



MONTANA UNIVERSITY SYSTEM
Office of the Commissioner of Higher Education

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TO: Board of Regents
FROM: Pam Joehler
Director of Budget and Accounting
SUBJECT: FY05 Budget Update

Earlier this fiscal year the Board of Regents adopted a new budget process for both biennial and annual budget development. A new step in the annual budget development process was an update and summary of the annual budget development during the July board meeting each year. This update and summary was incorporated into the process to give the regents a preview of the budget and allow for discussion prior to the September meeting when the annual budgets are formally presented and approved.

This is the first year this annual budget update and summary has been incorporated into the budget development process. The materials that are being provided include a brief executive summary for each campus and agency that outlines budget highlights and challenges for that unit. Each unit is also providing a spreadsheet that details projected changes in general operating revenue by source from the current fiscal year (FY04) to FY05. Also included on the spreadsheet are estimated and planned changes in expenditures from FY04 to FY05. These expenditure changes include both fixed costs that are required to continue current operations along with priorities and investments that each unit has identified during their budget development process. The spreadsheet also includes enrollment information for both FY04 (actual) and FY05 (projected).

In addition to the individual unit information, I have prepared a summary spreadsheet for all of the educational units to give you a broader perspective of anticipated changes in enrollment, revenue (by source), and expenditures for all educational units combined.

I hope you find this update on the FY05 budget useful. This is the first time we have prepared such an update and would welcome any suggestions you may have for improvement.