



Legislative Testimony

FY 2023 Capital Budget

Presented to:

Senate Subcommittee on Capital Budget

and

House Subcommittee on Capital Budget

February 2022 | Dr. David Kwabena Wilson, President



MORGAN
STATE UNIVERSITY

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TESTIMONY

Fiscal Year 2023 Capital Budget Morgan State University

David K. Wilson, President
February 2022

Chairmen and members of the subcommittees, thank you for the opportunity to testify on the Governor’s fiscal year 2023 capital budget allowance for Morgan State University (MSU).

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

Morgan has concluded its 2011–2021 Strategic Plan with overwhelming success. Despite the challenges associated with navigating the pandemic, Morgan continued to meet and exceed the goals set forth in the Plan.

- ***A Continued Emphasis on Enhancing Student Success.*** Graduation rates have grown exponentially. In 2010, the graduation rate was at 29%. For the last three consecutive years, graduation rates have exceeded 40%. Now at 46%, our current graduation rate is higher than the national average for public institutions and African-American students. Likewise, our retention rates have remained above 70% over the last 11 years.
- ***Enhancing Our Status as a Doctoral Research Institution.*** Our status as a research institution is continuing to rise. Having achieved the Carnegie Classification of Institutions of Higher Education’s designation of R2 (high research) in 2018, we are on a trajectory to become among the first HBCUs to achieve R1, very high research status. We established a Blue-Ribbon Panel on STEM research in fall 2021 to assess Morgan’s existing research activity and offer strategic recommendations for achieving R1.
- ***Improving Our Infrastructure and Operational Processes.*** Our infrastructure and operational processes are constantly being accessed and improved through a variety of mechanisms. As an example, on the facility side, we recently engaged the services of two technology solutions companies: Accruent, to assist with facility assessments, which will help establish priorities for deferred maintenance, and Archibus, for tracking work orders and inventory maintenance/updates. Other improvements include investing \$6.5 million in classroom technology that has enabled Morgan to expand its instruction modality to meet the needs of all students.
- ***Growing Our Resources and Engaging the Community.*** Not only has Morgan received outstanding marks for its financial stewardship, we are also attracting gifts from a variety of public and private sources. These gifts are being used to promote scholarship and research and to impact the community. A Center for Urban Health Equity, led by the School of Community Health and Policy, was recently launched to conduct research aimed at addressing health inequities in Maryland. The initial launch of the Center for Urban Health Equity at Morgan was made possible by funds recently received from philanthropist MacKenzie Scott. Those funds were augmented by an annual \$3-million appropriation commitment from the State of Maryland to the University’s operational budget. The Center will incorporate every college/school on campus and will have extensive and essential involvement of communities and other stakeholder groups beyond the University’s walls. It will be permanently housed in the new Health and Human Services Building, which is under construction.



Laser focused on our goals, Morgan has experienced unprecedented growth in enrollments, retention and graduation rates, academic programs, grant and research funding and strategic partnerships. We enrolled 8,469 students in Fall 2021, the highest enrollment ever. We instituted a number of academic programs, including *Morgan Completes You*, which aims to provide a pathway to degree attainment for nontraditional students who have previously earned college credits but stopped sort of receiving their degree. Also, strategic partnerships with public and private institutions such as Harvard, Johns Hopkins, Purdue, Bank of America, Apple, Ripple, Google, etc., are providing our students and faculty with unparalleled learning and research opportunities.

Given the phenomenal growth and advancement Morgan has experienced over the last 10 years, we are excited about the tremendous opportunities that lie ahead. Our recently approved Strategic Plan, *Transformation Morgan 2030 – Leading the Future*, is guided by six strategic pillars:

1. Enhance Student Success and Well-Being;
2. Implement Faculty Ascendancy and Staff Development Initiatives;
3. Elevate Morgan’s Status to R1 Very High Doctoral Research University;
4. Expand and Improve a Campus-Wide Infrastructure to Support Operational Excellence and Increase Overall Institutional Capacity;
5. Serve as the Premier Anchor Institution for Baltimore City and Beyond; and
6. Accelerate Global Education Initiatives and Expand the University’s International Footprint.

Just as our previous Strategic Plan put in place a vision and goals designed to guide us through 2021, the current Facilities Master Plan puts in place a plan to ensure the facility infrastructure necessary to support the new Strategic Plan and is being updated to carry out the University’s vision and goals through 2030.

