

**Morgan State
University**

**Maryland's
Public Urban
University**

Legislative Testimony

FY 2016 Operating Budget

Presented to:

**House Subcommittee on Education
& Economic Development**

and

**Senate Subcommittee on Education,
Business & Administration**

2015 General Assembly Session

Dr. David Wilson, President



MORGAN STATE UNIVERSITY

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Testimony

Fiscal Year 2016 Operating Budget

Morgan State University

David Wilson, President

February 2015



Chair and members of the Committee, I want to thank you for the opportunity to testify on the Governor's fiscal year 2016 budget allowance for Morgan State University.

First, I would like to thank our new Governor for his support of higher education. I also want to thank the members of this Committee for your strong and continued support of Morgan State University. Our analyst, Ms. Sara Baker, has done an excellent job analyzing our budget and, as part of my testimony, I will address the comments and recommendations she has identified.

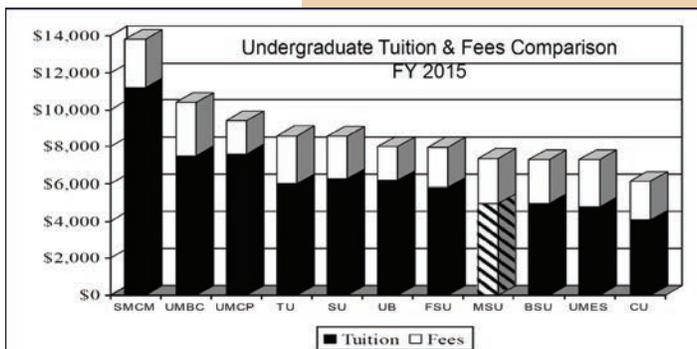
VISION STATEMENT

Morgan State University is the premier 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.

FISCAL STATUS

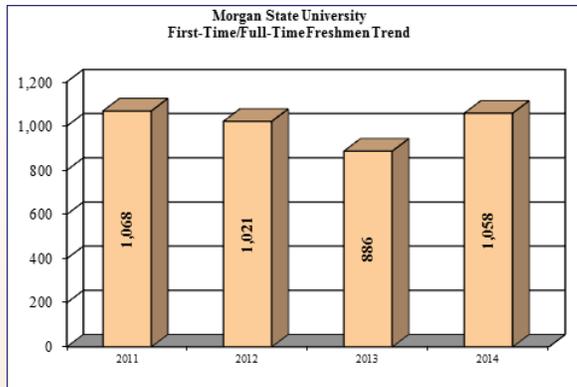
According to both Standard & Poor's Ratings Services (S&P) and Moody's Investors Services, higher education nationally has a negative outlook rating. Fortunately, last month, S&P affirmed Morgan's A+ rating with a stable outlook. Standard & Poor's indicated that their affirmation of Morgan's rating was because of three important issues: (1) strong support from the state for Morgan's operating and capital budgets, (2) in the very competitive environment in which the University is operating, it was able to resist the national trend by improvements in the demand statistics and increasing student enrollment, (3) improvement in the financial operations and resources at the University.

STRATEGIC PRIORITIES



Our strategic priorities are consistent with the state's goals for higher education and Maryland's workforce. Consistent with the strategic priorities, the University continues to grow its diversified revenue stream. While enrollment is growing, it should be noted that our undergraduate tuition is the fourth lowest in the state, FT/FT students are up significantly since 2013 (by 19%), full-paying international

students are up, retention and graduation rates across-the-board are on an upward trajectory, and master's and doctoral degree productions are climbing. As for fundraising, alumni giving is at an all-time high in both percentages and dollars. Similarly, grants and contracts funding is up. Last November, the University received its highest award ever from a U.S. agency – the National Institutes of Health (NIH) – in the amount of \$23.3 million. Four years ago, we received a \$28 million cooperative agreement from NASA/USRA. The University is operating under its strategic plan, focusing on enhancing student success, growing our standings as a research university and adding more doctoral programs, improving infrastructure and operations, increasing financial resources, and engaging the community.



QUALITY INDICATORS

The University continues to be a leader within the state and nation for the role it plays in addressing critical educational issues in degrees awarded to African Americans.

Statewide Rankings: Number of Degrees Awarded		
Bachelor's	Master's	Doctorate
1st - Journalism	1st - Architecture	1st - Engineering
1st - Engineering	2nd - Journalism	1st - Total Doctorates
1st - Architecture	3rd - Engineering	
1st - Civil Engineering	3rd - Total Master's	
1st - Industrial Engineering		
1st - Electrical Engineering		
1st - Finance		
1st - Marketing		
2nd - Chemistry		
2nd - Physics		
2nd - Accounting		
2nd - Total Bachelor's		
3rd - Biology		

Source: IPEDS Degrees 2012-2013

Top Baccalaureate Institutions of Black S&E Doctorate Recipients: 2008 - 2012	
Rank	Institution
1	Howard U.
2	Spelman C.
3	Xavier U. of LA
4	Florida A&M U.
5	Morgan State U.
6	Hampton U.
7	NC Agricultural & Technical State U.
8	Morehouse C.
9	U. of Maryland, Baltimore County
10	Southern U. & A&M C., Baton Rouge

Top Baccalaureate Institutions of Black Engineering Doctorate Recipients, by Sex (Females): 2008 - 2012	
Rank	Institution
1	Morgan State U.
2	NC Agricultural & Technical State U. U. FL
3	
4	GA Institute of Technology
5	MA Institute of Technology
6	FL State U.
7	Howard U.
8	U. MI, Ann Arbor
9	Clemson U.
10	Princeton U.

