

## University Budgeting 101

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

## Montana State University Billings Budget Principles

- Minimize the impact on our students and invest in their long-term success
- Work diligently within our shared governance process and current contracts
- Involve and engage the entire campus community in balancing our budget
- Ensure strategic reductions and reallocations are not unilateral or opportunistic



3

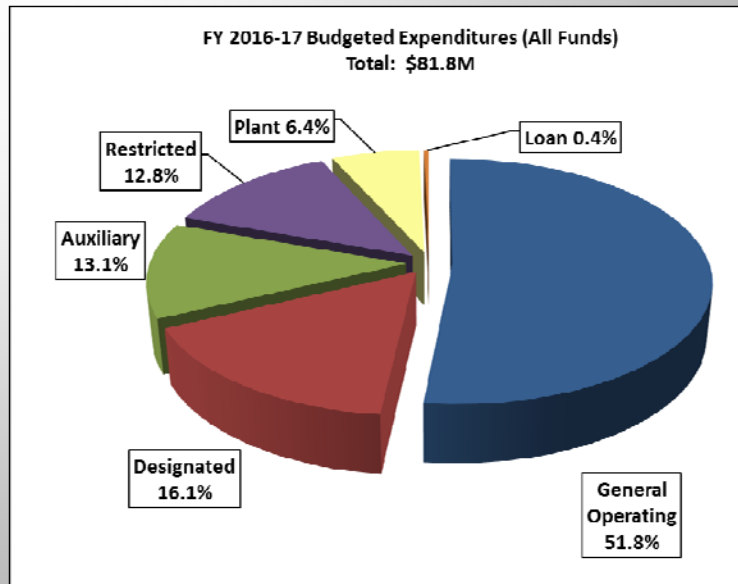
## The Annual Budget

- 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



4

## MSU Billings All Funds Budget



## A CLOSER LOOK:

### General Operating Budget

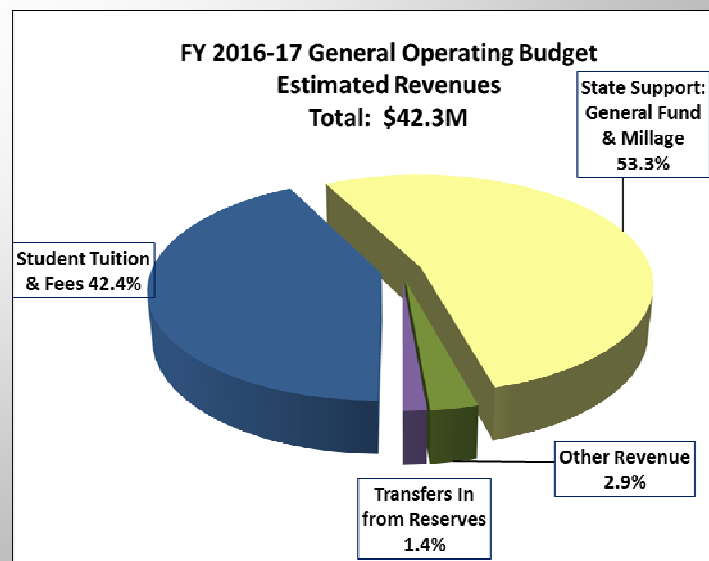
## Budget Focus: General Operating Fund FY 2016-17 Budget: \$42.3 M

