The Annual Budget

- Aligns resources with University strategic goals and objectives
- Maximizes use of financial, physical and human resources to provide an effective and efficient educational experience for students
- Demonstrates stewardship
- Provides accountability
Budget Focus: Current Unrestricted Fund
FY 2013 Budget: $42,052,087

- Referred to as the general operating budget or the State appropriated budget
- Used to record revenues and expenditures associated with University general operations
- Revenues include State appropriations, tuition, miscellaneous fees, interest and transfers.
- Expenditures are recorded by program in accordance with NACUBO guidelines
- Banner indexes begin with 61
A CLOSER LOOK:
General Operating Budget
Anticipated Revenue
How do we plan on funding our General Operating Budget?

For every $1 of Revenue

$ .52 Tuition & Fees
$ .46 State Appropriation
$ .01 Other Revenue
$ .01 Transfers from Reserves
A CLOSER LOOK:

Student Tuition
FY 2013 Estimated Tuition Revenues by Residency
General Fund only
Total: $21,859,250

- Resident Tuition: 77.4%
- WUE Tuition: 8.7%
- Nonresident Tuition: 11.9%
- Fees: 2.0%
Tuition Revenue by Residency Status
FY 2009 - 2013

<table>
<thead>
<tr>
<th></th>
<th>FY 2009</th>
<th>FY 2010</th>
<th>FY 2011</th>
<th>FY 2012</th>
<th>FY 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident Tuition</td>
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<td>$18,191,077</td>
<td>$19,432,956</td>
<td>$20,535,171</td>
<td>$21,415,304</td>
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</table>
A CLOSER LOOK:

General Operating Budget
Budgeted Expenditures
How do we plan on spending our General Fund Budget?

For every $1.00 spent

$0.71  Personal Services
$0.22  Operating Expenses
$0.06  Scholarships & Waivers
$0.01  Capital & Transfers
FY 2013 Budgeted Expenditures (General Fund)
Total: $42,052,087

- Personnel (including benefits)
  - $29,969,523
  - 71.3%
- Operating
  - $9,360,732
  - 22.3%
- Waivers & Scholarships
  - $2,487,220
  - 5.9%
- Capital Expenditures & Transfers Out
  - $234,612
  - 0.5%
FY 2013 Budgeted General Fund Expenditures by Category
Total: $42,052,087

- Personal Services (including Benefits) $29,969,523 71.3%
- Contracted Services $1,958,345 4.7%
- Supplies $1,900,254 4.5%
- Communications $581,199 1.4%
- Travel $677,872 1.6%
- Rent $1,015,265 2.4%
- Utilities $1,312,546 3.1%
- Repair & Maintenance $1,594,581 3.8%
- Other Expenditures $320,670 0.8%
- Capital & Transfers $234,612 0.5%
- Fee Waivers & Scholarships $2,487,220 5.9%
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 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 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, fiscal operations, human resource management, public relations, and institutional research
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: 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
<table>
<thead>
<tr>
<th></th>
<th>FY09 Actual</th>
<th>FY10 Actual</th>
<th>FY11 Actual</th>
<th>FY12 Actual</th>
<th>FY13 Budgeted</th>
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<td><strong>Academic Support</strong></td>
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<tr>
<td>Percent of Total</td>
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<td>$4,122,507</td>
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<td>13.5%</td>
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<td><strong>Institutional Support</strong></td>
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<td>10.3%</td>
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<tr>
<td><strong>Plant O &amp; M</strong></td>
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<td></td>
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<tr>
<td>$ Expenditures</td>
<td>$5,774,197</td>
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<td>15.4%</td>
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<td><strong>Scholarship and Fellowships</strong></td>
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<td>$ Expenditures</td>
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<td>5.2%</td>
<td>5.4%</td>
<td>5.6%</td>
<td>5.9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ Expenditures</td>
<td>$37,620,595</td>
<td>$39,352,848</td>
<td>$40,040,337</td>
<td>$39,666,105</td>
<td>$42,052,087</td>
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<tr>
<td>Percent of Total</td>
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<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
A CLOSER LOOK:
OTHER UNIVERSITY FUNDS
Designated Fund
FY 2013 Budget: $11,125,644

- Financial activity associated with general operations
- Includes internal service centers which accumulate costs to recharge to other funds (IT, copy center, print shop, phones, maintenance, etc.)
- Includes self support or specialized activities which collect a fee (resale, course fee, continuing education)
- Fund Balances carry over from year to year
- Banner indexes begin with 63
Auxiliary Fund
FY 2013 Budget: $10,891,600

