



Capital Budget Testimony

FY 2022 Capital Budget

Presented to:

Senate Budget and Taxation Subcommittee on
Capital Budget
Senator Douglas J.J. Peters, *Chair*

and

House Appropriations Subcommittee on
Capital Budget
Delegate Ben Barnes, *Chair*

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TESTIMONY
Fiscal Year 2022 Capital Budget
Morgan State University
David K. Wilson, President
February 23, 2021

Chairmen and members of the subcommittees, thank you for the opportunity to testify on the Governor's fiscal year 2022 capital budget allowance for Morgan State University (MSU).

First, I thank the Department of Budget and Management, and Governor Hogan, for their 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 the 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

The University is continually guided by the goals articulated in our Strategic Plan. Set around the theme of "*Growing the Future, Leading the World*," the plan put in place a vision and goals designed to guide Morgan from 2011 into 2021, to include a continued emphasis on enhancing student success, increasing our status as a Doctoral Research Institution, improving our infrastructure and operational processes, growing our resources and engaging the broader community. The University has achieved remarkable success in reaching the plan's ambitious objectives. A few notable achievements include:

- Graduation and retention rates have reached historic highs, with the graduation rate at 46.3% and retention rates consistently in the mid-70s on a percentage basis for the last 10 years.
- MSU is an established center of excellence in key disciplines — such as Actuarial Science, Architecture and Environmental Design, Interior Design and Psychometrics — in which the University offers the sole degree program within these disciplines in Maryland.

- MSU has become a standout in STEM, graduating more technical degree holders than the national average and having a higher percentage of STEM-employed alumni than any other college or university in Maryland.
- MSU has maintained its status as a State and national leader, among the top three in the awarding of degrees to African Americans at all degree levels in key areas of study.
- MSU continues to be 1st among all HBCUs in the number of Fulbright-related grants to students, faculty and administrators.
- MSU was elevated to R2 status in 2018 by the Carnegie Classification of Institutions of Higher Education, a status reserved for doctoral universities with *high research* activity. In the State of Maryland, only Johns Hopkins University and the University of Maryland, College Park have higher research classifications.
- An increase in research grant funding has provided faculty and students with opportunities for groundbreaking research that spans all academic disciplines, from child welfare to cybersecurity.

The next 10 years hold tremendous opportunity for Morgan. Development of an updated strategic plan is underway, guided by four strategic pillars:

1. Enhance Student Success and Wellbeing;
2. Achieve Carnegie R1 Status;
3. Serve as a Premier Anchor Institution for Baltimore City and beyond; and
4. Expand the Global Footprint.

We are well on our way to achieving these goals and are excited about our growing influence as we continue to prepare students who will *grow the future* and *lead the world*.

IMPACT OF CAPITAL INVESTMENTS

The State's investment in Morgan has contributed greatly to successful outcomes for the University. Equipped with state-of-the-art learning environments that simulate real-life work atmospheres, our students receive hands-on instruction making them more competitive, more marketable and better prepared for further study in advanced degree programs. The new facilities are attracting students, thus growing enrollments in the programs housed therein. Also, the investment in these facilities is attracting research, great faculty, and partnerships with corporations and other institutions, as highlighted below.

- **Center for the Built Environment and Infrastructure Studies (2012)** houses the new Rocketry Program funded through a \$1.6-million Base 11 Grant, which will enable the build-out of a liquid-fuel, state-of-the-art rocketry lab and create a successful and sustainable rocketry program that brings hands-on, experiential learning to students. It is anticipated that by 2022, Morgan students will collaborate in building and launching a liquid fuel rocket that reaches 150,000 feet.
- **The Morgan Business Center (2015)**, home of the Earl G. Graves School of Business and Management, houses The Center for the Study of Blockchain and Financial Technology ("The FinTech Center"). The Center was launched in February 2019, after Morgan received a multiyear, multimillion-dollar grant from Ripple, a Silicon Valley-based technology company, to engage Morgan's faculty and students in research and education in blockchain, cryptocurrencies, cybersecurity and related fintech areas.

- **Martin D. Jenkins Hall, Behavioral and Social Sciences Building (2017)** is home of the recently launched new degree minor in **African American and African Diaspora Studies (AAAD)**. The AAAD program and the AAAD minor were funded in part by a grant from the Andrew Mellon Foundation. The building also houses the graduate program in Psychometrics, the only program of its kind at an Historically Black College or University. It is ranked 7th among similar programs nationwide.

