

RM00
Morgan State University – Capital

Capital Budget Summary

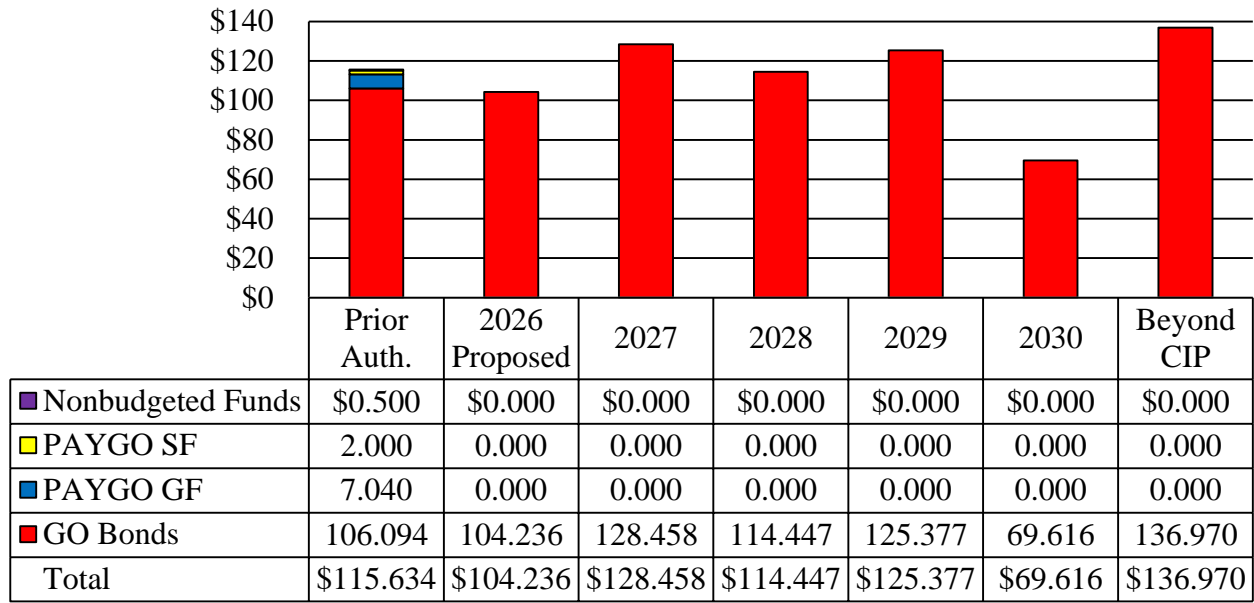
State-owned Capital Improvement Program
(\$ in Millions)

	Prior Auth.	2026 Proposed	2027	2028	2029	2030	Beyond CIP
New Science Center, Phase II	\$40.918	\$69.580	\$87.958	\$76.797	\$61.504	\$0.000	\$0.000
Campus Electric Infrastructure Upgrades	0.500	15.000	40.500	22.500	8.500	0.000	0.000
Deferred Maintenance and Site Improvements	58.500	13.400	0.000	5.000	5.000	10.000	0.000
Campus Expansion, Phase I, Lake Clifton	11.361	6.256	0.000	0.000	0.000	0.000	0.000
Carter-Grant Wilson	4.355	0.000	0.000	6.498	21.813	19.482	0.000
Campus Renovations	0.000	0.000	0.000	3.652	23.014	28.658	0.000
Dixon Research Center Renovations	0.000	0.000	0.000	0.000	5.546	3.698	125.551
New Physical Plant Department Grounds	0.000	0.000	0.000	0.000	0.000	4.950	11.419
Campus Fiber Infrastructure Upgrade and Replacement	0.000	0.000	0.000	0.000	0.000	2.828	40.562
Total	\$115.634	\$104.236	\$128.458	\$114.447	\$125.377	\$69.616	\$136.970

For further information contact: Kelly K. Norton

kelly.norton@mlis.state.md.us

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CIP: *Capital Improvement Program*
 GF: general funds
 GO: general obligation

PAYGO: pay-as-you-go
 SF: special funds

Note: It is assumed that GO bond funds will support the beyond the CIP estimated funding.

