

RB36RB
University System of Maryland Office
University System of Maryland

Facility Renewal (Statewide)

Revenue Bonds **\$17,000,000** **Recommendation: Approve**

Bill Text: HB 843 – Academic Facilities Bonding Authority.

Program Description: This program provides for improvements at various facilities at the University System of Maryland (USM) institutions that are in need of renewal. Capital facilities renewal funds are allocated among institutions on a pro-rata share of self-reported replacement cost for all State-funded academic facilities. Eligible projects must have a life expectancy of at least 15 years.

Prior Authorization and Capital Improvement Program

Authorization Request
(\$ in Millions)

<i>Fund Source</i>	<i>2009 Approp.</i>	<i>2010 Approp.</i>	<i>2011 Allowance</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>	<i>2014 Estimate</i>	<i>2015 Estimate</i>
Revenue Bond	\$17.000	\$17.000	\$17.000	\$17.000	\$17.000	\$17.000	\$17.000
Total	\$17.000	\$17.000	\$17.000	\$17.000	\$17.000	\$17.000	\$17.000

Authorization Encumbrance and Expenditure Data

Authorization Summary (\$ in Millions)

<i>Fiscal Year</i>	<i>Authorization</i>	<i>Funds</i>		<i>Balances</i>	
		<i>Encumbered</i>	<i>Expended</i>	<i>To Be Encumbered</i>	<i>To Be Expended</i>
Prior Years	\$118.029	\$117.371	\$116.310	\$0.658	\$1.719
2006	11.875	11.649	10.740	0.226	1.135
2007	15.000	14.213	12.599	0.787	2.401
2008	15.000	13.524	11.514	1.476	3.486
2009	17.000	14.032	10.492	2.968	6.508
2010	17.000	12.482	1.273	4.518	15.727
Total	\$193.904	\$183.271	\$162.928	\$10.633	\$30.975

As of February 22, 2010.

Program Analysis and Performance

Facility renewal is defined as the planned renovation, adaptation, replacement, or upgrade of the systems of a capital asset during its lifespan such that it meets assigned functions in a reliable manner. A priority for USM is to maintain an adequate annual investment in the maintenance and renewal of its capital assets. When funding is insufficient to deal with a problem such as replacing a leaking roof, repairs are made to meet the immediate concern, and the replacement is “deferred,” becoming part of the backlog. USM estimates its current backlog of deferred maintenance is \$1.6 billion with the University of Maryland, College Park accounting for \$625 million of the backlog.

USM programs and policies are intended to reduce the existing backlog of deferred maintenance and find a balance between wear-and-tear on facilities and adequate spending to maintain facilities. Funding is intended to be from the operating budget, but historically, operating funds have not been able to sustain adequate levels of facilities renewal funding causing an increase in the backlog of deferred maintenance. To address the increasing backlog, the Board of Regents adopted the following two strategies:

- reduce the backlog to a manageable size through deliberate spending on major renovation and replacement in the capital budget; and
- adopt an annual operating spending formula based on target guidelines of 2% of the replacement value of campus buildings.

In 2005, the board adopted a policy of requiring each institution to annually increase its operating expenditures by 0.2% of the replacement value of all capital assets until the institution reaches the 2.0% target. Additionally, due to the backlog of deferred maintenance, institutions may apply projects funded through academic revenue bonds to the 2.0% target. Once the target is met, only operating expenses will apply to the 2.0% target.

This is an annual request since 1996 for continuation of a program supporting capital facilities renewal projects at USM institutions. Over 900 buildings at USM institutions range in age from 40 to 150 years old. The replacement value of the State-supported buildings total \$5 billion. Many of the buildings and the utilities that support the buildings are decades old and have not been upgraded as needed to keep them in satisfactory condition.

Given the recent and expected budget reductions, the Chancellor should comment on how institutions will be able to make progress toward the 2% goal and how institutions will be able to keep the backlog of deferred maintenance to a manageable level.

Recommended Actions

Approve.

Fiscal 2011 Proposed Projects

<u>Institution</u>	<u>Project Title</u>	<u>FY 2011 Amount</u>
Frostburg State University	Replace Boiler in Library	\$150,000
	Roof Replacement Projects (Phased)	495,000
Frostburg State University Total		\$645,000
Coppin State University	Buildings, Grounds, and Signage – Repair, Replacement, and Upgrade	100,000
	Campuswide HVAC Repairs, Replacement, and Upgrade (Phased)	130,000
	Roofing Systems Repairs and Replacement – Upgrade (Phased)	180,000
Coppin State University Total		\$410,000
University of Baltimore	Academic Center Restroom Renovation	200,000
	Phased HVAC Improvements (Various Buildings)	425,000
University of Baltimore Total		\$625,000
University of Maryland, Baltimore	Elevator Upgrades in Campus Buildings (Phased)	800,000
	Fire Alarm System Upgrades and Replacements – Campuswide	990,000
	Medical School Teaching Facility – Electrical Distribution System Upgrade (Phased)	725,000
University of Maryland, Baltimore Total		\$2,515,000
Towson University	Phased Renewal of Building Envelope and Roof Systems (Various Buildings)	500,000
	Replace Elevator Systems (Various Buildings)	189,000
	Replace Mechanical, Electrical, and Plumbing Systems (Various Buildings)	900,000
Towson University Total		\$1,589,000

