

PRESENT LAW PRELIMINARY BUDGET ESTIMATE

MARCH 2014

The construction of Executive Planning Process Present Law Budget preliminary budget estimate for the 2017 biennium includes the assumptions outlined below.

Restoration of Base Expenditures:

The following examples are base budget expenditures removed during the 15 biennium budget build process. These expenditures had to be requested via a decision package (DP) presented to the Legislature. OCHE is working with OBPP& LFA to find solutions to properly capture University System base expenditures. A restoration DP that is not approved or is reduced by the Legislature becomes a base budget reduction.

- Faculty Termination Costs
- Extension Service County Agents' Employer Paid Benefits
- Overtime/Extra Compensation
- Merit/Market/Compression/Inversion Pay

Personal Services:

- Estimates include annualized pay plan and health insurance increases authorized in FY 14 and FY 15
- Promotions and merit increases are campus specific
- Faculty Termination Costs are campus specific projections

Operating Costs:

- State Fixed Costs and Overhead charges have not been increased (awaiting specifics estimates from the executive budget process)
- Utilities costs are not final as of March 2014 awaiting campus specific projections, utilizing the services of utility managers on the Bozeman and Missoula campuses
- New Space (annualized) projections includes staff, utilities, O & M, and insurance, amounts not finalized in the preliminary budget estimate
- Other Operating Costs – limited to 2% for educational units; specific costs for agencies
- Library Acquisition Costs - 7%
- Information Technology Fixed Costs-7%