

RI00A
Maryland Higher Education Commission

Capital Budget Summary

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

<i>Description</i>	<i>2013 Approp.</i>	<i>2014 Approp.</i>	<i>2015 Request</i>	<i>2016 Estimate</i>	<i>2017 Estimate</i>	<i>2018 Estimate</i>	<i>2019 Estimate</i>
Community College Facilities Grant Program	\$37.629	\$52.035	\$65.405	\$80.000	\$80.000	\$80.000	\$80.000
Total	\$37.629	\$52.035	\$65.405	\$80.000	\$80.000	\$80.000	\$80.000
GO Bonds	\$37.629	\$52.035	\$65.405	\$80.000	\$80.000	\$80.000	\$80.000
Total	\$37.629	\$52.035	\$65.405	\$80.000	\$80.000	\$80.000	\$80.000

Summary of Recommended Bond Actions

1. Community College Facilities Grant Program

Approve funding for the Community College Facilities Grant Program.

2. SECTION 12 Maryland Higher Education Commission Community College Facilities Grant Program

Amend the budget language.

3. SECTION 13 Maryland Higher Education Commission Community College Facilities Grant Program

Amend the budget language.

Program Description

The Community College Facilities Grant Program assists counties in improving the facilities and infrastructure of locally operated community colleges. For regional colleges, State support may total up to 75% of project costs, while other community colleges may receive between 50 and 70% of costs from the State, depending on the wealth of the jurisdiction.

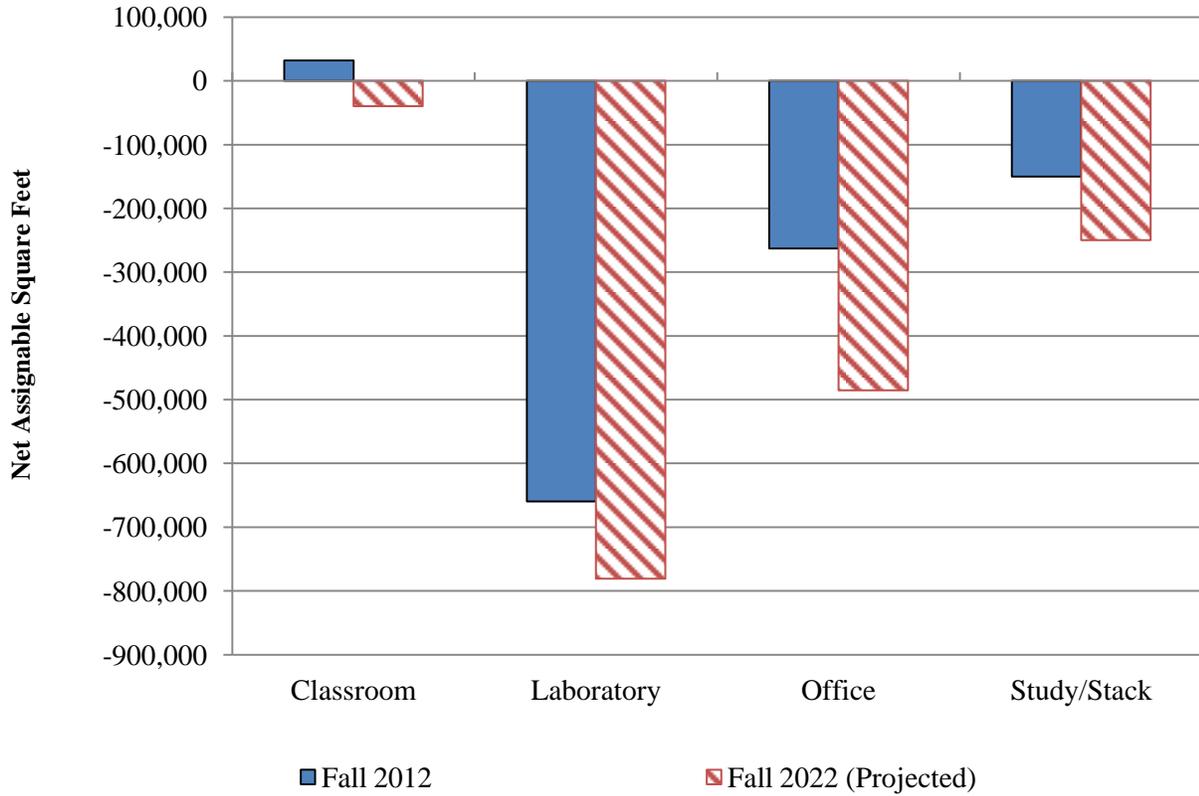
The fiscal 2015 allowance provides funds for 12 projects at 9 community colleges versus 16 projects at 11 community colleges in the fiscal 2014 budget. Funding in 2015 covers all phases: design, construction, renovation, and equipment. Many projects include more than one phase, either design and construction or construction and equipment. The fiscal 2015 capital budget includes funds to design 6 construction and renovation projects, construct 1 new building, equip 4 buildings, and improve the infrastructure of 4 campuses.

