

FY27 Operating Budget Overview

Montana University System

September 2026
Office of the Commissioner of Higher Education

Operating Budget Overview

TOPICS

❖ System-level Summary

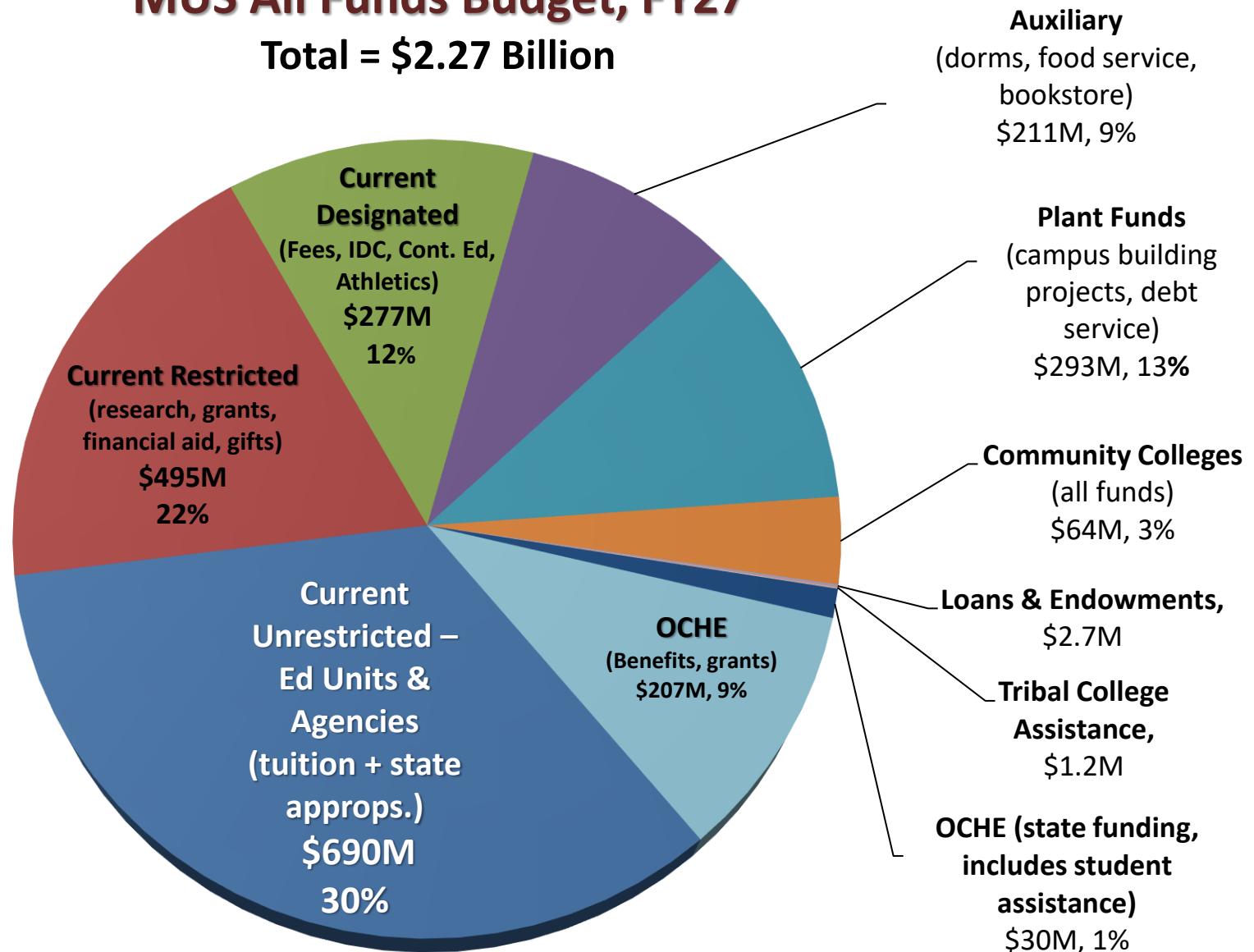
- All Funds Budget
- Budget Update / History / National Comparisons
- Operating Budget Metrics

❖ 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, FY27

Total = \$2.27 Billion

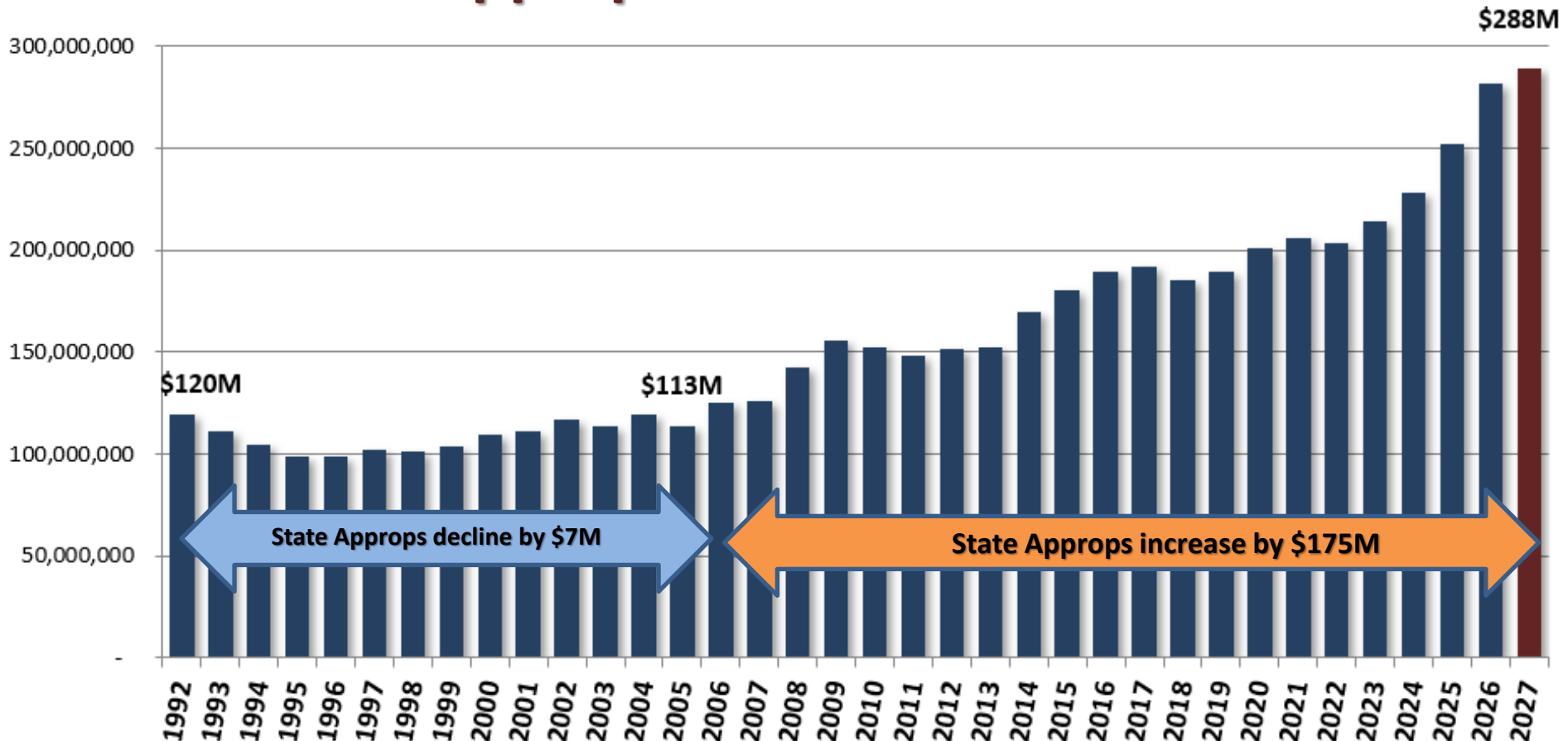


MUS All Funds Budget

	FY 2026 Actual	FY 2027 Budgeted	Difference	
			\$\$	%CHG
Ed. Units & Agencies				
Current Unrestricted	651,086,324	690,388,515	39,302,191	6%
Current Restricted	469,932,551	494,787,113	24,854,562	5%
Current Designated	278,840,010	276,693,239	-2,146,771	-1%
Auxiliary Enterprises	211,073,547	211,230,378	156,831	0%
Loan & Endowment Funds	1,733,843	1,746,464	12,621	1%
Plant Funds	371,730,281	293,001,165	-78,729,116	-21%
Ed. Unit/Agency Total	1,984,396,556	1,967,846,874	-16,549,682	-1%
Community Colleges Total	65,438,212	66,012,878	574,666	1%
Tribal College Assistance	859,188	1,193,640	334,452	39%
OCHE (general fund) includes student assistance	22,994,786	29,511,566	6,516,780	28%
OCHE (Federal, SS, Private, & Proprietary)	186,878,347	207,610,544	20,732,197	11%
TOTAL ALL FUNDS	\$2,260,567,088	\$2,272,175,502	11,608,413	1%

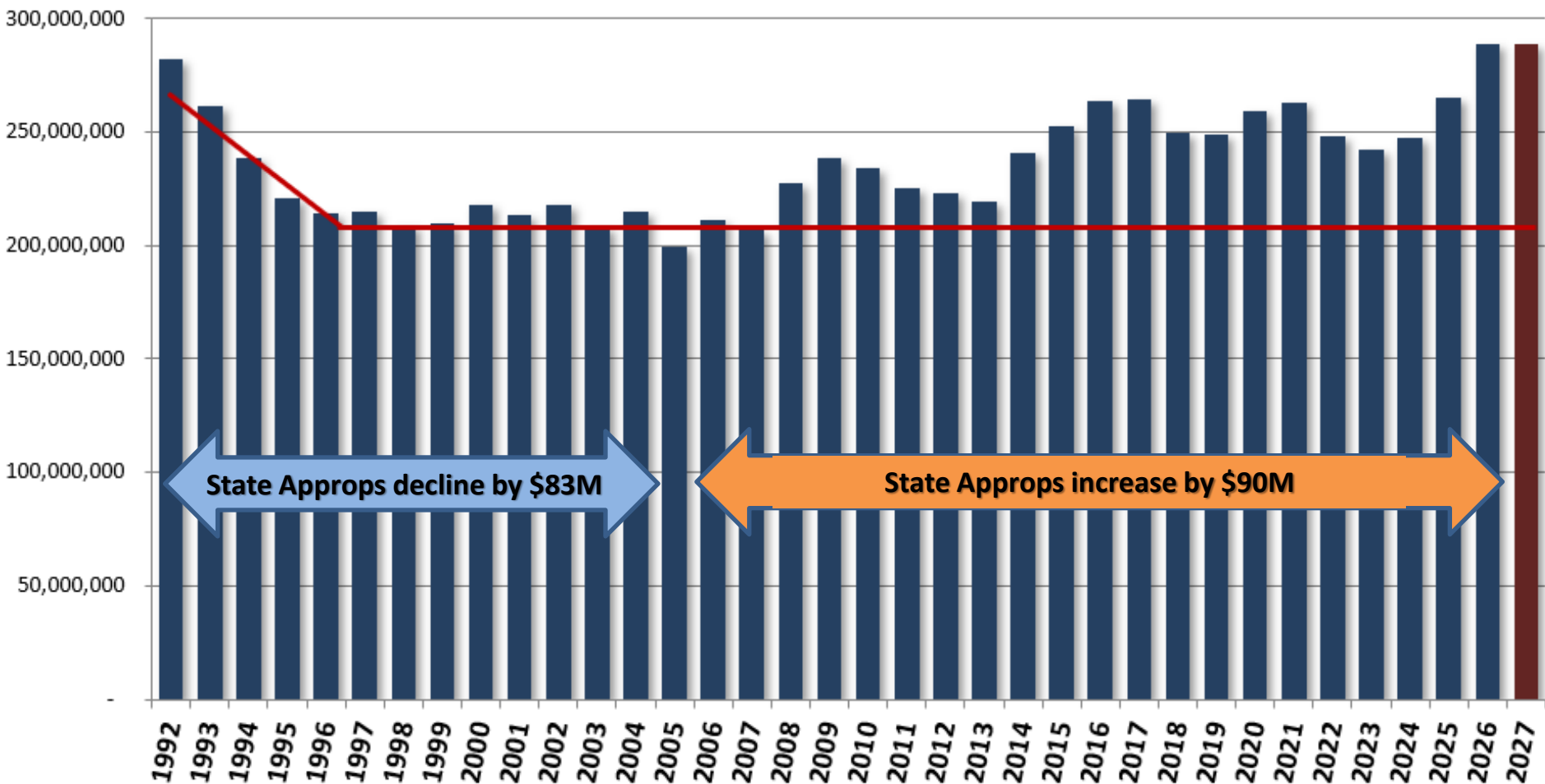
The expenditure of money appropriated in the general appropriations act to the Board of Regents...as defined in §17-7-102, MCA, is contingent upon approval of a comprehensive operating budget...

