



Stephanie
Rawlings-Blake
Mayor

PLANNING COMMISSION

Wilbur E. "Bill" Cunningham, Chairman



*Thomas J. Stosur
Director*

STAFF REPORT

October 7, 2010

REQUESTS:

- Baltimore City Public Schools (City Schools) Capital Improvement Program Fiscal Years 2012-2017

RECOMMENDATIONS:

- Baltimore City Public Schools (City Schools) Capital Improvement Program Fiscal Years 2012-2017: Approval, with the recommendation that the Planning Commission review the final adjusted program in spring 2011.

STAFF: Sara Paraniham

PETITIONER: Baltimore City Public Schools (City Schools).

BACKGROUND/HISTORY

The Regulations for the Administration of the Public School Construction Program (under the Maryland State Department of Education, or MSDE) require that City Schools submit annually an updated and detailed Capital Improvement Program (CIP) for the upcoming fiscal year and the ensuing five fiscal years to the State Public School Construction Program. The initial submission by City Schools is due in early October, and any amendments or appeals must be submitted by December 1st of each year as a condition for receiving State School Construction Funds.

Prior to submission, City Schools must obtain approval of this program by the appropriate local governing body. A review process is necessary by the School Board, Planning Commission, Board of Finance, and the Board of Estimates to serve as the means by which the Mayor's Office will support and endorse such a program.

The City Schools' CIP illustrates the major construction projects which include new construction projects, complete renovations, conversions and modernization projects, systemic improvement projects which include future science lab renovations and individual improvements such as roofs, boilers, window & door replacements, and environmental abatement (asbestos) projects.

On October 8, 2009, the Planning Commission approved the Baltimore City Public Schools' Capital Improvement Program for FY 2011-2016 CIP, a request for \$765.5 Million (\$120,000,000 in City G.O. Bonds and \$645,565, 000 in State funds).

CONFORMITY TO PLANS

To comply with the City's current debt policy, the amount of City funding available for BCPS's FY 2012 School Construction Program is \$16,634,000.

ANALYSIS

This year's CIP submission reflects a commitment to invest in major facility upgrades in Baltimore City as well as continuing ongoing capital improvement projects and remedying the history of deferred maintenance in city schools. The request includes funds for major new investment in facilities in two communities, which compliments redevelopment efforts of Baltimore Housing.

The total request for FY 2012 is \$139,745,000 of which \$16,634,000 is City funds, approximately \$60 million is federal funds, and approximately \$60 million is a request for state funds. However, the state typically only provides \$25-30 million in funding despite requests that double and triple that amount and needs that are easily ten times that amount.

With a commitment of \$16+ million in local funds and a state match of 94% of construction costs, theoretically the City should be able to leverage far more than \$30 million in state funds. While the state formula indicates that the state pays 94% of capital costs, in reality the state pays far less. The state pays 94% of *eligible* costs for the *portion* of the project they deem worthy of funding. The state will only pay for a certain square footage per student based on their calculation of how many seats are needed, not based on how many seats the building will actually have or the square footage the building will actually have. Anything built beyond what they calculate as necessary must be completely funded by the local jurisdiction. The calculation is based on square footage and does not take into account the actual costs of construction, which are often higher in the City due to factors such as MHT review and the difficulties of retrofitting older buildings. In addition, the state only pays for hard construction costs, not any of the soft costs of development, which are typically 10-20% of the cost of a project. Last, but not least, the state discounts the state funding for a project by the amount previously spent on that facility. As a result, the City typically pays 20-45% of a project, rather than 6% as indicated.

Below is a summary of the projects included in the FY2012 CIP:

