

## Campus Responses - FY12 Budget Questions

### Budget Metrics Overview

*In reviewing your campus budget metrics, what areas has your campus improved the most? What areas the least, and why? How do you utilize and track these metrics in the ongoing management of your campus?*

#### UM MISSOULA

- We are pleased that we have been able to manage costs while also minimizing tuition increases during the last five years. As part of our ongoing planning, budgeting and assessment activities, we will continue to review these key metrics and make data-driven decisions as we go into the next biennium.
- In FY12 UM noted a slight decline in enrollment after many years of growth. This slight decline was experienced mostly in undergraduate resident student enrollment.
- UM continues to be committed to providing a quality education and has increased the expenditures per FTE by 3.6% over the last 5 years. Even though we are proud of this progress, it is not enough. Analysis of the results of national studies like the Delta Cost Study continue to point to an undeniable reality that the University of Montana lags its peers in the amount spent per student. We also realize that delivering a quality education must be coupled with providing affordable tuition for the state's residents and we have indeed made affordability a top priority.
- At the same time, state support per FTE has continued to decline over the last 5 years. FTE Enrollment has increased by 4.1% but state appropriation per student has seen a decrease of 3.1% over the same time period. This remains the most significant constraint in our efforts to improve expenditures per FTE.

#### MT TECH

In reviewing the campus budget metrics, Montana Tech has improved the most in student FTE growth (4.2% average annual increase since FY 2008), and in maintaining a consistent Expenditure per Student FTE (.3% average annual increase since FY 2008).

The campus has experienced a decrease in the percent of budget allocated to Plant O&M. Fortunately, Montana Tech has been fiscally responsible and established a deferred maintenance plant fund designated for campus projects approved by the Executive Council. Montana Tech's Cost per Completion has not decreased, in part, because the student growth experienced in FY 2010 and FY 2011 has not matriculated through the 4-year programs.

Academic Support as a percent of the total budget has increased over the last five years due to the hiring of a Distance Learning Coordinator, a Director of Institutional Research and increased funding of Highlands College Learning Center personnel. FY 2012 was skewed because of the one-time-only Ph.D. Program Development funding.

State support per FTE has declined on average 1.8% per year from FY 2009 (actual) to FY 2013 (budgeted).

Montana Tech recently developed and implemented a new budgeting process which uses the MUS metrics as one of the mechanisms for allocating resources. The campus has gone to an "all funds budgeting" approach and uses MUS metrics and campus specific metrics as part of the budget process. Montana Tech is moving towards a more data driven enrollment management process and metrics are an instrument to measure how the campus and departments are performing.

## UM WESTERN

- Montana Western metrics have not appreciably changed over the last several years.
- We utilize the metrics to set the beginning budget and to inform the next one. During the year we manage to the most important issues and strategic needs of the campus. We regularly track meaningful data as we make decisions.

## HELENA COLLEGE

The annual enrollment figures have increased by 448 from the FY08 figure of 733 to the FY12 figure of 1,181. The annual changes rates are as follows: FY08 to FY09 = 10%, FY09 to FY10 = 24.9%, FY10 to FY11 = 13.9%, FY11 to FY12 = 3.0%, and the fall 12 FTE numbers are running about 1% behind the fall 11 figures. During this time headcount figures have also been increasing. The increases in fall headcount figures are as follows: fall 09 to fall 10 = 9%, fall 10 to fall 11 = 12%, and the fall 12 numbers are currently running about 3.5% ahead of fall 11. So while the Helena College continues to attract more students, it appears that they are taking fewer credits as a group. The point here is that while the FTE figures are showing signs of weakening, the corresponding headcount figures are still strengthening which means that the demand for support services will continue to increase.

Expenditures per FTE dropped from \$7,367 in FY09 to a low of \$6,024 in FY11 due primarily to the significant increase in FTE with no corresponding increase in State funding. The number went back up in FY12 due to the additional State funds appropriated to the college and the additional personnel hired because of that funding. The budgeted number in FY13 as shown on the metric is artificially high due to the carry forward of FY12 funds into FY13. Some of the carry forward funds will be used for expenditures of an ongoing nature; however, the majority will be for one time only expenditures as the projected FY14/15 biennial budget would not support that level of ongoing expenditures. So while FY13 may show a spike in expenditures per FTE, the reality would be better expressed as a combination of FY12 and FY13 expenditures to FTE. However, the point is that the expenditure per FTE number is going back up for Helena College.

Helena College continues to work at getting the Instructional percentage of total expenditures up to the 50% mark. The percentage has gone from 47.3% to a budgeted 49% in FY13. The percentage expended on the combination of Instruction, Academic Support and Student Services has maintained in the 70% to 75% range.

