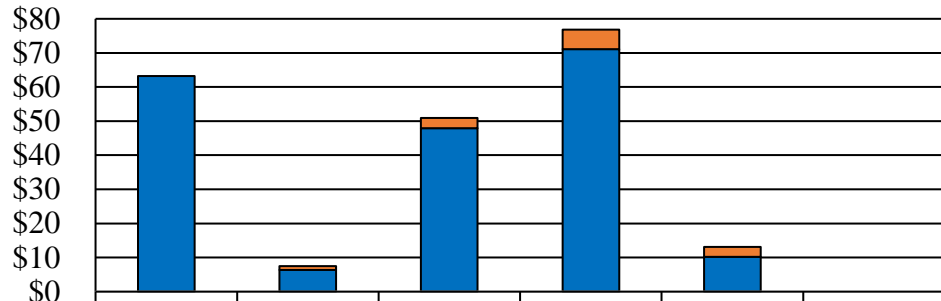


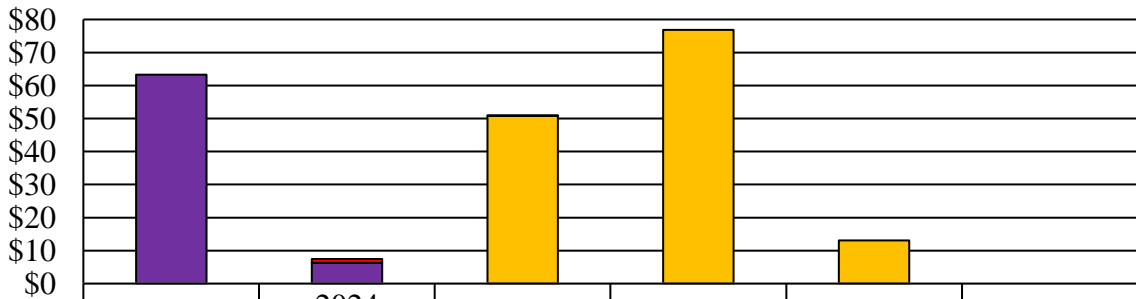
D55P
Department of Veterans Affairs – Capital

Capital Budget Summary

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



	Prior Auth.	2024 Request	2025	2026	2027	2028
Total	\$63.3	\$7.4	\$50.9	\$76.9	\$13.1	\$0.0
Garrison Forest Veterans Cemetery Expansion and Improvements Phase VI	0.0	1.1	3.0	5.7	2.9	0.0
New State Veterans Home	63.3	6.3	47.9	71.1	10.2	0.0



	Prior Auth.	2024 Request	2025	2026	2027	2028
Total	\$63.3	\$7.4	\$50.9	\$76.9	\$13.1	\$0.0
GO Bonds	0.0	1.1	0.2	0.0	0.0	0.0
PAYGO FF	0.0	0.0	50.8	76.9	13.1	0.0
PAYGO GF	63.3	6.3	0.0	0.0	0.0	0.0

GO: general obligation
FF: federal funds

GF: general funds
PAYGO: pay-as-you-go

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Key Observations

- ***Garrison Forest Cemetery Is Reaching Capacity:*** Garrison Forest Cemetery requires an expansion of burial plots as it is expected to exhaust all available plots by fiscal 2028. This expansion project will add a minimum of 10 years of capacity to the cemetery based on the assumption that it continues to average 1,150 burials annually.
- ***New State Veterans Home Acceleration:*** The fiscal 2024 allowance includes additional State funds to match anticipated federal funds allowed for escalation. The current authorization will allow the State to request up to the maximum allowable cost increase of 10% from the U.S. Department of Veterans Affairs (USDVA). The Department of Budget and Management (DBM) notes that this could result in the potential addition of \$11.8 million in federal funds to support the new Veterans Home project.

PAYGO Recommended Actions

1. Concur with the Governor’s Allowance.

GO Bond Recommended Actions

1. Approve the \$1,100,000 in general obligation bonds and \$6,300,000 in pay-as-you-go general funds for the Garrison Forest Expansion and New State Veterans Home projects, respectively.

