



President's 2026 Town Hall Budget Update

Agenda Items



- **FY 2026 University Budget Update**
- **State of Maryland FY 2027 Budget**
- **Preliminary FY 2027 University Revenue**
- **Budget & Trends**
- **Budget Calendar**

FY 2026 Budget Update

- The FY 2026 university budget resolved a \$13.6m shortfall without layoffs
 - \$7m revenue reduction over FY 2025 due to 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
 - \$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 & diversifying revenue streams allowed the university to overcome the deficit
- Actual fall enrollment was 2% lower than budget resulting in 238 fewer enrolled students and 2,901 fewer credit hours; Spring enrollment is estimated to be 3% lower than budget (267 fewer enrolled students and 3,254 credit hours)
- Over \$3m of unbudgeted expenses putting pressure on FY 2026₃ results

FY 2026 University Budget & Projection

Unrestricted & Restricted Revenue

Budget Item	FY26 Budget	% of Budget	FY 26 Proj.	% of Budget	Variance to Budget
Tuition and Fees	52,327,972	24%	48,979,083	23%	(3,348,889)
State General Funds	64,286,454	29%	64,286,454	30%	-
HEIF	4,544,801	2%	4,544,801	2%	-
HBCU Settlement General Funds	16,318,751	7%	16,318,751	8%	-
Federal Grants and Contracts Indirect	43,022,955	19%	44,516,087	20%	1,493,132
Auxiliary Services	34,234,726	15%	30,671,292	14%	(3,563,434)
State, Local, & Private Grants	4,300,000	2%	4,300,000	2%	-
Other Sources	3,366,287	2%	3,537,400	2%	171,113
FY 2026 Total	222,401,946		217,153,868		(5,248,078)

Unrestricted & Restricted Expenditures

Budget Item	FY26 Budget	% of Budget	FY 26 Proj.	% of Budget	Variance to Budget
Salaries & Wages	86,953,624	39%	84,641,254	38%	(2,312,370)
Technical & Special Fees	16,339,733	7%	14,511,643	7%	(1,828,090)
Operating Expense Pool (Travel, Supplies, Equipment, Contractual Services, Scholarships, etc.)	119,108,589	54%	121,498,141	55%	2,389,552
FY 2026 Total	222,401,946		220,651,039		(1,750,907)

Projections indicate a potential FY 2026 shortfall of \$3.5m

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 2027 Budget Highlights

Lower revenue & increased expenses creating short-fall in FY27

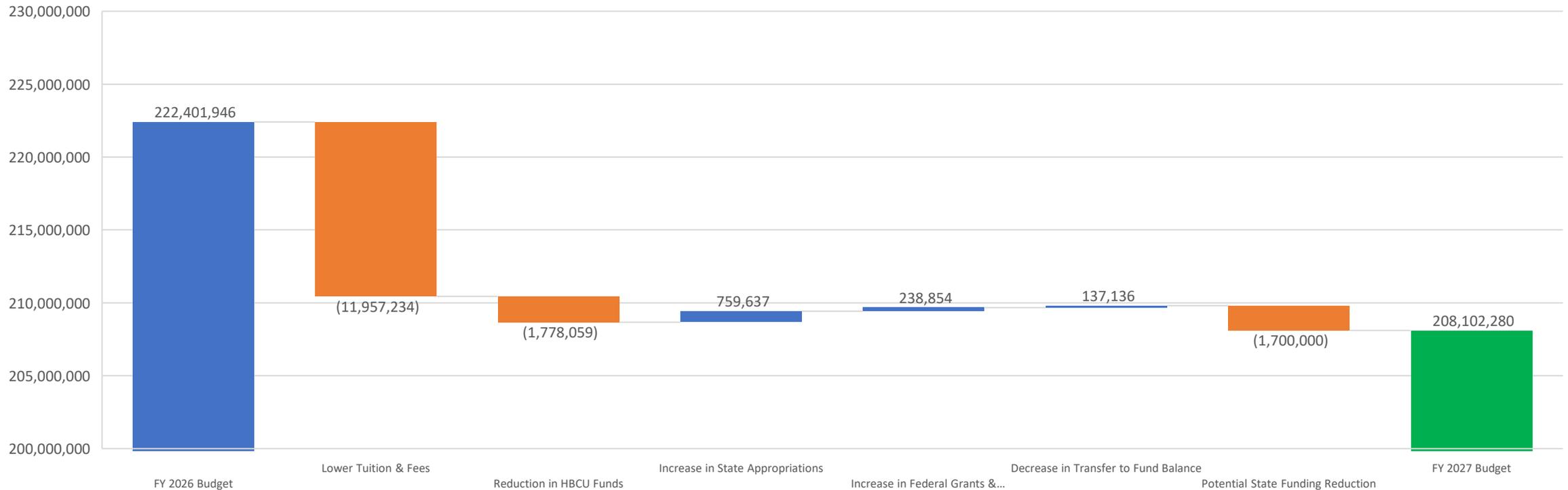
- State funding of \$85.9m, which is a total decrease of \$1m from FY26
 - Coalition funds decreased \$1.8m to \$14.5m in FY27
- \$12m Tuition & Fee revenue decrease from FY 2026 due to lower enrollment estimates
 - 2% In-State and Out-of-State Tuition increases outweighed by lower revenue due to lower enrollment
- Due to revenue constraints, there will not be a call for new initiatives for FY 2027
- **Overall, anticipating an estimated \$14m to \$16m shortfall in FY 2027**
 - **Potential \$14m in revenue and an additional \$2m in COLA and health rate increases**

