

Public Budget Session



May 14, 2018

Public Budget Session Purpose

Spirit of Shared Governance and Transparency: An open session designed to lead to greater understanding of changing budget realities for the university and leadership decision-making.

Format: This session is designed to allow any member of our university community to hear about budget planning for next year and how that will affect the allocation of our discretionary financial resources.



2018-2023 Strategic Plan

Goal 1 - Provide academic excellence supported by curricular as well as co-curricular experiences.

Bowie State University will achieve academic excellence through quality teaching, learning, and research; high-demand innovative academic programs; high-impact student activities; and strategic partnerships.



Objective 1.1	High-demand, innovative academic programs - Modify existing academic programs, and create and support new, high-demand programs that will promote the ongoing growth and development of the institution.
Objective 1.2	High-impact activities - Integrate and enhance opportunities for students to participate in international and service learning, civic engagement, internship and other experiential learning activities, with University financial support available to assist those with limited means.
Objective 1.3	Quality faculty - Recruit and retain faculty committed to student success through continuous development of excellence and innovation within faculty member's pedagogical course delivery and support for faculty scholarship, research, and academic presence in their respective fields. Enhance faculty skills and capacity for applying for and managing external funding.
Objective 1.4	Cultivate external relationships - Increase corporate, educational, and government partnerships to help provide career-oriented opportunities for our students and alumni.
Objective 1.5	General Education program - Re-examine the undergraduate general education experiences to: prepare students for success in their majors, promote lifelong learning, and provide a foundation for personal and professional success after graduation.
Objective 1.6	Learning outcomes assessment – Continue to mature our system of assessing student learning outcomes and implementing curricular improvements resulting from assessment findings.
Objective 1.7	Graduate Education – Re-examine our approach to graduate education and revise as necessary to address the unique needs of the adult learner population and declining enrollment.

2018-2023 Strategic Plan

Goal 2 – Promote a Holistic and Coordinated Approach to Student Success

Bowie State University honors its rich heritage and culture by promoting access, affordability, and completion through resources and opportunities that empower students to succeed at every level of learning.



Objective 2.1	Enrollment Management Division - Establish an Enrollment Management Division, which promotes a student-centered philosophy through a coordinated, consolidated, and streamlined system of enrollment management operations and retention activities using data, information, and program evaluation to inform continuous improvement and long-term strategic enrollment management.
Objective 2.2	New student experience program - Develop a comprehensive new-student experience program for all levels that sets standards and expectations of what it means to be a successful Bowie student.
Objective 2.3	Admission policies and procedures - Review admission policies and procedures to ensure that the University is honoring its historical mission of access and opportunity while appropriately supporting student readiness for college.
Objective 2.4	Financial aid awarding strategy - Develop a financial aid awarding strategy that leverages institutional, private, state, and federal resources to decrease loan indebtedness for our neediest students.
Objective 2.5	Student retention and progression strategy - Develop and implement a comprehensive undergraduate and graduate retention and progression strategy by encouraging innovation and collaboration between academic and non-academic units in efforts to support student success.
Objective 2.6	Holistic student development – Integrate deliberate academic and co-curricular programs and services with the goal of developing our students intellectually, emotionally, socially, physically, artistically, creatively, and spiritually.

2018-2023 Strategic Plan

Goal 3 – Encourage Academic and Administrative Innovation to Meet Student Needs

Bowie State University will engage in academic transformation initiatives which encourage increased levels of student success and we will regularly evaluate administrative processes and leverage new approaches to improve the student experience.



