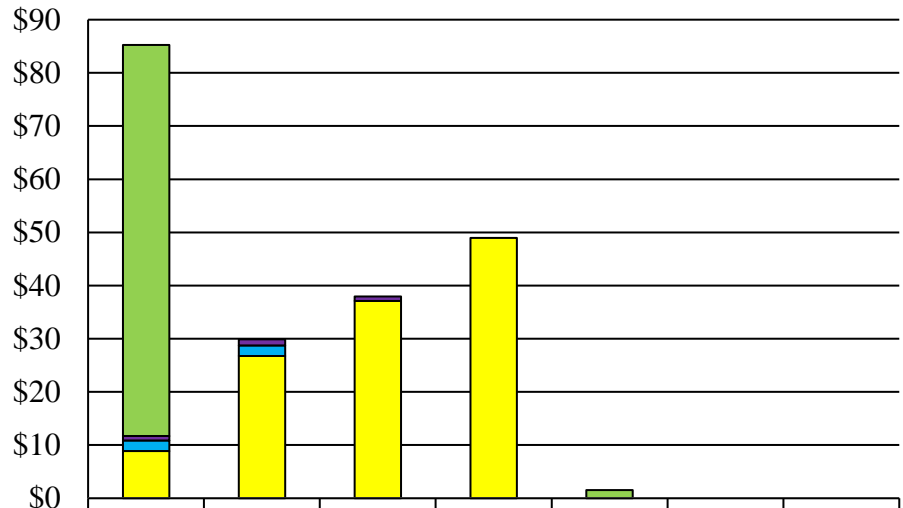


RB21
University of Maryland, Baltimore Campus – Capital
University System of Maryland

Capital Budget Summary

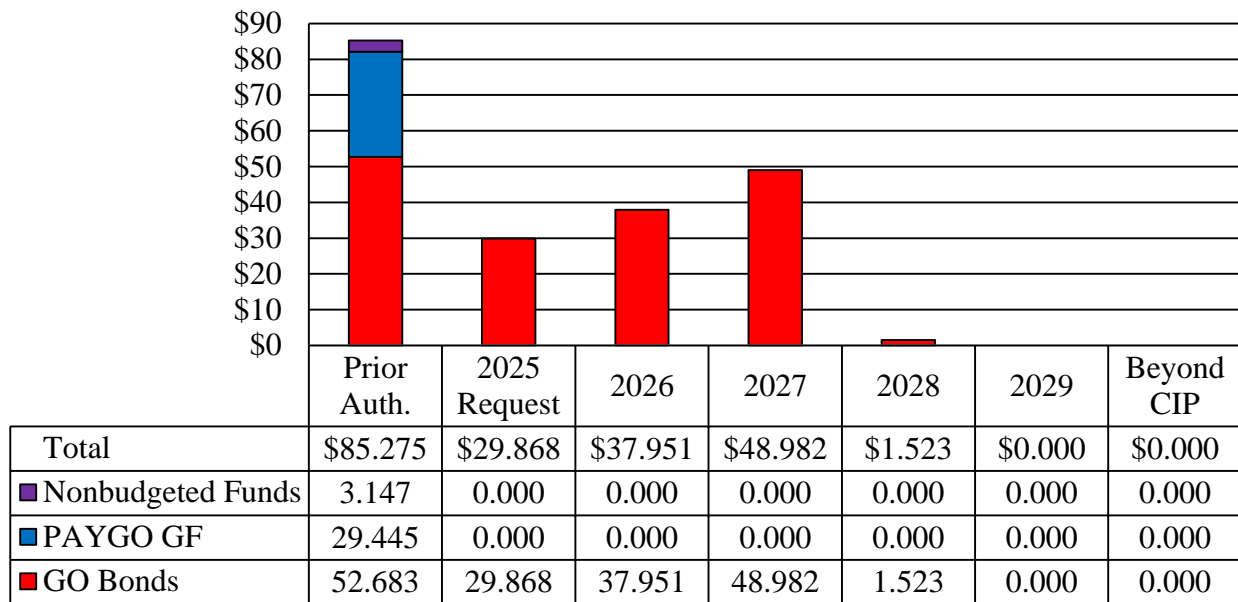
State-owned Capital Improvement Program
(\$ in Millions)



