

**BOARD OF TRUSTEES
UNIVERSITY OF THE DISTRICT OF COLUMBIA
UDC RESOLUTION NO. 2022 - 25**

**SUBJECT: APPROVAL OF A PROPOSED FY2024 BUDGET AND FINANCIAL PLAN
AND CAPITAL BUDGET REQUEST**

WHEREAS, pursuant to D.C. Official Code §38-1202.06(4), the Board of Trustees of the University of the District of Columbia (“University”) is required to prepare and submit to the Mayor, an annual budget for each fiscal year, which shall include a proposed financial operating plan for such fiscal year, and a capital and educational improvements plan for such fiscal year and the succeeding 4 fiscal years for the University; and

WHEREAS, pursuant to 8B DCMR §400.2, the President of the University shall prepare an operating budget for Educational and General activities of the University, and an operating budget for Auxiliary Enterprise operations of the University; and

WHEREAS, pursuant to 8B DCMR 110.1(c), the Audit, Budget and Finance Committee shall ... oversee annual and long-range operating budgets; ... and review capital budgets for adherence to prescribed policy and guidance; and

WHEREAS, the Audit, Budget and Finance Committee finds the proposed FY2024 Operating Budget and Financial Plan are reflective of the projected revenues, and the capital budget adheres to prescribed policy and guidance for the University and recommends approval; and

WHEREAS, pursuant to 8B DCMR 110.1(d), and the Operations Committee shall...review renewal or replacement decisions and oversee financing of capital projects; establish a budget for all capital projects which shall include a list of all capital projects planned for the fiscal year; and

WHEREAS, the Operations Committee finds the proposed FY2024 Capital Budget Request are reflective of the projected revenues, and the capital funding allocation for the University and recommends approval; and

WHEREAS, pursuant to 8B DCMR §400.1, the Board of Trustees shall approve all budgets for expenditures of the institutions of the University; and

WHEREAS, the proposed FY2024 Operating Budget and Financial Plan and the Capital Budget Request, attached hereto as **Exhibit A**, has been prepared by the University Administration in consultation with the University’s Chief Financial Officer, who has provided a Funding Certification for the FY2024 Operating Budget and Financial Plan and the Capital Budget Request,

attached hereto as **Exhibit B**, and the President recommends its approval for submission to the Mayor by the Board of Trustees; and

WHEREAS, the proposed FY2024 Operating Budget and Financial Plan and Capital Budget Request are reflective of the projected revenues, capital allocation, consistent with prudent fiscal and accounting practices, and is in line with the President's and the Board of Trustees' vision for the University.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of the District of Columbia hereby approve the Proposed FY2024 Budget and Financial Plan, and Capital Budget Request attached hereto as **Exhibit A** for submission to the Mayor of the District of Columbia.

Submitted by the Audit, Budget & Finance Committee:

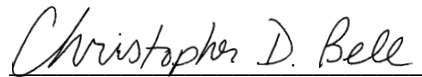
November 3, 2022

Submitted by the Operations Committee:

November 3, 2022

Approved by the Board of Trustees:

November 15, 2022



Christopher D. Bell

Chairperson of the Board

Exhibit A

FY2024 Operating Budget and Financial Plan and the Capital Budget Request



UNIVERSITY OF THE
DISTRICT OF
COLUMBIA
— 1851

FY2024 PROPOSED OPERATING & CAPITAL BUDGET

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UNIVERSITY OF THE
DISTRICT OF
COLUMBIA
— 1851

FY2024 Proposed Operating & Capital Budget

EXECUTIVE SUMMARY

FY2024 Proposed Operating & Capital Budget

THE EQUITY IMPERATIVE

In May 2018, the Board of Trustees put forward **a strategic plan to regenerate the University of the District of Columbia** as a public higher education model of urban student success.

The resulting *Equity Imperative* has guided unprecedented **advancements in service to the District of Columbia and its residents**. The University is poised to use increased investment to enhance such services and help speed and sustain the post-pandemic recovery.



“I call on UDC, the business community, and the leaders on this stage to affirm a path to UDC’s ascendance as a first choice 2-year and 4-year institution for DC’s best and brightest.”

MURIEL BOWSER
MAYOR, DISTRICT OF COLUMBIA
2019 INAUGURATION

OUR BUDGET PRIORITIES

A Sustainable Source of Business-Ready Talent



Maintain core functions that support student success



Allocate resources to create a healthy campus environment



Allocate resources to our vulnerable students



Prioritize high need workforce pipelines



Maintain the momentum of the *Equity Imperative*

FY2024 Proposed Operating & Capital Budget

FY24 OPERATING REQUEST

UDC Total Unrestricted Operating Budget Request **\$140.1M**

Unrestricted Budget development was guided by:



UDC Total Restricted Operating Budget Request **\$56.6M**

FY24 CAPITAL REQUEST

Six-year (FY24 – FY29) Capital Budget Request **\$387.0M**

Impacts to Revenue

There are several anticipated impacts to revenue underlying the development of the FY2024 budget:

GENERAL ASSUMPTIONS

- Local appropriated baseline budget reduced from \$93.8M to \$91.5M
- Enrollment projected to increase to 3,723 students in Fall 2023 compared to 3,546 in Fall 2022.
 - Tuition and postsecondary fees will increase, though it is anticipated they will be lower than the previous year's estimates. Tuition estimates for the FY24 budget are based on a 5-year (FY18-FY22) average of tuition revenue per headcount. Postsecondary student fee estimates are based on a three-year rolling average plus the planned reinstatement of fees suspended during the COVID-19 pandemic.
- Increased revenue from leases
- Increased revenue from space rentals
- No federal Higher Education Emergency Relief Fund (HEERF) grant dollars in FY2024

