

INTERAGENCY COMMISSION ON SCHOOL CONSTRUCTION



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February 11, 2019

The Honorable Edward J. Kasemeyer
Chair, Senate Budget and Taxation
Committee
3 West Miller Senate Building
Annapolis MD 21401-1991

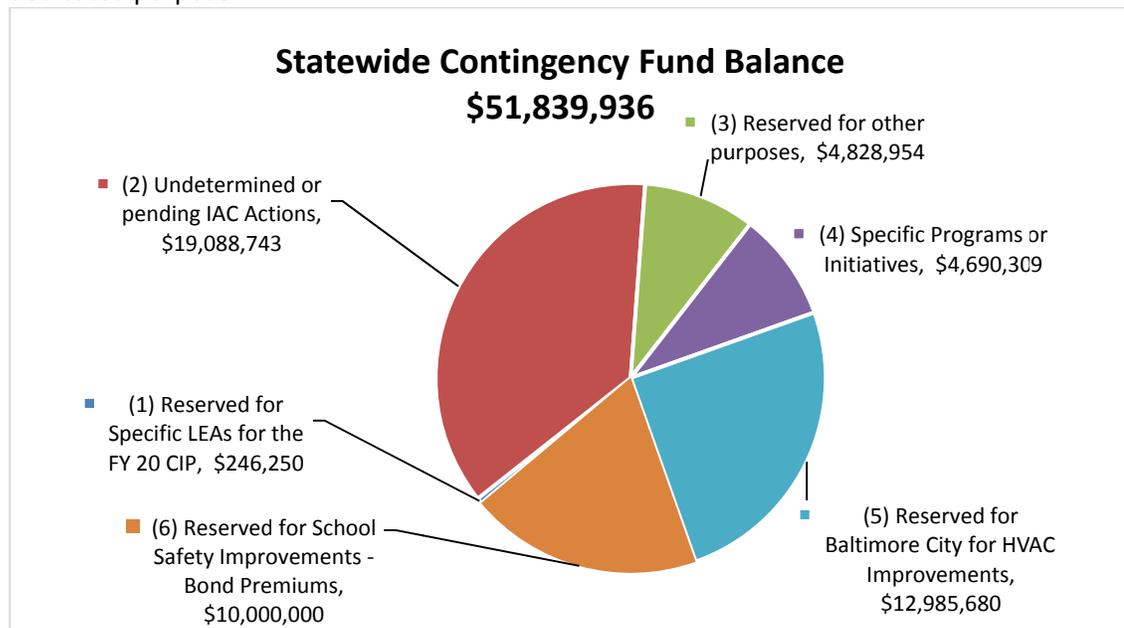
The Honorable Maggie McIntosh
Chair, House Appropriations Committee
121 House Office Building
Annapolis MD 21401-1991

Re: Statewide Contingency Account Quarterly Report

Dear Senator Kasemeyer and Delegate McIntosh:

Please accept this letter and the attachments as our quarterly report on the Statewide Contingency Account for the Interagency Commission on School Construction as of December 31, 2018. This report is submitted consistent with the requirements of Education Article, Section 5-303(j)(4).¹

The total Statewide Contingency Fund as of December 31, 2018 is \$51,839,936. The Chart below provides the total contingency balance by Program/Initiative or dedicated purpose.



¹ On or before March 30, June 30, September 30, and December 31 of each year, the Interagency Commission shall report to the General Assembly, in accordance with Section 2-1246 of the State Government Article, and the Department of Legislative Services on the balance in the fund as of the reporting date as the result of transfers or reversions required under this subsection and any expenditures.

- (1) **Reserved for Specific LEAs for the FY 2020 CIP** - The \$246,250 remains reserved for Anne Arundel \$205,000, Cecil \$26,970 and Kent \$14,280 Counties for the FY 2020 CIP.
- (2) **Undetermined or Pending IAC Action** - The \$19,088,743 is the Statewide Contingency funds reserved for specific LEAs. These funds consist of \$13,242,343 to be allocated to the FY 2020 CIP and \$5,846,400 are undetermined as to their use by LEA.
- (3) **Reserved for other Purposes** – The \$4,828,954 unavailable for allocation in the FY 2020 CIP consists of \$500,000 for the Emergency Repair Fund, \$247,931 for the Relocatable Repair Fund, \$587,354 for the Qualified Zone Academy Bond (QZAB) Program and \$3,493,669 for the Energy Efficiency Program. These funds are for specific purposes or other funding programs of the IAC.
- (4) **Reserved for Specific Programs or Initiatives** - The \$4,690,309 contingency fund balance is the remaining appropriation balance for specific programs or initiatives consisting of:
 - a. The FY 2012 Supplemental Appropriation (SA) reserved contingency funds totaling \$101,360. LEAs with balances will continue to submit eligible project requests directly to the IAC to utilize their remaining balances.
 - b. The FY 2014 Air Conditioning Initiative (FY 2014 ACI) totaling \$21,811, consists of \$6,701, reserved for Charles County Public Schools and \$15,110 reserved for Wicomico County Public Schools.
 - c. The \$4,567,138 for the Enrollment Growth and Relocatable Classrooms (EGRC) consists of \$1,630,715 reserved for Howard County Public Schools and \$2,936,423 for Prince George’s County Public Schools. These amounts are available for allocation with the FY 2020 CIP.
- (5) **Reserved for Baltimore City HVAC Improvements** - The \$12,985,680 is reserved specifically for Baltimore City for FY 2019 (BCHVAC) for Heating, Ventilation, and Air Conditioning Improvements at Baltimore City school buildings. The IAC is working with BCPSS to identify specific projects.
- (6) **Reserved for School Safety Improvements** – The \$10,000,000 in Bond Premiums for FY 2019 School Safety Grant Program (SSGP) for capital expenses that improve safety and security of public school facilities identified through facility risk assessments.

