

ZA00XXX

**Maryland Independent College and University Association – Capital
Miscellaneous Grant Programs**

Capital Budget Summary

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

Program	2018 Approp.	2019 Approp.	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate
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MICUA Projects	\$9.700	\$12.000	\$9.600	\$8.000	\$8.000	\$8.000	\$8.000
Rosewood Property Abatement	5.000	5.000	6.000	0.000	0.000	0.000	0.000
Total	\$14.700	\$17.000	\$15.600	\$8.000	\$8.000	\$8.000	\$8.000

Fund Source	2018 Approp.	2019 Approp.	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate
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GO Bonds	\$14.700	\$17.000	\$15.600	\$8.000	\$8.000	\$8.000	\$8.000
Total	\$14.700	\$17.000	\$15.600	\$8.000	\$8.000	\$8.000	\$8.000

GO: general obligation

MICUA: Maryland Independent College and University Association

Summary of Recommended Bond Actions

1. Hood College Hodson Library and Technology Center Renovations

Approve funding for the Hood College Beneficial-Hodson Library and Technology Center renovation.

2. Johns Hopkins University Stavros Niarchos Foundation Agora Institute

Approve funding for the construction of the Stavros Niarchos Foundation Agora Institute building.

3. Mount St. Mary's University Knott Academic Center

Approve funding for the Knott Academic Center renovations and additions.

4. Stevenson University New Academic Building

Approve funding for the new academic building on the Owings Mills Campus.

5. Stevenson University – Rosewood Property Environmental Abatement

Approve funding for the Rosewood property environmental abatement.

6. SECTION 2 – Maryland Independent College and University Association – Capitol Technology University

Approve the deauthorization of \$1.6 million in general obligation bond funds for the Capitol Technology University Living and Learning Center.

7. SECTION 2 – Maryland Independent College and University Association – Washington College

Amend the prior authorization for Washington College.

Budget Overview

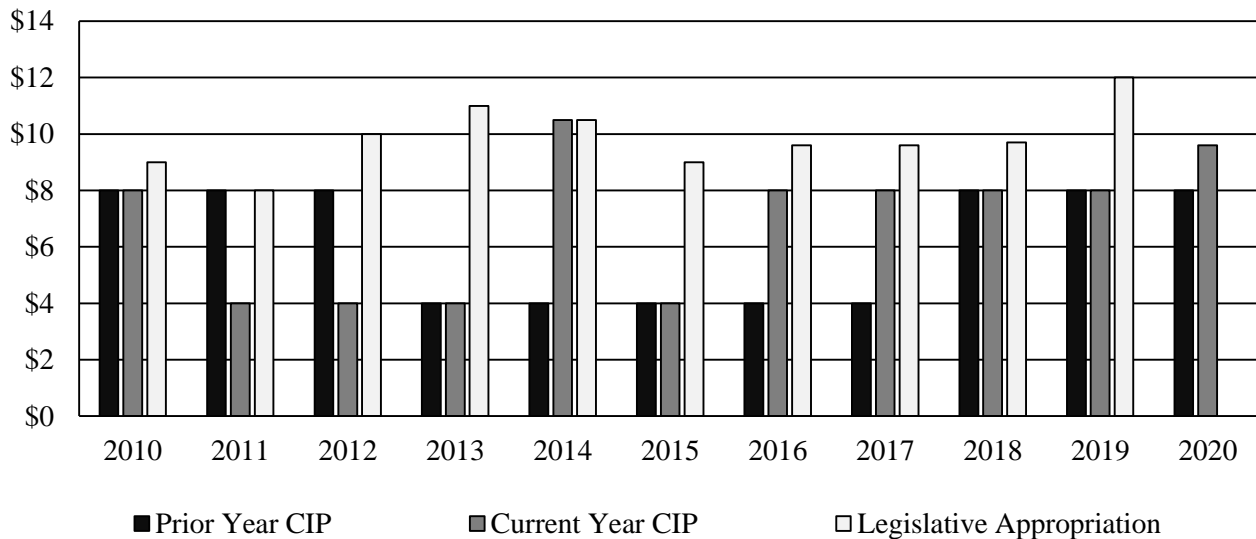
Funds are provided for grants to assist the State's private colleges and universities with costs of constructing and renovating academic facilities and infrastructure. The grants leverage institutional resources and private donations that must at least match the State appropriation for each project. The 13-member 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 14,300 degrees and certificates annually. Receiving about 2% of the State’s capital higher education budget, MICUA institutions serve about 18% of the State’s higher education students and produce about 27% of degrees conferred in Maryland.