Performance Measures and Outputs

The academic space needs of the State's community colleges, including Baltimore City Community College, are shown in **Exhibit 1**. As of fall 2012, there were deficiencies in three space categories: laboratory, office, and study/stack. There was a small surplus in classroom space. Laboratory space presents the greatest challenge, with a total space deficiency of 659,562 net assignable square feet (NASF). **Appendix 1** shows each college's varying space needs.

By fall 2022 (fiscal 2023), the laboratory space need grows to 780,975 NASF, though the biggest increase in need is in office space, which grows from a current need of 263,075 NASF to 485,635 NASF. These figures account for each college's enrollments and space inventories and capital projects that have received at least design funding; as additional buildings are designed and constructed, the needs may be lower than what is shown. The CIP programs \$80 million annually through the five-year planning period which, if carried forward through fiscal 2023, would provide \$640 million of State funds, in addition to local contributions for community college facilities, which would clearly help address the space deficiencies currently identified.

Exhibit 1
Space Needs at Maryland Community Colleges
Fall 2012 and 2022 (Projected)



Note: Figures include Baltimore City Community College and do not fully account for future State-funded projects.

Source: Maryland Higher Education Commission

Budget Overview

Fiscal 2015 funding is 25.7% higher than fiscal 2014 but still below the level programmed in the 2013 CIP, \$80.0 million. **Exhibit 2** shows how funding has changed since fiscal 2006. Funding reached a high of \$84.3 million in fiscal 2010 and remained close to \$80.0 million in fiscal 2011 after increasing significantly in fiscal 2009 through 2011. Authorizations then fell in fiscal 2012 through 2014, and the proposed amount in fiscal 2015, while greater than each of the previous years, is still below the \$80.0 million programmed in the CIP. The CIP programs \$80.0 million each year for fiscal 2016 through 2019.

