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Fiscal Year 2021 Capital Budget Response to Department of Legislative Services Budget Analysis

Senate Budget and Taxation Committee
Capital Budget Subcommittee
Senator Douglas J.J. Peters, Chair
March 3, 2020

House Appropriations Committee
Capital Budget Subcommittee
Delegate Mark S. Chang, Chair
March 11, 2020

Thank you for this opportunity to respond to the Department of Legislative Services (DLS) analysis of the University of Maryland, Baltimore County's (UMBC) fiscal 2021 budget request. UMBC's response to the recommendations and discussion item noted in the analysis are included below.

Capital Budget Recommended Actions

UMBC concurs with the DLS recommendation to approve \$6,041,000 in fiscal 2021 general obligation bond funding and preauthorization of \$6,936,000 in fiscal 2022 for the Utility Upgrades and Site Improvement project.

Discussion Item

UMBC should advise the committees concerning a funding strategy for any additional emergency façade repairs that might need to be made to Sherman Hall in the intervening years, in as much as the complete building renovation is not recommended to begin until fiscal 2025:

In this scenario, construction would not begin until July 2026 leaving UMBC at risk of exterior brick pieces falling off the building. The interim strategy will be to maintain a regular inspection schedule to monitor the integrity of Sherman Hall's brick panels and replace seriously compromised sections with temporary panels. UMBC will divert \$500,000 annually of its operating facilities renewal funds to continue this risk avoidance process until capital funding is authorized. This piecemeal approach is not cost effective and will reduce UMBC's ability to proactively address our \$226 million deferred maintenance backlog. For these reasons, we request consideration for support of the Sherman Hall Renewal project in fiscal 2022.



Utility Upgrades & Site Improvements



Complete these upgrades:

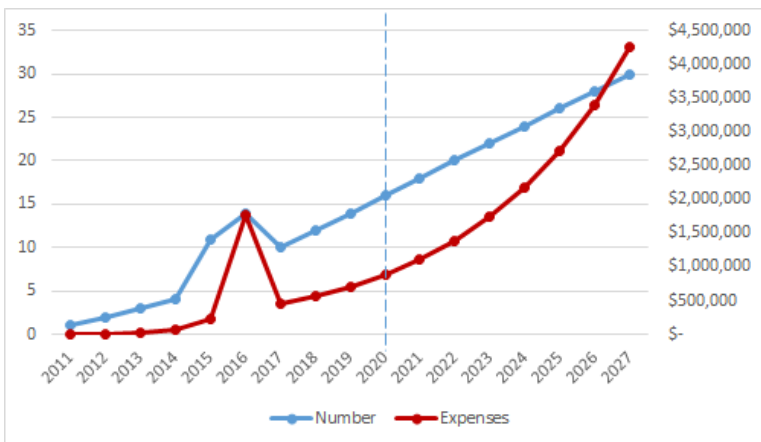
- Boiler replacement
- Electric feeder replacement
- Domestic water line renewal
- Secondary electrical system upgrades
- Exterior LED lighting replacement
- Utility tunnel repairs
- Stormwater management upgrades

Return on Investment

- Improve system reliability.
- Protect quality of education and ensure continuity of research activity.
- Reduce emergency repair costs.
- Avoid insurance claims and premium increases.
- Save energy and reduce carbon emissions.
- Address recent MS4 MDE stormwater regulations.

Clean Water
Safety & Security
Resilience
Reliability
of Power
Efficiency
Sustainability

Past and Future Projected Major Outages



UMBC concurs with the Department of Legislative Services recommendation to approve \$6,041,000 in general obligation bond funding

Prior Authorization	\$5,382,000
	Planning & Construction
FY 2021	\$6,041,000
	Construction
FY 2022	\$6,936,000
	Planning & Construction
TOTAL COST	\$18,359,000
Scheduled Completion	Summer 2022



Sherman Hall Renovation



The 45-year old academic building suffers from cladding failures, deteriorated mechanical and electrical systems, and code deficiencies.

Project will: restore building envelope; replace and upgrade mechanical, electrical, and plumbing systems; and make compliant with safety, energy, and accessibility codes.

Return on Investment

- Reduce operating costs and avoid costly repairs.
- Insure system reliability.
- Extend useful life of the building by 30 plus years.
- Avoid \$40 million in capital expenditures by not constructing a new \$120 million building.
- Eliminate need to dedicate multiple years of facilities renewal funds to replace exterior brick panels.

The Department of Legislative Services recommends that UMBC advise the committees concerning its funding strategy for any additional emergency facade repairs that might need to be made in the intervening years, in as much as the complete building renovation is not scheduled to begin until fiscal 2025.

In this scenario, construction would not begin until July 2026 leaving UMBC at risk of exterior brick pieces falling off the building. The interim strategy will be to maintain a regular inspection schedule to monitor the integrity of brick panels and replace seriously compromised sections with temporary panels. UMBC will divert \$500,000 annually of its operating facilities renewal funds to continue this risk avoidance process until capital funding is authorized. This piecemeal approach is not cost effective and will reduce UMBC's ability to proactively address our \$226 million deferred maintenance backlog.

UMBC GENERATES:



78,000 JOBS STATEWIDE, including jobs held by alumni. (3% of jobs in Maryland)



\$7.8 BILLION in household income (4% of Maryland HHI)



\$531 MILLION in state and local government taxes

Source: Anirban Basu, Sage Policy Group report (2016)

UMBC requests consideration to advance design funding to FY 2022

FY 2022	\$5,746,000 Planning
FY 2023	\$2,000,000 Planning
FY 2024	\$17,360,000 Construction
FY 2025	\$36,120,000 Construction & Equipment
FY 2026	\$18,774,000 Construction and Equipment
TOTAL COST	\$80,000,000
GSF	120,484
Proposed Completion	Summer 2026