

MSU BILLINGS

BUDGET PRESENTATION



FISCAL YEAR
2014

Trudy Sipe Collins
University Budget Director



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
- Maximizes use of financial, physical and human resources

The Annual Budget

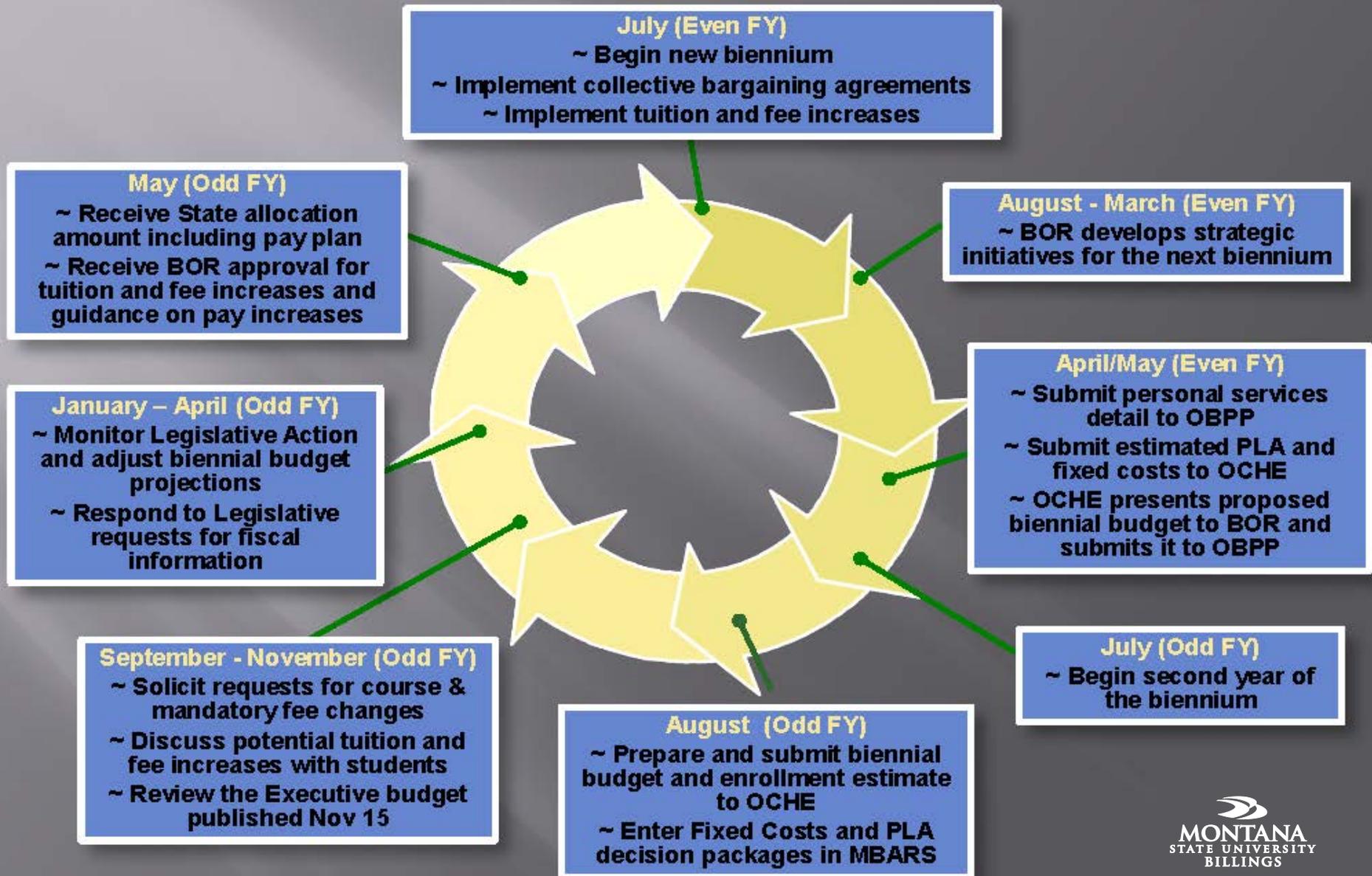
- Provides a communication tool
- Sets a balanced fiscal plan
- Delivers an accountability tool
- Allows limited flexibility to respond to new opportunities or revenue shortfalls



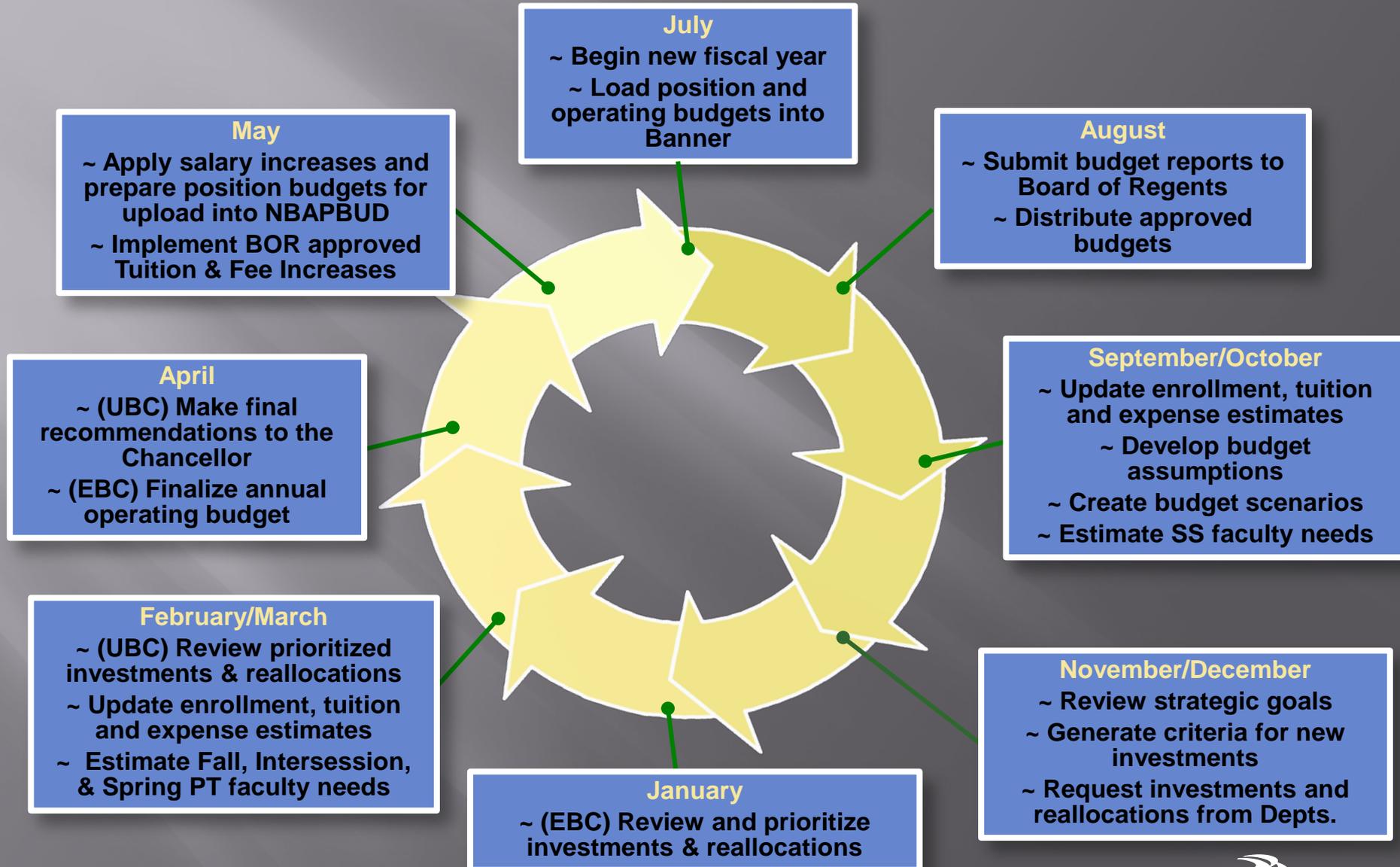
A CLOSER LOOK:

Budget Development

Biennial Budget Development Cycle



Annual Budget Development Cycle



FY14 Budget Development

Many Factors Considered

- Strategic initiatives – Futureu
- Student enrollment trends
- Collective bargaining agreements
- Loss of OTO state funds - \$590K
- Legislative actions
- Possible UM/MSU reallocation - \$450K
- Governor's proposed CAP plan
- Unknown MSU state allocation methodology
- Possible BOR 2.5% holdback for Initiatives
- Potential performance based funding
- Other?