	Prior Auth.	2025 Request	2026	2027	2028	2029	Beyond CIP
Total	\$85.275	\$29.868	\$37.951	\$48.982	\$1.523	\$0.000	\$0.000
■ Central Electric Substation and Electrical Infrastructure	73.567	0.000	0.000	0.000	1.523	0.000	0.000
■ New Dental Ambulatory Surgery Center	0.847	1.138	0.862	0.000	0.000	0.000	0.000
■ New Institute for Health Computing	2.000	2.000	0.000	0.000	0.000	0.000	0.000
■ New School of Social Work Building	8.861	26.730	37.089	48.982	0.000	0.000	0.000

CIP: *Capital Improvement Program*

RB21 – USM – University of Maryland, Baltimore Campus – Capital



CIP: *Capital Improvement Program*
 GF: general funds

GO: general obligation
 PAYGO: pay-as-you-go

Key Observations

- University of Maryland – Institute for Health Computing (UM-IHC) Building:*** During the 2023 session, the General Assembly added a \$2.0 million general fund capital appropriation and a \$2.0 million general obligation (GO) bond preauthorization for fiscal 2025 in the capital budget bill. As introduced, SB 361 includes the preauthorized funds that, if approved, would increase State funding for the project to \$4.0 million, despite the absence of a part I and part II program plan, which are prerequisite requirements in order to utilize the funds. While the 2024 session *Capital Improvement Program (CIP)* reflects the prior authorized and proposed State funds, it does not reflect future State participation in the project because the required programming for the project has not been submitted to the Department of Budget and Management (DBM).
- Central Electric Substation and Electrical Infrastructure:*** This is a multi-year, multiphased project to construct new electric substations, replace the existing Greene Street substation, and upgrade the existing electrical infrastructure servicing the campus. As programmed in the 2024 CIP, funding for the project is paused from fiscal 2025 through 2027 due to delays in receiving Developer’s Agreements from Baltimore City and challenges integrating the technology being put in place to manage the new grid being developed by the project. This has led to substantial delays in the completion of later bid packages, thereby moving the estimated construction completion to December 2027.

PAYGO Recommended Actions

1. Add the following language to the general fund appropriation:

DEPARTMENT OF GENERAL SERVICES
FY 2024 Deficiency Appropriation
H00H01.03 Capital Appropriation

General Fund Appropriation...\$2,000,000

To become available immediately upon passage of this budget to reduce the appropriation for fiscal 2024 for the University of Maryland – Institute for Health Computing.

Explanation: Delete fiscal 2024 grant funds for the New Institute for Health Computing. The State’s fiscal 2024 Capital Improvement Program does not schedule State funding for this project and has yet to receive and approve a program plan from the University of Maryland, Baltimore Campus, which is a prerequisite requirement for the funds to be used to support design or construction contracts. These funds will expire as required by Section 7-305 of the State Finance and Procurement Article on July 1, 2025.

Amount
Reduction

2. Delete fiscal 2024 grant funds for the New Institute for Health Computing. The State’s fiscal 2024 Capital Improvement Program does not schedule State funding for this project and has yet to receive and approve program plan from the University of Maryland, Baltimore Campus, which is a prerequisite requirement for the funds to be used to support design or construction contracts. These funds will expire as required by Section 7-305 of the State Finance and Procurement Article on July 1, 2025. -\$ 2,000,000 GF

GO Bond Recommended Actions

1. Delete funds for the New Institute for Health Computing

RB21B New Institute for Health Computing \$ 0

<u>Allowance</u>	<u>Change</u>	<u>Authorization</u>
2,000,000	-2,000,000	0

Explanation: Delete funds for the New Institute for Health Computing.

