

RI00
Maryland Higher Education Commission

Capital Budget Summary

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

Description	2017 Approp.	2018 Approp.	2019 Request	2020 Estimate	2021 Estimate	2022 Estimate	2023 Estimate
Community College Facilities Grant Program	\$59.386	\$57.552	\$60.095	\$60.000	\$80.000	\$80.000	\$80.000
Total	\$59.386	\$57.552	\$60.095	\$60.000	\$80.000	\$80.000	\$80.000

Description	2017 Approp.	2018 Approp.	2019 Request	2020 Estimate	2021 Estimate	2022 Estimate	2023 Estimate
GO Bonds	\$59.386	\$57.552	\$60.095	\$60.000	\$80.000	\$80.000	\$80.000
Total	\$59.386	\$57.552	\$60.095	\$60.000	\$80.000	\$80.000	\$80.000

GO: general obligation

Summary of Issues

Garrett College Community Education and Performing Arts Center Reprogrammed as Miscellaneous Capital Project: The Garrett College Community Education and Performing Arts Center was previously programmed as a Maryland Higher Education Commission (MHEC) capital project under the Community College Facilities Grant Program (CCFGP) in the 2016 *Capital Improvement Program (CIP)*. The 2018 CIP reprograms this as a miscellaneous capital project, resulting in a substantial increase in the required State match to support the renovation of this space and the proposed improvements. While there is some community benefit to renovating this space, the prior inclusion and sudden withdraw of the project from the CCFGP should be addressed, given that the space is being renovated to provide space for continuing education and performing arts programs at Garrett College. **The Department of Legislative Services (DLS) recommends that MHEC and Garrett College comment on why this project has been reprogrammed to the miscellaneous capital program, despite prior inclusion in CCFGP and the strong academic purpose for the project.**

Summary of Recommended Bond Actions

1. Community College Facilities Grant Program

Approve the fiscal 2019 allowance for the Community College Facilities Grant Program.

2. SECTION 12 – Maryland Higher Education Commission – Community College Facilities Grant Program

Approve the pre-authorization for fiscal 2020.

3. SECTION 13 – Maryland Higher Education Commission – Community College Facilities Grant Program

Approve the pre-authorization for fiscal 2021.

Program Description

The CCFGP assists counties in improving the facilities and infrastructure of locally operated community colleges. For regional colleges, State support may total up to 75% of project costs, while other community colleges may receive between 50% and 70% of costs from the State, depending on the wealth of the jurisdiction, per Education Article, § 11-105(j). Under current guidelines, priority projects are those that incorporate certain project types, project phases, and facility categories. Additional factors include inventory status, age of facilities, funding history, and overall college priority. The combination of factors reflects the complexity of elements that impact project viability and funding priority. MHEC adopted slightly revised prioritization rules in February 2014 to ensure that the model used is in line with PlanMaryland and Green Building concepts. Every community college project must also address workforce shortage concerns and institutional capacity for the project. MHEC also oversees the cost-sharing formula for counties. Projects carry their assigned State share, without change, through the life of the project. Colleges must provide a guarantee that local funding is in place for a project before it is included in the capital budget.

