	\$1,463,000	\$15,740,475	\$14,277,475	-\$1,463,000
Total	\$20,073,800	\$21,649,588	\$1,575,788	\$16,963,475	\$15,387,687	-\$1,575,788

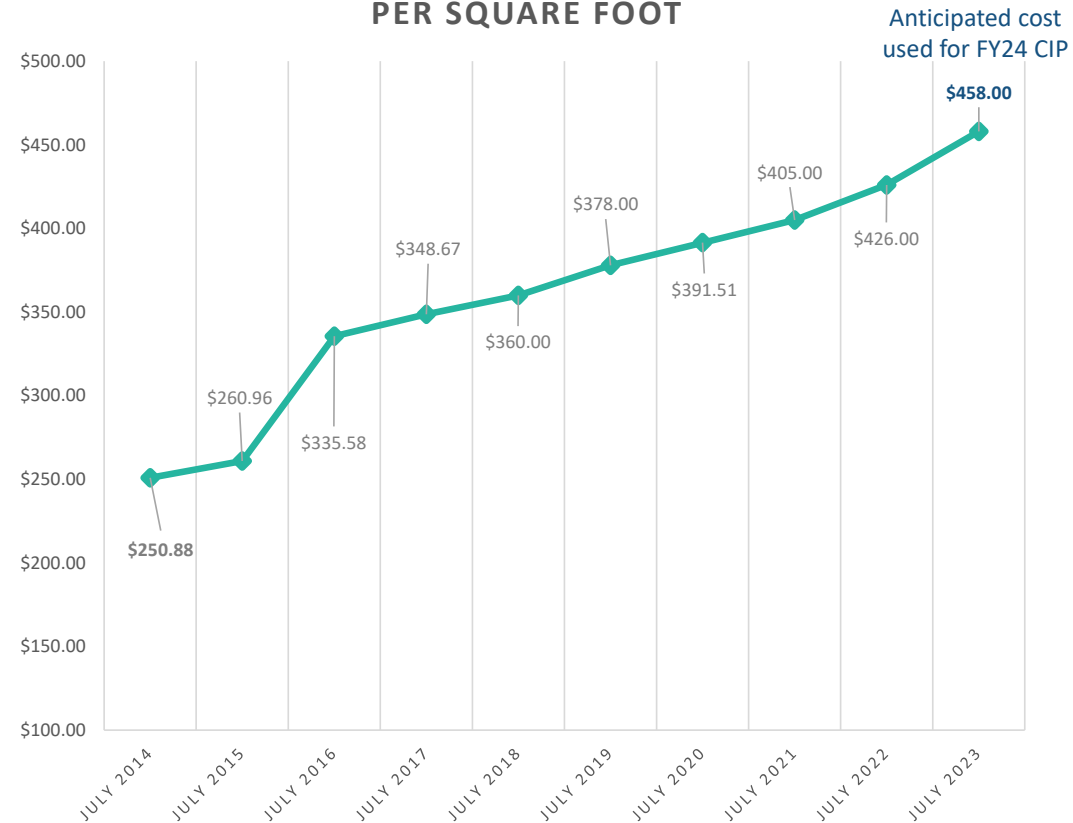
FY 2024 CIP Impact

Note: Associated State MEMOs and IAC meeting minutes provided for reference.

Market Conditions

- School construction costs per square foot have been increasing in Maryland
- COVID-19 impacts
 - Labor shortages
 - Wage increases
 - Delays due to global market economy
 - Cost of oil and gasoline
 - Impacted costs
 - Masonry
 - HVAC equipment
 - Equipment with microchip technology
 - Plumbing and piping
 - Many raw materials

**SCHOOL CONSTRUCTION STATE AVERAGE COST
PER SQUARE FOOT**



Source: Maryland Public School Construction Webpage
https://iac.mdschoolconstruction.org/?page_id=4633

FY 2024 CIP Harford Technical High Limited Renovation

- Multi-year funded project (FY23, FY24, FY25)
- Received \$10M from State and \$10M from local FY 2023
 - State typically “locks in” the amount of State funding
- Design phase updated cost estimates
- Submitted amended CIP with updated project estimates
- State acknowledges market condition changes and made the following recommendations
 - Rescind current approved project
 - Resubmit in FY 2024 to be eligible for the higher State cost per square foot funding

Package Title	Original Budget September 2021	SD Estimate November 2022	DD Estimate February 2023
Program	\$6,450,000	\$6,629,031	\$10,160,938
Roofing	\$6,608,000	\$6,404,485	\$8,181,795
Windows and Storefronts	\$1,000,000	\$1,000,000	\$702,586
Mechanical & Fire / Sprinkler	\$14,593,500	\$20,342,460	\$20,897,230
Electrical	\$8,729,000	\$11,781,200	\$14,132,663
Construction Total	\$37,380,500	\$46,157,176	\$54,075,212
Other (Design ,FF&E, Misc)	\$15,195,875	\$15,195,875	\$15,195,875
Total Estimate	\$52,576,375	\$61,353,051	\$69,271,087

