

Legislative Budget Analysis
Proposed FY 2023 Operating and Capital Budgets
Office of the County Auditor
Baltimore County, Maryland
HEARING DATE: May 18, 2022



**Capital Budget, Debt Service, and
Baltimore County Public Schools Capital Budget**

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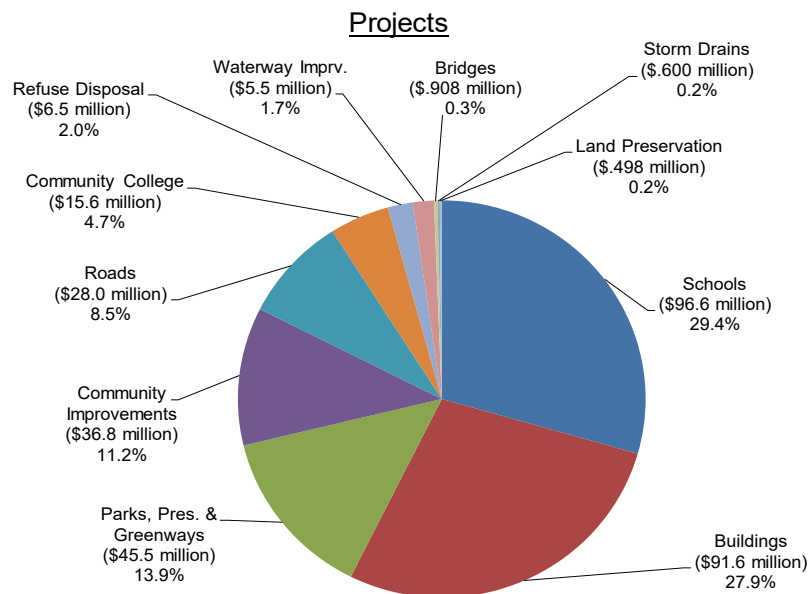
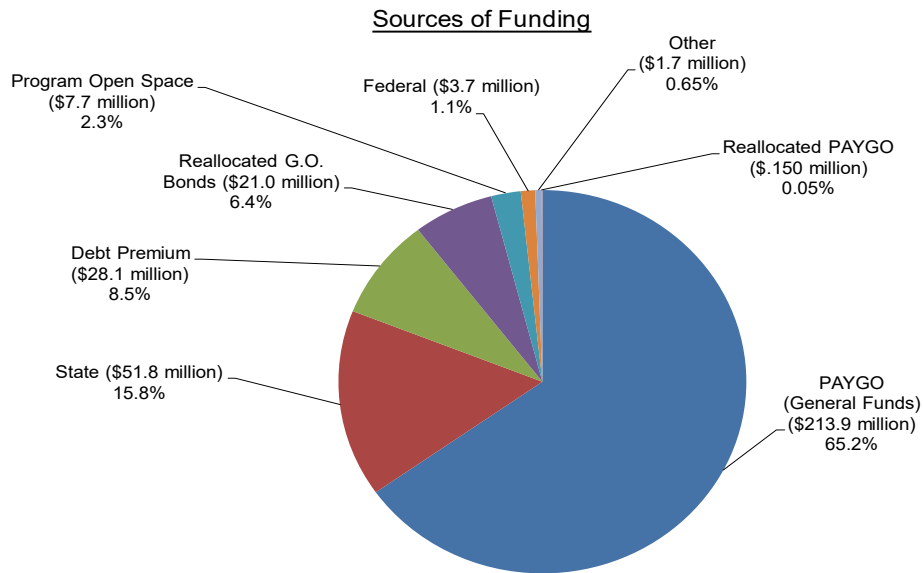
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|-----------------------------------|--------------------------------------|
| Questions to BCPS Sent | Wednesday, April 20 |
| Responses Received | Friday, April 29 |
| Questions to OBF Sent | Wednesday, April 20 |
| Responses Received | Tuesday, April 26 - Wednesday, May 4 |
| | |
| Analysis considers all responses. | |

CAPITAL BUDGET AND DEBT SERVICE

FY 2023 CAPITAL BUDGET SUMMARY

The proposed FY 2023 Capital Budget includes \$328.1 million for consolidated public improvement (CPI) projects; sources and uses of this funding follow:

FY 2023 Capital Budget Consolidated Public Improvements- \$328.1 Million



CAPITAL BUDGET AND DEBT SERVICE

FY 2023 CAPITAL BUDGET HIGHLIGHTS

The FY 2023 Capital Budget is supported by a record \$213.9 million of General Funds (PAYGO), representing two-thirds of the funding for CPI projects; State Aid (\$51.8 million) and Debt Premium (\$28.1 million) together support another one-quarter of the funding.

Project highlights include the following:

- \$96.6 million (29.4%) for **Schools projects**, including:
 - Security Vestibules and Cameras (\$17.0 million)
 - Replacement Red House Run Elementary (\$15.2 million)
 - Dundalk High Addition (\$13.5 million)
 - Southeast and Northeast Areas Solutions to High School Overcrowding (\$10.0 million - \$5.0 million to each)
 - Dulaney High – Design (\$10.0 million)
 - Towson High – Design (\$9.0 million)
 - Pine Grove Middle Addition (\$5.8 million)
 - Pre-K Expansion (\$5.0 million)
 - Various Site Improvements and Renovations (\$3.1 million)
 - Patapsco High Solution – Design (\$3.0 million)
 - NW Area Career Technical Education (CTE) School (\$2.5 million)
 - Replacement Scott's Branch Elementary (\$2.5 million)

School capital projects will be discussed in more detail beginning on page C-1 of this analysis.

- \$91.6 million (27.9%) for **Buildings projects**, including:
 - Police Training Academy Expansion, Greenspring campus (\$20.0 million)
 - Woodlawn Library Renovation (\$13.0 million)
 - Countywide Enhanced Productivity Thru Technology (OIT) projects (\$10.2 million)
 - Turnout Gear Washers and Dryers at various Fire Stations (\$8.5 million - additional)
 - Replacement Catonsville Fire Station Planning and Design (\$3.6 million - additional)
 - Circuit Court Jury Assembly Room Construction (\$2.5 million)
 - Volunteer Fire Company Grant Fund (\$1.5 million)
 - Loch Raven Center Feasibility and Design (\$1.5 million)
 - Essex Library Renovation/Replacement Feasibility Study (\$1.0 million)

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- Parkville Senior Center Parking Reconfiguration (\$1.0 million – additional)
- Woodlawn Senior Center Expansion (\$800,000 – State funds)
- Planning Funds for a New Jacksonville Senior Center and road entry widening (\$750,000)
- Feasibility study for Essex Police Precinct Improvements (\$200,000)
- Various repairs, renovations, minor additions, roof, and window projects at County Buildings, Libraries, Senior Centers, and Fire and Police Buildings throughout the County (\$27.0 million)
- \$45.5 million (13.9%) for **Recreation projects**, including:
 - Greens Lane Park Design and Construction (STEAM Center) (\$7.3 million - additional)
 - Park Acquisition Program (\$6.1 million)
 - Oregon Ridge Park Enhancements (\$5.4 million - additional)
 - Sparrows Point Park Design and Construction (\$3.0 million)
 - Holt Park and Center for the Arts Enhancements (\$3.0 million – State funding)
 - Banneker Historical Park and Museum Enhancements (\$3.0 million – State funding)
 - Local Park Comprehensive Enhancement Program (\$2.2 million)
 - Playground Replacement Program (\$1.8 million)
 - The Countywide NeighborSpace Bulk project, and various recreation facility renovations (\$1.8 million)
 - Athletic Field Renovations (\$1.6 million)
 - Belfast Road Park Design and Construction (\$1.5 million - additional)
 - Cromwell Valley Park Renovations and Enhancements (\$1.2 million - additional)
 - Trail Renovations and Construction (\$1.1 million - contingency)
 - Cheverly Road Park Site and Department of Recreation and Parks Headquarters Design, Renovations, and Construction (\$1.0 million - additional)
 - Park Signage Program (\$1.0 million)
 - Sparrows Point Park Destination Playground (\$900,000)
 - Gwynn Oak Park Destination Playground (\$600,000)
 - Northwest Regional Park - Additional Pavilions (\$500,000)
 - Boat Ramp and Pier Renovations, including Kayak and Canoe Launches (\$500,000)
 - Days Cove Park Disc Golf Course Design (\$400,000)

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- Rosedale Park Accessibility Enhancements (\$300,000)
- Cloverland Park Enhancements – Design (improvements for Cricket Players) - (\$250,000)
- Bedford Road Park Site – Design (\$250,000)
- Northwest Regional Park Splash Pad – Design (\$250,000)
- Perry Hall Mansion Grant (\$250,000)
- Fort Howard Park Renovations and Enhancements – Design (\$200,000)
- Randallstown Community Center Renovations (\$200,000)
- Hamiltowne Park Enhancements (\$150,000)
- \$36.8 million (11.2%) under **Community Improvements**, including:
 - Security Square Mall Improvements (\$20.0 million - \$10.0 million State and \$10.0 million County)
 - Countywide Economic Development Financing Fund project (\$10.5 million)
 - Maryland State Fairgrounds (\$1.75 million)
 - Pikesville Armory (\$1.1 million – additional)
 - Natural History Society of Maryland (\$1.0 million)
 - Dundalk Heritage Trail – (\$500,000 – additional)
 - Various Community Improvements projects Countywide (\$1.9 million)
- \$28.0 million (8.5%) for various **Streets and Highways projects**, including:
 - Roadway Resurfacing– various jobs (\$5.0 million)
 - Various Street Rehabilitation projects, and contingency funding for Traffic Calming Projects (\$4.8 million)
 - Liberty Road Streetscaping (\$3.8 million)
 - Curb and Gutter – various jobs (\$3.5 million)
 - Rolling Road improvements (\$2.7 million)
 - Street Connectivity Program (\$2.6 million)
 - Honeygo Blvd/Cross Road Traffic Circle (\$2.0 million)
 - Seven Mile Lane Sidewalk (\$1.0 million)
 - Ingleside Sidewalk (\$1.0 million)
 - Bikeways and Pedestrian Access (\$650,000)
 - Transportation Feasibility Study (\$500,000)

CAPITAL BUDGET AND DEBT SERVICE

- Pikesville Pedestrian Improvements (\$500,000)
- \$15.6 million (4.7%) for various **Community College** projects, including:
 - Essex Wellness and Athletic Center (\$7.6 million: \$4.3 State, \$2.3 million County, \$1.0 million Student Fees)
 - Various capital maintenance and roof replacement projects at campuses (\$5.8 million)
 - Catonsville Student Services Center Renovation and Expansion (\$1.0 million State)
 - Essex – Restoration of the Main Plaza (\$850,000)
 - Dundalk Student Services Center Renovation (\$305,500 State)
- \$6.5 million (2.0%) for **Refuse Disposal projects**, including funding for the Eastern Sanitary and Texas Landfills and the Western Acceptance Facility
- \$5.5 million (1.7%) for various **Waterway Improvement projects**, including:
 - Various tidal gauging and watershed restoration and reforestation sustainability projects (\$1.3 million)
 - Midge Control Program (\$1.2 million)
 - Chesapeake Bay Trust Urban Tree State Grant (\$1.0 million)
 - Shoreline Stabilization Projects (\$780,000)
 - 1,000 Street Trees (\$625,000)
 - Jones Falls at Tally Ho Stream Restoration (\$600,000)
- \$908 thousand (0.8%) toward **Bridge No. 100 Hammonds Ferry Road**
- \$600 thousand (0.2%) in **Storm Drains** for Electric Vehicle Infrastructure/Charging Stations throughout the County
- \$498 thousand (0.2%) in State funds within the **Land Preservation project** for the Countywide Rural Legacy Program

Refer to Section B for details on various projects.

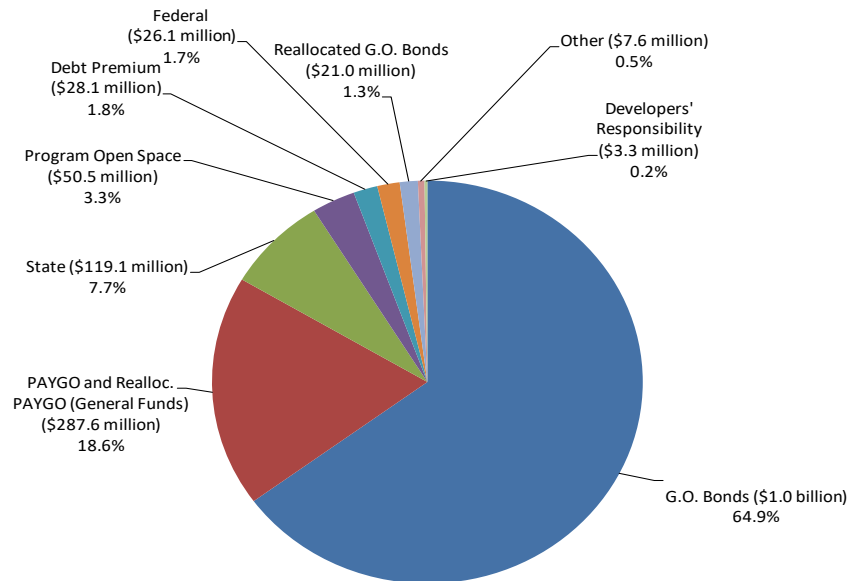
CAPITAL BUDGET AND DEBT SERVICE

SIX-YEAR CAPITAL PROGRAM SUMMARY

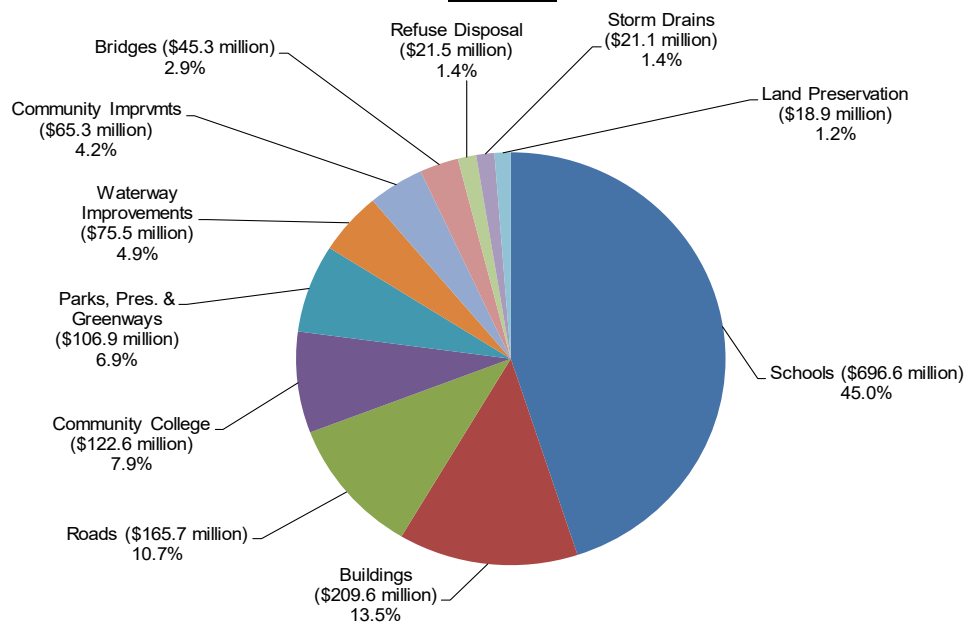
The proposed six-year (FY 2023 – FY 2028) capital program for consolidated public improvements (CPI) projects totals over \$1.5 billion; sources and uses of this funding follow:

Six-Year (FY 2023 – FY 2028) Capital Budget Consolidated Public Improvements - \$1.549 Billion

Sources of Funding



Projects



CAPITAL BUDGET AND DEBT SERVICE

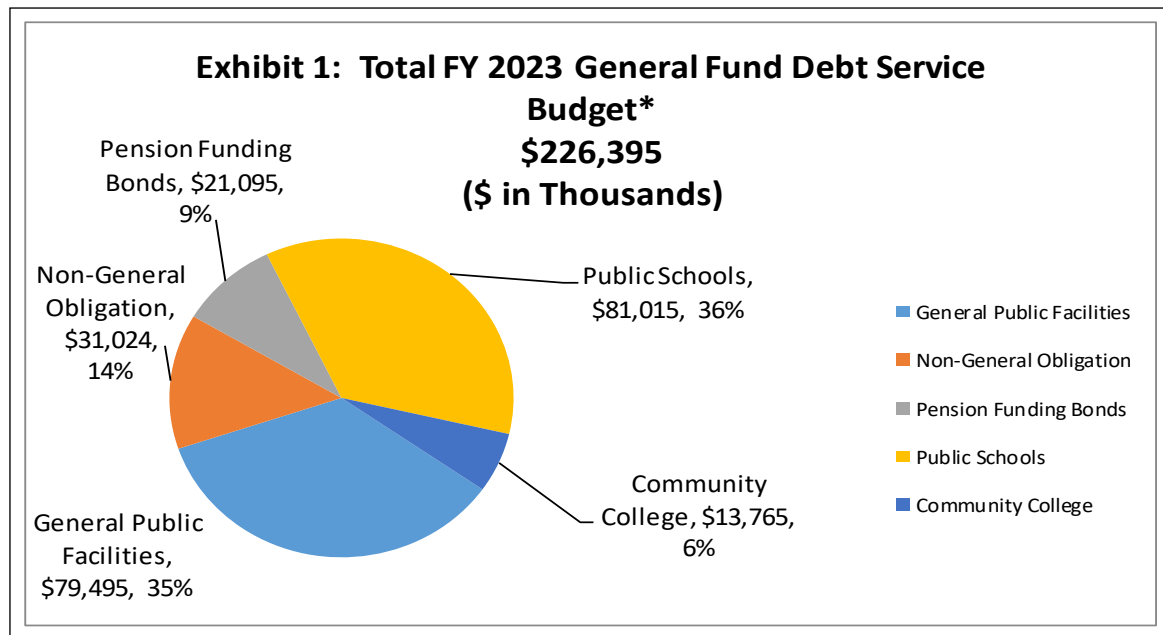
SIX-YEAR CAPITAL PROGRAM HIGHLIGHTS

- **General Obligation (G.O.) Bonds** totaling \$1.0 billion support nearly 65.0% of the six-year CPI capital program, with over half (\$600.0 million) earmarked to support Schools projects. Of this amount, \$400.0 million is programmed to support unspecified new and systemic renovations, modernizations, and additions to high schools.

(School capital projects will be discussed in more detail beginning on page C-1 of this analysis.)

- The remaining \$400.0 million of the \$1.0 billion in **General Obligation (G.O.) Bonds** is earmarked to support projects within the following classifications: Roadways (\$127.9 million); Buildings (\$73.0 million); Waterways (\$60.0 million); Community College (\$55.6 million); Storm Drains (\$20.5 million); Bridges (\$18.7 million); Land Preservation (\$17.0 million); Refuse Disposal (\$15.0 million); Community Improvements (\$12.0 million); and Recreation (\$6.0 million).

FY 2023 DEBT SERVICE SUMMARY



*Note: Does not reflect debt service amounts funded (off-budget) with bond premiums.

CAPITAL BUDGET AND DEBT SERVICE

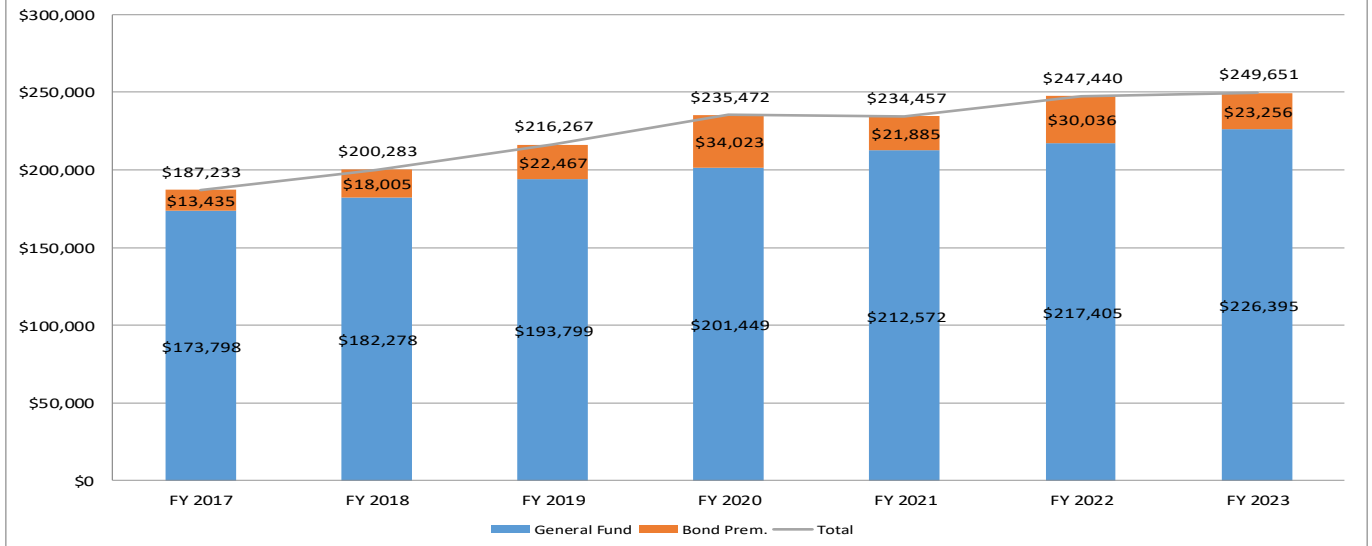
- The proposed FY 2023 budget for General Fund debt service totals \$226.4 million and represents an increase of \$9.0 million, or 4.1%, over the FY 2022 appropriation, as follows:
 - General Government - \$131.6 million, a decrease of \$100,000, or 0.1;
 - Public Schools – \$81.0 million, an increase of \$9.2 million, or 12.9%; and
 - Community College - \$13.8 million, a decrease of \$158,000, or 1.1%.
- Approximately \$105,000 of the proposed General Government debt service budget does not relate to payments on existing debt; it is for the costs associated with administering and issuing the County's debt.
- **Debt Service for Consolidated Public Improvements (General Public Facilities, Schools, Community College)** for FY 2023 is impacted by the following:
 - The first principal and interest payments from the March 2022 bonds issuance are to occur during FY 2023; and
 - \$9.1 million less in bond premium is being applied to offset CPI debt service payments.

The above increases are being offset by the following decreases:

- No BANs interest payments to occur in FY 2023 (the County did not issue fixed rate CPI BANs in March 2022 due an influx of State funds for schools, lower capital spending than originally anticipated, and a significant amount of PAYGO funding that was being anticipated in the FY 2023 budget); and
 - Multiple across-the-board decreases in debt service payments from prior debt issuances.
- **Non-G.O. Debt Service** (Certificates of Participation (COPs) and Component Unit Capital Leases) increases by 11.2%, mainly a result of the March 2022 issuance of equipment COPs. This increase is partially offset by an additional \$2.3 million in debt premium being applied to offset non-G.O. debt interest payments in FY 2023, and the final principal payments on Health and Social Services Building COPs and the Single Stream Recycling Facility that occurred in FY 2022.
- A total of \$23.3 million in “off-budget” **debt premium funding** will be applied to offset CPI interest payments in FY 2023 (\$15.9 million to offset CPI Bonds interest and \$7.4 million to offset COPs interest for General Government equipment), compared to \$30.0 million in premium that was utilized to offset interest payments in FY 2022.
- An additional \$28.1 million of **debt premium** is included as a funding source in the proposed FY 2023 Capital Budget to support various Streets and Highways and Buildings projects, compared to \$19.3 million in premium in FY 2022.

CAPITAL BUDGET AND DEBT SERVICE

**Exhibit 2: CPI Debt Service - Adjusted Appropriations
FY 2017 - FY 2023**
(\$ in thousands)



A history of debt service costs from FY 2019 through proposed FY 2023 follows:

| GENERAL FUND DEBT SERVICE* | | | | | | |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|----------------------|
| (\$ in Thousands) | | | | | | |
| | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | NET CHANGE |
| | Actual | Actual | Actual | Approp | Budget | FY 2022 - FY 2023 |
| | | | | | | Amount % |
| Debt Service (040) | | | | | | |
| General Public Facilities | \$82,622 | \$81,847 | \$84,757 | \$82,721 | \$79,495 | (\$3,225) -3.9% |
| Non-General Obligation Debt | 23,934 | 25,066 | 24,925 | 27,891 | 31,024 | 3,133 11.2% |
| Pension Funding Bonds | 21,112 | 21,113 | 21,110 | 21,102 | 21,095 | (8) 0.0% |
| Total (Agency 040) | <u>\$127,668</u> | <u>\$128,026</u> | <u>\$130,792</u> | <u>\$131,714</u> | <u>\$131,614</u> | <u>(\$100)</u> -0.1% |
| Debt Service in Other Agencies | | | | | | |
| Public Schools (035) | \$54,390 | \$61,587 | \$67,872 | \$71,767 | \$81,015 | \$9,248 12.9% |
| Community College (033) | 11,736 | 11,783 | 13,909 | 13,923 | 13,765 | (158) -1.1% |
| Total Other Agencies | <u>\$66,125</u> | <u>\$73,370</u> | <u>\$81,780</u> | <u>\$85,690</u> | <u>\$94,781</u> | <u>\$9,090</u> 10.6% |
| Total General Fund | <u>\$193,794</u> | <u>\$201,395</u> | <u>\$212,572</u> | <u>\$217,405</u> | <u>\$226,395</u> | <u>\$8,990</u> 4.1% |

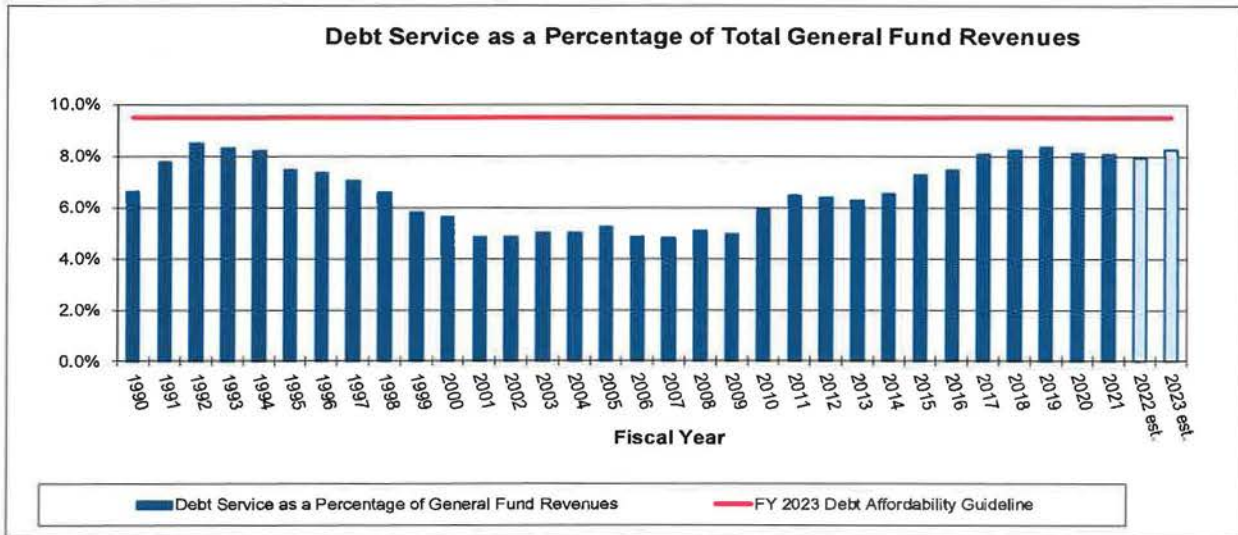
*May not foot due to rounding

CAPITAL BUDGET AND DEBT SERVICE

DEBT GUIDELINES

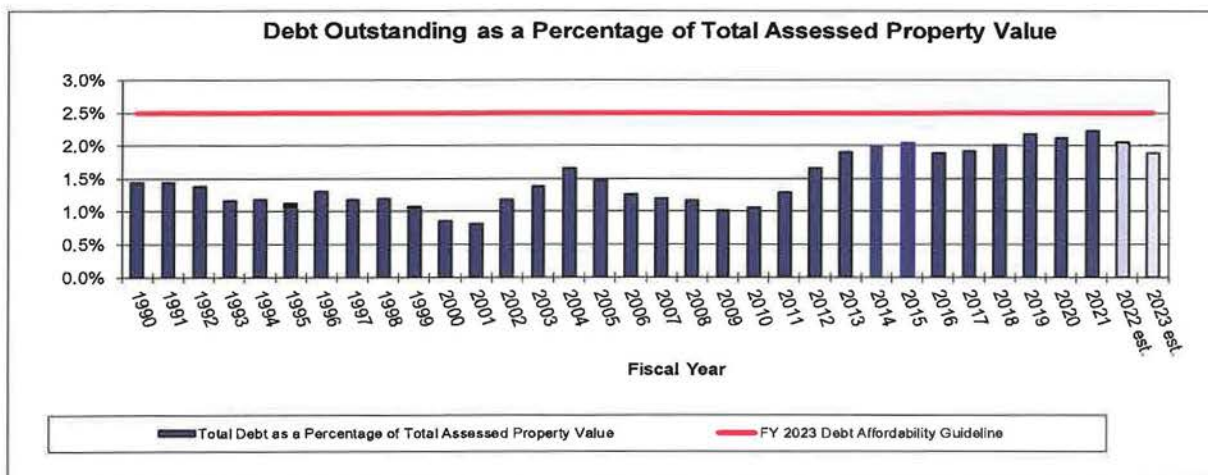
Debt Service

The Spending Affordability Committee's debt service guideline is 9.5% of General Fund revenues. Debt service related to Pension Obligation Bonds (POBs), the Metropolitan District, and Capital Leases is excluded from the guideline. The County remains in compliance with this guideline, at an estimated 8.2% for FY 2023.



