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St. Mary's College 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 Academic Building and Auditorium	\$2.600	\$11.532	\$3.003	\$12.916	\$29.400	\$16.047	\$0.000
Campus Infrastructure Improvements	2.641	0.000	2.425	2.976	4.329	3.380	0.000
Total	\$5.241	\$11.532	\$5.428	\$15.892	\$33.729	\$19.427	\$0.000

Fund Source	Prior Auth.	2018 Request	2019 Est.	2020 Est.	2021 Est.	2022 Est.	Beyond CIP
GO Bonds	\$2.700	\$9.832	\$5.428	\$15.892	\$33.729	\$19.427	\$0.000
General Funds	1.741	0.000	0.000	0.000	0.000	0.000	0.000
Nonbudgeted Funds	0.800	1.700	0.000	0.000	0.000	0.000	0.000
Total	\$5.241	\$11.532	\$5.428	\$15.892	\$33.729	\$19.427	\$0.000

CIP: *Capital Improvement Program*
GO: general obligation

Summary of Recommended Bond Actions

1. Academic Building and Auditorium

Approve continued funding of the design and construction of athletic fields and the new academic building.

Budget Overview

New Academic Building Combined with Athletic Field Relocation Project

The athletic field relocation and new academic building appeared as two separate projects in the 2013 *Capital Improvement Program* (CIP). However, beginning with the 2016 CIP, these two actions have been treated as a single capital project with multiple parts. First, new athletic fields and support facilities will be constructed on the periphery of campus, then the existing fields and facility located in a more central part of campus will be demolished. This new space will provide room for a large new academic building containing an auditorium immediately adjacent to other academic buildings and residence halls. In the 2017 CIP, all components of this project together cost \$75.5 million, a decrease of about \$0.5 million, or 0.7%, from the 2016 CIP.

The relocation of athletic fields includes the design and construction of new outdoor sports facilities to replace existing facilities that will be displaced by the new academic building and auditorium. Additionally, St. Mary’s College of Maryland (SMCM) would like to install artificial turf to improve the durability of its athletic fields and offer facilities comparable to peer institutions in its Division III athletic conference. This project relocates athletic fields from space in the middle of the main campus to adjacent land owned by the college across Mattapany Road and frees a significant amount of space for capital projects on campus without placing future academic buildings across major roads. The new sports facilities will include artificial turf, and utility work in Phase I. Phase II will include a new grass field and track, outdoor seating, lockers, storage facilities, concessions, and an announcer’s booth. The total athletic facility space constructed is about 3,000 net assignable square feet (NASF), and the total cost is expected to be \$10.9 million, with the college contributing \$2.5 million. Design of the relocation will also occur in two phases from July 2016 through March 2018. The 2017 CIP includes \$3.5 million more in general obligation (GO) bonds than planned one year ago to accelerate the athletics field’s relocation to ensure that the athletics portion of the project is completed in time for the fall 2018 athletics season, per the lead donor’s request. SMCM has advanced its share of funding for the project from fiscal 2019 to 2017 and 2018 in order to meet the new accelerated timeline. The decrease in construction time contributes to the decrease in cost for the total project in the 2017 CIP.

The Department of Legislative Services had previously raised the issue of funding the athletic field relocation as it directly provides State support for intercollegiate athletic (ICA) facilities, which

traditionally has occurred on a very limited basis. ICA facilities have never been a priority for GO bonds, let alone in the State Plan for Postsecondary Education. However, this ICA project includes non-State funds to reduce the State support for ICA facilities and is directly tied to an academic component. SMCM has also previously used State funding to relocate a water tower to create space for its new student services building, so relocating the athletic fields is consistent with how SMCM has used capital planning resources in the past. Finally, SMCM estimates that it may save up to \$10,000 per year in upkeep by switching from a grass field to artificial turf.

