

FY26 Operating Budget Overview

Montana University System

September 2025
Office of the Commissioner of Higher Education

Operating Budget Overview

TOPICS

❖ System-level Summary

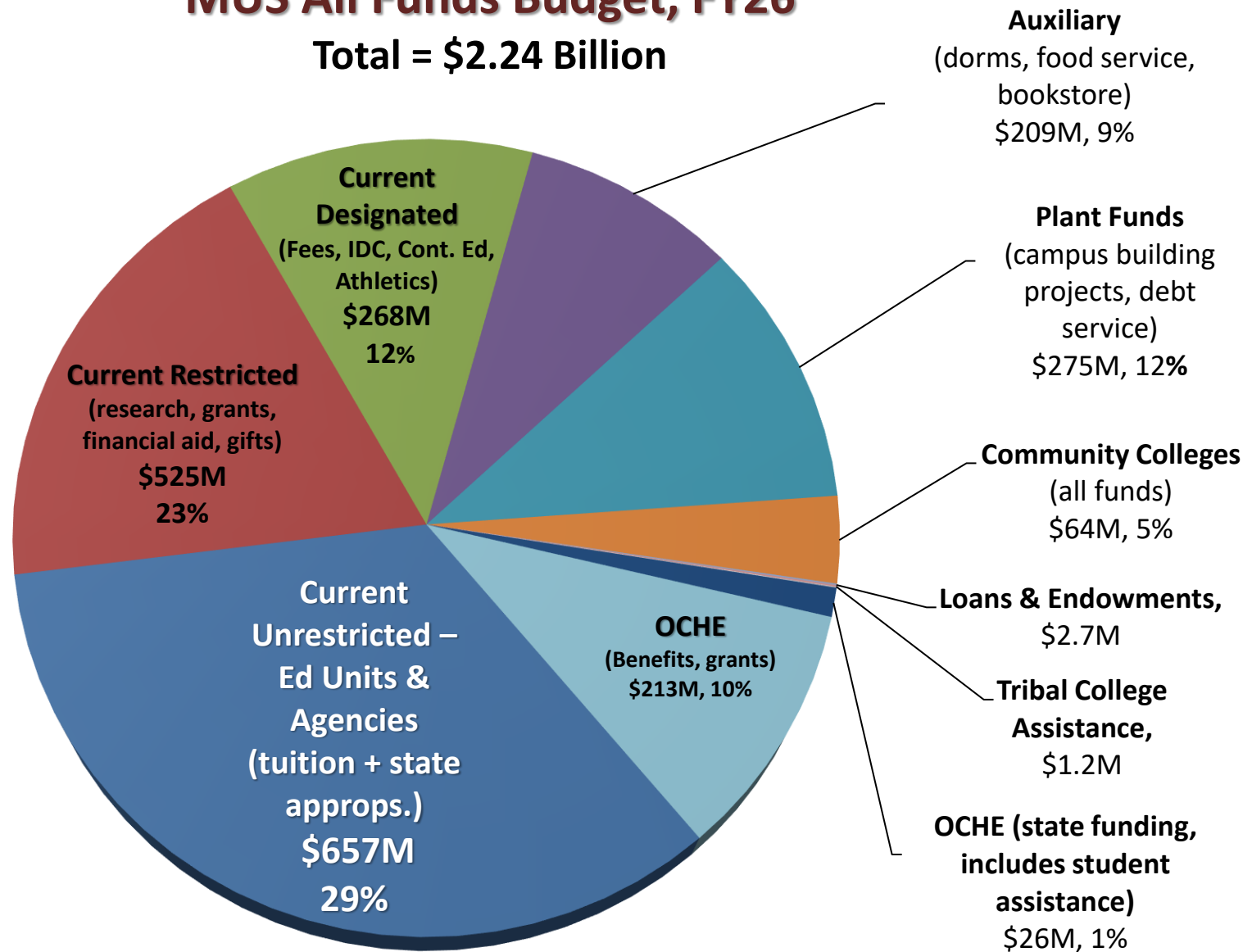
- All Funds Budget
- Budget Update / History / National Comparisons
- Operating Budget Metrics

❖ Campus-level Analysis

- Use metrics and benchmarks to guide analysis
- Consistent formats using longitudinal data to compare trends
- Revenue | Expenditures | Staffing | Waivers | Enrollment

MUS All Funds Budget, FY26

Total = \$2.24 Billion

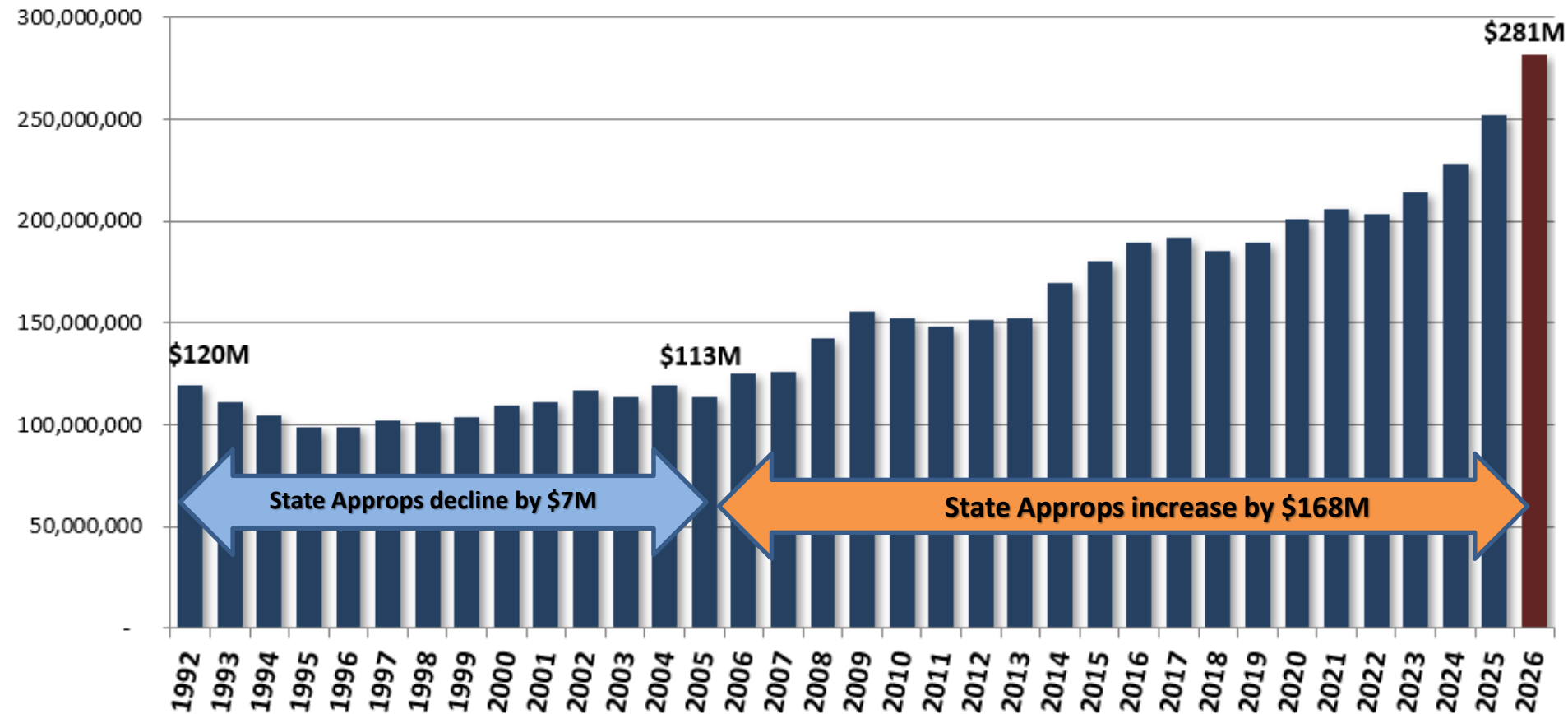


MUS All Funds Budget

	FY 2025 Actual	FY 2026 Budgeted	Difference	
			\$\$	%CHG
Ed. Units & Agencies				
Current Unrestricted	609,300,919	656,846,962	47,546,043	8%
Current Restricted	484,807,108	524,618,852	39,811,744	8%
Current Designated	269,696,928	267,682,050	-2,014,878	-1%
Auxiliary Enterprises	192,897,424	208,747,722	15,850,298	8%
Loan & Endowment Funds	2,532,914	2,720,986	188,072	7%
Plant Funds	298,886,177	275,237,306	-23,648,871	-8%
Ed. Unit/Agency Total	1,858,121,470	1,935,853,878	77,732,408	4%
Community Colleges Total	60,295,995	63,587,600	3,291,605	5%
Tribal College Assistance	882,535	1,193,640	311,105	35%
OCHE (general fund) <small>includes student assistance</small>	24,245,834	25,802,924	1,557,090	6%
OCHE (Federal, SS, Private, & Proprietary)	194,811,035	213,828,006	19,016,971	10%
TOTAL ALL FUNDS	\$2,138,356,869	\$2,240,266,048	101,909,179	5%

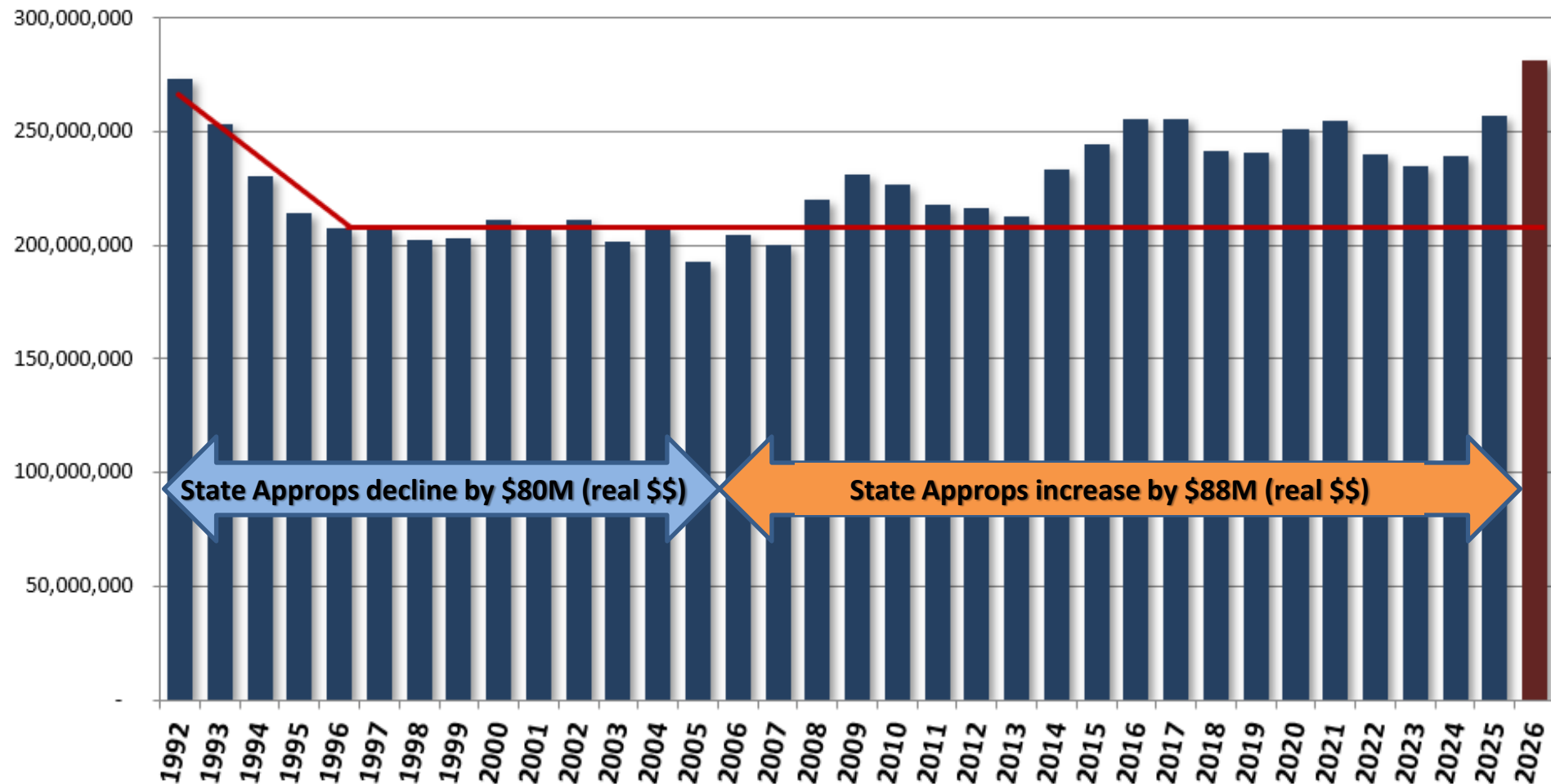
The expenditure of money appropriated in the general appropriations act to the Board of Regents...as defined in §17-7-102, MCA, is contingent upon approval of a comprehensive operating budget...