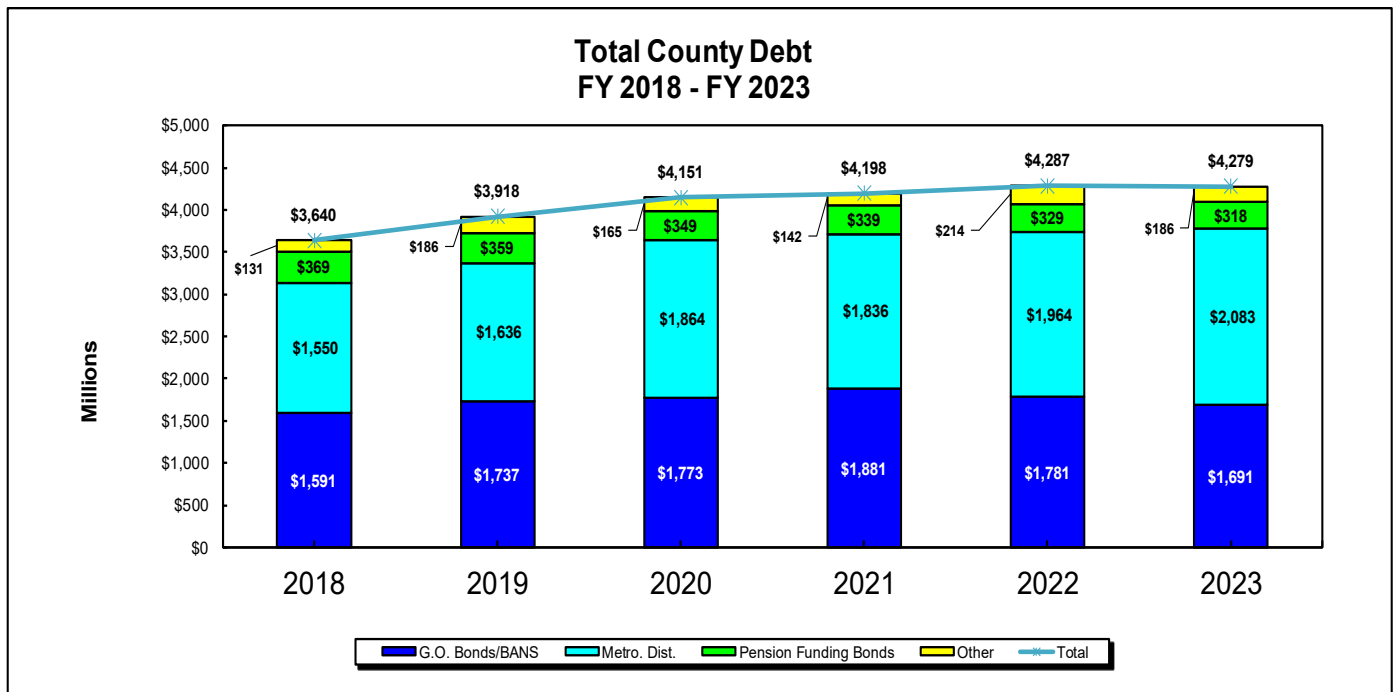
Debt

The Spending Affordability Committee's total debt guideline is 2.5% of total assessed property value. Debt related to Pension Obligation Bonds (POBs), the Metropolitan District, and Capital Leases is excluded from the guideline. The County remains in compliance with this guideline, at an estimated 1.9% for FY 2023. Total debt outstanding is decreasing in FY 2023 while the assessable property value continues to rise.



CAPITAL BUDGET AND DEBT SERVICE

- The County's **total outstanding debt (including Metropolitan District and Pension funding debt)** by the end of FY 2023 is projected at \$4.3 billion, level with FY 2022, and above the FY 2021 total of \$4.2 billion. (See Exhibit below.)
- For FY 2023, the County's **General Obligation debt** is projected to decrease by 5.0%.
- The County's **non-General Obligation debt** (Certificates of Participation (COPs), Capital Leases) is projected to decrease by 12.8% mainly due to a decreased amount of equipment COPs debt, offset slightly by an increase in Capital Leases debt.
- **Pension funding debt** is projected to decrease by 3.2%; **Metropolitan District debt** is projected to increase by 6.0% in FY 2023.



- The County's most recent issuance of **Consolidated Public Improvement (CPI) bonds** occurred in March 2022 (\$225.0 million) at a true interest cost of 2.37%. Principal and interest payments from that issuance will begin in FY 2023. \$205.0 million was used to pay off the corresponding amount of CPI Bond Anticipation Notes (BANs) debt issued in March 2021, and the remaining \$20.0 million represents new CPI debt.

CAPITAL BUDGET AND DEBT SERVICE

- During the FY 2022 budget process, the Administration had estimated issuing \$180.0 million in new CPI debt during FY 2022; by November 2021, the estimate had been reduced to \$100 million. In February 2022, the Administration advised that the issuance of new CPI debt in March 2022 of \$20 million in bonds as indicated above was lower than anticipated due to the following: 1) less County funds needed for school construction projects due to an influx of State funds, 2) lower capital spending than originally anticipated, and 3) the anticipation of a significant amount of PAYGO funding in the FY 2023 budget.
- The County issued a total of \$100 million in Certificates of Participation (COPs) to finance equipment in March 2022 (\$87.6 million for General Government equipment, \$4.2 million for Metropolitan District equipment, and \$8.2 million reserved for contingency purposes) at a true interest cost of 1.56%. Principal and interest payments from that issuance will begin in FY 2023 and will be paid over a period of 10 years.
- The Administration advised that \$48.0 million in **debt premium**, net of underwriter's discount and issuance costs, was received from the March 2022 CPI bond issuance, and \$18.7 million in **debt premium** was received from the March 2022 COPs issuance.
- The County anticipates issuing a total of \$30.0 million in CPI BANs, representing new debt, during FY 2023.

| CPI PLANNED DEBT ISSUANCE - FY 2023 (\$ Million) | |
|---|--------------------------------|
| | <u>Mar-23 BANs (est.)*</u> |
| Consolidated Public Improvements (CPI) | |
| General Public Facilities | \$15.0 |
| Schools | <u>15.0</u> |
| CPI Total | <u><u>\$30.0</u></u> * |
| Estimated Interest Rates | 2.00% |
| *Fixed rate BANs. | |

CAPITAL BUDGET AND DEBT SERVICE

Authorized/Unissued Debt

- Authorization for approximately \$822.8 million in yet-unissued debt remains from prior bond ordinances. In addition, \$338.9 million in G.O. borrowing (Bills 32-22 through 40-22 on the May 26, 2022 Council agenda) will be presented for voter authorization in November 2022 and will be programmed for FY 2024. (See table below.)
- The remainder of the Six-Year Capital Program plans a total of approximately \$666.9 million in G.O. debt funding (\$333.9 million planned in FY 2026 and \$333.0 million planned in FY 2028).

| General Obligation Bonds - Unissued Balance and November 2022 Borrowing Referendum ⁽¹⁾ (\$ Millions) | | | |
|--|--------------------------------|--|------------------|
| Category | Current Unissued Balance | Borrowing Referendum ⁽²⁾ | Total |
| Schools | \$445.3 | \$200.0 | \$645.3 |
| Public Works | 123.0 | 57.3 | 180.3 |
| General Government Buildings | 100.8 | 27.1 | 127.8 |
| Waterway Improvement Program | 63.0 | 20.0 | 83.0 |
| Parks, Preservation & Greenways | 40.8 | 2.0 | 42.8 |
| Refuse Disposal | 18.7 | 5.0 | 23.7 |
| Community College | 14.4 | 18.5 | 32.9 |
| Land Preservation | 12.1 | 5.0 | 17.1 |
| Community Improvements | 4.6 | 4.0 | 8.6 |
| Elderly and Affordable Housing | 0.2 | 0.0 | 0.2 |
| Total | <u>\$822.8</u> | <u>\$338.9</u> | <u>\$1,161.7</u> |

⁽¹⁾ Bonds are not actually issued until needed to meet cash flow requirements.
⁽²⁾ To be appropriated in FY 2024.

CAPITAL BUDGET AND DEBT SERVICE

POTENTIAL BUDGET REDUCTIONS:

The proposed FY 2023 Capital Budget for CPI projects totals \$328.1 million, with two-thirds of the CPI projects supported by a record \$213.9 million in PAYGO contributions to the Capital Budget.

The following projects include this discretionary non-recurring use of PAYGO funding:

| PROJECT | GENERAL FUND PAYGO |
|--|--------------------------|
| <u>Storm Drains</u> | |
| Resilience and Sustainability (<i>Electric Vehicle Infrastructure and Charging Stations</i>) | \$ 600,000 |
| Total Storm Drains | \$ 600,000 |
| <u>Streets and Highways</u> | |
| Street Rehabilitation (<i>various</i>) | \$ 3,400,000 |
| Traffic Calming (<i>Honeygo Blvd/Crossroad Traffic Circle and contingency</i>) | 2,000,000 |
| Roadway Resurfacing (<i>various</i>) | 2,000,000 |
| Transportation and Alignment Studies/Site Acquisition (<i>Transportation Feasibility Study</i>) | 250,000 |
| Rolling Road | 2,700,000 |
| Bikeways and Pedestrian Access (<i>sidewalk survey – Edgemere</i>) | 150,000 |
| Seven Mile Lane (<i>sidewalk</i>) | 1,000,000 |
| Ingleside Avenue (<i>sidewalk</i>) | 1,000,000 |
| Pikesville Pedestrian Improvements | 500,000 |
| Total Streets and Highways | \$ 13,000,000 |
| <u>Refuse Disposal</u> | |
| Eastern Sanitary Landfill | \$ 5,000,000 |
| Total Refuse Disposal | \$ 5,000,000 |
| <u>Community College</u> | |
| Capital Maintenance and Renovations (<i>various</i>) | \$ 6,000,000 |
| Essex – Renovations and Additions (<i>Essex Wellness and Athletics Center</i>) | 2,263,000 |
| Total Community College | \$ 8,263,000 |
| <u>General Government Buildings</u> | |
| Enhanced Productivity Thru Technology (<i>various</i>) | \$ 10,231,000 |
| New Buildings, Repair, Renovations, Minor Additions (<i>various</i>) | 9,994,009 |
| Revenue Authority Capital Projects and Maintenance (<i>contingency</i>) | 2,000,000 |
| Library Capital Maintenance and Renovations (<i>various, including Woodlawn Library renovation and Essex Library renovation/replacement feasibility study</i>) | 14,680,000 |
| Senior Center Capital Improvements (<i>various</i>) | 2,980,000 |
| Total General Government Buildings | \$ 39,885,009 |
| <u>Fire Department Buildings</u> | |
| Volunteer Fire Company Grant Fund (<i>contingency</i>) | \$ 1,500,000 |
| Fire Facility Capital Improvements (<i>various</i>) | 1,800,000 |
| Catonsville Fire Station | 3,600,000 |
| Total Fire Department Buildings | \$ 6,900,000 |
| <u>Police Department Buildings</u> | |
| Police Facility Capital Improvements (<i>various, including Training Academy Expansion Greenspring Campus</i>) | \$ 11,050,000 |
| Total Police Department Buildings | \$ 11,050,000 |
| <u>Parks, Preservation and Greenways</u> | |

CAPITAL BUDGET AND DEBT SERVICE

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|---|----------------------|
| Recreation Facility Renovations (<i>various, including playground replacement and park signage programs</i>) | \$ 4,270,000 |
| Athletic Field Construction/Renovation (<i>various</i>) | 1,450,000 |
| Community/Neighborhood Park Development (<i>various park design, construction, enhancements, renovations</i>) | 11,900,000 |
| Park and Recreation Facility Acquisition (<i>projects TBD</i>) | 2,900,000 |
| Park and Recreation Center Accessibility (<i>Rosedale Park</i>) | 200,000 |
| Total Parks, Preservation and Greenways | \$ 20,720,000 |
| Schools | |
| High Schools New, Systemic Renovations, Mods. & Additions (<i>SE and NE area solutions to overcrowding, Patapsco High, Towson and Dulaney High, NW area CTE school</i>) | \$ 35,635,000 |
| NW Area New Construction, Additions, & Renovations (<i>Scotts Branch ES replacement</i>) | 2,467,000 |
| NE Area New Construction, Additions, & Renovations (<i>Red House Run ES replacement</i>) | 15,200,000 |
| Site Improvements (<i>various, including Security Vestibules and Cameras and Pre-K expansion</i>) | 24,075,000 |
| Total Schools | \$ 77,377,000 |
| Community Improvements | |
| Dundalk Heritage Trail and Park | \$ 500,000 |
| Economic Development Financing Fund | 10,540,583 |
| Countywide Improvements (<i>various, including Security Square Mall Improvements, Pikesville Armory, Maryland State Fairgrounds Agriculture Education Center</i>) | 15,800,000 |
| Total Community Improvements | \$ 26,840,583 |
| Waterway Improvement Fund | |
| Environmental Management (<i>tidal gauging</i>) | \$ 85,000 |
| Stormwater – Restoration and Retrofit (<i>various</i>) | 2,150,000 |
| Stormwater – Planning and Monitoring (<i>Midge Control Program</i>) | 1,200,000 |
| Stormwater – Sustainability (<i>various</i>) | 875,000 |
| Total Waterway Improvement Fund | \$ 4,310,000 |
| Grand Total | \$213,945,592 |

To the extent that the Council deems less funding than proposed to be necessary for these purposes, budget reductions would be viable.

TOPICS FOR DISCUSSION:

1. Funding for School Construction Needs

The proposed FY 2023 Capital Budget for Schools totals \$96.6 million, comprised of \$95.5 million in County funds (\$77.4 million General Fund PAYGO and \$18.2 million reallocated General Obligation (G.O.) bonds) and \$1.0 million in State grants for several school site improvement projects. The remainder of the Six-Year Capital Program (FY 2024 to FY 2028) plans a total of \$600.0 million in County G.O. bonds for school projects.

