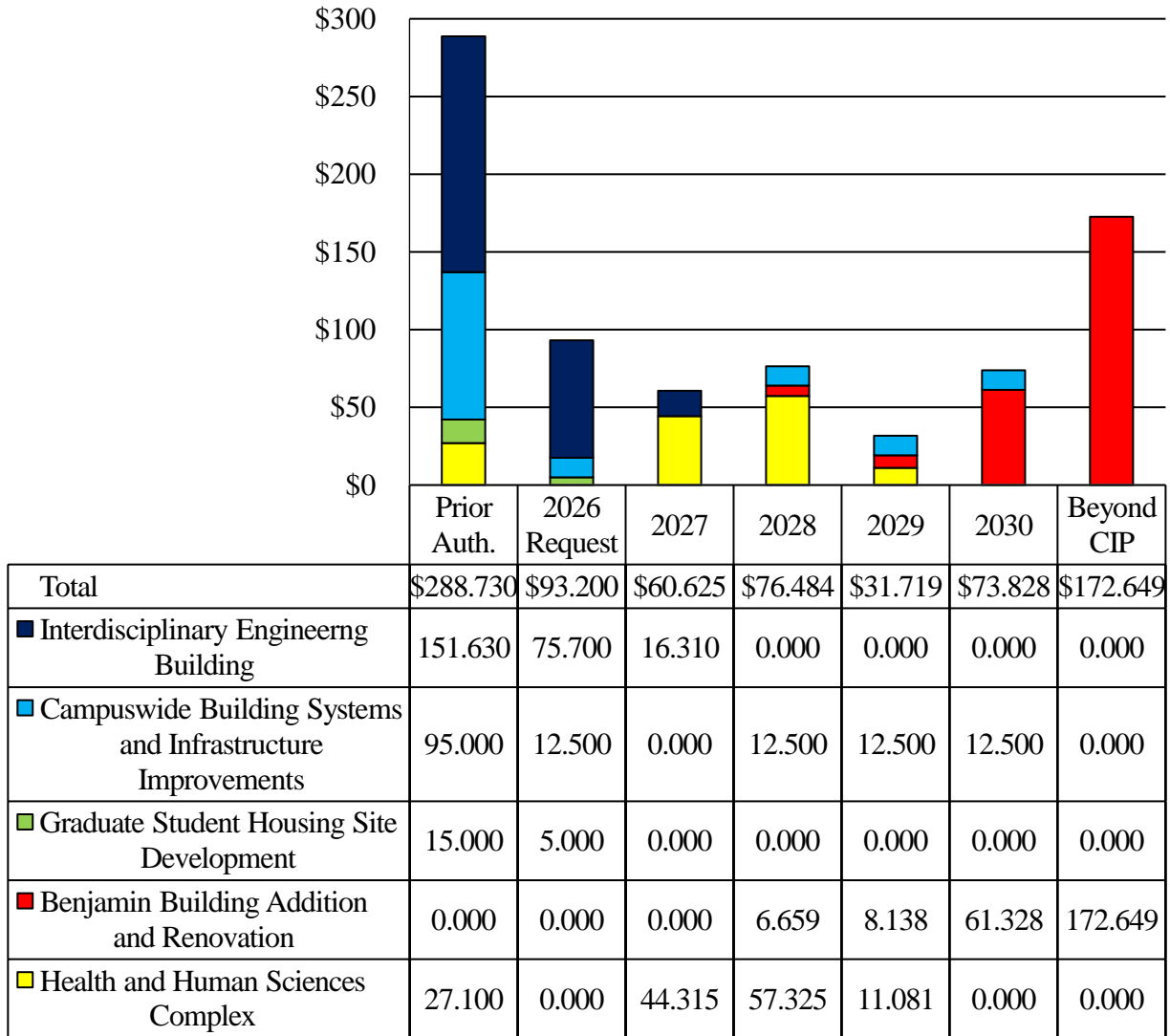


RB22
University of Maryland, College Park Campus – Capital
University System of Maryland

