



University Council Update

April 29 ,2026

Agenda Items

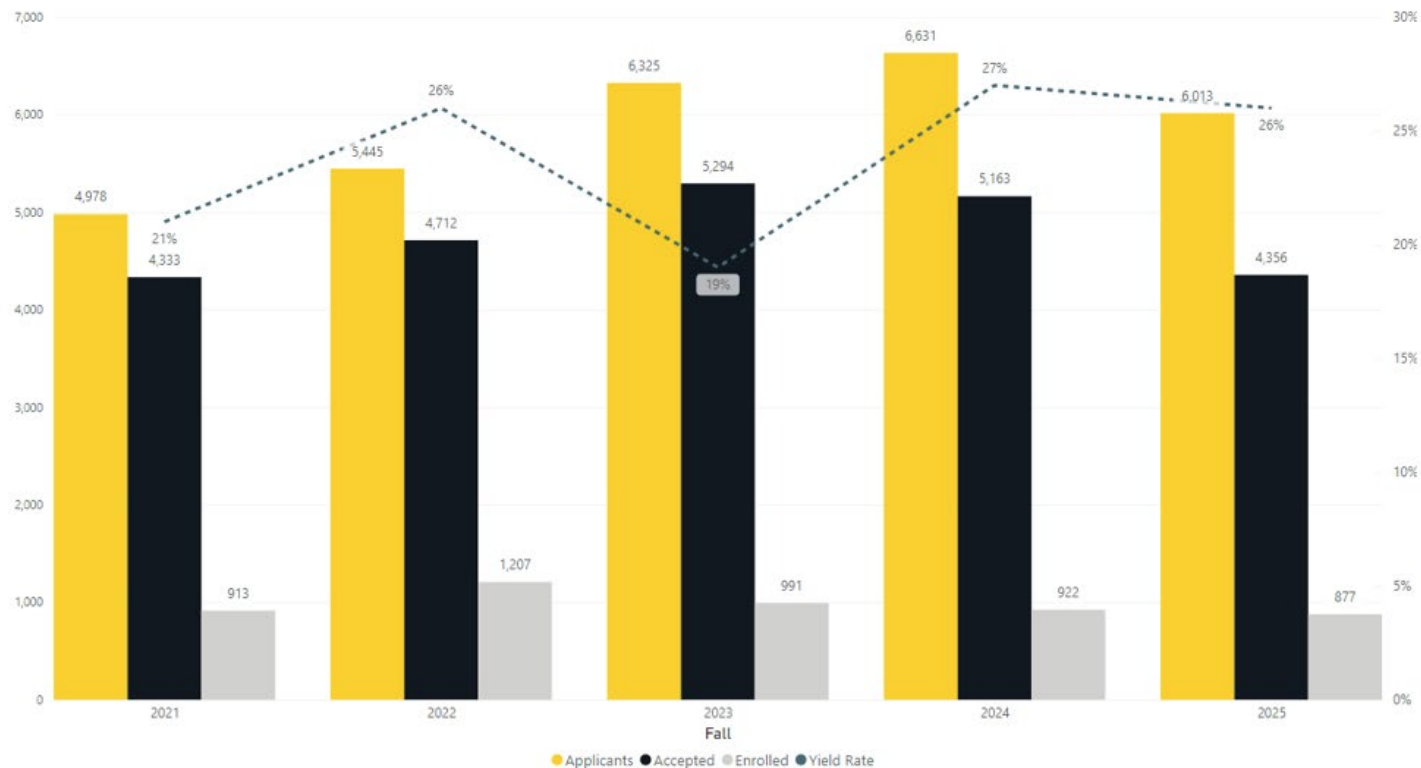


- **FY 2027 Budget Development & Timeline**
- **Preliminary FY 2027 Summary Budget & Trends**
- **Budget Deficit Detail**
- **Structural Deficit Illustration**

