

DE0201F
General State Facilities
Board of Public Works

Asbestos Abatement Program (Statewide)

General Obligation Bonds \$2,000,000

Summary of Recommended Bond Actions

	<u>Funds</u>
1. Asbestos Abatement Program	\$1,843,000 GO
Reduce to the level needed to fund projects managed by the Department of General Services and add intent language that University System of Maryland (USM) projects be funded from USM plant funds.	
Total Reductions	\$1,843,000

Bill Text: Provide funds to abate asbestos in various State facilities.

Program Description: This program provides funding for the abatement of asbestos which poses imminent health hazards to State employees and the people they serve. Projects are identified through asbestos surveys or routine inspections of facilities. Each year a prioritized list of facilities in which asbestos poses a health hazard is submitted for funding. Funds requested will be used for design, abatement, industrial monitoring, and waste removal of asbestos at various State facilities.

Program Analysis and Performance Measures

Building materials containing asbestos are present in State-owned buildings. When disturbed by contact (such as during building maintenance), damage, or deterioration, the materials are deemed to pose a health risk by releasing airborne asbestos fibers. Effective risk management requires abatement, restriction of areas with imminent health hazard conditions, and removal of asbestos. The Asbestos Management Oversight Committee updates the plan annually with facility/department input to select projects with conditions which have the greatest negative impact on facility function. Abatement costs associated with facilities being renovated/demolished are included in the individual capital project budget; special maintenance costs are covered by individual department operating budgets. Since established by executive order in the mid 1980s, the Department of General Services (DGS) has expended over \$450 million and completed over 600 projects, effectively eliminating the imminent health hazard. The fiscal 2013 request is for \$2 million to fund 16 asbestos abatement projects at various State facilities.

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Issues

1. Significant Amount of Prior Authorized Funds Remain Unencumbered

The Asbestos Abatement Program last received State funding in fiscal 2010. The decision not to fund the program in either fiscal 2011 or 2012 was influenced in part by the large amount of unencumbered funds relative to the annual authorizations. As shown in **Exhibit 1**, for the period covering fiscal 2008 through 2010, the State authorized \$4.9 million for numerous asbestos abatement projects. As of January 31, 2012, a total of \$1.3 million, or 26.5%, remains unencumbered, meaning that construction and, in some cases, even design have not been contracted.

Exhibit 1
Authorization Encumbrance and Expenditure Data
(\$ in Millions)

<i>Fiscal Year</i>	<i>Authorization</i>	<i>Funds</i>		<i>Balances</i>	
		<i>Encumbered</i>	<i>Expended</i>	<i>To Be Encumbered</i>	<i>To Be Expended</i>
Prior Years	\$44.261	\$44.189	\$44.088	\$0.072	\$0.173
2008	1.910	1.725	1.437	0.185	0.473
2009	2.000	1.822	1.822	0.178	0.178
2010	2.000	1.060	0.794	0.940	1.206
2011	0.000	0.000	0.000	0.000	0.000
2012	0.000	0.000	0.000	0.000	0.000
Total	\$50.171	\$48.796	\$48.141	\$1.375	\$2.030

As of January 31, 2012.

