

3501 Office Of Public Instruction							All Programs	
Legislative Adopted Budget								
L01 Budget Version	Base	Approp	Budgeted	Budgeted	Biennium	Biennium	Biennial	Biennial
Budget Item	FY 2008	FY 2009	FY 2010	FY 2011	FY 2008-09	FY 2010-11	Change	Percent
Personal Services	9,072,595	10,455,159	10,232,103	10,328,494	19,527,754	20,560,597	1,032,843	5.3%
Operating Expenses	13,490,967	11,748,162	15,444,239	19,870,911	25,239,129	35,315,150	10,076,021	39.9%
Equipment & Intangible Assets	50,426	59,212	50,426	50,426	109,638	100,852	(8,786)	-8.0%
Local Assistance	634,042,814	656,324,066	632,588,914	634,306,281	1,290,366,880	1,266,895,195	(23,471,685)	-1.8%
Grants	126,371,496	159,608,650	138,801,424	143,126,424	285,980,146	281,927,848	(4,052,298)	-1.4%
Total Costs	783,028,298	838,195,249	797,117,106	807,682,536	1,621,223,547	1,604,799,642	(16,423,905)	-1.0%
General Fund	642,761,421	666,049,445	641,254,571	643,057,619	1,308,810,866	1,284,312,190	(24,498,676)	-1.9%
State/other Special Rev. Funds	957,495	991,734	984,295	985,051	1,949,229	1,969,346	20,117	1.0%
Federal Spec. Rev. Funds	139,309,382	171,154,070	154,878,240	163,639,866	310,463,452	318,518,106	8,054,654	2.6%
Proprietary Funds	-	-	-	-	-	-	-	0.0%
Total Funds	783,028,298	838,195,249	797,117,106	807,682,536	1,621,223,547	1,604,799,642	(16,423,905)	-1.0%

The following figure shows the spending reduction proposals by the executive for all programs. The description of each decision package follows the figure.

3501 Office Of Public Instruction				All Programs		
Budget Reduction Percentages						
	-0.02%	-0.65%	-0.34%			
<i>Executive Spending Reductions (Jan. 29, 2010)</i>	General Fund	General Fund	General Fund	Total Funds	Total Funds	Total Funds
Decision Package	FY 2010	FY 2011	FY 2010-11	FY 2010	FY 2011	FY 2010-11
NP00601 Program 06-State Level Activities 5% Reduction	(150,000)	(306,392)	(456,392)	(150,000)	(306,392)	(456,392)
NP00901 Program 09-Local Education Activities 5% Reduction	-	(3,901,615)	(3,901,615)	-	(3,901,615)	(3,901,615)
New Proposal Total	(150,000)	(4,208,007)	(4,358,007)	(150,000)	(4,208,007)	(4,358,007)
Total All Decision Packages	(150,000)	(4,208,007)	(4,358,007)	(150,000)	(4,208,007)	(4,358,007)

NP

601

Program 06-State Level Activities 5% Reduction

Program 06 - 17-7-140(1)(b), MCA 5% Reduction Proposal

The majority of proposed reductions will be made by: (1) using electronic training tools (webinars, video conferencing, Adobe Connect) for professional development activities provided to school personnel and offering fewer days of on-site training; (2) reducing travel costs associated with training for OPI staff; (3) delaying the replacement of computers and servers; (4) discontinuing advertisement of open positions through newspapers while continuing to advertise through electronic means; (5) disseminating educational materials when possible to school districts electronically; and (6) reducing grants for curriculum materials development and professional development.

The OPI will make greater use of electronic means to offer its services. This may make it more difficult for a portion of the public to access OPI services.

NP

901

Program 09-Local Education Activities 5% Reduction

Program 09 – 17-7-140(1) (b), MCA. Reduction Proposal – 5%

A reduction of \$1,818,000 from the School Facilities and \$2,083,615 from the School District Block Grant biennial appropriations are included in this proposal.

School Facilities

\$19,488,784 is appropriated in the 2011 biennium for school facilities payments. It is estimated that the final payment will be \$8.585 million in FY2010 and \$9.085 million in FY2011. This would leave a remaining balance of approximately \$1.818 million at the end of the biennium. Based on current assumptions, there would be no impact to school districts as a result of reducing this appropriation.

School District Block Grants

\$103,907,667 is appropriated in the 2011 biennium for school district block grants. A \$2,083,615 reduction is proposed to be applied in FY2011 for payments under 20-9-630, MCA and 20-9-632, MCA. In the general fund, the reduction in the block grants will be offset to some extent by an increase to the guaranteed tax base (GTB) aid.

While reductions to other appropriations for Distributions to Schools were considered, the funding for adult basic education, secondary vocational education programs, and the school lunch program could not be reduced without violating matching or maintenance of effort requirements of federal programs. In addition, funding rates for pupil transportation and tuition payments are set in statute.

5101 Board Of Public Education							All Programs	
Legislative Adopted Budget								
L01 Budget Version	Base	Approp	Budgeted	Budgeted	Biennium	Biennium	Biennial	Biennial
Budget Item	FY 2008	FY 2009	FY 2010	FY 2011	FY 2008-09	FY 2010-11	Change	Percent
Personal Services	266,842	282,621	297,306	298,929	549,463	596,235	46,772	8.5%
Operating Expenses	109,214	127,254	112,214	114,292	236,468	226,506	(9,962)	-4.2%
Total Costs	376,056	409,875	409,520	413,221	785,931	822,741	36,810	4.7%
General Fund	209,990	224,324	223,471	227,589	434,314	451,060	16,746	3.9%
State/other Special Rev. Funds	166,066	185,551	186,049	185,632	351,617	371,681	20,064	5.7%
Total Funds	376,056	409,875	409,520	413,221	785,931	822,741	36,810	4.7%

The following figure shows the spending reduction proposals by the executive for all programs. The description of each decision package follows the figure.