Key Observations

- Four Projects Funded in Fiscal 2026:*** The *Capital Improvement Program* (CIP) includes \$104.2 million in general obligation (GO) bonds for four projects in fiscal 2026. The CIP includes \$542.1 million planned for fiscal 2026 through 2030, including an additional five projects in the out-years.
- Carter-Grant Wilson Building Renovation Delayed:*** This project was to receive \$17.2 million in fiscal 2026. The project has been deferred until fiscal 2028 to fund other campus priorities.
- Highest Funded Capital Program of the Public Institutions:*** Morgan State University (MSU) receives the highest State capital funding of any public four-year institution. In the CIP, the university is anticipated to receive \$104 million in fiscal 2026, compared to \$251 million combined for all University System of Maryland (USM) institutions. MSU will receive 29% of the capital funding for the public four-year institutions in fiscal 2026. MSU’s expected capital funding from fiscal 2026 to 2030 is \$542.1 million, and USM’s scheduled funding is \$1.1 billion. MSU is slated to receive approximately 50% of all USM institutions combined.

PAYGO Recommended Actions

Add the following language:

SECTION XX. AND BE IT FURTHER ENACTED, That funds are added to the fiscal 2026 appropriation in the following manner:

- (1) \$27,000,000 in special funds is added for the purpose of funding the following programs and projects with pay-as-you-go funds in the following budget codes:
 - (a) \$9,000,000 in special funds from the Strategic Energy Investment Fund (SEIF) is added to the appropriation for program R75T00.01 Support for State Operated Institutions for Higher Education for R13M00 Morgan State University to fund the design and construction of the new Science Center. Funds not expended for this added purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the SEIF;
 - (b) \$9,000,000 in special funds from the SEIF is added to the appropriation for program R75T00.01 Support for State Operated Institutions for Higher Education for R30B24 Towson University to fund the construction and capital equipping of the demolition, renovation, and reconstruction of Smith Hall for the College of Fine Arts and Communication. Funds not expended for this added purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the SEIF;
 - (c) \$5,000,000 in special funds from the SEIF is added to the appropriation for program R75T00.01 Support for State Operated Institutions for Higher Education for R30B21 University of Maryland, Baltimore Campus to fund the construction of a new School of Social Work building. Funds not expended for this added purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the SEIF; and
 - (d) \$4,000,000 in special funds from the SEIF is added to the appropriation for program R75T00.01 Support for State Operated Institutions for Higher Education for R30B22 University of Maryland, College Park Campus to fund the construction and capital equipping of the new interdisciplinary engineering building – Zupnik Hall. Funds not expended for this added purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the SEIF.

Explanation: This language authorizes the use of pay-as-you-go special funds from the SEIF energy efficiency account to fund the sustainability components included in the scope of work for the projects listed. The use of the funds for this purpose will allow for an equivalent reduction to the general obligation bond authorization for each project.

GO Bond Recommended Actions

- Reduction to general obligation bonds.

RM00D	New Science Center, Phase II.....		\$ 60,580,000
	<u>Allowance</u>	<u>Change</u>	<u>Authorization</u>
	69,580,000	-9,000,000	60,580,000

Explanation: This action reduces general obligation bond funding for the new Science Center, Phase II to be replaced by special funds from Strategic Energy Investment Fund.

Total General Obligation Bonds Reductions/Additions **\$9,000,000**

Updates

- Prior Authorizations Amendments:** The introduced bill includes two amendments for prior authorizations. The budget amends the prior authorization of \$4.9 million in fiscal 2021 for the new Student Services Support Building to \$3.9 million. There is an additional amendment to the out-year project, the Carter-Grant-Wilson Building Renovation. That prior authorization is amended to \$1.9 million from \$4.4 million.
- Stadium Way Slope Stabilization:** MSU received funding in fiscal 2022 and 2023 to address the slope stabilization of Stadium Way through the Deferred Maintenance and Site Improvements Program. The project was placed on the Board of Public Works’s (BPW) agenda in July 2024. That project is expected to be completed in January 2026.

