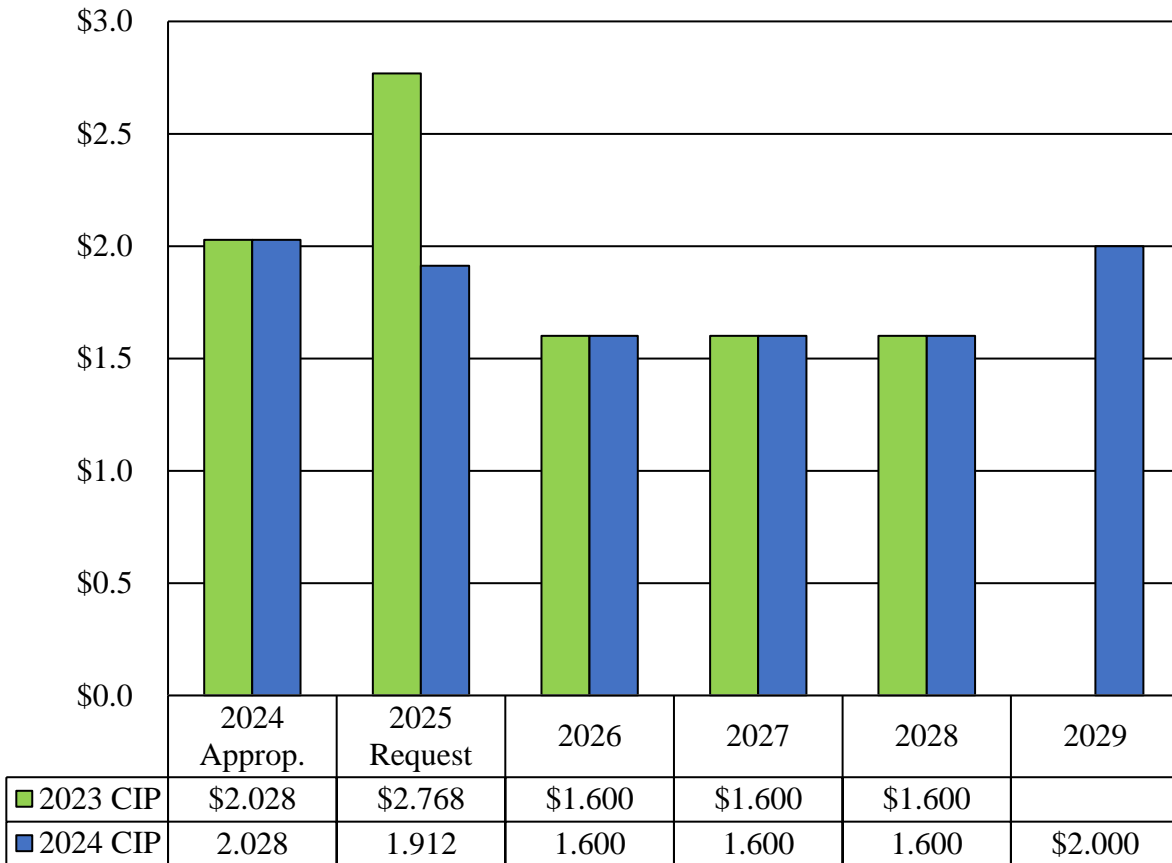


DA0201
Department of Disabilities – Capital

Capital Budget Summary

Grant and Loan Capital Improvement Program
(\$ in Millions)



CIP: *Capital Improvement Program*

Note: Access Maryland Capital Improvement Program is funded entirely with general obligation bonds.

Key Observations

- ***Six Projects Funded Across Four Jurisdictions:*** The fiscal 2025 budget for the Maryland Department of Disabilities (MDOD) Access Maryland program includes \$1.9 million in general obligation (GO) bonds and a \$1.8 million reallocation resulting from the cancellation of a Department of Public Safety and Correctional Services (DPSCS) project. This funding totaling \$3.7 million supports six projects, split between three new initiatives and three ongoing projects.
- ***Ongoing Delays in Encumbrances:*** During the first six months of fiscal 2024, MDOD has not encumbered any of the authorized allocation of \$2.0 million. Similarly, of the total authorized amount of \$2.2 million in fiscal 2023, only \$66,236 has been encumbered. This continues a pattern of low annual encumbrances and substantial unencumbered balances from prior years. Further discussion of MDOD’s encumbrances can be found in Issue 1 of this analysis.

