



Fall 2025 Town Hall

Agenda Items



- **Glossary**
- **State of Maryland and Enrollment**
- **FY 2025/2026 University Budget Update**
- **Budget Risks**

Glossary

Revenue Source	Description
Tuition and Fees	Payments from students for instruction, enrollment, and other academic services. Includes mandatory fees (e.g., technology, student activities).
State Appropriations and Maryland HEIF Funds	Annual funding from the State of Maryland, including Higher Education Investment Funds (HEIF), which are state-designated revenues for public higher education.
Coalition Funds (HBCU Settlement)	Funds provided under the Maryland HBCU Coalition Settlement to support historically Black colleges and universities. The settlement “expires” at the end of the 2023–2032 funding period.
Federal Grants and Contracts	Funding from U.S. federal government agencies, typically awarded through competitive grants or contracts to support research, academic programs, or institutional initiatives.
Sales and Services – Auxiliary	Revenue from non-academic operations such as housing, dining, bookstores, parking, athletics, and other campus services.
State, Local, and Private Grants	Competitive or formula-based funding from government entities or private organizations to support specific programs or research.
Other Sources	Miscellaneous income such as interest earnings on investments, rental income, or one-time reimbursements.

State of Maryland

- Revenue shortfalls aligned with Governor Moore's budget [Budget Highlights Fiscal Year 2026](#)
- State of Maryland's Revenue Deficit - \$3B
- University System of Maryland Budget Deficit - \$111.1M
- State General Funds reduction - \$3.5M
- HBCU Coalition Funds reduction - \$1.2M
- Governor's 2% Supplemental reduction - \$1.4M
- Tuition and Fee increases
- Continue to address outstanding student debt
- Anticipation of future reductions

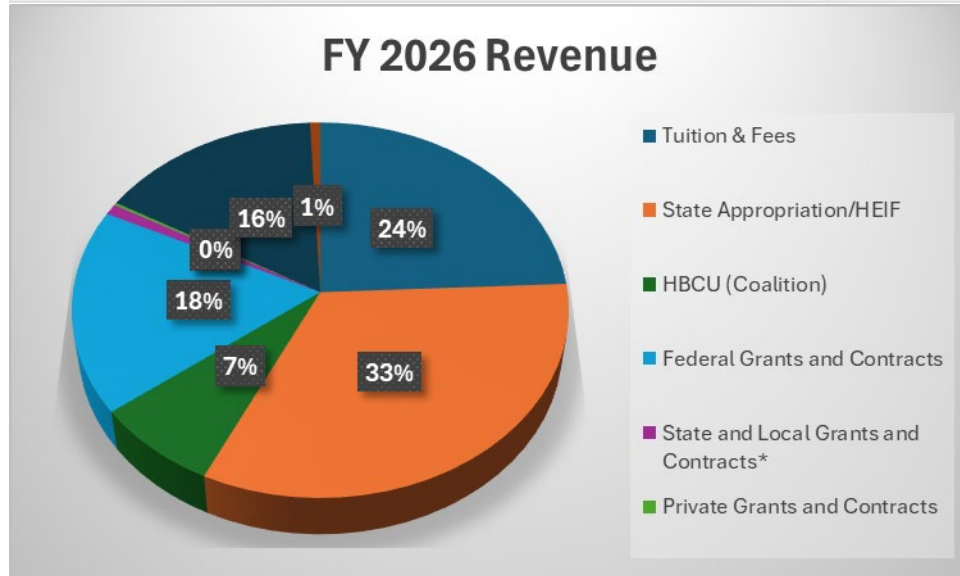
FY 2025 and FY 2026 Revenue Budget

Total Revenues	FY25 Budget	FY 2025 Actuals	% Change	FY26 Budget
Tuition & Fees	\$ 54,885,195	\$ 48,608,426	\$ (6,276,769)	\$52,327,972
State Appropriation/HEIF	\$ 70,764,911	\$ 70,887,399	\$ 122,488	\$70,633,152
HBCU (Coalition)	\$ 17,476,088	\$ 17,476,088	\$ -	\$16,318,751
Federal Grants and Contracts	\$ 39,717,240	\$ 42,954,763	\$ 3,237,523	\$37,934,071
State and Local Grants and Contracts*	\$ 2,000,000	\$ 2,177,421	\$ 177,421	\$ 2,000,000
Private Grants and Contracts	\$ 500,000	\$ 2,309,937	\$ 1,809,937	\$ 500,000
Sales & Services-Auxiliary	\$ 34,400,107	\$ 27,714,294	\$ (6,685,813)	\$34,234,726
Other Sources	\$ 1,096,092	\$ 3,503,542	\$ 2,407,450	\$ 1,564,390
Grand Total	220,839,633	215,631,870	\$ (5,207,763)	215,513,062
*This does not include BSU Foundation Funds				

