

**R13M00**  
**Morgan State University**

***Operating Budget Data***

	(\$ in Thousands)				
	<u>FY 17</u> <u>Actual</u>	<u>FY 18</u> <u>Working</u>	<u>FY 19</u> <u>Allowance</u>	<u>FY 18-19</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Funds	\$91,060	\$92,151	\$94,293	\$2,142	2.3%
Adjustments	0	-724	811		
<b>Adjusted General Funds</b>	<b>\$91,060</b>	<b>\$91,426</b>	<b>\$95,103</b>	<b>\$3,677</b>	<b>4.0%</b>
Special Funds	\$2,143	\$2,235	\$2,360	<b>\$125</b>	
<b>Adjusted Special Funds</b>	<b>\$2,143</b>	<b>\$2,235</b>	<b>\$2,360</b>	<b>\$125</b>	<b>5.6%</b>
Other Unrestricted Funds	\$102,325	\$101,343	\$110,073	\$8,731	8.6%
<b>Other Unrestricted Funds</b>	<b>\$102,325</b>	<b>\$101,343</b>	<b>\$110,073</b>	<b>\$8,731</b>	<b>8.6%</b>
Total Unrestricted Funds	\$195,529	\$195,728	\$206,726	\$10,998	5.6%
Adjustments	0	-724	811	1,535	
<b>Total Unrestricted Funds</b>	<b>\$195,529</b>	<b>\$195,004</b>	<b>\$207,537</b>	<b>\$12,533</b>	<b>6.4%</b>
Restricted Funds	\$46,858	\$53,519	\$54,626	\$1,107	2.1%
<b>Restricted Funds</b>	<b>\$46,858</b>	<b>\$53,519</b>	<b>\$54,626</b>	<b>\$1,107</b>	<b>2.1%</b>
<b>Adjusted Grand Total</b>	<b>\$242,387</b>	<b>\$248,522</b>	<b>\$262,162</b>	<b>\$13,640</b>	<b>5.5%</b>

Note: FY 18 Working includes targeted reversions, deficiencies, and across-the-board reductions. FY 19 Allowance includes cost-of-living adjustments.

- General funds increase \$3.7 million, or 4.0%, in fiscal 2019 after accounting for the across-the-board health insurance reduction in fiscal 2018 and a salary increase in fiscal 2019.
- The Higher Education Investment Fund increases 5.6%, or \$0.1 million, in fiscal 2019. Overall, State support grows 4.1%, or \$3.8 million, over fiscal 2018.

Note: Numbers may not sum to total due to rounding.

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## ***Personnel Data***

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	<b><u>FY 17</u></b> <b><u>Actual</u></b>	<b><u>FY 18</u></b> <b><u>Working</u></b>	<b><u>FY 19</u></b> <b><u>Allowance</u></b>	<b><u>FY 18-19</u></b> <b><u>Change</u></b>
Regular Positions	1,117.00	1,117.00	1,115.00	-2.00
Contractual FTEs	<u>510.00</u>	<u>510.00</u>	<u>510.00</u>	<u>0.00</u>
<b>Total Personnel</b>	<b>1,627.00</b>	<b>1,627.00</b>	<b>1,625.00</b>	<b>-2.00</b>

### ***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	44.27	3.97%
Positions and Percentage Vacant as of 12/31/17	54.00	4.83%

- The number of regular positions declines due to the elimination of 2.0 positions related to cost containment measures. However, Morgan State University (MSU) has personnel autonomy and may create new positions during the year.
- The allowance does not provide for any change in contractual positions.

## ***Analysis in Brief***

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### **Major Trends**

***Enrollment:*** Total undergraduate enrollment grew 1.2%, or 78 students, in fall 2017. After declining for three years, the number of continuing students increased for a second year growing 3.0%, or 124 students, in fall 2017. Electrical engineering and business and management were the most popular majors comprising 15.8% of the total undergraduate enrollment.

***Student Performance:*** After the 2013 cohort achieved the highest second-year retention rate of 75.3%, it has since fallen to 70.5% with the 2015 cohort. In terms of graduation rates within six years of enrolling, full-time transfer students perform better than the traditional first-time, full-time (FT/FT) students with graduation rates exceeding 55% compared to almost 40% for FT/FT.

***Degrees Conferred:*** After declining 7.7% between fiscal 2013 and 2016, the number of degrees conferred increased to 970 in fiscal 2017, slightly below the number awarded in fiscal 2013. Electrical engineering, social work, and business administration account for 21.9% of the degrees that were awarded that year.

## **Issues**

***Meeting College Expenses:*** Since fiscal 2015, need-based aid has comprised 43.8% of institutional aid. While total expenditures on institutional aid increased \$1.9 million in fiscal 2017, spending on need-based aid only increased \$0.8 million, despite MSU being provided \$1.4 million in enhancement funds specifically to increase need-based aid expenditures above that spent in fiscal 2016. The average debt of a graduate slightly increased from \$36,045 to \$36,674 between fiscal 2011 and 2016.

## **Operating Budget Recommended Actions**

1. Add language restricting Morgan State University's appropriation.

## **Updates**

***Faculty Workload:*** Annual language in the *Joint Chairmen's Report* required MSU to submit a report on the instructional workload of tenured/tenure-track faculty and full- and part-time nontenured/nontenure-track faculty. Overall, the average course units taught by all categories of instructional faculty decline from fiscal 2016 to 2017.

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**R13M00**  
**Morgan State University**

***Operating Budget Analysis***

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**Program Description**

Morgan State University (MSU), designated as Maryland’s public urban university, is responsible for addressing the needs of the citizens, schools, and organizations within the Baltimore metropolitan area through academic, research, and service programs. One of the goals of MSU is to promote economic development by meeting critical workforce needs by offering programs in professional fields such as engineering, business, teacher education, architecture, and social work.

Based on various socioeconomic and academic measures, MSU enrolls and educates a diverse student body, including those among the best prepared and those who might not obtain a baccalaureate degree without extra support of the institution. MSU offers a comprehensive range of academic programs, awarding baccalaureate degrees emphasizing the arts and sciences and specialized master’s and doctoral degrees.

**Carnegie Classification:** DRU: Doctoral/Research University

**Fall 2017 Undergraduate Enrollment Headcount**

Male	3,053
Female	3,387
<b>Total</b>	<b>6,440</b>

**Fall 2017 Graduate Enrollment Headcount**

Male	486
Female	821
<b>Total</b>	<b>1,307</b>

**Fall 2017 New Students Headcount**

First-time	1,204
Transfers/Others	453
Graduate	313
<b>Total</b>	<b>1,970</b>

**Campus (Main Campus)**

Acres	143
Buildings	38
Average Age	32
Oldest	Carnegie Hall – 1919

**Programs**

Bachelor’s	45
Master’s	37
Doctoral	15

**Degrees Awarded (2016-2017)**

Bachelor’s	970
Master’s	306
Doctoral	54
<b>Total Degrees</b>	<b>1,330</b>

**Proposed Fiscal 2019 In-state Tuition and Fees\***

Undergraduate Tuition	\$5,369
Mandatory Fees	\$2,523

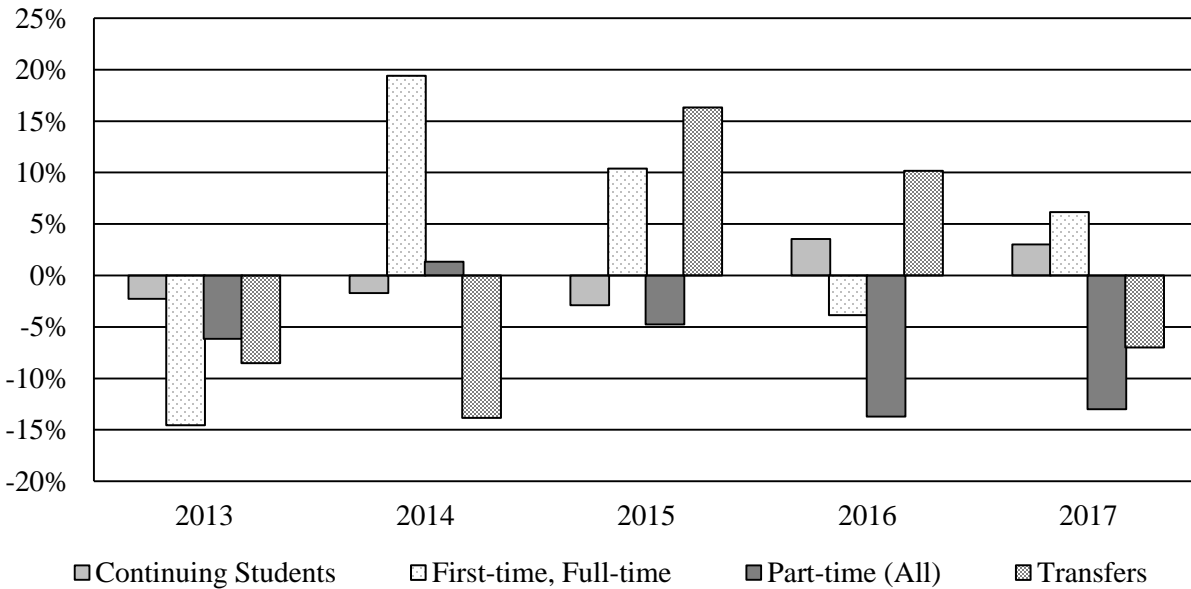
\*Contingent on Board of Regents approval.