Budget Overview

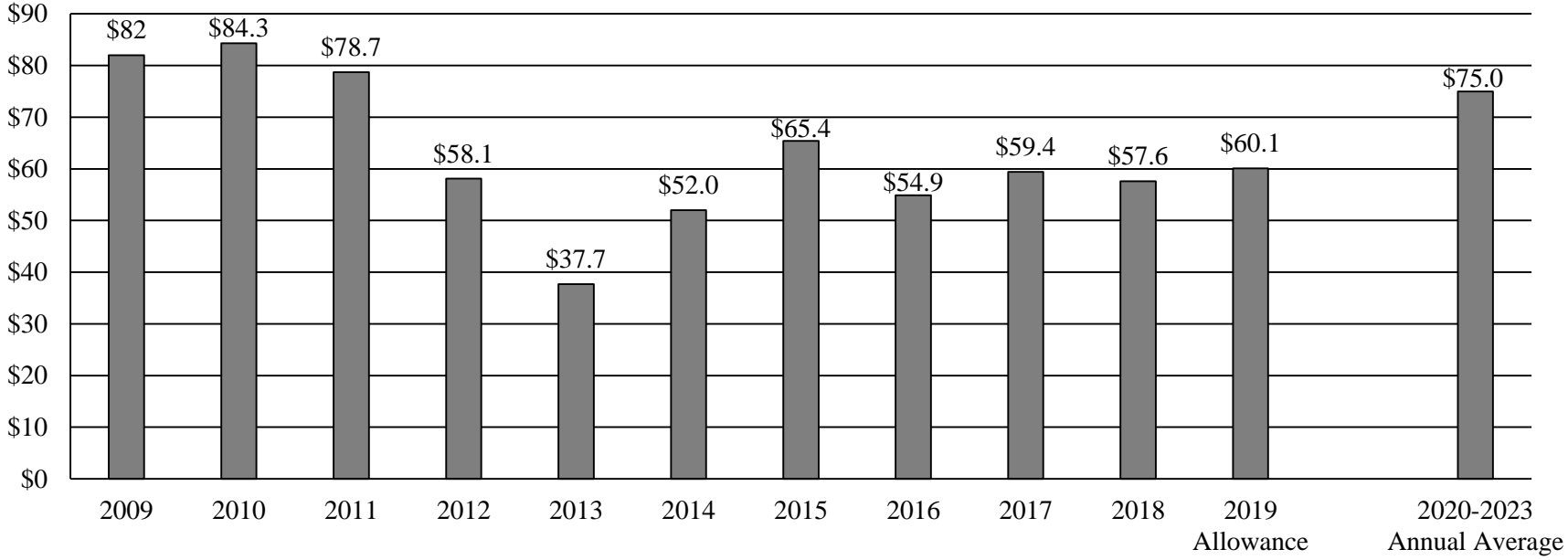
The fiscal 2019 capital budget provides \$60.1 million for the CCFGP, which is \$2.5 million, or 4.3%, greater than State support authorized in fiscal 2018. The State's share will fund 15 projects at 11 community colleges and leverage local funding support in the amount of \$47.2 million during fiscal 2019. **Exhibit 1** shows how funding levels have changed since fiscal 2009. Funding levels peaked during the period from fiscal 2009 through 2011, with a high of \$84.3 million in fiscal 2010. Authorization levels declined in fiscal 2012 through 2016, due to State and local fiscal constraints. Fiscal 2019 represents the first time funding for the CCFGP has exceeded \$60 million in a given fiscal year since fiscal 2015.

Exhibit 2 shows the list of proposed projects in the priority order of the Maryland Association of Community Colleges (MACC). Actual capital project spending in fiscal 2019 totals approximately \$63.1 million, but a program fund balance transfer of \$3.0 million requires only \$60.1 million in new general obligation (GO) bonds to be authorized. The balance accumulates if actual spending on previously approved projects comes in lower than the amount authorized. The leftover funds are recycled to new projects in the next capital budget. As of February 2017, the remaining balance for the program fund held by MHEC, after accounting for the proposed balance transfer, totals approximately \$3.0 million.

Exhibit 1
Community College Facilities Grant Program
Fiscal 2009-2023
(\$ in Millions)

Analysis of the FY 2019 Maryland Executive Budget, 2018

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Note: Does not include funding for Baltimore City Community College, as that college’s capital funding receives a separate authorization in the capital budget.

Source: Department of Budget and Management

Exhibit 2
Fiscal 2019 Proposed Projects
In Maryland Association of Community Colleges Priority Order
(\$ in Millions)