Source: Department of General Services

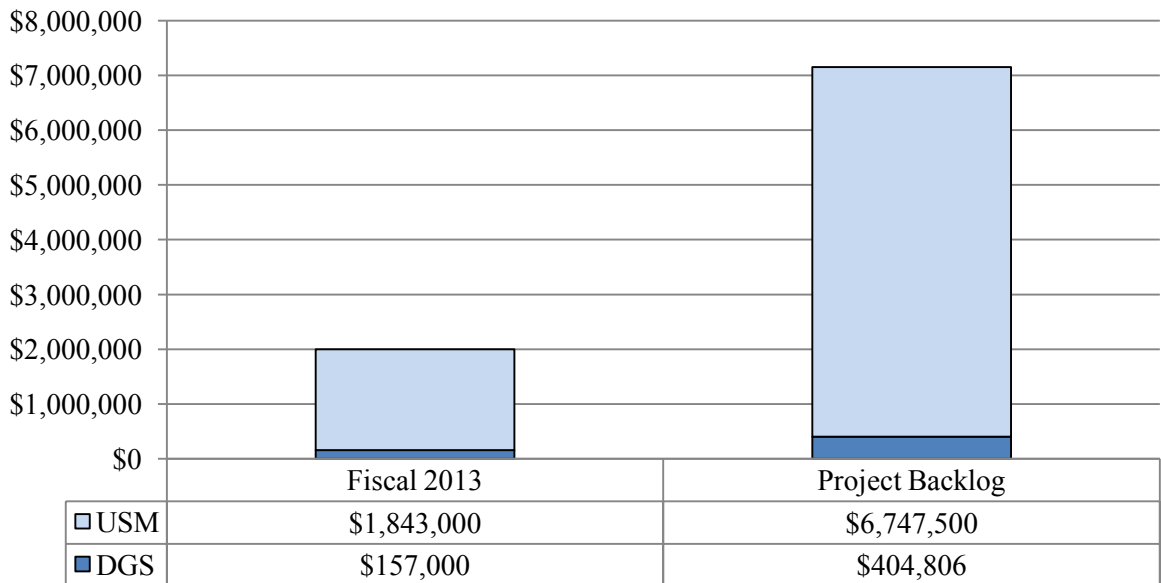
Projects that are intended to be undertaken using prior authorized and available funds are shown at the end of this analysis. Although updated information provided by DGS indicates that funding for several projects has recently been encumbered, the status of most of the rest of the projects still reflects little project management activity. A significant portion of the unencumbered funds is attributable to two projects: \$640,000 for the Department of Health and Mental Hygiene Springfield Hospital Center; and \$300,000 for the University of Maryland, College Park (UMCP)

Journalism Building. Both projects appeared on the Asbestos Abatement Program project list for funding in fiscal 2010, yet three years later, the funds authorized for these projects remain unencumbered. **DGS should discuss the estimated timetable for encumbering the funds for these and other previously authorized projects.**

2. Asbestos Abatement Projects Should Be Funded through the DGS and University System of Maryland Facility Renewal Programs

An evaluation of the Asbestos Abatement Program project list, including fiscal 2013 proposed projects and those on the project backlog, shows that most of the funding need is attributable to projects at University System of Maryland (USM) campuses. **Exhibit 2** illustrates that only \$157,000, or just 7.8%, of the fiscal 2013 funding would go toward DGS-managed facilities. For projects on the backlog, only \$404,806, or 5.6%, would benefit DGS facilities with the rest attributable to USM facilities.

**Exhibit 2
Implementation Responsibility
Fiscal 2013 Project List and Project Backlog**



DGS: Department of General Services
USM: University System of Maryland

Source: Department of General Services

Since so little funding is needed to complete DGS-managed projects, the Department of Legislative Services (DLS) recommends that the proposed fiscal 2013 funding for DGS projects be authorized through the Asbestos Abatement Program with all USM projects funded through USM resources. USM could earmark a portion of the \$27.0 million proposed for the USM Facility Maintenance Program for fiscal 2013. Or alternatively, to avoid disrupting or delaying projects already scheduled to be funded through the USM Facility Maintenance Program, USM institutions with asbestos abatement projects currently on the list to be funded in fiscal 2013 could use institutional plant funds. USM consistently uses plant funds for capital-related infrastructure development and improvements. A summary of claims and commitments against State-supported projects from RSTARS fund balances, as of June 3, 2011, reflects \$310.4 million of USM plant fund use or reserves for future capital-related expenditures. The RSTARS balances for UMCP and Towson University (TU) account for \$51.9 million and \$55.0 million, respectively. Almost all of the USM-related asbestos projects on the fiscal 2013 funding list support projects at UMCP and TU and would represent a relatively small contribution of plant funds from these institutions in fiscal 2013. In addition to recommending that USM plant funds be used in support of fiscal 2013 projects, DLS recommends that all future asbestos abatement projects scheduled for USM institutions be funded through the USM Facilities Renewal Program and all other projects at State facilities funded through the DGS Facility Renewal Program. This would eliminate the need for a separate program to address asbestos and would facilitate the funding and administration of such projects in the State agencies that benefit from the work.

