

Budget Overview
PAT
May 9, 2024



Agenda

1. FY24 Recap

- What we know right now.

2. FY25 Internal Budget Process

- a. What we did and what we are working on.
- b. How's it going?

3. FY25 Snapshot

- Revenue & Enrollment Projection
- What we know:
 - Governor's Budget
 - Tuition and Fee Structure

FY24 Recap & Notes



FY24 Budget

July 1, 2023

General Funds (State)	\$ 92,303,278	} Revenue (Green)
Tuition and Fee Revenue	68,212,830	
Auxiliary Revenue	52,351,136	
Revenue Estimate:	212,867,244	
1% Fund Balance	(2,128,672)	} Fixed Costs (Red)
Facilities Renewal	(9,291,513)	
Debt Service	(9,833,326)	
PIN (01) Salary and Fringe	(130,149,733)	} Mission-Driven Institutional Commitment (Blue)
Insttutional Aid	(17,270,488)	
Remaining for 02/03 expenses	\$ 44,193,512	

FY24 Notes

1. We are doing well to meet our budgets this year!
 - As it currently stands we will spend down to about 400k.
 - We may have more indirect money come in that can be used for savings.
2. DBM continues to hold 5M of our active working budget.
 - Their calculation has been adjusted and then readjusted. This may land in our favor.
 - If we are given an amount of money back, it will be so late that we won't be able to send.
 - We will try and sweep this into plant funds or front load items that are already out there.
3. We will be required to give back 1M for SU Health Insurance.

FY25 Internal Budget Process



How We Develop the Initial FY25 Request

We use an incremental forecasting process based on historical trends to “request our budget allowance” for the following year. Our forecast for revenue is determined by the following:

- **Enrollment:** UARA works with Enrollment Management to project enrollment for the coming year. Using that number, Finance then applies a historical calculation for in-state and out-of-state UGRD/GRAD tuition and seeks an average. This year, our calculation resulted in a 3% enrollment increase.
- **Tuition & Fees:** This year we are moving forward with a 2% increase for in-state UGRD tuition and a 3% increase for out-of-state UGRD and GRAD tuition. Our initial projection considered a 3% increase in mandatory fees and we did get the new Health and Wellness fee approved which brings us closer to a 10% increase this year.
- **State General Funds:** The state funds change as the legislative session is held.
- **Residence Halls:** We are moving forward with a 2.5% rate increase for housing and assume 97.5% capacity.
- **Dining:** We are moving forward with a 5% rate increase and increased volume based on increased housing capacity.
- **Fund Balance:** USM is requiring a \$2.1M fund balance contribution from SU in FY25.

The Salisbury University Internal Budget Process

- Our internal budget process has been enhanced to increase flexibility, visibility, and collaboration between the SU Budget Office and SU Budget Administrators in order to prepare us for any state mandates after the conclusion of the legislative session.
- In order to ensure resources are better allocated based on current need and budget type, we have continued the strategic shift away from divisional budget allotments (Academic Affairs, Student Affairs, Administration & Finance, etc.)
- The SU Budget Office designed tools for departments/schools that help forecast costs and provide data for informed decision making. These tools help us reconceptualize our approach while limiting the logistical changes in our current budgeting system, PeopleSoft.
- To provide guidance around resource allocation and spending in FY25, the Salisbury University Investment Priorities were developed. These priorities support the Salisbury Seven and give us a road map for budget development in this cycle.

Types of Budgets

The transition away from divisional budget allotments has allowed us to focus on the unique differences between budget types and ensures a fresh evaluation of expenses occurs during the budgeting cycle.

- 1. Academic Schools:** These budgets will rely on school/college-specific data like enrollment information and course schedules, and will follow their own strategic financial plans for the year as determined by the Dean of each school and college. Each financial plan specifically supports SU's educational mission and academic excellence.
- 2. Administrative Departments:** These budgets encompass many of our essential administrative services. Budgets in this area typically have a higher percentage of fixed costs and variable forecasting abilities. As we aim to optimize operations and enhance collaboration across campus, the Budget Office is pre-populating the PeopleSoft budgets after analyzing historical spending over the last 10 years. All pre-populated information can be altered as budgets are worked on.
- 3. Auxiliary Services:** These budgets are highly complex and unique due to the revenue-generating activities and services that support our core mission but operate on a more self-sustaining basis (though not always). Because each auxiliary department operates very differently, the Budget Office must work with each area individually to develop tools and strategies to ensure financial accountability and data informed decision-making.

