

# INTERAGENCY COMMISSION ON SCHOOL CONSTRUCTION



**LARRY HOGAN**  
GOVERNOR

**KAREN SALMON, PhD.**  
CHAIRPERSON

**ROBERT A. GORRELL**  
EXECUTIVE DIRECTOR

200 WEST BALTIMORE STREET  
BALTIMORE, MD 21201  
410-767-0617

IAC.MARYLAND.GOV

IAC.MSDE@MARYLAND.GOV

December 17, 2018

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

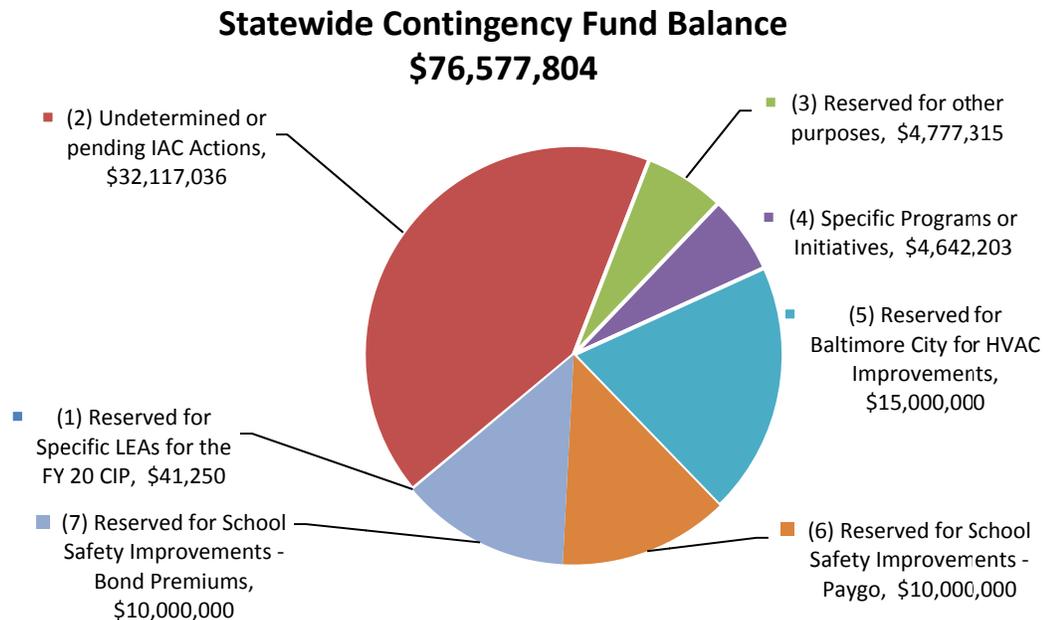
The Honorable Maggie McIntosh  
Chair, House Appropriations Committee  
121 House Office Building  
Annapolis MD 21401-1991

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 September 30, 2018. This report is submitted consistent with the requirements of Education Article, Section 5-303(j)(4).<sup>1</sup>

The total Statewide Contingency Fund as of September 30, 2018 is \$76,577,804. The Chart below provides the total contingency balance by Program/Initiative or dedicated purpose.



<sup>1</sup> 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 \$41,250 remains reserved for Cecil and Kent Counties for the FY 2020 CIP.
- (2) **Undetermined or Pending IAC Action** - The \$32,117,036 is the Statewide Contingency funds reserved for specific LEAs. These funds consists of \$13,242,343 to be allocated to the FY 2020 CIP and \$18,736,693 are pending action by the IAC.
- (3) **Reserved for other Purposes** – The \$1,283,646 unavailable for allocation in the FY 2020 CIP consists of \$500,000 for the Emergency Repair Fund, \$247,931 for the Relocatable Repair Fund, and \$535,715 for the Qualified Zone Academy Bond (QZAB) Program. These funds are for specific purposes or other funding programs of the IAC.
- (4) **Reserved for Specific Programs or Initiatives** - The \$4,751,991 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 \$53,254. 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 \$21,811, consists of \$6,701, reserved for Charles County Public Schools and \$15,110 reserved for Wicomico County Public Schools.
  - d. 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 \$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 in Paygo funds 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.
- (7) **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 September 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](mailto: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 September 30, 2018**

<u>Fiscal Year</u>	<u>Balance as of June 30, 2018</u>	<u>IAC Actions July-September</u>	<u>Balance as of September 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	-	4,135	4,135
2012 SA	973,050	(919,796)	53,254 (c)
2013 EEI	3,493,669		3,493,669 (d)
2014	-	526,482	526,482
2014 ACI	16,283	5,528	21,811 (e)
2014 QZAB	1		1 (b)
2014 SI	1,190,893	(1,190,893)	- (f)
2015	-	5,010,401	5,010,401
2015 QZAB	110,922		110,922 (b)
2016 EGRC	354,802	1,074,484	1,429,286 (g)
2016 QZAB	325,176		325,176 (b)
2017	-	18,437,312	18,437,312
2017 QZAB	42,269		42,269 (b)
2018	-	2,210,731	2,210,731
2018 QZAB	56,308		56,308 (b)
2019	5,088,141	1,381,084	6,469,225
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)
2019 SSI PG	10,000,000		10,000,000 (f)
<b>Totals</b>	<b><u>\$50,038,336</u></b>	<b><u>\$26,539,468</u></b>	<b><u>\$76,577,804</u></b>

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) \$53,254
- (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  
30-Sep-18**

