

**Montgomery County Council
of
Parent Teacher Associations**

**CAPITAL IMPROVEMENT
PROGRAM (CIP)
GUIDEBOOK
2011-2012
Revised August 2011**

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**Please note the MCCPTA Office will be moving sometime in
2012. Please check the website for more information as it
becomes available.**

**Hours of Operation – 9:30 am – 1:30 pm Monday – Friday
(School Year)
10 am – 12 pm Tuesday and Thursday (Summer)**

www.mccpta.com

The Capital Improvement Program MCCPTA CIP Committee Guide for Cluster Coordinators

Introduction

The MCCPTA cluster coordinator is recognized by MCCPTA and MCPS as one of the key leadership positions in nurturing parental involvement, addressing educational issues, promoting new program initiatives, and representing cluster interests before MCPS, the Board of Education and the County Council. MCCPTA cluster coordinators also share information and work cooperatively across clusters to identify and advocate for our collective priorities for the school system. Foremost among the many responsibilities of the cluster coordinator is to provide advocacy on behalf of local schools during the budget process. Through your leadership and skill, you can effect significant change for the benefit of the schools in your cluster and across the county.

The MCPS budget is divided into two categories, each of which are planned and adopted separately. They are the operating budget and the capital budget. The operating budget consists primarily of salaries for MCPS employees and education program costs. The capital budget pays for new schools, additions, modernizations, and other physical improvements needed to adequately house students at every county school. What follows is an in depth review of the CIP process and a discussion of what a cluster coordinator must do to represent his or her cluster's schools in the process.

The CIP

The term "CIP" is often used for both the capital improvements program and the annual capital budget. The Capital Improvements Program is the schedule for capital projects that are funded or that have approval for funding in the next six-years (other projects listed may have anticipated completion dates beyond the six-years but no actual funding). The county's fiscal year starts in July of each year and is named for the year at the end of the fiscal year. For example, the FY2011 - 2016 CIP begins in July 2010.

The six-year CIP is a plan for the activities that MCPS will conduct over the life cycle of the program. It includes the timelines for feasibility studies, new schools, modernizations, or additions. It also includes project planning and construction funding over the six-year period, and level of funding for systemic maintenance projects (HVAC replacement, roof replacements, etc.) and countywide upgrade programs (restroom renovations, etc.). In recent years, the CIP has outlined

approximately \$1.4 billion in spending for capital improvements over the six-year planning horizon.

The annual capital budget is a list of the budgetary expenditures that will be made during the upcoming fiscal year. The budget is the only portion funded each year, but it obviously works in conjunction with the six-year CIP. As projects progress, they eventually are funded through the annual capital budget.

The CIP is considered in a biennial process. In odd numbered fiscal years, a full six-year CIP is adopted by the County Council. In even numbered fiscal years, the county only considers amendments to the six-year plan. The council has established certain criteria for amendments, but generally they want MCPS to offer only items that it couldn't have known about the year before—so an amendment year usually includes only a few new items. As a practical matter, therefore, advocacy in the “off years” typically is not focused on major new initiatives, but instead is on keeping plans on track and reacting to year-to-year variances in funding and economic conditions. However, it is still important to make your case and to seek full funding of what had already been put in the budget.

There are four primary decision-makers during the CIP process, and our activities and advocacy change as we move through the process. The Superintendent recommends the six-year CIP and annual capital budget, the Board approves the recommendation, the County Executive proposes it along with the rest of the county budget, and the County Council funds it. Changes in funding levels by the County Council can affect the CIP, and the Council closely studies the overall CIP as it decides whether to fund the Board and the County Executive's request. Cluster coordinator testimony and input to all of these parties is an important part of the process.

At the end of the budget process, the Board of Education approves a final plan, which is referred to as the Master Plan. This plan reflects the capital and non-capital actions to be undertaken after the County Council approves the budget.