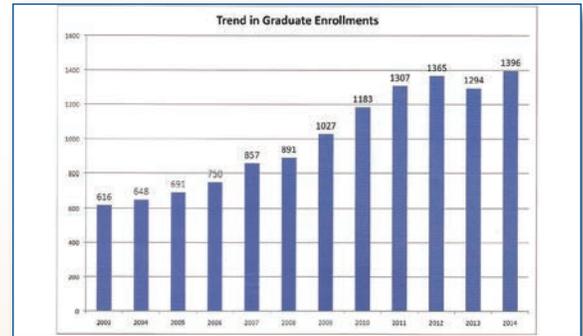
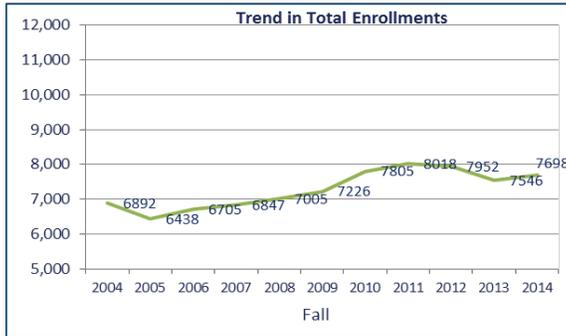
Top Baccalaureate Institutions of Black Engineering Doctorate Recipients, by Sex (Males): 2008 - 2012	
Rank	Institution
1	NC Agricultural & Technical State U.
2	Morgan State U.
3	FL A&M U.
4	Howard U.
5	GA Institute of Technology
6	MA Institute of Technology
7	Morehouse C.
8	Southern U. and A&M C., Baton Rouge
9	U. FL
10	U. MD, Baltimore County

Source: National Science Foundation



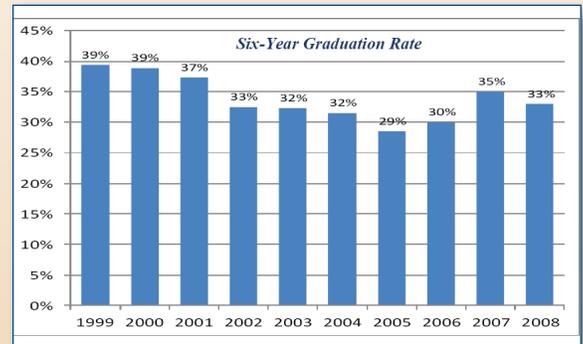
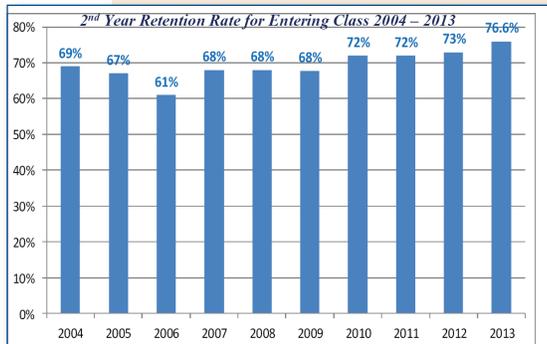
Enrollments: Near Historic High

Fall 2014 enrollment of 7,698 was just below our historic high of 8,018, which was achieved in 2011. This represents an increase of 2% over 2013, which outpaced the state's gain of less than 1%. The University experienced a gain of over 19% in freshmen, while freshmen enrollment statewide was down by over 3%. By the way, great strides were also made in the enrollment of graduate students (increasing by 8% to 1,396 – another historic high), new transfer students (up by 3%), and Hispanic and international students (increasing by 10%).



Retention and Graduation Rates

Over 76% of the 2013 entering class returned for a second year of study, the highest rate in two decades, and the fourth consecutive year in which our retention rate has exceeded 70%. This achievement landed Morgan in *U.S. News and World Report Magazine* as one of the top 12 HBCUs where freshmen return. Similarly, our graduation rates continued their upward trend of recent years, moving the campus closer to its 50% goal.



Degrees Awarded

The University awarded 52 doctorates during FY 2014, by far its largest number ever. Prior to 2014, Morgan accounted for nearly one in five African American doctorates awarded in the state. With 41 of its 52 doctorates awarded to African Americans in 2014, this will increase Morgan's already-large contribution to the statewide pool of minority doctoral recipients.



Fundraising

Private fundraising continued to increase – providing much-needed resources for student financial aid. Moreover, our campus alumni giving rate reached 16.5%, a historic high, and a rate considerably higher than most public institutions.



I can assure you that Morgan is maximizing and leveraging the resources received to effect important advancements to include, but not limited to:

- Increasing institutional aid to assist students in bridging the gap between the cost of education and available financial resources
- Improving student retention and graduation rates
- Significantly increasing doctoral degree production
- Investing in study abroad opportunities and expanding our global footprint to prepare students for a global and interdependent society
- Improving alumni giving
- Significantly increasing grants and contracts from the federal government and private enterprises

In spite of the aforementioned momentum, however, Morgan, as well as other higher education institutions across the nation, continues to navigate through changing demographics and fiscal constraints. This will require many institutions to become even more innovative while at the same time providing quality instruction and support services to their diverse student body. As Maryland's public urban university, Morgan strives to maintain low tuition rates while also providing significant financial aid support. Unfortunately, institutions such as Morgan, that have historically served students originating from low-income families that are underrepresented in the workforce, will experience even greater challenges over the next few years given the current economic climate.

