

Public Budget Session



Dr. Mickey L. Burnim, President

May 15, 2017

Presentation Plan

- Clarify the purpose of this Budget Town Hall
- Share the outcome of the FY 2018 Legislative Session and its impact on Bowie State University
- Provide an overview of Bowie State's FY 2018 Operating Budget
- Remind us of the goals of Bowie State's Strategic Plan and highlight some of our strategic initiatives

Public Budget Session Purpose

- **Spirit of Shared Governance and Transparency:** We began this practice in the spirit of shared governance and transparency and with the hope that it would 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.



FY 2018 Legislative Session

- Tuition replacement funding of \$16M was provided to cap resident undergraduate tuition at 2%.
- FY 2017 \$14.2M mid-year reduction will move forward as a base reduction.
- No salary increases for faculty and staff.
- No funding provided for new facilities operating costs for UMCP or Bowie.
- No enhancements funding for economic development or workforce initiatives.
- USM required to transfer \$30M in fund balance by June 30, 2017.
- Restrictive language and expected intensive reporting effort to support fund balance workgroup.

Impact on Bowie State University

- No salary increases for faculty and staff.
- No funding provided for new facilities operating costs (\$1.5M short of facilities operating costs for New Science Building.
- Tuition replacement funding of \$547K in general funds; only a \$380K increase in overall general funds received from USM from FY 2017.
- No enhancements funding for economic development or workforce initiatives.
- BSU must reduce its fund balance by \$980K by June 30, 2017.

FY 2018 Operating Budget

Fund Balance Goals for FY 2018 Working Budget:

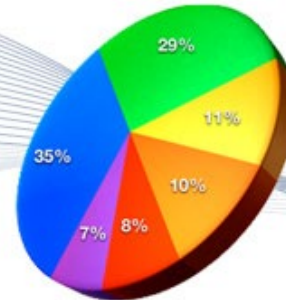
- A legislative committee will be reviewing the USM fund balance management this summer, with a report due in December 2017.
- Until the report is finalized the USM institutions will maintain the 1% fund balance goal in the FY 2018 working budget (\$42M).
- Institutions can achieve the growth in fund balance from either state or non-state sources. This decision lies with the President and upper management.

BSU FY 2017 Budget Reduction Plan

FY 2017 Budget Reduction Plan	
Category	Amount
Vacant Positions/Savings	\$379,312
Facilities Renewal (R&R)	\$46,000
Financial Aid	\$46,000
Total Reductions	\$471,312

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 continue our journey to becoming one of the best public comprehensive universities in America!



2013-2018 Strategic Plan: Goals 1-3

- **Goal 1:** Deliver high quality academic programs and relevant co-curricular experiences
- **Goal 2:** Develop and implement programs and services that promote access, affordability, and completion for a diverse student body with an emphasis on underserved populations
- **Goal 3:** Conduct and sustain academic transformation initiatives to improve student success and promote greater faculty collaboration



2013-2018 Strategic Plan: Goals 4-6

- **Goal 4:** Develop a comprehensive model of regional, national, and global engagement to address societal needs
- **Goal 5:** Advance the overall effective and efficient use of resources and identify new revenue sources to support the university's core mission
- **Goal 6:** Define and communicate the university's distinctive identity and value proposition



