

R30B23
Bowie State University
University System of Maryland

Operating Budget Data

(\$ in Thousands)

	<u>FY 09</u> <u>Actual</u>	<u>FY 10</u> <u>Working</u>	<u>FY 11</u> <u>Allowance</u>	<u>FY 10-11</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Funds	\$32,796	\$33,369	\$35,367	\$1,998	6.0%
Contingent & Back of Bill Reductions	0	0	-418	-418	
Adjusted General Fund	\$32,796	\$33,369	\$34,949	\$1,580	4.7%
Special Funds	2,347	1,335	0	-1,335	-100.0%
Adjusted Special Fund	\$2,347	\$1,335	\$0	-\$1,335	-100.0%
Other Unrestricted Funds	44,834	46,973	48,708	1,735	3.7%
Contingent & Back of Bill Reductions	0	0	-318	-318	
Adjusted Other Unrestricted Fund	\$44,834	\$46,973	\$48,390	\$1,417	3.0%
Total Unrestricted Funds	79,977	81,677	84,075	2,398	2.9%
Contingent & Back of Bill Reductions	0	0	-736	-736	
Adjusted Total Unrestricted Funds	\$79,977	\$81,677	\$83,339	\$1,662	2.0%
Restricted Funds	15,367	15,500	15,500	0	
Adjusted Restricted Fund	\$15,367	\$15,500	\$15,500	\$0	0.0%
Adjusted Grand Total	\$95,344	\$97,177	\$98,839	\$1,662	1.7%

Note: For purposes of illustration, the Department of Legislative Services has estimated the distribution of selected across-the-board reductions. The actual allocations are to be developed by the Administration.

- A proposed deficiency transferring \$569,513 in general funds designated for the Office for Civil Rights enhancement funds from the Maryland Higher Education Commission (MHEC) to Bowie State University (BSU) is not reflected above.
- General funds increase \$2.0 million, or 6.0%, in the fiscal 2011 allowance. However, after adjusting for \$1.3 million of Higher Education Investment Funds in fiscal 2010 that are budgeted as general funds in fiscal 2011 and across-the-board reductions related to employee furloughs and health insurance savings, the underlying increase is \$245,329, or 0.7%, over fiscal 2009.
- Other unrestricted funds increase \$1.7 million, or 3.7%, in the fiscal 2011 allowance. However, after adjusting for across-the-board reductions related to employee furloughs and health insurance savings, the increase is \$1.4 million, or 3.0%.

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

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Personnel Data

	<u>FY 09 Actual</u>	<u>FY 10 Working</u>	<u>FY 11 Allowance</u>	<u>FY 10-11 Change</u>
Regular Positions	465.00	487.00	487.00	0.00
Contractual FTEs	<u>137.90</u>	<u>144.50</u>	<u>144.50</u>	<u>0.00</u>
Total Personnel	602.90	631.50	631.50	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	13.2	2.7%
Positions and Percentage Vacant as of 12/31/09	26.5	5.4%

- As of December 31, 2009, BSU had 26.5 vacant positions, 24.0 of which are State-supported.
- The fiscal 2011 allowance provides no new positions for BSU.

Analysis in Brief

Major Trends

Six-year Graduation Rate Reaches All-time High: In fiscal 2009, BSU’s six-year graduation rate for all students increased to 45%, the highest level reported since MHEC began collecting data.

Two-year Retention Declines in Fiscal 2009: BSU’s two-year retention rate declined to 70% in fiscal 2009, which is significantly lower than the two-year retention high of 77% achieved in fiscal 2007. Preliminary BSU reports, however, indicate improved retention rates for the most recent cohort.

Issues

Making College Affordable: In fiscal 2010, undergraduate institutional aid at BSU declined 2.5% due to cost containment actions. While funding for athletic scholarships was not affected, need-based and merit and mission aid were reduced 2.6 and 4.7%, respectively. Due to continued budget constraints, BSU plans to level-fund institutional aid at this reduced amount in fiscal 2011 despite a planned 3.0% increase in undergraduate resident tuition.

Best Practices for Accelerating Student Success at Maryland’s Public Historically Black Institutions: The General Assembly added budget language to the fiscal 2010 budget bill restricting the expenditure of \$1.5 million in general funds from each of the historically black institution’s (HBI)

Access and Success programs until a report was submitted on the programs needed to improve graduation and retention among underprepared students. Each HBI was also to submit a report on how those best practices would be implemented and what measures would be used to evaluate their effectiveness. To implement the best practices outlined in the joint MHEC-HBI report, BSU plans to continue existing programs such as the Academic Advisement Center, tutoring for students in developmental courses, and summer bridge programs.

Undergraduate Student Enrollment Increases Due to Improved Retention in Fiscal 2010: The number of first-time students enrolling at BSU in fall 2009 declined 8.7% from the previous year, though undergraduate enrollment overall increased 1.4%. BSU attributes the increase to improved undergraduate retention. Graduate enrollment also increased 6.5% in fall 2009, breaking a seven-year trend of declining enrollment among such students.

Recommended Actions

1. Adopt narrative requiring a report on Outcomes of Students Participating in Access and Success Programs by cohort.

Updates

BSU Implements Intercollegiate Athletic Deficit Reduction Plan: In 2008, BSU was one of three University System of Maryland (USM) institutions found by the USM Board of Regents (BOR) to have a negative fund balance in intercollegiate athletics (ICA). On June 3 and November 11, 2009, BSU updated the BOR Education Policy Committee on progress in implementing its plan to eliminate the accumulated ICA debt. The plan includes revenue generating activities such as hosting a woman's basketball exhibition, a regional bowling tournament, and summer sports camps, as well as controlling expenditures through greater monitoring of expenses.

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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; and doctoral degrees in computer science and educational leadership.

The university is committed to increasing student diversity and building on its image as a student-centered institution. The university excels in teacher education and looks to become a premier teacher of teachers. BSU provides underrepresented 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 deeply rooted in expanded research activities.

