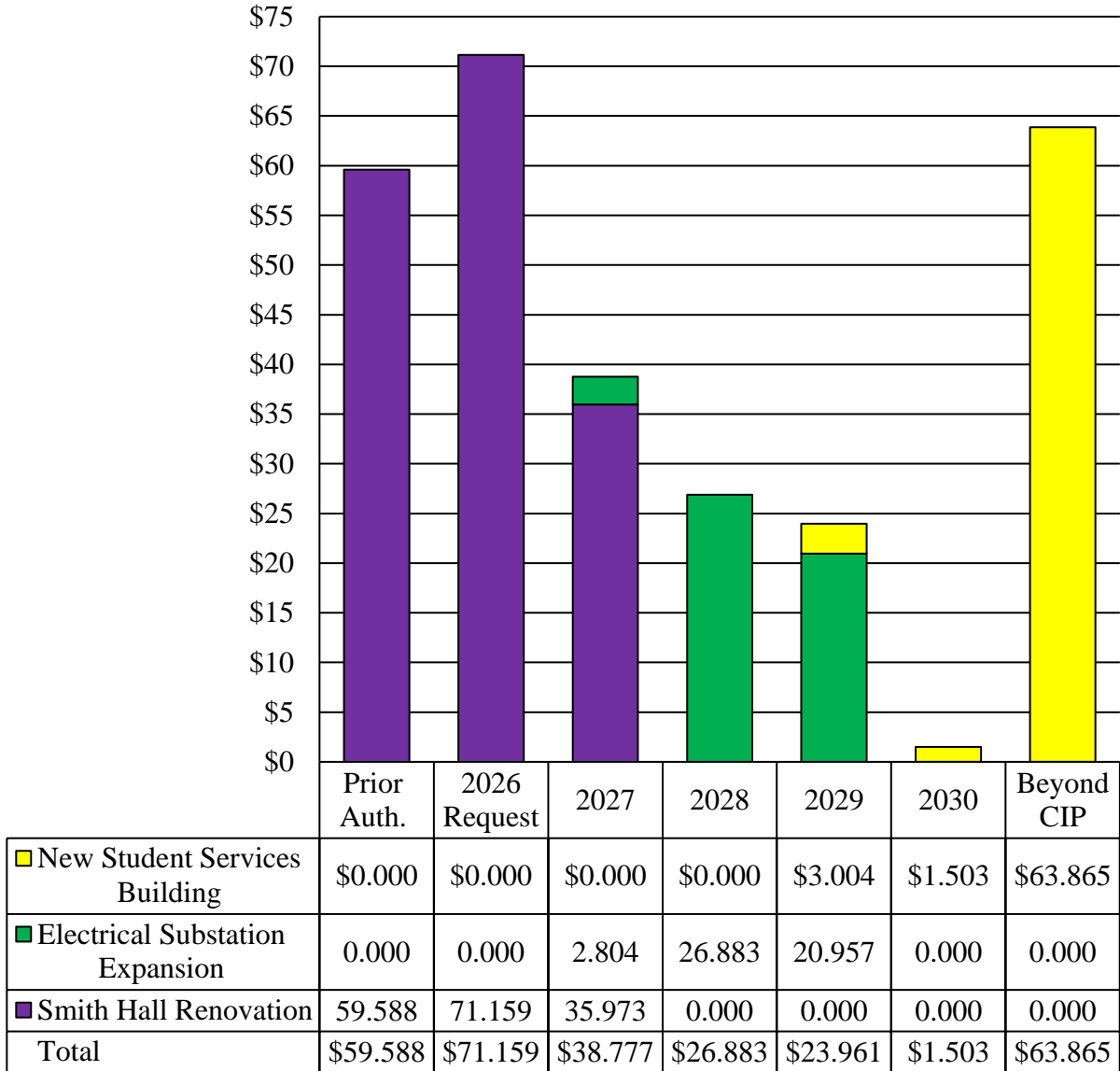


**RB24**  
**Towson University – Capital**  
**University System of Maryland**

***Capital Budget Summary***

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

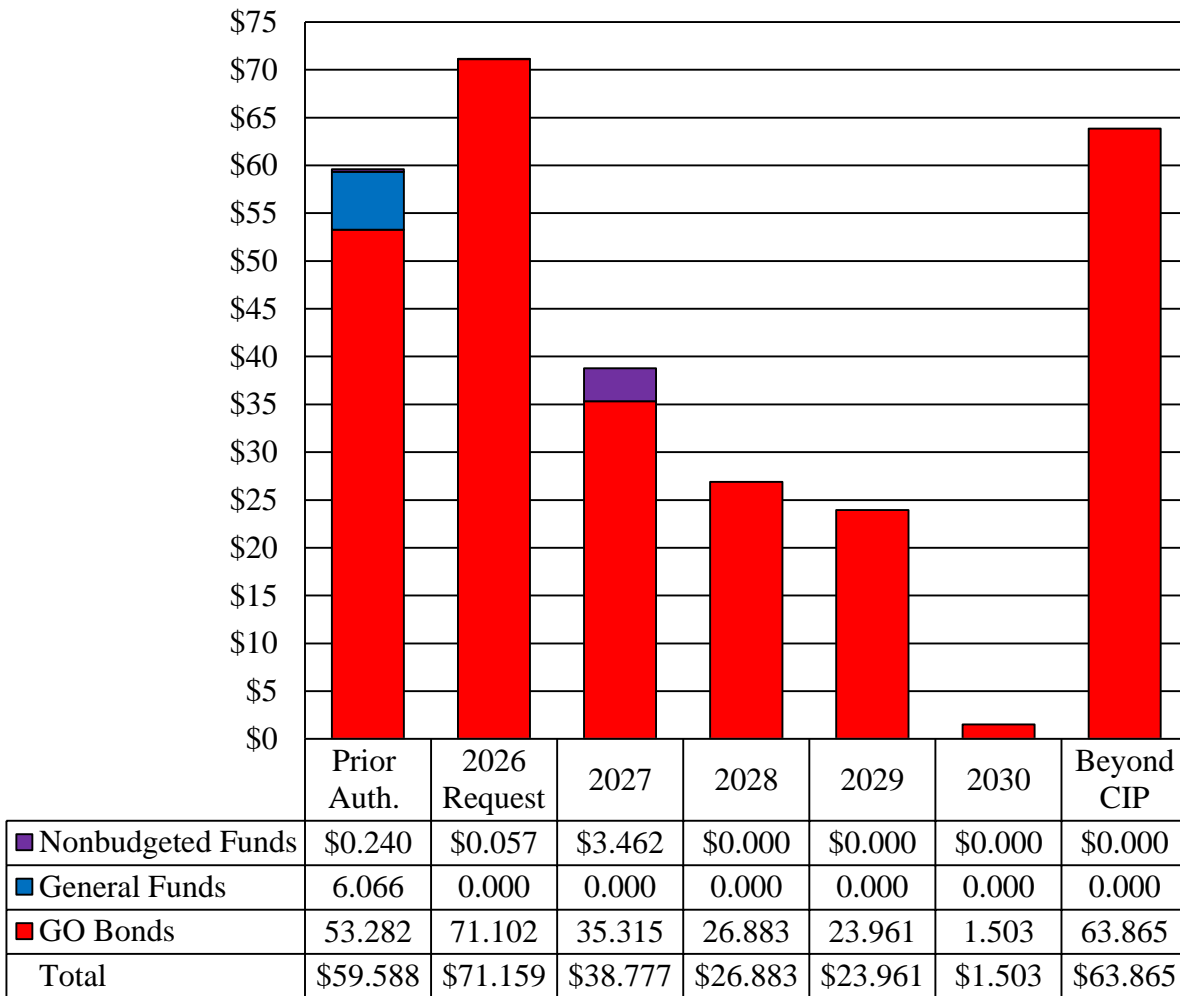


CIP: *Capital Improvement Program*

For further information contact: Micah R. Richards

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



CIP: Capital Improvement Program  
GO: general obligation

**Key Observations**

- Smith Hall Renovation and Reconstruction:** The total project cost in the fiscal 2026 Capital Improvement Program (CIP) is \$166.7 million, which is an increase of \$13.2 million compared to the previous project cost of \$153.5 million. This is due to an increase of \$8.6 million for the inclusion of a new geothermal HVAC system to qualify for Leadership in Energy and Environmental Design (LEED) – Gold certification and an increase of \$4.6 million for an equipment allowance in the project scope.

## ***PAYGO Recommended Actions***

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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 purposes 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 Investment 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 of 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
  - (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. Reduce general obligation bonds funds for sustainability components.

RB24A	Smith Hall Renovation and Reconstruction .....	\$ 62,102,000
	<b><u>Allowance</u></b>	<b><u>Change</u></b>
	\$ 71,102,000	\$ -9,000,000
		<b><u>Authorization</u></b>
		\$ 62,102,000

**Explanation:** Reduce general obligation bond funding for the Smith Hall renovation and reconstruction project by \$9.0 million. A secondary recommendation proposes to add special funds from the Strategic Energy Investment Fund energy efficiency account to fund the sustainability components of the project.

