

MORGAN STATE UNIVERSITY

POLICY ON FACILITIES RENEWAL FOR AUXILIARY AND NON-AUXILIARY CAPITAL ASSETS

1. Subject to limitations established by law, the Board of Regents is empowered to maintain the capital assets under its jurisdiction, including land, structures and infrastructure, for auxiliary and non-auxiliary programs.
2. Facilities renewal is the planned renovation, adaptation, replacement, or upgrade of the systems of a capital asset during its life span such that it meets assigned functions in a reliable manner.
3. University funding for facilities renewal shall be determined by and under the direction of the Executive Vice President for Finance and Administration with a goal of 1% of the current replacement value (RV) of all University State funded (or non-auxiliary) capital assets over 10 years old as a first priority, but calculated according to the Facilities Condition Index referenced in Section 4 of this policy. Further, the goal for funding for facilities renewal shall be 1% of the current replacement value (RV) of all non-State funded (or auxiliary) capital assets over 10 years old as a second priority.
4. The Facilities Condition Index (FCI) is to be calculated as follows:

	Maintenance, Repair, and Replacement Deficiencies of the Facility (ies)
FCI =	÷
	Current Replacement Value of the Facility (ies)

5. For at least the initial five (5) year period, the University's 1% goal of the current replacement value (RV) for State funded capital assets over 10 years old will be contingent upon State appropriations and other non-State appropriated funding sources.
6. The allocation of funds and the selection of facility renewal projects shall be approved by the Board of Regents as a part of the annual operating budget process and/or capital budgeting process, as appropriate.
7. The University shall continue to provide an annual report to the State's Budget and Taxation Committee and the State's Appropriation Committee on December 1, that (1) provides an updated facility renewal backlog that is prioritized and separates State funded

projects from University funded projects, and (2) a status report of all projects funded through the project from inception for as long as that reporting is requested.

*This policy approved by the Board of Regents on November 1, 2022 amends and supersedes all prior Board of Regents approved versions of this policy.