State Appropriations – MUS Ed. Units



1992 – 2005 flat/defunded era; 2006-2026 state investment era

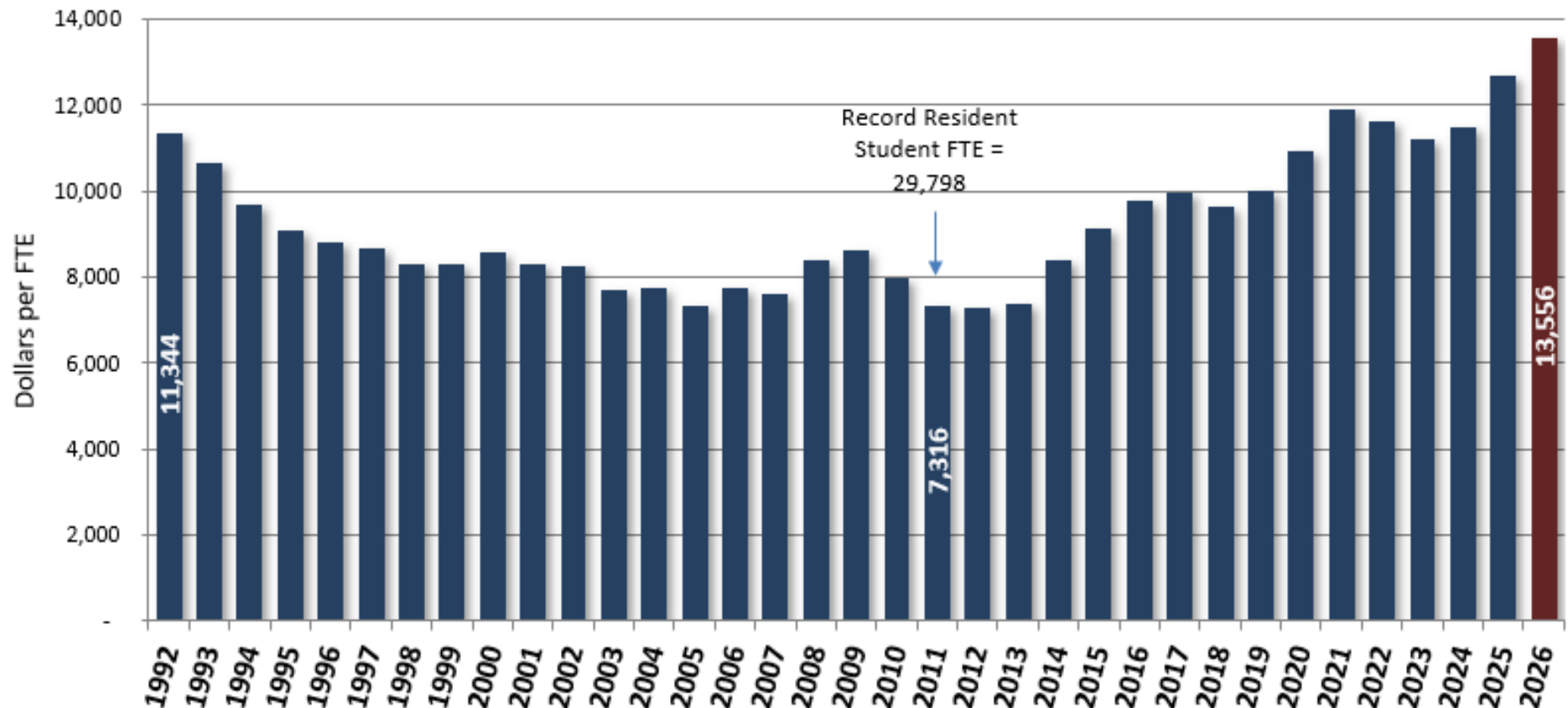
State Appropriations -- MUS Ed. Units (2025 constant dollars)



FY26 marks the first year MUS receives more state approps than 1992 (inflationary adj)

State Appropriations per Resident Student FTE – Ed Units Only (2025 constant dollars)

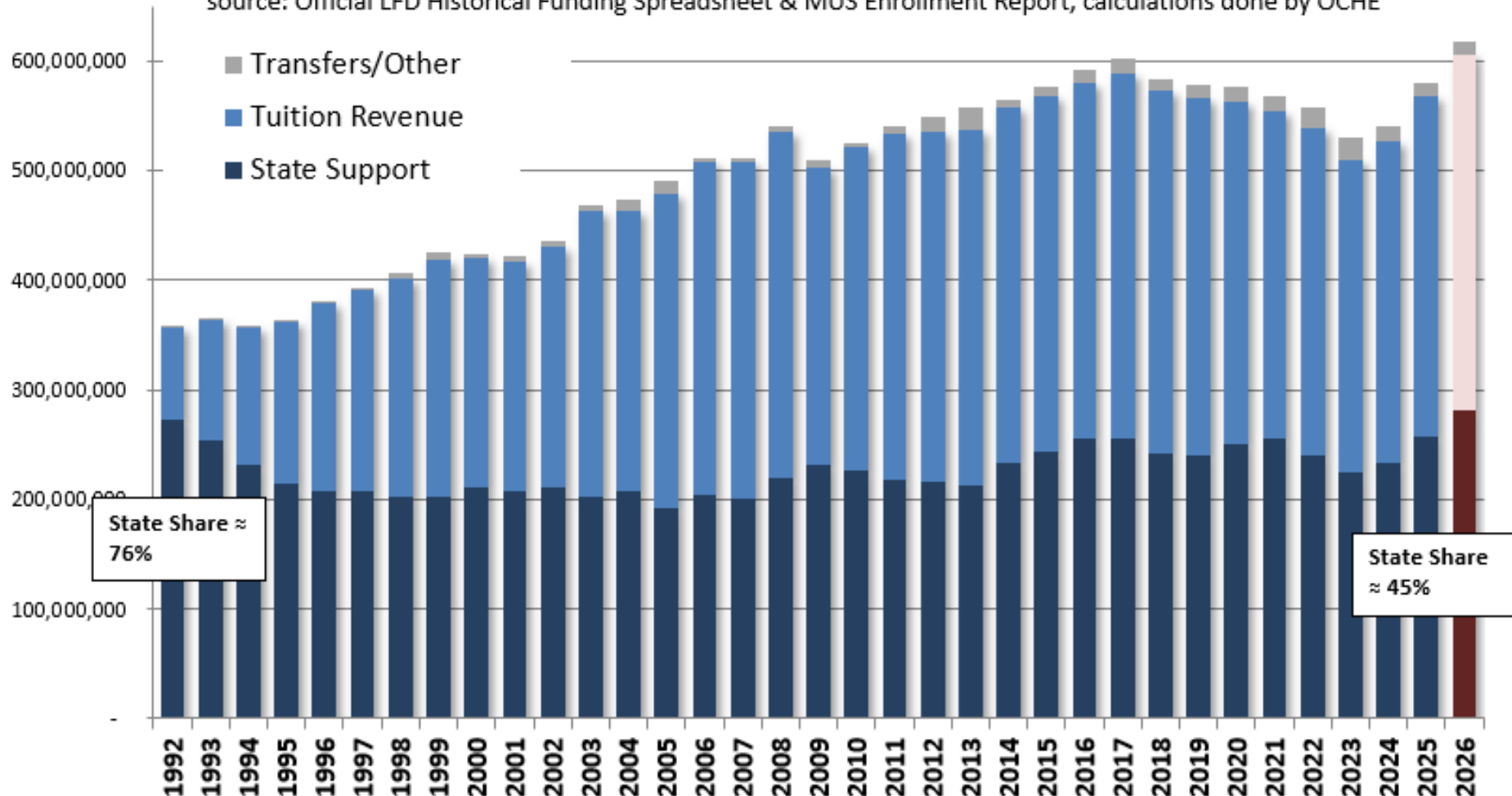
source: Official LFD Historical Funding Spreadsheet & MUS Enrollment Report, calculations done by OCHE



Funding per resident student surpassed the 1992 high mark in 2021

Current Unrestricted Funds - Ed Units Only (2025 constant dollars)