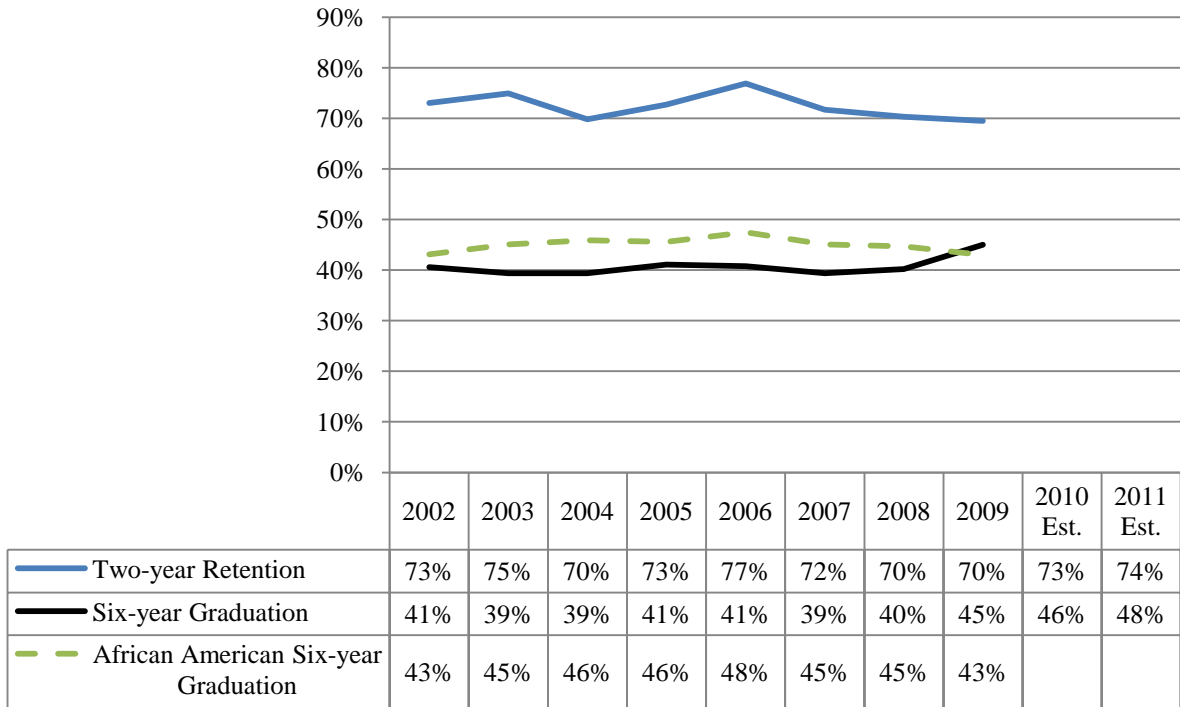
Carnegie Classification: Master’s L: Master’s Colleges and Universities (larger programs)

Fall 2009 Undergraduate Enrollment Headcount		Fall 2009 Graduate Enrollment Headcount	
Male	1,626	Male	318
Female	2,774	Female	899
Total	4,400	Total	1,217 (51 @ RHECS)
Fall 2009 New Students Headcount		Campus (Main Campus)	
First-time	714	Acres	295
Transfers/Others	440	Buildings	22
Graduate	325	Average Age	39.2
Total	1,479	Oldest	1916
Programs		Degrees Awarded (2008-2009)	
Bachelor’s	21	Bachelor’s	613
Master’s	20	Master’s	300
Doctoral	2	Doctoral	22
		Total Degrees	935

Performance Analysis: Managing for Results

Exhibit 1 shows six-year graduation and two-year retention rates at BSU, as well as six-year graduation rates for African American students statewide from fiscal 2001 to 2009. BSU’s six-year graduation rate fluctuated from fiscal 2002 to 2008, hovering near 40%. In fiscal 2009, however,

**Exhibit 1
Bowie State University Retention and Graduation Rates
Fiscal 2002-2011**



Note: Fiscal 2009 two-year retention data reflects the 2007 cohort group, and six-year graduate rate data reflects the 2002 cohort group.

Source: Fiscal 2001 to 2009 data is from the Maryland Higher Education Commission Retention and Graduation Rates at Maryland Four-year Institutions, June 2009; Fiscal 2010 and 2011 data is from the Governor’s Budget Books, Fiscal 2011

six-year graduation rates increased to 45%, the highest level reported since the Maryland Higher Education Commission (MHEC) began collecting data. Fiscal 2009 was also the first year in which BSU’s six-year graduation rate surpassed the statewide average for African American students, which was 43% in fiscal 2009. The two-year retention rate fluctuated from fiscal 2002 to 2004, increased to 77% in fiscal 2006, and declined to 70% in fiscal 2009. Preliminary BSU reports, however, indicate an increase in two-year retention among students in the most recent cohort, which would be reflected in fiscal 2010. Six-year graduation rates are also expected to increase in fiscal 2010 and 2011. BSU attributes the fiscal 2009 decline in two-year retention in part to the fact that the university had not finished coordinating and consolidating existing retention programs. Enhanced retention activities at BSU include increased and targeted institutional financial aid, improved academic advisement, expanded degree audit tracking, and increased efforts to communicate academic, personal and vocational support services. Despite these improvements, need-based institutional aid was reduced in

fiscal 2010 due to cost containment actions, discussed further in Issue 1. **The President should comment on the efforts being taken to improve retention in light of current budget constraints.**

Fiscal 2010 Actions

Proposed Deficiency

A deficiency appropriation for the fiscal 2010 budget transfers \$2.45 million in general funds designated for the Office for Civil Rights (OCR) enhancement funds from MHEC to BSU, Coppin State University, Morgan State University, and the University of Maryland Eastern Shore to sustain American Recovery and Reinvestment Act of 2009 (ARRA) maintenance of effort requirements. BSU's portion of this total is \$569,513. While the amount and use of these funds will not change, moving general funds to the institution's budget raises fiscal 2010 State support for higher education to 2009 levels as required by the ARRA. In fiscal 2011 and in future years, OCR enhancement funds will be appropriated to MHEC and distributed as an educational grant.

Impact of Cost Containment

The Board of Public Works (BPW) approved two cost containment measures resulting in a \$962,489 reduction to BSU's State appropriations. In July 2009, BPW approved the first cost containment measure which resulted in a \$633,339, or 1.8%, decrease in BSU's State appropriations. A second reduction was approved in August, which led to a \$329,150 decrease in federal stimulus funds, or 0.9%, of BSU's State appropriation. To accommodate these reductions, BSU decreased funding for financial aid, nursing achievement gap and nurse workforce development initiatives, and funding for 4 vacant positions, although the positions themselves were not eliminated. **The President should comment on the funding source of the nursing initiatives that were reduced and on whether any Nurse Support Program II funded activities were affected by the reduction.**

Additionally, BSU reduced its current salary and wage budget by \$646,079, \$236,314 in federal stimulus funds and \$409,765 in current unrestricted funds, as part of the statewide furlough plan. According to BSU's plan, an employee's furlough days are based on annual salary. Employees earning more than \$39,999 are required to take between three and ten furlough days, which must be scheduled by May 28, 2010. The university will close for three campuswide furlough days. Adjunct faculty, graduate assistants, student employees, those with H-1B visa status, and contingent-1 employees are exempt. Classes will not be impacted by the furlough.

BSU will move \$409,765 in unrestricted funds related to the furlough to the fund balance which will then be transferred via the Administration's Budget Reconciliation and Financing Act (BRFA) of 2010, to the general fund. In addition, the BRFA of 2010 reduces the University System of Maryland's (USM) fund balance \$65.0 million, of which BSU's portion is \$2.2 million. After the transfer, BSU will have a State-supported fund balance of \$958,305.

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Proposed Budget

As **Exhibit 2** shows, BSU's total State allowance for fiscal 2011, including general funds and the Higher Education Investment Fund (HEIF), is \$34.9 million. This reflects a 0.7% increase from fiscal 2010 when general fund across-the-board reductions associated with employee furloughs and health insurance savings totaling \$417,725 are included. Other unrestricted funds increase \$1.4 million, or 3.0%, when accounting for \$318,421 in fiscal 2011 furlough and health insurance savings. The increase in other unrestricted funds is mostly due to a \$653,407 reduction in the amount BSU expects to transfer to the fund balance, \$277,430 in spending related to renovations and equipment replacement in the Wiseman Center cafeteria, and changes in accounting related to the University of Maryland University College (UMUC) Europe and Asia Program in which BSU participates. Restricted funds remain level from fiscal 2010.