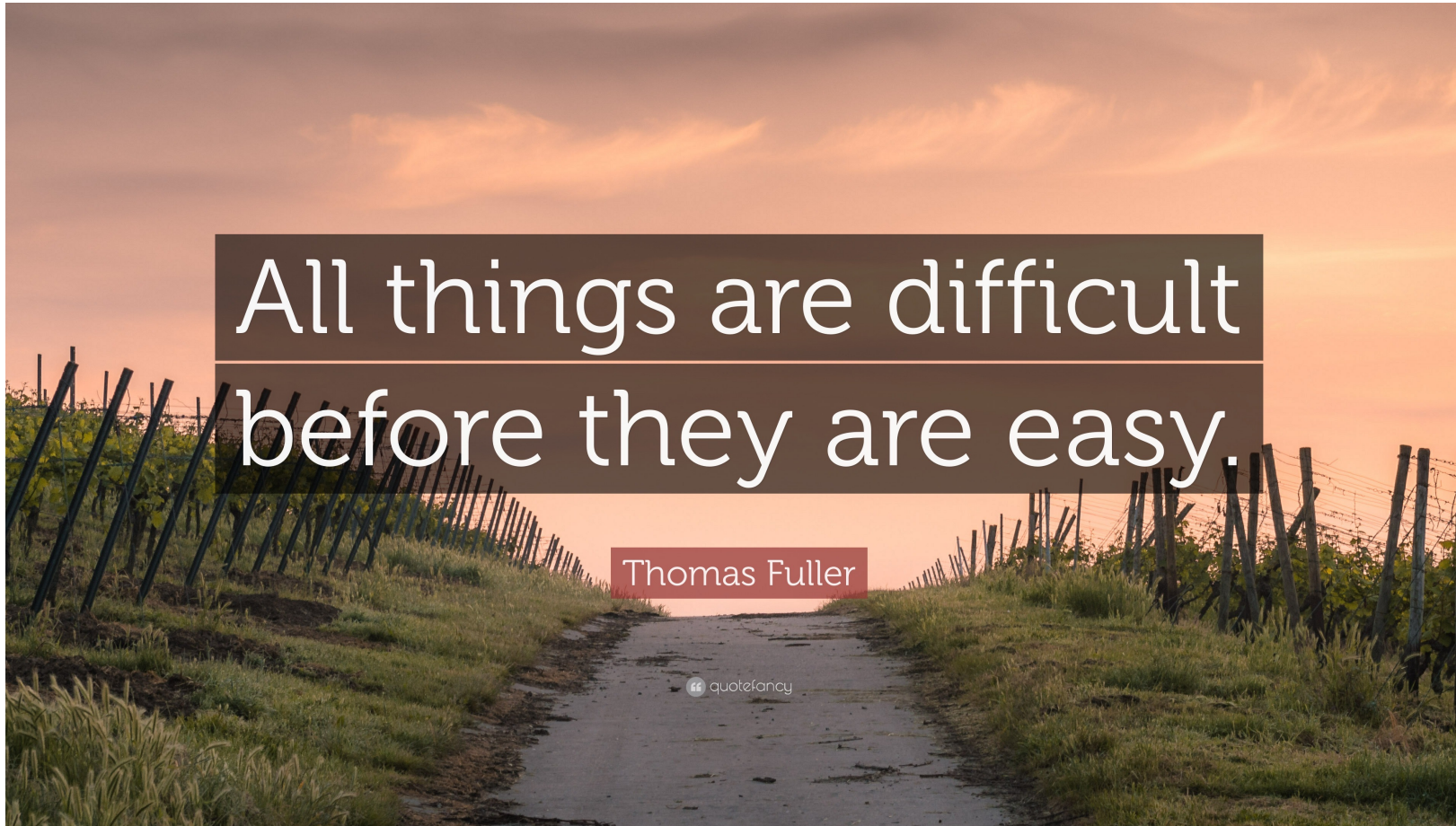
Our Investment Priorities for FY25

- Invest in initiatives that indicate a strong return on investment by attracting, recruiting and retaining first year, graduate and transfer students, including but not limited to high-impact practices, high quality teaching, and new academic programs that educate students in areas with high workforce needs.
- Invest in initiatives that close the graduation gaps for students eligible for need-based financial aid, as well as students from underrepresented backgrounds.
- Invest in equity, access, and inclusion initiatives that create a greater sense of welcome and belonging for all students and employees.
- Invest in comprehensive student support services, including but not limited to academic advising, counseling, career services, and tutoring programs.
- Invest in marketing that targets prospective students, highlighting what makes SU unique, including sharpening our social media strategy.
- Invest in the recruitment, retention, and recognition of SU's hard working faculty and staff; improving our communication strategies; and streamlining our processes and procedures.
- Invest in initiatives that will strengthen our institutional identity, further engage our alumni network, and increase our fundraising abilities.