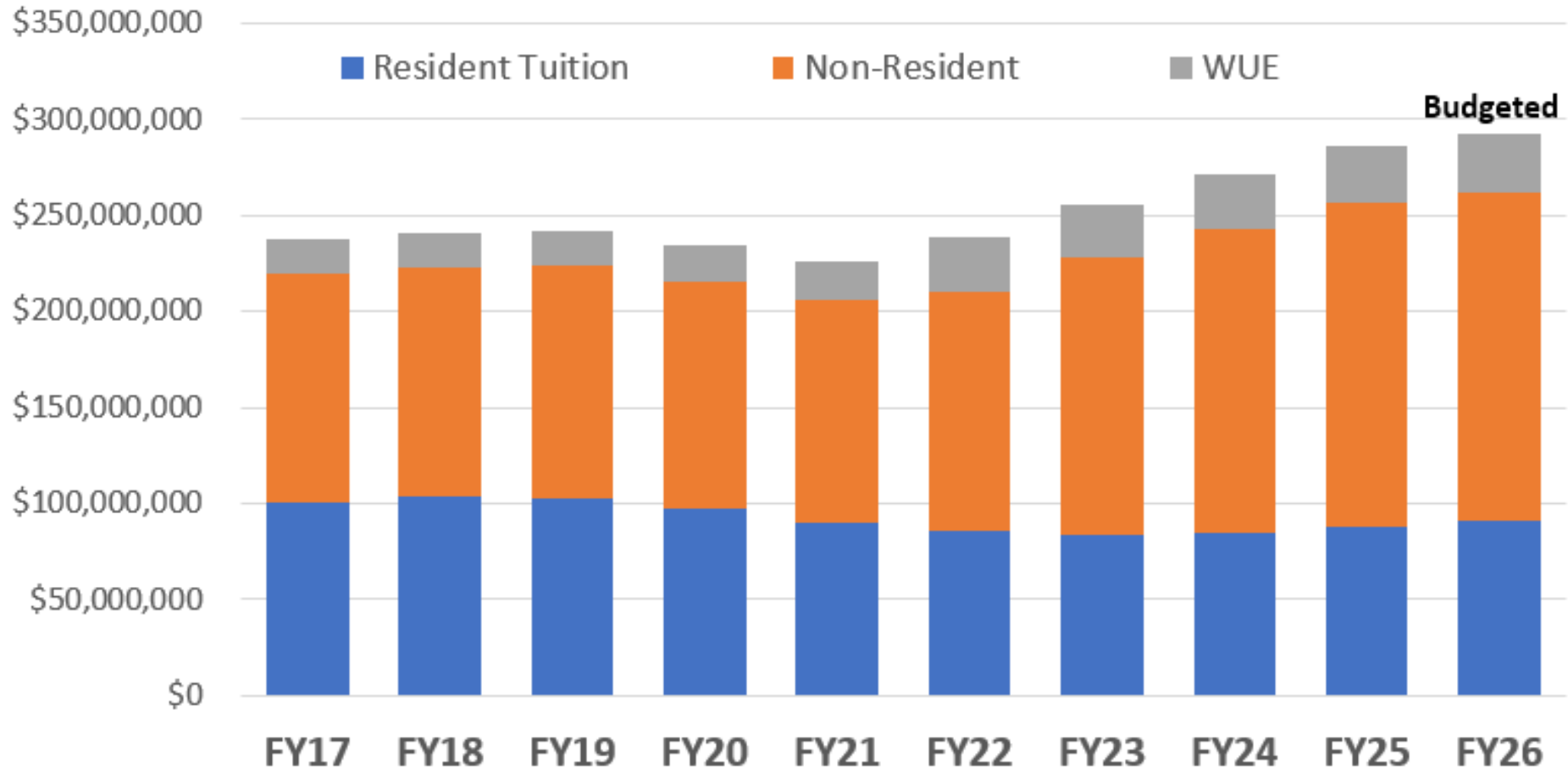
source: Official LFD Historical Funding Spreadsheet & MUS Enrollment Report, calculations done by OCHE



State % Share has dropped from 76% to 45% over past 30 years

Net Tuition Revenue

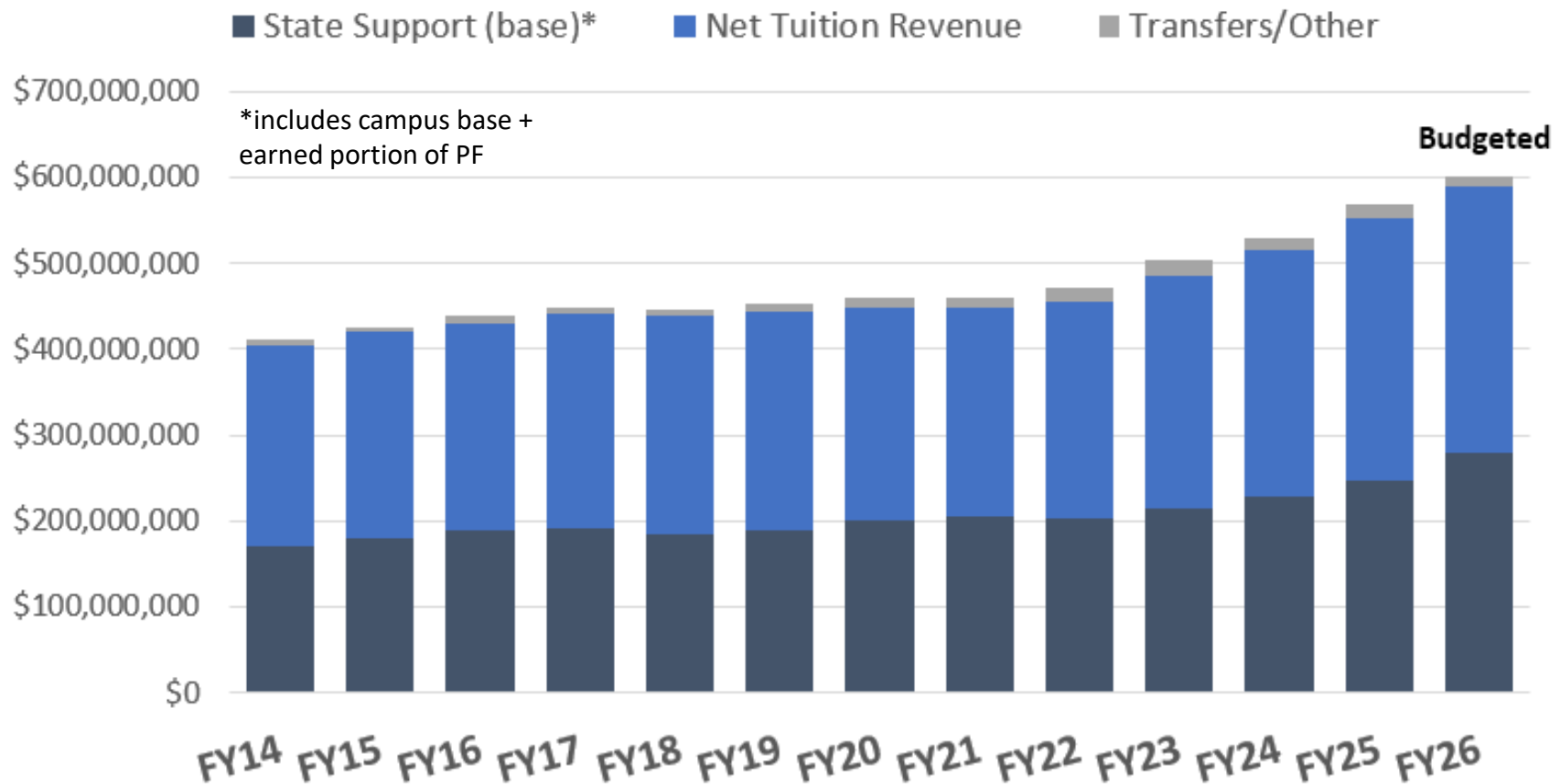
(does not include program tuition and general fund fee revenue)



Tuition revenue projected to be up 2.5%:

Resident Tuition = 5%, Non-resident = 1%, WUE = 4%

MUS Current Unrestricted Revenue - Operating Budget

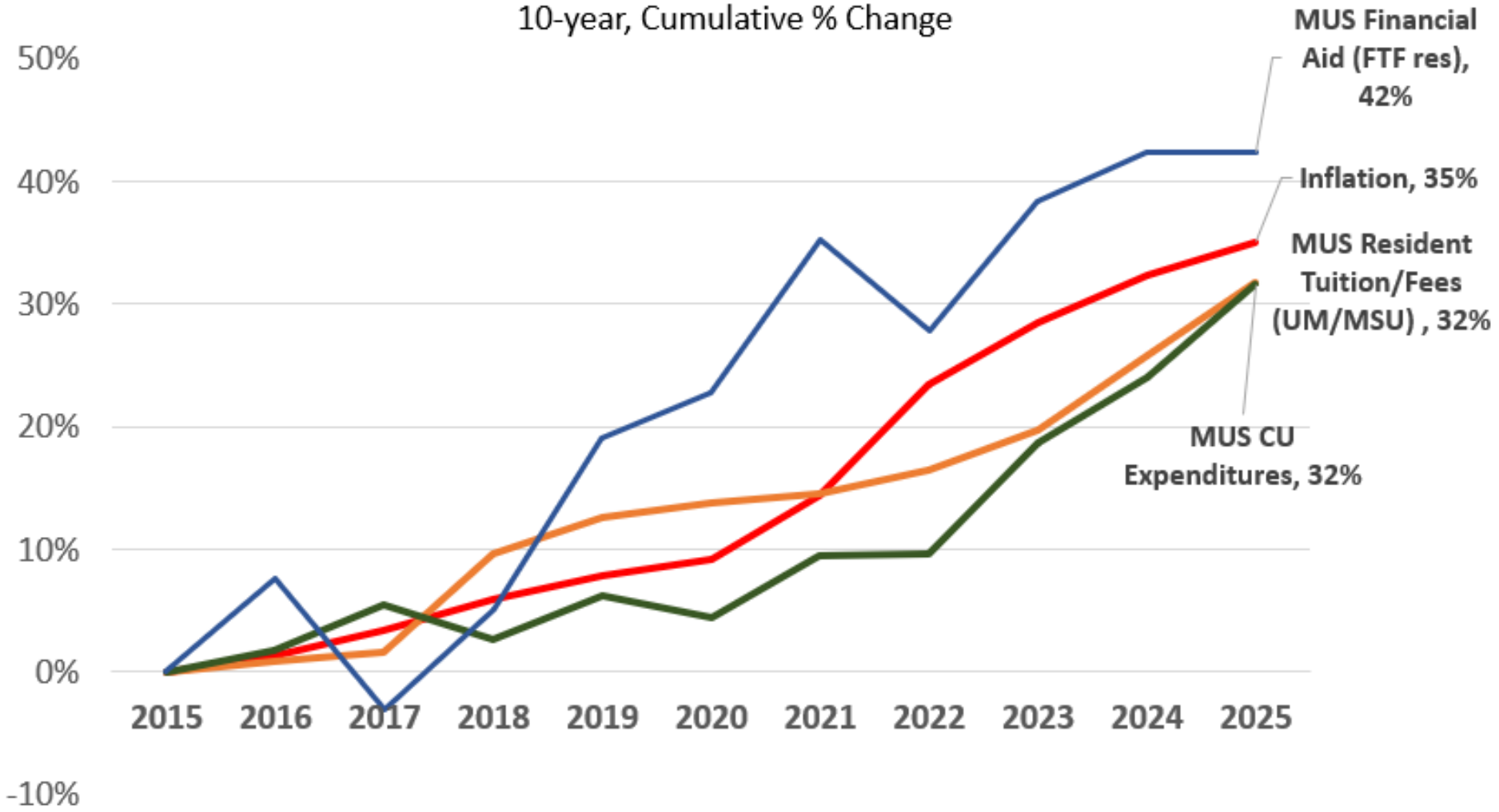


Current Unrestricted Revenue budgeted to increase by \$43M (8%)

- 1) State Support up \$31M (13%) **present law/pay plan**
- 2) Tuition Revenue up \$5.7M (2%) **tuition increases + enrollment growth**
- 3) Transfers/Other down \$4.5M