Total General Obligation Bonds Reductions/Additions \$2,000,000

Summary of Fiscal 2025 Funded State-owned Projects

New School of Social Work Building

Project Summary: This project will construct a new School of Social Work building. Originally, this project was intended to renovate the School of Social Work East and West buildings that were constructed in 1932 and 1983, respectively, and construct an addition. However, based on a facility condition assessment, it was determined that that renovation of the current facilities would not be cost effective and that new construction was necessary. In addition, the adjacent land lacks sufficient space to accommodate the construction of an addition.

New/Ongoing: Ongoing								
Start Date: March 2023					Est. Completion Date: Summer 2027			
Fund Sources:								
(\$ in Millions)	Prior Auth.	2025	2026	2027	2028	2029	Beyond CIP	Total
GO Bonds	\$8.861	\$26.730	\$37.089	\$48.982	\$0.000	\$0.000	\$0.000	\$121.662
Total	\$8.861	\$26.730	\$37.089	\$48.982	\$0.000	\$0.000	\$0.000	\$121.662
Fund Uses:								
(\$ in Millions)	Prior Auth.	2025	2026	2027	2028	2029	Beyond CIP	Total
Planning	\$8.861	\$2.762	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$11.623
Construction	0.000	23.968	37.089	41.665	0.000	0.000	0.000	102.722
Equipment	0.000	0.000	0.000	7.317	0.000	0.000	0.000	7.317
Total	\$8.861	\$26.730	\$37.089	\$48.982	\$0.000	\$0.000	\$0.000	\$121.662

- **Need:** The current facility and remote off-campus leased space is insufficient to accommodate the growth of the school. Between calendar 2006 and 2023, faculty increased from 74 full-time equivalent (FTE) positions to 246 FTEs. However, the number of staff declined from 163 FTEs to 143 FTEs. The Child Welfare Academy cannot hire additional staff due to the lack of space. Between fiscal 2014 and 2018, enrollment grew by 12.9% to its highest level of 1,162.6 full-time equivalent students (FTES). Enrollment fell to 864.8 FTES by fiscal 2023, reflecting a national trend of decreased enrollment in social work.

The Field Education Department is housed in another building, and the school also leases 14,390 square feet of off-campus space. The project will also address the functionally inadequate space of the current buildings, which is not conducive to collaborative faculty research. There has been no significant renovation to the buildings, resulting in \$28.7 million in deferred maintenance. Mechanical and electrical systems have exceeded their useful lives and are functionally inadequate, and neither building complies with life safety and accessibility requirements.

- **Project Status and Schedule:** The total cost of the project (\$121.7 million) remains unchanged from what was programmed in the 2023 CIP. The capital budget includes two preauthorizations – \$37.1 million for fiscal 2026 and \$41.7 million for fiscal 2027 – to complete the construction funding for the projects.
- **Changes:** The fiscal 2025 budget reflects an accelerated project with the inclusion of an additional \$12.0 million for construction above what was programmed in the 2023 CIP. This will allow the project to be completed by summer 2027 so that the building will be ready for the fall 2027 semester.
- **Other Comments:** In April 2023, the University of Maryland, Baltimore Campus (UMB) executed a letter of intent to sell the property to the University of Maryland Medical System (UMMS). UMB’s deferred maintenance backlog totals \$630.5 million. Overall, this project will reduce the backlog by \$112.8 million.

New Institute for Health Computing

Project Summary: This project would construct a new academic research center at the North Bethesda metro station for UM-IHC, which is a partnership between UMB, the University of Maryland, College Park (UMCP), UMMS, and Montgomery County. UM-IHC will use computational expertise and biomedical research, including artificial intelligence (AI), bioinformatics, and virtual and augmented reality to address health care and public health issues.

