

Agency Budget Comparison

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

Agency 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	93.88	93.88	89.90	89.90	93.88	89.90	(3.98)	(4.24)%
Personal Services	5,366,005	6,938,322	6,954,270	6,951,550	12,304,327	13,905,820	1,601,493	13.02 %
Operating Expenses	5,658,557	5,901,094	6,447,954	6,387,186	11,559,651	12,835,140	1,275,489	11.03 %
Equipment & Intangible Assets	21,315	0	21,315	21,315	21,315	42,630	21,315	100.00 %
Local Assistance	13,020,160	14,054,071	13,245,328	13,166,828	27,074,231	26,412,156	(662,075)	(2.45)%
Grants	13,191,052	17,352,878	14,752,793	15,444,466	30,543,930	30,197,259	(346,671)	(1.13)%
Benefits & Claims	35,344,046	40,617,909	48,825,537	48,825,537	75,961,955	97,651,074	21,689,119	28.55 %
Transfers	174,340,686	213,807,756	227,022,669	226,465,401	388,148,442	453,488,070	65,339,628	16.83 %
Debt Service	12,682	43,480	31,235	31,235	56,162	62,470	6,308	11.23 %
Total Costs	\$246,954,503	\$298,715,510	\$317,301,101	\$317,293,518	\$545,670,013	\$634,594,619	\$88,924,606	16.30 %
General Fund	177,989,004	219,703,010	230,244,052	230,256,568	397,692,014	460,500,620	62,808,606	15.79 %
State/Other Special Rev. Funds	19,604,654	21,306,278	21,010,706	21,010,064	40,910,932	42,020,770	1,109,838	2.71 %
Federal Spec. Rev. Funds	48,858,255	57,175,127	65,504,923	65,485,321	106,033,382	130,990,244	24,956,862	23.54 %
Proprietary Funds	502,590	531,095	541,420	541,565	1,033,685	1,082,985	49,300	4.77 %
Total Funds	\$246,954,503	\$298,715,510	\$317,301,101	\$317,293,518	\$545,670,013	\$634,594,619	\$88,924,606	16.30 %

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Legislative Budget Analysis, C-35

Executive Budget Comparison

The following table compares the legislative budget for the 2017 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2014	Executive Budget Fiscal 2016	Legislative Budget Fiscal 2016	Leg — Exec. Difference Fiscal 2016	Executive Budget Fiscal 2017	Legislative Budget Fiscal 2017	Leg — Exec. Difference Fiscal 2017	Biennium Difference Fiscal 16-17
FTE	93.88	89.90	89.90	0.00	89.90	89.90	0.00	0.00
Personal Services	5,366,005	6,952,543	6,954,270	1,727	6,949,853	6,951,550	1,697	3,424
Operating Expenses	5,658,557	6,798,721	6,447,954	(350,767)	6,365,349	6,387,186	21,837	(328,930)
Equipment & Intangible Assets	21,315	21,315	21,315	0	21,315	21,315	0	0
Local Assistance	13,020,160	13,361,692	13,245,328	(116,364)	13,283,193	13,166,828	(116,365)	(232,729)
Grants	13,191,052	18,489,439	14,752,793	(3,736,646)	19,181,112	15,444,466	(3,736,646)	(7,473,292)
Benefits & Claims	35,344,046	48,825,537	48,825,537	0	48,825,537	48,825,537	0	0
Transfers	199,486,925	224,715,792	227,022,669	2,306,877	224,530,394	226,465,401	1,935,007	4,241,884
Debt Service	12,682	12,682	31,235	18,553	12,682	31,235	18,553	37,106
Total Costs	\$272,100,742	\$319,177,721	\$317,301,101	(\$1,876,620)	\$319,169,435	\$317,293,518	(\$1,875,917)	(\$3,752,537)
General Fund	202,293,357	232,433,897	230,244,052	(2,189,845)	232,445,697	230,256,568	(2,189,129)	(4,378,974)
State/other Special Rev. Funds	20,446,540	20,710,706	21,010,706	300,000	20,710,064	21,010,064	300,000	600,000
Federal Spec. Rev. Funds	48,858,255	65,506,782	65,504,923	(1,859)	65,487,338	65,485,321	(2,017)	(3,876)
Other	502,590	526,336	541,420	15,084	526,336	541,565	15,229	30,313
Total Funds	\$272,100,742	\$319,177,721	\$317,301,101	(\$1,876,620)	\$319,169,435	\$317,293,518	(\$1,875,917)	(\$3,752,537)

The legislatively appropriated budget was within 1% of the initial requested general fund amount and within 2.5% of the initial requested budget for all funding sources. The legislature reduced need-based scholarships to fund ongoing base additions to the MUS Agencies in the 2017 biennium.