STRATEGIC GOALS

STRATEGIC GOAL 5

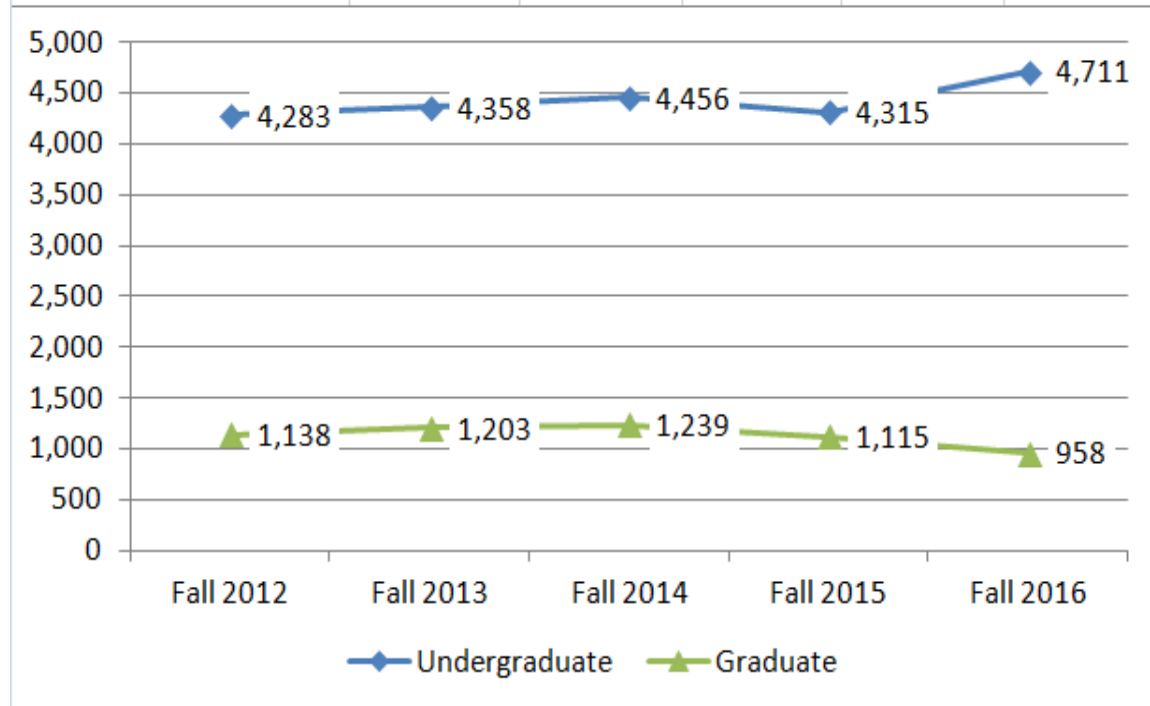
Advance the overall effective and efficient use of resources and identify new revenue sources to support the university's core mission.

Bowie State University will expand the breadth and depth of resource acquisition to generate revenue through grants, contracts, fundraising and auxiliary enterprises for continuous infrastructure, academic program and resource improvement, while redirecting resources as needed to remain solvent, competitive and relevant.

Overarching Accountability Measures:
Compliance with USM guidelines for fund balance contributions; increase in annual external grant submissions; achievement of annual fundraising goals for private and foundation gifts

Strategic Initiatives: Enrollment

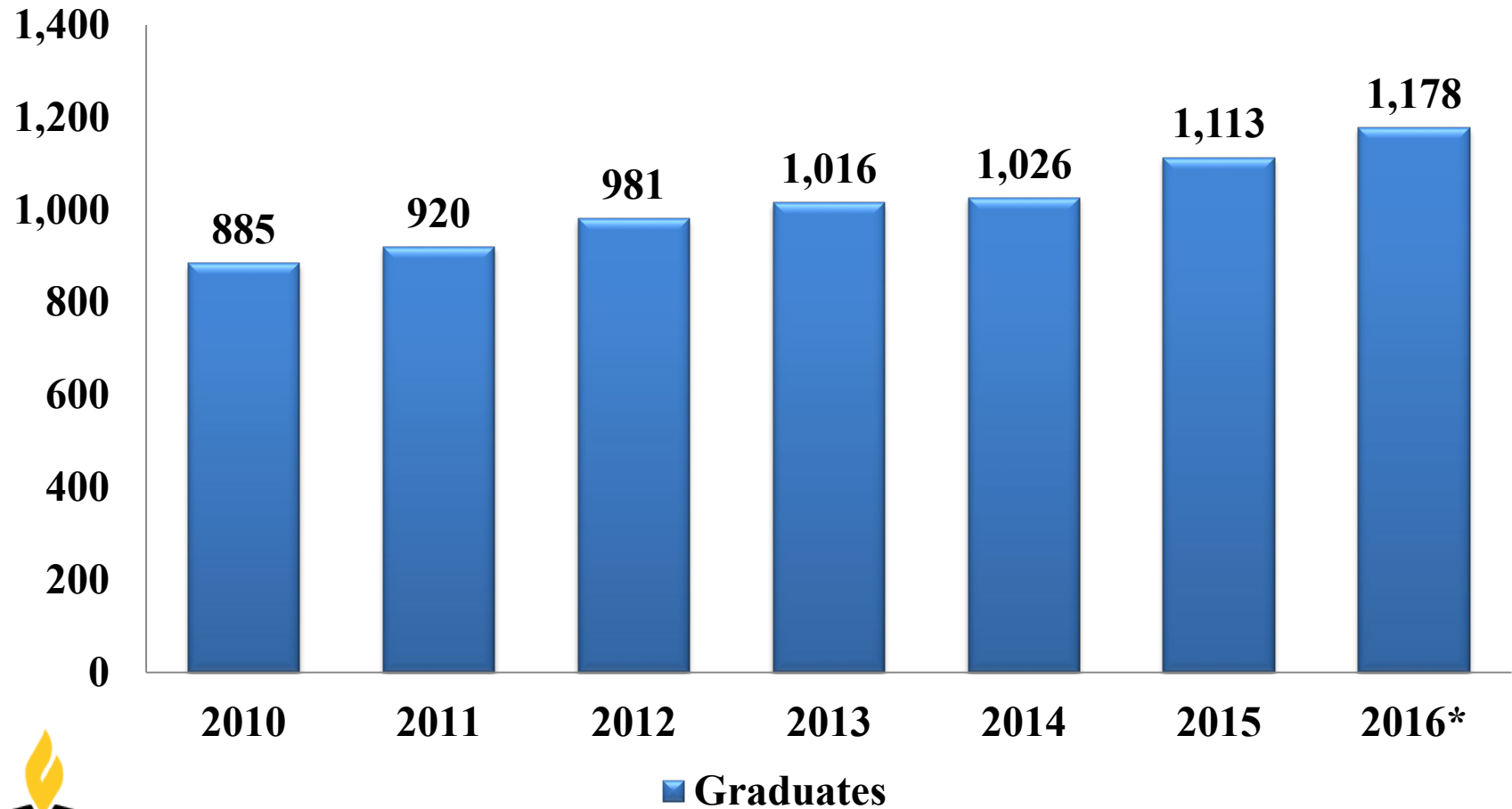
Trends in Headcount					
Fall 2009 - Fall 2016					
Level	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016
Undergraduate	4,283	4,358	4,456	4,315	4,711
First-Time Freshmen	484	629	596	591	967
Graduate	1,138	1,203	1,239	1,115	958
Total	5,421	5,561	5,695	5,430	5,669



