

FY 2015 Budget Overview Presentation

Montana University System

September 2014

Office of the Commissioner of Higher Education

Budget Overview Presentation

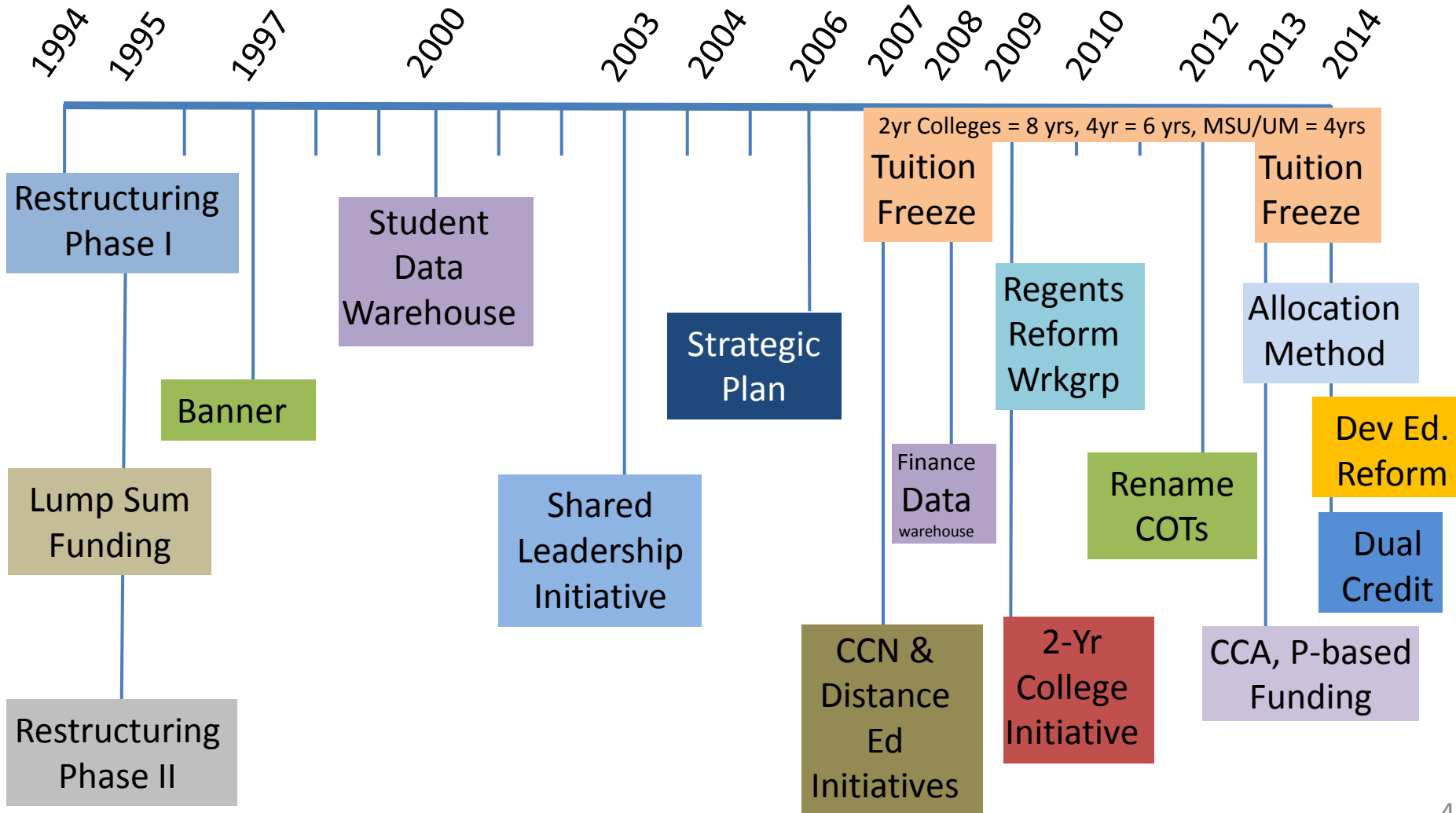
TOPICS

- ❖ MUS System Initiatives & Timeline
- ❖ Budget Profile
- ❖ Operating Budget Metrics
- ❖ Board Directives – (a.k.a. The Road Ahead)

Strategic Plan

- ❖ [BOR Strategic Plan](#) outlines three primary goals:
 1. **Access & Affordability:** Increase educational attainment by providing an accessible and affordable system of higher education
 - Improve college continuation, retention, and completion rates
 - Provide an effective system of financial aid
 - Work collaboratively with K-12
 2. **Workforce & Economic Development:** Assist in the expansion and improvement of the state's economy
 - Grow 2-year education and workforce responsiveness
 - Expand graduate education, as well as increase research and development activities
 3. **Efficiency & Effectiveness:** Improve institutional and system effectiveness
 - Operate as a “system” and find business efficiencies

20 Year History of System Initiatives



System Initiatives

❖ Tuition Freeze

- Current freeze on all resident tuition on all MUS campuses (2013-14 & 2014-15 academic years)
- Eighth year in row for 2-year colleges, 6 out of 8 years for smaller 4-year campuses, 4 out of 8 for flagship campuses
- Over the past eight years the MUS has increased tuition at slower pace than any other state in the nation

❖ Complete College Montana

- Performance Funding
- Developmental Education Reform - EdReady
- Dual Enrollment Expansion
- Math Pathways, Guided Pathways, Advising
- [Progress & Outcome Metrics](#) (SJ 13 requirements)

System Initiatives (cont.)

❖ Research Initiative

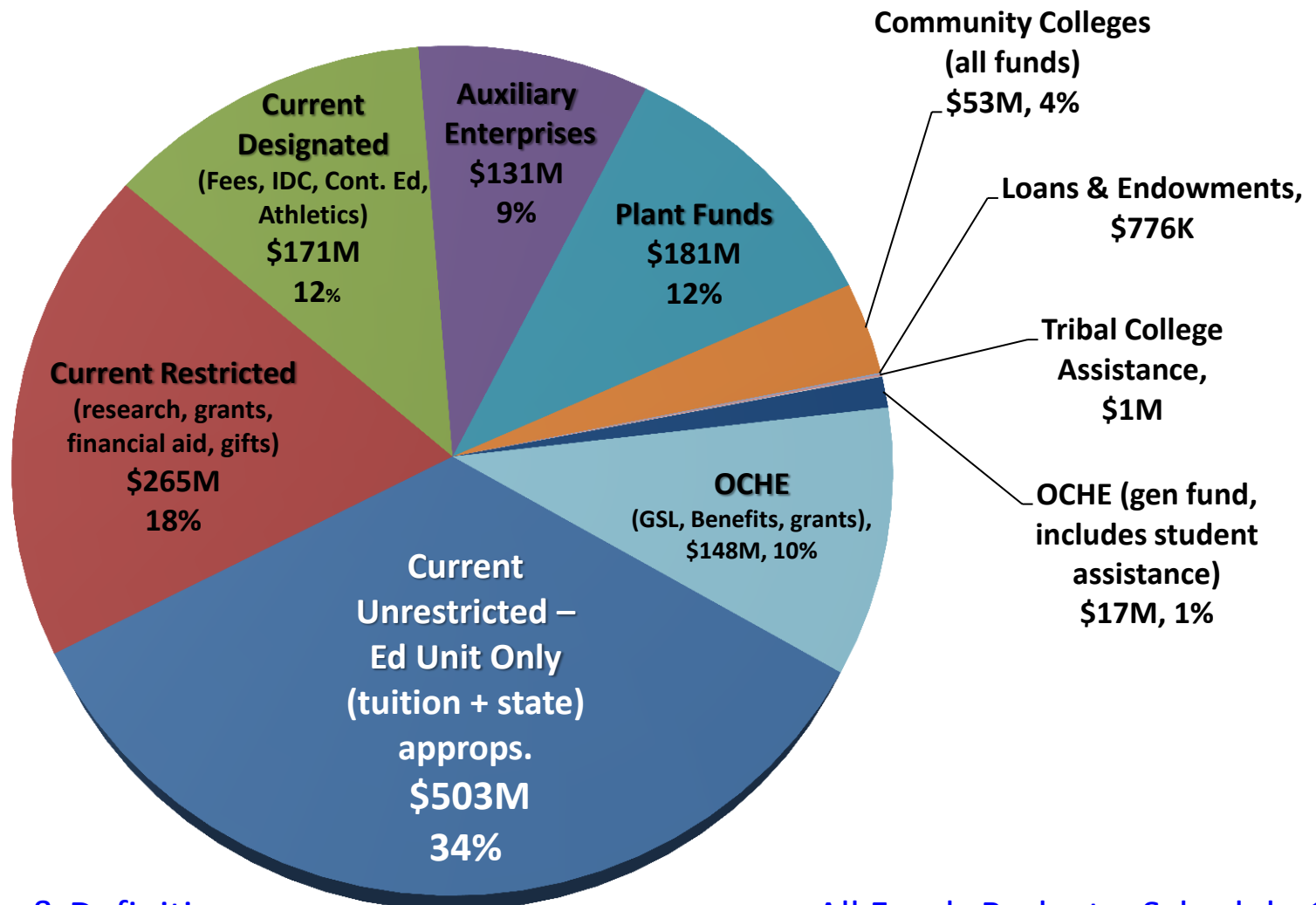
- System effort to leverage seed money from the state for university research and development
- MUS is poised to accelerate research growth into Montana jobs
- Other states have successfully ramped up research to boost their economies

❖ Student Success Initiatives

- **Veterans Success**— legislative funding to ensure all veterans have dedicated space and services on our campuses
- **Prior Learning Assessment** – allow non-traditional students to receive credit for prior work/military experience and learning
- **Alcohol & Sexual Assault Training**
- **Financial Literacy**
- **SWAMMEI – Workforce Development**

