

Program Budget Comparison

The following table summarizes the total Legislative budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	1.50	1.50	1.50	1.50	1.50	1.50	0.00	0.00 %
Personal Services	94,434	101,007	110,657	110,381	195,441	221,038	25,597	13.10 %
Operating Expenses	51,329	97,661	164,502	164,484	148,990	328,986	179,996	120.81 %
Local Assistance	131,000	137,000	141,000	145,000	268,000	286,000	18,000	6.72 %
Grants	9,659,634	13,186,063	10,061,247	10,752,920	22,845,697	20,814,167	(2,031,530)	(8.89)%
Transfers	0	0	0	0	0	0	0	0.00 %
Total Costs	\$9,936,397	\$13,521,731	\$10,477,406	\$11,172,785	\$23,458,128	\$21,650,191	(\$1,807,937)	(7.71)%
General Fund	9,828,463	13,360,816	10,243,061	10,938,644	23,189,279	21,181,705	(2,007,574)	(8.66)%
State/Other Special Rev. Funds	107,934	160,915	234,345	234,141	268,849	468,486	199,637	74.26 %
Federal Spec. Rev. Funds	0	0	0	0	0	0	0	0.00 %
Total Funds	\$9,936,397	\$13,521,731	\$10,477,406	\$11,172,785	\$23,458,128	\$21,650,191	(\$1,807,937)	(7.71)%

Program Description

This program includes all student grant funding. Types of grants include: work study, state grants, federal grant matching programs, and support fees for attending professional schools which are not available in Montana such as medicine, dentistry, and veterinary medicine. Title 20, Chapters 25 and 26, MCA, govern the program.

Program Highlights

**Student Assistance Program
Major Budget Highlights**

- The legislature approved a biennial budget decrease of (20.9%) for this program that is driven by:
 - Removing need-based Baker and Higher Ed grants that reduced general fund revenue by \$2.6 million each fiscal year
- The legislature increased grants for continued state support to fund first year and continuing slots for the WICHE, WWAMI, and MN Dental professional student exchange programs
- The legislature adopted two new general fund revenue budget proposals:
 - \$3 million one-time-only appropriation over the biennium for the Governor's Post-Secondary Scholarship program and the Quality Educator Loan Forgiveness program
 - \$1 million appropriation over the biennium to support 10 veterinary medicine students attending Washington State University
- The 2015 Legislature passed and approved HB 617 that created a new science, technology, engineering, and mathematics (STEM) scholarship program for resident students of the Montana University System. This is a statutory appropriation administered by the Board of Regents through the Office of the Commissioner of Higher Education

Funding

The following table shows program funding by source from all sources of authority.

Commissioner of Higher Education, 02-Student Assistance Program Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	21,181,705	0	0	21,181,705	92.87 %
02846 Family Ed Savings Admin Fee	468,486	0	0	468,486	28.82 %
02943 Rural Physicians Account	0	0	1,157,125	1,157,125	71.18 %
State Special Total	\$468,486	\$0	\$1,157,125	\$1,625,611	7.13 %
03354 Challenge Grant	0	0	0	0	0.00 %
03400 Guaranteed Std. Loan-Admin.	0	0	0	0	0.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$21,650,191	\$0	\$1,157,125	\$22,807,316	

The Student Assistance Program is funded primarily from general fund via HB 2. State special revenue is also included in HB 2 to administer the college savings program.

The program also receives a statutory appropriation for the Montana Rural Physician Incentive Program (MRPIP). Because it is a statutory appropriation, it is excluded from HB 2. The MRPIP program provides a financial incentive for physicians

to practice in rural areas or medically underserved areas by paying up to \$100,000 of student loan debt. Funding for the program comes from fees paid by medical students in the professional student exchange programs. Statutes governing the MRPIP program also allow administrative costs to be paid, up to 10% of the annual fees assessed.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Summary by Category								
-----General Fund-----					-----Total Funds-----			
Budget Item	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	10,529,816	10,529,816	21,059,632	99.42 %	10,690,731	10,690,731	21,381,462	98.76 %
PL Adjustments	(2,102,935)	(1,741,502)	(3,844,437)	(18.15)%	(2,029,505)	(1,668,276)	(3,697,781)	(17.08)%
New Proposals	1,816,180	2,150,330	3,966,510	18.73 %	1,816,180	2,150,330	3,966,510	18.32 %
Total Budget	\$10,243,061	\$10,938,644	\$21,181,705		\$10,477,406	\$11,172,785	\$21,650,191	

