

R30B23
Bowie State University
University System of Maryland

Operating Budget Data

(\$ in Thousands)

	<u>FY 14</u> <u>Actual</u>	<u>FY 15</u> <u>Working</u>	<u>FY 16</u> <u>Allowance</u>	<u>FY 15-16</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Funds	\$36,390	\$40,110	\$41,981	\$1,871	4.7%
Deficiencies and Reductions	0	-1,360	-2,582	-1,222	
Adjusted General Fund	\$36,390	\$38,750	\$39,399	\$649	1.7%
Special Funds	2,137	1,822	1,893	71	3.9%
Deficiencies and Reductions	0	0	0	0	
Adjusted Special Fund	\$2,137	\$1,822	\$1,893	\$71	3.9%
Other Unrestricted Funds	50,540	53,308	55,758	2,450	4.6%
Adjusted Other Unrestricted Fund	\$50,540	\$53,308	\$55,758	\$2,450	4.6%
Total Unrestricted Funds	89,067	95,241	99,633	4,392	4.6%
Deficiencies and Reductions	0	-1,360	-2,582	-1,222	
Adjusted Total Unrestricted Funds	\$89,067	\$93,881	\$97,051	\$3,170	3.4%
Restricted Funds	19,736	22,000	22,000	0	
Adjusted Restricted Fund	\$19,736	\$22,000	\$22,000	\$0	0.0%
Adjusted Grand Total	\$108,803	\$115,881	\$119,051	\$3,170	2.7%

Note: The fiscal 2015 working appropriation reflects the Board of Public Works reductions. The fiscal 2016 allowance reflects back of the bill reductions to the University System of Maryland, which were allocated to institutions based on the Department of Legislative Services estimates.

- The general fund increases \$0.6 million, or 1.7%, in fiscal 2016 after adjusting for a fiscal 2015 Board of Public Works reduction and \$2.6 million in back of the bill reductions in fiscal 2016.
- The Higher Education Investment Fund increases \$70,670, or 3.9%, in fiscal 2016 resulting in an overall growth of 1.8%, or \$0.7 million, in State funds above fiscal 2015.

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

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Analysis of the FY 2016 Maryland Executive Budget, 2015

Personnel Data

	<u>FY 14</u> <u>Actual</u>	<u>FY 15</u> <u>Working</u>	<u>FY 16</u> <u>Allowance</u>	<u>FY 15-16</u> <u>Change</u>
Regular Positions	517.00	532.00	532.00	0.00
Contractual FTEs	<u>140.90</u>	<u>139.98</u>	<u>146.09</u>	<u>6.11</u>
Total Personnel	657.90	671.98	678.09	6.11

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	14.84	2.79%
Positions and Percentage Vacant as of 12/31/14	26.50	5.0%

- While the allowance does not provide for any new positions, it does include 6.11 new contractual full-time equivalents, which include instructional and research faculty, and a technology support position.

Analysis in Brief

Major Trends

Enrollment: Undergraduate enrollment grew by 2.6%, or 98 students, in fall 2014. An increase in continuing students of 112 was partially offset by first-time students declining by 33 students. Graduate enrollment increased 3.0% resulting in an overall enrollment growth of 2.4%.

Student Performance: The second-year retention rate peaked at 73.5% with the 2010 cohort and subsequently declined to 70.2% with the 2012 cohort. The third-year rate improved over the past five cohorts increasing from 53.9% with the 2006 cohort to 56.7% with the 2011 cohort. The six-year graduation rate for the 2007 first-time, full-time cohort improved to 38.7%, but it is still below the rate of the cohorts prior to 2006.

Degree Production Efficiency: Between fiscal 2011 and 2013, undergraduate degrees per 100 full-time equivalent students increased from 16.6 to 19.2 degrees, respectively. After steadily increasing over two years to a high of \$69,741, education and related expenditures per degree fell to \$63,896 in fiscal 2011.

Issues

Meeting College Expenses: After declining by \$0.3 million between fiscal 2009 and 2012, expenditures on institutional aid grew by \$1.5 million over the next two years, of which \$1.1 million went toward need-based aid. In fiscal 2014, 91.3% of those receiving need-based aid awards were Pell-eligible students who received an average award of \$1,398.

Bulldog Academy Gets a Boost from Enhancement Funding: Prior to the summer of 2013, enrollment in the academy ranged between 9 and 29 students. In an effort to boost participation for the summer of 2013, Bulldog Academy enhancement funds were used to provide scholarships to students who successfully passed both English and math courses resulting in a 369.2% increase in enrollment in the academy.

Recommended Actions

1. See the University System of Maryland Overview for systemwide recommendations.

R30B23 – USM – Bowie State University

R30B23
Bowie State University
University System of Maryland

Operating Budget Analysis

Program Description

Established in 1865 as Maryland's first Historically Black College and University, Bowie State University (BSU) is a regional university offering a broad array of undergraduate programs including business, education, social work, and nursing, and selected professionally oriented graduate programs including the doctorate in educational leadership and computer science.

BSU is building on its image as a student-centered institution and increasing student diversity. While excelling in teacher education, the institution is seeking to become the premier teacher of teachers. BSU is committed to increasing the number of students from under-represented minorities who earn advanced degrees in computer science, mathematics, information technology (IT), and education. Students are equipped with a course of study that ensures a broad scope of knowledge and understanding deeply rooted in expanded research activities.

Carnegie Classification: DRU: Doctoral/Research University

Fall 2014 Undergraduate Enrollment Headcount

Male	1,715
Female	2,741
Total	4,456

Fall 2014 Graduate Enrollment Headcount

Male	397
Female	842
Total	1,239

Fall 2014 New Students Headcount

First-time	596
Transfers/Others	583
Graduate	345
Total	1,533

Campus (Main Campus)

Acres	343
Buildings	24
Average Age	40 years
Oldest	Goodloe House (1916)

Programs

Bachelor's	22
Master's	19
Doctoral	2

Degrees Awarded (2013-2014)

Bachelor's	741
Master's	274
Doctoral	7
Total Degrees	1,026

Proposed Fiscal 2016 In-state Tuition and Fees*

Undergraduate Tuition	\$5,217
Mandatory Fees	\$2,486

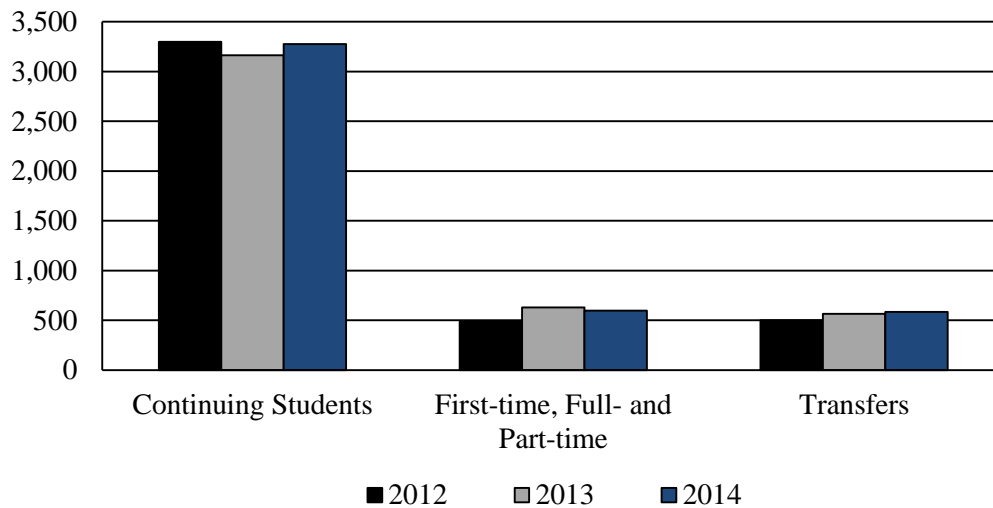
*Contingent on Board of Regents approval.

