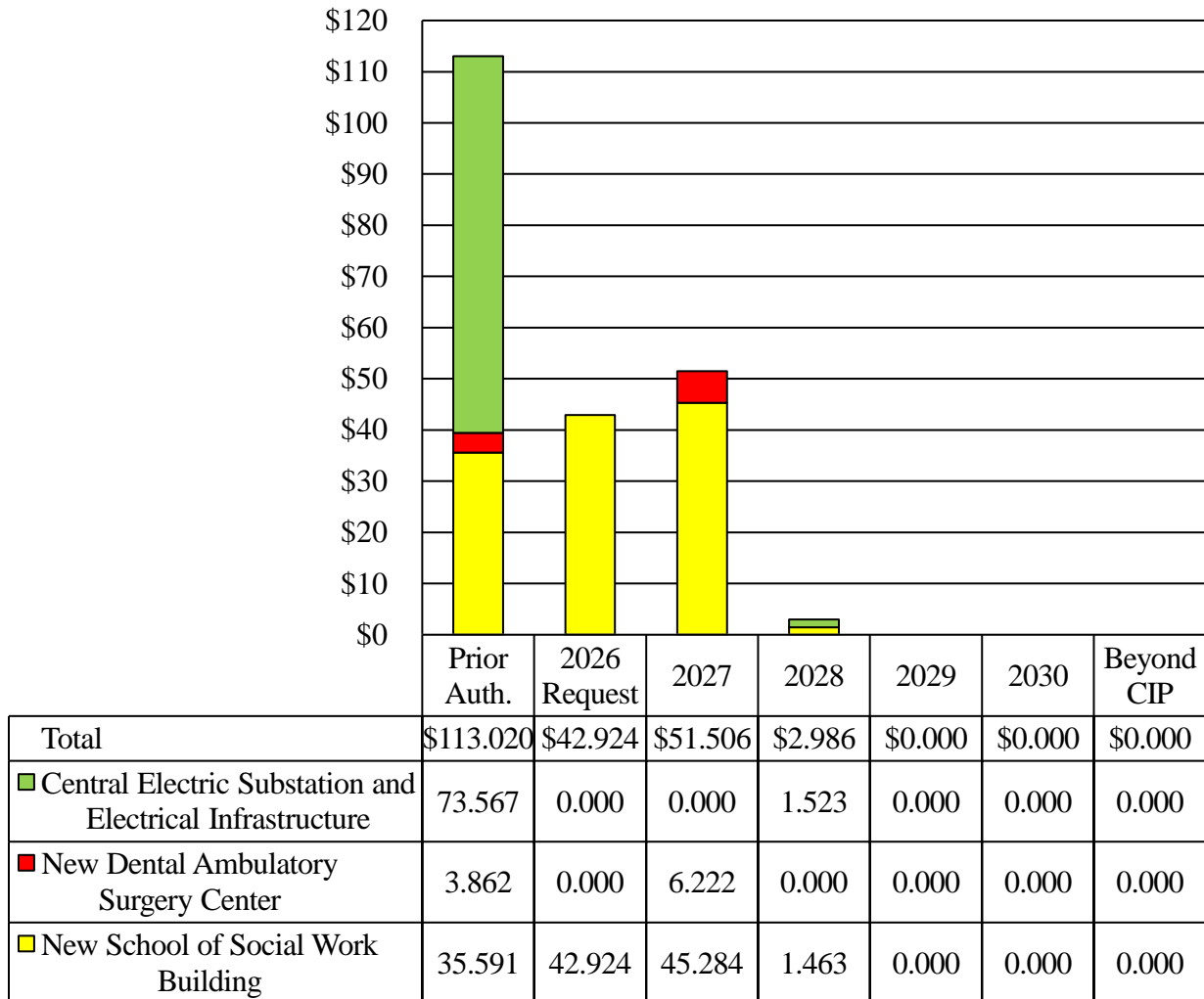


**RB21**  
**University of Maryland, Baltimore Campus – Capital**  
**University System of Maryland**

***Capital Budget Summary***

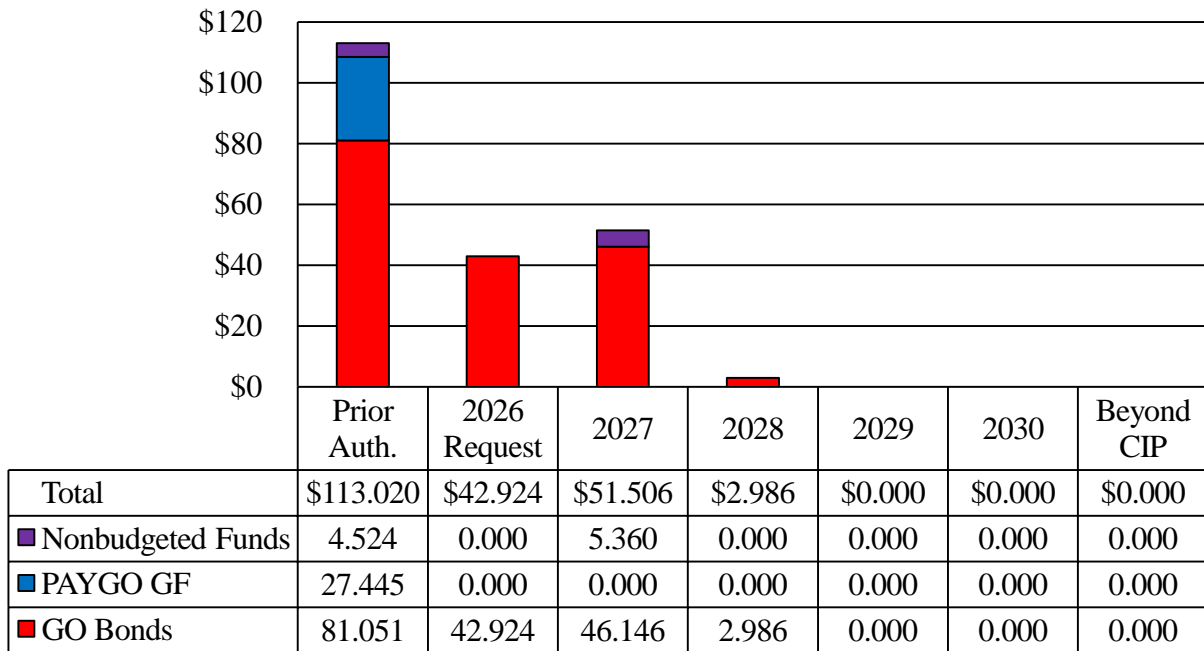
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**State-owned *Capital Improvement Program* – Uses**  
**(\$ in Millions)**



CIP: *Capital Improvement Program*

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



CIP: Capital Improvement Program  
GF: general funds

GO: general obligation  
PAYGO: pay-as-you-go

## Key Observations

- New School of Social Work Building:** The fiscal 2026 capital budget includes \$42.9 million to continue construction, which is \$5.8 million more than programmed in the 2024 Capital Improvement Program (CIP). Funding is accelerated to complete the facility by August 2027. The total cost of the project increases \$3.6 million to \$125.3 million due to the addition of energy efficiency enhancements that will make it one of the University System of Maryland's (USM) first net zero buildings.
- New Dental Ambulatory Surgery Center:** The total cost of the project increases \$7.2 million to \$10.1 million in the 2025 CIP, with the School of Dentistry providing \$6.9 million in nonbudgeted funds. This increase is due to a change in the scope of the project, in which current Medicare and Medicaid eligibility standards for this type of clinic require the suite be physically distinct from the other clinics. Without this separation, the center would not be eligible to bill Medicare and Medicaid patients.

## ***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 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 purpose of funding 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 Department of Legislative Services has recommended reducing the

general obligation bond authorization for each project with the intent of replacing on a one-for-one basis with SEIF special funds.

## ***GO Bond Recommended Actions***

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1. Reduce funding for the new School of Social Work building.

