



**TESTIMONY TO THE  
BUDGET COMMITTEES OF THE GENERAL ASSEMBLY**  
*Regarding*  
**THE USM FY2017 CAPITAL BUDGET REQUEST**

*Including Response to Analysis concerning*

**ITEM RB36**  
**FACILITIES RENEWAL (STATEWIDE) and**  
**SOUTHERN MARYLAND REGIONAL HIGHER EDUCATION CENTER**

By Robert L. Caret, Chancellor

Thank you for the opportunity to testify on the Governor's FY 2017 capital budget recommendations for the University System of Maryland (USM). I intend to keep my testimony very brief, related to the questions and issues raised by the legislative analysts. Before I do so, however, I would like to express my thanks, on behalf of the entire System, to Governor Hogan for his support of our capital request; and I wish to thank each of you, and all the members of the Committee and the General Assembly for the support you have provided the University System of Maryland over the years.

As I did when testifying in support of System's Operating Budget last month, I'd like to start by noting that, while this is my first opportunity to provide testimony before this Subcommittee as USM Chancellor, my roots in Maryland run very deep. I know firsthand that this state and this legislature have long been extremely supportive of higher education in general and University System of Maryland in particular.

We often say that an investment in the USM is an investment in the state of Maryland and its technical, research-based economy. It's true. The return on that investment are better prepared graduates in STEM and related fields, stronger STEM teachers in the public schools, and the direct and indirect growth of jobs and opportunities for all Marylander citizens. In fact, one of the reasons I was so excited by the prospect of returning to Maryland as USM Chancellor was the partnership that exists between us, establishing our mutual goals and shared priorities. I certainly hope we are able to build upon that partnership and strengthen it so that—together—we can position Maryland for even greater success in the years ahead.

**THE USM CAPITAL BUDGET**

As a System office, we urge full funding of the Governor's FY2017 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. We are also pleased that there appears to be interest in augmenting the current recommendations with available funds to support other needs in our capital program. We look forward to continuing those conversations with the Governor, his staff and you, the members of the Budget Committees.

**SYSTEM-WIDE FACILITIES RENEWAL (STATEWIDE)**

Our strategic plan states that we will be good stewards of our resources. This leads me to the issue of our System-wide Facilities Renewal program. Reducing our backlog of deferred maintenance is a high priority for me and for

our Board, and 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 an overall approach the Regents are taking to address the problem of deferred maintenance. The Board's program 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've seen a new level of commitment among our institutions to address the needs of our aging buildings. We are also taking steps to seek more of our own resources that might be brought to bear in this important effort. For instance, we have proposed legislation that authorizes the Board of Regents to establish a quasi-endowment fund to provide annual funding for renewal and replacement spending to maintain. Together with the operating and capital renewal funding, we consider it an investment in excellence.

### **SOUTHERN MARYLAND REGIONAL HIGHER EDUCATION CENTER III**

We also concur with the analyst's recommendation to provide continued support for planning of the new technical research facility we're developing jointly with the Southern Maryland Regional Higher Education Center. As the analyst noted, this new facility, the third building at the Center, will provide a major economic development infusion in the Southern MD region. It will expand the kind of high-demand programs from major institutions like the University of Maryland, College Park.

The new center will support local and regional economic development initiatives in technical education and research to support industry and jobs in cutting-edge disciplines like unmanned autonomous systems--an industry that national organizations have estimated will create more than 70,000 jobs nationally, over the next 5 years, with an economic impact of \$13.6 billion. Furthermore, the new building will accommodate the training needs of the U.S. Naval Base at Patuxent River and businesses in Calvert, Charles and St. Mary's counties.

### **STUDY OF RESEARCH SPACE GUIDELINES**

Finally, I'd like to address the language proposed requiring USM, MHEC, Morgan State and DBM to prepare a report for the Budget Committees that recommends a model for calculating research space guidelines that "more accurately reflect the space needs for researchers." Let me say—and you don't hear this very often in this room, I'm sure—that we welcome this opportunity. We are eager to address the issue. So much so that, since July of last year, our System planning office and a half-dozen space managers at our largest institutions have been working with Legislative Services to collect and analyze guidelines and "best practices" from other states—all of which are reflected in the tables Sara included in her analysis.

Furthermore, three institutions (UM Baltimore, UM College Park, UM Baltimore County) have already run their own faculty and inventory numbers against some of these models in preparation for this proposed study. Those data, as well, are reflected in the analysis. Late last Fall, Morgan State and MHEC joined the effort that included a very productive meeting at DLS. I'm told that the process, so far, has been extremely informative and that all of our research institutions look forward to concluding this effort by recommending a new set of research space guidelines for Maryland.

### **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.