Helena College utilizes the metric data and other data in to develop marketing and retention strategies; program development and evaluation; and resource allocation. Helena College has developed and implemented an assessment process which includes steps to tie budgetary decisions to the strategic plan and assessment results. This process includes the review of a variety of data and comparative information including the metrics data to assist in making the best spending decisions for the college.

**Expenditures per FTE**

| <b>Expenditures per FTE FY09 Actual</b> | <b>Expenditures per FTE FY10 Actual</b> | <b>Expenditures per FTE FY11 Actual</b> | <b>Expenditures per FTE FY12 Actuals</b> | <b>Expenditures per FTE FY13 Budgeted</b> | <b>Expenditures per FTE Growth Rate</b> |
|---|---|---|--|---|---|
| \$12,600                                | \$12,826                                | \$12,244                                | \$12,418                                 | \$13,192                                  | 1.2%                                    |

Expenditures per student FTE are budgeted at \$13,192 in FY13 compared to actual expenditures of \$12,418 in FY12. Both years include one-time only investments to support our enrollment growth and to enhance our facilities and programs. The FY12 expenditure per FTE includes \$243/FTE (\$3M) that was used for classroom renovations and ADA access projects.

The FY13 Expenditures per FTE includes \$393/FTE (\$5M) for “Advancing MSU” initiatives. These investments are aimed at benefiting our students and the university with a focus to:

- Improve student retention and degree completion
- Help students minimize debt through timely graduation and need-based financial aid
- Invest in our faculty and staff via centrally funded professional development
- Promote efficiency and effectiveness in administrative processes
- Support the achievement of goals outlined in the new MSU Strategic Plan

**Per Student Funding**

|                                       | <b>FY13 Budgeted</b> | <b>Percent of Expenditure per FTE</b> |
|---------------------------------------|----------------------|---------------------------------------|
| <b>Non-Resident Student Funding</b>   |                      |                                       |
| Expenditure per FTE*                  | 13,013               |                                       |
| Average Non-resident Tuition per FTE* | 17,643               | 135.6%                                |
| Other Revenue per FTE***              | 602                  | 4.6%                                  |
| <b>Resident Student Funding</b>       |                      |                                       |
| Expenditure per FTE*                  | 13,013               |                                       |
| State Support per FTE**               | 4,790                | 36.8%                                 |
| Average Resident Tuition per FTE*     | 5,684                | 43.7%                                 |
| Other Revenue per FTE***              | 602                  | 4.6%                                  |
| Non-Resident Subsidy per FTE          | 1,937                | 14.9%                                 |

Per Student Funding in FY13 compared to FY09 shows a 24% decrease in state support per FTE, a 16% increase in tuition per FTE, and a 63% increase in the subsidy for resident students from nonresident enrollment and their associated tuition revenues. This subsidy helps to keep the tuition affordable for our Montana students, provides more diversity for our resident students, and improves the quality of education we are able to provide at MSU. We have also seen the academic profile increase for nonresident students as a result of targeted recruiting, thus improving the academic reputation of the institution and improving the educational experience for all students.

The 5-year metrics are used by campus constituent groups to make decisions regarding enrollment, tuition yields, and most importantly, aligning the budget with the MUS and MSU Strategic Plans. The Enrollment Management Committee (EMC) analyzes projected enrollment and the resulting impacts to course availability, instructors, and infrastructure. Throughout the summer, a subcommittee tracks course registrations of continuing and freshmen students and makes adjustments to course sections to ensure the availability of classes. EMC also discusses award amounts offered to resident and nonresident students based on ACT/SAT scores. These discounts have remained constant for four years, yet our enrollment numbers remain strong.

Budget Council has had discussions on how the tuition revenues generated from enrollment growth should be spent. The council is working on a funding model that will support both increases and declines in enrollment and the associated tuition revenues.

**MSU BILLINGS**

**Expenditures per FTE**

| Expenditures per FTE FY09 Actual | Expenditures per FTE FY10 Actual | Expenditures per FTE FY11 Actual | Expenditures per FTE FY12 Actual | Expenditures per FTE FY13 Budgeted | Expenditures per FTE Growth Rate |
|----------------------------------|----------------------------------|----------------------------------|----------------------------------|------------------------------------|----------------------------------|
| \$9,310                          | \$9,240                          | \$8,788                          | \$8,858                          | \$9,391                            | 0.2%                             |

The amount spent per student has remained essentially flat. This metric shows that in spite of fluctuations in enrollment, decisions were made to keep the university as efficient as possible to serve students within the resources available. MSU Billings is intentional in the budget development process to keep expenditures in balance with the revenue available to support its mission.

