

RM00
Morgan State University

Capital Budget Summary

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

Projects	Prior Auth.	2018 Request	2019 Est.	2020 Est.	2021 Est.	2022 Est.	Beyond CIP
New Student Services Support Building	\$6.300	\$8.255	\$43.208	\$23.536	\$0.000	\$0.000	\$0.000
New Behavioral and Social Sciences Center	76.604	2.105	0.000	0.000	0.000	0.000	0.000
New Health and Human Services Building, Phase I	0.000	0.000	0.320	4.232	0.000	0.000	0.000
New Health and Human Services Building, Phase II	0.000	0.000	0.000	4.705	5.750	36.759	90.893
Total	\$82.904	\$10.360	\$43.528	\$32.473	\$5.750	\$36.759	\$90.893

Fund Source	Prior Auth.	2018 Request	2019 Est.	2020 Est.	2021 Est.	2022 Est.	Beyond CIP
GO Bonds	\$82.704	\$10.306	\$43.528	\$32.473	\$5.750	\$36.759	\$90.893
Nonbudgeted funds	0.200	0.000	0.000	0.000	0.000	0.000	0.000
Total	\$82.904	\$10.306	\$43.528	\$32.473	\$5.750	\$36.759	\$90.893

CIP: *Capital Improvement Program*
GO: general obligation

Summary of Recommended Bond Actions

1. Behavioral and Social Sciences Building
Approve funding to complete construction and equip the facility.
2. New Student Services Support Building
Approve funding to continue design and start construction.
3. SECTION 2 – Morgan State University – Lillie Carroll Jackson Museum Renovation
Approve de-authorization of \$0.3 million.
4. SECTION 2 – Morgan State University – Campuswide Site Improvements
Approve the de-authorization of \$0.4 million.
5. SECTION 2 – Morgan State University – Athletic Facilities Renovation
Approve language amending the athletic facilities renovation.
6. SECTION 12 – Morgan State University – New Student Services Support Building
Approve pre-authorization of \$39 million to continue construction.
7. SECTION 13 – Morgan State University – New Student Service Support Building
Approve pre-authorization of \$20 million to complete construction.

Budget Overview

New Student Services Support Building

The New Student Services Support Building will house various student support functions; including admissions, recruitment, the registrar, the bursar, and financial aid; which typically serve as the first point of contact with potential students and parents. These functions are currently located in the Montebello Complex, which is in poor condition and does not provide an inviting or welcoming impression to potential students.

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Design funding was deferred for a year in the 2016 *Capital Improvement Program (CIP)* to fiscal 2018, as shown in **Exhibit 1**. The General Assembly accelerated the project by authorizing \$4.7 million in fiscal 2017 to continue design of the facility. The fiscal 2018 capital budget provides \$8.3 million to continue design and begin construction. Construction funding of \$39.0 million and \$20.0 million is programmed in fiscal 2019 and 2020, respectively.

Scope Changes Increase Size and Cost of Building

The size of the project increased in the 2016 CIP by 4,350 net assignable square feet (NASF)/8,220 gross square feet due to the inclusion of the Office of Information Technology (OIT) and several small spaces, such as a breakroom to meet the needs of the building’s occupants. It should be noted that Morgan State University (MSU) sought to increase the size of the project by 14,775 NASF by removing 12,820 NASF for Business Auxiliary and Telecommunication Services and including 27,595 NASF for the Center for Academic Success and Achievement, the Office of Student Success and Retention, and OIT. Space for OIT was approved due to it being necessary to maintain and improve MSU’s information technology infrastructure.

Exhibit 1
Funding Schedule
Fiscal 2017-2021

	<u>Prior</u> <u>Auth.</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
2015 CIP	\$1.600	\$4.500	\$6.350	\$28.550	\$36.850	\$0.000
2016 CIP	1.600	0.000	1.297	3.541	39.136	37.521
2017 CIP	6.300	0.000	8.255	43.208	23.536	0.000

CIP: Capital Improvement Program

Note: Prior authorization funding consists of \$1.6 million authorized in the 2014 session and another \$4.7 million authorized in the 2016 session.