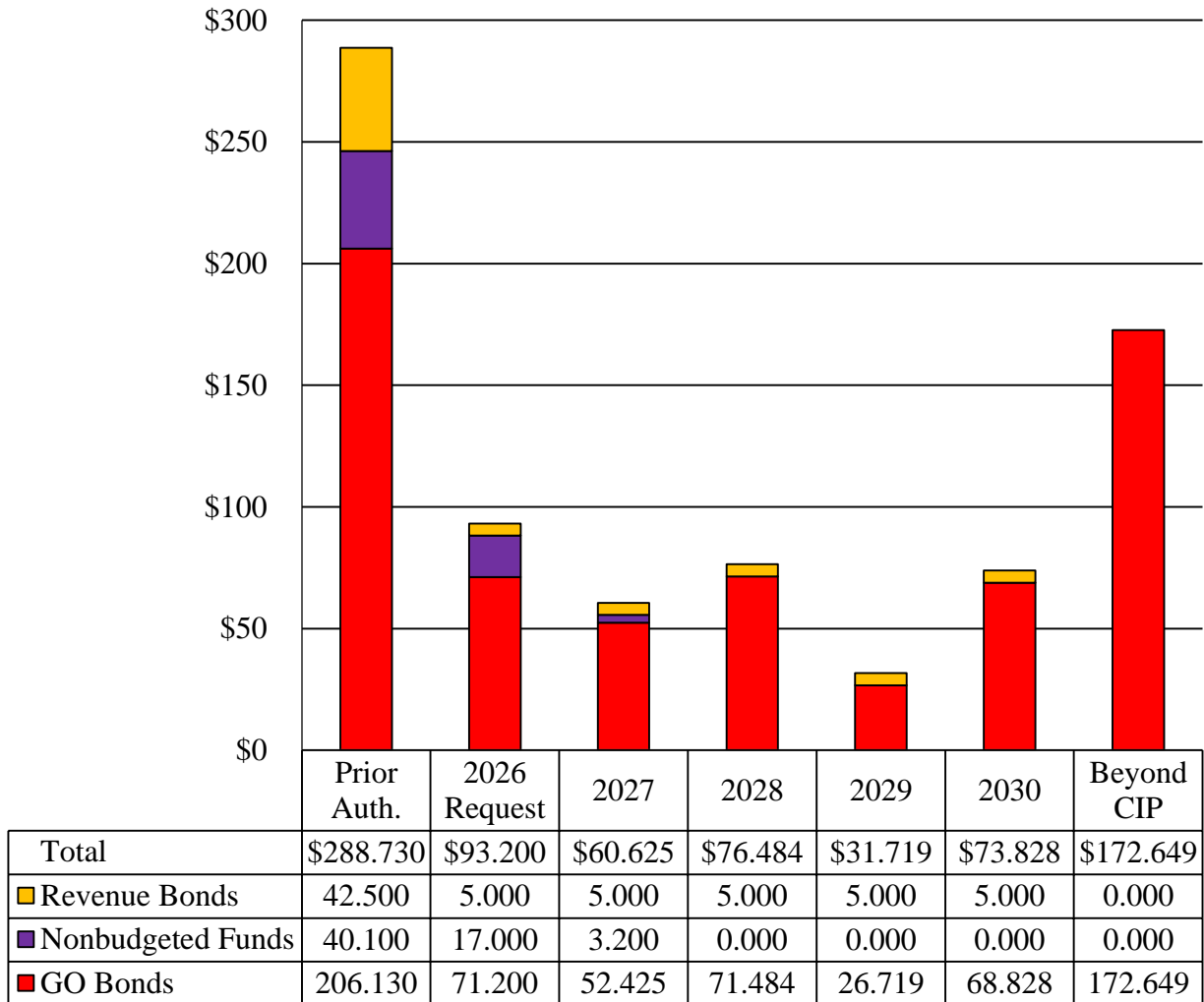
Capital Budget Summary

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



CIP: *Capital Improvement Program*

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



CIP: Capital Improvement Program

GO: general obligation

Key Observations

- Interdisciplinary Engineering Building – Zupnik Hall:** The cost of the project increases by \$19.7 million to \$243.6 million, which accurately reflects the total cost based on a more detailed scope and current construction market prices. In addition, the facility will include a thermal plant to support the goal of achieving net zero carbon emissions not only for this facility but also the new Chemistry Wing.