NEED FOR CONTINUED INVESTMENT

The University's physical plant is the front porch from the perspective of Morgan students of the future. As such, facilities have played and will continue to play a critical role in the rate of advancement of the University. Continued investment in the University's facilities will further enhance the quality of education while also enabling Morgan to attract and retain new students, and enabling MSU to compete for federal, state and private grants and contracts.

GOVERNOR'S CAPITAL BUDGET RECOMMENDATION

The Governor's capital budget allowance for Morgan is for \$44,788,000 in GO Bonds for the following projects.

Project	Phase	Amount
New Health & Human Services, Phase II	C, E	\$33,072,000
Deferred Maintenance/Site Improvements	P, C	\$10,000,000
Campus Expansion, Phase I – Lake Clifton High School Demolition	P, C	\$932,000
New Science Center, Phase I	P	\$784,000
Total		\$44,788,000

Key: C – Construction, E – Equipment, P – Planning

New Health & Human Services, Phase II

This request will provide additional design funds and the first phase of construction funding for the New Health and Human Services Center (HHSC), which will house the School of Community Health and Policy, including Public Health, Nutrition Sciences, Nursing, Pre-Professional Physical Therapy and Health Education; the School of Social Work; the Department of Family and Consumer Sciences; and Medical Technology. The University Counseling Center will also be housed in this facility. The academic programs to be located in the new HHS are now located in Jenkins, which is to be demolished; off-campus in the Portage Avenue Facility; and in Hurt Gym. These locations offer limited or substandard teaching, research and clinical space for the preparation of our students. The Counseling Center, until recently, was located in Carter-Grant-Wilson, an outdated building that lacks sufficient and appropriate space to properly service our students. The co-location of these related academic and health service programs will promote collaboration, optimize space through the provision of shared resources and enhance students' learning experience. The New Health and Human Services Building will be located at the corner of Argonne Drive and Hillen Road, at the site of Turner's Armory (and Motor Pool), which was demolished.

Deferred Maintenance/Site Improvements

The capital budget has provided tremendous support for major renovation/new construction projects over the last several years; however, the corresponding support required to operate and maintain these facilities has not been forthcoming in the operating budget. Consequently, the

University has had to take from other operating budget needs to ensure the maintenance of these facilities. More importantly, the University has issued new debt to finance and pay for long-overdue deferred maintenance. As a result of the aging of the University, the deferred maintenance needs have continued to grow and now exceed \$150 million. The University successfully presented its case for State support to address mounting deferred maintenance needs, and the State has committed funding in each of the fiscal years in the five-year Capital Improvement Plan (CIP). This request will provide the third round of funding and will be used to address a growing backlog of deferred maintenance issues plaguing our campus, including repairs to West Campus (parking, road, walls); Holmes Hall exterior stabilization/improvements; security system upgrades; renovation of Schaefer Engineering lecture hall (including the built-in seating); sprinkler and similar fire system upgrades; and slope stabilization. In addition to the State support for deferred maintenance, Morgan has used its resources, including those obtained by incurring additional debt, as previously mentioned. In addition to the projects named above, deferred maintenance projects to date include steam trap replacement in manholes campus-wide, initiation of the design for the West Campus site improvements, replacement of air handling unit 14 in Key Hall, Schaefer Engineering auditorium renovation, and mitigation of the water infiltration in Truth Hall and the University Chapel. With the approval of a federal grant, deferred maintenance funds will be utilized as a match to the federal funding to preserve the University Chapel windows. The University is also moving toward development of an energy-efficient and sustainable campus. Morgan recently entered into a partnership with the Maryland Clean Energy Center (MCEC) to accomplish energy efficiencies, address deferred maintenance associated with the campus infrastructure and create a greener campus environment through improvements in sustainability initiatives. MCEC will assist the University with the development of a strategic energy plan. The new energy plan will be integrated and will complement the current deferred maintenance plan that has been submitted to the State. The combination of the current deferred maintenance fund by this budget and the MCEC project will create a campus of the future.

Campus Expansion, Phase I (Lake Clifton High School Demolition)

Morgan has a Letter of Intent from Baltimore City for the sale of Lake Clifton High School to the University. Constructed in 1971, the school is now closed and was declared surplus property at the end of December 2019. Landlocked, with limited expansion opportunities, Morgan is seeking to acquire this property to expand and to meet long-term strategic goals. The property is located approximately two miles from the campus and comprises approximately 59 acres. The University intends to demolish the facility and redevelop the site to meet its strategic needs with the construction of a Health, Physical Education and Convocation Complex (multipurpose) and facilities for other desired projects as outlined in the University's new strategic plan for 2021–2031. The existing Valve House, which is on the national register, will be preserved.

