

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

***Operating Budget Data***

(\$ in Thousands)

	<u>FY 13 Actual</u>	<u>FY 14 Working</u>	<u>FY 15 Allowance</u>	<u>FY 14-15 Change</u>	<u>% Change Prior Year</u>
General Funds	\$67,684	\$76,671	\$81,298	\$4,628	6.0%
Contingent & Back of Bill Reductions	0	-1,634	-607	1,027	
<b>Adjusted General Fund</b>	<b>\$67,684</b>	<b>\$75,037</b>	<b>\$80,691</b>	<b>\$5,654</b>	<b>7.5%</b>
Special Funds	6,314	5,540	4,308	-1,232	-22.2%
<b>Adjusted Special Fund</b>	<b>\$6,314</b>	<b>\$5,540</b>	<b>\$4,308</b>	<b>-\$1,232</b>	<b>-22.2%</b>
Other Unrestricted Funds	91,503	90,436	91,055	619	0.7%
<b>Adjusted Other Unrestricted Fund</b>	<b>\$91,503</b>	<b>\$90,436</b>	<b>\$91,055</b>	<b>\$619</b>	<b>0.7%</b>
Total Unrestricted Funds	165,502	172,647	176,661	4,014	2.3%
Contingent & Back of Bill Reductions	0	-1,634	-607	1,027	
<b>Adjusted Total Unrestricted Funds</b>	<b>\$165,502</b>	<b>\$171,013</b>	<b>\$176,054</b>	<b>\$5,041</b>	<b>2.9%</b>
Restricted Funds	45,839	45,869	46,571	702	1.5%
<b>Adjusted Restricted Fund</b>	<b>\$45,839</b>	<b>\$45,869</b>	<b>\$46,571</b>	<b>\$702</b>	<b>1.5%</b>
<b>Adjusted Grand Total</b>	<b>\$211,340</b>	<b>\$216,882</b>	<b>\$222,625</b>	<b>\$5,743</b>	<b>2.6%</b>

- General funds increase \$5.7 million, or 7.5%, in fiscal 2015 after adjusting for \$1.6 million in withdrawn appropriations in fiscal 2014 and \$0.6 million in back of the bill reductions in fiscal 2015.
- The Higher Education Investment Fund (HEIF) decreases 22.2%, or \$1.2 million, due to using the entire HEIF fund balance in fiscal 2014 and lower HEIF revenues. The overall growth in State funds is 5.5%, or \$4.4 million, above fiscal 2014.

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

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## ***Personnel Data***

	<b><u>FY 13 Actual</u></b>	<b><u>FY 14 Working</u></b>	<b><u>FY 15 Allowance</u></b>	<b><u>FY 14-15 Change</u></b>
Regular Positions	1,107.00	1,152.00	1,152.00	0.00
Contractual FTEs	<u>525.00</u>	<u>471.00</u>	<u>471.00</u>	<u>0.00</u>
<b>Total Personnel</b>	<b>1,632.00</b>	<b>1,623.00</b>	<b>1,623.00</b>	<b>0.00</b>

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

Turnover and Necessary Vacancies, Excluding New Positions	59.33	5.15%
Positions and Percentage Vacant as of 12/31/13	125.38	10.90%

- The allowance does not provide for any new regular positions.

## ***Analysis in Brief***

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### **Major Trends**

***Undergraduate Enrollment:*** Undergraduate enrollment declined 5.1% to 6,252 in fiscal 2013 with enrollment of first-time, full-time students falling 14.6%.

***Student Performance:*** After increasing by 4.8 percentage points to 72.3%, the second-year retention rate slightly declined to 71.7% with the 2011 cohort. The six-year graduation rate remained at 30.7% with the 2006 cohort, while the transfer student four-year graduation rate increased 7.2 percentage points to 52.8% for the 2008 cohort.

***Degree Production Efficiency:*** After reaching a high of 15.3 undergraduate degrees per 100 full-time equivalent students in fiscal 2009, the ratio dropped to 12.5 degrees in fiscal 2011. Since fiscal 2006, education and related expenditures per degree increased \$11,846 to its highest level of \$100,541 in fiscal 2011 while that of its peers averaged \$66,021 per degree.

***Research Expenditures and Earned Doctorates:*** Since fiscal 2007, federal research and development expenditures grew from \$10.0 million to \$15.4 million. The number of earned doctorates declined from a high of 42 in fiscal 2008 to 25 in 2011 due to a drop in the number of doctorates in education.

### **Issues**

***Meeting College Expenses:*** Since fiscal 2008, need-based aid, on average, comprised 53.2% of the total amount spent on institutional aid. The fiscal 2014 budget included an additional \$738,000 to increase institutional need-based financial aid above the fiscal 2013 level. However, \$300,000 of these funds are going toward covering institutional operating costs.

***Conversions of Contractual Positions:*** The fiscal 2014 budget included \$2.2 million of State funds to convert contractual positions to regular positions and add regular faculty positions. Fifteen staff and 8 of 30 faculty positions have been converted.

***Athletic Fee on the Rise:*** Over the past 10 years, tuition increased 37.2% while the athletic fee grew 89.8%, resulting in Morgan State University consistently having the highest athletic fee of all Maryland Division I institutions. This raises concerns about placing the financial burden of supporting the athletic program on the students, considering that 57.0% of the students receive a Pell award.

## **Recommended Actions**

1. Add language to reduce general funds by the amount of the tuition portion of the cost-of-living adjustment annualization.
2. Add language to reduce general funds by the amount not spent on need-based aid.
3. Adopt narrative requesting a report on the financial sustainability of the Intercollegiate Athletic Program.

**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 MSU's goals 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 2013 Undergraduate Enrollment Headcount**

Male	2,785
Female	3,467
<b>Total</b>	<b>6,252</b>

**Fall 2013 Graduate Enrollment Headcount**

Male	533
Female	761
<b>Total</b>	<b>1,294</b>

**Fall 2013 New Students Headcount**

First-time	899
Transfers/Others	441
Graduate	301
<b>Total</b>	<b>1,641</b>

**Campus (Main Campus)**

Acres	176
Buildings	57
Average Age	31 years
Oldest	Carnegie Hall – 1919

**Programs**

Bachelor's	45
Master's	35
Doctoral	16

**Degrees Awarded (2012-2013)**

Bachelor's	981
Master's	266
Doctoral	33
<b>Total Degrees</b>	<b>1,280</b>

**Proposed Fiscal 2015 In-state Tuition and Fees\***

Undergraduate Tuition	\$4,960
Mandatory Fees	\$2,462

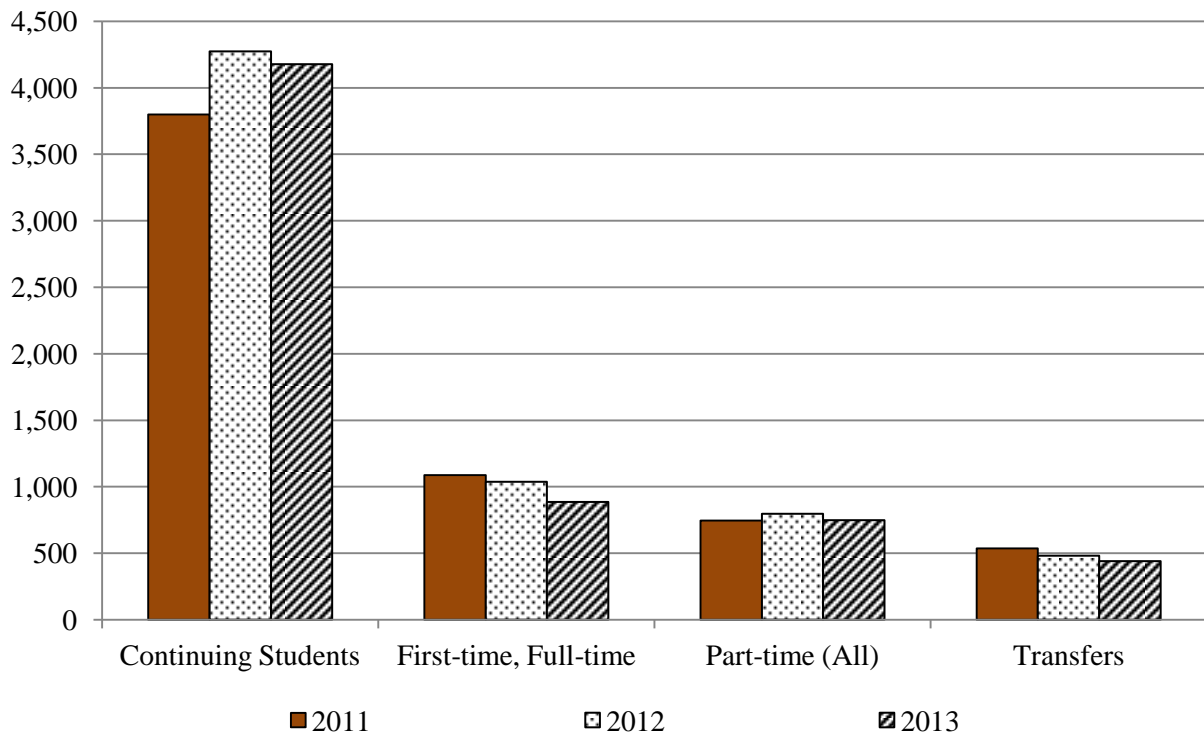
\*Contingent on Board of Regents approval.

## Performance Analysis

### 1. Undergraduate Enrollment

Overall, undergraduate enrollment declined by 5.1% to 6,252 in fall 2013. Declines occurred in all categories of students, as shown in **Exhibit 1**, with first-time, full-time (FT/FT) students declining 14.6%. In fall 2012, the number of continuing students increased 12.5% indicating retention efforts implemented in 2010 have proven to be successful and ultimately will translate into an increase in the number of degrees awarded.

