



MORGAN
STATE UNIVERSITY

Legislative Testimony

**FY 2020
Capital Budget**

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

March 2019

Dr. David Wilson, President

MORGAN STATE UNIVERSITY

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Testimony

Fiscal Year 2020 Capital Budget

Morgan State University

David Wilson, President
March 2019

Chair and members of the Committee, thank you for the opportunity to testify on the Governor's fiscal year 2020 capital budget allowance for Morgan State University.

First, I extend my sincere thanks to the Department of Budget and Management and to Governor Hogan for his support of higher education. I also thank the members of this Committee for your strong and continued support of Morgan State University. Our analyst, Mr. Ian Klein, has done an outstanding job of analyzing our budget, and I will respond to his comments and recommendations as a part of my testimony.

VISION STATEMENT

Morgan State University is the Preeminent 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.

MISSION STATEMENT

Morgan State University serves the community, region, state, nation, and world as an intellectual and creative resource by supporting, empowering, and preparing high-quality, diverse graduates to lead the world. The University offers innovative, inclusive, and distinctive educational experiences to a broad cross section of the population in a comprehensive range of disciplines at the baccalaureate, master's, doctoral, and professional degree levels. Through collaborative pursuits, scholarly research, creative endeavors, and dedicated public service, the University gives significant priority to addressing societal problems, particularly those prevalent in urban communities.

STRATEGIC PRIORITIES

Building upon the goals articulated in our Strategic Plan, I unveiled a new set of goals last December that expands upon Morgan's mission as a premier research university, positioning it for continued growth through 2023 and for success in the years to follow. The new goals strategically target several areas that are summarized below.

STRATEGIC GOAL	NEXT FIVE-YEAR TARGETS: 2019–2023
GOAL 1	Enhancing Student Success and Experiences <i>Targets: improve student housing, increase retention rate and graduation rate (to 50 percent by 2025), increase student activities and amenities, add more study abroad opportunities, grow online degrees and online programs, increase number of international students, enhance campus diversity, and advance athletics (by improving academic progress rate in all 13 sports and attainment of MEAC championships).</i>
GOAL 2	Enhancing Morgan's Status as a Doctoral Research University <i>Targets: increase contracts and grant amounts, strengthen Computer Science Department, expand School of Engineering – adding new research centers and labs, create two to five start-up companies, and strengthen Tech Transfer operation.</i>
GOAL 3	Improving and Sustaining Morgan's Infrastructure and Operational Processes <i>Targets: secure funding for capital improvements and additions, open a branch campus, and address deferred maintenance.</i>
GOAL 4	Growing Morgan's Resources <i>Targets: increase State of Maryland support and alumni giving percentage (from 17 percent to 21 percent). It should be noted that Morgan successfully completed its \$250-million Sesquicentennial Anniversary Campaign.</i>
GOAL 5	Engaging with the Community <i>Targets: develop/expand strategic partnerships and new companies, and further the collaboration along/surrounding Hillen Road corridor.</i>

Undergirding our mission is a commitment to making a college education accessible, attainable, and affordable for all and particularly the underrepresented. Our undergraduate tuition is the second lowest in the state, and we have sustained continued enrollment growth. This past Fall we experienced an 11% increase in new freshmen and a 7% increase in total new undergraduates over 2017 (the highest new freshman enrollment and total new undergraduate enrollment since 2008 and 2010, respectively). Our retention rate has been above 70% consistently since 2010. As of December 2018, Morgan had a six-year graduation rate of 42%, our highest in 12 years.

Morgan continues to advance its research mission, and in December, we were elevated from R3 (moderate research) to R2 (high research) by the Carnegie Classification of Institutions of Higher Education, consistent with our goal of enhancing our status as a doctoral research institution.

