

RM00
Morgan State University – Capital

Capital Budget Summary

State-owned Capital Improvement Program
(\$ in Millions)

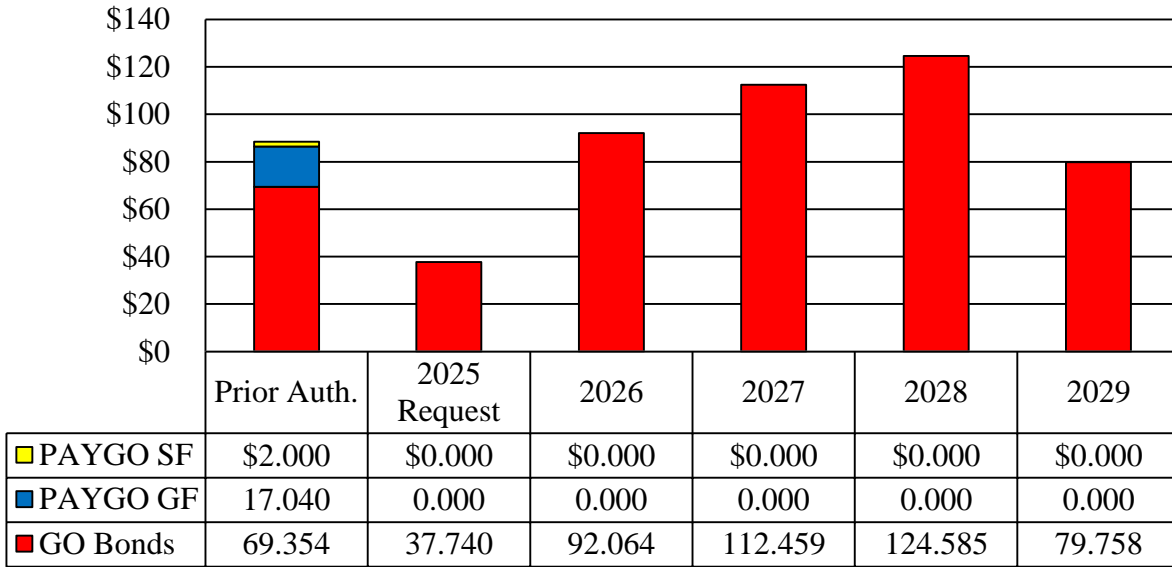
Projects	Prior Auth.	2025 Request	2026 Est.	2027 Est.	2028 Est.	2029 Est.	Beyond CIP
New Science Center, Phase II	\$17.924	\$22.994	\$60.252	\$67.267	\$70.752	\$25.105	\$0.000
Campus Expansion, Phase I – Lake Clifton Demolition	6.060	5.301	4.171	0.000	0.000	0.000	0.000
Deferred Maintenance and Site Improvements	62.000	5.000	5.000	0.000	10.000	10.000	0.000
Carter-Grant-Wilson Building Renovation	2.410	4.445	17.182	12.692	0.000	0.000	0.000
Campuswide Electric Infrastructure Upgrades	0.000	0.000	5.459	32.500	39.915	9.978	0.000
Campus Renovations	0.000	0.000	0.000	0.000	3.000	23.000	0.000
Jenkins Demolition	0.000	0.000	0.000	0.000	0.918	7.240	9.211
Dixon Research Center Renovation and Expansion	0.000	0.000	0.000	0.000	0.000	4.435	121.039
Total	\$88.394	\$37.740	\$92.064	\$112.459	\$124.585	\$79.758	\$130.250

CIP: *Capital Improvement Program*

For further information contact: Kelly K. Norton

Kelly.Norton@mlis.state.md.us

RM00 – Morgan State University – Capital



GO: general obligation
 PAYGO: pay-as-you-go
 GF: general funds
 SF: special funds

Key Observations

- ***Four Projects Funded in Fiscal 2025:*** The *Capital Improvement Program (CIP)* includes \$37.7 million in general obligation (GO) bonds for four projects in fiscal 2025. That is \$50.8 million, or 57.4%, less than the amount planned in last year’s CIP for fiscal 2025. Project delays have pushed back funding to later fiscal years. The CIP includes \$446.6 million planned for fiscal 2025 through 2029, including an additional four projects in the out-years.
- ***Jenkins Demolition Project Delayed:*** The fiscal 2025 capital budget bill includes a deauthorization of \$1.0 million for the Jenkins Demolition project in fiscal 2024. That project was to begin in fiscal 2024 but has been delayed to fiscal 2028.

