FY 2020 CAPITAL BUDGET INSTRUCTIONS: A GUIDE

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Introduction

The Office of Capital Budgeting (OCB) prepares the Governor's annual capital budget and develops the five-year Capital Improvement Program (CIP), exclusive of Department of Transportation projects. To accomplish this function, OCB encourages facilities master planning by State agencies, evaluates the feasibility and need for State facilities, and prepares documents in support of the Governor's capital budget proposals. OCB also provides technical assistance to State agencies preparing facilities master plans and capital project proposals and determines the eligibility of equipment for capital funding.

Creating a capital budget request requires careful consideration and acute attention. The Capital Budget Instructions are designed to assist you and your agency in completing the capital budget request process. Throughout this document, there are hyperlinks and contact information for further information and assistance. It is important to utilize these resources to ensure proper completion of your budget submission and to ensure your agency meets OCB'S high expectations.

This document is a guide. It **does not** constitute our full set of instructions. Additionally, not all sections apply to all agencies. If you need further clarification, please contact your assigned budget analyst. **Incomplete or inadequate submissions risk exclusion from the CIP.**

Further information about the OCB, the capital budgeting process, and additional forms and instructions, including our full set of Budget Instructions, is located on The Department of Budget and Management – Capital Budget homepage. Before submitting your request, please ensure that all items are completed on the checklist found at the end of these instructions.

Important and Helpful Links

Please consult the following links as you prepare your budget submission (Ctrl + click to open each hyperlink). The constrained nature of the current CIP means that new budget submissions must be compelling and complete. As noted above, poor or inadequate submissions may jeopardize capital funding for your project. It is **imperative** that you consult these and other resources, such as the checklist at the end of this document or your assigned budget analyst, as you prepare your budget submission.

- Capital Budget Homepage
- Budget Instructions (including CBIS instructions)
    - Introduction
    - State-Owned Projects
    - State-Owned Programs
    - Non State-Owned Projects
    - Grant and Loan Programs

- - [CEW Instructions](#)
  - [Appendix](#)
- [Facility Program Manual](#)
- [Growth and Conservation Criteria](#)
- [GCC Interactive Map](#)
- [Capital Equipment Guidelines](#)
- [Capital Equipment Request Form (Form G)](#)
- [FY 2019 Capital Budget Bill (MCCBL of 2018)](#)
- [Project Funding Status Report Instructions](#)
- [Capital Budget Analyst Contact Information](#)
- [Building Efficiency Factors](#)

Training

This year, OCB will hold two types of CBIS training sessions via webinar - a refresher course and a more detailed training. Multiple sections of each training may be offered depending on demand and type of submission (e.g. project or program). OCB analysts will contact each agency to provide additional information about scheduling. We will not hold an in-person group training as we have in past years.

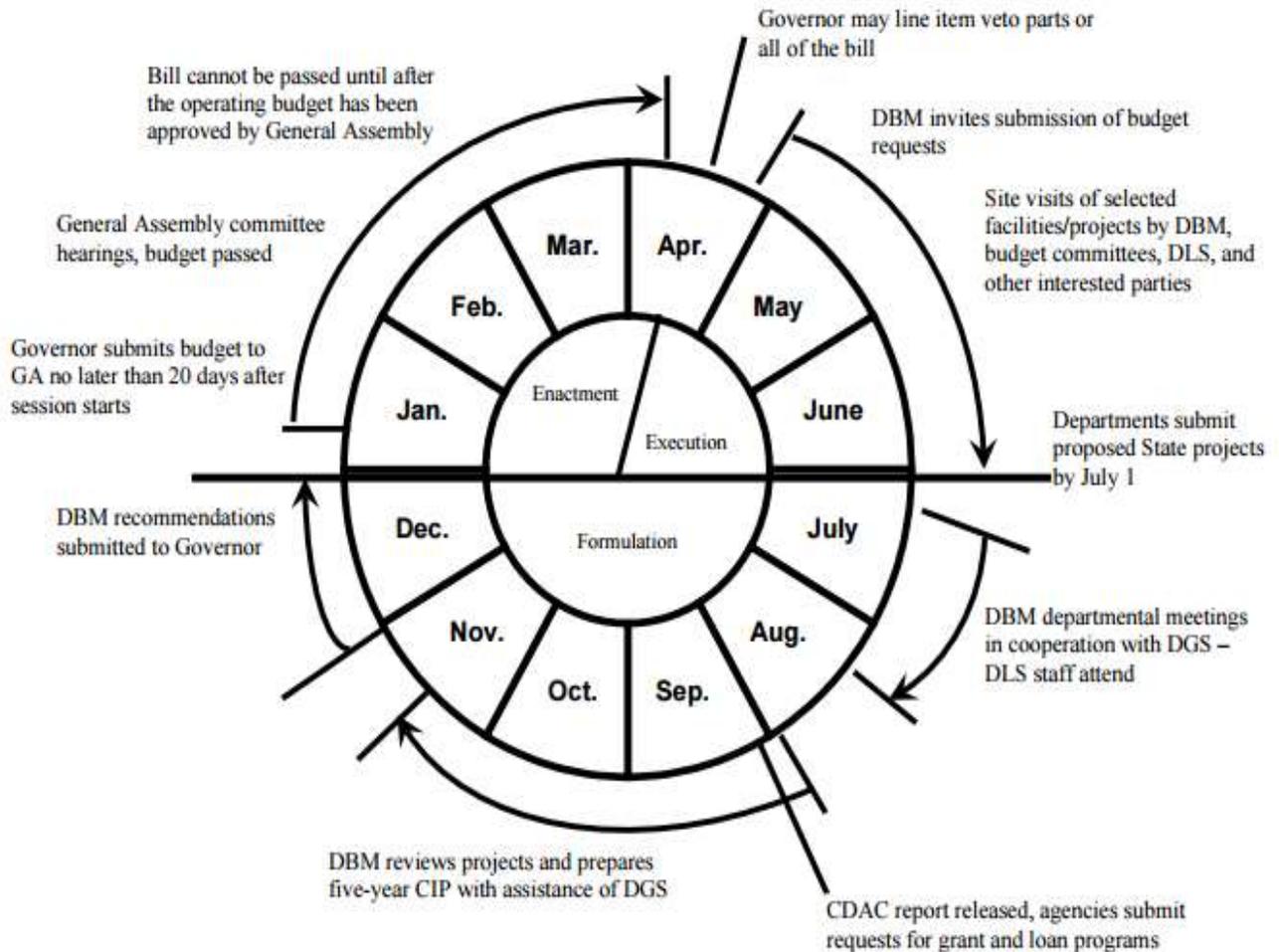## Requirements for Consideration for Capital Funding

