

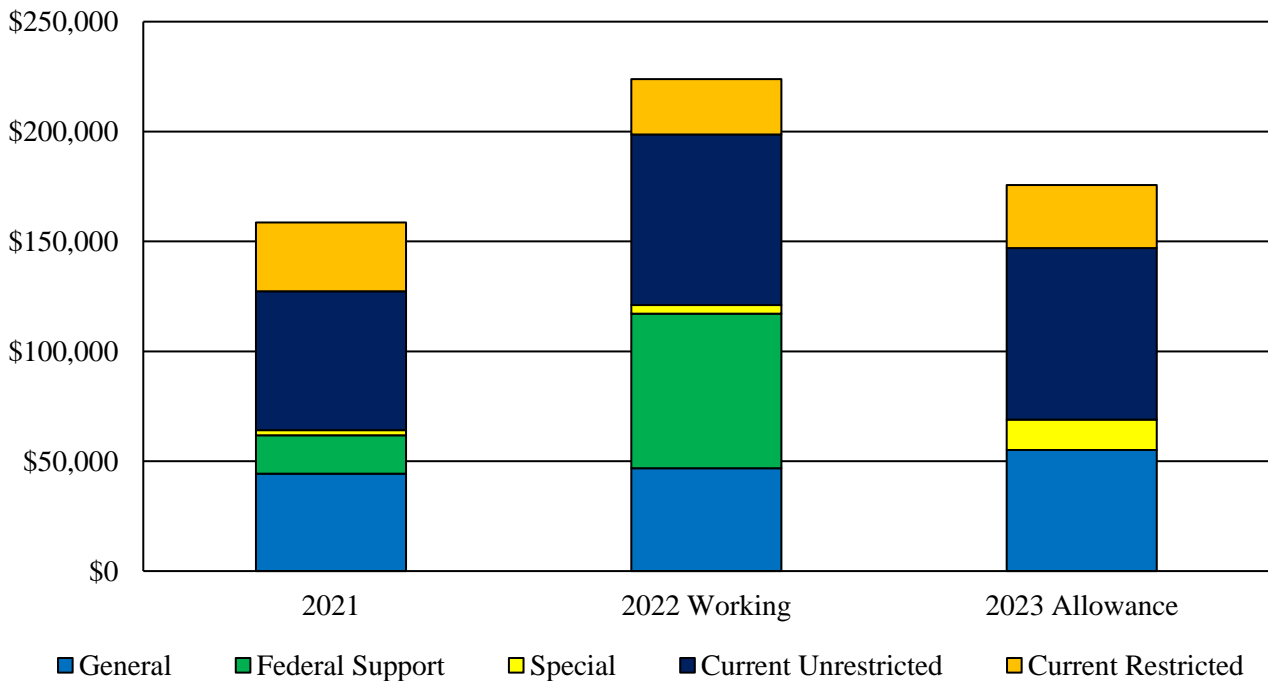
R30B23
Bowie State University
University System of Maryland

Executive Summary

Established in 1865 as Maryland’s first Historically Black College and University (HBCU), 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 professional oriented graduate programs, including doctorates in educational leadership and computer science.

Operating Budget Summary

**Fiscal 2023 Budget Decreases \$48.1 Million, or 21.5%, to \$175.7 Million
(\$ in Thousands)**



Note: The fiscal 2022 appropriation include general salary and merit increases as well as one-time bonuses, which are budgeted with the Department of Budget and Management (DBM) Statewide Expenses Program. The fiscal 2022 appropriation also includes a \$0.5 million proposed deficiency to backfill an unintentional legislative restriction. The fiscal 2023 allowance includes annualization of the fiscal 2022 general salary and merit increases as well as fiscal 2023 general salary and merit increases, which are budgeted within the DBM Statewide Expenses Program.

- The fiscal 2022 working appropriation of BSU includes a total of \$70.4 million in direct federal support from various COVID-19-related stimulus legislation; there is no direct federal support from stimulus legislation in the fiscal 2023 allowance. When excluding these federal funds, the fiscal 2023 allowance of BSU increases by \$22.2 million compared to the fiscal 2022 working appropriation after accounting for statewide personnel adjustments and proposed deficiency appropriations.
- Total State funds increase by \$18.2 million in fiscal 2023, or 35.9%, compared to the adjusted 2022 working appropriation.
- The fiscal 2023 allowance for BSU includes the first year of funding under Chapter 41 of 2021 (\$10.6 million). In addition, it includes \$1.5 million, as mandated in Chapter 356 of 2021, to establish a Center for Data Analytics and Sports Gaming.

Key Observations

- ***Undergraduate Enrollment:*** Undergraduate enrollment in fall 2021 continued to increase, growing by 1.4%, or 76 students, above the fall 2020 total. Since 2016, total undergraduate enrollment has grown by 14.2%, or 670 students.
- ***Federal Stimulus Funds:*** BSU plans to expend \$70.4 million in federal Higher Education Emergency Relief Funding (HEERF) in fiscal 2022, with \$27.4 million going toward student financial assistance.
- ***Nursing Program:*** The undergraduate Nursing Program continues to fail to meet required Maryland Board of Nursing (MBON) National Council Licensure Examination for Registered Nurses (NCLEX-RN) pass rates.

Operating Budget Recommended Actions

1. Adopt narrative requesting information on the Bowie State University Nursing Program's progress toward meeting the Maryland Board of Nursing's required pass rate for the National Council Licensure Examination for Registered Nurses.

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Operating Budget Analysis

Program Description

Established in 1865 as Maryland’s first HBCU, BSU is a regional university offering a broad array of undergraduate programs, including business, education, social work, and nursing, as well as selected professional oriented graduate programs, including doctorates in educational leadership and computer science.

BSU is building on its image as a student-centered institution and increasing student diversity. While excelling in teacher education, the institution is seeking to become the premier teacher of teachers. BSU is committed to increasing the number of students from underrepresented minorities who 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 Colleges and Universities: Larger Programs

Fall 2021 Undergraduate Enrollment Headcount

Male	2,097
Female	3,284
Total	5,381

Fall 2021 Graduate Enrollment Headcount

Male	295
Female	632
Total	927

Fall 2021 New Students Headcount

First-time	935
Transfers/Others	490
Graduate	236
Total	1,661

Campus (Main Campus)

Acres	300
Buildings	23
Average Age	45
Oldest	1916

Programs

Bachelor’s	24
Master’s	20
Doctoral	2

Degrees Awarded (2020-2021)

Bachelor’s	882
Master’s	267
Doctoral	16
Total Degrees	1,165

Proposed Fiscal 2023 In-state Tuition and Fees*

Undergraduate Tuition	\$5,875
Mandatory Fees	\$2,878

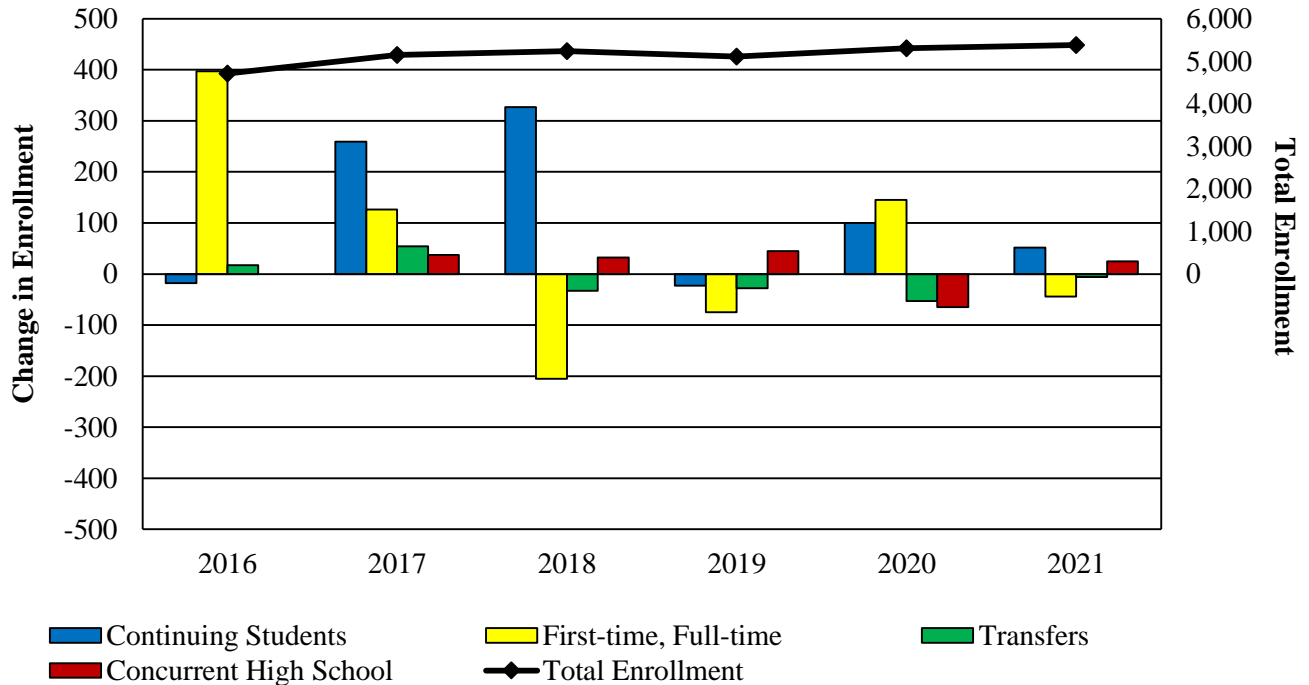
*Contingent on Board of Regents approval.