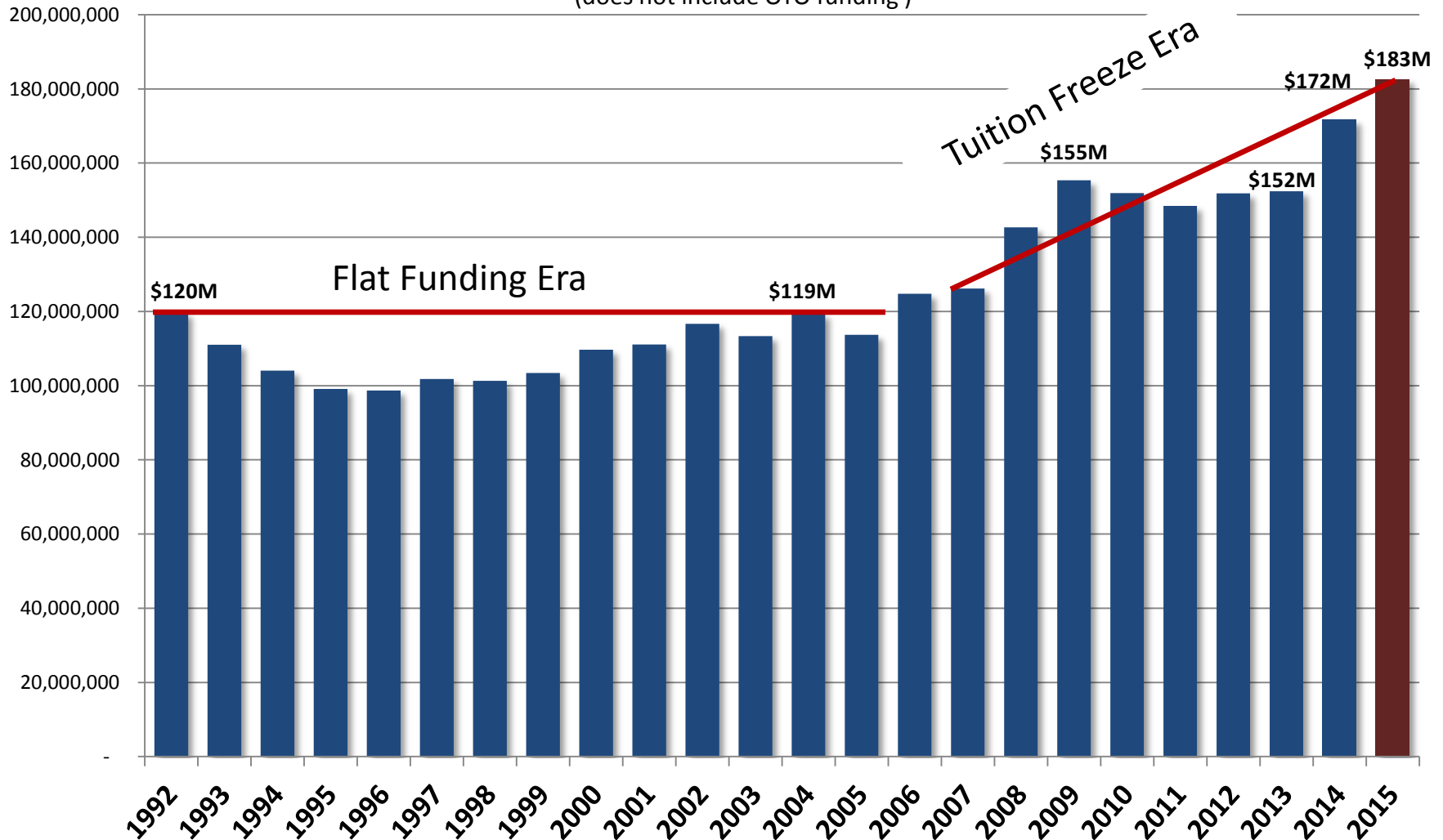
MUS All Funds Budget, FY15

Total = \$1.47 Billion



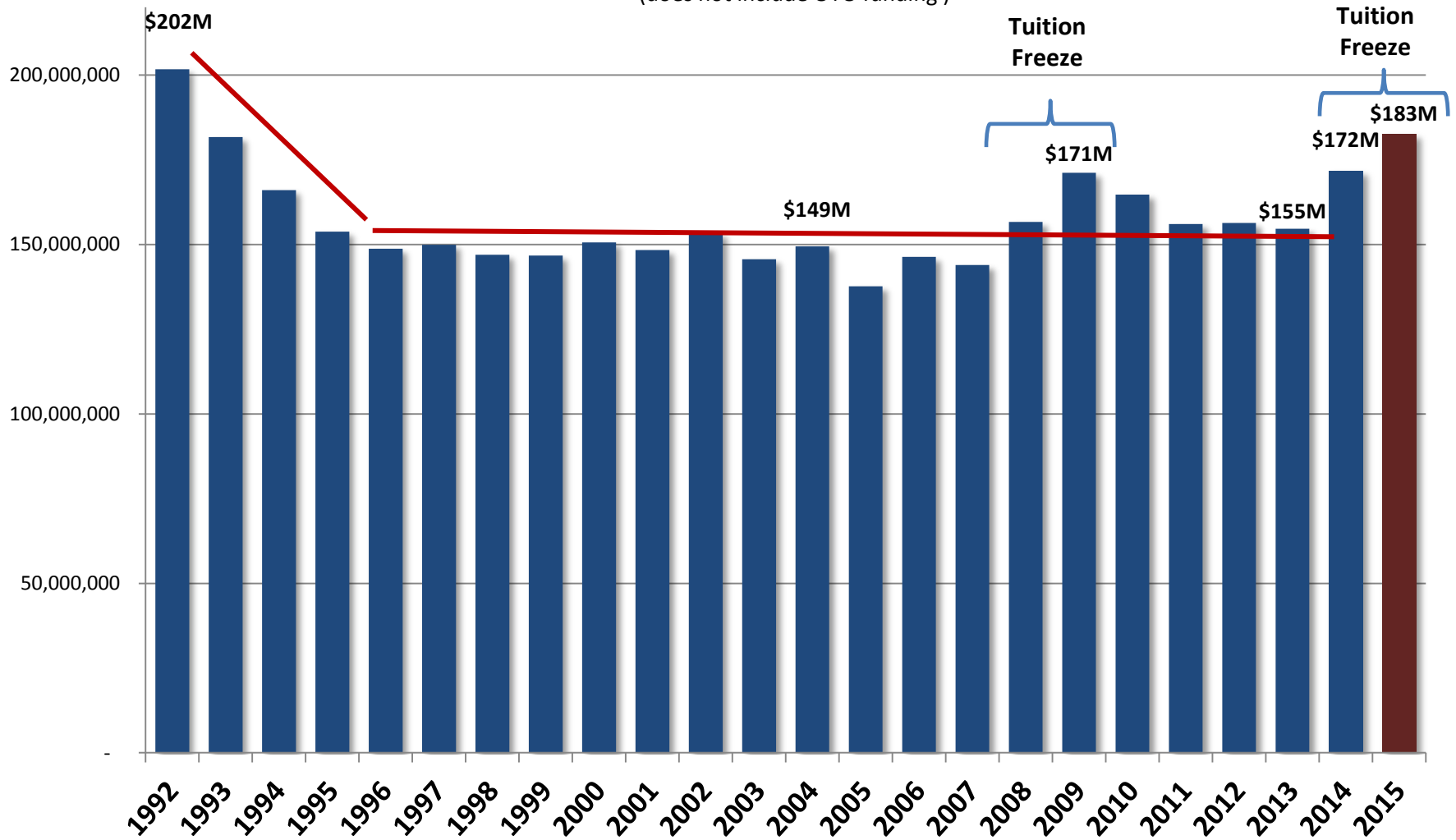
Total State Appropriations -- Ed Units Only

source: Official LFD Historical Funding Spreadsheet
 (does not include OTO funding)



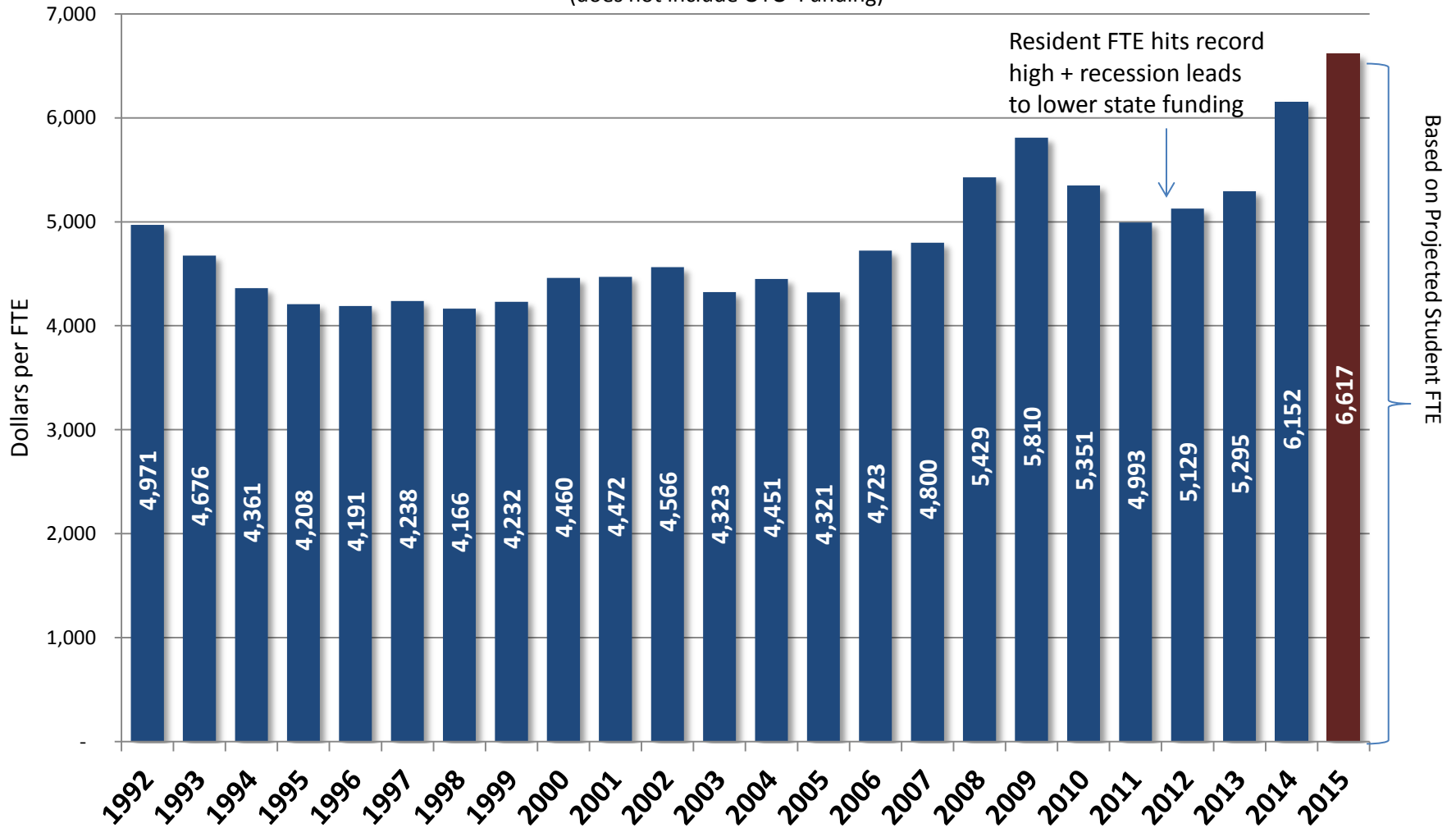
Total State Appropriations -- Ed Units Only (2014 constant dollars)

source: Official LFD Historical Funding Spreadsheet, calculations done by OCHE
 (does not include OTO funding)