- 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

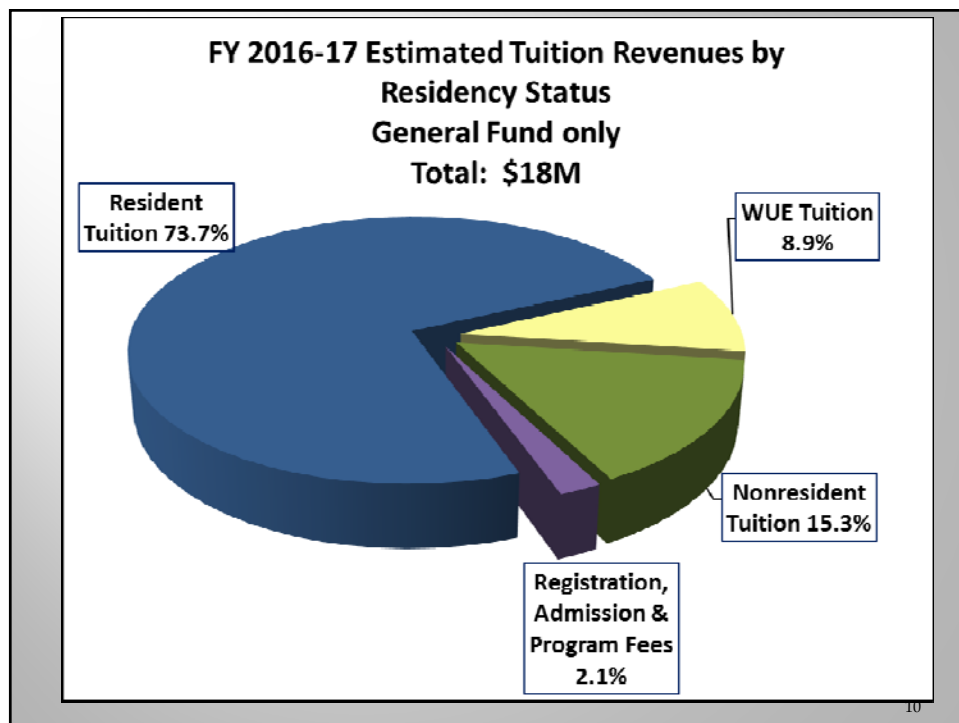
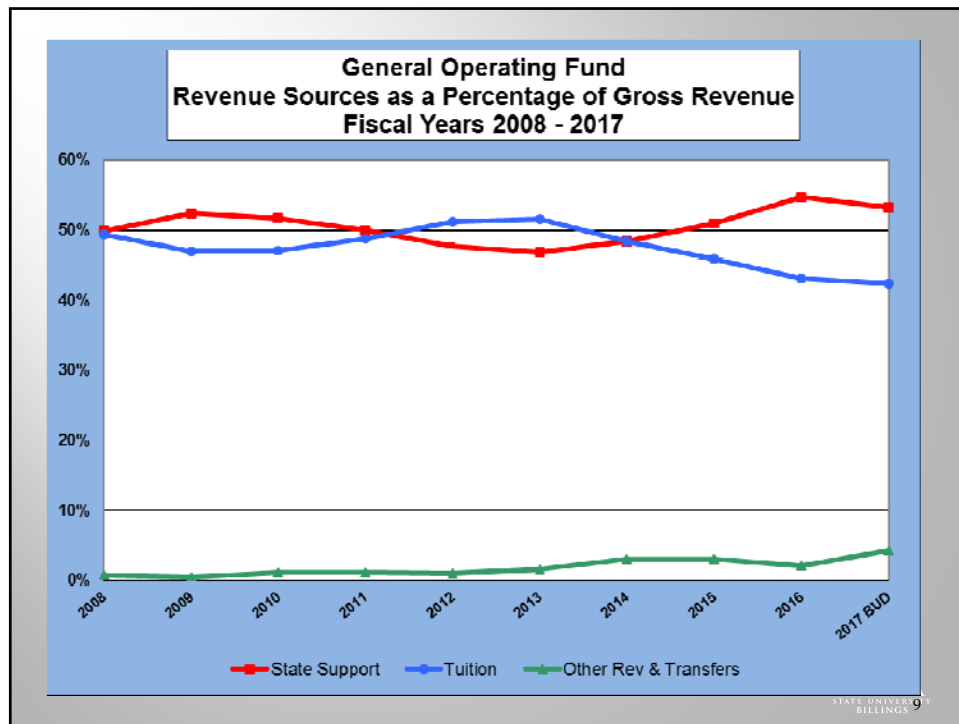


