

Office of the County Auditor
Auditor's Analysis

Council Resolution No. 151-2024

Introduced: October 7, 2024

Auditor: Diane Zagorski-Kelly

Fiscal Impact:

There is no direct fiscal impact as a result of this legislation. However, this legislation's approval by the County Council is necessary prior to the Howard County Public School System (HCPSS) applying to the Interagency Commission on School Construction (IAC) for State funding in the Fiscal Year 2026 Capital Budget.

The Superintendent's Proposed FY 2026 Capital Budget request of \$71,233,000, per the legislation, will be amended to \$86,746,000 as a result of the Board of Education's (BOE) vote to approve the FY 2026 request. The actual appropriation and sources of financing will occur as requested by the County Executive and approved by the County Council in the Annual Budget and Appropriation Ordinance.

HCPSS provided the following details regarding their anticipated allocations of State funding:

- A request of approximately \$14.7 million in its FY 2026 State priority submission.
- A request of \$10 million for Built to Learn Program funding for Oakland Mills Middle School.

Policy Implications:

This Resolution reflects the priorities of the Superintendent and the BOE for building new schools, replacing schools, renovating schools, and replacing building systems within the parameters set by the IAC under State law.

The State funds a percentage of local school construction based on IAC analysis of proposed projects within the context of State goals and budgetary constraints. State funding is used to build new and replacement schools, to renovate facilities, and to replace major building systems that keep facilities educationally sufficient.

Purpose:

This legislation approves the BOE Capital Budget Request for FY 2026 and Capital Improvement Program (CIP) Request for FY 2027-2031 for the purpose of submission to the IAC. These requests are necessary if the County is to be considered for IAC grant funding.

Other Comments:

The Administration advised that it will prepare an amendment to this resolution to make the following adjustments. These changes were made after the legislation was pre-filed.

- Increase the appropriation for Systemic Renovations (E1058) by \$7,108,000 and Playground Equipment (E0990) by \$892,000 to further maximize State funding.
- Added Bryant Woods Elementary School renovation/addition to the Long-Range Master Plan (LRMP) in FY2031-FY2035.

Per HCPSS, the BOE delayed their vote on the Five-Year (CIP) and LRMP to October 10, 2024, which resulted in the school system missing the October 4, 2024, deadline for plans to be submitted to the State. According to the Executive Director of Capital Planning and Construction for HCPSS, the Five-Year Master Plan and LRMP can be filed as an amendment to the State by November 30th.

In February 2025, the BOE will adopt its budget request, which will then be submitted to the County Executive. In May 2025, the County Council will adopt the County Capital Budget, which will be followed by the BOE adopting the final Capital Budget.

Attachment A provides an overview of changes identified between this proposed FY 2026 BOE Approved Capital Budget and the FY 2025 Council Approved Budget.

Attachment B provides a comparison of the FY 2026 BOE Proposed Capital Budget to the FY 2026 amounts programmed in the FY 2025 Council Approved CIP.

Attachment A

Board of Education's FY 2026 Capital Budget Request for IAC Auditor's Review Notes

Please see the following notes based on review of the Board's proposed FY 2026 Capital Budget versus what was programmed in their FY 2025 Council Approved Capital Budget:

- The Board's Budget for FY 2026 is approximately \$2.6 million less than the amount programmed in the FY 2025 Council Approved Capital Budget.
- The Board's FY 2027-FY 2031 Capital Improvement Program, per this legislation, is approximately \$54 million higher than the amount programmed for the same period in the FY 2025 Council Approved Capital Budget.
- The following capital projects have revised schedules from those noted in the Board Approved FY 2025 Capital Budget from May 22, 2024:

Project #	Project Title	Adjusted Occupancy Date	Reason
E1036	Oakland Mills MS	Delayed from September 2027 to September 2029	BOE redefined scope from replacement to renovation and addition.
E1039	New ES #43 (Southeast)	Delayed from September 2033 to September 2034	Adjusted due to anticipated process and industry factors.
E1049	Dunloggin MS	Delayed from September 2027 to September 2030	BOE redefined scope from replacement to renovation and addition.

- According to the HCPSS, the Oakland Mills HS project will begin design in FY 2027 for a full systemic renovation and addition which will include anticipated additional space and seat capacity. However, according to the Superintendent's proposed budget, the additional capacity increase for Oakland Mills HS has dropped from 400 to 260 based on the 2024 Feasibility Study. The school system indicated that seat needs between Oakland Mills HS and Guilford Park HS will continue to be monitored.
- The proposed FY 2026 budget for Systemic Renovations (E1058) and Roofing Projects (E1059) increased by \$13,402,000 and \$2,550,000 respectively as compared to the FY 2025 Council approved budget to leverage the use of additional State funding.
- According to the HCPSS, decreases were made to the FY 2026 proposed budget, as compared to the FY 2025 Council approved budget to leverage additional anticipated State funding:
 - Technology Projects (E1048) decreased by \$4,631,000
 - Planning and Design (E1038) decreased by \$300,000
 - Barrier Fee (E0989) decreased by \$200,000

Attachment B
Comparison of FY 2026
Board of Education Proposed vs
Executive Programmed Capital Projects

(In Thousands)

Project #	Project Title	FY2026 Executive Programmed	FY2026 BOE Proposed	Difference
School Projects				
E1036	Oakland Mills MS Replacement	\$ 32,631	\$ 22,631	\$ (10,000)
E1049	Dunloggin MS Replacement	11,050	6,694	(4,356)
System Projects				
E1058	Systemic Renovations	\$ 30,988	\$ 44,390	\$ 13,402
E1048	Technology	6,520	1,889	(4,631)
E1059	Roofing Projects	5,000	7,550	2,550
E1045	Relocatable Classrooms	1,500	1,500	-
E1012	School Parking Lot Expansions	600	600	-
E1038	Planning and Design	300	-	(300)
E0990	Playground Equipment	600	1,492	892
E0989	Barrier Free	200	-	(200)
Totals		\$ 89,389	\$ 86,746	\$ (2,643)