## Performance Analysis

### 1. Enrollment

Total undergraduate enrollment grew 1.2%, or 78 students, in fall 2017. After declining for three years, the number of continuing students increased for a second year growing 3.0%, or 124 students, in fall 2017, as shown in **Exhibit 1**; indicating that programs to improve student retention are proving to be successful. After declining 3.9%, or 45 students, in fall 2016, enrollment of first-time/full-time (FT/FT) students grew 3.0% in fall 2017 to 1,192 students, the highest number since at least fall 2012.

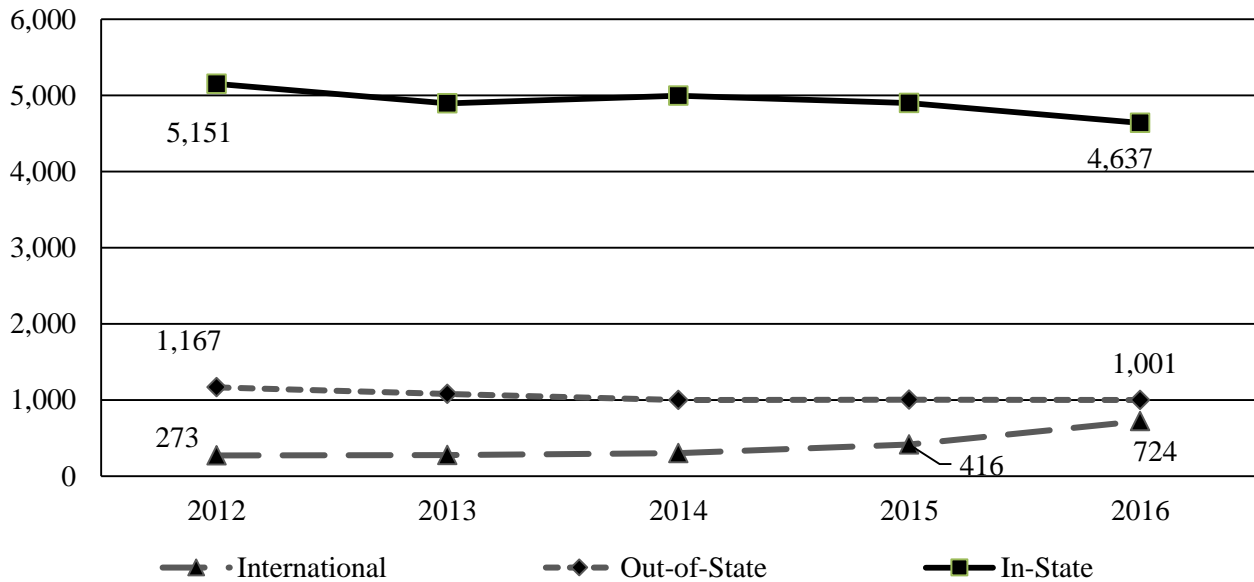
**Exhibit 1**  
**Percentage Change Undergraduate Headcount Enrollment**  
**Fall 2013-2017**



Source: Morgan State University

After falling 14.6%, or 151 students, in fall 2013, FT/FT enrollment grew 26.6%, or 237 students, by fall 2016. This was due to a 178.3% jump in the number of international students from fall 2012 to 2017, as shown in **Exhibit 2**. Most of the growth occurred in fall 2016 when the number of international students increased 74.0%, from 416 in fall 2015 to 724 students. This offsets a 5.3% decline, or 261 students, in the number of in-state students. Overall, the number of in- and out-of-state (in country) students has fallen 10.0% and 12.7%, respectively, between fall 2012 and 2016.

**Exhibit 2  
Undergraduate Headcount Enrollment by Residency  
Fall 2012-2016**



Source: Maryland Higher Education Commission

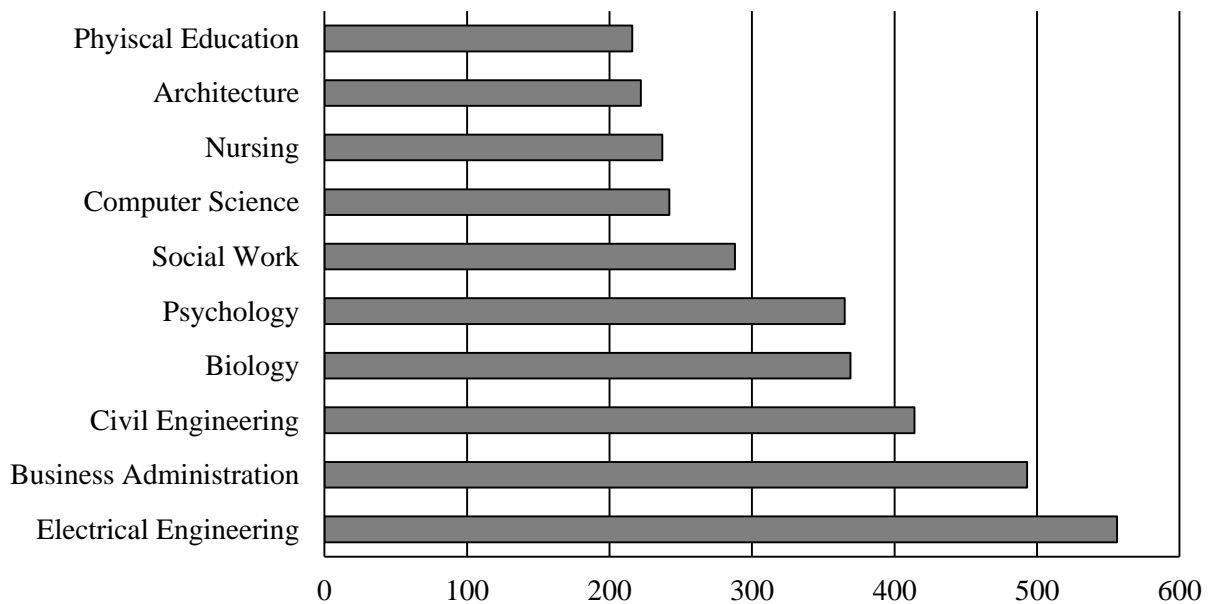
MSU attributes the increase of international students to the development of a new Division of International Affairs, which is responsible for all of the university’s global engagements, including international recruitment. For in- and out-of-state students, MSU is exploring new recruitment strategies and enhancing some existing ones, including redesigning the high school visit model to maximize visits in areas with a steady enrollment trend; launching the Big Bear Little Bear program in which MSU will partner with four Baltimore City public high schools to host high-achieving ninth and tenth graders to expose them to MSU; the On the Spot program in which admission staff visit high schools and interview prospective students on the spot, and at the end of the day, students receive an admission decision; and establishing a dual-enrollment program.

Overall, by fall 2016 out-of-state and international students accounted for 27.1% of the undergraduate student population. The recent enrollment trends prompt concerns about the reliance on tuition revenues generated from international students and the continuing decline of in-state students.

**The President should comment on the ability of the university to maintain or increase the enrollment of international students, given the uncertainty of the current environment and the budget implications if the university falls short of its budgeted target. The President should also comment on efforts to improve retention of students and increase enrollment of in-state students.**

In fall 2017, over half of the undergraduate students were enrolled in 1 of 10 program areas, as shown in **Exhibit 3**. Electrical engineering and business and management were the most popular majors, comprising 15.8% of the total enrollment.

