

Departmental Base Budget Overview

Department	University Budget Office					Executive	VP Administration & Finance				
Index	402030					Program	06				
Base Budgets:											10-Year % Change
1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
0	120,796	136,402	247,579	258,927	126,591	130,628	145,971	150,202	157,202	164,371	

The mission of the University Budget Office is to provide the data, expertise, analysis, and staffing necessary to support the University's planning, budgeting, and university assessment committees and processes, as well as all of the University's budget matters with the Governor, the Legislature, the Regents, the Commissioner's Office, and the other campuses and agencies of Montana State University.

The Budget Office supports the University's leaders, and its strategic planning processes, by providing objective, accurate, and timely information, analysis, and advice to inform the decision-making and resource allocation process. In addition, the Office is responsible for coordinating all aspects of the development, allocation, processing, and monitoring of the University's annual budget, as well as its biennial legislative request. It is a primary expectation of President Gamble that the University will engage in an open, data-rich, budget development process that is directly linked to the maintenance of a long-range plan, the identification of specific strategic priorities, and a detailed assessment of resource allocation outcomes.

The significant increase in 2001 is the result of the Institutional Research Office being combined with the University Budget Office. In 2003, the Office of Planning & Analysis (formerly Institutional Research) was directed to report to the President with its share of the budget following it.

UNIVERSITY BUDGET OFFICE Key Performance Indicators			FY08 Budgeted FTE:		3.0	FY08 Budget:	\$164,371
Relationship to University Mission	Productivity Benchmark						Source/Comment
	Description	Benchmark	2005 Measure	2006 Measure	2007 Measure	MSU VP Target	
Beneficially Cost Effective	Internal Staff Development	Hours per FTE	56	32	52		Training/class hours
Essential	External Staff Development	Hours per FTE	52	58	229		Hours spent training department staff
Essential	External Staff Development	Number of Persons Trained	530	525	560		Class attendance + Individual Sessions
Mandated, Essential, Beneficially Cost Effective	Standard Report Design, Generation, and Maintenance	Average Hours per FTE	758	758	758		Department averages
Mandated, Essential, Beneficially Cost Effective	Ad Hoc Report Design, Generation, and Maintenance	Average Hours per FTE	230	230	260		Department averages
Essential	Total FOAPs Reviewed During Budget Process	Number	1360	1250	1250		NWAATYP/Salary Planner/Bdqt Dev.

Essential	Budget Transfers Processed	Number	830	808	825		TRND 2005 includes BD01s
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Note: In 2007 Salary Planner was implemented which resulted in increased external staff development hours, persons trained and ad hoc report design/generation.

Departmental Base Budget Overview

Department **VP Administration & Finance**

Executive **VP Administration & Finance**

Index **4A1001**

Program **06**

Base Budgets:

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	10-Year % Change
514,618	332,026	342,428	366,610	384,476	392,366	398,144	415,444	443,683	331,428	345,589	-32.85%

Mission: To manage, enhance, and deliver the Administrative and Financial services that enable the University to achieve its mission.

Motto: Quality Service, Customer Satisfaction and Student Success.

The Vice President for Administration & Finance is responsible for the leadership and management of all division services for the Bozeman campus, for coordinating many of the University's budget, finance, and administrative initiatives with the MSU campuses and agencies, and maintaining a close working relationship with the Office of the Commissioner of Higher Education, and other State officials, in regard to budget, finance, and administrative issues of the University.

The major departments in this division include University Services, Human Resources/Personnel & Payroll, University Business Services, University Budgets and Division Planning & Coordination. The Office of the Vice President includes the positions of the Vice President, the Assistant to the Vice President, the Director for Division Planning & Coordination, an Accounting Associate and occasional temporary hires for special projects.

