

Budget Update Open Forum

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

2018-2023 Strategic Plan

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

2018-2023 Strategic Plan

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

2018-2023 Strategic Plan

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

2018-2023 Strategic Plan

- Goal 5 – Ensure Long-term Viability of BSU

Preliminary Accomplishments

- ✓ Achieved full accreditation and reaffirmation of baccalaureate and graduate nursing programs by the Accreditation Commission for Education in Nursing (ACEN) through March 2023
- ✓ Maintained full accreditation of our baccalaureate degree programs in Social Work as affirmed by the Council on Social Work Education (CSWE) through 2026
- ✓ Achieved full accreditation for Master of Arts in mental health counseling and Master of Education in school counseling programs by the Council for Accreditation of Counseling & Related Educational Programs (CACREP) through March 2025
- ✓ College of Business reaffirmed for full accreditation of baccalaureate and graduate business degree programs by the Accreditation Council for Business Schools and Programs (ACBSP) through 2029

Preliminary Accomplishments

- ✓ Currently, we have raised \$1.085M (54.25%) of our 2.25M FY2019 goal; We expect to surpass the 1.3M total from FY2018 by next week.
- ✓ We are growing with enrollment this year reaching an all-time high having increased by about 13% resulting in over 6,300 students enrolled at BSU this year to include a 2% increase in retention
- ✓ The Entrepreneurship Living and Learning Community building design is underway. This P3 Capitol Project partnership with Medco will include a minimum of 450 new beds offering students the opportunity to live and learn in an entrepreneurial environment that will also house and serve as a hub for the Entrepreneurship Academy, Bowie BIC, and retail space
- ✓ Re-established Women's Forum at BSU which held several meetings and yielded attendance of 30-85 women at events and expanded relationship with Toyota to enhance leadership development for women

Preliminary Accomplishments

- ✓ Home Free Mortgage USA Center for Financial Advancement continues to work with BSU to enhance financial literacy for students and increase experiential learning opportunities for students
- ✓ We have garnered the “Safest College Campus,” in Maryland title as of April 2019, with only 435 total schools meeting that criteria in a study compiled by ADT Security Systems
- ✓ New parking lot to open fall 2019
- ✓ Swimming pool will reopen fall 2019
- ✓ The university has earned designation as a Military Friendly School

Legislative Session Highlights

Legislative Highlights

Budget Updates

General Assembly approved a **7%** increase (**\$100** million) in the operating budget for USM for the **2020** fiscal year that begins **July 1, 2019**.

The increase will allow:

- ✓ 3% COLA
- ✓ Workforce Development Initiative
- ✓ Tuition to only increase by 2%.
- ✓ Increase in BSU's operating budget of \$5M to cover mandatory costs such as COLA, financial aid, facility renewals, health rate changes, and etc.

The budget also includes a \$10M Legislative reduction to USM; BSU's share is \$336K

Legislative Highlights

Budget Updates

- ✓ **New Humanities Building - \$5.1 million**
Planning and design phase to begin July 1
- ✓ **Robinson Hall HVAC upgrade- \$ 1.4 million**

Legislative Highlights

Key Legislation

- **House Bill 482** – provides 25% Tax Credit for contributions to HBCU endowments
- **House Bill 658** – establishes goal to increase State contracts with HBCUs
- **House Bill 876** – requires new policy for addressing student concerns about Athletics

Legislative Highlights

Other Legislative Actions

- **KIRWAN COMMISSION P-20 funding**
- **MINIMUM WAGE increase to \$15/hr by 2025**
- **REPORT REQUIRED ON STUDENT MENTAL HEALTH SERVICES**
- **BOARD OF REGENTS OVERSIGHT**
- **EMPLOYEE GRIEVANCE PROCEDURE CHANGES**