GO Bond Recommended Actions

1. Approve the general obligation bond authorization for the Access Maryland Program.

Budget Overview of Grant and Loan Programs

The Americans with Disabilities Act (ADA) requires State agencies to ensure that individuals with disabilities can access public services and programs. In compliance with the ADA, MDOD manages the Access Maryland program, which funds accessibility modifications at State-owned facilities. Rented space is not eligible for funding. Projects funded within this program are part of a long-term effort, and the program will require funding beyond the current *Capital Improvement Program (CIP)*. Since fiscal 2020, higher education institutions are required to contribute a 30% non-State match to any Access Maryland-funded project. University System of Maryland projects must also complete a financial closeout report to identify funding sources.

Starting with the fiscal 2024 application cycle, MDOD will limit the number of open projects allowed per agency. Under the new policy, an agency, sub-agency, or campus can have no more than three open project phases before submitting a new application. The Access Maryland program has instituted this policy to address capacity concerns as some entities continually initiate new accessibility funding requests despite having backlogs of approved projects that are not moving forward.

Exhibit 1 shows MDOD’s funding in the Governor’s budget as introduced. The fiscal 2025 authorization of new GO bonds for the Access Maryland program totals \$1.9 million to support three ongoing and three new projects. Furthermore, a total of \$1.8 million will be reallocated to these projects from a canceled DPSCS project. These six projects total \$3.7 million in fiscal 2025, consisting of \$2.8 million for construction of three projects that have already completed design, and \$944,000 for design and construction of three new projects.

Exhibit 1
Access Maryland Fiscal 2025 Request
(\$ in Thousands)

<u>County</u>	<u>Project Description</u>	<u>Type of Project</u>	<u>Estimated Total</u>	<u>Prior Auth.</u>	<u>2025 Request</u>	<u>Total State Share</u>
Anne Arundel	DGS: Community Place – Automated Doors and Restroom Upgrades	Continuing	\$1,404	\$164	\$1,240	100%
Anne Arundel	DGS: Historic State House – Restroom Upgrades	Continuing	1,603	223	1,380	100%
Baltimore	TU: Interior Sign Replacement and Wayfinding Upgrades	New	300	–	210	70%
Prince George’s	UMCP: Atlantic Building – Bathroom Renovations	Continuing	318	42	148	60%
St. Mary’s	HSMCC: Plantation Exhibit Visitor Restroom Facility Upgrades	New	650	–	650	100%
St. Mary’s	SMCM: Prince George Hall Accessibility Improvements	New	120	–	84	70%
Total			\$4,395	\$429	\$3,712	

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<u>County</u>	<u>Project Description</u>	<u>Type of Project</u>	<u>Estimated Total</u>	<u>Prior Auth.</u>	<u>2025 Request</u>	<u>Total State Share</u>
Statewide	Available Funds Adjustment	–	-\$1,800	–	-\$1,800	100%
Total New Funds			\$2,595		\$1,912	

DGS: Department of General Services
HSMCC: Historic St. Mary’s City Commission
SMCM: St. Mary’s College of Maryland
TU: Towson University
UMCP: University of Maryland, College Park Campus