- Funds dedicated to on-campus services 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 used generally pledged for repayment of revenue bonds
- Fund Balances carry over from year to year
- Banner indexes begin with 64
Restricted Fund
FY 2013 Budget: $13,347,700

- Funds received and restricted for purposes specified by external sources
- Federal, State, and private grants and contracts (examples: Upward Bound, SOS, COT 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 workstudy)
- Banner indexes begin with 62
Plant Funds
FY 2013 Budget: $6,614,800

- Used for the acquisition of long term assets (construction)
- Record costs associated with the renewal or replacement of campus properties (Computer fee, equipment fee)
- Account for debt service payments (loans and bonds)
- Accumulate the historical costs and depreciation of long-lived assets
- Fund Balance carries over from year to year
- Banner indexes begin with 67, 68, and 69
Loan Fund
FY 2013 Budget: $85,500

- Perkins, LEAPS Loans
- Banner indexes begin with 65
## All Funds FY2013 Budget

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>Current Unrestricted General Operating</td>
<td>$42,052,087</td>
<td>50.0%</td>
</tr>
<tr>
<td>Designated</td>
<td>$11,125,644</td>
<td>13.2%</td>
</tr>
<tr>
<td>Auxiliary</td>
<td>$10,891,600</td>
<td>12.9%</td>
</tr>
<tr>
<td>Restricted</td>
<td>$13,347,700</td>
<td>15.9%</td>
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<tr>
<td>Plant</td>
<td>$6,614,800</td>
<td>7.9%</td>
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<td>Loan</td>
<td>$85,500</td>
<td>0.1%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$84,117,331</strong></td>
<td><strong>100.0%</strong></td>
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</tbody>
</table>
All Funds FY2013 Budget

FY 2013 Budgeted Expenditures (All Funds)
Total: $84,117,331

- Current Unrestricted General Operating 50.0%
- Restricted 15.9%
- Auxiliary 12.9%
- Designated 13.2%
- Plant 7.9%
- Loan 0.1%
A CLOSER LOOK:

Enrollment
### Reporting Metric - Enrollment

<table>
<thead>
<tr>
<th></th>
<th>FY09 Actual</th>
<th>FY10 Actual</th>
<th>FY11 Actual</th>
<th>FY12 Actual</th>
<th>FY13 Budgeted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident</td>
<td>3,653</td>
<td>3,895</td>
<td>4,127</td>
<td>3,992</td>
<td>3,992</td>
</tr>
<tr>
<td>Non-resident</td>
<td>142</td>
<td>134</td>
<td>149</td>
<td>190</td>
<td>190</td>
</tr>
<tr>
<td>WUE</td>
<td>246</td>
<td>230</td>
<td>280</td>
<td>296</td>
<td>296</td>
</tr>
<tr>
<td>Total</td>
<td>4,041</td>
<td>4,259</td>
<td>4,556</td>
<td>4,478</td>
<td>4,478</td>
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<tr>
<td>Undergraduate</td>
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<td>2,991</td>
<td>3,162</td>
<td>3,121</td>
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<tr>
<td>COT</td>
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<td>973</td>
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<td>1,015</td>
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<td>Graduate</td>
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<td>295</td>
<td>341</td>
<td>342</td>
<td>342</td>
</tr>
<tr>
<td>Total</td>
<td>4,041</td>
<td>4,259</td>
<td>4,556</td>
<td>4,478</td>
<td>4,478</td>
</tr>
</tbody>
</table>
Montana State University-Billings
Enrollment by Residency, FY05 - FY13

<table>
<thead>
<tr>
<th>Year</th>
<th>Resident</th>
<th>WUE</th>
<th>Non-resident</th>
<th>Total</th>
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<td>3,816</td>
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<td>128</td>
<td>4,151</td>
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<tr>
<td>FY06</td>
<td>3,831</td>
<td>251</td>
<td>137</td>
<td>4,219</td>
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<tr>
<td>FY07</td>
<td>3,761</td>
<td>240</td>
<td>132</td>
<td>4,133</td>
</tr>
<tr>
<td>FY08</td>
<td>3,764</td>
<td>258</td>
<td>132</td>
<td>4,154</td>
</tr>
<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>149</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 Budgeted</td>
<td>3,992</td>
<td>296</td>
<td>190</td>
<td>4,478</td>
</tr>
</tbody>
</table>

