

EXECUTIVE SUMMARY

PLANNING, BUDGET & ANALYSIS

- > A comprehensive process which, in future years, will link the budget to a strategic plan, and to detailed assessment of the outcomes of investments.
- > A full scope of interrelated, annual processes.
- > Diverse committee membership of managers and leaders.

THE FY03 BUDGET DEVELOPMENT PROCESS

- > A 120-day calendar for the FY03 process.
- > An initial charge to produce a balanced budget.
 - > A balance between revenues and expenditures.
 - > A balance between the budget levels of each Program.
- > Update of Principles, Values, & Priorities.
- > Detailed collection of data for General Fund operations.
- > Presentation of Athletics Plan.
- > Presentation of Auxiliary Budgets.
- > Presentation of IT Task Force Plan.
- > Presentation of IDC's (F&A).

ENROLLMENT ASSUMPTIONS REFLECTED IN THE BUDGET

- > Tuition rate increases in FY03 could have a material impact on enrollment.
- > One regression analysis of data from FY95-FY01 indicates a strong correlation between tuition rate increases and the yield on applications.
- > Our Summer semester enrollment in FY03 will be about the same as last year.
- > Revenue projections are based upon the assumption that our historical (enrollment) yield on (received) applications will continue into FY03 -- but a larger reserve has been established in the event that the significant tuition rate increase has a negative impact on the historical yield.
- > Our current level of new freshman student applications will likely result in an FY03 enrollment increase of 5% resident students and 10% non-resident students in comparison to Fall semester of FY02.
- > Our historic rate of retention, for non-graduating students, from Prior Year Fall semester to Current year Fall semester, will continue for Fall semester FY03.
- > The headcount-to-FTE conversion factor for FY03 will remain essentially the same as in prior years.

REVENUE ASSUMPTIONS

- > \$500,000 must be committed to the Prior Year Accounts Receivable write-off in FY02.
- > The COE allocation of general fund, which must still be finalized, will provide a modest (4.5%+/-) increase.
- > The COE allocation will include a subsidy transfer of general fund to smaller campuses.
- > Our FY03 average tuition yield per FTE will be comparable to that of FY02.

PRIMARY CHALLENGES OF THE FY03 PROCESS

- > Change in culture.
- > Application counts are up compared to past fiscal years, but this is the case at peer institutions also.

PHILOSOPHICAL BASIS FOR FY03 BUDGET DECISIONS

- > Principles.
- > Priorities.
- > Core values.

OVERVIEW OF PRIMARY FY03 BUDGET DECISIONS

- > Base Budget increases, in institutional level fixed costs, will be fully funded.
- > Funds will be earmarked for certain recurring institutional costs, such as the Write-Off of Tuition Receivables.
- > The budgeted University Contingency Reserve will remain at \$600,000.
- > The Legislature's Pay Plan will be fully funded for:
 - > costs of annualizing FY02 salary increases;
 - > 4% salary increases for faculty, administrators and professional employees, effective November 1, 2002;
 - > 3.75% salary increases, plus a .5% MAP incentive increase, for classified employees effective November 1, 2002;
 - > .5% MAP incentive increase for classified employees effective June 1, 2003; and,
 - > a \$41/month increase in the medical insurance contribution.
- > A special fund is also established for faculty, professional & admin employee equity adjustments.
- > A small set of continuing non-base commitments will be funded.
- > Tuition rates, for all student categories, will be increased by 13%, according to Regents' guidelines.
- > University Police budget requests for a New Officer, Officer Training, and Operations increases to be funded with added Parking fees.
- > Safety and Risk Management budget requests for a New Chemical Safety Technician and Hazardous Waste Disposal increases to be pursued with Research VP.

SPECIAL FY03 INVESTMENTS & EXPECTED OUTCOMES

- > A special investment of \$15,000 has been made to the "Mission for Mentoring" Program to ensure student success and thus, increase retention rates.
- > A special investment of \$12,200 has been made to the "MSU for a Day" program to build rapport with with the high school faculty and students, as well as a means to recruit students.

FUTURE COMMITTEE ACTIONS

- > Review the process and procedures used in this initial FY03 process.
- > Discuss possible strategic initiatives fro FY04.
- > Discuss the next steps in the implementation of the overall process.

