

**Exhibit Number: 8**

---

**The following exhibit is several assorted documents that exceeds the 10-page limit therefore it cannot be scanned. A small portion has been scanned to aid in your research for information. The exhibit is on file at the Montana Historical Society and can be viewed there.**



# Montana University System Cost Allocation Model

## OBJECTIVE

EXHIBIT 8

DATE 2/2/2005

HB 2

**Equitable allocation of available State funds  
based on:**

- Resident Enrollments
- Institutional Characteristics
  - ◇ Classification
  - ◇ Array of Programs
  - ◇ Levels of Instruction
  - ◇ Size
- Peer Institutions
- States with Comparable Ability to Pay
- Pro Rating State Resources Toward Target Budgets
- Use of Funding Formula Models Rather than Institutional Spending Patterns



**NB: This is an allocation model. It does not determine how a campus will budget and spend the resources allocated to it.**

# Classification

2001/02

<u>Unit</u>	<u>Classification*</u>
<b>MSU-Bozeman &amp; UM-Missoula</b>	<b>Doc. I &amp; II, Category I</b>
<b>MSU-Billings MSU-Northern</b>	<b>Category IIA</b>
<b>MTUM</b>	<b>Doc. I &amp; II, Category I for Engineering &amp; Computer Science</b>
	<b>Category IIA for all other Disciplines</b>
<b>WMCUM</b>	<b>Category IIB &amp; IIA</b>
<b>CoTs</b>	<b>All Two Year Institutions</b>

\* Doc I and Doc II come from the Carnegie Classification of Post Secondary Institutions

Cat. I, IIA and IIB come from AAUP Classification used in their National Salary Surveys.

# **Allocation Logic**

---

**Instruction**

**Academic Support**

**Student Services**

**Institutional Support**

**Physical Plant**

**Fee Waivers**

**Athletics**

**Research/Public Service**

**Enrollment Growth**

# Instruction



Base Enrollment (student credit hours generated)

÷ Faculty Productivity Factors\*

= **No. of Faculty Positions**

\*Productivity Factors vary by:

(based on New Mexico study)

- a. Discipline
- b. Size of Institution
- c. Levels of Instruction (lower division undergrad, upper division undergrad, and graduate)

Faculty Positions

x Weighted Average Salary\*\*

= **Faculty Salary Target**

\*\*Weighted Average Salary determined by:

- a. Discipline
- b. Classification
- c. States with Similar Per Capita Income

## Instruction Logic Continued

Faculty Salary Target Budget  
+ 22% Faculty Benefits  
**= Total Faculty Personal Services**

Total Faculty Compensation  
+ Instructional Support Costs\*\*\*  
**= Instructional Target Budget**

\*\*\*Instructional Support Costs based on:  
(based on New Mexico factors,  
including dollars per credit hour  
and expenditure data)

- a. Discipline
- b. Size of Institution
- c. Level of Instruction

# Academic Support

- ◆ **19% of Instructional Budget**
- ◆ **12% for Stand Alone CoTs**  
(Helena, Great Falls)
- ◆ **10% for Affiliated CoTs**