Agency Highlights

Commissioner of Higher Education Major Budget Highlights	
<ul style="list-style-type: none"> • The legislatively approved budget includes increased funding for distribution to MUS educational units, agencies, and community colleges • The legislature signed a Tuition Cap Agreement with the Commissioner of Higher Education and the Governor, freezing resident tuition rates over the 2017 biennium • The legislature approved other significant increases, including: <ul style="list-style-type: none"> ◦ Federal funds for the GEAR UP grants and Montana Guaranteed Student Loan program claim payments ◦ General funds for the WICHE/WWAMI/MN Dental program • The legislature approved four new proposals for the MUS. Significant proposals include: <ul style="list-style-type: none"> ◦ \$1.5 million general fund each year in the Student Assistance program for the Governor’s Best and Brightest Scholarship and Quality Educator Loan Forgiveness programs ◦ \$15 million restricted, one-time-only, biennial appropriation for research projects ◦ \$976,730 over the 2017 biennium for 10 new veterinary medicine students attending Washington State University • The legislature created Program 10, MUS Agencies. This includes: <ul style="list-style-type: none"> ◦ Agricultural Experiment Station (AES) ◦ Extension Services (ES) ◦ Forestry & Conservation Experiment Station (FCES) ◦ Bureau of Mines & Geology (BMG) ◦ Fire Services Training School (FSTS) • AES, ES, and FCES received additional appropriation to be included for base, ongoing funding 	

Funding

The following table shows proposed agency funding by source of authority as proposed. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Commissioner of Higher Education Funding by Source of Authority 2017 Biennium Budget - Commissioner of Higher Education						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	460,500,620	0	3,379,700	463,880,320	55.18 %	
State Special Total	42,020,770	0	2,511,125	44,531,895	5.30 %	
Federal Special Total	130,990,244	0	0	130,990,244	15.58 %	
Proprietary Total	1,082,985	200,247,435	0	201,330,420	23.95 %	
Other Total	0	0	0	0	0.00 %	
Total All Funds	\$634,594,619	\$200,247,435	\$5,890,825	\$840,732,879		
Percent - Total All Sources	75.48 %	23.82 %	0.70 %			

Nearly three-fourths of the funding approved by the legislature for the agency would be appropriated in HB 2, one-fourth of the proposed funding does not require an appropriation as the funds are enterprise funds, and the remaining one-half of one percent is statutory appropriation authority.

HB 2 funds are primarily general fund. Also included is state special revenue primarily from the six-mill levy, and federal funds from various federal education grant programs and program fees earned in the Montana Guaranteed Student Loan Program.

Non-Budgeted Proprietary Funds

The agency administers two programs funded by enterprise funds:

- MUS Self-Funded Workers Compensation
- MUS Group Health Insurance

The legislature does not appropriate enterprise funds or approve rates for the programs. Instead, the legislature reviews the funds and identifies any concerns with the financial position of the funds. Revenues, expenditures, and fund balances for the enterprise funds for the current and projected biennia are detailed in financial schedules included in the appendix.