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		April 11th Budget Draft	Budget Plan	Comments
1				
2	FTE ENROLLMENT AUTHORITY			
3				
4	Fiscal Year			
5	Resident	7,833.00		
6	WUE	426.00		
7	Nonresident	2,000.00		est.
8				
9	Total	10,259.00	0.00	
10				
11	FTE ENROLLMENT BUDGET			
12				
13	Summer Session			
14	Resident	913.08		
15	WUE	15.07		
16	Nonresident	207.20		
17				
18	subtotal	1,135.35	0.00	
19	Fall Semester			
20	Resident	7,838.51		
21	WUE	467.19		
22	Nonresident	2,030.81		
23				
24	subtotal	10,336.51	0.00	
25	Spring Semester			
26	Resident	7,431.00		
27	WUE	456.54		
28	Nonresident	1,762.76		
29				
30	subtotal	9,650.30	0.00	258.30
31	Fiscal Year			494,386.20
32	Resident	8,091.30	0.00	Potential Resident FTE Growth Adjustment
33	WUE	469.40	0.00	
34	Nonresident	2,000.39	0.00	
35				
36	Total	10,561.09	0.00	

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2	FY02 BASE BUDGETS (3/1/02)		
3			
4	President		
5	Student Services	18,945	
6	Institutional Support	1,682,573	
7	Provost		
8	Instruction	36,060,403	
9	Public Service	933,820	
10	Academic Support	7,698,786	
11	Student Services	12,513	
12	Institutional Support	382,349	
13	Administration & Finance VP		
14	Institutional Support	2,871,443	
15	Facilities Services	10,417,133	
16	Computer Costs -- ITC	2,545,655	
17	Research VP		
18	Research	387,547	
19	Academic Support	49,840	
20	Institutional Support	811,160	
21	Student Affairs VP		
22	Student Services	4,412,982	
23	Facilities Services	156,249	
24	Institutional Cost Centers		
25	Miscellaneous Accounts	416,658	
26	Benefit Pools	13,492,401	
27	Overhead Costs Distributions	(3,548,961)	
28			
29	TOTAL NET BEGINNING BASE BUDGET	78,801,496	0
30			
31			
32	BUDGETED NET REVENUE	88,119,597	0
33			
34			
35	NET REVENUE less BASE BUDGET	9,318,101	0

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1			
2	PROJECTED RESERVE BALANCE	0	
3			
4	April 11th BASE BUDGET ADJUSTMENTS		
5			
6	President		
7	D001 Office of Planning & Analysis	(100,000)	
8	D005 Nursing Needs-Rural NoCentral MT	(5,000)	
9	D003 MSU for a Day	(12,200)	
10	Provost		
11	D006 Extra Sections	(181,000)	
12	D008 GTAs	(226,250)	
13	D019 GTA Increased Stipend Support	(79,679)	
14	D020 GTA Support of Medical Insurance	(112,854)	
15	D012 Art-New Faculty Line	(37,000)	
16	D018 Accommodate Growth in MSSE Pgm	(41,000)	
17	D011 Agriculture-Salary Support for Teaching FTE	(40,000)	
	D017 Civil Engineering-Add Assistant Professor		\$60,000 to be funded in FY04
	D014 College of Business-Finance Faculty Position		\$85,000 to be funded in FY04
	D015 Modern Languages-Asst Prof of Spanish		\$40,000 to be funded in FY04
	D016 Cell Biology and Neuroscience-Asst Prof		\$45,000 to be funded in FY04
18			
19	Administration & Finance VP		
20	D026 ITC-Central Support for Unfunded Services	(349,091)	
21	D031 OFS-Increase Major Maintenance Operations	(351,000)	
22	D027 Payroll Accounting Tech-Reconciliation	(22,984)	
23	D033 Mail Services-Restore Staff Funding	(16,370)	
24			
25	Research VP	0	
26			
27	Student Affairs VP		
28	D044 Counseling-Increase Operations Budget	(10,000)	
29	D046 Expand Psychologist Position	(18,000)	
30	D047 Add Psychologist Position	(36,000)	
31			
32	Institutional Cost Centers	0	
33	Miscellaneous Accounts		
34	Benefit Pools	(234,971)	\$57,500 assoc benefits to be funded in FY04
35	Overhead Costs Distributions		
36			
37	Global Requests		
38	G004 Mission for Mentoring	(15,000)	For implementation by VP SAS
39			
40	TOTAL BASE BUDGET ADJUSTMENTS	(1,888,399)	
41			
42	PROJECTED RESERVE BALANCE	7,429,702	0

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1			
2	PROJECTED RESERVE BALANCE	7,429,702	0
3			
4	EARMARKED RESERVE FUNDS		
5			
6	A001 University Contingency Reserve	(600,000)	
7	A002 Accounts Receivable Write-off	(500,000)	
8			
9			
10			
11			
12			
13			
14	A005 Write-Off of Tuition Receivables	(300,000)	
15	A006 NSL Bad Debts Write-Off	(12,000)	
16			
17	TOTAL EARMARKED RESERVE FUNDS	(1,412,000)	0
18			
19	PROJECTED RESERVE BALANCE	6,017,702	0
20			
21			
22	DISTRIBUTION OF PY CARRYOVER FUNDS		
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33	TOTAL PY CARRYOVER FUNDS	0	0
34			
35	PROJECTED RESERVE BALANCE	6,017,702	0

