



**MONTANA UNIVERSITY SYSTEM**  
**Office of the Commissioner of Higher Education**

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**ITEM 127-110-R0505**

**TO:** Board of Regents  
**FROM:** Pamela Joehler, Director of Budget and Accounting  
**DATE:** May 2, 2005  
**RE:** FYE04 Negative Fund Balances Update

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Board policy 901.11 – Negative Fund Balances, requires the Office of the Commissioner of Higher Education to give a status report of negative fund balances from the previous fiscal year that were reported at the previous September Board meeting. This memo summarizes the projected fund balance of those funds identified as ending fiscal year 2004 in a negative status.

All campuses reported being on track in meeting its September 2004 projections. In some instances, campuses reported better than expected performance – the UM Athletics fund balance is an example of better than expected performance.

MSU-Northern also commented on the impact of lower-than-expected student FTE in fiscal 2005: “This fiscal year has proven to be a challenge with the FTE downturn the campus has experienced. Even though our original reduction plan was based on assumptions of maintaining certain levels of student FTE, this campus is committed to meeting the projections as set forth. Though the campus maintains a high level of commitment to achieving the reduction amounts, a campus the size of Northern is always vulnerable to events that may occur between now and the fiscal year-end. “

The attached worksheet presents the updated fund balance projections for fiscal year end 2005.