

**Spring 2020
Update - Special
Committee on
University Finance**

3.3.2020

SCUF Charges: Educational Role

- **Develop a deep understanding of the University's budget and budgeting processes and use that knowledge to educate the campus community on these practices.**
- Report to the Senate two times each year on the budgetary and fiscal condition of the University and the administration's response to any special committee recommendations.
- Regularly report on its activities and the budgetary and fiscal condition of the University to the Senate Executive Committee.

FY20 TOTAL CURRENT FUNDS BUDGET (\$2.3B) BY REVENUE TYPE

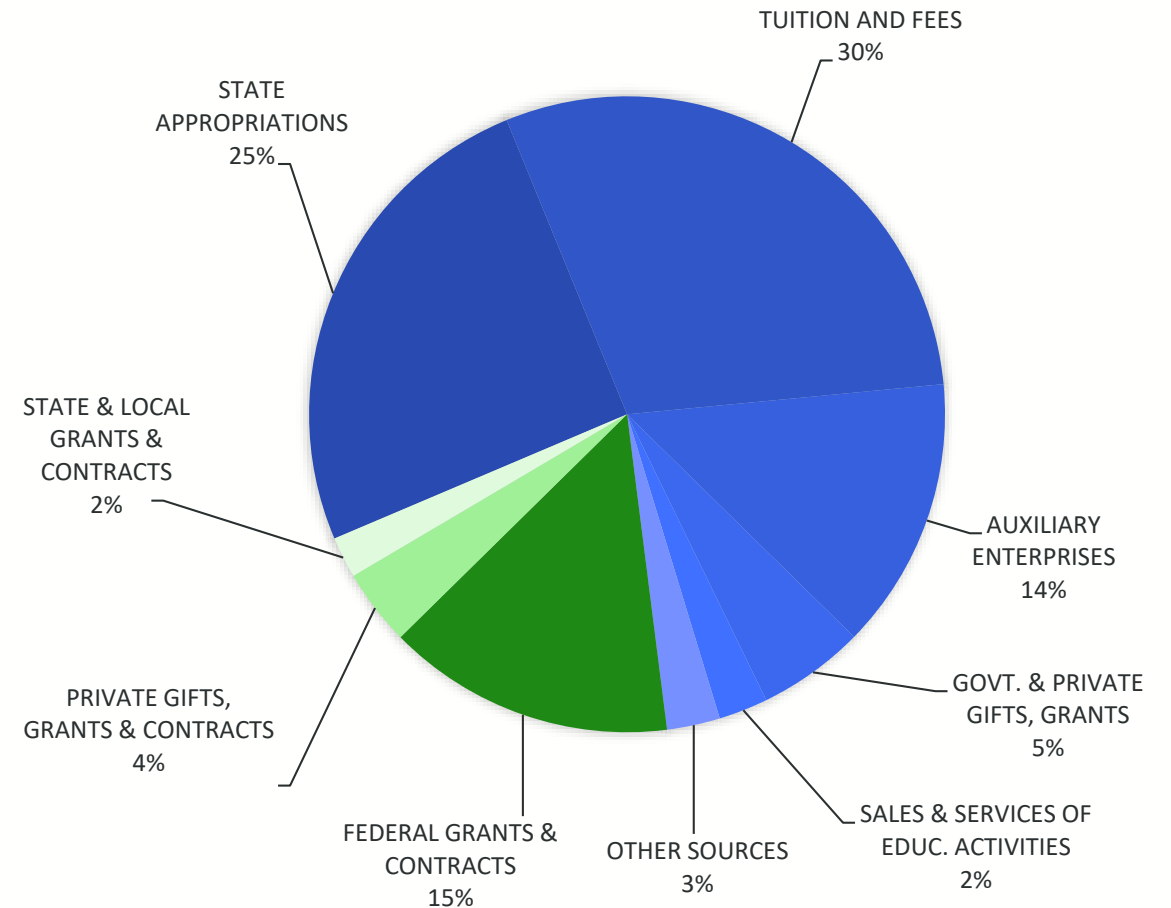
UNRESTRICTED: \$1,788M (79%)

Revenue	Budget	Comment
Tuition & Fees	\$668M	Paid by students for instruction and course fees; includes Academic Year, Fall/Winter
State Appropriation	568M	Funding provided by the Governor for our core state-supported mission.
Auxiliary	312M	Business-like activities (dorms, dining, athletics, etc.)
Gov. & Private Gifts/Grants	123M	Indirect F&A cost recoveries from contract and grant activities & gift revenue from Foundation
Other Sources	61M	Interest and investments, rents, health center medical
Sales-Educ. Activity	56M	Educational-related, such as internal sales, lab services, conferences and short courses, consortiums, licensing and royalties, etc.