Performance Analysis

1. Enrollment

Undergraduate enrollment grew by 2.6%, or 98 students, in fall 2014. A 5.4% increase in continuing students was partially offset by a 5.3% decline in first-time students, as shown in **Exhibit 1**. Overall, since fall 2012 first-time students increased 23.1% while total undergraduate enrollment grew 4.0%. Graduate enrollment increased 3.0% in fall 2014. This resulted in an overall 2.4% increase in enrollment.

Exhibit 1
Undergraduate Enrollment
Fall 2012-2014

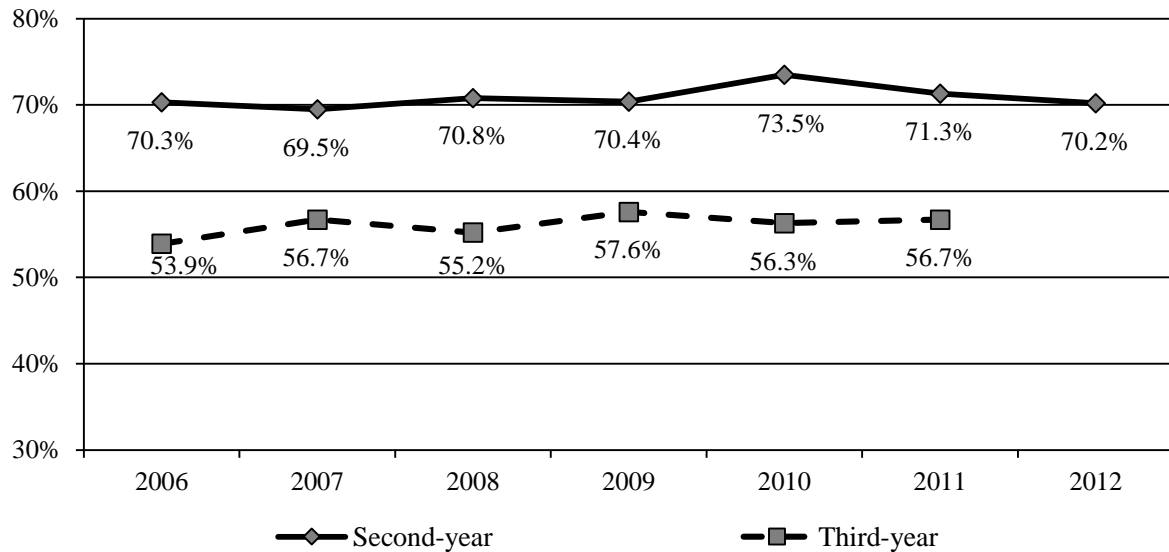


Source: University System of Maryland

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 students will persist and graduate. After peaking at 73.5% with the 2010 cohort, the second-year retention rate fell back to previous levels with the 2012 cohort to 70.2%, as shown in **Exhibit 2**. While the third-year rate generally mirrors the trends of the second-year rate, except for the 2009 cohort, this was not the case for BSU, in which the rates moved in opposite directions. While the third-year rate improved over the past five cohorts, increasing from 53.9% to 56.7% from the 2006 to 2011 cohort, the second-year rate remained unchanged. This suggests there are opportunities for BSU to not only improve efforts to keep students enrolled for a second year but also identify those programs that will increase the retention of students after their sophomore year.

Exhibit 2
Second- and Third-year Retention Rates
Frist-time Full-time 2006-2012 Cohorts

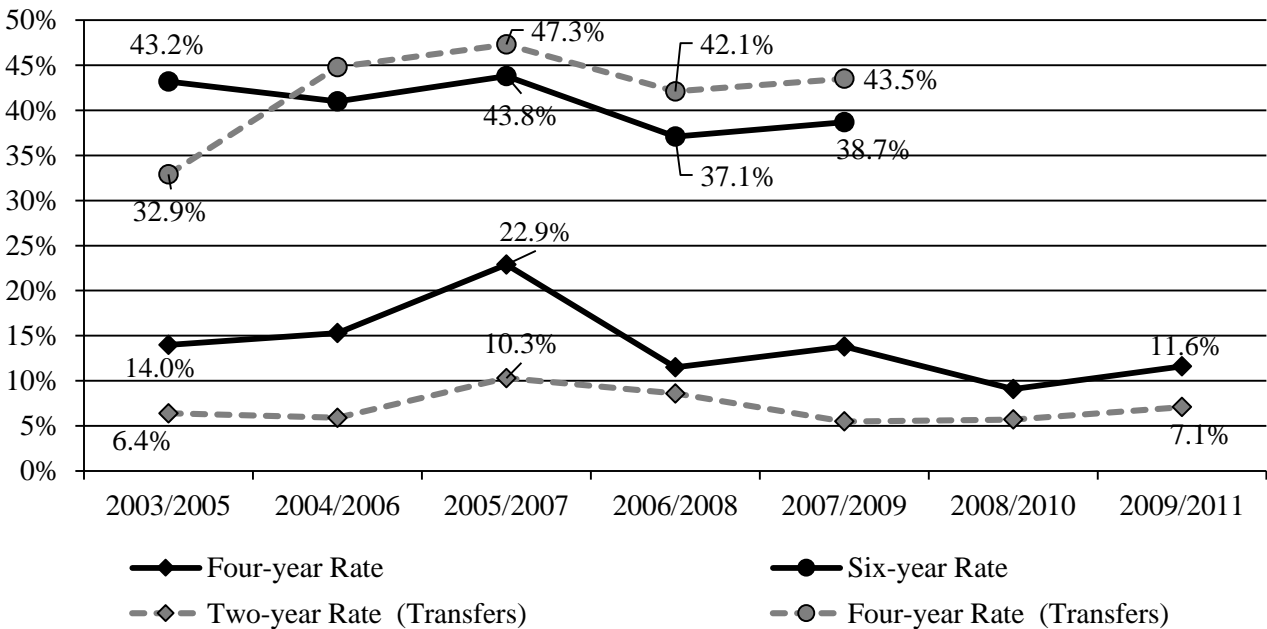


Source: Maryland Higher Education Commission, Retention and Graduation Rates at Maryland Four-year Institutions, October 2014

Completion or graduation rates are greatly influenced by time – the longer it takes a student to graduate, the more likely (s)he will drop out as other priorities compete with classes. Longer completion time translates into increased costs, not only for the student, but the institution and the State as well. According to the most recent data, time to degree for the FT/FT 2006 cohort increased from 9.2 to 9.3 semesters, slightly over four and a half years.

