

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

***Operating Budget Data***

(\$ in Thousands)

	<u>FY 08</u> <u>Actual</u>	<u>FY 09</u> <u>Working</u>	<u>FY 10</u> <u>Allowance</u>	<u>FY 09-10</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Funds	\$67,634	\$67,796	\$76,033	\$8,237	12.1%
Contingent & Back of Bill Reductions	0	0	-74	-74	
<b>Adjusted General Fund</b>	<b>\$67,634</b>	<b>\$67,796</b>	<b>\$75,959</b>	<b>\$8,163</b>	<b>12.0%</b>
Special Funds	0	6,916	0	-6,916	-100.0%
<b>Adjusted Special Fund</b>	<b>\$0</b>	<b>\$6,916</b>	<b>\$0</b>	<b>-\$6,916</b>	<b>-100.0%</b>
Other Unrestricted Funds	77,825	83,329	83,812	483	0.6%
Contingent & Back of Bill Reductions	0	0	-13	-13	
<b>Adjusted Other Unrestricted Fund</b>	<b>\$77,825</b>	<b>\$83,329</b>	<b>\$83,799</b>	<b>\$470</b>	<b>0.6%</b>
Total Unrestricted Funds	145,459	158,041	159,845	1,804	1.1%
Contingent & Back of Bill Reductions	0	0	-87	-87	
<b>Adjusted Total Unrestricted Funds</b>	<b>\$145,459</b>	<b>\$158,041</b>	<b>\$159,758</b>	<b>\$1,717</b>	<b>1.1%</b>
Restricted Funds	33,212	43,336	39,001	-4,335	-10.0%
Contingent & Back of Bill Reductions	0	0	-21	-21	
<b>Adjusted Restricted Fund</b>	<b>\$33,212</b>	<b>\$43,336</b>	<b>\$38,980</b>	<b>-\$4,356</b>	<b>-10.1%</b>
<b>Adjusted Grand Total</b>	<b>\$178,671</b>	<b>\$201,377</b>	<b>\$198,738</b>	<b>-\$2,639</b>	<b>-1.3%</b>

- General funds for Morgan State University (MSU) increase \$8.2 million, or 12.1%, in the fiscal 2010 allowance. However, after adjusting for \$6.9 million of Higher Education Investment Funds (HEIF) in fiscal 2009 and \$73,789 to delete the deferred compensation match in fiscal 2010, the underlying growth is \$1.2 million, or 1.7%, over fiscal 2009.
- Restricted funds decrease 10.1%, or \$4.4 million, after adjusting for \$20,736 to delete the deferred compensation match in fiscal 2010, resulting in an overall decline of total funds of \$2.6 million, or 1.3%, from fiscal 2009.
- Other pending and proposed actions affecting the fiscal 2009 and 2010 budgets will be discussed further in the proposed budget section.

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

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***Personnel Data***

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	<b><u>FY 08 Actual</u></b>	<b><u>FY 09 Working</u></b>	<b><u>FY 10 Allowance</u></b>	<b><u>FY 09-10 Change</u></b>
Regular Positions	1,083.00	1,093.00	1,093.00	0.00
Contractual FTEs	<u>500.00</u>	<u>543.00</u>	<u>543.00</u>	<u>0.00</u>
<b>Total Personnel</b>	<b>1,583.00</b>	<b>1,636.00</b>	<b>1,636.00</b>	<b>0.00</b>

***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	36.18	3.31%
Positions and Percentage Vacant as of 12/31/08	69.00	6.31%

- The fiscal 2010 allowance provides no new positions for MSU.

## ***Analysis in Brief***

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### **Major Trends**

***Degrees Awarded in Teacher Education Decline:*** The number of degrees awarded in teacher education declined from 56 degrees in fiscal 2007 to 47 in fiscal 2008. Overall, from fiscal 2004 to 2008, the number of degrees awarded decreased 40.5% or by 32 degrees.

***Degrees Awarded in Science, Technology, Engineering, and Mathematics Disciplines Fluctuate:*** The total number of degrees awarded to African American students increased from 949 degrees in fiscal 2007 to 986 degrees in 2008 with the number conferred in science, technology, engineering, and mathematics (STEM) fields accounting for, on average, 20% of the degrees.

***Retention and Graduation Rates Continue to Decline:*** The two-year retention rate declined to 61.0% in fiscal 2008, a decrease of 9.4 percentage points from fiscal 2007. The six-year graduation rate declined 4.5 percentage points to 39.3% in fiscal 2008.

***Percentage of Students Attending Graduate/Professional Schools Declines:*** The percentage of students continuing to graduate or professional schools decreased 12 percentage points from 43% in fiscal 2007 to 31% in fiscal 2008.

***Research and Contract Awards Decline:*** After increasing from fiscal 2004 to 2006, the value of contract and grant awards declined 19%, or \$5.6 million, in the last two years from \$29.1 million in fiscal 2006 to \$23.5 million in fiscal 2008.

### **Issues**

***Affordability Remains an Issue:*** While resident undergraduate tuition rates are frozen for a fourth consecutive year, fees increased. Over half the need-based aid (55.1%) went to students with an Expected Family Contribution between \$0 and \$3,850.

***Capital Management:*** A February 2008 audit disclosed significant deficiencies related to management oversight of capital improvement projects. A management consultant was retained to review MSU's capital project management and make recommendations ensuring appropriate oversight by the university and the Board of Regents.

***Facility Renewal:*** As buildings age, facility renewal becomes more of an issue. Overall, 61.3% of the total square footage of MSU's State-supported buildings is less than 27 years old. Expenditures on facility renewal in fiscal 2008 total \$452,146.

***Access and Success:*** Access and Success funds were provided to improve student retention and graduation rates. The 2008 *Joint Chairmen's Report* required MSU to provide a report detailing how funds will be spent.

## **Recommended Actions**

1. Add language to delete 25 regular positions.
2. Add language that would reduce current unrestricted (general) funds.
3. Restrict the expenditure of \$1,500,000 for the purpose of improving student retention and graduation rates at Morgan State University until reports are submitted.
4. Adopt narrative requesting a faculty workload report.
5. Adopt narrative requesting an institutional aid report.

## **Updates**

***Instructional Workload Report:*** For the 2007-2008 academic year, the average teaching load for tenured and tenure-track faculty members was 21.1 credit hours, equivalent to an average of seven courses per year.

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**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.

MSU enrolls students from a range of socioeconomic and academic status. It educates a diverse student body, including those among the best prepared and those who might not obtain a baccalaureate degree without the 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 2008 Undergraduate Enrollment Headcount**

Male	2,769
Female	3,345
<b>Total</b>	<b>6,114</b>

**Fall 2008 Graduate Enrollment Headcount**

Male	359
Female	532
<b>Total</b>	<b>891</b>

**Fall 2008 New Students Headcount**

First-time	1,449
Transfers/Others	135
Graduate	33
<b>Total</b>	<b>1,617</b>

**Campus (Main Campus)**

Acres	176
# of Buildings	46
Average Age of Building	26 years
Oldest Building	Carnegie Hall – 1919

**Programs**

Bachelor’s	37
Master’s	26
Doctoral	13

**Degrees Awarded (2007-2008)**

Bachelor’s	813
Master’s	130
Doctoral	42
<b>Total Degrees</b>	<b>985</b>

## Performance Analysis: Managing for Results

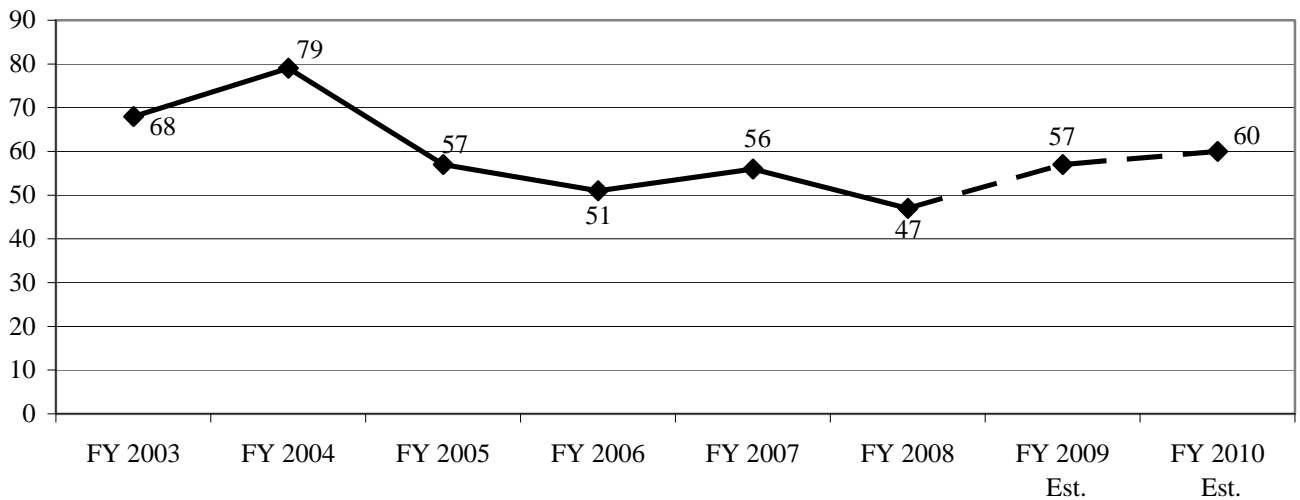
### Degrees Awarded in Teacher Education Decline

