

ZA000PN
Miscellaneous Grant Programs
Maryland Independent College and University Association

Capital Budget Summary

**Summary of Independent Institutions' 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>
The Johns Hopkins University	\$0.000	\$4.000	\$0.000	\$4.000	\$4.000
Maryland Institute College of Art	0.000	4.000	0.000	4.000	4.000
Hood College	0.000	2.500	0.000	2.500	2.500
Total	\$0.000	\$10.500	\$0.000	\$10.500	\$10.500

<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	\$0.000	\$10.500	\$0.000	\$10.500	\$10.500
Total	\$0.000	\$10.500	\$0.000	\$10.500	\$10.500

Summary of Issues

Request for Repurposing of Funds: Mount St. Mary's University (MSMU) has requested authorization to use \$1.5 million from fiscal 2012 for a new wastewater treatment plant rather than the initial plan to renovate Bradley Hall.

Summary of Recommended Bond Actions

1. The Johns Hopkins University Academic Research Building

Approve.

2. Maryland Institute College of Arts Academic Building and Fox Building Renovation

Approve.

3. Hood College Hodson Science and Technology Center and Tatem Academic Building Renovations

Approve.

4. Mount St. Mary's Wastewater Treatment Plan

Approve the repurposing of funds for a new wastewater treatment plant.

Agency Performance Measures and Outputs/Population Data

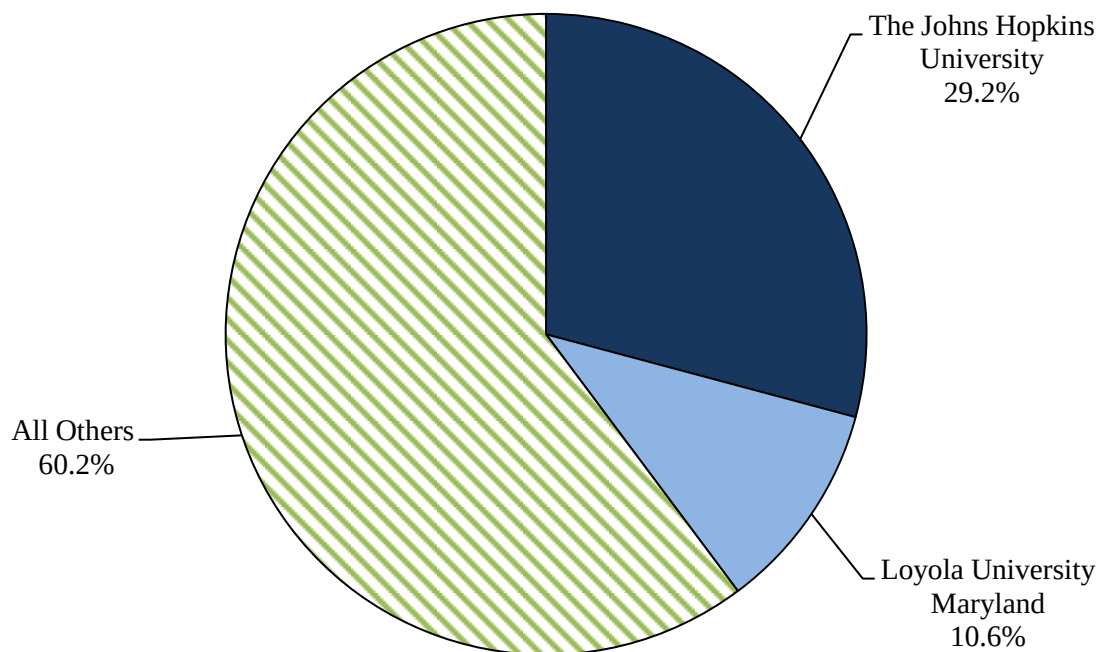
Funds are provided for grants to assist the State's private colleges and universities with costs of constructing and renovating academic facilities and infrastructure. The grants leverage institutional resources and private donations, which must at least match the State appropriation for each project. Eligible institutions are represented by the Maryland Independent College and University Association (MICUA), established in 1971. MICUA institutions are a critical component for meeting the State's goals in postsecondary education. In fiscal 2012, MICUA reported its member institutions served over 63,000 students in the State and granted about 15,300 degrees and certificates.