Exhibit 2
Proposed Budget
Bowie State University
(\$ in Thousands)

	FY 09	FY 10	FY 11	FY 10-11	% Change
	<u>Actual</u>	<u>Working</u>	<u>Adjusted</u>	<u>\$ Change</u>	<u>Prior Year</u>
			<u>Allowance</u>		
General Funds	\$32,796	\$33,369	\$34,949	\$1,580	4.7%
HEIF*	2,347	1,335	0	-1,335	-100.0%
Total State Funds	35,143	34,704	34,949	245	0.7%
Other Unrestricted Funds	44,834	46,973	48,390	1,417	3.0%
Total Unrestricted Funds	79,977	81,677	83,339	1,662	2.0%
Restricted Funds	15,367	15,500	15,500		0.0%
Total Funds	\$95,344	\$97,177	\$98,839	\$1,662	1.7%

HEIF: Higher Education Investment Fund

*HEIF appropriations in fiscal 2010 were reduced \$132,321 due to revenue underattainment.

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

The fiscal 2011 allowance provides \$1 million in unrestricted funds to support expenditures related to the following accreditations: Middle States Association of Colleges and Schools, National Council for Accreditation of Teacher Education, Association to Advance Collegiate Schools of

Business, and the Accrediting Council on Education in Journalism and Mass Communications. BSU has also assumed additional costs in the fiscal 2011 allowance associated with fiscal 2010 enrollment growth, which is estimated to be \$226,681.

Unrestricted fund budget changes in the allowance, by program, are shown in **Exhibit 3**. This exhibit considers only unrestricted funds which are comprised mostly of general funds and tuition and fee revenues. In fiscal 2010, institutional support increased 22.7% and instruction, BSU's largest category, increased 13.5%. BSU attributes the increase in institutional support to bond payments for information technology infrastructure upgrades and the prepayment of debt service in fiscal 2008 that resulted in a negative expenditure in 2009. Expenditures for instruction in 2010 increased due to the reclassification of expenditures for the UMUC Europe and Asia Program from academic support to instruction. In fiscal 2010, operation and maintenance of plant and academic support decrease 36.0 and 14.0%, respectively. The decrease in academic support mirrors the increase in instruction from the UMUC program. BSU attributes the decrease in operation and maintenance of plant to the transfer of funds originally budgeted for personnel to the plant fund in fiscal 2009 to address deferred maintenance and life-safety infrastructure issues. These inflated fiscal 2009 expenditures in operation and maintenance of plant above normal spending levels cause what appears to be a steep decline in fiscal 2010 expenditures. In fiscal 2011 instruction and academic support increase the most at 6.6 and 5.6%, respectively. Operation and maintenance of plant decreases 1.5%.

Tuition and fee revenues increase \$800,379 in the fiscal 2011 allowance due to a 3.0% tuition increase. Transfers to the fund balance are expected to decline 47.2% in fiscal 2011.

Exhibit 3
Budget Changes for Unrestricted Funds by Program

	<u>2009</u>	<u>Working 2010</u>	<u>% Change 2009-10</u>	<u>Allowance 2011</u>	<u>\$ Change 2010-11</u>	<u>% Change 2010-11</u>
Expenditures						
Instruction	\$24,655	\$27,981	13.49%	\$29,827	\$1,846	6.60%
Research	0	0	0	0	0	0
Public Service	14	15	5.32%	15	0	0
Academic Support	7,760	6,677	-13.96%	7,050	373	5.58%
Student Services	4,348	4,860	11.76%	4,953	93	1.92%
Institutional Support	11,480	14,090	22.73%	14,588	498	3.53%
Operation and Maintenance of Plant	13,761	8,809	-35.99%	8,680	-129	-1.47%
Scholarships and Fellowships	4,531	4,451	-1.75%	4,451	0	0.00%
Subtotal Education and General	\$41,895	\$66,883	59.65%	\$69,564	\$2,681	4.01%
Auxiliary Enterprises	13,427	14,794	10.18%	14,511	-282	-1.91%
Pending Unrestricted Reductions				-736	-736	
Total	\$55,322	\$81,677	47.64%	\$83,339	\$1,662	2.04%
Funds Specific to HBIs*	1,158	1,139	-1.64%	1,115	-\$24	-2.12%
Adjusted Total	\$56,480	\$82,816	46.63%	\$84,454	\$1,638	1.98%
Revenues						
Tuition and Fees	31,467	31,396	-0.22%	32,197	800	2.55%
General Funds	32,796	33,369	1.75%	34,949	1,580	4.74%
Higher Education Investment Fund	2,347	1,335	-43.13%	0	-1,335	-100.00%
Other Unrestricted Funds	2,550	1,865	-26.88%	1,963	99	5.29%
Subtotal	\$69,161	\$67,965	-1.73%	\$69,109	\$1,144	1.68%
Auxiliary Enterprises	13,580	15,096	11.16%	14,960	-136	-0.90%
Transfers (to) from Fund Balance	-2,764	-1,384	-49.93%	-730	653	-47.22%
Total	\$79,977	\$81,677	2.12%	\$83,339	\$1,662	2.04%
Funds Specific to HBIs*	1,158	1,139	-1.64%	1,115	-\$24	-2.12%
Adjusted Total	\$81,135	\$82,816	2.07%	\$84,454	\$1,638	1.98%

HBI: historically black institutions

* HBI enhancement funds

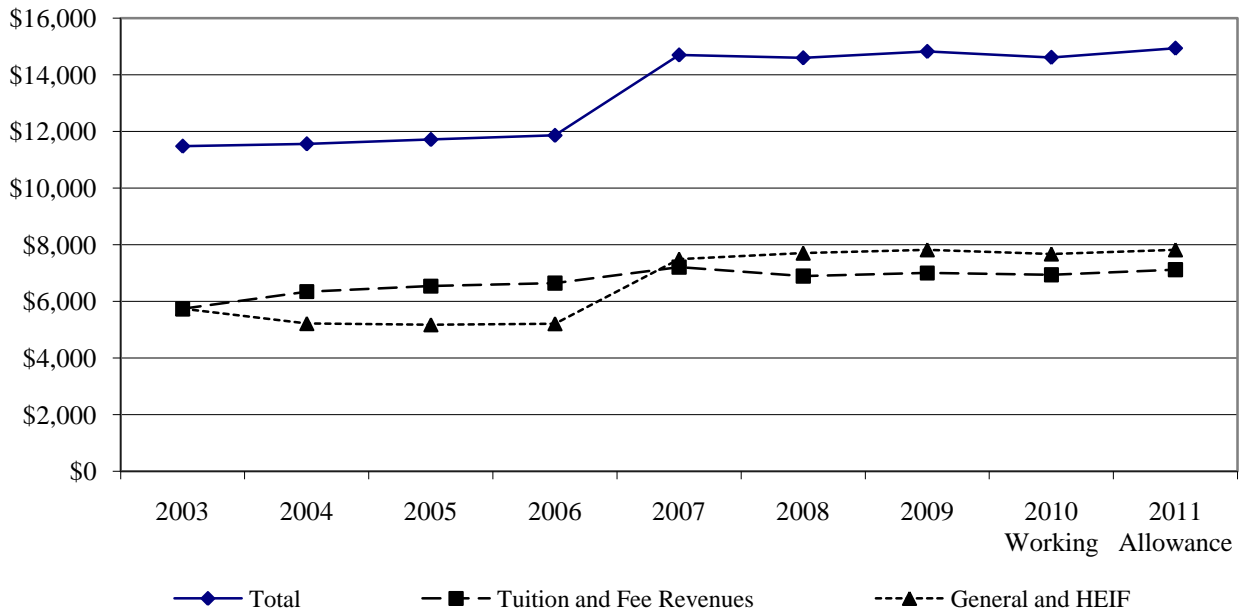
Note: Fiscal 2011 revenues are reduced by \$417,725 in general funds and \$318,421 in other unrestricted funds to reflect across-the-board reductions.