<u>Community College</u>	<u>Project Name</u>	<u>Project Phase</u>	<u>Pre-authorized MCCBL of 2017 for Fiscal 2019</u>	<u>New Funding</u>	<u>Total Funds Fiscal 2019</u>	<u>Pre-authorized Fiscal 2020</u>	<u>Pre-authorized Fiscal 2021</u>
Baltimore County	Essex Health Careers and Technology Building ¹	C	\$9.300	-\$4.265	\$5.035	\$13.365	
Howard	Renovations to N and ST Buildings	C,E	9.560	0.328	9.888		
Montgomery	Takoma Park/Silver Spring Math and Science Center	P	2.097	-0.356 ¹	1.741		
Montgomery	Rockville Student Services Center	C,E	9.897	3.927	13.824		
Prince George's	Queen Anne Academic Center	C,E	9.000	0.099	9.099		
Prince George's	Marlboro Hall Renovation and Addition	P	2.065	0.000	2.065		
Carroll	Systemic Renovation	P,C		2.753	2.753		
Allegany	Technology Building Renovation: Phase 2	P		0.656	0.656		
Anne Arundel	Health Sciences and Biology Building	C		2.500	2.500	27.500	\$15.152
Washington	Center for Business and Entrepreneurial Studies	P		0.278	0.278		
Harford	Fallston Hall Renovation	C,E		3.460	3.460		
CSM	Hughesville Health Science Center	C		8.962	8.962	9.979	
Frederick	Building E Renovation and Addition	P		0.300	0.300		
Allegany	Technology Building Renovation: Phase 1	P,C		0.525	0.525		
Baltimore County	Catonsville Medium Volt Switchgear Replacement	C		2.009	2.009		

<u>Community College</u>	<u>Project Name</u>	<u>Project Phase</u>	<u>Pre-authorized MCCBL of 2017 for Fiscal 2019</u>	<u>New Funding</u>	<u>Total Funds Fiscal 2019</u>	<u>Pre-authorized Fiscal 2020</u>	<u>Pre-authorized Fiscal 2021</u>
Total			\$41.919	\$21.176	\$63.095	\$50.844	\$15.152
Program Balance/Surplus as Introduced					-\$3.000		
Total Governor's Proposed Budget					\$60.095		

C: Construction, Renovation, or Demolition
 CSM: College of Southern Maryland
 E: Movable Equipment or Furniture
 MCCBL: Maryland Consolidated Capital Bond Loan
 P: Planning or Design

¹ Designates a project where total funds authorized in fiscal 2019 are less than those pre-authorized due to new split funding schedules.

Source: Department of Budget and Management; Maryland Association of Community Colleges

Split Funding and Pre-Authorizations

The practice of split funding the construction phase of projects continues in fiscal 2019. Funding levels are based on project cash flow analyses by the Department of Budget and Management (DBM), meaning that project funding may be divided over a number of fiscal years to provide funding only as needed to service the construction contract for the project to stay on schedule. This is a common practice for large capital projects, and three community college projects included in the fiscal 2019 capital budget bill are split funded.

Pre-authorizations signal intent from the State that more funding is forthcoming to complete a project, which enable institutions to sign multi-year contracts with construction service vendors. The pre-authorizations total approximately \$50.8 million, or 84.7%, of the \$60.0 million planned for fiscal 2020 in the 2018 CIP. This leaves only \$9.2 million in unallocated funds for new projects or contingencies in fiscal 2020 based on current plans. The projects funded in fiscal 2019 are estimated to receive approximately \$179.2 million in future State funding support. This does not account for projects that received funding in prior years and for which additional funding may be expected in fiscal 2020 and beyond. While this can be spread out over several fiscal years based on project schedules, it leaves little room to accommodate new projects, even at the General Assembly's requested \$80.0 million funding level. The MACC model will be pressed to determine the most effective use of the limited funding after accounting for funds dedicated to projects through pre-authorizations. Large capital projects, such as those recently seen at Montgomery College, Prince George's Community College (PGCC), and Anne Arundel Community College (AACC), will be under increasing scrutiny with less GO bonds programmed in the five-year CIP than what was requested by the committees. It will be more difficult for the State to support such large facilities across all campuses. Part of the reason that 15 projects are possible in fiscal 2019 is because the Health Sciences and Biology Building at AACC and the Health Careers and Technology Building (HCTB) at the Community College of Baltimore County (CCBC) Essex campus projects have been broken into multiple phases for construction, and as such, certain costs have been pushed to later fiscal years. State funding for the Essex campus projects has also been calibrated to require a greater local contribution in fiscal 2019 than the match would require with the State picking more of the funding share in fiscal 2020.

The rising costs of individual community college projects risks crowding out support for smaller projects, especially systems maintenance projects. For example, AACC's Health Science and Biology Building is estimated to cost \$117 million overall. The State share of this project, 50%, would, if appropriated fully in fiscal 2019, total 82.3% of the allowance. Alternatively, the CCBC Catonsville Medium Voltage Switchgear Replacement will cost the State approximately \$2 million (\$4.4 million, when matching funds are included); without this replacement, the aged electrical switching infrastructure at the CCBC Catonsville campus would likely fail in the near future, causing massive disruptions to the operation of this college. However, this project received the lowest priority from MACC of all projects slated to receive funding, and it only received authorization because larger, higher priority projects were cash flowed into later years.