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 3** shows the four- and six-year graduation rates for first-time full-time (FT/FT) and the equivalent rate for transfer students: the two- and four-year graduation rates. While the FT/FT students consistently graduated at higher rates after four years than the transfer students after two years, this trend flips when comparing the six- and four-year rates. The graduation rates spiked with the 2005 FT/FT and 2007 transfer cohorts but subsequently fell with the next cohort. While the six-year rate for the 2007 FT/FT cohort improved to 38.7%, it is still below the rate of the cohorts prior to 2006. **The President should comment on if efforts to increase the graduation rates of the FT/FT 2007 cohort will be successful in improving the success of students to at least the same level as those prior to the 2006 cohort.**

Exhibit 3
Graduation Rate of First-time, Full-time and
Maryland Community College Transfer Students
2003-2011 cohorts

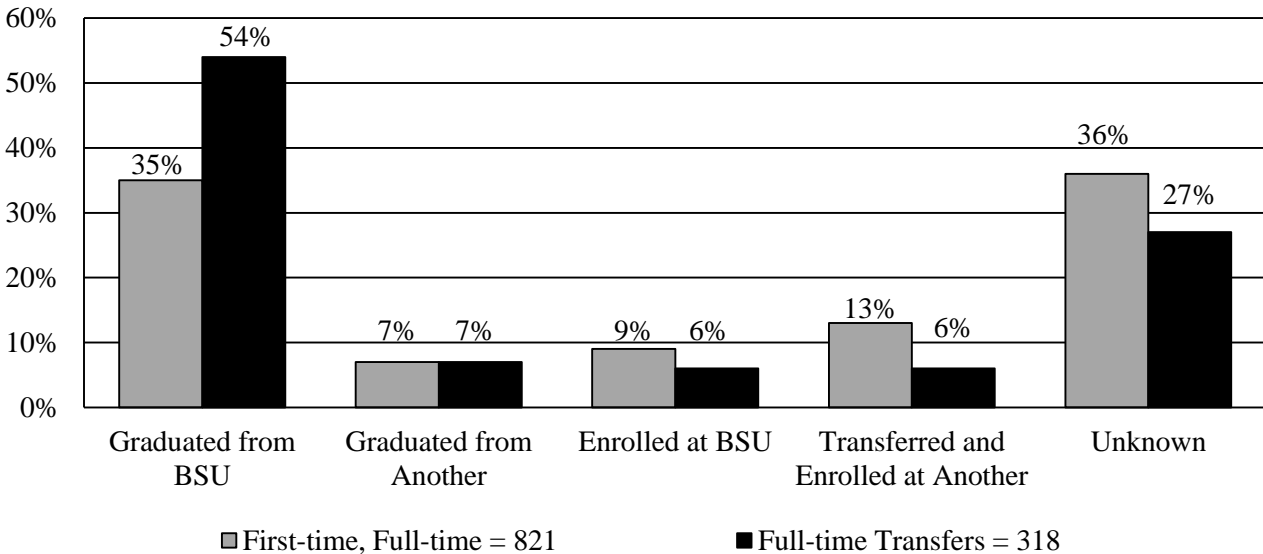


Note: The graduation rates for the first-time, full-time cohort includes those graduated from the institution or those that transferred and graduated from any Maryland public four-year institution. The rates for the Maryland community college transfer includes those that graduated from the institution or those that transferred and graduated from any other University System of Maryland institution.

Source: Maryland Higher Education Commission, Retention and Graduation Rates at Maryland Four-year Institutions; University System of Maryland, Transfer Students to the University of Maryland System

Traditionally, retention and graduation rates, as previous discussed, only measure the progress of FT/FT students and do not account for students who enroll in multiple institutions over the course of their college career. One in five students who complete a degree will do so at a different institution than the one they first enrolled in according to the National Student Clearinghouse. Student Achievement Measures provide a more comprehensive picture of a student's progression to completion by tracking student movements across institutions. Overall, transfer students achieve greater success than FT/FT students with 54% graduating within six years of enrolling at BSU compared to 35% of FT/FT students, as shown in **Exhibit 4**. Furthermore, the status is not known for 36% and 27% of the FT/FT and transfer students, respectively. In regard to the FT/FT student, according to BSU,

Exhibit 4
Status of First-time, Full-time and Full-time Transfers Seeking a
Bachelor's Degree After Six Years
Fall 2007 Cohort



BSU: Bowie State University

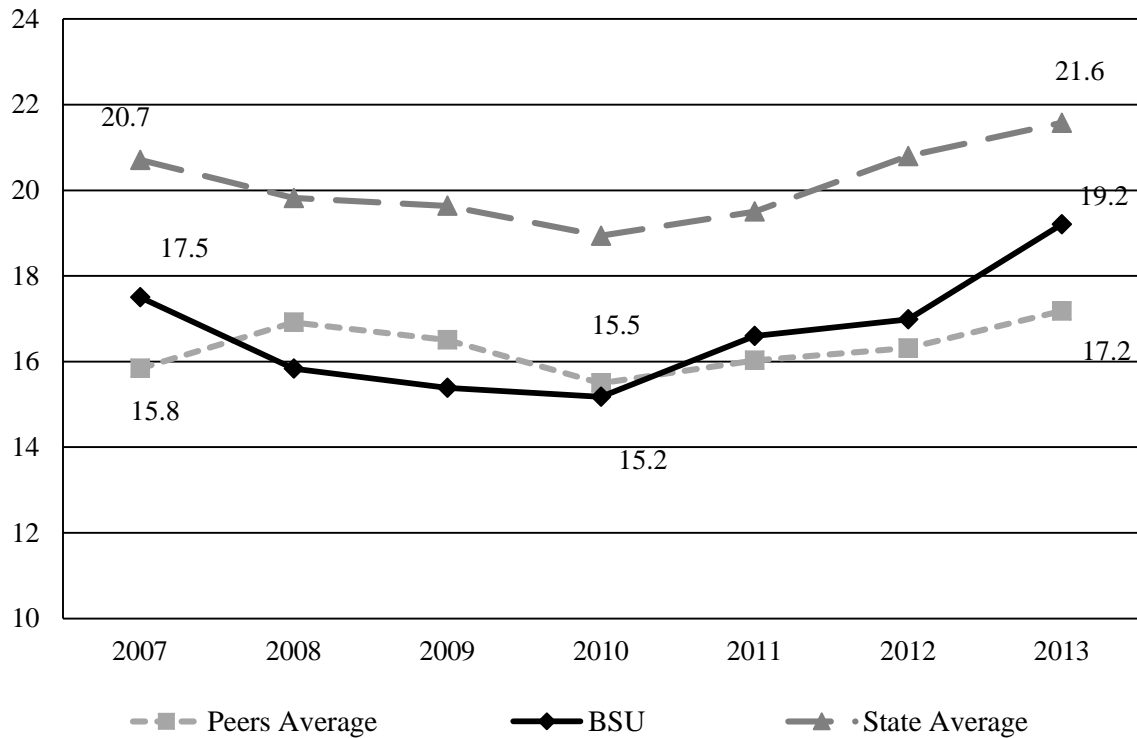
Source: Student Achievement Measures

approximately 6% of the cohort stopped out and subsequently returned after the six-year reporting period. These students had accumulated an average of 97 credits and had an average cumulative grade point average (GPA) of 2.46. In addition, 23% of the FT/FT cohort were “likely underprepared for the challenges of a college environment” and had 22 or fewer credits and GPAs under 1.75.

3. Degree Production Efficiency

How well an institution meets its mission is ultimately measured by the number of undergraduate degrees awarded. Trends in the number of undergraduate degrees awarded per 100 undergraduate full-time equivalent students (FTES) show if an institution is being more or less productive in graduating students. Ideal performance on this indicator would be 25 completions per 100 FTES since, in general, one-quarter of all students enrolled would graduate each year. **Exhibit 5** compares BSU’s ratio to the average of its peers and the State’s public four-year institutions. Peer institutions are those used to benchmark BSU’s performance in the University System of Maryland’s (USM) Dashboard Indicators. While BSU’s ratio has varied throughout the years, it increased from 15.2 to 19.2 degrees between fiscal 2010 and 2013. This can be attributed to declining enrollment coupled with an increase in the number of degrees.