Participatory Budget Development Process

- **University Budget Director**
 - Collaborates with OCHE and MSU to develop assumptions and projections
 - Builds and presents budget scenarios
 - Facilitates budget development process
 - Implements budget decisions
 - Monitors and reports budget status

Participatory Budget Development Process

➤ Executive Budget Council

- Reviews and adjusts budget assumptions and projections
- Develops process to align resources with strategic initiatives
- Engages campus members in budget process
- Receives, and reviews budget requests
- Convenes UBC and frames action items
- Reviews UBC recommendations and feedback
- Recommends budget actions to the Chancellor

Participatory Budget Development Process

➤ University Budget Committee

- Receives periodic budget status updates
- Responds to EBC requested action items
- Communicates with representative groups
- Reviews budget requests
- Recommends budget actions to the Chancellor

➤ Chancellor

- Receives recommendations and comments from EBC and UBC
- Makes final decisions

FY14 Budget Development

Actual Impact to the Budget (Revenue)

- Overall decrease in tuition (\$12K)
 - 0% tuition increase - residents and WUE students
 - 3% tuition increase - nonresidents
 - Extension of tuition flat spot to all credits > 12
- Overall increase in state funding \$736K or 3.8%
 - State funding for inflationary and fixed costs
 - State funding for pay plan costs (partial)
 - Loss of OTO state funding \$548K
 - Loss of state funding due to enrollment decline \$154K
 - Performance based funding in year 2 of the biennium
- Use of Designated reserves \$351K



FY14 Budget Development

Actual Impact to the Budget (Expenditures)

- Fixed cost increases \$1,642K
 - Pay plan and health insurance
 - Inflationary and state pass-through costs
- New investments \$582K
- Temporary investments \$351K
- Budget reallocations and reductions \$1.5M

A CLOSER LOOK:

General Operating Budget

Anticipated Revenue



Budget Focus: General Operating Budget

FY 2014 Budget: \$42,586,741

- 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, interest 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 indexes begin with 61

How do we plan on funding our FY14 General Operating Budget?



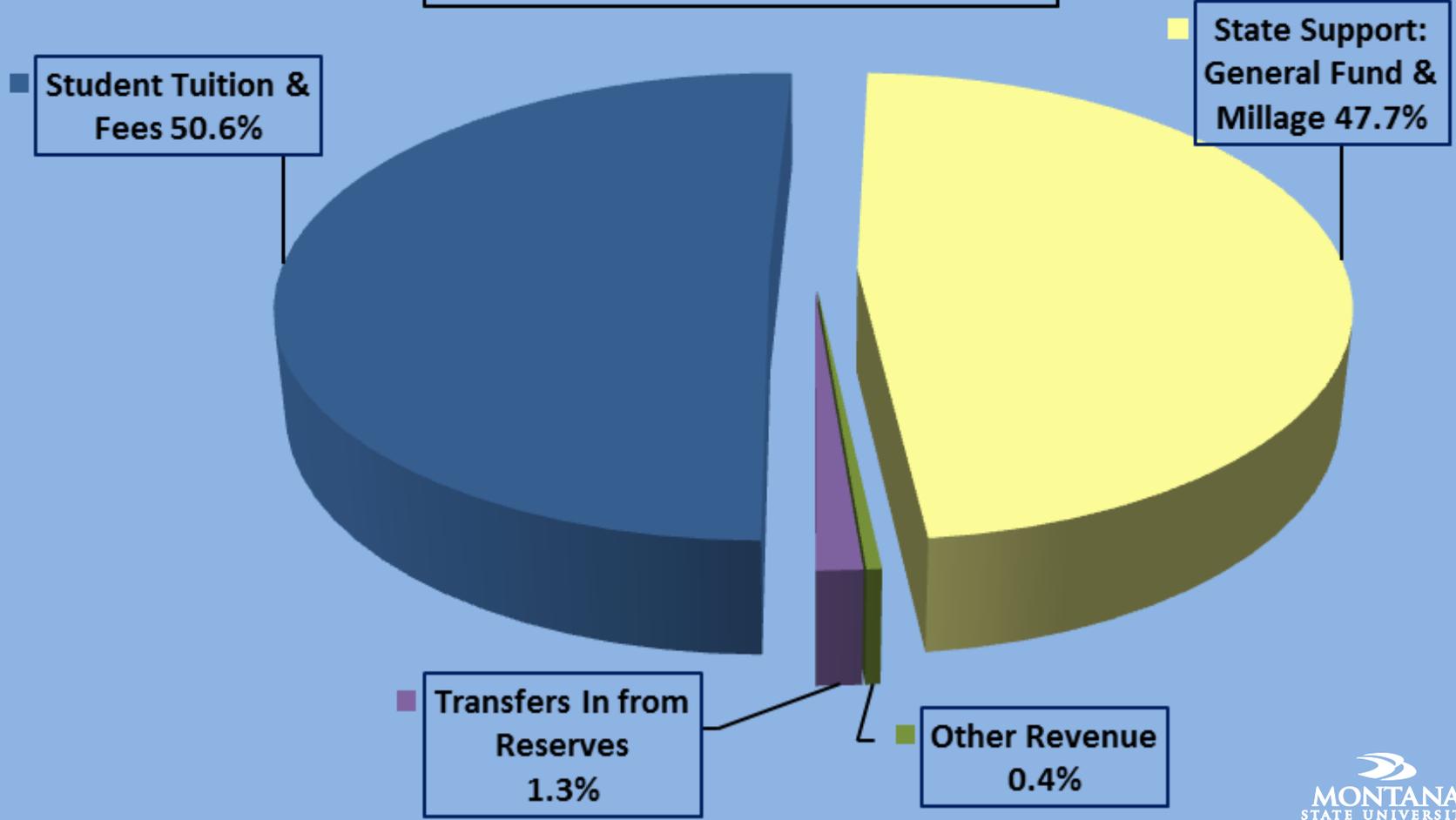
For every \$1 of Revenue



- \$.51 Tuition & Fees*
- \$.47 State Appropriation*
- \$.01 Other Revenue*
- \$.01 Transfers from Reserves*



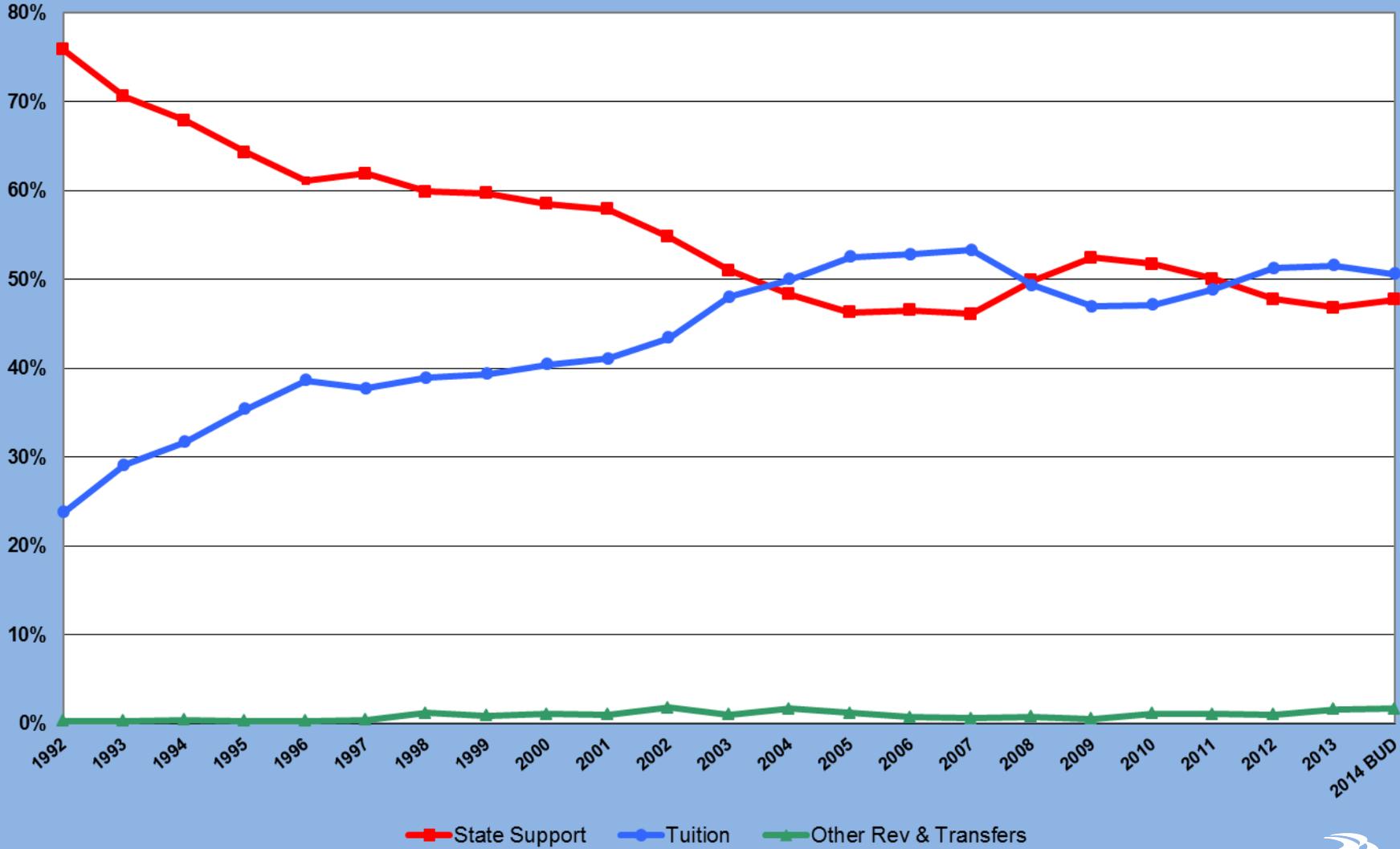
**FY 2014 General Operating Budget
Estimated Revenues
Total: \$42,586,541**



