

ECONOMIC & SOCIAL VALUES OF THE UNIVERSITY RESEARCH ENTERPRISE

**Farin Kamangar
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Wayne Swann**

MSU RESEARCH IN THE 1960s

Black
chronology



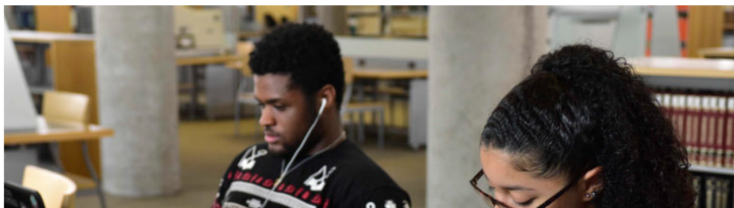
ELLEN IRENE DIGGS

Morgan State University Receives Grant of Nearly \$250,000 to Support Research of Pioneering Black Anthropologist Ellen Irene Diggs

👤 Morgan State U 🕒 September 4, 2020

Personal Papers of the Late Morgan Faculty Great Provide Humanities Education, Career Experience for Students

BALTIMORE — The Institute of Museum and Library Services ([IMLS](#)) awarded Morgan State University (MSU) a \$248,551 grant to implement a comprehensive interpretive project titled, “Ellen Irene Diggs: Creating Pathways for Black Women in Academia.” Based on the personal papers of [Ellen Irene Diggs](#), Ph.D., a pioneering African-American scholar, researcher, and former Morgan faculty member, the project chronicles her distinguished career, enabling a new generation of students to benefit from her lifework. The collection is presently housed in the [Earl S. Richardson Library](#)’s Beula Special Collections: [Davis Room](#).



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MSU'S ASCENDING TRAJECTORY

????:	R1 Designation?
2018:	R2 Designation
2017:	State of Maryland's Preeminent Public Urban Research University
2016:	Office of Technology Transfer is established.
2012:	Division of Research & Economic Development is established.
2006:	R3 Designation
1998:	SCMNS is founded
1988:	Office of Sponsored Programs and Research is established
1984:	School of Engineering is founded
1983:	First doctoral student graduates
1975:	Morgan State University
1939:	Morgan State College
1890:	Morgan College
1867:	Centenary Biblical Institute

SOME LEGITIMATE QUESTIONS

- **What are the economic gains and losses of this transition?**
- **What is the impact on faculty members, staff, students, and the institution?**
- **What are the benefits to the society at large? What are the harms?**
- **Some of these issues**

OUTLINE

- **Direct Costs:** What are they? What are the benefits to the MSU students and faculty, the institution, and beyond?
- **Facilities and Administrative (F&A) Costs:** What are they? How are they spent? How should they be spent?
- **Value to MSU:** Including increased prestige, philanthropy, State/Federal support, and impacts on students/tuition.
- **Value to Society:** Including improved quality of life and better decision-making by government and private sector entities.
- **Regional Economic Impacts on Baltimore and the State:** Research expenditure impact on the economy, innovation, intellectual property, job creation, economic multiplier effect.
- **Conclusions**

DIRECT COSTS vs. INDIRECT (F&A) COSTS

■ **Direct Costs:**

- Items that directly benefit the project, such as funds for salaries, wages, equipment, supplies, travel, stipends, and tuition. They must be *allocable* to the study.

■ **Indirect Costs (Facilities and Administration Costs):**

- Funds given to the University to defray the facilities and administrative costs burdened by the University.

POTENTIALLY ALLOWABLE DIRECT COSTS (NOT EXHAUSTIVE)

- **Salaries**
- **Wages**
- **Consultancy fees**
- **Stipend**
- **Tuition**
- **Incentives / gift cards**
- **Supplies (< \$5,000)**
- **Equipment (> \$5,000)**
- **Travel**
- **Communications**
- **Contractual payments**
- **Subawards**



DO DIRECT COSTS BENEFIT MSU?

- **Are they passthrough funds, that help the funding agency?**
- **Or are they funds that help MSU achieve its major goals?**

DO DIRECT COSTS BENEFIT MSU?

