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
- Maximizes use of financial, physical and human resources
The Annual Budget

- Provides a communication tool
- Sets a balanced fiscal plan
- Delivers an accountability tool
- Allows limited flexibility to respond to new opportunities or revenue shortfalls
A CLOSER LOOK:

Budget Development
**Biennial Budget Development Cycle**

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

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

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

**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

**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

**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
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

January
~ (EBC) Review and prioritize investments & reallocations

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.

MONTANA STATE UNIVERSITY BILLINGS
FY14 Budget Development

Many Factors Considered

- Strategic initiatives – Future
- Student enrollment trends
- Collective bargaining agreements
- Loss of OTO state funds - $590K
- Legislative actions
- Possible UM/MSU reallocation - $450K
- Governor’s proposed CAP plan
- Unknown MSU state allocation methodology
- Possible BOR 2.5% holdback for Initiatives
- Potential performance based funding
- Other?
Participatory Budget Development Process

- University Budget Director
  - Collaborates with OCHE and MSU to develop assumptions and projections
  - Builds and presents budget scenarios
  - Facilitates budget development process
  - Implements budget decisions
  - Monitors and reports budget status
Executive Budget Council

- Reviews and adjusts budget assumptions and projections
- Develops process to align resources with strategic initiatives
- Engages campus members in budget process
- Receives, and reviews budget requests
- Convenes UBC and frames action items
- Reviews UBC recommendations and feedback
- Recommends budget actions to the Chancellor
Participatory Budget Development Process

- **University Budget Committee**
  - Receives periodic budget status updates
  - Responds to EBC requested action items
  - Communicates with representative groups
  - Reviews budget requests
  - Recommends budget actions to the Chancellor

- **Chancellor**
  - Receives recommendations and comments from EBC and UBC
  - Makes final decisions
Actual Impact to the Budget (Revenue)

- Overall decrease in tuition ($12K)
  - 0% tuition increase - residents and WUE students
  - 3% tuition increase - nonresidents
  - Extension of tuition flat spot to all credits > 12
- Overall increase in state funding $736K or 3.8%
  - State funding for inflationary and fixed costs
  - State funding for pay plan costs (partial)
  - Loss of OTO state funding $548K
  - Loss of state funding due to enrollment decline $154K
  - Performance based funding in year 2 of the biennium
- Use of Designated reserves $351K
Actual Impact to the Budget (Expenditures)

- Fixed cost increases $1,642K
  - Pay plan and health insurance
  - Inflationary and state pass-through costs
- New investments $582K
- Temporary investments $351K
- Budget reallocations and reductions $1.5M
A CLOSER LOOK:

General Operating Budget

Anticipated Revenue
Budget Focus: General Operating Budget
FY 2014 Budget: $42,586,741

- 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, interest 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 indexes begin with 61
How do we plan on funding our FY14 General Operating Budget?

For every $1 of Revenue

$ 0.51   Tuition & Fees
$ 0.47   State Appropriation
$ 0.01   Other Revenue
$ 0.01   Transfers from Reserves
FY 2014 General Operating Budget
Estimated Revenues
Total: $42,586,541

- Student Tuition & Fees 50.6%
- Transfers In from Reserves 1.3%
- Other Revenue 0.4%
- State Support: General Fund & Millage 47.7%
A CLOSER LOOK:

State Appropriations
General Operating Fund
Revenue Sources as a Percentage of Gross Revenue
Fiscal Years 2001 - 2014
General Operating Fund
History of State Support and Tuition Revenue
Fiscal Years 1992 - 2014

State Support - Red
Tuition - Blue
A CLOSER LOOK:

Student Tuition
FY 2014 Estimated Tuition Revenues by Residency
General Fund only
Total: $21,556,582

- Resident Tuition 74.4%
- WUE Tuition 9.2%
- Nonresident Tuition 14.4%
- General Fund Student Fees 2.0%
### Tuition Revenue by Residency Status
#### FY 2010 - 2014

