

**University of Maryland Medical System
Fiscal Year 2026 Capital Budget**

**House Appropriations Committee
Capital Budget Subcommittee
Delegate Mark S. Chang, Chair
March 3, 2025**

**Senate Budget and Taxation Committee
Capital Budget Subcommittee
Senator Craig Zucker, Chair
March 4, 2025**

The University of Maryland Medical System (UMMS) would like to thank the Governor, the Department of Budget and Management, the Appropriations and Budget and Taxation Committees and the General Assembly for their ongoing support and collaboration. We would also like to thank the Department of Legislative Services (DLS), and in particular, DLS Analyst Naomi Komuro, for preparing the comprehensive analysis of UMMS' capital budget projects.

UMMS and the State have a unique and longstanding partnership that has transformed medical research and healthcare delivery in Maryland over the past 40 years. Today, UMMS provides primary, urgent, emergency and specialty care at 12 hospitals, 5 freestanding medical centers and more than 150 outpatient medical facilities across the State. The UMMS network includes academic, community and specialty hospitals that together provide 25% of all hospital-based care in Maryland. Our acute care and specialty hospitals are located in 13 counties and Baltimore City, and serve urban, suburban and rural communities. The State has supported and advanced this work through significant capital and operating investments, which continues in the FY2026 budget.

UMMS has three ongoing projects that are supported by capital funding in the FY2026 budget. The fiscal 2026 allowance includes (1) \$20 million in GO Bond funds for construction of the new 326,300 square foot hospital facility in Easton, (2) \$250,000 in GO Bond funds for renovations and updates to several components of the R Adams Cowley Shock Trauma Center, and (3) \$32 million in GO bond funds to expand and renovate the University of Maryland Marlene and Stewart Greenebaum Comprehensive Cancer. Each of these projects are discussed in greater detail below.

1. UM Shore Medical Center Easton

Testimony of Ken Kozel, President and CEO of UM Shore Regional Health

The University of Maryland Shore Regional Health (UM SRH) appreciates its partnership with the State, and the unwavering support that the Governor, the General Assembly, and the Department of Budget and Management have demonstrated to ensuring that residents of the Eastern Shore have access to high-quality healthcare services. **The \$20 million in capital funding provided in the FY2026 budget is critical to our ability to transform healthcare on the Mid-Shore and expand access to care for Maryland's rural communities.**

This is a pivotal time for rural health care. Nationwide, nearly 200 hospitals that primarily serve rural communities have closed over the past two decades, and upwards of 600 more facilities remain at risk for closure today. UMMS and UM SRH have worked tirelessly over the past 12 years to transform health care on Maryland's Mid-Shore and avoid the same fate. Through continued investment and collaboration, we are making significant strides in building a healthier, stronger community, devoted to the unique health care needs of our rural region.

The next phase of our vision to transform healthcare delivery and access to care on the Eastern Shore is to build the UM Shore Regional Medical Center Easton. This ambitious project will bring a state-of-the-art, nearly \$500 million regional medical center to Talbot County—located at 10000 Longwoods Road in Easton—which will replace the existing UM Shore Medical Center at Easton. The Regional Medical Center will offer all essential healthcare services through its 147 acute and observational beds. The project timeline remains on track, with building occupancy scheduled for Summer 2028.

UM Shore Regional Medical Center in Easton will serve as a model for rural health care delivery in the country and will bring together the latest advancements in academic medicine and patient-centered care, all under one roof. The facility will also showcase cutting-edge innovations, supported by top-tier health care providers from UMMS. This project marks a pivotal moment in the history of UM SRH, reflecting our commitment to elevating health care services for the Eastern Shore and the communities we serve.

The Regional Medical Center will also have a significant impact on the local economy and the region's sustainability efforts. Construction of the facility will generate an estimated 5,000 jobs, while supporting State WMBE goals. In addition, the project will allow us to recruit desperately needed primary and specialty care providers to our region. And, the geothermal capabilities of the facility will enable us to achieve net-zero direct greenhouse gas emissions before the State mandate takes effect in 2040.