Exhibit 5
Undergraduate Degrees per 100 Full-time Equivalent Students
Fiscal 2007-2013

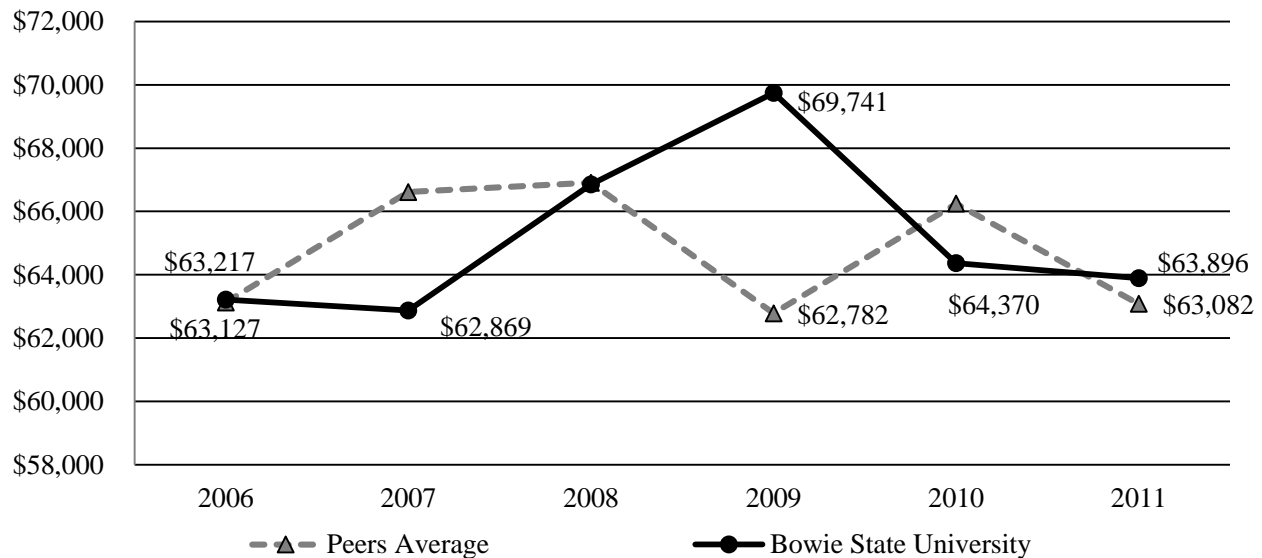


BSU: Bowie State University

Source: Integrated Postsecondary Education System; Department of Legislative Services

Education and related (E&R) expenditures per degree is another means to measure the performance of an institution. This measure shows if an institution is becoming more or less productive over time in using its resources to produce degrees. After steadily increasing over two years to a high of \$69,741 per degree in fiscal 2009, expenditures per degree fell to \$64,370 in fiscal 2010, as shown in **Exhibit 6**, a drop of \$5,371 per degree in one year. According to BSU, this is due to a \$6 million decrease in total E&R expenditures. **The President should comment on what is attributed to this drop in E&R expenditures.**

Exhibit 6
Education and Related Expenditures Per Degree Completed
Academic Year 2006-2011



Note: Education and related expenditures include direct spending on instruction, student services, and education share of spending on academic and institutional support, and operations and maintenance. All dollar amounts are reported in 2011 dollars (Higher Education Price Index adjusted).

Source: Delta Project, Trends in College Spending Online, Department of Legislative Services

Fiscal 2015 Actions

Cost Containment

The Board of Public Works (BPW) approved two rounds of cost containment measures resulting in a total reduction of \$1.5 million to BSU's State appropriation. The first measure approved in July 2014 reduced BSU's State appropriation by \$0.2 million related to the elimination of 1 position and the associated salary and wages. The second cost containment measure, approved by BPW in January 2015, resulted in a \$1.4 million reduction of BSU's State appropriation. BSU plans to meet this reduction through a combination of reducing expenditures and using fund balance. Operating expenditures will be reduced \$1.0 million: \$0.5 million from vacant regular and contractual positions; \$0.1 million from facilities renewal; and \$0.4 million from the general operating budget, *i.e.*, travel, equipment, and supplies. In addition, \$0.4 million will be transferred from the fund balance to cover operating expenses. After the transfer, BSU's balance in the State-supported portion of the fund balance will total \$11.4 million at the end of fiscal 2015.

Proposed Budget

As shown in **Exhibit 7**, the general fund allowance for fiscal 2016 is 1.7%, or \$0.6 million, higher than fiscal 2015 after including the fiscal 2015 cost containment actions and adjusting for across-the-board reductions in the fiscal 2016 allowance. This includes a general 2% reduction, elimination of employee increments, and a 2% pay reduction. DLS estimates BSU's share of these reductions to be \$2.6 million. The Higher Education Investment Fund (HEIF) increases 3.9%, or \$70,670, over fiscal 2015, resulting in an overall growth in State funds of 1.8%, or \$0.7 million, to \$41.3 million. Other unrestricted funds grow 5.0%, or \$2.7 million, due to tuition and fee and auxiliary revenues increasing \$1.6 million and \$1.0 million, respectively. Tuition and fee revenues increase partly due to a planned 5.0% increase in resident undergraduate tuition.

Exhibit 7
Proposed Budget
Bowie State University
(\$ in Thousands)

	FY 14	FY 15	FY 16	FY 15-16	% Change
	<u>Actual</u>	<u>Adjusted</u>	<u>Adjusted</u>	<u>Change</u>	<u>Prior Year</u>
General Funds	\$36,390	\$40,322	\$41,981		
July 2014 BPW		-212			
January 2015 BPW		-1,360			
Across the Board			-2,582		
Total General Funds	\$36,390	\$38,750	\$39,399	\$649	1.7%
HEIF	\$2,137	1,822	1,893	71	3.9%
Total State Funds	\$38,527	\$40,573	\$41,292	\$720	1.8%
Other Unrestricted Funds	50,540	53,308	55,758	2,662	5.0%
Total Unrestricted Funds	\$89,067	\$93,881	\$97,051	\$3,382	3.6%
Restricted Funds	19,736	22,000	22,000		0.0%
Total Funds	\$108,803	\$115,881	\$119,051	\$3,382	2.9%

BPW: Board of Public Works

HEIF: Higher Education Investment Fund

Note: The fiscal 2016 allowance is adjusted to reflect Bowie State University's (BSU) portion of the University System of Maryland's (USM) across-the-board reductions: \$0.8 million related to the 2% reduction was based on BSU's share of USM's total State appropriations; \$0.7 million for the 2% pay reduction was calculated by annualizing the half year fiscal 2015 COLA; and \$1.0 million attributed to salary increments was based on BSU's portion of fiscal 2016 salary increments as estimated by the Department of Legislative Services.

Source: Governor's Budget Books; Fiscal 2016, Department of Legislative Services

The allowance also provides \$1.4 million in current unrestricted funds for expenses related to equipment upgrades, science, technology, engineering, and math (STEM), and nursing adjuncts, and research software (\$0.7 million); financial aid (\$0.3 million); costs related to implementing sexual misconduct policy (\$0.2 million); utilities (\$0.1 million); and facilities renewal (\$0.1 million).

Budget changes by program area in the allowance are shown in **Exhibit 8**. This data includes unrestricted funds only, the majority of which consist of general funds, HEIF, and tuition and revenue fees. In fiscal 2015, increases in expenditures in all program areas, except scholarships and fellowships, are due to the expectation that vacant positions in fiscal 2014 would be filled in fiscal 2015 and, therefore, the budget included funds for those positions. Expenditures in institutional support also grew due to equipment loan payments related to upgrading the IT infrastructure, campus signage initiative, and marketing and other costs associated with BSU's branding initiative. Expenditures in academic support also increase due to costs related to accreditation, supplies, equipment, and implementation of a new STEM initiative. Other cost increases in student services include an increase in cost for contractual printing services and supplies and materials.

