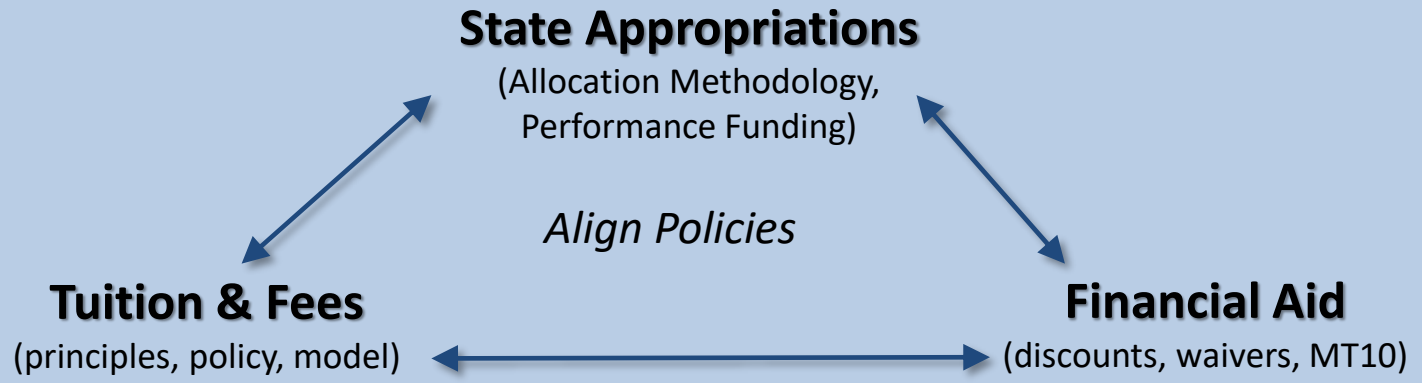


Budget Building Blocks



<div style="background-color: #003366; color: white; padding: 10px; width: 200px; margin: 0 auto;"> Institutional Requirement (cost of education) </div>	-	<div style="background-color: #800000; color: white; padding: 10px; width: 200px; margin: 0 auto;"> State Appropriations </div>	=	<div style="background-color: #003366; color: white; padding: 10px; width: 200px; margin: 0 auto;"> Required Tuition Revenue </div>
Current Unrestricted Budget		Pay Plan Present Law		Res & NR Tuition Rates, Enrollment

Summary -- Budget Proposal

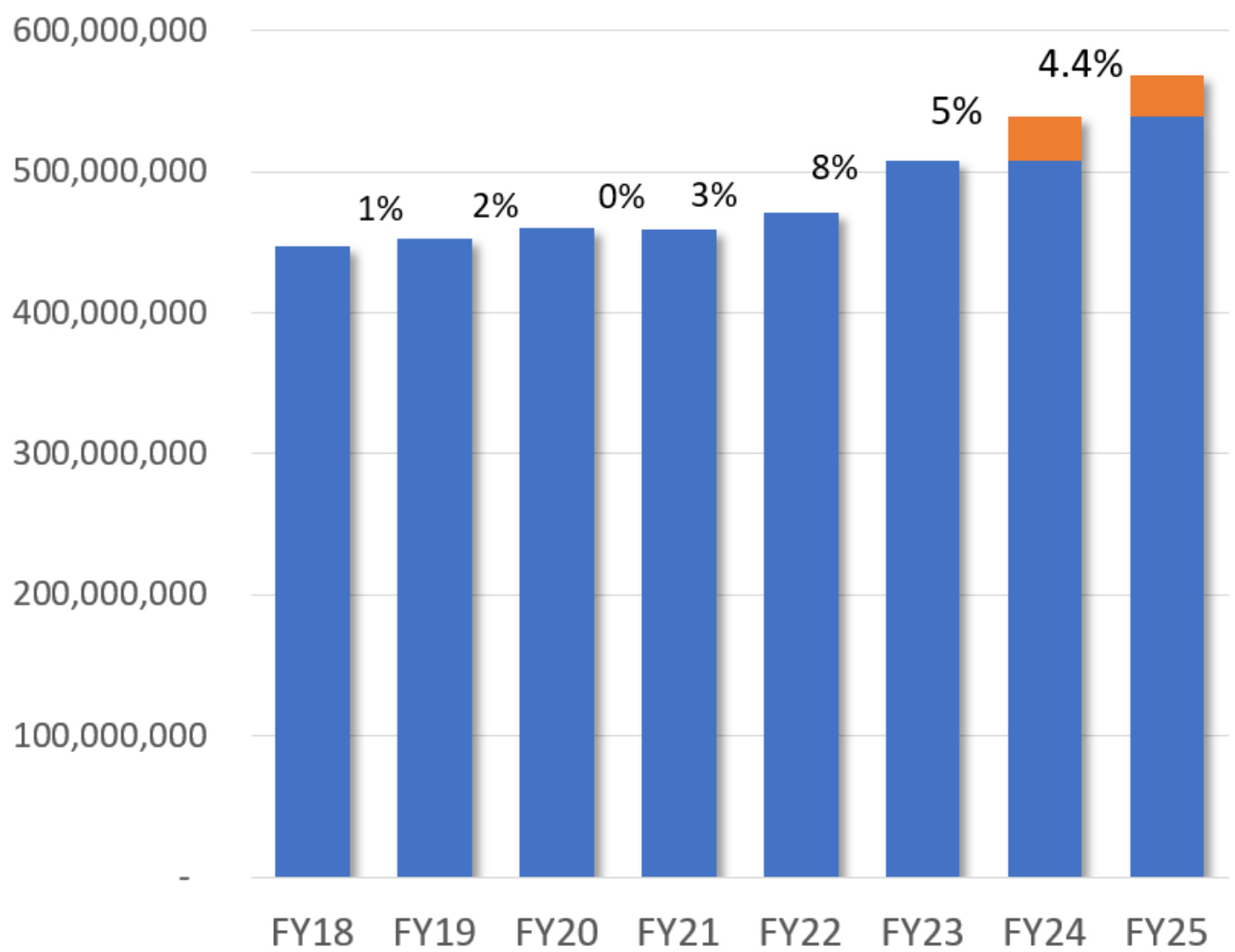
- **5% increase to expenditures in FY24, 4.4% in FY25** (i.e. Current Unrestricted Budget)
 - 3.5% of the 5% increase is due to the Pay Plan (i.e. 70% of the increase due to PP)
 - approximately 50% of the Pay Plan is funded by tuition

- **Tuition increases to fund the Pay Plan and Present Law Adjustments amount to 4% for resident students in each year of the biennium**
 - Non-resident tuition set at +6%
 - \$8.7M in tuition revenue to fund pay plan in FY24, \$8.3M in FY25
 - \$4M in tuition revenue to fund PLA in both FY24 and FY25

- **Allocation of state funds**
 - Pay Plan distributed based on employee FTE, 4% or \$1.50 per hour (whichever higher)
 - Present Law allocated based on distribution three-year average of each campus portion of resident student FTE
 - Performance funding

- **Fees**
 - Mandatory fees increase set at 3% in the aggregate
 - Online course fee conversion to mandatory technology fee
 - Course fees, program fees, and room and board increases

