

**D55P0004**  
**Department of Veterans Affairs – PAYGO**

***Pay-As-You-Go Capital Budget Summary***

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(\$ in Millions)

	<i>Prior Approp.</i>	<i>FY 2010 Allowance</i>	<i>DLS Recommd.</i>
Eastern Shore Veterans Cemetery Columbarium Installation	\$0.000	\$0.466	\$0.466
Rocky Gap Veterans Cemetery Columbarium Installation	0.000	0.270	0.270
<b>Total</b>	<b>\$0.000</b>	<b>\$0.736</b>	<b>\$0.736</b>

<b>Fund Source</b>			
General	\$0.000	\$0.060	\$0.060
Federal	0.000	0.676	0.676
<b>Total</b>	<b>\$0.000</b>	<b>\$0.736</b>	<b>\$0.736</b>

***Summary of Issue***

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**Scope Modification Requested for Garrison Forest Veterans Cemetery:** The U.S. Department of Veterans Affairs (USDVA) has requested a change in scope for the Garrison Forest Veterans Cemetery Project that will substantially increase the project cost. While additional State-funded design funds will be required, the status of the federal fund construction authorization is uncertain. **The Department of Legislative Services recommends the Maryland Department of Veterans Affairs (MDVA) brief the committees concerning the need for additional design funds and provide a status of the overall project.**

## ***Summary of Recommended Actions***

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1. Concur with Governor's allowance.

## ***Overview***

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Maryland operates five veterans' cemeteries throughout the State to provide interment to eligible veterans and their dependents. The cemeteries are located in Crownsville (Crownsville Veterans Cemetery), Cheltenham (Cheltenham Veterans Cemetery), Owings Mills (Garrison Forest Veterans Cemetery), Hurlock (Eastern Shore Veterans Cemetery), and Rocky Gap (Rocky Gap Veterans Cemetery). Through grants from the U.S. Department of Veterans Affairs (USDVA), the State has been able to expand and update its State cemeteries. The Maryland Department of Veterans Affairs (MDVA) has identified development needs for all five of its cemeteries over the next 5 to 20 years, mainly consisting of the development of new grave sites and columbaria installations.

In August 2008, MDVA completed renovations to Crownsville Veterans Cemetery that expanded burial capacity through the development of 5,600 gravesites, an 800-niche above-ground columbarium, and infrastructure on an 11-acre site adjacent to the existing cemetery. Renovations to Cheltenham Veterans Cemetery also recently concluded in December 2008. The project expanded burial capacity at the cemetery by adding 9,000 gravesites, a 1,000-niche above-ground columbarium, and supporting infrastructure on a 17-acre site adjacent to the existing cemetery.

The other three State veteran's cemeteries also have funded projects to expand burial capacity and update the buildings. At Garrison Forest, plans include expansion of burial capacity and alterations to the maintenance and administration complex. Funding for this project was included in the fiscal 2009 budget. Original plans for Garrison Forest included renovating and expanding the administration building and constructing an annex for the maintenance building for vehicle and equipment storage. However, during the USDVA evaluation process, it was determined that the maintenance building should be relocated to the back of the cemetery and the administration building should be demolished and rebuilt. The construction portion of the project has increased to approximately \$5.0 million, which will also increase the upfront design cost.

The plans for the Eastern Shore Veterans Cemetery and Rocky Gap Veterans Cemetery include the installation of above-ground columbaria structures and attendant landscaping. Funding is included in the fiscal 2010 budget for this purpose.

## ***Overview Issue***

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### **1. Scope Modification Requested for Garrison Forest Veterans Cemetery**

The fiscal 2009 budget included \$1.8 million of federal funds from USDVA to fund the construction of renovations to the administration building and an addition to the existing maintenance facility at the Garrison Forest Veterans Cemetery. Subsequent to the State's federal fund appropriation, USDVA requested a program modification that increases the scope of the project and reconfigures the layout of the cemetery.

In revised cost estimates for the project, the construction costs have increased from \$1.8 million to approximately \$5.0 million. The construction costs will be covered directly by the USDVA; however, it is not clear at this time whether the project will be prioritized in the current federal fiscal year.

The State is responsible for the design costs of the project, originally estimated to be \$210,000. However, since the overall construction cost of the project has increased, the design cost will increase as well.