Performance Analysis

1. Undergraduate Fall Headcount

As shown in **Exhibit 1**, in fall 2021, undergraduate enrollment continued to climb at BSU, increasing by 1.4%, or 76 students, over fall 2020, and by 5.2%, or 268 students, over fall 2019. The 2021 undergraduate enrollment increase was primarily due to a growth of 52 students in the continuing student population when compared to fall 2020, which has grown in each year since fall 2017 with the exception of 2020. The concurrent high school population also increased, growing by 25 students in fall 2021. Despite large gains in the fall 2020 class, the first-time, full-time (FT/FT) student population fell in fall 2021, decreasing by 44 students, or 4.5%, compared to fall 2020 and represented the third time in four years that the FT/FT population experienced an enrollment decline. BSU attributed this decline to the impact the COVID-19 pandemic has had on the FT/FT student population that has been experienced nationally by other higher education institutions.

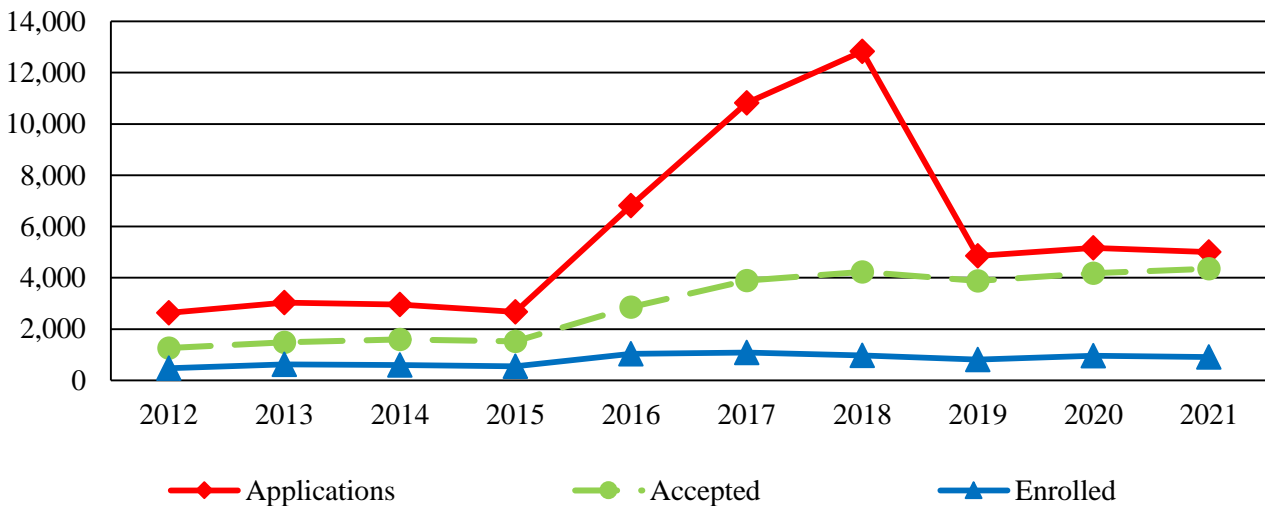
Exhibit 1
Change in Undergraduate Enrollment by Category and Total Headcount
Fall 2016-2021



Source: University System of Maryland

As shown in **Exhibit 2**, in looking at the first-time undergraduate applications, the number of applications for fall 2021 decreased by 3.2%, or 164, over fall 2020. While applications have averaged over 5,000 from fall 2019 through 2021, these numbers are far less than the numbers during a period of tremendous growth experienced from fall 2016 through 2018. BSU attributed growth over this period to the impact of partnering with EAB, an enrollment firm that identifies students who will later apply to universities. BSU’s methodology for tracking applications changed in 2019, which solely focused on completed applications and resulted in the decline in that year. It should also be noted that the acceptance rate significantly increased from 2018 (33%) to 2019 (80%). From the applications for fall 2019 through 2021, the acceptance rate has averaged 83%, with the highest rate for fall 2021 (87%). Despite this very high acceptance rate, the yield rate averaged only 22% from fall 2019 through 2021, which has resulted in relatively stable numbers of applicants enrolling for fall 2020 and 2021.

Exhibit 2
Undergraduate Applications, Accepted, and Enrolled
Fall 2012-2021



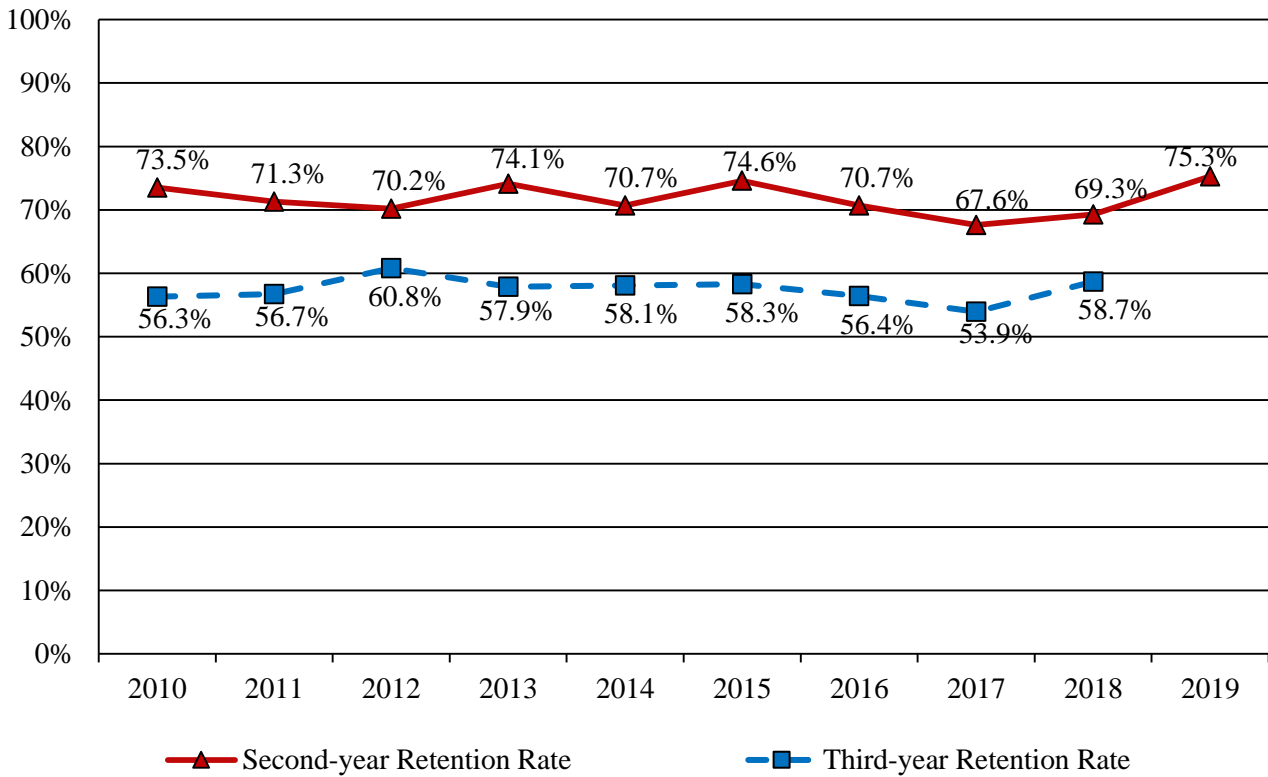
Source: University System of Maryland

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 that students will persist and graduate. As students are most likely to drop out during their first year, the second-year retention rate provides an indication if retention strategies are working or if further investigation is needed to identify areas of improvement. The second-year retention rate has steadily improved from the 2017 cohort’s low mark of 67.6%, to 75.3% for the 2019 cohort, as shown in **Exhibit 3**. The second-year retention

rate for the 2019 cohort was the highest in recent history. The third-year retention rate has fluctuated from a low of 53.9% for the 2017 cohort, to a high of 60.8% for the 2012 cohort. The 2018 cohort total of 58.7% exceeded the average of 57.5% over this period. BSU attributes the recent increase in the second-year retention rate to the usage of analytics designed to identify at-risk students and increases in institutional financial aid.