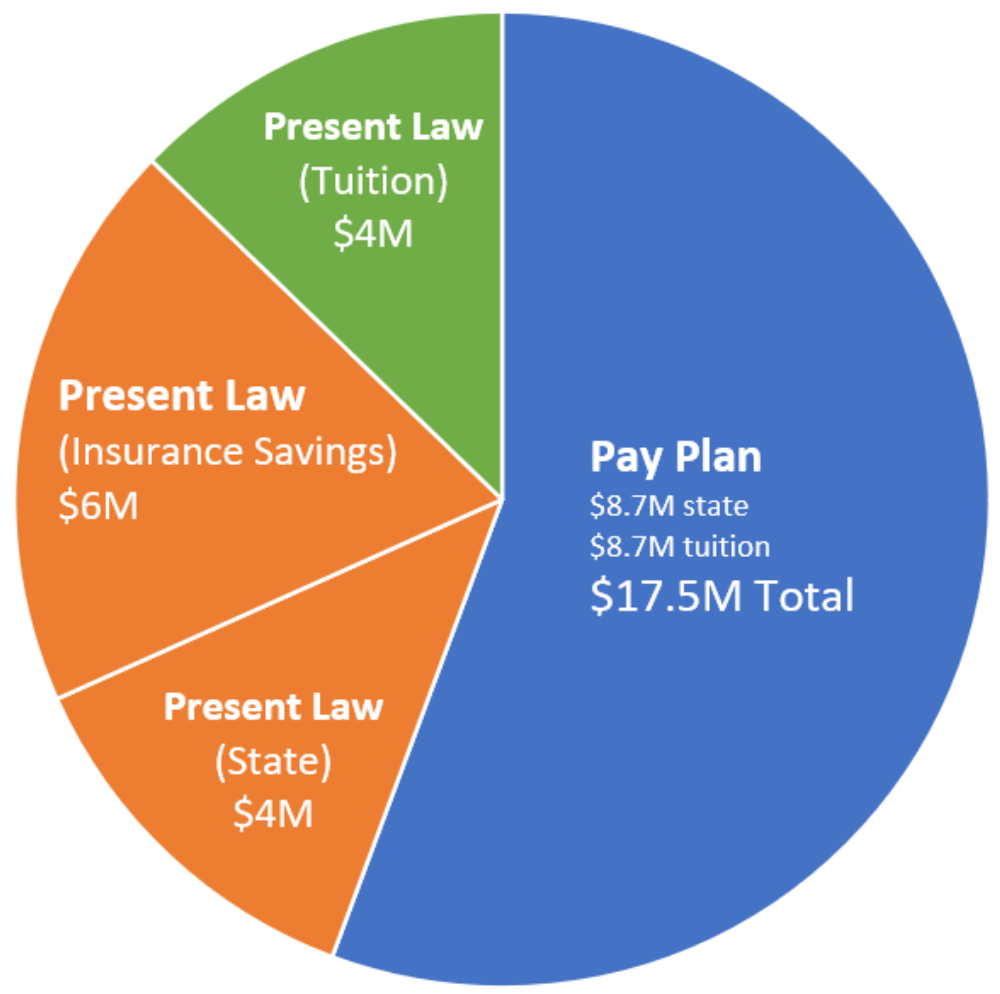
MUS Current Unrestricted Budget



Budget Proposal
5% growth in Current Unrestricted Budget in the first year, 4.4% in the second year

Distribution of Proposed Increase, FY24

Current Unrestricted Revenue



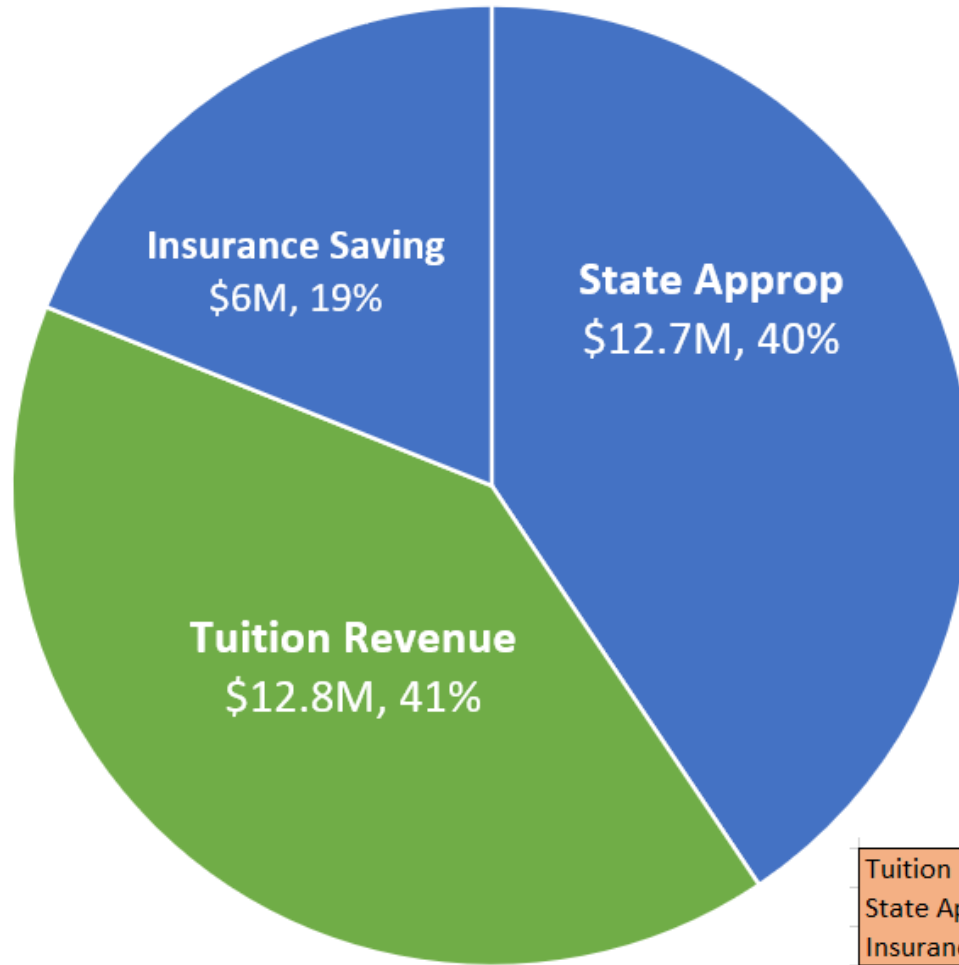
Total Increase to Current Unrestricted:
= \$25.5M increase (+5.0%)

Total Available Funds
= \$31.5M (+6.2%)

Distribution of the % increase		
Pay Plan	17,517,178	3.5%
PLA (state)	3,975,819	0.8%
PLA (tuition)	4,018,020	0.8%
Total Inc.	25,511,017	5.0%
PLA (savings)	5,957,657	1.2%
Total \$\$	31,468,674	6.2%