VP ADMINISTRATION & FINANCE Key Performance Indicators			FY08 Budgeted FTE: 4.0322			FY08 Budget: \$345,589		
Relationship to University Mission	Productivity Benchmark					Source/Comment		
	Description	Benchmark	2003	2004	2005	2006	MSU	
			Measure	Measure	Measure	Measure	VP Target	

Departmental Base Budget Overview

Department **Administration & Finance Support Reserve**

Executive **VP Administration & Finance**

Index **4A1010**

Program **06**

Base Budgets:

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	10-Year % Change
110,234	45,567	115,591	90,492	504,550	151,620	154,681	194,159	219,127	294,455	310,435	181.61%

This fund represents the remainder of the Vice President for Administration and Finance annual base budget allocation. It is used for one-time funding of equipment renewals, division-wide initiatives and contingency plans within the Administration and Finance division.

In FY07, funds were committed for salary adjustments and facilities renovation as part of a major reorganization of the HR/PP office. Another significant commitment was to support the BPR (Business Process Redesign) project – funds were used for operational costs on all MSU campuses as well as for additional compensation for team leaders and incentives for team members.

Administration & Finance continues to support personal services and operational budget needs for the CEPAC office, the capital office equipment replacement plan for the Administration & Finance division, Montana Hall R&R costs, salary equity adjustments and professional development throughout the division. In addition, a contribution was made to assist with the funding of student retention awards.

Departmental Base Budget Overview

Department **CEPAC Operations**

Executive **VP Administration & Finance**

Index **4A1013**

Program **06**

Base Budgets:

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	10-Year % Change
0	0	0	0	0	0	0	0	620	660	692	

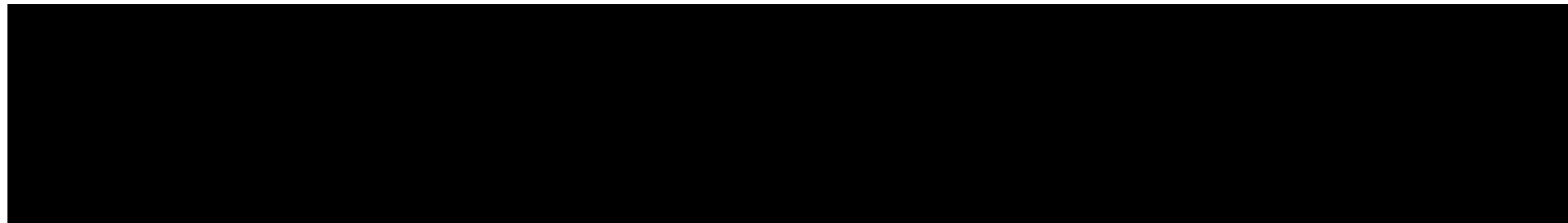
Budget Note:

FY06, FY07 and FY08 base budgets represent classified salary increases only. The classified employee's FY08 projected salary (\$18,211) continues to be covered by the Vice President for Administration and Finance with one-time only funds. A base budget request for personal services and basic operations for FY09 will be submitted to UPBAC for consideration.

Program Overview: CEPAC serves MSU-Bozeman's 1,092 classified staff working locally and remotely in 5 EEO categories, across 187 titles; both union-affiliated and non-union personnel. CEPAC facilitates communication and cooperation between the staff, administration, faculty, professional workforce, and students of the Bozeman campus, and at the System level. It promotes and provides for improved working conditions and professional welfare of the staff, and associated policies and programs.

CEPAC is a full partner in Shared Governance. It encourages improvement of higher education in the State of Montana. It actively promotes the classified contribution to the fulfillment of the University's mission, including the University's role in the community as a high quality employer, and a positive influence on the economy.

