

RD00
St. Mary's College of Maryland – Capital

Capital Budget Summary

State-owned Capital Improvement Program
(\$ in Millions)

Projects	Prior Auth.	2023 Request	2024 Est.	2025 Est.	2026 Est.	2027 Est.	Beyond CIP
Campus Infrastructure Improvements	\$17.281	\$7.000	\$2.000	\$2.000	\$2.000	\$2.000	\$0.000
Goodpaster Hall Renovation	0.165	1.889	0.000	0.000	0.000	0.000	0.000
Montgomery Hall Renovation	0.000	0.000	1.500	10.000	28.935	0.000	0.000
Total	\$17.446	\$8.889	\$3.500	\$12.000	\$30.935	\$2.000	\$0.000

Fund Source	Prior Auth.	2023 Request	2024 Est.	2025 Est.	2026 Est.	2027 Est.	Beyond CIP
GO Bonds	\$13.040	\$3.889	\$3.500	\$12.000	\$30.935	\$2.000	\$0.000
General Funds	1.500	5.000	0.000	0.000	0.000	0.000	0.000
Special Funds	1.000	0.000	0.000	0.000	0.000	0.000	0.000
Federal Funds	1.741	0.000	0.000	0.000	0.000	0.000	0.000
Non-budgeted Funds	0.165	0.000	0.000	0.000	0.000	0.000	0.000
Total	\$17.446	\$8.889	\$3.500	\$12.000	\$30.935	\$2.000	\$0.000

CIP: *Capital Improvement Program*
GO: general obligation

PAYGO Recommended Actions

1. Approve \$5,000,000 million in pay-as-you-go funds for campus infrastructure improvements.

GO Bond Recommended Actions

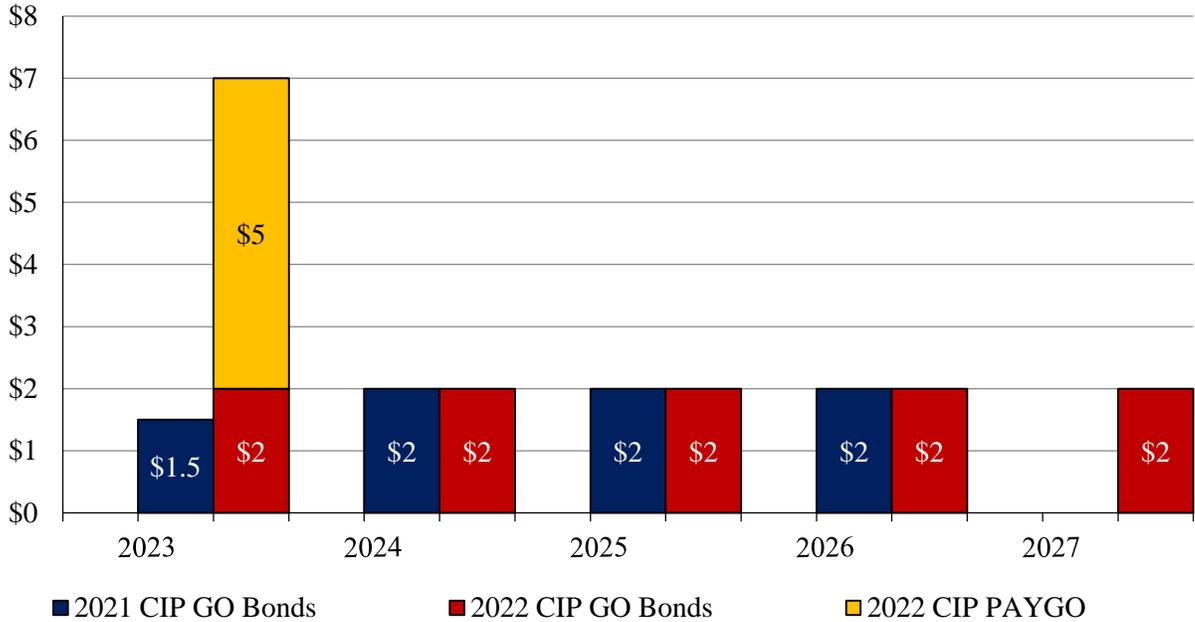
1. Approve \$2,000,000 in general obligation bonds for campus infrastructure improvements.
2. Approve \$1,889,000 in general obligation bonds for Goodpaster Hall renovation.
3. SECTION 2 – St. Mary’s College of Maryland – Anne Arundel Hall Reconstruction
This language amends a prior authorization to ensure that funds expended for the Anne Arundel Hall reconstruction may not terminate prior to June 1, 2024.

