EXHIBIT 9
DATE 2-7-13
HB Executive Action

Memorandum of Understanding between Office of Governor Steve Bullock and the Montana University System

This agreement is between Governor Steve Bullock and the Montana University System (MUS) Office of the Commissioner of Higher Education to implement a resident-student tuition freeze for the 2013-14 and 2014-15 academic years. If the Legislature adopts the funding in this agreement, the MUS will freeze resident-student tuition rates in the 2015 biennium.

Present Law Budget

The Montana University System total current unrestricted present law budget is **$441,104,390** for FY 2014 and **$443,395,350** for FY 2015.

Campus	FY 2014	FY 2015
UM-Missoula	$161,139,064	$162,461,816
UM-MT Tech	$30,104,142	$30,247,560
UM-Western	$13,409,657	$13,477,276
UM-HCOT	$7,894,964	$7,899,931
MSU-Bozeman	$160,410,356	$161,186,652
MSU-Billings	$41,944,951	$42,006,325
MSU-Northern	$15,413,309	$15,328,767
MSU-GFCOT	$10,787,947	$10,787,023
Grand Total	**$441,104,390**	**$443,395,350**

Resident/WUE Share

The overall resident/WUE share of new budget items is approximately 82% and the non-resident share is 18%. This share is based upon resident student/WUE (FTEs) in the base year. The resident/WUE shares by campus are as follows:

Campus	Resident/WUE %
UM-Missoula	79.9%
UM-MT Tech	86.0%
UM-Western	93.5%
UM-HCOT	99.1%
MSU-Bozeman	74.1%
MSU-Billings	95.1%
MSU-Northern	96.4%
MSU-GFCOT	98.2%

Resident/WUE Share Computation for Present Law Adjustments
The Resident/WUE share of present law base budget items takes into account FY 2013 budgeted tuition levels and then funds the increase with the resident/WUE student share shown above. The resident/WUE student share of the present law increases is **$13,185,885** in FY 2014 and **$15,040,332** in FY 2015.

Resident/WUE student share of increased costs:

Campus	FY 2014	FY 2015
3513 – MSU GF COT	$343,047	$342,140
3514 – UM-H-COT	$391,989	$396,911
5103 – UM	$4,673,069	$5,729,948
5104 – MSU	$4,407,124	$4,982,358
5105 – UM MT Tech	$811,266	$934,606
5106 – MSU-Billings	$1,011,314	$1,067,431
5107 – MSU Northern	$952,438	$928,076
5108 – UM Western	$595,638	$658,862
Grand Total	**$13,185,885**	**$15,040,332**

Items funded with this present law adjustment include, faculty, classified and contract employee market/merit/inversion pay, mandatory fee waivers, utilities and library inflation, overtime, present law adjustments for fixed costs and other base budget operating adjustments.

Enrollment
The enrollment used for each year of the 2015 biennium is assumed to be the FY 2012 actual resident/WUE enrollment. Resident/WUE enrollment is assumed to be "flat lined" or to remain constant. State provided funding will not be increased or decreased as the result of actual resident enrollments being higher or lower than this level as outlined in 17-7-142, MCA.

Student Assistance Program
$2,587,890 in the Student Assistance Program for the Governor's Best and Brightest Scholarship and Quality Educator Loan Forgiveness will be restored to general fund each year of the 2015 biennium. An additional $216,652 in FY 2014 and $370,765 in FY 2015 of general fund will be budgeted for WICHE/WAMI/MN Dental.

No Shifting of Costs to Fees

The Regents must commit to not increasing fees beyond what would be required for the normal programs that fees support. The Montana University System campuses will not shift costs from current unrestricted funding to fee supported programs.

Tuition Agreement Summary Table

Item	FY 2014	FY 2015
State contribution to present law base adj	$13,185,886	$15,040,332
Restore Student Assistance General Fund	2,587,890	2,587,890
PGM 2 WICHE/WWAMI/MN Dental	216,652	370,765
Total	**15,990,428**	**17,998,987**

State Employee Pay Plan

The college affordability plan relies on a state appropriation to the Montana University System to fund fully any raises that the Legislature approves in a state employee pay plan.

On behalf of the State of Montana:

Steve Bullock
Governor

February 1, 2013
Date

On behalf of the Montana University System:

Clayton T. Christian
Commissioner of Higher Education

February 1, 2013
Date