

2010 MARYLAND STATE CAPITAL BUDGET

House Bill Number: HB 102

Senate Bill Number: SB 167

Lead Sponsor(s): Speaker of the House
President of the Senate

Summary of Bill as it Affects Community Colleges

The 2010 Capital Budget marks the first year that the General Assembly agreed to split fund the community college construction projects. This, together with the early fall-out of the construction project at Harford Community College (HCC), freed enough funds to address all projects that were transmitted in the MACC Capital Budget Prioritization List for 2010 (*listed on the following page*).

The Governor's original authorization of \$84 million funded the first 6 top priority projects. This was a slight increase from last year's appropriation of \$81 million, but far short of the \$128.3 needed to fund the top 12 priority projects and further yet from the \$145.6 million needed to fully fund the community college request. The split funding decision, coupled with the elimination of the HCC project, resulted in the legislative decision to reallocate the Governor's \$84 million and address all 21 projects transmitted on the 2010 MACC Capital Budget Prioritization List without providing additional funds.

The General Assembly agreed to fund the following four construction projects over two years: the Center for Health Studies at Prince George's, the Germantown Bioscience Center at Montgomery, the Arts and Science Complex at Hagerstown, and the Allied Health Building at Wor-Wic. In order to meet a prior commitment to PGCC (the only college that did not receive funding for their top priority project last year), any excess funding was applied to the PGCC Center of Health Studies. In addition, the General Assembly pre-authorized \$39.6 million for fiscal 2011 to complete the construction projects listed above.

This was the second year that MACC transmitted the community college consolidated bond bill request to the General Assembly in priority order. The split funding decision presented a new challenge in the prioritization process that the Maryland Council of Community College Presidents will be examining throughout the summer months.

Although the General Assembly could have added funds to the capital budget, no additional funding was provided. For more information on the community college capital budget, refer to the testimony on HB 102 incorporated in the *Testimony Section* of this report.

Background

The existing community college consolidated capital grant program began with a modest allocation of \$10 million in 1962, a time when community colleges were new on the higher education landscape. Today Maryland's community colleges provide half of lower division enrollments and most of the adult non-credit instruction in the State. Capital projects at community colleges are funded with a combination of State and local funds, with State funds being 50-75 percent of the cost, depending on the jurisdiction.

Before a project is placed on the Governor's list for funding, the Maryland Higher Education Commission, the Department of Budget and Management and the Department of General Services have reviewed the project. Local funding for the project is to be expended before the State match is appropriated.

Unlike the operating budget, the General Assembly has the authority to add projects to the capital budget. This is because the capital budget is largely supported by the sale of 15-year general obligation bonds (GO bonds) and not tax revenues. When available, supplemental funds can be allocated through the operating budget. This funding is known as "pay-as-you-go" (PAYGO).

The 2007 Maryland General Assembly directed MACC to develop a process whereby future capital requests be submitted in priority order. Below is the directive from the Joint Chair's Report:

Community Colleges Facilities Grant Program: The budget committees are concerned that the demand for State capital funding in the future will continue to exceed the State's capacity and that the community colleges make separate request for capital projects that are not prioritized prior to submission. The 15 locally-operated community colleges requested over \$136 million in State capital funding for fiscal 2008. The fiscal 2008 Capital Improvement Program (CIP) anticipates \$60 million annually in fiscal 2009 through 2012 for community college capital grants. The budget committees request that the Maryland Association of Community Colleges (MACC) develop a process to submit a combined capital request for the community colleges based on the funding anticipated in the CIP. Additional projects may be requested above the CIP amount provided that the request is made jointly by the community colleges and the projects are submitted in priority order. MACC shall submit a report on the process developed for a combined capital request for the 15 community colleges that participate in the community colleges facilities grant program. The fiscal 2009 capital budget request shall reflect the new process.

2010 Community College Facilities Grant Program \$84,332,000

It is the intent of the General Assembly that the funds needed for the State's share of the cost of design, construction, and capital equipping for the Prince George's Community College's Center for Health Studies, Montgomery College's Germantown Bioscience Center, Hagerstown Community College's Arts and Sciences Complex, and Wor-Wic Community College's Allied Health Building be provided as split authorizations in fiscal 2010 and 2011 and that this Act include a pre-authorization for each project for the State's remaining fiscal 2011 cost share.

College	Project	Amount
Prince George's Community College	Center for Health Studies	\$18,066,000
Community College of Baltimore County	F Building Renovation - Essex	7,377,000
Cecil College	Physical Education Building Renovation / Addition	500,000
Montgomery College	Germantown Bioscience Education Center	16,081,500
Chesapeake College	Kent Humanities Building	6,030,000
Hagerstown Community College	Arts and Science Complex	6,892,000
Wor-Wic Community College	Allied Health Building	7,850,500
Anne Arundel Community College	Library Renovation & Addition	781,000
Frederick Community College	Building F Vacated Space Conversion	1,629,000
Howard Community College	New Allied Health Building	2,004,000
College of Southern Maryland	Phase II Campus Development	1,040,000
Community College of Baltimore County	New Library Catonsville	800,000
College of Southern Maryland	Renovation/ Expansion of BU Building	5,293,000
Frederick Community College	Classroom/Student Center	421,000
Montgomery College	Rockville Science West/Science East Renovation	1,015,000
Cecil College	Bainbridge Center Port Deposit	1,084,000
Prince George's Community College	Upgrade Campus Electrical & Communication	4,892,000
Frederick Community College	Interior Space Conversion for Fine Arts and Library Buildings	90,000
Community College of Baltimore County	Reroofing	1,689,000
Community College of Baltimore County	Owings Mills Education Center	850,000
Prince George's Community College	Circulation/ Roadway Modifications	358,000
Subtotal		\$84,743,000
Contingency Allowance		500,00
Program Fund Balance		-911,000
Total		\$84,332,000