

RB21
University of Maryland, Baltimore
 University System of Maryland

Capital Budget Summary

**Summary of State-owned Projects Funded in Governor's Request
 (\$ in Millions)**

<i>Project Title</i>	<i>Prior Approp.</i>	<i>FY 2014 Request</i>	<i>Future Estimated</i>	<i>Estimated Total</i>	<i>DLS FY 2014 Recommd.</i>
Health Science Facility III	\$22.672	\$21.570	\$239.500	\$283.742	\$21.570
Total	\$22.672	\$21.570	\$239.500	\$283.742	\$21.570

<i>Fund Source</i>	<i>Prior Approp.</i>	<i>FY 2014 Request</i>	<i>Future Estimated</i>	<i>Estimated Total</i>	<i>DLS FY 2014 Recommd.</i>
GO Bonds	\$8.672	\$16.570	\$193.500	\$218.742	\$16.570
Nonbudgeted Funds	14.000	5.000	46.000	65.000	5.000
Total	\$22.672	\$21.570	\$239.500	\$283.742	\$21.570

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Summary of Recommended Bond Actions

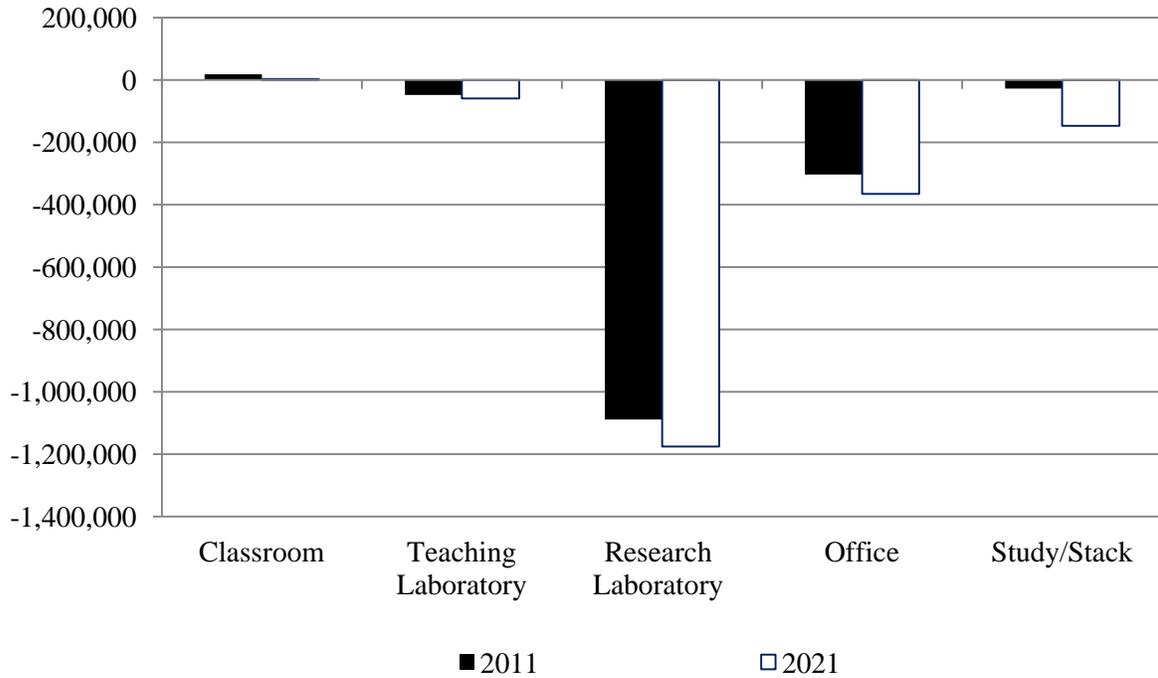
1. Health Sciences Research Facility III
Approve.
2. Section 12 – UMB Health Sciences Research Facility III
Approve pre-authorization for the 2014 session.
3. Section 13 – UMB Health Sciences Research Facility III
Approve pre-authorization for the 2015 session.
4. Section 14 – UMB Health Sciences Research Facility III
Approve pre-authorization for the 2016 session.
5. Section 15 – UMB Health Sciences Research Facility III
Approve pre-authorization for the 2017 session.