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	214,726,667	214,726,667	429,453,334	93.26 %	293,439,167	293,439,167	586,878,334	92.48 %
PL Adjustments	4,589,827	4,268,193	8,858,020	1.92 %	12,634,376	12,292,643	24,927,019	3.93 %
New Proposals	10,927,558	11,261,708	22,189,266	4.82 %	11,227,558	11,561,708	22,789,266	3.59 %
Total Budget	\$230,244,052	\$230,256,568	\$460,500,620		\$317,301,101	\$317,293,518	\$634,594,619	

Program Budget Comparison

The following table summarizes the total proposed 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	24.03	24.03	23.03	23.03	24.03	23.03	(1.00)	(4.16)%
Personal Services	2,399,356	2,833,980	2,826,501	2,827,464	5,233,336	5,653,965	420,629	8.04 %
Operating Expenses	918,173	741,980	978,495	934,221	1,660,153	1,912,716	252,563	15.21 %
Equipment & Intangible Assets	11,063	0	11,063	11,063	11,063	22,126	11,063	100.00 %
Grants	0	0	0	0	0	0	0	0.00 %
Transfers	5,000	0	7,500,000	7,500,000	5,000	15,000,000	14,995,000	299,900.00 %
Debt Service	0	0	18,553	18,553	0	37,106	37,106	0.00 %
Total Costs	\$3,333,592	\$3,575,960	\$11,334,612	\$11,291,301	\$6,909,552	\$22,625,913	\$15,716,361	227.46 %
General Fund	2,831,002	3,044,865	10,793,192	10,749,736	5,875,867	21,542,928	15,667,061	266.63 %
State/Other Special Rev. Funds	0	0	0	0	0	0	0	0.00 %
Federal Spec. Rev. Funds	0	0	0	0	0	0	0	0.00 %
Proprietary Funds	502,590	531,095	541,420	541,565	1,033,685	1,082,985	49,300	4.77 %
Total Funds	\$3,333,592	\$3,575,960	\$11,334,612	\$11,291,301	\$6,909,552	\$22,625,913	\$15,716,361	227.46 %

Page Reference

Legislative Budget Analysis, E-43

Funding

This program is funded primarily from general fund. About 15% of the funding for the 2017 biennium would come from proprietary revenue to support administrative overhead activities for proprietary programs administered by other OCHE programs.

Budget Summary by Category

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

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	2,935,306	2,935,306	5,870,612	27.25 %	3,466,401	3,466,401	6,932,802	30.64 %
PL Adjustments	357,886	314,430	672,316	3.12 %	368,211	324,900	693,111	3.06 %
New Proposals	7,500,000	7,500,000	15,000,000	69.63 %	7,500,000	7,500,000	15,000,000	66.30 %
Total Budget	\$10,793,192	\$10,749,736	\$21,542,928		\$11,334,612	\$11,291,301	\$22,625,913	

Present Law Adjustments -

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

	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Present Law Adjustments										
DP 510 - Legislative Audit - HB 2 2014 Fixed Costs (Restricted/Biennia	0.00	41,919	0	0	41,919	0.00	0	0	0	0
DP 526 - 2017 Biennium Legislative Audit (RST/BIEN)	0.00	1,173	0	0	1,173	0.00	0	0	0	0
DP 1100 - Operating Increases	0.00	238,161	0	0	238,161	0.00	236,979	0	0	236,979
DP 1101 - Equipment Increases	0.00	11,063	0	0	11,063	0.00	11,063	0	0	11,063
DP 1102 - Transfers	0.00	(5,000)	0	0	(5,000)	0.00	(5,000)	0	0	(5,000)
DP 1103 - Fund Transfer	0.00	0	0	(449,808)	0	0.00	0	0	(449,808)	0
DP 1104 - OCHE Pay Increase	0.00	14,224	0	0	16,734	0.00	14,224	0	0	16,734
DP 1105 - Other Pay	0.00	12,039	0	0	14,163	0.00	12,857	0	0	15,126
DP 100444 - Statewide 4% FTE Reduction-Program 01	(1.00)	0	0	0	0	(1.00)	0	0	0	0
Grand Total All Present Law Adjustments	(1.00)	\$313,579	\$0	(\$449,808)	\$318,213	(1.00)	\$270,123	\$0	(\$449,808)	\$274,902

***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 1100 - Operating Increases -

The legislature approved general fund revenue for operating expenses which include funding for continuation of system initiatives administered by OCHE; a central international travel software program; coordination for MUS Dual Enrollment programs; the math pathways project; and to continue the tax consultant contract to meet IRS guidelines on preparing the system-wide unrelated business income tax annual return.