<table>
<thead>
<tr>
<th></th>
<th>FY 2010</th>
<th>FY 2011</th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>FY 2014 BUD</th>
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</thead>
<tbody>
<tr>
<td>Resident Tuition</td>
<td>$15,294,830</td>
<td>$16,054,783</td>
<td>$16,249,114</td>
<td>$16,119,932</td>
<td>$16,043,482</td>
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<tr>
<td>WUE Tuition</td>
<td>$1,348,803</td>
<td>$1,620,788</td>
<td>$1,805,126</td>
<td>$1,987,158</td>
<td>$1,987,159</td>
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<td>Nonresident Tuition</td>
<td>$1,547,444</td>
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<td>$2,480,931</td>
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<td>Total</td>
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<td>$19,432,956</td>
<td>$20,535,171</td>
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<td>$21,129,221</td>
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</table>
A CLOSER LOOK:

Enrollment
### Reporting Metric - Enrollment

<table>
<thead>
<tr>
<th></th>
<th>FY10 Actual</th>
<th>FY11 Actual</th>
<th>FY12 Actual</th>
<th>FY13 Actual</th>
<th>FY14 Budgeted</th>
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</thead>
<tbody>
<tr>
<td>Resident</td>
<td>3,895</td>
<td>4,127</td>
<td>3,992</td>
<td>3,786</td>
<td>3,786</td>
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<tr>
<td>Non-resident</td>
<td>134</td>
<td>149</td>
<td>190</td>
<td>223</td>
<td>223</td>
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<tr>
<td>WUE</td>
<td>230</td>
<td>280</td>
<td>296</td>
<td>310</td>
<td>310</td>
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<tr>
<td>Total</td>
<td><strong>4,259</strong></td>
<td><strong>4,556</strong></td>
<td><strong>4,478</strong></td>
<td><strong>4,319</strong></td>
<td><strong>4,319</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY10 Actual</th>
<th>FY11 Actual</th>
<th>FY12 Actual</th>
<th>FY13 Actual</th>
<th>FY14 Budgeted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate</td>
<td>2,991</td>
<td>3,162</td>
<td>3,121</td>
<td>3,078</td>
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<td>City College</td>
<td>973</td>
<td>1,053</td>
<td>1,015</td>
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<tr>
<td>Graduate</td>
<td>295</td>
<td>341</td>
<td>342</td>
<td>318</td>
<td>318</td>
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<tr>
<td>Total</td>
<td><strong>4,259</strong></td>
<td><strong>4,556</strong></td>
<td><strong>4,478</strong></td>
<td><strong>4,319</strong></td>
<td><strong>4,319</strong></td>
</tr>
</tbody>
</table>

### Reporting Metric - Expenditures per Student

<table>
<thead>
<tr>
<th>Expenditures per FTE</th>
<th>FY10 Actual</th>
<th>FY11 Actual</th>
<th>FY12 Actual</th>
<th>FY13 Actual</th>
<th>FY14 Budgeted</th>
<th>Expenditures per FTE Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY10 Actual</td>
<td>$9,240</td>
<td>$8,788</td>
<td>$8,858</td>
<td>$9,610</td>
<td>$9,860</td>
<td>1.6%</td>
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</table>
A CLOSER LOOK:

General Operating Budget
Budgeted Expenditures
For every $1.00 spent

$0.73  Personal Services
$0.20  Operating Expenses
$0.06  Scholarships & Waivers
$0.01  Capital & Transfers
FY 2014 General Operating Budget
Budgeted Expenditures
Total: $42,586,541

- Personnel (including benefits) 73.2%
- Operating 20.4%
- Waivers & Scholarships 5.8%
- Capital Expenditures & Transfers Out 0.6%
FY 2014 Budgeted General Fund Expenditures by Program
Total: $42,586,541

