

Morgan State
University

Maryland's
Public Urban
University

Legislative Testimony

Presented to:

**House Subcommittee on Education
& Economic Development**

and

**Senate Subcommittee on Education,
Business & Administration**

February 2012

**Dr. David Wilson
President**



MORGAN STATE UNIVERSITY

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Testimony

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David Wilson, President

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Thank you for the opportunity to appear before the Committee to provide a brief update on the very exciting progress that the University is making and our plans for assisting the State in growing the workforce of tomorrow. I will be pleased to respond to any questions that you may have.

I am pleased to report that Morgan is increasingly recognized by various publications for the important role it plays in addressing critical educational issues. Last year, *Forbes* magazine listed Morgan among the top quarter of the nation's colleges and universities and ranked it among

the ten best historically black colleges and universities. *Professional Women's Magazine* ranked Morgan as one of the top 25 colleges and universities for women, and *Hispanic Network Magazine* ranked it as one of the top 25 colleges and universities for Hispanics.

The recognition of Morgan has much to do with its success as a leader within Maryland and the nation in degrees awarded to African Americans in critical fields, at all degree levels. For example, in Maryland, Morgan ranks:

- 1st in Total Number of Bachelor's Degrees
- 1st in Total Number of Doctoral Degrees
- 5th in Total Number of Master's Degrees

Its rankings nationally with regard to number of degrees awarded to African Americans are even more impressive. Some examples follow:

Baccalaureate Degrees

- 3rd – Engineering
- 4th – Architectural/ Related Services
- 4th – Finance/Finance Management
- 5th – Hospitality Administration/ Management

Graduate Degrees

- 5th – Engineering Master's
- 2nd – Engineering Doctorates
- 9th – Business Management/Marketing
- 17th – Total Doctorates
- 5th – Total Master's

Source: Diverse: Issues in Higher Education *Top 100 Producers 2010*

We are also recognized for the quality of our graduates. For instance:

- At least a third of the University's undergraduates typically go on to graduate /professional school, whereas the statewide average is 25 percent.
- Morgan State University was the first HBCU to have a student selected as a Fulbright scholar (1954) and now it continues to lead HBCUs in the number of students awarded Fulbright scholarships. This year, three students received this distinguished honor bringing the total to 125.
- Morgan State University leads all HBCUs in the number of Fulbrights awarded to faculty. This year, Morgan produced two faculty scholars.

Since I made my presentation to you last year, many exciting events have occurred at the University. First, I have been working very hard to get the word out — through editorials, workgroups, community meetings, etc. — about the outstanding educational opportunities provided by the University to the citizens of the State as well as the nation. These efforts may have influenced my being named as one of the five most visible HBCU Presidents in the country. In addition, I have been working hard to provide University representation in various forums to increase the understanding of the critical importance of the development of Morgan, and to inform a wider audience about the special challenges it and other HBCUs face in assisting the State to achieve

important goals. These goals include increasing the percentage of the state's college-age population earning a college degree to 55 percent by 2025. My appointment to the White House Presidential Board of Advisors on Historically Black Colleges and Universities has certainly assisted in my outreach. I am also building strong and solid relationships in Baltimore and surrounding communities and am pleased to have been invited to join the Board of Directors of the Greater Baltimore Committee.

I am certainly privileged to represent this great University and to work with the Governor, the Legislature, the City, businesses, alumni and friends to accelerate Morgan's advancement as the premier urban university in the nation. In that regard, the most important initiative the University completed this year was the development of its Ten-Year Strategic Plan. A significant amount of time and effort was invested by faculty, staff, businesses, alumni and student representatives and, of course, the Board of Regents, in establishing this roadmap for the future direction of the University.

For today and in the future, the resources that the University requests will be associated with the achievement of this plan. Therefore, it is important that I briefly outline the goals of the plan and provide a few examples of progress that we have already made toward the achievement of those goals.



