

ZA00RST
Maryland Independent College and University Association
Miscellaneous Grant Programs

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>
MICUA	\$11.000	\$10.500	\$4.000	\$4.000	\$4.000	\$4.000	\$4.000
Total	\$11.000	\$10.500	\$4.000	\$4.000	\$4.000	\$4.000	\$4.000

<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>
GO Bonds	\$11.000	\$10.500	\$4.000	\$4.000	\$4.000	\$4.000	\$4.000
Total	\$11.000	\$10.500	\$4.000	\$4.000	\$4.000	\$4.000	\$4.000

Summary of Issues

Oversight of the Maryland Historical Trust: In fiscal 2010, Goucher College received capital funding to renovate its library. During the course of this project, the college signed an agreement for an easement with the Maryland Historical Trust (MHT). This issue explores concerns raised by the college over the extent of that easement.

Summary of Recommended Bond Actions

	<u>Funds</u>
1. Loyola University of Maryland Capital Projects Approve.	
2. Stevenson University Academic Building Approve.	
3. Washington College Academic Building Approve.	
4. SECTION 2 Maryland Independent College and University Association Sojourner-Douglass College De-authorize cancelled project.	\$3,250,000 DA
Total Reductions	\$3,250,000

Performance Measures and Outputs

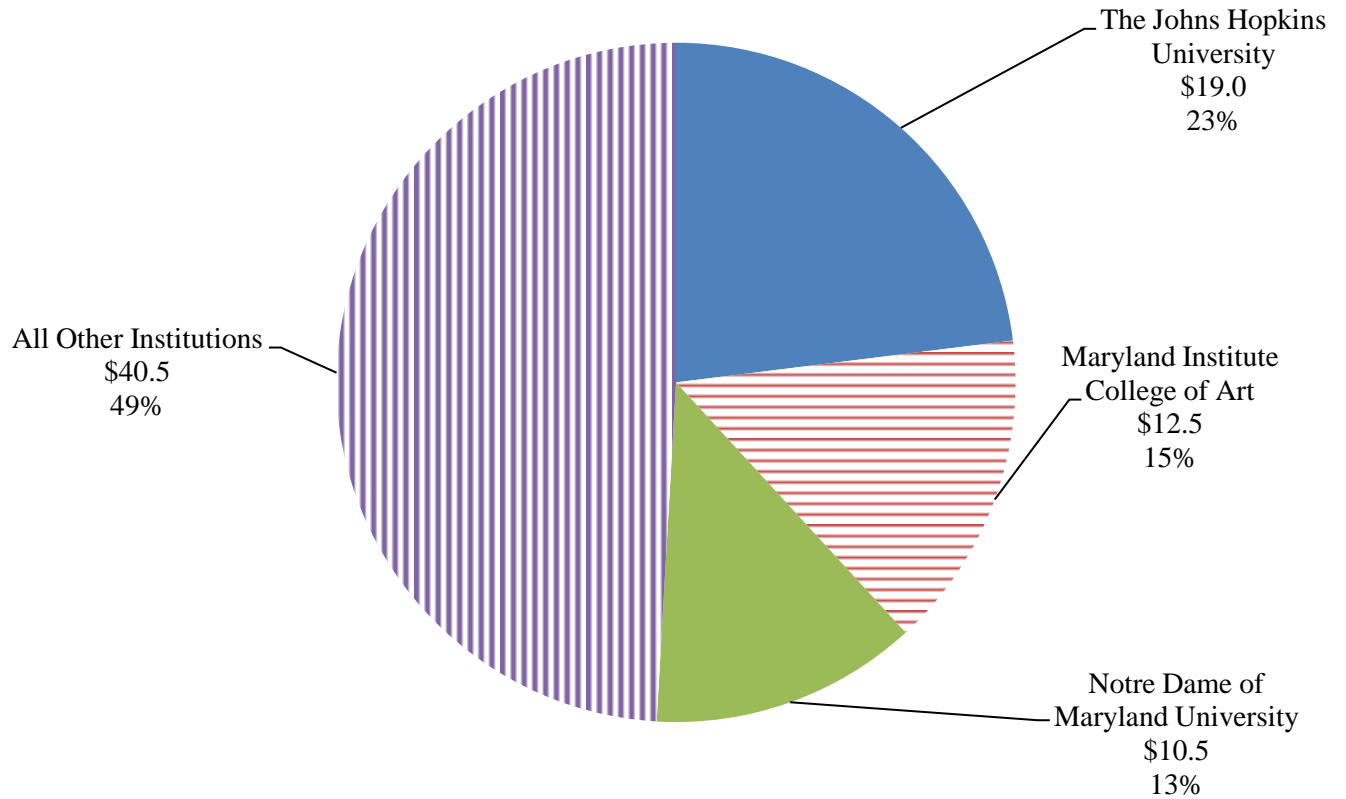
Funds are provided for grants to assist the State’s private colleges and universities with costs of constructing and renovating academic facilities and infrastructure. The grants leverage institutional resources and private donations, which must at least match the State appropriation for each project. The 14 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. MICUA recently reported that its member institutions served over 63,000 students in the State and granted about 15,300 degrees and certificates.