Summary of FY07: In the early part of each semester, CEPAC produced two innovative reports: *MSU Within the Community*, and the *Employee Experience*. Outcomes were presented to the Board of Regents, who called for the formation of a Recruitment and Retention Task Force (the classified appointee, representing all MUS constituents, was from CEPAC). Throughout the year, CEPAC participated in other key issues including: professional development and training, staff participation in Shared Governance, System level liaison, communications, salary/benefits, parking/transportation, and affordable housing. Classified input and guidance remain essential to CEPAC's effectiveness and success. CEPAC's role in Shared Governance is expanding and it enjoys a collaborative relationship, not only with faculty, professional and student organizations at MSU, but with its contemporary MUS Staff Associations (MUSSA) across the University System. As a result the employee "voice", and CEPAC's research and institutional activity, have gained a marked credibility, both locally and with the Board of Regents.



The “To Improve Productivity” program was formally established in August 2004 based on policy effective February 2003. The purpose of the program is to encourage and provide incentives to employees and students who make suggestions on how MSU can make productivity or operating cost savings.

The index is to cover the costs of a \$15 gift for each valid suggestion, a quarterly random draw prize of \$150, and an annual celebration to recognize everyone’s contributions. There are occasional additional expenses such as printing costs for posters.

(Any major incentive reward is made from departmental cost savings where suggestions have been implemented).

There will be a change in policy to have the TIPs index cover small nominal awards up to \$200 to provide awards that provide cost savings/productivity gains to the whole organization, where a single department cannot be easily identified.

In FY 2008 funds will be expended on an advertising campaign to education the student population about the TIP program to encourage participation.



Mission Statement: The Human Resources/Personnel & Payroll (HR/PP) department projects pride and enthusiasm in support of the University's mission and strategic plan by providing leadership, guidance and administration of classification, recruitment, payroll, benefits, and employee/labor relations in a professional and dedicated manner.

Vision Statement: "From Hiring to Retiring - Your Human Resources Partner"

HR/PP provides services (as mandated by Federal, State, Board of Regents, and collective bargaining regulatory requirements) to MSU: labor/management relations; labor negotiations; employee discipline and terminations; grievance resolution; development, implementation, and interpretation of personnel policy; job classification and pay administration; recruitment and selection; EEO/Affirmative Action/Veteran's Preference compliance; administration and management of payroll and benefits including providing information and establishing and maintaining standards, processes, and procedures followed by all University departments in preparing and submitting payroll and related HR data into the payroll system. HR/PP uses the Banner HR system to process payroll, benefits, and associated withholdings/deductions for an average monthly payroll of 5,500 checks.

Since FY01, growth in the HR/PP budget is due mainly to normal salary increases, new positions, monetary awards for the Employee Recognition Program, and purchase of Tax Navigator software for managing and reporting tax compliance for foreign students and employees. The HR/PP operations budget has basically remained static over this period.

A reorganization of the HR/PP department in the past year has been supported by the Vice President with increase in the total FTE and a renovation of the work space and furnishings. In addition, funds have been committed for salary enhancements as part of staff recruitment and retention efforts.

Human Resources/Personnel & Payroll Key Performance Indicators			FY08 Budgeted FTE: 23.8007		FY08 Budget: Prsnl Srvs Operations		\$893,485 \$818,335 \$ 75,150	
Relationship to University Mission	Productivity Benchmark					Source/Comment		
	Description	Benchmark	FY03 Measure	FY04 Measure	FY05 Measure	FY06 Measure	FY07 Measure	
Mandated/Essential	Total institutional FTE/HR-PP FTE		126.22	122.24	123.55	130.81	120.42	
Mandated/Essential	HR-PP budget/Total institutional FTE		252.56	258.76	256.15	264.42	293.09	
Mandated/Essential	Institutional headcount/ HR-PP FTE	148	163.63	167.18	157.6	165.45	153.15	*NACUBO; *BNA
Mandated/Essential	HR-PP budget /Total inst. Headcount		194	189.24	200.8	209.06	230.45	
	Institutional FTE = All "budgeted" positions; Headcount = January DOL					2650.23; 3352	2619.07; 3331	

	count							
	*NACUBO Standard - the median ratio of HR staff to total organizational headcount for FY96 was 1.0 HR worker for every 148 employees served by the HR department for doctoral universities							
*BNA Standard - the median ratio of HR staff to total organizational headcount for the year 2000 is 1.0 HR worker for every 100 employees served by the HR department, SHRM/BNA survey, June 2000								