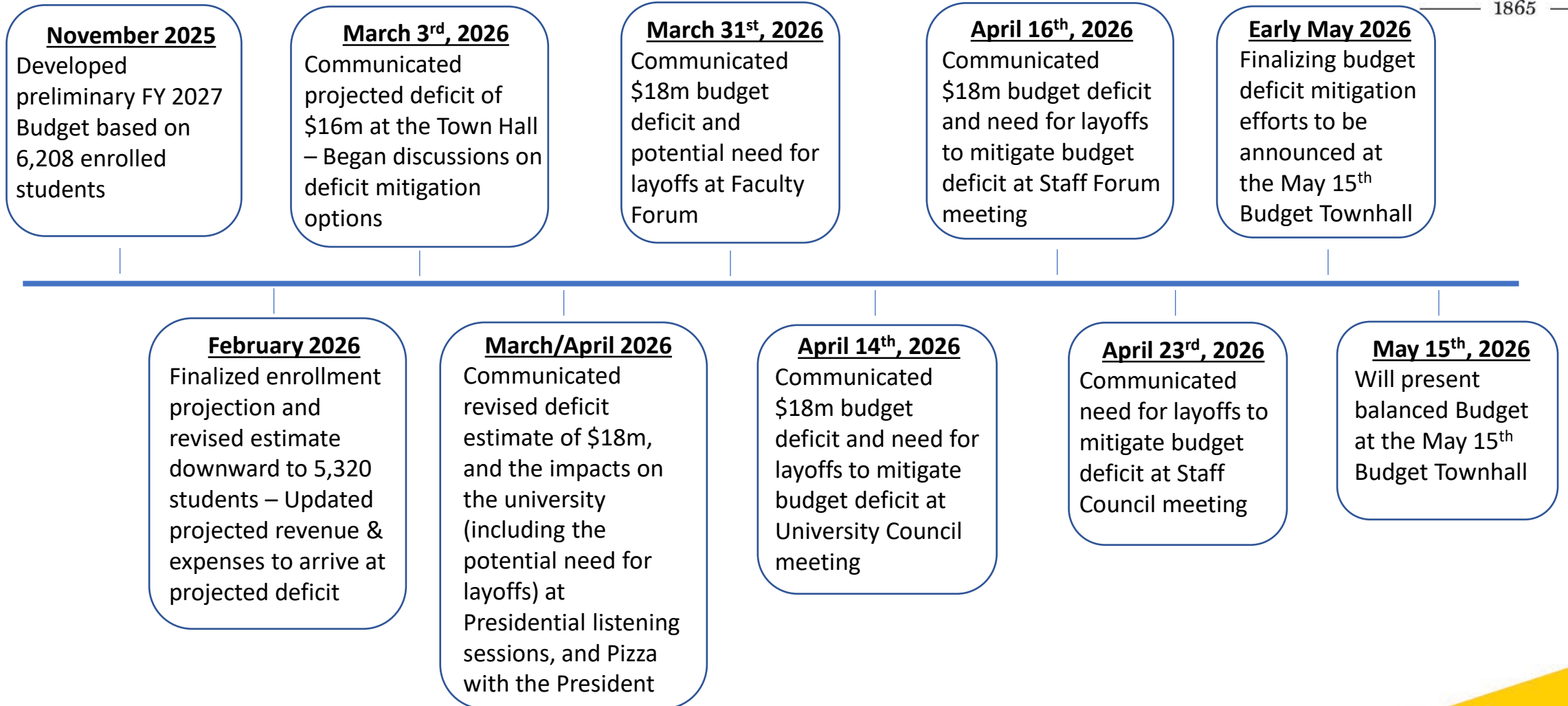
Continued Demand for BSU: Application Trend



Admissions Funnel



Communication Timeline



FY '27 Budget Projection Summary

(April 2026)



- Declining enrollment is driving lower revenues
 - FY27 Budget initially forecasted revenues based on 6,208 students*
 - Current estimated enrollment for FY27 is 5,320 (14% decrease from original estimate)
 - Estimated FY27 enrollment of 5,320 would represent a year-over-year decrease of 11% from FY26
 - Lower enrollment impacting Tuition & Fees, as well as auxiliary revenue (total decrease of \$10.8m from FY26 budget)
- Declining enrollment is also a partial driver of decrease in HBCU Coalition funding (\$1.8m decrease from FY26 Budget)
- We are anticipating an additional decrease in state funding of \$1.7m for FY27
- Potential increase of \$4m in unfunded expenses

Total estimated FY27 Budget deficit = \$18m (10% of total Budget)

