

RM.00
Morgan State University

Operating Budget Data

(\$ in Thousands)

	FY 00	FY 01	FY 02		% Change
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>	<u>Prior Year</u>
General Funds	\$43,459	\$47,912	\$54,620	\$6,708	14.0%
Other Unrestricted Funds	49,413	58,613	58,494	(119)	(0.2%)
Total Unrestricted Funds	92,872	106,525	113,114	6,589	6.2%
Restricted Funds	<u>25,148</u>	<u>26,277</u>	<u>27,185</u>	<u>908</u>	<u>3.5%</u>
Total Funds	\$118,020	\$132,802	\$140,299	\$7,497	5.6%

- Morgan State University (MSU) is requesting approximately \$2.3 million to develop its doctoral degree programs under its centers of excellence initiative.

Personnel Data

	FY 00	FY 01	FY 02	
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	881.00	926.00	957.00	31.00
Contractual FTEs	<u>405.00</u>	<u>384.00</u>	<u>364.00</u>	<u>(20.00)</u>
Total Personnel	1,286.00	1,310.00	1,321.00	11.00

Vacancy Data: Regular

Budgeted Turnover: FY 02	50.72	5.30%
Positions Vacant as of 12/31/00	85.00	9.17%

- The university is requesting approximately \$1.9 million for 24 additional faculty.
- The reduction in twenty contractual FTEs is due to conversions in fiscal 2001 that are not yet reflected in the contractual FTE count for fiscal 2001.

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

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Analysis in Brief

Issues

- 1. Revised Funding Guideline Proposal for University to Be Submitted:** The Maryland Higher Education Commission staff is ready to recommend a revised operating funding guideline proposal for MSU. **The Department of Legislative Services recommends that the President discuss with the committees MSU's response to the revised proposal.**
- 2. Office for Civil Rights Partnership Agreement Commitments:** The Governor's allowance includes funding to increase the Access and Success program and to study best practices at MSU and Maryland's three other historically black institutions. **The President should brief the committees on how the university will be involved in the best practices study and its current enhancement plan.**
- 3. MSU Response to Fisher Report:** At the request of the General Assembly, the university submitted a strategic action plan in response to the *Fisher Report*. **The President should brief the committees on the university's strategic plan of action, including all applicable timetables and benchmarks established for the implementation of the recommendations.**
- 4. MSU Teacher Shortage Strategies:** The urban mission and location of the university prompts the university to play a significant role in confronting the anticipated teacher shortage. **The President should discuss how the university's teacher education programs will be effective in confronting the anticipated teacher shortage.**

Recommended Actions

	<u>Funds</u>
1. Reduce general funds to Morgan State University for the centers of excellence initiative to bring the university closer to the proposed fiscal 2002 operating funding guideline.	\$ 842,728
2. Delete general funds to Morgan State University for the research facility operating equipment to bring the university closer to the proposed fiscal 2002 operating funding guideline.	413,117
Total Reductions	\$ 1,255,845

RM.00
Morgan State University

Operating Budget Analysis

Program Description

Morgan State University (MSU), designated Maryland's public urban university, offers a comprehensive set of academic programs through the doctorate level. The university ensures that it offers programs of importance to metropolitan Baltimore and/or fields where there is under-representation of minorities. In addition to programs in arts and humanities, the university gives special emphasis to engineering and the sciences, business, education, architecture, and transportation. MSU educates a broad range of students, including those who are among the best prepared, as well as those who might not obtain the baccalaureate without the extra support that the university provides. MSU's short-term goals are to reduce the percent of contractual faculty, continue to improve and equip university facilities, increase student financial assistance, and increase graduate enrollment further by building on current programs as well as new master's and doctoral programs.

Governor's Proposed Budget

The fiscal 2002 allowance for MSU is \$140.3 million, an increase of \$7.5 million, or 5.6%, over the fiscal 2001 working appropriation. The general fund allocation of the allowance is \$54.6 million, an increase of 14%. The other unrestricted funds decreased by 0.2% due to MSU shifting telephone charge revenues to auxiliary services in fiscal 2000 and the fiscal 2001 budget not reflecting this change in collection method. Restricted funds increase by \$908,283 over fiscal 2001.

