

MSU BILLINGS

BUDGET RESOURCE BOOK



FISCAL YEAR
2016

University Budgeting 101
Trudy Sipe Collins
University Budget Director

University Budgeting 101

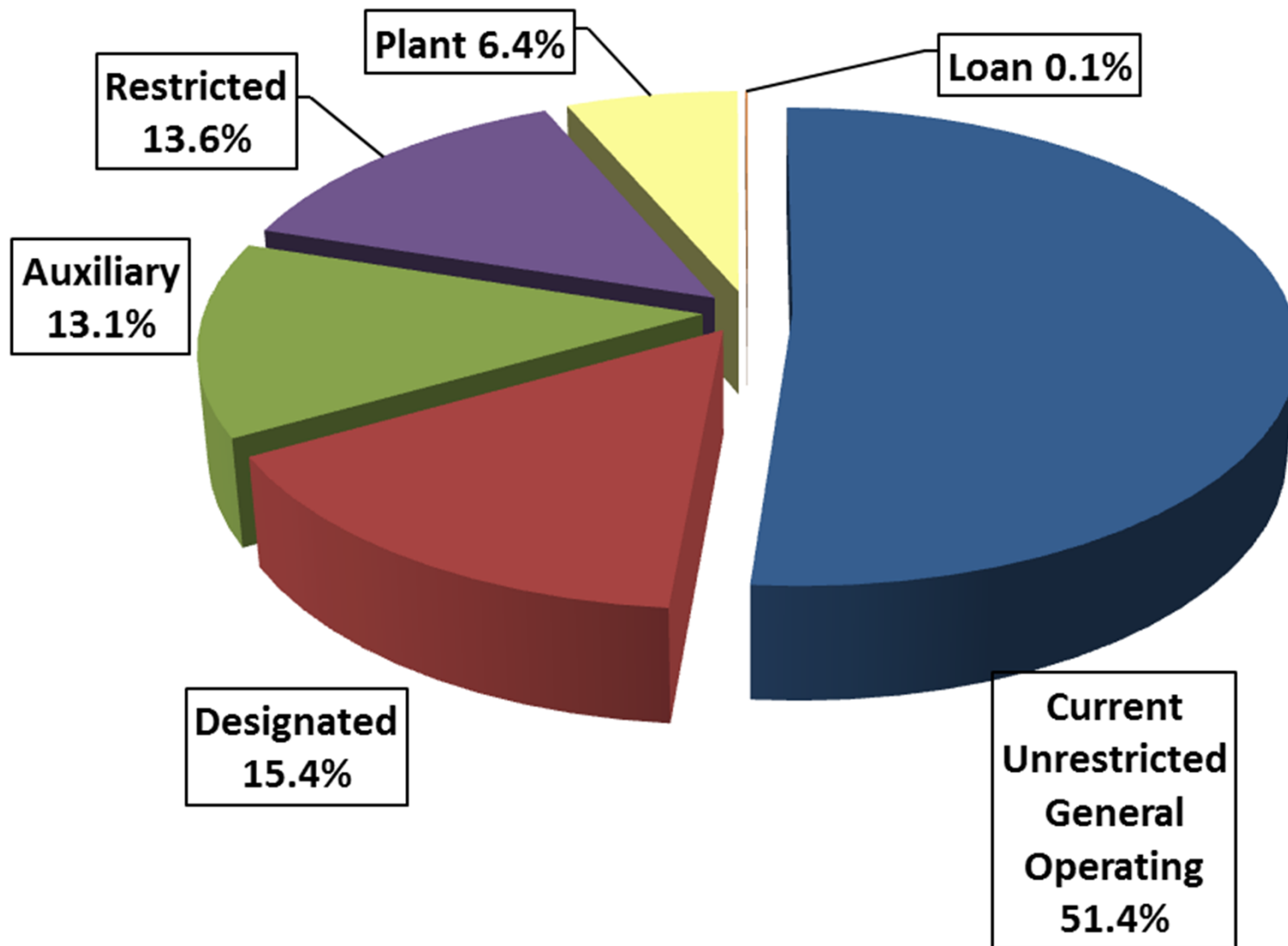
- Budget alignment with strategic plan
- Focus: General operating budget
- Enrollment trends
- Enrollment impact on revenue
- Other university funds
- Budget development

The Annual Budget

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

FY 2015-16 Budgeted Expenditures (All Funds)

Total: \$82.2M



A CLOSER LOOK:

General Operating Budget (General Operating Fund)

Budget Focus: General Operating Fund

FY 2015-16 Budget: \$42.2 M

- Referred to as the State budget
- Revenues include State appropriations, tuition, miscellaneous fees, investment income and transfers
- Budget allocations provide departments with approved spending authority, not a distribution of revenue
- 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

How do we plan on funding our FY16 General Operating Budget?



Each \$1 of the budget is funded by:



