

**R30B23**  
**Bowie State University**  
**University System of Maryland**

***Operating Budget Data***

(\$ in Thousands)

	<u>FY 16</u> <u>Actual</u>	<u>FY 17</u> <u>Working</u>	<u>FY 18</u> <u>Allowance</u>	<u>FY 17-18</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Funds	\$39,802	\$42,651	\$42,421	-\$230	-0.5%
Adjustments	0	257	-83	-341	
<b>Adjusted General Fund</b>	<b>\$39,802</b>	<b>\$42,908</b>	<b>\$42,337</b>	<b>-\$571</b>	<b>-1.3%</b>
Special Funds	1,893	2,060	1,905	-155	-7.5%
Adjustments	0	-138	0	138	
<b>Adjusted Special Fund</b>	<b>\$1,893</b>	<b>\$1,922</b>	<b>\$1,905</b>	<b>-\$17</b>	<b>-0.9%</b>
Other Unrestricted Funds	55,135	57,024	58,857	1,833	3.2%
<b>Adjusted Other Unrestricted Fund</b>	<b>\$55,135</b>	<b>\$57,024</b>	<b>\$58,857</b>	<b>\$1,833</b>	<b>3.2%</b>
Total Unrestricted Funds	96,830	101,735	103,182	1,448	1.4%
Adjustments	0	119	-83	-203	
<b>Adjusted Total Unrestricted Funds</b>	<b>\$96,830</b>	<b>\$101,854</b>	<b>\$103,099</b>	<b>\$1,245</b>	<b>1.2%</b>
Restricted Funds	20,691	23,000	23,000	0	
<b>Adjusted Restricted Fund</b>	<b>\$20,691</b>	<b>\$23,000</b>	<b>\$23,000</b>	<b>\$0</b>	<b>0.0%</b>
<b>Adjusted Grand Total</b>	<b>\$117,521</b>	<b>\$124,854</b>	<b>\$126,099</b>	<b>\$1,245</b>	<b>1.0%</b>

Note: Includes targeted reversions, deficiencies, and contingent reductions.

- A fiscal 2017 deficiency appropriation is provided to the University System of Maryland Office to partially offset the November 2016 Board of Public Works cost containment action, which will be allocated among the institutions, of which Bowie State University's (BSU) share is \$0.1 million. A fiscal 2017 deficiency appropriation is also provided to offset the underattainment of Higher Education Investment Fund (HEIF) revenues, of which BSU's share is estimated to be \$0.1 million.
- General fund support decreases \$0.6 million, or 1.3%, in fiscal 2018 after adjusting for the fiscal 2017 deficiencies and \$83,452 for the across-the-board pension contingent reduction. However, when including an anticipated transfer of \$1.1 million in Office for Civil Rights enhancement funds from the Maryland Higher Education Commission in fiscal 2018, general funds grow 1.3%, or \$0.5 million.

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

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- The HEIF decreases \$17,167, or 0.9%, in fiscal 2018 after adjusting for a \$0.1 million shortfall in fiscal 2017.
- Overall, in fiscal 2018, State support grows 1.2%, or \$0.5 million, over fiscal 2017.

### ***Personnel Data***

	<b><u>FY 16</u></b> <b><u>Actual</u></b>	<b><u>FY 17</u></b> <b><u>Working</u></b>	<b><u>FY 18</u></b> <b><u>Allowance</u></b>	<b><u>FY 17-18</u></b> <b><u>Change</u></b>
Regular Positions	544.00	542.00	542.00	0.00
Contractual FTEs	<u>139.95</u>	<u>145.02</u>	<u>148.99</u>	<u>3.97</u>
<b>Total Personnel</b>	<b>683.95</b>	<b>687.02</b>	<b>690.99</b>	<b>3.97</b>

#### ***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	15.18	2.80%
Positions and Percentage Vacant as of 12/31/16	54.50	10.03%

- The fiscal 2018 allowance does not provide for any new regular positions. However, the University System of Maryland institutions have personnel autonomy and may create new positions during the year. In fiscal 2017 year to date, BSU has 2.0 less positions than in the original appropriation.
- As of the end of December 2016, BSU had 54.5 vacant positions, 39.32 more than what is needed to meet budgeted turnover. Of the total number of positions, 479.85 are State-supported, of which 45.76, or 9.54%, are vacant. Non-State-supported positions totaled 62.15, of which 8.74, or 14.06%, are vacant.

## ***Analysis in Brief***

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### **Major Trends**

***Enrollment:*** After undergraduate enrollment declined 2.8%, or 141 students, in fall 2015, it increased 9.2%, or 396 students, in fall 2016. This was due to a 67.2%, or 397, increase in the number of first-time students.

***Student Performance:*** The second-year retention rate for the last six cohorts exceeded 70.0%. The 2012 cohort achieved the highest third-year retention rate of 60.8%. Overall, transfer students perform better than first-time, full-time (FT/FT) students, with 53.0% of the 2009 cohort graduating within six years after enrolling at BSU compared to 41.0% of the FT/FT students.

### **Issues**

***Status of the Undergraduate Nursing Program:*** The nursing program is one of the most popular programs offered at BSU, with only enrollment in its business administration program exceeding it. The program's accreditation was affirmed with warning in 2014 due to it not being compliant in four of the six standards. In addition, after not meeting the required score for a second consecutive year, the nursing program received conditional approval in fiscal 2015 from the Maryland Board of Nursing.

***Meeting College Expenses:*** Between fiscal 2011 and 2016, the number of need-based aid awards going to Pell-eligible students increased 54.3%, with the average amount of an award increasing to \$1,359. The percentage of students graduating with debt from BSU increased from 66.0% to 83.0% between fiscal 2009 and 2014, with the average debt for a graduate increasing from \$17,108 to \$29,737.

### **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***

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### **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, as well as selected professionally oriented graduate programs, including doctorates in educational leadership and computer science.

BSU is building on its image as a student-centered institution and increasing its 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:** Master's Colleges and Universities (larger programs)

#### **Fall 2016 Undergraduate Enrollment Headcount**

Male	1,792
Female	2,919
<b>Total</b>	<b>4,711</b>

#### **Fall 2016 Graduate Enrollment Headcount**

Male	301
Female	657
<b>Total</b>	<b>958</b>

#### **Fall 2016 New Students Headcount**

First-time	988
Transfers/Others	556
Graduate	223
<b>Total</b>	<b>1,767</b>

#### **Campus (Main Campus)**

Acres	343
Buildings	23
Average Age	42
Oldest	Goodloe House – 1916

#### **Programs**

Bachelor's	22
Master's	19
Doctoral	2

#### **Degrees Awarded (2015-2016)**

Bachelor's	833
Master's	337
Doctoral	10
<b>Total Degrees</b>	<b>1,180</b>

#### **Proposed Fiscal 2018 In-state Tuition and Fees\***

Undergraduate Tuition	\$5,427
Mandatory Fees	\$2,631

\*Contingent on Board of Regents approval.

## **Performance Analysis:**

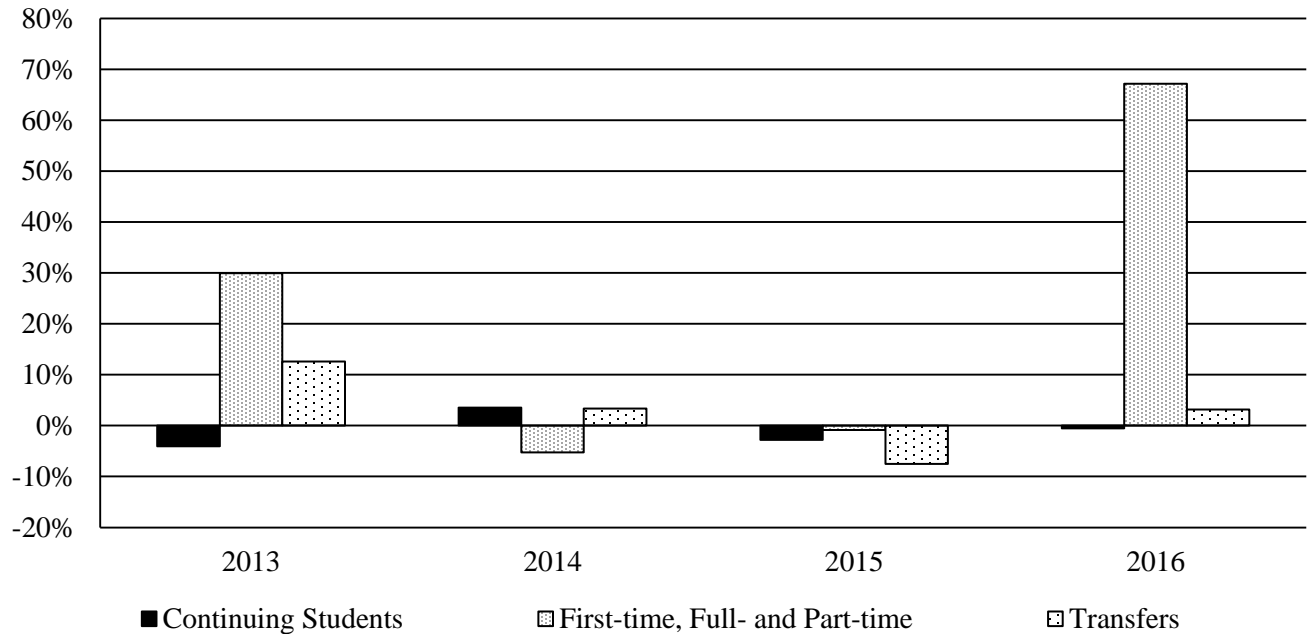
### **1. Enrollment**

After undergraduate enrollment declined 2.8%, or 141 students, in fall 2015, it grew by 9.2%, or 396 students, in fall 2016. This was due to a 67.2%, or 397 students, increase in first-time students, as shown in **Exhibit 1**. According to BSU, this was the result of the implementation of key initiatives in enrollment management, primarily the hiring of Royall and Company to specifically increase the number of targeted applicants. This proved to be successful with the number of applicants increasing from 2,671 in fall 2015 to 6,720 in fall 2016, as shown in **Exhibit 2**. While the acceptance rate was lower than in previous years, the yield rate was only slightly lower, resulting in a large incoming class of first-time students. In addition, BSU credits other initiatives to the increase in enrollment including: reassigning staff duties and responsibilities in an effort to improve efficiencies and effectiveness; refocusing the processing and distribution of financial aid packages to ensure more admitted students are evaluated sooner; and hiring 1 new Admissions and Financial Aid Director.

