

Morgan State
University
Maryland's
Public Urban
University

Legislative Testimony FY 2016 Capital Budget

Presented to:
House Subcommittee on
Capital Budget
and
Senate Subcommittee on
Capital Budget

March 2016

Dr. David Wilson
President



MORGAN STATE UNIVERSITY

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Testimony

Fiscal Year 2016 Capital Budget Morgan State University

David Wilson, President

March 2016



Chair and members of the Committee, I thank you for the opportunity to testify on the Governor's fiscal year 2016 capital budget recommendations for Morgan State University.

First, I extend my thanks to our new Governor for his support of higher education. I also thank the members of this Committee for your strong and continued support of Morgan State University. Once again, Ms. Sara Baker has done an excellent job analyzing our projects, and, as part of my testimony, I will address the comments and recommendations she has identified.

Vision Statement

Morgan State University is the premier public urban research university in Maryland, known for its excellence in teaching, intensive research, effective public service and community engagement. Morgan prepares diverse and competitive graduates for success in a global, interdependent society.

Strategic Priorities

Our strategic priorities are consistent with the State's goals for higher education and Maryland's workforce. Consistent with the strategic priorities, the University continues to grow its diversified revenue stream. While enrollment is growing, it should be noted that our undergraduate tuition is the fourth lowest in the State, FT/FT students are up significantly since 2013 (by 19%), full-paying international students are up, retention and graduation rates across-the-board are on an upward trajectory, and master's and doctoral degree productions are climbing. As for fundraising, alumni giving is at an all-time high in both percentages



and dollars. Similarly, grants and contracts funding is up. Last November, the University received its highest award ever from a U.S. agency – the National Institutes of Health (NIH) – in the amount of \$23.3 million. Four years ago, we received a \$28-million cooperative agreement from NASA/USRA. The University is operating under its strategic plan, focusing on enhancing student success, raising our standings as a research university and adding more doctoral programs, improving infrastructure and operations, increasing financial resources, and engaging the community.

Goal 1	<i>Enhancing Student Success</i>
Goal 2	<i>Enhancing Morgan's Status as a Doctoral Research University</i>
Goal 3	<i>Improving and Sustaining Morgan's Infrastructure and Operational Processes</i>
Goal 4	<i>Growing Morgan's Resources</i>
Goal 5	<i>Engaging with the Community</i>

Maintaining Our Status as a State and National Leader

The University continues to be a leader within the State and nation for the role it plays in addressing critical educational issues in degrees awarded to African Americans.

Statewide Rankings: Number of Degrees Awarded to African Americans		
Bachelor's	Master's	Doctorate
1st - Journalism	1st - Architecture	1st - Engineering
1st - Engineering	2nd - Journalism	1st - Total Doctorates
1st - Architecture	3rd - Engineering	
1st - Civil Engineering	3rd - Total Master's	
1st - Industrial Engineering		
1st - Electrical Engineering		
1st - Finance		
1st - Marketing		
2nd - Chemistry		
2nd - Physics		
2nd - Accounting		
2nd - Total Bachelor's		
3rd - Biology		

Source: IPEDS Degrees 2012-2013



Top Baccalaureate Institutions of Black S&E Doctorate Recipients: 2008 - 2012	
Rank	Institution
1	Howard U.
2	Spelman C.
3	Xavier U. of LA
4	Florida A&M U.
5	Morgan State U.
6	Hampton U.
7	NC Agricultural & Technical State U.
8	Morehouse C.
9	U. of Maryland, Baltimore County
10	Southern U. & A&M C., Baton Rouge

Source: National Science Foundation

Top Baccalaureate Institutions of Black Engineering Doctorate Recipients, by Sex (Females): 2008 - 2012	
Rank	Institution
1	Morgan State U.
2	NC Agricultural & Technical State U.
3	U. FL
4	GA Institute of Technology
5	MA Institute of Technology
6	FL State U.
7	Howard U.
8	U. MI, Ann Arbor
9	Clemson U.
10	Princeton U.