DP 1101 - Equipment Increases -

The legislature approved general fund revenue for maintenance and upgrades on system software, hardware, and licensing to support warehousing efforts, including the addition of human resource information.

DP 1102 - Transfers -

The legislature approved a reduction general fund revenue which supported the annual distance learning conference.

DP 1103 - Fund Transfer -

The legislature approved a fund transfer out of federal special revenue fund appropriation into proprietary fund appropriation as a result of a legislative audit recommendation.

DP 1104 - OCHE Pay Increase -

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

DP 1105 - 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 100444 - Statewide 4% FTE Reduction-Program 01 -

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. Change package PL 100444 includes a reduction of 1.00 FTE each fiscal year.

New Proposals -

The "New Proposals" table shows the changes from the legislative appropriation for FY 15 to the proposed budget.

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 100101 - Improve Montana's Economy through Research (Rs	0.00	7,500,000	0	0	7,500,000	0.00	7,500,000	0	0	7,500,000
Total	0.00	\$7,500,000	\$0	\$0	\$7,500,000	0.00	\$7,500,000	\$0	\$0	\$7,500,000

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

DP 100101 - Improve Montana's Economy through Research (Rs -

The legislatively approved budget increases general fund by \$15 million over the 2017 biennium for a restricted, biennial, and one-time-only appropriation for research projects.

Program Budget Comparison

The following table summarizes the total proposed 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)%

Page Reference

Legislative Budget Analysis, E-48

Funding

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 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	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 changes from FY 2015 legislative appropriation to the budget proposed. Each is discussed in the narrative that follows.

	-----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.

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 changes from the legislative appropriation for FY 15 to the proposed budget.

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).

Program Budget Comparison

The following table summarizes the total proposed 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
Personal Services	3,983	1,890	0	0	5,873	0	(5,873)	(100.00)%
Operating Expenses	1,034	16,726	17,390	17,390	17,760	34,780	17,020	95.83 %
Grants	148,535	323,964	500,000	500,000	472,499	1,000,000	527,501	111.64 %
Total Costs	\$153,552	\$342,580	\$517,390	\$517,390	\$496,132	\$1,034,780	\$538,648	108.57 %
General Fund	0	0	0	0	0	0	0	0.00 %
Federal Spec. Rev. Funds	153,552	342,580	517,390	517,390	496,132	1,034,780	538,648	108.57 %
Total Funds	\$153,552	\$342,580	\$517,390	\$517,390	\$496,132	\$1,034,780	\$538,648	108.57 %

Page Reference

Legislative Budget Analysis, E-56

Funding

- Funding is entirely from the federal Improving Teacher Quality grant
- The legislature increased the appropriation authority by approximately 40% to spend the anticipated amount of the federal grant and carryover from previous years

Budget Summary by Category

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

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	0	0	0	0.00 %	342,580	342,580	685,160	0.00 %
PL Adjustments	0	0	0	0.00 %	174,810	174,810	349,620	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$517,390	\$517,390	\$1,034,780	

Present Law Adjustments -

The “Present Law Adjustments” table shows the changes from FY 2015 legislative appropriation to the budget proposed. 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 1300 - Operating Increase	0.00	0	0	664	664	0.00	0	0	664	664
DP 1301 - Grants	0.00	0	0	176,036	176,036	0.00	0	0	176,036	176,036
DP 1302 - Other Pay	0.00	0	0	(1,890)	(1,890)	0.00	0	0	(1,890)	(1,890)
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$174,810	\$174,810	0.00	\$0	\$0	\$174,810	\$174,810

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

DP 1300 - Operating Increase -

The legislature approved federal special revenue for indirect cost increases.

DP 1301 - Grants -

The legislature approved additional federal spending authority for grants to improve teacher quality.

DP 1302 - Other Pay -

The legislature adopted to remove personal service funding as personal services are charged to the grant based upon time and effort reporting.

Program Budget Comparison

The following table summarizes the total proposed 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)%	

Page Reference

Legislative Budget Analysis, E-59

Funding

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.

Budget Summary by Category

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

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 changes from FY 2015 legislative appropriation to the budget proposed. 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.

