

Department of Legislative Services
 Maryland General Assembly
 2003 Session

FISCAL AND POLICY NOTE

House Bill 968 (Chairman, Appropriations Committee)
 (By Request – Departmental – University System of Maryland)
 Appropriations Budget and Taxation

Academic Facilities Bonding Authority

This departmental bill authorizes the use of \$33.1 million in academic facilities bonds for the purpose of financing specified construction, renovation, and renewal projects at University System of Maryland (USM) buildings and campuses.

The bill is effective June 1, 2003.

Fiscal Summary

State Effect: Academic bond revenues would increase by \$33.1 million in FY 2004. Annual debt service expenditures would increase by an estimated \$2.8 million beginning in FY 2004.

(\$ in millions)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Bond Rev.	\$33.1	\$0	\$0	\$0	\$0
Higher Ed Exp.	2.8	2.8	2.8	2.8	2.8
Net Effect	\$30.3	(\$2.8)	(\$2.8)	(\$2.8)	(\$2.8)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: A small business impact statement was not provided by USM in time for inclusion in this fiscal note. A revised fiscal note will be submitted when USM's assessment becomes available.

Analysis

Current Law: USM must gain legislative approval to use bond proceeds for certain capital improvements projects.

Background: The maximum aggregate principal amount of bonds that USM may issue was increased last year from \$875 million to \$975 million. This bill does not affect the cap on bond principal; it only authorizes the issuance of bonds within the existing limit for specific capital projects. The projects enumerated in the bill are summarized below.

- *Bowie State University:* campus power upgrade.
- *Coppin State College:* roofing systems replacement and repair; building and grounds repairs and upgrades; HVAC system improvements; health and human services building financing; and utilities upgrades and additions planning.
- *Frostburg State University:* academic building renovations and modifications; and campus signage additions.
- *Salisbury State University:* building renovation and conversion.
- *Towson University:* fine arts building renovation and construction; replacement of chillers and roof systems; masonry repair; and academic spaces renovation.
- *University of Baltimore:* HVAC improvements; emergency generator purchase; and sidewalk replacement.
- *University of Maryland Baltimore County:* roof replacement; classroom and laboratory renovations; electrical distribution and mechanical systems improvements; and building conversion.
- *University of Maryland, Baltimore:* dental school building construction; façade and window upgrades; HVAC upgrades and replacements; elevator upgrades; and floor renovations.
- *University of Maryland Center for Environmental Sciences:* window replacement; and utility duct banks addition.
- *University of Maryland, College Park:* building renovations; and infrastructure improvements.
- *University of Maryland Eastern Shore:* building system upgrades; and utilities upgrades.
- *University System of Maryland office:* emergency projects.

State Fiscal Effect: Higher education bond revenues for USM would increase by \$33.1 million in fiscal 2004. USM estimates that annual debt service on the bonds would be \$2.8 million.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): University System of Maryland, Department of Legislative Services

Fiscal Note History: First Reader - March 13, 2003
ncs/jr

Analysis by: Mark W. Collins

Direct Inquiries to:
(410) 946-5510
(301) 970-5510