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1			
2	PROJECTED RESERVE BALANCE	0	
3			
4	FIXED COSTS BASE BUDGET INCREASES		
5			
6	A003 N.R.I.S. State Library Costs	(16,636)	
7	A004 Increased Credit Card Services Fees	(46,812)	
8	A007 Increased Workers Comp Ins Costs	(98,220)	
9	A008 Overhead Costs Distribution Adjustment	n.a.	n.a.
10	A009 A.C.E. Language Institute O&M	(4,000)	
11	A010 Excess Utilities Costs Contingency	(382,008)	
12	A011 City Mandated Sidewalks	(15,750)	*** one time only
13	A012 Increased Property Insurance Premium	(19,565)	
14	A013 Library Renovation O&M	(52,617)	
15	A014 Graduate Arts Center O&M	(36,300)	
16	A015 Rent - College of Nursing & Counseling	(18,168)	
17	A016 Rent - MSU Foundation	(725)	
18	A017 Cooley B2/B3 Project O&M	(13,000)	
19	A018 AJM Basement & 122 Remodel O&M	(8,600)	
20	A019 Increased Liability Insurance Premium	(39,542)	
21	A020 Inflation for Library Acquisitions	(160,000)	
22			
23	TOTAL FIXED COSTS BASE INCREASES	(911,943)	
24			
25	PROJECTED RESERVE BALANCE	0	
26			
27			
28	PERSONAL SERVICES BASE BUDGET INCREASES		
29			
30	B001 Benefits Pools - Medical Insurance	(603,684)	
31	B002 Classified Salary Annualization	(821,952)	
32	B003 Classified Salary Increases	(483,920)	
33	B004 Faculty Salary Increases	(1,067,844)	
34	B005 GTA / GRA Salary Increases	(51,390)	
35	B006 Admin / Prof Salary Increases	(287,776)	
36	G003 Faculty Equity Adjustments	(225,283)	
37	G002 Prof & Admin Equity Adjustments	(30,380)	
38			
39	TOTAL PERSONAL SERVICES BASE INCREASES	(3,572,229)	
40			
41	PROJECTED RESERVE BALANCE	0	

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1			
2	PROJECTED RESERVE BALANCE	0	
3			
4	CONTINUING NON-BASE COMMITMENTS		
5			
6	C001 HealthOne Denver	(12,510)	
7	C002 Sacred Heart	(3,600)	
8	C003 University of North Dakota	(15,208)	
9	C004 Nursing Off-Campus Course Offerings	(159,178)	
10	Program Fees (Art & Arch)	(309,173)	
11	MSSE In-load Tuition Distribution	(114,898)	
12	C007 Disability Accommodations	(129,275)	
13	C008 AFROTC 1st Year R & B Scholarships	(40,960)	
14	C009 Army ROTC 1st Year R & B Scholarships	(40,960)	
15	C010 Retention First Year Initiative Program	(28,326)	
16	C012 Royall Student Prospects List Agreement	(187,110)	
17	C013 Transfer Student Recruiter	(50,000)	
18	C014 Visitor Parking Permits	(6,000)	
19	C015 On-Line Student Application System	(14,000)	
20	Math 085 Agreement	(19,000)	
21			
22	TOTAL CONTINUING NON-BASE COMMITMENTS	(1,130,198)	
23			
24	PROJECTED RESERVE BALANCE	0	
25			
26	NEW CONTINUING NON-BASE COMMITMENTS		
27			
28	C005 WebCT Campus Support	(98,106)	
29	C006 Int'l Student Recruitment Program	(66,250)	
30	C011 Enrollment Management Analyst	(114,000)	
31	C017 Athletics Service Costs	(120,000)	
32			
33	TOTAL NEW CONTINUING NON-BASE COMMITMENTS	(398,356)	
34			
35	PROJECTED RESERVE BALANCE	0	
36			
37	TIER #1: NEW BASE BUDGET COMMITMENTS		
38			
39	D024 Library Catalog Software		To be funded with any excess revenue
40	D013 Media & Theatre Arts-New Faculty Line		To be funded with any excess revenue
41			
42			
43			
44	TOTAL TIER #1: NEW BASE COMMITMENTS	0	
45			
46	PROJECTED RESERVE BALANCE	0	