

R30B23
Bowie State University
University System of Maryland

Operating Budget Data

(\$ in Thousands)

	<u>FY 07</u> <u>Actual</u>	<u>FY 08</u> <u>Working</u>	<u>FY 09</u> <u>Allowance</u>	<u>FY 08-09</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Funds	\$31,111	\$33,232	\$34,179	\$947	2.8%
Other Unrestricted Funds	39,439	40,821	45,296	4,475	11.0%
Total Unrestricted Funds	70,549	74,053	79,475	5,422	7.3%
Restricted Funds	<u>12,822</u>	<u>15,118</u>	<u>15,118</u>	<u>0</u>	<u>0.0%</u>
Total Funds	\$83,371	\$89,172	\$94,593	\$5,422	6.1%

- Total funds increase \$5.4 million, or 6.1%. The underlying fiscal 2009 budget change, absent health insurance and Other Post Employment Benefits funding which distorts year-to-year comparison, is \$4.6 million, or 5.4%.
- \$1.7 million of the other unrestricted funds are derived from the Higher Education Investment Fund created during the 2007 special session. These funds will be used to freeze tuition, fund enrollment growth, and implement workforce initiatives.

Personnel Data

	<u>FY 07</u> <u>Actual</u>	<u>FY 08</u> <u>Working</u>	<u>FY 09</u> <u>Allowance</u>	<u>FY 08-09</u> <u>Change</u>
Regular Positions	466.00	466.00	466.00	0.00
Contractual FTEs	<u>133.50</u>	<u>141.50</u>	<u>152.15</u>	<u>10.65</u>
Total Personnel	599.50	607.50	618.15	10.65

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	16.64	3.57%
Positions Vacant as of 12/31/07	22.50	4.8%

- As of December 31, 2007, Bowie State University (BSU) has 22.50 vacancies. Of these, 18.13 are State-supported.

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

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Analysis in Brief

Major Trends

Teacher Education Graduates Employed in the State Continue to Increase: After increasing in fiscal 2006, the number of graduates employed in the State is expected to continue to increase in fiscal 2008 and 2009.

Enrollment Increases for Nursing Program Continue: The number of students enrolled in nursing steadily increased from fiscal 2002 to 2007, and this trend is expected to continue in fiscal 2008 and 2009.

Issues

Institutional Aid: This issue will highlight whether institutional aid adequately addresses the financial aid needs of low to moderate income students.

Operation and Maintenance Expenditures: Due to an aging inventory of buildings, a backlog of deferred maintenance, and an increase in utility costs, there is pressure on operation and maintenance budgets. This issue will examine how the university spends money for personnel and related services to maintain and operate buildings on campus.

Enrollment: This discussion will examine the university's enrollment trend and its progression to become designated as a growth institution.

Access and Success for Maryland's Historically Black Institutions: Access and Success funds provided from fall 2000 to 2006 were utilized to improve student retention and graduation rates at Maryland's historically black institutions. The 2007 *Joint Chairmen's Report* required BSU to provide a performance report on its Access and Success Programs. This issue will examine performance outcomes from the Access and Success Program during that period.

Recommended Actions

1. Add budget language to restrict the expenditure of \$1.5 million to be used to improve student retention and graduation rates at Bowie State University until a report is submitted to the budget committees.

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Operating Budget Analysis

Program Description

Bowie State University (BSU) was established in 1865 as Maryland's first historically black institution (HBI). BSU provides high quality and affordable educational opportunities at the baccalaureate, master's, and doctoral levels for a diverse student population. The university offers a broad array of baccalaureate programs, including business, education, social work, and nursing; selected professionally oriented master's programs; doctoral degrees in applied science in computer science; and education in educational leadership.

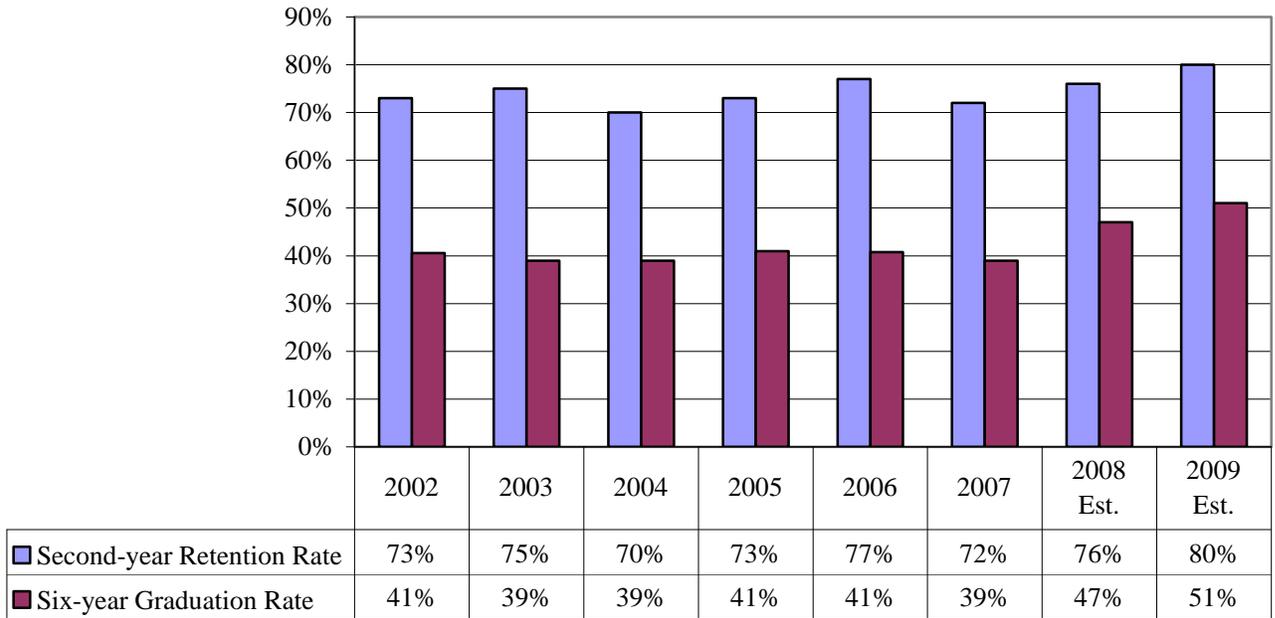
The university is committed to increasing diversity in its student population and building on its image as a student-centered institution. The university excels in teacher education and looks to become the premier teacher of teachers. BSU provides under-represented minorities with the opportunity to earn advanced degrees in computer science, mathematics, information technology, and education. Students are equipped with a course of study that ensures a broad scope of knowledge and understanding that is deeply rooted in expanded research activities.

Performance Analysis

Exhibit 1 shows six-year graduation and second-year retention rates from fiscal 2002 to 2009. BSU's six-year graduation and second-year retention rates fluctuate from fiscal 2002 to 2007. The six-year graduation rate is expected to increase significantly by eight percentage points in fiscal 2008 and continue to increase in fiscal 2009 reaching 51%. The second-year retention rate is expected to increase in fiscal 2008 and 2009 to 76% and 80%, respectively.

