

# R13M00

## Morgan State University

### *Executive Summary*

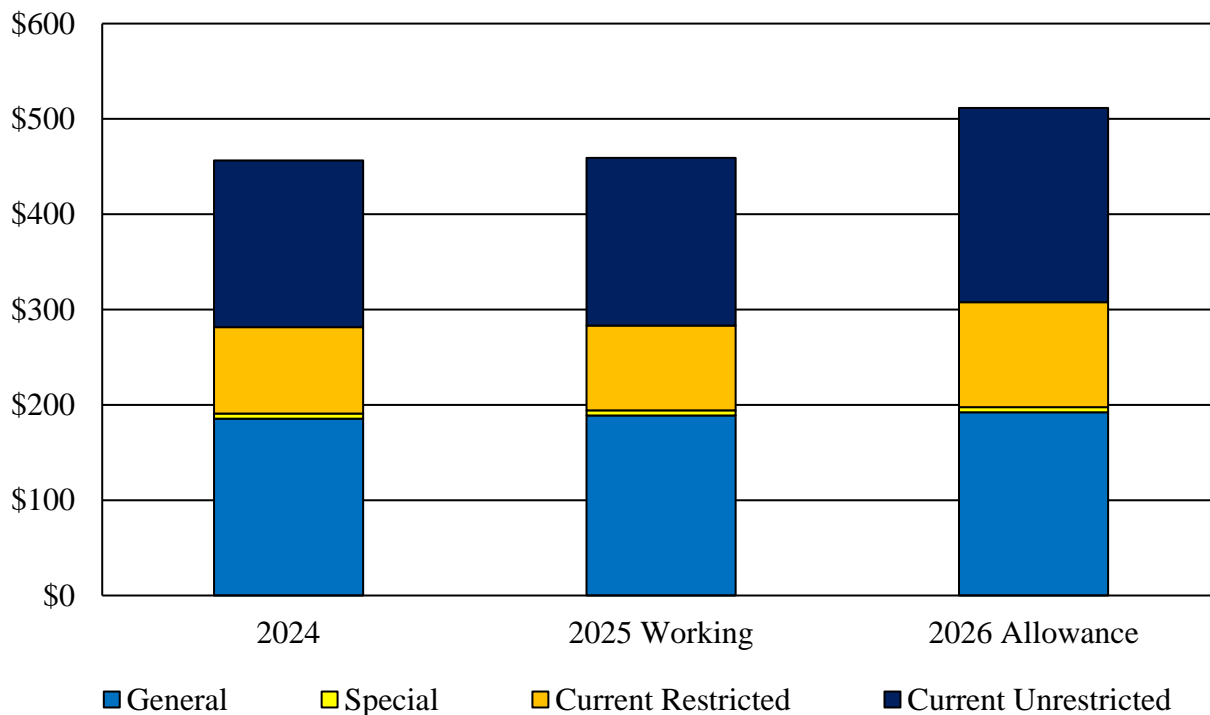
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Morgan State University (MSU), designated as Maryland's Preeminent Public Urban Research University, is responsible for addressing the needs of citizens, schools, and organizations within the Baltimore metropolitan area through academic, research, and service programs. One of the goals of MSU 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.

### *Operating Budget Summary*

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**Fiscal 2026 Budget Increases \$52.3 Million, or 11.4%, to \$511.4 Million**  
(\$ in Millions)



Note: The fiscal 2025 working appropriation accounts for deficiencies. The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency's budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency's budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency's budget.

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- In fiscal 2026, State support increases by \$3.3 million, or 1.7%, compared to the fiscal 2025 working appropriation. **However, when excluding the impact of the fiscal 2025 salary adjustments budgeted within MSU in fiscal 2026 but centrally budgeted in the Department of Budget and Management (DBM) in fiscal 2025, State support decreases by \$7.7 million or, 4.0%.**
- The fiscal 2026 budget includes a \$25.8 million proposed deficiency appropriation across higher education institutions, of which MSU's share is \$883,289, to replace general funds with Higher Education Investment Funds (HEIF) due to available balance.
- The fiscal 2026 allowance for MSU includes \$27.5 million for the fourth year of funding under Chapter 41 of 2021, the historically Black colleges and universities (HBCU) settlement, an increase of \$0.8 million compared to fiscal 2025.

## ***Key Observations***

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- ***Enrollment:*** Fall 2024 undergraduate enrollment increased by 727 students compared to fall 2023. Out-of-state enrollment gains continued in fall 2024, increasing by 373 students compared to fall 2023.
- ***Graduation Rates:*** The six-year graduation rate decreased from 45.4% for the 2016 cohort to 41.7% for the 2017 cohort. For the second consecutive cohort, the four-year graduation rate declined. The 2019 cohort had a graduation rate of 17.8% compared to 19.0% for the 2018 cohort.

## **Operating Budget Recommended Actions**

1. Add language restricting funds pending receipt of a report on East North Avenue.
2. Add language restricting funds until corrective actions are approved by the Office of Legislative Audits.

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

***Operating Budget Analysis***

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**Program Description**

MSU, designated as Maryland's Preeminent Public Urban Research 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 the goals of MSU is to promote economic development by meeting critical workforce needs by offering programs in professional fields such as engineering, business, teacher education, architecture, and social work.

Based on various socioeconomic and academic measures, MSU enrolls and educates a diverse student body, including those among the best prepared and those who might not obtain a baccalaureate degree without 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:** Doctoral Universities: High Research Activity

<b>Fall 2024 Undergraduate Enrollment Headcount</b>		<b>Fall 2024 Graduate Enrollment Headcount</b>	
Male	3,489	Male	681
Female	5,538	Female	1,031
<b>Total</b>	<b>9,027</b>	<b>Total</b>	<b>1,712</b>

<b>Fall 2024 New Students Headcount</b>		<b>Campus (Main Campus)</b>	
First-time	2,377	Acres	173
Transfers/Others	365	Buildings	51
	486	Average	
Graduate		Age	28
<b>Total</b>	<b>3,228</b>	Oldest	1919: Carnegie Hall

<b>Programs</b>		<b>Degrees Awarded (2023-2024)</b>	
Bachelor's	62	Bachelor's	936
Master's	54	Master's	268
Doctoral	31	Doctoral	62
		<b>Total</b>	
		<b>Degrees</b>	<b>1,266</b>

