

**Morgan State
University**

**Maryland's
Public Urban
University**

Legislative Testimony

Presented to:

**House Subcommittee on Education
& Economic Development**

and

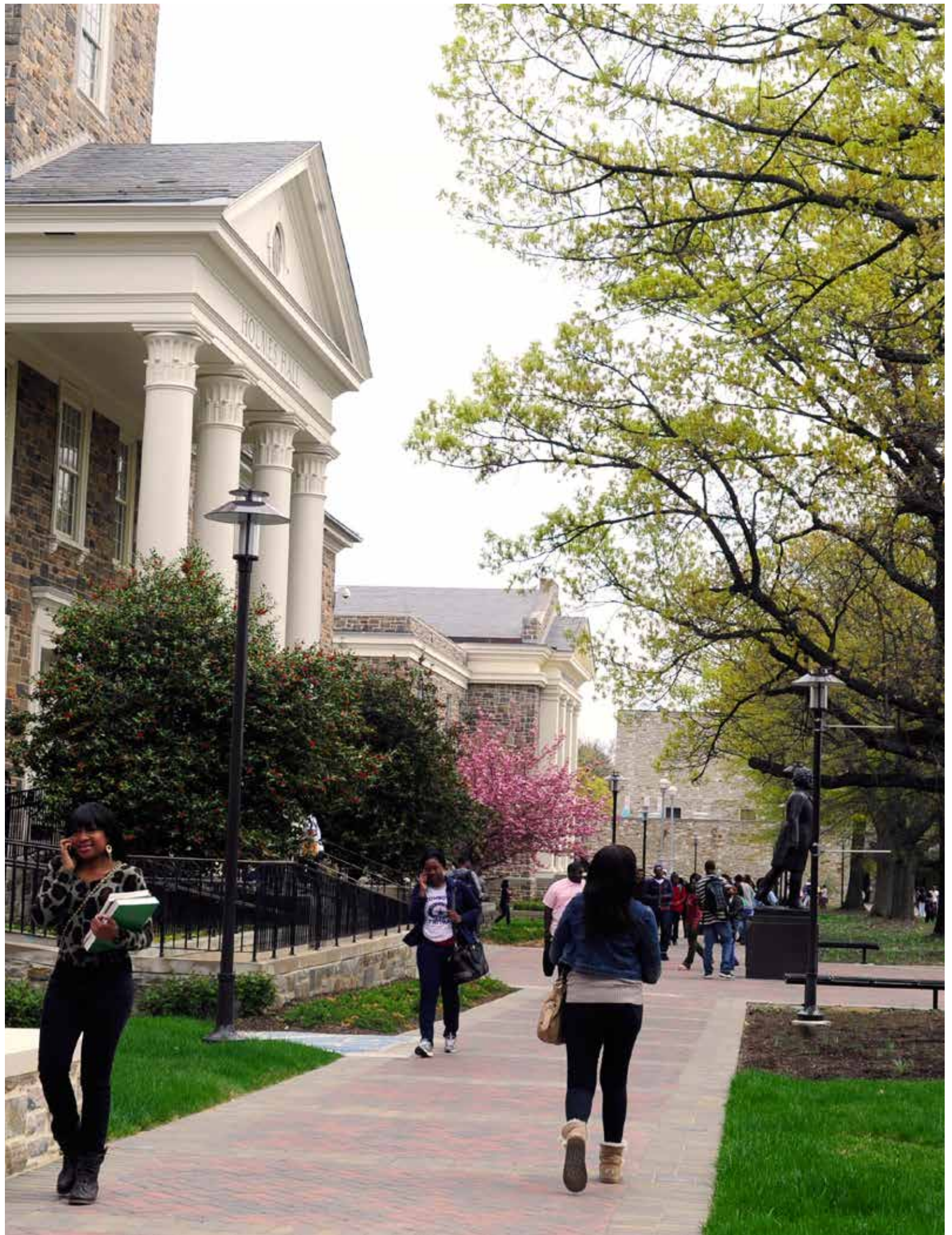
**Senate Subcommittee on Education,
Business & Administration**

February 2013

**Dr. David Wilson
President**









Testimony

Fiscal Year 2014 Operating Budget

Morgan State University

David Wilson, President

February 2013



David Wilson,
President

Thank you for the opportunity to appear before the Committee to provide a brief update on the progress the University has made during the last year. Today, I want to share some information that will highlight the importance of the continued development of Morgan as Maryland's Public Urban University, and will be pleased to respond to any questions that you may have.

I want to assure you that the University is working very diligently to utilize existing State resources that are available to us to provide for the educational needs of Maryland citizens. In addition, we constantly look for ways to leverage those resources to obtain external funds to further enhance the quality of education and associated opportunities for our students. Some recent accomplishments of the University are listed as follows:

- Increased the graduation rate from 28 percent for the class graduating two years ago to 33 percent for this year's graduating class. Our goal is a minimum of 50 percent over the next decade.
- Initiation of B.S. and M.S. degrees at community colleges and the HEAT Center.
- Collaborations with Hubei University in China, and the governments of Brazil and Botswana.
- Improved 2nd year retention rate from 68 percent to 73 percent or by an increase of 7.4 percent.

- Increased the number of undergraduate degrees from 813 to 902 or by 10.9 percent.
- Increased the number of graduate degrees from 238 to 292 or by 22.7 percent.
- Increased grants and contracts by approximately \$5.0 million, or by 18 percent, to an all-time high.

Further, the alumni giving rate at Morgan has increased to an all-time high of 13.6 percent from 6.5 percent in 2010. The amount of money raised from private sources has increased by 115 percent over the last three years. And, the University is working on various initiatives to further improve student success and expand the research capacity of the institution by extending its reach into the community to accelerate economic development within the northeast corridor of Baltimore City.