Source: Governor's Budget Books, Fiscal 2011

Tuition and Fees and State Revenues

Exhibit 4 shows tuition and fees and State revenues per full-time equivalent student (FTES) between fiscal 2003 and 2011. In fiscal 2004, tuition and fees increased and surpassed State funding per FTES. After significantly increasing in fiscal 2007 due to the tuition freeze, State funding exceeded tuition and fee revenues from 2008 to 2010. Though State funding declined slightly in fiscal 2010, it still exceeds tuition and fee revenues and is expected to stabilize in fiscal 2011.

Exhibit 4
Bowie State University Tuition and Fees and State Revenues
Per Full-time Equivalent Student
Fiscal 2003-2011



HEIF: Higher Education Investment Funds

Source: Governor’s Budget Books, Fiscal 2010 and 2011

Private Donation Incentive Program

The Private Donation Incentive Program (PDIP) was first created by the General Assembly in fiscal 1990 to provide State matching funds for donations made to the endowments of public institutions and their affiliated foundations. In fiscal 1999, the General Assembly reauthorized the program for six years. The grant period began in fiscal 1999, and with the exception of the State’s

HBI, all donation payments were to be made by June 30, 2004. BSU is the only institution with matching funds remaining. The institution raised \$94,849 in fiscal 2009 toward the PDIP match that will be awarded in fiscal 2011 due to a two-year lag between when money is raised and when State matching funds are awarded. To reach the PDIP maximum by the January 1, 2010 deadline, BSU was required to raise an additional \$657,243 in fiscal 2010.

According to the *USM 2009 Dashboard Indicators*, BSU's 2008 alumni giving rate declined to 3%, from 9% in 2007. BSU reports that the number of alumni solicitations has grown approximately 25% since creating the development office in fiscal 2008 and refining the address data. During the latter part of fiscal 2009, BSU implemented a more robust prospect management system called Sungard Advance, which will expand capacity to accumulate data, measure performance, and devise and execute strategy. An external company has been employed to increase the number of alumni solicitations, and a new partnership with the BSU National Alumni Association has been developed to assist in fundraising efforts.

The President should comment on whether BSU has raised sufficient qualified PDIP funds to reach the maximum by the January 1, 2010 deadline.

HBI Enhancement Funds

In fiscal 2010, BSU received \$1.1 million in HBI enhancement funds which were established as part of Maryland's partnership with the United States Department of Education Office of Civil Rights to eliminate the vestiges of segregation in Maryland's public institutions. The funds are intended for one-time expenditures to enhance educational and support services. BSU's fiscal 2010 appropriation is being used to make facilities improvements and repairs to the Leonidas S. James Physical Education Complex, Charlotte Robinson Hall, and the Theodore R. McKeldin Building.

Impact of Cost Containment

In addition to the \$11.7 million cash transfer from USM's fund balance related to the furlough, the BRFA includes a \$40.0 million reduction of the fund balance, of which BSU's portion is \$1.4 million. After the transfer, BSU will have a negative State-supported fund balance of \$132,289. BSU expects to transfer \$730,475 to the fund balance in fiscal 2011. After the reductions and transfers, the total State- and non-State-supported fund balance in fiscal 2011 is estimated to be \$11.9 million.

Additionally, for fiscal 2011, language in the BRFA prohibits bonuses related to individual performance, merit increases, and cost-of-living adjustments (COLAs), but allows for salary increases necessary for faculty retention.

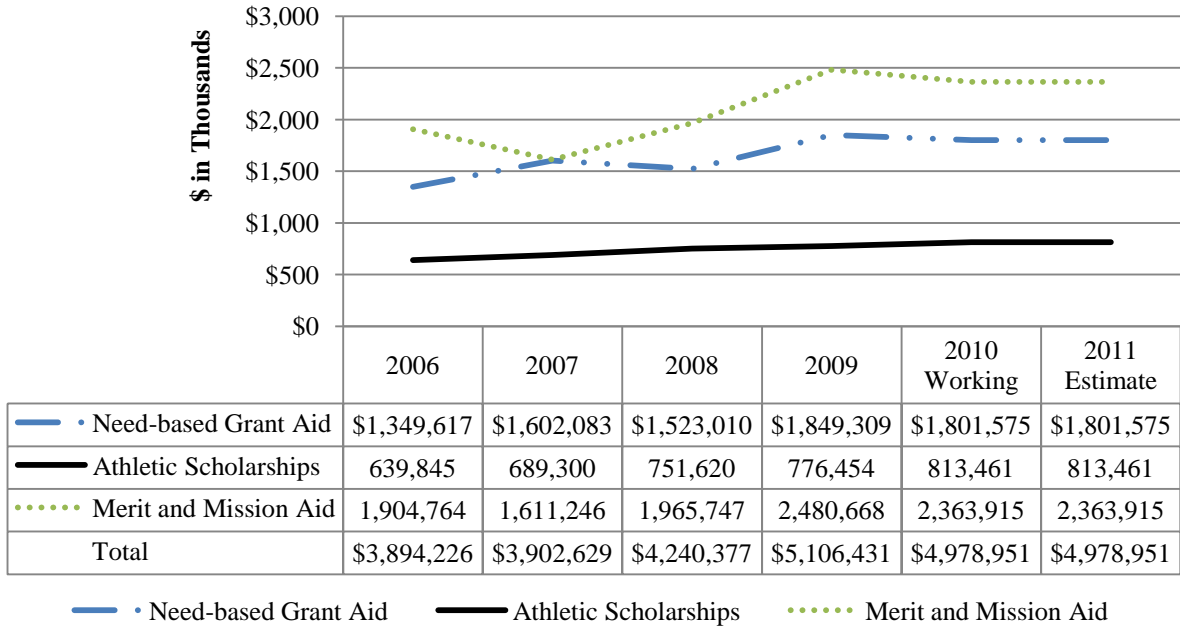
Issues

1. Making College Affordable

Financial aid is important in helping many students achieve their educational goals. A lack of financial support is often a contributing factor to a student's decision to drop out of school. Along with federal and State financial aid, the university provides merit and mission, athletic, and need-based financial aid. USM institutions have committed to increasing institutional need-based aid.

Exhibit 5 shows BSU's distribution of undergraduate institutional aid between need-based, athletic, and merit and mission from fiscal 2006 to 2011. In fiscal 2010, institutional aid declined 2.5% due to cost containment actions. BSU reports the reduction was necessary to avoid employee layoffs, and will be mitigated by university efforts to target institutional aid more strategically to improve retention and graduation. Athletic aid increased 4.8% over fiscal 2009, while need and merit and mission aid declined 2.6 and 4.7%, respectively. In fiscal 2010, 47.5% of BSU's institutional aid was awarded as merit and mission aid. Need-based aid and athletic aid represent 36.2 and 16.3%, respectively. Since fiscal 2006, need-based aid has increased 33.5% while merit and mission aid increased 24.1%. Athletic aid has grown 27.1% over the same period, though it represents a small portion of the total aid BSU provides. Institutional aid is level-funded in fiscal 2011 to accommodate rising mandatory costs such as utilities, insurance, and health benefit premiums.

