

DH01
Military Department – Capital

Capital Budget Summary

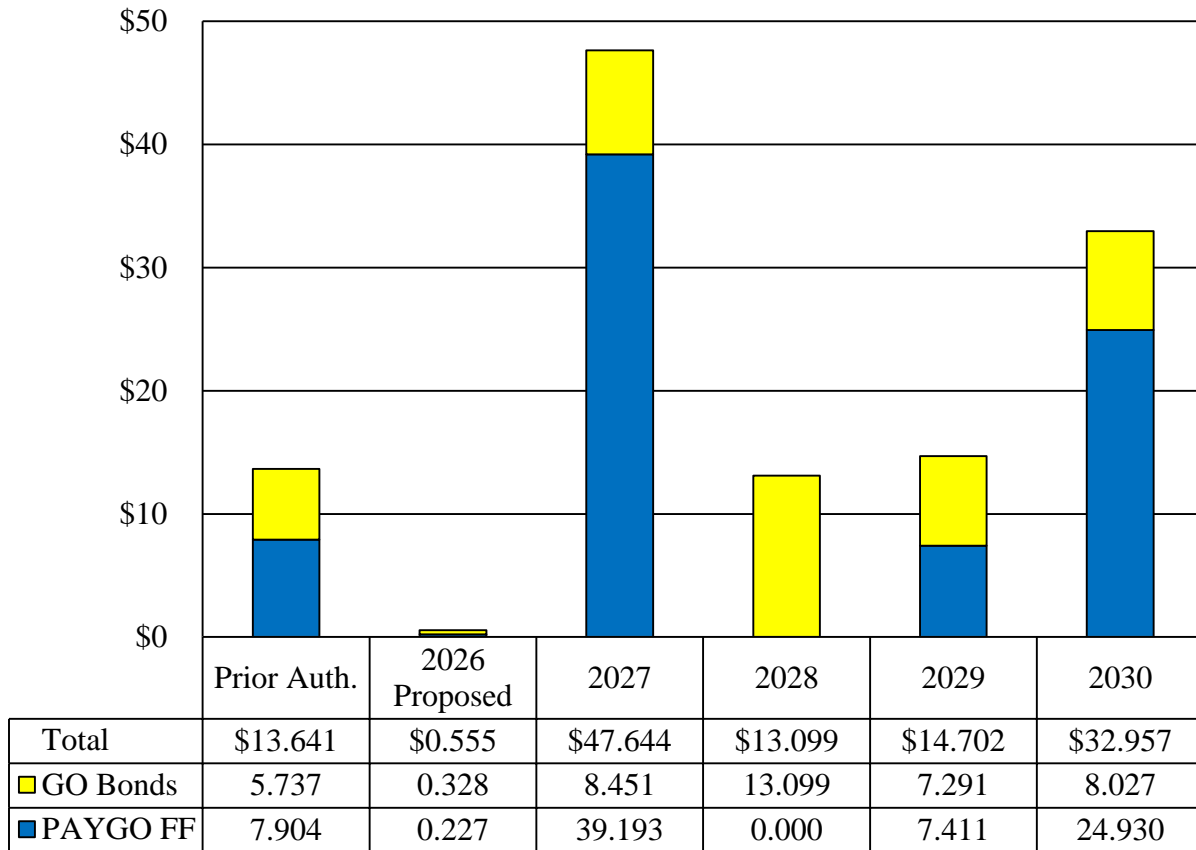
State-owned Capital Improvement Program
(\$ in Millions)

Projects	Prior Auth.	2026 Proposed	2027	2028	2029	2030
Glen Burnie Readiness Center Renovation and Expansion	\$0.909	\$0.403	\$11.406	\$0.000	\$0.000	\$0.000
White Oak Readiness Center Renovation and Expansion	2.474	0.152	30.000	13.099	0.000	0.000
Frederick Readiness Center Renovation and Expansion	10.258	0.000	2.678	0.000	0.000	0.000
New Hagerstown Field Maintenance Shop	0.000	0.000	2.000	0.000	0.000	20.000
Ruhl Readiness Center Renovation	0.000	0.000	1.560	0.000	13.640	0.000
Hagerstown Readiness Center Renovation	0.000	0.000	0.000	0.000	1.062	8.860
New Joint Force Headquarters at Camp Fretterd	0.000	0.000	0.000	0.000	0.000	4.097
Total	\$13.641	\$0.555	\$47.644	\$13.099	\$14.702	\$32.957

