

# **FY20 Operating Budget Overview**

## **Montana University System**

September 2019

Office of the Commissioner of Higher Education

# Operating Budget Overview

## TOPICS

### ❖ System-level Summary

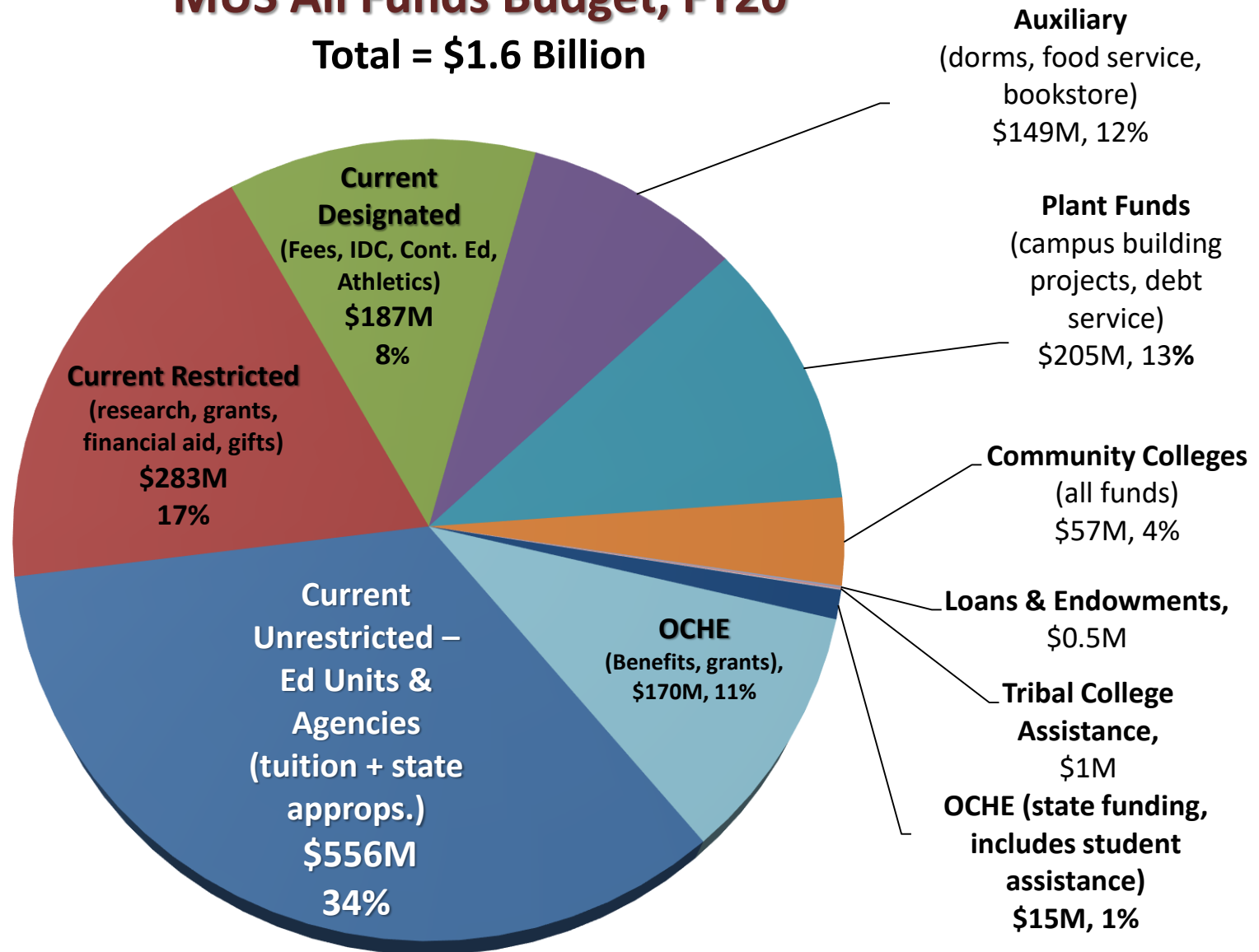
- All Funds Budget
- Budget Update / History / National Comparisons
- Operating Budget Metrics

### ❖ Campus-level Analysis

- Use metrics and benchmarks to guide analysis
- Consistent formats using longitudinal data to compare trends
- Revenue | Expenditures | Staffing | Waivers | Enrollment

## MUS All Funds Budget, FY20

Total = \$1.6 Billion



## MUS All Funds Budget

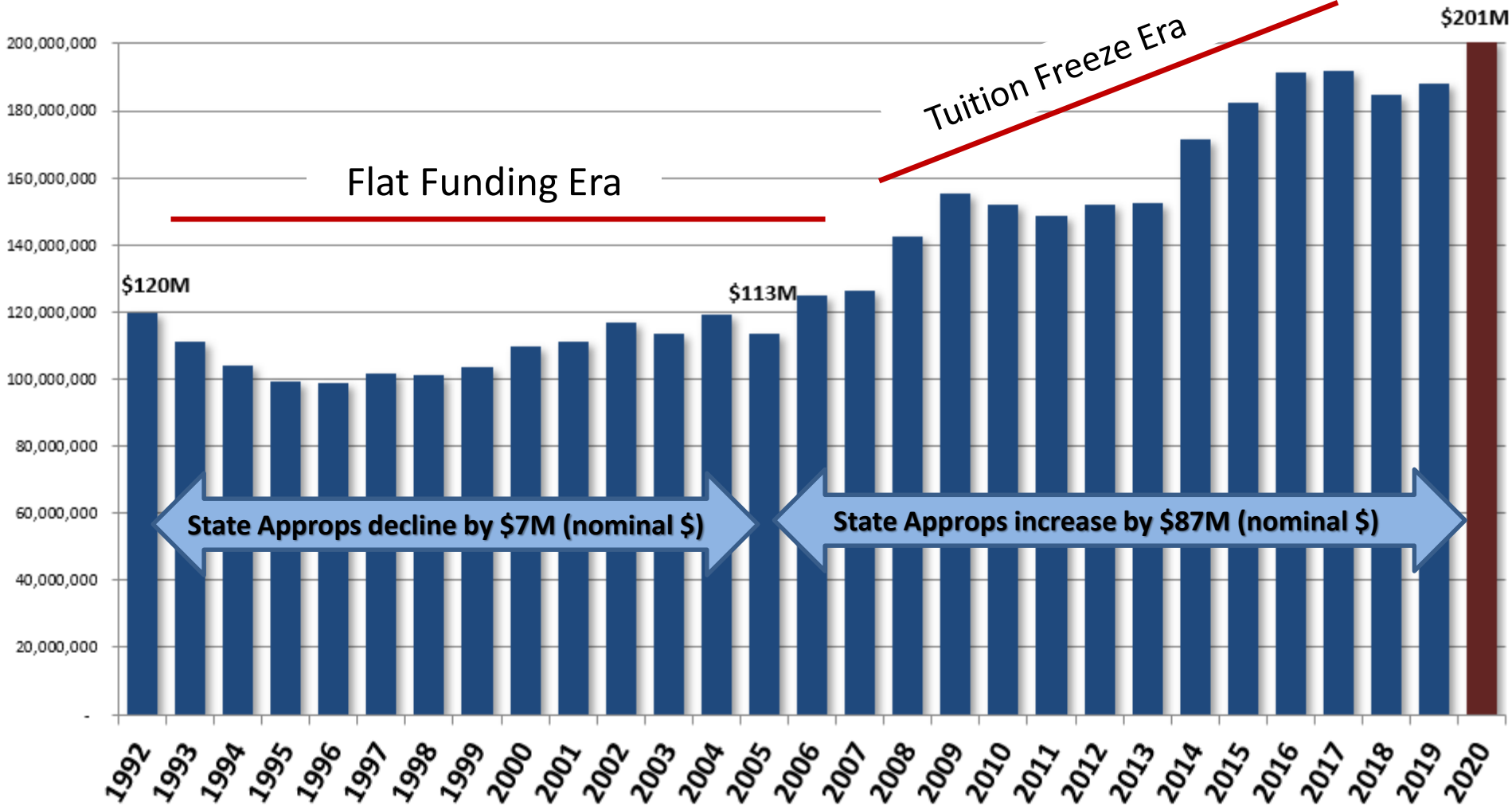
	FY 2019	FY 2020	Difference	
	Actual	Budgeted	\$\$	%CHG
<b>MUS Ed Units &amp; Agencies</b>				
Current Unrestricted (gross)	540,590,893	556,757,377	16,166,484	3%
Current Restricted	274,393,278	283,125,456	8,732,178	3%
Current Designated	173,209,336	187,299,090	14,089,754	8%
Auxiliary Enterprises	146,230,182	148,703,659	2,473,477	2%
Loan & Endowment Funds	498,347	533,681	35,334	7%
Plant Funds	189,892,185	205,424,056	15,531,871	8%
<b>Total</b>	<b>1,324,814,221</b>	<b>1,381,843,319</b>	<b>57,029,098</b>	<b>4%</b>
<b>Community Colleges Total</b>	<b>52,123,845</b>	<b>56,948,810</b>	<b>4,824,964</b>	<b>9%</b>
Tribal College Assistance	837,875	1,012,875	175,000	21%
OCHE (general fund) <small>includes student assistance</small>	12,991,431	15,119,202	2,127,771	16%
OCHE (Federal, SS, Private, & Proprietary )	120,652,428	170,338,344	49,685,916	41%
<b>TOTAL ALL FUNDS</b>	<b>\$1,511,419,800</b>	<b>\$1,625,262,549</b>	<b>113,842,749</b>	<b>8%</b>