Summary of Fiscal 2026 Funded State-owned Projects

New Science Center, Phase II

Project Summary: The construction of a new Science Center to house the biology and chemistry departments and the Dean’s Office of the School of Computer, Mathematical, and Natural Sciences on the existing Washington Service Center site. The university foresees this project playing a significant role in its quest to become an R1, (highest research activity), which would make it one of the first historically Black college and university (HBCU) in the nation to join that classification. The center will have 135,539 net assignable square feet. The new Science Center is anticipated to provide the necessary amount and configuration of space to accommodate enrollment growth and technological and research advancements in the sciences. The fiscal 2026 budget includes funding to finish designing and continue constructing the new Science Center.

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New/Ongoing: Ongoing								
Start Date: August 2022					Est. Completion Date: February 2029			
Fund Sources:								
(\$ in Millions)	Prior Auth.	2026	2027	2028	2029	2030	Beyond CIP	Total
GO Bonds	\$33.878	\$69.580	\$87.958	\$76.797	\$61.504	\$0.000	\$0.000	\$329.71
GF	7.040	0.000	0.000	0.000	0.000	0.000	0.000	7.040
Total	\$40.918	\$69.580	\$87.958	\$76.797	\$61.504	\$0.000	\$0.000	\$336.757
Fund Uses:								
(\$ in Millions)	Prior Auth.	2026	2027	2028	2029	2030	Beyond CIP	Total
Planning	\$25.855	\$1.447	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$27.302
Construction	15.063	68.133	76.797	76.797	44.798	0.000	0.000	281.588
Equipment	0.000	0.000	11.161	0.000	16.706	0.000	0.000	27.867
Total	\$40.918	\$69.580	\$87.958	\$76.797	\$61.504	\$0.000	\$0.000	\$336.757

- Need:** The existing Science Complex comprises four buildings: Calloway Hall; Carnegie Hall; Key Hall; and Spencer Hall. The oldest building (Carnegie Hall) was constructed in calendar 1919, and the newest (Key Hall) was constructed in calendar 1964. Spencer Hall was renovated in calendar 1989, and the three other buildings were last renovated in calendar 1992. The renovations were poorly done and created substandard spaces that do not meet modern day building codes. The buildings’ mechanical, electrical, and plumbing systems are obsolete and need to be replaced. There is insufficient space in the Science Complex to appropriately serve the biology and chemistry departments due to enrollment growth in the science disciplines. In addition, the configuration of the building does not lend itself to the type of instructional and research spaces required to support the university’s science programs. MSU is an R2 research institution (high research activity). MSU’s goal is to become one of the first HBCUs in the country with an R1 designation (highest research activity). The new Science Center will provide the necessary amount and configuration of space to accommodate both enrollment growth and technological and pedagogical advancements in the sciences.
- Project Status and Schedule:** Phase I, which entailed the demolition of the Washington Service Center and associated facilities to make way for the new Science Center, is near completion. As of November 2024, design was 25% complete for Phase II and is expected to be completed by the end of calendar 2025. MSU has received BPW approval to move forward with a contract for construction management services. The first construction contract for the relocation of a water culvert was awarded in November 2024. Long lead items were released at that time and are due to arrive in April 2025. The next bid package is site utilities, which will be bid shortly, with the plan to take the contract to BPW in June 2025. The fiscal 2026 capital budget bill includes preauthorizations of \$76.8 million for both fiscal 2027 and 2028 to complete the construction funding based on the current schedule.