RB21A	New School of Social Work Building.....	\$ 37,924,000
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<u>Allowance</u>	<u>Change</u>	<u>Authorization</u>
42,924,000	-5,000,000	37,924,000

**Explanation:** Reduce general obligation bond funding for the new School of Social Work building by \$5.0 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.

<b>Total General Obligation Bonds Reductions</b>	<b>\$5,000,000</b>
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## **Updates**

- ***Institute for Health Computing (IHC):*** Through fiscal 2025, the State has appropriated \$3.0 million to support project design. However, until a program plan for the project is developed and submitted to the Department of Budget and Management (DBM), the previously authorized funds cannot be used. It is also noteworthy that the 2025 CIP does not program future funding for the project, as DBM is awaiting receipt of the Program Plan before making a commitment to funding the project.

The University of Maryland, Baltimore Campus (UMB) and the University of Maryland, College Park Campus (UMCP) have met with the Montgomery County and Washington Metropolitan Area Transit Authority planning teams, who are working on the development of the North Bethesda Station Joint Development. These meetings included discussions of two potential alternatives for including IHC within the site. In addition, UMB and UMCP have been working with faculty and staff to determine the space needs of IHC. UMB and UMCP believe that the inclusion of IHC at the site will create synergies with the private research enterprises that are being targeted as tenants.

A request for a quote for the selection of a master developer was issued on July 29, 2024, and responses were submitted on October 29, 2024. The planning is not far enough along to determine where or how IHC should be included in the larger development project. IHC cannot be added into the project until the site's infrastructure and first-phase buildings are planned out and appropriately financed. Without this level of detail, UMB and UMCP

cannot complete Part 2 of the facilities program, as required by DBM to spend the \$3.0 million in general obligation (GO) bond funding. It is expected that it will take another year to complete details of the project.

- **Previously Completed Project Funding Deauthorized:** The fiscal 2026 capital budget bill includes an amendment to deauthorize \$301,740 of an unexpended State authorization for the Health Sciences Research Facility III and Surge Building.

## ***Summary of Fiscal 2026 Funded State-owned Projects***

### **New School of Social Work Building**

**Project Summary:** This project will construct a new School of Social Work building. Originally, this project was intended to renovate the School of Social Work East and West buildings that were constructed in 1932 and 1983, respectively, and construct an addition. However, based on a facility condition assessment, it was determined that renovation of the current facilities would not be cost effective, and that new construction was necessary. In addition, the adjacent land lacks sufficient space to accommodate the construction of an addition.

New/Ongoing: Ongoing								
Start Date: March 2023					Est. Completion Date: August 2027			
Fund Sources:								
(\$ in Millions)	Prior Auth.	2026	2027	2028	2029	2030	Beyond CIP	Total
GO Bonds	\$35.591	\$42.924	\$45.284	\$1.463	\$0.000	\$0.000	\$0.000	\$125.262
Total	\$35.591	\$42.924	\$45.284	\$1.463	\$0.000	\$0.000	\$0.000	\$125.262
Fund Uses:								
(\$ in Millions)	Prior Auth.	2026	2027	2028	2029	2030	Beyond CIP	Total
Planning	\$11.623	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$11.623
Construction	23.968	42.924	39.430	0.000	0.000	0.000	0.000	106.322
Equipment	0.000	0.000	5.854	1.463	0.000	0.000	0.000	7.317
Total	\$35.591	\$42.924	\$45.284	\$1.463	\$0.000	\$0.000	\$0.000	\$125.262

- **Need:** The current facility and remote off-campus leased space are insufficient to accommodate the growth of the school. Insufficient space has resulted in frequent moves of personnel and reconfiguration of space to accommodate new hires. The Child Welfare Academy cannot hire additional staff due to the lack of space. The school also leases approximately 9,200 square feet of off-campus space, with the cost of the leases increasing 2% annually.

The project will also address the functionally inadequate space of the current buildings, which are not conducive to collaborative faculty research. There has been no significant renovation to the buildings, resulting in \$34.6 million in deferred maintenance. Mechanical and electrical systems have exceeded their useful lives and are functionally inadequate, and neither building complies with life safety and accessibility requirements.