**Total General Obligation Bonds Reductions/Additions** **\$ 9,000,000**

### Updates

- **Academic Achievement Center:** The General Assembly authorized \$3.5 million of general obligation (GO) bonds in fiscal 2024 to design, construct, and equip the Academic Achievement Center. This project will renovate the athletic academic facility next to the football stadium for the athletic academic support team, which offers advising, counseling, leadership, supervision, monitoring, and tutoring to student athletes. The project is estimated to cost \$7.1 million, of which Towson University (TU) will contribute \$3.6 million. TU is currently completing program Part II documents for submission to the Department of Budget and Management (DBM) for approval. The design is planned to start in July or August 2025, and the construction will start January 2027.

## Summary of Fiscal 2026 Funded State-owned Projects

### Smith Hall Renovation and Reconstruction

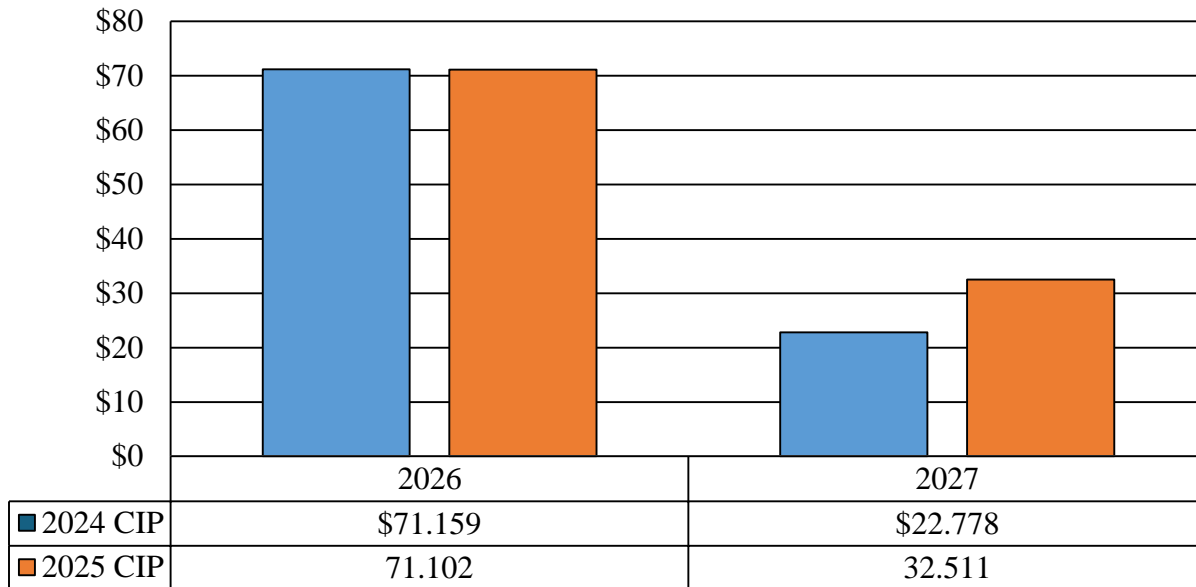
**Project Summary:** This project will demolish and reconstruct a new east wing and renovate the west wing of Smith Hall, the former science building, vacated in January 2021. This renovation and reconstruction will consolidate the three departments (Mass Communications, Communication Studies, and Electronic Media and Film) of the College of Fine Arts and Communication into one building, due to departments currently being dispersed across campus.

*RB24 – USM – Towson University – Capital*

<b>New/Ongoing:</b> Ongoing								
<b>Start Date:</b> September 2022					<b>Est. Completion Date:</b> April 2027			
<b>Fund Sources:</b>								
<b>(\$ in Millions)</b>	<b>Prior Auth.</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>Beyond CIP</b>	<b>Total</b>
<b>GO Bonds</b>	\$53.282	\$71.102	\$32.511	\$0.000	\$0.000	\$0.000	\$0.000	\$156.895
<b>GF</b>	6.066	0.000	0.000	0.000	0.000	0.000	0.000	6.066
<b>Nonbudgeted</b>	0.240	0.057	3.462	0.000	0.000	0.000	0.000	3.759
<b>Total</b>	<b>\$59.588</b>	<b>\$71.159</b>	<b>\$35.973</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$166.720</b>
<b>Fund Uses:</b>								
<b>(\$ in Millions)</b>	<b>Prior Auth.</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>Beyond CIP</b>	<b>Total</b>
<b>Planning</b>	\$14.871	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$14.871
<b>Construction</b>	44.717	70.509	23.736	0.000	0.000	0.000	0.000	138.962
<b>Equipment</b>	0.000	0.650	12.237	0.000	0.000	0.000	0.000	12.887
<b>Total</b>	<b>\$59.588</b>	<b>\$71.159</b>	<b>\$35.973</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$166.720</b>

