

Budget 101 Topics

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

The Annual Budget

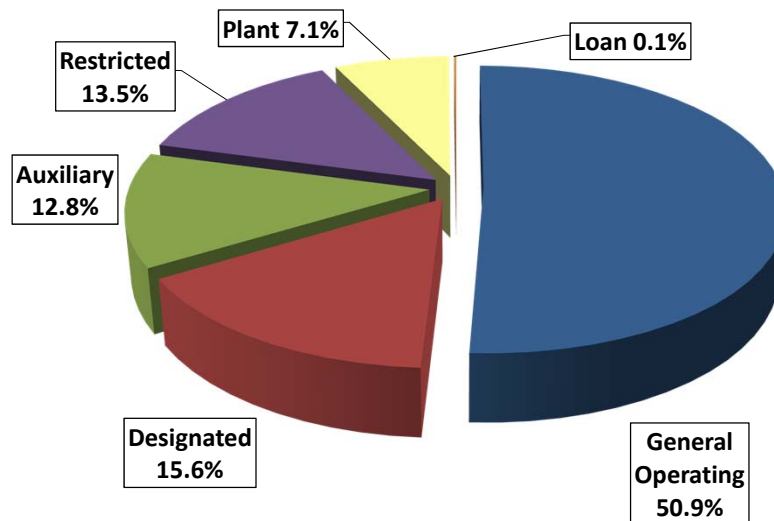
- Aligns and deploys resources to accomplish University strategic goals and objectives
 - Cultivating teaching excellence
 - Provide an environment for learning
 - Promoting and engaging in civic responsibility
 - Enhancing the community
 - Essentials for success
- Maximizes use of financial, physical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



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FY 2015 Budgeted Expenditures (All Funds)

Total: \$85.2M



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A CLOSER LOOK:

General Operating Budget (General Operating Fund)



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Budget Focus: General Operating Fund FY 2015 Budget: \$43.3 M

- 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, investment income 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 index numbers begin with 61



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How do we plan on funding our FY15 General Operating Budget?



Each \$1 of the budget is funded:



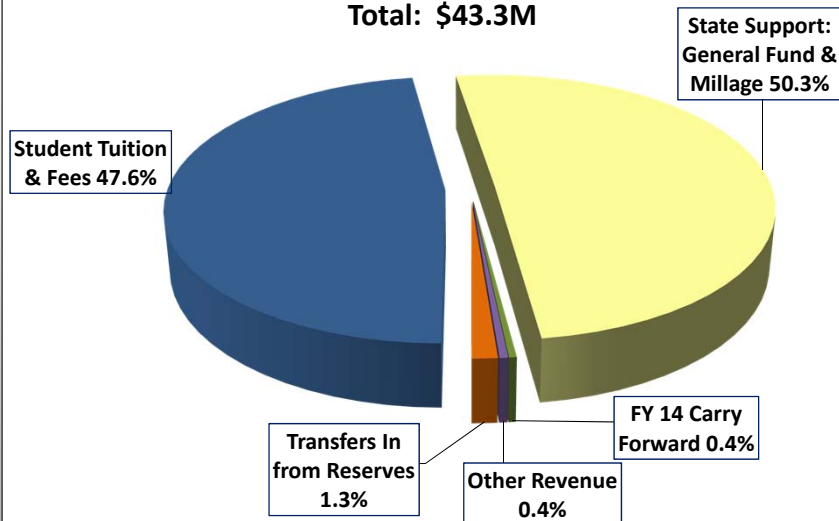
\$.48 Tuition & Fees
\$.50 State Appropriation
\$.01 Other Revenue
\$.01 Transfers from Reserves



