

the Board of Public Works which requests should be allowed and which should be denied.²⁸ Final authority for allocating state funds, derived from periodic bond issues, and for project approval was vested in the Board of Public Works.

The community college construction program began with a modest \$5 million bond issue in 1961. By 1979 over \$108 million had been authorized, from which community colleges were constructed and expanded throughout the state.²⁹ The vocational school program began in 1965 and was of shorter duration. Altogether \$30 million was expended to assist in the construction and equipping of some forty schools.³⁰

These programs, though important to the subdivisions and to the development of adequate vocational and community college facilities, were essentially adjunctive for the board. They never produced the controversy or the headaches engendered by the general school construction program, at least not for the Board of Public Works.

The school construction programs described above were essentially intergovernmental—grants of one kind or another to assist the subdivisions in discharging functions that were ultimately the responsibility of the state but which had been delegated by the legislature to the subdivisions. Hospitals stood on a different footing. Although there were a number of public hospitals in the state, most were either specialized facilities—psychiatric hospitals or those for the retarded—or, in the case of University Hospital, an adjunct to the public medical college. With few exceptions the provision of general hospital services was in private hands.

It was not uncommon for the state from time to time to lend or give construction money to private institutions. Several private colleges had been aided in this manner over the years, as had at least one private hospital. But this was usually done through individual bond bills directing the proceeds to be paid over directly to the institution and ordinarily did not involve the Board of Public Works except in terms of selling the bonds.³¹ In 1964, however, perceiving a need to assist in the development of additional general hospital capacity, the General Assembly departed from the individual grant or loan approach and authorized a systematic program of lending money to private hospitals to assist in financing new construction projects.³² That program directly involved the board.

The 1964 act authorized a \$50 million bond issue to be used to make below-market-rate construction and renovation loans to voluntary nonprofit hospitals. General administration of the loan program was vested in a seven-member Maryland Hospital Commission, which was to receive applications and make recommendations with respect to them to the board. Final approval authority was vested in the board. For its part the commission was responsible for judging the applications in accordance with eight statutory criteria, including (1) need in the community for the project, (2) need of the hospital for the loan, and (3) ability of the hospital to repay the loan.

A number of problems with the hospital funding program arose almost immediately, and indeed they were foreseeable before the legislation was enacted. The most

28. In 1959 the State Board for Community Colleges took over the role of the State Board of Education with respect to the community college construction program.

29. See Acts of 1961, ch. 373; 1964, ch. 27; 1965, ch. 709; 1967, ch. 656; 1968, ch. 588; 1969, chs. 440, 500; 1970, ch. 715; 1971, ch. 350; 1972, ch. 344; 1974, ch. 669; 1975, ch. 293; 1979, ch. 441. See also *Annual Reports of the Maryland Comptroller, 1961-79* (Annapolis: statement A-9).

30. See Acts of 1965, ch. 740; 1967, ch. 654; 1969, ch. 607; *Annual Reports of the Maryland Comptroller, 1961-79* (Annapolis, 1961-79), statement A-9.

31. See, for example, Acts of 1951, ch. 414, providing a \$1 million construction grant to Johns Hopkins University. See also *Johns Hopkins Univ. v. Williams*, 199 Md. 382 (1952), sustaining the validity of such grants; also Acts of 1962, ch. 130, providing a construction grant of \$2 million to Provident Hospital in Baltimore. That act did require the disbursements to be approved by the Board of Public Works.

32. Acts of 1964, ch. 138.