

**Department of Education**  
**HOWARD UNIVERSITY**  
**Fiscal Year 2017 Budget Request**

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## HOWARD UNIVERSITY

For partial support of Howard University, \$221,821,000, of which not less than \$3,405,000 shall be for a matching endowment grant pursuant to the Howard University Endowment Act and shall remain available until expended.<sup>1</sup> (*Department of Education Appropriations Act, 2016.*)

### NOTE

Each language provision that is followed by a footnote reference is explained in the Analysis of Language Provisions and Changes document, which follows the appropriation language.

**HOWARD UNIVERSITY**

**Analysis of Language Provisions and Changes**

Language Provision	Explanation
<p><sup>1</sup> ... of which not less than \$3,405,000 shall be for a matching endowment grant pursuant to the Howard University Endowment Act and shall remain available until expended.</p>	<p>This language establishes a minimum funding level for the endowment program. Endowment funds would remain available for obligation until expended.</p>

HOWARD UNIVERSITY

**Appropriation, Adjustments and Transfers**  
(dollars in thousands)

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Appropriation/Adjustments/Transfers	2015	2016	2017
<b>Discretionary:</b>			
Appropriation .....	\$221,821	\$221,821	\$221,821

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**HOWARD UNIVERSITY**

**Authorizing Legislation**  
(dollars in thousands)

Activity	2016 Authorized	2016 Estimate	2017 Authorized	2017 Request
General support (20 U.S.C. 121 et seq.)	Indefinite	\$194,496 <sup>1</sup>	Indefinite	\$194,496
Endowment program (P.L. 98-480)	(2)	(3)	(2)	(3)
Howard University Hospital (20 U.S.C. 128)	<u>Indefinite</u>	<u>27,325</u>	<u>Indefinite</u>	<u>27,325</u>
Total appropriation		221,821		221,821

<sup>1</sup> The University has discretion to allocate funds for activities authorized under the general statute for Howard University.

<sup>2</sup> Title II of P.L. 98-480, the Howard University Endowment Act, authorized \$2,000 thousand in fiscal year 1985 to establish an endowment program. Subsequent year appropriations language has authorized minimum funding levels for the endowment program under the terms and conditions of the Act.

<sup>3</sup> For fiscal year 2016, the University must allocate at least \$3,405 thousand for the endowment program. For fiscal year 2017, the Administration requests that not less than \$3,405 thousand be allocated to the endowment program.

## HOWARD UNIVERSITY

### Appropriations History (dollars in thousands)

Year	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
2008	\$233,866	\$237,392	\$237,392	\$233,245
2009	233,245	236,709 <sup>1</sup>	233,244 <sup>1</sup>	234,977
2010	234,977	234,977	234,977 <sup>2</sup>	234,977
2011	234,977	234,977 <sup>3</sup>	234,977 <sup>2</sup>	234,507 <sup>4</sup>
2012	234,507	234,507 <sup>5</sup>	234,507 <sup>5</sup>	234,064
2013	234,064	234,064 <sup>6</sup>	234,064 <sup>6</sup>	221,821
2014	234,064	N/A <sup>7</sup>	234,064 <sup>2</sup>	221,821
2015	221,821	N/A <sup>7</sup>	221,821 <sup>8</sup>	233,245
2016	221,821	221,821 <sup>9</sup>	219,500 <sup>9</sup>	221,821
2017	221,821			

<sup>1</sup> The levels for the House and Senate allowances reflect action on the regular annual 2009 appropriations bill, which proceeded in the 110<sup>th</sup> Congress only through the House Subcommittee and the Senate Committee.

<sup>2</sup> The level for the Senate allowance reflects Committee action only.

<sup>3</sup> The level for the House allowance reflects the House-passed full-year continuing resolution.

<sup>4</sup> The level for appropriation reflects the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10).

<sup>5</sup> The level for the House allowance reflects an introduced bill and the level for the Senate allowance reflects Senate Committee action only.

<sup>6</sup> The levels for the House and Senate allowances reflect action on the regular annual 2013 appropriations bill, which proceeded in the 112<sup>th</sup> Congress only through the House Subcommittee and the Senate Committee.

<sup>7</sup> The House allowance is shown as N/A because there was no Subcommittee action.

<sup>8</sup> The level for the Senate allowance reflects Senate Subcommittee action only.