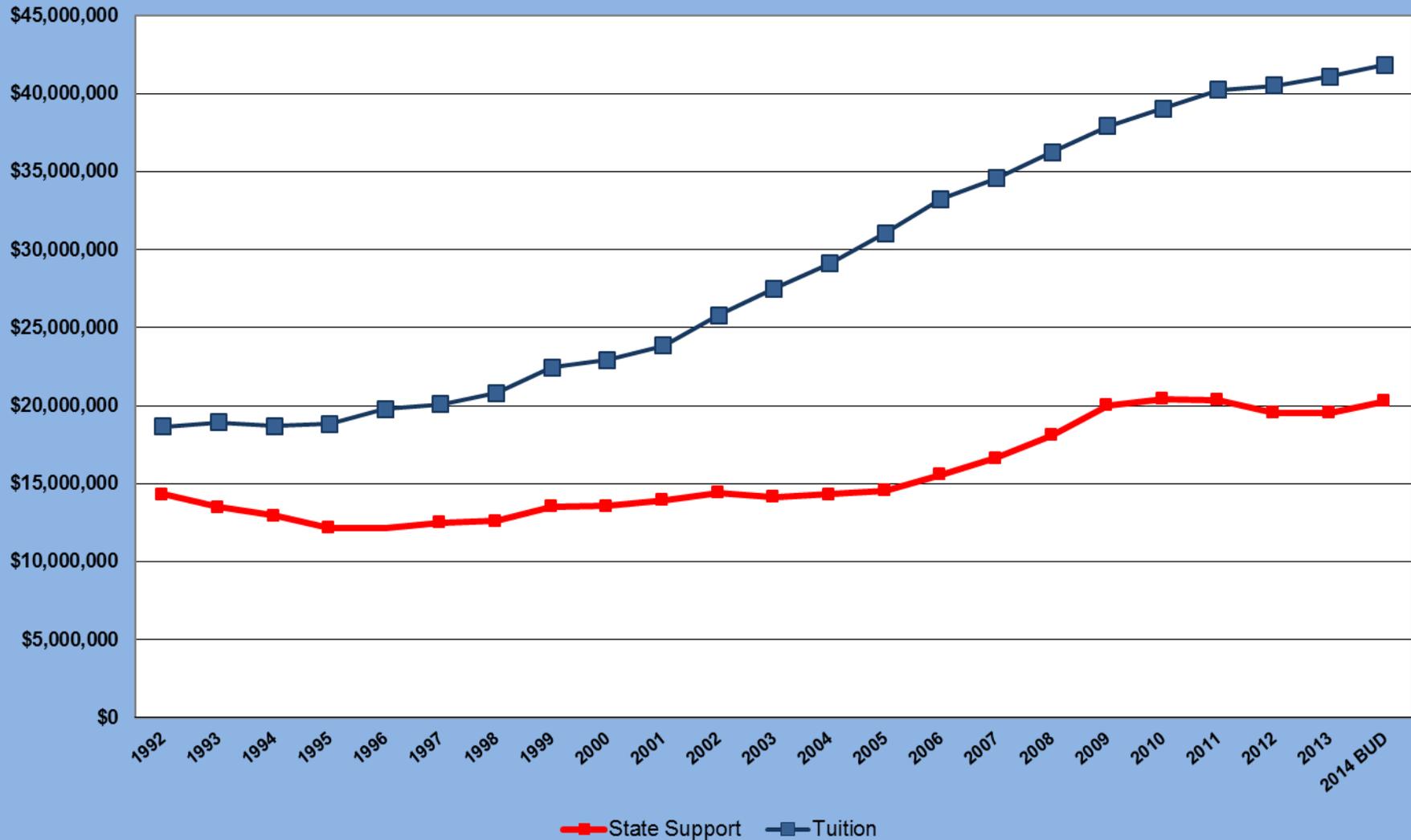
A CLOSER LOOK:

State Appropriations

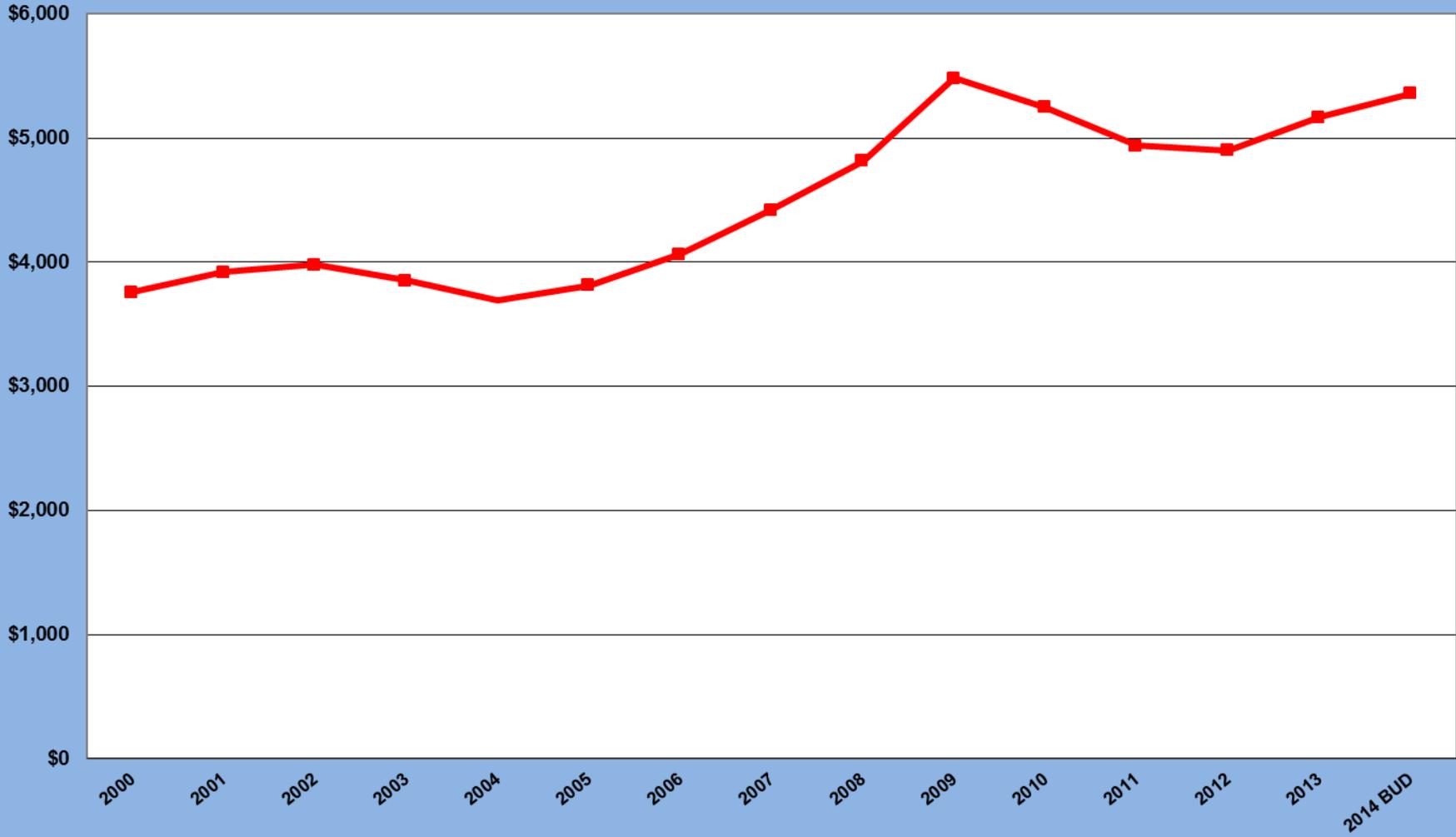
**General Operating Fund
Revenue Sources as a Percentage of Gross Revenue
Fiscal Years 2001 - 2014**