**Exhibit 1**  
**Undergraduate Enrollment**  
**Fall 2011-2013**

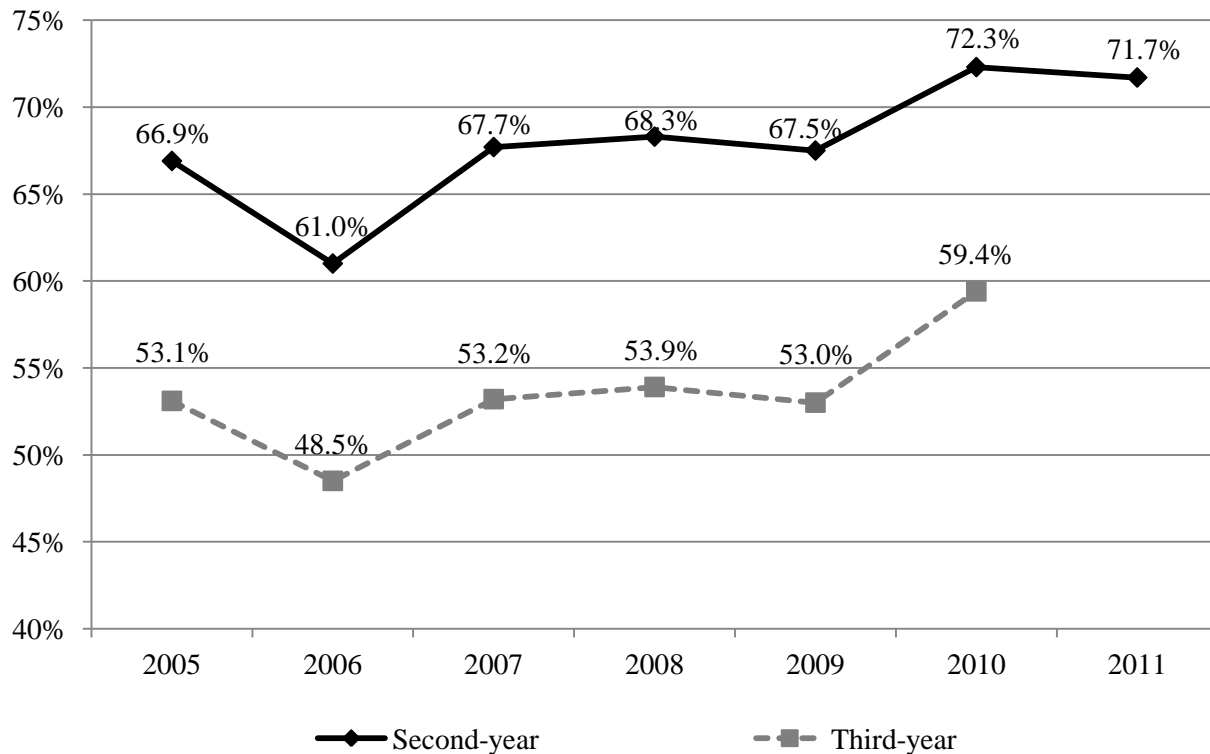


Source: Morgan State University

## 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. After remaining fairly stable for three years, the second-year rate increased 4.8 percentage points to 72.3% with the 2010 cohort, as shown in **Exhibit 2**. MSU attributes this to a variety of new initiatives implemented in fall 2010, such as block scheduling and a financial literacy campaign. The rate slightly declined to 71.7% with the 2011 cohort. The third-year retention rate increased from 53.0% with the 2009 cohort to 59.4% with the 2010 cohort, the highest since the 1999 cohort. This increase is expected since the third-year rate generally mirrors the second-year rate.

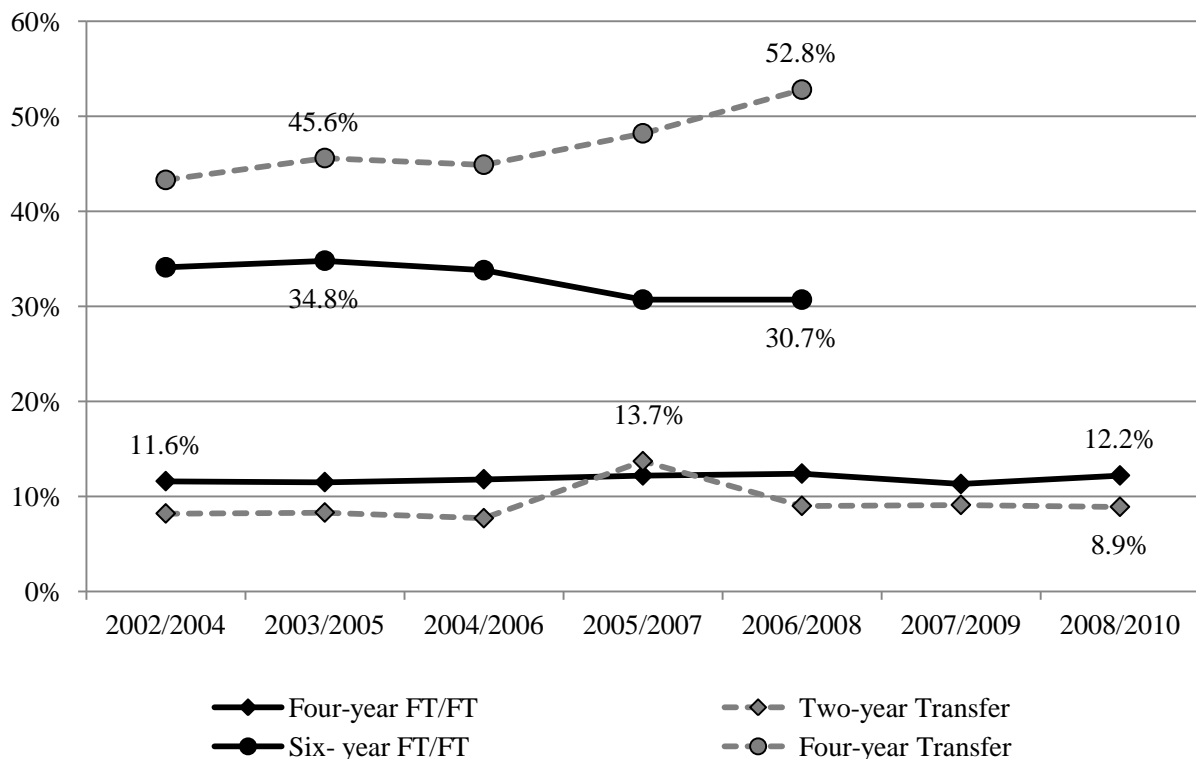
**Exhibit 2**  
**Second- and Third-year Retention Rates**  
 2005-2011 First-time, Full-time Cohorts



Source: Maryland Higher Education Commission

Graduation rates are another measure of student persistence and efficiency – as more students graduate, it “frees up” more room allowing an institution to enroll more students. **Exhibit 3** shows the four- and six-year graduation rates for FT/FT and the equivalent rate for Maryland community college transfer students: the two- and four-year graduation rates. Overall, the FT/FT four-year rate remains fairly stable at around 12.0%, with these students graduating at a slightly higher rate than transfer students. However, the FT/FT six-year rate declined 4.1 percentage points from a high point of 34.8% with the 2003 cohort to 30.7% with the 2006 cohort. During this same period, the transfer four-year rate increased 7.2 percentage points from 45.6% with the 2005 cohort to 52.8% with the 2008 cohort, showing MSU is better at graduating transfer students than its “native” students.

**Exhibit 3**  
**Graduation Rate of First-time, Full-time and**  
**Community College Transfer Students**  
**2002-2010 Cohorts**



FT/FT: first-time, full-time

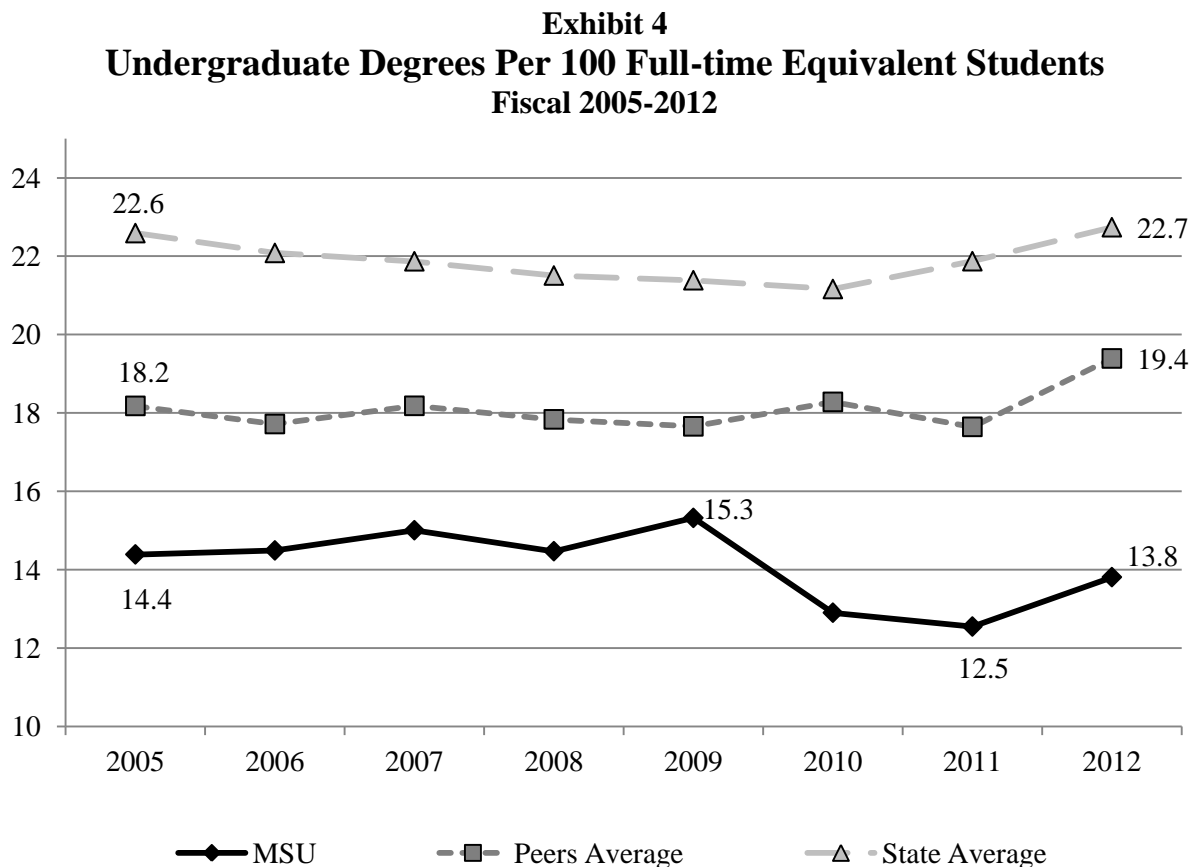
Note: The graduation rates for the FT/FT cohort include those graduated from the institution or those that transferred and graduated from any Maryland four-year institution. The rates for the Maryland community college transfer reflect students that graduated from the institution.

Source: Maryland Higher Education Commission



### 3. Degree Production Efficiency

How well an institution meets its mission is ultimately measured by the number of undergraduate degrees awarded. Trends in the number of undergraduate degrees awarded per 100 undergraduate full-time equivalent students (FTES) shows if an institution is being more or less productive in graduating students. **Exhibit 4** compares MSU's ratio to the average of its peers and the State's public four-year institutions. Peer institutions are those similar to MSU on a variety of characteristics and are used as a basis to assess MSU's performance and provide a funding standard. Overall, MSU's degrees per FTES consistently fall below the averages of its peers and the State. After reaching its highest level of 15.3 degrees in fiscal 2009, the ratio dropped to 12.9 degrees in fiscal 2010. This can be attributed to a decline in the number of undergraduate degrees awarded coinciding with an increase in enrollment. After reaching a low point of 12.5 in fiscal 2011, degree production rebounded to 13.8 degrees in fiscal 2012.