Your agency must submit the documents listed below. **Incomplete submissions will not be considered**.

1. An original transmittal letter signed by the agency head
2. A summary of the agency's five-year capital budget request **in priority order**
3. A complete electronic submission of the capital request online through CBIS
4. A completed Project Funding Status Report
5. A completed Growth and Conservation Criteria Spreadsheet
6. Completed entries of the longitude and latitude coordinates and address fields in CBIS
7. Any additional information needed to support the request, including project cash flows, fund summaries, and project schedules

Budget Process

Maryland operates its finances according to the fiscal year calendar, which begins on July 1st. In order to plan for future years and future facility needs of the State, Maryland has instituted a capital budgeting process, which coincides with each new fiscal year. Agencies submit requests for capital projects on July 1st. DBM, DGS, and other executive departments review submissions and submit recommendations to the Governor. The Governor incorporates these recommendations and other considerations into his capital budget, which is proposed to the General Assembly in January. The budget then goes through the legislative process and is passed into law. Please see a visual representation of the process on the next page.

Capital Budget Cycle

Governor may line item veto parts or all of the bill

Bill cannot be passed until after the operating budget has been approved by General Assembly

DBM invites submission of budget requests

General Assembly committee hearings, budget passed

Site visits of selected facilities/projects by DBM, budget committees, DLS, and other interested parties

Governor submits budget to GA no later than 20 days after session starts

Departments submit proposed State projects by July 1

DBM recommendations submitted to Governor

DBM departmental meetings in cooperation with DGS – DLS staff attend

DBM reviews projects and prepares five-year CIP with assistance of DGS

CDAC report released, agencies submit requests for grant and loan programs

Mar. Apr. Feb. May Jan. June Dec. July Nov. Aug. Oct. Sep.

Enactment
Execution
Formulation

CDAC: Capital Debt Affordability Committee
CIP: *Capital Improvement Program*
DBM: Department of Budget and Management
DGS: Department of General Services
DLS: Department of Legislative Services
GA: General Assembly

Source: Department of Legislative Services

Important Dates

June 29, 2018: State-owned requests are due
August 15, 2018: Grant and Loan requests are due

Important note on facility programs: Please ensure that you have submitted an electronic version of your facility program. If you choose to submit a paper copy of your facility program, please also include an electronic version.

Below are the deadlines for facility program submissions for FY 2020 - FY 2024 requested projects:

FY 2020 requested projects
- Part I program– due June 30, 2017
- Part II program– due March 1, 2018

FY 2021 requested projects
- Part I program– due June 29, 2018
- Part II program– due March 1, 2019

FY 2022 requested projects
- Part I program– due June 29, 2018
- Part II program– due March 2nd, 2020

FY 2023 requested projects
- Part I program– due June 29, 2018
- Part II program– due March 1, 2021

FY 2024 requested projects
- Part I program– due June 29, 2018
- Part II program– due March 1, 2022

Components of Your Capital Budget Submission

This section describes the necessary documentation required for your submission to be considered for capital funding. The guide below will help you craft your CBIS worksheets. Adherence to this guide will help OCB review your request, reduce questions and confusion regarding your request, and aid in the preparation of capital budget publication materials.