This designation was the outgrowth of a concerted effort on the part of faculty and staff to increase research contracts and grant amounts, while also graduating more students and expanding the types of research conducted on campus as well as in the community. MSU is among only 130 universities nationwide to earn the R2 ranking, the second highest status classification and an indication of “**high research activity.**”

Through the first quarter of FY 2019, we received \$23M in grants, contracts and awards. These research grants provide hands-on collaborative training opportunities for our students and faculty as they participate in research that benefits the community and nation at large. For example, we recently launched a Cybersecurity Assurance and Policy (CAP) Center, which will provide the U.S. intelligence community with knowledge, methodology, solutions, and skilled cybersecurity engineers to prevent penetration and manipulation of the nation’s cyber physical infrastructure. The Center is a collaborative effort bringing together the School of Engineering, School of Business and Management, and School of Computer, Mathematical and Natural Sciences.

Morgan is also leading a three-year, \$2.3-million project funded by the National Science Foundation, in which undergraduates and teachers will be trained in technologies to revolutionize U.S. cities. The project titled “REU-RET Mega-Site: Research Experiences for Undergraduates and Teachers in Smart and Connected Cities,” involves a consortium of 14 Historically Black Colleges and Universities (HBCUs) and one Hispanic-Serving Institution (HSI). The goal of the project is to recruit and train a diverse population of students from minority groups that are underrepresented in science, technology, engineering, and mathematics (STEM) for work as teachers in minority-serving K–12 schools and community colleges.



Tyler Hall Construction photo

CONTINUING STATUS AS A STATE AND NATIONAL LEADER

Morgan ranked 14th among all Historically Black Colleges and Universities (HBCUs) in the 2018 *U.S. News & World Report* list of Best Colleges. Morgan also maintains its status as the top producer of Fulbright scholars and grantees. Our graduates have received more Fulbright scholarships than graduates of any other HBCU. We also continue to be a leader in the production of minority graduates in Maryland and nationally in key areas of study.

In terms of number of degrees awarded to African Americans, Morgan ranks in the top 21 nationally in bachelor's degrees conferred: 4th in Engineering and Family & Consumer Sciences, 6th in Architecture and in Education, and 9th in Communications Technologies. At the master's level, Morgan ranks 3rd nationally in Architecture, 15th in Mathematics and Statistics, and 20th in Engineering. The University ranks 2nd nationally in doctorates in History, 3rd in Public Health, 7th in Social Services, 19th in Psychology and 21st in Engineering. In the statewide rankings at the bachelor's level, MSU is 1st in Architecture, Civil Engineering, Electrical Engineering, Industrial Engineering, Social Work, Communication & Journalism, Philosophy, Sociology, and Family & Consumer Sciences, and 2nd in Business Administration and Marketing. At the master's level statewide, we are 1st in Architecture, 2nd in Communication and Journalism, Engineering, and Social Work, and 3rd in Electrical Engineering. At the doctoral level, we are 1st in Community College Leadership, Engineering, History, Public Health, and Social Work, and 2nd in Urban Educational Leadership.

With continued investment, we will continue to lead the state and nation in the production of minority graduates in these key areas.

IMPACT OF RECENT INVESTMENTS

We are extremely grateful for the support of this Committee over the last several years. The ongoing investments are essential to enhancing the competency and competitiveness of our students. Equipped with state-of-the-art learning environments that simulate real-life work environments, our students are receiving instruction and hands-on learning experiences that make them more marketable and better prepared for further study in advanced degree programs. The facilities are attracting students such that enrollments are growing in the programs housed there. In addition, the facilities are attracting great faculty and encouraging partnerships with corporations and other institutions.

Through the efforts of the Center for the Study of Blockchain and FinTech Innovation, which is housed in the three-year-old Morgan Business Center, MSU has received funding from Ripple, a leading Silicon Valley financial technology (FinTech) company. The funds will underwrite a five-year academic partnership bringing advanced education and research programs to the University.

Morgan joins a select number of institutions now participating in Ripple's University Blockchain Research Initiative (UBRI), a global effort designed to further accelerate academic research, technical development, and innovation in blockchain, cryptocurrency, and digital payments. The UBRI program fosters increased engagement and participation in FinTech by faculty and postdoctoral and graduate students.