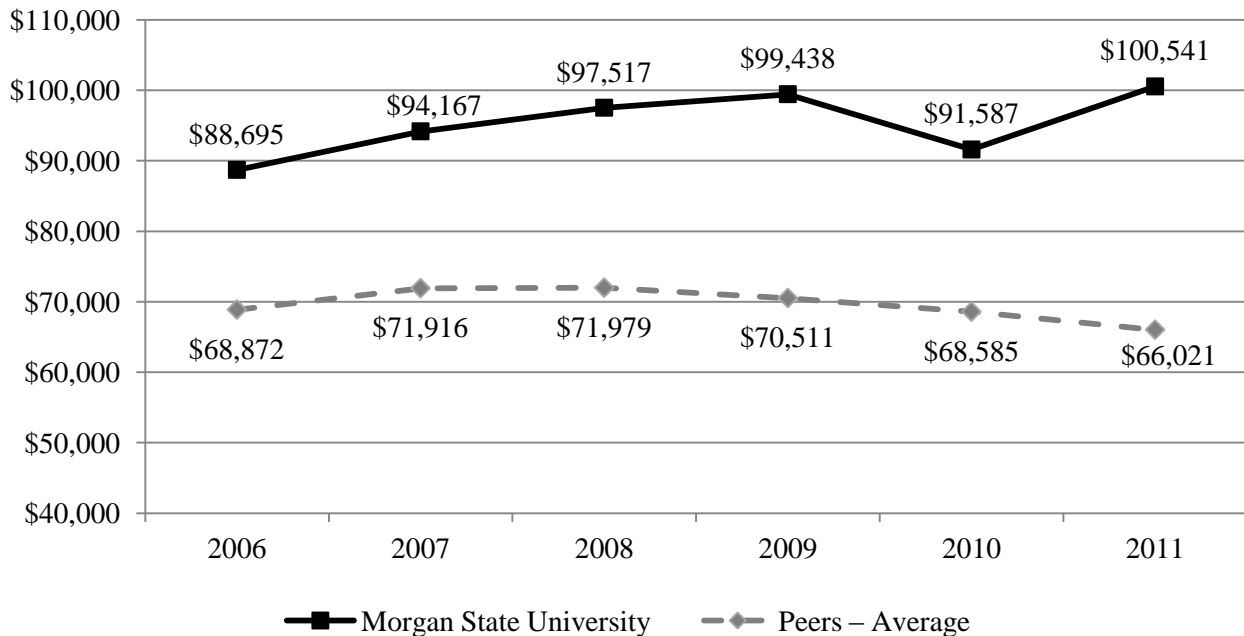


MSU: Morgan State University

Source: Integrated Postsecondary Education System; Department of Legislative Services

Education and related (E&R) expenditures per degree is another means to measure the performance of an institution. The measure shows if an institution is becoming more or less productive in using its resources to produce degrees over time. Since spending per degree would be similar among those institutions that have comparable spending and enrollment patterns, MSU's E&R expenditures are compared to the mean of its funding peers. As shown in **Exhibit 5**, since fiscal 2006, MSU expenditures per degree increased \$11,846 to its highest level of \$100,541 in fiscal 2011 while that of its peers fell to \$66,021 per degree. The cost per degree at MSU exceeds that of its peers by \$34,520.

**Exhibit 5**  
**Education and Related Expenditures Per Degree Completed**  
**Fiscal 2006-2011**



E&R: education and related  
HEPI: Higher Education Price Index

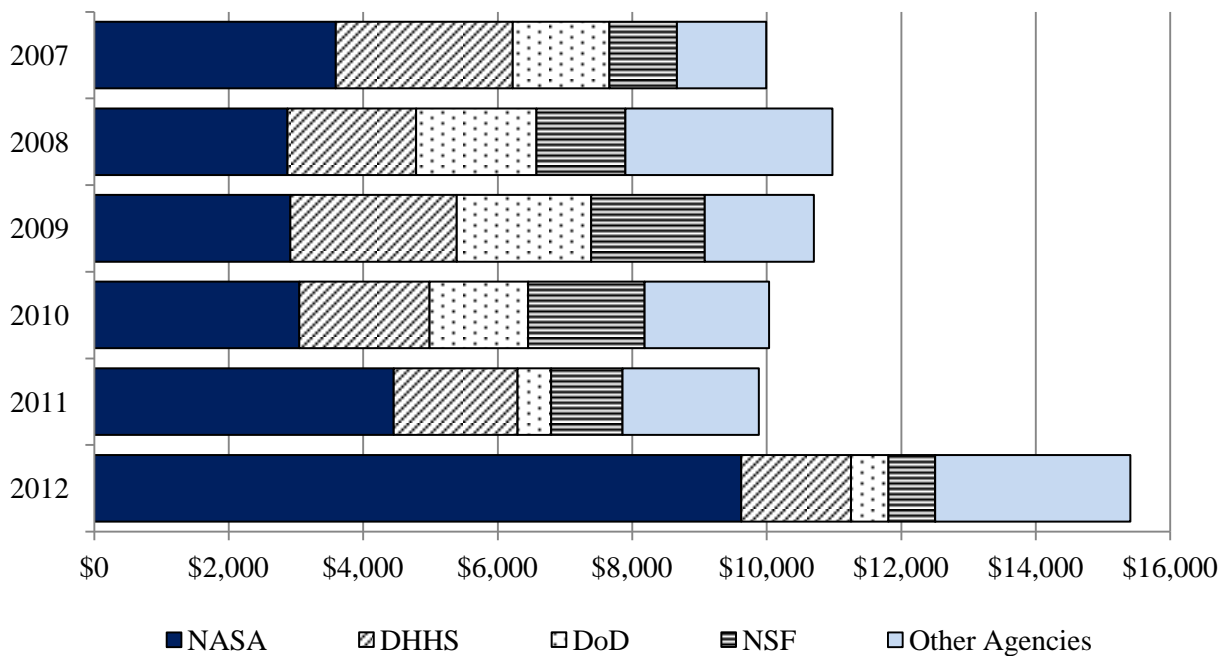
Note: E&R includes direct spending on instruction, student services, and education share of spending on academic and institutional support and operations and maintenance. All dollar amounts are reported in 2010 dollars (HEPI adjusted).

Source: Delta Project, Trends in College Spending Online; Department of Legislative Services

#### 4. Research Expenditures and Earned Doctorates

A goal of MSU's strategic plan is to enhance its status as a doctoral research university with an objective of increasing grants and contract funding. This not only serves to measure productivity but the capacity to pursue research that attracts and retains faculty. In fiscal 2012, federal research and development (R&D) expenditures increased by \$5.5 million due to a \$28.5 million, five-year grant from the National Aeronautics and Space Administration, as shown in **Exhibit 6**. Overall, since fiscal 2007, federal R&D expenditures have grown from \$10.0 million to \$15.4 million.

**Exhibit 6**  
**Total Federal Research and Development Expenditures**  
**Fiscal 2007-2012**  
**(\$ in Thousands)**



DHHS: Department of Health and Human Services

DoD: Department of Defense

NASA: National Aeronautics and Space Administration

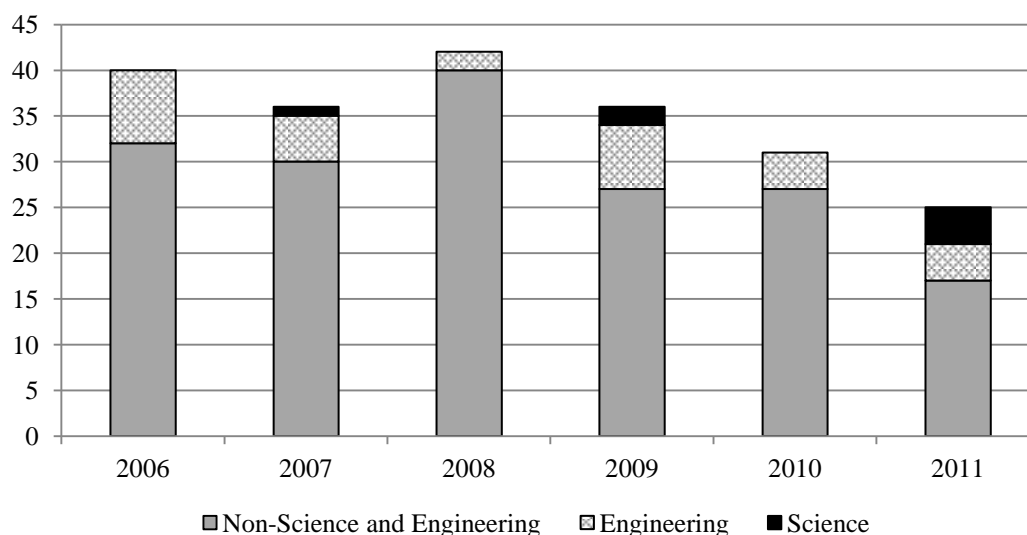
NSF: National Science Foundation

Source: National Science Foundation, National Center for Science and Engineering Statistics, Higher Education R&D Survey

Another component of MSU’s research goal is to award at least 20 research doctorates annually. Overall, the number of earned doctorates declined from a high of 42 in 2008 to 25 in 2011, as shown in **Exhibit 7**. This is due to a drop in the number of non-science degrees from 40 in 2008 to 17 in 2011, which can be attributed to the number of education doctorates falling from a high of 35 in fiscal 2008 to 1 in fiscal 2011.

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**Exhibit 7**  
**Earned Doctorate Degrees**  
**2006-2011**



Source: National Science Foundation, National Center for Science and Engineering Statistics, Survey of Earned Doctorates

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## **Fiscal 2014 Actions**

### **Cost Containment**

There are three across-the-board withdrawn appropriations which total \$1.6 million. This includes reductions to employee/retiree health insurance, funding for a new Statewide Personnel information technology (IT) system, and retirement reinvestment which totals \$1.6 million. These actions are fully explained in the analyses of the Department of Budget and Management (DBM) – Personnel, the Department of Information Technology, and the State Retirement Agency (SRA), respectively.

Due to the underattainment of Higher Education Investment Funds (HEIF) in fiscal 2013 and the revenue write-down by the Board of Revenue Estimates, MSU may have to reduce its fiscal 2014

appropriation by \$0.8 million. This is due to the fiscal 2014 HEIF appropriation, including carryover of revenues from fiscal 2012 and 2013, resulting in the depletion of the HEIF fund balance. A lower carryover balance due to the underattainment of fiscal 2013 revenues, coupled with the write-down of the fiscal 2014 revenues, may result in an overall \$12.0 million reduction in the HEIF appropriation. MSU plans to use the fund balance to cover the potential budget shortfall. After the transfer, MSU's fund balance (State and non-State supported) will total \$22.3 million.

