



Wes Moore, Governor | Aruna Miller, Lt. Governor | Atif Chaudhry, Secretary

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## Department of General Services

### FY 2027 Capital Budget

### Response to Department of Legislative Services Analysis

House Appropriations Committee  
Capital Budget Subcommittee  
Delegate Malcolm P. Ruff, Chair  
March 9, 2026

Senate Budget and Taxation Committee  
Capital Budget Subcommittee  
Senator Craig J. Zucker, Chair  
March 10, 2026

**Wes Moore**, Governor  
**Aruna Miller**, Lieutenant Governor  
**Atif Chaudhry**, DGS Secretary

**Department of General Services**  
**Office of the Secretary**  
**Fiscal Year 2027 Capital Budget Analysis & Response**

**FISCAL YEAR 2027 CAPITAL BUDGET TESTIMONY**

**Introduction**

Chair and Members of the Committee, thank you for the opportunity to present the FY 2027 Capital Budget Request for the Maryland Department of General Services (DGS).

We would also like to thank Yashodhara (“Yasho”) Rai of the Department of Legislative Services (DLS) for analyzing our FY 2027 Capital Budget Request. We appreciate Ms. Rai’s hard work and understanding of our complex agency. DGS is known for its expertise in real estate, construction, procurement, and the management and securing of state facilities, throughout the State.

An excellent example of DGS work can currently be seen right in Annapolis with Phase II of the State House Exterior and Grounds Renovation, a comprehensive renovation of this historic complex. Phase II involves the restoration of the windows, masonry, cornice, and roof as well as improvements to accessibility of the State House grounds. Work also includes restoration of sidewalks and retaining walls around the site and restoration of the Old Treasury Building, which we were able to re-open for public access for the first time in 30 years, thanks to our dedicated team within the Office of Design, Construction, and Energy.

Further, I would like to take a moment to highlight DGS’s efforts over the past year:

- This year, DGS played a central role in Governor Moore’s Government Modernization Initiative. DGS’s strategic decisions will save Maryland taxpayers more than \$326 million by relocating employees from outdated, inefficient state buildings into modern, right-sized commercial leased buildings. This effort not only reduces costs but also creates safer, more productive work environments for state agencies to serve Marylanders better.
- We also made history with the passage of the Procurement Reform Act of 2025. Representing the most significant overhaul of the state’s procurement processes in decades, the Act enhances efficiency, expands access for

small businesses, and creates a more agile, responsive system for both contractors and state agencies.

- DGS also supports a safe and professional state workforce. This year, the Maryland Capitol Police had a particularly successful recruitment campaign. For the first time, DGS recruited, hired, and trained cadets through a police academy, reflecting our commitment to training the next generation of public safety leaders.
- We are equally committed to sustainability and innovation, as DGS earned the EPEAT Purchaser Award for the sixth year in a row for procuring over 29,000 green-certified products—saving taxpayers \$4.5 million and cutting energy use equal to powering nearly 3,700 homes for a year.
- We oversee installation of electric vehicle (EV) charging stations for the state fleet and manage annual utility purchases of more than \$200 million in electricity and natural gas for use by the state government (including the University System of Maryland).
- We installed 123 new EV charging ports across 15 locations, bringing the statewide total to 251 ports with an additional 267 ports currently in design or under construction.
- We completed the construction of the new state-of-the-art Hubbard Courthouse in Baltimore - a 168,000-sq foot courthouse with modernized safety features represents a significant investment in our community's access to justice, modern infrastructure, and civic engagement.
- To strengthen transparency across the grant management process, the Capital Grants and Loans team at DGS procured a robust, end-to-end cloud-based grants management system allowing grantees to submit, monitor, and communicate with the DGS team about their grants in real time. In conjunction with the new Capital Insights Dashboard that enables grantees, legislators, and the public to monitor a grant's progress and funding, DGS is dedicated to strengthening ongoing efforts that streamline the grants management process for all stakeholders.
- Looking forward, we're launching a Statewide Master Planning Program—a first-of-its-kind effort to assess the state's real estate portfolio of over 30 million square feet of space encompassing over 1,400 state-owned and 334 leased properties with a holistic lens that will help us right-size our portfolio, and ensure long-term, fiscally responsible investment in the places that need it most.

DGS proudly works every day to maximize its stewardship of Maryland resources and to allow the state government to function efficiently and in a safe and secure environment.

