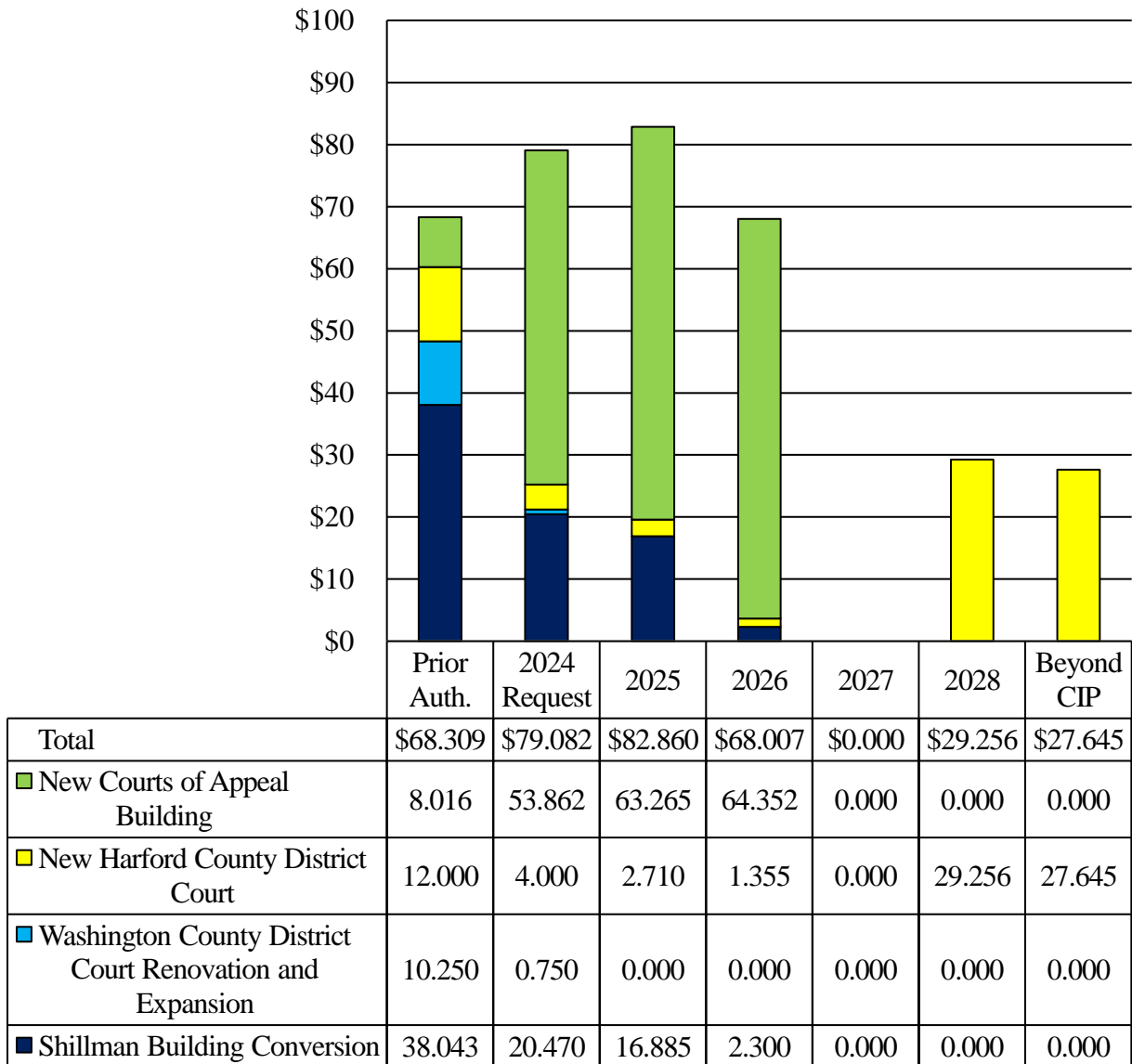


**DE0211
Judiciary – Capital**

Capital Budget Summary

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



CIP: *Capital Improvement Program*

Note: All funds programmed in the 2023 CIP are with general obligation bond funds.

