EXHIBIT 23
DATE 1/27/2005
HB

Program Proposed Budget

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

Program Proposed Budget Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00	5.00
Personal Services	243,674	25,000	0	268,674	24,457	0	268,131	536,805
Operating Expenses	101,552	537	0	102,089	2,913	0	104,465	206,554
Grants	2,259,705	79,621	0	2,339,326	(44,518)	0	2,215,187	4,554,513
Transfers	3,540,126	0	0	3,540,126	0	0	3,540,126	7,080,252
Total Costs	**$6,145,057**	**$105,158**	**$0**	**$6,250,215**	**($17,148)**	**$0**	**$6,127,909**	**$12,378,124**
General Fund	90,094	320	0	90,414	3,014	0	93,108	183,522
Federal Special	6,054,963	104,838	0	6,159,801	(20,162)	0	6,034,801	12,194,602
Total Funds	**$6,145,057**	**$105,158**	**$0**	**$6,250,215**	**($17,148)**	**$0**	**$6,127,909**	**$12,378,124**

Program Description

The federal Carl D. Perkins Vocational and Applied Technology Education Act provides funds to support vocational education (career training and technical education) at the secondary and post secondary levels. The Board of Regents is the state agency that administers these funds. Section 20-7-329 MCA provides that the Board of Regents contract with the Superintendent of Public Instruction to administer and supervise the K-12 vocational education programs, while the Office of the Commissioner of Higher Education (OCHE) provides administrative support for vocational programs at the postsecondary education level.

Thus, OCHE coordinates these primarily federally funded vocational education efforts through two grant programs:

- Carl Perkins formula and competitive grants, which fund equipment, faculty and other support directly to vocational education programs in two-year postsecondary institutions
- Tech Prep Grants, which are allocated across five regions in Montana to support planning, collaboration and integration of the vocational education infrastructure and curricula at the secondary and postsecondary institutions in each region

Program Highlights

Workforce Development Program
Major Budget Highlights

- The executive budget requests additional federal authority in order to carry over an incentive grant award to the 2007 biennium and fully expend the anticipated grant

Funding

The following table shows funding, by source, for the base year and for the 2007 biennium as recommended by the Governor. This program is funded primarily from federal revenue, but the Carl Perkins grant requires a general fund match of the administrative costs. The general fund in this program table reflects that required match only.

Program Funding Table
Work Force Development P

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	$ 90,094	1.5%	$ 90,414	1.4%	$ 93,108	1.5%
03000 Federal Spec. Rev. Funds	6,054,963	98.5%	6,159,801	98.6%	6,034,801	98.5%
Grand Total	$ 6,145,057	100.0%	$ 6,250,215	100.0%	$ 6,127,909	100.0%

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. 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					36,195					35,628
Vacancy Savings					(11,195)					(11,171)
Inflation/Deflation					(104)					(101)
Fixed Costs					641					3,014
Total Statewide Present Law Adjustments					$25,537					$27,370
DP 25 - Increase Federal Carl Perkins Grant Funds	0.00	0	0	79,621	79,621	0.00	0	0	(44,518)	(44,518)
Total Other Present Law Adjustments	**0.00**	**$0**	**$0**	**$79,621**	**$79,621**	**0.00**	**$0**	**$0**	**($44,518)**	**($44,518)**
Grand Total All Present Law Adjustments					$105,158					($17,148)

LFD COMMENT During the FY 2004 base year, OCHE made a $15,000 program transfer from the Regents' Priorities in Program 09 to increase personal services in the Workforce Development Program. The expenditures associated with this transfer do not appear in the base. Therefore, this change to the operating plan has inflated the personal services present law adjustments above what would be required solely to annualize the pay plan changes from the 2005 biennium.

DP 25 - Increase Federal Carl Perkins Grant Funds – The executive budget increases federal authority in the 2007 biennium to allow OCHE to fully expend the anticipated amount of this grant, which includes an incentive grant awarded during the 2005 biennium.

LFD COMMENT The federal Carl Perkins program (which includes the Tech Prep Grant) expired at the end of FY 2004 and has not been reauthorized by the United States Congress, nor is reauthorization expected soon. However, Montana received a one-year extension to the program at the FY 2005 award level and expects to receive a subsequent two-year extension, also at the FY 2005 award level, in lieu of immediate reauthorization.

Therefore, the present law adjustment in DP 25 reflects an appropriation at the FY 2005 award level. This adjustment requires a smaller funding increase in FY 2006, due to the incentive grant awarded in the 2005 biennium, and a reduction in FY 2007, to adjust for additional expenditures that were carried over to the base from the prior year. The actual amount of the grant is budgeted to be $6.2 million in FY 2006 and $6.0 million in FY 2007.