There are two major changes in the scope of the project: the maintenance building will be moved to another location on the cemetery grounds, and the administration building will be demolished and rebuilt instead of renovated.

#### **Maintenance Building**

In the review process, USDVA determined that the maintenance building should be moved to another location instead of simply building an addition to the existing one. Currently, the maintenance building is adjacent to the administration building and chapel. In the revised plan, the maintenance building will be moved to the back of the cemetery.

The design had reached the schematic phase when it was determined that operational and logistical challenges prevented the continuation of construction at the original location. First, the close proximity of the maintenance and administrative buildings subjected veterans' families to distractions associated with large trucks and maintenance equipment during memorial services. Second, the new burial plots are located in the back of the cemetery. Logistically, it makes sense to put the building that houses equipment for burial site development in close proximity to where the work is being performed.

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The existing maintenance structure will be demolished to make room for future developments such as a columbarium or terraced cremain garden. The program modifications as proposed by USDVA and MDVA would provide improved facility operation, improve the appearance of the cemetery, and remove service truck ingress and egress from the main entry.

**Administration Building**

The original capital plans called for the renovation of the administration building. However, the scope was expanded to include the demolition of the existing building and the construction of a new one. The main reason for this change was from recent storm damage to the roof, making repairs and renovations cost prohibitive.

**In light of the fact that MDVA has not yet been awarded the construction grant from USDVA for this project, the agency should comment on the expenditure of the \$0.2 million in general funds appropriated in fiscal 2009 for design of the project. The agency should also provide the committees with any updated information from USDVA on the construction grant.**

***Eastern Shore Veterans Cemetery (Dorchester County)***

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<b>PAYGO GF</b>	<b>\$35,000</b>	<b>Recommendation:</b>	<b>Approve</b>
<b>PAYGO FF</b>	<b>\$431,000</b>		

**Project Description:** The Eastern Shore Veterans Cemetery, located in Hurlock, Maryland, was opened for operation in 1976 and has utilized approximately 4,800 of the 14,000 available burial sites. The current capital project for the cemetery includes the installation of an above-ground columbarium structure and surrounding landscape. A columbarium is a freestanding, above-ground structure with recesses in the walls to house cremated remains. The compartments in the walls are referred to as niches. The proposed columbarium structure will consist of three units containing approximately 500 niches for cremated remains, with room for potential expansion.

According to a Government Accountability Office study on cemetery expansion, columbaria projects involve more efficient land use and are more cost-effective than traditional burial methods. MDVA believes that the installation of the columbarium at the Eastern Shore Veterans Cemetery will extend the life of the cemetery by adding capacity without taking up additional burial grounds. Current trends indicate an increasing demand for cremation, which comprise approximately 17% of all interments at Maryland’s veterans’ cemeteries. Based on a four-year average, MDVA estimates that roughly 60 cremated interments are performed per year at the Eastern Shore Veterans Cemetery. Projecting this average forward, the installation of the 500-niche columbarium will extend the life of the cemetery by eight years.

The total cost of this project is higher than indicated in the fiscal 2009 *Capital Improvement Program* because the original estimate did not include stormwater and sitework costs. The design costs, however, are lower because the original estimate included Architecture and Engineering (A/E) fees of 18.1%. The successful completion of the columbarium project at Garrison Forest allows for a model of design to be used for future columbaria projects, such as the one proposed at Eastern Shore. For this reason, the A/E fees were lowered to 8.6%.

***Prior Authorization and Capital Improvement Program***

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**Authorization Uses  
(\$ in Millions)**

<b>Fund Uses</b>	<b><i>Prior Authorization</i></b>	<b><i>2010 Allowance</i></b>	<b><i>2011 Estimate</i></b>	<b><i>2012 Estimate</i></b>	<b><i>2013 Estimate</i></b>	<b><i>2014 Estimate</i></b>
Acquisition	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Planning	0.000	0.035	0.000	0.000	0.000	0.000
Construction	0.000	0.431	0.000	0.000	0.000	0.000
Equipment	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total</b>	<b>\$0.000</b>	<b>\$0.466</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**Authorization Sources  
(\$ in Millions)**