There are two subsections: Capital Budget Information System (CBIS) documents and other documents. Not all of these documents are required for every agency or every project. It is important, however, that you understand, complete, and submit each document required for your particular project. Below you will find two lists that provide an overview of the documents required for State-Owned Project Requests and Grant and Loan Project Requests. Should you have questions regarding the documents necessary for your project, please contact your budget analyst.

<u>State-Owned Project Requests</u>

Please refer to the following sections to assist with your capital budget submission:
- [Growth and Conservation Criteria – Guidelines for Capital Budgeting](#)
- [Project Funding Status Report](#) (Independent Procurement Agencies Only)
- [Cost Estimates](#)
- [Capital Equipment](#)
- [Consolidated Requests for Certain Capital Improvements](#)
- [Energy-Related Projects](#)
- [Capital Project Mapping](#)
- [CBIS:](#)
  - [Project Description Section](#)
  - [Project Supporting Comments](#)
- Submission of Facility Programs
- [Department of Planning Coordination](#)

<u>Grant and Loan Project Requests</u>

Please refer to the following sections to assist with your capital budget submission:
- Growth and Conservation Criteria – Guidelines for Capital Budgeting
- [Cost Estimates](#)
- Capital Project Mapping
- CBIS:
  - [Project Description Section](#)
  - [Program Supporting Comments](#)
  - [Project Supporting Comments](#)

<u>Capital Budget Information System (CBIS)</u>

CBIS is the computer database utilized by OCB to process your capital budget request. To be considered for capital funding, you are required to complete several CBIS worksheets. Below is an overview of important CBIS sections along with OCB's expectations for your submission. **For a complete set of instructions for CBIS as well as technical inquiries, refer to our [CBIS manual](#).** If you continue to have questions, please contact your budget analyst.

<u>Obtaining a CBIS Login or Password Reset</u>

All capital budget requests need to be submitted via CBIS. To obtain a username and password for CBIS, contact the Service Desk at (410)697-9700 or service.desk@maryland.gov. Be sure to mention your name, agency, and that you need a CBIS login when you call or email. Please refer to the Service Desk if you need your password reset.

Project Description Section of the CBIS Worksheet

The project description provides a brief (4-8 sentences) summary of the project, including location, scope, justification, and cost.

- Begin with a verb such as construct, renovate, or convert.
- Include the NSF and GSF, if a project has an approved program. Be sure the NSF and GSF are consistent with the CEW and facility program and do not round.
- Include a brief descriptive statement(s) about the project, including its location. Cite any significant secondary purpose (e.g. renovate an existing building as part of a project to construct an addition to the building).
- If there are phases of the project, indicate the number of phases and describe each one.
- Include a general statement describing the justification and need for the project. Further information regarding the project justification should be provided in the Supporting Comments section of the CBIS submission.
- Finally, if funding for a project is requested beyond the five-year request period (FY 2020–FY 2024), or CIP, please include the following statement: The estimated cost of the project totals $X.

Completing the Requested CIP Difference Screen

The Requested CIP Difference screen (abbreviated Req. CIP Diff.), located under the "Cost & Funds" tab in CBIS, *must* be completed if your agency is requesting funds above *or below* the planned amount. Begin the text with, "FY20__ Planned:" then state the funding amount planned in the current CIP for the upcoming fiscal year's capital budget as well as type of funds recommended (i.e. General Obligation Bonds, General Funds, Special Funds). If the amount requested is the same as the amount planned, state, "The amount requested is consistent with the amount planned in the CIP."

For example, suppose a project has $5 million planned in the CIP for FY 2020. (To find this information, please refer to the FY 2019 Capital Budget Volume or the Recommended Worksheet sent to your agency at the beginning of the legislative session. If you are uncertain of the recommended amount in FY 2020, please contact your assigned budget analyst). Now, suppose your agency wishes to request $7 million for the project in FY 2020. In the Requested CIP Difference Screen, that agency is **required** to explain the difference between the planned amount ($5 million) and the requested amount ($7 million). For example, the difference may be explained by a revised cash flow or unforeseen site work requirements.
There are a number of reasons the amount may be different. There may have been unforeseen site work requirements or perhaps bids were higher than anticipated. Whatever the reason, you must explain why your agency requires more funds in this screen.

Completing the Project Supporting Comments

The supporting comments section is very important to OCB's review. This section must contain the compelling quantitative and qualitative reasons the Governor should fund the requested project. Much of this information is also included in the facility program, but it is important to reiterate the justification for your project in the supporting comments section of the budget request.