RB21 – USM – University of Maryland, Baltimore Campus – Capital

New/Ongoing: New								
Start Date: n/a					Est. Completion Date: n/a			
Fund Sources:								
(\$ in Millions)	Prior Auth.	2025	2026	2027	2028	2029	Beyond CIP	Total
GO Bonds	\$0.000	\$2.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$2.000
GF	2.000	0.000	0.000	0.000	0.000	0.000	0.000	2.000
Total	\$2.000	\$2.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$4.000
Fund Uses:								
(\$ in Millions)	Prior Auth.	2025	2026	2027	2028	2029	Beyond CIP	Total
Planning	\$2.000	\$2.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$4.000
Total	\$2.000	\$2.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$4.000

- **Need:** UM-IHC was established by MPowering (a strategic alliance between UMB and UMCP) in calendar 2022 in partnership with UMMS, collaborators at the Universities at Shady Grove, and the University of Maryland Baltimore County. UM-IHC will use AI, virtual reality, and other emerging technologies to improve health care in the State. By leveraging advances in AI and computing, UM-IHC will evaluate deidentified and secure digitized medical health data to diagnose, prevent, and treat diseases in patients.

The location in North Bethesda will allow UM-IHC to tap into industry and federal partners, including the National Institutes of Health, the National Institute of Standards and Technology, the Food and Drug Administration, the Walter Reed National Military Medical Center, and the Naval Medical Research Center.

- **Concerns:** During the 2023 session, the General Assembly added \$2.0 million in general funds for this project. It should be noted that, according to State Finance and Procurement Article §7-305, general funds appropriated for capital expenditures in the State operating budget are reverted to the General Fund after two years if no funds have not been encumbered for the project. The General Assembly also added a preauthorization of \$2.0 million for fiscal 2025 to the fiscal 2024 capital budget. The project was subsequently added to the 2024 CIP. However, only the \$4.0 million authorized by the General Assembly is programmed in the CIP, with no funding programmed in the out-years for the design, construction, and equipping of a facility.

Currently, a part I and part II program plan for the project has not been submitted to DBM for review and approval, which is a prerequisite for the Board of Public Works to approve any contracts utilizing State appropriated capital funds. According to UMB, those involved with UM-IHC are in discussions regarding the long-term needs of UM-IHC, including requirements for a new facility. UMB anticipates developing a program plan by the end of fiscal 2025.

Since the project is in the early stages with leadership in discussions of how a facility will best meet the needs of UM-IHC, the timeframe for developing a program plan may be

optimistic. With the project still very much in the early preplanning stage, UMB is unlikely to need initial design funds for the project until fiscal 2027 or perhaps later. Regardless, the project is not currently programmed to receive additional State funds beyond the \$2.0 million already appropriated and the additional \$2.0 million proposed for fiscal 2025; therefore, the timing and amount of State support is indeterminate at this time. As such, the Department of Legislative Services recommends a negative deficiency, deleting the \$2.0 million in general funds appropriated in fiscal 2024 as a grant through the Department of General Services, and deleting the \$2.0 million of GO bond funding proposed for fiscal 2025.

- Other Comments:** The University System of Maryland Board of Regents approved execution a sublease agreement for approximately 27,491 rentable square feet of office space in Rockville for UM-IHC at its September 2023 meeting. The space is turnkey, allowing UM-IHC to immediately begin operations within the existing office configuration with the right to use the existing furniture and fixtures. There will be some costs for onsite improvements to computing and data facilities. The lease period is from October 2023 through December 2034, with provisions for early termination by UM-IHC.

New Dental Ambulatory Surgery Center

Project Summary: This project will renovate approximately 3,500 square feet of an existing office suite into operating rooms, pre-operating rooms, recovery rooms, and support spaces for a new dental ambulatory surgery center.