<b>Fund Sources</b>	<b><i>Prior Authorization</i></b>	<b><i>2010 Allowance</i></b>	<b><i>2011 Estimate</i></b>	<b><i>2012 Estimate</i></b>	<b><i>2013 Estimate</i></b>	<b><i>2014 Estimate</i></b>
GO Bond	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
General	0.000	0.035	0.000	0.000	0.000	0.000
Special	0.000	0.000	0.000	0.000	0.000	0.000
Federal	0.000	0.431	0.000	0.000	0.000	0.000
<b>Total</b>	<b>\$0.000</b>	<b>\$0.466</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

## ***Project Summary Information***

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<b>Total Project Cost:</b>	\$466,000	<b>Base Cost:</b>	\$273,000
<b>Budget Estimate Stage:</b>	Program Design	<b>With Regional Cost Factor, Escalation, and Contingencies:</b>	\$403,550
<b>Program Plan Status:</b>	Approved	<b>Regional Cost Factor:</b>	25%
<b>Green Building:</b>	No		
<b>Est. Completion Date:</b>	11/2010		
<b>Project Design Cost %:</b>	8.6%		

- ***Total Project Cost:*** The total project cost for the columbaria installations is \$466,000 and is 100% federally funded. The State will be required to fund the cost of design upfront, as is the case with all State veterans' cemetery construction. However, the U.S. Department of Veterans Affairs will reimburse the State for the full cost of design once the project is complete.
- ***Budget Estimate Stage:*** The total design and construction costs for this project were estimated in October 2008, 18 months prior to the construction start date. The actual costs for construction may change during that 18-month period.
- ***Program Plan Status:*** Part one and two program plans were submitted and approved simultaneously on March 26, 2008.
- ***Regional Cost Factor:*** The regional cost factor for this project located in Dorchester County is 25%.
- ***Project Design Cost %:*** The A/E fee through the construction phase is set at 8.6%, higher than the acceptable level of 7.0% for new construction. Although the generally accepted A/E factor for new construction projects is 7.0%, the total project cost is relatively low thereby artificially inflating the proportion of A/E costs. Also, USDVA will reimburse the State for the full cost of design for the project.

***Recommended Actions***

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1. Concur with Governor's allowance.

***Rocky Gap Veterans Cemetery (Allegany County)***

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<b>PAYGO GF</b>	<b>\$25,000</b>	<b>Recommendation:</b>	<b>Approve</b>
<b>PAYGO FF</b>	<b>\$245,000</b>		

**Project Description:** Rocky Gap Veterans Cemetery is a 27-acre site located within Rocky Gap State Park in Allegany County. Over 2,900 veterans and their dependents are interred at the cemetery, and approximately 6,500 burial sites are still available. The fiscal 2010 budget includes funding for the design and construction of a 300-niche above-ground columbarium. A columbarium is a freestanding, above-ground structure with recesses in the walls to house cremated remains. The compartments in the walls are referred to as niches. Design and construction costs at the veterans' cemeteries are 100% reimbursable by a federal grant.

MDVA believes that the installation of the columbarium will extend the life of the cemetery by adding capacity without taking up additional burial grounds. For cemeteries without any columbaria structures, the cremated remains are buried, occupying limited burial space. The trend is increasing yearly toward cremation, which comprise approximately 17% of all interments at Maryland's veterans' cemeteries. On an average annual basis, there are 50 cremated burials at the Rocky Gap Veterans Cemetery. The annual rate has increased nearly 10% since 2003. Projecting this average forward, the installation of the 300-niche columbarium will extend the life of the cemetery by more than six years.

The total cost of this project is higher than indicated in the fiscal 2009 *Capital Improvement Program* because the original estimate did not include stormwater and sitework costs. The design costs, however, are lower because the original estimate included A/E fees of 28.4%. The successful completion of the columbarium project at Garrison Forest allows for a model of design to be used for future columbaria projects, such as the one proposed at Rocky Gap. For this reason, the A/E fees were lowered to 10.7%.