For further information contact: Jacob L. Pollicove

Jacob.Pollicove@mlis.state.md.us

Key Observations

- ***Delays Impact Project Schedules for Washington County and Shillman Projects:*** Multiple delays have impacted the project schedule and cost for the Washington County District Court Renovation and Expansion project and the Shillman Building Conversion project in Baltimore City. **The Judiciary should comment on what has caused delays in both projects and whether or not more delays are expected. The Judiciary should also comment on the status of the events that have previously caused delays and if the problems resulting from these events have been fully resolved.**
- ***New Courts of Appeal Building Design Cost:*** The design of the new Courts of Appeal building is close to completion, and construction is expected to commence midway through fiscal 2024. The project cost estimate should be updated prior to the legislature’s final decisions on the fiscal 2024 capital budget. **The Judiciary should comment on when the final cost for design of the Courts of Appeal Building will be available.**

GO Bond Recommended Actions

1. Approve all authorizations and preauthorizations for the Judiciary.

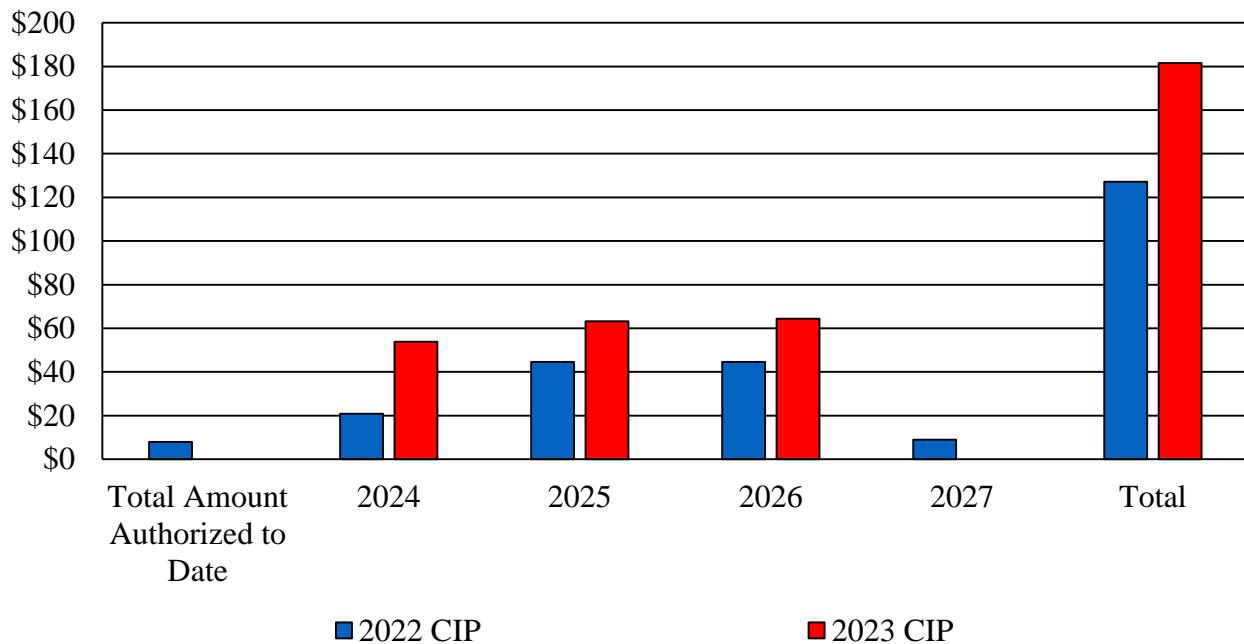
Summary of Fiscal 2024 Funded State-owned Projects

New Courts of Appeal Building

Project Summary: This new building will house the Supreme Court of Maryland, the Appellate Court of Maryland, the Thurgood Marshall State Law Library, and other Judiciary units. It is replacing a facility constructed in 1972 that has functionally obsolete mechanical systems, structural issues, and insufficient space for the current needs of the units housed in the facility. Additionally, the current building does not meet Americans with Disabilities Act (ADA) requirements and does not have an effective layout for security.