ANNUALIZED FTE

FY05 - FY13 Enrollment trends for Montana State University-Billings by residency status. The graph shows a steady increase in total enrollment from FY05 to FY13, with a slight decline in the number of resident students.
A CLOSER LOOK:

Budget Development
## Biennial Budget Development Cycle

### January – April (Odd FY)
- Monitor Legislative Action and adjust biennial budget projections
- Respond to Legislative requests for fiscal information

### May (Odd FY)
- Receive State allocation amount including pay plan
- Receive BOR approval for tuition and fee increases and guidance on pay increases

### August - March (Even FY)
- BOR develops strategic initiatives for the next biennium

### April/May (Even FY)
- Submit personal services detail to OBPP
- Submit estimated PLA and fixed costs to OCHE
- OCHE presents proposed biennial budget to BOR and submits it to OBPP

### May (Odd FY)
- Receive State allocation amount including pay plan
- Receive BOR approval for tuition and fee increases and guidance on pay increases

### July (Even FY)
- Begin new biennium
- Implement collective bargaining agreements
- Implement tuition and fee increases

### August (Odd FY)
- Prepare and submit biennial budget and enrollment estimate to OCHE
- Enter Fixed Costs and PLA decision packages in MBARS

### July (Odd FY)
- Begin second year of the biennium

### September - November (Odd FY)
- Solicit requests for course & mandatory fee changes
- Discuss potential tuition and fee increases with students
- Review the Executive budget published Nov 15
November/December
~ Review strategic goals
~ Generate criteria for new investments
~ Request investments and reallocations from Depts.

May
~ Apply salary increases and prepare position budgets for upload into NBAPBUD
~ Implement BOR approved Tuition & Fee Increases

April
~ (UBC) Make final recommendations to the Chancellor
~ (EBC) Finalize annual operating budget

February/March
~ (UBC) Review prioritized investments & reallocations
~ Update enrollment, tuition and expense estimates
~ Estimate Fall, Intersession, & Spring PT faculty needs

July
~ Begin new fiscal year
~ Load position and operating budgets into Banner

August
~ Submit budget reports to Board of Regents
~ Distribute approved budgets

September/October
~ Update enrollment, tuition and expense estimates
~ Develop budget assumptions
~ Create budget scenarios
~ Estimate SS faculty needs

November/December
~ Review strategic goals
~ Generate criteria for new investments
~ Request investments and reallocations from Depts.

January
~ (EBC) Review and prioritize investments & reallocations
FY14 Budget Development

- UBC Process and Organization
- Budget Request Form (DRAFT)
FY14 Budget Development

Many Factors to Consider

- **Strategic Initiatives – FutureU**
- **Student Enrollment**
- **Collective Bargaining Agreements**
- **Possible Loss of OTO State Funds - $590K**
- **Possible UM/MSU Reallocation - $450K**
- **Governor’s proposed CAP plan**
- **Unknown MSU State Allocation Methodology**
- **BOR 2.5% Revenue Reserve for Initiatives**
- **Legislative Actions**
- **Performance Based Funding**
- **Other?**
Initial Budget Scenario

- Initial Budget Scenario
- Initial Budget Scenario with CAP
# The Difference of 1

## 1 Student FTE (Tuition only)

<table>
<thead>
<tr>
<th></th>
<th>Resident</th>
<th>City College Resident</th>
<th>WUE</th>
<th>Nonresident</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
<tr>
<td>4,457</td>
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<td>2,532</td>
<td>6,655</td>
<td>10,958</td>
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## 1% Tuition Increase

<table>
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<tr>
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<tbody>
<tr>
<td>FY14 Tuition Increase</td>
<td>210,131</td>
<td>210,131</td>
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<tr>
<td>FY15 Tuition Increase</td>
<td>212,232</td>
<td>212,232</td>
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<tr>
<td>Less Waiver Increase</td>
<td>(21,013)</td>
<td>(42,236)</td>
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<tr>
<td>Net Tuition</td>
<td>189,118</td>
<td>380,127</td>
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</table>

## 1% Nonresident Tuition Increase

<table>
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<tbody>
<tr>
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<td>29,895</td>
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<tr>
<td>Less Waiver Increase</td>
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<tr>
<td>Net Tuition</td>
<td>29,599</td>
<td>59,494</td>
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</table>

## 1% Salary Increase

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</thead>
<tbody>
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<td>FY14 Salary Increase</td>
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<td>222,461</td>
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<td>FY15 Salary Increase</td>
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QUESTIONS?

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