

ZA00HIJ
Maryland Independent College and University Association
Miscellaneous Grant Programs

Capital Budget Summary

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

Program	2015 Approp.	2016 Approp.	2017 Request	2018 Estimate	2019 Estimate	2020 Estimate	2021 Estimate
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MICUA Projects	\$9.000	\$9.600	\$8.000	\$8.000	\$8.000	\$8.000	\$8.000
Total	\$9.000	\$9.600	\$8.000	\$8.000	\$8.000	\$8.000	\$8.000

Fund Source	2015 Approp.	2016 Approp.	2017 Request	2018 Estimate	2019 Estimate	2020 Estimate	2021 Estimate
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GO Bonds	\$9.000	\$9.600	\$8.000	\$8.000	\$8.000	\$8.000	\$8.000
Total	\$9.000	\$9.600	\$8.000	\$8.000	\$8.000	\$8.000	\$8.000

GO: general obligation

MICUA: Maryland Independent College and University Association

Summary of Recommended Bond Actions

1. Capitol Technology University
Approve.
2. The Johns Hopkins University
Approve.
3. Maryland Institute College of Art
Approve.

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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 13 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 serve over 63,000 students in the State and grant about 14,600 degrees and certificates annually. Receiving about 2% of the State's capital higher education budget, MICUA institutions serve about 17% of the State's higher education students and produce about 28% of degrees conferred in Maryland.