Although we are pleased with our recent progress as Maryland's Public Urban University, with your continued assistance, we anticipate much greater contributions in the future. Well-

developed urban universities are major assets to the regions in which they are located. Typically, they make available a wide range of educational opportunities in their communities in ways that are as convenient as possible for students holding jobs or with other obligations. Many of the students they enroll might not otherwise have the opportunity to pursue a degree due to their prior academic experiences or issues of accessibility. When urban universities have significant research missions, they bring a great deal of expertise to their communities that otherwise would not be available. Their communities typically are the laboratories for their research, thus, potentially improving overall quality of life. One needs to look no further than the University of Maryland professional schools and the Johns Hopkins School of Medicine to appreciate the value that they add in their specialized fields to the City, region, and State. In addition, research universities attract funding and jobs to the local economy that otherwise would go elsewhere.

Historically, Morgan State University has been critically important to the City of Baltimore. First, it provided the only access that many of its citizens had to a public sector liberal arts and graduate-level education. Currently, it provides access to a comprehensive range of important academic programs not easily accessible elsewhere. Its historic commitment to broadening student access and providing strong, high quality academic programs gives residents of Baltimore, as well as others, an opportunity to pursue

a degree of value within the urban center. Morgan's current array of doctoral programs, as they continue to be developed, also will provide the University with an adequate base for carrying out its research and graduate missions.

One of the great benefits that an urban university such as Morgan brings to the State is a track record of addressing an important challenge that has been a long time in developing – assuring that a population that is increasingly made up of persons from groups that historically have not been very successful in the educational system at any level are able to successfully pursue college degrees. Our failure to be successful in this endeavor, unlike in the past when demographics were more favorable, will ensure that our international rankings worsen and, over the long run, negatively affect our economic competitiveness and quality of life.

State and National Goals for Higher Education

For the past several years, a good deal of attention has been focused on the decline in the ranking of the United States among developed nations in the percentage of its young adult population receiving undergraduate college degrees. The need for increased degree production in key fields such as the STEM disciplines has been the focus of attention for a much longer period of time. At both the federal and State levels, public officials and higher education leaders have established goals for increasing degree production overall as well as in critical fields, and have developed strategies for reaching these goals over the next decade.





This past fall there was a downturn in undergraduate enrollments nationally, which has led some to already speculate that this will negatively impact the ability to achieve national goals for degree production. During the same time in Maryland, full-time undergraduate students, the largest category of enrollments, declined for the first time since the early 1990s. The number of full-time undergraduates, the largest category of enrollments, declined for the first time since the early 1990s. This resulted from a decrease in full-time freshmen entering college for the past three years. Continuation of these trends will make it more difficult for the State to realize the goals it has set for itself for undergraduate degree production over the next decade.

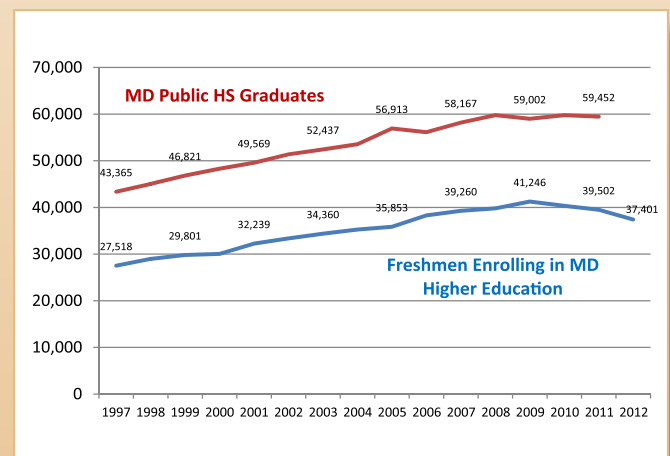
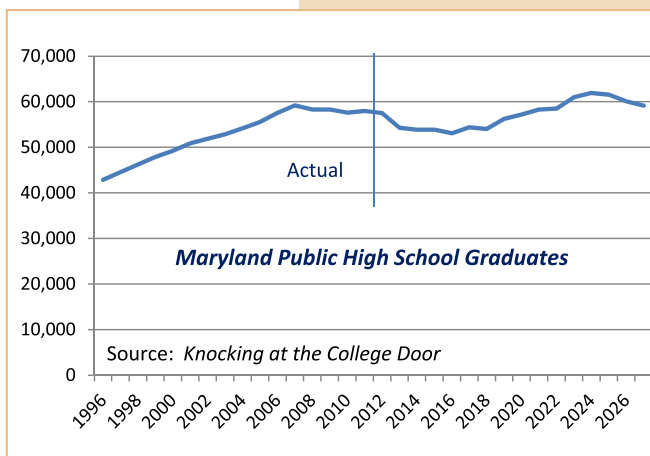
Demographic Headwinds

Both Maryland and the nation as a whole face a common set of demographic factors that, unless addressed with a high degree of success, will make it difficult to reverse the enrollment trends that are becoming evident. The common elements of these trends

are a leveling in the size of the population of traditional college-age and a changing mix of young adults that is considerably different than now or in the past. Maryland differs from the national picture in the degree of the diversity it has and will continue to experience. A recently released national report documents these trends in considerable detail for individual states as well as for the U.S. (Knocking at the College Door, a joint project of the Western Interstate Commission for Higher Education, ACT, and the College Board, January 2012).

Little or No Growth in the College-Age Population

The post-WWII baby boom lasted from 1946 to the early 1960s and resulted in growth in the college-age population from 1964 until the late 1970s. More recently, the children of that earlier generation resulted in increased numbers of high school graduates in the State between the mid-1990s and 2010. This resulted in more than a 50 percent increase in full-time undergraduates, with each successive year's enrollment level reaching an historic high. This



Source: MD State Department of Education and Maryland Higher Education Commission

period of undergraduate growth is now over and a modest decline in the number of high school graduates will take place over the next decade. State education goals call for producing more degrees in the coming decade than its campuses did during the recent period of growth in the college-age population.