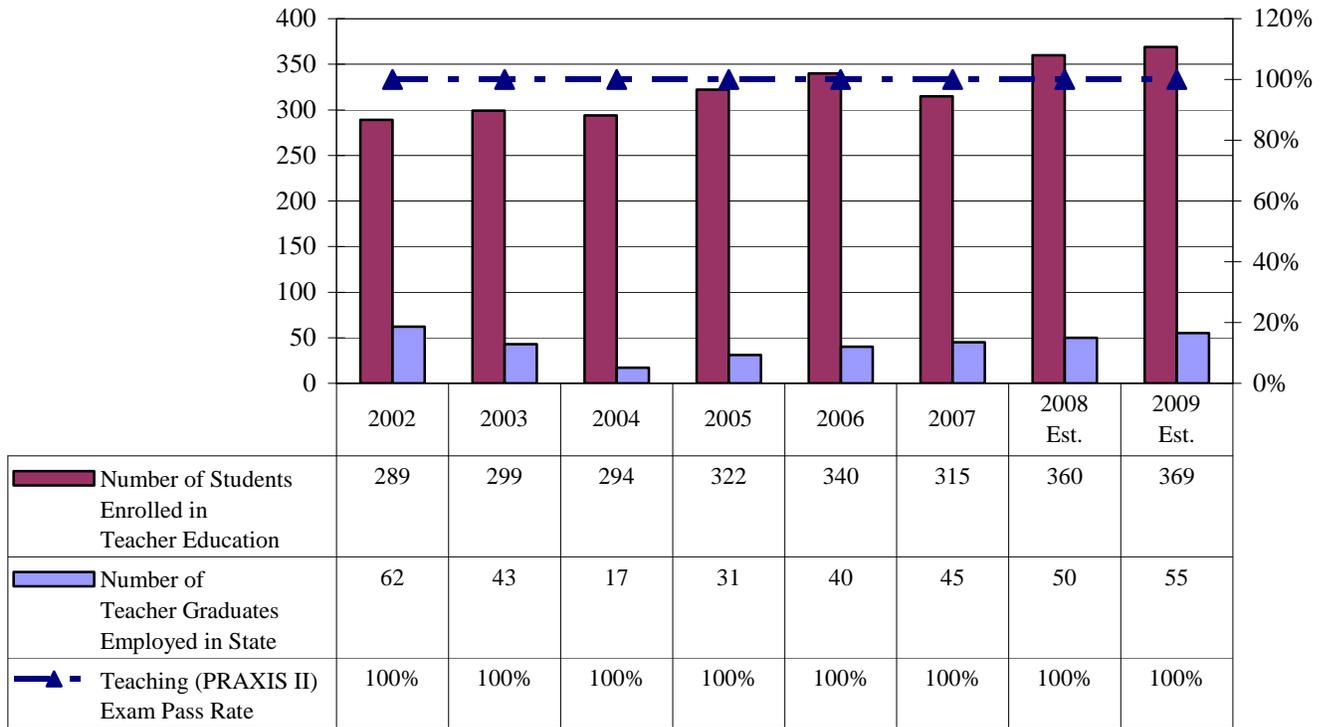
BSU is committed to increasing the State's supply of qualified graduates in the high demand fields of education and nursing. **Exhibit 2** shows trends in teacher education at the university from fiscal 2002 to 2009. The number of undergraduates enrolled in teacher education steadily increased from fiscal 2002 to 2006 and declined in fiscal 2007 but is expected to increase in fiscal 2008 and 2009. The number of undergraduates who complete a teacher education program and pass Praxis II, a national exam required to teach in Maryland schools testing specialized teaching skills, is always at 100% because the university requires the students to pass the exam in order to graduate. The number of graduates from BSU's teacher education program employed in Maryland's public schools steadily declined from 62 to 17 from fiscal 2002 to 2004. The trend reversed beginning in fiscal 2005 and is expected to continue to increase through fiscal 2009.

**Exhibit 1
Retention and Graduation Rates
Fiscal 2002-2009**



Source: Fiscal 2002-2007 data from the Maryland Higher Education Commission; Fiscal 2007 data is 2005 cohort for second-year retention and 2000 cohort for six-year graduation; Fiscal 2008 and 2009 from the Governor’s Budget Books, Fiscal 2009

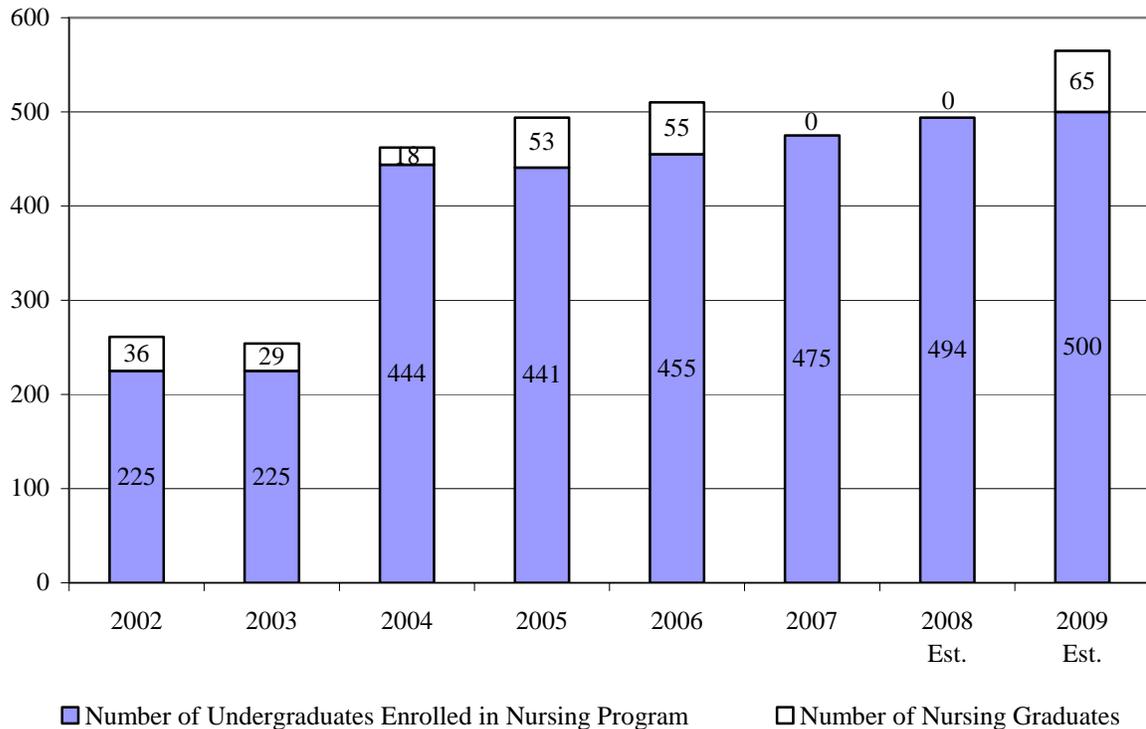
**Exhibit 2
Trends in Teacher Education
Fiscal 2002-2009 Estimates**



Source: Governor’s Budget Books, Fiscal 2005, 2007, and 2009

The university recently revamped its undergraduate nursing program and offers a new Bachelor’s of Science (BS) degree in nursing. BSU also plans to expand its Registered Nurse – BS degree program through the development of more partnership arrangements with Maryland community college nursing programs. **Exhibit 3** shows trends in nursing programs from fiscal 2002 to 2009. The number of students enrolled in nursing programs steadily increased from fiscal 2004 to 2007 and the trend is expected to continue in fiscal 2008 and 2009. BSU, like other universities with nursing programs, is limited in the number of students that may be accepted. The Department of Legislative Services asked institutions with nursing programs to provide the number of qualified students not admitted to the nursing program in their Managing for Results data. In fiscal 2006, there were 80 qualified students denied admission, and this number increased to 85 in fiscal 2007 and 90 in fiscal 2008. Since the nursing program is new, there are no graduates for fiscal 2007 and 2008. The university expects the first class will graduate in the 2008-2009 academic year and anticipates 65 nursing graduates in fiscal 2009.

Exhibit 3
Trends in Nursing
Fiscal 2002-2009 Estimates



Source: Governor’s Budget Books, Fiscal 2005, 2007, and 2009

Fiscal 2008 Actions

Impact of Cost Containment

The Board of Public Works (BPW) action in July 2007 reduced BSU’s fiscal 2008 legislative appropriation \$396,836, or 1.2%. The total savings are accomplished through the following measures:

- \$22,836 decrease in renewal and replacement projects;
- \$100,000 decrease in operating expenditures – travel, supplies, contractual services, and equipment replacement; and

- \$274,000 decrease in technical and special fees (contingent staffing) which eliminates contractual I positions (temporary staffing for six months or less).