**Proposed Fiscal 2026 In-state Tuition and Fees\***

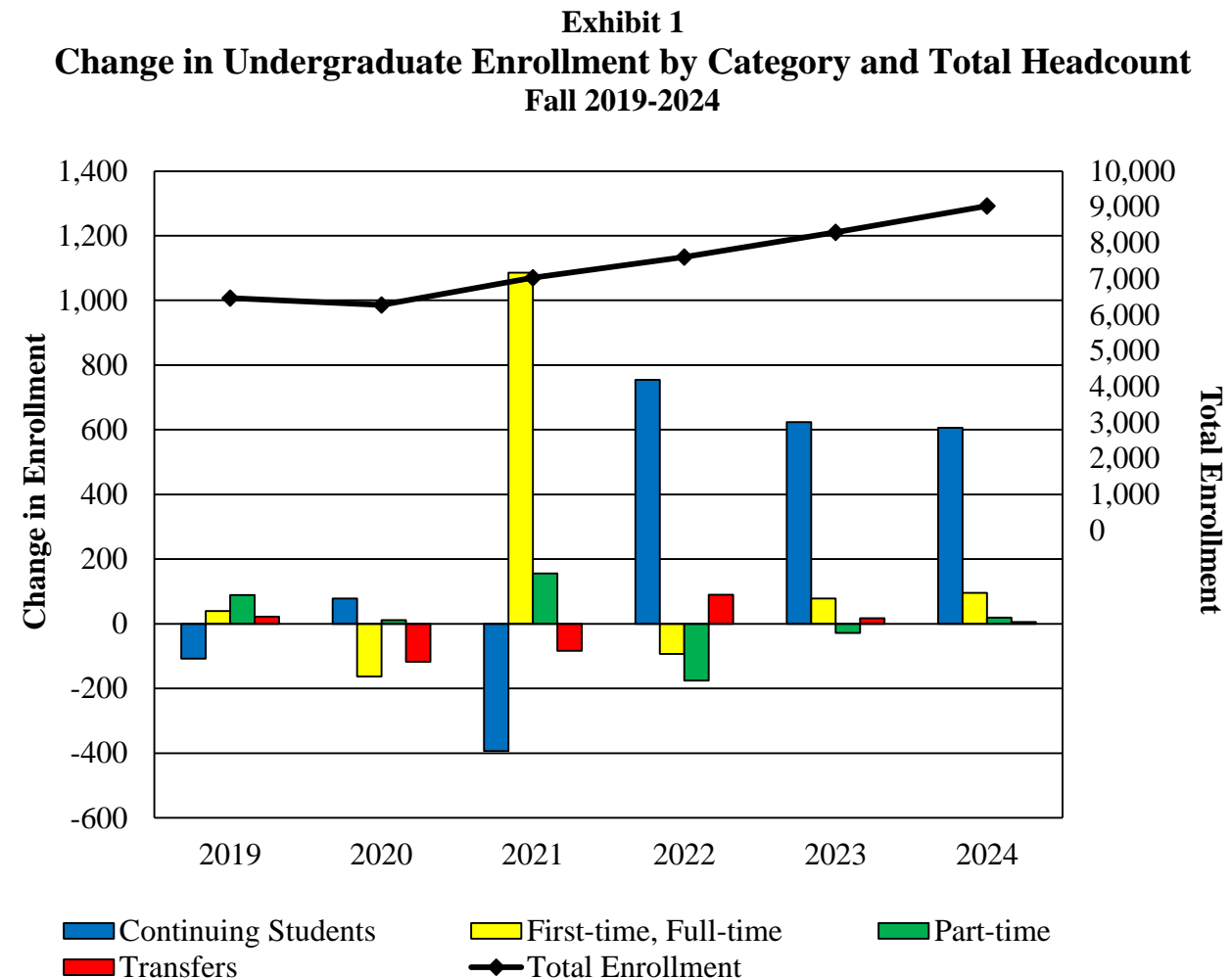
Undergraduate Tuition	\$5,812
Mandatory Fees	2,531

\*Contingent on Board of Regents approval.

## Performance Analysis: Managing for Results

### 1. Undergraduate Fall Headcount

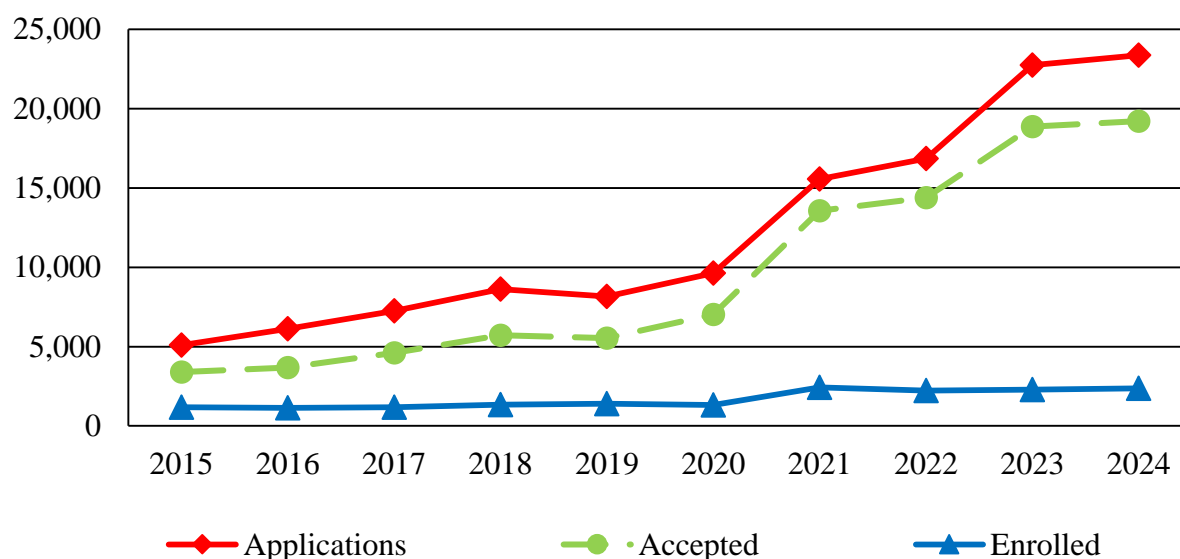
MSU continues to have historic levels of enrollment. As shown in **Exhibit 1**, undergraduate enrollment totaled 9,027 students in fall 2024, an increase of 8.8%, or 727 students compared to fall 2023. This increase was primarily due to a 11.9%, or 606 students, growth in the continuing student population. For the first time since fall 2021, the part-time student population increased, an increase of 3.3% compared fall 2023. The transfer student population experienced a third consecutive year of growth, increasing by 1.7% in fall 2024. First-time, full-time (FT/FT) enrollment increased by 4.2% in fall 2024, to 2,369 students.



Source: Morgan State University

Fall 2024 had the highest ever application total for MSU for first-time undergraduate students with 23,366 applicants. As shown in **Exhibit 2**, the number of first-time undergraduate applications for fall 2024 increased by 2.7%, or 625, compared to fall 2023. Since fall 2019, MSU has experienced a 186.5% increase in applications. While the average acceptance rate for the fall 2012 to 2020 period was 65%, the acceptance rate for fall 2021 was 87%. MSU has continued that trend of higher acceptance rates in fall 2024 with an 82% acceptance rate. Despite the increased acceptance rate, the number of accepted students who enrolled in fall 2024 (totaling 2,377) represented the second smallest yield rate, 12.4%, achieved over this period. However, this level still resulted in highest enrollments ever at the institution. MSU attributed the growth to many factors, such as the increased student interest in HBCUs since the Black Lives Matter movement in calendar 2020, as well as enhancing and expanding academic programs at the institution.

**Exhibit 2**  
**Undergraduate Applications, Accepted, and Enrolled**  
**Fall 2015-2024**

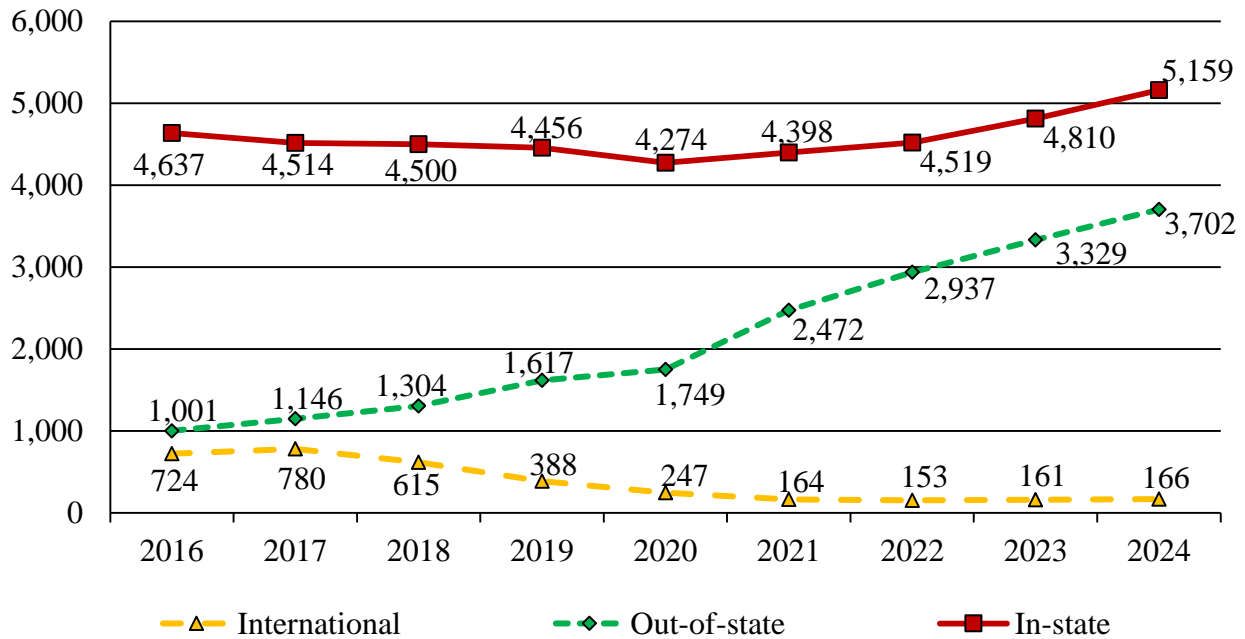


Source: Morgan State University

As shown in **Exhibit 3**, a steady decrease of enrollment from in-state students began in fall 2014 and continued through fall 2020. This six-year trend reversed in fall 2021, with additional increases in fall 2022 and 2023. Fall 2024 continued this upward trend for the in-state student population, with an increase of 7.3%, or 349 students, compared to fall 2023. MSU points to the new academic programs, financial aid optimization, and interest in HBCUs as the impetus for increased enrollment overall, including for the in-state population. Out-of-state enrollment has experienced the greatest increase in the undergraduate student population. The share of the