- **Changes:** The cost for the project has increased \$72.4 million from the previous CIP. Last session, MSU identified that the initial estimate was insufficient and did not account for inflation, supply chain difficulties, and the discovery of a large water tunnel under the construction site. The new total cost reflects those issues being addressed. The latest estimate includes cost escalation for the building's structure, with the price per square foot increasing for the new science space and the shelled research space by 48.6% and 76.6%, respectively. That cost escalation accounts for \$35.4 million in additional costs. The cost of built-in equipment, such as laboratory facilities, added \$8.6 million to the project. The Climate Solutions Now Act (CSNA) (Chapter 38 of 2022) accounts for \$9.1 million of the updated cost, which is partially offset by the \$3.7 million included in the 2024 CIP as a green building premium. Total equipment costs have increased by \$10.4 million for the project. During the demolition of the Washington Service Center, where the new Science Center will be built, it was noted that a portion of Stadium Way, a thoroughfare on campus, will need to be replaced due to the construction of a new stormwater culvert. This addition increased the project by another \$17.2 million. **The President should address how this Stadium Way project differs from the deferred maintenance slope stabilization.**
- **Sustainability:** The CSNA sets the goal to reduce statewide greenhouse gas emissions to 60% below 2006 levels. To reach this goal, agencies have been instructed to consider sustainability actions in their capital plans. MSU has acknowledged that \$9.1 million will be needed to ensure that the new Science Center meets the State's climate goals. **The Department of Legislative Services recommends reducing GO bond funding by \$9.0 million for project costs attributable to the sustainability components. A related recommendation adds language to use pay-as-you-go special funds from the Strategic Energy Investment Fund energy efficiency account to fully replace the reduced GO bond authorization.**

Campuswide Electric Infrastructure Upgrades

Project Summary: This project includes the construction of a new electrical substation as a single point of service (SPS) for the MSU campus from the Baltimore Gas and Electric (BGE) utility company. The existing Cold Spring substation will be replaced, and the Montebello substation will be upgraded to increase power capacity. The project will provide new feeders and underground duct banks from BGE's Clifton Park substation to serve the new SPS and to connect the Cold Spring and Montebello substations to the new substation. This project is required to support any buildings constructed after the completion of the Health and Human Services Building and to support the new Science Center. The new substation will create a dedicated power source, providing the dependability, resiliency, and redundancy required for the campus to have uninterrupted power. The proposed site for the new substation is behind the Student Center Garage. The fiscal 2026 budget includes funding to continue design and begin construction of the electric infrastructure upgrades.

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New/Ongoing: New								
Start Date: March 2025					Est. Completion Date: October 2028			
Fund Sources:								
(\$ in Millions)	Prior Auth.	2026	2027	2028	2029	2030	Beyond CIP	Total
GO Bonds	\$0.000	\$15.000	\$40.500	\$22.500	\$8.500	\$0.000	\$0.000	\$86.500
Nonbudgeted	0.500	0.000	0.000	0.000	0.000	0.000	0.000	0.500
Total	\$0.500	\$15.000	\$40.500	\$22.500	\$8.500	\$0.000	\$0.000	\$87.000
Fund Uses:								
(\$ in Millions)	Prior Auth.	2026	2027	2028	2029	2030	Beyond CIP	Total
Planning	\$0.500	\$7.426	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$7.926
Construction	0.000	7.574	40.500	22.500	8.500	0.000	0.000	79.074
Total	\$0.500	\$15.000	\$40.500	\$22.500	\$8.500	\$0.000	\$0.000	\$87.000

- Need:** The campus is at capacity with its existing electrical infrastructure. The upgrades are needed to keep with demand of an expanding campus and will be needed to be operational to support the new Science Center. The project will also lend reliability to an already strained electrical system. The project will be completed in two phases. Phase I includes designing the entire project and installing the conduit duct banks and cabling from the BGE substation to the new Central and Cold Spring substations; Phase II will expand the Montebello substation and bring the conduit and cabling from the new central substation
- Project Status and Schedule:** The overall cost of the budget has decreased by \$0.9 million from the 2024 CIP, from \$87.9 million to \$87.0 million. While the total cost of the project has decreased, the fiscal 2026 funding has increased, from \$5.5 million to \$15.0 million from the 2024 CIP. The increased funding denotes the urgency of the project. MSU is at a critical juncture in its capital program, and this project’s completion is needed to not only support the new Science Center but any following projects. The acceleration of the project is also pertinent due to the long lead times to purchase necessary equipment. MSU expects design to begin in March 2025, but the project has not received facility program approval from the Department of Budget and Management (DBM). This means that MSU cannot use State funds yet on the project. However, \$0.5 million in nonbudgeted funds, which are institutional funds, are being used to accelerate the design phase. The use of institutional funds demonstrates the critical need for these electrical upgrades to begin. **The President should provide an update on when design is expected to begin.**
- Other Comments:** The fiscal 2026 capital budget bill includes preauthorizations of \$40.5 million for fiscal 2027 and \$22.5 million for fiscal 2028.

