



BOWIE STATE UNIVERSITY

State of the University

President's Address

BOLDLY FORWARD

August 18, 2025

Aminta H. Breaux, Ph.D.
President

5. Balanced Budget



Fiscal Year '26 Budget



**Manish Kumar,
Vice President for
Administration and Finance**

Fall 2025

Faculty Institute

Agenda Items



- **Introduction**
- **Glossary**
- **State of Maryland**
- **The Perfect Storm**
- **FY Budget Comparison**
- **FY 2025 End of Year**
- **FY 2026 Budget**
- **Historical FTEs**
- **Budget Reductions**
- **IT Strategic Reinvestment**
- **Cost Efficiencies**
- **Updates since May 2025**
- **What to Expect**
- **Budget Cycle**

Glossary

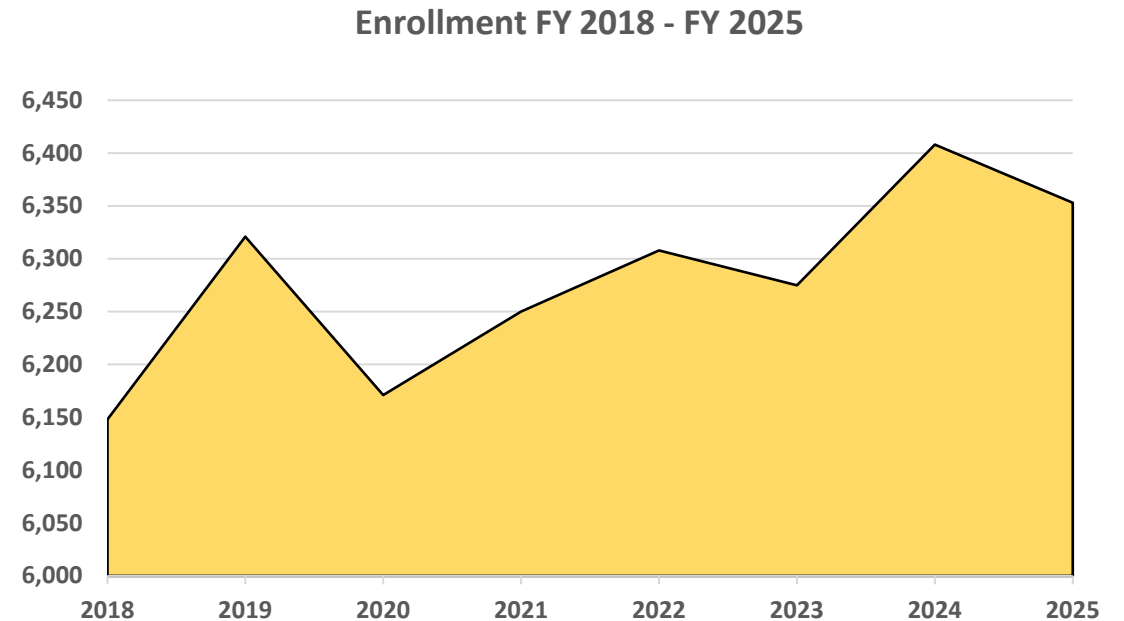
| Revenue Source | Description | Avg % of Budget |
|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Tuition and Fees | Payments from students for instruction, enrollment, and other academic services. Includes mandatory fees (e.g., technology, student activities). | 23% |
| 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. | 35% |
| 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. | 8% |
| 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. | 18% |
| Sales and Services – Auxiliary | Revenue from non-academic operations such as housing, dining, bookstores, parking, athletics, and other campus services. | 12% |
| State, Local, and Private Grants | Competitive or formula-based funding from government entities or private organizations to support specific programs or research. | 2% |
| Other Sources | Miscellaneous income such as interest earnings on investments, rental income, or one-time reimbursements. | 2% |

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

The Perfect Storm

- **Free Application for Federal Student Aid (FAFSA) Disruptions** – Delays & process challenges
- **Student Financial Planning (SFP) Hurdles** – Funding gaps impact retention
- **Student Billing Challenges** – Delays & viewing accurate data