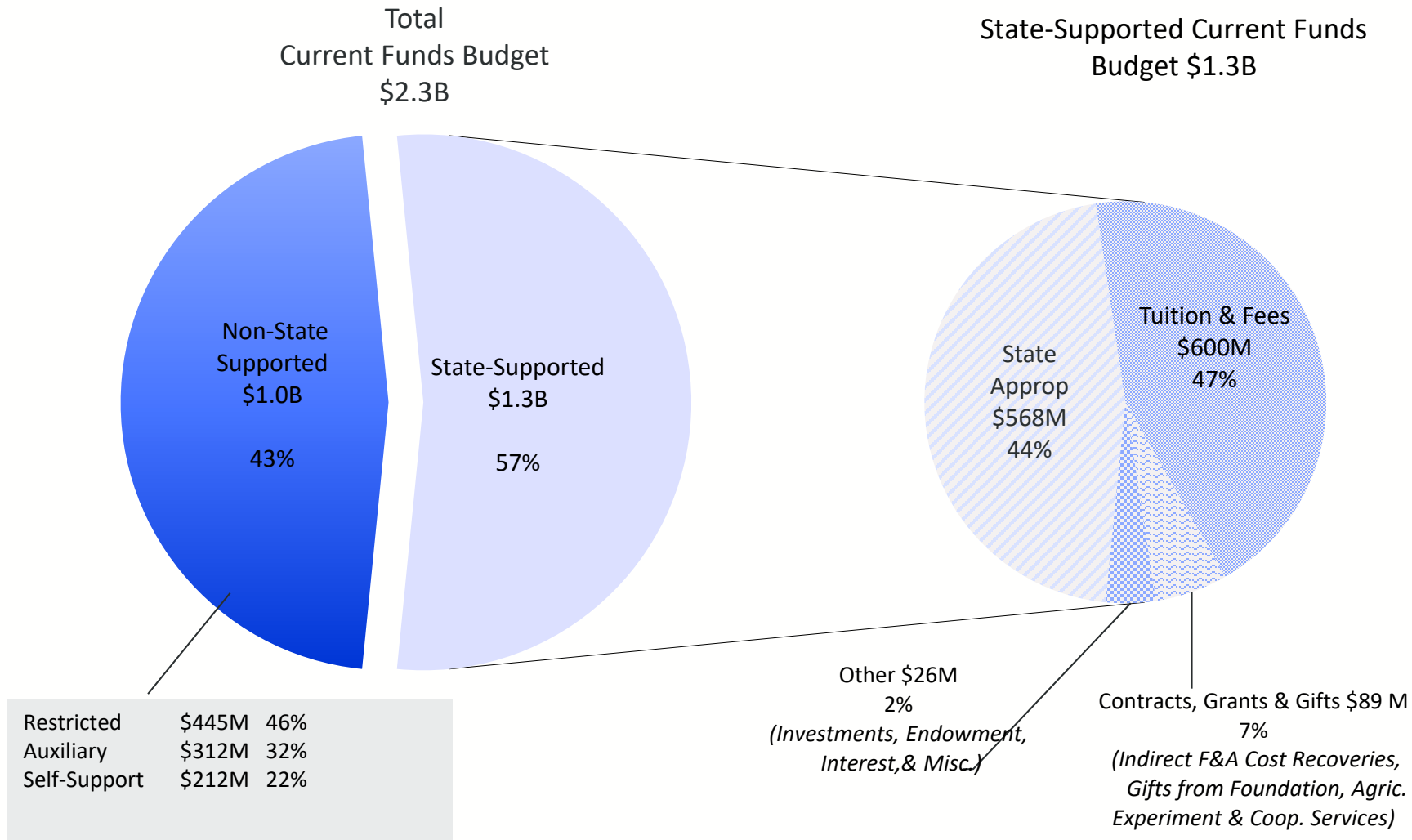
RESTRICTED: \$464M (21%)