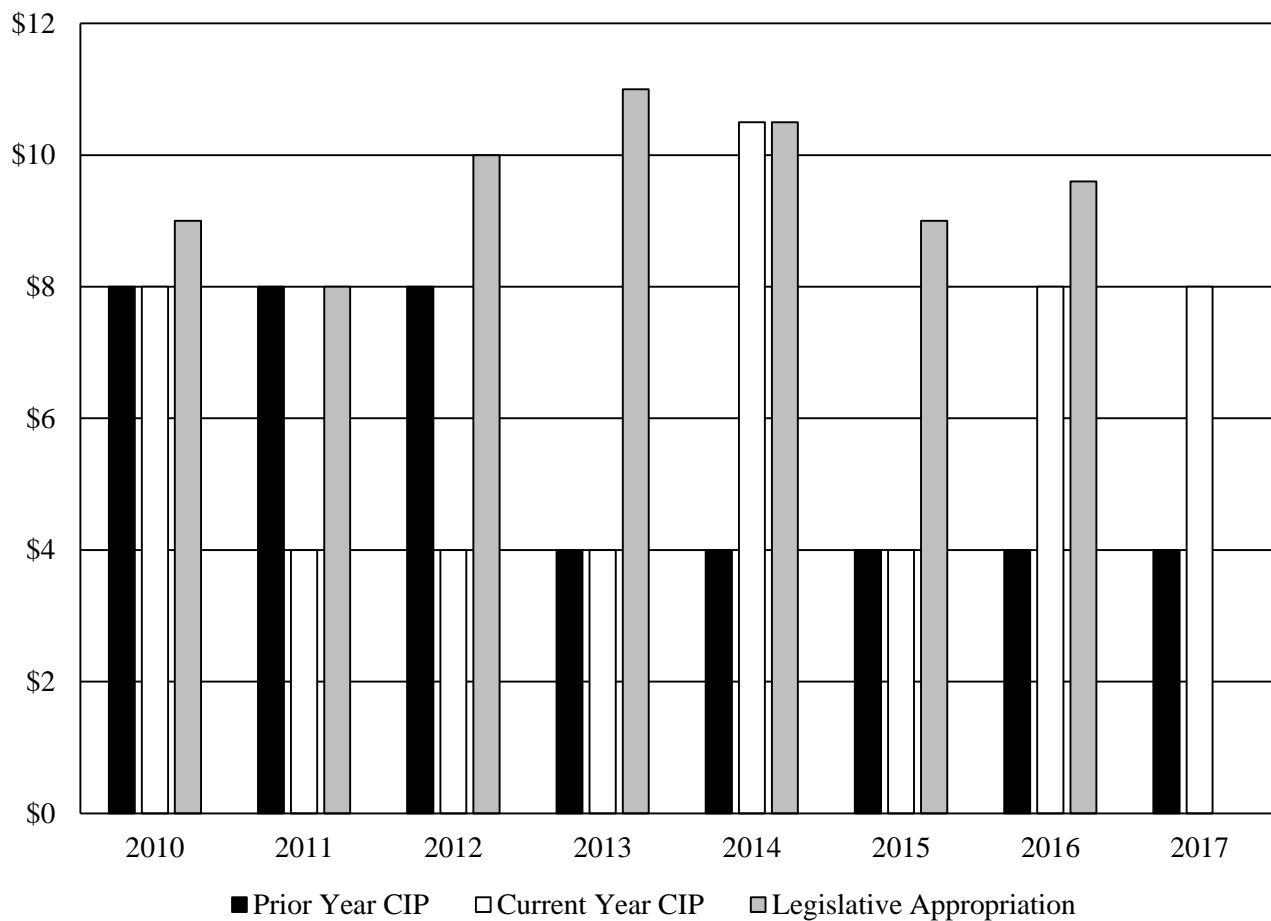
Budget Overview

As shown in **Exhibit 1**, while the final fiscal 2015 and 2016 budgets had programmed \$9.0 million and \$9.6 million, respectively, in State support, the fiscal 2017 budget programs only \$8.0 million for three new MICUA projects. This is equal to the smallest amount of State funding that MICUA has received in the legislative appropriation in the past six years, \$8.0 million in fiscal 2011. However, while the *Capital Improvement Program* (CIP) had shown only \$4.0 million in each out-year for MICUA projects since fiscal 2012, it now shows \$8.0 million in each out-year. The General Assembly has increased MICUA funding over the CIP amount in six of the past seven years.

Exhibit 2 shows the MICUA capital program appropriations from fiscal 1996 to 2016. Since fiscal 1996, the State has provided \$149.9 million for projects at 13 institutions. The Johns Hopkins University (JHU) has received the most funding at \$36.3 million, or 24%. The next largest recipient is Notre Dame of Maryland University, which has received \$16.6 million, followed by the Maryland Institute College of Art (MICA), which has received \$15.4 million. The remaining 10 institutions received \$81.6 million, or about \$8.2 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 in January 2012, and Sojourner-Douglass College, which closed in July 2015. By full-time equivalent student enrollment, JHU accounts for about 47% of enrollment, while Loyola University of Maryland has about 12% and Stevenson University about 9% of total MICUA enrollment. The remaining 10 institutions average about 1,400 students per campus and accounted for only 33% of the total MICUA enrollment in fiscal 2015. 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. While institutions are generally to receive funding only once every three years to ensure that all institutions receive funding, there is also a policy that institutions with interim presidents or newly appointed presidents may not participate in the MICUA capital program. This is partly the reason why JHU is on the proposed funding list in fiscal 2017, despite having last received capital funding in fiscal 2016 and 2014.

Exhibit 1 illustrates that MICUA often receives more funding than the amount proposed when the capital budget is introduced. **To the extent that the committees are inclined to support additional funding for MICUA projects above the \$8 million proposed by the Governor, MICUA should brief the committees on projects currently in the pipeline to which additional funding could be directed.**