K-12 POPULATION: CHANGING COMPOSITION

For many years, we have been monitoring the state of the K-12 population as it moves toward graduation from high school. In my budget testimony to the Legislature as well as in other forums, I have been highlighting the fact that the composition of the school-age population is changing. I've noted specifically that the pool of students in the K-12 population to a growing extent is economically disadvantaged, is more likely than previous cohorts to be affected by adverse economic



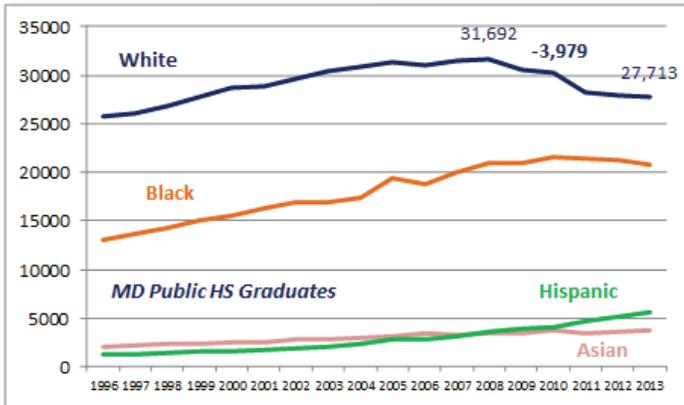
President Wilson and a host of city and state officials gathered to formally open a \$43 million Henderson-Hopkins K-8 community school, the first new public school building in East Baltimore in more than two decades.



circumstances, and less likely to be adequately prepared for college. Nationally, just over half of K-12 students receive free or reduced-priced lunch, the eligibility for which is about the same as for the Pell Grant program. This figure has been growing steadily.

Effectively educating the emerging population is a challenge that Maryland needs to address to help to ensure its future economic and social well-being. The most visible sign of the changing nature of the state's young population

is the growing representation of African-Americans and Hispanics. Thirty-five % of public high school graduates currently are African Americans, a percentage that is likely to remain stable or even grow slightly. Nearly 10% of public high school graduates in the state are Hispanic, a percentage that is growing rapidly and will continue to do so. Because Maryland has a greater concentration of minority students than most states, its future is more closely tied to the educational success of these two groups than most other states. Both groups historically have lagged white and Asian populations significantly in educational attainment and income.



Some of the changes we have been monitoring in the K-12 population, our future college students, are the following:

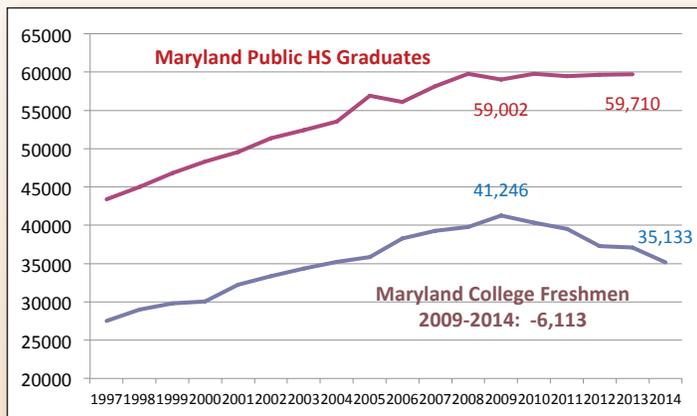
- Despite the fact that Maryland ranks at the top among states on most measures of wealth, 43% of Maryland's K-12 public school students qualify for free or reduced lunches. This percentage has been continuously increasing over the past two decades.
- SAT scores, which are closely related to family income, have been dropping in Maryland and have been below the national average for the past several years. While this is only one indicator of preparation for college, it is also of interest as a reflection of an increasing representation of minorities taking the test in the state.
- While the total number of high school graduates in the state has been stable for a number of years, the number of white high school graduates has declined by some 4,000 since 2008. Whites now make up only 46% of public high school graduates in the state, a percentage that will continue to decline. On average, these students come from families with considerably higher incomes than the minority students replacing them.

At the higher education level, we have begun to experience some of the results of the changing composition of the college-age population.

- The number of freshmen entering Maryland higher education has now declined every year since 2009, despite stability in the number of high school graduates during this period. This past fall, more than 6,000 fewer freshmen began college at a Maryland campus than just five years ago. This is a larger group than the entering freshman classes of UMCP and UMBC combined. This is a major source of concern because

of its adverse impact on state goals to increase degree attainment in its young population. To some extent this is the result of the sharp decline in white high school graduates during this period. However, the overriding characteristic of the students not entering college during this period is that they most likely come from lower income families.