Revenue	Budget	Comment
Federal Contracts & Grants	\$330M	Federal Agencies - Defense, Commerce, HHS, NASA, etc.
Private Gifts, Contracts & Grants	87M	Foundations, corporations, universities, foreign organizations, etc.
State & Local Grants & Contracts	47M	State of Maryland, local government, other state governments

TOTAL REVENUE: \$2,252M



FY20 BUDGET REVENUES - STATE VERSUS NON-STATE SUPPORT



The Governor's increases of State Appropriation are intended only for a very few intended uses, which include:

Recognized Mandatory Costs, such as:

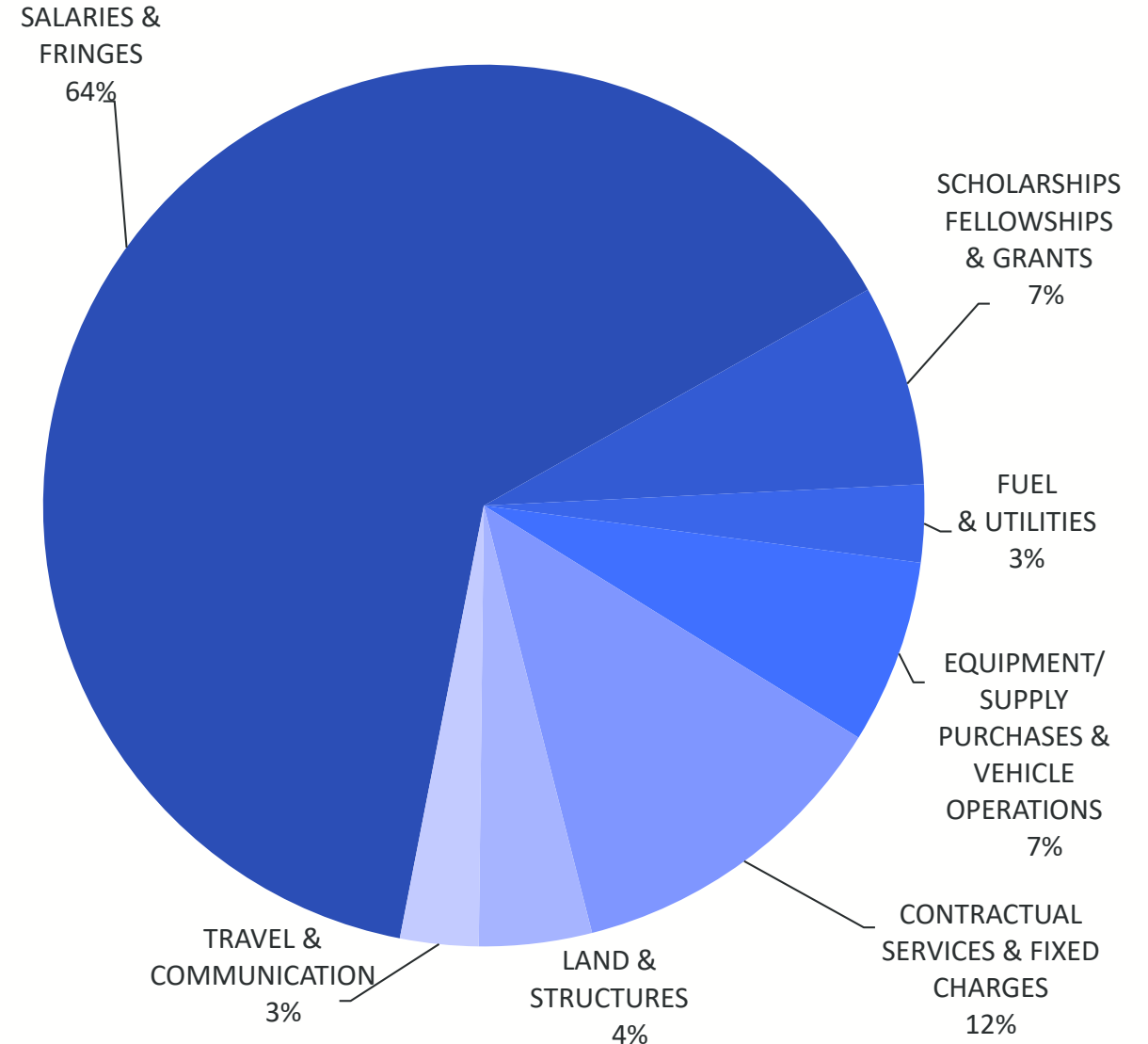
- COLA, merit, and fringe inflation of state-supported employees
- Facilities operating costs related to new state-supported buildings
- Governor enhancement initiatives, such as UMCEED

Note:

- Full or partial funding of mandatory costs are **not guaranteed** each year
- Mandatory costs do not include many important campus needs, including compliance, salary compression, software implementations, etc.