Total of \$31m deficit for combined FY26 & FY27

* 10-year projections submitted annually to USM

Unrestricted Revenue Trends

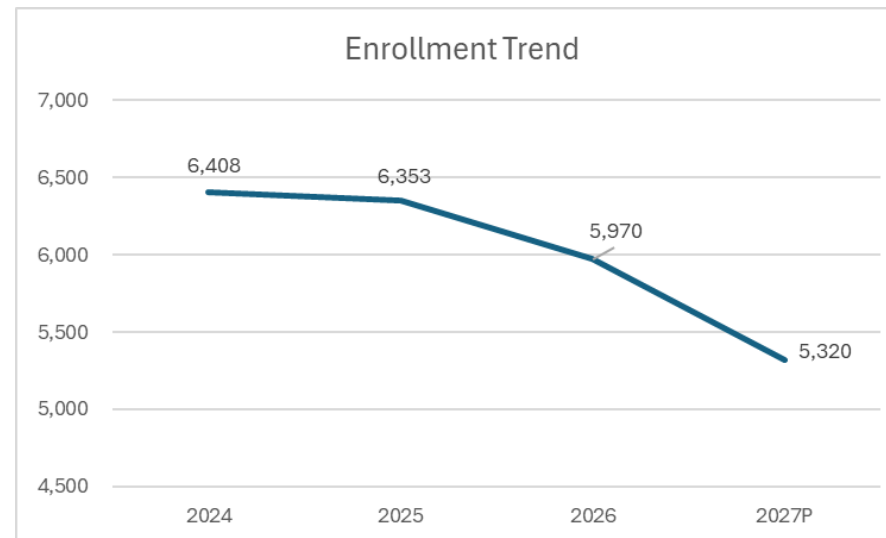
Decline in enrollment putting pressure on revenue



Current Unrestricted Revenue:

Enrollment
 Tuition and Fees
 State General Funds
 HEIF
 HBCU Settlement General Funds
 Federal Grants and Contracts Indirect
 Sales and Services Educational Activities
 Sales and Services of Auxiliary Enterprises
 Other Sources
 Transfer to Fund Balance

	FY 2024 Actual		FY 2025 Actual		FY 2026 Budget		FY 2026 Projected		FY 2027 Budget		FY26-27 Change to Budget
Enrollment	6,408		6,353		6,107		5,970		5,320		(787)
Tuition and Fees	51,560,895	31%	48,608,426	29%	52,327,972	30%	48,979,083	29%	46,561,180	28%	(5,766,792)
State General Funds	62,409,487	37%	66,141,848	39%	66,088,351	37%	66,088,351	39%	67,346,962	41%	1,258,611
HEIF	4,603,583	3%	4,745,552	3%	4,544,801	3%	4,544,801	3%	4,045,827	2%	(498,974)
HBCU Settlement General Funds	18,193,432	11%	17,476,088	10%	16,318,751	9%	16,318,751	10%	14,540,692	9%	(1,778,059)
Federal Grants and Contracts Indirect	1,212,434	1%	1,448,923	1%	1,224,558	1%	2,717,690	2%	1,463,412	1%	238,854
Sales and Services Educational Activities	25,000	0%	24,771	0%	23,500	0%	23,500	0%	23,500	0%	-
Sales and Services of Auxiliary Enterprises	25,155,170	15%	27,714,294	16%	34,211,226	19%	30,647,792	18%	28,044,284	17%	(6,166,942)
Other Sources	3,921,470	2%	4,696,821	3%	3,366,287	2%	3,537,400	2%	3,342,787	2%	(23,500)
Transfer to Fund Balance	-	0%	(1,123,786)	-1%	(1,801,897)	-1%	(1,801,897)	-1%	(1,664,761)	-1%	137,136
Total Unrestricted Revenue	167,081,471		169,732,937		176,303,549		171,055,471		163,703,883		(12,599,666)



FY27 Deficit Detail & Revenue Change by Source



Estimated FY27 Budget Deficit Breakout

Reduction in Revenue

- Non-Auxiliary Revenue	4,602,509
- Reduction in HBCU Coalition Funds	1,778,059
- Auxiliary Revenue	6,195,292
- Anticipated decrease in state funds	1,700,000