enrollment from out-of-state increased from 17.8% to 41.0% from fall 2017 through 2024. MSU attributed this growth in the out-of-state student population to the hiring of a regional recruitment officer based in the Midwest and the implementation of financial aid optimization strategies to provide students with merit and need-based institutional financial assistance as part of these aid packages. From fall 2015 through 2017, MSU relied heavily on international students to offset losses and counter flat enrollment for in-state and out-of-state students. The international student population has significantly declined since that time period, declining by 78.7% between fall 2017 and 2024 from the high of 780 students. Despite the general decline in this period, the international student population has grown for two consecutive years, with growth of 5.2% and 3.1% in fall 2023 and 2024, respectively, to 166 students.

**Exhibit 3**  
**Enrollment Trends by Location**  
**Fall 2016-2024**



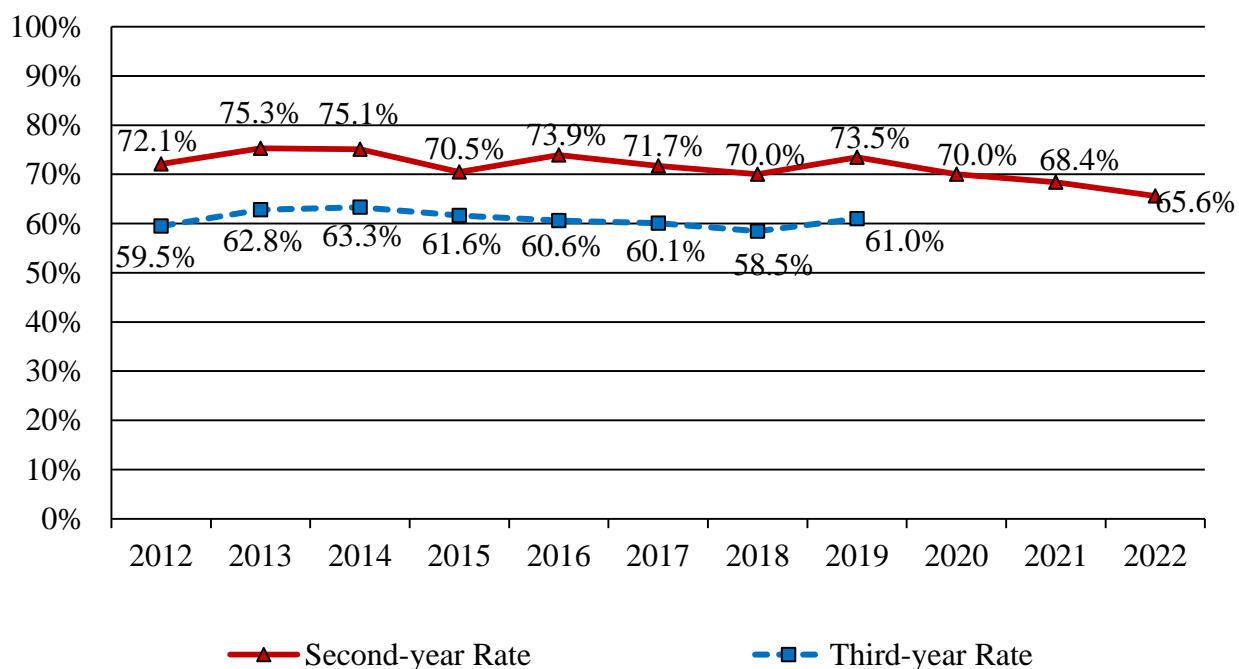
Source: Morgan State University

## 2. Student Performance

Student persistence, or retention, provides a measure of student progress and an indication of an institution's performance; the higher the retention rate, the more likely that students will persist and graduate. As students are most likely to drop out during their first year, the second-year retention rate provides an indication if retention strategies are working or if further investigation

is needed to identify areas of improvement. Overall, as shown in **Exhibit 4**, the second-year retention rate had not fallen below 70.0% in any recent year until the 2021 cohort. The second-year retention rate for the 2021 cohort decreased to 68.4%, the second consecutive year of declining retention rates. This trend is not surprising due to the COVID-19 pandemic occurring during those cohorts.

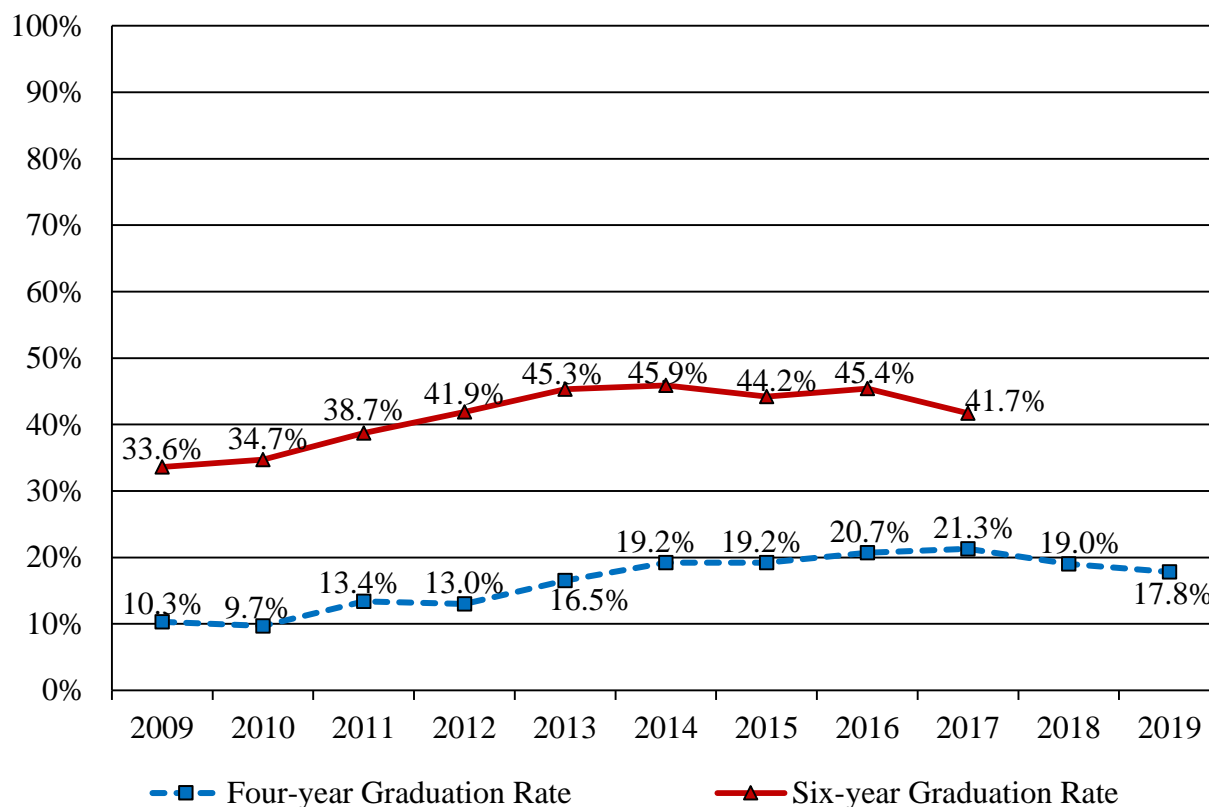
**Exhibit 4**  
**Second- and Third-year Retention Rates for First-time, Full-time Students**  
**Fiscal 2013-2022**