<sup>9</sup> The levels for House and Senate allowances reflect action on the regular annual 2016 appropriations bill, which proceeded in the 114<sup>th</sup> Congress only through the House Committee and Senate Committee.

## HOWARD UNIVERSITY

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Howard University  
(20 U.S.C. 121, et seq.)

(dollars in thousands)

FY 2017 Authorization: Indefinite

Budget authority:

	<u>2016</u>	<u>2017</u>	<u>Change</u>
General Support	\$194,496 <sup>1</sup>	\$194,496 <sup>1</sup>	0
Howard University Hospital	<u>27,325</u>	<u>27,325</u>	<u>0</u>
Total	221,821	221,821	0

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<sup>1</sup> The University has discretion to allocate funds for activities authorized under the general statute for Howard University. However, the 2016 appropriation required the University to allocate at least \$3,405 thousand for the endowment program. The Administration proposes the same language for 2017.

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### PROGRAM DESCRIPTION

Howard University (University) was established in 1867 as a federally chartered, private, nonprofit educational institution in Washington, DC. As a comprehensive, research-oriented historically Black university, Howard's mission is to provide an educational experience of exceptional quality at the undergraduate, graduate, and professional levels. The University has an enduring commitment to the education and advancement of underrepresented populations in America and the global community, and ranks among the highest producers of the Nation's Black professionals in medicine, dentistry, pharmacy, engineering, nursing, architecture, religion, law, music, social work, and education. For example, according to the National Science Foundation, the University consistently ranks among the highest producers of Black Ph.D. students. Likewise, according to data from the Association of American Medical Colleges, the University ranks second among all colleges and universities in the total number of Black graduates who go on to apply to medical school.

The annual appropriation for Howard University provides partial support for construction, development, improvement, endowment, and maintenance of the University and Howard University Hospital. Howard University has discretion in allocating funds for its academic, research, and endowment programs, and for construction activities.

**Academic Programs** — The University offers approximately 120 fields of study leading to undergraduate, graduate, and professional degrees within 13 schools and colleges: Arts and Sciences; Business; Communications; Dentistry; Divinity; Education; Engineering, Architecture and Computer Sciences; Graduate School; Law; Medicine; Nursing and Allied Health Sciences; Pharmacy; and Social Work. To support these academic programs, the University provides a wide range of administrative, library, computer, and technology resources and services. These

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programs and services further the University's goals of expanding the opportunities of graduates, particularly minorities, especially in fields in which they are still underrepresented.

**Research Programs** — The University's research programs provide support for doctoral and post-doctoral research in scientific disciplines, pilot studies by interdisciplinary faculty teams, and the purchase of laboratory equipment. In addition, they provide new faculty with start-up research funding and offer bridge support for externally-funded research programs.

**Endowment Program** — The endowment program is designed to assist the University in increasing its financial strength and independence by stimulating private contributions. To receive Federal endowment funds, the University must provide a one-for-one match through non-Federal contributions to the endowment. The endowment fund continues to grow by generating income that may be used to pay University expenses such as costs related to operations, maintenance, administration, personnel, construction, technical assistance, and research. However, the University may withdraw no more than 50 percent of the yearly income generated by the endowment to help meet operating costs, except in the case of a financial emergency or another unusual occurrence.

**Construction** — The University has discretion in allocating funds for capital construction and renovation of buildings to maintain and improve the University's ability to provide high-quality postsecondary education and research opportunities. For example, a recently completed project is the Howard University Interdisciplinary Research Building (HUIRB), which opened in spring 2015. HUIRB, a silver certified LEED (Leadership in Energy & Environmental Design) building, has a total laboratory footage of 43,400 square feet, with 3,000 square feet for retail and a community-based lobby space. The building provides state of the art laboratories to research faculty, graduate and undergraduate students in a number of disciplines.

**Howard University Hospital** — Howard University Hospital (Hospital) was established in 1862 as Freedmen's Hospital, and was incorporated into the University by Congress in 1962. Today, the Hospital is a general medical and surgical facility, and is designated as a DC Level 1 Trauma Center. The 241-bed hospital is one of several comprehensive health care facilities serving the Washington, DC metropolitan area, with over 11,000 admissions and 60,000 emergency room visits annually. Hospital operations are financed through a combination of Federal funds, hospitalization insurance, patient payments, Medicare and Medicaid payments, and contractual agreements for patient care services with the District of Columbia government and other local jurisdictions. The Hospital is also a major teaching facility, providing training opportunities across a wide variety of specialty areas for graduate and professional students in the health sciences.