Total Revenue Reduction

Estimated increase in unfunded expenses 4,000,000

Total FY 2027 Estimated Deficit

18,275,860

Year-Over-Year Revenue Change by Source

	<u>FY 2026</u>		<u>FY 2027</u>		<u>FY26-27</u>
	<u>Budget</u>		<u>Request</u>		<u>Change</u>
Non-Auxiliary Revenue:					
Tuition and Fees	52,327,972	37%	46,662,522	34%	(5,665,450)
State General Funds	66,088,351	46%	67,346,962	50%	1,258,611
HEIF	4,544,801	3%	4,045,827	3%	(498,974)
HBCU Settlement General Funds	16,318,751	11%	14,540,692	11%	(1,778,059)
Federal Grants and Contracts Indirect	1,224,558	1%	1,463,412	1%	238,854
Sales and Services Educational Activities	23,500	0%	23,500	0%	-
Other Sources	3,342,787	2%	3,342,787	2%	-
Transfer to Fund Balance	(1,438,707)	-1%	(1,374,257)	-1%	64,450
Total Unrestricted Revenue	142,432,013		136,051,445		(6,380,568)
Auxiliary Revenue:					
Sales and Services of Auxiliary Enterprises	34,234,726	24%	27,965,922	21%	(6,268,804)
Transfer to Fund Balance	(363,190)	0%	(289,678)	0%	73,512
Total Restricted Revenue	33,871,536	24%	27,676,244	20%	(6,195,292)
Total Revenue	176,303,549		163,727,689		(12,575,860)

* FY27 does not include anticipated \$1.7m reduction in state funds shown in the breakout

FY 2027 Assumptions

T&F revenue budget assumes headcount of 5,320

T&F revenue budget assumes 2% In-State/Out-State tuition increase and various mandatory fee increases

T&F revenue reflects a \$5.8M reduction over FY26

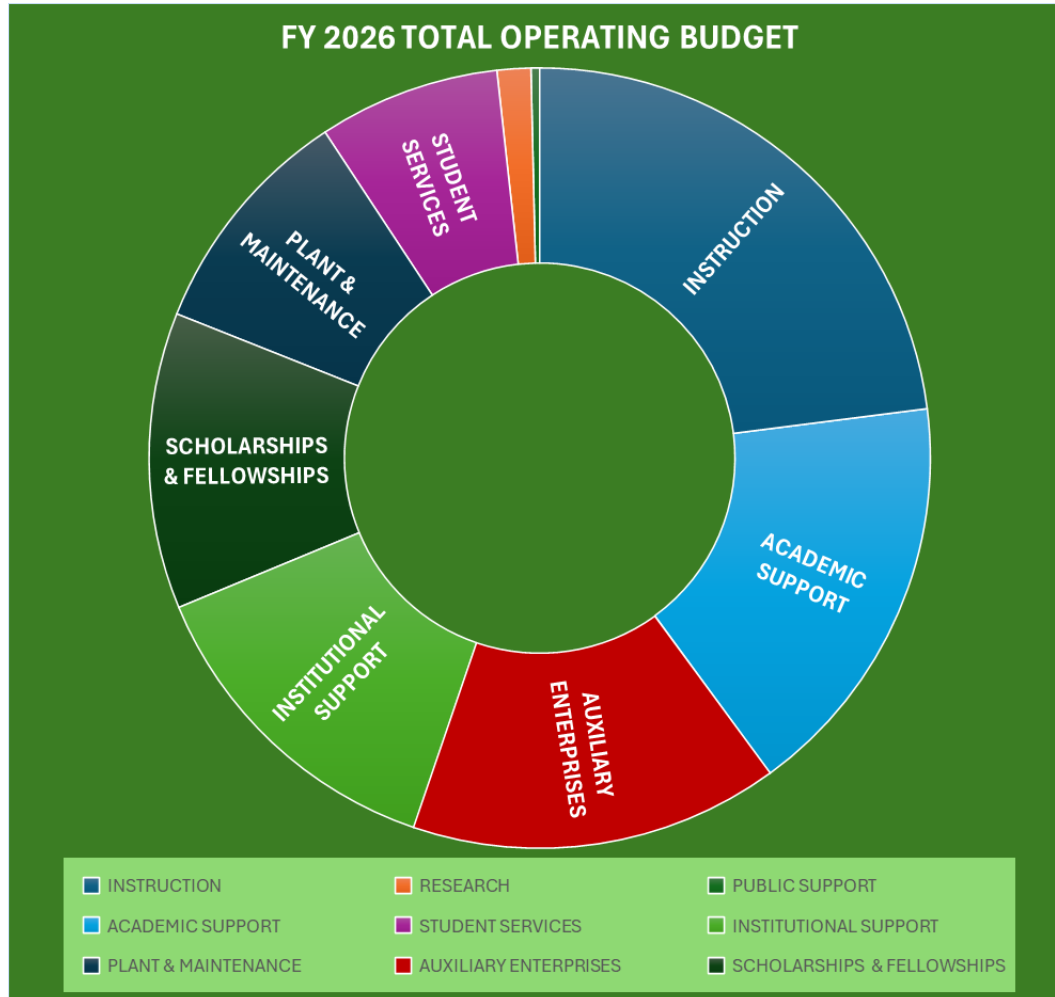
HBCU Settlement Funds reflects a \$1.8M reduction over FY26