7

## General Operating Revenue Sources



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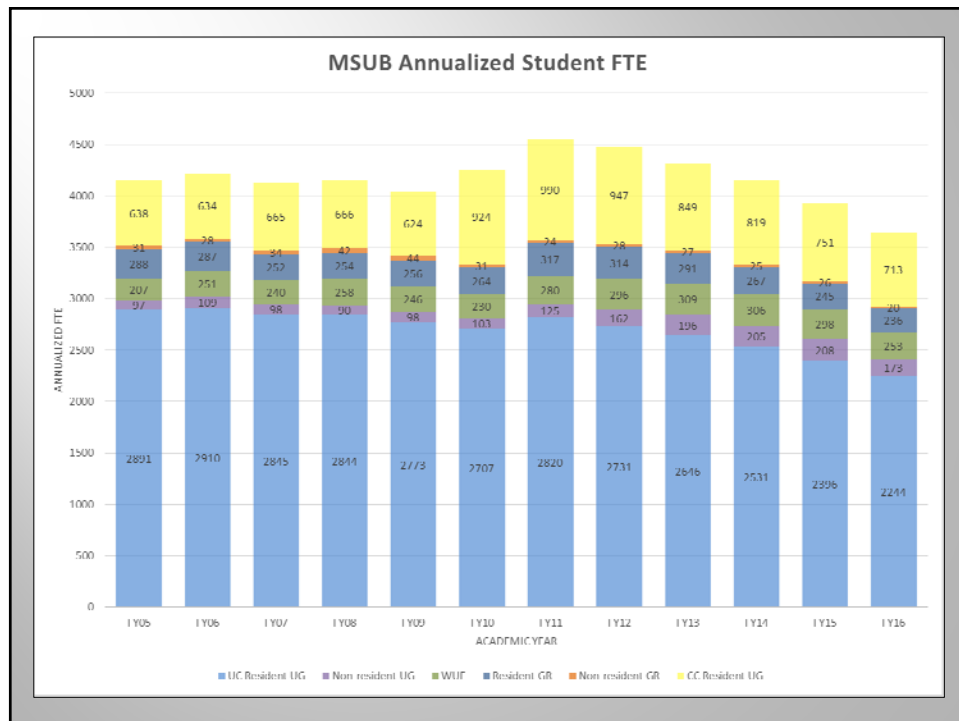