Budget Overview

Whereas the fiscal 2014 budget programmed \$10.5 million in State support for three new MICUA projects, the fiscal 2015 budget only programs \$4.0 million in State support for three MICUA projects. This is similar to the initial fiscal 2013 support of \$4.0 million, which was subsequently increased to \$11.0 million due to a de-authorization of a project at The Johns Hopkins University (JHU) and additional State support. The smallest amount of State funding that MICUA has received in the past six years was \$8.0 million in fiscal 2011. However, the *Capital Improvement Program* (CIP) has shown only \$4.0 million in each out-year for MICUA projects since fiscal 2012.

Exhibit 1 shows the MICUA capital program appropriations from fiscal 2005 to 2014. Overall, the State provided \$82.5 million to 13 institutions. JHU received the most funding at \$19.0 million, or 23%. The next largest recipient is the Maryland Institute College of Art, which received \$12.5 million, followed by Notre Dame of Maryland University at \$10.5 million. The remaining 10 institutions received \$40.5 million, or about \$4.1 million each on average. This exhibit excludes Baltimore International College, which is no longer eligible to receive State capital funding due to its partnership with a for-profit university. By full-time equivalent student enrollment, JHU accounts for about 44% of enrollment, while Loyola University of Maryland (LUM) has about 12% and Stevenson University about 9% of total MICUA enrollment. The remaining 11 institutions average about 1,400 students per campus and account for about 36% of the total MICUA enrollment in fiscal 2013. As well as having the largest enrollment, JHU is also the only independent research institution, by Carnegie classification, in the State, so it has greater financial need for capital improvements than smaller, nonresearch-oriented campuses. Institutions are to receive funding only once every three years to ensure that all institutions receive funding.

Exhibit 1
Maryland Independent College and University Association
Capital Appropriations
Fiscal 2005-2014
(\$ in Millions)



Note: Includes only funding appropriated through the Maryland Independent College and University Association's capital budget program.

Source: Maryland Independent College and University Association

Loyola University of Maryland

Authorization Uses
(\$ in Millions)

<i>Description</i>	<i>Prior Authorization</i>	<i>2015 Request</i>	<i>2016 Estimate</i>	<i>2017 Estimate</i>	<i>2018 Estimate</i>	<i>2019 Estimate</i>
Planning	\$0.000	\$0.272	\$0.000	\$0.000	\$0.000	\$0.000
Construction	0.000	4.310	0.000	0.000	0.000	0.000
Total	\$0.000	\$4.582	\$0.000	\$0.000	\$0.000	\$0.000

Authorization Sources
(\$ in Millions)

<i>Description</i>	<i>Prior Authorization</i>	<i>2015 Request</i>	<i>2016 Estimate</i>	<i>2017 Estimate</i>	<i>2018 Estimate</i>	<i>2019 Estimate</i>
GO Bonds	\$0.000	\$0.800	\$0.000	\$0.000	\$0.000	\$0.000
Nonbudgeted	0.000	3.783	0.000	0.000	0.000	0.000
Total	\$0.000	\$4.583	\$0.000	\$0.000	\$0.000	\$0.000