Proposed Legislation for Facilities Renewal

As the State directs more funds in the CCFGP to new construction at community colleges, smaller facility repair, maintenance, and improvement projects have become less of a priority for Maryland community colleges. However, these projects are necessary to the continued safe operation of community college facilities across the State. Legislation has been introduced in the 2018 session (HB 403/SB 595) that would establish a Community Colleges Facility Renewal Grant Program (CCFRGP). The bill mandates an annual appropriation to the MHEC operating budget of an amount equal to 5% of the amount included in the budget for the CCFGP. If this value is less than \$4.0 million in a fiscal year, the appropriation shall be awarded equally to each community college that is eligible for a grant in that fiscal year. A project is eligible for the program if it has a total estimated cost of not more than \$1.0 million and has been submitted to MHEC as part of an annual or 10-year master plan. The community college must submit applications for grants under the CCFRGP by September 1 of the fiscal year prior to the fiscal year of grant award. As an example, a grant application for the fiscal 2020 program would be required by September 1, 2018. Unlike the CCFGP, grants under the CCFRGP would apply to all community colleges, including Baltimore City Community College. As introduced, the legislation does not require a local fund match.

Fiscal 2019 Capital Projects

- ***Allegany County – Technology Building Renovation, Phase 1 – Fiscal 2019 Amount: \$0.525 Million for Planning and Construction:*** Funding is included for the final stages of the Phase 1 renovations to the Technology Building at the Allegany College of Maryland campus. The funds will primarily support the roof replacement portion of this project. Overall, the goal of this phase of the project is to renovate the lobby (Pod B of the building) to create coherence between six different floor levels in the attached pods, rectify Americans with Disabilities Act (ADA) issues, and upgrade building infrastructure. The renovated elevator lobby space will measure 1,644 net assignable square feet (NASF) in total. The State has programmed \$525,000 for fiscal 2019; Allegany College of Maryland will contribute \$233,000. The total State share of the project is 69.22%, or approximately \$3.1 million. The total cost for the project increases by approximately \$0.7 million relative to fiscal 2018.
- ***Allegany County – Technology Building Renovation, Phase 2 – Fiscal 2019 Amount: \$0.656 Million for Planning:*** Funding is included for the second phase of renovations to include renovations to Pods A and C of the 43-year-old Technology Building on the main campus of the Allegany College of Maryland. The aim of this renovation is to create more modern classroom and lab spaces, whereas Phase 1 focused on the lobby space (Pod B) that connects these two spaces. The renovation will bring the teaching spaces in line with modern standards for the curricula comprising the many programs housed in the Technology Building.

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The cost of the project is approximately \$16.2 million. The State's share of this is \$11.2 million, or 69.30%. In fiscal 2019, \$656,000 in State funds is programmed for planning. Design is expected to begin in July 2018 and is projected to take one year to complete. Construction is expected to begin in fiscal 2020; no funds are pre-authorized for this purpose at this time. This project was identified as a higher priority than completing Phase 1 of the project because Allegany College of Maryland wishes to complete interior design on the renovation by March 2019; projects were prioritized to ensure any available funding in fiscal 2019 would be directed to this purpose.

- ***Anne Arundel County – Health Sciences and Biology Building – Fiscal 2019 Amount: \$2.500 Million for Construction:*** Funding is included for continued site work in support of the Health Sciences and Biology Building project at AACC. The building will centralize 21 academic programs and the department of biology into a single state-of-the-art health sciences and biology building with sufficient space to handle anticipated enrollment growth. Site work in this phase includes demolishing the Lila R. Schwartz Building and the indoor pool to make room for the footprint of the new building. Phase 2 site work will make revisions to the loop road that surrounds the campus. The new space is required to address a shortage of adequate lab and instruction space for the health sciences and biology programs on campus, a problem for which the American Society of Health-System Psychiatrists has twice cited AACC.