Total Share of Deficit by Division by Source



Accountability Area	Share from Non-Aux & Exp	Share from Aux. Deficit	Share from Coal. Deficit	Total Share	Share as % of Budget	Share as % of Total
Auxiliary Services	-	6,195,292	-	6,195,292	n/a	33.9%
Academic Affairs	4,062,577	-	1,274,863	5,337,440	39.4%	29.2%
Administration & Finance	3,262,714	-	-	3,262,714	31.7%	17.9%
Enrollment Mgmt. & Stud. Affairs	2,118,627	-	179,567	2,298,194	20.6%	12.6%
President	375,760	-	323,629	699,389	3.6%	3.8%
Philanthropic Engagement	279,535	-	-	279,535	2.7%	1.5%
Research	203,296	-	-	203,296	2.0%	1.1%
Total	10,302,509	6,195,292	1,778,059	18,275,860		

Share of Operational Expenses by Category



FY 2026 Total Operating Budget (in millions)

INSTRUCTION	\$51.1	23%
RESEARCH	\$3.1	1%
PUBLIC SUPPORT	\$0.8	1%
ACADEMIC SUPPORT	\$37.8	17%
STUDENT SERVICES	\$16.7	8%
INSTITUTIONAL SUPPORT	\$30.1	14%
PLANT & MAINTENANCE	\$21.6	10%
AUXILIARY ENTERPRISES	\$33.9	15%
SCHOLARSHIPS & FELLOWS	\$27.3	12%
TOTAL	\$ 222.4	100%

Structural Deficit – Not a One-Year Issue



	FY 2026 Budget	FY 2027 Projection	FY 2028 Projection	FY 2029 Projection	FY 2030 Projection	FY 2031 Projection
Projected Enrollment	5,970	5,320	5,430	5,550	5,990	6,139
Non-Auxiliary Revenue						
Tuition and Fees	52,327,972	46,662,522	47,899,446	49,857,609	54,852,487	57,223,138
State Funds (Gen. & HEIF)	70,633,152	69,692,789	71,392,789	71,392,789	71,392,789	71,392,789
HBCU Settlement General Funds	16,318,751	14,540,692	11,040,692	11,040,692	12,000,000	14,500,000
Other Sources	4,590,845	4,829,699	4,829,699	4,829,699	4,829,699	4,829,699
Transfer to Fund Balance	(1,438,707)	(1,354,257)	(1,380,431)	(1,364,856)	(1,425,000)	(1,474,198)
Total Non-Aux. Unrestricted Revenue	142,432,013	134,371,445	133,782,195	135,755,933	141,649,975	146,471,428
Auxiliary Revenue:						
Sales and Services of Aux. Enterprises	34,234,726	27,965,922	28,415,248	29,322,051	31,097,207	31,959,716
Transfer to Fund Balance	(363,190)	(289,678)	(287,023)	(296,182)	(314,113)	(322,825)
Total Auxiliary Revenue	33,871,536	27,676,244	28,128,225	29,025,869	30,783,094	31,636,890
Total Unrestricted Revenue	176,303,549	162,047,689	161,910,421	164,781,802	172,433,069	178,108,318
Unrestricted Expenses	176,303,549	180,323,549	180,323,549	180,323,549	180,323,549	180,323,549
Annual Surplus/(Deficit)	-	(18,275,860)	(18,413,128)	(15,541,747)	(7,890,480)	(2,215,231)
<i>Cumulative Surplus/(Deficit)</i>	-	(18,275,860)	(36,688,988)	(52,230,736)	(60,121,215)	(62,336,446)