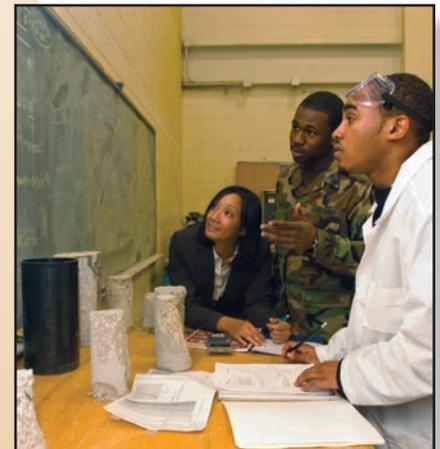
- o Over 60% of the decline in entering freshmen since 2009 has been at community colleges, campuses which tend to enroll the highest percentage of low income students of any type of institution.
- o Over half of the decrease in freshmen is due to a decrease in the number of black students entering higher education. All things being equal, their numbers should not have declined among freshmen because they have not declined among high school graduates.
- o The fact that over half of the decline in black freshmen came from Baltimore City, reinforces the notion that the drop in black freshmen is a reflection of the difficulties faced by lower income groups who are becoming a larger share of the college-age population.



- Total higher education enrollments in Maryland peaked in 2011 and have declined since. This further suggests an adverse impact on state educational attainment goals. It appears that about half of that decrease was among African Americans, despite the fact that their numbers in the college-age population have been stable or growing.

Morgan State University has a long history of successfully educating the type of students now becoming the majority in the emerging college-age population. We educate many with stellar academic credentials as well as others who need special assistance when they enter college in order to catch up with their better-prepared classmates. One characteristic that most of our students share is that they come from lower income families. That is reflected by the fact that some 90% of our students receive some form of federal financial aid.

Nationally, only about 9% of students from families in the lowest quartile of income and 21% of those from the next-to-the-lowest quartile graduate from college by age 25. Meanwhile, well over half of those in the top quartile do so. About half of any Morgan graduating class is made up of students from





the lowest two quartiles, students who have a relatively low probability of obtaining a degree. Both our history and our supportive culture permit us to succeed with these students.

As noted earlier, Morgan is quite productive relative to other much larger campuses in graduating minority students. Despite our relatively small size, we rank high in the state and nationally in the number of degrees awarded to African Americans, particularly in key fields.

Percentages of Individuals Completing Various Educational Milestones by Age 24 in 2009

	Annual Family Income	% Graduating from High School	% Enrolling in College	% Receiving Bachelor's Degree
Lowest Quartile	<\$36,100	70%	41%	8%
Second Lowest Quartile	\$36,100-\$65,300	84%	59%	17%
Second Highest Quartile	\$65,300-\$108,300	90%	70%	36%
Highest Quartile	>\$108,300	93%	84%	82%

Morgan also traditionally has sent an above-average percentage of its graduates to graduate and professional school following graduating. According to the National Science Foundation, between 2002 and 2011, Morgan ranked 3rd nationally in the number of African-American graduates who subsequently received a doctorate in engineering and 10th among those receiving the doctorate in the life sciences.

PLANS TO MAINTAIN THE MOMENTUM

Morgan’s successes in student enrollment, retention and graduation rates, and an increase in the diversity of its student body are the results of several recently implemented new programs, in addition to the outstanding efforts and hard work by our Enrollment Management and Student Success units. Morgan is not only attracting more students to the University, but is ensuring their success as they matriculate. These positive trends were key factors in Standard & Poor’s Ratings Services’ decision to affirm the University’s A+ bond rating.

➤ **Academics**

Morgan has put into place academic coaching and mentoring programs, course redesign initiatives as well as “disruptive intervention” measures which have all aided our students. Among the strategies is the “Reclamation Initiative”, a program that creates opportunities for students who leave the University in good academic standing to return to finish their degree in their fifth or sixth academic year or what would be considered “on time,” that is, in six consecutive years or less. Reclaiming these students has been accomplished with the use of funding from the Bill and Melinda Gates Foundation, designated especially for students who “stopped out” after earning 90 credits or more but were in good academic standing. The \$100,000 Gates Foundation grant provides funds for an Integrated Planning and Advising Services (IPAS) technology system, which has enhanced academic advising.

Patterson Scholars

Morgan is very excited that an award was made to the School of Education and Urban Studies by Mr. James Patterson, acclaimed author and philanthropist. Mr. Patterson expressed his desire to make scholarship awards to eight (8) beginning freshmen who had declared elementary education as their major. Each student received \$6,000 per year for four years. Such an award enables students to focus on their work and not worry about having enough financial support to complete four years of study. The James Patterson Family Foundation contributed an initial gift of \$48,000 during the 2013-2014 academic year (AY), and has increased its giving to include eight (8) additional scholars for a total of 16 for 2014-2015 AY.



Patterson Scholars pictured with President Wilson and Dr. Patricia Welch, Dean of the School of Education and Urban Studies

Fulbright Scholars



*Christian J. Kameni
France, 2013-14*

Morgan is first among Historically Black Colleges and Universities (HBCUs) nationwide in the number of students awarded Fulbright Scholarships and first in the number of Fulbright Scholars on the faculty. Fulbright Scholars from Morgan have often stressed not only the academic advantages of studying in an international environment, but the personal and cultural rewards as well as the enlightenment gained from close contact with new languages and ways of life. Christian J. Kameni (English Teaching

Assistantship to France) says it is “one of the best experiences of my life and at the same time one of the most gratifying.”