The new building will comprise 106,188 NASF, of which 17,340 NASF is dedicated to classroom space, 64,260 NASF is dedicated to laboratory space, and 19,218 NASF is dedicated to office space. The gross square feet (GSF) for the building is projected at 175,210 square feet. While a building of 206,886 GSF would be justified, given enrollment projections from MHEC, AACC chose to design the building to be smaller than allowed by approximately 10%. Cost savings are estimated at 15% versus a building of the maximum allowable size. AACC decided to proceed in this manner because it anticipates a lower rate of enrollment growth than projected by MHEC. The Anne Arundel County share for this project is projected at \$58.2 million in total for this project as reported in fiscal 2019, approximately \$1.7 million less than the expected total commitment from the prior fiscal year. Total State support projected for the project equals approximately \$58.8 million as reported in fiscal 2019, or 50.28%. The total cost for the project declined by approximately \$2.9 million relative to fiscal 2018. Pre-authorizations in the 2018 capital bill for this project, as written, include \$27.5 million in fiscal 2020 and \$15.152 million in fiscal 2021.

- ***Baltimore County – CCBC Catonsville Medium Voltage Switchgear Replacement – Fiscal 2019 Amount: \$2.009 Million for Construction:*** Funding is included for the replacement and modernization of the medium voltage switchgear lineup located on the CCBC Catonsville campus. The switchgear currently in place is over 50 years old and is at the end of its useful life. Replacement will greatly reduce the odds of an unplanned power outage at the CCBC Catonsville campus. Beyond replacement of the gear, the project includes the assessment, resizing, and potential replacement of the feeder lines from the gear to the associated campus electric transformer. Total project cost is projected at \$4.401 million. The State share is programmed at \$2.009 million, or 45.65%. Design has been locally funded by the Baltimore County government.

- ***Baltimore County – CCBC Essex HCTB – Fiscal 2019 Amount: \$5.035 Million for Construction and Equipment:*** Funding is included for the first phase of construction for this project. The existing facility lacks functional career training laboratories and sufficient faculty office spaces to support the growing School of Health Professions (SOHP). At CCBC Essex, 1 out of every 14 class hours completed by students is in the health professions, and headcounts in the lower certificate and associates degree programs for the SOHP have increased by 272% and 176%, respectively. This project was originally programmed as a renovation/expansion of the building to add the requisite space; however, during the design process, the architect discovered several design problems with the existing building that would require a substantial budget increase to rectify. These problems include (1) water infiltration into the basement area; and (2) the need for costly upgrades for the foundation, walls, and building envelope.

The new building will measure 73,122 NASF, of which 13,620 NASF is dedicated to classroom space, 31,980 NASF is dedicated to classroom laboratory space, and 17,812 NASF is dedicated to office and conference space. The Baltimore County share totals approximately \$31.2 million in total for this project, up \$0.8 million from the prior year. Total State support for the project is projected at approximately \$29.0 million, or 48.13%. This is up approximately \$0.9 million from fiscal 2018. The bulk of the State's share is programmed in the out-years; the 2018 capital bill includes pre-authorization of \$13.365 million in fiscal 2020 for this project.

- ***Carroll County – Carroll Community College Systemic Renovation – Fiscal 2019 Amount: \$2.753 Million for Planning and Construction:*** Funding is included for the design and construction of updates for building systems on the main campus of Carrol Community College. These systems include heating and cooling equipment, the fire alarm system, and the building envelope of Building A, and are aimed at improving student comfort and reducing operating costs. This design-bid-build project will be completed in three parts, with the cooling and heating systems the subject of part one, the fire alarm system the subject of part two, and the building envelop the subject of part three. The total project cost is approximately \$5.7 million. The total for the State's share of this is projected at approximately \$2.8 million, or 48.14%. Construction is expected to begin in May 2019 and is expected to take two years to complete.
- ***Frederick County – Building E Renovation and Addition – Fiscal 2019 Amount: \$0.300 Million for Planning:*** Funding is included for the design phase of the renovation and addition to Building E on the Frederick Community College campus. Originally developed as a regional conference center, the majority of the rooms in Building E are designed to handle large meetings and are unsuitable for classroom instruction. This project will create more classrooms by repurposing this space and building a small addition on the site of Sweadner Hall, which will be demolished as part of this project. The goal of the project is to consolidate Frederick Community College's Continuing Education and Workforce Development programs into a single location. Frederick Community College aims to increase literacy, workforce development, and professional education/certificate training courses offered by the college and industries leasing space at the college in the coming years; this project will help Frederick Community College achieve its growth benchmarks.