***Prior Authorization and Capital Improvement Program***

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**Authorization Uses  
(\$ in Millions)**

<b>Fund Uses</b>	<b><i>Prior Authorization</i></b>	<b><i>2010 Allowance</i></b>	<b><i>2011 Estimate</i></b>	<b><i>2012 Estimate</i></b>	<b><i>2013 Estimate</i></b>	<b><i>2014 Estimate</i></b>
Acquisition	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Planning	0.000	0.025	0.000	0.000	0.000	0.000
Construction	0.000	0.245	0.000	0.000	0.000	0.000
Equipment	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total</b>	<b>\$0.000</b>	<b>\$0.270</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**Authorization Sources  
(\$ in Millions)**

<b>Fund Sources</b>	<b><i>Prior Authorization</i></b>	<b><i>2010 Allowance</i></b>	<b><i>2011 Estimate</i></b>	<b><i>2012 Estimate</i></b>	<b><i>2013 Estimate</i></b>	<b><i>2014 Estimate</i></b>
GO Bond	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
General	0.000	0.025	0.000	0.000	0.000	0.000
Special	0.000	0.000	0.000	0.000	0.000	0.000
Federal	0.000	0.245	0.000	0.000	0.000	0.000
<b>Total</b>	<b>\$0.000</b>	<b>\$0.270</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

## ***Project Summary Information***

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<b>Total Project Cost:</b>	\$270,000	<b>Base Cost:</b>	\$169,200
<b>Budget Estimate Stage:</b>	Program Design	<b>With Regional Cost Factor, Escalation, and Contingencies:</b>	\$230,104
<b>Program Plan Status:</b>	Approved	<b>Regional Cost Factor:</b>	15%
<b>Green Building:</b>	No		
<b>Est. Completion Date:</b>	10/2010		
<b>Project Design Cost %:</b>	10.7%		

- ***Total Project Cost:*** The total project cost for the columbarium installation is \$270,000. The project is 100% federally funded. The State will be required to fund the cost of design upfront, as is the case with all State veterans' cemetery construction. However, the U.S. Department of Veterans Affairs will reimburse the State for the full cost of design once the project is complete.
- ***Budget Estimate Stage:*** The total design and construction costs for this project were estimated in October 2008, 18 months prior to the construction start date. The actual costs for construction may change during that 18-month period.
- ***Program Plan Status:*** Part one and two program plans were submitted and approved simultaneously on March 26, 2008.
- ***Regional Cost Factor:*** The regional cost factor for this project, located in Allegany County, is set at 15%.
- ***Project Design Cost:*** The A/E fee through the construction phase is set at 10.7%. Although the generally accepted A/E factor for new construction projects is 7.0%, the total project cost is relatively low thereby artificially inflating the proportion of A/E costs. Also, USDVA will reimburse the State for the full cost of design for the project.

***Recommended Actions***

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1. Concur with Governor's allowance.

**Capital Project Cost Estimate Worksheet**

**Department:** Department of Veterans Affairs  
**Project Number:** D55P004  
**Project Title:** Eastern Shore Veterans Cemetery Columbarium Installation  
**Analyst:** Katie Wunderlich

***Structure***

New Construction:	0 Sq. Ft. X	\$0.00 Sq. Ft. =	\$0
New Construction:	0 Sq. Ft. X	\$0.00 Sq. Ft. =	0
Renovation:	0 Sq. Ft. X	\$0.00 Sq. Ft. =	0
Renovation:	0 Sq. Ft. X	\$0.00 Sq. Ft. =	0
Built-in Equipment			0
Demolition			0
Information Technology	0 GSF X	\$0.00 GSF =	0
Telecommunications			0
Miscellaneous – Other			0
Miscellaneous – Other			0
Miscellaneous – Other			0
<b>Subtotal</b>			<b>\$0</b>
Regional Factor:	125.0%		0
<b>Subtotal</b>			<b>\$0</b>
Escalation to Mid-point:	2.58 Yrs. X	4.9% =	12.63%
<b>Total Cost of Structure (Bid Cost)</b>			<b>\$0</b>

***Site Work and Utilities***

Site Improvements:	267,500 + regional factor + mid-point escalation	\$376,590
Utilities:	5,500 + regional factor + mid-point escalation	7,743
<b>Project Subtotal (Bid Cost)</b>		<b>\$384,333</b>