This project will assist in the renovation of four buildings on LUM’s main campus and a fifth building that LUM acquired on York Road in Baltimore City, just to the east of the main campus. The renovations will provide additional academic space for the Departments of Communications, Fine Arts, and Writing, including classrooms, laboratories, auditoriums, faculty offices, and a television and music recording studio. The proposed project is a series of five major renovations of spaces that require adaptive reuse to create additional academic space. Fiscal 2015 funding allows for design and construction of these renovations.

Due to past and projected enrollment growth, LUM’s academic space deficit is reported at 60,900 net assignable square feet (NASF). This multi-facility renovation and relocation project will provide an additional 64,000 NASF to address LUM’s academic space needs. Part of the project will also relocate certain administration functions, such as information technology, away from the main campus and onto properties along York Road. This fits into the LUM’s York Road Initiative to revitalize the campus neighborhood. After the relocation to York Road, there will be space available for renovation in Knott Hall, Maryland Hall, and Beatty Hall, which will be repurposed for academic use and office space for 18 new, tenure-track faculty. Finally, LUM will renovate the College Center, which until recently contained athletic programs. This space will be retrofitted for academic space to consolidate the communications department from three locations into one location. LUM is

concerned that, without this multipart project, it may be forced to cap enrollment. It emphasizes that this reuses existing spaces, enhances the York Road corridor, and focuses on academic strengths of the campus.

The total State share of this project is projected to be 17.5%. The last fiscal year in which LUM received MICUA capital funding was in fiscal 2009 for renovation of and additions to the Donnelly Science Center.

Stevenson University

Authorization Uses
(\$ in Millions)

<i>Description</i>	<i>Prior Authorization</i>	<i>2015 Request</i>	<i>2016 Estimate</i>	<i>2017 Estimate</i>	<i>2018 Estimate</i>	<i>2019 Estimate</i>
Planning	\$0.000	\$0.616	\$0.000	\$0.000	\$0.000	\$0.000
Construction	0.000	8.461	0.000	0.000	0.000	0.000
Total	\$0.000	\$9.077	\$0.000	\$0.000	\$0.000	\$0.000

Authorization Sources
(\$ in Millions)

<i>Description</i>	<i>Prior Authorization</i>	<i>2015 Request</i>	<i>2016 Estimate</i>	<i>2017 Estimate</i>	<i>2018 Estimate</i>	<i>2019 Estimate</i>
GO Bonds	\$0.000	\$1.600	\$0.000	\$0.000	\$0.000	\$0.000
Nonbudgeted	0.000	7.477	0.000	0.000	0.000	0.000
Total	\$0.000	\$9.077	\$0.000	\$0.000	\$0.000	\$0.000

This project will assist in the renovation of a 150,000 square foot (sq. ft.) facility on the Owings Mills North campus of Stevenson University (SU) for the School of the Sciences (SOS). This is adjacent to the new School of Design, which opened in fall 2013. SU will repurpose a former pharmaceutical manufacturing facility to create classrooms, teaching and research laboratories, nursing skills and simulation laboratories, faculty offices, and informal learning spaces. The manufacturing facility contains a large amount of prebuilt laboratory space ideal for modifications for academic use. However, the building features many oversized infrastructure components that will need to be relocated and consolidated, and the current floor plan is not well situated for a university.

Renovations would increase formal and informal learning spaces, staff and faculty offices, and a small food area for a total of 106,235 net square feet (NSF).

Enrollment at SU has increased 24% over the past five years, including a 44% increase in SOS students. The current SOS program fully utilizes about 35,000 NSF on the Greenspring campus, leaving no space for program expansion. SU has hired eight additional faculty for the SOS programs in the 2013-2014 academic year, as well as started three new degree programs. After SOS vacates its current facilities, SU’s programs in education, humanities, and social sciences will have space to expand on the Greenspring campus. SU considered renovating space on its Greenspring campus but determined the opportunity presented in the former Shire facility was superior to renovating current buildings within their existing footprints, which is required by zoning laws.