**Per Student Funding**

|                                       | FY13 Budgeted | Percent of Expenditure per FTE |
|---------------------------------------|---------------|--------------------------------|
| <b>Non-Resident Student Funding</b>   |               |                                |
| Expenditure per FTE*                  | 9,391         |                                |
| Average Non-resident Tuition per FTE* | 13,713        | 146.0%                         |
| Other Revenue per FTE***              | 242           | 2.6%                           |
| <b>Resident Student Funding</b>       |               |                                |
| Expenditure per FTE*                  | 9,391         |                                |
| State Support per FTE**               | 4,560         | 48.6%                          |
| Average Resident Tuition per FTE*     | 4,239         | 45.1%                          |
| Other Revenue per FTE***              | 242           | 2.6%                           |
| Non-Resident Subsidy per FTE          | 350           | 3.7%                           |

The per-student funding metric provides a comparison of nonresident average tuition per FTE to resident average tuition plus state support per FTE. At MSU Billings, nonresidents pay 146% of the expenditure per FTE and subsidize resident students by \$350 per FTE. This metric is used to provide information on student bills regarding state support for higher education.

## MSU NORTHERN

### Expenditures per FTE

| Expenditures per FTE FY09 Actual | Expenditures per FTE FY10 Actual | Expenditures per FTE FY11 Actual | Expenditures per FTE FY12 Actuals | Expenditures per FTE FY13 Budgeted | Expenditures per FTE Growth Rate |
|----------------------------------|----------------------------------|----------------------------------|-----------------------------------|------------------------------------|----------------------------------|
| \$12,361                         | \$12,269                         | \$12,371                         | \$12,371                          | \$12,357                           | 0.0%                             |

MSUN can reasonably report the most improvement in attaining the Board of Regents desired 70% ratio; i.e., that 70% of the institution's operating budget be directed toward instruction, academic support, and student services. FY 09 reported an actual of 66.6%; FY12 reported an actual of 67.6%; FY13 projects a budgeted expenditure of 70.9%.

The least improvement is in enrollment, with FY12 marking ten years of stagnant or declining enrollments (as measured by annualized FTE).

The metrics will be used in an integrated budgeting/planning/resource allocation model that we are developing against a four-step strategic initiative that will guide the institution for the next two fiscal years: *The MSUN community engages in innovation which leads to enrollment growth and student success.*

### Per Student Funding

|                                       | FY13 Budgeted | Percent of Expenditure per FTE |
|---------------------------------------|---------------|--------------------------------|
| <b>Non-Resident Student Funding</b>   |               |                                |
| Expenditure per FTE*                  | 12,321        |                                |
| Average Non-resident Tuition per FTE* | 12,567        | 102.0%                         |
| Other Revenue per FTE***              | 172           | 1.4%                           |
| <b>Resident Student Funding</b>       |               |                                |
| Expenditure per FTE*                  | 12,321        |                                |
| State Support per FTE**               | 7,816         | 63.4%                          |
| Average Resident Tuition per FTE*     | 4,159         | 33.8%                          |
| Other Revenue per FTE***              | 172           | 1.4%                           |
| Non-Resident Subsidy per FTE          | 175           | 1.4%                           |

MSUN's per-student funding structure has remained relatively constant for the past four years. For FY 2013, non-resident students (which comprise 11% of total headcount as of September 6, 2012) provide a small non-resident subsidy of 175 per FTE.

## GREAT FALLS COLLEGE

### Expenditures per FTE

| Expenditures per FTE FY09 Actual | Expenditures per FTE FY10 Actual | Expenditures per FTE FY11 Actual | Expenditures per FTE FY12 Actuals | Expenditures per FTE FY13 Budgeted | Expenditures per FTE Growth Rate |
|----------------------------------|----------------------------------|----------------------------------|-----------------------------------|------------------------------------|----------------------------------|
| \$7,526                          | \$7,231                          | \$7,189                          | \$7,110                           | \$7,275                            | -0.8%                            |

Great Falls College MSU shows increased enrollment and decreased expenditures per student FTE since FY09. In addition, the college has consistently reached the 50% benchmark for instructional expenditures, and the 70% benchmark for academic support and student services expenditures. The increase from FY12 to FY13 is due to increased investments in new faculty positions, professional advisors, and the Regents supported salary increase.

