

# Maryland

## Department of General Services



### FY 2018 Capital Budget Analysis DGS Response

Senate Budget and Taxation Committee  
Capital Budget Subcommittee – March 7, 2017

House Appropriations Committee  
Capital Budget Subcommittee – March 8, 2017

**Larry Hogan**, *Governor*  
**Boyd K. Rutherford**, *Lt. Governor*  
**Ellington Churchill, Jr.**, *DGS Secretary*

**Department of General Services**  
**Office of the Secretary**  
**Fiscal Year 2018 Capital Budget Analysis**  
**DGS Response**

**FISCAL YEAR 2018 CAPITAL BUDGET TESTIMONY**  
**DEPARTMENT OF GENERAL SERVICES**

**Introduction**

Good afternoon, Chair and Members of the Committee. For the record, I am Ellington Churchill, Secretary of the Department of General Services (DGS). On behalf of all the hard-working, dedicated employees at DGS, thank you for the opportunity to appear before you today regarding the Department's capital budget. I would like to thank Ms. Darica Lawson for her analysis of the Department's FY 2018 Capital Budget Request.

The Department of General Services has the key role of supporting the Capital infrastructure needs of those agencies we serve. The proposed \$15 million in Capital Facilities Program funding will allow DGS to continue its ongoing capital facilities program.

The Department continues to provide efficient and effective customer service to our state agencies. During FY 2016, we awarded over \$134 million in new projects and completed over \$37 million of ongoing capital projects. We currently have 41 projects in design that have a construction value over \$133 million.

Summary of Issues:

**Construction Contingency Fund:**

**DGS should comment on the recent activity of expenditures in the fund balance and the funding level necessary to maintain the construction contingency fund.**

DGS manages the construction contingency fund in conjunction with the Department of Budget and Management (DBM). The fund can be utilized by State Agencies that DGS does not control, including the University System of Maryland (USM), The Department of Public Safety and Correctional Services (DPSCS) and Maryland Environmental Services (MES). At this time DGS has been given no indication from these other entities on an intent to utilize this fund on current projects.

The funding requested for the Construction Contingency Fund is based on historic evaluation of the use of the fund. After reviewing the last 5 years of the Construction Contingency Fund use, DGS can confirm that the available funds are believed adequate to fulfil the needs of the State Agencies that access the fund. DGS and DBM will continue to monitor the fund and, if necessary, request additional funding in future years.

**GO Bond Recommended Actions**

1. Approve \$2.5 million in funding for Contingency Construction fund.  
DGS Concur
2. Approve \$15 million of general obligation bond funds for the Facility Renewal Program.  
DGS Concur
3. Approve the general obligation bonds for the Annapolis Post Office renovation.  
DGS Concur
4. Approve funding for the construction of Harriet Tubman and Fredrick Douglas statues.  
DGS Concur
5. Approve the de-authorization of \$100,000 for the Asbestos Abatement Program.  
DGS Concur
6. Approve the de-authorization of general obligation bond funds for Old Senate Chamber.  
DGS Concur