



Alternative School Construction Financing Industry Day

April 17, 2019





DEPARTMENT OF CAPITAL PROGRAMS: ALTERNATIVE SCHOOL CONSTRUCTION FINANCING

Prince Georges County Public Schools

1. Prince Georges County Public Schools is the 2nd largest school district in the State of Maryland, and one of the 25 largest in the Country.
2. Our capital inventory consists of 208 school buildings, which is the also the 3rd oldest in the state with an average building age exceeding 40 years.
3. Currently, we have 371 active capital funded projects in planning, design or construction, of which only 9 would be considered full modernizations.



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Facilities for Education

Why Educational Facilities Matter

“Facilities have a great impact on **academic performance** of students...”

– Journal of Research in Educational Needs. April 2013.





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Facilities for Education

Studies have shown:

- ✓ Building temperature can lower overall student performance by .2% in test scores for every 1 degree increase in temperature
- ✓ There is a 5% reduction in attention levels in poorly ventilated classrooms with too much CO₂
- ✓ Math and English scores can be improved through increased ventilation by 2.9% and 2.7%
- ✓ Improved task lighting can increase reading fluency by 36%.





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Organization of Work

-The Master Plan Support Project, produce a report that ranked schools based on

- 1. Building Condition*
- 2. Educational Adequacy*
- 3. Utilization (State Rated Capacity)*

-The resulted in a schools being placed in 4 development cycles based on need as identified in the Master Plan Support Project.

-Cycle 1 through Cycle 3 consist of roughly 101 schools that required modernization over the next 20 years.

-Cycle 4 consists of the remaining 107 school that would be modernized over 20+ years, after the completion of cycle 3 .

-This P3 concentrates its focus on delivering Cycle 1 schools.



DEPARTMENT OF CAPITAL PROGRAMS: Overall Construction Delivery Plan

CYCLE 1:

There are 37 schools identified as cycle 1 schools, which were established in 2017 from the Master Plan support Project study, which evaluated all 208 school buildings. Cycle 1 is supposed to be executed over 6 to 7 years. All 208 Schools are divided amongst Cycles 1, 2, 3 and 4.

CYCLE 1 (FY2017-22)

(planning, design, construction 4-8 yrs)

	Pre-FY17	FY17	FY18	FY19	FY20	FY21	FY22
North	<i>New MS #1 (PA 34)</i>	<i>New ES #1 (PA3)</i>	<i>Hyattsville ES (PA 7)</i>	<i>Charles Carroll MS (PA 34)</i>	<i>Cherokee Lane ES (PA 3)</i>	<i>High Point HS (PA 38)</i>	<i>Berwyn Heights ES (PA 5)</i>
	<i>New MS #2 (PA 34)</i>	<i>New HS #1 (PA 38)</i>		<i>James Duckworth (PA 2)</i>	<i>Frances Fuchs ECC (PA2)</i>	<i>Hyattsville MS (PA 34)</i>	<i>Colverton ES (PA 2)</i>
		<i>New International School at Langley Park (PA 38)</i>		<i>Templeton ES (PA 12)</i>	<i>Margaret Brent (PA 8)</i>	<i>Rogers Heights ES (PA 12)</i>	
		<i>William Wirt MS (PA 34)</i>			<i>Riverdale ES (PA 7)</i>		
					<i>Springhill Lake ES (PA 5)</i>		
Central	<i>Bowie-Belair Annex- LR (PA 39)</i>	<i>Kenmoor MS (PA 36)</i>	<i>Thomas Johnson MS (PA 35)</i>		<i>Longfields ES TBD (PA 21)</i>		<i>Benjamin Tasker MS (PA 35)</i>
	<i>C. Elizabeth Rieg Regional- LR (PA 17)</i>				<i>Walker Mill MS (PA 36)</i>		
	<i>Fairmont Heights HS (PA 39)</i>						
	<i>Glenarden Woods ES (PA 15)</i>						
	<i>Tulip Grove ES (PA 10)</i>						
South		<i>Benjamin Stoddert MS (PA 37)</i>	<i>Drew-Freeman MS (PA 37)</i>	<i>Gwynn Park HS (PA 40)</i>	<i>Rose Valley ES (PA 29)</i>	<i>Gwynn Park MS (PA 37)</i>	
		<i>Suitland HS Campus (PA 40)</i>				<i>Potomac Landing TBD (PA 32)</i>	



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The Old Plan

- *Developed to address the serious facility needs of condition, utilization and educational inadequacy*

Required \$8.5 Billion or around \$425M per year in traditional State and County funding on a “pay as you go” funding model to build or replace 101 School buildings over 20 years.

