Maryland
Interagency Commission
on School Construction

Wes Moore | Governor
Edward J. Kasemeyer | Chair
Alex Donahue | Executive Director

Correspondence - January 12, 2024

The Hon. Angela Alsobrooks, County Executive, Prince George's County
Members of the County Council of Prince George's County
Members of the Board of Education of Prince George's County
Superintendent Millard House II, Prince George's County Public Schools

Re: Prince George's County Public Schools FY 2025 Capital Improvement Program (CIP) Request

Dear County Executive Alsobrooks, Members of the County Council of Prince George's County, Members of the Board of Education of Prince George's County, and Superintendent House,

The purpose of this letter is to provide guidance to Prince George's County Public Schools (PGCPS) and Prince George's County regarding the requirements for receiving allocations of State capital funds for school-construction projects included by PGCPS in its FY 2025 Capital Improvement Program (CIP) request. Because the funding of capital improvements is a shared local-State endeavor, continuous close collaboration between each LEA, its County, and the State is essential. I and the Commission very much appreciate the positive working relationship that PGCPS and Prince George's County have developed with the IAC over the past years. I look forward to continuing to deepen this partnership so that our joint efforts result in the best possible alignment of available local and State capital dollars towards facilities improvements that will benefit the children and communities of Prince George's County for decades to come.

State Capital Improvement Program (CIP)

The IAC allocates available State capital dollars to specific projects as it works to support the efforts of all 24 Maryland Local Education Agencies (LEAs) and the Maryland School for the Blind to deliver healthy, safe, and educationally sufficient school facilities to all students in Maryland PK-12 public schools. The IAC is not obligated by law to annually allocate any specific amount to any LEA. IAC allocations depend upon many factors, including whether or not an LEA's County government has committed up front to providing the entirety of the local share of each requested project's costs.

The IAC publishes annually the instructions for CIP submissions as well as a notice stating additional key requirements. Each year, the IAC begins the allocation process by identifying a target allocation range for each LEA that is based upon 1) expected appropriation levels; 2) that LEA's proportion of the statewide full-time-equivalent enrollment; and 3) the average of recent fiscal-year allocations to that LEA. As described in the IAC's FY 2025 CIP instructions dated August 18, 2023, the IAC set a FY 2025 target allocation range for PGCPS, the top end of which is $34,070,458. The FY 2025 funding available to PGCPS under the Enrollment Growth & Relocatable Classroom (EGRC) program is estimated to be an additional $7,565,316. Accordingly, as

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the IAC reviews the eligibility of PGCPS's FY 2025 CIP project-funding requests, IAC staff are working with a target funding level for PGCPS for FY 2025 of just over $41 million. However, the IAC has full discretion to allocate more or less than the target funding level in any given year, and amounts are subject to change based upon the appropriations provided to the IAC's programs through the State's FY 2025 budget.

Under Maryland law, the LEA is the owner and operator of its portfolio of school facilities, and accordingly is responsible for, executes, and manages all capital-improvement projects within its school facilities. The primary funder of these capital projects is the LEA's county government, although the LEA may request assistance from the State through the State CIP. The LEA, rather than the County, is the entity that submits the annual CIP request to the IAC for State funding participation in a specified set of projects, and the LEA (or its contractor) is the entity that receives any disbursed State CIP funds after all State requirements have been met. The IAC does not allocate funds to projects that are not proposed by the LEA in its CIP request. The only exception to this rule was the one-time Pass-Through Grant program in fiscal 2023, in which the General Assembly provided funds to County-selected projects so long as the LEA agreed.

For each project receiving State funding allocations, State regulations require timely submission by the LEA of specific project information and documents to the IAC as well as subsequent approval by the IAC of those submissions. State funding will not be allocated to projects that have no identified site or scope or are projects for which the required submissions have not been made. These submission requirements are in place in part so that the IAC can confirm that the LEA is prepared to spend the allocated funding in the fiscal year for which it is approved.