\$.46 Tuition & Fees

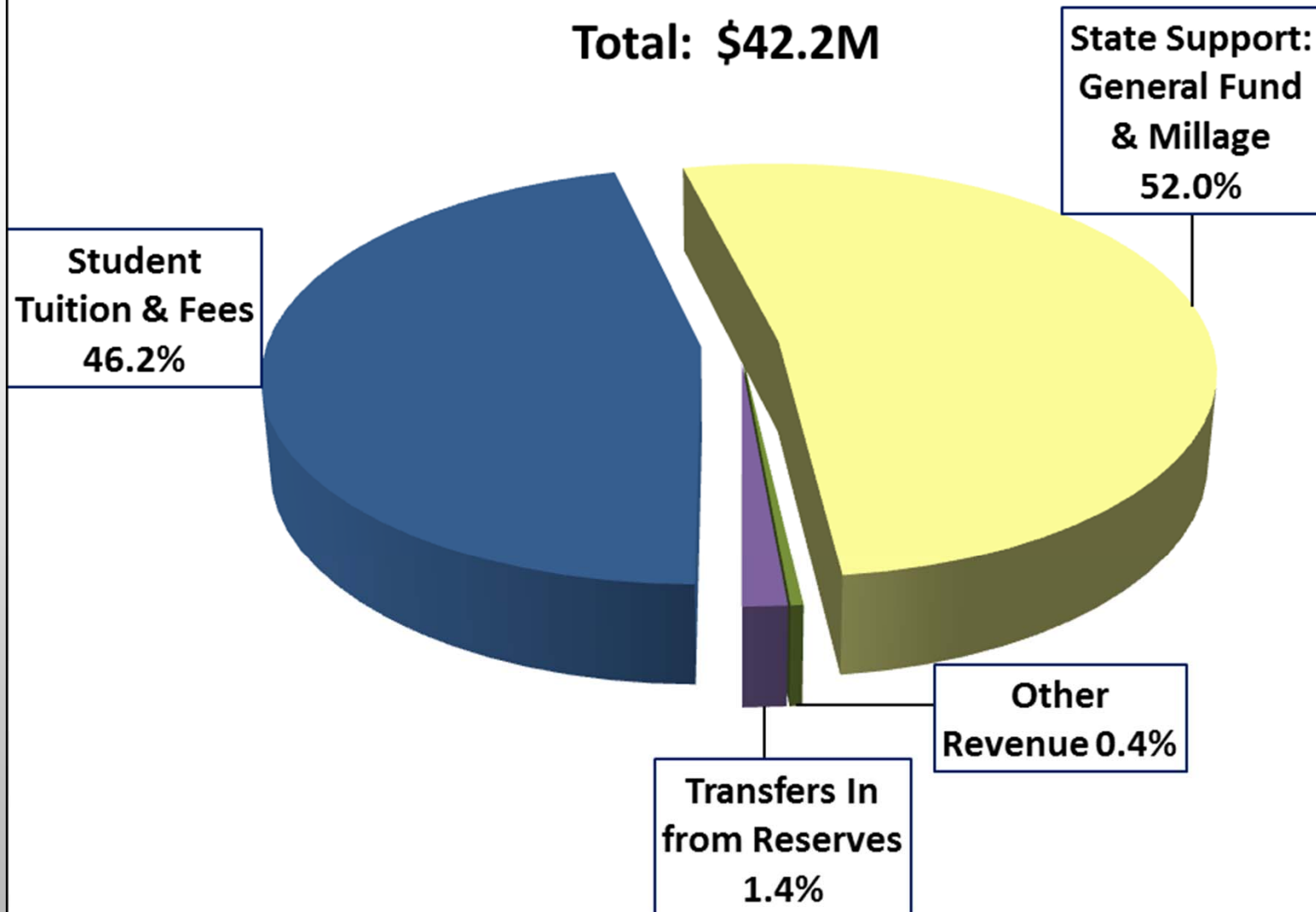
\$.52 State Appropriation

\$.01 Other Revenue

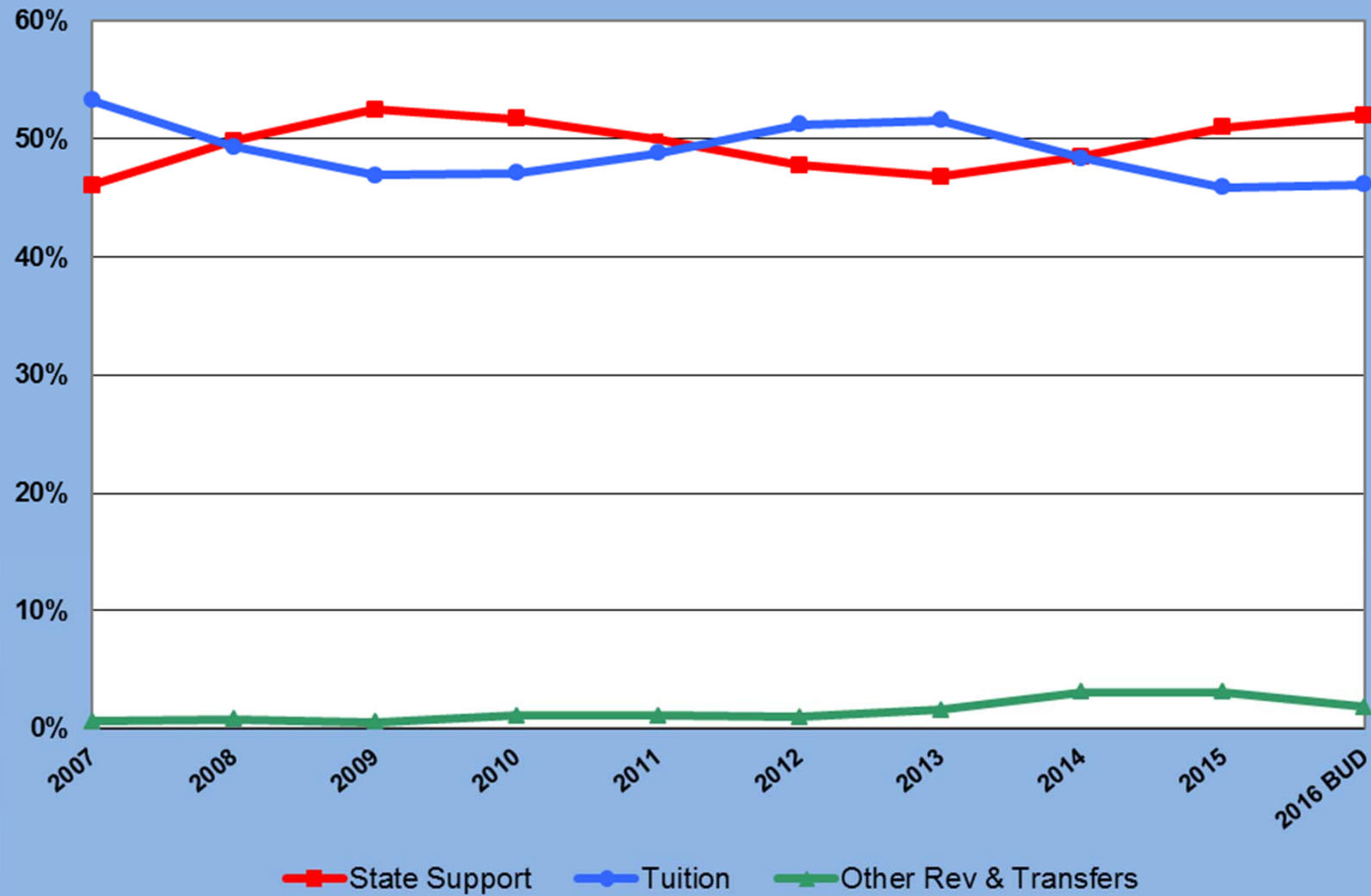
\$.01 Transfers from Reserves



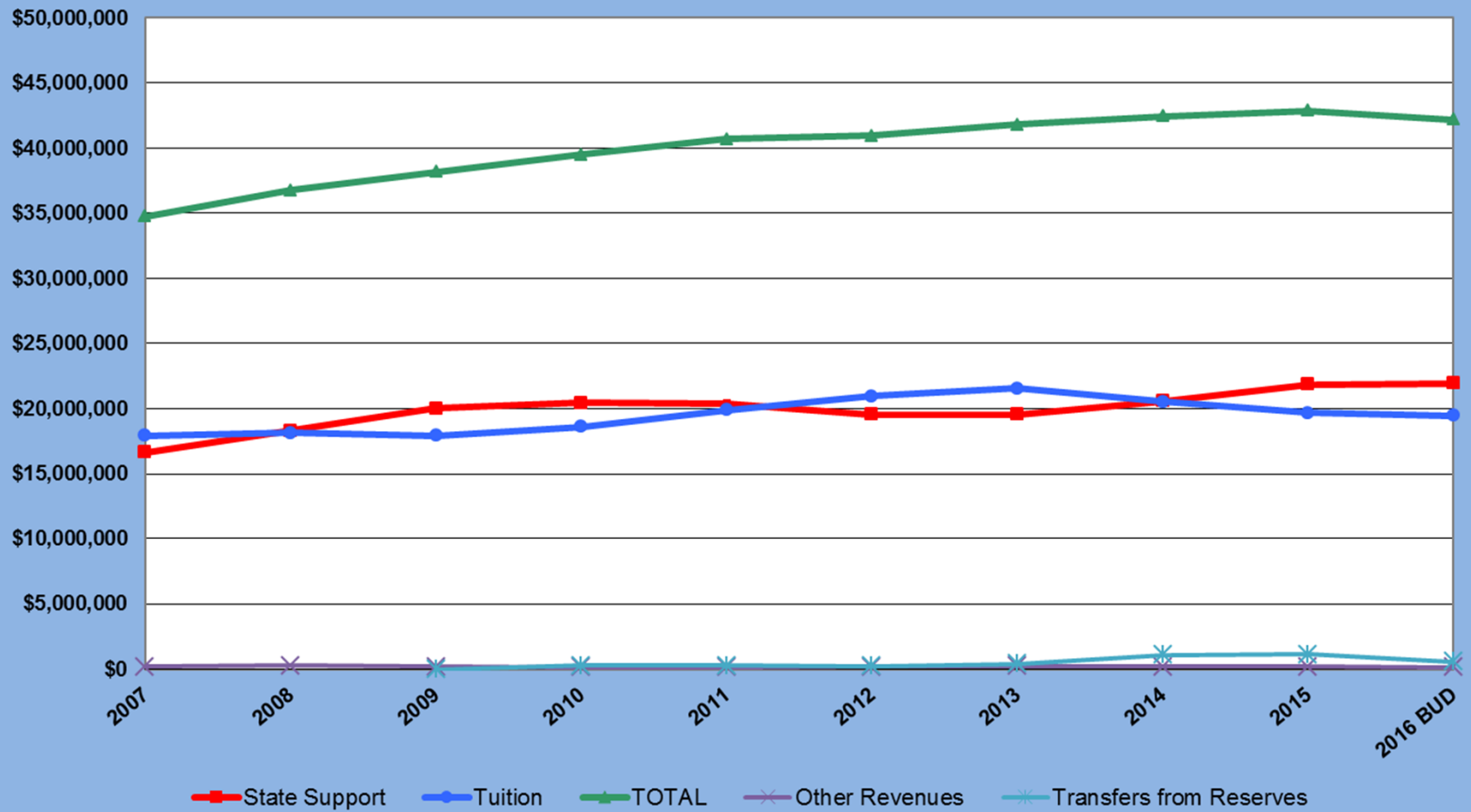
**FY 2015-16 General Operating Budget
Estimated Revenues
Total: \$42.2M**



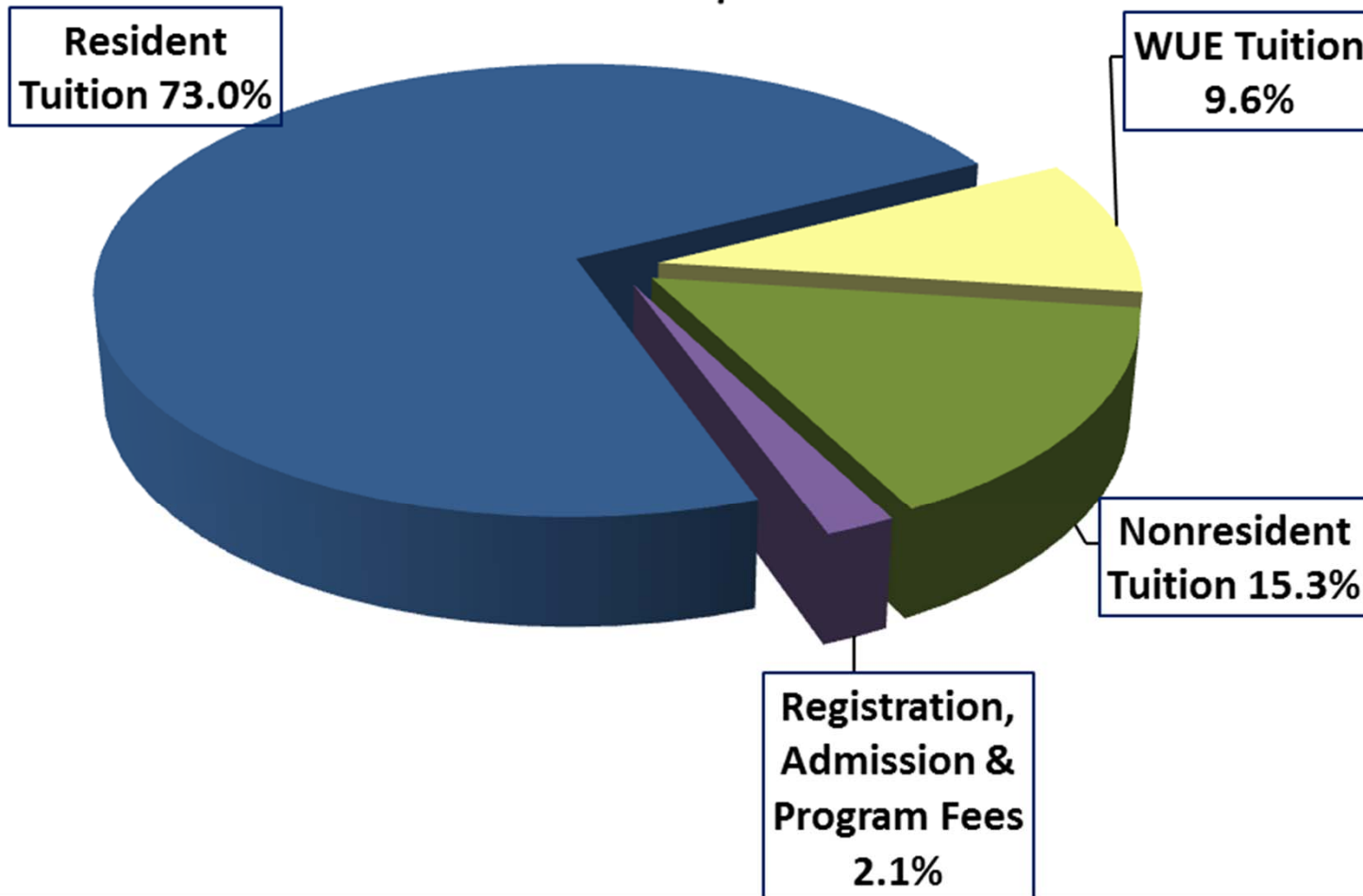
General Operating Fund Revenue Sources as a Percentage of Gross Revenue Fiscal Years 2007 - 2016