Source: National Science Foundation

Top Baccalaureate Institutions of Black Engineering Doctorate Recipients, by Sex (Males): 2008 - 2012	
Rank	Institution
1	NC Agricultural & Technical State U.
2	Morgan State U.
3	FL A&M U.
4	Howard U.
5	GA Institute of Technology
6	MA Institute of Technology
7	Morehouse C.
8	Southern U. and A&M C., Baton Rouge
9	U. FL
10	U. MD, Baltimore County

Source: National Science Foundation



With continued investment, we will continue to rank highly among State and national leaders in the production of minorities, particularly African Americans, in key areas of study. We will also contribute significantly to the State’s goal of 55% degree attainment by 2025, particularly given the projected growth in the number of Black and Hispanic high school graduates in the state of Maryland.

Governor’s Capital Budget Recommendation

It will only be through targeted investment in and development of institutions like Morgan that the education gap between white and black students will be closed, particularly considering the projected changes in the college-age population in the short-term. The State will be increasingly dependent upon the minority population to meet its workforce needs of tomorrow. However, if significant progress is not achieved in awarding college degrees to an increased percentage of the minority population, significant workforce shortages will soon occur in Maryland. Progress can only be achieved through the admission and graduation of both those with excellent academic credentials and those who may be considered average students by mainstream institutions’ admission standards.

Provided below is a summary of the Governor’s FY 2016 capital budget recommendation.

Project	Phase	Recommendation
New Jenkins Behavioral & Social Sciences Building	Construction & Equipment	\$31,007,000
Utility Upgrades - Phase IV	Planning & Construction	\$4,613,000
TOTAL		\$35,620,000

New Jenkins Behavioral & Social Sciences Building (\$31,007,000)

The funding would provide for construction and equipment for the new Jenkins Behavioral and Social Sciences building on the West Campus. The contract for bid package one, which includes the site work, utilities, and elevators, is scheduled to be awarded in April. We expect to award bid package two in May/June and the third package later in 2015. The new building will replace obsolete academic space and provide modern instructional and research space and laboratory animal facilities that meet national accreditation standards. The disciplines to be housed in this facility include Psychology, Sociology, Economics, Geography, History, Political Science, and International Studies.





New Jenkins Behavioral & Social Sciences Building (rendering, interior)

Utility Upgrades – Phase IV (\$4,613,000)

For our facilities to be operational, the proper utility infrastructure must be in place. Based on a utility survey completed in 2000, many of our utilities were in poor condition and at the end of their lifespan. The funding will enable completion of design and construction for this phase of the utility upgrade project.

CURRENT INVESTMENT – PROJECTS IN PROCESS



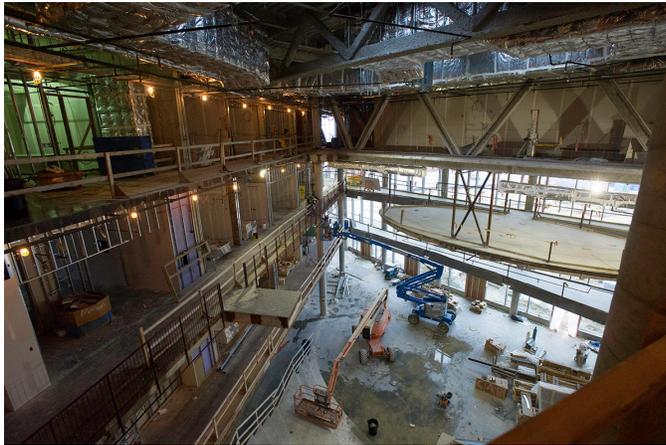
New School of Business and Management Center (rendering)

New School of Business and Management Center

Through your support, the soon-to-be completed School of Business and Management Center will provide learning environments that simulate the workplace and promote academic exchange and discovery. Scheduled to open in the fall, the new School of Business and Management Center includes: up-to-date classrooms, a trading floor simulator room and demonstration space, and hotel



rooms to give our students practical experience, thus enhancing their preparedness for the workplace. In addition, the construction of this facility extends our campus to the west on a portion of the Northwood Shopping Center grounds. Commensurate with our focus on economic and community development, this project is serving as a catalyst for further development revitalization of the entire shopping center.