Budget Overview

In the fiscal 2013 capital program, MICUA's four proposed projects initially were programmed for \$1.0 million each in State support. Due to a de-authorization of a postponed project at The Johns Hopkins University's (JHU) medical campus and additional State support, total funding for MICUA projects in fiscal 2013 increased to a total of \$11.0 million. In the fiscal 2014 request, MICUA has three new projects programmed for \$10.5 million in total State support, an increase of \$6.5 million over the prior year's initial programming.

Exhibit 1 shows the MICUA capital program appropriations from fiscal 2002 to 2012. Overall, the State provided \$88.7 million to 11 institutions. JHU, including the Peabody Conservatory, received the most funding at \$25.9 million, or 29.2%. The next largest recipient is Loyola University Maryland (LUM), which received \$9.4 million, or 10.6%, of total funding. The remaining 9 institutions received \$53.4 million, or about \$6.3 million on average. One institution, Baltimore International College, received State funding for capital projects in the past but is no longer eligible due to its current partnership with a for-profit university. By headcount enrollment, JHU accounts for about 40.0% and LUM about 10.5% of all students at MICUA institutions. As well as the largest enrollment, JHU is also the only independent research institution in the State, so it has greater financial need for capital improvements than smaller, non-research oriented campuses.

Exhibit 1
Maryland Independent College and University Association
Capital Appropriations
Fiscal 2002-2012



Source: Maryland Independent College and University Association

Johns Hopkins University**Authorization Uses
(\$ in Millions)**

<i>Description</i>	<i>Prior Authorization</i>	<i>2014 Request</i>	<i>2015 Estimate</i>	<i>2016 Estimate</i>	<i>2017 Estimate</i>	<i>2018 Estimate</i>
Planning	\$3.167	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Construction	0.000	32.032	0.000	0.000	0.000	0.000
Equipment	0.000	2.320	0.000	0.000	0.000	0.000
Total	\$3.167	\$34.352	\$0.000	\$0.000	\$0.000	\$0.000

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

<i>Description</i>	<i>Prior Authorization</i>	<i>2014 Request</i>	<i>2015 Estimate</i>	<i>2016 Estimate</i>	<i>2017 Estimate</i>	<i>2018 Estimate</i>
GO Bonds	\$0.000	\$4.000	\$0.000	\$0.000	\$0.000	\$0.000
Nonbudgeted	3.167	30.352	0.000	0.000	0.000	0.000
Total	\$3.167	\$34.352	\$0.000	\$0.000	\$0.000	\$0.000

This project will assist in the construction of Malone Hall, a new 69,903 gross square foot (GSF)/44,157 net assignable square foot building on the Homewood Campus, which provides classrooms, research space, and faculty offices for the Whiting School of Engineering (WSE) and three new research initiatives. The total project cost is estimated at \$37.5 million, and State support is budgeted at \$4.0 million, or 10.66%. The institution will match State funds through capital debt financing and capital budget funds. Construction for the project began in August 2012 and is expected to end in May 2014.

Construction will address insufficient and functionally inadequate space for WSE, which is currently spread across three buildings on campus. This greatly inhibits faculty and student interaction in both teaching and research. However, Malone Hall will only meet 82% of WSE's total space needs, as some faculty will remain in an adjacent campus building, Hackerman Hall, to be near research space for robotics. Additionally, this project provides sufficient research, conference, and office space for three new university research initiatives: the Hopkins Extreme Materials Institute; the Systems Institute; and the Individualized Health Initiative. JHU believes Malone Hall will provide the space to create new cross-disciplinary research programs that will raise additional federal research funding, increase the interaction of WSE with other JHU departments and industry, and ensure Maryland maintains leadership in computer modeling of human physiology and other critical healthcare research areas.