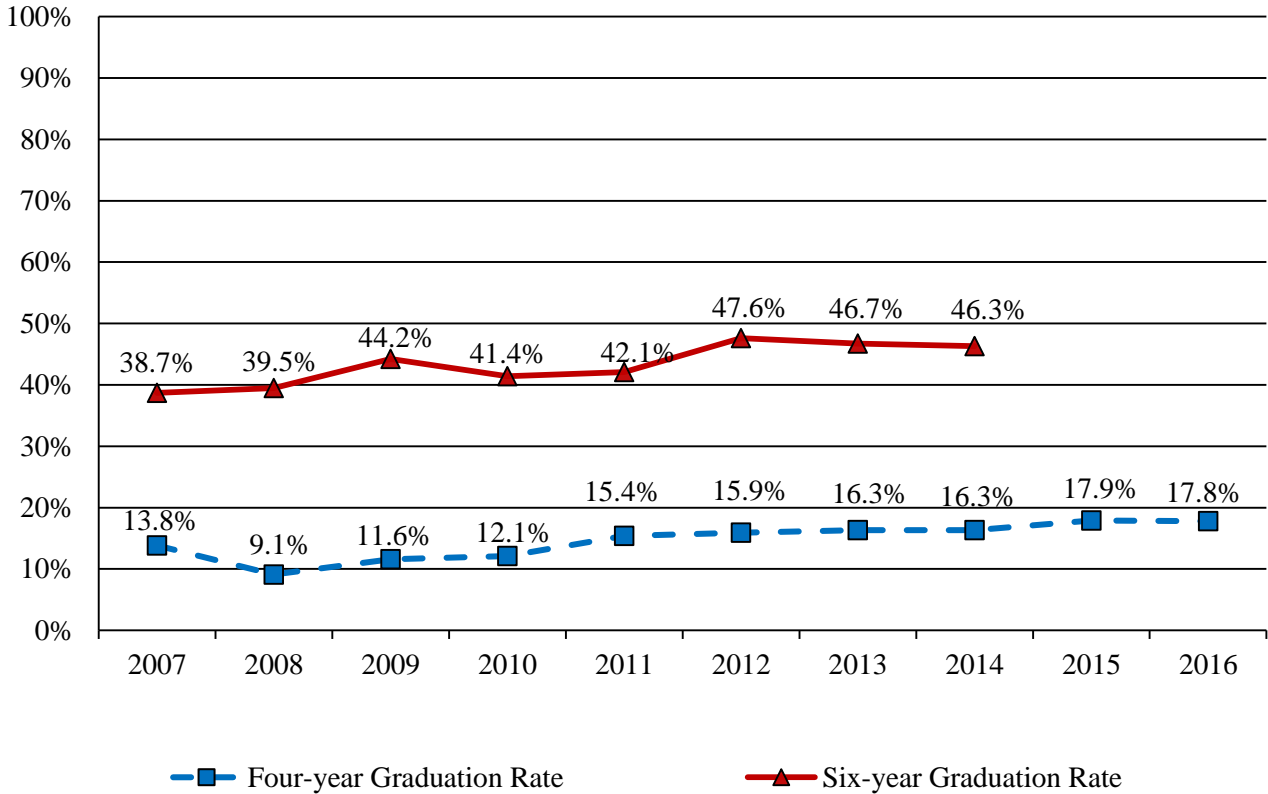
Exhibit 3
Second- and Third-year Retention Rates for First-time, Full-time Students
2010-2019 Cohorts



Source: Maryland Higher Education Commission

Graduation rates are, in part, another measure of student persistence and efficiency – as more students graduate, it frees up more room, allowing an institution to enroll more students. **Exhibit 4** shows the four- and six-year graduation rates for FT/FT students, which include those who transferred and graduated from another Maryland institution. While the six-year graduation rate had improved from 2010 through 2012, reaching 47.6%, this rate has marginally fallen over the past two cohorts, totaling 46.3% for the 2014 cohort. The four-year graduation rate had steadily improved from the 2008 cohort through the 2015 cohort, reaching a high of 17.9%, and was relatively stable for the 2016 cohort.

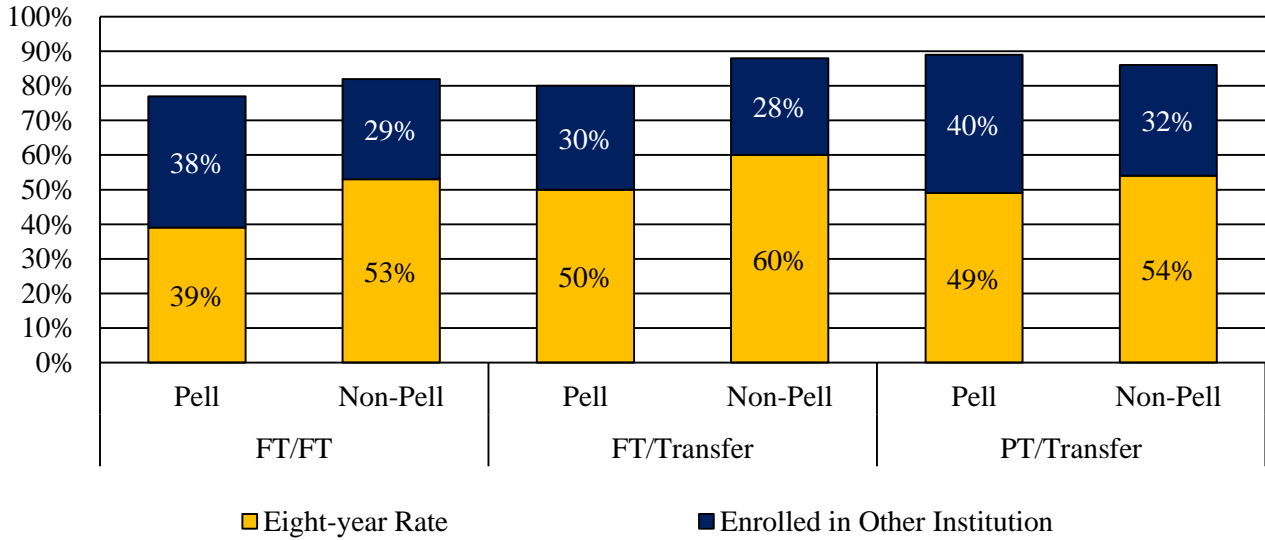
Exhibit 4
Graduation Rate of First-time, Full-time Students
2007-2016 Cohorts



Source: Maryland Higher Education Commission

Traditionally, graduation measures only capture the outcomes of the traditional FT/FT students, who are increasingly comprising a smaller portion of the student population. In order to have a more inclusive graduation rate that captures the progress of nontraditional students, the Integrated Postsecondary Data System reports on the outcomes of first-time, transfers, and part-time transfer students by Pell and non-Pell recipients. As shown in **Exhibit 5**, non-Pell-eligible recipients graduated at higher rates than Pell-eligible recipients in all categories. Non-Pell-eligible full-time transfer students graduated at the highest percentage rate, 60%, followed by part-time transfer and FT/FT non-Pell-eligible students at 54% and 53%, respectively. Pell-eligible transfers (both full-time and part-time) graduated at similar levels, but were substantially higher than Pell-eligible FT/FT.