Source: MHEC EIS

Strategic Initiatives: Degree Production

Graduating Future Leaders



Strategic Initiatives: Academic Transformation and EI²



Academic Transformation

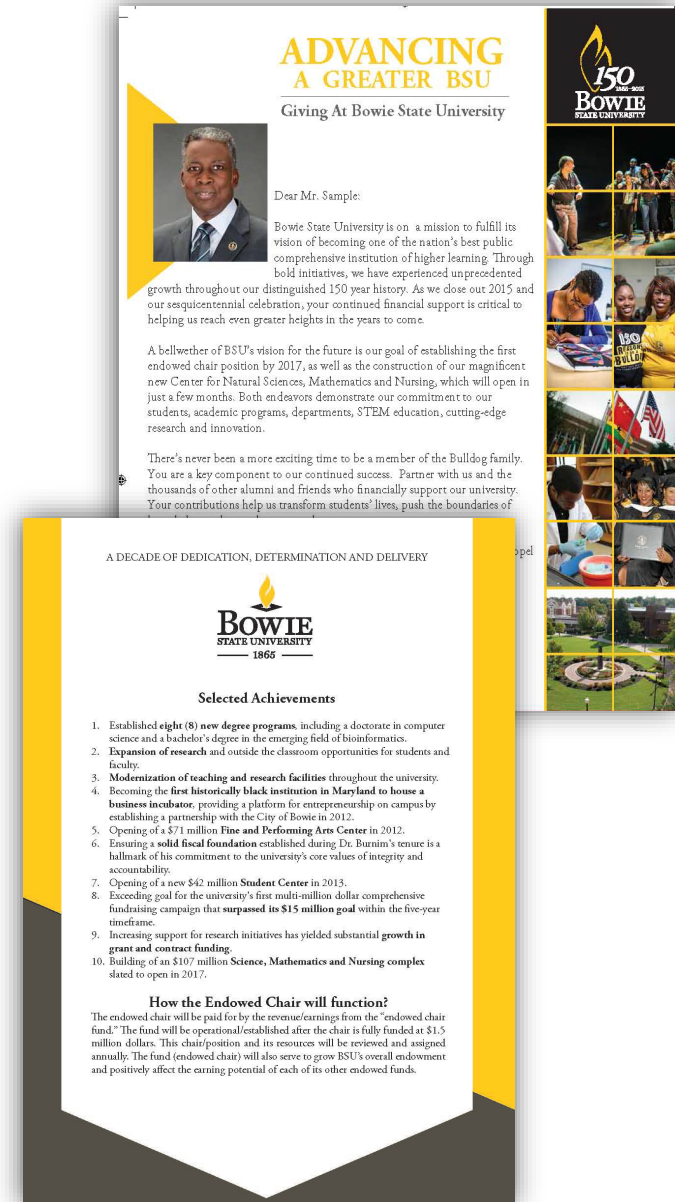
- Course Redesign
- Interdisciplinary Science Degree Program
- Education Innovation Initiative, EI² :
 - a. The Summer Undergraduate Research Initiative (SURI)
 - b. EI² Curriculum Development and Implementation Grant Program

Strategic Initiatives: Endowment Building

- **Endowed Chair Goal: \$1.5M**
- We launched an “endowment building awareness” campaign in December 2015.