Budget Comparison

| | FY25 Budget | % | FY26 Budget | % |
|---------------------------------------------|--------------------|-------------|--------------------|-------------|
| Tuition and Fees | 54,885,195 | 25% | 52,327,972 | 24% |
| State General Funds | 66,781,842 | 30% | 66,088,351 | 31% |
| Higher Ed Investment Fund (HEIF) | 3,983,069 | 2% | 4,544,801 | 2% |
| HBCU Settlement Funds | 17,476,088 | 8% | 16,318,751 | 8% |
| Federal Grants and Contracts Indirect | 918,843 | 0% | 1,224,558 | 1% |
| Auxiliary Enterprises | 34,400,107 | 16% | 34,234,726 | 16% |
| Other Sources | 1,096,092 | 0% | 1,564,390 | 1% |
| Federal Grants and Contracts | 35,209,513 | 16% | 36,709,513 | 17% |
| HEERF | 3,588,884 | 2% | - | 0% |
| Private, State and Local Grants & Contracts | 2,500,000 | 1% | 2,500,000 | 1% |
| | 220,839,633 | 100% | 215,513,062 | 100% |

■ *Private, State and Local Grants & Contracts
■ HEERF

■ Federal Grants and Contracts

■ Other Sources

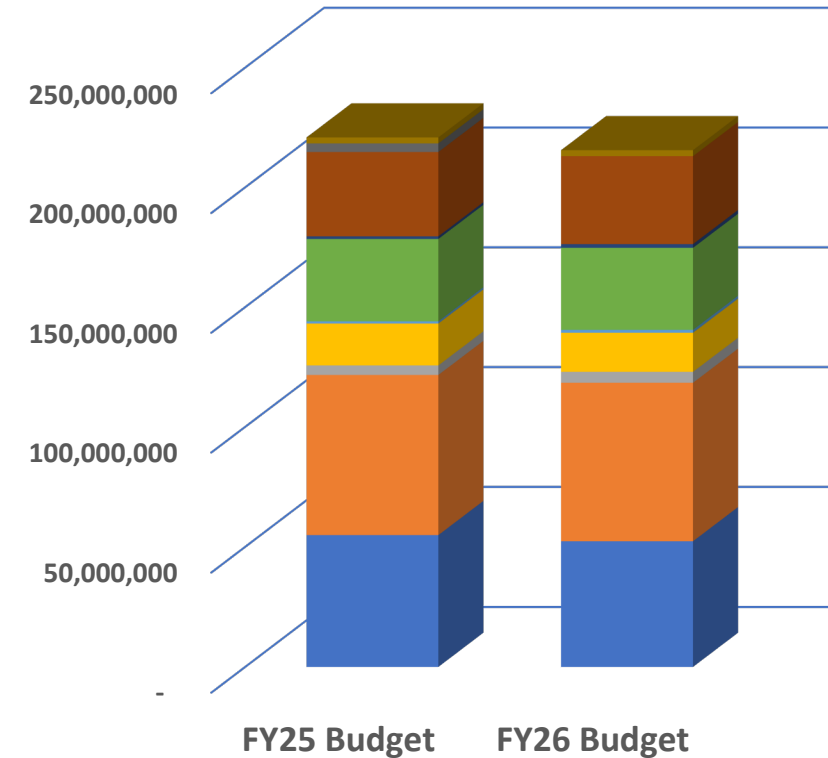
■ Auxiliary Services

■ Federal Grants & Contracts Indirect

■ HBCU Settlement Funds

■ HEIF