**Exhibit 5
Eight-year Graduation Rates for
Students Entering in Academic Year 2012-2013**



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

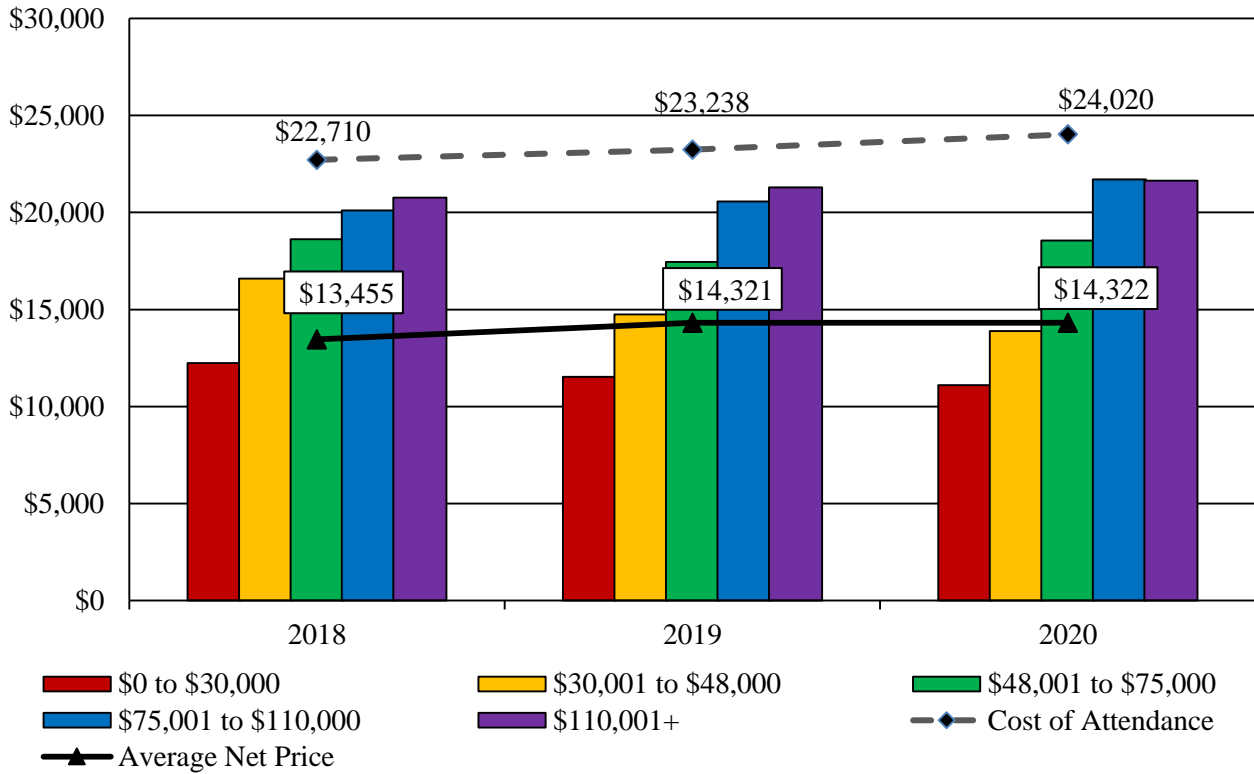
Source: National Center for Education Statistics, College Navigator

3. Affordability and Accessibility

Cost of Attendance

When considering the affordability of college, students and families tend to focus on the published cost of attendance (COA) or sticker price. COA is the total cost of attending college for one year including tuition and fees, room and board, books, supplies, and other expenses. However, the focus should be on the average net price, which is the cost to the student after accounting for the average amount of federal, State, and institutional aid awarded to all undergraduate BSU students. As shown in **Exhibit 6**, in fiscal 2020, the average net price was \$14,322, or 40.4% less than the published COA for a FT/FT student. The average cost to a student varies by income level. Those with a lower family income receive more financial aid, thereby lowering the average price for attending college. The average net price for a family with an income between \$0 and \$30,000 decreased by 3.7%, or \$428, from \$11,527 in fiscal 2019 to \$11,099 in fiscal 2020. The average net price increased for all categories above \$48,000. The slightly lower cost for the \$110,001+ income bracket in fiscal 2021, relative to the \$75,001 to \$110,000, was the result of increased federal and institutional aid for the \$110,000+ category of students.

**Exhibit 6
Estimated Cost of Attendance versus Average Net Price
Fiscal 2018-2020**



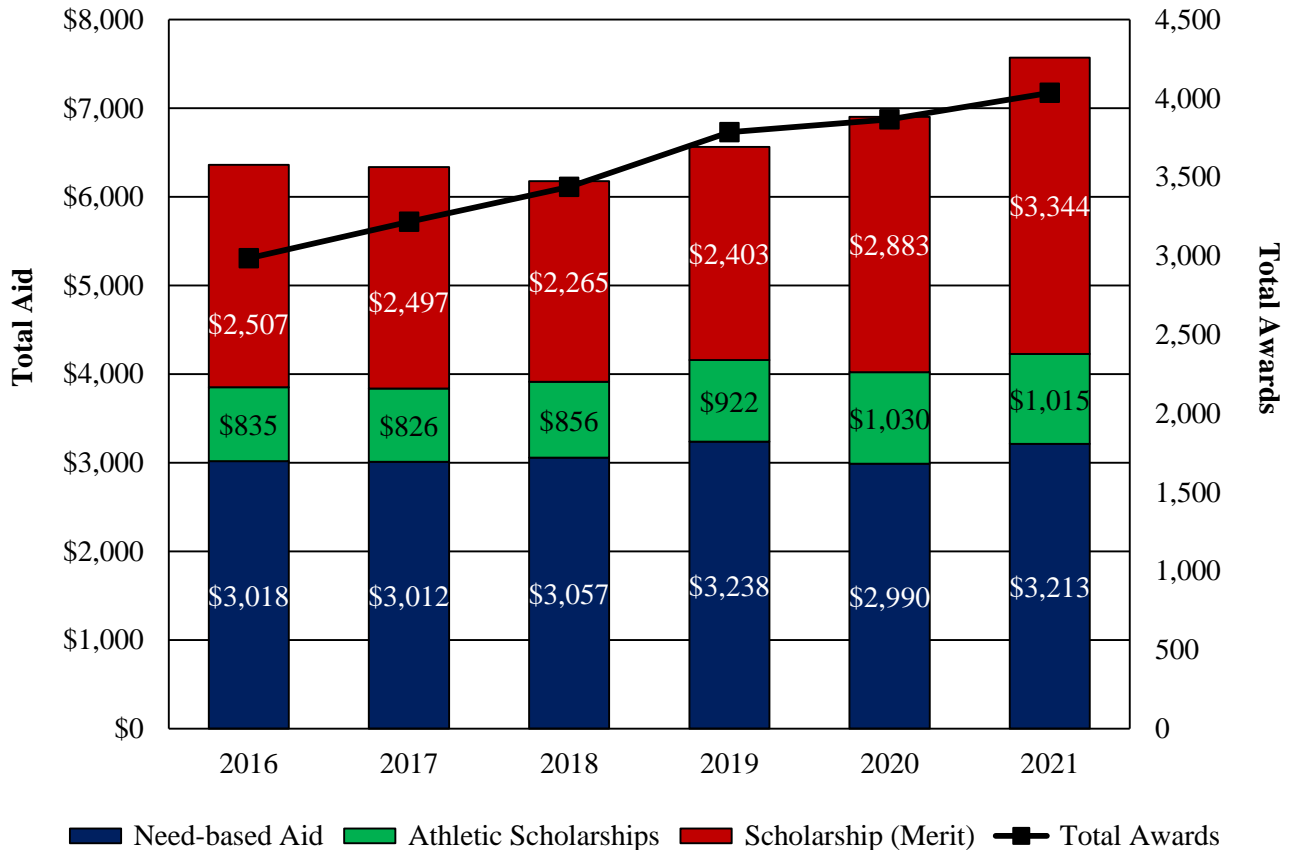
Note: The total cost of attendance (COA) includes tuition; mandatory fees; books and supplies; and the weighted average for room, board, and other expenses. Average net price is calculated by subtracting the average amount of federal, State, and institutional aid awarded to Bowie State University students from the total COA.

