

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 Budget Development Process

University Planning, Budget, and Analysis Committee

UPBAC is a 22-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 and proposing to the President, a balanced budget which reflects, as best possible, the University's mission, goals, obligations, strategic initiatives, and constituent priorities.

President's Executive Council

The PEC is a 12-member council comprised of the President, four Vice Presidents, Executive Assistant to the President, Special Assistant to the President, Assistant to the President, Legal Counsel, Director of University Relations, Executive Director of Planning and Analysis, and the Treasurer. The PEC is responsible for advising the President, when requested, on matters such as 1) enrollment, FTE, revenue, and expenditure projections; 2) emerging issues and/or strategic initiatives which may involve fiscal impacts to the FY04 or FY05 budgets; 3) their Deans and Directors budget requests; and, 4) the implementation of the balanced budget proposal from UPBAC.

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 12-member committee that the UPBAC formed in Spring 2002. It is 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 an ad hoc group convened by the Vice President for Student Affairs. It is comprised of the Acting Vice President for Administration and Finance and directors of university offices dealing with student enrollment: New Student Services, Registrar, Financial Aid, Graduate Studies, Academic Affairs, Student Affairs, Budget Office, Planning and Analysis. 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 Office of Planning and Analysis.

Budget Office

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

Office of Planning and Analysis

This office is responsible for 1) producing the Key Performance Indicators report; 2) producing the Delaware Instructional Cost report; 3) projecting FTE and Headcount enrollment levels; 4) providing analytical support for UPBAC, SPC, and the EMC.

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 continue until long after the fiscal year is over. The phases for the FY 2005 budget development process will include the following major meetings.

Early December	UPBAC reviews and discusses the Five-Year Vision Statement of MSU-Bozeman
	Planning and Analysis updates UPBAC with the results of the 360-Review
Early January	UPBAC reviews and discusses the current university principles and values
	UPBAC reviews and discusses the university strategic concepts and priorities
	UPBAC discusses the Evaluation of Continuing Non-Base Commitments
	Budget Amendment format for FY05 requests discussed and worksheets sent to Units
Mid January	Multiyear enrollment and revenue forecasts presented to PEC
Late January	Five-Year Outlook Campus Open Forum

UPBAC will discuss feedback from open forum and finalize the Five-Year Outlook document

UPBAC will discuss potential presenters

UPBAC discusses Instructional Program Evaluation Matrix

Multiyear enrollment and revenue forecasts presented to UPBAC

Budget amendment worksheets returned to the Budget Office

Early February UPBAC receives and discusses Student Services and Institutional Support KPI reports

UPBAC receives Budget Amendment requests that will be used in the development of the FY05 budget

UPBAC continues discussion of Instructional Program Evaluation Matrix

Mid February UPBAC reviews Spring FTE and revenues for FY04, and discusses emerging issues and/or strategic initiatives, which may involve a fiscal impact for FY04 or FY05

UPBAC receives Instructional KPI reports and begins discussion of Budget Amendment requests that will to be used in the development of the FY05 budget

Executives make presentations to UPBAC

Early March UPBAC members rank budget amendments

UPBAC updated with FY05 FTE, revenue, and expenditure projections, and emerging priorities

FY05 Macro Analysis presented; budget amendment rankings discussed; FY05 budget discussed

Mid March UPBAC continues discussions of budget amendment rankings and begins to develop a “review draft” budget for FY05

UPBAC discusses proposed budget amendments and budget reductions

Late March UPBAC reviews Macro Analysis, FTE and revenue updates, and finalizes its first draft of a balanced budget plan for FY05

Mid April UPBAC reviews and updates draft budget

Late April UPBAC schedules an open forum with the university and public community to present the FY05 “review draft” and allow everyone to

present their comments and suggestions on the proposed FY05 “review draft” budget plan

Early May

UPBAC meets to review all comments and suggestions, and to adjust the draft budget, as necessary

UPBAC reviews any applicable updates (FTE, revenue), and finalizes the FY05 Budget

FY05 Budget Plan is delivered to the President

Mid May – August

President gives a response to UPBAC

University Budget Office coordinates the implementation of the FY05 budget

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