In addition, the Interagency Committee on School Construction (IAC) has approved a total of \$24.8 million in State School Construction funding for its FY 2023 Capital Improvement Program

CAPITAL BUDGET AND DEBT SERVICE

for Baltimore County. Notably, this amount excludes funding from the Built to Learn Act (BTLA), which is approved on a rolling basis. The County is currently eligible to receive \$420.0 million in new school construction funding over several years through the BTLA. To date, multiple Baltimore County school construction projects have been approved, or are anticipated to receive BTLA funding. Funding of BTLA projects is subject to the same IAC eligibility requirements as the State's Capital Improvement Program, including construction costs per square foot, per-student area allocations, and State/Local cost share percentages. **For Baltimore County, the current State cost-share percentage is 56% and it will increase to 61% in FY 23.** However, there are formulas that are used in the computation, which could affect the actual percentage for a given project on a case-by-case basis.

In addition, during FY 2022, BCPS was approved for \$23.2 million through the State's Healthy School Facility Fund (HSFF), to be utilized for various school roof replacement and major maintenance projects. BCPS anticipates receiving another round of HSFF funds in FY 2023, with a final amount to be determined. BCPS is also eligible for \$7.9 million through the State's existing Capital Grant Program for Local School Systems with Significant Enrollment Growth or Relocatable Classrooms (EGRC) in FY 2023. Further, BCPS will receive an \$80.0 million State Capital Funding Grant for school construction in FY 2023. Details and the anticipated use of these funds are not yet available.

Recommendations from the Multi-Year Improvement Plan for All Schools (MYIPAS) released in July 2021 included a total of \$2.5 billion in school construction spending over the next 15 years to fund improvements to every school in Baltimore County.

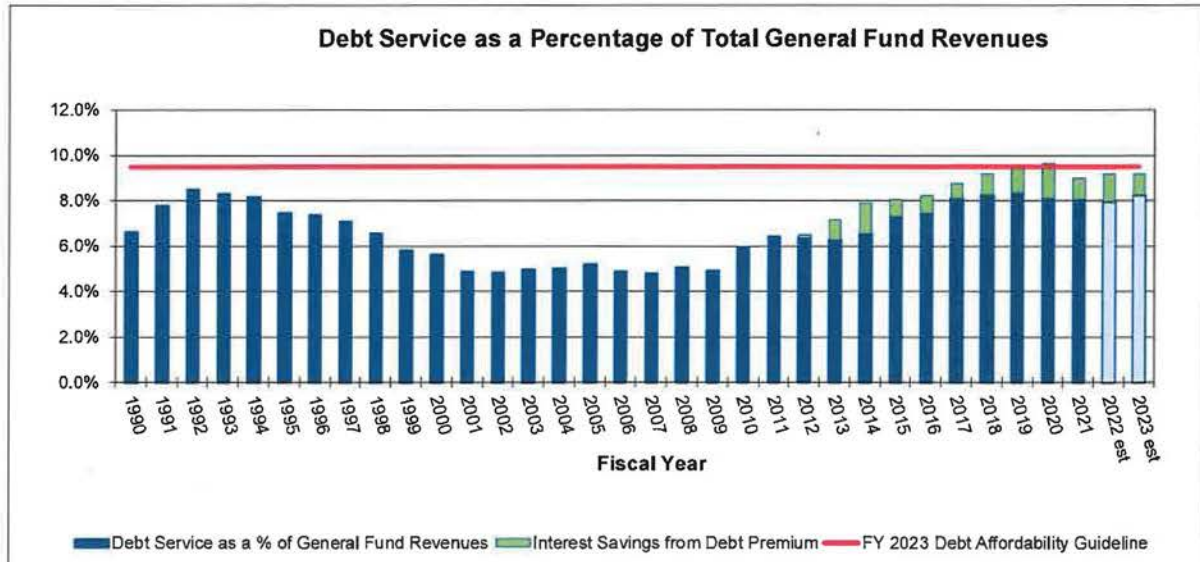
The Administration should be prepared to discuss:

- ***The County's plans to meet the MYIPAS funding recommendations, including how much additional State funding is anticipated;***
- ***Whether the MYIPAS recommendations are based on enrollment projections that take into account all the residential development that has been approved but not yet constructed, and if not, how the County will balance funding for future unanticipated overcrowding issues with funding of the MYIPAS recommendations; and***
- ***The amounts needed over the next several years to meet the required State match for BTLA projects.***

CAPITAL BUDGET AND DEBT SERVICE

2. Debt Premium

As noted in Section A of this budget analysis, the proposed FY 2023 debt service stands at 8.2% of estimated General Fund revenues. Without the inclusion of debt premium (which is applied “off budget” to reduce interest costs as is the County’s practice), the guideline would stand at 9.2% based on current estimates. As reflected in the chart below, since FY 2013, the County has consistently utilized debt premium to reduce interest costs and suppress the County’s debt service level.



Bond premium is paid to the County in exchange for higher interest rates on the County’s debt; the County uses bond premium to pay the first interest payments on the bonds or capital projects. For FY 2023, a total of \$23.3 million in “off-budget” debt premium funding will be applied to offset CPI interest payments in FY 2023 (\$15.9 million to offset CPI Bonds interest and \$7.4 million to offset COPs interest for General Government equipment). An additional \$28.1 million of premium from the March 2022 bonds issuance will be used to offset capital projects in FY 2023.

The Spending Affordability Committee has recommended that the County discontinue its reliance on debt premium in covering its debt service interest costs. Further, the Federal Reserve is expected to raise interest rates multiple times during 2023, including twice to-date. As interest rates continue to rise, the amount of bond premium that reasonably can be obtained will diminish.

The Office should be prepared to discuss at what point the County will have a fiscally sustainable plan to move toward budgeting the full cost of debt service payments without reliance on bond premium.

CAPITAL BUDGET AND DEBT SERVICE

3. Equipment Financing

On February 22, 2022, the Council approved Resolution 11-22, authorizing the County to enter into a Conditional Purchase Agreement not to exceed \$100.0 million to finance the cost of various equipment purchases. The resolution also authorized the County to execute related documents and to sell related Certificates of Participation (COPs). The County sold the \$100.0 million in COPs in March 2022, and the first principal and interest payments from this issuance are set to begin in FY 2023.

The Office should be prepared to discuss:

- ***When the related equipment purchases are expected to begin; and***
- ***The equipment purchases anticipated over the next fiscal year.***

4. FY 2023 Technology Initiatives

The proposed FY 2023 budget for Technology Initiatives totals \$10.2 million in General Fund PAYGO for several new and continued IT projects. Exhibit A (below) identifies each proposed project and the expected implementation date. OIT previously advised that it meets annually with County agencies to identify projects that provide various benefits to the County (e.g., efficiencies, cost savings, fulfillment of mandates, and enhancement of public safety). OIT and the Administration then prioritize projects after considering resources and funding to identify the proposed projects for the coming year.

CAPITAL BUDGET AND DEBT SERVICE

| Exhibit A | | | |
|---|---------------------------|---------------------|-----------------------|
| Project | Type of Initiative | Tech Fund | Implement Date |
| BCDC - Jail Management System Replacement | New Initiative | \$ 2,500,000 | 3rd Quarter FY 2023 |
| Enterprise - Digitization of Records Phase I | New Initiative | 1,500,000 | 1st Quarter FY 2023 |
| HHS - Replace Public Health Record System (VHN Replacement) | Continuation | 1,000,000 | 3rd Quarter FY 2023 |
| Broadband Fiber Sustaining Engineering FY 2023 | Continuation | 750,000 | 1st Quarter FY 2023 |
| PAI Land Use Regulatory Automation Permits and Inspections | Continuation | 750,000 | 2nd Quarter FY 2023 |
| Public Safety Projects (Public Safety Sustaining Engineering FY 23) | New Initiative | 500,000 | 1st Quarter FY 2023 |
| PSAP - Phone System Replacement (PM) | New Initiative | 500,000 | TBD |
| County Web Platform Replacement | New Initiative | 470,000 | 1st Quarter FY 2023 |
| Cyber Security | Continuation | 470,000 | 1st Quarter FY 2023 |
| Fire - NFIRS/Firehouse Replacement | New Initiative | 350,000 | 2nd Quarter FY 2023 |
| Law - Case Management | New Initiative | 250,000 | 3rd Quarter FY 2023 |
| Enterprisewide - System to Track PIA Requests | New Initiative | 141,000 | 1st Quarter FY 2023 |
| Mainframe Migration | Continuation | 50,000 | 1st Quarter FY 2023 |
| Subtotal | | 9,231,000 | |
| Contingency | | 1,000,000 | |
| Grand Total | | \$10,231,000 | |

Detention Center – Jail Management System Replacement - (\$2,500,000): This project will provide a new or upgraded software application to replace the current Jail Management System (JMS) product that conforms to current correctional standards while interfacing with systems from the Police Department. The system will provide enhanced reporting and alerting capabilities, improved security, and increase staff productivity and efficiency.

Enterprise – Digitization of Records Phase I (\$1,500,000): Obtain vendor services to perform large volume scanning. Benefits include improved efficiencies through automated workflows, easier storage and recovery of information, and environmental friendliness.

CAPITAL BUDGET AND DEBT SERVICE

HHS – Replace Public Health Record System (VHN System Replacement) (\$1,000,000): To continue with the implementation of a secure, highly configurable, HIPAA-compliant health record system. The system will provide delivery of healthcare, community screening and surveillance, monitoring, and oversight for the Department of Health and Human Services.

Broadband Fiber Sustaining Engineering FY 2023 (\$750,000): To continue engineering and constructing fiber at additional County locations.

PAI Land Use Regulatory Permits and Inspections (\$750,000): To continue the implementation of a comprehensive land use regulatory automation system for the Department of Permits, Approvals and Inspections (PAI) with the benefit of creating a faster and up-to-date work flow for County employees, constituents, and developers' permitting processes. The project will provide an on-line customer portal to view and track plans and approvals and pass/fail inspections.

Public Safety Projects (Public Safety Sustaining Engineering FY 23 (\$500,000): To upgrade or replace various public safety-related systems and hardware in order to ensure that public safety agencies have the most up-to-date software and equipment.

PSAP – Phone System Replacement (\$500,000): Replace phone system for the public-safety answering point (PSAP), also known as the 9-1-1 Center, in order to ensure that PSAP has the most up-to-date phone system to support emergency calls from the public.

OIT estimates the funding needs for Fiscal Years 2024 and 2025 for the following Tech Fund projects:

| Exhibit B | | |
|------------------------------------|--------------------|--------------------|
| Project | FY 2024 | FY 2025 |
| New - Cyber Security | \$ 940,000 | \$ 940,000 |
| New – e-Gov | 500,000 | 500,000 |
| Enterprise Resource Planning (ERP) | 705,000 | 470,000 |
| Broadband | 750,000 | 750,000 |
| Health Initiatives | 500,000 | 500,000 |
| Public Safety Initiatives | 2,000,000 | 2,000,000 |
| New – Digital Record Conversion | 1,000,000 | 750,000 |
| Land Management Initiative | 500,000 | 500,000 |
| Net New Project | 1,000,000 | 1,500,000 |
| Contingency | 1,000,000 | 1,000,000 |
| Total | \$8,895,000 | \$8,910,000 |

CAPITAL BUDGET AND DEBT SERVICE

The Office/OIT should be prepared to discuss:

- *The County's new initiatives and progress on major ongoing Tech projects;*
- *Progress to date on installing broadband and the additional County locations to receive broadband; and*
- *Whether and/or to what extent the costs being paid out of the Tech Fund represent recurring budgetary obligations (more operational in nature than project-driven).*

5. Sustainability Projects

The proposed FY 2023 Capital Budget includes the following resilience and sustainability projects:

- Midge Control in Back River (\$1,200,000)
- Chesapeake Bay Trust Urban Tree Grant (\$1,000,000)
- 1,000 Street Trees (\$625,000)
- Electric Vehicle Infrastructure and Charging Stations (\$600,000)

Electric Vehicle Infrastructure and Charging Stations: Evaluation of the electrical capacity and feasibility of installing chargers at a variety of County facilities. Funding in the proposed FY 2023 Capital Budget, as well as additional anticipated federal and State funding, will enable improvements in older facilities where electrical capacity is insufficient to currently support chargers. Additional locations include ten more ports at the Towson library garage and the renovated Woodlawn Senior Center.

Midge Control in Back River: For aerial midge suppression treatments on upper Back River.

1,000 Street Trees: For tree plant replacements throughout the County. DPWT removes street trees under the County's Roadside Street Tree Permit. EPS will be replacing some of those trees in FY 2023 in support of the Roadside Tree Permit and the County's 2013 Tree Canopy Goals. Street trees removed under other programs may also be replaced under this initiative.

Chesapeake Bay Trust Urban Tree Grant: These funds will be used to expand the County's Tree Equity Program (Operation Re-Tree). This tree planting program prioritizes street trees and front yard trees in densely populated neighborhoods with low income and low tree canopy.

The Office/EPS should be prepared to provide an update on the County's ongoing

CAPITAL BUDGET AND DEBT SERVICE

sustainability projects and its new initiatives.

6. Senior Center Projects

The proposed FY 2023 Capital Budget includes \$3.8 million for senior center projects, including:

New Jacksonville Senior Center (\$250,000 for design and \$500,000 for construction/road entry widening): The new center will be constructed on the same property as the current senior center, which won't be torn down. Design is for the building and possible expansion of the entrance, with design anticipated to be completed within one year.

Woodlawn Senior Center Expansion (additional \$800,000 in State funds): Significant renovations and expansion, including a 9,200 square foot addition, renovations of the site, and various amenities such as a fitness center, new multipurpose rooms, multiple classrooms, and handicap accessible restrooms. Construction is expected to begin September 2022.

Parkville Senior Center Parking Reconfiguration (\$1.0 million)

The Office/Department of Aging should be prepared to discuss:

- ***Plans and details on the new Jacksonville Senior Center;***
- ***Details on the \$1.0 million Parkville Senior Center Parking Reconfiguration project;***
and
- ***Plans for major capital improvements to other County senior centers.***

7. General Government Buildings Projects

The proposed FY 2023 Capital Budget includes \$23.4 million under the New Buildings, Repair, Renovations, and Minor Additions bulk project, including the following projects:

Circuit Court Jury Assembly Room Construction (\$2.5 million): The current jury assembly room is in need of additional space to streamline services. The vacant space in the Courts building that

CAPITAL BUDGET AND DEBT SERVICE

was previously occupied by the prior 911 Center will be renovated for the use of a more functional jury assembly area. The project is anticipated to be completed within two years.

Loch Raven Center Feasibility and Design (\$1.5 million): To determine whether to renovate the existing building or construct a new facility, and design costs for the project following the study. The study is anticipated to begin in late summer 2022 and be completed by mid-spring 2023.

The Office should be prepared to discuss these projects.

8. Community Improvements Projects

The proposed FY 2023 Capital Budget includes \$36.8 million in the Community Improvements classification, including:

Security Square Mall Improvements (\$20.0 million – County \$10.0 million and State \$10.0 million) Funding is for redevelopment of the mall. The County will be sponsoring a charrette, a multi-day visioning and design process with extensive public engagement. A contractor will conduct a market analysis and conduct the design work. The process will help define the specific, individual projects to be undertaken.