Source: National Center for Education Statistics, College Navigator

Institutional Aid

Total expenditures on institutional aid increased 19.1%, or \$1.2 million, from fiscal 2016 to 2021, as shown in **Exhibit 7**. Over this period, need-based aid averaged 46.6% of aid awarded, followed by merit scholarships (39.7%) and athletic scholarships (13.7%). However, in fiscal 2021, merit scholarships (\$3.3 million, or 44.2%) accounted for the plurality of aid awarded for the first time in recent history. BSU indicated that the increase in merit scholarship spending was a result of attempting to attract more students who were academically excelling in high school with grade point averages of 3.0 or higher. While total aid increased 19.1%, the number of awards provided has increased by 35.2%, or 1,050, from fiscal 2016 to 2021.

Exhibit 7
Institutional Aid Expenditures and Total Awards by Category
Fiscal 2016-2021
(\$ in Thousands)

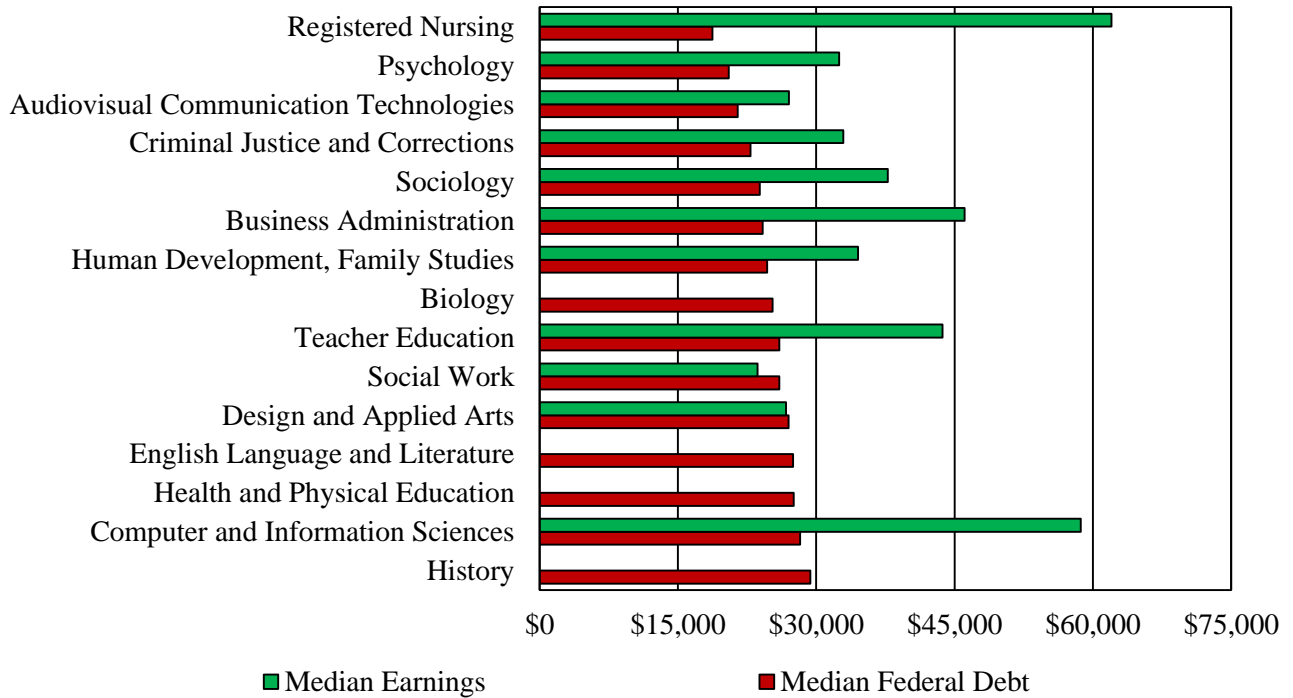


Source: Bowie State University; Maryland Higher Education Commission

Student Federal Debt

In an effort to give students a better picture of outcomes at the program rather than the institutional level, the U.S. Department of Education’s College Scorecard reports the median debt (excluding private and Parent PLUS loans) and median earnings two years after graduation, as reported by the institutions. This information helps students consider the amount of federal debt they may incur and their ability to repay the loan after graduating, since repayments are based on salaries. As shown in **Exhibit 8**, graduates from the registered nursing program have the lowest federal debt, totaling \$18,750, while also attaining the highest median salary, \$62,012. Graduates from the history program have the highest median federal debt, at \$29,375; however, their median earnings were not reported.

Exhibit 8
Undergraduate Programs by Median Federal Debt and Median Earnings



Note: Data is based on school-reported information. Median debt data is based on pooled data of fiscal 2016 through 2018 of undergraduate borrowers who graduated; excludes private loans, Parent PLUS loans, and loans for other institutions. Median earnings are for students two years after graduation for only those that received federal financial aid.

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

Fiscal 2022 Working Budget

Actions Affecting Fiscal 2022 Budget

A proposed deficiency of \$45.5 million across institutions would replace general funds with Higher Education Investment Fund (HEIF) due to higher revenue estimates and availability of HEIF fund balance, of which BSU’s share is \$1.3 million. An additional proposed deficiency of \$0.5 million would backfill an unintentional legislative restriction on funding to BSU in the fiscal 2022 Budget Bill.

Federal Stimulus Funds

Three federal relief packages included funding that provided institutions across higher education support from the HEERF. Combined, BSU received a total of \$90.1 million, of which a

minimum of \$16.1 million was designated for direct student financial aid from fiscal 2020 to 2023, as shown in **Exhibit 9**. A majority of these funds, \$70.4 million, are to be expended in fiscal 2022, of which \$56.6 million was brought in through a fiscal 2022 budget amendment. There are no additional HEERF funds to be expended in fiscal 2023.

Exhibit 9
Summary of HEERF
Fiscal 2020-2022
(\$ in Thousands)

	2020	2021		2022		
	<u>HEERF I</u>	<u>HEERF I</u>	<u>HEERF I</u>	<u>HEERF II</u>	<u>HEERF III</u>	<u>Total</u>
Financial Aid	\$2,346			\$4,250	\$9,480	\$16,077
Institutional Aid		\$7,490		3,298	9,454	20,242
HBCU	1,003	8,890	\$575	17,846	25,474	53,788
Total	\$3,349	\$16,380	\$575	\$25,395	\$44,408	\$90,107
<u>Total by Type</u>						
HEERF I	\$20,304					
HEERF II	25,395					
HEERF III	44,408					
Grand Total	\$90,107					

HBCU: Historically Black Colleges and Universities

HEERF: Higher Education Emergency Relief Fund

HEERF I: CARES Act

HEERF II: Coronavirus Response and Relief Supplemental Appropriations Act of 2021

HEERF III: American Rescue Plan

Source: University System of Maryland

As shown in **Exhibit 10**, in fiscal 2021, of the funds not required to be used for financial aid, the majority of funds (\$8.9 million) were used to cover health-related expenses, including COVID-19 testing, personal protective equipment, installation of protective plexiglass, HVAC enhancements, and establishment of vaccination checkpoints. BSU was required to allocate at least \$16.1 million for student financial aid. The university has provided additional funds for this purpose, and expectations are that by the conclusion of fiscal 2022, the institution will have provided \$34.1 million in emergency financial aid assistance. In total, over fiscal 2020 through the first half of fiscal 2022, BSU has allocated over \$27.6 million in emergency financial assistance to 13,283 students and plans to expend the remaining \$6.5 million by the conclusion of the 2021-2022 academic year.

Exhibit 10
Spending of Federal Relief Funds
Fiscal 2020-2022
(\$ in Thousands)

	2020		Institutional <u>Aid</u>	2021		Institutional <u>Aid</u>	2022		<u>Total</u>
	<u>Student Aid</u>	<u>HBCU</u>		<u>Student Aid</u>	<u>HBCU</u>		<u>Student Aid</u>	<u>HBCU</u>	
Revenue Loss ¹		\$1,003	\$150						\$1,153
Testing, PPE, COVID-19 and Other ²			3,846		\$5,067			\$10,964	19,877
Academic/Administrative Technology ³			1,198		1,778	\$9,942		22,040	34,958
Student Aid	\$2,346			\$2,297	2,045		\$16,541	10,891	34,119
Total Funds	\$2,346	\$1,003	\$5,194	\$2,297	\$8,890	\$9,942	\$16,541	\$43,895	\$90,107
Direct Aid to Students									
	<u>Students</u>	<u>Amount</u>							
2020	3,250	\$2,346							
2021	4,482	4,341							
2022	5,551	20,951							
Total	13,283	\$27,638							

HBCU: Historically Black Colleges and Universities

PPE: personal protective equipment

¹ Mandatory fees and/or tuition due to lower than expected enrollments.