State Appropriations – MUS Ed. Units



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

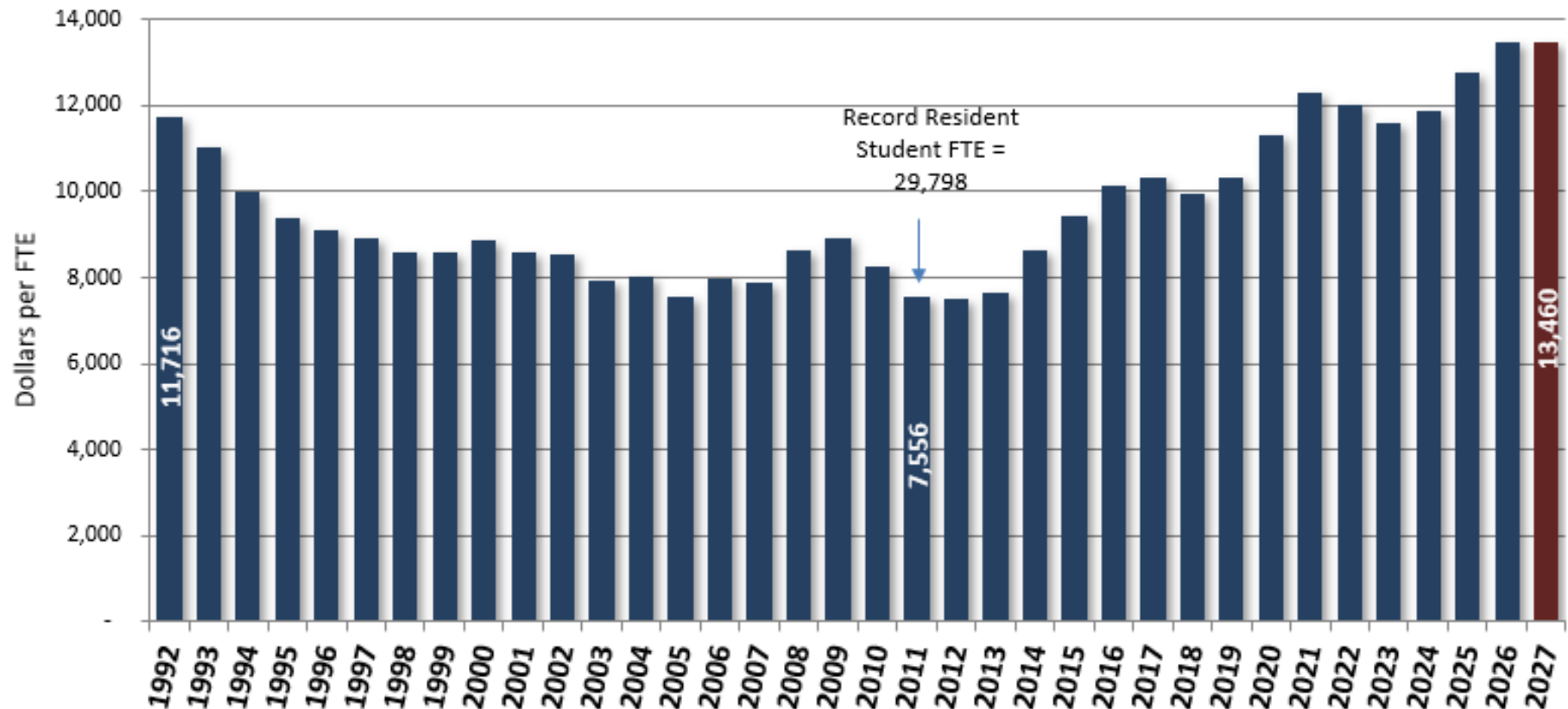
State Appropriations -- MUS Ed. Units (2026 constant dollars)



MUS receives more state approps than in 1992 (inflationary adj)

State Appropriations per Resident Student FTE -- Ed Units Only (2026 constant dollars)

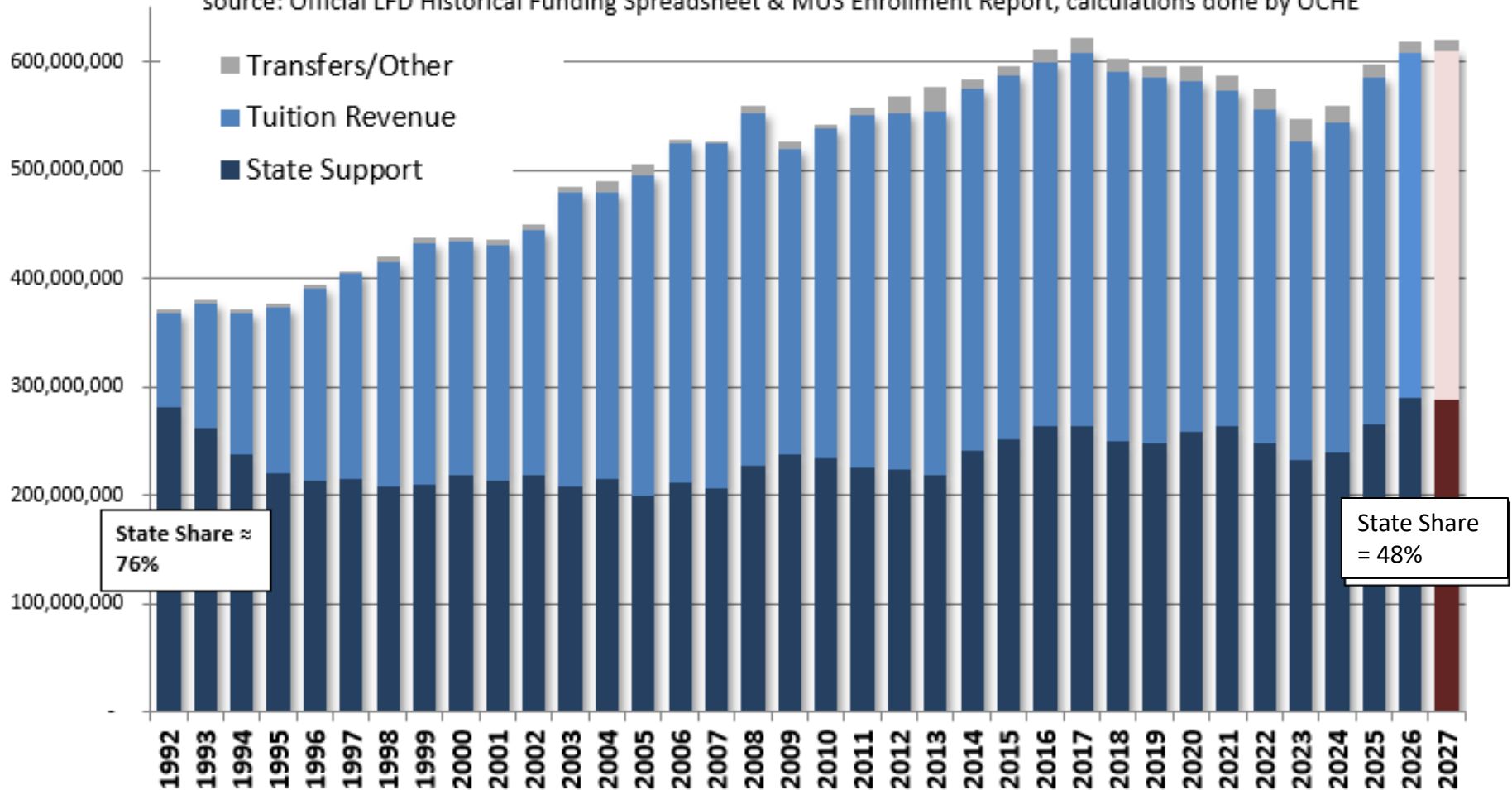
source: Official LFD Historical Funding Spreadsheet & MUS Enrollment Report, calculations done by OCHE



