



FY 2025 Capital Budget Testimony USM Chancellor Jay A. Perman

Maryland House Appropriations
Capital Budget Subcommittee
March 11, 2024

Maryland Senate Budget and Taxation
Capital Budget Subcommittee
March 12, 2024

Includes Response to Analysis Concerning Item RB36
Colwell Center Deferred Maintenance
Facilities Renewal (Statewide)

I thank you for the opportunity to testify on the governor's FY 2025 capital budget recommendations for the University System of Maryland (USM). I'll keep my testimony brief and speak to the issues raised by the legislative analysts.

Before I do, however, I offer my gratitude to Gov. Moore for his support of our capital request, and to each of you—and to *all* of the committee members—for the way you've invested in the USM. Each year, you make difficult choices to accommodate our requests, and we understand the necessity of balancing the needs of higher education with a variety of others in an environment of constrained resources.

We know you value the USM and the collective strengths of our institutions to improve student success, foster academic and research innovation, advance economic and workforce development, and improve our quality of life in Maryland. We lead by example in creating sustainable facilities and operations that advance Maryland's ambitious environmental and climate goals, and in our capital mission, we live the System's abiding commitment to diversity, equity, and inclusion.

As a matter of course, we strive to serve our students and the state effectively, efficiently, and with excellence. This is why we so value our built environment; our campus facilities are crucial to the delivery of higher education—not only by accommodating but by *facilitating* interdisciplinary teaching, learning, and research in safe, well-equipped spaces.

As a result, our project requests for the next few years are strategically focused, with most institutions asking for renovation and replacement funding. This is not a new trend, but one that will be even more important going forward.

This brings me to the points made in Ms. Baker's excellent analysis. From fiscal 2021 to 2024, USM institutions have spent, on average, just over \$160 million annually from their operating

budgets on facilities renewal projects. In addition, we've budgeted \$25 million in Academic Revenue Bonds each year, and our institutions have targeted larger requests for State capital investment that will help reduce the renovation backlog. In prior years, the State has also augmented these amounts with General Obligation Bonds and Paygo appropriations. We look forward similar, augmented funding in future budget years based on the FY 2025–29 CIP.

In conclusion, I affirm our commitment to the redevelopment of our campus facilities, and I speak for the entire System when I say we deeply appreciate the DLS recommendations for full funding as requested.

My colleagues and I are happy to answer any questions you have.

Please direct questions or comments to:

Mark Beck

Director | Office of Capital Planning

University System of Maryland

701 East Pratt Street

Baltimore, MD 21202

Office | (410) 576-5741

mbeck@usmd.edu