source: MUS Op Bud, Schedule 1

**The expenditure of money appropriated in the general appropriations act to the Board of Regents...as defined in §17-7-102, MCA, is contingent upon approval of a comprehensive operating budget...**

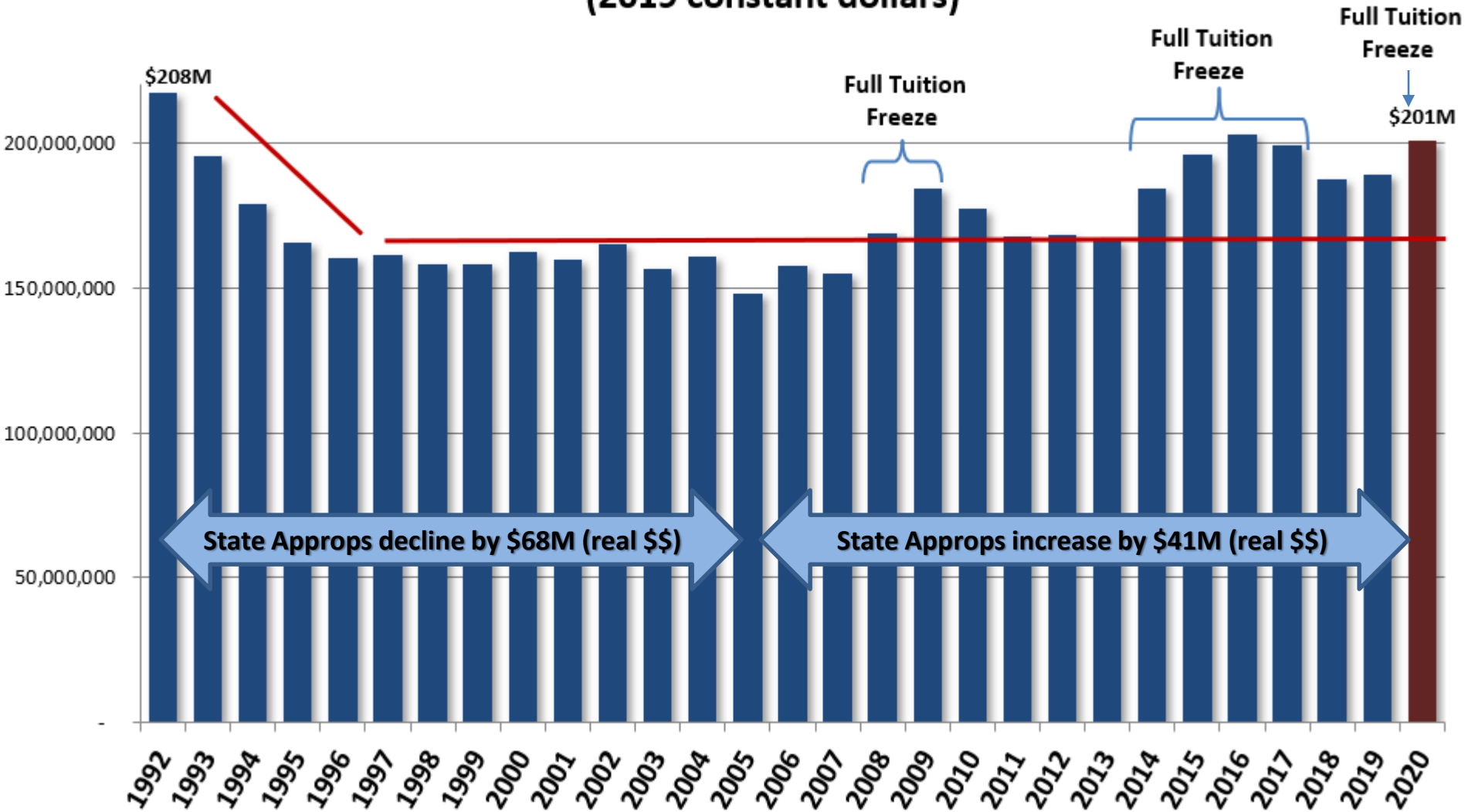
# State Appropriations -- Ed Units Only

(includes full Performance Funding and Regents Priority Funds)