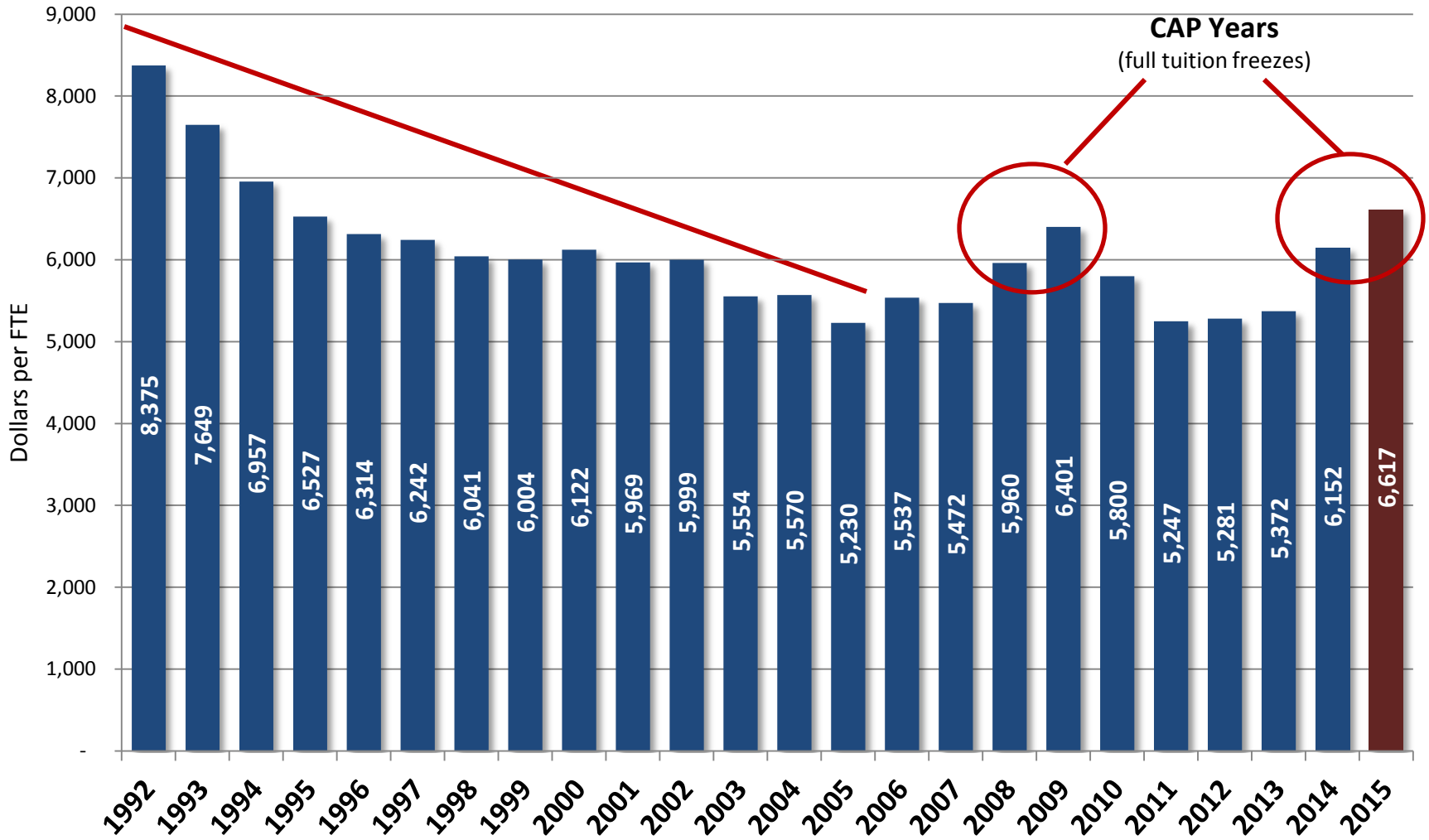
State Appropriations per Resident Student FTE -- Ed Units

source: Official LFD Historical Funding Spreadsheet & MSU Enrollment Report, FY 15 calculations done by OCHE
 (does not include OTO Funding)



State Appropriations per Resident Student FTE -- Ed Units (2014 constant dollars)

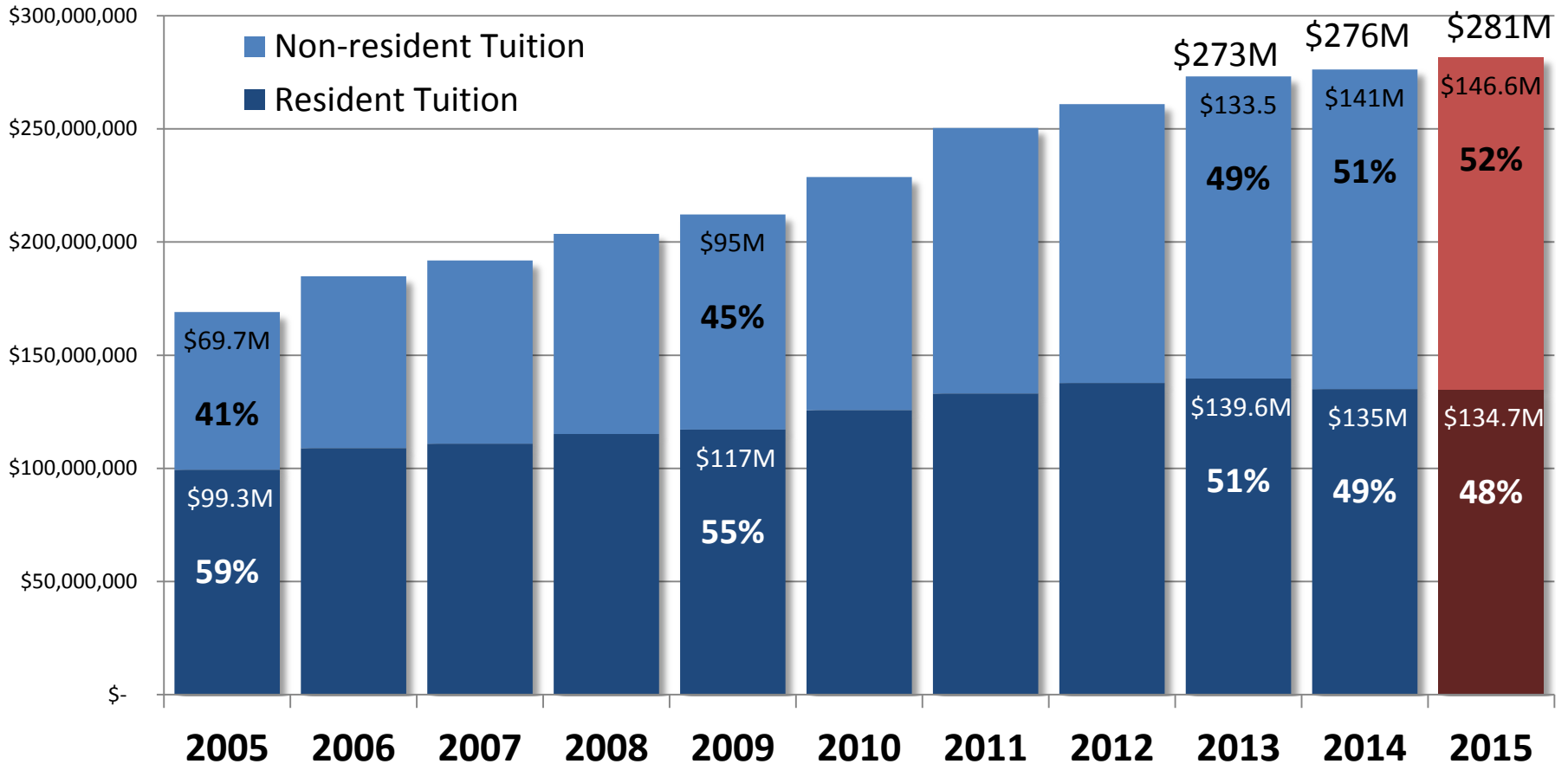
source: Official LFD Historical Funding Spreadsheet & MSU Enrollment Report (does not include OTO Funding)



Tuition Revenue

source: MUS Operating Budget Reports, Bud 300

Tuition Revenue = actual gross tuition (i.e. includes waivers) and includes registration/admin and program fees split between resident/non-resident by student FTE distribution; WUE included in No