Funding per resident student surpassed the 1992 high mark in 2021

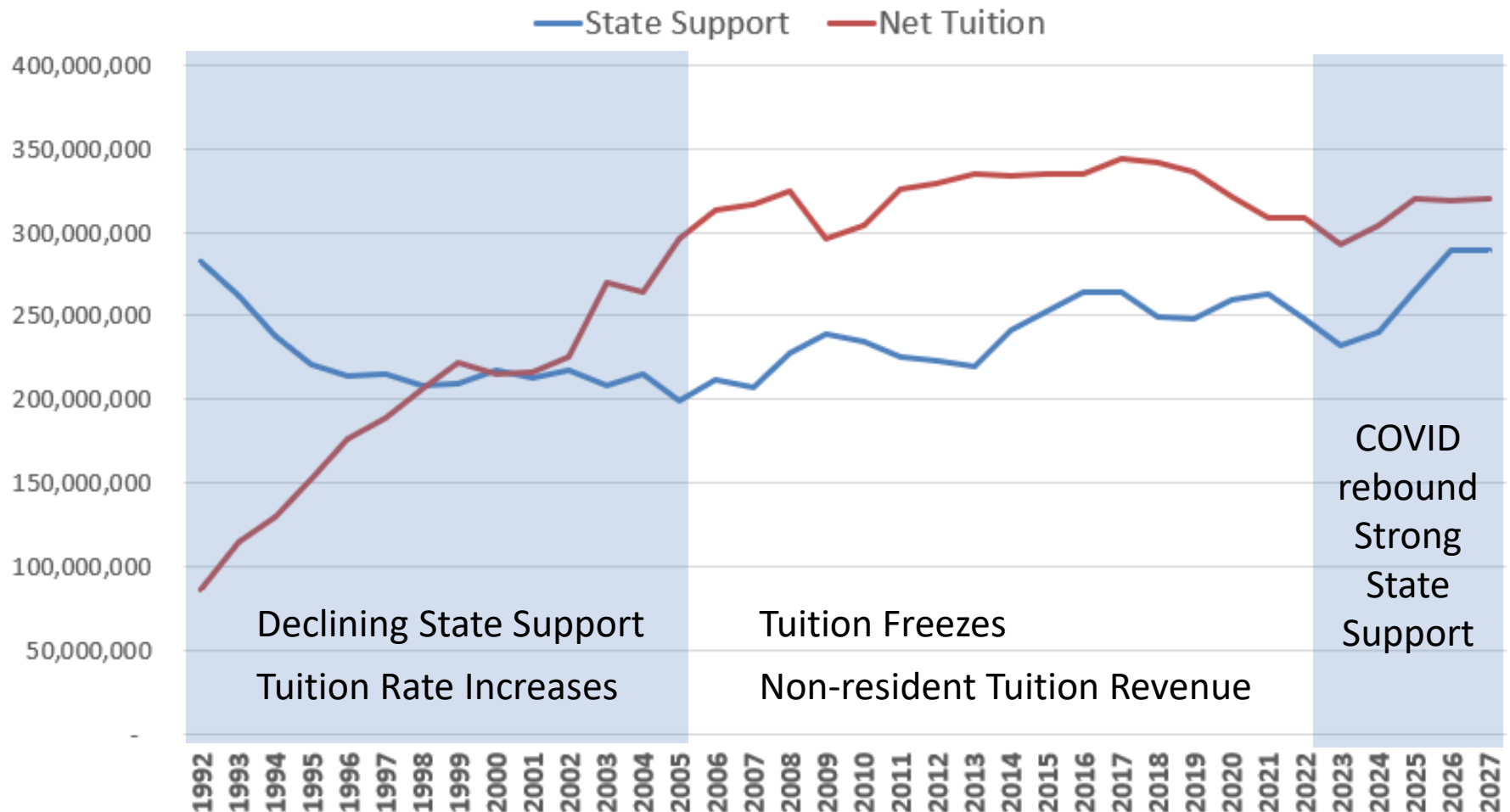
Current Unrestricted Funds - Ed Units Only (2026 constant dollars)

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



State % Share has dropped from 76% to 48% over the past 30 years

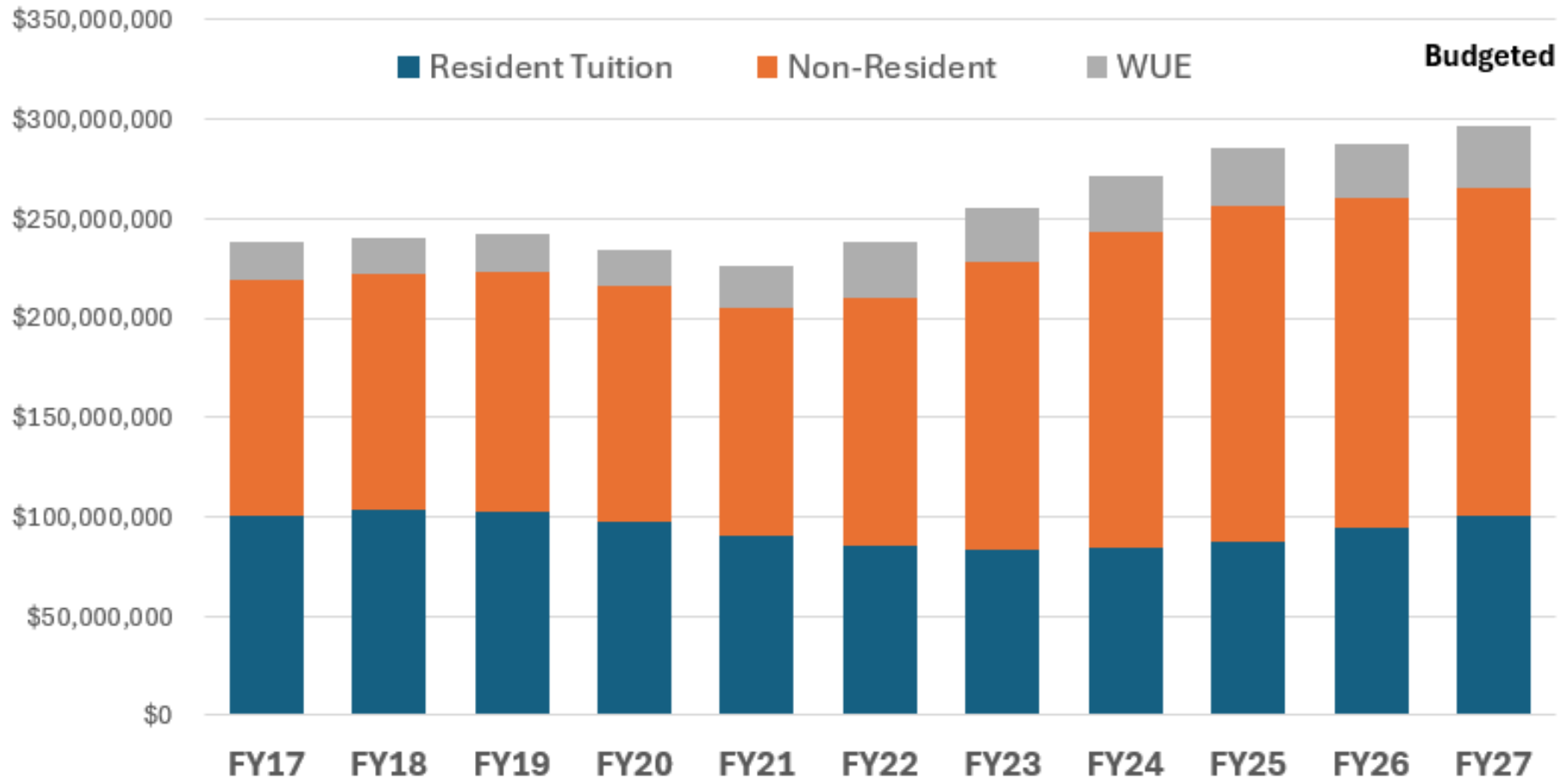
State Support vs. Tuition Revenue Growth (2026 constant dollars)



State % Share has dropped from 76% to 47% over the past 30 years

Net Tuition Revenue

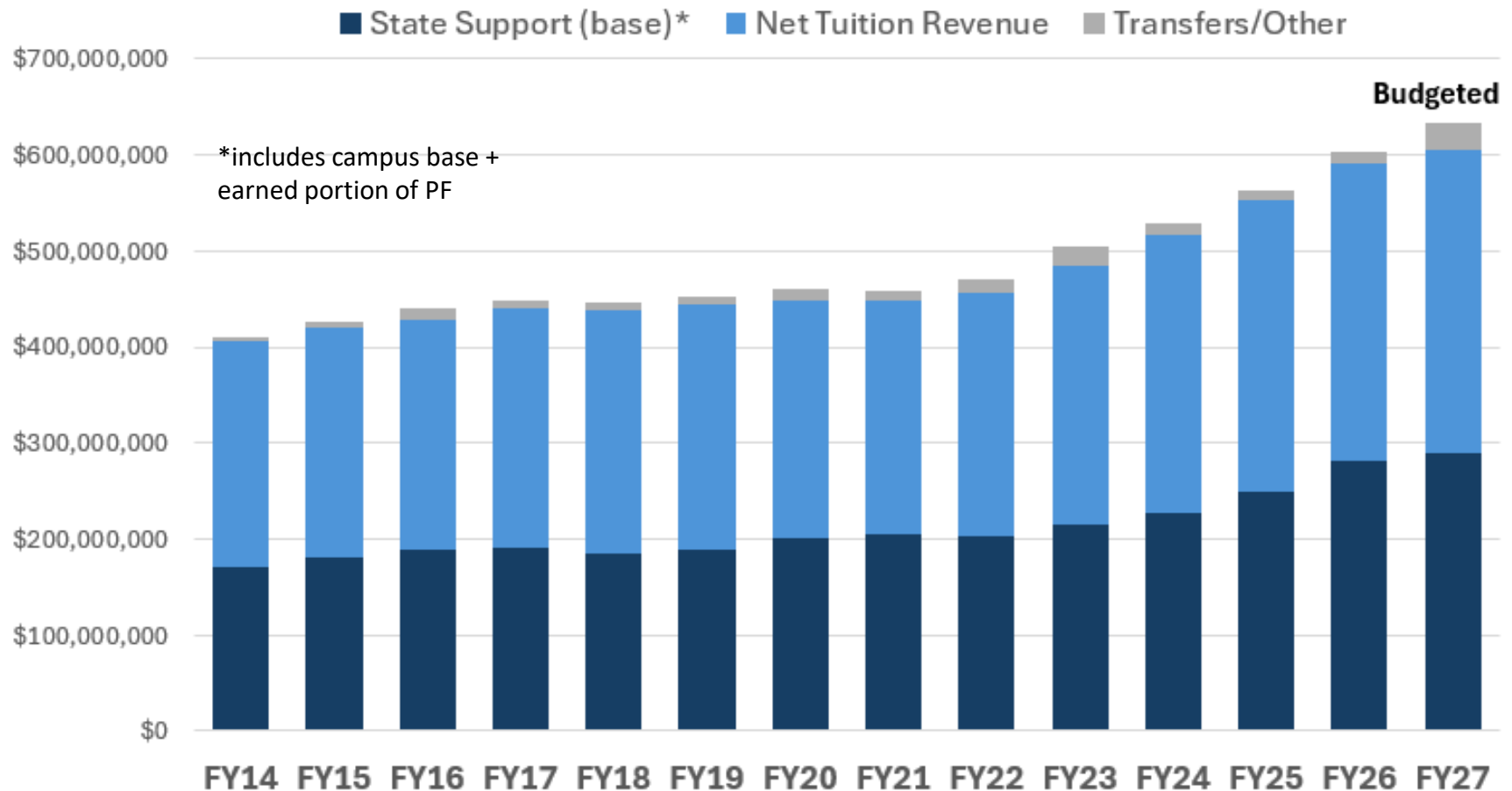
(does not include Program Tuition or general fund fee revenue)



Tuition revenue projected to be up 3%:

Resident Tuition = 6%, Non-resident = 0%, WUE = 2%

MUS Current Unrestricted Revenue

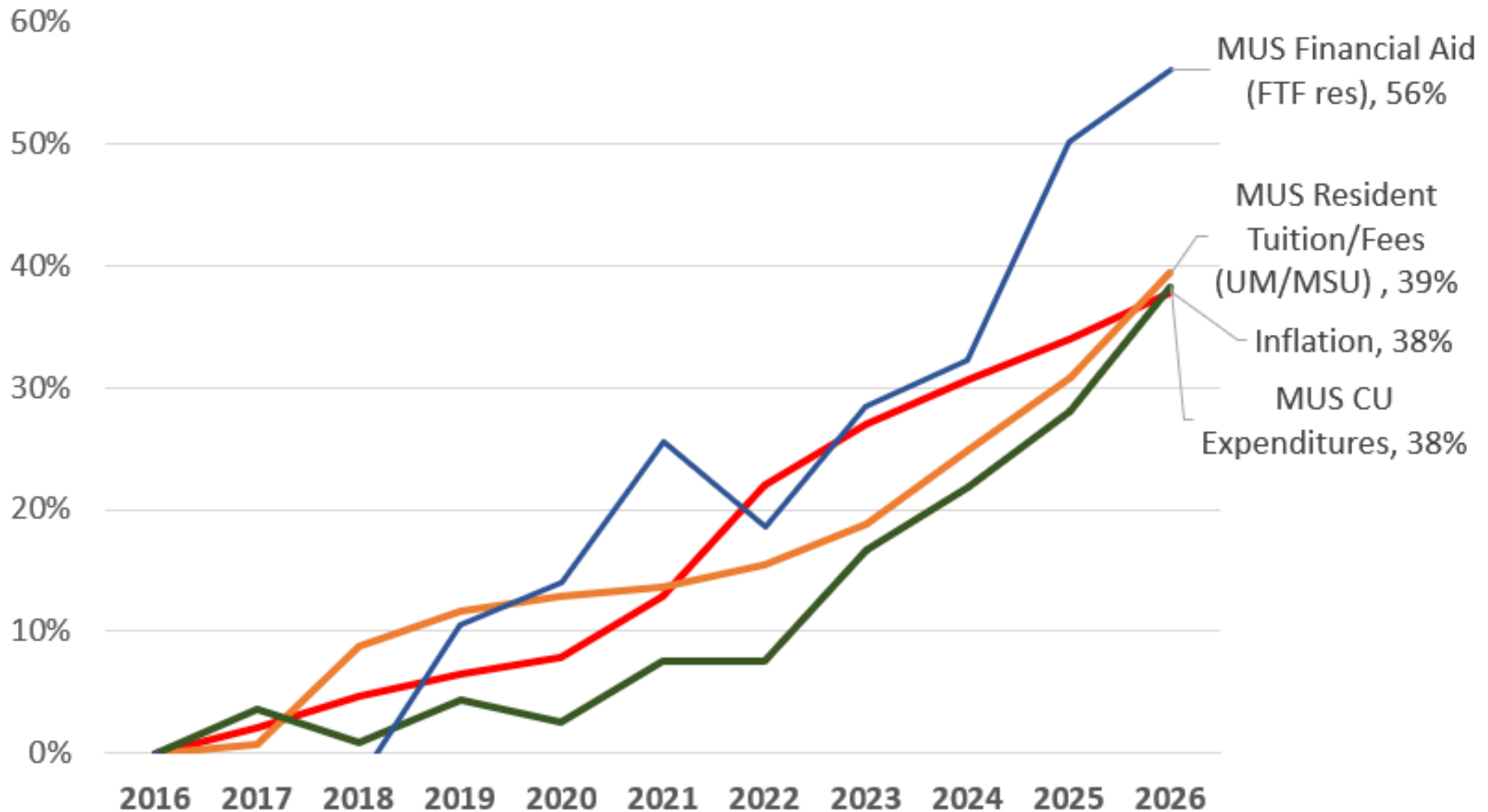


Current Unrestricted Revenue budgeted to increase by \$36M (5%) not including OTO

- 1) State Support up \$8M (3%) **pay plan**
- 2) Tuition Revenue up \$10M (3%) **tuition/enrollment increases**
- 3) Transfers/Other up \$18M

Growth of Key Budget Drivers

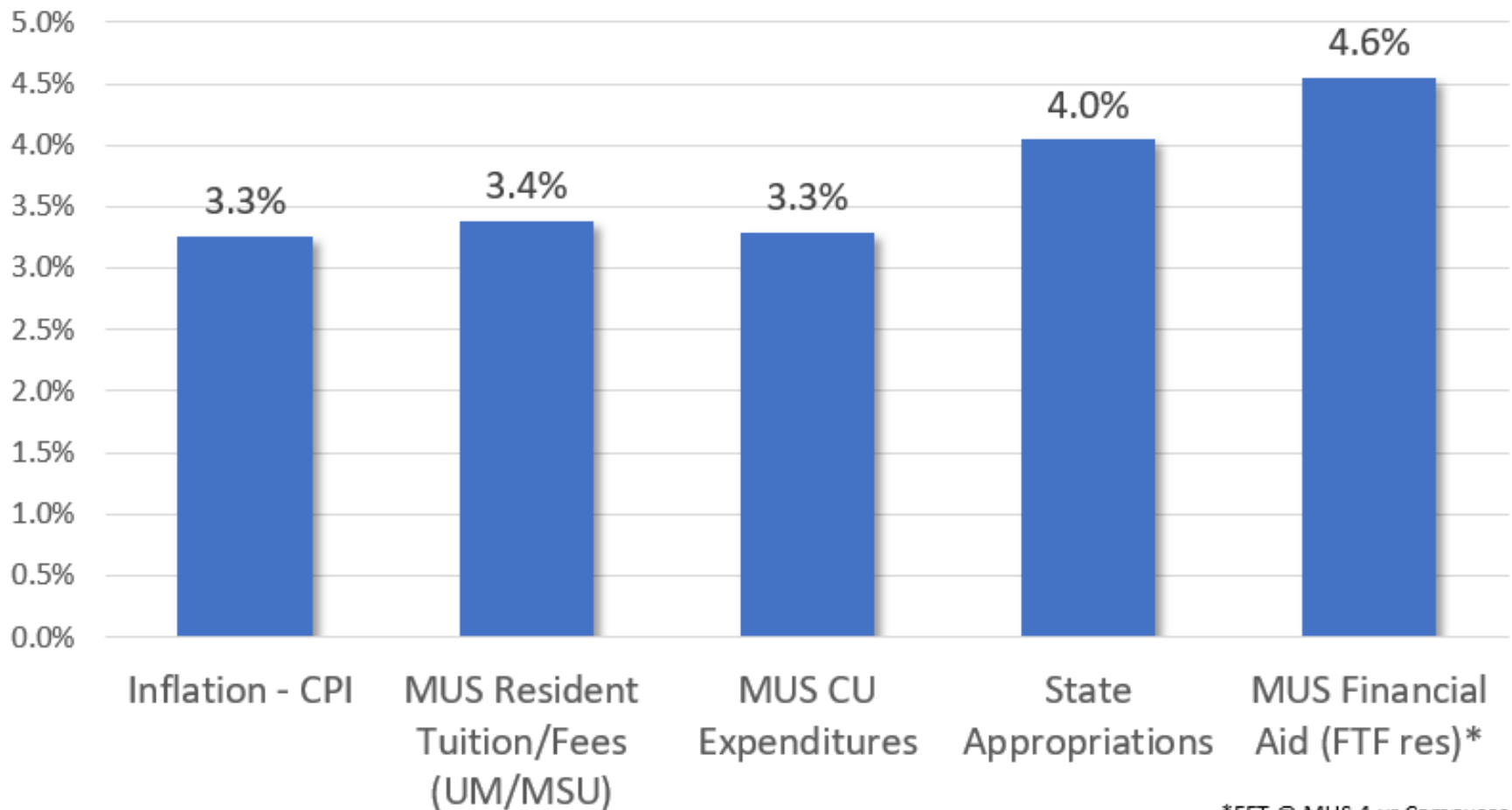
10-year, Cumulative % Change



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

Growth of Key Budget Drivers

Compounded Annual Growth Rate, FY16 - FY26

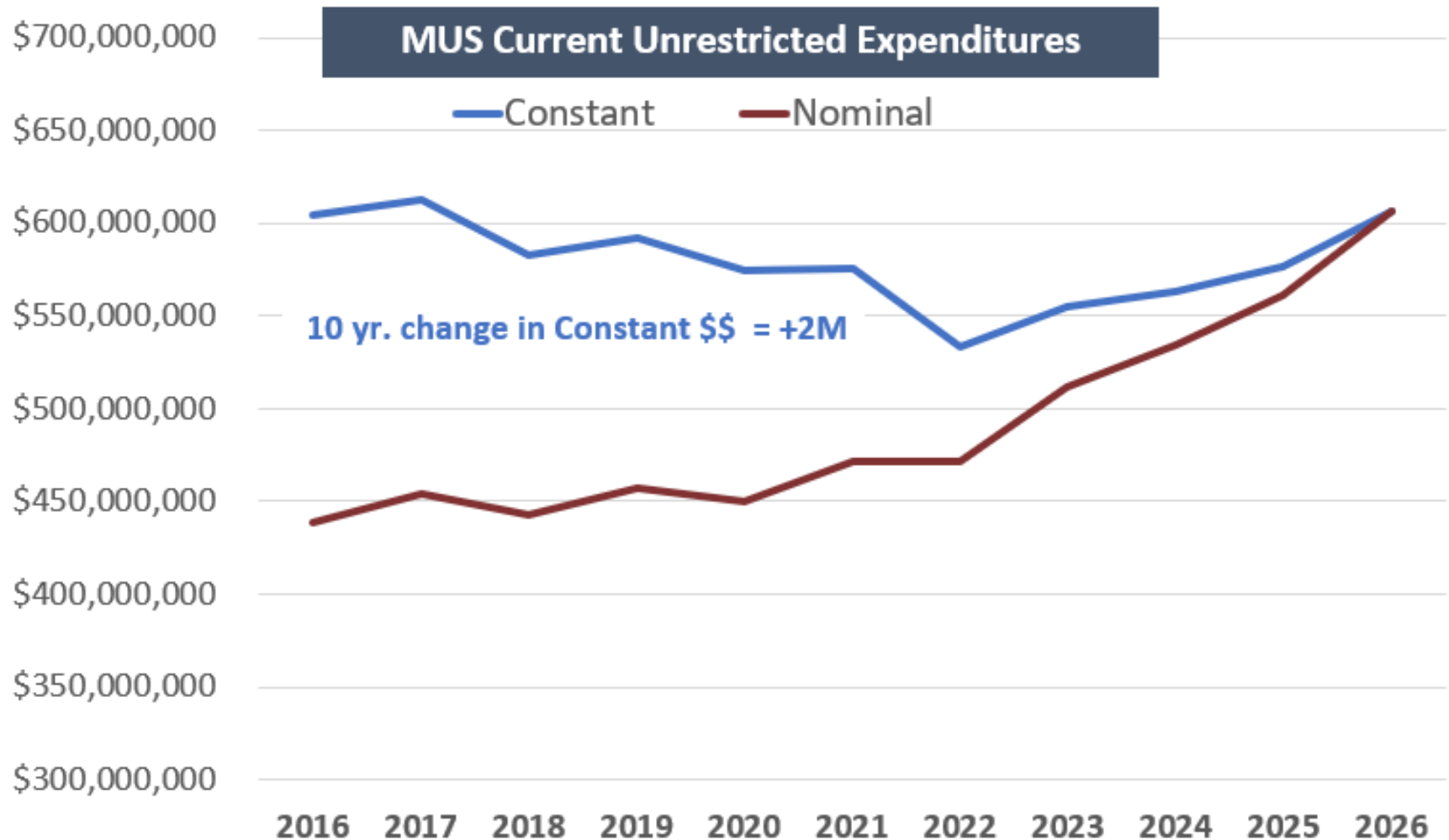


*FFT @ MUS 4-yr Campuses

Growth in Financial Aid has outpaced other budget drivers.