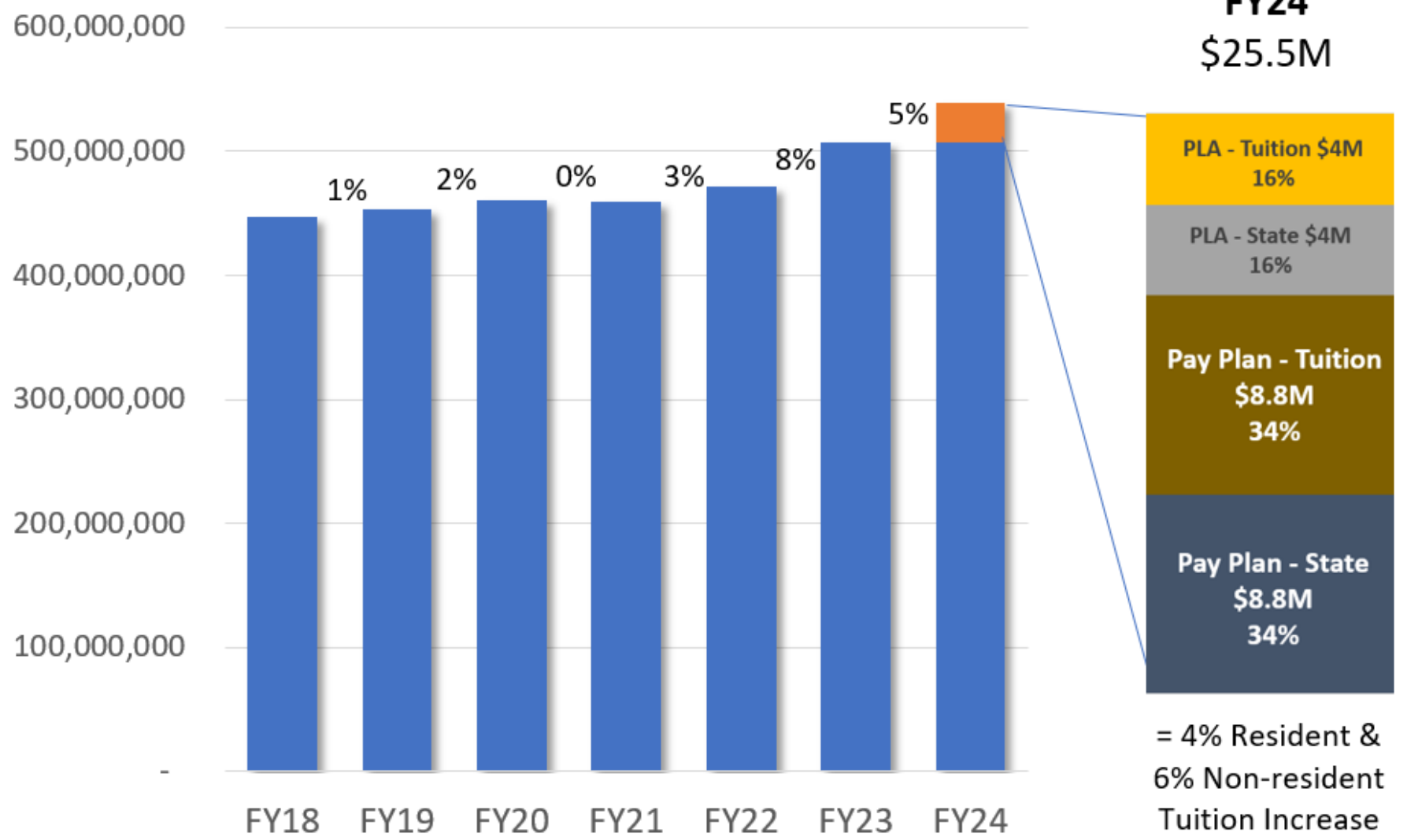
Distribution of Proposed Increase, FY24

Current Unrestricted Revenue



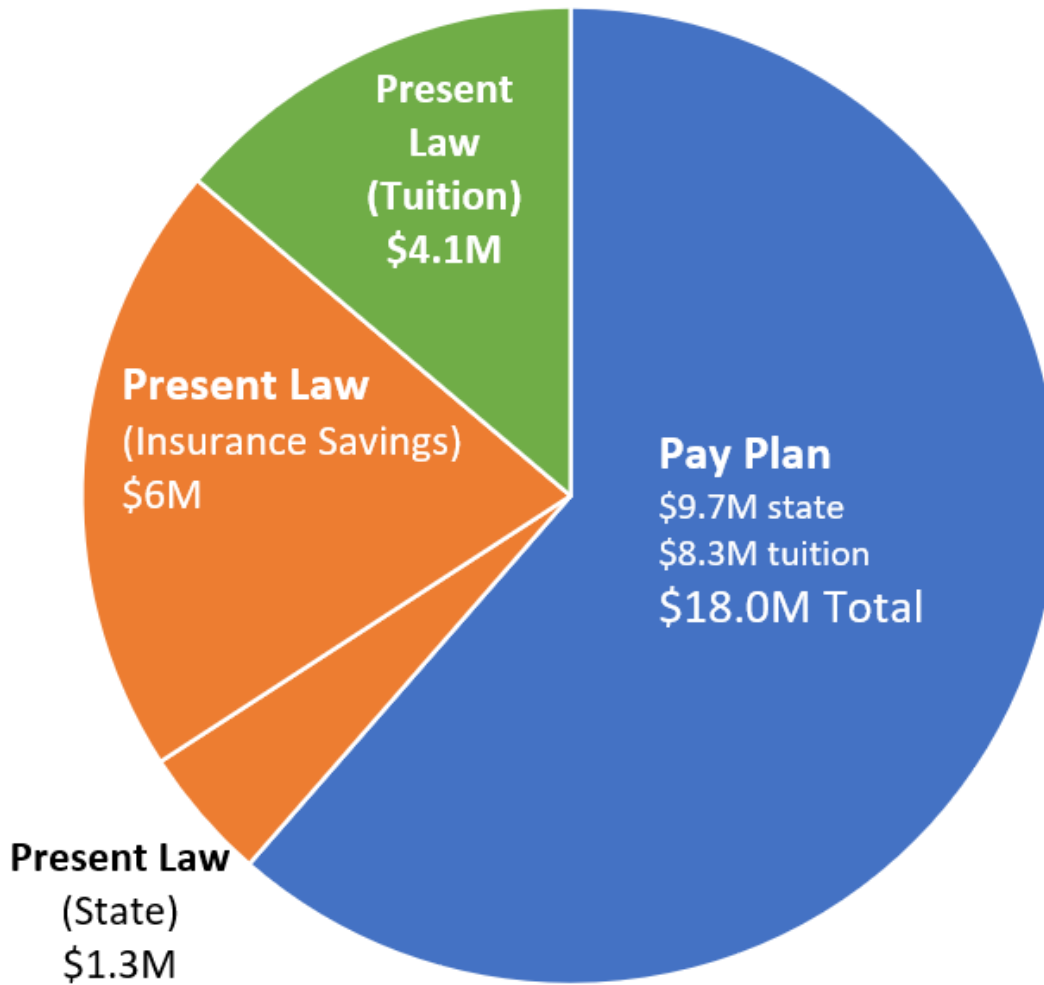
Tuition	12,776,609	41%
State Approp	12,734,408	40%
Insurance	5,957,657	19%
Total	31,468,674	100%