Growth of Key Budget Drivers

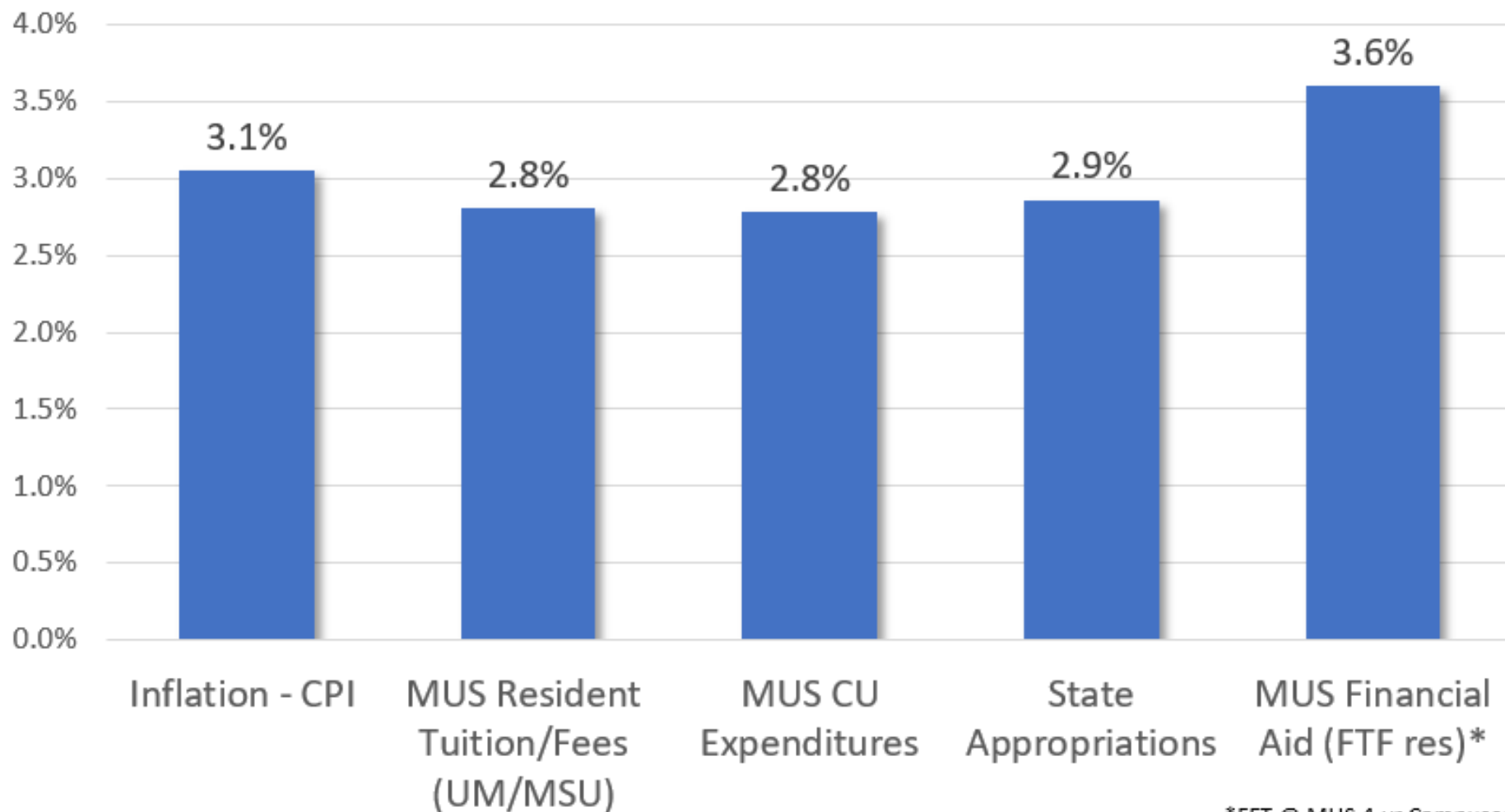
10-year, Cumulative % Change



Tuition/Fees and MUS Expenditures have mirrored the growth of inflation.

Growth of Key Budget Drivers

Compounded Annual Growth Rate, FY15 - FY25

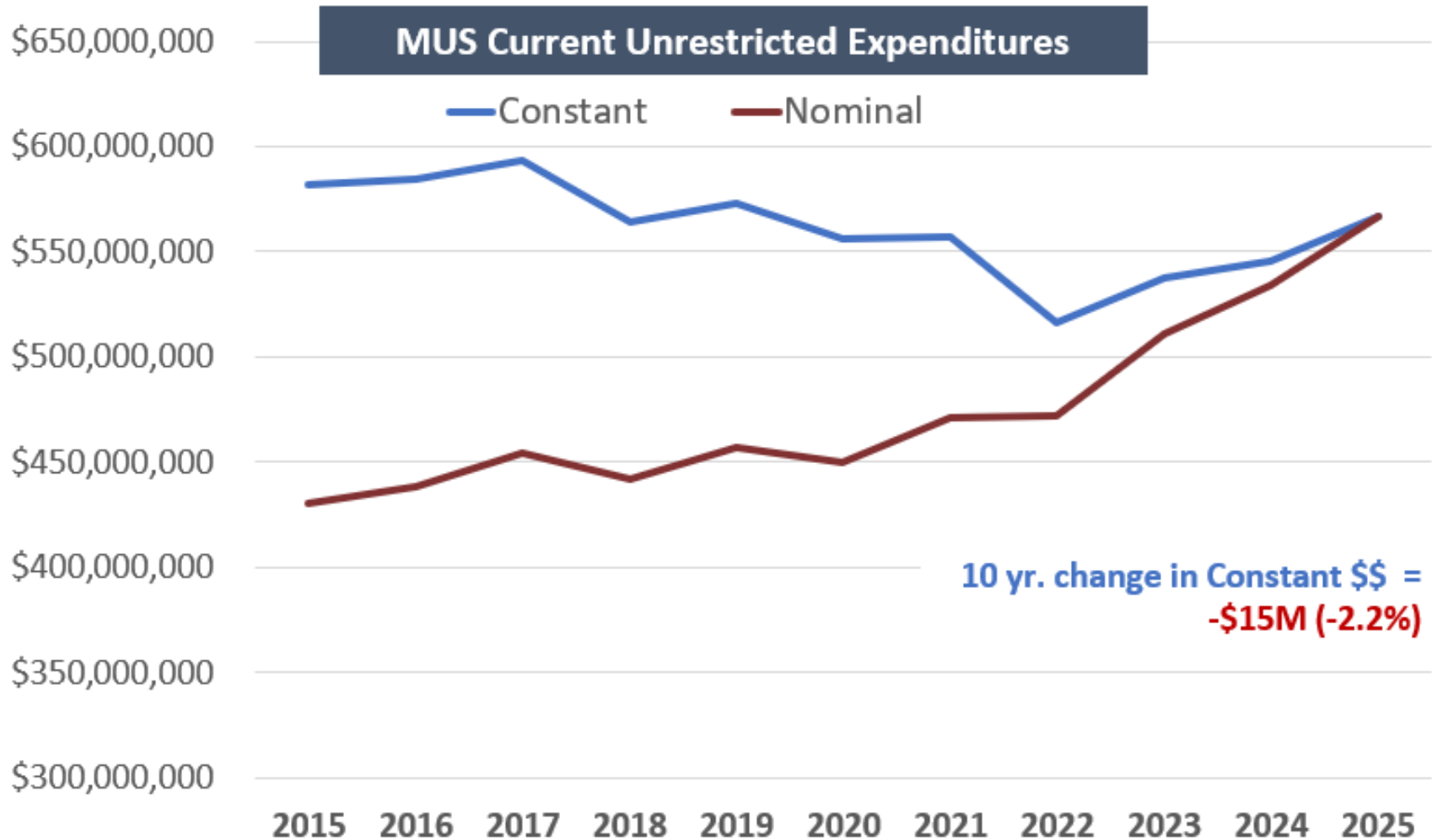


*FFT @ MUS 4-yr Campuses

Growth in Financial Aid has outpaced other budget drivers.

Growth of Key Budget Drivers

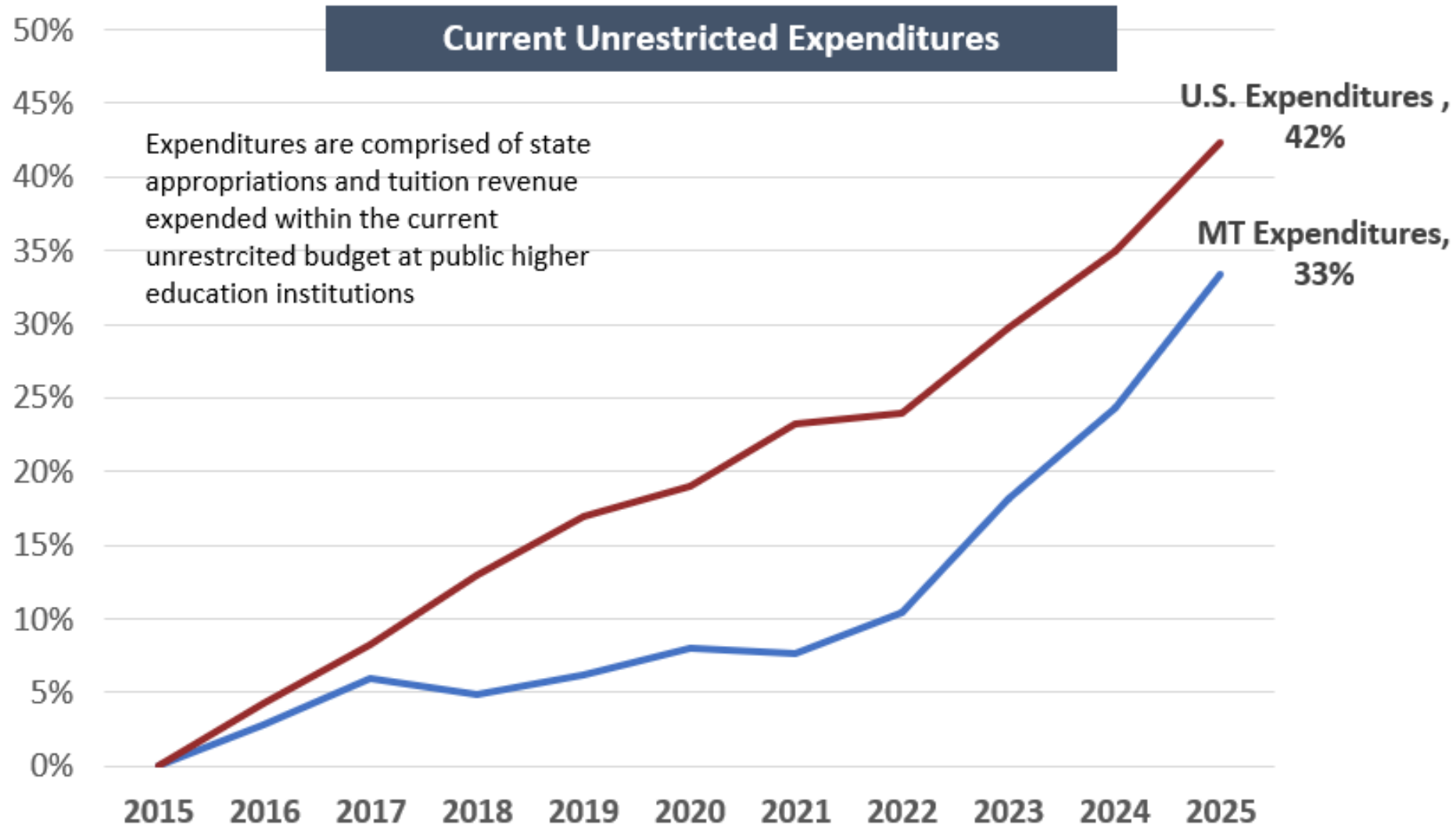
(2024 Constant Dollars)



In constant dollars, MUS expenditures dropped by \$15M over the past 10 years.