Agency Performance Measures and Outputs/Population Data

According to the fall 2011 facilities inventory, University of Maryland, Baltimore (UMB) academic space totals 1,617,904 net assignable square feet (NASF), second only to the University of Maryland, College Park in size. UMB has 226,437 NASF of classroom and teaching laboratory space; 535,333 NASF of research laboratory space; and 725,258 NASF of office space. **Exhibit 1** shows UMB's self-reported space deficiencies in fiscal 2011 and projected deficiencies in fiscal 2021. UMB currently expects to have space shortages in four of the five space categories, including a deficit of 1.2 million NASF in research laboratory space. Additionally, existing research space in Bressler Hall and the Medical School Teaching Facility are in need of renovation, and no surge space exists to accommodate its renovation.

The Health Science Facility (HSF) III would provide research and office space that UMB needs and assist UMB in meeting expected expansion of science, technology, engineering, and mathematics (STEM) programs. Finally, overall student enrollment is not expected to grow significantly over the next decade.

Exhibit 1
Academic Space Deficiency
Net Assignable Square Feet



Source: Four-year Public Colleges and Universities Academic Space Surplus/Deficit: Fiscal 2011, Projected 2021, Maryland Higher Education Commission

Capital Improvement Program

State-owned Capital Improvement Program (\$ in Millions)

<i>Projects</i>	<i>Prior Auth.</i>	<i>2014 Request</i>	<i>2015 Est.</i>	<i>2016 Est.</i>	<i>2017 Est.</i>	<i>2018 Est.</i>	<i>Beyond CIP</i>
Health Science Facility III	\$22.672	\$21.570	\$59.000	\$90.000	\$73.500	\$17.000	\$0.000
Howard Hall Renovations	39.197	0.000	0.000	1.550	17.500	2.600	0.000
Total	\$61.869	\$21.570	\$59.000	\$91.550	\$91.000	\$19.600	\$0.000

<i>Fund Source</i>	<i>Prior Auth.</i>	<i>2014 Request</i>	<i>2015 Est.</i>	<i>2016 Est.</i>	<i>2017 Est.</i>	<i>2018 Est.</i>	<i>Beyond CIP</i>
GO Bonds	\$28.823	\$16.570	\$49.000	\$81.550	\$71.000	\$3.600	\$0.000
Revenue Bonds	1.885	0.000	0.000	0.000	10.000	0.000	0.000
Non-Budgeted Funds	21.979	5.000	10.000	10.000	10.000	16.000	0.000
General Funds	9.182	0.000	0.000	0.000	0.000	0.000	0.000
Total	\$61.869	\$21.570	\$59.000	\$91.550	\$91.000	\$19.600	\$0.000

Budget Overview

The fiscal 2014 budget programs \$21.57 million to complete design, begin site work, and demolish Hayden Harris Hall to ready space for HSF III at UMB’s downtown Baltimore City campus. Prior authorizations totaling \$22.67 million covered design costs. The University of Maryland Medical Center will contribute \$30.0 million to HSF III. When completed, HSF III will provide modern laboratory and office space for expanding UMB research programs in various medical sciences. HSF III will complement HSF I, built in 1995, and HSF II, built in 2003, and maintain UMB’s success in receiving numerous federal grants.

The HSF III project includes the following components:

- demolish Hayden Harris Hall;

- prepare the construction site by replacing or relocating certain below ground infrastructure features such as electrical feeders and duct banks; and
- construct HSF III.

HSF III will augment UMB's research programs by adding new research laboratory and office space. While the current science facilities were built with prior best practices of offering about half the laboratory support space in relation to laboratory space, current guidelines suggest there needs to be a one to one match of laboratory space to laboratory support space, which includes cold rooms, tissue culture rooms, and freezers. This is due to the expanding nature of many federal research grants. Additionally, HSF II did not add any animal facility space, so HSF III would create nearly 20,000 NASF of vivarium space. It also offers approximately 120,000 NASF in research laboratory space and 26,000 NASF in office space. HSF III also includes space for lounges, meeting rooms, a data processing center, and central building services that are all important for improving educational spaces at UMB. Unlike many other higher education capital projects, HSF III does not include any classroom space, as laboratory space does not technically generate any weekly student contact hours even though graduate students may be working in the laboratories.