The new building, enabled by the field relocation, originally included just new space for SMCM’s music department and a 712-seat auditorium. Currently, the largest auditorium on campus seats only 216 people, or 15% of the student population. Despite a steady decline in enrollment since fiscal 2010, amounting to over 20% of full-time equivalent students, SMCM maintains that this is an appropriately sized auditorium for its campus. The 2014 CIP programmed funding to add space for the education department and a study/learning commons to provide a hub for students in the north campus. This moderate change in scope was informed by a new facility master plan finished in fall 2014. Currently, the music department is in Montgomery Hall, an overcrowded, 38-year-old building. Under the revised scope, if the education department moves into the new facility, the science, technology, engineering, and mathematics programs will have more space in Goodpaster Hall. The primary beneficiaries, however, are the art, education, and music departments, which collectively have enrolled fewer than 100 students from fall 2010 through 2016. In total, the new building is now estimated at about 31,000 NASF, the same as in the prior CIP. The facility also addresses growing space deficiencies in office and study space, as reported by the college. Site work for this project includes a 200-vehicle parking lot, as well as landscaping and relocating existing utilities. Archeological excavation will also be necessary due to the college’s proximity to Historic St. Mary’s City. **The President should comment on why this academic building, as planned, is a priority given that the college is currently suffering from a prolonged enrollment decline and that this project does not directly enhance the college’s ability to increase enrollment within high demand programs of study.**

This building’s estimated cost has fluctuated slightly over time. The 2013 CIP estimated the new building’s final cost as \$55.65 million, but this grew to \$60.4 million in the 2014 CIP and then to \$66.7 million in the 2015 CIP. As mentioned earlier, the increase reflected in the 2014 CIP was due to a change in scope. The increase reflected in the 2015 CIP was due to an update of the regional construction factor used by the Department of Budget and Management to estimate project costs. This factor for Southern Maryland increased from 0.95 to 1.05, or 10%, for projects in fiscal 2016 and beyond. The building’s total cost has come down slightly in the most recent CIPs, as the 2016 CIP was at \$64.7 million, and the 2017 CIP is at \$64.4 million. The total project cost estimates are based only on the current approved program plan and further refinement will be informed by the design effort. Initial design funding is programmed in fiscal 2017 at \$1.8 million for both the field relocation and the new academic building. Design work will begin in March 2017 and will continue through September 2019. The new academic facility should be complete in summer 2022.

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 Academic Building and Auditorium					
Estimated Operating Cost	\$0.000	\$0.028	\$0.028	\$0.028	\$0.028
Estimated Staffing	0	0	0	0	0
Total Operating Impact					
Estimated Operating Cost	\$0.000	\$0.028	\$0.028	\$0.028	\$0.028
Estimated Staffing	0	0	0	0	0

Operating impact estimates currently include athletic field maintenance in fiscal 2019 through 2022. These figures come directly from the institution and do not match the 2017 CIP. The new building does not open until fiscal 2023, so its operating costs are not reflected here; however, the college estimates that it will be about \$0.3 million.

Summary of Other Projects in the Capital Improvement Program

Campus Infrastructure Improvements

This is a multi-phased project and consists of a wide range of infrastructure renewal projects throughout the campus such as construction of a pedestrian/bicycle pathway and bridge along Maryland Route 5, replacement of mechanical equipment and new windows in various buildings, and other improvements. Phase I was funded in fiscal 2017, and phases II and III are now programmed to occur beginning in fiscal 2019 and will be completed in fiscal 2022. Phase IV was canceled in the 2016 CIP, and the total project cost is estimated at \$15.8 million. As shown in **Exhibit 1**, this was deferred from fiscal 2018 in order to focus State resources on SMCM’s new Academic Building, which is a higher priority.

**Exhibit 1
Projects Deferred
Fiscal 2018**

<u>Project</u>	<u>Description</u>	<u>Reason for Deferral</u>
Campus Infrastructure Improvements	Construct various improvements at St. Mary’s College of Maryland including replacing windows and roofs.	To accelerate the new academic building, which is a higher priority.

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

GO Bond Recommended Actions

1. Approve \$9.8 million in general obligation bond funds for the design, construction, and equipping of the new athletic fields and for design of the new academic building and auditorium on the campus of St. Mary’s College of Maryland.