Admitting such a large class raises concerns about BSU having the resources to retain these students. According to BSU, it is paying close attention to the 2016 cohort. To date, the retention rate from the first to second semester is 92%. BSU will also use data analytics to identify at-risk students and will reach out to those students who do not return to determine why they dropped out.

**The President should comment on whether BSU has the capacity – faculty support and other resources – to accommodate the significant increase in enrollment and if the academic preparedness of students admitted in fall 2016 is equivalent to that of earlier classes.**

**Exhibit 1**  
**Percentage Change in Undergraduate Headcount Enrollment**  
**Fall 2013-2016**



Source: University System of Maryland

**Exhibit 2**  
**All Undergraduate Applicants for First-time Admission**  
**Fall 2012-2016**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Applied	2,632	3,030	2,953	2,671	6,720
Accepted	1,291	1,495	1,626	1,533	2,775
Enrolled	483	627	594	557	958
Acceptance Rate	49.1%	49.4%	55.1%	57.4%	41.3%
Yield Rate	37.4%	41.9%	36.5%	36.0%	34.5%

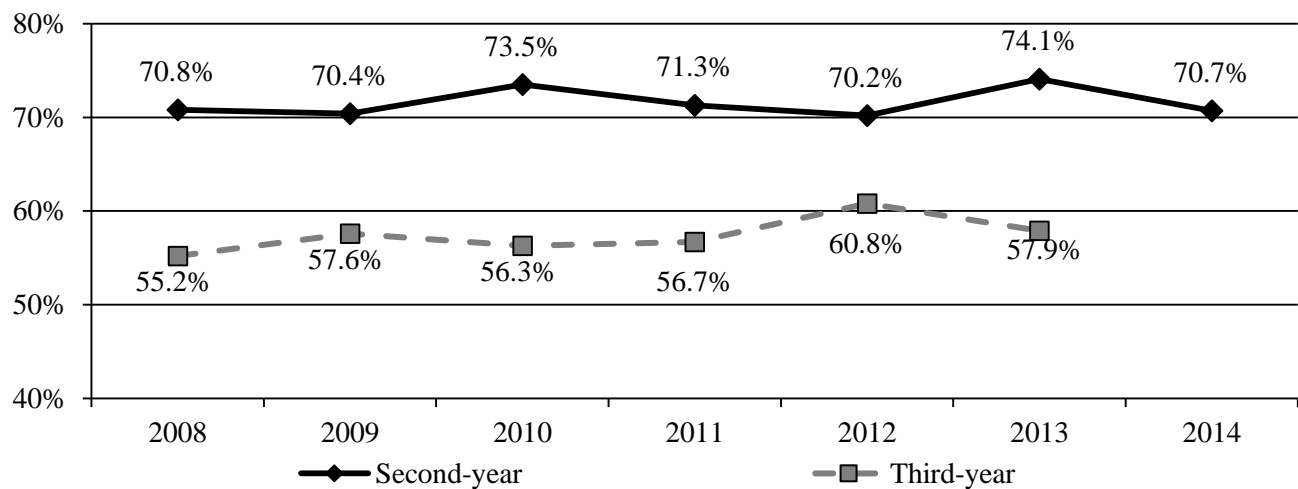
Note: The acceptance rate is the percent of applicants who were accepted. The yield rate is the percentage of accepted students who enrolled.

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. As students are most likely to dropout during their first year, the second-year retention rate provides an indication if interventions are working or if further investigation is needed to identify areas for improvement. For the last six cohorts, the second-year rate has exceeded 70.0%, as shown in **Exhibit 3**. After declining to a low rate of 70.2% with the 2012 cohort, the 2013 cohort achieved the highest rate since the 2004 cohort of 74.1% before falling again, to 70.7%, with the 2014 cohort. In general, the third-year rate tends to mirror trends in the second-year rate but at BSU the rates move in opposite directions. For instance, while the 2012 cohort had the lowest second-year rate of 70.2%, it achieved the highest third-year rate of 60.8%. This suggests that there are opportunities for BSU to not only improve its 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 3**  
**Second- and Third-year Retention Rates**  
**First-time, Full-time 2008-2014 Cohorts**



Note: Percentages represent first-time, full-time students who remained enrolled at the same institution in the subsequent fall semesters.

Source: Maryland Higher Education Commission, Retention and Graduation Rates at Maryland Four-year Institutions, September 2016

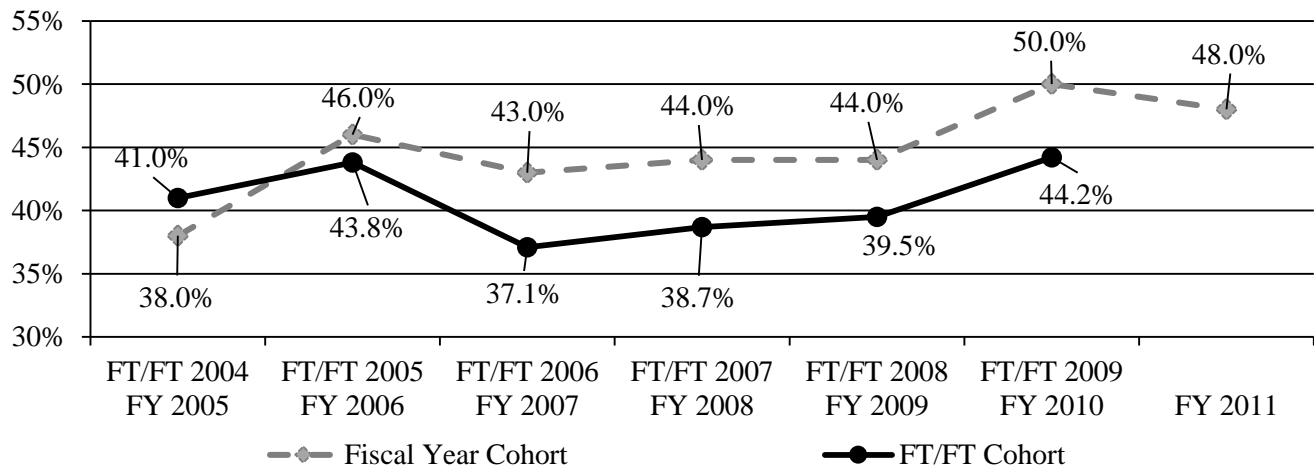
Completion rates are greatly influenced by time – the longer it takes a student to graduate, the more likely (s)he will dropout as other priorities compete with classes. Longer completion times translate into increased costs, not only for the student, but for the institution and the State as well.



According to the *Report on the Instructional Workload of the USM Faculty*, the average time to degree for students graduating from BSU in 2016 was 4.7 years, slightly down from 4.9 years in 2015.

Traditional student progress measures, such as those reported by the Maryland Higher Education Commission (MHEC) and the federal government, only track the success of the “traditional” first-time, full-time (FT/FT) student – those enrolled at an institution at the start of the academic year and continuously enrolled as a full-time student until completion. These measures do not include part-time students and transfer students or those who enroll in the spring, change enrollment status, or stopped-out and thus provide only a partial picture of an institution’s performance. The University System of Maryland (USM) revised the graduation measure to include these students by defining the cohort as all new degree-seeking students who enrolled during the fiscal year. **Exhibit 4** compares the traditional MHEC six-year graduation rate to the USM revised measure. Since the fiscal 2006 cohort, the graduation rate for the fiscal cohort consistently exceeds that of the FT/FT cohorts. This is due to BSU having a higher portion of part-time and transfer students who do better than FT/FT students. After remaining stable at 44.0% with the 2008 and 2009 fiscal cohorts the rate improved to 50.0% with the fiscal 2010 cohort before dropping slightly with the fiscal 2011 cohort. The graduation rate for the FT/FT cohorts steadily improved from 37.1% with the 2006 cohort to 44.2% with the 2009 cohort.