IMPACT OF CAPITAL INVESTMENTS

Guided by the Master Plan, and accomplished with your support, the recently completed facilities have yielded successful outcomes for the University. Equipped with state-of-the-art learning environments that simulate real-life work environments, our students receive practical training making them more competitive, more marketable and better prepared to complete advanced degree programs and meet the requirements of the 21st century workforce. The facilities are attracting students, which accelerates enrollment growth. In addition, the investment in these facilities is attracting research and the best and brightest faculty and is encouraging partnerships with corporations and other institutions, as highlighted below.



- **Center for the Built Environment and Infrastructure Studies (CBEIS)**, constructed in 2012, is home to the School of Architecture and Planning; the Civil Engineering Department; and the Transportation Planning and the National Transportation Center, including the Urban Mobility and Equity Center (UMEC). UMEC is one of 35 research centers funded by the U.S. Department of Transportation and is one of two HBCUs Tier-1 centers nationwide.

The Center contains driving simulators and a bicycle simulator for the study of driver and cyclist behavior. The facility also houses our new Rocketry Program, funded by a \$1.6-million grant from the nonprofit organization Base 11 that will enable the build-out of a state-of-the-art liquid-fuel rocketry lab. Other features of the building include a Seismic Simulator, Materials and Structures Lab, Fluids Lab and Wind Tunnel. These facilities provide opportunities for experiential learning and research and, as a result, have attracted funding from public and private entities.

- **Morgan Business Center**, home of the Earl G. Graves School of Business and Management (GSBM), opened in 2015 and has the distinction of being among the 5% of schools worldwide accredited by the Association to Advance Collegiate Schools of Business International (AACSB). We also have the distinction of being the first HBCU to receive the endorsement of the Institute of Management Accountants, one of the largest and most respected associations focused exclusively on advancing the management accounting profession. With such features as a Capital Markets Lab and a Business Incubator for entrepreneurship training, along with outstanding faculty, the Morgan Business Center is attracting private and public investment that is increasing GSBM's impact within Morgan and beyond. Through participation in the Goldman Sachs 10,000 Small Businesses Program, 300 entrepreneurs have graduated from the program. The School established the National Center for the Study of Blockchain and Financial Technology ("FinTech Center") through a multimillion-dollar grant received from Ripple, a Silicon Valley-based technology company. The FinTech Center has trained faculty from approximately 30 HBCUs to incorporate financial technology into their curricula. The interdisciplinary FinTech Center provides funding to faculty and graduate students to explore ways that blockchain and financial technologies can be leveraged to address the financial, social and economic issues that are transforming our world. The Center funds research in a wide variety of disciplines, including, but not limited to, law, policy, sociology, accounting, computer science, economics, environment, engineering, health, entrepreneurship, finance, marketing and supply chain.



- **Martin D. Jenkins Behavioral and Social Sciences Building** opened in 2017 and features state-of-the-art facilities, including a Vivarium, Forensic Anthropology Lab, psychology labs and observation rooms, to support Morgan scholars conducting groundbreaking research. The Vivarium enables researchers to utilize laboratory animals in an innovative, ethical and humane manner for advancing scientific knowledge. The building also houses the graduate program in Psychometrics, the only program of its kind at an Historically Black College or University. It is now ranked 7th among similar programs nationwide.



- Our newest facility, **Calvin and Tina Tyler Hall**, opened last fall. Housing departments such as Admissions, Records and Registration, Financial Aid, Bursar and Human Resources, Tyler Hall serves as the University's front door, welcoming students, parents and prospective employees to our campus. It features a three-story atrium off the lobby, dramatic interior and exterior angles, a contemporary recruitment room, an accessible Green Roof with multiple gathering "pods," numerous department suites with diverse office concepts, and modern technology throughout, complete with mounted display walls and videoconferencing capabilities.



NEED FOR CONTINUED INVESTMENT

Record-breaking enrollments, growing grants and contracts and increased collaborations are all indicators of the need for continued investment. 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 compete for federal, State and private grants and contracts.

GOVERNOR'S CAPITAL BUDGET RECOMMENDATION

The Governor's capital budget allowance for Morgan is for \$87,583,000 in GO Bonds and \$10,000,000 (deferred maintenance) in general funds for the projects listed below.

