

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 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 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 10-member council comprised of the President, four Vice Presidents, Executive Assistant to the President, Assistant to the President, Legal Counsel, Director of University Relations, and the Executive Director of Planning and Analysis. 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, Interim Budget Director, the Registrar, the Director of Planning and Analysis, and the 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 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 2004 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 FY04; 2) determines what information will be needed to inform the discussion of the FY04 budget
Mid December	UPBAC discusses and adopts strategic priorities to be used in the FY04 budget development process
Early January	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; 4) assigns SPC or a task force to review the Impacts and Outcomes of the FY03 budget decisions; and 5) discuss program evaluation matrix
	Budget Amendment format for FY04 requests discussed and worksheets sent to Units
	Multiyear enrollment and revenue forecasts presented to PEC
Mid January	UPBAC will 1) discuss potential presenters; and 2) complete discussion of evaluation matrix
	Budget amendment worksheets returned to the Budget Office

Early February	UPBAC reviews the preliminary draft of FY04 FTE, revenue, and expenditure projections
	SPC or task force updates UPBAC with their review of FY04 Impacts and Outcomes
	Sub-committee updates UPBAC with their assessment of data, priorities, and state expectations
Mid February	UPBAC receives Instructional cost data, KPI reports, and Budget Amendment requests that will to be used in the development of the FY04 budget
	UPBAC reviews Spring FTE and revenues for FY03, and discusses emerging issues and/or strategic initiatives, which may involve a fiscal impact for FY03 or FY04
	Executives make presentations to UPBAC
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
	UPBAC members rank budget amendments
Mid March	UPBAC updated with FY04 FTE, revenue, and expenditure projections, and emerging priorities
Late March	FY04 macro analysis presented; budget amendment rankings discussed; FY04 budget discussed; UPBAC begins to develop a “review draft” budget for FY04
Early April	UPBAC discusses proposed budget amendments and budget reductions, and finalizes its first draft of a balanced budget plan for FY04
	UPBAC presents PEC with its first draft of a balanced budget plan for FY04
Late April	UPBAC reviews draft budget, FTE and revenue updates
Early May	UPBAC schedules an open forum with the university and public community to present the FY04 “review draft” and allow everyone to present their comments and suggestions on the proposed FY04 “review draft” budget plan
	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 FY04 Budget

FY04 Budget Plan is delivered to the President

Mid May – August President gives a response to UPBAC

University Budget Office coordinates the implementation of the FY04 budget