- ***Project Status and Schedule:*** The fiscal 2026 capital budget includes \$42.9 million to continue construction, which is \$5.8 million more than the amount programmed in the 2024 CIP for fiscal 2026. Funding is accelerated in order to complete the facility by August 2027 for the fall semester cohort. The total estimated cost of the project has increased by \$3.6 million to \$125.3 million from what was programmed in the 2024 CIP due to the addition of energy efficiency enhancements that will make it a net zero facility including \$1.6 million for a geothermal exchange system, \$1.5 million to upgrade to a high-performance envelope, and \$0.5 million to install a photovoltaic system. It is projected that this will improve the energy efficiency of the building by approximately 48%.

**The Department of Legislative Services recommends reducing GO funding by \$5.0 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.**

- ***Sustainability:*** In accordance with the Maryland High Performance Building Standards, the sustainability features of this facility include a high-performance building envelope that lowers heating and cooling loads by 12% and 4%, respectively; photovoltaic arrays that will produce 15% of the energy used by the facility; a green roof garden with extensive plantings and tree cover; intensive stormwater management features to minimize rainwater discharge; and geothermal exchange wells, making this the first operational net zero emissions facility in USM.

**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.**

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

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- ***New Dental Ambulatory Surgery Center:*** Through fiscal 2025, the State has authorized \$2.338 million to support the project. The total estimated cost of the project has increased from \$2.8 million to \$10.1 million from last session's estimate, but the State's share only increased by \$500,000, with the School of Dentistry providing \$6.9 million in nonbudgeted funds to support the project. The increased cost is attributable to a revised project scope, resulting from feedback received from an operations consultant who was brought in during

the design process. While the original design and program assumed that preexisting floor space and clinical operations would be shared by the Dental Ambulatory Surgery Suite, the consultant noted that current Medicare and Medicaid eligibility standards for this type of clinic requires that the suite be physically distinct from the other clinics. Without this separation, the center would not be eligible to bill Medicare and Medicaid patients. The increase scope includes reconfiguration of the building's hallways, the installation of a two-stop elevator, and the construction of three procedure rooms; a waiting room and reception area; a dedicated generator and equipment rooms; and two bathrooms.

- ***Central Electric Substation and Electrical Infrastructure:*** This is a multi-year, multi-phased project to construct new electric substations at the north and south end of campus, replace the existing Greene Street substation, and upgrade the existing electrical infrastructure servicing campus. The two new substations will be fed from two different Baltimore Gas and Electric sources, providing redundancy for the campus. The project addresses the end of the useful life of the Greene Street substation, which also does not meet current code; the failing Baltimore City duct bank to Greene Street substation; the failing cables in the duct banks; increasing electrical demand; and lack of electrical redundancy.

The funding plan for the project has been paused until fiscal 2028. According to UMB, the project has been slowed due to delays in receiving Developer's Agreements from Baltimore City. In addition, the project's engineers have recommended a series of modifications to the scope, and there have been challenges integrating the technology being put in place to manage the new grid that is being developed by the project. These factors have resulted in substantial delays in the completion of later bid packages, thereby moving the estimated construction completion to December 2027.

The 2025 CIP programs \$1.5 million to complete construction in fiscal 2028. It should be noted that prior year authorizations total \$73.6 million. The total cost of the program has decreased by \$7.9 million, from \$83.0 million in the 2023 CIP to \$75.1 million in the 2024 CIP. UMB states that the bid packages have been coming in lower than the original estimates, thereby providing a cash balance to fund construction in the intervening years.

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

		2026	2027	2028	2029	2030
<b>New School of Social Work Building</b>						
	Estimated Operating Cost	\$0.000	\$0.000	\$0.634	\$0.786	\$0.840
	Estimated Staffing	0.0	0.0	5.8	5.8	5.8

The new School of Social Work building impacts the operating budget in fiscal 2028 and reflects the additional personnel to maintain the facility and other expenses related to operating the facility, such as fuel, utilities, supplies, and equipment.