Construction of the new Earl G. Graves School of Business and Management Center



Development of the West Campus

New Jenkins Behavioral and Social Sciences Building

The design is nearing completion on the West Campus, a portion of the Northwood Shopping Center, for the new Jenkins Behavioral and Social Sciences building, and we expect the first construction contract to be awarded in April. Like CBEIS and the new School of Business and Management Center, this facility will provide modern educational spaces to include: a Forensic Anthropology Lab, Human Factors Research Lab, Neuropsychology Lab and a Vivarium, which will enable our students to gain hands-on experience. These types of learning facilities are essential to giving our students the skills to compete and excel in the workforce and to advancing our research mission. As our research capacity increases so does our ability to attract a diverse body of students, qualified faculty and additional research dollars, which, in turn, will enhance the University's status as a doctoral/research institution.



New Jenkins Behavioral & Social Sciences Building (to left)



Student Support Services Center

Exceptional facilities are also essential to attract and retain students and we are excited that design will soon be initiated for the new Student Support Services Center. This project is now out-to-bid, and we anticipate

having an architect on board, by this summer. This facility will provide replacement space for the student service functions now located in the old Montebello Hospital. Sixty years old and still serviced by original building systems, the Montebello facility experiences constant service interruptions, and the University is concerned that this building is becoming increasingly unsafe. This facility



Site of the old Soper Library, for which demolition was substantially completed in December 2014.

is the first point-of-contact for prospective and new students and the place where students must return to do business throughout their academic career; consequently, it is important that it is representative of a quality institution of higher education. This facility will be constructed on the site of the old Soper Library for which demolition was substantially completed in December 2014. **Morgan is requesting an additional \$4.1 million to keep this project on schedule.**

THE NEED FOR CONTINUED INVESTMENT

Your continued investment is essential to our continued progress. Morgan's location in an urban community, with limited expansion potential and/or development sites, creates an added challenge in responding to critical facility needs. Because we are landlocked and our campus is fully subscribed, it is virtually impossible to construct new facilities without demolishing existing ones. Renovation is not always the most cost-effective strategy, and in cases where it is, oftentimes the facility needs to be repurposed, as it is not adequate to serve the needs of the disciplines it now houses. With the growth in programs and research, and changing technologies, it is becoming increasingly difficult to respond to academic needs in aging, obsolete facilities. For instance, the size, configuration and obsolete building systems in the Science Complex preclude its renovation to effectively meet the needs of the natural sciences. Consequently, Morgan is evaluating options to accelerate the construction of a new Natural Sciences Complex. The existing Science Complex can and will be repurposed, but demolition of other facilities for



which renovation is not feasible will have to occur to address the needs of the sciences.

Likewise, the University's Health and Human Services program, which includes Nursing, Nutrition, Social Work, Public Health, and Family and Consumer Sciences, is located in makeshift space in a former recording studio off-campus and in Jenkins, which is to be demolished. The proposed site for the Health and Human Services facility is along Hillen Road at Argonne Drive and is occupied by Turner's Armory and the Motor Pool, which will have to be relocated and the facilities demolished.

CLOSING

The University is nearing the completion of a Facilities Master Plan and is carefully charting a course to systematically address facility challenges and provide meaningful facilities commensurate with our vision to grow the future and lead the world. The Facilities Master Plan incorporates the University's strategic plan with facility needs for the next ten years.

Thank you, again, and, on behalf of Morgan State University, I request your support of the Governor's recommendations for FY 2016, and for the additional priorities we outlined above. I will respond to the issues presented by the analyst and will be happy to respond to any additional questions you may have.

Response To Issues And Recommendations Identified In the Department of Legislative Services' Analysis

Issue #1 (Page 6): Consideration should be given to the consultant's recommendation of using an outside firm or at least utilizing the experience and services of the Department of General Services to manage larger and complex projects.

Response: The University respectfully disagrees with the Department of Legislative Services' assessment regarding its capabilities. To date, we have completed or are in line to complete the following projects within or slightly under budget: Center for Built Environment and Infrastructure Studies (CBEIS), North Chiller Plant, Utility Tunnel Expansion, Lillie Carroll Jackson Museum, four (4) separate demolition projects, and the soon-to-be opened new School of Business and Management Center. In addition to completing these projects within



budget and on time, the University was able to return funds to the State for the following projects: Campus-wide Utilities Upgrade – Phase III, CBEIS, and the demolition projects.