Budget Planning

Budget Planning

Key Concepts

- ✓ 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

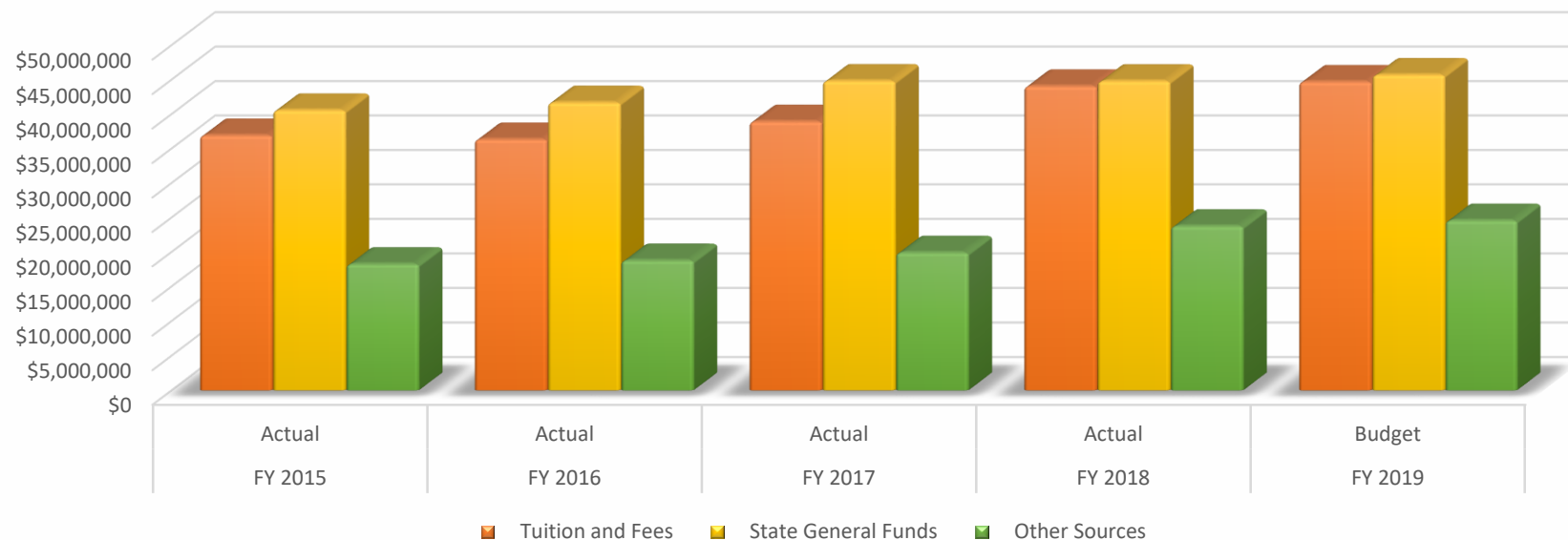
Aug-Sept	August	USM provides Bowie with specific budget instructions and information for submission of next year's budget request (General Funds, Tuition Rate, Institutional Mandatories, and etc.)
	August	Budget Office obtains preliminary enrollment numbers and credit hour mix from Institutional Research 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 prepared for the State and 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	Conduct Mid-Year Budget Review with Division VPs
	December	If applicable, adjustments are made to the preliminary budget request based on information from USM
Jan-Mar	January	Governor submits budget for review
	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
	January	Conduct Mid-Year Budget Review with President
	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	Tuition, Mandatory Fees, Room and Board rates are submitted to Board of Regents (BOR) for approval

Budget Development Process Calendar

	March	President and Cabinet members establish University priorities
	March	Departments begin developing initiatives for review based on instructions from their division/department heads
Apr-Jul	April	All departmental initiatives are due to their respective division/department heads for review
	April	All proposed initiatives are due to the Budget Office from division/department heads
	April	Cabinet determines enrollment numbers for development of University's working budget
	April	Budget Office prepares projected Working Revenue Budget based on headcount/credit hours and Governor's allowance
	April	Cabinet reviews submissions to ensure initiatives are aligned with BSU's Strategic Plan
	April	USM notifies the institutions if the proposed Tuition, Fees, Room and Board Rates are approved by BOR
	May	President and VPAF host a campus wide budget update open forum
	May	Cabinet continues discussions to determine which initiatives will be funded for the ensuing fiscal year
	June	All decisions are finalized to determine the University's working budget allocation
	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 system
	July	The Budget Office submits Bowie's working budget information to USM