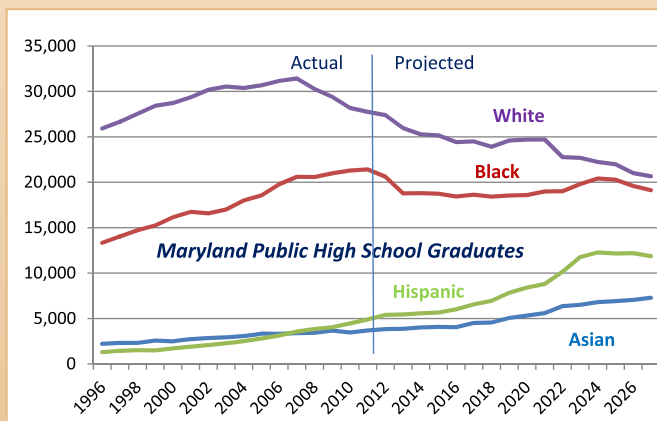
In Maryland, the stabilization in public high school graduates already has resulted in three consecutive years of decline in full-time freshmen entering Maryland higher education.

The Socioeconomic Mix of the College-Age Population Is Changing

If the State was confronted with only a modest decline in the college-age population, the case could be made that marginal changes in campus recruitment and retention programs might reasonably be expected to yield the desired increases in degree production. However, even more important than the leveling in the size of the college-age population is the change in its composition – away from white students, a group which historically has been relatively successful at all levels of the education system, toward groups which have met with much

less success and who are less able to afford college.

- Hispanics and blacks, on average, score well below whites on measures of preparation for college.
- On average, black and Hispanic families have lower levels of parental educational attainment than whites.
- The ability to pay for college is lower for the emerging school population. Eligibility for free and reduced lunches in the K-12 system is a leading indicator of the eligibility for Pell grants as these students move beyond high school. Ten years ago, 30% of Maryland public school students qualified for free and reduced lunches. Currently, the eligibility rate is just over 40%.
- Blacks and Hispanics have below-average rates of entry into college and rates of graduation from college.
- Students from families in the lower half of the income distribution have very low rates of college completion by early adulthood. There has been little or no change in this relationship in recent decades.



Source: Knocking on the College Door

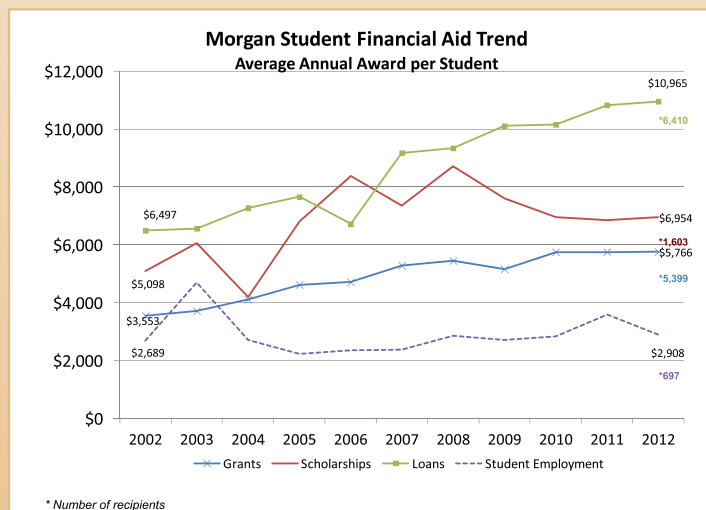


Morgan Is Well Positioned to Address the Needs of the Emerging Population

Morgan's tradition of serving students with diverse levels of prior educational preparation and providing academic support to those who need it matches closely with the characteristics of the emerging college-age population. The University's comprehensive range of degree programs helps to assure that many of the students it enrolls will graduate in key fields where there are shortages such as the sciences, engineering, business, and teacher education. The fact that so many graduate and professional schools aggressively recruit Morgan graduates attests to the important role that the University plays as a path of entry to higher education for under-represented minorities.

The ability to effectively provide the type of academic support required by its student body depends on intrusive intervention and personal attention, which requires sufficient numbers of faculty and staff. Our students are increasingly dependent on financial aid, particularly loans. Ninety-four percent of Morgan's incoming freshmen receive some

type of financial aid, the highest percentage of any public four-year campus in the State. Eighty-one percent of our freshmen have loans, again the highest percentage in the State. Two-thirds of our bachelor's degree recipients graduate with debt averaging \$36,000, by far the highest level of debt among graduates of Maryland public campuses. While the University attempts to provide needy students with enough aid to address their unmet needs and to minimize the amount of time that they have to work, many students are still unable to complete registration, a high proportion have to work during the school year, and our students graduate with levels of debt that are well above average. As the below chart illustrates, as funding per student for private, federal and State grants and scholarships remains level and the cost of education increases, the level of dependence on loans is increasing at an alarming rate. Too many students work more than 20 hours per week negatively affecting their academic performance, leading to a loss of financial aid which eventually results in either stopping out or dropping out. Certainly this challenges improving retention and graduation rates. We



need considerably more resources to provide sufficient financial aid as well as the required academic support.

Recognizing the increasing dependence on loans, we have implemented several financial literacy programs to, at a minimum, ensure students are advised of the ramifications of taking out debt. Some efforts include:

- Requiring at-risk students to participate in a financial literacy program sponsored by USA Funds and PNC Bank.
- Advising students during the financial aid counseling process to reconsider taking out loans that exceed their tuition and fees.
- Conducting regular financial aid workshops with emphasis on loan management.
- Obtaining a full-time Financial Literacy Coordinator funded through a campus compact/ VISTA AmeriCorp grant to provide ongoing financial literacy programs for our students.

Just last month, Morgan was featured in *Diverse Issues in Higher Education* recognizing its work in promoting financial literacy (<http://diverseeducation.com/article/50441/>). These programs are very important to assist students to negotiate the best they can under very difficult circumstances. However, there is no question that additional financial aid is a critical element in the goal to accelerate graduation completion.