Personnel Costs

Personnel expenses increase the budget by \$5.8 million. The allowance includes 24 new faculty positions totaling approximately \$1.9 million. MSU is also requesting five lab assistants under the instruction program and two additional staff positions under plant operations. Fourteen of new faculty requests are part of MSU's centers of excellence initiative for enhancing the university's graduate and doctorate programs. Out of the twenty-four faculty requests, the university intends to convert two assistant professor positions into regular position status.

Operating Increases

The university is requesting \$350,000 to produce academic brochures as part of its community outreach efforts. MSU also intends to use approximately \$478,000 for scholarship inflation, its library information system, and for faculty operating requirements. **Exhibit 1** shows major changes in the fiscal 2002 allowance. **Exhibit 2** shows the allocation of the increase in the fiscal 2002 allowance.

Exhibit 1

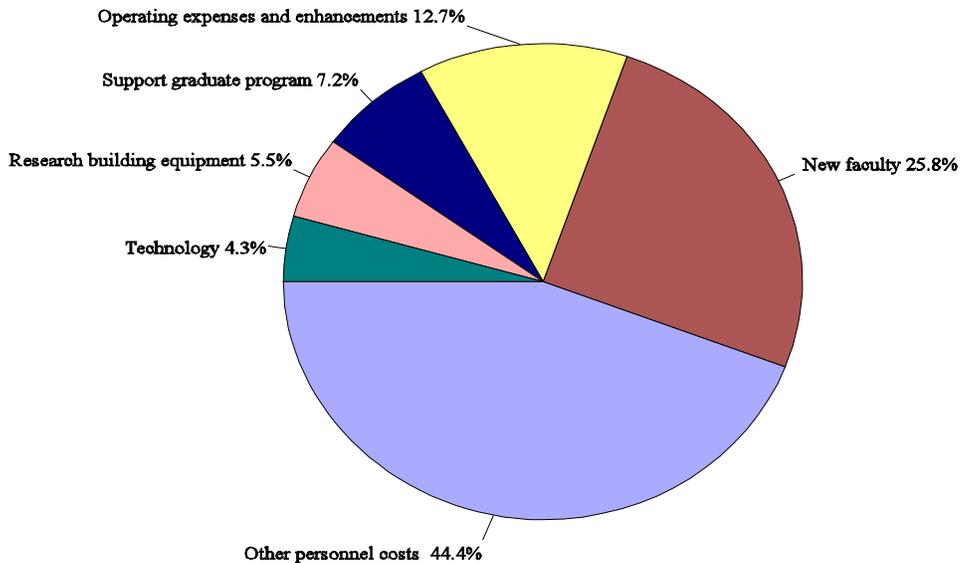
**Governor's Proposed Budget
Morgan State University
(\$ in Thousands)**

How Much It Grows:	General Funds	Other Unrestricted Funds	Total Unrestricted Funds	Restricted Fund	Total
2001 Working Appropriation	\$47,912	\$58,613	\$106,525	\$26,277	\$132,802
2002 Governor's Allowance	54,620	58,494	113,114	27,185	140,299
Amount Change	\$6,708	(\$119)	\$6,589	\$908	\$7,497
Percent Change	14.0%	(0.2)%	6.2%	3.5%	5.6%
Where It Goes:					
Personnel Expenses					
Fiscal 2002 general salary increase					\$859
Annualization of cost-of-living adjustment					801
Additional faculty for growth, includes 10 faculty members					686
Faculty merit					426
Staff for growth					322
Classified increment					271
Staff merit					261
Lab assistants					218
Reduce contractual faculty					172
Operating Expenses					
Academic brochures					350
Scholarship inflation					228
Library information system					125
Faculty operating requirements					125
Enhancements					
Centers of excellence - 14 additional faculty for advanced degree programs					1,250
Centers of excellence -- support graduate assistants and graduate program					540
Centers of excellence -- technology					325
Centers of excellence -- upgrade library resources					125
Research facility operating equipment financing expenses					413
Total					\$7,497