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Funding levels for the past 5 fiscal years were:

Fiscal Year	(dollars in thousands)
2012 .....	\$234,064
2013 .....	221,821
2014 .....	221,821
2015 .....	221,821
2016 .....	221,821

### FY 2017 BUDGET REQUEST

The Administration requests \$221.8 million for the University in fiscal year 2017, the same as the fiscal year 2016 appropriation. This request supports the Administration's goals to increase institutional quality and student completion rates. As a congressionally-chartered Historically Black College or University (HBCU), the University plays an important role in providing disadvantaged individuals, particularly Blacks or African Americans, with access to a high quality postsecondary education.

The Federal appropriation constituted approximately 29 percent of the University's total revenues and 10 percent of the Hospital's total revenues in fiscal year 2015. In order to maintain current levels of educational and healthcare services, approximately \$194.5 million of the fiscal year 2017 request would be allocated under General Support to the University, and \$26.3 million would go to the Hospital. General Support includes the University's academic programs, research programs, endowment program, and construction.

**Academic Programs** — Fiscal year 2015 tuition and fees constituted approximately 42 percent of the University's total revenue. The current undergraduate tuition for academic year 2015-2016 is \$22,740, well below that of nearby private universities. The undergraduate tuition is, for example, \$48,048 at Georgetown University and \$50,367 at George Washington University.

**Endowment Program** — From the fiscal year 2017 appropriation, at least \$3.4 million would be directed to continue building the University's endowment, and the University would be required to match this contribution on a 1:1 basis. The Administration believes earmarking a minimum dollar level to be allocated for the endowment will continue to encourage the University to increase its financial strength and independence from Federal support. The University maintains a pooled endowment that is comprised of 800+ individual endowments. Revenue earned through the consolidated endowment program is intended to be used for instructional and research support, professorships, scholarships and other forms of student aid, and facilities. In recent years, the University has matched all Federal funds appropriated for endowment purposes in the fiscal year in which they were appropriated. The University plans to match all endowment funds appropriated in fiscal year 2017.

According to a recent study published in January 2015 by the National Association of College and University Business Officers (NACUBO), called the NACUBO – Commonfund Study of Endowments (NCSE), Howard University ranked 156<sup>th</sup> out of 832 institutions in total endowment value. The study was based on an analysis of 2013 and 2014 endowment data from the 832 institutions. The market value of the University's total endowment at the end of fiscal year

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2015 was \$590.7 million, an increase of 14 percent over the fiscal year 2013 figure of \$514 million. This figure amounts to a per student endowment of \$65,423 when divided by the number of full-time equivalent students for fiscal year 2015. According to the University, the amount of earnings from the endowment that are spent each year varies based on the market value of the endowment. The University's average spending rate for the past 5 years has been between 4 and 5 percent, in line with institutions with similarly sized endowments (i.e., between \$501 million and \$1 billion) participating in the NACUBO study cited above which found an average annual effective spending rate of 4.3 percent.

**Howard University Hospital** — The Administration's request includes \$27.3 million for the Hospital. Federal support for the Hospital enables provision of medical, dental, and other health-related education, research, and training opportunities for students.

**Research Programs** — In fiscal year 2015, the University dedicated \$42.4 million to research programs, though the Federal appropriation was not a source of funding in this area. The President's fiscal year 2017 request does not include funding for research programs, as these will be funded by other operating revenues at the University.

**Construction** — The fiscal year 2017 request does not include any funds for construction.

### PROGRAM OUTPUT MEASURES

(data in whole numbers)

<u>Output Measures</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Student population by enrollment:</b>			
Number of full-time undergraduate students	6,305	6,304	6,303
Number of full-time graduate students	1,252	1,262	1,268
Number of full-time professional students	<u>1,472</u>	<u>1,465</u>	<u>1,465</u>
Total number of full-time students	9,029	9,031	9,036
Total number of undergraduate students	7,295	7,300	7,305
Total number of graduate students	1,843	1,844	1,845
Total number of professional students	<u>1,534</u>	<u>1,535</u>	<u>1,536</u>
Total number of students	10,672	10,679	10,686

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NOTE: Howard University has provided all data, which is based on the University's July 1 to June 30 academic year.

