

# Capital Debt Affordability Committee

Treasurer Dereck E. Davis, Chair

## Agenda

September 30, 2025

2:00 p.m. to 4:00 p.m.

**1) Treasurer's Opening Comments**

**2) Introduction of Affordability Benchmarks**

Rebecca Ruff, Director of Debt Management, State Treasurer's Office

**3) 2025 Legislative Session General Assembly Actions**

Patrick Frank, Lead Principal Analyst, Department of Legislative Services

**4) Review of Size and Condition of State Tax-Supported Debt:**

**a. General Obligation Bonds**

Rebecca Ruff, Director of Debt Management, State Treasurer's Office

**b. Capital Leases**

Tanya Mekeal, Debt Manager, State Treasurer's Office

**c. Consolidated Transportation Bonds**

Octavia Robinson, Chief Financial Officer, Maryland Department of Transportation

**d. Maryland Stadium Authority Bonds**

Dawn Abshire, Chief Financial Officer, Maryland Stadium Authority

**e. Bay Restoration Bonds**

Manith Hang, Financial Program Manager, Maryland Water Infrastructure Financing Administration

**5) Review of Size and Condition of Debt of Higher Education Institutions:**

**a. University System of Maryland**

Ellen Herbst, Senior Vice Chancellor for Administration & Finance

Samantha Norris, Director of Financial Planning & Analysis

**b. Morgan State University**

David LaChina, Executive Vice President for Finance and Administration

**c. St. Mary's College**

Mary Grube, Assistance Vice President of Finance

**d. Baltimore City Community College**

Dr. Debra L. McCurdy, President

*The next CDAC meeting will be Thursday, October 9<sup>th</sup>, 2025 at 2pm. The presentations on the agenda will review general fund revenue and property tax base estimates, the State's capital construction needs, and an update on the State affordability metrics.*



MARYLAND  
STATE  
TREASURER

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# Capital Debt Affordability Committee

## Introduction

Presented by

Rebecca Ruff, Director of Debt Management

Maryland State Treasurer's Office

September 30, 2025

# CDAC Responsibilities

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- CDAC's primary charge is to submit to the Governor and the General Assembly its estimate of the total amount of new State debt that may be prudently authorized for the upcoming fiscal year (State Finance and Procurement Article, §8-112). For planning purposes only, it also provides estimates for the out years.
- CDAC also recommends an authorization for Academic Facilities Bonds for the University System of Maryland, Morgan State University, St. Mary's College of Maryland, and Baltimore City Community College.

# CDAC Responsibilities

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By law, CDAC must consider the following factors when making its recommendation:

- The amount of State tax-supported debt that will be outstanding in the next fiscal year as well as the amount authorized but unissued
- The State's Capital Improvement Program and school construction needs for the next five years
- Projected debt service requirements for the next ten years
- Criteria that recognized bond rating agencies use to judge the quality of issues of State bonds
- Other factors relevant to the ability of the State to meet its projected debt service requirements for the next five years and the marketability of the State's general obligation bonds
- Aggregate impact of public-private partnership agreements
- The effect of new authorizations on each factor enumerated above
- Amounts and effects of other types of State debt



# Types of Debt Included

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- All State tax-supported debt is included in the CDAC analysis, defined as:
  - State general obligation debt
  - Capital leases supported in whole or part by State tax revenues
  - Department of Transportation debt
  - Maryland Stadium Authority debt
  - Debt of other units of State government which, in the opinion of CDAC, are supported directly or indirectly by State tax revenues
- CDAC also reviews issues pertaining to State debt as needed

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# **2025 General Assembly Debt Affordability Highlights**

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**Presentation to the  
Capital Debt Affordability Committee**



**September 30, 2025**



# Capital Budget Authorization

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- Chapter 603 (House Bill 351) authorizes \$1,955 million in general obligation (GO) bonds, specifically
  - \$1,750 million in net new debt, which is the amount recommended by CDAC
  - \$65 million is deauthorized and reauthorized to support different projects
  - \$140 million in bond premiums
    - premiums from the June 2025 bond sale were \$36 million less than anticipated



# General Fund Appropriations

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- When general funds are available, the State appropriates general funds for capital programs and projects to
  - Support programs and projects that do not qualify for less expensive tax-exempt debt, thus avoiding more expensive taxable debt issuances
  - Use one-time revenues to support one-time capital costs
- \$62.4 million in general funds were appropriated for capital programs and projects in fiscal 2026
- \$35.8 million in general funds were appropriated for capital programs and projects in fiscal 2025



# University Authorization

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- Chapter 316 (House Bill 793) authorizes \$30 million in academic revenue bonds for the University System of Maryland
- This is the level that was recommended by CDAC

Capital Debt Affordability Committee:  
2025 Update on  
Maryland General Obligation Bonds

Presented by  
Rebecca Ruff, Director of Debt Management  
Maryland State Treasurer's Office

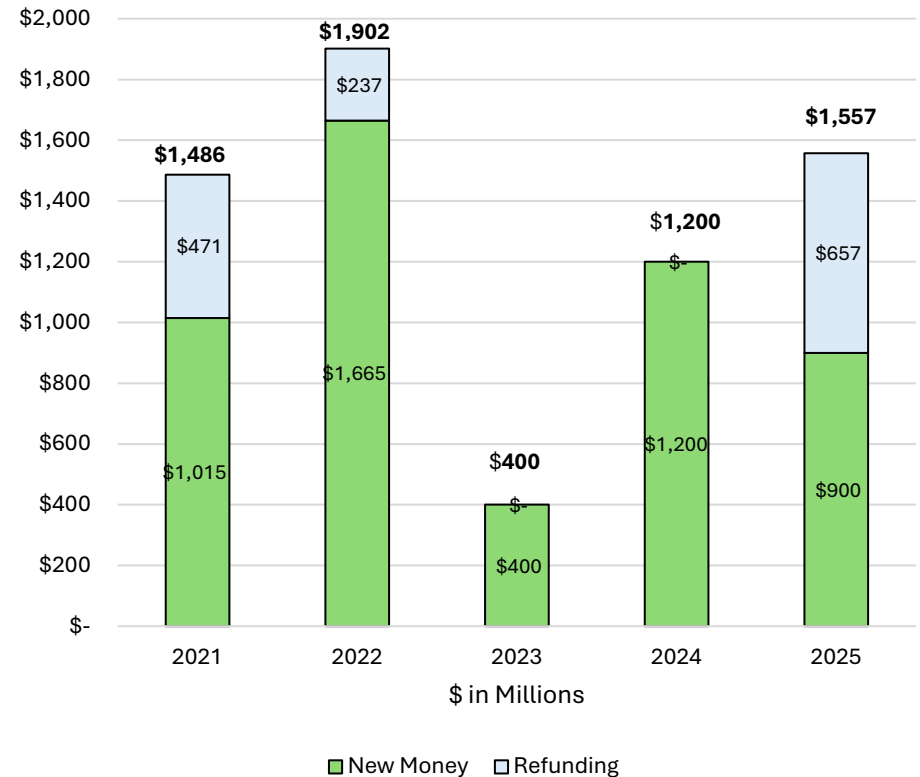
September 30, 2025



# GO Bonds Issuance History

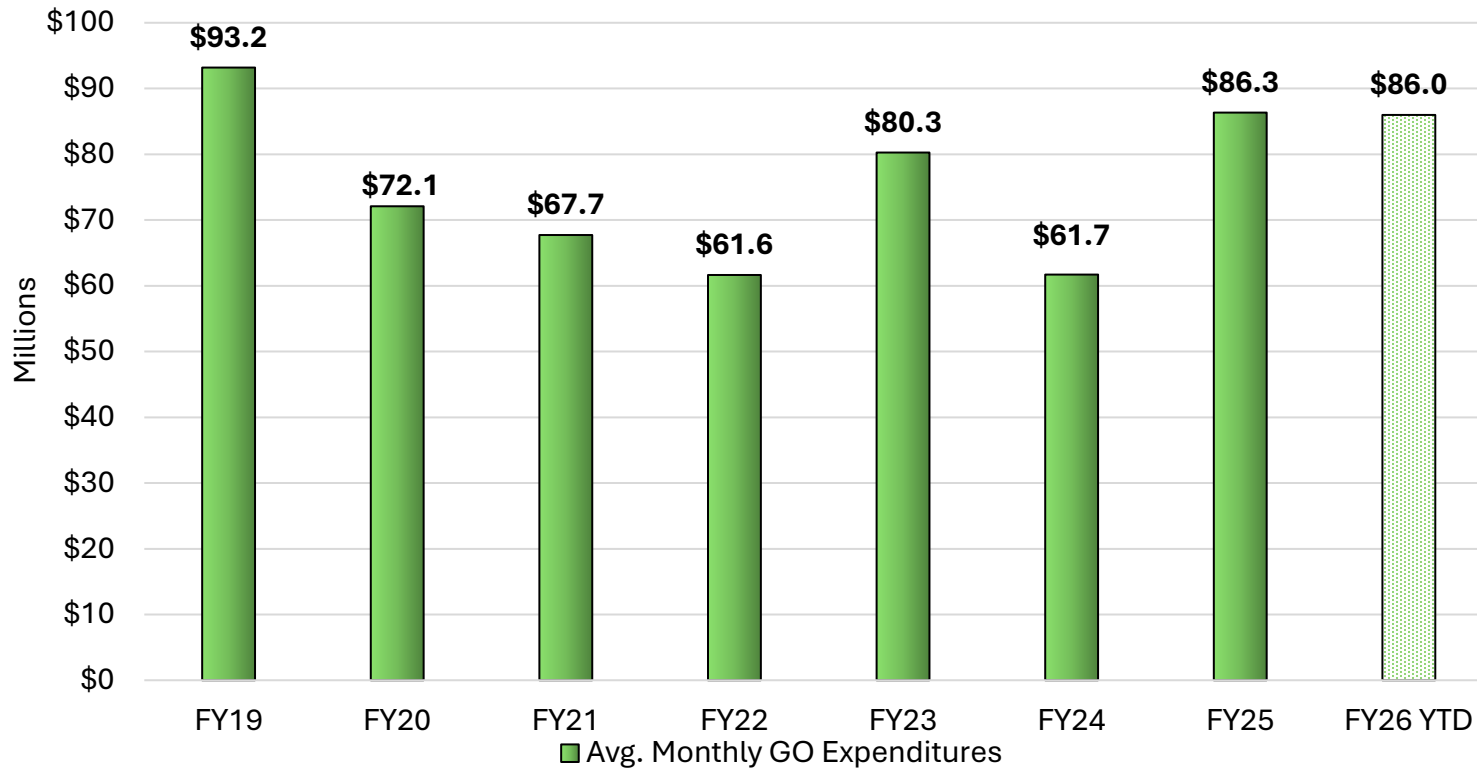
## Fiscal 2021 - 2025

- \$6.55 billion in General Obligation Bonds issued since July 1, 2020:
  - \$5.66 billion in tax-exempt bonds
    - Includes \$1.01 billion in refundings
  - \$880.6 million in taxable bonds
    - Includes \$355.6 million in refundings





# Tax-Exempt GO Spending Increased in Fiscal 2025







# GO Bond Issuances

## Fiscal 2025 – 2026

### Fiscal Year 2025 General Obligation Bond Issues Totaled \$1.6 Billion

Series	Date of Sale(s)	(\$ in millions)		All-In True Interest Cost (TIC)
		Tax-Exempt: New Money Competitive	Taxable: Refunding Competitive	
2025 1 <sup>st</sup> Series	6/11/25	\$900.0	\$656.7	3.552%

### Credit Ratings

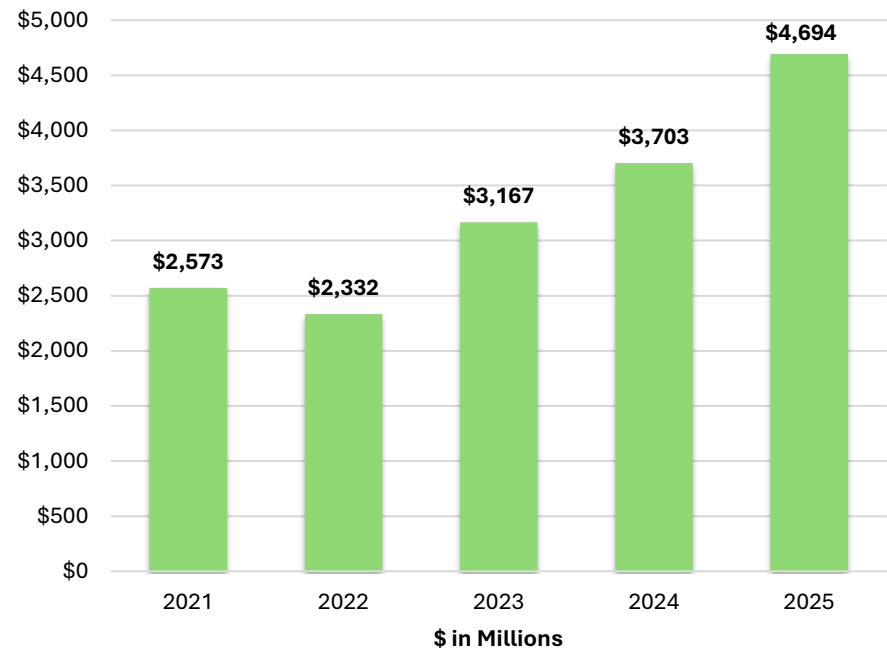
- S&P Global Ratings – AAA, stable
  - Fitch Ratings – AAA, stable
  - Moody's Rating – Aa1, stable
- 
- There have been no General Obligation Bonds issued in FY2026 YTD.



# Outstanding GO Debt and Amounts Authorized but Unissued

- General obligation debt outstanding:
  - \$9.95 billion was outstanding as of June 30, 2025
    - \$1.02 billion retired since June 30, 2025
  - **\$8.93 billion outstanding as of October 16, 2025**
- \$4.7 billion of general obligation debt was authorized but unissued as of June 30, 2025.

Authorized But Unissued



## Current Projections for Future Issuances

The following figures are based on the 2024 Capital Debt Affordability Committee authorization recommendation.

<u>Fiscal Year</u>	<u>Authorizations</u>	<u>Issuances</u>
2025	\$1,750	\$1,390
2026	\$1,750	\$1,535
2027	\$1,750	\$1,640
2028	\$1,750	\$1,700
2029	\$1,750	\$1,750
2030	\$1,750	\$1,750

*All \$ figures in millions. Preliminary and subject to change. Issuances calculated using historical CDAC model assumptions on the drawdown of project authorizations – assumes 31% of an authorization is used in Year 1, 25% in Year 2, 20% in Year 3, 15% in Year 4, and 9% in Year 5.*

Issuance assumptions and future debt projections will be revisited and updated as part of the 2025 debt affordability analysis process.