For further information contact: Yashodhara Rai

yashodhara.raai@mlis.state.md.us

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FF: federal funds
 GO: general obligation
 PAYGO: pay-as-you-go

Key Observations

- Facilities Master Plan:*** The Military Department submitted a draft interim 10–year facilities master plan in June 2024. This master plan updates the facilities master plan that was published in May 2015. The updated master plan removed the Maryland Department of Emergency Management, which is no longer a component of the Military Department. The revised master plan notes that the department’s capital investment strategies include divesting unneeded facilities; restoring, modernizing, managing and sustaining high quality facilities; modernizing existing systems to improve infrastructure efficiencies; and leveraging funding opportunities.

PAYGO Recommended Actions

1. Concur with Governor’s allowance.

GO Bond Recommended Actions

1. Approve all general obligation bond authorization and preauthorization for the Military Department.

Updates

- ***Havre de Grace Combined Support Maintenance Shop Surface Equipment and Automotive Maintenance Facility:*** This project first authorized federal funds of \$10 million in fiscal 2018 and general obligation (GO) bonds of \$1.6 million in fiscal 2020. Since then, a total of \$11.6 million in GO bonds and \$25 million in federal funds were appropriated for the project until fiscal 2023. In August 2022, the Board of Public Works (BPW) approved the construction contract for the majority of the approved project scope. The Military Department requested the authorization of \$10 million in federal funds in the fiscal 2024 State budget in anticipation of receiving the Chief of Staff of the Army Unfunded Priority List (CSA-UPL) Award funding. However, the application was denied. The fiscal 2024 budget authorized an additional \$10 million in general funds to ensure that the lack of federal funds does not impact the project schedule. The current project status includes project construction in progress, with an estimated completion by spring 2025. In July 2024, the department noted that the project has been re-competed for federal fiscal 2025 CSA-UPL funding. **The Military Department should brief the committees on the status of the federal fiscal 2025 CSA-UPL funding and the possibility of receiving federal reimbursement for the State’s share of the project’s design cost.**

Summary of Fiscal 2026 Funded State-owned Projects

Glen Burnie Readiness Center Renovation and Expansion

Project Summary: This renovation and expansion project will provide modern space for one Maryland Army National Guard Infantry Company, including unit administrative offices, equipment storage areas, locker rooms, toilet/shower facilities, classrooms, soldier training areas, an assembly hall, and other support spaces. It will replace the HVAC system, fire suppression, and plumbing; repair structural damage to the exterior walls and roof; and add lightning protection to the building. Information technology (IT) systems, electric wiring, security systems, and back-up power systems with a new generator will be upgraded. Interior spaces will be demolished and

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reconfigured to modern standards. Due to increased storage and training space needs, an addition will be constructed to expand heated supply storage and classrooms. Federal funds for this project come from the Operations and Maintenance (O&M) – Facility Sustainment, Restoration, and Modernization (FSRM) Program.

New/Ongoing: Ongoing								
Start Date: March 2025					Est. Completion Date: January 2028			
Fund Sources:								
(\$ in Millions)	Prior Auth.	2026	2027	2028	2029	2030	Beyond CIP	Total
GO Bonds	\$0.398	\$0.176	\$4.993	\$0.000	\$0.000	\$0.000	\$0.000	\$5.567
FF	0.511	0.227	6.413	0.000	0.000	0.000	0.000	7.151
Total	\$0.909	\$0.403	\$11.406	\$0.000	\$0.000	\$0.000	\$0.000	\$12.718
Fund Uses:								
(\$ in Millions)	Prior Auth.	2026	2027	2028	2029	2030	Beyond CIP	Total
Planning	\$0.909	\$0.403	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$1.312
Construction	0.000	0.000	11.406	0.000	0.000	0.000	0.000	11.406
Total	\$0.909	\$0.403	\$11.406	\$0.000	\$0.000	\$0.000	\$0.000	\$12.718