## Proposed Budget

As shown in **Exhibit 8**, the general fund allowance for fiscal 2015 is 7.5%, or \$5.7 million, higher than fiscal 2014 after including the fiscal 2014 cost containment actions and adjusting for across-the-board reductions in the Governor's spending plan for the fiscal 2015 allowance, affecting funding for employee/retiree health insurance and retirement reinvestment. These actions are fully explained in the analyses of DBM – Personnel and SRA. The increase in the general fund allowance is partially offset by a \$1.2 million, or 22.2%, decline in the HEIF related to the use of the HEIF fund balance coupled with the underattainment of revenues in fiscal 2014. State funds totaling \$85.0 million grow 5.5%, or \$4.4 million, over fiscal 2014.

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**Exhibit 8**  
**Proposed Budget**  
**Morgan State University**  
(\$ in Thousands)

	<b><u>FY 2013</u></b> <b><u>Actual</u></b>	<b><u>FY 2014</u></b> <b><u>Adjusted</u></b>	<b><u>FY 2015</u></b> <b><u>Adjusted</u></b>	<b><u>FY 2014-15</u></b> <b><u>Change</u></b>	<b><u>% Change</u></b> <b><u>Prior Year</u></b>
General Funds	\$67,684	\$75,037	\$80,691	\$5,654	7.5%
Higher Education Investment Fund	3,223	5,540	4,308	-1,232	-22.2%
BRF	3,091	0	0	0	0.0%
<b>Total State Funds</b>	<b>\$73,998</b>	<b>\$80,577</b>	<b>\$84,999</b>	<b>\$4,422</b>	<b>5.5%</b>
Other Unrestricted Funds	91,503	90,436	91,055	619	0.7%
<b>Total Unrestricted Funds</b>	<b>\$165,502</b>	<b>\$171,013</b>	<b>\$176,054</b>	<b>\$5,041</b>	<b>2.9%</b>
Restricted Funds	45,839	45,869	46,571	702	1.5%
<b>Total Funds</b>	<b>\$211,340</b>	<b>\$216,882</b>	<b>\$222,625</b>	<b>\$5,743</b>	<b>2.6%</b>

BRF: Budget Restoration Fund

Note: Fiscal 2014 general funds are adjusted by \$1.6 million to reflect cost containment actions. Fiscal 2015 general funds reflect \$0.6 million in across-the-board reductions. Numbers may not sum to total due to rounding.

Source: Governor's Budget Books, Fiscal 2015; Department of Legislative Services

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For the fifth consecutive year, the Governor's allowance assumes a 3% increase in resident tuition. The allowance provides \$0.4 million to hold tuition increases to this level. In regard to personnel expenses, the allowance provides \$2.3 million for the annualization of the fiscal 2014 merit increase and cost-of-living adjustment (COLA) and \$0.9 million for merit increases in fiscal 2015. Funds for a 2% COLA, effective January 1, 2015, are included in DBM's budget. The fiscal 2015 COLA totals \$1.0 million, of which the State-supported portion is \$0.8 million. The remaining \$0.2 million is to be funded from auxiliary revenues and grants and contracts.

The allowance includes \$1.1 million in general funds to annualize the fiscal 2014 COLA, the same amount as provided to implement it on January 1, 2014. The general funds for COLAs are budgeted in DBM's budget and are not transferred to State agencies' budgets until after the budget is passed by the General Assembly; therefore, it was not part of MSU's budget request. Since funds for COLAs are approved late in the budget process, tuition revenue is not available to fund any portion of the COLA due to tuition decisions having already been made and the revenues budgeted to fund other current services. DBM has provided full State funding for COLAs for those positions supported with State funds and tuition revenues. This method has also been applied to funding the annualization of the 2014 COLA, with the full amount being covered with general funds. However, since the annualization of the fiscal 2014 COLA was a known expenditure when the fiscal 2015 budget was being prepared by MSU, a portion of tuition revenues should be budgeted for this expense. **Therefore, the Department of Legislative Services (DLS) recommends reducing MSU's general funds by \$326,000 to reflect the tuition revenue portion of the fiscal 2014 annualized COLA.** This amount was calculated by determining the tuition and fee revenue portion of the total current unrestricted revenues and applying the ratio to the \$1.1 million.

Other unrestricted funds increase 0.7%, or \$0.6 million, due to tuition and fees growing \$0.7 million, which is partially offset by a decline in other sources of revenue.

### **Current Services Costs**

Overall, MSU's State-supported current services cost (CSC) are estimated to increase \$4.7 million, after adjusting for the across-the-board reductions, as shown in **Exhibit 9**. These costs are typically funded with unrestricted revenues (*e.g.*, general funds, the HEIF, and tuition and fee revenues). Personnel expenditures including annualization of the fiscal 2014 merit and COLA, as well as the fiscal 2015 merit, account for 67.6%, or \$3.2 million, of the increase in CSC.

When accounting for the fiscal 2015 COLA, expenditures increase \$5.5 million, as shown in **Exhibit 10**. On the revenue side, new State funds total \$5.2 million, with \$0.8 million related to the general fund portion of the COLA included in DBM's budget. Other new revenues include \$0.7 million in new tuition and fee revenues. Overall, there is \$0.4 million to fund new programs or initiatives.

**Exhibit 9**  
**Morgan State University**  
**Increase in Current Service Costs**  
**Fiscal 2015**

	<u><b>Amount</b></u>
Health insurance, retirement	\$1,441,194
Annualization of fiscal 2014 Merit	1,248,664
Annualization of fiscal 2014 COLA	1,061,226
Fiscal 2015 Merit	850,000
Library	255,000
Lillie Carroll Jackson Museum	200,000
Workers' Compensation	142,236
General Operations	83,098
 <b>Total Current Service Costs</b>	 <b>\$5,281,418</b>
 <b>Across-the-board Adjustments</b>	
Pension	-219,929
Health Insurance	-387,521
 <b>Total Current Service Costs</b>	 <b>\$4,673,968</b>

COLA: cost-of-living adjustment

Source: Department of Budget and Management; Morgan State University; Department of Legislative Services

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**Exhibit 10**  
**MSU State Supported Revenues Available for Program Enhancements**  
**Fiscal 2015**

	<u><b>\$ Amount</b></u>
<b>Expenditures</b>	
Current Services Cost Increase <sup>1</sup>	\$4,673,968
Employee Cost-of-living Adjustment (COLA)	793,775
<b>Total Expenditures</b>	<b>\$5,467,743</b>
<b>Revenues</b>	
General Funds and HEIF	
New General Funds and HEIF <sup>1</sup>	\$4,421,962
COLA Funds Received through DBM Budget	793,775
Total New State Funds	\$5,215,737
New Tuition and Fee Revenues	689,932
Other New Unrestricted Revenues <sup>2</sup>	-71,114
<b>New General Fund, Tuition, and Other Revenues</b>	<b>\$5,834,555</b>
<b>Funds Available for Enhancements/Enrollment Growth</b>	<b>\$366,812</b>
(Revenues Less Expenditures)	

DBM: Department of Budget and Management

HEIF: Higher Education Investment Fund

MSU: Morgan State University

<sup>1</sup>Current services costs and general funds are adjusted by \$0.6 million to reflect across the board reductions.

<sup>2</sup>Does not include auxiliary or restricted revenues.

Source: Department of Budget and Management; Morgan State University; Department of Legislative Services

**Current Unrestricted Fund Expenditures**

Budget changes by program area in the allowance are shown in **Exhibit 11**. This data includes unrestricted funds only, the majority of which consist of general funds, the HEIF, and tuition and fee revenues. In fiscal 2014, public service expenditures increased 77.1%, or \$0.1 million, due to the purchase of operating equipment for the Lillie Carroll Jackson Museum. Student services expenditures grew 10.4%, or \$0.6 million, due to increased personnel costs related to the COLA and merit and costs related to managing the student health center.



**Exhibit 11**  
**MSU Budget Changes for Unrestricted Funds by Program**  
**Fiscal 2013-2015**  
**(\$ in Thousands)**

	<u>2013</u>	<u>Adjusted Working 2014</u>	<u>% Change 2013-14</u>	<u>Adjusted 2015</u>	<u>\$ Change 2014-15</u>	<u>% Change 2014-15</u>
<b>Expenditures</b>						
Instruction	\$49,656	\$49,566	-0.2%	\$53,061	\$3,494	7.0%
Research	885	966	9.1%	660	-306	-31.6%
Public Service	144	256	77.1%	553	297	116.2%
Academic Support	19,592	20,680	5.6%	21,184	504	2.4%
Student Services	6,160	6,800	10.4%	6,559	-241	-3.5%
Institutional Support	29,877	31,049	3.9%	31,395	346	1.1%
Operation and Maintenance of Plant	17,971	18,574	3.4%	18,699	125	0.7%
Scholarships and Fellowships	14,564	16,725	14.8%	16,658	-67	-0.4%
<b>Subtotal Education and General</b>	<b>\$138,849</b>	<b>\$144,616</b>	<b>4.2%</b>	<b>\$148,770</b>	<b>\$4,153</b>	<b>2.9%</b>
Auxiliary Enterprises	26,652	28,031	5.2%	27,891	-139	-0.5%
<b>Total</b>	<b>\$165,502</b>	<b>\$172,647</b>	<b>4.3%</b>	<b>\$176,661</b>	<b>\$4,014</b>	<b>2.3%</b>
Funds Specific to HBIs	1,518	1,576	3.8%	1,664	88	5.6%
Cost Containment/ATB Reductions		-1,634		-607		
<b>Adjusted Total</b>	<b>\$167,020</b>	<b>\$172,589</b>	<b>3.3%</b>	<b>\$177,718</b>	<b>\$5,129</b>	<b>3.0%</b>
<b>Revenues</b>						
Tuition and Fees	54,063	53,112	-1.8%	53,801	690	1.3%
General Funds	67,684	75,037	10.9%	80,691	5,654	7.5%
Higher Education Investment Fund	3,223	5,540	71.9%	4,308	-1,232	-22.2%
Budget Restoration Fund	3,091	0		0		
Other Unrestricted Funds	5,434	5,364	-1.3%	5,293	-71	-1.3%
<b>Subtotal</b>	<b>\$133,496</b>	<b>\$139,053</b>	<b>4.2%</b>	<b>\$144,094</b>	<b>\$5,041</b>	<b>3.6%</b>
Auxiliary Enterprises	30,108	31,960	6.2%	31,960	0	0.0%
Transfers (to) from Fund Balance	1,898	0		0		
<b>Total</b>	<b>\$165,502</b>	<b>\$171,013</b>	<b>3.3%</b>	<b>\$176,054</b>	<b>\$5,041</b>	<b>2.9%</b>
Funds Specific to HBIs	1,518	1,576	3.8%	1,664	88	5.6%
<b>Adjusted Total</b>	<b>\$167,020</b>	<b>\$172,589</b>	<b>3.3%</b>	<b>\$177,718</b>	<b>\$5,129</b>	<b>3.0%</b>

ATB: across-the-board

HBI: historically black institution

MSU: Morgan State University

Note: Fiscal 2014 general funds reflect \$1.6 million of cost containment actions. Fiscal 2015 general funds are adjusted by \$0.6 million to reflect across-the-board reductions.

