



March 13, 2012

**TESTIMONY FOR THE
BUDGET COMMITTEES OF THE GENERAL ASSEMBLY**

Regarding
THE USM FY2013 CAPITAL BUDGET REQUEST

Including a Response to Analysis concerning
ITEM RB36RB FACILITIES RENEWAL (STATEWIDE)

By William E. Kirwan, Chancellor

Good Afternoon. It is my pleasure to be here to discuss the Capital Improvement Program for the University System of Maryland. As I did when testifying in support of System's Operating Budget last month, I'd like to start by thanking Governor O'Malley and the members of this committee for the support you have provided the University System of Maryland over the years. We are proud of the productive relationship we have forged with the leadership in Annapolis to advance our mutual priorities.

THE USM CAPITAL BUDGET

As a System office, we urge full funding of the Governor's FY2013 budget recommendations for all System institutions. We rely heavily on our campus infrastructure to deliver quality academic programs and house critical research. During these hearings, each president is responding on behalf of their own institutions; and I would like to add my own voice in support for their needs. We understand your desire to balance the needs of higher education against a variety of other needs in an environment of constrained resources and we appreciate your consideration on behalf of all System institutions. We know you're making difficult choices to accommodate these needs and we urge your continued support.

SYSTEM-WIDE FACILITIES RENEWAL

We concur with the analyst's recommendation that the System-wide Facilities Renewal (FR) budget be funded in full. These funds are a critical piece of our overall facilities renewal program and we sincerely appreciate your support. These funds are just a part of an overall approach the Regents are taking to address the problem of deferred maintenance. The Board's program also encourages increases in operating expenditure for facilities renewal toward an annual spending target equal to 2% of the replacement value of campus facilities, as well as a high proportion of renovation and replacement projects in the capital improvement program. We consider it an investment in excellence.

CONCLUSION

In conclusion, let me once again thank you for your attention to our needs. We would be happy to entertain any questions you might have.