MSU tracks the number of baccalaureates awarded in education as a measure of fostering economic development through production of graduates in key demand areas. Since fiscal 2003, the number of degrees awarded has fluctuated, reaching a high of 79 degrees in fiscal 2004, as shown in **Exhibit 1**. The number of degrees awarded declined from 56 degrees in fiscal 2007 to 47 in fiscal 2008. Overall, from fiscal 2003 to 2008, the number of degrees awarded declined from 68 to 47 degrees. MSU attributes the decline in degrees awarded to several factors including students not choosing education as a career path, or that students who are interested in education choose a specialty such as special education or early childhood education which are not offered at MSU. **In order to identify enrollment trends in teacher education programs, MSU should incorporate data on the number of students enrolled in the teacher education program in Managing for Results (MFR).**

**The President should comment on efforts to increase enrollment and retention of students in the teacher education program.**

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**Exhibit 1**  
**Number of Baccalaureates Awarded in Teacher Education**  
**Fiscal 2003-2010**



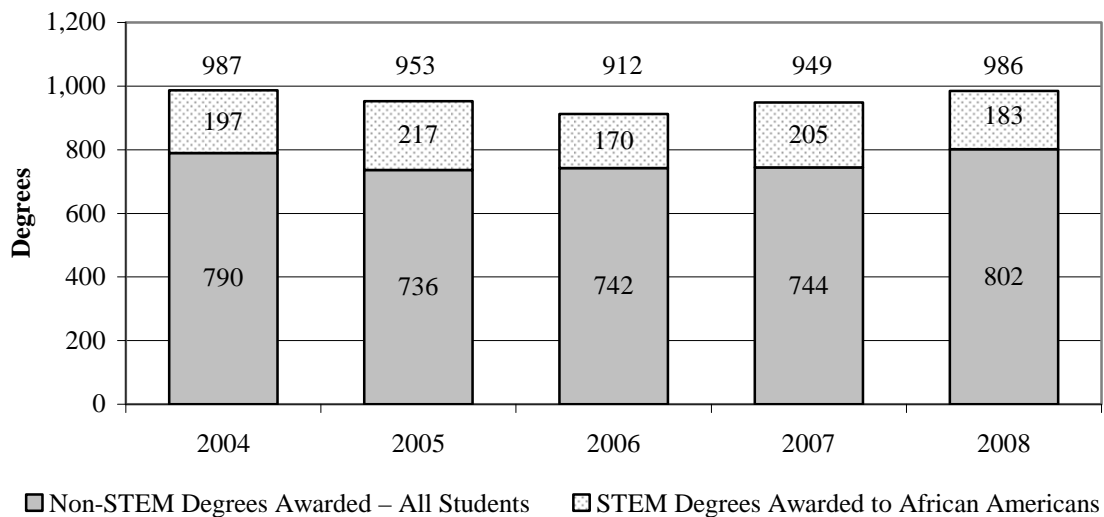
Source: Governor's Budget Books, Fiscal 2010

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## Degrees Awarded in Science, Technology, Engineering, and Mathematics Disciplines Fluctuate

Increasing the educational attainment of the African American population in fields in which they are typically under-represented is a goal of MSU. **Exhibit 2** shows the number of science, technology, engineering, and mathematics (STEM) degrees awarded to African American students from 2004 to 2008. The number of STEM degrees awarded has fluctuated over the past five years from a high of 217 in 2005 to 170 degrees in 2006. The total number of degrees awarded increased by 3.9%, from 949 degrees in 2007 to 986 degrees in 2008. Overall, of the 4,786 degrees awarded to African American students since 2004, 20.3%, or 972, were conferred in a STEM-related discipline.

**Exhibit 2**  
**Number of Degrees Awarded to African Americans in STEM Disciplines**  
**2004-2008**



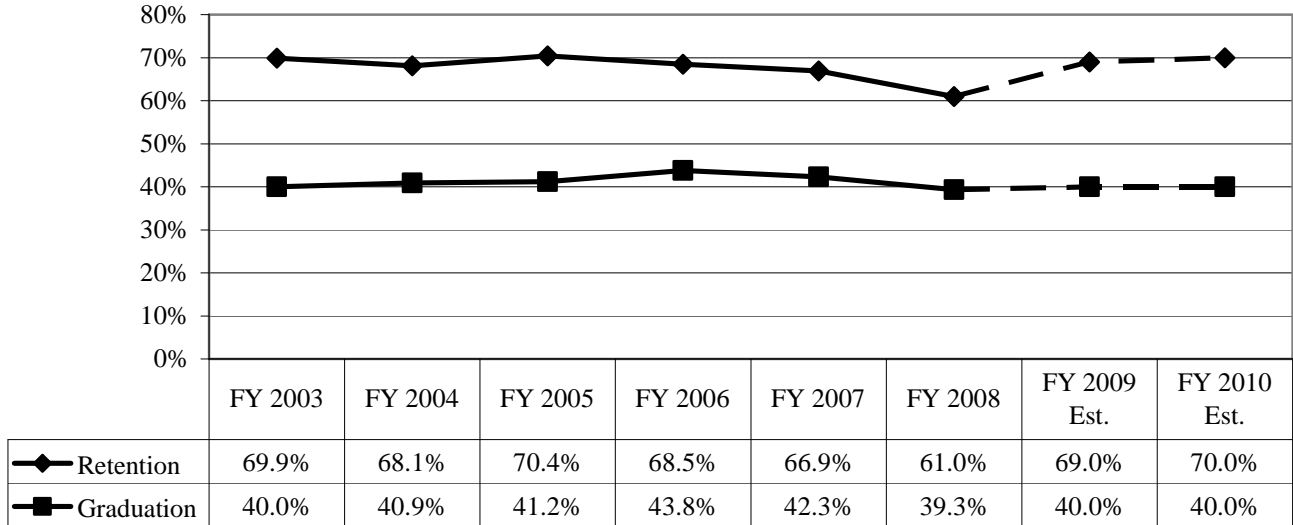
STEM: science, technology, engineering, and mathematics

Source: Morgan State University

## Retention and Graduation Rates Continue to Decline

Maintaining and strengthening academic excellence and effectiveness in meeting the educational needs of the State is another MSU goal. **Exhibit 3** shows the two-year retention and six-year graduation rate for all students. After reaching a high of 70.4% in fiscal 2005, the retention rate steadily declined to 61.0% in fiscal 2008, a decrease of 9.4 percentage points. According to a recent MSU survey of non-returning freshmen, 25.0% cited finances as the primary reason for not returning. For the first time over the past five years, the graduation rate fell below 40.0% in fiscal 2008, declining three percentage points from 42.3% in fiscal 2007 to 39.3%.

**Exhibit 3  
Two-year Retention and Six-year Graduation Rates  
All Students  
Fiscal 2003-2010**



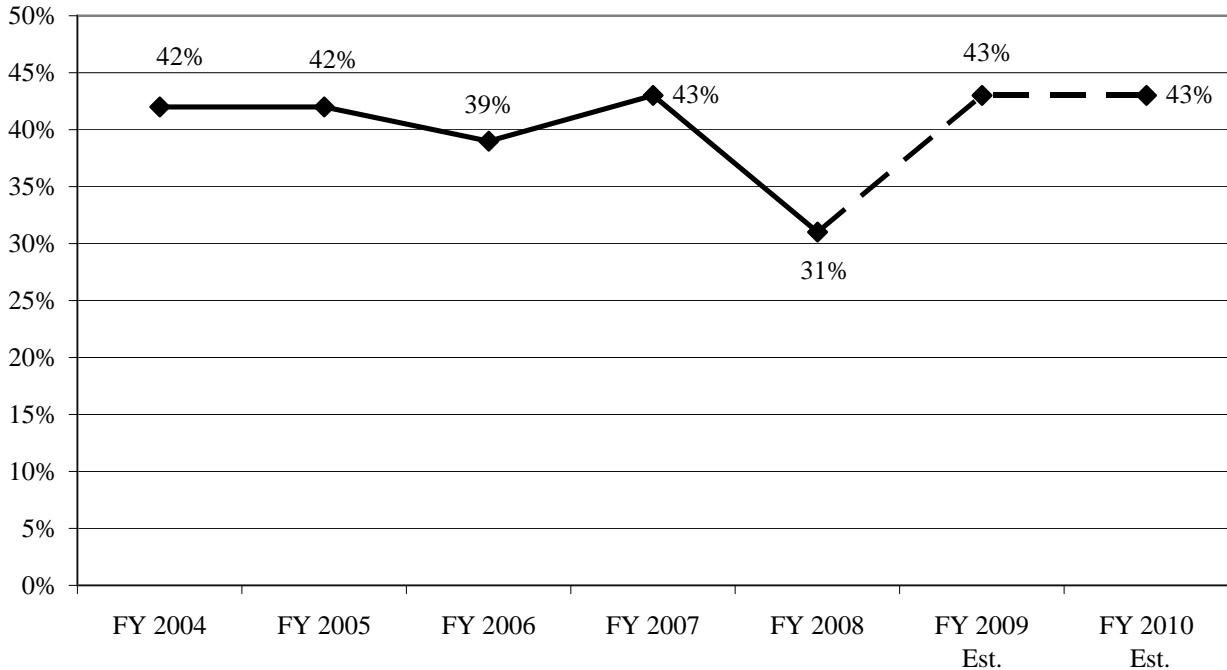
Source: Fiscal 2003-2008 data from the Maryland Higher Education Commission, Retention and Graduation Rates at Maryland Public Four-Year Institutions, November 2008. Fiscal 2009 and 2010 data from the Governor’s Budget Books, Fiscal 2010. Fiscal 2008 retention data reflects 2006 cohort group, and graduation data reflects 2001 cohort group.