Goal 1



Enhance Student Success and Well-Being

Morgan strives to create an educational environment that enhances student success by offering new academic programs and holistic co-curricular activities in a welcoming, diverse and inclusive campus community. The goal here is to provide students with a comprehensive educational and transformative experience that actualizes their full potential and empowers them to emerge as confident and competent global citizens and dynamic leaders in their selected careers and communities. This broadly stated goal encompasses student enrollment and retention functions. Thus, primary and cross-sectional responsibility for all of these functional areas is jointly shared by the Provost & Senior Vice President, the Vice President for Enrollment Management and Student Success (EMASS) and the Vice President for Student Affairs.

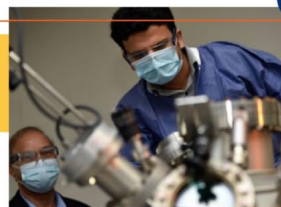
Goal 2



Implement Faculty Ascendancy and Staff Development Initiatives

The University will implement a broad range of human resource development initiatives for the benefit of faculty and staff. These initiatives will facilitate the ascendancy of faculty to higher ranks and provide staff with progressive opportunities for professional development and merit-based promotions. Without question, a sharp focus on effective human resource planning will have a direct and determinative bearing on the execution of our overall strategic plan. Over the next ten years, the University will need to attract, retain and promote junior and senior faculty. Also, staff will require opportunities to retool and acquire specialized skills leading to professional growth and enhanced opportunities for promotion and progressive compensation.

Goal 3



Elevate Morgan's Status to R1 Very High Doctoral Research University

Over the next ten years, Morgan will emerge as a R1 doctoral research university fully engaged in basic and applied research and creative interdisciplinary inquiries undergirded and sustained through increased research grants and contracts. The realization of this goal is predicated on a distinctive MSU faculty presence and preeminence in STEM and non-STEM disciplines and the strengthening of an effective educational pipeline advancing students from the baccalaureate to the doctoral level. This is an institution-wide goal to be pursued at the enterprise level. Primary responsibility for achieving this goal rests with the Vice President for Research and Economic Development working in close, inter-office collaboration with the Provost, Deans, Faculty and all members of the President's senior administrative team.

Goal 4



Expand and Improve a Campus-Wide Infrastructure to Support Operational Excellence and Increase Overall Institutional Capacity

Morgan will advance new construction, capital improvement, deferred maintenance, and campus safety projects in keeping with the University's evolving master plan. The University will also implement an information technology plan to accommodate and optimize operational excellence in all aspects of its service delivery. This expanded and improved infrastructure will accommodate a projected increase in student enrollment (traditional and non-traditional) and a surging demand for on-line learning options. This goal also encompasses a number of recommendations to implement campus-wide safety measures and enhance student well-being.

MSU's STRATEGIC GOALS

- **Goal 1:** Enhance Student Success and Well-Being
- **Goal 2:** Implement Faculty Ascendancy and Staff Development Initiatives
- **Goal 3:** Elevate Morgan's Status to R1 Very High Doctoral Research University
- **Goal 4:** Expand and Improve the Campus-Wide Infrastructure
- **Goals 5:** Serve as the Premier Anchor Institution and Beyond
- **Goal 6:** Accelerate Global Education and Enhance Morgan's International Footprint