## Status of Refunding Potential

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An analysis is prepared by the State's financial advisor before each bond sale to determine the financial feasibility of a refunding.

Benchmarks are 3% net present value (NPV) savings of the aggregate refunded par amount and positive NPV savings for each candidate being currently refunded on a maturity-by-maturity bases. In addition, there should be no dissavings in any year unless there is an overriding policy objective for the refunding.

The State has been aggressive in pursuing refunding savings where opportunities exist. The refunding issued in June 2025 generated \$23.7 million in debt service savings on an NPV basis.

The State will continue to evaluate refunding potential in advance of the 2026 First Series sale.



## Use of Variable Rate Debt, Bond Insurance, Derivatives, and Guaranteed Investment Contracts

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The State is authorized to issue variable interest rate bonds in an amount no more than 15% of the outstanding general obligation indebtedness. As of today, the State has not issued any variable rate debt and has not executed any derivatives.

The State did not enter into any new Guaranteed Investment Contracts related to the issuance of general obligation bonds in FY 2025.

Bond insurance is not needed because of the State's strong credit profile.

# Capital Debt Affordability Committee: 2025 Update on Capital Leases

Presented by  
Tanya M. Mekeal, Debt Manager  
Maryland State Treasurer's Office

September 30, 2025

## Topics of Discussion

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- Capital Lease Overview
- Tax-Supported Equipment Leases included in the CDAC Analysis
- Tax-Supported Energy Leases included in the CDAC Analysis
- Capital Equipment and Energy Lease Activity for Fiscal Year 2025
- Projections of Future Tax-Supported Lease Financings

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The Treasurer's Office, on behalf of the Board of Public Works, determines the size, timing, and method to finance capital assets for State agencies and manages the lease finance procurement and payment of debt service.

Capital Lease Programs		
Program	Financing Term	Tax supported
Capital Facility Leases	15 - 25 years	yes
Equipment Leases	up to 15 years	yes
Energy Leases	up to 30 years	no



# Tax-Supported Capital Leases included in the CDAC Analysis

The following table summarizes the current tax-supported capital leases included in the 2025 CDAC Affordability Analysis.

FY 2025 Tax-Supported Lease Financings Outstanding			
State Agency	Equipment and Facilities Financed	Principal Amount Outstanding as of 6/30/2025	Debt Service for FY 2025
State Treasurer's Office on behalf of State Agencies	Capital Equipment - Various communications, computers and other equipment	\$ 10,862,282	\$ 5,429,058
State Treasurer's Office on behalf of State Agencies	Energy Performance Projects	1,280,940	2,205,977
Department of Transportation	Shuttles	15,855,000	2,060,650
Department of General Services	Prince George's County Justice Center	6,748,025	1,515,793
Transportation Authority	State Office Parking Facility	9,992,000	1,472,445
Department of Health	Public Health Lab	72,690,000	13,989,963
Department of Health	Headquarters	213,260,000	-
<b>Total Tax-Supported Leases*</b>		<b>\$ 330,688,247</b>	<b>\$ 26,673,885</b>

\*Totals may not add due to rounding

# Tax-Supported Energy Leases included in the CDAC Analysis

The following table summarizes the current energy leases included in the 2025 CDAC analysis. An energy lease is included in the CDAC analysis if it lacks a surety guaranty, meaning debt service **may not** be offset by utility savings.

FY 2025 Tax-Supported Energy Lease Financings Outstanding		
State Agency	Principal Outstanding as of 6/30/2025	Debt Service Fiscal Year 2025
State Police	\$ -	\$ 241,629
Maryland Aviation Administration	789,565	1,600,404
Veteran's Affairs	-	28,319
MD Port Administration	491,375	335,624
Total *	\$ 1,280,940	\$ 2,205,976

\*Totals may not add due to rounding

# Capital Equipment and Energy Lease Activity in Fiscal Year 2025

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## Equipment:

Summary of the Lease Terms for Equipment Financed Fiscal Year 2025	
3-year leases	\$ 2,707,655
5-year leases	\$ 220,616
Total	\$ 2,928,271

## Energy:

No energy leases were financed during fiscal year 2025.

# Projections of Future Tax-Supported Lease Financings in the CDAC Analysis

Types of Financing	Period	CDAC projections as of June 2025*
Equipment Leases (1)	Fiscal Years 2026 – 2028	\$9.5 million - FY 2026 \$14.8 million - FY 2027 \$8.8 million - FY 2028
Energy Leases (2)	Fiscal Years 2026 – 2028	\$25.0 million - FY 2026 (3) \$25.0 million - FY 2027 \$40.0 million - FY 2028

(1) Fiscal Year 2026 - 2028 estimates are based on agency surveys.

(2) All of the projected Energy Lease financings include projects that will have surety bond guarantees that equal or exceed the debt service payments through out the term of the lease; therefore, these projects are not included in the CDAC Affordability Analysis.

(3) \*DGS estimates lease financing of potential energy projects at \$25M in FY 2026 based on continuing evaluation of state properties, \$25M in 2027 and potentially another \$40M in 2028 pending on availability/issuance of MEA grant funding.

\* Preliminary, subject to change.



## Questions?

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# MDOT's Tax-Supported Debt

Presentation to the Capital Debt  
Affordability Committee

Octavia Robinson  
Chief Financial Officer  
September 30, 2025



# Consolidated Transportation Bonds

## Structure:

- Fixed rate
- Interest only first 2 years
- Maximum maturity of 15 years
- Level debt service payments
- Repayment – pledged tax revenue from vehicle excise, motor fuel, corporate income, and sales tax on rental vehicles

## Variable rate debt and swaps:

- None

## Bond Insurance:

- Not needed because of MDOT's stable credit profile

# Credit Ratings

Standard and Poor's – AAA (affirmed 05/28/2025)

Moody's – Aa1 (downgraded, 05/14/2025)

Fitch – AA+ (affirmed 05/27/2025)



# Bond Coverage

## Additional Bonds Tests:

- Pledged taxes – ratio of prior year pledged taxes to maximum annual debt service
  - Requirement of at least 2.0 times coverage, management practice of at least 2.5 times coverage
  - FY 2025 coverage of 6.7 projected to maintain coverage above 6.0 through FY2035
- Net income – ratio of prior year income less operating expenses to maximum annual debt service
  - Requirement at least 2.0 times coverage, management practice of at least 2.5 times coverage
  - FY 2025 coverage of 3.6 projected to maintain coverage of 2.5 through FY 2035





# Outstanding Debt

## Debt Outstanding Limits:

- Statutory debt limit - \$5.0 billion
- Annual debt limit
  - \$2.90 billion (FY 2025)
  - \$2.86 billion (FY 2026)\*

## Amount of Debt Outstanding:

- FY 2025 - \$2.90 billion
- FY 2026 - \$2.93 billion (Anticipated bond sale of \$345 million offset by redemptions)

## Amount authorized but unissued:

- Authorized - \$2.90 billion (as of June 30, 2025)
- Authorized but not issued - \$0 million

## FY2026 Bond Sales:

- New money sale of \$345 million and an anticipated sale of approximately \$531 million in refunding bonds

*\* MDOT has provided notice to the Senate Budget and Taxation Committee and the House Appropriations Committee stating the need for the additional FY2026 issuance.*





# Debt Issued in Previous Five Fiscal Years

Series	Sale Date	New Money (\$ In Millions)	Refunding (\$ In Millions)	True Interest Cost (TIC)
Series 2025A	06/04/2025	\$200.0		3.809%
Series 2022B FWD RF	09/30/2021		\$143.6	1.358%
Series 2022A FWD RF	09/30/2021		\$52.4	.909%
Series 2021B RF	09/29/2021		\$139.2	.657%
Series 2021A	09/29/2021	\$295.0		1.731%
Series 2020	10/07/2020	\$300.0		1.580%
Total		\$795.0	\$335.2	



# Planned Issuances

(\$ in millions)

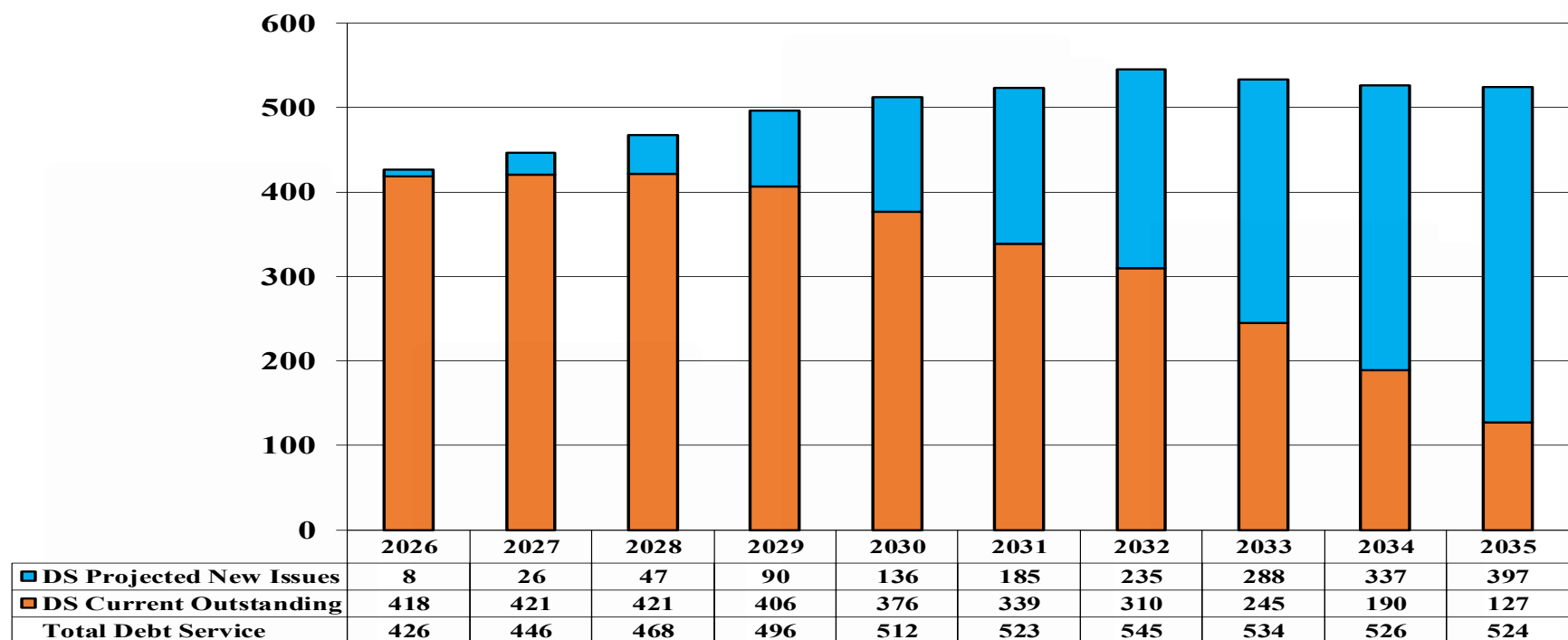
Fiscal Year	Debt Outstanding at Beginning of Year	New Issues	Redeemed	Debt Outstanding at End of Year
2026E*	\$2,895	\$345	\$306	\$2,934
2027E	\$2,934	\$390	\$321	\$3,003
2028E	\$3,003	\$500	\$337	\$3,166
2029E	\$3,166	\$480	\$358	\$3,287
2030E	\$3,287	\$505	\$367	\$3,426
2031E	\$3,426	\$415	\$372	\$3,469
2032E	\$3,469	\$530	\$385	\$3,614
2033E	\$3,614	\$520	\$364	\$3,770
2034E	\$3,770	\$570	\$345	\$3,994
2035E	\$3,994	\$675	\$328	\$4,341

(E = based on FY 2026 - 2031 Draft Consolidated Transportation Program)

\* MDOT anticipates increasing the annual debt limit after review and comment by the legislative budget committees.

# Debt Service Projections

(\$ in millions)



# In Conclusion:

We reviewed important factors about MDOT's Tax-Supported Debt.

- Consolidated Transportation Bonds
- Credit Ratings
- Bond Coverage
- Outstanding Debt
- Debt Issued in Previous Five Fiscal Years
- Planned Issuances
- Debt Service Projections



# Maryland Stadium Authority Briefing

## Capital Debt Affordability Committee

September 30, 2025





# Maryland Stadium Authority

## Background

Established by the General Assembly in 1986, the original mission was to build, manage, and maintain quality facilities to retain Major League Baseball, and return the National Football League to Maryland.

For over 35 years, MSA has completed projects in partnership to local government, universities and the private sector throughout Maryland. These include convention centers, museums, theaters, parks, schools, and campus centers in addition to sports arenas.

In addition, MSA currently oversees projects such as the 21<sup>st</sup> Century Schools Construction Program, Baltimore Vacants Reinvestment Initiative (Project CORE), Built to Learn, Redevelopment of Pimlico Racing Facility, Prince George's Blue Line Corridor, and Sports Entertainment Facilities.





