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To: The UMBC Community

From: Freeman Hrabowski and Elliot Hirshman

Subject: Budget Update

During this election season, we have heard many media reports about Maryland's economy and the State budget. While we will not have information on the Governor's proposed budget for next year until the start of the legislative session in January, we know this subject is on everyone's mind, and we want to provide a brief update on budgeting and planning at UMBC.

First, we thank everyone for remaining prudent and conservative in spending. As we closed the books on FY 2010 this past July, most units maintained balanced budgets and modest reserves. Because there is a reasonable possibility of additional budget cuts later this academic year, we encourage continued attention to fiscal management. We are working with the vice presidents and deans to plan for and minimize the impact of any additional cuts, and we remain committed to our guiding principles of protecting academic programs and supporting people.

As we worked closely with vice presidents and deans to develop the current year (FY 2011) budget, we were determined to remain conservative and prepare for the possibility of additional budget reductions this year. We have implemented a number of revenue-generating and cost-reducing strategies designed to give us the flexibility to meet future challenges:

- Scholarship funding has been reduced by more than \$1.2 million. As the result of recent positive national attention and our marketing efforts, this reduction did not affect our ability to attract outstanding students. In fact, overall enrollment is up modestly, and the average SAT of our freshman class has risen by 20 points.
- Through cooperative procurement and energy management practices, we have been able to reduce our utilities budget by nearly \$1 million. We also set aside additional energy savings to cover a portion of the \$4.2 million that the State recaptured from our fund balance at the end of FY 2010.
- We have focused on expanding winter and summer session program offerings and enrollments, as well as our professional master's programs.
- Through the work of special task forces with campus-wide representation, we are better managing cost pressures in the Library and in information technology.
- Individual departments have implemented innovative strategies to reduce costs and enhance revenues.

Through careful planning and as a result of modest enrollment gains, we also have been able to invest \$1.8 million in new funds to support our campus priorities of Student Success, Infrastructure for Research and Creative Activity, Environment and Sustainability, and Campus Safety. These investments include support for new faculty positions and additional staff positions in response to enrollment growth and our growing research enterprise.

We are grateful to you – the members of the campus community – for your patience and support. We also acknowledge our colleagues in Human Resources and the Office of Training and Organizational Development for their leadership in creating the Wellness in the Workplace initiative, and for the program offerings designed to help faculty and staff experiencing professional and personal challenges in this economy.

We will continue to provide updates on our budget as information becomes available.