44 countries to which Morgan students have won 132 Fulbright- related grants:

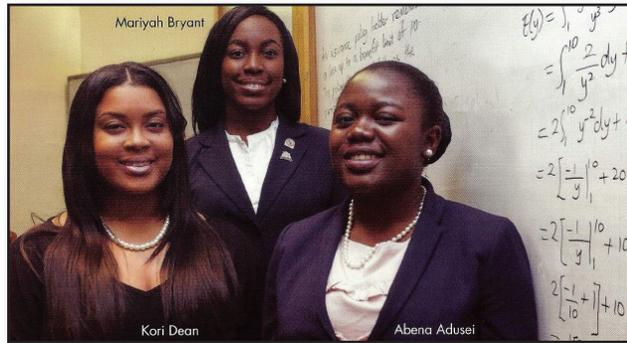
Argentina	Ghana	Luxembourg	Romania
Belgium	Guatemala	Malaysia	Russia
Brazil	Honduras	Mexico	Senegal
Cameroon	India	Morocco	Sierra Leone
Ceylon (Sri Lanka)	Indonesia	Namibia	Spain
China	Italy	New Zealand	Switzerland
Colombia	Ivory Coast	Nicaragua	Tanzania
Czech Republic	Jamaica	Nigeria	Trinidad & Tobago
Ecuador	Kenya	Norway	Uruguay
France	Korea	Peru	Venezuela
Germany	Liberia	Philippines	Vietnam

33 countries to which 39 Morgan professors and administrators have won 57 Fulbright-related awards:

Bangladesh	Ghana	Malaysia	Senegal
Benin	India	Mali	Sierra Leone
Brunei	Israel	Morocco	Singapore
Cameroon	Japan	Nigeria	Tanzania
Egypt	Jordan	Pakistan	Togo
France	Kenya	Peru	Tunisia
Gambia	Korea	Philippines	Turkey
Germany	Liberia	Poland	United Arab Emirates
			United States of America



Travelers EDGE

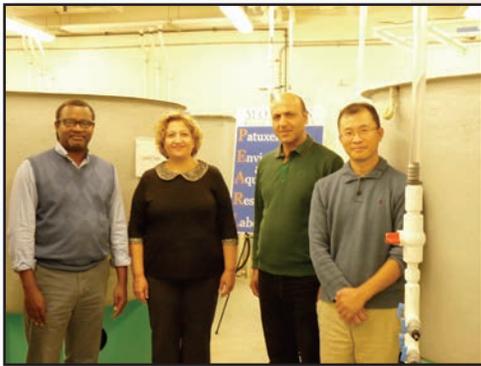


A program called Travelers EDGE (Empowering Dreams for Graduation and Employment) which stems from Morgan's partnership with The Travelers Company Inc. supports students in a wide range of majors in Morgan's School

of Computer, Mathematical and Natural Sciences, and in the Earl G. Graves School of Business and Management. The program provides select applicants with scholarship grants covering up to four years of tuition and fees, as well as individualized mentoring, coaching and on-campus services, internship and job shadow opportunities; networking sessions and professional development workshops.

► Research

One of the essential elements of the mission of an urban research university is to use its resources to improve the quality of life in the community. We do this through both our faculty research and our public outreach programs. Morgan's faculty, like those elsewhere, engage in research that advances knowledge in their respective fields. The resulting applied research enables Morgan to provide services to the community with the expectation of accelerating the revitalization of surrounding neighborhoods and beyond. Grant and contract funding provides many benefits, to include enhanced faculty development; enhanced instruction, internship and assistantship opportunities for students; and supplements to purchase needed research equipment. We intend to extend our global footprint by developing new partnerships and expanding existing collaborations, which will afford our students the cultural competence to effectively engage in diverse settings.



Visiting Turkish Scientists at Morgan's PEARL

MSU-USRA GESTAR Training Program

Our Goddard Earth Sciences Technology and Research (GESTAR) Program is moving into its final year with much progress. University professors and graduate students along with other members of the GESTAR team have taken on some of the most important and high-profile challenges in science today, in areas including atmospheric chemistry, oceanography, polar climate change, and carbon cycle and its effect on ecosystems, among others.



Edna Poku, a biology student from MSU, working at her RISE research internship at Arkansas State University

Since October 2014, the MSU-GESTAR student internship team has identified a new cohort of 17 students, along with five returning GESTAR students, who have completed six weeks of intensive training in preparation for their new NASA research assignments. They have been introduced to Giovanni, a climate and atmospheric satellite, in which the students have been taught to download data for analysis, along with an introduction to climate and atmospheric sciences, statistics, database systems, and programming. The MSU student internship team sees a banner year ahead for this new cohort of NASA student interns. Also, in December 2014, the MSU student interns visited



Goddard Space Flight Center and presented their research to a group of NASA scientists, many of whom will serve as future scientific mentors for some of the students. By summer, we anticipate having nearly 25 Morgan students doing internships at NASA.

Our partnership with NASA further recognizes the quality of academic programs and research offered at the University in the STEM fields.

NIH: \$23.3 Million Award

As mentioned, several months ago, the University received a \$23.3M award, the second largest competitive award in its history and the highest ever from NIH. The purpose of the award is to develop new approaches that engage researchers, including those from backgrounds underrepresented in the biomedical sciences, in preparing the next generation of researchers and scholars in the biosciences.