# Maryland Stadium Authority

## Mission

- To plan, finance, build and manage sports and entertainment facilities in Maryland.
- Provide enjoyment, enrichment, education, and business opportunities for citizens.
- Develop partnerships with local governments, universities, private enterprise and the community





# Prior Debt Issuances

Fiscal Year	Amount	Purpose
2021	\$524,295,000	<p>Baltimore City Public Schools Construction and Revitalization Program Revenue Bonds, Series 2020A was the third issuance for the Baltimore City Public Schools Program. Par amount was \$194,035,000.</p> <p>Baltimore City Public Schools Construction and Revitalization Program Revenue Bonds, Series 2020B was the “Green Bond” for Northwood Elementary school. Par amount was \$33,995,000.</p> <p>Baltimore City Public Schools Construction and Revitalization Program Revenue Bonds, Series 2020C was a federally taxable refunding of certain maturities from the Series 2016 and Series 2018A bonds for the Baltimore City Public Schools. The par amount was \$296,265,000 and generated about \$60 million of additional proceeds for the program.</p>
2022	\$687,580,000	<p>Built to Learn Revenue Bonds, Series 2021 was the first series of bonds issued for the Built to Learn Program. Par amount was \$256,955,000.</p> <p><b>Hagerstown Multi-Use Stadium and Events Facility Lease Revenue Bonds, Series 2022A for the Hagerstown Multi-Use Sports and Event Facility. Par amount was \$57,555,000. This series is included in the capital debt affordability calculations since a Master Lease is security pledge.</b></p> <p>Built to Learn Revenue Bonds, Series 2022A was the second series of bonds issued for the Built to Learn Program. Par amount was \$373,070,000.</p>





# Prior Debt Issuances (cont.)

Fiscal Year	Amount	Purpose
2023	\$66,050,400	Baltimore City Public Schools Construction and Revitalization Program Revenue Bonds, Series 2022C were the fourth and final issuance for the Baltimore City Schools program. These were Capital Appreciation Bonds to finance a portion of the costs of the Frederick Douglas Building under the program. Par amount was \$66,050,400.
2024	\$516,725,000	<p>Revenue Bonds (Football Stadium Issue), Series 2023A &amp; Series 2023B were issued to finance certain renovations and improvements at M&amp;T Bank Stadium. The maximum aggregate principal amount of the issuance is \$418,230,000. The par amount of Series 2023A was \$225,730,000. Series 2023B consists of \$115,000,000 in 4-year taxable draw down facility, after which the remaining principal amount of up to \$77,500,000 converts to a tax-exempt fixed rates in July 2027.</p> <p>Sports Entertainment Facilities (Hagerstown Project), Series 2023A for the Hagerstown Multi-Use Sports and Events Facility. Par amount was \$20,125,000.</p> <p>Sports Entertainment Facilities (Minor League Baseball Projects), Series 2023B for the renovation of certain Minor League stadiums. Par amount was \$78,370,000.</p>
2025	\$660,815,000	<p>Built to Learn Revenue Bonds, Series 2024 was the third series of bonds issued for the Built to Learn program. Par amount was \$410,735,000.</p> <p>Baseball Stadium Taxable Revenue Bond, Series 2025, for improvements to Oriole Park baseball Stadium. Private Placement \$128,575,000.</p> <p>Sports Entertainment Facilities (Minor League Baseball Projects), Series 2025 for the renovation of certain Minor League stadiums. Par amount was \$121,505,000.</p>





# FY25 New Debt Issuances

## Built to Learn Revenue Bonds, Series 2024

- Par Amount - \$410,735,000
- Premium - \$34,860,145
- Cost of Issuance - \$332,314
- Project Fund - \$432,357,841
- Capitalized Interest - \$11,811,011
- Term – 29 years
- Maturity Date – June 1, 2054
- True Interest Cost – 4.262356%
- Tax-Exempt
- Non-Tax-Supported Debt – secured by Education Trust Fund







# FY25 New Debt Issuances

## Taxable Revenue Bonds (Baseball Stadium Issue), Series 2025

- Private Placement
- Par Amount - \$128,575,000
- Cost of Issuance - \$223,371
- Project Fund - \$125,000,000
- Capitalized Interest - \$3,136,622.84
- Term – 13 years
- Maturity Date – December 15, 2038
- True Interest Cost – 5.692159%
- Taxable
- Non-Tax-Supported Debt – secured by pledged Lottery funds





# FY25 New Debt Issuances

## Sports Entertainment Facilities (Minor League Baseball Projects) Revenue Bonds, Series 2025

- Par Amount - \$121,505,000
- Premium - \$11,121,374
- Cost of Issuance - \$256,250
- Project Fund - \$126,022,244
- Capitalized Interest - \$6,041,499
- Term – 12 years
- Maturity Date – June 15, 2037
- True Interest Cost – 3.681854%
- Tax-Exempt
- Non-Tax-Supported Debt – secured by pledged Lottery funds





# Outstanding Debt & Revenues

Fiscal Year	Amount Outstanding	Tax Supported Bonds and Equipment	Revenue Bond	Energy (tax supported debt)	Debt Service for Tax Supported and Energy	Revenues (Lottery/ Camden Yards Operating Revenue and \$2 ticket charge)
2025	\$2,845,646,301	\$117,795,000	\$2,727,861,301	\$0	\$17,693,320	\$17,693,320
2026	\$2,761,975,400	\$106,320,000	\$2,655,655,400	\$0	\$16,688,402	\$16,688,402
2027	\$2,671,075,400	\$102,155,000	\$2,568,920,400	\$0	\$8,755,149	\$8,755,149
2028	\$2,575,440,400	\$97,820,000	\$2,477,620,400	\$0	\$8,758,395	\$8,758,395
2029	\$2,476,410,400	\$93,310,000	\$2,383,100,400	\$0	\$8,757,203	\$8,757,203
2030	\$2,372,640,400	\$88,615,000	\$2,284,025,400	\$0	\$8,757,199	\$8,757,199
2031	\$2,263,880,400	\$83,725,000	\$2,180,155,400	\$0	\$8,756,814	\$8,756,814
2032	\$2,149,845,400	\$78,625,000	\$2,071,220,400	\$0	\$8,761,621	\$8,762,621
2033	\$2,030,315,400	\$73,310,000	\$1,957,005,400	\$0	\$8,761,082	\$8,761,082
2034	\$1,905,035,400	\$67,785,000	\$1,837,250,400	\$0	\$8,758,061	\$8,758,061
2035	\$1,774,020,400	\$62,055,000	\$1,711,965,400	\$0	\$8,753,200	\$8,753,200
2036	\$1,637,180,400	\$56,110,000	\$1,581,070,400	\$0	\$8,752,909	\$8,752,909
2037	\$1,512,560,400	\$49,925,000	\$1,462,635,400	\$0	\$8,762,348	\$8,762,348
2038	\$1,385,175,400	\$43,505,000	\$1,341,670,400	\$0	\$8,757,607	\$8,757,607
2039	\$1,296,725,400	\$36,820,000	\$1,259,905,400	\$0	\$8,755,636	\$8,755,636





# Fixed Rate Debt Ratings

Series	S&P	Moody's	Fitch
Series 2016 BCPS	AA-	A1	AA
Series 2018A BCPS	AA-	A1	AA
Series 2019A	AA+	Aa2	AA+
Series 2019B	AA+	Aa2	AA+
Series 2019C OCCC	AA+	Aa2	AA+
Series 2020A,B,&C BCPS	AA-	A1	AA
Series 2021 BTL	AA	Aa3	A+
Series 2022A Hagerstown	N/A	Aa2	AA+
Series 2022A BTL	AA	Aa3	A+
Series 2022C BCPS	AA-	A1	AA
Series 2023A&B Football	A+	Aa2	AA
Series 2023A&B Sports Ent Facilities	AA	N/A	AA
Series 2024 BTL	AA	Aa3	A+
Series 2025 Sports Ent Facilities	AA	N/A	AA





# Variable Rate Debt & Swaps

<b>Maryland Stadium Authority</b> <b>Summary of Swaps and Variable Rate Demand Bonds</b> <b>as of June 30, 2025</b>	
	<b>Sports Facilities Lease Revenue Refunding Bonds</b> <b>Football Stadium Issue</b> <b>Series 2007</b>
<b>Series Name</b>	
<b>Tax Status</b>	<b>Tax-Exempt</b>
<b>Dated Date</b>	<b>2/8/2007</b>
<b>Original Issue Par</b>	<b>\$73,500,000</b>
<b>Current Outstanding</b>	<b>\$6,080,000</b>
<b>Maturity</b>	<b>3/1/2008 – 2026</b>
<b>Remarketing Agent</b>	<b>Goldman Sachs &amp; Co.</b>
<b>Current Remarketing Rate</b>	<b>5 Basis Points</b>
<b>Liquidity/LOC Provider</b>	<b>SBPA: Sumitomo</b>
<b>LOC Expiration</b>	<b>3/1/2026</b>
<b>Current LOC Fee</b>	<b>45 Basis Points</b>
<b>Current Reset Frequency</b>	<b>7-Day</b>
<b>Date of Last Reset</b>	<b>10/5/2022</b>
<b>Reset Rate</b>	<b>2.44%</b>
<b>Hedges</b>	<b>Synthetic Fixed Rate (MSA paid Fixed Amounts = 5.69% - 5.8%, receives SIFMA)</b>
<b>Counterparty</b>	<b>Barclays</b>





# Variable Rate Debt Ratings

Series	S&P	Moody's	Fitch
2007 Short Term	A1+	VMIG 1	F1+
2007 Long Term	AA+	Aa2	AA



# FY26 Debt Issuances & Projections

- **Oriole Park at Camden Yards**

In August 2025, MSA issued \$198.1 million in Taxable Revenue Bonds (Baseball Stadium Issue), Series 2025 B&C, to finance a portion of the costs to design, construct, and improve the baseball stadium at Oriole Park at Camden Yards. \$10.0 will be deposited into a contingency fund to make any required initial payments to a Capital Works Fund and Emergency Repair Fund. The bonds will mature December 2038. The annual debt service amount is \$28.1 million in 2027, reduced to \$20.0 million per year over the remaining term of the bonds. MSA's share of lottery revenues are pledged for these bonds; therefore, they are not considered tax-supported debt and not included in the CDAC affordability analysis.

- **Redevelopment of the Pimlico Racing Facility**

Anticipated late 2025/early 2026, to issue up to \$260.0 million in taxable revenue bonds to finance a portion of the costs to plan, design, and construct the racing facilities at Pimlico. Debt service will be limited to up to \$17.0 million per year. MSA's share of lottery revenues will be pledged for these bonds; therefore, they will not be considered tax-supported debt.





# FY26 Debt Issuances & Projections

- **Built to Learn**

The fourth bond issuance for the Built to Learn program is anticipated in Spring 2026. Projected amount approximately \$295 million. Annual debt service is secured by the funds received from the State of Maryland Education Trust Fund; therefore, they will not be considered tax-supported debt.

- **Prince George's County Blue Line Corridor**

MSA is authorized to issue up to \$400 million in bonds for the design, development, and construction of proposed sports and entertainment facilities in Central Prince George's County along the Blue Line Corridor. MSA anticipates issuing bonds in late 2026. MSA's share of lottery revenues will be pledged for these bonds; therefore, they will not be considered tax-supported debt.





**Maryland**  
Department of  
the Environment

**Bay Restoration Fund (BRF)  
Capital Debt Affordability Committee Briefing  
September 30, 2025**

Manith Hang, Financial Program Manager  
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[www.mde.maryland.gov/WQFA/Pages/index.aspx](http://www.mde.maryland.gov/WQFA/Pages/index.aspx)

# Bay Restoration Fund

## Debt Issued in Prior Fiscal Years

---

FY	Amount (\$ Million)	Primary Purpose
2008	\$ 50.00	Provide grants for the Enhanced Nutrient Removal (ENR) upgrades at the 67 major Waste Water Treatment Plants (Estimated Total ENR Capital Cost \$1.2 billion)
2009	-	
2010	-	
2011	-	
2012	-	
2013	-	
2014	\$100.00	
2015	-	
2016	\$180.00	
2017	-	
2018	-	
2019	-	
Total	\$330.00	



**Maryland**  
Department of  
the Environment

# Bay Restoration Fund

## Existing Bonds/Refunding Potential

---

	<b>Series 2014</b>	<b>Series 2015</b>
Debt Issued:	\$100,000,000	\$180,000,000
Issue Date:	5/14/2014	12/3/2015
Ratings:	Aa2 (Moody's) AA (S&P)	Aa2 (Moody's) AA (S&P)
True Interest Cost:	2.55%	2.59%
Interest:	Fixed Rate	Fixed Rate
Final Bond Maturity:	3/1/2029	3/1/2030
Security:	BRF (WWTP)Fee	BRF (WWTP) Fee
Debt Service Reserve:	None	None
Optional Redemption After:	3/1/2024	3/1/2024
Refunding Potential:	No Savings	No Savings



**Maryland**  
Department of  
the Environment

# BRF Current Outstanding Debt & Annual Debt Service (\$ Million)

<u>Fiscal Year Ending</u>	<u>Outstanding Debt</u>	<u>Annual Debt Service</u>
2008	50.000	0.000
2009	46.825	4.655
2010	44.185	4.710
2011	41.560	4.616
2012	38.820	4.614
2013	35.995	4.617
2014	133.055	4.614
2015	129.980	8.248
2016	301.615	14.330
2017	292.880	23.431
2018	273.590	31.756
2019	253.375	31.717
2020	232.075	31.827
2021	209.715	31.829
2022	186.245	31.823
2023	161.605	31.824
2024	140.360	27.216
<b>2025</b>	<b>118.055</b>	<b>27.214</b>
2026	94.715	27.134
2027	70.375	27.297
2028	44.905	27.697
2029	18.250	28.048
2030	0.000	18.798
2031	0.000	0.000



**Maryland**  
Department of  
the Environment



# Bay Restoration Fund

## Total Debt Authorized and Amount Unissued

---

Debt Authorized through FY 2025 budget:	\$590,000,000
Debt Issued through end of FY 2025:	<u>\$330,000,000</u>
Future Authorized Debt Issuance:	\$260,000,000

Projected Future Debt Issuance: N/A – not at this time

### *Assumptions for future debt issuance*

- Wt. Avg. Coupon Rate of 2.50% per year
- Annual Level Debt Service
- Maximum 2-Year Bond Term
- Final Debt Service Payment by FY 2030



**Maryland**  
Department of  
the Environment

# Projected Debt Issuance, Debt Service Payments & Annual Revenue (\$ Millions)

Fiscal Year	New Issues	Debt Outstanding as on 6/30/Yr	Debt Service Payment for FY	Revenue (Cash)	
2008	50.000	50.000	0.000	55.068	Actual
2009	0.000	46.825	4.655	53.356	Actual
2010	0.000	44.185	4.710	54.818	Actual
2011	0.000	41.560	4.616	54.598	Actual
2012	0.000	38.820	4.614	54.552	Actual
2013	0.000	35.995	4.617	92.767	<< Fee Increase
2014	100.000	133.055	4.614	108.466	Actual
2015	0.000	129.980	8.248	111.785	Actual
2016	180.000	301.615	14.330	123.708	Actual
2017	0.000	292.880	23.431	112.678	Actual
2018	0.000	273.590	31.756	113.530	Actual
2019	0.000	253.375	31.717	114.201	Actual
2020	0.000	232.075	31.827	107.609	Actual
2021	0.000	209.715	31.829	109.311	Actual
2022	0.000	186.245	31.823	115.380	Actual
2023	0.000	161.605	31.824	115.679	Actual
2024	0.000	140.360	27.216	108.381	Actual
2025	0.000	118.055	27.214	115.000	Actual
2026	0.000	94.715	27.134	115.000	Projected
2027	0.000	70.375	27.297	115.000	"
2028	0.000	44.905	27.697	115.000	"
2029	0.000	18.250	28.048	115.000	"
2030	0.000	0.000	18.798	115.000	"
2031	0.000	0.000	0.000	58.000	<< Fee Decrease



**Maryland**  
Department of  
the Environment

# Capital Debt Affordability Committee

September 30, 2025

**Samantha Norris**  
Director of Financial Planning and Analysis



UNIVERSITY SYSTEM  
*of* MARYLAND



UNIVERSITY SYSTEM  
*of* MARYLAND

# Moving forward with purpose

## Our Mission

*To educate and serve the people of Maryland; advance equity, justice and opportunity; and produce the research and scholarship that improves lives.*