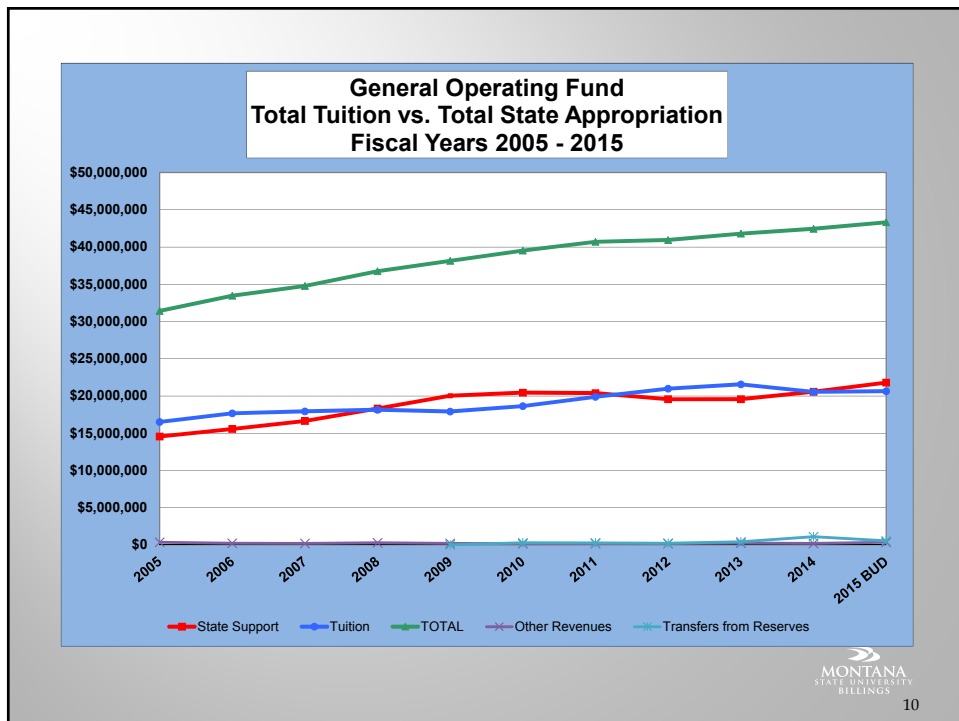
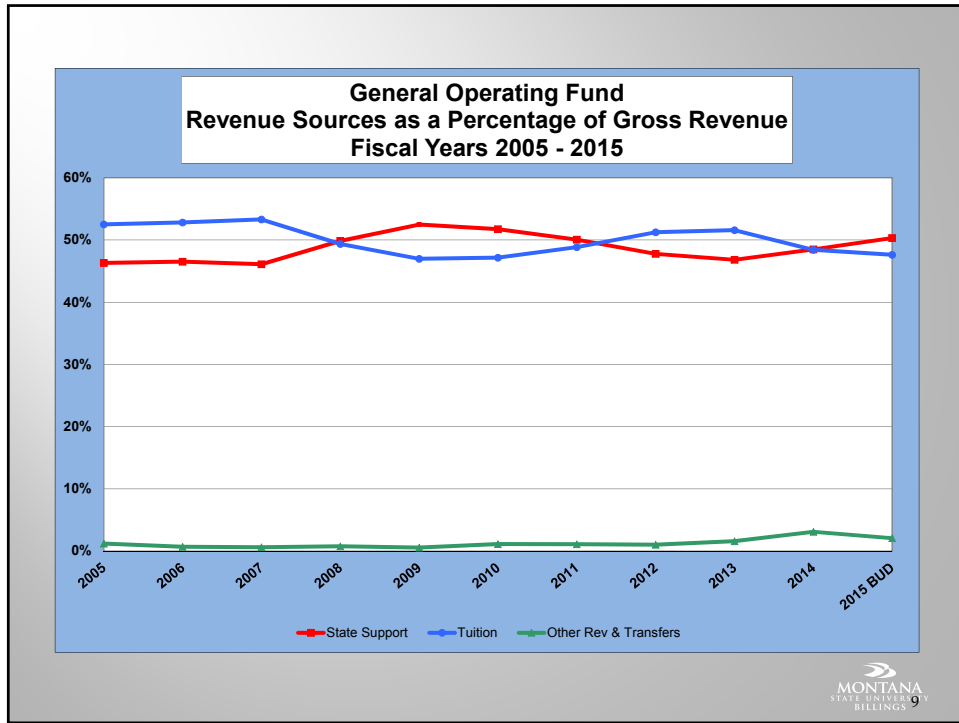
MONTANA
STATE UNIVERSITY
BILLINGS