Fiscal Year Revenue Trend

FY 2015-2019



Unrestricted Revenue	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget
Tuition and Fees	\$36,920,899	\$36,350,560	\$38,935,027	\$44,066,672	\$44,701,928
State General Funds	\$40,572,859	\$41,695,005	\$44,830,324	\$44,812,578	\$45,715,704
Other Sources	\$18,261,504	\$18,784,227	\$19,922,698	\$23,766,899	\$24,586,988
Total	\$95,755,262	\$96,829,792	\$103,688,049	\$112,646,149	\$115,004,619

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 6,320
- Funding for Institutional Mandatory Expenses
- Funding for Divisional Initiatives

Projected Changes in Revenue

• Tuition and Fees	\$2.4M
• State General Funds/HEIF	\$2.7M
• Legislative Base Reduction	(\$336K)
• Fed. Grants & Contracts (Indirect Cost)	\$ 47K
• Other Revenues	\$240K
• Fund Balance Transfer	(\$38K)
• Total	<u>\$5.0M</u>

Mandatory Expense Increases

• 3% COLA (effective July 1, 2019)	1.4M
• Workforce Development Initiatives	
• Building Capacity for Vets	225K
• Cyber Security Certificate	173K
• Expand enrollment in Business w/ Entrepreneurship emphasis	115K
• Financial Aid	208K
• Facilities Renewal (R&R)	653K
• Educational Service Fees	95K

Mandatory Expense Increases

• Health/Retiree Rate Changes	111K
• Technology Fee	65K
• Health Service Fee	95K
• Cyber Security Certification	(173K)
• EAB	25K
• Title III Phase-In	455K
• FY19 Positions Funded 1/2 year	<u>563K</u>
• Total Projected Expenses	<u>4.0M</u>

FY 2020 Divisional Initiatives

President - \$621,340

- New positions
- Restructure Office of Equity Compliance
- Brand campaign launch
- Digital design software

Academic Affairs - \$1,205,000

- New faculty positions
- Adjuncts
- Staff support
- Integration of advanced technology and course design
- Graduate assistantships
- Equipment/Technology upgrades
- Professional Development

FY 2020 Divisional Initiatives

Administration & Finance - \$577,600

- New positions
- Digitize files
- Landscape upgrades

Information Technology - \$465,500

- New positions
- License and maintenance
- Strategic ERP Readiness Assessment

Enrollment Management - \$190,000

- Contact Center
- Part-time positions
- ImageNow Upgrade
- Recruiting material

FY 2020 Divisional Initiatives

Student Affairs - \$499,322

- New positions
- Equipment
- Annual events & programming
- Professional Development

Institutional Advancement - \$343,000

- New positions
- Enhance Outreach and Engagement
- Increase Major Gift Activity
- Wealth Screening
- Increase Alumni Participation

Grand Total - \$3,901,762

FY 2020 Preliminary Budget

• FY19 Base Revenues	\$91.4M
• +FY20 Change in Revenues	<u>\$ 5.0M</u>
• FY20 Projected Revenues	<u>\$96.4M</u>
• FY19 Base Operating Budget	\$91.4M
• +FY20 Mandatory Expenses	\$ 4.0M
• +FY20 Proposed Divisional Initiatives	<u>\$ 3.9M</u>
• FY20 Projected Expenses	<u>\$99.3M</u>
FY20 Operating (+/-)	<u>(\$2.9M)</u>

FY 2020 Challenges

1. Maintaining a balanced budget
2. Funding divisional 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

QUESTIONS?