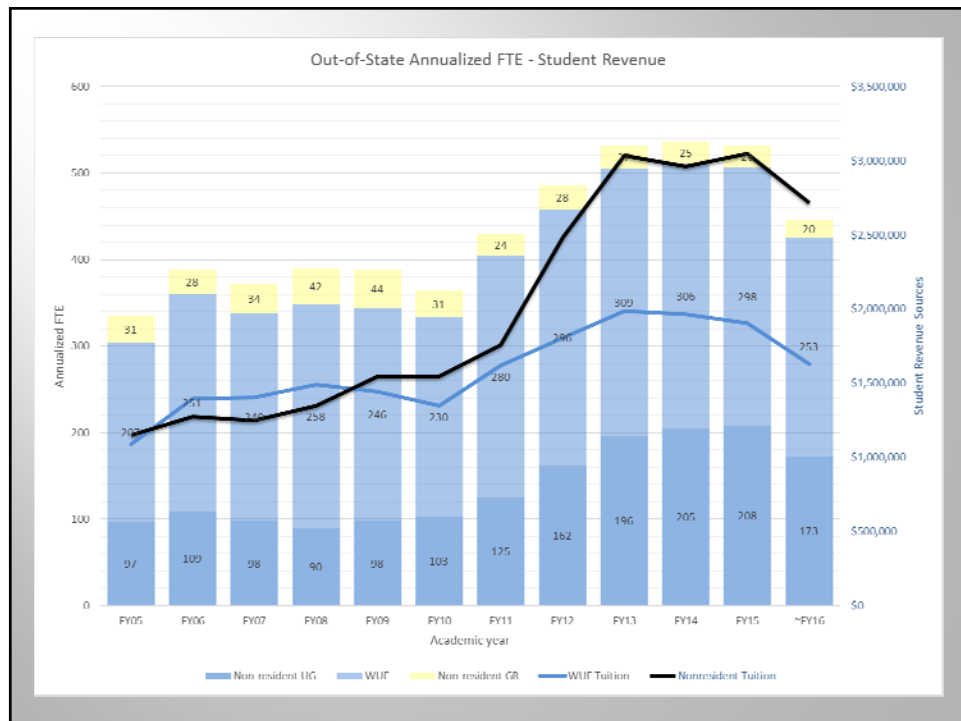
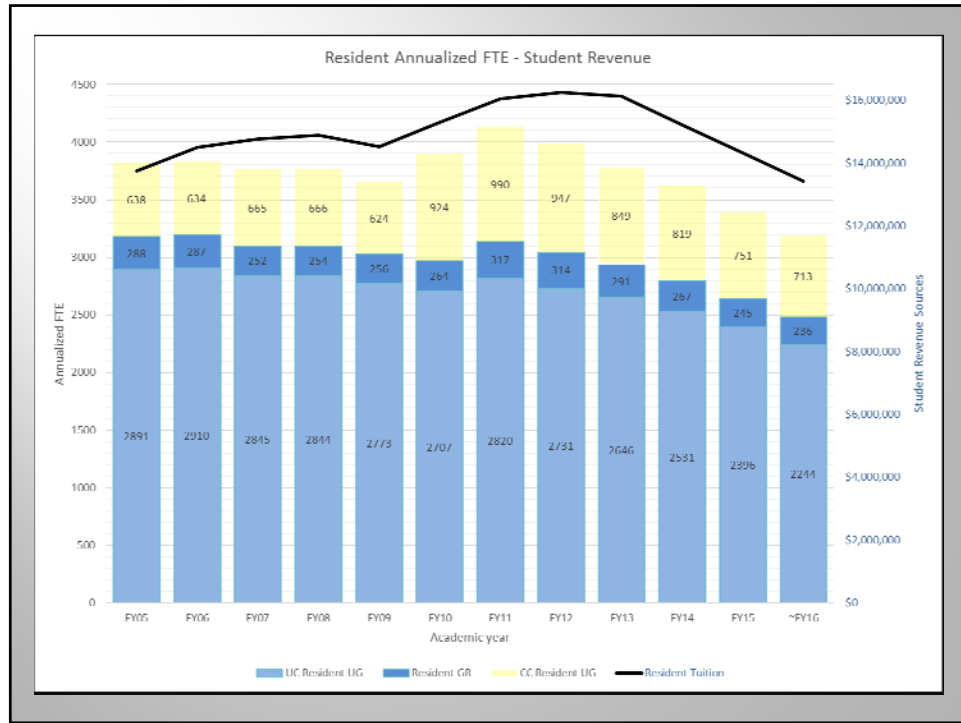
# A CLOSER LOOK:

## Enrollment



11





## 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



15

## 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



16



## 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)



17

## Enrollment Impact on the Budget

- MSU allocates its share of state funds to MSU campuses based on:
  - Historical funding levels
  - Enrollment growth/decline
  - 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



18

## ***A CLOSER LOOK: GENERAL OPERATING BUDGET BY PROGRAM***

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



19

## **Program Descriptions**

### **➤ Instruction**

General academic activities: Faculty salaries, Instructional materials and equipment, departmental support and supplies

### **➤ Research**

Organized faculty research: CARE Grants & Center for Applied Economic Research



20

## Program Descriptions

### ➤ **Public Service**

Organized activities explicitly designed to serve the public:  
KEMC/Yellowstone Public Radio & Montana Center for Inclusive Education

### ➤ **Academic Support**

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



21

## Program Descriptions

### ➤ **Student Services**

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

### ➤ **Institutional Support**

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



22

## Program Descriptions

### ➤ Operation and Maintenance of Plant

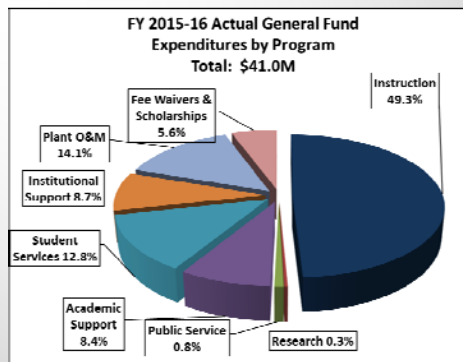
All expenditures of general operating funds used to provide services and general maintenance and repair related to grounds and facilities. Includes custodial and grounds operations, utilities, insurance, safety and security

### ➤ Fee Waivers and Scholarships

Mandatory and discretionary tuition waivers and institutional scholarships as authorized by the Board of Regents