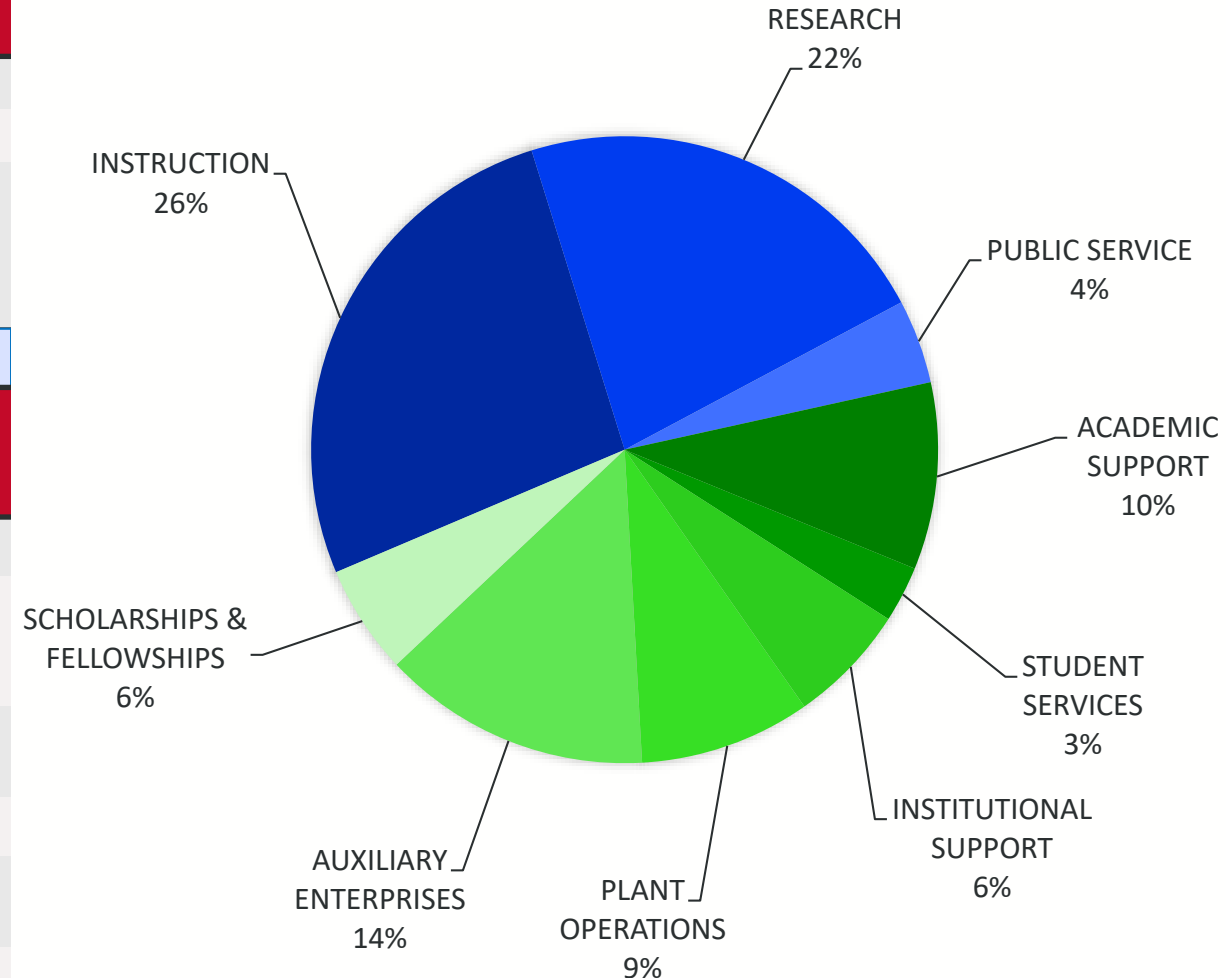
FY20 TOTAL CURRENT FUNDS BUDGET (\$2.3B) BY EXPENSE TYPE