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### PROGRAM OUTPUT MEASURES

(in whole dollars)

<u>Output Measures</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Student population by race:</b>			
Number of Black U.S. undergraduate students	6,650	6,655	6,660
Number of other U.S. undergraduate students	345	345	345
Number of foreign undergraduate students	300	300	300
Number of Black U.S. graduate students	1,452	1,453	1,454
Number of other U.S. graduate students	156	156	156
Number of foreign graduate students	235	235	235
Number of Black U.S. professional students	1,072	1,074	1,075
Number of other U.S. professional students	391	391	391
Number of foreign professional students	71	70	70
<b>Student population by family income:</b>			
Number of undergraduates with family income of less than \$40,000	2,666	2,650	2,675
Number of graduate students with family income of less than \$40,000	799	801	815
Number of professional students with family income of less than \$40,000	961	955	945
<b>Undergraduate student financial aid:</b>			
Number of U.S. students receiving Federal aid	5,729	5,750	5,850
Average amount of aid	\$17,252	\$17,500	\$17,500
Number of U.S. students receiving non-Fed'l aid	5,150	5,300	5,850
Average amount of aid	\$14,864	\$14,500	\$14,575
Number of foreign students receiving non-Fed'l aid	263	265	266
Average amount of aid	\$23,954	\$23,970	\$23,990
<b>Graduate student financial aid:</b>			
Number of U.S. students receiving Federal aid	1,077	2,559	2,600
Average amount of aid	\$33,055	\$48,670	\$48,700
Number of U.S. students receiving non-Fed'l aid	787	795	795
Average amount of aid	\$15,929	\$15,945	\$16,250
Number of foreign students receiving non-Fed'l aid	122	125	130
Average amount of aid	\$21,221	\$21,230	\$22,186

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NOTE: Howard University has provided all data, which is based on the University's July 1 to June 30 academic year.

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### PROGRAM OUTPUT MEASURES

(in whole dollars)

<u>Output Measures</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Professional student financial aid:</b>			
Number of U.S. students receiving Federal aid	1,301	1,350	1,355
Average amount of aid	\$53,673	\$54,005	\$54,005
Number of U.S. students receiving non-Fed'l aid	789	792	795
Average amount of aid	\$15,200	\$15,250	\$16,275
Number of foreign students receiving non-Fed'l aid	57	60	65
Average amount of aid	\$30,121	\$31,000	\$32,500
<b>Degrees awarded by type and race:</b>			
Baccalaureates awarded to Black U.S. students	1,247	1,115	1,125
Baccalaureates awarded to other U.S. students	75	40	40
Baccalaureates awarded to foreign students	<u>28</u>	<u>45</u>	<u>50</u>
Total number of Baccalaureates awarded	1,350	1,200	1,215
Masters awarded to Black U.S. students	251	268	275
Masters awarded to other U.S. students	35	37	38
Masters awarded to foreign students	<u>37</u>	<u>40</u>	<u>42</u>
Total number of Masters awarded	323	345	355
Ph.D.s awarded to Black U.S. students	104	96	98
Ph.D.s awarded to other U.S. students	4	7	7
Ph.D.s awarded to foreign students	<u>16</u>	<u>12</u>	<u>12</u>
Total number of Ph.D.'s awarded	124	115	117
Professional degrees awarded to Black U.S. students	261	260	263
Professional degrees awarded to other U.S. students	98	97	98
Professional degrees awarded to foreign students	<u>19</u>	<u>19</u>	<u>19</u>
Total number of Professional degrees awarded	378	376	380
<b>Faculty:</b>			
Number of paid faculty	1,276	1,333	1,306
Number of faculty serving without compensation	<u>36</u>	<u>28</u>	<u>28</u>
Total number of faculty	1,312	1,361	1,334

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NOTE: Howard University has provided all data, which is based on the University's July 1 to June 30 academic year.