GOAL 1

- **Goal 1: Enhance Student Success and Well-Being**

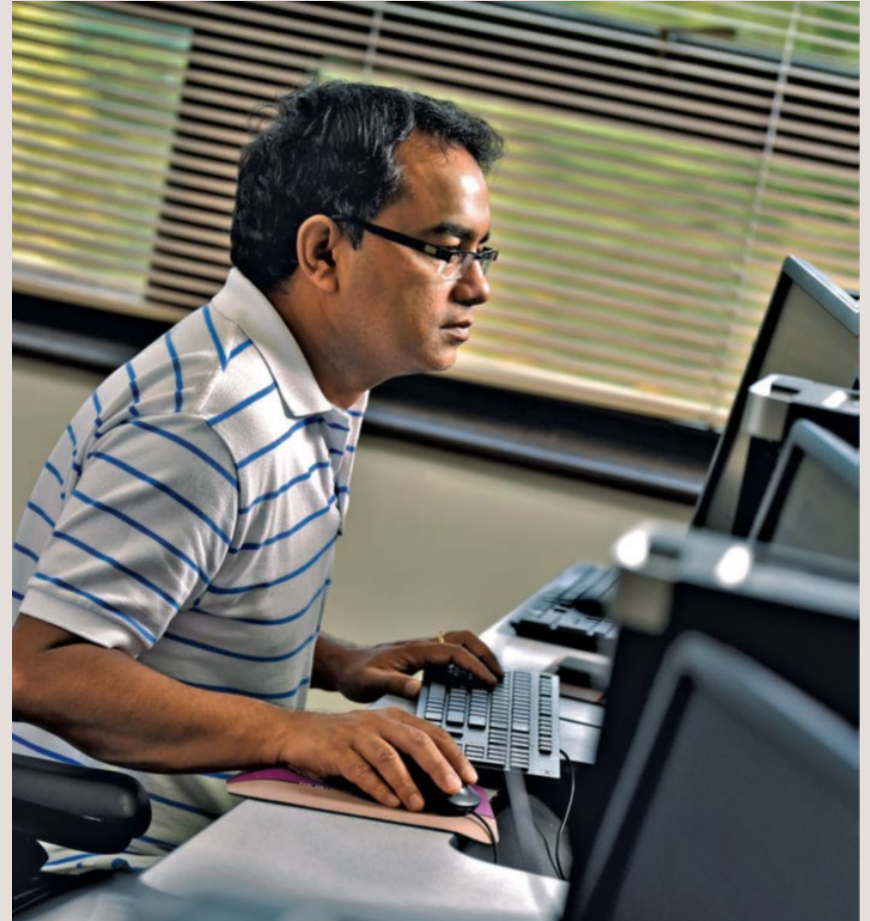
- Title III
- ASCEND
- RCMi
- NIGMS RISE
- MEDE
- ...
- ...
- ...



GOAL 2

- **Goal 2: Implement Faculty Ascendancy and Staff Development Initiatives**

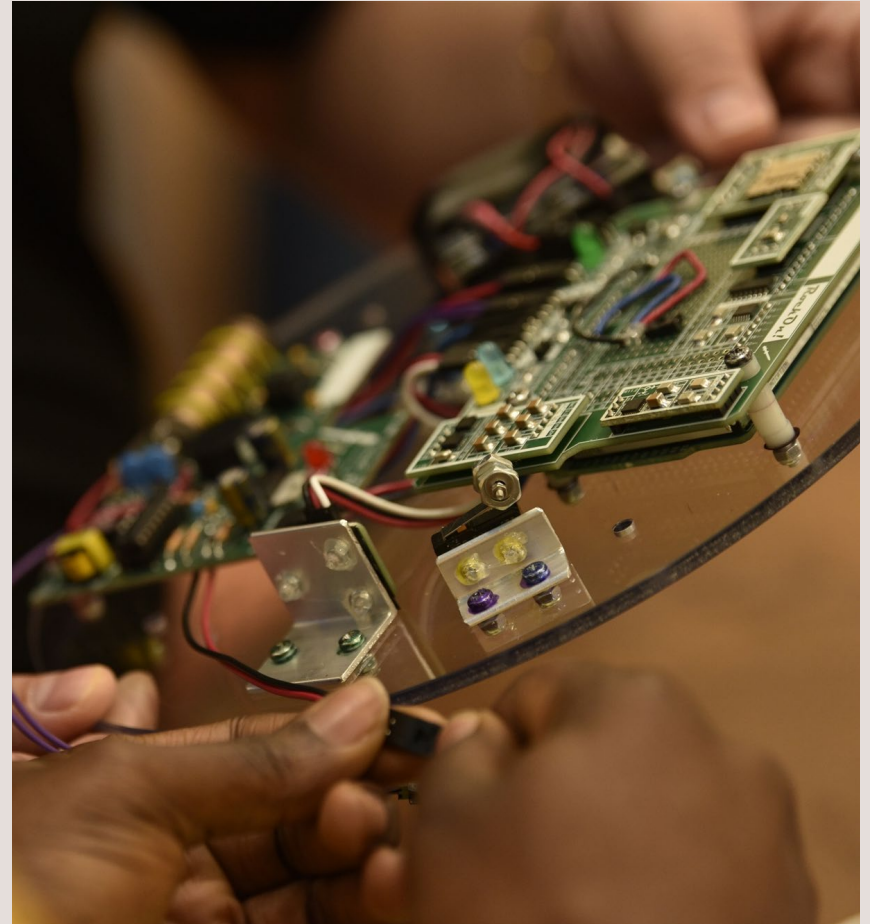
- **Title III**
- **ASCEND**
- **RCMI**
- ...
- ...
- ...