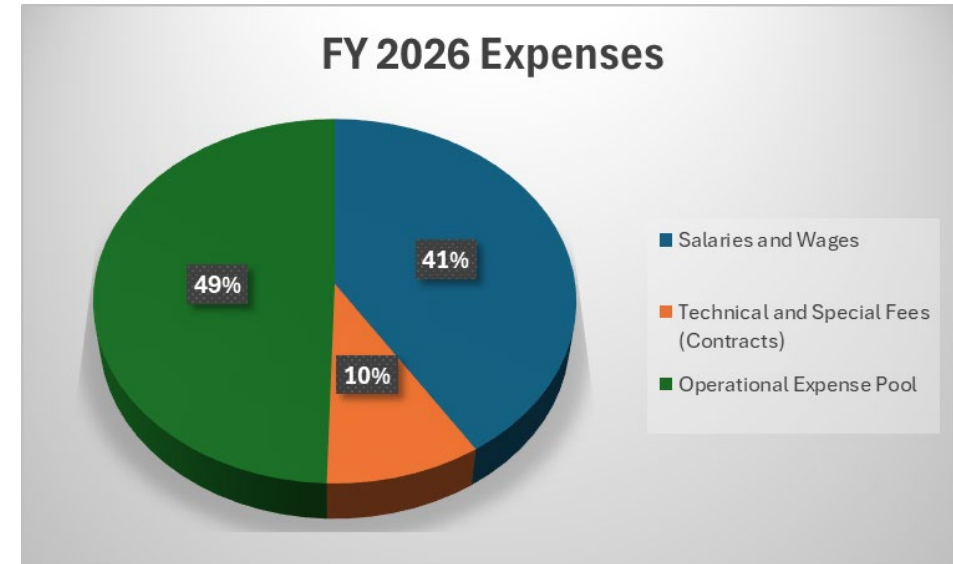
FY 2025 revenue actuals came in \$5.2 million less than budgeted

FY 2026 Total Budget

Total Revenues	FY26 Budget	% Budget
Tuition & Fees	\$ 52,327,972	24%
State Appropriation/HEIF	\$ 70,633,152	33%
HBCU (Coalition)	\$ 16,318,751	8%
Federal Grants and Contracts	\$ 37,934,071	18%
State and Local Grants and Contracts*	\$ 2,000,000	1%
Private Grants and Contracts	\$ 500,000	0%
Sales & Services-Auxiliary	\$ 34,234,726	16%
Other Sources	\$ 1,564,390	1%
Grand Total	215,513,062	100%
*This does not include BSU Foundation Funds		



Total Expenses	FY 2026 Budget	% Budget
Salaries and Wages	88,227,948	41%
Technical and Special Fees (Contracts)	20,562,448	10%
Operational Expense Pool	106,722,666	50%
Grand Total	215,513,062	100%



FY 2026 Revenue Assumptions

- The university budget assumes an enrollment headcount of 6,107 for fall 2025 and a headcount of 5,496 or 90% for spring 2026
- 2% In-State and 2% Out-of-State Tuition increases
- Continue to address the outstanding student debt, which was \$18M in the previous FY. As of June 2025, student debt is \$10M.
- FY 2026 Total Unrestricted & Restricted Revenues are **\$215.5M, a \$5.3M reduction** over FY 2025 Budget

FY 2026 Expense Highlights

Key Highlights

- Eliminated 50 + FTE internal vacancies/positions for regular PIN positions both faculty and staff
- Established 17 new FTE positions
- Reduced travel by ~ 85% and supplies by ~ 75%
- \$1.4M increase for COLA & Merit
- \$800k increase for Health & Fringe changes
- \$250K increase for CRM Philanthropic Engagement
- \$200k increase for Financial Aid
- \$1.1M increase for New Facilities (Humanities) operating