**Exhibit 5
Bowie State University Institutional Aid
Fiscal 2006-2011**

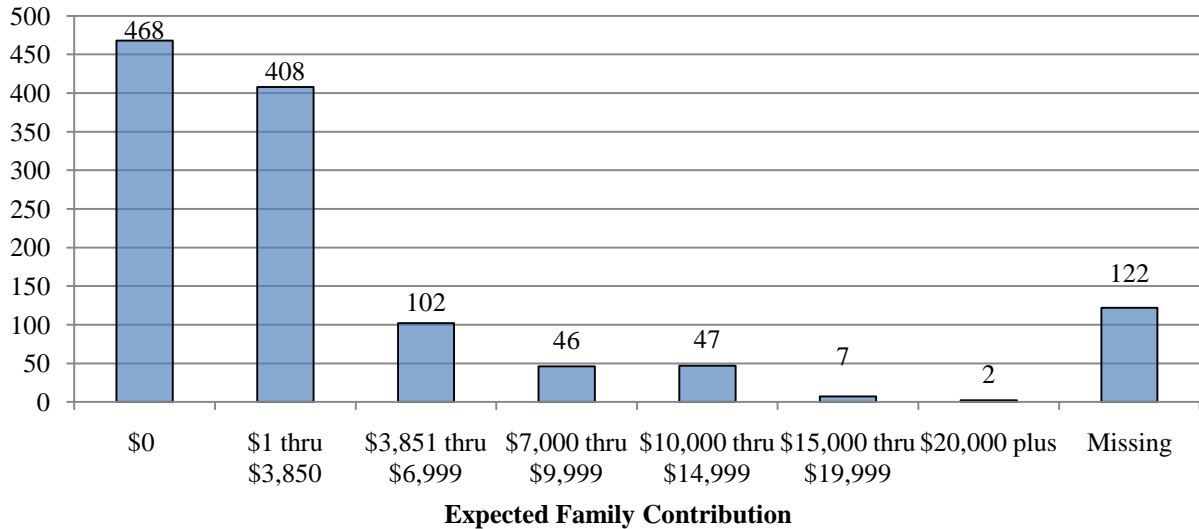


Source: University System of Maryland

MHEC collects annual data for the Financial Aid Information System (FAIS) database, which provides a profile of students receiving financial aid. FAIS data has information for institutional aid awarded at BSU in fiscal 2008 for undergraduate students that completed the Free Application for Federal Student Aid (FAFSA), from which MHEC calculates the student’s expected family contribution (EFC). In general, the lower a student’s EFC, the greater their financial need. Students with an EFC of \$0 to \$3,850 are eligible for the Federal Pell Grant Program and have the most need. **Exhibits 6 and 7** show the number of undergraduate recipients of institutional aid and the percentage of student need met by institutional aid at BSU by EFC. Of institutional awards made to students who submitted a FAFSA, 81% were awarded to students with EFCs between \$0 and \$3,850. These awards on average met 14% of need for students with \$0 EFC and 17% for those between \$1 and \$3,850. In comparison, public four-year institutions in Maryland on average meet 20% of need for students with \$0 EFC and 15% for those between \$1 and \$3,850. After all aid sources are considered, BSU students with EFCs \$0 and \$1 to \$3,850 on average had 44 and 40% of their need met in fiscal 2008.

BSU met a greater percentage of student need for those in EFC categories above \$3,850 on average than other public four-year institutions except for those with EFCs of \$20,000 or more. At higher EFC levels, students have less financial need. As a result, small awards can satisfy a very large proportion of student need.

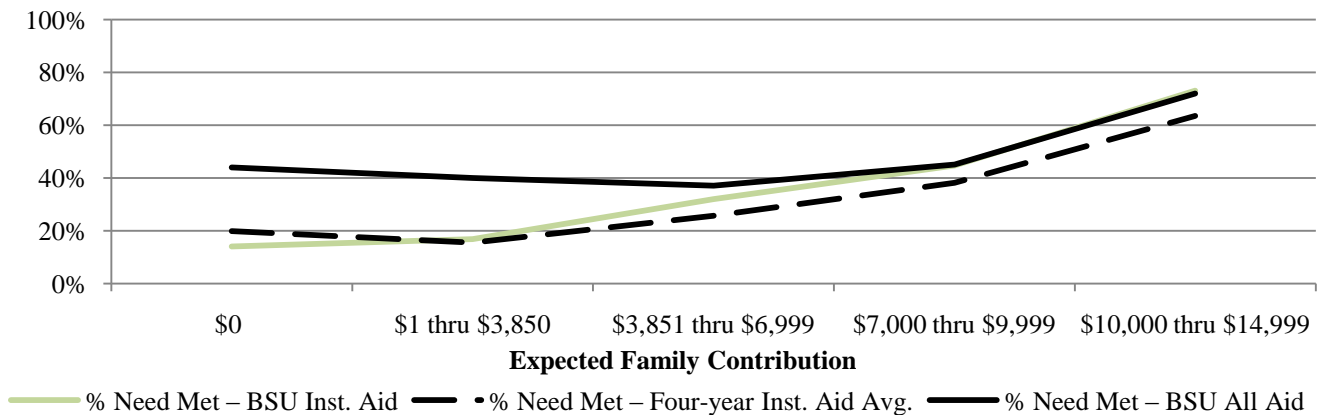
**Exhibit 6
Institutional Aid Recipients by Expected Family Contribution
Fiscal 2008**



Note: Missing category includes students who did not file a Free Application for Federal Student Aid.

Source: Maryland Higher Education Commission; Financial Aid Information System Database, Fiscal 2008

**Exhibit 7
Need Met by Expected Family Contribution
Fiscal 2008**



Source: Maryland Higher Education Commission; Financial Aid Information System Database, Fiscal 2008

BSU recently revised the Satisfactory Academic Progress Policy to require that students maintain a 67% course completion rate to remain eligible for financial aid. Reducing this requirement, which was 80% prior to the change, is consistent with the policies of other USM schools. BSU implemented the change in fall 2009 and expects it to improve retention rates among financial aid recipients.

The President should comment on the reduction of need-based financial aid in fiscal 2010 and on the decision to level-fund institutional aid despite an expected 3% increase in undergraduate resident tuition. The President should also comment on this action’s expected impact on retention and graduation rates, particularly since BSU identifies increasing need-based aid as a key part of the university’s improved retention efforts.

2. Best Practices for Accelerating Student Success at Maryland’s Public Historically Black Institutions

The General Assembly added budget language to the fiscal 2010 budget bill restricting the expenditure of \$1.5 million in general funds from each of the HBI’s Access and Success programs until a report was submitted from MHEC in conjunction with the HBIs on the programs needed at the HBIs to improve graduation and retention among underprepared students. The request specified that the programs identified should be best practices, that “show success in promoting academic achievement” among underprepared students. The Access and Success programs were created by the State in 1999 to increase underprepared students’ access to the HBIs and improve their success rates. Each HBI was also required to submit a report on how these funds would be spent to support the programs identified by the MHEC-HBI report, and identify measures common to all HBIs that would be used to evaluate these programs. According to the 2009 *Joint Chairmen’s Report* request, the program measures were to include graduation rate as the primary criterion.