Total expenditures grow 2.9%, or \$2.7 million, in fiscal 2016 after adjusting for across-the-board reductions of \$2.6 million. However, since at this time it is not known how BSU will allocate the reduction across the program areas, it is difficult to compare the difference in expenditures between fiscal 2015 and 2016. **The President should comment on the institutional priorities when determining how the budget reductions will be allocated over the program areas and in particular minimizing the impact on financial aid.**

Exhibit 8
Bowie State University Budget Changes for Unrestricted Funds by Program
Fiscal 2014-2016
(\$ in Thousands)

	<u>2014</u>	<u>Adjusted Working 2015</u>	<u>% Change 2014-2015</u>	<u>Adjusted 2016</u>	<u>\$ Change 2015-2016</u>	<u>% Change 2015-2016</u>
Expenditures						
Instruction	\$27,118	\$28,955	6.8%	\$30,618	\$1,663	5.7%
Academic Support	8,248	9,544	15.7%	10,113	569	6.0%
Student Services	4,848	5,396	11.3%	5,515	118	2.2%
Institutional Support	13,659	15,917	16.5%	16,311	393	2.5%
Operation and Maintenance of Plant	13,039	11,496	-11.8%	11,773	277	2.4%
Scholarships and Fellowships	5,929	6,476	9.2%	6,800	324	5.0%
Cost Containment/Across-the-board Reductions		-1,360		-2,582		
Subtotal Education and General	\$72,841	\$76,424	4.9%	\$78,547	\$2,123	2.8%
Auxiliary Enterprises	16,226	17,457	7.6%	18,504	1,047	6.0%
Total	\$89,067	\$93,881	5.4%	\$97,051	\$3,170	3.4%
Funds Specific to HBCUs		1,325		903	-423	-31.9%
Adjusted Total	\$89,067	\$95,207	6.9%	\$97,953	\$2,747	2.9%
Revenues						
Tuition and Fees	\$35,012	\$35,191	0.5%	\$36,811	\$1,620	4.6%
General Funds	36,390	38,750	6.5%	39,399	649	1.7%
Higher Education Investment Fund	2,137	1,822	-14.7%	1,893	71	3.9%
Other Unrestricted Funds	1,391	1,444	3.9%	1,424	-20	-1.4%
Subtotal	\$74,929	\$77,208	3.0%	\$79,528	\$2,319	3.0%
Auxiliary Enterprises	17,284	17,786	2.9%	18,745	959	5.4%
Transfers (to) from Fund Balance	-3,146	-1,113		-1,222		
Total	\$89,067	\$93,881	5.4%	\$97,051	\$3,170	3.4%
Funds Specific to HBCUs		1,325		903	-423	-31.9%
Adjusted Total	\$89,067	\$95,207	6.9%	\$97,953	\$2,747	2.9%

HBCU: Historically Black Colleges and Universities

Note: Fiscal 2015 general funds reflect \$1.4 million of cost containment actions. Fiscal 2016 general funds are adjusted by \$2.6 million to reflect across-the-board reductions. Unrestricted funds only.

Source: Governor's Budget Books, Fiscal 2016; Department of Legislative Services

Issues

1. Meeting College Expenses

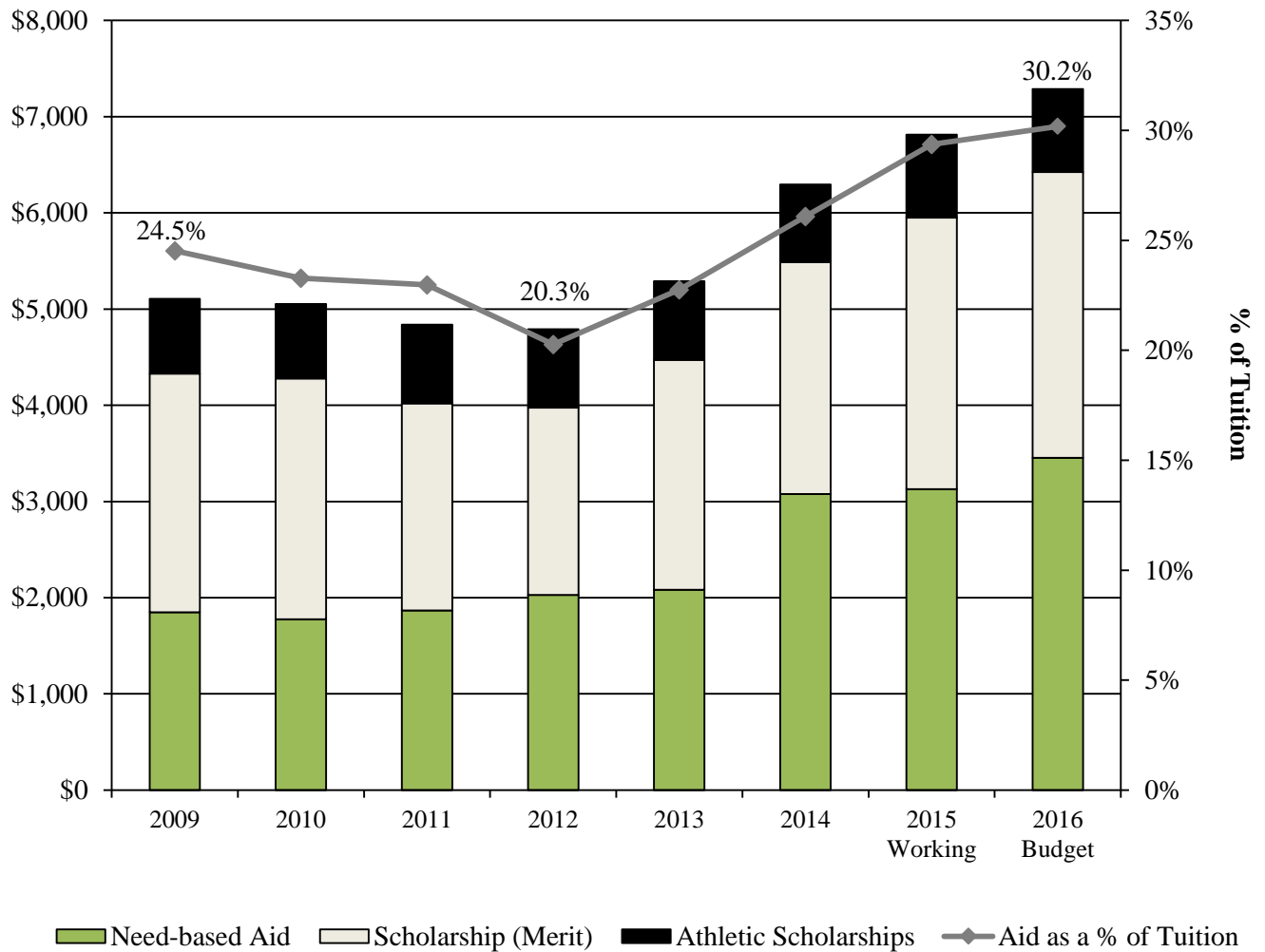
The lack of financial resources frequently contributes to a student's decision to stop or drop out of college. As the costs of a college education continue to escalate, students and families are relying more on various types of financial aid, *e.g.*, federal, State, and institutional, to effectively bring down the cost of college. According to the National Center for Education Statistics' College Navigator, the total cost for a FT/FT Maryland undergraduate student at BSU in fiscal 2013 was \$19,351 (based on tuition, mandatory fees, books and supplies, other expenses, and the weighted average of room and board). However, when accounting for the average amount of federal, State, and institutional aid, the average cost of attendance was \$11,009, a 43.1% reduction in the net cost of attendance.