**General Operating Fund
Total Revenues
Fiscal Years 2007 - 2016**



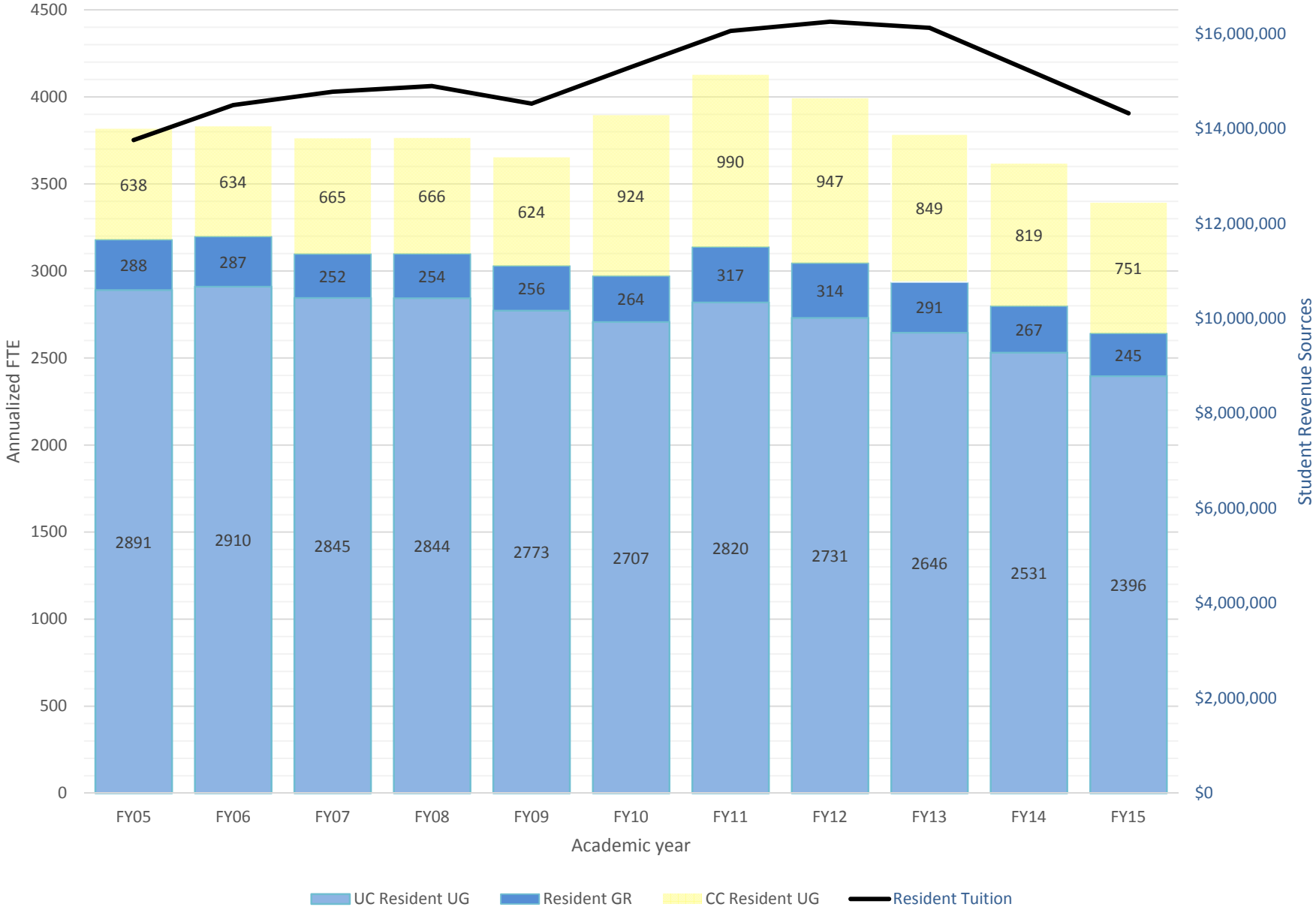
**FY 2015-16 Estimated Tuition Revenues by
Residency Status
General Fund only
Total: \$19.5M**



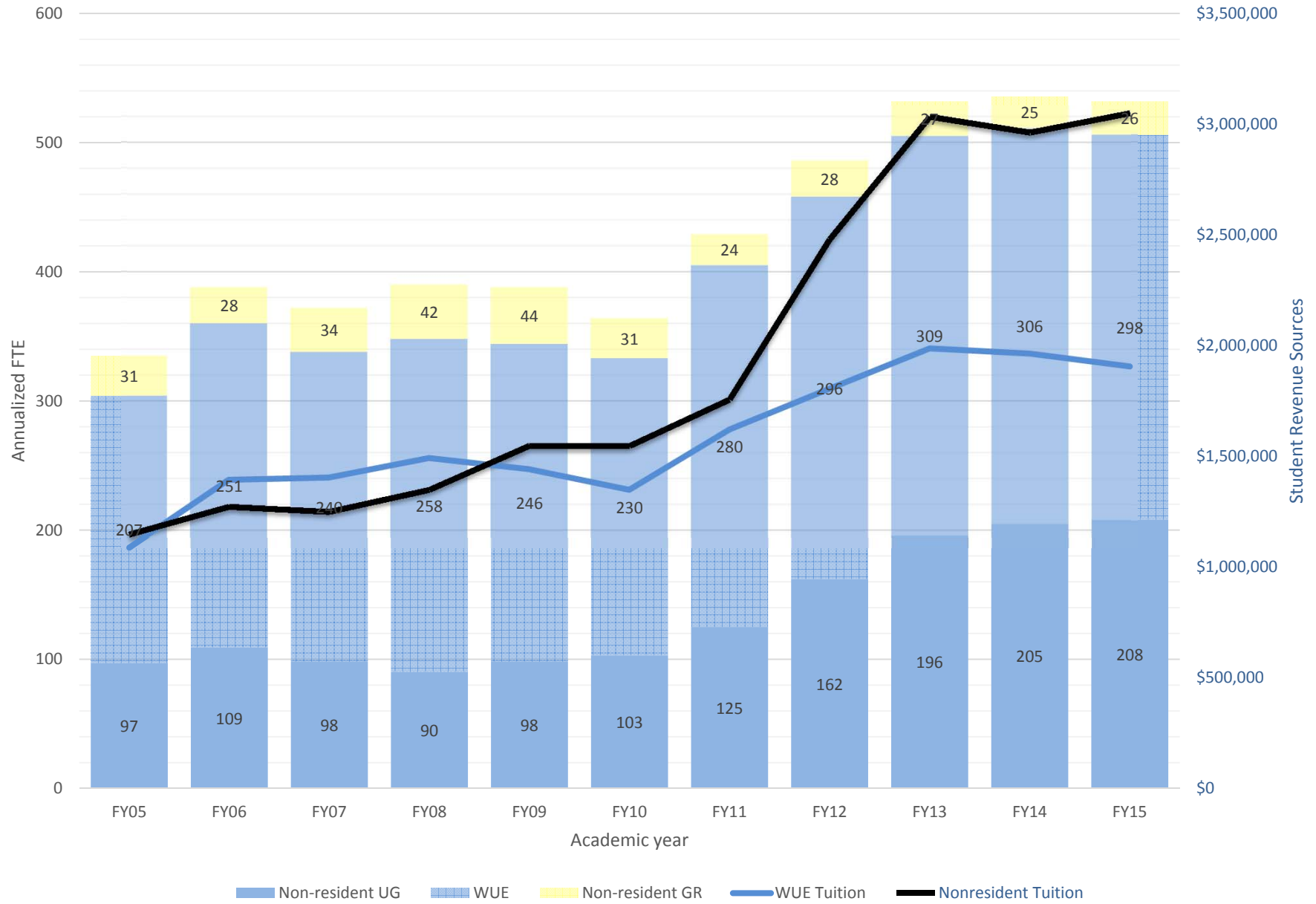
A CLOSER LOOK:

Enrollment

Resident Annualized FTE - Student Revenue



Out-of-State Annualized FTE - Student Revenue



Enrollment Impact on the Budget

- Tuition collections
 - Projected enrollment is used to estimate tuition revenue
 - A surplus/shortfall occurs due to variance between budgeted tuition revenue and actual collections
 - Variance may be attributable to enrollment growth/decline or changes in student credit loads
 - Variance may be attributable to a change in the mix of students
 - Dual Enrollment vs. CC vs. 4 year UG vs. Graduate
 - Resident vs. WUE vs. NR vs. NR online only

Enrollment Impact on the Budget

- Fee collections
 - Used to cover salaries and operating expenses of various activities and services
 - Actual revenue available directly impacted 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
 - MUS allocates state funds to campuses
 - Performance funding
 - One time only appropriations
 - Other Board of Regent initiatives
 - To UM and MSU based on resident student FTE (three year rolling average)

Enrollment Impact on the Budget

- MSU allocates its share of state funds to MSU campuses based on:
 - Historical funding levels (FY 05-09)
 - Enrollment growth/decline during year 1 of previous biennium @ base rate per FTE
 - Enrollment growth/decline during year 2 of previous biennium @ marginal rate per FTE
 - Reallocation of funds to MSU from UM
 - Present law adjustments (costs to continue at same level of service, if funded by State)
 - Pay plan funding

A CLOSER LOOK: GENERAL OPERATING BUDGET BY PROGRAM

***Expenditures are categorized by program
according to the associated function or activity***

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, Extended Campus

Program Descriptions

➤ **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

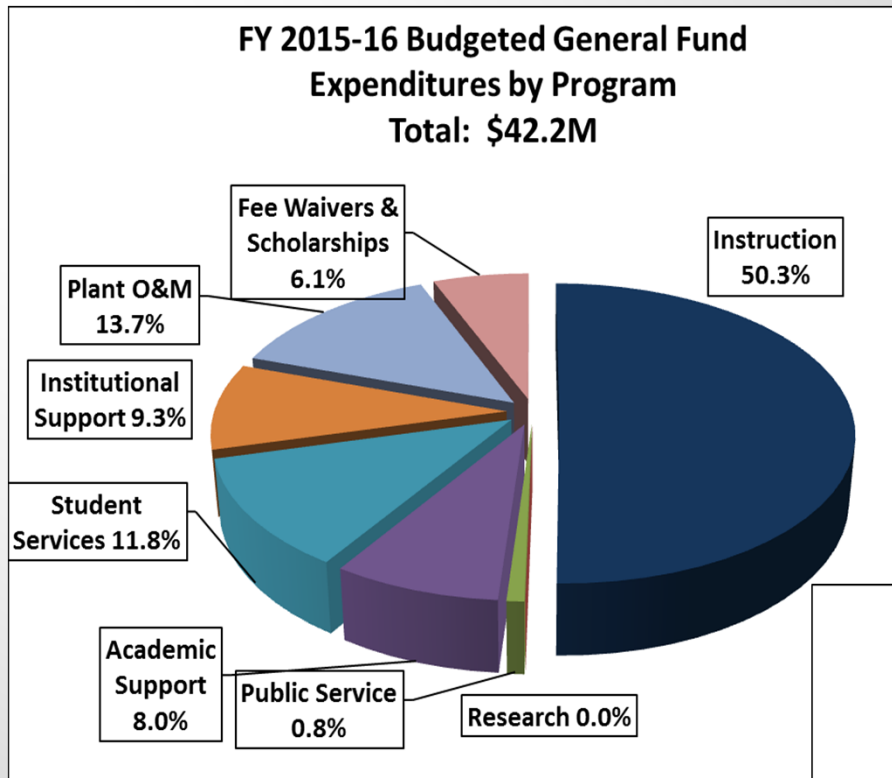
Program Descriptions

➤ **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

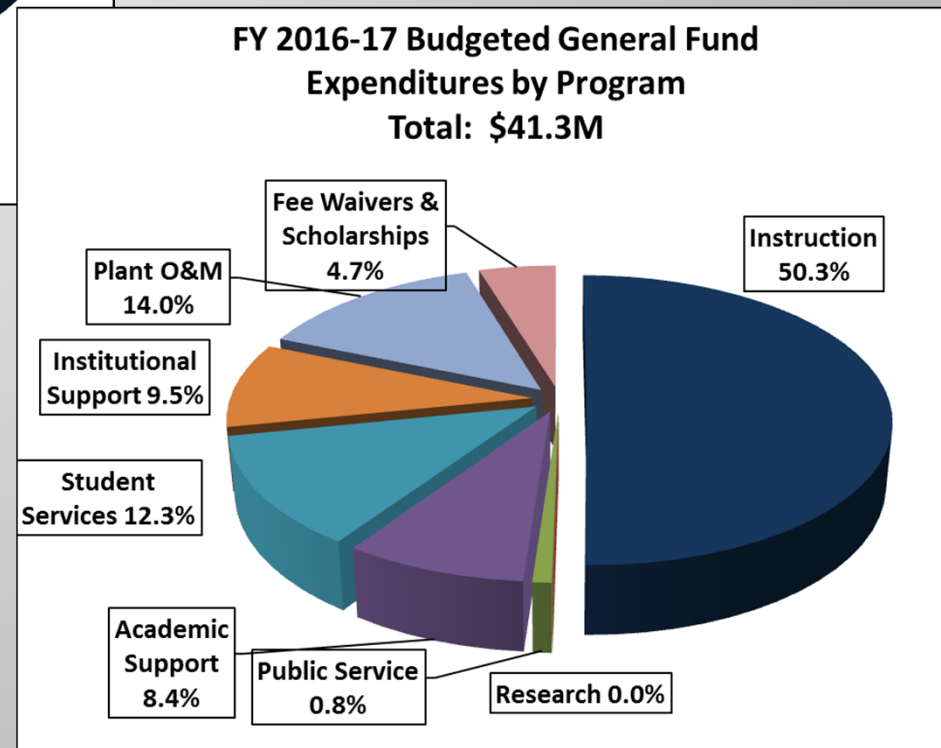


Instruction Program

Goal: Allocation equal to 50%
 FY 2015 actual results 47.5%
 FY 2016 budget 50.3%
 FY 2017 budget 50.3%

Instruction + Academic Support + Student Services

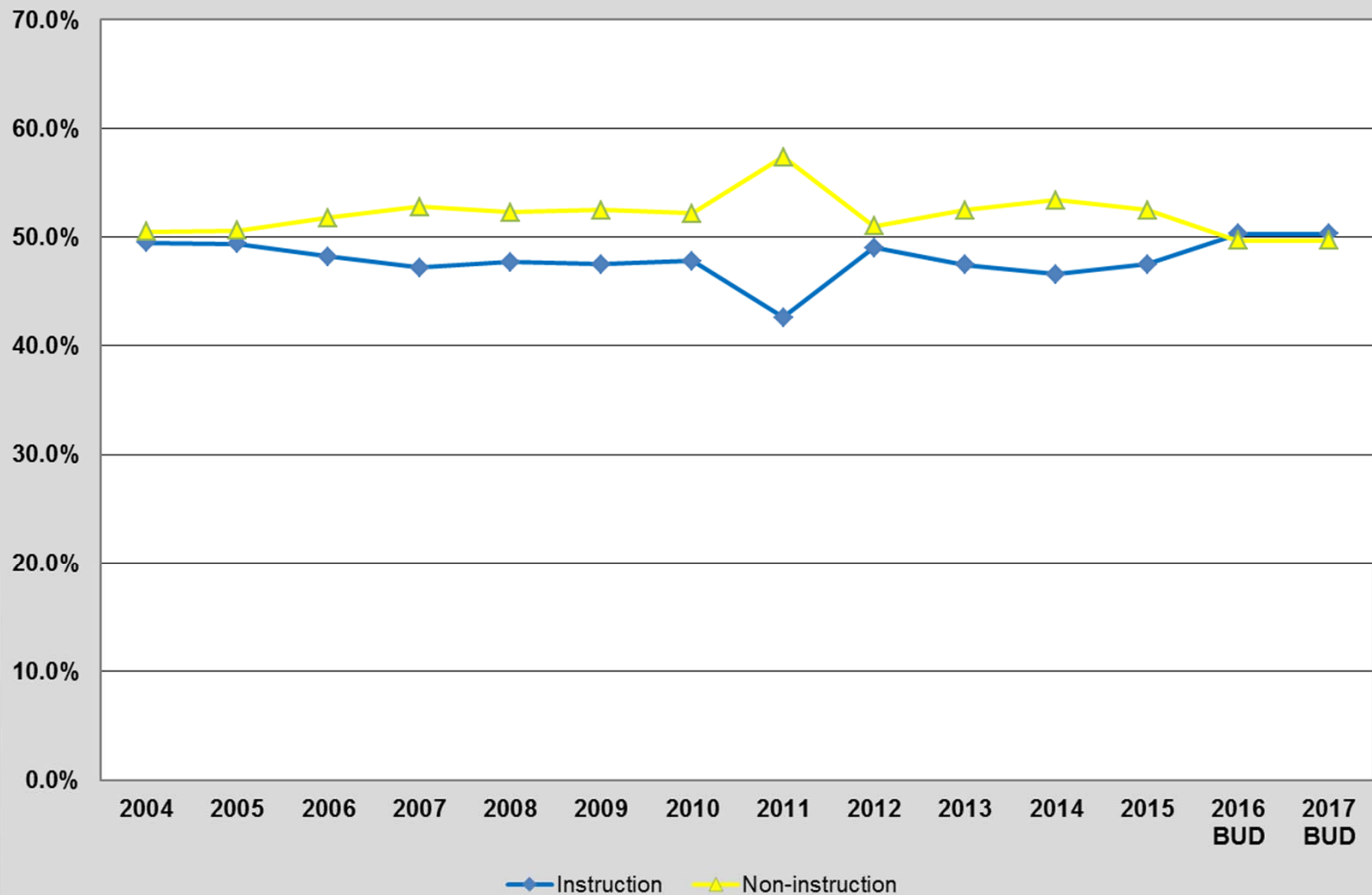
Goal: Allocation equal to 70%
 FY 2015 actual results 69.3%
 FY 2016 budget 70.1%
 FY 2017 budget 71.0%