5101 Board Of Public Education							All Programs
Budget Reduction Percentages							
Executive Spending Reductions (Jan. 29, 2010)							
Decision Package	General Fund	General Fund	General Fund	Total Funds	Total Funds	Total Funds	
	FY 2010	FY 2011	FY 2010-11	FY 2010	FY 2011	FY 2010-11	
NP00011 ITSD Web Hosting	(1,800)	(1,800)	(3,600)	(1,800)	(1,800)	(3,600)	
NP00012 Carry Forward FY09	(2,167)	-	(2,167)	(2,167)	-	(2,167)	
NP00013 January 2011 BPE Meeting	-	(4,500)	(4,500)	-	(4,500)	(4,500)	
NP00014 Travel/Supplies/Postage	-	(1,039)	(1,039)	-	(1,039)	(1,039)	
NP00015 Fixed Cost Reduction	-	(73)	(73)	-	(73)	(73)	
New Proposal Total	(3,967)	(7,412)	(11,379)	(3,967)	(7,412)	(11,379)	
Total All Decision Packages	(3,967)	(7,412)	(11,379)	(3,967)	(7,412)	(11,379)	

NP

11

ITSD Web Hosting

ITSD Web Hosting for FY10 and FY11. When the BPE switched to the state ITSD system \$1,800 was budgeted per fiscal year for the ITSD Sharp Content ASP Web Hosting. The BPE will forgo the upgrade at this time.

Constitutional and statutory law mandate the Board of Public Education to accomplish specific duties. Curtailing the Board's budget hinders its ability to carry out required provisions which certainly will impact the 429 school districts responsible for the educational environment of 142,082 of Montana's school children.

NP

12

Carry Forward FY09

The BPE has \$2,167 of FY09 carry forward money from the general budget. The BPE typically uses this carry forward appropriation for operating expenses.

Constitutional and statutory law mandate the Board of Public Education to accomplish specific duties. Curtailing the Board's budget hinders its ability to carry out required provisions which certainly will impact the 429 school districts responsible for the educational environment of 142,082 of Montana's school children.

NP

13

January 2011 BPE Meeting

The BPE proposes to cancel the January 2011 meeting. This may certainly effect legal actions in licensure, decisions made concerning accreditation of schools, and will slow the BPE's constitutional rule making authority in regard to standards. This decision package will certainly increase workloads for both the board and its staff and will increase operating expenses through longer meetings resulting in extra lodging and meals.

Constitutional and statutory law mandate the Board of Public Education to accomplish specific duties. Curtailing the Board's budget hinders its ability to carry out required provisions which certainly will impact the 429 school districts responsible for the educational environment of 142,082 of Montana's school children.

NP

14

Travel/Supplies/Postage

The BPE proposes to reduce travel expenditures, supplies, and postage. The BPE may not be able to attend a proposed Governor's Board of Education meeting in Butte, MT in September 2010. Other meetings the BPE may not be able to attend include the following: Kindergarten to College; Assessment Conference; Montana Math and Science Teacher Initiative; Board of Regents; OPI task forces; MASS; NASBE (Common Core and Race to the Top); etc. Supplies and postage may be reduced through the use of electronic agenda packets and the elimination of food and beverages for the BPE during its meetings.

Constitutional and statutory law mandate the Board of Public Education to accomplish specific duties. Curtailing the Board's budget hinders its ability to carry out required provisions which certainly will impact the 429 school districts responsible for the educational environment of 142,082 of Montana's school children.

NP

15

Fixed Cost Reduction

OBPP reviewed fixed cost budgets as a part of 17-7-140 review. The Board of Public Education proposes the following reduction of fixed costs: 62114 Payroll \$21.00; 62148 SABHRS \$51.00; and 62114A WC Bureau fee \$1.00. This totals \$73.00.

5114 Montana Arts Council							All Programs	
Legislative Adopted Budget								
L01 Budget Version	Base	Approp	Budgeted	Budgeted	Biennium	Biennium	Biennial	Biennial
Budget Item	FY 2008	FY 2009	FY 2010	FY 2011	FY 2008-09	FY 2010-11	Change	Percent
Personal Services	506,369	557,017	537,185	544,960	1,063,386	1,082,145	18,759	1.8%
Operating Expenses	322,558	240,170	325,708	305,826	562,728	631,534	68,806	12.2%
Grants	420,903	499,973	420,903	420,903	920,876	841,806	(79,070)	-8.6%
Total Costs	1,249,830	1,297,160	1,283,796	1,271,689	2,546,990	2,555,485	8,495	0.3%
General Fund	467,889	459,035	468,541	460,209	926,924	928,750	1,826	0.2%
State/other Special Rev. Funds	204,517	214,756	213,909	213,742	419,273	427,651	8,378	2.0%
Federal Spec. Rev. Funds	577,424	623,369	601,346	597,738	1,200,793	1,199,084	(1,709)	-0.1%
Total Funds	1,249,830	1,297,160	1,283,796	1,271,689	2,546,990	2,555,485	8,495	0.3%

The following figure shows the spending reduction proposals by the executive for all programs. The description of each decision package follows the figure.