Summary of Fiscal 2024 Funded State-owned Projects

Of the two projects programmed into the 2023 *Capital Improvement Program* (CIP), one is ongoing, having received prior State funding – the New State Veterans Home. One project, not previously programmed for funding, appears in the CIP – the Garrison Forest Veterans Cemetery Expansion and Improvements (Phase VI). While other phases of the Garrison Forest Veterans Home project have received funding in past CIPs, Phase VI receives its first allocation of funding in fiscal 2024. The following summaries outline the programmed level of funding in the CIP and supporting information for each project.

Garrison Forest Veterans Cemetery Expansion and Improvements Phase VI

Project Summary: This project will add 6,500 burial crypts and 3,500 columbarium wall niches. Site improvements will include roadway and employee parking expansions, as well as enhancements to improve the existing irrigation system and draining for stormwater mitigation.

New/Ongoing: New								
Start Date: July 2023				Est. Completion Date: January 2027				
Fund Sources:								
(\$ in Millions)	Prior Auth.	2024	2025	2026	2027	2028	Beyond CIP	Total
GO Bonds	\$0.000	\$1.111	\$0.162	\$0.000	\$0.000	\$0.000	\$0.000	\$1.273
FF	0.000	0.000	2.882	5.719	2.859	0.000	0.000	11.460
Total	\$0.000	\$1.111	\$3.044	\$5.719	\$2.859	\$0.000	\$0.000	\$12.733
Fund Uses:								
(\$ in Millions)	Prior Auth.	2024	2025	2026	2027	2028	Beyond CIP	Total
Planning	\$0.000	\$1.111	\$0.185	\$0.000	\$0.000	\$0.000	\$0.000	\$1.296
Construction	0.000	0.000	2.859	5.719	2.859	0.000	0.000	11.437
Total	\$0.000	\$1.111	\$3.044	\$5.719	\$2.859	\$0.000	\$0.000	\$12.733

- Need:** The Maryland Department of Veterans Affairs (MDVA) operates a Cemetery Program encompassing five veterans cemeteries. These cemeteries allow for the burial of veterans of the United States Armed Forces, those who served in the National Guard and Reserves, and their eligible dependents. Garrison Forest Veterans Cemetery in Owings Mills sees the largest amount of traffic, with 1,150 burials each year since fiscal 2018. It is believed to be the second most active State veterans cemetery in the nation. Burial capacity projections estimate that space will be exhausted by fiscal 2028. MDVA and DBM estimate that this expansion will add a minimum of 10 years of capacity to Garrison Forest Veterans Cemetery. General obligation bonds provided for the design of this project will be reimbursed through the Veterans Cemetery Grants Program and construction will be entirely federally funded.

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- **Project Status and Schedule:** The fiscal 2024 budget includes funding to begin design. Design is estimated to end September 2024, with bidding in October 2024 and construction beginning January 2025. Current estimates have the project reaching completion in January 2027. The current timeline of deliverables includes design beginning in July 2023 and continuing for 14 months to an estimated close of September 2024. The estimated bidding date will be October 2024, with the beginning of construction in January 2025. Construction is expected to last 2 years and end in January 2027.
- **Changes:** The fiscal 2024 recommendation of \$1,111,000 is \$543,000 less than the planned amount as the Phase VI expansion does not include development of property on the Rosewood Campus currently under control of the Maryland Department of Health but intended to be transferred to MDVA for future Garrison Forest expansion.
- **Other Comments:** Project expenses are fully supported by USDVA. Planning costs initially funded by the State are reimbursable by USDVA following award of the construction contract by the State. It is expected that 1 full-time equivalent (FTE) position will be needed starting in fiscal 2027 to account for the care of additional gravesites. The impact of this project to the operating budget is expected to cost approximately \$73,000 in fiscal 2027 and \$151,000 in fiscal 2028.

New State Veterans Home

Project Summary: This new home will be a 128-bed skilled nursing facility in Sykesville, Maryland, and will be more centrally located to greater populations of Maryland’s veterans and closer to health facilities, including the Veterans Administration (VA) Medical Center in Baltimore.