Last month, Morgan was awarded a \$1.6-million Base 11 Grant to launch a Student Rocketry Program. The grant, which aims to improve diversity in the aerospace talent pipeline, will fund the build-out of a state-of-the-art liquid-fuel rocketry lab and create a successful and sustainable rocketry program that brings hands-on, experiential learning to students. The program will be housed in our Center for the Built Environment and Infrastructure Studies.

NEED FOR CONTINUED INVESTMENT

Facilities have played and will continue to play a critical role in the rate of advancement at the University. Continued investment in the University's facilities will position it to further enhance the quality of education while also enabling it to compete for grants and contracts. The State's investment is the cornerstone of Morgan's mission, which encourages research valuable to Baltimore City and ultimately spurs economic and community development within the region.

GOVERNOR'S CAPITAL BUDGET RECOMMENDATION

The Governor's capital budget allowance for Morgan is \$41,963,000 in GO Bonds for the following projects.

Project	Phase	Amount
Deferred Maintenance and Site Improvements	P,C,E	\$10,000,000
New Health & Human Services, Phase I (Turner Demolition)	C,E	\$4,901,000
New Health & Human Services, Phase II	P	\$4,403,000
New Student Services Support Building	C,E	\$22,659,000

Phase Key: C - Construction, E - Equipment, P - Planning

The **Deferred Maintenance and Site Improvements** funding will provide for repairs to the West Campus South Parking Lot (Northwood) to enhance safety and functionality and provide ADA access. The site of our recently completed Martin B. Jenkins Hall and three-year-old Morgan Business Center, the lot was severely deteriorated and housed facilities that had to be demolished when it was acquired. Over time, the condition of the site has steadily declined. In addition, the pending private redevelopment of the Northwood site will restrict access to the lot. Therefore, this allowance includes funds for the installation of a new road to provide safe access and egress onto the West Campus.



MSU Deferred Maintenance Projects (roofing replacements Baldwin, Cummings, Harper Tubman and Portage Avenue). Project completed 2019

This funding will also be used for repairs to various building systems and infrastructure projects across campus, including replacement or repair of roofs, chillers, fume hoods, elevators, floors, windows, and built-in classroom seating; upgrades to fire alarm systems and campus security systems; and ADA upgrades. The University is leveraging the State's investment with \$7,850,000 of its own debt financing to address long-term deferred maintenance issues.

The **New Health & Human Services (HHS), Phase I** funding will provide for the renovation and equipping of space at Portage Avenue to relocate the Motor Pool. This funding also provides for the demolition of the Motor Pool and Turner's Armory to make way for the new Health & Human Services Building.

The recommended funding for the **New Health & Human Services (HHS), Phase II** will provide for design of the new Health & Human Services Building at the site of the existing Turner's Armory and Motor Pool Site. This facility will provide space for the School of Community Health and Policy's Nursing, Nutrition, Public Health, Health Education, and Pre-Professional Physical Therapy programs; the School of Social Work; Family & Consumer Sciences; Medical Technology; and our Counseling Center. The academic programs are now located on our Academic Quad in the original Jenkins building, which will be demolished, in Hurt Gym, and in a former recording studio off-campus. The Counseling Center is housed in inadequate space in Carter-Grant-Wilson (CGW), which will be repurposed. The co-location of these programs will promote collaboration and efficiency among these disciplines through informal interchange and the sharing of resources and will provide our students with opportunities for experiential learning. In addition, many

of the programs to be housed in this facility are engaged in extensive research and outreach programs to the community. As such, the facility will include clinic and meeting space that will serve the academic programs as well as the community.



Tyler Hall Construction photo

The recommended allowance for the **New Student Services Support Center** will provide funds to continue construction and purchase equipment. The Governor's Allowance is \$5 million, less than we requested for construction, and we are concerned that the Allowance may not be sufficient to keep the project on schedule. Construction is now underway, with

an anticipated substantial completion date of April 2020. We are excited with the progress on this facility, as we are anxious to relocate these very important student support service functions out of the old Montebello Hospital.

CLOSING

I again express my appreciation for your ongoing support of our capital improvement program. Much progress has been made over the last several years, but much more remains to be done if we are to achieve our goal of providing up-to-date, effective learning environments for our students in every area of study and continue to advance our research and outreach missions. I therefore request your support of the Governor's recommendation for FY 2020.