**The President should comment on factors affecting the two-year retention and six-year graduation rates and efforts undertaken to improve the retention and graduation rates. The President should also address if the expected 8.0 percentage point increase in the retention rate is realistic given a two-year decline of 7.5 percentage points.**

**Percentage of Students Attending Graduate/Professional Schools Declines**

A measure of achieving and sustaining national recognition in providing quality education is the percentage of students attending graduate or professional schools, as shown in **Exhibit 4**. According to an annual survey, from fiscal 2004 to 2007, on average 42% of students went to graduate or professional schools. This percentage decreased 12 percentage points from 43% in fiscal 2007 to 31% in fiscal 2008. However, MSU expects the percentage of students continuing their education in graduate or professional schools to dramatically increase 12 percentage points to 43% in fiscal 2009.

**Exhibit 4  
Percentage of Students Attending Graduate/Professional Schools  
Fiscal 2004-2010**



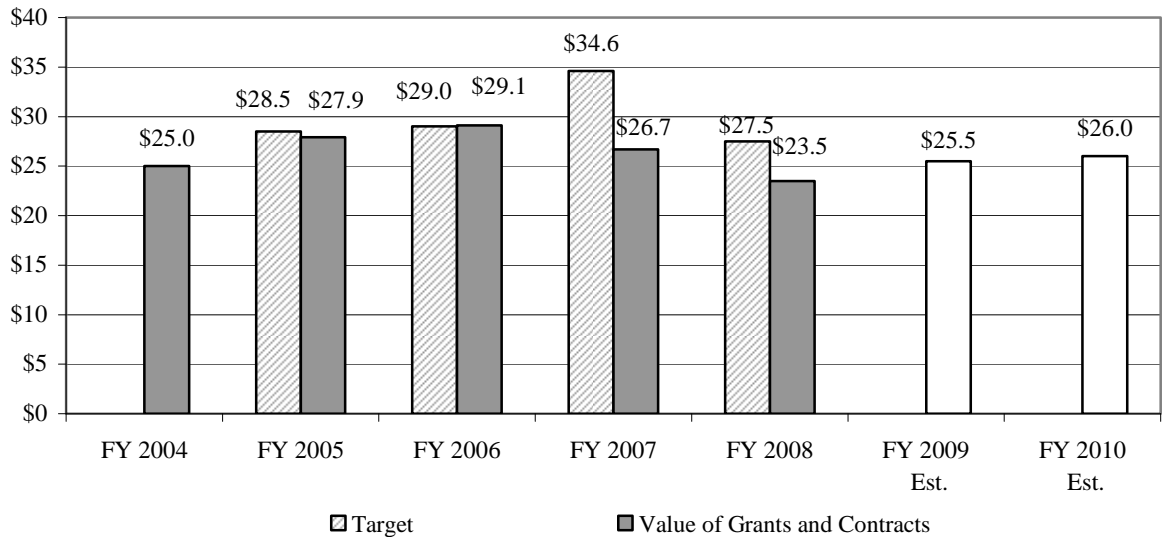
Source: Governor’s Budget Books, Fiscal 2010

**Research and Contract Awards Decline**

MSU tracks the value of grants and contracts as part of the goal of establishing itself as one of the nation’s premier moderately sized urban doctoral granting universities. **Exhibit 5** shows the value of grants and contracts from fiscal 2004 to the estimated fiscal 2010 value. From fiscal 2004 to 2006, the value of grants and contracts increased 16.4%, or by \$4.1 million, reaching a high point of \$29.1 million in fiscal 2006. In the following years, the value declined 19.2%, or \$5.6 million, to \$23.5 million in fiscal 2008. In three of the last four years, MSU did not meet the target for grants and contracts. MSU notes that since only tenured and tenure-track faculty are allowed to write proposals, and as it has become increasingly dependent on contractual faculty, grant and contract activities have declined. MSU expects grants and contracts will increase as funding becomes available to fill full-time faculty positions.

**The President should comment on the continuing decline in research contracts and grants as well as efforts being taken to improve the amount of research funding.**

**Exhibit 5  
Value of Grants and Contracts  
Fiscal 2004-2010  
(\$ in Millions)**



Source: Governor’s Budget Books, Fiscal 2010

**Fiscal 2009 Actions**

**Cost Containment**

In June 2008, the Board of Public Works (BPW) approved cost containment measures resulting in a \$195,270 reduction in MSU’s general funds which were to be replaced with revenues previously restricted for Other Post Employment Benefits liability costs. In October 2008, BPW approved a second cost containment measure reducing MSU’s State appropriation by 1.0%, or \$685,000. This reduction resulted in holding vacant positions open.

Furthermore, MSU was requested to reduce the current salary and wage budget by \$1.0 million as part of a statewide furlough plan. Since MSU is not part of the State’s personnel system, MSU developed its own furlough plan. The number of furlough days is based on an employee’s annual salary, with employees providing services as part of a 24-hour operation, part-time contractual faculty, graduate assistants, work study students, and H1-B visa employees exempted from the furlough.

The university closed for one furlough day on January 20, 2009 (Presidential Inauguration), the only day classes were cancelled as a result of the furlough. Staff have from February 11 to May 30, 2009, to take their assigned number of furlough days while faculty will be furloughed during spring break from March 23 to March 28, 2009.

## Anticipated Fiscal 2009 Cost Containment Measures

Due to the underattainment of Higher Education Investment Fund (HEIF) revenues in fiscal 2009, MSU’s allocation of these funds is expected to be reduced by \$655,622. Additional cost containment actions may be taken in fiscal 2009.

## Proposed Budget

The general fund allowance for fiscal 2010 is \$8.1 million above fiscal 2009, an increase of 12.0%, as shown in **Exhibit 6**. Due to the underattainment of the HEIF revenues in fiscal 2009, it is expected that MSU’s allocation of these funds will be reduced by \$655,622. When adjusting for the \$6.3 million of the HEIF revenues that replaced general funds in fiscal 2009, and the reduction of \$73,789 to delete the deferred compensation match in fiscal 2010, the underlying growth in general funds is \$1.9 million, or 2.6%, over fiscal 2009. However, it is anticipated that the fiscal 2009 budget will be further reduced by \$1.0 million due to salary and wage reductions related to the furlough.

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**Exhibit 6**  
**Governor’s Proposed Budget**  
**Morgan State University**  
**(\$ in Thousands)**

	<b>FY 2008</b> <b><u>Actual</u></b>	<b>FY 2009</b> <b><u>Working</u></b>	<b>FY 2010</b> <b><u>Adjusted</u></b>	<b>FY 2009-10</b> <b><u>Change</u></b>	<b>% Change</b> <b><u>Prior Year</u></b>
General Funds	\$67,634	\$67,796	\$75,959	\$8,163	12.0%
HEIF*	0	6,260	0	-6,260	-100.0%
Total State Funds	67,634	74,056	75,959	1,903	2.6%
Other Unrestricted Funds	77,825	83,329	83,799	470	0.6%
Total Unrestricted Funds	145,459	157,386	159,758	2,372	1.5%
Restricted Funds	33,212	43,336	38,980	-4,356	-10.1%
<b>Total Funds</b>	<b>\$178,671</b>	<b>\$200,722</b>	<b>\$198,738</b>	<b>-\$1,984</b>	<b>-1.0%</b>

HEIF: Higher Education Investment Fund

\*Fiscal 2009 reflects an expected \$655,622 reduction due to underattainment of HEIF revenues. Does not include reductions due to furlough.

Note: Fiscal 2010 general funds adjusted \$73,789, other unrestricted funds \$13,022, and restricted funds \$20,736 to reflect the deletion of the deferred compensation match. Numbers may not sum to total due to rounding.

Source: Governor’s Budget Books, Fiscal 2010

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The allowance provides \$1.9 million in general funds, including \$858,000 to replace revenue lost as a result of the freeze on resident undergraduate tuition in fiscal 2010. Other unrestricted funds increase \$0.5 million, or 0.6%, from fiscal 2009. While tuition and fee revenue increase \$1.9 million, or 4.0%, there is a decrease in auxiliary enterprise revenues of \$1.1 million, or 3.6%, of which \$0.5 million is attributed to declining sales of textbooks.