Objective 3.1	Faculty experimentation / innovation – Examine current human resource practices, promotion, and tenure expectations and the faculty merit process to ensure that pedagogy and technology innovation are incorporated into each process. Leverage internal and USM resources to promote experimentation and innovation.
Objective 3.2	Academic programming through alternative formats - Offer targeted programs through online delivery, at the USM regional higher education centers, and in the community, in order to meet the needs of all prospective students and of the state, national, and global workforce.
Objective 3.3	Leverage current and new technologies to support student success – Assess the capabilities of current technologies to promote efficiency and effectiveness in administrative and academic processes and have a transparent and inclusive process for evaluating new technologies.
Objective 3.4	Construct an analytics capacity – Develop a data warehouse that incorporates a reporting tool to provide actionable information to support student retention, progression, and graduation.

2018-2023 Strategic Plan

Goal 4 - Enhancing our Campus Culture of Diversity, Inclusion and Civic Engagement

Bowie State University will embrace, promote, and support a community of cultural inclusivity, diversity and accountability by ensuring that faculty, staff, and students develop a mindset of accountability in teaching, learning, support programs, and extra-curricular campus experiences designed to enhance collaboration and engagement.



Objective 4.1	Community of inclusion – Sustain our commitment to fostering and supporting a safe, civil and welcoming environment for students, faculty, and staff by being intentional about how our community encourages involvement, respect, and connection among its members.
Objective 4.2	Culturally responsive pedagogies - Expand the use of culturally responsive pedagogies through faculty development.
Objective 4.3	Multicultural programs and services - Establish an Office of Multicultural Programs and Services that promotes an appreciation of inclusion and diversity on campus and assists with the retention and graduation of international students.
Objective 4.4	Culture of historical richness - Cultivate a culture of historical richness through campus displays and events that celebrate historical significant events and outcomes.
Objective 4.5	Civic responsibility - Continue to educate the next generation of global citizens to build stronger, more engaged communities through coordinated and deliberate activities aimed at promoting a quality of life in our community through political and nonpolitical engagement.

2018-2023 Strategic Plan

Goal 5 - Ensure Long-term Viability of BSU

Building on a 150-year legacy of providing access to quality education for all who would seek it, Bowie State University will create a unified understanding of the elements that define the unique qualities of its value to attract a culturally diverse student body and actively engage alumni, friends, and partners to address critical needs of Prince George's County and the surrounding region. We will leverage fiscal resources from public and private sources to advance strategic priorities that create a sustainable future for the university, the county, and the State of Maryland.



Objective 5.1	Entrepreneurship/workforce development – Develop entrepreneurship education for the purpose of equipping the future workforce with leadership and entrepreneurial thinking skills required in the twenty-first century economy.
Objective 5.2	Employees committed to student success - Recruit and retain quality employees committed to student success, and support them through ongoing professional development opportunities and opportunities for advancement and engagement.
Objective 5.3	Alumni engagement - Implement strategies to solidify mutually beneficial and intentional connections between alumni and the university to expand opportunities for personal and career development for both alumni and students.
Objective 5.4	Service for the public good/community engagement - Cultivate collaboration with business, government, economic development, and community organizations to serve the public good by using the University's resources to impact critical areas of need including social justice, education, technology, economic development, and health.
Objective 5.5	Identity/branding - Broaden recognition of the distinctive experiences and programs that define BSU and its value for individuals and communities locally and globally.
Objective 5.6	Fundraising - Increase external funding from public and private sources to achieve the University's strategic priorities.
Objective 5.7	Sustainability/infrastructure - Develop new facilities to enhance and expand sustainable living-learning environments.

Highlights of Legislative Session and its impact on Bowie State University

The General Assembly approved an increase of **\$39** million in state funds, an approximate **3%** increase in the operating budget for USM for the **2019** fiscal year that begins **July 1, 2018**.

The **\$39** million increase will cover operating costs for new facilities, such as BSU's new Center for Natural Sciences, Mathematics & Nursing, and funding for the Governor's Workforce Development Initiative in which BSU will participate.

The increase will also enable USM to increase the resident undergraduate tuition rate by only **2%**.

