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University of Maryland Medical System

Capital Budget Summary

Summary of State-owned Projects Funded in Governor's Request
(\$ in Millions)

<i>Project Title</i>	<i>Prior Approp.</i>	<i>FY 2015 Request</i>	<i>Future Estimated</i>	<i>Estimated Total</i>	<i>DLS FY 2015 Recommd.</i>
New Ambulatory Care Pavilion and Neonatal Intensive Care Unit and Labor and Delivery Units	\$10.000	\$5.000	\$0.000	\$15.000	\$10.000
R Adams Cowley Shock Trauma Center – Phase II	0.150	5.000	12.350	17.500	3.000
Total	\$10.150	\$10.000	\$12.350	\$32.500	\$13.000

<i>Fund Source</i>	<i>Prior Approp.</i>	<i>FY 2015 Request</i>	<i>Future Estimated</i>	<i>Estimated Total</i>	<i>DLS FY 2015 Recommd.</i>
General Obligation Bonds	\$10.150	\$10.000	\$12.350	\$32.500	\$13.000
Total	\$10.150	\$10.000	\$12.350	\$32.500	\$13.00

DLS: Department of Legislative Services

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Summary of Recommended Bond Actions

	<u>Funds</u>
1. R Adams Cowley Shock Trauma Center – Phase II	-\$2,000,000 GO
Reduce funding for Shock Trauma Center renovations.	
2. New Ambulatory Care Pavilion and Neonatal Intensive Care Unit and Labor and Delivery Suite	\$5,000,000 GO
Increase funding for the new ambulatory care pavilion and the neonatal intensive care unit and labor and delivery suite.	
Total Increase	\$3,000,000

Budget Overview

The two University of Maryland Medical System (UMMS) projects proposed for funding in the fiscal 2015 budget have both previously received State support. Specifically:

- \$5.0 million in funding for the construction of a new ambulatory care pavilion and renovation of the neonatal intensive care unit (NICU) and labor and delivery suite on the Maryland General Hospital UMMS campus. This project is intended to consolidate the University of Maryland Medical Center ambulatory services in one location and improve patient care in the NICU and labor and delivery facilities.

The total estimated cost for this project is \$112.7 million. As presented in the fiscal 2014 *Capital Improvement Program* (CIP), the \$10.0 million State support proposed in fiscal 2014 was a one-time grant. However, during fiscal 2014 capital budget deliberations, UMMS indicated that it was seeking State support totaling \$50.0 million (\$10.0 million per year for each of fiscal 2014 through 2018) for this project. Further, absent that support, UMMS stated that it would not proceed with the project.

Given UMMS' position on the need for a State commitment to provide \$50.0 million for the project in order to proceed, the legislature approved the fiscal 2014 request and added intent language that funding should be provided at \$10.0 million per year for each of fiscal 2015 through 2018.

As noted above, the fiscal 2015 capital budget contains only \$5.0 million in general obligation (GO) support. Further, the fiscal 2015 CIP contains no out-year funding. It should be noted that UMMS is anticipating to award a construction contract in March 2014, and its position on the need for \$50.0 million in total State support, not surprisingly, remains the same as stated

last year. **Recognizing the commitment made to this project by the legislature in fiscal 2014, the Department of Legislative Services (DLS) recommends increasing the fiscal 2015 GO funding level for the project to \$10.0 million.**

- \$5.0 million in funding to continue the renovation of space and the upgrade of capital equipment for the R Adams Cowley Shock Trauma Center. Proposed improvements include central heating, ventilation, and air conditioning systems; elevators; plumbing; electrical and security systems; patient rooms and support space; helipad deck; clinical equipment; communications; and information technology. Total cost is expected to be \$35.0 million, with the State share of \$17.5 million spread over fiscal 2014 through 2018.

This project was included for funding in fiscal 2015 in the 2013 CIP. However, the GO funding level was back-loaded with only \$500,000 anticipated in fiscal 2015, \$5.0 million in each of fiscal 2016 and 2017, and \$6.85 million in fiscal 2018. The 2014 CIP increases the GO funding in fiscal 2015 to the proposed \$5.0 million in fiscal 2015, slightly increases the fiscal 2016 and 2017 anticipated awards (to \$5.5 million and \$5.25 million, respectively), with fiscal 2018 funding falling to \$1.6 million.

The GO funding was increased in fiscal 2015 in order to address three critical infrastructure needs more quickly than originally anticipated: electrical upgrades; elevator upgrades, specifically those elevators that go to the helicopter pad; and air handling units.

Given the recommendation made above with regard to the increase in funding of the new ambulatory care pavilion and renovation of NICU and labor and delivery suite, DLS recommends reducing State GO funding in fiscal 2015 for the Shock Trauma Center renovations to \$3.0 million. UMMS will have to adjust its own contribution to the project to back-fill if necessary. The reduction should not be construed as any diminution of the State's overall anticipated contribution to the project: \$17.5 million through 2018.