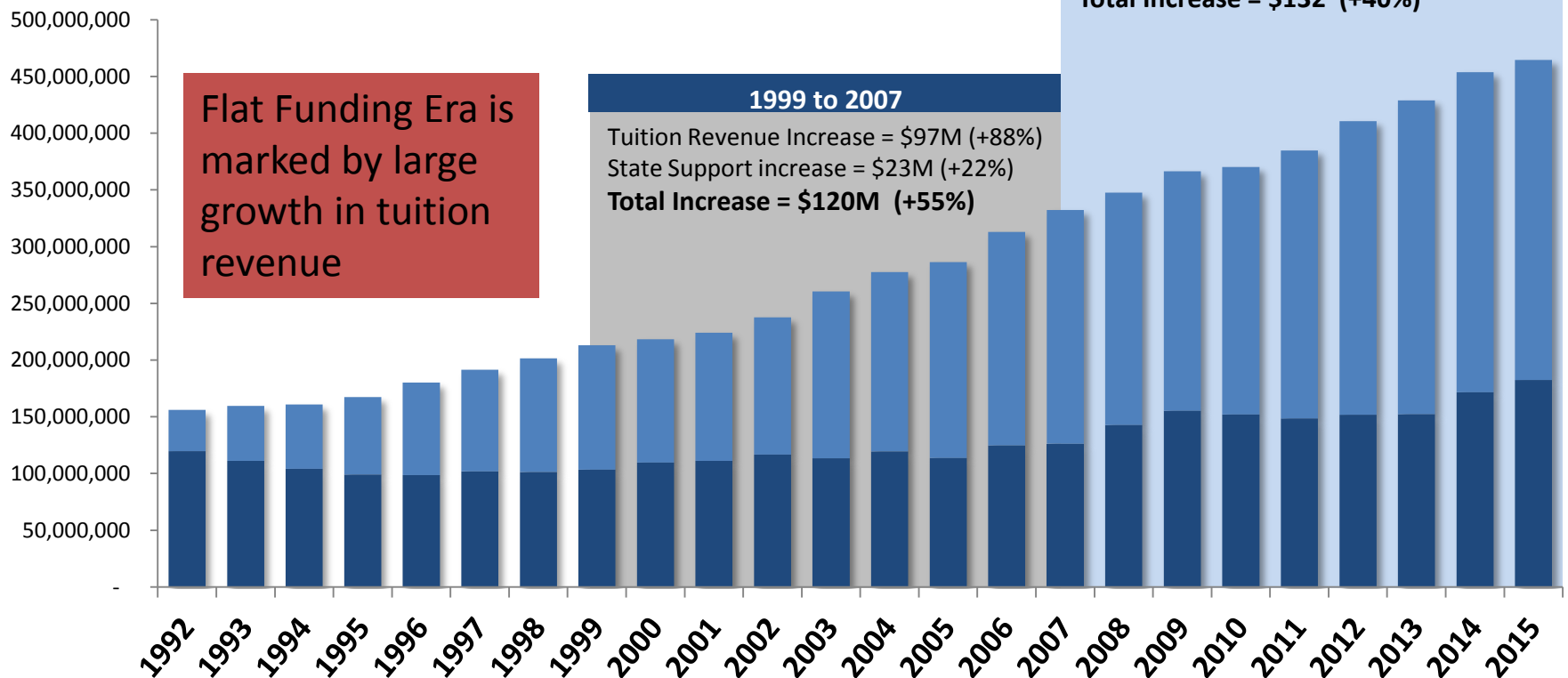
Current Unrestricted Funds -- Ed Units

source: Official LFD Historical Funding Spreadsheet (does not include OTO, Transfers, or Other Revenue)

Tuition Revenue = budgeted gross tuition (i.e. includes waivers) and includes registration/admin fees, program tuition & fees

■ Tuition Revenue

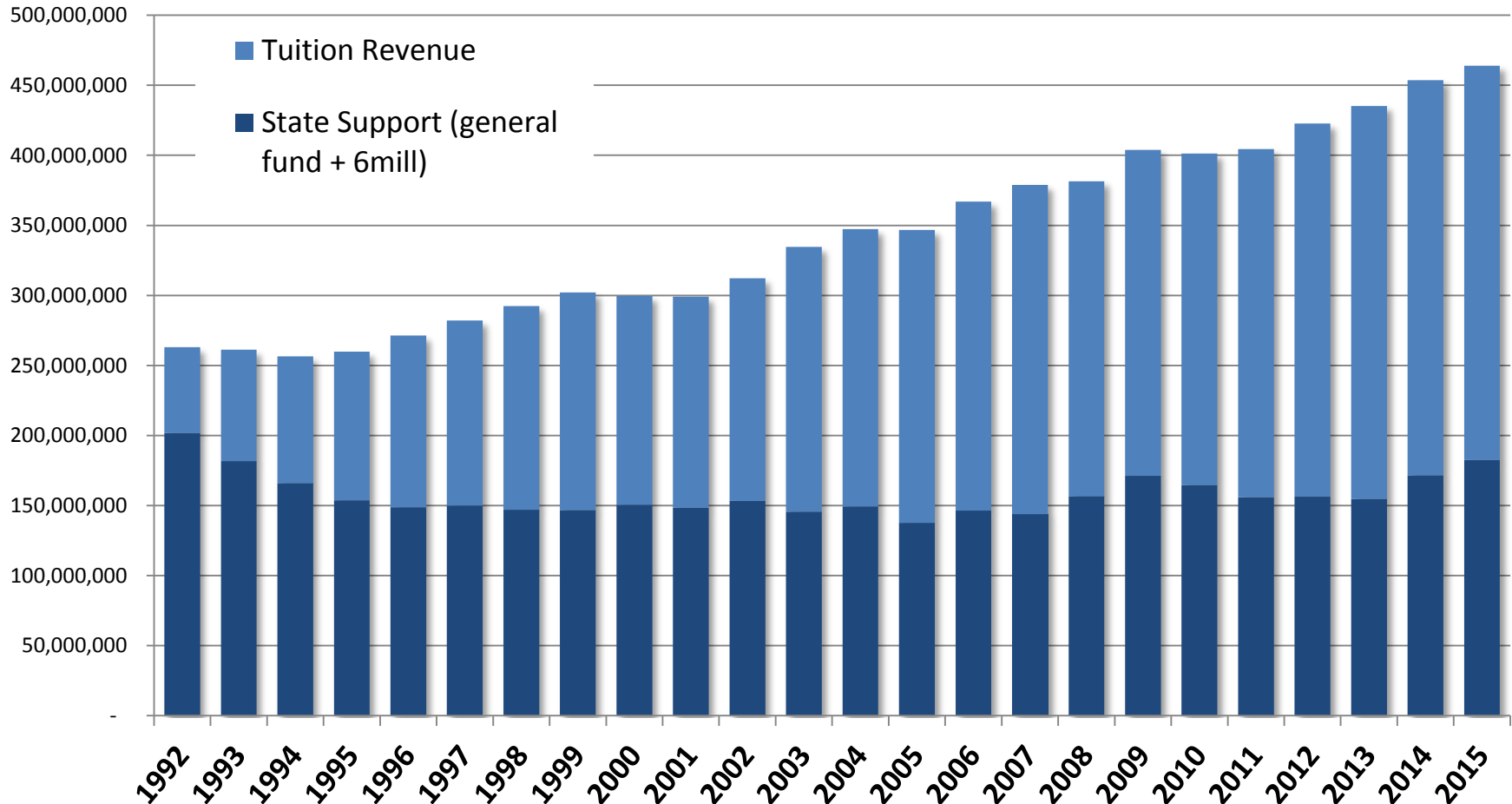
■ State Support (general fund + 6mill)



Current Unrestricted Funds -- Ed Units Only

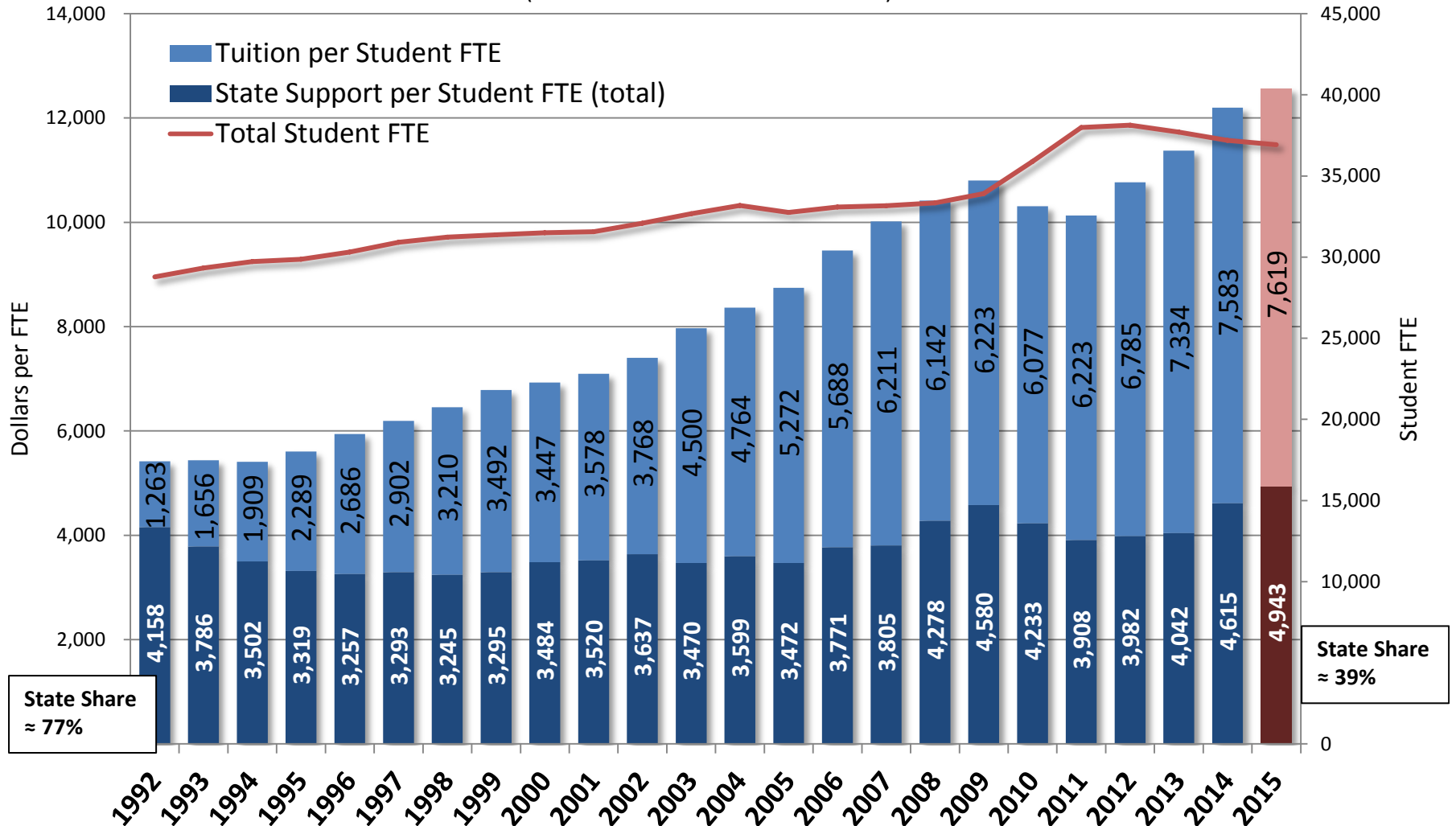
(2014 Constant Dollars)

source: Official LFD Historical Funding Spreadsheet, calculations done by OCHE (does not include OTO or Transfers)
 Tuition Revenue = budgeted gross tuition (i.e. includes waivers) and includes registration/admin fees, program tuition & fees