Fulbright scholar and urban educational leadership doctoral candidate Katherine Lloyd with two students in Yapatera, Peru. Morgan State University is first in the production of Fulbright scholars among all HBCUs.

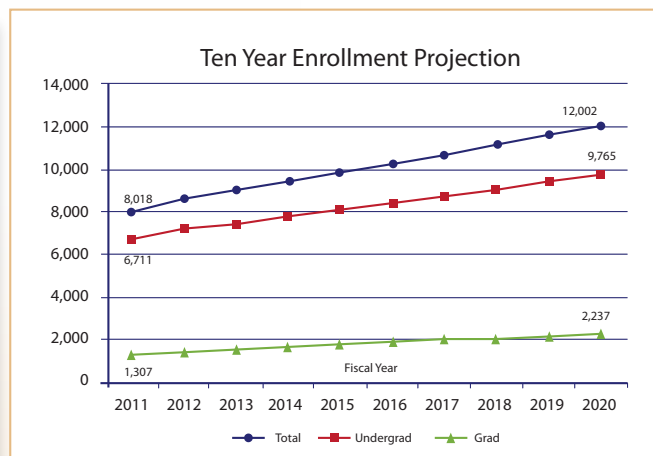
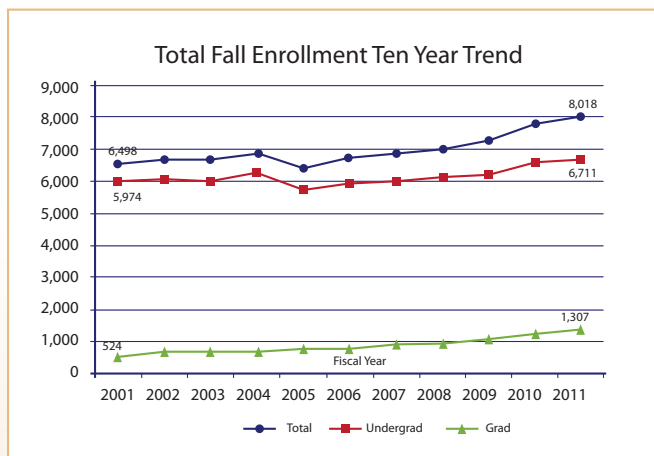


GOAL 1: ENHANCING STUDENT SUCCESS

- Improving retention and degree completion among students, with particular emphasis on undergraduate retention and graduation rates
- Increasing enrollment to approximately 12,000 students through:
 - o Improved retention and degree completion rates
 - o Expanding collaborative relationships with community colleges and higher education centers
 - o Developing high-demand online programs
 - o Continued recruitment of traditional students
- Ensuring a supportive educational environment
- Improving facilities to make us more competitive for students, faculty and staff
- Building a student population that is increasingly diverse, academically and socioeconomically

It was not very hard to identify this as our number one goal, since this is the reason that Morgan State University exists. By mission, Morgan is to serve students from a wide variety of academic and socioeconomic backgrounds. This mission, compared with those of non-HBCU institutions, is considerably more complex and requires more attention and associated resources per student to effectively carry out. However, the shifting demographics of the State and the nation mean that business and industry will increasingly be dependent on the growing minority population to satisfy the highly technical jobs of tomorrow. And this dependence will require institutions like Morgan State University to be increasingly productive at all degree levels.

Morgan has great potential to assist the State in raising the educational attainment of its increasingly diverse population, given the students that the University has traditionally served and its diverse inventory of programs. The University achieved an eight (8) percent enrollment increase last year and a 2.7 percent increase this year, much of which was in the graduate programs and community college transfers. In addition, just this past year, the University increased its second-year retention rate from 67 percent to 74 percent, a significant step in the right direction that will boost its graduation rate in future years. Critical to sustaining such increases is financial aid and lessening the University's dependence on contractual faculty.



