

**ITEM 147-2006-R0510**  
**Revised Operating Budgets – FY2010; Montana State University**

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**THAT**

The Board of Regents of Higher Education authorizes the amended fiscal year 2010 operating budget for Montana State University-Bozeman as submitted on the attached documentation.

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**EXPLANATION**

As previously noted during the September 2009 Board of Regents meeting and the University’s budget presentation, Montana State University-Bozeman has exceeded the enrollment projections used in developing its FY10 Budget. The FY10 enrollment projections were based on a conservative budget model and Montana State University-Bozeman was within thirty-nine FTE of the target in FY09. However, enrollment surpassed the projection by 326 FTE and has generated additional tuition revenue.

The additional Gross budget authority requested by Montana State University is \$4,258,650. This includes:

Internal Fund Transfers .....	\$430,035
Tuition/Misc Sources.....	\$3,362,484
Additional Waiver Authority .....	\$466,131

Montana State University has committed \$2,214,080 of these revenues to FY10 one-time expenditures for expenses directly related to our increased student enrollment, such as increased class sections, instructional program support, student financial aid, student recruitment and retention, Montana Resident student scholarships, GTA stipends and an offset of the FY10 Governor’s budget reduction of \$(483,238).

For the remaining funds, Montana State University proposes to deposit \$2,044,570 into its Reserve Revolving Account as allowable under Board Policy 901.15. These revenues will not be expensed in the FY10 budget, but will be held in reserve for use in FY11, for expenses directly related to our expected increase in student enrollment, such as increased class sections, instructional program support, student financial aid, student recruitment and retention, Montana Resident student scholarships and GTA stipends.

Additionally, some portion of these revenues will likely be used to provide bridge funding between FY10 and FY12 for MSU campuses or agencies, and to mitigate the first year impact of further reductions.

Because the majority of this new revenue will not be expensed in FY10, even though enrollment has increased considerably, the University’s average Net expenditures per student will decline by \$232 from our original budget.

The approving authority for the university system is defined by 17-7-102(3)(f) M.C.A. to be the Board of Regents of Higher Education or its designated representative. Further, in accordance with 17-7-402(1)(a)(ii), the Board of Regents or its designated representative is the authority responsible for approving budget amendments for spending additional tuition collected.

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**ATTACHMENTS**

Revised FY10 Enrollment Metric