- ***New Health and Human Sciences Complex:*** The total cost of the project increases by \$43.3 million to \$139.8 million. The scope of the project was increased to add the renovation of two floors in the original Cole Field House South Wing and fit out the shell space for the Academy of Innovation and Entrepreneurship (AIE), which was initially planned to be a separate project funded with nonbudgeted funds. The project funding includes \$2.1 million in nonbudgeted funds to equip the AIE space.
- ***Benjamin Building Addition and Renovation:*** The project was added to the 2024 *Capital Improvement Program* (CIP), and the estimated total cost of the project has increased by \$40.6 million to \$248.8 million in the 2025 CIP. This is due to an increase in the scope in which the portion of the School of Public Health not housed in the Health and Human Sciences Complex will be located in the renovated Benjamin Building.

PAYGO Recommended Actions

Add the following language:

SECTION XX. AND BE IT FURTHER ENACTED, That funds are added to the fiscal 2026 appropriation in the following manner:

- (1) \$27,000,000 in special funds is added for the purpose of funding the following programs and projects with pay-as-you-go funds in the following budget codes:
 - (a) \$9,000,000 in special funds from the Strategic Energy Initiative Fund (SEIF) is added to the appropriation for program R75T00.01 Support for State Operated Institutions for Higher Education for R13M00 Morgan State University to fund the design and construction of the new Science Center. Funds not expended for this added purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the SEIF;
 - (b) \$9,000,000 in special funds from the SEIF is added to the appropriation for program R75T00.01 Support for State Operated Institutions for Higher Education for R30B24 Towson University to fund the construction and capital equipping for the demolition, renovation, and reconstruction of Smith Hall for the College of Fine Arts and Communication. Funds not expended for this added purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the SEIF;
 - (c) \$5,000,000 in special funds from the SEIF is added to the appropriation for program R75T00.01 Support for State Operated Institutions for Higher Education for R30B21 University of Maryland, Baltimore Campus to fund the construction of a new School of Social Work building. Funds not expended for this added purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the SEIF; and

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- (d) \$4,000,000 in special funds from the SEIF is added to the appropriation for program R75T00.01 Support for State Operated Institutions for Higher Education for R30B22 University of Maryland, College Park Campus to fund the construction and capital equipping of the new interdisciplinary engineering building – Zupnik Hall. Funds not expended for this added purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the SEIF.

Explanation: This language authorizes the use of pay-as-you-go special funds from the SEIF energy efficiency account to fund the sustainability components included in the scope of work for the projects listed. The use of the funds for this purpose will allow for an equivalent reduction to the general obligation bond authorization for each project.

GO Bond Recommended Actions

1. Delete funding form campuswide infrastructure.

RB22A	Campuswide Building Systems and Infrastructure Improvements	\$ 0						
	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;"><u>Allowance</u></td> <td style="text-align: center;"><u>Change</u></td> <td style="text-align: center;"><u>Authorization</u></td> </tr> <tr> <td style="text-align: center;">7,500,000</td> <td style="text-align: center;">-7,500,000</td> <td style="text-align: center;">0</td> </tr> </table>	<u>Allowance</u>	<u>Change</u>	<u>Authorization</u>	7,500,000	-7,500,000	0	
<u>Allowance</u>	<u>Change</u>	<u>Authorization</u>						
7,500,000	-7,500,000	0						

Explanation: Defer \$7.5 million of general obligation bond funds. The program has been slow to encumber and expend funds, and the project proposed for fiscal 2026 can still proceed utilizing prior unencumbered authorizations and the \$5.0 million of revenue bonds authorized for fiscal 2026. The deferral would essentially move up by one year the pause in funding programmed for fiscal 2027 in this year’s Capital Improvement Program.