**Exhibit 4**  
**Comparison of Six Year Graduation Rates**  
**Various Cohorts**



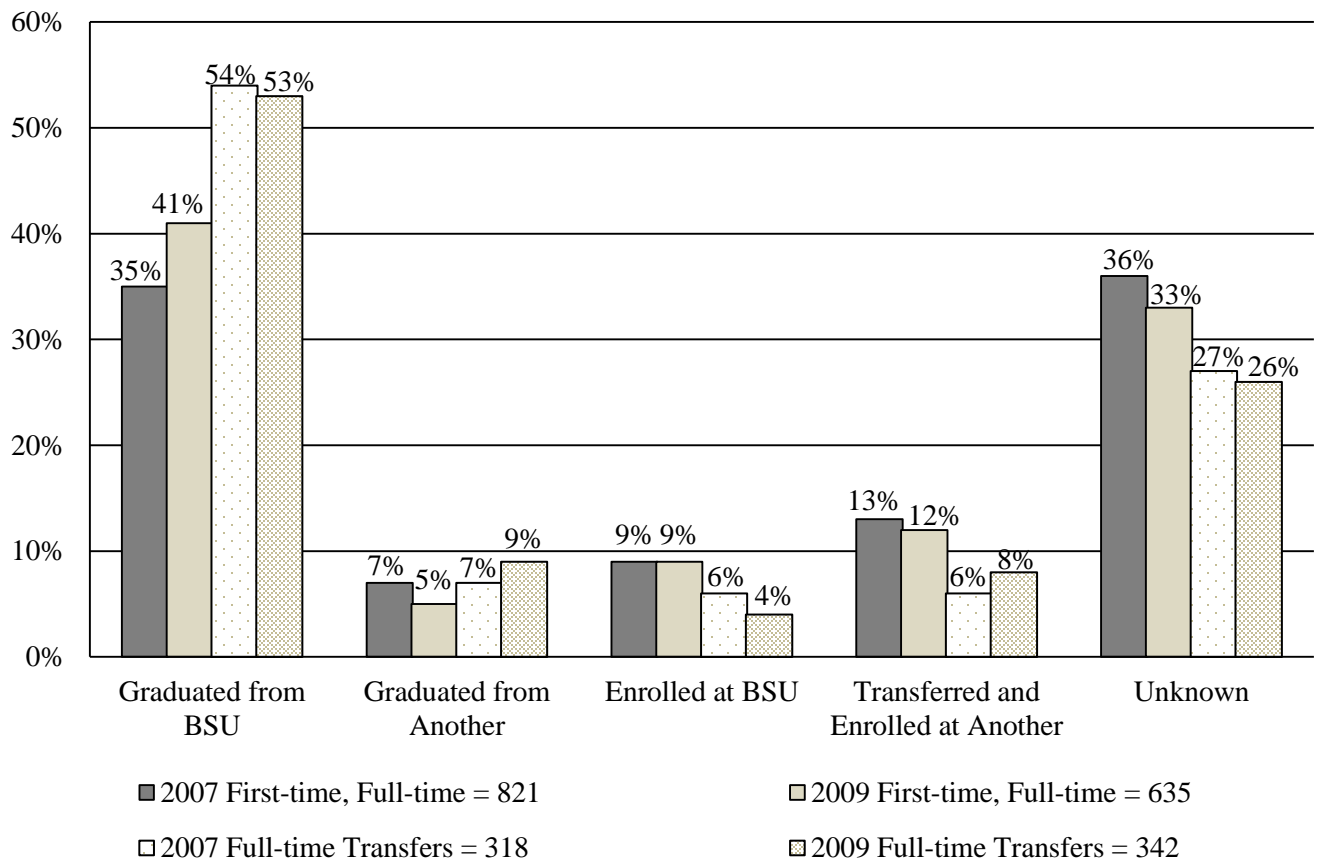
FT/FT: first-time, full-time

Note: FT/FT cohorts include students who persisted at and graduated from the institution they initially enrolled in and those who transferred and graduated from any Maryland public or private four-year institution. Fiscal year cohorts include all degree-seeking students (e.g., FT/FT, part-time, transfers, spring admits) who enrolled in the fiscal year.

Source: Maryland Higher Education Commission, Retention and Graduation Rates at Maryland Four-year Institutions, September 2016; University System of Maryland

The six-year graduation rate shown in Exhibit 4 does not capture a comprehensive picture of student progress, or persistence, toward earning a degree. To help improve reporting on student persistence, the Student Achievement Measure (SAM) was created to include more students, including those who enroll in multiple institutions during their academic careers. The SAM is a voluntary reporting system that tracks the progress of FT/FT and full-time transfer students throughout their college careers. Overall, transfer students perform better than FT/FT students, with 53% of the 2009 cohort graduating within six years after enrolling at BSU compared to 41% of FT/FT students, as shown in **Exhibit 5**. Additionally, the status of approximately one-third of the FT/FT and one-quarter of the transfer students are not known.

**Exhibit 5**  
**Status of First-time, Full-time and Full-time Transfers Seeking a Bachelor's Degree After Six Years**  
**Fall 2007 and 2009 Cohorts**



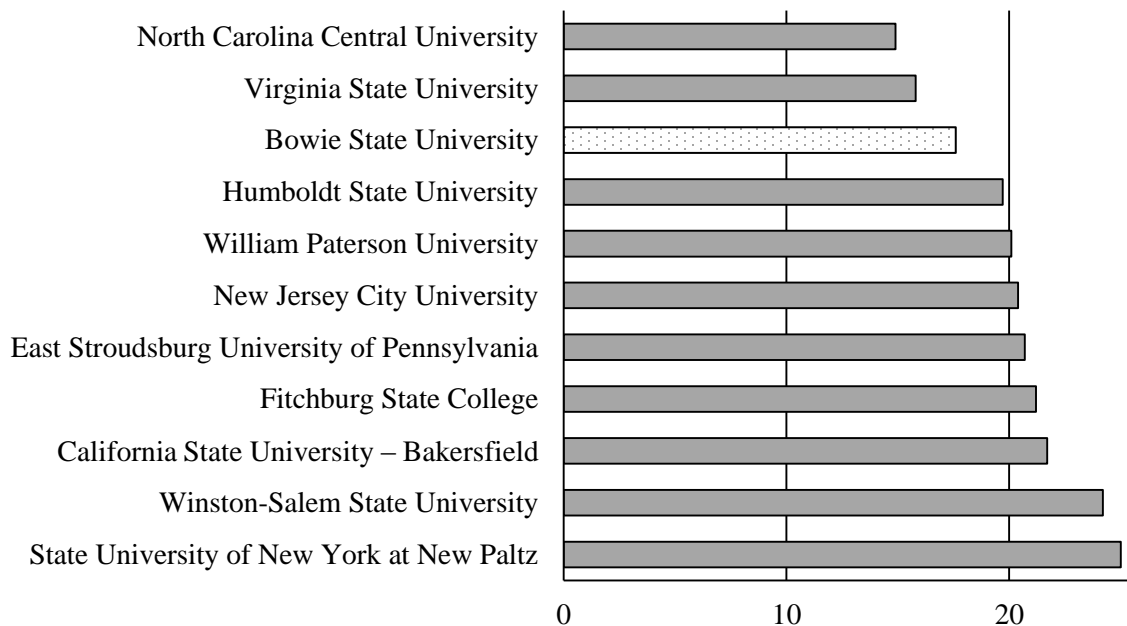
BSU: Bowie State University

Source: Student Achievement Measures

Ultimately, how well an institution meets its academic mission is measured by the number of undergraduate degrees awarded. The number of undergraduate degrees awarded per 100 full-time equivalent student (FTES) shows how effectively institutions turn degree-seeking students into degree holders. **Exhibit 6** compares the three-year average of BSU's ratio to that of its peers. Peer institutions are those used to benchmark BSU's performance in USM Dashboard Indicators. Depending on the institution, the optimal value is 25.0 but could be higher for those who mainly offer upper-division programs or have a relatively high number of transfer students. Overall, BSU, at 17.6 degrees, performed better than 2 of its 10 peers.

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**Exhibit 6**  
**Comparison of Three-year Average of Undergraduate Degrees Per**  
**100 Undergraduate FTES to Performance Peers**  
**2011-2013**



Source: Chronicle of Higher Education, College Completion

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## **Fiscal 2016 Actions**

### **Cost Containment Proposed Deficiency**

The November 2016 Board of Public Works (BPW) action resulted in a 1.3%, or \$0.6 million, reduction in BSU's appropriation, of which \$0.5 million was met by the elimination of 2 vacant positions and \$0.3 million was met by reducing spending on facility renewal, financial aid, and

contractual services. The remaining \$0.1 million was to be offset by a transfer from the Higher Education Investment Fund (HEIF) fund balance. However, due to insufficient HEIF funds, a fiscal 2017 deficiency provides the University System of Maryland Office with \$4.1 million in general funds to cover the offset at all USM institutions. A second fiscal 2017 deficiency provides \$4.7 million to USM to offset a decline in the HEIF revenues. BSU's share of each deficiency is estimated to be \$0.1 million.

## **Proposed Budget**

As shown in **Exhibit 7**, the general fund allowance for fiscal 2018 is 1.3%, or \$0.5 million, higher than for fiscal 2017, after adjusting for fiscal 2017 deficiencies and the fiscal 2018 across-the-board contingent pension reduction and anticipated transfer of the Office for Civil Rights (OCR) enhancement funds from MHEC. The HEIF declines 0.9%, or \$17,167, after adjusting for the fiscal 2017 deficiency. Overall, State funding increases 1.2%, or \$0.5 million, to \$45.4 million in fiscal 2018. Other current unrestricted funds grow 3.2%, or \$1.8 million, primarily due to tuition and fee and auxiliary revenues each increasing by \$0.7 million.

The contingent pension reduction is based on a \$54.5 million (all funds) across-the-board contingent reduction for a supplemental pension payment. Annual payments are mandated for fiscal 2017 through 2020 if the Unassigned General Fund balance exceeds a certain amount at the close of the fiscal year. BSU's share of the reduction is \$83,452 in general funds. This action is also tied to a provision in the Budget Reconciliation and Financing Act of 2017.