GO Bond Recommended Actions

1. Approve all authorizations, preauthorizations, and amendments to prior authorizations for Morgan State University.

Updates

The fiscal 2024 capital budget included funding to complete two projects:

- ***Health and Human Services Building, Phase II:*** The Health and Human Services building is expected to open for the fall 2024 semester. Furniture and equipment are to arrive in summer 2024, and staff is scheduled to move in in August 2024. Punch list items will continue after the building is open. A total of \$169.5 million has been authorized for this project; and
- ***Patuxent Environmental and Aquatic Research Laboratory (PEARL):*** This project received funding totaling \$3 million across fiscal 2023 and 2024. The PEARL part 2 program for the Oyster Hatchery Expansion is nearing completion for submission to the Department of Budget and Management (DBM) for review and consideration in March 2024.

Summary of Fiscal 2025 Funded State-owned Projects

New Science Center, Phase II

Project Summary: The construction of a new Science Center to house the biology and chemistry departments and the Dean’s Office of the School of Computer, Mathematical, and Natural Sciences on the existing Washington Service Center site. The university foresees this project playing a significant role in its quest to become the only R-1, very high research activity historically Black college and university (HBCU), in the nation. The center will have 135,539 net assignable square feet (NASF). The new Science Center is anticipated to provide the necessary amount and configuration of space to accommodate enrollment growth and technological and research advancements in the sciences. The fiscal 2025 budget includes funding to continue designing and begin constructing the new Science Center.

RM00 – Morgan State University – Capital

New/Ongoing: Ongoing								
Start Date: August 2022					Est. Completion Date: December 2028			
Fund Sources:								
(\$ in Millions)	Prior Auth.	2025	2026	2027	2028	2029	Beyond CIP	Total
GO Bonds	\$10.884	\$22.994	\$60.252	\$67.267	\$70.752	\$25.105	\$0.000	\$257.25
GF	7.040	0.000	0.000	0.000	0.000	0.000	0.000	7.040
Total	\$17.924	\$22.994	\$60.252	\$67.267	\$70.752	\$25.105	\$0.000	\$264.294
Fund Uses:								
(\$ in Millions)	Prior Auth.	2025	2026	2027	2028	2029	Beyond CIP	Total
Planning	\$17.924	\$7.931	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$25.855
Construction	0.000	15.063	60.252	60.252	60.252	25.105	0.000	220.924
Equipment	0.000	0.000	0.000	7.015	10.500	0.000	0.000	17.515
Total	\$17.924	\$22.994	\$60.252	\$67.267	\$70.752	\$25.105	\$0.000	\$264.294

- Need:** The existing Science Complex comprises four buildings: Calloway Hall; Carnegie Hall; Key Hall; and Spencer Hall. The oldest building (Carnegie Hall) was constructed in calendar 1919, and the newest (Key Hall) was constructed in calendar 1964. Spencer Hall was renovated in calendar 1989, and the three other buildings were last renovated in calendar 1992. The renovations were poorly done and created substandard spaces that do not meet modern-day building codes. The buildings’ mechanical, electrical, and plumbing systems are obsolete and need to be replaced. There is insufficient space in the Science Complex to appropriately serve the biology and chemistry departments due to enrollment growth in the science disciplines. In addition, the configuration of the building does not lend itself to the type of instructional and research spaces required to support the university’s science programs. Morgan State University (MSU) is an R2 research institution (high research activity). MSU’s goal is to become the first HBCU in the country with an R1 designation (highest research activity). The new Science Center will provide the necessary amount and configuration of space to accommodate both enrollment growth and technological and pedagogical advancements in the sciences.
- Project Status and Schedule:** The fiscal 2025 capital budget bill includes preauthorizations of \$60.3 million each for fiscal 2026, 2027, and 2028, and \$25.1 million for fiscal 2029. The expected construction schedule has been delayed due to delays from Phase I. DBM anticipates a construction start date of April 2025, and this delay has decreased this project’s anticipated fiscal 2025 expenditures by \$27.5 million. However, MSU expects Phase I to be completed on time in August 2024 and Phase II construction to follow immediately in September 2024.
- Changes:** The overall cost of the project has increased \$24.9 million, or 10.4%, compared to the estimate from last year’s CIP due to cost escalation and increased base cost estimates.

