

ZA00NOP
Maryland Independent College and University Association
Miscellaneous Capital Programs

Capital Budget Summary

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

Program	2016 Approp.	2017 Approp.	2018 Request	2019 Estimate	2020 Estimate	2021 Estimate	2022 Estimate
MICUA Projects	\$9.600	\$9.600	\$8.000	\$8.000	\$8.000	\$8.000	\$8.000
Total	\$9.600	\$9.600	\$8.000	\$8.000	\$8.000	\$8.000	\$8.000

Fund Source	2016 Approp.	2017 Approp.	2018 Request	2019 Estimate	2020 Estimate	2021 Estimate	2022 Estimate
GO Bonds	\$9.600	\$9.600	\$8.000	\$8.000	\$8.000	\$8.000	\$8.000
Total	\$9.600	\$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. Goucher College New Science Building
Approve funding for construction of the New Science Building.
2. McDaniel College Gill Physical Education Learning Center
Approve funding for renovation of the Gill Physical Education Learning Center.
3. St. John's College McDowell Hall
Approve funding for the renovation of McDowell Hall.

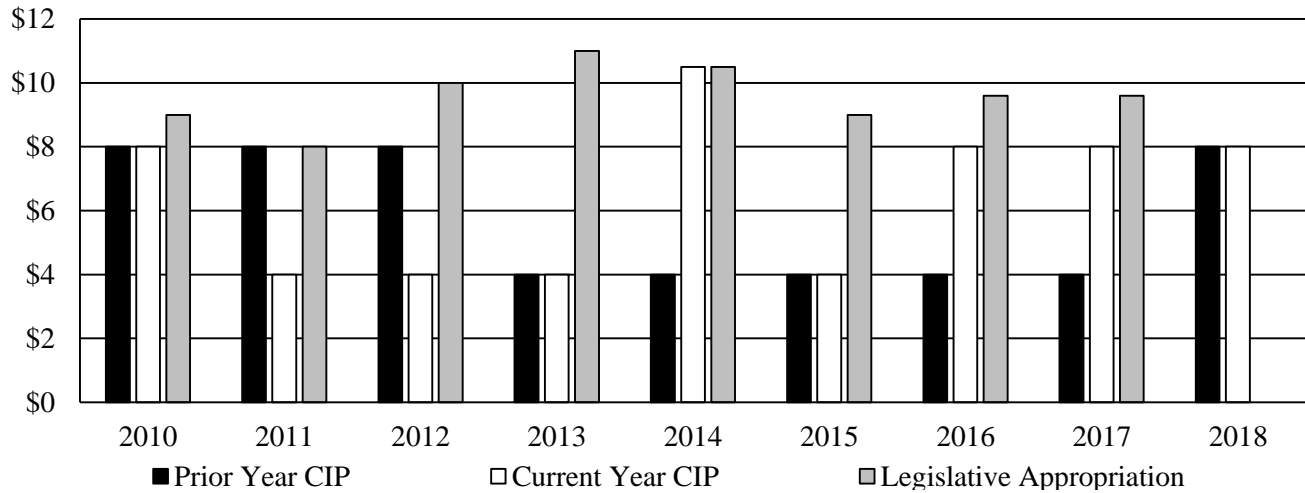
Performance Measures and Outputs

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 16% of the State’s higher education students and produce about 27% of degrees conferred in Maryland.

Budget Overview

As shown in **Exhibit 1**, while the final fiscal 2016 and 2017 budgets provided \$9.6 million in State support for MICUA projects, the fiscal 2018 budget programs only \$8.0 million for three new MICUA projects. This would be the smallest amount of State funding that MICUA has received since the \$8.0 million in the fiscal 2011 legislative appropriation. The 2011 *Capital Improvement Program* (CIP) through the 2015 CIP had shown only \$4.0 million in each out-year for MICUA projects, but beginning with the 2016 CIP, MICUA is now programmed to receive \$8.0 million in each out-year. The General Assembly has increased MICUA funding over the CIP amount in seven of the past eight years.