Project	Phase	Amount
New Health & Human Services, Phase II	C, E	\$66,020,000
Deferred Maintenance	P, C	\$20,000,000
New Science Center, Phase I	P, C	\$ 3,327,000
New Science Center, Phase II	P	\$ 7,040,000
Carter-Grant-Wilson Renovation	P	\$ 1,196,000
Total		\$97,583,000

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

New Health & Human Services, Phase II



This request provides the second phase of construction and the first phase of equipment funding for the new Health and Human Services (HHS) Building. The facility will provide space for the School of Community Health and Policy's Public Health, Nutrition Sciences, Nursing, Pre-Professional Physical Therapy and Health Education programs; the School of Social Work; the Department of Family and Consumer Sciences; and Medical Laboratory Sciences. The University Counseling Center will also be housed in this facility. The academic programs to be located in the new Health and Human Services Building are now located in the old Jenkins Building, which is to be demolished; off-campus in the Portage Avenue Facility, which is inadequate and unsafe; and in Hurt Gymnasium. 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 serve our students. The co-location of these related academic and health service programs in the new HHS Building will promote collaboration, optimize space through the provision of shared resources and enhance students' learning experience. The new facility will be located at the corner of Argonne Drive and Hillen Road on the former site of Turner's Armory and the Motor Pool, which were demolished.

Deferred Maintenance/Site Improvements

The capital budget has provided tremendous support for major renovation and 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 moved funds from other operating budget line items to ensure the maintenance of these facilities. As a result of these financial challenges, and the demands of our aging infrastructure, our deferred maintenance needs have exploded and now exceed \$200 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 our fourth round of funding and will be used for roof repairs to the Health Center, HVAC replacement at the Mitchell Engineering Building, campus-wide bridge structural repairs, West Campus improvements, electrical substation upgrades and other infrastructure projects.

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

This request provides the second phase of design and first phase of construction funding 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, Physical Plant, and Procurement and Property Control departments. Its predecessor building, the Washington Service Center Annex, was built in 1952 and renovated in 1980 during the construction of the Service Center. The Annex provides grounds maintenance, cleaning services, and vehicle and equipment repair spaces. Also, two portable buildings were added in 1999 to support the Physical Plant functions with supervisory office space. The WSC was constructed 40 years ago and was never renovated. The Annex was built 68 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 adequately; therefore, functions are fragmented across campus. Long-term plans are to consolidate these functions in a proposed new facility on the South Campus. This project includes the relocation of fuel tanks that are located on the site. The WSC site will be used to house the proposed new Science Center. The location of this building, along Cold Spring Lane across from the Dixon Science Research Center, at the campus' front door on the east, makes this an ideal location for the construction of a new Natural Sciences Building.

New Science Center, Phase II

This request provides design funds for the construction of a new Science Center to house the Biology and Chemistry Departments and the Dean's Office for the School of Computer, Mathematical and Natural Sciences, on the site of the existing Washington Service Center. The existing Science Complex comprises four buildings: Carnegie, Calloway, Spencer and Key Halls. The oldest of these buildings, Carnegie Hall, was constructed in 1919, and the newest, Key Hall, in 1964. Spencer Hall was renovated in 1989, and the three other buildings were last renovated in 1992. The renovations were poorly done and created substandard spaces that do not meet modern-day building codes. The mechanical, electrical and plumbing systems in these buildings are obsolete and need to be replaced. In addition, there is insufficient space in the Science Complex to appropriately serve the sciences, because of growth in the science disciplines, and the configuration of the building does not lend itself to the type of instructional and research spaces required to support the sciences.

Carter-Grant-Wilson Renovation

This request provides initial design funding for the renovation of Carter-Grant-Wilson (CGW) for the Graduate School and International Affairs Division, both of which are located in facilities that are to be demolished. Located at the intersection of Cold Spring Lane and Hillen Road, CGW is closed at present, for health and safety reasons. Until recently, the building housed Human Resources, the Counseling Center, Internal Audit and the Division of Information Technology. Human Resources and Information Technology are now located in the new Tyler Hall. Both the Counseling Center and Internal Audit are in temporary space. The Counseling Center will be located in the new Health and Human Services Building, and Internal Audit will remain in temporary space until a new home is identified.



CLOSING

In closing, I once again express my deep appreciation for your ongoing support of the projects in the Capital Improvement Program for Morgan. Facilities make the initial impression on prospective students, faculty and staff. Your investment is transforming the campus, helping to produce competitive, capable students and attracting other investments from the public and private sector. We look forward to your continued support as we strive to provide effective, state-of-the-art learning environments for our students in every area of study and continue to advance our research and outreach missions. I, therefore, request your support of the Governor's recommendation for our FY 2023 capital budget allowance.



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

Page 4: The President should comment on how the institution plans to utilize funding from the various federal HEERF packages to address deferred maintenance projects.