5114 Montana Arts Council							All Programs	
Budget Reduction Percentages								
<i>Executive Spending Reductions (Jan. 29, 2010)</i>			-4.85%	-0.07%	-2.48%			
Decision Package	General Fund	General Fund	General Fund	Total Funds	Total Funds	Total Funds		
	FY 2010	FY 2011	FY 2010-11	FY 2010	FY 2011	FY 2010-11		
PL051141 FY 2011 5% CUT	(22,703)	(307)	(23,010)	(22,703)	(307)	(23,010)		
Present Law Total	(22,703)	(307)	(23,010)	(22,703)	(307)	(23,010)		
Total All Decision Packages	(22,703)	(307)	(23,010)	(22,703)	(307)	(23,010)		

PL
51141
FY 2011 5% CUT

The agency will take its 2011 5% cut of \$23,010 primarily out of FY 2010. This cut will be taken from fixed cost reductions (\$307 for FY 2011) and the balance by delaying implementation of the Leadership Institute online project in FY 2010.

The Leadership Institute was originally begun as part of a legislative appropriation in FY 1999 made to the agency to provide technical assistance to the field. It was expanded when the agency received a 5-year Lila Wallace Reader's Digest START grant to the agency in FY2003, where the focus became non-profit arts organization boards of director and staff leadership training.

After planning with the public, three primary tracks were created, one per year, in fundraising, governance and marketing. From FY 2004-2009, workshops were held on each of these topics in three different sites around the state, serving 73 nonprofit organizations. Three hundred and sixty eight people from 27 communities and statewide participated in 9 workshops over a period of 6 years. Another 21 individuals representing 5 organizations participated in a 3 year in-depth organizational development program.

FY 2009 concluded the first complete cycle of these workshops, and planning for the next phase began. Technology issues and social networking arose as the priority for the next phase of programming. And, due to budget constraints, it made more sense to revamp the program into an online service and onsite technical support in some cases, which more

Montana nonprofits could access without traveling and within their own timeframe. The staff person responsible for this program is also in charge of the agency's ARRA grant program. That funding came in quickly and had to be disbursed immediately and necessitated moving the Leadership Institute to the second half of FY 2010. The arts council has chosen to allocate most of its 5% general fund cut from the FY 2010 general fund budget since work has been delayed on this program this year. This will leave a small amount of money available to begin the program at a lower level this fiscal year and full funding to continue into next year. This program is very important, but because of the budget office request that cuts be sought that will have the least impact on service recipients, a reduction and a delay in implementation here makes the most sense at this time.

Also based on the budget office request, we are always looking for efficiencies in operations that will allow us to deliver services more cost effectively.

The Leadership Institute is permissive as no state or federal law mandates it.

5115 Montana State Library							All Programs	
Legislative Adopted Budget								
L01 Budget Version	Base	Approp	Budgeted	Budgeted	Biennium	Biennium	Biennial	Biennial
Budget Item	FY 2008	FY 2009	FY 2010	FY 2011	FY 2008-09	FY 2010-11	Change	Percent
Personal Services	1,980,114	1,799,680	1,733,052	1,748,475	3,779,794	3,481,527	(298,267)	-7.9%
Operating Expenses	1,838,352	1,855,106	1,800,950	1,784,201	3,693,458	3,585,151	(108,307)	-2.9%
Equipment & Intangible Assets	17,896	56,684	18,724	19,216	74,580	37,940	(36,640)	-49.1%
Grants	522,135	1,426,372	1,526,723	926,723	1,948,507	2,453,446	504,939	25.9%
Total Costs	4,358,497	5,137,842	5,079,449	4,478,615	9,496,339	9,558,064	61,725	0.7%
General Fund	2,348,128	2,513,420	2,781,739	2,779,166	4,861,548	5,560,905	699,357	14.4%
State/other Special Rev. Funds	1,054,978	1,055,012	883,530	883,523	2,109,990	1,767,053	(342,937)	-16.3%
Federal Spec. Rev. Funds	955,391	1,417,366	1,414,180	815,926	2,372,757	2,230,106	(142,651)	-6.0%
Proprietary Funds	-	152,044	-	-	152,044	-	(152,044)	-100.0%
Total Funds	4,358,497	5,137,842	5,079,449	4,478,615	9,496,339	9,558,064	61,725	0.7%

The following figure shows the spending reduction proposals by the executive for all programs. The description of each decision package follows the figure.

5115 Montana State Library				All Programs			
Budget Reduction Percentages		-3.60%	-1.40%	-2.50%			
<i>Executive Spending Reductions (Jan. 29, 2010)</i>		General Fund	General Fund	General Fund	Total Funds	Total Funds	Total Funds
Decision Package		FY 2010	FY 2011	FY 2010-11	FY 2010	FY 2011	FY 2010-11
PL00001	HB0645-Exp of Reading Services for the Blind	(70,071)	-	(70,071)	(70,071)	-	(70,071)
PL00002	MSL Operations Adjustment	(30,000)	(30,000)	(60,000)	(30,000)	(30,000)	(60,000)
PL00003	MSL Fixed Cost Reduction	-	(8,887)	(8,887)	-	(8,887)	(8,887)
Present Law Total		(100,071)	(38,887)	(138,958)	(100,071)	(38,887)	(138,958)
Total All Decision Packages		(100,071)	(38,887)	(138,958)	(100,071)	(38,887)	(138,958)

PL

1

HB0645-Exp of Reading Services for the Blind

The 2009 Legislature provided the Montana State Library (MSL) with stimulus monies to help the Talking Book Library partners – Montana Radio Reading Service and the Montana Association for the Blind to expand their offerings of the radio reading services and newline services. This reduction would significantly reduce the expansion of these two services.