**Exhibit 3**  
**Undergraduate Headcount Enrollment by Top 10 Program Areas**  
**Fall 2017**



Source: Morgan State University

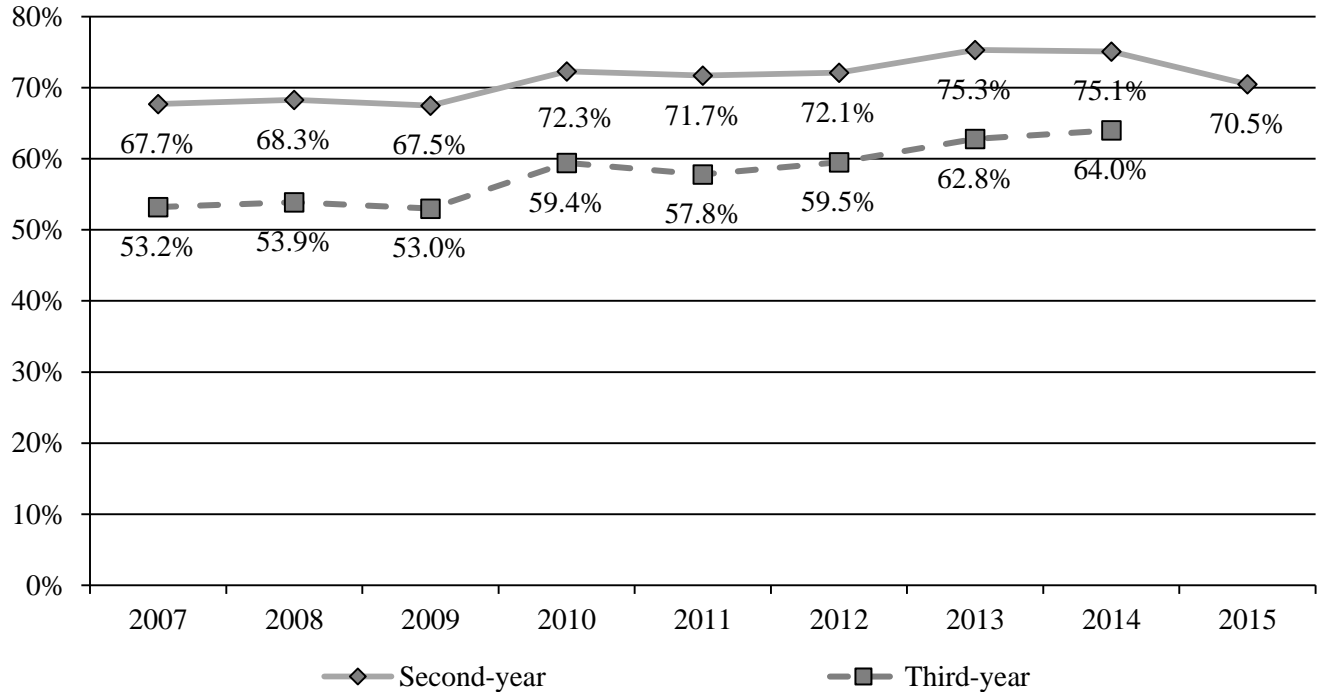
## 2. Student Performance

Student persistence, or retention, provides a measure of student progress and an indication of an institution's performance: the higher the retention rate, the more likely students will persist and graduate. As students are most likely to drop out during their first year, the second-year retention rate provides an indication if retention strategies are working or if further investigation is needed to identify areas of improvement. Overall, beginning with the 2010 cohort, the second-year retention rate has exceeded 70.0%, as shown in **Exhibit 4**. However, after the 2013 cohort achieved the highest rate of 75.3%, it has since fallen to 70.5% with the 2015 cohort. Since the 2011 cohort, the third-year retention rate improved 6.2 percentage points from 57.8% to 64.0% with the 2015 cohort, the highest level since at least the 1994 cohort. However, it is expected that the third-year retention rate for the 2015 cohort will decline, since the third-year rate tends to mirror trends in the second-year rate. **The President**



should comment on factors that led to the decline in the second-year retention rate and what efforts are being taken to improve the retention of students.

**Exhibit 4**  
**Second- and Third-year Retention Rates First-time, Full-time**  
**2007-2015 Cohorts**

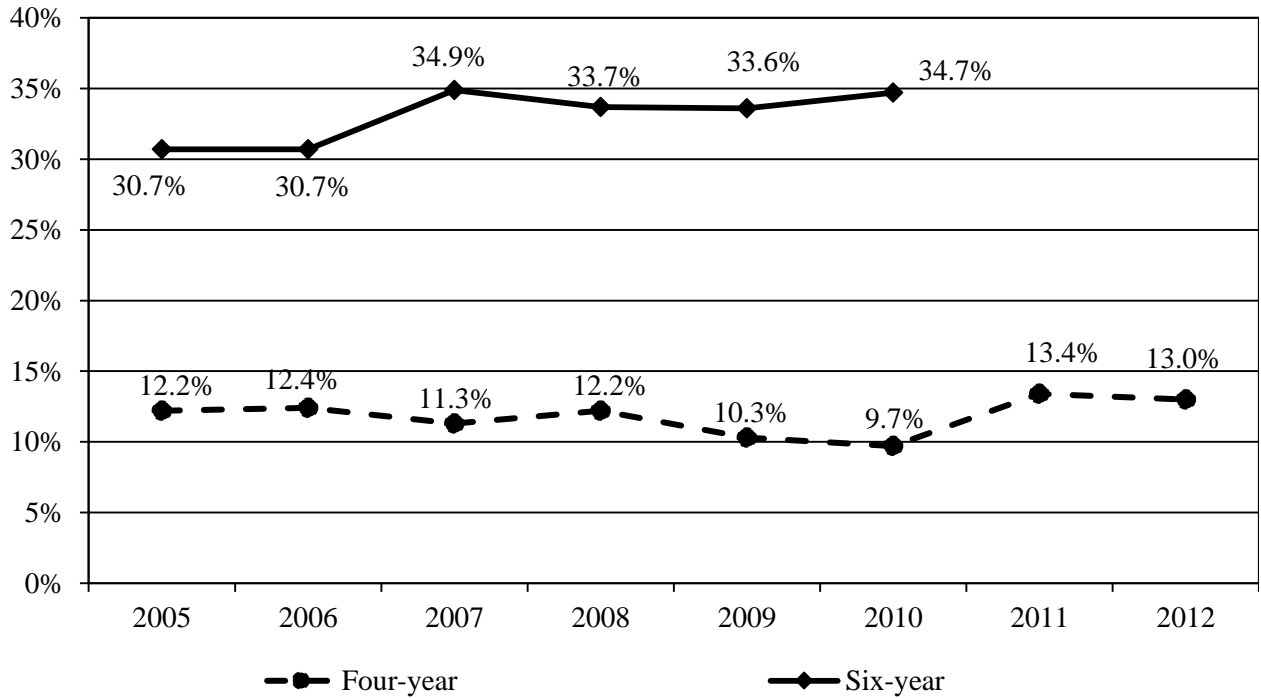


Note: Percentages represent first-time, full-time students who remained enrolled at the same institution in the subsequent fall semesters.

Source: Maryland Higher Education Commission, *Retention and Graduation Rates at Maryland Four-year Institutions*, September 2017

Graduation rates are, in part, another measure of student persistence and efficiency – as more students graduate, it “frees up” more room, allowing an institution to enroll more students. **Exhibit 5** shows the four- and six-year graduation rates for FT/FT students, which include those who transferred and graduated from another Maryland institution. Overall, after falling to its lowest point of 9.7% with the 2010 cohort, the four-year rate spiked to its highest recent level of 13.4% with the 2011 cohort. While the 2010 cohort experienced the lowest four-year rate, the six-year rate for this group improved by 1.1 percentage points to 34.7%. Also of interest is even though the retention rate of the 2011 cohort declined, as shown in Exhibit 2, they achieved the highest four-year graduation rate.

**Exhibit 5  
Graduation Rate of First-time, Full-time Students  
2005-2012 Cohorts**



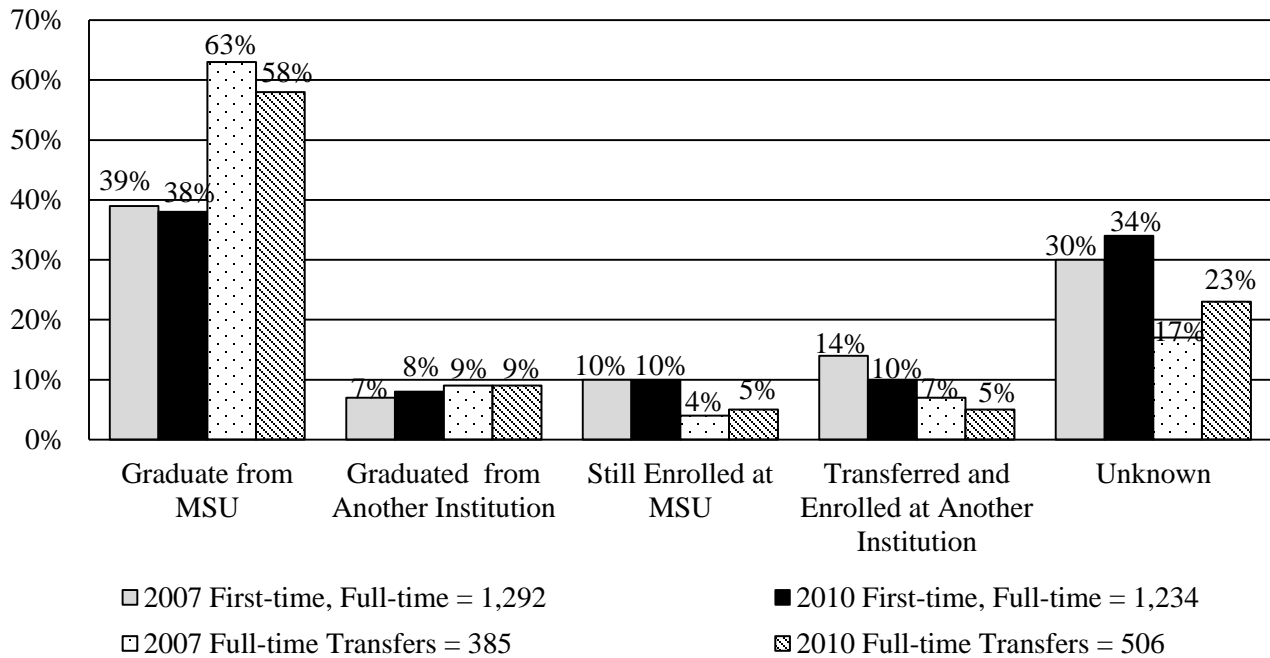
Note: Percentages include first-time, full-time students who persisted at and graduated from the institution they initially enrolled in and those who transferred and graduated from any Maryland public or private four-year institution.