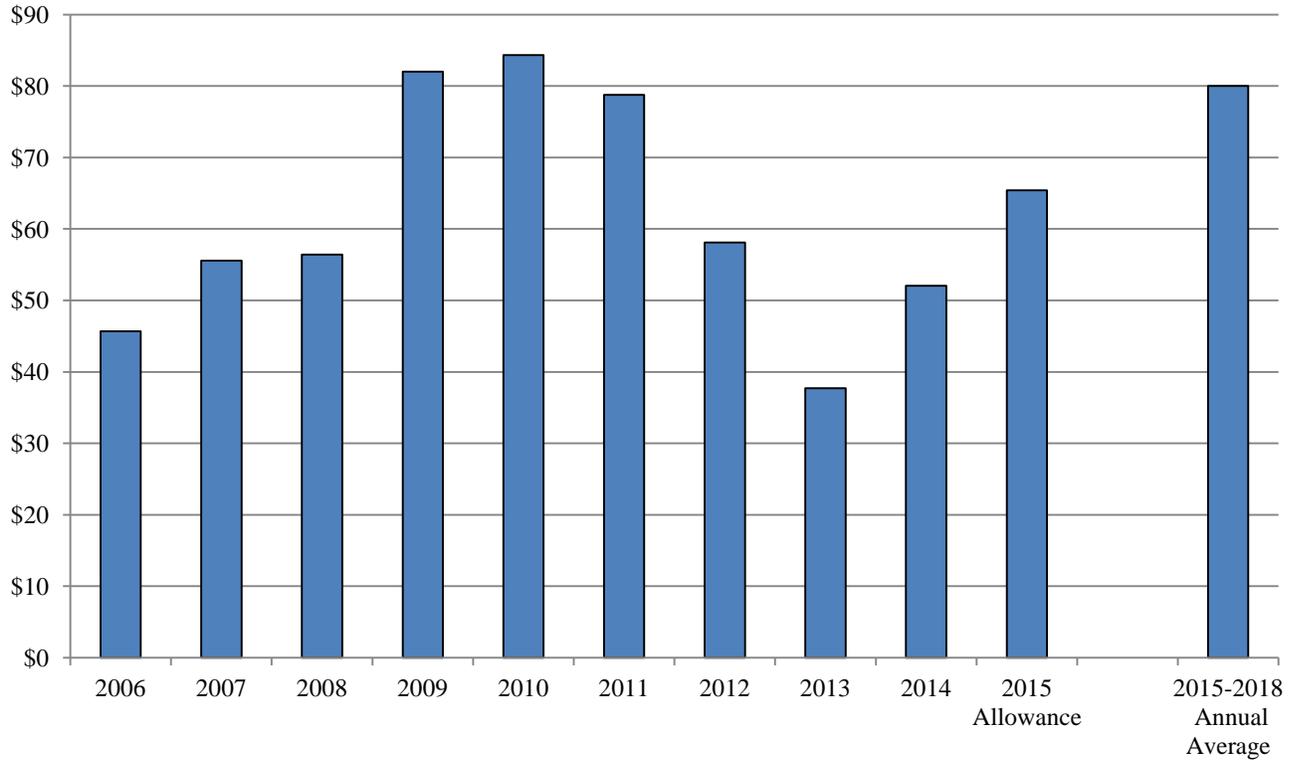
In the capital budget bill as introduced, there are four pre-authorizations for fiscal 2016 totaling \$17.37 million. The pre-authorized projects are:

- \$4.5 million for the College of Southern Maryland’s Technology Infrastructure Upgrade; new project in fiscal 2016.
- \$4.13 million for Harford Community College’s Edgewood Hall Renovation and Expansion; receives funding in fiscal 2015.
- \$7.63 million for Prince George’s Community College’s Lanham Hall Renovation and Addition; new project in fiscal 2016.
- \$1.15 million for Wor-Wic Community College’s Academic and Administrative Building/Maner Technology Center Renovation; receives funding in fiscal 2015.

A fifth project, the Science, Engineering, and Technology (SET) Building, was not included in the original capital budget bill because Howard Community College had not requested any funding in fiscal 2015 from the Department of Budget and Management, despite getting a pre-authorization in the fiscal 2014 capital budget bill. As the project schedule has slipped, Howard Community College does not actually need any funding in fiscal 2015; however, the Department of Legislative Services (DLS) recommends an amendment to place a pre-authorization for this project in fiscal 2016. This pre-authorization totals \$14.66 million and will allow the college to secure contracts needed for the project to commence using county funds. Adding this preauthorization to the four pre-authorizations in the bill leaves about \$47.9 million for other community college projects in fiscal 2016 under the CIP.

In fiscal 2017, there is a pre-authorization for \$6.83 million to continue progress on the Lanham Hall project. DLS also recommends another pre-authorization in fiscal 2017 for \$6.21 million for Howard Community College’s SET Building.

Exhibit 2
Community College Capital Grant Program
Fiscal 2006-2019
(\$ in Millions)



Note: Does not include funding for Baltimore City Community College, as that college’s capital funding receives a separate authorization in the capital budget.

Source: Maryland Higher Education Commission

The practice of split funding the construction phase of projects continues in fiscal 2015, with two colleges split between fiscal 2015 and 2016. For those projects, the majority of construction costs are shifted to fiscal 2016 to more closely align with the actual need for State funds, as each college’s local match must be expended before State funds are used. Colleges must provide a guarantee that local funding is in place for a project before it is included in the capital budget. However, in recent years, due to local fiscal pressures, some counties have backed out from or delayed their commitments to projects already accounted for in the Maryland Higher Education Commission (MHEC) pipeline.