- **Need:** The Glen Burnie Readiness Center lacks sufficient classroom space, a learning center and library, a multipurpose training area, storage area, and a lactation area. Additionally, some elements of the current facility no longer meet Maryland Army National Guard facility standards due to aging infrastructure.
- **Project Status and Schedule:** The project schedule has been delayed by six months to complete the project’s facility program review and scope modifications. The updated timeline includes design starting March 2025 and construction estimated to begin in July 2026 with anticipated completion in January 2028.
- **Changes:** The fiscal 2026 budget includes a total of \$403,000 to continue project design, which includes \$176,000 in GO bonds and \$227,000 in federal funds. This is \$198,000 less than the amount planned in the 2024 *Capital Improvement Program* (CIP) due to an updated project schedule that defers the start of construction to fiscal 2027, as compared to the previously estimated construction start in fiscal 2026. The total estimated project cost has decreased from \$13.4 million, as planned in the 2024 CIP, to \$12.7 million due to the updated cost estimate after including the Military Construction – FSRM requirements to reconfigure internal spaces within the facility.
- **Other Comments:** The Military Department anticipates receiving federal construction funding in federal fiscal 2026, which overlaps with State fiscal 2027.

White Oak Readiness Center Renovation and Expansion

Project Summary: The renovations planned at White Oak, including functional spaces to meet all requirements for two Army National Guard units, including unit administrative offices, equipment storage areas, locker rooms, toilet/shower facilities, classrooms, soldier training areas, an assembly hall, and other support spaces on an adequately sized parcel, will allow the department to divest the Adelphi Readiness Center.

New/Ongoing: Ongoing								
Start Date: July 2024					Est. Completion Date: October 2028			
Fund Sources:								
(\$ in Millions)	Prior Auth.	2026	2027	2028	2029	2030	Beyond CIP	Total
GO Bonds	\$0.593	\$0.152	\$0.000	\$13.099	\$0.000	\$0.000	\$0.000	\$13.844
FF	1.881	0.000	30.000	0.000	0.000	0.000	0.000	31.881
Total	\$2.474	\$0.152	\$30.000	\$13.099	\$0.000	\$0.000	\$0.000	\$45.725
Fund Uses:								
(\$ in Millions)	Prior Auth.	2026	2027	2028	2029	2030	Beyond CIP	Total
Planning	\$2.474	\$0.152	\$0.498	\$0.224	\$0.000	\$0.000	\$0.000	\$3.348
Construction	0.000	0.000	29.502	12.875	0.000	0.000	0.000	42.377
Total	\$2.474	\$0.152	\$30.000	\$13.099	\$0.000	\$0.000	\$0.000	\$45.725

- Need:** The White Oak Readiness Center is nearing the end of its Department of Defense-determined useful lifespan of 55 years and lacks sufficient space for unit administrative tasks, soldier training, equipment storage, and emergency response capabilities to support State and local civil authorities.
- Changes:** The fiscal 2024 budget provided a total of \$2.5 million which included \$593,000 in GO bonds and \$1.9 million in federal funds to begin project design. However, due to federal budget constraints, the project was removed from the federal fiscal 2025 Future Years Defense Program by the National Guard Bureau (NGB) and from the fiscal 2025-2029 CIP. Although the federal construction funds were eliminated, NGB still provided design funds for the project. The department submitted 35% design to NGB for review by the August 2024 deadline to compete for the federal fiscal 2026 CSA-UPL funding. Due to design modifications requested by NGB, the project will be resubmitted to NGB to compete for the federal fiscal 2027 CSA-UPL. The department expects to submit the revised 35% design by the June 2025 deadline. The revised estimated total project cost is \$45.7 million, which is \$13.2 million higher than the initially estimated total project cost in fiscal 2024 due to inflation of construction costs. The department is also pursuing federal Congressionally Directed Spending to fund the construction of the project. Federal funding is planned in fiscal 2027, with the required State match programmed in fiscal 2028 in the event the earmark is provided. **The Military Department should brief the committees**

on the department’s contingency plan if the department fails to secure federal funds for the project in fiscal 2027.

- ***Project Status and Schedule:*** The revised estimated project schedule includes project construction beginning in October 2026 and ending in October 2028.