MUS Current Unrestricted Budget



Distribution of Proposed Increase, **FY25**

Current Unrestricted Revenue



Year over Year Increase

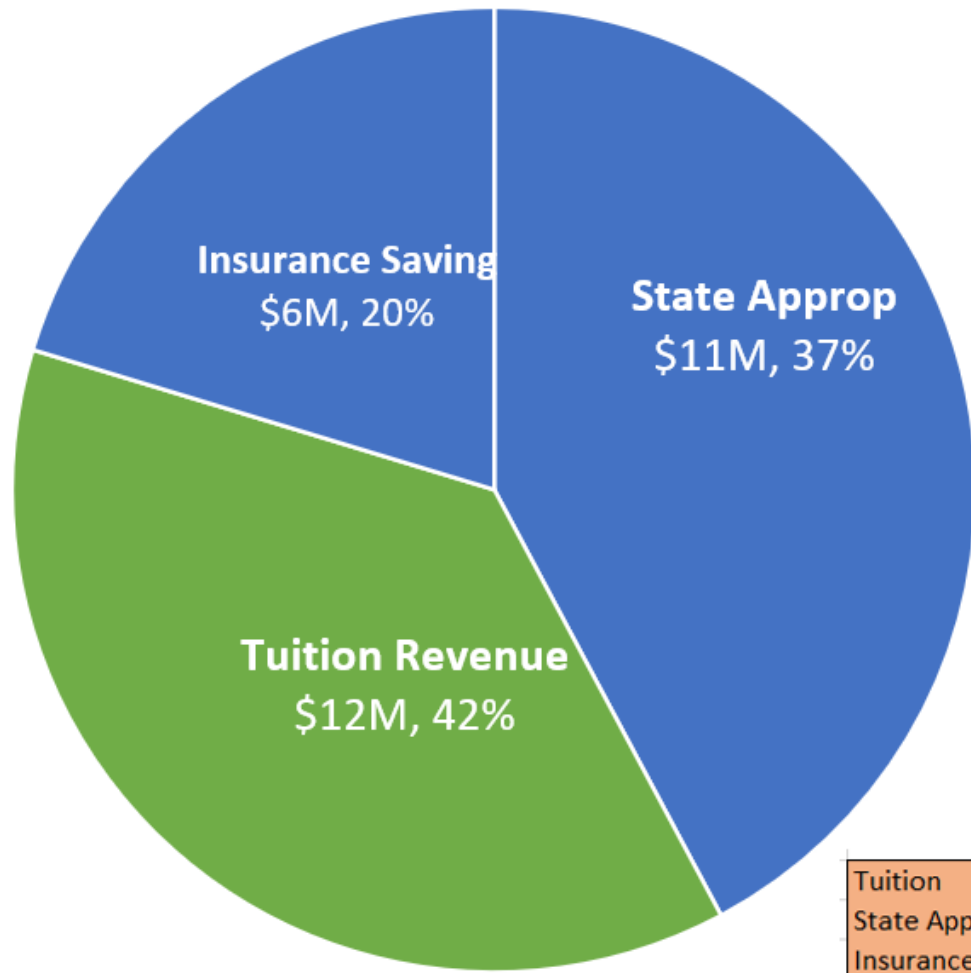
Total Increase to Current Unrestricted:
= \$23M increase (+4.4%)

Total Available Funds
= \$29M (+5.5%)

State funding for Pay Plan and PLA increase by \$2.3M over FY24

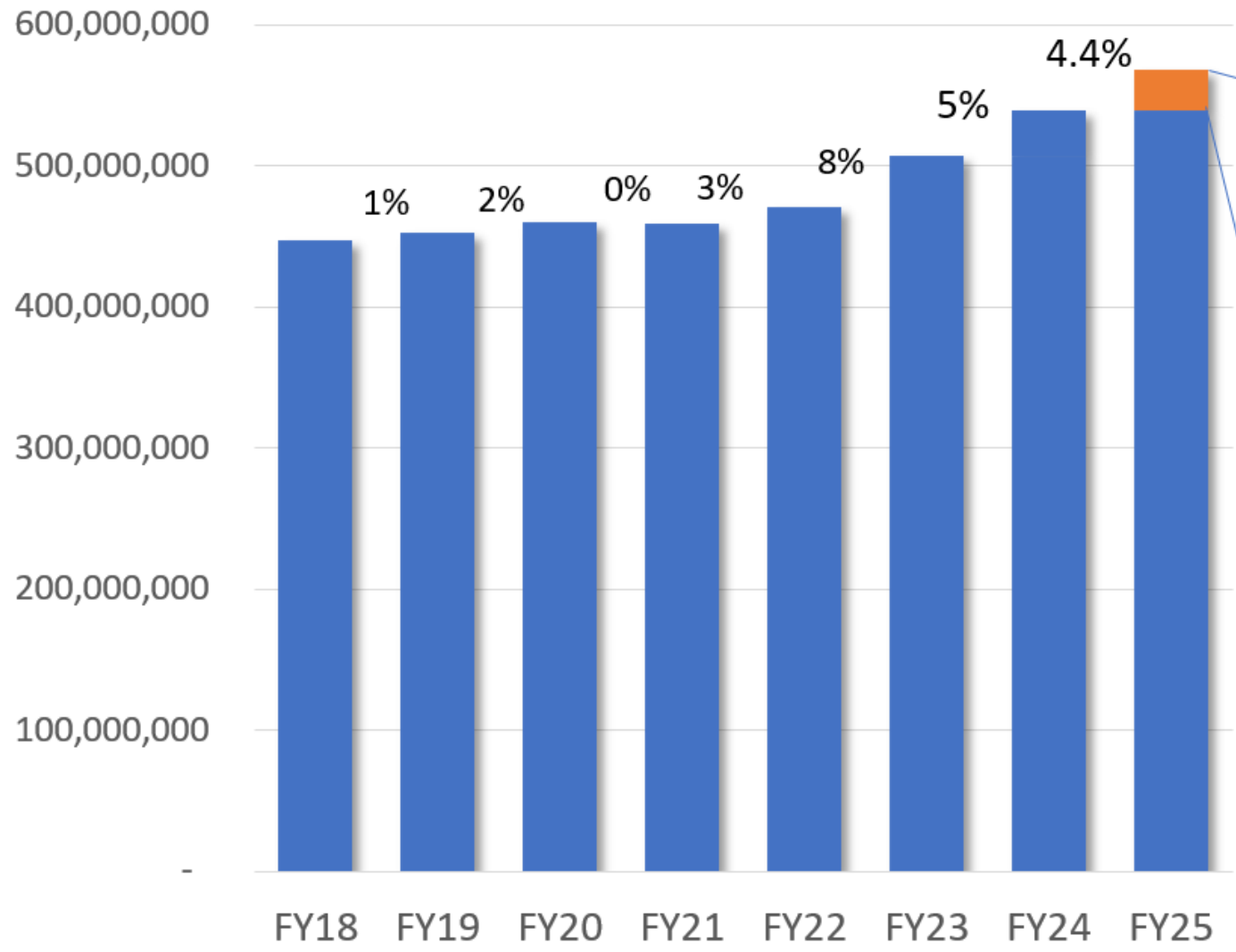
Distribution of the % increase		
Pay Plan	18,010,458	3.4%
PLA (state)	1,297,882	0.2%
PLA (tuition)	4,054,986	0.8%
Total	23,363,327	4.4%
PLA (savings)	5,957,657	1.1%
Total \$\$	29,320,984	5.5%

Distribution of Proposed Increase, FY25
 Current Unrestricted Revenue

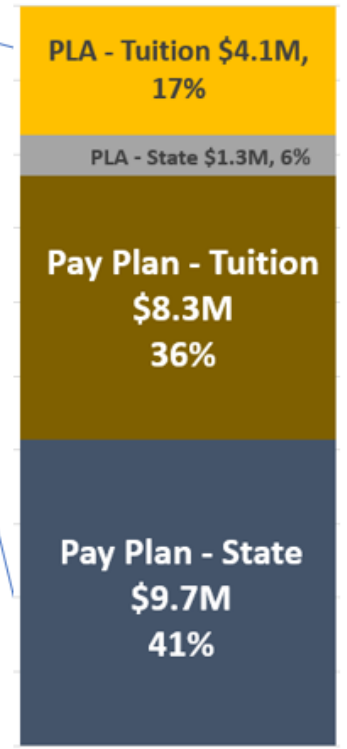


Tuition	12,374,687	42%
State Approp	10,988,640	37%
Insurance	5,957,657	20%
Total	29,320,984	100%

