

**DATE:** November 06, 2025

**TITLE:** Transfer of Appropriations Ordinance

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

## STRATEGIC PLAN ALIGNMENT:

Mission: HCPSS creates an innovative and accountable learning community where we expand opportunities and access, remove barriers, and foster an inclusive environment.

**Key Commitment:** Creating innovative learning and working environments.

Priority Area: Priority 4: Enhance Systemic Planning & Procedures

Goal: Goal 1: Foster a culture of continuous improvement in which schools, offices, and departments monitor and

report progress toward strategies and goals and make adjustments in a timely manner.

## **OVERVIEW**

The Board of Education and the Superintendent of Schools have identified the need to add funds to the Oakland Mills Middle School Addition and Renovation project, project number E1036, to partially address budget shortfalls realized after receipt of public bids for construction. Due to the increased cost of construction in the industry, an additional \$11,116,799 is required to remedy this budget shortfall.

The funding strategy includes a Capital Budget Transfer totaling \$7,600,000. The transfer moves funds from both the Lime Kiln Middle School Heating, Ventilation, and Air Conditioning (HVAC) replacement and St. John's Lane Elementary School HVAC replacement projects. These two projects received public construction bids below the budgeted construction costs and therefore have funds available.

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

## RECOMMENDATION/FUTURE DIRECTION:

Approval of the proposed Capital Budget Transfer and submission to the County for approval.

SUBMITTED Daniel Lubeley
BY: Executive Director.

Capital Planning and Construction

**APPROVAL**/ William J. Barnes **CONCURRENCE:** Superintendent

Karalee Turner-Little, Ph.D. Deputy Superintendent

Cornell S. Brown, Jr. Chief Operating Officer

## Fiscal Year 2026 Capital Budget Transfer – 1

The Board of Education and the Superintendent of Schools have identified the need to add funds to the Oakland Mills Middle School Addition and Renovation project, project number E1036, to alleviate budget shortfalls realized after receipt of public bids for construction. Due to increases in the cost of construction throughout the industry, an additional \$11,116,799 is required to remediate this budget shortfall. The funding strategy includes requesting a Capital Budget Transfer to partially address the funding need for the project.

The funding strategy to alleviate the budget shortfall includes transferring funds from two construction projects that are funded from the Systemic Renovations and Modernizations project (E1058), reallocation of Fiscal Year (FY) 2027 requests, and additional local fund requests in future fiscal years. The reallocation of FY 2027 funding and increase in future fiscal years were included in the FY 2027 Capital Budget presented in October. This transfer request reflects project funding previously allocated to the Lime Kiln MS HVAC and St. John's Lane ES HVAC projects.

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

E1058 - Systemic Renovations and Modernizations - Lime Kiln Middle School - HVAC Replacement

E1058 – Systemic Renovations and Modernizations – St. John's Lane Elementary School – HVAC Replacement

E1036 – Oakland Mills Middle School – Addition and Renovation

A balance of unencumbered funds will remain in each of the HVAC projects in addition to the project contingencies to assist in the case of unforeseen circumstances during the project construction.

Transfer					
Donor Project #	Donor Project Name	Unencumbered Project Balance	Transfer Amount	Remaining Unencumbered Project Balance	Revenue Type
E-1058	Lime Kiln Middle School – HVAC replacement	\$4,190,450	(\$3,800,000)	\$390,450	County Bond Funding
E-1058	St. John's Lane Elementary School – HVAC Replacement	\$4,137,707	(\$3,800,000)	\$337,707	County Bond Funding
E-1036	Oakland Mills Middle School – Addition and Renovation	\$57,897,451	\$7,600,000	\$65,497,451	County Bond Funding

In addition to the Capital Budget Transfer, the funding strategy includes reallocating \$3,000,000 of anticipated FY 2027 funds from the E1058 project Applications and Research Lab (ARL) Maintenance, being used for the ARL Exterior Walls replacement project, to the OMMS project. The exterior walls project received advantageous public bids below the construction budget. The remaining \$516,799 will be requested as a future year request for the E1036 OMMS project.