New Science Center, Phase I (Washington Service Center Demolition)

This request would provide funds for the demolition of the Washington Service Center (WSC) to make way for the new Science Center. The WSC was constructed in 1980 as a warehouse and provides administrative office space for the Police Department, Physical Plant and Procurement and Property Control. Its companion building, the Washington Service Center Annex, was built in 1952 and renovated in 1980 during the construction of the Service Center. The Annex building provided a shop, vehicle and equipment repair spaces. Also, two portable buildings were added in 1999 to support the Physical Plant functions with shop supervisory office space. The Service Center was constructed 41 years ago and has never been renovated. The Annex was built 69 years

ago, when the University was much smaller physically and functionally. Consequently, the facilities are in poor condition. In addition, there is insufficient space to accommodate the needs of these departments; therefore, functions are fragmented across campus. Long-term plans are to consolidate these functions in a proposed new facility on the South Campus. Also, a new building that will house the campus police and some physical plant functions is under construction on the Northwood Plaza Shopping Center property (now Northwood Commons). The WSC site will be used to house the proposed New Science Building. The location of this building is along Cold Spring Lane across from the Dixon Science Research Center, at the campus' front door from the east, making it an ideal location for the construction of a New Science Center.

CLOSING

In closing, I once again express my appreciation for your ongoing support of our capital improvement program. Much progress has been made over the last 10 years, but much more remains to be done if we are to achieve our goals of providing up-to-date, meaningful learning environments for our students in every area of study and continuing to advance our research and outreach missions. I, therefore, request your support of the Governor's recommendation for FY 2022.

Response to Issues and Recommended Actions Department of Legislative Services' Analysis

Page 3: *To better track the progress of projects funded through this program initiative, it is recommended that MSU annually submit a project status report. The Department of Legislative Services will work with MSU on the details of the content of the report during the interim.*

Response: The University submits a report annually; however, we will work with DLS to provide the details and format desired.

Page 4: *MSU should be prepared to provide the committees with an updated cost estimate and discuss the need for the large movable equipment and audio-visual request.*

Response: We recently received the design development submission from the architect which are presently under review. The preliminary cost estimate has been submitted, and the project team is working toward reconciliation of the estimate through value engineering. The current construction cost estimate will need to be reduced by approximately 3–4% to bring the project within budget. The University believes this target reduction is achievable. The design development phase will be completed within 30 days and submitted to the Department of Budget and Management (DBM).

The University is compiling the equipment list and will submit it to DBM in the next 45–60 days. The large movable equipment budget item is for simulation equipment used by the Nursing Program. This equipment will allow for the training of nursing students through the use of simulation robotics in combination with virtual/augmented reality. Digital simulation is deployed in higher education programs around the country and will align Morgan's academic curriculum with that of other institutions. Some of the simulation equipment, for example in the Visualization Computer Lab, will also be utilized by or with the other academic programs on campus. The base

design for the Visualization Computer Lab can have components added in the future to enable the University to pursue research opportunities.

GO Bond Recommended Actions

1. Approve the \$932,000 general obligation bond authorization for the Campus Expansion, Phase I – Lake Clifton High School Demolition.

Response: The University agrees with the recommendation.

2. Approve the \$10,000,000 general obligation bond authorization for Deferred Maintenance and Site Improvements.

Response: The University agrees with the recommendation.

3. Approve the \$33,072,000 general obligation bond authorization for the new Health and Human Services Building, Phase II.

Response: The University agrees with the recommendation.

4. Approve the \$784,000 general obligation bond authorization for the new Science Center, Phase I.

Response: The University agrees with the recommendation.

5. Approve the deauthorization of \$108,947 in general obligation bonds appropriated in 2014 for the New School of Business Complex and Connecting Bridge.

Response: The University agrees with the recommendation.

6. Approve the preauthorization of \$56,250,000 in general obligation bonds to continue construction of the new Health and Human Services Building, Phase II.

Response: The University agrees with the recommendation.

7. Approve the preauthorization of \$42,339,000 in general obligation bonds to continue construction of the new Health and Human Services Building, Phase II.

Response: The University agrees with the recommendation.



Morgan Recognitions and Rankings*



* Partial listing

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