



**University Budget Committee**  
**October 18, 2023**  
**3:00 – 5:00 PM**  
**Gilkey Boardroom (GXE) 103**

**Attendance:** Paul Lasiter, Stacey Eve, Suzanne Tilleman, Carrie Elensky, Amanda Dawsey, Maya Marquardt, Elizabeth Kamminga, Jen Geist-Quigley, Jolyn Schleiffarth, Hillary Stowell, Cindy Johnson, Nicholas Ververis

**Attachments:** MUS Operating Budget Webpage; FY24 UM Budget Submission Detail and Summary

**1. Review of UM-Missoula OCHE budget submission for FY24**

Stacey Eve showed the OCHE website and where budget information submitted to the Board of Regents is available.

**a. OCHE – UM-Missoula Detailed Budget**

Eve walked through the detailed budget submission, outlining the various fund types in the budget submission.

Lasiter pointed out that there is a lot more to the budget than just current unrestricted funds. Specifically noting the increasing restricted fund from research and that there are diverse revenue sources at UM.

Eve walked through the changes from FY23 actual spending and FY24 budget, specifically noting the increase in state appropriated to partially fund the pay plan increase. Lasiter noted the remainder of these costs come from other revenue sources on campus (i.e. tuition).

Eve went over FY23 actual and FY24 budgeted revenue (Current Unrestricted) in the submission. Noting the Non-Mandatory Transfer in for \$7.266 million, covering the 2023 budget deficit. Lasiter noted that in FY24, the budget is balanced for the first time in over 5 years. Previous year deficits were covered with one-time funding (i.e. CARES Act).

Geist-Quigly asked why there is \$400,000 less coming from state appropriation. Eve and Lasiter advised that the appropriation is made up of items that are specifically funding

(millage), and others are variable. Each year OCHE starts over with calculating the appropriation to each campus.

Dawsey asked why MSU is receiving more in appropriation. Lasiter advised that this is due to a sort of equalization process in funding. Eve advised that the appropriation also does not take into account other revenue sources.

Eve advised the FY24 budgeted transfer-in covers SEP and Flagship projects. Tilleman asked what the source was for SEP and Flagship. Eve and Lasiter advised it comes from the President's Excellence Fund and other designated funds.

Eve then walked through Current Unrestricted expenditures in the budget submission. Less than 1% change in budget to actuals. Eve advised that there was a cut in budgeted operating expenses (35%) to cover the mandated pay plan increase and to balance the budget.

Lasiter walked through the vacancy savings that occurred in FY23. Specifically noting that revenue estimates were too high resulting in a deficit.

Lasiter advised that this year, revenue has increased and is looking better than last year's estimate vs. actuals.

Eve advised that 85.55% of the actual expenses were in labor expenses, and in FY24 the budgeted labor expenses will reach 90.51% of operating expenses.

Eve went through the budgeted expenditures by program code and noted the importance of budgeting program codes correctly and in a meaningful way, while also charging actual costs to the correct program code.

Tilleman asked about the large change in contracted services in the academic support program code. Johnson advised that she would look at the detail behind it.

Eve walked through institutional support, specifically noting that a lot of the expenses are repairs and maintenance, insurance, organizational dues, etc. These are expenses related to running the institution.

Eve presented the scholarships and waivers in the budget submission, noting that scholarships are usually funded, while waivers are not, and pointed out that grants on this are synonymous with waiver. In FY23, UM had about \$22 million in waivers and FY24 has budgeted waivers of about \$25 million. Lasiter advised that waivers are a strategic part of revenue in order to drive net tuition. Eve noted that the Athletic scholarships noted on the submission are waivers, not funded scholarships.

Eve briefly went through the budget for other fund types that are submitted to OCHE, including auxiliary, restricted, designated and loan.

Eve went through the employee FTE report, noting that employee FTE must be reported by fund type and account code to OCHE. Eve noted that these FTE numbers must tie to the related increases in expenditures.

**b. OCHE – UM-Missoula Summary Budget**

Eve broke down the revenue slide that OCHE prepares. Noting that this is how OCHE determines the state share in cost as a percentage of total budget as well as state support per resident FTE. Then expenditures, noting the program code usage showing the different percentages of expenditures to total. Eve noticed the shift in percentages for Instructional expenses, citing a change of where faculty sabbaticals were located.

Eve walked through the Staffing slide, pointing out the student to faculty ratio.

Eve noted on waivers and scholarships the increase in net tuition per FTE and the corresponding increase in waivers per FTE.