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**PROGRAM OUTPUT MEASURES**

(dollars in thousands)

<u>Output Measures</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Construction:</b>			
Total construction expenditures	\$45,870	\$25,000	\$40,000
<b>Endowment program:</b>			
Federal appropriation	\$3,405 <sup>1</sup>	\$3,405 <sup>1</sup>	\$3,405 <sup>1</sup>
Match funds raised by University	<u>3,405</u>	<u>3,405</u>	<u>3,405</u>
Total new contributions	6,810	6,810	6,810
Market value of total University endowment	590,659	595,000	600,000
Endowment investment income	13,718	14,286	14,750
Investment income as percent of endowment	2.3%	2.4%	2.5%
<b>Howard University General Support:</b>			
Federal appropriation	\$194,496 <sup>1</sup>	\$194,496 <sup>1</sup>	\$194,496 <sup>1</sup>
Other Federal funding	<u>42,903</u>	<u>56,841</u>	<u>62,504</u>
Total Federal funding	237,399	251,337	257,000
Restricted non-Federal revenue	14,166	18,500	20,000
Revenue from tuition and fees	264,307	264,197	270,000
Other non-Federal revenue	<u>116,282</u>	<u>122,000</u>	<u>125,888</u>
Total non-Federal revenue	394,755	404,697	415,888
Total University revenue	632,154	656,034	672,888
Total University expenditures	668,180	655,656	653,956
Federal funding as percentage of total revenue	37.6%	38.3%	38.2%
Tuition and fees as percentage of total revenue	41.8%	40.3%	40.1%
Federal appropriation as percentage of total revenue	30.8%	29.6%	28.9%
<b>Howard University Hospital:</b>			
Federal appropriation	\$27,325	\$27,325	\$27,325
Other Federal funding	<u>65,708</u>	<u>68,580</u>	<u>66,472</u>
Total Federal funding	93,033	95,905	93,797
Total Hospital revenue	262,791	260,726	265,000
Total Hospital expenditures	281,965	76,725	270,000
Federal appropriation as percent of total revenue	10.4%	10.5%	10.3%

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NOTE: Howard University has provided all data, which is based on the University's July 1 to June 30 academic year.

<sup>1</sup> Federal funding for the Howard endowment program is drawn from the appropriation for Howard University General Support.

## HOWARD UNIVERSITY

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### PROGRAM PERFORMANCE INFORMATION

#### Performance Measures

This section presents selected program performance information, including, for example, GPRA goals, objectives, measures, and performance targets and data; and an assessment of the progress made toward achieving program results. Achievement of program results is based on the cumulative effect of the resources provided in previous years and those requested in FY 2017 and future years, as well as the resources and efforts invested by those served by this program.

**Goal: To assist Howard University with financial resources needed to carry out its educational mission.**

**Objective:** *Maintain or increase the undergraduate graduation rate.*

**Measure:** The percentage of first-time, full-time, degree-seeking, undergraduate students who graduate within 6 years of enrollment.

Year	Target	Actual
2012	70%	63.2%
2013	70	60.4
2014	70	59.5
2015	70	60.2
2016	70	
2017	70	

**Additional Information:** This measure explicitly defines the graduation rate as completion of a 4-year degree within 6 years of enrollment at the University. The measure uses data taken from the Integrated Postsecondary Education Data System (IPEDS) database maintained by the National Center for Education Statistics (NCES) rather than directly from the University.

The long-term goal is to increase Howard University's graduation rate. According to the IPEDS data, in 1998, the graduation rate for Howard University was only 41 percent, but by 2003, it had significantly increased to 69 percent. Since then, Howard's graduation rate has steadily declined, reaching a low of 59.5 percent in 2014 before improving slightly in 2015. The Department plans to work with Howard in fiscal year 2016 to improve performance in this area and will review targets for possible adjustment.

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**Objective:** *Maintain or increase the retention of full-time undergraduate students.*

**Measure:** The percentage of first-time, full-time, degree-seeking, undergraduate students who were in their first year of postsecondary enrollment in the previous year and are enrolled in the current year.

Year	Target	Actual
2012	87%	80%
2013	88	83
2014	89	80
2015	90	85
2016	90	
2017	90	

**Additional Information:** The long-term goal for the persistence is to increase the percentage of first-time, full-time students who return for their second year of undergraduate education. Data from IPEDS showed Howard University's persistence rate steadily dropped beginning in 2007, when it dipped to 85 percent after multiple years at 90. The rate fell further through 2014 before improving in 2015. Targets have been adjusted to gradually bring performance back up to the 90 percent level. The Department plans to work with Howard during fiscal year 2016 to improve performance in this area and will review targets for possible adjustment.