GOAL 3

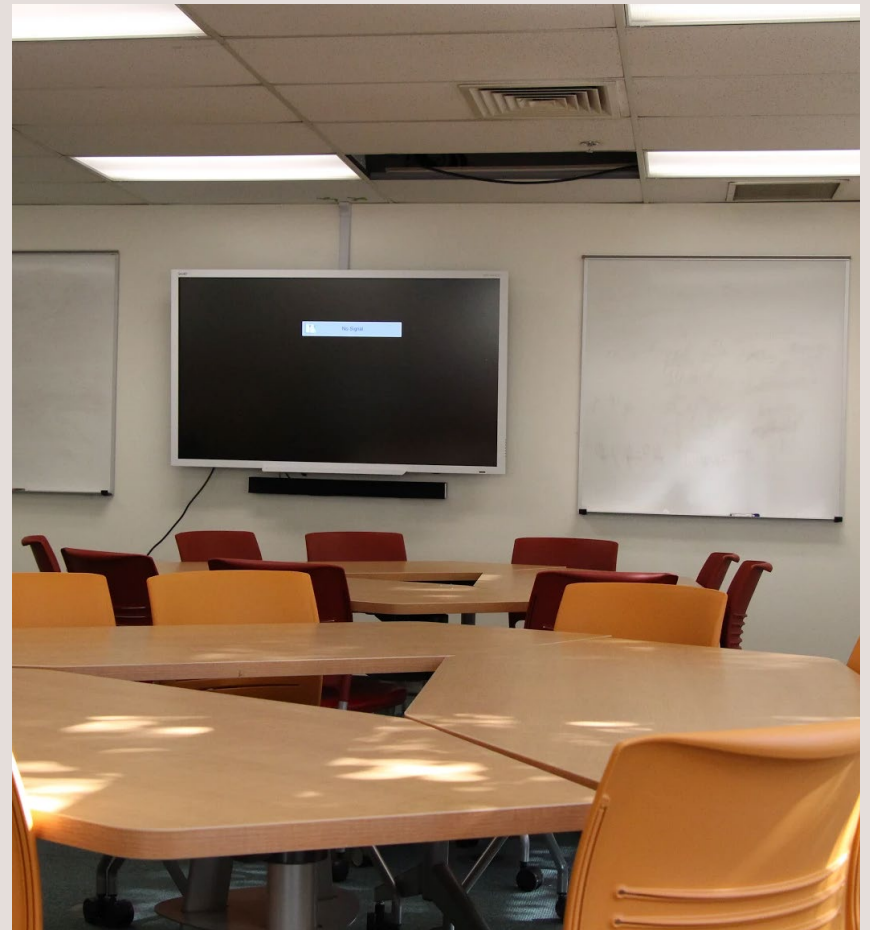
- **Goal 3: Elevate Morgan's Status to R1 Very High Doctoral Research University**

- **GESTAR**
- **Center for 2D Materials**
- **ASCEND**
- **RCMI**
- **TETFund**
- ...
- ...



GOAL 4

- **Goal 4: Expand and Improve the Campus-Wide Infrastructure**
 - NSF Major Research Instrumentation
 - Center for 2D Materials
 - ASCEND
 - RCMI
 - Grants for preservation of the University Chapel roof
 - ...



GOAL 5

- **Goal 5: Serve as the Premier Anchor Institution and Beyond**
 - Upward Bound
 - MUREP
 - Center for 2D Materials
 - RCMi
 - ASCEND
 - Grants for enhancing Covid-19 vaccination in the community



GOAL 6

■ Goal 6: Accelerate Global Education and Enhance Morgan's International Footprint

- TETFund
- GESTAR
- ASCEND
- RCMI
- ...
- ...



SOME TERMS TO CONSIDER

- **Contracts vs. Grants**

- Acquisition vs. Assistance
- Much of what MSU receives are grants

- **Sponsored Projects vs. Research**

- Not all sponsored activities are research.
- They can be for training, community activities, repair of the Chapel roof, etc.

