

PRESENT LAW BUDGET ESTIMATE MAY 2010

The construction of this Present Law Budget estimate for the 2013 biennium includes the assumptions outlined below.

ASSUMPTIONS:

Personal Services:

- Promotions and merit increases are campus specific.
- Faculty Termination Costs are campus specific projections.

Operating Costs:

- State Fixed Costs and Overhead charges have not been increased (awaiting specifics estimates from the executive budget process)
- IT Fixed Costs - 8% to 12%, depending on timing of licensing agreements
- Library Acquisition Costs - 9%
- Utilities are campus specific projections, utilizing the services of utility managers on the Bozeman and Missoula campuses.
- New Space projections include utilities, O & M, and insurance.
- Tuition Waivers are based on campus specific projections. Projections include utilization of board designated resident waivers.
- Other Operating Costs - 1% for educational units; specific costs for agencies.
- Unfunded Resident Students- The previous 2 biennia have funded the educational units under an assumption of flat enrollment growth for Montana students. The growth in resident students has exceeded budgeted amounts by over 1600 student FTE. The MUS continues to serve additional students without any additional state funding for FY 10 and FY 11 in accordance with the terms of the College Affordability Plan. However, moving forward into FY 12 and FY 13, the MUS requests additional funding for enrollment growth.

Reductions to State Allocations Requested by OBPP:

-\$3.4 million for the biennium (\$1.7 per year) calculated based on a 4% general fund reduction in personal services budgets

This is expected to be in addition to the \$2.7 million of cuts made during this biennium (split between fiscal years 10 and 11) and in addition to the expected loss of tuition mitigation funding of approximately \$17.6 million in the current biennium.