RM00 – Morgan State University – Capital

- **Concerns:** The 2024 CIP indicates that the estimated cost of this project is \$264.3 million, but MSU officials have said in the press that the project will be approximately \$342 million. The increased cost has been attributed to inflation, supply chain difficulties, underestimating the initial costs, and discovering a large water tunnel underneath the construction site. **The President should address the discrepancy in the cost estimates and plans to deal with this nearly \$80 million difference.**
- **Other Comments:** This project includes 9,000 NASF of shelled research space that the university will use institutional funds to finish either concurrent with the project or at a future date to accommodate changing needs.

Campus Expansion, Phase I – Lake Clifton High School

Project Summary: The demolition of the old Lake Clifton High School and associated buildings on the Lake Clifton Campus. The vacant high school building was constructed in calendar 1971 and closed in summer 2019. MSU acquired the property from Baltimore City in calendar 2023. The project will demolish the existing school building and outdoor storage facility, remove and preserve historic public artwork, and stabilize a historic valve house. The university will create a plan for the redevelopment of the site to meet the university’s needs. The fiscal 2025 budget includes funding to continue the demolition, removal of artwork, and stabilization of the valve house.

New/Ongoing: Ongoing								
Start Date: March 2024					Est. Completion Date: December 2025			
Fund Sources:								
(\$ in Millions)	Prior Auth.	2025	2026	2027	2028	2029	Beyond CIP	Total
GO Bonds	\$6.060	\$5.301	\$4.171	\$0.000	\$0.000	\$0.000	\$0.000	\$15.532
Total	\$6.060	\$5.301	\$4.171	\$0.000	\$0.000	\$0.000	\$0.000	\$15.532
Fund Uses:								
(\$ in Millions)	Prior Auth.	2025	2026	2027	2028	2029	Beyond CIP	Total
Planning	\$1.351	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$1.351
Construction	3.619	5.247	4.171	0.000	0.000	0.000	0.000	13.037
Other	1.090	0.055	0.000	0.000	0.000	0.000	0.000	1.145
Total	\$6.060	\$5.301	\$4.171	\$0.000	\$0.000	\$0.000	\$0.000	\$15.532

- **Need:** The building complex was designed and operated as a high school with a configuration that is not conducive to the needs of the university. Due to several issues with the high school facilities, renovation is not cost-effective. Those issues include not being compliant with the Americans with Disabilities Act, and the 50-year-old building systems are outdated and have never been renovated.

RM00 – Morgan State University – Capital

- ***Project Status and Schedule:*** The fiscal 2025 capital budget bill includes a preauthorization of \$4.2 million for fiscal 2026. Design is scheduled to begin in March 2024, but a contract has not been brought to the Board of Public Works (BPW). MSU anticipates the project going to BPW in May or June 2024.
- ***Changes:*** The fiscal 2025 cost is \$4.1 million less than the previous CIP because of a delayed start. The total anticipated project cost increased by \$47,000 due to escalation.
- ***Concerns:*** The committees requested in the 2023 *Joint Chairmen’s Report* that MSU provide a report by December 15, 2023, that outlines the redevelopment scope, identifies the stakeholders, provides the estimated cost and fund sources, and provides the anticipated project timeline. That report has not been submitted.
- ***Other Comments:*** MSU will create a multi-year master plan for redevelopment of the property. MSU anticipates hiring a development consultant to assist in the development of the plan, after advertisement for demolition contracts in late March 2024. The university envisions the site accommodating several programs and services, such as future academic programs, graduate student housing, research facilities, a technology transfer facility, a health and physical education complex, convocation facilities, Reserve Officers’ Training Corps, and community-based programs. As a part of the project, the university is also considering planned energy development (cogeneration), which will provide the ability to generate utilities and increase energy efficiency.

