

RB26
Frostburg State University – Capital
University System of Maryland

Capital Budget Summary

State-owned Capital Improvement Program
(\$ in Millions)

Projects	Prior Auth.	2021 Request	2022 Est.	2023 Est.	2024 Est.	2025 Est.	Beyond CIP
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Education and Health Sciences Center	\$11.700	\$35.069	\$46.655	\$0.000	\$0.000	\$0.000	\$0.000
Total	\$11.700	\$35.069	\$46.655	\$0.000	\$0.000	\$0.000	\$0.000

Fund Source	Prior Auth.	2021 Request	2022 Est.	2023 Est.	2024 Est.	2025 Est.	Beyond CIP
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GO Bonds	\$11.700	\$30.069	\$46.655	\$0.000	\$0.000	\$0.000	\$0.000
Revenue Bonds	0.000	5.000	0.000	0.000	0.000	0.000	0.000
Total	\$11.700	\$35.069	\$46.655	\$0.000	\$0.000	\$0.000	\$0.000

CIP: *Capital Improvement Program*
GO: general obligation

Summary of Recommended Bond Actions

1. Education and Health Sciences Center

Approve \$30,069,000 in general obligation bonds and \$5,000,000 in Academic Revenue Bonds.

2. SECTION 13 – Frostburg State University – Education and Health Sciences Center

Approve the preauthorization of \$43,655,000.

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Summary of Issues

Academic support space will decrease by fiscal 2028 in teaching laboratory and study/stack space. By fiscal 2028, only teaching laboratory and classroom space are projected to remain in academic support space surpluses.

Program Description

Education and Health Sciences Center

The Education and Health Sciences Center project involves the construction of a new facility for the College of Education, the Exercise and Sports Science Program, Health Professions, the Nursing Program, and the campus Health Center. The proposed occupants are currently located in four campus buildings that are too small and do not have adequate academic and support space. The lack of modern instructional space makes it difficult to deliver instruction efficiently and to offer new academic programs. It also limits enrollment growth. The fiscal 2021 budget includes funding to finish design, begin construction, and to commence equipment purchases for the building.

The estimated total cost of the project is \$93.4 million, an increase of \$6.5 million over the 2020 capital budget total cost estimation as a result of market escalation. The project will address the following facility problems with existing space.

- ***Functionally Inadequate Space:*** Several existing facilities were not designed for the purposes for which they are now used.
- ***Insufficient Instructional Space:*** Due to high demand for some courses, existing facilities are now too small.
- ***Lack of Clinical Simulation and Specialized Class Lab Space:*** One of the goals of this project is to increase the supply of nursing educators by increasing the proportion of nurses with baccalaureate and master degrees. There are no existing clinical training labs to support Nursing and other Health Sciences programs.
- ***Obsolete Distance Education Facilities:*** Courses, such as the Registered Nurse to Bachelor or Nursing Program, are primarily offered online. Existing facilities have obsolete technology. Due to the lack of modern technology, online classes to satellite sites, such as the University System of Maryland Hagerstown, cannot be offered.

Exhibit 1 provides the net assignable square footage (NASF) of the Education and Health Sciences Center.

Exhibit 1
Space Classification Provided in the
Education and Health Sciences Facility