As you prepare the supporting comments section, adhere to the following structure. First, summarize the information provided in the description. Next, address the facility problems, causes of the problems, and consequences to the delivery of services. **Provide quantitative data where appropriate to support the project justification. Update the information in this section with current data every time the project request is submitted.** Indicate if there are any secondary objectives, or if the scope of the problem goes beyond what was described in the summary. In addition, indicate if there are any issues that will be dealt with such as historic preservation or project phasing. Importantly, the Supporting Comments must explain the project scope and how the scope addresses the facility problems. This information can be found in the facility program.

Address the following issues when developing the supporting comments: 1) descriptions of facility problem(s), 2) consequences of the facility problem(s) on service delivery, and 3) outcomes.

Facility Problem(s). There are generally four types of facility problems that could interfere with the delivery of an agency's services; one or more of the facility problems could be involved in a project.

- **Insufficient space** - more space is needed for a function that is currently available. This may occur because service delivery standards require more space or an increase in users has resulted in overcrowding in the existing space. For example, an increase of patients at a health facility may result in the need for more clinical space.
- **Functional inadequacy of space** - the physical characteristics of the existing space are inefficient or ineffective for the function for which it is used. For example, using space for clinical examinations that was previously used for radiological services would require renovations for more effective clinical service delivery.
- **Obsolescent/deficient space** - the space is outdated or is defective in some way, such as leaking roofs, non-compliance with codes, and HVAC systems with inadequate capacity.
- **Location as a barrier** – the location of the facility is non-accessible by clients or separation of units results in inefficient service delivery.

Consequences on Operations/Service Delivery. After describing the facility problem(s), describe how the facility problems affect operations within the building and/or service delivery. For example, the lack of sufficient space caused the school to turn away students, the hospital to go to "flyby" status, the prison to use dayroom space for inmate housing, or the research lab to decline a grant to conduct research.

Include an analysis of the consequences. Even if the students could be accommodated, the patients treated, the prisoners housed, or the research grant accepted, the supporting comments should discuss how adapting the existing facility to these various actions could interfere with the effective delivery of services. For example, accepting more students without additional space might create overcrowded classes or using dayroom space for inmate housing might require more staff for security. Please discuss these consequences in detail.

Outcomes. Discuss the "outcome" that is expected to occur as a result of correcting a facility problem. For example, increased space for prison housing might reduce the number of injuries to staff and prisoners.

Wherever appropriate, refer to goals and objectives documented in State strategic planning and performance measurement programs, such as policy goals stated in statutes, Managing for Results (MFR), and Growth and Conservation Criteria (formerly PlanMaryland).

Descriptions of the facility problems, consequences, and outcomes should rely heavily on **quantitative data.** For example, if the facility problem is insufficient space, then quantify the shortfall (citing standards when applicable). Service/operations should be measured quantitatively as well, using data such as the number clients served, the number of clients turned away, and/or the value of grant money received or declined. In addition, quantifying outcomes is important because it indicates how a project will enhance an agency's ability to meet client needs.

Finally, be sure that all numbers in the write-up (NSF, GSF, schedule, etc.) agree with supporting documents, such as the CEW, facility program document, or other sections of the CBIS worksheet.

Completing the Program Supporting Comments Section for Grant and Loan Programs

For grant and loan programs, the agency must discuss the need for the program (why the program exists) and how the program improves quality of life in the State. Historical information should also be included in the supporting comments, including:

1. When was the program established?
2. How much funding has been authorized in the history of the program?
3. How many projects have been funded through this program?

Agencies should also provide outcome data to demonstrate the value of the program, such as data that measure the volume of services. Provide an outcome measure that indicates current program results and the target that the program wants to achieve. Outcome data does not necessarily refer to money; it can reflect any benefit that will be gained from the expenditure of State funds. For example, a health program may have goals of increasing the percentage of individuals who are "drug-free" five years after receiving a drug treatment program from 16% to a target of 25%.

Agencies should explain why the selected measure has been chosen. If the target value has not been achieved, please explain possible reasons (i.e., the reluctance of intended beneficiaries of the program to come forward, management difficulties, or constraints of Federal/ State law).

The following three quantitative measures should be provided when describing service amount:

1. The current service volume provided by the program (i.e., number of clients);
2. The increase in the service volume expected from the funding requested (i.e., expected increase in the number of clients); and
3. The total service volume which still remains to be met after the funding request (i.e., quantify the unmet need for services).

Wherever appropriate, refer to goals and objectives documented in State strategic planning and performance measurement programs, such as policy goals stated in statutes, Managing for Results, and Growth and Conservation Criteria. **Be sure to discuss any gaps between services provided, the services needed, and the agency's plans for addressing these gaps.**

Use this section to provide important context, such as comparisons with other, similar facilities, or relevant benchmark or standards. It is also helpful to anticipate likely questions or objections to the proposed projects and to provide the information to answer the question or overcome the objection.