MHEC submitted a report on October 1, 2009, identifying seven best practices that HBIs should implement or enhance as part of the revised Access and Success Program. The following best practices were highlighted in the report:

- **Summer Bridge Programs:** On-campus intervention programs that take place before the official start of the academic year allowing students to receive academic support in areas of weakness, complete required developmental course work, and become acclimated to campus.
- **Effective Advising Policies and Practices:** Utilize academic advising centers and/or make special provisions for undeclared students, ensure that all students take placement tests and enroll in appropriate courses, and implement early alert tracking programs to identify and assist at risk students.
- **First-year Experience Seminars:** An extension of a university’s orientation program that promotes student engagement in curricular and cocurricular life on campus, familiarizes

students with available resources and support services, and facilitates successful transition by conveying faculty and university expectations.

- **Course Redesign:** Reorganize the way high enrollment courses, particularly introductory level “killer” courses, are delivered by introducing online tutoring, continuous assessment and feedback, on-demand support, increased interaction among students, and adequate structure to allow steady progress toward course completion.
- **Learning Communities:** Small cohorts of students taking a cluster of courses together taught by faculty members who integrate thematic concepts across classes. Effective structures include team teaching, freshmen interest groups, and coordinated studies.
- **Honor’s Programs:** Promote academic success among students from different backgrounds by challenging the most academically talented students.
- **Supplemental Instruction:** Target courses with failure and withdrawal rates of at least 30% and provide regularly scheduled, out-of-class, peer facilitated sessions that offer students an opportunity to discuss and process course information.

BSU’s Implementation

Each HBI subsequently submitted a report explaining how the campus would employ the best practices outlined in the MHEC-HBI report. On November 5, 2009, BSU submitted a report outlining how the restricted funds would be used to improve student retention and graduation, and the measures that will be used to evaluate these programs. Funds will support three existing programs including the Advisement Center, Supplemental Instruction, and Summer Bridge programs. BSU’s funds will be allocated among the following initiatives:

- **Advising Policies and Practices (\$930,000):** The Academic Advisement Center provides advisement services to first- and second-year students with undeclared majors, and registration and course selection guidance. The center will institute an early warning system based on midterm grades and provide intrusive advising to students at risk of failure.
- **Supplemental Instruction (\$150,000):** English/writing and mathematics laboratories serve as tutoring centers for students in developmental courses.
- **Summer Bridge Programs (\$420,000):** Summer Bridge and Bulldog Academy programs allow students to complete developmental courses over the summer and begin college-level coursework in the fall with their peers.

Two-year retention and participant grade point average (GPA) will be used to evaluate all programs. Student persistence between semesters and graduation rate will also be used to evaluate the success of Academic Advisement Center and Summer Bridge Program activities. BSU also plans

to compare the GPA, retention, and graduation of students participating in the Bulldog Academy to students with similar characteristics who chose not to participate.

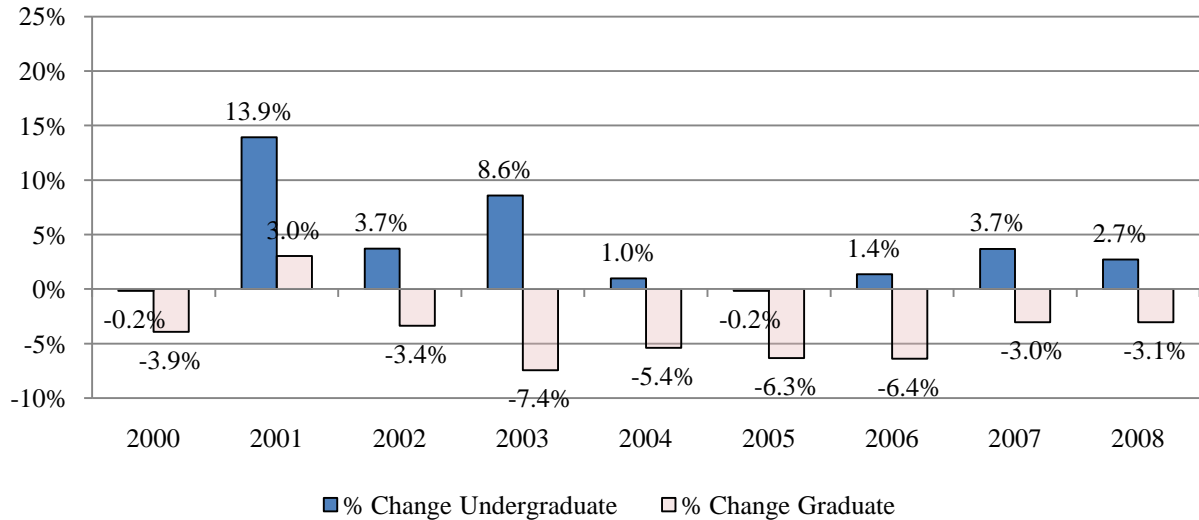
The President should comment on how these existing programs have been enhanced using guidance provided by the MHEC-HBI report to improve graduation and retention among underprepared students.

3. Undergraduate Student Enrollment Increases Due to Improved Student Retention in Fiscal 2010

In 2006, USM named Salisbury University, Towson University, and UMUC as designated growth institutions to satisfy increasing demand for undergraduate enrollment capacity at public four-year institutions. BSU was included as a growth institution in 2008 to increase the system's capacity for undergraduate expansion. Growth institutions were selected due to their status as comprehensive institutions, where growth is more cost effective, the existence of physical capacity on each campus to support growth, and a presidential commitment to expand. In fiscal 2010 and 2011, however, expansion at designated growth institutions was put on hold due to budget constraints. USM plans to direct undergraduate enrollment growth to the designated institutions in the future, however, when budget pressures are relieved.

While BSU has maintained relatively consistent growth in undergraduate enrollment over the last decade, graduate enrollment has declined significantly. **Exhibit 8** shows the percent change from fall 2000 to 2008 in undergraduate and graduate students at BSU as reported by MHEC. Undergraduate enrollment increased significantly from fall 2001 to 2004, declined slightly in 2005, and increased modestly from 2006 to 2008. In contrast, graduate student enrollment has declined in every year except 2001.