Source: Governor's Budget Books, Fiscal 2015, Department of Legislative Services

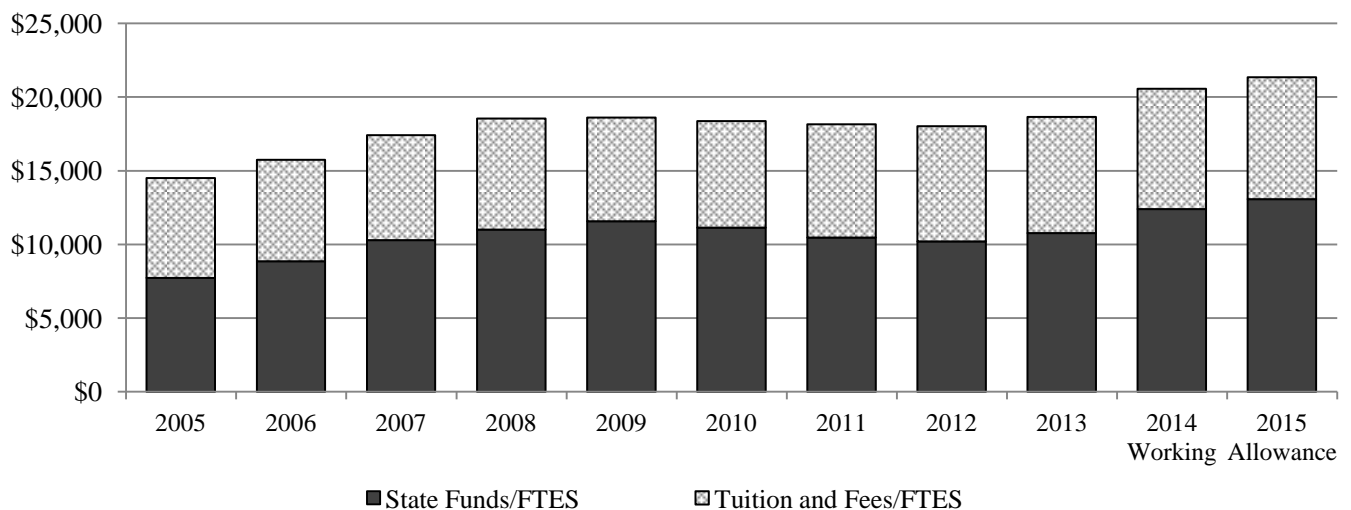
In fiscal 2015, expenditures for public service continue to increase, with \$0.2 million related to the opening of the Lillie Carroll Jackson Museum and \$0.1 million for a position transferred to public service. Growth of 7.0%, or \$3.5 million, in instruction is due to a rise in personnel expenditures related to the annualization of the fiscal 2014 merit and COLA and the fiscal 2015 merit. Research expenditures decline 31.6%, or \$0.3 million, due to a reduction in grants and contracts, which is attributed to the federal government's sequestration. Expenditures for student services decrease due to a reduction of health insurance and retirement costs.

Scholarships and fellowships increase \$2.2 million in fiscal 2014 due to expenditures being less than anticipated in fiscal 2013, in which \$1.0 million was not awarded: \$0.3 million for honors; \$0.3 million for the Reserve Officers' Training Corps (ROTC); \$0.2 million for athletic scholarships; and \$0.1 million each for graduate and diversity scholarships. This, along with \$738,000 provided in the supplemental budget specifically to increase need-based aid and enrollment being less than anticipated, resulted in expenditures increasing 14.8% in fiscal 2014.

### **Revenues Per Full-time Equivalent Student**

Since fiscal 2012, State funds (general fund and HEIF) increase 28.1% to \$13,077 per FTES in fiscal 2015, as shown in **Exhibit 12**. Tuition and fee revenues per FTES grow 5.7%, or \$445, over the same time period totaling \$8,227 in fiscal 2015. Overall, total funds per FTES increase \$786 to \$21,354 in fiscal 2015.

**Exhibit 12**  
**State Funds and Tuition and Fee Revenues Per FTES**  
**Fiscal 2005-2015**



FTES: full-time equivalent student

Source: Governor's Budget Books, Fiscal 2015

## *Issues*

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### **1. Meeting College Expenses**

The lack of financial resources frequently contributes to a student's decision to stop or drop out of college. As the costs of a college education continue to escalate, students and families are relying more on various types of financial aid, *e.g.*, federal, State, and institutional, to effectively bring down the cost of college. According to the National Center for Education Statistics' College Navigator, the total cost for a FT/FT Maryland undergraduate student attending MSU in fiscal 2012 was \$20,623 (based on tuition, mandatory fees, books and supplies, other expenses, and the weighted average of room and board). However, when accounting for the average amount of federal, State, and institutional aid, the average cost of attendance was \$13,641, a 33.9% reduction in the net cost of attendance.

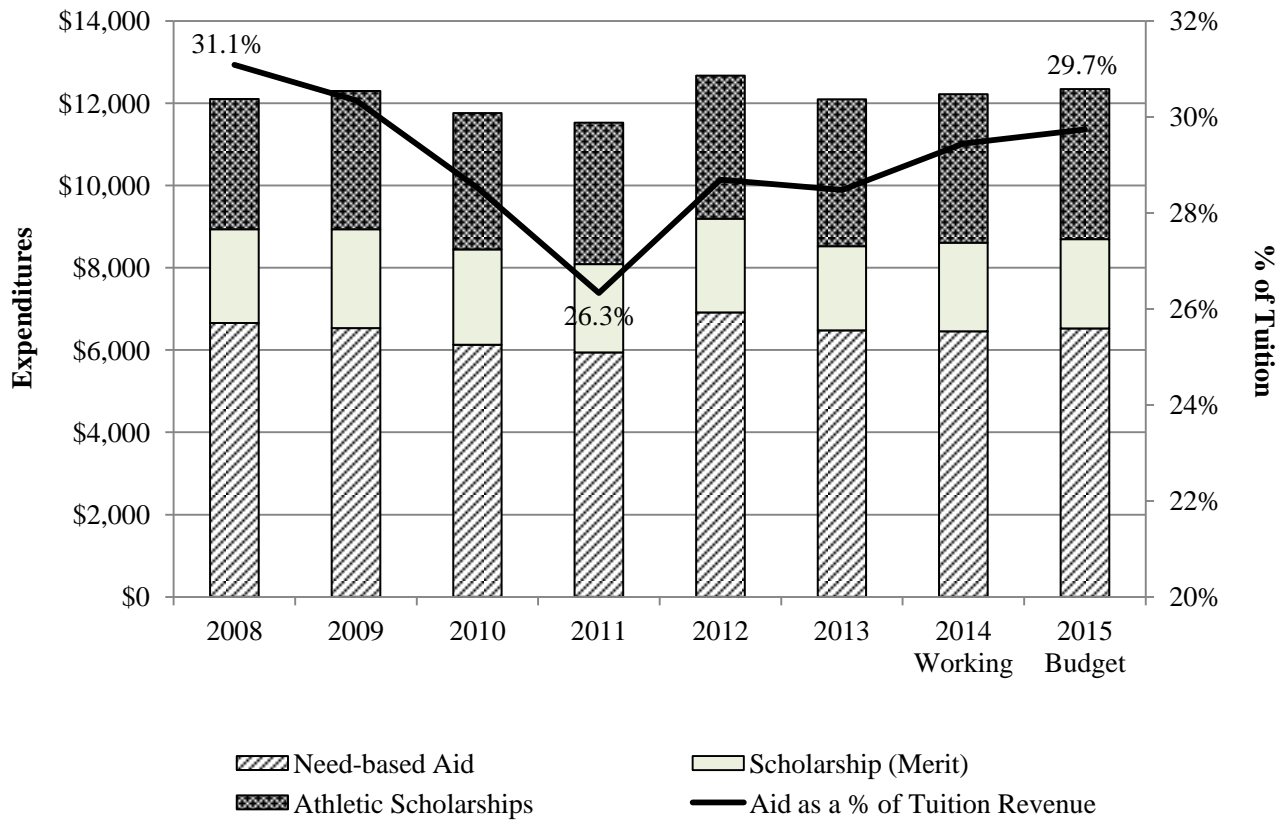
Fifty-seven percent of MSU's undergraduate students receive Pell awards, which are given to those that could not otherwise afford college and have an Expected Family Contribution (EFC) of less than a specific amount, which was \$5,273 in fiscal 2012. The EFC is an indicator of the amount a family is required to contribute to pay for a student's college education; therefore, the lower the EFC, the greater the financial need.

Students may receive institutional aid, which includes scholarships (or merit), need-based, and athletic scholarships. Need-based aid comprised, on average, 53.2% of the total amount spent on institutional aid, as shown in **Exhibit 13**. While total expenditures slightly increase 1.0%, or \$0.1 million, in fiscal 2014, the amount spent on need-based aid declines \$21,306. The fiscal 2014 supplemental budget included an additional \$738,000 to increase institutional need-based financial aid above the fiscal 2013 level. According to MSU, while MSU did not specifically use the funds to increase expenditures on need-based aid, additional funds were used to increase expenditures for other aid programs targeting needy students: \$339,201 was added to campus work study and \$100,000 was added for athletic scholarships. However, other data provided by MSU indicated that expenditures for institutional work study increase by only \$4,756, and athletic scholarships increase by \$35,739 in fiscal 2014. MSU further states that, due to a decline in enrollment, tuition revenues are less than budgeted, so \$0.3 million of the appropriation specifically provided for need-based aid is being used to cover other institutional operating costs. **Since MSU did not use the \$300,000 for its intended purpose of increasing need-based aid expenditures, DLS recommends reducing MSU's general fund appropriation by the amount spent on other operational costs.**

**The President should comment on why the additional funds provided in fiscal 2014 to increase expenditures on need-based aid were not used for its intended purpose, especially given the financial needs of its students and MSU's continuing assertion that the primary reason students drop out of school is due to a lack of financial resources.**

Since the removal of the tuition freeze (starting in fiscal 2011), institutional aid as a percentage of tuition revenue increases from a low of 26.3 to 29.7% in fiscal 2015.