The budget includes a **2%** pay raise for faculty and staff on **January 1, 2019**. If fiscal year **2018** revenues surpass predicted levels by at least **\$75** million, state employees will receive an additional **0.5%** increase and a **\$500** bonus in **April 2019**.

Bowie State University's operating budget will see a modest **\$1.4** million increase, covering mandatory costs such as healthcare.



Highlights of Legislative Session and its impact on Bowie State University *continued...*

Planning Funds for New Humanities Building

The General Assembly approved Bowie State's request to accelerate the funding schedule for the new Humanities Building. The project has been preauthorized, with **\$5 million in FY 2020** instead of **FY 2021** to begin the planning and design phase. The new facility will replace the Martin Luther King, Jr. building and will accommodate the departments of Communications, English and Modern Languages, and History and Government. The new building will also include multimedia classrooms, specialized laboratories, and media production facilities.



Highlights of Legislative Session and its impact on Bowie State University *continued...*

Campus-wide Boiler and Chiller Replacement

The University will also receive **\$1.5** million to repair or upgrade several pieces of aging heating and cooling equipment with more energy efficient equipment in buildings campus-wide. The boilers will be replaced in the Leonidas E. James Physical Education Complex, Henry Administration Building, and the Thurgood Marshall Library. The chillers will be replaced and/or upgraded in the James E. Proctor Building.



Highlights of Legislative Session and its impact on Bowie State University *continued...*

Interagency Agreements with HBCUs in the State of Maryland

The Legislature has required the Department of Budget and Management to ensure that at least **5%** of the total contract awards by state agencies utilizing interagency agreements be provided to Historically Black Colleges and Universities (HBCUs). With hundreds of millions of dollars in annual awards, this will enable Maryland's HBCUs to participate on a greater scale in Maryland's contracting marketplace.



Highlights of Legislative Session and its impact on Bowie State University *continued...*

Senate Bill 1202

SB 1202 establishes the **Richard W. Collins III Leadership with Honor Scholarship**. This scholarship program will apply to students who: **(1)** are eligible for in-State tuition; **(2)** are members of an ROTC program; **(3)** are minority students or a student who is a member of another group historically underrepresented in ROTC programs; and **(4)** are students at a Maryland HBCU. Bowie State offered testimony in support of this legislation, and Lt. Col. Joel Thomas testified during the hearing in Annapolis. **Twenty-five percent** of the scholarship funds will be awarded to the University and **75%** will be awarded to eligible students at other state HBCUs. **SB 1202** will take effect on **July 1, 2018**.



Highlights of Legislative Session and its impact on Bowie State University *continued...*

House Bill 1630

HB 1630 establishes the **James Proctor Scholarship Program**, which will apply to students who attend an HBCU in the state. Each HBCU will be required to adopt policies to determine eligibility for the scholarship. **HB 1630** will take effect on **October 1, 2018**.



Budget Planning

- ✓ A balanced budget is mandatory, even in the face of substantial cuts in government funding.
- ✓ Aligns with BSU Strategic Plan, FY Priorities, and allocated funds from state appropriations, tuition, grants, and contracts.
- ✓ Prudent management allows us to ensure the viability of the university.



Budget Development Process Calendar

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)
	August	The Budget Office obtains preliminary enrollment numbers from Institutional Research for development of the University's budget request.
	September	A preliminary budget request is prepared in accordance with USM instructions, preliminary enrollment numbers, preliminary initiatives, and the current year base budget.
	September	The preliminary budget request is entered into the Budget Application System (BAS).
Nov-Dec	November	Draft Tuition, Mandatory Fees, Room and Board Rates are reviewed through shared governance process (SGA, GSA, & University Council).
	December	Await for information from USM regarding State Appropriations and other budget adjustments.
	December	If applicable, adjustments are made to the preliminary budget request.
Jan-Mar	January	Governor approves budget request and forward to Department of Legislative Services (DLS).
	January	Budget Office prepare Draft Revenue Detail for cabinet review based on approved headcount and credit hour mix.
	January	Receive several fiscal impact statements from USM regarding pending legislation that may have a significant impact on higher education institutions in the State.
	January	DLS prepares an assessment of BSU and submits questions/areas of concerns.
	February	If applicable, Budget Hearings are held. Testimony is prepared for President to defend budget proposal.
	February	If applicable, President testifies before the House/Senate subcommittees.
	February	President and Cabinet members will establish priorities consistent with strategic plan, goals & objectives.
	February	Finalize Tuition and Fee proposals internally.
	February	Tuition, Mandatory Fees, Room and Board rates are submitted to Board of Regents (BOR) for approval.