Governor’s Proposed Budget

As **Exhibit 4** shows, the general fund allowance for fiscal 2009 is \$34.2 million. This reflects a 2.8% increase from fiscal 2008. BSU receives \$1.7 million from the Higher Education Investment Fund (HEIF), which provides \$573,158 to continue to hold undergraduate resident tuition at fiscal 2006 rates, \$779,736 for 100 additional students, and \$350,000 for an enhancement project. The enhancement project will address closing the achievement gap for African American students and the critical healthcare workforce shortage in Maryland. The project entails the application of both blended delivery technologies and the University System of Maryland (USM) course re-design methodologies to the Nursing curriculum as well as to those general education courses that specifically support the Nursing program. By specially re-designing those general education courses that support the Nursing program, BSU expects to increase recruitment, retention, and graduation rates, contributing in this way in the narrowing of the achievement gap specifically among nursing majors. Other unrestricted funds increase by approximately 6.8%, while restricted funds remain level from fiscal 2008.

Exhibit 4
Governor’s Proposed Budget
Bowie State University
(\$ in Thousands)

	<u>FY 07</u> <u>Actual</u>	<u>FY 08</u> <u>Working</u>	<u>FY 09</u> <u>Allowance</u>	<u>FY 08-09</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Funds	\$31,111	\$33,232	\$34,179	\$947	2.8%
Higher Education Investment Fund	0	0	1,703	1,703	
Other Unrestricted Funds	39,439	40,821	43,593	2,772	6.8%
Total Unrestricted Funds	70,549	74,053	79,475	5,422	7.3%
Restricted Funds	<u>12,822</u>	<u>15,118</u>	<u>15,118</u>	<u>0</u>	
Total Funds	\$83,371	\$89,172	\$94,593	\$5,422	6.1%

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

Unrestricted fund budget changes in the allowance by program are shown in **Exhibit 5**. This exhibit considers only unrestricted funds which are comprised mostly of general and HEIF funds and tuition and fee revenues. From fiscal 2007 through 2008, public service and academic support increased the most at 62.2% and 30.7%, respectively. Student services and institutional support will increase the most in fiscal 2009 at 11.3% and 9.6%, respectively. Despite a significant increase in the

Exhibit 5
Budget Changes for Current Unrestricted Funds by Program
Fiscal 2007-2009 Allowance
(\$ in Thousands)

	<u>2007</u>	<u>FY 2008</u> <u>Working</u>	<u>FY 07-08</u> <u>% Change</u>	<u>FY 2009</u> <u>Allowance</u>	<u>FY 08-09</u> <u>\$ Change</u>	<u>FY 08-09</u> <u>% Change</u>
<u>Expenditures</u>						
Instruction	\$24,752	\$25,511	3.1%	\$26,522	\$1,010	4.0%
Public Service	9	15	62.2%	15		0.0%
Academic Support	3,952	5,164	30.7%	5,450	286	5.5%
Student Services	3,513	4,194	19.4%	4,666	472	11.3%
Institutional Support	16,420	14,433	-12.1%	15,824	1,392	9.6%
Operation and Maintenance of Plant	7,996	9,170	14.7%	9,687	517	5.6%
Scholarships and Fellowships	3,306	4,277	29.4%	4,493	216	5.1%
Subtotal Education and General	\$59,948	\$62,764	4.7%	\$66,658	\$3,894	6.2%
Auxiliary Enterprises	\$10,601	\$11,289	6.5%	\$12,817	\$1,528	13.5%
Total	\$70,549	\$74,053	5.0%	\$79,475	\$5,422	7.3%
Funds Specific to HBIs*	1,244	1,268	2.0%	1,268		0.0%
Adjusted Total	\$71,793	\$75,322	4.9%	\$80,743	\$5,422	7.2%
<u>Revenues</u>						
Tuition and Fees	\$29,949	\$28,821	-3.8%	\$30,855	\$2,034	7.1%
General Funds	31,111	33,232	6.8%	34,179	947	2.8%
HEIF	n/a	n/a	n/a	1,703	1,703	n/a
Other	1,386	1,334	-3.8%	1,428	94	7.0%
Subtotal	\$62,445	\$63,387	1.5%	\$68,165	\$4,777	7.5%
Auxiliary Enterprises	\$11,333	\$11,901	5.0%	\$12,762	\$861	7.2%
Transfers (to) from fund balance	-3,229	-1,235	-61.7%	-1,452	-217	17.5%
Total	\$70,549	\$74,053	5.0%	\$79,475	\$5,422	7.3%
Funds Specific to HBIs*	\$1,244	\$1,268	2.0%	\$1,268	24	0.0%
Adjusted Total	\$71,793	\$75,322	4.9%	\$80,743	\$5,422	7.2%

*HBI enhancement funds

HBI: Historically Black Institutions

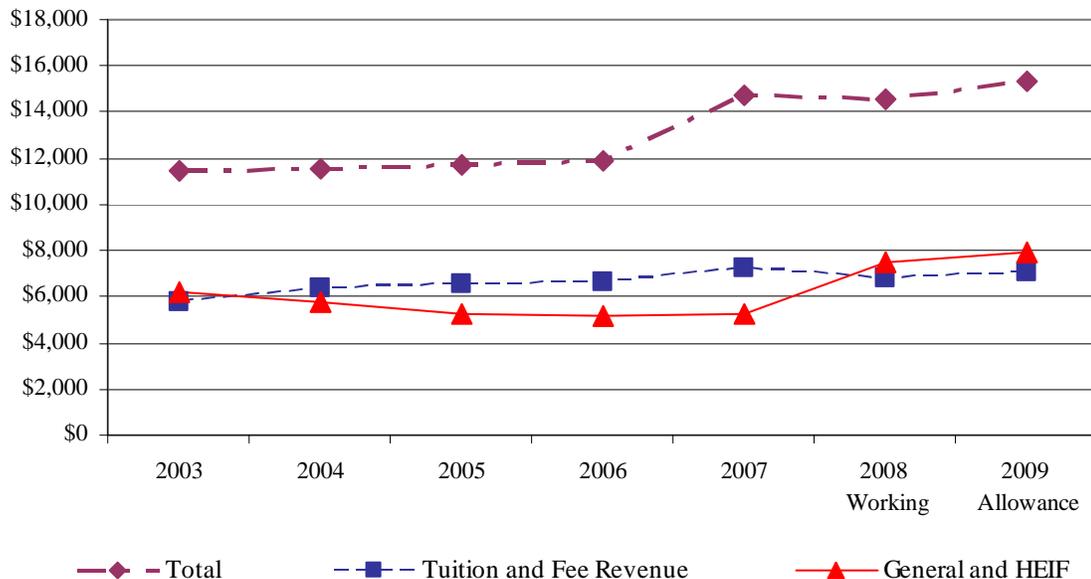
Source: Governor's Budget Books, Fiscal 2009

opening fall 2007 headcount enrollment, the university estimates a 3.8% decline in tuition and fee revenues in fiscal 2008. After a 1.2% reduction by the BPW, State funding increases 6.8% in fiscal 2008. In the fiscal 2009 allowance, BSU receives additional State support from the HEIF which provides for an overall 8.0% increase in State support over fiscal 2008. **The President should comment on the anticipated decline in tuition and fee revenues in fiscal 2008 despite the enrollment growth in fall 2007.**

Tuition and Fees and State Revenues

Exhibit 6 shows tuition and fees and State revenues per full-time equivalent student (FTES) between fiscal 2003 and 2009. In fiscal 2003, tuition and fees increased significantly and surpassed State funding per FTES in fiscal 2004. State funding per FTES declined between fiscal 2003 and 2005. However, after significantly increasing in fiscal 2007, State funding surpassed tuition and fee revenue in fiscal 2008, and this trend is expected to continue in fiscal 2009. The decline in tuition and fee revenue per FTES in fiscal 2008 reflects the fiscal 2008 budget understating tuition and fee revenues.