Deferred Maintenance and Site Improvements

Project Summary: This program will address the university’s aging infrastructure and building systems that are inoperable or in poor condition, reducing the deferred maintenance backlog. The backlog is estimated to be between \$150 million and \$200 million. The university is augmenting the State’s investment in its campus facilities through the operating budget, the federal HBCU Capital Financing Program loan funding, Energy Performance Contracts, and two grants from the National Park Service for repairs to the University Memorial Chapel. The university will also reduce its backlog through State-funded demolitions and renovations of buildings throughout campus. The fiscal 2026 budget includes funding for three projects: (1) Murphy Fine Arts Roof and Exterior Door Replacements; (2) Fire Alarms Upgrades; and (3) Central Heating Plant Boiler Repairs.

New/Ongoing: Ongoing								
Start Date: Fiscal 2020					Est. Completion Date: N/A			
Fund Sources:								
(\$ in Millions)	Prior Auth.	2026	2027	2028	2029	2030	Beyond CIP	Total
GO Bonds	\$56.500	\$13.400	\$0.000	\$5.000	\$5.000	\$10.000	\$0.000	\$89.900
SF	2.000	0.000	0.000	0.000	0.000	0.000	0.000	2.000
Total	\$58.500	\$13.400	\$0.000	\$5.000	\$5.000	\$10.000	\$0.000	\$91.900

- **Need:** MSU estimated the deferred maintenance backlog to be \$300.0 million. There have been prior authorizations of \$68.5 million since fiscal 2020. Of that amount, \$46.9 million has been expended or encumbered. **Appendix 2** provides a summary of these projects to date.
- **Project Status and Schedule:** For fiscal 2026, the Deferred Maintenance and Site Improvements Program funds the Murphy Fine Arts Roof and Exterior Door Replacements, Fire Alarm upgrades, and Central Heating Plant Boiler repairs. The funding includes \$215,000 in obligated funds to absorb any overages from previously funded or approved projects.
- **Changes:** The fiscal 2023 budget included \$30 million, including \$10 million in the Dedicated Purpose Account. The Budget Reconciliation and Financing Act of 2025 includes a provision to revert that \$10 million to the General Fund on or before the end of fiscal 2025. The overall budget plan partially replaces the transferred funds by increasing the planned level of funding to the program from \$5.0 million to \$13.4 million.
- **Concerns:** In fiscal 2022, MSU received a \$65 million of HBCU Capital Financing funds from the U.S. Department of Education to renovate campus buildings and address deferred maintenance. Of this loan, \$7.0 million was allocated to deferred maintenance. With the

new federal administration, these loans might be less accessible to the institution. If this avenue of funding becomes less reliable, MSU might need to explore issuing bonds to cover such projects. **The President should comment on how HBCU Capital Financing funds have been and will be used to address the university’s deferred maintenance needs. The President should also comment on whether the university has considered issuing its own debt to address these needs.**

- Other Comments:** MSU has estimated its deferred maintenance costs at approximately \$300.0 million. The last time the campus buildings were evaluated was calendar 2021. The hired firm used a prioritization model, or ranking strategy, to rank the buildings in terms of priority. For example, a building ranked priority 1 is in more need of maintenance than a priority 4 facility. There are plans to have the deferred maintenance needs of the institution reevaluated in the near future. MSU should consider the use of a facility condition index (FCI). An FCI would look at the cost to repair an issue, for example, an HVAC system, versus the cost to replace the building that houses the HVAC system. FCI is an industry standard and would allow MSU to compare its FCI with other institutions, as well as set goals.

Campus Expansion, Phase I – Lake Clifton High School

Project Summary: This project will address the demolition of the old Lake Clifton High School and associated buildings on the Lake Clifton Campus. The vacant high school building was constructed in calendar 1971 and closed in summer 2019. MSU acquired the property from Baltimore City in calendar 2023. The project will demolish the existing school building and outdoor storage facility, remove and preserve historic public artwork, and stabilize a historic valve house. The university will create a plan for the redevelopment of the site to meet the university’s needs. The fiscal 2026 budget includes funding to complete design and demolition, removal of artwork, and stabilization of the valve house.