Restricted funds decrease 10.1%, or \$4.4 million, after adjusting for \$20,736 to delete the deferred compensation match in fiscal 2010. According to MSU, the restricted funds in the fiscal 2010 allowance more accurately reflect fiscal 2008 expenditures and, therefore, are more accurate. MSU also notes that given the current economic situation, it will not achieve the target level of funding in fiscal 2009 and, therefore, believes the fiscal 2010 allowance is a more realistic number.

The fiscal 2010 allowance provides MSU \$0.4 million in funds available for additional enhancements or enrollment growth, as shown in **Exhibit 7**. The fiscal 2010 estimated mandatory or current services costs are \$3.4 million. These costs are related to health insurance, workers' compensation, and equipment among others. New general funds, tuition replacement, and new tuition and fee revenues total \$3.8 million. The difference of \$0.4 million is available for enhancements such as financial aid and enrollment growth.

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**Exhibit 7**  
**Morgan State University State-supported Revenues**  
**Available for Program Enhancements**  
**Fiscal 2010**

	<u>\$ Amount</u>
<b>Expenditures</b>	
Current Services Cost Increase <sup>1</sup>	\$3,437,000
<b>Revised Estimated Current Services Costs</b>	<b>\$3,437,000</b>
<b>Revenues</b>	
New General Funds	\$1,044,628
4% Tuition Replacement	858,000
New Tuition and Fee Revenues	1,887,940
<b>New General Fund, Tuition, and Other Revenues</b>	<b>\$3,790,568</b>
<b>Funds Available for Enhancements/Enrollment Growth</b>	<b>\$353,568</b>
(Revenues Less Expenditures)	

<sup>1</sup>Morgan State University estimated current services costs increases to be \$5.7 million. However, financial aid of \$750,000 and \$1.5 million for 15 faculty for program development is better categorized as enhancement funding. Therefore, it was deducted from MSU's cost of current services.

Source: Governor's Budget Books, Fiscal 2010; Morgan State University

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The Department of Legislative Services recommends reducing current unrestricted revenues (general funds) by \$655,622, MSU's allocation of the expected underattainment of HEIF revenues in fiscal 2009, which is being replaced with general funds in the fiscal 2010 allowance. In anticipation of the fiscal 2009 shortfall, MSU was instructed to reduce the fiscal 2009 budget by \$0.7 million. However, the reduction is not reflected in the fiscal 2009 working appropriation resulting in an overstatement of revenues and expenditures in fiscal 2009. The fiscal 2010 allowance was based on the lower adjusted fiscal 2009 budget resulting in the fiscal 2010 allowance providing MSU an additional \$0.7 million in general funds to replace the unrealized HEIF revenues in fiscal 2009. After adjusting for the \$0.7 million HEIF underattainment in fiscal 2009, the general funds increase \$1.9 million in fiscal 2010. After reducing the fiscal 2010 allowance by \$0.7 million, general funds would increase \$1.2 million, or 1.7%, over fiscal 2009.

### **Fiscal 2010 Cost Containment**

The only contingent across-the-board reduction affecting MSU is a reduction of \$107,547 in unrestricted and restricted funds to delete the deferred compensation match. Additionally, for fiscal 2010, language in the Administration's Budget Reconciliation and Financing Act of 2009 (BRFA) does not allow for bonuses related to individual performance, merit increases, or cost-of-living adjustments but allows for salary increases necessary for the retention of faculty members. The BRFA does not transfer any fund balance from MSU.

### **Budgets for Public Service, Research, and Institutional Support Show Highest Rates of Increase**

Budget changes by program in the allowance are shown in **Exhibit 8**. The data considers unrestricted funds only, the majority of which consist of general funds and tuition and fee revenues. Expenditures for public service increase at the highest rate of 15.0%, or \$30,169, which is attributed to the addition of a position at MSU's African American Museum. Expenditures for research and institutional support increase at the next highest rates of 8.9%, or \$95,970, and 8.1%, or \$2.0 million, respectively, due to increases in health insurance and workers' compensation.

Expenditures for academic support decrease 1.4%, or \$233,153, due to deferring equipment purchases. Auxiliary enterprises decline 5.2%, or by \$1.4 million.

**The President should comment on the \$1.4 million decline in expenditures for auxiliary enterprises.**

The fiscal 2010 allowance does not provide MSU any new positions. In fiscal 2009, 55 State-supported full-time equivalent (FTE) positions are vacant. Of these positions, 31 FTEs have been vacant for over one year. Salaries for all State-supported vacant positions total \$3.5 million.

**Exhibit 8**  
**Morgan State University Budget Changes for Unrestricted Funds by Program**  
**Fiscal 2008-2010**  
**(\$ in Thousands)**

	<u>2008</u>	<u>Working 2009</u>	<u>% Change 2008-09</u>	<u>Adjusted 2010</u>	<u>\$ Change 2009-10</u>	<u>% Change 2009-10</u>
<b>Expenditures</b>						
Instruction	\$42,298	\$46,499	9.9%	\$47,336	\$837	1.8%
Research	863	1,074	24.5%	1,170	96	8.9%
Public Service	147	201	36.8%	231	30	15.0%
Academic Support	14,659	16,659	13.6%	16,425	-233	-1.4%
Student Services	5,715	6,444	12.8%	6,634	190	2.9%
Institutional Support	23,954	25,232	5.3%	27,266	2,034	8.1%
Operation and Maintenance of Plant	17,550	18,662	6.3%	18,704	43	0.2%
Scholarships and Fellowships	15,532	15,453	-0.5%	15,703	249	1.6%
<b>Subtotal Education and General</b>	<b>\$120,718</b>	<b>\$130,224</b>	<b>7.9%</b>	<b>\$133,469</b>	<b>\$3,245</b>	<b>2.5%</b>
Auxiliary Enterprises	24,741	27,818	12.4%	26,376	-1,442	-5.2%
Pending Reductions		-656		-87	569	
<b>Total</b>	<b>\$145,459</b>	<b>\$157,386</b>	<b>8.2%</b>	<b>\$159,758</b>	<b>\$2,372</b>	<b>1.5%</b>
Funds Specific to HBIs	1,314	1,296	-1.4%	1,212	-84	-6.5%
<b>Adjusted Total</b>	<b>\$146,773</b>	<b>\$158,681</b>	<b>8.1%</b>	<b>\$160,970</b>	<b>\$2,289</b>	<b>1.4%</b>
<b>Revenues</b>						
Tuition and Fees	46,174	46,739	1.2%	48,614	1,875	4.0%
General Funds	67,634	67,796	0.2%	75,959	8,163	12.0%
Higher Education Investment Fund*		6,260		0	-6,260	-100.0%
Other	31,651	36,591	15.6%	35,186	-1,405	-3.8%
<b>Subtotal</b>	<b>\$118,595</b>	<b>\$126,108</b>	<b>6.3%</b>	<b>\$129,615</b>	<b>\$3,507</b>	<b>2.8%</b>
Auxiliary Enterprises	26,890	31,278	16.3%	30,143	-1,135	-3.6%
Transfers (to) from Fund Balance	-25	0		0		
<b>Total</b>	<b>\$145,459</b>	<b>\$157,386</b>	<b>8.2%</b>	<b>\$159,758</b>	<b>\$2,372</b>	<b>1.5%</b>
Funds Specific to HBIs	1,314	1,296	-1.4%	1,212	-84	-6.5%
<b>Adjusted Total</b>	<b>\$146,773</b>	<b>\$158,681</b>	<b>8.1%</b>	<b>\$160,970</b>	<b>\$2,289</b>	<b>1.4%</b>

HBI: Historically Black Institution

\*Reflects anticipated \$655,622 reduction in revenues due to underattainment.