Current Unrestricted Funds per Student FTE -- Ed Units

source: Official LFD Historical Funding Spreadsheet & MSU Enrollment Report, calculations done by OCHE
 (does not include OTO or Transfers)



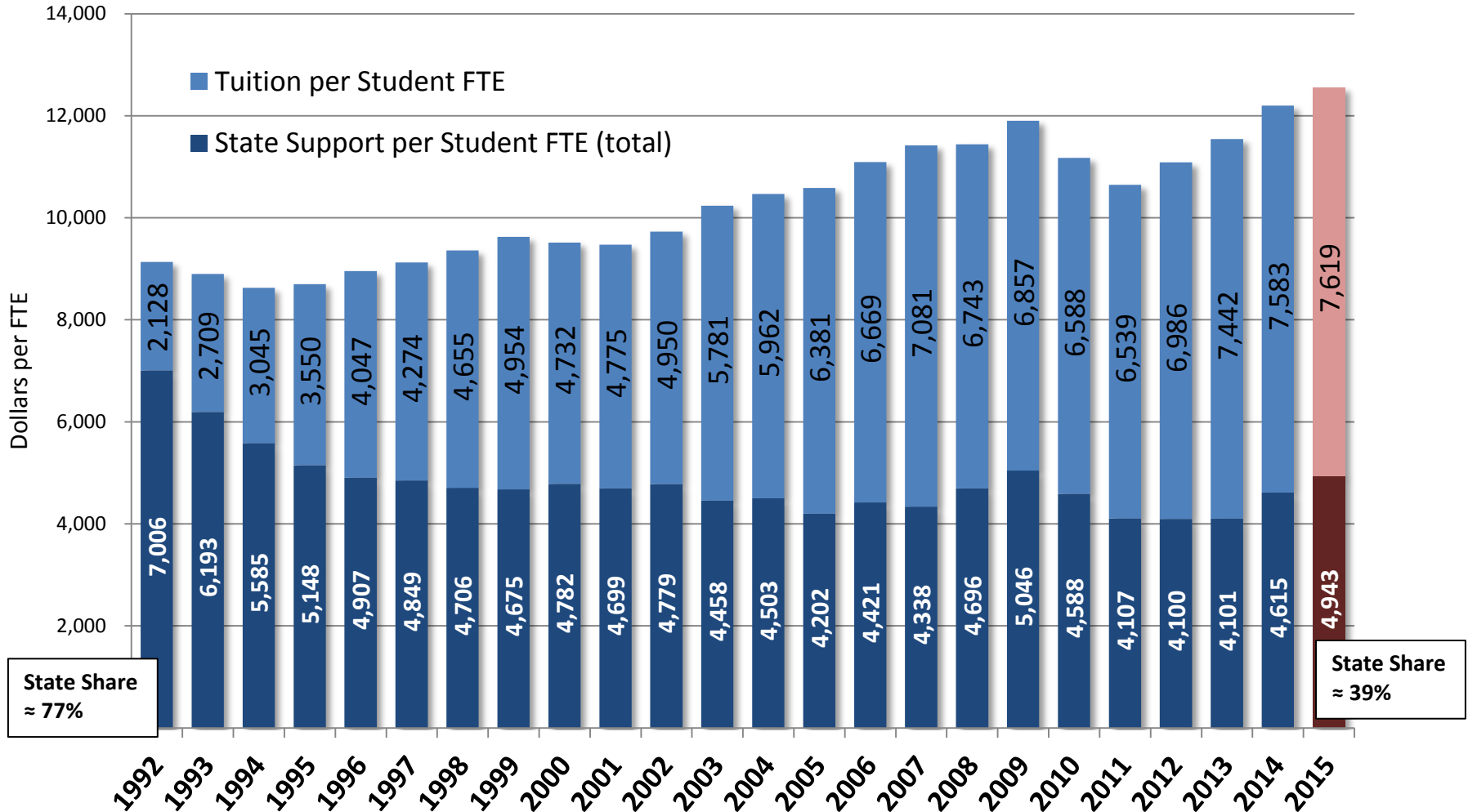
State Share
 ≈ 77%

State Share
 ≈ 39%

Tuition Revenue = budgeted gross tuition (i.e. includes waivers) and includes registration/admin fees, program fees

Current Unrestricted Funds per Student FTE -- Ed Units (2014 constant dollars)

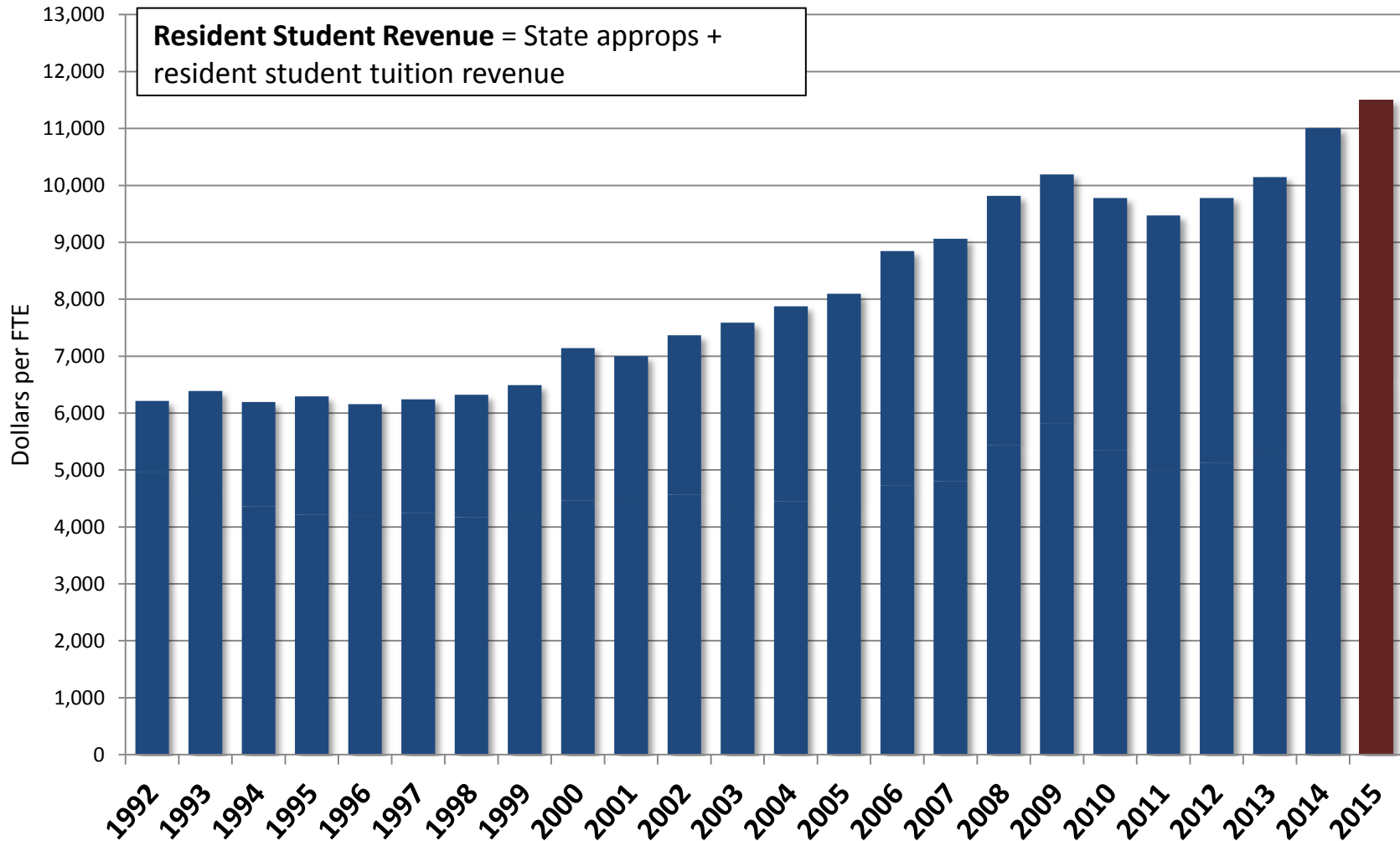
source: Official LFD Historical Funding Spreadsheet & MSU Enrollment Report, calculations done by OCHE



Tuition Revenue = budgeted gross tuition (i.e. includes waivers) and includes registration/admin fees, program tuition & fees