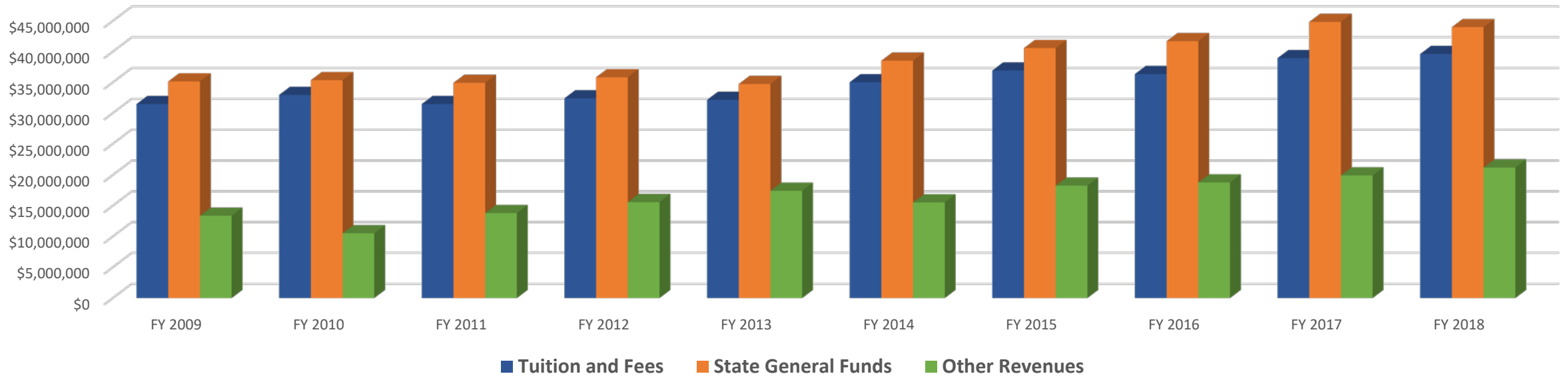
Budget Development Process Calendar

Apr-Jul	April 6th	All departmental initiatives/needs are due to their respective division head to review (Academic Affairs).
	April 11th	Budget Office presents Projected Revenue and Expenditure Budget to Cabinet for review.
	April 16th	All other departmental initiatives/needs are due to their respective division heads to review.
	April 20th	All final submissions are due to the Budget Office from Cabinet.
	April 25th	Cabinet members review submissions and determine which initiatives will be funded.
	April 27th	All decisions are finalized and shared with the Budget Office to finalize the University's budget allocation.
	May 14th – 16th	President and Cabinet members host a campus wide budget update.
	May 21st – 31st	Continue with discussions to finalize budget and initiatives, if applicable.
	June	Budget Office begins the process of preparing the working budget for use in the PeopleSoft system.
	July	Budget Office informs the campus community that budgets are available in PeopleSoft.