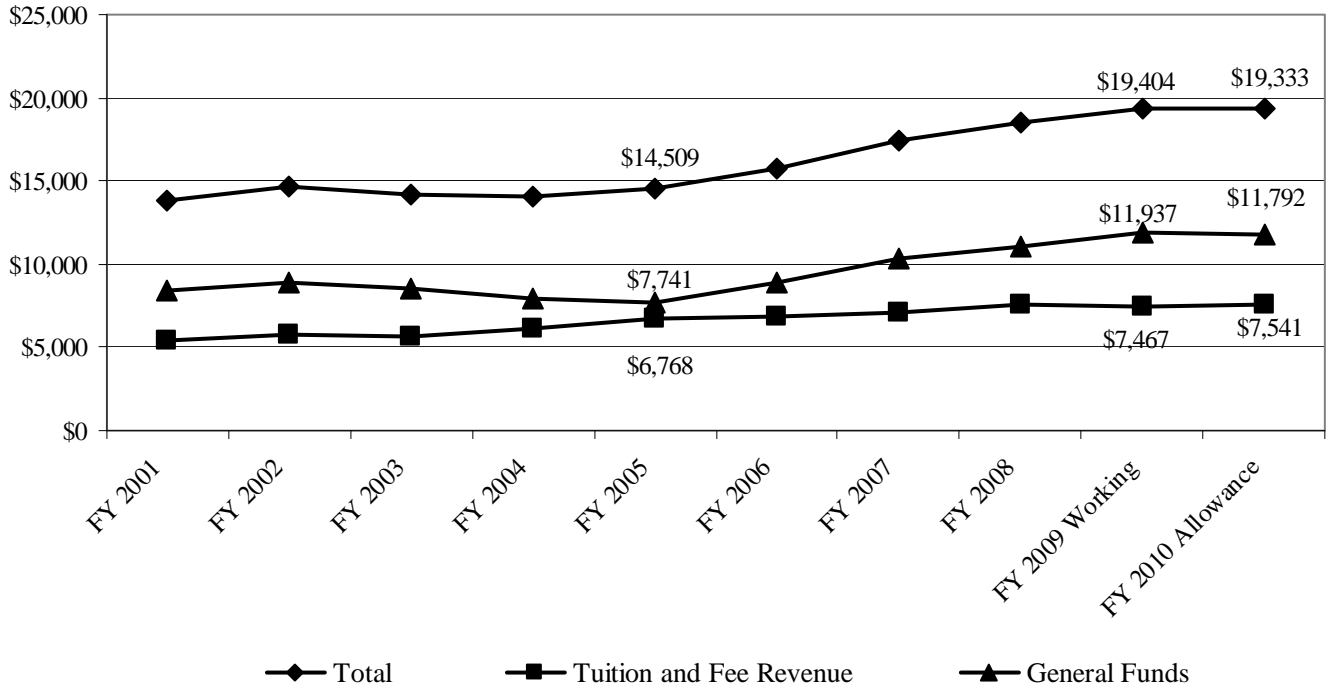
Note: Fiscal 2009 does not include reductions due to the furlough.

Source: Governor's Budget Books, Fiscal 2010

### General Fund and Tuition and Fee Revenues Per FTES

As shown in **Exhibit 9**, between fiscal 2003 and 2005, general funds per full-time equivalent student (FTES) declined 9.2%, or \$788, reaching a low of \$7,741 per FTES. This reflected cost containment reductions in fiscal 2004 and 2005. During the same time period, tuition and fee revenues per FTES grew 18.6% from \$5,705 per FTES in fiscal 2003 to \$6,768 in fiscal 2005. Since fiscal 2005, general funds per FTES increased 52.3%, while tuition and fee revenues grew 9.6%. Overall, total revenues per FTES will reach \$19,333 in fiscal 2010.

**Exhibit 9**  
**General Fund and Tuition and Fee Revenues**  
**Per Full-time Equivalent Student**  
**Fiscal 2001-2010**



Source: Governor’s Budget Books, Fiscal 2010

## *Issues*

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### 1. Affordability Remains an Issue

#### **In-state Tuition Frozen for Fourth Year; Fees Increase**

Tuition and fee rates directly affect affordability. The fiscal 2010 allowance provides \$858,000 of general funds to freeze undergraduate resident tuition at \$4,280, the fiscal 2006 rate. These funds are used to replace revenue lost as a result of not increasing tuition 5.0%. **Exhibit 10** shows the impact of a 5.0% tuition increase over the four years and the cumulative total savings for students. The estimated cumulative tuition savings for students is \$2,250 since fiscal 2007, resulting in an overall savings of 13.1%. This does not include any savings if tuition rates would have increased more than 5.0% in any year.

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#### **Exhibit 10 Increase in Undergraduate Resident Tuition without Tuition Freeze Fiscal 2006-2010**

##### Tuition with 5% Annual Increase

<b><u>Tuition 2006</u></b>	<b><u>Tuition 2007</u></b>	<b><u>Tuition 2008</u></b>	<b><u>Estimated Tuition 2009</u></b>	<b><u>Estimated Tuition 2010</u></b>	<b><u>Total Student Savings 2007-10</u></b>
\$4,280	\$4,494	\$4,719	\$4,955	\$5,202	\$2,250

Source: Morgan State University; Department of Legislative Services

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However, mandatory fees, which are also part of the total cost to the student, have not been frozen. In fiscal 2010, fees are projected to increase 3.0%, or \$65, over the previous year, as shown in **Exhibit 11**. Since fiscal 2006, fees have increased \$393, or 21.5%. When including tuition, the cost to a resident undergraduate student at MSU in fiscal 2010 will be 1.7% over fiscal 2009 as shown in **Exhibit 12**. Overall, total costs increased 7.1% since fiscal 2006.

**Exhibit 11**  
**Morgan State University**  
**Mandatory Fees**  
**Fiscal 2006-2010**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Fees	\$1,830	\$1,924	\$2,038	\$2,158	\$2,223
Annual % Increase		5.1%	5.9%	5.9%	3.0%
% Increase FY 07-10					21.5%

Note: Pending Board of Regents approval.

Source: Morgan State University

**Exhibit 12**  
**Morgan State University**  
**Increase in In-state Tuition and Fees**  
**Fiscal 2006-2010**

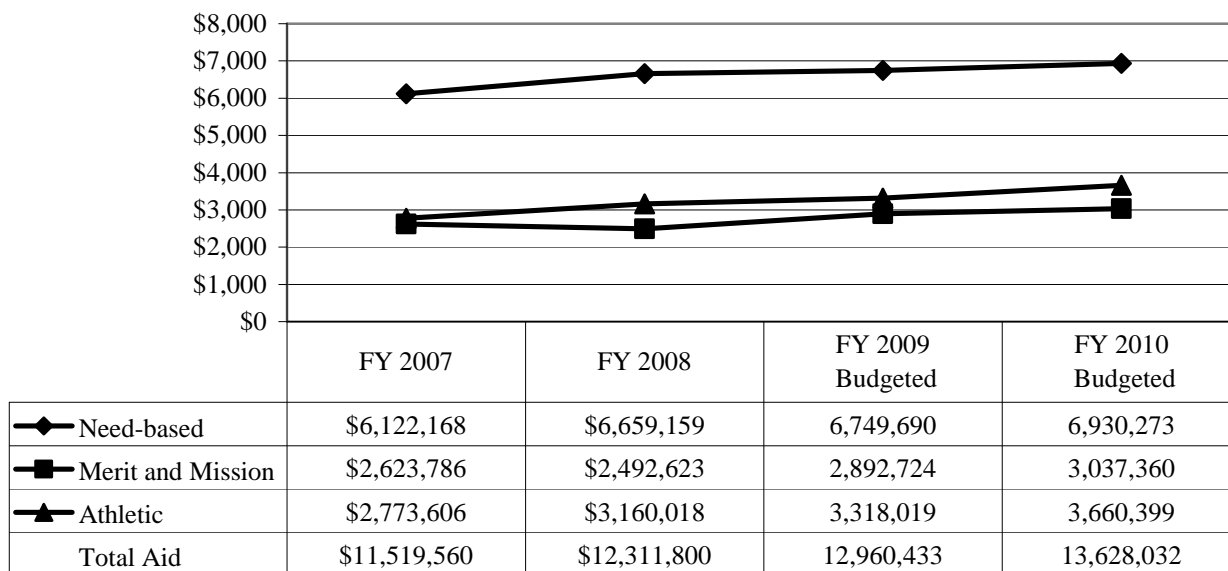
<u>2006-07</u> <u>% Change</u>	<u>2007-08</u> <u>% Change</u>	<u>2008-09</u> <u>% Change</u>	<u>2009-10</u> <u>% Change</u>	<u>2006-10</u> <u>% Change</u>
1.5%	1.8%	1.9%	1.7%	7.1%

Source: Governor's Budget Books

**Distribution of Institutional Aid**

Institutional financial aid also affects affordability and access to higher education. Students may receive institutional aid which includes merit, mission, need-based, and athletic, in addition to State and federal financial aid. As shown in **Exhibit 13**, in fiscal 2008, total institutional aid grew 6.9%, or by \$0.8 million, with need-based aid increasing 8.8%, or \$0.5 million, and athletic growing 13.9%, or by \$0.4 million. Funding for merit and mission declined by \$0.1 million, or 5.0%, in fiscal 2008.

**Exhibit 13**  
**Distribution of Institutional Aid**  
**Fiscal 2007-2010**  
**(\$ in Thousands)**



Source: Morgan State University

MSU expects to increase spending on institutional aid by \$0.6 million, or 5.3%, totaling \$13.0 million in fiscal 2009. Of this total, \$6.7 million will go toward need-based; \$2.9 million for merit and mission; and \$3.3 million for athletic. In fiscal 2010, expenditures for institutional aid are expected to increase \$0.7 million, or 5.2%, with athletic aid accounting for \$0.3 million, increasing 10.3% over fiscal 2009. On average, since fiscal 2007, need-based aid accounted for 52.5% of all institutional aid, athletic aid comprised 25.6%, and merit and mission aid accounted for 22.0%.

