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:** 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.
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
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
Bowie State University FY 2015 Priorities

1. Improve graduation rates and close the achievement gap while working to increase enrollment.

2. Improve the academic program inventory.

3. Continue implementation of a strategic approach to building BSU’s reputation and brand recognition.

4. Implement assessment strategies and activities university-wide to include enhancing institutional efficiency and effectiveness throughout.

5. Enhance the funding stream through growth in grants, contracts, fundraising, and auxiliary enterprises.
BSU Good News Highlights

- 1,056 students graduated last calendar year
- 2.41% enrollment increase over last AY year
- Three $1M+ Grant Awards in FY2015 thus far
- Sesquicentennial Activities
  - Three sizable investments in BSU at Gala:
    - BSUNAA ($150K), Gray Foundation ($100K), and Aerojet Rocketdyne ($150K)
Good News: Construction Project

Construction of new $104M Center for Natural Sciences, Mathematics, and Nursing (CNSMN)

Groundbreaking Ceremony is May 11
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!
BSU 2014-2015 Budget Advisory Group

Faculty
- Dr. Cubie Bragg
- Dr. Patricia Westerman

Staff
- Ms. April Johnson
- Mr. George Jones

SGA
- Ms. Jasmine Adkins-Taylor
- Mr. Charles Marshall

GSA
- Mr. Marcus Craig
- Ms. LaVesha C. Huff

*Shared Governance Groups Representatives*
Campus Community Budget Updates

FY 2015 Budget Reductions

Many of you have read in the newspapers that Maryland Governor Martin O’Malley is working on a plan to deal with a state revenue shortfall of approximately $400 million in the current fiscal year. Though the University System of Maryland has not yet received specific information from the Governor regarding our share of the budget cuts, we anticipate receiving this information in the next few days.

A cut in the state appropriation will require Bowie State University to reduce its state operating budget. We will need to take a number of steps to reduce expenses and constrain spending. Consistent with the guidance from the Chancellor’s office thus far, we will slow our spending by taking a careful look at any requests for hiring and spending submitted for state-funded activities. Grant and auxiliary-funded positions and activities will not be affected.

Our campus process for developing the budget reduction plan will include the various campus constituencies through the FY 2015 Budget Advisory Group.

Moving forward, we will endeavor to maintain our core capabilities and provide the academic programs and support services to our students to ensure their successful progression.

Sincerely,
Mickey L. Burnim

Budget Reduction Plan

In our Community Announcement of January 29, 2015, we advised the impact that the state of Maryland’s efforts to manage a $400 million budget shortfall in the current fiscal year would have on Bowie State University. We provided an overview of steps that the university was taking to address a reduction of $13 million in our current FY15 operating budget. I would like to continue to outline my plan to you, extending efforts to slow spending from state accounts.

As the General Assembly works to finalize the budget for FY15, we have been informed by the Office of the Chancellor of the University System of Maryland to expect an additional reduction of 5 million from our base budget for the coming fiscal year. This will be in addition to the cuts already made. A budget reduction of this magnitude will be very difficult for the university to absorb without significantly affecting our operations and staffing. Senior leadership has been working with our budget office staff to identify possible solutions to this challenge, and I will meet with the Budget Advisory Group to move forward to seek the guidance of its members.

Because the largest percentage of Bowie State’s budget is allocated to salaries, any substantial budget savings can only be achieved by reducing the number of employees in the University. Up to this point, we have only eliminated vacant positions. Going forward, there is a strong possibility that some employee reductions may be required. We will make every effort to minimize the impact on personnel and to maintain our core capabilities to provide the academic programs and support services our students need to ensure their successful progression.

We are required to submit a budget reduction proposal to USM by March 16, 2015, but our final budget may not be known until the close of the legislative session in April. We will endeavor to keep you informed of developments as they unfold.
# BSU FY 2016 Budget Reduction Plan

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Vacant Regular Positions</td>
<td>$323,245</td>
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<td>Bulldog Academy</td>
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<td><strong>Total Reductions</strong></td>
<td><strong>$1,153,771</strong></td>
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Plan recommended by the Budget Advisory Group on March 11
“These downward revisions reflect the Board’s continued effort to align revenues with the new economic landscape in Maryland. Maryland is in the midst of a structural change as its economic competitive advantage, federal government spending growth has been displaced and is no longer expected to provide the strong growth it had between 2000 and 2011.

Maryland’s economic trajectory has not and will not keep pace. Federal budget sequestration and continued federal budget policy uncertainty in general continue to drive a wedge between Maryland and the nation as a whole.”

*December 2014 Analysis*
BSU: End of 2015 Legislative Session Update

• Maryland General Assembly adjourned Sine Die at midnight on April 14

• Capital Budget
  – Approved $39.7M for FY 2016 funding to begin construction of new Natural Sciences, Mathematics, and Nursing Center

• Operating Budget
  – Approximately $2.9M reduction in FY2016 general funds
  – 5% increase in undergraduate in-state tuition
  – COLA?
  – No 2.5% merit for July 1, 2015
  – FY 2016 budget does not include new enhancement funds
2015-2016 Budget Overview

Presented by:
Dr. Karl Brockenbrough
Budget Assumptions

- 5% increase in UG In-State Tuition
- 1% increase in UG Out-of-State Tuition
- 5% increase in Grad In-State Tuition
- 1% increase in Grad Out-of-State Tuition
- Increase in Mandatory Expenses
- Possibility of reduction in State Funding
Projected Changes in Revenue

- State General Funds/HEIF $977K
- Tuition and Fees $2.9M
- Fed. Grants & Contracts $85K
- Other Revenues ($104K)
- Fund Balance Transfer ($197K)

Total $1.7M
## Mandatory Expense Increases

- FY ‘16 2% COLA (Jan 2015) $?  
- Health/Pension & Fringe Adjs. $982K  
- Financial Aid $324K  
- Debt Service $82K  
- Fuel & Utilities $114K  
- Facilities Renewal $238K  
- OCR Project – James HVAC Phase II $400K  
- Title IX Compliance $203K  

### Total $2.3 M
University Initiatives

- Nursing, STEM, College Completion, Education Innovation Initiative $914K
- New Natural Sciences, Nursing, and Mathematics Center Equipment $1.0M

Total $1.9 M
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<tr>
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FY 2016 Challenges

1. Maintaining a balanced budget
2. Funding reallocation of resources to fund initiatives
3. Funding mandatory expenses
4. Cost of technology
5. Addressing any cost overruns related to constructing and equipping CNSMN
6. Returning 1% for fund balance requirement
7. Possibility of additional budget reductions in FY 2016
Questions and Answers

Find Strength.
Take Pride.