



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
EGRC	\$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

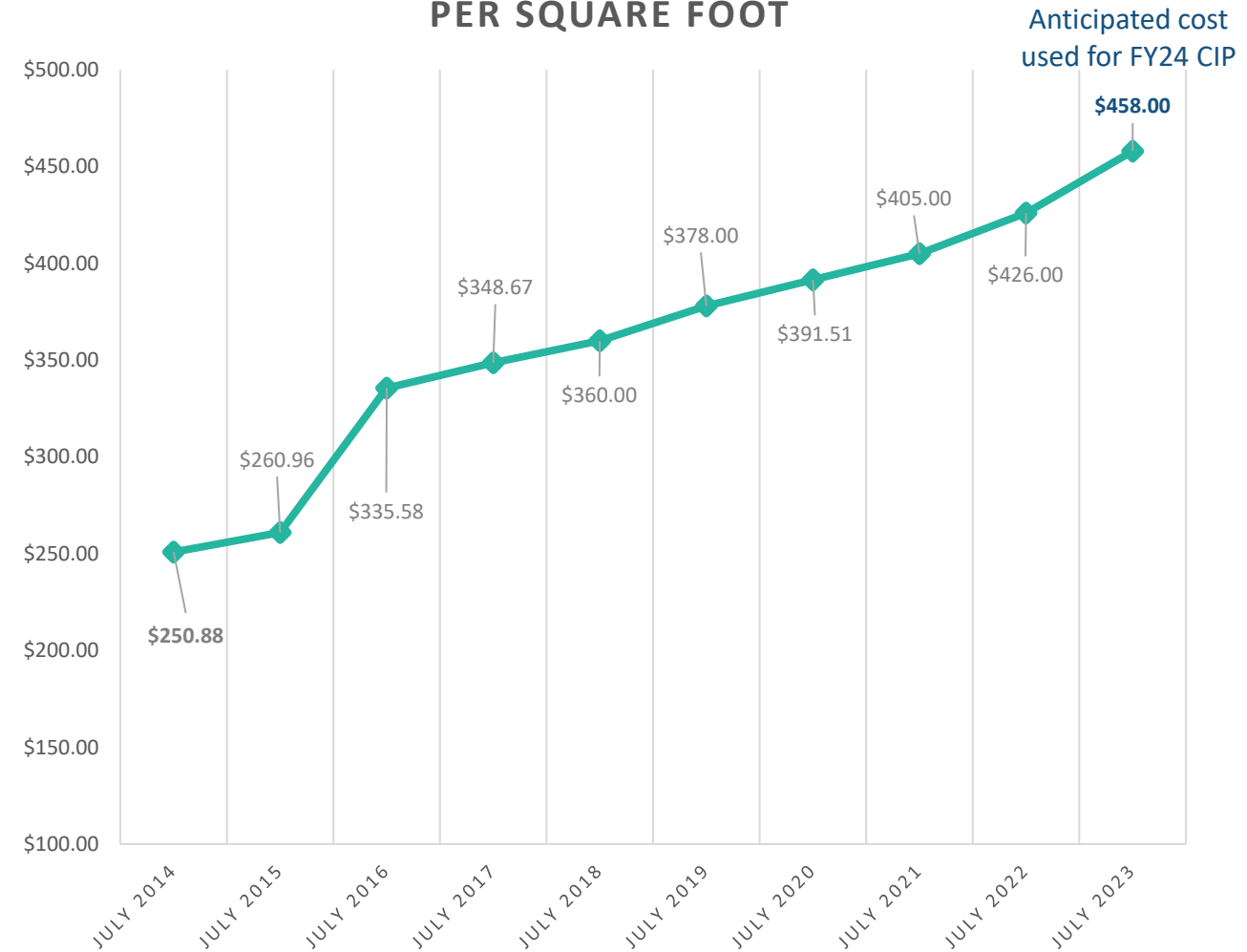
Note: Associated State MEMOs and IAC meeting minutes provided for reference.



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
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- 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*

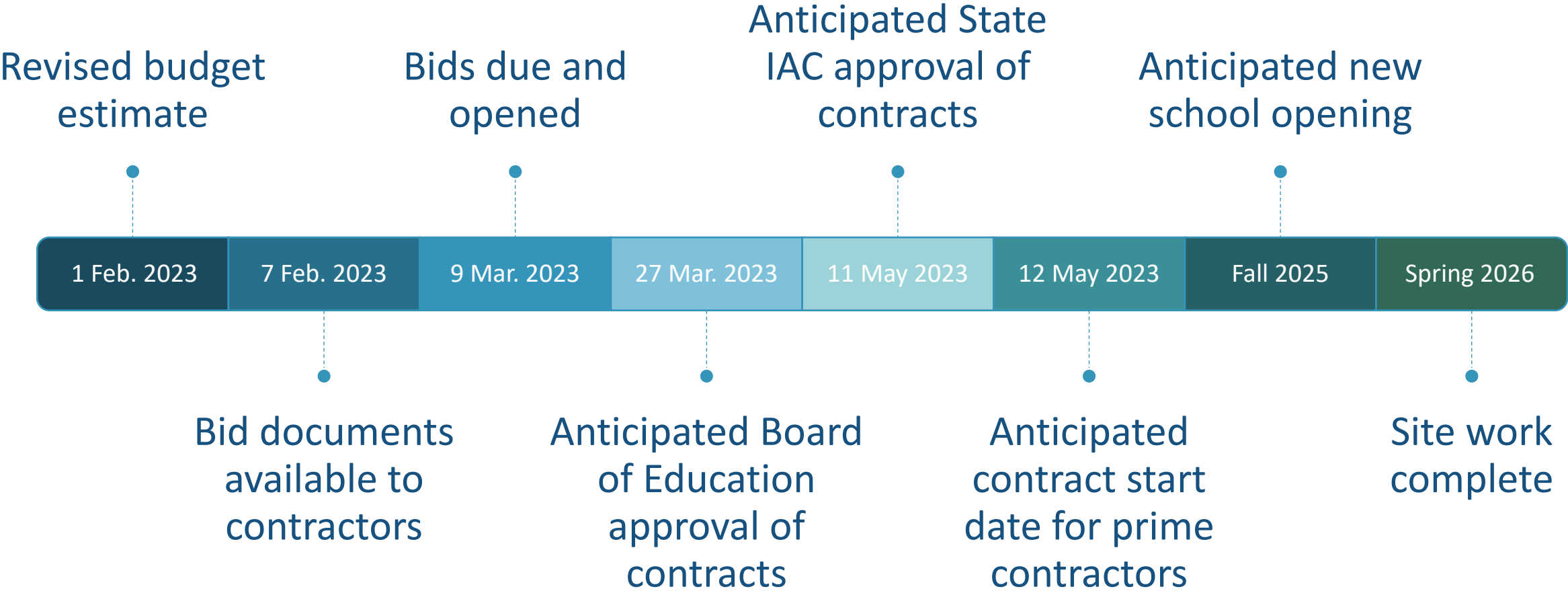
Note: The comparison above is based on the construction estimates prepared by Quandel J. Vinton Schafer (Project Construction Manager) February 4, 2022, update on February 2, 2023, and the final approved total State Maximum allocation. The updated construction estimate reflects costs associated with 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

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.

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.

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