Source: 2015, 2016 and 2017 Capital Improvement Plan

A second program modification was approved in February 2017 by the Department of Budget and Management. The modification increases the building by 1,866 gross square feet (GSF) to 139,866 GSF and decreases the NASF by 1,181. While MSU made various adjustments to various spaces, the more significant changes include adding 3,294 NASF for the Community Service Program and reducing general support and OIT space by 1,362 NASF and 3,597 NASF, respectively. The increase in GSF resulted in a cost increase of \$1.0 million; however, based on changes to the scope of

the project and the revised construction estimates, the cost of the project increases \$6.7 million to \$88.0 million, which is not reflected in the 2017 CIP or reflected in Exhibit 1.

Deficiencies Building Will Address

Student services are currently housed in the Montebello Complex, which was originally a hospital that is poorly configured for an administration building, is in poor condition, and needs to be demolished. Overall, MSU is concerned that any one of the building systems will fail. For example:

- all of the building systems are original and have exceeded their life expectancy causing frequent interruptions in services;
- the ventilation is poor due to the air handling units being over 50 years old, and replacement parts are no longer available;
- the office air conditioning and heating systems are noisy and have caught on fire;
- fires have erupted in the mechanical room resulting in the evacuation of the building;
- the single pane windows allow air to continually seep in, including diesel fumes from idling buses; and
- there is significant water damage due to the age of the pipes that have been continually patched over the years, and there is concern that a leak or rupture might occur in a section of the pipe that would lead to a complete closure of the building.

Since the Montebello Complex was a hospital, the rooms are oversized and inefficient to be used for administrative offices. It would be costly to renovate office spaces to the appropriate size because the heating, ventilation, and air conditioning system is sized for large rooms. In addition, the building is not configured so that units can be co-located; for example, payroll is not adjacent to human resources resulting in operating inefficiencies. In addition, students have trouble finding student support services because they are scattered throughout the building. As of fall 2015, student services staff totaled 208 full-time equivalents (FTE) and have 48,980 NASF. Based on projected growth to 300 FTEs, 71,595 NASF will be needed by 2025.

Furthermore, in order to expand its online presence, OIT needs to have sufficient capacity to support the university in its online efforts. The current space is not appropriately sized to meet the needs of OIT with 13 of the 22 offices below the standard of 120 NASF, and half of those offices are less than 110 NASF. Seven offices are oversized with an average of 148 NASF. Technician workstations are too small at 38 NASF and double as shop space. In addition, due to a shortage of space, a mechanical room is used for storage, which is a code violation. Under the first modification, OIT was to have 16,330 NASF in the facility; however, the second modification reduces its space 19% to 12,733 NASF.

New Behavioral and Social Sciences Center

This facility replaces the Jenkins Behavioral and Social Science Building, which was constructed in 1974, is in poor condition, and cannot be economically renovated. The new facility will provide 12,661 NASF of classroom laboratory space – more than enough to meet the need of 9,512 NASF based on current enrollment projections. As with the classroom space, the facility was designed on a previous higher enrollment projection; therefore, some space may be used to meet the needs of other programs. The fiscal 2018 capital budget provides \$2.1 million to complete construction and finish equipping the facility.

Operating Budget Impact Statement

**Executive’s Operating Budget Impact Statement – State-owned Projects
(\$ in Millions)**

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
New Behavioral and Social Sciences Center					
Estimated Operating Cost	\$4.841	\$1.633	\$1.686	\$1.740	\$1.795
Estimated Staffing	3.71	3.71	3.71	3.71	3.71
New Student Services Building					
Estimated Operating Cost	\$0.000	\$0.000	\$0.000	\$4.119	\$1.670
Estimated Staffing	0.00	0.00	0.00	3.46	3.46
Total Operating Impact					
Estimated Operating Cost	\$4.841	\$1.633	\$1.686	\$5.859	\$3.465
Estimated Staffing	3.71	3.71	3.71	7.17	7.17

The costs to open the New Behavioral and Social Sciences Center in fiscal 2018 total \$4.8 million, which include 3.71 FTE positions to maintain the facility. The annualized operating costs total \$1.7 million.