Exhibit 1
Historic Funding for MICUA Projects
Fiscal 2010-2018
(\$ in Millions)

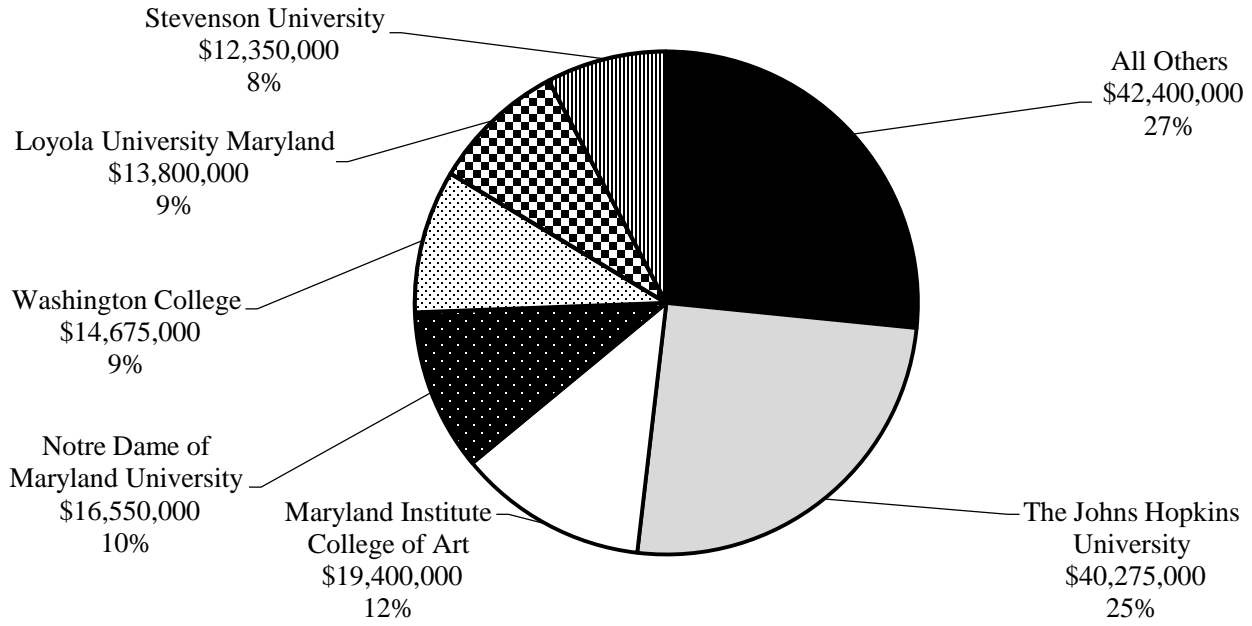


CIP: Capital Improvement Program
 MICUA: Maryland Independent College and University Association

Source: Department of Budget and Management

Exhibit 2 shows the MICUA capital program appropriations from fiscal 1997 through 2017. Since fiscal 1997, the State has provided \$159.5 million for projects at 13 institutions. The Johns Hopkins University (JHU) has received the most funding at \$40.3 million, or 25%. The next largest recipient is the Maryland Institute College of Art, which has received \$19.4 million, followed by Notre Dame of Maryland University, which has received \$16.6 million. The remaining 10 institutions received \$83.2 million, or about \$8.3 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 has 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 2016. 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. Two institutions up for funding in fiscal 2018, McDaniel College (MC) and St. John’s College (SJC), have received the least total funding over the past 20 years, receiving \$4.5 million and \$5.4 million respectively.

Exhibit 2
Maryland Independent College and University Association Capital Appropriations
Fiscal 1997-2017
(\$ 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

State Support Outside of the MICUA Grant Program

There is also a project in the 2017 CIP to provide for remediation of the Rosewood Center in Owings Mills, which would benefit Stevenson University, a MICUA member institution. Funding of \$1.5 million is programmed to begin in fiscal 2019. However, this project is completely separate from the MICUA capital program that is covered by this analysis and is instead an ongoing discussion between the State and Stevenson University regarding the best future use of the Rosewood site.

Fiscal 2018 Projects

Goucher College

Authorization Uses (\$ in Millions)

Description	Prior Authorization	2018 Request	2019 Estimate	2020 Estimate	2021 Estimate	2022 Estimate
Planning	\$0.000	\$2.154	\$0.000	\$0.000	\$0.000	\$0.000
Construction	0.000	25.238	0.000	0.000	0.000	0.000
Total	\$0.000	\$27.392	\$0.000	\$0.000	\$0.000	\$0.000

Authorization Sources (\$ in Millions)

Description	Prior Authorization	2018 Request	2019 Estimate	2020 Estimate	2021 Estimate	2022 Estimate
GO Bond (11.0%)	\$0.000	\$3.000	\$0.000	\$0.000	\$0.000	\$0.000
Nonbudgeted* (89.0%)	0.000	24.392	0.000	0.000	0.000	0.000
Total	\$0.000	\$27.392	\$0.000	\$0.000	\$0.000	\$0.000

GO: general obligation

* Nonbudgeted funds are comprised of \$12.0 million from private sources and institutional capital funds, and \$12.392 million of debt or designated endowment.