Growth of Key Budget Drivers

10-year, Cumulative % Change

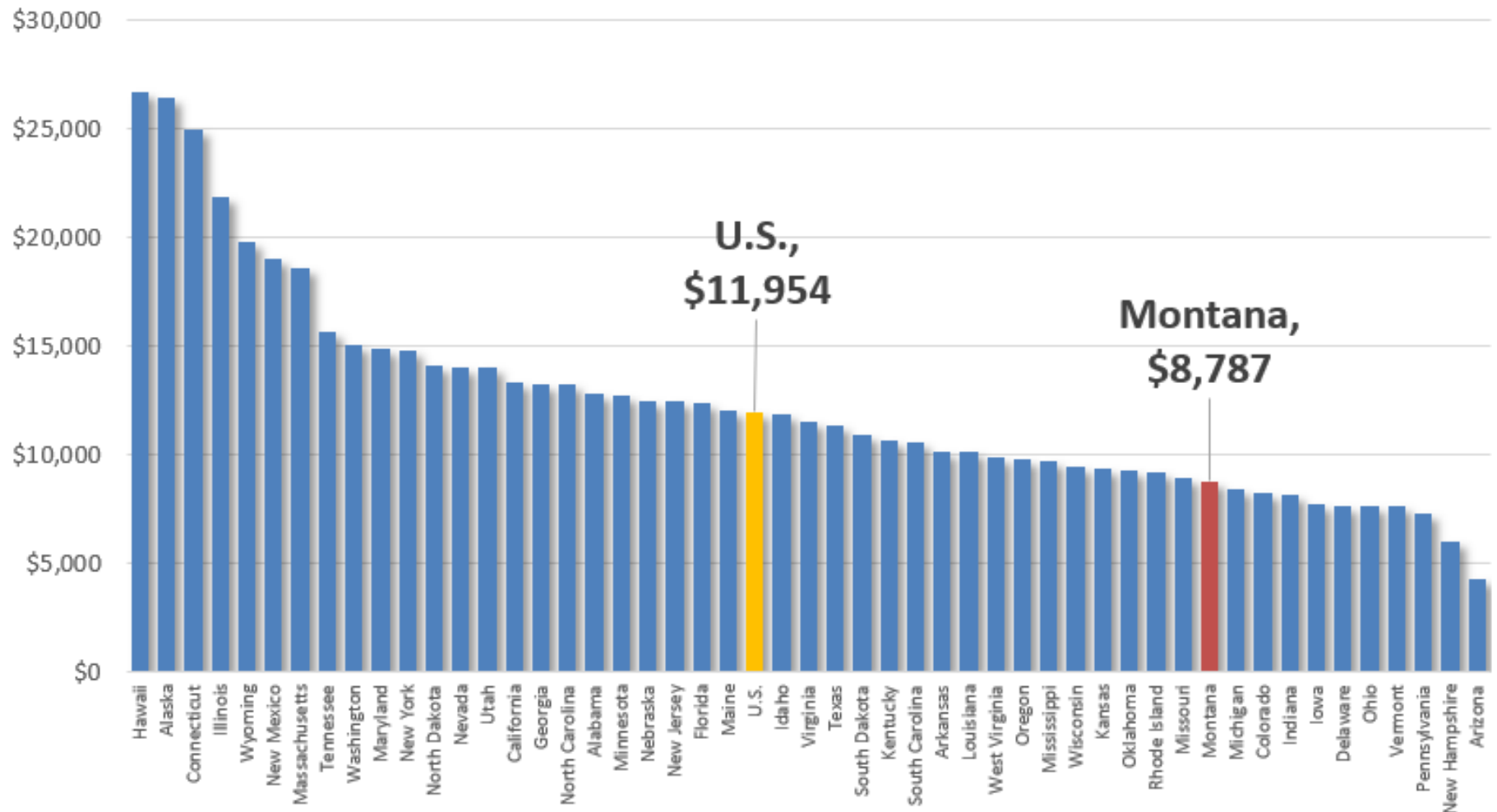


Growth in Higher Ed. expenditures nationwide outpaced increases in the MUS.

State Appropriations per Student FTE, FY24



(includes CC's)



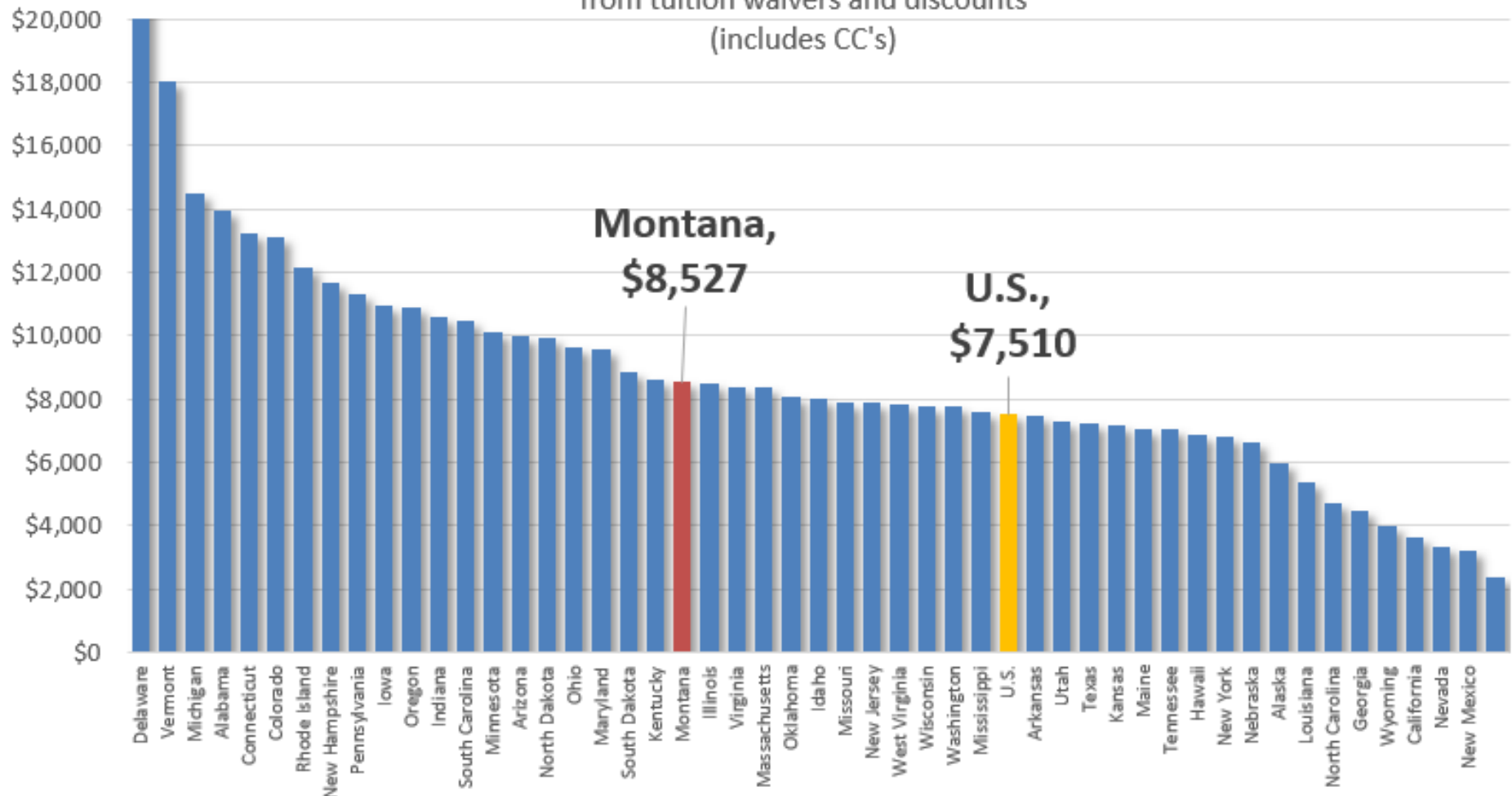
State Higher Education Executive Officers Association. State Higher Education Finance.

MT is below the national average and among of the lower third of states

Net Tuition Revenue per Student FTE, FY24



Net tuition revenue is calculated by taking the gross amount from tuition, less institutional aid from tuition waivers and discounts
(includes CC's)



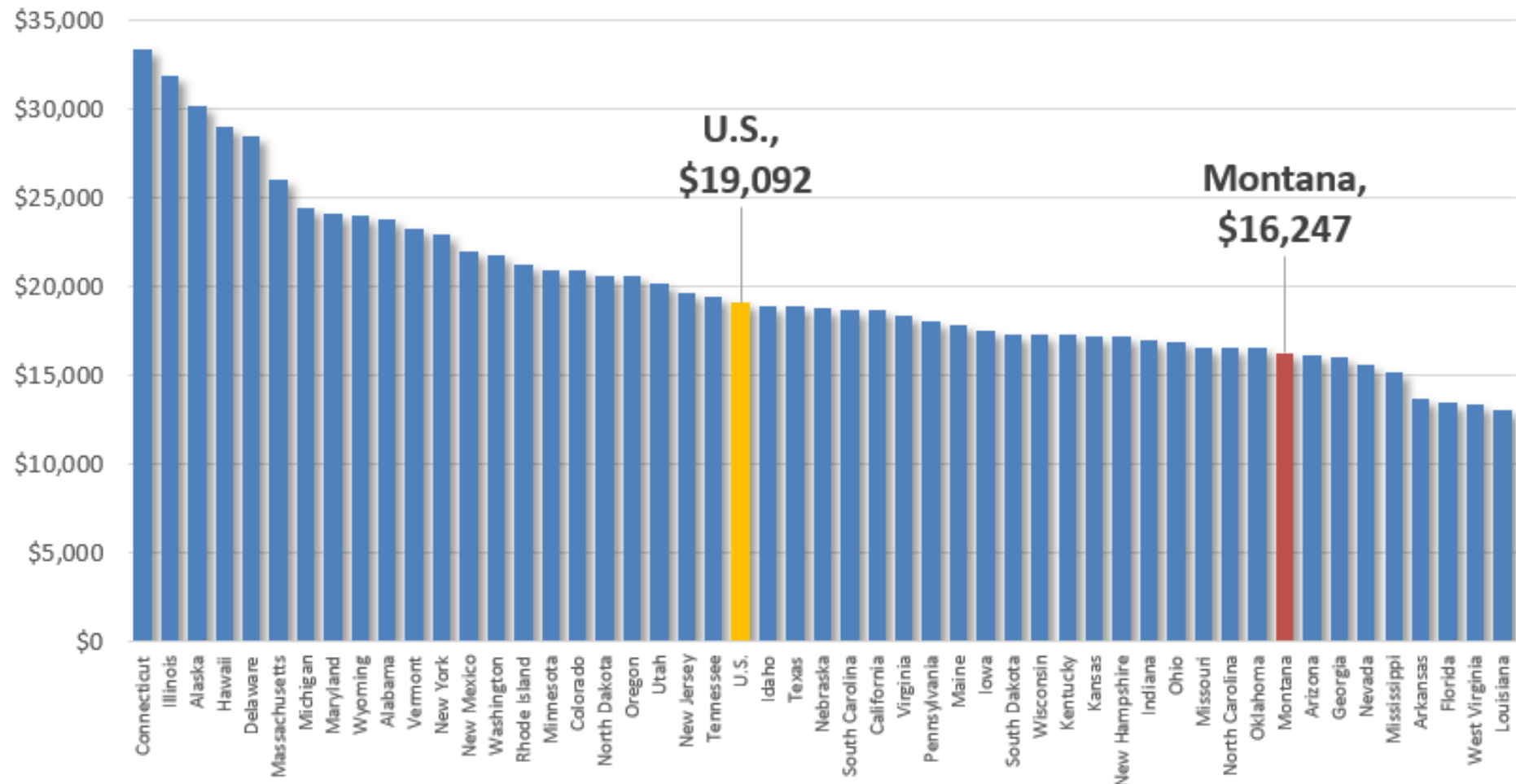
State Higher Education Executive Officers Association, State Higher Education Finance

