

Commissioner Of Higher Ed

Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as recommended by the Governor.

Program Funding Table						
Administration Program						
Program Funding	Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
01000 General Fund	\$ 1,630,922	100.0%	\$ 1,926,351	98.7%	\$ 1,905,095	98.7%
02000 State/Other Special Rev. Funds	-	-	25,000	1.3%	25,000	1.3%
Grand Total	\$ 1,630,922	100.0%	\$ 1,951,351	100.0%	\$ 1,930,095	100.0%

State special revenue funds support only the costs associated with the Family Education Savings program; general fund supports all other activities.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	Fiscal 2006					Fiscal 2007				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(60,700)					(60,513)
Vacancy Savings					(47,233)					(47,237)
Inflation/Deflation					(2,505)					(2,347)
Fixed Costs					(18,106)					(39,600)
Total Statewide Present Law Adjustments					(\$128,544)					(\$149,697)
DP 2 - Potential Rent Increase for CHE (Restricted)	0.00	75,000	0	0	75,000	0.00	75,000	0	0	75,000
DP 3 - Data Warehouse - CHE	1.00	51,521	0	0	51,521	1.00	51,396	0	0	51,396
DP 29 - Statewide FTE Reduction	(0.50)	(22,548)	0	0	(22,548)	(0.50)	(22,526)	0	0	(22,526)
Total Other Present Law Adjustments	0.50	\$103,973	\$0	\$0	\$103,973	0.50	\$103,870	\$0	\$0	\$103,870
Grand Total All Present Law Adjustments					(\$24,571)					(\$45,827)

DP 2 - Potential Rent Increase for CHE (Restricted) - The Office of the Commissioner of Higher Education has been informed by the building owners (Montana Higher Education Student Assistance Corporation) that they need the space OCHE currently occupies. Therefore, it is likely that by the 2007 biennium, OCHE will be forced to move into higher priced quarters. OCHE currently pays approximately \$7/square foot. The current market price is approximately of \$14/square foot.

LFD ISSUE Although facing a potential move, OCHE does not request funding for moving expenses. OCHE staff report that there have been discussions with the building owner, MHESAC, about providing moving assistance in the event that MHESAC does ask OCHE to move, but there does not appear to be any certainty on whether the move will occur and if MHESAC will assist with costs. If DP 2 is approved, the legislature may want to consider doing so with language restricting the use of the funds only in the event that OCHE does move and only if OCHE faces an actual increase in rent cost.

DP 3 - Data Warehouse - CHE - The executive budget adds 1.00 FTE to the commissioner's office, funding this Data Warehouse Administrator position with general fund. This position would also assist to support the Shared Leadership initiative on workforce system data collection and management.

LFD COMMENT

Within the Montana University System (MUS) there are three separate data warehouse sites that maintain similar yet distinct data information. These include the Montana State University units, the University of Montana units, and the Office of the Commissioner of Higher Education programs.

Citing the need for system-wide reporting, the need to share data as students transfer through the university system, and the need for integrated data analysis, an MUS data warehouse was created in order to integrate the three distinct sites. The hardware and software equipment for this warehouse was funded through a student computer fee and it was intended that ten percent of this fee would be used to fund ongoing costs, including personal services. Students across the system issued a protest about this computer fee so that the Board of Regents eliminated the fee, which effectively eliminated the funding to support the position. The position was then funded by the Board of Regents from the university unit's lump sum appropriation.

Therefore, the executive budget includes general fund specifically for this 1.00 FTE University System Data Warehouse Administrator and shifts the funding from the university educational unit's lump sum appropriation into the Administration Program through this present law adjustment decision package.

DP 29 - Statewide FTE Reduction - The executive budget reduces personal services by 0.50 FTE (\$45,074) in the 2007 biennium. This continues the FTE reduction adjustment implemented by the legislature in the 2003 session.

LFD COMMENT

Officials at the Office of the Commissioner of Higher Education (OCHE) indicate that if DP 29 is approved, OCHE would likely request that the Board of Regents take state funding from the lump-sum appropriation to backfill this 0.50 FTE funding reduction, due to concerns that vacancy savings would not be generated to a significant enough degree because of expanded programs and services, such as the Shared Leadership project, the Data Warehouse project, and the Family Education Savings program.

New Proposals

New Proposals		Fiscal 2006				Fiscal 2007				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Family Education Savings Staff										
01	0.50	0	25,000	0	25,000	0.50	0	25,000	0	25,000
DP 40 - Shared Leadership - Business & Econ. Dev Outreach - OTO										
01	2.00	180,000	0	0	180,000	2.00	180,000	0	0	180,000
DP 77 - Shared Leadership - Workforce System Data Collection and Mang. -OTO										
01	0.00	140,000	0	0	140,000	0.00	140,000	0	0	140,000
Total	2.50	\$320,000	\$25,000	\$0	\$345,000	2.50	\$320,000	\$25,000	\$0	\$345,000

DP 1 - Family Education Savings Staff - The executive budget adds 0.50 FTE, funded by state special revenue, for administrative staff to support the Family Education Savings program, which the legislature authorized and the Regents have been operating for 5 years.

DP 77 – Shared Leadership - Workforce System Data Collection and Mang. -OTO - The executive budget includes funding for an integrated data management system to support workforce development programs. This proposal is a one-time-only (OTO).

LFD COMMENT

The executive budget provides \$280,000 general fund in the 2007 biennium to support the development and implementation of an integrated data management system to collect, evaluate and analyze data across the approximately forty workforce development programs in the university system, K-12 education, and other state and local government agencies. The stated goals of this initiative include:

- To allow Montana to identify and track system-wide indicators and to effectively manage coordination and change among the programs in the workforce development system
- To establish a data repository of existing performance data to meet state reporting requirements, evaluate programs, facilitate research, and provide longitudinal capacity
- To establish an independent unit and advisory group that is charged with improving data accuracy
- To provide a basis for common outcome measures, comparisons, and discussion of issues across all workforce programs and operations

The existing workforce development system in Montana consists of various programs that reside, among others, in the Montana University System, in the Office of Public Instruction at the K-12 level, in the Department of Labor & Industry, and in the Department of Commerce. Many of these programs are funded primarily with federal grants such as the Carl Perkins vocational education grants, the Workforce Investment Act, the Wagner-Peyser Job Service program, and others. Historically, these various programs have had difficulty sharing data and integrating services at both the local and statewide levels.

In order to improve data management within and among workforce programs, the United States Department of Labor has funded a national project, the Integrated Performance Information for Workforce Development System Planning. As a participant, Montana has pulled together a working group with representatives from among the forty workforce development programs. The Montana working group has started to identify the data system problems that have inhibited program and service collaboration among workforce programs.

This decision package initiative is targeted to address some of the system wide concerns raised by this inter-agency, statewide working group.

For a discussion of the Shared Leadership initiatives, including legislative options for oversight and expenditure outcome accountability, which would include this proposal, please see Program 09 of this narrative.

Language

Audit Costs for the Commissioner of Higher Education

The executive budget recommends HB 2 language that identifies audit costs for specific programs in the university system budget:

“Total audit costs for the Office of the Commissioner of Higher Education are estimated to be \$47,337.”

Program Proposed Budget

The following table summarizes the executive budget proposal for this program by year, type of expenditure, and source of funding.