Summary of Out-year State-owned Projects

- ***Frederick Readiness Center Renovation and Expansion Project:*** The fiscal 2025 capital budget authorized \$4.4 million in GO bonds and \$5.1 million in federal funds for the Frederick Readiness Center Renovation and Expansion project. Additionally, the fiscal 2025 capital budget preauthorized \$2.68 million in fiscal 2026. However, the project has been removed from the 2025 CIP because additional funds are not needed in fiscal 2026 due to a revised project schedule. This has also deferred the \$2.68 million of preauthorization in fiscal 2026 to fiscal 2027, which is included in Section 13 of the 2025 capital budget bill. The revised project schedule has delayed project final design submission from June to August 2025, and the project construction start date from September to December 2025. Federal funds for the project come from the O&M – FSRM Program.
- ***Ruhl Readiness Center Renovation Project:*** This project proposes to renovate the Major General Harry C. Ruhl Readiness Center. This project will replace the HVAC system and boilers, upgrade all interior lighting with energy saving fixtures, remediate asbestos-related issues, and include the installation of a new fire alarm system. This project will also renovate bathrooms, showers, and locker rooms, as well as repair the outside fencing and parking area. The infrastructure is over 40 years old and no longer up to NGB standards. The estimated cost of the project is \$15.2 million. The project cost will be shared with NGB using the federal FSRM Program. The funding request for the project has been deferred from fiscal 2026 to 2027.
- ***New Hagerstown Field Maintenance Shop:*** This is a new project added in the fiscal 2026 CIP and the initial funding request will be in fiscal 2027. This project proposes to replace and construct a new Field Maintenance Shop (FMS), located in the Hagerstown Readiness Center campus. The new FMS will provide adequate space for vehicles that need engine work and storage areas for tools, supplies, and parts. This is a fully federally funded military construction project, and the federal funds for the project will come from the CSA-UPL program. The estimated total project cost is \$22 million.
- ***Hagerstown Readiness Center Renovation:*** This project proposes to renovate the Hagerstown Readiness Center and construct a new addition to the facility. This project will replace the HVAC systems and renovate insufficient bathroom, shower, locker, and classroom spaces, including improvements to plumbing, fire suppression, IT, electrical

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systems, and the building exterior. The facility is more than 45 years old and no longer up to NGB standards. Funding for this project comes from a combination of federal FSRM funds as well as State GO bonds. The estimated cost of the project is \$9.9 million, which is \$1.9 million lower than previously estimated in the 2024 CIP, and the funding request for the project is deferred from fiscal 2028 to 2029.

- ***New Joint Force Headquarters at Camp Fretterd:*** This project proposes to renovate and expand the Camp Fretterd Readiness Center to create a new Joint Force Headquarters at the Camp Fretterd Military Reservation. The current Maryland National Guard (MDNG) headquarters is located in the Fifth Regiment Armory in Baltimore City. This project will provide a modern joint force headquarters by expanding and renovating the office and support spaces of the existing Camp Fretterd Readiness Center, which includes improvements of all building systems, information and communication technology, exterior site improvements for parking, and storm water management. This project is a new addition to the 2025 CIP. The total estimated project cost is \$65.4 million, and the initial funding request for the project is estimated to start in fiscal 2030 at \$4.1 million. The project is fully State funded.

Updates

1. Current Status of Military Department Divestitures

The Military Department currently operates 27 readiness centers across the State. Three vacant readiness centers are pending divestitures, as described in the following.

- ***Cascade Readiness Center (Washington County):*** This property is currently in the process of license termination by NGB and the U.S. Army Corps of Engineers.
- ***Catonsville Readiness Center (Baltimore County):*** This property is scheduled to be presented to BPW on February 26, 2025, for its divestiture determination. The disposition will facilitate the construction of a cannabis incubator as required by Chapter 254 of 2023, which directs the Maryland Economic Development Corporation to acquire, construct, or renovate a facility to serve as a cannabis incubator to support the Maryland Cannabis Administration.
- ***Cade Readiness Center (Baltimore City):*** This property is pending based on the availability of another readiness center to transfer the unit currently occupying the Cade Readiness Center. The Military Department is working with the Department of General Services to identify another readiness center that meets the needs and operational requirements of the unit.

2. Projects Removed from 2025 CIP

- ***Annapolis Readiness Center Renovation and Expansion:*** This project proposes to renovate the Annapolis Readiness Center. This project will install a fire suppression system; upgrade the HVAC system, roof, septic system, bathrooms, and plumbing; and repair structural damage to the exterior walls. This project was a new addition to the 2024 CIP with funding programmed to start in fiscal 2029. However, this project has been removed from the 2025 CIP at the request of the Military Department, as the department has deferred this project to fiscal 2031.

