

Campus Responses - FY12 Budget Questions

Instructional Expenditures

If Instructional expenditures comprise less than 50% of your operating budget, explain what you are doing to increase expenditures in this area. If Instructional expenditures are above 50%, provide examples of what you have done to keep the percentage at that level.

UM MISSOULA

- UM strives to provide the proper investment for students however like all institutions in the Montana University System, UM is slightly but not materially below the goal of spending 50% of the expenditures on instruction. Consistent with the MUS strategic plan, UM has set a goal of 70% of general funds allocated to Instruction, Academic Support and Student Services as opposed to just looking at the percentage spent in instruction. In FY12 UM spent 67.1% of the budget in these key areas and is projecting to spend 68.0% in FY13.
- As outlined in our strategic plan, UM plans to reach the 70% of general funds allocated to Instruction, Academic Support and Student Services by improving the student to faculty ratio, student to staff ratio, and offering more competitive faculty salaries.

MT TECH

Montana Tech has consistently exceeded the 50% threshold in total instructional expenditures, The five-year (FY 2008 through FY 2012) instructional expenditures as a percent of total expenditures was 53.0% and FY 2013 budgeted is 54.9%.

When enrollment projections or targets are achieved or nearly achieved, Montana Tech has consistently reinvested the enrollment contingency primarily into one-time-only expenditures in the instructional program. Reinvest has occurred in the areas of classroom/lab equipment and upgrades, program and content development, and part-time faculty to cover additional class sections. This reinvestment of the majority of the enrollment contingency into the instruction program has allowed us to keep our instructional expenditures at or above 50%.

UM WESTERN

- Our total Instructional expenditure is 0.4% below the 50% target for FY13 budgeted and 0.7% below the target for FY12 actual. We have remained very close to the target for several years.
- NOTE: Both the FY12 instructional expenditure ratio and the FY13 ratio will be affected by the fact the Montana Western faculty association has not settled their contract. This means a faculty salary increase is not reflected in these data.
- Montana Western uses the combined 70% budget target in Instruction, Academic Support, and Student Services in developing the annual budget. We have met that target consistently for several years.

HELENA COLLEGE

Instructional expenditures are budgeted at 49% of total current operating fund expenditures in FY13. This is up from 47.3% in FY09. The additional funds allocated to Helena College have allowed the college to hire additional faculty which has brought the percentage up closer to the 50% target. The college will continue to review personnel needs and operating costs in an effort to reach and maintain the 50% target.

MSU BOZEMAN

Expenditures by Program

	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY12 Budgeted	FY13 Budgeted
Instructional Exp / FTE	\$5,994	\$6,111	\$6,214	\$5,815	\$5,710	\$5,983	\$6,322
Percent of Total Exp	49.6%	48.5%	48.5%	47.5%	46.0%	46.4%	47.9%
Instruction/Academic/Student	\$8,411	\$8,663	\$8,774	\$8,332	\$8,155	\$8,529	\$9,058
Percent of Total Exp	69.6%	68.8%	68.4%	68.0%	65.7%	66.2%	68.7%

MSU’s FY13 budget projects an increase to 47.9%, from 46.0% in FY12 (actual), of instruction expenditures as a percent to total expenditures. Our total FY13 budget is \$168.6 million, which is \$15.2 million more than FY12 actual expenditures. Included in the FY13 budget is an increase of \$10.27 million (67.4% of total) for Instruction and \$4.8 million for Academic Support/Student Services. Thus, 99% of the \$15.2 million increase is allocated for Instruction, Academic Support, and Student Services (MUS goal is 70%).

Increasing our total instructional expenditures to 50% or more of our total expenditures is a constant consideration as we make funding decisions at MSU. Our Budget Council keeps a close eye on this metric and provides funding recommendations that support progress toward the target as much as possible. For example, \$3.3 million in base funding and \$1.2 million in one-time only funding was added to the Academic Affairs budget in FY12 for additional class sections and new faculty lines. Additionally, \$534,500 of the total \$1.2 million in strategic investment proposals in FY12 was allocated to proposals directed at instructional expenditures. Another \$250,000 was allocated to academic support (\$189,000 for Undergrad Scholars and \$61,000 to the Writing Center), plus \$275,000 to Counseling Services for a total of \$1,059,500 to instruction, academic support and student services. As mentioned previously, MSU has budgeted \$2M for additional strategic investments in FY13, much of which will be allocated to support instructional and academic support activities.

Despite continued monitoring of this metric and diligent effort to achieve the 50% target, MSU recognizes that some challenges exist in attaining it. First, salaries and benefits are 88.6% of the total instruction budget, so if salary increases are not approved by the legislature, it is challenging to make gains in this metric while at the same time utilities, library acquisitions and other costs continue to increase. We have added instructional resources for enrollment growth over the past few years, but the large base of instructional salaries have remained relatively flat. Another reason MSU finds it challenging to achieve 50% of total expenditures on instruction is that investments in classroom

renovations and student scholarships do not count toward the total. We feel these expenditures are directly related to instruction and the success of our students, but they must be recorded in programs other than instruction due to accounting practices. Finally, MSU needs to streamline administrative processes to become more effective and efficient. This will require some initial investment, preventing greater funding allocations toward instruction. However, future savings can then be invested in instruction while keeping our administrative costs lower than today on a per student basis and as a percent of our total costs.