Researchers from Morgan State University have designed an innovative research training method that it calls, "A Student-Centered Entrepreneurship Development (ASCEND) Training Model." This method provides students with considerable room to be creative and to acquire entrepreneurial skills in research. The University plans will establish a dedicated environment, where student researchers can exchange ideas and enjoy substantial peer support. Additionally, through this award, MSU endeavors to strengthen its training and research infrastructure, create Active Learning Centers, improve science curricula, and acquire state-of-the-art educational technology, all aimed at providing highly enhanced training in science and biomedical research.

Our research partners on the project are: The Johns Hopkins University, University of Maryland, the Intramural Program of NIH, Tufts University, Lehigh University, and Northeastern University.

MOVING FORWARD: STRONG STATE SUPPORT IS ESSENTIAL

The number one priority at Morgan State University is student success.

This relates to admitting, retaining, and graduating a greater number of students. We are confident that we can and will increase our retention and graduation rates over time. The value added to the state's economy for many of our graduates is significant, and Morgan's increasing productivity is essential to moving the percentage of the state's population that attains a college degree toward the state's goal of 55 percent by 2025. As the state continues and hopefully accelerates its investment, we will be able to **grow the future and lead the world** by (1) educating citizens from diverse academic and socioeconomic backgrounds; (2) carrying out research – giving priority to that which is applicable to the problems of the region and its residents; and (3) providing cultural opportunities for the region and offering programs of service to the community and the general public.

For FY 2016, our allowance for general funds and the higher education investment fund increased by only \$813,000. However, our needs continue to be much more than that. For example, our new School of Business and Management will be completed and ready for occupancy later this fall, and we will require approximately \$2.5 million for operating equipment and another \$1 million for ongoing operations. Similarly, we are poised to open the Lillie





Carroll Jackson Museum that will require an additional \$400,000 of ongoing operational costs. Further, an added \$1 million will be needed for faculty and operations to service the unprecedented growth that we experienced in the fall of 2014. Also, student financial aid will require an additional \$500,000 to keep up with students' needs.

Regarding the capital budget, the new Student Services facility remains a top priority for the University. In fiscal year 2015, the legislators approved \$1.6M in "design" funds for this building. Unfortunately, this amount is not enough to move the design process forward. It will require an additional \$4.1M to bid this project, and we are seeking your support in this area.

CLOSING

It will only be through targeted investment and development of institutions like Morgan that the education gap will be closed, particularly considering the projected changes in the college-age population in the short-term. The state will be increasingly dependent upon this population to meet its workforce needs of tomorrow. However, if significant progress is not achieved in awarding college degrees to an increased percentage of the minority population, significant workforce shortages will soon occur in Maryland. Progress can only be achieved through the admission and graduation of both those with excellent academic credentials and those that may be considered average students by mainstream institutions' admission standards. If productivity is not increased significantly, the alternative will be to import talent from outside the state, while funding rising costs of entitlement programs. This circumstance would make it difficult for the state to maintain the economic viability that it has historically enjoyed.

Please be assured that Morgan continues to be committed to extending its resources to provide a high-quality education to an increasing number of students to assist Maryland in meeting its statewide goals.

Thank you, again, and, on behalf of Morgan State University, I request your support of the Governor's recommendations for FY 2016, and for the additional priorities we outlined above. I will respond to the issues presented by the analyst, and will be happy to respond to any additional questions you may have.

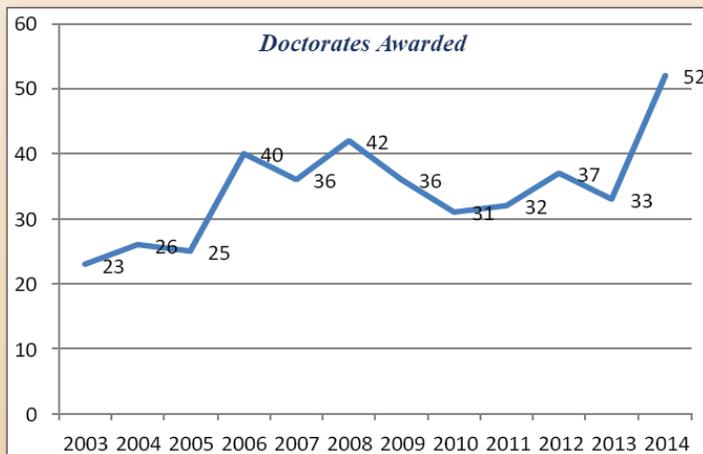


MORGAN STATE UNIVERSITY
Response to Comments and Recommendations
in the
Department of Legislative Services' Analysis



Comment #1 (Page 12): The President should comment on reasons for the decline in the number of education doctorates.

Response: The source document used by the analyst is the National Science Foundation (NSF) website. Unfortunately, this information is self-reported by students based on an NSF survey to students who graduated. Should a student choose not to participate in the survey, the information is considered incomplete. The most appropriate source of this type of information is IPEDS. The University's Institutional Research Office usually develops this data for IPEDS and is very reliable. Provided below is a chart outlining the University's doctoral production.



The last time we had 25 doctorates was in 2005. We had 37 doctorates in 2012 and 52 in 2014. Given the small numbers, difficulty of completion, and other variability, swings of 5 or so completed doctorates would not be unusual.



Issue #1 (Page 19): DLS recommends the budget committee chairs request MSU to submit the following information prior to budget decisions:

- **expenditures on institutional aid by category and expected family contribution (EFC) from fiscal 2013 to 2016;**

An institutional aid file was forwarded to the analyst, Ms. Sara Baker, on December 9, 2014. Ms. Baker has confirmed receipt of this information.