New/Ongoing: Ongoing								
Start Date: January 2025					Est. Completion Date: May 2026			
Fund Sources:								
(\$ in Millions)	Prior Auth.	2026	2027	2028	2029	2030	Beyond CIP	Total
GO Bonds	\$11.362	\$6.256	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$17.618
Total	\$11.362	\$6.256	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$17.618
Fund Uses:								
(\$ in Millions)	Prior Auth.	2026	2027	2028	2029	2030	Beyond CIP	Total
Planning	\$1.351	\$0.181	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$1.532
Construction	8.866	6.075	0.000	0.000	0.000	0.000	0.000	14.941
Other	1.145	0.000	0.000	0.000	0.000	0.000	0.000	1.145
Total	\$11.362	\$6.256	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$17.618

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- **Need:** The building complex was designed and operated as a high school with a configuration that is not conducive to the needs of the university. Due to several issues with the high school facilities, renovation is not cost-effective. Those issues include not being compliant with the Americans with Disabilities Act and the 50-year-old building systems being outdated and never having been renovated.
- **Project Status and Schedule:** Design was scheduled to begin in March 2024, but the latest DBM worksheet has a design start date of January 2025. MSU requested BPW approval for a construction management with a design contract on February 26, 2025. MSU expects engineering tasks to begin in March 2025 and last nine months. The project is slated to be completed in mid-to-late calendar 2026.
- **Changes:** The fiscal 2026 cost is \$2.1 million more than the previous CIP, and the overall cost has increased by the same amount. Base construction costs have increased due to construction manager's fees.
- **Concerns:** The committees requested in the 2024 *Joint Chairmen's Report* (JCR) that MSU provide a report by December 15, 2024, that outlines the redevelopment scope, identifies the stakeholders, provides the estimated cost and fund sources, and provides the anticipated project timeline. That report has not been submitted. This lack of submission marks the second year that MSU has not submitted the JCR response before the writing of the capital analysis. MSU currently has multiple outstanding reports. MSU has advised that it will create a multi-year master plan for redevelopment of the property. However, that plan will be developed after a new facilities master plan (FMP) is developed for the main campus. The contract award is expected to go to BPW in March 2025. Once the main campus FMP is completed, MSU will hire a consultant to develop the Lake Clifton master plan. After a consultant is chosen, the process should take 12 to 18 months. **The President should comment on the status of this report and how the institution will ensure reports are submitted timely in the future.**

Summary of Out-year State-owned Projects

- **Carter-Grant-Wilson Building Renovation:** This project will address the renovation of the Carter-Grant-Wilson Building for the School of Graduate Studies and the Division of International Affairs. Until recently, the building housed Human Resources, Information Technology, Internal Audit, and the Counseling Center. Most of these departments have permanently relocated to the new Student Services Support Building (Tyler Hall), which opened in fall 2020. The remaining building occupants have been temporarily relocated due to the closure of the building for health and safety reasons. This project received funding in fiscal 2025 and was scheduled to receive funding in fiscal 2026. However, the project has been pushed back to fiscal 2028 to make capacity for other capital projects, such as the additional costs of the new Science Center and the campuswide electric

infrastructure upgrades. The fiscal 2026 budget amends a prior authorization from \$4.4 million to \$1.9 million in fiscal 2025 for design. In addition to the \$1.9 million, MSU has prior authorizations of \$2.4 million from fiscal 2023 and 2024, leaving a total of \$4.4 million for design. The 2024 CIP included design funding and anticipated a design period to begin in September 2024. MSU had placed an item on the October 20, 2024 BPW agenda for a design contract with an award of \$3.8 million, but that item was withdrawn without discussion. The amendment to the prior authorization should not be an impediment to the institution's renovation of the Carter-Grant-Wilson building.