Departmental Base Budget Overview

Department **Banner Central Administration**

Executive **VP Administration & Finance**

Index **4A2500**

Program **06**

Base Budgets:

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	10-Year % Change
0	0	0	160,551	216,526	224,276	303,704	212,440	219,973	195,546	224,539	

In July 1998 Montana State University implemented a new management information system called "SCT Banner 2000" to replace its current Information Associated System. The change was made, in part, to ensure that MSU would be Y2K compliant. The Banner System was selected because it promised to be a more versatile and robust system that would support the increasing demands of MSU's multi-campus University.

In December 1999, the Banner Central Account was established to record the expenses related to centralized oversight and support of the system, in its multi-campus environment. The initial, one-time funding for the account was reallocated from existing revenues and other accounts to cover the expenses related to implementing and managing the Banner central operations. The "host departments" that provide support for the Banner Central positions include the University Business Services, Human Resources/Personnel and Payroll and Student Affairs.

The Central Staff positions necessary to support the Banner Central Operations include a Finance Module Team Leader, Human Resources Module Team leader, Student Information/Financial Aid Module Team Leader and Banner Training Coordinator. The Banner Central Account was established to support the salaries and travel costs of these individuals. The "host department" supplies the costs related to the regular operations, i.e., office space and equipment, telephone, supplies, etc. Additional operating costs from FY04 onwards include strategic planning for the administrative information systems across the four campuses.

In FY04 the base budget received an increase of \$73,632 to reflect a change in the cost-sharing of Banner expenses among the MSU campuses. Rather than charging each campus their share of the operational expenses, MSU-Bozeman absorbs the entire cost.

In the 12 month period of February 2006 to February 2007, the four campuses of MSU completed a Business Process Review of all administration and finance business processes to improve institutional and system efficiencies and effectiveness. Recommendations included the implementation of the unused Banner functionality of Approval Queues, and Web and Departmental time entry.

During FY07 Banner staff were focused on implementation of a wide range of BPR initiatives that rely on Banner functionality. In particular they were responsible for Web and Departmental Time Entry, Webpayment and Reporting software. They were also integrally involved in the IT upgrade of the administrative information systems hardware. In support of the BPR implementation there was increased demand on the Banner Training Coordinator in overseeing the development and delivery of BPR training and the management of training resources.

Key Performance Indicators

FY08
Budgeted FTE:

3.742

FY08
Budget:

\$224,539

Departmental Base Budget Overview

Department **Central Mail Service**

Executive **VP Administration & Finance**

Index **4A4900**

Program **06**

Base Budgets:

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	10-Year % Change
167,757	156,522	163,602	169,780	183,362	199,394	203,437	217,058	225,254	233,662	243,148	44.94%

Mission: To provide the University community with reliable, customer-focused, cost-effective mail service and to efficiently integrate with the U.S. Postal Service.

Central Mail is a vital part of the infrastructure of the University and provides an essential service to the institution by facilitating mail processing and delivery of domestic and international mail. The mail room is the communications hub for the University through which most recruiting, academic, fundraising, grant-related, business, and general communications flow. Central Mail Services provides departments with reliable and timely pick up, delivery and processing of incoming, outgoing and intra-campus mail. The expertise of a highly educated staff, who are up-to-date on the ever-changing postal rules and regulations, allow departments to consider a variety of mailing options to receive the best service and postage rates available.

Budget Notes: The noticeable increase in FY 2002 funding is the result of having a 1.0 classified staff FTE restored to the state budget. Also noteworthy is the fact that while operating costs have continued to increase over the past ten years, the operations budget for Central Mail Services has remained constant.