MUS Current Unrestricted Budget



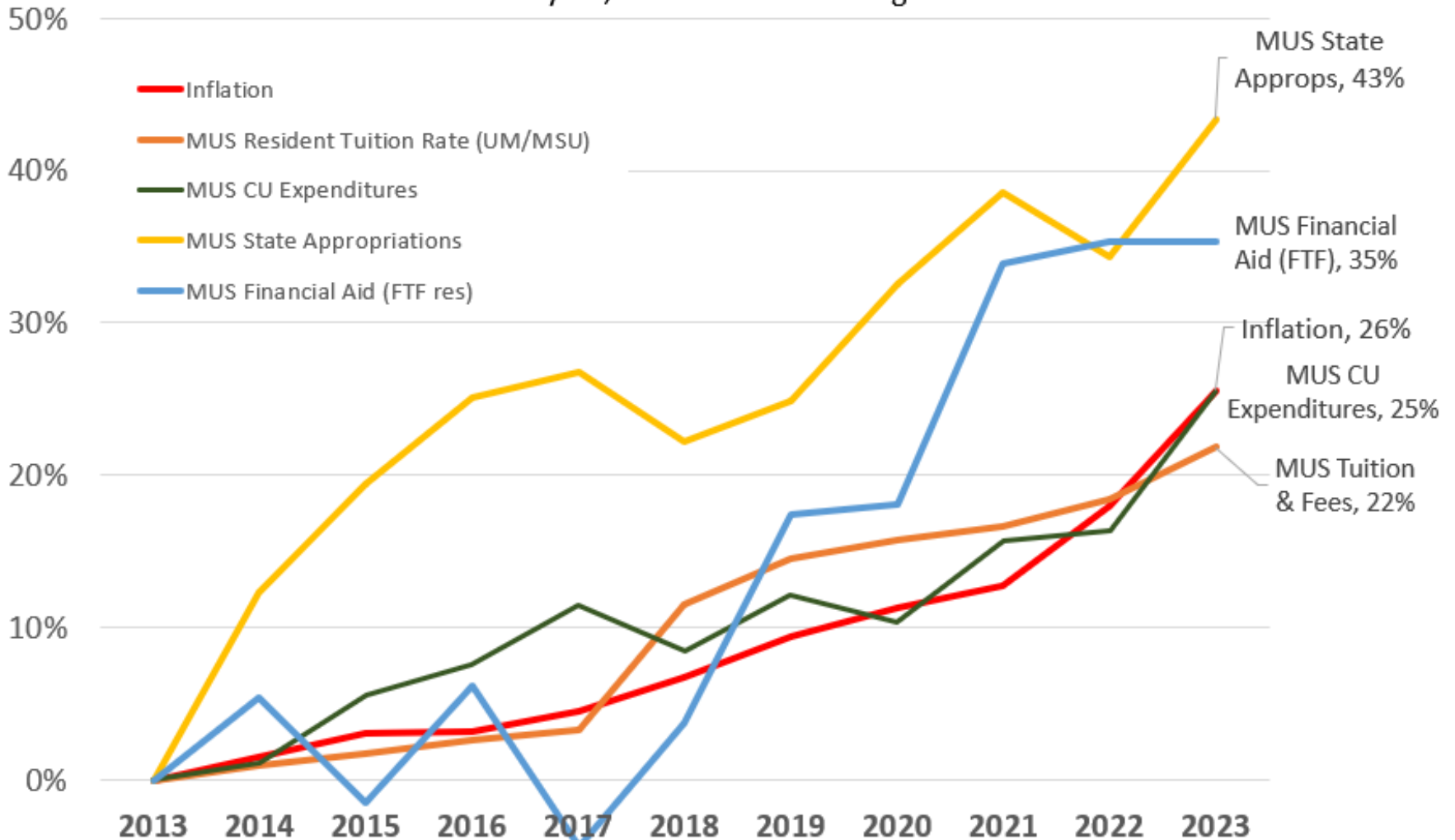
FY25
\$23M



= 4% Resident & 6% Non-resident Tuition Increase

Growth of Key Budget Drivers

10-year, Cumulative % Change



Tuition freezes accelerated State Approps and slowed the growth of tuition/fees.

Montana University System - Ed. Units Only

Current Unrestricted Faculty/Staff FTE & Metrics

(does not include: graduate teaching/research assistants & part-time/other)

STAFFING	FY18	FY21	FY22	%Change		FY23 Budgeted	%Change 1yr
				1yr	5yr		
Contract Faculty (all)	2,022	1,804	1,788	-1%	-12%	1,872	5%
Contract Administrators	115	91	87	-4%	-24%	90	3%
Contract Professionals	595	567	611	8%	3%	627	3%
Classified FTE	1,365	1,359	1,301	-4%	-5%	1,504	16%
Total Faculty/Staff	4,097	3,821	3,787	-1%	-8%	4,103	8%
EXPENDITURES							
Personnel Services	361,416,181	369,723,909	373,323,088	1%	3%	414,094,428	11%
Total Expenditures <small>(net of waivers)</small>	442,251,284	471,740,105	472,839,867	0%	7%	511,383,228	8%
Student FTE	35,178	31,338	31,684	1%	-10%	32,108	1%
Key Metrics							
Student to Faculty Ratio	17.4	17.4	17.7	2%	2%	17.1	-3%
%Personnel Services of Total	82%	78%	79%	1%	-3%	81%	2%

The number of administrators in the MUS has dropped by 24% in past 5 years

Expenditure Trend

Current Unrestricted Expenditures

FY 2018 to FY 2023 (5 years)