² COVID-19 monitoring/reporting; reopening facilities to meet Centers for Disease Control and Prevention requirements; and non-technology goods and services needed to deliver remote instruction in fiscal 2021.

³ Includes training and additional staffing related to new technology and remote teaching.

Note: Direct aid to students for fiscal 2022 as of January 2022; the remaining \$6.5 million captured in the total funds for student aid is expected to be awarded by the end of the 2021 to 2022 academic year.

Source: Bowie State University

Education and General Expenditures

Since tuition and fee revenues in the allowance are based on enrollment projections, increases and decreases in enrollment can have a significant effect on an institution's revenues. Therefore, looking at the changes in expenditures by program areas between fiscal 2021 and 2022, when institutions know their fall enrollment, provides a more accurate picture of funding priorities.

Exhibit 11 shows budget changes for unrestricted funds by program area for fiscal 2021 and 2022, which increases by \$6.3 million, or 6.6%, in fiscal 2022. The fiscal 2022 education and general revenues and expenditures are adjusted to reflect general salary increases, increments, one-time bonuses, and a proposed deficiency appropriation, totaling \$2.8 million.

Exhibit 11 Budget Changes for Unrestricted Funds by Program Fiscal 2021-2022 (\$ in Thousands)

	<u>2021 Actual</u>	<u>2022 Adjusted Working</u>	<u>2021-2022 Change</u>	<u>2021-2022 % Change</u>
Expenditures				
Instruction	\$35,767	\$36,646	\$879	2.5%
Public Service	136	174	38	27.7%
Academic Support	9,901	12,122	2,221	22.4%
Student Services	8,175	9,304	1,129	13.8%
Institutional Support	18,797	19,300	503	2.7%
Operation and Maintenance of Plant	15,462	13,841	-1,622	-10.5%
Scholarships and Fellowships	6,263	7,137	874	14.0%
General Salary Increase		2,262	2,762	
Education and General (E&G) Total	\$94,501	\$100,785	\$6,284	6.6%
Auxiliary Enterprises	\$20,317	\$27,545	\$7,228	35.6%
Total Expenditures	\$114,818	\$128,329	\$13,512	11.8%
Revenues				
Tuition and Fees	\$46,698	\$48,613	\$1,915	4.1%
State Funds ¹	47,803	50,736	2,433	5.1%
Other ²	4,707	2,426	-2,281	-48.5%
Total E&G Revenues	\$99,207	\$101,775	\$2,568	2.6%
Auxiliary Enterprises	\$16,498	\$27,846	\$11,348	68.8%
Transfer to Fund Balance	-887	-1,291	-404	45.5%
Available Unrestricted Revenues	\$114,818	\$128,329	\$13,512	11.8%

¹State funds include general funds and Higher Education Investment Funds.

²Other includes federal stimulus funds from the Coronavirus Aid, Relief, and Economic Security.

Note: Fiscal 2022 adjusted to reflect general salary increases, increments, one-time bonuses, and a proposed deficiency appropriation that is included in institutional support.

Source: Governor's Fiscal 2023 Budget Books

Excluding operation and maintenance of plant, spending increases between fiscal 2021 and 2022 in all program categories. Spending on academic support increases by \$2.2 million, or 22.4%, which reflects supplemental funds received in fiscal 2022 for programming support related to Nursing and Bioinformatics. Additionally, the variance is in part due to the fiscal 2021 actual being lower than anticipated due to position vacancies and initiatives that started later than anticipated. Student services increases by \$1.1 million, or 13.8%, due to additional contractual staffing to support counseling and the fiscal 2021 actual being lower than anticipated due to position vacancies. Institutional support increases by \$0.5 million, or 2.7%, with funding being utilized to develop the Center for Law, Social Justice and Civic Engagement. Operation and maintenance of plant decreases by \$1.6 million, or 10.5%, as a result of debt service payments being paid in fiscal 2021 from the plant fund versus the operating fund. Auxiliary enterprises increases by \$7.2 million, or 35.6% over fiscal 2021, as a result of additional funding from the return of students living on campus and associated revenue from housing, meal plans, contract vendor agreements including food services, housekeeping services, HVAC maintenance, bookstore operations, security personnel, and other various programmatic costs.

Fiscal 2023 Proposed Budget

In fiscal 2023, the adjusted State funding increases by 35.9%, or \$18.2 million, compared to the adjusted fiscal 2022 working appropriation, as shown in **Exhibit 12**. General funds increase \$8.2 million, or 17.6%, while special funds increase \$10.0 million, or 254.3%, after accounting for Chapter 41 funds and a decline in HEIF when accounting for the proposed fiscal 2022 deficiency.

Exhibit 12
Proposed Budget
Bowie State University
Fiscal 2021-2023
(\$ in Thousands)

	<u>2021</u> <u>Actual</u>	<u>2022</u> <u>Adjusted</u>	<u>2023</u> <u>Adjusted</u>	<u>2022-2023</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Funds	\$44,328	\$45,393	\$49,155	\$3,762	8.3%
Statewide Personnel Adjustments		2,262	5,883	3,621	
Deficiency – HEIF Swap		-1,344			
Deficiency – Restriction Backfill		500			
Total General Funds	\$44,328	\$46,811	\$55,037	\$8,227	17.6%
HEIF		\$2,581			
Deficiency – HEIF Swap		1,344			
Total HEIF	\$2,401	\$3,925	\$3,333	-\$592	-15.1%
Chapter 41 of 2021 Funds			\$10,572	\$10,572	
CARES Act – State Support	\$1,074				
Total State Funds	\$47,803	\$50,736	\$68,942	\$18,207	35.9%
Other Unrestricted Funds	\$64,047	\$78,885	\$79,358	\$473	0.6%
Direct Federal Support	3,855				
Transfer to Fund Balance	-887	-1,291	-1,310		

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	<u>2021</u> <u>Actual</u>	<u>2022</u> <u>Adjusted</u>	<u>2023</u> <u>Adjusted</u>	<u>2022-2023</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
Net Unrestricted Funds	\$114,818	\$128,329	\$146,990	\$18,661	14.5%
Restricted Funds	\$31,268	\$25,135	\$28,710	\$3,575	14.2%
Direct Federal Support	12,525	70,378			
Total Restricted Funds	\$43,793	\$95,513	\$28,710	-\$66,803	-69.9%
Total Funds	\$158,611	\$223,842	\$175,700	-\$48,142	-21.5%

CARES: Coronavirus Aid, Relief, and Economic Security
HEIF: Higher Education Investment Fund

Note: Personnel adjustments include general salary and merit increases in fiscal 2022 and 2023 and one-time bonuses in fiscal 2022. These actions are budgeted within the Department of Budget and Management Statewide Expenses. Direct Federal Support includes CARES Act, Coronavirus Response and Relief Supplemental Appropriations Act, and American Rescue Plan Act funds.

Source: Governor’s Fiscal 2023 Budget Books; Department of Legislative Services

The additional fiscal 2023 State support provides:

- \$10.6 million for Chapter 41 funds;
- \$3.6 million for annualization of fiscal 2022 general salary increases and increments as well as fiscal 2023 general salary increases and increments, partially offset by one-time bonuses in fiscal 2022;
- \$2.2 million to restore reductions taken by the Board of Public Works in fiscal 2021;
- \$1.5 million mandated by Chapter 356 for the Center for Data Analytics and Sports Gaming; and
- \$0.8 million for increase in various operating expenses.