The proposed capital budget provides \$9,600,000 in general obligation (GO) bonds, leveraging \$110,308,000 in matching funds for projects at four institutions: Hood College; The Johns Hopkins University (JHU); Mount St. Mary’s University; and Stevenson University (for the new academic building on the Owings Mills Campus). In addition to those projects, the proposed budget includes \$6,000,000 in GO bonds for Stevenson University’s redevelopment of the former Rosewood property in Baltimore County.

Exhibit 1 shows the historic capital funding patterns for MICUA institutions dating back to fiscal 2010. Although funding levels programmed in the State’s annual five-year *Capital Improvement Program* (CIP) have often fluctuated when compared to prior-year programmed funding levels, the exhibit illustrates the willingness of the General Assembly to increase annual funding levels above what is introduced in the annual capital budget bill.

Exhibit 1
Historic Funding MICUA Projects
Fiscal 2010-2020
(\$ in Millions)

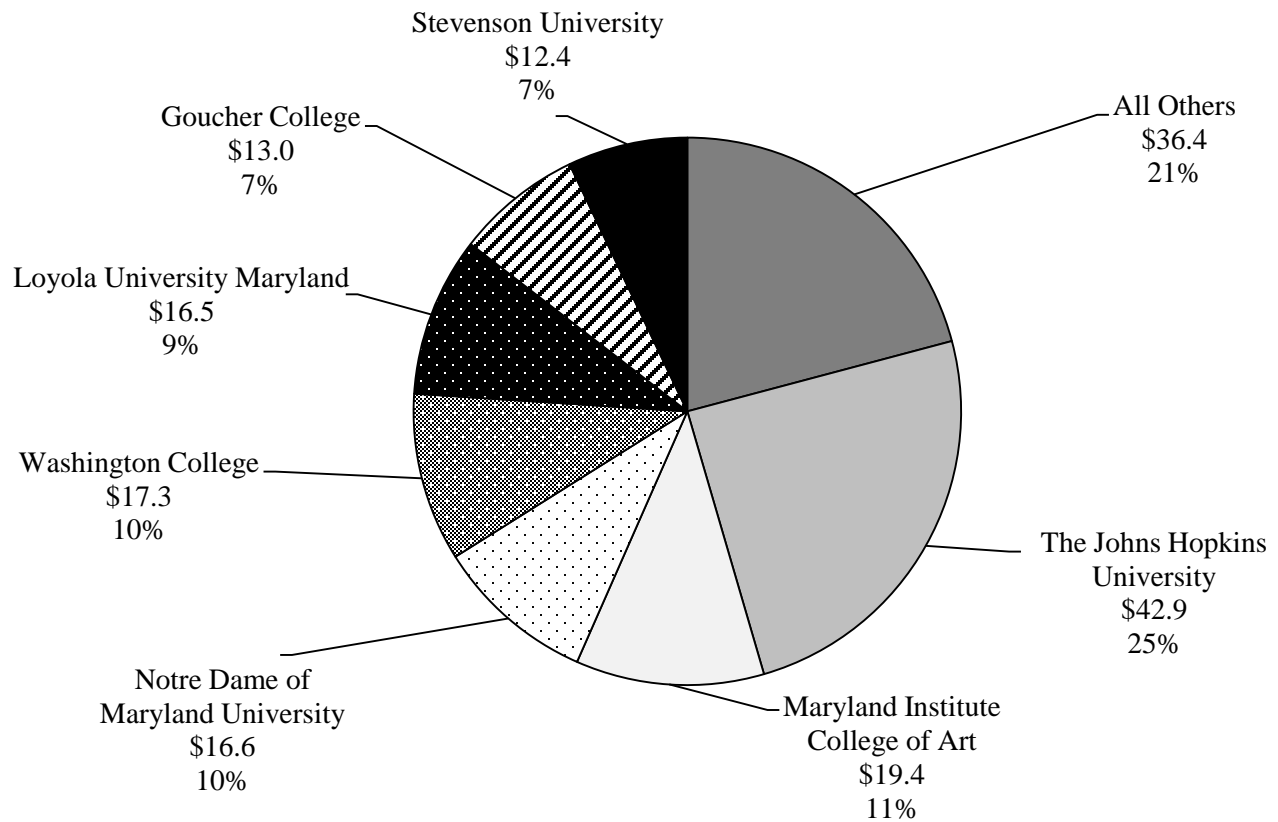


CIP: *Capital Improvement Program*
 MICUA: Maryland Independent College and University Association