Reporting Metric: Expenditures by Program

	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Budgeted
Instruction					
\$ Expenditures	\$20,038,490	\$19,867,656	\$19,710,106	\$20,431,299	\$21,239,058
Percent of Total	49.0%	47.5%	46.6%	47.5%	50.3%
Academic Support					
\$ Expenditures	\$3,285,471	\$3,299,355	\$3,667,966	\$3,765,575	\$3,367,017
Percent of Total	8.0%	7.9%	8.7%	8.8%	8.0%
Student Services					
\$ Expenditures	\$5,354,651	\$5,542,333	\$5,592,755	\$5,633,751	\$4,979,105
Percent of Total	13.1%	13.2%	13.2%	13.1%	11.8%
SUBTOTAL \$	28,678,612	28,709,344	28,970,827	29,830,625	29,585,180
SUBTOTAL %	70.1%	68.6%	68.5%	69.3%	70.1%

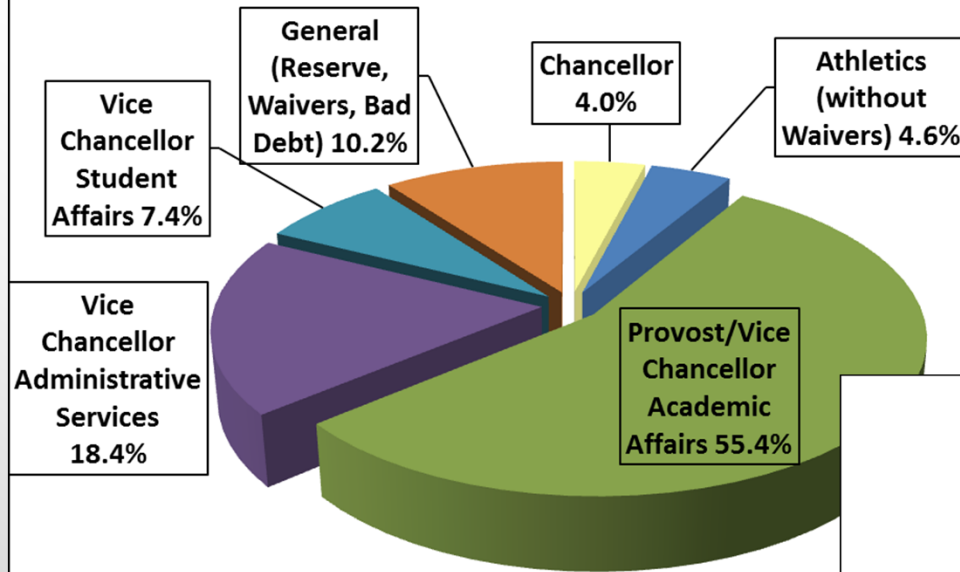
**Montana State University-Billings
Instructional vs. Noninstructional Expenditures
Fiscal Years FY 2004 - FY 2017**



***A CLOSER LOOK:
GENERAL OPERATING BUDGET
BY EXECUTIVE***

***Budget responsibility follows the University's
organizational chart***

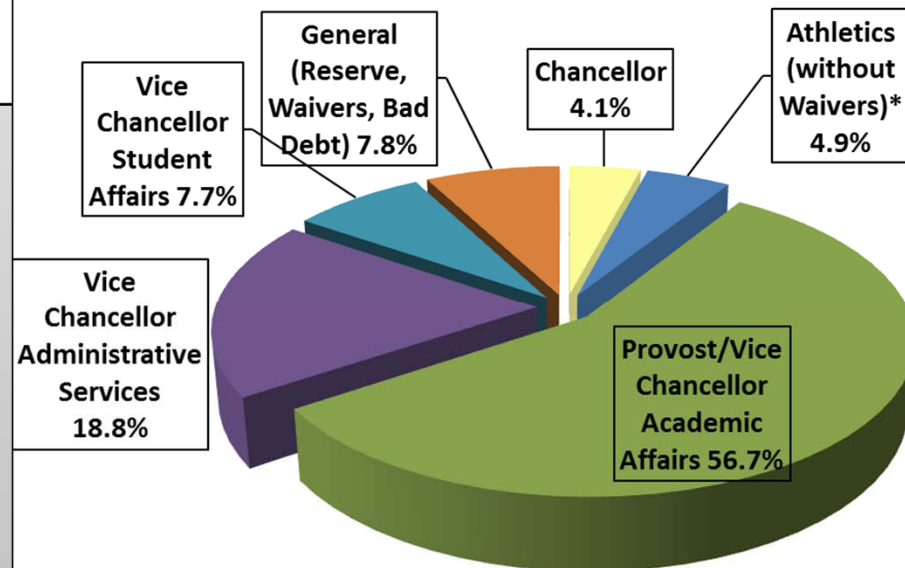
**FY 2015-16 General Fund Budget
by Area of Responsibility
Total: \$42.2M**



Note: The FY 2015-16 general category includes \$400,000 for recruitment/retention scholarships.

Note: The FY 2016-17 general category does not include an amount for recruitment/retention scholarships.

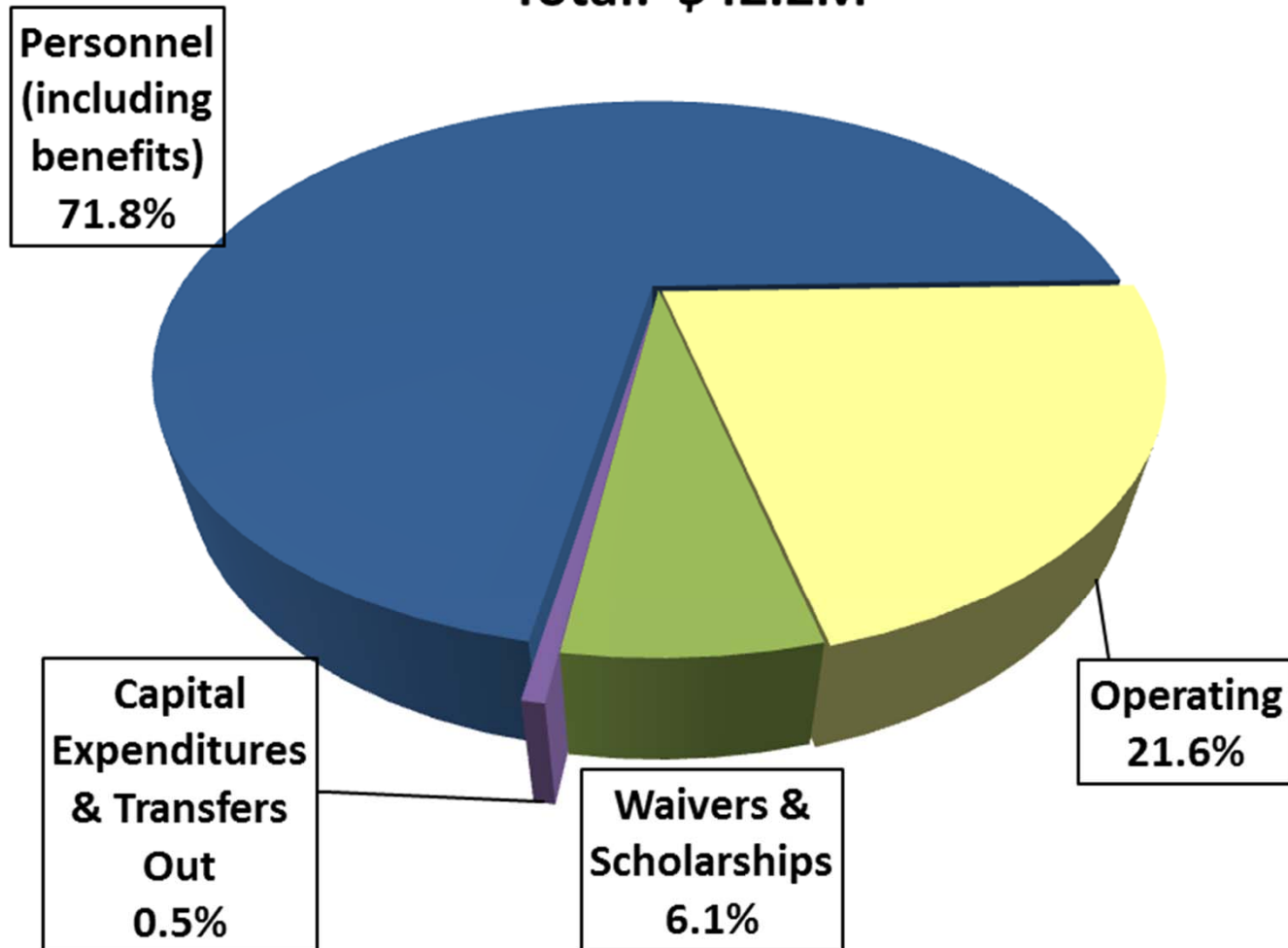
**FY 2016-17 General Fund Budget
by Area of Responsibility
Total: \$41.3M**