## Our Vision

*To be a preeminent system of public higher education, respected around the world for our leadership in developing learner-centered postsecondary education for all levels and life stages; creating knowledge that solves problems, strengthens communities, and makes meaningful change; and relentlessly pursuing equity, opportunity, and justice for all.*

# Agenda

- Contributions to Maryland
- Challenges
- Financing Principles
- Future Capital Needs



# Background of USM



## Founded

1988



## Components

12 Institutions

3 RHECs



## Purpose

Educate

Innovate

Elevate



## Buildings

Academic: 25.8M GSF

Auxiliary: 19.2M GSF



## Auxiliary

Student Unions

Dining Halls

Athletic Facilities

Parking Structures



## Beds

Over 32,000 on  
campus beds for  
students

# USM Contributions to Maryland



## Access, Affordability & Achievement

- 171,000 students enrolled
  - 40,000 transfers
- Low cost allows up to two-thirds of undergraduates to avoid loans
  - Average loans of \$32k with 4-year degree
- 45,000+ degrees awarded annually
- First-time undergraduates
  - 82% average 2-year retention rate
  - 72% average 6-year graduation rate



# USM Contributions to Maryland

## Workforce and Economic Development

Annually, USM produces more than:

- 15,000 STEM degrees
- 1,500 teachers
- 7,000+ Comp Sci
- 300 invention disclosures
- 1,800+ engineers
- 200 patents
- 1,450 doctors and nurses

Over 600 new companies have been created/facilitated and over 600 patents issued by USM students/staff (since 2019)



## Research and Impact

- \$1.65B in R&D attracted annually
  - Up 29% over past 5 years
- UMD-UMB ranked 11<sup>th</sup> nationally among public institutions
- USM ranks 15th among academic institutions in US utility patents issued
- In 2024, USM venture support helped launch 182 Maryland start up companies





# Challenges

## Enrollment

- Federal policies on financial aid and international student visas will impact enrollment
  - Monitoring potential impacts on enrollment
  - 12k international students in our student body

## Research Funding

- USM expends apprx. \$1 B annually, primarily federally funded grants
  - \$50.4M awards impacted in FY25
  - Flow of new grant awards has slowed
  - Research cuts will impact enrollment (graduate research)
- If indirect cost reimbursement is cut, could negatively impact expenses by \$70-150 M annually

# Challenges, cont'd

## Budget

- \$211 M base reduction from FY24-26(9.4%)
- \$23 M one time cut in FY25
- \$486 M salary increases (11%) from COLA and Merit, \$160 M unfunded

## Capital Implications

- Cost of maintaining research facilities passed to universities
- Inability to meet the Facilities Renewal investment goal
- Inflationary increases to construction costs impacting affordability

# USM Financing Principles

## Fixed Rate Debt

- Would consider variable if advantageous

## Varying term

- 10-, 20-, and 30-year bonds

## Level debt service

- Interest only first year

## Secured by tuition and auxiliary revenue

- Can use P3 deals for auxiliary projects if financially advantageous

# USM Debt Covenants and Practices

## Maximum Annual Debt Service:

- Tuition revenues and auxiliary facility fees must not be less than 2x maximum annual debt service (MADS) on the bonds.
  - As of FY24 15.3x MADS

## Projected New Authorizations and Debt Service:

- Up to \$115 million of project spending authorized annually
- Expected Bond Debt Service, assuming standard annual issuance
  - FY 2026 \$127.4 M
  - FY 2030 \$141.3 M

## Authorized Projects

- Primarily self-support auxiliary projects, as approved by BOR
- State-Support academic projects as included in the Governor's CIP

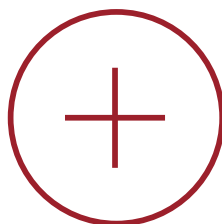
# Rating Agency Review

## Bond Ratings\* – Outlook Stable

S&P AA+

Fitch AA+

Moody's Aa1



## Strengths

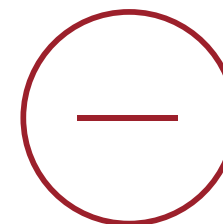
Size

Management practices

Research activity

State support

Conservative debt structure



## Challenges

Modest operating reserve

Tuition restrictions

Research funding environment

Rising capital needs

Large unfunded pension liability

\*as reported in April/August 2025 credit opinions

# Recent Debt Issuances

Fiscal Year	New	Refinancing	Total
<b>2020</b>	--	107,965,000	107,965,000
<b>2021</b>	192,610,000	153,205,000	345,815,000
<b>2022</b>	120,895,000	23,525,000	144,420,000
<b>2023*</b>	--	--	--
<b>2024</b>	(a)75,890,000	28,975,000	104,865,000
<b>Total</b>	\$389,395,000	(b)\$313,670,000	\$703,065,000

\* USM did not issue debt in FY2023 or FY2025

(a) TIC of 3.38%

(b) Total present value savings - \$32,049,682 over past five years' refinancings (10.22%)

# Legislative Considerations



LEGISLATIVE DEBT CAP  
OF \$1.7B



MAXIMUM DEBT TERM  
OF 33 YEARS



GASB AND LEGISLATIVE  
POLICY CHANGES

# USM Debt and Legislative Authority

Legislative Debt Cap \$ 1,700,000,000

Debt Outstanding, June 30, 2025\*

Comprised of:

Revenue Bonds (at par) \$ 975,820,000

Other (EPCs, MEAs) 636,000

Leases\*\* 31,020,000

Total outstanding (at par), June 30, 2025 1,007,476,000

**Additional Debt Possible Within Debt Cap \$ 692,524,000**

Other Considerations

NextGen Energy Project (est.) \$ 350,000,000

As of June 30, 2025, authorized projects beyond current available bond proceeds totals **\$204,801,000**

\*Preliminary and unaudited

\*\* This figure includes only leases previously categorized as “capital leases” prior to GASB87 implementation



# Why Invest in USM?

## USM Contributions to Maryland

- Workforce development
- Economic development
- R & D

## Financing Principles

- USM is a good steward of the investment

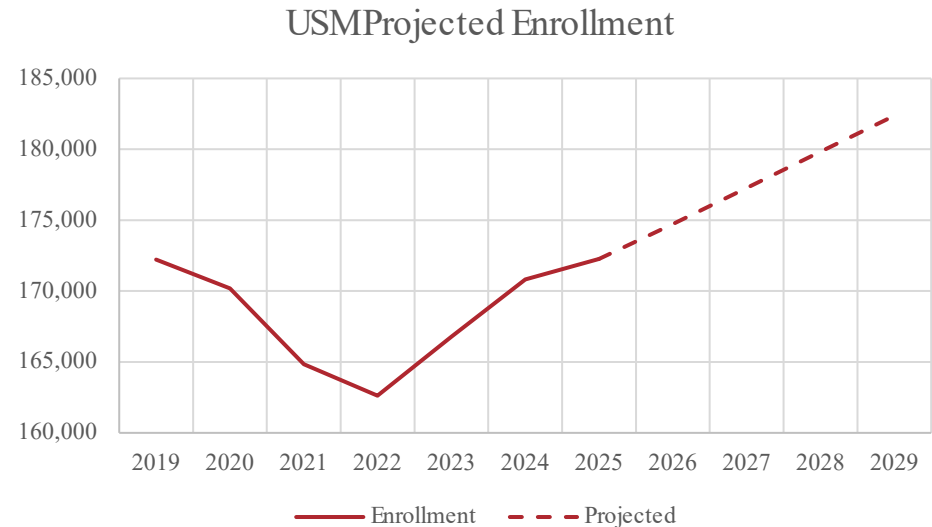
## Future Needs:

- USM is continuing to evolve

# Evolving Higher Education Capital Needs

## The USM enrollment

- Increase of nearly 10k students over the past 10 years despite pandemic-related declines
- Project to increase to over 182k students by 2029 (Fig.1).



## Self-support facilities

Receive no state capital funding and rely on revenue bonds, P3s, and cash accumulations to meet capital needs:

- Student housing
- Dining
- Student Unions
- Parking

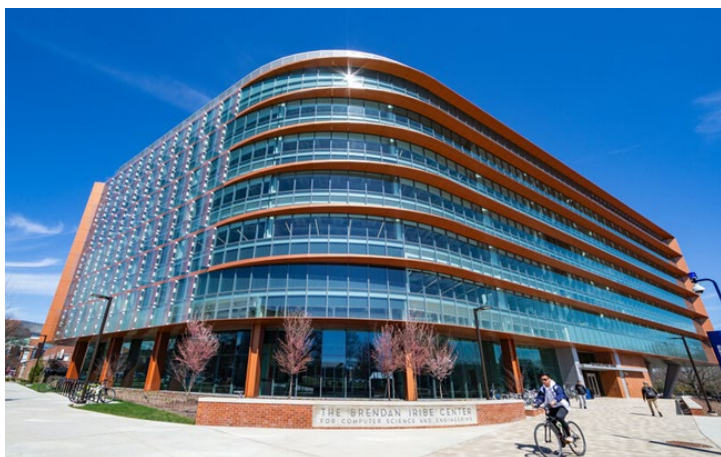
## Deferred Maintenance

State-supported capital facilities with a replacement value of more than \$16.8B have a backlog of approximately \$2.5B upkeep needed

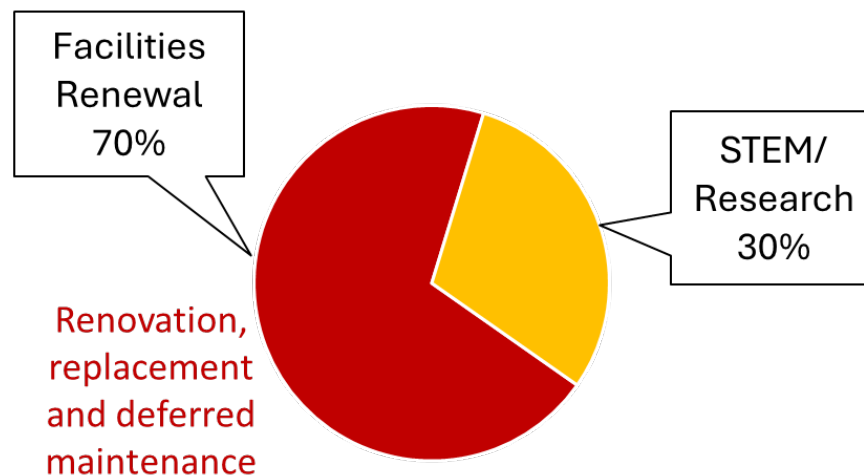
# Capital Improvement Program

## Five Year Capital Requests (FY 2026-2030)

- \$1.23 M included in CIP
- USM Bonds for Academic Facilities
  - \$30 million per year
  - Capital FR program and project needs
- Funding for 24 projects plus facilities renewal



## Capital Improvement Program



## System Funded Construction (FY 2026-2030)

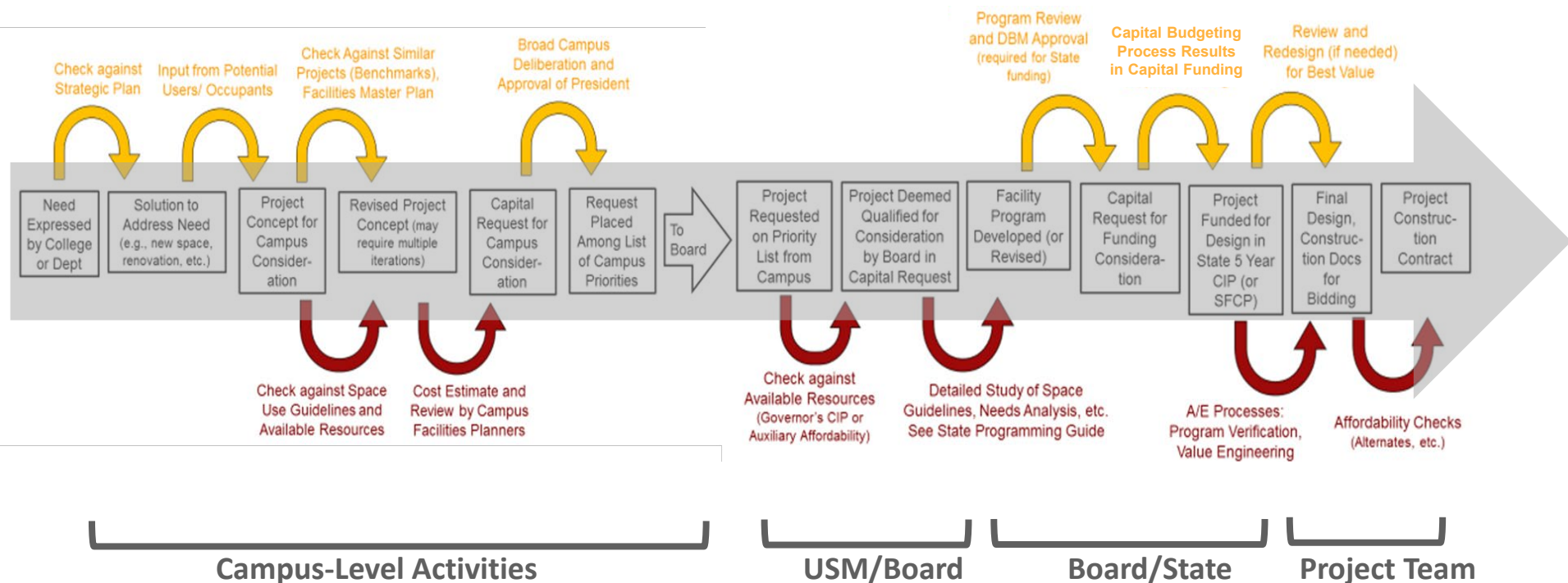
- \$200 million
- Funding 12 projects
  - \$161 million USM Bonds
  - \$39 million Cash-funding

# ARB Request

- Based on the Governor's CIP
- ARB Legislation Requests \$30 Million
  - \$24 Facilities Renewal Funds
  - \$6 Academic Project Spending
    - UMCP Health and Human Sciences Complex
    - USM Rita Colwell Center
  - This does not contribute to auxiliary (self-support) projects



# Capital Project Due Diligence Process





# Thank you



# MORGAN STATE UNIVERSITY



**PRESENTATION TO THE CAPITAL DEBT AFFORDABILITY COMMITTEE**  
**Review of Size and Condition of Debt**  
David LaChina | Executive Vice President for Finance & Administration  
September 30, 2025

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# **Morgan State University**

## **Internal Debt Guidelines & Objectives**

### **GUIDING PRINCIPLES**

- 1. Strategic Debt Allocation**
- 2. Debt Affordability and Capacity**
  - State Authorization Level
  - Debt Burden Ratio
  - Coverage Ratio
  - Viability Ratio
  - Primary Reserve Ratio
- 3. Portfolio Management of Debt**
  - Tax-Exempt
  - Taxable
  - Variable vs. Fixed
  - Capital Leases
  - Information and Consultation
- 4. Regular Dialogue with Rating Agencies**
  - Annual Credit Review
  - Information and Consultation

### **DEBT MANAGEMENT OBJECTIVES**

1. Access to capital in a timely and efficient manner.
2. Establish debt guidelines to:
  - a) Optimize the debt mix;
  - b) Manage the structure and maturity profile of debt portfolio to meet liquidity objectives and assist in cash optimization; and
  - c) Allow growth in net assets.
3. To manage the University balance sheet while maximizing the credit worthiness of the University at the most favorable cost of capital.
4. To manage the risk portfolio of the debt structure by minimizing the exposure to market volatility. Debt will be managed on a portfolio, rather than a transactional or project-specific basis.
5. Coordinate debt management decisions with asset and cash management (liquidity) decisions and portfolio strategies.