**Objective:** *Increase student enrollment over the long term.*

**Measure:** The number of full-time, degree-seeking, undergraduate and graduate students enrolled at Howard University.

Year	Target	Actual
2012	12,000	8,941
2013	12,000	8,818
2014	12,000	9,065
2015	12,000	9,029
2016	TBD	
2017	TBD	

**Additional Information:** This measure utilizes data taken from NCES' IPEDS database to track the enrollment of full-time students at Howard University. Combined enrollment of degree-seeking undergraduates and graduates at the University has remained around 9,000 students annually since fiscal year 2012. This figure is nearly 3,000 students (or 25 percent) short of Howard's internal combined enrollment target of 12,000 students. The Department will discuss with the University a plan to increase enrollment and may consider adjusting targets for 2016 and beyond.

### Efficiency Measures

The efficiency measure tracks the cost of a successful outcome, where success is defined as graduation and Federal cost is defined as the program appropriation. This measure ties in with the program's performance indicators.

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**Measure:** Federal cost of degrees and certificates awarded by Howard University.

Year	Target	Actual
2012	\$88,000	\$85,455
2013	88,000	90,337
2014	88,000	95,108
2015	88,000	88,127
2016	88,000	
2017	88,000	

**Additional Information:** The efficiency measure is calculated by dividing the total funds appropriated for Howard (exclusive of Hospital funding) by the number of students successfully completing degree or certificate programs. This measure allows the Department to track program performance in terms of cost to the Federal Government and the efficiency of Federal funds in achieving successful outcomes. The Federal cost per degree or certificate awarded has increased steadily since 2012, but decreased by 7 percent in fiscal year 2015.

A similar efficiency measure has been established for the higher education programs authorized under Titles III and V of the Higher Education Act, as well as for Gallaudet University and the National Technical Institute for the Deaf. This metric enables the Department to assess relative program performance across institutions with similar types of missions.

### Other Performance Information

The University's fiscal year 2014 audit, required by OMB Circular A-133 (A-133), identified a number of concerns with internal control over financial reporting. The financial statement and Federal award management findings included six material weaknesses (Consolidated Financial Reporting and Close Process, Existence of Accounts Payable, Faculty Practice Plan Accounting, Expenses Cut-off, Hospital Financial Statements Reporting and Close Process, and User Access and Administration) and eight significant deficiencies (Employee On-boarding, International Activities, Circumvention of Policies, Fixed Assets Monitoring, Segregation of Duties, Procurement Process, Disaster Recovery and Backup Processes, and Change Management). As a result, the University's A-133 Corrective Action Plan for the fiscal year ending June 30, 2014, contained descriptions of corrective actions and anticipated time needed to implement the actions for each finding. As of March 2015, the University established a committee of key executives to drive organizational and process change, and to minimize the risk of non-compliance with Federal regulations. Additionally, the University's Board of Trustees established an Enterprise Risk Management Committee to evaluate and mitigate the institution's exposure to risk.

In response to ongoing annual revenue losses at both the Hospital and the University, in recent years the University has taken several steps to improve its overall financial standing. For example, in April 2015, the University eliminated 84 staff positions. In order to reduce the financial burden of higher education on students and improve enrollment and graduation rates, the University froze tuition rates on all undergraduate programs and some graduate programs for the 2015-2016 fiscal year and will incentivize completion with tuition rebates for students who earn their degree early or on-time. The Department will work with the University in fiscal



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year 2016 to determine what impact, if any, these initiatives had on the institution's financial standing, as well as enrollment patterns and graduation rates. In addition, the Department will analyze the effects of these initiatives over longer periods of time.

Despite these new measures and some progress in controlling processes, the Department has ongoing concerns about Howard's overall financial health. The Hospital posted a \$58 million loss in fiscal year 2015. The University's credit was downgraded for the third straight year in June 2015 to Ba2 with a negative outlook by Moody's Investors Service, while Standard & Poor's Rating Services lowered its long-term and underlying rating to BBB+ and stand-alone credit profile to bbb+ in March 2014. The downgrades were credited to concerns about the institution's financial state and the lack of consistent institutional leadership. The latter issue may be addressed by the appointments in the summer of 2014 of a new permanent president, Dr. Wayne A. I. Frederick, and a new Chairman of the Board of Trustees, Stacey Mobley, Esq. Additionally, in April 2015, the University announced a change in the Hospital's executive leadership team as part of a multi-year turnaround plan. According to the announcement, the staffing and operational changes implemented at the hospital have improved hospital operations, financial performance, and patient care and satisfaction. The Department will continue working with leadership to stabilize the University's financial condition in fiscal years 2016 and 2017 to ensure continued improvements in financial management and full compliance in regards to the Federal appropriation.