Resident Student Revenue per Resident FTE -- Ed Units

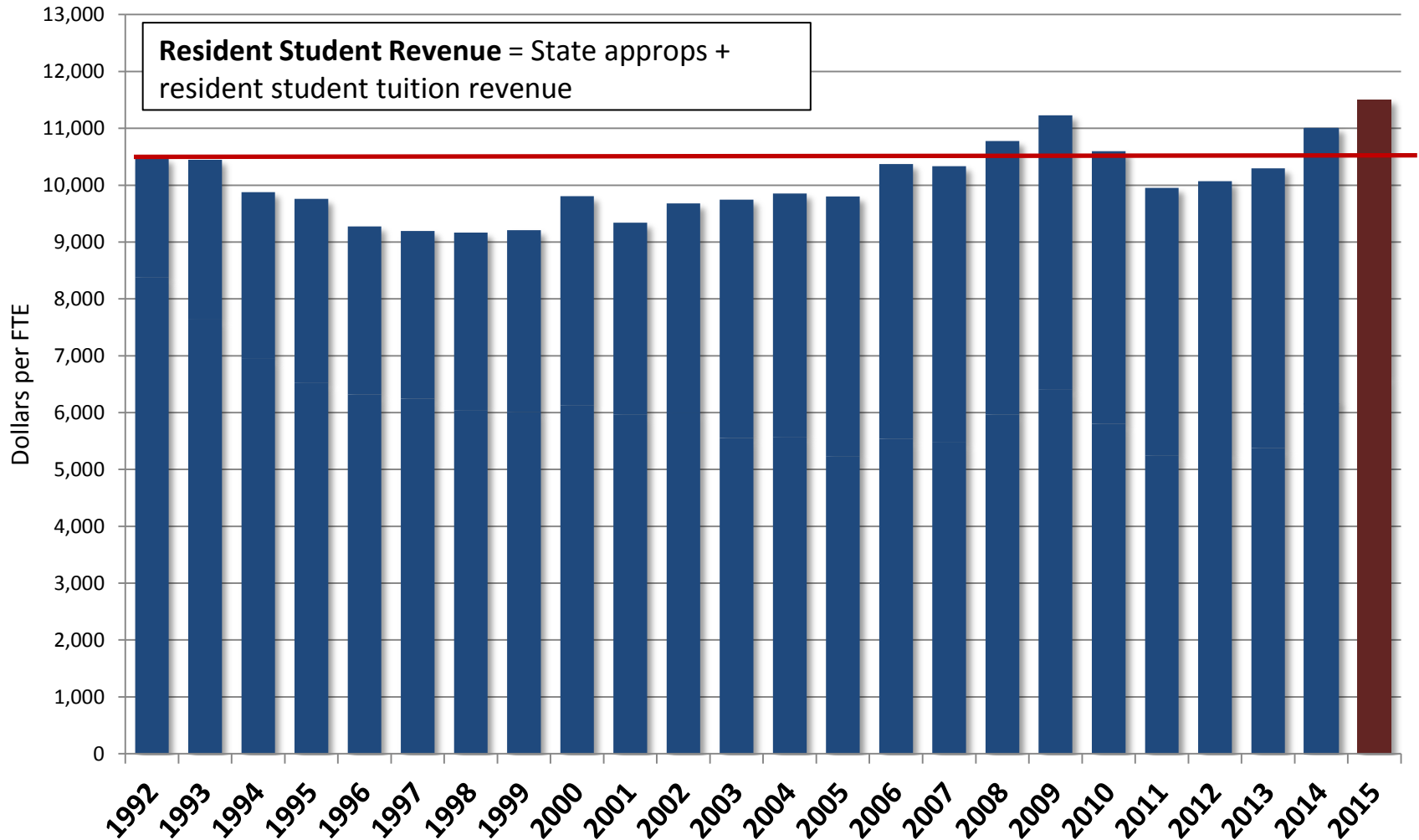
source: OCHE Historical Finance Records & MUS Enrollment Report



Tuition Revenue = gross tuition (i.e. includes waivers) and includes resident portion of registration/admin fees, program tuition & fees

Resident Student Revenue per Resident FTE -- Ed Units (2014 constant dollars)

source: OCHE Historical Finance Records & MUS Enrollment Report, calculations done by OCHE



Tuition Revenue = gross tuition (i.e. includes waivers) and includes resident portion of registration/admin fees, program tuition & fees

Budget Profile Summary Points

- ❖ Current Unrestricted funds for Ed Units comprise 34% of the total budget
- ❖ Two funding eras: 1) flat/declining era; 2) tuition freeze era
 - Flat/declining era marked by increased tuition revenue
 - Tuition revenue due to increased enrollment and non-resident tuition still increased by 37% in tuition freeze era
- ❖ Non-resident tuition, as a % of total tuition revenue, increased from 41% in 2005 to 51% in 2014 (budgeted for 52% in 2015)
- ❖ State % share has dropped from 77% in 1992 to 39% in 2015
- ❖ When taking into consideration: inflation, as well as resident and non-resident tuition and enrollment, the tuition freeze era recorded the highest level of educational revenue

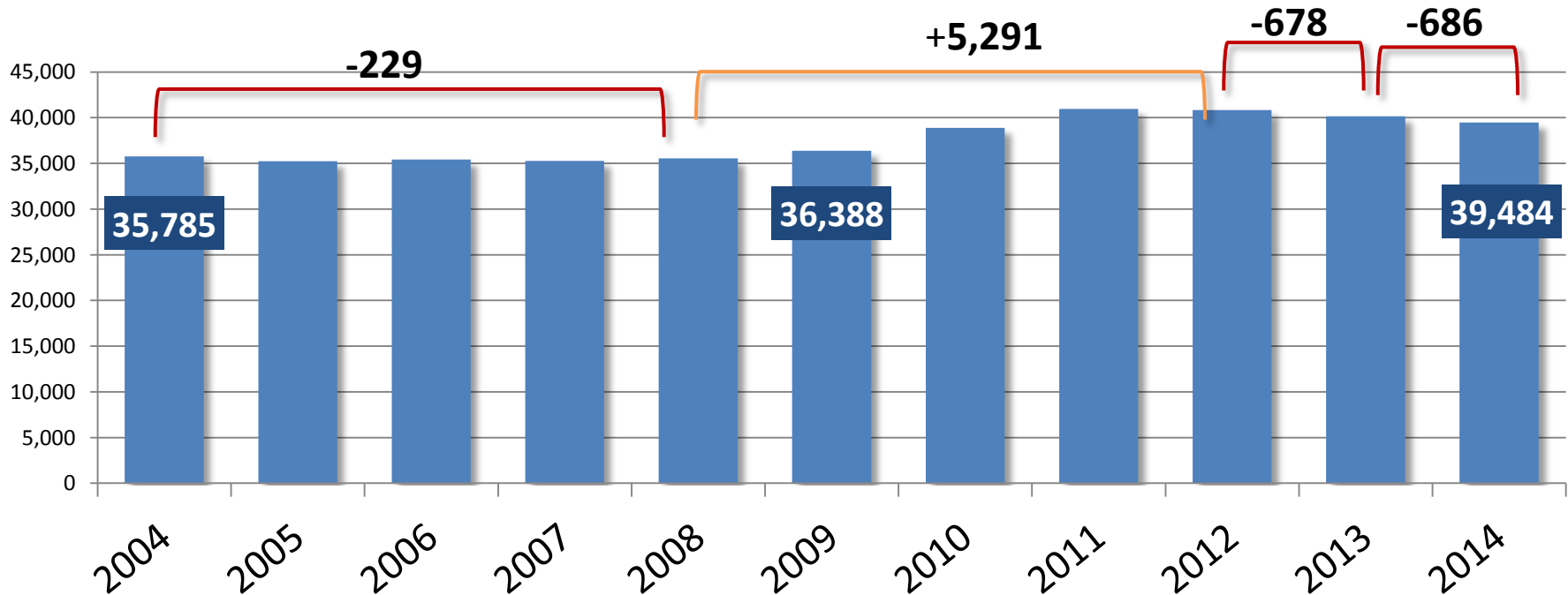
Fiscal Year Enrollment

(includes CC's)

- ❖ Enrollment in the MUS declined by 686 student FTE from FY 2013 to FY 2014
- ❖ Enrollment has grown by approximately 3,700 FTE (10%) in the past ten years, with all of the growth occurring between 2008 and 2011

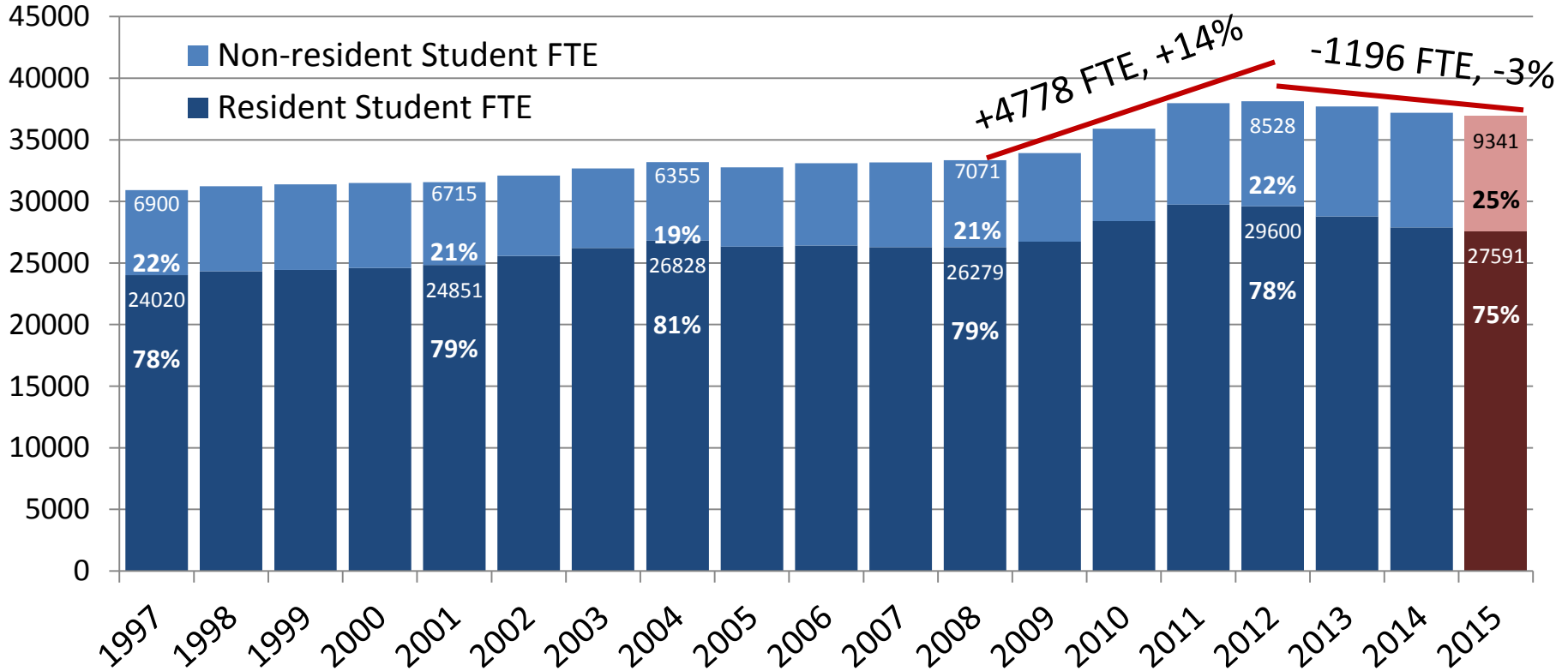
Fiscal Year Student FTE - 10 Year History

