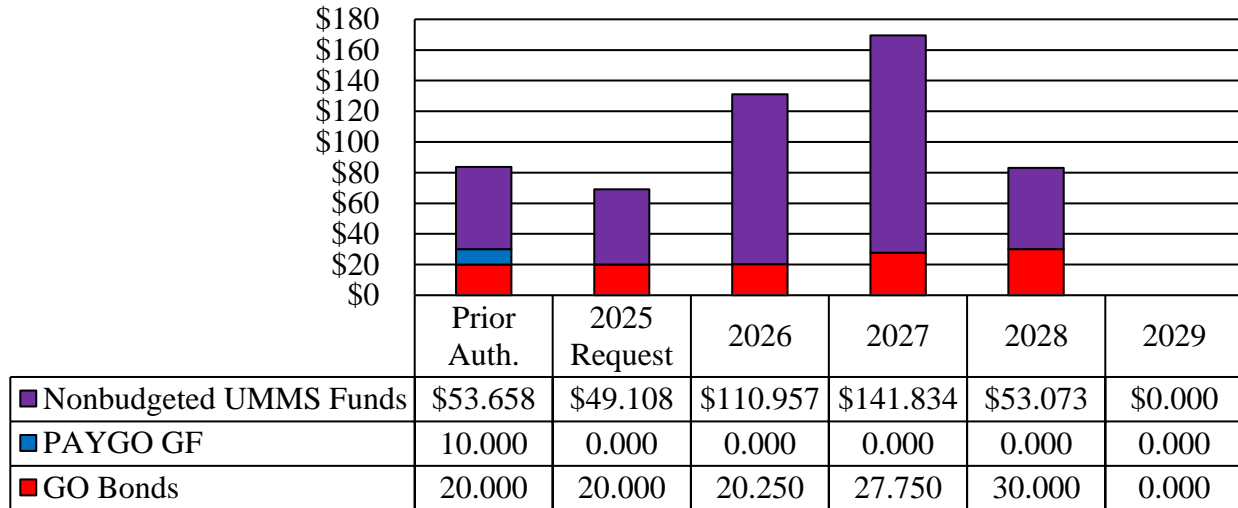
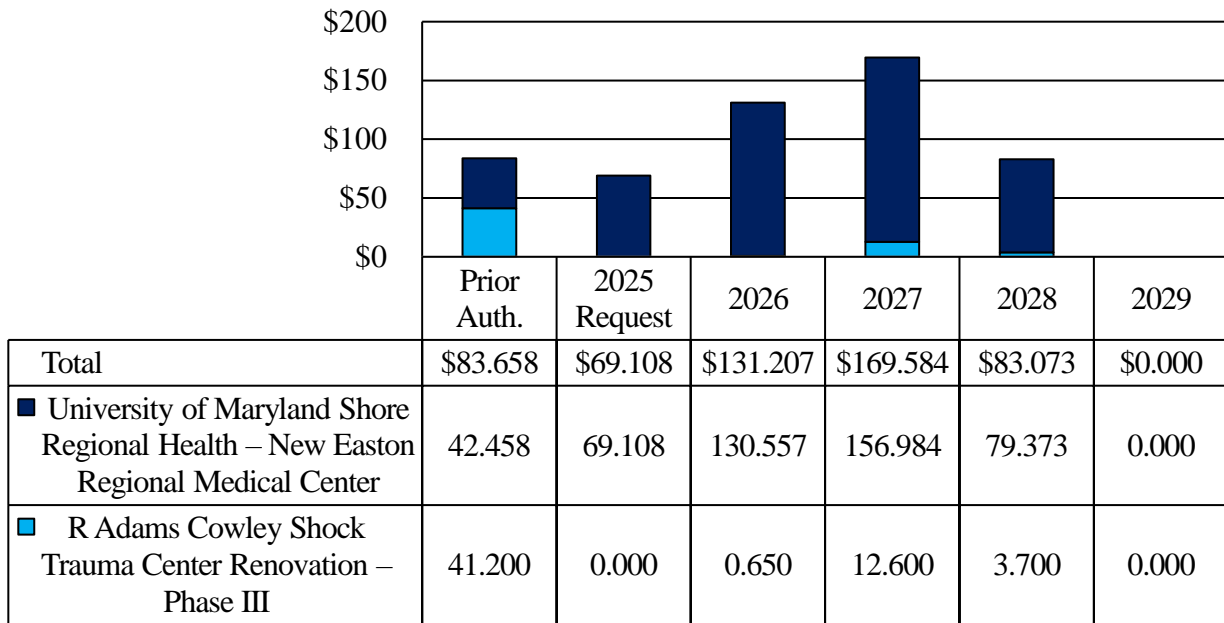


RQ00
University of Maryland Medical System – Capital

Capital Budget Summary

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



GF: general funds
GO: general obligation

PAYGO: pay-as-you-go
UMMS: University of Maryland Medical System

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Key Observations

- ***New Easton Regional Medical Center Capital Appropriation Meets Preauthorized Amount:*** During the 2023 session, the General Assembly added \$10 million in pay-as-you-go (PAYGO) general funds in the fiscal 2024 budget and preauthorized \$20 million in fiscal 2025 general obligation (GO) bond funding for the University of Maryland (UM) Shore Regional Health – New Easton Regional Medical Center project. The fiscal 2025 capital budget includes this amount mainly for construction, which is scheduled to begin in March 2024.
- ***State Contribution Increases for Deferred R Adams Cowley Shock Trauma Center (Shock Trauma Center) Renovation Components:*** The fiscal 2025 *Capital Improvement Program* (CIP) increases the State contribution for the third phase of the Shock Trauma Center renovation from \$20 million to \$28 million. These additional funds assist the University of Maryland Medical System (UMMS) in covering increased construction costs that initially led to the deferral of core components of the renovation to phase IV. Instead, these components remain in phase III but are delayed to fiscal 2026 through 2028.