Note: Numbers may not sum to total due to rounding

Exhibit 2

Morgan State University
Distribution of the Fiscal 2002 Allowance Increases
(\$ in Thousands)



Note: Numbers may not sum to total due to rounding.
Source: Morgan State University

Program Enhancements

MSU is requesting \$2.3 million for its centers of excellence initiative to fully develop its doctoral programs. This university initiative is centered around four university areas: (1) education; (2) the sciences; (3) engineering; and (4) information technology. MSU contends that enhancing its advanced degree programs will complement its undergraduate programs and increase the capacity to leverage additional resources from external entities to raise the level of instruction, research, and community outreach. MSU has established a goal of becoming a Research/Doctoral II university, as classified by the Carnegie Foundation for the Advancement of Teaching. This initiative is part of an \$8.9 million, four-year funding request. In the past two years, MSU has received a total of \$2.1 million for these efforts.

Under this initiative, MSU is requesting almost \$1.3 million to hire fourteen additional faculty positions to expand its advanced degree program. The university is also requesting \$540,000 to support its doctoral program operations and for graduate student stipends. MSU is also requesting \$325,000 for ongoing technology-related costs installed in campus facilities. This funding is intended to cover training, supervision, maintenance, security, and an upgrade of various teaching technology items. The final

RM.00 - Morgan State University

component of the centers of excellence request is \$125,000 to upgrade library resources (i.e., replacing outdated books and increasing periodical subscriptions).

MSU is also requesting approximately \$413,117 to provide funding to finance the operating equipment needed for the research facility that will be completed in fiscal 2003.

The Governor's allowance also includes some Office for Civil Rights-related (OCR) funding for MSU in the Maryland Higher Education Commission's (MHEC) budget. These funds will support a best practices study and the Access and Success program. **Exhibit 3** shows the total general fund support for the university, including the Access and Success funding since fiscal 1999.

Exhibit 3

**Total State Support
Morgan State University
Fiscal 1999 through 2002
(\$ in Thousands)**

	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 01-02</u>
	<u>Actual</u>	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
General Fund Appropriation	\$38,358	\$43,459	\$47,912	\$54,620	14.0%
Access/Success Grant Funding	500	500	750 *	1,125 *	50.0%
Total	\$38,858	\$43,959	\$48,662	\$55,745	14.6%

* Access and Success funding includes general funds and Cigarette Restitution Funds.
Source: Governor's Budget Book

Tuition and Fees

MSU's tuition costs have traditionally been higher than the other historically black institutions (HBIs) in the State. For fiscal 2002, resident tuition and fees are scheduled to be \$4,508, an increase of 2.7%, and non-resident costs are scheduled to be \$10,718, an increase of 3.5%. MSU awards more in financial aid as a percentage of tuition and fee revenues than any other public institution in Maryland. For fiscal 2002, MSU has budgeted \$0.59 in financial aid for every dollar in tuition and fee revenues collected. The next highest ratio is Coppin State College which will award \$0.57 per tuition dollar.

Performance Analysis: Managing for Results

Exhibit 4 provides a sample of the university's institutional data (such as enrollment) as well as several performance indicators that measure the institution's Managing for Results (MFR) submission.