Summary of Other Projects in the Capital Improvement Program

New Health and Human Services Building, Phase I

Funding for this project was added for fiscal 2019 and 2020 in the 2017 CIP to demolish Turner’s Armory and vehicle maintenance facility. This location is where the New Health and Human Services Building will be constructed, which will be Phase II of the project. Phase I also includes providing surge space at the Portage building for the motor pool. The surge space will include offices, locker and storage space, and space to repair vehicles. The project also involves constructing a new roll-up door access area and converting two existing loading docks into vehicle repair bays. Site work is needed to rebuild the deteriorated parking area and the access road to the site, which will be used heavily by trucks, buses, and other vehicles. Design funding of \$0.3 million is programmed in fiscal 2019, and construction funding of \$4.1 million is programmed in fiscal 2020. The estimated total cost of the project is \$4.6 million.

New Health and Human Services Building, Phase II

Funding for design of Phase II of the New Health and Human Services Building was added for fiscal 2020 with \$4.7 million and \$5.8 million for design programmed in the fiscal 2020 and 2021, respectively. Funding to begin construction is programmed in fiscal 2022. The facility will house office, laboratory, classroom, and support spaces for the School of Community Health and Policy, which includes Public Health, Nutritional Sciences and Nursing, the Prevention Sciences Research Center, the School of Social Work, Medical Technology, and the Department of Family and Consumer Sciences. Space will also be provided for the University Counseling Center and the University Health Center. These programs are located in various buildings that are outdated, have insufficient space, and are in poor condition. The total estimated cost of the project is \$138.1 million.

Projects Removed from the *Capital Improvement Program*

Exhibit 2 shows that the Jenkins demolition project was removed from the 2017 CIP in order to accommodate the New Health and Human Services Facility, Phases I and II.

Exhibit 2
Projects Removed from the *Capital Improvement Program*
Fiscal 2018

<u>Project</u>	<u>Description</u>	<u>Reason for Deferral</u>
Jenkins Demolition	Demolish the Jenkins Behavioral and Social Sciences Building.	Other university priorities.

Source: Department of Budget and Management, 2017 *Capital Improvement Program*

Pre-authorizations and De-authorizations

Exhibit 3 shows the pre-authorization for the New Student Services Support Building as previously discussed, the de-authorization of \$0.2 million for the Lillie Carroll Jackson Museum that is not needed as the project is complete, and the de-authorization of \$0.4 million that is not needed for campuswide site improvements.

Exhibit 3 Pre-authorizations and De-authorizations

Pre-authorizations

<u>Project</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Reason</u>
New Student Services Support Building	\$39.020	\$20.036	\$0.000	\$0.000	Allows completion of construction.

De-authorizations

<u>Project</u>	<u>De-authorized Amount</u>	<u>Reason</u>
Lillie Carroll Jackson Museum	\$0.255	Project completed.
Campuswide Site Improvements	0.400	Funds are not needed.

Source: Department of Budget and Management, 2017 *Capital Improvement Program*

GO Bond Recommended Actions

1. Approve \$2.1 million in general obligation bonds to complete construction and equip the Behavioral and Social Sciences Building.
2. Approve \$8.3 million in general obligation bonds to continue design and start construction of the New Students Services Support Building.
3. Approve the de-authorization of \$0.3 million in general obligation bonds for the Lillie Carroll Jackson Museum, because the project is complete.
4. Approve the de-authorization of \$0.4 million in general obligations bonds for campuswide site improvements, because the funds are not needed to complete the project.
5. Approve language amending the athletic facilities renovation to include replacement of the scoreboard at Hughes Stadium.
6. Approve the pre-authorization of \$39 million in general obligation bonds for fiscal 2019 to continue construction of the New Student Services Support Building.
7. Approve the pre-authorization of \$20 million in general obligation bonds for fiscal 2020 to complete construction of the New Student Services Support Building.