Exhibit 6
Tuition and Fees and State Revenues
Per Full-time Equivalent Student
(\$ in Thousands)
Fiscal 2003-2009 Estimates



HEIF: Higher Education Investment Fund

Source: Governor’s Budget Book, Fiscal 2009

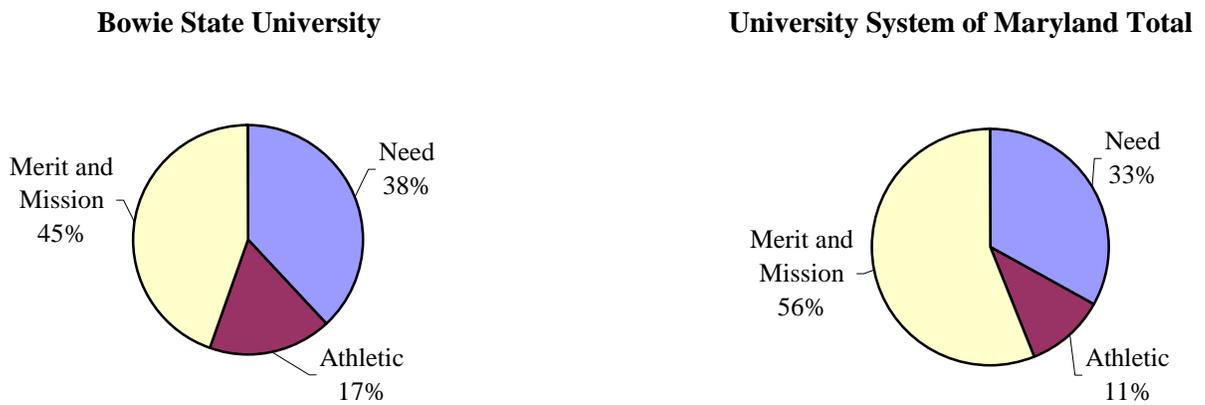
Issues

1. Institutional Aid

Financial aid is important in helping many students achieve their educational goals. The lack of financial support is one of the many factors attributed to students dropping out of school. Along with federal and State financial aid, the university provides financial assistance to students in categories which include need, athletic, merit, and mission. University System of Maryland (USM) institutions have committed to increasing institutional need-based aid for students.

In fiscal 2008, 33.0% of institutional aid across USM was need-based, 56.0% merit and mission, and 11.0% athletic as shown in **Exhibit 7**. At 38.0%, BSU's need-based aid as a share of total aid exceeds USM as a whole. BSU expects to increase need-based and merit-based aid by 3.0% and 8.6%, respectively, in fiscal 2009. **The President should comment on measures being taken to increase the amount of need-based aid offered at the university.**

Exhibit 7
Institutional Financial Aid
Fiscal 2008 Estimate



	<u>Need</u>	<u>Athletic</u>	<u>Merit and Mission</u>
Bowie State University	\$1,643,818	\$740,845	\$1,924,171
University System of Maryland Total	33,473,322	10,774,804	57,230,081

Source: University System of Maryland

The Maryland Higher Education Commission (MHEC) collects annual data for the Financial Aid Information System (FAIS) database. The FAIS data collected provide a profile of those students receiving financial aid. The FAIS data have information for institutional aid awarded at BSU for fiscal 2006 for students that completed the Free Application for Federal Student Aid to determine the students' expected family contribution (EFC). In general, the lower a student's EFC, the greater a student's financial need. Students with an EFC of \$0 to \$3,850 are eligible for the Federal Pell Grant program and are deemed students to have the most need. Certain students with very low family income automatically qualify for a \$0 EFC, *i.e.*, no family contribution. **Exhibit 8** shows the percent of awards made for need-based aid and merit, mission, athletic, and other aid at each EFC category. Most of the awards for need-based aid were to students in the \$0 to \$3,850 range.

Exhibit 8
Percent of Institutional Financial Aid Awards by EFC
Fiscal 2006

<u>EFC Category</u>	<u>Need-based</u>	<u>Other</u>
0	41.5%	20.0%
1 – 3,850	53.4%	24.8%
3,851 – 6,999	3.4%	10.8%
7,000 – 9,999	0.9%	7.5%
10,000 – 14,999	0.3%	8.2%
15,000 – 19,999	0.3%	3.0%
20,000 +	0.0%	7.8%

EFC: expected family contribution

Note: Does not include work study. "Other" includes merit, mission, athletic, and other aid. Data in "Other" category may not sum to 100% due to awards to students who did not file a Free Application for Federal Student Aid.

Source: Maryland Higher Education Commission, Financial Aid Information System 2005-2006

2. Operation and Maintenance Expenditures

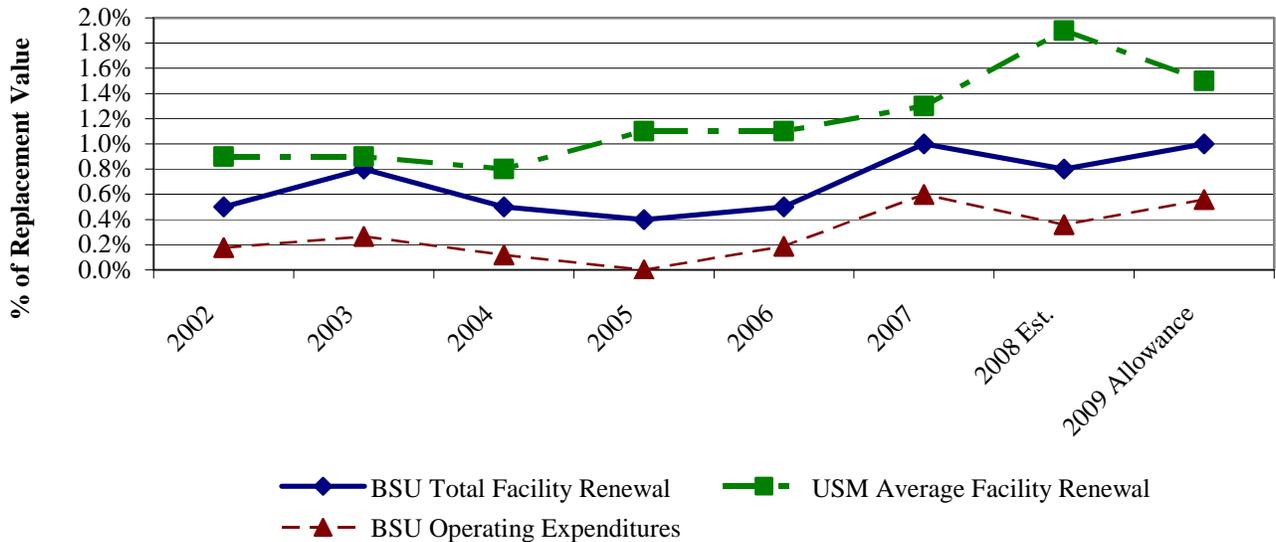
BSU is located on 295 acres which consists of residence halls, academic, student affairs, and administrative buildings. Currently, the university's total student headcount is approximately 5,400. The university's academic programs depend upon adequate facilities and are affected when systems in the buildings fail. Over the past several years, budget shortfalls, due to cost containment actions and moderate increases in other revenue sources, have limited funding for ongoing building maintenance. The lack of consistent maintenance can create a serious facilities problem.

Facility Renewal

Facilities renewal is the planned renovation, adaptation, replacement, or upgrade of the systems of a capital asset during its life span such that it meets assigned functions in a reliable manner. In 2005, USM’s Board of Regents adopted a policy aimed at steadily moving toward institutions spending 2.0% of the current replacement value of their capital assets on facility renewal. The policy stipulates that each institution will annually increase its operating expenditures by 0.2% of the replacement value of all capital assets until it reaches the 2.0% goal.

Currently, State-supported current unrestricted funds in the operating budget and Academic Revenue Bonds fund facility renewal at USM institutions. The annual 2.0% replacement value target for facilities renewal at BSU is approximately \$2.4 million. **Exhibit 9** shows the university’s operating expenditures and total facility renewal expenditures as a percent of replacement value compared to the USM average for fiscal 2002 to 2009. USM’s average facility renewal for all USM institutions steadily increased, almost reaching 2.0% in fiscal 2008 but is expected to significantly decline in fiscal 2009. BSU’s total facility renewal expenditures fluctuated from fiscal 2001 to 2008 below USM’s average, and this trend is expected to continue in fiscal 2009. The university’s operating expenditures follow the same trend.