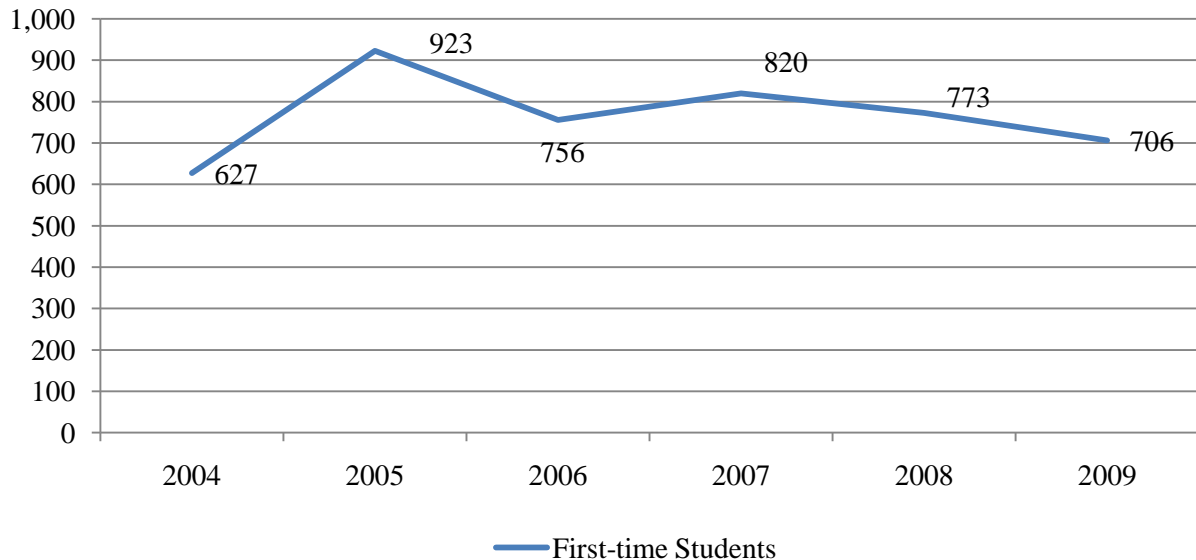
Exhibit 8
Bowie State University Percent Change in Undergraduate and
Graduate Enrollment
Fall 2000-2008



Source: Maryland Higher Education Commission, 2009 Enrollment by Race and Gender, July 2009.

Though BSU’s budgeted fiscal 2010 enrollment was level to account for budget constraints, MHEC’s 2009 open fall enrollment data shows that undergraduate and graduate enrollment increased 1.4 and 6.5%, respectively. Gains in graduate enrollment break a seven-year declining trend among such students. Despite the increase in undergraduate enrollment, the number of first-time students decreased from the previous fall 8.7% to 706, its lowest level since 2004, as shown in **Exhibit 9**. BSU attributes undergraduate enrollment growth to improved retention among undergraduate students. Intensified retention activities include targeted financial aid; enhanced academic advisement; expanded degree audit tracking; and increased efforts to communicate the academic, personal, and vocational support services available on campus.

**Exhibit 9
First-time Students
Fall 2004-2009**



Source: Maryland Higher Education Commission, 2009 Opening Fall Enrollment

New Satisfactory Academic Progress Requirements Could Impact Retention

BSU reports that changes to the institution's Satisfactory Academic Progress (SAP) requirement have been approved by the Deans Council and Provost and submitted to the Academic Standards and Policy Committee for review. The existing SAP policy requires the students to maintain a 2.0 cumulative GPA based on the number of hours attempted, making it difficult to accurately identify students in violation of the policy. The revised policy, while still based on a minimum 2.0 cumulative GPA is simplified in that it is based on the number of times a student falls below 2.0, regardless of total hours attempted. This will allow the university to consistently identify students who should be on academic probation or suspension and may negatively impact retention rates.

The President should comment on how increased retention will impact the effort to keep fiscal 2011 enrollment level, and on the number of first-year students the university will be able to admit in fall 2010 as a result. The President should also comment on the changes to the Satisfactory Academic Progress requirements and its impact on retention. Finally, the President should address the decline in graduate student enrollment from fall 2000 to 2008.

Recommended Actions

1. Adopt the following narrative:

Report on Outcomes of Students Participating in Access and Success Programs by Cohort: The committees request that Bowie State University (BSU), Coppin State University (CSU), Morgan State University (MSU), and the University of Maryland Eastern Shore (UMES) each annually submit progression, retention, and graduation data on all students participating in Access and Success programs. In this first year of data collection, baseline data from fiscal 2009 should be submitted along with fiscal 2010 data, in accordance with a framework developed by the Maryland Higher Education Commission (MHEC) to facilitate the collection and analysis of data evaluating the impact of Access and Success programs across the historically black institutions (HBI). Data should be submitted to MHEC by August 15, 2010. MHEC should submit the data and analysis to the committees by October 15, 2010.

Information Request	Authors	Due Date
Report on fiscal 2009 and 2010 data by cohort of all students participating in Access and Success programs	BSU CSU MSU UMES	To MHEC by August 15, 2010
Consolidated report on fiscal 2009 and 2010 outcomes by cohort of students participating in Access and Success programs across the HBIs	MHEC	October 15, 2010

Updates

1. BSU Implements Intercollegiate Athletic Deficit Reduction Plan

In 2008, BSU was one of three USM institutions found to have a negative fund balance in intercollegiate athletics (ICA). While no written policy prohibits this, the Board of Regents (BOR) has clearly expressed an expectation that ICA be operated without support from other auxiliary activities. On June 5, 2008, the USM BOR instructed athletic directors from these institutions to provide the BOR Educational Policy Committee with plans to eradicate the ICA deficit. According to BSU, ICA has operated at a deficit since at least fiscal 2001, when the campus transitioned to current accounting software. The deficit was covered each year by drawing funds from the net revenue of other auxiliary activities. At the close of fiscal 2009, the accumulated deficit was \$2.8 million. BSU attributes the deficit to travel expenses related to participation in the Central Intercollegiate Athletic Association, which requires frequent travel to North Carolina and overnight stays for most away games. A lack of control over purchasing cards was also cited by President Mickey L. Burnim at the June 3, 2009 BOR Education Policy Committee meeting as a contributing factor.

On June 3 and November 11, 2009, BSU updated the BOR Education Policy Committee on progress in reducing the accumulated ICA deficit. On November 11, President Burnim presented a revised deficit reduction plan, spurred by the recent resignation of the institution's athletic director. The revised plan relies on increasing department revenue and tighter controls of expenditures. Together, these efforts will generate small annual surpluses that can be used to pay down the debt. Revenue generating activities include women's basketball exhibitions, a regional bowling tournament, and summer sports camps. The university also plans to find a corporate sponsor for the football scoreboard and increase fundraising efforts through institutional advancement. New revenues are expected to raise approximately \$100,000 annually through fiscal 2013, which are projected to increase to \$275,000 by 2023.

BSU has taken steps to control ICA expenses by limiting the athletic department to one procurement card and conducting monthly reviews of transactions by the procurement office, the controller's office, and the budget office. The budget office and the athletic department also track significant changes in annual spending on a monthly basis. Finally, the budget office has trained ICA personnel on how to shadow the university accounting system, allowing the department to better track transactions that are encumbered but do not appear in the accounting system immediately.

The debt reduction plan submitted to BOR assumes a \$3.0 million deficit at the beginning of fiscal 2010 and projects full repayment of the accumulated debt by 2024. BSU reports, however, that the ICA deficit stood at \$2.8 million at the beginning of fiscal 2010, after applying a \$72,331 fiscal 2009 operating surplus to the debt. Given BSU's projected revenues and cost control measures, it is possible that the full debt could be repaid before 2024.