Response: There are very strict criteria placed on the usage of the HEERF funds. As noted in the analysis, MSU will utilize the remaining HEERF funds on several infrastructure projects to improve air quality, remediate mold and make other quality of health-related physical structure enhancements, as the requirements will allow. As further noted in the analysis, MSU has identified a backlog of deferred maintenance projects for State-owned facilities that totals more than \$200 million. Many of these projects have become critical or urgent as deferred maintenance issues were exacerbated during the pandemic, given low on-campus activity and efforts to save costs and close facilities. The unoccupied or under-occupied facilities further deteriorated from a lack of utilization. The recent reopening of the campus has identified several projects requiring critical or urgent attention. Detailed plans are being developed to address these projects as rapidly as possible. In addition to the other priorities for HEERF funding use established by the University (students, lost revenue, health and safety, etc.), \$15 million of the remaining HEERF funds available to the University have been earmarked for mechanical building upgrades, ceiling and wall panel renovations and other summer housing project renovations. The federal stimulus programs have provided much-needed assistance to cover pandemic-related expenses, some of which were not planned as part of the base operating budget.

PAYGO Recommended Actions

- 1. Approve the \$10,000,000 in pay-as-you-go funds for deferred maintenance and site improvements.**

Response: The University agrees with this recommendation.

GO Bond Recommended Actions

- 1. Approve the \$1,196,000 general bond authorization for the Carter-Grant-Wilson Building renovation.**

Response: The University agrees with this recommendation.

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

Response: The University agrees with this recommendation.

- 3. Approve the \$66,020,000 general bond authorization for the new Health and Human Services Building, Phase II.***

Response: The University agrees with this recommendation.

- 4. Approve the \$3,327,000 general obligation bond authorization for the new Science Center Phase I, Washington Service Center Demolition.***

Response: The University agrees with this recommendation.

- 5. Approve the \$7,040,000 general obligation bond authorization for the new Science Center, Phase II.***

Response: The University agrees with this recommendation.

- 6. Approve language amending the fiscal 2014 authorization for the new Student Services Support Building to ensure that funds may not terminate prior to June 1, 2024. The additional time will allow for change orders to be cleared out and to meet the 0.5% match requirement.***

Response: The University agrees with this recommendation; however, the .5% is for public artwork.

- 7. Approve language amending the fiscal 2015 authorization for the campuswide utilities upgrade project to ensure that funds may not terminate prior to June 1, 2024. The additional time will be utilized to ensure heating and cooling systems work appropriately at which point the remaining outstanding contracts will be paid.***

Response: The University agrees with this recommendation.

- 8. Approve the deauthorization of \$610,871 in general obligation bonds appropriated in fiscal 2015 for the new Behavioral and Social Sciences Building.***

Response: The University agrees with this recommendation.

- 9. Approve the deauthorization of \$100,000 in general obligation bonds appropriated in fiscal 2017 for the new Behavioral and Social Sciences Building.***

Response: The University agrees with this recommendation.

10. Approve language amending the fiscal 2021 authorization to identify that work may continue on the Lake Clifton High School demolition prior to the appropriation of all funds necessary to complete the project. To start the design and demolition of the Lake Clifton High School \$5.0 million has been authorized, with the estimated total cost of this project totaling \$13.8 million.

Response: The University agrees with this recommendation.

11. Approve the preauthorization of \$5,275,000 in general obligation bonds to continue construction on the Campus Expansion Phase I, Lake Clifton High School Demolition.

Response: The University agrees with this recommendation.

12. Approve the preauthorization of \$51,028,000 in general obligation bonds to continue construction of the new Health and Human Services Building, Phase II.

Response: The University agrees with this recommendation.

13. Approve the preauthorization of \$6,242,000 in general obligation bonds to continue construction of the new Science Center, Phase I.

Response: The University agrees with this recommendation.

14. Approve the preauthorization of \$3,491,000 in general obligation bonds to continue construction of Campus Expansion Phase I, Lake Clifton High School Demolition.

Response: The University agrees with this recommendation.





Maryland



Baltimore



Morgan State University Produces **\$1.1 Billion** a Year in **Economic Impact** in the State of Maryland.

Total Annual Impact

Annual Economic Impact



Maryland
\$1.1 billion
Baltimore
\$640 million

Annual Jobs Supported



Maryland
6,900
Baltimore
4,200

Annual Economic Impact by Category



Operations

Maryland
\$377 million
Baltimore
\$341 million



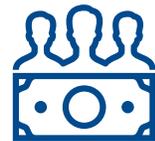
Capital

Maryland
\$73 million
Baltimore
\$61 million



Ancillary Spending

Maryland
\$103 million
Baltimore
\$49 million



Wage Premium

Maryland
\$558 million
Baltimore
\$188 million

Annual Fiscal Impact

Tax Revenue

Maryland
\$53 million
Baltimore
\$11 million



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