

RB25
University of Maryland Eastern Shore
 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
-----------------	--------------------	---------------------	------------------	------------------	------------------	------------------	-------------------

School of Pharmacy and Health Professions	\$3.500	\$3.048	\$0.000	\$35.146	\$44.491	\$0.000	\$0.000
Total	\$3.500	\$3.048	\$0.000	\$35.146	\$44.491	\$0.000	\$0.000

Fund Source	Prior Auth.	2018 Request	2019 Est.	2020 Est.	2021 Est.	2022 Est.	Beyond CIP
--------------------	--------------------	---------------------	------------------	------------------	------------------	------------------	-------------------

GO Bonds	\$3.500	\$3.048	\$0.000	\$35.146	\$44.491	\$0.000	\$0.000
Total	\$3.500	\$3.048	\$0.000	\$35.146	\$44.491	\$0.000	\$0.000

CIP: *Capital Improvement Program*
 GO: general obligation

Summary of Recommended Bond Actions

1. School of Pharmacy and Health Professions

Approve funding to continue design of the School of Pharmacy and Health Professions.

Budget Overview

School of Pharmacy and Health Professions

The School of Pharmacy and Health Professions building will house the School of Pharmacy’s Doctor of Pharmacy and Doctor of Pharmaceutical Sciences program providing the modern instructional and research space needed to support the current and future growth of the school. The project will address the intermediate and long-term facilities needs of the school ensuring that the facilities are in compliance with accreditation standards.

The pharmacy program was approved by the Board of Regents in December 2007 and the Maryland Higher Education Commission in 2008. The program allows students to graduate in three years of year-round study, and at the time, was one of only six such programs in the country. For the first cohort that was admitted in July 2010, there were 918 applicants, of which 64 were admitted. Currently, 175 students are enrolled in the program.

In order to accommodate the new program, Somerset Hall underwent a \$6.5 million renovation funded with a combination of facility renewal, fund balance, and funds from the University System of Maryland (USM). The Accreditation Council on Pharmacy Education (ACPE) conducted a site visit in April 2013 and noted that the current facilities were not ideal for the program and stated that the University of Maryland Eastern Shore (UMES) needed to make progress in addressing the short- and long-term facilities needs of the program. Evidence of progress would include a report on the decision regarding the location of a new pharmacy building, a target date for beginning and completing construction, and measures that will be taken to meet the needs in the intervening years. The program was fully accredited in June 2013.

In April 2015, APCE visited UMES and found the pharmacy facilities “unsatisfactory” in four categories and “needs improvement” in one category. ACPE noted the school occupies space in six different buildings and two temporary trailers, with first- and second-year students based in different buildings, and faculty and administrative offices in other buildings. While the program continues to be in compliance with accreditation standards, the lack of adequate facilities could put it in jeopardy.

The 2016 *Capital Improvement Program* (CIP) programmed \$3.5 million and \$3.7 million in fiscal 2019 and 2020, respectively, to design the facility with construction funding programmed in the out-years. The General Assembly accelerated the project by adding language to the 2017 capital budget

authorizing \$3.5 million to begin design in fiscal 2017. The 2017 CIP programs \$3.0 million to complete design in fiscal 2018; however, \$71.5 million in construction funding is not programmed until fiscal 2020 and 2021, as was initially programmed in the 2016 CIP.

The estimated cost of the project increased \$10.2 million, from \$76.0 million to \$86.2 million due to a change in the cost per square foot from \$336 to \$425 during the Department of Budget and Management review of the Part I and Part II programs for the project. The change reflects the cost of other comparable USM projects such as the Biomedical Sciences and Engineering Building at Shady Grove and Clark Hall at the University of Maryland, College Park, where the cost per square foot ranged from \$370 to \$610. This range is comparable to science, technology, engineering, and mathematics related construction projects in neighboring states.

While Somerset Hall, originally constructed as a residence hall, was renovated to house the School of Pharmacy, it lacks adequate space needed to support the instructional, research, and office needs of the school. A lecture hall in George Washington Carver Science Building is dedicated to the first-year pharmacy students. However, in order to support the pharmacy pedagogy that relies on small break-out rooms where students engage in problem-solving activities followed by large group discussions, students have to walk from the Science Building to the breakout rooms in Somerset Hall and then back to the Science Building. This inefficient instruction delivery increases the unproductive time to courses and affects course scheduling. A lecture hall in the Food Science and Technology Building is dedicated to second-year students with breakout rooms located in Temporary Buildings 1 and 2. Furthermore, many of the classrooms do not provide adequate space that allow for the use of movable tables, which promotes flexibility in the arrangement of student stations. In addition, the school does not have class laboratories typically used in pharmacy programs such as a pharmacy simulation laboratory and clinical examination suite.

The school also lacks sufficient research space with 10 faculty members sharing two research laboratories totaling 2,082 net assignable square feet (NASF). The smaller laboratory (882 NASF) is shared with 2 medicinal chemists and 2 physiologists, and only has one chemical fume hood, which is inadequate for the number of researchers using this space. The larger laboratory (1,200 NASF) is used by 1 virologist, 2 pharmaceutical scientists, and 2 cancer biologists. There is only one biosafety hood that researchers have to take turns to use, which limits their productivity. In addition, in fall 2015 a new graduate program was offered – Pharmaceutical Sciences Program – a research-oriented degree offering two areas of specialization: (1) Drug Design and Discovery; and (2) Drug Delivery and Clinical Pharmacology. Space was made for the program out of existing facilities, but the program lacks a dedicated pharmaceutical sciences laboratory that needs approximately 8,200 NASF of research space.

After its 2013 site visit, ACPE noted a need for an animal research facility to house rodents and other laboratory animals. UMES planned to construct a facility during summer 2013, but the costs were significantly higher than expected, so the facility was not constructed. The existing animal care facilities cannot be used because they do not meet the accreditation standards for the Association for Assessment and Accreditation of Laboratory Animal Care and were not designed to meet animal bio-safety level 1 or 2 standards, which are required if proper care is to be provided to research animals.

The new facility will provide 65,000 NASF/120,250 gross square feet and will include shared space for other health sciences disciplines including physical therapy, kinesiology, and rehabilitation. The project includes 14,705 NASF and 11,520 NASF of class laboratory and classroom space, respectively; 12,540 NASF of office and conference space; 3,900 NASF of meeting space; and 2,500 NASF of demonstration space. In addition, the project provides 8,180 NASF of research space and 3,915 NASF of animal research space.

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
School of Pharmacy and Allied Health						
	Estimated Operating Cost	\$0.000	\$0.000	\$0.000	\$0.000	\$1.482
	Estimated Staffing	0.00	0.00	0.00	0.00	2.50
Total Operating Impact						
	Estimated Operating Cost	\$0.000	\$0.000	\$0.000	\$0.000	\$1.482
	Estimated Staffing	0.00	0.00	0.00	0.00	2.50

It should be noted that UMES is facing continuing financial challenges since fiscal 2014 because education and general expenditures have exceeded revenues. UMES has used a combination of surpluses in the auxiliary enterprises and fund balance to cover the shortfall. In fiscal 2017, the decline in enrollment led to tuition and fee revenues being \$4.6 million less than the allowance, which resulted in spending and hiring freezes. UMES has implemented long-term strategies to ensure that expenditures align with revenues. If the opening of the School of Pharmacy and Allied Health is not appropriately budgeted, it could further strain UMES’s budget.

GO Bond Recommended Actions

1. Approve \$3 million in general obligation bonds to continue design of the School of Pharmacy and Allied Health Professions.