A CLOSER LOOK: GENERAL OPERATING BUDGET EXPENDITURE CATEGORIES

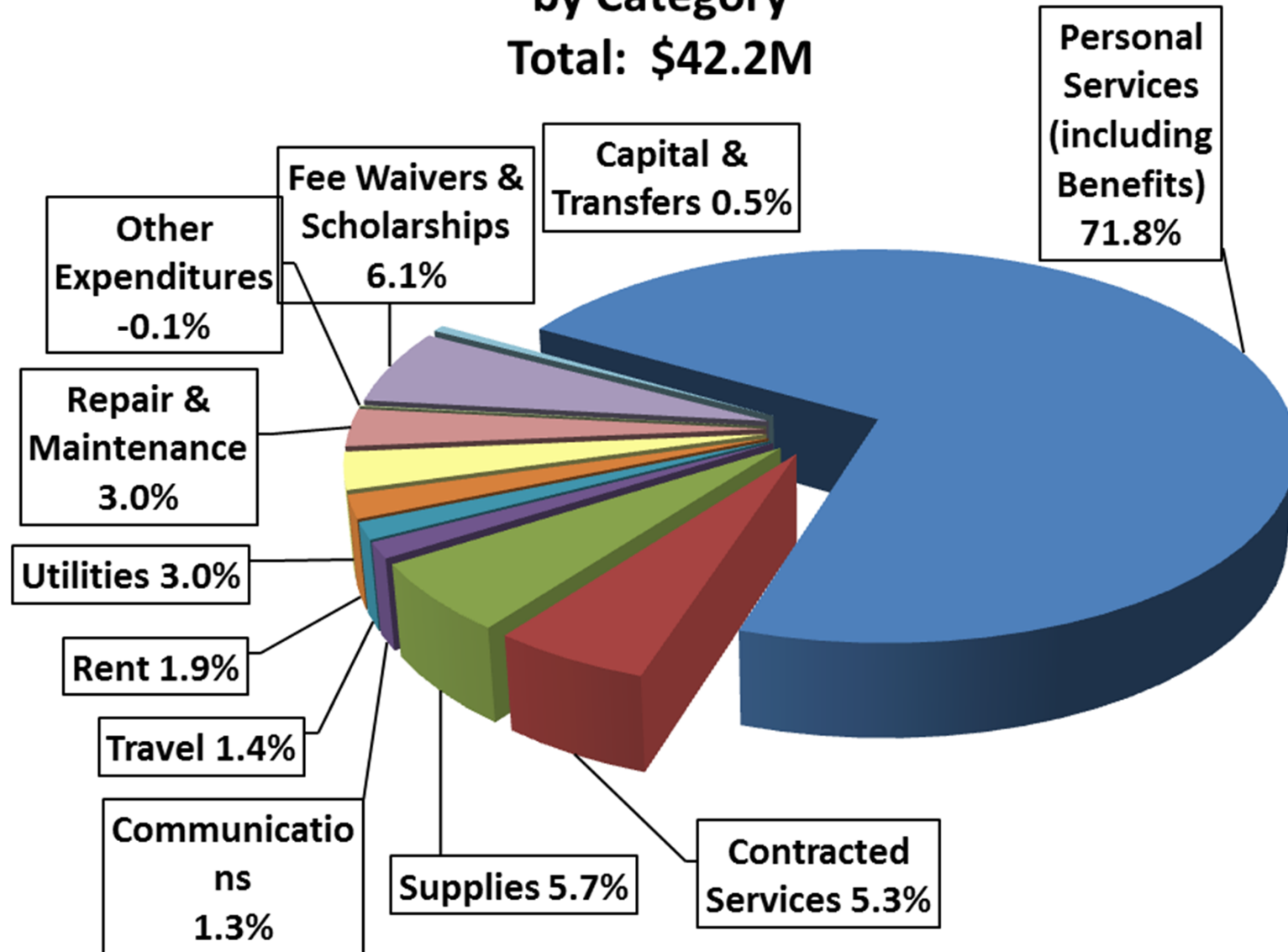
***Expenditures are also categorized by type
through the use of account codes***

