

ACTION MEMORANDUM

TO: Bibb County Board of Education, Dr. Dan A. Sims, Superintendent
FROM: Sam Kitchens, Assistant Superintendent of Operations
SUBJECT: ESPLOST 2021 Budget Amendment #5

Summary

This memorandum is requesting an ESPLOST 2021 budget amendment to the Renovations line item to increase it from \$35,000,000 to \$53,000,000 to provide for renovations for Howard HS & Howard MS and other renovations as needed, and an ESPLOST 2021 budget amendment to the Technology line item to increase it from \$25,000,000 to \$29,497,902. These increases will be funded through reallocation of funds from the Fine Arts Center (reallocation approved by Board Resolution), Land Acquisition, Contingency and Technology Bond Reserve.

Background

The original budget estimates for proposed ESPLOST 2021 projects were developed starting in 2018. Once potential projects were identified, preliminary budgets were set and the ESPLOST referendum was developed during a series of meetings, which included input from the community and Board members. At that time, the original budget for Renovations was set at \$20,000,000. With the increase in construction costs, the new budget request for Renovations is \$53,000,000. The original budget for Technology was set at \$20,000,000. With the increase in construction costs, the new budget request for Technology is \$29,497,902. This new budget request will also allow for the completion of renovations and the purchase and upgrade of technology equipment.

Factors Driving the Increase in Project Budget:

1. Material costs:

Since 2020, we have continued to experience an uncontrollable increase in material costs of 30% - 40% on construction materials. Although typical inflation rates are factored into our budgets, costs were also anticipated to level or even decrease in 2023. However, the past twelve months have continued to trend considerably above normal, which is reflected in our overall project costs. The impacts of these continued higher costs are reflected in our budget increases.

2. Product Availability:

Capital Programs is still experiencing long lead times, and delivery delays on materials common to school districts.

Major items include Audio/Video equipment, electrical transformers and HVAC equipment. For example: Electrical transformers are still experiencing lead times up to 54 weeks. When products are unavailable within project timelines, alternate projects are required and usually are at a higher bid cost for redesign, material and installation labor. Many times, a temporary solution will require “double work” to replace the temporary equipment with the specified equipment upon arrival. The impacts of product availability are also reflected in our budget increases.

Recommendation

It is recommended that the Board of Education approves the proposed ESPLOST 2021 Budget amendment for Renovations from \$35,00,000 to \$53,000,000 to provide for renovation construction costs and Technology from \$25,000,000 to \$29,497,902 and reduction of the Fine Arts Center from \$15,500,000 to \$0, Land Acquisition from \$4,997,902 to \$0, General Contingency from \$3,000,000 to \$1,000,000 and Technology Bond Reserve from \$214,500 to \$0.

Superintendent's Comments and Approval

<u>Superintendent's Comments</u>	Approved / Not Approved
Dr. Dan A. Sims	Approved