

Bowie State University

2014-2015

Budget Overview



Budget 2014-2015

National Environmental Factors

- **IT Security**
- **Fraud in Higher Ed**
- **Financial Sustainability**

Budget 2014-2015

Local Environmental Factors

- COLA & Merit
- Increase in Minimum Wage
- Decrease in USM Enrollment
- MD Tax Revenues
- Performance Funding
- Affordable Care Act
- Financial Accountability
- Target Reductions

Budget 2014-2015

FY 2013-2014 Audits

- **Federal Grants**
- **Purchasing Audit**
- **Occupational Fraud**
- **Student Financial Aid**
- **Compliance Audit – Office of
Legislative Services**
- **Housing & Residence Life**
- **FYE Audit**

Budget 2014-2015

Budget Cuts (FY09-FY15)

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Total
Furlough	\$415,767	\$646,079	\$646,079	\$0	\$0	\$0	\$0	\$1,707,925
Total Furloughs	\$415,767	\$646,079	\$646,079	\$0	\$0	\$0	\$0	\$1,707,925
Operating Budget	\$335,512	\$633,339	\$89,861	\$136,389	\$88,852	\$386,169		\$1,670,122
	\$3,450	\$329,150	\$0	\$69,475		\$109,359		\$511,434
		\$125,108		\$106,912		\$37,506		\$269,526
Total Operating Cuts	\$338,962	\$1,087,597	\$89,861	\$312,776	\$88,852	\$533,034	\$0	\$2,451,082
Fund balance	\$680,858	\$744,701	\$1,372,271			\$347,716	\$886,971	\$4,032,517
		\$658,300	\$283,672				\$175,625	\$1,117,597
		\$821,996						\$821,996
Total FB Cuts	\$680,858	\$2,224,997	\$1,655,943	\$0	\$0	\$347,716	\$1,062,596	\$5,972,110
Grand Total	\$1,435,587	\$3,958,673	\$2,391,883	\$312,776	\$88,852	\$880,750	\$1,062,596	\$10,131,117

Budget 2014-2015

University Budgets

- **Operating Budget**
 - **State Appropriation**
 - **Tuition and Fees**
 - **Other Sources**
 - **Auxiliary Budget**
 - **Restricted Budget**
- **Capital Budget**

Budget 2014-2015

Budget Assumptions

- **3% increase in UG In-State Tuition**
- **1% increase in UG Out-of-State Tuition**
- **3% increase in Grad In-State Tuition**
- **1% increase in Grad Out-of-State Tuition**
- **Increase in Mandatory Costs**
- **Affordable Care Act**

Budget 2014-2015

Projected Changes in Revenues

	FY14	FY15	Projected
	Current	Proposed	Change
• State General Funds	\$37.0M	\$40.4	\$3.4M
• HEIF	\$2.5M	\$1.7M	(\$798K)
• Tuition and Fees	\$32.4M	\$34.9M	\$2.5M
• Fed. Grants & Contracts	\$253K	\$252K	(\$.9K)
• Other Revenue	\$1.7M	\$1.1M	(\$591K)
• Fund Balance To/From	<u>(\$1.1M)</u>	<u>(\$783K)</u>	<u>\$296K</u>
Total	<u>\$72.8M</u>	<u>\$77.6M</u>	<u>\$4.8M</u>

Budget 2014-2015

Mandatory Expense Increases

• FY '14 2% COLA Annualized	\$513K
• FY '14 2.5% Merit Annualized	\$642K
• FY '15 2.5% Merit (July 2014)	\$760K
• FY '15 2% COLA (Jan 2015)	\$347K
• Additional DIT Positions	\$354K
• Health/Pension & Fringe Adjs.	(\$16K)
• Financial Aid	\$186K
• Emerging Issues	\$335K
• Annual Contracts	\$231K
• Facilities Renewal	<u>\$238K</u>
• Total	<u>\$ 3.6M</u>

Fiscal Year (FY) Budget Comparison

	FY14	FY15
	Current	Proposed
FY Base Revenues	\$69.8M	\$72.8M
+FY change in revenues	<u>\$ 3.0M</u>	<u>\$ 4.8M</u>
FY Projected Revenues	<u>\$72.8M</u>	<u>\$77.6M</u>
FY Base Oper Budget	\$69.0M	\$72.8M
+FY Mand. Expenses	<u>\$ 3.8M</u>	<u>\$ 3.6M</u>
FY Projected Expenses	<u>\$72.8M</u>	<u>\$76.4M</u>
FY Operating (+/-)	<u>\$ 0</u>	<u>\$ 1.2M</u>

FY 2015 Challenges

- **Balancing the Budget**
- **Return 1% of the Operating Budget to the Fund-Balance**
- **Funding Campus Initiatives**
- **Flexibility to take advantage of opportunities and address unforeseen challenges**
- **Affordable Care Act ?????**