Exhibit 9
Facility Renewal as a Percentage of Replacement Value
Fiscal 2002-2009



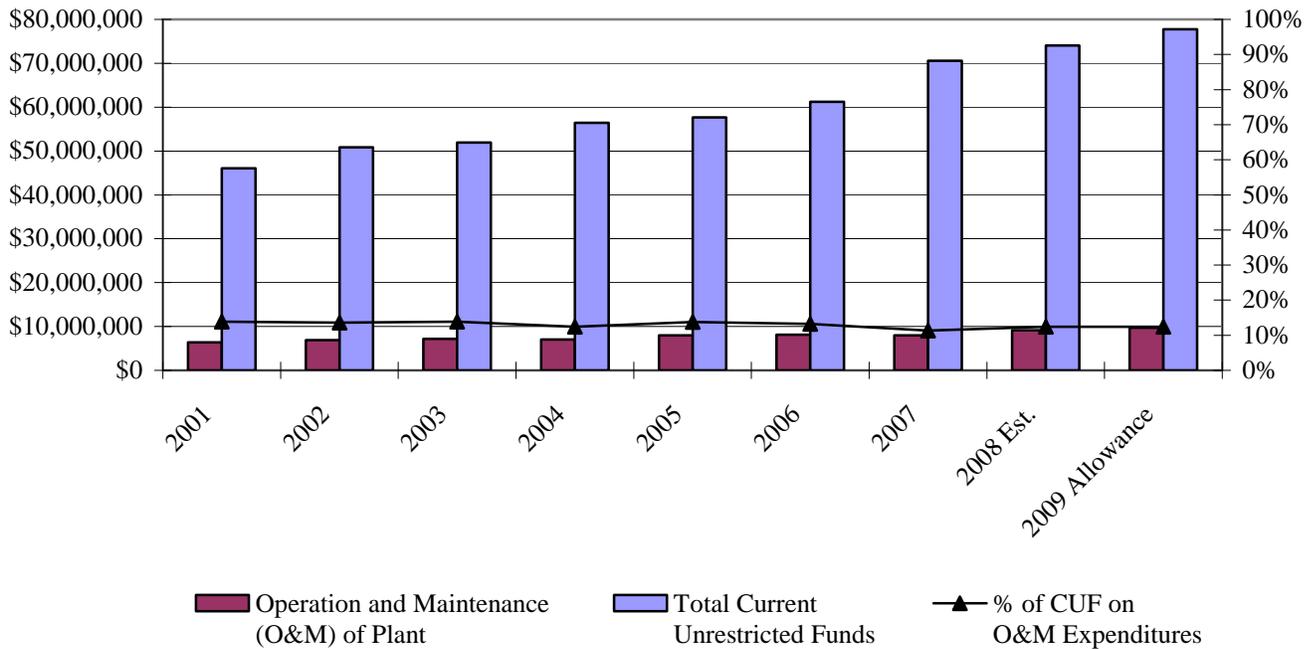
BSU: Bowie State University

Source: University System of Maryland

Operation and Maintenance of Plant

Aside from facility renewal, institutions have ongoing building maintenance that includes elements such as purchased utilities, building and grounds maintenance, refuse collection, janitorial services, and additional administrative and support services. These costs are typically funded through current unrestricted funds. According to American School and University’s *Maintenance and Operations Cost Study*, from 1998 to 2006, the average expenditure for operation and maintenance of plant at master comprehensive universities was 10% of the universities’ total expenditures. However, colleges and universities across the country are allocating a larger percentage of their total budgets to operation and maintenance in 2007, significantly increasing to 16%. **Exhibit 10** shows BSU’s expenditures on operation and maintenance of plant compared to total expenditures. The percentage of operation and maintenance expenditures fluctuated from 13.9% in fiscal 2002 to 11.3% in fiscal 2007 and is expected to increase to 12.5% in fiscal 2008 and 2009.

Exhibit 10
Unrestricted Fund Expenditures on Operation and Maintenance of Plant
Fiscal 2001-2009



CUF: current unrestricted funds

Source: Department of Budget and Management

Personnel

Salaries and benefits for personnel typically account for 50% of the total operation and maintenance budget at universities. BSU’s personnel, including contractual employees for housekeeping, account for approximately 34%, which is significantly lower than the average. **Exhibit 11** shows the number of positions in operation and maintenance and the expenditures associated with salaries and benefits from fiscal 2001 to 2009. Expenditures for personnel (excludes contractual services) significantly declined in fiscal 2003 and 2004 and remained at this level during fiscally constrained years but increased in fiscal 2007. Personnel increased by 3.00 positions from fiscal 2001 to 2003. However, after significantly declining in fiscal 2004, the number of positions steadily declined until fiscal 2007. The number of positions remains level at 20.30 in fiscal 2008 and 2009. **The President should comment on future plans to increase maintenance staff.**

Exhibit 11
Operation and Maintenance of Plant Personnel and Expenditures
Fiscal 2001-2009



Source: Governor’s Budget Books, Fiscal 2003, 2005, 2007, and 2009

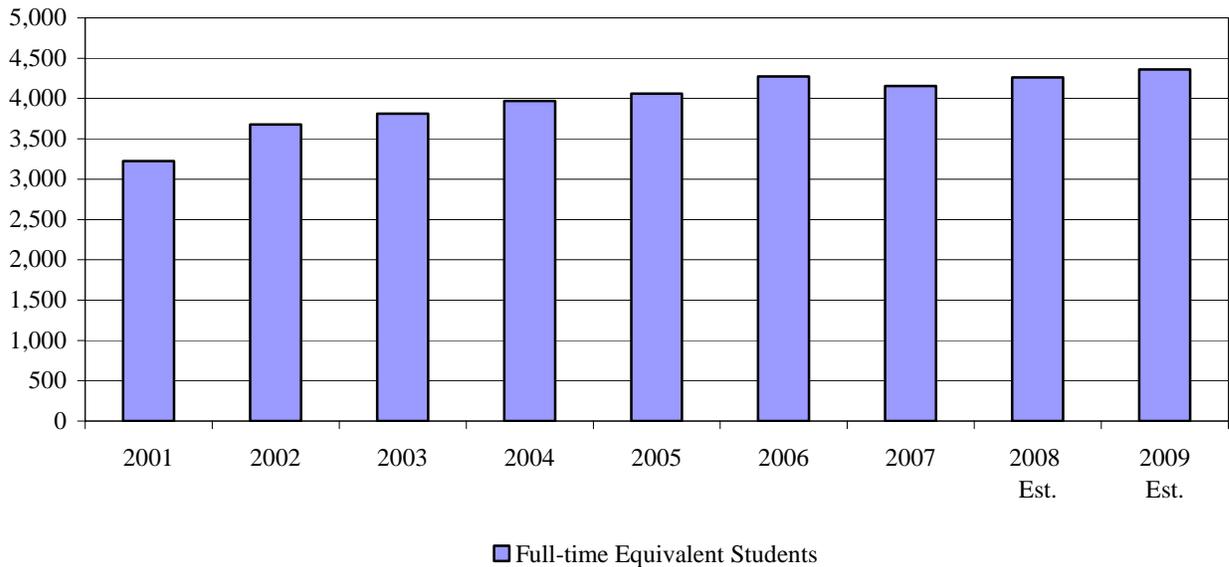
The campus consists of more than one million square feet (sq. ft.) of academic and auxiliary building space; of this total, 807,547 is State-supported. As shown in Exhibit 11, the number of positions increased from fiscal 2001 to 2003 then significantly declined in fiscal 2004 and is expected to remain level in fiscal 2009. According to American School and University’s *Maintenance and Operations Cost Study*, the median sq. ft. maintained per maintenance employee in the 2006-2007

academic year was 71,479 sq. ft. and 39,391 sq. ft per custodial staff. BSU employs approximately 11 maintenance employees, which is fewer than what would be needed to reach the study median sq. ft. per worker. The university contracts 40 custodial staff for upkeep and cleaning. On average, one custodial staff per 28,000 square foot is assigned on campus, which is better than the median reported in the study.

