

Budget Council Minutes
Tuesday, October 8, 2024
3:30 pm – 5:00 pm
Montana Room, NAH 359

Members Present:

Terry Leist

Steve Swinford

Stephanie McCalla

Alison Harmon

Jason Browning

Craig Woolard

Ryan Knutson

Kim Obbink

Will Brazda

1. Call to Order

Chair Terry Leist

2. Approval of Minutes for April 9, 2024

3. University Information/Announcements

a. Board of Regents Overview for Budget, Administration, and Audit Committee

- [May 2024](#)
 - Present Law Budget Request
 - The request for biennium was approximately 4.6% over FY25 for FY26 and 4.1% over FY25 for FY27
 - This totals approximately \$11.4 million.
 - MSU typically makes up about half of that request.
 - LRBP Request
 - Divided into capital projects and major maintenance with capital being anything more than \$2.5 million.
 - They are prioritized by the BoR for all of the campuses
 - Lewis Hall renovation is the #2 priority
 - MSU has \$41.38 million in major maintenance projects put forward for submittal.
 - Facilities Bond Issuance
 - Bridge funding issues for the IAC and CON facilities to cover the gap between donated pledges and construction costs.
 - College of Nursing Building Naming
 - Proposal to name the Bozeman building Jones Hall
- [September 2024](#)
 - Operating Budget
 - Operating budgets presented and passed
 - Indoor Athletic Center naming
 - Proposal to name facility the Kennedy-Stark Athletic Center
 - Energy Performance Contracting
 - Tabled until the November 2024 meeting

b. Budget Council FY25 Activities

- Investment proposal assessment
 - This will follow the typical timeline for review. We will be assessing FY21 base investments
 - Committee members will receive the unit write-ups and then complete rubric

for discussion at the next meeting

- Internal recharge rate recommendation
 - This will be a new activity for Budget Council
 - Formalizes the internal recharge process which has been a bit ad hoc recently
 - Presentations on how rates on developed and the proposed new rates will be presented at the next meeting
 - Budget Council will make recommendations

4. Action Items

5. Public Comment/Member Feedback

6. Training and/or Data Review

a. Operating Budget Presentation – Lasso

- FY24 actual revenue for MSU and agencies totals \$965.4 million
 - Current unrestricted is 28.1% of the total
- FY25 budgeted revenue for the same group totals \$1.1 billion
 - Current unrestricted is 26.1% of the total
- Plant funds fluctuate depending on projects in the works. This has been significant for several years for MSU
- For current unrestricted revenue, state support totals about 31% and non-resident tuition is almost 50% of FY25 budget
- A main component of planning in looking at net revenue/FTE by different types of students to ensure we are seeing growth and balancing net tuition with strategy for waivers
- Resident graduate students generate the least per FTE and non-resident undergraduates generate the most
- State support per resident FTE has grown to \$11,400 for FY24 with budgeted FY25 being \$11,844
- BOR Current unrestricted expenditure target for instruction is at least 50% and our % has remained steady around 53%.
- BOR Current unrestricted expenditure target for instruction, student services, and academic support is at least 70% and MSU has been steady at 76%.
- Salaries and benefits were 75.4% of the current unrestricted expenditures in FY24 and the FY25 budgeted amount is 76.77%. The HECA benchmark is 75%. Ensuring we don't go above this mark is important for flexibility and being nimble to any changes in funding in the future.
- Waivers are leveraged strategically to grow enrollment and revenue simultaneously. Waivers have grown since FY21, largely driven by non-resident discretionary waivers. Waivers have grown by \$17.43 while net tuition revenue has grown \$46.41 million during the same time period.
 - BOR designated waivers are mandated by board policy and must be offered if students qualify. This comes from MSU's budget internally.
 - Scholarships are growing as we target resident student support.