# Debt Issued in Prior Five Fiscal Years

Description/Series	Fiscal Year	Amount	Project
<b>Bonds</b>			
2018 Series Bonds	2019	\$24.7M	HBCU Bond Debt
2020 Series Bonds	2021	\$69.8M	HBCU Bond Debt
2022 Series Bonds	2023	\$65.0M	HBCU Bond Debt
2025 Series Bonds	2025	\$35.0M	HBCU Bond Debt
Prior Five Years (Revenue Bonds)		<u>0</u>	
<b>Total Bonds</b>		<b>\$194.5M</b>	
<b>Capital Lease – Building</b>		\$0	
<b>Equipment – Leases/Purchases (2016)</b>		\$19.3M	Lease purchase agreement, equipment for the School of Business and WEAA Radio
<b>Total Capital Leases</b>		<b>\$19.3M</b>	
<b>Total Bonds &amp; Capital Leases</b>		<b><u>\$213.8M</u></b>	

# Outstanding and Unissued Debt

Principal Outstanding as of 6/30/25	Amount
<b>Bonds</b>	
2018 Series (HBCU)	\$ 0.0M
2020 Series (HBCU)	40.4M
2022 Series (HBCU)	64.2M
2025 Series (HBCU)	<u>0.0M</u>
	<b>\$104.6M</b>
<b>Capital Leases</b>	<u>\$1.1M</u>
<b>Debt Authorized but Unissued</b>	<b>Amount</b>
Debt and Legislative Authority	\$140.0M
Principal Outstanding	<u>105.7M</u>
<b>Total Unissued</b>	<b><u><u>\$34.3M</u></u></b>

- 2018 Series HBCU Bonds were forgiven and satisfied by the U.S. Department of Education pursuant to the Consolidated Appropriations Act of 2021.
- 2020 Series HBCU Bonds disbursed prior to 12/27/20 were forgiven and satisfied by the U.S. Department of Education pursuant to the Consolidated Appropriations Act of 2021.
- HBCU Loan Bonds are a general obligation of the University and not secured by auxiliary revenue. Interest rate on the last installment was 4.7% and average 3.5% over the various disbursements.

# Prospective Outstanding and Unissued Debt

Principal Outstanding as of 6/30/25 (proforma)	Amount
<b>Bonds</b>	
2020 Series (HBCU)	\$ 40.4M
2022 Series (HBCU)	64.2M
2025 Series (HBCU)	<u>34.0M</u>
	<b>\$138.6M</b>
<b>Capital Leases</b>	<u>\$1.1M</u>
<b>Grand Total</b>	<b><u>\$139.7M</u></b>

Debt Authorized but Unissued	Amount
Debt and Legislative Authority	\$140.0M
Principal Outstanding	<u>139.7M</u>
<b>Total Unissued</b>	<b><u>\$ 0.3M</u></b>

- The 2020 HBCU Loan Bonds funded:
  - 2012 Defeasance for \$21.25M (subsequently forgiven)
  - New Public Safety Building (PSB) for \$16.5M
  - Dining facility for \$32M
- The 2020 HBCU Loan Bonds are closed and fully disbursed as of 1 Aug 2023.
- The 2022 HBCU Loan Bonds fund:
  - Student Housing renovations for \$30M
  - Academic building renovations for \$19M
  - Various deferred maintenance projects for \$11M
  - Cost of issuance and pooled escrow for \$5M.
- The 2022 HBCU Loan Bonds are closed and fully disbursed as of 30 June 2025.
- The 2025 HBCU Loan Bonds fund:
  - O'Connell dining facility for \$12.5M
  - Safety Bridge for \$9M
  - Parking garage – \$10.8M
  - Any remaining funds may be used for various deferred maintenance projects
  - Cost of issuance and pooled escrow for \$2.7M.
- All of MSU Bond debt is financed through the HBCU Loan program and are a general obligation of the University and not secured by auxiliary revenue.
- GASB 95 Capital Lease obligations are estimated to be approximately \$105.8M effective for FY25.

# Current Debt Service Projections – Next Ten Years

Description	Amount
<b>Bonds</b>	
Revenue Bond Series	
Principal	\$0.0M
Interest	<u>0.0M</u>
<b>Total Bonds</b>	<b><u>\$0.0M</u></b>
2020 / 2022 / 2025 HBCU Loans	
Principal	\$ 32.4M
Interest	<u>51.7M</u>
<b>Total Loans</b>	<b><u>\$ 84.1M</u></b>
<b>Capital Leases</b>	
Principal	\$1.1M
Interest	<u>0.0M</u>
<b>Total Leases</b>	<b><u>\$ 1.1M</u></b>
<b>Total Debt Service</b>	<b><u>\$90.2M</u></b>

- The 2020 HBCU Loan is closed and fully disbursed as of 1 Aug 2023.
- The 2022 HBCU Loan is closed and fully disbursed as of 30 June 2025.
- It is expected that the balance of the 2025 HBCU loan debt of up to \$35 million will be fully disbursed by 7/1/28.
- Maximum annual debt service for the fully disbursed HBCU loans is projected to be approximately \$8.9 million.

# **2025 HBCU Loan Bond Issuance**

- **2025 HBCU Capital Project Financing Loan - \$35M**
  - **Loan closed on 8 July 2025**
  - The New HBCU Loan provides funding for.
    - O'Connell Hall dining facility - \$12.5M
    - Safety Bridge - \$9M
    - Parking Garage - \$10.8M
    - Any remaining funds may be used for various deferred maintenance projects
    - COI & Pooled escrow - \$2.7M
  - Maximum Annual Debt Service is estimated at \$2.4M
  - The Loan is expected to be fully disbursed by July 1, 2028.
  - As with the current HBCU Loan, the New HBCU Loan is not included in Revenue bonds outstanding.

# Rating Agency Updates

- **Rating Agency Updates**
  - **Standard and Poor's**
    - ✓ Affirmed A+ rating in July 2024
    - ✓ Stable Outlook (affirmed)
  - **Moody's**
    - ✓ Affirmed A1 rating December 2023
    - ✓ Stable Outlook (affirmed)
  - **Public Bonds:**
    - ✓ No public revenue bonds are current outstanding.



# Rating Agency Updates (Cont.)

## ➤ Credit Rating Strengths

- Niche as one of the oldest HBCUs in the country
- Very good strategic positioning as a moderately large comprehensive research university and public HBCU located in Baltimore with growing enrollment.
- History of rising financial operating and capital support from Maryland

## ➤ Credit Rating Challenges

- Strong competition in our market niche and from other public universities
- Limited net tuition revenue growth due to its price-sensitive student demographic, with rising expenses to meet enrollment growth needs
- Very large unfunded pension liability adds significant long-term debt-like liabilities and inflexible costs



Morgan State University continues to prove that its value extends well beyond the classroom as a major economic engine for the city and state annually producing **\$1.5 billion** in statewide economic impact, supporting 8,200 jobs and generating \$71 million in state tax revenues. **Approximately 60 percent of that economic and employment impact occurs in Baltimore.**





## ECONOMIC IMPACT

**Maryland**  
**\$1.5 billion**  
**Baltimore MSA**  
**\$1.4 billion**  
**Baltimore**  
**\$891 million**

## JOBS SUPPORTED

**Maryland**  
**8,200 jobs**  
**Baltimore MSA**  
**7,450 jobs**  
**Baltimore**  
**4,880 jobs**

## ECONOMIC IMPACT BY CATEGORY

### OPERATIONS



**Maryland**  
**\$550 million**  
**Baltimore MSA**  
**\$547 million**  
**Baltimore**  
**\$498 million**

### CAPITAL



**Maryland**  
**\$75 million**  
**Baltimore MSA**  
**\$74 million**  
**Baltimore**  
**\$62 million**

### ANCILLARY SPENDING



**Maryland**  
**\$178 million**  
**Baltimore MSA**  
**\$164 million**  
**Baltimore**  
**\$85 million**

### WAGE PREMIUM



**Maryland**  
**\$730 million**  
**Baltimore MSA**  
**\$607 million**  
**Baltimore**  
**\$246 million**

## ANNUAL TAX REVENUES

**STATE OF MARYLAND**  
**\$71 million**



**CITY OF BALTIMORE**  
**\$14 million**

**Morgan is a major  
economic engine  
for the city and  
state**

# Comprehensive Deferred Maintenance Plan

- FY 2017 – Sightlines hired to conduct study – return on physical assets (ROPA)
- 90% of capital spending went to new space – not sustainable for a research university
- Identified over \$200M in DM and developed a plan to attack and reduce DM
- Total partnership with state (DBM)
  - University borrowed over \$70M (HBCU Loans) to self-fund deferred maintenance and renovations
  - State initially put \$39M in CIP plus an additional \$29 M in the future CIP.
  - State continues to support annual deferred maintenance pf between \$5M to \$10M annually.
- Since FY19, the University has spent \$160M in DM capital expenditures (\$45M academic buildings, \$70M resident halls/student life, and \$45M infrastructure/other).

# Comprehensive Student Housing Plan

- To address its current housing needs, Morgan State University (“MSU”) developed a Student Housing Master Plan in 2017 (revised in 2022), creating a long-term strategy to improve the amount and quality of its on-campus student housing inventory and to address growing enrollment and demand for housing.
- Aug 2022 – opened Thurgood Marshall Housing and Dining Facility with 670 replacement beds and 30k sq. ft. replacement dining facility (MEDCO Partnership)
- Aug 2024 – opened the Legacy Tower as the final phase of the Thurgood Marshall Housing Project adding 604 beds (MEDCO Partnership)
- Aug 2024 – opened fully renovated legacy Baldwin and Cummings student housing facilities with a combine 200 beds
- Aug 2026 – planned opening of Harper-Tubman Honor’s Student Housing with 200 bed renovation (MEDCO Partnership)
- Aug 2028 – planned opening of O’Connell Hall Housing and Dining Facility adding an additional 450 beds (650 beds total) and a new dining hall (MEDCO Partnership)



# Harper-Tubman Honors Student Housing Renovation – existing view



Students moved out of historic **HARPER-TUBMAN HOUSE** (our coed honors residence) in May of this year. The residence hall will be offline for 15 months to be completely renovated.

# Harper-Tubman Honors Student Housing Renovation – new rendering



Scheduled to Reopen August 2026



# **O'Connell Hall Housing and Dining Facility – existing view**



**This is what  
O'Connell Hall  
looks  
like now...**



**Demolition on Schedule!**



# O'Connell Hall Housing and Dining Facility – new rendering

## Perspective

Looking over the Herring Run



When students moved out of **O'CONNELL HALL** in May, the University started the process to raze it and build this 600+ bed facility in its place. There will also be another dining hall on site. It'll open in Fall 2028.



# O'Connell Hall Housing and Dining Facility – new rendering

## Perspective

Building Entry



# Five-Year Capital Improvement Plan (CIP)

## ➤ Five-Year Capital Improvement Program

- University appreciates the State's support for campus refurbishment and development
- Current CIP provides for:

▪ New Science Building, Phase II	365.8M
▪ Campus Wide Electric Upgrades	108.3M
▪ Carter-Grant Wilson Renovation	52.1M
▪ Campus Renovations – Holmes Hall Exterior	13.5M
▪ Deferred Maintenance	116.9M

<b>TOTAL</b>	<b><u>\$ 656.6M</u></b>
--------------	-------------------------

# St. Mary's College of Maryland



Review of Size and Condition of Debt  
September 30, 2025

*The*  
**NATIONAL  
PUBLIC  
HONORS**  
*College*



# Five-Year Issuance History



2021 Series A Subordinate Lien Note: \$20M



# Total Outstanding



\$32.97M in Revenue Bonds as of June 30, 2025.

St. Mary's College of Maryland has a statutory debt limit of \$60M. The College's Board of Trustees authorizes issuances. Currently, there are no authorized unissued amounts.



# 10-Year Debt Service



2025: \$3.43M

2026–2035: Varies from \$3.07M to \$3.16M

# Refunding, New Issuances, and Ratings Updates

---

Moody's underlying rating the College is A2 with a negative outlook. (Updated June 2024)

There are no current refunding opportunities or considerations.

# Five-Year Capital Improvement Plan

(as appears in the Governor's FY26 - FY30 CIP)



## Campus Infrastructure Improvements

FY26+ Design and Construction \$ 6.0M

## Montgomery Hall Renovation

FY24+ Design and Construction \$60.2M

# Variable Rate Debt, Swaps



2018 Issue: Insured by Build America Mutual

2012 Issue: Uninsured

Current variable rate debt: None



Baltimore City Community College  
Dr. Debra L. McCurdy, President  
Mr. Brandon Cohen, Director of Budgets  
September 30, 2025

# Capital Debt Affordability Committee

Wes Moore, Governor  
State of Maryland

2901 LIBERTY HEIGHTS AVENUE | BALTIMORE, MD 21215 | 410-462-8300 | [WWW.BCCC.EDU](http://WWW.BCCC.EDU)

# CDAC Presentation Agenda

- Mission, Vision & Core Values
- Economic Impact
- Student Enrollment Trends
- Realignment Tasks & Strategic Direction
- Positions, Degrees & Certificates
- FY2027 Operating Budget
- Capital Debt Profile
- Five Year Capital Programs



# "Students First"

## BCCC Mission

Baltimore City Community College provides quality, affordable and accessible education, meeting the professional and personal goals of a diverse population, changing lives and building communities.

## BCCC Vision

Baltimore City Community College is an innovator in providing quality career pathways and educational opportunities for a diverse population of learners to exceed the challenges of an ever-changing competitive workforce and environment.