Source: Maryland Higher Education Commission, *Retention and Graduation Rates at Maryland Four-year Institutions*, September 2017

Traditional retention and graduation rates, such as those shown in Exhibits 2 and 3, only measure the progress of FT/FT cohorts of students who are enrolled at the institution at the start of the academic year, are continuously enrolled as full-time students, and may transfer and graduate at another Maryland institution. These measures do not account for students who enroll in multiple institutions, particularly out-of-state students, those students who stopped out, or whose enrollment status changes throughout their college career, *e.g.*, full- to part-time and back again. In addition, the traditional measures do not include the progress of transfer students who account for an increasing portion of the student population. The Student Achievement Measures is a voluntary reporting system, which provides a more comprehensive picture of a student’s progression to completion by tracking the progress of a student throughout their college career. Overall, as shown in **Exhibit 6**, within six years of enrolling at MSU full-time transfer students perform better than FT/FT students with graduation rates exceeding 55% compared to almost 40% for FT/FT. The graduation rate for the 2010 transfer

cohort did decline 5 percentage points from 63% with the 2007 cohort to 58%. In addition, the status is not known for almost a third of the FT/FT students, while the number of transfer students whose status is not known increased by 6 percentage points from the 2007 cohort (17%) to the 2010 cohort (23%).

**Exhibit 6**  
**Status of First-time, Full-time and Full-time Transfers Seeking a Bachelor’s Degree within Six Years**  
**2007 and 2010 Cohorts**



MSU: Morgan State University

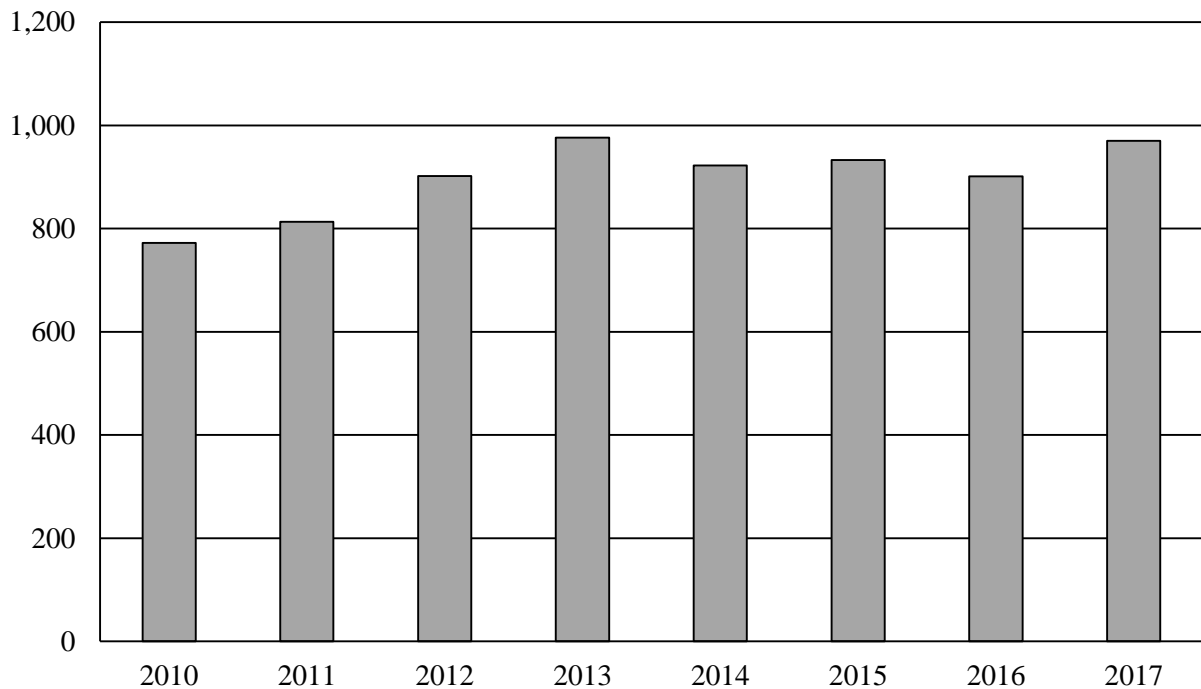
Source: Student Achievement Measures

Completion rates are greatly influenced by time – the longer it takes a student to graduate, the more likely (s)he will dropout as other priorities compete with classes. Longer completion times translate into increased costs, not only for the student but the institution and State as well. According to the MSU annual faculty workload report, the average number of semesters to graduate for those entering in 2011 was 9.69 semesters (a little under five years) up from 9.51 semesters for the 2010 cohort. However, the graduation rate remains low.

### 3. Degrees Conferred

The number of degrees awarded grew 26.4% from 772 in fiscal 2010 to 976 in fiscal 2013, as shown in **Exhibit 7**. After declining 7.7% between fiscal 2013 and 2016, the number of degrees conferred increased to 970 in fiscal 2017, slightly below the number awarded in fiscal 2013.

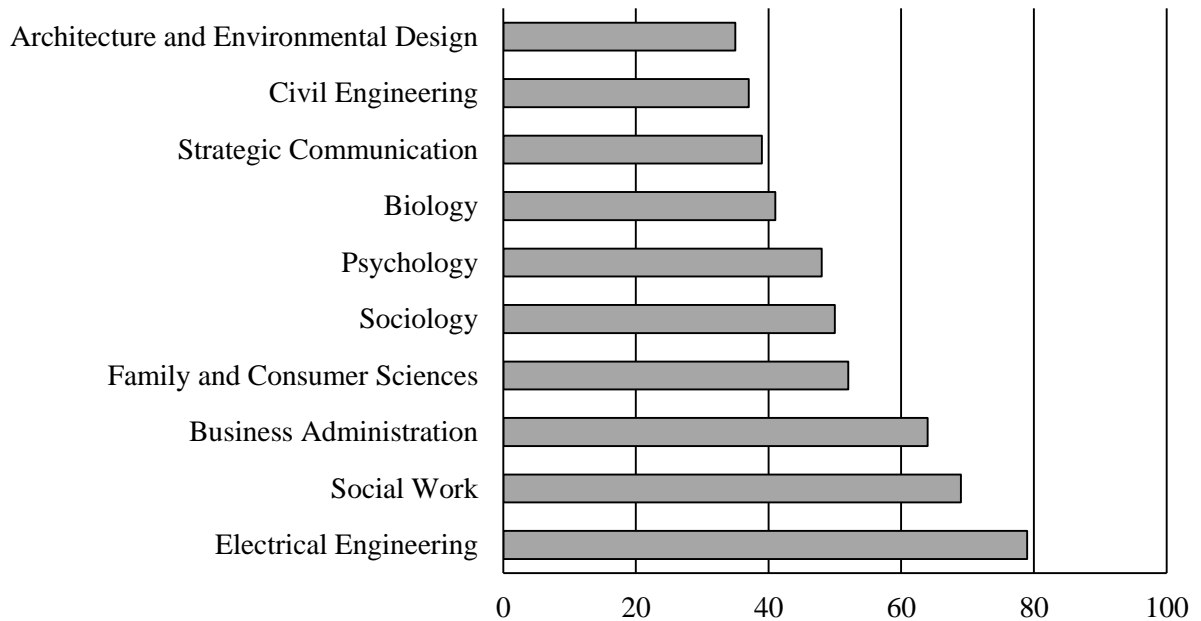
**Exhibit 7**  
**Undergraduate Degrees Awarded**  
**Fiscal 2010-2017**



Source: Morgan State University

Over half of the degrees in fiscal 2017 were awarded in 1 of 10 programs, as shown in **Exhibit 8**. Electrical engineering, social work, and business administration account for 21.9% of the degrees that were awarded that year.

**Exhibit 8**  
**Top 10 Undergraduate Degrees Awards**  
**Fiscal 2017**



Source: Morgan State University

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## **Fiscal 2018 Actions**

### **Cost Containment**

The September 6, 2017 Board of Public Works action resulted in a 0.6%, or \$0.6 million, reduction in MSU’s appropriation, which was met by a reduction in telephone costs related to the implementation of a new network, consolidation of security services, deferring equipment purchases, and utility savings due to ongoing efforts to reduce energy usage.