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The renovated space and the addition will measure 19,890 NASF, of which 8,790 NASF is dedicated to classroom space, 2,200 NASF is dedicated to laboratory space, and 5,690 NASF is dedicated to office space. Total project cost is projected at approximately \$6.1 million. Frederick County's total contribution is programmed at 43.00%, or \$2.6 million, for this project. The State's total contribution is programmed at 57.00%, or \$3.5 million. Design is expected to begin July 2018 and is expected to last one year, while construction is expected to begin in October 2019.

- ***Harford County – Fallston Hall Renovation – Fiscal 2019 Amount: \$3.460 Million for Construction and Equipment:*** Funding is included to complete the construction phase of the Fallston Hall renovation; this building will house the Behavioral and Social Sciences and Educational and Transitional Studies programs at the Harford Community College. The project will not add new space to the building but will correct several deficiencies such as sloping floors; poor lighting; and outdated heating, ventilation, and air conditioning systems. Additionally, internal space in the building will be converted to classrooms.

The renovated space will measure 15,309 NASF, of which 10,541 NASF is dedicated to classroom space, 200 NASF is dedicated to laboratory space, and 3,994 NASF is dedicated to office space. Harford County's total contribution is programmed at 47.38%, or approximately \$3.4 million in total for this project. The State's total contribution is programmed at 52.62%, or approximately \$3.8 million of the total project cost.

- ***Howard County – Renovations to N and ST Buildings – Fiscal 2019 Amount: \$9.888 Million for Construction and Equipment:*** Funding is included for the final phase of construction and furniture and equipment costs needed to complete the project. The N and ST buildings have been vacated for some time and are currently being renovated to house the Social Sciences and Teacher Education Division. The goal of the renovation is to create a more conventional classroom space, as the current space is designed for science instruction.

The renovated building will measure 62,278 NASF, of which 9,677 NASF is dedicated to classroom space, 15,190 NASF is dedicated to classroom and open laboratory space, and 24,399 NASF is dedicated to office space. The Howard County share of this project is projected at \$22.2 million in total. The State share of the total project cost equals approximately \$21.1 million, or 48.71%, an increase of approximately \$0.2 million over fiscal 2018. DBM recommended this additional funding over Howard's request based on the approved equipment list.

- ***Montgomery County – Rockville Student Services Center – Fiscal 2019 Amount: \$13.824 Million for Construction and Equipment:*** Funding is included to complete the construction and equipping of the new student center on the Montgomery College Rockville campus. The new building will integrate student support and administrative services. Currently, administrative functions such as admissions and registration, financial aid, and the cashier are scattered across nine buildings on the Rockville campus. The building will also house the School of Education, which is currently housed in two separate buildings.

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The new building will measure 71,359 NASF. 12,187 NASF is dedicated to laboratory space, and 48,331 NASF is dedicated to office space. The total matching share for Montgomery County is projected at \$38.8 million in fiscal 2019, a decrease of approximately \$0.9 million from the prior fiscal year. Total projected State support for the project equals approximately \$35.7 million in fiscal 2019, or 47.95%. The total cost for the project declined by approximately \$0.8 million relative to fiscal 2018. The State's investment in fiscal 2019 will fund the remaining construction costs and reimburse Montgomery County for expenses in excess of its share. The building is scheduled to be move-in ready by summer 2019; as such, Montgomery College believes that no costs can be deferred to the out-years.

- ***Montgomery County – Takoma Park/Silver Spring Math and Science Center – Fiscal 2019 Amount: \$1.741 Million for Planning:*** Funding is included to complete design of the Math and Science Center at the Takoma Park campus of Montgomery College. To provide an adequate footprint for the building, both the Science South building and Falcon Hall must be demolished. The primary focus of this facility is to support science programs on campus, which are currently scattered across six different buildings. With the greatest community college enrollments in the State, Montgomery College is subject to space deficits. With projected growth in science, technology, engineering, and mathematics (STEM) enrollments of 19% on the Takoma Park/Silver Spring campus, Montgomery College believes that these deficits will get worse, resulting in nonadmits and delays in degree acquisition. Further, the current buildings in which these programs are located are ill-equipped for modern STEM education and in poor condition due to deferred maintenance.