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

	<u>FY 16</u> <u>Actual</u>	<u>FY 17</u> <u>Adjusted</u>	<u>FY 18</u> <u>Adjusted</u>	<u>FY 17-18</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Funds	\$39,802	\$41,681	\$42,421		
Deficiencies		257			
Across-the-Board			-83		
Transfers from MHEC <sup>1</sup>		970	1,120		
<b>Total General Funds</b>	<b>\$39,802</b>	<b>\$42,908</b>	<b>\$43,457</b>	<b>\$549</b>	<b>1.3%</b>
HEIF	\$1,893	2,060	1,905		
Deficiencies		-138			
<b>Total HEIF</b>	<b>\$1,893</b>	<b>1,922</b>	<b>1,905</b>	<b>-\$17</b>	<b>-0.9%</b>
<b>Total State Funds</b>	<b>\$41,695</b>	<b>\$44,830</b>	<b>\$45,362</b>	<b>\$532</b>	<b>1.2%</b>
Other Unrestricted Funds	\$55,135	\$57,024	\$58,857	\$1,833	3.2%
<b>Total Unrestricted Funds</b>	<b>\$96,830</b>	<b>\$101,854</b>	<b>\$104,219</b>	<b>\$2,365</b>	<b>2.3%</b>
Restricted Funds	\$20,691	\$23,000	\$23,000	\$0	0.0%
<b>Total Funds</b>	<b>\$117,521</b>	<b>\$124,854</b>	<b>\$127,219</b>	<b>\$2,365</b>	<b>1.9%</b>

<sup>1</sup> Transfers in fiscal 2017 and anticipated transfer in fiscal 2018 of Office for Civil Rights enhancement funds from Maryland Higher Education Commission.

Note: Fiscal 2017 general funds and the HEIF are adjusted to reflect deficiencies, and fiscal 2018 general funds are adjusted to reflect the across-the-board reduction. Numbers may not sum to total due to rounding.

Source: Department of Legislative Services; Governor's Budget Books, Fiscal 2018

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, the HEIF, and tuition and fee revenues. In fiscal 2017, education and general (E&G) expenditures increase 5.6%, or \$4.4 million. Academic support grows at the highest rate of 14.2%, or \$1.2 million, and is primarily related to the establishment of a Study Abroad program and enhancement of the Education Innovation Initiative – a PreK-20 science, technology, engineering, arts, and mathematics academic enrichment program promoting early career pathway exposure to under-represented students in Prince George's county. Expenditures on institutional support grow 10.4%, or \$1.6 million, due to new regular staff hires including 1 police officer, IT staff, and 1 Director of Institutional Research; contractual staff and student workers; 1 IT consultant; and costs related to contractual health insurance and Title IX compliance. Spending increases of \$1.9 million, or 6.4%, on instruction are related to hiring and/or replacing regular faculty and additional adjuncts needed in anticipation of a projected increase in enrollment.

Expenditures for student services increase 8.5%, or \$0.5 million, due to the establishment of a new office for international programs, increased hours for 1 part-time psychiatrist, and 1 new transfer student coordinator position.

**Exhibit 8**  
**BSU Budget Changes for Unrestricted Funds by Program**  
**Fiscal 2016-2018**  
**(\$ in Thousands)**

	<b><u>2016</u></b> <b><u>Actual</u></b>	<b><u>2017 Adjusted</u></b> <b><u>Working</u></b>	<b><u>2016-2017</u></b> <b><u>% Change</u></b>	<b><u>2018</u></b> <b><u>Adjusted</u></b>	<b><u>2017-2018</u></b> <b><u>Change</u></b>	<b><u>2017-2018</u></b> <b><u>% Change</u></b>
<b>Expenditures</b>						
Instruction	\$29,269	\$31,131	6.4%	\$30,751	-\$380	-1.2%
Public Service	5	5	3.2%	5		0.0%
Academic Support	8,452	9,653	14.2%	9,416	-237	-2.5%
Student Services	5,758	6,246	8.5%	6,246		0.0%
Institutional Support	15,382	16,986	10.4%	17,002	16	0.1%
Operation and Maintenance of Plant	13,677	11,987	-12.4%	13,036	1,048	8.7%
Scholarships and Fellowships	5,892	6,686	13.5%	6,977	291	4.4%
Deficiency		119				
Across-the-board				-83		
Transfer from MHEC				1,120		
<b>E&amp;G Total</b>	<b>\$78,435</b>	<b>\$82,814</b>	<b>5.6%</b>	<b>\$84,470</b>	<b>\$1,656</b>	<b>2.0%</b>
Auxiliary Enterprises	\$18,395	\$19,037	3.5%	\$19,749	\$711	3.7%
<b>Total</b>	<b>\$96,830</b>	<b>\$101,851</b>	<b>5.2%</b>	<b>\$104,219</b>	<b>\$2,368</b>	<b>2.3%</b>
<b>Revenues</b>						
Tuition and Fees	\$36,351	\$37,649	3.6%	\$38,323	\$674	1.8%
General Funds	39,802	42,908	7.8%	43,457	549	1.3%
HEIF	1,893	1,922	1.5%	1,905	-17	-0.9%
Other Unrestricted Funds	1,523	1,167	-23.4%	1,633	466	39.9%
<b>Subtotal</b>	<b>\$79,568</b>	<b>\$83,646</b>	<b>5.1%</b>	<b>\$85,317</b>	<b>\$1,672</b>	<b>2.0%</b>
Auxiliary Enterprises	18,663	19,252	3.2%	\$19,972	\$720	3.7%
Transfer (to)/from Fund Balance	-1,402	-1,044		-1,071		
<b>Total</b>	<b>\$96,830</b>	<b>\$101,854</b>	<b>5.2%</b>	<b>\$104,219</b>	<b>\$2,365</b>	<b>2.3%</b>

BSU: Bowie State University  
E&G: education and general

HEIF: Higher Education Investment Fund  
MHEC: Maryland Higher Education Commission

Note: Fiscal 2017 general funds and HEIF reflect \$0.3 million and \$0.1 million deficiencies, respectively. Fiscal 2018 general funds are adjusted to reflect an \$83,452 across-the-board reduction and a \$1.1 million anticipated transfer of the Office for Civil Rights enhancement funds from the Maryland Higher Education Commission.

Source: Department of Legislative Services; Governor's Budget Books, Fiscal 2018

In fiscal 2017, spending declines in operations and maintenance of plant of 12.4%, or \$1.7 million, are related to fiscal 2016 actuals including a transfer of funds to the plant fund. In terms of revenue, the decline of 23.4%, or \$0.4 million, in other unrestricted funds is related to an anticipated reduction in interest income.

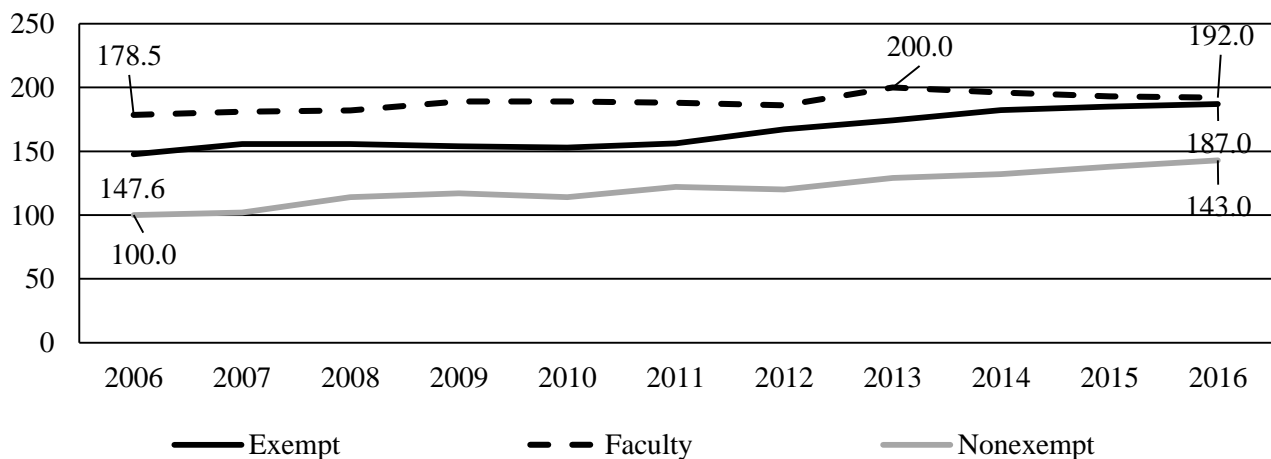
E&G expenditures grow 2.0%, or \$1.7 million, in fiscal 2018. It should be noted that it is not known how the \$1.1 million anticipated transfer of the OCR enhancement funds from MHEC will be allocated among the program areas. Spending on operations and maintenance of plant increases by \$1.0 million, or 8.7%, and is related to the opening of the new Center for Natural Sciences, Mathematics, and Nursing building, debt service, and a minimal increase in facilities renewal. The declines in instruction and academic support are related to the November 2016 BPW action in which adjustments were made in these program areas.