Source: Department of Budget and Management

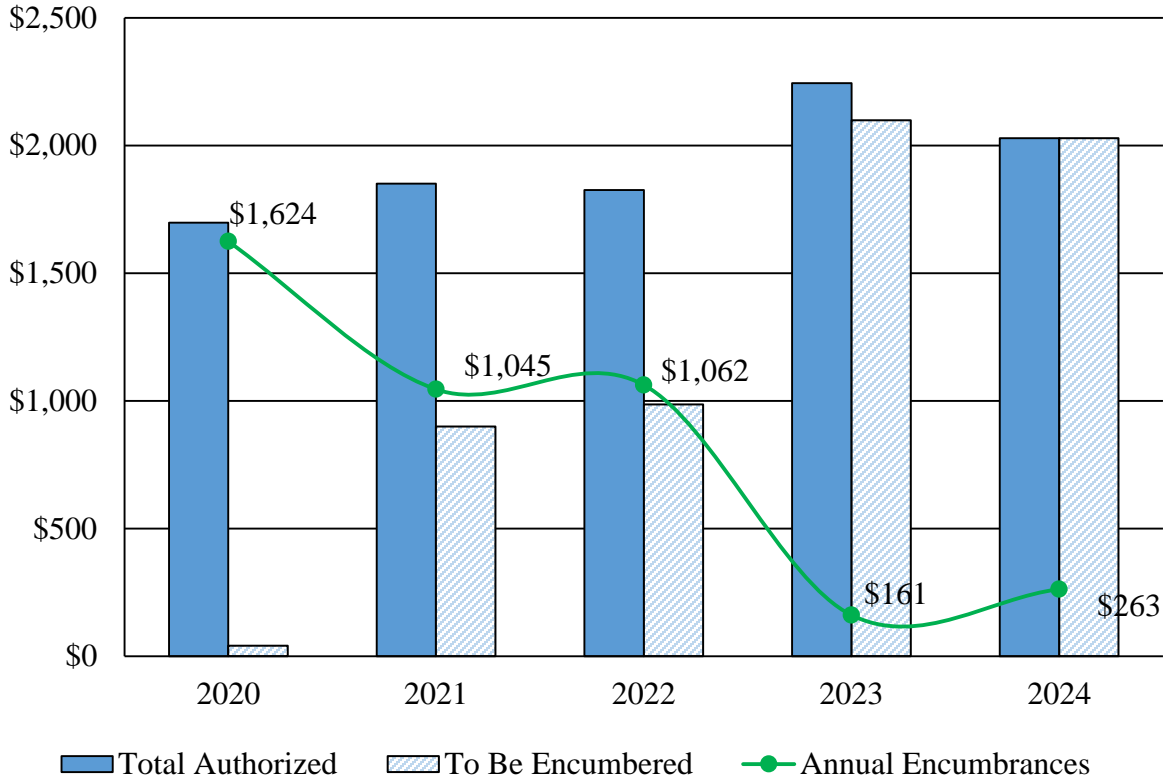
MDOD indicated that the DPSCS Correctional Institute for Women – Cell and Shower Modifications project was canceled due to a lack of progress on the project, despite multiple efforts on the part of Access Maryland through multiple channels to facilitate communication and coordination between DPSCS and the Department of General Services (DGS). The allocated \$1.8 million will now fund new initiatives in fiscal 2025, allowing the Access Maryland program to stretch its budget further and support more projects than originally planned. As a result of this fund reallocation, the full \$2.8 million planned for fiscal 2025 in the 2023 CIP is not needed.

Issues

1. Maryland Department of Disabilities Continues Carrying High Encumbrances Balance

As shown in **Exhibit 2**, the Access Maryland program has an unencumbered balance of \$4.0 million from funds authorized in fiscal 2023 and prior. If no funding is encumbered in fiscal 2024, the year-end balance of available funds will reach \$6.1 million. MDOD plans to encumber \$1.9 million in fiscal 2024 for projects authorized in fiscal 2024, despite average annual encumbrances of \$973,000 from fiscal 2020 to 2023.

Exhibit 2
MDOD Encumbrance Trends
Fiscal 2020-2024
(\$ in Thousands)



MDOD: Maryland Department of Disabilities

Note: Fiscal 2024 encumbrances represent year-to-date data as of November 2023.

Source: Department of Budget and Management; Maryland Department of Disabilities; Department of General Services

Due to the slow pace of annual encumbrances and lack of reliable and up-to-date encumbrance and project status information reported by MDOD for the Access Maryland program, committee narrative in the 2023 *Joint Chairmen’s Report* requested that MDOD provide an annual report on Access Maryland Project encumbrances and expenditures. As shown in **Exhibit 3**, as of December 2023, MDOD has encumbered \$262,500 in fiscal 2024.

**Exhibit 3
Status of Active Projects for the Access Maryland Program**

<u>Fiscal Year Initially Authorized</u>	<u>Project Title</u>	<u>Authorizations</u>	<u>Encumbered</u>	<u>Expended</u>	<u>% Encumbered</u>	<u>Est. Completion Date</u>	<u>Status</u>
2024	DGS – Central Services Building – Various Upgrades	\$945,000	\$98,500	\$0	10%	Winter 2024	On schedule
2024	DGS – Community Place (People’s Resource Center) – Accessible Restrooms and ADA Entrance	\$164,000	164,000	0	100%	Spring 2024	On schedule
2024	DGS – Historic State House – Accessible restrooms	223,000	0	0	0%	Summer 2024	On schedule
2024	TU – Stephens Hall – Wheelchair Lift Replacement	84,000	0	0	0%	Summer 2024	On schedule
2024	UMBC – Biological Science Building – Accessible Restrooms	220,000	0	0	0%	Early 2025	On schedule
2024	UMCP – Atlantic Building – Accessible Restrooms	42,000	0	0	0%	June 2024	On schedule
2024	HSMCC – Public Relations Building – Accessible Restrooms and ADA Entrance	450,000	80,740	0	18%	Spring 2025	On schedule

