



TOPIC: University System of Maryland: FY 2015 Operating Budget

COMMITTEE: Committee of the Whole

DATE OF COMMITTEE MEETING: May 14, 2014

SUMMARY: The FY 2015 operating budget reflects strong support from the Governor and General Assembly for the University System of Maryland (USM). The total USM budget includes revenue from general funds, the Higher Education Investment Fund (HEIF), tuition and fees, auxiliary services, contracts and grants, endowment income and other revenues for an overall budget of \$5.1 billion.

The state supported portion of the budget totals \$2.9 billion. Included in this are state funds of \$1.25 billion (a net increase of \$76 million or 6.4%), tuition & fees of \$1.4 billion (an increase of \$36 million or 2.7%) and other revenues of \$250 million (a decrease of \$13.5 million or 5.0%).

The net increase of \$76 million in state funds will be used for:

- Current Services (e.g., salaries, facilities, financial aid) \$86.4M
- Tuition Buy Down \$ 9.6M
- Cost of Living Salary Adjustments, January 2015 \$14.8M
- State Fringe Benefit Cost Savings (\$29.0M)
- Legislative Actions (net change) (\$ 6.3M)

Additionally, as part of a statewide position reduction the USM was assessed a reduction of 50 positions. The USM also agreed to an institutional fund balance transfer of \$31.0 million the State.

ALTERNATIVE(S): The budget request could be adjusted to increase/decrease expenditures or to move expenditures from one area to another. However, a balanced budget is required and revenue must be adjusted to match any change in overall expenditures.

FISCAL IMPACT: The USM budget totals \$5.1 billion.

CHANCELLOR’S RECOMMENDATION: That the Board of Regents approve the FY 2015 operating budget as submitted, with the Chancellor authorized to make appropriate changes consistent with existing board policies and guidelines. Any such changes will be reported back to the Board.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Joseph F. Vivona (301) 445-1923

University System of Maryland										
FY 2015 General Funds - Higher Education Investment Funds (HEIF)										
Estimated Legislative Appropriation										
			State			1	2	3		FY 2015
	FY 2014	2015	Fringe	Tuition	Harry	USM	State Position	(columns 1+2)	January 2015	Estimated
	General Funds	Current	Benefit	Buy	Hughes	Legislative	ATB Estimate	Net Legislative	COLA	General Funds
	& HEIF	Services*	Adjustments	Down	Agro Ctr	Reduction	Pro Rata	Actions	Allocation	& HEIF**
UMB	202,757,486	15,545,832	(3,125,163)	89,796		(518,965)	(795,746)	(1,314,711)	2,601,115	216,554,355
UMCP	453,918,056	32,680,618	(9,796,135)	2,851,616	50,000	(1,158,195)	(1,775,899)	(2,934,094)	6,384,370	483,154,431
BSU	39,744,943	2,746,420	(782,613)	333,470		(101,615)	(155,810)	(257,425)	364,291	42,149,086
TU	100,969,295	7,559,312	(3,867,379)	1,606,876		(257,936)	(395,502)	(653,438)	1,377,959	106,992,625
UMES	36,280,785	2,630,330	(1,312,860)	247,028		(91,518)	(140,328)	(231,846)	414,621	38,028,058
FSU	36,952,393	2,440,364	(1,168,344)	443,096		(93,787)	(143,806)	(237,593)	403,952	38,833,868
CSU	42,063,680	3,197,987	(1,544,941)	183,618		(106,237)	(162,897)	(269,134)	333,764	43,964,974
UB	33,645,372	2,342,065	(1,969,540)	333,564		(83,450)	(127,957)	(211,407)	594,599	34,734,653
SU	43,589,644	3,764,723	(1,773,716)	757,291		(112,560)	(172,592)	(285,152)	590,216	46,643,006
UMUC	36,501,121	2,435,563	(254,031)	1,479,808		(96,506)	(147,975)	(244,481)	276,735	40,194,715
UMBC	105,186,528	8,177,314	(2,832,972)	1,273,472		(270,319)	(414,489)	(684,808)	1,205,123	112,324,657
UMCES	21,158,285	1,485,972	(248,247)	0		(53,811)	(82,510)	(136,321)	140,490	22,400,179
USMO	21,719,310	1,386,602	(180,760)	0		(55,101)	(84,489)	(139,590)	129,106	22,914,668
USM UAS So. MD						<u>1,300,000</u>	<u>0</u>	1,300,000	<u>0</u>	1,300,000
USM total	1,174,486,898	86,393,102	(28,856,701)	9,599,635	50,000	(1,700,000)	(4,600,000)	(6,300,000)	14,816,341	1,250,189,275

* Includes the additional \$10M provided by DBM in late December and paid for with USM fund balance.

