



FY 2021 Budget Update

Budget Cuts

- ✓ On July 1, 2020, the State of Maryland's Board of Public Works approved \$413M in cuts to the State's operating budget (BPW proposed \$672M however \$205M is on hold until a review of the July 15 tax collections deadline).
- ✓ This means a \$131M cut to the University System of Maryland with BSU's share being \$4,188,963 (approx. 8.4% of our state operating allocation, \$49,523,950, less \$4M reducing it to \$45,334,987 – this is just the state side).

How will we address this \$4M shortfall?



We are looking at a variety of ways to spread the cuts, such as:

- ✓ utilizing plant fund balance for bond payments
- ✓ operating expense category reductions
- ✓ vacant position elimination
- ✓ temporary salary reductions
- ✓ continued monitoring of spending, etc.

** More to follow as we pull together enrollment numbers.*

Additional Budget Constraints

In addition to the state budget cuts, the University System of Maryland Board of Regents made the decision to hold tuition and fees for FY 21 at the FY 20 rates resulting in no new revenue on the tuition/fees side of the house.

This results in a \$6.7M shortfall for auxiliary services (athletics, dining services, resident life, student life) due to:

- ✓ tuition/fees being held
- ✓ headcount from 6320 to 6171
- ✓ single rooms (less occupancy)

** We are exploring the possibility of backfilling some of the lost revenue utilizing the CARES funding.*

CARES Funding



Fortunately with carryforward and FY 21 allocation of approximately \$16M, we will use these funds to cover additional costs such as:

- ✓ Housekeeping
- ✓ Technology costs
- ✓ Instructions
- ✓ Safety
- ✓ Monitoring
- ✓ Testing/supplies

Conclusion

- ✓ With the cost saving measures on the operating side, and backfill from CARES on the auxiliary side, BSU will remain financially responsible with a balanced budget.
- ✓ Last week, we sent a notice sharing we anticipate departmental budget being released within the next week and we appreciate your patience.
- ✓ The budget remains fluid. We will continue to update the university as changes arise.
- ✓ As we address COVID-19, the budget forecast will most likely have a negative impact on FY 22 as well, so we need to be prepared to address potential budget cuts down the road.

QUESTIONS?