The total State share of this project is projected to be 17.6%. The last fiscal year in which SU received MICUA capital funding was in fiscal 2011 for the acquisition and renovation of Shire PLC’s buildings for the SOS and School of Design. This is the property on which the current project is proposed for fiscal 2015.

Washington College

Authorization Uses
(\$ in Millions)

<i>Description</i>	<i>Prior Authorization</i>	<i>2015 Request</i>	<i>2016 Estimate</i>	<i>2017 Estimate</i>	<i>2018 Estimate</i>	<i>2019 Estimate</i>
Planning	\$0.000	\$1.421	\$0.000	\$0.000	\$0.000	\$0.000
Construction	0.000	8.401	0.000	0.000	0.000	0.000
Total	\$0.000	\$9.822	\$0.000	\$0.000	\$0.000	\$0.000

Authorization Sources
(\$ in Millions)

<i>Description</i>	<i>Prior Authorization</i>	<i>2015 Request</i>	<i>2016 Estimate</i>	<i>2017 Estimate</i>	<i>2018 Estimate</i>	<i>2019 Estimate</i>
GO Bonds	\$0.000	\$1.600	\$0.000	\$0.000	\$0.000	\$0.000
Nonbudgeted	0.000	8.221	0.000	0.000	0.000	0.000
Total	\$0.000	\$9.821	\$0.000	\$0.000	\$0.000	\$0.000

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This project will demolish a dilapidated building that formerly housed the Kent County Board of Education and construct a new 14,000 sq. ft. academic building to house the newly created Department of Anthropology and the Department of Earth and the Environment. In the past six years, Washington College (WC) has grown its student population from 1,222 to 1,512 and created 50 new positions, increasing its workforce by 10%. WC is the largest employer in Kent County. Past and expected growth of students and faculty across recently established departments has created academic space deficits. The education building was acquired from the county and is one block away and across the street from the main campus.

This construction project will create classrooms, laboratories, faculty offices, and group study spaces to address WC's space deficiencies and revitalize a vacant property located on Washington Avenue, the main artery through Chestertown and Kent County. This facility will partially solve the current deficit of 14,280 NASF in classroom space and 3,650 NASF in office space. The facility has led to the hiring of new faculty in preparation for two new degree programs and a new minor program. The facility will provide dedicated laboratories for earth sciences and anthropology disciplines, which will save resources elsewhere on campus now that laboratory spaces will not have to be re-set between different types of classes. While WC considered rehabilitation of the old school board facility, it was determined to be cost prohibitive, as the structure dated to 1915 and had never been substantially upgraded. It has been vacant since the 1990s and is considered a blight.

The total State share of this project is projected to be 16.3%. The last fiscal year in which WC received MICUA capital funding was in fiscal 2012 for the renovation of the Miller Library.

Issues

1. Oversight of Maryland Historical Trust

MHT was formed in 1961 to preserve, protect, and enhance districts, buildings, and objects significant in the history and culture of the State. MHT acquires and maintains properties of historic or architectural merit by gift, grant, or purchase. Through an easement program, it holds partial interest in such properties in order to monitor their condition and appearance without the necessity of public ownership.

In fiscal 2011, Goucher College (GC) received \$3 million through the MICUA program to assist in the planning, design, construction, renovation, and capital equipping of the Julia Rogers Library on its campus in Towson. In December 2010, GC submitted review documents to MHT as required by Bond Bill Chapter 483 of 2010. During this process, MHT determined that in 2007, GC's campus in Towson was listed on the National Register of Historic Places. This designation covered all 287 acres of the campus and identified 12 contributing factors from the original 1938 Moore and Hutchings master campus plan. As a result of this finding, MHT notified GC that it had determined GC's master site plan historically significant, and thus the entire campus fell under a special State historic preservation easement program. GC does have two properties in MHT's Inventory of Historical Properties, but both items predate the current campus which GC acquired in 1953. Beginning in 2011, GC and MHT discussed the scope of the easement. The parties ultimately disagreed on the appropriate designation of archeological significance to apply to areas of the campus. MHT declined GC's suggested easement language modifications. Ultimately, GC signed the easement in July 2013, and it was subsequently recorded in the land records of Baltimore County.