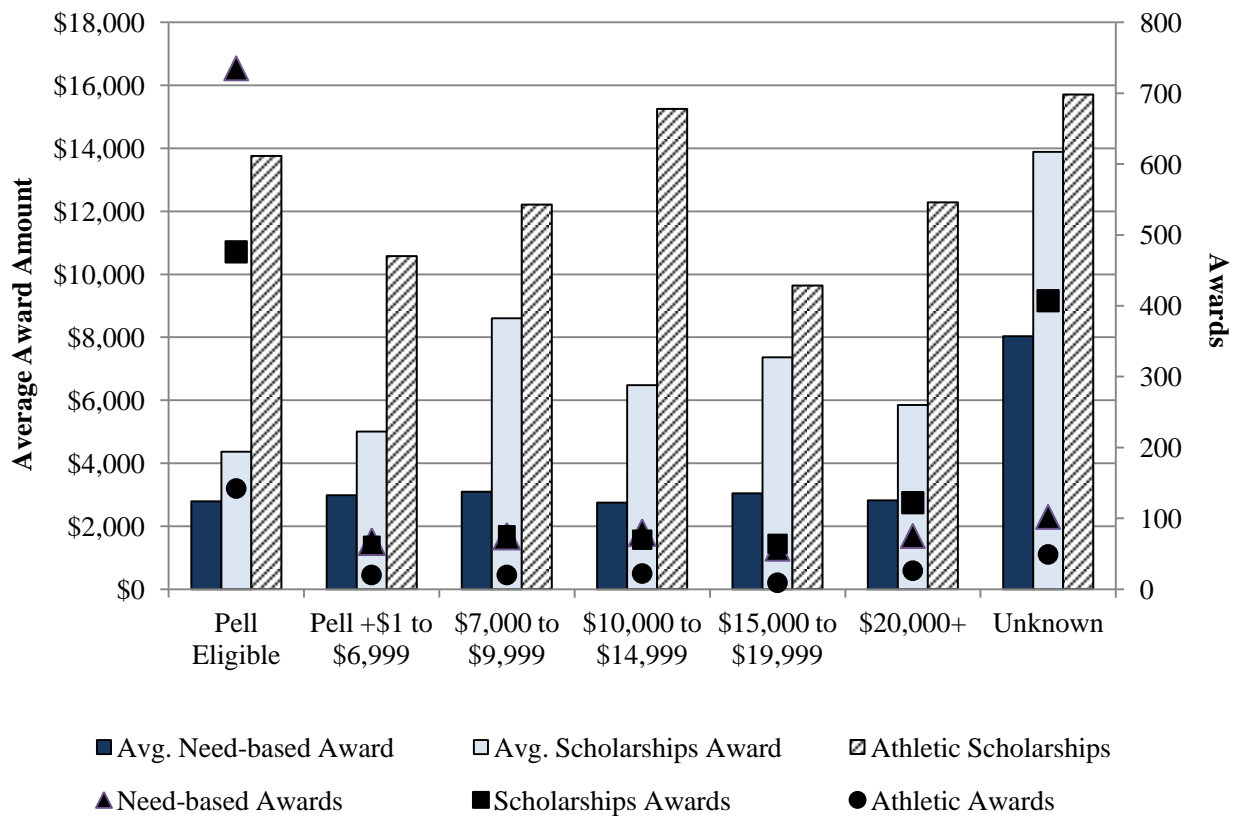
**Exhibit 13**  
**Institutional Aid and Percentage of Undergraduate Tuition**  
**Fiscal 2008-2015**  
**(\$ in Thousands)**



Source: Morgan State University; Department of Legislative Services

**Exhibit 14** shows the number of institutional aid awards by EFC and the average amount of the award. In fiscal 2012, Pell eligible students received 61.7% of the 1,191 need-based aid awards and 37.2% of the 1,280 scholarship awards. Students in all EFC categories received need-based aid with those in the unknown category (those who did not file a Free Application for Federal Student Aid or FAFSA) receiving the highest average award of \$8,033.

**Exhibit 14**  
**Number and Average Amount of Institutional Aid Received Per Recipient**  
**Fiscal 2012**

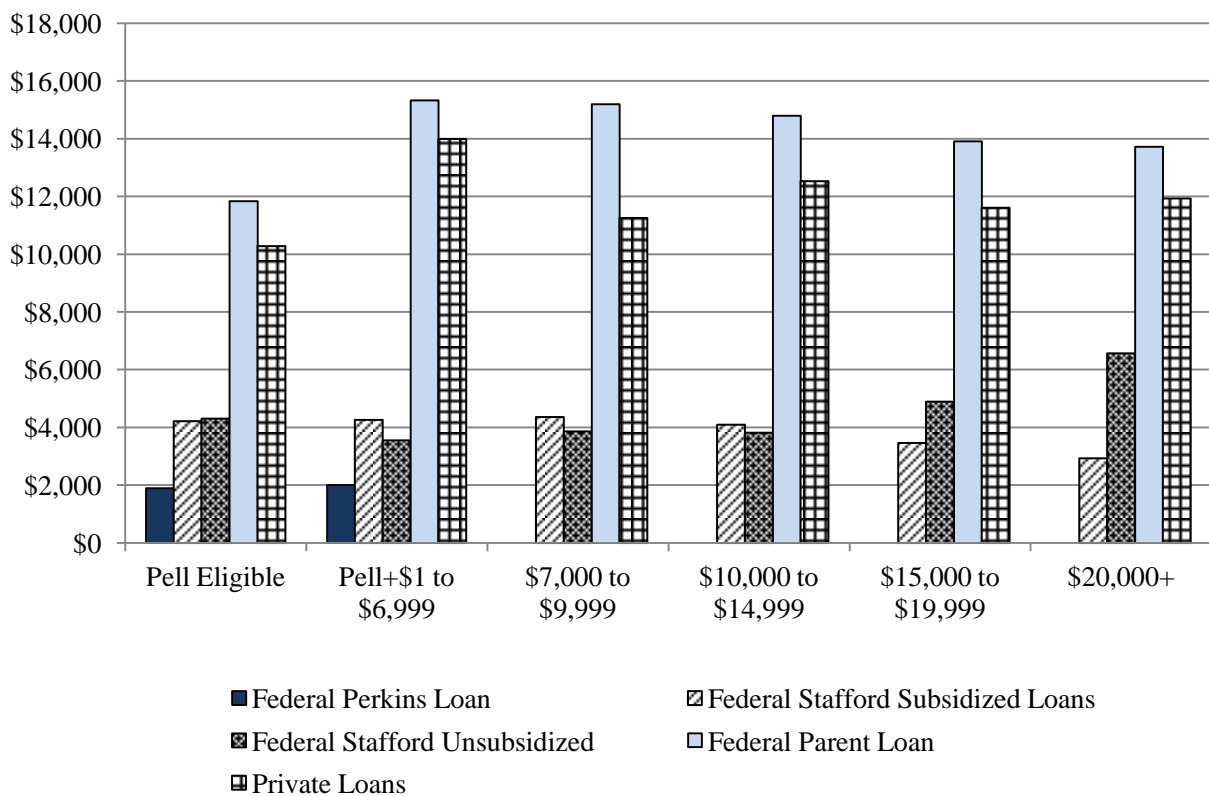


Source: Maryland Higher Education Commission

While the students with the greatest financial need typically receive Pell and institutional aid, it is still not enough to cover the costs of college. As shown in **Exhibit 15**, students in all EFC categories take out various types of loans to finance their education. There are three types of loans:

- **Federal Subsidized Loans** – based on financial need with the government paying the interest while the student is enrolled in school (Perkins and Stafford loans);
- **Federal Unsubsidized Loans** – generally for those who do not demonstrate financial need, with the interest added to the balance of the loan while the student is enrolled in school; and
- **Private Loans.**

**Exhibit 15**  
**Mean Loan Amount by Type and Expected Family Contribution**  
**Fiscal 2012**



Source: Maryland Higher Education Commission

The average amount of federal subsidized and unsubsidized loans taken out by Pell eligible students was \$4,263 in fiscal 2012. Additionally, of the 4,868 Pell eligible students, 183 used more expensive private loans to finance their education with loans averaging \$10,261. Students with an EFC of Pell plus \$1 to \$6,999, who are also financially needy, took out the largest amount of private loans, averaging \$13,996. For students in all EFC categories, parents took out federal parent loans, with the highest average loan of \$15,325 being taken out by those with an EFC of Pell plus \$1 to \$6,999.

**The President should comment on why students in the higher EFC categories and, in particular, those in the unknown category receive need-based aid awards.**

## **2. Conversions of Contractual Positions**

The fiscal 2014 budget included \$2.2 million of State funds to convert contractual positions to regular positions and add regular faculty positions. Restrictive language was placed on the appropriation until MSU submitted a policy, approved by the Board of Regents (BOR), on the conversion of positions; documented the positions that have been converted; and identified faculty that have been hired in response to enrollment growth.

The following summarizes BOR-approved policies on the conversion of contractual faculty and staff (non-exempt and exempt) to regular positions:

- **Faculty:** The provost will make recommendations on positions to be converted based on institutional goals and objectives. Selection of contractual faculty to be converted to regular positions shall be done in accordance with the policy and procedures for the appointment, promotion, and tenure of faculty.
- **Non-exempt staff:** Positions funded by 50% or more by grants, contracts, and auxiliary revenues are excluded from this policy. Positions for conversion will be selected based on (1) a continuing need for the position; (2) seniority; and (3) performance of the employee in the position.
- **Exempt staff:** The policy is similar to that of non-exempt staff but includes a provision for those deemed as critical. To be considered critical, it must be demonstrated the employee has a specialized and/or unique skill or experience or that turnover in the position would significantly disrupt the critical operations of the unit.

As of September 2013, 15 staff positions have been converted in which the employees had an average of 14.7 years of service. Positions included 3 housekeepers; 2 electricians; 2 mail carrier clerks; 2 laboratory managers; and 1 each of a service worker, mover, clerk, maintenance mechanic, technician, and special assistant to a dean.

MSU provided a list of 30 faculty positions that have been or are planned to be converted. As of September 2013, 8 positions have been converted – 3 in the School of Social Work and 5 in the School of Global Journalism and Communication. MSU plans to convert the following additional positions: 5 in the School of Computer, Mathematical, and Natural Resources; 5 in the School of Community Health and Policy; 4 in the College of Liberal Arts; 4 in the School of Education and Urban Studies; 3 in the School of Architecture and Planning; and 1 in the School of Engineering. MSU stated that all 30 faculty conversions are related to enrollment growth and further explained that from fiscal 2005 to 2013, enrollment grew 30%, but due to lack of State funding to support this growth, it had to rely on full-time contractual faculty resulting in contractual faculty accounting for 40% of faculty.

The conversion of positions is reflected in the fiscal 2014 working budget with the number of regular positions increasing by 45 from 1,107 to 1,152 positions. Contractual full-time equivalents (FTE) decline from 525 to 471 FTEs.

Restrictive language placed on the \$2.2 million appropriation designated for conversions not only required submission of a BOR policy on converting positions but also that MSU document positions that have been converted and identify new regular faculty that have been hired. Since MSU had only hired 8 of the 30 faculty, \$0.5 million of the appropriation was not released. However, once MSU documents the conversion of the remaining 22 faculty positions, the funds will be released.