The budget bill includes an across-the-board reduction for employee and retiree health insurance in fiscal 2018 to reflect a surplus balance in the fund. MSU’s share of the reduction totals \$0.7 million.

## Proposed Budget

As shown in **Exhibit 9**, the general fund allowance for fiscal 2019 is 4.0%, or \$3.7 million, higher than fiscal 2018 after adjusting for an across-the-board reduction in health insurance in fiscal 2018 and a cost-of-living adjustment in fiscal 2019. The Higher Education Investment Fund increases 5.6%, or \$0.1 million, in fiscal 2018. Overall, State funds grow 4.1%, or \$3.8 million, to \$97.5 million in fiscal 2019.

**Exhibit 9**  
**Proposed Budget**  
**Morgan State University**  
**Fiscal 2017-2019**  
**(\$ in Thousands)**

	<b>FY 17</b>	<b>FY 18</b>	<b>FY 19</b>	<b>FY 18-19</b>	<b>% Change</b>
	<b><u>Actual</u></b>	<b><u>Adjusted</u></b>	<b><u>Adjusted</u></b>	<b><u>Change</u></b>	<b><u>Prior Year</u></b>
General Funds	\$91,060	\$92,151	\$94,293		
Across the board		-724			
Cost-of-living Adjustment			811		
Total General Funds	91,060	91,426	95,103	\$3,677	4.0%
HEIF	2,143	2,235	2,360	125	5.6%
Total State Funds	93,203	93,661	97,463	3,802	4.1%
Other Unrestricted Funds	102,325	101,343	110,073	8,731	8.6%
Total Unrestricted Funds	195,529	195,004	207,537	12,533	6.4%
Restricted Funds	46,858	53,519	54,626	1,107	2.1%
<b>Total Funds</b>	<b>\$242,387</b>	<b>\$248,522</b>	<b>\$262,162</b>	<b>\$13,640</b>	<b>5.5%</b>

HEIF: Higher Education Investment Fund

Note: Fiscal 2018 general funds are adjusted to reflect the across-the-board reduction. Fiscal 2019 general funds are adjusted to reflect the cost-of-living adjustment.

Source: Governor’s Budget Books, Fiscal 2019; Department of Legislative Services

The fiscal 2019 allowance includes \$0.7 million in general funds to hold resident undergraduate tuition rate increases to 2% and also provides funds for a 2% general salary increase effective January 1, 2019. The general funds for the salary increase are included in the Department of Budget and Management budget. For MSU, the total cost of the salary increase is just under \$1 million, \$810,678 in general funds, and the remainder from non-State supported funds, *i.e.*, auxiliary and restricted funds.

The allowance also includes \$2.0 million in general funds for the establishment of a cybersecurity center and \$0.6 million to convert contractual positions to regular positions. **The President should comment on how many and the type of positions that will be converted.**

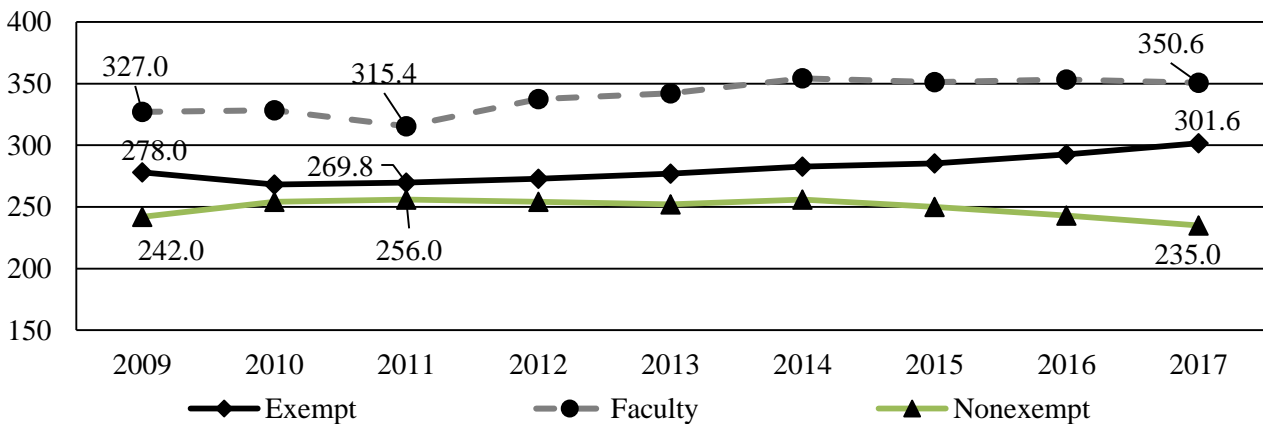
**In order to ensure that the funds provided to converted positions are used for their intended purpose, the Department of Legislative Services (DLS) recommends restricting \$0.6 million in general funds until MSU submits a report identifying those positions to be converted and a subsequent report on those positions converted.**

Other unrestricted funds increase 8.6%, or \$8.7 million, of which \$5.9 million is related to tuition and fee revenues. However, this increase is overstated due to the fiscal 2018 revenues being understated by \$5.2 million. MSU has submitted a budget amendment, which is not reflected in the budget, increasing tuition and fee revenues from \$62.7 million to \$67.9 million in fiscal 2018. This results in tuition and fee revenues increasing \$0.6 million in fiscal 2019.

### Personnel Trends

Since 2009 the total number of filled State-supported positions has grown 4.7%, or 40.2 full-time equivalent (FTE) positions with the number of exempt and faculty positions both increasing by 23.6 FTEs. As shown in **Exhibit 10**, the number of faculty positions increased by 35.2 FTEs from 2011 to 2017 to 350.6 FTEs. Since 2014, the number of filled faculty positions has remained fairly stable. Since 2011, the number of exempt filled positions has grown 11.7%, or 31.8 FTEs, while the number of nonexempt positions has gradually declined 8.3% during the same time period.

**Exhibit 10**  
**Total Filled State-supported Positions by Classification**  
 As of October 2009-2017



Source: Morgan State University

## *Issues*

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### 1. Meeting College Expenses

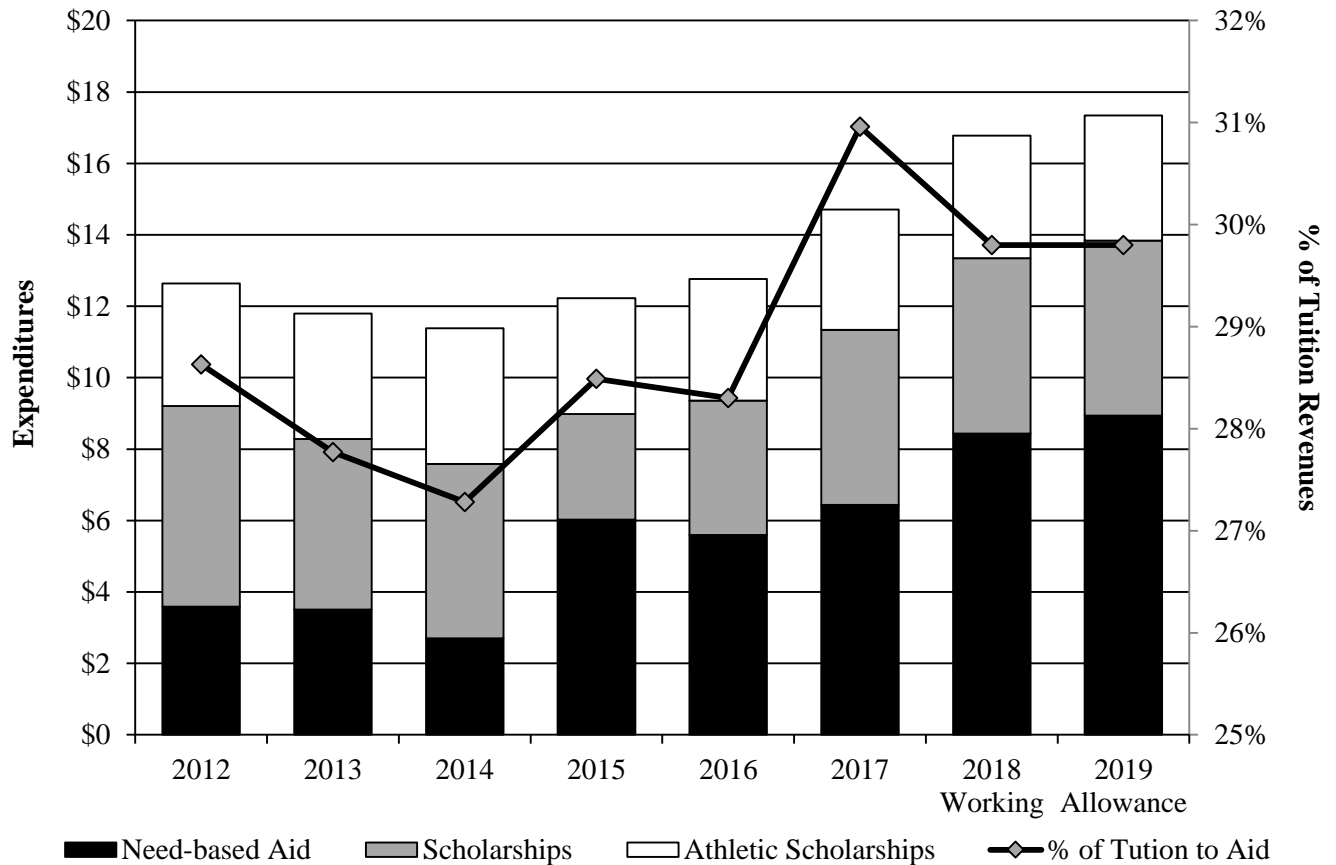
As the cost of college continues to increase, students and families are relying on a variety of financial aid sources to pay for college with more students taking out loans. When accounting for the average amount of federal, State, and institutional aid awarded to all MSU students, the average net price for a FT/FT Maryland undergraduate student at MSU was \$15,909 for fiscal 2016 compared to the list price of \$23,949 (based on tuition, mandatory fees, books and supplies, other expenses, and the weighted average of room and board), according to the National Center for Education Statistics' College Navigator. This amounts to a 35.7% reduction in the net cost of attendance. For those with a family income of up to \$30,000, the average net price was \$13,209 in fiscal 2016.