The renovated building will measure 76,790 NASF, of which 10,155 NASF is dedicated to classroom space, 42,955 NASF is dedicated to laboratory space, and 14,090 NASF is dedicated to office space. The total matching share for Montgomery County is projected at approximately \$42.3 million, an increase of approximately \$0.4 million in the prior fiscal year. Total State support for the project is approximately \$42.3 million, or 50%. The State's investment in fiscal 2019 will bring total State expenditures in line with Montgomery County's prior investments.

- ***Prince George's County – Marlboro Hall Renovation and Addition – Fiscal 2019 Amount: \$2.065 Million for Planning:*** Funding is included for the second year of design funding for the renovation and addition to Marlboro Hall at PGCC, which will correct infrastructure and code deficiencies with the building. The original building was designed in 1976 and has not been renovated since that time. The design includes inefficient features, such as diagonal, rather than perpendicular, hallways. This impacts the size of some classrooms, which are far below the State guideline of 20 NASF per student. Additionally, the building has limited student gathering space; as such, students gather wherever there is space in the building, including in halls outside of classrooms, which can disrupt classes. The renovation will also address building systems and extensive exterior masonry and foundation work.

DBM negotiated with PGCC and arrived at a reduced scope for this project, which the parties believe will result in an improved building without sacrificing the programmatic needs of PGCC. This change in scope amounts to an \$11.8 million dollar reduction in cost and a

22,600 GSF reduction for the addition to the building. The renovated space and addition will measure 128,000 NASF, of which 25,022 NASF is dedicated to classroom space, 40,790 NASF is dedicated to laboratory space, and 51,090 NASF is dedicated to office space. The total matching fund share for Prince George’s County is approximately \$32.2 million in fiscal 2019. Total State support for the project is projected at approximately \$49.9 million in fiscal 2019, or 60.8%. Design is estimated to be completed in April 2019, with construction projected to begin in August 2019 (fiscal 2020).

- ***Prince George’s County – Queen Anne Academic Center Renovation and Addition – Fiscal 2019 Amount: \$9.099 Million for Construction and Equipment:*** Funding is included to complete the construction and equipping of the renovation and addition to the Queen Anne Building at PGCC. Currently little more than an underutilized auditorium that primarily serves as a gathering space for large events, this project will allow the building to become a classroom building as well as a space to host campus events. The expanded Queen Anne building will allow the Liberal Arts departments and programs at PGCC to grow and will support workforce development, student services, and community outreach programs. The renovation will also address building systems and correct ADA-compliance issues.

The renovated space and addition will measure 100,388 NASF, of which 13,313 NASF is dedicated to classroom space, 42,956 NASF is dedicated to laboratory space, and 13,290 NASF is dedicated to office space. The total matching share for Prince George’s County is approximately \$37.8 million in fiscal 2019, an increase of approximately \$0.7 million from fiscal 2018. The total State share for the project is programmed at \$49.4 million, or 56.70%, in the 2018 CIP. The total cost for the project increases by approximately \$0.2 million relative to fiscal 2018 estimates. Of the allowance, \$9.0 million will be used for the remaining construction, and \$99,000 is reserved for capital equipment and furniture. Construction is scheduled to conclude in July 2018.

- ***Washington County – Center for Business and Entrepreneurial Studies – Hagerstown Community College – Fiscal 2019 Amount: \$0.278 Million for Planning:*** Funding is provided for the design of renovations to the Technical Innovation Center at the Hagerstown Community College (HCC). The renovations and upgrades proposed for this project will result in new space at HCC, known as the Center for Business and Entrepreneurial Studies at the college. Due to a change in the market, the substantial space dedicated to light manufacturing is no longer needed. While a small portion of this space will remain, the majority will be repurposed to create space for business incubation in in-demand fields, an e-business suite, and spaces for startup companies.

The cost of the project totals \$7,364,000. The total State share of this project is programmed at approximately \$4.8 million, or 64.80% of the total cost. The matching funds will come from both HCC and Washington County – HCC to provide approximately \$0.9 million and Washington County to provide approximately \$1.7 million. Design will begin July 2018 and is expected to conclude in April 2019. Construction is expected to begin in July 2019 and last one year.

