UNIVERSITY SYSTEM of MARYLAND

CAPITAL BUDGET INSTRUCTIONS

The FY2028 Capital Improvement Program (CIP)

&

The FY2027 System Funded Construction Program (SFCP)

Revised January 26, 2026

CAPITAL BUDGET PREPARATION
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List of Budget Documents, Electronic Forms, Timelines and Maps Available on the USM Webpage

HTTP://WWW.USMD.EDU/USM/ADMINFINANCE/CAPITALPLANNING

Capital Budget Development Process
http://www.usmd.edu/usm/adminfinance/CapPlanMatrix.pdf

Budget Documents

5-year CIP Request to the State (FY2027-2031), June 2025
Beginning in June 2016, the CIP has been presented to the Board of Regents in closed session; it is not accessible online, though it was provided to presidents/admin VPs. The 5-year CIP "As Requested" can be requested from the Office of Capital Planning via e-mail. Please contact mbeck@usmd.edu

Governor's Proposed Capital Budget (FY2027-2031)
https://dbm.maryland.gov/budget/Documents/Capital%20Budget/FY%202027%20Documents/FY2027-Capital-Improvement-Program.pdf

Regents' Proposed 5-Year SFCP (FY2027-2031), June 2025
See item #3 here:
https://www.usmd.edu/regents/agendas/20250604-FC-PublicSession.pdf

Environmental Assessment Form
https://dbm.maryland.gov/budget/Pages/capbudget/formstemplates.aspx

Project Consistency Report
https://dbm.maryland.gov/budget/Pages/capbudget/formstemplates.aspx

Project Funding Status Report
Part of DBM's Capital Budget Instructions forwarded to institutions by OCP each year in April/May. This is also known as the "Unencumbered Balances" report.

PlanMaryland Planning Areas and Overlays
Part of DBM's Capital Budget Instructions forwarded to institutions by OCP each year in April/May.

Electronic Forms

Available here: https://www.usmd.edu/usm/adminfinance/CapitalForms.html

Includes the following:

Sample CIP Briefing Paper
This is NOT interchangeable with the SFCP form

Sample SFCP Briefing Paper
This is NOT interchangeable with the CIP form

"Request for Approval" for an Institutionally-Funded Project Between $1M and $5M

a. Sample "completed" form
b. Blank form

Blank CIP Ten-Year Plan Format (Base and Aspirational)
***PLEASE USE EXACTLY THIS EXCEL FORM FOR YOUR SUBMISSIONS!* (One line per project, no blank lines between.)**

Blank SFCP Five-Year Plan Format
***PLEASE USE EXACTLY THIS EXCEL FORM FOR YOUR SUBMISSIONS!* (One line per project, no blank lines between.)**

Projected Implications of Auxiliary Bond Funded Projects

a. Sample "completed" form
b. Blank form

Sample Facilities Renewal Submission for the Asking Year

Timelines for Discussion and Budget Submission

CY2026 Timeline: Review and Comment on Preliminary Budget
(CUSP, Chancellor's Council, and Vice Presidents' meetings)

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Sample Location Map for CIP 5-Yr. Plan

Sample Location Map for SFCP 5-Yr. Plan

A. SUMMARY OF REQUIRED PROJECT APPROVALS

As part of the budget process, all projects must be pre-approved before funding can be appropriated, and contract awards pursued. [See footnote 1/ below]

1. **For the State Capital Improvement Program (CIP)**: All projects, regardless of fund source and total cost, must be pre-approved by the USM Board of Regents prior to submission to the State via CBIS in June of each calendar year.

2. **For the System Funded Construction Program (SFCP)**: Fund source and cost thresholds are the factors determining the type of approval required. All projects must be approved as follows:

   a. Vice Chancellor Approval

   - Projects with a total cost between $1M and $5M funded entirely with university cash, private gifts, or grant funds. These projects do not include State funds or USM debt.

   b. Regents' Approval

   - Projects with a total cost between $1M and $5M, which anticipate the use of split funding, e.g., bonds and cash even if the asking year funding is with cash only.
   - Projects funded in whole or in part with bonds, SFCP loan, or via public-private partnership, regardless of total cost.
   - Projects greater than $5M in total cost regardless of fund source.

   c. Institutional Approval

   - Projects with a total cost less than $1M, which are to be funded entirely with university cash, private gifts, or grant funds.

3. **How to Submit Your Project Information for Approval**: Projects requiring Regents' approval (CIP and SFCP) should be submitted on an excel spreadsheet AND in briefing paper format. Samples of each are available on the USM-Capital Planning webpage for reference. Please remember that the CIP and SFCP forms are not interchangeable. Information about projects qualifying for Vice Chancellor approval only should be submitted using the "special" Request for Internal Approval for an Institutionally Funded Project Between $1M and $5M. Completed and blank forms are available on the USM-Capital Planning webpage for reference.

4. **Scope of Approval**: For both the State CIP and the SFCP budgets, which require Regents' action, approval is only granted for the asking year request. Projected out-year funding must be requested and approved as it comes up in each subsequent asking year and in subsequent budget cycle(s).

   For SFCP projects in the $1M to $5M threshold and which are funded entirely with cash, approval is considered and granted by the Vice Chancellor for Administration and Finance for the total project cost, as delineated in the "request for approval" form submitted through the Office of Capital Planning.