The projected cost for the new Courts of Appeal facility has increased by more than \$60 million in the 2023 *Capital Improvement Program* (CIP) over the 2022 CIP estimate. Notably, the amount for fiscal 2024 more than doubled, increasing from \$21 million to \$54 million. A full breakdown of the changes between the 2022 CIP and the 2023 CIP may be found in **Exhibit 1**.

Exhibit 1
Differences between 2022 and 2023 CIPs
(\$ in Millions)



CIP: *Capital Improvement Program*

Source: Department of Budget and Management; Department of Legislative Services

DE0211 – Judiciary – Capital

- ***Project Status and Schedule:*** Project design is expected to be completed in June 2023 with construction commencing in November 2023. Construction is slated to take 30 months, with completion in May 2026.
- ***Changes:*** This project has changed in several ways over the past year. The first change is that the project is now projected to need funding through fiscal 2026 instead of fiscal 2027. This accelerated timeline is accompanied by a significant increase in costs. The total cost of the project increased from \$127.1 million in last year’s estimate to \$189.5 million in this year’s estimate. The slightly accelerated schedule and higher estimated cost increased the amount needed for fiscal 2024 by over \$30 million more than what was programmed in last year’s CIP.
- ***Concerns:*** The estimate upon which the project budget has been set is based on the schematic design drawings. With the design effort scheduled to conclude in June 2023, a more reliable 50% construction document estimate should be forthcoming. Since construction is expected to commence in fiscal 2024, it is important, especially given the magnitude of the project, that the most up-to-date design estimate is factored into the legislature’s funding decisions. This will help to mitigate any potential delays that might result from a shortfall of funding, which could further increase costs. It is unlikely that a funding shortfall of more than \$5 million could be addressed through an allocation from the Construction Contingency Fund, so correctly establishing the budget is imperative. **The Judiciary should comment on when a 50% design estimate will be made available. Additionally, the Judiciary should comment on whether the established budget is sufficient and on any value engineering efforts which have so far been made in this project.**

New Harford County District Court

Project Summary: This project involves the construction of a new courthouse in Bel Air for the District Court of Maryland for Harford County. The project includes onsite parking, access roads, and site improvements in addition to construction of the facility.

New/Ongoing: Ongoing								
Start Date: December 2024					Est. Completion Date: July 2029			
Fund Sources:								
(\$ in Millions)	Prior Auth.	2024	2025	2026	2027	2028	Beyond CIP	Total
GO Bonds	\$0.000	\$4.000	\$2.710	\$1.355	\$0.000	\$29.256	\$0.000	\$37.321
GF	12.000	0.000	0.000	0.000	0.000	0.000	0.000	12.000
Total	\$12.000	\$4.000	\$2.710	\$1.355	\$0.000	\$29.256	\$0.000	\$49.321
Fund Uses:								
(\$ in Millions)	Prior Auth.	2024	2025	2026	2027	2028	Beyond CIP	Total
Acquisition	\$12.000	\$4.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Planning	0.000	0.000	2.710	1.355	0.000	1.110	0.000	0.000
Construction	0.000	0.000	0.000	0.000	0.000	27.646	0.000	0.000
Equipment	0.000	0.000	0.000	0.000	0.000	0.500	0.000	0.000
Total	\$12.000	\$4.000	\$2.710	\$1.355	\$0.000	\$29.256	\$0.000	\$49.321

Need: The existing court facility cannot accommodate space for a number of court functions. These include courtroom vestibules, attorney conference rooms, an adequate number of detention cells, a police liaison office, an advocate services office, an Alternate Dispute Resolution Coordinator room, conference rooms, a domestic violence room, a public records room, and support offices among others. While the Judiciary does not expect any additional need for courtrooms in the near future, the project scope will include spaces within the building with adequate ceiling height to build an additional two courtrooms as needed to accommodate future growth in case filings. These spaces will serve as meeting and storage rooms until needed. Additionally, the current building is deficient in the areas of security, climate control, and electrical systems. The aging roof is susceptible to leaking water, which has allowed mold to grow in the building.