Attached is a summary of the funding by fiscal year showing the remaining appropriation balance in the accounts as of December 31, 2018. Attachment 2 of the Summary shows the dedicated purpose of the available balances. Please contact me at 410-767-0610 or via email robert.gorrell@maryland.gov if you have any questions regarding this material or if you need any additional information.

Sincerely,



Robert A. Gorrell
Executive Director
Interagency Commission on School Construction

Enclosures

cc: State Superintendent, Karen Salmon, Chair, Interagency Commission on School Construction
Secretary Robert McCord, Member, Interagency Commission on School Construction
Secretary Ellington Churchill, Member, Interagency Commission on School Construction
Ms. Sarah Albert (5 copies)
Ms. Rachel Hise
Mr. Matthew Klein
Ms. Cathy Kramer
Mr. Kyle Sieferting
Mr. David Brinkley
Mr. Marc Nicole
Mr. Nathan Bowen
Mr. Kwame Kwakye

Interagency Commission on School Construction
Remaining Appropriation Balance
as of December 31, 2018

<u>Fiscal Year</u>	<u>Balance as of September 30, 2018</u>	<u>IAC Actions October-December</u>	<u>Balance as of December 31, 2018</u>
2006 Interest QZAB - 3rd	500		500 (b)
2009 Interest QZAB - 4T	248		248 (b)
2010 Interest QZAB - 3R	291		291 (b)
2010 REL	247,931		247,931 (a)
2012	4,135		4,135
2012 SA	53,254	48,106	101,360 (c)
2013	-	28,056	28,056
2013 EEI	3,493,669		3,493,669 (d)
2014	526,482	1,481	527,963
2014 ACI	21,811		21,811 (e)
2014 QZAB	1		1 (b)
2015	5,010,401		5,010,401
2015 QZAB	110,922		110,922 (b)
2016 EGRC	1,429,286		1,429,286 (g)
2016 QZAB	325,176	5,604	330,780 (b)
2017	18,437,312	(16,165,069)	2,272,243
2017 QZAB	42,269		42,269 (b)
2018	2,210,731	1,182,075	3,392,806
2018 QZAB	56,308	46,035	102,343 (b)
2019	6,469,225	2,130,164	8,599,389
2019 BC HVAC	15,000,000	(2,014,320)	12,985,680
2019 EGRC	3,137,852		3,137,852 (g)
2019 SSI	10,000,000		10,000,000 (f)
2019 SSI PG	10,000,000	(10,000,000)	- (f)
Totals	<u><u>\$76,577,804</u></u>	<u><u>(\$24,737,868)</u></u>	<u><u>\$51,839,936</u></u>

The following balances are reserved for specific Programs/Initiatives:

- (a) Relocatable Repairs account balance of \$247,931
- (b) Qualified Zone Academy Bonds (QZAB) account balance \$587,354
- (c) FY 2012 Supplementary Program (SA) \$101,360
- (d) Energy Efficiency Initiative (EEI) \$3,493,669
- (e) Air Conditioning Initiative (ACI) \$21,811
- (f) School Safety Grant Program (SSGP)
- (g) Enrollment Growth or Relocatable Classrooms (EGRC) \$4,567,138

**INTERAGENCY COMMISSION ON SCHOOL CONSTRUCTION
SUMMARY OF STATEWIDE CONTINGENCY ACCOUNT
31-Dec-18**

I. CONTINGENCY BALANCE:

Current Statewide Contingency Balance				\$ 51,839,936
				<u>\$ 51,839,936</u>
Reserved for LEAs, Pending IAC Approval or Unreserved Contingency				
LEA Contingency reserves for specific Programs or Initiatives (See Note 3)		\$ (4,690,309)		
Undetermined and pending adjustments (see Note 4)	\$ (5,846,400)			
Pending adjustments (see Note 4)	<u>\$ (13,242,343)</u>	<u>\$ (19,088,743)</u>		<u>\$ (23,779,052)</u>
Statewide Contingency reserves for specific Programs or Initiatives				<u>\$ (3,493,669)</u>
Balance unavailable for reallocation in the FY 2020 CIP				<u>\$ (1,335,285)</u>
Total Current and Anticipated Contingency available for FY 2020 CIP				<u>\$ 23,231,930</u>