## Capital Budget Recommended Actions FY 2027

1. Delete funds for the New Montevue Senior Living Facility due to the availability of funding through the Department of Housing and Community Development

**DGS respectfully disagrees with this recommendation. DGS believes funding should be maintained for this critical project pending confirmation or verification of alternative funding sources to support the development of this construction.**

2. Reduce fiscal 2027 general bond authorization for the Facilities Renewal Fund for two projects and instead fund these projects with additional Strategic Energy Investment Funds.

**DGS concurs in part and requests a reduction in the amount deauthorized for the reasons below.**

**DGS supports adjusting the Facilities Renewal Fund budget to fund certain projects through the SEIF program.**

**DGS anticipates that the entirety of the \$4,800,000 allocated for DPSCS's Eastern Correctional Institution (ECI) should qualify for funding consideration for the SEIF program.**

**DGS anticipates only \$1,750,000 of the \$4,250,000 allocated for DPSCS's Police and Correctional Training Administration Building will qualify for SEIF funding. The project consists of two parts, a full roof replacement and a full Building Automation System (BAS) replacement coupled with the replacement of two chillers. DGS anticipates SEIF funding viability for the BAS and chiller replacement, but not the roof replacement.**

**DGS will work with the Maryland Energy Administration (MEA) to confirm that funding in the amount of \$6,550,000 to address these two projects is available through the SEIF program.**

3. Deauthorize funds for the Revolutionary War Memorial for Black Soldiers.

**DGS concurs with this recommendation.**

**DGS currently anticipates having sufficient funding for this project, accounting for the proposed deauthorized funds. If additional funding is necessary, DGS will work with DBM to identify next steps.**

## Discussion Points

The department has been asked to comment on the following discussion points:

### 1. Baltimore State Center Complex Demolition

a. **DLS Request:** As the State Center agency relocation is anticipated to be completed by the first quarter of calendar 2027 and the predevelopment phase of the site is expected to be completed by December 2027, DGS should comment on its plan for the site when it remains vacant for about nine months in calendar 2027. DGS should also comment on its plan for the site if the predevelopment phase is not completed by the expected date. DGS should further clarify if additional funding is required during the time the site remains vacant.

b. **DGS Response:**

The study to determine the condition and feasibility of reusing the existing building infrastructure in the State Center complex is ongoing, with preliminary reports and recommendations anticipated in May 2026. The analysis will include the feasibility and estimated costs of multiple scenarios, such as full demolition, office space restoration, mixed-use retail conversion, and multifamily housing conversion. The selected course of action will determine the plan for the site after all remaining state agencies relocate. One option is selective decommissioning, whereby the buildings would be “mothballed” with the goal of minimizing operating expenses while holding the site for future development. Estimates of these holding costs are being developed as part of the analysis anticipated in May 2026. DGS will continue to incur operating costs to maintain and secure the site during its vacancy, until ownership is transferred. DGS will coordinate with DBM on any necessary future budget requests associated with holding the property while it remains vacant.

### 2. Wineland Building Renovation

a. **DLS Request:** DGS should comment if temporary locations for the current tenant agencies have been identified and if additional funding is needed to assist the relocating agencies currently occupying the building. DGS should also comment as to why the anticipated relocation is expected to begin one year earlier than the estimated project construction start date.

b. **DGS Response:**

Temporary locations for agencies currently located in the Wineland Building have not yet been identified. Limited funding is available within the capital budget to assist with relocating agencies. Agencies will need operating funds for temporary leased space and DGS will assist them in identifying projected costs for that part

of this project. DGS will coordinate with agencies and DBM to identify any necessary relocation or lease costs that may be necessary, which will be dependent on the site that has been selected. Leading up to the start of the construction phase, the DGS Office of Real Estate will coordinate with the relevant agencies to develop relocation plans and identify temporary space during construction. The plan is to have the agency relocations occur when the construction phase of the project begins.

### **3. Facilities Renewal Fund**

**a. DLS Request:** DGS should comment on the reasons for the lower fund utilization in fiscal 2025.

**b. DGS Response:**

DGS closely monitors the Facility Renewal Fund to ensure that authorized funds are encumbered and expended in a timely manner. There were some unfortunate delays going back to FY 2025 that impacted DGS' ability to encumber and expend funding under the Facility Renewal Fund. For instance, there were some unanticipated delays in the Dedicated Purpose Account funding drawdown and the necessity of increasing not-to-exceed funding allocations for certain contracts that led to a reduction in DGS's ability to move projects through the procurement process as expeditiously as it previously had. DGS anticipated these issues will not arise again and, given the current available funding, DGS believes it is on pace to again achieve a monthly average encumbrance rate of \$5 million between the end of FY 2026 and the 1st quarter of FY 2027.

**End of DGS FY 2027 Capital Budget Response**