Source: Department of Budget and Management

Exhibit 2 shows the MICUA capital program appropriations from fiscal 1997 through 2019. Since fiscal 1997, the State has provided \$174.5 million for projects at 13 institutions. JHU has received the most funding at \$42.9 million, or 25%. The next largest recipient is the Maryland Institute College of Art that has received \$19.4 million, followed by Notre Dame of Maryland University that has received \$16.6 million. The remaining 10 institutions received \$95.6 million, or about \$9.5 million each on average.

Exhibit 2
Maryland Independent College and University Association
Capital Appropriations
Fiscal 1997-2019
(\$ in Millions)



Note: Only includes 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

Fiscal 2020 Projects

Hood College

Hodson Library and Technology Center Renovation

This project will transform the Beneficial-Hodson Library into a Technology Center to better accommodate the technological needs of students in the university. The Beneficial-Hodson Library is a 52,077-net-assignable-square-foot (NASF) building that currently holds most of the college’s library collection. Because of the accessibility of collections online and the transition of resources to online mediums, this renovation will transform the space to maintain the current functions of the library while redesigning the space to increase common spaces that promote communal- and team-based learning outside of the classroom as well as creating digital environments that provide the necessary technology for faculty and matriculating students. The renovated space will also house the Josephine Steiner Center for Academic Advancement and Retention, the Center for Teaching Excellence, and the Information Technology Department. The renovations will remove 10,000 NASF of library stacks and convert them into a flexible multi-use space for multiple learning purposes. Hood College’s undergraduate enrollment is projected to increase by 20% between fall 2018 to 2022. Open spaces to accommodate more students will be necessary.

The total cost of the project is \$7 million with the recommendation of \$2.4 million in GO bonds for fiscal 2020. The current master plan was approved by the School Board of Trustees with the design phase beginning in July 2018 and an expected completion date of August 2020. In addition to the programmed CIP funding, Hood College will use donor contributions and institutional funding to complete the project.

Authorization Uses (\$ in Millions)

Description	Prior Authorization	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate
Planning	\$0.000	\$0.668	\$0.000	\$0.000	\$0.000	\$0.000
Construction	0.000	6.373	0.000	0.000	0.000	0.000
Total	\$0.000	\$7.041	\$0.000	\$0.000	\$0.000	\$0.000

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

Description	Prior Authorization	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate
GO Bond (34.09%)	\$0.000	\$2.400	\$0.000	\$0.000	\$0.000	\$0.000
Matching (65.91%)	0.000	4.641	0.000	0.000	0.000	0.000
Total	\$0.000	\$7.041	\$0.000	\$0.000	\$0.000	\$0.000

GO: general obligation

The Johns Hopkins University

Stavros Niarchos Foundation Agora Institute

This project will construct the Stavros Niarchos Foundation Agora Institute (SNFAI) that is a 57,000-gross-square-foot building located on the JHU Homewood Campus. This building would be designed with academic space, laboratory space, and community spaces to support the interdependent facets of the programs offered within the building that would be a part of the Krieger School of Arts and Sciences. JHU is currently experiencing a shortage of space, and there are currently no spaces that could be reconfigured to support the goals of SNFAI. More specifically, there are no social science research centers on the campus, and there are no community spaces that are large enough to accommodate the work of SNFAI. While there are no current spaces to adequately house community, research, and academic social science work interdependently; there has also been a consistent increase in enrollment, which suggests that a new space is necessary to accommodate the new students.

The new building will include 16,280 NASF of academic space that will include multiple seminar-style classrooms as well as offices for SNFAI staff and core and co-located faculty members to support social science research initiatives. There will also be 3,790 NASF for team research-specific purposes that will include data analysis suites and research laboratories. The community/conversation space will be 10,650 NASF that will have a presentation-style setup for up to 150 people as well as smaller breakout rooms for smaller groups to work.