How is it going?



FY25 Snapshot



All things are difficult
before they are easy.

Thomas Fuller

quotefancy

FY25 Notes

What we know for sure right now?

1. That the Governors budget passed same as last year. (63B)
2. Union negotiations not ratified.
3. There will be major structural changes to our class and comp program but we aren't sure exactly how those will land.
4. COLA confirmed at 3%, Merit still on the table for FY25.
 - Our priorities are COLA , for everyone + required structural changes. Then, Merit.
 - Will need to consider timing of Merit depending on the extent of changes required.

Note: The Workday cut over will make any of the logistics more difficult.

Complex Issues

- COLA and Merit Increases
 - 1st Priority: COLA 3% for all employees.
 - Effective July 1.
 - 2nd Priority: Merit XZY%
 - For PIN and C2 employees as this is driven by performance.
 - Effective July 1 or Jan 1.
- Salary Structure Changes
 - Exempt: The minimum for exempt positions shall be \$58k effective Jan 1. (currently about 45 people identified)
 - A 5% increase to the minimum of each exempt pay range will be applied.
 - Non-Exempt: The minimum for non-exempt positions shall be \$38k effective July 1.
 - A 3% increase to the minimum of non-exempt pay ranges 3-12.

Note: Due to how the Department of Labor classifies “exempt” positions, we will be required to reclassify some positions from exempt to non-exempt.

Additional Union Changes

- Retention increases
- Step increases
- Compression
- Other

COLA/Merit = 7M

Required Salary Structure Changes = 6M

Other union specific negotiations = 2M

Total: 15M increase to labor.

DBM Funding for this is currently 5.4M

FY25 Revenue Estimate

based on what we know today

General Funds (State)	\$	92,227,710
Salary enhancements		5,558,559
Tuition/Fee/Auxiliary Revenue*		130,000,305

Revenue Estimate:	\$	227,786,574
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1% Fund Balance		(2,277,866)
Facilities Renewal		(9,291,513)
Debt Service		(9,833,326)
PIN (01) Salary and Fringe		(145,149,733) ~15M labor impact
Insttutional Aid		(17,270,488) (same as FY24)

Remaining for 02/03 expenses	\$	43,963,648
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**Assumes flat enrollment, rate inc. only*

FY25 Tuition & Fee Schedule

Approved by
USM BOR



	FY 2024	FY 2025	\$ increase	% increase
FULL-TIME UNDERGRADUATE STUDENT				
In-State Undergraduate Tuition	7,706.00	7,860.00	154.00	2.0%
Out-of-State Undergraduate Tuition	18,400.00	18,950.00	550.00	3.0%
Technology Fee - flat rate	460.00	506.00	46.00	10.0%
Auxiliary Fees - flat rate (unless noted):				
Athletic	780.00	880.00	100.00	12.8%
Facilities Fee	1,010.00	1,000.00	(10.00)	-1.0%
Student Life Fee	528.00	528.00	0.00	0.0%
Student Health & Wellness Fee	N/A	150.00	0.00	0.0%
Student Activity Fee	130.00	136.00	6.00	4.6%
Sustainability Fee	24.00	24.00	0.00	0.0%
Total Fees:	2,932.00	3,224.00	292.00	10.0%
Total In-State Cost	10,638.00	11,084.00	446.00	4.2%
Total Out-of-State Cost	21,332.00	22,174.00	842.00	3.9%

PART-TIME GRADUATE (excluding DNP, EdD, GIS, Online MBA, Online MSW, MSN) PER CREDIT HOUR				
In-State Tuition	428.00	436.00	8.00	1.9%
Out-of-State Tuition	775.00	790.00	15.00	1.9%
Out-of-State Regional Tuition On-Site Hagerstown	515.00	525.00	10.00	1.9%
Technology Fee - per credit hour	20.00	23.00	3.00	15.0%
Auxiliary Fees - per credit hour (unless noted):				
Athletic	25.00	27.00	2.00	8.0%
Facilities Fee	40.00	40.00	0.00	0.0%
Student Life Fee	19.00	19.00	0.00	0.0%
Student Health & Wellness Fee	N/A	6.00	6.00	0.0%
Student Activity Fee	10.00	10.00	0.00	0.0%
Sustainability Fee	1.00	1.00	0.00	0.0%

The NEW Health & Wellness Fee!

Next Steps

- Complete the FY25 budget cycle.
- Compile campus budget requests.
 - Decide what can be funded or deferred.
- Finalize COLA/Merit Schedule along with other pay structure changes.
- Prepare for Workday rollout.

The Financial Services Team asks for grace as we enter into the new platform 😊

