

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	
Operating Expenses	0	0	0	0	0	0	0	0.00 %	
Local Assistance	12,889,160	13,917,071	13,104,328	13,021,828	26,806,231	26,126,156	(680,075)	(2.54)%	
Transfers	0	0	0	0	0	0	0	0.00 %	
Total Costs	\$12,889,160	\$13,917,071	\$13,104,328	\$13,021,828	\$26,806,231	\$26,126,156	(\$680,075)	(2.54)%	
General Fund	12,889,160	13,917,071	13,104,328	13,021,828	26,806,231	26,126,156	(680,075)	(2.54)%	
Total Funds	\$12,889,160	\$13,917,071	\$13,104,328	\$13,021,828	\$26,806,231	\$26,126,156	(\$680,075)	(2.54)%	

Program Description

This program distributes funds appropriated by the Legislature in support of the three community colleges: Miles City Community College, Dawson Community College, and Flathead Valley Community College. Each community college district has an elected board of trustees. The regents have statutory authority to control the community colleges in Title 20, Chapter 15, MCA. The funding formula and methodology for the state general fund appropriation to the community colleges is outlined in statute at 20-15-310, MCA. The general operating budgets of the community colleges are funded from a state general fund appropriation, student tuition and fees, a mandatory property tax levy, a retirement levy, an optional voted levy, and other miscellaneous funds. Only the state general fund is appropriated in HB 2.

Program Highlights

Community College Assistance Program Major Budget Highlights
<ul style="list-style-type: none"> • The legislature approved a biennial budget decrease of (4.1%) for the community colleges based on projected FTE decreases, not including Western Undergraduate Exchange (WUE) students • Statute requires the use of a formula to estimate the state's contribution toward the projected cost of education. The statutory formula factors are: <ul style="list-style-type: none"> ◦ Resident and total student full-time equivalent enrollment ◦ The cost of education, which is rebased biennially ◦ The state percent share • The legislature funded the state share of the cost of education at 50.8%, which is the same percentage used by the 2013 Legislature

Program Narrative

Resident student enrollment is an integral factor in the funding formula. The resident student enrollment at all three community colleges has decreased (3.67%) since 2000. For the 2017 biennium, the 2015 Legislature projected resident enrollment at 1,962 FTE each year and included language in HB 2 that requires a reversion of state general fund if the enrollment projections are not met. The table below includes historical and projected resident enrollment for the three community colleges for FY 2000 through FY 2017.

Community College Resident Enrollment History FY 2000 Actual through FY 2017 Projected				
FY	Dawson	Flathead	Miles	Total
2000	384	1,157	452	1,993
2001	363	1,144	494	2,001
2002	388	1,269	495	2,152
2003	363	1,380	455	2,198
2004	392	1,605	489	2,486
2005	442	1,407	513	2,362
2006	442	1,332	442	2,216
2007	353	1,223	442	2,018
2008	344	1,310	405	2,059
2009	382	1,516	398	2,296
2010	380	2,020	425	2,825
2011	327	2,053	372	2,752
2012	274	1,845	352	2,471
2013	219	1,704	326	2,249
2014	213	1,557	298	2,068
2015*	255	1,692	341	2,288
2016*	212	1,477	273	1,962
2017*	212	1,477	273	1,962
2003 - 2014 Annual Avg Growth	-5.9%	-0.3%	-4.8%	-1.8%
*FY 2015 legislative appropriation; FY 2016 - 2017 LFD projection				

Funding

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

Commissioner of Higher Education, 04-Community College Assistance Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	26,126,156	0	0	26,126,156	100.00 %
State Special Total	\$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	\$26,126,156	\$0	\$0	\$26,126,156	

The Community College Assistance program is funded entirely with general fund in HB 2. The state appropriation for the community colleges is a separate line item and is not part of the lump sum appropriation to the Montana University System educational units.

The formula calculation for the state funding appropriated to the community colleges is shown in the table below. In addition to the statutory formula calculations, the legislature also adjusted the budget for audit costs and increased computer system support. These adjustments are shown as "below the line" adjustments in the table.