Completing the Project Supporting Comments for Grant and Loan Projects

For each project proposed for funding through a grant program, please follow the instructions for completion of the project description and supporting comments sections above. Provide quantitative data, where appropriate, to support the project justification.

Cost Estimates and Cash Flows

- Agencies are required to submit a cash flow projection for any project for which construction funding is requested in FY 2020. A schedule showing projected expenditures by month is preferred. A schedule showing projected expenditures by quarter is also acceptable. The cash flow should disaggregate spending by planning, construction, and equipment funds.

- Cost estimates for each project requested for FY 2020 – FY 2024 must be supported by a cost estimate worksheet (CEW) entered into CBIS. Instructions on completing the CEW are available under Capital Budget Instructions on the DBM webpage.

- **Internet Connectivity Costs.** Pursuant to the Joint Chairman's Report of 2015, DBM, DGS, and the Department of Information and Technology (DoIT) have examined the costs related to connecting high-speed internet to State facilities. To calculate the cost to connect to the State-owned fiber optic backbone, DoIT will trace the required fiber optic line from the nearest connection point to the address of the requested project site along existing roadways.

- In general, the connection cost will be calculated at a factor of **$25 per foot**, although that calculation will be revised in the future as costs fluctuate. In general, DBM will allocate the connection costs in the final year of construction since it takes DoIT approximately six months to connect a site. As you prepare your CEW, be sure to include the connectivity costs as a line item under utilities section (line item 10).
  - **Projects currently under design or construction should still have connectivity costs included.** DBM will ensure the necessary costs are added if they do not appear in an A/E cost estimate. Some projects may have already incorporated these costs into the construction amount. In those circumstances, the connection costs will not be listed as a separate line item, but DBM's cost estimates will ensure that those costs have been included.

- Cost Estimate Worksheets are escalated to the **midpoint of construction** to account for inflation. **Escalation is to be calculated at 4.0% for calendar year 2018 and 4.0% for each year thereafter**. The CEW produced in CBIS reflects these escalation rates. Projects requesting *construction* funding in FY 2020 should include a 5% construction contingency. A 10% contingency allowance is used for projects when construction is scheduled to begin in FY 2021 or later.

- Construction cost estimates should also account for the 3.5% increase in construction costs during calendar year 2017. **In order to account for this increase, revise the Estimate Reference Point for pre-design projects from January 1, 2017 to January 1, 2018 and increase the base cost per square foot of the project by 4.0%.** For projects currently under design, the A/E cost estimate should reflect actual changes to construction costs and no adjustment is needed.

- If the current cost estimate is **different** from a prior year cost estimate, **provide a detailed explanation in the "Req CIP Diff" text field in CBIS**, which can be found under the "Cost & Funds" menu, under the "Req CIP Diff" submenu in State-Owned Projects and under the "Costs & Funds – Request" screen for Programs.

- For each project included in the out-years (FY 2021 – FY 2024) of the CIP, the cost estimate should:

    (1) Reflect a 3.0% increase in the base gross square foot cost identified by OCB. Adjustments greater than this amount will be reduced to determine the recommended project funding for the CIP.
    (2) use the **efficiency factor**, as provided by DGS in the Facilities Program Manual when calculating the net to gross square foot ratio and;
    (3) Use a 10% project contingency. When the project's first request for construction funding reaches the current budget year request, the 10% contingency should be reduced to 5%.

- The High Performance Building Act of 2008 requires that all State-owned buildings over 7,500 GSF meet LEED Silver level standard or higher, or a nationally recognized green building standard recommended by the Maryland Green Building Council approved by the Secretaries of DBM and DGS (the act excludes some unoccupied buildings, such as warehouses, storage facilities, garages, maintenance facilities, transmitter buildings, pumping stations, etc.). In November 2014, the Maryland Green Building Council approved a supplement to the International Green Construction Code (IgCC) as an alternative method of green building certification. Please contact your budget analyst if you have further questions. **All eligible projects should include a 2% Green Building construction premium on line 12B of the CEW**.

- The Maryland Green Building Council found that this process would not result in significant additional design costs; therefore, no design premium should be included in the CEW. Costs for building commissioning associated with LEED certification is not included as part of the 2% Green Building premium. These costs should be included on line 18A, Building Commissioning, not line 12B. For more information, please contact Steve Lauria at (410)767-4163 or at Steve.Lauria@maryland.gov.

- **Community College Construction Grant Program** – Legislation enacted during the 2010 General Assembly session requires that community college capital projects meet the State's high-performance building standards noted above. Therefore, cost estimates for community college capital projects must include a 2% Green Building premium on line 12B of the CEW.