**I. CONTINGENCY BALANCE:**

<b>Current Statewide Contingency Balance</b>				\$ 76,577,804
				<u>\$ 76,577,804</u>
<b>Reserved for LEAs, Pending IAC Approval or Unreserved Contingency</b>				
LEA Contingency reserves for specific Programs or Initiatives (See Note 3)		\$ (4,642,203)		
Undetermined and pending adjustments (see Note 4)	\$ (18,738,693)			
Pending adjustments (see Note 4)	<u>\$ (13,378,343)</u>	<u>\$ (32,117,036)</u>		<u>\$ (36,759,239)</u>
Statewide Contingency reserves for specific Programs or Initiatives				<u>\$ (3,493,669)</u>
Balance unavailable for reallocation in the FY 2020 CIP				<u>\$ (1,283,646)</u>
<b>Total Current and Anticipated Contingency available for FY 2020 CIP</b>				<u><b>\$ 35,041,250</b></u>

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

<b>Unreserved Contingency for LEAs:</b>				
Emergency Repair Fund		500,000	(1)	
Relocatable Repair Fund		247,931		
Qualified Zone Academy Bonds (QZAB)		535,715		
FY 14 Security Initiative (SI) Funds		-		
	Subtotal	<u>\$ 1,283,646</u>		
<b>Unreserved Contingency available for FY 2020 CIP:</b>				
ACI Funds		-		
Bond Funds		-		
EEl Funds		3,493,669		
Pay-Go Funds		-		
	Subtotal	<u>\$ 3,493,669</u>		
<b>Contingency Reserved for Specific LEAs:</b>				
Bond Funds		32,158,286		
Pay-Go Funds		-		
	Subtotal	<u>\$ 32,158,286</u>		
FY 12 Supplemental Appropriation (SA)		53,254		
FY 13 Energy Efficiency Initiative (EEl) Funds		-		
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)		15,000,000		
FY 19 School Safety Grant Program (SSGP) Paygo		10,000,000		
FY 19 School Safety Grant Program (SSGP)		10,000,000		
	Subtotal	<u>\$ 39,642,203</u>		
	<b>Totals</b>	<u><b>\$ 76,577,804</b></u>		

III. DETAILS:

Contingency Balance for Specific LEAs from FY 06 - FY 08, & FY 10 - FY 19:	LEA					
	LEA Contg. Balance as of 06-30-18	LEA Contg. Allocated to FY 2020 CIP	LEA Contg. Increases/ (Decreases) July - Sept. (2)	LEA Contingency Reserves for Specific Programs or Initiatives (3)	LEA Contg. Funds Undetermined & Pending Adjustment (4)	Current LEA Contg. Balance Available (5)
Allegany	132,802	-	(100,262)	(32,540)	-	-
Anne Arundel	123,825	-	1,357,089	-	(1,480,914)	-
Baltimore County	-	-	-	-	-	-
Baltimore City	5,106,676	-	12,109,178	(9,832)	(17,206,022)	-
Calvert	23,910	-	(23,910)	-	-	-
Caroline	-	-	-	-	-	-
Carroll	352,031	-	52,352	(3)	(404,380)	-
Cecil	843,013	-	(29,281)	-	(786,762)	26,970
Charles	6,701	-	-	(6,701)	-	-
Dorchester	148,744	-	(148,744)	-	-	-
Frederick	97,376	-	-	-	(97,376)	-
Garrett	-	-	94,436	-	(94,436)	-
Harford	-	-	940,336	-	(940,336)	-
Howard	1,738,376	-	(107,661)	(1,630,715)	-	-
Kent	14,280	-	-	-	-	14,280
Montgomery	847,473	-	34,170	-	(881,643)	-
Prince George's	2,105,119	-	10,865,489	(2,936,423)	(10,034,185)	-
Queen Anne's	91,135	-	(59,000)	(10,879)	(21,256)	-
St. Mary's	592,192	-	(487,592)	-	(104,600)	-
Somerset	138,345	-	(134,210)	-	(4,135)	-
Talbot	5,000	-	(5,000)	-	-	-
Washington	60,991	-	-	-	(60,991)	-
Wicomico	9,582	-	5,528	(15,110)	-	-
Worcester	126,226	-	(126,226)	-	-	-
MD School for the Blind	-	-	-	-	-	-
Subtotal	<u>\$ 12,563,797</u>	<u>\$ -</u>	<u>\$ 24,236,692</u>	<u>\$ (4,642,203)</u>	<u>\$ (32,117,036)</u>	<u>\$ 41,250</u>
<b>Total LEA Reserves</b>			<b><u>\$ 36,800,489</u></b>	<b><u>\$ (4,642,203)</u></b>	<b><u>\$ (36,759,239)</u></b>	<b><u>\$ 41,250</u></b>

<b>Reserved Contingency available for Baltimore City HVAC (BCHVAC) projects.</b>	<b>\$ 15,000,000 (6)</b>
<b>School Safety Grant Program (SSGP) projects</b>	<b>\$ 10,000,000 (7)</b>
<b>School Safety Grant Program (SSGP) Paygo</b>	<b>\$ 10,000,000 (7)</b>
<b>LEA Reserved Contingency Balance available for FY 2020 CIP</b>	<b>\$ 41,250</b>
<b>Balance of Un-reserved Contingency available for FY 2020 CIP</b>	<b>\$ -</b>
<b>Total Contingency Balance available (Reserved and Unreserved)</b>	<b><u>\$ 35,041,250</u></b>

Notes:

- (1) \$500,000 contingency reserve for the Emergency Repair Account.
- (2) LEA contingency fund adjustments resulting from IAC actions from July 2018 through September 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 September 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.