The Maryland Higher Education Commission (MHEC) is developing a Financial Aid Information System (FAIS) database, which will provide a profile of students receiving financial aid. The database has information on institutional aid awarded at MSU in fiscal 2007 for students who filled out a Free Application for Federal Student Aid which determines a student's expected family contribution (EFC). In general, the lower a student's EFC, the greater the financial need. **Exhibit 14** shows the percentage of students receiving need-based aid and other types of institutional aid by EFC category. In fiscal 2007, 75.3% of need-based awards went to students with an EFC between \$0 and \$9,999, a decline from fiscal 2006 when these students received 91.2% of the need-based aid. These students also receive 75.1% of all other awards, a slight increase from 73.2% in fiscal 2006. In fiscal 2007, students with an EFC of \$10,000 or more received 24.6% of the need-based aid, an increase from fiscal 2006 when these students received 7.7% of the need-based aid. These students received 24.9% of all other awards in fiscal 2007, a slight increase from fiscal 2006 when they received 24.6%.

**Exhibit 14**  
**Percent of Institutional Financial Aid Awards by EFC**  
**Fiscal 2007**

<u>EFC Category</u>	<u>Percent of All Need-based Awards</u>	<u>Percent of All Other Awards</u>	<u>Number of Awards</u>
\$0	28.0%	41.8%	544
\$1 – \$3,850	27.1%	19.5%	336
\$3,851 – \$6,999	13.7%	9.5%	167
\$7,000 – \$9,999	6.5%	4.3%	77
\$10,000 – \$14,999	10.1%	6.7%	120
\$15,000 – \$19,999	3.3%	6.4%	77
\$20,000 +	11.2%	11.8%	173
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1,494</b>

EFC: Expected Family Contribution

Source: Maryland Higher Education Commission, Financial Aid Information System, 2006-2007

MSU attributes the change in distribution of need-based aid to more students from the various EFC categories applying for aid. For example, the data from fiscal 2006 was based on 189 students compared to 582 students in fiscal 2007. In the \$0 EFC category, in fiscal 2006 there were 74 students compared with 163 in fiscal 2007.

**The President should comment on the increasing proportion of institutional aid going toward athletic aid. The President should also address the decrease in the percentage of need-based aid going toward students with the greatest financial need and plans to award more aid to those students, as well as whether a student’s EFC is a factor in what type of aid is awarded.**

## **2. Capital Management**

In February 2008, the Office of Legislative Audits released an audit of MSU which included five findings related to the telecommunication hub relocation project; four findings regarding general practices for capital improvement projects; and eight findings related to fiscal operations. The audit disclosed significant deficiencies related to management oversight of capital improvement projects. These included:

- \$3.1 million of the \$4.3 million original contract for the relocation of the telecommunications hub was used to pay for work on other contracts awarded to the same general contractor working on the hub project.

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- \$2.4 million of questionable payments related to the hub relocation project including overpayments totaling \$825,250 as a result of duplicate billing from the contractor.
- \$2.3 million of change orders falling outside the scope of the original hub project were processed.
- \$3.1 million of liquidated damages related to three construction projects were not assessed.

Audit findings related to the relocation of the telecommunication hub were referred to the Criminal Division of the Office of the Attorney General.

Subsequently, the General Assembly added budget language to the fiscal 2009 capital budget bill restricting \$755,000 of funds authorized for the Phase IV design of the Campuswide Utilities Upgrade Project and \$3,100,000 of funds authorized for the New School of Business Complex until a management consultant is retained to review MSU's capital project management and make recommendations ensuring appropriate oversight by the university and the Board of Regents. The management consultant's review and recommendations and a report on MSU's revised capital management and internal control procedures must be submitted to the budget committees, Office of Legislative Audits, and the Board of Public Works. The revised management and internal controls are subject to BPW's approval.

In response to the audit, MSU developed and implemented a corrective action plan designed to improve internal controls and supervision of capital projects. This included the establishment of a seven-member Capital Construction Review Committee to provide guidance and oversight on construction activities ensuring compliance with State and university guidelines. In November 2008, MSU hired an Assistant Vice President for Design and Construction, began filling vacancies in the Department of Design and Construction, and authorized two additional positions: an assistant construction manager and an assistant to the construction manager. Additionally, a review was conducted of construction activities, and some items were identified as needing BPW approval. These items were submitted to BPW but are being held until the conclusion of the Attorney General's investigation.

In a letter dated January 29, 2009, MSU submitted a report as required in the 2008 *Joint Chairmen's Report* which included the management consultant's recommendations. The report stated the problems identified in the audit report were due not to procurement policies and procedures but the failure to implement policies and identify and rectify problems. The report further states the actions undertaken or being planned by MSU should result in improvements in project outcomes. Additionally, the consultant recommended using an outside construction management firm for large or complex projects.

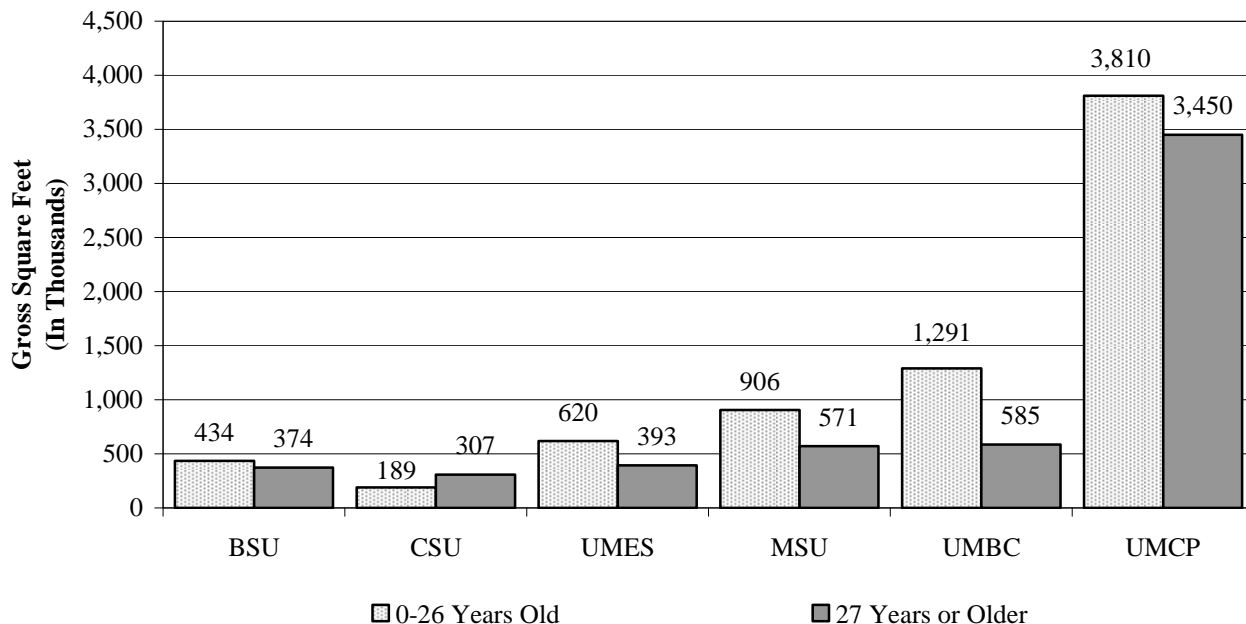
The Office of Legislative Audits is currently reviewing the report and will comment on the report at a later date. Further discussion on this issue will be incorporated in MSU's capital hearing.

### **3. Facility Renewal**

Facility renewal is defined as the planned renovation, adaptation, replacement, or upgrade of the systems of a capital asset during its lifespan such that it meets assigned functions in a reliable manner. When funding is insufficient to deal with a problem such as replacing a leaking roof, repairs are made to meet the immediate concern, and the replacement is “deferred,” becoming part of the backlog. MSU estimates the current backlog is \$14 million, increasing to \$18 million in fiscal 2010.

Facility renewal becomes more of an issue as buildings age. **Exhibit 15** shows the age of space for the four historically black institutions (HBIs) and USM’s two doctoral research institutions – the University of Maryland Baltimore County (UMBC) and University of Maryland, College Park. Total square footage of State-supported buildings at the HBIs is 3.8 million, with MSU comprising 38.9%, or 1.5 million square feet. Of this amount 905,647 square feet, or 61.3%, is between zero and 26 years old. The age of space at the University of Maryland Eastern Shore (UMES) is similar to MSU. Total square footage at UMES is 1.0 million square feet of which 61.0%, or 619,640 square feet, is between zero and 26 years old. USM estimates the backlog of deferred maintenance at UMES totals \$44.0 million.

**Exhibit 15**  
**Gross Square Feet of State-supported Buildings by Age**  
**Fall 2007**



BSU: Bowie State University  
 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

Note: Includes only State-supported buildings open as of fall 2007. Represents age of building from date of original construction or most recent renovation.

Source: Capital Investment Workgroup Report of the Commission to Develop the Maryland Model for Funding Higher Education, November 2008

Total square footage at the three research institutions is 10.6 million square feet with MSU comprising 14.0% of the total. The amount of space – 27 years or older – is relatively similar between MSU and UMBC, representing 31.2% of total square footage at UMBC and 38.7% at MSU.

While MSU does not have a facility renewal policy, it adopted a short-term (five-year) target that operating expenditures on facility renewal will equal 1% of the replacement value of the State-supported assets. The 10-year goal is to increase operating expenditures to 2% of the replacement value. Expenditures for facility renewal totaled \$452,146 in fiscal 2008, and MSU anticipates maintaining this level of spending in fiscal 2009 and 2010. MSU does not use academic revenue bonds to fund capital renewal projects.