MT is above the national average in the amount of net tuition received per student

Educational Revenue per Student FTE, FY24



Educational revenue is the sum of public higher education state appropriations and public in-state and out-of-state net tuition. (includes CC's & state funded financial aid)

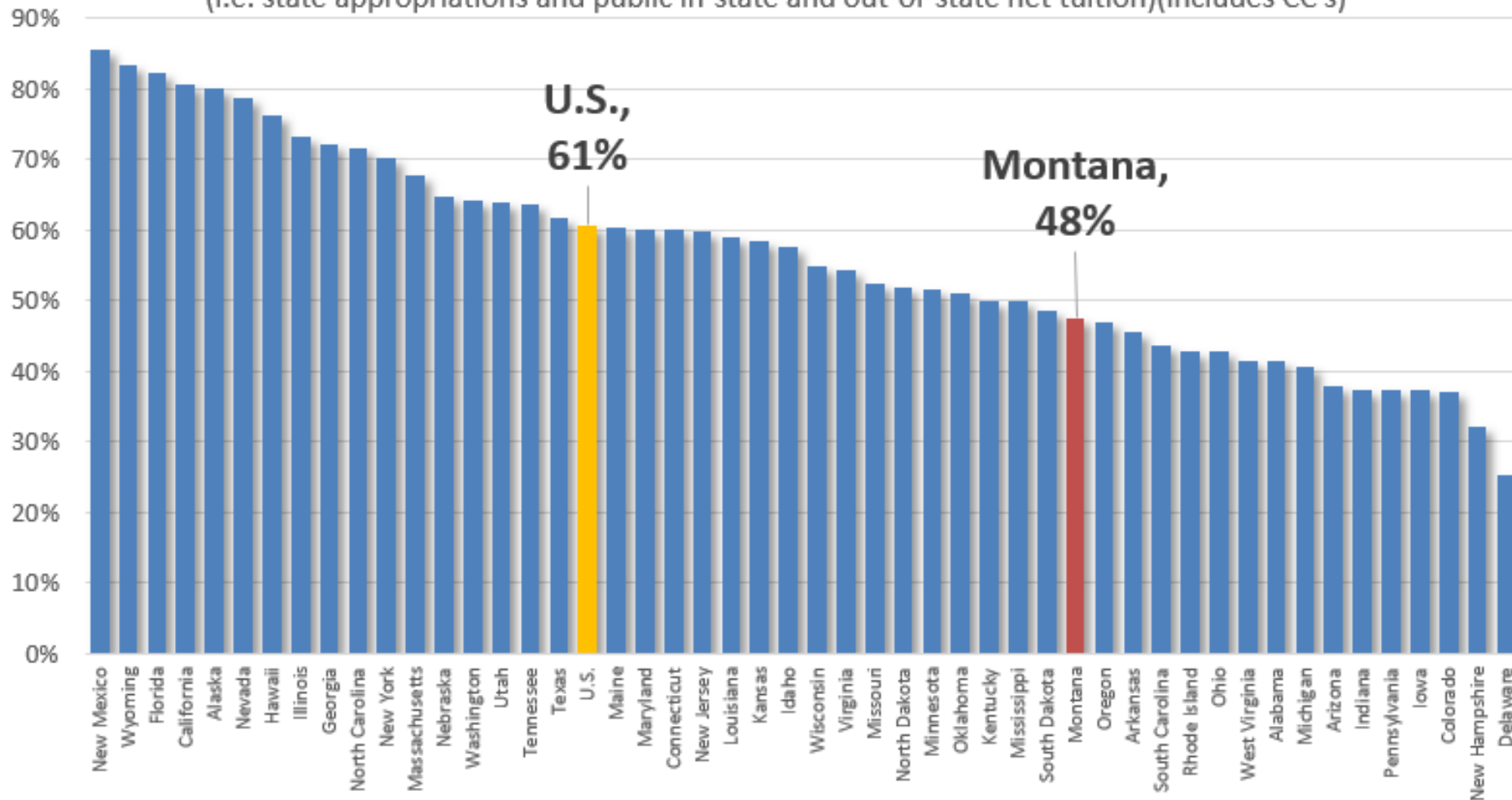


State Higher Education Executive Officers Association. State Higher Education Finance:

MT ranks in the lower third in the nation in total funding per student

State % Share, FY24

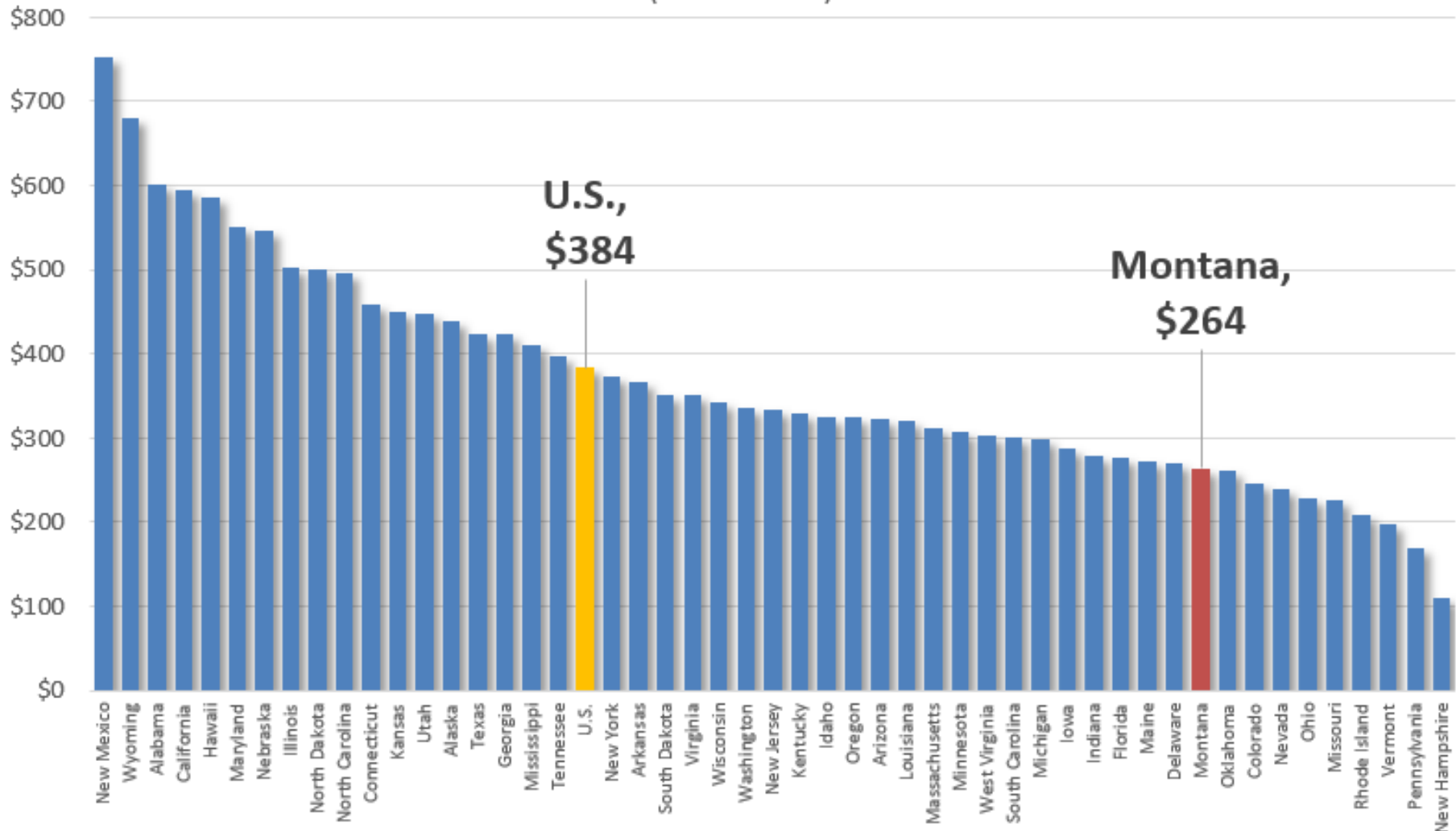
State appropriations as a percent of public higher education total educational revenue (i.e. state appropriations and public in-state and out-of-state net tuition)(includes CC's)



State Higher Education Executive Officers Association. State Higher Education Finance.

MT is below the national average, but in the mid-section of state rankings for State % Share

State & Local Support per Capita, FY24 (includes CC's)

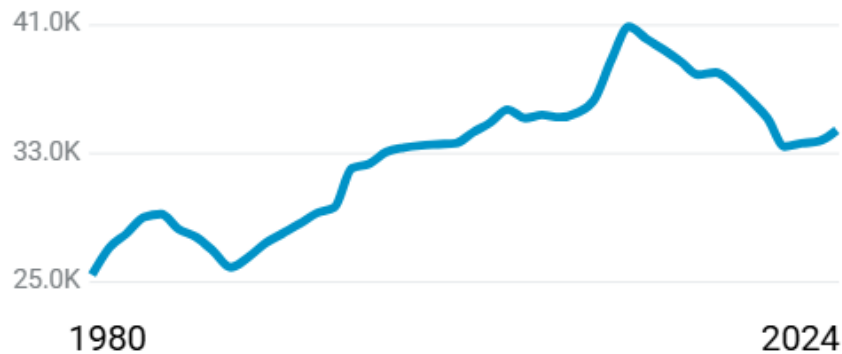


State Higher Education Executive Officers Association. State Higher Education Finance.

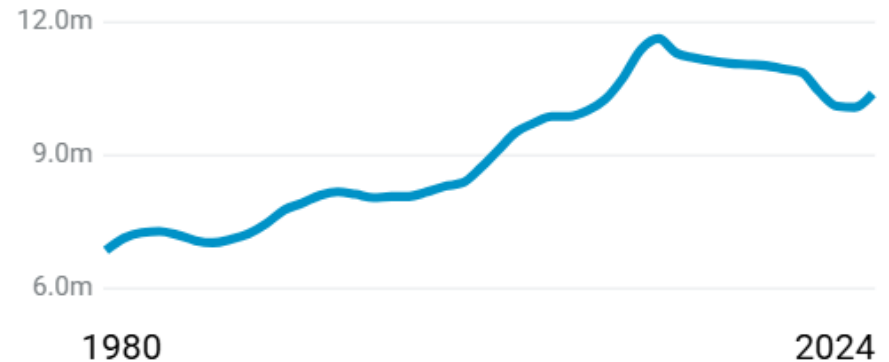
MT ranks below the national average in state support per capita

Enrollment

Montana



U.S.