CIP versus Operating Budget- There is a strong relationship between the capital budget and the operating budget. Many CIP projects have operating budget implications; since new or expanded schools need operating budget funds for staffing or for maintenance, equipment, and supplies. Similarly, decisions made during the operating budget process can impact the CIP (e.g., reduced class sizes and full-day kindergarten increased the space needs of many schools.)

Often, people think there are two pots of money for the operating and capital budgets – current revenues, which fund the operating budget and long term bonds, which fund

the capital budget. However, some CIP elements are funded with current revenues and bond repayment also affects future operating budgets. So, for practical purposes, there is still only one major source: the county budget. Montgomery County places a high priority on education, and school funding accounts for slightly more than fifty percent of the entire Montgomery County budget (of roughly \$4 billion).

Available county funding can fluctuate due to economic conditions, the political climate, and the existence of other budget needs. The CIP also is affected by the cost of construction materials (steel, concrete, etc.), petroleum products, and labor, all of which can vary significantly from year to year. In recent years, construction costs have been down, but we are not too far removed from years where construction costs were increasing by 10-20% during the planning horizon. MCPS is also very concerned that fuel for bus transportation and heating will strain the operating budget.

CIP Planning Overview. The central document for CIP planning and advocacy is the Superintendent’s Recommended CIP, which is released near the end of October each year. This document runs several hundred pages, and includes chapters discussing Board of Education priorities, student enrollment and other trends affecting school construction. The CIP also includes appendices that list the modernization schedules, relevant policies, and lists of completed planned-life cycle asset replacement (PLAR) projects, among other things. The bulk of the CIP is comprised of chapters devoted to each high school cluster, with enrollment projections, capacity data and a discussion of planned or recommended projects in each cluster. The CIP document is a wealth of information that is useful for advocacy and analysis throughout the year.

The CIP is funded from county General Obligation Bonds, state aid, and current revenue, in addition to recently added revenue from the increased recordation tax and schools impact tax on new development. The Spending Affordability Guidelines (SAG) set the limit on how much debt the county can afford each year. To override this guideline takes a council supermajority (7 of the 9 members). In some years, we have testified in favor of increasing the SAG to allow for more capital funding to offset increased costs due to supplies, fuel, and labor. More recently, SAG decisions have been influenced by a desire to maintain the county’s AAA bond rating from the credit rating agencies. Having a AAA bond rating lowers the county’s borrowing costs.

The county has an Annual Growth Policy (AGP) this is intended to coordinate development approvals with provisions for county infrastructure in the form of roads and schools. Each year, every cluster is evaluated for anticipated elementary, middle and high school capacity in the future. This “schools test” is based on projected

enrollment and projected capacity five years in the future, taking into account anticipated demographic trends in the cluster, approved housing developments and planned school construction projects. Clusters where anticipated enrollment exceeds 105% of capacity at any level trigger a “school facilities payment” for approved new developments in the cluster. Clusters that exceed 120% of capacity at any level are placed in “moratorium,” which means that subdivisions may not be approved in that area until the cluster passes the AGP test. Generally, the county council seeks to avoid having a cluster reach the moratorium stage, so there is significant pressure to build additional school capacity in clusters that would trigger the moratorium.

The major dates in the CIP planning process are as follows:

- June – Cluster CIP comments due
- Summer – Division of Long Range Planning studies CIP requests and develops CIP proposals.
- Late October – Superintendent recommends a CIP to the Board of Education
- Mid November – Board of Education holds hearings on the CIP. Cluster coordinators testify. Individuals and school PTAs also may testify.
- Late November – Board of Education adopts a Recommended CIP.
- January 15 – County Executive proposes a budget to the Council. The budget includes the County Executive’s proposed CIP for schools.
- February-April – The County Council reviews the proposed CIP. The Council’s Education Committee holds several worksessions to study the CIP. In addition, the Council holds CIP hearings during this time. Cluster coordinators testify in support of funding for the CIP. Individuals and school PTAs also may testify.
- May—The County Council adopts its final budget for the upcoming fiscal year, including the CIP.
- June – The Board of Education adopts its final budget for the year, making adjustments as necessary based on the Council’s final budget.
- June 30 – The Board of Education publishes its Master Plan (the final CIP for the year).

