


## OFFICE OF THE VICE CHANCELLOR FOR ADMINISTRATION AND FINANCE

## MEMORANDUM

**TO:** USM Presidents

**FROM:** Ellen Herbst   
Senior Vice Chancellor for Administration and Finance

**DATE:** February 3, 2023

**Re:** Capital Budget Instructions

I write regarding the preparation of your submission of requests for the FY 2025 Capital Improvement Program (CIP) and FY 2024 System Funded Construction Program (SFCP).

Despite the continued challenges we've faced over the last three years, the FY 2023 State Capital Budget was our largest to-date and the Governor's new CIP promises ongoing strong State support into the future. 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, and workforce development.

Therefore, as the Board and the Governor consider candidate projects for the capital program, we are confident that they'll continue to favor building renovation and replacement work, as well as those projects that build physical capacity and quality in support of the aforementioned State goals. The priority you have placed in recent years on renovation and repair of facilities has helped demonstrate your commitment to renewal, and has resulted in a noticeable reduction, over time, in the relative size of the deferred maintenance backlog. We encourage your continued efforts in this regard.

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. The attached Capital Budget Instructions include specific ways we would like to see ROI 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 of the Regents, showing both 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. 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 24, 2023.**

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  
Gary Attman  
Jay A. Perman  
USM Vice Chancellors  
Denise Wilkerson  
Administrative Vice Presidents  
Mark Beck

Enclosures