In fiscal 2017, 52.0% of MSU's undergraduate students received Pell awards, which are given to those who otherwise could not afford college and have an expected family contribution (EFC) of less than a specific amount, which was \$5,920 in fiscal 2017. EFC is an indicator of the amount that a family is able to contribute for a student's college education: the lower the EFC, the greater the financial aid.

Total spending on institutional aid increased 29.2%, or \$3.3 million, between fiscal 2014 and 2017, as shown in **Exhibit 11**, with spending on need-based aid growing 138.0%, or \$3.7 million, to \$6.4 million. There was a shift in the portion of institutional aid going to need-based with the percentage increasing from 23.7% in fiscal 2014 to 49.3% in fiscal 2015. Conversely, scholarships went from comprising 42.8% of institutional aid to 26.5%. While total expenditures on institutional aid increased \$1.9 million in fiscal 2017, that spent on need-based aid only increased \$0.8 million. This is despite MSU being provided \$1.4 million in enhancement funds specifically to increase need-based aid expenditures above the fiscal 2016 level. **The President should comment on why the additional funds provided in fiscal 2017 to increase expenditures on need-based aid were not used for their intended purpose. The President should also detail how the remaining \$561,202 was spent.**



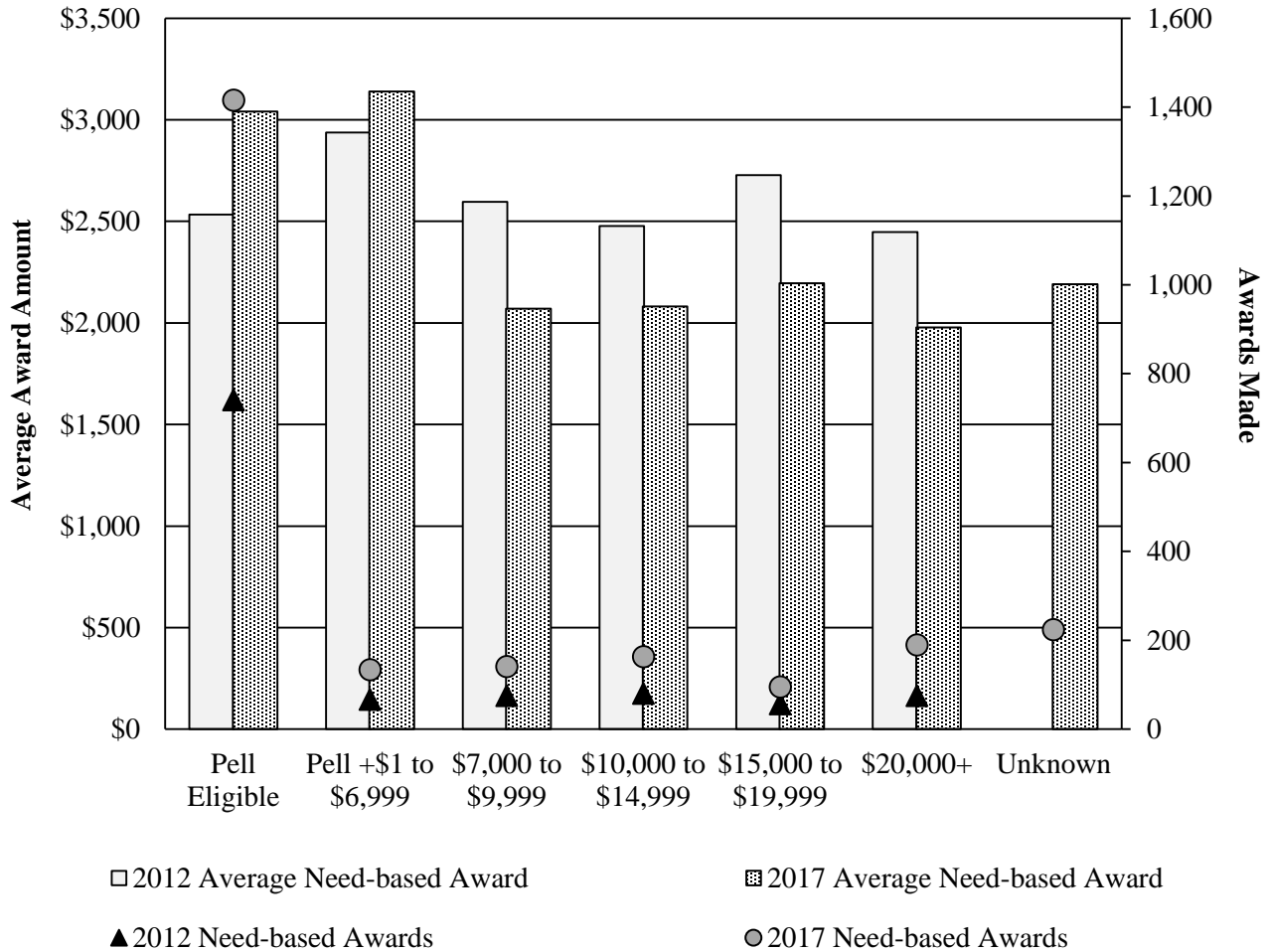
**Exhibit 11**  
**Institutional Aid: Total Aid and Aid as a Percentage of Undergraduate Tuition Revenues**  
**Fiscal 2012-2019 Allowance**  
**(\$ in Millions)**



Source: Morgan State University; Department of Legislative Services

**Exhibit 12** compares how MSU has distributed need-based aid between fiscal 2012 and 2017. The total number of awards going to Pell-eligible students more than doubled during the time period with the average award increasing 20.1%, or \$508. The number of awards going to students with an EFC over \$7,000 decreased by over half with the average award amount decreasing 18.8%. Also in fiscal 2017, 224 students whose EFC was unknown (those who did not file a Free Application for Federal Student Aid, also known as FAFSA) received the fourth highest average award of \$2,190, while in fiscal 2012, no need-based aid was awarded to these students.

