

## University Budget Committee

Tuesday, October 4, 2016 3:30 – 4:45 MCM 305

### Meeting Notes

1. Co-Chairs Hoar and Gagnon welcomed members to the University Budget Committee (UBC).
2. FY 2016-17 UBC membership was reviewed.
3. Chancellor Nook reviewed the committee structure and charge for FY 2016-17. The Executive Budget Committee (EBC) in collaboration with the UBC co-chairs sets the agenda for the UBC. Both the EBC and UBC make recommendations to the Chancellor who is ultimately responsible for the budget. The goal is to have a lot of input on the budget and make budget decisions which are the best possible for the University. UBC is a venue to get information out to the University community and generate awareness and agreement on budget decisions. It is important to get as many people involved in discussion as possible so that everyone is comfortable with decisions made.

This is an important year for budget as it is a biennial year. We will have a new budget and allocation coming from state. May have new tuition level, which will be voted on by Board of Regents. We will not know our actual budget for those two years until next May. After the election, by November 15<sup>th</sup>, the governor has to release the executive budget recommendation regardless of who wins election. We will be able to brief the university on this budget by December 10<sup>th</sup>.

This committee will be vital in working through budget changes/needs. A lot of material will come from EBC to UBC to be discussed. UBC makes recommendations back to EBC which go up to Chancellor. Budget work will not be finished until the end of the academic year; it is a long process. We will start off meeting once a month and then move to meeting more often as needed.

4. Chancellor Nook announced that this Thursday, October 6<sup>th</sup>, we will be holding the 2016-17 Enrollment Update and Campus Budget Briefings. At this meeting we will make public our enrollment and its impact on the budget. Enrollments are within windows we were expecting; we do not need to make any reductions to our budget for this fiscal year. Enrollment is going to be down; exact numbers will be out in a few days.

Enrollment is key to figuring out our budgets. Approximately half of the general operating fund is from student tuition and half is from state appropriation. The state appropriation is tied to our resident student enrollment and resident enrollment at the other Montana University System (MUS) institutions as well. The amount the state allocates is another large factor in the budget picture.

5. Budget Director Collins reviewed the FY 2016-17 Budget Development Summary. The budget was based on a total student full time equivalent (FTE) of 3,587. This is a high level synopsis of revenue expected and how we plan to spend it.

We have allocated \$400K of reserves to support scholarships and \$200K of reserves to leave payouts related to retirements.

Last spring, the FY 2017 budget projected shortfall was just over \$500K, which was addressed through a series of permanent reallocations.

Budget Director Collins then reviewed the FY 2015-16 Actual Expenditures by Program and the FY 2016-17 Budgeted Expenditures by Program. The information represents the \$42 million general operating fund budget; the overall MSUB budget is over \$80 million. One of our budget goals is to budget and expend at least 50% in the instruction program.

Discussion:

- Are the Performance Based Funding Retention Initiatives dollars 'spend it or lose it'? They must be spent in the biennium. Any funding not spent at end of biennium, remaining in budgets, will go into a reserve fund – scholarship, enrollment, retirement, etc.
- Although we budget at or above 50% in instruction, our expenditures in FY 2015-16 were 49.3%. For FY 2016-17 we are budgeting just above 50% for instruction.
- Know now there will not be as much tuition revenue as reflected on chart.
- Enrollment Reserve was increased to \$1 million but that includes Disability Services and International Student Services support as well. To be clear, we should probably refer to the Enrollment Reserve as \$750K.
- Scholarships through Scholarship Reserves, are those funded by the university? Yes, they do not flow through the MSUB Foundation. These funds are spent to recruit the incoming class. Almost all are used for freshmen scholarships and some are used for need based groups.
- Waivers and Scholarships included both BOR designated waivers and some institutionally directed waivers.

High School Connections dual credit is not a waiver, as we record neither revenue nor expense. We do not waive the tuition; there is no tuition charged. For High School Connections, MSUB got special permission from BOR and Governor's Office. We are in the first year of a pilot for this program. We have seen 150% growth in high school dual enrollment; we have committed to running this program Fall 2016 and Spring 2017.

6. Provost Hoar updated UBC regarding the Retention and Recruitment Initiatives funded through Performance Based Funding. A group of initiatives were prioritized and funded last year. The chart shows the budgeted dollars' some have begun to be expended. Minor adjustments are possible, there is a contingency fund as the true cost of several initiatives was unknown. The UBC Box folder contains narratives for these initiatives.

7. Budget Director Collins reviewed the 2019 Biennium budget development timeline document. This timeline is subject to change.
8. Meetings of UBC will be the first Tuesday of the month in McMullen 305 from 3:30 to 4:45pm. In November and December we may need to schedule additional meetings.
9. At our next meeting, November 1<sup>st</sup>, we will have the Budget 101 Training.