Budget 101 Topics

- Budget alignment with strategic plan
- General operating budget
- Enrollment trends
- Enrollment impact on revenue
- Other university funds
The Annual Budget

- Aligns and deploys resources to accomplish University strategic goals and objectives
  - Cultivating teaching excellence
  - Provide an environment for learning
  - Promoting and engaging in civic responsibility
  - Enhancing the community
  - Essentials for success
- Maximizes use of financial, physical and human resources

### FY 2015 Budgeted Expenditures (All Funds)

Total: $85.2M

- General Operating: 50.9%
- Designated: 15.6%
- Auxiliary: 12.8%
- Restricted: 13.5%
- Plant: 7.1%
- Loan: 0.1%
A CLOSER LOOK:

General Operating Budget
(General Operating Fund)

Budget Focus: General Operating Fund
FY 2015 Budget: $43.3 M

- Also referred to as the State appropriated budget
- Used to record revenues and expenditures associated with University general operations
- Revenues include State appropriations, tuition, miscellaneous fees, investment income and transfers.
- Expenditures are recorded by program in accordance with NACUBO guidelines
- Expenditures are also recorded by account codes to provide reporting by type of expense
- Banner index numbers begin with 61
FY 2015 General Operating Budget
Estimated Revenues
Total: $43.3M

- Student Tuition & Fees 47.6%
- State Support: General Fund & Millage 50.3%
- Other Revenue 0.4%
- Transfers In from Reserves 1.3%
- FY 14 Carry Forward 0.4%
- Other Revenue & Transfers

General Operating Fund
Revenue Sources as a Percentage of Gross Revenue
Fiscal Years 2005 - 2015

- State Support
- Tuition
- Other Rev & Transfers
General Operating Fund
Total Revenues
Fiscal Years 2005 - 2015

State Support
Tuition
Other Revenues
Transfers from Reserves

Resident Tuition 73.8%
WUE Tuition 9.5%
Nonresident Tuition 14.7%
Registration and Admission Fees 2.0%

FY 2015 Estimated Tuition by Residency
General Fund only
Total: $20.6 M
Percentage of Tuition Revenue by Residency Status FY 2005-2015

- Resident Tuition
- WUE Tuition
- Nonresident Tuition
- Total

A CLOSER LOOK:

Enrollment
Montana State University-Billings
Enrollment by Residency, FY09 - FY15

<table>
<thead>
<tr>
<th>Year</th>
<th>Resident</th>
<th>WUE</th>
<th>Non-resident</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY09</td>
<td>3,653</td>
<td>246</td>
<td>142</td>
<td>4,041</td>
</tr>
<tr>
<td>FY10</td>
<td>3,895</td>
<td>230</td>
<td>134</td>
<td>4,259</td>
</tr>
<tr>
<td>FY11</td>
<td>4,127</td>
<td>280</td>
<td>140</td>
<td>4,556</td>
</tr>
<tr>
<td>FY12</td>
<td>3,992</td>
<td>296</td>
<td>190</td>
<td>4,478</td>
</tr>
<tr>
<td>FY13</td>
<td>3,786</td>
<td>310</td>
<td>223</td>
<td>4,319</td>
</tr>
<tr>
<td>FY14</td>
<td>3,617</td>
<td>306</td>
<td>230</td>
<td>4,153</td>
</tr>
<tr>
<td>FY15</td>
<td>3,421</td>
<td>300</td>
<td>229</td>
<td>3,950</td>
</tr>
</tbody>
</table>

Montana State University-Billings
Enrollment by Student Level, FY09 - FY15

<table>
<thead>
<tr>
<th>Year</th>
<th>Undergrad</th>
<th>City College</th>
<th>Graduate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY09</td>
<td>3,083</td>
<td>658</td>
<td>300</td>
<td>4,041</td>
</tr>
<tr>
<td>FY10</td>
<td>2,991</td>
<td>973</td>
<td>295</td>
<td>4,259</td>
</tr>
<tr>
<td>FY11</td>
<td>3,162</td>
<td>1,053</td>
<td>341</td>
<td>4,556</td>
</tr>
<tr>
<td>FY12</td>
<td>3,121</td>
<td>1,015</td>
<td>342</td>
<td>4,478</td>
</tr>
<tr>
<td>FY13</td>
<td>3,078</td>
<td>923</td>
<td>318</td>
<td>4,319</td>
</tr>
<tr>
<td>FY14</td>
<td>2,974</td>
<td>887</td>
<td>292</td>
<td>4,153</td>
</tr>
<tr>
<td>FY15</td>
<td>2,841</td>
<td>840</td>
<td>269</td>
<td>3,950</td>
</tr>
</tbody>
</table>
Enrollment Impact on the Budget

- Tuition collections
  - Estimated tuition used to build the total budget
  - Surplus/shortfall due to variance of actual collections compared to budgeted revenue
  - Variable due to enrollment growth/decline and student credit loads (headcount vs. FTE)
  - Variable with a change in mix of students
    - Dual Enrollment vs. CC vs. 4 year UG vs. Graduate
    - Resident vs. WUE vs. NR vs. NR online only