GAP MEASURES

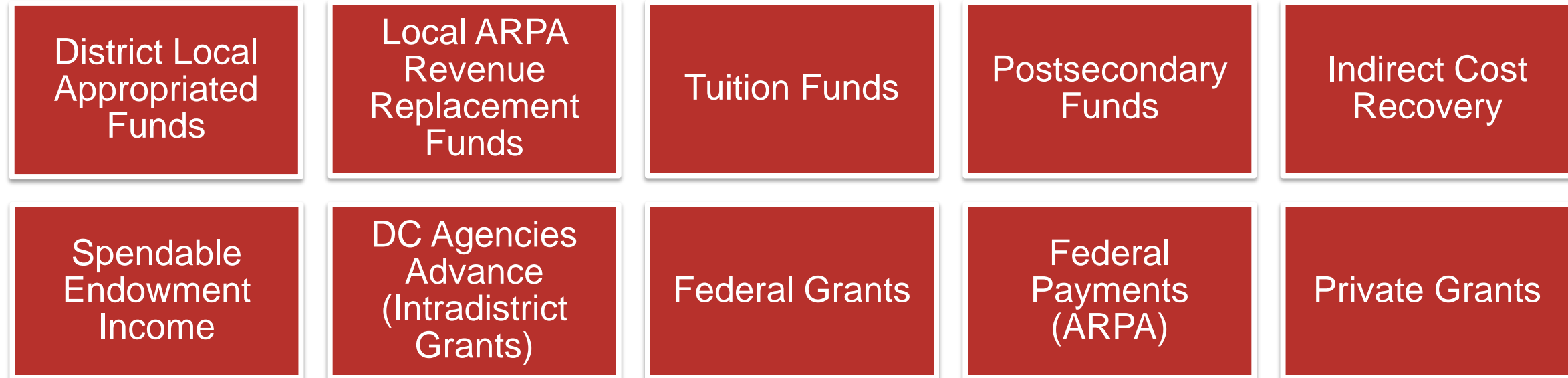
The University anticipates covering revenue impacts through savings that were accumulated in previous fiscal years through cost-savings measures.

- The University saved \$5M in FY20, \$5M in FY21, and an estimated \$2 to \$3M in FY22 due to cost reductions with the intention of rolling those funds forward into future fiscal years when HEERF dollars were no longer available.
 - Cost savings measures used in previous fiscal years included a hiring freeze as well as a non-personnel services expenditure freeze that comprised reducing purchasing, eliminating travel, and reducing contracts.

FY2024 Proposed Operating

REVENUE ANALYSIS

OPERATING REVENUE SOURCES



- The FY2024 Operating Budget is comprised of ten funding sources.
- Budgets are reviewed and evaluated at multiple levels within the organization, from departmental units to the President’s Executive Leadership Team and the Board of Trustees.

FY2024 Proposed Operating

REVENUE: FY2021-FY2024

Revenue Sources	FY21 Actuals (Revenue)	FY22 Actuals (Revenue)	FY23 Projected (Revenue) (as of Oct 2022)	FY24 Projected (Revenue)	FY23 vs FY24 Delta
Local Appropriated	89,303,271	93,418,894	93,819,243	91,473,762	(2,345,481)
Local ARPA Revenue Replacement		1,653,600	2,212,140	1,791,247	(420,893)
Tuition	23,172,498	21,114,653	23,750,000	23,432,346	(317,654)
Postsecondary	3,801,954	6,688,522	10,860,615	9,412,135	(1,448,480)
Fund Balance	6,537,500		3,680,444	10,000,000	6,319,556
Spendable Endowment Income (Investment + Land Grant)	9,415		2,802,379	1,965,423	(836,956)
Indirect Cost Fund	1,287,731	1,504,393	2,000,000	2,000,000	-
Total Unrestricted	124,112,369	124,380,062	139,124,821	140,074,913	950,092
DC Agencies Advance	2,553,052	6,564,535	5,500,000	7,450,000	1,950,000
Federal Grants	30,001,321	43,111,302	72,700,000	47,750,000	(24,950,000)
Federal Payments (ARPA)			417,000	417,000	-
Private Grants	427,222	878,438	1,500,000	1,000,000	(500,000)
Total Restricted	32,981,594	50,554,275	80,117,000	56,617,000	(23,500,000)
Grand Total	157,093,964	174,934,337	219,241,821	196,691,913	(22,549,908)

REVENUE ANALYSIS: UNRESTRICTED FUNDS

Local Appropriation Revenue

District subsidy reduced by 2.5%, taking local subsidy from \$93.8M in FY2023 to \$91.5M in FY2024.

ARPA Local Revenue Replacement

Decrease in ARPA local revenue replacement funds (\$1.8M in FY2024, as compared to \$2.2M in FY2023) due to the removal of one-time dollars that funded the Violence Interrupter Career Pathway Study in FY2023.

Tuition Revenue

Anticipating an increase in enrollment levels in Fall 2023 as compared to Fall 2022.

Anticipating slight decrease in student tuition revenue based on five-year average tuition revenue per headcount.

Postsecondary Revenue

Anticipating somewhat less student fee revenue, based on three-year average student fee revenue per headcount plus the reinstatement of fees suspended during the pandemic.

Anticipating increased lease and space rental revenue.

Indirect Cost Recovery

Indirect cost recovery as a percentage of grant revenue is projected to be \$2.0M.