NEGATIVE

Great Falls College MSU -14%

MT Tech -10%

Helena College UM -4%

MSU Billings -3%

MSU Northern -3%

UM Western -1%

POSITIVE

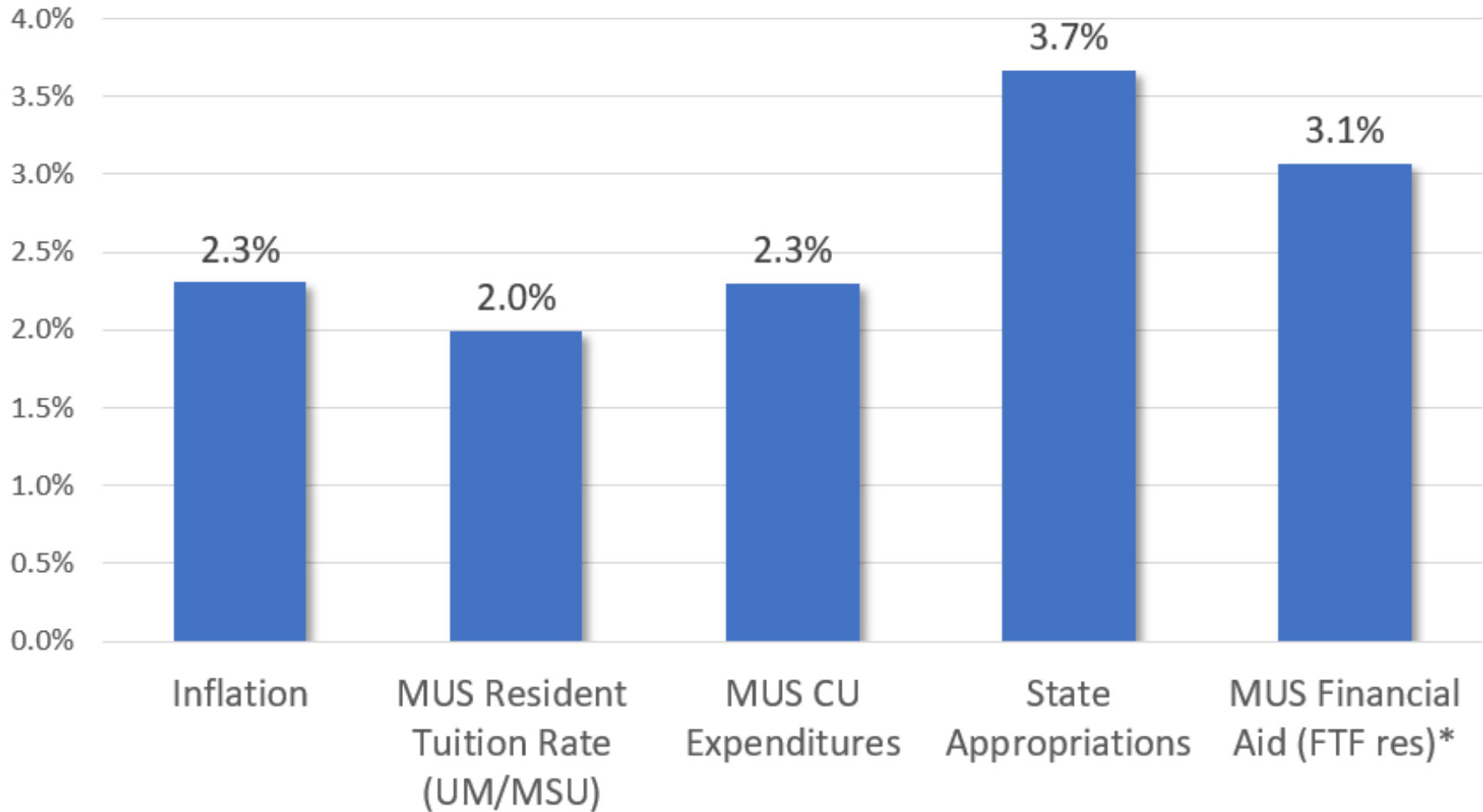
University of Montana +4%

Montana State University +16%

Expenditures at 6 out of 8 campuses have declined over the past 5 years

Growth of Key Budget Drivers

Compounded Annual Growth Rate, FY13 - FY23

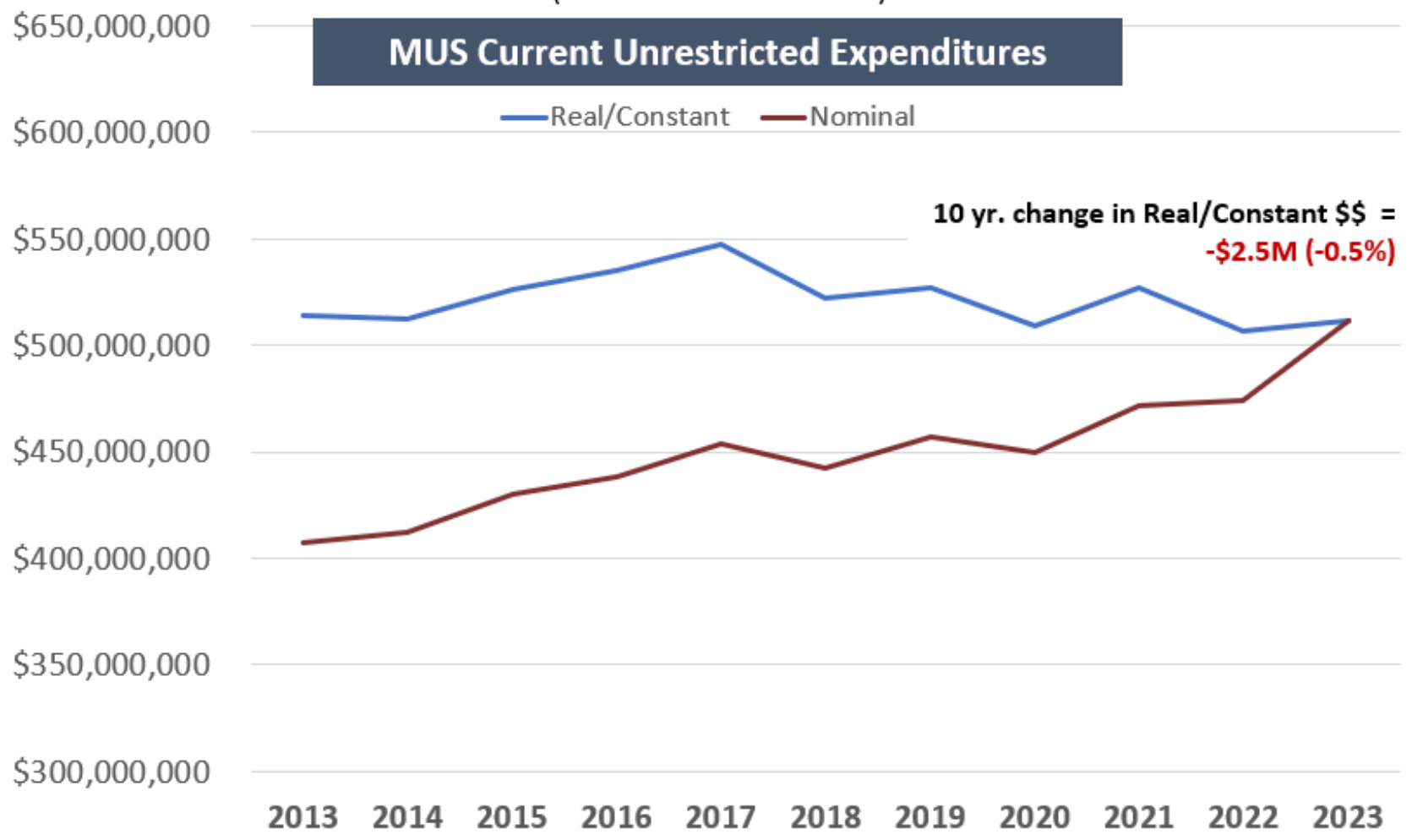


*annual average financial aid provided to first-time, full-time, resident students

Inflation and MUS Expenditures grew at the same pace.

Growth of Key Budget Drivers

(2022 Constant Dollars)

