

# Budget Committee

February 26, 2019



# Fall Enrollment and the Fiscal Impact for FY19

This is the original projected presented at the December Budget Committee and campus budget update

Revenues	FY19 Budget	FY19 Estimate	Impact
Tuition & Fees	\$ 7,761,583.00	\$ 7,437,000.00	\$ (324,583.00)
State Formula Allocation	\$ 6,832,055.00	\$ 6,832,055.00	\$ -
6-Mil Levy	\$ 898,307.00	\$ 898,307.00	\$ -
Other	\$ 361,475.00	\$ 361,475.00	\$ -
<b>Total</b>	<b>\$ 15,853,420.00</b>	<b>\$ 15,528,837.00</b>	<b>\$ (324,583.00)</b>

## Note:

FY19 Revenues were based on a total enrollment of 1395 annualized FTE. The most recent enrollment numbers (fall census) represent an annualized FTE estimate of 1330\*.

*\* Not an official estimate/projection*



Tuition		2019 Budgeted	2019 Actual	
Resident		Tuition Revenue	Tuition Revenue	Impact
	Fall	\$ 2,364,376.00	\$ 2,214,715.53	\$ (149,660.47)
	Spring	\$ 2,134,224.00	\$ 2,005,519.84	\$ (128,704.16)
	Summer	\$ 239,133.00	\$ 317,208.49	\$ 78,075.49
	Total	\$ 4,737,733.00	\$ 4,537,443.86	\$ (200,289.14)
Non Resident				
	Fall	\$ 514,889.00	\$ 453,452.20	\$ (61,436.80)
	Spring	\$ 463,400.00	\$ 424,237.20	\$ (39,162.80)
	Summer	\$ 51,489.00	\$ 40,347.10	\$ (11,141.90)
	Total	\$ 1,029,778.00	\$ 918,036.50	\$ (111,741.50)
WUE				
	Fall	\$ 804,536.00	\$ 858,110.58	\$ 53,574.58
	Spring	\$ 724,082.00	\$ 759,515.82	\$ 35,433.82
	Summer	\$ 80,454.00	\$ 59,932.40	\$ (20,521.60)
	Total	\$ 1,609,072.00	\$ 1,677,558.80	\$ 68,486.80
All Categories				
	Fall	\$ 3,683,801.00	\$ 3,526,278.31	\$ (157,522.69)
	Spring	\$ 3,321,706.00	\$ 3,189,272.86	\$ (132,433.14)
	Summer	\$ 371,076.00	\$ 417,487.99	\$ 46,411.99
	Total	\$ 7,376,583.00	\$ 7,133,039.16	\$ (243,543.84)