Exhibit 3 shows the list of proposed projects in the Maryland Association of Community Colleges priority order. Under current guidelines, priority projects are those that incorporate certain project types, project phases, and facility categories. Additional factors include inventory status, age of facilities, funding history, and overall college priority. The combination of factors reflects the complexity of elements that impact project viability and funding priority. MHEC adopted slightly revised prioritization rules in February 2014 to ensure that the model used is in line with PlanMaryland and Green Building concepts. Every community college project must also address workforce shortage concerns and institutional capacity for the project. MHEC also oversees the cost sharing formula for counties. These percentages are based on county wealth and total enrollments of certain student populations. Projects carry their assigned State share, without change, through the life of the project. Based on this formula, the State will contribute 50 to 75% of the eligible costs of a project.

Actual spending totals \$66.4 million, but a program balance of \$1.0 million allows for only \$65.4 million to be authorized. The balance accumulates as actual spending on previously approved projects comes in lower than the amount authorized. The leftover funds are recycled to new projects in the next capital budget.

Exhibit 3
Fiscal 2015 Proposed Projects
In Maryland Association of Community Colleges Priority Order

<u>Ranking</u>	<u>Community College</u>	<u>Project Name</u>	<u>Project Phase</u>	<u>New Funding</u>	<u>Pre-Authorized FY 2016</u>	<u>Pre-Authorized FY 2017</u>
1	Hagerstown Community College	Central Plant Expansion	Design	\$99,000		
2	Wor-Wic Community College	Academic & Admin/Maner Tech Center	Design+	1,813,000	\$1,152,000	
3	Howard Community College	Renovations to Nursing and ST Buildings	Design	766,000		
4	Prince George's Community College	Queen Anne Renovation and Addition	Design	1,612,000		
5	Chesapeake College	Center for Allied Health and Athletics	Completion	19,918,000		
6	Frederick Community College	Building B Reconfiguration and Conversion	Construction	4,049,000		
7	College of Southern Maryland	Technology Infrastructure Upgrade	Design+	1,465,000	4,454,000	
8	The Community College of Baltimore County	F Building Renovation and Expansion	Completion	15,022,000		
9	Montgomery College	Science West Renovation	Completion	14,446,000		
10	The Community College of Baltimore County	N Building Renovation and Addition	Design	900,000		
11	College of Southern Maryland	Center for Regional Programs	Completion	4,417,000		
12	Prince George's Community College	Circulation and Roadways	Completion	1,898,000		
	Prince George's Community College	Lanham Hall Renovation			7,634,000	\$6,838,000
	Harford Community College	Edgewood Hall Renovation			4,129,000	
	Howard Community College	Science, Engineering, and Technology Building			14,664,000	6,214,000
Total				\$66,405,000	\$32,033,000	\$13,052,000
	Program Balance/Surplus			-\$1,000,000		
	Total Governor's Proposed Budget			\$65,405,000		

¹ Fiscal 2016 spending is based on an estimate for total costs and the project schedule. Amounts

Note: Baltimore City Community College does not prioritize capital projects through the MACC prioritization process.

Source: Department of Budget and Management; Maryland Association of Community Colleges

Fiscal 2015 Capital Projects

- **Baltimore County – F Building Renovation and Expansion – Fiscal 2015 Amount: \$15.1 Million for Construction:** Funding is provided in fiscal 2015 for the construction phase of the renovation and addition to the F Building on the Catonsville campus of CCBC. The F Building is one of the original CCBC buildings, constructed in 1967, and the only renovation was a roof replacement in 1992. Currently a library, the space will be vacated when construction of the new library is complete. The renovation and addition will include science laboratories, lecture space, and faculty offices. Baltimore County has committed \$19.8 million for this project. The \$15.1 million of State funds completes the State’s commitment to the project which totaled \$19.474 million.

Construction, which was scheduled to begin in January 2013, spans many years due to local funding constraints, and completion will not be expected until May 2017. The scope of the project is reduced compared to a year ago. The initial design called for a 34,362 NASF addition, but it is now 28,482 NASF.

This project renovates 22,462 NASF and adds 28,462 NASF to the CCBC campus. Of the total space, 9,147 is classroom space and 24,073 is laboratory space.