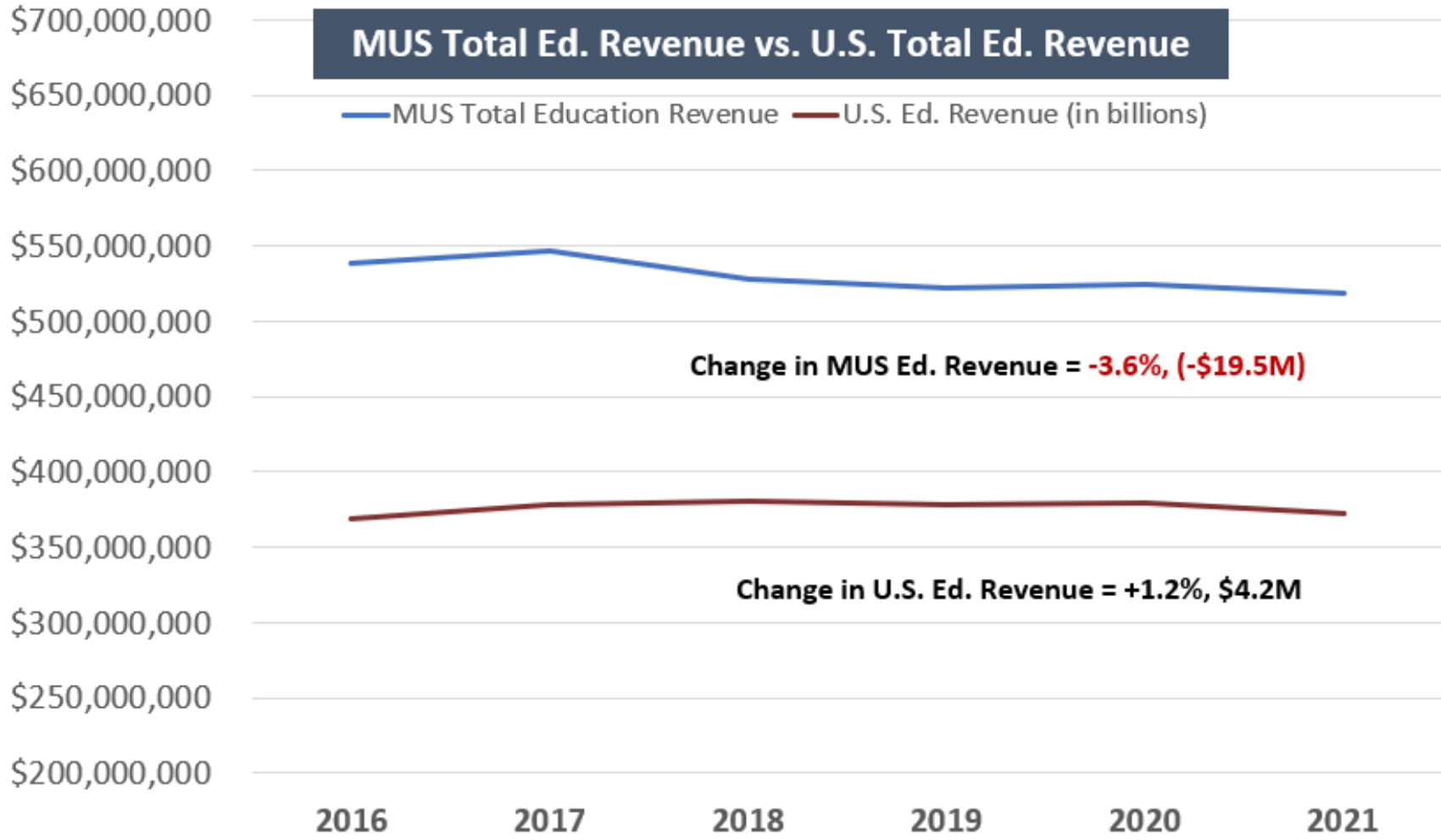


In real/constant dollars, MUS total expenditures drop by -\$2.5M over the past 10 years. 14

Growth of Key Budget Drivers

(2022 Constant Dollars)

MUS Total Ed. Revenue vs. U.S. Total Ed. Revenue

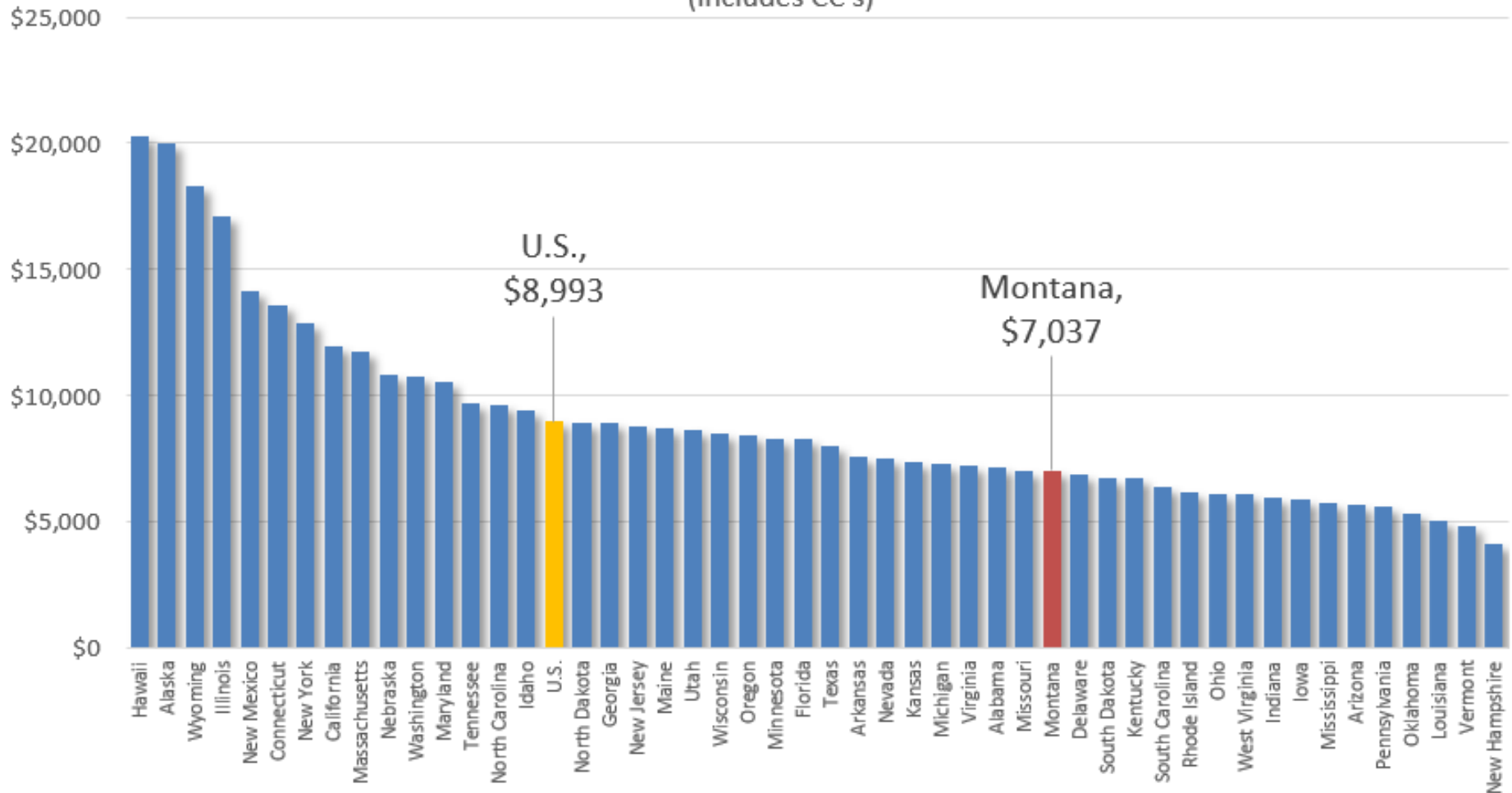


In real/constant dollars, MUS Ed. Revenue declined while nationally it remained flat.