II. FUNDING SOURCE: Statewide Contingency Fund Balance by Program/Initiative

Unreserved Contingency for LEAs:				
Emergency Repair Fund		500,000	(1)	
Relocatable Repair Fund		247,931		
Qualified Zone Academy Bonds (QZAB)		587,354		
FY 14 Security Initiative (SI) Funds		-		
	Subtotal	<u>\$ 1,335,285</u>		
Unreserved Contingency available for FY 2020 CIP:				
ACI Funds		-		
Bond Funds		-		
EEl Funds		3,493,669		
Pay-Go Funds		-		
	Subtotal	<u>\$ 3,493,669</u>		
Contingency Reserved for Specific LEAs:				
Bond Funds		19,334,993		
Pay-Go Funds		-		
	Subtotal	<u>\$ 19,334,993</u>		
FY 12 Supplemental Appropriation (SA)		101,360		
FY 14 Air Conditioning Initiative (ACI) Funds		21,811		
FY 16 & FY 19 Enrollment Growth or Relocatable Classrooms (EGRC) Funds		4,567,138		
FY 19 Baltimore City HVAC (BCHVAC)		12,985,680		
FY 19 School Safety Grant Program (SSGP) Paygo		-		
FY 19 School Safety Grant Program (SSGP)		10,000,000		
	Subtotal	<u>\$ 27,675,989</u>		
	Totals	<u>\$ 51,839,936</u>		

**INTERAGENCY COMMISSION ON SCHOOL CONSTRUCTION
SUMMARY OF STATEWIDE CONTINGENCY ACCOUNT
31-Dec-18**

III. DETAILS:

Contingency Balance for Specific LEAs from FY 06 - FY 08, & FY 10 - FY 19:	LEA Contg. Balance as of 09-30-18	LEA Contg. Allocated to FY 2020 CIP	LEA Contg. Increases/ (Decreases) Oct. - Dec. (2)	LEA Contingency Reserves for Specific Programs or Initiatives (3)	LEA Contg. Funds Undetermined & Pending Adjustment (4)	Current LEA Contg. Balance Available (5)
Allegany	32,540	-	(26,274)	(6,266)	-	-
Anne Arundel	1,480,914	-	215,499	-	(1,491,413)	205,000
Baltimore County	-	-	-	-	-	-
Baltimore City	17,215,854	-	(14,519,620)	(84,212)	(2,612,022)	-
Calvert	-	-	-	-	-	-
Caroline	-	-	153,788	-	(153,788)	-
Carroll	404,383	-	(162,505)	(3)	(241,875)	-
Cecil	813,732	-	-	-	(786,762)	26,970
Charles	6,701	-	-	(6,701)	-	-
Dorchester	-	-	113,852	-	(113,852)	-
Frederick	97,376	-	42,897	-	(140,273)	-
Garrett	94,436	-	75,668	-	(170,104)	-
Harford	940,336	-	-	-	(940,336)	-
Howard	1,630,715	-	-	(1,630,715)	-	-
Kent	14,280	-	-	-	-	14,280
Montgomery	881,643	-	1,210,369	-	(2,092,012)	-
Prince George's	12,970,608	-	121,139	(2,936,423)	(10,155,324)	-
Queen Anne's	32,135	-	-	(10,879)	(21,256)	-
St. Mary's	104,600	-	-	-	(104,600)	-
Somerset	4,135	-	-	-	(4,135)	-
Talbot	-	-	-	-	-	-
Washington	60,991	-	-	-	(60,991)	-
Wicomico	15,110	-	-	(15,110)	-	-
Worcester	-	-	-	-	-	-
MD School for the Blind	-	-	-	-	-	-
Subtotal	\$ 36,800,489	\$ -	\$(12,775,187)	\$ (4,690,309)	\$ (19,088,743)	\$ 246,250
Total LEA Reserves			\$ 24,025,302	\$ (23,779,052)		\$ 246,250

Reserved Contingency available for Baltimore City HVAC (BCHVAC) projects.	\$ 12,985,680 (6)
School Safety Grant Program (SSGP) projects	\$ 10,000,000 (7)
LEA Reserved Contingency Balance available for FY 2020 CIP	\$ 246,250
Balance of Un-reserved Contingency available for FY 2020 CIP	\$ -
Total Contingency Balance available (Reserved and Unreserved)	\$ 23,231,930

Notes:

- (1) \$500,000 contingency reserve for the Emergency Repair Account.
- (2) LEA contingency fund adjustments resulting from IAC actions from October 2018 through December 2018.
- (3) Includes ACI, EEI, EGRC, and SA funds for specific LEAs.
- (4) Includes CIP funds not designated by LEAs, to be assigned pending LEA indication of preferences to FY 2019 or reserved for FY 2020 CIP.
- (5) Contingency balance available for specific LEAs as of December 2018.
- (6) FY 2019 Bond Premiums for Heating, Ventilation, and Air Conditioning Improvements at Baltimore City public school buildings.
- (7) FY 2019 Bond Premiums and Paygo for capital expenses that improve safety and security of public school facilities identified through facility risk assessments.