

ZA00XXX
Maryland Independent College and University Association
Miscellaneous Grant Programs

Capital Budget Summary

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

Program	2017 Approp.	2018 Approp.	2019 Request	2020 Estimate	2021 Estimate	2022 Estimate	2023 Estimate
MICUA Projects	\$9.600	\$9.700	\$8.001	\$8.000	\$8.000	\$8.000	\$8.000
Rosewood Property Abatement	0.700	5.000	5.000	6.000	0.000	0.000	0.000
Total	\$10.300	\$14.700	\$13.001	\$14.000	\$8.000	\$8.000	\$8.000

Fund Source	2017 Approp.	2018 Approp.	2019 Request	2020 Estimate	2021 Estimate	2022 Estimate	2023 Estimate
GO Bonds	\$10.300	\$14.700	\$13.001	\$14.000	\$8.000	\$8.000	\$8.000
Total	\$10.300	\$14.700	\$ 13.001	\$14.000	\$8.000	\$8.000	\$8.000

GO: general obligation

MICUA: Maryland Independent College and University Association

Summary of Recommended Bond Actions

1. Stevenson University Rosewood Property Environmental Abatement
Approve funding for environmental abatement of the Rosewood property.
2. Johns Hopkins University Pinkard Building
Approve funding for renovation of and additions to the Pinkard Building.
3. Loyola University Maryland New Academic Building
Approve funding for a new academic building.
4. Washington College New Academic Building
Approve funding for a new academic building.