RB36RB – USM – University System of Maryland Office

<u>Institution</u>	<u>Project Title</u>	<u>FY 2011 Amount</u>
University of Maryland Baltimore County	Campus Electrical Distribution/Mechanical Systems Improvements Campuswide	300,000
	Classroom, Laboratory, and Lecture Hall Renovations (Phased)	397,000
	Roof Replacement Campuswide (Phased)	550,000
University of Maryland Baltimore County Total		\$1,247,000
Bowie State University	Campuswide Elevator Modernization	300,000
	Fire Alarm Systems Improvements (Phased)	360,000
Bowie State University Total		\$660,000
University of Maryland, College Park	Building Electrical – Mechanical Infrastructure Upgrades (Phased)	950,000
	Building Exterior Shell and Structural Infrastructure Improvement (Phased)	650,000
	Building HVAC Infrastructure Improvement (Phased)	950,000
	Building Mold and Asbestos Abatement (Phased)	150,000
	Campus Central Control and Monitoring System Improvement (Phased)	300,000
	UMCP: Campus Exterior Infrastructure Improvement (Phased)	475,000
	Campus Security Lighting Improvement (Phased)	300,000
	Campus Water, Sanitary, and Drain Infrastructure Improvement (Phased)	250,000
	Maryland Agricultural Experiment Station Facilities Improvements	100,000
	Office Area Interior Improvements (Various Buildings)	900,000
Public Area Interior Improvements (Various Buildings)	550,000	

RB36RB – USM – University System of Maryland Office

<u>Institution</u>	<u>Project Title</u>	<u>FY 2011 Amount</u>
	Research and Laboratory Facilities Improvements (Various Buildings)	975,000
	Teaching Facilities Technology/Equipment Improvements (Various Buildings)	510,000
University of Maryland, College Park Total		\$7,060,000
University of Maryland Eastern Shore	Resurface Outdoor Track for Physical Education	645,000
University of Maryland Eastern Shore Total		\$645,000
Salisbury University	Maggs Gym – Replacement of Roof Sections (Phased)	430,000
	Support Services Building – Roof Replacement	106,000
Salisbury University Total		\$536,000
University of Maryland Center for Environmental Science	Rebuild Stormwater Management Structures at Appalachian Lab	175,000
	Campuswide Building System Improvements (Multiple Centers)	143,000
University of Maryland Center for Environmental Science Total		\$318,000
University System of Maryland Office	Emergency and Systemwide Projects	750,000
University System of Maryland Office Total		\$750,000
Total		\$17,000,000

HVAC: heating, ventilation, and air conditioning
 UMCP: University of Maryland, College Park

Prior Year Authorizations

Fiscal 2010 Encumbrances

<u>Institution</u>	<u>Title</u>	<u>FY2010 Approp</u>	<u>(Remaining) FY 2010 Appropriation To Be Encumbered</u>	<u>Status</u>	<u>Encumbered</u>
Frostburg State University	Cordt's Physical Education Center – Pool Upgrade	\$200,000	\$0	In Design	\$200,000
	Dunkle Hall 218 Auditorium Upgrades	200,000	0	In Design	200,000
	Lowndes Hall Emergency Generator and Chiller/Air Handler Upgrades	245,000	0	In Construction	245,000
Coppin State University	Repair/Upgrade HVAC/ Blg & Grounds/ Roofing Systems (Ongoing Phased)	409,000	409,000	Pending RFP	0
University of Baltimore	Business Center and Library Storefront Replacement	418,000	81,330	Complete	336,670
University of Maryland, Baltimore	737 West Lombard Building HVAC Replacement (Phase 1)	675,000	0	In Design	675,000
	Fire Alarm System Upgrades and Replacements – Campuswide	990,000	0	In Construction	990,000
	Medical School Teaching Facility – Electrical Distribution System Upgrade (Phased)	850,000	0	In Construction	850,000
Towson University	Phased Renewal Bldg Envelope & Roof Systems – (Various Buildings)	900,000	0	In Design	900,000
	Replace Mechanical, Electrical, and Plumbing Systems – (Various Buildings)	689,000	0	In Construction	689,000
University of Maryland Baltimore County	Campus Electrical Distribution/Mechanical Systems Improvements Campuswide	300,000	0	In Construction	300,000
	Classroom/Lab/Lecture Hall Renovations (Phased)	397,000	0	In Construction	397,000
	Roof Replacement Campuswide (Phased)	550,000	0	Planning	550,000