In fiscal 2014, 48.5% of BSU's undergraduate students receive Pell awards, which are given to those who otherwise could not afford college and have an expected family contribution (EFC) of less than a specific amount, which was, \$5,081, in fiscal 2014. The EFC is an indicator of the amount a family is required to contribute to pay for a student's college education; therefore, the lower the EFC, the greater the need for financial aid.

After declining by \$0.3 million between fiscal 2009 and 2012, expenditures on institutional aid grew by \$1.5 million over the next two years, as illustrated in **Exhibit 9**, of which \$1.1 million went toward need-based aid. In fiscal 2014, spending on need-based aid increased by \$1.0 million totaling \$3.1 million. BSU was able to increase spending due to the fiscal 2014 supplemental budget providing \$0.4 million to be used specifically to increase the amount spent on need-based aid over fiscal 2013. Prior to fiscal 2014, on average, 37.9% of the expenditures went toward need-based aid which increased to 48.9% in fiscal 2014. After falling to the lowest level of 20.3% in fiscal 2012, institutional aid as a percentage of undergraduate tuition steadily increases to 30.2% in fiscal 2016.

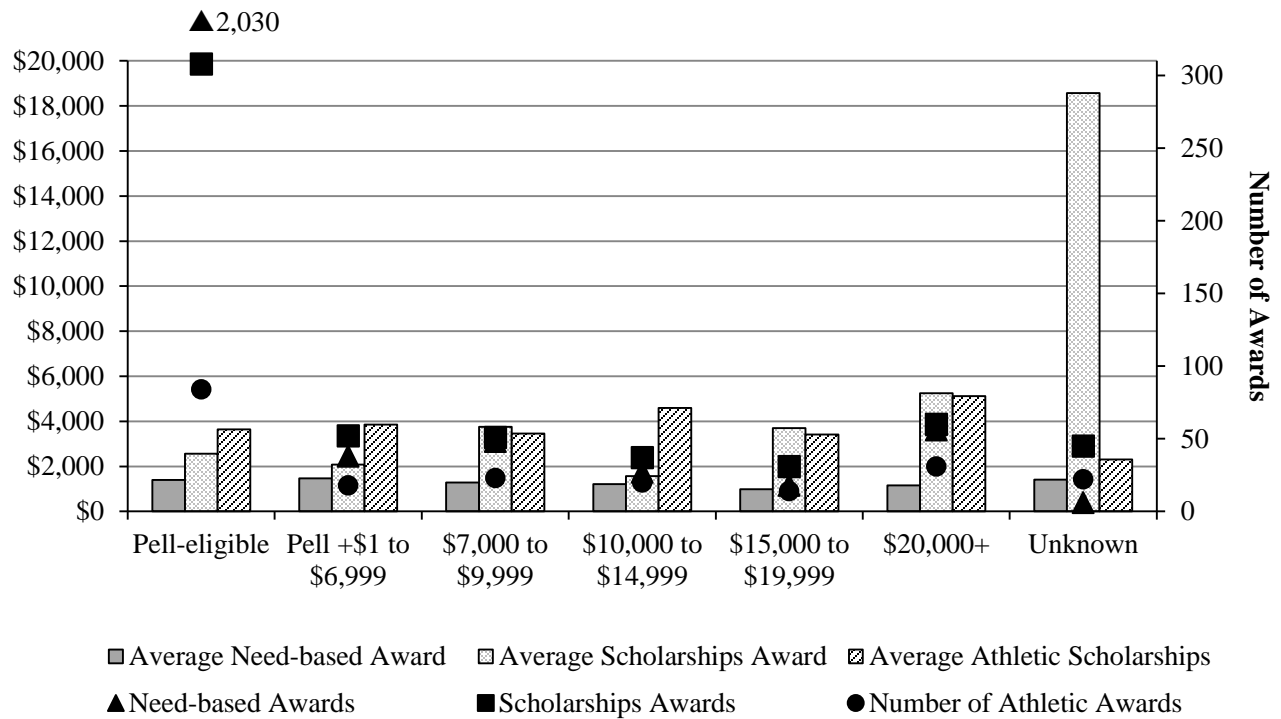
In fiscal 2014, 91.3% of those receiving need-based aid awards were Pell-eligible students who received an average award of \$1,398. While students in all EFC categories received institutional scholarships (or merit aid), of the 584 awards, 45 went to students in the unknown category (these are students who did not file a Free Application for Federal Student Aid or FAFSA) who received an average award of \$18,574, as shown in **Exhibit 10**. According to BSU, 16 of the awards went to out-of-state students while others were awarded a Merit High Ability Scholarship, which covers the cost of tuition and fees; room and board; and other educational expenses. One of the findings from the most recent audit by the Office of Legislative Audits found a lack of controls over the awarding of this scholarship. Findings included that there were no guidelines defining eligibility criteria or documentation supporting how the awards were determined, and awards were not subject to an independent supervisory review and approval. While the scholarship has been awarded for 15 years, it was not advertised, and awards were based solely on the judgment of a management employee. In October 2013, BSU developed guidelines for the scholarship and was in the process of obtaining approval. Additionally, the responsibility for awarding the scholarships was transferred to the scholarship coordinator in the Office of Financial Aid.

Exhibit 9
Institutional Aid and Percentage of Undergraduate Tuition
Fiscal 2009-2016
(\$ in Thousands)



Source: University System of Maryland; Department of Legislative Services

Exhibit 10
Number and Average Amount of Institutional Aid Received Per Recipient
Fiscal 2014

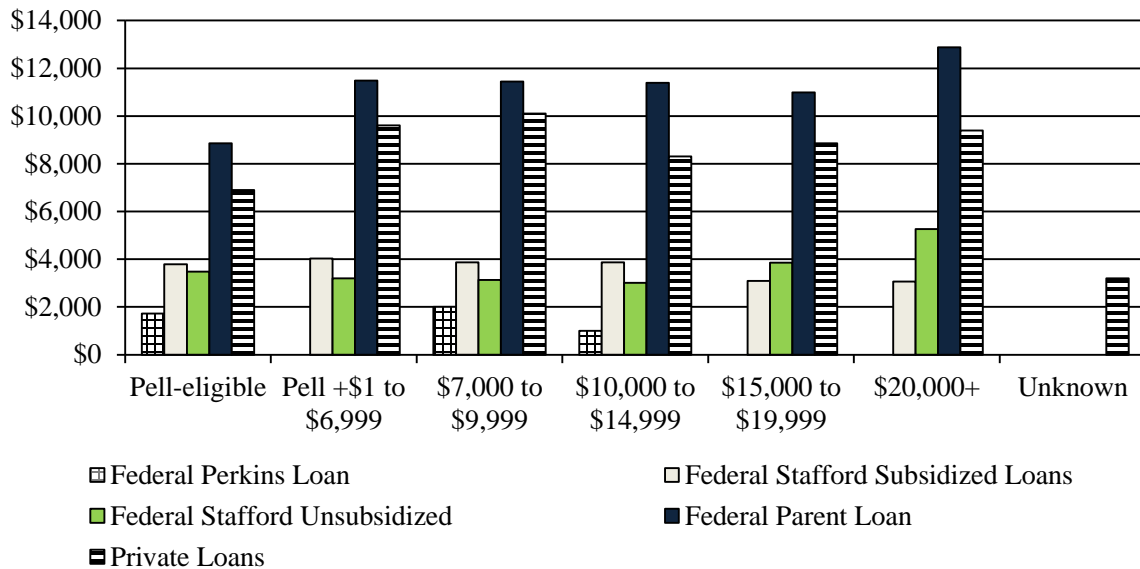


Source: Maryland Higher Education Commission

While the students with the greatest financial need typically receive Pell and institutional aid, it is still not enough to cover the cost of college. As shown in **Exhibit 11**, students in all EFC categories take out various types of loans to finance their education. These are the three types of loans:

- federal subsidized loans are based on financial need with the government paying the interest while the student is enrolled in school (Perkins and Stafford loans);
- federal unsubsidized loans are generally for those who do not demonstrate financial need with the interest added to the balance of the loan while the student is enrolled in school; and
- private loans.