The total 2013 *Capital Improvement Program* (CIP) estimated cost for HSF III is \$283.7 million, which is \$142,000, or 0.05% higher, than the prior year. The plan includes demolition costs for the 40-year-old vacant Hayden Harris Hall, the former dental school building, as UMB found this building cannot accommodate the mechanical, electrical, and plumbing systems required for a modern research building. The dental school was relocated to a new, adjacent building in 2006. UMB also explored the possibility of repurposing the Metro West Tower, currently occupied by the Social Security Administration and adjacent to campus, as HSF III, but the cost and timing did not align with UMB's needs.

The HSF III project also assists the University System of Maryland (USM) in increasing the number of STEM degrees awarded by 40% by 2020. In order to meet this goal, institutions will need to increase production of STEM degrees by approximately 2,200. HSF III will assist in attracting students to STEM studies at UMB and retaining students over the course of their graduate studies by attracting more principal investigators to UMB. UMB projects that its full-time student equivalent enrollment will only grow from about 6,400 to 6,500 after HSF III is completed.

Additionally, it is estimated that HSF III will create nearly 700 new direct jobs through grant-funded research and as many as 600 indirect jobs. Moreover, the facility is estimated to create \$77.0 million in new research and bring in \$7.6 million in State and local tax revenue annually.

Operating Budget Impact Statement

Executive’s Operating Budget Impact Statement (\$ in Millions)

		<i>FY 2014</i>	<i>FY 2015</i>	<i>FY 2016</i>	<i>FY 2017</i>	<i>FY 2018</i>
Health Science Facility III						
	Estimated Operating Cost	\$0.000	\$0.000	\$0.000	\$0.000	\$11.819
	Estimated Staffing	0.000	0.000	0.000	0.000	25.000

According to the fiscal 2014 CIP, HSF III will impact the fiscal 2018 operating budget by about \$11.8 million due to general costs for fuel and utilities, supplies and materials, and amortized equipment. Costs also include 25 new regular positions to maintain the facility.

Summary of Other Projects in the Capital Improvement Program

Howard Hall Renovations

Howard Hall is a six-story, 329,000 GSF research and teaching facility built in 1928 and was a warehouse until the 1960s. UMB began a phased renewal beginning in 1988 using facilities renewal funds. Phase IVB, to begin in fiscal 2016, includes finishing conversion of the top floor into animal facilities, a new roof, and elevator upgrades. Prior authorizations for Phases I to IVA total \$39.2 million. Of that amount, \$9.2 million came from general funds, \$1.9 million came from revenue bonds, and \$7.9 million in general obligation bonds. In the CIP, another \$10.0 million in revenue bonds is programmed in fiscal 2017, but the remainder of the renovations will be funded through general obligation bonds.

Pre-authorizations and De-authorizations

As shown in **Exhibit 2**, HSF III has four pre-authorizations from fiscal 2015 to 2018.

Exhibit 2
Pre-authorizations
Fiscal 2015-2018
(\$ in Millions)

<u>Project</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>Reason</u>
Health Science Facility III	\$49	\$80	\$53	\$1	To continue construction.

Source: Department of Budget and Management, Fiscal 2014 *Capital Improvement Program*

GO Bond Recommended Actions

1. Approve the \$16.57 million for planning and construction of the new Health Science Facility III on the University of Maryland, Baltimore campus.
2. Approve the pre-authorization of \$49 million in general obligation bonds for the 2014 session for the construction of the Health Science Facility III on the campus of the University of Maryland, Baltimore.
3. Approve the pre-authorization of \$80 million in general obligation bonds for the 2015 session for the Health Science Facility III on the campus of the University of Maryland, Baltimore.
4. Approve the pre-authorization of \$53 million in general obligation bonds for the 2016 session for the Health Science Facility III on the campus of the University of Maryland, Baltimore.
5. Approve the pre-authorization of \$1 million in general obligation bonds for the 2017 session for the Health Sciences Facility III on the campus of the University of Maryland, Baltimore.