Growth of Key Budget Drivers

(2026 Constant Dollars)



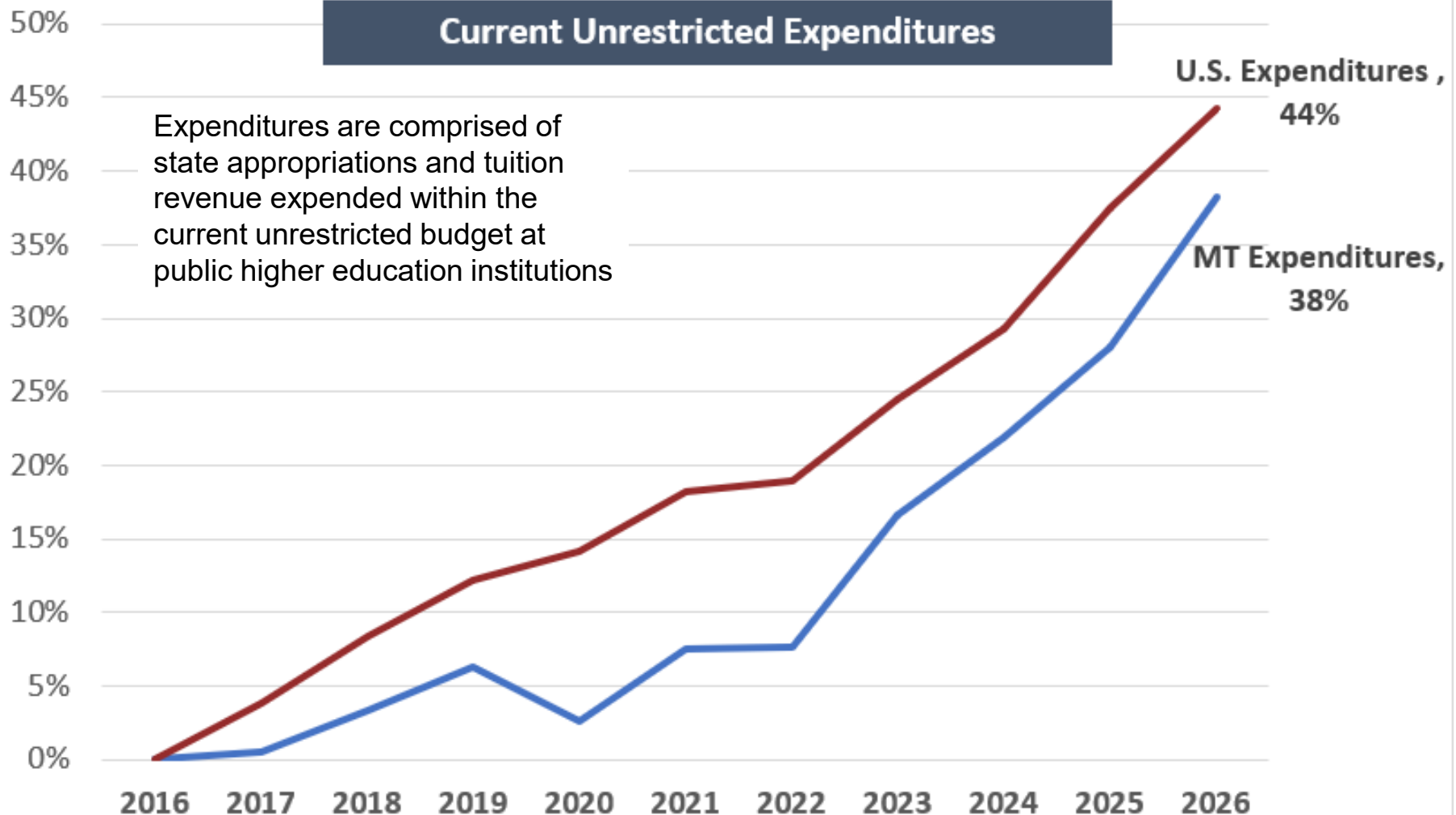
In constant dollars, MUS expenditures increased by \$2M over the past 10 years.

Growth of Key Budget Drivers

10-year, Cumulative % Change

Current Unrestricted Expenditures

Expenditures are comprised of state appropriations and tuition revenue expended within the current unrestricted budget at public higher education institutions

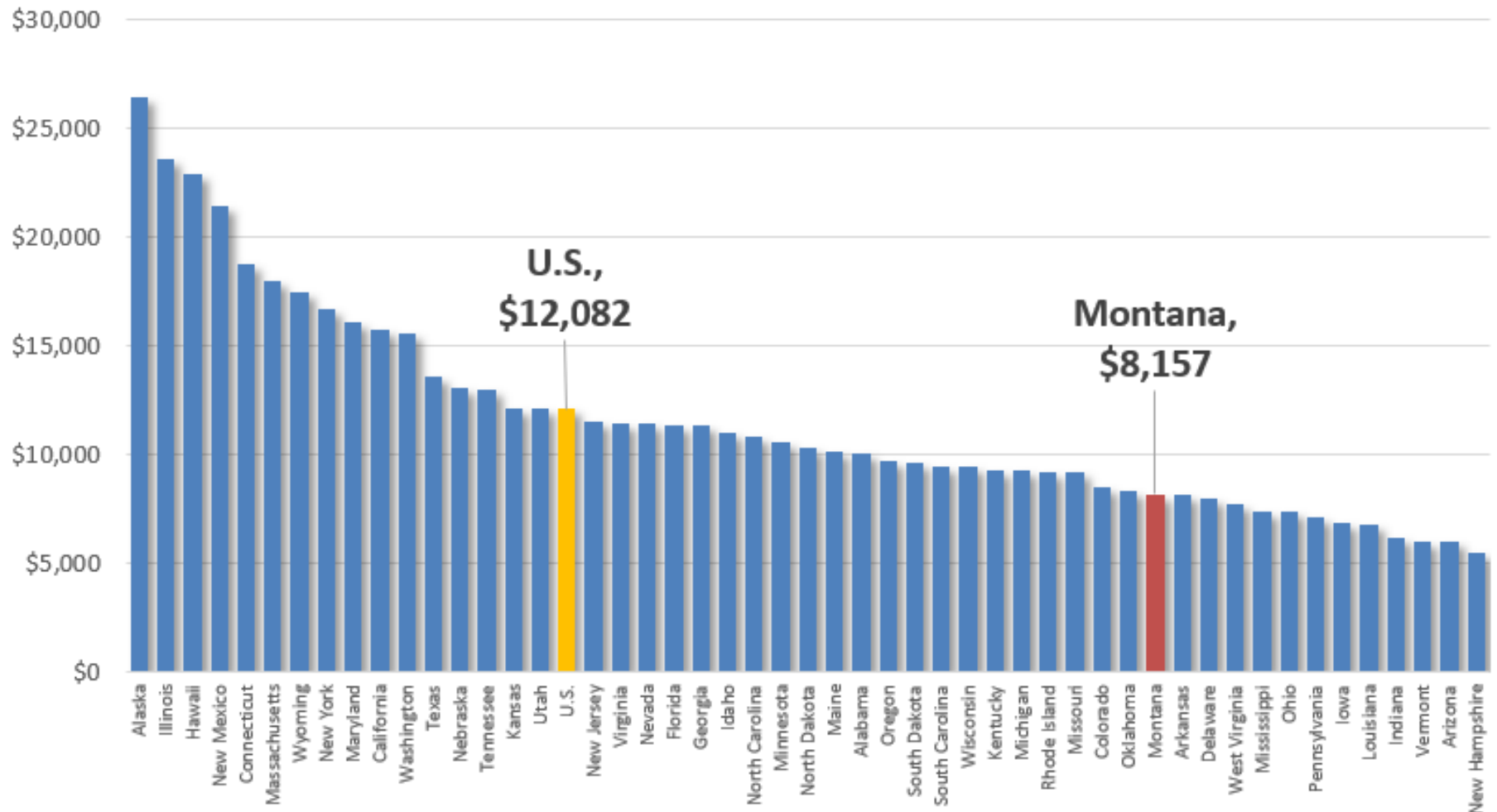


Growth in Higher Ed. expenditures nationwide outpaced increases in the MUS.

State Appropriations per Student FTE, FY25



(includes CC's)



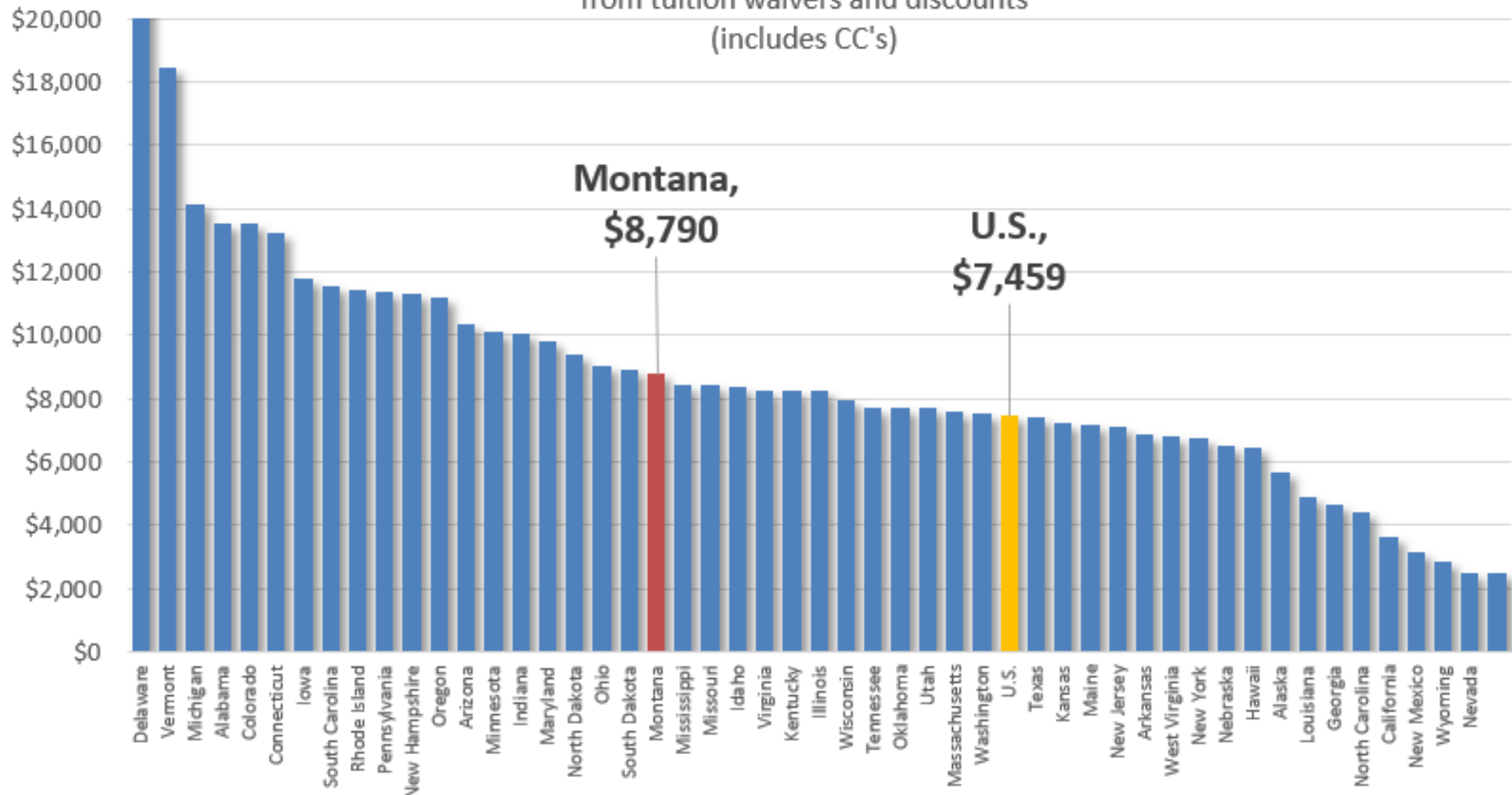
State Higher Education Executive Officers Association. State Higher Education Finance.