The inclusion of an additional \$20 million in the FY2026 Capital Budget is central to the success of this project and to advancing our shared goals of improving access to care on the Eastern Shore, addressing health equity issues in rural communities, replacing outdated infrastructure, and accommodating modern healthcare capabilities. UM SRH has successfully leveraged the State's capital funding to raise \$37 million towards our goal of \$50 million in private donations. State and private funds will supplement UMMS \$328 million investment in the project.

2. R Adams Cowley Shock Trauma Center Renovation – Phase III

Testimony of Kristie Snedeker, Vice President of the UM R Adams Cowley Shock Trauma Center

The R Adams Cowley Shock Trauma Center (Shock Trauma Center) would like to express its gratitude to the General Assembly and the State for its continuing partnership and support of trauma care services in Maryland. The State investment in the Shock Trauma Center renovation – Phase III has been, and remains, essential to our work and ability to serve the trauma needs of Marylanders. **In FY2026, the State is providing a total of \$250,000 in capital funds to support the ongoing renovations and upgrades to the Shock Trauma Center that will help us continue to modernize our facilities and equipment to meet the needs of critically injured and ill Marylanders.**

The Shock Trauma Center is the State's only freestanding trauma hospital. It serves as a vital statewide clinical resource and uniquely maintains an around-the-clock state of readiness in its dedicated trauma resuscitation unit (TRU), operating rooms (ORs), and recovery rooms. Over the past ten years, the Shock Trauma Center has diverted **zero** patients seeking access directly from the scene. The facility and its staff are organized for on-demand access and treatment of the State's most critically ill and injured patients to a degree unparalleled anywhere in the system. The Maryland Institute for Emergency Medical Services Systems (MIEMSS), Primary Adult Resource Center (PARC) designation represents the State's highest level of capability and readiness. As a result, the Shock Trauma Center has unique operating and financial requirements that distinguish it from any other Maryland trauma center and are the basis for State operating support.

The Shock Trauma Center is designed expressly for the emergency care of significantly injured patients from resuscitation to discharge. The Shock Trauma Center has 24-hour, 7-day a week coverage with designated trauma operating room nurses, trauma resuscitation nurses, trauma surgical technologists and trauma certified registered nurse anesthetists. These costs historically are underfunded and largely not accounted for in established hospital rates.

The R Adams Cowley Shock Trauma Center Renovation – Phase III project has significantly benefited the State and assisted us in advancing our mission to provide world class prevention and management of critical injury and illness to Maryland residents. The State's capital funding for the Phase III project allows the Shock Trauma Center to expand and update its services and equipment. The TRU will be expanded and renovated with state-of-the-art advancements to support the lifesaving efforts for all patients. The expansion will allow us to continue to provide access to care when our patients are at their most vulnerable and need time sensitive care. In addition, the Hyperbaric Medicine unit is overdue for an upgrade and restoration of the chamber, which is assisted by the Phase III project, is imperative to our operations. Hyperbaric Medicine provides over 5,000 hours of ambulatory and critical care each year and is the State's designated referral center. Patients that need urgent hyperbaric medicine treatment for dangerous carbon monoxide poisoning and soft tissue infection that can be life-threatening are treated in this unit. Finally, the expansion of the Trauma Acute Care unit from 10 to 16 beds will support substantial volume growth and enhance throughput and patient experience.

3. University of Maryland Marlene and Stewart Greenebaum Comprehensive Cancer Center (UMGCCC)

Testimony of Dr. Taofeek Owonikoko, MD, PhD, Executive Director, UMGCCC, Senior Dean of Cancer Program, UM SOM, Vice President of Cancer Program, UMB

On behalf of the University of Maryland Marlene and Stewart Greenebaum Cancer Center (UMGCCC), I would like to thank this Committee, the General Assembly, and the State for its ongoing financial commitment to cancer care and research. In FY2026, the capital budget provides \$32 million in GO bond funds that will supplement funds from UMMS to support the ongoing renovation and expansion of the cancer center.

In the last 15 years, the total number of patients we have treated at UMGCCC would fill the Raven's M&T Bank Stadium twice over while the number of cancer survivors who are now leading productive lives could fill Oriole Park at Camden Yards more than two times over. We are privileged to serve all the residents of Maryland.

