

MONTANA BOARD OF REGENTS OF HIGHER EDUCATION
Policy and Procedures Manual

SUBJECT: FINANCIAL AFFAIRS

Policy 970.1 - Biennial Allocation of State Funding to Montana University System campuses.

Adopted: March 8, 2013

I. Board Policy

A. Appropriation Distribution Program. This policy structures an allocation methodology to be used in the distribution of state funding to the University of Montana affiliated campuses and the Montana State University affiliated campuses. Funding to be distributed to educational units through this methodology is detailed in the Appropriation Distribution Program of the general appropriation act, as Appropriation Distribution Transfers, and includes state general fund and state special revenue from the statewide six-mill property tax levy.

B. Biennial Appropriation. The funds labeled as Appropriation Distribution Transfers are presented in the general appropriations act with separate fiscal year appropriation totals. Language included in the general appropriation act has treated the appropriations as a single biennial lump-sum appropriation in recent approved budgets. The biennial appropriation provides some flexibility in moving appropriations authority between fiscal years in a biennium.

C. Appropriated to Board of Regents. Funding is appropriated to the Board of Regents on behalf of the university system units and is contingent upon the approval of a comprehensive operating budget by October 1 of each fiscal year. 17-7-138(2) MCA.

II. Procedures

~~A. Allocation to Presidents. The methodology will result in the allocation of state funding to the President of the University of Montana and the President of Montana State University. Each President will be responsible for recommending the allocation of funding to their respective affiliated campuses. The Office of the Commissioner will continue the process of distributing state funding to the campuses.~~

A. Three Year Average of Resident Student FTE's. The allocation ~~to Presidents~~ calculation will utilize an individual campus percent share of the MUS three year average of the resident student FTE count for the most recent in the three most recent consecutive years as the primary driver in the distribution of funds, as recorded in the official Montana University System enrollment reports. The three year average resident student FTE calculation will be for the University of Montana unit and the Montana State University unit. Other allocation drivers may include, but are not limited to, the cost of education, student to faculty ratios, and tuition and state appropriations per student in relation to peers.

B. Biennial Computation. The allocation calculation and related allocations to ~~affiliated~~ campuses will be made once each biennium by the Office of the Commissioner, subsequent to the adjournment of the legislature, and normally presented to the Board of Regents for approval at their May meeting in odd numbers years. Although a biennial calculation, the fiscal year totals included in the general appropriation act will need to be respected. Therefore the biennial calculation will require two parts. One related to the appropriation total for the first year of the biennium and a similar calculation for the appropriation total for the second year of the biennium. Once the allocation is approved by the Board, any recommended changes will need to be brought to the Board for their consideration.

C. Previous Allocation Calculations Voided. A new allocation calculation will be made for each biennium. Previous distribution calculations are voided with the start of each new biennium.

D. Special Distribution Items. Certain amounts included in the Appropriation Distribution Program will need to be deducted from the appropriation prior to the allocation calculation. Those items include appropriations for the motorcycle safety program, Yellow Bay, medical residency program, legislative

audit, and approved legislative budget decision packages for new or expanded programs in the biennium in which the decision package was adopted.

E. Board of Regents Discretionary Funding. The Board of Regents has routinely approved the allocation of a certain amount of funding from the Appropriation Distribution Transfers total to the Office of the Commissioner. Such allocations have been utilized to address high priority MUS needs and/or programs. The amounts have normally been allocated to the Office of the Commissioner following the biennial allocation computation.

F. Performance-based Funding. The Board of Regents may adopt certain institutional performance goals or measures and direct that a portion of the state appropriation be allocated based on the achievement of those performance goals or measures. Allocations to campuses will need to be adjusted to reflect this process.

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