

INTERAGENCY COMMISSION ON SCHOOL CONSTRUCTION



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September 14, 2018

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

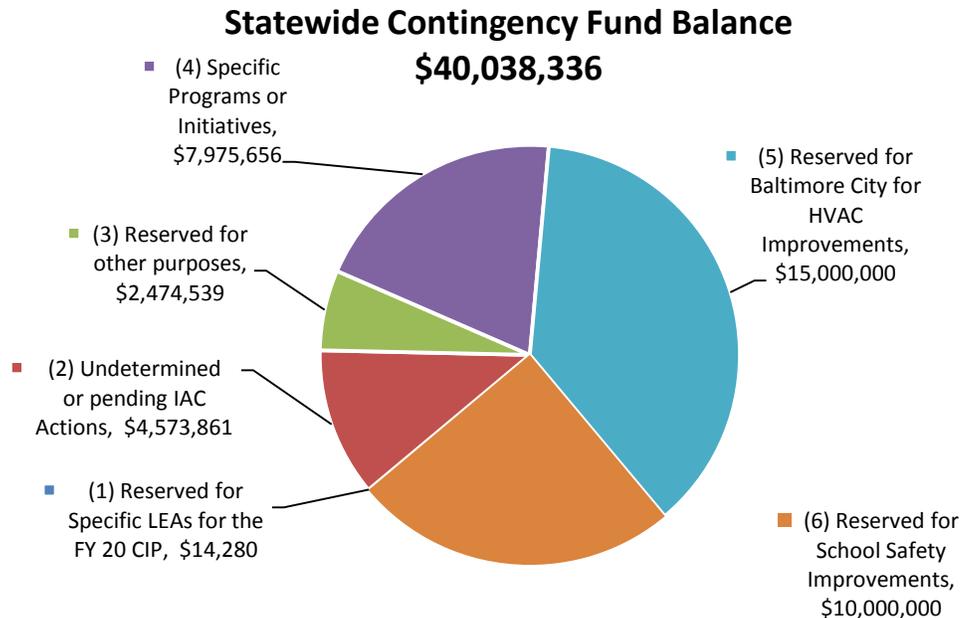
The Honorable Maggie McIntosh
Chair, House Appropriations Committee
121 House Office Building
Annapolis MD 21401-1991

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 June 30, 2018. This report is submitted consistent with the requirements of Education Article, Section 5-301(j)(4).¹

The total Statewide Contingency Fund as of June 30, 2018 is \$40,038,336. 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 \$14,280 remains reserved for Kent County for the FY 2020 CIP.
- (2) **Undetermined or Pending IAC Action** - The \$4,573,861 is the Statewide Contingency funds reserved for specific LEAs. These funds are pending a decision by the LEA. IAC will notify the LEAs of their available contingency in September.
- (3) **Reserved for other Purposes** – The \$2,474,539 unavailable for allocation in the FY 2020 CIP consists of \$500,000 for the Emergency Repair Fund, \$247,931 for the Relocatable Repair Fund, \$535,715 for the Qualified Zone Academy Bond (QZAB) Program, and \$1,190,893 for the FY 2014 Security Initiative (SI). These funds are for specific purposes or other funding programs of the IAC.
- (4) **Reserved for Specific Programs or Initiatives** - The \$7,975,656 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 \$973,050. LEAs with balances will continue to submit eligible project requests directly to the IAC to utilize their remaining balances.
 - b. The FY 2013 EEI fund balance totaling \$3,493,669 will remain unallocated, as the LEAs with these reserved funds have no eligible FY 2014 CIP EEI project requests that were not funded. Accordingly, once all expenditures on approved projects have been made, we will seek guidance as to the appropriate use of any unexpended balance.
 - c. The FY 2014 Air Conditioning Initiative (FY 2014 ACI) totaling \$16,283, consists of \$6,701, reserved for Charles County Public Schools and \$9,582 reserved for Wicomico County Public Schools.
 - d. The \$3,492,654 for the Enrollment Growth and Relocatable Classrooms (EGRC) consists of \$1,630,715 reserved for Howard County Public Schools and \$1,861,939 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 \$15,000,000 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 for FY 2019 School Safety Improvements (SSI) 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 June 30, 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
Acting 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 Siefering
Mr. David Brinkley
Mr. Marc Nicole
Mr. James McKittrick
Mr. Kwame Kwakye