## BCCC Core Values

Integrity

Teaching

Learning

Respect

Excellence

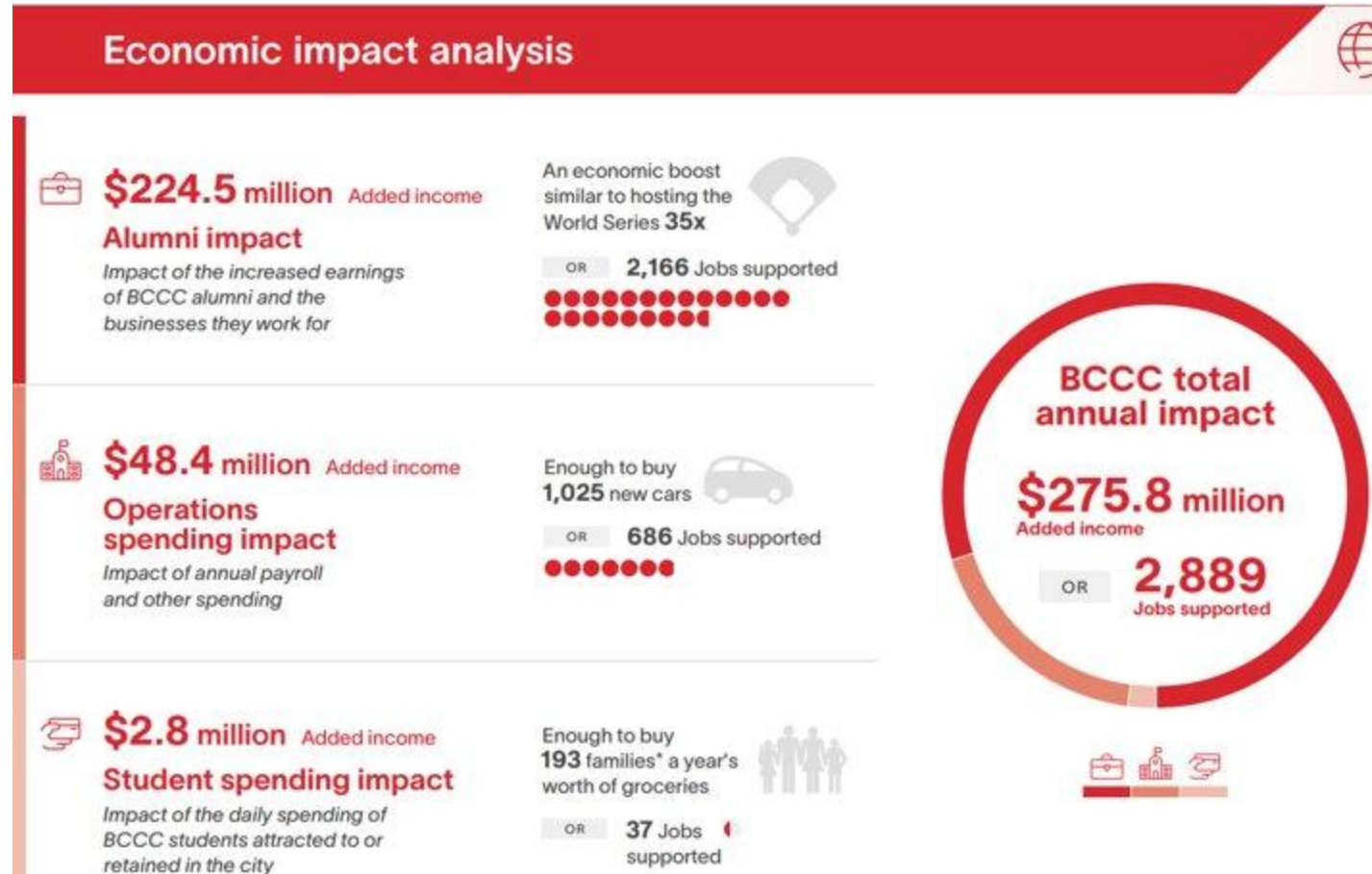
Leadership

Professionalism

Diversity



# ECONOMIC IMPACT



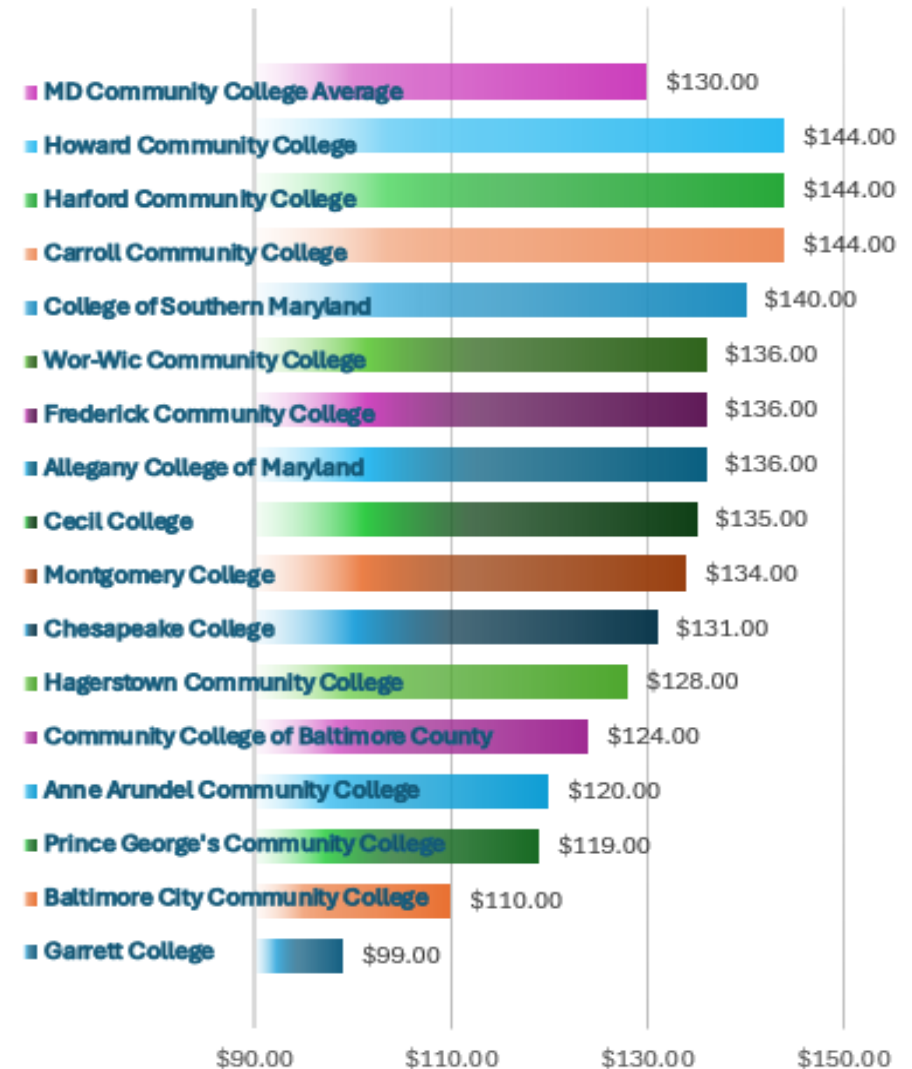
BCCC influences both the **lives of its students** and the **regional economy**.

Source: FY23 BCCC Economic Impact Study | [lightcast.io/solutions/education](https://lightcast.io/solutions/education)

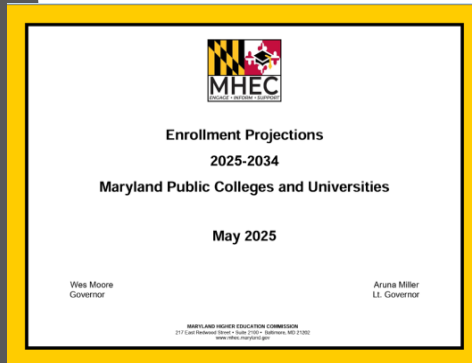
# ACCESS & AFFORDABILITY

- ❖ BCCC has Baltimore's lowest tuition and remains Maryland's 2nd lowest tuition
- ❖ In-state tuition rate at \$110 per credit hour since Fall 2017
- ❖ Full-time at 12 credits, students can take an additional six credits at no additional cost
- ❖ As a State agency, no out-of-county tuition rate
- ❖ Free and/or Low Tuition on various platforms including digital and written media
- ❖ Textbook savings up to 50% with Barnes & Noble College, students have access to course materials before the first day of class

MARYLAND 2-YEAR COMMUNITY COLLEGE TUITION PER CREDIT HOUR  
(FALL 2025 - IN-STATE IN-COUNTY)



# Enrollment Report: MHEC Enrollment Projections



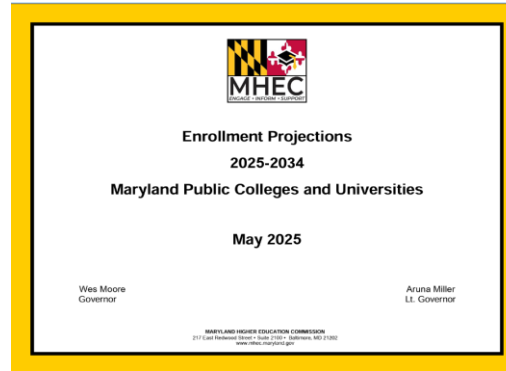
Projections of Potential Enrollment at Maryland Community Colleges

	Actual					10-Year Projections				
	Fall 24	Fall 24	FY 24	FY 24	FY 24	Fall 34	Fall 34	FY 35	FY 35	FY 35
	Undergraduate headcount		FTE	FTDE	Non-credit FTE	Undergraduate headcount		FTE	FTDE	Non-credit FTE
	Full-time	Part-time				Full-time	Part-time			
Anne Arundel Community College	2,984	8,497	6,413	4,301	1,946	3,760	9,088	7,710	5,170	2,395
Allegany College of Maryland	822	1,963	1,646	1,061	584	1,035	2,093	1,868	1,204	465
Baltimore City Community College	840	3,535	2,255	1,369	1,006	1,057	3,716	2,568	1,559	1,331
Carroll Community College	909	2,428	1,821	1,323	419	1,144	2,588	2,190	1,592	487
Community College of Baltimore County	4,144	12,395	9,539	5,459	3,972	5,216	13,224	11,103	6,354	4,216
Cecil College	505	1,244	1,068	730	279	636	1,326	1,177	804	351
Chesapeake College	429	1,666	1,075	690	623	557	1,719	1,253	805	710
College of Southern Maryland	1,859	3,203	3,292	2,010	529	2,311	3,414	4,021	2,455	606
Frederick Community College	1,966	5,327	3,779	2,144	608	2,474	5,679	4,793	2,718	513
Garrett College	355	323	444	325	203	447	293	544	398	187
Hagerstown Community College	1,357	3,731	3,001	1,844	857	1,708	4,007	3,435	2,111	753
Harford Community College	1,573	3,494	2,997	1,992	642	2,099	3,767	3,636	2,417	761
Howard Community College	2,177	6,519	5,460	3,690	1,114	2,740	7,004	6,185	4,180	1,274
Montgomery College	6,546	12,289	11,748	8,368	2,713	8,239	13,124	14,566	10,375	2,784
Prince George's Community College	3,286	8,362	6,673	3,176	2,866	4,136	8,872	8,395	3,995	3,624
Wor-Wic Community College	459	2,482	1,437	970	727	578	2,646	1,748	1,180	709
Total Community Colleges	30,211	77,458	62,648	39,453	19,088	38,137	82,559	75,192	47,317	21,170

<https://mhec.maryland.gov/publications/Documents/Research/AnnualReports/MHEC2025-2034EnrollmentProjectionsReport.pdf>

Source: Maryland Higher Education Commission (MHEC) *Enrollment Projections 2025 – 2034 Maryland Public Colleges and Universities*.

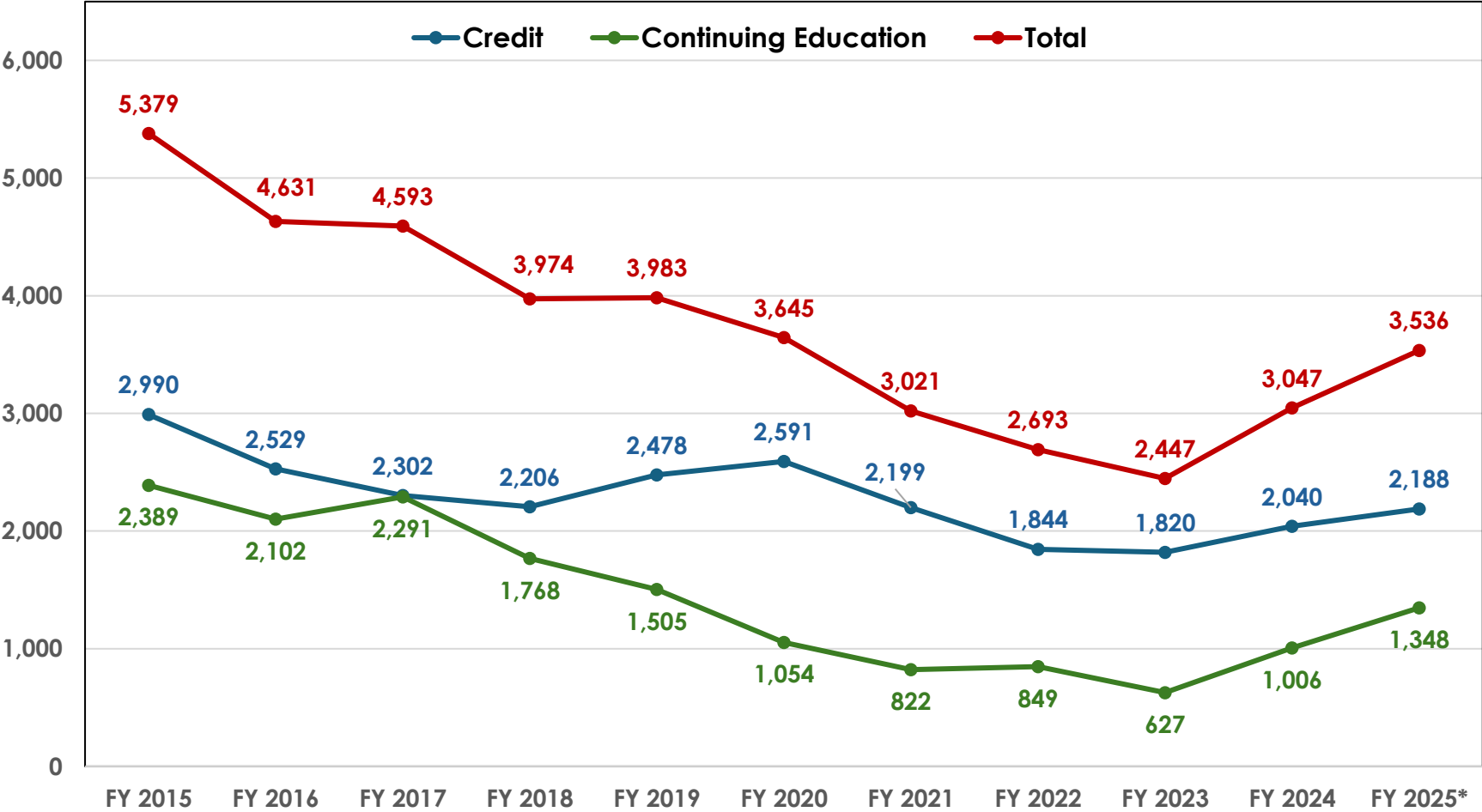
# Enrollment Report: MHEC Enrollment Projections Fall Credit Headcount