MCCPTA CIP Advocacy

MCCPTA has consistently taken the position that every child in Montgomery County is entitled to attend school in a safe, secure, healthy and modern facility. Our advocacy in connection with the CIP has been directed to ensuring that adequate funds are allocated to achieve these goals and to ensure that equity and need are balanced in the CIP. As MCPS strives to increase academic rigor throughout all levels and to expand participation in college-level coursework at the high school

level, it becomes increasingly important to ensure that our facilities provide adequate classroom space, modern technology and appropriate learning environments.

Each year, the Delegates Assembly adopts a Priorities Resolution outlining MCCPTA's priorities for the CIP budget. In recent years, these priorities have emphasized the need to keep planned additions and modernizations on track while also increasing funding for systemic renewal projects funded on a county-wide basis. These systemic projects include HVAC replacements, roof replacements, planned life-cycle asset replacement (PLAR) and program-specific building modifications. In our county-wide efforts, the CIP Committee has tried not to weigh one project over another; a new/reopened school to relieve overcrowding/overutilization in one area is just as critical as a modernization/expansion of a school in another area. In fact, the need for both kinds of projects occurs in many areas. Generally, we advocate to ensure that the county provides the best school facilities possible within the available budget.

In addition, MCCPTA is active in connection with other issues that affect the CIP. In recent years, these issues have included the level of the SAG, revisions to the county's Growth Policy and disposition of former school sites. We also participated in the review of the restroom renovation program and in development of the new assessment criteria for examining the next round of schools to be modernized (an assessment known as the Facilities Assessment with Criteria and Testing or "FACT" review). Other county-wide themes have related to health and safety concerns; such as lead remediation, and air quality improvements. MCCPTA has long lobbied for more funding for capital maintenance funds, both in the CIP and the operating budget for more supplies and employees to perform the jobs.

Other CIP-Related Activities

Boundary studies- can be one of the more emotional, difficult processes for communities to go through. The current procedure involving a "boundary committee" has greatly helped to reduce the stress and anxiety. Division of Long-Range Planning staff leads the committee, with participation from the school community members. Cluster coordinators are often non-voting members of the committee to offer counsel and advice to representatives from each school. Committee members define the criteria for options, discuss and evaluate specifics, and become liaisons to schools and communities. Public meetings are also held to hear the views of other community members. Committee members evaluate final options, and PTA's write position papers to be included in the boundary study report. The Superintendent reviews all of the information provided, and makes a recommendation to the Board of Education. The community, and PTAs, may testify

in favor of, or against, the superintendent's recommendation at the November CIP hearings, Board action is made in late November. Any boundary study testimony offered by cluster coordinators should be objective and unbiased, unless there is unanimous agreement by the communities and PTAs in the cluster.

Feasibility studies/planning committees: Set up with the Dept. of Planning and Capital Programming and Facilities Management (Planning or Construction) staff, the architect, and the Principal, and PTA leadership involving staff, students (if appropriate) and community members. Feasibility studies are structured meetings to create criteria, review options, and evaluate proposals for future projects. Similar to boundary studies, there are both small committee meetings and community meetings. Feasibility studies for additions may include an evaluation of actual number of new rooms needed, including core space, and other capital projects the school may need, such as, HVAC repair/replacement. Architectural planning committees are similar but work on the design phase of the now approved project, following educational specifications to review design elements and options (student body flow, window placement, or location of specialized rooms). Cluster coordinators are usually not involved in routine school planning committees, since the local PTA will provide the parent leadership. Cluster coordinators are often committee members at the high school level, and serve as the PTA leadership for new/reopened schools.