1/ PLEASE NOTE: *State law requires contracts for any projects that include MCCBL (GO Bond) or General Funds (Paygo) money—even if it is just a portion of funding—be approved by the Board of Public Works, regardless of size (MD Code, Finance and Procurement Article Section 8-301). If you let a contract without it, an institution will have to use its own money and it is NOT possible to go to the BPW for reimbursement. Please remember this as you prepare project schedules.*

5. **Timing of Submissions**: Institutions should follow the calendar/timeline available on the USM-Capital Planning webpage, which accompanies the budget instructions. For the State CIP, the budget cycle is pre-determined by State budget submission requirements. Similarly, for the SFCP, projects should be submitted during the regular budget cycle similar to the CIP. Only in exceptional circumstances should SFCP requests be made out-of-cycle.

When in doubt regarding appropriate path, please feel free to reach out to the Office of Capital Planning.

B. BOARD OF REGENTS' BUDGET REQUIREMENTS

1. **CONSISTENCY with the GOVERNOR'S BUDGET RECOMMENDATIONS**. The first four years of the requested CIP (FY2028-2032) should be consistent with the Governor's recommendations. The fifth year (FY2032) and sometimes the sixth year (FY2033) and beyond should reflect a natural progression of funding for projects from the prior years. We should assume that funding for FY20232-FY2037 will be as described in Senate Bill 682 of 1999, namely: *"The plan should identify funding sources to meet these capital needs based on the assumption that State capital funding will continue at present levels, adjusted for inflation."* Changes to the asking year of the Governor's CIP, as enacted by the General Assembly, should be reflected in your submission.

2. **FIVE and TEN-YEAR PLANS**. Though the Regents only submit a five-year plan to the State, the Governance Bill requires us to plan using a Ten-Year horizon, so your submission to the System Office should be for ten years.

   - **Only plans formatted like the available online excel spreadsheet are acceptable**.
   - Use last year's Board CIP as a guide to format your submission, and match the column format used.
   - A sample is included with the capital budget reference materials on our web page.

   It is important that you look carefully at the "out years" in the budget (those beyond the Governor's current CIP, or FY2033-FY2037 and consider how your building priorities should be positioned for funding. The Regents' Five Year CIP (FY2027-2031), June 2025, should be consulted (see the Office of Capital Planning).

   You should use the latest numbers and queue position reflected in the Governor's current CIP released in January 2026. Please note that project costs may have been amended by the Governor and/or the General Assembly since the Board's CIP was approved in June 2025.

   DBM's budget instructions are e-mailed annually in April/May to all institutions by OCP when they are received from DBM. Typically, DBM instructions include a statement like this one:

   Please note:
   The Governor is committed to reducing the level of state borrowing and reducing future debt service requirements. Accordingly, you should not request any projects or programs that exceed the Governor's CIP except for situations that address a compelling State interest. Agencies should not request any projects or programs that were not included in the CIP. Re-evaluate projects that are in the current CIP to determine if they can be eliminated, reduced in scope or deferred without impairing the agency's mission and core operating function. Agencies should

also thoroughly examine cash flow projections for current projects to determine the precise amount of funding required for the asking year.

3. **REALISTIC BUDGET TARGETS**. Dating back several years now, the Regents have encouraged the Capital Planning Office to ask the institutions to adhere to capital budget funding targets in their requests, similar to those imposed on the USM and other State agencies by the Department of Budget & Management. This would allow presidents and budget officers to first address some of the more difficult budgeting choices at the institutional level, where such decisions can be most effectively managed among competing campus priorities.

   That said, it's important to be able to demonstrate the true scope of need at each institution. To that end, please follow the lead of the System Office by making your submissions for upcoming years in two separate documents, as follows:

   BASE REQUEST. This is a campus request that follows the basic structure of the Governor's CIP, meaning that projects are placed in the years and for the amounts shown by the State. Where minor adjustments to costs are needed, those can be included. Please label this your "Base Request." For the years beyond the five years of the CIP, please use your judgement in showing both the continuation of projects begun in the first five years and a reasonable number of new projects you'd like to see in the second five. Though they can be somewhat ambitious, expected funding levels for the out years should be based on the first five years, adjusted for inflation.

   ACCELERATED OR ASPIRATIONAL REQUEST. As was the practice in the past, we will continue to recommend projects beyond the Governor's CIP as part of the annual capital request, but we will do so as a separate, prioritized list of needs to be considered by the State only if additional funding is available.

   This is a campus request for both acceleration of projects within the "base request," and the addition of projects that were not included in that request. This version of your request includes all of the projects in the base request (and others), but can be as ambitious as can be reasonably implemented by your institution—assuming sufficient capital funding were available. This is typically what we have been seeing from institutions. It should follow the same ten-year format as the base request.

   Information from both documents will be shared with the Board of Regents. As the Board deliberates their request to the State, we will provide a draft to them that aggregates both your submissions, as we now do for the Governor each year. We will show a System-wide base request, followed by a list of suggested accelerations/additions as supplemental requests.

4. **"RETURN ON INVESTMENT (ROI)" TO INFORM BUDGET DECISIONS**. Members of the Board have long expressed an interest in having institutions provide an evaluation of "return on investment" (ROI) as part of their project analysis to assist in capital decision-making. Goals for each project should be carefully articulated in a way that can be both quantified and supported by data. Examples include job creation, workforce production, job readiness, increased enrollment and graduates, research grant income, etc.

   Materials submitted to the System Office for the Board with the capital budget request by each institution (e.g., the narrative included in the required "Briefing Paper" for each major project) should include a listing of measurable goals for each project. Regents, as well as the staff of the Department of Budget & Management, were complimentary of those institutions that had

provided ROI data as part of their submissions during the last cycle. An excellent example would be the materials submitted by Towson in support of their projects, here:

https://dbm.maryland.gov/budget/FY2021CapitalTestimony/Towson%20University.pdf

The Board is not asking institutions to prepare a booklet of presentation materials like the ones TU prepared, but they would like to see similar data-driven analysis provided for each project.