Community College Assistance Program - LFD Calculation of General Fund Appropriation for the 2017 Biennium Using Statutory Funding Formula										
Includes a Fixed/Variable Cost Calculation at a 75/25 Ratio										
Fiscal Year 2016					Fiscal Year 2017					
Budget Item Factors	Dawson	Flathead Valley	Miles	Total	Dawson	Flathead Valley	Miles	Total		
Projected Resident Student FTE	212	1,477		273	1,962	212	1,477		273	1,962
Variable Cost of Education per FTE	\$2,863	\$2,863		\$2,863	\$2,863	\$2,863		\$2,863	\$2,863	\$2,863
Fixed Cost of Education	2,926,660	12,818,465		3,942,882	19,688,006	2,926,660	12,818,465		3,942,882	19,688,006
Variable Cost of Education	607,018	4,229,085		781,679	5,617,782	607,018	4,229,085		781,679	5,617,782
Total Cost of Education	3,533,678	17,047,549		4,724,561	25,305,788	3,533,678	17,047,549		4,724,561	25,305,788
State % Share of Cost of Education	50.8%	50.8%		50.8%	50.8%	50.8%	50.8%		50.8%	50.8%
Calculated Total Funding Budget	<u>1,795,108</u>	<u>8,660,155</u>		<u>2,400,077</u>	<u>12,855,340</u>	<u>1,795,108</u>	<u>8,660,155</u>		<u>2,400,077</u>	<u>12,855,340</u>
Other Funding:										
Legislative Audit	32,512	26,162		23,825	82,499	0	0		0	0
Banner	83,244	0		83,244	166,488	83,244	0		83,244	166,488
Total General Fund Budget	<u>1,910,864</u>	<u>8,686,317</u>		<u>2,507,146</u>	<u>13,104,328</u>	<u>1,878,352</u>	<u>8,660,155</u>		<u>2,483,321</u>	<u>13,021,828</u>
Total Biennial Appropriation:										
Calculated Total Funding Budget				<u>\$25,710,681</u>						
Other Funding				<u>\$415,475</u>						
Total General Fund Budget				<u>\$26,126,156</u>						

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								
Budget Item	-----General Fund-----				-----Total Funds-----			
	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	13,363,323	13,363,323	26,726,646	102.30 %	13,363,323	13,363,323	26,726,646	102.30 %
PL Adjustments	(258,995)	(341,495)	(600,490)	(2.30)%	(258,995)	(341,495)	(600,490)	(2.30)%
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$13,104,328	\$13,021,828	\$26,126,156		\$13,104,328	\$13,021,828	\$26,126,156	

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 510 - Legislative Audit - HB 2 2014 Fixed Costs (Restricted/Biennia	0.00	73,852	0	0	73,852	0.00	0	0	0	0
DP 526 - 2017 Biennium Legislative Audit (RST/BIEN)	0.00	8,648	0	0	8,648	0.00	0	0	0	0
DP 1400 - Community Colleges	0.00	(341,495)	0	0	(341,495)	0.00	(341,495)	0	0	(341,495)
Grand Total All Present Law Adjustments	0.00	(\$258,995)	\$0	\$0	(\$258,995)	0.00	(\$341,495)	\$0	\$0	(\$341,495)

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

DP 510 - Legislative Audit - HB 2 2014 Fixed Costs (Restricted/Biennia -

The legislature provided a restricted biennial appropriation for the legislative audit costs. The funding is established at the level of the 2015 biennial appropriation contained in HB 2 as enacted by the 2013 Legislature.

DP 526 - 2017 Biennium Legislative Audit (RST/BIEN) -

The legislature adjusted legislative audit costs and funding based on the current estimate of the Legislative Auditor.

DP 1400 - Community Colleges -

The legislature approved a reduction in general fund revenue due to the change in base. The appropriated amount does not include Western Undergraduate Exchange (WUE) students.

Language and Statutory Authority

The legislature included the following language in HB2.

"The variable cost of education for each full-time equivalent student at the community colleges is \$2,863 for each year of the 2017 biennium. The general fund appropriation for Community College Assistance provides 50.8% in FY 2016 and 50.8% in FY 2017 of the budget amount for each full-time equivalent student each year of the 2017 biennium. The remaining percentage of the budget amount for each full-time equivalent student must be paid from funds other than those appropriated for Community College Assistance."

"Community College Assistance transfers includes \$23,553 in FY 2016 and \$23,553 in FY 2017 that must be transferred to the energy conservation program account and used to repay the state building revolving fund for energy improvements for Miles community college."

"The general fund appropriation for Community College Assistance is calculated to fund education in the community colleges for an estimated 1,962 resident FTE students each year of the 2017 biennium. If total resident FTE student enrollment in the community colleges is greater than the estimated number for the biennium, the community colleges shall serve the additional students without a state general fund contribution. If actual resident FTE student enrollment is less than the estimated numbers for the biennium, the community colleges shall revert general fund money to the state in accordance with 17-7-142."

"Total audit costs are estimated to be \$162,400 for the community colleges for the biennium. The general fund appropriation for each community college provides 50.8% of the total audit costs in the 2017 biennium. The remaining 49.2% of these costs must be paid from funds other than those appropriated for Community College Assistance -- Legislative Audit. Audit costs charged to the community colleges for the biennium may not exceed \$64,000 for Dawson, \$46,900 for Miles, and \$51,500 for Flathead Valley community colleges."