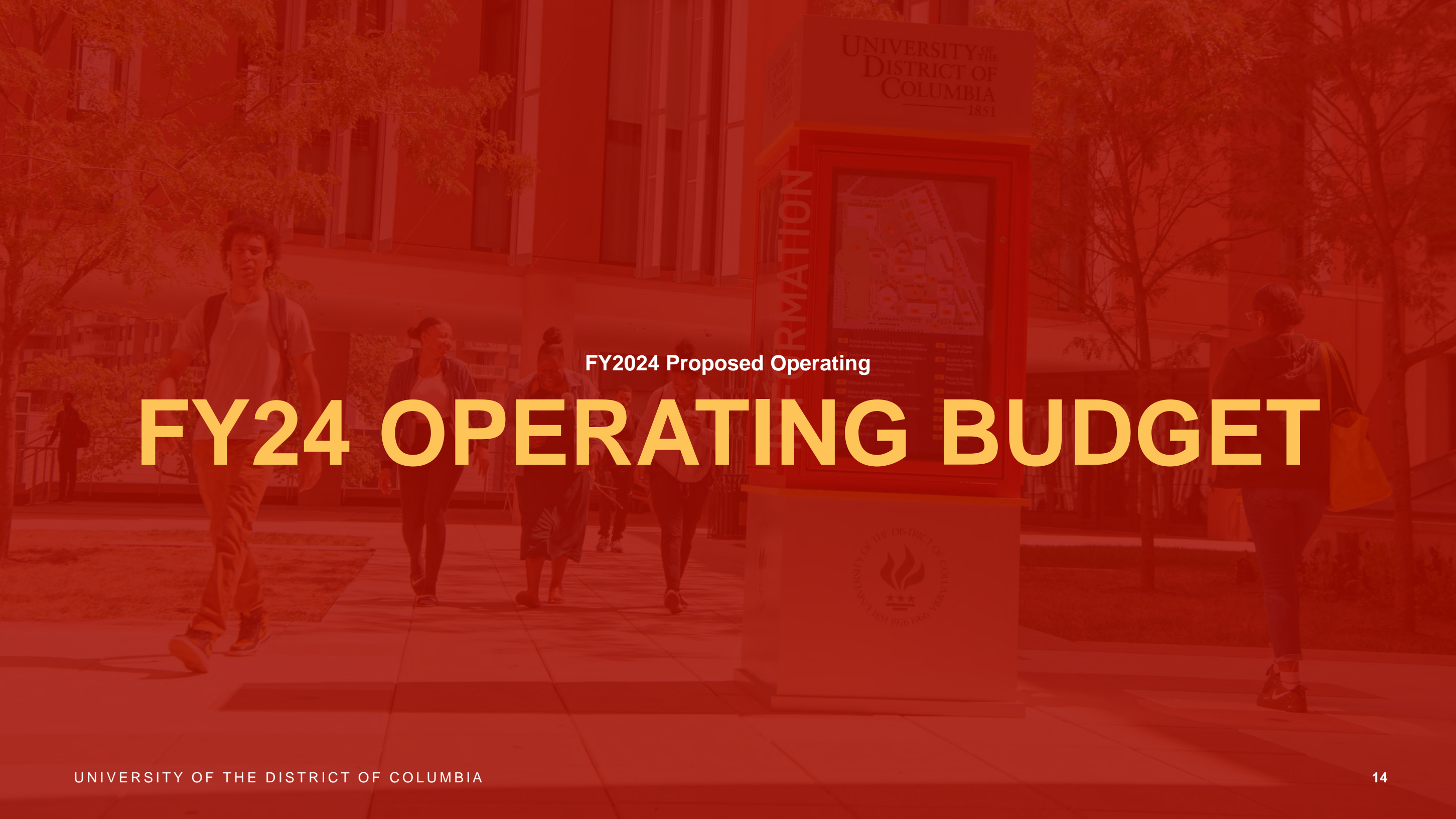
Endowment Income

Plan to draw down \$1.96M in FY2024, based on calculation of 4% of the average balance of the endowment in the last three years.

Decrease compared to \$2.8M draw in FY2023, mainly due to poor market performance in 2022 affecting the endowment balance.

USE OF PRIOR-YEAR SAVINGS:

Fund Balance Components	Total
Mitigating Loss of HEERF Funds/ Maintaining Student Supports	\$1,000,000.00
Contingency	\$1,380,601.00
SDS Blackboard & EAB Platforms	\$1,250,000.00
Funds to cover the decrease in Local Appropriated revenue to meet the FY24 MARC	\$2,345,481.00
Funds to cover the FY22 COLAs	\$1,420,828.00
Funds to cover the decrease in Tuition revenue	\$317,654.00
Funds to cover the decrease in Postsecondary fee revenue	\$1,448,480.00
Funds to cover the decrease to Spendable Endowment Income revenue	\$836,956.00
Total	\$10,000,000.00