For now, we'd ask each institution to select the goals most appropriate for each project—perhaps based on those included in the Part 1 facility program document. Should Board members require additional data, we could discuss providing more structure and specificity in future years. Please feel free to contact Mark Beck should you have any questions about this requirement.

5. **COORDINATION WITH DBM REQUIREMENTS**. DBM instructions distributed Statewide typically include requirements like the following that appeared in 2025. It's likely these fiscal constraints will continue for the foreseeable future and this is good advice:

Strategic capital investments are critical to maintain and improve Maryland's infrastructure; support economic development, affordable housing, and job creation; rebuild State government and support agency operations; and address many other key priorities outlined by Governor Moore. The priorities of the Governor and agency leadership are reflected in the FY 2026-2030 Capital Improvement Program. DBM is committed to continuing its work with its agency partners and other requesters to address critical capital needs across the State while advancing the Administration's priorities and furthering progress on key outcomes.

The FY 2026-2030 CIP plans $1.75 billion in GO bonds annually. General funds are planned for two programs - the Washington Metropolitan Area Transit Authority ($167 million annually) and Hazardous Substance Cleanup (less than $1 million annually). While Maryland's FY 2026 operating budget significantly reduced the out-year structural deficit, the State continues to face out-year structural challenges, and many federal funding streams are at risk under the current federal administration. We must proceed with extreme caution as we develop both our capital and operating budgets for FY 2027. At this time, DBM anticipates general funds will not be available to enhance the capital budget in the FY 2027-2031 CIP.

In light of this fiscal outlook and the priorities of the current Administration, agencies should:
- *Reference explicitly in the agency's submission narrative and each individual project justification loaded into CBIS the connection between each requested capital project and your agency's strategic priorities, as well as the Moore-Miller Administration's 2024 State Plan.*
- *Scrutinize all current planned projects and programs for likely impact on key outcomes and sufficient alignment with the Administration's priorities.*
- *Strive to keep total capital funding requested per year within or below the amount planned in the FY 2026-2030 CIP. Given the impact of increased projected escalation on project costs, as noted on p. 6, agencies may have to rework their current plan, such as defer projects, in order to remain within capacity.*
- *In general, request initial funding for projects brand new to the CIP in the final plan year (FY 2031) unless funding is shifted from planned projects/programs to accommodate new priorities sooner in the plan (note that even if funding is shifted to accommodate a new project, there is still significant lead time required for the facility program review process and procurement before funding can be deployed).*

● *Explore all options for non-State fund sources, such as federal, private, and local funding. Agencies should note in their submissions if they believe requested or previously authorized federal funding is at risk of being rescinded.*

To effectively allocate the State's limited resources, DBM strives to prepare a capital budget based on intentional, data-driven decisions. Agencies must provide strong justification for all requests, including those projects or programs already planned in the CIP. The requests must be well-documented with quantitative and qualitative data that clearly identifies the need for the project, the need for increased funding, and/or the need to accelerate a project; as well as the strategic outcomes or benefits expected from the project. Project schedules and cash flow estimates must clearly support the need for all funding requested in FY 2027. The Office of Capital Budgeting (OCB) will review agency priorities and evidence of the need to determine the scheduling of projects and funding level of programs. Again, agencies requesting to accelerate a project or increase program funding should be prepared to discuss offsetting reductions elsewhere within their capital request.

Facility Programs. In their budget instructions DBM reminded all those making requests for capital funding that no design funds can be expended until a facility program is approved by DBM. This is a statutory requirement. DBM's instructions from 2025 included the following 2025 (PLEASE DEFER TO DBM'S NEW INSTRUCTIONS WHEN THEY ARE RELEASED):

For State-owned construction projects and applicable grant and loan projects, facility programs are required by State law. Facility programs ensure that the need for a project is fully documented and provide the basis for cost estimates. DBM requires State agencies to submit a completed facility program to OCB before recommending funding for a project in the State's five-year CIP. State law requires each State-owned capital project to have a part I and part II facility program approved by DBM, and in some cases the DGS, prior to the encumbrance of capital funds. Therefore, DBM will not recommend funding for a capital project in FY 2027 without an approved facility program.

● *State projects added by the General Assembly to the FY 2026 enacted capital budget will require part I/II facility programs from the associated agency. Please remember that DBM thoroughly reviews facility program reviews, and it is common for the review and approval process to take over a year from the time of submission.*
● *The part I program must be submitted by May 1st of the calendar year in which the using agency initially submits a request. Agencies should not expect a project to be included in the fiscal year immediately following submission. Please see below for additional information on the revised Facility Program submission schedule.*
● *The part II program must be submitted by March 1st of the calendar year in which a request for design funds will be submitted for inclusion in the next Capital Budget. Therefore, part II programs for FY 2027 projects were due March 1, 2025.*

Revised Facility Program Submission Schedule: Below is a full schedule of facility program submission deadlines for the FY 2027-2031 CIP. As noted in last year's memo, DBM is accelerating the part I submission deadline from June 30th to May 1st to ensure sufficient time to review programs for new requests, beginning with the FY 2031 requests.

