

UNIVERSITY BUDGET COMMITTEE

October 28, 2026

FY25–FY26 Tuition & Fees

Actual tuition, waivers and net revenue

$739,790

Decline in net tuition & fees

Waivers and scholarships grew faster than tuition and fees

Fiscal year	Tuition & fees	Waivers & scholarships	Net tuition & fees
FY25 Actual	$105,806,929	$30,969,510	$74,837,419
FY26 Actual	$105,970,906	$31,873,277	$74,097,629

FY26 net tuition decline from FY25 actuals	**($739,790)**

Net tuition & fees = tuition & fees less waivers & scholarships.

FY25 and FY26 figures are actual. Source: figures provided.

FY26 Tuition & Fees

Budget vs. actual | Impact of waivers and scholarships

$2,868,844

Unfavorable net revenue variance

Lower tuition and fee revenue, plus higher waivers and scholarships

	Budget	Actual	Over / (Under)
Tuition & fees	$106,900,443	$105,970,906	($929,537)
Waivers & scholarships	$29,933,970	$31,873,277	$1,939,307
Net tuition & fees[1]	**$76,966,473**	**$74,097,629**	**($2,868,844)**

Waivers & scholarships as a share of tuition & fees **28% budget → 30% actual**

[1] Net tuition & fees = tuition & fees less waivers & scholarships. Variances are actual less budget.

Percentages are rounded to whole numbers. Source: figures provided.

FY26 Expenses: Budget vs. Actual

Excluding waivers and scholarships

$545,092

Favorable expenditure variance

Actual expenditures were 0.3% below budget

	Budget	Actual	Over / (Under)
Expenditures	**$161,302,813**	**$160,757,721**	**($545,092)**

Account variance breakdown

Labor savings	$1,009,603
Benefits savings	$963,731
Operating overspend	($1,670,556)
Transfers under	$242,314
Net savings from listed accounts	**$545,092**

Total variance = actual less budget. Account breakdown = savings / (overspending). Source: figures provided.

FY26 Expenses by Type

Excluding waivers and scholarships | Amounts and share of total

$160,757,721

Total expenses and transfers

Labor represents 88.6% of the total

Type	Amount	Share of total
Labor	$142,417,712	88.6%
Operating expense	$14,769,225	9.2%
Transfers	$3,570,784	2.2%
Grand Total	**$160,757,721**	**100.0%**

Total excludes $31,873,277 in waivers & scholarships and matches actual expenditures on slide 2.

Percentages are rounded to one decimal place. Source: figures provided.

FY26–FY27 Labor Increases & State Funding

Two-year labor cost increases and the unfunded amount

$6,034,232

Unfunded labor increases

Total labor increases less state funding

Two-year summary	Amount
Pay plan / benefits increases[1]	$11,968,001
Merits, promotions & inversions	$1,000,000
Total labor increases	**$12,968,001**
State funding	($6,933,769)
Unfunded amount	**$6,034,232**

Pay plan / benefits increases over FY26–FY27: $11,968,001.

State funding: $2,260,148 + $4,673,621 = $6,933,769.

[1] Updated two-year pay plan / benefits total.

Source: figures provided. Parentheses indicate funding deducted from total labor increases.

FY26 Actual vs. FY27 Budgeted Net Tuition

Tuition and fees after waivers and scholarships

$2,742,224

Budgeted increase in net tuition & fees

FY27 budget compared with FY26 actual

Fiscal year	Tuition & fees	Waivers & scholarships	Net tuition & fees
FY26 Actual	$105,970,906	$31,873,277	$74,097,629
FY27 Budget	$107,929,943	$31,090,090	$76,839,853

Budgeted growth in net tuition & fees **3.7%**

Net tuition & fees = tuition & fees less waivers & scholarships.

FY26 figures are actual. FY27 figures are budgeted. Source: figures provided.

Labor Increases vs. Net Tuition Growth

Comparison of labor costs, state funding, and budgeted net tuition growth

$3,292,008

Remaining gap after both funding sources

$6,034,232 unfunded labor increases − $2,742,224 net tuition growth

Funding comparison	Amount
Total labor increases over two years	$12,968,001
Less: state funding	($6,933,769)
Labor increases after state funding	**$6,034,232**
Less: budgeted increase in net tuition & fees	($2,742,224)
Remaining gap	**$3,292,008**

Before state funding, total labor increases exceed net tuition growth by $10,225,777.

Period basis: Labor increases and state funding are two-year totals. Net tuition growth is FY27 budget less FY26 actual.

Source: calculations from slides 4 and 5. Parentheses indicate funding deducted from labor increases.

FY26 Carryforward & FY27 Funding Gap

Prior-year shortfall plus labor increases remaining after revenue growth

$5,615,760

Combined shortfall to address

$2,323,752 FY26 carryforward + $3,292,008 FY27 funding gap

Shortfall calculation	Amount
FY26 net tuition & fee shortfall	$2,868,844
Less: FY26 expenditure savings	($545,092)
FY26 deficit carried forward[1]	**$2,323,752**
Add: FY27 funding gap[2]	$3,292,008
Combined shortfall	**$5,615,760**

FY27 gap = $6,034,232 in unfunded labor increases − $2,742,224 in budgeted net tuition growth.