23

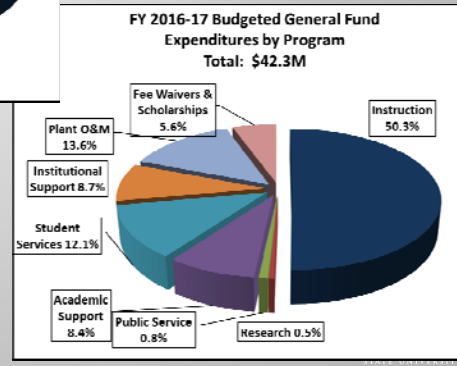


### Instruction Program

Goal: Allocation equal to 50%  
FY 2016 actual results 49.3%  
FY 2017 budget 50.3%

### Instruction + Academic Support + Student Services

Goal: Allocation equal to 70%  
FY 2016 actual results 70.4%  
FY 2017 budget 70.7%



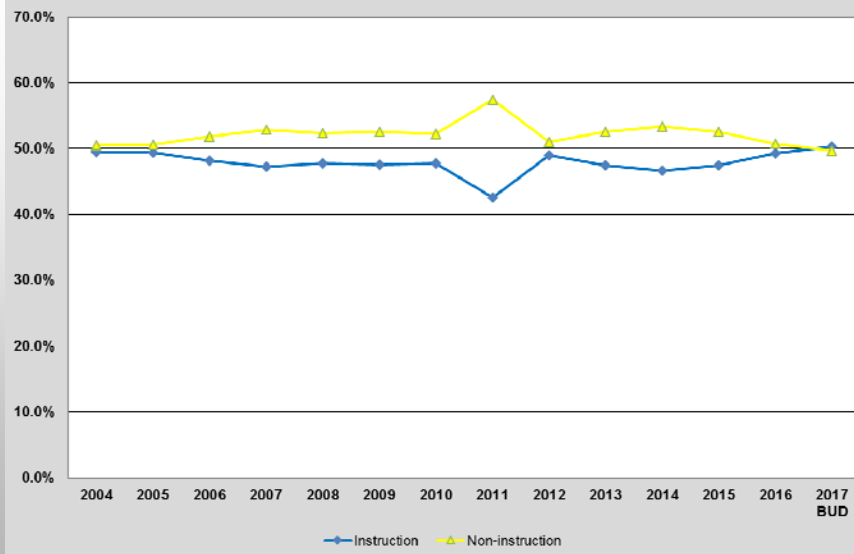
24

## Reporting Metric: Expenditures by Program

	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Actual	FY17 Budgeted
<b>Instruction</b>					
\$ Expenditures	\$19,867,656	\$19,710,106	\$20,431,299	\$20,213,242	\$21,291,385
Percent of Total	47.5%	46.6%	47.5%	49.3%	50.3%
<b>Academic Support</b>					
\$ Expenditures	\$3,299,355	\$3,667,966	\$3,765,575	\$3,442,370	\$3,542,057
Percent of Total	7.9%	8.7%	8.8%	8.4%	8.4%
<b>Student Services</b>					
\$ Expenditures	\$5,542,333	\$5,592,755	\$5,633,751	\$5,240,489	\$5,109,645
Percent of Total	13.2%	13.2%	13.1%	12.8%	12.1%
<b>SUBTOTAL \$</b>	<b>28,709,344</b>	<b>28,970,827</b>	<b>29,830,625</b>	<b>28,896,101</b>	<b>29,943,087</b>
<b>SUBTOTAL %</b>	<b>68.6%</b>	<b>68.5%</b>	<b>69.3%</b>	<b>70.4%</b>	<b>70.7%</b>