The building is currently in the design phase with \$70 million in philanthropy from various sources, including the Stavros Niachos Foundation to support the construction of the building. The fiscal 2020 allowance includes \$2,400,000 in GO bonds to support the construction that is 2.47% of the total projected costs of the project, which is \$97 million. The project is not fully funded at this time, but it is anticipated that the combination of the \$70 million from philanthropy and GO bonds will help

ZA00XXX – MISC – Maryland Independent College and University Association – Capital

to secure the rest of the funding necessary with an anticipated project completion date of fiscal 2022. **MICUA should comment on the changes in scope and cost for the SNFAI project.**

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

Description	Prior Authorization	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate
Planning	\$0.000	\$11.581	\$0.000	\$0.000	\$0.000	\$0.000
Construction	0.000	85.424	0.000	0.000	0.000	0.000
Total	\$0.000	\$97.005	\$0.000	\$0.000	\$0.000	\$0.000

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

Description	Prior Authorization	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate
GO Bond (2.5%)	\$0.000	\$2.400	\$0.000	\$0.000	\$0.000	\$0.000
Matching (97.5%)	0.000	94.605	0.000	0.000	0.000	0.000
Total	\$0.000	\$97.005	\$0.000	\$0.000	\$0.000	\$0.000

GO: general obligation

Mount St. Mary’s University

Knott Academic Center Renovation and Addition

This project will renovate and construct an addition to the Knott Academic Center, which is one of the primary instructional buildings on the Emmitsburg campus. The university has seen an increase in enrollment that has necessitated an increase in classroom, faculty, and laboratory space to accommodate the increase. This expansion and renovation will add 10,690 NASF to the existing building, which includes an additional 5 classrooms, 24 faculty offices, a laboratory space, meeting rooms, conference rooms, and assembly areas.

ZA00XXX – MISC – Maryland Independent College and University Association – Capital

The university is currently experiencing space deficits and, as a result, scheduling of classes has become difficult as there are not enough classrooms to accommodate the necessary number of classes meeting during peak instructional times. The estimated cost of this project is \$7.5 million with \$2.4 million recommended in GO bonds. The GO bonds will be used to fund the design phase of the project with construction anticipated in December 2020 and a project completion date of October 2021.

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

Description	Prior Authorization	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate
Planning	\$0.000	\$0.545	\$0.000	\$0.000	\$0.000	\$0.000
Construction	0.000	6.948	0.000	0.000	0.000	0.000
Total	\$0.000	\$7.493	\$0.000	\$0.000	\$0.000	\$0.000

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

Description	Prior Authorization	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate
GO Bond (32.03%)	\$0.000	\$2.400	\$0.000	\$0.000	\$0.000	\$0.000
Matching (67.97%)	0.000	5.093	0.000	0.000	0.000	0.000
Total	\$0.000	\$7.493	\$0.000	\$0.000	\$0.000	\$0.000

GO: general obligation

Stevenson University

New Academic Building

This project will construct a 31,350-NASF academic building for the Owings Mills Campus of the university. The building will include the university’s library; a black box theater; and offices for humanities, social sciences, and education faculty. As Stevenson University attempts to grow their

ZA00XXX – MISC – Maryland Independent College and University Association – Capital

Owings Mills Campus, there is currently inadequate space to appropriately do so. With the construction of the building, Stevenson University will no longer have to run shuttles from Greenspring to the Owings Mills Campus. After the construction of the building, Stevenson University may close the Greenspring campus. The new construction is necessary to provide space so that the university can operate in a singular space and cut the cost associated with maintaining both campuses. It will also provide one space that can be maximized for multiple uses instead of several spaces that have a limited range of use, which will be more economically efficient after initial construction costs.

The estimated cost of the project is \$8.3 million, which includes \$2.4 million in GO bonds for the project in fiscal 2020. It is anticipated that construction will begin in July 2019 with a project completion date of January 2021. The State contribution is 28.68% of the total project costs with the remainder of the funding being from Stevenson University investment funding.

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

Description	Prior Authorization	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate
Planning	\$0.000	\$0.609	\$0.000	\$0.000	\$0.000	\$0.000
Construction	0.000	7.760	0.000	0.000	0.000	0.000
Total	\$0.000	\$8.369	\$0.000	\$0.000	\$0.000	\$0.000

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

Description	Prior Authorization	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate
GO Bond (28.68%)	\$0.000	\$2.400	\$0.000	\$0.000	\$0.000	\$0.000
Matching (71.32%)	0.000	5.969	0.000	0.000	0.000	0.000
Total	\$0.000	\$8.369	\$0.000	\$0.000	\$0.000	\$0.000

GO: general obligation

Rosewood Property Environmental Abatement

On March 8, 2017, the Department of General Services, acting on behalf of the Maryland Department of Health, notified the budget committees of its intent to present the Board of Public Works (BPW) with a purchase and sale agreement to convey 117 acres, known as Rosewood Hospital Center Areas 1 and 2, to Stevenson University. On June 7, 2017, BPW approved the transaction. Various provisions were established to ensure that environmental hazards on the property would be properly abated. To assist these efforts, the State authorized funding over multiple years in the Maryland Consolidated Capital Bond Loan (MCCBL) of 2017.