**State Appropriations can be split into two periods, Flat Funding Era vs Tuition Freeze Era**

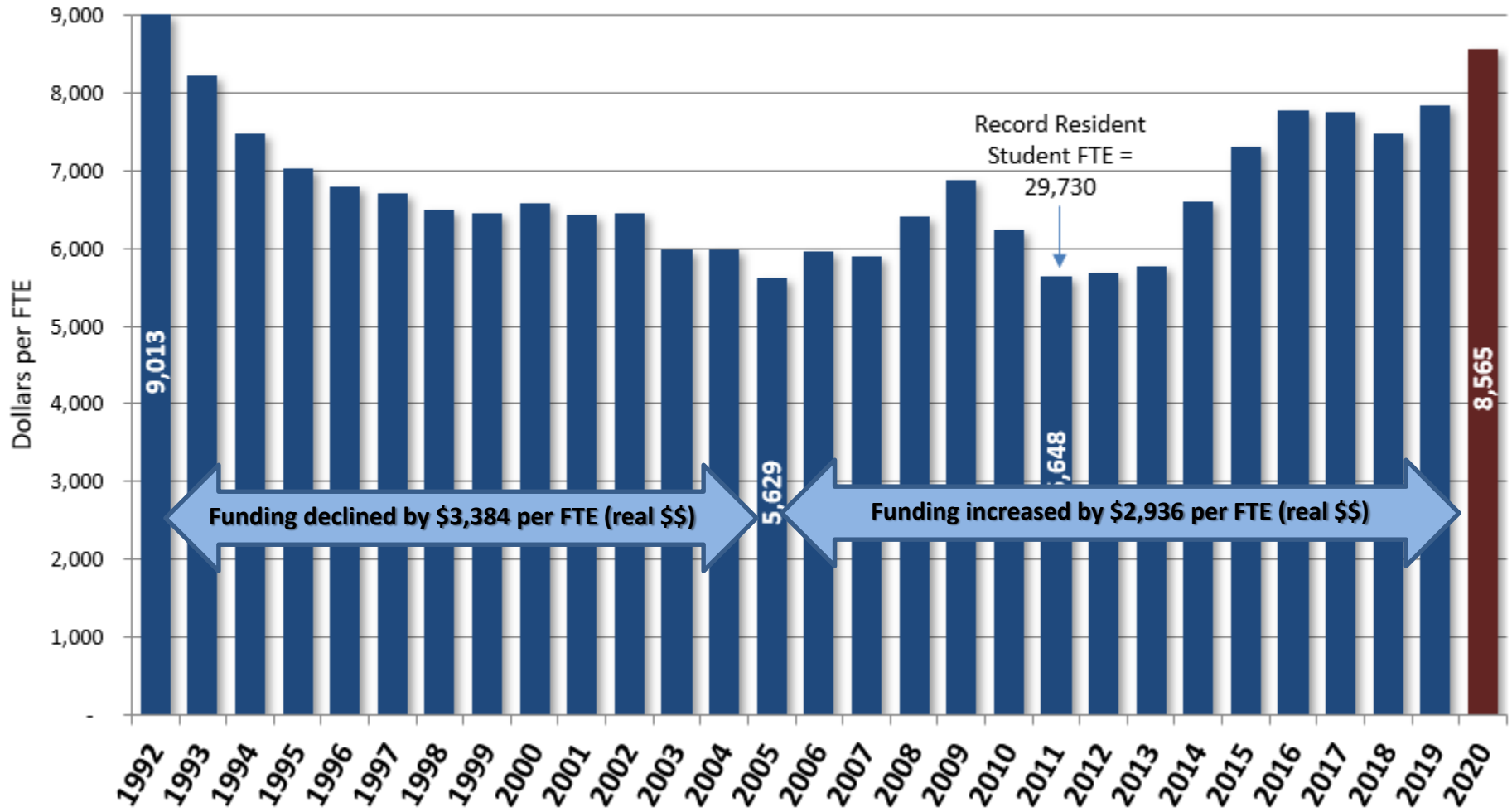
## State Appropriations -- Ed Units Only (2019 constant dollars)



The U-system receives fewer state approps today than it did in 1992 (inflationary adj)

# State Appropriations per Resident Student FTE – Ed Units Only (2019 constant dollars)

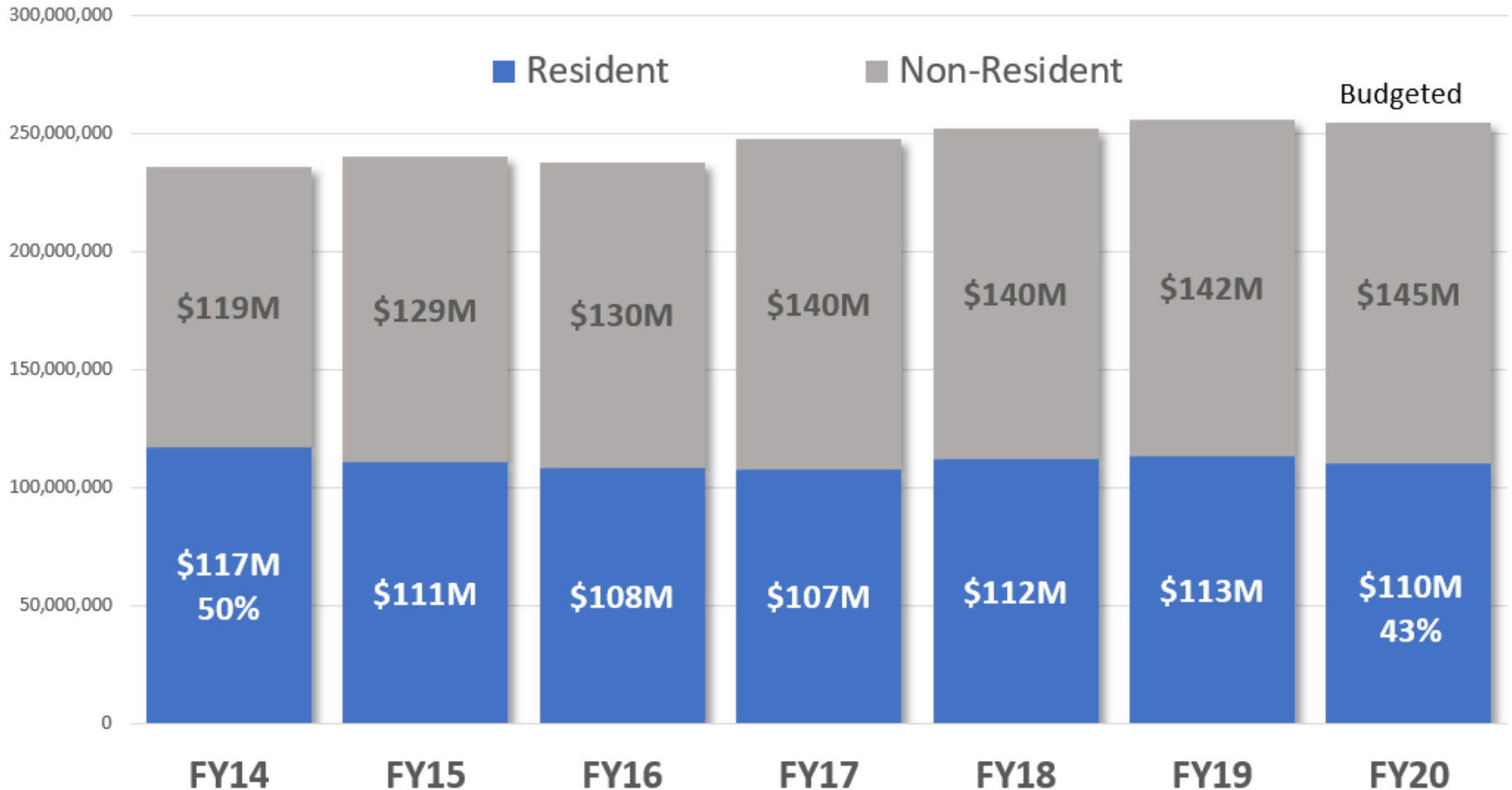
source: Official LFD Historical Funding Spreadsheet & MSU Enrollment Report, calculations done by OCHE