Historically annual funding has been between \$140M and 160M per year:

- *Funding in 2018 was \$166 Million*
- *Funding in 2017 was \$151 Million*
- *Funding in 2016 was \$142 Million*
- *Funding in 2015 was \$149 Million*



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The New Plan: “Building Change”

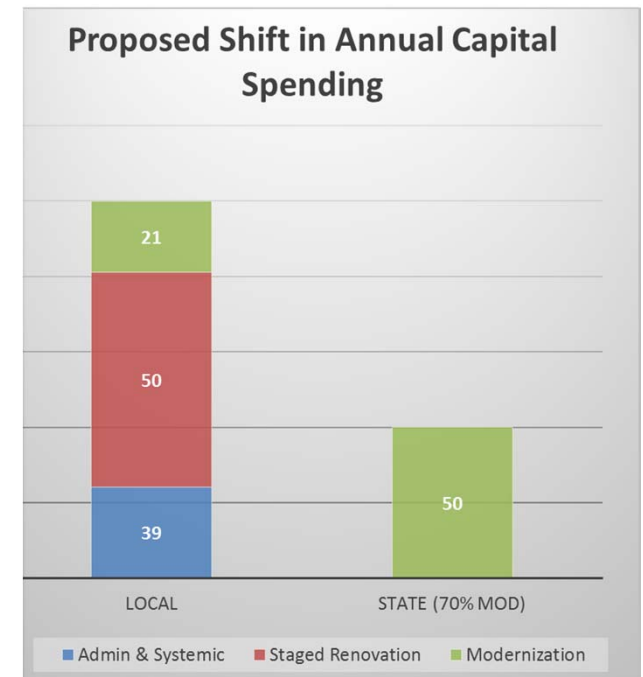
The New Plan has four points:

- 1. Shift our systemic projects to county funding and utilize state funding to replace or renovate schools*
- 2. Use Staged renovations to address modernization where suitable.*
- 3. Utilize a P3 to construct a subset of new or replacement schools in a condensed period of time.*
- 4. Reduce the overall construction costs.*



DEPARTMENT OF CAPITAL PROGRAMS: Overall Construction Delivery Plan

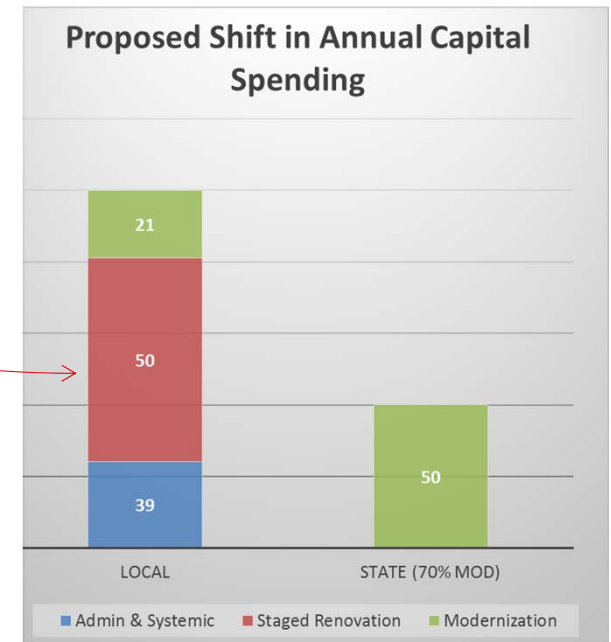
1. **Shift systemic maintenance projects to County-only funding and utilize State funding for comprehensive modernizations.**
 - The 2019 CIP represented a shift in the manner the Department of Capital Programs planned the funding of future projects. PGCPS shifted systemic projects to local funding and concentrating state capital funding on larger Modernization projects and renovation project. PGCPS now has greater control over the majority of projects, reduce paperwork and save money.