New/Ongoing: Ongoing								
Start Date: Design March 2024					Est. Completion Date: January 2026			
Fund Sources:								
(\$ in Millions)	Prior Auth.	2025	2026	2027	2028	2029	Beyond CIP	Total
GO Bonds	\$0.700	\$1.138	\$0.862	\$0.000	\$0.000	\$0.000	\$0.000	\$2.700
Nonbudgeted	0.147	0.000	0.000	0.000	0.000	0.000	0.000	0.147
Total	\$0.847	\$1.138	\$0.862	\$0.000	\$0.000	\$0.000	\$0.000	\$2.847
Fund Uses:								
(\$ in Millions)	Prior Auth.	2025	2026	2027	2028	2029	Beyond CIP	Total
Planning	\$0.147	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.147
Construction	0.000	0.863	0.862	0.000	0.000	0.000	0.000	1.725
Equipment	0.700	0.275	0.000	0.000	0.000	0.000	0.000	0.975
Total	\$0.847	\$1.138	\$0.862	\$0.000	\$0.000	\$0.000	\$0.000	\$2.847

- **Need:** Access to operating rooms for dental care for patients who are compromised due to age, behavior/cognitive impairment, complexity of care, and/or compromising medical conditions has become a growing problem not only across the country but in Maryland as well. The availability of hospital operating rooms for dental procedures is limited, with the wait time to get an appointment for oral treatment in a hospital operating room being about one year. At UMB, the wait time for children is about 3 months, with a wait list of 30 to 40 patients; for adults, the wait time is 9 to 12 months, with 50 to 100 patients on the waiting list. Due to the lack of an ambulatory surgery clinic, the School of Dentistry must use the operating rooms at UMMS. The creation of an ambulatory surgery center will help to alleviate these issues. This project will renovate approximately 3,500 square feet of office space into operating rooms, pre-operating rooms, recovery rooms, and support spaces.

It is expected that the center will reduce wait times by 20% for children and 30% for adults. The center will also partner with community dentists who are unable to obtain a hospital operating room time to provide access to dental care under general anesthesia.

- **Changes:** The General Assembly added a \$0.7 million authorization to the fiscal 2024 capital budget for this project and a \$2.0 million preauthorization for fiscal 2025. The budget provides \$1.1 million for fiscal 2025 and preauthorizes \$0.9 million for fiscal 2026, which aligns with the project schedule.
- **Other Comments:** This is part of a larger (\$29.5 million) renovation project to the School of Dentistry building that will be funded by UMB with institutional funds. It will include renovation of clinic and simulation training suites used for education and patient care. Replacing the existing equipment in the 320 clinical stations that have reached the end of their useful life accounts for approximately \$13 million of the total cost. There will also be modifications to improve building circulation and address ongoing security concerns.

