SENATE EDUCATION
EXHIBIT NO. 1
DATE 1-16-2009
BILL NO. SJ 9

Program Highlights

Student Assistance Program
Major Budget Highlights

- The HB 2 legislative budget includes three significant general fund increases in the 2009 biennium as follows:
  - $4.04 million to fund additional scholarship awards in the Governor's Postsecondary Scholarship program, authorized by 20-26-601, MCA
  - $1.05 million to fund a new quality educator loan forgiveness program
  - $775,000 to fund cost increases to the student support fees for the WICHE/WWAMI/MN Dental professional student program
- The HB 2 legislative budget also increases state special revenue $200,000 and 1.00 FTE in the 2009 biennium to support program expansion for the Family Education Savings Program

Program Narrative

The Student Assistance Program attracted legislative attention in the 2007 regular and special sessions as a primary means to address public policy concerns about access to and affordability of higher education for Montana students. Therefore, the primary fiscal driver of this program in the HB 2 legislative budget is the expansion of student scholarships, in particular the Governor's Postsecondary Scholarship Program.

The figure below illustrates the funding levels for each of these student assistance grant programs for the 2007 biennium and the HB 2 funding levels approved by the legislature for the 2009 biennium.

Figure 6
Student Assistance - State/Federal Grant and Work Study Programs
Fiscal 2006 through 2009

Grant Program	Actual FY 2006	Op Plan FY 2007	HB 2 FY 2008	HB 2 FY 2009	Biennial % Change
Grants Funded with State Funds:					
Baker Grants	$2,018,775	$2,034,869	$2,018,775	$2,018,775	-0.4%
MT Higher Education Grant (MHEG)**	491,913	494,627	21,913	21,913	-95.6%
SEOG *	516,005	497,196	516,005	516,005	1.9%
Perkins Loan *	149,873	149,873	149,873	149,873	0.0%
State Work Study	862,989	862,989	862,989	862,989	0.0%
Governor's Postsecondary Scholarships	476,834	1,023,166	2,006,834	2,986,834	232.9%
Subtotal State Funds	$4,516,388	$5,062,720	$5,576,389	$6,556,389	26.7%
Grants Funded with Federal Matching Funds:					
SLEAP Grant Program (Baker Match)	143,694	139,566	$143,694	$143,694	
LEAP Grant Program (MHEG Match)	89,221	82,944	$89,221	$89,221	
Subtotal Federal Funds	$232,915	$222,510	$232,915	$232,915	2.3%
General Fund Administrative Costs:					
Program Administrative Costs	$0	$0	$30,900	$32,000	100.0%
Total Funds	$4,749,303	$5,285,230	$5,840,204	$6,821,304	26.2%

* Represents the state match. The federal matching funds are distributed directly to university campuses.
** Includes $470,000 one-time-only MHEG appropriation in FY2006-2007...but not restored in FY 2008 & FY 2009

Overall, the legislature increased student assistance financial aid programs by 26.2 percent in HB 2 for the 2009 biennium. The largest increase is in the funding for the Governor's Postsecondary Scholarship Program, which was increased by $4.04 million or 233 percent. In order to authorize this expansion, the legislature approved SB 2 of the 2007 special session that revises the statutory authorization of scholarship awards in this program at 20-26-601, MCA.

The figure below illustrates the total funding level for the WICHE/WWAMI/MN Dental program, including the present law adjustments for the 2009 biennium budget.

Figure 7
2009 Biennium Legislative Budget
WICHE/WWAMI/Minnesota Dental Programs
Administered by the Office/Commissioner of Higher Education

	Fiscal Year 2008						Fiscal Year 2009					
	Support	New (1st Year)		Continuing			Support	New (1st Year)		Continuing		
PROGRAM	Fee	Students	Cost	Students	Cost	Total	Fee	Students	Cost	Students	Cost	Total
WICHE												
Administrative Dues			$116,000			$116,000			$120,000			$120,000
Student Assistance:												
Medicine	$26,500	6	$159,000	18	$477,000	$636,000	$27,400	6	$164,400	18	$493,200	$657,600
Osteopathic Medicine	17,600	2	35,200	4	70,400	105,600	18,200	1	18,200	6	109,200	127,400
Dentistry	20,600	1	20,600	3	61,800	82,400	21,300	1	21,300	3	63,900	85,200
Veterinary Medicine	26,300	9	236,700	27	710,100	946,800	27,200	9	244,800	27	734,400	979,200
Podiatry	12,300	1	12,300	1	12,300	24,600	12,700	0	0	2	25,400	25,400
Optometry	14,100	1	14,100	3	42,300	56,400	14,600	1	14,600	3	43,800	58,400
Occupational Therapy	10,700	1	10,700	1	17,833	28,533	11,100	1	11,100	1	18,500	29,600
(includes 1 @ clinical rate $17,833 for FY 08 and $18,500 for FY 09)												
Public Health	6,700	1	6,700	1	4,467	11,167	6,900	1	6,900	1	6,900	13,800
(includes 1 extended degree @ $4,467 for FY 08)												
Subtotal (WICHE Student Support)		22	$495,300	58	$1,396,200	$1,891,500		20	$481,300	61	$1,495,300	$1,976,600
TOTAL WICHE (Including Dues)						$2,007,500						$2,096,600
MINNESOTA DENTAL	20,600	2	41,200	6	123,600	164,800	21,300	2	42,600	6	127,800	170,400
WWAMI	50,414	20	0	60	3,024,836	3,024,836	51,926	20	0	60	3,115,581	3,115,581
TOTAL WICHE/WWAMI/MN		44	$652,500	124	$4,544,636	$5,197,136		42	$643,900	127	$4,738,681	$5,382,581
			Present Law Adjustment Increase			$295,020			Present Law Adjustment Increase			$480,465

Notes:
1) Rates for all continuing occupational therapy students are calculated at 1 2/3 the annual support fee to include support for two clinical rotations. ($17,833 for FY 2008; $18,500 for FY 2009)
2) The WWAMI support fee is calculated as an average per continuing student. Actual support varies by program year.