FY 2027 Revenue Shortfall Detail



FY2027 Revenue Adjustment Waterfall - Unrestricted & Restricted
Total Potential Reduction of \$14m from FY 2026

■ Increase ■ Decrease ■ Total



Unrestricted Revenue Trends

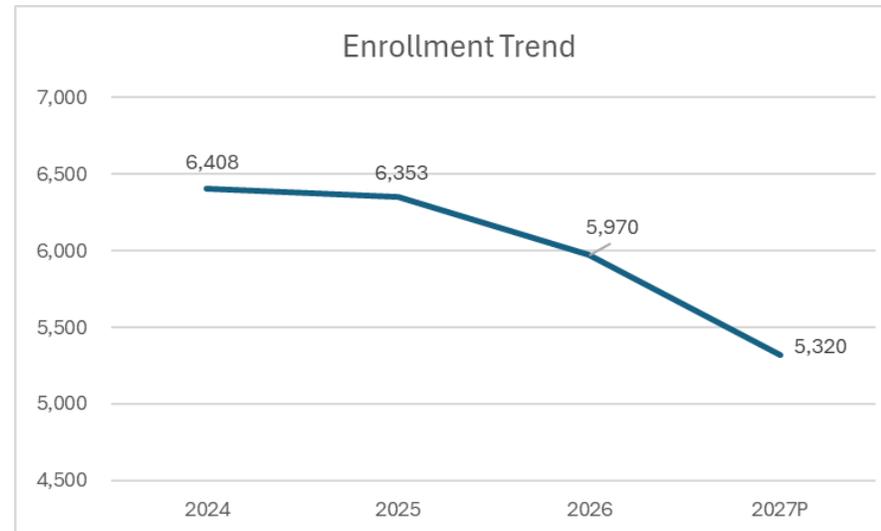
Decline in enrollment putting pressure on revenue



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
Total Unrestricted Revenue

	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)



Budget Development Process Calendar



Timeline	Dates	Task
	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
	February	VPAF provides mid-year budget update to the campus community via broadcast or Town Hall
	February	President and Cabinet members establish University priorities for Outlying FY
	February	Cabinet finalizes enrollment numbers for development of University's upcoming fiscal year working budget
	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 (VP) for review
	May	All proposed initiatives are due to the Budget Office from division VPs
	May	Cabinet reviews submissions to ensure initiatives are aligned with BSU's Strategic Plan and FY Priorities
	May	VPAF host campus budget forum
	May	If applicable, Cabinet continues to review initiatives for approval
	June	Budget Office begins the process of reconciling and preparing the working budget for use in the financial system
	July	Budget Office informs the campus community that budgets are available



Budget Development Process Calendar



Timeline	Dates	Task
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, 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 fiscal year budget request is prepared in accordance with USM instructions, preliminary enrollment numbers, preliminary initiatives, and the current year base budget
	September	The preliminary fiscal year budget request is prepared for the State and entered into the Budget Application System (BAS)
Nov-Jan	November	Draft Tuition, Mandatory Fees, Room and Board rates are reviewed through shared governance process (SGA, GSA, & University Council)
	December	If applicable, adjustments are made to the preliminary fiscal year budget request based on information from USM
Jan-Mar	January	Governor approves fiscal year budget request and forwards to Department of Legislative Services (DLS)
	January	Receive several fiscal impact statements from USM regarding pending legislation that may have 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 Expenditure Review with VPs and/or President – Re-allocation of one-time funds recommended, if appropriate, to align with strategic priorities
	February	If applicable, Budget Hearings with the Department of Budget and Management (DBM) are held. Testimony is prepared for President to defend upcoming fiscal year budget proposal