Montana Radio Reading Service: (\$5,113)

Montana Association for the Blind Newline: (\$64,958)

Total operations savings for the biennium would be: (\$70,071)

Both the Montana Radio Reading Service and the Montana Association for the Blind Newline service would be forced to concentrate on a basic or slightly expanded core of services. Plans to purchase equipment and additional content that would enhance the user experience would be reduced or eliminated. Marketing of services and recruitment of new patrons would be limited.

Much of the impact that results from reductions in spending in this category are already mitigated by the fact that some expansion is still possible with the new monies. The cuts proposed to these projects in the main target new equipment and content while ensuring that staff and content subscriptions vital to the provision of services are maintained at reasonable levels. The continued growth of access to alternative news content sources in digital

Web-based formats can be expected to mitigate the impact of reduced support of these projects to some degree, but not for many users who require the ease of use and staff support offered by Montana Radio Reading Service and Montana Association for the Blind Newline service.

These services are not specifically mandated under statute, however these operations directly support services that are mandated

PL

2

MSL Operations Adjustment

The Montana State Library (MSL) has a relatively small operations budget when compared to larger agencies. The operations budget supports the overall function of the agency and includes costs such as printing publications, postage and mailing including the costs for interlibrary loan, basic phone services and information technology (IT) infrastructure maintenance and enhancement costs. Operation costs targeted for reduction:

Printing budget: MSL will not print our annual report, the Library Directory, Library Laws, Library Statistics, the Big Sky Newsletter and one quarter of the Talking Books Library newsletter, Bits of Gold. Instead these publications will be available online.

Postage and mailing: As a whole the agency is not mailing as much as it did in previous years. This is a result of the increase of email usage, not printing and thus mailing large print runs as described above, as well as a decrease in print interlibrary loan which has been replaced with email delivery of electronic documents.

Phone services: As a whole the agency is relying more on email and cell phones so long distance expenses are less.

For all three of the above reductions, online access and email tend to provide as good a means of access to this information or better when compared to print because the access is more immediate and widely available. However, in areas of the state with less connectivity, or for MSL patrons and partners without email, or for our low vision patrons who do not use screen readers, access and communication may be a concern.

IT maintenance contract and equipment purchases: Hardware maintenance contracts were purchased in FY08 as a stop gap measure while the Department of Administration completes their data centers. These will not need to be renewed. Additionally, new equipment was purchased in FY09 to replace outdated hardware. This equipment will be serviceable for the next four to five years. Much of the impact that results from reductions in spending in this category are already mitigated through the use of alternative technologies.

MSL will continue to investigate the option to outsource appropriate hardware needs to the state data centers as they are completed and if funding allows. MSL will also carefully consider additional equipment purchases during this biennium and will only purchase hardware that is absolutely critical because existing hardware is at the end of its lifecycle.

These services are not specifically required by statute, however these operations directly support services that are mandated.

PL

3

MSL Fixed Cost Reduction

Fixed cost reduction given by OBPP

5117 Montana Historical Society Legislative Adopted Budget							All Programs	
L01 Budget Version	Base	Approp	Budgeted	Budgeted	Biennium	Biennium	Biennial	Biennial
Budget Item	FY 2008	FY 2009	FY 2010	FY 2011	FY 2008-09	FY 2010-11	Change	Percent
Personal Services	2,766,436	3,162,114	3,097,133	3,109,826	5,928,550	6,206,959	278,409	4.7%
Operating Expenses	1,224,784	1,295,675	1,285,535	1,253,672	2,520,459	2,539,207	18,748	0.7%
Equipment & Intangible Assets	49,442	8,904	28,916	29,711	58,346	58,627	281	0.5%
Grants	77,000	78,861	77,000	77,000	155,861	154,000	(1,861)	-1.2%
Benefits & Claims	-	-	-	-	-	-	-	0.0%
Transfers	50,503	50,503	50,503	50,503	101,006	101,006	-	0.0%
Total Costs	4,168,165	4,596,057	4,539,087	4,520,712	8,764,222	9,059,799	295,577	3.4%
General Fund	2,668,353	2,721,748	2,743,601	2,737,041	5,390,101	5,480,642	90,541	1.7%
State/other Special Rev. Funds	78,768	274,138	139,112	139,710	352,906	278,822	(74,084)	-21.0%
Federal Spec. Rev. Funds	620,578	643,738	669,738	671,859	1,264,316	1,341,597	77,281	6.1%
Proprietary Funds	800,466	956,433	986,636	972,102	1,756,899	1,958,738	201,839	11.5%
Total Funds	4,168,165	4,596,057	4,539,087	4,520,712	8,764,222	9,059,799	295,577	3.4%

The following figure shows the spending reduction proposals by the executive for all programs. The description of each decision package follows the figure.