- **Project Status and Schedule:** Acquisition of the final piece of property needed for the project is due to occur in fiscal 2024. The delay in full property assembly resulted in the deferment of initial design for one year to fiscal 2025. Design will then commence in December 2024, with construction beginning in fiscal 2028.
- **Changes:** A delay in the acquisition of the final parcel of land has delayed the project, pushing the start of the design process into fiscal 2025 and the start of the construction process back one year to fiscal 2028. This has added time to the project schedule, resulting in an increased estimated project cost relative to last year’s estimate.

- **Concerns:** The Judiciary should comment on when the committees will receive notification for this project as required by Section 10-305 of the State Finance and Procurement Article.

Washington County District Court Renovation and Expansion

Project Summary: This project involves renovation of the existing courthouse in Hagerstown, including the construction of an addition. The existing structure will see improvements in the areas of security and electrical and HVAC infrastructure. There will also be space added for a third judge and support services.

New/Ongoing: Ongoing								
Start Date: June 2020					Est. Completion Date: October 2024			
Fund Sources:								
(\$ in Millions)	Prior Auth.	2024	2025	2026	2027	2028	Beyond CIP	Total
GO Bonds	\$0.325	\$0.750	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$1.075
GF	9.925	0.000	0.000	0.000	0.000	0.000	0.000	9.925
Total	\$10.250	\$0.750	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$11.000
Fund Uses:								
(\$ in Millions)	Prior Auth.	2024	2025	2026	2027	2028	Beyond CIP	Total
Planning	\$0.650	\$0.232	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.882
Construction	9.500	0.518	0.000	0.000	0.000	0.000	0.000	10.018
Equipment	0.100	0.000	0.000	0.000	0.000	0.000	0.000	0.100
Total	\$10.250	\$0.750	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$11.000

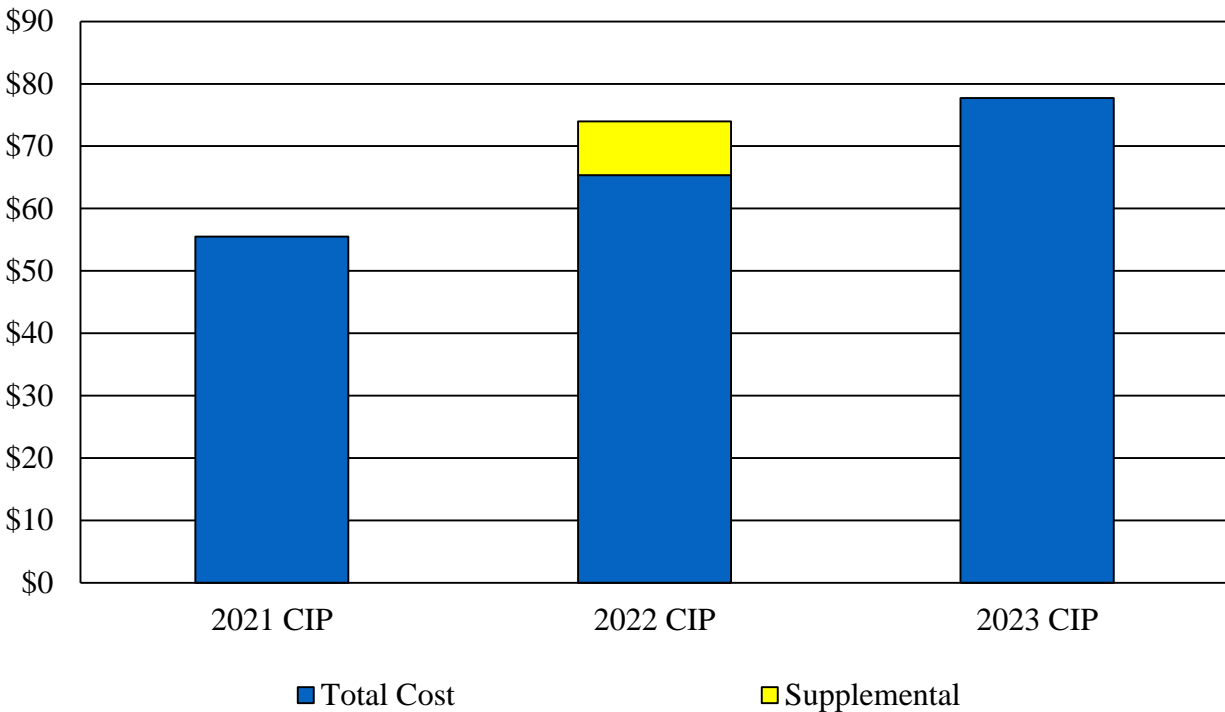
- **Project Status and Schedule:** Due to the dismissal of the prior design consultant by the Department of General Services, completion of this project has been delayed by one year. This contract was terminated due to the former consultant’s failure to meet its contractual requirements. This action delayed the start of construction from July 2022 to April 2023. The project is now scheduled to be completed in October 2024 and cost an additional \$1.5 million compared to last year’s estimate.
- **Concerns:** The Department of Legislative Services notes that the scope of this project has changed repeatedly since it was first funded in fiscal 2020 and has also seen delays due to the dismissal of the original design firm. **The Judiciary should comment on if the project scope has been finalized and if the amount budgeted will be sufficient to award the construction contract.**