2. Reduce funding for Zupnick Hall.

RB22C	New Interdisciplinary Engineering Building – Zupnik Hall	\$ 54,700,000						
	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;"><u>Allowance</u></td> <td style="text-align: center;"><u>Change</u></td> <td style="text-align: center;"><u>Authorization</u></td> </tr> <tr> <td style="text-align: center;">58,700,000</td> <td style="text-align: center;">-4,000,000</td> <td style="text-align: center;">54,700,000</td> </tr> </table>	<u>Allowance</u>	<u>Change</u>	<u>Authorization</u>	58,700,000	-4,000,000	54,700,000	
<u>Allowance</u>	<u>Change</u>	<u>Authorization</u>						
58,700,000	-4,000,000	54,700,000						

Explanation: Reduce general obligation bond funding for the New Interdisciplinary Engineering Building – Zupnick Hall by \$4.0 million to be replaced with a transfer of \$4.0 million from the Strategic Energy Investment Fund energy efficiency account.

Total General Obligation Bonds Reductions **\$11,500,000**

Updates

- **Previously Completed Project Funding Deauthorized:** The fiscal 2026 capital budget bill includes an amendment to deauthorize \$113,996 of unexpended State authorizations for the A. James Clark Hall – New Bioengineering Building. The project is complete, and the funds are no longer needed.

Summary of Fiscal 2026 Funded State-owned Projects

Interdisciplinary Engineering Building – Zupnik Hall

Project Summary: In October 2017, the University of Maryland, College Park Campus (UMCP) announced its largest donation of \$219.5 million from the A. James and Alice B. Clark Foundation, which included a provision to provide 30% or \$55 million (the lesser of the two) to support the construction of a new building for the A. James Clark School of Engineering that is to be leveraged with State and institutional funds. The new facility will house elements of the Department of Civil and Environmental Engineering and the Department of Mechanical Engineering and include space for collaboration with institutional and industrial partners, including the Center for Advanced Transportation Technology.

New/Ongoing: Ongoing								
Start Date: Design December 2021				Est. Completion Date: Fiscal 2027				
Fund Sources:								
(\$ in Millions)	Prior Auth.	2026	2027	2028	2029	2030	Beyond CIP	Total
GO Bonds	\$113.630	\$58.70	\$13.11	\$0.000	\$0.000	\$0.000	\$0.000	\$185.44
Nonbudgeted	38.000	17.000	3.200	0.000	0.000	0.000	0.000	58.200
Total	\$151.630	\$75.700	\$16.310	\$0.000	\$0.000	\$0.000	\$0.000	\$243.640
Fund Uses:								
(\$ in Millions)	Prior Auth.	2026	2027	2028	2029	2030	Beyond CIP	Total
Planning	\$15.752	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$15.752
Construction	128.658	67.070	10.860	0.000	0.000	0.000	0.000	206.588
Equipment	7.220	8.630	5.450	0.000	0.000	0.000	0.000	21.300
Total	\$151.630	\$75.700	\$16.310	\$0.000	\$0.000	\$0.000	\$0.000	\$243.640

- **Need:** The new facility will address two key problems:
 - **Lack of Space to Accommodate Projected Growth:** A 2018 analysis of the Clark School of Engineering’s existing facilities and academic metrics determined that in 20 years, undergraduate and graduate enrollment will increase by 16% and 26%, respectively, and faculty and staff will grow 13% and 20%, respectively. In

addition, to remain competitive with peer engineering programs, research space for each principal investigator and graduate student needs to be increased.

- ***Insufficient Modern Facilities for the Department of Civil and Environmental Engineering and the Department of Mechanical Engineering:*** These disciplines are primarily housed in facilities constructed in 1948 and 1949 that no longer meet the requirements to educate engineering students or effectively support sponsored research. Engineering students participate in one or more team-based design courses, and the currently available space is overcrowded, and there is no dedicated space for the Department of Civil and Environmental Engineering and Department of Mechanical Engineering students.
- ***Project Status and Schedule:*** Construction commenced January 2021 and is expected to be completed June 2026. The fiscal 2026 capital budget includes a preauthorization of \$10.9 million in fiscal 2027 to complete construction.
- ***Changes:*** The total cost of the project increases by \$19.7 million from \$223.9 million in the 2024 CIP to \$243.6 million in the 2025 CIP, which accurately reflects the total cost of the project. UMCP submitted a program modification on November 10, 2023, to remove space for the Maryland Transportation Institute and redesign the space to accommodate the Clark Scholars Program and provide flexible wet-chemistry research laboratory space. While this will not increase the size of the facility, the cost of redesigning the space is \$3.2 million, which will be funded by the Clark Foundation, resulting in a total donation of \$58.2 million.
- ***Sustainability:*** The project will achieve a Leadership in Energy and Environmental Design Green Building Rating System – Silver rating and include a wastewater recovery plant, energy-efficient mechanical equipment, water-saving plumbing fixtures, the selection of a building material with a low environmental impact, and provisions for a photovoltaic array. In addition, the facility will include a thermal plant to support the goal of achieving net zero carbon emissions not only for this facility but also the new Chemistry Wing.

