



## University Budget Office

April 6, 2012

To: Chancellor Rolf Groseth

From: Trudy Collins, Budget Director

RE: Fiscal Year 2013 Operating Budget Highlights

This purpose of this memo is to provide a summary of the FY13 operating budget and the reconciliation of the FY 13 budget proposed by the University Budget Committee and the Executive Budget Council with the final budget to be recommended to the Board of Regents.

### **Revenue**

The FY13 revenue budget is founded on flat enrollment, but includes an increase over FY12 of \$1,170,250 (2.8%). The entire increase is attributable to a projected increase in student tuition. The tuition rate increase at the 4 year campus is 5%. There is not a tuition rate increase at the College of Technology.

### **Reallocations and Other Funding Sources**

In addition to the increased tuition dollars, decisions were made to reallocate existing budgets and to use other funding sources to provide funding for new investments. A permanent reallocation of \$985,159 and a temporary reallocation of \$145,900 were made available for new investments.

### **Fixed Costs**

Fixed cost increases, totaling \$1,018,607 are built-in to the FY13 budget. Fixed costs include faculty promotions, the October 1, 2012 pay increase of 2% plus \$500 and inflationary increases in utilities, library resources, insurance, information technology and other items.

### **Process**

After funding the fixed cost increases, a total of \$1,282,702 was assigned to new investments and strategic initiatives. The new investments were developed and proposed through various campus constituencies and requested by the respective Vice Chancellors. The Executive Budget Council (EBC) reviewed the alignment of the budget requests with MUS, MSU, and MSU-Billings strategic initiatives and developed a proposed balanced budget.

The proposed budget was then reviewed and discussed by the University Budget Committee (UBC), whose 22 members are representative of campus stakeholders. Informed by the dialogue and input from members of the University Budget Committee, the EBC and Chancellor modified the original proposal.

### **Reconciliation of the EBC proposed budget to the final budget**

Adjustments to proposed investments and reallocations:

- Retained the 4 Student Success Specialists – the decision was to move forward with the proposed format of 1 retention specialist assigned to work within each college to advance college specific affiliation and retention/persistence initiatives
- Reduced the # of ASC Learning Specialists from 2 to 1 to make available a net \$25,000 to invest in PT faculty
- Reduced Student Affairs by \$12,500, from Athletics travel, to make available another \$12,500 for PT faculty

### **Summary of New Investments**

The major new investments in the final FY2013 operating budget include:

- 5.0 FTE new faculty positions (Teacher Ed, Health Admin, Mathematics, Accounting, and Automotive) (\$430K)
- FY 2013 Strategic Initiatives (\$200K)
- Increased instructional operating budgets (\$60K)
- Faculty professional development (\$88K)
- .50 FTE Health Admin Director (\$42K)
- Enhancement to the Honors program (\$35K)
- 1.0 FTE Accountant to support Academic programs, International Studies, and MSUB Extended Campus (\$41K)
- Reassignment of ASC Learning Specialists salaries from the ASC fee to the General fund (\$102K)
- 4.0 FTE College Success Specialists (\$196K - partially funded from other sources)
- 1.0 FTE Academic Support Center Mathematics Learning Specialist (\$37K)
- .50 FTE Assistant Webmaster (\$26K)
- Other – Degree Works, Community Involvement (\$26K)

### **Impact on program percentages**

The result of the budget decisions was an increase in the percentage of the budget allocated to the instruction program from 48.3% to 48.8%, with our goal remaining at 50%. The total percentage allocated to Instruction, Academic Support and Student Services increased from 68.2% to 68.9%, with our goal remaining at 70%.