25

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



26

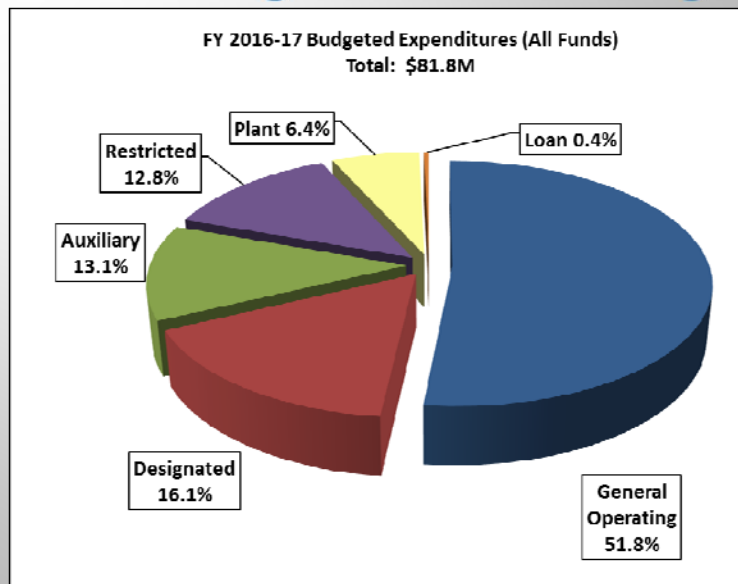
## A CLOSER LOOK: OTHER UNIVERSITY FUNDS

*Revenues and expenditures are categorized into different fund types based on the source (revenue) and use (expenditure) of those funds*



27

## MSU Billings All Funds Budget



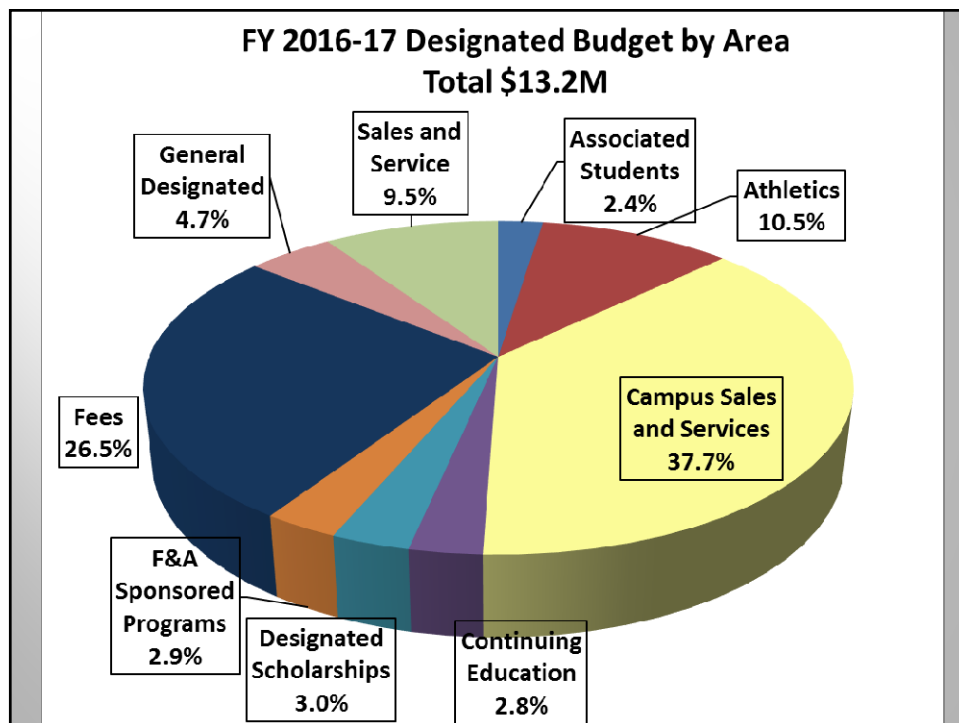
28

## 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 fees**, MSUB Extended Campus, athletics, **student fees**)
- Fund Balances carry over from year to year
- Banner index numbers begin with 63



