

DA0201
Department of Disabilities – Capital

Capital Budget Summary

Grant and Loan *Capital Improvement Program*
(\$ in Millions)

Program	2020 Approp.	2021 Approp.	2022 Request	2023 Estimate	2024 Estimate	2025 Estimate	2026 Estimate
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Accessibility Modifications	\$1.697	\$1.851	\$1.825	\$1.850	\$1.600	\$1.600	\$1.600
Total	\$1.697	\$1.851	\$1.825	\$1.850	\$1.600	\$1.600	\$1.600

Fund Source	2020 Approp.	2021 Approp.	2022 Request	2023 Estimate	2024 Estimate	2025 Estimate	2026 Estimate
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GO Bonds	\$1.697	\$1.851	\$1.825	\$1.850	\$1.600	\$1.600	\$1.600
Total	\$1.697	\$1.851	\$1.825	\$1.850	\$1.600	\$1.600	\$1.600

GO: general obligation

Key Observations

- Most of the funding obligated to projects in fiscal 2020 and 2021 remains unencumbered. In addition to its \$1.825 million fiscal 2022 authorization, the Access Maryland program is projected to oversee another \$1.6 million in unencumbered funds associated with prior year projects.

Summary of Recommended Bond Actions

1. Department of Disabilities

Approve the \$1,825,000 general obligation bond authorization for accessibility modifications.

Budget Overview

As shown in **Exhibit 1**, the \$1.825 million budgeted for fiscal 2022 funds eight projects, including three new projects and the construction phase of five projects that received design funds in fiscal 2021. Overall \$1.4 million, or 75%, of the fiscal 2022 funding supports the construction phase for projects that will have completed design through the program. Two projects that will receive design funds in fiscal 2022 will require an additional \$1.9 million for construction in fiscal 2023 based on project schedules.

**Exhibit 1
Proposed Projects
Fiscal 2022
(\$ in Thousands)**

<u>Subdivision</u>	<u>Agency</u>	<u>Location</u>	<u>Project</u>	<u>Est. Cost</u>	<u>Prior Auth.</u>	<u>2022 Amount</u>	<u>Future Request</u>	<u>Total Accessibility Program Share (%)</u>
Anne Arundel	DPSCS	Correctional Institute for Women	Cell and Shower Accessibility	\$1,800	\$0	\$250	\$1,550	100%
Baltimore City	UMB	Campuswide	Curb Ramp and Driveway Crossings	546	0	56	326	70%
Baltimore City	UMB	Howard Hall	Accessible Entrance	694	42	430	0	68%
Baltimore County	TU	Stephens Hall	Accessible Restrooms	200	0	140	0	70%
Carroll	DNR	Morgan Run	Trout Stream Access	175	30	145	0	100%
Harford	DNR	Susquehanna State Park	Campground Access	335	125	210	0	100%
Prince George's	UMCP	Atlantic Building	Accessible Restrooms	224	20	104	0	55%
St. Mary's	HSMC	State House	Accessible Restrooms	530	40	490	0	100%
Total				\$4,504	\$257	\$1,825	\$1,876	

DNR: Department of Natural Resources
 DPSCS: Department of Public Safety and Correctional Services
 HSMC: Historic St. Mary's City
 TU: Towson University
 UMB: University of Maryland, Baltimore Campus
 UMCP: University of Maryland, College Park Campus

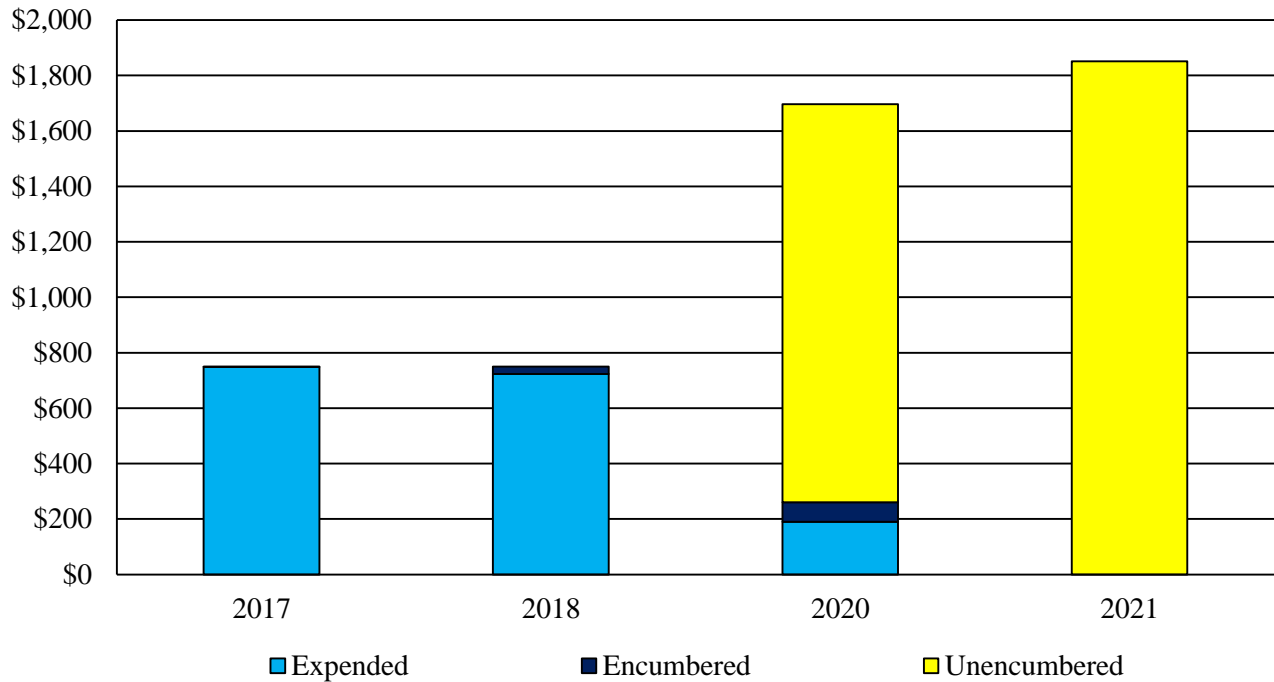
Note: Higher education institutions are required to contribute at least a 30% institutional match to Access Maryland-funded projects.