Fiscal Year/ Fall Term	Actual	Projections										% Change FY 2025 to FY 2035
	FY 2025 Fall 2024	FY 2026 Fall 2025	FY 2027 Fall 2026	FY 2028 Fall 2027	FY 2029 Fall 2028	FY 2030 Fall 2029	FY 2031 Fall 2030	FY 2032 Fall 2031	FY 2033 Fall 2032	FY 2034 Fall 2033	FY 2035 Fall 2034	
Full-time	840	862	883	905	927	949	970	992	1,014	1,035	1,057	25.8%
Part-time	3,535	3,553	3,571	3,589	3,607	3,626	3,644	3,662	3,680	3,698	3,716	5.1%
<b>Total</b>	<b>4,375</b>	<b>4,415</b>	<b>4,455</b>	<b>4,494</b>	<b>4,534</b>	<b>4,574</b>	<b>4,614</b>	<b>4,654</b>	<b>4,693</b>	<b>4,733</b>	<b>4,773</b>	9.1%
% Change from Prior Year	11.1%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.8%	0.8%	

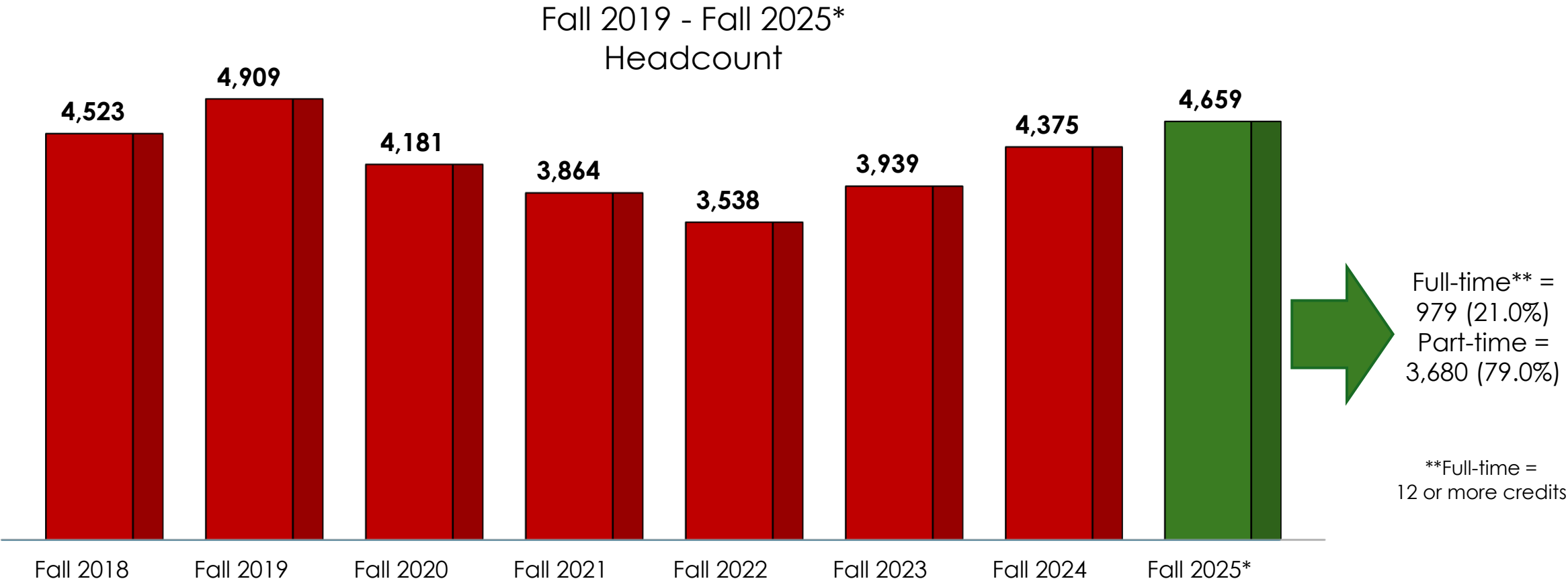
Source: Maryland Higher Education Commission (MHEC) *Enrollment Projections 2025 – 2034 Maryland Public Colleges and Universities*.  
BCCC Office of Institutional Research

# Enrollment Report: Full-time Equivalents (FTEs) Eligible for State Aid



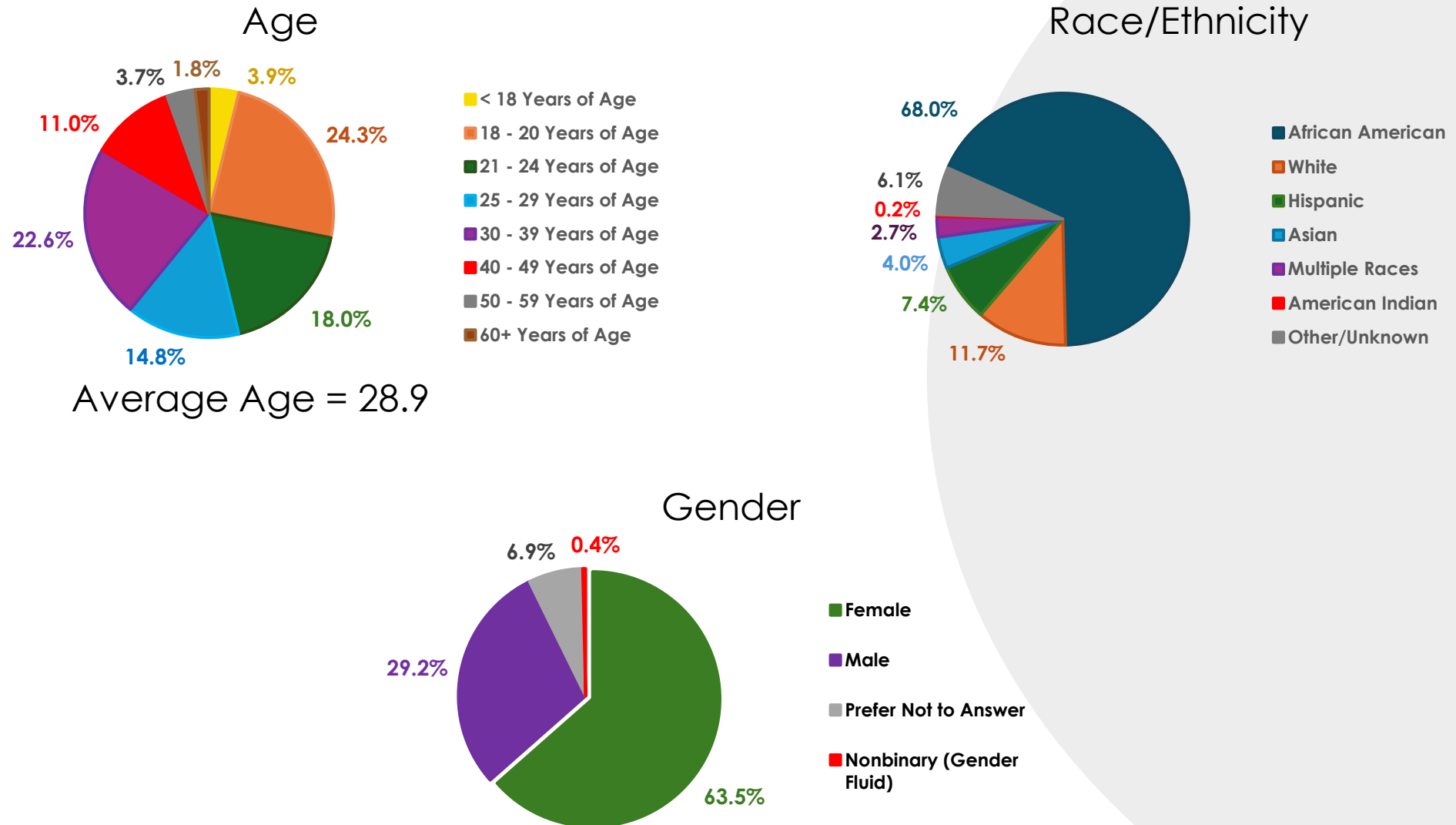
# Enrollment Report: Fall Credit Enrollment

\*Fall 2025 as of  
September 24, 2025.



Source: Fall 2018 – Fall 2024: BCCC Enrollment Information System (EIS) files for MHEC | BCCC Office of Institutional Research

# Enrollment Report: Fall 2025\* Credit Student Demographics

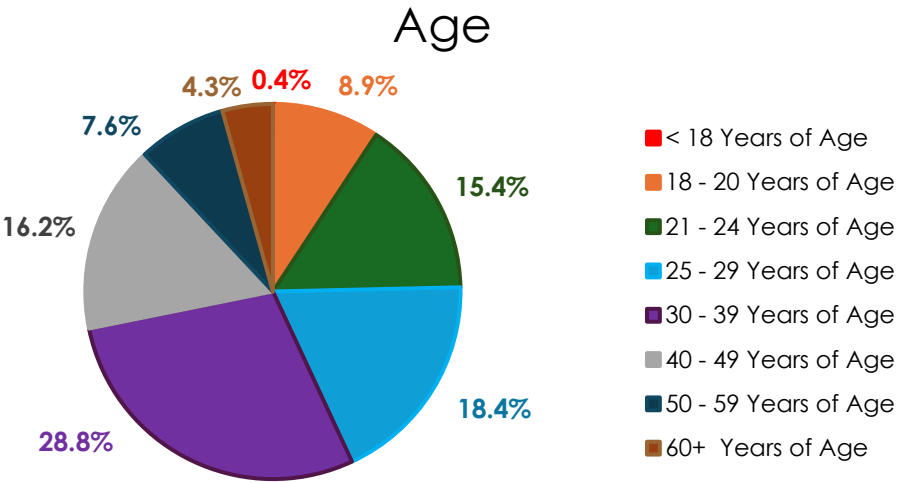


\* Source: Student Information System as of **September 9, 2025** | Office of Institutional Research

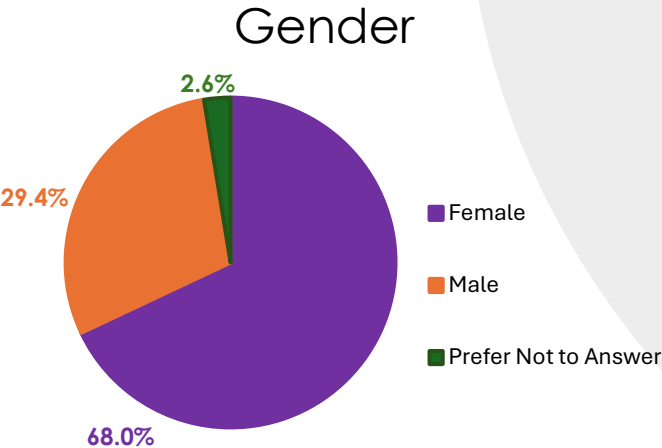
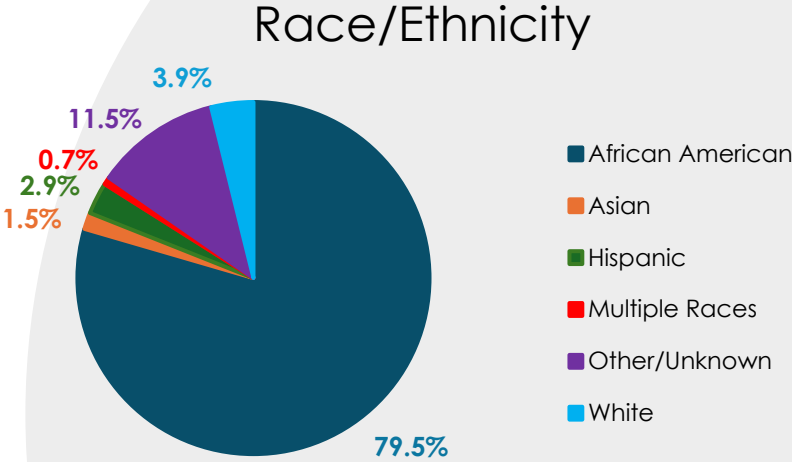


# Enrollment Report: Non-credit Fall 2025\* Student Demographics

\* 854 Students enrolled as of September 9, 2025



Average Age = 34.1



# 2018 MD REALIGNMENT TASKS

1. Review and strategically align core course offerings of BCCC, consistent with accreditation requirements, and focused on the needs of students at BCCC and the workforce in Baltimore City. (VP Academic Affairs)
2. Make workforce development and job placement top educational priorities of BCCC. (VP Workforce Development & Continuing Education)
3. Improve student pathways to success, including remedial education, attainment of a degree or a postsecondary certificate, and transfer to four-year institutions of higher education. (VP Academic Affairs)
4. Enter into memoranda of understanding in order to establish student pathways to success with the Baltimore City Public School System (BCPSS), institutions of higher education, and employers. (VP Academic Affairs)
5. Align the budget of BCCC with realistic enrollment projections. (VP Finance & Administration, VP Institutional Effectiveness, Research & Planning, VP Student Affairs)
6. Engage in a comprehensive review of all positions, faculty, and staff at BCCC. (VP Finance & Administration)
7. Establish strong relationships with key stakeholders, including those specified. (VP Advancement)
8. Develop and market a brand for BCCC. (VP Advancement)
9. Address the information technology (IT) and infrastructure needs of BCCC, including whether oversight by the Department of Information Technology is advisable. (Chief Information Officer)
10. Develop or sell all unused or underutilized real estate, including the Inner Harbor site. (President & VP Finance & Administration)
11. Identify any barriers in State or local laws or regulations that impede the ability of BCCC to operate efficiently and effectively, including procurement and capital construction projects. (President & Director for Government Relations)
12. The Board of Trustees shall review and, if necessary, revise the strategic plan. (President & Cabinet)

# 2025-2028 STRATEGIC PLAN FRAMEWORK

## Delivering Our Promise

### • 1.1 Innovation & Outcomes – The Student Experience

Delivering a student-centered experience that addresses the needs of industry for economic mobility and equip students to thrive in a competitive and evolving workforce.