[1] FY26 carryforward is calculated from the budget variances on slides 1 and 2; other revenue or expense changes are excluded.

[2] Uses the comparison on slide 7: two-year labor and state funding totals less FY27 budget-to-FY26 actual net tuition growth.

Source: calculations from slides 1, 2, and 7.

Reductions & Remaining Shortfall

Reductions by unit and expense type

Combined shortfall	Total reductions	Remaining shortfall
$5,615,760	**($2,332,282)**	**$3,283,478**

Unit	Labor	Benefits	Operating	Transfers	Total reductions
President	—	—	($139,295)	($249,705)	**($389,000)**
SC Relations	($91,549)	($20,781)	—	—	**($112,330)**
VPOF	($10,595)	($2,405)	($423,556)	—	**($436,556)**
Provost	—	—	($848,001)	—	**($848,001)**
VPSAEM	—	—	($141,770)	—	**($141,770)**
VPPC	($15,991)	($4,638)	($26,481)	—	**($47,110)**
VPR	($192,756)	($64,504)	($5,251)	—	**($262,511)**
Central	—	—	—	—	**—**
Marketing	—	—	($95,004)	—	**($95,004)**
Total	**($310,891)**	**($92,328)**	**($1,679,358)**	**($249,705)**	**($2,332,282)**

$5,615,760 combined shortfall − $2,332,282 reductions = $3,283,478 remaining.

Amounts in parentheses reduce the shortfall; dashes indicate zero. Source: figures provided and slide 8.

Funding the FY26 Deficit

We draw on available funding sources to balance the budget.

$1,764,466

Funding used for the FY26 deficit

Funds used to cover the FY26 deficit

FY26 funding source	Amount
Grant & Contract leave pool fund	$1,000,000
Gilkey building	$400,000
Land grant revenue	$364,466
Total FY26 funding	**$1,764,466**

Declining fund balances under our control make it increasingly challenging to balance the budget.

Source: FY26 funding amounts provided.

What About the State Appropriation?

State allocation history and annual changes

2027 budgeted allocation	Increase from 2026	2027 budgeted growth
$86,091,887	**$2,028,248**	**2.4%**

Year	State allocation	Change
2018	$59,015,738	—
2019	$59,910,116	$894,378
2020	$60,346,832	$436,716
2021	$62,424,692	$2,077,860
2022	$60,730,635	($1,694,057)
2023	$63,653,995	$2,923,360
2024	$68,194,007	$4,540,012
2025	$70,461,197	$2,267,190
2026	$84,063,639	$13,602,442
2027 Budget	**$86,091,887**	**$2,028,248**

Allocation increased $27,076,149 (45.9%) from 2018 to the 2027 budget.

2027 Budget is budgeted. Change = current year less prior year. Source: figures provided.

How Was That Revenue Allocated in FY26?

Allocation of the additional state revenue

Total listed allocations	2026 revenue increase	Remaining revenue contingency
$12,900,883	**$13,602,442**	**$701,559**

Allocation	Amount
OCHE 50% of pay escalations - Year 1	$2,012,130
Athletics base increase	$3,290,000
Insurance – reestablishing after holiday	$3,000,000
Centralized Advising – replacing OTO funds	$750,000
Doctoral Scholarships/Stipends – replacing OTO funds	$487,580
1 2 Free – replacing OTO funds	$305,000
Enrollment base increase	$1,000,000
Financial Aid positions	$192,183
Strategy & Community Relations base increase	$80,000
Additional Pay Escalations - Provost base increase	$1,577,500
Club Sports – establish base	$110,490
Sign Language Interpreters	96,000
Total	**$12,900,883**

Listed allocations leave $701,559 of the 2026 state increase unallocated.

Source: allocation figures provided; 2026 state increase from slide 11.

FY27 Tuition & Fees – Fall Semester

Budget vs. actual | Impact of waivers and scholarships

Unfavorable net revenue variance

Slightly lower tuition and fee revenue, plus higher waivers and scholarships

	Budget	Actual	Over / (Under)
Tuition & fees	$47,974,154	$47,894,698	($79,456)
Waivers & scholarships	$16,009,016	$16,231,383	$222,367
Net tuition & fees[1]	**$31,965,138**	**$31,663,315**	**($301,823)**

Current year headcount = 11,282 @ $4,242 avg vs Prior year headcount = 10,917 @ $4,332 avg

Planning for FY28

Budget drivers based on current pre-budget negotiations

What do we know now?

Cost of labor is increasing

Currently 90.3% of net general fund spending

Pay Plan Increase	Employer Health Insurance Increase
$.75 per hour or 1.8%, whichever is greater	7% for 2028 and 2029 plan years = $1,107 to $1,243 to $1,330

*One time payment of $1,000 per employee in FY27 (prorated for fte)
*Possible 5% retroactive health insurance contribution @ 1/1/2027

Not budgeted

Questions and Discussion

Links to more information on budget activity and financial information:

https://mus.edu/data/operating_budgets/FY27/index.html

https://www.umt.edu/business-services/employees/financial-reports.php

https://www.umt.edu/budget/budget-committee/default.php