- Fee collections
  - Cover salaries and operating expenses
  - Actual revenue available impacted directly by enrollment growth/decline
  - Examples
    - Fee for service
      - Housing, Dining Services, Campus Bookstore
    - Mandatory student fees
      - Student Union, ASC, Library, Athletics
Enrollment Impact on the Budget

- State appropriations
  - Legislature appropriates a lump sum to MUS
  - Starts with base from 1st year of biennium
  - Adds funding for present law base adjustments, pay plan estimates and fixed costs passed through to state agencies
  - Adds one time only initiatives
  - May adjust the appropriation in relation to enrollment growth/decline

- MUS allocates state funds to campuses
  - Performance funding
  - One time only appropriations
  - Other BOR initiatives
  - To UM and MSU based on resident student FTE (three year rolling average)

- MSU allocates state funds to MSU campuses
  - Historical funding levels
  - Enrollment growth/decline
  - Present Law Adjustments, Pay Plan and fixed costs
A CLOSER LOOK: GENERAL OPERATING BUDGET BY PROGRAM

Expenditures are categorized by program according to the associated function or activity.
MSUB Program Budget Goals

- **Instruction Program**
  - Goal: Allocation equal to 50% of total budget
  - FY 2014 actual results = 46.6%
  - FY 2015 budget = 48.4%

- **Instruction + Academic Support + Student Affairs**
  - Goal: Allocation equal to 70% of total budget
  - FY 2014 actual results = 68.5%
  - FY 2015 budget = 69.5%

### Expenditures by Program

<table>
<thead>
<tr>
<th></th>
<th>FY11 Actual</th>
<th>FY12 Actual</th>
<th>FY13 Actual</th>
<th>FY14 Actual</th>
<th>FY15 Budgeted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Instruction</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ Expenditures</td>
<td>$17,376,203</td>
<td>$20,038,490</td>
<td>$19,867,656</td>
<td>$19,710,106</td>
<td>$20,963,014</td>
</tr>
<tr>
<td>Percent of Total</td>
<td>42.6%</td>
<td>49.0%</td>
<td>47.5%</td>
<td>46.6%</td>
<td>48.4%</td>
</tr>
<tr>
<td><strong>Academic Support</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of Total</td>
<td>8.5%</td>
<td>8.0%</td>
<td>7.9%</td>
<td>8.7%</td>
<td>8.4%</td>
</tr>
<tr>
<td><strong>Student Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ Expenditures</td>
<td>$5,070,286</td>
<td>$5,354,651</td>
<td>$5,542,333</td>
<td>$5,592,755</td>
<td>$5,511,246</td>
</tr>
<tr>
<td>Percent of Total</td>
<td>12.4%</td>
<td>13.1%</td>
<td>13.2%</td>
<td>13.2%</td>
<td>12.7%</td>
</tr>
<tr>
<td><strong>SUBTOTAL</strong></td>
<td>$25,918,372</td>
<td>$28,678,612</td>
<td>$28,709,344</td>
<td>$28,970,827</td>
<td>$30,127,364</td>
</tr>
<tr>
<td><strong>SUBTOTAL %</strong></td>
<td>63.6%</td>
<td>70.1%</td>
<td>68.6%</td>
<td>68.5%</td>
<td>69.5%</td>
</tr>
</tbody>
</table>
## Expenditures by Program

<table>
<thead>
<tr>
<th></th>
<th>FY11 Actual</th>
<th>FY12 Actual</th>
<th>FY13 Actual</th>
<th>FY14 Actual</th>
<th>FY15 Budgeted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Research</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ Expenditures</td>
<td>$126,880</td>
<td>$125,348</td>
<td>$166,821</td>
<td>$143,790</td>
<td>$141,330</td>
</tr>
<tr>
<td>Percent of Total</td>
<td>0.3%</td>
<td>0.3%</td>
<td>0.4%</td>
<td>0.3%</td>
<td>0.3%</td>
</tr>
<tr>
<td><strong>Public Service</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ Expenditures</td>
<td>$397,326</td>
<td>$408,678</td>
<td>$372,622</td>
<td>$382,003</td>
<td>$374,276</td>
</tr>
<tr>
<td>Percent of Total</td>
<td>1.0%</td>
<td>1.0%</td>
<td>0.9%</td>
<td>0.9%</td>
<td>0.9%</td>
</tr>
<tr>
<td><strong>Institutional Support</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ Expenditures</td>
<td>$4,262,901</td>
<td>$3,901,135</td>
<td>$3,806,327</td>
<td>$4,240,695</td>
<td>$4,403,395</td>
</tr>
<tr>
<td>Percent of Total</td>
<td>10.5%</td>
<td>9.5%</td>
<td>9.1%</td>
<td>10.0%</td>
<td>10.2%</td>
</tr>
<tr>
<td><strong>Plant O &amp; M</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ Expenditures</td>
<td>$7,878,722</td>
<td>$5,560,180</td>
<td>$6,439,272</td>
<td>$6,010,747</td>
<td>$5,837,914</td>
</tr>
<tr>
<td>Percent of Total</td>
<td>19.3%</td>
<td>13.6%</td>
<td>15.4%</td>
<td>14.2%</td>
<td>13.5%</td>
</tr>
<tr>
<td><strong>Scholarship and Fellowships</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ Expenditures</td>
<td>$2,174,656</td>
<td>$2,209,715</td>
<td>$2,359,891</td>
<td>$2,541,394</td>
<td>$2,437,190</td>
</tr>
<tr>
<td>Percent of Total</td>
<td>5.3%</td>
<td>5.4%</td>
<td>5.6%</td>
<td>6.0%</td>
<td>5.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ Expenditures</td>
<td>$40,758,857</td>
<td>$40,883,668</td>
<td>$41,854,277</td>
<td>$42,289,456</td>
<td>$43,321,469</td>
</tr>
<tr>
<td>Percent of Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