The U-system has come a long way toward gaining back funding levels of early 1990's

## NET Tuition Revenue

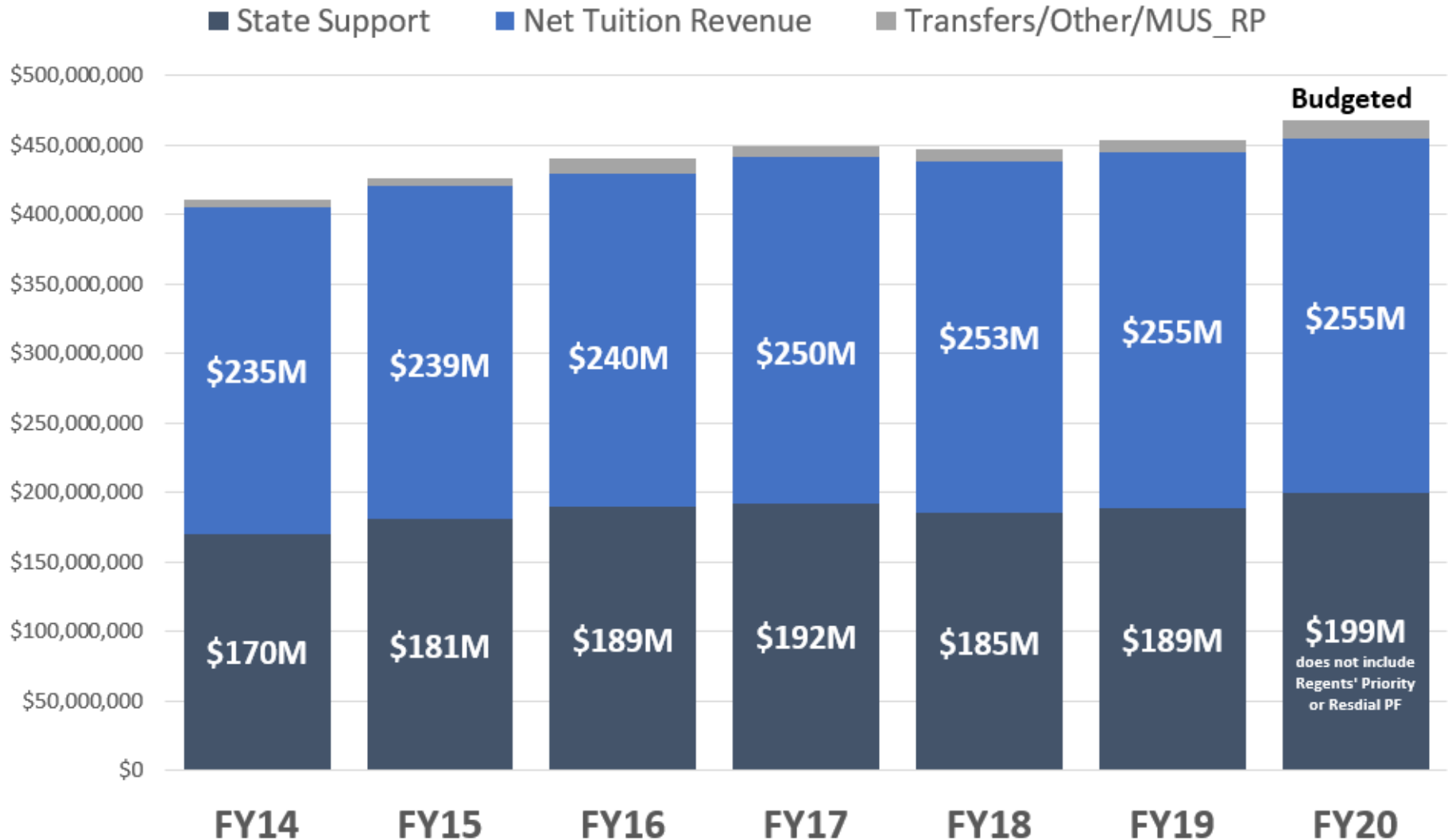
(does not include waivers/discounts)



**Non-resident student tuition revenue comprises over 50% of total revenue**



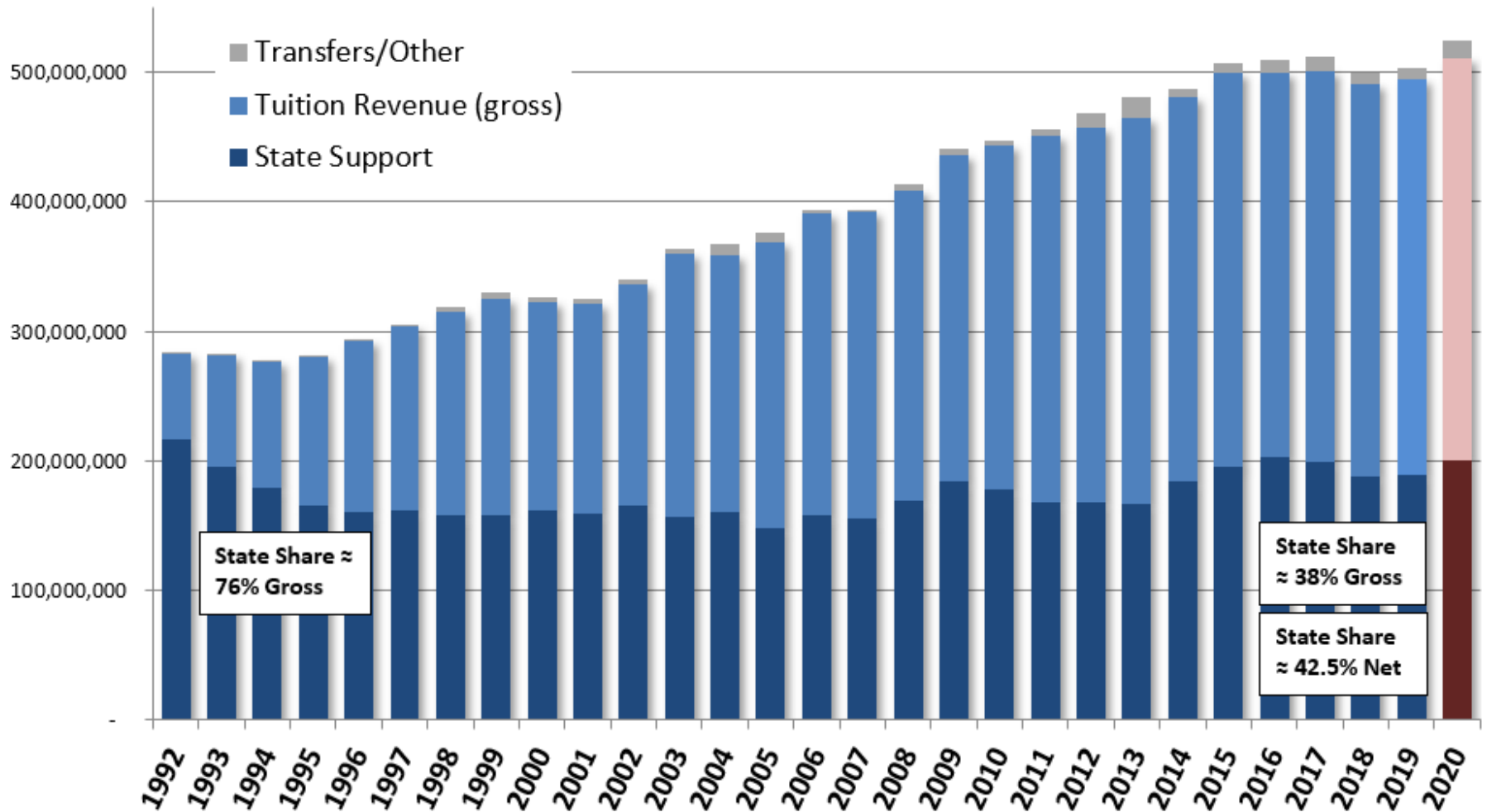
## MUS Current Unrestricted Revenue - Operating Budget