*\* Not an official estimate/projection*



# Keeping Our Eye on 2020-2021

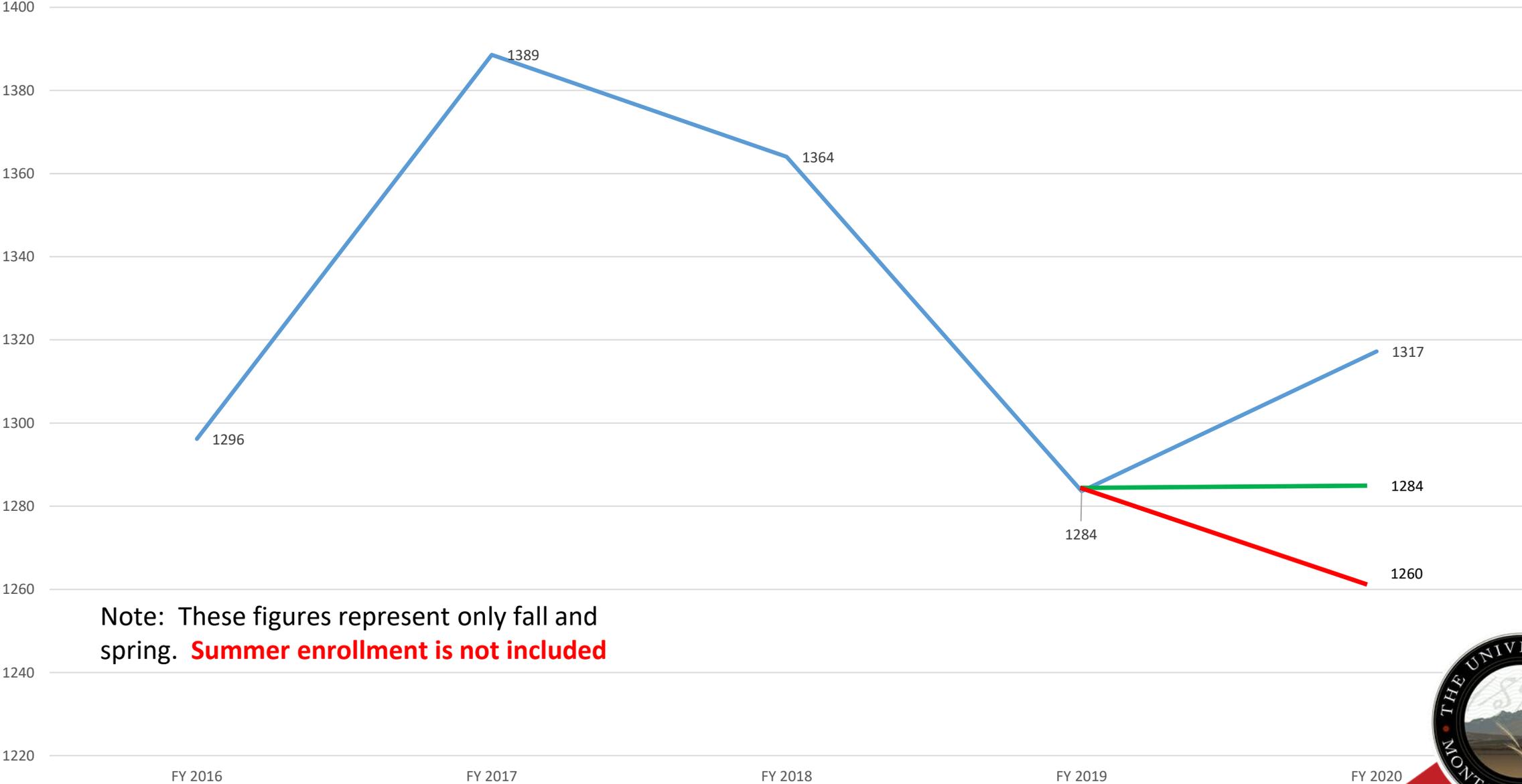
The following are key revenue elements that have yet to be determined. Each will play a major role in the outcome of our funding for the next biennium:

- Enrollment (TBD)
- ✓ 6-Mil Levy (**PASSED**)
- Allocation model and potential changes (**Anticipate Flat with no change in enrollment percentage**)
- Performance Funding (**Anticipate 100% if retention holds TBD**)
- Present Law Adjustment (**Full Funding = 60% TBD**)
- Annualization of pay increases (**PLA Request – TBD**)
- Any possible tuition and/or fee increases (**Tuition Freeze / 100% Backfill at approximately 3% - not final**)

The major expense category that will require monitoring and adjustment is personnel expenses.



# Enrollment Projection



	<b>Negative</b>	<b>Flat</b>	<b>Positive</b>
<b>Revenues</b>	FY20 Budget	FY20 Budget	FY20 Budget
Tuition & Fees	\$ 7,314,455.00	\$ 7,437,725.00	\$ 7,760,715.00
State Formula Allocation	\$ 6,832,055.00	\$ 6,832,055.00	\$ 6,832,055.00
6-Mil Levy	\$ 898,307.00	\$ 898,307.00	\$ 898,307.00
Other	\$ 361,475.00	\$ 361,475.00	\$ 361,475.00
<b>Total</b>	<b>\$ 15,406,292.00</b>	<b>\$ 15,529,562.00</b>	<b>\$ 15,852,552.00</b>

## Adjustments for FY2020

	FY19	FY20	Change
Pay Plan Increases	\$ -	\$ 72,000.00	\$ 72,000.00
Benefit Increases	\$ -	\$ -	\$ -
Present Law Adjustments			\$ -
Annualization of P.Plan	\$ 8,655,040.43	\$ 8,848,224.80	\$ 115,911.00
Contracted Services	\$ 106,000.00	\$ 115,000.00	\$ 9,000.00
Legal Services	\$ -	\$ 20,000.00	\$ 20,000.00
<b>Total</b>	<b>\$ 8,761,040.43</b>	<b>\$ 9,055,224.80</b>	<b>\$ 216,911.00</b>

For reference, the FY19 Budget was \$15,853,420



# FY20 Budget Planning

FY19 Beginning Expense Budget	\$ (15,853,420.00)
FY19 Actual Expenses (year end est)	\$ (15,561,010.66)
FY20 Estimated Expense Adjustments	\$ (216,911.00)
FY20 Estimated Expense Budget	\$ (15,777,921.66)