- **Baltimore County – N Building Renovation and Expansion – Fiscal 2015 Amount: \$0.9 Million for Design:** Funding is provided in fiscal 2015 for the design phase of the renovation and addition to the N Building on the Essex campus of CCBC. The N Building was constructed in 1981 for the Business and Management programs, and only minor renovations have since occurred. It is currently the home of the School for the Health Professions. The renovation and addition will include science laboratories, lecture space, and faculty offices. Baltimore County has committed \$28.9 million for this project. In addition to the \$0.9 million of State fiscal 2015 authorizations, the current out-year commitment would provide another \$28.375 million for construction and equipment.

This project renovates 31,664 NASF and, with an addition, adds 73,940 NASF to the CCBC Essex campus. Of the total space, 14,390 is classroom space, and 39,876 is laboratory space.

- **Frederick County – Building B Reconfiguration/Conversion – Fiscal 2015 Amount: \$4.0 Million for Construction:** Funding is included for renovations of Academic Hall Building B, a mathematics and engineering building at Frederick Community College. The facility has undergone only a minor renovation since it was constructed in 1970, and it cannot currently handle the technology intensive infrastructure necessary for current teaching methods. The layout of classrooms is also inefficient, and there are several Americans with Disabilities Act (ADA) deficiencies. Frederick County has committed

RI00A – Maryland Higher Education Commission

\$3.5 million toward the project. The State's total contribution is programmed at \$4.8 million.

This project replaces construction of a new Allied Health Center, a 55,510 NASF project funded for design in fiscal 2013. The total project cost of \$33.6 million (\$14.7 million local) was too much for Frederick County, and it was replaced with this renovation of Building B.

The project will renovate 18,685 NASF, including 10,533 NASF of classroom space and 2,842 NASF of laboratory space.

- **Howard County – Renovations to Nursing and Science and Technology Buildings – Fiscal 2015 Amount: \$0.8 Million for Design:** Funding is provided in fiscal 2015 for the design phase of the renovation to the Nursing and Science and Technology buildings to provide additional instruction and support space to the social sciences and education divisions, as well as several smaller programs within the college. This project will consolidate programs and space for faculty and students and pool learning resource functions into one area by establishing a Student Collaborative Learning Commons and Faculty Development Center. The renovation will also upgrade facilities with respect to infrastructure, learning technologies, accessibility, and acoustics. As the new Science, Engineering, and Technology building will soon come online, those programs are moving into new space and the existing Science and Technology Building will be incompatible for its new intended users, mentioned above. The estimated total project cost is \$41.3 million with the State contribution set at 50%, or \$20.64 million.

This project renovates 62,278 NASF. Of the total space, 9,677 is classroom space; 15,190 is laboratory space, and 24,399 is office space.

- **Montgomery County – Rockville Sciences West Building Renovation – Fiscal 2015 Amount: \$14.5 Million for Construction:** Funds to begin construction of the renovation and addition to Rockville Sciences West is included. Classrooms and class laboratories in the current facility are not conducive to current teaching methods, and the infrastructure is not able to support the technology load required of the science and math courses offered in the building. The project is being coordinated with Rockville Science Center and Rockville Sciences East projects. The renovation of Rockville Sciences East is underway and expected to be complete in January 2015, two months before construction of this project begins. Montgomery County has committed \$18.7 million for the project. The \$14.5 million of GO bonds completes the State's contribution to the project, which totals \$16.5 million.

The project will renovate 27,913 NASF and add 13,503 NASF to the campus. Affected space includes 12,617 NASF in classroom space and 22,452 NASF in laboratory space.

- **Prince George’s County – Queen Anne’s Academic Center Renovation and Addition – Fiscal 2015 Amount: \$1.6 Million for Design:** The capital budget includes funding to design a renovation of the music and performing arts building at Prince George’s Community College. The current facility is inadequate given the programs’ current enrollment levels and teaching methods required for arts education. The facility is not ADA compliant and also has a failing physical infrastructure. Prince George’s County will commit \$32.9 million to support the project with the State contributing a total of \$43.1 million spread over the next several years.

The project will renovate 22,852 NASF and add 75,321 NASF to the campus. The project will add 12,600 NASF in classroom space and 44,266 NASF in laboratory space.