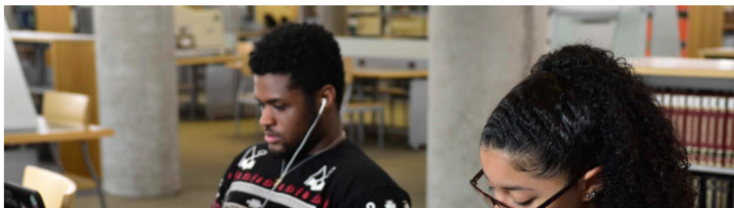
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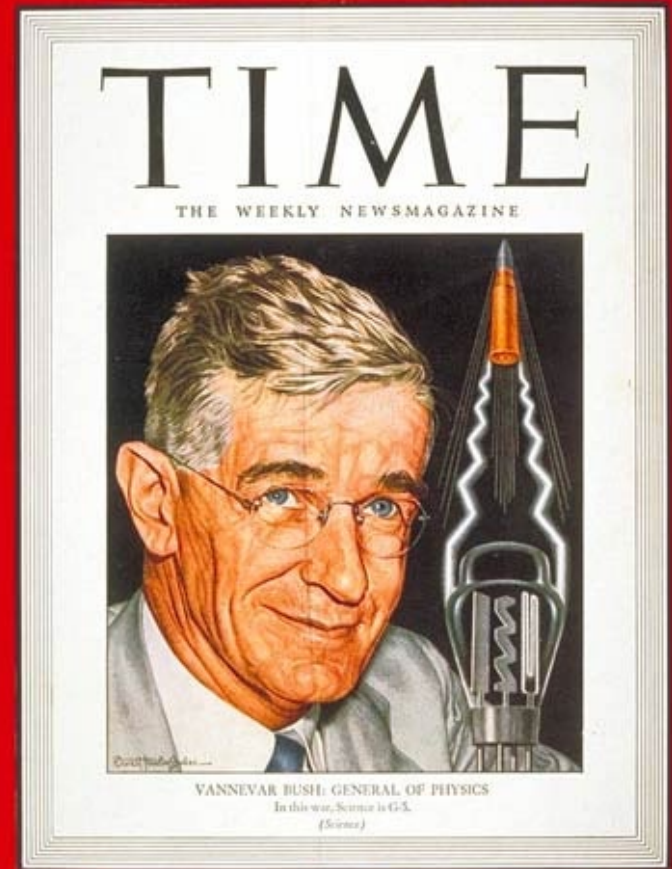
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FACILITIES & ADMINISTRATION (F&A, INDIRECT, OVERHEAD) COSTS

- **These are not gifts to the University; they are used to defray existing costs.**
- **The administrative burden is substantial, and includes a portion of the time of the following individuals:
University President, Provost, VP for Research, AVPs, deans, chairs, restricted funds accountants, contract specialists, ...**
- **The University also pays for maintenance of laboratories, office space for researchers, library journals for researchers, etc, which is part of the facilities component.**

F&A COSTS: HISTORY

- The federal government stated giving grants and contracts to the Universities in the 1930s.
-
- Not met with enthusiasm
 - Fear of government intervention
 - Losing money over government contracts
- Substantial F&A costs were added.



F&A COSTS: HOW ARE THEY NEGOTIATED?

- **With the cognizant federal agency**

- **HHS**
- **ONR**

- **Items included**

- **Administrative (26%)**
- **Facilities (25%)**
 - **Buildings (7.8%)**
 - **Land (0.6%)**
 - **Equipment (2.6%)**
 - **Maintenance (13.2%)**
 - **Library (0.8%)**