**FY 2015-16 General Operating Budget
Budgeted Expenditures
Total: \$42.2M**



FY 2015-16 Budgeted General Fund Expenditures by Category

Total: \$42.2M



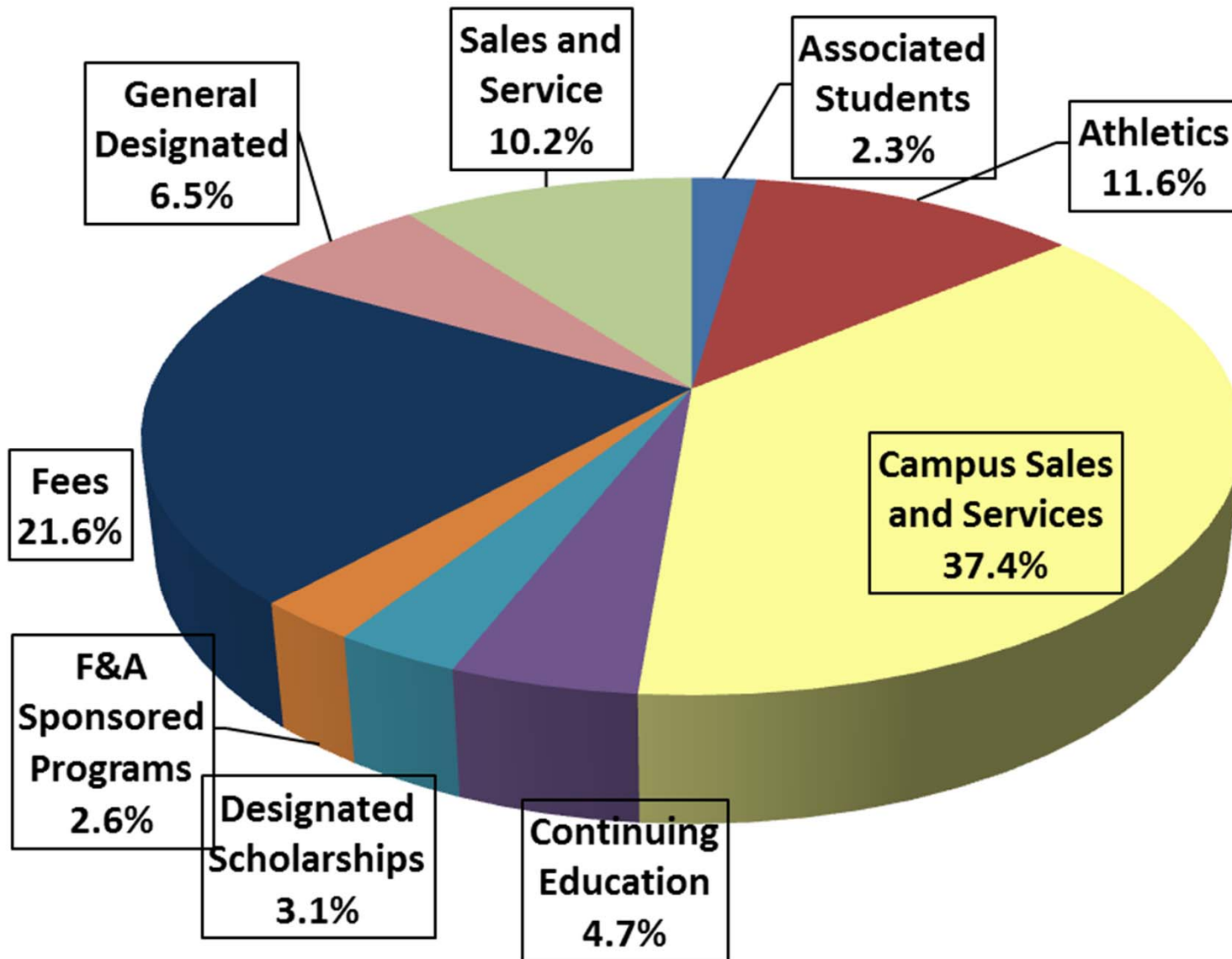
A CLOSER LOOK: OTHER UNIVERSITY FUNDS

***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

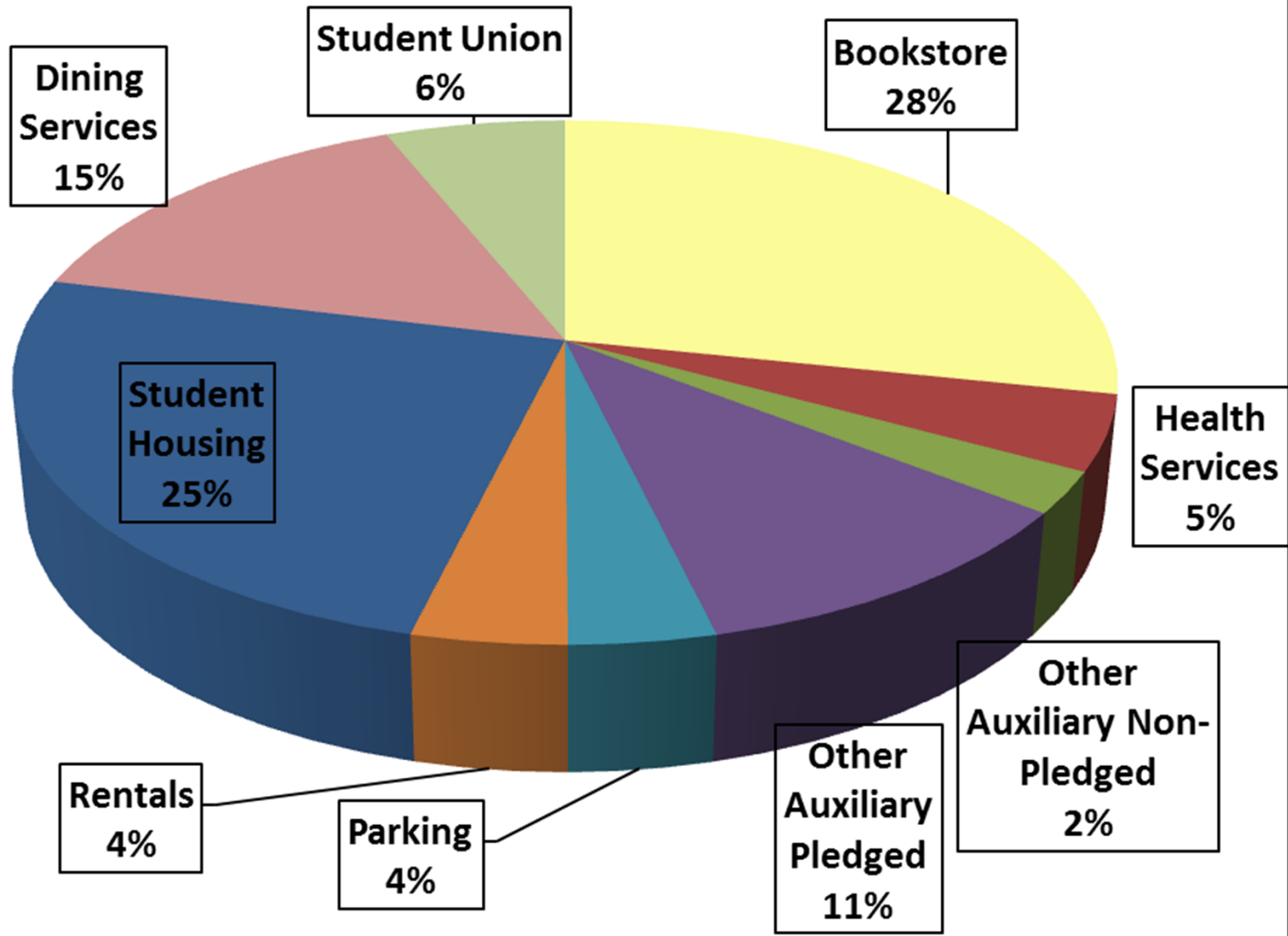
FY 2015-16 Designated Budget by Area Total \$12.7M



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

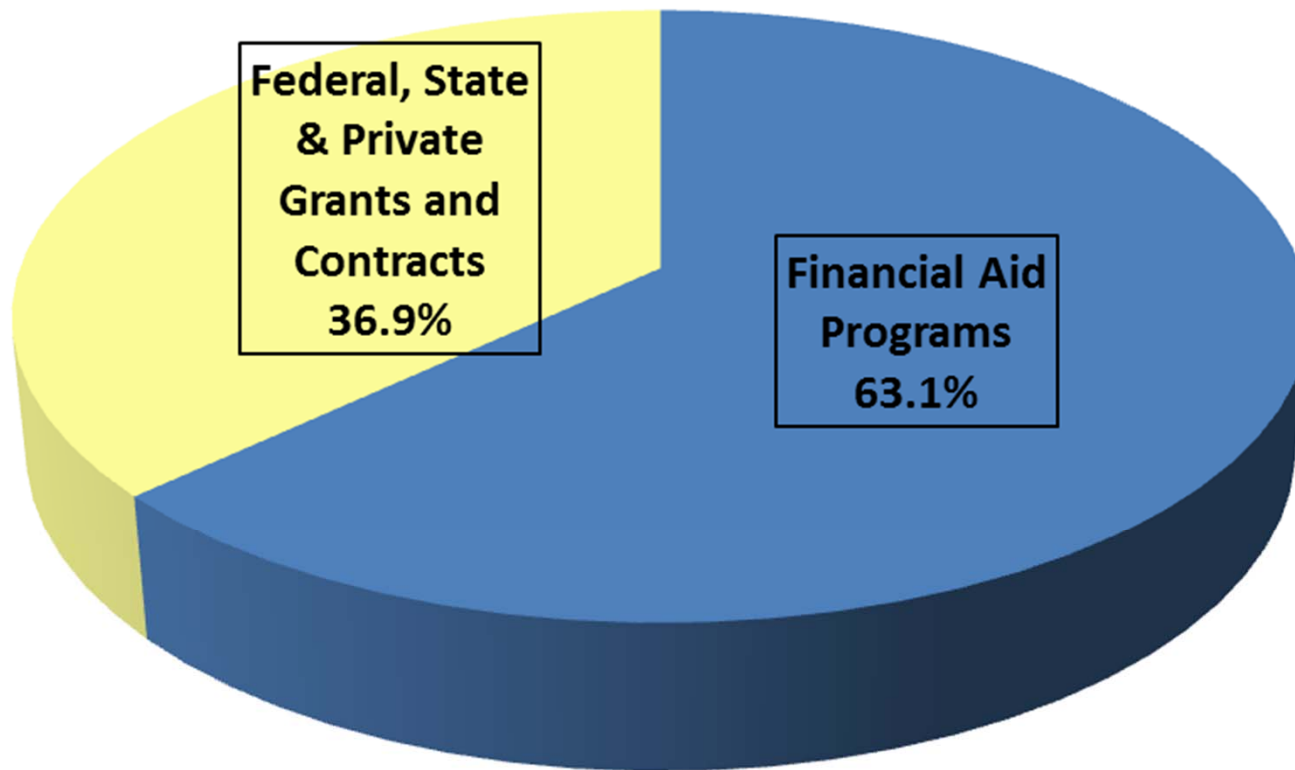
FY 2015-16 Auxiliary Budget by Area Total \$10.8M



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

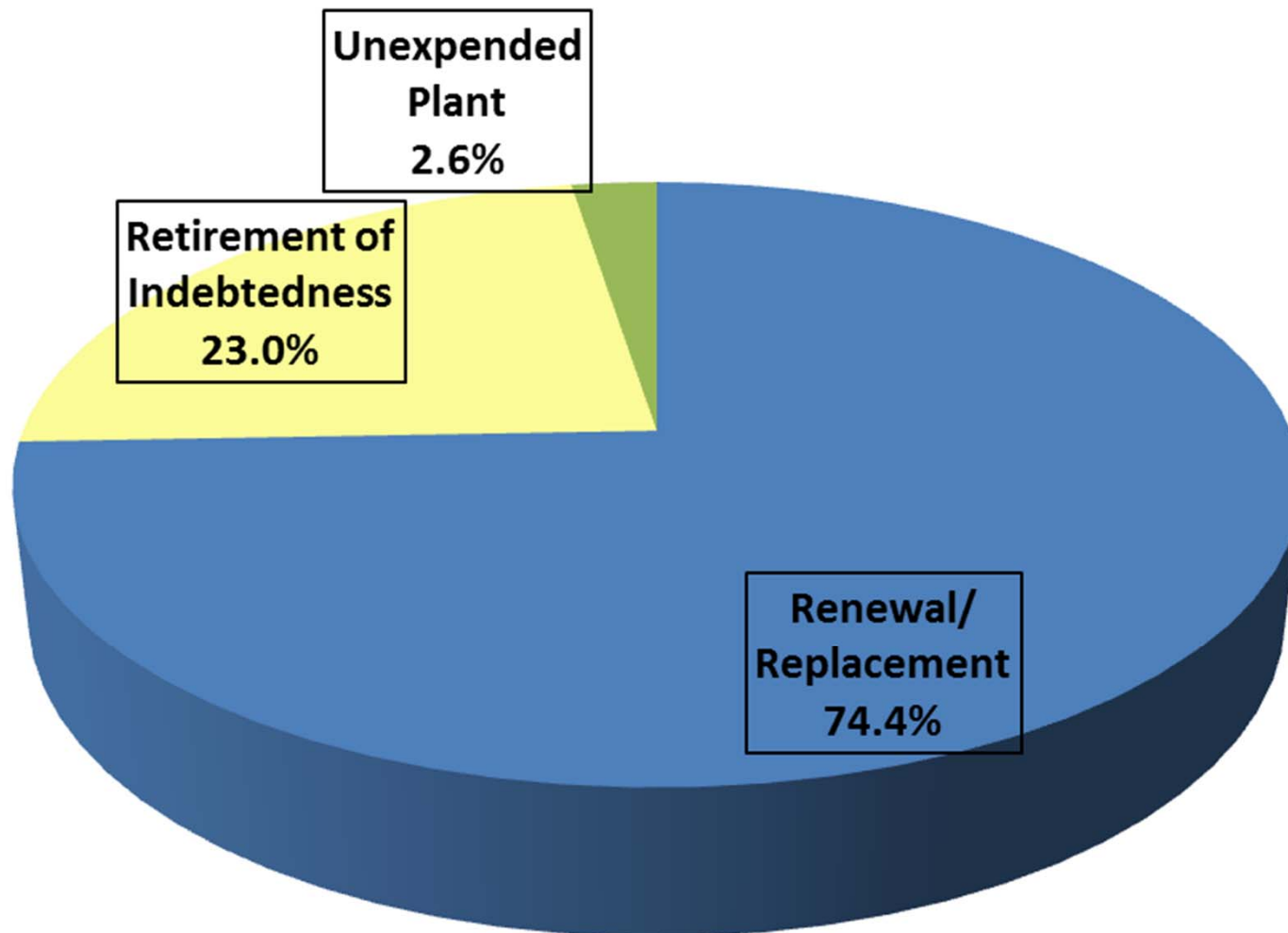
**FY 2015-16 Restricted Budget
Total \$11.2M**