3. Enrollment

In fiscal 2008, USM adjusted BSU’s 2007 Enrollment Funding Initiative attainment after the university failed to enroll an additional 96 FTES. BSU was not provided a target for additional FTES in fiscal 2008. However, in fiscal 2008, the opening fall enrollment increased by approximately 113 students even after the university purged over 400 students from the roster for nonpayment. As shown in **Exhibit 12**, the university is expected to add 100 additional FTES in fiscal 2009.

Exhibit 12
Trends in Full-time Equivalent Student Enrollment
Fiscal 2001-2009 Estimates



Source: Governor’s Budget Books, Fiscal 2009; Maryland Higher Education Commission

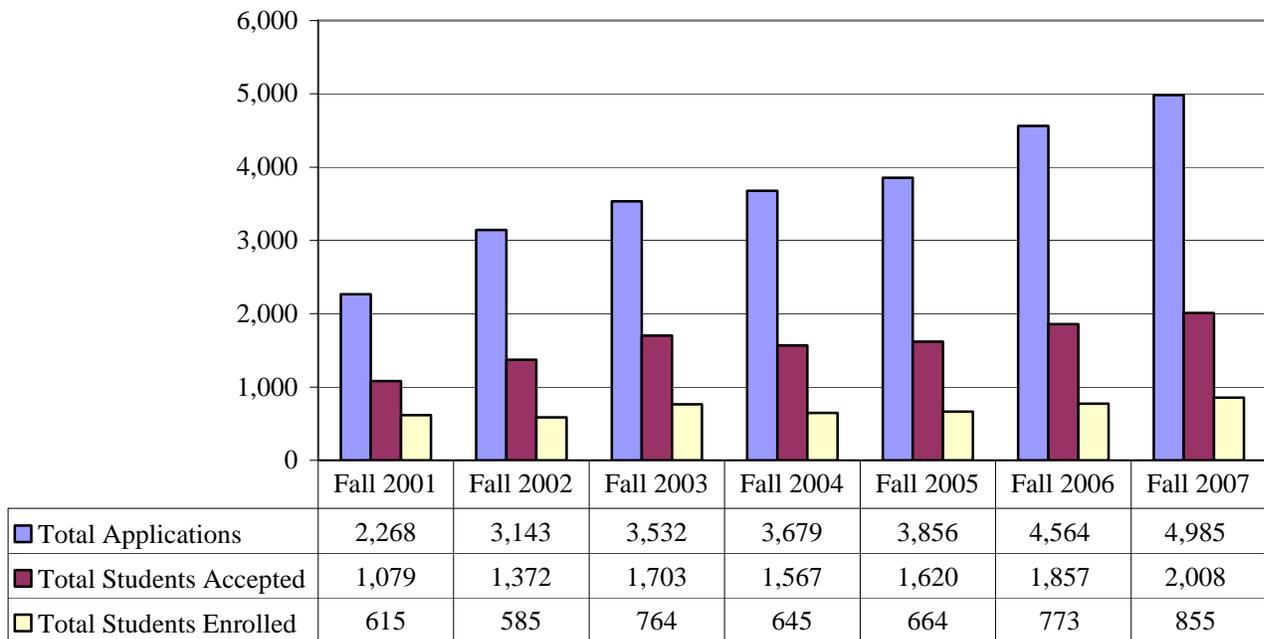
In January 2006, USM Board of Regents designated BSU a growth institution that would play an important role in helping the university system meet its projected increase in student enrollment during the next several years. However, following that announcement BSU experienced a decline in enrollment. Currently, USM recognizes four institutions (Salisbury University; Towson University;

and University of Maryland University College) as designated growth institutions but believes that in the future, BSU will, in fact, become a designated growth institution. **The President should comment on what steps the university is taking to sustain enrollment growth and prepare for the additional students in the coming years.**

First-time Students

The headcount for first-time, full-time undergraduates increased 7.2% in fall 2007 from fall 2006 at BSU. **Exhibit 13** shows the total number of applications BSU received from fall 2001 to fall 2007 for first-time students, as well as the number of students accepted and the number of students enrolled. The number of students applying and accepted increased in fall 2007 from fall 2006. Although the number of students that enroll after being accepted (known as the yield) increased in fall 2007, the yield has not rebounded to the fall 2001 level. Currently, the percent yield is 42.0% compared to 57.0% in fall 2001. **The President should comment on measures the university is taking to increase the percent yield.**

Exhibit 13
Trends in Applications and Acceptance
Fall 2001-2007



Source: Maryland Higher Education Commission; Bowie State University

4. Access and Success for Maryland Historically Black Institutions

The Access and Success Program was developed with the primary intent to improve retention and graduation rates of African American students by enhancing the relationship between administration, enrollment management, and teaching and learning practices. Access and Success funds were budgeted in MHEC from fiscal 2001 to 2006. MHEC would release funding to each HBI after a proposal was submitted outlining how the funds would be spent for the upcoming year. In fiscal 2007, Access and Success funds previously budgeted in MHEC were transferred to the HBIs' budgets.

From fiscal 2001 to 2007, BSU received a total of \$8,625,000 in Access and Success funds. BSU utilizes Access and Success funds to strengthen and expand academic and student support services through retention counselors and advisors. Access and Success funds have also enabled BSU to develop programs that specifically address retention and graduation rates such as the Student Success and Retention Center, the Center for Excellence in Teaching and Learning, Outcomes Assessment, Campus Learning Laboratories, Freshman Laptop Initiative, and the Summer Bridge Experience.

Performance Measures

The General Assembly added budget language to the fiscal 2008 budget bill that restricted the expenditure of \$1,500,000 in general funds for the purpose of improving retention and graduation rates until a performance report was submitted to the budget committees on Access and Success funds used in the past to improve retention and graduation rates. The report included for each cohort enrolled beginning fall 2000 through 2006 the average number of credit hours completed; the average grade point average; the percentage of students who dropped out each year who were receiving financial aid from any source (federal, State, or institutional); and the average award amount received by students.

The mission of the BSU's Access and Success Program is to increase student progression, retention, and graduation rates through the implementation of activities and programs. **Exhibit 14** shows retention and graduation rates for first-time, degree seeking students. Second-year retention rates for first-time, full-time undergraduates entering fall 2000 to 2006 fluctuated but remained in the low 70 percentage range. Four-year graduation rates slightly declined for the 2000 cohort but steadily increased for the 2001 and 2002 cohorts. Although six-year graduation rates are not yet available for students entering from fall 2001 through 2006, five-year graduation rates for students show slight improvements for the 2001 cohort, which increased less than one percentage point.

Exhibit 14
Retention and Graduation Rates
First-time, Full-time, and Degree Seeking Freshmen
Cohorts Entering 2000-2006

<u>Cohort Year</u>	<u>Continued to Second Year</u>	<u>Continued to Third Year</u>	<u>Continued to Fourth Year</u>	<u>Graduated in Four Years</u>	<u>Continued To Fifth Year</u>	<u>Graduated in Five Years</u>	<u>Continued to Sixth Year</u>	<u>Graduated in Six Years</u>
2000	73.0	62.0	52.9	12.7	17.4	30.6	7.4	39.4
2001	74.9	58.4	53.3	15.4	14.9	31.8		
2002	69.8	60.6	55.7	19.2				
2003	72.7	60.2	51.8					
2004	76.9	60.3						
2005	71.7	73.0						
2006	73.0							