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Strategic Cost Reduction Initiatives

- **Operational Efficiency & Redundancy Elimination:** Streamlining systems and processes to reduce duplication and maximize resource utilization. Example: Unified scheduling via 25Live; optimized CS Financial Aid operations.
- **Smarter Contracting & Licensing:** Re-negotiating high-cost contracts and rightsizing software licenses to align with actual usage. Example: Replacing Monday.com and tutoring software; discontinuing EduNav.
- **Technology & AI Investments:** Leveraging one-time vendor engagements and engineering talent to reduce long-term technology and process debt. Example: Network assessment and refresh.
- **Business Process Optimization:** Process redesign with to enhance delivery and embed change management. Example: Project intake streamlining; technical change management.
- **Vendor Rationalization & Internal Capability Building:** Reducing reliance on high-cost vendors by transitioning to cost-effective vendors and strengthening internal teams. Example: Phasing out Swipe Jobs.
- **Platform Consolidation for Automation:** Standardizing platforms to eliminate duplication and reinvest in automation and integration. Example: Leveraging PeopleSoft, Workday, Zendesk, AARs and AD.

FY 2026 Budget Risks

- Enrollment numbers missed target → ~\$1.3M tuition deficit
- 1,800 students currently on payment plans
- USM adjustments on state side in FY 2026
- Federal grants and research cuts
- Financial aid reductions → changes to Federal Loans
- Rising Bad Debt / Student Debt Ratios
- Cuts aren't offset by new revenue streams

Enrollment shortfalls and external funding cuts mean budgets must be realigned while exploring new revenue opportunities.

What to expect?

1. Everyone must manage and track to their budget
2. Everyone helps with new revenue streams
3. Retention is everyone's responsibility
4. Anticipate reductions for FY 2026 and FY 2027
5. Focus on the big picture

Budget Development Calendar



Timeline	Dates	Task
Aug-Sept	August	USM provides Bowie with specific budget instructions and information for submission of next year's budget request (General Funds, Tuition Rate, Institutional Mandatories, etc.)
	August	Budget Office obtains preliminary enrollment numbers and credit hour mix from Institutional Research for development of the University's budget request
	September	A preliminary fiscal year budget request is prepared in accordance with USM instructions, preliminary enrollment numbers, preliminary initiatives, and the current year base budget
	September	The preliminary fiscal year budget request is prepared for the State and entered into the Budget Application System (BAS)
Nov-Jan	November	Draft Tuition, Mandatory Fees, Room and Board rates are reviewed through shared governance process (SGA, GSA, & University Council)
	December	If applicable, adjustments are made to the preliminary fiscal year budget request based on information from USM
Jan-Mar	January	Governor approves fiscal year budget request and forwards to Department of Legislative Services (DLS)
	January	Receive several fiscal impact statements from USM regarding pending legislation that may have impact on higher education institutions in the State
	January	DLS prepares an assessment of BSU and submits questions/areas of concerns
	January	Conduct Mid-Year Expenditure Review with VPs and/or President – Re-allocation of one-time funds recommended, if appropriate, to align with strategic priorities
	February	If applicable, Budget Hearings with the Department of Budget and Management (DBM) are held. Testimony is prepared for President to defend upcoming fiscal year budget proposal



Budget Development Calendar



Timeline	Dates	Task
	February	If applicable, President testifies before the House/Senate subcommittees
	February	Tuition, Mandatory Fees, Room and Board rates are submitted to Board of Regents (BOR) for approval
	February	VPAF provides mid-year budget update to the campus community
	February	President and Cabinet members establish University priorities for Outlying FY
	February	Cabinet finalizes enrollment numbers for development of University's upcoming fiscal year working budget
	March	Departments begin developing initiatives for review based on instructions from their division/department heads
Apr-Jul	April	All departmental initiatives are due to their respective division/department heads (VP) for review
	May	All proposed initiatives are due to the Budget Office from division VPs
	May	Cabinet reviews submissions to ensure initiatives are aligned with BSU's Strategic Plan and FY Priorities
	May	VPAF host campus budget forum
	May	If applicable, Cabinet continues to review initiatives for approval
	June	Budget Office begins the process of reconciling and preparing the working budget for use in the financial system
	July	Budget Office informs the campus community that budgets are available