● *Part I facility programs for CIP requests in FY 2027-2031 should have already been submitted to DBM.*
● *Part II facility programs for FY 2027 requests should have been submitted to DBM by March 2025. Note: part II programs that are inconsistent with the submitted or approved part I program will likely take additional time to approve, which may result in the project being deferred beyond FY 2027.*

FY of Funding Request for New Projects	Part I Deadline	Part II Deadline
FY 2027	June 30, 2021	March 1, 2025
FY 2028	June 30, 2022	March 1, 2026
FY 2029	June 30, 2023	March 1, 2027
FY 2030	June 30, 2024	March 1, 2028
FY 2031	May 1, 2025	March 1, 2029
FY 2032	May 1, 2026	March 1, 2030

5.A.*NEW* FY2026 and beyond--Life Cycle Cost Analysis. The Board of Regents are interested in having institutions include a careful evaluation of alternatives as part of their capital requests going forward. This may take different forms, depending on the stage of the project and the complexity of the decision(s) involved. For instance:

Budget/Pre-Design. As stated above, State law requires a facility program to be written and approved by DBM for all projects to be included in the Board capital request to the State. The program includes a detailed analysis of alternatives. While the quality and detail of the comparison section can vary by project, this comparison is critical to helping the Board make a decision regarding their ultimate recommendation to the Governor. **Going forward, like DBM, the Board will require a Part I program be prepared (with the requisite comparison of alternatives) before we consider the request as part of the Board's submission to the State.**

Budget Submission. The State's Capital Budget Information System (CBIS) includes tab for submission of estimated "net effect on operating costs" for a given request. The State provides some basic guidance for figures that can be used (e.g., per occupant) in each category *[see definitions here, printed page 37, pdf page 20],* but institutions typically apply existing values, adjusting them for inflation. The State uses CBIS as a guide in helping make capital funding decisions, but the CBIS submission is not a direct request for new facility operating funds.

LCCA activities aren't always identified clearly during the USM capital budget approval process. This is due in part to the fact that some project requests are approved separately by the Board, and some are grouped into the annual approval of the Capital Improvement Program (CIP) and the System-Funded Construction Program (SFCP).

Project approval requests. Going forward, all stand-alone project requests to the Board for Approval should include a detailed statement in the item (under "Alternatives" on the item format) outlining the LCCA data and findings that support the recommended project scope and budget. Documents supporting those decisions (like the ones referenced above) could be included (or referenced).

Capital Budget approval requests. The Capital Budget itself will include, as part of the briefing paper to the Board, a blanket description of LCCA activities and processes undertaken in support of the projects listed generally, with specific examples where potentially controversial project solutions are being adopted (e.g., a replacement building over a renovated building solution).

Briefing Papers. The results of the assessment of alternatives should be included as part of the required Capital Budget Project Descriptions (Briefing Papers) submitted by each institution. These documents and any back-up material to support it could be made available to the Board if requested.

Climate-Related Sustainability Requirements. The Governor's Capital Budget Instructions in 2023 included the following statement:

> *The Climate Solutions Now Act of 2022 (Ch 38, SB 528) is expected to have a significant impact on Maryland's approach to reducing greenhouse gas (GHG) emissions and the impacts of climate change. The legislation requires that the State reduce GHG emissions to net zero by 2045. It requires that agencies transition to no- or low-carbon energy sources, convert their fleets to zero emission vehicles, and consider climate impacts in their long-term planning.*
>
> *Over the next several years, DBM will be working with the Departments of General Services and the Maryland Department of the Environment to better understand impacts of the Climate Solutions Now Act on projects and programs in the CIP. Though the State's revised building energy performance standards or policies (are being finalized),* ***agencies should begin to factor the requirements of the legislation into their capital projects and programs. Facility Master Plans and Part I and II programs should include discussion of how proposed projects will reduce GHG emissions, expand the infrastructure needed to support zero emission vehicles, and mitigate the climate impacts associated with capital improvements.***

Cash Flow Requirements. Beginning with the FY2011 CIP, the State began a policy of splitting larger construction projects (e.g., those that would typically take more than 18 months to construct) into two consecutive years. The second year of construction funding would be authorized along with the first to preserve the continuity of the project and allow the State to approve a contract for the whole project. Similarly, projects that include renovation and addition should be further divided among multiple years.

Please coordinate your CIP submission to the Regents with DBM requirements for when facilities programs are due, updated Cost Estimate Worksheets, and project accounting/cash flow requirements. When in doubt, please refer to immediate prior-year DBM instructions or, check with your analyst at DBM if you are uncertain of what is required. Please consult with your requisite A/E/C Service Center for their input, as DBM requires Service Center approval of your CEW and cash flow projection before a project is submitted in CBIS.

6. **BRIEFING PAPERS**. As in past years, the FY2027-2031 CIP request should be prepared in the standard briefing paper format as indicated in these instructions. You are asked to prepare a briefing paper for each project in your Five-Year plan.

   These papers are absolutely critical for CIP projects in that they are provided (as requested) to Board members, the State, Legislative Services, and other critical reviewers in the decision-making process. Please continue to provide as much detail as possible to help describe and justify each request.

There is a place on the briefing paper for you to indicate how much of each project's proposed NASF is "new," "renovated," or "replaced" space. Please pay close attention to providing us with these numbers. These figures are important as we calculate how close we are to reaching the Regents' facilities renewal goals.

Two Critical Additions to the Briefing Paper:

- **Return on Investment** narrative (Refer back to "B. Board of Regents' Budget Preparation Requirements for Return on Investment Information," above.)
- The results of the assessment of **life cycle cost analysis** (LCCA) alternatives should be also included as part of the required Capital Budget Project Descriptions (Briefing Papers) submitted by each institution. These documents and any back-up material to support it could be made available to the Board if requested. (See 5.A Life Cycle Cost Analysis, above)

7. **PROJECT LOCATION MAP**. At the Regents' request, a map (preferably in color), which pinpoints the location of all projects listed in the first five years of the CIP strawman draft going to the presidents and administrative VPs at the May CUSP meeting. The map should be electronically transmitted to the Office of Capital Planning no later than the following Friday. The map may be used for a variety of discussions with the Board through the budget process.