Source: Morgan State University

Graduation rates are, in part, another measure of student persistence and efficiency – as more students graduate, it frees up more room, allowing an institution to enroll more students. **Exhibit 5** shows the four- and six-year graduation rates for FT/FT students, which include those who transferred and graduated from another Maryland institution. Overall, after falling to its lowest point of 9.7% with the 2010 cohort, the four-year graduation rate more than doubled to 21.3% with that of 2017. However, the four-year graduation rate declined for the next cohorts, with graduation rates of 19.0% and 17.8% for the 2018 and 2019 cohorts, respectively. The six-year graduation rate also declined to 41.7% for the 2017 cohort. As with the retention rate, the decline in graduation rates during that period is not surprising given the effects that the pandemic had on student populations. **The President should comment on the declining graduation rates and how the institution is supporting students to reverse this current trend.**

**Exhibit 5**  
**Graduation Rate of First-time, Full-time Students**  
**2009-2019 Cohorts**

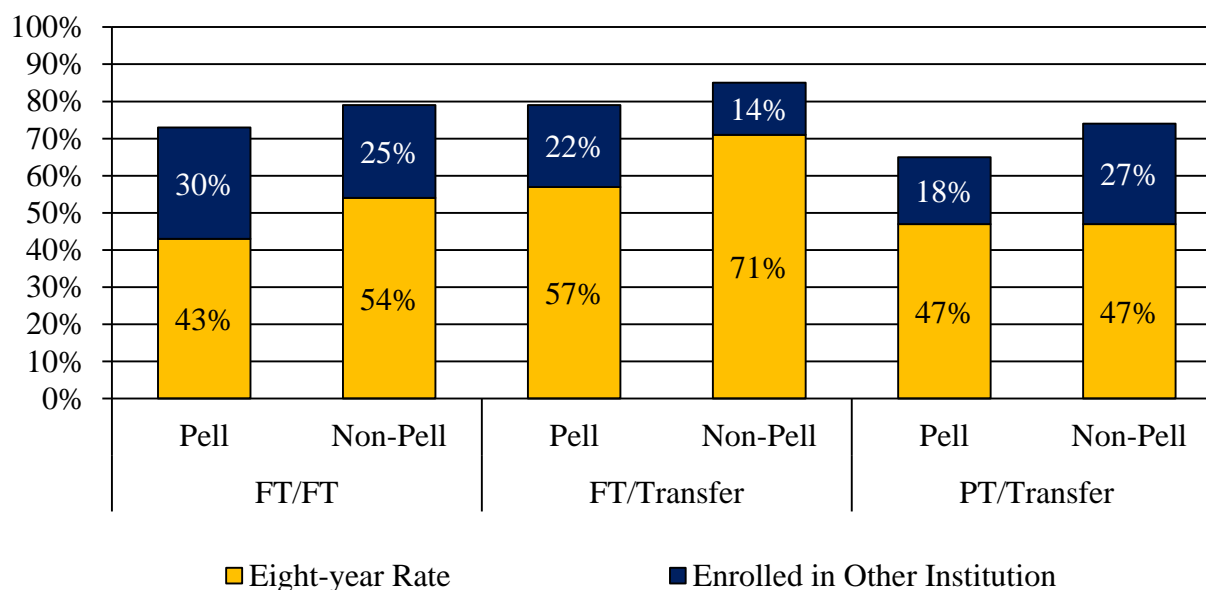


Source: Maryland Higher Education Commission

Traditionally, graduation measures only capture the outcomes of the traditional FT/FT students who increasingly comprise a smaller portion of the student population. In order to have a more inclusive graduation rate that captures the progress of nontraditional students, the Integrated Postsecondary Data System reports on the outcomes of first-time, transfer, and part-time transfer students by Pell and non-Pell recipients. As shown in **Exhibit 6**, among all categories, non-Pell FT/Transfer students had the highest graduation rate at 71%. Pell-eligible FT/Transfer students had the second highest rate (57%). Part-time transfer students had graduation rates at 47% for both Pell-eligible and for non-Pell eligible students. FT/FT Pell students had the lowest graduation rates at 43%.



**Exhibit 6**  
**Eight-year Graduation Rates for Students**  
**Entering in Academic Year 2015-2016**



FT: full-time  
 FT/FT: first-time, full-time  
 PT: part-time

Source: National Center for Education Statistics; College Navigator

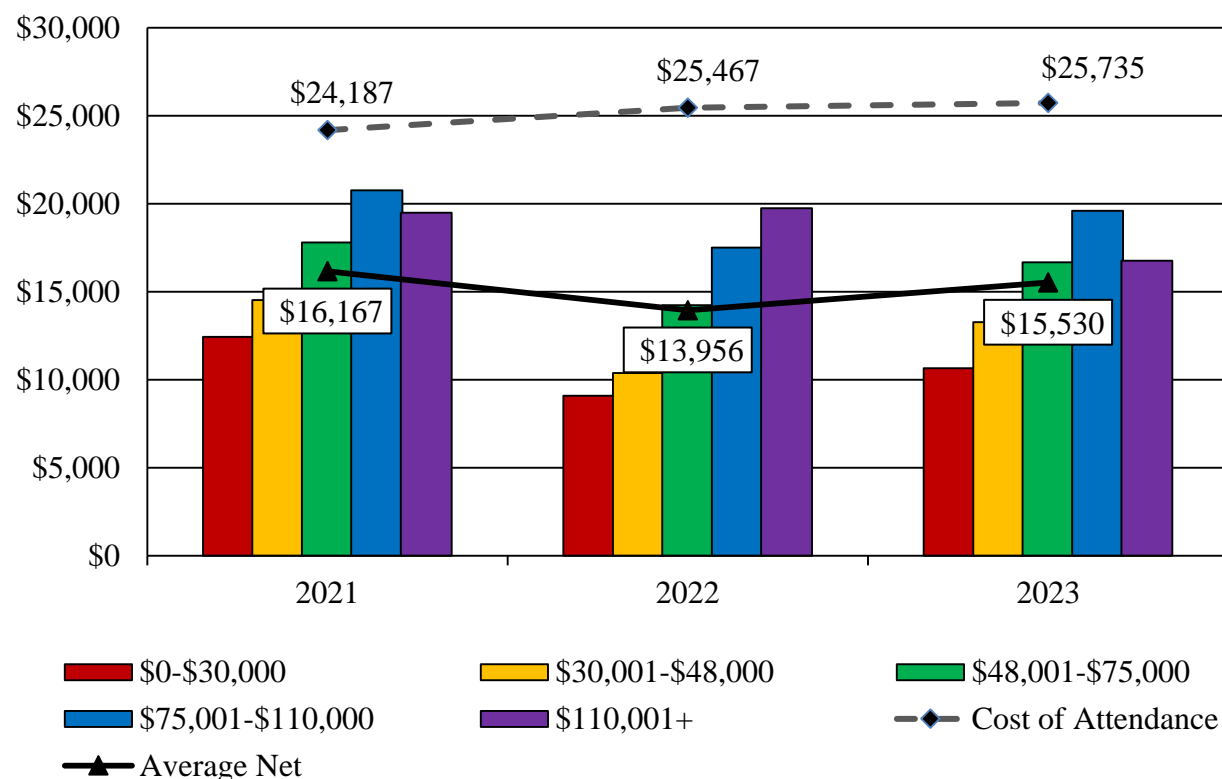
### 3. Affordability and Accessibility

#### Cost of Attendance

When considering the affordability of college, students and families tend to focus on the published cost of attendance (COA), or sticker price. COA is the total cost of attending college for one year, including tuition and fees, room and board, books, supplies, and other expenses. However, the focus should be on the average net price, which is the cost to the student after accounting for the average amount of federal, State, and institutional aid awarded to all undergraduate MSU students. As shown in **Exhibit 7**, in fiscal 2023, the average net price was \$15,530, or 39.7%, lower than the published COA for a FT/FT student. The average cost to a student varies by income level. Those with a lower family income receive more financial aid, thereby lowering the average price for attending college. The average net price for a family with an income between \$0 and \$30,000 increased by 17.2%, or \$1,567, from \$9,099 in fiscal 2022 to \$10,666 in fiscal 2023. The average net price increased in all Expected Family Contribution

categories, except \$110,000 and up, which experienced a 15.1% decrease in fiscal 2023 compared to the prior year.