GOAL 2: ENHANCING MORGAN'S STATUS AS A DOCTORAL RESEARCH UNIVERSITY

- Increasing grant and contract activity from approximately \$28 million to \$50 million per year
- Increasing the annual number of doctoral awards from approximately 32 to 50 per year
- Increasing opportunities for student to participate in research
- Expanding research infrastructure capacity

This year, Morgan took a big step in enhancing its status as a doctoral research university by successfully filing for its first-ever patent, based on research conducted by one of its distinguished faculty members. The University has already intensified its efforts to increase funding from external sources. We anticipate that grant and contract activity will increase by 20 percent, moving from \$28M to \$33.5M this year. As a part of that effort, the University won the largest federal contract in its history and one of the largest ever awarded to an HBCU. In partnership with Universities Space Research

Association (USRA), a five-year, \$95.8-million cooperative agreement from NASA was obtained, of which at least \$28.5M will be managed by Morgan State University. With a possible extension of another five years, the University could generate close to \$60 million of activity. The contract is to perform research in support of strategic earth and space science objectives. This research contract represents a significant recognition of the quality of Morgan's academic programs and research in the STEM fields. In a very short window, the University has secured several other new grants, such as partnering



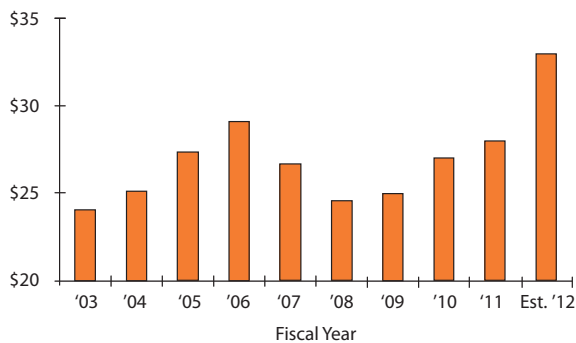
MSU professor Kadir Aslan, Ph.D., has developed a prototype device for the rapid crystallization of protein compounds. The device has proven to reduce the time to identify and construct disease-fighting compounds over conventional methods by a factor of 10.



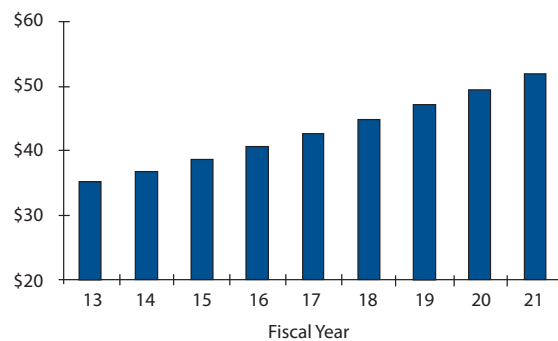
with Penn State in a \$129M federal energy grant to establish an Energy Innovation Hub in Philadelphia, a \$1.8M federal cyber research grant and a \$3.1M neuroscience research grant. We are very proud of the faculty and staff in their efforts to further extend their productivity using available resources. If, however, Morgan is to achieve its long-term goals and objectives, it will have to reduce its dependence on contractual

faculty and staff, as well as reduce the faculty teaching workload to be more consistent with the norms of a research University. Contractual faculty are not eligible to apply for most research grants, and the additional responsibilities that regular faculty have to assume for advising the students of contractual faculty reduce the amount of time that regular faculty have to carry out research.

Grants & Contracts Ten Year Trend



Ten Year Grants & Contracts Projection



GOAL 3: IMPROVING AND SUSTAINING MORGAN'S INFRASTRUCTURE AND OPERATION PROCESSES

- Conducting a self-assessment using the Malcolm Baldrige Organizational Profile
- Continued improvement of facilities
- Exploring public/private collaborative relationships to expand Morgan's presence and brand

Morgan has already begun to look at its operations comprehensively. We are implementing a campus-wide review of our customer service, and we are conducting business process

analyses of operations to determine the extent to which our existing technology systems can support being streamlined or enhanced.