If we do nothing, and even if expenses stayed flat to what we estimate in FY 2027, we will accumulate a deficit of over \$62m in the next five years based on revenue projections driven by projected enrollment

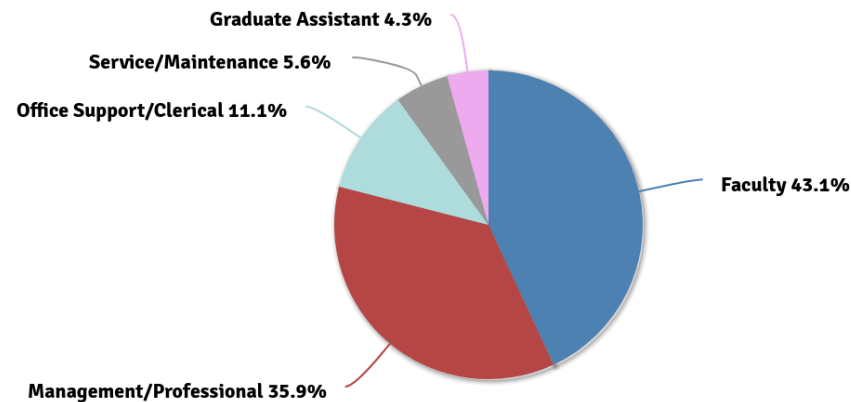


Appendix

Employees by Occupational Category BSU versus USM (2025 Data)