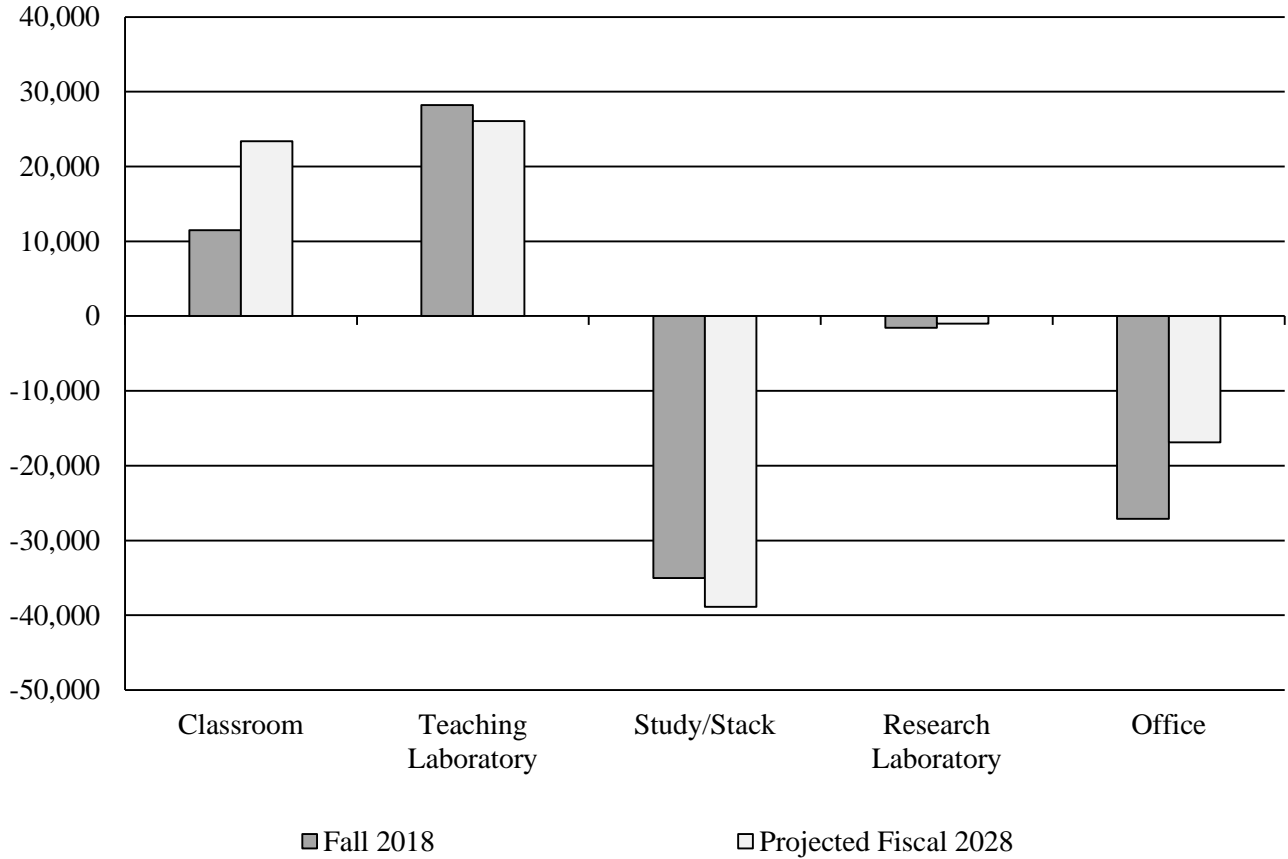
<u>Area</u>	<u>Net Assignable Square Footage</u>
Classroom	13,000
Classroom Storage	500
Class Laboratory	12,210
Class Laboratory Storage	150
Open Laboratory	1,400
Research Space	2,200
Office	12,280
Dean’s Suite	3,010
Conference Space	1,700
Study	180
Study/Stack	1,500
Lounge	1,842
Meeting	2,200
Computer	850
Receiving/Loading Dock	1,200
Health Care	2,860
Total	57,082

Source: Department of Budget and Management, 2020 *Capital Improvement Program*

Updates

Frostburg State University (FSU) provides an annual report that documents the surplus or deficiency of academic support space at the institution in NASF or the sum of all areas on all floors of a building assigned to, or available for assignment to, an occupant or specific use. **Exhibit 2** provides the fiscal 2018 current space surplus or deficiency as well as the fiscal 2028 space surplus or deficiency projections.

Exhibit 2
Academic Space Deficit
Fiscal 2018 and Projected Fiscal 2028
(Net Assignable Square Feet)



Source: Maryland Higher Education Commission

Study/stack, office, and research laboratory space are currently in academic support space deficits and are projected to remain in deficits in fiscal 2028. Teaching laboratory and classroom space are both currently in academic support space surpluses and are projected to remain in surpluses in fiscal 2028 with the surplus in teaching laboratory space decreasing and the classroom space surplus increasing. It should be noted that the fiscal 2028 projections are based on an undergraduate full-time equivalent student (FTES) enrollment increase of 13.5%, or 494 FTES, and a graduate FTES enrollment increase of 57.3%, or 62 FTES. While the graduate enrollment increase may be attained given the development of new academic programming, the undergraduate FTES projection is unlikely, given the recent enrollment trends at the institution. This means that while there are identified deficits in fiscal 2028, those estimates may end up not being as pronounced as is currently recognized.

Operating Budget Impact Statement

Executive’s Operating Budget Impact Statement – State-owned Projects Fiscal 2021-2025 (\$ in Millions)

	2021	2022	2023	2024	2025
Education and Health Sciences Center					
Estimated Operating Cost	\$0.000	\$0.000	\$1.066	\$1.173	\$1.212
Estimated Staffing	0.000	0.000	3.00	4.00	4.00

The Education and Health Sciences facility will have operating budget impacts beginning in fiscal 2023. A majority of that funding is expected to go toward fuel and utility costs. Staffing is also expected to increase by 3 full-time equivalent (FTE) personnel in fiscal 2023 and increases to 4 FTE in fiscal 2024, as calculated by the ratio of 1 FTE per 40,000 gross square feet (GSF). When completed, the Education and Health Sciences facility will reach a total 103,372 GSF.

Preauthorizations

Exhibit 3 provides details on the preauthorization for FSU.

Exhibit 3 Preauthorizations Fiscal 2022-2025

Preauthorizations

<u>Project</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Reason</u>
Education and Health Sciences Center	\$43,655,000				Continue construction.

Source: Department of Budget and Management, 2020 *Capital Improvement Program*

GO Bond Recommended Actions

1. Approve the \$30,069,000 general obligation bond authorization and \$5,000,000 in Academic Revenue Bond funding for the Education and Health Sciences Center.
2. Approve the preauthorization of \$43,655,000 in general obligation bonds to continue construction of the Education and Health Sciences Center.