For our larger projects, a professional construction management firm was hired (CBEIS, North Chiller Plant, School of Business and Management Center, Behavioral and Social Sciences Center (BSSC), and the soon-to-be Student Support Services building). In addition, we require the design team (AE) to include, as part of their service, a separate cost estimator. Each firm provides separate estimates which are reconciled before any value engineering (VE) sessions and modifications to a project. The projects are brought back to within budget at each phase of the project: concept, schematic design, design development, and 50 percent construction documents. In addition, a 95 percent estimate check is performed by the construction manager.

During the various VE processes for BSSC and other projects, the projects were brought back to within budget at each phase by reducing square footage, changing materials, etc. For the BSSC project, the same process was followed, but the costs would not hold due, in part, to the changing bidding environment. We valued engineered in excess of \$30 million out of the BSSC project between the concept and schematic phases. We reported our problem at the end of the design development phases, as we could not keep up with the rising construction costs, a trend that has also been seen at other State agencies. In the future, the University will update the Department of Budget and Management at the end of the various design and construction phases.

The programs submitted to the State are done many years in advance of the project, based on State guidelines that date back to the 1900s and thus do not meet the requirements of current-day pedagogy. Consequently, spaces are undersized when the projects are submitted for approval. During the design, we work diligently to create spaces that meet the requirements of the function and intent of the approved program; however, these attempts often result in an increase in size of some areas and/or changes/growth in programs. The Cost Estimate Worksheets (CEWs) are developed based on the program, which, in turn, establishes the budget for the project. Morgan will work to be more diligent in providing more accurate estimates in the early stages.

GO BOND RECOMMENDED ACTIONS

- 1. Approve \$4.6 million in general obligation bonds to complete design and construction of Phase IV of renovations and upgrades of campus utility systems.**

Response: The University agrees with the recommendation.

- 2. Approve \$31 million in general obligation bonds to design and construct the New Behavioral and Social Sciences Building.**

Response: The University agrees with the recommendation.



3. De-authorize remaining unencumbered funds.

Add the following language:

RM00 MORGAN STATE UNIVERSITY (Baltimore City)

(A)

Campuswide Utility Upgrade. Provide funds to construct Phase III and design Phase IV of the utility upgrades on the Morgan State University Campus [7,723,000]
7,333,000

Response: The University agrees with the recommendation.

4. Increase amount de-authorized.

Amend the following language:

RM00 MORGAN STATE UNIVERSITY (Baltimore City)

(E)

New Center for the Built Environment and Infrastructure Studies. Provide funds to construct and equip a new Center for the Built Environment and Infrastructure Studies.....[29,935,000]
~~26,735,000~~
26,435,000

Response: The University agrees with the recommendation.

5. This de-authorizes a portion of funds not needed to complete the Campuswide Utilities Upgrade project.

Add the following language:

Chapter 485 of the Acts of 2009, as amended by Chapter 396 of the Acts of 2011

Section 1(3)

RM00 MORGAN STATE UNIVERSITY (Baltimore City)

(A)

Campuswide Utility Upgrade. Provide funds to complete the construction of a utility tunnel project on the Morgan State University campus and to reimburse the University for utility upgrades in the Morgan Commons and the Academic Quad

(B) [4,035,281]
3,820,281

Response: The University agrees with the recommendation.



6. Approve the de-authorization of \$1.0 million in general obligation bonds to renovate Banneker Hall and relocate the telecommunications hub.

Response: The University agrees with the recommendation, with the understanding that the investigation is still pending and Morgan has no control over or information regarding its status.

7. Approve de-authorization of funds not needed to complete the project.

Response: The University agrees with the de-authorization of funds for the above referenced projects – 3, 4, 5 and 6.

8. Increase amount de-authorized.

Amend the following language:

RM00 MORGAN STATE UNIVERSITY (Baltimore City)

(C)

Soper Library Demolition. Provide construction funds for the demolition of Soper Library, provided that notwithstanding Section 6 of this Act, work may commence on this project prior to the appropriation of all funds necessary to complete this project

.....	[3,850,000]
	3,750,000
	<u>3,550,000</u>

Response: The University agrees with the recommendation.

9. Approve the pre-authorization of \$30.2 million in general obligation bond funds for fiscal 2017 to complete construction of the New Behavioral and Social Sciences Building.

Response: The University agrees with the recommendation.





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