Fiscal Year Revenue Trend

FY 2009 - FY 2018



Unrestricted Revenue	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Tuition and Fees	\$31,467,255	\$32,956,142	\$31,473,451	\$32,393,675	\$32,142,405	\$35,012,005	\$36,920,899	\$36,350,560	\$38,935,027	\$39,606,231
State General Funds	\$35,143,330	\$35,349,241	\$34,921,359	\$35,828,720	\$34,723,777	\$38,521,994	\$40,572,859	\$41,695,005	\$44,830,324	\$43,978,022
Other Revenues	\$13,366,493	\$10,504,315	\$13,798,744	\$15,579,565	\$17,424,675	\$15,533,104	\$18,261,504	\$18,784,227	\$19,922,698	\$21,198,793
Total	\$79,977,078	\$78,809,698	\$80,193,554	\$83,801,960	\$84,290,857	\$89,067,103	\$95,755,262	\$96,829,792	\$103,688,049	\$104,783,046

Budget Assumptions

- 2% increase in UG In-State Tuition
- 1% increase in UG Out-of-State Tuition
- 2% increase in Grad In-State Tuition
- 1% increase in Grad Out-of-State Tuition
- Headcount of 6,000
- Funding for Institutional Mandatory Expenses
- Funding for Divisional Initiatives



Projected Changes in Revenue

• State General Funds/HEIF	\$1.7M
• Tuition and Fees	\$3.5M
• Fed. Grants & Contracts	\$25K
• Other Revenues	\$217K
• Fund Balance Transfer	<u>(\$50K)</u>
Total	<u>\$5.4M</u>



Mandatory Expense Increases

- New Facilities Operating \$910K
- MHEC OCR \$921K
- Title III Phase-In \$641K
- COLA \$436K
- Facilities Renewal \$473K
- VP, Enrollment Management \$200K



Fiscal Year (FY) Budget Comparison

	FY18	FY19
FY Base Revenues	\$81.8M	\$84.5M
+FY Change in Revenues	<u>\$ 2.7M</u>	<u>\$ 5.4M</u>
<i>FY Projected Revenues</i>	<u><i>\$84.5M</i></u>	<u><i>\$89.9M</i></u>
FY Base Operating Budget	\$81.8M	\$84.5M
+FY Mandatory Expenses	\$ 2.2M	\$ 4.1M
+FY Divisional Initiatives	<u>\$ 500K</u>	<u>\$ 1.3M</u>
<i>FY Projected Expenses</i>	<u><i>\$84.5M</i></u>	<u><i>\$89.9M</i></u>
FY Operating (+/-)	<u>\$0</u>	<u>\$0</u>



FY 2019 Preliminary Budget

	FY19
FY18 Base Revenues	\$84.5M
+FY19 Change in Revenues	<u>\$ 5.4M</u>
FY19 Projected Revenues	<u>\$89.9M</u>
FY18 Base Operating Budget	\$84.5M
+FY19 Mandatory Expenses	\$ 4.1M
+FY19 Divisional Priorities	<u>\$ 1.3M</u>
FY19 Projected Expenses	<u>\$89.9M</u>
FY19 Operating (+/-)	<u>\$0</u>



FY 2019 Divisional Initiatives

President - \$458,005

- Staff Positions
- Outreach, Marketing, and Branding

Academic Affairs - \$4,296,187

- Faculty/Staff Positions
- Accreditation
- Student Success
- Program Certifications

Administration & Finance - \$159,000

- Staff Positions

Information Technology - \$60,000

- Intranet Buildout



FY 2019 Divisional Initiatives

Enrollment Management - \$170,000

- Staff Positions
- Recruitment/Transcript Services and Material

Student Affairs - \$188,960

- Staff Positions
- Student Learning Experience
- Student Involvement and Inclusion

Institutional Advancement - \$279,000

- Staff Positions
- Feasibility Study for BSU's Fundraising Campaign
- Planned Giving

Grand Total - \$5,611,152



FY 2019 Challenges

1. Maintaining a balanced budget
2. Funding divisional priorities
3. Funding mandatory expenses
4. Reallocation of resources
5. Returning 1% for fund balance requirement
6. Flexibility to take advantage of opportunities and address unforeseen challenges



Questions