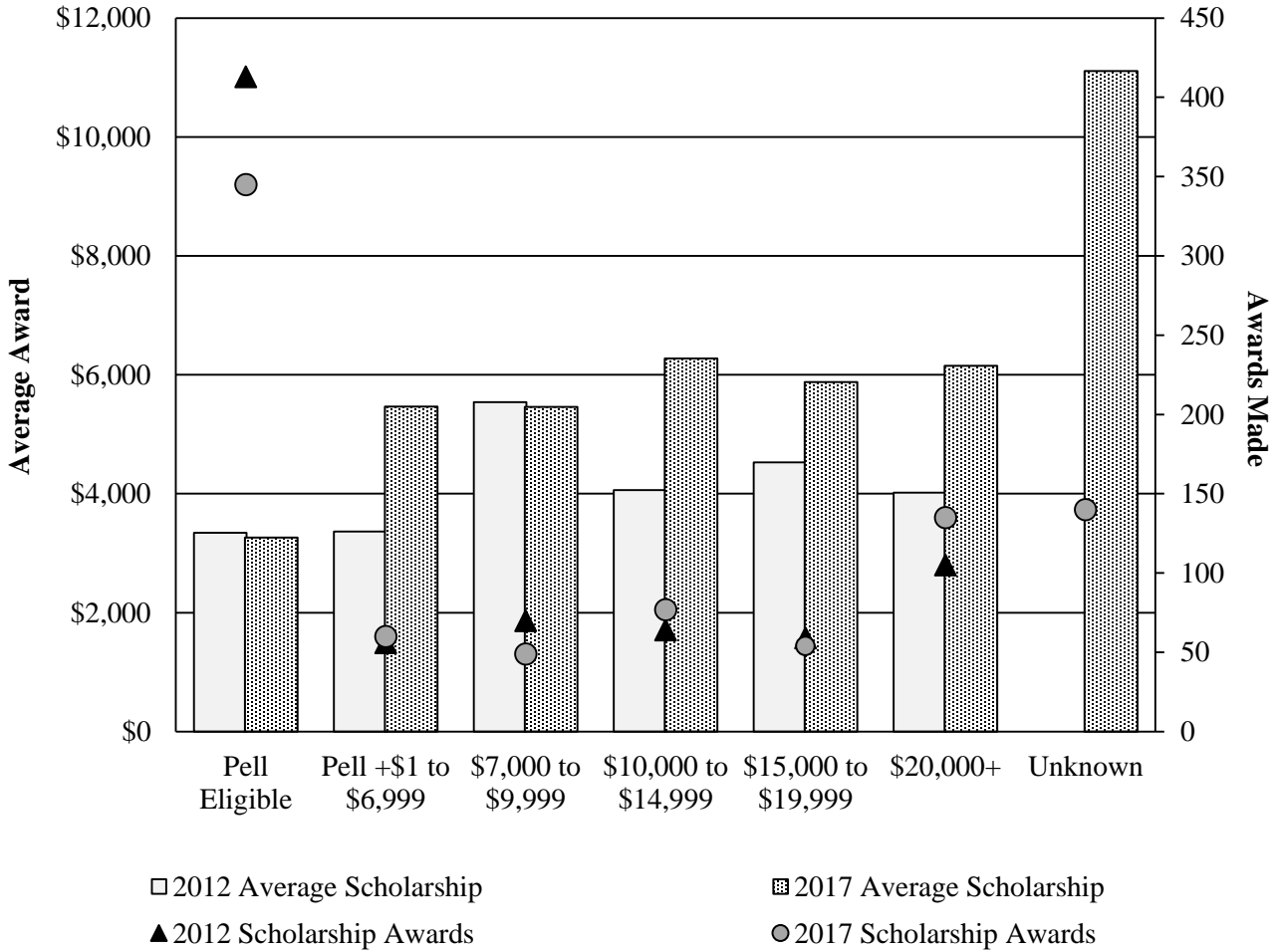
**Exhibit 12**  
**Comparison of Number and Average Amount of Need-based Aid Received Per**  
**Recipient by Expected Family Contribution**  
**Fiscal 2012 and 2017**



Source: Morgan State University

The number of scholarships awarded increased 16.5%, or 93 awards, between fiscal 2012 and 2017. As shown in **Exhibit 13**, the number of awards going to Pell-eligible students fell 16.5%, or 68 awards, while 140 awards went to those students with an unknown EFC. These student also received the highest average award of \$11,108 and the second highest average award of \$2,215 went to students with an EFC of \$10,000 to \$14,999. The portion of awards going to Pell-eligible students declined from 58.9% in fiscal 2012 to 40.1% in fiscal 2017.

**Exhibit 13**  
**Comparison of Number and Average Amount of Scholarships Received Per**  
**Recipient by Expect Family Contribution**  
**Fiscal 2012 and 2017**



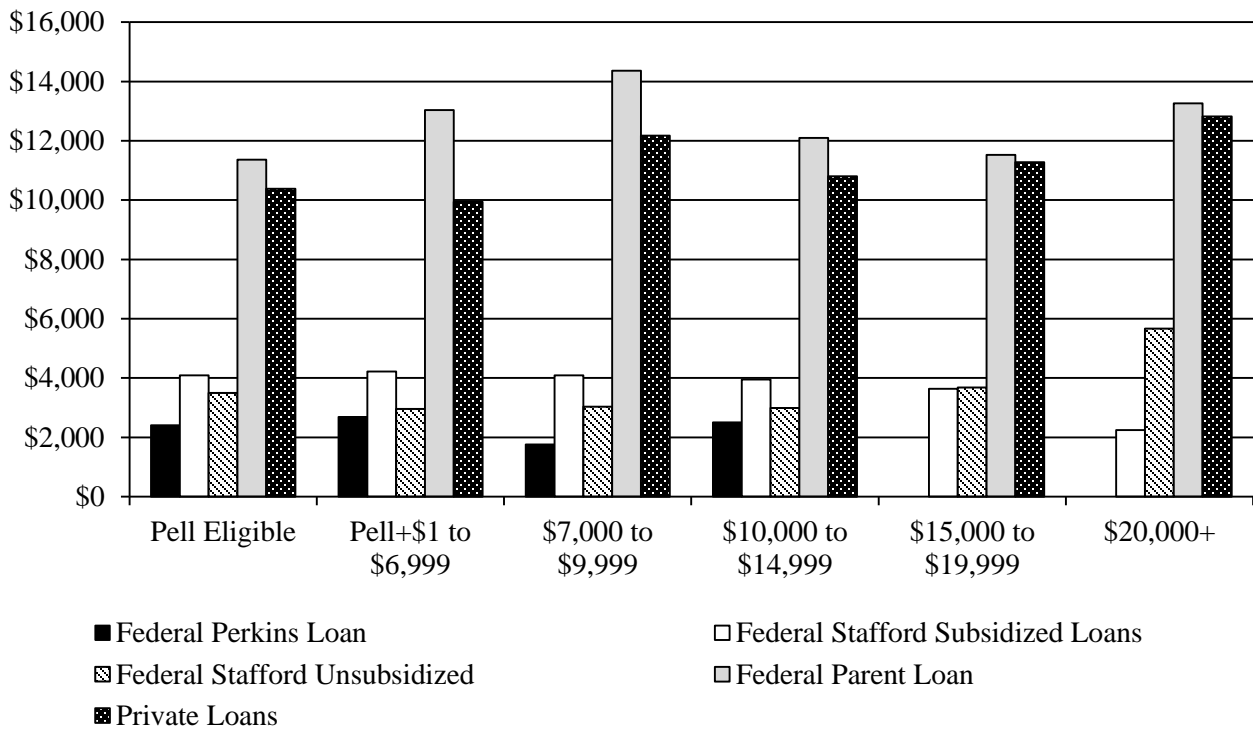
Source: Morgan State University

While students with the greatest financial need typically receive Pell and institutional aid, it is not enough to cover the cost of attending college. As shown in **Exhibit 14**, students in all EFC categories take out various types of loans to finance their education. There are three types of loans:

- federal subsidized loans are based on financial need, with the government paying the interest while the student is enrolled in school (Perkins and Stafford subsidized loans);

- federal unsubsidized loans are general loans for those who do not demonstrate financial need, with interest added to the balance of the loan while the student is enrolled in school (Stafford unsubsidized and Parent loans); and
- private loans.

**Exhibit 14**  
**Mean Loan Amount by Type and Expected Family Contribution**  
**Fiscal 2017**



Source: Morgan State University

In fiscal 2017, of the 3,496 Pell-eligible students, 83.7% and 87.7% used subsidized and unsubsidized loans, respectively, to help pay for their college education with average loans of \$4,094 and \$3,498. However, 3.3% of the Pell-eligible students took out private loans, and, on average, borrowed \$10,378. In general, the federal parent loans were the highest average loans taken out for those in all EFC categories, with those with an EFC of \$7,000 to \$9,999 taking out the highest average loan of \$14,360.

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According to College Insight, the percentage of students graduating with debt from MSU increased from 68% to 81% between fiscal 2011 and 2016. For public four-year institutions, this is higher than the national average of 59% and the State average of 51%. The average debt of a graduate slightly increased from \$36,045 to \$36,674 between fiscal 2011 and 2016, above the national and State averages of \$27,291 and \$25,741, respectively. This level of indebtedness and the high percentage of Pell-eligible students who took out unsubsidized federal loans compared to subsidized loans, raises concerns about the financial guidance that MSU provides to its students. **The President should comment on factors leading to students accumulating a higher than average debt and what efforts are being taken to help students reduce the amount of debt they take on to finance their education.**

## Operating Budget Recommended Actions

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1. Add the following language to the unrestricted fund appropriation:

, provided that \$600,000 of this appropriation made for the purpose of converting contractual positions may not be expended until Morgan State University (MSU) submits a report to the budget committees documenting the positions that will be converted. The report shall be submitted by August 1, 2018, and the committees shall have 45 days to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted.

Further provided that MSU shall submit a report on the positions that were converted by December 1, 2018.

**Explanation:** The fiscal 2019 budget provides \$0.6 million specifically designated for the conversion of contractual positions. This language withholds the expenditure of these funds until MSU submits a report documenting which positions are to be converted. In addition, MSU is to submit a subsequent report detailing the positions that were converted.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Report on contractual positions to be converted	MSU	August 1, 2018
Report on contractual positions actually converted	MSU	December 1, 2018

## Updates

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### 1. Faculty Workload

Annual language in the *Joint Chairmen's Report* required MSU to submit a report on the instructional workload of tenured and tenure-track faculty. While previous reports focused on tenured/tenure-track faculty, DLS requested data be included on full- and part-time nontenured/nontenure-track faculty, which include adjuncts, instructors, and lecturers that institutions have increasingly relied on over the years. As shown in **Exhibit 15**, these faculty comprised 60.9% of all faculty in fiscal 2017, a slight decline from 61.9% in fiscal 2016.