- **an explanation of cancellation of unrestricted and restricted funds for the fiscal 2014 closeout;**

For fiscal year 2014, the Department of Budget and Management processed a budget amendment on behalf of Morgan State University. The amendment was approved by all parties, including the Governor, and forwarded to the State's Comptroller of the Treasury for input into the State Financial Management Information System (FMIS) to decrease Morgan's appropriations. Unfortunately, the Comptroller's Office erred by inputting the incorrect information in FMIS, which resulted in an increase in Morgan's appropriations. Because Morgan did not utilize those mistakenly-increased appropriations, the appropriations were cancelled at year end, June 30, 2014.

- **fund balance for the past five years broken down by State and non-State supported; and**

The University tracks its statutory fund balance for internal and external purposes. This fund balance is defined by the difference between revenue and expenditures on an annual budgetary basis. It should be noted that this fund balance does not incorporate encumbrances, accruals, and other generally accepted accounting principle (GAAP) requirements. The University's goal of prudent financial management for this fund balance is to increase the fund every year. A reduction in this balance would reflect negatively across a number of University stakeholders.



As evidenced by the chart below, the University has experienced consistent increases in its fund balance over the last five years. However, according to Standard & Poor's, the total fund balance is relatively small for an institution in the "A+" category. One of the challenges for the University is to make sure that this fund balance grows. The University's long-term financial stability depends on an adequate fund balance for the future.

The University's fund balance for fiscal years 2010 – 2014 is as follows:

Fiscal Year	State-Supported	Non-State Supported	Total
2014	\$25,532,208	\$33,135,049	\$58,667,256
2013	\$26,140,832	\$29,608,662	\$55,749,494
2012	\$28,514,448	\$27,056,369	\$55,570,817
2011	\$21,956,050	\$25,477,508	\$47,433,557
2010	\$13,179,670	\$22,271,056	\$35,450,727

• ***an explanation of what MSU attributes to the status of 30% of the FT/FT 2007 cohort being unknown according to the SAM.***

The 30% of first-time, full-time students with unknown status after six years are students who did not graduate from Morgan or from another campus, and who are not presently enrolled at Morgan or at another institution. In short, they are students who have completely stopped out of the higher education system. Our 30% rate is in line with Bowie's rate of 36%; UMES' rate of 34.7%; University of Baltimore's 30%, and Frostburg and UMUC's rate of 23%.



Comment #2 (Page 19): The President should comment on the lack of timeliness in submitting the requested information to DLS.

Response: The University has always strived to be very responsive to requests from DLS. The University is in contact with DLS analysts on a consistent basis. However, from time to time, there have been instances where better communication between the two organizations was required. Many items of information were requested from the analyst for the current session. Unfortunately, the information did not reach the analyst in a timely fashion. The University takes full responsibility for providing the requested information when needed. Further, the University is committed to providing accurate and timely information as requested. To this end, information will be provided as requested and on time. All of the cited information in this analysis has been provided to the analyst, Ms. Sara Baker.

Comment #3 (Page 20): The President should comment on the status of the OCR investigation, efforts to comply with federal requirements, and the cost of implementing the policy.

Response:

- **Status of the Investigation** - As part of the investigation process, OCR conducted a site visit on campus on February 9-10, 2015 to convene focus group sessions with various groups on campus to include faculty, staff, and students. The OCR investigation is still pending and the University is awaiting further direction from OCR as to next steps in the process.
- **Revision of Policy Section** - The policy addresses key elements identified in a checklist for what campuses should consider in their sexual misconduct policies developed by the White House Task Force to Protect Students from Sexual Assault in addition to the requirements outlined by OCR. This includes clear definitions of key terms, reporting options, complaint and investigation procedures, providing on and off campus resources, steps



to follow after a sexual assault, prohibiting retaliation, and education and training requirements. The policy will be acted on at the May 2015 Board of Regents meeting.

• **Additional Compliance Efforts** - In an effort to ensure compliance with additional federal requirements under Title IX and the Campus SaVE Act, MSU has implemented or is in the process of implementing several initiatives. The University will implement an online training program, develop additional education and outreach materials, and conduct workshops to educate students, faculty, and staff on issues related to sexual assault, dating violence, domestic violence and stalking. The online training program also includes a campus climate survey which will be utilized to assess the campus environment as it relates to sexual misconduct. Also, training will be implemented for those individuals who are responsible for the investigation and/or adjudication of Title IX complaints. This includes approximately 4 staff in addition to the members of the student judicial board. The Code of Student Conduct was revised in November 2014 to ensure compliance with federal requirements particularly as it relates to the definitions of key terms (e.g. consent), provision of an advocate of your choice throughout the hearing process, and the right to an appeal for either party in a sexual assault case. Additionally, the University Police Department continues to work with the Baltimore City Police Department pursuant to a memorandum of understanding whereby the Baltimore City Police Department is responsible for investigating all incidents of sexual assault reported on campus. The estimated FY 2016 fiscal impact for implementation of these compliance efforts is as follows:

- o Online training for students, faculty, and staff and Climate Survey: \$10,313
- o Training for those involved in investigating/adjudicating Title IX complaints: \$2,500
- o Development of education and outreach materials: \$3,000
- o Conducting workshops: \$4,000
- o Personnel costs: \$186,000

TOTAL: \$205,813



Comment #4 (Page 22): The President should comment on why institutional aid was reduced by \$3.5 million and, in particular, why spending on need-based aid was reduced by \$4.0 million and the impact on low-income students.