Maryland State Fairgrounds (\$1.75 million): These County funds, along with an additional \$2.0 million of State funds, will be used to convert the Farm and Garden Building into an Agriculture Education Center on the Fairgrounds property.

Pikesville Armory (\$1.1 million): This funding is anticipated for engineering, site remediation, renovations of the NCO Club, and to help create a new Armory Park. The Pikesville Armory Foundation (PAF) is expected to take ownership and control from the State. PAF recently obtained a Right-of-Entry to enable its planning and design firm to begin studies and analysis of the grounds and buildings and site, environmental, and remediation assessment activity has begun. In addition, PAF and the County are in the process of executing a Grant Agreement for the FY 2022 allotment to initially cover the concept and schematic drawings, a traffic impact study, site surveys, subsurface utility exploration, and other pre-development work in order to enable engineers and architects to develop construction documents. PAF has also received \$2.4 million in federal funds and \$4.4 million in State funds.

CAPITAL BUDGET AND DEBT SERVICE

The Office should be prepared to discuss:

- *Details on the conversion of the Farm and Garden Building into an Agriculture Education Center on the Fairgrounds property, including an anticipated timeframe and any additional funding requirements; and*
- *Details on the Pikesville Armory project, including renovation plans, the new Armory Park, and an anticipated timeframe.*

9. Construction Costs

The County's capital projects continue to be impacted by rising construction costs due to current market conditions, including supply chain issues, labor shortages, inflation, and higher materials costs. The Office of Budget and Finance advised that additional County funds are included in the proposed FY 2023 Capital Budget for several major school construction projects due to rising costs. In addition, the Department of Recreation and Parks advised that for many of its capital projects, previously authorized funds in prior Capital budgets needed to be reallocated to more imminent jobs in order to cover increased anticipated costs based on market conditions, including significantly higher material costs, revised/expanded scopes, and the application of the County's new wage requirements.

The Office should be prepared to discuss any plans/strategies in order to mitigate the impact of rising construction costs on the FY 2023 Capital Budget and Program.

CAPITAL BUDGET – BALTIMORE COUNTY PUBLIC SCHOOLS

CAPITAL BUDGET SUMMARY:

- The proposed FY 2023 Capital Budget for Schools projects totals \$96.6 million.
- Projects funded in the proposed FY 2023 Budget include:
 - Security Vestibules and Cameras (\$17.0 million)
 - Replacement Red House Run Elementary (\$15.2 million)
 - Dundalk/Sollers Point Tech Addition (\$13.5 million)
 - Dulaney High – Design (\$10.0 million)
 - Towson High – Design (\$9.0 million)
 - Pine Grove Middle Addition (\$5.8 million)
 - Southeast Area High Schools (\$5.0 million)
 - Northeast Area High Schools (\$5.0 million)
 - Pre-K Expansion (\$5.0 million)
 - Various Site Improvements and Renovations (\$3.1 million)
 - Patapsco High Addition - Design (\$3.0 million)
 - Northwest Area Career Technical Education (CTE) School (\$2.5 million)
 - Replacement Scotts Branch Elementary (\$2.5 million)

Below is an update of the status of major school construction projects in process:

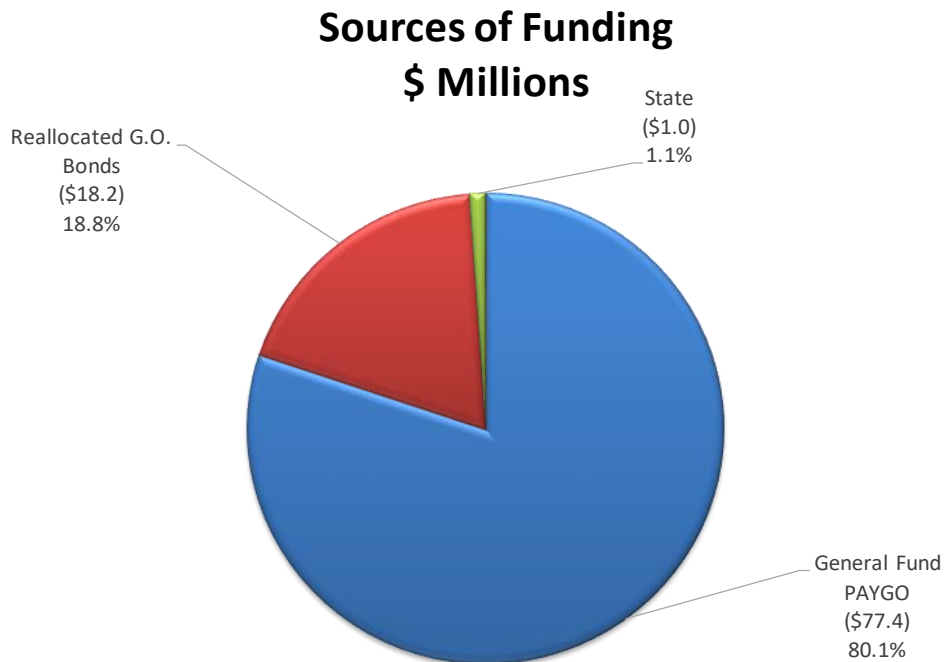
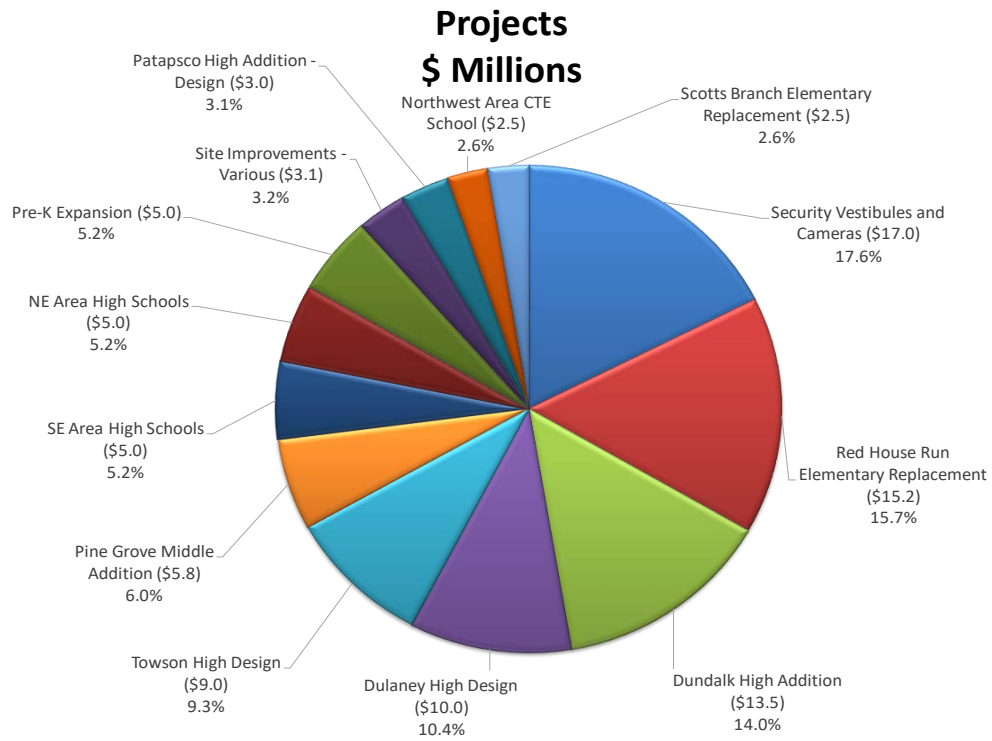
- **New Rossville Elementary** - late stages of construction; completion anticipated **September 2022**
- **Red House Run Elementary replacement** - early stages of construction; completion anticipated **January 2024**
- **Summit Park Elementary replacement** - early stages of construction; completion anticipated **January 2024**
- **Bedford Elementary replacement** - early stages of construction; completion anticipated **September 2024**
- **The new Nottingham Site Middle** - early stages of construction; completion anticipated **September 2024**

CAPITAL BUDGET – BALTIMORE COUNTY PUBLIC SCHOOLS

- **Pine Grove Middle renovation/addition** - early stages of construction; completion anticipated **January 2025**
- **Deer Park Elementary replacement** - late stages of design; completion anticipated **September 2025**
- **Scotts Branch Elementary replacement** - early stages of design; completion anticipated **September 2026**
- **Lansdowne High replacement** - late stages of design; completion anticipated **September 2026**
- **Dundalk High/Sollers Point Tech Addition** - early stages of design; completion date **TBD**
- **Towson High project** - early stages of design; completion date **TBD**
- **Dulaney High replacement** - consultant procurement phase; completion date **TBD**

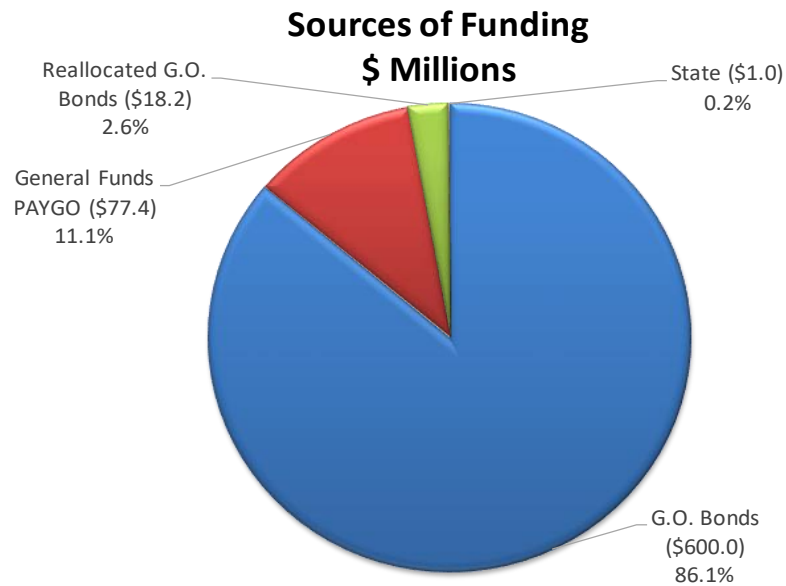
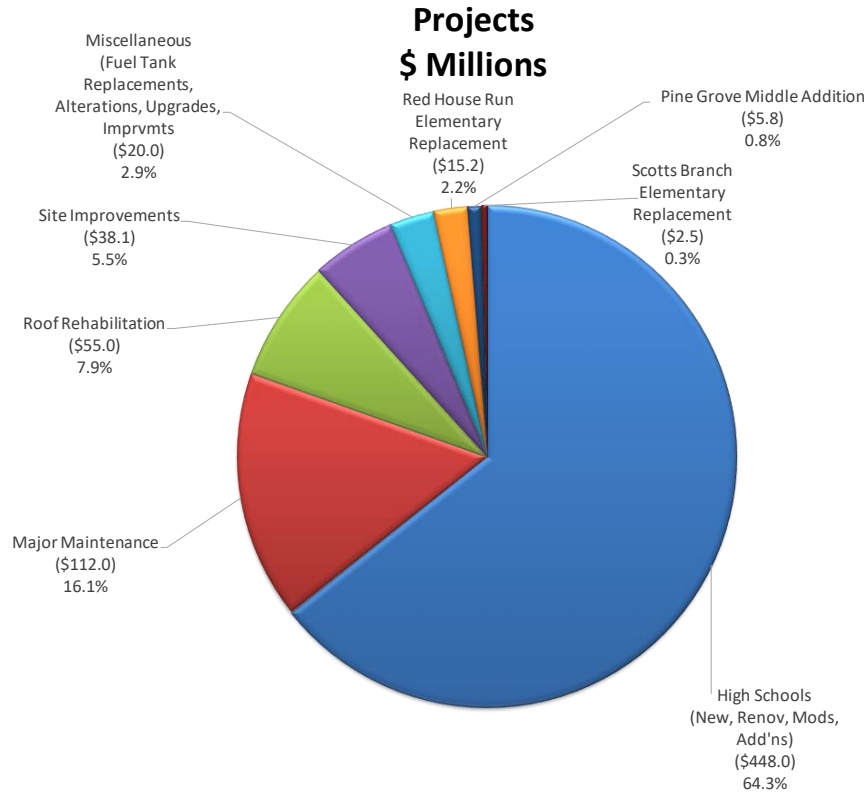
CAPITAL BUDGET – BALTIMORE COUNTY PUBLIC SCHOOLS

PROPOSED FY 2023 CAPITAL BUDGET Schools Classification: \$96.6 Million



CAPITAL BUDGET – BALTIMORE COUNTY PUBLIC SCHOOLS

PROPOSED SIX-YEAR CAPITAL PROGRAM (FY 2023 - FY 2028) Schools Classification (\$696.6 Million)



CAPITAL BUDGET – BALTIMORE COUNTY PUBLIC SCHOOLS

TOPICS FOR DISCUSSION:

1. School Construction Planning

On March 16, 2020, the Council approved a contract with Cannon Washington, Inc. (Cannon) to conduct a comprehensive facilities assessment and to develop a multi-year improvement plan for all Baltimore County Public Schools (MYIPAS). MYIPAS included two phases. Phase I (High Schools) recommendations were released on September 29, 2020. Phase II, recommendations for all schools, were released on July 13, 2021.

MYIPAS final recommendations provided for a total of \$2.5 billion in school construction spending that included:

- Renovations or expansions for all school buildings over the next 15 years (calculated using projected County and State funding known/anticipated at that time);
- Completing all “legacy projects” (capital projects already fully funded for design and/or construction by the County);
- Additions and redistricting to bring capacity utilization down to 100% by 2026;
- Select Educational Strategy projects, including focused stakeholder outreach for a new Northeast High School versus additions and for a new Sparrows Point Middle, grade reconfiguration, magnet program expansion, and CTE improvements;
- Prioritized Renovations and Enhancements, including grade reconfiguration, magnet program expansion, and CTE improvements, and consolidation options;
- Select special and alternative education projects; and
- Expansion of Pre-K in alignment with the Blueprint for Maryland’s Future.

On February 7, 2022, the Council approved an amendment to the Cannon contract to extend the term and increase the compensation to incorporate additional services related to the comprehensive facilities assessment and MYIPAS. Specifically, the amendment enables Cannon to provide additional analysis and calculations related to initiatives included in the Blueprint for Maryland’s Future legislation, including expanded Pre-K, Career and Technical Education (CTE), and community schools. The extended contract term is through September 30, 2022, with recommendations to be incorporated in upcoming capital improvement programs. The Office advised that Cannon will offer consultation to the County and BCPS on the distribution of new funds included in the State’s FY 2023 budget.