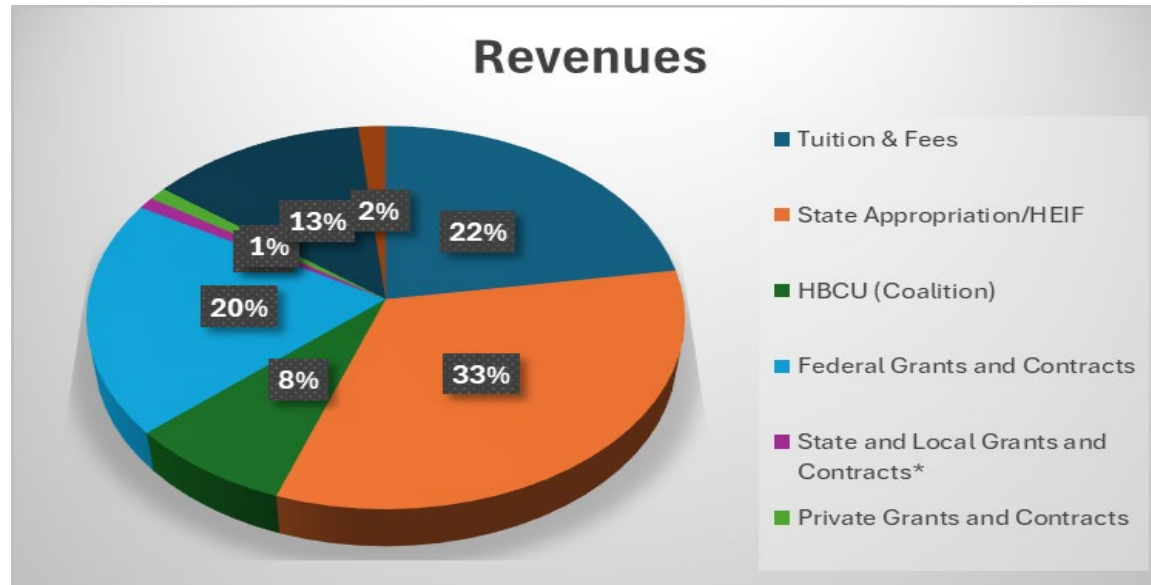
■ State General Funds



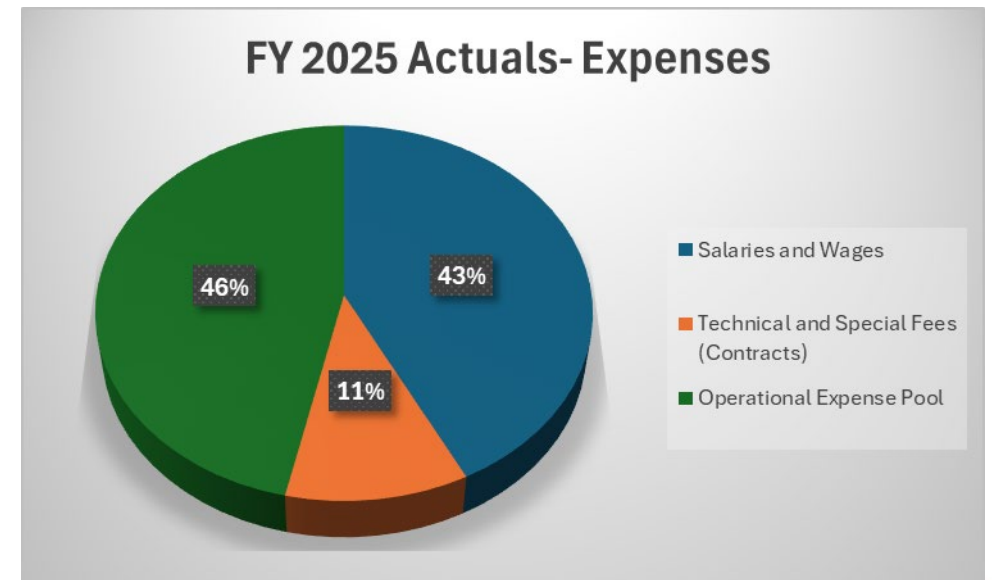
*Does not include BSU Foundation Funds

FY 2025 Year End - Actuals

| Total Revenues | FY 2025 Actuals | % |
|---------------------------------------------|--------------------|-------------|
| Tuition & Fees | \$ 48,608,426 | 23% |
| State Appropriation/HEIF | \$ 70,887,399 | 33% |
| HBCU (Coalition) | \$ 17,476,088 | 8% |
| Federal Grants and Contracts | \$ 42,954,763 | 20% |
| State and Local Grants and Contracts* | \$ 2,177,421 | 1% |
| Private Grants and Contracts | \$ 2,309,937 | 1% |
| Sales & Services-Auxiliary | \$ 27,714,294 | 13% |
| Other Sources | \$ 3,503,542 | 2% |
| Grand Total | 215,631,870 | 100% |
| *This does not include BSU Foundation Funds | | |



| Total Expenses | FY 2025 Actuals | % |
|----------------------------------------|--------------------|-------------|
| Salaries and Wages | 91,742,644 | 43% |
| Technical and Special Fees (Contracts) | 23,546,036 | 11% |
| Operational Expense Pool | 100,343,190 | 47% |
| Grand Total | 215,631,870 | 100% |