Prior Authorization and Capital Improvement Program

**Authorization Request
(\$ in Millions)**

<i>Fund Source</i>	<i>2011 Approp.</i>	<i>2012 Approp.</i>	<i>2013 Request</i>	<i>2014 Estimate</i>	<i>2015 Estimate</i>	<i>2016 Estimate</i>	<i>2017 Estimate</i>
GO Bonds	\$0.000	\$0.000	\$2.000	\$2.000	\$0.000	\$0.000	\$0.000
Total	\$0.000	\$0.000	\$2.000	\$2.000	\$0.000	\$0.000	\$0.000

GO Bond Recommended Actions

1. Reduce to the level needed to fund projects managed by the Department of General Services and add intent language that University System of Maryland (USM) projects be funded from USM plant funds.

DE0201F Asbestos Abatement Program \$ 157,000

Add the following language:

Asbestos Abatement Program. Provide funds to abate asbestos in various State facilities, provided that it is the intent of the General Assembly that projects on the fiscal 2013 funding list at University System of Maryland (USM) institutions be funded from USM plant funds to ensure these projects are undertaken during fiscal 2013 (Statewide).....

Allowance
2,000,000

Change
-1,843,000

Authorization
157,000

Explanation: This action will provide \$157,000 to fund all projects on the proposed fiscal 2013 project list that are to be managed by the Department of General Services. Language expresses the intent that the remaining 14 projects requiring another \$1,843,000 in fiscal 2013 funding attributable to the University System of Maryland (USM) should be funded through USM resources.

Total General Obligation Bonds Reduction

\$1,843,000

Proposed Use of Available Funds

**Board of Public Works
General State Facilities
Asbestos Abatement Program**

<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>Amount Expended</u>	<u>Amount Encumbered</u>	<u>Project Status</u>
Baltimore	MSP – Pikesville Complex – Buildings G and J – VAT, Fire Doors, and Pipe	\$42,000		\$263,218	This amount is for the first four projects. DGS issued a notice to proceed, so no funds have been expended.
Baltimore	MSP – Pikesville Complex – Executive Building F – VAT, Ceiling Tile, Fire Doors, and Pipe	167,000			Part of above.
Baltimore	MSP – Pikesville Complex – Gym Building D – VAT, Fire Door, and Pipe	24,000			Part of above.
Baltimore	MSP – Pikesville Complex – Legal Counsel Building A – Ceiling Tile, Fire Doors, Pipe, and VAT	37,000			Part of above.
Baltimore	UMBC – Central Plant – Tank Insulation	77,508			
Carroll	DHMH – Springfield Hospital Center – Clark Circle Café and Service – TSI and VAT	150,000			In review for design.
Carroll	DHMH – Springfield Hospital – Martin Gross Buildings – TSI and VAT	640,000			In review for design.

DE0201F – BPW – General State Facilities

<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>Amount Expended</u>	<u>Amount Encumbered</u>	<u>Project Status</u>
Howard	UMCP – Central Maryland Research and Education – Clarksville – Pipe, VAT/Mastic, and Cement Board	65,000			
Prince George’s	UMCP – Energy Research and Reckord Armory – Ceiling Tile, Cement Board, VAT, and 2 Vibration Dampers	66,000			
Prince George’s	UMCP – Jimenez Hall and Woods Hall – Pipe, and Tank	62,000			
Prince George’s	UMCP – Journalism – VAT/Mastic, and Pipe	300,000			
Prince George’s	UMCP – Main Administration Building – Ceiling Tile, Pipe Insulation, and Debris-filled Damaged Plaster	98,000			
Prince George’s	UMCP – Mitchell Building and Hornbake Library – Pipe and Tank	67,000			
Prince George’s	UMCP – Tydings Hall and Math Building – Pipe, Tank, Vibration Dampers, and Cement Board	60,000			
Wicomico	UMCP – Lower Eastern Shore Research and Education – Salisbury – Pipe, VAT/Mastic, Cement Board, and Roof	96,000			
Total		\$1,951,508			