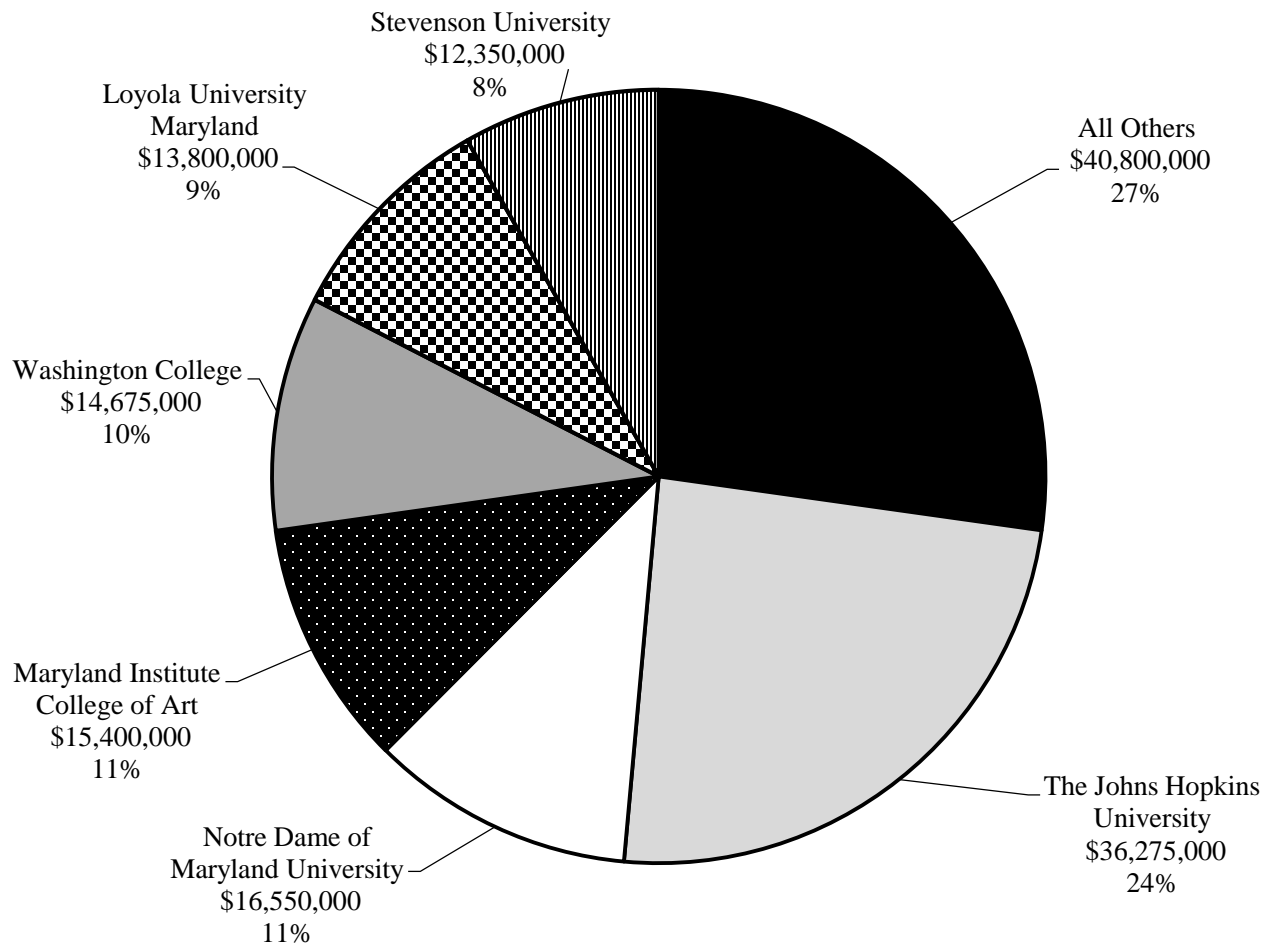
Exhibit 1
Historic Funding for MICUA Projects
Fiscal 2010-2017
(\$ in Millions)



CIP: Capital Improvement Program
 MICUA: Maryland Independent College and University Association

Source: Department of Budget and Management

Exhibit 2
Maryland Independent College and University Association
Capital Appropriations
Fiscal 1996-2016
(\$ in Millions)



Note: Includes only funding appropriated through the Maryland Independent College and University Association's capital budget program. Excludes institutions that are no longer eligible for this program.

Source: Maryland Independent College and University Association

Capitol Technology University

Authorization Uses
(\$ in Millions)

Description	Prior Authorization	2017 Request	2018 Estimate	2019 Estimate	2020 Estimate	2021 Estimate
Planning	\$0.000	\$0.261	\$0.000	\$0.000	\$0.000	\$0.000
Construction	0.000	3.024	0.000	0.000	0.000	0.000
Total	\$0.000	\$3.285	\$0.000	\$0.000	\$0.000	\$0.000

Authorization Sources
(\$ in Millions)

Description	Prior Authorization	2017 Request	2018 Estimate	2019 Estimate	2020 Estimate	2021 Estimate
GO Bonds (42.6%)	\$0.000	\$1.400	\$0.000	\$0.000	\$0.000	\$0.000
Nonbudgeted (57.4%)	0.000	1.885	0.000	0.000	0.000	0.000
Total	\$0.000	\$3.285	\$0.000	\$0.000	\$0.000	\$0.000

This project will construct a 99,000 gross square feet (GSF) multipurpose building including student housing and academic spaces on the Laurel campus of Capitol Technology University (CTU), formerly Capitol College. State support will only be applied toward the 9,086 GSF portion that is academic in nature. The non-State supported portion of the budget includes student housing and dormitory space to accommodate 255 students. The entire facility accommodates expected growth at CTU, which focuses on the fields of cybersecurity, computer science, engineering, robotics, and telecommunications. Fiscal 2017 funding will cover design and construction. Design is scheduled from May 2015 to May 2016, with construction from August 2016 through July 2017.