FY 2025 Budget vs Actuals

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

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

FY 2025 Year End - Highlights

REVENUE

- Forecast ending FY 2025 budget with a positive fund balance
- Forecast to return 0.7% fund balance, missing the 1% goal per USM requirement
- Enrollment and tuition fell short of the 6,513 target (actual: 6,353) and increased number of students dropped due to non-payment—resulted in a \$6.6M revenue shortfall*
- Auxiliary revenue dropped due to enrollment shortfalls in Fall 2024 and Spring 2025—primarily in Housing (~80% of impact), Athletics, and Conference and Event services—resulting in \$6.7M less than budget.

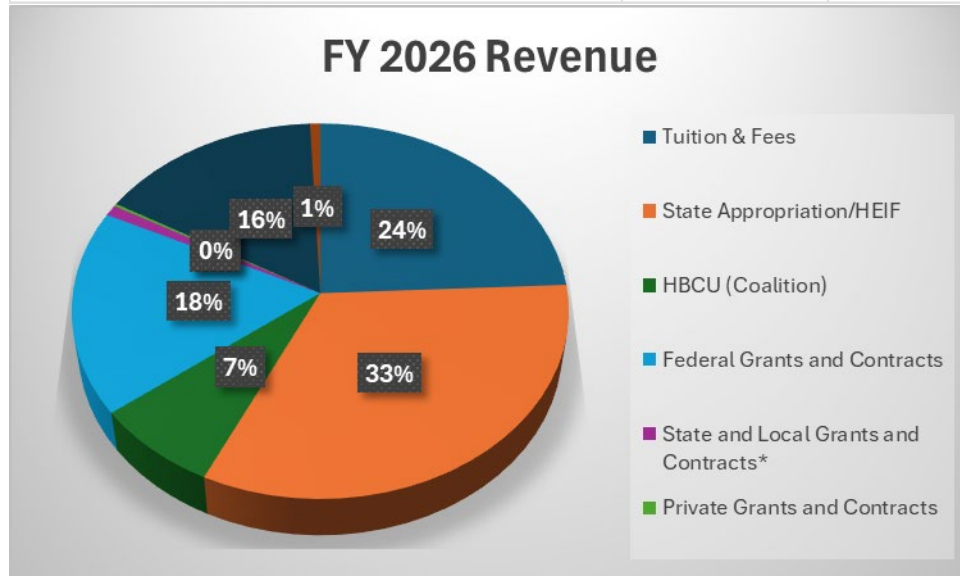
EXPENSES

- Funded for COLA and/or Merit for faculty and staff
- Increased Turnover Rate by 2% (2.5% to 4.5%) to balance budget in FY 2025