Deferred Maintenance and Site Improvements

Project Summary: This program will address the university’s aging infrastructure and building systems that are inoperable or in poor condition, reducing the deferred maintenance backlog. The backlog is estimated to be between \$150 million and \$200 million. The university is augmenting the State’s investment in its campus facilities through the operating budget, the federal HBCU Capital Financing Program loan funding, Energy Performance Contracts, and two grants from the National Park Service for repairs to the University Memorial Chapel. The university will also reduce its backlog through State-funded demolitions and renovations of buildings throughout campus. The fiscal 2025 budget includes funding for two projects: (1) Murphy Fine Arts Roof and Exterior Door Replacements; and (2) Concrete Y Stairs and Handrails Repairs. In addition to these two projects, there is funding for overages for previously funded or approved projects.

RM00 – Morgan State University – Capital

New/Ongoing: Ongoing								
Start Date: Fiscal 2020					Est. Completion Date: N/A			
Fund Sources:								
(\$ in Millions)	Prior Auth.	2025	2026	2027	2028	2029	Beyond CIP	Total
GO Bonds	\$50.000	\$5.000	\$5.000	\$0.000	\$10.00	\$10.000	\$0.000	\$80.000
GF	10.000	0.000	0.000	0.000	0.000	0.000	0.000	10.000
SF	2.000	0.000	0.000	0.000	0.000	0.000	0.000	2.000
Total	\$62.000	\$5.000	\$5.000	\$0.000	\$10.00	\$10.000	\$0.000	\$92.000

- Need:** MSU estimated the deferred maintenance backlog to be between \$150.0 million and \$200.0 million. There have been prior authorizations of \$62.0 million since fiscal 2020. Of that amount, \$24.7 million has been expended, and \$31.3 million has been encumbered. **Appendix 2** provides a summary of these projects to date.
- Project Status and Schedule:** The Deferred Maintenance and Site Improvements program funds the Murphy Fine Arts Roof and Exterior Door Replacements and Concrete Y Stairs and Handrails Repairs. Five previously approved projects with obligated funds will also receive funding to absorb overages: the Truth and Chapel Water Infiltration construction; Campuswide Steam Line replacement; Stadium Way slope stabilization; Heat Plant Boiler repairs; and the University Chapel’s roof, gutters, and stone repairs.
- Concerns:** While MSU did not receive funds for the Deferred Maintenance and Site Improvements program in fiscal 2024, the fiscal 2023 budget included \$30 million, including \$10 million still available in the Dedicated Purpose Account. According to MSU’s annual status of deferred maintenance projects report submitted in January 2024, only one of the five projects for fiscal 2023 has been completed. Of the \$30 million allocated in fiscal 2023, only \$4.4 million has been encumbered to date. **The President should comment on the status of the other fiscal 2023 deferred maintenance projects and the anticipated timeline for encumbering and expending the \$30 million provided in fiscal 2023.**
- Other Comments:** MSU has utilized HBCU capital financing loans (\$4.1 million) toward earlier Murphy Fine Arts Center renovations. Overall, \$21 million in loan funds were used for deferred projects in fiscal 2020 and 2022. MSU has also used \$23.4 million in Higher Education Emergency Relief Funding from the various federal stimulus legislation packages on targeted air quality projects to reduce the deferred maintenance backlog.

Carter-Grant-Wilson Building Renovation

Project Summary: The renovation of the Carter-Grant-Wilson Building for the School of Graduate Studies and the Division of International Affairs. Until recently, the building housed Human Resources, Information Technology (IT), Internal Audit, and the Counseling Center. Most of these departments have permanently relocated to the new Student Services Support Building (Tyler Hall), which opened in fall 2020. The remaining building occupants have been temporarily relocated due to the closure of the building for health and safety reasons. The fiscal 2025 budget includes funding to complete design, begin construction, and equip the renovation.

