



Maryland Department of Planning
Fiscal Year 2022 Capital Budget
Response to Department of Legislative Services Analysis

House Appropriations Committee
Capital Budget Subcommittee
Delegate Ben Barnes, Chair
February 9, 2021

Senate Budget & Taxation Committee
Capital Budget Subcommittee
Senator Douglas J.J. Peters, Chair
February 9, 2021

Key Observations

1. *Maryland Archaeological Conservation Laboratory Expansion and Renovation Project*

The Department of Legislative Services (DLS) recommends that \$2.0 million in general obligation (GO) bond authorization for the construction portion of the project be reduced and added to the amount preauthorized for fiscal 2023 to complete the construction funding.

Planning Response: Concur.

Budget Overview

1. *Fiscal 2020 and Fiscal 2021 Cost Containment*

DLS recommends that MDP comment on how it plans to manage the tax credit program going forward given the unfunded liabilities created by the cost containment actions.

Planning Response: Planning reviewed timing of the completion of projects and the awarding of credits, however it realizes that ongoing reductions in the Tax Credit Reserve Fund to pay for future awards is not a sustainable long-term strategy. At a certain point there will not be enough funds to cover obligations and an additional appropriation will be needed. MDP will continue to track the completion of projects and will inform DBM a

year in advance when additional appropriations will be needed to meet tax credit obligations.

2. *Fiscal 2022 Proposed Budget*

DLS recommends that \$2.0 million in GO bond authorization for the construction portion of the Maryland Archaeological Conservation Laboratory Expansion and Renovation project be reduced and that the funding be added to the preauthorization for fiscal 2023. Leaving \$500,000 to fund construction in fiscal 2022 will allow the construction contract solicitation and bid to take place during fiscal 2022, leaving open the possibility that construction could start late in fiscal 2022.

Planning Response: Concur.

Preauthorizations

1. *Maryland Archaeological Conservation Laboratory Expansion and Renovation*

DLS recommends that the fiscal 2023 preauthorization be increased by \$2.0 million in order to align the construction funding with the current project schedule and the recommendation to reduce the fiscal 2022 funding by \$2.0 million.

Planning Response: Concur.

Recommended PAYGO Actions

1. *Concur with Governor's Allowance*

Planning Response: Concur.

GO Bond Recommended Actions

1. *Reduce the Maryland Archaeological Conservation Laboratory Expansion and Renovation project's authorization by \$2,000,000 in general obligation bonds for fiscal 2022 construction funding.*

Planning Response: Concur in conjunction with GO Bond Recommended Action No. 2.

2. *Increase the preauthorization for the Maryland Archaeological Conservation Laboratory Expansion and Renovation project by the amount of the recommended fiscal 2022 reduction.*

Planning Response: Concur.