


OFFICE OF THE SENIOR VICE CHANCELLOR FOR ADMINISTRATION AND
FINANCE

MEMORANDUM

TO: USM Presidents

FROM: Ellen Herbst 
Senior Vice Chancellor for Administration and Finance

DATE: February 1, 2024

Re: Capital Budget Instructions

I write regarding the preparation of your submission of requests for the FY 2026 Capital Improvement Program (CIP) and FY 2025 System Funded Construction Program (SFCP).

The Governor's FY25 CIP supported our ongoing projects as expected, and there were several new projects (from the supplemental list) added for planning in FY28 and FY29, indicating the State's intent to provide strong capital support into the future. I believe this reflects directly on the strength of your leadership and the quality of our students, faculty, and staff. The State's confidence in the institutions of the University System of Maryland has been built on our collective ability to demonstrate to the State that our capital requests are focused on rebuilding our aging buildings and infrastructure; and that they are tied to critical State goals, such as college access and completion, research, technology transfer, workforce development, and a commitment to the State's ambitious climate goals.

As has been the case in recent years, we encourage you to continue to focus on the Board's interest in "return on investment" (ROI) as you prepare your requests. Demonstrating the positive impacts of investment in higher education will be particularly advantageous for our success in securing much-needed funding. Also, as required by the State's facility programming process, Board members have also asked institutions to share the results of their life cycle cost analysis (LCCA) as they evaluated potential alternative solutions and why the requested solution was selected. The attached Capital Budget Instructions include specific ways we would like to see ROI and LCCA incorporated into your submissions.

As the Department of Budget and Management has asked us to do, the Board's request to the State will be structured to include both a "base" request, aligned with the Governor's CIP, and a supplemental request of prioritized needs that the State might consider if funds are available. Similarly, the Board has asked that the institutions likewise submit their requests showing both

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a “base” and “aspirational” request. The attached instructions outline how this should be accomplished.

On the System-Funded side, we will face increasing demand for critical self-support projects like student residential facilities while, at the same time, focusing on the need to conserve funds by reducing cash expenditures. Public Private Partnership (P3) opportunities require separate track approval. As always, these and other important issues will be discussed at future meetings with you, with your Administrative Vice Presidents, and with the Board this spring. We look forward to working with you throughout this process.

Attached please find a copy of information and instructions regarding the particulars for this budget cycle. These instructions and requisite forms will be provided to your Administrative Vice Presidents and Capital Budget Directors electronically, via the USM web page. *Please note that further instructions from the Maryland Department of Budget and Management (DBM) are pending and will inform and, perhaps, supersede some of these instructions.*

Adherence to key dates, deadlines, format, and documentation is important. **For full consideration, your submissions are due to the Office of Capital Planning by Friday, March 22, 2024.**

Finally, all capital budgets must be prepared and submitted online using the state’s Capital Budget Information System (CBIS). This year’s training cycle for the CBIS system will begin soon, so please encourage your staff to participate.

I want to thank you in advance for your attention to this critical budget preparation. Please email or call Mark Beck at 410-576-5741, or me at 301-445-1923 with any questions you may have.

Thank you.

cc: Linda R. Gooden
Ellen Fish
Jay A. Perman
USM Vice Chancellors
Denise Wilkerson
Administrative Vice Presidents
Mark Beck

Enclosures