New/Ongoing: Ongoing								
Start Date: February 2024					Est. Completion Date: March 2027			
Fund Sources:								
(\$ in Millions)	Prior Auth.	2025	2026	2027	2028	2029	Beyond CIP	Total
GO Bonds	\$2.410	\$4.445	\$17.182	\$12.692	\$0.000	\$0.000	\$0.000	\$36.729
Total	\$2.410	\$4.445	\$17.182	\$12.692	\$0.000	\$0.000	\$0.000	\$36.729
Fund Uses:								
(\$ in Millions)	Prior Auth.	2025	2026	2027	2028	2029	Beyond CIP	Total
Planning	\$2.410	\$0.818	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$3.228
Construction	0.000	1.432	17.182	11.455	0.000	0.000	0.000	30.069
Equipment	0.000	2.195	0.000	1.237	0.000	0.000	0.000	3.432
Total	\$2.410	\$4.445	\$17.182	\$12.692	\$0.000	\$0.000	\$0.000	\$36.729

- **Need:** The renovation will address two significant issues: (1) insufficient amount and poor quality of space to support the services that will relocate into the building; and (2) inoperable and failing building systems. This project is the first of a series of campuswide renovation projects for buildings with significant deferred maintenance needs that must now be addressed through full-scale, systemic building renovation.
- **Project Status and Schedule:** The fiscal 2025 capital budget bill includes preauthorizations of \$17.2 million for fiscal 2026 and \$11.5 million for fiscal 2027. Design was expected to begin in February 2023 but is now scheduled to start in April 2024. MSU is currently reviewing design proposals and plans to bring the selection to BPW in late March 2024.
- **Changes:** The fiscal 2025 cost is \$12.5 million less than the previous CIP because of a delayed start. The anticipated total project cost increased by \$2.1 million, or 6%, due to escalation and delays to the project start date.

Summary of Out-year State-owned Projects

- ***Campuswide Electric Infrastructure Upgrades:*** This project includes the construction of a new electrical substation dedicated solely to MSU. The project is required to support any new buildings constructed after the new Health and Human Services Building is completed. Funding is anticipated to begin in fiscal 2026. The project will provide new feeders and underground duct banks from Baltimore Gas and Electric’s Clifton Park substation to serve the new substation and connect the university’s two existing electrical substations – Cold Spring and Montebello – to the new substation. The total cost is expected to be \$87.9 million.
- ***Campus Renovations:*** Due to its aging campus, MSU has not only an extensive deferred maintenance backlog but also some projects that have passed the maintenance stage and require renovations. The currently funded Carter-Grant-Wilson Building Renovation is the first in a series of campuswide renovation projects. MSU anticipates the next two campus renovation projects to be Truth Hall and Holmes Hall, and future projects may also include the Engineering Building, McMechen Hall, Murphy Fine Arts Building, Carnegie Hall, Calloway Hall, Spencer Hall, Key Hall, and the Lois T. Murray School. Funding for the next project is expected in fiscal 2028. The next renovations will be identified during the master plan process, which is expected to be developed in late March or early April 2024. This project is ongoing, and funding will extend beyond the \$26 million scheduled in the CIP.
- ***Jenkins Demolition:*** The project will demolish the old Jenkins Behavioral and Social Sciences building. In fall 2017, a new building was constructed on the West Campus to house the behavioral and social sciences programs, and many of the functions that were formerly housed in Jenkins were relocated to the new facility. The project includes demolition of the old Jenkins building, removal of debris, and site work to create an open green space serving as a visual entryway to the Academic Quad. The new Health and Human Services Building being constructed on the site of Turner’s Armory will relocate the remaining occupants of the old Jenkins building. Demolishing Jenkins will reduce the university’s significant deferred maintenance backlog. Funding was to be initially provided in fiscal 2024, but the fiscal 2025 capital budget bill deauthorizes the \$1.0 million provided. Now, funding is anticipated to begin in fiscal 2028. The total cost of the project is estimated at \$17.4 million.
- ***Dixon Research Center Renovation and Expansion:*** This project will renovate and construct an addition to the Dixon Research Building for Physics. Physics is located in substandard, inadequate spaces in Calloway Hall and the Dixon building. Calloway Hall was built in calendar 1953 and renovated in calendar 1992 and represents the science, technology, engineering, and mathematics pedagogy of the 1980s. As such, the facilities are substandard and must meet modern-day pedagogical and building codes. The Dixon building was constructed in calendar 2003 as a science research facility and needs to meet modern instructional and research pedagogy. The buildings’ mechanical, electrical, and

RM00 – Morgan State University – Capital

plumbing systems are obsolete and need to be replaced. There needs to be more and more adequately configured space in the Science Complex to appropriately support the prior and projected enrollment growth and the instructional and research needs of the science disciplines at the university. The planned construction of a new Science Building to house Biology, Chemistry, and the Dean's Office of the School of Computer, Mathematical & Natural Sciences vacates a large portion of the Dixon building, which can be utilized to house Physics, inclusive of classroom and administrative space, and construct the addition to house research and support office space. Funding is anticipated to begin in fiscal 2029. The total cost of the project is estimated at \$125.5 million.