While E&G revenues exceed expenditures in fiscal 2016, 2017, and 2018, BSU has maintained a relatively high vacancy rate. In fiscal 2016, the vacancy rate of State-supported positions averaged 8.5%, and to date, in fiscal 2017, it averages 8.6%. **The President should comment on the need to maintain a high vacancy rate in State-supported positions.**

### Personnel Trends

Over the past 10 years, the total number of filled positions increased 22.5% (95.9 full-time equivalents (FTE)), as shown in **Exhibit 9**. Nonexempt and exempt positions grew 43.0% (43.0 FTEs) and 26.7% (39.4 FTEs) respectively, from 2006 to 2016. After increasing 200.0 FTEs in 2013, the number of filled faculty positions decreased to 192.0 FTEs in 2016.

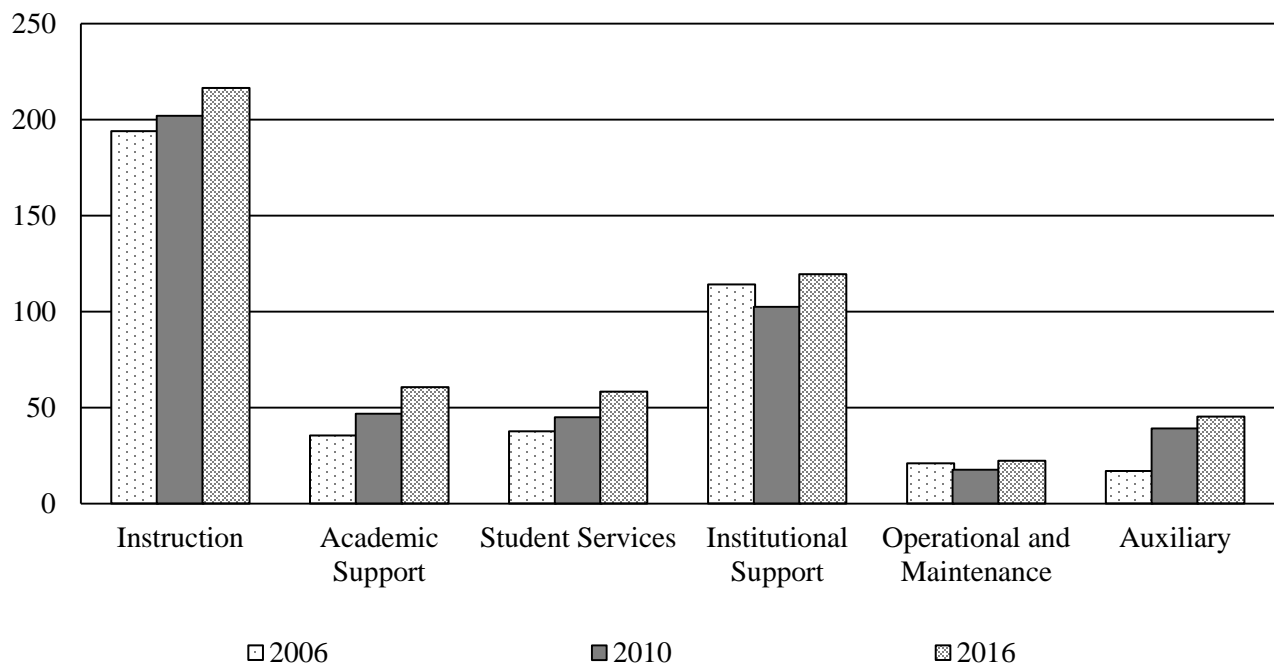
**Exhibit 9**  
**Total Filled Position by Classification**  
**October 2006-2016**



Source: Bowie State University

**Exhibit 10** shows the number of filled positions by program area, before (2006), during (2010), and after the most recent recession (2016). Instruction positions steadily increased by 22.4 FTEs from 2006 to 2016, with faculty accounting for over half of the positions. Positions increased in all program areas during this time, despite dips for institutional support and operations and maintenance of plant. Overall, from 2006 to 2016, auxiliary experienced the highest rate of growth of 165.9% (28.2 FTEs), far outpacing enrollment of growth of 7.2%.

**Exhibit 10**  
**Filled Positions Related to Students**  
**October 2006, 2010, and 2016**

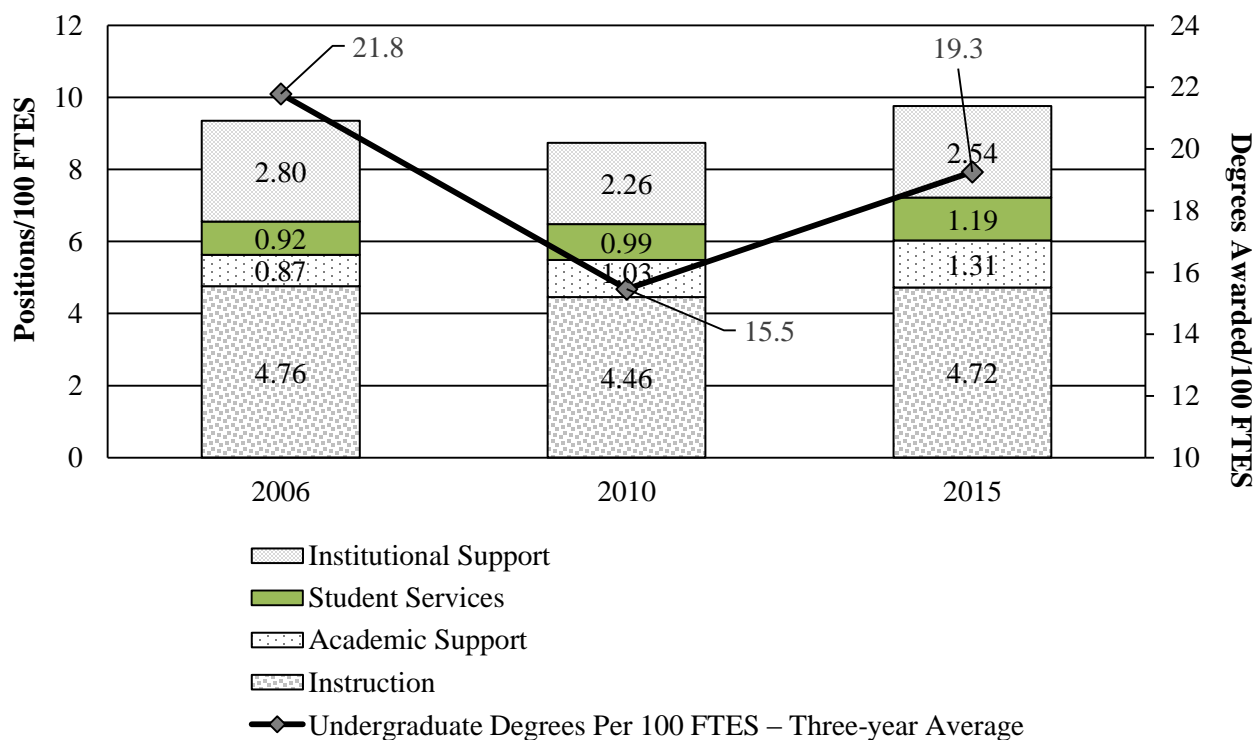


Source: Bowie State University

**Exhibit 11** considers the impact positions have on institutional performance by comparing the number of filled positions related to the academic enterprise on a per 100 undergraduate FTES basis to the three-year average of the number of undergraduate degrees awarded per 100 undergraduate FTES. In 2010, the decline in positions per 100 FTES appears to have impacted student performance, with degrees per 100 FTES declining from 21.8 degrees in 2006 to 15.5 degrees in 2010. From 2010 to 2015, the number of filled positions increased 13.9%, while enrollment grew 1.9% resulting in positions per 100 FTES exceeding that of 2006. However, the increase in positions in 2015 does not appear to have impacted student performance for while the degree ratio improved to 19.3 degrees in 2015, it is below that in 2006. This raises concerns that BSU has not adapted to the current environment, ensuring that programs and initiatives designed to help students succeed are effective.



**Exhibit 11**  
**Academic-related Positions Per 100 Undergraduate FTES Compared to**  
**Undergraduate Degrees Per 100 Undergraduate FTES**  
**2006, 2010, and 2015**



FTE: full-time equivalent

FTES: full-time equivalent student

Source: Bowie State University; Department of Legislative Services; Integrated Postsecondary Education Data System

## ***Issues***

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### **1. Status of the Undergraduate Nursing Program**

The nursing program is one of the most popular programs offered at BSU, with only enrollment in its business administration program exceeding it. Since fall 2002, the number of students declaring nursing as a major has more than doubled. From fall 2010 to 2013, the number of these students increased 30.7%, or 152 students, as shown in **Exhibit 12**. However, from fall 2013 to 2016, the number of declared nursing students declined by 101 students. Not all of these students will be admitted to the nursing programs. On average, from 2014 to 2016, the program enrolled a total of 237 nursing students. The number of degrees awarded has increased 180.0% from 40 in 2010 to 112 in 2016.

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**Exhibit 12**  
**Undergraduate Nursing Enrollment and Degrees**  
**Fall 2010-2016**

<u><b>Years</b></u>	<u><b>Declared Nursing Students</b></u>	<u><b>Degrees</b></u>
2010	495	40
2011	492	65
2012	563	66
2013	647	69
2014	614	84
2015	530	86
2016	546	112

Source: Maryland Higher Education Commission; Bowie State University

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The nursing program received initial accreditation from the Accreditation Commission for Education in Nursing (ACEN) in March 1988. ACEN reaffirmed accreditation with warning in 2014. A program is placed on warning when the program is not in compliance with three or more standards. The nursing program was cited as noncompliant in four of the six standards: mission and administrative capacity; faculty and staff; curriculum; and outcomes. ACEN will be conducting a follow-up visit March 7-9, 2017, to determine the program's future accreditation.