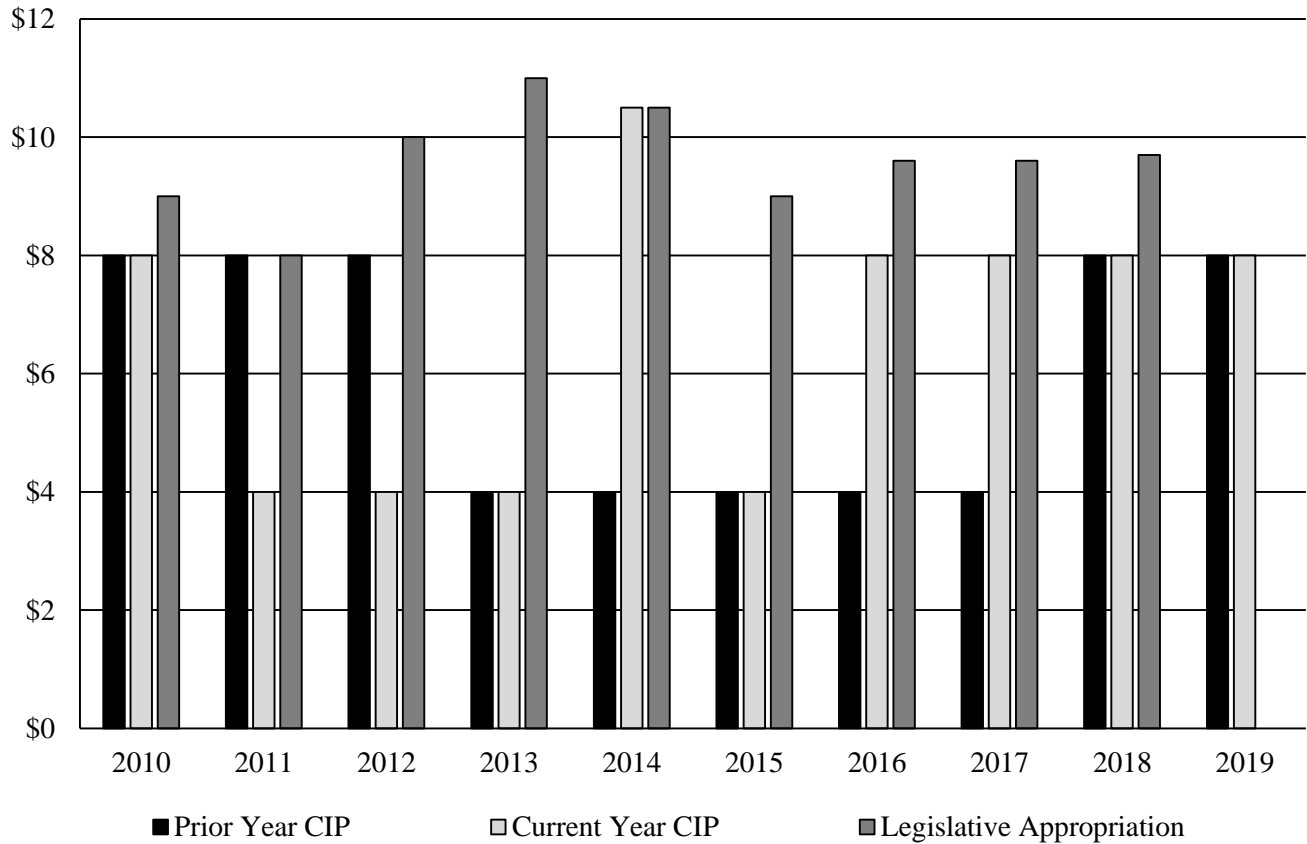
Budget Overview

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 \$8,001,000 in general obligation (GO) bonds, leveraging \$65,267,000 in matching funds for projects at three institutions: The Johns Hopkins University (JHU), Loyola University Maryland, and Washington College. In addition to those three projects, the proposed budget includes \$5,000,000 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 for MICUA Projects
Fiscal 2010-2019
(\$ in Millions)**