CENTRAL MAIL SERVICES Key Performance Indicators

FY08 Budgeted FTE: **7.5**

FY08 Budget: **\$243,148**

Relationship to University Mission	Benchmark						Source/Comment
	Description	Benchmark	FY 2005 Measure	FY 2006 Measure	FY 2007 Measure	MSU VP Target	
Essential	Increased Use of Presorted First-Class Mail: Piece Counts & Postage Savings	None Available	394,275 \$7,084	430,020 \$7,946	419,592 \$7,802	None Established	

Departmental Base Budget Overview

Department **Controller's Office**

Executive **VP Administration & Finance**

Index **4A6100**

Program **06**

Base Budgets:

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	10-Year % Change
600,881	549,705	588,856	644,467	770,166	865,193	900,961	915,990	983,772	1,180,193	1,232,034	105.04%

Mission Statement: University Business Services provides accounting and business services for the instructional, research, and administrative components of the University. The Assistant Vice President for Financial Services, as the chief financial officer, is responsible for the formulation and implementation of financial and accounting policies, procedures, reporting, and financial systems. The mission of these offices is to provide these services University-wide in an efficient, effective, and timely manner in compliance with applicable rules and regulations.

Discussion of Budget Increase:

The budget reflects an annual growth rate of approximately 4.2%, although the budget was nearly flat for 4 years and since then has grown. The following items contributed to the budget increase:

- During FY06, and reflected fully in FY07, the Administration & Finance Division restructured; the separate Treasurer's office was eliminated, giving the former Controller both the Controller's and Treasurer's financial duties and a commensurate salary increase; as a result, two FTE were rolled into the Business Services budget as well. This reorganization represented \$119,000 in the 2007 budget.
- The University has implemented Web Payment for its student accounts function, which represented an additional \$30,000 in each of the 2006 and 2007 budgets. This \$30,000 was moved to 4A6110 for the 2008 budget.
- Operating funds have not increased significantly, but did increase from \$92,000 in 2001 to \$120,000 in 2007, reflecting additional costs primarily relating to postage and mailing of past-due notices in an effort to improve collections of student accounts, and to collect required tax information for accounts payable vendor files.
- Staff salaries are what have changed most significantly, with the department adding the following over the past 10 years:
 - A reconciliation accountant was hired because, during 2000, the new Banner accounting system was implemented, and during 2001 it became apparent that with the strain of implementing the Banner system and a flat budget, certain basic accounting duties had not been performed adequately. The state's SABHRS system and the Banner system could not be reconciled, and the State of Montana was in danger of receiving a qualified opinion on its financial statements until reconciliation procedures could be put in place.
 - An experienced Director of Accounting and Financial Reporting was hired due to the new, more complex GASBB 35 financial reporting requirements.
 - Two FTE were added due to the reorganization discussed above.
 - One Collections technician was added to focus solely on collecting student accounts. During 2001, the University had to write off \$2.3 million in old outstanding receivables, and since then, writeoffs have been minimal.

- A Student Accounts manager was hired to ensure adequate, timely service to students as well as reconciliation of the student receivables system to the general ledger, to ensure that no more large writeoffs would occur.
- Because implementation of Banner and the implementation of new accounting and financial reporting requirements, many existing staff have assumed additional and more complex duties than they previously had. They have moved up on the pay scale commensurate with the increase in the complexity of their duties.
- In the years 1996 through 2001, the budget for this office increased \$112,825, an average annual growth rate of only 2.6%.

Description of Functions:

Accounting provides accounting services campus-wide, review transactions, prepares reconciliations, and maintains the Banner accounting structure. This staff also prepares required recurring and ad-hoc reports for internal and external constituents.

Accounts Payable/Travel processes and reviews for compliance all payments made by the University, whether via check or purchasing card, and ensures that compliance with state and regents' policies is maintained in the expenditure of funds.

Cashiering processes all payments to the University, from students as well as other campus customers.