FY2024 Proposed Operating

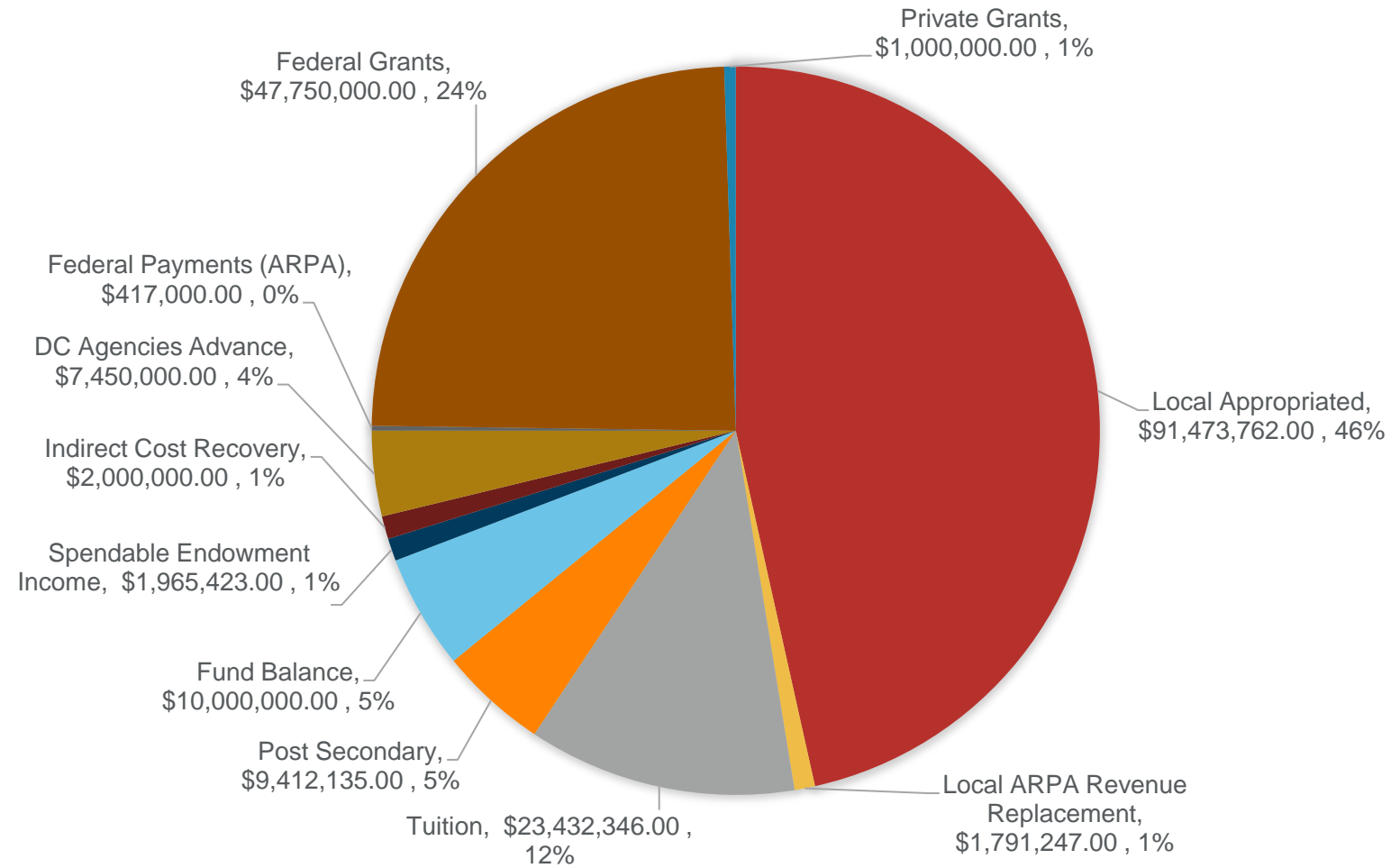
FY24 OPERATING BUDGET

FY2024 Proposed Operating

FY24 PROPOSED OPERATING BUDGET

For fiscal year 2024, the University projects a total available operating (restricted and unrestricted) budget of **\$196,691,193.00**.

FY24 BUDGET TOTALS

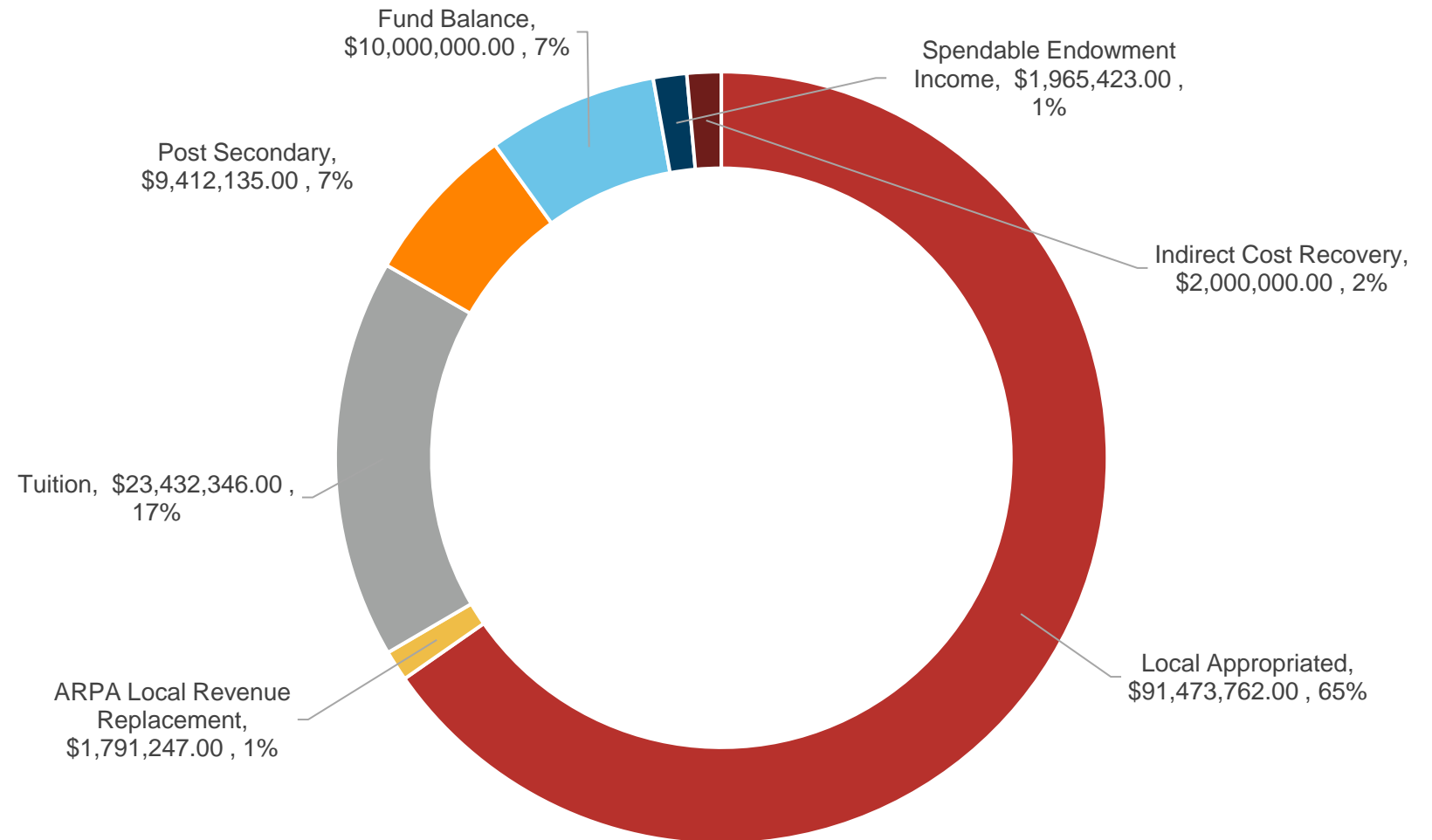


FY2024 Proposed Operating

FY24 PROPOSED UNRESTRICTED BUDGET

Of the \$197.7M total budget, the Unrestricted Budget makes up **\$140,074,913.00**.

