FY17 Campus Budget & Financial Planning Update

10/31/2016
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Congratulations on another successful opening of the academic year! As a result of your efforts, we again reached our enrollment growth and revenue targets and have a new class that is more academically qualified and diverse than ever in our history. It is no wonder that we are the second fastest rising institution in the U.S. News & World Report college rankings and the ninth fastest growing public doctoral university in the country.

I appreciate your commitment to achieving the ambitious goals that we collaboratively established in our UMass Lowell 2020 strategic plan. None of these accomplishments would be possible without the incredible faculty, staff and students who come here to work every day.

As most of you know, this is a challenging year, particularly considering the decrease in state support that did not fund collective bargaining increases. For this reason, I have asked our budget team to provide quarterly updates on key metrics we use to track our budget. The following provides an overview of our initial budget allocation along with our first quarter review.

In order to meet our ambitious agenda, we reallocated approximately $16 million to key strategic initiatives after providing for fixed increased costs. This funding was drawn from increases in tuition and student enrollment combined with savings from reducing all operational budgets by 5 percent. This critical funding enabled us to increase funding in the following areas:

- Collective bargaining and employee benefit increases: $8.4 million
- Academic Affairs strategic initiatives in student retention, faculty start-up costs, academic technology, recruitment, corporate and community partnerships and advancing our climate action plan: $1.6 million
- Research & Innovation strategic initiatives for operations and seed funds: $1.2 million
- Financial Aid for our students: $4.5 million
- Facilities and Environmental Health and Safety to support new buildings and reduce risk in labs: $500,000
This budget includes funding for the faculty necessary to maintain our 18:1 student-faculty ratio. Since FY11, the campus has hired a net 257 new faculty members and has approved 35 full-time faculty positions for next fall.

In addition to the 5 percent reduction in operating budgets, the campus has taken a number of steps to ensure that we continue to meet the goals outlined in the strategic plan:

- Delaying the launch of the School of Pharmacy and Pharmaceutical Sciences
- Continuing to freeze, delay, eliminate, restructure and reallocate non-faculty positions through the monthly Essential Hiring Review process. In FY16 this resulted in the elimination or repurposing of 25 vacant positions and deferral of another 20 positions. Strategic hires will continue to be made consistent with established practices.
- Expanding new revenues through Online and Continuing Education programs, Hospitality & Events Services, gifts, grants, sponsorships and partnerships with industry and business
- Seeking best practices to apply to all operations and identify efficiencies in how we deliver administrative and academic programs and services

Fortunately, fall enrollments up almost 3 percent over last year and online and continuing education course enrollments increased more than 6 percent. As a result, revenue is on target and efficiency measures are yielding significant savings enabling us to meet our first quarter budget projections. As a result we are working to restore some funding in key areas should we exceed our revenue/cost control targets by the second quarter.

This university regularly demonstrates its resiliency in the face of challenges and commitment to doing what is necessary to achieve excellence. I am confident that, by working together, we will continue to make progress on the strategic goals mapped out in our UMass Lowell 2020 plan. The strategic plan, as well as other financial and master planning documents, can be viewed on the Financial Services website (uml.edu/Financial-Services/Budget/Annual-Budget-Financial-Reports/default.aspx).

Thank you for all you do to bolster efforts to elevate our university to the highest level and foster an academic environment that supports the success of all our students.