

MICHIGAN STATE UNIVERSITY

October 30, 2020

MEMORANDUM

To: Committee on Budget and Finance

From: Samuel L. Stanley, Jr., M.D. *SL Stanley*
President

Subject: State of Michigan Fiscal Year (SFY) 2022 Five-Year Capital Outlay Plan

RECOMMENDATION

The Trustee Committee on Budget and Finance recommends that the Board of Trustees adopt Michigan State University's SFY2022 Five-Year Capital Outlay Plan.

Action on the request authorizes the Administration to respond to the State of Michigan Budget Office reporting requirements. The report is due to the State Budget Office no later than October 30, 2020.



Office of the President

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RESOLUTION

BE IT RESOLVED that the Board of Trustees of Michigan State University hereby adopts the State of Michigan Fiscal Year 2022 Five-Year Capital Outlay Plan included as Attachment A hereto.

BACKGROUND

In as much as the State of Michigan and Michigan State University have and continue to face hardships created by the pandemic, the SFY2022 Five-Year Capital Outlay Plan is a continuation of the SFY2021 submission with the exception of adding the Multicultural Center and renovations for the new African American and African Studies Department, and removing projects that are no longer priorities. In the event that a revision needs to be made during the fiscal year, institutions can submit an update to the State Budget Office.

The State Budget Office advised in its recent instructions regarding capital outlay:

“The COVID-19 pandemic has created many hardships in the past six months that require public institutions to confront uncertain circumstances in their missions, operations and fiscal positions. We appreciate that your institution is already in the midst of navigating the beginning of a fall semester and confronting a myriad of challenges to the delivery of student instruction, and on-campus living environments. We are working closely with the Legislature to ensure there is a balanced Fiscal Year 2021 budget in place before the start of the fiscal year on October 1st.

In recognition of these unprecedented times and the challenges we expect to continue to face this upcoming year, including balancing the Fiscal Year 2022 state budget, the State Budget Office will not be accepting major project requests for the Fiscal Year 2022. The upcoming capital outlay budget development process will be curtailed to only the statutorily required collection of Five-Year plans.”

To optimize flexibility, the university provides a more significant potential list of priority projects, hence the list appears greater than the number of projects that would move forward in the five-year timeframe. The MSU capital priorities support programs that have strong national reputations, expanding research bases, and high enrollment demand that will sustain the university and its contributions to Michigan. Funding of these requests will provide economic development in the state, now and in the long term.

Attachment A

cc: Board of Trustees, T. Woodruff, N. Beauchamp, M. Woo, N. Barr,
M. Zeig, B. Quinn, K. Wilbur, D. Bertram, D. Byelich, B. Kranz,
V. Gore, D. Bollman, B. Beekman, C. Reid

Capital Outlay Priority – Renovation and Addition	FY21 Est. (mil.)
• Greenhouses - Renovation of Existing and Addition - Research Expansion and Learning	\$22.0
MSU 5-Year Capital Planning (Alphabetical Order)	
Renovations and Additions	
• African American and African Studies - Renovation of Space - New Department	TBD
• Biomedical Frontier	
○ Biomedical Animal Resources – Provision for Large Animal (\$16.5M - 23.0M)	
▪ Housing and Surgery	\$11.9 – 17.3
▪ Imaging	\$4.6 – 5.7
○ Clinical Center A-Wing – Renovate for Research Expansion	\$68.3 – 78.8
○ Clinical Center B-Wing – Renovate for Research Expansion & Learning	\$15.8 – 21.0
○ Research Laboratory Renovation – Various (STEM and ISTB Related Backfill)	\$15.8 – 18.9
• BSL-3 - Research Expansion Multi-Species Flexible Housing/Procedure Space (Ph. 2)	\$10.0 – 11.0
• Detroit Initiative - MSU Places of Learning	TBD
• Engineering - New Construction/Addition/Renovation	TBD
• Large Animal - Teaching and Learning Support	TBD
• Learning Spaces	
○ Learning Space Improvements – Annual Investment for Updates and Improvements (5-Year need, \$12.0 annually)	\$60.0
○ Library Improvements – Learning and Collections Support	\$5.3 - \$8.4
• Life Science Building (A & B) HVAC replacement and related (phased approach)	TBD
• Multicultural Center	TBD
• Music Building – Renovation of Existing for Improved Program Support	\$9.9 – 35.0
• Old Botany – Comprehensive Renovation	\$10.0 – 11.1
• Plant Biology Building – Comprehensive Renovation	\$126.0 – 136.5
• Single Occupant/ADA Restrooms - High Priority Buildings	TBD
• 600 Crescent Road - Modifications to 1st and 2nd floors for IT Services space consolidation	TBD
• Student Services Building – Renovate for Student Support	\$9.2 – 37.3
New Construction - New Building	
• MSU Health Care - Medical Services Building	TBD
• Transportation Services and Mobility Research Center	\$21.0 - 23.1
Major Systems Maintenance & Utilities (Alphabetical Order)	
• Capital Renewal (5-Year need, \$35.0 annually)	\$175.0
• Farm Lane Infrastructure and Mobility Upgrades including Bridge Replacement	\$36.8 - 42.0
• Utilities (5-year) – Power Plant Modernization	
○ Battery Energy Storage System	TBD
○ Electrical Centrifugal Chillers – 8,400 tons	TBD