CTU currently has insufficient classroom, laboratory, and residential space to meet growing enrollment in its science, engineering, technology, and mathematics (STEM) programs. New programs coming online include an undergraduate degree in mobile computing and game programming and a certificate in secure software development. Existing classrooms and learning facilities are inadequate and were mostly designed in the 1980s and 1990s, a very long time ago in the rapidly changing field of technology education. Electrical output in current facilities is at capacity, and most classrooms are set up as traditional lecture spaces rather than as computer labs or for group projects. The new building will allow classes to move out of the old buildings and enable later renovations of the existing spaces. CTU has had success in the rapidly growing field of cybersecurity, assisted by its location in the

Baltimore-Washington corridor, which has many governmental and contractor cybersecurity employers. Expansion of CTU’s ability to educate students on cybersecurity and related computer skills will help the State graduate students with in-demand employment skills. CTU is unique for its employment guarantee for all undergraduate students, which states every student will have a competitive salary offer within 90 days of graduation, indicating its firm commitment to student success. In addition, CTU is a majority minority institution by student enrollment, reaching many underrepresented groups in STEM fields, such as racial/ethnic minorities and women.

The total State share of this project is projected to be 42.6%. The last fiscal year in which CTU received MICUA capital funding was in the 2009 Maryland Consolidated Capital Bond Loan (MCCBL) for \$2.5 million for the new Leadership and Innovation Institute building, although this was de-authorized in the 2011 legislative session’s MCCBL.

The President should comment on the status of \$1.9 million in private donations that make up part of the institution’s required match for State funding for this project and on the certainty that State support will be used for this project.

The Johns Hopkins University

Authorization Uses

(\$ in Millions)

Description	Prior Authorization	2017 Request	2018 Estimate	2019 Estimate	2020 Estimate	2021 Estimate
Planning	\$0.000	\$2.488	\$0.000	\$0.000	\$0.000	\$0.000
Construction	0.000	27.548	0.000	0.000	0.000	0.000
Total	\$0.000	\$30.036	\$0.000	\$0.000	\$0.000	\$0.000

Authorization Sources

(\$ in Millions)

Description	Prior Authorization	2017 Request	2018 Estimate	2019 Estimate	2020 Estimate	2021 Estimate
GO Bonds (11.0%)	\$0.000	\$3.300	\$0.000	\$0.000	\$0.000	\$0.000
Nonbudgeted (89.0%)	0.000	26.736	0.000	0.000	0.000	0.000
Total	\$0.000	\$30.036	\$0.000	\$0.000	\$0.000	\$0.000

ZA00HIJ – MISC – Maryland Independent College and University Association

This project will renovate 30,100 GSF of space in Macaulay Hall for the Krieger School of Arts and Sciences (KSAS) on JHU’s Homewood Campus in Baltimore City. The structure is functionally inadequate, with obsolete infrastructure and insufficient space for the school’s academic needs. The renovation will create 19,400 net assignable square feet (NASF) of modern research space, including an electron microscopy suite, which will serve the entire campus and the Baltimore research and development community. Fiscal 2017 funding will cover design and construction. Design is scheduled from August 2015 to August 2016, with construction from September 2016 through December 2017.

Macaulay Hall’s current layout is unchanged since it was built 51 years ago and is based on 1960s laboratory design principles, which distinctly split every floor into office space on one side and laboratory space on the other side. By modernizing the building and removing hard partitions that silo traditional laboratory space, the facility will be transformed into a highly flexible, well-equipped academic building to support interdisciplinary collaboration for undergraduate education and research. Renovating this space into eight modern laboratories will increase the building’s adaptability for contemporary uses and will allow for larger lab group sizes of up to 20 researchers. The Undergraduate Teaching Laboratory, completed in 2014 with State support, will serve as a conceptual model for Macaulay Hall’s renovations.