**The President should comment on the adequacy of the current level of expenditures on facility renewal to keep the backlog of deferred maintenance to a manageable level.**

#### **4. Access and Success**

The purpose of the Access and Success Program is to improve retention and graduation rates among African American students by enhancing the relationship between administration, enrollment management, and teaching and learning practices at HBIs. Originally funded through the Maryland Higher Education Commission from fiscal 2001 to 2006, funds were released after each HBI submitted a proposal to MHEC outlining how the funds would be spent in the coming year. Beginning in fiscal 2007, Access and Success funds were budgeted in each HBI budget.

From fiscal 2001 to 2007, MSU received \$8,625,000 in general funds for the Access and Success Program. Initially, the university used these funds to enhance tutoring, provide educational programs in the residence halls, and create the Summer Bridge Program for first-time freshmen. In 2003, the university restructured retention efforts focusing on campuswide programs. The Office of Student Retention implemented various initiatives and support programs at the six major academic units of the university providing support for undergraduate students from matriculation to graduation.

The General Assembly added budget language to the fiscal 2009 budget bill restricting the expenditure of \$1,500,000 in general funds for the purpose of improving retention and graduation rates until submission of a report detailing how funds will be spent to the budget committees. The report was to include measures used to evaluate performance of programs designed to improve student success.

In a letter to the budget committees, dated August 4, 2008, the presidents of the four HBIs expressed concerns of using common measures to evaluate the effectiveness of existing and diverse programs. In the letter, the presidents believed they were being asked to evaluate the effectiveness of a program that has been in existence for seven years. Furthermore, since each institution developed programs designed to meet the needs of its students, it would be difficult to identify common measures across all institutions to evaluate programs. Finally, it was stated that retention and graduation rates did not constitute good measures because funding for the program has not been sufficient to allow the institutions to address the various factors known to affect these rates.

In December 2008, the Commission to Develop the Maryland Model for Funding Higher Education released its report endorsing the recommendations of the Panel on the Comparability and Competitiveness of Historically Black Institutions in Maryland (study panel). The study panel noted undergraduate education is the first priority of HBIs and earning a bachelor's degree should be the key measure of success. Therefore, graduation rates should be the primary criterion used to determine competitiveness of HBIs.

The study panel and the commission, recognizing the considerable remediation effort and continuing support demanded of the HBIs at the undergraduate level, recommended supplemental funding be provided over and above the level determined from the Higher Education Funding Model

for Maryland. Supplemental funding would only be used for strategies and initiatives that are proven best practices in improving graduation rates. MHEC would coordinate the efforts of a group of HBI representatives and other experts to outline programs and services needed to ensure that students who are less prepared for college graduate. The study panel further recommended the existing Access and Success Program be replaced by a new program and existing State funds and institutional support from former efforts be transferred to the new program. HBIs would provide measurable goals such as graduation rates and annually report results against identified goals. Legislation has been introduced in the 2009 session (HB 789/SB 861) to implement the commission's recommendations, including those of the HBI study panel.

To date, the budget committees have not received a report from MSU that identifies performance measures common to all HBIs to evaluate the success of the program in improving student retention and graduation rates. The fiscal 2009 funding remains withheld. **DLS recommends that the fiscal 2009 funding be re-programmed to support the start-up of the new program recommended by the study panel and the commission, in effect doubling the funds available for the new program in fiscal 2010. DLS further recommends budget bill language restricting expenditure of \$1.5 million of the fiscal 2010 appropriation until a report is submitted to the budget committees from the HBIs and MHEC on the best practices identified to be used in the new program to improve student graduation rates and the common measures to evaluate performance, including graduation rate. Each university must also provide a report describing the new program, how the funds will be used to support the new program, and performance measures.**

## ***Recommended Actions***

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1. Add the following language:

Provided that 25.0 regular positions in this budget shall be deleted.

**Explanation:** In fiscal 2009, Morgan State University (MSU), under its authority to create any new positions as long as positions can be funded through existing funds, created 25 regular positions, of which 24 are State-supported and one is non-State supported. However, since funds are not available for the positions, MSU requested the 25 positions be abolished.

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

Provided that the appropriation herein for Morgan State University shall be reduced by \$655,622 in current unrestricted funds. This reduction shall not reduce the number of students projected to be enrolled.

**Explanation:** In anticipation of underattainment of the Higher Education Investment Fund (HEIF), Morgan State University was instructed to reduce the fiscal 2009 budget by \$655,622, the amount of the projected shortfall of HEIF revenues. This results in an overstatement of actual revenues and expenditures for fiscal 2009. After adjusting for the HEIF underattainment in fiscal 2009, general funds in fiscal 2010 increase by an additional \$1.2 million.

3. Add the following language to the current unrestricted fund appropriation:

Further provided that \$1,500,000 of this appropriation, for the purpose of improving student retention and graduation rates, may not be expended until:

- (1) The public historically black institutions (HBIs) and the Maryland Higher Education Commission have prepared and submitted a report to the budget committees that outlines the programs and services that are needed and have shown success in promoting academic achievement to ensure that undergraduate students at HBIs who are less prepared for college graduate.

The programs and services should be comprehensive and use criteria for academic achievement that are shared by all HBIs, which shall include graduation rates as the primary criterion; and

- (2) Morgan State University (MSU) has prepared and submitted a report to the budget committees that outlines how the funds will be used to implement the new program and the measures that will be used to evaluate performance, including graduation rate. The report should include how all funds for the new program, including the \$1,500,000 originally appropriated in fiscal 2009, will be spent.

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The budget committees shall have 45 days to review each report.

Further provided that it is the intent of the General Assembly that \$1,500,000 restricted in R13M and R75T of the fiscal 2009 operating budget bill not revert at the end of the fiscal year and be available for expenditure in fiscal 2010 only for the purpose of improving student retention and graduation rates subject to the same restriction as the original appropriation.

<b>Information Request</b>	<b>Authors</b>	<b>Due Date</b>
Report on programs and services needed at historically black institutions to ensure graduation of less prepared undergraduate students	Maryland Higher Education Commission; historically black institutions	September 1, 2009
Report on expenditures of funds and measures to evaluate the new program to improve success and graduation of undergraduate students	MSU	October 1, 2009

4. Adopt the following narrative:

**Faculty Instructional Workload Report:** The committees request that Morgan State University (MSU) continue to provide annual instructional workload reports for tenured and tenure-track faculty. By focusing on these faculty, the committees gain a sense of the teaching activities for the regular, core faculty at the institution. Additional information may be included in the report at MSU's discretion.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Annual report on instructional workload for tenured and tenure-track faculty	MSU	December 1, 2009

5. Adopt the following narrative:

**Institutional Aid Report:** The committees request that Morgan State University (MSU) submit all categories (need-based, merit, mission, and athletic) of institutional aid data with the budget request and allowance, including prior year actual, current year working, and allowance.

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<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Reports on all categories of institutional aid (need-based, merit, mission, and athletic)	MSU	With request and allowance

## ***Updates***

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### **1. Instructional Workload Report**

Language in the 2008 *Joint Chairmen's Report* required MSU to submit a report on the instructional workload for tenured and tenure-track faculty. The instructional workload for graduate faculty is 9 credit hours and 12 credit hours for undergraduate faculty. For the 2007-2008 academic year, the average teaching load was 21.1 credit hours, equivalent to an average of seven courses per year. The goal is for faculty instructional workload to be approximately five to six courses per year.

## *Current and Prior Year Budgets*

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

	<u>General Fund</u>	<u>Special Fund</u>	<u>Other Unrestricted Fund</u>	<u>Total Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Total</u>
<b>Fiscal 2008</b>						
Legislative Appropriation	\$67,015	\$0	\$77,825	\$144,840	\$46,422	\$191,262
Deficiency Appropriation	0	0	0	0	0	0
Budget Amendments	1,119	0	0	1,119	0	1,119
Cost Containment	-500	0	0	-500	0	-500
Reversions and Cancellations	0	0	0	0	-13,211	-13,211
<b>Actual Expenditures</b>	<b>\$67,634</b>	<b>\$0</b>	<b>\$77,825</b>	<b>\$145,459</b>	<b>\$33,211</b>	<b>\$178,670</b>
<b>Fiscal 2009</b>						
Legislative Appropriation	\$67,434	\$3,816	\$83,329	\$154,579	\$43,336	\$197,915
Cost Containment	-685	0	0	-685	0	-685
Budget Amendments	1,047	3,100	0	4,147	0	4,147
<b>Working Appropriation</b>	<b>\$67,796</b>	<b>\$6,916</b>	<b>\$83,329</b>	<b>\$158,041</b>	<b>\$43,336</b>	<b>\$201,377</b>

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

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## **Fiscal 2008**

For fiscal 2008, general funds for Morgan State University increased \$0.6 million through budget amendments. This included a \$1.1 million increase for a State employee cost-of-living adjustment (COLA) and a decrease of \$0.5 million for cost containment. Additionally, \$0.9 million of other unrestricted funds originally intended to be reverted were used to offset a deficiency in health insurance payments.