Average Annual FTE or FY FTE = ((Summer + Fall) + Spring)/2



Fiscal Year Student FTE by Residency, Ed Units Only

source: MUS Official Enrollment Report
(Non-resident FTE include WUE)



CAMPUS	Resident Status	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY 15 Budgeted	FY14 to FY15	
							Difference #	Difference %
MUS Ed. Unit Total	Resident	29,730	29,598	28,770	27,902	27,591	-311	-1.1%
	Non-resident	6,291	6,543	6,801	7,035	7,116	81	1.2%
	WUE	1,964	1,987	2,132	2,255	2,225	-30	-1.3%
	Total	37,985	38,128	37,703	37,192	36,932	-260	-0.7%

[Campus Level Detail](#) – FY15 budgeted FTE

Current Unrestricted Revenue - Ed Units Only

Source: MUS Operating Budget, BUD 300 (includes OTO)

Revenue is comprised of gross tuition (i.e. includes waivers), state approps, transfers, and other revenues; tuition revenue includes registration/admin and program fees split between resident/non-resident by student FTE distribution; WUE included in non-resident

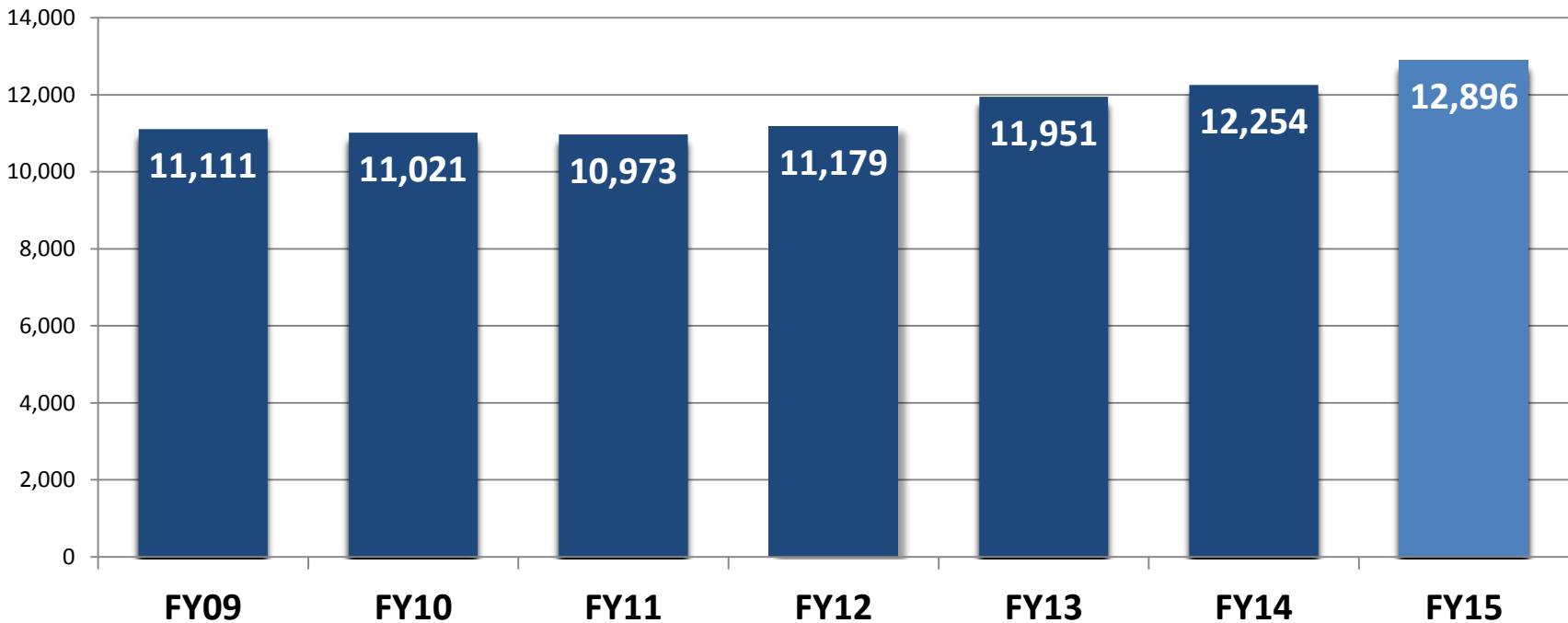
	Actual 2012	Actual 2013	Actual 2014	Budgeted 2015	FY14 to F15	
					Difference	
					#	%
Resident Tuition	137,640,785	139,623,199	135,048,213	134,765,009	-283,204	0%
Non-resident Tuition	123,282,911	133,519,497	141,160,406	146,621,414	5,461,008	4%
Total Tuition	260,923,696	273,142,696	276,208,619	281,386,423	5,177,804	2%
State Appropriations	160,511,916	162,008,965	176,779,503	185,863,032	9,083,529	5%
Other revenues*	2,801,563	2,755,902	2,264,802	4,324,864	2,060,062	91%
Transfers	4,015,167	11,436,950	3,067,085	4,709,152	1,642,067	54%
Total Current Unrestricted	428,252,342	449,344,513	458,320,009	476,283,471	17,963,462	4%

*includes: investments, carry forwards, other student fees, financial aid

Current Unrestricted Expenditures per Student FTE - Ed Units

source: MUS Operating Budget Metrics

Expenditures are comprised gross tuition (i.e. includes waivers), state approps, transfers, and other revenues (see BUD 200)



FY14 to FY15

	Actual						Budgeted	Difference	
	FY09	FY10	FY11	FY12	FY13	FY14	FY15	#	%
Student FTE	33,920	35,899	37,985	38,128	37,703	37,193	36,932	-261	-1%
Total CU Expenditures	376,878,429	395,646,253	416,818,519	426,219,421	450,593,315	455,776,681	476,283,471	20,506,790	4%
CU Expenditures per FTE	11,111	11,021	10,973	11,179	11,951	12,254	12,896	642	5%

Expenditures by Program

Current Unrestricted Expenditures, Ed Units Only

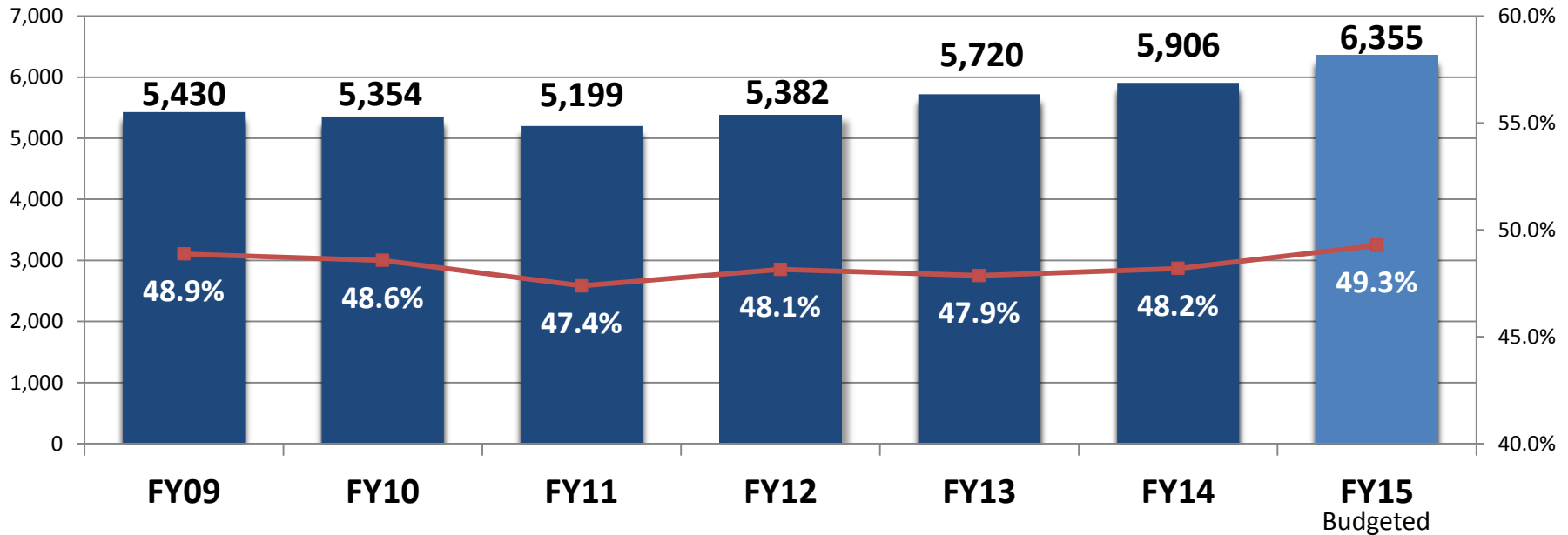
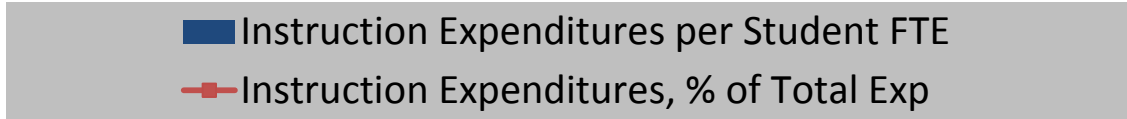
Source: BUD 220

Expenditure Program Areas	1985	1995	2005	2010	Budgeted		
					2013	2014	2015
Instruction	53%	54%	52%	49%	48%	48%	49%
Research	1%	1%	1%	1%	1%	1%	1%
Public Service	0%	1%	1%	1%	1%	1%	1%
Academic Support	11%	11%	12%	12%	12%	12%	12%
Student Services	9%	9%	7%	8%	8%	9%	9%
Institutional Support	10%	9%	9%	10%	9%	8%	8%
Operation and Maintenance	13%	12%	12%	12%	13%	11%	11%
Waivers & Scholarships	2%	4%	7%	8%	9%	9%	9%

Instructional Expenditures -- Ed. Units Only

Current Unrestricted Expenditures; source: MUS Operating Budget Metrics

Expenditures are comprised gross tuition (i.e. includes waivers), state approps, transfers, and other revenues (see BUD 200)