Negative Enrollment Revenue Budget	\$ 15,406,292.00
Flat Enrollment Revenue Budget	\$ 15,529,562.00
Positive Enrollment Revenue Budget	\$ 15,852,552.00

Negative Enrollment Impact	\$ (371,629.66)
Flat Enrollment Impact	\$ (248,359.66)
Postive Enrollment Impact	\$ 74,630.34



# Subcommittees

- Subcommittee to develop communications plan
  - Key dates/timeline for formal information release
  - Benchmarks/Dashboard to track key indicators and inform the campus
- Subcommittee to develop options/processes for budgetary impacts
  - Strategic initiatives
  - Cost Savings
  - Revenue Enhancements
- Subcommittee to evaluate, and possibly develop, the allocation methodology
  - Ensure the budget process is tied to the strategic plan
  - Consider the establishment of some incentives
  - Make sure the model is adaptable to changes in enrollment, mission, and other external and internal pressures.



## Budget Communications Subcommittee

### Membership:

- Nicole Hazelbaker
- Louise Driver
- Jack Kirkley
- Bill Dwyer
- Brent McCabe

### Charge:

Develop and recommend a communications plan to ensure reliable, timely, transparent, budget information is being effectively transmitted to the University of Montana Western community.

### Supplemental Information:

Please focus efforts on outlining the framework to appropriately communicate budget information to Western's stakeholders.

In your evaluation and recommendations, please consider the following:

- Appropriate level of detail for the communications
- Process timeline and/or key report dates
- Most effective methods for disseminating information

### Timeline:

Communications regarding the FY20 budget could be greatly improved and recommendations from the committee may be implemented immediately.

The critical focus is the FY21 budget cycle, but any communication recommendations could be engaged for FY19 and FY20 as appropriate.



## Budget Allocation Subcommittee

### Membership:

- Eric Wright
- Anneliese Ripley
- Doug Daenzer
- Charity Walters
- Matt Allen
- Vikki Howard
- Rebekah Levine

### Charge:

Review and evaluate the current budgeting methodology for the university and provide recommendations for change or enhancements.

### Supplemental Information:

Please focus efforts on the review and development of the framework to drive the resource allocation. A specific mechanism to ensure some level of funding is available for strategic investment should be part of the outcome but the details on how it is allocated is not necessary. The Budget Impact subcommittee will be more focused on the strategic principles/metrics that drive resources to specific programs, services, and initiatives/investments.

You are encouraged to remain in communication with the Budget Impact and Communication subcommittees to make sure the outcomes are in alignment.

In your evaluation and recommendations, please consider the following:

- Appropriate level for fund distribution (sector, college, department, etc.)
- Process timeline and/or key milestones
- How funds would be allocated to operational areas with special consideration for infrastructure, strategic initiatives, and summer semester.

### Timeline:

Implementation would be for the fiscal 2021 budget cycle. This would require a “go live” date of no later than March 16, 2020.

Although the budget model will not likely be ready for implementation for fiscal 2020, any information learned through the review should be utilized, as appropriate, for immediate implementation. The goal is to have a completed model ready for some formal level of implementation for the fiscal 2021 budget.



## Budget Impact Subcommittee

### Membership:

- Cole Cottom
- Charles Erickson
- Deb Richardson
- Deb Hedeem
- Liane Forrester
- Bill Wilson
- Michael Morrow

### Charge:

To develop a transparent, objective metrics/benchmarks informed process to allocate strategic funds through the budget allocation process.

### Supplemental Information:

Please work closely with the Budget Allocation Model (BAM) group to maintain alignment in your work.

The current allocation model is largely based on a historical, base plus, model. The Budget Allocation Subcommittee will be evaluating the current model and likely recommending a new allocation methodology. This new methodology should provide a pool of funds for strategic initiatives or require adjustments across the institution to establish funds for such purposes.

Please consider the ongoing validity of new initiatives/services, etc. in the process and ensure there is an assessment component to determine any long-term funding.

### Timeline:

A preliminary introduction of UM's allocation methodology and budget metrics and benchmarks will be expected for FY21 budget cycle. In order to be effectively utilized for the FY21 year, the process should be ready for implementation no later than October 31, 2019.



# Other Topics for Discussion:

Mandatory and Optional Fees have been submitted to the Commissioner's Office. They will be presented to the Board of Regents at the March meeting for final approval at the May meeting.

Work on the FY20 budget is underway and will be presented to the committee in the near future. Basically trying to match FY19 operating and absorb personnel increases. Minor adjustments may be made but they will be minimal.