8. **PROJECT QUALIFICATIONS**. Each project should meet the following conditions before it will be considered for the State CIP:

   - The project is consistent with the institution's mission and strategic/implementation plan;
   - *A brief statement relating the project to your institution's mission and goals should be included for all projects for which first funding is requested in the FY2025 CIP.*
   - The project is consistent with Regent's priorities, particularly undergraduate enrollment, renovation and replacement, research, technology, and climate change;
   - The project is a priority in the institution's facilities master plan. (Facilities master plans shall be "updated on a periodic basis, including when substantial changes to the institution's mission statement have taken place [revised enrollment projections], or at least every five years coincident with the resubmission of an updated mission statement" {Policy on Facilities Master Plans, VIII-10.00, USM Board of Regents}); https://www.usmd.edu/regents/bylaws/SectionVIII/VIII1000.html
   - There is a clearly documented need for the project (e.g. current or projected space deficiencies or unsatisfactory functional or physical condition of existing space as reported in your SGAP statement);
   - Projects in your Five-Year Plan correspond to DBM requirements for facilities programs, CEWs and project accounting submission of data.

9. **PROJECT PRIORITIZATION**. The following are factors that will be used in evaluating projects to be recommended for the State CIP (in no particular order):

   - Projects with prior year funding;

- Projects that help achieve the Regents' capital target for renovation and renewal (work that impacts the facilities renewal backlog);
- Timely projects to support achieving approved strategic plans (e.g. meeting approved enrollment growth at targeted institutions);
- Projects with infrastructure in place to support it and/or new infrastructure projects to meet current and projected facility needs;
- Projects with planned or committed external funding consistent with Board Policy on establishing capital priorities for such projects;
- Projects that improve environmental and/or life-safety conditions.

10. **FUNDING SOURCE(S)**. *Projects in the CIP are funded from Academic Revenue Bonds (ARB) and* State-supported General Obligation bonds. The Governor's recommended Five-Year plan frequently includes funding from (Operating)PAYGO. There are requirements for some institutions to use their own funds (e.g., NBF) to augment State funding. These requirements are included in the Governor's CIP. Refer to the Governor's 5-Yr. Proposed Budget for specific out year details.

    For a copy, please visit the DBM web site at:
    https://dbm.maryland.gov/budget/Documents/Capital%20Budget/FY%202027%20Documents/FY2027-Capital-Improvement-Program.pdf

11. **RENOVATION**. Limitations on operating budget increases impact the amount of construction that can be supported with operating funds. In that recycling existing facilities is generally less demanding on the operating budget than is adding new square footage and that such renewal helps reduce the backlog of deferred maintenance, the System continues to encourage renovation and/or replacement of existing facilities to meet institutional needs when it is practicable. Please be specific about the facilities renewal implications of requested projects.

    For the FY2028-2032 CIP, Board policy again requires substantial spending per year be directed at renovation and replacement projects in the capital program. We will be looking at your FR data and calculating the percentage of programmed space that is renovation or replacement space for each project in your Five-Year plan. This information will assist us in FR reporting and guarantee an accurate measure of our progress.

    Please reflect the requested NASF information directly on your briefing paper. This information should also be part of the descriptive text in the CBIS project entries.

12. **ENROLLMENT**. Identify all projects in your FY2028-2037 plan needed to accommodate the enrollment growth consistent with enrollment projections based on Fall 2025 data. Include a brief statement explaining the scope and the relationship of the project to the forecasted enrollment growth and the year in which the project should be completed given current projections

13. **CHANGES TO THE CIP**. Changes to projects previously approved in the CIP are subject to the following policies:

    State policies are published in the "Facility Program Manual for Capital Projects" at:
    http://dbm.maryland.gov/budget/Documents/capbudget/Instructions/facilityprogmanual.pdf

    USM VIII-10.20—Policy on the Capital Budget can be found here:

https://www.usmd.edu/regents/bylaws/SectionVIII/VIII1020.pdf

C. DBM BUDGET PREPARATION REQUIREMENTS

1. **CURRENT DOCUMENTATION REQUIREMENT(S)**. The Department of Budget and Management (DBM) emphasizes the need for submission of facilities programs and suggests that it will not support projects in the System's FY2028-2032 Five-Year Plan without this documentation. Institutions should consult with their facilities staff, project managers, and their DBM analyst to be sure that the following documentation is current:

   - Facilities programs

     Please be sure to use the official program format prepared by DBM and available online at the DBM web site:
     https://dbm.maryland.gov/budget/Documents/capbudget/Instructions/facilityprogmanual.pdf

   - Cost Estimate Worksheets

     IMPORTANT: Your Service Center must pre-approve your CEWs prior to submission on CBIS to USMO in May.
     Most data cells on CBIS are populated from the CEW.
     If it is not accurate, your CBIS submission will NOT be correct.

   - Project accounting (encumbrance and expenditure) data are submitted if there is an appropriation balance for any completed CIP project, identifying the intended use for these residual funds. At a minimum, DBM must approve the re-use of CIP funds. Also, by State law, any CIP funds authorized in FY2020 (2019 Session) will have expired on July 1, 2026. Though not required by the March deadline, please begin to prepare a detailed explanation of any unexpended/unencumbered funds. DBM will require a detailed accounting later in the summer. Typically, Paygo appropriations must be encumbered (at least in part) during the first two years following their approval during the session.

2. **FORMS**. A variety of forms must accompany your budget submission either online through CBIS, or in hard copy.

   Impact on Operating Budget. For CIP requests, Impact on Operating Budget information will be required by (and input via) the CBIS system.