**Exhibit 7**  
**Estimated Cost of Attendance versus Average Net Price**  
**Fiscal 2021-2023**



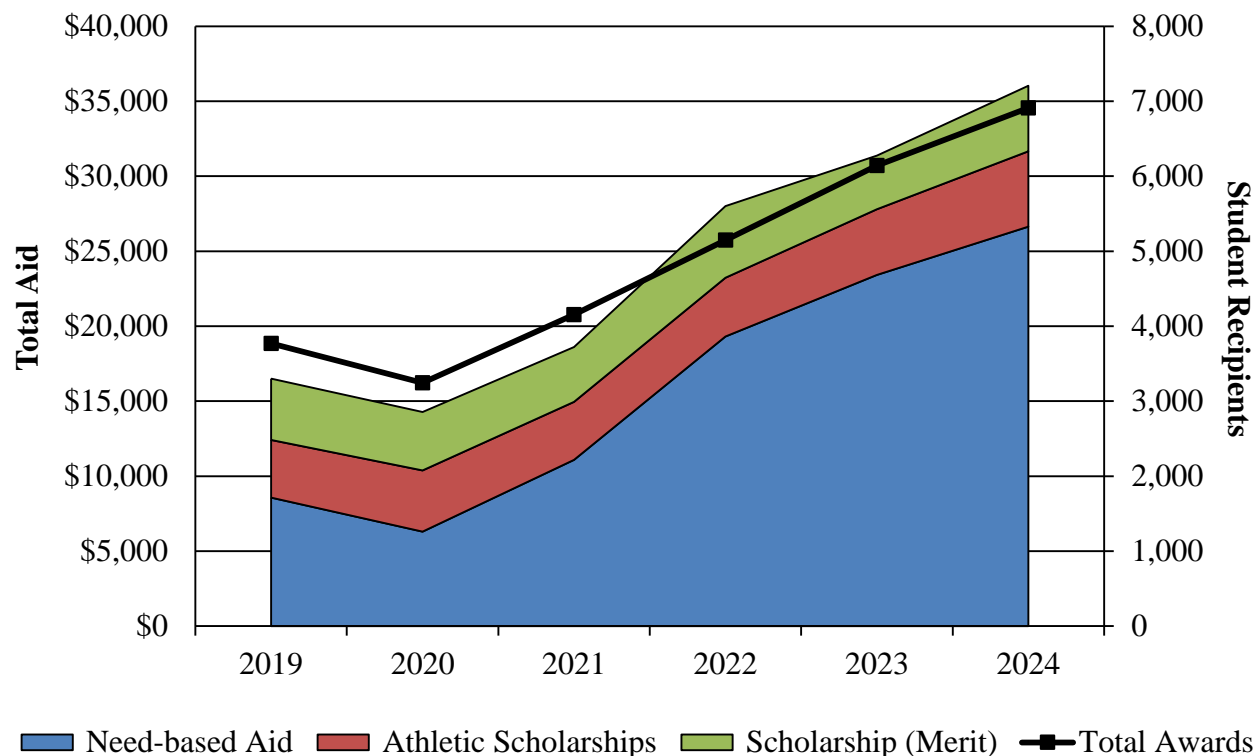
Source: National Center for Education Statistics, College Navigator

## Institutional Aid

As shown in **Exhibit 8**, total expenditures on institutional aid increased by 118.3%, or \$19.5 million, from fiscal 2019 to 2024, with need-based aid accounting for virtually all of the increase. MSU attributed this growth in need-based aid to moving to a new financial aid optimization model. Given the high percentage of MSU students that are Pell-eligible and first generation, much of this funding has gone to students with demonstrated financial need. In fiscal 2024, need-based aid awards totaled 5,950, representing 86.1% of all awards, while merit scholarships and athletic scholarships represented 10.5% and 3.4%, respectively, of that amount. It should be noted that the decrease in institutional aid provided in fiscal 2020 was a result of the

COVID-19 pandemic and the corresponding decline in enrollment, which has since rebounded at the university.

**Exhibit 8**  
**Institutional Aid Expenditures and Total Awards by Category**  
**Fiscal 2019-2024**  
**(\$ in Thousands)**



Source: Morgan State University

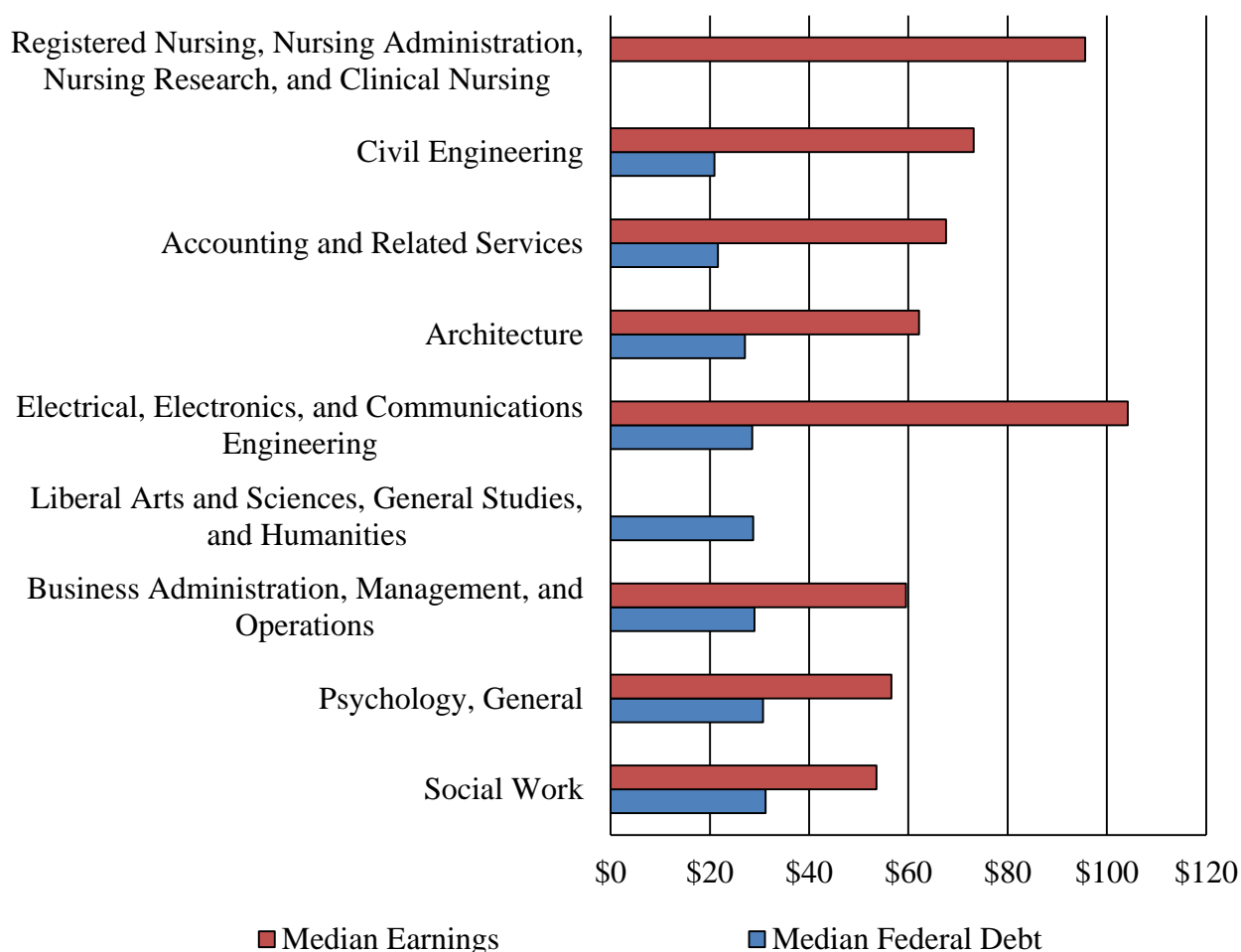
## Student Federal Debt

In an effort to give students a better picture of outcomes at the program rather than the institutional level, the U.S. Department of Education's College Scorecard reports the median debt (excluding private and Parent PLUS loans) and median earnings two years after graduation, as reported by the institutions. This information helps students consider the amount of federal debt they may incur and their ability to repay the loan after graduating, since repayments are based on salaries. **Exhibit 9** contains a combination of the fields of study with the highest earnings and the largest fields of study at MSU. Among this group, graduates from the civil engineering program have the lowest federal debt, totaling \$20,909, while also attaining a median salary of \$73,164.