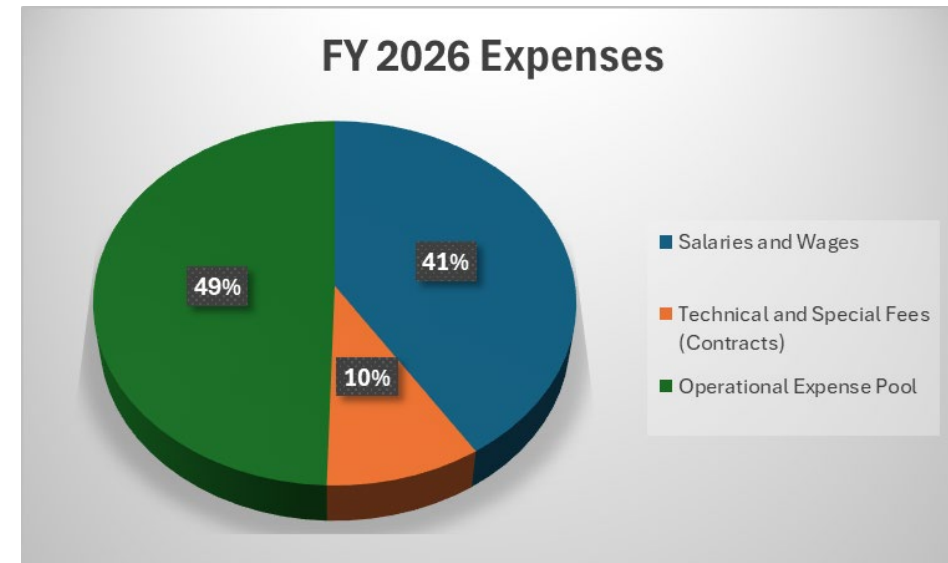
*Year of FAFSA disruptions

FY 2026 Total Budget

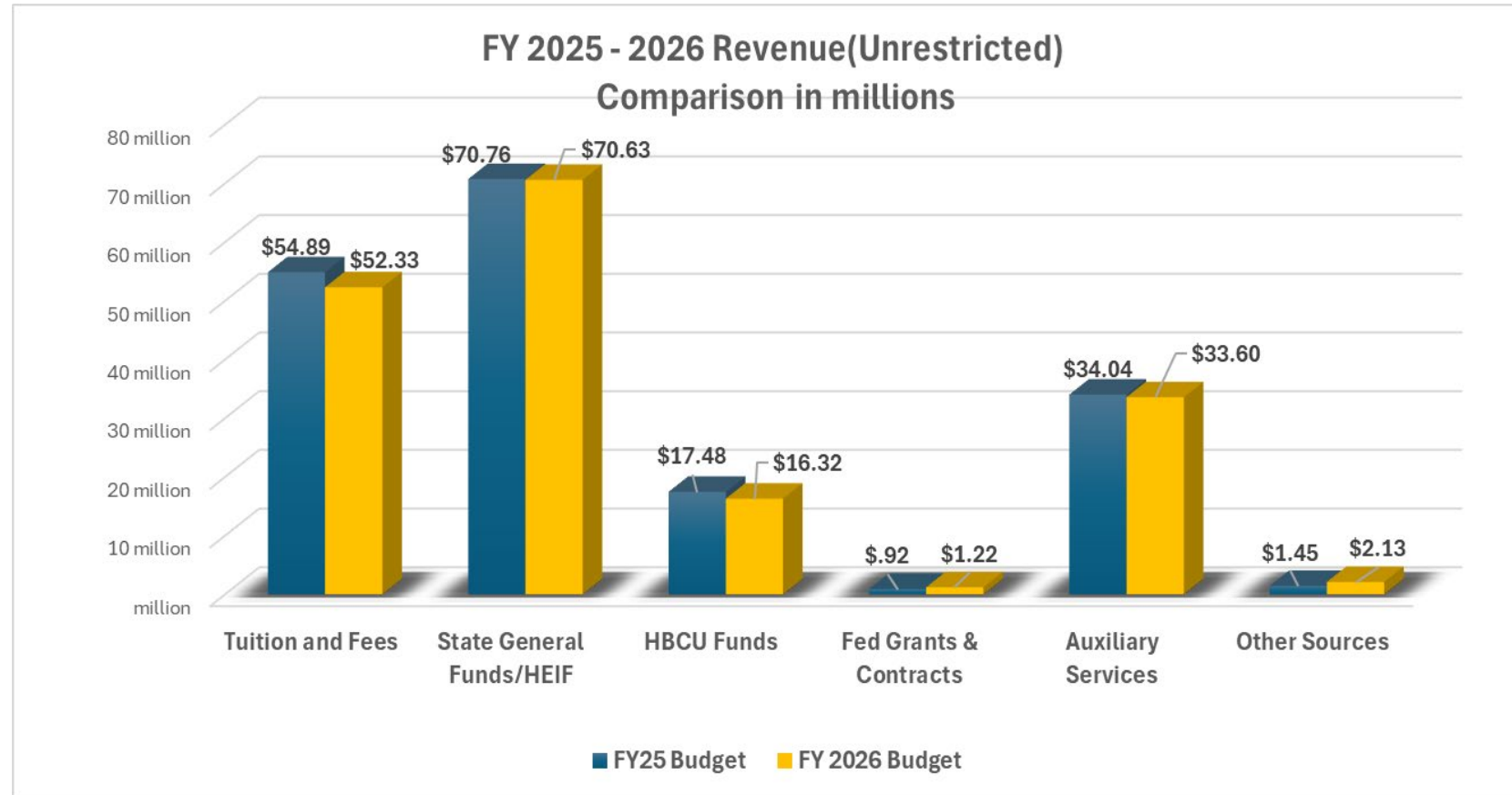
| Total Revenues | FY26 Budget | % Budget |
|---------------------------------------------|--------------------|-------------|
| Tuition & Fees | \$ 52,327,972 | 24% |
| State Appropriation/HEIF | \$ 70,633,152 | 33% |
| HBCU (Coalition) | \$ 16,318,751 | 8% |
| Federal Grants and Contracts | \$ 37,934,071 | 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 2025 -2026 Unrestricted Revenue



