Fall 2026
Faculty Institute

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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 General Funds and Maryland HEIF	Annual funding from the State of Maryland, including the Higher Education Investment Fund (HEIF), a state-designated revenue source for public higher education.
HBCU Settlement Funds	Funds provided under the Maryland HBCU Coalition Settlement to support historically black colleges and universities. The settlement "expires" at the end of the fiscal year 2032.
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 sources.
State, Local, 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 or investments, rental income, or one-time reimbursements.
Unrestricted	Revenue available to support the university's general operations, subject to applicable laws and institutional policies.
Restricted	Revenue that may be used only for purposes specified by the grantor, donor, contract, or funding source.

Why This Conversation Matters

The purpose of this presentation is to provide transparency about the university's financial position, explain how enrollment-related revenue declines affected the FY27 budget, outline the actions taken to achieve a balanced budget, and engage fall stakeholders in the shared work of ensuring Bowie State University's long-term financial sustainability and student success.

Our Shared Fiscal Responsibility

Enrollment-driven revenue declines required difficult FY27 decisions. Those actions created a balanced budget, but sustainable recovery will depend on enrollment stabilization, student retention, disciplined spending, and new revenue.

FY 2026 Unrestricted Actuals

REVENUE CATEGORY	FY26 Actuals	%
Tuition and Fees	45,531,304	27%
State General Funds	66,593,593	40%
HEIF	4,544,801	3%
HBCU Settlement Funds	16,318,751	10%
Federal Grants and Contracts (Unrestricted)	1,900,698	1%
Sales and Services – Educational	2,868,710	2%
Auxiliary Enterprises	27,409,514	16%
Other Sources	3,277,105	2%
TOTAL REVENUE	**168,444,476**	**100%**

EXPENSE CATEGORY	FY26 Actuals	%
01 Salaries & Wages	89,419,085	53%
02 Technical & Special Fees	14,826,881	9%
Operating Expenses	63,942,107	38%
TOTAL EXPENSE	**168,188,073**	**100%**

REVENUE

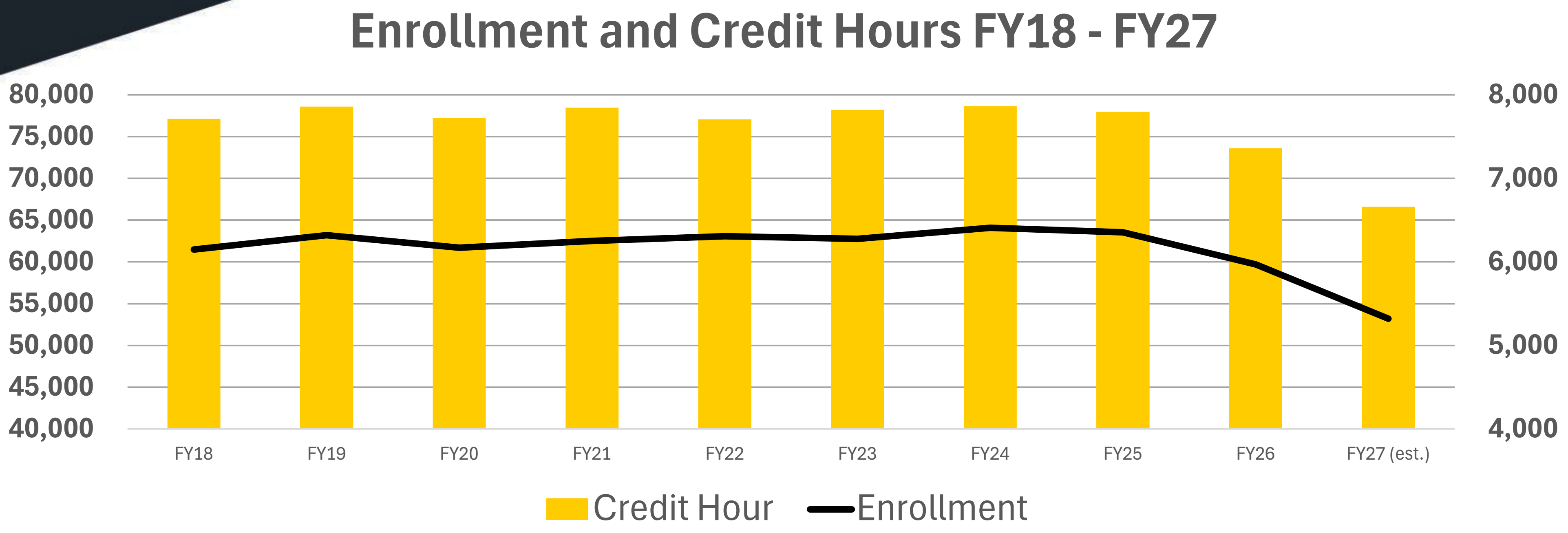
- Auxiliary revenue: Revenue was $5.5M below budget—Housing (–$3.2M), Dining (–$1.6M), Athletics (–$0.5M), and other auxiliary revenue (–$0.2M).
- Summer tuition: Summer I revenue declined approximately $1M compared with prior years.