The highest median federal debt is \$31,254, affecting social work graduates. Electrical engineering had the highest median earnings of \$104,184. Median earnings or median federal debt were not available for several programs.

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**Exhibit 9**  
**Undergraduate Programs by Median Federal Debt and Median Earnings**  
**2020-2021 Cohort**  
**(\$ in Thousands)**



Note: This data was collected from undergraduate students who received federal financial aid. Median debt and earnings were not reported for all majors.

Source: U.S. Department of Education, College Scorecard

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## **Fiscal 2025 Working Budget**

### **Actions Affecting the Fiscal 2025 Budget**

The fiscal 2025 working appropriation includes one proposed deficiency appropriation impacting MSU, which represents MSU's share of a \$25.8 million deficiency across higher education institutions to replace general funds with the HEIF due to available fund balance (\$883,289).

### **Cost Containment**

In July 2024, the Board of Public Works (BPW) approved cost containment actions across agencies and higher education institutions. These actions reduced general funds in MSU by \$1.0 million in general funds, representing a decrease for the Center of Urban and Coastal Climate Science Research from \$3.0 million to \$2.0 million. **The President should provide an update on the use of the funds received for the center after the reduction.**

### **Implementation of Legislative Priorities**

In the 2024 session, MSU was awarded \$500,000 for its Center for Equitable Artificial Intelligence and Machine Learning Systems. **The President should provide an update on the use of the funds.**

### **Education and General Expenditures**

Since tuition and fee revenue in the allowance is based on enrollment projections, increases and decreases in enrollment have a significant effect on an institution's revenues. Therefore, looking at the changes of expenditures by program area between fiscal 2024 and 2025, when institutions know their fall enrollment, provides a more accurate picture of funding priorities.

As shown in **Exhibit 10**, overall education and general expenditures increase by \$4.2 million between fiscal 2024 and 2025. Spending on research experiences the largest increase (\$8.1 million), or 76.5%, compared to fiscal 2024, due to an increase in funding for State-supported research centers. The next largest increase in spending by program area was in instruction, an increase of \$4.5 million, or 5.7%. Scholarships and fellowships decreased by \$3.8 million, or 8.6%. Overall, the increased expenditures in these and other program areas are due to enrollment increases, HBCU settlement funds, salary adjustments, and certain costs that were originally planned for fiscal 2024 being paid in fiscal 2025. Auxiliary enterprises decrease by 7.5%, or \$5.4 million, because of an increase in housing and food service costs in fiscal 2024 due to increased athletic operational costs for two new sports programs and additional staff requirements associated with the new programs.

**Exhibit 10**  
**Budget Changes for Unrestricted Funds by Program**  
**Fiscal 2024-2025**  
**(\$ in Thousands)**

	<b>Actual 2024</b>	<b>Adjusted Working 2025</b>	<b>\$ Change 2024-2025</b>	<b>% Change 2024-2025</b>
<b>Expenditures</b>				
Instruction	\$78,850	\$83,322	\$4,472	5.7%
Research	10,587	18,686	8,099	76.5%
Public Service	333	279	-54	-16.3%
Academic Support	38,240	39,994	1,755	4.6%
Student Services	11,799	12,212	412	3.5%
Institutional Support	74,334	69,237	-5,097	-6.9%
Operation and Maintenance of Plant	36,878	40,648	3,770	10.2%
Scholarships and Fellowships	43,284	39,545	-3,739	-8.6%
<b>Education and General (E&amp;G) Total</b>	<b>\$294,306</b>	<b>\$303,924</b>	<b>\$9,618</b>	<b>3.3%</b>
Auxiliary Enterprises	\$71,575	\$66,205	-\$5,370	-7.5%
<b>Total Expenditures</b>	<b>\$365,881</b>	<b>\$370,129</b>	<b>\$4,249</b>	<b>1.2%</b>
<b>Revenues</b>				
Tuition and Fees	\$96,809	\$97,489	\$681	0.7%
State Funds <sup>1</sup>	190,814	194,244	3,430	1.8%
Other	18,557	12,191	-6,365	-34.3%
<b>Total E&amp;G Revenues</b>	<b>\$306,179</b>	<b>\$303,924</b>	<b>-\$2,255</b>	<b>-0.7%</b>
Auxiliary Enterprises	61,689	66,205	\$4,516	7.3%
Transfer to/from Fund Balance and to Plant Funds	-1,987		1,987	-100.0%
<b>Available Unrestricted Revenues</b>	<b>\$365,881</b>	<b>\$370,129</b>	<b>\$4,249</b>	<b>1.2%</b>

<sup>1</sup> State funds include general funds and Higher Education Investment Funds

Source: Governor's Fiscal 2026 Budget Books; Department of Legislative Services

## Fiscal 2026 Proposed Budget

As shown in **Exhibit 11**, total State funding increases by \$3.3 million, or 1.7%. When excluding salary enhancements and the impact of the fiscal 2025 general salary increases in fiscal 2026, which are not included in the fiscal 2025 working appropriation but are budgeted

centrally in the Statewide Account in DBM, general funds decrease by \$7.5 million, or 4.0%, in the fiscal 2026 allowance compared to fiscal 2025. HBCU settlement funds increase by \$0.8 million to \$27.6 million in fiscal 2026 compared to the previous year. After accounting for the proposed deficiency appropriation, the HEIF funds decrease \$0.2 million to \$5.3 million in fiscal 2026 from \$5.5 million in fiscal 2025. **The President should comment on how MSU will address the decrease in State support for fiscal 2026.**

**Exhibit 11**  
**Proposed Budget**  
**Morgan State University**  
**(\$ in Thousands)**

	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2025-2026</b>	<b>% Change</b>
	<b><u>Actual</u></b>	<b><u>Adjusted</u></b>	<b><u>Adjusted</u></b>	<b><u>Change</u></b>	<b><u>Prior Year</u></b>
General Funds	\$159,094	\$162,881	\$153,685	-9,196	-5.6%
Deficiency – HEIF Swap		-883		883	
Chapter 41 Funds	26,387	26,749	27,585	836	3.1%
<b>Adjusted General Funds</b>	<b>\$185,481</b>	<b>\$188,746</b>	<b>\$181,270</b>	<b>-\$7,477</b>	<b>-4.0%</b>
Special Funds					
HEIF	\$5,333	\$4,614	\$5,265		
Deficiency – HEIF Swap		883			
<b>Total HEIF</b>	<b>\$5,333</b>	<b>\$5,497</b>	<b>\$5,265</b>	<b>-\$233</b>	<b>-4.4%</b>
<b>Adjusted State Funds</b>	<b>\$190,814</b>	<b>\$194,244</b>	<b>\$186,535</b>	<b>-\$7,709</b>	<b>-4.0%</b>
Adjustment – Fiscal 2025					
General Salary Increases			\$11,038		
<b>Total State Operating Funds</b>	<b>\$190,814</b>	<b>\$194,244</b>	<b>\$197,573</b>	<b>\$3,329</b>	<b>1.7%</b>
Other Unrestricted Funds	\$177,054	\$175,886	\$203,702	\$27,816	15.8%
Transfer to/from Fund Balance	-1,987	0	0		
<b>Net Unrestricted Funds</b>	<b>\$365,881</b>	<b>\$370,129</b>	<b>\$401,274</b>	<b>\$31,145</b>	<b>8.4%</b>
<b>Total Restricted Funds</b>	<b>\$90,667</b>	<b>\$89,000</b>	<b>\$110,123</b>	<b>\$21,123</b>	<b>23.7%</b>
<b>Total Funds</b>	<b>\$456,548</b>	<b>\$459,129</b>	<b>\$511,397</b>	<b>\$52,268</b>	<b>11.4%</b>