Summary of Fiscal 2023 Funded State-owned Projects

Campus Infrastructure Improvements

The fiscal 2023 capital budget provides \$2.0 million in general obligation (GO) bonds for campus infrastructure improvements. In addition, the fiscal 2023 operating budget includes \$5.0 million in pay-as-you-go (PAYGO) funds to be allocated from the Dedicated Purpose Account (DPA), increasing the total budgeted funds to \$7.0 million for deferred maintenance projects. The 2022 session *Capital Improvement Program* (CIP) includes a fixed level of \$2.0 million annually in GO bonds for campus infrastructure improvements through fiscal 2027; however, this is considered to be an annual program that would extend beyond the five-year scope of the CIP to address future projects as they are identified and added to the approved program. As shown in **Exhibit 1**, total GO bond funding increases by \$0.5 million in fiscal 2023 when compared to what was programmed in the 2021 CIP.

Exhibit 1
Capital Improvement Program Comparison
2021 and 2022
(\$ in Millions)



CIP: Capital Improvement Program
 GO: General Obligation
 PAYGO: pay-as-you-go

Source: Department of Budget and Management, 2021-2022 Capital Improvement Program

St. Mary’s College of Maryland (SMCM) identifies deferred maintenance projects that will be addressed during a particular fiscal year based on a variety of factors. College staff as well as third-party, subject-matter experts provide information on the condition of various building components and systems. In addition, SMCM staff utilize software to perform a facility lifecycle audit to help guide reinvestment needs. Infrastructure projects at SMCM are then prioritized. Highest priority is assigned to projects that significantly impact the mission of the college and require immediate action to return a facility to normal operation, stop accelerated deterioration, or correct a cited safety hazard – especially those conditions that potentially impact an entire building or pose a significant risk to health and safety. Lastly, projects may be combined either by type, such as roofing, or by building to achieve efficiencies.

Utilizing a Facilities Condition Index (FCI) report that identifies the condition of buildings and costs associated with their maintenance, SMCM has identified an estimated \$15.0 million deferred maintenance expenses as of fiscal 2023. Unlike the University System of Maryland or Morgan State

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University, SMCM does not have a written policy that identifies a specified percentage of operating funds that should go toward deferred maintenance spending.

SMCM had anticipated \$1.5 million in funding for this program in fiscal 2023. The fiscal 2023 project list, at that time, included the following projects:

- ***Underground Storage Tank Removal at Montgomery and Calvert Hall (\$65,000):*** This project is required in response to the fiscal 2022 infrastructure plans on the campus Nodal Loop that involve a transition away from heating oil to more efficient propane fueled boilers and/or electric powered HVAC systems.
- ***Library Information Technology Generator and Transfer Switch Replacement (\$300,000):*** The current building generator is undersized, which the college compensated for by adding a supplemental generator that is now 2 years over its 20-year rated life. This project will replace the existing generators with a single, adequately sized generator to provide required power during an emergency.
- ***Library Lower Roof Replacement (\$270,000):*** The library’s lower roof is now over 30 years old and experiences multiple leaks per year. This project will replace approximately 7,500 square feet of built-up roofing with a new PVC roofing system.
- ***North Campus Nodal Loop Improvements (\$865,000):*** Improvements to the Nodal Loop, specifically controls, valves, and pumps, will increase heating and cooling efficiencies by utilizing larger and more efficient boiler and chiller plants to heat and cool numerous campus buildings.