Maryland Institute College of Art

Authorization Uses (\$ in Millions)

<i>Description</i>	<i>Prior Authorization</i>	<i>2014 Request</i>	<i>2015 Estimate</i>	<i>2016 Estimate</i>	<i>2017 Estimate</i>	<i>2018 Estimate</i>
Acquisition	\$1.680	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Planning	0.614	0.000	0.000	0.000	0.000	0.000
Construction	0.000	6.799	0.000	0.000	0.000	0.000
Total	\$2.294	\$6.799	\$0.000	\$0.000	\$0.000	\$0.000

Authorization Sources (\$ in Millions)

<i>Description</i>	<i>Prior Authorization</i>	<i>2014 Request</i>	<i>2015 Estimate</i>	<i>2016 Estimate</i>	<i>2017 Estimate</i>	<i>2018 Estimate</i>
GO Bonds	\$0.000	\$4.000	\$0.000	\$0.000	\$0.000	\$0.000
Nonbudgeted	2.294	2.799	0.000	0.000	0.000	0.000
Total	\$2.294	\$6.799	\$0.000	\$0.000	\$0.000	\$0.000

This project will assist in acquiring and renovating a 33,000 GSF warehouse next to the Maryland Institute College of Art's (MICA) Studio Center, erect a bridge between the warehouse and the Studio Center, and renovate 12,000 GSF within the Fox Building. All three buildings are located on the MICA campus in the Station North district of Baltimore City. This project addresses insufficient, obsolete, and deficient space for both the undergraduate and graduate programs. The total project cost is estimated at \$9.1 million, and State support is budgeted at \$4.0 million, or 43.9%. The institution will match State funds primarily through gifts and private donations; however, MICA may use debt financing pending confirmation of gifts. Construction for these projects is expected to begin in July 2013 and is expected to end in August 2014.

Over the past decade, graduate enrollment grew 86% and undergraduate enrollment grew 16%, so this three-part capital project will address insufficient and functionally inadequate space for the increasing number of art and design students. Acquiring and renovating the warehouse provides a central hub for MICA's graduate programs, which is further improved with the bridge which connects the warehouse to the existing Studio Center. Due to historical preservation in this district, renovating and repurposing the warehouse is considered the most economical option for MICA. The Fox Building renovation will give students more laboratory and production space, as well as upgrade air conditioning and safety systems. This capital request will further MICA's ability to produce graduate

art and design professionals for the State’s workforce. MICA reports that many of its alumni remain in the Baltimore metropolitan area to pursue careers in architecture, publishing, communications, and video game design.

Hood College

Authorization Uses (\$ in Millions)

<i>Description</i>	<i>Prior Authorization</i>	<i>2014 Request</i>	<i>2015 Estimate</i>	<i>2016 Estimate</i>	<i>2017 Estimate</i>	<i>2018 Estimate</i>
Planning	\$0.000	\$0.464	\$0.000	\$0.000	\$0.000	\$0.000
Construction	0.000	5.095	0.000	0.000	0.000	0.000
Total	\$0.000	\$5.559	\$0.000	\$0.000	\$0.000	\$0.000

Authorization Sources (\$ in Millions)

<i>Description</i>	<i>Prior Authorization</i>	<i>2014 Request</i>	<i>2015 Estimate</i>	<i>2016 Estimate</i>	<i>2017 Estimate</i>	<i>2018 Estimate</i>
GO Bonds	\$0.000	\$2.500	\$0.000	\$0.000	\$0.000	\$0.000
Nonbudgeted	0.000	3.059	0.000	0.000	0.000	0.000
Total	\$0.000	\$5.559	\$0.000	\$0.000	\$0.000	\$0.000

This project will assist in renovating 6,000 GSF in unfinished shell space of the Hodson Science and Technology Center and renovate the Tatem Academic Building to recapture classroom spaces that are unusable due to safety concerns. Both buildings are located on Hood College’s campus in the City of Frederick. This project addresses insufficient and obsolete space for students in the nursing program, the teacher education program, and a proposed degree program in coastal studies. The total project cost is estimated at \$5.6 million, and State support is budgeted at \$2.5 million, or 44.5%. The institution will match State funds primarily through fundraising and capital budget funds. Construction for these projects is expected to begin in May 2014 and is expected to end in September 2015.

