

**Maryland Military Department
Testimony**

Fiscal Year 2018 Capital Budget

**Presented to
Senate Capital Budget Subcommittee
February 21, 2017**

**House Capital Budget Subcommittee
February 22, 2017**

Introduction:

The Maryland Military Department appreciates this opportunity to update the committee on the capital activities of the Department and to respond to the recommendations and requested updates contained in the Capital Budget analysis prepared by the Department of Legislative Services (DLS).

The Department's response to the recommendations and requested updates of the Department of Legislative Services:

PAYGO Recommended Actions (DLS Analysis page 15):

1. Approve the authorization of \$2.7 million in federal funds to construct the new Easton Readiness Center, \$19.0 million in federal funds to construct the Freedom Readiness Center, \$10.0 million in federal funds to construct the Havre de Grace CSMS Automotive Maintenance Facility, \$2.5 million in federal funds for Camp Fretterd Complex Access Control, and \$1.4 million in federal funds for the Havre de Grace CSMS Surface Equipment Maintenance Facility.

Agency Response:

The Department concurs with the DLS PAYGO recommendation.

GO Bond Recommended Actions (DLS Analysis page 16):

1. Approve \$3,587,000 in general obligation bonds for the construction of the Easton Readiness Center for fiscal year 2018.
2. Approve \$214,000 in general obligation bonds for the construction of the Freedom Readiness Center for fiscal 2018.
3. Approve the de-authorization of \$350,000 in general obligation bonds for the Dundalk Readiness Center Alteration.
4. Approve the pre-authorization of \$3,975,000 in GO bonds for Freedom Readiness Center in fiscal 2018.
5. Approve the pre-authorization of \$3,015,000 in GO bonds for Freedom Readiness Center in fiscal 2020.

Agency Response:

The Department concurs with the five (5) DLS GO Bond recommendations.

DLS REQUESTED UPDATE #1 (Freedom Readiness Center, page 6&7):

1. *To the extent that design costs are approximately 25% more than anticipated; the department should be prepared to brief the committee on whether the \$26.5 million cost estimate sufficiently captures the estimated funds necessary to construct the project.*

Agency Response:

The Freedom Readiness Center is currently in the very early stages of design with 15% completion. At this initial phase, the designer has indicated the cost of construction may be slightly higher than originally estimated due to the amount of site work required. The 56 acre land parcel transferred from DHMH to the Military Department (at no cost) will require additional work to pave the site for military vehicles due to the topography of the site. The Department is working with the designer to complete the initial cost estimates and it will be several months until final estimates (including any overages) are known.

DLS REQUESTED UPDATE #2 (Havre de Grace CSMS Automotive Maintenance Facility, page 7):

2. *To the extent this project has once before been canceled at the federal level, the department should brief the committee on its level of confidence that the project will be funded.*

Agency Response:

The Havre de Grace CSMS Automotive Maintenance Facility Project was not previously cancelled but, has been submitted annually as part of the 100% federal Critical Unfunded Request (CUFR) funding process. CUFR projects are competed for annually based on the criticality of the project to our Department. This project is one of seven projects submitted by the National Guard Bureau (NGB) to the Department of the Army for federal funding. Due to the difficult fiscal climate, the Department is unable to provide a level of confidence that the project will be funded but, the likelihood of approval is higher than with previous years.

DLS REQUESTED UPDATE #3 (Easton Readiness Center, page 7& 8):

3. *The department should be prepared to brief the committees concerning whether the level of funding programmed will be sufficient to complete the project (Easton Readiness Center) as contracted.*

Agency Response:

The Easton Readiness Center is a design-build project and the Department anticipates that the level of funding currently programmed (authorized) will be sufficient to complete the project.

DLS REQUESTED UPDATE #4 (Camp Fretterd Complex Access Control, page 8):

4. *The department should be prepared to brief the committees concerning the status of the federal funding and the degree of confidence that this project (Camp Fretterd Complex Access Control) will be scheduled and approved at the federal level.*

Agency Response:

The Camp Fretterd Access Control Project was submitted through the Unspecified Minor Military Construction (UMMC) 100% federal funding request process. UMMC projects are funded annually on a competitive opportunity basis. This is the first time this project has been submitted for funding and due to the current fiscal climate the Department is unable to provide a level of confidence that the project will be funded.

DLS REQUESTED UPDATE #5 (Baltimore City Readiness Center, page 8 & 9):

5. *The department should update the budget committees on the status of this project (Baltimore City Readiness Center), including the identification of suitable location(s) and projected timeline for federal funding consideration.*

Agency Response:

The Department will be notified within the next several months whether federal funds have been approved for the Baltimore City Readiness Center in the Future Year Defense Plan (FYDP). The Department is currently working with the Maryland Department of Planning and Baltimore City planners to find an appropriate parcel of land within the city for this project. This project is The Adjutant General's (TAG) number one MILCON (Military Construction) priority and will be submitted annually until federal funding is approved.