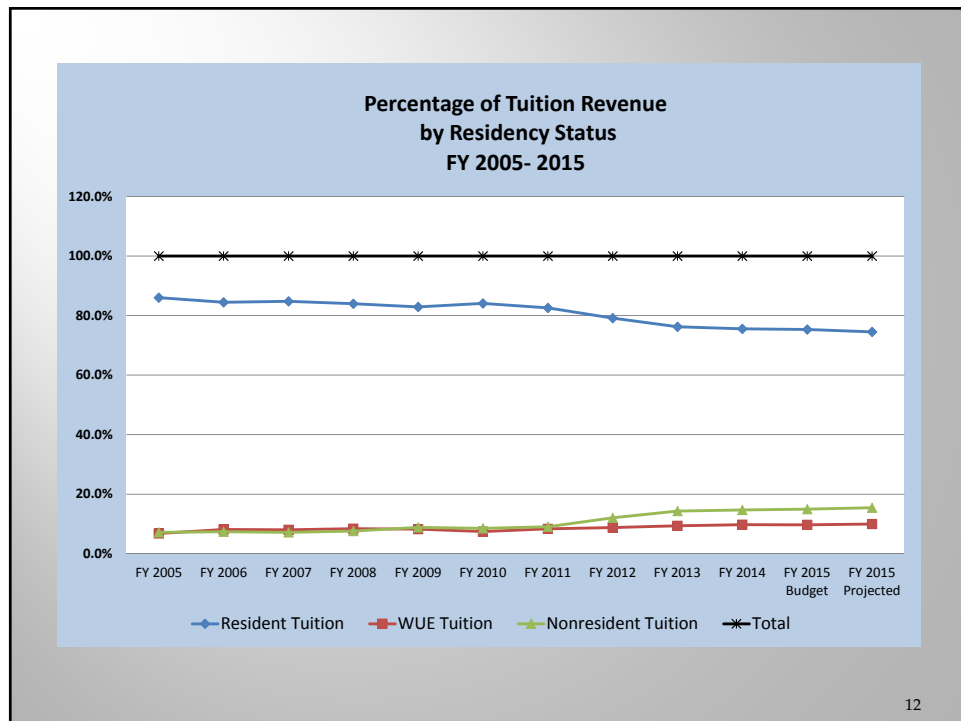
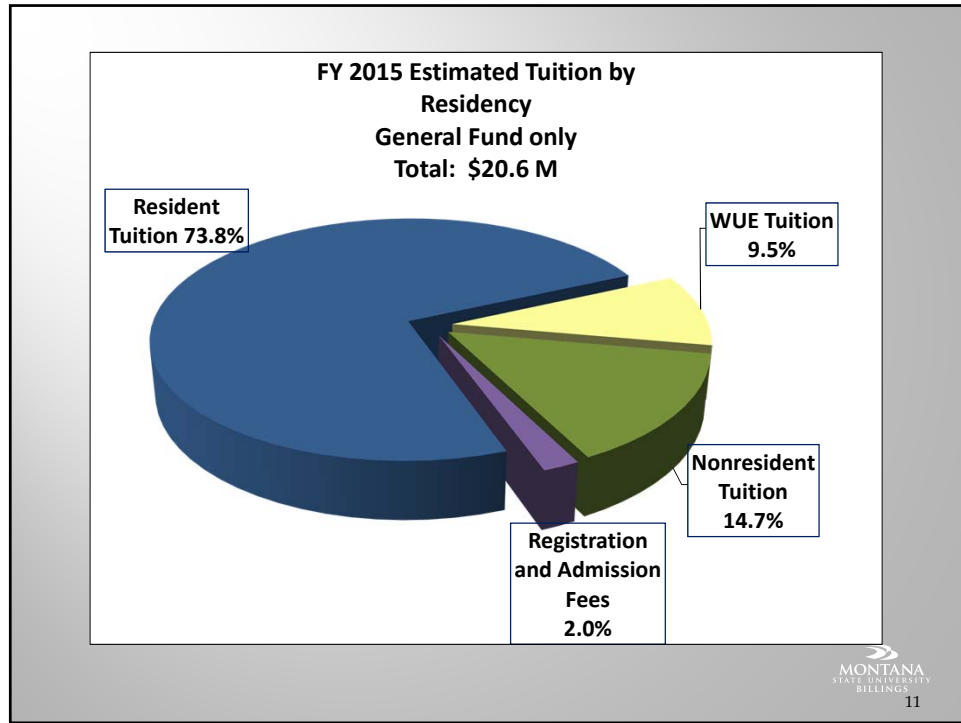
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FY 2015 General Operating Budget Estimated Revenues Total: \$43.3M



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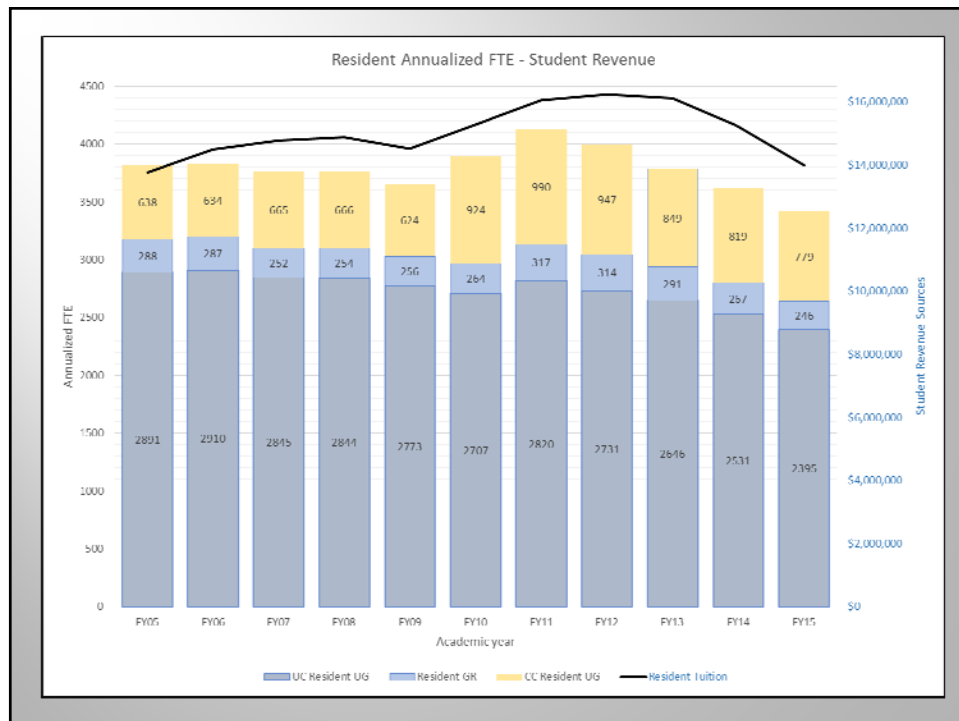