The Department of Legislative Services (DLS) recommends reducing general obligation (GO) funding by \$4.0 million for project costs attributable to the sustainability components. A related recommendation adds language to use pay-as-you-go special funds from the Strategic Energy Investment Fund energy efficiency account to fully replace the reduced GO bond authorization.

The President should comment if any of the sustainability elements of the project are eligible for tax credits through the Inflation Reduction Act and, if so, what is the expected value of the tax credits.

Campuswide Building Systems and Infrastructure Improvements

Project Summary: This is a stand-alone facility renewal initiative to address critical deferred maintenance projects, which, if left unaddressed, pose serious health, life, and safety issues. The program addresses a variety of renewal projects that can be categorized into two general categories.

- **Building Systems:** includes replacing electrical gear; upgrading fire alarm systems, automatic fire sprinkler systems, and fire pump controls; replacing HVAC equipment; and replacing equipment in utility buildings.
- **Infrastructure Improvements:** includes replacing underground heating and cooling piping and domestic water pipes; repairing building foundations; replacing underground foundation drain and sanitary piping; replacing exterior security lighting, cameras, and telephones; repairing and/or repaving roads; and repairing storm drain outfall and ponds.

The projects funded in fiscal 2026 include:

- repairing and replacing three failing pedestrian bridges (\$5.0 million);
- replacing under-capacity electrical panels in 12 buildings (\$3.0 million);
- replacing obsolete fire alarm system in Van Munching Hall (\$2.3 million);
- replacing inadequate HVAC insulation and vapor barriers in the Edward St. John Learning and Teaching Center (\$1.2 million)
- replacing failing and obsolete emergency lighting inverters on 10 buildings (\$1.0 million).

Start Date: Est. 2013							
(\$ in Millions)	2025	2026	2027	2028	2029	2030	Total 2026-2030
GO Bonds	\$7.500	\$7.500	\$0.000	\$7.500	\$7.500	\$7.500	\$30.000
Revenue	5.000	5.000	0.000	5.000	5.000	5.000	20.000
Total	\$12.500	\$12.500	\$0.000	\$12.500	\$12.500	\$12.500	\$50.000

- **Need:** Infrastructure failures have caused disruptions in electricity and HVAC services; caused water damage to buildings, resulting in classes being canceled, relocated to another building, or suspended; and have resulted in lost research. When failures occur, they often require custom fabrication due to the age of the systems, which increases the length of service disruption and repair costs.
- **Other Comments:** As programed in the 2025 CIP, funding is put on hold in fiscal 2027 and resumes in fiscal 2028. This is a stand-alone, ongoing facilities renewal project that

will help address UMCP’s backlog of deferred maintenance, which as of fiscal 2024 totals \$1.2 billion, by \$12.5 million annually.

DLS recommends deferring the \$7.5 million of GO bond funds budgeted for fiscal 2026 to instead be provided in fiscal 2027. The program has been slow to encumber and expend funds, and the projects proposed for fiscal 2026 can still proceed utilizing prior unencumbered authorizations and the \$5.0 million of revenue bonds authorized for fiscal 2026.

Graduate Student Housing Site Development

Project Summary: This project was added to the 2024 CIP to continue the development of a 10.75-acre site in east campus to make it more financially feasible for a developer to build below-market rate graduate student housing and will also create housing for faculty and staff. The project includes demolishing old housing and offices, relocating existing utilities, converting a vacated portion of the Ellicott Dining Hall into offices for the Department of Residential Facilities, and performing site improvement work.