CAPITAL BUDGET – BALTIMORE COUNTY PUBLIC SCHOOLS

As previously indicated, the proposed FY 2023 Capital Budget includes funding for Security Vestibules and Cameras (\$17.0 million); Pre-K Expansion (\$5.0 million); and a new Northwest Area CTE School (\$2.5 million). In addition, in his FY 2023 Message, the County Executive cited \$40.0 million to eliminate “open plan” schools in the County.

The Administration should be prepared to discuss the FY 2023 funding priorities as they relate to the MYIPAS recommendations, and Cannon’s progress on the additional services being provided under the amended contract.

The Administration and BCPS should be prepared to discuss what is planned or envisioned and the anticipated timeframes for the above-mentioned projects.

2. State School Construction Funding for Baltimore County

- The Interagency Committee on School Construction (IAC) has approved a total of \$24.8 million in State School Construction funding for its FY 2023 Capital Improvement Program for Baltimore County. **(See Exhibit, page C-7 for funding details.)** Notably, this amount excludes **Built to Learn Act (BTLA)** (See **BTLA** below).
- BCPS will receive an \$80.0 million State Capital Funding Grant for school construction in FY 2023. Additional details on this funding and anticipated use are not yet available.
- BCPS was approved for \$23.2 million through the State’s Healthy School Facility Fund (HSFF) during FY 2022, to be utilized for various school roof replacement and major maintenance projects. BCPS anticipates receiving additional HSFF funds in FY 2023, with a final amount to be determined.
- BCPS is eligible for \$7.9 million through the State’s existing Capital Grant Program for Local School Systems with Significant Enrollment Growth or Relocatable Classrooms (EGRC) in FY 2023. The IAC advised that this funding will not be applied in FY 2023 since all of Baltimore County’s requested projects were either funded through the BTLA or otherwise fully funded by the State; however, unspent EGRC funding will be available for allocation for the County’s FY 2024 CIP submission.

CAPITAL BUDGET – BALTIMORE COUNTY PUBLIC SCHOOLS

| Interagency Commission on School Construction - FY 2023 Capital Improvement Program for Baltimore County | | |
|--|------------------|-------------------------------|
| Project | Council Dist. | Total Approved Funding IAC |
| New Construction and Renovations: | | |
| <i>Deer Park Elementary - Replacement*</i> | 4 | |
| <i>Scotts Branch Elementary - Replacement*</i> | 4 | |
| <i>Lansdowne High - Replacement*</i> | 1 | |
| <i>Dundalk High/Sollers Point Tech High - Addition*</i> | 7 | |
| <i>Towson High - Replacement*</i> | 5 | |
| <i>Dulaney High - Replacement*</i> | 3 | |
| | | |
| Subtotal New Construction and Renovations: | | \$0 |
| | | |
| Roof Replacement Projects | | |
| Rosedale Center | 7 | 1,213,375 |
| Timber Grove Elementary | 2 | 1,309,000 |
| Milford Mill Academy | 4 | 4,017,000 |
| | | |
| Subtotal - Roof Replacement Projects: | | \$6,539,375 |
| | | |
| Major Maintenance Projects: | | |
| Perry Hall High - Fire Alarm Replacement | 5 | 596,925 |
| Perry Hall High - Chiller/Electrical Upgrade | 5 | 3,648,000 |
| Joppa View Elementary - Fire Alarm Replacement | 5 | 154,130 |
| Parkville High - Boiler Replacement | 6 | 666,925 |
| Loch Raven High - Boiler/Chiller Replacement | 3 | 2,420,675 |
| Battle Monument Elementary - HVAC | 7 | 4,209,000 |
| Chesapeake High - HVAC | 7 | 5,887,000 |
| Owings Mills High - Electrical Upgrade | 4 | 666,925 |
| | | |
| Subtotal - Major Maintenance Projects: | | \$18,249,580 |
| | | |
| TOTAL | | \$24,788,955 |

* BTLA funding anticipated; BTLA approvals are on a rolling basis.

CAPITAL BUDGET – BALTIMORE COUNTY PUBLIC SCHOOLS

Built to Learn Act (BTLA)

Baltimore County is currently eligible to receive \$420.0 million in new school construction funding over several years through the BTLA.

The following County projects have been **approved** for BTLA funding to date:

- Bedford Elementary replacement
- New Northeast Area (Nottingham) Middle
- Pine Grove Middle renovation/addition
- Summit Park Elementary replacement
- Lansdowne High replacement

The following projects are **anticipated** to receive BTLA funding to date

- Deer Park Elementary Replacement
- Scotts Branch Elementary Replacement
- Dundalk High/Sollers Point Tech Addition
- Towson High replacement
- Dulaney High replacement

BCPS advised that BTLA funding approvals for the schools anticipated for this funding will be sought around the time of bidding for each individual project.

House Bill 1290

The 2022 Maryland General Assembly passed House Bill 1290. The legislation addresses how the data from the Statewide Assessment of Public School Facilities (completed in July 2021 and to be completed every 4 years) is to be used to support the prioritization of State funding for school construction projects. It also includes updates to the State/Local cost-share formula (including State-funded incentives for “green” projects and proposed projects based on the most recent maintenance effectiveness assessment rating for that particular school), eligible gross area baseline allowances for school construction, and other issues related to school construction projects.

CAPITAL BUDGET – BALTIMORE COUNTY PUBLIC SCHOOLS

The Administration should be prepared to discuss:

- *The impact of recent legislation and other expectations for future State school construction funding for Baltimore County; and*
- *The County's plans and/or ability to meet the required State match for BTLA and other major school construction projects.*

3. School Construction Costs

The County's school construction projects continue to be impacted by rising construction costs due to current market conditions, including supply chain issues, labor shortages, inflation, higher materials costs, and other factors. The Administration advised that, as has been the case in prior years, additional County funds are included in the proposed FY 2023 Capital Budget for several major school construction projects due to reallocations and rising costs. Specifically, additional funding is included in the proposed FY 2023 Capital Budget for the Scotts Branch Elementary replacement, Pine Grove Middle renovation and addition, and Red House Run replacement projects. The Administration advised that funds are periodically shifted among projects for various reasons, including higher-than-anticipated bid costs.

BCPS and the Administration should be prepared to discuss any efforts to mitigate the impact of rising school construction costs on the proposed FY 2023 Capital Budget and Program.

4. Enrollment and Capacity – System-wide

According to BCPS's Student Counts 2020 and 2021 reports, for the prior and current school year BCPS experienced unusual trends in student enrollment due to the COVID-19 pandemic. The Student Counts 2021 report cites that, "The continued uncertainty brought on by the pandemic makes any future projected enrollment numbers less than reliable. Consultants and staff used their best judgment to account for the current and future impact of the pandemic on projected enrollments. It appears parents made alternative arrangements for this school year such as home schooling, non-public options, Prekindergarten, and Kindergarten in response to the pandemic. Projections reflect that those students will eventually return upon resolution of the current situation."

- **System-wide headcount enrollment** as of September 30, 2021 is 111,120, an increase of only 36 students from September 30, 2020. (Compared to September 30,

CAPITAL BUDGET – BALTIMORE COUNTY PUBLIC SCHOOLS

2019, system-wide headcount enrollment has decreased by 3,918 students.) For SY 2021-22, **virtual learners** accounted for 2.8% of the student population.

- **Full-time equivalent (FTE) enrollment** is an adjustment made to an elementary school's total enrollment for the purpose of comparing enrollment to a school's official capacity. Specifically, FTE enrollment factors 100% of students in Kindergarten through Grade 5, and 50% of students in prekindergarten and preschool because they are half-day programs (no FTE conversion is required at secondary schools). As of September 30, 2021 **system-wide FTE enrollment** is 109,485 compared to 109,736 for September 30, 2020, representing a decrease of 251 students.

The following pages provide detailed information on existing and projected school enrollment and capacity issues throughout the County:

- Elementary School information is presented at **issue 5, below**.
- Middle School information is presented beginning on page **C-16**.
- High school information is presented beginning on page **C-19**.

BCPS should be prepared to discuss:

- ***The anticipated impact from the pandemic on its future enrollment projections in the nearer term; and***
- ***Any plans/expectations for continuation of its virtual learning program going forward.***

5. Enrollment and Capacity: Elementary Schools (*see Exhibits 1A through 1C)

- For the current school year, elementary school FTE enrollment decreased overall by 285 students, reflecting the impact from the COVID-19 pandemic.
- Based on the most recent capacity data available, current elementary school capacity exceeds enrollment by 4,594 seats.
- In the absence of additional capacity, overall elementary school overcrowding is projected to intensify over the next decade as FTE enrollment increases by a total of 4,841 students from SY 2021-22 to SY 2031-32. In the absence of additional capacity, BCPS's 10-year FTE projections reflect a shortage of 247 elementary school seats by 2031-32.

CAPITAL BUDGET – BALTIMORE COUNTY PUBLIC SCHOOLS

- The **new Rossville Elementary** will provide approximately 709 additional elementary school seats. In addition, the planned replacements of **Red House Run, Bedford, Summit Park, Deer Park, and Scotts Branch elementary schools** will result in an estimated 1,548 total net new elementary school seats.

The proposed FY 2023 Capital Budget includes:

- \$15.2 million towards the **Red House Run Elementary replacement**. This project is in the early phases of construction, with completion anticipated for January 2024.
- \$2.5 million towards a **Scotts Branch Elementary replacement**. This project is in the early stages of design, with completion anticipated for September 2026.

In addition:

- The **new Rossville Elementary** is under construction and anticipated for September 2022.
- The **replacement Bedford Elementary** is in the early stages of construction and anticipated for September 2024.
- The **replacement Summit Park Elementary** is in the early stages of construction and anticipated for January 2024.
- The **replacement Deer Park Elementary** is in the late stages of design and anticipated for September 2025.

Northeast Area Elementary Boundary Study:

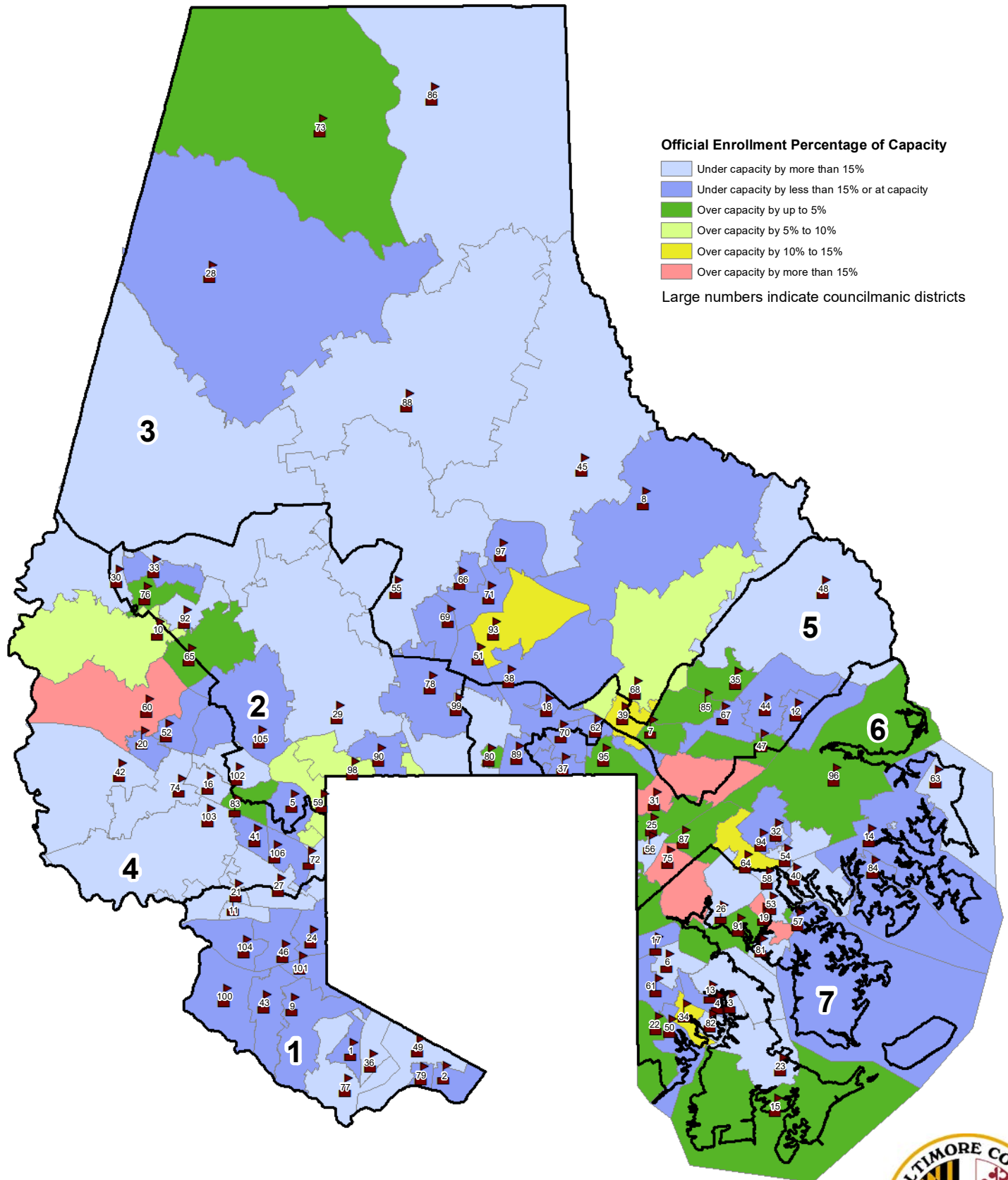
On March 8, 2022, the County Board of Education approved new boundaries for elementary schools in the Northeast region, establishing a new attendance area for Rossville Elementary, expanding the attendance area for the replacement Red House Run Elementary, and providing capacity relief to participating Northeast elementary schools. The boundary adjustment will be implemented in phases based on estimated project completion times and availability of seats.