RM.00 - Morgan State University

Exhibit 4

**Program Measurement Data
Morgan State University
Fiscal Years 1998 through 2002**

	<u>Actual 1998</u>	<u>Actual 1999</u>	<u>Actual 2000</u>	<u>Est. 2001</u>	<u>Est. 2002</u>	<u>Ann. Chg. 98-00</u>	<u>Ann. Chg. 00-02</u>
FTEs	5,280	5,415	5,524	5,740	5,860	2.3%	3.0%
Total headcount	5,973	6,061	6,179	6,275	6,446	1.7%	2.1%
% Maryland resident	62	65	65	65	65	2.4%	0.0%
% Undergraduate	93	92	92	91	91	-0.5%	-0.5%
% Financial aid	71	71	71	71	71	0.0%	0.0%
% Non-African American	9	5	6	8	10	-18.4%	29.1%
Number of high ability students enrolled	n/a	571	612	625	640	n/a	2.3%
% of undergraduates receiving Pell Grant	n/a	48	44	44	44	n/a	0.0%
Number of applicants from Baltimore City high schools	n/a	955	882	1,017	1,060	n/a	9.6%
Six-year graduation rate	39%	39%*	40%	41%	42%	1.3%	2.5%
Second-year retention rate	72%	75%*	73%	74%	75%	0.7%	1.4%
Research grants	86	82	108	106	108	12.1%	0.0%
Number of doctoral degree recipients	5	5	11	15	18	48.3%	27.9%
Number of fully funded institutional doctoral graduate assistantships	0	0	20	40	60	n/a	73.2%
Total degrees awarded	763	850	828	860	880	4.2%	3.1%
Number of African American degree recipients in science, mathematics, computer science, and engineering	n/a	215	180	192	204	n/a	6.5%

*Actual data different from last year's actual data submission
Source: Governor's Budget Book

Due to the revised MFR format, some indicators from last year's submission are not included; however, most of the goals are similar to last year's version. MSU's FTE enrollment has steadily increased by a 2.3% average between fiscal 1998 and 2000. The university is projecting a slightly higher rate between fiscal 2000 and 2002.

MSU's MFR goals include educating a student body which is diverse in academic preparation, socioeconomic background, and demographic characteristics. This goal combines the university's effort to maintain its HBI mission to increase access to under-represented populations and its efforts to become a premier doctoral urban university. Under this goal, the university seeks to increase the number of high ability students enrolled from 571, or 9%, in fiscal 1999 to 20% of the student body by fiscal 2005. MSU is anticipating 640 of these students for fiscal 2002, a 2.3% increase between fiscal 2000 and 2002. The other two goals involve maintaining the percentage of undergraduate students receiving Pell Grants at 44% and increasing the non-African American enrollment of all students to 12% by fiscal 2005. The inclusion of the percentage of Pell Grant recipients underscores MSU's efforts to accept students from lower socioeconomic backgrounds.

Another goal of the university is to enrich the educational, economic, social, and cultural life of populations in urban areas; Baltimore City in particular. MSU includes the number of Baltimore City high school applicants as a measure of its objective of increasing the pool of college applicants to the university by 15% from 995 in 1999 to 1,144 in 2005.

Another notable goal of the university is directly related to its effort to move to Doctoral II status. The goal is to establish the university as one of the nation's premier moderately-sized urban doctoral-granting universities. Under this goal, the university seeks to develop centers of excellence in various academic areas. The university seeks to increase the number of doctoral degrees awarded to 25 by fiscal 2005. The university is projecting 18 in fiscal 2002. One of the conditions of attaining Doctoral II status is to produce at least ten doctorate degree recipients in three separate programs annually. MSU is requesting approximately \$2.3 million for its centers of excellence initiative in the fiscal 2002 allowance.

Issues

1. Revised Funding Guideline Proposal for University to Be Submitted

Background

MHEC adopted operating funding guidelines in September 1999 to provide the Governor and the General Assembly with a recommended funding level for each public institution except for St. Mary's College, whose funding increase is provided for in statute. To summarize, guidelines for the four-year institutions, with the exception of the University of Maryland, College Park, are based on reaching the seventy-fifth percentile of State funding per FTEs at peer institutions. Peers are “current” and are based on several variables which include size and program mix. When an institution meets or exceeds its peer institutions in performance (i.e., graduation rates, minority achievement, research funding, etc.), it may include an “aspirational” peer against which to compare performance and, more importantly, funding.

The funding guidelines methodology was developed by an inter-segmental work group. The work group developed peers for all institutions, including MSU, based on peer characteristics. However, MSU’s mission and goals to be a Research/Doctoral II university along with its dual role as a designated urban university and an HBI eliminated the current peers because of their missions and program mixes. During the past year, MSU has been working with MHEC to develop a list of peers against which to compare itself, both for funding and performance purposes.