EXPENSES

- Accruals: Approximately $5M of accruals recorded to FY26
- Financial aid: $600K in scholarships recognized in FY27
- Bond payment: $5M expense realigned from State to Plant fund

FY26 Unrestricted Surplus $256,403

Enrollment Trends



- FY27 enrollment is projected to be approximately **8.9%** below FY26
- Credit hours are projected to decline approximately **9.04%**

Fiscal Year	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27 (est.)
Credit Hour	77,128	78,590	77,260	78,461	77,071	78,206	78,649	77,968	73,589	66,590
Enrollment	6,148	6,321	6,171	6,250	6,308	6,275	6,408	6,353	5,970	5,320

*Per Bowie State University Office of Planning, Analysis, and Accountability

FY27 State of Maryland

State of Maryland

- Revenue shortfalls aligned with Governor Moore's budget, with a projected $1.5B state shortfall [Budget Highlights Fiscal Year 2027]
- USM State General Funds increased – $50.9M (from $2.262B to $2.313B)

Bowie State University

- BSU State General Funds/HEIF increase - $1.6M (from $70.6M to $72.2M)
- HBCU Settlement Funds reduction – $1.8M (from $16.3M to $14.5M) based on decreased HBCU enrollment

*https://mgaleg.maryland.gov/pubs/budgetfiscal/2027fy-budget-docs-operating-R30B-University-System-of-Maryland-Overview.pdf

FY27 Budget Challenges & Rationale

Declining enrollment, reduced revenue, and rising operating costs required mitigation actions to align recurring expenses with recurring revenues and support long-term financial sustainability.

Enrollment-driven revenue declines

Enrollment declines reduced tuition, fee, housing, dining, and other auxiliary revenues. FY27 enrollment is projected at approximately 5,320 students, down from 5970 in FY26.

Reduced funding growth

HBCU Settlement funding declined because allocations are tied in part to enrollment levels. State and federal funding environments remain constrained amid broader fiscal pressures.

Rising operating costs

Employee benefits, utilities, infrastructure needs, technology investments, and other operational costs continue to increase.

Why mitigation was necessary

Mitigation preserved near-term operations while reducing structural pressure on the FY27 budget

Mitigation Result & Protected Priorities

The plan combined vacancy savings, organizational changes, auxiliary adjustments, and targeted operating reductions.

Bowie State University Mitigation Items	
Total Operating Expense Reductions	**1,798,651**
Total Reductions from Personnel Changes	**7,302,524**
Vacancies	5,536,900
Layoffs	1,757,217
Departmental Reorganizations	501,063
Targeted restorations for essential operations	(492,656)
Total Other Expense Reductions	**6,443,424**
Reduced planned reserve contribution	144,882
General reductions	103,250
Athletics	275,000
Auxiliary	5,920,292
Total University Mitigation Result	**15,544,599**

Protected during mitigation

Academic Mission
No tenured or tenure-track faculty layoffs in FY27. Actions were designed to minimize disruption to instruction and course availability.

Student Support
Internal scholarships remain intact; student activity fee-supported programs continue; retention and student experience remain priorities.

Essential Operations
Safety, compliance, accreditation, and mission-critical services remained priorities throughout the mitigation process.

Strategic Investments
The university continues to advance the Boldly Forward FY26-29 Strategic plan, including academic distinction, student success, growth innovation, and long-term sustainability

FY 2027 Total Budget

REVENUE CATEGORY	FY26 Budget	FY27 Budget	Variance
Tuition and Fees	52,327,972	44,611,947	(7,716,025)
State General Funds	66,088,351	68,163,198	2,074,847
HEIF	4,544,801	4,045,827	(498,974)
HBCU Settlement	16,318,751	14,540,692	(1,778,059)
Federal Grants and Contracts Indirect	1,224,558	1,777,156	552,598
Federal Grants and Contracts	41,798,397	41,798,397	-
Private, State, Local Grants & Contracts	4,300,000	4,300,000	-
Auxiliary Enterprises	34,234,726	27,515,515	(6,719,211)
Other Sources	1,564,390	3,366,287	1,801,897
	222,401,946	**210,119,019**	**(12,282,927)**

EXPENSE CATEGORY	FY26 Budget	FY27 Budget	Variance
01 Salaries & Wages	86,451,788	81,840,252	(4,611,536)
02 Technical & Special Fees	24,708,714	16,142,359	(8,566,355)
Operating Expenses	111,241,444	112,136,407	894,963
	222,401,946	**210,119,019**	**(12,282,927)**

FY27 Budget Changes

- **$12.3M** reduction in total revenue
- **$7.7M** decline in tuition and fees
- **$6.7M** decline in auxiliary revenue
- **$2.1M** increase in State General Funds
- **$2.3M** decrease in HEIF and HBCU Settlement funds

Authorized PIN Positions Change

- **FY26 to FY27** - 697 to 633 PIN
- **64** net authorized PIN reductions, including **50** eliminated positions—**24** of which resulted in layoffs—and the net effect of **10** contingent-to-regular conversions.

FY28 State of Maryland

State of Maryland

- Continuing significant budget pressures
- Expectations of larger budget reductions in FY28 across State Agencies
- State Agencies are preparing multiple budget scenarios, emphasis on efficiency and strategic goal alignment

*Per University System of Maryland, Office of Administration and Finance

Shared Governance

Long-term financial sustainability requires campus-wide engagement. Faculty expertise is essential to enrollment, student success, academic quality, and institutional planning.

1 Strengthen enrollment and retention

- Promote academic programs and community partnerships.
- Support advising, mentoring, and early intervention.

2 Shape institutional priorities

- Participate through Faculty Senate, University Council, and governance committees.
- Help evaluate FY28 scenarios, investments, and efficiencies.

3 Advance innovation and revenue growth

- Identify new programs, certificates, grants, and partnerships aligned with student and workforce demand.

4 Leadership commitment

- Continue the frequent financial updates.
- Continued transparency on enrollment, revenue, and performance.

Thank You