The **Capital Programs** area ensures compliance with debt covenants, manages debt and investments (including endowments), and tracks and monitors capital expenditures.

The **Loan Service Center** processes collections on the University's approximately 6,350 outstanding Perkins and Nursing loans, provides exit counseling to students, and monitors loan collection services.

Property Management manages University assets, including physically verifying existence and recording them in the accounting records, in accordance with State and Federal regulations, delivering quality, cost-effective services in a positive, professional, ethical and timely manner.

Purchasing provides professional purchasing services for instructional, research, and administrative components of the University. In providing these services, in accordance with sound business practices and the rules and regulations of the State of Montana, the Department seeks to realize, for the University, the maximum value for every dollar expended.

Student Accounts assists students in meeting their financial obligation to the University, and is responsible for the billing and collection of all student charges and administration of payment plans. This office also issues financial aid checks to students.

FINANCIAL SERVICES Key Performance Indicators

FY08 Budgeted FTE: **29.2517**

FY08
Budget: **\$1,232,034**

Relationship to University Mission	Productivity Benchmark					Source/Comment
	Description	Benchmark	2006 Measure	2007 Measure	MSU VP Target	
Essential	Students/Accounting FTE	1023-2383	1,828	1,803		UM and UNR range benchmark
Essential	Number of invoices/Accounts Payable FTE	9,908	12,096	10,672		1996 NACUBO is the benchmark; invoices decreased because use of the purchasing card has increased
Essential	Student headcount/Student Accounts FTE	1,330	1,371	1,352		UM 2007 is benchmark
Mandated	Active loans/Loan Service Center FTE	1,208	4,073	4,236		UM 2006 is benchmark
Mandated	Student Loan Cohort default rate	10.03%	6.87%	7.56%		State of Montana 2006 is benchmark

Departmental Base Budget Overview

Department **Warrant Writing Cost**

Executive **VP Administration & Finance**

Index **4A6111**

Program **06**

Base Budgets:

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	10-Year % Change
41,500	25,000	30,000	30,000	30,000	30,000	30,000	30,000	31,267	31,267	21,927	-47.16%

The funds in this budget pay the state for the cost of the warrants written on behalf of MSU-Bozeman. The cost has decreased because the University uses the Purchasing Card extensively, and also encourages the use of direct deposit for vendor payments and travel reimbursements.

Departmental Base Budget Overview

Department **SFCAP Clearing**

Executive **VP Administration & Finance**

Index **4A6112**

Program **06**

Base Budgets:

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	10-Year % Change
0	0	0	0	0	0	0	0	0	0	0	

Departmental Base Budget Overview

Department **Service Bureau Charge**

Executive **VP Administration & Finance**

Index **4A6113**

Program **06**

Base Budgets:

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	10-Year % Change
95,000	108,000	112,000	124,000	128,800	128,800	128,800	133,900	113,900	113,900	107,900	13.58%

The funds in this budget are for the administration, servicing, and collection of Perkins Loans and Nursing Student Loans, which are campus-based federal student loans available to MSU-Bozeman students. Both loan programs are funded by block grants, and the collection is administered by the MSU-Bozeman Loan Service Center. The Nursing Student Loan Program is funded by the Department of Health and Human Services. The Perkins Loan Program is funded by the Department of Education (three-fourths) and MSU-Bozeman (one-fourth).

The proper administration of these loan programs is important at two levels. First, and most obviously, the better these program funds are administered, the more money is available to loan MSU-Bozeman students through these two programs. Secondly, if these programs are not properly administered, the funding agencies may withdraw their funds, which would not only terminate these two loan programs, but also potentially cause the termination of MSU-Bozeman's entire financial aid program under the Department of Education's rules and regulations.

Due to limited staffing, this office has traditionally contracted with a loan-servicing agency (currently Campus Partners) to provide day-to-day service on non-delinquent accounts, leaving the delinquent and problem accounts under the administration of the Loan Service Center. Campus Partners also provides limited services with regard to accounts which are approaching delinquent status, including a specified number of phone calls and letters encouraging prompt payment to avoid delinquency.