- **Need:** Since the College of Science and Mathematics, formerly in Smith Hall, relocated to the College of Health Professions (a new science facility), 60% of Smith Hall’s obsolete science laboratories did not have a usable purpose. The project will modernize the technology-based and scalable, study, media production, office, and class spaces. This renovation and reconstruction will replace the inadequate building systems (HVAC, electrical, plumbing, and fire suppression) in Smith Hall to decrease TU’s deferred maintenance. Also, this facility will decrease the campuswide space deficit for office, study, instructional, and other academic support spaces.
- **Project Status and Schedule:** As of December 2024, the east wing has been demolished and is currently being rebuilt.
- **Changes:** An analysis confirmed that a complete renovation of Smith Hall was the best option; however, the program verification and conceptual design phases determined that modifying the project scope to demolish and reconstruct the east wing would be the most cost effective and timely solution to increase the ceiling height and number of media and class laboratories needed for the specialized technology and equipment for the prospective programs. In September 2024, DBM approved a revision of the project scope to implement a new geothermal well field to accommodate up to 90% of the facility’s cooling and heating electrical loads, to make the project in-line with the Climate Solutions Now Act (CSNA) of 2022. **Exhibit 1** illustrates the revised funding plan. The total proposed project cost increased by \$13.2 million to \$166.7 million due to increased equipment costs and the addition of net zero energy efficiency features to the project scope.

**Exhibit 1**  
**2024 CIP versus 2025 CIP**  
**Fiscal 2026-2027**  
**(\$ in Millions)**



CIP: *Capital Improvement Program*

Source: Department of Budget and Management

- Sustainability:** There is an additional cost estimate of \$9.4 million for the green building premium that is attributed to carbon reduction and the CSNA. Since the former Smith Hall building used a large amount of energy, the uninsulated masonry exterior will be replaced with a highly efficient modern rainscreen that will significantly reduce energy consumption. A geothermal well field and a water-source, heat pump-based HVAC system will be implemented to reduce electricity consumption by about 85% to 90% for building heating and cooling. The Smith Hall project is designed to utilize the photovoltaic power generation process (converting energy from the sun into electricity using solar panels). The new renovated and reconstructed Smith Hall will be an all-electric building with a net zero ready strategy to decrease fossil fuel energy production, with a goal to earn a LEED – Gold certification. The Inflation Reduction Act federal tax credits could partially reimburse this geothermal system. **The Department of Legislative Services recommends reducing GO funding by \$9.0 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.**

## ***Summary of Out-year State-owned Projects***

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- ***New Student Services Building:*** This project will consolidate all the student service departments (University Welcome Center, Alumni Relations, Bursar’s Office, Financial Aid, Registrar’s Office, and University Admissions) into one building, since they were spread across campus. The existing Enrollment Services building will be demolished, and the new Student Services building will be built. The student population has doubled since the existing Enrollment Services building was built in 1972; therefore, the new modernized building will resolve the insufficient space to meet the growing needs of the university. The current Enrollment Services building has \$23 million in deferred maintenance and the new building will save dollars in the backlog. A renovation is impracticable because of failing building systems and costly structural issues. According to the fiscal 2026 CIP, the funding will start in fiscal 2029 with an allocation of approximately \$3 million, a decrease of around \$50,000 compared to the fiscal 2025 CIP. The estimated total project cost increased by approximately \$900,000 to \$68.4 million in fiscal 2026, compared to fiscal 2025.
- ***Electrical Substation Expansion and Improvements:*** Approximately 80% of the energy on the campus is supplied by the current TU Central Plant electrical substation. The other 20% of the campus is supplied by Baltimore Gas and Electric. This project will improve the current electrical substation and add a new electrical substation to serve the entire campus, including the projected growth, like the College of Health Professions building, which was completed in summer 2024 and Smith Hall, which will be completed in April 2027. The improved and additional electrical substations will reduce the load on the central plant, because the new building will exhaust the current system. The new and improved substations will provide power to the western portion of the main campus and the entire south campus. This will help in developing future capital projects on these campus areas. The CIP shows that the General Assembly will allocate funding starting in fiscal 2027, and the total estimated GO bonds increased by \$16.7 million to \$50.6 million compared to last session’s estimate.

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

	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
<b>Smith Hall Renovation and Reconstruction</b>					
Estimated Operating Cost	\$0.000	\$0.000	\$1.009	\$1.396	\$1.411
Estimated Staffing	0.0	0.0	0.0	0.0	0.0

There are no estimated personnel costs. The estimated operating impact in the fiscal 2026 capital budget increased by \$129,135 in fiscal 2028, \$515,667 in fiscal 2029, and \$531,137 in fiscal 2030 compared to the fiscal 2025 budget due to the project’s total, replaced, and added gross square footage included in the 50% construction documents.