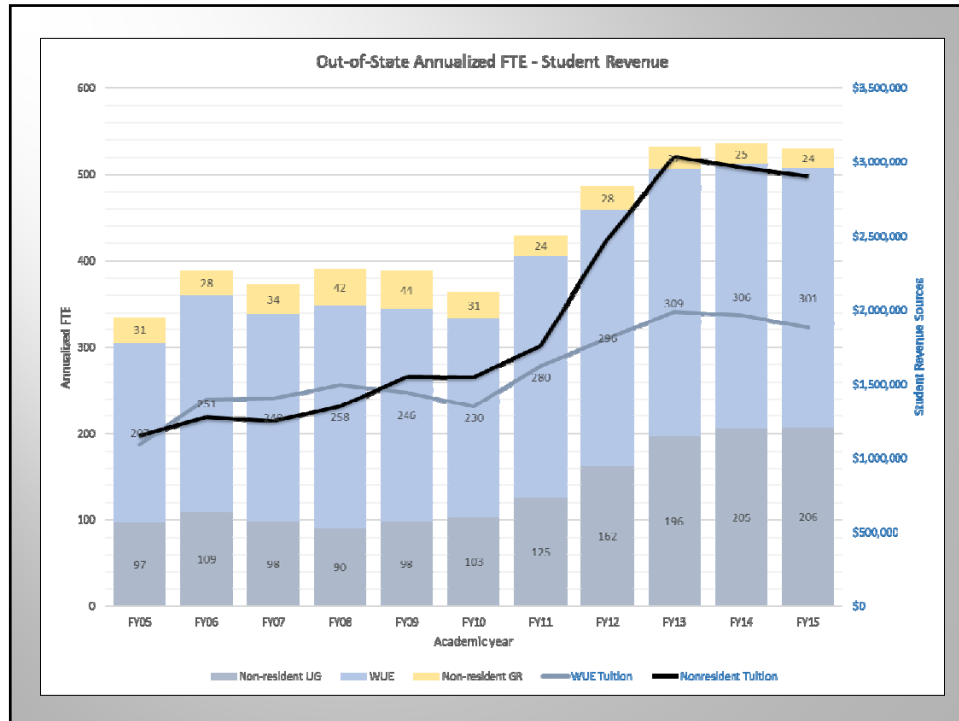
A CLOSER LOOK:

Enrollment



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Enrollment Impact on the Budget

- Tuition collections
 - Estimated tuition used to build the total budget
 - Surplus/shortfall due to variance of actual collections compared to budgeted revenue
 - Variable due to enrollment growth/decline and student credit loads (headcount vs. FTE)
 - Variable with a change in 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
 - Cover salaries and operating expenses
 - Actual revenue available impacted directly by enrollment growth/decline
 - Examples
 - Fee for service
 - Housing, Dining Services, Campus Bookstore
 - Mandatory student fees
 - Student Union, ASC, Library, Athletics



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Enrollment Impact on the Budget

- State appropriations
 - Legislature appropriates a lump sum to MUS
 - Starts with base from 1st year of biennium
 - Adds funding for present law base adjustments, pay plan estimates and fixed costs passed through to state agencies
 - Adds one time only initiatives
 - May adjust the appropriation in relation to enrollment growth/decline



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Enrollment Impact on the Budget

- MUS allocates state funds to campuses
 - Performance funding
 - One time only appropriations
 - Other BOR initiatives
 - To UM and MSU based on resident student FTE (three year rolling average)
- MSU allocates state funds to MSU campuses
 - Historical funding levels
 - Enrollment growth/decline
 - Present Law Adjustments, Pay Plan and fixed costs