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

Net Tuition Revenue per Student FTE, FY25



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



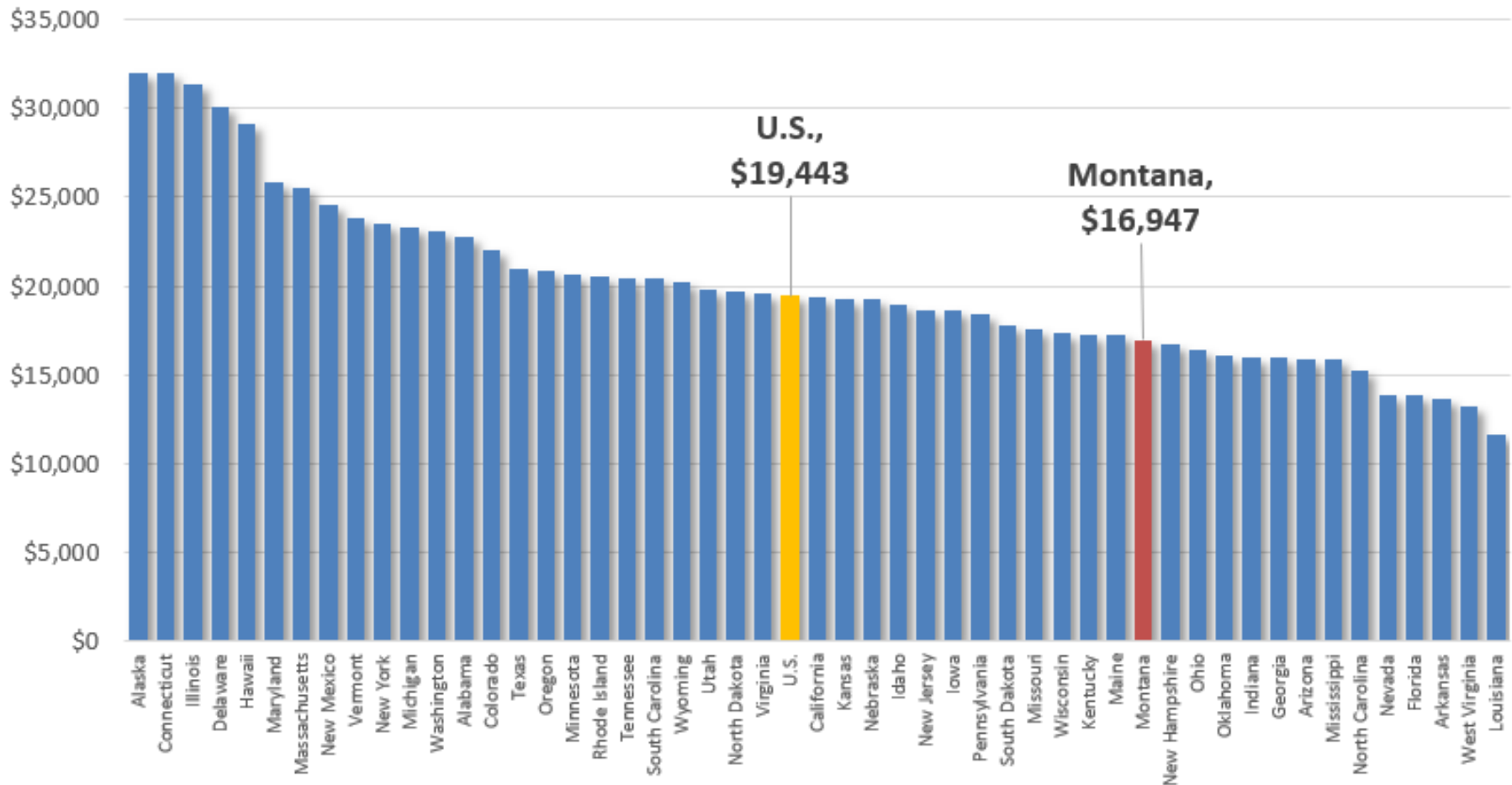
State Higher Education Executive Officers Association, State Higher Education Finance

MT remains above the nat'l avg. in the amount of net tuition received per student

Educational Revenue per Student FTE, FY25



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)

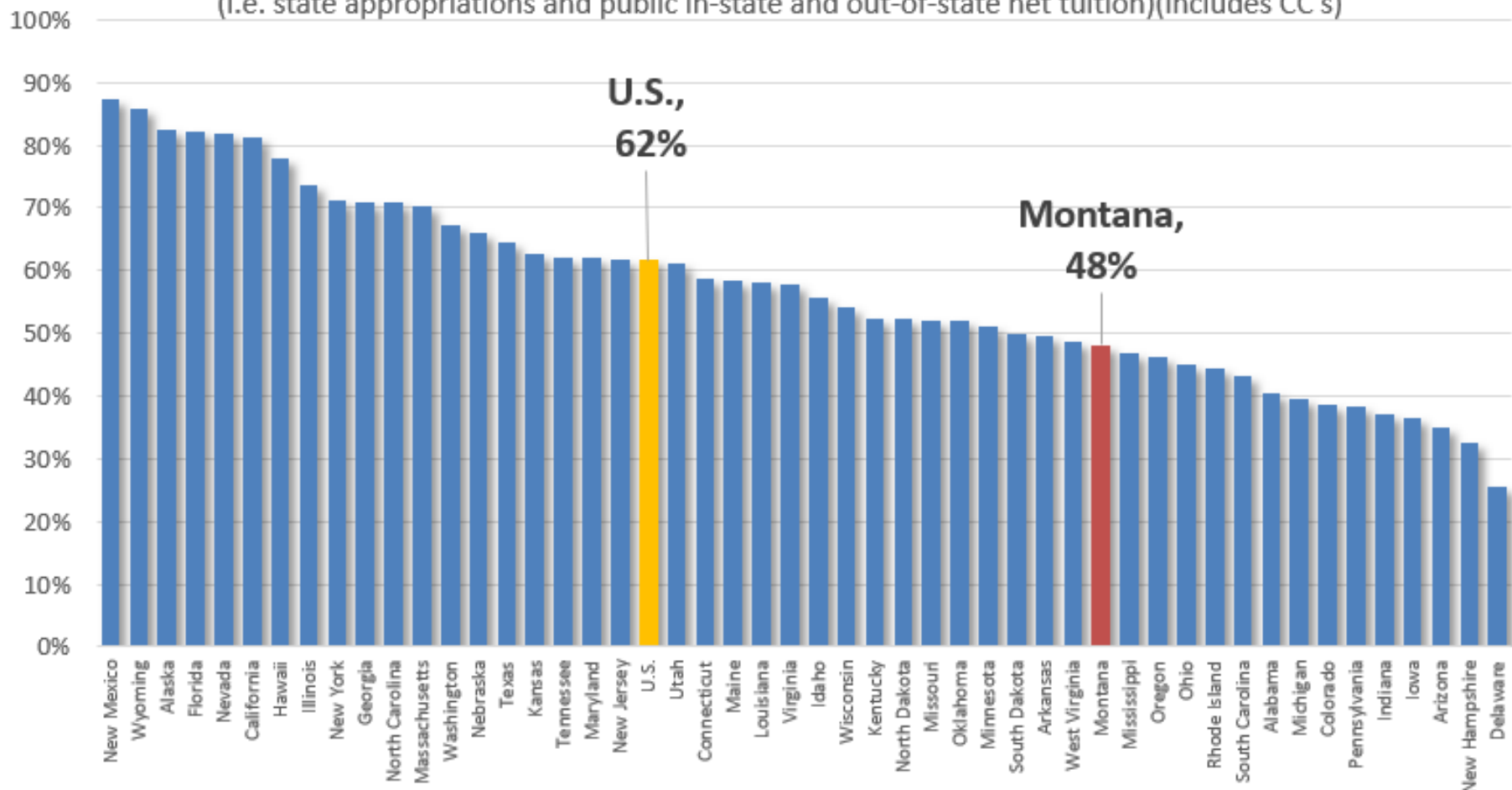


State Higher Education Executive Officers Association. State Higher Education Finance:

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

State % Share, FY25

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)

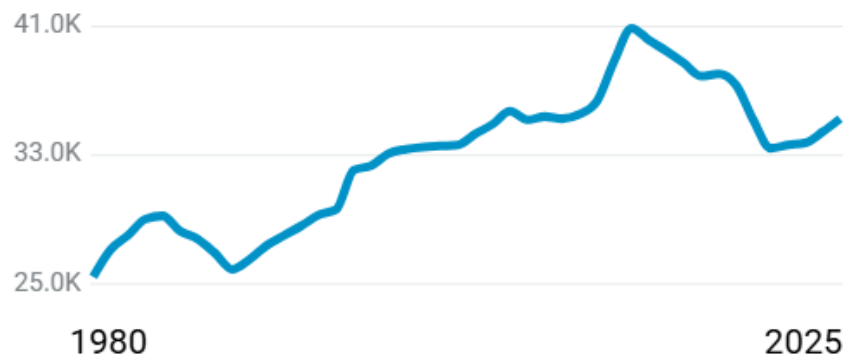


State Higher Education Executive Officers Association. State Higher Education Finance.