MUS enrollment in FY25 increased by 2.3% (+800 FTE)

National Trends

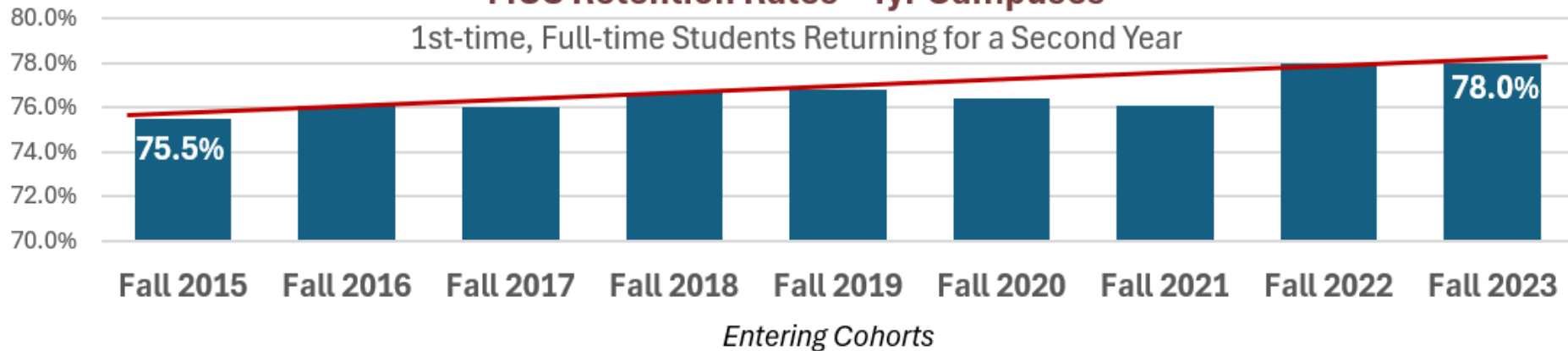
- Nationally, FY24 marks the first year of enrollment growth in 12 years (+3%).
- Enrollment increased in 44 states between 2023 and 2024.
- Despite enrollment increases in 2024, enrollment has declined in 41 states since 2014
- Altogether, FTE enrollment has declined 12% from its peak in 2011.

Enrollment in the MUS has increased each year since 2021

Retention

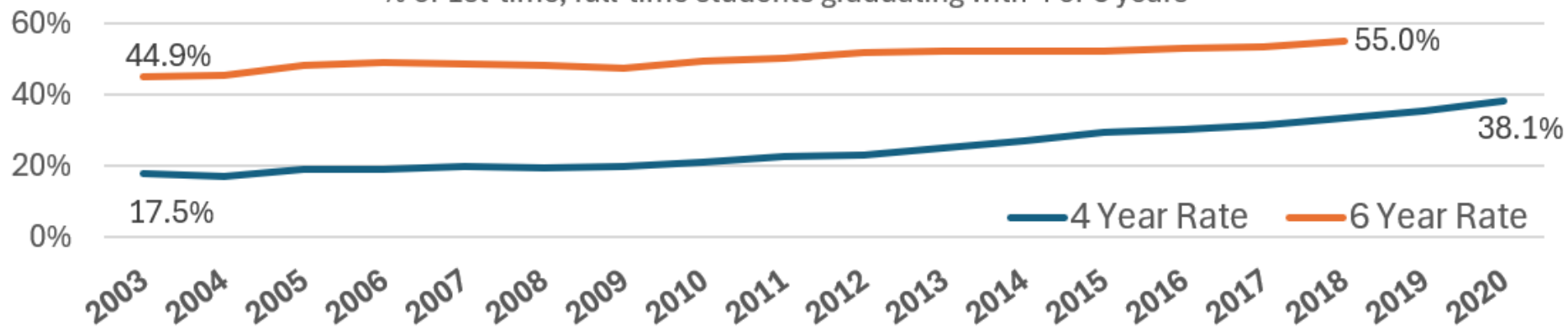


MUS Retention Rates - 4yr Campuses



Graduation Rates

% of 1st-time, full-time students graduating with 4 or 6 years

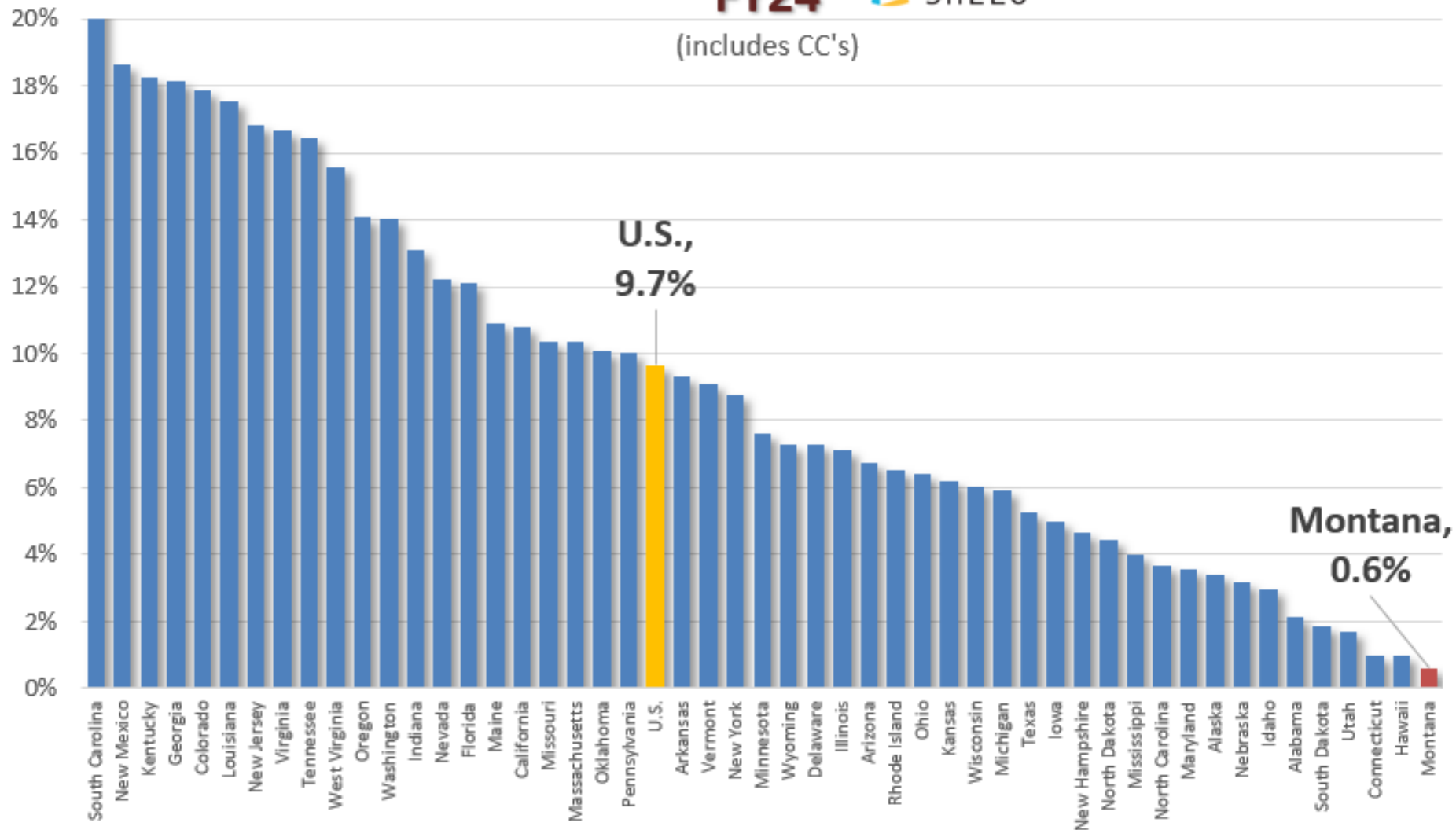


Improved retention has contributed to stable enrollment AND student success!

State Support Financial Aid as a % of State Approps,

FY24  SHEEO

(includes CC's)

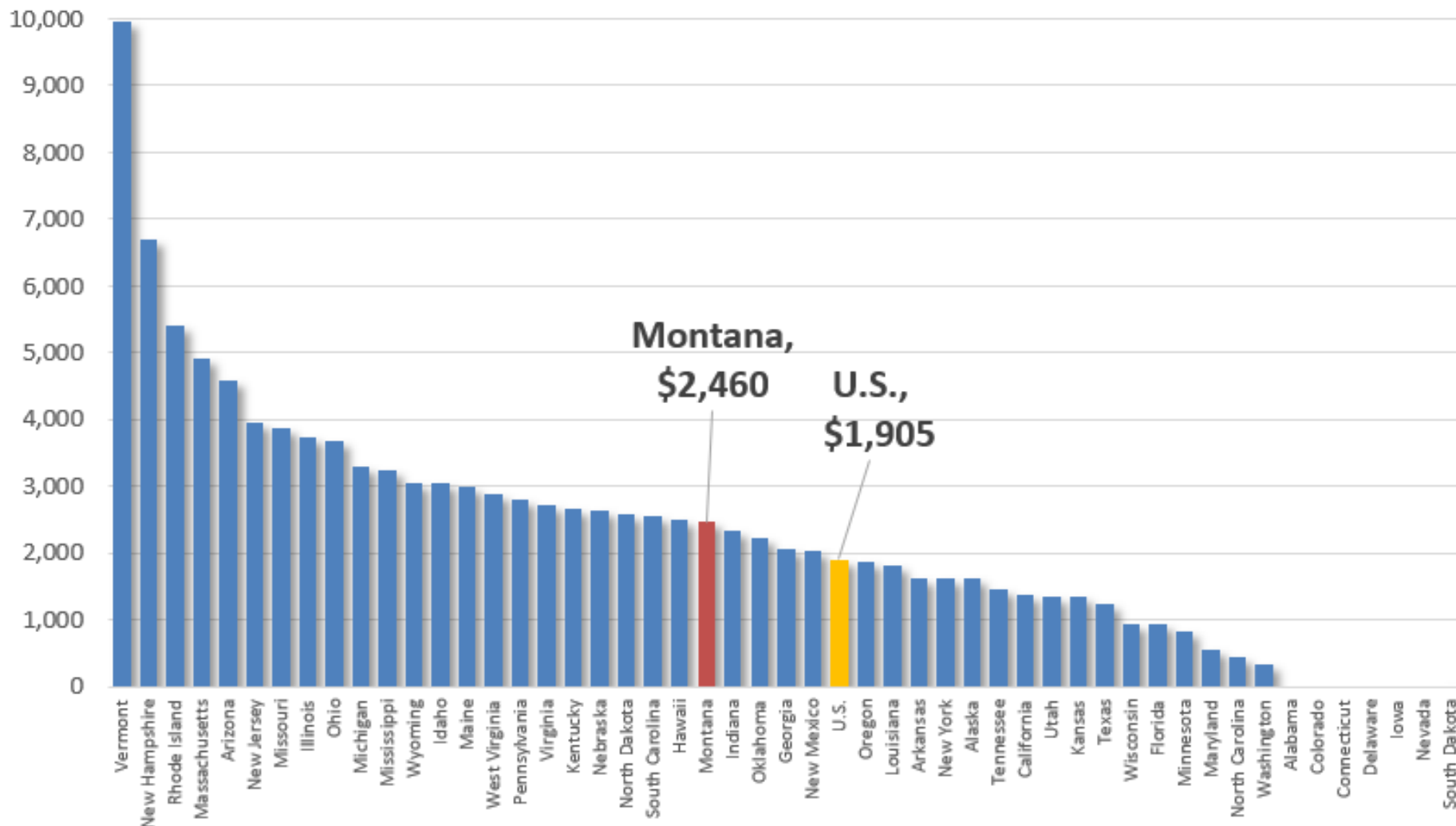


MUS would need more than 10 times current level of funding to reach Nat'l average

Institutional Waivers per Student FTE, FY24



Incldues resident and non-resident students (includes CC's)



State Higher Education Executive Officers Association. State Higher Education Finance: .