Shillman Building Conversion

Project Summary: This project involves significant changes to the existing courthouse in Baltimore City. Primarily, it involves renovating the building to provide space to include seven courtrooms along with modern safety standards and resolutions to maintenance problems.

The cost of the Shillman Building conversion project has grown continually in recent years. In the 2021 CIP, the project was estimated to cost \$55 million. In the 2022 CIP, that number increased to \$65 million, and an additional \$8.64 million was added in a supplemental budget in the same year. The project cost increases slightly again in the 2023 CIP. These continual increases are the result of delays in the schedule and changes in the scope of this project. A full breakdown of the recent cost estimate history of this project may be found in **Exhibit 2**.

Exhibit 2
Shillman Building Conversion Project CIP Changes
Fiscal 2021-2023
(\$ in Millions)



CIP: *Capital Improvement Program*

Source: Department of Budget and Management; Department of Legislative Services

DE0211 – Judiciary – Capital

- ***Need:*** The existing facility cannot handle criminal and traffic cases in its current configuration due to inadequate security in the building. Additionally, the facility suffers from maintenance-related issues including water intrusion, HVAC deficiencies, and aging interior infrastructure. The facility is also not in compliance with ADA standards.
- ***Project Status and Schedule:*** This project has been delayed several times in the past few years, with completion now slated for September 2025. **The Judiciary should comment on what has caused the delays from the 2021 CIP to present.**

Appendix 1
Executive’s Operating Budget Impact Statement – State-owned Projects
Fiscal 2024-2028
(\$ in Millions)

	2024	2025	2026	2027	2028
New Courts of Appeal Building					
Estimated Operating Cost	\$0.000	\$0.000	\$10.218	\$0.000	\$0.000
Estimated Staffing	0.0	0.0	0.0	0.0	0.0
New Harford County District Court					
Estimated Operating Cost	\$0.000	\$0.000	\$1.800	\$0.000	\$0.000
Estimated Staffing	0.0	0.0	0.0	0.0	0.0
Washington County District Court Renovation and Expansion					
Estimated Operating Cost	\$0.075	\$0.000	\$0.000	\$0.000	\$0.000
Estimated Staffing	0.0	0.0	0.0	0.0	0.0
Shillman Building Conversion					
Estimated Operating Cost	\$1.600	\$0.000	\$0.000	\$0.000	\$0.000
Estimated Staffing	0.0	0.0	0.0	0.0	0.0

The Judiciary has indicated that staffing needs will not change as a result of these capital projects. Each of the impacts to the operating budget created by the capital projects in this appendix are due to the need for additional equipment that will be needed for the new and renovated spaces in the Judiciary’s facilities. The operating cost for the new Courts of Appeal facility includes movable equipment. Information technology equipment and other equipment, which are part of the building, are funded in the capital budget.