DEPARTMENT OF CAPITAL PROGRAMS: Overall Construction Delivery Plan

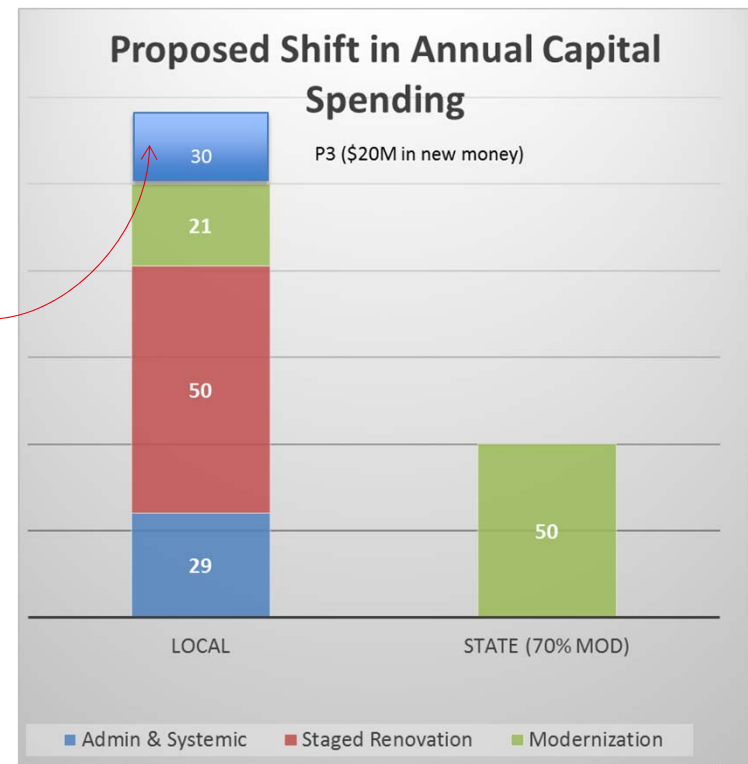
1. Shift *systemic maintenance projects* to County-only funding and utilize State funding for *comprehensive modernizations*.
2. Use local funding for **Staged Renovations** to address the most critical needs at more schools sooner and with less disruption. Focus on summer projects in five categories:
 - Healthy Buildings
 - Core Enhancements
 - Future Ready Schools
 - Safe Passages to Schools (SPS)
 - Secure Accessible Facilities Entrances (SAFE)





DEPARTMENT OF CAPITAL PROGRAMS: Overall Construction Delivery Plan

1. Shift *systemic maintenance projects* to County-only funding and utilize State funding for *comprehensive modernizations*.
2. Use only local funding for **Staged Renovations** to address the most critical needs at more schools sooner and with less disruption.
3. Utilized a **Alternative School Construction Financing Method (“ACF”)** for the construction of multiple major projects.
 - The goal is to build an initial 5 to 6 schools through a public-private partnership, we need roughly \$30M annual revenue stream.





DEPARTMENT OF CAPITAL PROGRAMS: Overall Construction Delivery Plan

1. Shift **systemic maintenance projects** to County-only funding and utilize State funding for **comprehensive modernizations**.
2. Use only local funding for **Staged Renovations** to address the most critical needs at more schools sooner and with less disruption.
3. Utilized a **ACF** for the construction of multiple major projects.
4. Reduce the overall construction costs through use of new and innovative construction methods, improved designs, reduced scopes and robust quality control.



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Challenges and Drivers

- *Aging facilities, backlog of deferred maintenance and acute overcrowding are hampering PGCPS ability to deliver on its core mission: education*
- *The 20-year Education Facilities Master Plan approved in FY17 (as amended in FY 2019) identifies a total capital investment need of approximately \$8 billion, which translates into an annual capital funding requirement of \$400 million. Nevertheless, projected funding suggests \$160M per year.*
- *Therefore, PGCPS is exploring alternative finance and delivery options that will allow it to accelerate infrastructure delivery and reduce life-cycle asset costs, as authorized by Maryland Education Article Section 4-126,¹³*



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How will this work for PGCPS?

- PGCPS will develop initial design and operation standards for ACF school buildings and will participate in the solicitation process to ensure that preliminary designs meet those standards. PGCPS will provide during the selection process:
 1. Required design features and performance standards of facilities;
 2. Contractual terms acceptable to PGCPS;
 3. Acceptable alternative technical concepts which reduces project costs or improves facility quality, and
 4. Evaluation criteria for bidders.
- Designated Department of Capital Program's (DCP) staff will work with the selected Private Partner/Group from design through construction and will act as owner agents.
- Said DCP staff will also facilitate both external and internal stakeholder engagement and participation.
- There is an expectation of local involvement in the final design of each building and active stakeholder engagement.