

**Maryland Military Department
Testimony**

Fiscal Year 2020 Capital Budget

**Presented to
Senate Capital Budget Subcommittee
February 19, 2019**

**House Capital Budget Subcommittee
February 13, 2019**

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 11):

1. *Concur with Governor's Allowance.*

Agency Response:

The Department concurs with the DLS PAYGO recommendation.

GO Bond Recommended Actions (DLS Analysis page 12):

1. *Approve the authorization of \$3.015 million in GO Bonds for the Freedom Readiness Center.*
2. *Add GO Bond authorization to fund design costs for the Automotive section of the Combined Support Maintenance Shop Maintenance Facility. \$1,552,000.*

Add the following language:

B. Havre de Grace Combined Support Maintenance Shop Automotive and Surface Equipment Facility. Provide funds to begin designing the facility. \$1,552,000

Explanation: For efficiency purposes, the Military Department is pursuing the combined design and construction for its CSMS facility; however, at this point, federal funding has only been approved for the Surface Equipment piece of the project. In order to move forward with combined design, State funds are required.

3. *Approve the authorization of \$990,000 to begin design for the renovation and expansion of the MEMA HQ.*
4. *Approve the de-authorization of funds no longer needed for the Dundalk Readiness Center due to project completion.*
5. *Approve the de-authorization of funds no longer needed for the Gunpowder Military Reservation Firing Range due to project completion.*

6. *Approve the preauthorization of \$4.784 million in GO Bonds for construction of the Havre de Grace Combined Support Maintenance Shop Surface Equipment and Automotive Equipment Facility.*
7. *Approve the preauthorization of \$4.784 million in GO Bonds for construction of the Havre de Grace Combined Support Maintenance Shop Surface Equipment and Automotive Maintenance Facility.*

Agency Response:

The Department concurs with the seven (7) DLS GO Bond recommendations.

DLS REQUESTED UPDATE #1 (Havre de Grace CSMS Project, page 7):

1. The Military Department should be prepared to comment on the likelihood of receiving federal funding for Phase II of the project (the CSMS Automotive Maintenance Facility) and the anticipated timeline for knowing whether these funds will be available. In addition, the department should discuss whether State funds for design would be reimbursed. The Department of Legislative Services recommends adding \$1,552,000 in GO bonds to the fiscal 2020 capital budget to cover the outstanding design costs.

Agency Response:

The Department appreciates and concurs with the DLS recommendation to add \$1,552,000 in GO Bond funding to the fiscal 2020 capital budget. These additional funds will be used for jointly designing the Combined Support Maintenance Shop (CSMS) Complex two phase project and are required in FY20 to complete the design in support of a contract award for project construction no later than September 30th, 2020, which is the federal deadline for the execution of federal funds for Phase I of the project.

This two phase project includes the previously approved for federal funding Phase I - CSMS (Surface Maintenance) facility and the Phase II - CSMS (Automotive) awaiting a federal funding decision. The Phase II - CSMS (Automotive) piece has been accepted by National Guard Bureau as DMIL's #1 critical requirement and will be evaluated against all 54 states and territories as part of the current Critical Unfunded Requirement (CUFR) federal FY20 budget cycle. It is anticipated that final federal funding decisions will be made within the next few months. The federal budgeting and decision process is currently on-going, but could be impacted and delayed if the federal government is "shutdown" in the near future.

The additional GO Bond funding for design increases the competitive ranking of the project at the federal level and increases the likelihood of receiving federal funding approval for the second phase of the project (CSMS Automotive) as it displays a committed state partner and provides a "shovel ready" design that can be quickly executed. In addition, the impact of not having approval for the additional planning (design) funds dissolves the ability of DGS to oversee concurrent projects' design and take advantage of associated savings. Furthermore, it is DMIL's intent to pursue design funds to reimburse the State of Maryland for the Phase 2 design once this portion is approved for construction at the federal level.

This project is located on 75 acres of DMIL property in Havre de Grace, Maryland. When taken together, the programmed total for federal funds is in excess of \$20M for the combined projects. This amount is in addition to over \$100M in federal funding previously authorized for DMIL capital projects throughout the State of Maryland over the last 10 years.