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**Exhibit 15**  
**Instructional Faculty by Type**  
**Fiscal 2014-2017**

	2014		2015		2016		2017	
	<u>Total</u>	<u>%</u>	<u>Total</u>	<u>%</u>	<u>Total</u>	<u>%</u>	<u>Total</u>	<u>%</u>
Tenured/Tenure Track	291	41.5%	311	43.0%	298	38.1%	312	39.0%
Full-time Nontenured/Nontenure Track	170	24.2%	138	19.1%	149	19.0%	152	19.0%
Part-time Nontenured/Nontenure Track	241	34.3%	274	37.9%	336	42.9%	335	41.9%
<b>Total</b>	<b>702</b>		<b>723</b>		<b>783</b>		<b>799</b>	

Source: Morgan State University

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Overall, the average course units taught by all categories of instructional faculty decline from fiscal 2016 and 2017, as shown in **Exhibit 16**. A comparison cannot be made to research institutions at the University System of Maryland, as MSU changed the reporting categories by separating the data for tenure-track and tenure faculty.

**Exhibit 16**  
**Average Course Units Taught by Instructional Faculty Type**

	<u>2016</u>	<u>2017</u>
Tenured	7.31	6.99
Tenure-track	7.04	6.26
Nontenure-track	8.10	7.51

Note: One course unit is defined as a standard three-credit lecture course.

Source: Morgan State University

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*R13M00 – Morgan State University*

**Appendix 1  
Current and Prior Year Budgets  
Morgan State University  
(\$ in Thousands)**

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Other Unrestricted Fund</u>	<u>Total Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Total</u>
<b>Fiscal 2017</b>							
Legislative Appropriation	\$88,369	\$2,143	\$0	\$98,535	\$189,047	\$50,643	\$239,690
Deficiency Appropriation	0	0	0	0	0	0	0
Cost Containment	-1,004	0	0	0	-1,004	0	-1,004
Budget Amendments	3,696	0	0	4,300	7,996	0	7,996
Reversions and Cancellations	0	0	0	-510	-510	-3,785	-4,294
<b>Actual Expenditures</b>	<b>\$91,060</b>	<b>\$2,143</b>	<b>\$0</b>	<b>\$102,325</b>	<b>\$195,529</b>	<b>\$46,858</b>	<b>\$242,387</b>
<b>Fiscal 2018</b>							
Legislative Appropriation	\$91,375	\$2,235	\$0	\$101,343	\$194,952	\$53,519	\$248,471
Cost Containment	-565	0	0	0	-565	0	-565
Budget Amendments	1,341	0	0	0	1,341	0	1,341
<b>Working Appropriation</b>	<b>\$92,151</b>	<b>\$2,235</b>	<b>\$0</b>	<b>\$101,343</b>	<b>\$195,728</b>	<b>\$53,519</b>	<b>\$249,246</b>

Note: The fiscal 2018 appropriation does not include deficiencies, targeted reversions, or across-the-board reductions. Numbers may not sum to total due to rounding.

## **Fiscal 2017**

For fiscal 2017, the general fund appropriation for Morgan State University (MSU) increased by \$2.7 million. Budget amendments added \$3.7 million, including \$2.1 million for centrally budgeted salary increments and \$1.6 million for the transfer of Office for Civil Rights (OCR) enhancement funds from the Maryland Higher Education Commission (MHEC). The increase was partly offset by \$1.0 million in cost containment measures.

Other unrestricted funds increased \$3.8 million. A budget amendment added \$4.3 million in tuition and fee revenues related to a change in the mix of students. Cancellation of unrestricted funds totaled \$0.5 million due to expenditures being less than anticipated.

Cancellation of restricted funds amounted to \$3.8 million due to Pell grants (\$2.7 million) and research (\$1.1 million) expenditures being less than anticipated.

## **Fiscal 2018**

To date in fiscal 2018, MSU's general fund appropriation has increased by \$0.8 million due to a budget amendment transferring \$1.3 million of OCR enhancement funds from MHEC, which was partly offset by \$0.6 million in cost containment measures.

**Appendix 2**  
**Object/Fund Difference Report.0**  
**Morgan State University**

<u>Object/Fund</u>	<u>FY 17</u> <u>Actual</u>	<u>FY 18</u> <u>Working</u> <u>Appropriation</u>	<u>FY 19</u> <u>Allowance</u>	<u>FY 18 - FY 19</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
<b>Positions</b>					
01 Regular	1,117.00	1,117.00	1,115.00	-2.00	-0.2%
02 Contractual	510.00	510.00	510.00	0.00	0%
<b>Total Positions</b>	<b>1,627.00</b>	<b>1,627.00</b>	<b>1,625.00</b>	<b>-2.00</b>	<b>-0.1%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 113,496,185	\$ 116,080,826	\$ 115,662,091	-\$ 418,735	-0.4%
02 Technical and Spec. Fees	31,659,702	30,258,673	32,413,908	2,155,235	7.1%
03 Communication	837,369	922,115	1,087,847	165,732	18.0%
04 Travel	4,367,021	4,112,797	4,198,025	85,228	2.1%
06 Fuel and Utilities	7,013,891	7,196,342	7,296,519	100,177	1.4%
07 Motor Vehicles	677,754	683,397	987,410	304,013	44.5%
08 Contractual Services	27,177,019	28,598,739	33,105,448	4,506,709	15.8%
09 Supplies and Materials	7,658,165	8,485,362	9,175,118	689,756	8.1%
11 Equipment – Additional	2,716,822	5,142,694	4,340,681	-802,013	-15.6%
12 Grants, Subsidies, and Contributions	36,018,993	38,616,584	41,844,379	3,227,795	8.4%
13 Fixed Charges	6,384,300	7,005,928	9,067,785	2,061,857	29.4%
14 Land and Structures	4,379,746	2,143,017	2,172,508	29,491	1.4%
<b>Total Objects</b>	<b>\$ 242,386,967</b>	<b>\$ 249,246,474</b>	<b>\$ 261,351,719</b>	<b>\$ 12,105,245</b>	<b>4.9%</b>
<b>Funds</b>					
40 Unrestricted Fund	\$ 195,528,653	\$ 195,727,849	\$ 206,726,022	\$ 10,998,173	5.6%
43 Restricted Fund	46,858,314	53,518,625	54,625,697	1,107,072	2.1%
<b>Total Funds</b>	<b>\$ 242,386,967</b>	<b>\$ 249,246,474</b>	<b>\$ 261,351,719</b>	<b>\$ 12,105,245</b>	<b>4.9%</b>

Note: The fiscal 2018 appropriation does not include deficiencies, targeted reversions, or across-the-board reductions. The fiscal 2019 allowance does not include contingent reductions or cost-of-living adjustments.

**Appendix 3  
Fiscal Summary  
Morgan State University**

<u>Program/Unit</u>	<u>FY 17 Actual</u>	<u>FY 18 Wrk Approp</u>	<u>FY 19 Allowance</u>	<u>Change</u>	<u>FY 18 - FY 19 % Change</u>
01 Instruction	\$ 56,226,792	\$ 56,677,229	\$ 58,838,717	\$ 2,161,488	3.8%
02 Research	31,214,330	36,212,424	37,357,741	1,145,317	3.2%
03 Public Service	372,112	440,350	454,982	14,632	3.3%
04 Academic Support	21,726,341	22,119,057	22,274,168	155,111	0.7%
05 Student Services	7,670,619	7,745,802	8,043,050	297,248	3.8%
06 Institutional Support	40,635,948	40,922,513	46,179,296	5,256,783	12.8%
07 Operation And Maintenance of Plant	19,069,923	19,089,858	19,158,697	68,839	0.4%
08 Auxiliary Enterprise	31,404,921	29,791,646	29,799,363	7,717	0%
17 Scholarships and Fellowships	34,065,981	36,247,595	39,245,705	2,998,110	8.3%
<b>Total Expenditures</b>	<b>\$ 242,386,967</b>	<b>\$ 249,246,474</b>	<b>\$ 261,351,719</b>	<b>\$ 12,105,245</b>	<b>4.9%</b>
Unrestricted Fund	\$ 195,528,653	\$ 195,727,849	\$ 206,726,022	\$ 10,998,173	5.6%
Restricted Fund	46,858,314	53,518,625	54,625,697	1,107,072	2.1%
<b>Total Appropriations</b>	<b>\$ 242,386,967</b>	<b>\$ 249,246,474</b>	<b>\$ 261,351,719</b>	<b>\$ 12,105,245</b>	<b>4.9%</b>

Note: The fiscal 2018 appropriation does not include deficiencies, targeted reversions, or across-the-board reductions. The fiscal 2019 allowance does not include contingent reductions or cost-of-living adjustments.