Response: Morgan State University’s tuition rate is the fourth lowest in the State for public four-year institutions. At the same time, the University returns 25 percent of its tuition in the form of institutional financial aid. Since fiscal year 2010, the University has been awarding, on average, \$14M to \$16M in institutional financial aid. For fiscal year 2014, the University awarded \$15M of which 49.7 percent was need-based financial aid, the second highest since 2010. During fiscal year 2013, the University awarded 51.8 percent in need-based aid. For fiscal year 2014, unfortunately, the percentage of need-based awards decreased due to a decline in total enrollment. In the current 2015 fiscal year, need-based aid awards include the \$738,000 provided in fiscal year 2014. Need-based awards defined here are based on the expected family contribution (EFC). However, the University has students with unmet financial needs who have not completed the Free Application for Federal Student Aid (FAFSA) for a number of reasons. Therefore, the \$3.5 million decrease was reallocated to other students with unmet financial needs. The following table outlines the University’s actual awards.

Fiscal Year	Total Awards	Need-Based Awards	Need-Based Percent
2010	\$13,999,999	\$8,441,136	42.4%
2011	\$13,934,764	\$8,085,117	43.8%
2012	\$15,223,889	\$9,188,751	49.6%
2013	\$15,934,492	\$8,522,206	51.8%
2014	\$15,015,677	\$7,453,202	49.7%



Comment #5 (Page 26): The President should comment if MSU is looking at ways to be more efficient without affecting quality including ways to improve faculty productivity, and consolidation or elimination of low enrollment courses and/or programs.

Response: Morgan State University, Maryland's public urban university with the Carnegie Foundation Classification as a doctoral research university, has historically experienced high faculty instructional workloads for the classification it holds. In order to successfully sustain its classification and to improve faculty productivity, it is necessary to reduce the instructional workload of full-time tenured and tenure-track faculty at Morgan. The reduction in the instructional workload at Morgan would provide faculty the ability to be more efficient without affecting the quality of instruction at the University.

The reduction in the instructional workload of full-time tenured and tenure-track faculty will also allow increased time for faculty to: 1) pursue continuous development of innovative curricula that meet our workforce needs, and 2) to increase scholarship and external funding initiatives that provide additional learning opportunities for students at Morgan.

Ways to Consolidate or Eliminate Low Enrollment Courses and/or Programs

Efforts to consolidate and/or eliminate low enrollment courses and programs began in fall 2013. Preliminary results indicate that consolidating low enrollment courses across the disciplines did not affect the overall quality of courses delivered to students. Morgan plans to use its program review and re-accreditation process to:

1. Continue to monitor and identify low enrollment courses campus-wide at the undergraduate and graduate levels;
2. Monitor and identify low-enrollment degree programs;
3. Generate strategies and action plans on how best to deal with low enrollment programs; and
4. Align strategies for consolidation and/or elimination of low enrollment courses and programs with policies and strategic goals of the University and the Maryland Higher Education Commission.



Comment #6 (Page 27): While the report addresses finding other revenues sources to support ICA, there was no mention of opportunities to reduce expenditures; therefore, the President should comment on whether the ICA's budget was reviewed to identify areas where spending could be reduced or opportunities to improve efficiency.

Response: We have eliminated a stand-alone approach to coordinating academic support services for our student athletes. While the Athletic Office still maintains responsibility for the academic success of all student athletes, the Office has implemented an integrated approach to student-athlete success. With the support of several offices, we have shifted the expense of student-athlete academic success to be shared with our University's Retention Office and our Academic Enrichment Program. We also received an NCAA Grant to support the integrated approach. In addition, we have been successful in securing a private donation to hire an additional academic coach to support our student athletes while traveling. The NCAA Grant and the private donations have afforded us the opportunity to reallocate funds to support student-athlete completion (e.g., covering summer school expenses).

Strategies to reduce expenses include the following: student athletic fee was not increased for the second consecutive year, utilizing institutional aid to support student athletes who qualify for merit-based and need-based aid, greater emphasis on recruiting in-state student athletes, limiting competition travel to a 500-mile radius, and limiting squad size of athletic teams.



Recommendation #1 (Page 21): Since MSU did not use its fiscal 2014 appropriation as specified in the supplemental budget DLS recommends restricting \$738,000 of its general fund appropriation to be used only for institutional need-based aid awards.

Add the following language to the unrestricted fund appropriation:

, provided that \$738,000 of this appropriation made for the purpose of increasing expenditures on institutional need-based financial aid above the fiscal 2015 level may only be expended for that purpose. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund.

Response: The University disagrees. For fiscal year 2014, enrollment declined by 350 FTE students due to the restructuring of the Pell Grant and Parent-Plus Loan Programs. As a result of this decline, need-based financial aid was instead awarded as one-time financial assistance to other needy students. For the current academic year, the University is experiencing enrollment growth in first-time freshman and graduate students and our need-based financial aid is being awarded to need-based students.

Fiscal Year	Need-Based Awards	Need-Based Percent
2010	\$8,441,136	42.4%
2011	\$8,085,117	43.8%
2012	\$9,188,751	49.6%
2013	\$8,522,206	51.8%
2014	\$7,453,202	49.7%



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