FY24 Unrestricted Budget Totals



FY2024 Proposed Operating

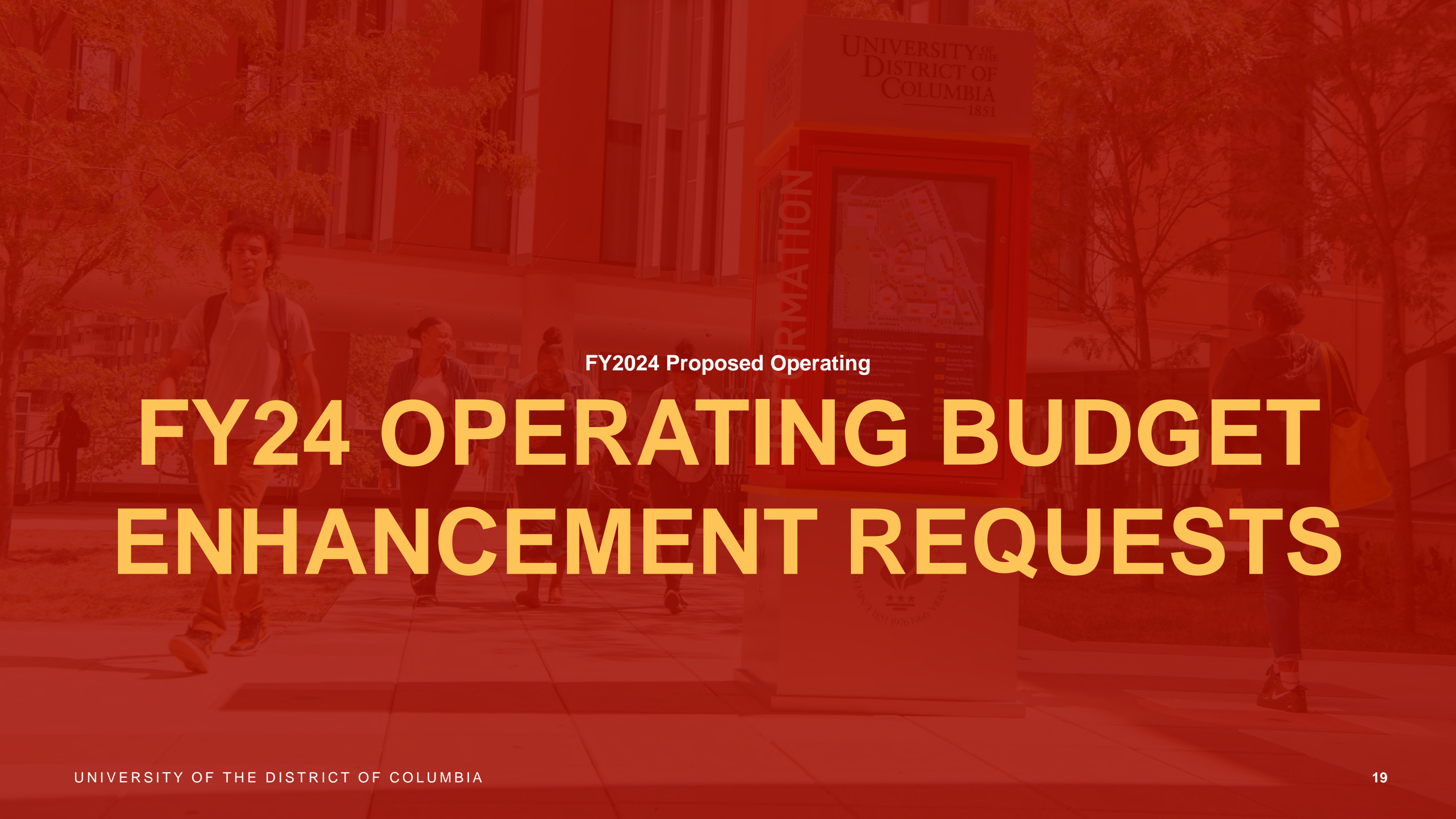
UNRESTRICTED BUDGET: BY MAJOR PROGRAM AREA

Major Programs (Unrestricted)	Amended FY23 Budget	Proposed FY24 Budget
Office of the Chief Operating Officer	30,146,203.85	28,110,946.64
Office of the Chief Financial Officer	4,203,902.01	4,065,064.63
Student Development & Success	13,882,523.14	16,149,312.45
Academic Affairs	48,645,150.57	49,900,022.70
President's Office	14,204,167.76	13,842,510.48
Community College	28,042,873.67	28,007,056.10
Total Unrestricted Budget	139,124,821.00	140,074,913.00

RESTRICTED BUDGET: BY CATEGORY

- The University’s restricted budget has four major categories:

Restricted Revenue Sources	Amended FY23 Budget	Proposed FY24 Budget
DC Agencies Advance (Intradistrict Grants)	5,500,000.00	7,450,000.00
Federal Payments (ARPA)	417,000.00	417,000.00
Federal Grants	72,700,000.00	47,750,000.00
Private Grants	1,500,000.00	1,000,000.00
Total	80,117,000.00	56,617,000.00



FY2024 Proposed Operating

FY24 OPERATING BUDGET ENHANCEMENT REQUESTS

FY2024 Proposed Operating

INVESTING IN LOCAL TALENT AND EXPERTISE: COMPETITIVE COMPENSATION

FY24 ENHANCEMENT REQUEST

FY24 Amount Requested: \$8,594,539.00

Retaining top talent requires sufficient resources to keep pace with the cost of living and continued professional development. Attaining and maintaining competitive salaries allows the University to keep excellent employees. **This enhancement seeks an increase to the University's personnel budget to bridge wage gaps and retain talented workers.**