5117 Montana Historical Society Budget Reduction Percentages				All Programs		
<i>Executive Spending Reductions (Jan. 29, 2010)</i>	-0.37%	-4.63%	-2.50%	Total Funds	Total Funds	Total Funds
Decision Package	General Fund FY 2010	General Fund FY 2011	General Fund FY 2010-11	FY 2010	FY 2011	FY 2010-11
PL051701 GENERAL FUND REDUCTION - ADMIN PERSONNEL	(10,238)	(57,406)	(67,644)	(10,238)	(57,406)	(67,644)
PL051702 GENERAL FUND REDUCTION - ADMIN TRAVEL	-	(1,500)	(1,500)	-	(1,500)	(1,500)
PL051703 GENERAL FUND REDUCTION - PC REPLACEMENT	-	(19,200)	(19,200)	-	(19,200)	(19,200)
PL051704 GENERAL FUND REDUCTION - RESEARCH MICROC	-	(22,680)	(22,680)	-	(22,680)	(22,680)
PL051705 GENERAL FUND REDUCTION - TOUR GUIDE HOU	-	(4,386)	(4,386)	-	(4,386)	(4,386)
PL051706 GENERAL FUND REDUCTION - NR BOARD	-	(10,700)	(10,700)	-	(10,700)	(10,700)
PL051707 GENERAL FUND REDUCTION - FIXED COSTS	-	(10,791)	(10,791)	-	(10,791)	(10,791)
Present Law Total	(10,238)	(126,663)	(136,901)	(10,238)	(126,663)	(136,901)
Total All Decision Packages	(10,238)	(126,663)	(136,901)	(10,238)	(126,663)	(136,901)

PL
51701
GENERAL FUND REDUCTION - ADMIN PERSONNEL

#1. BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR *ELIMINATION* OR *REDUCTION*:

1. Reduce public relations position to .50 FTE
2. Retirement of accountant position, vacancy savings 1 month, rehire at entry level
3. Leave part-time guard position vacant in SFY10 through 3/31/10, hire .50 FTE, leave remaining .18 FTE vacant

#2. THE SAVINGS THAT ARE EXPECTED:

<u>EXP LEVEL</u>	<u>SFY10</u>	<u>SFY11</u>	<u>TOTAL REDUCTION</u>
61000	10,238	57,406	67,644

#3. THE CONSEQUENCES OR IMPACTS OF THE PROPOSED *ELIMINATION* OR *REDUCTION*:

1. Reduction of public relations position would result in decreased public outreach, decreased public programs, and decreased visibility.
2. Delay of hiring for accounting position would result in increased workload for existing positions, delay of

some accounting projects, and result in increased overtime/comp time for current employees, consequently moving a current liability to deferred/future liability. Reorganization of Centralized Services will be required and there will be a resultant slowdown in budget-related responsiveness as remaining staff learn new skills. There will be a partial shift of the financial burden to PERS.

3. Reduction of hours for museum security staff and a delay in filling the position will require an interim period of schedule adjustments to current guard staff and long-term scheduling of security support from other staff, especially during periods of high visitation and for special events.

#4. HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

1. Some public outreach could be accomplished through the website and/or podcasting; however, MHS does not currently have that capability and lacks funding for the necessary technology.
2. Possibility of hiring staff familiar with state government and the accounting systems.
3. Offering as many public programs during regular operating hours as possible and by enlisting volunteers from the Friends of the Society group to monitor galleries during special events.

#5. WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE AND/OR FEDERAL STATUTE - YES OR NO:

NO

PL

51702

GENERAL FUND REDUCTION - ADMIN TRAVEL

#1. BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR *ELIMINATION* OR *REDUCTION*:

Reduce travel-related Board meeting expenditures through non-attendance at out-of-town meetings by program managers.

#2. THE SAVINGS THAT ARE EXPECTED: \$1,500

#3. THE CONSEQUENCES OR IMPACTS OF THE PROPOSED *ELIMINATION* OR *REDUCTION*:

Would preclude interested public in outlying areas from receiving detailed information concerning various programs and could possible send the message that we are not interested in sharing our activities with other than the Helena population.

#4. HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

Through video-conferencing and/or podcasting; however MHS does not currently have that capability and lacks funding for the necessary technology.

#5. WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE AND/OR FEDERAL STATUTE - YES OR NO:

YES - MCA 22-3-104

PL

51703

GENERAL FUND REDUCTION - PC REPLACEMENT

#1. BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR *ELIMINATION* OR *REDUCTION*:

Reduce portion of general fund that was allocated for PC replacement at MHS.

#2. THE SAVINGS THAT ARE EXPECTED: \$19,200

#3. THE CONSEQUENCES OR IMPACTS OF THE PROPOSED *ELIMINATION* OR *REDUCTION*:

MHS is currently behind other state agencies with up-to-date PCs and software. This reduction will result in additional loss in timing for bringing MHS to current PC and software standards.

#4. HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

No alternatives exist

#5. WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE AND/OR FEDERAL STATUTE - YES OR NO:

YES - MCA 22-3-101

MHS is clearly mandated to disseminate knowledge about Montana history and the reductions will negatively impact MHS' ability to do so.

PL

51707

GENERAL FUND REDUCTION - FIXED COSTS

#1. BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR *ELIMINATION* OR *REDUCTION*:

Reduction of fixed costs, per OBPP memo January 27, 2010

#2. THE SAVINGS THAT ARE EXPECTED: \$10,791

PL

51704

GENERAL FUND REDUCTION - RESEARCH MICROFILM

#1. BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR *ELIMINATION* OR *REDUCTION*:

Elimination of annual subscription to microfilm copies of/digital access to daily newspaper of Montana (Helena, Billings, Kalispell, Missoula, Bozeman, Butte, etc.).

