

Public Budget Session



Dr. Mickey L. Burnim, President

May 3, 2016

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.



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

Bowie State University FY 2016 Priority

Reaffirming a Culture of Success!

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.



Reaffirming a Culture of Success

Bowie State Professor Honored for Innovative Teaching



A computer science professor from Bowie State University won a University System of Maryland (USM) Board of Regents Faculty Award, recognizing excellence in innovation. The award is the highest honor presented by the Regents to exemplary USM faculty.

Dr. Hoda El-Sayed, professor in the Department of Computer Science, along with the 16 winners in four other categories will be recognized at a Board of Regents meeting on April 15. Each year, the Board of Regents, which oversees the 12 USM member institutions, presents only one faculty award in the area of innovation.

Reaffirming a Culture of Success

BSU to become one of first HBCUs with entrepreneurship program



Bowie State University students will learn how to take their business ideas from concept to launch with a new entrepreneurship and small business management concentration, starting in fall 2016.

Bowie State will become one of a handful of HBCUs around the country offering an academic program in entrepreneurship. Not only will undergraduate students in business administration be able to select the concentration as part of their studies, but the courses will also be available to students from other disciplines.

“The trend in business education is moving toward entrepreneurship and small business management – most businesses in the United States are small businesses with fewer than 500 employees,” said College of Business Dean Anthony Nelson. “Bowie State offers students the chance to learn the latest innovation to be successful as small business owners and help bigger companies to thrive.”

Reaffirming a Culture of Success

Tom Joyner Foundation School of the Month

The Tom Joyner Foundation named Bowie State University its March 2016 “School of the Month.” Funds raised is approaching \$40,000 and will continue throughout the remainder of the year.

Hercules Scholarship - \$7,500 (\$1,500 given weekly)

The Tom Joyner Foundation awarded \$1,500 Hercules Scholarships to five outstanding Bowie State University students.

Bowie State University Hercules Scholars

1. Gregory Foster
2. Ryan Washington
3. Charles Moka Jr.
4. Eric Berry
5. Jackie Berry



Reaffirming a Culture of Success

Lady Bulldogs Bowling Wins CIIA Championship



The Lady Bulldogs bowling team captured the 2016 CIIA Championship! Their win was just the icing on the cake to sweeten an already highly successful season.

This hard-earned victory is Bowie State's sixth bowling championship in 12 years! Previous crowns were won in 2005, 2006, 2010, 2013 and 2015, all under the great leadership of Head Coach Kenneth Scott.

Reaffirming a Culture of Success

The Maryland Center @ BSU Department of Defense Mentor-Protégé Program



Since 1991, the Department of Defense (DoD) Mentor-Protégé Program (MPP) has offered substantial assistance to small disadvantaged businesses. The designation of the Maryland Center at Bowie State University (MCBSU) as a mentor represents the establishment of a pilot program by the Secretary of Defense.

The MCBSU will become the first University/Academic Institution to participate in this program. The purpose of the program is to assist small businesses (protégés) successfully compete for prime contract and subcontract awards by partnering with large companies (mentors) under individual, project-based agreements.

Reaffirming a Culture of Success

Endowment Building Effort

- A grant for fifty thousand (\$50K) in endowment “matching gift funds” was submitted in September of 2015 and was awarded in October of 2015. The funds will be used as incentive for endowed giving and provide a 1:1 match for related gifts up to \$50K.
- We launched an “endowment building awareness” campaign in December 2015.
- I am in the process of making personal appeals to select stakeholders on behalf of the leadership giving phase of the endowment building effort.
- We have generated close to \$200K in commitments in support of the endowment as a result of these efforts.



A DECADE OF DEDICATION, DETERMINATION AND DELIVERY



Selected Achievements

1. Established **eight (8) new degree programs**, including a doctorate in computer science and a bachelor's degree in the emerging field of bioinformatics.
2. **Expansion of research** and outside the classroom opportunities for students and faculty.
3. **Modernization of teaching and research facilities** throughout the university.
4. Becoming the **first historically black institution in Maryland to house a business incubator**, providing a platform for entrepreneurship on campus by establishing a partnership with the City of Bowie in 2012.
5. Opening of a \$71 million **Fine and Performing Arts Center** in 2012.
6. Ensuring a **solid fiscal foundation** established during Dr. Burnim's tenure is a hallmark of his commitment to the university's core values of integrity and accountability.
7. Opening of a new \$42 million **Student Center** in 2013.
8. Exceeding goal for the university's first multi-million dollar comprehensive fundraising campaign that **surpassed its \$15 million goal** within the five-year timeframe.
9. Increasing support for research initiatives has yielded substantial **growth in grant and contract funding**.
10. Building of an \$107 million **Science, Mathematics and Nursing complex** slated to open in 2017.

