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Morgan State University

Capital Budget Summary

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

Projects	Prior Auth.	2017 Request	2018 Est.	2019 Est.	2020 Est.	2021 Est.	Beyond CIP
New Behavioral and Social Sciences Center	\$40.704	\$35.900	\$2.800	\$0.000	\$0.000	\$0.000	\$0.000
New Student Services Support Building	1.600	0.000	1.297	3.541	39.136	37.521	0.000
Jenkins Demolition	0.000	0.000	0.000	0.245	3.142	0.000	0.000
Total	\$42.304	\$35.900	\$4.097	\$3.786	\$42.278	\$37.521	\$0.000

Fund Source	Prior Auth.	2017 Request	2018 Est.	2019 Est.	2020 Est.	2021 Est.	Beyond CIP
GO Bonds	\$42.304	\$35.700	\$4.097	\$3.786	\$42.278	\$37.521	\$0.000
Nonbudgeted Funds	0.000	0.200	0.000	0.000	0.000	0.000	0.000
Total	\$42.304	\$35.900	\$4.097	\$3.786	\$42.278	\$37.521	\$0.000

CIP: *Capital Improvement Program*

GO: general obligation

Summary of Recommended Bond Actions

1. New Behavioral and Social Sciences Center

Approve continued funding for construction of the New Behavioral and Social Sciences Center.

2. SECTION 2 – Morgan State University – Campuswide Site Improvements

Approve de-authorization of funds.

3. SECTION 2 – Morgan State University – Campuswide Site Improvements II

Approve language amending Campuswide Site Improvements.

4. SECTION 2 – Morgan State University – New Center for Built Environment

Approve de-authorization of \$0.3 million.

5. SECTION 2 – Morgan State University – Soper Library Demolition

Approve de-authorization of \$0.1 million.

6. SECTION 12 – Morgan State University – New Behavioral and Social Sciences Center

Approve pre-authorization of \$2.8 million to complete construction.

Budget Overview

New Behavioral and Social Sciences Center

This facility will replace the Jenkins Behavioral and Social Science Building, which was constructed in 1974, is in poor condition, and cannot be economically renovated. The size, scope, and cost of the project significantly increased in the 2015 *Capital Improvement Program* (CIP) as compared to what was programmed a year earlier in the 2014 CIP. The size of the project increased by 5,757 net assignable square feet (NASF)/23,299 gross square feet (GSF) to 74,462 NASF/148,229 GSF due to the addition of academic and operational space including a dean's office suite, reconfiguration of classroom space, a mechanical penthouse, and teaching laboratory space. This resulted in the total cost of the project increasing \$12.0 million from \$67.4 million to \$79.4 million. The 2016 session capital budget provides \$35.7 million to continue to construct and capital equip the facility. This is \$2.7 million higher than programmed in the 2015 CIP and is based on the projected cash flow of the project. Morgan State University (MSU) will also provide \$0.2 million to outfit cafeteria space. Construction commenced in February 2015 and is expected to conclude in August 2017.

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 lack of laboratory space in the current facility has resulted in students receiving instruction in the classroom and not gaining hands-on experience needed to function effectively in the workplace or be competitive with students from other institutions. The inadequate space also affects the ability of MSU to attract and retain high-quality faculty and students.

The facility will also provide 17,375 NASF of office space, 8,940 NASF of research space, and 1,134 NASF of animal facility space.

Operating Budget Impact Statement

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

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
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Project Name						
	Estimated Operating Cost	\$0.000	\$1.687	\$2.832	\$2.883	\$2.936
	Estimated Staffing	0	4	4	4	4
Total Operating Impact						
	Estimated Operating Cost	\$0.000	\$1.687	\$2.832	\$2.883	\$2.936
	Estimated Staffing	0	4	4	4	4

Summary of Other Projects in the Capital Improvement Program

Projects Deferred in Fiscal 2017

Preliminary design funds of \$1.6 million were added to the 2014 session capital budget bill to start the design of the New Student Services Support Building in fiscal 2015, one year ahead of the schedule programmed in the 2014 CIP. However, detailed design funding for the facility was deferred from fiscal 2016 to 2017 in the 2015 CIP and is deferred for another year in the 2016 CIP to fiscal 2018 (as shown in **Exhibit 1**). It should be noted that the Board of Public Works recently approved MSU to award a contract for design services despite having authorization to spend only 20% of the funds needed to design the facility. Furthermore, the size, scope, and cost of the project has increased since the 2015 CIP. The size of the project increased by 4,350 NASF/8,220 GSF from 71,595 NASF/130,000 GSF to 75,945 NASF/138,220 GSF due to the inclusion of the Office of Information Technology and several small spaces such as a breakroom to meet the needs of the building’s occupants. The total cost of the project increased \$3.1 million from \$79.95 million to \$83.10 million due to the increase in size and deferring the project for a year. **The President should comment on why a design contract was put out to bid before knowing if funding to continue design would be included in the capital budget.**

**Exhibit 1
Projects Deferred
Fiscal 2017**

<u>Project</u>	<u>Description</u>	<u>Reason for Deferral</u>
New Student Services Support Building	Construct a new facility to house student service functions.	Deferred for other priorities.

Source: Department of Budget and Management, 2016 *Capital Improvement Program*

Projects Removed from the *Capital Improvement Program*

Exhibit 2 shows that there was one project removed from the CIP in fiscal 2017.

**Exhibit 2
Projects Removed from the *Capital Improvement Program*
Fiscal 2017**

<u>Project</u>	<u>Description</u>	<u>Reason for Deferral</u>
McMechen Surge	Renovate space to provide surge space for remaining occupants in the Jenkins building.	Requested by the university.

Source: Department of Budget and Management, 2016 *Capital Improvement Program*

Pre-authorizations and De-authorizations

Exhibit 3 shows the de-authorizations of \$0.4 million for campuswide site improvements, \$0.3 million for the New Center for the Built Environment and Instructure Studies facility, and \$0.1 million for the demolition of Soper Library. The de-authorization for the Campuswide Site Improvements is due to the cancellation of Phases 2 through 4. For the other projects, the funds are not needed because the projects were completed.

Exhibit 3 De-authorizations (\$ in Millions)

<u>Project</u>	<u>De-authorized Amount</u>	<u>Reason</u>
Campuswide Site Improvements	\$417,853	Phases 2-4 canceled
New Center for the Built Environment and Infrastructure Studies	250,000	Project completed
Soper Library Demolition	128,238	Project completed

Source: Department of Budget and Management, 2016 *Capital Improvement Program*

GO Bond Recommended Actions

1. Approve \$35.7 million in general obligation bonds to continue construction and equip the New Behavioral and Social Sciences Center.
2. Approve the de-authorization of \$0.4 million in general obligation bonds for campuswide site improvements.
3. Approve language amending campuswide site improvements.
4. Approve the de-authorization of \$250,000 in general obligation bonds for the New Center for the Built Environment and Infrastructure Studies.
5. Approve de-authorization of \$128,238 of general obligation bonds for the Soper Library Demolition.
6. Approve pre-authorization of \$2.8 million in general obligation bond funds for fiscal 2018 to complete construction and equip the New Behavioral and Social Sciences Center.