- ***Regional – Hughesville Health Sciences Center – College of Southern Maryland – Fiscal 2019 Amount: \$8.962 Million for Construction:*** Funding is included to begin construction of the Health Sciences Center at the College of Southern Maryland (CSM) Hughesville campus. Citing projected shortfalls in job-ready nursing and health care professionals, both in the three counties served by CSM and the State at-large, the project seeks to address space and program shortages at CSM. The current building on the La Plata campus is too small to accommodate demand, with projected space deficits in classroom and lab space of 9,440 NASF and 18,183 NASF, respectively, projected by 2026. Further, while the available labs and classrooms at the La Plata campus are generally in good shape, they are not suited for specific health science instruction. As an example, modern health science instruction buildings simulate a hospital setting; the labs at the La Plata campus were not designed for this purpose. The new building will provide a centralized health sciences facility for CSM that will allow the college to expand its health care curriculum.

Hughesville was selected as the site for this project as it is centrally located in the three counties that are served by CSM. Additionally, it is expected that the centralized location of this building will allow the college to leverage better partnerships with hospitals in all three counties. The renovated space will measure 30,730 NASF, of which 3,360 NASF is dedicated to classroom space, 16,260 NASF is dedicated to laboratory space, and 5,610 NASF is dedicated to office space. The local matching funds will be provided by Charles County in the amount of \$7.7 million, which equates to 25.0%, the standard match for regional colleges. The State's total contribution is programmed at 75.00%, or approximately \$23.2 million. In addition to the previous design costs and the money programmed for fiscal 2019, \$15.9 million in State contributions will be needed to complete construction. Construction is expected to begin in October 2018, with a completion date set for some time in January 2020. CSM has agreed to split-fund the construction and equipping of this project over a two-year period; the 2018 capital bill, as written, includes a pre-authorization of \$9.979 million in fiscal 2020.

Issues

1. Garrett College Community Education and Performing Arts Center Reprogrammed as Miscellaneous Capital Project

The 2016 CIP included funding for the design of the Garrett College Community Education and Performing Arts Center under the CCFGP administered by MHEC. This project would renovate and make additions to the 800 Building on the Garrett College campus, which has fallen into disuse. The new space would serve as the central location for the majority of Garrett College's Continuing Education core administrative staff, as well as space for the college's fine arts lectures and the theater and music courses. Additionally, Garrett College suggested that the space may support the operation of the Garrett Lakes Arts Festival. The Garrett Lakes Arts Festival is a nonprofit organization that provides the community with high-quality performing arts demonstrations and art education. In the early years of the Garrett Lakes Arts Festival, Garrett College acted as a major sponsoring agency, providing the Garrett Lakes Arts Festival with modest, affordable space for its operation. Today, over 90% of the venues for the Garrett Lakes Arts Festival's March to October season are donated in-kind on the Garrett College campus as well as facilities and production support for the performances.

When programmed in the CCFGP, the project was designed as a 50/50 split of State funds and contributions from Garrett County. While no funds are programmed for fiscal 2019, \$11.0 million in GO bond funding is programmed in the out-years, primarily for construction. This amount would be split-funded over fiscal 2020 and 2021, and is in addition to the \$685,000 the State contributed for design authorized in fiscal 2017. Garrett County would provide \$3.1 million in matching funds for the project in addition to the \$685,000 it provided for design in fiscal 2017. The revised split for this project is approximately 75.5% State and 24.5% Garrett County; as such, a significantly greater amount of State funding is programmed for this project than would be if this were accounted for in the CCFGP. While there is some community benefit to renovating this space, the prior inclusion and sudden withdrawal of the project from the CCFGP should be addressed, given that the space is being renovated to provide space for continuing education and performing arts programs at Garrett College. **DLS recommends that MHEC and Garrett College comment on why this project has been reprogrammed to the miscellaneous capital program, despite prior inclusion in the CCFGP and the strong academic purpose for the project.**

GO Bond Recommended Actions

1. Approve the fiscal 2019 allowance for the Community College Facilities Grant Program.
2. Approve the pre-authorization for fiscal 2020.
3. Approve the pre-authorization for fiscal 2021.