Exhibit 11
Mean Loan Amount by Type and Expected Family Contribution
Fiscal 2014



Source: University System of Maryland

In fiscal 2014, of the 2,408 Pell-eligible students, 81.6% and 79.1% used a Stafford subsidized and unsubsidized loan, respectively, to help finance their college education with average loans of \$3,788 and \$3,475. On average, the highest loans taken out for all EFC categories were the federal plus parent loans, with those with an EFC of over \$20,000 taking out the highest loan amount of \$12,880.

2. Bulldog Academy Gets a Boost from Enhancement Funding

For the past 10 years, BSU has offered a four-week summer residential academic program to its incoming freshmen called the Bulldog Academy (BDA). The academy is designed to help ease the transition into college for first-time freshmen and provides an opportunity for students to take two courses in English and math. Depending on the results of a placement test, a student either takes developmental and/or college level courses. Taking developmental courses in the summer allows students to be on track to graduate with their peers who start in the fall while earning credit for college courses and to fulfill prerequisite requirements for higher level courses. The cost of the program to students is structured using a tiered approach: \$500 for two college-level courses; \$625 for one developmental and one college-level course; and \$750 for two developmental courses.

Besides taking classes, students also become familiar with student support services such as tutoring centers, and career and counseling services. During the weekdays, students live in residence halls in which they participate in mandatory evening tutoring sessions conducted by peer tutors. Peer tutoring is a recognized best practice in which the tutors attend classes and study sessions with their assigned BDA class.

Prior to the summer of 2013, enrollment in the academy was exceedingly low ranging between 9 and 26 students, as shown in **Exhibit 12**, accounting for 1.4% to 5.5%, respectively, of the incoming freshmen class. This lack of interest from students raised questions of why BSU continued to offer the academy when resources could have been used to support other initiatives that may have a greater impact on student success. BSU acknowledges attracting students to be a challenge and in an effort to boost participation for summer 2013, BDA enhancement funds were used to provide scholarships to students who successfully passed both English and math courses. Successful students were awarded a \$625 scholarship per semester for the first academic year totaling \$1,250 for the year. Offering this incentive appears to have been successful with enrollment in the 2013 BDA increasing 369.2%. However, despite continuing to make the scholarship available, enrollment in the summer of 2014, BDA fell 31.2%. The scholarship was awarded to 84 and 71 students in the 2013 and 2014 BDA, respectively.

Exhibit 12
Bulldog Academy Enrollment
Summer 2008-2014

	<u>BDA</u>	<u>All Freshmen</u>	<u>% All Freshmen</u>
2008	9	664	1.4%
2009	9	635	1.4%
2010	16	608	2.6%
2011	29	573	5.1%
2012	26	477	5.5%
2013	122	625	19.5%
2014	84	594	14.1%

BDA: Bulldog Academy

Source: Bowie State University

BSU tracks the progress of students who participated in the academy. Overall, in their first year at BSU, students who participated in BDA earned more credits than their freshmen cohorts and had comparable GPAs, as shown in **Exhibit 13**. However, while BDA seeks to prepare students for all aspects of college life, thereby improving their success, the second-year retention rate of the past

Exhibit 13
Performance of Bulldog Academy Students
2011-2013 cohort

	Credits Earned		GPA		2nd Year Retention	
	<u>BDA</u>	<u>All Freshmen</u>	<u>BDA</u>	<u>All Freshmen</u>	<u>BDA</u>	<u>All Freshmen</u>
2011	30.4	22.0	2.33	2.34	93%	71%
2012	27.8	22.7	2.37	2.38	64%	71%
2013	27.9	21.7	2.39	2.39	73%	74%

BDA: Bulldog Academy

GPA: Grade Point Average

Source: Bowie State University

three cohorts has fluctuated, which can be attributed to the low participation rate. The 2013 BDA participants, who comprised 19.5% of the FT/FT freshmen, had a second-year retention rate equivalent to their peers.

While BSU increased participation in the academy over the past two years by providing a scholarship as an incentive, only a small percentage FT/FT freshmen enrolled in the program. Additionally, it does not appear that participation in the academy translates into students succeeding at a higher rate than other students. **Given these factors, the President should comment on if other programs or initiatives to improve student success are being considered to be used in lieu of the BDA.**

Recommended Actions

1. See the University System of Maryland Overview for systemwide recommendations.

Current and Prior Year Budgets

Current and Prior Year Budgets

Bowie State University

(\$ in Thousands)

	General	Special	Federal	Other	Total	Restricted	
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
Fiscal 2014							
Legislative							
Appropriation	\$36,822	\$2,556	\$0	\$50,790	\$90,168	\$20,500	\$110,668
Deficiency							
Appropriation	-837	0	0	-164	-1,000	0	-1,000
Budget							
Amendments	513	-38	0	768	1,243	1,500	2,743
Reversions and							
Cancellations	-109	-382	0	-1,562	-2,053	-2,264	-4,317
Actual							
Expenditures	\$36,390	\$2,137	\$0	\$49,832	\$88,359	\$19,736	\$108,094
Fiscal 2015							
Legislative							
Appropriation	\$40,064	\$1,721	\$0	\$51,345	\$93,130	\$20,500	\$113,630
Cost							
Containment	-212	0	0	0	-212	0	-212
Budget							
Amendments	259	101	0	1,963	2,323	1,500	3,823
Working							
Appropriation	\$40,110	\$1,822	\$0	\$53,308	\$95,241	\$22,000	\$117,241

Note: Numbers may not sum to total due to rounding. The fiscal 2015 working appropriation does not include January 2015 Board of Public Works reductions and deficiencies.

Fiscal 2014

For fiscal 2014, the general fund decreased \$0.4 million, which included \$0.8 million in reductions by deficiency appropriations related to health insurance, retirement, and the State personnel system. Budget amendments added \$0.5 million related to a 3% COLA. Language in the fiscal 2014 budget bill transferred funds to the Maryland Higher Education Commission to provide additional funding for the Educational Assistance Grants. However, since these funds were not used for this purpose, \$0.1 million were reverted to the general fund.

The special fund appropriation decreased \$37,506 related to language in the fiscal 2014 budget bill that transferred a portion of the HEIF to St. Mary's College of Maryland. The cancellation of \$0.4 million is due to the underattainment of HEIF.

Other unrestricted funds decreased \$1.0 million including a reduction of \$0.2 million in deficiency appropriations related to retirement. Budget amendments added \$0.8 million including \$1.0 million in tuition and fees revenues and \$0.5 million related to not transferring funds to the fund balance. Increases were partially offset by reductions of \$0.6 million in the sales and services of auxiliary revenues; \$0.1 million in federal indirect costs; and \$28,230 in the sales and services of educational activities. Cancellations of unrestricted funds amounted to \$1.6 million and are related to the transfer of \$1.0 million from the fund balance to the general fund as required by language in the Budget Reconciliation and Financing Act of 2014 and other operating expenses being \$0.6 million less than anticipated.