- Instruction 48.3%
- Student Services 12.4%
- Academic Support 8.3%
- Public Service 0.9%
- Research 0.3%
- Institutional Support 10.1%
- Plant O&M 13.9%
- Fee Waivers & Scholarships 5.8%
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>Program</th>
<th>FY10 Actual</th>
<th>FY11 Actual</th>
<th>FY12 Actual</th>
<th>FY13 Actual</th>
<th>FY14 Budgeted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Instruction</strong></td>
<td>$18,825,382</td>
<td>$16,679,483</td>
<td>$18,820,927</td>
<td>$19,519,716</td>
<td>$20,563,458</td>
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<tr>
<td>$ Expenditures</td>
<td>47.8%</td>
<td>41.7%</td>
<td>47.4%</td>
<td>47.0%</td>
<td>48.3%</td>
</tr>
<tr>
<td><strong>Research</strong></td>
<td>$158,666</td>
<td>$126,880</td>
<td>$125,348</td>
<td>$166,821</td>
<td>$138,732</td>
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<td>$ Expenditures</td>
<td>0.4%</td>
<td>0.3%</td>
<td>0.3%</td>
<td>0.4%</td>
<td>0.3%</td>
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<tr>
<td><strong>Public Service</strong></td>
<td>$431,558</td>
<td>$397,326</td>
<td>$408,678</td>
<td>$372,622</td>
<td>$370,367</td>
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<td>$ Expenditures</td>
<td>1.1%</td>
<td>1.0%</td>
<td>1.0%</td>
<td>0.9%</td>
<td>0.9%</td>
</tr>
<tr>
<td>$ Expenditures</td>
<td>8.9%</td>
<td>8.6%</td>
<td>8.3%</td>
<td>7.9%</td>
<td>8.3%</td>
</tr>
<tr>
<td><strong>Student Services</strong></td>
<td>$4,609,127</td>
<td>$5,070,286</td>
<td>$5,354,651</td>
<td>$5,542,333</td>
<td>$5,298,511</td>
</tr>
<tr>
<td>$ Expenditures</td>
<td>11.7%</td>
<td>12.7%</td>
<td>13.5%</td>
<td>13.4%</td>
<td>12.4%</td>
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<tr>
<td><strong>Institutional Support</strong></td>
<td>$3,742,688</td>
<td>$4,262,901</td>
<td>$3,901,135</td>
<td>$3,806,327</td>
<td>$4,282,976</td>
</tr>
<tr>
<td>$ Expenditures</td>
<td>9.5%</td>
<td>10.6%</td>
<td>9.8%</td>
<td>9.2%</td>
<td>10.1%</td>
</tr>
<tr>
<td><strong>Plant O &amp; M</strong></td>
<td>$6,054,503</td>
<td>$7,878,722</td>
<td>$5,560,180</td>
<td>$6,439,272</td>
<td>$5,901,151</td>
</tr>
<tr>
<td>$ Expenditures</td>
<td>15.4%</td>
<td>19.7%</td>
<td>14.0%</td>
<td>15.5%</td>
<td>13.9%</td>
</tr>
<tr>
<td><strong>Scholarship and Fellowships</strong></td>
<td>$2,028,930</td>
<td>$2,174,656</td>
<td>$2,209,715</td>
<td>$2,359,891</td>
<td>$2,482,869</td>
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<tr>
<td>$ Expenditures</td>
<td>5.2%</td>
<td>5.4%</td>
<td>5.6%</td>
<td>5.7%</td>
<td>5.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$39,352,848</td>
<td>$40,040,337</td>
<td>$39,666,105</td>
<td>$41,506,337</td>
<td>$42,586,541</td>
</tr>
<tr>
<td>$ Expenditures</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
Revenues and expenditures are categorized into different fund types based on the source (revenue) and use (expenditure) of those funds.
FY 2014 Budgeted Expenditures (All Funds)
Total: $83,918,841

- Current Unrestricted: 50.8%
- Designated: 14.8%
- Auxiliary: 13.1%
- Restricted: 14.2%
- Plant: 7.0%
- Loan: 0.1%
Designated Fund
FY 2014 Budget: $12,435,700

- 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 2014 Budget: $10,987,800

- 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 2014 Budget: $11,943,800

- 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 work study)
- Banner indexes begin with 62
Plant Funds
FY 2014 Budget: $5,843,000

- 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 2014 Budget: $122,000

- Perkins, LEAPS Loans
- Banner indexes begin with 65
QUESTIONS?

http://www.msubillings.edu/budgetoffice/
BUDGET OFFICE
Montana State University Billings
1500 University Drive
Billings, MT 59101-0298

800.565.6782
www.msubillings.edu
www.citycollege.msubillings.edu
www.msubsports.com