How the Endowed Chair will function?

The endowed chair will be paid for by the revenue/earnings from the “endowed chair fund.” The fund will be operational/established after the chair is fully funded at \$1.5 million dollars. This chair/position and its resources will be reviewed and assigned annually. The fund (endowed chair) will also serve to grow BSU's overall endowment and positively affect the earning potential of each of its other endowed funds.

BSU Good News Highlights

- 1,176 students graduated last calendar year
- Two \$1M+ Grant Awards in FY2016 thus far
 - BSU's Project SEED (William Drakeford)
 - TRIO Student Support (Monica Turner)
- The Economist ranks Bowie State the top school for value in Maryland among colleges offering undergraduate programs



Good News: Construction Project

Construction of new \$104M

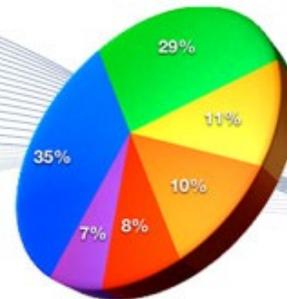
Center for Natural Sciences, Mathematics, and Nursing (CNSMN)

Completion in Spring 2017



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 2015-2016 Budget Advisory Group

Faculty

- Dr. Cubie Bragg
- Dr. Patricia Westerman

Staff

- Ms. April Johnson
- Mr. George Jones

SGA

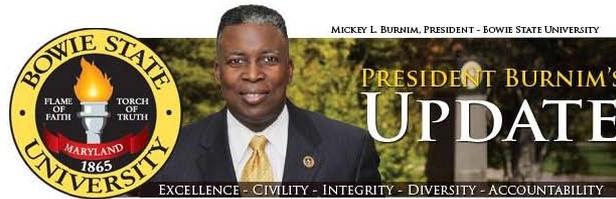
- Ms. Jasmine Adkins-Taylor
- Mr. Donald Frazier

GSA

- Ms. Valerie Bowden-Allen
- Mr. Will Nathan

Shared Governance Groups Representatives

Campus Community Budget Updates



Fall 2015 Enrollment and Fiscal Implications

Upon completion of the fall 2015 registration process, Bowie State University has enrolled 5,430 students. This number is 265 students short of our enrollment target of 5,695. Individuals in key areas of the university have already begun to assess what specific factors contributed to this outcome.

Initial review of the numbers provides some insights into the specific areas of decline:

1. Graduate student enrollment fell 127 students below the target,
2. Fourteen of our 21 graduate programs recorded declines from last year's enrollment total;
3. At the undergraduate level, enrollment of freshmen, transfers and returning students all declined from last year's totals.

This enrollment shortfall will affect the university's financial picture for the current fiscal year. We anticipate that revenue will be about \$1.5 million short of the amount budgeted. I will soon meet with the campus budget advisory committee to discuss strategies to absorb this shortfall, but I wanted to advise you to expect some adjustments to current unit budgets. We will, of course, make every effort to maintain our momentum in initiatives critical to achieving our mission and strategic goals, but we must operate with a balanced budget.

As we work through the financial situation for this year, we have already begun the process of recruiting the next new class for fall 2016. At the same time we must be attentive to assuring the progression of current students. Every employee has a role to play in our success in both these areas. Now is the time for each of us to reaffirm our commitment to assuring that a culture of success permeates the university and is evident in all our interactions with students, prospective students and their families.

