

Fiscal Year 2024 End  
Fiscal Year 2025 Budget

# FY25 General Fund Budget Reduction Target

FY25 General Fund Budget Targets	
FY24 General Fund Budget Deficit	2,300,000
FY24 Tuition Shortfall	350,000
FY25 Performance Funding Shortfall	150,000
Buffer	200,000
<b>Total</b>	<b>3,000,000</b>



# FY24 Budget to FY25 Budget Comparison

General Fund	FY24 Budget	FY25 Budget	% Variance	FY25 Budget Less FY24 Budget Increase/(Decrease)
<b>REVENUES</b>				
Tuition and Fees	15,263,457	15,568,699	2.00%	305,242
Discounting, Scholarships and Waivers	(2,929,497)	(2,971,054)	1.42%	(41,558)
State Funding	25,556,699	26,668,882	4.35%	1,112,183
Other Revenue	72,836	127,387	74.90%	54,551
<b>NET REVENUES</b>	<b>37,963,496</b>	<b>39,393,913</b>		<b>1,430,418</b>
<b>EXPENDITURES AND DEBT PAYMENTS</b>				
Personnel Expenses	32,453,101	32,845,994	1.21%	392,893
Non-personnel Expenses	7,122,885	6,330,725	-11.12%	(792,161)
Debt Payments	651,980	637,073	-2.29%	(14,907)
<b>TOTAL EXPENDITURES AND DEBT PAYMENTS</b>	<b>40,227,966</b>	<b>39,813,791</b>		<b>(414,174)</b>
<b>OPERATING INFLOWS (OUTFLOWS)</b>	<b>(2,264,470)</b>	<b>(419,878)</b>		<b>1,844,592</b>



# FY24 to FY25 Budget Comparison Summary

- Budget deficit decreased from \$2.3M in FY24 to \$419K in FY25
  - This was due to factors on both the revenue and expense side. The main factors are:
    - Revenue
      - Tuition and fees
        - Budget increased by \$305K.
        - Model included BOR-approved tuition increases of 4% residents and 6% non-residents.
        - The tuition model was reduced by 2% to reflect a downward trend in grad enrollment.
      - State funding
        - MSUB received over \$1M more in state support in FY25 than in FY24. This is mainly due to the increased funding for the pay plan.



# FY24 to FY25 Budget Comparison Summary

- **Expense:**
  - Personnel
    - In FY24 & FY25, the state approved base wage increases for eligible employees of 4% or \$1.50, whichever is greater. However, the FY25 personnel budget only grew by 1.21%. The main reasons are:
      - Some vacant positions were removed from the budget.
      - The MCIE budget was moved from the general fund to a designated fund.
      - A few positions were temporarily and/or permanently moved to non-general fund indexes.
  - Non-personnel
    - Decreased in almost all categories.
    - Significant adjustment of Sprint budget (approved by OCHE) to realign \$136K from supplies to scholarships.



# Scholarship & Waivers Comparison

FY25 to FY24 Budget Comparison			
	FY25 Budget	FY24 Budget	Difference
<b>Scholarships</b>			
Adult Learner	43,000	63,000	(20,000)
Athletics	275,616	275,616	-
Montana 10	93,000	85,000	8,000
Sprint	160,000	24,000	136,000
Student Access	75,305	75,305	-
Student Support	42,205	42,205	-
Yellowjacket Excellence	214,240	214,240	-
Misc. scholarships	53,000	53,024	(24)
<b>Total Scholarships</b>	<b>956,366</b>	<b>832,390</b>	<b>123,976</b>
<b>Waivers</b>			
American Indian	515,000	500,000	15,000
Athletic	970,203	960,203	10,000
Faculty & Staff/Dependent	113,020	100,000	13,020
Graduate	64,050	64,050	-
MT National Guard	60,000	41,600	18,400
MT Trailhead	188,500	246,483	(57,983)
Other	103,915	184,771	(80,856)
<b>Total Waivers</b>	<b>2,014,688</b>	<b>2,097,107</b>	<b>(82,419)</b>
<b>Total Discounting, Scholarships &amp; Waivers</b>	<b>2,971,054</b>	<b>2,929,497</b>	<b>41,557</b>

\*FY24 Graduate Waiver budget was adjusted by \$1,050 to include WRGP Grandfathered waivers that were included in Other

\*The FY24 Sprint Budget received from OCHE was incomplete. Received permission from OCHE to realign FY25 Sprint scholarship budget with actual awards.



# Non-personnel comparison

		FY24 Budget	FY25 Budget	\$ Variance	% Variance
<b>REVENUES</b>					
621SRV	Contracted Services	1,776,223	1,839,656	63,432	3.6%
622SUP	Supplies	1,157,242	860,947	(296,295)	-25.6%
623COM	Communications	368,608	271,158	(97,449)	-26.4%
624TRV	Travel	632,154	534,758	(97,396)	-15.4%
625RNT	Rent	162,370	157,890	(4,480)	-2.8%
626UTL	Utilities	1,464,549	1,363,984	(100,565)	-6.9%
627MNT	Repairs & Maintenance	1,329,948	1,239,431	(90,517)	-6.8%
628OTH	Other	231,792	62,901	(168,891)	-72.9%
<b>TOTAL NON-PERSONNEL EXPENSES</b>		<b>7,122,885</b>	<b>6,330,725</b>	<b>(792,161)</b>	<b>-11.1%</b>



# BOR & Legislative Approved Changes in FY24 & FY25

## ◊ Revenue

### ◊ Tuition

◊ The Board of Regents approved an increase in tuition revenue:

- **Resident** undergraduate and graduate tuition increases of 4% in FY24 and FY25.
- **Non-resident** undergraduate and graduate tuition increases of 6% in FY24 and FY25.
- **WUE and WICHE/WRGP** student tuition increases of 4% in FY24 and FY25.