### • 1.2 Deliberate Retention Approaches

Leveraging focused retention strategies to improve student retention and maximize completion rates.

### • 1.3 Designing Student-first Processes

Designing and simplifying institutional processes to prioritize the student.

### • 1.4 Market-Focused Career Pathways

Developing academic and training programs aligned with current and future market demands that support clear pathways to career success.

## Aligning Our Strengths

### • 2.1 Empowered & Courageous – Our Panther Community

Building a culture of belonging and transparency by enhancing communication and engaging the community in shared governance.

• 2.2 Budget Process Built for Innovation Developing a resource allocation strategy that drives innovation and supports the institution's vision for transformative education.

### • 2.3 Leveraging Technology, Data, and Systems for Institutional Success

Utilizing technology and data-driven practices to strengthen institutional operations.

### • 2.4 Supporting Extraordinary Talent

Attracting, retaining, and developing a high-performing workforce that celebrates and values employees.

## Expanding Our Reach

### • 3.1 Trusted & First – The Partner of Baltimore

Building partnerships that position the institution as a trusted leader and first choice in Baltimore and beyond.

### • 3.2 Our Students, Our Story

Sharing compelling student success stories to showcase the college's impact.

• 3.3 From Realigned to Resolved Partnering with institutional partners to demonstrate achievements and to move beyond realignment.

### • 3.4 Community Spaces that Connect and Activate

Creating dynamic, inclusive spaces that bring communities together to foster meaningful interactions, learning, and collaboration.

# FY2027 Projected Positions & Programs

## Number of Positions (Budgeted FY 2027)

- **Faculty = 115**
- **Non-faculty Staff = 322**

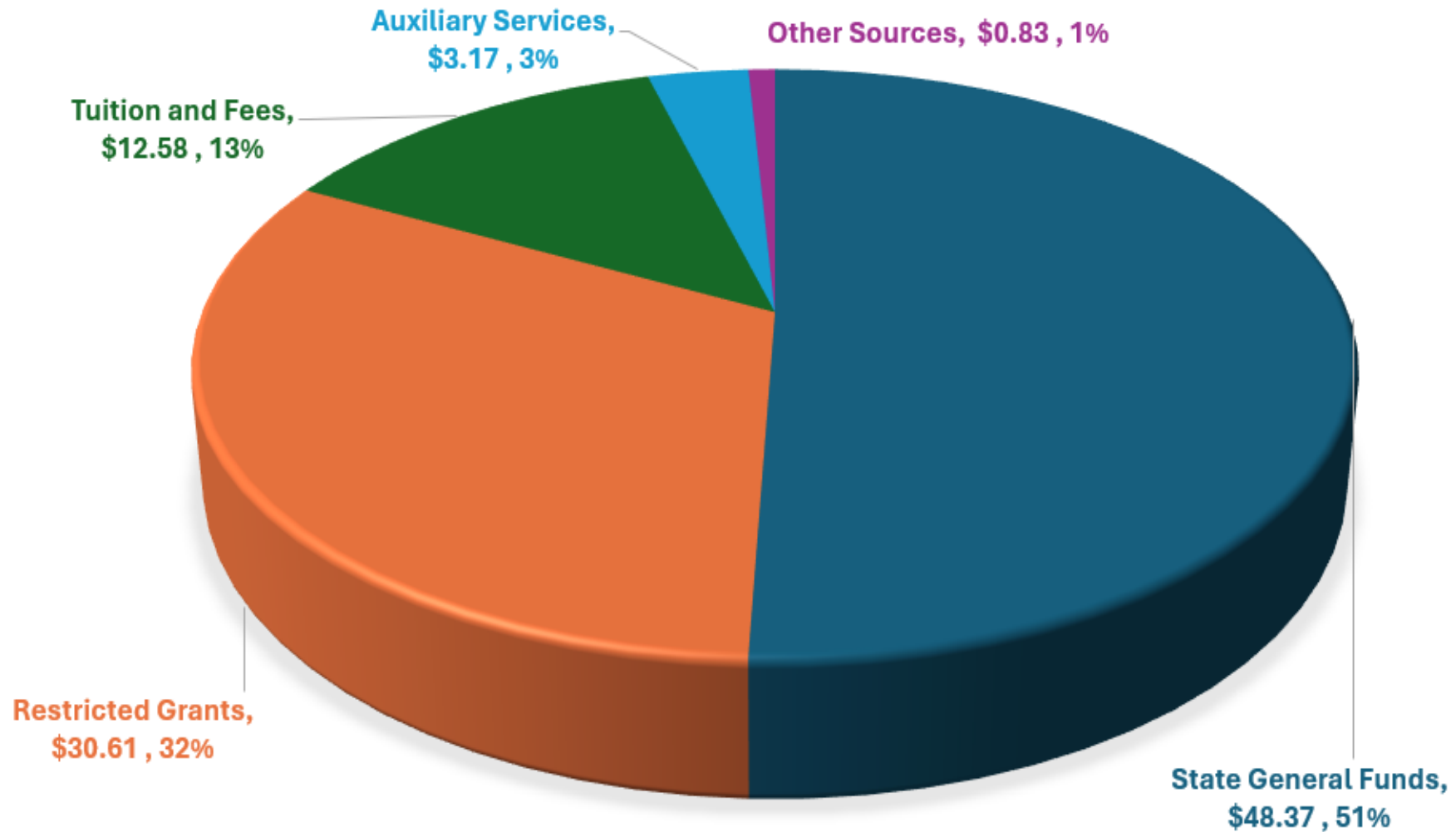
Number  
of  
Academic  
Programs

- **Undergraduate:**
  - 34 degrees
  - 19 certificates
- Master's = n/a
- Doctorate = n/a



# Operating Budget Fiscal Year 2027 – Revenues

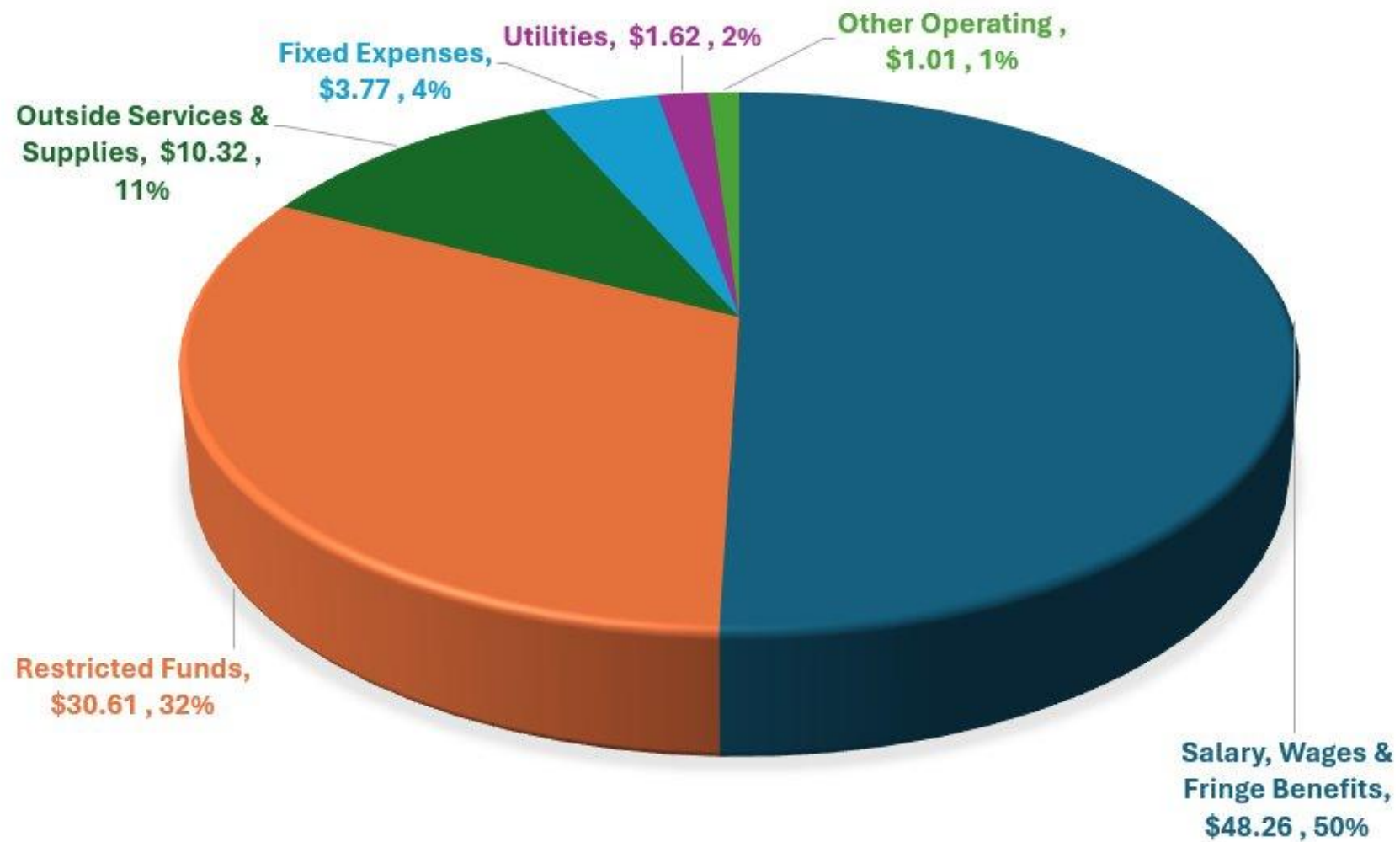
(\$ in millions ; % of BCCC)





# Operating Budget Fiscal Year 2027 – Expenses

(\$ in millions ; % of BCCC)



# BCCC Capital Debt Profile

## ❖ Debt Issued in Prior Five Fiscal Years & Amount Authorized but Unissued:

- BCCC has not issued debt in the prior five fiscal years.
- Bonding authority is \$65 million for auxiliary and academic facilities.
- BCCC has no bond debt outstanding - the entire authorization remains unissued as of June 30, 2025.

## ❖ Current Projections for New Issuances & Rating Agency Update:

- BCCC is currently assessing its position to issue debt.

## ❖ Ten-Year Projection:

- Any projected bond issuance has not yet been determined.



# Learning Commons

- 38,376 Square Footage
- Renovate and expand the existing Bard Library.
- Function as the core common space on the main campus – No Student Center.
- The Bard Library is 58 years old and functionally obsolete
- Projected Total Cost: \$50,000,000





# Building Renovations & Additions



## Nursing Building

- Built in 1977 - 36,668 Square Footage
- Insufficient space to meet enrollment demand and is not configured for a modern nursing education curriculum.
- New facility will provide nursing simulation suites that meet current hospital and accreditation standards.
- New facility includes Nursing, Respiratory Care, Surgical Technology, Physical Therapist Assistant, Radiology Technician, and Occupational Therapy.
- Projected Total Cost: \$48,000,000

# Building Renovations & Additions



## Wellness Center ~ Early Planning

- 137,000 Square Feet.
- Wellness Center adjacent to existing Physical Education Center.
- Expand the recreation, health, and physical therapy instructional spaces for students, staff, and community partners.
- Recreational needs of the students, staff, and community partners
- The project includes a full renovation of the current building.
- Project Cost \$50,785,000



# Building Renovations & Additions



## Facilities Replacement Building

- **5,640 Square Footage**
- **Trailer that has exceeded its useful life.**
  - **Failures of the roof, exterior walls, interior finishes, and building systems.**
- **Existing storage spaces.**
  - **Consist of several sheds in poor condition dispersed across campus.**
- **The project will centralized office and storage space.**
- **Construct a new facility to house office, shop, garage, and storage areas.**
- **Projected Total Cost: \$7,600,000**

# Building Renovations & Additions



## North Pavilion Demolition

- 24,906 Square Feet.
- Constructed in 1996.
- Closed since 2015.
- Not usable as an academic space.
- Demolish the vacant North Pavilion.
- Uninhabitable and deemed unsafe.
- Post-demolition-Convert to student parking.
- Projected Total Cost: \$1,681,000



# Bard Building “Center for Innovation”







# **Bard Building (Center for Innovation)**

**Phase 2 : Redevelopment**  
**2020 Facilities Master Plan:**

## **Center for Innovation at the Harbor**

- 1. Science (Biology, Chemistry) and healthcare (simulation labs)**
- 2. BioPark duplicated program review:**
- 3. Criminal Justice, Aviation, Space Engineering, Behavioral Health treatment**
- 4. Engineering (Mechanical, Electrical), Computer Science (Cyber Labs, Simulation)**
- 5. Hospitality Management (Culinary Arts)**
- 6. General Education Classes (Math, Science, English, Speech, Psychology, Communications)**
- 7. Workforce Development (Construction), Continuing Education, GED, Adult Basic Education, ESL**
- 8. Large gathering spaces for events**

## Deferred Maintenance - Five-Year Capital Program FY2027 Request Project List

**Total \$ 38,012,000**

<b>Replace LSB Air Handling Units and Controls</b> <b>\$13,000,000</b>	<b>Replace Air Handlers and Hot Water Boilers at the West Pavilion</b> <b>\$1,650,000</b>	<b>Replace Hot Water Boilers and Water Heaters at Fine Arts</b> <b>\$1,100,000</b>	<b>Replace Air Handler and Controls at the South Pavilion</b> <b>\$2,600,000</b>
<b>Electrical Grid Upgrade Phase 1</b> <b>\$2,500,000</b>	<b>Emergency Generators Upgrade</b> <b>\$4,872,000</b>	<b>Campus Sub-Metering and Lighting Upgrades</b> <b>\$5,740,000</b>	<b>Replace Windows at the Main Building</b> <b>\$1,000,000</b>
<b>Campus Wayfinding Signage</b> <b>\$550,000</b>	<b>Replace Roof at the Fine Arts Building</b> <b>\$1,500,000</b>	<b>Replace Roof at the Physical Education</b> <b>\$1,000,000</b>	<b>Replace two heating Boilers at the Main Building</b> <b>\$2,500,000</b>
<b>Campus-Wide Controls/BAS with Submetering</b> <b>\$ Estimate Pending</b>	<b>Campus-Wide LED Upgrade</b> <b>\$ Estimate Pending</b>	<b>Replace Fire Alarm at the Main Building and Fine Arts</b> <b>\$ Estimate Pending</b>	<b>Replace Sprinkler System at the Fine Arts</b> <b>\$ Estimate Pending</b>



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Dr. Debra L. McCurdy, President  
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## QUESTIONS?

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