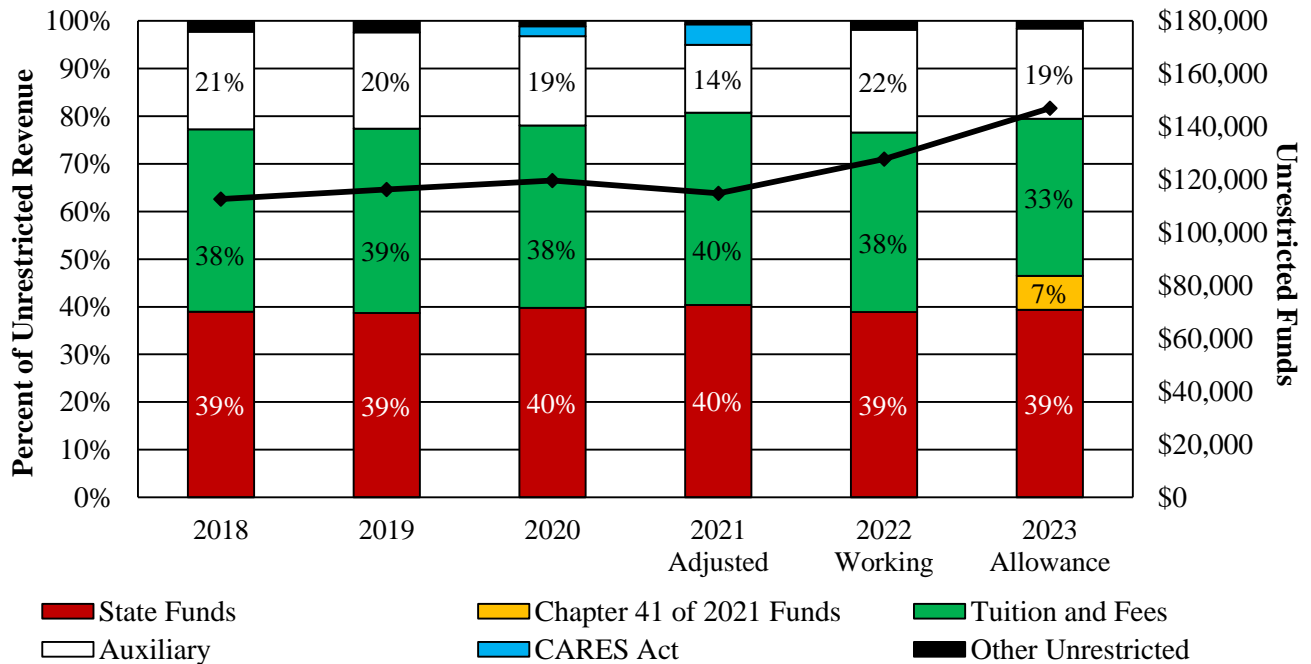
Restricted funds decrease by \$66.8 million, or 69.9%, due to the anticipated exhaustion of federal relief funds in fiscal 2022. **The President should comment on how the institution plans to return to an operational structure in fiscal 2023 without the assistance of federal emergency relief funding should pandemic-related expenditures/impacts continue into the 2022-2023 academic year.**

Revenue Sources

In the fiscal 2023 allowance, State funds (general funds, the HEIF, and Chapter 41 funds) and tuition and fee revenues comprise 46% and 33% of BSU’s State-supported revenues, respectively, as shown in **Exhibit 13**. After remaining fairly stable between fiscal 2018 through 2020, unrestricted

revenues, when excluding transfers to fund balance, decreased 4.3%, or \$5.2 million, in the fiscal 2021 budget. Most of this decline was from auxiliary revenues, which decreased \$6.2 million below the fiscal 2020 total as a result of the COVID-19 pandemic, which was partially offset by an increase in Coronavirus Aid, Relief, and Economic Security Act funding of \$2.4 million. Additional losses of State funds and other sources made up the remainder of the decline in fiscal 2021. The fiscal 2022 and 2023 budgets anticipate auxiliary revenues to rebound and even exceed levels experienced prior to the pandemic. BSU anticipates over \$148.3 million in unrestricted revenues in fiscal 2023; should this total be met, it would be the highest unrestricted revenue total received by the university. **The President should comment on the university’s anticipated auxiliary revenue projections, identifying if those projections are realistic given the continued impact the COVID-19 pandemic has had on auxiliary services.**

Exhibit 13
Unrestricted Revenues by Fund Source, Excluding Transfers to Fund Balance
Fiscal 2018-2023 Allowance
(\$ in Thousands)



CARES: Coronavirus Aid, Relief, and Economic Security

Note: The fiscal 2022 appropriation includes general salary and merit increases as well as a one-time bonus, which are budgeted with the Department of Budget and Management (DBM) Statewide Expenses Program. The fiscal 2023 allowance includes annualization of the fiscal 2022 general salary and merit increases as well as fiscal 2023 general salary and merit increases, which are budgeted within the DBM Statewide Expenses Program. The fiscal 2022 appropriation also includes proposed deficiency appropriations. Transfers to fund/plant balance excluded from percentage of other unrestricted totals.

Source: Governor’s 2018-2023 Budget Books; Department of Legislative Services

Personnel Data

	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 22-23</u>
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	587.00	607.00	607.00	0.00
Contractual FTEs	<u>241.77</u>	<u>228.75</u>	<u>184.38</u>	<u>-44.37</u>
Total Personnel	828.77	835.75	791.38	-44.37

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	17.18	2.83%
Positions and Percentage Vacant as of 12/31/21	143.37	23.6%
Vacancies Above Turnover	126.2	20.77%

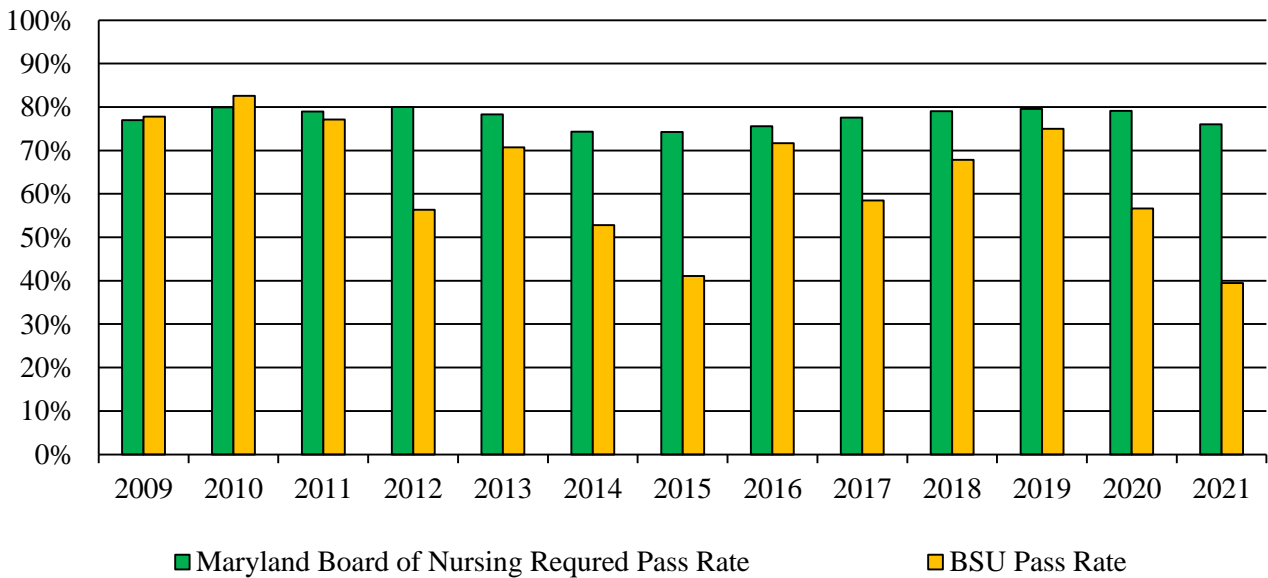
- The vacancies exceed the turnover rate by 126.2 positions, or 20.8 percentage points. BSU attributes this high vacancy rate to an increase in faculty and staff retirements. BSU indicated that the recruitment and hiring process for many of the open positions has taken longer than anticipated, while failed searches needed to be restarted where salaries were not competitive.
- Contractual full-time equivalents (FTE) decline by 44.37 in fiscal 2023. These contractual FTEs were funded in fiscal 2022 with federal stimulus funds that will not be available in fiscal 2023.