### ◊ Housing Room & Board

◊ Increased 8% in FY24

◊ Increase 5% in FY25





# BOR & Legislative Approved Changes in FY24 & FY25

## ◊ Expense

### ◊ Base wage increases

◊ FY25 is the second year of base wage increases approved by the Montana Legislature through House Bill 13.

◊ HB 13 provided base wage increases to eligible state employees for FY25 of \$1.50 per hour or 4%, whichever is greater.

◊ RMTD Insurance Premium Holiday – universities will not pay for property & casual insurance.



# Fiscal Year End 2024

General Fund	FY24 Budget	FY24 Actual	% of Total	Variance fav(unfav)
<b>REVENUES</b>				
Tuition & Fees	15,263,457	14,973,725	38.55%	(289,732)
Discounting, Scholarships and Waivers	(2,929,497)	(2,819,212)	-7.26%	110,285
State Funding	25,556,699	26,525,355	68.29%	968,656
Other Revenue	72,836	163,428	0.42%	90,592
<b>NET REVENUES</b>	<b>37,963,496</b>	<b>38,843,296</b>	<b>100%</b>	<b>879,801</b>
<b>EXPENDITURES AND DEBT PAYMENTS</b>				
Personnel Expenses	32,453,101	30,221,841	80.54%	2,231,260
Non-personnel Expenses	7,122,885	6,650,940	17.72%	471,945
Debt Payments	651,980	651,265	1.74%	715
<b>TOTAL EXPENDITURES AND DEBT PAYMENTS</b>	<b>40,227,966</b>	<b>37,524,046</b>	<b>100%</b>	<b>2,703,920</b>
<b>OPERATING INFLOWS (OUTFLOWS)</b>	<b>(2,264,470)</b>	<b>1,319,250</b>		<b>3,583,720</b>

**Be Brave. Be Bold.** *Become.*



# Fiscal Year End 2024

How did MSUB have a large positive budget variance?

- The FY24 budget was based on \$38M in net revenue and we gave out \$40.2M in spending authority. The \$2.3M operating deficit was to be covered by a transfer in from the reserves.
- Our spring forecast showed that we may need a transfer in from the reserves, however, due to a large positive vacancy savings, increased OCHE support at fiscal year end, and lower than budgeted non-personnel expense, FY24 ended with an operating surplus of \$1.3M.



# FY24 General Fund Transfers

FY2024 Cash Transfers	
<b>Cash Transfers to the General Fund</b>	
Perkins Loan Fund	26,993
<b>Net General Fund Cash Transfers In</b>	<b>26,993</b>
<b>Cash Transfers Out of the General Fund</b>	
Capital & Facilities Maintenance Reserve	(200,000)
Dual Enrollment	(76,359)
MT 10	(88,760)
Operating Reserve	(828,493)
Retirement Reserve	(50,000)
Scholarship Reserve	(50,000)
Other	(52,631)
<b>Net General Fund Cash Transfers Out</b>	<b>(1,346,243)</b>
<b>Net Transfers</b>	<b>(1,319,250)</b>



# Projected Reserve Balance

Reserves	FY21 Ending Balance	FY22 Ending Balance	FY23 Ending Balance	FY24 Ending Balance
Retirement Reserve	180,276	180,276	150,276	200,276
Operating Reserve - General Fund	4,113,987	4,997,153	5,029,306	5,596,147
Operating Reserve - Montana 10*	224,959	391,374	662,525	751,284
Scholarship Reserves	1,807,279	2,289,385	1,424,988	1,474,704
Facilities Deferred Maintenance**	224,616	334,818	637,098	540,426
<b>TOTAL RESERVES</b>	<b>6,551,117</b>	<b>8,193,006</b>	<b>7,904,193</b>	<b>8,562,837</b>

FY24 Ending Reserve Balance	8,562,837
<i>FY25 Budget Use of Reserves</i>	<b>(419,878)</b>
<b>Projected Balance at 6/30/25</b>	<b>8,142,959</b>

\*Funds are restricted for MT 10 use only

\*\*Updated Facilities Deferred Maintenance line to include deferred maintenance reserve balance in the Plant fund.



# Bond and DEQ Debt

- **Bond Debt**

MSUB		
Debt Service	FY25	FY26
<b>Bond Debt</b>		
<i>17D</i>	140,250	143,500
<i>21H</i>	779,941	783,623
<b>Total Bond Debt</b>	<b>920,191</b>	<b>927,123</b>

- **DEQ Debt**

MSUB			
Debt Service	FY25	FY26	FY27
<i>McMullen Windows</i>	6,519	6,519	6,519
<i>Science Building</i>	40,391	40,391	40,391
<b>Total DEQ Debt</b>	<b>46,910</b>	<b>46,910</b>	<b>46,910</b>