**The President should comment on the status of converting the remaining 22 faculty positions.**

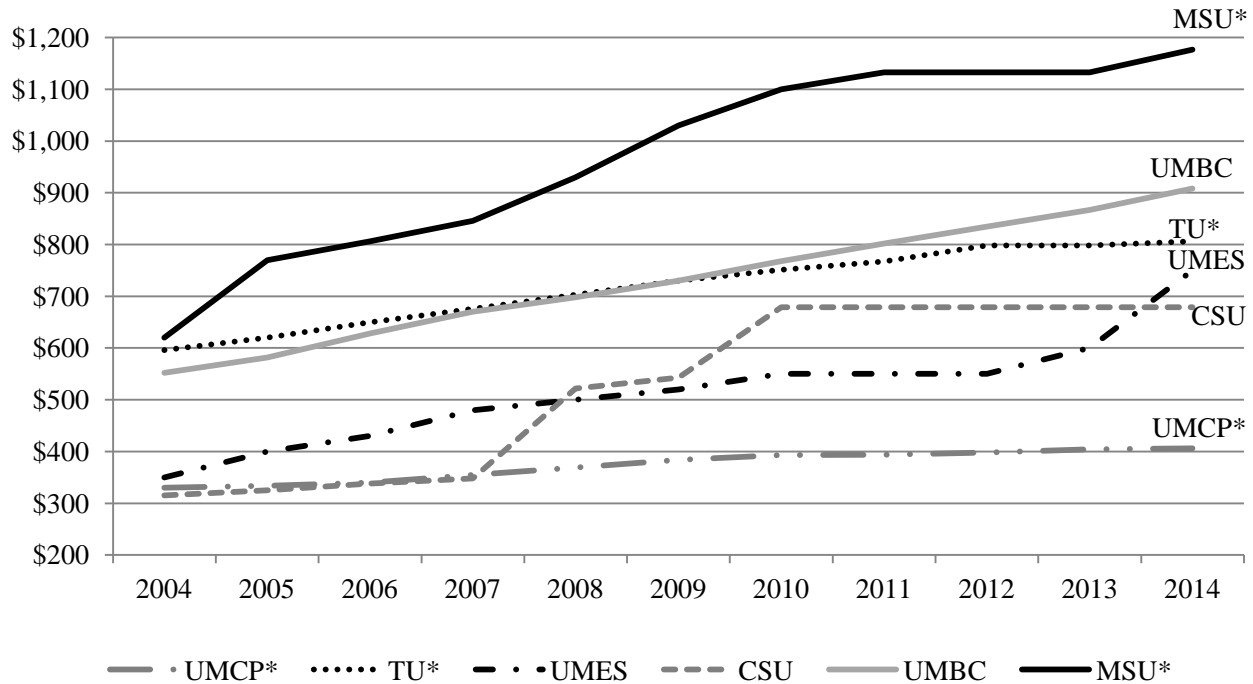
### **3. Athletic Fee on the Rise**

The continuing upward spiral of Intercollegiate Athletic (ICA) expenses has garnered much media attention over the past year several years; what has not necessarily received as much attention is how institutions are paying for their athletic programs. No institution operates in the same environment, for each varies in size, budget, and diversity of its ICA revenue stream. All of Maryland's Division I institutions rely to some extent on student athletic fees to support their ICA programs. For Division I programs at University System of Maryland institutions, athletic fees range from 15.4% of expenses at the University of Maryland, College Park (UMCP) to 68.5% at Coppin State University (CSU). At MSU, the student athletic fee accounts for 81.0% of the ICA budget, according to the *USA Today's Sports' College Athletic Finances* database. Athletic fees are part of the mandatory fees charged to all students to pay for services and activities benefiting students and, therefore, are a part of a student's total cost of education.

Over the past 10 years, while tuition at MSU has increased 37.2%, the athletic fee grew 89.8%. As illustrated in **Exhibit 16**, MSU consistently has the highest athletic fee of all of Maryland's Division I institutions. In fiscal 2014, MSU's fee of \$1,177 exceeds the University of Maryland Baltimore County's (UMBC) athletic fee by \$269. However, unlike MSU and the other institutions, UMBC's fee includes support for club and recreational sports, which other institutions include in the student activity fee; therefore, student support of athletics at UMBC is actually lower.



**Exhibit 16**  
**Comparison of Division I Athletic Fees**  
**Fiscal 2004-2014**



CSU: Coppin State University  
 MSU: Morgan State University  
 UMBC: University of Maryland Baltimore County

UMCP: University of Maryland, College Park  
 UMES: University of Maryland Eastern Shore  
 TU: Towson University

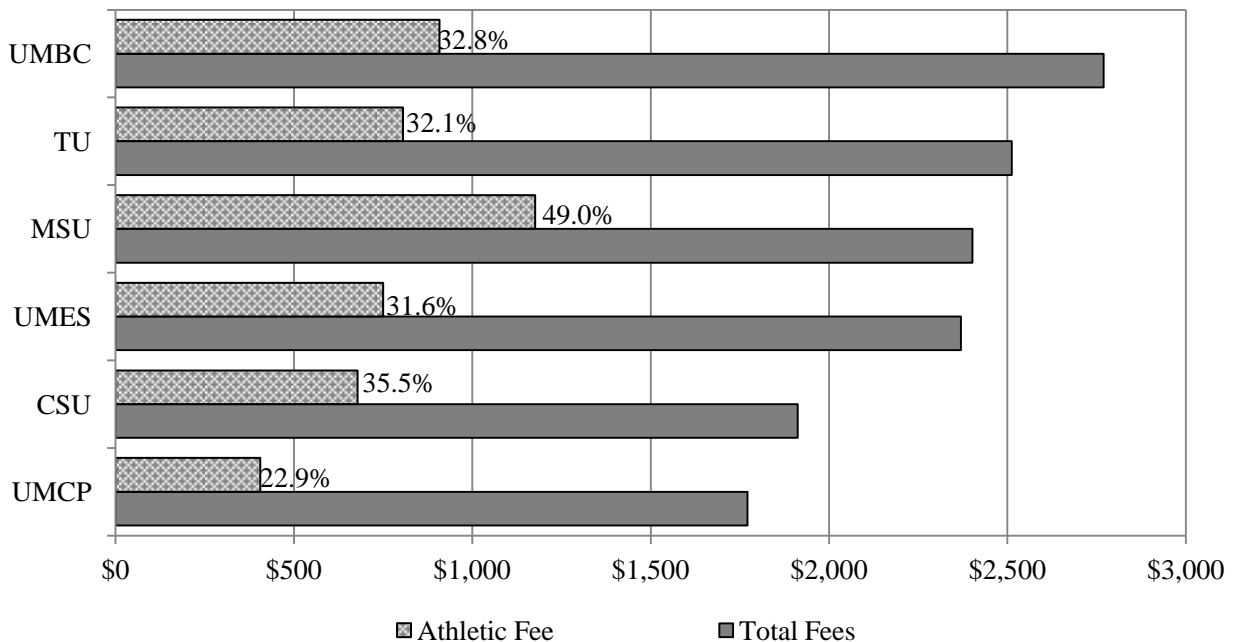
Note: UMBC's athletic fee also supports recreation and club sports.

\*Institutions sponsoring a football team.

Source: University System of Maryland; Morgan State University

Overall, as shown in **Exhibit 17**, the athletic fee comprises 49.0% of MSU's total mandatory fees, while at the other Division I institutions, the athletic fee, on average, comprises 31.0% of the total fees.

**Exhibit 17**  
**Percentage of Athletic Fee to Total Mandatory Fees**  
**Fiscal 2014**



CSU: Coppin State University  
 MSU: Morgan State University  
 UMBC: University of Maryland Baltimore County

UMCP: University of Maryland, College Park  
 UMES: University of Maryland Eastern Shore  
 TU: Towson University

Source: University System of Maryland; Morgan State University

The National Collegiate Athletic Association requires those in the football championship subdivision, in which MSU participates, to sponsor a minimum of 14 teams comprised of either seven men's and seven women's teams or six men's and eight women's teams. As shown in **Exhibit 18**, MSU sponsors 14 teams with 287 student athletes competing in various sports, slightly below UMBC, in which 373 student athletes compete on 19 teams. The portion of student athletes that comprise the total undergraduate student population ranges from 3.4% at Towson University to 6.2% at CSU and UMCP, with MSU falling in the middle at 4.1%. Despite MSU not supporting an unusually large number of teams or athletes compared to other Maryland Division I institutions, its athletic fees are substantially higher than other institutions.

**Exhibit 18**  
**Teams and Student Athletics by Division I Institution**  
**Fiscal 2013**

	<b>Teams</b>			<b>Total</b>	<b>% of</b>
	<b><u>Men's</u></b>	<b><u>Women's</u></b>	<b><u>Total</u></b>	<b><u>Unduplicated</u></b>	<b><u>Undergraduate</u></b>
				<b><u>Athletes</u></b>	<b><u>Students</u></b>
UMCP*	8	11	19	557	6.2%
TU*	7	13	20	531	3.4%
UMBC	9	10	19	373	4.0%
<b>MSU*</b>	<b>6</b>	<b>8</b>	<b>14</b>	<b>247</b>	<b>4.1%</b>
UMES	7	8	15	163	4.7%
CSU	6	8	14	151	6.2%

CSU: Coppin State University  
 MSU: Morgan State University  
 UMBC: University of Maryland Baltimore County

UMCP: University of Maryland, College Park  
 UMES: University of Maryland Eastern Shore  
 TU: Towson University

\*Sponsor football teams.

Source: U.S. Department of Education, *The Equity in Athletic Data Analysis Cutting Tool*

While athletics serve to build campus pride and identity, there is a concern about placing the financial burden of supporting ICA on the students. This is particularly concerning at MSU where 57% of the undergraduate students received a Pell award. If the athletic fee were not to increase, a student entering in fall 2013 would pay \$4,708 in athletic fees over four years, equivalent to almost one year of tuition at the fall 2013 level. In six years, a student would pay \$7,062 to support athletics. For those receiving federal grants, the high athletic fee means less money is available to pay for other costs of attendance and contributes to increasing student loan debt, as students have to borrow more to cover tuition and fees. The trend of increasing the athletic fee to cover shortfalls in the ICA budget is particularly disconcerting given MSU continually states the lack of financial resources is the primary reason students drop out of school.