**Current Unrestricted Revenue set to increase by 3% over FY19, 14% since FY14**

## Current Unrestricted Funds - Ed Units Only (2019 constant dollars)

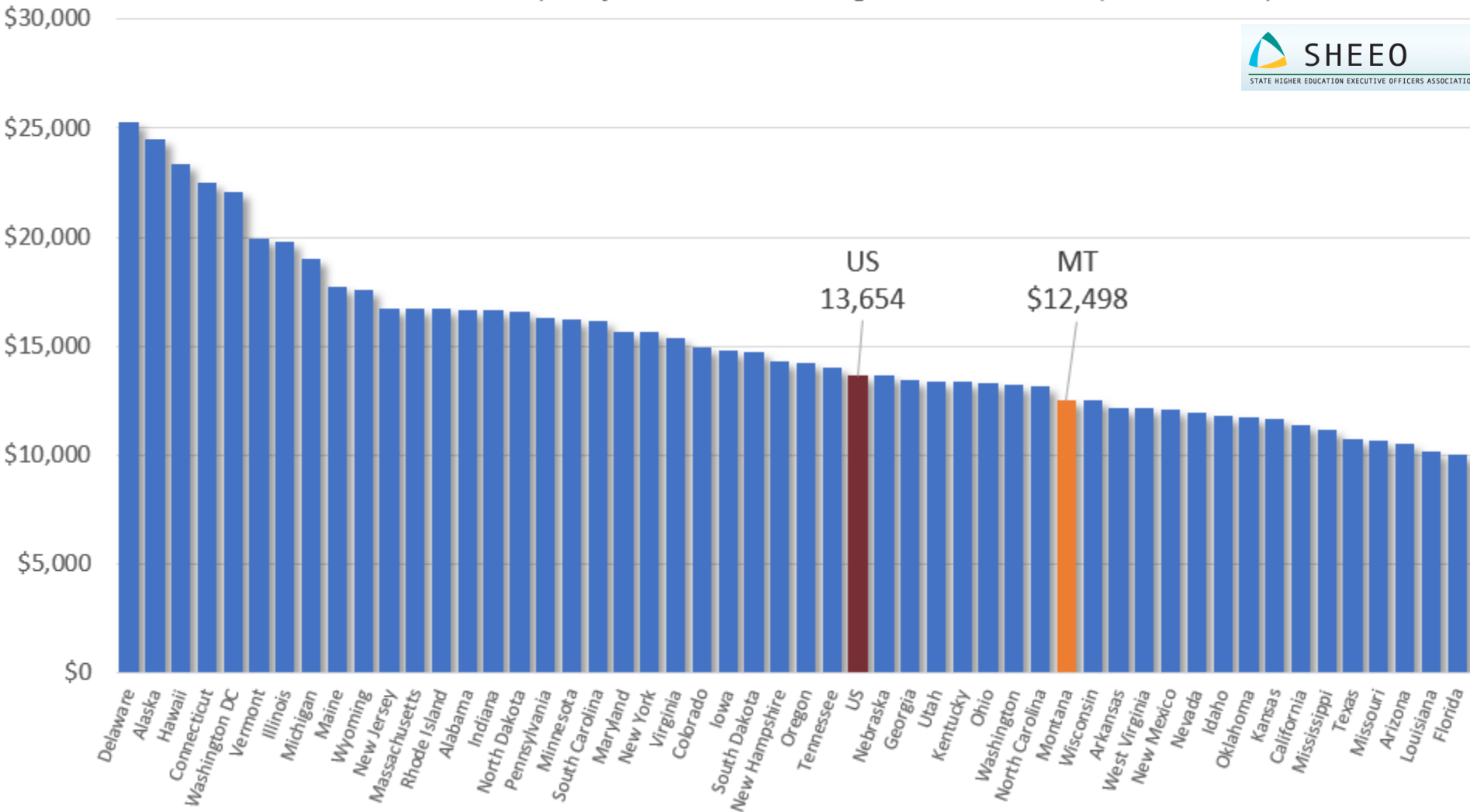
source: Official LFD Historical Funding Spreadsheet & MSU Enrollment Report, calculations done by OCHE