- **Prince George’s County – Circulation and Roadway Improvements – Fiscal 2015 Amount: \$1.9 Million for Construction:** The capital budget includes funding to construct safety, roadway, and parking lot improvements on the Largo Campus. The inner and outer roadways and parking lots will receive asphalt overlays, new underground electrical distribution conduits, and other improvements. Curb edge milling will create better water drainage. New exterior lighting will be installed, with security cameras and emergency call boxes to address long standing security concerns. Fiscal 2015 funding will complete all construction. The county has pledged \$1.1 million to this project. With the \$1.9 million in fiscal 2015 GO bonds, the State’s total \$7.4 million contribution is complete.
- **Hagerstown – Central Plant Expansion – Fiscal 2015 Amount: \$0.1 Million for Design:** Funding is provided in fiscal 2015 for the design phase of the renovation of the central plant and a central plant addition. This will include installation of a 950-ton cooling tower as well as the replacement of two 250-ton cooling towers with one 650-ton cooling tower. There is currently a large cooling deficit on campus, while this project will leave the campus with a moderate surplus. The project also includes installing new pumps, piping, and necessary life-safety alarm and electrical systems. The project is estimated to cost \$2.9 million, with the State’s commitment programmed at \$1.9 million.
- **Regional – Chesapeake College – Center for Allied Health and Athletics – Fiscal 2015 Amount: \$19.9 Million for Construction:** The fiscal 2014 budget includes funding to renovate and expand the Physical Education/Gymnasium/Pool building at Chesapeake College into the Center for Allied Health and Athletics. The current gymnasium is over 40 years old, and the pool section is over 30 years old. Both are suffering from failing mechanical and infrastructure systems. The renovated space will house the college’s athletics and allied health programs. The allied health program is currently based at Shore Health System’s Memorial Hospital, which will soon be moving to a new location which will not have space for the college. There is also no space currently available on campus for its relocation. The counties supporting Chesapeake College have committed \$8.9 million for the project.

- **Regional – College of Southern Maryland – Center for Regional Programs – Fiscal 2015 Amount: \$4.4 Million for Design and Construction:** Funding is included to design and begin constructing a new Center for Regional Programs to serve students in Hughesville, a central location for CSM’s student population. This project is Phase I and constructs the Center for Trades and Energy Training. Phase II will include a Center for Health Care. These programs would be too expensive and inefficient to replicate at the three CSM campuses, so a central location was chosen to best serve the three supporting counties. The \$4.4 million of fiscal 2015 GO bond funds completes the State’s commitment, which totals \$7.7 million. The project will add 30,190 NASF to CSM, including 4,095 NASF of classroom space and 23,115 NASF of laboratory space.
- **Regional – College of Southern Maryland – Technology Infrastructure Update – Fiscal 2015 Amount: \$1.5 Million for Design and Construction:** Funding is included to design and begin constructing technology infrastructure upgrades in all of CSM’s buildings in order to meet current needs, as well as ensure operation of information technology systems. There are three components. The first is installation of a new computer network by replacing routers, switches, and cabling. The second is the implementation of a new telephone system. The third is the installation of emergency generators and small environmental support systems. This project provides emergency backup power to the campus, as well as improving response capabilities to emergency situations. The project will not change any NASF. The project is estimated to cost \$7.9 million with the State share of 75% at \$5.9 million.
- **Regional – Wor-Wic Academic and Administrative Building/Maner Technology Center Renovation – Fiscal 2015 Amount: \$1.8 Million for Design and Construction:** Funding is provided in fiscal 2015 for the design phase of the renovation of an existing 1,463 NASF office suite that will accommodate the Institutional Advancement staff and provide space for future staff needs in the marketing department. This project will also modernize restrooms that were constructed in 1994 and update elevators. Finally, a 19-year old infrastructure system will be replaced with a new high-efficiency hybrid geothermal system that will provide a heat pump and chiller support to three campus buildings. The project is estimated to cost \$5.0 million, with the State’s share at a little over \$3.0 million.

This project renovates 5,090 NASF, all of it office space.

RI00A – Maryland Higher Education Commission

Explanation: This language adds a general obligation bond preauthorization for the Maryland Consolidated Capital Bond Loan of 2015 for the Howard Community College – Science, Engineering, and Technology Building.

3.