**Interagency Commission on School Construction
 Remaining Appropriation Balance
 as of June 30, 2018**

Attachment 1

<u>Fiscal Year</u>	<u>Balance as of March 31, 2018</u>	<u>IAC Actions April-June</u>	<u>Balance as of June 30, 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	8,419	(8,419)	-
2012 SA	1,625,466	(652,416)	973,050 (c)
2013	7,700	(7,700)	-
2013 EEI	3,493,669		3,493,669 (d)
2014	356,135	(356,135)	-
2014 ACI	16,283		16,283 (e)
2014 QZAB	-	1	1 (b)
2014 SI	1,190,893		1,190,893 (f)
2015	495,403	(495,403)	-
2015 QZAB	-	110,922	110,922 (b)
2016	2,578,826	(2,578,826)	-
2016 EGRC	623,802	(269,000)	354,802 (g)
2016 QZAB	286,076	39,100	325,176 (b)
2017	5,026,051	(5,026,051)	-
2017 EGRC	66,084	(66,084)	- (g)
2017 QZAB	39,430	2,839	42,269 (b)
2018	233,031	(233,031)	-
2018 QZAB	56,308		56,308 (b)
2019		5,088,141	5,088,141
2019 BCHVAC		15,000,000	15,000,000
2019 EGRC		3,137,852	3,137,852 (g)
2019 SSI		10,000,000	10,000,000 (f)
Totals	<u>\$16,352,546</u>	<u>\$23,685,790</u>	<u>\$40,038,336</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 \$535,715
- (c) FY 2012 Supplementary Program (SA) \$973,050
- (d) Energy Efficiency Initiative (EEI) \$3,493,669
- (e) Air Conditioning Initiative (ACI) \$16,283
- (f) FY 2014 Security Initiative (SI) allocation has a remaining balance of \$1,190,893, after all approved projects have been expended.
- (g) Enrollment Growth or Relocatable Classrooms (EGRC) \$3,492,654

**INTERAGENCY COMMISSION ON SCHOOL CONSTRUCTION
SUMMARY OF STATEWIDE CONTINGENCY ACCOUNT
30-Jun-18**

Attachment 2

I. CONTINGENCY BALANCE:

Current Statewide Contingency Balance			\$ 40,038,336
			<u>\$ 40,038,336</u>
Reserved for LEAs, Pending IAC Approval or Unreserved Contingency			
LEA Contingency reserves for specific Programs or Initiatives (See Note 3)		\$ (7,975,656)	
Undetermined and pending adjustments (see Note 4)	\$ (4,573,861)		
Pending adjustments (see Note 4)	\$ -	\$ (4,573,861)	\$ (12,549,517)
Statewide Contingency reserves for specific Programs or Initiatives			\$ -
Balance unavailable for reallocation in the FY 2020 CIP			<u>\$ (2,474,539)</u>
Total Current and Anticipated Contingency available for FY 2020 CIP			<u>\$ 25,014,280</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)	535,715	
FY 14 Security Initiative (SI) Funds	1,190,893	
Subtotal	<u>\$ 2,474,539</u>	

Unreserved Contingency available for FY 2020 CIP:

ACI Funds	-
Bond Funds	126,348
Pay-Go Funds	-
Subtotal	<u>\$ 126,348</u>

Contingency Reserved for Specific LEAs:

Bond Funds	4,461,793
Pay-Go Funds	-
Subtotal	<u>\$ 4,461,793</u>
FY 12 Supplemental Appropriation (SA)	973,050
FY 13 Energy Efficiency Initiative (EEI) Funds	3,493,669
FY 14 Air Conditioning Initiative (ACI) Funds	16,283
FY 16 & FY 19 Enrollment Growth or Relocatable Classrooms (EGRC) Funds	3,492,654
FY 19 Baltimore City HVAC (BCHVAC)	15,000,000
FY 19 School Safety Improvements (SSI)	10,000,000
Subtotal	<u>\$ 32,975,656</u>
Totals	<u>\$ 40,038,336</u>

III. DETAILS:

Contingency Balance for Specific LEAs from FY 06 - FY 08, & FY 10 - FY 19:	LEA					
	LEA Contg. Balance as of 03-31-18	LEA Contg. Allocated to FY 2019 CIP	LEA Contg. Increases/ (Decreases) Apr - June (2)	Contingency Reserves for Specific Programs or Initiatives (3)	LEA Contg. Funds Undetermine d (4)	Current LEA Contg. Balance Available (5)
Allegany	132,802	-	-	(132,802)	-	-
Anne Arundel	248,148	(228,148)	103,825	(20,000)	(103,825)	-
Baltimore County	1,727,569	(1,727,569)	-	-	-	-
Baltimore City	5,138,969	-	(32,293)	(2,742,676)	(2,364,000)	-
Calvert	23,910	-	-	(23,910)	-	-
Caroline	-	-	-	-	-	-
Carroll	836,749	(836,746)	352,028	(3)	(352,028)	-
Cecil	64,358	(8,107)	786,762	(29,281)	(813,732)	-
Charles	6,701	-	-	(6,701)	-	-
Dorchester	148,744	-	-	(148,744)	-	-
Frederick	470,736	(373,360)	-	-	(97,376)	-
Garrett	-	-	-	-	-	-
Harford	66,872	(66,872)	-	-	-	-
Howard	624,376	(516,715)	1,630,715	(1,738,376)	-	-
Kent	14,280	-	-	-	-	14,280
Montgomery	1,594,965	(747,492)	-	(330,000)	(517,473)	-
Prince George's	1,256,348	(861,931)	1,710,702	(1,861,939)	(243,180)	-
Queen Anne's	243,347	(173,468)	21,256	(69,879)	(21,256)	-
St. Mary's	592,192	-	-	(592,192)	-	-
Somerset	168,942	(30,597)	-	(138,345)	-	-
Talbot	313,159	(308,159)	-	(5,000)	-	-
Washington	18,115	(18,115)	60,991	-	(60,991)	-
Wicomico	87,013	(77,431)	-	(9,582)	-	-
Worcester	126,226	-	-	(126,226)	-	-
MD School for the Blind	-	-	-	-	-	-
Subtotal	<u>\$ 13,904,521</u>	<u>\$ (5,974,710)</u>	<u>\$ 4,633,986</u>	<u>\$ (7,975,656)</u>	<u>\$ (4,573,861)</u>	<u>\$ 14,280</u>
Total LEA Reserves			<u>\$ 12,563,797</u>	<u>\$ (12,549,517)</u>		<u>\$ 14,280</u>

Reserved Contingency available for Baltimore City HVAC (BCHVAC) projects.	\$ 15,000,000 (6)
School Safety Improvements (SSI) projects.	\$ 10,000,000 (7)
LEA Reserved Contingency Balance available for FY 2020 CIP	\$ 14,280
Balance of Un-reserved Contingency available for FY 2020 CIP	\$ -
Total Contingency Balance available (Reserved and Unreserved)	<u>\$ 25,014,280</u>

Notes:

- (1) \$500,000 contingency reserve for the Emergency Repair Account.
- (2) LEA contingency fund adjustments resulting from IAC actions from April 2018 through June 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
- (5) Contingency balance available for specific LEAs as of June 2018.
- (6) FY 2019 Bond Premiums for Heating, Ventilation, and Air Conditioning Improvements at Baltimore City public school buildings.
- (7) FY 2019 Bond Premiums for capital expenses that improve safety and security of public school facilities identified through facility risk assessments.