CAPITAL BUDGET – BALTIMORE COUNTY PUBLIC SCHOOLS

- **Phase I** impacted elementary schools, effective for SY 2022-23, are as follows:
Elmwood, Fullerton, Joppa View, McCormick, Perry Hall, Shady Spring, and Vincent Farms
- **Phase II** will occur in January 2024 (Red House Run students, temporarily located at the original Rosedale Center building, will return to the new Red House Run)
- **Phase III** will occur in August 2024 (Elmwood to Red House Run and Shady Spring to Elmwood)

Baltimore County, Maryland

Elementary School Official Enrollment as a Percentage of School Capacity



CAPITAL BUDGET – BALTIMORE COUNTY PUBLIC SCHOOLS

EXHIBIT 1B

SY 2021-22 ELEMENTARY SCHOOL ENROLLMENT AS A PERCENT OF CURRENT CAPACITY

| Map No. | Elementary School | % Over/Under St. Capacity | Enrollment as a Percent of Capacity |
|---------|---------------------|---------------------------|-------------------------------------|
| 1 | Arbutus | -11.5% | 88.5% |
| 2 | Baltimore Highlands | -12.7% | 87.3% |
| 3 | Battle Grove | -18.9% | 81.1% |
| 4 | Bear Creek | -3.1% | 96.9% |
| 5 | Berford | -3.3% | 96.7% |
| 6 | Berkshire | -33.3% | 66.7% |
| 7 | Carney | 4.5% | 104.5% |
| 8 | Carroll Manor | -3.0% | 97.0% |
| 9 | Catonsville | -2.6% | 97.4% |
| 10 | Cedarmere | 8.7% | 108.7% |
| 11 | Chadwick | -17.8% | 82.2% |
| 12 | Chapel Hill | -3.7% | 96.3% |
| 13 | Charlesmont | -16.3% | 83.7% |
| 14 | Chase | -12.4% | 87.6% |
| 15 | Chesapeake Terrace | 2.7% | 102.7% |
| 16 | Church Lane | -32.8% | 67.2% |
| 17 | Colgate | -6.9% | 93.1% |
| 18 | Cromwell Valley | -14.1% | 85.9% |
| 19 | Deep Creek | 16.8% | 116.8% |
| 20 | Deer Park | -0.9% | 99.1% |
| 21 | Dogwood | -19.8% | 80.2% |
| 22 | Dundalk | 0.7% | 100.7% |
| 23 | Edgemere | -21.8% | 78.2% |
| 24 | Edmondson Heights | -13.9% | 86.1% |
| 25 | Elmwood | 5.5% | 105.5% |
| 26 | Essex | -17.3% | 82.7% |
| 27 | Featherbed Lane | -21.0% | 79.0% |
| 28 | Fifth District | -1.7% | 98.3% |
| 29 | Fort Garrison | -26.4% | 73.6% |
| 30 | Franklin | -16.1% | 83.9% |
| 31 | Fullerton | 17.1% | 117.1% |
| 32 | Glenmar | -25.1% | 74.9% |
| 33 | Glyndon | -7.9% | 92.1% |
| 34 | Grange | 14.0% | 114.0% |
| 35 | Gunpowder | 4.4% | 104.4% |
| 36 | Halethorpe | -35.7% | 64.3% |
| 37 | Halstead Academy | -4.1% | 95.9% |
| 38 | Hampton | -0.9% | 99.1% |
| 39 | Harford Hills | 13.6% | 113.6% |
| 40 | Hawthorne | -21.1% | 78.9% |
| 41 | Hebbville | -5.7% | 94.3% |
| 42 | Hernwood | -21.9% | 78.1% |
| 43 | Hillcrest | -6.4% | 93.6% |
| 44 | Honeygo | -9.2% | 90.8% |
| 45 | Jacksonville | -24.7% | 75.3% |
| 46 | Johnnycake | -10.4% | 89.6% |
| 47 | Joppa View | 4.9% | 104.9% |
| 48 | Kingsville | -17.5% | 82.5% |
| 49 | Lansdowne | -24.1% | 75.9% |
| 50 | Logan | -3.7% | 96.3% |
| 51 | Lutherville | -12.7% | 87.3% |
| 52 | Lyons Mill | -3.7% | 96.3% |
| 53 | Mars Estates | -25.4% | 74.6% |

| Map No. | Elementary School | % Over/Under St. Capacity | Enrollment as a Percent of Capacity |
|---------|-------------------|---------------------------|-------------------------------------|
| 54 | Martin Boulevard | -17.6% | 82.4% |
| 55 | Mays Chapel | -18.1% | 81.9% |
| 56 | McCormick | -19.0% | 81.0% |
| 57 | Middleborough | -4.0% | 96.0% |
| 58 | Middlesex | -25.3% | 74.7% |
| 59 | Milbrook | 6.5% | 106.5% |
| 60 | New Town | 16.4% | 116.4% |
| 61 | Norwood | -13.6% | 86.4% |
| 62 | Oakleigh | -3.2% | 96.8% |
| 63 | Oliver Beach | -52.0% | 48.0% |
| 64 | Orems | 11.2% | 111.2% |
| 65 | Owings Mills | 3.4% | 103.4% |
| 66 | Padonia | -2.3% | 97.7% |
| 67 | Perry Hall | -0.4% | 99.6% |
| 68 | Pine Grove | 10.1% | 110.1% |
| 69 | Pinewood | -5.6% | 94.4% |
| 70 | Pleasant Plains | -3.1% | 96.9% |
| 71 | Pot Spring | -10.9% | 89.1% |
| 72 | Powhatan | -23.6% | 76.4% |
| 73 | Prettyboy | 3.9% | 103.9% |
| 74 | Randallstown | -17.0% | 83.0% |
| 75 | Red House Run | 20.9% | 120.9% |
| 76 | Reisterstown | 3.5% | 103.5% |
| 77 | Relay | -16.1% | 83.9% |
| 78 | Riderwood | -13.4% | 86.6% |
| 79 | Riverview | -11.9% | 88.1% |
| 80 | Rodgers Forge | 1.0% | 101.0% |
| 81 | Sandalwood | -17.6% | 82.4% |
| 82 | Sandy Plains | -22.6% | 77.4% |
| 83 | Scotts Branch | 2.6% | 102.6% |
| 84 | Seneca | -8.8% | 91.2% |
| 85 | Seven Oaks | 5.4% | 105.4% |
| 86 | Seventh District | -27.2% | 72.8% |
| 87 | Shady Spring | 4.6% | 104.6% |
| 88 | Sparks | -21.0% | 79.0% |
| 89 | Stoneleigh | -9.1% | 90.9% |
| 90 | Summit Park | -2.1% | 97.9% |
| 91 | Sussex | 1.4% | 101.4% |
| 92 | Timber Grove | -16.7% | 83.3% |
| 93 | Timonium | 13.2% | 113.2% |
| 94 | Victory Villa | -12.8% | 87.2% |
| 95 | Villa Cresta | 5.5% | 105.5% |
| 96 | Vincent Farm | 4.9% | 104.9% |
| 97 | Warren | -4.7% | 95.3% |
| 98 | Wellwood | 8.3% | 108.3% |
| 99 | West Towson | -21.7% | 78.3% |
| 100 | Westchester | -8.0% | 92.0% |
| 101 | Westowne | -6.0% | 94.0% |
| 102 | Winand | -21.8% | 78.2% |
| 103 | Winfield | -19.5% | 80.5% |
| 104 | Woodbridge | -1.9% | 98.1% |
| 105 | Woodholme | -0.7% | 99.3% |
| 106 | Woodmoor | -13.5% | 86.5% |

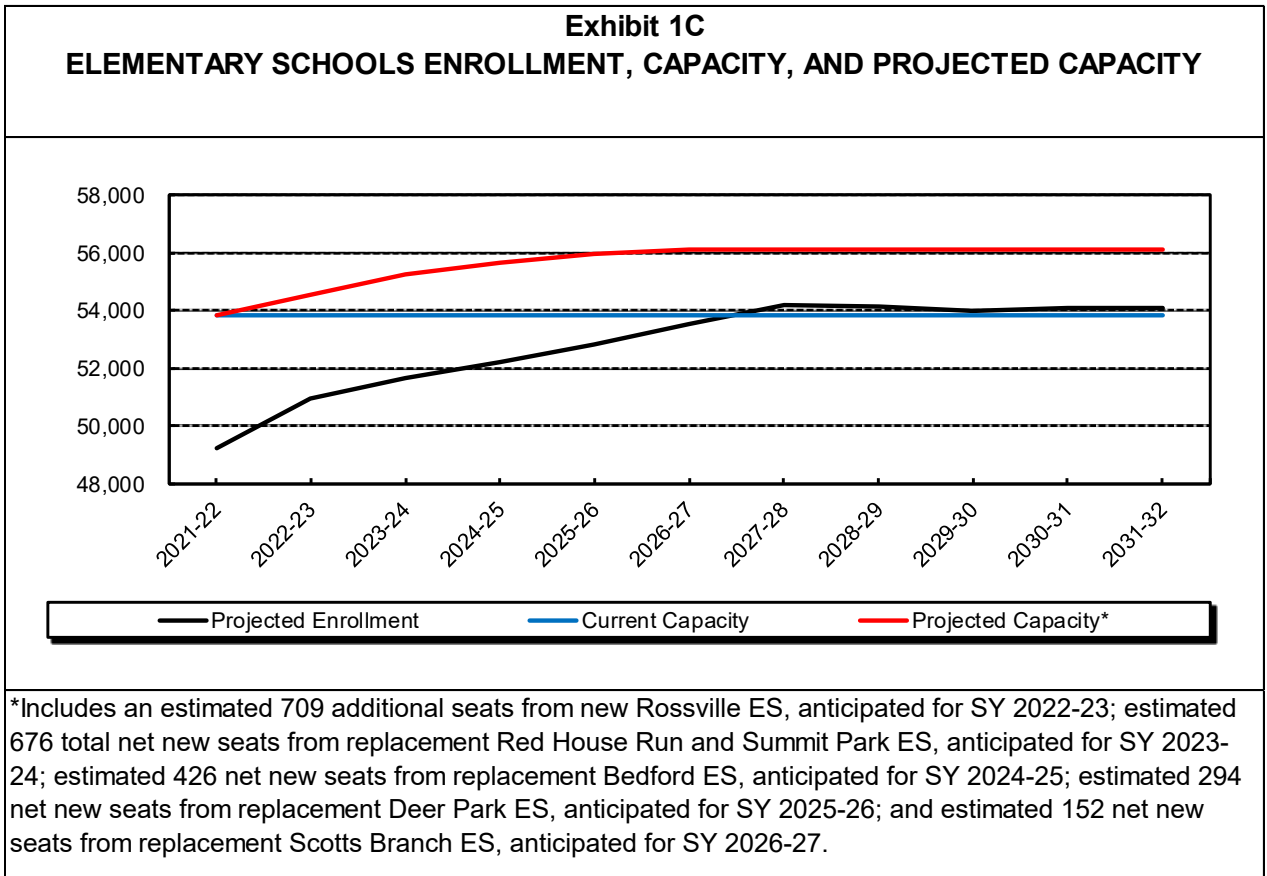
Magnet Elementary Schools/Schools without designated boundaries (not shown on map):

| | | |
|------------------|--------|-------|
| Campfield Center | -21.1% | 78.9% |
| Chatsworth | -31.0% | 69.0% |

Red text = pending final state-rated capacity (SRC) approval by the State.

CAPITAL BUDGET – BALTIMORE COUNTY PUBLIC SCHOOLS

Exhibit 1C (below) compares the projected overall level of elementary school overcrowding, including those projects currently in progress.



CAPITAL BUDGET – BALTIMORE COUNTY PUBLIC SCHOOLS

6. Enrollment and Capacity: Middle Schools (*see Exhibits 2A through 2C)

- For the current school year, middle school FTE enrollment decreased overall by 675 students.
- BCPS's most recent 10-year enrollment projections indicate that overall middle school enrollments will see a net gain of 1,303 students over the next 10 years.

The proposed FY 2023 Capital Budget includes:

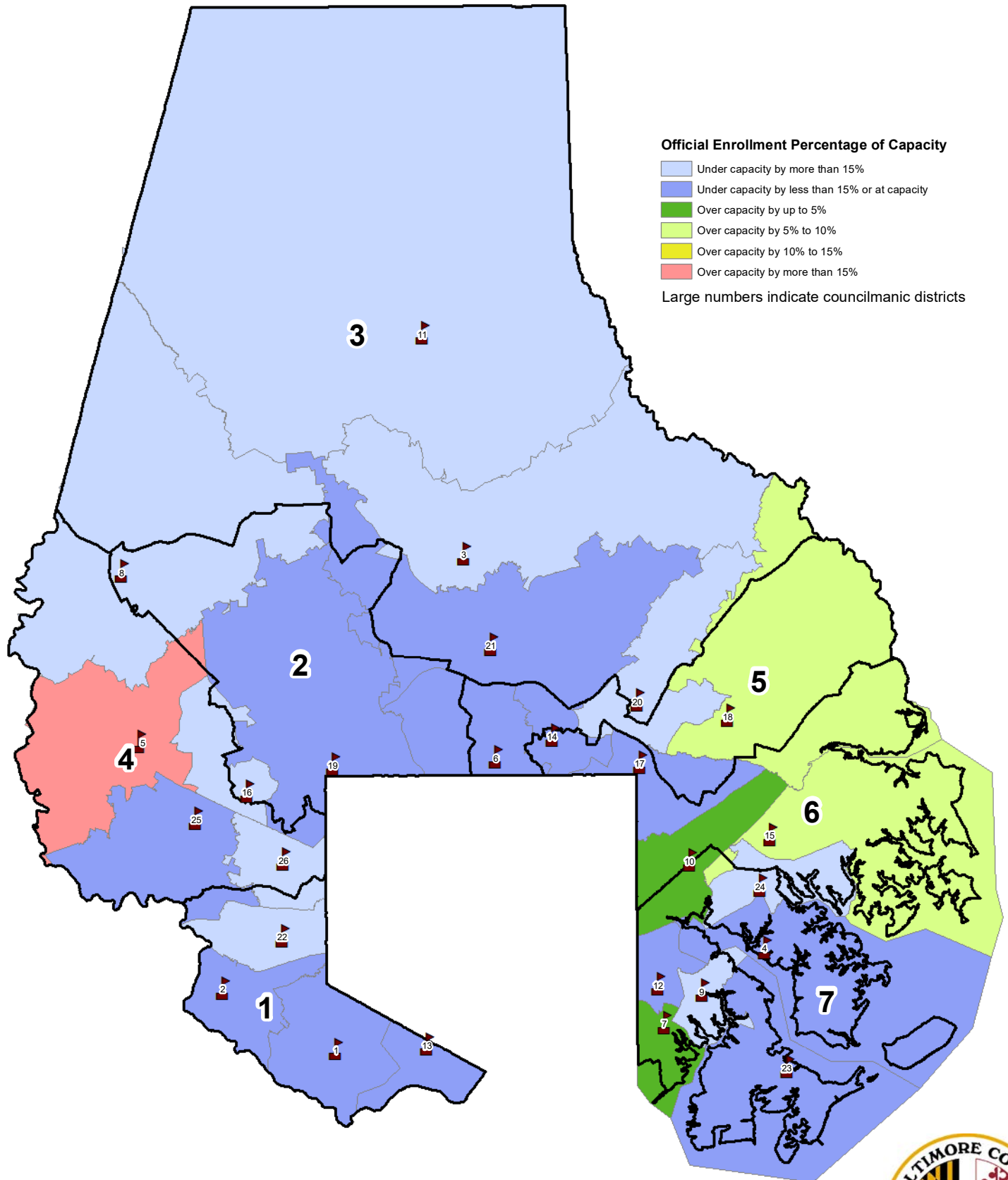
- \$5.8 million towards the renovation and addition at Pine Grove Middle. This project is in the early phase of construction and anticipated for January 2025. BCPS advised that the existing design for this renovation includes enclosing the open space areas.