The culmination of our various efforts to help students be successful at the collegiate level represents a graduating class composed of the types of students the State

and nation will have to graduate in greater numbers if educational goals are to be realized. Nearly half of our graduates at Morgan come from families in the bottom half of the income distribution, a group with a very low probability of receiving a degree. The SATs of our graduates are representative of those obtained by African Americans graduating from high school. We are experiencing an increase in older undergraduate students who are not able to pursue a degree on a traditional schedule and are giving priority to re-enrolling students who have dropped out but were in good academic standing. In order to meet the needs of the increasing number of minority students entering two-year colleges, the campus is strengthening its relationships with nearby community colleges and establishing new ones.

Online Education

As part of our strategic plan, the University plans to increase its headcount enrollment from 8,000 to 12,000 by 2021. Although Morgan will continue to support first-time freshman enrollment and traditional community college transfer, half of this growth is expected to come from online education. The University already offers a couple of very successful online programs – Community College Leadership, Electrical and Computer Engineering, Master of Science in Electrical Engineering and Project Management – as well as various courses. However, it has only begun to respond to the demand. We have begun to organize our operations to offer a variety of online options to include online certificates, credit and non-credit courses as well as online degrees. As we continue our development, we would anticipate





that some of these programs will be self-supporting or produce net revenues to enhance University operations.

Consistent with this development, we have embarked on an initiative

that has the potential to improve educational quality, contain costs, and provide our students with more academic choices. We have signed a memorandum of understanding with UDACITY, a leading private educational organization that

offers free online courses. These so-called MOOCs (massive open online courses) have the potential to revolutionize the way that higher education offers instruction.

Through this partnership we will explore ways to strengthen our instructional programs by, perhaps, selectively taking advantage of courses offered through UDACITY. We will, in turn, offer some of our own courses that will

be delivered through UDACITY. Morgan may be the first HBCU in the nation to integrate MOOCs into its curriculum, as well as be the first University to offer an introduction

to electrical engineering course online geared toward students who might need some developmental preparation.

Morgan's Graduate and Research Programs Are a Good Investment for the State

Morgan's graduate programs are not only important vehicles for advanced degree production, but they also undergird its research program by making the campus competitive for faculty who have the ability to attract research and contract funding to the region. This past year, Morgan's external funding totaled \$32M, the highest level in its history.

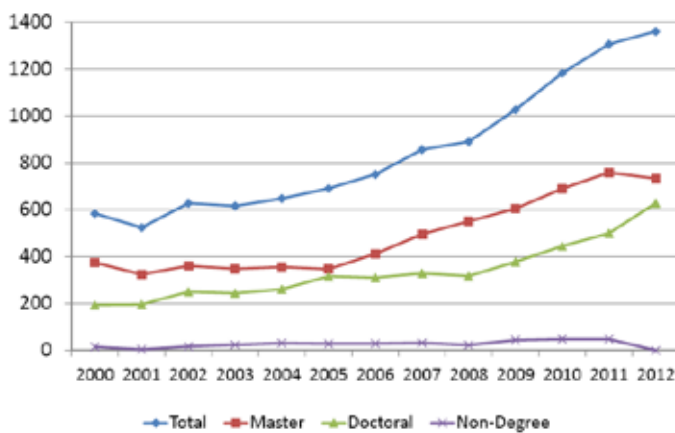
Graduate enrollment and degrees awarded reached an all-time high for the School of Graduate Studies in the 2011-2012 academic year. Graduate enrollment growth has been robust for the past decade, with significant gains of approximately 50 percent overall in the last three years and doubling overall in the past decade. Degree production slightly tracks behind the curve of enrollment growth as time to degree varies significantly with programs (from two to 10 years).

However, most of Morgan's doctoral programs have been developed with federal grant money, which is both insufficient and temporary. While grant funding can improve these programs, it is temporary. Morgan does not yet have a strong resource base at the institutional level that is fully adequate as a doctoral-granting research university.

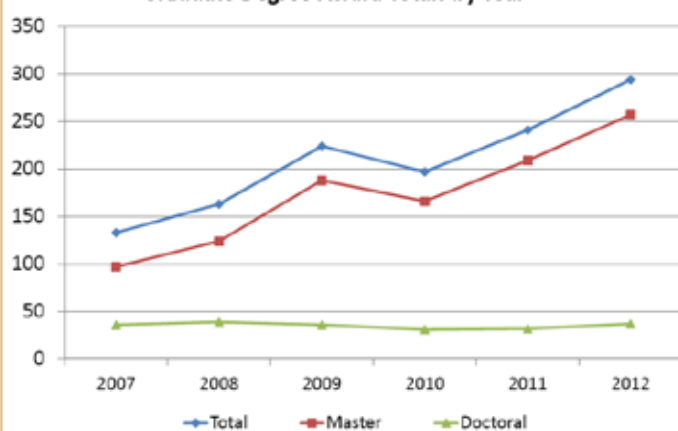
Engagement with the Community

Morgan's academic programs at all levels of study produce graduates in

Graduate Enrollment Fall Census 2000 - 2012



Graduate Degree Award Totals by Year



fields of importance to the region and the State. Its research expertise often is applied to local problems rather than contributing primarily to the theoretical knowledge base of the discipline. Our programs in teacher preparation, social work, business, public health, and architecture and community planning provide numerous examples of the way in which Morgan is closely involved with the City of Baltimore. It is through continued support of the University's development that it will become an important anchor in the northeast corridor of Baltimore and beyond.

A new public service effort, the **Morgan Community Mile**, is a good example of an approach to focus the University's relevant resources in the vicinity of the campus. Coordinated by the School of Architecture and Community Planning, a broad cross-section of City residents, business leaders, and government officials currently are engaged in a comprehensive planning process to leverage University resources in ways that improve the quality of life for residents of northeast Baltimore. Information on this initiative is available on the web at: <http://morgancommunitymile.com/>. The benchmarks established by the Morgan Community Mile for its activities will be integrated into the University's key performance indicators for monitoring the implementation of its new strategic plan.