   Cash Flow Projection. This is required for all FY2028 construction requests and DBM may require them for future projects as well. It should be provided to you by your Service Center consistent with their pre-approved CEW, which you will have submitted on CBIS. You should then append this form on CBIS, or submit an electronic copy to the Office of Capital Planning.

   Environmental Assessment Forms and Project Consistency Reports**.** These forms are still required (in hard copy) as part of the program submission, with copies to DBM and to the State Clearing House (Dept of Planning). If you have not submitted these forms to the System Office of Capital Planning, or if they have changed since your original submission, please resubmit as

part of your CIP package. Instructions are contained in the CBIS Manual. Forms can be accessed on the DBM webpage:

https://dbm.maryland.gov/budget/Pages/capbudget/formstemplates.aspx
Please note the status of Environmental Assessment Forms and Project Consistency Reports on projects submitted in previous years. If you have previously submitted these forms and, if their content has not changed since your earlier submittal, you do not have to resubmit a hard copy to OCP.

Private Use for Tax Exempt Programs. Private Use information will be required by (and input via) the CBIS system.

Project Funding Status Report. This spreadsheet will be submitted electronically via e-mail to DBM with the USM Capital Budget transmittal letter on June 30, 2026. Detailed instructions for completing this report are included in DBM's Capital Budget Instructions forwarded by OCP to institutions annually in April/May.

Maryland State Planning Areas and Overlays. This information will be submitted electronically via e-mail to DBM with the USM Capital Budget transmittal letter on June 30, 2026. Detailed instructions for completing this report are included in DBM's Capital Budget Instructions forwarded by OCP to institutions annually in April/May.

3. **ENVIRONMENTAL, HEALTH, SAFETY PROJECTS**. At the direction of DBM, institutional environmental health and safety projects (e.g., asbestos abatement) should be submitted through appropriate State (e.g., MDE) channels for funding via State-wide resources. Instructions and solicitation for these requests are disseminated as we receive them. You may also wish to check directly with the State office for up-to-date directions.

4. **FACILITIES RENEWAL**. The Governor's CIP includes $24-25M annually in funding from Academic Revenue Bonds (ARBs) and GO Bonds (if made available) dedicated to facilities renewal projects beginning in FY2027. NBF (USM/institutional spending authorization) is also included, though its use depends on affordability. A report compiled by the System in response to a Joint Chair's request related to the allocation methodology proposed by USM for the Capital Facilities Renewal Program described a division of the total annual appropriation into two parts as follows:

   a. TIER 1 FUNDING. The first piece, from ARBs, currently estimated at $24M for FY2028, would be divided among all institutions based on institution-reported Fall 2024 Replacement Value of State (non-Auxiliary) facilities greater than 10 years old. This is similar to the way the current funding is allocated, and the RV shares would be adjusted slightly each year to capture any changes. Omitting buildings less than ten years old helps achieve the desired effect of targeting funding for institutions with the greatest need (i.e., older buildings).

   b. TIER 2 FUNDING. The second piece, if and when available from GO Bonds or Non-Budgeted Funding (based on any projected amounts in the CIP), would similarly be divided among institutions based on reported Replacement Value of State facilities greater than 10 years old. Funding, however, may only go to those institutions who have demonstrated attention to maintenance needs by achieving the full 2% of RV spending goal spelled out in the newly revised Board Policy (VIII-10.10). This satisfies the requirement for a performance-based allocation method that provides incentives for maintenance spending, as described by the Budget Committee language. **There is currently no budget for Tier 2 funding.**

Institutional FR Budget Preparation

Institution	Fall 2024 SGAP Replacement Value $$ of State Facilities Greater than 10 Yrs Old*	Fall 2024 Percent Share of Total RV (>10 Yrs Old)	FY28 Revised Pro-Rata $$ Share of Total ARB FR (Tier 1) Funding Available
UM Baltimore	2,756,149,078	17.60%	4,224,716
UM College Park	6,213,316,277	39.68%	9,523,976
Bowie State	448,597,342	2.87%	687,625
Towson	1,423,085,840	9.09%	2,181,353
UM Eastern Shore	450,540,728	2.88%	690,604
Frostburg State	412,260,730	2.63%	631,927
Coppin State	471,259,006	3.01%	722,361
U of Baltimore	407,409,986	2.60%	624,491
Salisbury	606,221,280	3.87%	929,236
UMBC	2,009,454,634	12.83%	3,080,158
UMCES	199,074,243	1.27%	305,148
USM-USG	203,726,541	1.30%	312,279
USM-Hagerstown	24,303,766	0.16%	37,254
USM-SM	31,884,025	0.20%	48,873
SUBTOTAL	15,657,283,475	100.00%	24,000,000
USM-Systemwide	(Prior funds, including allocation for UMGC)		
TOTAL ARB FR			24,000,000
*Includes buildings opened in 2013 or earlier			

Tier 1 Requests

Institutions should prepare a brief project description, cost and schedule information for each Tier 1 request for FY2028, up to the amount(s) shown in the table (above). Asking year (FY28) lists must be provided *with the budget* so it may be applied to the USM FR Program file on CBIS. Please refer to the electronic sample for formatting.

Projects can be of any size but should not exceed your single year share of the appropriation, as shown.

Tier 2 Requests *(If funded; there is currently no budget for Tier 2 funding.)*

Institutions should then prepare for submission a long-range (five years is recommended) prioritized list of potential deferred maintenance work (with estimated costs!) that could be funded in pieces (or in phases) with FR funding that may be available in excess of a Tier 1 appropriation in a given year. Larger projects (funded over multiple years) may also be included, but the most critical part of this list is that it in priority order.

Instructions will be forthcoming, if needed, in terms of how institutions should prepare project documentation related to any potential second-tier funding. The budget allocation and project selection process will also be revised, with input from all institutions.

