

RB24
Towson University
 University System of Maryland

Capital Budget Summary

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

| Projects | Prior Auth. | 2018 Request | 2019 Est. | 2020 Est. | 2021 Est. | 2022 Est. | Beyond CIP |
|--|------------------------|-------------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| New Science Facility | \$11.850 | \$36.000 | \$63.650 | \$72.319 | \$0.000 | \$0.000 | \$0.000 |
| New College of Health Professions Building | 0.000 | 0.000 | 0.000 | 5.266 | 6.437 | 73.700 | 70.847 |
| Total | \$11.850 | \$36.000 | \$63.650 | \$77.585 | \$6.437 | \$73.700 | \$70.847 |

| Fund Source | Prior Auth. | 2018 Request | 2019 Est. | 2020 Est. | 2021 Est. | 2022 Est. | Beyond CIP |
|--------------------|------------------------|-------------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| GO Bonds | \$11.850 | \$26.000 | \$61.650 | \$63.585 | \$1.437 | \$73.700 | \$70.847 |
| Revenue Bonds | 0.000 | 0.000 | 2.000 | 7.000 | 5.000 | 0.000 | 0.000 |
| Nonbudgeted Funds | 0.000 | 10.000 | 0.000 | 7.000 | 0.000 | 0.000 | 0.000 |
| Total | \$11.850 | \$36.000 | \$63.650 | \$77.585 | \$6.437 | \$73.700 | \$70.847 |

CIP: *Capital Improvement Program*
 GO: general obligation

Summary of Recommended Bond Actions

1. Science Facility

Approve continued funding for design and to begin construction of the science facility.

2. SECTION 12 – Towson University – Science Facility

Approve pre-authorization of \$61.7 million to continue construction.

3. SECTION 13 – Towson University – Science Facility

Approve pre-authorization of \$63.3 million to complete construction.

Budget Overview

New Science Facility

The New Science Facility will house the College of Science and Mathematics and will provide space that will accommodate enrollment growth and will allow for the expansion of academic programs. The facility was added to the 2014 *Capital Improvement Plan (CIP)* to replace the Smith Hall expansion and renovation project. A detailed engineering review and assessment of Smith Hall revealed significant deficiencies in the building envelope and that the existing structural system cannot accommodate the additional weight of the rooftop mechanical equipment needed for a modern science facility.

Project Funding

Due to concerns about the size and scope, the project was deferred for one year in the 2015 CIP. Towson University (TU) reexamined the project, and the result was that the total cost of the project was reduced by \$4.0 million, from \$187.8 million to \$183.8 million due to constructing 16,000 gross square feet (GSF)/9,000 net assignable square feet (NASF) as shell space to be fitted out at a later date with non-State funds. In addition, the general obligation (GO) bond funding for the project was reduced by \$25.0 million due to the leveraging of \$17.0 million in nonbudgeted funds. This includes \$7.0 million in an equipment loan from the University System of Maryland (USM), \$5.0 million of institutional funds, and \$5.0 million in private donations. In addition, \$4.0 million in Academic Revenue Bonds (ARB) will be used in lieu of GO bonds in fiscal 2019 and 2020, as programmed in the 2017 CIP.

The 2017 CIP advances the use of \$10.0 million in nonbudgeted funds programmed in fiscal 2019 and 2020 in the 2016 CIP to fiscal 2018. This results in a corresponding decrease in GO bond funding to \$26.0 million in fiscal 2018, as shown in **Exhibit 1**. This will require TU to use

the planned \$5.0 million of institutional funds in fiscal 2018. Since it has not yet raised the \$5.0 million in private donations, a bridge loan will be required from USM in order to proceed with construction. The \$10.0 million in GO bond funding is added to the \$52.8 million in fiscal 2020 as programmed in the 2016 CIP, increasing funding to \$63.3 million. **The President should provide an update on raising the \$5.0 million in private donations.**

Exhibit 1
Programmed Uses and Funding Sources
Fiscal 2017-2020

| | <u>Prior</u> <u>Authorization</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>Total</u> |
|-------------------|--------------------------------------|-----------------|-----------------|-----------------|------------------|
| Planning | \$11.850 | \$2.669 | \$0.000 | \$0.000 | \$14.519 |
| Construction | 0.000 | 33.331 | 62.250 | 65.219 | 160.800 |
| Equipment | 0.000 | 0.000 | 1.400 | 7.100 | 8.500 |
| Total | \$11.850 | \$36.000 | \$63.650 | \$72.319 | \$183.819 |
| Source | | | | | |
| GO Bonds | \$11.850 | \$26.000 | \$61.650 | \$63.390 | \$162.890 |
| Revenue bonds | 0.000 | 0.000 | 2.000 | 2.000 | 4.000 |
| Nonbudgeted funds | 0.000 | 10.000 | 0.000 | 7.000 | 17.000 |
| Total | \$11.850 | \$36.000 | \$63.650 | \$72.390 | \$183.890 |