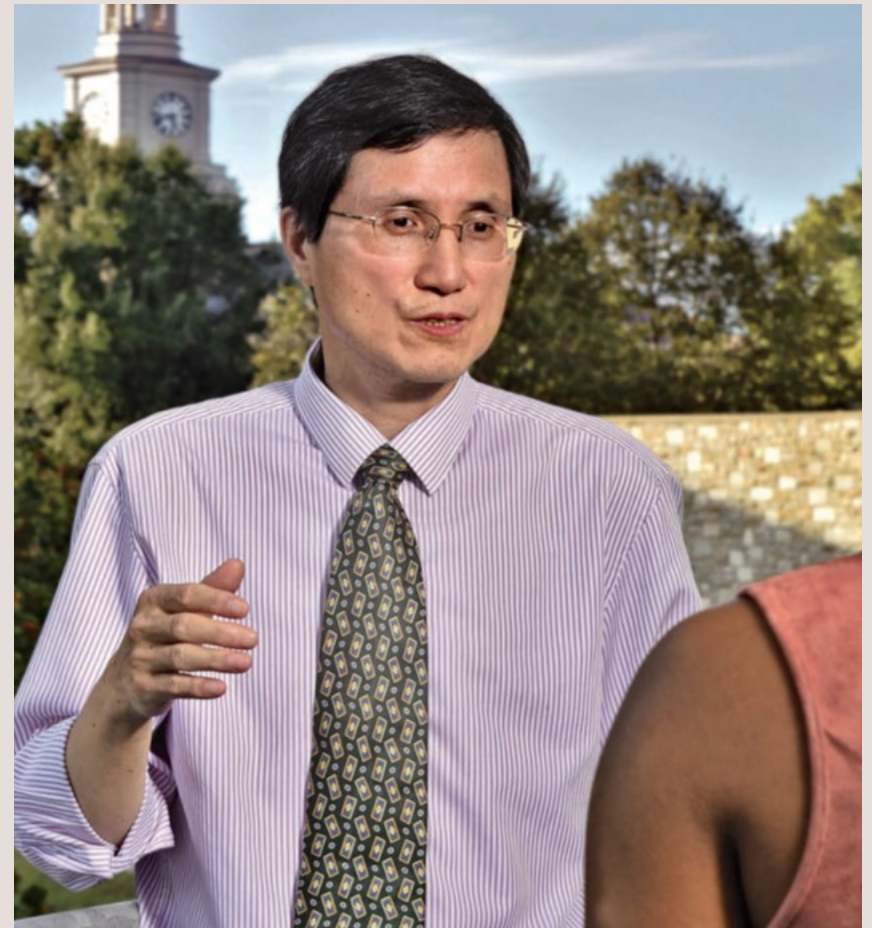


F&A COSTS: HOW MUCH ARE THEY?

- **At most 51% of the direct costs**
 - **(26% Administrative and 25% Facilities)**
- **For most sponsored projects, they are far lower.**
 - **Off-campus is only 26%**
 - **Some items (e.g., equipment, participant costs, construction, subawards beyond \$2%K) do not receive any F&A.**
 - **Many grants limit their F&A**
 - **Title III**
 - **NIH training grants**
 - **State-sponsored activities**
 - **Money from foundation**

F&A COSTS: HOW SHOULD THEY BE USED?

- **The University has the discretion to use them as it pleases.**
- **Consider the example of taking your car to a shop and later being reimbursed by the insurance**
- **Recommendation:**
 - **Spend much of it as possible on enhancing the sponsored programs**
 - **They are consistent with the University goals**



F&A COSTS: GAINING OR LOSING MONEY?

■ Hard to Say

- On the one hand, MSU is spending much more on facilities and administration than it recovers from F&A.
- On the other hand, MSU is a State University, and its expenses are covered by the State. It is very different from, let's say, JHU.



F&A COSTS: EVER-EVOLVING AND CONFUSING

- Rates have changed over time. The purpose and justification has changed.
- “[Since] World War II ... the problem of indirect costs [has remained] inherently insoluble, ... it excites extraordinary passions among people who are normally quite peaceable and reasonable.” [Dr. Rosenzweig, former AAU President]



SPONSORED PROGRAMS...

- Impact MSU in many other ways
- Impact the society at large
- Enhance the ascendancy of the United States
- Scott and Wayne will expand on these items



CONCLUSIONS (1)

- A large portion of direct costs substantially benefits each of the MSU's six strategic goals.
- Recovered indirect costs are likely less than what MSU spends on the projects. However, the State of Maryland covers MSU's indirect costs. Therefore, it is difficult to say whether MSU is gaining or losing money on indirect costs.
- The recommendation is that indirect costs be spent on enhancing research, as much as possible, to create a positive feedback loop.

CONCLUSIONS (2)

- **Research enhances MSU's:**
 - Prestige and brand
 - Philanthropic donations
 - Federal, state, and local government support
 - Desirability by students and their parents
 - Royalties (in the longer term)
 - ...
- **Research also creates value for the society. For example, life expectancy in the US has risen from 47 years in 1900 to 79 years in 2022.**

CONCLUSIONS (3)

- **MSU's research generates substantial regional economic impact.**
- **Dollar for dollar, MSU's research generates better output than the other State of Maryland's universities.**
- **In long term, start up companies and other outputs of MSU research will create value for the society, provide regional economic impact, and may bring back substantial funds to MSU, including philanthropic funds and royalties.**

