

Z00T
Miscellaneous Grant Programs

Sinai Hospital – Pediatric Wing (Baltimore City)

GO Bonds \$5,000,000 **Recommendation:** **Reduce funding in fiscal 2010 by \$2.5 million. Pre-authorize funding for the project for \$2.5 million in fiscal 2011**

Bill Text: Provide a grant to the Board of Directors of Sinai Hospital of Baltimore, Inc. for the design and construction of a Pediatric Wing at the Sinai Hospital of Baltimore, subject to the requirement that the grantee provide an equal and matching fund for this purpose. Notwithstanding the provisions of Section 1(5) of this Act, the matching fund may consist of funds expended prior to the effective date of this Act.

Project Description: The project represents a major overhaul of the facilities at the Herman and Walter Samuelson Children’s Hospital at Sinai, the formal name of the Department of Pediatrics at Sinai Hospital in Baltimore City. Specifically, the project involves:

- the construction of a new 26-bed pediatric inpatient unit;
- renovation of space to create a better space for the Children’s Diagnostic Center;
- renovation of the Pediatric Intensive Care Unit; and
- a new pediatric hematology/oncology clinic and support space relocation.

Prior Authorization and Capital Improvement Program

Authorization Uses
(\$ in Millions)

<i>Description</i>	<i>Prior Authorization</i>	<i>2010 Request</i>	<i>2011 Estimate</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>	<i>2014 Estimate</i>
Acquisition	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Planning	0.900	0.900	0.400	0.300	0.000	0.000
Construction	0.000	7.100	11.800	2.100	0.000	0.000
Equipment	0.000	0.000	0.000	0.000	0.000	0.000
Total	\$0.900	\$8.000	\$12.200	\$2.400	\$0.000	\$0.000

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Authorization Sources (\$ in Millions)

<i>Description</i>	<i>Prior Authorization</i>	<i>2010 Request</i>	<i>2011 Estimate</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>	<i>2014 Estimate</i>
GO Bonds	\$0.000	\$5.000	\$0.000	\$0.000	\$0.000	\$0.000
Matching Funds	0.900	3.000	12.200	2.400	0.000	0.000
Total	\$0.900	\$8.000	\$12.200	\$2.400	\$0.000	\$0.000

Note: Sinai indicates that the latest capital planning schedule reduces fiscal 2010 activity to \$6.0 million and increases fiscal 2012 activity to \$4.4 million.

Project Analysis

Background

Founded in 1866 as the Hebrew Hospital and Asylum, Sinai Hospital of Baltimore has evolved into a Jewish-sponsored nonprofit health care organization providing care for all people. The Herman and Walter Samuelson Children's Hospital at Sinai not only provides pediatric care, it also serves as the only site of a community pediatric residency program with 35 full-time faculty offering 16 subspecialties. According to Sinai officials, this residency program makes Sinai the third largest teaching hospital in the State after Hopkins and the University of Maryland Medical System.

Financing

According to Sinai officials, the proposed construction and renovation of its pediatric facilities will cost \$28.0 million, somewhat larger than the \$23.5 million project cost noted above which reflects only capital-eligible expenses. Sinai proposes to raise the remaining \$23.0 million after the State grant as follows:

- \$3.0 million from operating reserves; and
- \$20.0 million in private fundraising, of which it has pledges totaling \$12.0 million to date.

Architectural and engineering planning and design are underway, and construction is scheduled to begin in the summer of 2010. Based on the materials available to the Department of Legislative Services (DLS), it appears that all of the State funding will not be required in fiscal 2010. **DLS recommends phasing the State funding over two years, \$2.5 million in each of fiscal 2010 and 2011. This results in two recommendations:**

- **reduce funding in fiscal 2010 by \$2.5 million; and**
- **pre-authorize funding for the project for \$2.5 million in fiscal 2011.**

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Recommended Actions

ZA00(T) Sinai Hospital – Pediatric Wing \$5,000,000

Allowance
5,000,000

Change
(2,500,000)

Authorization
2,500,000

Explanation: Based on the project schedule, State funding for fiscal 2010 can be reduced by half. The remaining State commitment for this project will be required in fiscal 2011 and should be pre-authorized.