Appendix 1
Executive’s Operating Budget Impact Statement – State-owned Projects
Fiscal 2025-2029
(\$ in Millions)

	2025	2026	2027	2028	2029
New Science Center, Phase II					
Estimated Operating Cost	\$0.000	\$0.0000	\$8.000	\$2.476	\$3.171
Estimated Staffing	0.0	0.0	0.0	26.0	26.0
Carter-Grant-Wilson Building Renovation					
Estimated Operating Cost	\$0.000	\$2.000	\$0.000	\$0.000	\$0.000
Estimated Staffing	0.0	0.0	0.	0.0	0.0
Campus Expansion, Phase I					
Estimated Operating Cost	\$0.000	\$1.472	\$1.467	\$1.514	\$1.562
Estimated Staffing	0.0	3.0	3.0	3.0	3.0
Total Operating Impact					
Estimated Operating Cost	\$0.000	\$3.472	\$9.467	\$3.990	\$4.733
Estimated Staffing	0.0	3.0	3.0	29.0	29.0

Of the eight projects in the CIP, two will require additional staff for enhanced operational activities: 3 positions for the Campus Expansion project beginning in fiscal 2026 and 26 positions for the new Science Center beginning in fiscal 2028. Of the 26 positions for the Science Center, 18 positions will be for various science related positions, including 5 IT laboratory technicians, 4 digital imaging technicians, 2 laboratory equipment technicians, 2 environmental laboratory technicians, 2 animal care takers, 1 laboratory safety specialist, and 1 veterinarian. The expected costs for these positions for both projects are \$0.2 million in fiscal 2026 and are expected to grow \$1.8 million in fiscal 2029. The remaining expected operating costs will be communications, utilities, contractual services, supplies and materials, and equipment. These costs are expected to range from \$2.3 million in fiscal 2026 to \$3.0 million in fiscal 2029. The largest portion will go toward equipment. In fiscal 2027, the new Science Center will require \$8.0 million for equipment. The Carter-Grant-Wilson Building Renovation’s anticipated equipment costs are \$2.0 million in fiscal 2026.

Appendix 2
Deferred Maintenance and Site Improvement Projects¹
Fiscal 2020-2025

<u>Project</u>	<u>2020-2023</u>	<u>2025</u>	<u>Status</u>
Steam Trap Replacement	\$1,434,443		Complete
West Campus Parking Repairs, Design	569,309		Construction in progress
Air Handling Unit 14 Replacement	851,787		Complete
Chapel Window Preservation, Design	2,550		Construction in progress
Schaefer Auditorium Renovation, Design	593,396		Complete
Academic Quad Steam/Condensate (Phase 1)	4,239,118		Phase I near completion
Chapel Roof Replace/Wall Repairs, Design (Phases 1 and 2)	69,628		Completion expected in fiscal 2025
Submeters (Phases 1 and 2)	2,931,875		Construction in progress
Fire Alarm Upgrades (Phases 1 and 2)	2,571,051		Completion expected in fiscal 2025
Academic Quad Steam/Condensate (Phases 2 and 3)	3,696,161		In progress
West Campus Infrastructure	5,590,600		In progress
Truth Hall/Chapel Water Infiltration	2,202,995		Completion expected in fiscal 2025
Pole Relocation at 1649 Argonne Drive	11,761		Construction in progress
Central Heating Plant Renovation	2,407,395		Construction in progress
Chapel Window Restoration	1,260,254		Construction in progress
Security System Upgrades	4,373,624		Construction in progress
Concrete Y Stairs and Handrail Repairs		\$850,000	Proposed for fiscal 2025
Murphy Fine Arts Roof and Exterior Door Replacements		2,081,000	Proposed for fiscal 2025
Obligated Funds		2,069,000	Proposed for fiscal 2025
Total	\$32,805,947	\$5,000,000	

¹ As of January 2, 2024

Source: Morgan State University; Department of Legislative Services