General Operating Fund History of State Support and Tuition Revenue Fiscal Years 1992 - 2014



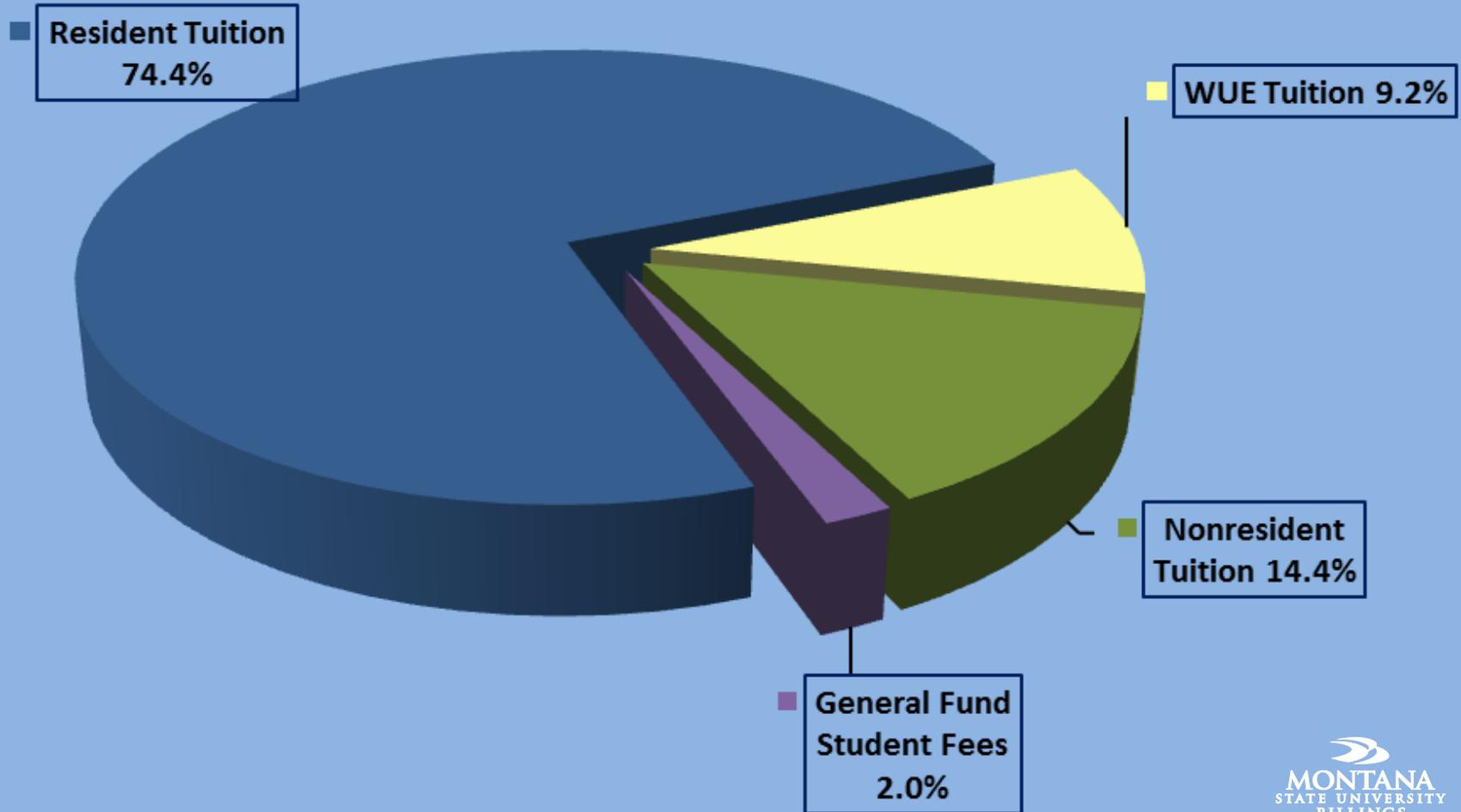
**General Operating Fund
State Appropriation per Resident Student FTE
Fiscal Years 2000 - 2014**



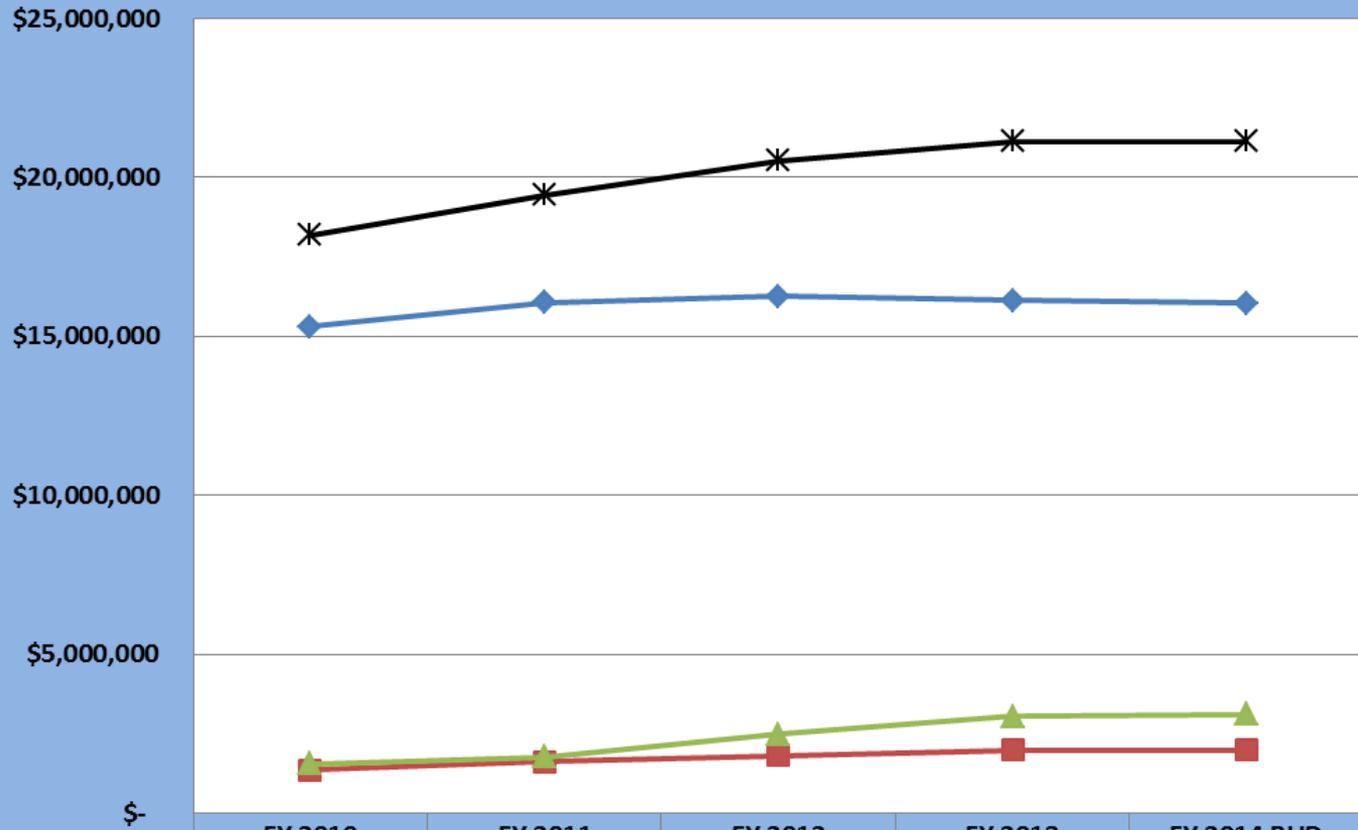
A CLOSER LOOK:

Student Tuition

FY 2014 Estimated Tuition Revenues by Residency
General Fund only
Total: \$21,556,582

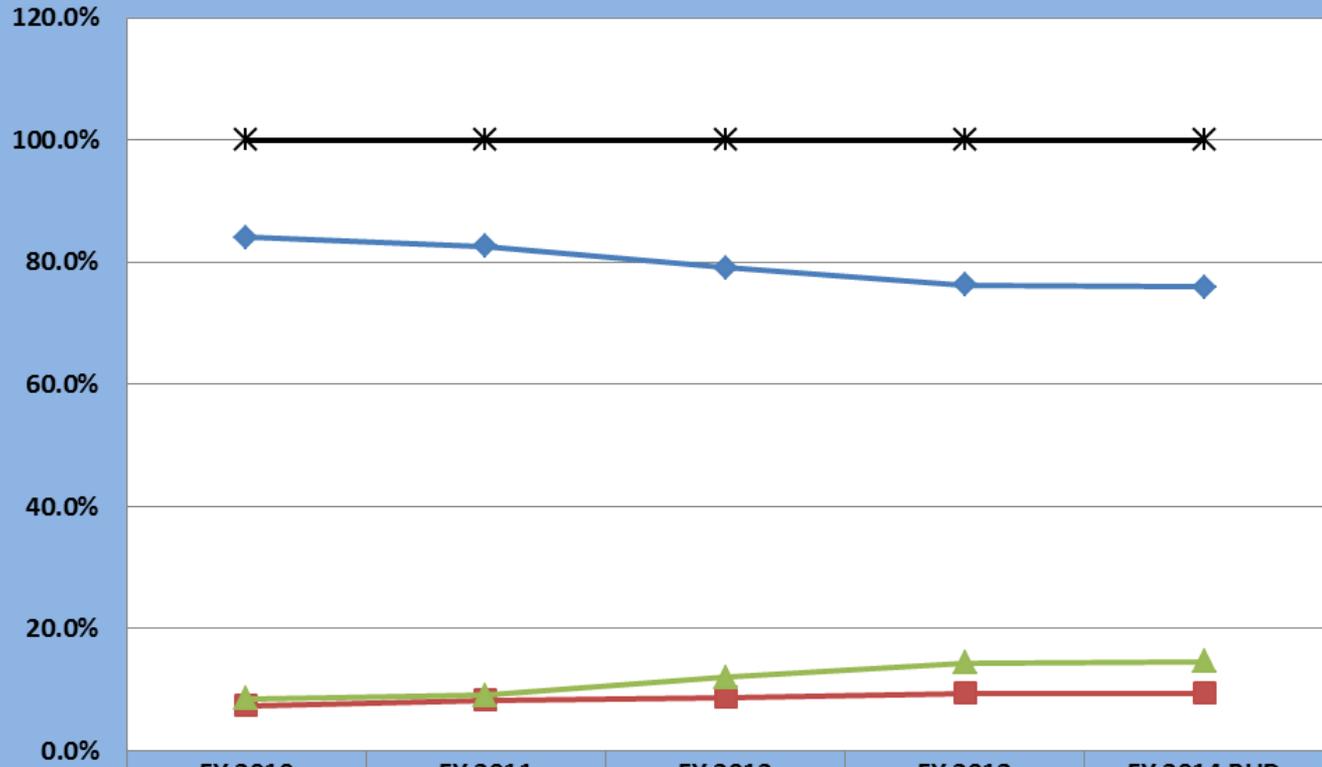


Tuition Revenue by Residency Status FY 2010 - 2014



	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014 BUD
◆ Resident Tuition	\$15,294,830	\$16,054,783	\$16,249,114	\$16,119,932	\$16,043,482
■ WUE Tuition	\$1,348,803	\$1,620,788	\$1,805,126	\$1,987,158	\$1,987,159
▲ Nonresident Tuition	\$1,547,444	\$1,757,385	\$2,480,931	\$3,034,383	\$3,098,580
* Total	\$18,191,077	\$19,432,956	\$20,535,171	\$21,141,473	\$21,129,221

Percentage of Tuition Revenue by Residency Status FY 2010 - 2014



	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014 BUD
◆ Resident Tuition	84.1%	82.6%	79.1%	76.2%	75.9%
■ WUE Tuition	7.4%	8.3%	8.8%	9.4%	9.4%
▲ Nonresident Tuition	8.5%	9.1%	12.1%	14.4%	14.7%
✱ Total	100.0%	100.0%	100.0%	100.0%	100.0%



A CLOSER LOOK:

Enrollment

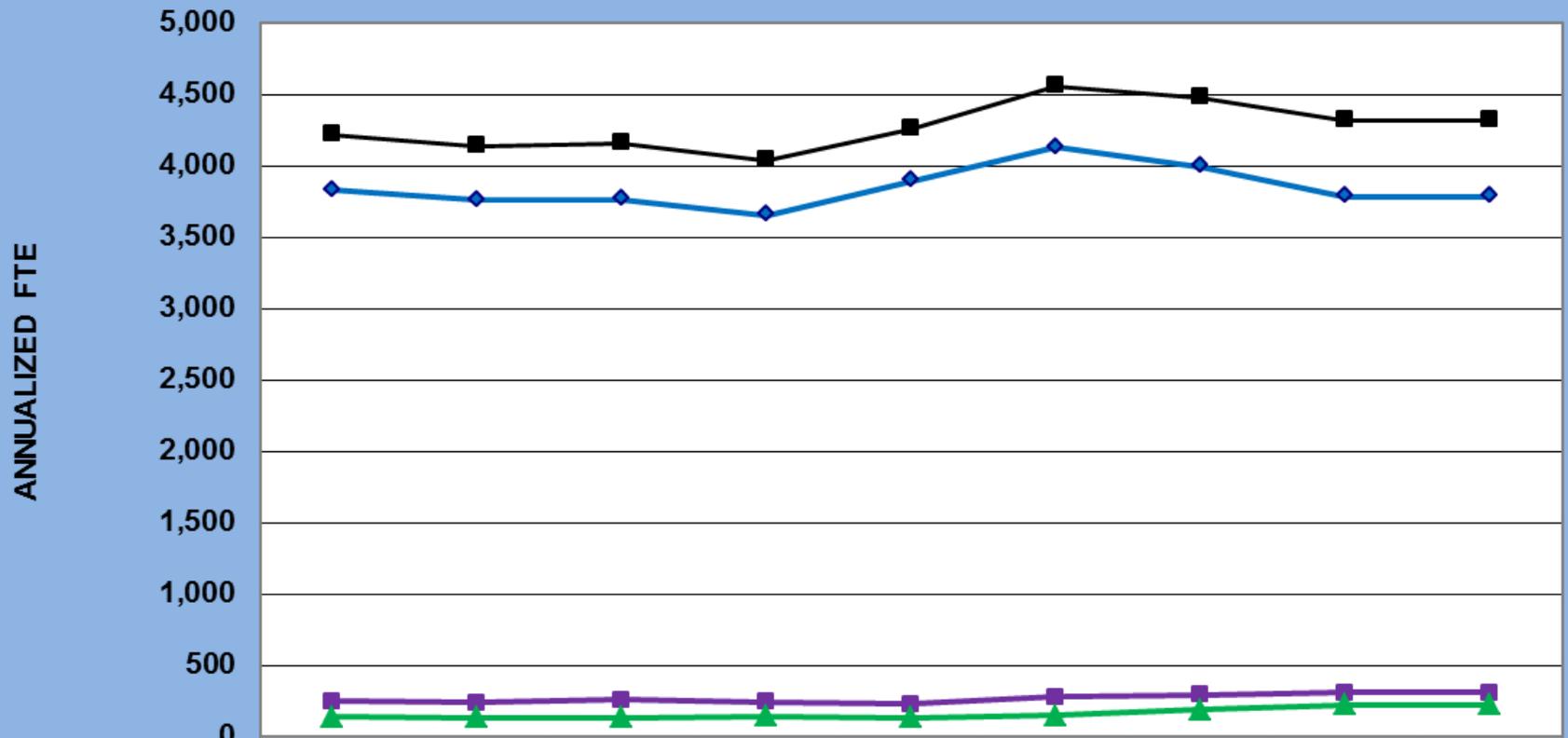
Reporting Metric - Enrollment

	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Budgeted
Resident	3,895	4,127	3,992	3,786	3,786
Non-resident	134	149	190	223	223
WUE	230	280	296	310	310
Total	4,259	4,556	4,478	4,319	4,319
Undergraduate	2,991	3,162	3,121	3,078	3,078
City College	973	1,053	1,015	923	923
Graduate	295	341	342	318	318
Total	4,259	4,556	4,478	4,319	4,319