Another way in which the University is transforming northeast Baltimore is through the development of its physical

plant. Morgan's existing campus has been significantly upgraded through renovation and new construction over the past two decades. Neighborhoods around the campuses, instead of being wary of the University's development, have been enthusiastic about its potential for stabilizing and rejuvenating the area. The new buildings on campus that abut the neighborhoods include exemplary architectural designs such as the library, the fine arts center, the engineering complex, the communications building, and the new facility that houses architecture, civil engineering, transportation studies and the National Transportation Center. This latter facility is a green building that will save considerable expenses in its operation for decades.

Morgan's newest development effort is the West Campus, which will be built on part of the site occupied by the dilapidated Northwood Shopping Center. In addition to the three buildings to be constructed on this site, Morgan is hopeful that it will be able to draw other attractive retail shops to the area. Access to quality retail establishments is a pressing need of the neighborhoods surrounding the campus.

A Need For Substantial Investments

While the University is committed





to advancement with resources that are available, the level of resource needs to achieve its strategic plan is substantial. The general categories of critical need for this year are summarized as follows:

• Program Development and Growth	\$3.6M
• Reduce Dependence on Contractual Faculty (five-year plan)	\$2.5M
• Lillie Carroll Jackson Museum	\$0.6M
• Financial Aid	\$3.5M
• Other (COLA, merit, mandatory fringe benefit costs)	<u>\$2.7M</u>
	\$12.9M

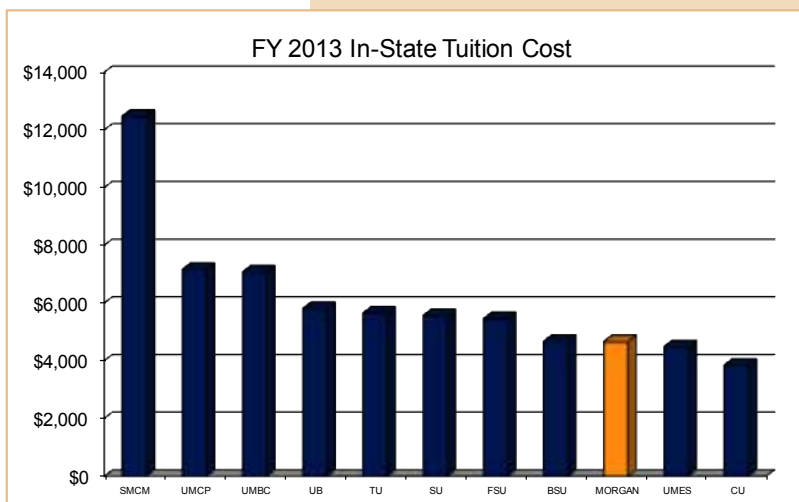
The Governor's Recommendation

The Governor is recommending \$79.9M in state support which represents \$5.8M or a 7.8 percent increase over last year. This is a significant improvement over last year and we are very appreciative of the Governor's support to higher education, and Morgan in particular. Different from last year, the Governor is providing for all of the projected increases in fringe benefit costs. Of the \$5.8M, \$4.3M relates to projected additional health and retirement costs, leaving approximately \$1.5M in support of growth, academic development and a very modest reduction in the number of contractual faculty and staff. Currently, the University hopes to utilize a portion of this funding to start addressing top institutional priorities. This, of course, will be dependent upon the extent the Governor's recommendation is supported.

Other Sources of Funding

The University will have to look at a modest tuition increase to restore some recent budget cuts related to a decline in out-of-state enrollment. This is always a very difficult decision for the University based upon the socioeconomic profile of our students. Many of our students already stop out or drop out due to an inability to pay their bill. As per below, Morgan's tuition is the third lowest in the State. In consideration of the 400-500 student schedules that we must cancel each semester (attrition) due to students not having the financial resources to make financial arrangements, we do not take these increases lightly.

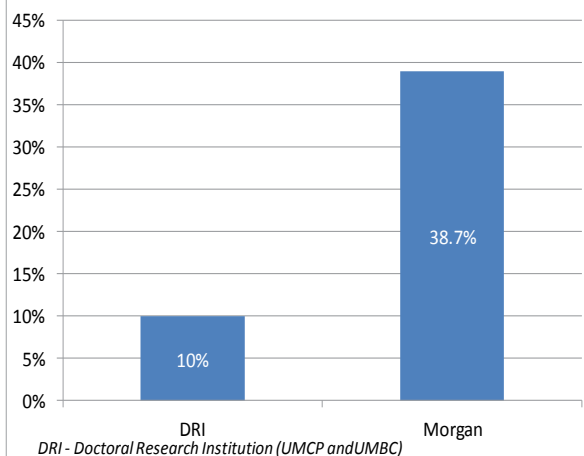
Ironically, the pressure to maintain a lower tuition structure constrains funding that would otherwise be available for additional regular faculty, staff and program development, and other support services. During the past decade, due to very limited resources, only contractual faculty and staff were hired to support growth and development, versus regular faculty (with benefits), resulting in a high percent of faculty and staff being contractual. Currently, 38.7 percent of Morgan FTE faculty are contractual, the highest in the State and the highest, by far, of doctoral research institutions. The other doctoral research institutions are



