• FY05 Enrollment and Revenue Update
  ➢ Fall 04 enrollment is below the number that the FY05 budget was based on
    · Freshman class in over 2100 students and a new enrollment record
    · Retention rate from freshman to sophomore has improved
    · Reduction in junior and senior class
      - 72 additional graduates in spring 2004
    · Royall Fast App program very successful
    · Quality of students has increased
    · Market share of Montana students has increased
    · No major trends in this reduction
  ➢ Tuition revenue shortfall of approximately $682,555 from budgeted amount

• Discussion of FY05 Budget
  ➢ Fixed costs have absorbed all additional revenues and more
    · $3.5million in increased fixed costs - this is more than the tuition increase
      OCHE being asked to lobby for funding for fixed costs increases
  ➢ $2.5 million transferred from FY05 to FY05 to balance budget
  ➢ Is $370,000 for enrollment growth necessary?
    · Must still provides classes and services for increased freshman class
  ➢ Consideration of three critical academic budget amendments
    · CORE 2.0 - $250,000
    · Bozeman Upper Division Nursing - $90,000
    · Student teacher stipends - $32,000
  ➢ Motion made to accept Provost’s proposal to include funding for these three budget amendments in the FY05 budget
    · Motion seconded
- Discussion
- Vote: unanimous in favor of motion

- $1 million shortfall in FY05 budget
- Two shortfall proposals presented to committee
  - Proposal #1
    - Distribute shortfall to each executive based on percentage of budget
  - Proposal #2
    - Transfer from compensated absences reserve (repaid in FY06) - $250,000
    - One-time transfer from Auxiliaries - $250,000
    - Each executive to assume percentage share of balance of shortfall

Discussion of proposal
- Anticipate that budget shortfall is an FY05 issue
- FY06 should be substantially better
- Want to avoid inflicting long term damage to fix a one year problem
- Transfers would be made at fiscal year end
- Transfer the actual amount needed

- Motion made to accept proposal #2
  - Motion seconded
  - Friendly amendment
    - Implement executive distribution immediately
    - Implement the transfers in priority of auxiliaries first and compensated absences second, both on an as needed basis
    - These are one time (not base) adjustments
  - Friendly amendment accepted
  - Vote: unanimous in favor

- Next UBPAC meeting - October 12