Present Law Adjustments

The "Present Law Adjustments" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

Present Law Adjustments										
-----Fiscal 2016-----					-----Fiscal 2017-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 1200 - Operating Increases	0.00	0	66,841	0	66,841	0.00	0	66,823	0	66,823
DP 1201 - WICHE Dues	0.00	4,000	0	0	4,000	0.00	8,000	0	0	8,000
DP 1202 - Grants	0.00	526,368	0	0	526,368	0.00	883,891	0	0	883,891
DP 1203 - OCHE Pay Increase	0.00	568	0	0	568	0.00	568	0	0	568
DP 1204 - Other Pay	0.00	2,493	6,589	0	9,082	0.00	2,403	6,403	0	8,806
DP 1206 - Baker Grants	0.00	(2,018,774)	0	0	(2,018,774)	0.00	(2,018,774)	0	0	(2,018,774)
DP 1207 - Higher Ed Grants	0.00	(617,590)	0	0	(617,590)	0.00	(617,590)	0	0	(617,590)
DP 200444 - Statewide 4% FTE Reduction-Program 02	0.00	0	0	0	0	0.00	0	0	0	0
Grand Total All Present Law Adjustments	0.00	(\$2,102,935)	\$73,430	\$0	(\$2,029,505)	0.00	(\$1,741,502)	\$73,226	\$0	(\$1,668,276)

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1200 - Operating Increases -

The legislature approved operating expenses which included general fund revenue for a new contract for a program manager in the Montana Family Education Savings Program.

DP 1201 - WICHE Dues -

The legislature approved general fund revenue for a 2.8% inflationary increase to WICHE dues.

DP 1202 - Grants -

The legislature approved general fund revenue for continued state support to fund first year and continuing slots at anticipated increased tuition levels for WICHE, WWAMI, MN Dental professional student exchange programs. The table below projects the biennial subsidy cost of this expansion when the student pipeline is full.

WWAMI Expansion Cost Estimates - 5 Slot Expansion FY 2014 - FY 2019									
Pipeline Year					Total # in pipeline	Cost/Student in YR1	Cost/Student in YR2-YR4*	Total Annual Cost	Biennial Cost
FY	YR1	YR2	YR3	YR4					
2014	5	0	0	0	5	\$0	\$51,527	\$0	
2015	5	5	0	0	10	\$0	\$51,527	\$257,633	\$257,633
2016	5	5	5	0	15	\$0	\$51,527	\$515,270	
2017	5	5	5	5	20	\$0	\$51,527	\$772,905	\$1,288,175
2018	5	5	5	5	20	\$0	\$51,527	\$772,905	
2019	5	5	5	5	20	\$0	\$51,527	\$772,905	\$1,545,810
*This is the amount estimated for FY 15. Future cost per student rates will likely be higher.									

WICHE/WWAMI/MINNESOTA Dental Programs Office of the Commissioner of Higher Education FY 2016 Budget						
PROGRAM	Support Fee	New (1st Year) Students	Cost	Continuing Students	Cost	Total
WICHE						
Administrative			\$141,000			\$141,000
Dues						
Student						
Assistance:						
Medicine	\$32,070	6	\$192,420	18	\$577,260	\$769,680
Osteopathic	21,300	2	42,600	4	85,200	127,800
Medicine						
Dentistry	24,850	1	24,850	5	124,250	149,100
Veterinary						
Medicine	31,900	9	287,100	27	861,300	1,148,400
Podiatry	14,770	1	14,770	1	14,770	29,540
Optometry	17,100	1	17,100	3	51,300	68,400
Occupational						
Therapy	13,050	1	13,050	1	21,750	34,800
(Includes 1 @ clinical rate of \$21,750 for FY 2016)						
Subtotal (WICHE Student		21	\$591,890	59	\$1,735,830	\$2,327,720
Support)						
TOTAL WICHE (Including						\$2,468,720
Dues)						
MINNESOTA	\$24,850	2	\$49,700	4	\$99,400	\$149,100
DENTAL						
WWAMI	\$51,556	30	0	80	\$4,124,480	\$4,124,480
TOTAL WICHE/WWAMI/MN		53	\$782,590	143	\$5,959,710	\$6,742,300
DENTAL						