Reporting Metric - Expenditures per Student

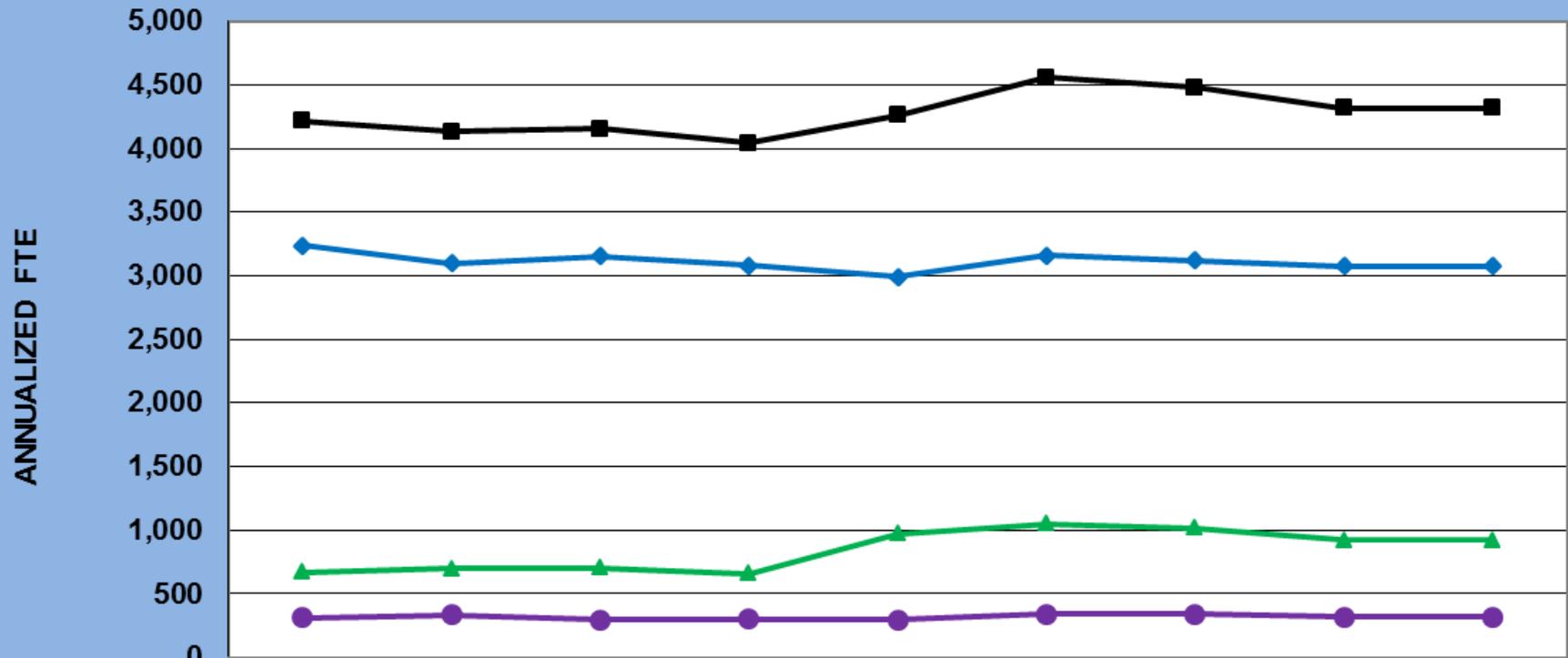
Expenditures per FTE FY10 Actual	Expenditures per FTE FY11 Actual	Expenditures per FTE FY12 Actual	Expenditures per FTE FY13 Actual	Expenditures per FTE FY14 Budgeted	Expenditures per FTE Growth Rate
\$9,240	\$8,788	\$8,858	\$9,610	\$9,860	1.6%

Montana State University-Billings Enrollment by Residency, FY06 - FY14



	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14 Budget
◆ Resident	3,831	3,761	3,764	3,653	3,895	4,127	3,992	3,786	3,786
■ WUE	251	240	258	246	230	280	296	310	310
▲ Non-resident	137	132	132	142	134	149	190	223	223
■ Total	4,219	4,133	4,154	4,041	4,259	4,556	4,478	4,319	4,319

Montana State University-Billings Enrollment by Student Level, FY06 - FY14



	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14 Budget
◆ Undergrad	3,237	3,097	3,152	3,083	2,991	3,162	3,121	3,078	3,078
▲ City College	668	699	706	658	973	1,053	1,015	923	923
● Graduate	314	337	296	300	295	341	342	318	318
■ Total	4,219	4,133	4,154	4,041	4,259	4,556	4,478	4,319	4,319



A CLOSER LOOK:

General Operating Budget Budgeted Expenditures

How do we plan on spending our FY14 General Fund Budget?