3. Freestate Challenge Academy Renovations

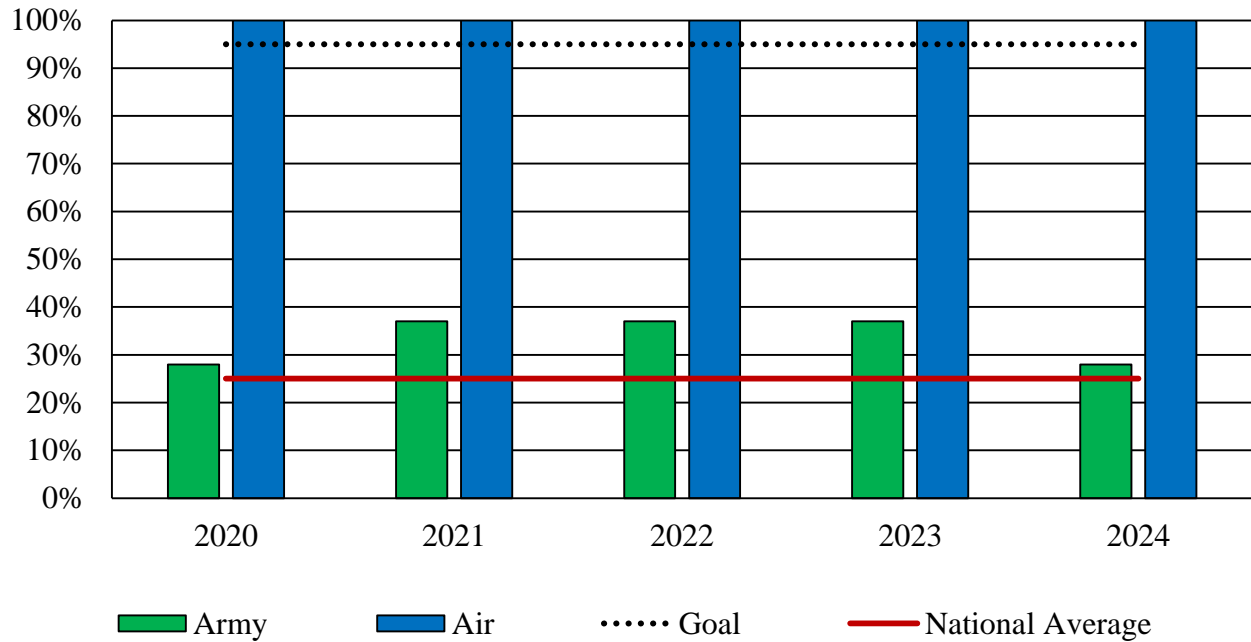
Phase I of the Freestate Challenge Academy renovation project is complete and included renovating the second and third floors, including HVAC, the video monitoring system, and the fire/mass notification system. Phase II includes replacement of hot water system and condenser lines and improvements to the electrical switch gears. The Phase II contract is currently in the BPW approval process and is expected to be complete by June 2025. As of January 2025, \$4.5 million of the project’s total funding has been encumbered.

Performance Measures and Outputs

All MDNG facilities and real property support the operation and training needs of MDNG and the ability to respond to State and local emergencies. One of the responsibilities of the Military Department is to build and maintain the armories and other facilities used by MDNG. According to the draft interim facilities master plan submitted in June 2024, MDNG has 267 buildings on 2,802 acres throughout the State to support the operational and training needs of its troops. The Military Department Army Operations and Maintenance Program oversees the construction, maintenance, and divestiture of MDNG facilities. Through a cooperative agreement with NGB, maintenance funding is split between federal and State funds, depending on the facility.

Exhibit 1 shows the percentage of the State’s major air and army facilities in fully functional status between fiscal 2020 and 2024. The Maryland Air National Guard has consistently maintained 100% functionality in their facilities. The Maryland Army National Guard facility functionality decreased to 28% in fiscal 2024, a 9% decrease from fiscal 2023, returning to the fiscal 2020 level. While this is above the national average of 25%, it is well below MDNG’s goal of 95%. As the capital program is implemented and unused properties are divested, the Military Department expects the percentage of functional properties to improve over time.

Exhibit 1
Functional Status of National Guard Facilities
Fiscal 2020-2024



Source: Department of Budget and Management