- ***Campus Renovations:*** Due to its aging campus, MSU has not only an extensive deferred maintenance backlog, but also some projects that have passed the maintenance stage and require renovations. The Carter-Grant-Wilson Building Renovation is the first in a series of campuswide renovation projects. MSU anticipates the next two campus renovation projects to be Truth Hall and Holmes Hall, and future projects may also include the Engineering Building, McMechen Hall, Murphy Fine Arts Building, Carnegie Hall, Calloway Hall, Spencer Hall, Key Hall, and the Lois T. Murray School. Funding for the next project is expected in fiscal 2028. The next renovations will be identified during the master plan process, which is expected to begin in March 2025. This project is ongoing, and funding will extend beyond the \$55.3 million scheduled in the CIP.
- ***Dixon Research Center Renovations:*** This project will renovate and construct an addition to the Dixon Research Building for Physics. Physics is in substandard, inadequate spaces in Calloway Hall and the Dixon building. Calloway Hall was built in calendar 1953 and renovated in calendar 1992. It represents the science, technology, engineering, and mathematics pedagogy of the 1980s. As such, the facilities are substandard and must meet modern day pedagogical and building codes. The Dixon building was constructed in calendar 2003 as a science research facility and needs to meet modern instructional and research pedagogy. The buildings' mechanical, electrical, and plumbing systems are obsolete and must be replaced. There needs to be more and more adequately configured space in the Science Complex to appropriately support the prior and projected enrollment growth and the instructional and research needs of the science disciplines at the university. The planned construction of a new Science Building to house biology, chemistry, and the Dean's Office of the School of Computer, Mathematical & Natural Sciences vacates a large portion of the Dixon building, which can be utilized to house physics, inclusive of classroom and administrative space, and construct the addition to house research and support office space. Funding is anticipated to begin in fiscal 2029. The total cost of the project is estimated at \$134.8 million.
- ***New Physical Plant Department Grounds Maintenance Building:*** This project will construct a garage at MSU to accommodate ground equipment, including snow removal equipment, salt throwing equipment, plows, mowers, leaf blowers, buggies, fuels, and fertilizers. The facility will include exterior space to house a laydown area where tools, materials, and equipment can be stored when not in use, as well as dumpsters and surface parking spaces. The Physical Plant Department grounds shop was previously housed in the

Washington Service Center Annex, which was demolished as part of the Phase I project of the new Science Center. The Physical Plant Department grounds staff are temporarily housed at the Montebello Complex, which is also obsolete and slated for demolition. The Montebello Complex has inadequate ventilation, water supply, life safety systems, and outdoor space for grounds staff to carry out work, such as maintenance of equipment, safely. Insufficient space also means specific equipment must be stored outside, which will shorten its lifespan and leave it more vulnerable to theft. The total cost of the project is estimated at \$16.4 million.

- ***Campus Fiber Infrastructure Upgrade and Replacement:*** This project will replace and upgrade the campus fiber system at MSU to improve reliability and ensure redundancy for communications and life safety systems. Existing campus communication systems feature a combination of copper and fiber systems. In calendar 2013, the Federal Communications Commission advised that copper would no longer be supported as a method of communication, and that all communication systems must be converted to fiber. The institution's existing fiber infrastructure, installed in calendar 2010, is reaching the end of its useful life and needs to be replaced. The existing campus fiber infrastructure lacks the redundancy required to ensure that communications and life safety systems continue to operate in the event of damage to part of the system. Fiber allows for the transmission of data necessary for communication, instruction, building controls, financial transactions, life safety systems, and elevators, and ensuring a reliable fiber system is crucial to the operations of the campus. This project has several components: replacement of all copper with fiber; replacement of all existing fiber; creation of a redundant fiber system with new pathways; cleaning out and repairing existing pathways for secondary use; and providing all equipment necessary to operate the fiber. The total cost of the project is estimated at \$43.4 million.

