To: University of Baltimore Faculty and Staff  
From: Harry P. Schuckel, Senior Vice President for Administration and Finance  
Date: September 8, 2011  
Subject: Fiscal Year 2012 - Operating Budget  

For Fiscal Year 2012, the University’s internal operating budget will grow by approximately $3.8 million. Approved increases in expenditures are balanced by the anticipated increases in known sources of revenue.

Due to continuing strong support for higher education from the governor, the state legislature and the University System of Maryland (USM), appropriations for the University of Baltimore were reduced by only $412,000. Furthermore, the State has not required the continuation of a furlough program for FY’12. However, as was the case during the previous two fiscal years, no funding has been provided for cost-of-living adjustments or merit salary increases.

Tuition and fee revenues expected from continuing growth in enrollments will moderate the reduced level of state appropriations and also enables the University to provide new resources for its academic and support programs. Tuition revenue increases resulting from changes in tuition rates also help to balance the supplemental expenditures that have been allocated for FY’12. However, the budget situation for the State of Maryland for FY’12 remains somewhat uncertain. Therefore, the University needs to be prudent in managing its FY’12 expenditures to be able to quickly respond to financial exigencies that might be imposed by the State during the course of the fiscal year.

**Budget Assumptions**

**Revenues** – Excluding the School of Law, aggregate enrollments are projected to increase by 3.6% for FY’12, including the programs offered by UB at the Shady Grove site. The increase in revenues projected from enrollment increases is expected to yield $2.2 million, along with a further increase of $1.4 million from various tuition rate increases. The tuition rate increases for FY’12 are:

- 1.5% - Law Out-of-State  
- 2.5% - Law State Residents  
- 3.0% - Undergraduate State Resident  
- 4.0% - Undergraduate Out-of-State  
- 4.0% - Graduate State Residents  
- 4.0% - Graduate Out-of-State

Fee revenues associated with the enrollment increase are expected to yield another $226,000. All other revenues streams are projected to remain unchanged from the prior fiscal year. In total, the University’s revenues are projected to grow by $3.8 million for FY’12.

**Expenditures** – Considering the funding constraints imposed by the uncertain economic environment in the State of Maryland and nationally, an overriding objective during the development of the FY’12 operating budget was to prudently focus new resources. Consequently, aside from increases in mandatory costs, supplemental budget allocations for FY’12 have a strong emphasis on new faculty positions, academic programs, library support
and financial aid for students. No supplemental funding was approved for the Office of Institutional Advancement, the Office of Technology Services, the Office of Government Relations and the Office of the President. It is noteworthy that the funded supplements also are consistent with the University’s strategic plan and emergent UB21 priorities.

**Funding Priorities** – With advice and guidance from many University constituencies, including academic deans, the University Council Budget Committee and the Faculty Senate, the supplemental funding priorities included in the University’s FY’12 operating budget are:

- $746,000 for the College of Public Affairs to support four new faculty positions, other faculty expenses, a new CPA Dean, and new administrative expenses.
- $271,000 for the College of Arts and Sciences to support three new faculty positions.
- $150,000 for the Merrick School of Business to support one new faculty position for the Entrepreneurship and Information Management program.
- $200,000 to provide for the revenue share transfer associated with the UB/Towson MBA Program.
- $260,000 for the Law School to support the new Center for Medicine and Law and the Law Library.
- $45,000 for the Langsdale Library to support technology enhancements.
- $175,000 for the Provost’s Office to support a new academic planning position and the IDCCC Program. It is expected that the expenses associated with the IDCCC Program will be covered by UB Foundation funding.
- $500,000 for Enrollment Management, of which $450,000 is dedicated to student financial aid and $45,000 is programmed to support the new Professional Development Institute.
- $74,000 for Administration and Finance to support a facilities manager for the new law school building – the first half of funding was previously approved in FY’11.
- $442,000 for mandatory increases in tuition waivers.
- $963,000 for various Mandatory Cost increases, including $90,000 for Workers Compensation, Federal Work Study and Fixed Costs. Also included are increases of $260,000 for Utilities, $413,000 for Fringe Benefits, $150,000 for LAP Building Debt Service increases, and funding of $50,000 for the UB/Towson MBA Program settlement.

Attached are two graphs that summarize the revenue and expenditure changes for Fiscal Year 2012.

Attachments