FY2024 Proposed Operating

INCREASING DIVERSE GRADUATES FOR HIGH TECH: TECHNOLOGY, ENGINEERING, CYBER, AND HOMELAND SECURITY JOBS

FY24 ENHANCEMENT REQUEST

FY24 Amount Requested: \$2,271,800.00

Companies know the importance of diversity for high-demand TECH careers, locally and nationally yet 68% of business leaders report a lack of diversity in their tech workforce. **This enhancement will enable UDC to provide a significant local response by training and increasing the number of diverse graduates with associates and doctorate degrees for in-demand TECH jobs.**



FY2024 Proposed Operating

CRM OPERATIONAL SUPPORT

FY24 ENHANCEMENT REQUEST

FY24 Amount Requested: \$489,263.00

This enhancement seeks to account for the additional operational costs associated with the implementation of a **Customer Relationship Management (CRM) platform**. This includes funding to support hiring a CRM Manager as well as funds to cover annual licensing and maintenance costs.

Exhibit B

FY 2024 Capital Budget Request

FY2024 Proposed Operating & Capital Budget

FY24 CAPITAL BUDGET

FY2024 Proposed Capital Budget

FY24 CAPITAL BUDGET REQUEST SUMMARY

Six-Year (FY24-FY29) Capital Budget Request

\$387.0M

Capital expenditures will continue to focus on the following major areas:

- **Infrastructure Upgrades:** Continue to upgrade the Mechanical, Electrical and Plumbing systems throughout the campus, including upgrading the environmental controls.
- **Classroom Modernization:** Construct and update learning and research laboratories, classroom upgrades, develop the infrastructure and learning environment at Firebird Farms, and develop 21st century learning spaces on all campuses.
- **Backus Expansion:** Expand the use of the Bertie Backus campus for the Community College programs and support operations.
- **4250 Connecticut Avenue Renovations:** Continue to transform 4250 into a modern home for advanced classrooms, labs, and support functions

FY24 CAPITAL BUDGET REQUEST SUMMARY

University of the District of Columbia Six-Year Capital Funding Analysis (Thousands)

Fiscal Year	FY23	FY24	FY25	FY26	FY27	FY28	FY29	Total
Approved Capital Funding	50,000	60,000	51,000	31,000	0	27,500	N/A	219,500
FY24 Capital Funding Request	N/A	82,500	71,500	57,500	39,500	78,000	58,000	387,000

FY2024 Proposed Capital Budget

RENOVATIONS AT 4250

Total Project Budget = **\$47,000,000**

FY23 Funding = **\$12,000,000**

FY24 – FY28 Approved Budget = **\$28,000,000**

FY24 – FY29 CIP Enhancement Request = **\$7,000,000**

- Renovations continuing for the transformation of 4250 into a modern home for our College of Arts and Science (CAS) and our College of Agriculture, Urban Sustainability and Environmental Sciences (or CAUSES), along with other support functions.



FY2024 Proposed Capital Budget

MODERNIZE VAN NESS CAMPUS – CLASSROOM & LABORATORY RENOVATIONS

Total Project Budget = **\$135,000,000**

FY23 Funding = **\$0**

FY24 – FY28 Approved Budget = **\$23,000,000**

FY24 – FY29 Enhancement Request = **\$112,000,000**

- Modernization of Classrooms, Laboratories, and Offices campus-wide. This may include future re-purposing of Buildings for the enhancement of graduate programs, specialized research facilities, and the creation of living/outdoor laboratories in support of the Urban Sustainability programs.

FY2024 Proposed Capital Budget

CRM Implementation (New)

Total Project Budget = **\$8,000,000**

FY23 Funding = **\$0**

FY24 – FY28 Approved Budget = **\$0**

FY24 – FY29 CIP Enhancement Request = **\$8,000,000**

- The University seeks to use capital funds for the implementation of its Customer Relationship Management (CRM) system.
- The CRM will support units across the University. The first phase of implementation will focus on standing up the portions of the CRM that benefit Enrollment Services, Advancement, and Marketing and Communications.
- Project total is an estimate, to be refined as the Office of Information Technology works to confirm the appropriate level of system support needed to meet program requirements.



FY2024 Proposed Capital Budget

FIREBIRD FARM SITE DEVELOPMENT

Total Project Budget = **\$20,000,000**

FY23 Funding = **\$0**

FY24 – FY28 Approved Budget = **\$0**

FY24 – FY29 CIP Enhancement Request = **\$20,000,000**

- The 143-acre Firebird Farm is located on land grant property in Beltsville, MD and operated by the College of Agriculture, Urban Sustainability, & Environmental Science (CAUSES)
- Site Development plans includes upgrades to farm infrastructure (septic, power, IT), renovation and expansion of classrooms and offices, a new restroom facility, and security improvements (fencing, an automated gate, and surveillance cameras)