- State agencies may apply for a waiver in the event of undue hardship. To request a waiver, submit a 1–2 page letter to the Maryland Green Building Council explaining why a proposed project cannot meet green building requirements. The waiver request should be submitted three months prior to the submission of the Part I facility program.

- The Maryland Public Art Initiative Program – Selection of Art for Capital Projects (House Bill 1337 of 2013) requires that all major State-owned building construction and renovation projects over 15,000 GSF shall include public art. Public art is defined in the bill as an architectural enhancement of artistic significance or an individual piece of art. As identified in the bill, public art can include a mural, a tile mosaic, a painting, or a sculpture. The bill excludes warehouse and storage facilities, garages, maintenance facilities, transmitter buildings, and pumping stations. The Public Art Premium only applies to projects that are 100% State-funded. All eligible projects should include a 0.5% Art Initiative premium on line 12D of the CEW. For more information, please contact Liesel Fenner at (410)767-6544 or at liesel.fenner@maryland.gov.

- Cost estimates also account for variations in the wage rates and market conditions for different regions of the State. The Regional Construction Factor (RCF) accounts for these variations and is established by DBM based on prevailing wage information provided by the Department of Labor, Licensing and Regulation (DLLR) and an evaluation of market conditions. The RCF value for each jurisdiction is automatically calculated in the CEW based on a project's location. Please see the current RCF value for each jurisdiction below:

Regional Construction Factors

Jurisdiction	RCF	Jurisdiction	RCF
Allegany	1.10	Harford	1.00
Anne Arundel	1.00	Howard	1.00
Baltimore City	1.00	Kent	1.00
Baltimore County	1.00	Montgomery	1.00
Calvert	1.00	Prince George's	1.00
Caroline	1.00	Queen Anne's	1.00
Carroll	1.00	Somerset	0.95
Cecil	1.00	St. Mary's	1.05
Charles	1.05	Talbot	1.00
Dorchester	0.95	Washington	1.05
Frederick	1.00	Wicomico	0.95
Garrett	1.10	Worcester	0.95

Printing Your CBIS Worksheets

When you have completed all of the screens in CBIS, it is important that you download the documents for your records. **The output format from CBIS looks different than the screens where you input your project information.** OCB recommends that you print a hard copy of these to your budget meeting with DBM. Please **do not** submit screenshots to your supervisor for approval. OCB expects that your supervisor or agency director will review your CBIS worksheets.

To generate your CBIS worksheets in an output format, navigate to the Home screen. On the top menu bar, select the item labeled "View Reports." On the following screen, select "Capital Budget Worksheets." You will be taken to a page that allows you to select the project or program for which you would like to generate your worksheets. Select the appropriate agency, sub-agency, and project or program from the drop-down menus (located at the top third of the page). Most agencies will request *either* a project *or* a program. Once you have selected the appropriate boxes, click "Generate Reports," a blue button at the very bottom of the screen. CBIS will generate your worksheets as a pop-up, so be sure to disable pop-up blockers and check your toolbar after you click "Generate Reports."

For additional information or questions about how to print your worksheets, please consult our CBIS Manual or contact your assigned budget analyst.

Documents Completed Outside of CBIS

The following section discusses other documents that *might* be required for your capital project. Please refer to our complete budget instructions or ask your budget analyst if you are unsure whether you should complete a form.

Growth and Conservation Criteria (GCC)—Guidelines for Capital Budgeting

Under the Local and State Targeted Growth and Conservation Areas, Maryland will be able to better coordinate the smart growth efforts and programs of State government. The Smart Growth Subcabinet Agencies collaborate with local governments to identify locations where targeted investments can promote growth and protect other areas where preservation and conservation should be a priority. DBM has developed guidelines for capital budgeting. All State agencies must consider these guidelines in their capital budget requests when prioritizing projects to be funded and when siting new capital projects.
GCC Guidelines for Capital Budgeting are:

● Use State investment in capital improvements to encourage development, redevelopment and economic growth in locations best suited to accommodate growth and achieve GCC goals and objectives.

● Minimize State investments that may compromise or damage historic, cultural, and natural resources or environmentally sensitive lands. Encourage use or rehabilitation of available existing historic buildings where practicable and feasible when allocating State resources for capital projects.

● State-funded capital improvements for new construction will be guided by departmental plans and consistent with GCC goals. To the extent practicable, State capital investments should be made according to the following priority sequence:
  1. Protection of public health and safety.
  2. Infrastructure maintenance and system preservation.
  3. Redevelopment, enhancement improvements, and capacity expansions in Targeted Growth and Revitalization Planning Areas.
  4. Enhancement improvements in Established Community Areas in Priority Funding Areas (PFAs).
  5. Enhancement improvements in communities outside PFAs.