ZF5000	SECTION 13 Maryland Higher Education Commission Community College Facilities Grant Program.....
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Add the following language:

RI00	MARYLAND HIGHER EDUCATION COMMISSION (Statewide)
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|-----|--|--------------------------------|
| (A) | Community College Facilities Grant Program. Provide funds to assist the subdivisions in the acquisition of property and in the design, construction, renovation, and equipping of local and regional community college buildings, site improvements, and facilities. The funds appropriated for this purpose shall be administered in accordance with § 11–105(j) of the Education Article | 6,838,000
<u>13,052,000</u> |
| | (1) Prince George’s Community College –
Lanham Hall Renovation and Addition | 6,838,000 |
| | (2) <u>Howard Community College – Science,
Engineering, and Technology Building</u> | <u>6,214,000</u> |

Explanation: This language adds a general obligation bond preauthorization for the Maryland Consolidated Capital Bond Loan of 2015 for the Howard Community College – Science, Engineering, and Technology Building.

**Maryland Community Colleges
Academic Space Surplus and Deficiency: Fall 2012 to 2022**

<u>College</u>	<u>Classroom</u>	<u>Laboratory</u>	<u>Office</u>	<u>Study/Stack</u>	<u>Academic Space</u>
Allegany College					
Fall 2012	14,788	14,007	-8,345	1,061	21,511
Fall 2022 (Projected)	11,585	6,745	-16,083	-1,629	618
Anne Arundel Community College					
Fall 2012	34,174	-21,401	-39,358	-24,848	-51,433
Fall 2022 (Projected)	23,940	-53,805	-65,614	-33,763	-129,242
Baltimore City Community College					
Fall 2012	27,263	-10,765	14,208	9,430	40,136
Fall 2022 (Projected)	24,270	-25,532	-1,140	5,453	3,051
Carroll Community College					
Fall 2012	-5,841	11,261	-15,343	-1,561	-11,484
Fall 2022 (Projected)	-17,919	1,870	-33,368	-7,529	-56,946
Community College of Baltimore County					
Fall 2012	-44,040	-6,969	-47,787	-32,375	-131,171
Fall 2022 (Projected)	-51,713	4,026	-108,798	-57,782	-214,267
Cecil Community College					
Fall 2012	940	-33,549	-6,589	-3,852	-43,050
Fall 2022 (Projected)	-2,780	-38,421	-13,871	-6,384	-61,456
Chesapeake College					
Fall 2012	10,451	5,371	-3,499	6,719	19,042
Fall 2022 (Projected)	15,658	13,182	-5,267	5,649	29,222
College of Southern Maryland					
Fall 2012	-6,300	-44,795	-37,424	-14,428	-102,947
Fall 2022 (Projected)	-8,411	-23,205	-46,987	-19,132	-97,735
Frederick Community College					
Fall 2012	4,028	17,816	-3,933	-8,882	9,029
Fall 2022 (Projected)	351	24,281	-6,843	-14,245	3,544
Garrett College					
Fall 2012	2,292	674	-4,167	-214	-1,415
Fall 2022 (Projected)	942	-1,897	-5,707	-664	-7,326

RI00A – Maryland Higher Education Commission

Hagerstown Community College					
Fall 2012	3,661	10,414	-9,399	1,288	5,964
Fall 2022 (Projected)	3,428	-10,100	-14,504	1,774	-19,402
Harford Community College					
Fall 2012	16,567	-23,963	-933	-5,344	-13,673
Fall 2022 (Projected)	12,843	-13,996	-12,364	-11,355	-24,872
Howard Community College					
Fall 2012	-6,429	-174,964	-28,307	-20,373	-230,073
Fall 2022 (Projected)	-16,250	-222,791	-46,649	-27,466	-313,156
Montgomery College					
Fall 2012	-48,054	-389,283	-65,816	-57,978	-561,131
Fall 2022 (Projected)	-55,271	-384,271	-59,988	-76,259	-575,789
Prince George's Community College					
Fall 2012	20,891	2,395	-2,499	6,643	27,430
Fall 2022 (Projected)	19,305	-27,910	-33,908	2,575	-39,938
Wor-Wic Community College					
Fall 2012	7,868	-15,811	-3,882	-5,455	-17,280
Fall 2022 (Projected)	-65	-29,151	-14,544	-9,093	-52,853
Fall 2012	32,259	-659,562	-263,073	-150,169	-1,040,545
Fall 2022 (Projected)	-40,087	-780,975	-485,635	-249,850	-1,556,547