### Program Descriptions

- **Program 01 - Instruction** – Indexes 611XXX
  General academic activities: Faculty salaries, Instructional materials and equipment, departmental support and supplies

- **Program 02 - Research** – Indexes 612XXX
  Organized faculty research: CARE Grants & Center for Applied Economic Research
Program Descriptions

- **Program 03 - Public Service** – Indexes 613XXX
  Organized activities explicitly designed to serve the public: KEMC/Yellowstone Public Radio & Montana Center for Inclusive Education

- **Program 04 - Academic Support** – Indexes 614XXX
  Support services for the institution’s primary missions of instruction, research, and public service: academic deans, library, advising center, Office of Grants and Sponsored Programs

- **Program 05 - Student Services** – Indexes 615XXX
  Administrative offices and activities contributing to students’ emotional and physical well-being: Registrar, Financial Aid, Career Services, Diversity Support Services, Disability Support Services, and Athletics

- **Program 06 - Institutional Support** – Indexes 616XXX
  Central executive-level activities that serve all functional areas concerned with the management and planning for the institution: Chancellor’s and Vice Chancellors’ offices, budget, financial and business services, human resources, and public relations
Program Descriptions

- **Program 07 – Operation and Maintenance of Plant - Indexes 617XXX**
  All expenditures of general operating funds used to provide services and general maintenance and repair related to grounds and facilities. Includes custodial and grounds operations, utilities, insurance, safety and security

- **Program 08 – Fee Waivers and Scholarships Indexes 618XXX**
  Mandatory and discretionary tuition waivers and institutional scholarships as authorized by the Board of Regents

A CLOSER LOOK:
GENERAL OPERATING BUDGET
BY EXECUTIVE

Budget responsibility follows the University’s organizational chart
Revenues and expenditures are categorized into different fund types based on the source (revenue) and use (expenditure) of those funds.
Designated Fund

- Used to record financial activity associated with general operations
- Includes internal service centers which accumulate costs to recharge to other funds (IT, print shop, telephones, maintenance service, etc.)
- Includes self support or specialized activities which collect a fee or generate revenue (resale, course fee, MSUB Extended Campus, athletics, student fees)
- Fund Balances carry over from year to year
- Banner index numbers begin with 63

FY 2015 Designated Budget by Area

Total $13.2M

- Athletics 9.9%
- Campus Sales and Services 37.5%
- Fees 21.9%
- F&A Sponsored Programs 2.5%
- Designated Scholarships 2%
- Continuing Education 5.7%
- Sales and Service 10.3%
- Associated Students 2.7%
- General Designated 7.6%
Auxiliary Fund

- Used to record financial activity of on-campus services provided to students, faculty, or staff for a fee
- Fees may be applied to all students (Student Union Fee, Health Service Fee) or charged in exchange for goods and services (Campus Store)
- Examples: residence halls, food services, Campus Store, health services, rental housing, parking
- Excess revenue is generally pledged for repayment of revenue bonds
- Fund Balances carry over from year to year
- Banner index numbers begin with 64

FY 2015 Auxiliary Budget by Area
Total $10.9M

- Student Housing 38%
- Bookstore 29%
- Student Union 7%
- Health Services 5%
- Other Auxiliary Non-Pledged 3%
- Parking 4%
- Other Auxiliary Pledged 10%
- Rentals 4%
Restricted Fund

- Funds received and restricted for purposes specified by external sources
- Federal, State, and private grants and contracts (examples: Upward Bound, SOS, CC Perkins Grant, INBRE, Montana Center Grants & Contracts)
- Federal, State, and private student financial assistance in the form of grants and scholarships (example: Pell grants, Federal work study)
- Banner index numbers begin with 62

FY 2015 Restricted Budget
Total $10.9M
In Review

- Budget alignment with strategic plan
- General operating budget
- Enrollment trends
- Enrollment impact on revenue
- Other university funds

QUESTIONS?

http://www.msubillings.edu/budgetoffice/