	Maximum State Allocation		Difference
	FY 2023 Calculation	FY 2024 Calculation	
State	\$24,121,000	\$41,052,000	\$16,931,000
Local	\$45,150,087	\$28,219,087	-\$16,931,000
DD Estimate	\$69,271,087	\$69,271,087	\$69,271,087

Change in Local Funding		
FY2023 Approved Local Funding	DD Estimate	Difference
\$21,847,375	\$28,219,087	\$6,371,712

Notes:

- 1) Original Budget Estimate - developed by HCPS P&C Department for FY2023 CIP based on recent project costs and typical escalation.
- 2) SD and DD Level Estimate - developed by 3rd party construction management firm (Hess Construction) based on current marked conditions and specified design documents.
- 3) Scope did not change between each level of design and estimate.

Homestead Wakefield Replacement School Project

- December 8, 2022 - Consent Order
- February 2, 2023 - Updated budget by Construction Manager
- February 7, 2023 - Project advertised for bid
- March 9, 2023 – Anticipated date bids received and opened
- Built to Learn Funding Update
 - Maryland Stadium Authority (MSA) one time funding
 - Bonds - less then anticipated
 - Difference will be covered by State capital

State Funding Source	Original Budget	Revised	Difference
State BTL	\$36,168,000	\$35,685,083	-\$482,917
State CIP	\$0	\$482,917	\$482,917
Total	\$36,168,000	\$36,168,000	\$0

Construction Estimate Comparison

Original Schedule (2022) & Delayed Schedule (2023)

Funding Source	Construction Estimates		Change
	February 2022	February 2023	
State	\$36,168,000	\$36,168,000	\$0
Local	\$26,625,936	\$42,562,842	★ \$15,936,906
Total	\$62,793,936	\$78,730,842	\$15,936,906

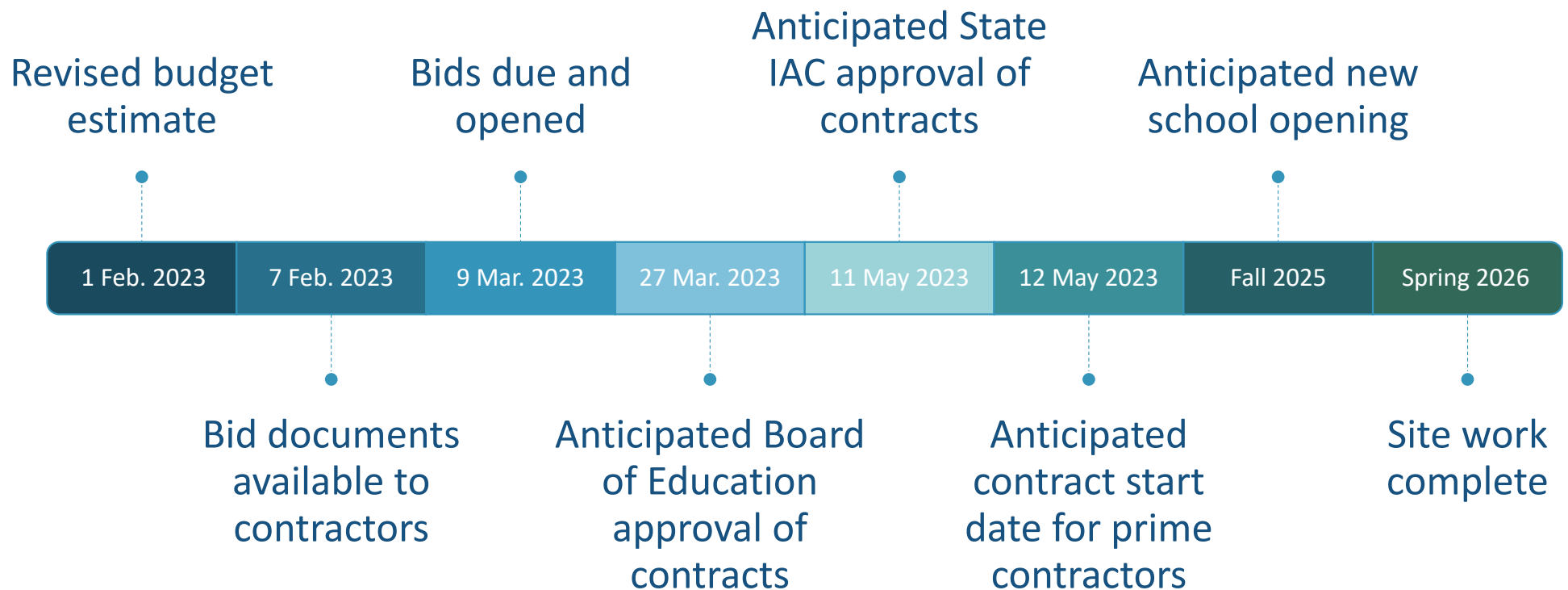
★ *Change is a local cost only. Additional cost will be captured in the FY 2025 local CIP request*

Note: The comparison above is based on the construction estimates prepared by Quandel J. Vinton Schafer (Project Construction Manager) February 4, 2022, update on February 2, 2023, and the final approved total State Maximum allocation. The updated construction estimate reflects costs associated with extended modular classroom leasing, CM services cost increase due to delay, and current market conditions.