FY2024 Proposed Capital Budget

STUDENT HOUSING

Total Project Budget = **\$35,000,000**

FY23 Funding = **\$0**

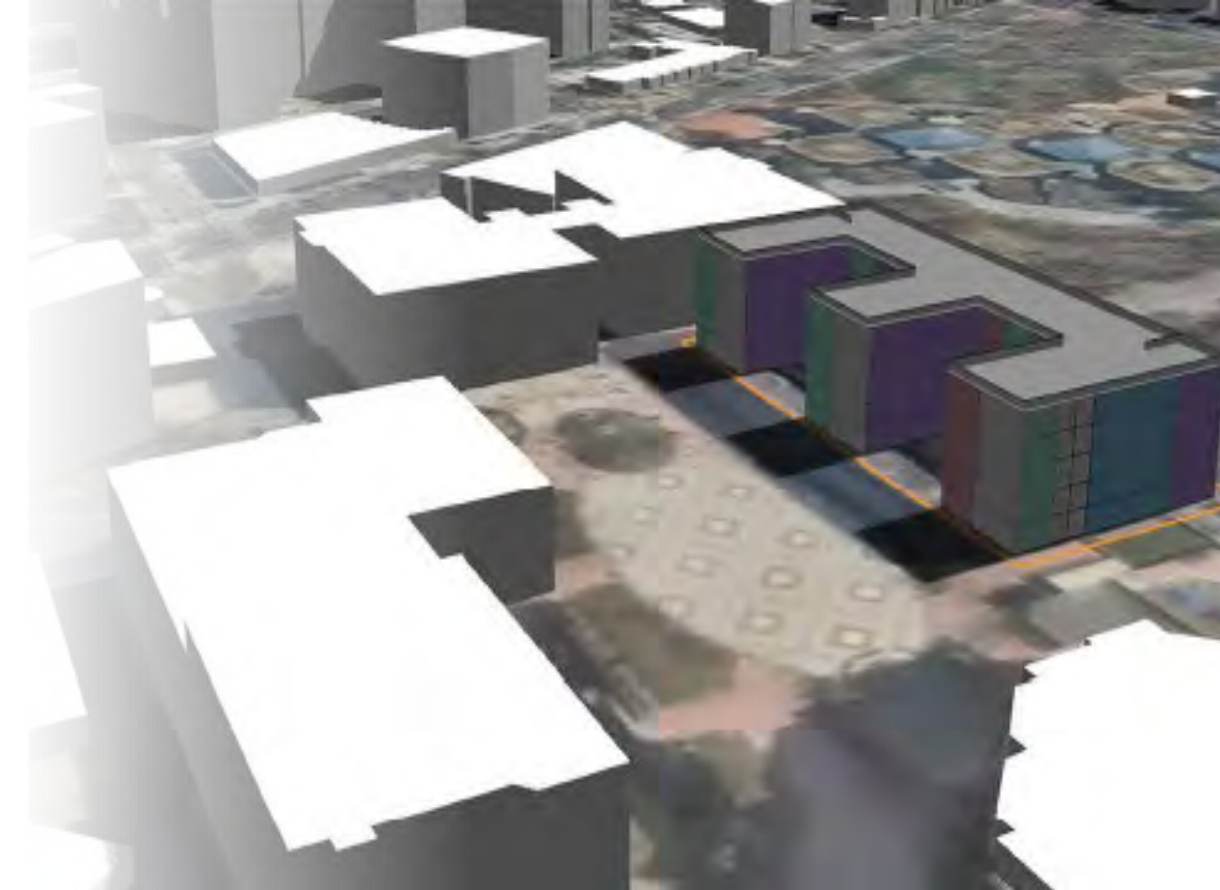
FY24 – FY28 Approved Budget = **\$0**

FY24 – FY29 CIP Enhancement Request = **\$35,000,000**

- Establishing student housing at the Van Ness campus site is still in the planning phases.
- The 2021 – 2030 Campus Master Plan identified Building 44 and the tennis court areas as possible residential housing sites at the Van Ness Campus. Pictured are concept renderings for the two potential sites.

Pictured Top-Right: Concept 275 Bed Housing Unit at Current Building 44 Location

Pictured Bottom-Right: Concept 312 Bed Housing Unit at Current Tennis Court Location



FY2024 Proposed Capital Budget

WMATA LAND ACQUISITION

Total Project Budget = **\$15,000,000**

FY23 Funding = **\$0**

FY24 – FY28 Approved Budget = **\$0**

FY24 – FY29 CIP Enhancement Request = **\$15,000,000**

- Although the University purchased the Building at 4250 Connecticut Avenue NW, the land remains in the control of the Washington Metro Area Transit Authority (WMATA). The University pays an annual Ground Lease to WMATA. WMATA also maintains control of the driveway in the rear of the building and one parking level within the garage.
- The University would like to purchase the land rights to 4250 Connecticut Avenue from WMATA with funding in FY2029. This will allow time for negotiations with WMATA.