In summer 2013, the President announced the establishment of a steering committee to review the current state of MSU's football program. The Return to Greatness Steering Committee is charged with conducting an assessment of the football program, identifying best practices of other Division I-AA football programs, and developing recommendations. The report is to be submitted to the BOR in February 2014. However, the efforts of the committee only focus on football and not the overall issue of maintaining the long-term financial viability of the ICA. **Therefore, DLS recommends that MSU submit a report on its plan to ensure the long-term financial sustainability of the ICA program, which does not place an increasing financial burden on students and which maintains Title IX compliance.**

**The President should comment on the athletic fees, particularly the effect on access and affordability, given the majority of students are from low-income families, and many drop out due to the lack of resources. The President should also address what actions MSU is undertaking or considering to reduce the student athletic fee.**

## ***Recommended Actions***

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

. provided that this appropriation made for the purpose of Morgan State University shall be reduced by \$326,000.

**Explanation:** This language reduces Morgan State University's general fund appropriation by \$0.3 million, reflecting the tuition revenue portion of the 2014 annualized cost-of-living adjustment (COLA). Full State funding has not only been provided for the fiscal 2015 COLA for those positions supported with State funds and tuition revenues but also for the annualization of the 2014 COLA. Since this was a known expenditure when the fiscal 2015 budget was being prepared, a portion of tuition revenues should be budgeted for this expense.

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

Further provided that this appropriation made for the purpose of Morgan State University shall be reduced by \$300,000.

**Explanation:** This language reduces Morgan State University's (MSU) general fund appropriation by \$0.3 million. The fiscal 2014 supplemental budget included an additional \$0.7 million increase in institutional need-based financial aid above the fiscal 2013 level. However, according to MSU, due to a decline in enrollment, which resulted in tuition revenues being less than budgeted, MSU is using \$0.3 million of the appropriation specifically provided to fund need-based aid to cover other institutional operating costs.

3. Adopt the following narrative:

**Report on the Intercollegiate Athletic Program:** Over the past few years, increasing Intercollegiate Athletic (ICA) expenses has garnered much attention. How institutions are paying for these programs has received less attention. While institutions rely to a varying extent on student athletic fees to support their ICA programs, Morgan State University (MSU) mostly depends on student fees, which account for 81% of the ICA budget. Of Maryland's Division I programs, MSU continues to have one of the highest student athletic fees. The budget committees are concerned about the reliance of the ICA on the student athletic fee and the impact on affordability and accessibility, considering 57% of the students receive a Pell award. The committees are also concerned about the long-term financial sustainability of the program and maintaining Title IX compliance. The committees request MSU to submit a report by September 30, 2014, on a plan to ensure the long-term financial sustainability of the ICA program and maintain Title IX compliance.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Report on the Intercollegiate Athletic Program	MSU	September 30, 2014

## ***Current and Prior Year Budgets***

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

	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Federal Fund</u></b>	<b><u>Other Unrestricted Fund</u></b>	<b><u>Total Unrestricted Fund</u></b>	<b><u>Restricted Fund</u></b>	<b><u>Total</u></b>
<b>Fiscal 2013</b>							
Legislative Appropriation	\$67,884	\$5,611	\$0	\$92,823	\$166,318	\$56,419	\$222,736
Deficiency Appropriation	0	0	0	0	0	0	0
Budget Amendments	0	703	0	0	703	0	703
Reversions and Cancellations	-200	0	0	-1,320	-1,519	-10,580	-12,099
<b>Actual Expenditures</b>	<b>\$67,684</b>	<b>\$6,314</b>	<b>\$0</b>	<b>\$91,503</b>	<b>\$165,502</b>	<b>\$45,839</b>	<b>\$211,340</b>
<b>Fiscal 2014</b>							
Legislative Appropriation	\$75,609	\$5,611	\$0	\$98,564	\$179,785	\$56,539	\$236,324
Budget Amendments	1,061	-71	0	-8,128	-7,138	-10,669	-17,807
<b>Working Appropriation</b>	<b>\$76,671</b>	<b>\$5,540</b>	<b>\$0</b>	<b>\$90,436</b>	<b>\$172,647</b>	<b>\$45,869</b>	<b>\$218,516</b>

Note: The fiscal 2014 working appropriation does not include deficiencies or contingent reductions. Numbers may not sum to total due to rounding.

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## **Fiscal 2013**

For fiscal 2013, the special fund appropriation, which included \$2.4 million in Budget Restoration Funds created during the 2012 special session, increased \$687,337 for a half-year 2% COLA and \$16,000 in the HEIF, as authorized in the fiscal 2013 budget bill.

A general fund reversion of \$199,647 was related to a fee State agencies were assessed for the development of a new Statewide Personnel System; however, the State only spent approximately 48% of this major IT project's appropriated budget, with the remainder reverted to the general fund.

Cancellations of unrestricted funds amounted to \$1.3 million due to a 4.0% enrollment decline resulting in a reduction of expenditures.

Cancellations of restricted funds totaled \$10.6 million mainly due to lower than anticipated expenditures on federal grants and contracts, including Pell grants, attributed to the federal 2011 continuing resolution and the 2013 sequestration.

## **Fiscal 2014**

For fiscal 2014, general funds increase \$1.1 million through a budget amendment related to a half-year 3% COLA. The special fund decreases \$71,115 related to language in the fiscal 2014 budget bill that transfers a portion of the HEIF to St. Mary's College of Maryland. Other current unrestricted funds decrease \$8.1 million due to an enrollment decline and changes in the federal Pell grant and Parent Plus Loans. Restricted funds decline \$10.7 million to realign federal grants and contracts with actual activity.

**MSU Filled Full-time Equivalent Personnel by Budget Program  
Fiscal 2006, 2013, and 2014**

	2006		2013		2014		2006-2014
	<u>FTEs</u>	<u>% of Total FTEs</u>	<u>FTEs</u>	<u>% of Total FTEs</u>	<u>FTEs</u>	<u>% of Total FTEs</u>	<u>% Change of Share</u>
Instruction	365	37.7%	379	34.3%	387	33.6%	-4.1%
Research	59	6.1%	116	10.5%	107	9.3%	3.2%
Public Service	0	0.0%	0	0.0%	1	0.1%	0.1%
Academic Support	98	10.1%	126	11.4%	133	11.5%	1.4%
Student Services	66	6.8%	65	5.9%	65	5.6%	-1.2%
Institutional Support	218	22.5%	244	22.1%	279	24.2%	1.7%
Operations, Maintenance of Plant	94	9.7%	96	8.7%	101	8.8%	-0.9%
Auxiliary	69	7.1%	79	7.2%	80	6.9%	-0.2%
<b>Total</b>	<b>969</b>		<b>1,105</b>		<b>1,153</b>		

FTE: full-time equivalent  
MSU: Morgan State University

Note: Data are for filled regular positions only. All data is self-reported and unaudited. Numbers may not sum to total due to rounding.

Source: Morgan State University



**Object/Fund Difference Report  
Morgan State University**

<u>Object/Fund</u>	<u>FY 13 Actual</u>	<u>FY 14 Working Appropriation</u>	<u>FY 15 Allowance</u>	<u>FY 14 - FY 15 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	1,107.00	1,152.00	1,152.00	0.00	0%
02 Contractual	525.00	471.00	471.00	0.00	0%
<b>Total Positions</b>	<b>1,632.00</b>	<b>1,623.00</b>	<b>1,623.00</b>	<b>0.00</b>	<b>0%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 96,351,556	\$ 102,068,412	\$ 106,665,175	\$ 4,596,763	4.5%
02 Technical and Spec. Fees	28,382,000	27,244,062	27,213,893	-30,169	-0.1%
03 Communication	1,143,402	1,390,317	1,237,836	-152,481	-11.0%
04 Travel	3,358,395	3,412,640	3,577,589	164,949	4.8%
06 Fuel and Utilities	6,910,665	6,948,896	7,021,008	72,112	1.0%
07 Motor Vehicles	570,753	733,228	735,116	1,888	0.3%
08 Contractual Services	20,710,404	20,178,299	20,444,320	266,021	1.3%
09 Supplies and Materials	7,321,142	8,085,638	7,610,878	-474,760	-5.9%
11 Equipment – Additional	4,483,123	4,657,765	4,498,793	-158,972	-3.4%
12 Grants, Subsidies, and Contributions	34,409,252	35,629,998	36,104,486	474,488	1.3%
13 Fixed Charges	5,914,648	5,923,965	5,877,268	-46,697	-0.8%
14 Land and Structures	1,785,040	2,243,223	2,246,017	2,794	0.1%
<b>Total Objects</b>	<b>\$ 211,340,380</b>	<b>\$ 218,516,443</b>	<b>\$ 223,232,379</b>	<b>\$ 4,715,936</b>	<b>2.2%</b>
<b>Funds</b>					
40 Unrestricted Fund	\$ 165,501,746	\$ 172,646,974	\$ 176,661,133	\$ 4,014,159	2.3%
43 Restricted Fund	45,838,634	45,869,469	46,571,246	701,777	1.5%
<b>Total Funds</b>	<b>\$ 211,340,380</b>	<b>\$ 218,516,443</b>	<b>\$ 223,232,379</b>	<b>\$ 4,715,936</b>	<b>2.2%</b>

Note: The fiscal 2014 appropriation does not include deficiencies. The fiscal 2015 allowance does not include contingent reductions.

**Fiscal Summary  
Morgan State University**

<u>Program/Unit</u>	<u>FY 13 Actual</u>	<u>FY 14 Wrk Approp</u>	<u>FY 15 Allowance</u>	<u>Change</u>	<u>FY 14 - FY 15 % Change</u>
01 Instruction	\$ 49,773,039	\$ 49,695,502	\$ 53,189,655	\$ 3,494,153	7.0%
02 Research	28,669,395	29,340,686	29,826,880	486,194	1.7%
03 Public Service	144,440	255,788	552,985	297,197	116.2%
04 Academic Support	19,668,248	20,754,607	21,266,587	511,980	2.5%
05 Student Services	6,249,011	7,048,158	6,733,180	-314,978	-4.5%
06 Institutional Support	29,999,427	31,197,143	31,523,416	326,273	1.0%
07 Operation and Maintenance of Plant	17,974,424	18,595,192	18,720,316	125,124	0.7%
08 Auxiliary Enterprise	26,705,241	28,087,015	27,944,341	-142,674	-0.5%
17 Scholarships and Fellowships	32,157,155	33,542,352	33,475,019	-67,333	-0.2%
<b>Total Expenditures</b>	<b>\$ 211,340,380</b>	<b>\$ 218,516,443</b>	<b>\$ 223,232,379</b>	<b>\$ 4,715,936</b>	<b>2.2%</b>
Unrestricted Fund	\$ 165,501,746	\$ 172,646,974	\$ 176,661,133	\$ 4,014,159	2.3%
Restricted Fund	45,838,634	45,869,469	46,571,246	701,777	1.5%
<b>Total Appropriations</b>	<b>\$ 211,340,380</b>	<b>\$ 218,516,443</b>	<b>\$ 223,232,379</b>	<b>\$ 4,715,936</b>	<b>2.2%</b>

Note: The fiscal 2014 appropriation does not include deficiencies. The fiscal 2015 allowance does not include contingent reductions.