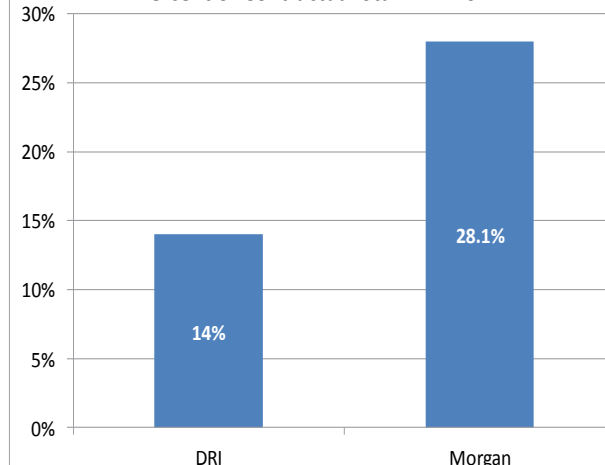
able to assess much higher tuition and fee charges in consideration of the socioeconomic background of students they serve. An appropriate regular faculty and staff contingent is essential to both improve

retention and graduation rates as well as carry out the University's important research and service mission, the benefits of which were discussed earlier in this document. It is for this reason the University

Percent of Contractual Faculty - FY 2012



Percent of Contractual Staff - FY 2012



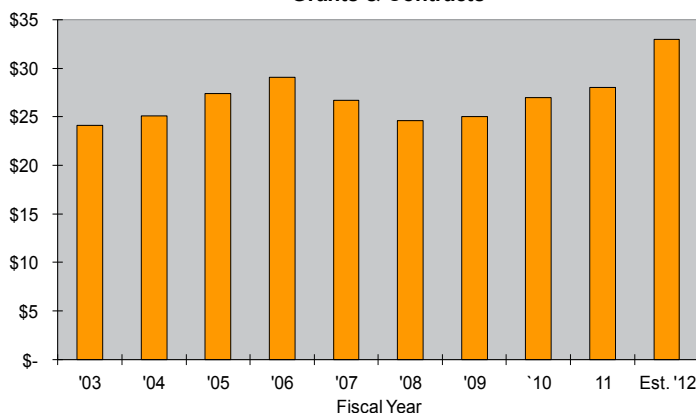
continues to request special funding to address the contractual employee problem.

Research

Certainly to the extent the University can continue to increase its grants and contracts volume, there will be many benefits accruing to the University and the

State. As indicated previously and as illustrated in the below chart, regular faculty, although having the highest teaching load among doctoral research institutions, have been increasing productivity. Research and the associated funding provide many benefits to include:

Grants & Contracts





- Generation of unrestricted indirect cost recovery funding
- Providing assistantship and internship opportunities for undergraduate and graduate stipends
- Faculty development opportunities
- Enriched class and lab instruction
- Funding to carry out urban mission
 - o Services
 - o Economic development
 - o Community revitalization

It will be through the State's investment in Morgan's infrastructure, to include financing the appropriate full-time regular faculty and staff contingent, that the University will accelerate its success in securing external resources to complement its instructional program as well as contributing to economic and community development within the northeast corridor of Baltimore City and beyond.

Closing

We request your support of the Governor's recommendation for FY 2014. We are hopeful that the University will be able to make some modest yet important strides in reducing the percent of faculty and staff that are contractual to assist in improving retention and graduation rates as well as continuing to increase funding from external resources.

Please be assured that Morgan is committed to extending its resources to provide a high quality education to an increasing number of students to assist the State in meeting its goals. As additional funding is made available, Morgan is uniquely poised as Maryland's Public Urban University for accelerated growth as we commit ourselves to grow the future and lead the world in a number of disciplines of paramount importance to Maryland's future economic vitality.

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



MORGAN STATE UNIVERSITY
Response to Issues and Recommended Actions
in the
Department of Legislative Services' Analysis

2013 General Assembly Session
February 2013

ISSUES



Issue #1 (Page 12)

While progress has been made in some areas, such as retention, there are improvements to be made, particularly in reducing the time to degree and increasing graduation rates. According to the Complete College America data, it takes, on average, 5.07 years for a student to graduate, in which they accumulate, on average, 135 credits. The President should comment on factors impacting student performance and outcomes and what programs or initiatives are being undertaken or are planned to ensure student success.

Response: In fiscal year 2011, the Board of Regents approved a Strategic Plan with five (5) strategic goals, the first being Student Success. As a result, the University embarked on a number of initiatives, some of which are described below.

Review of General Education/Degree Requirements

The University is embarking on a systematic review of the time to degree in its programs and will be actively seeking to reduce degree requirements to 120 credits, where possible. The University is also in the midst of a comprehensive review of its general education program to ensure that it is meeting the needs of the 21st century student and that it is competitive in the number and types of general education credits required.

Advising

Additionally, beginning fall 2012, the University began piloting an alternate system that requires students to meet with their departmental advisor and receive a pin number that then allows them to register for classes. Several of our largest departments volunteered to participate in this pilot and the initial response has been positive. This approach of compelling students to see an advisor prior to registering helps ensure that students take the appropriate classes, in the correct sequence, which will facilitate timely degree completion. Based on the positive feedback from those departments that participated in the pilot, we expect to expand the alternate pin system beginning fall 2013.

Course Redesign

Student success will also be enhanced as the results of our numerous course redesign efforts begin to manifest. The University has been awarded several grants to assist with the redesign of critical gateway courses, such as Biology 101 and Math 106. Just last week, the Center for Academic Success and Achievement (CASA), in partnership with the History and English departments, received notice that it has been awarded a grant

from the Southern Education Foundation to work collaboratively to redesign our Freshmen Studies sections of History and English. As student success in these courses is increased through the redesign, time to degree completion will decrease.

Setting Sights High

The University is now in its second year of the President's Tassel Initiative. At the opening program of every summer orientation session, the President invites each new student on the stage and hands them their Morgan tassel with the date of their four-year graduation class on it. The idea is to set the expectation high from the beginning that the University expects them to graduate in four years and to give students a tangible item to help them visualize themselves completing their undergraduate studies in four years. The initiative has been very positively received by students and their parents and we look forward to seeing positive results in the form of timely degree completion.