29

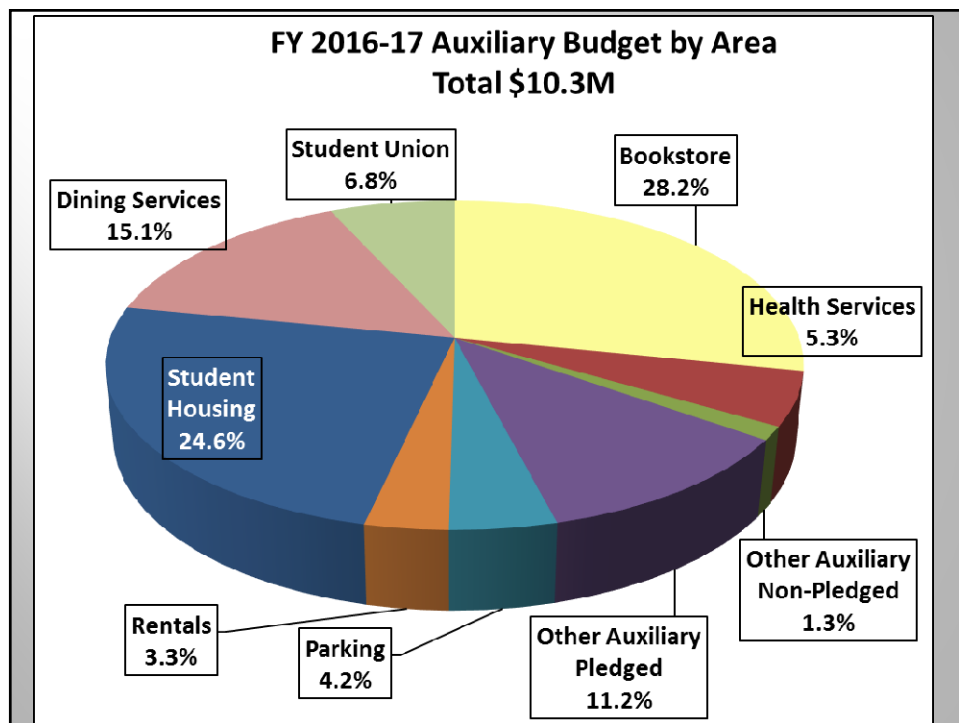


## Auxiliary Fund

- 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



31





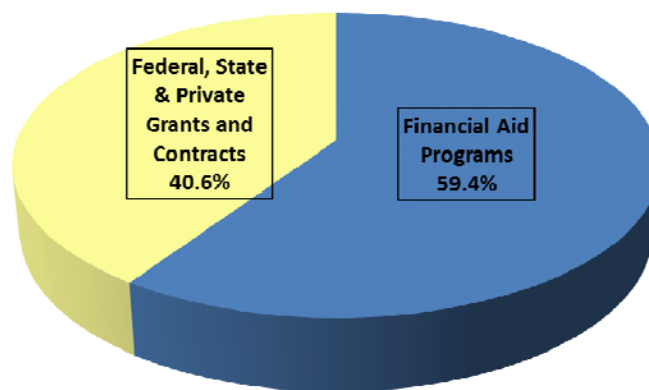
## Restricted Fund

- Funds received and restricted for purposes specified by external sources
- Federal, State, and private grants and contracts (examples: Upward Bound, SSS, 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