Cancellation of restricted funds totaled \$13.2 million due to lower than anticipated expenditures on grants and contracts. MSU attributes this to an insufficient number of tenured and tenure-track faculty who are eligible to write proposals due to increasing reliance on contractual faculty.

## **Fiscal 2009**

For fiscal 2009, general funds have increased \$0.4 million through budget amendments. This includes an increase of \$1.2 million for a State employee COLA and decreases of \$0.9 million for cost containment. Special funds increased \$3.1 million through a budget amendment, offsetting a reduction of general funds with Higher Education Investment Funds.

## ***Audit Findings***

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Audit Period for Last Audit:	November 1, 2003 – January 31, 2007
Issue Date:	February 2008
Number of Findings:	17
Number of Repeat Findings:	2
% of Repeat Findings:	18%
Rating: (if applicable)	

- Finding 1:** MSU did not disclose to BPW that \$3.1 million of the \$4.3 million original contract represented undefined allowance funds that lacked specific deliverables and that were not subject to competitive bidding. Furthermore, these funds were primarily used by MSU to pay for work on unrelated contracts that were awarded to the same contractor.
- Finding 2:** MSU procedures for reviewing project invoices were inadequate. The audit identified charges that were not verified or supported, payments for equipment and services that were never received, and charges for duplicate items, resulting in questionable payments of up to \$2.4 million.
- Finding 3:** MSU processed change orders totaling approximately \$2.3 million to purchase goods and services that were outside the scope of the original project, rather than initiate a new procurement. Furthermore, certain of these change orders appeared to have been artificially divided to circumvent required BPW approval.
- Finding 4:** MSU allowed the contractor that was awarded the contract to increase its bid on the project by \$68,000 with no apparent change in the scope of work to be performed. In addition, MSU appeared to artificially divide the related project costs to avoid required BPW approval.
- Finding 5:** MSU authorized the contractor to perform certain work even though funds were not available for payment.
- Finding 6:** Change orders were frequently approved after the related work had been completed and paid for.
- Finding 7:** MSU had not assessed liquidated damages, totaling \$3.1 million, related to three construction projects that were from 16 to 23 months past their scheduled completion dates as of August 2007 and had not documented why such action was not taken.

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- Finding 8:** MSU frequently did not meet its minority business enterprise participation goals on construction projects.
- Finding 9:** MSU lacked documentation to substantiate that construction project inspections had been completed.
- Finding 10:** MSU had not established adequate payroll processing procedures, resulting in improper salary payments totaling \$121,400. In addition, MSU failed to report these instances to the appropriate authorities, as required.
- Finding 11:** Adequate collection efforts were not performed for outstanding grant receivables, and delinquent accounts were not transferred to the Department of Budget and Management's Central Collection Unit, as required.
- Finding 12:** **MSU did not transfer all open grant accounts from its previous automated financial system to its current system. In addition, MSU did not investigate and resolve expired grants with outstanding balances in a timely manner.**
- Finding 13:** MSU did not always maintain critical collection and deposit documentations, including evidence of independent verification of deposits. In addition, reconciliations of its revenue records with the related records of the Comptroller of the Treasury were inadequate.
- Finding 14:** MSU's computer network was not adequately secure.
- Finding 15:** Administration and monitoring of a critical network device needs improvement.
- Finding 16:** **Reconciliations of MSU's detail student accounts receivable records with the related control records were not adequately performed.**
- Finding 17:** MSU had not established adequate controls over changes to student grades.

\*Bold denotes item repeated in full or part from preceding audit report.

**Personnel by Budget Program  
Morgan State University  
Fiscal 2007-2009**

<u>Budget Program</u>	2007		2008		2009		<u>Change in Share of Total 2007-09</u>
	<u>FTEs</u>	<u>% FTEs</u>	<u>FTEs</u>	<u>% FTEs</u>	<u>FTEs</u>	<u>% FTEs</u>	
Instruction	369.00	38.5%	371.50	38.0%	373.50	37.9%	-0.7%
Research	71.00	7.4%	61.50	6.3%	61.00	6.2%	-1.2%
Academic Support	96.00	10.0%	104.50	10.7%	106.00	10.7%	0.7%
Student Services	66.00	6.9%	62.00	6.3%	62.00	6.3%	-0.6%
Institutional Support	204.00	21.3%	220.00	22.5%	225.00	22.8%	1.5%
Operations and Maintenance of Plant	84.00	8.8%	90.00	9.2%	90.00	9.1%	0.4%
Auxiliary Enterprises	68.00	7.1%	69.00	7.1%	69.00	7.0%	-0.1%
<b>Total</b>	<b>958.00</b>	<b>100.0%</b>	<b>978.50</b>	<b>100.0%</b>	<b>986.50</b>	<b>100.0%</b>	

Note: Data is for filled regular positions only.

Source: Morgan State University

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

<u>Object/Fund</u>	<u>FY08 Actual</u>	<u>FY09 Working Appropriation</u>	<u>FY10 Allowance</u>	<u>FY09 - FY10 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	1083.00	1093.00	1093.00	0	0%
02 Contractual	500.00	543.00	543.00	0	0%
<b>Total Positions</b>	<b>1583.00</b>	<b>1636.00</b>	<b>1636.00</b>	<b>0</b>	<b>0%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 77,737,698	\$ 86,790,228	\$ 89,397,532	\$ 2,607,304	3.0%
02 Technical and Spec. Fees	25,399,428	27,369,218	26,233,802	-1,135,416	-4.1%
03 Communication	1,404,858	1,331,772	1,440,996	109,224	8.2%
04 Travel	2,149,538	2,693,298	2,789,066	95,768	3.6%
06 Fuel and Utilities	8,860,703	8,020,719	8,131,290	110,571	1.4%
07 Motor Vehicles	359,239	409,279	387,985	-21,294	-5.2%
08 Contractual Services	17,942,332	20,439,749	20,193,932	-245,817	-1.2%
09 Supplies and Materials	6,291,343	7,713,730	7,656,042	-57,688	-0.7%
11 Equipment – Additional	4,123,132	6,568,027	5,355,019	-1,213,008	-18.5%
12 Grants, Subsidies, and Contributions	27,528,027	30,181,507	30,105,213	-76,294	-0.3%
13 Fixed Charges	5,219,862	5,488,870	3,321,538	-2,167,332	-39.5%
14 Land and Structures	1,654,367	4,371,094	3,833,360	-537,734	-12.3%
<b>Total Objects</b>	<b>\$ 178,670,527</b>	<b>\$ 201,377,491</b>	<b>\$ 198,845,775</b>	<b>-\$ 2,531,716</b>	<b>-1.3%</b>
<b>Funds</b>					
40 Unrestricted Fund	\$ 145,458,936	\$ 158,041,166	\$ 159,844,849	\$ 1,803,683	1.1%
43 Restricted Fund	33,211,591	43,336,325	39,000,926	-4,335,399	-10.0%
<b>Total Funds</b>	<b>\$ 178,670,527</b>	<b>\$ 201,377,491</b>	<b>\$ 198,845,775</b>	<b>-\$ 2,531,716</b>	<b>-1.3%</b>

Note: The fiscal 2009 appropriation does not include deficiencies. The fiscal 2010 allowance does not include contingent reductions.

**Fiscal Summary  
Morgan State University**

<u>Program/Unit</u>	<u>FY08 Actual</u>	<u>FY09 Wrk Approp</u>	<u>FY10 Allowance</u>	<u>Change</u>	<u>FY09 - FY10 % Change</u>
01 Instruction	\$ 42,410,310	\$ 46,613,926	\$ 47,454,001	\$ 840,075	1.8%
02 Research	24,179,047	33,950,960	28,912,691	-5,038,269	-14.8%
03 Public Service	146,620	200,630	230,799	30,169	15.0%
04 Academic Support	14,706,570	16,725,120	16,493,963	-231,157	-1.4%
05 Student Services	5,825,670	6,664,706	6,861,064	196,358	2.9%
06 Institutional Support	24,036,242	25,363,793	27,401,600	2,037,807	8.0%
07 Operation and Maintenance of Plant	17,549,599	18,680,215	18,723,739	43,524	0.2%
08 Auxiliary Enterprise	24,784,880	27,867,633	26,427,358	-1,440,275	-5.2%
17 Scholarships and Fellowships	25,031,589	25,310,508	26,340,560	1,030,052	4.1%
<b>Total Expenditures</b>	<b>\$ 178,670,527</b>	<b>\$ 201,377,491</b>	<b>\$ 198,845,775</b>	<b>-\$ 2,531,716</b>	<b>-1.3%</b>
Unrestricted Fund	\$ 145,458,936	\$ 158,041,166	\$ 159,844,849	\$ 1,803,683	1.1%
Restricted Fund	33,211,591	43,336,325	39,000,926	-4,335,399	-10.0%
<b>Total Appropriations</b>	<b>\$ 178,670,527</b>	<b>\$ 201,377,491</b>	<b>\$ 198,845,775</b>	<b>-\$ 2,531,716</b>	<b>-1.3%</b>

Note: The fiscal 2009 appropriation does not include deficiencies. The fiscal 2010 allowance does not include contingent reductions.