Revised Proposal to Be Submitted to MHEC Finance Policy Committee

MHEC’s Finance Policy Committee approved MSU’s funding guideline proposal in September 2000. The proposal at that time included: six peers consisting of three Master’s I institutions and three Doctoral II institutions; funding at the seventy-fifth percentile; and a scholarship adjustment proposed by MSU. Soon after this approval by the committee, legislative concerns were raised concerning the legitimacy of using a smaller pool of peers for MSU, the inclusion of aspirational institutions, the funding level, and the financial aid adjustment.

MSU contended that the smaller pool of peers was due to the difficulty of finding institutions with similar profiles. The commission staff re-analyzed all the statistical variation data and concluded that the inclusion of aspirational Doctoral II institutions was justified due to MSU’s differences from many Master’s I institutions. The staff revised the set of peers to include eight Master’s I institutions and four Doctoral II institutions, leaving the funding at the seventy-fifth percentile.

However, the most debatable element of the proposal remains the scholarship adjustment. The university believes that such an adjustment is necessary due to it providing a substantially higher amount of institutional financial aid to its students compared to its peers. The scholarship adjustment would inflate peer institution unrestricted State and tuition revenues per FTEs by the difference between MSU’s fiscal 1997 percentage of unrestricted revenue spent on financial aid and each peer institution’s percentage of unrestricted revenue financial aid expenditures. The Secretary of Education

RM.00 - Morgan State University

has notified the President of the university of the decision to recommend to the Finance Policy Committee the revised twelve peer proposal minus the scholarship adjustment. The Secretary of Higher Education believes that the exclusion of the scholarship adjustment is warranted because the funding guidelines do not recognize a policy decision by MSU to allocate a higher percentage of its funds for scholarships than its peers. The Secretary claims that the funding guidelines would have to be significantly altered to accommodate a financial aid adjustment due to the current methodology only including peer mission, program, student characteristics, and geographical location data.

Exhibit 5 shows the fiscal 2002 funding guideline amount and peer institutions for the university based on the revised funding guideline proposal that will be recommended to the MHEC Finance Policy Committee by the Secretary of Higher Education. If the proposed scholarship adjustment was included in the revised funding guideline proposal, MSU's fiscal 2002 funding guideline would be \$54,064,947. This adjustment would make the university's fiscal 2002 allowance 101% of the proposed guideline.

Exhibit 5

**Proposed Fiscal 2002 Funding Guideline Amount
and Funding Peers
Morgan State University**

<u>FY 2001 Appropriation</u>	<u>Proposed FY 2002 Funding Guideline</u>	<u>FY 2002 Allowance</u>	<u>Allowance Percentage of Proposed Guideline</u>
\$47,911,951	\$50,852,089	\$54,619,624	107%

Funding Peers - - Masters's I Institutions:

Jackson State University
CUNY City College
College of New Jersey
North Carolina A&T State University
Florida A&M University
Oakland University
Texas A&M University, Kingsville
University of Massachusetts, Dartmouth

Funding Peers - - Doctoral II Institutions:

Tennessee State University
Michigan Technology University
University of Alabama, Huntsville
University of Massachusetts, Lowell

Source: MHEC, Morgan State University

It is recommended that the President discuss with the committees MSU's response to MHEC's most recent funding guideline proposal for the university, which does not include a scholarship adjustment.

2. Office for Civil Rights Partnership Agreement Commitments

In December, the Maryland Higher Education Commission signed an agreement with the U.S. Education Department's OCR to remove the remaining vestiges of segregation from the State's public universities. The agreement includes proposals in nine general areas to bolster the four public HBI's and to improve university opportunities for African American students. The agreement is set to end in 2005. The full budgetary impact of the agreement is not known.