GOAL 4: GROWING MORGAN'S RESOURCES

- Increasing alumni giving
- Seeking support from the State
- Establishing an appropriate structure to further accelerate grant and contract volume
- Enhancing fundraising capacity
- Launching a multi-year capital campaign to coincide with Morgan's 150th anniversary
- Supporting innovation in business and commercialization

Considering the substantial resource needs of the institution, the University has already given this important goal considerable attention. Our efforts to increase grants and contracts have begun to provide additional resources to the University. In addition, the Morgan State University Foundation is working on a major campaign in support of the University while simultaneously working with faculty and staff to attract gifts, including

\$1M from the Osher Foundation to establish an endowment for non-traditional students. Efforts to obtain increased support from alumni have also been very successful. Just this year, targeted efforts have resulted in an increase in the alumni giving rate from 6.4 percent to 10.4 percent, a 61 percent increase that is the highest in Morgan's history and well above the national rate for public institutions.



GOAL 5: ENGAGING THE COMMUNITY

- Giving significant priority to solving difficult social problems, particularly those prevalent in urban communities
- Expanding Morgan relationships with people and institutions from a variety of countries to enhance and diversify learning experiences
- Better supporting community revitalization and stimulating local economic development

We have also begun work on this goal in several ways. First, we have embarked upon an initiative called "The Morgan Mile." We are taking an inventory of what is within a mile circumference of the University, with regard to housing stock, businesses,

retail establishments, educational entities, etc., as well as the demographics within that specified area. Once the inventory has been completed, we will begin to leverage future grant and contract resources, secured by faculty, to address issues



U.S.-Brazil Education Initiative

associated with health, education, transportation, community and business development, etc. The impact will be assessed over time, and successes can be replicated in expanded areas. As grant funding is obtained to support this research, not only will the targeted areas benefit, but the University will benefit through increased opportunities for faculty development, increasing opportunities for student internship and assistantships, and other financial assistance. Again, a more appropriate faculty and staff contingent and reduced workload for research faculty are critical for enabling the University to carry out the public service and outreach components of its mission.

Also, we have worked to extend Morgan's outreach globally. Recently, a team from Morgan accompanied the Governor as part

of a small delegation to India. While there, we were able to secure new collaborations as well as strengthen existing collaborations with higher educational institutions in India. Also, early last summer, a team from Morgan visited Hubei University in China. In both instances, we have set the stage for student exchange programs. We also had similar successes in Brazil and Finland last year. These relationships are quickly laying the foundation for rich and varied opportunities for many more of our students to gain valuable experience while studying abroad.

Although we are already working very hard on these recently adopted goals and objectives, we have established measures for their achievement and are now in the process of establishing benchmarks that will be tracked by Morgan's Center for Performance Assessment.



President Wilson in China
(L to R) Dr. Antoinette Coleman, MSU Assistant Vice President of Academic Affairs;
MSU President David Wilson; Dr. Xiong Jianmin, President, Hubei University and
Prof. Li Xiangkun, Dean of the International School, Hubei University

FINANCES

The future direction calls for substantial enrollment growth from students of diverse backgrounds, as well as a substantial expansion in research and outreach. Particularly during these difficult economic times, the University is benefiting significantly from committed faculty and staff members who have been increasingly productive, even though the workload has been high by research university standards.

With very limited State resources, the University is even more committed to diversifying its revenue base and maximizing the utilization of its resources through economies and efficiencies. However, as a State-supported University, if tuition is not going to be increased significantly, the extent to which the University will achieve the goals of its Strategic Plan will continue to depend heavily on the level of State support.