With respect to the Goucher easement issue, since the easement has already been signed and recorded, legal action would be required to modify the document. However, MHT has advised the Department of Legislative Services (DLS) that rather than going through the process of negotiating changes to the easement, the MHT has agreed to simply extinguish the easement. Language to this effect may be included in the Maryland Consolidated Capital Bond Loan (MCCBL) of 2014.

Clarification of Easement Appeals Process

The authority by which MHT may require an historical easement on non-State capital projects is provided under Section 1(6) of the annual MCCBL. This language not only gives MHT broad discretion concerning what projects for which it plans to seek an easement but also broad discretion on the buildings and land MHT intends to cover under an easement. To the extent that issues such as the Goucher easement can be mitigated in the future, DLS recommends that the boilerplate language found in Section 1(6) be amended to specify that an MHT easement made pursuant to this section be limited to the land necessary to preserve the historical setting of the capital project assisted by the grant and limited to the exterior and interior portions of structures affected by the project that is assisted by the State grant. Moreover, DLS recommends that the boilerplate language be amended to specify an internal easement appeals process whereby grantees can appeal a decision of the MHT

director to the MHT Board of Trustees. DLS has been working with MHT on this issue, and MHT plans to present amendments to this effect for committee consideration in the 2014 session.

The MICUA executive director should comment on the concerns raised in this issue including any discussions or resolutions with MHT concerning similar easement issues affecting a State grant made to the Baltimore Design School.

Pre-authorizations and De-authorizations

MICUA and Sojourner-Douglass College (SDC) are requesting that the fiscal 2009 State capital appropriation of \$3.25 million be de-authorized. This funding was programmed for design and construction of the expansion and renovation of a newly acquired building located in Baltimore City to expand an academic program in allied health fields. SDC has not procured the required matching funds, and the project is not moving forward at this time. There are no pre-authorizations.

DLS recommends de-authorization of the \$3.25 million that was programmed for SDC in fiscal 2009.

GO Bond Recommended Actions

1. Approve the \$0.8 million authorization for the planning, design, construction, renovation, and capital equipping of 4806 York Road; Knott, Beatty, and Maryland Halls; and the College Center on the campus of Loyola University Maryland.
2. Approve the \$1.6 million authorization for planning, design, construction, renovation, and capital equipping of the Academic Building for the School of Sciences on the Owings Mills North Campus of Stevenson University.
3. Approve the \$1.6 million authorization for the planning, design, construction, renovation, and capital equipping of a new academic building for the Department of Anthropology, and the Department of Earth and the Environment on the campus of Washington College.
4. De-authorize cancelled project.

ZF0450	SECTION 2 Maryland Independent College and University Association Sojourner-Douglass College	\$ 0
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Add the following language:

Chapter 336 of of 2008, as amended by Chapter 707 of 2009 and Chapter 372 of 2010

Section 1(3)

<u>ZA00</u>	<u>MISCELLANEOUS GRANT PROGRAMS</u>
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(M)	<u>Maryland Independent College and University Association – Sojourner–Douglass College – Science and Allied Health Facility. Provide a grant equal to the lesser of (i) \$3,250,000 or (ii) the amount of the matching fund provided, to the Board of Trustees of Sojourner-Douglass College to assist in the design and construction of the expansion and renovation of a newly acquired building located at 249 N. Aisquith Street in 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 in-kind contributions or funds expended prior to the effective date of this Act, and the grantee must present evidence that a matching fund will be provided by June 1, 2012 (Baltimore City).....</u>	<u>[3,250,000]</u> <u>0</u>
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Explanation: This action de-authorizes a grant made through the Maryland Independent College and University Association to Sojourner-Douglass College for the design, construction, expansion, and renovation of a building to house the science and allied health programs as the college has cancelled all plans for the project and the authorization is no longer needed.