

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1381
Appropriations

(Delegate Rudolph, *et al.*)

Budget and Taxation and Education, Health,
and Environmental Affairs

Maryland Higher Education Commission - Proposed 2+2 Facility on a
Community College Campus - Decision Required

This bill requires, by August 1, 2012, the Maryland Higher Education Commission (MHEC) to make all necessary decisions for a proposed 2+2 facility that a constituent institution of the University System of Maryland (USM) is planning to build on the campus of a community college, if the constituent institution has met specified conditions.

The bill takes effect July 1, 2012.

Fiscal Summary

State Effect: None. There are no additional costs beyond those already planned for the 2+2 facility at Harford Community College (HCC).

Local Effect: There are no additional costs beyond those already planned for the 2+2 facility at HCC.

Small Business Effect: None.

Analysis

Bill Summary: By August 1, 2102, MHEC must make all necessary decisions for a proposed 2+2 facility that a constituent institution of USM is planning to build on the campus of a community college, if the constituent institution has:

- a signed memorandum of understanding between the constituent institution and the community college for the construction of a 2+2 facility;
- signed memorandums of understanding and articulation agreements on the 2+2 programs to be offered in the proposed facility;
- received programmatic approval from the USM Board of Regents for the programs to be offered at the proposed 2+2 facility; and
- received financing approval from the USM Board of Regents for the construction of the proposed 2+2 facility.

By August 1, 2012, MHEC must report on the decisions made to the Governor and the Senate Budget and Taxation Committee; the Senate Education, Health, and Environmental Affairs Committee; and the House Appropriations Committee.

Current Law/Background: MHEC is required to review all proposals for capital projects proposed by public and private, nonprofit higher education institutions and regional higher education institutions in the State. MHEC must submit recommendations on the capital proposals to the Governor and the General Assembly.

The concept of a Towson University (TU) off-campus site located on HCC west campus took shape in 2004 when the two presidents initiated discussions on ways to meet the demands for higher education in Harford and Cecil counties. In October 2006, TU signed 20 2+2 articulation agreements with HCC, taking advantage of its proximity to HCC, its range of undergraduate programs, and HCC being the second largest feeder school for new transfer students, accounting for 10% of transfers in fall 2009. These agreements allow for a seamless transition from HCC to TU.

According to MHEC's analysis, the Higher Education and Applied Technology Center is operating at full capacity during evening hours Monday through Thursday and is at 60% capacity on Saturdays. Therefore, TU proposed building a facility (55,123 gross square feet/34,014 net assignable square feet) to house TU's undergraduate programs on HCC's campus. In a recent development, the presidents of TU and Morgan State University (MSU) have entered into discussions regarding the potential involvement of MSU. If approved by MHEC, this will be the first four-year institution building on a two-year college's campus in the State.

State Fiscal Effect: There are no additional costs beyond those already planned for the 2+2 facility at HCC, which may be approved under current law. TU anticipates approximately \$30 million in capital costs associated with the 2+2 facility. If the 2+2 facility is approved, there will be additional consultant costs associated with wastewater treatment approval on the site, resubmission of the building plans for local

development advisory committee approval, and legal review associated with the ground lease agreement. TU is planning to finance the project through USM.

Local Expenditures: There are no additional costs beyond those already planned for the 2+2 facility at HCC. If the 2+2 facility is approved, HCC expenditures increase by approximately \$675,000 in capital costs and \$125,000 for consultant costs associated with wastewater treatment approval on the site, resubmission of the building plans for local development advisory committee approval, and legal review associated with the ground lease agreement.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Higher Education Commission, University System of Maryland, Harford County, Department of Legislative Services

Fiscal Note History: First Reader - March 19, 2012
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