OVER-THE-TARGET REQUEST

The University submitted its Over-the-Target Budget Request last September, which totaled \$19.7M, consisting of four major initiatives, summarized as follows:

• Improve Graduation and Retention Rates	\$1.8M
• Undergraduate Program Development and Growth	\$7.1M
• Graduate Program Development and Growth	\$8.1M
• Other (COLA, Merit, Maintenance, I.T. Advertising., etc.)	\$2.7M
Total Request	<u>\$19.7M</u>

The Governor is recommending \$74.1M in State support which represents \$1.1M or a 1.4 percent increase over last year's allocation. The University is also projecting an additional \$1.7 million from modest tuition increases for a total of \$2.8 million. Unfortunately, anticipated increases for health insurance and retirement (\$2.7M), transfer to the State Department of Information Technology (\$.5M) toward the cost of the State's Health Management System, transfer to the State Retirement system (\$.1M) and taking into account this year's cut in the Higher Education Investment Fund (.3M), there will not

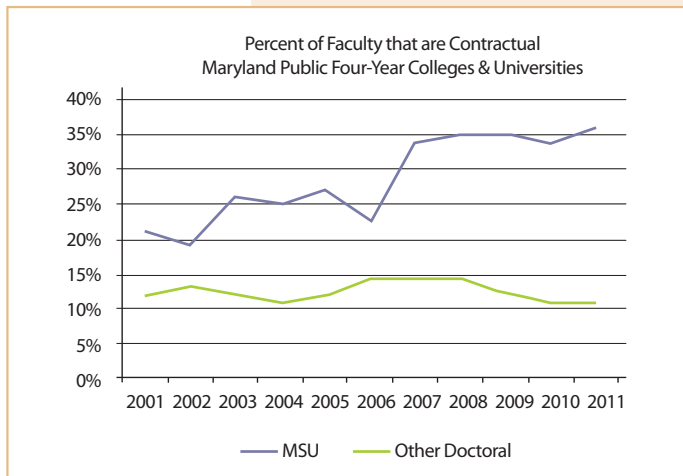
be any additional funds to support the growing resource needs of the University. To the extent the University realizes enrollment growth, that funding will be utilized toward direct costs associated with that growth.

Although we understand the limitations of the State due to the current economic conditions, it is my responsibility to inform the Committee of some of the challenges that the University faces, so that when funding does become available, you will be well aware of Morgan's position.



Reduce Dependence on Contractual Faculty

The greatest impediment to the University's progress in achieving most aspects of its Strategic Plan is the high percent of contractual faculty. Contractual faculty are less expensive, since they do not receive fringe benefits; however, there is a significant turnover, and they are not available to engage in the counseling and advising required by students who are in need of significant additional support. This obviously impedes progress that we would like to make in the improvement of our retention and graduation rates.



Morgan has a full-time equivalent (FTE) faculty of 543, of which 210 are contractual. This percentage has increased from 10 percent in 1999 to 38 percent today. At times, it is difficult for some to understand why Morgan cannot afford to hire additional regular faculty, since it is receiving the same or a little more in general funds per student than other institutions in the State to which it may be compared. The reasons are, first, that Morgan's funding would be expected to be higher, since it is not yet achieving

economies realized by larger doctoral research institutions. Second, Morgan is an access institution in which 58 percent of its students qualify for PELL grants. Therefore, Morgan, as well as all other HBCUs, have a lower tuition structure. Morgan collects approximately \$3,000 less in tuition per student than its closest in-state TWI competitor. If Morgan could charge tuition rates commanded by other mainstream institutions, it would have an additional \$18M per year in revenue thereby not have to depend on less expensive contractual faculty and staff, as well as institute many other budget curtailments to operate within available resources.

Certainly, contractual faculty, in some respects, can be very advantageous in bringing professional experience into the classroom as well as adding value to the curriculum. However, there are challenges when they are relied on for basic instruction at the freshman and sophomore levels or to provide the baseline staffing requirements for the University's programs and services. The University wants to reduce the contractual faculty contingent to 10 percent. The State's eventual investment to convert these positions from contractual to regular will result in an economic return to the University and substantial payback to the State since many of these faculty members will be able to apply for research grants and contracts. Currently, each regular faculty brings in an average \$103,077 in grants and contracts – some regular faculty have never been awarded while others have secured millions. Ten million dollars is required to reduce our

contractual contingent from 38% to 10%. If this would occur, I anticipate, at minimum, that \$15.7M will be returned to the State through grants and contracts activity. Additionally, many of these grants will enhance the University's capacity to carry out the service component of its mission, significantly benefiting the City and its communities in addressing the issues of urban living. Combined, this needed State investment, once made will yield great economic returns through improved retention and associated graduation, increased tax base through additional individuals being hired on grant and contracts, and stronger neighborhoods and increased business development through the University's increased capacity to carry out its legislated urban mission.