**State % Share has dropped from 76% to 40% over past 25 years**

## Educational Revenue per Student FTE, FY18

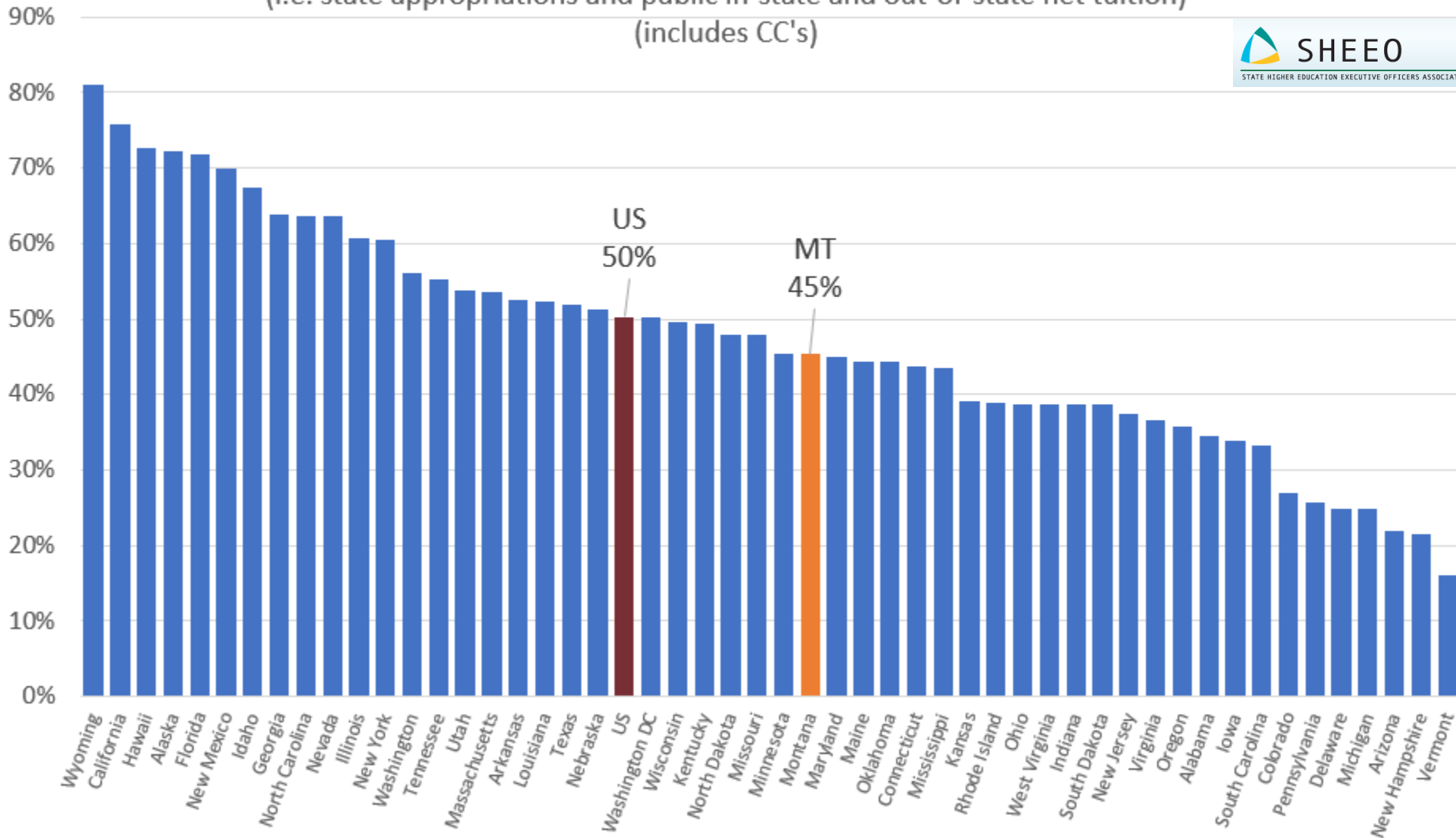
Educational revenue is the sum of public higher education state appropriations and public in-state and out-of-state net tuition. (unadjusted for cost of living and enrollment mix; includes CC's)



**MT ranks in the lower third in the nation in the amount of total funding per student**

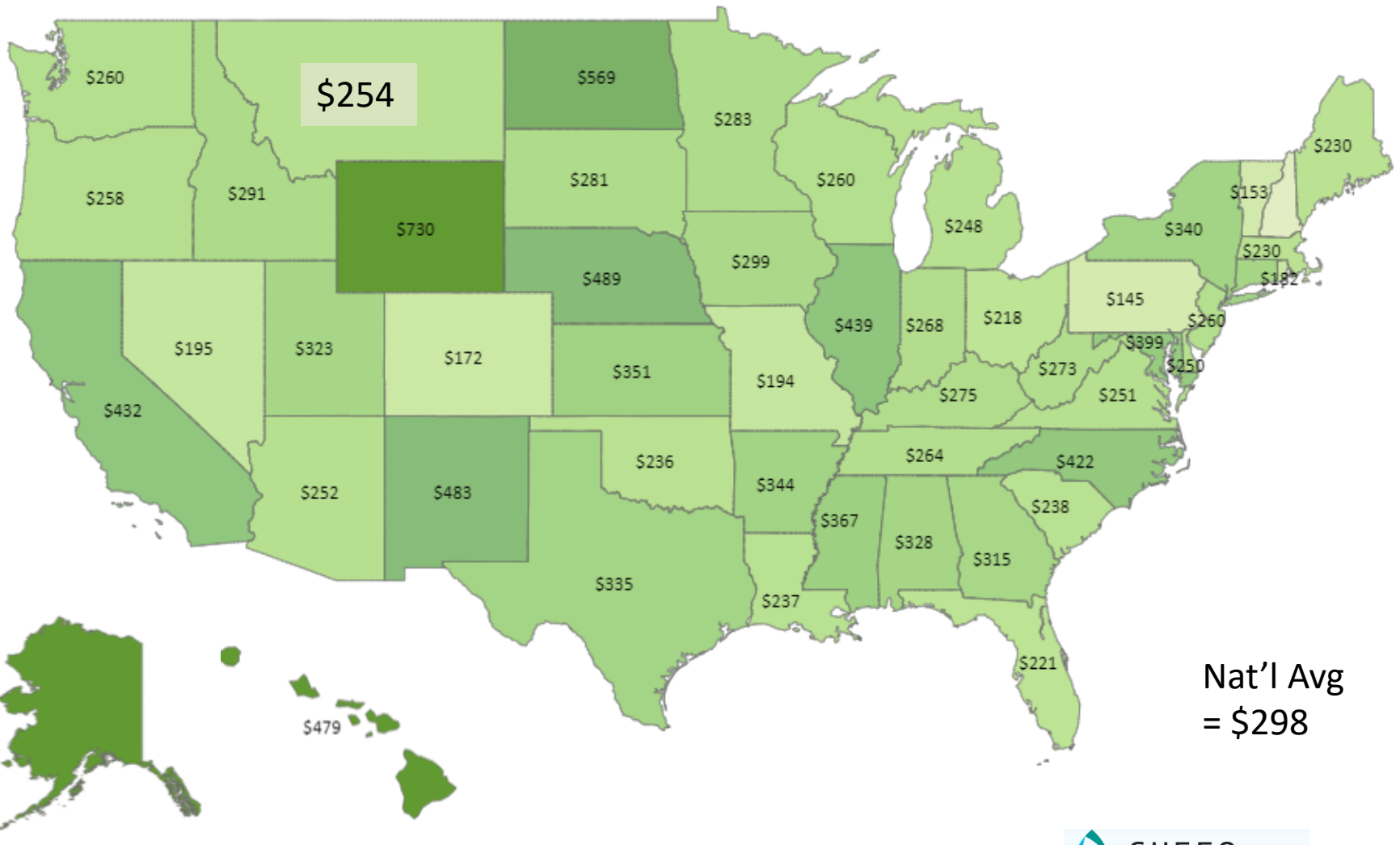
## State % Share, FY18

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)  
(includes CC's)



**MT is closer to national average on the percent of funding coming from the State**

## State Higher Education Support per Capita



Nat'l Avg  
= \$298

**MT ranks 32<sup>nd</sup> in state support per capita**

# System-level Summary & Metrics

**Revenue**  
**Expenditures**  
**Staffing**  
**Waivers**  
**Enrollment**

Dashboards: [System](#) | [Institutional](#)

## Major Budget Drivers

- Resident Student Tuition Freeze
- Budgeting for Pay Plan in January
- Enrollment, Resident vs. Non-res
- Performance Funding

## Macro Themes

- State \$\$ increase
- Tuition revenue is flat
- Campus base budgets maintained
- Resident student enrollment