The campaign will emphasize growing the endowment, “current-use” scholarships, and program support. Related goals for these areas of emphasis are as follows:

- Building the Endowment - 30%
- “Current-Use” Scholarships - 40%
- Program Support - 30%



Good News: Construction Project

Ribbon cutting for the new \$102M
Center for Natural Sciences, Mathematics, and Nursing (CNSMN)
June 9, 2017



2017-2018 Budget Overview

Presented by:
Dr. Karl Brockenbrough



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
- Increase in Mandatory Expenses
- Funding for Divisional Priorities/University Initiatives

Projected Changes in Revenue

• State General Funds/HEIF	\$380K
• Tuition and Fees	\$1.9M
• Fed. Grants & Contracts	\$24K
• Other Revenues	\$390K
• Fund Balance Transfer	<u>(\$25K)</u>
Total	<u>\$2.7M</u>

Mandatory Expense Increases

• New Science Bldg.	\$927K
• Sabbatical Costs for Outgoing President	\$375K
• Restoral of Salary funds from FY17 Reduction	\$240K
• Financial Aid	\$135K
• Facilities Renewal	\$238K
• Office of International Programs	\$90K
• Debt Service	\$89K
• Change in Educational Service Fees	<u>\$75K</u>
Total	<u><u>\$2.2M</u></u>

Fiscal Year (FY) Budget Comparison

	FY17	FY18
FY Base Revenues	\$79.2M	\$81.8M
+FY Change in Revenues	<u>\$ 3.1M</u>	<u>\$ 2.7M</u>
<i>FY Projected Revenues</i>	<u><i>\$82.3M</i></u>	<u><i>\$84.5M</i></u>
FY Base Operating Budget	\$79.2M	\$81.8M
+FY Mandatory Expenses	\$ 3.3M	\$ 2.2M
+FY Divisional Priorities/University Initiatives	<u>\$ 250K</u>	<u>\$500K</u>
<i>FY Projected Expenses</i>	<u><i>\$82.8M</i></u>	<u><i>\$84.5M</i></u>
FY Operating (+/-)	<u><i>(\$500K)</i></u>	<u><i>\$0</i></u>

FY 2018 Preliminary Budget

	FY18
FY17 Base Revenues	\$82.3M
-FY17 Budget Reduction	(\$471K)
+FY18 Change in Revenues	<u>\$ 2.7M</u>
FY18 Projected Revenues	<u>\$84.5M</u>
FY17 Base Operating Budget	\$82.3M
-FY17 Budget Reduction	(\$471K)
+FY18 Mandatory Expenses	\$ 2.2M
+FY18 Divisional Priorities/University Initiatives	<u>\$500K</u>
FY18 Projected Expenses	<u>\$84.5M</u>
FY18 Operating (+/-)	<u>\$0</u>

FY 2018 Divisional Priorities

Academic Affairs - \$1,515,000

1. Faculty Resource Initiative - \$1,150,000
2. Accreditation Initiative - \$50,000
3. Student Success Initiative - \$70,000
4. Instructional Technology Initiative - \$245,000

Administration & Finance - \$128,660

1. Phase II Implementation of TouchNet - \$128,660

Information Technology - \$856,250

1. Additional IT Support Personnel - \$60,000
2. Campus Computer Workstation Replacement _ \$606,250
3. Wireless Network Refresh - \$100,000
4. Data Encryption - \$90,000

FY 2018 Divisional Priorities

University Relations & Marketing - \$185,000

1. Electronic & Info Technology Accessibility - \$185,000

Student Affairs - \$479,500

1. Campus Safety Surveillance Upgrade - \$100,000
2. Counseling Services on Campus - \$185,000
3. Create Office of Multi-Cultural Programs - \$154,500
4. Support for Intercollegiate Cheerleading - \$40,000

Institutional Advancement - \$300,000

1. Feasibility Study & “Case” for BSU’s 20/20 Campaign - \$125,000
2. Campaign “Case Statement” Production & Distribution - \$100,000
3. Campaign Support Personnel - \$75,000

Grand Total - \$3,464,350

FY 2018 Challenges

1. Maintaining a balanced budget
2. Funding divisional priorities/university initiatives
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