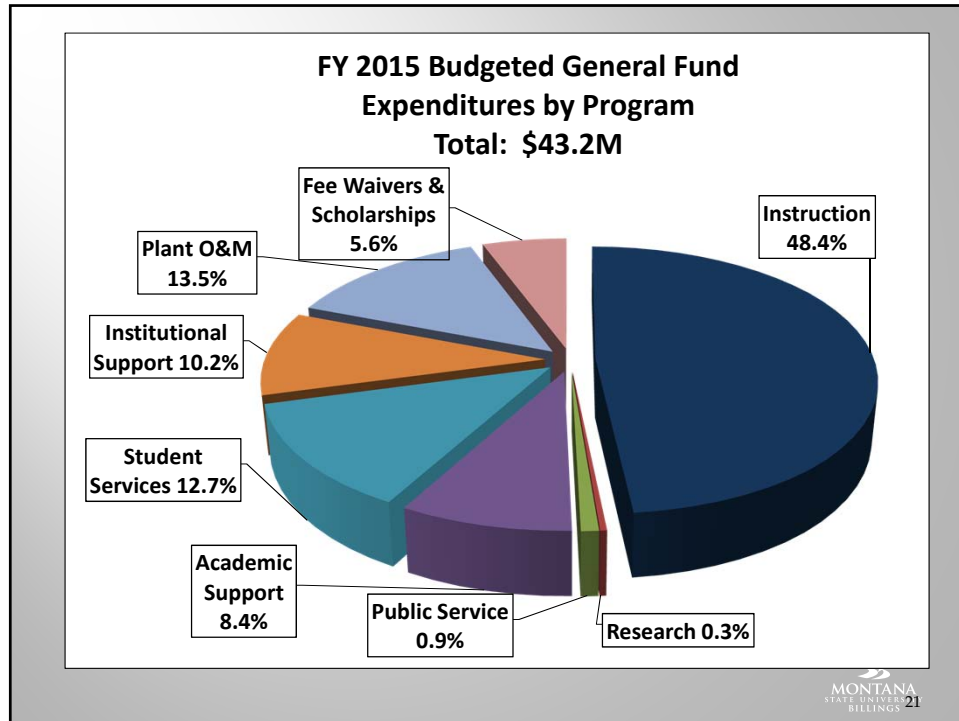
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A CLOSER LOOK: GENERAL OPERATING BUDGET BY PROGRAM

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



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MSUB Program Budget Goals

➤ **Instruction Program**

- Goal: Allocation equal to 50% of total budget
- FY 2014 actual results = 46.6%
- FY 2015 budget = 48.4%

➤ **Instruction + Academic Support + Student Affairs**

- Goal: Allocation equal to 70% of total budget
- FY 2014 actual results = 68.5%
- FY 2015 budget = 69.5%

Expenditures by Program

	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Budgeted
Instruction					
\$ Expenditures	\$17,376,203	\$20,038,490	\$19,867,656	\$19,710,106	\$20,963,014
Percent of Total	42.6%	49.0%	47.5%	46.6%	48.4%
Academic Support					
\$ Expenditures	\$3,471,883	\$3,285,471	\$3,299,355	\$3,667,966	\$3,653,104
Percent of Total	8.5%	8.0%	7.9%	8.7%	8.4%
Student Services					
\$ Expenditures	\$5,070,286	\$5,354,651	\$5,542,333	\$5,592,755	\$5,511,246
Percent of Total	12.4%	13.1%	13.2%	13.2%	12.7%
SUBTOTAL \$	25,918,372	28,678,612	28,709,344	28,970,827	30,127,364
SUBTOTAL %	63.6%	70.1%	68.6%	68.5%	69.5%



Expenditures by Program

	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Budgeted
Research					
\$ Expenditures	\$126,880	\$125,348	\$166,821	\$143,790	\$141,330
Percent of Total	0.3%	0.3%	0.4%	0.3%	0.3%
Public Service					
\$ Expenditures	\$397,326	\$408,678	\$372,622	\$382,003	\$374,276
Percent of Total	1.0%	1.0%	0.9%	0.9%	0.9%
Institutional Support					
\$ Expenditures	\$4,262,901	\$3,901,135	\$3,806,327	\$4,240,695	\$4,403,395
Percent of Total	10.5%	9.5%	9.1%	10.0%	10.2%
Plant O & M					
\$ Expenditures	\$7,878,722	\$5,560,180	\$6,439,272	\$6,010,747	\$5,837,914
Percent of Total	19.3%	13.6%	15.4%	14.2%	13.5%
Scholarship and Fellowships					
\$ Expenditures	\$2,174,656	\$2,209,715	\$2,359,891	\$2,541,394	\$2,437,190
Percent of Total	5.3%	5.4%	5.6%	6.0%	5.6%
Total					
\$ Expenditures	\$40,758,857	\$40,883,668	\$41,854,277	\$42,289,456	\$43,321,469
Percent of Total	100.0%	100.0%	100.0%	100.0%	100.0%