In FY07, the management of 6,350 active Perkins Loans was done by 1.5 FTE, assisted by a student worker, compared with the University of Montana – 4,830 active loans and 2 FTE for FY06.

The above costs constitute only the direct collection expenses paid to outside service bureaus. Personnel costs, supplies, equipment, etc. for this office are funded by Index 4A6100, the budget for University Business Services.

Departmental Base Budget Overview

Department **Finance Systems Support**

Executive **VP Administration & Finance**

Index **4A6400**

Program **06**

Base Budgets:

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	10-Year % Change
0	0	0	0	0	163,179	166,423	167,994	173,841	180,598	189,235	

The **Finance Systems Support Group** was created during 2000. The Group supports Banner users through the provision of query reports and financial data extraction on a regular and ad-hoc basis, and conducts periodic training sessions for Banner Finance users. The group reports to the MSU-Bozeman Finance Systems Director and the Director of Student Accounts for day-to-day guidance, but the MSU Controller's Group, which acts as a steering committee, largely dictates its priorities and workflow. Users supported by this group include, in varying degrees, all departmental accounting techs, the grants & contracts and budget offices, and the functions of student accounts, property management, purchasing, and finance.

The group comprises four personnel—three systems analysts and one accountant—who support all four MSU campuses. The group performs the production control and certain programming aspects of the Banner Finance and Accounts Receivable systems, and provides a liaison between the programmers in ITC and the system users. These personnel also ensure that claim files are transmitted to the State for payment and that payroll, revenue and expense transactions are properly interfaced from the various Banner modules into the Finance module.

Continuous improvement of Banner procedures is a group goal—using Banner to enhance efficiency and ensure that MSU uses Banner to its full potential. The group works with the Module Team leaders to ensure that all Banner Finance-related issues are addressed efficiently. Regular communication and collaboration with the ITC Systems Analysts is vital, especially in ensuring that MSU transactions are properly transmitted to the State SABHRS system.

Support to Bozeman's University Business Services is also one of the Group's duties, including tasks such as updating the University Business Services website, updating student fee information, and performing limited IT services within the department. Funding for FY08 includes four full-time salaries, as well as education-related travel costs.

FINANCE SYSTEMS SUPPORT Key Performance Indicators

FY08 Budgeted FTE: **4.00**

FY08
Budget: **\$189,235**

Productivity Benchmark

Relationship to University Mission	Description	Benchmark	2006 Measure	2007 Measure	MSU VP Target	Source/Comment
Essential	# Students/FTE	3,327	3,085	3,042	TBD	Benchmark Figure is the UM calculation

Departmental Base Budget Overview

Department **Institutional Insurance**

Executive **VP Administration & Finance**

Index **4A7501**

Program **06**

Base Budgets:

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	10-Year % Change
260,902	260,902	190,402	190,402	202,787	242,329	532,753	554,537	495,537	495,537	455,427	74.56%

The Institutional Insurance account, Index 4A7501 is a pass-through account to pay for insurance premiums assessed the University by the State Risk Management and Defense Division. Normally there are no other expenses other than insurance premiums associated with this account. The insurance premiums paid via this account are general liability coverage, fidelity bond, crime coverage, fine arts coverage, and other miscellaneous costs of risk.

Insurance costs for FY 07 will be consistent with the budgeted amount for FY 06 as indicated above. The budgeted amounts within this index for fiscal years 08 and 09 will be significantly higher as the 2005 Montana Legislature has authorized the Risk Management and Tort Defense Division of the Department of Administration to adjust General Liability contributions to reflect an amount that fully funds the claims payable expenses on an actuarial basis.

Due to unexpectedly good loss histories for all State agencies the overall premiums for FY 08 and FY 09 are lower than expected due to general rate reductions by the RMTDD.