5. **CBIS PASSWORD and TRAINING**. Each year you need to refresh your password in order to log into CBIS. Contact the Service HELP Desk at 1-410-697-9700, or Service.Desk@maryland.gov and ask about getting a password.

   DBM no longer offers in-person group training. However, DBM will offer two types of CBIS training sessions via webinar – a refresher course and a more detailed training depending on demand. Please e-mail your DBM analyst directly to let them know you are interested in participating.

6. **CBIS MANUAL and VIDEOS**. The CBIS manual and instructions by section are available at DBM's webpage. You are responsible for knowing what changes DBM has made to the CBIS System. If you have not completed training via webinar, please consult the manual on the DBM webpage to be sure you are accurately reflecting all the information that is required.

   http://dbm.maryland.gov/budget/Pages/capbudget/CBISManual.aspx

   As in previous years, the Department of Budget and Management's "Instructions for the Preparation and Submission of Capital Project Requests for State-Owned Facilities" should be used as the guide in preparing your CBIS submission. Please remember that all final submissions (State forms) will be electronic (generated via input to the DBM Capital Budget Information System-"CBIS") with the exception of Project Consistency Reports and Environmental Assessment Forms.

7. **COMPLETING CBIS**. Please pay close attention to all fields required on CBIS. They should be filled in completely, including CEWs. Work with your Service Center representative(s) so that your CEWs are accurate and up-to-date. **Do not leave this task to the last minute.**

   - Check your e-mail. You will receive notification when CBIS is "open for business."

   - Remember that in April/May Mark Beck will be forwarding to you an e-mail containing **supplementary capital budget instructions from DBM**. Please pay close attention to the "changes" reflected in the DBM instructions, especially in the preparation of your CEWs. Last year's e-mail was sent to you in May.

   - Last year, CBIS opened for business in May. Do not wait, however, for CBIS to open before contacting your Service Center representative to confirm needed project funds, schedules and to coordinate other reporting requirements with DBM supplementary budget instructions. Request also a cash flow projection if you are requesting construction funds in the asking year, FY2028. Do all this sufficiently in advance of the internal due date for your CBIS budget submission to OCP, May 30, 2026. You are competing for Service Center assistance with every other client institution, and the queue fills up fast.

   - All CEWs must be pre-approved by your Service Center before your CBIS submission is sent to USMO in May. Many cells in CBIS are driven by information from your CEW. If your CEW is inaccurate, the information reflected in other cells will be inaccurate too.

- Consult the CBIS Manual and Videos on the DBM webpage to assure that you are adhering to format and content requirements throughout CBIS.

- Please use care to express detail such as scope, description, justification, and space breakdown (by HEGIS code) in the "Supporting Comments" section of the request. Please provide as much information (especially quantitative data to support your statements), as you can.

- Since the Board of Regents has requested "Return on Investment" information for each briefing paper, it is advisable to provide ROI data in CBIS.

- When the CBIS system is upgraded at the end of each legislative session, some field information may be lost in the transfer. If you cannot see data on your screen, then it is not there. Be prepared to re-enter, or re-copy and re-paste, information whenever and as often as this occurs.

D. SYSTEM FUNDED CONSTRUCTION PROGRAM (SFCP) BUDGET PREPARATION REQUIREMENTS

1. PROJECT QUALIFICATIONS. The SFCP budget is primarily funded by System debt or cash set-asides in support of institutional auxiliary projects (e.g., dormitories, student unions and bookstores). Each project shall meet the following conditions before it will be considered for the SFCP:

   - The project is consistent with the institution's mission. A brief statement relating the project to your institution's mission and goals should be included for all projects for which first funding is requested in the FY2027-31 SFCP;

   - The project is consistent with Regents' priorities as outlined in the USM Strategic Plan;

   - The project is a priority in the institution's facilities master plan. Board policy states that facilities master plans shall be "updated on a periodic basis, including when substantial changes to the institution's mission statement have taken place [revised enrollment projections], or at least every five years coincident with the resubmission of an updated mission statement."

     USM Policy on Facilities Master Plans—VIII-10.00 can be found here: HTTP://WWW.USMD.EDU/REGENTS/BYLAWS/SECTIONVIII/VIII1000.HTML

   - There is a clearly documented need for the project, e.g. current or projected space deficiencies or unsatisfactory functional or physical condition of existing space.

2. **PROJECT PRIORITIZATION**. Discuss your proposed SFCP 5-Year Plan with your Service Center representative to ensure you are requesting funding for the amount you will need and for the proper sequencing of your request in the 5-Year Plan. This should be done prior to submitting your budget to OCP in March. **All projects require Service Center approval of cost/cash flows!**

   Additionally, the following are factors that will be used in evaluating projects to be recommended for the SFCP (in no particular order):

   - Projects with prior year funding;

- Projects that help achieve the Regents' capital target for renovation and renewal (work that impacts the facilities renewal backlog);

- Projects that improve environmental and/or life-safety conditions;

- Timely projects to support achieving approved strategic plans (e.g. meeting approved enrollment growth at targeted institutions);

- Projects with infrastructure in place to support it and/or new infrastructure projects to meet current and projected facility needs;

- Projects with planned or committed external funding consistent with Board Policy on establishing capital priorities for such projects;

- Analysis of financial feasibility, particularly the impact of the project on student fees and the amount of institutional debt. Projects may be funded through external borrowing and/or institutional funds set aside for specific projects.

3. **FUNDING CONSTRAINTS**. SFCP requests will be scrutinized to ensure the System is able to maintain its high bond rating.

