



November 21, 2014

Dear Colleagues and Friends

As you may recall, our Fall semester student enrollment numbers and tuition collections were below the amount necessary to fund the current fiscal year's General Operating budget. In September, we projected an annual \$1M tuition shortfall over the entire fiscal year (FY) from July 1, 2014 through June 30, 2015. At the end of October the projected shortfall was revised to \$900K. The University Budget Committee (UBC) was convened to address the projected FY15 tuition shortfall.

I would like to provide an update on the efforts of the UBC and agreed upon resolutions.

The UBC began meeting in September and met on four occasions. The representative group provided a list of suggested strategies to the Cabinet for consideration in bringing the current year spending plan in balance with projected revenues. The following are a few of the UBC's suggestions to offset the \$900K.

1. Hold vacancy savings accrued from vacant positions and delayed hiring decisions
2. Reduce energy consumption through conservation efforts
3. Reduce printing costs (Ex. email student bills)
4. Reduce departmental operating budgets in administrative areas
5. Review part-time faculty needs for Spring semester

Using the UBC suggestions as a guide, the Executive team identified the following budget savings:

1. Temporarily reduce the budgeted enrollment reserve by \$490K
2. Reduce the estimate for uncollectible student accounts by \$100K
3. Hold vacancy savings of \$135K
4. Reduce administrative operating budgets and contingency funds by \$125K (This includes implementation of student e-bills)
5. Realize CARE grant savings of \$50K from an adjustment in the timing of disbursement

If you would like to review how the budget reductions were distributed please visit the [budget website](#).

Thank you all for your time and the work you each do to support our students and each other.

Sincerely,

A handwritten signature in black ink that reads "Mark A Nook".

Mark A. Nook
Chancellor
Montana State University Billings