#2. THE SAVINGS THAT ARE EXPECTED:

Service/Category to Be Reduced	Annual Savings
Subscriptions to microfilm of Daily Newspapers	16,840
Cut to Microfilming of Non-Daily Newspapers	<u>5,840</u>
Total	22,680

#3. THE CONSEQUENCES OR IMPACTS OF THE PROPOSED *ELIMINATION* OR *REDUCTION*:

There are several severe consequences for the proposed eliminations/reductions.

Elimination of the annual subscriptions to microfilm of daily newspapers:

The Research Center is the only library in the state that collects, preserves, and provides access to all newspapers from throughout the state. We currently have over 95% of the newspapers ever published in the state, from 1864 to the present. Our newspaper collection is used on average by 5,200 patrons each year; in addition, an average of 600 patrons request newspapers through inter-library loan each year. By eliminating our annual subscriptions to daily newspapers, we would lose the comprehensiveness of our collection and lower our collection standard. Patrons would lose a valuable - and often requested - research tool and much of our modern history would not be preserved in Montana for Montanans.

Cut to microfilming of non-daily newspapers:

The Research Center is the only library in the state that collects, preserves, and provides access to all newspapers from throughout the state. We currently have over 95% of the newspapers ever published in the state, from 1864 to the present. Our newspaper collection is used on average by 5,200 patrons each year; in addition, an average of 600 patrons request newspapers through inter-library loan each year. By eliminating our program to microfilm non-daily newspapers, we would lose the comprehensiveness of our collection and lower our collection standard. Patrons would lose a valuable - and often requested - research tool and much of our modern history would not be preserved in Montana for Montanans.

#4. HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

A small percentage of these funds could potentially be replaced by proprietary funds, earned through fees charged to the public for research and reproductions. However, the use proprietary fees to pay for these core functions would mean that staff will spend less time preserving and caring for our collections and more time trying to bring in additional funds.

#5. WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE AND/OR FEDERAL STATUTE - YES OR NO:

Subscription to microfilm of daily newspapers - YES (MCA 22-3-101)

Microfilming of non-daily newspapers - YES (MCA 22-3-101)

PL

51705

GENERAL FUND REDUCTION - TOUR GUIDE HOURS

#1. BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR *ELIMINATION* OR *REDUCTION*:

Reduce the two part-time tour guide positions by a total of 411 hours annually.

#2. THE SAVINGS THAT ARE EXPECTED: \$4,386

#3. THE CONSEQUENCES OR IMPACTS OF THE PROPOSED *ELIMINATION* OR *REDUCTION*:

Result would be fewer scheduled tours of the Capitol for visitors to Helena. The heritage experience enjoyed by tourists, when combined with a visit to the Montana Historical Society, will be lessened.

#4. HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

A printed tour guide for the Capitol, funded by an outside source, can assist the tourist. Certain knowledgeable staff may occasionally schedule themselves as tour guides when normal workload allows.

#5. WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE AND/OR FEDERAL STATUTE - YES OR NO:

YES - MCA 22-3-101

Although none of the above services are specifically required by law, MHS is clearly mandated to disseminate knowledge about Montana history and the reductions will negatively impact the ability to do so.

PL

51706

GENERAL FUND REDUCTION - NR BOARD

#1. BRIEF DESCRIPTION OF SERVICE TO BE CONSIDERED FOR *ELIMINATION* OR *REDUCTION*:

Reduce the general fund budget for State Preservation Review Board general fund meeting costs, shifting support to federal funding sources.

#2. THE SAVINGS THAT ARE EXPECTED:

Reduction in general fund budget for Review Board Meetings: \$10,700

#3. THE CONSEQUENCES OR IMPACTS OF THE PROPOSED *ELIMINATION* OR *REDUCTION*:

Shifting costs to federal funding sources would consequence a reduction in federally funded services in other areas of operation, most likely in relation to CLGs.

#4. HOW THE IMPACT TO CONSTITUENTS AND STAFF MIGHT BE MITIGATED:

Less funding in services provided by CLGs if subgrants are reduced.

#5. WHETHER THE SERVICE IS SPECIFICALLY REQUIRED BY STATE AND/OR FEDERAL STATUTE - YES OR NO:

YES - MCA 22-3-422

5102 Commissioner Of Higher Education						All Programs		
Legislative Adopted Budget								
L01 Budget Version	Base	Approp	Budgeted	Budgeted	Biennium	Biennium	Biennial	Biennial
Budget Item	FY 2008	FY 2009	FY 2010	FY 2011	FY 2008-09	FY 2010-11	Change	Percent
Personal Services	5,763,795	6,889,978	6,272,929	6,321,062	12,653,773	12,593,991	(59,782)	-0.5%
Operating Expenses	5,631,549	9,361,880	6,356,897	6,394,430	14,993,429	12,751,327	(2,242,102)	-15.0%
Equipment & Intangible Assets	43,732	18,899	43,732	43,732	62,631	87,464	24,833	39.7%
Local Assistance	8,826,093	9,540,368	8,810,142	8,874,376	18,366,461	17,684,518	(681,943)	-3.7%
Grants	14,526,744	20,019,130	20,175,236	19,579,658	34,545,874	39,754,894	5,209,020	15.1%
Benefits & Claims	25,034,673	59,399,808	32,073,189	35,908,489	84,434,481	67,981,678	(16,452,803)	-19.5%
Transfers	169,519,888	181,652,716	148,387,484	148,574,551	351,172,604	296,962,035	(54,210,569)	-15.4%
Total Costs	229,346,474	286,882,779	222,119,609	225,696,298	516,229,253	447,815,907	(68,413,346)	-13.3%
General Fund	170,167,847	186,280,601	149,163,981	151,220,014	356,448,448	300,383,995	(56,064,453)	-15.7%
State/other Special Rev. Funds	18,154,607	17,031,878	19,536,996	18,235,837	35,186,485	37,772,833	2,586,348	7.4%
Federal Spec. Rev. Funds	40,929,549	83,459,942	53,327,837	56,151,306	124,389,491	109,479,143	(14,910,348)	-12.0%
Proprietary Funds	94,471	110,358	90,795	89,141	204,829	179,936	(24,893)	-12.2%
Total Funds	229,346,474	286,882,779	222,119,609	225,696,298	516,229,253	447,815,907	(68,413,346)	-13.3%

The following figure shows the spending reduction proposals by the executive for all programs. The description of each decision package follows the figure.