Students' Ability to Pay

There are a number of factors impacting student performance and outcomes. The predominant factor is financial. Every semester, a significant number of students are unable to continue their education at Morgan due to an inability to pay. This past fall is a typical example. Close to 400 students (4.5 percent of the student body) who registered for classes had to leave because they were unable to make satisfactory financial arrangements. Had these students been able to remain, our retention rate would have been 75 percent rather than 72.4 percent, and we would have been better positioned to increase graduation and degree completion rates. Even when our students are able to make financial arrangements, many of them remain in precarious financial situations, which result in their needing to work too many hours off-campus and consequently being unable to focus their full attention on successfully completing their degree requirements. The continued economic downturn that the nation has experienced for the past several years, constrictions in the ability of students and parents to qualify for federal Parent Plus and private alternative loans, and the retroactive reduction in the number of semesters students may qualify for Pell Grants have all compounded the financial challenges faced by our students. At the same time, stable or reduced state funded financial aid, has kept us from providing sufficient additional institutional aid to students in need, though we maintain low tuition charges and provide a greater percentage of our budget for institutional aid than almost any other public four-year college or university in the State. Over the past two years, Morgan has strengthened its intervention



with students who failed to make satisfactory financial arrangements, requiring retention staff to call every student whose schedule is in danger of or had been dropped for nonpayment and attempting to help these students remain at MSU.

Financial Literacy Programs

In an attempt to counter the financial challenges our students face, we have implemented a very robust financial literacy program. Morgan has partnered with the White House Initiative on HBCUs and the Federal Deposit Insurance Corporation (FDIC) to provide a comprehensive financial literacy program utilizing the FDIC's MoneySmart financial literacy curriculum. Morgan is also in the second year of a Campus Compact/VISTA AmeriCorp grant that allows us to employ a full-time AmeriCorp volunteer in the position of Financial Literacy Coordinator in the Office of Student Success and Retention (OSSR) for up to three years. The vision for the Financial Literacy Program is to reverse the cycle of low family income and socio-economic status by enhancing the financial literacy of students and their families thereby increasing student retention and graduation rates. Additionally, for the past couple of years, the Office of Financial Aid has implemented a FAFSA campaign to increase the number of students who file FAFSA before leaving for summer break. This spring, the Office of Financial Aid is also implementing a Financial Aid Awareness week, including a meet and greet with the Financial Aid staff, information sessions on the recent changes to federal financial aid policies, and one-on-one loan counseling and FAFSA assistance, as well as a series of written communications on these matters.

Unfunded Growth and Development

On the academic end, the high percentage of contractual faculty continues to be a barrier to increasing student success. The University continues to lobby strongly for additional State support to assist us in reducing the percentage of contractual faculty and increasing the percentage of tenure-track faculty.

Issue #2 (Page 26)

The President should comment on the overall decline in the expenditures on institutional aid and that even while more aid is being directed toward need-based aid, it only comprises about a third of total aid expenditures.

Response: Over the years, Morgan has substantially increased the amount of institutional aid that it makes available to its students. For fiscal year 2012, the overall decline in expenditures was \$138,500. Of this total, \$65.5K was for athletic financial aid and the balance was for other institutional aid. The decline was

primarily due to students being awarded financial aid who did not return the second semester.

It is important to note that, of the public colleges and universities, Morgan allocates the second highest percent of its budget to institutional aid. Although the analyst indicated that the University's need-based aid only comprises about one-third of total aid expenditures, it is important to note that many of the students receiving honors, talent, community college transfer, and other types of aid are also from low income families that would not otherwise have been able to afford to attend college. This can be substantiated based upon the fact that 58 percent of all undergraduate students at Morgan are Pell eligible and 81 percent of all undergraduate students have to take out loans to stay in school.

To the extent that we can continue to increase need-based aid, we certainly do. At the same time, merit and talent aid (given to many students who are also "needy") is very important to ensure the campus maintains a significant cadre of diverse, academically talented students serving as ambassadors for the University across the State, nation, and world.

Finally, we are hopeful that the State will be able to provide additional funding in the future for need-based financial aid to maximize the substantial investment already made by the State, the students themselves, and their parents to achieve improved graduation and retention rates.

Issue #3 (Page 27)

The President should comment on the status of the program and other planned or recently implemented programs, initiatives, or policies designed to increase completions.

Response: The University is very excited about the initial success of the Reclamation Project and about the recently awarded grant from MHEC to enhance this program. Numerous other initiatives have been implemented to increase completion. As mentioned earlier, we have developed a robust financial literacy program, are strengthening academic advising, intensively working with students who are having financial challenges to remain in school, reviewing the time to degree in all programs, and engaging in course redesign in key gateway courses, among other initiatives. This fall, we will be expanding our successful block scheduling initiative. This program was piloted with undeclared students who tested into all developmental courses; it will be expanded to also include students who have declared majors.

Other Initiatives to Increase Graduation Rates

- We are also actively working on expanding our summer alternative admissions bridge program, CASA Academy, to include a cohort of regularly admissible students who could benefit from the intensive developmental program CASA Academy provides (pending funding from a grant proposal that has been submitted to a private foundation).
- We are also planning dual enrollment programs with two (2) local schools, with the idea that students who have been exposed to college while in high school will be better prepared to successfully complete their studies in four years.
- Also planned is the development of a Center for Excellence in Teaching and Learning to provide faculty development which, in turn, will enhance student success.
- Additionally, as the level of external funding has increased, there has been an opportunity to allocate some federal cost share funds to support students in majors related to the funded area. For instance, we have been able to use over \$100,000 a year from the University's NASA GESTAR contract to assist STEM students with need-based grants. Since finances are a huge reason students do not complete their degrees at Morgan, these additional funds should be beneficial in increasing completion.