GO Bond Recommended Actions

1. Approve the general obligation bond authorization for the University of Maryland Medical System.

Summary of Fiscal 2025 Funded State-owned Projects

UM Shore Regional Health – New Easton Regional Medical Center

Project Summary: This project constructs a new 326,300 net square foot, six-floor hospital facility in Easton, Maryland, including 122 inpatient beds and 25 observation beds, an emergency department with 27 treatment rooms, 3 behavioral health rooms, and 7 operating rooms. The facility will replace the existing UM Shore Regional Health Medical Center and expand acute hospital services and access to rural mid-shore counties.

New/Ongoing: New								
Start Date: January 2022					Est. Completion Date: March 2028			
Fund Sources:								
(\$ in Millions)	Prior Auth.	2025	2026	2027	2028	2029	Beyond CIP	Total
GO Bonds	\$0.000	\$20.000	\$20.000	\$20.000	\$30.000	\$0.000	\$0.000	\$90.000
GF	10.000	0.000	0.000	0.000	0.000	0.000	0.000	10.000
UMMS Funds	32.458	49.108	110.557	136.984	49.373	0.000	0.000	378.480
Total	\$42.458	\$69.108	\$130.557	\$156.984	\$79.373	\$0.000	\$0.000	\$478.480
Fund Uses:								
(\$ in Millions)	Prior Auth.	2025	2026	2027	2028	2029	Beyond CIP	Total
Acquisition	\$2.465	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$2.465
Planning	20.521	3.971	2.721	0.000	0.000	0.000	0.000	27.213
Construction	19.472	65.137	123.533	122.106	32.493	0.000	0.000	362.741
Equipment	0.000	0.000	4.303	34.878	46.880	0.000	0.000	86.061
Total	\$42.458	\$69.108	\$130.557	\$156.984	\$79.373	\$0.000	\$0.000	\$478.480

- Need:** Units of the hospital facility at the current UM Shore Regional Health Medical Center in Easton are more than 100 years old and have become obsolete, with mechanical, electrical, and plumbing infrastructure that would need to be upgraded. The new facility will improve service delivery by relocating to a more accessible location to serve more than 170,000 Maryland residents of mid-shore counties, rather than the current downtown area that is not as easily accessible and does not allow for facility expansion. Additionally, the existing hospital facility lacks necessary space, such as elevator capacity to move medical equipment and a helipad large enough for Department of State Police transports. UMMS reported that a new regional medical center in Easton is also a central component of the UM Shore Regional Health’s integrated facility and clinical service delivery plan.
- Project Status and Schedule:** Approximately 52%, or \$21.9 million, of fiscal 2023 and 2024 spending supports land improvement costs, and the remaining 48%, or

RQ00 – University of Maryland Medical System – Capital

\$20.5 million, supports planning and design. The General Assembly added \$10 million in PAYGO general funds in fiscal 2024 and a preauthorization for this project in the fiscal 2024 capital budget bill. The proposed fiscal 2025 GO bond authorization of \$20 million meets the preauthorized amount. A four-year construction phase is set to begin in March 2024, with 94% of proposed fiscal 2025 State and UMMS funding supporting construction. Planned State funding totals \$100 million for the estimated \$478 million project, representing a 20.9% State share.

- **Concerns:** UMMS identified healthcare workforce shortages, especially in rural areas, as a potential concern for this project. Although the upgraded technology and modern design of the hospital space and layout can attract new providers and staff, the UM Shore Regional Health also plans to offer rural residency, tuition reimbursement, and scholarships to recruit and retain employees.

Summary of Out-year State-owned Projects

- ***Shock Trauma Center Renovation – Phase III:*** The fiscal 2025 CIP plans for GO bond authorizations of \$250,000 and \$7.75 million in fiscal 2026 and 2027, respectively, for the third phase of renovation of the Shock Trauma Center. This increases the State’s total planned contribution from \$20 million, which was completed in fiscal 2024, to \$28 million to assist UMMS in covering increased construction costs and higher than anticipated bids. The initial contribution supported three project components: (1) replacing the Trauma Resuscitation Unit; (2) relocating the Acute Care Transfusion Service; and (3) upgrading building infrastructure.

UMMS had previously reported limiting the scope of phase III to defer core components, including replacing and modernizing the hyperbaric medicine chamber and renovating the orthopedic unit and trauma acute unit on the fourth floor, to phase IV of the Shock Trauma Center renovation. Instead, these components remain part of the third phase in the 2024 CIP and receive additional State funding. For these project components in particular, the State is contributing approximately 47% of costs.