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



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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



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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



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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



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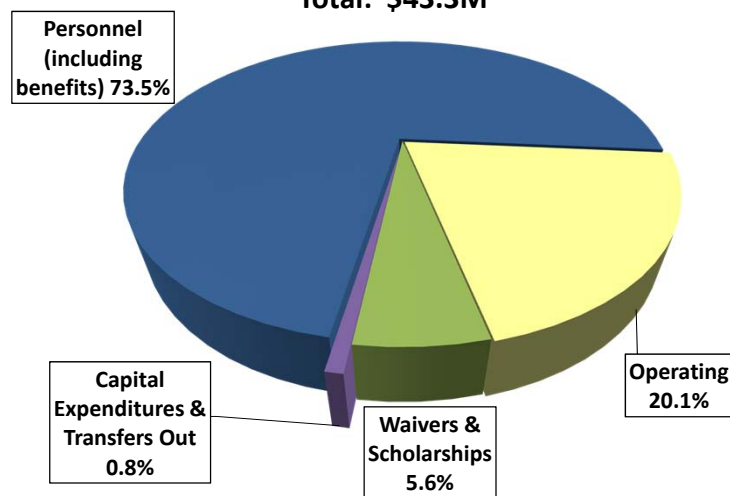
A CLOSER LOOK: GENERAL OPERATING BUDGET EXPENDITURE CATEGORIES

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

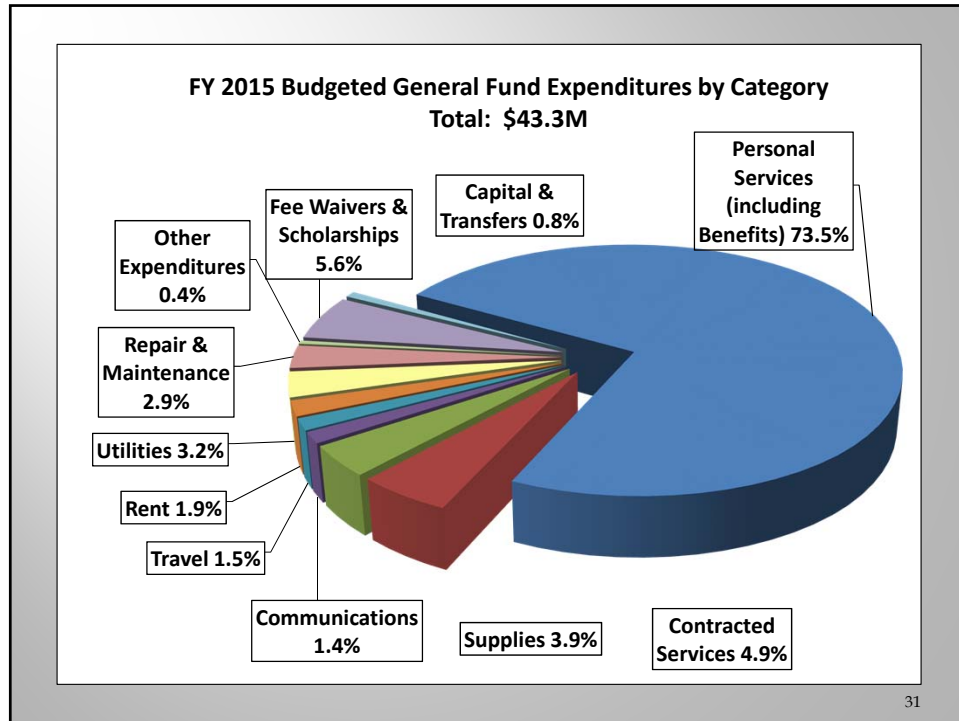


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**FY 2015 General Operating Budget
Budgeted Expenditures
Total: \$43.3M**



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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