**Final appropriation to be communicated by the Department of Budget & Management by the end of May.

Table 2

University System of Maryland
 FY 2015 Operating Budget Summary
 (\$ in millions)

State Supported Programs Current Services Revenue & Expenditures		
Revenue:		
State Funding Increase	\$	75.7
Tuition & Fee Revenue		<u>36.0</u>
State Supported Revenue Increase	\$	111.7
Expenditures:		
Current Services Cost Increases*	\$	127.0
E & E Savings Required	\$	(15.3)
* Deferred salary and new salary increases represent \$101M of this number.		

Total Budget Summary		
State Supported Budget	\$	2,873.4
Non State Supported Budget		<u>2,263.1</u>
Total USM Budget	\$	5,136.5

**SUMMARY OF EXPENDITURES
UNIVERSITY SYSTEM OF MARYLAND
TOTAL**

	FY 2013		FY 2014		FY 2015		FY 2015 Change		%
	FTE	Actual	FTE	Working	FTE	Appropriation	FTE	Amount	
Salary & Fringes	22,974.76	2,445,497,018	23,326.80	2,585,005,692	23,265.80	2,694,151,744	-61.00	109,146,052	4.2%
Part Time Salaries	<u>5,660.95</u>	<u>348,627,095</u>	<u>5,398.29</u>	<u>332,851,388</u>	<u>5,443.84</u>	<u>335,701,013</u>	<u>45.55</u>	<u>2,849,625</u>	<u>0.9%</u>
01 Total Salaries & Wages	28,635.71	2,794,124,113	28,725.09	2,917,857,080	28,709.64	3,029,852,757	-15.45	111,995,677	5.0%
Object 02 - Tech & Spec Fees		40,597,993		42,702,859		43,929,650		1,226,791	2.9%
Object 03 - 13 Operating		1,701,961,319		1,856,764,859		1,867,862,909		11,098,050	0.6%
Object 14 Land and Structures		<u>176,894,348</u>		<u>171,351,667</u>		<u>194,846,413</u>		<u>23,494,746</u>	<u>13.7%</u>
Total Operating Expenses		1,919,453,660		2,070,819,385		2,106,638,972		35,819,587	1.7%
Total Expenditures	28,635.71	<u>4,713,577,773</u>	28,725.09	<u>4,988,676,465</u>	28,709.64	<u>5,136,491,729</u>	-15.45	<u>147,815,264</u>	3.0%
Current Unrestricted Revenue									
Tuition & Fees		1,439,286,710		1,493,055,411		1,528,840,124		35,784,713	2.4%
State Appropriation		1,028,176,900		1,174,486,898		1,250,189,275		75,702,377	6.4%
Budget Restoration Funds		47,657,439		0		0		0	0.0%
Sales & Services of Auxiliary		572,872,664		584,396,091		612,825,102		28,429,011	4.9%
Federal Grants & Contracts		131,169,104		128,600,509		125,084,928		(3,515,581)	-2.7%
Other Sources		<u>291,293,575</u>		<u>365,322,378</u>		<u>361,526,060</u>		<u>(3,796,318)</u>	<u>-1.0%</u>
		<u>3,510,456,392</u>		<u>3,745,861,287</u>		<u>3,878,465,489</u>		<u>132,604,202</u>	3.5%
Current Restricted Revenue									
Federal Grants & Contracts		704,014,725		728,990,696		734,004,393		5,013,697	0.7%
Other Sources		<u>499,106,656</u>		<u>513,824,482</u>		<u>524,021,847</u>		<u>10,197,365</u>	<u>2.0%</u>
Total Restricted Revenue		<u>1,203,121,381</u>		<u>1,242,815,178</u>		<u>1,258,026,240</u>		<u>15,211,062</u>	1.2%
Total Revenue		<u>4,713,577,773</u>		<u>4,988,676,465</u>		<u>5,136,491,729</u>		<u>147,815,264</u>	3.0%

*FY 2014 State funding does not include one-time reductions related to fringe benefits and under attainment of the Higher Education Investment Fund.