

## PRESENT LAW PRELIMINARY BUDGET ESTIMATE

MARCH 2016

The construction of Executive Planning Process Present Law Budget preliminary budget estimate for the 2019 biennium includes the assumptions outlined below.

The 2019 Executive Budget will use the 2017 Budget as the starting point.

### **Restoration of Base Expenditures:**

The following examples are base budget expenditures removed during the budget build process. These expenditures had to be requested via a decision package (DP) presented to the Legislature. A restoration DP that is not approved by OPBB for inclusion in the Executive budget or is reduced by the Legislature becomes a base budget reduction.

- Faculty Termination Costs
- Overtime/Extra Compensation
- Merit/Market/Compression/Inversion Pay

### **Personal Services:**

- Estimates include annualized pay plan and health insurance increases authorized in FY 16 and FY 17
- 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)
- Utilities costs are not final as of March 2016 awaiting campus specific projections, utilizing the services of utility managers on the Bozeman and Missoula campuses
- New Space (annualized) projections includes staff, utilities, O & M, and insurance, for buildings previously authorized by the Legislature
- Other Operating Costs – limited to 2% for educational units and for agencies
- Library Acquisition Costs - 6%
- Information Technology Fixed Costs-7%