

**The University Budget Update  
Town Hall will begin soon.  
Please stand by.**





# **UNIVERSITY BUDGET UPDATE TOWN HALL**

**MAY 13, 2021**

**11:00 A.M. - 12:00 P.M.**

# Agenda

- Welcome
- Budget Process
- FY21 Operating Budget
  - Divisional Reserves
  - Fiscal Year End
- FY21 CARES Funds
- FY22 Operating Budget
- FY22 CARES Funds
- Key Takeaways
- Definitions
- Closing Remarks
- Q&A

# Budget Process

- Calendar
  - <https://www.bowiestate.edu/about/administration-and-governance/division-of-administration-and-finance/office-of-budget-and-finance/budget-development-process-calendar.php>
- Where are we in the process?
  - The Office of Budget and Finance is working on a preliminary budget request for FY22 which is prepared in accordance with USM instructions, preliminary enrollment numbers, preliminary initiatives, and the current year base budget.

# FY21 Operating Budget



	FY 2021
	Working Budget
<i>Current Unrestricted Revenues</i>	
Tuition and Fees	46,446,765
State Appropriations	45,642,734
Federal Grants and Contracts	429,977
Sales and Services of Auxiliary Enterprises	19,025,952
Other Sources	1,848,319
Transfer (to)/from Fund Balance	0
State/DBM CARES Act Funds (Police)	1,145,210
Federal CARES Act Funds (Auxiliary)	4,483,071
<b>Total Unrestricted Revenues</b>	<b>119,022,028</b>

# Financial Impact

- Effective July 1, 2020, Maryland Board of Public Works approved \$417M in cuts to the State's operating budget
- Resulted in \$130M cut to the University System of Maryland with BSU's share totaling approximately \$3.9M reduction to our State Appropriations
  - Utilize Plant Fund balance for Academic bond payment (\$2.2M)
  - Elimination of 3 vacant positions (\$250K)
  - Reduction to operating budgets (\$1M)
  - Proposed Temporary salary reduction (\$420K)
  - Temporary salary reduction cancelled as a result of Fall 2020 enrollment increase compared to budget
- FY21 budget assumes headcount of 6,171
- Tuition and fees are at same level of FY20
- Suspension of personnel conversions from Title III (Grant) funding to state-support funding

# Financial Impact

- No new operating funds for Initiatives
- Suspension of the 1% Fund Balance Goal
- Hiring freeze implemented
- Loss of revenues and increased costs
- Uncertainty on length of pandemic and long-term impact
- Received \$1,145,210 DBM State CARES Act funds to offset expenses associated with Police/Public Safety payroll expenses
- University experienced an enrollment increase for Fall 2020 of 6,250 compared to the budget goal of 6,171, which resulted in over \$700k of tuition revenue
- University experienced an enrollment decrease for Spring 2021 of 5,512 compared to the budget goal of 5,616, which resulted in less tuition revenue of \$422k

# Divisional Reserves

Division	Expenses	Expense Detail
Div Resv-Acad Affairs Prmg 01	\$624,053	XR Hub/Studio for Fine & Performing Arts
Div Resv-Acad Affairs Prmg 04	\$564,782	Contingent I Positions, Academic Computing, Computers & Software for Ed & CTEC, PGC PS Dual Enrollment, Upgrades for TV/Radio Station, College of Business/Professional Studies/Arts & Sciences, Grant Writers
	<b>\$1,188,835</b>	
Div Resv-Enrolmt Mngt Prmg 05	\$300,000	Viewbook, Advantage Design, YouVisit Software
	<b>\$300,000</b>	
Div Resv-Std Affairs Prgm 05	\$232,760	Vendor services
Student Affairs Aux Resvs 08	\$230,064	Housing Expenses
	<b>\$462,824</b>	
Div Resv-President Prgm 06	\$25,000	Training
	<b>\$25,000</b>	
Div Resv-Admin & Fin Prgm 07	\$366,054	Economic development contract
Div Resv-Admin & Fin Prgm 06	\$450,000	CMP lobby related refresh
Admin & Fin Aux Reserves 08	\$800,000	New retail space in ELLC
	<b>\$1,616,054</b>	
Div Resv-Instit Advcmnt Prgm 06	\$60,000	Campaign Expenses (VPC)
	<b>\$60,000</b>	
Div Resv-DIT Prgm 06	\$150,000	Technology/Communications Upgrade
	<b>\$150,000</b>	
<b>Grand Total</b>	<b>\$3,802,713</b>	



# Fiscal Year-End



<b>Revenues</b>	<b>FY 2021 Budget</b>	<b>Projections thru 6/30/21</b>
State Appropriations	\$45,642,734	\$45,642,734
Tuition and Fees	46,446,765	47,381,665
Federal Grants & Contracts	429,977	431,926
Auxiliary Services	19,025,952	15,870,745
Federal CARES (Auxiliary)	4,483,071	4,021,032
State CARES Act Funds	1,145,210	1,145,210
Other Revenues	1,848,319	508,974
<b>Total Revenues</b>	<b>\$119,022,028</b>	<b>\$115,002,286</b>
<b>Expenditures</b>	<b>FY 2021 Budget</b>	<b>Projections thru 6/30/21</b>
State-Supported	\$95,513,005	\$93,963,544
Auxiliary Services	23,509,023	19,069,544
<b>Total Expenditures</b>	<b>\$119,022,028</b>	<b>\$113,033,088</b>
<b>Transfer to Fund Balance +/-</b>	<b>\$0</b>	<b>\$1,969,198</b>