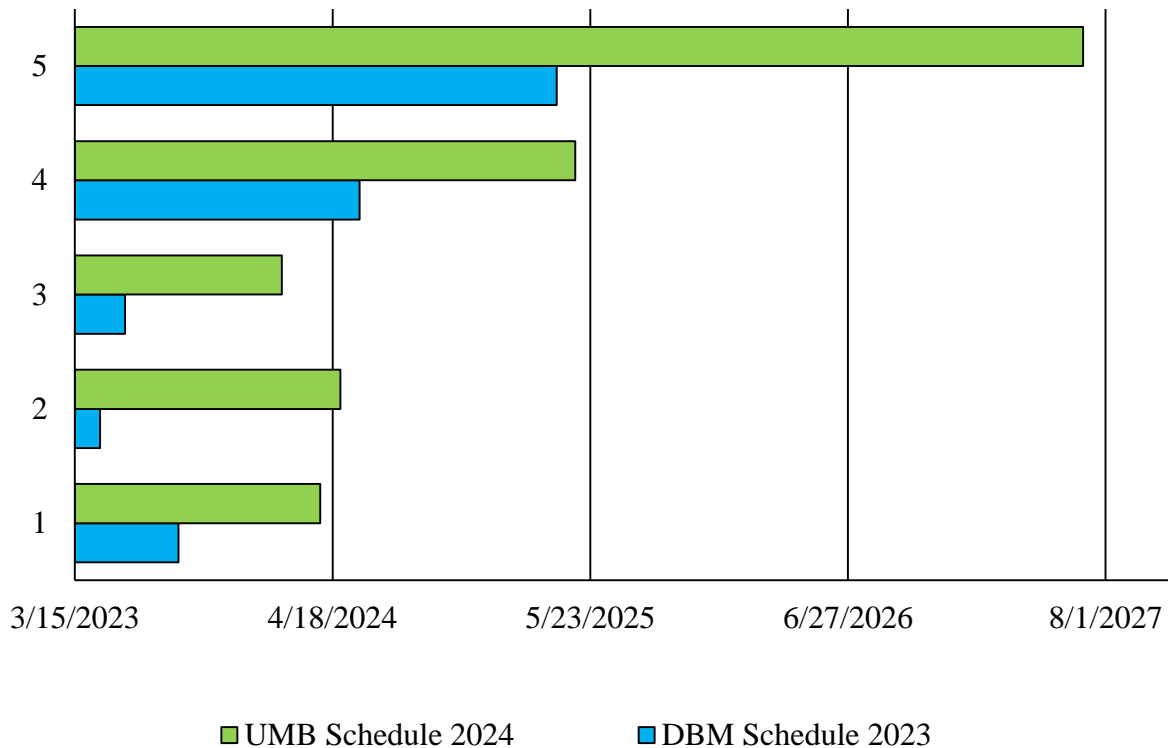
Summary of Out-year State-owned Projects

- **Central Electric Substation and Electrical Infrastructure:** This is a multi-year, multiphased project to construct new electric substations at the north and south end of campus, replace the existing Greene Street substation, and upgrade the existing electrical infrastructure servicing campus. The two new substations will be fed from two different Baltimore Gas and Electric sources, providing redundancy for the campus. The project addresses the end of the useful life of the Greene Street substation, which also does not meet current code; the failing Baltimore City duct bank to Greene Street substation; the failing cables in the duct banks; increasing electrical demand; and lack of electrical redundancy.

The 2024 CIP pauses the project in fiscal 2025 through 2027. According to UMB, the project has been slowed due to delays in receiving Developer's Agreements from

Baltimore City. In addition, the project’s engineers have recommended a series of modifications to the scope, and there have been challenges integrating the technology being put in place to manage the new grid being developed by the project. As shown in **Exhibit 1**, these factors have resulted in substantial delays in the completion of later bid packages, thereby moving the estimated construction completion to December 2027.

Exhibit 1
Comparison of Bid Packages Completion Dates
Fiscal 2023 and 2024



DBM: Department of Budget and Management

Source: Department of Budget and Management; University of Maryland, Baltimore Campus

The 2024 CIP programs \$1.5 million to complete construction in fiscal 2028. It should be noted that prior year authorizations total \$73.6 million. The total cost of the program has decreased by \$7.9 million, from \$83.0 million in the 2023 CIP to \$75.1 million in the 2024 CIP. UMB states that the bid packages have been coming in lower than the original estimates, thereby providing a cash balance to fund construction in the intervening years.

Appendix 1
Executive’s Operating Budget Impact Statement – State-owned Projects
Fiscal 2025-2029
(\$ in Millions)

	2025	2026	2027	2028	2029
New School of Social Work Building					
Estimated Operating Cost	\$0.000	\$0.000	\$0.000	\$0.642	\$0.613
Estimated Staffing	0.0	0.0	0.0	5.8	5.8

The new School of Social Work building impacts the operating budget in fiscal 2028 and reflects the additional personnel to maintain the facility and other expenses related to operating the facility, such as fuel, utilities, supplies, and equipment.