<u>Institution</u>	<u>Title</u>	<u>FY2010 Approp</u>	<u>(Remaining) FY 2010 Appropriation To Be Encumbered</u>	<u>Status</u>	<u>Encumbered</u>
University of Maryland Center for Environmental Science	Campus Infrastructure Upgrade	67,000	0	In Construction	67,000
	Campuswide Bldg System Improvements at Multiple Centers	250,000	0	In Construction	250,000
Bowie State University	Phased Improvements to Fire Alarm Systems	200,000	200,000	Planning	0
	Improvements to Campus Roads and Lighting	179,000	39,000	Complete	140,000
	Classroom Upgrades	175,000	53,000	Complete	122,000
University of Maryland, College Park	Building Electrical/Mechanical Infrastructure Upgrades (Phased)	950,000	0	In Construction	950,000
	Building Exterior Shell and Structural Infrastructure Improvement (Phased)	650,000	0	In Construction	650,000
	Building HVAC Infrastructure Improvement (Phased)	950,000	415,000	In Construction	535,000
	Building Mold and Asbestos Abatement (Phased)	150,000	0	In Construction	150,000
	Campus Central Control and Monitoring System Improvement (Phased)	300,000	0	In Construction	300,000
	Campus Exterior Infrastructure Improvement (Phased)	475,000	25,000	In Construction	450,000
	Campus Security Lighting Improvement (Phased)	300,000	0	In Construction	300,000
	Campus Water, Sanitary, Drain Infrastructure Improvement (Phased)	250,000	0	In Construction	250,000
	Maryland Agricultural Experiment Station Facilities Improvements	100,000	100,000	Pending	0
	Office Area Interior Improvements – (Various Buildings)	900,000	550,000	In Construction	350,000
	Public Area Interior Improvements – (Various Buildings)	550,000	215,000	In Construction	335,000
	Research and Laboratory Facilities Improvements – (Various Buildings)	975,000	430,126	In Construction	544,874

<u>Institution</u>	<u>Title</u>	<u>FY2010 Approp</u>	<u>(Remaining) FY 2010 Appropriation To Be Encumbered</u>	<u>Status</u>	<u>Encumbered</u>
	Teaching Facilities Technology/Equipment Improvements – (Various Buildings)	510,000	333,180	In Construction	176,820
Universtiy of Maryland Eastern Shore	Replace Steam and Condensate Pipe	450,000	383,000	Pending	67,000
	Upgrade Energy Management System/Replace Rooftop Air Handler Units 2 and 3 at Kiah Hall	192,000	-58,000	Out for Bid	250,000
Salisbury University	Maggs Gym (1967) Phased Replacement of Roof Sections	536,000	536,000	Pre-specs	0
University of Maryland Biotechnology Institute	MBC: Lighting Upgrade	92,000	0	In Design	92,000
	CC: Lighting Upgrade	85,000	0	In Design	85,000
	CC: New Autoclave	96,000	96,000	Pending	0
	CARB Lab Improvements and Generator Upgrade	210,000	210,000	Pending	0
	CARB: Lighting Upgrade	85,000	0	In Design	85,000
University System of Maryland Office	Emergency and Systemwide Projects (Centers, UMBI)	500,000	500,000	In Construction	0
Total		\$17,000,000	\$4,517,636		\$12,482,364

CARB: Center for Advanced Research in Biotechnology
 CC: Columbus Center
 HVAC: heating, ventilation, and air conditioning
 MBC: Medical Biotechnology Center
 RFP: request for proposal
 UMBI: University of Maryland Biotechnology Institute

Note: Encumbered amounts may include funds allocated to ongoing projects but not yet committed to specific purchase orders.

Fiscal 2009 Encumbrances

<u>Institution</u>	<u>FY 2009 Remaining To Be Encumbered</u>
Frostburg State University	\$645,000
Coppin State University	164,942
Towson University	900,000
Bowie State University	379,000
University of Maryland, College Park	30,566
University of Maryland Eastern Shore	348,000
University System of Maryland Office	500,000
Total	\$2,967,508
Less Funded Amount	\$17,000,000
Encumbered	\$14,032,492

Fiscal 2008 Encumbrances

<u>Institution</u>	<u>FY 2008 Remaining To Be Encumbered</u>
Bowie State University	\$100,000
University of Baltimore	367,000
University of Maryland Eastern Shore	499,600
University of Maryland Biotechnology Institute	9,170
University System of Maryland Office	500,000
Total	\$1,475,770
Less Funded Amount	\$15,000,000
Encumbered	\$13,524,230

Fiscal 2007 Encumbrances

<u>Institution</u>	<u>FY 2007 Remaining To Be Encumbered</u>
University of Maryland Eastern Shore	\$535,178
University System of Maryland Office	251,515
Total	\$786,693
Less Funded Amount	\$15,000,000
Total	\$14,213,307