Program Budget Comparison

The following table summarizes the total proposed 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	6.00	6.00	6.00	6.00	6.00	6.00	0.00	0.00 %
Personal Services	478,190	554,453	494,454	493,450	1,032,643	987,904	(44,739)	(4.33)%
Operating Expenses	7,545,763	7,515,256	7,570,349	7,575,402	15,061,019	15,145,751	84,732	0.56 %
Benefits & Claims	79,426,708	81,564,436	87,369,379	88,163,646	160,991,144	175,533,025	14,541,881	9.03 %
Total Costs	\$87,450,661	\$89,634,145	\$95,434,182	\$96,232,498	\$177,084,806	\$191,666,680	\$14,581,874	8.23 %
Proprietary Funds	87,450,661	89,634,145	95,434,182	96,232,498	177,084,806	191,666,680	14,581,874	8.23 %
Total Funds	\$87,450,661	\$89,634,145	\$95,434,182	\$96,232,498	\$177,084,806	\$191,666,680	\$14,581,874	8.23 %

Page Reference

Legislative Budget Analysis, E-68

Funding

This program is funded with an enterprise type proprietary fund. As such, the legislature does not appropriate funds or approve rates for the program. Instead, the legislature reviews the report for the enterprise fund and identifies any concerns with the financial position of the fund.

Budget Summary by Category

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

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	0	0	0	0.00 %	87,327,692	87,327,692	174,655,384	0.00 %
PL Adjustments	0	0	0	0.00 %	8,106,490	8,904,806	17,011,296	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$95,434,182	\$96,232,498	\$191,666,680	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed. 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 500501 - Increase in Medical Claims	0.00	0	0	0	5,063,421	0.00	0	0	0	5,788,111
DP 500502 - Increase in Flex Spending Accounts	0.00	0	0	0	3,043,069	0.00	0	0	0	3,116,695
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$0	\$8,106,490	0.00	\$0	\$0	\$0	\$8,904,806

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

DP 500501 - Increase in Medical Claims -

This request is estimating a 10% growth rate in medical claims. The increase reflects an increase of \$7,256,411 in FY 2016 and \$7,982,052 in FY2017.

DP 500502 - Increase in Flex Spending Accounts -

The request includes an estimated increase in flex spending accounts of \$711,260 in FY 2016 and \$784,886 in FY 2017.

Other Issues -

Proprietary Revenues and Expenses

Revenues

Revenue in this program comes from:

- Employer-paid contributions toward insurance premiums
- Employee-paid contributions toward insurance premiums
- Employee payments to flexible spending accounts
- Prescription rebates

The agency is projecting a slight increase in revenues in the 2017 biennium compared to the base year FY 2014. The revenue projections exclude any premium rate increases or state share increase. The projected increase is due primarily to anticipated growth in retirees age 65 and over. Due to this increase the agency is working to draw down its reserves so that they are not maintaining greater reserves than necessary.

Expenses

Significant costs for the program are for:

- Insurance claims payments
- Claims management
- Program administration (with a total of 6 FTE in FY 2014)
- Wellness program expense

The agency non-personnel expenses increased on average 12.2% per year between FY 2012 and FY 2014. The primary cost driver impacting claims expense increases are Rx claims in specialty drugs. These increased to 9.1% in FY 2014 and are projected to increase to 13% in FY 2015. The increase is mostly attributable to Rx spending in the areas of rheumatoid arthritis and multiple sclerosis drugs.

Personnel related administrative costs increased approximately 30% as the 2013 Legislature added 1.35 FTE to assist with the workload to implement and ensure compliance with the Affordable Care Act.

Rate Explanation

The employer-paid portion of the group insurance premium is statutorily established in Section 2-18-703, MCA and is presently \$887 per month per eligible, participating employee. The employee-paid portion of the group insurance premium is adjusted as needed by the Montana University System to cover the premium requirements of a variety of benefit options and to maintain employee group benefit plans on an actuarially sound basis.

Fluctuations in Other Operating Revenues are primarily due to two Affordable Care Act transition programs for employers. Congress implemented these transition programs with the intent to keep employers from removing retirees from coverage. The agency was receiving payments from the programs to continue providing coverage for non-Medicare retirees and a portion of drug costs for Medicare retirees. The programs have ended and final payments are being reconciled. The agency anticipates that Other Operating Revenues will fluctuate less frequently into the 2017 biennium.