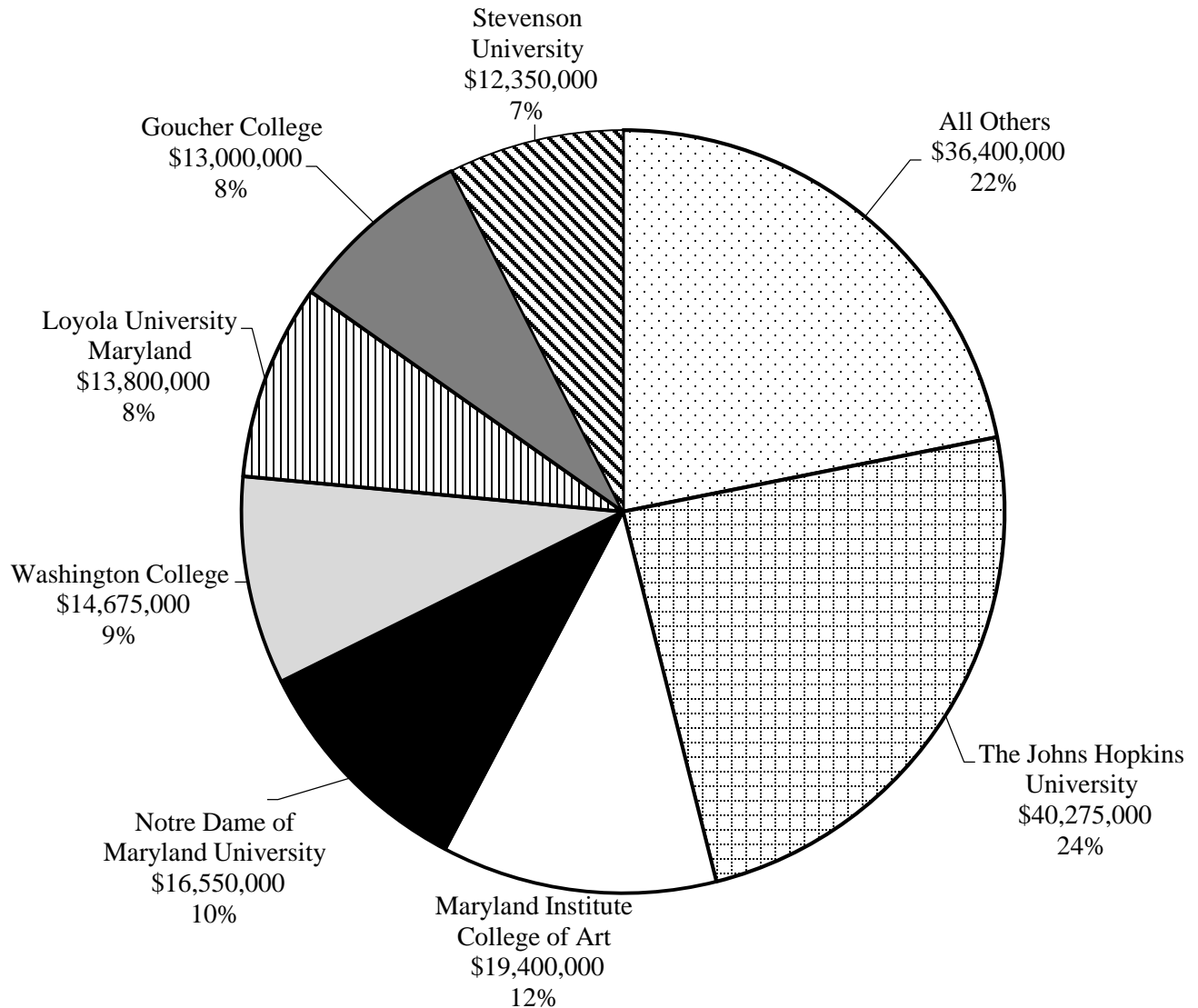


CIP: Capital Improvement Program
MICUA: Maryland Independent College and University Association

Source: Department of Budget and Management

Exhibit 2 shows the MICUA capital program appropriations from fiscal 1997 through 2018. Since fiscal 1997, the State has provided \$166.5 million for projects at 13 institutions. JHU has received the most funding at \$40.3 million, or 24%. 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 \$90.2 million, or about \$9.0 million each on average. This exhibit excludes the 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 that closed in July 2015.

Exhibit 2
Maryland Independent College and University Association
Capital Appropriations
Fiscal 1997-2018



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 2019 Projects

JHU – School of Nursing Pinkard Building Renovation and Addition

This project will renovate the School of Nursing’s Pinkard Building and construct a new 41,000 gross square feet (GSF) addition. The current School of Nursing House will be demolished to provide the land for the addition. Enrollment in some of the School of Nursing programs has tripled since 2010, rendering the current facilities inadequate. Total enrollment is projected to grow 151% by 2025. The Pinkard Building, specifically, houses programs that have approximate enrollments totaling 800, while the building was designed for enrollment of only 500. Additionally, the Pinkard Building was designed for undergraduate education, while it is now primarily used for graduate-level education. The building lacks collaborative spaces, small group study rooms, student gathering areas, workspaces, and research collaboration spaces.

The renovation and additions will add 9,688 square feet (sq. ft.) of classroom capacity, 6,433 sq. ft. of student study locations, and additional research space. A lecture-style tiered classroom will be converted into a flat floor classroom, and the project will add five more classrooms of varying size.

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

Description	Prior Authorization	2019 Request	2020 Estimate	2021 Estimate	2022 Estimate	2023 Estimate
Planning	\$0.000	\$3.715	\$0.000	\$0.000	\$0.000	\$0.000
Construction	0.000	41.285	0.000	0.000	0.000	0.000
Total	\$0.000	\$45.000	\$0.000	\$0.000	\$0.000	\$0.000

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

Description	Prior Authorization	2019 Request	2020 Estimate	2021 Estimate	2022 Estimate	2023 Estimate
GO Bond (5.93%)	\$0.000	\$2.667	\$0.000	\$0.000	\$0.000	\$0.000
Matching (94.07%)	0.000	42.333	0.000	0.000	0.000	0.000
Total	\$0.000	\$45.000	\$0.000	\$0.000	\$0.000	\$0.000

GO: general obligation

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The fiscal 2019 funding will cover planning and construction. Design began in March 2017 and is expected to reach completion in August 2018. Construction is expected to begin in September 2018 and reach completion in 2020. State support is programmed at \$2.7 million, which represents only 5.93% of the total project cost of \$45.0 million. The last fiscal year in which JHU received MICUA capital funding was in the Maryland Consolidated Capital Bond Loan (MCCBL) of 2016 for \$4.0 million for renovations to Macaulay Hall.