State Support per Student FTE, FY21



State appropriations AND state funded financial aid per resident and non-resident student FTE)
(includes CC's)



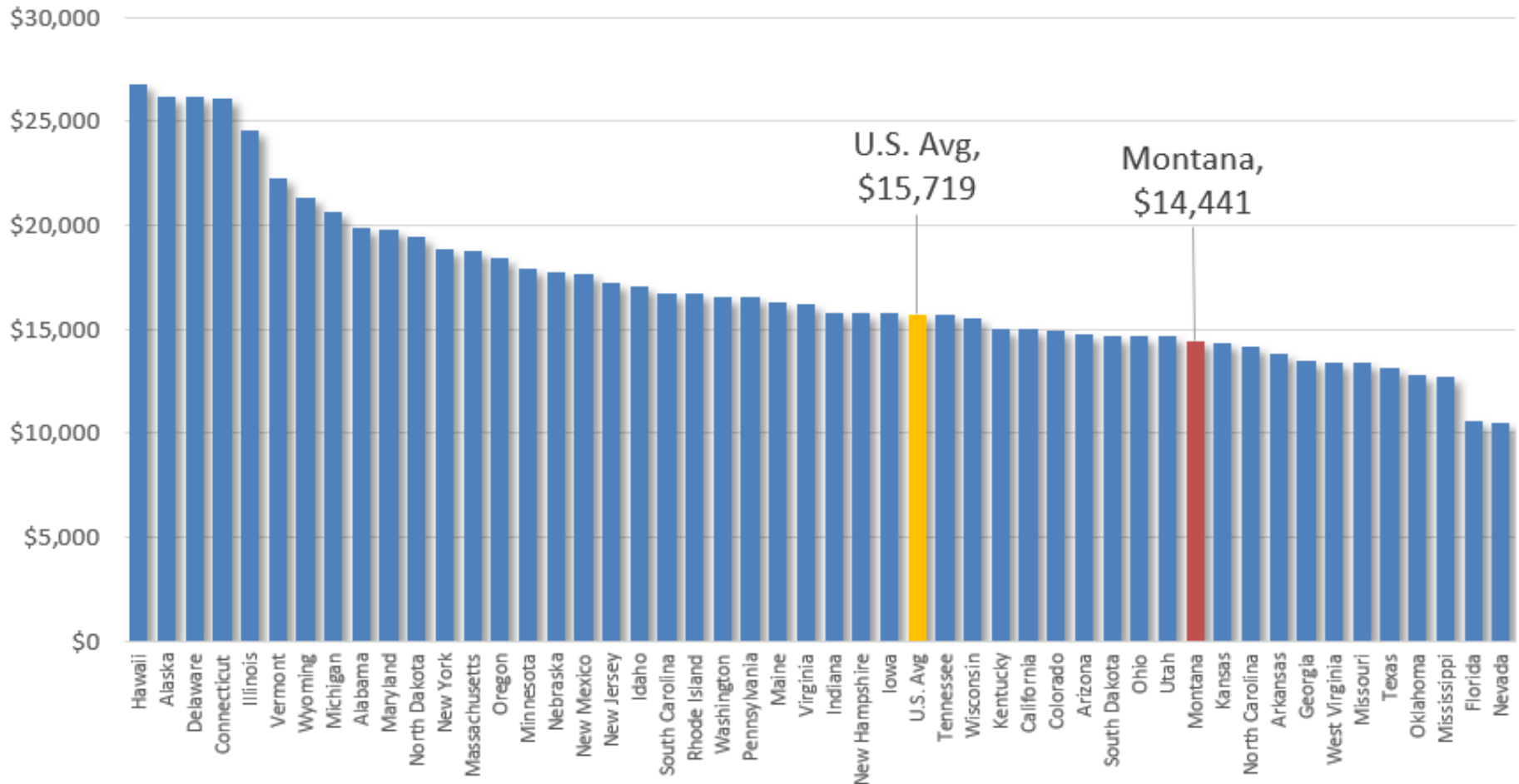
State Higher Education Executive Officers Association. (2022). State Higher Education Finance: FY 2021.

MT is below the national average and on the borderline of the lower third of states

Educational Revenue per Student FTE, FY21



Educational revenue is the sum of public higher education state appropriations and public in-state and out-of-state net tuition. (includes CC's & state funded financial aid)



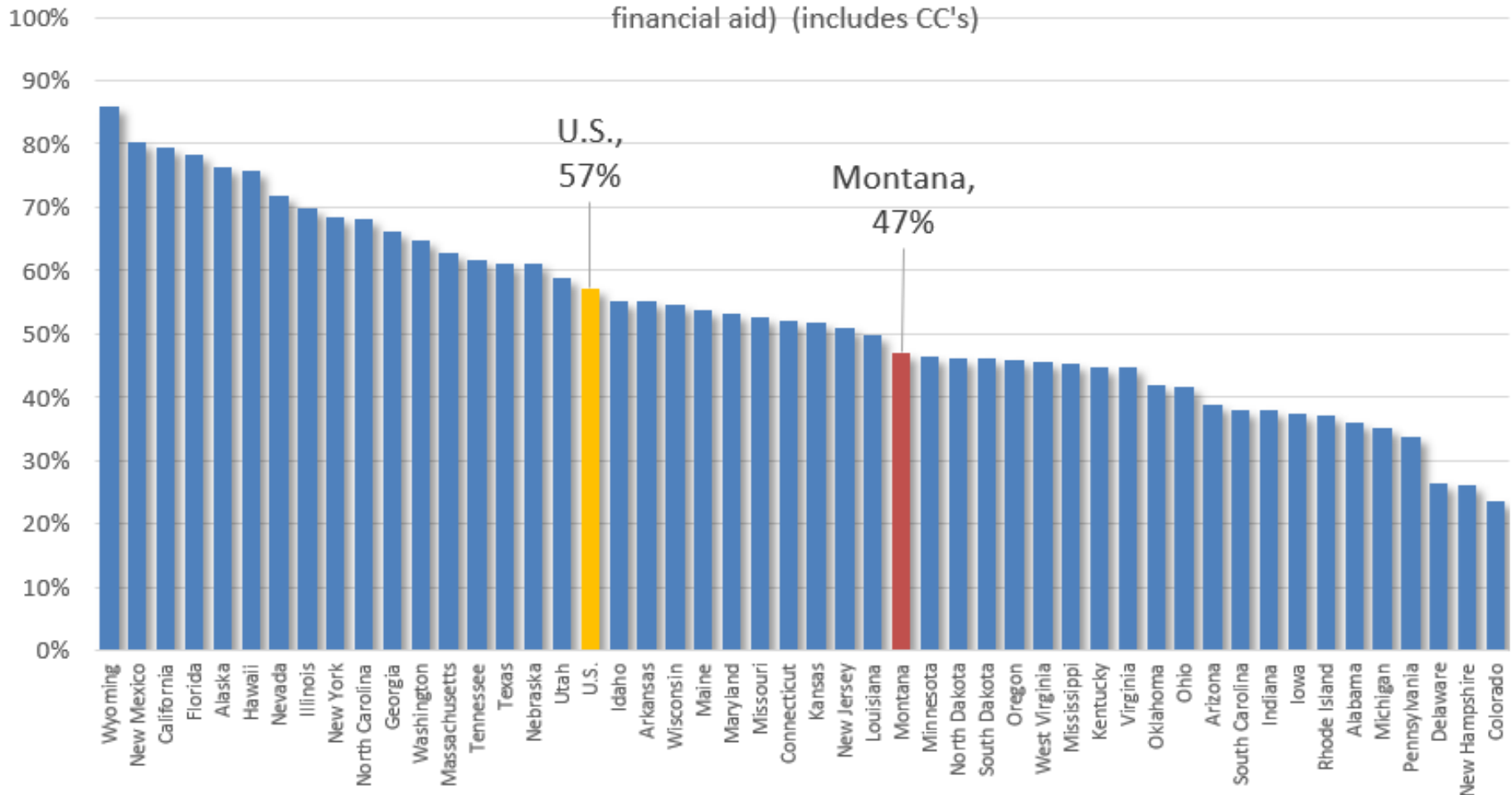
State Higher Education Executive Officers Association. (2022). State Higher Education Finance: FY 2021.

MT ranks in the lower third in the nation in total funding per student

State % Share, FY21



State appropriations as a percent of public higher education total educational revenue (i.e. state appropriations and public in-state and out-of-state net tuition, AND state funded financial aid) (includes CC's)



State Higher Education Executive Officers Association. (2022). State Higher Education Finance: FY 2021.

MT is below the national average, but in the mid-section of state rankings for State% Share