Current and Prior Year Budgets

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

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Other Unrestricted Fund</u>	<u>Total Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Total</u>
Fiscal 2009							
Legislative Appropriation	\$33,037	\$1,703	\$0	\$43,504	\$78,244	\$15,067	\$93,311
Deficiency Appropriation	0	0	0	845	845	0	845
Budget Amendments	589	644	0	1,123	2,356	433	2,789
Cost Containment	-830	0	0	0	-830	0	-830
Reversions and Cancellations	0	0	0	-638	-638	-133	-771
Actual Expenditures	\$32,796	\$2,347	\$0	\$44,834	\$79,977	\$15,367	\$95,344
Fiscal 2010							
Legislative Appropriation	\$33,980	\$0	\$580	\$45,889	\$80,449	\$15,065	\$95,514
Cost Containment	-633	0	-580	-410	-1,623	0	-1,623
Budget Amendments	22	1,335	0	1,494	2,851	435	3,286
Working Appropriation	\$33,369	\$1,335	\$0	\$46,973	\$81,677	\$15,500	\$97,177

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

Fiscal 2009

General funds increased \$589,493 to cover costs associated with fiscal 2009 COLAs but also decreased \$829,765 due to cost containment actions including replacing general funds with revenue previously restricted for Other Post Employment Benefits, reducing expenditures in academic programs and support, facilities management and administration, student services, fundraising, and employee furloughs.

Special funds increased \$941,891 from HEIF authorized by the General Assembly to replace general funds reduced during the 2008 legislative session but later decreased \$297,863 to reflect a revised estimate of these corporate tax collections.

Unrestricted funds experienced a net increase of \$1,329,509. Of this total, a deficiency for the purchase of kitchen equipment related to a new food services contract increased expenditures \$845,000. Increased tuition and auxiliary revenue from additional enrollment as well as interest income and Achievement Gap funds from the USM Office also added \$1,122,851 in unrestricted funds. A cancellation related to a transfer to fund balance decreased unrestricted funds \$638,342.

Restricted funds increased \$432,523 to account for anticipated increases in contract and grant revenues, though \$133,261 was canceled after the rate of spending for some grants was less than projected.

Fiscal 2010

General funds declined \$611,460 due to budget amendments and cost containment. This included a \$633,339 in cost containment measures and a \$14,666 increase from a USM reallocation of general funds among USM institutions.

Special Funds increased \$1,334,723 from HEIF authorized by the General Assembly to replace general funds cut during the 2009 legislative session.

Federal funds declined \$580,130 due to cost containment measures, thereby cancelling the appropriation.

Unrestricted funds increased \$1,084,163 overall due to a \$409,765 reduction from cost containment actions related to employee furloughs and a \$1,493,928 increase from auxiliary revenue related to a new food service contract, additional interest income, and reduced contributions to the fund balance.

Restricted funds increased \$435,306 from additional federal Pell Grant funds, contracts and grants, and increases to miscellaneous income.

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

<u>Object/Fund</u>	<u>FY09 Actual</u>	<u>FY10 Working Appropriation</u>	<u>FY11 Allowance</u>	<u>FY10 - FY11 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	465.00	487.00	487.00	0	0%
02 Contractual	137.90	144.50	144.50	0	0%
Total Positions	602.90	631.50	631.50	0	0%
Objects					
01 Salaries and Wages	\$ 37,732,436	\$ 41,754,504	\$ 43,223,493	\$ 1,468,989	3.5%
02 Technical and Spec. Fees	11,053,978	11,587,497	11,657,403	69,906	0.6%
03 Communication	429,164	573,594	581,127	7,533	1.3%
04 Travel	1,177,515	1,144,079	1,430,109	286,030	25.0%
06 Fuel and Utilities	3,460,762	4,261,304	3,524,244	-737,060	-17.3%
07 Motor Vehicles	97,446	63,572	126,335	62,763	98.7%
08 Contractual Services	11,794,879	12,592,535	14,095,344	1,502,809	11.9%
09 Supplies and Materials	1,249,564	1,504,497	1,504,496	-1	0%
10 Equipment – Replacement	898,053	933,721	998,720	64,999	7.0%
11 Equipment – Additional	1,705,772	1,685,401	1,685,401	0	0%
12 Grants, Subsidies, and Contributions	12,652,272	12,649,333	12,649,333	0	0%
13 Fixed Charges	2,902,920	4,632,212	4,653,264	21,052	0.5%
14 Land and Structures	10,189,696	3,794,329	3,445,687	-348,642	-9.2%
Total Objects	\$ 95,344,457	\$ 97,176,578	\$ 99,574,956	\$ 2,398,378	2.5%
Funds					
40 Unrestricted Fund	\$ 79,977,078	\$ 81,676,578	\$ 84,074,956	\$ 2,398,378	2.9%
43 Restricted Fund	15,367,379	15,500,000	15,500,000	0	0%
Total Funds	\$ 95,344,457	\$ 97,176,578	\$ 99,574,956	\$ 2,398,378	2.5%

Note: The fiscal 2010 appropriation does not include deficiencies.

**Fiscal Summary
USM – Bowie State University**

<u>Program/Unit</u>	<u>FY09 Actual</u>	<u>FY10 Wrk Approp</u>	<u>FY11 Allowance</u>	<u>Change</u>	<u>FY10 - FY11 % Change</u>
01 Instruction	\$ 24,708,346	\$ 28,071,383	\$ 29,917,635	\$ 1,846,252	6.6%
02 Research	2,114,441	2,226,424	2,226,424	0	0%
03 Public Service	372,472	314,427	314,427	0	0%
04 Academic Support	9,287,735	8,138,572	8,511,187	372,615	4.6%
05 Student Services	5,336,550	5,741,617	5,835,084	93,467	1.6%
06 Institutional Support	13,389,465	15,848,000	16,345,936	497,936	3.1%
07 Operation and Maintenance of Plant	15,324,124	10,657,253	10,527,839	-129,414	-1.2%
08 Auxiliary Enterprises	13,427,333	14,793,624	14,511,145	-282,479	-1.9%
17 Scholarships and Fellowships	11,383,991	11,385,278	11,385,279	1	0%
Total Expenditures	\$ 95,344,457	\$ 97,176,578	\$ 99,574,956	\$ 2,398,378	2.5%
Unrestricted Fund	\$ 79,977,078	\$ 81,676,578	\$ 84,074,956	\$ 2,398,378	2.9%
Restricted Fund	15,367,379	15,500,000	15,500,000	0	0%
Total Appropriations	\$ 95,344,457	\$ 97,176,578	\$ 99,574,956	\$ 2,398,378	2.5%

Note: The fiscal 2010 appropriation does not include deficiencies.

Personnel by Budget Program
USM – Bowie State University
Fiscal 2008, 2009, and 2010

<u>Budget Program</u>	Fiscal 2008		Fiscal 2009		Fiscal 2010		<u>% Change in FTEs 2009-10</u>
	<u>FTEs</u>	<u>% FTEs</u>	<u>FTEs</u>	<u>% FTEs</u>	<u>FTEs</u>	<u>% FTEs</u>	
Instruction	199.00	45.6%	199.18	44.10%	202.04	43.92%	1.44%
Research	3.00	0.7%	3.21	0.71%	2.08	0.45%	-35.10%
Public Service	0.00	0.0%	0.00	0.00%	0.50	0.11%	n/a
Academic Support	32.00	7.3%	39.00	8.64%	48.01	10.44%	23.10%
Student Services	48.00	11.0%	42.60	9.43%	48.00	10.43%	12.68%
Institutional Support	106.00	24.3%	108.51	24.03%	104.64	22.75%	-3.57%
Operations and Maintenance of Plant	17.00	3.9%	18.30	4.05%	17.04	3.70%	-6.89%
Auxiliary Enterprises	31.00	7.1%	40.81	9.04%	37.70	8.20%	-7.62%
Total	436.00	100.0%	451.6	100.00%	460.01	100.00%	1.86%

Note: Data is for filled regular positions only.

Source: University System of Maryland