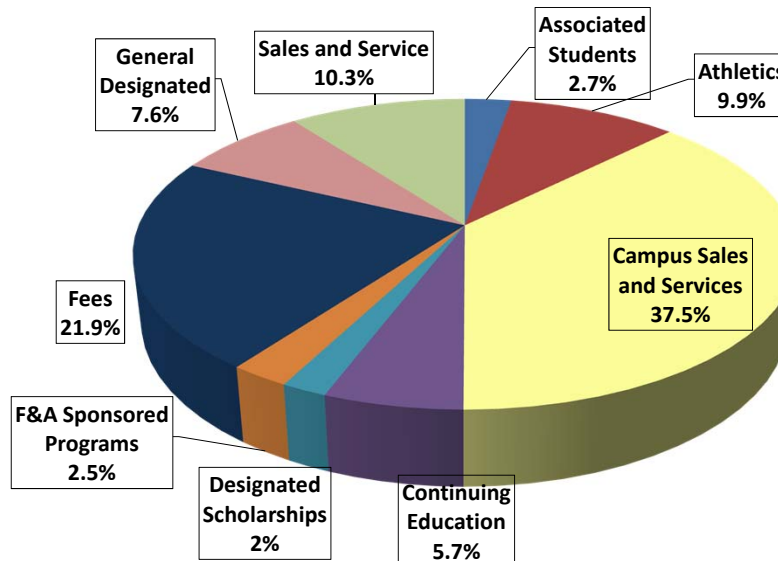
Designated Fund

- 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



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FY 2015 Designated Budget by Area
Total \$13.2M



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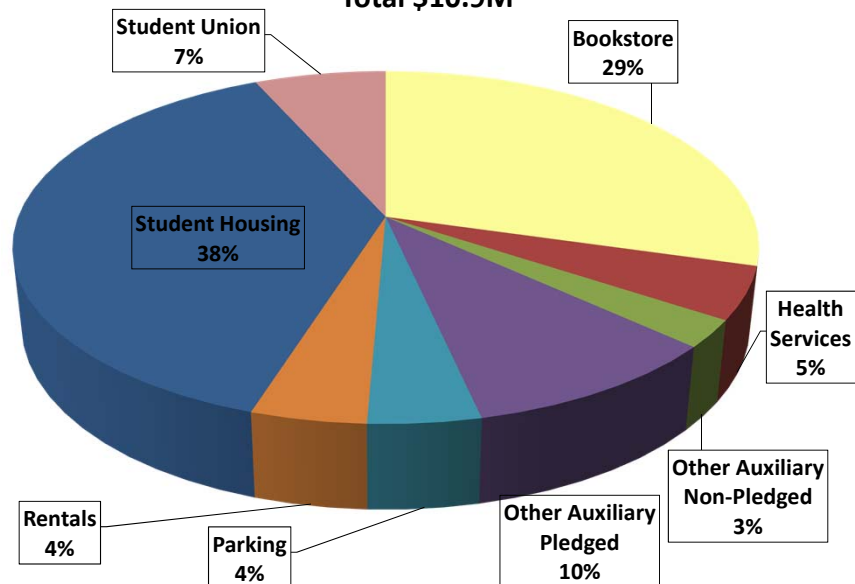
Auxiliary Fund

- 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



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FY 2015 Auxiliary Budget by Area
Total \$10.9M



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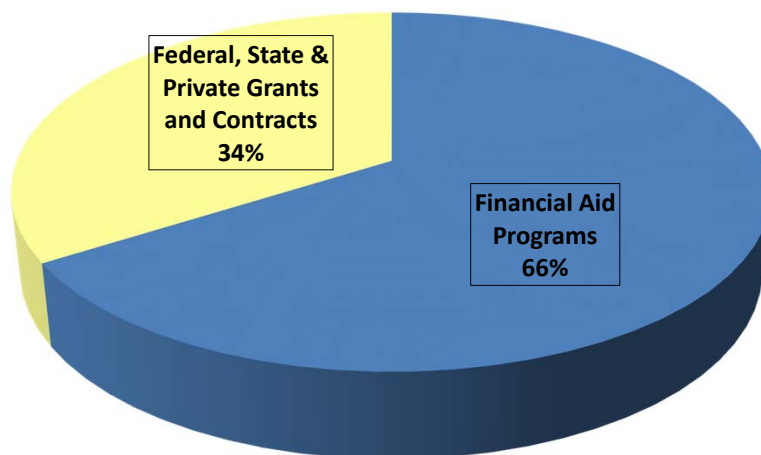
Restricted Fund

- 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



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FY 2015 Restricted Budget
Total \$10.9M



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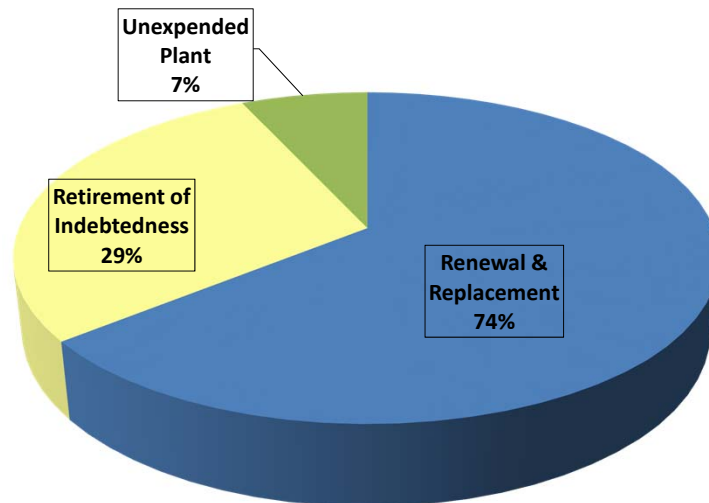
Plant Funds