All agencies must complete a spreadsheet ("OCB FY 2020 GCC Spreadsheet.xls") for their FY 2020 requested projects, including those within a program (stand-alone and projects within a program) and submit it with their FY 2020 capital budget submission. The spreadsheet will be attached to the Office of Capital Budgeting memo to State agencies. Please follow the instructions contained in the 'Instructions' tab of the form.

For assistance with Growth and Conservation Criteria, please contact your capital budget analyst.

Project Funding Status Report

This report is similar to the unencumbered balance report previously prepared in the fall. **Only agencies with independent procurement authority** (i.e. USM, Morgan, SMCM, DPSCS, MES) need to complete this report. **Agencies without independent procurement authority** will follow guidelines provided by the Department of General Services (DGS). Please note in your Funding Status Report if funds allocated for a project will be unspent once a project is complete. Agencies should also notify their assigned budget analyst if additional funds become available after the report is submitted.

Detailed directions for the completion of this report are included in the Instructions for Completing the Project Funding Status Report document sent as an attachment in the Capital Budget Instructions email.

Capital Equipment

- Projects with capital equipment funding requests are required to submit the DBM Form G – Equipment and Furnishings Request. Agencies must submit equipment lists no later than three months after the completion of design. A completed Form G consists of: (1) itemized lists of all equipment being requested for capital funding, including the components of systems (these lists can be organized into separate tabs at the discretion of the submitting agency), (2) an equipment list summary which includes the totals for each itemized list/tab.

- State government units are **required** by State law and regulation (Ref: COMAR 21.11.05) to procure supplies and services from designated selling entities whenever possible – generally, this refers to Maryland Correctional Enterprises (MCE). If MCE cannot provide a specific product or item, the A/E must obtain a written waiver from MCE for that product. Products from alternate sources will not be accepted without a waiver from MCE. More information about MCE is available at https://mce.md.gov/.

Consolidated Requests for Certain Capital Improvements

Funds for Statewide programs are limited and agencies should consider using other sources of funds for these projects (such as larger projects or federal funds). The following types of capital improvements are consolidated into a single statewide request by designated agencies:

- Requests for **accessibility projects** to comply with the Americans with Disabilities Act. These requests should be submitted through John Brennan Maryland Department of Disabilities, at (410)767-3640 or john.brennan@maryland.gov. The Department will review and prioritize these projects for funding from a single statewide fund source.

- Requests for **infrastructure or facilities renewal projects, asbestos abatement or encapsulation, and underground heating oil storage tanks,** should be directed to Ms. Lauren Buckler, Assistant Secretary of Facilities Planning, Design, Construction & Energy at

(410)767-3174 or lauren.buckler@maryland.gov. The Department of General Services collects, reviews, and analyzes all such requests from State agencies, and prioritizes them on a statewide basis. Multiple requests for related projects at the same facility (i.e. roof replacements on multiple buildings at the same complex) with a total cost of more than $2.5 million should be submitted as a stand-alone capital project request.

Energy-Related Projects

Agencies **must** consider an energy performance contract (EPC) as a preferable alternative to capital debt for energy-related projects. Renovations, improvements or replacements for central boiler plants, chillers, HVAC systems, lighting, energy management systems, controls, etc., should be designed, installed, maintained, operated and financed through EPCs. For assistance on projects which may be suitable for an EPC, please contact Ms. Lauren Buckler, Assistant Secretary of Facilities Planning, Design, Construction, & Energy at (410)767-3174 or lauren.buckler@maryland.gov.

Capital Project Mapping – Longitude and Latitude Coordinates

The Department of Budget and Management tracks the location of all capital projects in Maryland that receive State funds. DBM then publishes this data online for taxpayers to view, in an effort to improve transparency. This tool requires the longitude and latitude of each capital project receiving funding in the upcoming budget (both State and non-State projects). **Therefore, DBM requests that agencies provide the longitude and latitude (in decimal degrees) of each project proposed for funding in the FY 2020 Capital Budget found in the main information screen in CBIS.** This is most easily accomplished when agencies complete the "[OCB FY 2020 GCC Spreadsheet.xls](#)" form because the Growth and Conservation Interactive Map provides the longitude and latitude of a project in decimal degrees. Please refer to the instructions which accompany the "[OCB FY 2020 GCC Spreadsheet.xls](#)" form.

Grant and Loan Requests—Encumbrance and Expenditure Summary

- All State-administered grant and loan programs should provide updated data in the Encumbrance and Expenditure Summary and the Prior Appropriations sections in CBIS.
- Information not capable of input into CBIS should be submitted in a spreadsheet in Excel or PDF format attached to the Cost and Funds section in CBIS.

Maryland Department of Planning: Coordination

- Agencies are required to prepare and submit an **Environmental Assessment Form** (EAF) to the Maryland Department of Planning (MDP) for each new project request. A generic EAF is available on DBM's [applications and forms website](#)

- Please contact your OCB budget analyst for information regarding the EAF preparation process in general.