### Per Student Funding

|                                       | FY13<br>Budgeted | Percent of<br>Expenditure<br>per FTE |
|---------------------------------------|------------------|--------------------------------------|
| <b>Non-Resident Student Funding</b>   |                  |                                      |
| Expenditure per FTE*                  | 7,275            |                                      |
| Average Non-resident Tuition per FTE* | 8,857            | 121.7%                               |
| Other Revenue per FTE***              | 270              | 3.7%                                 |
| <b>Resident Student Funding</b>       |                  |                                      |
| Expenditure per FTE*                  | 7,275            |                                      |
| State Support per FTE**               | 4,117            | 56.6%                                |
| Average Resident Tuition per FTE*     | 2,844            | 39.1%                                |
| Other Revenue per FTE***              | 270              | 3.7%                                 |
| Non-Resident Subsidy per FTE          | 44               | 0.6%                                 |

As a commuter-based two-year institution, Great Falls College MSU has not been able to leverage the non-resident student population (2% of total FTE) that other MUS schools have used to increase revenues. Non-resident enrollment has remained relatively flat the last three fiscal years (numbers were higher prior to FY 11, since Gallatin College enrollments were included).

Great Falls College MSU has become more data driven over the last two fiscal cycles. Through a shared governance model and a new operational plan, Common Ground, administrators, faculty, and staff use and report effectiveness data related to program and course offerings, course schedules, facilities usage, co-curricular programs and activities, and use of human and fiscal resources. Using this data, Great Falls College MSU will focus on improving student retention and reducing student withdrawal rates.

### DAWSON CC

Dawson Community College’s retention rate remains high at 62%, but one of our goals is to improve on that percentage in the next few years. Our completion rate has slipped over the last few years and is a concern. We plan to eliminate the graduation fee, make the application process for graduation simpler and expand the time line for application. The metric with the least change is our cost to the student. We have not increased tuition in six years. We remain very affordable. The most troubling metric is the expenditures per completion. Less student completers means higher costs. Due to the implementation of “Banner”, we have been unable to track metrics on a regular basis. We expect to be able to better track progress this year.

## FLATHEAD VALLEY CC

**Completion Productivity** – The campus has been pleased in the growth of our number of graduates. While our enrollment has increased 41% from FY08 to FY12, our number of graduates has gone from 203 in FY08 to 416 in FY12 for a 105% increase. Several factors have influenced this as stated previously in our response. This metric is a continued focus for the campus as we look for ways to improve the success of our students though advising, counseling, class scheduling and academic support.

**Operating Budget Ratios-** The campus has maintained a consistency in program allocation with a continued focus on maintaining and/or increasing the campus resources committed to instruction, academic and student support. As stated previously in this report, staffing levels will continued to be monitored and adjusted as our enrollment stabilizes.

**Enrollment-** Enrollment growth from FY08 to FY12 was 41%. This has been one of the biggest challenges the campus has faced over the last 5 years. Throughout this time frame the campus worked to ensure the appropriate staffing and operational budget levels were maintained to provide students with an excellent educational experience. As enrollment stabilizes, we will continue to assess staffing levels and make appropriate adjustments. Operational budgets will also be adjusted to ensure the strategic and operational goals of the college are met. The enrollment metric is used heavily by the management team. Enrollment by program, class and area is continuously reviewed throughout the year. The campus academic review process is an ongoing and vital part of ensuring the campus is offering the appropriate mix of academic offerings.

**Expenditures per Student-**As the campus has moved into higher cost programs, such as health science and occupational trade programs, we have seen modest increases over the last five years. Maintaining an appropriate mix of educational programs while trying to meet the needs of our local community will continue to require careful resource planning. With the stability of our funding formula, local mill levies and our consistent approach for tuition, the campus has been able to plan for new programs while maintaining what we feel is an appropriated level of expenditures per student. We have also eliminated several low enrollment workforce programs that are no longer in demand in our community.

**Expenditures per Program-**Over the past five years we have maintained a consistency in our allocation of campus resources. The campus has maintained or increased the percentage of expenditures committed to instruction, and academic and student support. This is one of the metrics the campus reviews as resource allocations are being made to ensure a proper balance of resources.

**Per Student Funding-** The funding formula and our local mill levy revenue combined with our consistent approach to tuition provides the campus with a level of revenue predictability during budget planning. While changes in student FTE do affect over-the-year comparisons, a longer term review –FY09 to FY13- shows the campus has maintained a fairly consistent percentage of funding from each of our three funding sources.

## MILES CC

Despite declining enrollment, challenging financial circumstances, and difficulties implementing the Banner Student Data system we have managed to maintain a low faculty to student ratio and make progress toward increasing the percentage of instructional expenses. We are continually analyzing our enrollment and tracking revenue trends and adjust campus budgets accordingly. We are making progress in using Banner to assist us in our analysis to make data based decisions campus-wide.