For every \$1.00 spent



\$0.73

Personal Services

\$0.20

Operating Expenses

\$0.06

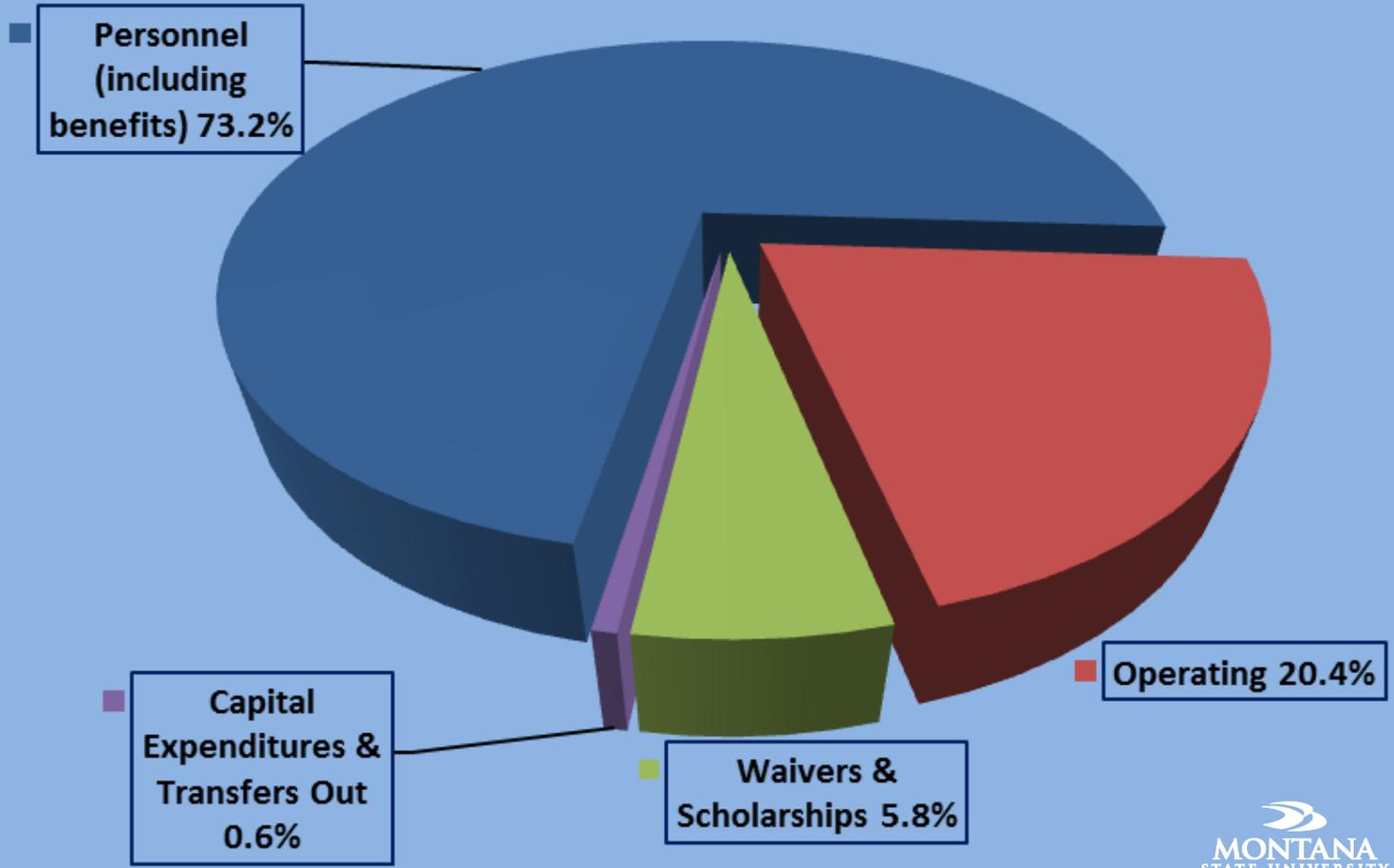
Scholarships & Waivers

\$0.01

Capital & Transfers

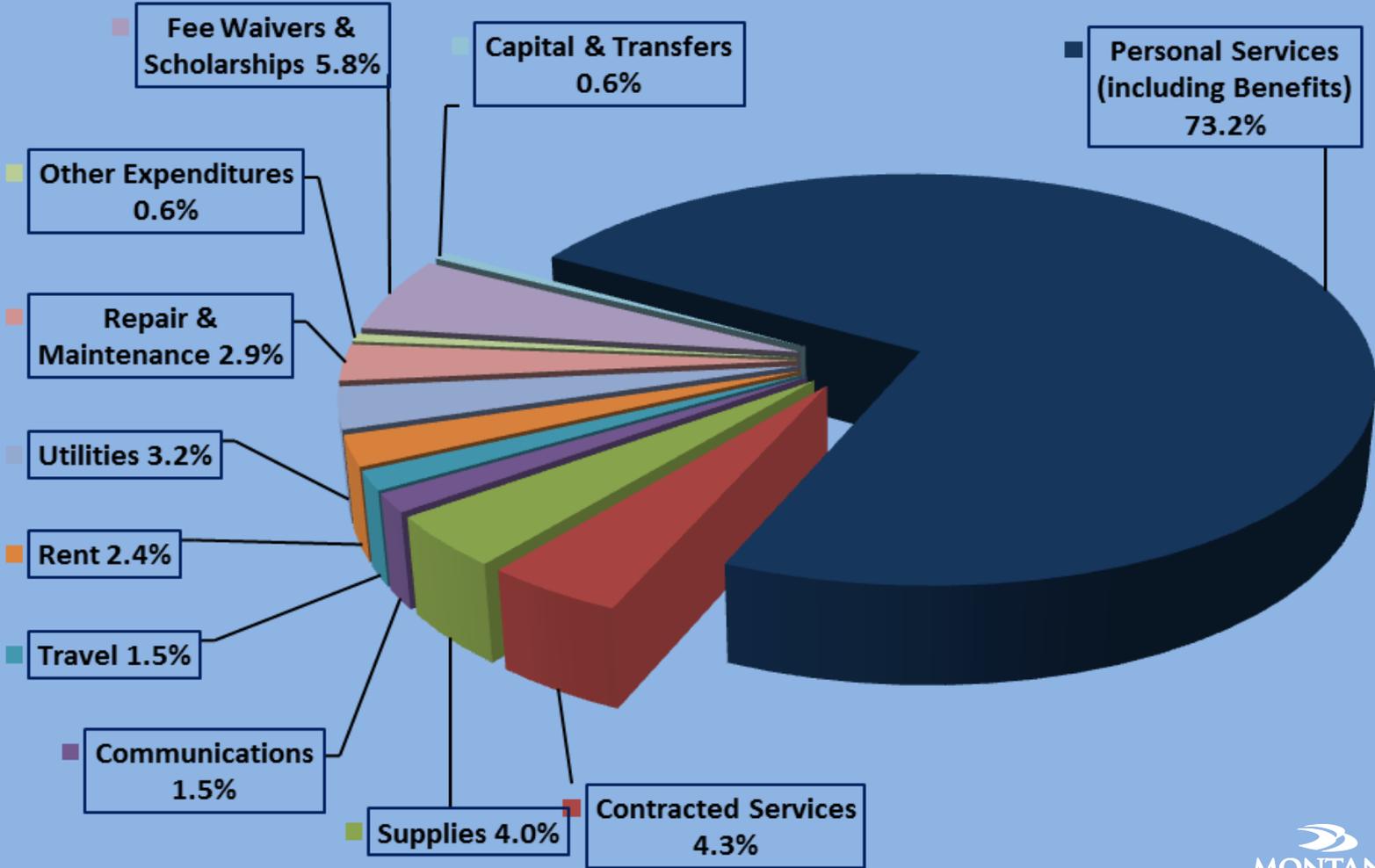


**FY 2014 General Operating Budget
Budgeted Expenditures
Total: \$42,586,541**

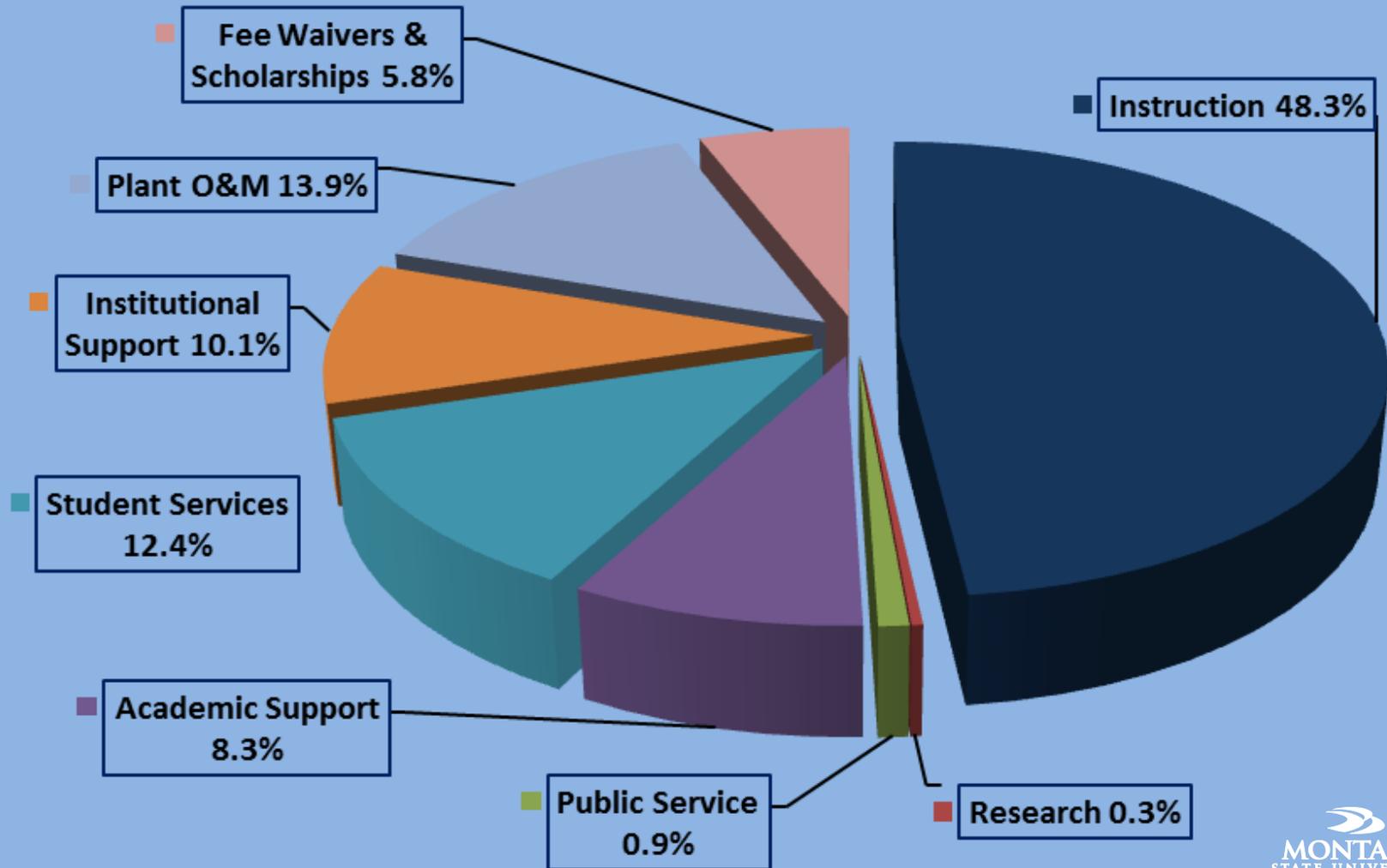


FY 2014 Budgeted General Fund Expenditures by Category

Total: \$42,586,541



FY 2014 Budgeted General Fund Expenditures by Program
Total: \$42,586,541



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
- **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