In addition, the Maryland Board of Nursing (MBON), which determines if a prelicensure program can operate in the State, placed BSU's program on a warning status in fiscal 2011 for not meeting the required passing score for Maryland schools, as shown in **Exhibit 13**. After not meeting the required score for a second consecutive year, the nursing program received conditional approval in fiscal 2013. The first year a program does not meet the requirement, a report must be submitted identifying the factors that contributed to the decline in the passage rate and an action plan. For a second successive year a program is not in compliance, the program not only must submit a report

analyzing all aspects of the program but also must obtain the services of a MBON-approved outside consultant with expertise in nursing education.

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**Exhibit 13**  
**First-time NCLEX-RN Pass Rate**  
**Fiscal 2011-2016**

<u>Years</u>	<u>Pass Rate</u>	<u>Maryland Board of Nursing Required Pass Rate</u>
2011	77.14%	78.95%
2012	56.34%	80.03%
2013	70.69%	78.33%
2014	52.78%	74.30%
2015	41.10%	74.28%
2016	71.64%	75.55%

NCLEX-RN: National Council Licensure Exam – Registered Nurse

Source: Maryland Board of Nursing

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BSU attributed several factors to the variable trend of the pass rate including:

- **High Faculty Turnover:** The program has lost several qualified, senior faculty over the past few years who have not been replaced. Due to the difficulty in recruiting seasoned faculty replacements, novice faculty were hired, which resulted in a degradation in the implementation of the curriculum and teaching quality.
- **Faculty-to-student Ratios:** The ratio has fluctuated due to high faculty turnover and the admission of too many students. There were periods when the faculty-to-student class ratio was as high as 1:45, exceeding the ACEN standard of 1:25, leading to less individual student attention.
- **Clinical Placements:** Not all students were able to receive the clinical experiences needed to do well on the exam due to there being a limited number of clinical placement facilities that only accept a limited number of students.
- **Nursing Chair Turnover:** In the past six years, there have been 4 Nursing Chairs or interim Chairs, contributing to the instability of the department.

Several actions have been taken to improve the first-time pass rate. In regard to admission, prior to fall 2016, per BSU policy, the TEAS (Test of Essential Academic Skills – a standardized exam for students applying to nursing school used to help assess a potential nursing student’s knowledge in

math, science, English, and reading) was not used to make admission decisions. The TEAs are now required for admissions and students must have a score of 130 or above. Starting in fall 2015, the Assessment Technologies Institute (or ATI) Assessment and Remediation tests for specialty areas will be used in specialty courses. These tests are tied directly to the National Council Licensure Examination and help faculty assess a student's mastery of concepts in specific areas, such as medical surgical nursing, mental health, and pharmacology. Other actions include improving faculty recruitment activities in order to hire experienced faculty with different specialty backgrounds; filling vacant positions; increasing faculty development activities, including developing a program for newly hired and novice faculty; and establishing a Nursing Student Success Center.

## **2. Meeting College Expenses**

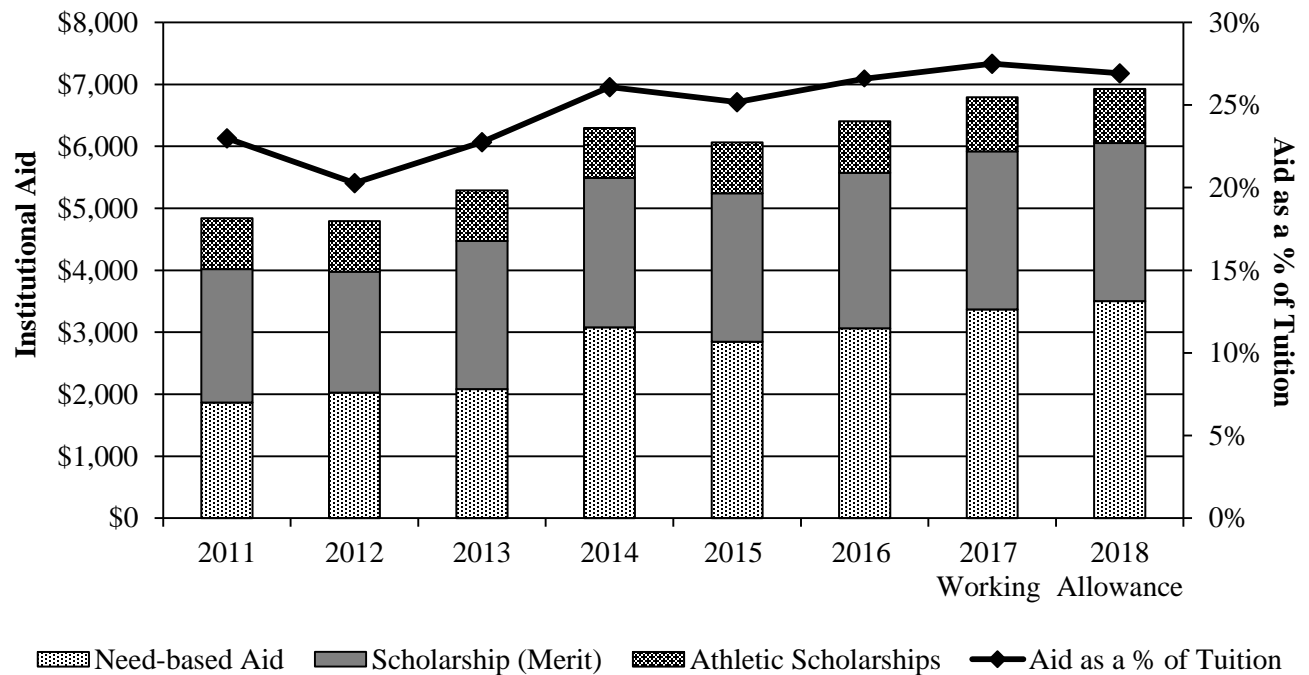
As the cost of college continues to increase, students and families are relying on a variety of financial aid to pay for college, with more students taking out loans. When accounting for the average amount of federal, State, and institutional aid awarded to all BSU students, the average net price for a FT/FT Maryland undergraduate student at BSU was \$12,248 in fiscal 2016 compared to the list price of \$21,540 (based on tuition, mandatory fees, books and supplies, other expenses, and the weighted average of room and board), according to the National Center for Education Statistics' College Navigator. This amounts to a 43.1% reduction in the net cost of attendance. For those with a family income of up to \$30,000 the average net price was \$9,740 in fiscal 2016.

In fiscal 2016, 51% of BSU's undergraduate students received 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 \$5,815 in fiscal 2016. EFC is an indicator of the amount that a family is able to contribute for a student's college education: the lower the EFC, the greater the financial aid.

Expenditures on financial aid grew 30.1%, or \$1.5 million, from fiscal 2011 to 2014, as shown in **Exhibit 14**. The 19.0%, or \$1.0 million, increase in fiscal 2014 is partially attributed to \$0.4 million provided in the fiscal 2014 supplemental budget to increase the amount spent on need-based aid over that expended in fiscal 2013. Spending on institutional aid decreased \$0.2 million in fiscal 2015, which was related to less being spent on need-based aid. However, it still exceeded the amount spent in fiscal 2013. Since fiscal 2011, the portion of institutional aid going toward need-based aid increased from 38.6% to 49.6% in fiscal 2017.

The USM Board of Regents has instructed institutions to use a portion of annual tuition revenue increases for institutional aid, directing it toward those undergraduate students with the highest financial need, offsetting increases in tuition rates, and holding harmless those with the greatest need. The percentage of institutional aid as a percentage of undergraduate tuition revenue increased from a low of 20.3% in fiscal 2012 to 27.5% in fiscal 2017.

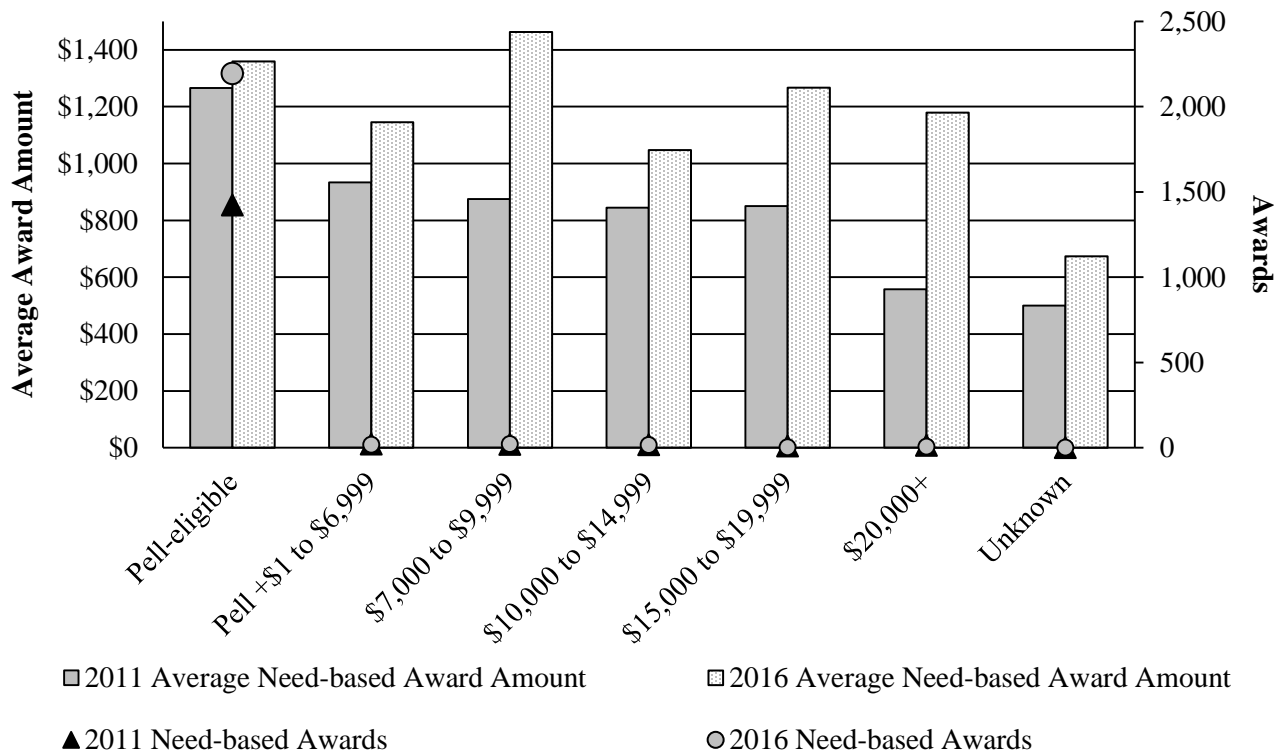
**Exhibit 14**  
**Institutional Aid and Percentage of Undergraduate Tuition**  
**Fiscal 2011-2018**  
**(\$ in Thousands)**



