

MONTANA STATE UNIVERSITY BOZEMAN

Overview of Budget Development Process

The development of MSU-Bozeman's annual General Operating budget is a "bottom - up" process in which the President and his Executive Committee are responsible, first, for ensuring that representatives of the university community have an opportunity to participate, and secondly, for eventually balancing institutional needs and constituent requests within the funds available. Each year this process builds on institutional values and budget principles that were developed in prior years, and is guided by the overarching Mission and Priorities established by the Board of Regents.

Primary Participants in the Campus Budget Development Process

President's Executive Council

The President and the Vice Presidents are responsible for 1) reviewing and discussing enrollment, FTE, revenue, and expenditure projections; 2) sharing and discussing emerging issues and/or strategic initiatives which may involve fiscal impacts to the FY02 or FY03 budgets; 3) assisting and representing their Deans and Directors budget requests; and, 4) accepting the balanced budget proposal from UPBAC.

University Planning, Budget, and Analysis Committee

UPBAC is a 21-member committee, comprised of representatives from all sectors of the University and public community. It includes the vice presidents; academic deans, two representatives from Faculty Council; and, one representative each from ASMSU, the Classified Employees Committee, Professional Employees Council, Local Executive Committee, and the MSU Foundation. This committee is advisory to the President for planning and budget matters, and is charged with the responsibility for 1) setting priorities; 2) establishing Key Performance Indicators for evaluation of programs; 3) soliciting budget proposals from departments; 4) preparing a preliminary budget proposal for discussion with the campus and public community; and, 5) ultimately crafting a balanced budget which reflects, as best possible, the University's mission, goals, obligations, strategic initiatives, and constituent priorities.

Deans' Council

These 14 academic administrators meet with the Provost and Vice President of Academic Affairs on a regular basis, and serve as the Provost's primary source of advice on academic issues, including related fiscal matters.

Strategic Planning Committee

The SPC is a new 11-12-member committee that the UPBAC is still in the process of forming. It will be comprised of representatives from all sectors of the University community, including faculty, students, classified employees, professional employees, administrative employees, department heads, and the community. This Committee is advisory to UPBAC, with a role of engaging in, or coordinating, activities and processes which will support UPBAC's decision-making processes for establishing and investing in the University's mid-term strategic priorities.

Enrollment Management Committee

The EMC is convened by the Vice President for Student Affairs. It is comprised of the Acting Vice President for Administration and Finance, Vice Provost for Academic Affairs, Vice Provost for Outreach, Dean of Graduate Studies, Dean of Students, Director of Financial Aid, Assistant Dean of Letters & Sciences, Assistant Dean of Business, Interim Budget Director, Registrar, Director of Planning and Analysis, and Director of New Student Services. This group is responsible for 1) predicting the number of new and transfer students the University will enroll each Autumn, and 2) reviewing the resultant FTE projections that are developed by the Interim Budget Director.

Interim Budget Director

This position is responsible for 1) coordinating the budget development process; 2) preparing all budget development documents; 3) projecting FTE enrollment levels; 4) projecting revenue levels; 5) implementing the final July 1 budget; and 6) monitoring actual FTE, revenues, and expenditures throughout the year.

Budget Development Schedule

The “budget process” for each year is a dynamic process that involves regular reviews and adjustments, which begin more than 12 months in advance of the beginning of the budget year, and continues until long after the fiscal year is over. The phases for the FY 2003 budget development process will include the following major meetings.

Early December	UPBAC 1) discusses and identifies strategic priorities to be used as the basis for planning in FY03; 2) assigns a sub-committee to rank these priorities; and 3) assigns another sub-committee to determine the role of the Strategic Planning Committee (SPC)
Mid December	UPBAC discusses and adopts strategic priorities to be used in the FY03 budget development process
Early January	University Budget meets with PEC to review the preliminary draft of FY03 FTE, revenue, and expenditure projections UPBAC 1) reviews and discusses the current university principles and values; 2) discusses data, priorities, and state expectations; 3) assigns a sub-committee to assess the data, priorities, and state expectations, e.g., what generates revenue, what are the historical strengths or presidential priorities, and what are the state expectations; and 4) assigns SPC or a task force to review the Impacts and Outcomes of the FY02 budget decisions
Mid January	UPBAC will 1) review and discuss the effectiveness of the current Key Performance Indicators (KPI's); 2) discuss and establish current and/or enhanced KPI's to be used for the FY03 planning process; and 3) review and discuss enhanced changes to both the Departmental Budget Worksheet and Budget Amendment processes.

Late January	University Budget meets with UPBAC to review the preliminary draft of FY03 FTE, revenue, and expenditure projections
	SPC or task force updates UPBAC with their review of FY02 Impacts and Outcomes
	Sub-committee updates UPBAC with their assessment of data, priorities, and state expectations
Early February	University Budget meets with PEC to review Spring FTE and revenues for FY02, and to discuss emerging issues and/or strategic initiatives, which may involve a fiscal impact for FY02 or FY03
	UPBAC approves established KPI's, Departmental Budget Worksheet and Budget Amendment processes to be used in the development of the FY03 budget
Mid February	University Budget meets with UPBAC to review Spring FTE and revenues for FY02, and to discuss emerging issues and/or strategic initiatives, which may involve a fiscal impact for FY02 or FY03
	UPBAC assigns SPC to propose goals for the university, e.g., enrollments, and to begin establishing goals for the development of the FY04 budget
Late February	UPBAC will begin initial review of KPI Report, Departmental Budget Worksheets, and Budget Amendments
Early March	Continued review of KPI Report, Departmental Budget Worksheets, and Budget Amendments
Mid March	University Budget updates PEC and UPBAC with FY03 FTE, revenue, and expenditure projections, and emerging priorities
	PEC meets to review enrollment projection report, further discuss FY03 FTE, revenue, and expenditure projections, and to discuss emerging priorities
	UPBAC meets to review base budgets
Late March	UPBAC begins to develop a "review draft" budget for FY03
Early April	UPBAC discusses proposed budget amendments and budget reductions, and finalizes its first draft of a balanced budget plan for FY03
	UPBAC presents PEC with its first draft of a balanced budget plan for FY03

Mid April	PEC/UPBAC schedules an open forum with the university and public community to present the FY03 “review draft” and allow everyone to present their comments and suggestions on the proposed FY03 “review draft” budget plan
Late April	UPBAC meets to review all comments and suggestions, and to adjust the draft budget, as necessary
Early May	UPBAC reviews any applicable updates (FTE, revenue), and finalizes the FY03 Budget
Mid May	The FY03 Budget Plan is delivered to the President
Mid May – August	University Budget Office coordinates the implementation of the FY03 budget