Exp. Type	Budget	Examples
Salaries & Fringe Benefits	\$1,437M	Salaries and wages for faculty, staff, and graduate assistants and their benefits, such as health, remissions, etc.
Contractual Services & Fixed Charges	275M	Subcontractors, maintenance and repair, printing and reproduction, insurance, interest of debt, rents
Scholarship, Fellowships & Grants	166M	Financial aid to students and fellowships
Equipment/Supply Purchases & Vehicle Operations	152M	Purchases for resale, office, instructional and research supplies and equipment purchases, vehicle fuel and maintenance
Land & Structures	93M	Transfers to Plant for facilities renewal, new construction, and reserves
Travel & Communication	65M	All travel, business meals, phone and networks, postage
Fuel & Utilities	64M	Natural gas, electricity, water & sewer, steam
	\$2,252M	



FY20 TOTAL CURRENT FUNDS BUDGET (\$2.3B) BY PROGRAM

Core Mission Costs: \$1,192M (53%)		
Program	Budget	Comment (Directly Assignable to One of These Missions)
Instruction	\$599M	Professor in the classroom
Research	496M	Researcher in the lab
Public Service	97M	Deliver value to entities/populations external to the university for public good interests; e.g., Cooperative Extension Service
Mission Support Costs: \$1,060M (47%)		
Program	Budget	Comment (Assignable to Multiple Missions or Other Support)
Auxiliary	\$312M	Business-like services (dorms, dining, etc.)
Academic Support	217M	Supports core mission; e.g. deans, college administrative offices, Library, Academic Computing
Plant Operations	199M	Maintenance and upkeep of buildings, utilities
Institution Support	140M	General and administrative; e.g., Finance,
Schol. & Fellows	127M	Financial aid to students, fellowship stipends
Student Services	65M	Financial aid admin, registration, career guidance and counseling
Total Costs:	\$2,252M	



SCUF Educational Efforts

- SCUF plans to create a repository of information about the budget on the Senate website.
- The resources will include basic budget information and guidance on understanding key budget terms and elements.
- The resources will also include an FAQ section where SCUF will assist in answering common questions about the University's finances.
- The resources will be updated annually to ensure they are accurate and up to date, and questions will be added to the FAQ throughout the year.

SCUF Educational Efforts: FAQ Example

- ***Budget Question: Why does the University continue to invest in new buildings instead of investing in academic programs?***
- Resources for academic programs and buildings come from different sources and decisions on each are made in separate processes.
- The University does not get discretionary funding. Generally, all funds are earmarked in some way and must be used for their stated purpose.
- Academic programs: found in the Current Funds Budget, which is part of the University's operating budget used to cover the costs associated with academic affairs and specific academic initiatives.
- Buildings: found in the Capital Budget, which is a separate source of funds allocated to specific building projects for each year of the project's development.

SCUF Educational Efforts: FAQ Example

- ***Budget Myth: The University favors out-of-state students over in-state students in admissions because they bring in more money.***
- The University is restricted to no more than 30% non-resident students by the State; today, about 25% of undergraduates are non-resident students.

	Resident	Non-Resident
2019-2020 Tuition	\$8,824	\$36,891
Fall 2019 Enrollments	22,712 (74.4%)	7,799 (25.6%)

- Historically, tuition and fees compared with state appropriations were at a ratio close to 30% to 70%. Today, the ratio is closer to 54% to 46%.

SCUF Charges: Advisory Role

- **Consult with and advise the President, the Senior Vice President and Provost, and other University administrators on short- and long-term institutional priorities, particularly as they relate to the University's mission and Strategic Plan.**
- Advise Senate-related bodies—including committees, councils, and task forces—on the fiscal implications of any proposed recommendations under consideration.

SCUF Advisory Efforts: Future Plans

- SCUF has begun developing its ideas on the types of data that will allow it to assess the alignment of the budget and the priorities of the Strategic Plan.
- Data that show trends over time along various dimensions will help the committee better understand how the Strategic Plan is reflected in the budget.
- The committee will work collaboratively with the University administration to gather the appropriate data.
- An open exchange of information and collaboration is a critical element to ensuring the success of the committee.

Input Needed

- In order for the planned repository of information to be helpful, SCUF needs input from Senators on what issues should be addressed.
- We hope to develop information that you would find useful, and information that you can use to help your colleagues understand the budget.
- Comments are welcome at the meeting or through the [Google Form](#).