Plant Funds

- Used to record the acquisition or construction of buildings
- Used to record costs associated with the purchase or replacement of campus equipment (computer fee, equipment fee)
- Used to account for debt service payments
- Used to accumulate the historical costs and depreciation of long-lived assets
- Fund Balance carries over from year to year
- Banner index numbers begin with 67, 68, and 69

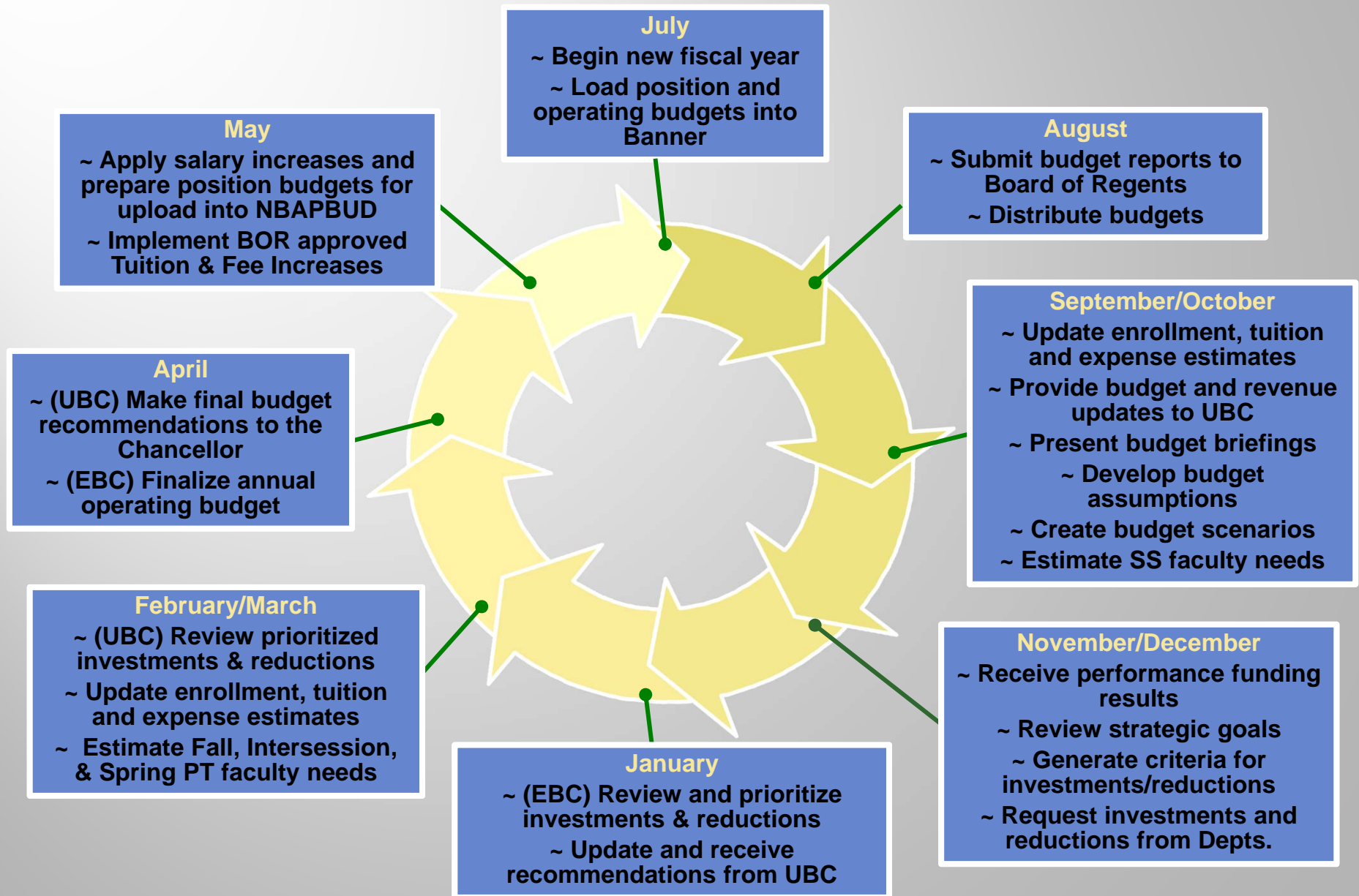
**FY 2015-16 Plant Budget
Total \$5.25M**



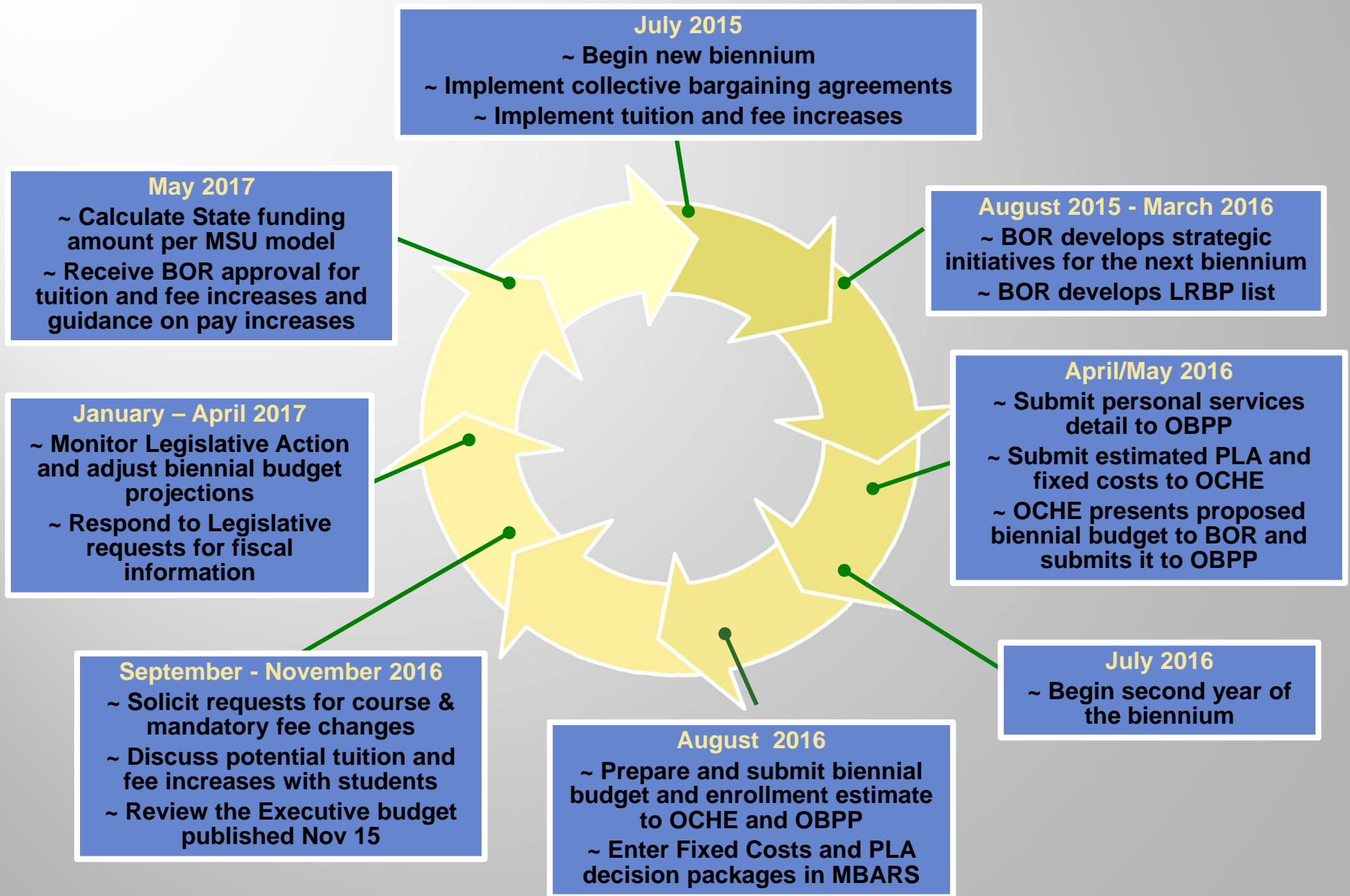
A CLOSER LOOK:

Budget Development

Annual Budget Development Cycle



Biennial Budget Development Cycle



Budget Development: External Factors to Consider

- Executive and Legislative actions
- Student demographics
- Economic conditions
- Montana University System initiatives
- Montana State University initiatives
- MUS/MSU state funding allocations
- Performance based funding
- Authority to increase tuition and fees

Budget Development: Internal Factors to Consider

- Campus strategic plan
- Facilities master plan
- Student recruitment and retention
- Collective bargaining agreements
- Salary and benefit increases
- Fixed and inflationary cost increases
- Achievement of performance metrics

In Review

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

BUDGET RESOURCES

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

QUESTIONS?

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