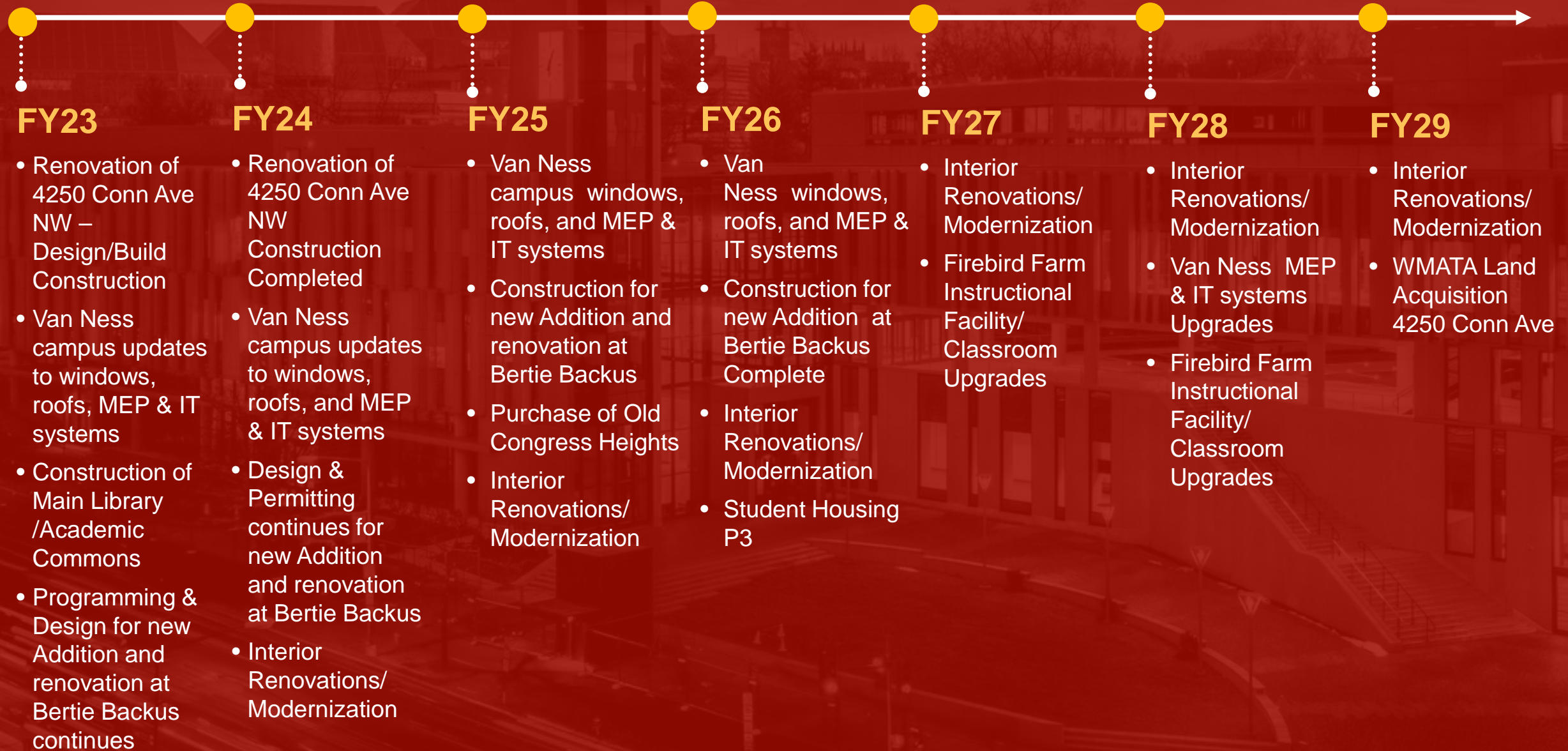


FY2024 Proposed Capital Budget

FY2024 – FY2029 Proposed Capital Improvement Plan

#	Project Number and Title	FY24	FY25	FY26	FY27	FY28	FY29	Six-Year Total
1	UG712 - 4250 Connecticut Avenue Renovation	\$ 35,000,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000,000.00
2	UG713 - Backus Expansion & Existing Bldg. Upgrades	\$ 20,000,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000,000.00
3	UG714 - Campus-Wide Roof, Elevator & Window Replacement	\$ 2,000,000.00	\$ 3,000,000.00	\$ 2,000,000.00	\$ -	\$ -	\$ -	\$ 7,000,000.00
4	UG715 - MEP, HVAC & IT Upgrades	\$ 5,000,000.00	\$ 5,000,000.00	\$ 15,000,000.00	\$ -	\$ 24,500,000.00	\$ -	\$ 49,500,000.00
5	UG717 - Purchase 3100 MLK, Avenue, SE (Acquisition & Development)	\$ -	\$ 28,000,000.00	\$ -	\$ -	\$ -	\$ -	\$ 28,000,000.00
6	UG718 - Building Interior/Classroom & Lab Modernization Projects	\$ 5,000,000.00	\$ 10,000,000.00	\$ 10,000,000.00	\$ 30,000,000.00	\$ 40,000,000.00	\$ 40,000,000.00	\$ 135,000,000.00
7	UG716 - Campus-Wide Paver Restoration / Drainage System Replacement	\$ 5,000,000.00	\$ 5,000,000.00	\$ 4,000,000.00	\$ -	\$ -	\$ -	\$ 14,000,000.00
8	UGXXX - CRM Implementation	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ 2,000,000.00	\$ -	\$ -	\$ 8,000,000.00
9	UGXXX - Firebird Farms (Development)	\$ 5,000,000.00	\$ -	\$ 1,000,000.00	\$ 4,000,000.00	\$ 10,000,000.00	\$ -	\$ 20,000,000.00
10	UGXXX - Student Housing (Financing for P3 Development)	\$ -	\$ 15,000,000.00	\$ 20,000,000.00	\$ -	\$ -	\$ -	\$ 35,000,000.00
11	UGXXX - WMATA Land Acquisition (4250 Connecticut Ave)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000,000.00	\$ 15,000,000.00
12	UG706 - Renovate University Facilities	\$ 3,500,000.00	\$ 3,500,000.00	\$ 3,500,000.00	\$ 3,500,000.00	\$ 3,500,000.00	\$ 3,000,000.00	\$ 20,500,000.00
REQUESTED TOTAL:		\$ 82,500,000.00	\$ 71,500,000.00	\$ 57,500,000.00	\$ 39,500,000.00	\$ 78,000,000.00	\$ 58,000,000.00	\$ 387,000,000.00

TIMELINE OF CAPITAL PROJECTS



FY2024 Proposed Operating & Capital Budget

AS THE ONLY PUBLIC LAND-GRANT INSTITUTION IN AND FOR THE NATION'S CAPITAL, WE MUST MAKE THE MOST OF THIS OPPORTUNITY TO ELEVATE THE STATUS OF ALL DISTRICT RESIDENTS.

UDC is prepared to empower all DC residents to become transformative leaders in the workforce and bring financial stability and growth to the District.

It is time to inspire the residents of DC with a model for public urban education, and to define a pathway to the middle class and post-pandemic recovery.



TO: Christopher Bell, Esq.
Chair, Board of Trustees
University of the District of Columbia

FROM: Roy Layne *Roy Layne*
Chief Financial Officer
University of the District of Columbia

DATE: November 1, 2022

RE: Funding Certification for UDC's FY2024 Budget

Upon review of the FY2024 Budget of the University of the District of Columbia (UDC), the Office of the Chief Financial Officer is reasonably assured that based on the local budget allotment provided by the District of Columbia and UDC's projected O-Type and grant revenues, adequate funds will be available to support budgeted expenses of \$140,074,913 in FY2024.

Should you require additional information, please contact Roy Layne, Chief Financial Officer, at 202-274-6410 or roy.layne@udc.edu.

cc:

Paris Saunders, Interim Associate Chief Financial Officer, Education Cluster, Office of the Chief Financial Officer

Kimberly Washington, Budget Director, Education Cluster, Office of the Chief Financial Officer