Net Revenue is projected to be \$3.3 million less than FY 2025

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 Revenue Highlights

| | FY 2025 | | FY 2026 | | FY 25-26 |
|---------------------------------------------|--------------------|-----|--------------------|-----|--------------------|
| | Budget | | Budget | | Change |
| Current Unrestricted Revenue: | | | | | |
| Tuition and Fees | 54,885,195 | 31% | 52,327,972 | 30% | (2,557,223) |
| State General Funds/HEIF | 66,781,842 | 37% | 66,088,351 | 37% | (693,491) |
| HEIF | 3,983,069 | 2% | 4,544,801 | 3% | 561,732 |
| HBCU Settlement General Funds | 17,476,088 | 10% | 16,318,751 | 9% | (1,157,337) |
| Federal Grants and Contracts Indirect | 918,843 | 1% | 1,224,558 | 1% | 305,715 |
| Sales and Services Educational Activities | 23,500 | 0% | 23,500 | 0% | - |
| Sales and Services of Auxiliary Enterprises | 34,400,107 | 19% | 34,234,726 | 19% | (165,381) |
| Other Sources | 2,900,975 | 2% | 3,342,787 | 2% | 441,813 |
| Transfer to Fund Balance | (1,828,383) | -1% | (1,801,897) | -1% | 26,486 |
| Total Unrestricted Revenue | 179,541,236 | | 176,303,549 | | (3,237,687) |
| Current Restricted Revenue: | | | | | |
| Federal Grants and Contracts | 35,209,513 | | 36,709,513 | | 1,500,000 |
| HEERF | 3,588,884 | | - | | (3,588,884) |
| Private Gifts, Grants and Contracts | 500,000 | | 500,000 | | - |
| State and Local Grants and Contracts | 2,000,000 | | 2,000,000 | | - |
| Total Restricted Revenue | 41,298,397 | | 39,209,513 | | (2,088,884) |
| Total Revenue | 220,839,633 | | 215,513,062 | | (5,326,571) |

Key Highlights

- \$3.6M reduction in HEERF funding
- \$3.5M State General Fund reduction, (specifies \$1.7M for COLA and Merit, and \$1.1M for MLK support) net reduction of \$693K over FY25
- \$2.6M Tuition & Fee reduction - 6,107 vs. 6,513 (FY25)
- \$1.5M increase associated with Federal Grants
- \$1.2 M reduction for HBCU Settlement Funds
- \$170K reduction associated with Auxiliary Services