This project will construct a new 59,000 gross square feet (GSF) science building, including modern classroom and lab spaces and interactive learning facilities on the campus of GC. State support is programmed at \$3.0 million, which represents only 11% of the total project cost of \$27.4 million. GC is programmed to support this project with \$12.0 million from private sources and institutional capital funds. GC has received approximately \$1.3 million in donations to date and is actively working on raising the remainder of its donor funds. GC is also going to refinance existing debt and issue new debt later in spring 2017, a portion of which will be used to support this project. The entire facility accommodates expected undergraduate enrollment growth at GC, which focuses on the liberal arts and requires all students to take a laboratory science course. Fiscal 2018 funding will cover design and

construction. Design is scheduled from December 2015 to August 2017, with construction from January 2018 through August 2019.

GC currently has insufficient classrooms and laboratories in the Hoffberger Science Building (HSB) for its biology programs. HSB was constructed in phases from 1953 to 1981, and its classrooms and learning facilities are inadequate and have health and safety issues. For example, the building does not have the ventilation required to perform more than the most basic lab experiments, the ground faults are insufficient to protect the scientific equipment inside, and chemical storage facilities do not meet modern best practices. GC considered renovating HSB but found this to be cost prohibitive and that appropriate surge space was not available to continue teaching students during any renovations. The proposed new building will allow classes to move out of the old building and enable later renovation of HSB. The new science building will have more flexible teaching space and have larger student stations in class labs in blended classrooms where lab and teaching spaces are combined for a more integrative and interactive approach to teaching with discussion, group projects, and lab work happening in the same space. The new building will also have modern chemical storage spaces in more secured locations.

The last fiscal year in which GC received MICUA capital funding was in the Maryland Consolidated Capital Bond Loan (MCCBL) of 2010 for \$3.0 million for renovations to the Julia Rogers Library. There was at one point disagreement between GC and the Maryland Historical Trust (MHT) regarding improvements to be made on campus at the time of this project, but the issue has been resolved.

McDaniel College

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

Description	Prior Authorization	2018 Request	2019 Estimate	2020 Estimate	2021 Estimate	2022 Estimate
Planning	\$0.000	\$0.492	\$0.000	\$0.000	\$0.000	\$0.000
Construction	0.000	6.117	0.000	0.000	0.000	0.000
Total	\$0.000	\$6.609	\$0.000	\$0.000	\$0.000	\$0.000

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

Description	Prior Authorization	2018 Request	2019 Estimate	2020 Estimate	2021 Estimate	2022 Estimate
GO Bond (37.8%)	\$0.000	\$2.500	\$0.000	\$0.000	\$0.000	\$0.000
Nonbudgeted* (62.2%)	0.000	4.109	0.000	0.000	0.000	0.000
Total	\$0.000	\$6.609	\$0.000	\$0.000	\$0.000	\$0.000

GO: general obligation

* Nonbudgeted funds are comprised of \$2.3 million in philanthropic fundraising and \$1.8 million of debt financing.

This project will renovate approximately 29,000 GSF in the Gill Physical Education Learning Center (GPELC) on the campus of MC. State support is programmed at \$3.0 million, which represents 37.8% of the total project cost of \$6.6 million. MC is programmed to support this project with \$2.3 million from private sources. MC anticipates using a line of credit as bridge funding for this project, which will allow the project to proceed immediately while fundraising continues. The entire facility accommodates expected undergraduate enrollment growth at MC, especially in the Exercise Science and Physical Education (EPE) program, which prepares students for careers in physical education, sports medicine, physical therapy, and other related fields. Fiscal 2018 funding will cover design and construction. Design is scheduled from July 2016 to March 2017, with construction from June 2017 through June 2018.

GPELC consists of two attached buildings, the older Gill Center and the newer Gill Gymnasium, and this project renovates three spaces across this complex. The first component is adaptive reuse of the unfinished basement of the Gill Center by lowering the basement floor to create classroom space in an otherwise underutilized part of the GPELC and to create a tunnel to connect the lower level of the older building with the newer building. This will create a second egress point and obviate the need for a more expensive elevator. This will increase the space usable for academic purposes in this part of the building from about 1,350 net assignable square feet (NASF) to about 7,200 NASF to benefit the EPE program. The second component of this project will renovate the mezzanine level of the new gymnasium by enclosing another underutilized area to create two new EPE classrooms. Currently, this awkwardly shaped space is used to store bleachers, when not needed, and used infrequently for athletic training. The renovations would permanently remove the bleachers and create new classrooms and storage space for the EPE program.

