

ZA00G
Miscellaneous Grant Programs

***Kennedy Krieger Institute – Inpatient Clinical Research Center
(Baltimore City)***

General Obligation Bonds	\$2,000,000	Recommendation: Approve
Nonbudgeted	\$10,400,000	

Bill Text: Provide a grant to the Board of Directors of the Kennedy Krieger Institute, Inc. to assist in the design, construction, renovation, and capital equipping of the Inpatient Clinical Research Center in Baltimore City, subject to the requirement that the grantee provide an equal and matching fund for this purpose. Notwithstanding the provisions of Section 1(5) of this Act, the matching fund may consist of funds expended prior to the effective date of this Act.

Program Description: This project will assist the Kennedy Krieger Institute in the renovation of the existing Inpatient Clinical Research Center. The work to be completed in this renovation includes reconfiguring space through the demolition of existing space and the construction of private rooms to meet the needs of the center and provide new ductwork, plumbing, and electrical service in the areas that are renovated. In total, this project will assist in renovating the first three floors of this building and the lobby. This project is expected to provide for 10 additional beds.

The Inpatient Clinical Research Center focuses on children needing 24-hour care. The research at this facility is focused on developing therapies for children with severe forms of autism and spinal cord paralysis.

The funding available in fiscal 2011 is expected to assist in the completion of the first phase of renovations on the first and second floors, the second phase of renovation on the third floor, and the infrastructure changes.

Prior Authorization and Capital Improvement Program

**Authorization Uses
(\$ in Millions)**

<i>Fund Uses</i>	<i>Prior Authorization</i>	<i>2011 Allowance</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>	<i>2014 Estimate</i>	<i>2015 Estimate</i>
Acquisition	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Planning	0.600	0.400	0.000	0.000	0.000	0.000
Construction	5.000	10.000	0.000	0.000	0.000	0.000
Equipment	2.000	2.000	0.000	0.000	0.000	0.000
Total	\$7.600	\$12.400	\$0.000	\$0.000	\$0.000	\$0.000

**Authorization Sources
(\$ in Millions)**

<i>Fund Sources</i>	<i>Prior Authorization</i>	<i>2011 Allowance</i>	<i>2012 Estimate</i>	<i>2013 Estimate</i>	<i>2014 Estimate</i>	<i>2015 Estimate</i>
GO Bond	\$2.000	\$2.000	\$0.000	\$0.000	\$0.000	\$0.000
Nonbudgeted Funds	5.600	10.400	0.000	0.000	0.000	0.000
Total	\$7.600	\$12.400	\$0.000	\$0.000	\$0.000	\$0.000

Program Analysis and Performance

The Kennedy Krieger Institute has received general obligation (GO) bond funding for various projects in most years since fiscal 1991. The 2008 *Capital Improvement Program* (CIP) included, in addition to \$1.0 million in fiscal 2009 for the construction of a new Clinical Research Building, a plan for funding in fiscal 2010 and 2011 for a combined project of the new Clinical Research Building and renovations to the existing Inpatient Clinical Research Center. The 2009 CIP, however, treated the renovations of the Inpatient Clinical Research Center as a new project with no prior authorizations.

The total project cost as provided in the 2010 CIP is \$20.0 million, of which \$7.6 million was available for fiscal 2010 and the remaining \$12.4 million for fiscal 2011. The nonbudgeted matching funds (\$16.0 million over two years) accounts for 80% of the total project cost.

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The fiscal 2011 GO bond funding commitment of \$2 million is consistent with the 2009 CIP. This funding is the second and final year of the two-year GO bond commitment for this project. Of the \$12.4 million in total funds for this project in fiscal 2011, the majority will be used for construction (\$10.0 million) with funds also available for equipment (\$2.0 million) and planning (\$0.4 million).

The Kennedy Krieger Institute advises that the total estimated project cost is less than the amount included in the 2010 CIP by approximately \$5 million because the original estimate included an imaging center which was completed as part of the Clinical Research Building project. Under this revised estimate, fewer funds would be required in total for the construction (by \$4 million) and equipment (by \$1 million).

The Kennedy Krieger Institute advises that this project is in the planning stage; however, the first phase of the renovations (first and second floor) will begin within six months. The construction phase of the first phase of the renovation is expected to be completed six to nine months after the project begins. The second phase (third floor and infrastructure) will begin following the completion of the first phase and require a comparable amount of time. Given this timeline, this phase should begin in mid to late fiscal 2011. The beginning of construction on the first phase is later than was anticipated during the 2009 session, possibly delaying the completion of the project beyond the originally expected end date of the close of fiscal 2011.

The Kennedy Krieger Institute indicates that it has begun to raise the matching funds for this project (currently more than \$2 million), and the campaign to raise additional matching funds is ongoing. Funds will also be available for this project from internal funds.

Recommended Actions

Approve.