Appendix 1
Executive’s Operating Budget Impact Statement – State-owned Projects
Fiscal 2026-2030
(\$ in Millions)

	2026	2027	2028	2029	2030
New Science Center, Phase II					
Estimated Operating Cost	\$0.000	\$0.000	\$8.000	\$2.387	\$3.086
Estimated Staffing	0.0	0.0	0.0	9.0	9.0
Campus Electric Infrastructure Upgrades					
Estimated Operating Cost	\$0.000	\$0.000	\$0.000	\$0.211	\$0.229
Estimated Staffing	0.0	0.0	0.0	2.0	2.0
Campus Expansion, Phase I – Lake Clifton High School					
Estimated Operating Cost	\$1.289	\$1.293	\$1.350	\$1.391	\$1.451
Estimated Staffing	3.0	3.0	3.0	3.0	3.0
Total Operating Impact					
Estimated Operating Cost	\$1.289	\$1.293	\$9.350	\$3.989	\$4.766
Estimated Staffing	3.0	3.0	3.0	14.0	14.0

Of the nine projects in the CIP, three will require additional staff for enhanced operational activities: 3 positions for the Campus Expansion project beginning in fiscal 2026; 9 positions for the new Science Center; and 2 positions for the Campus Electric Infrastructure Upgrades beginning in fiscal 2029. The 9 positions for the Science Center will include 5 housekeeper positions, 3 maintenance specialists, and 1 control manager. The expected costs for these positions are \$0.2 million in fiscal 2026 and are expected to grow \$1.1 million in fiscal 2030. The remaining expected operating costs will be communications, utilities, contractual services, supplies and materials, and equipment. These costs are expected to range from \$1.1 million in fiscal 2026 to \$3.7 million in fiscal 2030. However, fiscal 2028 is expected to have the most impact on the operating budget at \$9.2 million. In fiscal 2028, the new Science Center will require \$8.0 million for equipment. In all other fiscal years, contractual services make up the largest portion of new expenditures.

Appendix 2
Deferred Maintenance and Site Improvement Projects
Fiscal 2020-2026

<u>Project</u>	<u>2020-2025</u>	<u>2026</u>	<u>Status</u>
Steam Trap Replacement (Phases 1 & 2)	\$1,418,540		Complete.
West Campus Parking Repairs, Design (Phases 1 & 2)	5,046,890		Design is complete. The project is in construction. Construction in progress.
Air Handling Unit 14 Replacement	824,000		Complete.
Chapel Window Preservation, Design	2,550		Complete.
Truth / Chapel Water Infiltration	2,211,995		Design is complete. Construction in progress.
Schaefer Auditorium Renovation, Design	776,988		Complete.
Submeters (Phases 1 & 2)	2,931,875		Near Completion.
Academic Quad Steam / Condensate (Phase 1)	5,506,784		Near Completion.
Fire Alarm Upgrades (Phase 1)	1,589,888		Complete.
Academic Quad Steam/Condensate (Phase 2)	2,337,967		Construction in progress.
Chapel Roof Replace/Wall Repairs, Design (1)	69,728		Design is complete.
Central Heating Plant Reno	2,407,395		Construction in progress.
West Campus Infrastructure (1)	1,113,019		Construction in progress.
Chapel Window Restoration	1,260,254		Complete.
Pole Relocation at 1649 Argonne Drive	11,761		Complete.
Stadium Way Slope Stabilization (Phases 1 & 2)	14,976,950		Completion expected in fiscal 2026.
Security System Upgrades	4,373,624		In progress.
Central Heating Plant			Work expected to begin in fiscal 2026.
Fire Alarm Phase II			Work expected to begin in fiscal 2026.
Chapel Roof Replacement			Work expected to begin in fiscal 2026.

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<u>Project</u>	<u>2020-2025</u>	<u>2026</u>	<u>Status</u>
Murphy Roof Replacement			Work expected to begin in fiscal 2026.
Murphy Exterior Door Replacement / Electronic Locks			Work expected to begin in fiscal 2026.
Central Heating Plant Boiler Repairs		\$1,500,000	Proposed for fiscal 2026.
Fire Alarm Upgrades		9,683,000	Proposed for fiscal 2026.
Murphy Roof and Door		2,002,000	Proposed for fiscal 2026.
Obligated Funds		215,000	Proposed for fiscal 2026.
Total	\$46,860,208	\$13,400,000	

Note: Fiscal 2020-2025 includes total planned encumbered or expended for the listed projects.

Source: Department of Budget Management; Morgan State University; Department of Legislative Services