New/Ongoing: Ongoing								
Start Date: December 2022					Est. Completion Date: February 2027			
Fund Sources:								
(\$ in Millions)	Prior Auth.	2024	2025	2026	2027	2028	Beyond CIP	Total
GF	\$63.261	\$6.326	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$69.587
FF	0.000	0.000	47.881	71.135	10.216	0.000	0.000	129.232
Total	\$63.261	\$6.326	\$47.881	\$71.135	\$10.216	\$0.000	\$0.000	\$198.819
Fund Uses:								
(\$ in Millions)	Prior Auth.	2024	2025	2026	2027	2028	Beyond CIP	Total
Planning	\$16.024	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$16.024
Construction	47.237	6.326	46.351	61.380	10.216	0.000	0.000	171.510
Equipment	0.000	0.000	1.530	9.755	0.000	0.000	0.000	11.285
Total	\$63.261	\$6.326	\$47.881	\$71.135	\$10.216	\$0.000	\$0.000	\$198.819

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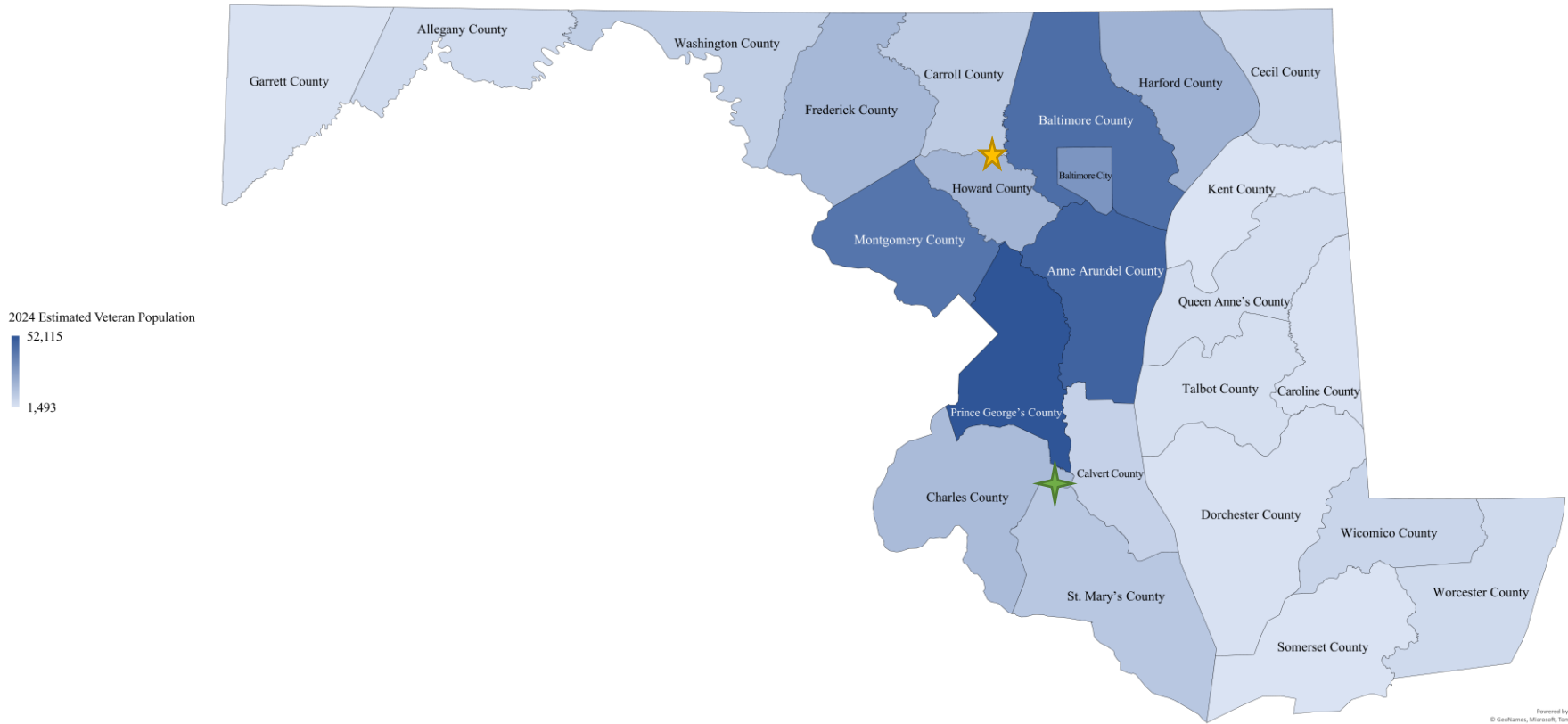
- **Need:** The new Veterans Home will provide additional bed space for Maryland’s aging veteran population at a more centrally located facility.
- **Changes:** The fiscal 2024 budget includes additional State funds to match anticipated federal funds to allow for escalation.
- **Other Comments:** This project is eligible for a USDVA State Home Construction Grant, a federal program that shares the cost of new veterans homes with states. The project will be funded 65% with federal funds and 35% with general funds from the Dedicated Purpose Account (DPA).
- **Operating Impact:** It is expected that 5 FTE positions will be needed starting in fiscal 2026 to be able to begin providing contractual services at the Sykesville home. The cost for operations is expected to total \$901,504 in fiscal 2026 before growing to over \$20 million in fiscal 2027 and 2028 as residents are added to the home. The current Charlotte Hall Veterans Home (CHVH) director will oversee both homes with no additional PIN being allocated for that position.