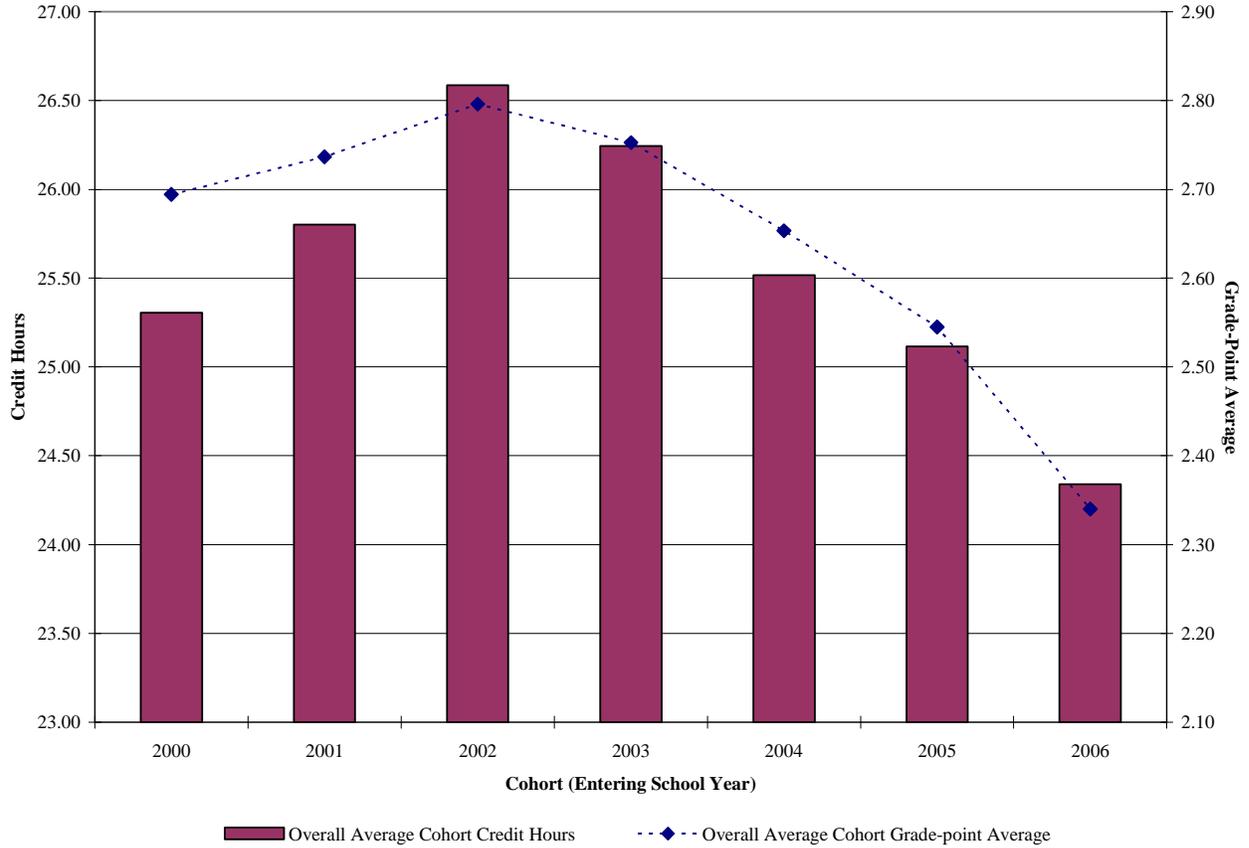
Source: Bowie State University; Maryland Higher Education Commission

Several indicators should be monitored to ensure that students are making timely progression toward graduation. The major indicators include the average number of credit hours completed each year, grade point average, and financial assistance. **Exhibits 15 and 16** show the performance results for the three major indicators. As shown in Exhibit 15, cohorts on average earned 25 to 26 credit hours each year. A full course load is 30 credit hours a year. When less credit hours are taken, the time to graduation is extended. The average grade point average steadily increased for students from 2000 to 2002 cohorts (2.69 to 2.80) but declined significantly from 2003 to 2006 (2.80 to 2.34).

Exhibit 16 shows the amount of financial aid students received and the percent that dropped out. For cohorts 2000 to 2003, the average financial award per year for students decreased from approximately \$9,121 to \$8,460. However, the average financial award increased significantly for the 2004 and 2005 cohorts to \$9,779 and \$11,657, respectively. The percentage of students receiving financial aid that dropped out slightly fluctuates after the first year but significantly declines after the second year during this period.

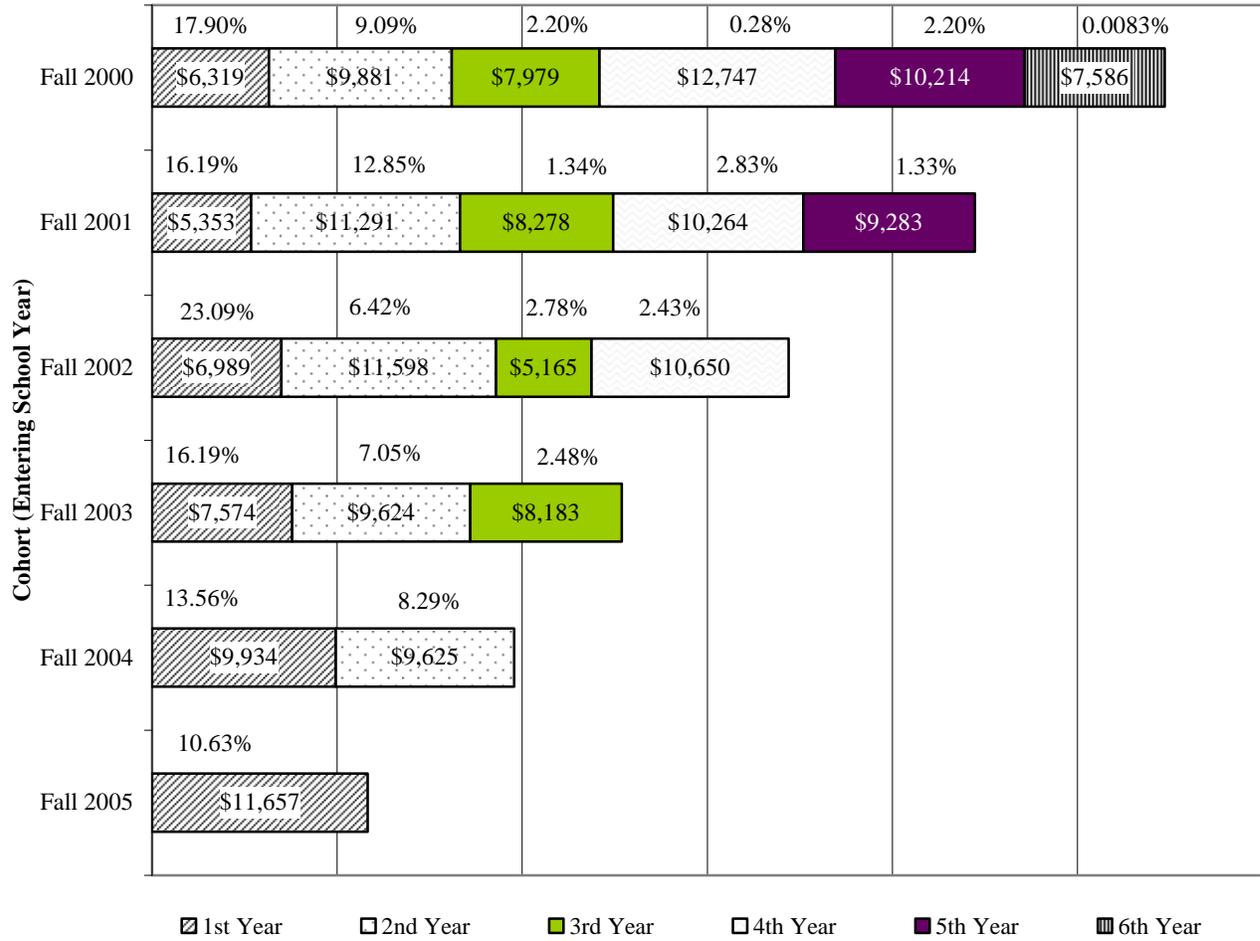
The performance report indicates an infrastructure was put in place on campus to address retention and graduation rates utilizing Access and Success funds from fiscal 2001 to 2007. However, the indicators measured in the report showed minimal success in performance outcomes in the Access and Success Program during the past six years. The chairs of the budget committees met with the HBI Presidents in December 2007 to discuss the performance outcomes. During that meeting, the Presidents agreed to work together to develop accountability indicators for increasing the success rate of the program and provide information on those indicators during the 2008 budget hearings. The HBIs will use these indicators for collecting and reporting data for the Access and Success Program. **The President should comment on the steps the university will take in the near future to increase performance of students with the Access and Success Program. The President should also comment on the accountability indicators developed by the HBI Presidents.**

Exhibit 15
Average Credit Hours and Grade Point Averages
Cohorts Entering 2000-2006



Source: Bowie State University

Exhibit 16
Percent of Students Who Dropped Out Each Year
Amount of Financial Aid Students Received from Any Source
Cohorts Entering 2000-2005



Source: Bowie State University

Recommended Actions

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

. provided that \$1,500,000 of this appropriation, for the purpose of improving student retention and graduation rates, may not be expended until Bowie State University (BSU) has prepared and submitted a report to the budget committees outlining how the funds will be used and the measures that will be used to evaluate performance. The report shall be submitted by August 1, 2008, and the budget committees shall have 45 days to review and comment on the report.