# Montana University System - Ed. Units Only

## Current Unrestricted Revenue & Metrics

REVENUE	FY16	FY17	FY18	FY19	FY20	Difference	
					Budgeted	1yr	5yr
State Support	\$189,161,992	\$191,716,548	\$184,871,932	\$188,922,029	\$199,019,765	5%	5%
Net Tuition Revenue	\$239,765,311	\$249,539,748	\$253,449,767	\$255,242,571	\$255,135,971	0%	6%
Transfers/Other/MUS_RP	\$11,121,378	\$7,642,253	\$8,779,884	\$8,794,093	\$13,910,139	58%	25%
<b>Total Operating Revenue</b>	<b>\$440,048,681</b>	<b>\$448,898,549</b>	<b>\$447,101,583</b>	<b>\$452,958,693</b>	<b>\$468,065,875</b>	3%	6%
Discounts/Waivers	\$40,530,168	\$41,303,776	\$46,565,535	\$50,888,246	\$54,737,622	8%	35%
Special Approps/OTO	\$16,705,436	\$4,719,389	\$791,215	\$159,161	\$780,159	390%	-95%
<b>Total Current Unrestricted</b>	<b>\$497,284,285</b>	<b>\$494,921,714</b>	<b>\$494,458,333</b>	<b>\$504,006,100</b>	<b>\$523,583,656</b>	4%	5%
<b>Student FTE</b>	<b>35,862</b>	<b>35,882</b>	<b>35,178</b>	<b>34,153</b>	<b>33,546</b>	-2%	-6%
Resident Students	26,072	25,639	25,053	24,070	23,431	-3%	-10%
Non-resident Students	9,790	10,243	10,126	10,083	10,115	0%	3%
<b>Key Metrics</b>							
State % Share	43.0%	42.7%	41.3%	41.7%	42.5%	1%	0%
State Support per Res FTE	\$7,255	\$7,478	\$7,379	\$7,849	\$8,494	8%	17%

(based on Total Operating Revenue, net of waivers and special approps)

- **State % Share – increases slightly (43%), MT ranks 27th, Nat'l Avg. = 50% (FY18)**
- **State Funds per Resident –8% increase over FY19, MT ranks 27th (state support per total FTE), 82% of national average**

## Montana University System - Ed. Units Only

Current Unrestricted Expenditures & Metrics

EXPENDITURES	FY16	FY17	FY18	FY19	FY20 Budgeted	Difference	
						1yr	5yr
Instruction	\$236,459,253	\$243,871,649	\$238,407,083	\$243,076,278	\$246,044,959	1%	4%
Academic Support	\$56,240,685	\$56,367,224	\$54,224,686	\$57,024,427	\$59,083,333	4%	5%
Student Services	\$41,322,005	\$44,116,578	\$44,130,564	\$45,830,574	\$48,213,497	5%	17%
Institutional Support	\$40,339,154	\$45,625,757	\$42,219,296	\$44,493,912	\$45,953,248	3%	14%
Operation & Maintenance	\$54,478,877	\$54,672,287	\$53,866,918	\$55,988,146	\$58,188,470	4%	7%
Research	\$3,065,852	\$3,206,412	\$2,769,400	\$2,637,857	\$2,572,414	-2%	-16%
Public Service	\$4,293,604	\$4,240,762	\$4,494,000	\$4,289,131	\$4,242,612	-1%	-1%
Scholarships	\$2,077,500	\$2,000,659	\$2,125,817	\$3,917,377	\$3,742,968	-4%	80%
<b>Total CU Exp</b> (net of waivers/SA) →	<b>\$438,276,930</b>	<b>\$454,101,328</b>	<b>\$442,237,764</b>	<b>\$457,257,702</b>	<b>\$468,041,501</b>	2%	7%
<b>Student FTE</b>	35,862	35,882	35,178	34,153	33,546	-2%	-6%
<b>Key Metrics</b>							
% Instruction Exp	54.0%	53.7%	53.9%	53.2%	52.6%	-1%	-1%
% Instruct/Acad/Stud Ser	76.2%	75.8%	76.1%	75.7%	75.5%	0%	-1%
Expenditures per Student	\$12,221	\$12,655	\$12,571	\$13,389	\$13,952	4%	14%

(based on Total CU Exp - net of waivers and special approps)

- **Instruction – 4% increase over 5 years, comprises 53% of total expenditures BOR target = 50%**
- **% Instruction + Aca Support + Stud Service is consistently over 75% BOR target = 70%**
- **Expenditures per Student – budgeted to increase 4% over last year MT ranks 36<sup>th</sup> in nation**



## Montana University System - Ed. Units Only

Current Unrestricted Faculty/Staff FTE & Metrics

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

STAFFING	FY16	FY17	FY18	FY19	FY20	Difference	
						Budgeted	1yr
Contract Faculty (all)	2,004	2,018	2,000	2,004	2,039	2%	2%
Contract Administrators	134	130	95	94	99	5%	-26%
Contract Professionals	622	613	595	578	602	4%	-3%
Classified FTE	1,353	1,348	1,333	1,317	1,467	11%	8%
<b>Total Faculty/Staff</b>	<b>4,114</b>	<b>4,110</b>	<b>4,023</b>	<b>3,993</b>	<b>4,207</b>	<b>5%</b>	<b>2%</b>
<b>EXPENDITURES</b>							
Personnel Services	350,944,330	363,753,869	361,416,181	364,967,192	381,046,624	4%	9%
Total Expenditures <small>(net of waivers)</small>	435,871,475	451,452,619	439,740,976	457,323,973	468,041,501	2%	7%
<b>Student FTE</b>	<b>35,862</b>	<b>35,882</b>	<b>35,178</b>	<b>34,153</b>	<b>33,546</b>	<b>-2%</b>	<b>-6%</b>
<b>Key Metrics</b>							
Student to Faculty Ratio	17.9	17.8	17.6	17.0	16.5	-3%	-8%
%Personnel Services of Total	81%	81%	82%	80%	81%	2%	1%

- **Student to Faculty Ratio – budgeted for 16.5 to 1, BOR benchmark = 18 to 1**
- **Personal Services % Share – budgeted for 81%, HECA\* benchmark = 75%**

\*Higher Education Cost Adjustment, higher education specific inflation index developed by SHEEO

## Montana University System - Ed. Units Only

Discounts, Waivers &amp; Scholarships (source: CHE 104)

DISCOUNTS/WAIVERS/SCH	FY16	FY17	FY18	FY19	FY20	Difference	
					Budgeted	1yr	5yr
BOR Designated	\$8,848,003	\$8,697,659	\$8,298,452	\$8,385,241	\$8,540,294	2%	-3%
Resident Discretionary	\$8,115,698	\$7,352,155	\$7,514,729	\$8,197,808	\$9,272,737	13%	14%
Non-resident Discretionary	\$23,638,489	\$25,245,103	\$30,707,678	\$34,274,684	\$36,874,915	8%	56%
Scholarships	\$2,541,400	\$2,537,094	\$2,544,324	\$4,318,086	\$4,123,723	-5%	62%
<b>Total Discounts/Waivers/Sch</b>	<b>\$43,143,590</b>	<b>\$43,832,011</b>	<b>\$49,065,183</b>	<b>\$55,175,819</b>	<b>\$58,811,669</b>	<b>7%</b>	<b>36%</b>
<b>Student FTE</b>	<b>35,862</b>	<b>35,882</b>	<b>35,178</b>	<b>34,153</b>	<b>33,546</b>	<b>-2%</b>	<b>-6%</b>
<b>Key Metrics</b>							
<b>Waivers per Student FTE</b>	<b>\$1,203</b>	<b>\$1,222</b>	<b>\$1,395</b>	<b>\$1,616</b>	<b>\$1,753</b>	<b>9%</b>	<b>46%</b>
<b>Average Net Revenue per FTE</b>							
Non-resident			\$15,500	\$15,877	\$15,972	1%	-
Resident			\$11,540	\$12,152	\$12,775	5%	-
Difference			\$3,960	\$3,724	\$3,197	-14%	-