Below are responses to the analyst's questions, and I am happy to respond to any additional questions you may have.

RESPONSE TO RECOMMENDATIONS

in the
Department of Legislative Services' Analysis

Page 5 – DLS requests that MSU submit their deferred maintenance and site improvements priority rankings for the respective projects. Additionally, MSU should also identify the projects that have been categorized as deferred maintenance and the projects that have been categorized as site improvements as well as the respective costs of those projects.

Response: Below is the deferred maintenance list provided to the Department of Budget and Management (DBM) in July. It will require updating since there were several unexpected emergencies that required immediate attention. The projects were prioritized as follows:

1. Fire, Life, Safety and Critical Building Functions
 - a. Roof leaks, water infiltration, pipe leaks
 - b. Critical code violations – sprinklers, fire alarms, etc.
 - c. Environmental – air quality, heating/air conditioning (uncontrolled/extreme temperatures in spaces)
 - d. Fume hoods – non-functioning systems affecting safety and the ability to teach/learn
 - e. Elevator upgrades
2. Code Violations
 - a. Americans with Disabilities Act (ADA)
 - b. Mechanical, Electrical and Plumbing (MEP) – non-critical systems
 - c. New code requirements – stormwater management (SWM) and others
3. Building enhancements for major functions
4. Work/study/living/eating environments
5. Not defined yet

Deferred Maintenance

1. *Roof Replacements – Risk Level 1: \$1,000,000*
Replace Portage Avenue and Truth Hall Roofs: The Portage Avenue roof was replaced with money the University borrowed, as it could no longer wait.
2. *Elevators – Risk Level 1: \$750,000*
Replace Elevators for Portage Avenue and Truth Hall: Work has been performed on the elevator in Truth Hall because it stopped working.
3. *PEARL Boat Dock Replacement – Risk Level 2: \$100,000*
The deck could no longer be repaired and was a hazard to students and staff. With DBM's approval, the work was subsequently covered with remaining funds from the Facilities Renewal Program (with left over money from a previous project). The work was completed in January.
4. *University Chapel – Risk Level 1: \$300,000*
The University applied for a federal historic building grant that required matching funds. The \$300,000 was to cover the match. We did not receive the grant, because the building was not officially on the historic register. We intend to reapply for this grant, as the building is now officially on the historic register. The work will cover window repairs/replacement and repairs of stone damage caused by water infiltration. The second phase will address water infiltration through the foundation walls, rendering the entire lower level unusable.
5. *Fume Hood Repairs/Replacement – Risk Level 1: \$950,000*
Replace and Repair Fume Hoods in Spencer Hall and Engineering Buildings: Most fume hoods have issues, and many are not working, which limits and affects research and teaching. Nonworking hoods are safety issues, because they provide exhaust for chemicals in the room. Last week, the main hood in Spencer Hall stopped working. Unfortunately, this one hood controls all of the fume hoods in the building, so none of the hoods are working at present. We are desperately trying to determine whether the main hood can be repaired or will require replacement, as its nonfunctioning state is affecting the instruction of our students.
6. *Fire Alarm Systems – Risk Level 1: \$5,500,000*
Upgrade the obsolete fire alarm systems throughout campus. Parts are no longer available.
7. *ADA*
The ADA projects have not been identified but are necessary to provide proper access.

The West Campus South Parking Lot Project listed below is a site improvement project.

1. *West Campus South Parking Lot and Access Road – Risk Level 1:*
\$5,000,000 - \$7,000,000

With the development of the Northwood Shopping Center, a critical entrance to the West Campus will be eliminated; thereby leaving only one access point in the middle of the street for more than 350 vehicles. Consequently, pedestrians will have to cross four to six lanes of traffic to gain access to or egress from the West Campus. The proposed road will provide safer access to a smaller street taking vehicles to a traffic light to make safe left turns. In addition, the parking lot needs to be rebuilt, as there are potholes and the pavement is falling apart. Stormwater does not make it into the stormwater system, rather it is collected and runs down the hill, undermining the hillside and adjacent sidewalk. Further, there is not enough lighting for safety, and the existing security/privacy wall is falling over (sections are missing), posing safety risks.

