



March 18, 2011

**TESTIMONY FOR THE
BUDGET COMMITTEES OF THE GENERAL ASSEMBLY
Regarding
THE USM FY2012 CAPITAL BUDGET REQUEST**

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

By William E. Kirwan, Chancellor

Good Morning. It is my pleasure to be here to discuss the Capital Improvement Program for the University System of Maryland. I want to begin by reiterating a statement I made when testifying in support of System's Operating Budget: I thank Governor O'Malley and the members of Budget Committees of the General Assembly for supporting the University System of Maryland. We are proud of the productive relationship we have forged with the leadership in Annapolis to advance our mutual priorities. We appreciate your interest in the facilities needs of our institutions and I want to thank you for your strong support over the years.

THE USM CAPITAL BUDGET

As a System office, we urge full funding of the Governor's FY2012 budget recommendations for all System institutions, as well as our System-wide Facilities Renewal program. We rely heavily on our campus infrastructure to deliver quality academic programs and house critical research. During these hearings, each president is echoing this request on behalf of their own institutions; and I would like to add my own voice in support for those 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 in this way. This \$17 million in academic bond funds is 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.

UM COLLEGE PARK

We strongly support additional, direct support for critical rebuilding efforts at the University of Maryland, College Park as recommended in the analysis. During their capital deliberations this past year, the USM Board of Regents recognized the significant level of physical deterioration and maintenance backlog at the UMCP and they requested an increase in the State appropriation to address it.

The Governor supported this with a \$5M per year GO Bond appropriation, beginning next fiscal year. Thus a recommendation to advance an additional \$5M in FY2012 is very welcome. We also support the proposal to provide \$5M per year in Academic Revenue Bonds, beginning in FY2013. This is possible within the increased USM debt cap proposed in our companion USM Bonding bill, HB 748. I can't overstate the importance of these funds to the maintenance of our architectural assets.

CONCLUSION

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

Revision: 3/16/11-- Questions or comments can be directed to:

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