# FY21 Federal CARES Funds

✓ Received CARES Act Funds

Project Description	Budget
Higher Education Emergency Relief Funds	\$3,298,123
Emergency Financial Aid Grants to Students	\$3,298,123
	<b>\$6,596,246</b>
Strengthening Historically Black Colleges and Universities (HBCUs)	\$8,799,616
Strengthening Historically Black Graduate Institutions (HBGIs)	\$4,908,171
	<b>\$13,707,787</b>
	<b>\$20,304,033</b>

- ✓ Emergency Financial Aid Grants to Students
- ✓ Reimbursement to Auxiliary operations for loss revenue (Housing, Meal Plans, etc.)
- ✓ Faculty/Consultant course redesign, Blackboard courses
- ✓ Closing the Digital Divide
- ✓ Technology, equipment, software, PPE, testing, supplies, HVAC, security, sanitation
- ✓ Instructional enhancements for remote learning

# FY22 Operating Budget

## Key Concepts/Assumptions

- A balanced budget
- Aligns with BSU Strategic Plan and FY Priorities
- Prudent management to ensure the viability of the university
- 2% increase in UG/Grad In-State Tuition
- 1% increase in UG/Grad Out-of-State Tuition
- 0% increase in Mandatory Fees with exception of Technology Fee

## Key Concepts/Assumptions

- Budget assumes enrollment headcount of 6,250 for Fall 2021
- Budget assumes enrollment headcount of 5,625 or 90% for Spring 2022
- Funding for Institutional Mandatory Expenses
- Supplemental Funds for Health Science
- Suspension of personnel conversions from Title III (Grant) funding to state-support funding

# Projected Changes in Revenue

• Tuition and Fees	\$2.0M
• State General Funds/HEIF	\$854K
• Supplemental Funds (Health Science)	\$1.4M
• Fed. Grants & Contracts (Indirect Cost)	\$48K
• State CARES Act Funds	(\$1.1M)
• Transfer to Fund Balance	(\$973K)
<b>Total</b>	<b><u>\$2.3M</u></b>

# State-Supported Mandatory Expense Increases

• Academic Bond Payment	\$2.2M
• Supplemental Funds	\$1.4M
• State CARES Act Funds <small>Coronavirus Aid, Relief, and Economic Security</small>	(\$1.1M)
• Health Rate & Compensation Changes	\$1.3M
• Minimum Wage	\$188K
• Technology Fee	<u>\$20K</u>
• <b>Total Projected Expenses</b>	<b>\$4.0M</b>

# Preliminary Budget

• FY21 Operating Base Revenues	\$119.0M
• +FY22 State-Supported Revenue Change	\$ 2.3M
• +FY22 Auxiliary Revenue	<u>\$ 4.2M</u>
• FY22 Projected Revenues	\$125.5M
• FY21 Operating Base Expenditures	\$119.0M
• +FY22 State-Supported Mandatory Expenses	\$ 4.0M
• +FY22 Auxiliary Expenses	<u>\$ 4.2M</u>
• FY22 Projected Expenses	\$127.2M
<b>FY22 Operating (+/-)</b>	<b><u>(\$1.7M)</u></b>

# FY22 Federal CARES Funds

Project Description	Amount
CARES-HEERF II Student Aid	3,298,123
CARES-HEERF II Institutional Portion	7,490,446
	<b>10,788,569</b>
CARES-HEERF II Student Aid	7,000,000
CARES-HEERF II Institutional Portion	7,252,878
	<b>14,252,878</b>
CARES-HEERF III American Rescue Plan Student Aid	9,526,866
CARES-HEERF III American Rescue Plan Institutional Portion	9,497,211
	<b>19,024,077</b>
<b>Grand Total</b>	<b>44,065,524</b>

- ✓ Financial Aid Grants to Students
- ✓ Reimbursement to Auxiliary operations for loss revenue (Housing, Meal Plans, etc.)
- ✓ Network upgrade, technology, equipment, software, PPE, testing, supplies, security
- ✓ Faculty/Consultant course redesign, Blackboard courses
- ✓ Closing the Digital Divide
- ✓ Instructional enhancements for remote learning



# Key Takeaways

- University must have a balanced budget
- Budgets are aligned with BSU Strategic Plan and FY Priorities
- Limited State funds to support new programmatic/institutional enhancements
- University must comply with federal guidelines for use of CARES funds
- CARES funds are considered one-time funds
- Uncertainty on length of pandemic restrictions and long-term impact

# Definitions

- CARES Act: the federal Coronavirus Aid, Relief and Economic Security Act
- CRRSAA: the federal Coronavirus Response and Relief Supplemental Appropriations Act
  - HEERF: the federal Higher Education Emergency Relief Fund
- HEIF: the state Higher Education Investment Fund

# QUESTIONS?