33

**FY 2016-17 Restricted Budget  
Total \$10.4M**



34

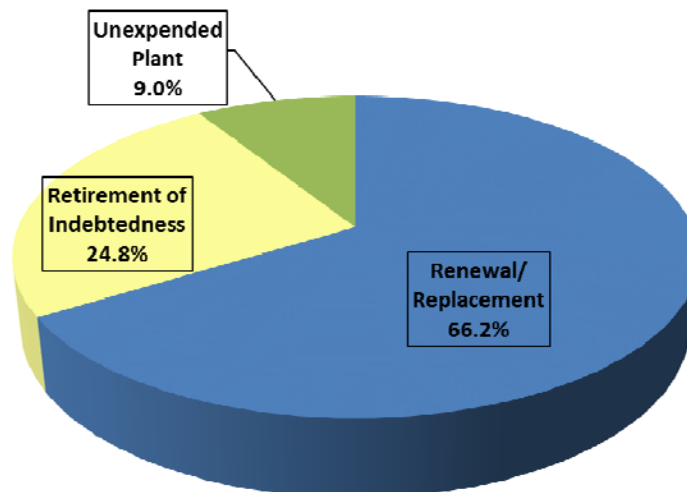
## Plant Funds

- 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



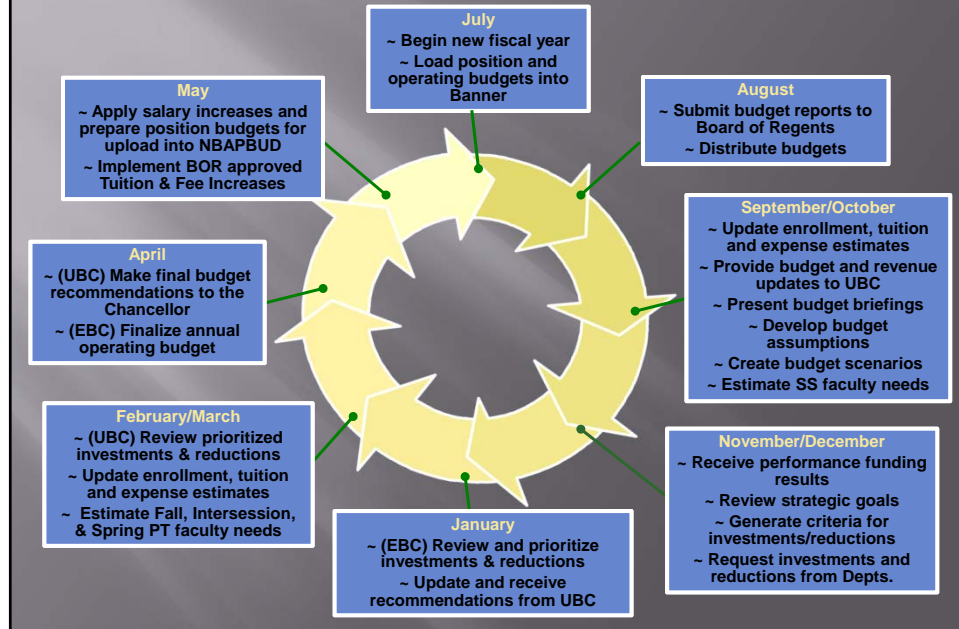
35

**FY 2016-17 Plant Budget  
Total \$5.2M**

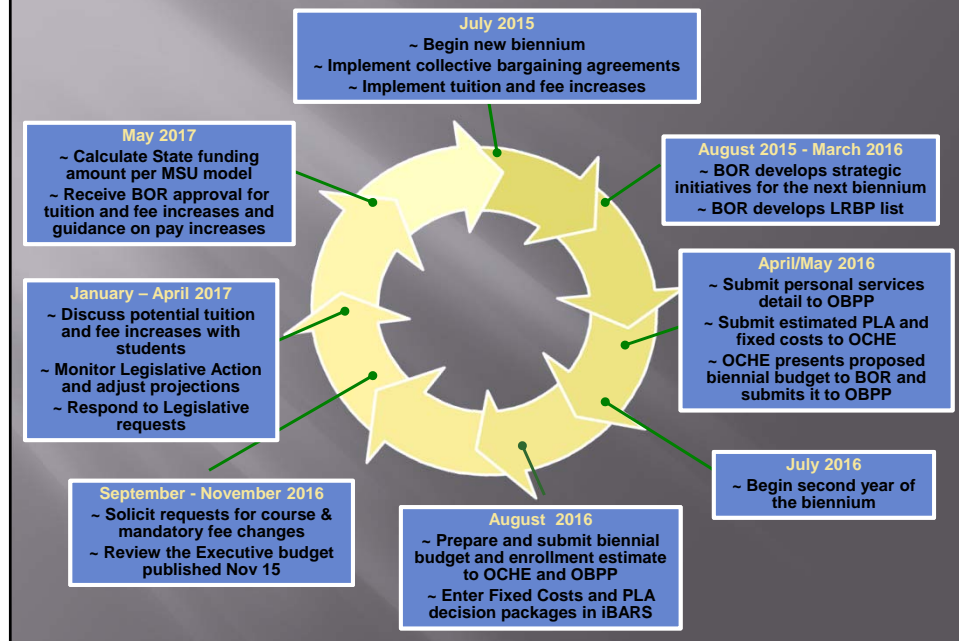


36

## Annual Budget Development Cycle



## Biennial Budget Development Cycle



**QUESTIONS?**

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