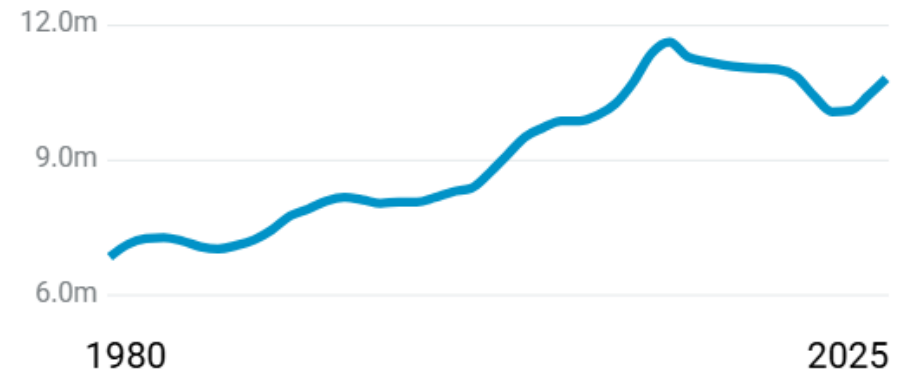
MT has increased %state share to 48% from a low of 38% in 2013

Enrollment

Montana



U.S.



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

National Trends

- Nationally, FY25 enrollment grew by 3.6%, marking third year of gains after 11 straight years of declines following the Great Recession.
- Enrollment increased in 44 states , WY leading the way with 15% increase
- Both 4yr and 2yr institutions saw enrollment increases, with 2yr institutions experiencing higher growth of 5.0% compared to 2.8% among 4yr institutions.
- Despite enrollment increases in 2025, enrollment down 7.2% since high in 2011

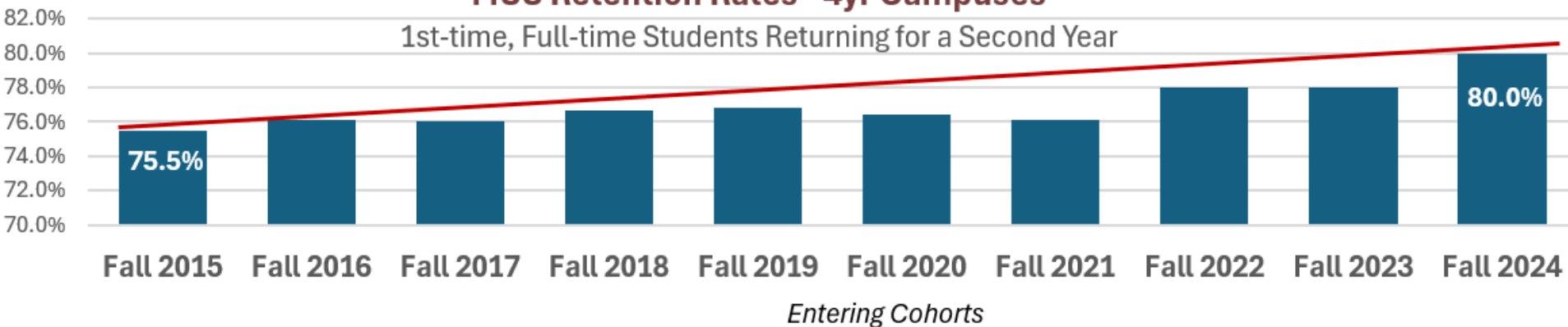
Enrollment in the MUS has increased each year since 2021

Retention



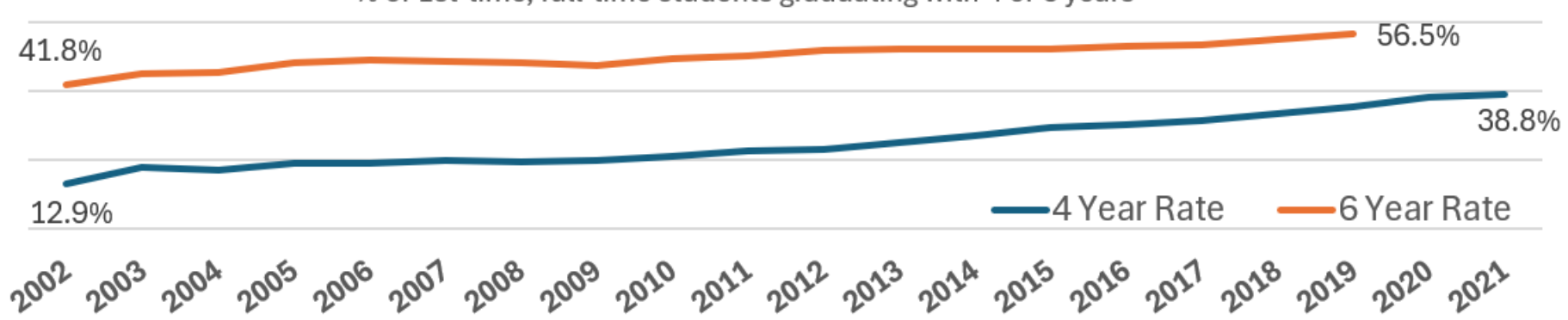
MUS Retention Rates - 4yr Campuses

1st-time, Full-time Students Returning for a Second Year



Graduation Rates

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



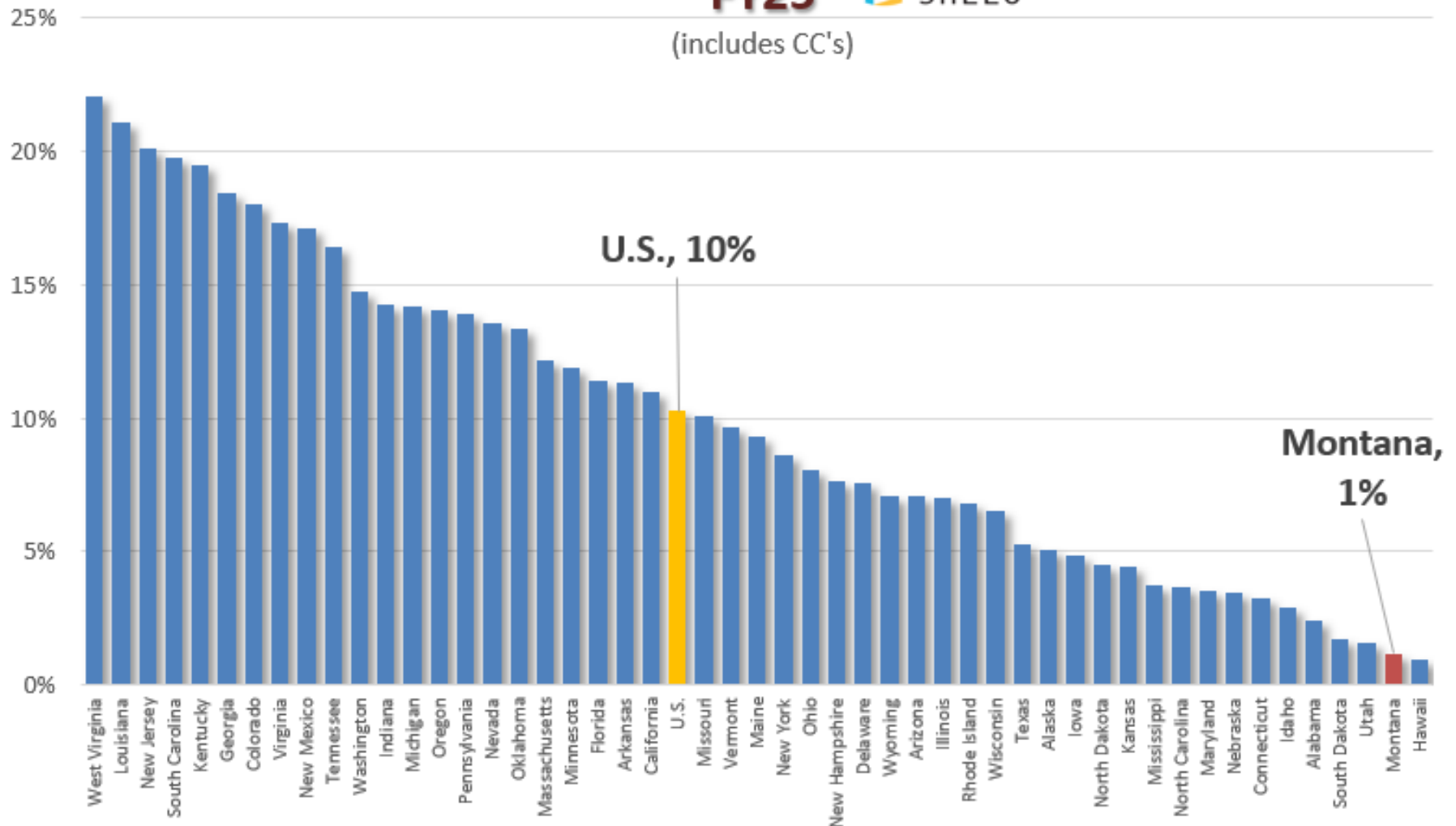
Improved retention has contributed to stable enrollment AND student success!

State Support Financial Aid as a % of State Approps,

FY25



(includes CC's)



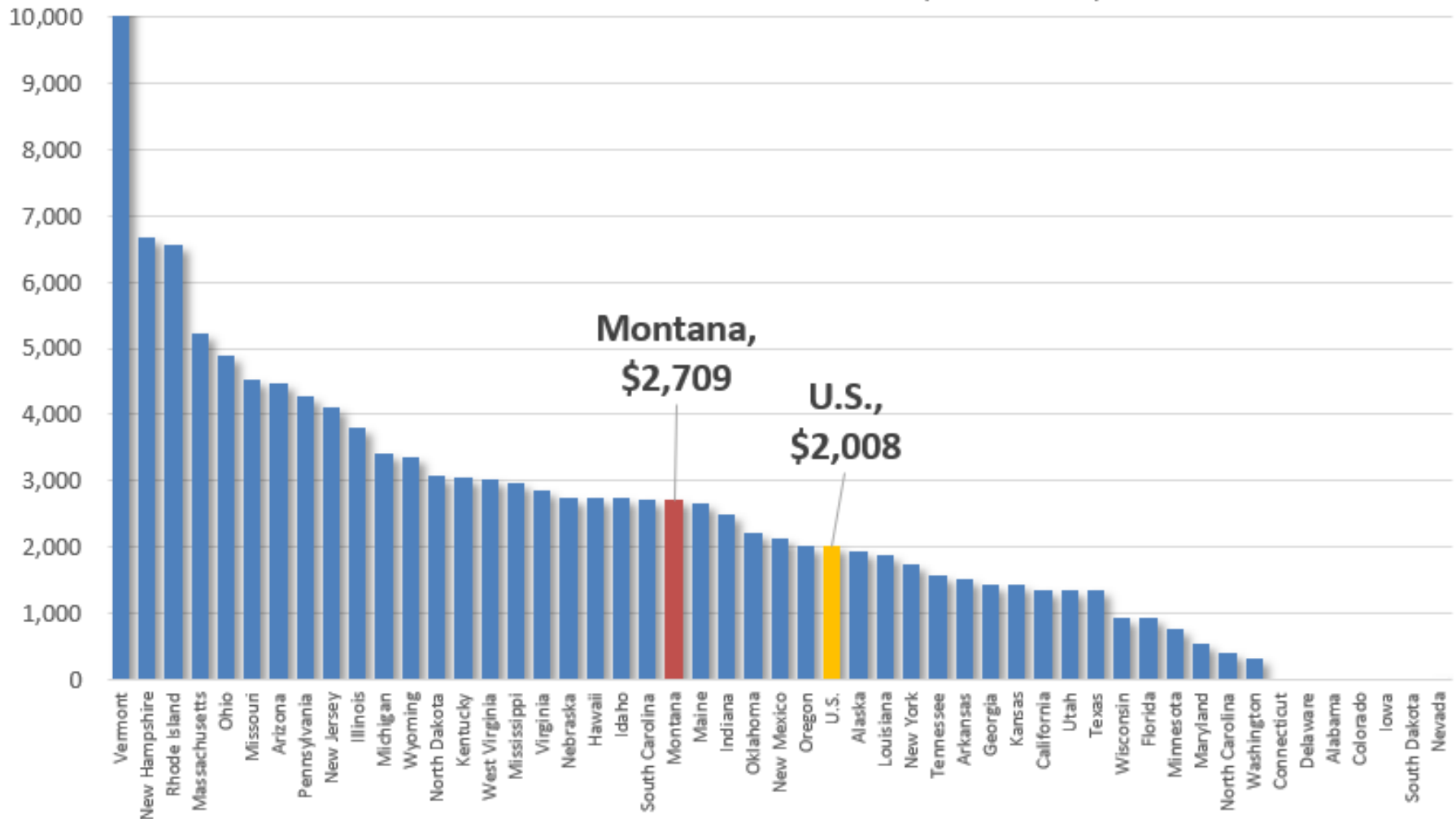
State Higher Education Executive Officers Association. State Higher Education Finance.