The ninth commitment of the agreement provides for the State to design measures which ensure that HBIs are comparable and competitive with the State's traditionally white institutions in all facets of their operations and programs before the expiration of the agreement. Under this commitment area, the State agrees to enhance MSU and the other HBIs in the areas of admissions management, administration of student financial aid, and public and governmental relations. The State has also committed to raise the match for the private donation incentive program to a \$2 State match for every \$1 raised by the historically black university up to a certain level for the next five years.

The fiscal 2002 allowance includes two enhancements directly related to the OCR Partnership Agreement which impact MSU. Both enhancements are funded through MHEC. The first OCR-related enhancement is funding for MHEC to complete a best practices study at the university. MHEC has received \$250,000 in the allowance to conduct this study and to conduct best practice studies at the other HBIs in the State.

The second OCR-related budget change is an increase in funding for the Access and Success program. This is a multi-year grant program funded through MHEC for the State's four HBIs. The fiscal 2002 allowance increases the program by \$1.5 million for the four HBIs. MSU has used these funds to expand its tutoring programs, enhance educational programs in residence halls, strengthen student advising, and monitor student progress. MSU has also used these funds to provide the Summer Bridge Program, which provides educational and counseling for at-risk prospective students. The university will receive approximately \$1.125 million for its program in fiscal 2002, an increase of \$375,000. **The President should brief the committees on how the university will be involved in the best practices study and the current status of its OCR enhancement plans. The President should also discuss the estimated impact of the OCR enhancements on the university's proposed funding guideline.**

3. MSU Response to *Fisher Report*

During the 2000 legislative session the General Assembly added language to the Budget Bill requiring the Board of Regents of the university to develop a strategic action plan based on recommendations made

RM.00 - Morgan State University

in an independent review of operations by James L. Fisher, LTD. The strategic plan was charged to address the several areas including: (1) academic programs; (2) faculty; (3) student services; (4) financial aid; (5) budget requirements; (6) financial management; (7) private support and outside grants; (8) governance and administration; and (9) other issues in the *Fisher Report* that MSU agrees with and finds feasible. The impetus of this request was MSU's inclusion of Doctoral II level institutions in its selection of peers for the funding guidelines.

The General Assembly also requested that MSU's strategic action plan establish timetables and benchmarks of implementation; identify the party responsible for implementing each of the elements of the report adopted by MSU; and any recommendations in the report that the university does not plan to implement. The *Fisher Report* included 36 recommendations and various comments. Although the university agreed or concurred with many of the recommendations, its strategic action plan only contained a few timetables and benchmarks related to the implementation of the recommended actions. The university indicates that it has already implemented some of the recommendations and plans to implement additional recommendations in fiscal 2002.

Actions that the university has already begun to implement include: (1) developing the graduate mission in a way that improves the university's undergraduate programs and its ability to carry out a public service mission; (2) reducing reliance on contractual faculty; (3) giving high priority to addressing Title IX concerns in the athletics program; (4) increasing on-campus recreational and cultural opportunities; (5) providing international students with improved services; (6) continuing to give priority to increasing graduation rates; (7) improving financial aid administration; (8) ensuring that campus financial and management efficiencies are adequate; (9) creating closer ties to the non-minority business community; (10) improving the public relations activities of the campus; (11) meeting with the staff of *The Sun*; (12) continuing to develop its fund-raising activities; (13) continuing to develop the databases used for fund-raising; (14) increasing the university's visibility with foundations; (15) adding fund-raising staff; (16) strengthening the Morgan Foundation's Board of Directors; and (17) considering whether the Board of Regents should establish a fund-raising committee.