The Hodson Building was constructed with unfinished shell space on the top floor that requires adding interior walls; ceilings; heating, ventilation, and air conditioning; electrical systems; and plumbing connections. Completing this space will create two classrooms and four laboratories.

Currently, this space is used as storage. Hood College reports it will donate much of the equipment in storage.

The Tatem Building's 52,000 GSF space requires new bathrooms be made compliant with the Americans with Disabilities Act and needs an upgraded fire alarm system, an elevator, and other mechanical and electrical infrastructure to be usable for students and faculty. These renovations will recapture existing classroom spaces that are deemed unsafe by the local fire marshal.

Hood College expects enrollment growth of 8% over the next 10 years and increasing interest in nursing, teaching, and environmental degree programs that require additional, updated space on campus. Additionally, the Maryland Higher Education Commission cannot approve new academic programs without sufficient space ready for the new programs. Hood College believes it can support State goals in health care and teaching workforce shortages through the completion of this two-part capital project.

Issues and Updates

1. Request for Repurposing of Funds

MSMU is requesting that its fiscal 2012 State capital appropriation of \$1.5 million be repurposed. This funding was programmed for Bradley Hall at MSMU's Hagerstown campus to renovate 20,000 GSF for additional classrooms, faculty offices, and archival space. However, due to legislation from the 2012 regular session requiring municipalities to upgrade wastewater treatment plants, MSMU is requesting repurposing to use its capital funding to construct a new wastewater treatment facility on campus.

MSMU reports that the Bradley Hall renovations will continue on a more limited basis and a longer schedule. Grant funding has been secured for needed archival space, and MSMU reports no further State funding will be sought for Bradley Hall. MSMU has the matching funds, originally for the Bradley Hall project, available to begin the wastewater plant immediately in fiscal 2014. In the past, MICUA's capital projects have been directly related to academic buildings or physical plant upgrades to academic buildings. However, this repurposing is not directly related to any academic facility or program and does not directly advance toward the State's postsecondary education goals.

MICUA should comment on whether this is a unique situation or if State funding may be requested for other non-academic capital projects in the future.

The Department of Legislative Services recommends that the \$1.5 million authorization for the renovation of Bradley Hall at MSMU be repurposed to support MSMU's proposed wastewater treatment facility in fiscal 2014.

GO Bond Recommended Actions

1. Approve the \$4 million for planning, construction, and equipping of the new Malone Hall on the Johns Hopkins Homewood campus.
2. Approve the \$4 million authorization to support acquisition, planning, and construction of the New Academic Building and Fox Building Renovation on the Maryland Institute College of Art's campus.
3. Approve the \$2.5 million in planning and construction of the Hodson Science and Technology Center and Tatem Academic Building Renovation on the Hood College campus.
4. Approve the repurposing of funds for a new wastewater treatment plant.

ZF2950	Mount St. Mary's Wastewater Treatment Plan.....	\$ 0
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Add the following language to amend Chapter 396 of 2011:

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MISCELLANEOUS GRANT PROGRAMS

(J)	<u>Maryland Independent College and University Association – Mount St. Mary's University. Provide a grant equal to the lesser of (i) \$1,500,000 or (ii) the amount of the matching fund provided, to the Board of Trustees of Mount St. Mary's University to assist in the planning, design, ENGINEERING, construction, renovation, and capital equipping of Bradley Hall A WASTEWATER TREATMENT PLANT on the Mount St. Mary's campus, 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 (Frederick County)</u>	<u>1,500,000</u>
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Explanation: Mount St. Mary's University has requested repurposing its prior authorization of \$1.5 million for fiscal 2012 for the renovation of Bradley Hall to instead use these State funds to support the construction of a new wastewater treatment plant that the campus needs to comply with new environmental regulations. This amends Chapter 396 of the Acts of 2011.