



OFFICE OF THE CHIEF EXECUTIVE OFFICER

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February 14, 2023

The Honorable Thomas E. Dernoga
Council Chair, Prince George's County Council
Wayne K. Curry Administration Building
1301 McCormick Drive, Second Floor
Largo, MD 20774

RE: Council Retreat Discussion and Current Inspector General Request on the PGCPS
Construction Process

Dear Council Chair Dernoga:

On December 13, 2022, a pair of presenters at the Prince George's County Council Retreat spoke about the Prince George's County Public Schools (PGCPS) Construction Program. Unfortunately, no current PGCPS staff members were invited to provide the Council with current, factual information and it is concerning that publicly shared inaccuracies could prove detrimental to our joint mission to deliver an inventory of safe, modernized public school facilities to the deserving students across our county. In addition, it has come to my attention that an Education and Workforce Development Committee Meeting was held today that discussed proposed correspondence to the Office of the Inspector General for Education as it relates to the Capital Improvement Program in PGCPS. Unfortunately, once again PGCPS staff was not invited to attend the meeting to respond to the allegations.

The PGCPS Capital Programs team has identified a few of the more concerning misstatements by the presenters during the December 2022 retreat and would like to share the objective, verifiable facts as well as the actual challenges our team is experiencing in these areas. It is hoped there will be an opportunity to have a transparent discussion of this information specifically and our processes generally with the Council as a strengthened mutual understanding would further what must be a joint effort to achieve such an important mission.

Presenter Statement:

The average change order rate, at time of the presenter's hiring by PGCPS, was stated to exceed 20% which was compared with a reported statewide change order average of 2.5%.

Factual Information:

The independent, Board-commissioned study by Ernst & Young actually found the average change order rate at that time (May 2016) to be just **4.71%**. Change order rates have been tracked internally since then and have averaged under 3%. Moreover, the noted 2.5% was misstated as an average change order rate across statewide construction projects when it is simply the then-limit of State participation in change orders per COMAR (this regulation was changed 5 years ago and State change order participation is now 0% but that doesn't equate to change order rates now being 0% across the State).

Actual Challenges (by staff):

Behind that 3% average change order rate is the fact that change orders on new construction projects are regularly much lower than renovations (for which we've exceeded 9% on some individual renovation projects). This is 100% a reflection of the dire condition of our aging facilities and the related dilemma our experienced team of project managers face: balancing the desire to minimize change orders while wanting to do as much to fix failing conditions that were either unforeseeable (e.g., we removed the exterior envelope at Forest Heights ES and found hidden support beams so dangerously corroded the structure was unsafe) or were outside the original project scope but important to complete for the safety of our staff and students.

These are typical of required decisions on our projects and we are meticulous about documenting how we negotiate and review change orders to justify both the need of the added scope and competitiveness of added cost; as such, our staff does not consider the existence of change orders indicative of public fund mismanagement of funds but of dedication to core mission.

Retreat Presenter Statement

PGCPS' Capital Programs Department is understaffed with pay insufficient to attract/retain qualified candidates and work is uncommonly delayed to the point we should not receive additional capital funds for a period of time. Final closeouts "never" occur.

Factual Information

Understaffed/Underpaid

Capital Programs was documented as critically understaffed by the independent study commissioned by the Board of Education and performed by Educational Facility Planners, LLC in 2017. Since that time, PGCPS leadership has ***approved over 15 additional FTEs*** including construction-specific procurement team members; additional project managers (with an additional tier to promote internal growth and improved management structure); architects/engineers, planners and fiscal support. Likewise, the current PGCPS leadership has approved salary enhancements that bring us within a competitive range with other LEAs and closer to private industry.

Work Uncommonly Delayed

Cycle 1 of the EFMP (Educational Facilities Master Plan) was introduced and approved in 2016 with the unfunded goal of \$425M/year to deliver all 37 schools within 6 years. With just a third of the needed CIP funding (approx. 150M/year), PGCPS has ***fully completed 6 of the 37 schools; 9 additional schools are finishing within 1-2 years; and 10 are actively in planning/design.*** Additionally, PGCPS has ***delivered 687 other smaller but critically needed capital projects at 194 different schools and spent a total of \$801M (since January 1, 2017).***

Full report on these numbers is shared [here](#).

CYCLE 1 SCHOOLS DELIVERED

- ✓ Fairmont Heights HS
- ✓ Glenarden Woods ES
- ✓ Tulip Grove ES
- ✓ C.E. Rieg Limited Renovation
- ✓ Bowie HS Annex Limited Renovation
- ✓ Cherokee Lane ES

CYCLE 1 SCHOOLS OPENING IN 1-2 YEARS

- ✓ New Adelphi Area MS (ACF)
- ✓ New Glenridge Area MS
- ✓ William Wirt MS
- ✓ Kenmoor MS (ACF)
- ✓ Suitland HS (in phases)
- ✓ Drew Freeman MS (ACF)
- ✓ Walker Mill MS (ACF)
- ✓ Hyattsville MS (ACF)

- ✓ Colin Powell Academy (ACF)
- ✓ William Schmidt OEC

CYCLE 1 SCHOOLS CURRENTLY IN DESIGN

- ✓ New Northern Area HS
- ✓ New International HS
- ✓ Cool Springs ES
- ✓ Thomas Johnson MS
- ✓ Longfields ES
- ✓ Berwyn Heights ES
- ✓ Benjamin Tasker MS
- ✓ Calverton ES
- ✓ Benjamin Stoddert MS (in planning)
- ✓ High Point HS (in planning)