In addition:

- The new Nottingham Site Middle is in the early stages of construction and anticipated for September 2024.

Baltimore County, Maryland

Middle School Official Enrollment as a Percentage of School Capacity



CAPITAL BUDGET – BALTIMORE COUNTY PUBLIC SCHOOLS

EXHIBIT 2B

SY 2021-22 MIDDLE SCHOOL ENROLLMENT AS A PERCENT OF CURRENT CAPACITY

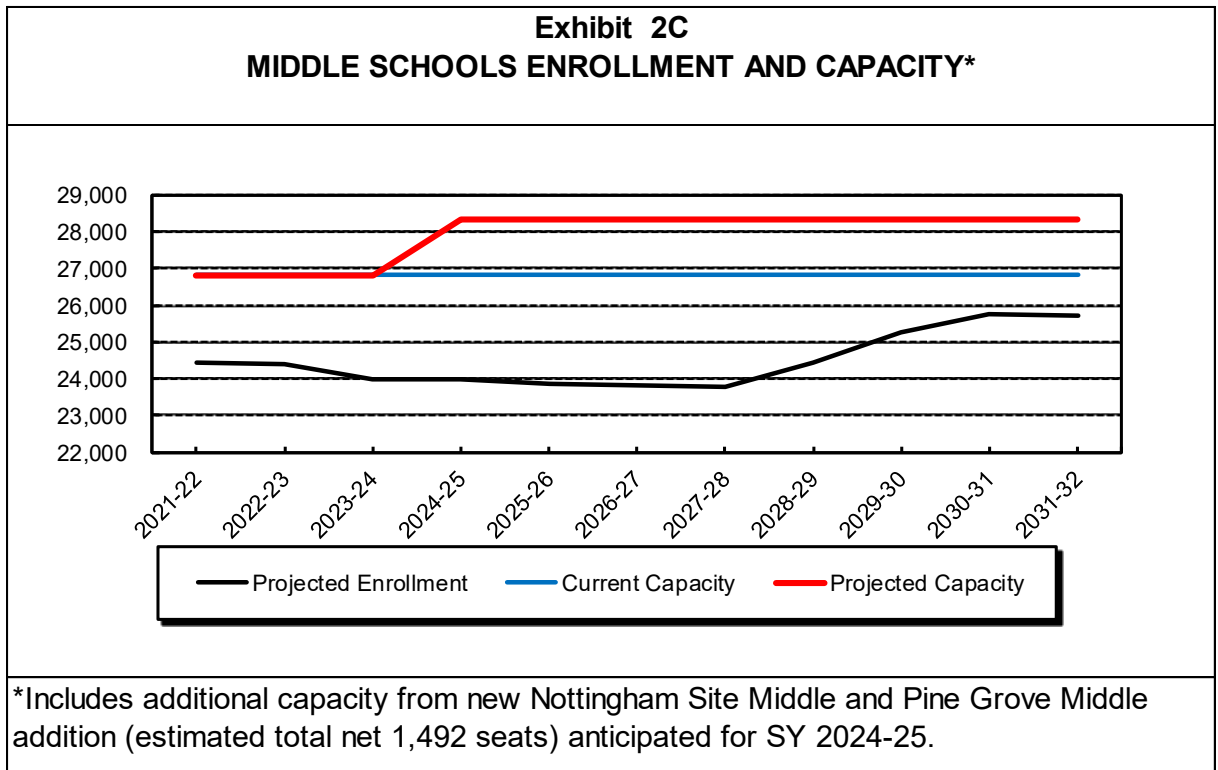
| Map No. | Middle School | % Over/Under St. Capacity | Enrollment as a Percent of Capacity |
|---------|--------------------------------------|------------------------------|---|
| 1 | Arbutus | -1.0% | 99.0% |
| 2 | Catonsville | -4.4% | 95.6% |
| 3 | Cockeysville | -21.3% | 78.7% |
| 4 | Deep Creek | -12.9% | 87.1% |
| 5 | Deer Park | 19.8% | 119.8% |
| 6 | Dumbarton | -3.1% | 96.9% |
| 7 | Dundalk | 2.8% | 102.8% |
| 8 | Franklin | -18.2% | 81.8% |
| 9 | General John Stricker | -17.4% | 82.6% |
| 10 | Golden Ring | 4.5% | 104.5% |
| 11 | Hereford | -19.9% | 80.1% |
| 12 | Holabird | -7.8% | 92.2% |
| 13 | Lansdowne | -5.3% | 94.7% |
| 14 | Loch Raven Academy | -14.1% | 85.9% |
| 15 | Middle River | 5.6% | 105.6% |
| 16 | Northwest Academy of Health Sciences | -24.3% | 75.7% |
| 17 | Parkville | -3.8% | 96.2% |
| 18 | Perry Hall | 10.3% | 110.3% |
| 19 | Pikesville | -7.5% | 92.5% |
| 20 | Pine Grove | -23.0% | 77.0% |
| 21 | Ridgely | -1.9% | 98.1% |
| 22 | Southwest Academy | -28.8% | 71.2% |
| 23 | Sparrows Point | -2.3% | 97.7% |
| 24 | Stemmers Run | -25.5% | 74.5% |
| 25 | Windsor Mill | -4.1% | 95.9% |
| 26 | Woodlawn | -29.5% | 70.5% |

Magnet Middle School (not shown on map):

| | | |
|-----------------|-------|-------|
| Sudbrook Magnet | -8.4% | 91.6% |
|-----------------|-------|-------|

Red text = pending final state-rated capacity (SRC) approval by the State.

CAPITAL BUDGET – BALTIMORE COUNTY PUBLIC SCHOOLS



7. Enrollment and Capacity: High Schools (*see Exhibits 3A through 3C)

- For the current school year, high school FTE enrollment increased overall by 742 students from the previous school year.
- BCPS's most recent 10-year enrollment projections reflect an increase of 1,104 high school students by SY 2031-32. Further, based on the most recent capacity data available, in the absence of additional capacity, collective high school seats are projected to fall short of enrollment by 663 seats in 2031-32.

The proposed FY 2023 Capital Budget includes:

- \$13.5 million for a **Dundalk High/Sollers Point Tech Addition** (see "Northeast and Southeast Area High School Studies" below)
- \$10.0 million in design funding for a **Dulaney High replacement**

CAPITAL BUDGET – BALTIMORE COUNTY PUBLIC SCHOOLS

- \$9.0 million in design funding for **Towson High replacement project** (see “Towson High Replacement Project” below)
- \$5.0 million for **Southeast Area Solutions to High School Overcrowding** (see “Northeast and Southeast Area High School Studies” below)
- \$5.0 Million for **Northeast Area Solutions to High School Overcrowding** (see “Northeast and Southeast Area High School Studies” below)
- \$3.0 million towards design of an **Addition to Patapsco High** (see “Northeast and Southeast Area High School Studies” below)

In addition:

- The **Lansdowne High replacement** is in the late stages of design and anticipated for September 2026

Towson High Replacement Project

In a February 1, 2022 letter from the County Executive to the IAC, the County Executive stated that, “We anticipate the planning and design phase will reveal that Towson High requires a significant renovation and new addition because of its historic designation, and we expect BCPS will follow all Maryland Historic Trust and County Landmarks Preservation Commission processes carefully. Baltimore County Government remains fully committed to delivering on a transformative project that feels like-new for this school community.” The Towson High project is in the early stages of design with a completion date to be determined. The Office of Budget and Finance advised that the consultant will investigate the historical conditions and potential restrictions with the County Landmarks Preservation Commission and the Maryland Historic Trust.

Northeast and Southeast Area High School Studies

As part of the MYIPAS recommendations for high schools, BCPS initiated a Northeast Area High School Study to evaluate all options for improving facility conditions and providing capacity relief to high schools in the Northeast area. Schools included are Kenwood, Loch Raven, Overlea, Parkville, and Perry Hall High. BCPS also initiated a Southeast Area High School Study to evaluate all options for improving facility conditions and providing capacity relief to high schools in the Southeast Area. Schools included are Dundalk (already part of the

CAPITAL BUDGET – BALTIMORE COUNTY PUBLIC SCHOOLS

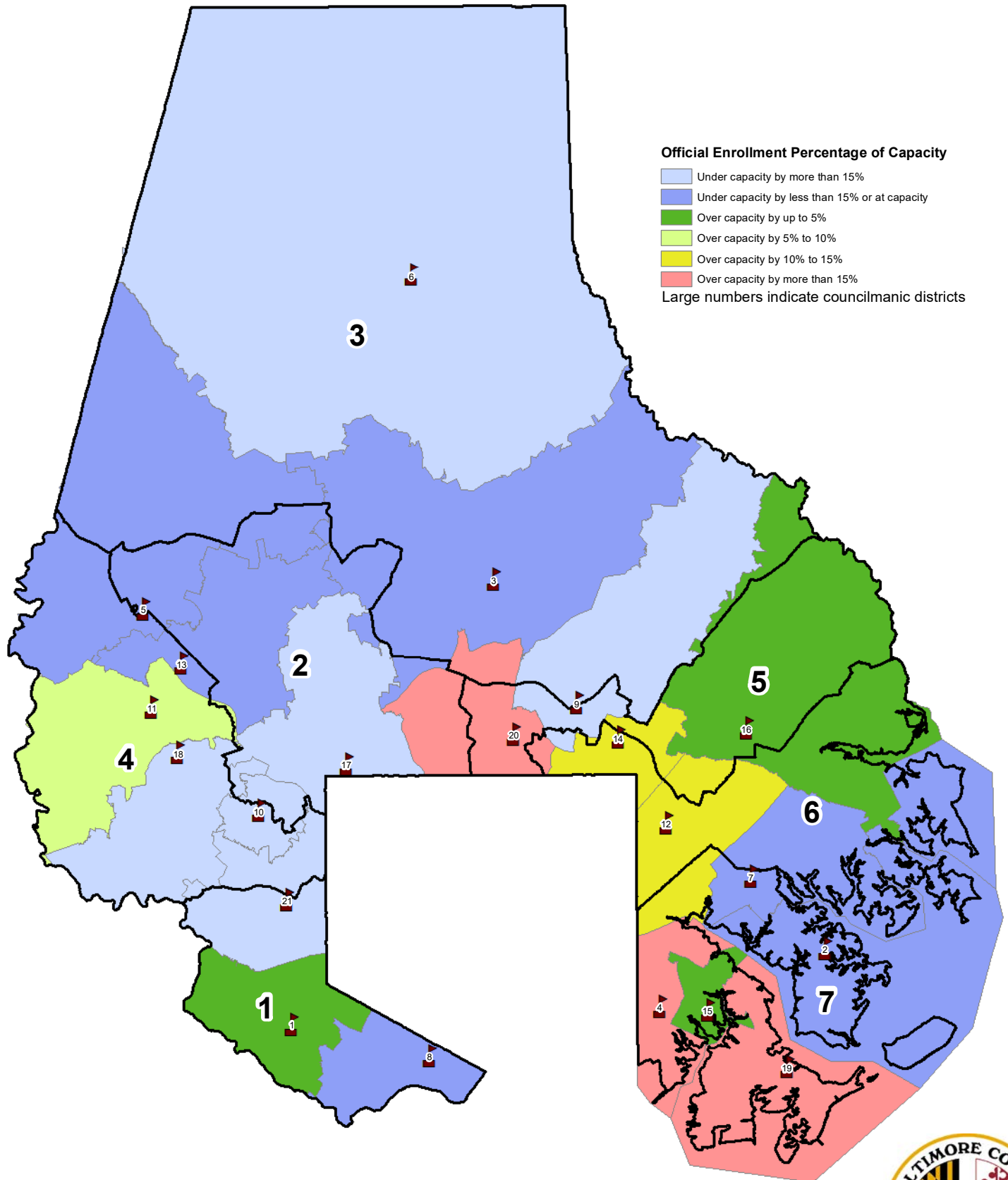
previous Capital Improvement Program) and Patapsco High and Sparrows Point Middle and High. BCPS advised that the initial investigation into the potential options in each area and the community input segment of each of the studies have been conducted; a more detailed planning effort will now begin to establish the viability of various options to accommodate the construction. BCPS advised that the specific use of the proposed FY 2023 funds are pending the results of the Northeast and Southeast Area High School Studies, and it is anticipated that recommendations will be made to the County Board of Education in late summer.

BCPS and the Administration should be prepared to discuss:

- ***Options currently identified to alleviate Northeast and Southeast Area high school overcrowding, and details on the next steps in the planning process to establish the viability of the options; and***
- ***Status and anticipated timeframe for the investigation of the historical conditions and potential restrictions for the Towson High Replacement project.***

Baltimore County, Maryland

High School Official Enrollment as a Percentage of School Capacity



CAPITAL BUDGET – BALTIMORE COUNTY PUBLIC SCHOOLS

EXHIBIT 3B

SY 2021-22 HIGH SCHOOL ENROLLMENT AS A PERCENT OF CURRENT CAPACITY

| Map No. | High School | % Over/Under St. Capacity | Enrollment as a Percent of Capacity |
|---------|----------------------|---------------------------|-------------------------------------|
| 1 | Catonsville | 3.6% | 103.6% |
| 2 | Chesapeake | -13.9% | 86.1% |
| 3 | Dulaney | -5.9% | 94.1% |
| 4 | Dundalk | 38.7% | 138.7% |
| 5 | Franklin | -8.3% | 91.7% |
| 6 | Hereford | -17.2% | 82.8% |
| 7 | Kenwood | -1.1% | 98.9% |
| 8 | Lansdowne | -5.9% | 94.1% |
| 9 | Loch Raven | -17.9% | 82.1% |
| 10 | Milford Mill Academy | -14.8% | 85.2% |
| 11 | New Town | 6.2% | 106.2% |
| 12 | Overlea | 12.0% | 112.0% |
| 13 | Owings Mills | -0.9% | 99.1% |
| 14 | Parkville | 12.6% | 112.6% |
| 15 | Patapsco | 2.3% | 102.3% |
| 16 | Perry Hall | 1.8% | 101.8% |
| 17 | Pikesville | -20.1% | 79.9% |
| 18 | Randallstown | -18.2% | 81.8% |
| 19 | Sparrows Point | 29.6% | 129.6% |
| 20 | Towson | 33.2% | 133.2% |
| 21 | Woodlawn | -17.8% | 82.2% |

Magnet High Schools (not shown on map):

| | | |
|---------------------------------|-------|-------|
| George Washington Carver Center | -2.5% | 97.5% |
| Eastern Technical | -9.3% | 90.7% |
| Western School of Technology | -5.3% | 94.7% |

Red text = pending final state-rated capacity (SRC) approval by the State.