MUS campuses utilized waivers/discounts in a similar fashion to most other states

System-level Summary & Metrics

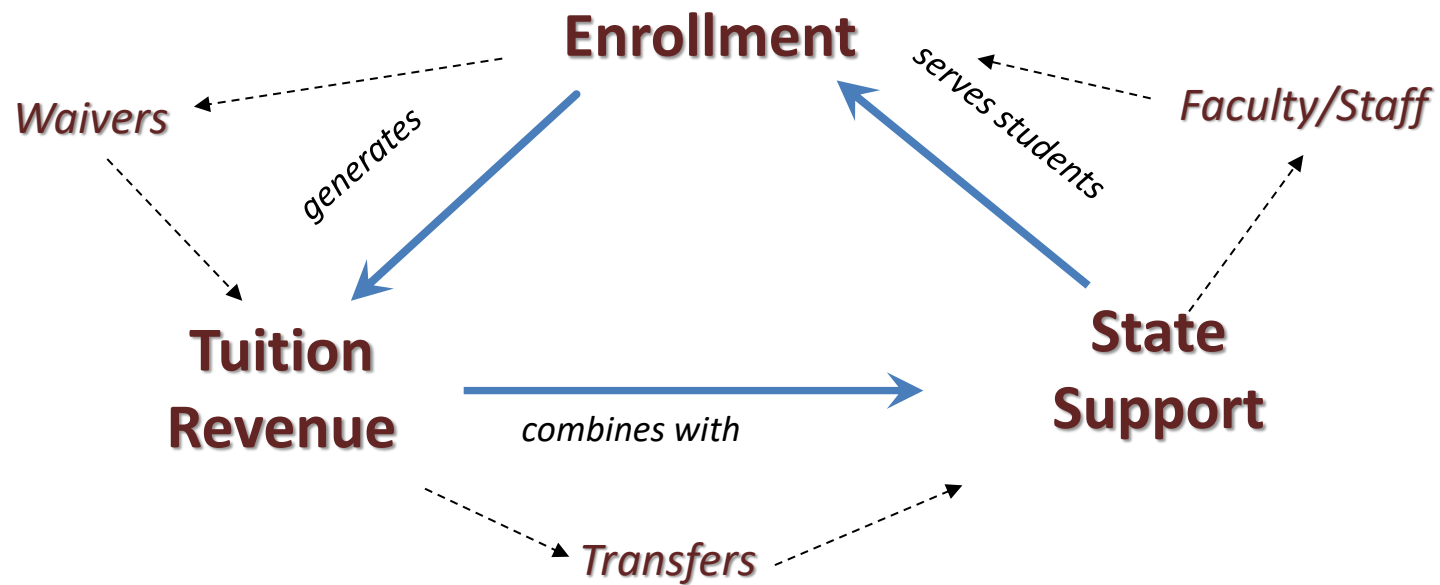
Revenue
Expenditures
Staffing
Waivers
Enrollment

Dashboards: [System](#) | [Institutional](#)

Major Budget Drivers

- State Appropriation (\$31M increase)
- Enrollment (Res/Non-res/WUE)
- Tuition increases
- Enrollment management and financial aid
- Staffing demands

Keep it Simple!



Montana University System - Ed. Units Only

Current Unrestricted Revenue & Metrics

REVENUE	FY21	FY24	FY25	%Change		FY26 Budgeted	%Change 1yr
				1yr	5yr		
State Support (base)*	\$205,859,030	\$227,925,776	\$248,324,480	9%	21%	\$281,268,143	13%
State Support (OTO)	\$1,024,374	\$3,821,124	\$7,041,614	84%	587%	\$3,650,955	-48%
Net Tuition Revenue	\$242,052,353	\$288,203,417	\$303,877,550	5%	26%	\$310,385,460	2%
Transfers/Other	\$11,346,388	\$13,708,415	\$10,574,795	-23%	-7%	\$10,815,209	2%
Total Operating Revenue	\$460,282,145	\$533,658,731	\$569,818,439	7%	24%	\$606,119,767	6%
*includes campus base + earned portion of PF							
Current Unrestricted (not including transfers or	\$447,911,382	\$516,129,193	\$552,202,030	7%	23%	\$591,653,603	7%
Student FTE	31,338	32,925	33,234	1%	6%	33,271	0%
Resident Students	21,380	20,492	20,748	1%	-3%	20,945	1%
Non-resident Students	9,958	12,433	12,486	0%	25%	12,326	-1%
Key Metrics							
State % Share	46.1%	44.6%	45.7%	1%	0%	47.9%	2%
State Support per Res FTE	\$9,629	\$11,123	\$11,969	8%	24%	\$13,429	12%

- **State % Share – increases to 48%, MT ranks 35th, Nat'l Avg. = 61% (FY24)**
- **State Funds per Resident are budgeted to increase**
MT ranks 41st (state support per total FTE), 74% of national average

Montana University System - Ed. Units Only

Current Unrestricted Expenditures & Metrics

EXPENDITURES	FY21	FY24	FY25	%Change		FY26	%Change
				1yr	5yr	Budgeted	
Instruction	\$245,422,908	\$260,434,293	\$275,067,348	6%	12%	\$294,251,912	7%
Academic Support	\$58,673,902	\$75,240,012	\$76,601,656	2%	31%	\$81,678,197	7%
Student Services	\$50,605,349	\$58,294,221	\$63,653,809	9%	26%	\$72,697,069	14%
Institutional Support	\$49,555,729	\$62,171,421	\$62,183,621	0%	25%	\$66,642,137	7%
Operation & Maintenance	\$58,563,123	\$64,765,226	\$67,103,717	4%	15%	\$73,604,413	10%
Research	\$2,412,265	\$3,140,963	\$5,750,832	83%	138%	\$4,914,266	-15%
Public Service	\$3,838,773	\$4,208,814	\$4,332,537	3%	13%	\$5,057,512	17%
Scholarships	\$2,668,056	\$4,345,253	\$6,583,690	52%	147%	\$7,274,257	10%
Total CU Exp (net of waivers) →	\$471,740,105	\$533,151,981	\$561,277,208	5%	19%	\$606,119,762	8%
Student FTE	31,338	32,925	33,234	1%	6%	33,271	0%
Key Metrics							
% Instruction Exp	52.0%	48.8%	49.0%	0%	-3%	48.5%	0%
% Instruct/Acad/Stud Ser	75.2%	73.9%	74.0%	0%	-1%	74.0%	0%
Expenditures per Student	\$15,053	\$16,193	\$16,889	4%	12%	\$18,218	8%

- **Instruction – comprises 49% of total expenditures** BOR target = 50%
- **% Instruction + Aca Support + Stud Service is consistently over 70%** BOR target = 70%
- **Expenditures per Student – budgeted to increase** MT ranks 43rd in nation

Montana University System - Ed. Units Only

Current Unrestricted Faculty/Staff FTE & Metrics

(does not include: graduate teaching/research assistants & part-time/other)

STAFFING

	FY21	FY24	FY25	%Change		FY26 Budgeted	%Change 1yr
				1yr	5yr		
Contract Faculty (all)	1,804	1,791	1,838	3%	2%	1,948	6%
Contract Administrators	91	91	92	1%	1%	93	1%
Contract Professionals	567	575	593	3%	5%	662	12%
Classified FTE	1,359	1,366	1,427	4%	5%	1,582	11%
Total Faculty/Staff	3,821	3,823	3,949	3%	3%	4,286	9%

EXPENDITURES

Personnel Services	369,723,909	421,421,292	448,716,675	6%	21%	485,525,484	8%
Total Expenditures (net of waivers)	471,740,105	533,151,981	561,277,208	5%	19%	606,119,762	8%
Student FTE	31,338	32,925	33,234	1%	6%	33,271	0%

Key Metrics

Student to Faculty Ratio	17.4	18.4	18.1	-2%	4%	17.1	-6%
%Personnel Services of Total	78%	79%	80%	1%	2%	80%	0%

- **Student to Faculty Ratio – budgeted for 17 to 1, BOR benchmark = 18 to 1**
- **Personal Services % Share – budgeted for 80%, HECA* benchmark = 75%**

*Higher Education Cost Adjustment, higher education specific inflation index developed by SHEEO

Montana University System - Ed. Units Only

Discounts, Waivers & Scholarships

DISCOUNTS/WAIVERS/SCH	FY21	FY24	FY25	%Change		FY26 Budgeted	%Change 1yr
				1yr	5yr		
BOR Designated	\$8,590,939	\$9,352,976	\$10,616,335	14%	24%	\$11,109,370	5%
Resident Discretionary	\$8,995,885	\$10,290,127	\$11,424,177	11%	27%	\$12,642,777	11%
Non-resident Discretionary	\$43,609,357	\$63,347,130	\$72,007,554	14%	65%	\$71,762,347	0%
Scholarships	\$2,669,051	\$6,545,957	\$9,322,514	42%	249%	\$10,595,237	14%
Total Discounts/Waivers/Sch	\$63,865,232	\$89,536,190	\$103,370,580	15%	62%	\$106,109,731	3%
Student FTE	31,338	32,925	33,234	1%	6%	33,271	0%
Key Metrics							
Waivers per Student FTE	\$2,038	\$2,719	\$3,110	14%	53%	\$3,189	3%
Net Tuition Revenue per FTE	\$7,724	\$9,229	\$9,144	-1%	18%	\$9,329	2%

- **Waivers per student: 3% budgeted increase, growth of \$80 per student FTE**
- **Net tuition revenue per student remains consistent**

Montana University System - Ed. Units Only

Fiscal Year Student FTE - Average Annual Enrollment

ENROLLMENT	FY22	FY23	FY24	FY25	FY26 Budgeted	% Change	
						25 vs 26 Projected	Fall 2025 YTD
Resident Undergrad	18,237	17,809	18,297	18,557	18,781	1.2%	8.4%
Resident Graduate	2,389	2,254	2,195	2,191	2,164	-1.2%	3.4%
Non-resident Undergrad	6,074	7,001	7,625	7,753	7,664	-1.1%	1.2%
WUE	3,627	3,440	3,439	3,376	3,324	-1.5%	-7.6%
Non-resident Graduate	1,357	1,356	1,369	1,357	1,338	-1.4%	0.0%
Student FTE Total	31,684	31,860	32,925	33,234	33,271	0.1%	3.9%
						*Fall 25 YOY comparison with Fall 24 as of 8/21	

Reminder: preliminary census enrollment is recorded following the 15th day of class, final enrollment at end-of-term, fiscal year enrollment = ((summer + fall) + spring) / 2

- **1-year Budgeted enrollment change: 0% increase**
- **Fall 2025: 4% increase over Fall 2024 (YOY)**

Campus-level Summary & Metrics

MSU Bozeman

MSU Billings

MSU Northern

Great Falls College

UM Missoula

MT Tech

UM Western

Helena College

Dawson CC

Flathead Valley CC

Miles CC

Bitterroot Valley CC