Other Initiatives to Increase Completion Rates

Several other initiatives that are in the early stages of implementation will increase college completion, but because of the way graduation rates are calculated (only including students who enter in the fall semester, as full-time, first-time students), these initiatives will not increase graduation rates, just completion rates. These include:

- Reverse transfer agreements with community college partners.
- Expanding our NEXUS Program, in partnership with the Community College of Baltimore County (CCBC). Implemented in fall 2012, this program allows students who applied to Morgan but were inadmissible to become students at Morgan. They are enrolled at CCBC and taught by CCBC faculty following CCBC's developmental curriculum, while actually living on Morgan's campus, taking their classes on our campus, and having the ability to become involved in nearly all aspects of Morgan campus life. When they complete the agreed upon curriculum in either a semester or year, they are able to seamlessly transfer to Morgan to complete their bachelor's degrees. Approximately 32 students entered the program this past fall. Three (3) were

able to transfer to Morgan this spring. We will be carefully following the remainder of the students and assessing the program in order to enhance and expand it.

Issue #4 (Page 28)

The President should comment on recent decisions to hire more adjuncts and if other means have been considered to reduce the number of adjunct, such as an internal reallocation of resources to fund those priorities of the university.

Response: During fiscal years 2010 through 2012, the University's headcount enrollment increased by 10 percent resulting in a total enrollment of 8,018, the highest in Morgan's history. This equated to an additional 792 students requiring instruction and instructional support services. For FY 2012, approximately \$1.4 million of tuition revenue was utilized in support of increasing enrollment through the hiring of contractual faculty. In addition, \$300,000 of tuition revenue was required to replace funding from an expired grant for regular faculty in the nursing program. To support this enrollment growth with regular faculty with benefits would have cost approximately \$3.7M. Considering the inability of the State to support growth, saddled with significant increases in health insurance, retirement, transfers to State agencies, combined with the University charging the third lowest tuition rates in the State, leaves little opportunity for reallocation to fund regular faculty.

Any potential for possible reallocation has been further minimized based upon unfortunate events that occurred this year. Although the University had a small percent decline in enrollment this year, we lost 200 out-of-state students (who pay full cost). The loss of these students, combined with unfunded fringe benefit costs, required a \$4.0 million cost reduction plan across the University.

Despite recent cost containment measures at the University, if the Governor's budget recommendation is fully funded, the University is committed to reduce the percent of contractual faculty and staff as indicated in the analysis.



RECOMMENDED ACTIONS

Recommendation #1 (Page 29)

Add the following language to the unrestricted fund appropriation:

, provided that \$1,535,170 of this appropriation made for the purpose of converting contractual positions and adding regular faculty positions may not be expended until Morgan State University submits a report to the budget committees documenting the positions that have been converted and identifying new regular faculty that have been hired in response to enrollment growth. The report shall include a policy, approved by the Board of Regents, on conversion of contractual positions. The report shall be submitted by August 1, 2013, and the budget committees shall have 45 days to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Response: The University respectfully disagrees with restricting \$1,535,170 for the purpose of converting contractual positions and adding regular faculty positions if recommendation #2 is approved. The analyst is relying on the University's projected tuition revenue to support this recommendation at a time when enrollment, particularly out-of-state enrollment, is on the decline. In addition, the analyst is also relying on facilities and administrative indirect cost recoveries at a time when the federal government is battling with sequestration and downsizing of the federal bureaucracy. This recommendation has the potential to stifle the University by requiring it to invest in an initiative for which funding may not be available or needed for much higher priorities.

However, if the \$1M cut is rejected, the University would not disagree with the restrictive language although it is committed to expend funds as intended by the Governor.

With regard to a requirement that the Board of Regents develop a policy on the conversion of contractual positions, we would have no objection to that recommendation. However, considering the timing of Board meetings and the need to obtain input through the governing process, it may take a little longer than August 1. We would request the reporting time be extended to September 1.

Recommendation #2 (Page 29)

Add the following language to the unrestricted fund appropriation:

, provided that the appropriation herein for Morgan State University shall be reduced by \$1,000,000.

Response: The Governor provided \$1.5M of funding for University initiatives. It is proposed that \$1 million be cut and that it be replaced with tuition and other University funding. This would be very difficult for the University in consideration of a circumstance we have encountered this year in which we lost more than \$2 million in tuition revenue due to a decline in out-of-state students and had to cover \$2 million in unfunded mandates. As you may be aware, out-of-state students pay full cost, which is nearly three times that of an in-state student. As a result, we had to cut the budget in some critical areas, e.g., library, scholarships, information technology, facility maintenance, etc. It was hoped that any tuition funding received in FY 2014 would go to restore a portion of these cuts. The only reason we thought that we could consider converting contractual faculty was that the State was assisting in this effort. With low tuition rates, the only way that regular faculty can be hired to support enrollment growth is with State support. We, therefore, respectfully request that this recommendation be rejected so that we may start to reduce the overdependence on contractual faculty.

Recommendation #3 (Page 30)

Adopt the following narrative:

Institutional Aid by Expected Family Contribution Category: *The committees request that Morgan State University (MSU) submit data in an electronic format (Excel file) on undergraduate institutional aid awards. Data should include the number of institutional aid awards and average award size by Expected Family Contribution (EFC) for institutional grants, institutional athletic scholarships, and other institutional scholarships as reported to the Maryland Higher Education Commission (MHEC) for fiscal 2013. Data should also include the number of institutional aid awards and average award size by EFC for tuition waivers/remissions of fees to employees and dependents for fiscal 2013. The report is be submitted either by MSU or MHEC.*

Response: The University will provide the report.

Recommendation #4 (Page 30)

Adopt the following narrative:

Loan Data by Expected Family Contribution Category: In order to more fully understand all of the types of aid available to students, the committees request that Morgan State University (MSU) submit undergraduate loan data. Data should include, by Expected Family Contribution (EFC), the number of loans and average loan size of federal subsidized and unsubsidized loans, and loans from private sources as reported to the Maryland Higher Education Commission (MHEC) for fiscal 2013. Additionally, data should be provided on Pell grants including the number and average award size by EFC for fiscal 2013. The report is to be submitted in an electronic format (Excel file) either by MSU or MHEC.

Response: The University will provide the report.

Recommendation #5 (Page 30)

Adopt the following narrative:

Faculty 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.

Response: The University will provide the report.





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