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

Institutional Waivers per Student FTE, FY25



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

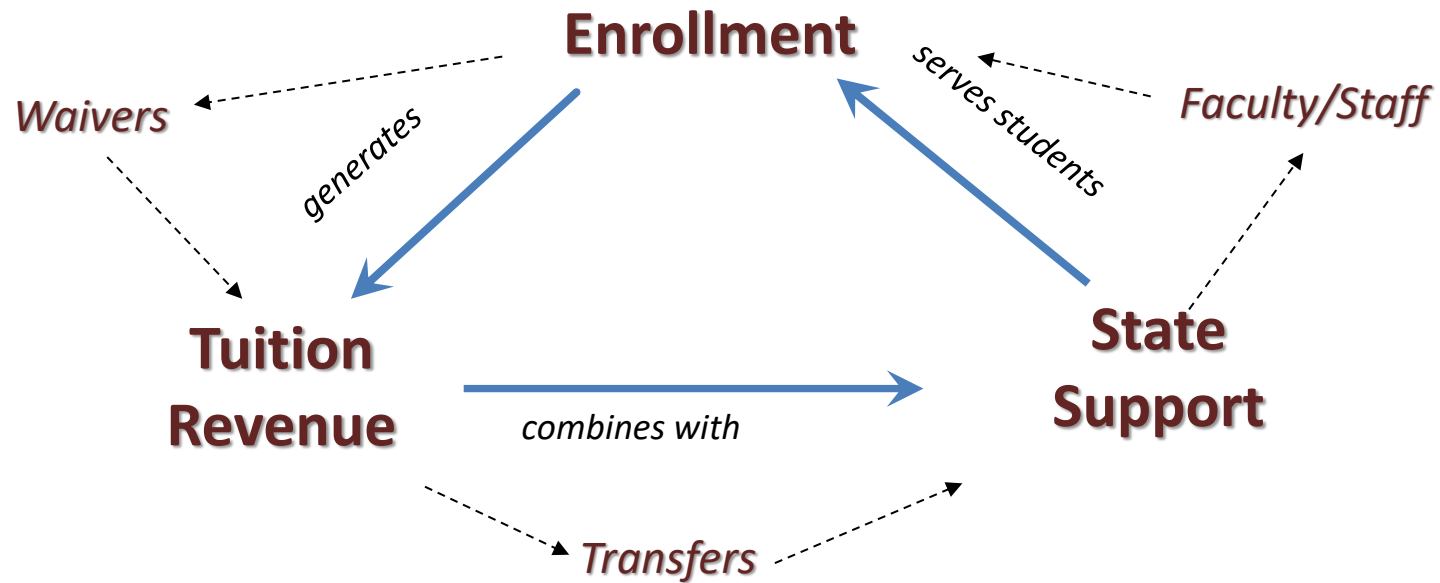
Revenue
Expenditures
Staffing
Waivers
Enrollment

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

Major Budget Drivers

- State Appropriation
- 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	Actual			%Change		Budgeted	%Change
	FY21	FY25	FY26	1yr	5yr	FY27	1yr
State Support (base)*	\$205,859,030	\$248,324,480	\$280,783,172	13%	36%	\$288,902,544	3%
State Support (OTO)	\$1,024,374	\$7,041,614	\$8,068,541	15%	688%	\$3,975,754	-51%
Net Tuition Revenue	\$242,052,353	\$303,877,550	\$306,274,678	1%	27%	\$316,404,071	3%
Transfers/Other	\$11,346,388	\$10,574,795	\$10,446,881	-1%	-8%	\$28,537,926	173%
Total Operating Revenue	\$460,282,145	\$569,818,439	\$605,573,272	6%	32%	\$637,820,296	5%
*includes campus base + earned portion of PF							
Student FTE	31,338	33,233	33,572	1%	7%	34,234	2%
Resident Students	21,380	20,746	21,459	3%	0%	21,725	1%
Non-resident Students	9,958	12,487	12,113	-3%	22%	12,509	3%
Key Metrics							
State % Share	46.1%	45.7%	48.5%	3%	2%	48.1%	0%
State Support per Res FTE	\$9,629	\$11,970	\$13,085	9%	36%	\$13,298	2%

- **State % Share – holds steady at 48%, MT ranks 35th, Nat'l Avg. = 62% (FY25)**
- **State Funds per Resident are budgeted to increase**
MT ranks 37th (state support per total FTE), 68% of national average

Montana University System - Ed. Units Only

Current Unrestricted Expenditures & Metrics

EXPENDITURES	Actual			%Change		Budgeted	%Change
	FY21	FY25	FY26	1yr	5yr	FY27	1yr
Instruction	\$245,422,908	\$275,067,348	\$287,958,359	5%	17%	\$310,116,752	8%
Academic Support	\$58,673,902	\$76,601,656	\$78,814,358	3%	34%	\$85,408,043	8%
Student Services	\$50,605,349	\$63,653,809	\$72,835,027	14%	44%	\$76,240,240	5%
Institutional Support	\$49,555,729	\$62,183,621	\$65,028,097	5%	31%	\$70,039,049	8%
Operation & Maintenance	\$58,563,123	\$67,103,717	\$74,794,690	11%	28%	\$76,292,999	2%
Research	\$2,412,265	\$5,750,832	\$5,981,128	4%	148%	\$5,805,234	-3%
Public Service	\$3,838,773	\$4,332,537	\$4,736,433	9%	23%	\$5,368,655	13%
Scholarships	\$2,668,056	\$6,583,690	\$8,272,408	26%	210%	\$8,284,768	0%
Total CU Exp (net of waivers)→	\$471,740,105	\$561,277,208	\$598,270,500	7%	27%	\$637,820,295	7%
Student FTE	31,338	33,233	33,572	1%	7%	34,234	2%
Key Metrics							
% Instruction Exp	52.0%	49.0%	48.1%	-1%	-4%	48.6%	0%
% Instruct/Acad/Stud Ser	75.2%	74.0%	73.5%	-1%	-2%	74.0%	0%
Expenditures per Student	\$15,053	\$16,889	\$17,821	6%	18%	\$18,631	5%

- **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 36th 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

Contract Faculty (all)
 Contract Administrators
 Contract Professionals
 Classified FTE
Total Faculty/Staff

Actual			%Change		Budgeted	%Change
FY21	FY25	FY26	1yr	5yr	FY27	1yr
1,804	1,838	1,855	1%	4%	1,932	4%
91	92	92	1%	6%	92	0%
567	593	639	8%	5%	686	7%
1,359	1,427	1,472	3%	13%	1,596	8%
3,822	3,949	4,059	3%	7%	4,306	6%

EXPENDITURES

Personnel Services
 Total Expenditures (net of waivers)

\$369,723,909	\$448,716,675	\$472,447,959	5%	27%	\$501,587,671	6%
\$471,740,105	\$561,277,208	\$598,270,500	7%	26%	\$637,820,295	7%

Student FTE

31,338	33,233	33,572	1%	6%	34,234	2%
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Key Metrics

Student to Faculty Ratio	17.4	18.1	18.1	0%	2%	17.7	-2%
%Personnel Services of Total	78%	80%	79%	-1%	0%	79%	0%

- **Student to Faculty Ratio – budgeted for 18 to 1, BOR benchmark = 18 to 1**
- **Personal Services % Share – budgeted for 79%, HECA* benchmark = 75%**

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

Montana University System - Ed. Units Only

Discounts, Waivers & Scholarships

	Actual			%Change		Budgeted	%Change
	FY21	FY25	FY26	1yr	5yr	FY27	1yr
DISCOUNTS/WAIVERS/SCH							
BOR Designated	\$8,590,939	\$10,616,335	\$11,844,499	12%	38%	\$12,311,464	4%
Resident Discretionary	\$8,995,885	\$11,424,177	\$11,717,121	3%	30%	\$12,065,409	3%
Non-resident Discretionary	\$43,609,357	\$72,007,554	\$80,653,264	12%	85%	\$83,068,086	3%
Scholarships	\$2,669,051	\$9,322,514	\$10,346,326	11%	288%	\$10,339,399	0%
Total Discounts/Waivers/Sch	\$63,865,232	\$103,370,580	\$114,561,210	11%	79%	\$117,784,357	3%
Student FTE	31,338	33,233	33,572	1%	7%	34,234	2%
Key Metrics							
Waivers per Student FTE	\$2,038	\$3,110	\$3,412	10%	67%	\$3,441	1%
Net Tuition Revenue per FTE	\$7,724	\$9,144	\$9,123	0%	18%	\$9,242	1%

- **Waivers per student: 1% budgeted increase, growth of \$30 per student FTE**
- **Net tuition revenue per student increasing by 1%**

Montana University System - Ed. Units Only

Fiscal Year Student FTE - Average Annual Enrollment

ENROLLMENT	Actual					Budgeted	26 vs 27	Fall 2026
	FY22	FY23	FY24	FY25	FY26	FY27	%Change	YTD
Resident Undergrad	18,237	17,809	18,057	18,554	19,259	19,588	1.7%	2.1%
Resident Graduate	2,389	2,254	2,177	2,192	2,200	2,137	-2.9%	1.9%
Non-resident Undergrad	6,074	7,001	7,455	7,752	7,833	7,762	-0.9%	-2.0%
WUE	3,627	3,440	3,469	3,377	2,993	3,471	16.0%	12.8%
Non-resident Graduate	1,357	1,356	1,367	1,358	1,287	1,276	-0.9%	1.0%
Student FTE Total	31,684	31,860	32,525	33,233	33,572	34,234	2.0%	2.3%

*Fall 26 YoY comparison with Fall 25 as of 9/15

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: 2.0% increase**
- **Fall 2026: 2.3% increase over Fall 2025 (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