***Fees and Miscellaneous Costs***

Green Building Premium	0.0%	\$0
Total Construction Contingency	5.0%	19,217
Inspection Cost:	4.6%	17,680
Miscellaneous: CPM Schedule		10,000
Miscellaneous:		0
Miscellaneous:		0
A/E Fee through construction phase @	8.6%	34,747
<b>Total Cost of Project</b>		<b>\$465,977</b>

<b>Base Cost Per New Square Foot</b>	<b>\$0</b>
<b>Adjusted Cost Per New Square Foot (incl. escalation, contingencies &amp; Green Bldg.)</b>	<b>\$0</b>
<b>Base Cost Per Renovated Square Foot</b>	<b>\$0</b>
<b>Adjusted Cost Per Renovated Square Foot (incl. escalation, conting. &amp; Green Bldg.)</b>	<b>\$0</b>

**Capital Project Cost Estimate Worksheet**

**Department:** Department of Veterans Affairs  
**Project Number:** D55P004  
**Project Title:** Rocky Gap Veterans Cemetery Columbarium Installation  
**Analyst:** Katie Wunderlich

***Structure***

New Construction:	0 Sq. Ft. X	\$0.00 Sq. Ft. =	\$0
New Construction:	0 Sq. Ft. X	\$0.00 Sq. Ft. =	0
Renovation:	0 Sq. Ft. X	\$0.00 Sq. Ft. =	0
Renovation:	0 Sq. Ft. X	\$0.00 Sq. Ft. =	0
Built-in Equipment			0
Demolition			0
Information Technology	0 GSF X	\$0.00 GSF =	0
Telecommunications			0
Miscellaneous – Other			0
Miscellaneous – Other			0
Miscellaneous – Other			0
<b>Subtotal</b>			<b>\$0</b>
Regional Factor:	115.0%		0
<b>Subtotal</b>			<b>\$0</b>
Escalation to Mid-point:	2.58 Yrs. X	4.9% =	12.63%
<b>Total Cost of Structure (Bid Cost)</b>			<b>\$0</b>

***Site Work and Utilities***

Site Improvements:	163,700 + regional factor + mid-point escalation	\$212,022
Utilities:	5,500 + regional factor + mid-point escalation	7,124
<b>Project Subtotal (Bid Cost)</b>		<b>\$219,146</b>

***Fees and Miscellaneous Costs***

Green Building Premium	0.0%	\$0
Total Construction Contingency	5.0%	10,958
Inspection Cost:	4.6%	10,081
Miscellaneous: CPM Schedule		5,000
Miscellaneous:		0
Miscellaneous:		0
A/E Fee through construction phase @	10.7%	24,530
<b>Total Cost of Project</b>		<b>\$269,715</b>

<b>Base Cost Per New Square Foot</b>	<b>\$0</b>
<b>Adjusted Cost Per New Square Foot (incl. escalation, contingencies &amp; Green Bldg.)</b>	<b>\$0</b>
<b>Base Cost Per Renovated Square Foot</b>	<b>\$0</b>
<b>Adjusted Cost Per Renovated Square Foot (incl. escalation, conting. &amp; Green Bldg.)</b>	<b>\$0</b>

**Fiscal Summary  
Department of Veterans Affairs – PAYGO**

<u>Program/Unit</u>	<u>FY08 Actual</u>	<u>FY09 Wrk Approp</u>	<u>FY10 Allowance</u>	<u>Change</u>	<u>FY09 - FY10 % Change</u>
04 Cemetery Program - Capital Appropriation	\$ 7,122,000	\$ 1,810,000	\$ 736,000	-\$ 1,074,000	-59.3%
<b>Total Expenditures</b>	<b>\$ 7,122,000</b>	<b>\$ 1,810,000</b>	<b>\$ 736,000</b>	<b>-\$ 1,074,000</b>	<b>-59.3%</b>
General Fund	\$ 210,000	\$ 0	\$ 60,000	\$ 60,000	N/A
Federal Fund	6,912,000	1,810,000	676,000	-1,134,000	-62.7%
<b>Total Appropriations</b>	<b>\$ 7,122,000</b>	<b>\$ 1,810,000</b>	<b>\$ 736,000</b>	<b>-\$ 1,074,000</b>	<b>-59.3%</b>

Note: The fiscal 2009 appropriation does not include deficiencies. The fiscal 2010 allowance does not include contingent reductions.