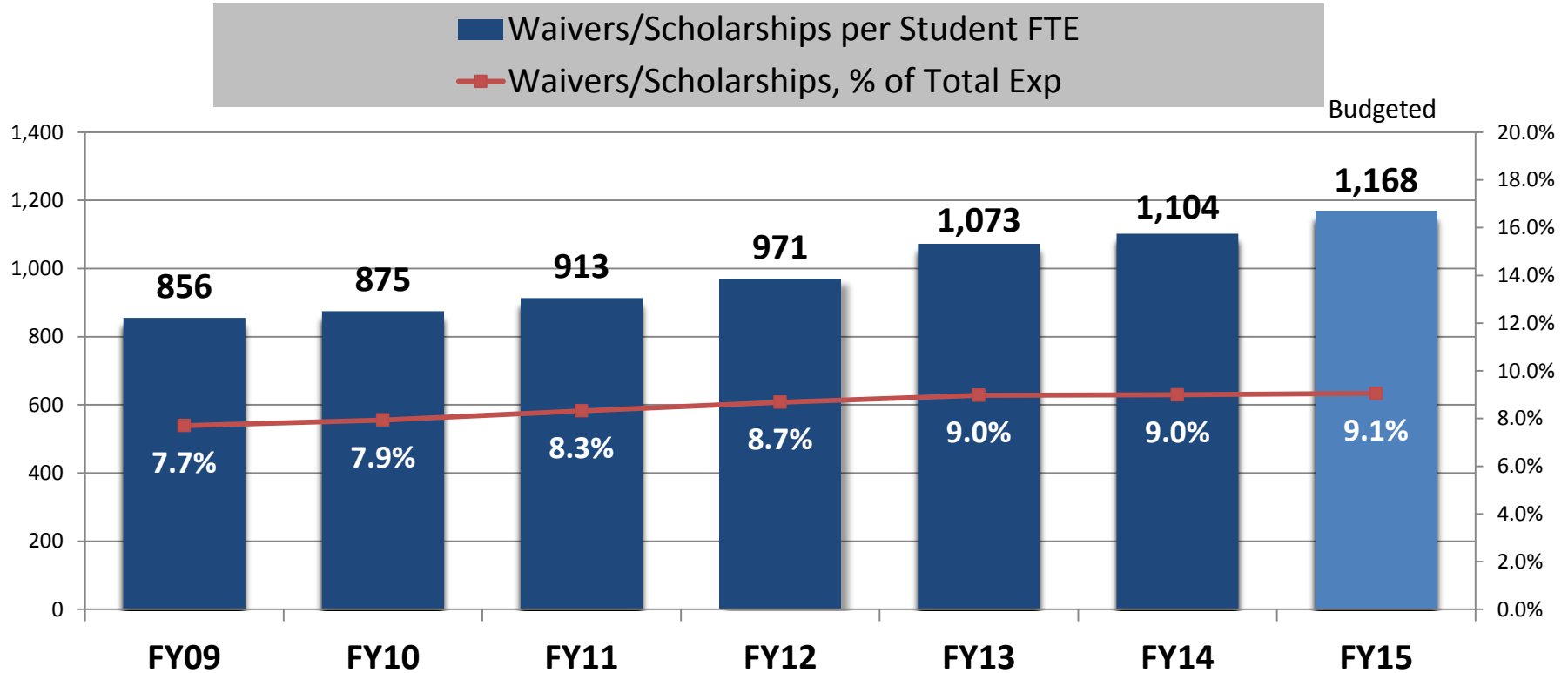


	Actual						Budgeted	FY14 to FY15	
	FY09	FY10	FY11	FY12	FY13	FY14	FY15	#	%
Student FTE	33,920	35,899	37,985	38,128	37,703	37,193	36,932	-261	-1%
Instructional Exp.	184,186,304	192,188,632	197,503,109	205,222,902	215,670,410	219,674,211	234,704,686	15,030,475	7%
Inst Exp per FTE	5,430	5,354	5,199	5,382	5,720	5,906	6,355	449	8%

Operating Budget Metrics

Waivers & Scholarships -- Ed. Units Only

Source: MUS Operating Budget Metrics, BUD 230



	Actual						Budgeted	FY14 to FY15	
	FY09	FY10	FY11	FY12	FY13	FY14	FY15	Difference	
	#	#	#	#	#	#	#	#	%
Student FTE	33,920	35,899	37,985	38,128	37,703	37,193	36,932	-261	-1%
Waivers/Scholarships \$\$	29,025,013	31,405,197	34,685,747	37,003,862	40,457,363	41,079,518	43,120,548	2,041,030	5%
Waivers/Scholarships per FTE	856	875	913	971	1,073	1,104	1,168	63	6%

Student to Faculty/Staff Ratios

Current Unrestricted Expenditures, Ed Units Only
 Source: MUS Operating Budget Metrics, BUD 220

MUS Total -- Ed Units Only

FY14 to F15

	Actual						Budgeted	Difference	
	FY09	FY10	FY11	FY12	FY13	FY14	FY15	#	%
Current Unrestricted FTE									
Contract Faculty FTE CU	1,867	1,913	1,949	2,023	1,990	1,966	2,049	83	4%
Contract Admin FTE CU	130	130	138	134	129	141	139	-2	-1%
Contract Professional FTE CU	494	490	518	530	583	617	614	-3	0%
Classified FTE CU	1,449	1,437	1,452	1,478	1,414	1,385	1,449	64	5%
Student FTE	33,920	35,899	37,985	38,128	37,703	37,193	36,932	-261	-1%
Student to Faculty/Staff Ratios									
Student to Faculty Ratio	18.2	18.8	19.5	18.8	19.0	18.9	18.0	-0.9	-5%
Student to Admin/Professional	54.3	57.9	57.8	57.4	52.9	49.1	49.0	-0.1	0%
Student to Classified Employee	23.4	25.0	26.2	25.8	26.7	26.9	25.5	-1.4	-5%

Community Colleges

Operating Budget Metrics

Community Colleges

Dawson, Flathead, & Miles

FY14 to F15

	Actual						Budgeted	Difference	
	FY09	FY10	FY11	FY12	FY13	FY14	FY15	#	%
Current Unrestricted FTE									
Contract Faculty FTE	147	159	159	155	157	157	158	1	1%
Contract Admin FTE	76	81	83	87	84	76	75	-1	-1%
Contract Professional FTE									
Classified FTE CU	59	61	65	65	66	77	78	2	2%
Current Unrestricted Expenditures									
	(in millions)								
Total Expenditures	\$21.6	\$24.5	\$25.0	\$25.5	\$24.8	\$28.0	\$28.7	651,622	2%
Instructional Expenditures	\$9.2	\$10.2	\$10.6	\$11.0	\$10.3	\$11.7	\$12.4	631,784	5%
Waivers/Scholarships	\$1.5	\$1.5	\$1.5	\$1.7	\$1.4	\$1.6	\$1.6	28,714	2%
Student FTE	2,468	3,010	2,976	2,718	2,466	2,292	2,220	-72	-3%

Community Colleges (cont.)

Operating Budget Metrics

Community Colleges

Dawson, Flathead, & Miles

FY14 to F15

Actual						Budgeted	Difference	
FY09	FY10	FY11	FY12	FY13	FY14	FY15	#	%

Expenditures per Student FTE

CU Expenditures per FTE	8,743	8,138	8,391	9,375	10,063	12,228	12,918	690	6%
Instruction Exp per FTE	3,743	3,388	3,552	4,046	4,178	5,116	5,567	451	9%
Instruction Exp, % of Total Exp	42.8%	41.6%	42.3%	43.2%	41.5%	41.8%	43.1%	1.3%	-
Waivers/Scholarships per FTE	614	510	522	613	568	694	729	35	5%
Waivers/Sch, % of Total Exp	7.0%	6.3%	6.2%	6.5%	5.6%	5.7%	5.6%	-0.03%	-

Student to Faculty/Admin/Staff Ratios

Student to Contract Faculty Ratio	16.8	19.0	18.8	17.5	15.8	14.6	14.1	-0.5	-4%
Student to Contract Admin/Pro Ratio	32.5	37.4	35.7	31.1	29.3	30.0	29.4	-0.6	-2%
Student to Classified Employee Ratio	42.0	49.2	45.5	41.9	37.5	29.8	28.3	-1.5	-5%

Budget Metrics Summary

- ❖ **ENROLLMENT:** budgeting for a decline in resident students (≈ 300 FTE) and slight growth in non-residents (≈ 50 FTE) Ed Units Only
- ❖ **CURRENT UNRESTRICTED REVENUE:** FY15 Budget increases expenditures by 4% over FY14
 - ❖ approximately $\frac{1}{2}$ of the growth comes from state appropriations, $\frac{1}{4}$ non-resident tuition, $\frac{1}{4}$ from transfers/carry forward/other
- ❖ **EXPENDITURES per FTE:** budgeting for 5% increase in expenditures per student FTE (growing from \$12,254 in FY14 to \$12,896)
- ❖ **EXPENDITURES by PROGRAM:**
 - % Instruction: declined from 54% in 1995, to 48% in 2014, budgeting for 49%
 - % Waivers/Scholarships: increased from 4% in 1995, to 9% in 2014

Budget Metrics Summary (cont.)

- ❖ **INSTRUCTIONAL EXPENDITURES**
 - Instructional spending per student FTE has increase steadily since FY 2011; FY 15 budget is \$6,350 per student, more than \$1000 per student increase since 2011
 - FY 2015 budget looks to increase funds dedicated to Instruction by 7% (+ \$15M), three quarters of the increase in current unrestricted going to Instruction

- ❖ **WAIVERS & SCHOLARSHIPS:** budgeted to increase by 5%, (+\$2M), representing 9% of total expenditures for the 4th consecutive year

- ❖ **FACULTY & STAFF RATIOS:**
 - FY 2015 budget proposes 4% to 5% increase in Faculty and Classified staff FTE, administration and professional staff show small decline
 - System-wide Student to Faculty Ratio is budgeted for 18 to 1

Board Directives – (a.k.a. The Road Ahead)

- ❖ Dual Credit
- ❖ Alcohol/Sexual Assault Training
- ❖ Research & Development
- ❖ Student Advising
- ❖ Development Education Reform
- ❖ American Indian Student Success
- ❖ Competency-based Education
- ❖ Workforce Development
- ❖ Veterans Success
- ❖ Public Service