Loyola University Maryland – Center for Innovation and Collaborative Learning

This project will construct a new 30,000 GSF Center for Innovation and Collaborative Learning. Loyola University Maryland has a shortage of academic space due to growing enrollment. Undergraduate enrollment has grown 5% in the last five years. The university projects an additional 2% growth in undergraduate enrollment and 7% growth in graduate enrollment by 2021. Current projected academic space deficits total 18,000 sq. ft. If this project does not progress, Loyola University Maryland indicates that a cap on enrollment would be necessary.

This project will allow the consolidation of several programs into one location for a more integrated learning experience. The center will house several academic departments, including psychology, speech-language-hearing sciences, sociology, and the School of Education. The building will also include classrooms, laboratories, study rooms, and meeting rooms. Loyola University Maryland also plans to locate career services in the building.

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

Description	Prior Authorization	2019 Request	2020 Estimate	2021 Estimate	2022 Estimate	2023 Estimate
Planning	\$0.000	\$1.943	\$0.000	\$0.000	\$0.000	\$0.000
Construction	0.000	19.702	0.000	0.000	0.000	0.000
Total	\$0.000	\$21.645	\$0.000	\$0.000	\$0.000	\$0.000

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

Description	Prior Authorization	2019 Request	2020 Estimate	2021 Estimate	2022 Estimate	2023 Estimate
GO Bond (12.32%)	\$0.000	\$2.667	\$0.000	\$0.000	\$0.000	\$0.000
Matching (87.68%)	0.000	18.978	0.000	0.000	0.000	0.000
Total	\$0.000	\$21.645	\$0.000	\$0.000	\$0.000	\$0.000

GO: general obligation

The fiscal 2019 funding will cover planning and construction. Design began in June 2017 and is expected to reach completion in May 2018. Construction is expected to begin in June 2018 and reach completion in 2020. State support is programmed at \$2.7 million, which represents 12.32% of the total project cost of \$21.7 million. The last fiscal year in which Loyola University Maryland received MICUA capital funding was in the MCCBL of 2014 for \$1.8 million for renovations to five buildings.

Washington College – Phase II Construction New Academic Complex

This project will construct a new 21,317 GSF academic building to house the Department of Education and the Department of Mathematics and Computer Science. This is the second phase of a multiphase project to build an academic complex on at the site of the former Kent County Board of Education building. Phase 1, completed in August 2016, houses the departments of anthropology and environmental studies. In the last nine years, the student population has grown 21% and faculty has grown 18%. The college projects an additional 13% enrollment growth through 2025. Current projections estimate a large space deficit in classroom space, laboratories, research facilities, and office space.

The new building will include classrooms, laboratories, offices, makerspace, a library, and student and faculty meeting spaces. In addition to the previously mentioned departments, it will also house the college’s Center for Teaching and Learning. The building complex, once completed, will bring together programs that are currently spread across multiple academic buildings throughout the campus, fostering greater interdisciplinary collaboration.

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

Description	Prior Authorization	2019 Request	2020 Estimate	2021 Estimate	2022 Estimate	2023 Estimate
Planning	\$0.000	\$1.059	\$0.000	\$0.000	\$0.000	\$0.000
Construction	0.000	9.563	0.000	0.000	0.000	0.000
Total	\$0.000	\$10.622	\$0.000	\$0.000	\$0.000	\$0.000

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

Description	Prior Authorization	2019 Request	2020 Estimate	2021 Estimate	2022 Estimate	2023 Estimate
GO Bond (25.11%)	\$0.000	\$2.667	\$0.000	\$0.000	\$0.000	\$0.000
Matching (74.89%)	0.000	7.955	0.000	0.000	0.000	0.000
Total	\$0.000	\$10.622	\$0.000	\$0.000	\$0.000	\$0.000

GO: general obligation

The fiscal 2019 funding will cover planning and construction. Design began in June 2017 and is expected to reach completion in February 2018. Construction is expected to begin in June 2018 and reach completion in 2019. State support is programmed at \$2.7 million, which represents 25.11% of the total project cost of \$10.6 million. The last fiscal year in which Washington College received MICUA capital funding was in the MCCBL of 2014 for \$3.6 million for construction of Phase 1 of the academic complex.