MSU indicates that it plans to implement several recommended actions in fiscal 2002 including: (1) developing a database of the very best urban universities to use for comparative analysis; (2) developing the capacity to offer distance education courses; (3) increasing reliance on State support for graduate programs and correspondingly reducing the reliance on federal Title III funds; (4) studying the development of information technology (IT) non-credit certificate programs; (5) considering the revision of general education requirements; (6) increasing the number of community college transfer students enrolling on campus; (7) conducting an annual survey of student opinion; (8) adding computer staff, replacing IT equipment on a regular basis, and updating the campus network; (9) identifying future funding sources for using merit and market forces to establish faculty pay; (10) increasing the size of the State's need-based student financial aid program; and (11) increasing funding for equipping buildings. **The Department of Legislative Services recommends that the President should brief the committees on the university's strategic plan of action in response to the *Fisher Report*, including all applicable timetables and benchmarks established for the implementation of the recommendations.**

4. MSU Teacher Shortage Strategies

The projected teacher shortage in the State of Maryland continues to be a great concern to many stakeholders within grades K-12, higher education, and the General Assembly. The main concern involves what the State is doing to prepare for this anticipated crisis and how such efforts will be measured to ensure that the goal of increasing the number of certified teachers in shortage areas around the State is attained. MSU, due to its urban location and mission, will have a major role in developing activities in response to this issue.

The university has participated in several activities geared at increasing the number of teacher prospects. They include offering pre-college programs for students enrolled in the Baltimore City school system and surrounding counties and encouraging participants to enroll in the education program at the university. MSU is also collaborating with Johns Hopkins University, the University of Maryland Baltimore County, and the Baltimore City school system to support pre-service and in-service teachers. MSU also has professional development school partnerships with four schools in the Baltimore metropolitan area. In fiscal 2000, the university graduated 107 education majors, including 21 at the masters level and 10 at the doctoral level. **The President should discuss the effectiveness of the university's teacher education programs in confronting the anticipated teacher shortage.**

Recommended Actions

	<u>Amount Reduction</u>	
1. Reduce general funds to Morgan State University for the centers of excellence initiative to bring the university closer to the proposed fiscal 2002 operating funding guideline. The allocation of the reduction shall be determined by the university.	\$ 842,728	UF
2. Delete general funds to Morgan State University for the research facility operating equipment to bring the university closer to the proposed fiscal 2002 operating funding guideline. The estimated completion date for this facility is January 2003.	413,117	UF
Total Unrestricted Fund Reductions	\$ 1,255,845	

Current and Prior Year Budgets

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

	<u>General Fund</u>	<u>Other Unrestricted Fund</u>	<u>Total Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Total</u>
Fiscal 2000					
Legislative Appropriation	\$43,324	\$48,625	\$91,949	\$25,164	\$117,113
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	135	6,866	7,001	0	7,001
Reversions and Cancellations	0	(6,078)	(6,078)	(16)	(6,094)
Actual Expenditures	\$43,459	\$49,413	\$92,872	\$25,148	\$118,020
Fiscal 2001					
Legislative Appropriation	\$47,912	\$55,287	\$103,199	\$26,277	\$129,476
Budget Amendments	0	3,326	3,326	0	3,326
Working Appropriation	\$47,912	\$58,613	\$106,525	\$26,277	\$132,802

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

Explanation of Fiscal 2000 Budget Amendments and Cancellations

The fiscal 2000 budget amendments include a \$990,000 increase in unrestricted funds due to an increase in tuition and fee revenues and federal indirect cost recoveries. Another amendment increased unrestricted funds by \$5.8 million to provide \$2 million for the renovation of a residence hall and to provide funding for various expenditures that were encumbered and accrued in fiscal 1999 on MSU's Financial Record System but were not recorded in the statewide financial system. The \$6.1 million cancellation was due to the Department of Budget and Management giving MSU the option of amending the subsequent year's appropriation and temporarily carrying forward funds as part of the fiscal 2000 closing.

Explanation of Fiscal 2001 Budget Amendments

The fiscal 2001 budget amendment increased MSU's unrestricted appropriation by \$3.3 million. The MSU encumbered the funds in fiscal 2000 to pay miscellaneous contractual obligations.

