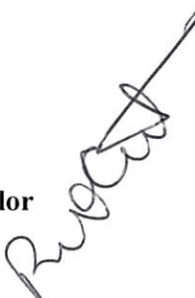


OFFICE OF THE CHANCELLOR

TO: USM Presidents
FROM: Robert L. Caret, Chancellor
DATE: February 15, 2017
RE: Capital Budget Preparation



I write regarding the preparation of your submission of requests for the FY 2019 Capital Improvement Program (CIP) and FY 2018 System Funded Construction Program (SFCP).

We have had considerable success with the Capital Budget, despite the fact that the state's capital budget is constrained. Our success has been built, in part, on our ability to demonstrate to the state that our capital requests are tied to critical state goals, such as college access and completion, research, technology transfer and workforce development.

As you review candidate projects for the capital program, those projects that build physical capacity and quality in support of the aforementioned goals, as well as major facilities renewal initiatives will likely be favored.

Given the limits placed on the FY19-23 CIP by the Capital Debt Affordability Committee and the Governor, meeting our facilities needs will be difficult for the state. More will be asked of the institutions, in terms of providing non-budgeted funding (NBF), including donor contributions.

On the System-Funded side, we will face increasing demand for critical self-support projects like student residential facilities. As always, these and other important issues will be discussed at future Presidents' and Chancellor's Council meetings, with your Administrative VPs and with the Board at our annual Board Capital Workshop. I 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. Further instructions from the Maryland Department of Budget & 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 24, 2017.**

Please note that this year's Capital Workshop with the Board of Regents will be held in May, but a final date has not yet been established. This will be finalized and forwarded to you as soon as possible.

Finally, all capital budgets must be prepared 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 call Joe Vivona 301-445-1923, Mark Beck at 410-576-5741, or me with any questions you may have.

Thank you.

cc: James T. Brady
Robert L. Pevenstein
Joseph F. Vivona
USM Vice Chancellors
Administrative VPs
Janice Doyle
Mark Beck

Enclosures