Explanation: This language restricts the expenditure of funds until BSU submits a report on how the funds will be spent to improve the retention and graduation rate for students.

Information Request	Author	Due Date
Access and Success expenditures and measures report	BSU	August 1, 2008

Current and Prior Year Budgets

Current and Prior Year Budgets Bowie State University (\$ in Thousands)

	<u>General Fund</u>	<u>Other Unrestricted Fund</u>	<u>Total Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Total</u>
Fiscal 2007					
Legislative Appropriation	\$30,346	\$43,080	\$73,426	\$15,118	\$88,544
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	490	-1,485	-995		-995
Reversions and Cancellations	0	-1,881	-1,881	-2,296	-4,178
Actual Expenditures	\$30,836	\$39,714	\$70,549	\$12,822	\$83,371
Fiscal 2008					
Legislative Appropriation	\$33,053	\$41,193	\$74,246	\$15,118	\$89,364
Cost Containment	-397	0	-397	0	-397
Budget Amendments	576	-372	204	0	204
Working Appropriation	\$33,232	\$40,821	\$74,053	\$15,118	\$89,172

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

Fiscal 2007

General funds increased \$489,790 to cover costs associated with the fiscal 2007 general salary increase through a budget amendment. Unrestricted funds decreased by a net of \$1,485,079 through budgets amendments due to the following:

- \$274,903 increase due to the reallocation of State appropriations with respect to statewide health insurance reduction;
- \$2,179,024 decrease in tuition and fee revenue;
- \$883,385 decrease in sales and services in auxiliary enterprises;
- \$25,758 decrease in library fines;
- \$985,545 increase due to the reduction of a planned transfer to fund balance;
- \$234,297 increase in indirect recovery cost;
- \$105,750 increase in State and local contracts; and
- \$2,593 increase in sales and services of educational activities.

Unrestricted funds decreased \$1,881,409 in cancellations because the university did not obtain the anticipated revenues, and several initiatives were delayed.

Restricted funds decreased by \$2,296,166 due to the cancellations of the following:

- \$1,500,000 decrease from the move of Access and Success funds to the base budget;
- \$400,000 in unexpended budget amounts for Office of Civil Rights grant; and
- \$396,166 is due to a decrease in federal grants.

Fiscal 2008

General funds decrease \$396,836 through the BPW's cost containment action. A budget amendment increased general funds by \$576,018 to cover costs associated with the fiscal 2008 general salary increase. Unrestricted funds decrease by a net \$372,153 through a budget amendment. Decreases included the following:

- \$90,056 decrease in tuition and fee revenue;

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- \$49,205 decrease in miscellaneous revenue; and
- \$232,892 decrease due to transfer from fund balance.

**Full-time Equivalent Personnel by Budget Program
Filled Positions
Fiscal 2006, 2007, and 2008**

	Fiscal 2006		Fiscal 2007		Fiscal 2008		2007-2008 % Increase in <u>FTEs</u>
	<u>FTEs</u>	% of Total <u>FTEs</u>	<u>FTEs</u>	% of Total <u>FTEs</u>	<u>FTEs</u>	% of Total <u>FTEs</u>	
Instruction	188	45.0%	198	45.8%	199	45.5%	6%
Research	3	0.8%	7	1.6%	3	0.8%	-1%
Academic Support	37	8.9%	36	8.3%	32	7.4%	-14%
Student Services	37	8.9%	38	8.8%	48	11.0%	30%
Institutional Support	116	27.7%	115	26.6%	106	24.3%	-8%
Operations, Maintenance of Plant	21	5.0%	21	4.9%	17	4.0%	-17%
Auxiliary	15	3.6%	17	3.9%	31	7.1%	108%
Total	418	100.0%	432	100.0%	438	100.0%	

Source: Bowie State University

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

<u>Object/Fund</u>	<u>FY07 Actual</u>	<u>FY08 Working Appropriation</u>	<u>FY09 Allowance</u>	<u>FY08-FY09 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	466.00	466.00	466.00	0	0%
02 Contractual	133.50	141.50	152.15	10.65	7.5%
Total Positions	599.50	607.50	618.15	10.65	1.8%
Objects					
01 Salaries and Wages	\$ 34,745,161	\$ 38,108,035	\$ 39,177,863	\$ 1,069,828	2.8%
02 Technical and Spec. Fees	10,302,176	11,658,635	12,826,659	1,168,024	10.0%
03 Communication	536,010	713,579	682,946	-30,633	-4.3%
04 Travel	1,059,885	1,242,894	1,242,894	0	0%
06 Fuel and Utilities	2,308,121	4,112,586	4,284,394	171,808	4.2%
07 Motor Vehicles	117,910	87,542	88,510	968	1.1%
08 Contractual Services	10,657,992	11,252,244	12,765,655	1,513,411	13.4%
09 Supplies and Materials	1,043,703	1,701,967	1,522,737	-179,230	-10.5%
10 Equipment – Replacement	407,618	912,315	712,315	-200,000	-21.9%
11 Equipment – Additional	1,853,082	2,756,180	2,601,180	-155,000	-5.6%
12 Grants, Subsidies, and Contributions	9,350,101	10,922,070	11,138,227	216,157	2.0%
13 Fixed Charges	9,315,045	4,504,912	5,785,163	1,280,251	28.4%
14 Land and Structures	1,674,479	1,198,564	1,764,605	566,041	47.2%
Total Objects	\$ 83,371,283	\$ 89,171,523	\$ 94,593,148	\$ 5,421,625	6.1%
Funds					
40 Unrestricted Fund	\$ 70,549,400	\$ 74,053,473	\$ 79,475,098	\$ 5,421,625	7.3%
43 Restricted Fund	12,821,883	15,118,050	15,118,050	0	0%
Total Funds	\$ 83,371,283	\$ 89,171,523	\$ 94,593,148	\$ 5,421,625	6.1%

Note: The fiscal 2008 appropriation does not include deficiencies.

**Fiscal Summary
USM – Bowie State University**

<u>Program/Unit</u>	<u>FY07 Actual</u>	<u>FY08 Wrk Approp</u>	<u>FY09 Allowance</u>	<u>Change</u>	<u>FY08-FY09 % Change</u>
01 Instruction	\$ 25,330,655	\$ 27,565,319	\$ 28,575,817	\$ 1,010,498	3.7%
02 Research	2,524,911	2,826,441	2,826,441	0	0%
03 Public Service	368,480	264,193	264,193	0	0%
04 Academic Support	6,697,234	8,232,324	8,518,569	286,245	3.5%
05 Student Services	4,251,518	4,805,996	5,278,081	472,085	9.8%
06 Institutional Support	17,904,776	16,095,767	17,487,478	1,391,711	8.6%
07 Operation and Maintenance of Plant	7,996,215	9,169,962	9,687,252	517,290	5.6%
08 Auxiliary Enterprises	10,601,229	11,289,269	12,816,908	1,527,639	13.5%
17 Scholarships and Fellowships	7,696,265	8,922,252	9,138,409	216,157	2.4%
Total Expenditures	\$ 83,371,283	\$ 89,171,523	\$ 94,593,148	\$ 5,421,625	6.1%
Unrestricted Fund	\$ 70,549,400	\$ 74,053,473	\$ 79,475,098	\$ 5,421,625	7.3%
Restricted Fund	12,821,883	15,118,050	15,118,050	0	0%
Total Appropriations	\$ 83,371,283	\$ 89,171,523	\$ 94,593,148	\$ 5,421,625	6.1%

Note: The fiscal 2008 appropriation does not include deficiencies.