Infrastructure serving Macaulay Hall is also outdated, life safety systems are inadequate, the building is not Americans with Disabilities Act compliant, and 7,500 NASF of laboratory space in the building is actually vacant as personnel have moved to newer and better facilities on the Homewood Campus. This means the renovations will not significantly disrupt any activity on campus. Finally, renovations will enable KSAS to attract high-quality faculty and improve student-to-faculty ratios on campus by enabling KSAS to hire eight additional faculty. The basement of the building also houses the Integrated Imaging Center, which uses sophisticated microscopes, benefiting undergraduate and graduate research students.

The total State share of this project is projected to be only 11%. The last fiscal year in which JHU received MICUA capital funding was in fiscal 2016, which was also for renovations to laboratory space, but for the Bloomberg School of Public Health on the JHU medical campus.

Maryland Institute College of Art

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

Description	Prior Authorization	2017 Request	2018 Estimate	2019 Estimate	2020 Estimate	2021 Estimate
Planning	\$0.000	\$0.651	\$0.000	\$0.000	\$0.000	\$0.000
Construction	0.000	7.458	0.000	0.000	0.000	0.000
Total	\$0.000	\$8.109	\$0.000	\$0.000	\$0.000	\$0.000

Authorization Sources
(\$ in Millions)

Description	Prior Authorization	2017 Request	2018 Estimate	2019 Estimate	2020 Estimate	2021 Estimate
GO Bonds (40.7%)	\$0.000	\$3.300	\$0.000	\$0.000	\$0.000	\$0.000
Nonbudgeted (59.3%)	0.000	4.809	0.000	0.000	0.000	0.000
Total	\$0.000	\$8.109	\$0.000	\$0.000	\$0.000	\$0.000

This project will demolish the existing three-story 15,000 GSF facility at 100 Dolphin Street in Baltimore City owned by MICA and construct a new 25,000 GSF academic facility at the same location to house the Center for Product Design and Printmaking. While MICA considered adaptive reuse, which was very successful for the Mt. Royal Station structure, the Dolphin Building is structurally unsound with multiple failing building systems and, despite being a century old, has not been deemed to have significant historic value. A new facility would offer technology-based prototyping laboratories and modern seminar and presentation space dedicated to printmaking and three-dimensional design. This will enable the college to consolidate its digital print labs and print equipment and to add a new academic program in Product Design. Fiscal 2017 funding will cover design and construction. Design is scheduled from June 2015 to March 2016, with demolition and construction from May 2016 through October 2017.

MICA’s current facilities are insufficient to meet its growing enrollment and emerging technologies used in art and design programs. This demolition and construction project will allow the institution to adapt to changing curricular and equipment needs for art programs. Without this new building, MICA reports it would not be able to further expand its enrollment, which is currently about 2,200 students. Additionally, MICA would be forced to close the Dolphin building in the near future due to its deteriorating condition. MICA believes a new focus on technology-based industries will keep MICA at the forefront of design trends and attract 80 to 100 new students to campus. The new academic program, Product Design, focuses on product development and commercialization, which enables more interdisciplinary collaboration between the fine arts, engineering, and business to explore design across many fields including consumer products, retail packaging, safety equipment, and fashion.

The total State share of this project is projected to be 40.7%. The last fiscal year in which MICA received MICUA capital funding was in fiscal 2014 for \$4 million to renovate its Falls Road warehouse and the Fox Building for graduate student art space.

The President should comment on the status of \$3.6 million in private donations that make up part of the institution’s required match for State funding for this project.

GO Bond Recommended Actions

1. Approve the \$1.4 million in general obligation bonds for the planning, design, construction, renovation, and capital equipping of the new Living and Learning Center at Capitol Technology University.
2. Approve the \$3.3 million in general obligation bonds for the planning, design, construction, renovation, and capital equipping of renovations to Macaulay Hall at The Johns Hopkins University.
3. Approve the \$3.3 million in general obligation bonds for the planning, design, construction, renovation, and capital equipping of the demolition of the Dolphin Building and the construction of a new academic building at the Maryland Institute College of Art.