Issues

1. Status of the Nursing Program

The Nursing Program is one of the most popular programs offered at BSU. Since 2011, the Nursing Program has consistently ranked as a top five undergraduate degree producing program, behind only Business Administration and in line with Communication Media, Criminal Justice, Psychology, and Sociology. Despite the popularity of the program, the academic outcomes have been lackluster. As shown in **Exhibit 14**, BSU last met the MBON required pass rate for the NCLEX-RN exam with the graduating class of 2010. The test is taken by students completing a Bachelor of Science Nursing program. It should be noted that MBON’s required pass rate for the NCLEX-RN exam is based on first-time test takers only, so while a student may eventually retake the NCLEX-RN exam and pass, those scores are not included in the BSU pass rate totals.

Exhibit 14
Maryland Board of Nursing Required Pass Rate
Fiscal 2009-2021



BSU: Bowie State University

Source: Maryland Board of Nursing

Despite the failure to meet the required MBON pass rates, the BSU Nursing program continues to be accredited by the Accreditation Commission for Education in Nursing (ACEN), after having most recently achieved a continuing accreditation with conditions status during the fall 2020 cycle. ACEN has mandated that a follow-up report be submitted for the fall 2022 semester that details compliance with standards of curriculum and outcomes. In addition to ACEN, 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. After not meeting the required score for a second consecutive year, the Nursing Program received conditional approval in fiscal 2013 and has remained on conditional approval to date.

The first year that a program does not meet the State required pass rate, a report must be submitted identifying the factors that contributed to the decline in the pass rate and an action plan to remedy those deficiencies. For a second consecutive year that 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. As noted above, BSU has failed to meet the State required pass rate since 2010.

In July 2020, the MBON approved the Action Plan for the Undergraduate Nursing Program. A progress report of the action plan was submitted to MBON on December 15, 2021. BSU is awaiting approval of this plan, which is expected in late February 2022. BSU attributed the fiscal 2020 and 2021 poor NCLEX-RN pass rates to the COVID-19 pandemic as the transition to the virtual teaching and learning pedagogy proven difficult.

BSU implemented an incentive strategy in 2021 to assist with success of the NCLEX-RN test, whereby graduates are reimbursed the \$200 registration fee should they pass the exam. Pass rates for the first two quarters of fiscal 2022 were 85% and 78% for the program's students. BSU anticipates that should scores remain at the level achieved during the first half of fiscal 2022, the institution will meet the MBON's required pass rate for the full year.

The Department of Legislative Services recommends adopting committee narrative to report on the progress that the BSU Nursing Program has made toward meeting the MBON State-required pass rate for the NCLEX-RN exam.

Operating Budget Recommended Actions

1. Adopt the following narrative:

Bowie State University (BSU) Nursing Program Update: BSU has faced difficulties in meeting the Maryland Board of Nursing (MBON) required National Council Licensure Examination for Registered Nurses (NCLEX-RN) pass rate for its Nursing Program. MBON placed the BSU Nursing Program on conditional approval in 2013. BSU’s program has remained in this status through 2022. BSU has implemented strategies intended to improve this pass rate. The committees request that BSU submit a report that documents the actions identified by BSU to improve the NCLEX-RN required MBON pass rate, how these strategies are intended to increase the pass rate, and the pass rate for fiscal 2022.

Information Request	Author	Due Date
BSU Nursing Program update	BSU	August 5, 2022

**Appendix 1
Audit Findings**

Audit Period for Last Audit:	August 29, 2016 – April 30, 2020
Issue Date:	May 2021
Number of Findings:	7
Number of Repeat Findings:	2
% of Repeat Findings:	28.6%

Finding 1: **BSU did not independently verify certain financial aid awards and manual adjustments to student accounts.**

Finding 2: BSU did not have sufficient procedures to ensure that valid refund information was transmitted to the vendor responsible for disbursing student refunds, and that the vendor properly issued all refunds and adequately safeguarded sensitive student information.

Finding 3: BSU did not ensure that access to perform critical functions on its financial management systems was adequately restricted.

Finding 4: **Sensitive personally identifiable information was maintained without adequate safeguards and identification.**

Finding 5: Access to critical BSU internal network devices was not properly restricted, and intrusion detection prevention system coverage was not complete or adequate.

Finding 6: Remote access to the internal BSU network by employees and authorized contractors used a single security authentication measure.

Finding 7: For certain purchases, BSU circumvented procurement requirements and lacked comprehensive controls over invoice review, change order approvals, and manual overrides of automated controls.

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

Appendix 2
Object/Fund Difference Report
Bowie State University

<u>Object/Fund</u>	<u>FY 21</u> <u>Actual</u>	<u>FY 22</u> <u>Working</u> <u>Appropriation</u>	<u>FY 23</u> <u>Allowance</u>	<u>FY 22 - FY 23</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
Positions					
01 Regular	587.00	607.00	607.00	0.00	0%
02 Contractual	241.77	228.75	184.38	-44.37	-19.4%
Total Positions	828.77	835.75	791.38	-44.37	-5.3%
Objects					
01 Salaries and Wages	\$ 60,899,916	\$ 64,865,033	\$ 70,589,078	\$ 5,724,045	8.8%
02 Technical and Special Fees	18,058,943	18,338,103	16,669,227	-1,668,876	-9.1%
03 Communication	359,670	457,712	432,712	-25,000	-5.5%
04 Travel	746,931	1,011,582	1,011,582	0	0%
06 Fuel and Utilities	2,432,772	3,235,063	3,235,063	0	0%
07 Motor Vehicles	67,434	90,813	90,720	-93	-0.1%
08 Contractual Services	31,064,979	50,834,267	33,848,558	-16,985,709	-33.4%
09 Supplies and Materials	2,637,897	3,799,697	2,371,697	-1,428,000	-37.6%
10 Equipment – Replacement	1,001,998	876,740	686,740	-190,000	-21.7%
11 Equipment – Additional	3,214,502	19,112,565	4,935,812	-14,176,753	-74.2%
12 Grants, Subsidies, and Contributions	25,651,337	44,331,439	20,661,315	-23,670,124	-53.4%
13 Fixed Charges	4,949,520	8,697,067	8,747,344	50,277	0.6%
14 Land and Structures	7,524,635	5,430,483	6,537,410	1,106,927	20.4%
Total Objects	\$ 158,610,534	\$ 221,080,564	\$ 169,817,258	-\$ 51,263,306	-23.2%
Funds					
40 Unrestricted Fund	\$ 114,817,768	\$ 125,567,754	\$ 141,107,745	\$ 15,539,991	12.4%
43 Restricted Fund	43,792,766	95,512,810	28,709,513	-66,803,297	-69.9%
Total Funds	\$ 158,610,534	\$ 221,080,564	\$ 169,817,258	-\$ 51,263,306	-23.2%

Note: The fiscal 2022 appropriation does not include deficiency appropriations. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

**Appendix 3
Fiscal Summary
Bowie State University**

<u>Program/Unit</u>	<u>FY 21 Actual</u>	<u>FY 22 Wrk Approp</u>	<u>FY 23 Allowance</u>	<u>Change</u>	<u>FY 22 - FY 23 % Change</u>
01 Instruction	\$ 35,772,623	\$ 36,896,024	\$ 44,968,023	\$ 8,071,999	21.9%
02 Research	1,150,060	1,849,763	1,861,426	11,663	0.6%
03 Public Service	398,606	815,160	815,160	0	0%
04 Academic Support	27,408,331	49,508,871	25,073,318	-24,435,553	-49.4%
05 Student Services	12,712,384	16,342,536	11,421,066	-4,921,470	-30.1%
06 Institutional Support	19,386,587	25,408,535	22,583,128	-2,825,407	-11.1%
07 Operation and Maintenance of Plant	19,548,327	20,254,996	16,481,497	-3,773,499	-18.6%
08 Auxiliary Enterprises	20,316,513	27,544,590	27,752,275	207,685	0.8%
17 Scholarships and Fellowships	21,917,103	42,460,089	18,861,365	-23,598,724	-55.6%
Total Expenditures	\$ 158,610,534	\$ 221,080,564	\$ 169,817,258	-\$ 51,263,306	-23.2%
Unrestricted Fund	\$ 114,817,768	\$ 125,567,754	\$ 141,107,745	\$ 15,539,991	12.4%
Restricted Fund	43,792,766	95,512,810	28,709,513	-66,803,297	-69.9%
Total Appropriations	\$ 158,610,534	\$ 221,080,564	\$ 169,817,258	-\$ 51,263,306	-23.2%

Note: The fiscal 2022 appropriation does not include deficiency appropriations. The fiscal 2022 working appropriation and fiscal 2023 allow do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.