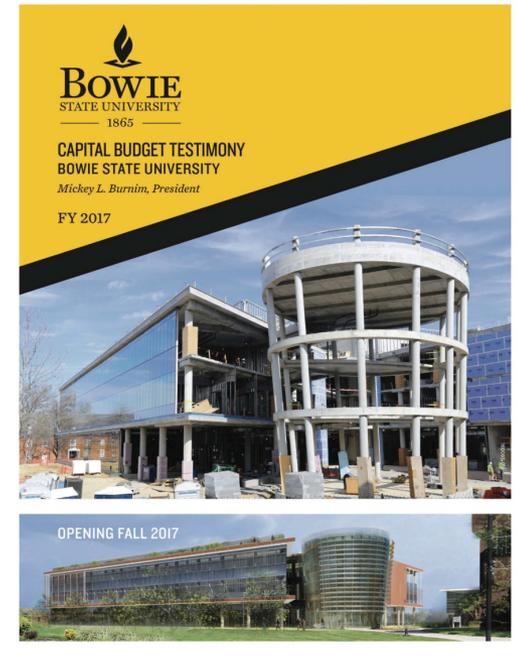
Thank you for your continuing support of Bowie State University.

BSU FY 2016 Budget Reduction Plan

FY 2016 Enrollment Budget Reduction Plan	
Category	Amount
Vacant Positions/Savings	\$310,832
New Science Bldg. Equipment	\$950,000
Disaster Recovery	\$60,000
EI ²	\$80,000
Financial Aid Scholarships	\$75,000
Total Reductions	\$1,475,832

BSU: End of 2016 Legislative Session Update

- Maryland General Assembly adjourned *Sine Die* at midnight on April 11
- **Capital Budget**
 - Approved **\$31.5M** for FY 2017 funding to complete construction of the new Natural Sciences, Mathematics, and Nursing Center
- **Operating Budget**
 - 2.5% merit for July 1, 2016
 - No COLA for FY 2017
 - \$400K enhancement for completion funding
 - Modest 2% increase in undergraduate in-state tuition
 - 1% “tuition buy down” for in-state, undergraduate students



2016-2017 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 Initiatives

Projected Changes in Revenue

• State General Funds/HEIF	\$2.8M
• Tuition and Fees	\$353K
• Fed. Grants & Contracts	(\$101K)
• Other Revenues	\$21K
• Fund Balance Transfer	<u>\$11K</u>
Total	<u>\$3.1M</u>

Mandatory Expense Increases

• 2.5% Merit	\$970K
• Regular Health/Retirement	\$1.1M
• Contractual Health	\$256K
• Fair Labor Classification Changes	\$146K
• Financial Aid	\$129K
• Enhancement Funds	\$400K
• Debt Service	\$89K
• Facilities Renewal	<u>\$238K</u>
Total	<u>\$3.3M</u>

University Initiatives

- Budget Amount - \$250K
 - Possible Recommendations
 - Establishment of an Office of International Programs
 - Expansion of Scholars Studio

Fiscal Year (FY) Budget Comparison

	FY16	FY17
FY Base Revenues	\$77.8M	\$79.2M
+FY Change in Revenues	<u>\$ 1.7M</u>	<u>\$ 3.1M</u>
<i>FY Projected Revenues</i>	<u>\$79.5M</u>	<u>\$82.3M</u>
FY Base Operating Budget	\$76.5M	\$79.2M
+FY Mandatory Expenses	\$ 2.3M	\$ 3.3M
+FY University Initiatives	<u>\$ 1.9M</u>	<u>\$ 250K</u>
<i>FY Projected Expenses</i>	<u>\$80.7M</u>	<u>\$82.8M</u>
FY Operating (+/-)	<u>(\$ 1.2M)</u>	<u>(\$500K)</u>

FY 2017 Preliminary Budget

	FY17
FY16 Base Revenues	\$80.7M
-FY16 Budget Enrollment Reduction	(\$1.5M)
+FY17 Change in Revenues	<u>\$ 3.1M</u>
FY17 Projected Revenues	<u>\$82.3M</u>
FY16 Base Operating Budget	\$80.7M
-FY16 Budget Enrollment Reduction	(\$1.5M)
+FY17 Mandatory Expenses	\$3.3M
+FY17 University Initiatives	<u>\$250K</u>
FY17 Projected Expenses	<u>\$82.8M</u>
FY17 Operating (+/-)	<u>(\$500K)</u>

FY 2017 Challenges

1. Maintaining a balanced budget
2. Funding 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



Questions and Answers



Find Strength.
Take Pride.