- 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



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**FY 2015 Plant Budget
Total \$6.1M**



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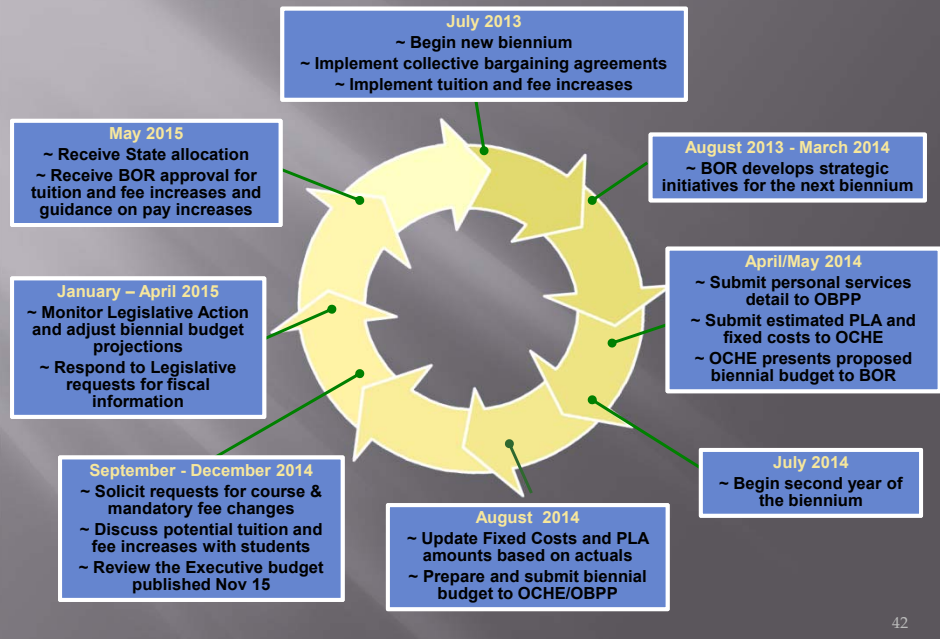
A CLOSER LOOK:

Budget Development

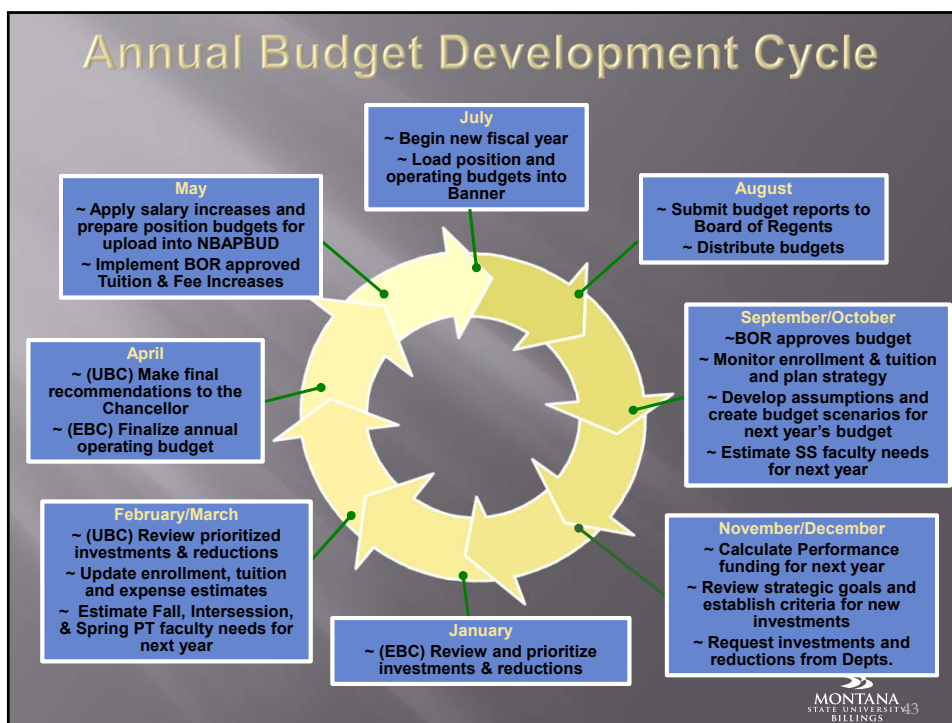


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Biennial Budget Development Cycle



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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



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In Review

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



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BUDGET RESOURCES

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



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QUESTIONS?

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



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