New/Ongoing: Ongoing								
Start Date: May 2023					Est. Completion Date: July 2026			
Fund Sources:								
(\$ in Millions)	Prior Auth.	2026	2027	2028	2029	2030	Beyond CIP	Total
GO Bonds	\$15.000	\$5.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$20.000
Total	\$15.000	\$5.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$20.000
Fund Uses:								
(\$ in Millions)	Prior Auth.	2026	2027	2028	2029	2030	Beyond CIP	Total
Planning	\$0.400	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.400
Construction	14.560	4.600	0.000	0.000	0.000	0.000	0.000	19.1600
Equipment	0.000	0.400	0.000	0.000	0.000	0.000	0.000	0.400
Total	\$15.000	\$5.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$20.000

- **Need:** This project will address the shortage of affordable housing for graduate students. A survey of graduate students found that one-third of single graduate students and 41% of students with families had trouble finding housing close to campus, resulting in many students having to commute to campus, with 37% having a commute of at least 25 minutes. A 2020 housing study found that there was unmet demand for over 800 graduate student beds.
- **Other Comments:** The Maryland General Assembly (MGA) restricted the \$5 million provided in fiscal 2025 and previous authorizations to be used only for the production of

below-market rate graduate student housing and added language expressing the intent of MGA that the State provide \$5 million annually from fiscal 2026 through 2032 for the production and acquisition of below-market-rate graduate student housing at UMCP and the City of College Park. The 2025 CIP does not program any additional funding for the project after fiscal 2026.

Summary of Out-year State-owned Projects

- ***New Health and Human Sciences Complex:*** This project will complete recently constructed shell space in the New Cole Field House and renovate two floors in the original Cole Field House South Wing to create the Health and Human Sciences complex. The complex will house the researched focused units of the School of Public Health, the Department of Kinesiology, the Center for Health Families, and the Department of Epidemiology and Biostatistics. The complex will provide research and clinical space, increasing the ability to secure sponsored research funding. It will also provide space for AIE. The School of Public Health is currently housed in a facility that was a recreational and physical education building that was built between 1973 and 1978. Overall, the facility is functionally inadequate and lacks room for growth.

The total cost of the project as programmed in the 2025 CIP increases \$43.3 million to \$139.8 million compared to the 2024 CIP. The cost estimate in the 2024 CIP was based on preliminary, preprogramming estimates to fit out 141,000 gross square feet of shell space. The fit-out of the shell space for AIE was planned to be a separate project funded with nonbudgeted funds. The program (approved by the Department of Budget and Management on January 31, 2025) added the renovation of two floors in the original Cole Field House South Wing and the fit-out of the shell space for AIE, which UMCP decided to construct as part of the project. The 2025 CIP includes \$2.1 million in nonbudgeted funds to fit out the shell space for AIE.

- ***Benjamin Building Addition and Renovation:*** This project was added to the 2024 CIP and would renovate and construct an addition to the Benjamin Building for the College of Education. The estimated total cost of the project increased \$40.6 million from \$208.2 million as programmed in the 2024 CIP to \$248.8 million in the 2025 CIP. This increase is due to a change in the scope of the project in which the portion of the School of Public Health not housed in the Health and Human Sciences Complex will be located in the renovated Benjamin Building. The project will first construct the addition to house the College of Education. Once the college moves into this space, renovation will begin on the Benjamin Building.

The Benjamin Building, built in 1966, needs upgrades to the infrastructure and lacks space for the college to grow due to the inadequate size and configuration of classrooms for student teacher training. Recent issues with flooding have caused significant disruptions for other academic purposes. The 2025 CIP programs funding for design in fiscal 2028.

Appendix 1
Executive’s Operating Budget Impact Statement – State-owned Projects
Fiscal 2026-2030
(\$ in Millions)

	2026	2027	2028	2029	2030
New Interdisciplinary Engineering Building – Zupnik Hall					
Estimated Operating Cost	\$1.341	\$4.761	\$5.002	\$5.138	\$5.275
Estimated Staffing	2.53	31.67	31.67	31.67	31.67

The Interdisciplinary Engineering Building impacts the operating budget in fiscal 2026 and reflects additional personnel to maintain the facility and other expenses related to operating the facility such as utilities, supplies, and equipment.