

**RQ00**  
**University of Maryland Medical System**

***Capital Budget Summary***

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**State-owned *Capital Improvement Program***  
**(\$ in Millions)**

<i>Projects</i>	<i>Prior Auth.</i>	<i>2016 Request</i>	<i>2017 Est.</i>	<i>2018 Est.</i>	<i>2019 Est.</i>	<i>2020 Est.</i>	<i>Beyond CIP</i>
R. Adams Cowley Shock Trauma Center Renovation – Phase II	\$3.150	\$5.500	\$5.250	\$1.600	\$2.000	\$0.000	\$0.000
Neonatal Intensive Care Unit and Labor and Delivery Suite	20.000	3.500	3.500	3.500	0.000	0.000	0.000
<b>Total</b>	<b>\$23.150</b>	<b>\$9.000</b>	<b>\$8.750</b>	<b>\$5.100</b>	<b>\$2.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

<i>Fund Source</i>	<i>Prior Auth.</i>	<i>2016 Request</i>	<i>2017 Est.</i>	<i>2018 Est.</i>	<i>2019 Est.</i>	<i>2020 Est.</i>	<i>Beyond CIP</i>
GO Bonds	\$23.150	\$9.000	\$8.750	\$5.100	\$2.000	\$0.000	\$0.000
<b>Total</b>	<b>\$23.150</b>	<b>\$9.000</b>	<b>\$8.750</b>	<b>\$5.100</b>	<b>\$2.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

CIP: *Capital Improvement Program*  
GO: general obligation

***Summary of Issues***

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***Removal of the Ambulatory Care Center:*** Previously the University of Maryland Medical System (UMMS) has requested funding for a combined renovation of the neonatal intensive care unit and labor and delivery unit, along with plans to construct a new ambulatory care pavilion at the University of Maryland Medical Center (UMMC) Midtown campus. However, UMMS has now decided to no longer move forward with construction of the ambulatory care pavilion. **UMMS should comment on the factors that resulted in the decision to cancel the new ambulatory care pavilion.**

## ***Summary of Recommended Bond Actions***

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1. Neonatal Intensive Care Unit and Labor and Delivery Suite Renovation

Approve \$3,500,000 in general obligation bonds.

2. R. Adams Cowley Shock Trauma Center – Phase II

Approve \$5,500,000 in general obligation bonds.

## ***Budget Overview***

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The two UMMS projects proposed for funding in the fiscal 2016 budget have previously received State support. Funding in fiscal 2016 includes:

- **R. Adams Cowley Shock Trauma Center Renovation – Phase II:** \$5.5 million in funding to continue the renovation of space and 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; a 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 2019.

The total commitment from the State remains the same in the 2015 *Capital Improvement Program* (CIP) as it was in the 2014 CIP. However, the 2014 CIP programmed \$5.0 million in fiscal 2015 for this project, but the General Assembly lowered the amount to \$3.0 million in order to provide additional funding for the neonatal intensive care project. Hence, the only change in the current CIP from the prior year is the addition of \$2.0 million programmed in fiscal 2019 to fulfill the State's total commitment of \$17.5 million for this project.

- **Neonatal Intensive Care Unit and Labor and Delivery Suite:** \$3.5 million in funding for the renovation of the neonatal intensive care unit (NICU) and labor and delivery units on the UMMC University campus. This project is intended to improve patient care in the NICU and labor and delivery facilities.

The total estimated cost for this project is \$63.6 million, with a total State commitment of \$30.5 million. The General Assembly has already authorized \$20.0 million for this project in prior years, and funding is included in the current CIP at \$3.5 million for each year from fiscal 2016 through 2018. However, this project has undergone significant changes in scope and cost since fiscal 2014, including the removal of a new ambulatory care center from the total project. More on this project is provided in Issue 1.

It should be noted that UMMS is receiving funding for a third project through the Maryland Hospital Association Private Hospital Grant Program. Funding in the amount of \$750,000 would be provided to renovate the renal dialysis unit at the UMMC Midtown campus, which is where the ambulatory care center was previously scheduled to be built.

## ***Issues***

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### **1. Removal of the Ambulatory Care Center**

As stated previously, funding for the NICU and labor and delivery units was also intended to assist UMMS with funding the construction of a new ambulatory care pavilion with the intent to consolidate the University of Maryland Medical Center ambulatory services in one location. The total estimated cost for this project, including the ambulatory care pavilion as well as NICU and labor and delivery suites, was \$112.7 million, and UMMS previously indicated that it was seeking State support totaling \$50.0 million (\$10.0 million per year for fiscal 2014 through 2018) for this project. UMMS further stated that, absent this support, UMMS would not proceed with the project. While this level of funding has never been included in the annual CIP, the General Assembly added language to the fiscal 2016 and 2015 capital budget bills stating their intent to fulfill the total \$50.0 million commitment and provided for \$10.0 million in both fiscal 2014 and 2015.

However, in the current CIP, the ambulatory care pavilion has been removed from the scope of this project, lowering the total cost to \$63.7 million, which is a decrease of \$51.0 million, or 45%, in total costs to the project. Further, the current CIP indicates a total State commitment of \$30.5 million to this project, including the \$20.0 million already authorized, and \$3.5 million in each fiscal year from 2016 through 2018. This raises the total State share of funding for this project from 44% to 48%, thus proportionally increasing the State's commitment while lowering the total cost to the State for the project.

It should be noted that this is the second time that UMMS has requested and received State funding for an ambulatory care pavilion, only to later decide that they were no longer moving forward with the project. In fiscal 2009, the State spent \$12.5 million before UMMS decided to no longer move forward with an ambulatory care center, at which point a parking structure for the UMMC University campus had already been built. While most of the funding for the ambulatory care center was scheduled for later in the current combined project with the NICU and labor and delivery units, the State could have been left with funding a project, and intending to have a unified ambulatory care center, without actually getting the facility. **UMMS should comment on the factors that resulted in the decision to cancel the new ambulatory care pavilion.**

## ***GO Bond Recommended Actions***

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1. Approve \$3,500,000 in general obligation bonds for the Neonatal Intensive Care Unit and Labor and Delivery Unit.
2. Approve \$5,500,000 in general obligation bonds for R. Adams Cowley Shock Trauma Center.