Restricted funds increased \$1.5 million through budget amendments due to a federal Title III grant. Cancellations totaled \$2.3 million due to the Office for Civil Rights and Title III projects starting later than expected and Pell grants awards being less than anticipated.

Fiscal 2015

For fiscal 2015, general funds for BSU increased \$46,474. A budget amendment adding \$0.4 million related to the fiscal 2015 2% COLA was partially offset by \$0.2 million in cost containment measures and a \$0.1 million decrease is offset by a corresponding increase in HEIF. Increases of \$2.0 million in other unrestricted funds included:

- \$1.5 million in tuition and fees due to an increase of approximately 100 FTES;
- \$0.2 million in sales and services of auxiliary revenues due to an increase in enrollment;
- \$0.2 million in the sales and services of educational activities; and
- \$24,001 due to not transferring funds to the fund balance.

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Restricted funds increased \$1.5 million through a budget amendment of which \$1.0 million is related to a federal Title III grant and \$0.5 million in Pell grant awards.

Audit Findings

Audit Period for Last Audit:	April 6, 2010 – June 30, 2013
Issue Date:	May 2014
Number of Findings:	6
Number of Repeat Findings:	2
% of Repeat Findings:	33.3%
Rating: (if applicable)	n/a

Finding 1: Adequate security and monitoring measures had not been established to protect critical network devices and administrative systems from external and internal threats.

Finding 2: Intrusion detection prevention systems were not properly protecting the network.

Finding 3: Malware protection on workstations and servers needs improvement.

Finding 4: Access and monitoring controls over critical databases and applications were not sufficient to protect critical data.

Finding 5: Backup procedures for critical servers and network devices were inadequate, and a complete and comprehensive disaster recovery plan did not exist.

Finding 6: High Ability Merit Scholarships were awarded without independent review and approval and without established eligibility criteria.

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

**Personnel by Budget Program
USM – Bowie State University
Fiscal 2006, 2014, and 2015**

<u>Budget Program</u>	2006		2014		2015		2006-2015
	<u>FTES</u>	<u>% FTES</u>	<u>FTES</u>	<u>% FTES</u>	<u>FTES</u>	<u>% FTES</u>	<u>% Change in FTES</u>
Instruction	188.0	45.0%	219.8	43.7%	215.8	42.3%	14.8%
Research	3.0	0.8%	1.0	0.2%	1.3	0.2%	-58.3%
Academic Support	37.0	8.9%	62.2	12.4%	63.0	12.3%	70.3%
Student Services	37.0	8.9%	49.2	9.8%	52.2	10.2%	41.1%
Institutional Support	116.0	27.7%	106.9	21.2%	114.2	22.4%	-1.6%
Operations and Maintenance of Plant	21.0	5.0%	20.9	4.2%	21.6	4.2%	2.7%
Auxiliary Enterprises	15.0	3.6%	43.2	8.6%	42.3	8.3%	181.9%
Total	417.0	100.0%	503.2	100.0%	510.2	100.0%	22.4%

FTES: full-time equivalent student

Note: Data are for filled regular positions only. All data are self-reported and unaudited. Numbers may not sum to total due to rounding.

Source: Bowie State University

**Object/Fund Difference Report
USM – Bowie State University**

<u>Object/Fund</u>	<u>FY 14 Actual</u>	<u>FY 15 Working Appropriation</u>	<u>FY 16 Allowance</u>	<u>FY 15 - FY 16 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	517.00	532.00	532.00	0.00	0%
02 Contractual	140.90	139.98	146.09	6.11	4.4%
Total Positions	657.90	671.98	678.09	6.11	0.9%
Objects					
01 Salaries and Wages	\$ 45,566,021	\$ 49,724,476	\$ 51,523,917	\$ 1,799,441	3.6%
02 Technical and Spec. Fees	11,581,952	11,916,972	12,294,783	377,811	3.2%
03 Communication	246,086	349,337	347,145	-2,192	-0.6%
04 Travel	1,027,032	1,149,078	1,149,078	0	0%
06 Fuel and Utilities	3,951,171	3,672,665	3,786,176	113,511	3.1%
07 Motor Vehicles	109,532	116,407	117,236	829	0.7%
08 Contractual Services	12,144,530	14,638,189	15,221,048	582,859	4.0%
09 Supplies and Materials	1,672,037	1,704,917	1,998,417	293,500	17.2%
10 Equipment – Replacement	517,589	1,054,926	1,155,590	100,664	9.5%
11 Equipment – Additional	2,268,340	2,440,870	2,540,538	99,668	4.1%
12 Grants, Subsidies, and Contributions	17,200,063	19,218,730	19,552,536	333,806	1.7%
13 Fixed Charges	5,070,854	7,480,787	7,934,397	453,610	6.1%
14 Land and Structures	7,447,501	3,773,544	4,011,835	238,291	6.3%
Total Objects	\$ 108,802,708	\$ 117,240,898	\$ 121,632,696	\$ 4,391,798	3.7%
Funds					
40 Unrestricted Fund	\$ 89,067,103	\$ 95,240,898	\$ 99,632,696	\$ 4,391,798	4.6%
43 Restricted Fund	19,735,605	22,000,000	22,000,000	0	0%
Total Funds	\$ 108,802,708	\$ 117,240,898	\$ 121,632,696	\$ 4,391,798	3.7%

Note: The fiscal 2015 working appropriation does not include January 2015 Board of Public Works reductions and deficiencies. The fiscal 2016 allowance does not reflect contingent or across-the-board reductions.

Fiscal Summary
USM – Bowie State University

<u>Program/Unit</u>	<u>FY 14 Actual</u>	<u>FY 15 Wrk Approp</u>	<u>FY 16 Allowance</u>	<u>Change</u>	<u>FY 15 - FY 16 % Change</u>
01 Instruction	\$ 27,363,442	\$ 29,173,277	\$ 30,836,145	\$ 1,662,868	5.7%
02 Research	782,195	1,018,218	1,002,986	-15,232	-1.5%
03 Public Service	550,036	812,906	812,906	0	0%
04 Academic Support	13,601,462	15,138,733	15,724,792	586,059	3.9%
05 Student Services	6,232,803	6,857,668	6,984,263	126,595	1.8%
06 Institutional Support	13,761,404	16,112,134	16,495,616	383,482	2.4%
07 Operation And Maintenance Of Plant	14,466,327	13,034,848	13,312,148	277,300	2.1%
08 Auxiliary Enterprises	16,225,781	17,457,008	18,503,928	1,046,920	6.0%
17 Scholarships And Fellowships	15,819,258	17,636,106	17,959,912	323,806	1.8%
Total Expenditures	\$ 108,802,708	\$ 117,240,898	\$ 121,632,696	\$ 4,391,798	3.7%
Unrestricted Fund	\$ 89,067,103	\$ 95,240,898	\$ 99,632,696	\$ 4,391,798	4.6%
Restricted Fund	19,735,605	22,000,000	22,000,000	0	0%
Total Appropriations	\$ 108,802,708	\$ 117,240,898	\$ 121,632,696	\$ 4,391,798	3.7%

Note: The fiscal 2015 working appropriation does not include January 2015 Board of Public Works reductions and deficiencies. The fiscal 2016 allowance does not reflect contingent or across-the-board reductions.