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, fiscal operations, human resource management, public relations, and institutional research

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: 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

Reporting Metric - Expenditures by Program

	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Budgeted
Instruction					
\$ Expenditures	\$18,825,382	\$16,679,483	\$18,820,927	\$19,519,716	\$20,563,458
Percent of Total	47.8%	41.7%	47.4%	47.0%	48.3%
Research					
\$ Expenditures	\$158,666	\$126,880	\$125,348	\$166,821	\$138,732
Percent of Total	0.4%	0.3%	0.3%	0.4%	0.3%
Public Service					
\$ Expenditures	\$431,558	\$397,326	\$408,678	\$372,622	\$370,367
Percent of Total	1.1%	1.0%	1.0%	0.9%	0.9%
Academic Support					
\$ Expenditures	\$3,501,994	\$3,450,083	\$3,285,471	\$3,299,355	\$3,548,477
Percent of Total	8.9%	8.6%	8.3%	7.9%	8.3%
Student Services					
\$ Expenditures	\$4,609,127	\$5,070,286	\$5,354,651	\$5,542,333	\$5,298,511
Percent of Total	11.7%	12.7%	13.5%	13.4%	12.4%
Institutional Support					
\$ Expenditures	\$3,742,688	\$4,262,901	\$3,901,135	\$3,806,327	\$4,282,976
Percent of Total	9.5%	10.6%	9.8%	9.2%	10.1%
Plant O & M					
\$ Expenditures	\$6,054,503	\$7,878,722	\$5,560,180	\$6,439,272	\$5,901,151
Percent of Total	15.4%	19.7%	14.0%	15.5%	13.9%
Scholarship and Fellowships					
\$ Expenditures	\$2,028,930	\$2,174,656	\$2,209,715	\$2,359,891	\$2,482,869
Percent of Total	5.2%	5.4%	5.6%	5.7%	5.8%
Total					
\$ Expenditures	\$39,352,848	\$40,040,337	\$39,666,105	\$41,506,337	\$42,586,541
Percent of Total	100.0%	100.0%	100.0%	100.0%	100.0%

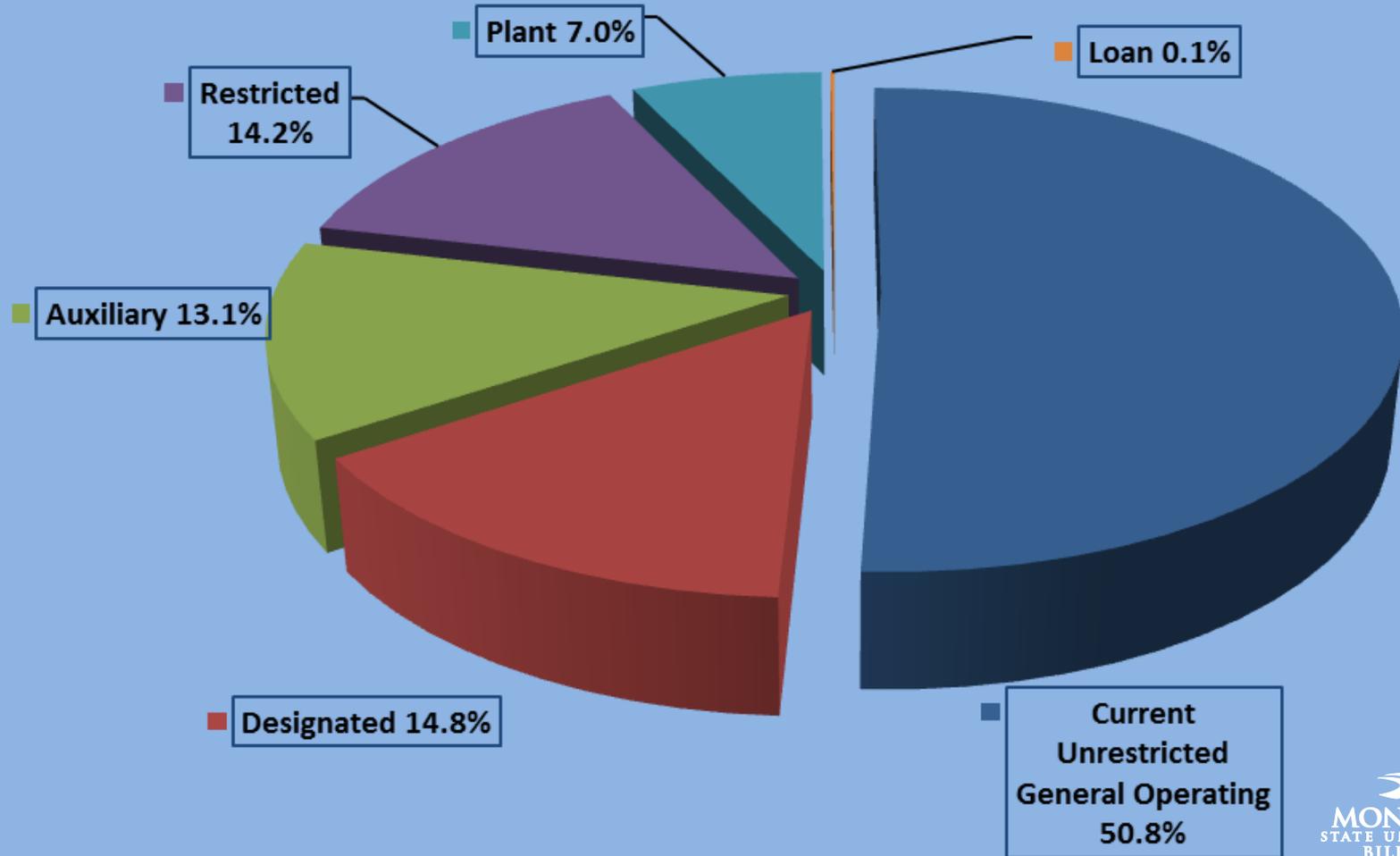


A CLOSER LOOK: OTHER UNIVERSITY FUNDS

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

All Funds FY2013 Budget

FY 2014 Budgeted Expenditures (All Funds)
Total: \$83,918,841



Designated Fund

FY 2014 Budget: \$12,435,700

- Financial activity associated with general operations
- Includes internal service centers which accumulate costs to recharge to other funds (IT, copy center, print shop, phones, maintenance, etc.)
- Includes self support or specialized activities which collect a fee (resale, course fee, continuing education)
- Fund Balances carry over from year to year
- Banner indexes begin with 63

Auxiliary Fund

FY 2014 Budget: \$10,987,800

- Funds dedicated to on-campus services 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 used generally pledged for repayment of revenue bonds
- Fund Balances carry over from year to year
- Banner indexes begin with 64

Restricted Fund

FY 2014 Budget: \$11,943,800

- Funds received and restricted for purposes specified by external sources
- Federal, State, and private grants and contracts (examples: Upward Bound, SOS, COT 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 indexes begin with 62

Plant Funds

FY 2014 Budget: \$5,843,000

- Used for the acquisition of long term assets (construction)
- Record costs associated with the renewal or replacement of campus properties (Computer fee, equipment fee)
- Account for debt service payments (loans and bonds)
- Accumulate the historical costs and depreciation of long-lived assets
- Fund Balance carries over from year to year
- Banner indexes begin with 67, 68, and 69

Loan Fund

FY 2014 Budget: \$122,000

- Perkins, LEAPS Loans
- Banner indexes begin with 65

QUESTIONS?

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



BUDGET OFFICE

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