Source: University System of Maryland; Department of Legislative Services

Between fiscal 2011 and 2016, the number of need-based aid awards going to Pell-eligible students increased 54.3%, or 772 awards, with the average amount of an award increasing by \$94 to \$1,359, as shown in **Exhibit 15**. While Pell-eligible students received the highest average award of \$1,265 in fiscal 2011, those with an EFC of \$7,000 to \$9,999 received the highest award of \$1,463 in fiscal 2016. Overall, the portion of awards going to Pell-eligible students increased from 94.6% in fiscal 2011 to 98.1% in fiscal 2016.

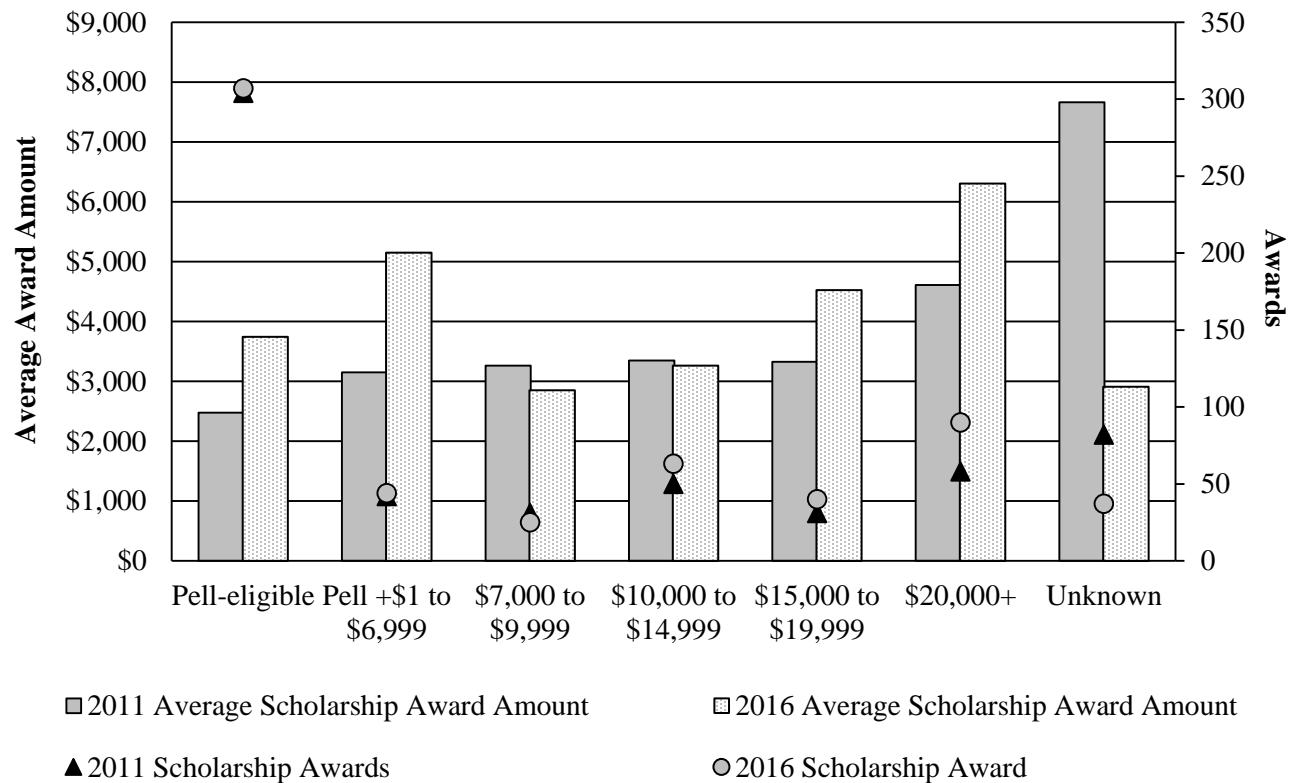
**Exhibit 15**  
**Comparison of Number and Average Amount of Need-based Aid**  
**Received Per Recipient by Expected Family Contribution**  
**Fiscal 2011 and 2016**



Source: University System of Maryland

The total number of scholarships awarded basically remained unchanged between fiscal 2011 and 2016, as shown in **Exhibit 16**. However, the distribution of the awards changed, with more awards made to students with EFCs over \$10,000 and less to students whose EFC was unknown (those who did not file a Free Application for Federal Student Aid, also known as FAFSA). Students with an EFC of Pell +\$1 to \$6,999 received the largest average increase in their awards of \$2,000 in fiscal 2016, and those with an EFC over \$20,000 received the highest average award of \$6,305. Overall, 50.7% of the awards go to Pell-eligible students.

**Exhibit 16**  
**Comparison of Number and Average Amount of Scholarship**  
**Received Per Recipient by Expected Family Contribution**  
**Fiscal 2011 and 2016**

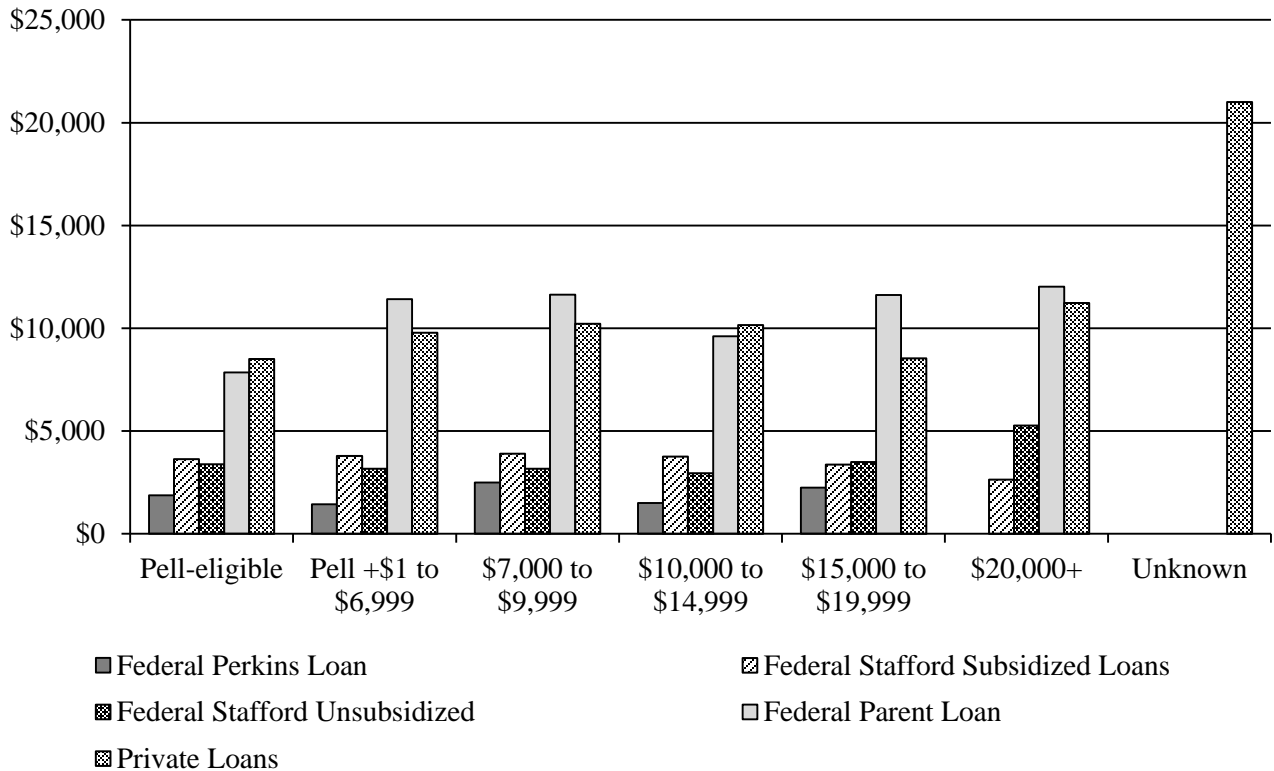


Source: University System of Maryland

While students with the greatest financial need typically receive Pell and institutional aid, it is not enough to cover the cost of attending college. As shown in **Exhibit 17**, students in all EFC categories take out various types of loans to finance their education. There are three types of loans:

- federal subsidized loans, which 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, which are generally for those who do not demonstrate financial need with interest added to the balance of the loan while the student is enrolled in school (Stafford and Parent loans); and
- private loans.