The State's regulations require written county affirmation of fiscal support for an LEA's State CIP request. The IAC interprets this provision as requiring either a blanket statement of support covering the LEA's entire CIP request provided to the IAC or a statement of support for a list of specific projects. Implied within this requirement is the requirement of County support for the full scope of a project for which the LEA is requesting State funding participation. If a County does not support the full scope of a project as proposed by its LEA, then the IAC may allocate an amount of State funding to the project that is proportional to the extent of the stated County funding support. And, if the County has stated no support for a given project, then the IAC will find that project ineligible for State funding participation.

Current Status of PGCPS's FY 2025 CIP Request

As described in the IAC's FY 2025 CIP instructions, by November 30, 2023, each LEA must have submitted written documentation that shows a commitment by the County to fund the projects listed within the LEA's FY 2025 CIP request. The IAC received the FY 2025 CIP request submitted by PGCPS on October 4, 2023 and the letter of partial concurrence and support from the Prince George's County Executive and Council (the County Letter) that was dated November 9, 2023, approved by the Prince George's County Council by vote on November 21, 2023, and transmitted to the IAC on November 30, 2023.

The County Letter states County support for PGCPS's first four priorities and adds a fifth County priority as follows:

BOE Priority	County Priority	Project	BOE State Funding Request	County Supported Request
1	1	Suitland HS Campus Replacement	$28,000,000	$28,000,000
2	2	Cool Spring ES Renovation/Addition	$21,400,000	$21,400,000
3	3	New Northern Area HS	$20,000,000	$8,000,000
4	4	High Point HS Replacement	Planning Approval Only	Planning and Funding Approval $2,000,000
N/A	5	Staged Renovation Projects (South Region)	N/A	Planning and Funding Approval $10,000,000

BOE Priority 1: Suitland High School replacement project

In the FY 2024 CIP, the IAC approved a Maximum State Allocation (MSA) of $75,946,000 based upon the project's eligible scope. In the FY 2023 and FY 2024 CIPs, the IAC allocated a total of $71,133,188 to the project, leaving a maximum potential remaining allocation in FY 2025 of $4,812,812.

On March 29, 2023, PGCPS submitted to the IAC a request for an increase in the MSA due to project cost increases. IAC staff currently are in the process of reviewing PGCPS's request and determining a revised MSA to recommend to the IAC for approval at the February 8, 2024 IAC meeting. Where possible within funding limitations, the IAC generally works to support the completion of ongoing projects by fully funding the MSA of any IAC-approved project that is currently under construction. If the IAC approves in February a revised MSA for the project, then the amount that the IAC may allocate to the project in the FY 2025 CIP will become greater than $4,812,812 but not more than the $28,000,000 that was requested by PGCPS.

BOE Priority 2: Cool Spring Elementary School renovation-addition project

PGCPS's CIP request and the project documents submitted to the IAC describe the Cool Spring ES project as a replacement, not a renovation-addition. If the County only supports the project as a renovation-addition as stated in the County Letter, then there is a discrepancy between the BOE request and the County's support and the project will be ineligible in FY 2025 for State funding as proposed. If, however, the project was erroneously listed in the County Letter as a renovation-addition and the County in fact supports the project as a replacement, then the IAC requires a written correction from the County **by January 31, 2024**.

BOE Priority 3: New Northern Area High School (NNAHS) project

In the event that any funds remain available after the IAC funds the Priority 1 and 2 projects above to their eligibility as requested, the IAC would proceed to consider the NNAHS project. PGCPS's FY 2025 CIP request describes the NNAHS project as being a new high school on the site of the existing Cherokee Lane Elementary School with a proposed capacity of 2,600. However, the County Letter stated support only for $8,000,000 in FY

2025. It is unclear whether that statement indicates support for a smaller capacity or, alternatively, support for a capacity of 2,600 but a slower delivery of funding to the project due to local funding constraints. In December, the IAC approved in its 75% allocation round a preliminary allocation of $11.3 million in design funding with a status of "U" (recommended approval contingent upon resolution of outstanding issues). This potential allocation of design funding received a U status due to the lack of clarity around the locally supported project scope as well as a lack of certainty about the status of design progress on the project.