Employees by Occupational Category

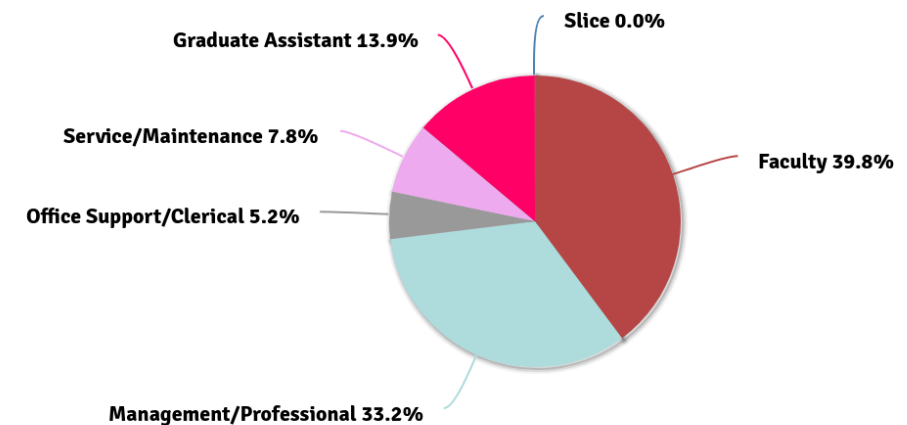
Bowie State University - FY 2025



USM Institutional Research Information System

Employees by Occupational Category

University System of Maryland - FY 2025

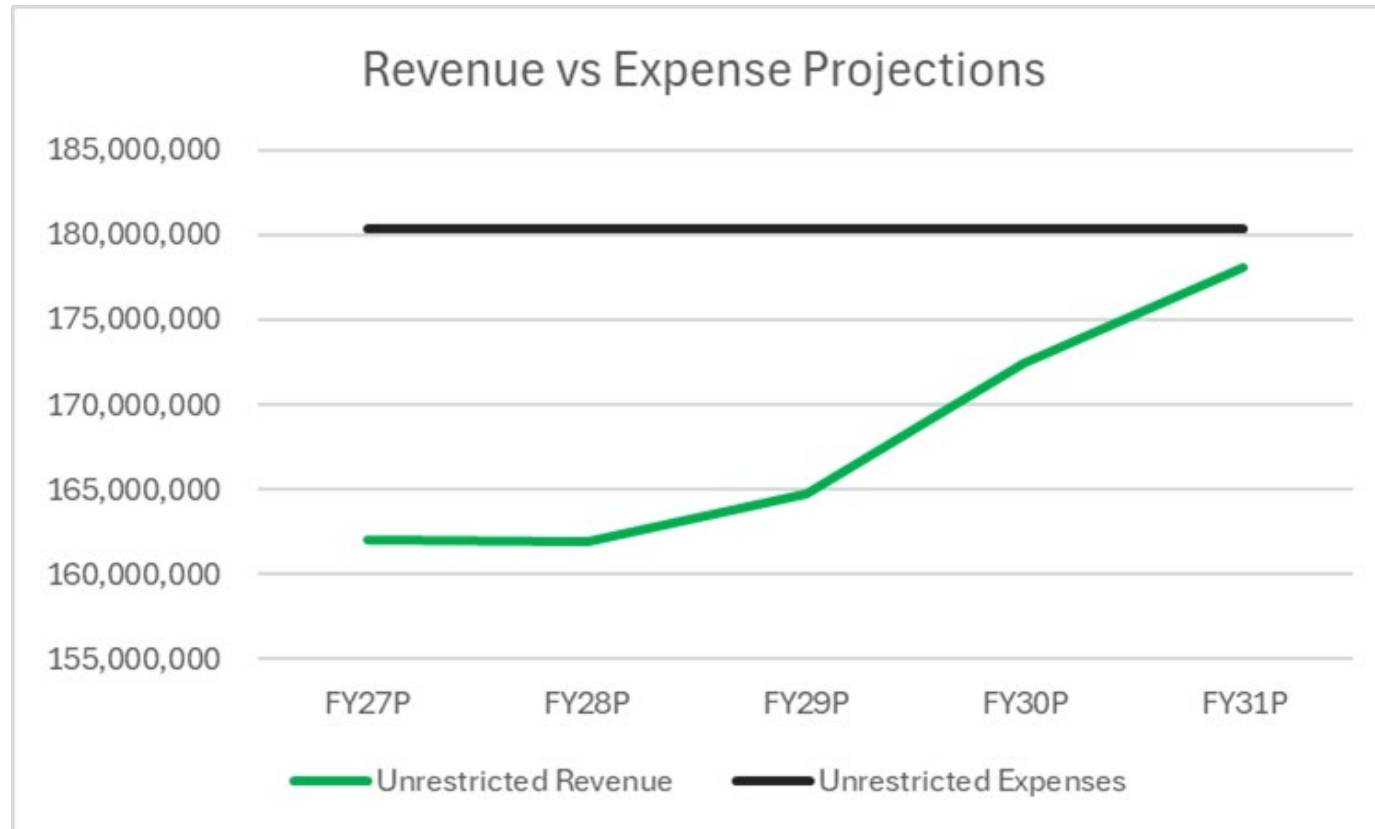


USM Institutional Research Information System

BSU Percentage Occupational Category Comparison

Role	BSU	USM	Coppin	Towson	College Park
Faculty	43.1%	39.8%	40.3%	45.2%	29.7%
Management/Professional	35.9%	33.2%	37.3%	30.9%	29.9%
Graduate Assistant	4.3%	13.9%	0.0%	10.9%	26.7%
Service/Maintenance	5.6%	7.8%	6.9%	5.7%	10.5%
Office Support/Clerical	11.1%	5.2%	15.5%	7.2%	3.2%

Five-Year Revenue vs. Expenses



Graduation Trends



Degrees Conferred (FY 2021-2025)

Level	2021	2022	2023	2024	2025
Undergraduate	882	851	856	757	731
Master's	267	212	191	209	237
Doctorate	16	6	17	10	40
Total	1,165	1,069	1,064	976	1,008

State of MD FY 2027 Budget

- Revenue shortfalls aligned with Governor Moore’s budget [Fiscal Year 2027 Proposed Budget Highlights](#)
- State of Maryland’s Revenue Deficit - \$1.5b
- University System of Maryland to receive \$2.3b in state support, an increase of \$12.9m from FY 2026 (0.6%)
 - Please note that USM had a \$111m shortfall in 2026

