

SUBJECT: FINANCIAL AFFAIRS

Policy 970.1 – Biennial Allocation of State Funding to Montana University System Campuses.

Issued September 2012

I. Board Policy

- A. Appropriation Distribution Program. This policy structures an allocation methodology to be used to distribute 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. Distribution to Presidents. The methodology will result in a distribution of state funding to the President of the University of Montana and the President of Montana State University. The Presidents will be responsible for the allocation of funding to their respective affiliated campuses.
- B. Three Year Average of Student FTE's. The distribution calculation will utilize an average of the student FTE count for the most recent three consecutive years, as recorded in the official Montana University System enrollment reports. The three year average student FTE calculation will be for the University of Montana unit and the Montana State University unit.

- C. Biennial Computation. The distribution calculation and related allocations to campuses will be made once each biennium, subsequent to the adjournment of the legislature, and 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.
- D. Previous Allocation Calculations Voided. A new calculation will be made for each biennium. Previous distribution calculations are voided with the start of each new biennium.
- 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.