WICHE/WWAMI/MINNESOTA Dental Programs Office of the Commissioner of Higher Education FY 2017 Budget						
PROGRAM	Support Fee	New (1st Year) Students	Cost	Continuing Students	Cost	Total
WICHE						
Administrative Dues			\$145,000			\$145,000
Student Assistance:						
Medicine	\$32,650	6	\$195,900	18	\$587,700	\$783,600
Osteopathic Medicine	21,650	1	21,650	5	108,250	129,900
Dentistry	25,300	1	25,300	3	75,900	101,200
Veterinary Medicine	32,400	9	291,600	28	907,200	1,198,800
Podiatry	15,025	0	0	2	30,050	30,050
Optometry	17,425	1	17,425	3	52,275	69,700
Occupational Therapy	13,250	1	13,250	1	22,083	35,333
(Includes 1 @ clinical rate of \$22,083 for FY 2017)						
<u>Subtotal (WICHE Student Support)</u>		<u>19</u>	<u>\$565,125</u>	<u>60</u>	<u>\$1,783,458</u>	<u>\$2,348,583</u>
<u>TOTAL WICHE (Including Dues)</u>						<u>\$2,493,583</u>
<u>MINNESOTA DENTAL</u>	<u>\$25,300</u>	<u>2</u>	<u>\$50,600</u>	<u>6</u>	<u>\$151,800</u>	<u>\$202,400</u>
<u>WWAMI</u>	<u>\$48,976</u>	<u>30</u>	<u>0</u>	<u>90</u>	<u>\$4,407,840</u>	<u>\$4,407,840</u>
<u>TOTAL WICHE/WWAMI/MN DENTAL</u>		<u>51</u>	<u>\$760,725</u>	<u>156</u>	<u>\$6,343,098</u>	<u>\$7,103,823</u>

Notes:

- 1) The occupational therapy continuing student support fee rate is calculated @1 2/3 the annual rate to include support for 2nd year clinical rotation costs. (\$21,750 for FY 2016; \$22,083 for FY 2017)
- 2) The WWAMI support fee is calculated as an average per continuing student. Actual support varies by program year.

DP 1203 - OCHE Pay Increase -

The legislature approved general fund revenue for the implementation of the Commissioner of Higher Education's 2015 pay increase.

DP 1204 - Other Pay -

The legislature adopted personal service adjustments outside of state share health insurance increases, vacancy savings, and the Commissioner of Higher Education's implementation of the 2015 pay increase.

DP 1206 - Baker Grants -

The legislature removed general fund revenue for Baker grants, a need-based aid.

DP 1207 - Higher Ed Grants -

The legislature removed general fund revenue for Higher Education grants, a need-based aid.

DP 200444 - Statewide 4% FTE Reduction-Program 02 -

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium.

New Proposals

The "New Proposals" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

New Proposals										
-----Fiscal 2016-----					-----Fiscal 2017-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 200201 - Student Assistance Fund Allocation OTO										
0.00	1,494,890	0	0	1,494,890	0.00	1,494,890	0	0	1,494,890	
DP 200203 - Veterinary Medicine										
0.00	321,290	0	0	321,290	0.00	655,440	0	0	655,440	
Total	0.00	\$1,816,180	\$0	\$0	\$1,816,180	0.00	\$2,150,330	\$0	\$0	\$2,150,330

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 200201 - Student Assistance Fund Allocation OTO -

The legislature approved one-time-only general fund authority in the Student Assistance Program for the Governor's Post-Secondary Scholarship Program and the Quality Educator Loan Forgiveness Program each year of the 2017 biennium.

DP 200203 - Veterinary Medicine -

The legislature approved general fund to support 10 veterinary medicine students attending Washington State University (WSU). The 2013 Legislature first committed to the continuation and growth of this program.