<u>Fiscal Year Initially Authorized</u>	<u>Project Title</u>	<u>Authorizations</u>	<u>Encumbered</u>	<u>Expended</u>	<u>% Encumbered</u>	<u>Est. Completion Date</u>	<u>Status</u>
2023	UMBC – Meyerhoff Chemistry Building Teach Labs Modifications – Classroom Accessibility	\$268,000	\$66,236	\$66,236	25%	July 2024	Expect to complete by start of semester
2022	UMB – Curb Ramps and Driveway Crossings Project	326,000	0	0	0%	2025	Delays due to staffing and coordination with Baltimore City
2022	DNR – Susquehanna State Campground Access – ADA Parking, Signage, and Pathway	210,000	210,000	0	100%	Early Fall 2024	Initially delayed due to receiving 1 bid, well over budget; had to fully readvertise
2022	HSMCC – State House Accessible Restrooms	490,000	25,652	25,652	5%	Fall 2024	Delays due to issues between HSMCC and BPW
2022	UMB – Curb Ramps and Driveway Crossings Project	56,000	0	0	0%	March 2024	Delays due to staffing and coordination with Baltimore City
2021	MDH – Clifton Perkins Hospital Wheelchair Evacuation Route Ramps	450,000	61,857	61,857	14%	Fall 2025	Delays due to necessary coordination with MDE prior to work being able to start

<u>Fiscal Year Initially Authorized</u>	<u>Project Title</u>	<u>Authorizations</u>	<u>Encumbered</u>	<u>Expended</u>	<u>% Encumbered</u>	<u>Est. Completion Date</u>	<u>Status</u>
2021	DGS – Hargrove Court Building – Auto Door Openers	\$50,000	\$11,275	\$0	23%	Fall 2025	Delays due to necessary change in scope of work discovered during design
2021	DGS – Elkton District Court – Wheelchair Ramp	175,000	6,759	0	4%	Fall 2025	Delays due to necessary change in scope of work discovered during design
2021	DGS – Salisbury Multi-Service Center – Public Restroom Access	75,000	4,488	0	6%	Fall 2025	Delays due to necessary change in scope of work discovered during design
Total		\$4,228,000	\$729,507	\$153,745	17%		

ADA: Americans with Disabilities Act
 BPW: Board of Public Works
 DGS: Department of General Services
 DNR: Department of Natural Resources
 HSMCC: Historic St. Mary’s City Commission
 MDE: Maryland Department of the Environment
 MDH: Maryland Department of Health
 TU: Towson University
 UMB: University of Maryland, Baltimore Campus
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park Campus

Source: Maryland Department of Disabilities



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Exhibit 3 shows that, as of December 2023, from fiscal 2021 to 2024, only 17.3% of the total \$4.2 million authorized has been encumbered, highlighting a potential slow pace of project execution. Project progress within the Access Maryland program presents a diverse range of outcomes:

- among projects initially authorized in fiscal 2020 and 2021, no expenditures have been recorded. This situation is largely attributed to multiple delays stemming from changes in project scope and necessary coordination with the Maryland Department of the Environment prior to commencing work, as reported by MDOD;
- from the projects initially authorized in fiscal 2022, only the Historic St. Mary’s City Commission has expended a total of \$25,652 from the \$490,000 initially authorized. MDOD cites staffing and coordination challenges with stakeholders as primary reasons for delays across most of these projects;
- for projects initially authorized in fiscal 2023, University of Maryland Baltimore County has both encumbered and expended \$66,236 from the \$268,000 initially authorized. MDOD indicates that these projects are progressing within expected time frames for completion; and
- among the seven projects initially authorized in fiscal 2024, only two DGS projects have recorded encumbrances. One has fully encumbered its allocated funds of \$164,000, while the other has encumbered \$98,500 from the \$945,000 initially authorized. MDOD reports that all authorized projects are currently within normal expected time frames for design and construction.

One contributing factor to the low level of encumbrances is that certain projects, in accordance with their anticipated project schedules, receive both design and construction funds within a single fiscal year. Consequently, if delays occur during the design phase, the construction portion of the authorization – often constituting 90% of the total authorization – will not be encumbered until the subsequent fiscal year. This situation can inadvertently lead to delays in encumbrance as the construction phase awaits completion of the design process. While this can help explain why the program has some level of unencumbered funds carried over into the following fiscal year, it does not explain why the program has encumbered such a low level of its authorized funds as far back as fiscal 2021. **MDOD should comment on the factors contributing to the low level of encumbrances from fiscal 2021 to 2023.**

Given the continuous addition of new projects to the Access Maryland program aimed at upgrading buildings to meet ADA regulations, MDOD should prioritize encumbering funds for the timely completion of existing projects to prevent a backlog. The completion of building modifications and upgrades is essential to guaranteeing full access to State facilities and offices for individuals with disabilities.