   Auxiliary bonds. Limited external debt funds may be used to finance auxiliary facilities, but the amount of debt available is severely limited. As was the case last year, our ability to support auxiliary bonds is constrained by other calls on USM debt—including potential use of Academic Revenue Bonds and fund balance to support State-funded projects. Debt-funded projects will be scrutinized for general financial feasibility and affordability, as well as impact on debt capacity and operating funds. Projects funded through external borrowing will be included in the SFCP only to the extent debt capacity is available. The actual amount of debt available will be determined after a continuing dialog with the bond rating agencies. Debt levels may be adjusted accordingly.

   Cash funding. In some cases, institutional funds set aside for specific project may be approved for use; but use of cash may be limited to preserve fund balance. We'll discuss this more thoroughly with the presidents and the Board during the upcoming capital budget cycle. Where approved, cash funded projects are subject to the same restrictions on financial feasibility (above) as bond-funded projects.

   Public-Private Partnerships (PPP) will be similarly limited, as they impact the debt capacity of the System. Use of direct debt (USM bonds) is usually preferred for affordability. Please direct your project-specific questions to Celeste Denson, Associate Vice Chancellor for Financial Affairs, 301-445-1965, cdenson@usmd.edu and Samantha Norris, Director-Financial Planning and Analysis, 301.445.2735, snorris@usmd.edu in the System Office.

4. **BRIEFING PAPERS**. The FY2027-2031 SFCP budget requests should be prepared in the standard briefing paper format for acquisition, planning, construction, or equipment requests. Please note that the briefing paper format is slightly different for SFCP projects than it is for CIP projects. The forms are not interchangeable. You should prepare a briefing paper for each project in your Five-Year Plan.

These papers are absolutely critical for SFCP projects in that they are provided (as requested) to Board members, the State, Legislative Services, and other critical reviewers in the decision-making process. Please continue to provide as much detail as possible to help describe and justify a request. *A sample SFCP briefing paper is provided to you.*

Two Critical Additions to the Briefing Paper:

- **Return on Investment** narrative (Refer back to "B. Board of Regents' Budget Preparation Requirements for Return on Investment Information," above.)
- The results of the assessment of **life cycle cost analysis** (LCCA) alternatives should be also included as part of the required Capital Budget Project Descriptions (Briefing Papers) submitted by each institution. These documents and any back-up material to support it could be made available to the Board if requested. (See 5.A Life Cycle Cost Analysis, above)

5. **PROJECT LOCATION MAP**. At the Regents' request, a map (preferably in color), which pinpoints the location of all projects listed in the first five years of the SFCP strawman draft going to the presidents in May should be electronically transmitted to the Office of Capital Planning no later than May 6. The map will go forward to the Board and others as requested.

6. **FORMS**.

Projected Implication of Auxiliary Revenue Bond Funding Forms. This financial form (pro-forma) is required for each SFCP project that is proposed for auxiliary bond funding in your Five-Year Plan.

The first column should reflect what was reported to the state on the Budget Form showing actual revenues and expenses for the activity for FY2025. Additional revenues that will be generated by the activity as a result of the project and the debt service (please contact the USM Office of Financial Affairs for current funding assumptions) and other costs need to be reflected in the projection columns.

Your contacts for instructions and guidance are: Celeste Denson, Associate Vice Chancellor for Financial Affairs, 301-445-1965, cdenson@usmd.edu and Samantha Norris, Director-Financial Planning and Analysis, 301.445.2735, snorris@usmd.edu

SFCP Operating Impact. Provide an Impact on Operating Budget Form for each project included in the Five-Year SFCP request. Additionally, descriptive material (briefing papers) submitted for each project in the FY2027-2031 SFCP request should identify the source of proposed funds to be used to repay external debt issued in support of that project. This information should include:

- Specific source of funds (e.g., parking fees, recreation fees),
- Any increase in the fee,
- Fee schedule if the fee will incrementally increase or decrease and the duration of any fee increase, and
- Identification of any new fee(s).

Private Use for Tax Exempt Programs. As with the CIP, Private Use information will be required on all SFCP projects. Please use the same general format (same list of functions with percentage of NASF) as in CBIS and submit electronic AND hard copy as part of your Board Briefing Paper.

7. **ENROLLMENT**. Identify all projects in your FY2027-2031 SFCP needed to accommodate the enrollment growth consistent with enrollment projections based on recent SGAP reports. Include a brief statement explaining the scope and the relationship of the project to the forecasted enrollment growth and the year in which the project should be completed given current projections.

8. **APPROVALS AND CHANGES**. At their meeting in February of 2016, the Board of Regents approved a change to policy that established new approval thresholds for SFCP projects as follows: All projects $5 million or greater must be submitted to the Board of Regents for approval. Projects between $1M and $5 million may be submitted to the Vice Chancellor for Administration and Finance for approval. In very rare circumstances, as necessary, the Chancellor may authorize (at the Chancellor's discretion) expenditures in excess of that previously approved in the amount of 20% or $5 million, whichever is less. The same information required for BOR approved projects must be provided. Projects less than $1M may be approved at the institutional level. All SFCP projects funded through external borrowing must be approved by the BOR. Although a five-year plan is submitted, it is only asking year projects and authorizations that are approved by the BOR.

   Please see more detailed approvals information on page 5 above.

   USM Policy on the Capital Budget—VIII-10.20 can be found here:
   https://www.usmd.edu/regents/bylaws/SectionVIII/VIII1020.pdf

9. **ENERGY PERFORMANCE CONTRACTS**. **Energy Performance Contracts, EPCs, are capital projects and are subject to the policies of the Board of Regents related to approval as part of the capital budget. These projects should be a part of your SFCP budget submission.**