Based upon the IAC's recently updated calculations for projected eligible enrollment in the region, the State can support this school with a core capacity of 2,000 students and incorporating a regional CTE center of an additional 600 students, for a total of 2,600 seats. To the extent that the stated County support level of $8,000,000 in FY 2025 reflects County support only for a proposed capacity that is smaller than the 2,600 students proposed by PGCPS, reconciliation between PGCPS and the County regarding the project scope—and written communication of such to the IAC **by January 31, 2024**—will be required before the IAC can finalize its allocation of design funding for the project. Separately and additionally, receipt and approval by the IAC of the required design documents are required before the IAC can eventually approve construction funding for the project.

BOE Priority 4: High Point High School (HPHS) replacement project

IAC staff understand that this project is being designed for a core capacity of 2,600 students. Based upon the current enrollment projections and our preliminary determination of project eligibility, this project could receive local planning (LP) approval in the FY 2025 CIP if the required design-submission milestones are achieved. The IAC does not allocate construction funds to a project for which the LEA did not request construction funds. In its FY 2025 submission, PGCPS requested only LP approval. In light of this, the IAC may grant LP approval but will not allocate construction funds to the project in the FY 2025 CIP.

Added County Priority: Staged Renovation Projects (South Region)

As noted above, the IAC can neither approve local planning for nor allocate funds to unidentified projects that the LEA did not include in its CIP request and for which sites have not been identified and required project submissions have not been received and approved by the IAC. This request therefore is not eligible for an allocation of State funds.

Expected IAC Approach to Allocation of Available Funds

Subject to individual project eligibility, the IAC generally follows the LEA's order of priorities as it allocates available funds to projects in the CIP. If, by May 2024, the IAC receives appropriations at the levels described above, IAC staff expect to recommend to the IAC that it fully fund the remaining portion of the MSA for Priority 1 Suitland HS and then proceed to fund the Priority 2 Cool Spring ES project as eligible so long as the question of which project type is supported by the County has been resolved. If, after allocating funds to Priorities 1 and 2, additional dollars remain available for allocation, then the IAC will consider allocating funds to the Priority 3 NNAHS project so long as 1) the required design milestones have been met and 2) the project scope that is

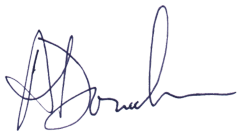
supported by both PGCPS and Prince George's County has been clarified in writing by both PGCPS and Prince George's County and the project is viable at that level of fiscal support.

Next Steps in the FY 2025 CIP Process

During the coming three weeks, IAC staff will be working to collect and analyze the outstanding information required to recommend to the Commission a set of project funding allocations that will utilize 90% of the projected appropriations. If staff are to recommend allocations for PGCPS's requested Priorities 2 and 3 in the 90% round, staff must receive the clarifications described above **by January 31, 2024**. If the needed clarifications are not received, the IAC will not be able to finalize allocations on those priorities until the 100% CIP round in May 2024 at the earliest.

The IAC is committed to working closely with PGCPS and Prince George's County over both the short and long terms to help align available State and local capital funding in a manner that will improve the educational sufficiency and fiscal sustainability of PGCPS's portfolio of school facilities to the greatest possible extent. I and the Commission reiterate our appreciation for the collaborative partnership with PGCPS and Prince George's County and look forward to continued engagement in the coming weeks and beyond.

Regards,



Alex Donahue
Executive Director

Courtesy copies to:

Hon. Michael A. Jackson, Maryland Senate
Hon. Nicole A. Williams, Maryland House of Delegates
Mr. Jason Washington, PGCPS
Ms. Shayla Taylor, PGCPS
Ms. Melissa Wilfong, IAC
Ms. Arabia Davis, IAC
Mr. Jamie Bridges, IAC
Ms. Jillian Storms, MSDE