Object/Fund Difference Report
Morgan State University

<u>Object/Fund</u>	FY00	FY01	FY02	FY01 - FY02	Percent <u>Change</u>
	<u>Actual</u>	<u>Working Appropriation</u>	<u>Allowance</u>	<u>Amount Change</u>	
Positions					
01 Regular	881.00	926.00	957.00	31.00	3.3%
02 Contractual	405.00	384.00	364.00	(20.00)	(5.2%)
Total Positions	1286.00	1310.00	1321.00	11.00	0.8%
Objects					
01 Salaries and Wages	\$ 46,226,883	\$ 52,754,733	\$ 58,600,585	\$ 5,845,852	11.1%
02 Technical & Spec Fees	17,532,229	15,109,443	16,662,373	1,552,930	10.3%
03 Communication	2,003,188	1,365,869	1,707,240	341,371	25.0%
04 Travel	1,409,443	1,197,372	1,402,752	205,380	17.2%
06 Fuel & Utilities	2,705,162	2,626,521	2,890,124	263,603	10.0%
07 Motor Vehicles	460,277	436,212	391,178	(45,034)	(10.3%)
08 Contractual Services	12,673,587	18,167,879	15,962,455	(2,205,424)	(12.1%)
09 Supplies & Materials	5,534,902	5,375,228	6,330,115	954,887	17.8%
10 Equip - Replacement	387,050	653,372	370,455	(282,917)	(43.3%)
11 Equip - Additional	4,068,521	7,416,320	6,024,929	(1,391,391)	(18.8%)
12 Grants, Subsidies, Contr	18,382,329	18,784,030	21,531,781	2,747,751	14.6%
13 Fixed Charges	3,652,293	6,006,036	6,371,553	365,517	6.1%
14 Land & Structures	2,984,343	2,909,191	2,053,825	(855,366)	(29.4%)
Total Objects	\$ 118,020,207	\$ 132,802,206	\$ 140,299,365	\$ 7,497,159	5.6%
Funds					
40 Unrestricted Fund	\$ 92,871,748	\$ 106,525,114	\$ 113,113,990	\$ 6,588,876	6.2%
43 Restricted Fund	25,148,459	26,277,092	27,185,375	908,283	3.5%
Total Funds	\$ 118,020,207	\$ 132,802,206	\$ 140,299,365	\$ 7,497,159	5.6%

Note: Full-time and contractual positions and salaries are reflected for operating budget programs only.

Fiscal Summary
Morgan State University

<u>Unit/Program</u>	FY00	FY01	FY01	FY00 - FY01	FY02	FY01 - FY02
	<u>Actual</u>	<u>Legislative Appropriation</u>	<u>Working Appropriation</u>	<u>% Change</u>	<u>Allowance</u>	<u>% Change</u>
01 Instruction	\$ 27,423,766	\$ 33,113,038	\$ 33,465,693	22.0%	\$ 37,512,101	12.1%
02 Research	18,667,843	20,058,936	20,505,937	9.8%	20,106,513	(1.9%)
03 Public Service	59,020	108,611	112,905	91.3%	108,615	(3.8%)
04 Academic Support	7,558,688	9,391,514	9,731,894	28.8%	9,958,463	2.3%
05 Student Services	4,376,203	3,732,742	3,819,947	(12.7%)	4,356,532	14.0%
06 Institutional Support	15,815,421	14,531,282	15,661,443	(1.0%)	15,871,516	1.3%
07 Operation And Maintenance Of Plant	11,191,624	11,126,599	12,091,184	8.0%	11,631,491	(3.8%)
08 Auxiliary Enterprise	17,065,791	20,348,008	20,348,008	19.2%	21,938,506	7.8%
17 Scholarships And Fellowships	15,861,851	17,065,195	17,065,195	7.6%	18,815,628	10.3%
Total Expenditures	\$ 118,020,207	\$ 129,475,925	\$ 132,802,206	12.5%	\$ 140,299,365	5.6%
Unrestricted Fund	\$ 92,871,748	\$ 103,198,833	\$ 106,525,114	14.7%	\$ 113,113,990	6.2%
Restricted Fund	25,148,459	26,277,092	26,277,092	4.5%	27,185,375	3.5%
Total Appropriations	\$ 118,020,207	\$ 129,475,925	\$ 132,802,206	12.5%	\$ 140,299,365	5.6%

18