Support Growth & Development

Morgan has set a goal of growing its enrollment by 50 percent over the next decade, which would represent an increase from our current headcount enrollment of 8,018 to 12,000. Growth will occur from improved retention of undergraduate students, better and more relationships with community colleges, and provision of more online opportunities, particularly at the graduate level. In conjunction with these efforts, the University expects to expand the diversity of its student body relative to students' academic preparation and socioeconomic background, while further accelerating growth. As previously indicated, the high-tech job market of tomorrow will be increasingly dependent upon the State's growing minority population. This is a population that Morgan has traditionally served, but because of

the changing demographics, we must do much more to meet the future demand. This is an opportune time in which the State's and University's needs coincide — providing a rare opportunity to facilitate cost-effective development at the University. At the same time, the University can generate increasing revenues in support of research and public service to the City of Baltimore and beyond; revenues that will generate economic benefits well in excess of the investment in faculty and staff.

The University requested \$15.2M to support growth and development of the undergraduate and graduate programs consistent with its Strategic Plan. We are aware, however, that continued enrollment growth in the short-term, without additional State support, will be very difficult. Growth that is accommodated would likely require increased dependence on contractual employees which is not the direction we want to be moving.

Increase Financial Aid

Another critical element required to improve retention and graduation rates is financial aid. If low-income students' financial needs cannot be more adequately addressed, their chances of academic success are significantly diminished. Based upon surveys and studies that we have performed, the lack of adequate financial aid is a major factor in student attrition. The lack of financial support causes our students to work more than they should, which



Morgan, "Maryland's Public Urban University," enrolls more than 8,000 students from around the region and the world.

can result in declining grades. Often, this results in the loss of any financial aid they may have had and thus forces students to leave the University. Of great concern is the 400–500 students each semester who are restricted from attending class due to the lack of funds to meet their financial obligations. Not only have these students made a significant investment in their education, the State has made an investment, as well. Everyone would be much better served if we could identify additional funding to assist these



students to continue their education through degree completion. Morgan reallocates a higher percentage of its tuition revenues to student financial aid than any other public institution in the State. Unfortunately, since 2002, per FTE student institutional financial aid has declined by 14 percent, making it increasingly difficult to assist students who are in financial difficulty. The University requested \$4.2 million for financial assistance for FY 2013 to support growth as well as maintain the level of support for our current population. If, however, we decide to accommodate additional students,

financial aid per student will continue to decline, thereby, making it increasingly difficult to improve retention.

Although demand for enrollment in the undergraduate programs has increased significantly, the graduate programs are in even greater demand. In fact, over the last five years, graduate enrollment has increased by 74 percent. However, we do not have additional funding for assistantships or internships to enhance the educational experience of our students while at the same time helping them to persist through graduation. For the last five years, graduate student financial aid has decline by 32 percent per FTE student resulting in many more students opting to stop out until they can secure the needed funds to return and complete their education. The University requested \$1.6M for FY 2013 to support future anticipated growth.

Closing

As illustrated, the University has significant resource needs. We request your full support of the Governor's recommendation to assist in negotiating through very difficult times. Please be assured that Morgan is committed to extending its resources to the fullest extent to educate an increasing number of students with hopes that the economy will begin to improve. Once that occurs, Morgan will be poised for accelerated growth as we commit ourselves to "growing the future, leading the world" in a number of disciplines paramount to Maryland's prosperity.

Again, thank you for your support. I will now provide comments and answer questions presented by the analyst.



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