

**University Budget Committee**

**February 17, 2021**

**3:00 – 5:00 PM**

**Zoom**

**In attendance:** Kinsey Anderson, Stacey Eve, Cindy Johnson, Paul Lasiter, Christina Barsky, Dawn Ressel, Ethan Hanley, Gordy Pace, Hillary Stowell, Katie Dalessio, Kristin Person, Neil Carson, Nicholas Ververis, Reed Humphrey, Sarah Swager, Scott Whittenburg, Tony Crawford, Tom Gallagher, Mariah Mcintosh

NOTE: The University Budget Committee will only be discussing the general fund during meetings. This is the piece of the budget with the most flexibility for the sake of this committee.

1. **Revenue Review**

Revenue comes from tuition and fees and state funding. Tuition and fees net of the waivers we offer students. Net tuition since 2015 has steadily decreased. The state funds us at whatever level they determine. The appropriation from the state is not driven by a specific formula. They look at what is available and allocate accordingly. Cost escalations are not covered by the state.

We have cost escalations every year regardless of what happens to our revenue. We have decreased our spending overtime, but we are still spending much more than the amount of revenue we are bringing in

1. **SCH by School/College**

Dawn provided a chart for student credit hours (SCH) over time broken down by school/college. There was a big drop from the fall of 2020 to the spring of 2021. COVID has had an impact on SCH’s this school year. Our baseline SCH’s we want to get back to are what happened in Fiscal Year (FY) 2020.

Summer SCH’s have actually increased over the last few years. Summer offerings are still seen as an opportunity to attract more student to campus.

The next chart displayed the rate per SCH delivered. Missoula generally increased in the rate of tuition from FY11 to FY17. From FY18 to FY21 the amounts we are charging per credit hour have been declining. Part of this is a result of waivers to students

FY20 will act as the base year for the new budget model

1. **Competitive Landscape**

University of Montana is low on price for WUE and Resident tuition rates among universities in the surrounding area including those in the Big Sky Conference. Paul sees this university as being a great price for the education students are receiving. The hope is to increase the WUE & Resident tuition rates to bring in more revenue.

1. **Performance Funding Update**

Dawn shared a presentation regarding performance funding model. Each sector has its own metrics (Missoula College & Mountain campus). This model assumes constant growth, which is one potential issue with the model. Board of Regents determine a growth rate of 1% currently, so to receive performance funding you must have a growth rate of at least 1%. We are currently set up to receive less performance funding because our enrollment is falling, the system is also set up so you can receive partial funding if certain metrics are met.

Metrics for the flagship institutions include undergrad degrees & certificates, retention rates and early college enrollment. Included is weights for underrepresented group metrics.

With the current performance funding model, the potential impact is a loss of over $1 million dollars. Retention rate calculation can potentially help lower this $1.3 million impact. With the estimated retention rate calculation, it could lower the potential budget impact to $800k. It is likely that the final impact will be somewhere between $1.3 million and $800k. You are eligible to receive up to 50% of your lost revenue based on improved metrics and this is only when Office of the Commissioner of Higher Education determines that they would like to use the money in that way. They can also say that this funding is not available.