Other Projects for MICUA Institutions

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 MCCBL of 2017.

Background

On January 6, 2010, BPW approved designating the Rosewood Hospital Center as surplus to the needs of the State with the intent to offer the property for sale to Stevenson University. Two Department of Planning State Clearinghouse recommendation letters were issued recommending a sale of the property to Stevenson University, the first in December 2009 and, again, as a required update in February 2017. Through the clearinghouse process, a set of guiding principles for the disposal of the Rosewood Hospital Center property were developed. These principles encouraged the creation of a comprehensive plan for the full utilization of the site, including the minimization of short- and long-term costs to the State, adherence to Baltimore County Planning and Zoning programs, and the physical and environmental constraints of the site. Four expressions of interest were received during the intergovernmental review process with the plan put forth by Stevenson University receiving the support of the clearinghouse. Stevenson University's development plan included using the site for educational, office, and open space purposes, including the repurposing of some of the building structures. This plan received the support of the majority of the Baltimore County legislative delegation representing the Eleventh District, the County Executive of Baltimore County, the Baltimore County Planning Board, and numerous community organizations and institutions. The development plan has largely remained intact except that Stevenson University will no longer use any of the current buildings but will instead demolish all structures on the site.

Environmental Remediation

Before the deed conveys, Stevenson University must perform environmental remediation on the property sufficient to obtain a "no further action" letter from the Maryland Department of the Environment (MDE). Stevenson University must apply to the MDE Voluntary Cleanup Program as a prospective purchaser, develop an approved remediation plan, and seek "inculpable person" status with regard to the contamination. The inculpable person status indicates that Stevenson University did not cause or contribute to the environmental condition existing before the transfer and protects the university in the event that MDE requires additional remediation of pre-existing environmental contamination after having issued Stevenson University a no further action letter. Once the letter is issued the liability for remediation reverts to the State as property owner when the contamination occurred. Stevenson University must also provide evidence of environmental insurance in the amount of \$3 million prior to closing.

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

Description	Prior Authorization	2019 Request	2020 Estimate	2021 Estimate	2022 Estimate	2023 Estimate
Planning	\$0.200	\$0.200	\$0.100	\$0.000	\$0.000	\$0.000
Construction	5.500	4.800	5.900	0.000	0.000	0.000
Total	\$5.700	\$5.000	\$6.000	\$0.000	\$0.000	\$0.000

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

Description	Prior Authorization	2019 Request	2020 Estimate	2021 Estimate	2022 Estimate	2023 Estimate
GO Bond	\$5.700	\$5.000	\$6.000	\$0.000	\$0.000	\$0.000
Total	\$5.700	\$5.000	\$6.000	\$0.000	\$0.000	\$0.000

GO: general obligation

Stevenson University will undertake the environmental remediation using State grant funds authorized in the 2017 MCCBL, which provide a nonmatching fund grant to Stevenson University in the amount of \$5.0 million for fiscal 2018 and nonmatching fund grant pre-authorizations in the amount of \$5.0 million for fiscal 2019 and \$6.0 million for fiscal 2020; these funds are in addition to \$700,000 already authorized in the 2016 MCCBL. 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 2018 capital budget bill provides the \$5.0 million pre-authorized in the 2017 session for fiscal 2019, and the 2018 CIP programs the remaining funds that were pre-authorized in the last session for fiscal 2020 consistent with the intent of the General Assembly.

GO Bond Recommended Actions

1. Approve \$5.0 million in general obligation bonds for the design and construction of the environmental abatement of buildings on the Rosewood property.
2. Approve the \$2.7 million in general obligation bonds for the design, construction, renovation, and capital equipping of the Pinkard Building at The Johns Hopkins University.
3. Approve the \$2.7 million in general obligation bonds for the design, construction, and capital equipping of a new academic building at Loyola University Maryland.
4. Approve the \$2.7 million in general obligation bonds for the design, construction, and capital equipping of a new academic building at Washington College.