With \$0.5 million in additional GO bond funding provided over what was programmed, SMCM has identified a campus fiber infrastructure upgrade that would bring a 100 gigabit fiber pipe to the campus as the additional project that would be undertaken in fiscal 2023 utilizing this funding.

The fiscal 2023 budget also provides \$5.0 million of general fund PAYGO for additional deferred maintenance projects; this funding is currently held in the DPA¹. Drawing from an already established list of identified facilities renewal projects that SMCM intends to use the general funds as follows:

- ***Campus Center Roof and Roof Top Unit (\$1,750,000):*** This project was not previously identified in the CIP; however, continual leaks and roof failure are now at the point where immediate action is needed. This project would have likely become the highest infrastructure priority for fiscal 2024 had additional funding not been allocated.

¹ The DPA was established in 1986 to retain appropriations for major, multi-year expenditures where the magnitude and timing of cash needs are uncertain and to meet expenditure requirements that may be affected by changes in federal law or fiscal policies or other contingencies. SMCM will have five years to spend the amounts budgeted in the DPA. Any unspent balance will revert to the Rainy Day Fund. In order to access the funds in the DPA, the Department of Budget and Management will need to process a budget amendment to transfer funds to a Capital Appropriation account.

- ***Historic Campus Masonry Restoration and Slate Roof Replacement (\$1,500,000):*** The slate roof on St. Mary’s Hall is original and over 100 years old, while the slate roof on Calvert Hall is over 95 years old. The exterior brick of both buildings also requires repointing and other masonry repairs to maintain weather tightness of the structures.
- ***Goodpaster Hall Controls Upgrades (\$1,250,000):*** Goodpaster Hall’s current building automation system will require significant investment to ensure building systems are operating efficiently. A majority of the building’s controls are close to 20 years old and approaching the end of their useful life.
- ***Campus Roadway and Parking Improvements/Repairs (\$500,000):*** This project will continue road repairs, improvements, and the Americans with Disabilities Act (ADA) compliance work by repaving and restoring roadways and walkways throughout campus that are in poor condition.

Should all of these deferred maintenance projects be completed, the current total deferred maintenance backlog would be reduced by 46.7%, leaving \$7.0 million in deferred maintenance projects identified in the FCI report. **The President should comment on the ability of the college to procure and manage the additional projects and encumber the funds within the four-year timeframe governing the use of funds from the DPA.**

Goodpaster Hall

The fiscal 2023 capital budget includes \$1.9 million in GO bonds to renovate the second floor of Goodpaster Hall to consolidate and add lab space for the Chemistry program. This project will also address instructional and research lab and office space deficiencies for the science, technology, engineering, and mathematics disciplines including biology, chemistry, physics, and math. SMCM funded the first year of design costs (\$0.165 million) for this project in fiscal 2022, with funds scheduled for fiscal 2023 encompassing the remaining costs needed to complete the project. Construction is scheduled to begin in August 2022 and is anticipated to be complete within 10 months. The recommendation is \$64,000 more than the amount planned in the CIP due to two factors: (1) the addition of \$20,000 to account for the lab design premium for construction administration services; and (2) construction cost escalation.

Summary of Out-year Projects in the CIP

- ***Montgomery Hall:*** The CIP programs \$40.4 million for the renovation of Montgomery Hall. Montgomery Hall currently houses the departments of Art; Music; Theater; Film; Media Studies; and English. The project will include the construction of additional floor space, the replacement of aged HVAC and electrical systems, energy efficiency improvements, and will bring the building up to the current ADA and code requirements. The total estimated cost of the project is \$40.4 million and the CIP programs design funds in fiscal 2024 and construction and capital equipment funds in fiscals 2025 and 2026, which is one year ahead of the schedule programmed in the 2021 session CIP.