COMPLETED 687 “OTHER” CAPITAL PROJECTS AT 194 DIFFERENT SCHOOLS WITH OVER \$683M IN APPROVED FUNDING:

- ✓ 218 Systemic Upgrades (HVAC, Electrical, Roofs & Fire Alarms)
- ✓ 103 Life-Safety Upgrades (35 Hazmat; 28 ADA Upgrades; 40 Code Corrections)
- ✓ 88 Emergency/Major Building Repairs
- ✓ 52 Parking Lot Improvements
- ✓ 52 Athletic improvements
- ✓ 40 Security Upgrades
- ✓ 34 Playgrounds
- ✓ 24 Kitchen Upgrades
- ✓ 21 Career Academy Renovations
- ✓ 19 Window/Exterior Door Upgrades
- ✓ 19 IT Upgrades
- ✓ 11 Pod Conversion Renovations

Actual Challenges (by staff)

We have worked hard to plug the holes that were causing delays several years ago: no construction-specific procurement knowledge; insufficient project managers; insufficient internal architects/engineers; no documented processes; excessive paperwork without digital signatures/tracking; non-targeted use of State dollars; extended DGS (“Department of General Services”) review items, over reliance on one funding type (i.e., only CIP dollars) and limited delivery vehicles (e.g., we now regularly use CMAR (“Construction Manager at Risk”), design-build and modular construction), etc.

However, new challenges have arisen that prevent these achievements from resulting in faster delivery times that are transparent to all our stakeholders. None of these is greater than the extraordinary increase in DPIE turnaround times for building permits (along with new regulatory requirements around storm water management). Adding a full year to an already lengthy process has created enormous and costly delays. We have frequent, standing meetings with DPIE (and we acknowledge their severe staff shortages) to mitigate these delays but they remain a major issue.

Likewise, while we have managed to substantially complete over 700 projects since January 1, 2017; we do still struggle to fully closeout projects as noted by a presenter and have closed out only 247 of those completed projects over this same time period.

This is due a tendency to immediately assign our Project Managers to new projects once (and really before) they've achieved completion on their old projects. Frankly, once a project reaches "Final Completion" (i.e., is fully in use by our students/staff and all contract work is done) all that remains is to collect and process paperwork and it is hard to prioritize that paperwork over delivering the next critically needed project to our students. However, we have hired a new Fiscal Supervisor (July 2021) and Financial Analyst (May 2022) effectively doubling our fiscal team and enabling the prioritization of closeout paperwork; since July 2021, we have processed 103 closeouts and the project management team has submitted an additional 336 closeouts to the fiscal team currently under review for final closeout approval.

Presenter Statement:

The cost increases noted over the last few years are representative of mismanagement of public funds, are particular to PGCPs and are being hidden from governing bodies.

Factual Information:

Budget Increases

The Associated General Contractors of America publish a publically available outlook survey annually that documents nationwide changes in the dollar value of construction projects. Its latest survey showed that between December 2020 and December 2021, average costs of construction projects nationwide have risen 19.6%. In the DC area, that number is shown to be 30%. Causal factors include global supply chain issues, labor shortages, and material increases (e.g., 127% increase in the price of steel in 2021). Prince George's County is not alone in experiencing such alarming increases post-pandemic and other Maryland LEAs are reporting 20-25% increases in their school construction projects.

Additional Information

Every CIP from FY2007 to FY2024 is available on our website (www.pgcps.org/cip) where it is transparent that there has been a steep increase in the cost of construction of almost every category of projects over the last few years.

Actual Challenges (by staff):

We've undertaken some key efforts to combat these rising costs in construction including extensive Value Engineering efforts embedded in the CMAR ("Construction Manager at Risk") delivery process. In other words, we have a CM ("Construction Manager") aboard during design (the same CM who will eventually build the school) and at every stage we are making hard decisions based on their ongoing per item estimates on what is necessary versus what is desired but now unaffordable.

Unfortunately, at William Schmidt Outdoor Education Center this meant we could no longer complete the renovation of an admin building but instead focused on the teaching spaces.

Additionally, we have been proactive in seeking savings via alternative financing and alternative construction methods. The latter resulted in the new Cherokee Lane ES being delivered utilizing a modular construction method. A similar method is being used to economically build the 10-12 classroom additions we need to address over enrollment.

However, our team has halted at recommending building objectively "cheap" schools with a life expectancy of just 15-20 years. We don't think the increase in maintenance costs and earlier system replacements are cost effective or feasible for our system. Moreover, we abhor the idea of building substandard, clearly inequitable schools for our students.

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As such, we have had to balance reducing scope (or even canceling over-budget projects) to combat rising construction costs with pushing Cycle 1 out a bit further in order to accommodate for the increased funding needs.

As stated earlier, I am hopeful that an opportunity will be afforded to Prince George's County Public Schools to share accurate information by current PGCPs employees. I look forward to hearing from you soon.

Sincerely,



Monica E. Goldson, Ed.D.
Chief Executive Officer



Judy Mickens-Murray
Chair, Board of Education

c: County Council Members
Lolita Walker, Vice-Chair of the Board of Education
Mr. Mychael Dickerson
Mark E. Fossett, Ed.D.