

Department of Legislative Services
 Maryland General Assembly
 2004 Session

FISCAL AND POLICY NOTE

House Bill 1068 (Chairman, Appropriations Committee)
 (By Request – Departmental – University System of Maryland)
 Appropriations Budget and Taxation

Academic Facilities Bonding Authority

This departmental bill increases the bonding authority of the University System of Maryland (USM) by \$50 million, from \$975 million to \$1.025 billion. The bill authorizes USM to use \$25.0 million of the bond proceeds to finance specified academic capital improvement projects.

The bill is effective June 1, 2004.

Fiscal Summary

State Effect: Academic bond revenues would increase by \$25.0 million in FY 2005. Annual debt service expenditures would increase by an estimated \$2.2 million beginning in FY 2005.

(\$ in millions)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Bond Rev.	\$25.0	\$0	\$0	\$0	\$0
Higher Ed Exp.	2.2	2.2	2.2	2.2	2.2
Net Effect	\$22.8	(\$2.2)	(\$2.2)	(\$2.2)	(\$2.2)

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: The aggregate principal amount of bonds issued by USM may not exceed \$975 million.

Background: Academic projects for which legislative approval is required are enumerated in the bill, and a total of \$25.0 million in bonds would be issued to finance these projects. The projects are summarized below.

- *Bowie State University:* parking lot improvements; and Marshall Library HVAC upgrades and renovation.
- *Coppin State College:* roofing systems replacement and repair; building and grounds repairs and upgrades; and HVAC system improvements.
- *Frostburg State University:* Performing Arts Center HVAC improvements.
- *Salisbury State University:* Maggs Gymnasium and maintenance building renovations.
- *Towson University:* fine arts theatre renovation; roof systems replacement; elevator upgrades; HVAC improvements; and entrance replacements.
- *University of Baltimore:* Business Center roof replacement; and minor renovations.
- *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; Bressler Research Building mechanical infrastructure upgrades; and floor renovations.
- *University of Maryland Center for Environmental Sciences:* roof replacements; AREL Building renovations; and road resurfacing.
- *University of Maryland, College Park:* HVAC, elevator, lighting, utilities, and other infrastructure improvements.
- *University of Maryland Eastern Shore:* Student Development Center upgrades.
- *University System of Maryland Office:* emergency projects.

State Fiscal Effect: Higher education bond revenues for USM would increase by \$25.0 million in fiscal 2005. USM estimates that annual debt service on the bonds would be \$2.25 million for a period of 20 years.

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 9, 2004
n/hlb

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