Source: Governor's Fiscal 2022 Budget Books

Fund Balance Continues to Grow

While authorizations in fiscal 2020 and 2021 have been above the typically programmed amount of \$1.6 million, projects have been slow to encumber funds. As reported in supporting documentation to the fiscal 2022 capital budget, substantial funds remain unencumbered from fiscal 2020 and fiscal 2021 authorizations, as shown in **Exhibit 2**. In addition, \$670,994 obligated to projects before fiscal 2017 remains unencumbered and \$1.3 million remains unexpended, as shown in **Exhibit 3**.

Exhibit 2
Annual Authorization Compared to Encumbrances and Expenditures
Fiscal 2017-2021
(\$ in Thousands)



Note: No authorization was provided in fiscal 2019.

Source: Governor’s Fiscal 2022 Budget Books

Exhibit 3
Encumbrances and Expenditures by Year of Capital Authorization
 (\$ in Thousands)

	<u>Total Authorized</u>	<u>Amount Encumbered</u>	<u>Amount Expended</u>	<u>To Be Encumbered</u>	<u>To Be Expended</u>
All Prior Years	\$31,454	\$30,783	\$30,176	\$671	\$1,278
2017	750	750	748	0	2
2018	750	750	723	0	27
2019	0	0	0	0	0
2020	1,697	260	191	1,437	1,506
2021	1,851	0	0	1,851	1,851
Total	\$36,502	\$32,543	\$31,837	\$3,959	\$4,664

Source: Governor’s Fiscal 2022 Budget Books

Fiscal 2022, 2023, and 2024 encumbrances will likely exceed a single year’s appropriation to account for both the \$1.6 million programmed funding and prior year project activity. Fiscal 2021 began with \$2.1 million funds obligated to prior year projects that had not been encumbered and \$2.8 million that was not expended. After all projected encumbrances in fiscal 2021 (\$2.3 million), the Maryland Department of Disabilities (MDOD) anticipates closing the fiscal year with \$1.6 million unencumbered funds obligated to prior year projects. The Department of Legislative Services is concerned that this level of encumbrance in fiscal 2021 is optimistic given that expected encumbrances have not totaled half that amount in any year over the past four years.

Should encumbrances in fiscal 2021 not be as high as anticipated, Access Maryland could easily see fiscal 2022 begin with an obligated unencumbered fund balance greater than a full year’s authorization for the second year in a row. It is unclear whether program staff will be able to oversee all of the outstanding projects in addition to the projects proposed for fiscal 2022 and ensure that funds are encumbered and expended in a timely manner.

The agency should comment on its approach to managing the demands of Access Maryland program administration given the substantial number of outstanding projects and the high amount of obligated but unencumbered funds.

Updates

1. Transition Plan Executive Summaries Accepted in Lieu of Complete Plans

Americans with Disabilities Act (ADA) Transition Plans, created by agencies to anticipate and proactively address accessibility issues at their facilities, were previously required by MDOD before agencies could receive Access Maryland Funds. Nevertheless, the Maryland Department of Health, which does not have a transition plan on file, received \$450,000 from the program for its project at Clifton T. Perkins Hospital alone. Recognizing the urgency of accessibility modifications in the State, MDOD revised its policies so that agencies may submit a Transition Plan Executive Summary instead of a full plan. **The agency should comment, explaining how it will encourage State agencies to plan for and proactively address accessibility issues at State facilities without requiring fully developed Transition Plans from agencies that receive program funds.**

GO Bond Recommended Actions

1. Approve the \$1,825,000 general obligation bond authorization for accessibility modifications.

Program Description

MDOD administers Access Maryland, an accessibility modifications program that provides funds to eliminate architectural barriers in State-owned facilities and improves the State's compliance with the federally mandated ADA of 1990. The program helps to increase access to State programs, services, and employment opportunities and helps to reduce the liability of the State for noncompliance with the ADA.

This program focuses solely on State-owned facilities, and rented space is not eligible for funding. Projects funded within this program are part of a long-term effort, and the program will require funding beyond the current *Capital Improvement Program*. Since fiscal 2020, higher education institutions are required to contribute a 30% non-State match to any Access Maryland-funded project. Since July 2019, Access Maryland has completed five State projects, two projects in the University System of Maryland, and one project at St. Mary's College of Maryland. The fiscal 2022 capital budget funds three new accessibility projects and the construction phases of five projects that received funding for design in prior years.