Other projects were identified with the intent of having a comprehensive, approved list to enable us to move forward should some of the above projects come in under budget. Since the time of submission to DBM, some of those projects have become more critical. Projects outside of the FY '20 list have moved up in their rankings because of unexpected, increased deterioration or complete system failure.

As previously reported, we are working with our consultant (Sightlines) regarding strategies related to campus facilities, campus assessment and planning. We are in the process of updating and reevaluating our list. As described above, we were forced to move forward with several projects, as systems failed and could not wait for funding. Other projects are moving up in their priority status because of their current conditions. If the project list changes, we will submit the revised list to DBM for approval prior to proceeding.

Page 5 – DLS requests that MSU comment on its ability to handle the numerous projects that are currently being undertaken at the campus, specifically identifying if it is properly staffed to handle the extra work that managing all of the projects that will come from the new program.

Response: The main capital projects (Student Services, Health and Human Services, and the Science Center) are covered with assigned project managers. MSU prides itself on operating with a lean staff but recognizes it will be necessary to hire additional project management personnel to oversee the deferred maintenance and small capital projects. While we are finalizing the list of deferred maintenance projects, we are also working to obtain additional oversight for these projects.

- (1) the priority rankings developed for deferred maintenance and site improvements projects;
- (2) the projects that are listed as deferred maintenance and the projects that are listed as site improvements; and
- (3) the costs associated with each of those projects.

The report shall be submitted to the budget committees on or before July 1, 2019. The budget committees shall have 45 days to review and comment. 10,000,000

Response: The University agrees with the recommendation.

2. Approve the \$4,901,000 general obligation bond authorization for the new Health and Human Services Building Phase I.

Response: The University agrees with the recommendation.

3. Approve the \$4,403,000 general obligation bond authorization for the new Health and Human Services Building Phase II.

Response: The University agrees with the recommendation.

4. Approve \$22,659,000 in general obligation bonds for the new Student Services Support Building.

Response: The University agrees with the recommendation.

5. This language amends a prior authorization to ensure that funds expended for construction of the new School of Business Complex and connecting bridge may not be terminated prior to June 1, 2021.

Response: The University agrees with the recommendation.

6. This language amends a prior authorization to ensure that funds expended for facilities renewal projects may not be terminated prior to June 1, 2021.

Response: The University agrees with the recommendation.

7. Approve the preauthorization of \$4,761,000 in general obligation bonds to continue construction on the new Student Services Support Building.

Response: The University agrees with the recommendation.

Campus Improvements

Spencer Hall: New Cooling Tower



Martin D. Jenkins Hall



Spencer Hall: Cooling Pump Replacement



Needs Improvement

Spencer Hall: Plumbing Systems



Carl J. Murphy Fine Arts Center: Blown Relief Cap



Original Jenkins Building: Building Leaks





Maryland



Baltimore

Morgan State University Produces \$1 Billion a Year in Economic Impact in the State of Maryland.

Total Annual Impact

**Annual
Economic
Impact**



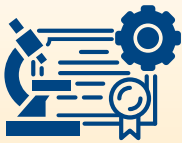
Maryland
\$990 million
Baltimore
\$574 million

**Annual
Jobs
Supported**



Maryland
6,530
Baltimore
3,990

Annual Economic Impact by Category



Operations

Maryland
\$334 million
Baltimore
\$302 million



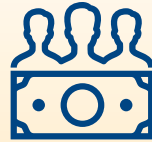
Capital

Maryland
\$75 million
Baltimore
\$62 million



Ancillary Spending

Maryland
\$97 million
Baltimore
\$47 million



Wage Premium

Maryland
\$484 million
Baltimore
\$163 million

Annual Fiscal Impact

Tax Revenue

Maryland	Baltimore
\$47 million	\$9 million

Impact study conducted by Econsult Solutions, Inc.
To view the full impact study online, visit www.morgan.edu/economicimpact.



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