Authorization Uses (\$ in Millions)

Description	Prior Authorization	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate
Planning	\$0.400	\$0.100	\$0.000	\$0.000	\$0.000	\$0.000
Construction	10.300	5.900	0.000	0.000	0.000	0.000
Total	\$10.700	\$6.000	\$0.000	\$0.000	\$0.000	\$0.000

Authorization Sources (\$ in Millions)

Description	Prior Authorization	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate
GO Bond	\$10.700	\$6.000	\$0.000	\$0.000	\$0.000	\$0.000
Total	\$10.700	\$6.000	\$0.000	\$0.000	\$0.000	\$0.000

Stevenson University has undertaken the environmental remediation using State grant funds authorized in the MCCBL of 2017, which provide a nonmatching fund grant to Stevenson University in the amount of \$5.0 million for fiscal 2018 and 2019 and \$6.0 million for fiscal 2020; these funds are in addition to \$700,000 already authorized in the MCCBL of 2016. Approximately \$8.7 million would fund environmental abatement, and the remaining \$8.0 million would fund various site and infrastructure improvements for future development of the property by Stevenson University. As introduced, the fiscal 2020 Capital Budget Bill provides the \$6.0 million preauthorized in the 2019 session for fiscal 2020, which is the last authorized funding for the project.

Amendments to Prior Authorizations

The 2018 Capital Budget Bill included a MICUA-sponsored grant to assist Washington College with the construction of a new academic building to house the Department of Mathematics and Computer Science. MICUA has since come forward with a request that the 2018 session grant be amended to allow Washington College to use the funds for a different project. Discussions with the Department of Budget and Management indicate concurrence with the request, and the Department of Legislative Services recommends language that would officially amend the 2018 authorization for a new capital purpose.

Deauthorizations

The Capitol Technology University has a project that was for the Living and Learning Center, which is an academic space that would have been housed in the basement of a residential space. Because residential buildings are not supported by the capital budget, the project was identified for deauthorization, as shown in **Exhibit 3**.

Exhibit 3 Deauthorizations

<u>Project</u>	<u>Deauthorized Amount</u>	<u>Reason</u>
Capitol Technology University Living and Learning Center	\$1,600,000	The project was for an academic space that would have been housed in the basement of a residential space.

Source: Department of Budget and Management, 2018 *Capital Improvement Program*

GO Bond Recommended Actions

1. Approve funding for the Hood College Beneficial-Hodson Library and Technology Center renovation.
2. Approve funding for the construction of the Stavros Niarchos Foundation Agora Institute building.
3. Approve funding for the Knott Academic Center renovations and additions.
4. Approve funding for the new academic building on the Owings Mills Campus.
5. Approve funding for the Rosewood property environmental abatement.
6. Approve the deauthorization of \$1.6 million in general obligation bond funds for the Capitol Technology University Living and Learning Center because projects in residential spaces are not supported by the capital budget.
7. Amend the prior authorization for Washington College.

ZF3850	SECTION 2 – Maryland Independent College and University Association – Washington College	\$ 0
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Add the following language:

Section 1(3)

ZA00

MISCELLANEOUS GRANT PROGRAMS

<u>(Z)</u>	<u>Maryland Independent College and University Association – Washington College. Provide a grant equal to the lesser of (i) \$4,000,000 or (ii) the amount of the matching fund provided, to the Board of Trustees of Washington College for the design, construction, and capital equipping of a new academic building [adjacent to the Barbara and George Cromwell Hall] TO HOUSE THE DEPARTMENT OF THE ENVIRONMENT AND OTHER SCIENCE PROGRAMS, subject to the requirement that the grantee provide an equal and matching fund for this purpose. Notwithstanding Section 1(5) of this Act, the matching fund may consist of funds expended prior to the effective date of this Act (Kent County).....</u>	<u>4,000,000</u>
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Explanation: This language amends a grant authorized in the Maryland Consolidated Capital Bond Loan of 2018 for Washington College to change the purpose for which the grant was provided.