



**BOARD OF EDUCATION OF HOWARD COUNTY
MEETING AGENDA ITEM**

TITLE: Fiscal Year 2025 Capital Budget Transfer – 1 **DATE:** December 12, 2024

PRESENTER(S): Daniel Lubeley, Executive Director, Capital Planning and Construction

STRATEGIC ALIGNMENT:

INSTRUCTIONAL EXCELLENCE – All students and staff are provided with the resources necessary to deliver and experience high-quality instruction. Blueprint Pillar 5: Accountable Operations

OVERVIEW:

The Board of Education and the Superintendent of Schools have identified the need to complete studies for a Public Private Partnership (P3) and a more comprehensive Educational Sufficiency Study of each of the HCPSS facilities. It is estimated the total budget for the two studies will be \$2,500,000.

The Capital Budget transfer request totaling \$2,500,000 is detailed in the attached report. The transfer moves funds from the Hammond HS Renovation/Addition project, in the final phase of completion, to the Planning and Design project. Due to requirements of the individual revenue sources provided for each project, the Systemic Renovations Project is involved in a net zero capacity to facilitate the alignment of the required revenue sources.

After Board approval, the proposed Capital Budget Transfer will be presented to the County Council on January 6, 2025, requesting approval of a resolution to transfer funding.

RECOMMENDATION/~~FUTURE DIRECTION:~~

Superintendent recommends approval of the proposed Capital Budget Transfer.

SUBMITTED BY:

Daniel Lubeley
Executive Director, Capital Planning and
Construction

APPROVAL/CONCURRENCE:

William J. Barnes
Superintendent

Karalee Turner-Little, Ph.D.
Deputy Superintendent

Cornell S. Brown Jr.
Chief Operating Officer

Fiscal Year 2025 Capital Budget Transfer – 1

The Board of Education and the Superintendent of Schools have identified the need to complete two studies related to the Capital needs of the Howard County Public School System (HCPSS). The studies include a Public Private Partnership (P3) study to determine the potential for the HCPSS to enter into a P3 contract to address some of the Capital needs. Also identified is the need to complete a more comprehensive Educational Sufficiency Study of each of the HCPSS facilities. This study will provide more comprehensive and updated data to be used in future Capital Budget needs prioritization processes. It is estimated the total budget for the two studies would be \$2,500,000.

Capital studies are budgeted and funded through project E1038 – Planning and Design. This project fund currently has approximately \$610,000 currently unencumbered. Other studies, such as future capital project scope studies, and planned enrollment balancing processes are planned to utilize these funds. The HCPSS staff have reviewed other Capital projects and determined the Hammond HS Renovation and Addition project is at the final project stages and has sufficient funds to complete the project as well as to transfer for the P3 and Educational Sufficiency studies.

The requested transfer will include three Capital Educational projects (also referred to as Capital “E” projects) as reflected below:

- E1024 – Hammond High School Renovation and Addition
- E1058 – Systemic Renovations and Modernizations
- E1038 – Planning and Design

The ultimate transfer is from the Hammond HS project to the Planning and Design project. The Hammond HS project was locally funded through bond sales which require the expenses to be 20-year bondable expenses, like a construction project. Studies are not 20-year bondable expenses. The Systemic Renovations and Modernizations project includes several capital projects which are bondable expenses. The Systemic Renovations and Modernizations project is funded through several revenue sources including State Aid for Schools, Bonds, Excise Tax, Pay-As-You-Go, and Transfer Tax. The transfer would allow eligible funds to be transferred from the Systemic Renovation and Modernization project to the Planning and Design project, and then be backfilled by the identified funds from the Hammond HS project. The Systemic Renovation and Modernization project is involved in a net zero capacity to facilitate the alignment of required revenue sources needed to fund the studies.

Transfer -1					
Donor Project #	Donor Project Name	Unencumbered Project Balance	Transfer Amount	Resulting Balance	Revenue Type
E-1024	Hammond High School Reno/Add	\$4,955,295	(\$2,500,000)	\$2,455,295	County Bond Funding
E-1058	Systemic Renovations	\$80,200,197	\$2,500,000	\$82,700,197	County Bond Funding

Transfer - 2					
Donor Project #	Recipient Project Name	Unencumbered Project Balance	Transfer Amount	Resulting Balance	Revenue Type
E-1058	Systemic Renovations	\$82,700,197	(\$2,500,000)	\$80,200,197	County Transfer Tax Funding
E-1038	Planning and Design	\$609,949	\$2,500,000	\$3,109,949	County Transfer Tax Funding