Updated Project Timeline

Homestead/Wakefield Elementary School Replacement

A one-year delay to the original schedule





FY 2024 CIP Adjustment

DUE TO THESE CHANGES, STATE HAS REOPENED THE STATE CIP REQUEST

- March 17, 2023 - Submit intended amendments of State CIP request
- April 13, 2023 - Provide a letter of BOE approval of the amended CIP and a letter of support from the County Executive

PROPOSED ADJUSTMENTS

1. Adjust the State and local cost share to increase the amount of State share for projects at schools in high poverty area. Local funding requirements will decrease.
 - Havre de Grace Elementary School Roof Replacement
 - Aberdeen Middle School HVAC Systemic
2. Rescind Harford Technical High School Limited Renovation and request reapproval of project in the FY 2024 CIP to maximize State funding. Increase request amount to match new potential State FY 2024 State CIP allocation
3. Add the State share of the Homestead/Wakefield Elementary School Replacement project not covered by Built to Learn funding to the FY2024 State CIP request.

Proposed Amended FY 2024 CIP

Project	BOE Approved Request		Proposed Amended		Change	
	State Request	Local Request	State Request	Local Request	State Change	Local Change
Harford Tech High School Limited Renovation	\$9,198,225	\$11,595,000	\$9,864,518	\$11,595,000	\$666,293	\$0
Havre de Grace Elementary School Roof Replacement	\$1,640,000	\$1,223,000	\$1,752,788	\$1,110,212	\$112,788	-\$112,788
Aberdeen Middle School HVAC Systemic Renovation	\$9,216,900	\$7,871,000	\$9,216,900	\$7,871,000	\$0	\$0
Harford Academy at Campus Hills New School	LP	\$16,000,000	LP	\$16,000,000	\$0	\$0
Homestead/Wakefield Elementary School Replacement	\$0	\$0	\$482,917	\$0	\$482,917	\$0
TOTAL	\$20,055,125	\$36,689,000	\$21,317,123	\$36,576,212	\$1,261,998	-\$112,788

Source	Funding Amount
State CIP	\$19,083,123
ERGC	\$2,234,000
Total	\$21,317,123

FY 25 projected
need for
Multi-year
funded projects

Project	FY 2025 Estimates	
	State Request	Local Request
Harford Tech High School Limited Renovation	\$21,187,482	\$6,624,087
Aberdeen Middle School HVAC Systemic Renovation	\$10,679,900	\$6,406,475
Homestead/Wakefield Elementary School Replacement	\$0	\$14,387,842
TOTAL	\$31,867,382	\$27,418,404

Note: The above estimates will adjust based on actual bid data.

Questions, Discussion, & Decision

1) Rescind the Harford Technical High School Limited Renovation project that was approved by the State in the FY 2023 CIP and request that the first year of funding for the project in the amount of \$9,865,518 be granted in the FY 2024 CIP

2) Approve the amendments to the FY 2024 CIP for State eligible projects to increase the State funding request to \$21,317,123 and decrease the local request for these projects to \$36,576,212, for a total request of \$57,893,335 to be submitted to the State by March 17, 2023, and to the county executive for final approval by April 13, 2023.

Funding Source	FY 2023 Funding ¹	FY 2024 Amended CIP Request	Projected ² FY 2025 CIP Request	Projected Total Project Cost
State	\$10,000,000	\$9,864,518	\$21,187,482	\$41,052,000
Local	\$10,000,000	\$11,595,000	\$6,624,087	\$28,219,087
Total	\$20,000,000	\$21,459,518	\$27,811,569	\$69,271,087

¹ Rescinded FY 2023 State funding in the amount of \$10,000,000 will go into the State Contingency account and reapplied to this project once approved in the FY 2024 CIP

² FY 2025 request will adjust based on actual bid data.

Project	Proposed Amended	
	State Request	Local Request
Harford Tech High School Limited Renovation	\$9,864,518	\$11,595,000
Havre de Grace Elementary School Roof Replacement	\$1,752,788	\$1,110,212
Aberdeen Middle School HVAC Systemic Renovation	\$9,216,900	\$7,871,000
Harford Academy at Campus Hills New School	\$0	\$16,000,000
Homestead/Wakefield Elementary School Replacement	\$482,917	\$0
TOTAL	\$21,317,123	\$36,576,212