HEIF: Higher Education Investment Fund

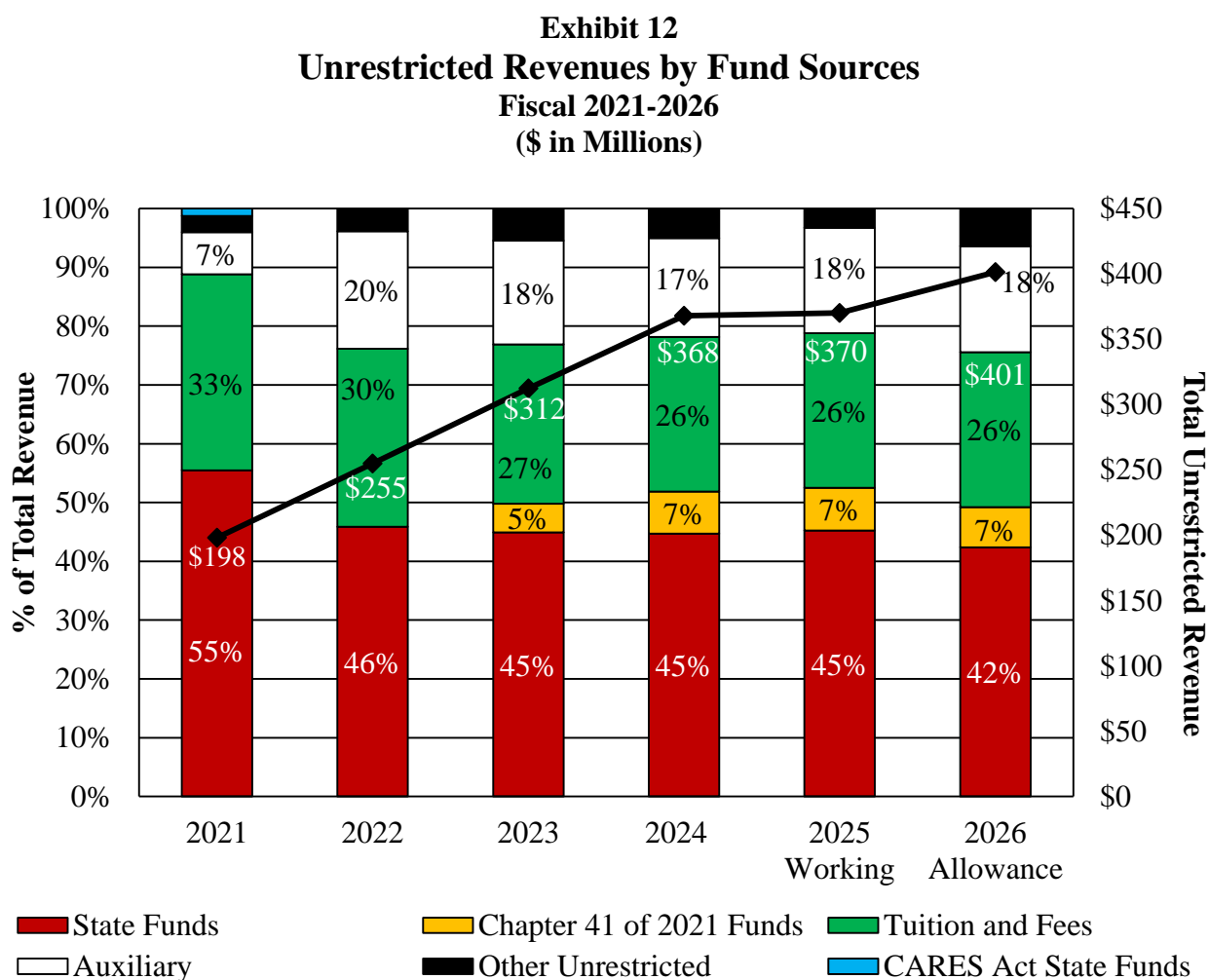
Note: Numbers may not sum to total due to rounding. The fiscal 2025 working appropriation accounts for deficiencies. The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency's budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency's budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency's budget.

Source: Governor's Budget Books, Fiscal 2026, Department of Legislative Services

The overall budget for MSU increases \$52.3 million, or 11.4%, to \$511.4 million in fiscal 2026 when including current restricted funds and unrestricted funds.

## Revenue Sources

As shown in **Exhibit 12**, in the fiscal 2026 allowance, State funds (general funds and the HEIF) and HBCU settlement funds comprise 42% and 7% of MSU's State-supported revenues, respectively. Tuition and fee revenue comprises 26% of unrestricted revenues. The fiscal 2026 budget anticipates auxiliary revenue increasing to \$72.3 million. MSU anticipates over \$401.3 million in unrestricted revenues in fiscal 2026. Should this total be met, it would be the largest unrestricted revenue total received by the university in history.



CARES: Coronavirus Aid, Relief, and Economic Security

Source: Governor's 2020-2026 Budget Books; Department of Legislative Services



***Personnel Data***


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	<b><u>FY 24</u></b> <b><u>Actual</u></b>	<b><u>FY 25</u></b> <b><u>Working</u></b>	<b><u>FY 26</u></b> <b><u>Allowance</u></b>	<b><u>FY 25-26</u></b> <b><u>Change</u></b>
Regular Positions	1,895.00	1,895.00	1,895.00	0.00
Contractual FTEs	<u>727.00</u>	<u>333.00</u>	<u>333.00</u>	<u>0.00</u>
<b>Total Personnel</b>	<b>2,622.00</b>	<b>2,171.00</b>	<b>2,171.00</b>	<b>0.00</b>

***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New  
Positions

127.74

6.95%

Positions and Percentage Vacant as of 12/31/24

236.00

12.45%

Vacancies Above Turnover

108.26

- MSU has noted that the contractual full-time equivalents have not declined to 333.00 for fiscal 2025 and remains at the fiscal 2024 level of 727.00. **The President should comment on the discrepancy and how the institution will work with DBM in the future to ensure that DBM has the correct number of positions.**
- MSU continues to have a high vacancy rate. The institution has 108.26 vacancies above the turnover rate with a vacancy rate of 12.45%. **The President should detail the progress being made to fill the vacant positions.**

## ***Issues***

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### **1. Maryland College of Osteopathic Medicine**

In calendar 2019, MSU was approached by Salud Education, LLC (Salud) to develop and build the first Osteopathic College of Medicine at an HBCU. An osteopathic school awards Doctor of Osteopathic Medicine (D.O.) degrees. It has a more holistic style of medical training, focusing on the musculoskeletal system and environmental factors in health. The more common medical school is an allopathic school, which awards a Doctor of Medicine (M.D.). In January 2020, the MSU Board of Regents (BOR) authorized President Dr. David K. Wilson to explore the prospect of bringing a new privately funded, for-profit medical school to the campus through a strategic partnership with Salud. In November 2022, MSU BOR approved a 35-year ground lease agreement with the Maryland College of Osteopathic Medicine (MDCOM) for MSU's Montebello Complex. The lease includes two options to extend for 10 years each.

The 2026 *Capital Improvement Program* has been updated to remove the demolition of the Jenkins Building. Instead of demolition, this building will instead serve as a temporary space for the planned MDCOM. In the 2024 session budget hearing, MSU indicated that the deal for MDCOM had fallen through. However, it seems as if Salud has now secured the necessary investment needed to move forward with MDCOM. Salud was expected to submit the application for candidacy to the Commission on Osteopathic College Accreditation (COCA) before the end of May 2024. There was an expectation that Salud would be granted candidate status at the August board meeting of COCA, and MDCOM could then officially start recruiting the first class of students. However, according to the final actions of that August meeting, no decision was made yet regarding MDCOM. **The President should provide an update on the status of MDCOM and the expected timeline for its first class.**

### **2. Outstanding Mandated Reports**

Each year, the legislature mandates reports and studies to be completed by State agencies or other governmental entities. Some legislative mandates are for one-time studies, while others are for ongoing reports. Anything submitted to or received by the Maryland General Assembly (MGA) or the Department of Legislative Services (DLS) is deemed a mandated report. It is not required to be in the legislation to make it a mandated report. A database tracks reports mandated by legislation submitted to the Governor, MGA, legislative committees, and DLS. Reports established by executive order and the Code of Maryland Regulations (COMAR) that require reports to the Governor or MGA can also be found. Each report record is assigned a unique Mandated State Agency Report number to identify reporting requirements and the changes to those reports. At the writing of this analysis, MSU has four outstanding mandated reports. They are as follows:

- *Sources of Amounts of Payments Used to Support Auxiliary Facilities and Academic Facilities Report;*

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- *Report on Credit for Prior Learning;*
- *A Summary of the Transfers Among Programs for Fiscal Year 2024; and*
- *Fiscal 2024 Position Accountability Report*

In addition to the aforementioned outstanding mandated reports, MSU has two responses to two pieces of committee narrative related to student cohort data and East North Avenue development that have not been submitted. **The President should comment on when these reports will be submitted and how the institution will ensure that reports are submitted in a timely fashion.**

## ***Operating Budget Recommended Actions***

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

, provided that \$250,000 of this appropriation made for the purpose of the general administration may not be expended until Morgan State University (MSU) submits a report to the budget committees on the development of East North Avenue in the City of Baltimore. The General Assembly requests that MSU convene a group of stakeholders to create a plan for long-term development for East North Avenue. The report shall include tentative redevelopment plans, MSU's stakeholder and community engagement efforts, and the role of stakeholders in development of the plans. This report shall be submitted by January 15, 2026, 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 and shall revert to the General Fund if the report is not submitted.

**Explanation:** This language restricts funds pending a report on MSU's development plans in East North Avenue.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
East North Avenue development report	MSU	January 15, 2026

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

, provided that since Morgan State University (MSU) has had four or more repeat findings in the most recent compliance audit issued by the Office of Legislative Audits (OLA), \$250,000 of this agency's administrative appropriation may not be expended unless:

- (1) MSU has taken corrective action with respect to all repeat audit findings on or before November 1, 2025; and
- (2) a report is submitted to the budget committees by OLA listing each repeat audit finding along with a determination that each repeat finding was corrected. The budget committees shall have 45 days from receipt the date of the receipt of the report to review and comment to allow for funds to be released prior to the end of fiscal 2026.

**Explanation:** The Joint Audit and Evaluation Committee (JAEC) has requested that budget bill language be added for each unit of State government that has four or more repeat audit findings in its most recent fiscal compliance audit. Each agency is to have a portion of its administrative budget withheld pending the adoption of corrective action

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by the agency and a determination by OLA that each finding was corrected. OLA shall submit a report to the budget committees on the status of repeat findings.

If OLA reports that an agency failed to completely resolve or make adequate progress toward resolving those repeat audit findings, JAEC requests that \$250,000 in general funds is withheld from each agency's appropriation in the fiscal year following the OLA report until more satisfactory progress has been made toward resolution of those repeat findings.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Status of corrective actions related to the most recent fiscal compliance audit	OLA	45 days before the release of funds

## **Appendix 1**

### **2024 Joint Chairmen's Report Responses from Agency**

The 2024 *Joint Chairmen's Report* (JCR) requested that MSU prepare three reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***East North Avenue Development Report:*** The committees requested a report from MSU about the development of East North Avenue and its position as an anchor institution. At the time of the writing of this analysis, the report has not been submitted.
- ***Instructional Faculty Workload Report:*** A report was submitted providing MSU's faculty workload. MSU's tenure and tenure-track faculty taught 92% of expected course units, and full-time instructional faculty taught 90% of expected course units.
- ***Report on Student Cohort Data:*** The budget committees requested that the MSU provide data for in-state students from fiscal 2019 through 2024, including recruitment efforts, the number enrolled by high school, and racial/ethnic and gender demographics. MSU provided the analyst with an extensive report detailing the institution's recruitment efforts and the demographics of its student body but has yet to submit the report to the DLS library at the writing of this analysis.

**Appendix 2**  
**Object/Fund Difference Report**  
**Morgan State University**

<u>Object/Fund</u>	<u>FY 24 Actual</u>	<u>FY 25 Working Appropriation</u>	<u>FY 26 Allowance</u>	<u>FY 25 – FY 26 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	1,895.00	1,838.00	1,838.00	0.00	0%
02 Contractual	727.00	333.00	333.00	0.00	0%
<b>Total Positions</b>	<b>2,622.00</b>	<b>2,171.00</b>	<b>2,171.00</b>	<b>0.00</b>	<b>0%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 204,603,112	\$ 232,201,621	\$ 225,061,134	-\$ 7,140,487	-3.1%
02 Technical and Special Fees	33,341,378	27,684,040	35,131,168	7,447,128	26.9%
03 Communication	970,563	1,074,660	1,177,325	102,665	9.6%
04 Travel	6,696,054	5,723,575	7,836,799	2,113,224	36.9%
06 Fuel and Utilities	8,217,155	11,798,579	11,144,875	-653,704	-5.5%
07 Motor Vehicles	974,405	633,420	1,226,397	592,977	93.6%
08 Contractual Services	68,493,341	57,444,193	80,528,436	23,084,243	40.2%
09 Supplies and Materials	8,952,851	8,944,865	11,348,894	2,404,029	26.9%
11 Equipment – Additional	5,972,008	3,912,913	7,884,912	3,971,999	101.5%
12 Grants, Subsidies, and Contributions	76,228,378	72,291,125	84,127,387	11,836,262	16.4%
13 Fixed Charges	35,418,157	24,111,007	32,530,573	8,419,566	34.9%
14 Land and Structures	6,680,226	13,309,451	13,399,451	90,000	0.7%
<b>Total Objects</b>	<b>\$ 456,547,628</b>	<b>\$ 459,129,449</b>	<b>\$ 511,397,351</b>	<b>\$ 52,267,902</b>	<b>11.4%</b>
<b>Funds</b>					
40 Unrestricted Fund	\$ 365,880,681	\$ 370,129,449	\$ 401,274,351	\$ 31,144,902	8.4%
43 Restricted Fund	90,666,947	89,000,000	110,123,000	21,123,000	23.7%
<b>Total Funds</b>	<b>\$ 456,547,628</b>	<b>\$ 459,129,449</b>	<b>\$ 511,397,351</b>	<b>\$ 52,267,902</b>	<b>11.4%</b>

Note: The fiscal 2025 appropriation does not include deficiencies. The fiscal 2026 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.

**Appendix 3  
Fiscal Summary  
Morgan State University**

<b><u>Program/Unit</u></b>	<b><u>FY 24 Actual</u></b>	<b><u>FY 25 Wrk Approp</u></b>	<b><u>FY 26 Allowance</u></b>	<b><u>Change</u></b>	<b><u>FY 25 – FY 26 % Change</u></b>
01 Instruction	\$ 78,917,170	\$ 83,402,361	\$ 86,533,436	\$ 3,131,075	3.8%
02 Research	71,758,034	82,185,917	99,325,507	17,139,590	20.9%
03 Public Service	339,891	278,747	371,975	93,228	33.4%
04 Academic Support	38,338,526	40,092,452	44,561,939	4,469,487	11.1%
05 Student Services	12,183,519	12,506,658	13,739,291	1,232,633	9.9%
06 Institutional Support	74,359,268	69,257,474	79,260,771	10,003,297	14.4%
07 Operation and Maintenance of Plant	36,878,202	40,652,075	43,681,910	3,029,835	7.5%
08 Auxiliary Enterprise	71,595,455	66,208,310	71,377,067	5,168,757	7.8%
17 Scholarships and Fellowships	72,177,563	64,545,455	72,545,455	8,000,000	12.4%
<b>Total Expenditures</b>	<b>\$ 456,547,628</b>	<b>\$ 459,129,449</b>	<b>\$ 511,397,351</b>	<b>\$ 52,267,902</b>	<b>11.4%</b>
Unrestricted Fund	\$ 365,880,681	\$ 370,129,449	\$ 401,274,351	\$ 31,144,902	8.4%
Restricted Fund	90,666,947	89,000,000	110,123,000	21,123,000	23.7%
<b>Total Appropriations</b>	<b>\$ 456,547,628</b>	<b>\$ 459,129,449</b>	<b>\$ 511,397,351</b>	<b>\$ 52,267,902</b>	<b>11.4%</b>

Note: The fiscal 2025 appropriation does not include deficiencies. The fiscal 2026 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.