Source: 2017 Capital Improvement Plan

Inadequacies of Current Facility

Due to the age of building – Smith I and II were built in 1964 and 1976, respectively – it can no longer support the instructional technology used in today’s classes or meet the space needs of the academic programs currently housed in the building. All of the buildings’ systems and components are original and are past the industry standard life cycle. The heating, ventilation, and air conditioning systems no longer have the capacity to adequately support the building, resulting in some interior spaces being unusable during hot weather. The lack of humidity control has caused the growth of mold in some academic and support spaces. Air handlers and unit ventilators are corroded from the inside and discharge metal particles. In addition, plumbing lines and valves are corroded, particularly in the chemistry laboratories, which have flooded classrooms, thereby limiting the use of these rooms.

Smith Hall lacks adequate laboratory space to support the demand for the general education courses and the prerequisite sciences courses required for those majoring in the health profession

programs. Only a limited number of these courses can be offered each semester, resulting in students being waitlisted for these classes that tend to be overcrowded and can result in increasing students' time to degree. The problem is exacerbated by the growth in enrollment in the College of Science and Mathematics, which increased 37.2% from 2,923 students in fall 2009 to 4,011 students in fall 2014. Furthermore, the current layout of permanent laboratory benches and concrete block walls in Smith Hall does not allow rooms to be easily configured to support new technology or changes in curriculum and research.

The 316,000 GSF/184,730 NASF facility will provide space to not only accommodate increased demand for science courses but also research space, as shown in **Exhibit 2**.

Exhibit 2
Proposed Space by Classification
Net Assignable Square Feet

| | |
|---------------------------|----------------|
| Class and Open Laboratory | 74,965 |
| Research Laboratory | 39,350 |
| Offices | 27,065 |
| Classroom | 22,550 |
| Greenhouse | 4,730 |
| Study | 4,275 |
| Lounge | 3,460 |
| Animal Quarters | 1,980 |
| Other | 6,355 |
| Total | 184,730 |

Source: Department of Budget and Management

Operating Budget Impact Statement

Executive’s Operating Budget Impact Statement – State-owned Projects (\$ in Millions)

| | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
|--|----------------|----------------|----------------|----------------|----------------|
|--|----------------|----------------|----------------|----------------|----------------|

| | | | | | | |
|-------------------------------|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| New Science Facility | | | | | | |
| | Estimated Operating Cost | \$0.000 | \$0.000 | \$0.682 | \$3.520 | \$6.047 |
| | Estimated Staffing | 0.00 | 0.00 | 1.32 | 7.90 | 7.90 |
| Total Operating Impact | | | | | | |
| | Estimated Operating Cost | \$0.000 | \$0.000 | \$0.682 | \$3.520 | \$6.047 |
| | Estimated Staffing | 0.00 | 0.00 | 1.32 | 7.90 | 7.90 |

Summary of Other Projects in the Capital Improvement Program

The New College of Health Professions Building will house the Departments of Health Science, Nursing, Occupational Therapy, Communications Sciences and Disorders Collaborative Programs, and the majority of Kinesiology. These departments are currently located in five buildings that do not have the quality or quantity of space needed to accommodate growing enrollments in the health professions. Planned funding for the facility first appeared in the 2013 CIP, but other priorities, including the New Science Facility, moved the initial funding back in the CIP. The 2016 CIP deferred the initial design funds from fiscal 2018 to 2020. The 2017 CIP programs design funds of \$5.3 million and \$6.4 million in fiscal 2020 and 2021, respectively, which consists of \$5.0 million in ARBs in each year.

Pre-authorizations

Exhibit 3 shows the pre-authorizations for the New Science Facility, as previously discussed.

Exhibit 3 Pre-authorizations Fiscal 2019-2022

| <u>Project</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>Reason</u> |
|-----------------------|--------------------|--------------------|--------------------|--------------------|------------------------------------|
| New Science Facility | \$61.650 | \$63.319 | \$0.000 | \$0.000 | Allows completion of construction. |

Source: Department of Budget and Management, 2017 *Capital Improvement Program*

GO Bond Recommended Actions

1. Approve \$26 million in general obligation bonds to continue design and begin construction of the science facility.
2. Approve pre-authorization of \$61.7 million in general obligation bonds for fiscal 2019 to continue construction of the science facility.
3. Approve pre-authorization of \$63.3 million in general obligation bonds in fiscal 2020 to complete construction of the science facility.