MSU BILLINGS

Expenditures by Program

	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY12 Budgeted	FY13 Budgeted
Instructional Exp / FTE	\$4,186	\$4,413	\$4,420	\$3,662	\$4,203	\$4,258	\$4,543
Percent of Total Exp	47.6%	47.4%	47.8%	41.7%	47.4%	48.3%	48.4%
Instruction/Academic/Student	\$6,034	\$6,338	\$6,324	\$5,532	\$6,132	\$6,136	\$6,403
Percent of Total Exp	68.7%	68.1%	68.4%	62.9%	69.2%	68.2%	68.2%

a. **Strategies to increase instructional percent to 50%**

- (1) Reallocation of current operating budgets from other programs, specifically to contract faculty lines and faculty professional development
- (2) Advocacy for higher faculty salaries
- (3) Collaboration with Student Affairs and Administrative Services to sustain increases in instructional expenditures over time

b. In line with the MUS strategic plan, our focus is on **strategies to increase the instructional, academic support, student services combined percentage of the budget to 70%**

- (1) Same as above strategies
- (2) Adding resources for student academic and support services to improve retention
- (3) Strategically reduce costs to focus on core academic mission

MSU NORTHERN

Expenditures by Program

	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY12 Budgeted	FY13 Budgeted
Instructional Exp / FTE	\$5,187	\$5,186	\$5,273	\$5,452	\$5,101	\$5,236	\$5,376
Percent of Total Exp	43.9%	42.0%	43.0%	44.1%	41.3%	43.8%	43.5%
Instruction/Academic/Student	\$8,200	\$8,232	\$8,331	\$8,569	\$8,356	\$8,335	\$8,756
Percent of Total Exp	69.4%	66.6%	67.9%	69.3%	67.6%	69.7%	70.9%

For the past four years, instructional expenditures at MSUN have fluctuated slightly, from 42% (FY09) to 41.3% (FY12). The decrease in FY 12 is partially attributed to five vacancies in faculty ranks which were

not filled, either through failed searches or a conscious decision to keep the position open due to enrollments. In the FY13 budget, we are projected to expend 43.5% of our funds on instruction because we have focused on aggressively filling faculty positions within areas that we have identified as strategically important (e.g., sustainable energy technology, criminal justice, nursing, diesel technology). We are further working to increase our ratio to the desired 50% as follows:

- Evaluate all academic programs based on stringent metrics related to number of majors, semester credit hours generated, cost per student, relevancy of current offerings, etc.;
- Upon completion of program evaluation, fill any vacant faculty positions with a focus on strategic hiring in programs that we identify for growth.

GREAT FALLS COLLEGE

Expenditures by Program

	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Actual	FY12 Budgeted	FY13 Budgeted
Instructional Exp / FTE	\$4,442	\$4,305	\$3,922	\$3,776	\$3,565	\$3,955	\$3,812
Percent of Total Exp	55.2%	54.9%	54.2%	52.5%	50.1%	51.8%	52.4%
Instruction/Academic/Student	\$5,937	\$5,796	\$5,360	\$5,325	\$5,097	\$5,531	\$5,398
Percent of Total Exp	73.8%	74.0%	74.1%	74.1%	71.7%	72.5%	74.2%

Great Falls College MSU prides itself on the fact that the percent of total expenditures spent on instruction has been higher than 50% and instruction, academic support and student services has been above 70% the last five fiscal years .

Great Falls College MSU makes targeted investments in instruction, including new equipment for the trades programs and the new SIM Hospital as well as new full-time faculty positions (three new positions for FY13). With the addition of the new Advising Center last fiscal year, and the hiring of three new professional advisors, the increase in student services expenditures has kept Great Falls College MSU at a spending level about the 70% MUS goal for those three programs.

DAWSON CC

Instructional expenditures at Dawson Community College are below 50% because we have been unable to fill several faculty positions due to contract dictated low salaries and the competition from the lucrative employment opportunities provided by the energy boom in the Bakken.

FLATHEAD VALLEY CC

FVCC's has maintained instructional expenditures in a narrow range between FY2008 and FY2012. We have increased instructional expenditures as a percent of our budget from 42.3% in FY2010 to 45.4% in FY2012. We are budgeting for a slight increase in FY2013. The campus will continue to ensure we maintain the appropriate balance of resources to ensure the instructional quality of the college is maintained.

MILES CC

Miles Community College instructional expenditures are below 50%. Since our campus is small and our fixed costs are high, expenditures have traditionally been centralized. We have made progress toward decentralizing expenses and prioritizing instructional expenses in the budget planning process.