The third and final component involves subdividing the new gymnasium into halves by installing a mechanical folding acoustical partition so that multiple activities can take place simultaneously in the gym without disturbing one another. The southern half of the gym is reserved for varsity athletic events. During formal athletic events, the northern half of the gym cannot be used due to noise and the lack of a physical barrier between the spaces. The partition, which would likely remain deployed most of the time, would allow EPE courses to conduct movement-based activities that require more space than is currently available in existing EPE laboratory spaces. There would also be improved flooring installed on the northern half of the gym due to increased EPE use and an addition of 1,000 GSF to enable access directly to the northern end of the building from the outside.

DLS raised concerns about the potential for the GPELC renovations to directly benefit intercollegiate athletics (ICA). However, the spaces created by these renovations are explicitly to benefit the EPE program. Based on the most recent data from the Maryland Higher Education Commission, EPE has been the first or second highest producer of degrees at MC from fiscal 2010 through 2015, indicating that it is a large and important program to the institution. Furthermore, improvements are not being made to the southern portion of the gymnasium, which is used by the institution's Division III ICA teams.

The last fiscal year in which MC received MICUA capital funding was in the MCCBL of 2012 for \$1.5 million for renovations to the Hoover Library and Alumni Hall.

St. John’s College

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

Description	Prior Authorization	2018 Request	2019 Estimate	2020 Estimate	2021 Estimate	2022 Estimate
Planning	\$0.000	\$0.528	\$0.000	\$0.000	\$0.000	\$0.000
Construction	0.000	5.390	0.000	0.000	0.000	0.000
Total	\$0.000	\$5.918	\$0.000	\$0.000	\$0.000	\$0.000

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

Description	Prior Authorization	2018 Request	2019 Estimate	2020 Estimate	2021 Estimate	2022 Estimate
GO Bond (42.2%)	\$0.000	\$2.500	\$0.000	\$0.000	\$0.000	\$0.000
Nonbudgeted* (57.8%)	0.000	3.418	0.000	0.000	0.000	0.000
Total	\$0.000	\$5.918	\$0.000	\$0.000	\$0.000	\$0.000

GO: general obligation

*Nonbudgeted funds are listed as capital fundraising.

This project will renovate the historic 24,700 GSF McDowell Hall at the Annapolis campus of SJC. The structure dates to 1744 and was last renovated in 1989. State support is programmed at \$2.5 million, which represents 42.2% of the total project cost of \$5.9 million. SJC is programmed to support this project with \$3.4 million from private sources. SJC has received donor commitments for \$2.0 million and is in discussions with other donors for the remainder to be in place by summer 2017. To the extent that any of the additional funding is not available, SJC will use bridge financing using existing resources to ensure this project proceeds on schedule. The entire facility accommodates expected undergraduate enrollment growth at SJC, which focuses on the liberal arts through a Great Books curriculum. Fiscal 2018 funding will cover design and construction. Design is scheduled from December 2015 to April 2017, with construction from June 2017 through December 2017.

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McDowell Hall is the oldest academic building in the State and has not been updated in nearly 30 years. Building systems are obsolete, restrooms and elevators are not compliant with the Americans with Disabilities Act, and health and safety issues have increased over time. SJC would like to renovate all three floors and the basement of McDowell Hall. McDowell Hall is the focal point of the campus, as it houses classrooms, offices, assembly space, the campus mail room, and a café, so if the building were to go offline for any reason, the immediate impact on campus would be significant. The renovations will replace and level the wood flooring, install modern LED lighting and fire suppression systems, and install a modern sound system in the Great Hall on the first floor. The bathrooms will also be relocated and enlarged, reducing academic space by 252 NASF and office space by 480 NASF. The overall NASF of the building will not change.

The last fiscal year in which SJC received MICUA capital funding was in the MCCBL of 2012 for \$1.5 million for construction of the new Hodson Hall and renovations to the Carroll-Barrister House.

GO Bond Recommended Actions

1. Approve the \$3.0 million in general obligation bonds for the planning, design, construction, renovation, and capital equipping of the New Science Building at Goucher College.
2. Approve the \$2.5 million in general obligation bonds for the planning, design, construction, renovation, and capital equipping of Gill Physical Education Learning Center at McDaniel College.
3. Approve the \$2.5 million in general obligation bonds for the planning, design, construction, renovation, and capital equipping of McDowell Hall at St. John’s College.