DGS: Department of General Services
 DHMH: Department and Health and Mental Hygiene
 MSP: Maryland State Police
 TSI: thermal system insulation

UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland College Park
 VAT: vinyl asbestos tile

Fiscal 2013 Proposed Projects

**Board of Public Works
General State Facilities
Asbestos Abatement Program**

<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>Prior Auth.</u>	<u>FY 2013 Amount</u>	<u>Future Request</u>	<u>Total State Share (%)</u>
Allegany	USM – Frostburg – Annapolis Hall – Fine Arts – VAT	\$25,000	–	\$25,000	–	100%
Baltimore City	DHMH – RICA – Main Building – Basement Ramps and Basement Rooms TSI 25 and 40	25,000	–	25,000	–	100%
Baltimore	DHMH – Spring Grove Hospital Center – Bland Bryant Building – VAT	50,000	–	50,000	–	100%
Baltimore	DHMH – Spring Grove Hospital Center – Employee Apartment Building – Linear Foot TSI	23,000	–	23,000	–	100%
Baltimore	USM – Towson – Cook Library – VAT and Mastic	310,000	–	310,000	–	100%
Baltimore	USM – Towson – Hawkins Hall – VAT and Mastic	110,000	–	110,000	–	100%
Baltimore	USM – Towson – Linthicum Hall – VAT and Mastic	340,000	–	340,000	–	100%
Baltimore	USM – Towson – Psychology Building – VAT and Mastic	385,000	–	385,000	–	100%
Baltimore	USM – UMBC – Math and Psychology Building – VAT	80,000	–	80,000	–	100%

DE0201F – BPW – General State Facilities

<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>Prior Auth.</u>	<u>FY 2013 Amount</u>	<u>Future Request</u>	<u>Total State Share (%)</u>
Frederick	MD School for the Deaf – Frederick Campus – Barry Apartments, Fauple Building, and Bjorlee Basement – Pipe	45,000	–	45,000	–	100%
Howard	MSP – Waterloo Barrack – Disaster Recovery IT Facility – VAT, Fire Doors, and Ceiling Tiles	14,000	–	14,000	–	100%
Howard	USM – Clarksville Agriculture and Research Center – Buildings 663 and 667 – Pipe, VAT, and Mastic, Linoleum	90,000	–	90,000	–	100%
Prince George’s	USM – College Park – Cole Student Activities Building – Pipe Mudded Joints, and Vibration Joints	110,000	–	110,000	–	100%
Prince George’s	USM – College Park – Engineering Lab Building – Waterproofing Sealant, Pipe, and Mudded Joints	52,000	–	52,000	–	100%
Prince George’s	USM – College Park – Former Students Activities Building – Joints, Duct, and Dampeners	63,000	–	63,000	–	100%
Prince George’s	USM – College Park – Taliaferro Hall and Symons Hall – Ceiling Tile, and Pipe	90,000	–	90,000	–	100%

DE0201F – BPW – General State Facilities

<u>Subdivision</u>	<u>Project Title</u>	<u>Estimated Cost</u>	<u>Prior Auth.</u>	<u>FY 2013 Amount</u>	<u>Future Request</u>	<u>Total State Share (%)</u>
Prince George's	USM – College Park – Tydings Hall – Pipe, Mudded Joint, Vibration Joint, and Cement Ducting	15,000	–	15,000	–	100%
Prince George's	USM – College Park – Wind Tunnel Building – Pipe Adhesive, Mudded Joint, Insulation, and VAT and Mastic	155,000	–	155,000	–	100%
Talbot	USM – Queenstown Agriculture Research and Education Center – Buildings 738 and 748 – Asbestos in/on Building	18,000	–	18,000	–	100%
		\$2,000,000	-	\$2,000,000	-	

DHMH: Department of Health and Mental Hygiene
IT: information technology
MSP: Maryland State Police
RICA: Regional Institutions for Children and Adolescents
TSI: thermal system insulation
UMBC: University of Maryland Baltimore County
USM: University System of Maryland
VAT: vinyl asbestos tile