- Leith Walk ES #245 – This school is in poor condition and in need of extensive capital improvements and environmental remediation. The school, which was built in 1954, has never been renovated. Also the school is already overcrowded, additional capacity is needed. Improvements in the proposed project include new electrical and mechanical systems, lighting, windows, roofing, site work and architectural changes to improve program delivery. The school is due to expand to Pre-K to 8, so the proposed project now includes building an addition onto the existing school, to assist in better accommodating the school's elementary population as well as house the anticipated middle school population. Total budgeted cost is \$35 million, down from an estimate of \$48 million a year ago. The City is funding 35% of this project.
- Waverly PK-8 #51 - Both buildings that currently comprise this school are in poor condition and in need of extensive environmental renovations (including lead and asbestos abatement) and capital improvements of deteriorated building systems. A commitment was made by the School Board in 2003 to provide an upgraded facility when the school first expanded to a Pre-K to 8 program, and it was originally proposed that the existing elementary school

building be renovated and an addition be built onto the building to accommodate the middle school population. A feasibility study conducted in 2009 by Grimm + Parker Architects established that a new school building would be more cost efficient than the originally proposed renovation and addition. The new school building will be the first all new school constructed in the City since 1998 and includes classrooms, science labs, library/media center, cafetorium, gymnasium and all required support spaces and will be LEED Silver certified. The new building is sized to relieve the overcrowding that is expected to occur as the middle school program expands to a citywide magnet component that will draw students from outside of the #51 attendance zone. Total budgeted cost is \$32 million. The City is funding 44% of this project.

- *Benjamin Franklin High School (Masonville Cove)* - This will be a complete renovation and addition to a comprehensive High School in the Brooklyn and Curtis Bay neighborhoods. The lack of a high school in this area has resulted in a high dropout rate among area students who do not want to have to cross the Harbor to attend high school. In an attempt to reclaim some of these students, Benjamin Franklin opened as a high school but the building is badly in need of modernization. Total Budget cost is \$ 14 million. The City is funding 18% of this project.
- *New Southeast School (O'Donnell Heights)* – As part of a comprehensive plan for O'Donnell Heights, a new school is proposed to replace the two existing schools. The new school would be the centerpiece of the neighborhood and would help attract residents to the new housing. Total budget is estimated to be approximately \$39 million. Currently, the City is projected to fund approximately 38% of this project.
- *New Southwest School (Uplands)* – To accommodate the existing overcrowding in Southwest elementary schools, and the future growth in this area as Uplands is built, a new elementary school is necessary in this area. The exact location is to be determined. Total budget is estimated to be approximately \$23 million, but this will depend on many factors, including the site. Currently, the City is projected to fund approximately 25% of this project.
- *Calverton Renovation* – Robin - please describe the renovation and how it fits in with expanding great options
- *Stimulus Projects* – Robin - please describe what is being funded with stimulus funds
- *Systemic Projects* - Systemic improvements address deferred maintenance and include items such as fire safety, boilers, HVAC, roofs, chillers, windows, and elevators. This year there is an emphasis on heating and cooling systems to try to make the buildings better learning environments and reduce the number of school closings related to lack of heat or air conditioning. To accomplish the systemic improvements, \$3.65 million in City funds have been requested and \$44.759 million in state funds have been requested. The City is funding 13% of these projects.

The attached tables illustrate the proposed FY 2012 project list, with amounts requested by fund source, as well as amounts by school and project.

- *Community Schools* – why is this missing from the CIP request? Last year's budget showed \$500,000 for FY 12 and 13 and \$1 million for outer years. Do we want them to put this back?

In total, this FY 2012-2017 CIP is a request for \$765 Million (\$101,378,000 in City G.O. Bonds and \$603,000, 000 in State funds) over the six-year program, as illustrated in the attached tables. In addition, BCPS is expecting to access \$61 million in federal dollars next year.

The FY 2012 CIP received its first approval by the School Board on September 14, 2010.

In previous years the City has been asked in the fall to review and approve a capital program for City Schools prior to State approval. Typically the final State funding decisions are made in the spring. This process often leaves budgeted City dollars left hanging without State match. Baltimore City Public Schools is left with two options typically. Either re-appropriate those City funds and complete projects with all City funds or not spend the City dollars and wait for the next year and re-apply for State matching funds. Neither option is ideal. Given the uncertainty of State funding amounts, the Department of Planning recommends that City Schools return to the Planning Commission in the late spring of 2011, with the final State funding dollar to present for approval any necessary revision to the FY 2012 program necessary due to State funding changes.

Planning Staff supports new investment to upgrade schools and the continued emphasis on systemic improvements and recommends approval of the FY 2012-2017 BCPSS capital improvement program with the recommendation that the Planning Commission review any changes to the program in the spring of 2011.

Thomas J. Stosur,
Director