**Exhibit 17**  
**Mean Loan Amount by Type and Expected Family Contribution**  
**Fiscal 2016**



Source: University System of Maryland

In fiscal 2016, of the 2,485 Pell-eligible students, 81.4% and 74.8% used subsidized and unsubsidized loans, respectively, to help pay for their college education, with average loans of \$3,630 and \$3,380. In addition, 3.0%, or 78, of these students took out an average of \$8,507 in private loans. In general, federal parent loans were the highest loan amount in all EFC categories, with those who have an EFC of greater than \$20,000 taking out the highest average loan amount of \$12,019.

According to College Insight, the percentage of students graduating with debt from BSU increased from 66.0% to 83.0% between fiscal 2009 and 2014, higher than the national average of 61.0% in fiscal 2014. During this time period, the average debt for BSU graduates increased 73.8%, from \$17,108 to \$29,737, which is above the national average of \$27,022 in fiscal 2014.

**The President should comment on the financial literacy efforts to educate and guide students in making financial decisions to pay for college and why more students are graduating with a greater amount of debt.**



## ***Recommended Actions***

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

**Appendix 1**  
**Current and Prior Year Budgets**  
**USM – Bowie State University**  
**(\$ in Thousands)**

	<b>General</b>	<b>Special</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>	<b>Restricted</b>	<b>Total</b>
	<b><u>Fund</u></b>	<b><u>Fund</u></b>	<b><u>Fund</u></b>	<b><u>Fund</u></b>	<b><u>Fund</u></b>	<b><u>Fund</u></b>	<b><u>Fund</u></b>
<b>Fiscal 2016</b>							
Legislative Appropriation	\$38,913	\$1,893	\$0	\$55,758	\$96,564	\$22,000	\$118,564
Deficiency Appropriation	169	0	0	0	169	0	169
Cost Containment	0	0	0	0	0	0	0
Budget Amendments	720	0	0	2,288	3,008	1,000	4,008
Reversions and Cancellations	0	0	0	-2,911	-2,911	-2,309	-5,220
<b>Actual</b>							
<b>Expenditures</b>	<b>\$39,802</b>	<b>\$1,893</b>	<b>\$0</b>	<b>\$55,135</b>	<b>\$96,830</b>	<b>\$20,691</b>	<b>\$117,521</b>
<b>Fiscal 2017</b>							
Legislative Appropriation	\$40,895	\$2,060	\$0	\$57,284	\$100,239	\$22,000	\$122,239
Cost Containment	-591	0	0	0	-591	0	-591
Budget Amendments	2,346	0	0	-261	2,086	1,000	3,086
<b>Working</b>							
<b>Appropriation</b>	<b>\$42,651</b>	<b>\$2,060</b>	<b>\$0</b>	<b>\$57,024</b>	<b>\$101,734</b>	<b>\$23,000</b>	<b>\$124,734</b>

USM: University System of Maryland

Note: Does not include targeted reversions, deficiencies, and contingent reductions. Numbers may not sum to total due to rounding.

## **Fiscal 2016**

For fiscal 2016, the general fund appropriation for Bowie State University (BSU) increased by \$0.9 million which included a \$0.2 million deficiency related to a shortfall in health benefits. A budget amendment added \$0.7 million to restore a 2% pay reduction.

Other unrestricted funds decreased by \$0.6 million. Budget amendments added \$2.3 million including:

- \$2.0 million in tuition and fees revenues due to enrollment being higher than originally budgeted;
- \$0.4 million in auxiliary enterprises; and
- \$2,994 related to an increase use of fund balance.

The increase was partially offset by \$84,034 decrease in interest income.

The cancellation of unrestricted funds amounted to \$2.9 million, due to enrollment being less than projected and spending being deferred on various initiatives.

Restricted funds decrease by \$1.3 million. A budget amendment increased funds by \$1.0 million related to a federal Title III grant. The cancellation of restricted funds totaled \$2.3 million, due to Title III and Pell grant expenditures being less than anticipated and Office for Civil Rights (OCR) projects starting later than expected.

## **Fiscal 2017**

To date, in fiscal 2017, the general fund appropriation for BSU has increased by \$1.8 million. Budget amendments added \$2.3 million, including \$1.0 million related to salary increments, a \$1.0 million transfer of OCR enhancement funds from the Maryland Higher Education Commission, and a \$0.4 million transfer from the University of Maryland System Office to support student completion initiatives. This increase is partially offset by \$0.6 million in cost containment measures.

Other unrestricted funds have decreased \$0.3 million, including \$0.3 million in auxiliary enterprises, \$0.1 million in the sales and services of education activities, and \$31,017 in tuition and fee revenues due to flat enrollment. This was partially offset by a \$0.2 million increase related to reducing the amount scheduled to be transferred to fund balance and \$27,500 in other sources. Current restricted funds increased \$1.0 million related to Title III funds.

**Appendix 2**  
**Object/Fund Difference Report**  
**USM – Bowie State University**

<u>Object/Fund</u>	<u>FY 16 Actual</u>	<u>FY 17 Working Appropriation</u>	<u>FY 18 Allowance</u>	<u>FY 17 - FY 18 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	544.00	542.00	542.00	0.00	0%
02 Contractual	139.95	145.02	148.99	3.97	2.7%
<b>Total Positions</b>	<b>683.95</b>	<b>687.02</b>	<b>690.99</b>	<b>3.97</b>	<b>0.6%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 51,470,249	\$ 53,679,390	\$ 54,035,831	\$ 356,441	0.7%
02 Technical and Spec. Fees	11,445,599	12,540,452	12,805,673	265,221	2.1%
03 Communication	247,370	408,410	498,632	90,222	22.1%
04 Travel	1,357,492	1,225,135	1,249,685	24,550	2.0%
06 Fuel and Utilities	3,140,238	3,745,176	4,052,154	306,978	8.2%
07 Motor Vehicles	54,550	94,683	93,930	-753	-0.8%
08 Contractual Services	12,497,430	16,436,455	15,383,481	-1,052,974	-6.4%
09 Supplies and Materials	1,068,933	1,646,771	1,667,236	20,465	1.2%
10 Equipment – Replacement	655,510	780,173	780,173	0	0%
11 Equipment – Additional	2,066,608	2,977,824	3,581,431	603,607	20.3%
12 Grants, Subsidies, and Contributions	17,906,003	19,407,307	19,695,757	288,450	1.5%
13 Fixed Charges	6,688,376	7,838,572	8,191,676	353,104	4.5%
14 Land and Structures	8,922,812	3,954,438	4,146,729	192,291	4.9%
<b>Total Objects</b>	<b>\$ 117,521,170</b>	<b>\$ 124,734,786</b>	<b>\$ 126,182,388</b>	<b>\$ 1,447,602</b>	<b>1.2%</b>
<b>Funds</b>					
40 Unrestricted Fund	\$ 96,829,816	\$ 101,734,786	\$ 103,182,388	\$ 1,447,602	1.4%
43 Restricted Fund	20,691,354	23,000,000	23,000,000	0	0%
<b>Total Funds</b>	<b>\$ 117,521,170</b>	<b>\$ 124,734,786</b>	<b>\$ 126,182,388</b>	<b>\$ 1,447,602</b>	<b>1.2%</b>

USM: University System of Maryland

Note: Does not include targeted reversions, deficiencies, and contingent reductions.

**Appendix 3**  
**Fiscal Summary**  
**USM – Bowie State University**

<u>Program/Unit</u>	<u>FY 16 Actual</u>	<u>FY 17 Wrk Approp</u>	<u>FY 18 Allowance</u>	<u>Change</u>	<u>FY 17 - FY 18 % Change</u>
01 Instruction	\$ 29,500,481	\$ 31,431,002	\$ 31,051,228	-\$ 379,774	-1.2%
02 Research	904,157	1,193,260	1,193,260	0	0%
03 Public Service	114,139	605,735	605,735	0	0%
04 Academic Support	12,920,132	15,582,968	15,346,038	-236,930	-1.5%
05 Student Services	8,266,684	7,951,182	7,951,182	0	0%
06 Institutional Support	15,513,155	17,187,615	17,203,507	15,892	0.1%
07 Operation and Maintenance of Plant	15,409,858	13,896,637	14,945,132	1,048,495	7.5%
08 Auxiliary Enterprises	18,394,955	19,037,388	19,748,857	711,469	3.7%
17 Scholarships and Fellowships	16,497,609	17,848,999	18,137,449	288,450	1.6%
<b>Total Expenditures</b>	<b>\$ 117,521,170</b>	<b>\$ 124,734,786</b>	<b>\$ 126,182,388</b>	<b>\$ 1,447,602</b>	<b>1.2%</b>
Unrestricted Fund	\$ 96,829,816	\$ 101,734,786	\$ 103,182,388	\$ 1,447,602	1.4%
Restricted Fund	20,691,354	23,000,000	23,000,000	0	0%
<b>Total Appropriations</b>	<b>\$ 117,521,170</b>	<b>\$ 124,734,786</b>	<b>\$ 126,182,388</b>	<b>\$ 1,447,602</b>	<b>1.2%</b>

USM: University System of Maryland

Note: Does not include targeted reversions, deficiencies, and contingent reductions.