FY 2026 Expense Highlights

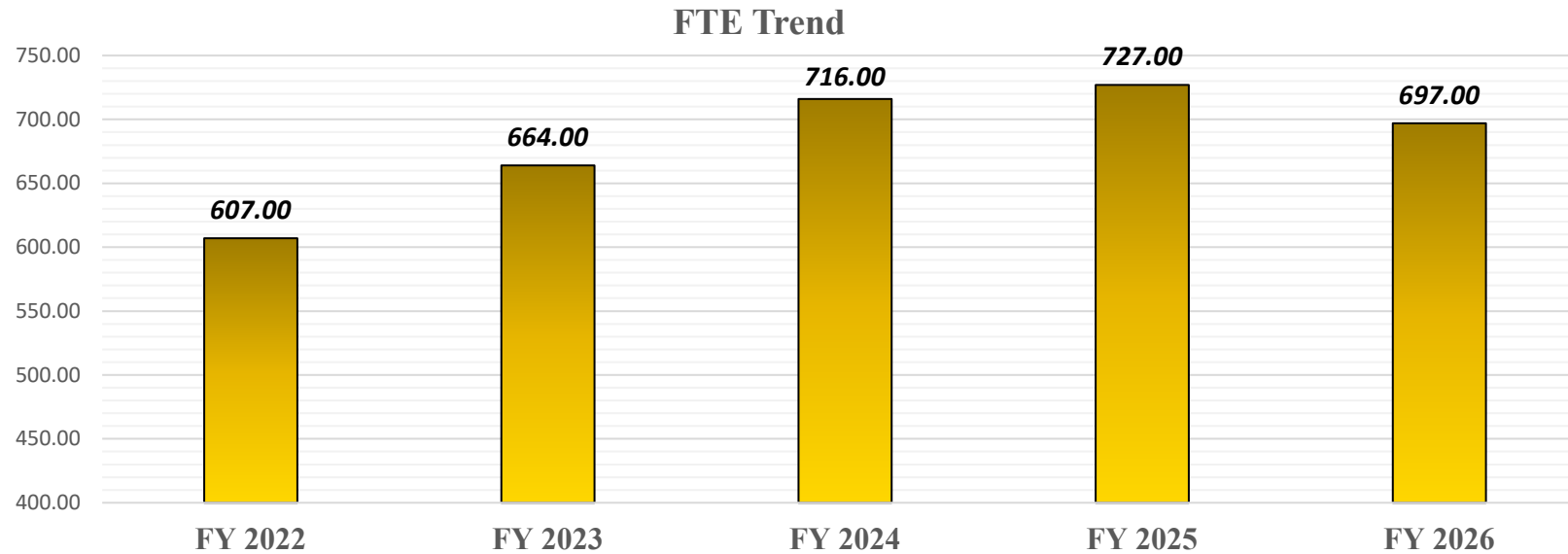
Key Highlights

- 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

| 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% |

Five-Year FTE Trend

(Regular Positions)



| | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 | FY22-26 |
|--------------|--------|--------|--------|--------|--------|---------|
| Total FTE | 607.00 | 664.00 | 716.00 | 727.00 | 697.00 | |
| Faculty | 7.00 | 17.00 | 14.00 | 0.00 | -23.00 | 15.00 |
| Staff | 13.00 | 40.00 | 38.00 | 11.00 | -7.00 | 95.00 |
| Total Change | 20.00 | 57.00 | 52.00 | 11.00 | -30.00 | 110.00 |

Future Budget Reductions

- Information from USM on state side adjustments in FY 2026
- Enrollment numbers
- Federal grants and research cuts
- Financial aid reductions – changes to Federal Loans
- Bad Debt/Student Debt Ratios
- Offset by new revenue streams

IT Strategic Reinvestment

| Category | Recurring Savings |
|------------------------|---------------------|
| Software* | \$329,717.08 |
| Organizational Changes | \$295,177.00 |
| Telecomm. (on-going)* | \$66,168.00 |
| Laptops program | \$250,000.00 |
| Total | \$941,062.08 |

- **Eliminating VP position of DoIT:** Integration of the IT group into Administration and Finance.
- **Cutting Costs:** Eliminating redundant software and investing in existing solutions. *Example: Removing 2 room scheduling software, EduNav, Occulist, SFP vs. CS.*
- **Vendor Contracts:** Filling mission-critical roles to build internal talent, replacing high-cost contracts with lower-cost options. *Example: Replacing Randstad staffing.*
- **One-Time Investments:** Using vendors for one-time investments and hiring engineering talent to reduce talent and process debt. *Example: Network assessment and refresh of the infrastructure.*
- **Selected Vendors:** Reducing redundant contracts and reinvesting in process improvements. *Example: Huron for University Technology Leadership, EMSA and Workday efficiencies.*
- **Process Improvements:** One-time investments in process improvements using technology consultants. *Example: Streamlining project delivery, moving onboarding to Workday.*

* Indicates that this is a work in progress and savings are being realized on an ongoing basis.

Cost Efficiencies

- Adjusted temp set points by 2 degrees, cost savings estimated to be \$240-\$250K annually
- Upgraded exterior lighting to LED fixtures, cost savings estimated to be \$50K
- Identified roughly \$10K in cellphone savings annually through the review of contracts
- Actively working on reducing software redundancies, such as using CircleIn instead of Brainfuse, and focusing on existing software, estimated to be \$300K annually
- Reducing redundant contracts and reinvesting in process improvements, estimated at \$300K annually

Updates since May 23, 2025

- FY 2025 revenue actuals came in \$5.2 million less than budgeted
- 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.
- The university budget assumes an enrollment headcount of 6,107 for fall 2025 and a headcount of 5,496 or 90% for spring 2026
- Kicked off FY 2026 Budget

What to expect?

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

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 |

THANK YOU