The patient population seen at UMGCCC tripled between 2010 and 2021, leading to lengthy wait times for access to our fixed-space outpatient services, and reduced access to oncology inpatient beds for those needing to be admitted from all over the state of Maryland. Securing the millions of dollars in capital funding from the State of Maryland has been transformational in planning for a new cancer center building that can meet the needs of all Marylanders. These State funds, coupled with significant philanthropy and investment by the University of Maryland Medical System, have allowed for the design and construction of a modern center. The nine-story addition to the Baltimore City campus of the University of Maryland Medical Center will double our current space. It also expands capacity from 52 to 62 cancer care beds and dramatically increases outpatient space for the hundreds of patients we see daily.

When this building opens in the summer of 2026, our outstanding patient care will be matched to a state-of-the art facility. UMGCCC offers multi-disciplinary care – meaning multiple oncologists collaborate to develop treatment and care plans with patients – that provides the best possible outcomes for patients. Coupled with innovative research recognized by the National Cancer Institute (NCI), UMGCCC is able to offer patients many treatments they would not be able to get in their local communities.

Clinical trials are a critical component of treatment for patients with advanced cancer, as some of the newest and most innovative cancer treatments are only available through clinical trials. Underserved minority and rural populations are often underrepresented in clinical trials. Over the past ten years, more than three quarters of all clinical trial participants at UMGCCC were racial or ethnic minorities. Capital investments by the State of Maryland, support these patients and advance lifesaving care and research critical to UMGCCC's NCI designation as one of the top comprehensive cancer centers in the Country.

As UMMS grows its cancer services across Maryland in regions served by UM Capital Region Health in Prince George's County, UM Shore Regional on the Mid-Shore, UM Upper

Chesapeake Health in Harford County, and its hospitals in the greater Baltimore area, UMGCCC remains a referral center to care for cancer patients across the entire continuum of cancer care.

The University of Maryland Medical System appreciates the Subcommittee's consideration and respectfully requests your support of these critical infrastructure investments.

**University of Maryland Medical System
Fiscal Year 2026 Capital Budget
Response to the Department of Legislative Services Budget Analysis**

Shock Trauma Center Renovation – Phase III

UMMS should provide an estimate of the cost increase associated with the TRU upgrades. (page 6)

UMMS Response: The DLS analysis includes projected costs for the Shock Trauma Center Renovation – Phase III in fiscal years 2027 and 2028 of \$8.75 million and \$3.1 million respectively, and the total project costs are estimated at \$58.1 million. The initial project was delayed for a period of three years (2020-2022) due to the COVID-19 pandemic. This forced delay has led to increased project construction costs. UMMS is not able to definitively project the total cost increases, but estimates the total costs will now exceed \$70 million. UMMS anticipates that it will be able to provide specific cost increases by Summer 2025. Despite these delays and increased costs, Phase III remains on schedule to be completed during FY 2028.

Challenges with Grant Management System Led to a Large unencumbered Balance

UMMS should provide an update on its progress to encumber these funds. (page 8)

UMMS Response: As of February 24, 2025, UMMS has not encumbered any grants as shown in **Exhibit 1**, for a total of \$76M. UMMS is prepared to encumber these funds and is coordinating with DGS to ensure that any forms and supporting documentation required to encumber the funds are promptly provided to the agency through the new grant management system portal, Submittable.

Between June 2023 and October 2024, prior to the launch of the management system portal, UMMS provided supporting documentation for each of the eight grants shown in **Exhibit 1** by email to dgs.capitalgrants@maryland.gov. In October 2024, UMMS was notified that moving forward all grant communications and submissions should be made through the grant management tool. Advice received from DGS in November 2024 was interpreted to mean that any documents formerly submitted via other means would be loaded to the grant portal.

Through recent conversations, the agency has clarified that UMMS should re-submit any forms or supporting documentation for the grants listed in Exhibit I through Submittable. UMMS is

actively working with DGS to ensure all required forms and documentation are provided, as requested.

For more information, please contact:
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