Initially funded in fiscal 2023 with \$63.3 million of general funds budgeted in the DPA, the new home will provide a 128-skilled nursing facility in Sykesville. Currently, the only State veterans home is CHVH in St. Mary’s County. CHVH has a licensed capacity of 444 beds, and, prior to the pandemic, it saw roughly 400 of those beds filled. In recent years, however, it has been operating at roughly 65% capacity due to fatalities during the pandemic and an inability to increase residency rates in the years following. CHVH was built when nursing homes looked like hospitals, including long hallways and double-occupancy rooms. It is also located in Southern Maryland, placing it hours away from the center of the State. **Exhibit 1** shows the estimated veteran population in Maryland in calendar 2024. The new veterans home will be located in southern Carroll County, close to the DC and Baltimore metropolitan areas where the map shows the majority of Maryland’s veterans reside.

The primary need for the new veterans home is twofold: it will be more centrally located to the majority of veterans, their dependents, and their other health care facilities; and it will provide care that aligns with modern best-practices, including building layout, space, and amenities. The new home will be located closer to health care facilities (including the VA Medical Center), and more accessible to the broader population of veterans living in the State. This project is eligible for a federal grant to fund 65% of total expenditures with the remaining State funds (35%) being budgeted within the DPA.

The new home will use the USDVA’s “Small House Concept” that allows for smaller homes with private baths and a neighborhood design that allows for 1 to 16 beds per neighborhood and 60 to 140 beds per facility. This concept will allow MDVA to establish a veterans home that has a less institutional living environment, providing a resident-centered focus to the design process.

Exhibit 1 Estimated Veteran Population Calendar 2024



Note: The green star represents Charlotte Hall Veteran Home; the gold star represents Sykesville Veteran Home.

Source: VetPop Data

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Maryland is currently allotted 1,100 veteran facility beds based on the veteran population of the State. Due to the USDVA's Small Home Concept leading the design and construction of any future veterans homes in the State, only 128 beds will be allotted to the Sykesville facility, with another 444 currently being utilized at CHVH. This will leave an allotment balance of 528 beds. **MDVA should comment on whether there are plans for additional veterans homes to utilize the federal allotment of veterans homes slots.**

The current timeline includes the Department of General Services awarding the architecture and engineering design contract on February 15, 2023. By April 15, 2023, it is expected that USDVA will then make funding offers based on their priority list. The Department of Legislative Services has some concerns as to whether the current project schedule will meet various USDVA deadlines and what impact that might have on the forthcoming funding offer from USDVA. For instance, while the design contract has yet to be awarded, USDVA requires that by July 15, 2023, the State will have completed all environmental surveys and assessments and be 35% through design deliverables. Moreover, the design schedule indicates a 16-month design through July 2024, yet the USDVA timeline requires Maryland submit 100% design deliverables by the end of January 2024. **MDVA should be prepared to brief the committees concerning the capacity to meet USDVA project deliverables within the established timeframes, and if behind schedule what ramifications this might have on receiving final USDVA funding award.**