5102 Commissioner Of Higher Education						All Programs	
Budget Reduction Percentages							
<i>Executive Spending Reductions (Jan. 29, 2010)</i>	0.00%	-5.00%	-2.52%	Total Funds	Total Funds	Total Funds	
Decision Package	General Fund FY 2010	General Fund FY 2011	General Fund FY 2010-11	FY 2010	FY 2011	FY 2010-11	
NP00101 Distance Learning Reductions	-	(11,000)	(11,000)	-	(11,000)	(11,000)	
NP00102 Transfer & Student Data Reductions	-	(13,000)	(13,000)	-	(13,000)	(13,000)	
NP00103 Administration Reductions	-	(106,000)	(106,000)	-	(106,000)	(106,000)	
NP00201 Student Assistance Reductions	-	(668,824)	(668,824)	-	(668,824)	(668,824)	
NP00401 Community College Assistance Reductions	-	(436,774)	(436,774)	-	(436,774)	(436,774)	
NP00901 Ed Units Approp Distribution Reductions	-	(5,208,091)	(5,208,091)	-	(5,208,091)	(5,208,091)	
NP00902 Bureau of Mines Reductions	-	(96,664)	(96,664)	-	(96,664)	(96,664)	
NP00903 Ag Experiment Station Reductions	-	(615,086)	(615,086)	-	(615,086)	(615,086)	
NP00904 Forest & Conservation ES Reductions	-	(57,929)	(57,929)	-	(57,929)	(57,929)	
NP00905 Extension Service Reductions	-	(288,363)	(288,363)	-	(288,363)	(288,363)	
NP00906 Fire Service Training School Reductions	-	(37,220)	(37,220)	-	(37,220)	(37,220)	
NP01101 Tribal College Assistance Reductions	-	(22,050)	(22,050)	-	(22,050)	(22,050)	
New Proposal Total	-	(7,561,001)	(7,561,001)	-	(7,561,001)	(7,561,001)	
Total All Decision Packages	-	(7,561,001)	(7,561,001)	-	(7,561,001)	(7,561,001)	

NP

101

Distance Learning Reductions

Reductions will be made to distance learning assistance provided to the community colleges and educational units. This will have a negative impact on the ability of campuses to coordinate a system-wide distance learning initiative at a time when distance learning student enrollments are on the rise.

NP

102

Transfer & Student Data Reductions

Operations will be reduced by \$13,000 in the transferability and student data initiative. This represents about 17% of the operational costs for this initiative. It means that meetings with campuses, training of the information technology staff and technical support of the student data warehouse will be reduced. The impact will be seen in increasing the length of time for OCHE to meet the goals and objectives for transferability and student data initiative.

NP

103

Administration Reductions

The proposed reduction to the OCHE Administration Program is \$106,000, approximately 6% of the administrative appropriation. Possible reductions in operating expenses and equipment replacement may amount to \$60,000, with the remaining reduction target coming from personnel services. Future vacancies will, of necessity, need to remain unfilled through FY 2011.

NP

201

Student Assistance Reductions

Major Student Assistance programs include WICHE/WWAMI/MN DENTAL, Governor's Post Secondary scholarship, and Quality Educator Loan Forgiveness. A reduction in funding for student assistance programs will obviously result in fewer students receiving financial aid. Their efforts to begin or continue with their post secondary education plans could be seriously compromised.

Given the distinct possibility that 2011 budget reductions will be continued into the 2013 biennium and the reality of the multi-year commitments connected with many of these scholarships, it will most likely be necessary to reduce the number of new scholarships offered for FY 2011, FY 2012, and FY2013. Other programs within the Montana University System do not contain adequate funding to backfill these budget reductions.

NP

401

Community College Assistance Reductions

It has been brought to our attention that reducing the general fund support to the community colleges may jeopardize the maintenance of efforts requirements under the federal state fiscal stabilization act (ARRA).

The Community Colleges of the Montana University System receive their state appropriation for the purpose of providing post-secondary education to Montana residents. Therefore, a reduction in state appropriation will directly affect Montana residents. In order to minimize the impact, the Community Colleges will remain flexible and seek to reduce expenditures in area having the least possible direct impact on students.

The reduction of \$436,774 in state appropriations for the Community Colleges will adversely affect Montana residents. Potential impacts to students would include reductions in course offerings and student services. The funding loss could also reduce the Community Colleges ability to respond rapidly to local workforce and development needs.

NP

901

Ed Units Approp Distribution Reductions

It has been brought to our attention that reducing the general fund support to the educational units may jeopardize the maintenance of efforts requirements under the federal state fiscal stabilization act (ARRA).