- For public school projects, go to <u>Public School Construction Program's website</u> to obtain a copy of the EAF for public school sites. Contact Michael Bayer, MDP Manager of Infrastructure & Development at 410-767-7179 or michael.bayer1@maryland.gov, for information to complete a school EAF.

- For information on the submission process for a new project to the MDP Clearinghouse Review, contact Jason Dubow, Manager of Resource Conservation & Management at 410-767-3370 or <u>Jason.dubow@maryland.gov</u>

Conclusion

The Capital Improvement Program, adopted by the 2018 General Assembly, places considerable constraints on the State's ability to engage in new capital projects. Accordingly, the Office of Capital Budgeting expects the highest quality work and compelling justification in order to receive consideration. Please ensure that you have consulted the information above and read the information available at the Capital Budget website. If you have further questions, please contact your assigned budget analyst. Our analysts can help as you craft your budget request.

On the following two pages, you will find a checklist as an additional resource as you assemble your capital request. The checklist and resources above are here to help with the significant undertaking of a capital request. It is not an easy task and will require a significant investment on behalf of the People of Maryland. Once again, we are ready to help with this process.

Checklist for Capital Project Requests and Worksheets

General Information
☐ Correct agency/college
☐ Correct project title
☐ Project/Program titles do not include symbols (i.e.: & should be written as "and")
☐ Project/Program title contains no obscure abbreviations and acronyms
☐ Correct county identified
   ☐ Specifies "Baltimore City" or "Baltimore County"
☐ Address information is correct
   ☐ Correct jurisdiction
   ☐ Correct legislative district
   ☐ Correct longitude/latitude coordinates
☐ CBIS Worksheets are printed

Project Descriptions

- ☐ Description begins with a verb (e.g. Construct, Renovate, etc.)
- ☐ One or more sentences describing project
    - ☐ If an approved program exists, indicate GSF
    - ☐ If the program has not been approved, the NSF/GSF should not be in the description.
    - ☐ NSF/GSF of both the renovation and addition are individually indicated (if applicable)
- ☐ One or more sentences summarizing need for the project
- ☐ The NSF/GSF and costs match the CEW
- ☐ CIP Difference Section, if applicable
    - ☐ Explanation of why budget year requested funding differ from planned funding
    - ☐ Be specific
- ☐ Concluding sentence:
    - ☐ Budget year project: "The FY 20—request includes funding to…"
    - ☐ Projects extending beyond the CIP: "The estimated cost of this project totals $---."

Budget Request and Schedule
- ☐ Correct budget numbers for each year and use (APCE)
    - ☐ Prior authorization
    - ☐ Budget Year
    - ☐ Out-years
    - ☐ Fund sources
- ☐ Worksheet matches the CEW
    - ☐ Prior/New Design, Construction, Equipment
    - ☐ Project/breakout totals
    - ☐ Design/Construction schedules
    - ☐ NSF/GSF
- ☐ Fund sources equal uses (APCE) and project totals
    - ☐ Correct matching funds
    - ☐ Correct matching sources
    - ☐ Correct state share
- ☐ There are no negative numbers

Programs
- ☐ Description summarizes what the program funds
- ☐ One or more sentences describe the program's policy goal(s)
- ☐ Last sentence is "The FY 20-- budget includes funding for – projects in – jurisdictions."
- ☐ Project lists include correct phase codes (APCE codes) on all projects
- ☐ CIP Difference Section, if applicable
    - ☐ Explanation of why budget year requested funding differ from planned funding
    - ☐ Be specific

Supporting Comments
- ☐ The first sentence indicates the amount requested in the budget year
- ☐ The use (APCE) of the budget year funds is indicated
- ☐ Any differences from the planned amount are explained
- ☐ Any differences from the approved program are explained

- Program mods are identified
- Appropriate background information concerning the request is provided
- Evidence and logic to support the request is provided
  - "This project will solve the following facilities problems: 1)…; 2)…"
  - Individual facilities problems are explained
- Consequences of facilities problems are clearly indicated
- Relevant and material information to justify the request is included
- For community colleges: Include the proposed NASF by HEGIS Category is included at the end.

Important Links
- Capital Budget Homepage
- Budget Instructions (including CBIS instructions)
  - Introduction
  - State-Owned Projects
  - State-Owned Programs
  - Non State-Owned Projects
  - State Grant and Loan Programs
  - CEW Instructions
  - Appendix
- FY 2019 Capital Budget Bill (MCCBL of 2018)
- Facilities Program Manual
- Growth and Conservation Criteria
- GCC Interactive Map
- Capital Equipment Guidelines
- Project Funding Status Report Instructions
- Capital Budget Analyst Contact Information
- Building Efficiency Factors