FY 2026 Recap Summary



FY '26

- The FY 2026 University budget resolved a \$13.6M shortfall without layoffs
- \$7M revenue reduction over FY 2025 due to the reduction in State appropriations attributed to the State budget deficit, HBCU Settlement Funds contribution due to lower enrollment numbers, Federal Grants and the financial impacts of lower enrollment—affordability, insufficient housing, changing demographics
- \$6.6M in increased expenses due to increases for COLA & Merit, Health & Fringe Benefits, IT expenses, spending on new facilities, and increases in Financial Aid & Philanthropic Engagement
- Cost reductions, delayed hiring, implementation of process improvements and increasing revenue streams allowed the university to overcome the deficit.

FTE Trend Analysis (Provided by OPAA)									
	2020	2021	2022	2023	2024	2025	1 year % chg	2 year % chg	5 year % chg
Level									
Undergraduate	5,354	5,381	5,378	5,288	5,136	4,810	-6.3%	-9.0%	-10.6%
First-Time, Full-Time, Degree Seeking Freshman (IPEDS cohort)	957	888	1,170	965	908	855	-5.8%	-11.4%	-3.7%
Graduate	896	927	897	1,120	1,217	1,160	-4.7%	3.6%	25.1%
Total	6,250	6,308	6,275	6,408	6,353	5,970	-6.0%	-6.8%	-5.4%

FY 2026 University Budget & Projection

Revenues

thru 04.28.2026

Class Description	FY 2026 Budget	Period Activity (USD)	YTD %	Amount Remaining	% Remaining	Projected thru 6/30/26	Projected \$ Variance	Projected % Variance
Tuition & Fees	52,327,972	\$ 46,458,356	88.8%	5,869,616	11.2%	47,746,671	(4,581,301)	91.2%
State Appropriation/HEIF/Coalition	86,951,903	\$ 86,877,145	99.9%	74,758	0.1%	86,951,903	-	100.0%
Federal Grants and Contracts	1,224,558	\$ 1,539,094	125.7%	(314,536)	-25.7%	1,781,733	557,175	145.5%
Sales & Services-Auxiliary	34,234,726	\$ 31,957,539	93.3%	2,277,187	6.7%	32,630,103	(1,604,623)	95.3%
Other Sources	3,366,287	\$ 3,480,745	103.4%	(114,458)	-3.4%	3,758,662	392,375	111.7%
Transfer to Fund Balance	(1,801,897)	\$ -	0.0%	(1,801,897)	100.0%	(1,801,897)	-	100.0%
Grand Total	176,303,549	170,312,879	96.6%	5,990,670	3.4%	171,067,175	(5,236,374)	97.0%

Expenses

Class Description	FY 2026 Budget	Actuals	YTD %	Amount Remaining	% Remaining	Projected thru 6/30/26	Projected \$ Variance	Projected % Variance
USM - Parent Account Set: 01 - Salaries and Wages	86,953,624	83,389,481	95.9%	3,564,143	4.1%	84,641,254	2,312,370	97.3%
USM - Parent Account Set: 02 - Technical and Special Fees	16,339,733	14,538,123	89.0%	1,801,610	11.0%	14,439,611	1,900,122	88.4%
USM - Parent Account Set: 06 - Fuel and Utilities	3,581,063	3,537,674	98.8%	43,389	1.2%	4,280,554	(699,491)	119.5%
USM - Parent Account Set: 12 - Grants Subsidies and Contributions	10,902,298	9,322,847	85.5%	1,579,451	14.5%	9,942,847	959,451	91.2%
USM - Parent Account Set: 14 - Land and Structures	6,158,228	4,579,456	74.4%	1,578,772	25.6%	5,160,327	997,901	83.8%
USM - Parent Account Set: Operational Expense Pool	52,368,603	53,035,053	101.3%	(666,450)	-1.3%	55,204,398	(2,835,795)	105.4%
Grand Total	176,303,549	168,402,635	95.5%	7,900,914	4.5%	173,668,991	2,634,558	98.5%

Projections indicate a potential FY 2026 shortfall of \$2.6m