The Education Units of the Montana University System receive their state appropriation for the purpose of providing post-secondary education to Montana residents. Therefore, the reduction of \$5.2 million dollars in state appropriation will directly affect Montana residents. In order to minimize the impact, units of the MUS will remain flexible and seek to reduce expenditures in areas having the least possible direct impact on students.

However, the anticipated impacts to students will likely be felt in several ways. The list will include diminished individual faculty and student interaction due to larger student-faculty ratios. Students will be at risk for taking longer to graduate due to fewer course offerings. In time, students will also see diminished assistance across a broad spectrum of academic support and student services as newly vacant positions will not be filled.

Although unique situations will dictate a range of specific reductions by campus, it is clear that a reduction of this magnitude, coming on the heels of an appropriation that was insufficient to fund present law cost increases – and with the anticipation of the loss of federal stimulus funding in the next biennium – cannot be managed without a loss of jobs and the resultant loss of student access to instruction and support services.

NP

902

Bureau of Mines Reductions

The Bureau's general fund budget will be reduced by \$96,664. This amount is approximately equal to salary and benefits for a senior FTE. The reduction will be in the Research Division; the effect will be reduced services to the public, including loss of that individual to work on research projects, to answer questions from the public, and loss of the salary and benefits for matching on outside grants. The required match on outside grants is normally 1:1, so the total potential loss to the Bureau's research budget could be as much as twice the 5 percent cut, or \$193,328.

NP

903

Ag Experiment Station Reductions

The Montana Agricultural Experiment Station (MAES) provides research and outreach to Montana in agricultural and natural resource systems through base support from Montana General Fund appropriation (85%) and Federal Hatch Formula Funds (15%). The Montana General Fund appropriation for ongoing (base) support for the FY11 Biennium (\$24.5M) was less than the FY09 Biennium (\$24.6M). The increase in facility and overhead costs, increase in vacancy savings, 2% across the board reductions, insufficient PLA funding, and flat Federal Funding has already reduced programs and responsiveness.

Further reductions in FY11 for MAES will significantly decrease or eliminate funding for research operations and personnel at multiple levels (undergraduate and graduate students, staff and faculty). This will decrease the Montana research enterprise, which will increase the magnitude of the divide between clientele expectations and need and a degraded, deficient research program at all locations (Bozeman, seven centers and multiple allied locations). Staff and faculty positions are split-funded, so cuts will dictate a cascade of impacts across all programs, including instruction and outreach. Prior funding shortfalls coupled with this pending reduction requires the targeting of specific research program foci for reduction including: animal and plant breeding/genetics, biobased products, communications, infectious diseases, rangeland ecology, and wheat stem sawfly. These actions will result in job losses and a permanent decline in Montana's agriculture research program scope.

NP

904

Forest & Conservation ES Reductions

Wildland Fire and Bark Beetles are consuming a large number of trees and having major effects on Montana's Forests under the warmer climate that we currently are experiencing. To reduce Forest and Conservation research in view of these phenomena is very difficult given the tremendous demand that is expressed for new knowledge and technologies to deal with these issues. In addition, most of the funding for personnel of the Montana Forest and Conservation Experiment Station is split between the Station and the College of Forestry and Conservation at The University of Montana. Personnel have only partial appointments in the Station, but without the Station they have less than a full-time job and are likely to be lost as teachers in the College.

To meet the challenge of a 5% reduction in Station funding, multiple budget lines will be affected. We would lose funding for the following functions or personnel:

½ of the research technician for the Applied Forest Management Program (the other half of the salary is paid by grants)

Biometrics support for the MFCES (.07 faculty FTE to provide statistical support)

42% of the MFCES travel budget

Approximately 1/3 of a faculty position (most likely in ecology or fire science)

Thus, we would eliminate

.5 FTE technician	\$19,000
.4 FTE faculty member (.33 + .07)	\$31,929
42% of travel	\$ 7,000
TOTAL	\$57,929

NP

905

Extension Service Reductions

The mission of the Montana State University Extension Service is to extend research-generated knowledge throughout the state by making it accessible and useful to individuals, families and communities, empowering them to improve their quality of life and strengthen agriculture, forestry and other stakeholders. To meet the educational needs of Montanans, Extension coordinates all appropriate educational and research resources in the region through campus-based specialists and a network of agents in 60 county and reservation offices.

The Extension Service current unrestricted budget is over 90% salary and benefits, leaving very little flexibility to absorb budget reductions from operating funds. As a result of the 2009 Legislative Session, Extension Service administration worked diligently to strategically address the funding shortfall created by a 3% increase in vacancy savings rate, a significant increase in overhead and a 2% across the board reduction. Six long-time faculty retired in the first three months of FY 10, with three of these positions continuing to be held vacant.

Any additional FY 11 budget reductions will be managed through additional position down-sizing and potential operations adjustments. The Extension Service is dedicated to maintaining our network of Extension agents across the state as the services that they provide to clientele are highly valued in the communities they serve.

NP

906

Fire Service Training School Reductions

If a budget reduction is assessed in FY 2011, Fire Services Training School will defer replacement of a trainer's vehicle, eliminate two part-time trainers' cell phones generating a savings in communications, and reduce mailing expenses by changing from monthly to quarterly newsletters.

NP

1101

Tribal College Assistance Reductions

A 5% reduction (\$22,050) in the Tribal College Assistance Program will result in a reduced reimbursement, for each of the estimated 312 beneficiary students, of approximately \$71 per student. The funding available in FY09 was sufficient to fund the statutory maximum of \$3,024 per student. With this proposed reduction, the estimated per student disbursement for FY11 is estimated to be \$2,785.