- **Waivers per student: 9% budgeted increase, growth of \$137 per student FTE**
- **Average Net Revenue per FTE Benchmark: Yes, meets required levels**

## Montana University System - Ed. Units Only

Fiscal Year Student FTE - Average Annual Enrollment

% Change

### ENROLLMENT

	FY16	FY17	FY18	FY19	FY20	19 vs 20	Fall 2019
					Budgeted	Projected	YTD*
Resident Undergrad	23,731	23,197	22,572	21,657	21,163	-2.3%	0.0%
Resident Graduate	2,341	2,442	2,481	2,414	2,268	-6.0%	0.0%
Non-resident Undergrad	6,224	6,401	6,418	6,437	6,427	-0.2%	0.0%
WUE	2,569	2,693	2,521	2,454	2,529	3.1%	0.0%
Non-resident Graduate	997	1,149	1,187	1,192	1,159	-2.7%	0.0%
<b>Student FTE Total</b>	<b>35,862</b>	<b>35,882</b>	<b>35,178</b>	<b>34,153</b>	<b>33,546</b>	<b>-1.8%</b>	<b>0.0%</b>

\*Fall 19 YTD as 9/9

**Reminder:** preliminary census enrollment is recorded following the 15<sup>th</sup> day of class, final enrollment at end-of-term, fiscal year enrollment = ((summer + fall) + spring) / 2

- **1-year Budgeted: -1.8% drop, down 600 student FTE**
- **Fall 2019 YTD: XX% year to date for Fall 2019**

## Capture Rate - Recent MT Public High School Graduates

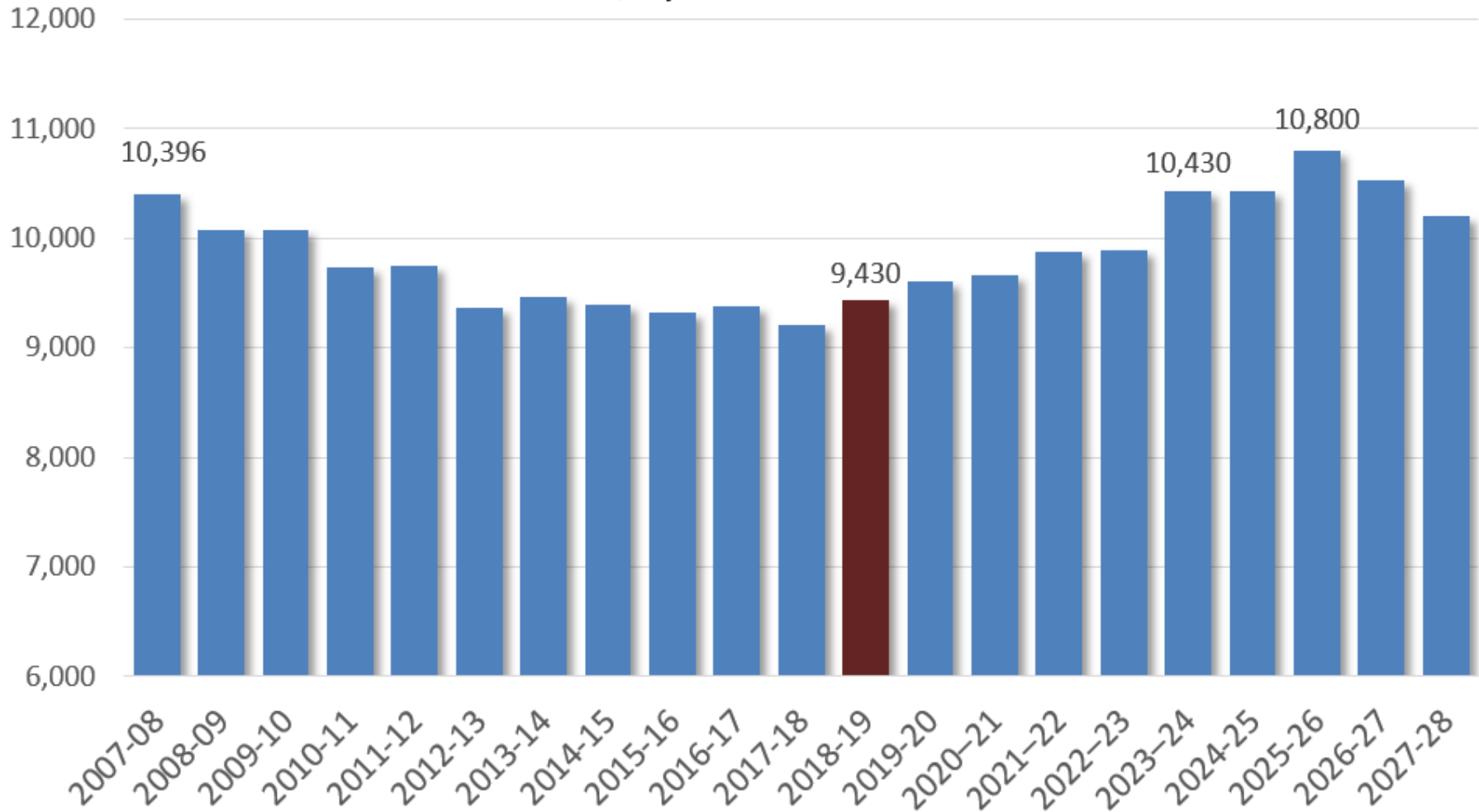
MT Public High School Graduates Entering the MUS in the Fall Semester Immediately Following Graduation

source: OPI GEMS (MUS/OPI data sharing)

First-time Freshmen Cohorts	Fall 2010	Fall 2011	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018	Difference 2010 to 2018	
										#	%
HS Graduating Class, MT Public Schools	10,037	9,704	9,723	9,345	9,474	9,346	9,316	9,303	9,155	-882	-9%
Recent MT Public HS Grads Enrolling in MUS	3,538	3,446	3,416	3,366	3,539	3,409	3,240	3,227	3,367	-171	-5%
Recent MT Public HS Grads Enrolling in MUS & CC's							3,504	3,487	3,720		
<b>MUS Capture Rate</b> (% of recent MT HS grad attending MUS)	35%	36%	35%	36%	37%	36%	35%	35%	37%		2%
<b>MUS &amp; CC Capture Rate</b> (% of recent MT HS grad attending MUS & CC's)							38%	37%	41%		

## Montana Public High School Graduates

source: NCES 2018, Projections of Education Statistics to 2028



Montana, as well as the entire nation, will experience a modest decline in the production of high school graduates due to a reduction in births in the wake of the Baby Boom Echo (WICHE). Beginning in 1991 the number of live births in the US declined slightly and remained lower for about 10 to 12 years.

# Campus-level Summary & Metrics

**MSU Bozeman**

**MSU Billings**

**MSU Northern**

**Great Falls College**

**UM Missoula**

**MT Tech**

**UM Western**

**Helena College**

**Dawson CC**

**Flathead Valley CC**

**Miles CC**