UMD Multi-Year Financial Model Overview

for Strategic Planning and Budget Committee Meeting - 2/20/15

Project Scope

1. Modeling Discussion
    a. Agreement on scope of project
    b. Agreement on timeline, work team and checkpoints
    c. Identify responsible parties and deliverable dates for revenue & expense work
2. Recap of FY14 Year-End and FY15 Budget & Variances to Structural Modeling (Feb 2014)
    a. Agreement on Base Revenue Framework
    b. Agreement on Base Expense Framework
3. Develop Communications Strategy
4. Revenue Side Modeling
    a. Enrollment and Tuition Trends by College/Program
    b. Scholarships & Waivers
    c. Fees
    d. Endowments (current use and flexibility analysis)
    e. ICR/State Special
    f. Other Revenue Generation
    g. State Support Assumptions
    h. Other Revenue Growth Assumptions (Housing, Bookstore, Dining Services, Printing, Athletic Ticket Sales, Marketing…)
5. Expense Side Modeling
    a. Faculty Head Count Profiles by Unit/College/Department
    b. Staff Head Count Profiles by Unit/College/Department
    c. Phased Retirements
    d. Approved Faculty Hires
    e. Cost Pool Assumptions
    f. Merit Pay Increase Assumptions
    g. Fringe Rate Assumptions
    h. Institutional Scholarships/Financial Aid
    i. Coordinate Debt Service Projections with System Office
    j. Assumptions on other expense side growth parameters (SE&E, Utilities…)
6. Roll-up to Multi-Year Plan
    a. Linkage to Long-Range Key Assumptions
7. Incorporate Deficit Elimination & Payback Plan
    a. Incorporate Incremental Framework Modeling for Compact Meeting
8. Incorporation of targets for minimal reserves
9. Suggested Results:
    a. Understood and sequestered deficits
    b. Improved Campus-side budget understanding and transparency
    c. Make difficult budget choices in response to financial constraints
    d. Timeline for loading a structurally balanced budget
    e. Implementation Schedule
    f. Demonstrate need for TC System level strategic investments during UMD reductions and illustrate 3-5 year ROI