2017 Biennium Report on Internal Service and Enterprise Funds							
Agency # 51020	Agency Name: Commissioner of Higher Ed		Program Name: University System Group Insurance Program				
	Fund	Fund Name					
	06010	CHE Wellness Account					
		Actual FY12	Actual FY13	Actual FY14	Budgeted FY15	Budgeted FY16	Budgeted FY17
Operating Revenues:							
Fee and Charges							
Other Operating Revenue							
		6,131	504	167	5,211	7,877	7,877
Total Operating Revenues							
		6,131	504	167	5,211	7,877	7,877
Expenses:							
Other Operating Expenses							
		5,211	8,297	7,876	5,211	7,877	7,877
Total Operating Expenses							
		5,211	8,297	7,876	5,211	7,877	7,877
Operating Income (Loss)							
		920	(7,793)	(7,709)	-	-	-
Nonoperating Revenues:							
Nonoperating Expenses:							
Total Nonoperating Revenues (Expenses)							
		-	-	-	-	-	-
Income (Loss) Before Contributions and Transfers							
		920	(7,793)	(7,709)	-	-	-
Change in Net Position							
		920	(7,793)	(7,709)	-	-	-
Beginning Net Position - July 1							
		63,079	63,999	56,206	48,497	48,497	48,497
Change in Net Position							
		920	(7,793)	(7,709)	-	-	-
Ending Net Position - June 30							
		63,999	56,206	48,497	48,497	48,497	48,497
Net Position (Fund Balance) Analysis							

Program Budget Comparison

The following table summarizes the total proposed 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	19.90	19.90	19.90	19.90	19.90	19.90	0.00	0.00 %
Personal Services	894,697	1,202,492	1,260,108	1,257,017	2,097,189	2,517,125	419,936	20.02 %
Operating Expenses	1,669,035	1,542,547	1,666,325	1,666,300	3,211,582	3,332,625	121,043	3.77 %
Grants	775,779	616,624	1,400,000	1,400,000	1,392,403	2,800,000	1,407,597	101.09 %
Transfers	460,144	1,289,703	900,000	900,000	1,749,847	1,800,000	50,153	2.87 %
Total Costs	\$3,799,655	\$4,651,366	\$5,226,433	\$5,223,317	\$8,451,021	\$10,449,750	\$1,998,729	23.65 %
General Fund	96,468	96,864	103,937	103,656	193,332	207,593	14,261	7.38 %
Federal Spec. Rev. Funds	3,703,187	4,554,502	5,122,496	5,119,661	8,257,689	10,242,157	1,984,468	24.03 %
Total Funds	\$3,799,655	\$4,651,366	\$5,226,433	\$5,223,317	\$8,451,021	\$10,449,750	\$1,998,729	23.65 %

Page Reference

Legislative Budget Analysis, E-71

Funding

- General fund supports the American Indian/Minority Achievement component of the program
- Federal funds are from two grant sources:
 - The Talent Search grant, comprising 16% of the biennial program funding, has no non-federal matching requirement
 - The GEAR-UP grant, comprising 84% of the biennial budget, requires a 50% non-federal fund match, which is provided through allowable in-kind services

Budget Summary by Category

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

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	96,864	96,864	193,728	93.32 %	4,651,366	4,651,366	9,302,732	89.02 %
PL Adjustments	7,073	6,792	13,865	6.68 %	575,067	571,951	1,147,018	10.98 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$103,937	\$103,656	\$207,593		\$5,226,433	\$5,223,317	\$10,449,750	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed. 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 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	0	0	20,165	20,165	0.00	0	0	20,165	20,165
DP 1600 - Operating Increases	0.00	1,727	0	123,778	125,505	0.00	1,716	0	123,753	125,469
DP 1601 - Grants	0.00	0	0	783,376	783,376	0.00	0	0	783,376	783,376
DP 1602 - Transfers	0.00	0	0	(389,703)	(389,703)	0.00	0	0	(389,703)	(389,703)
DP 1603 - OCHE Pay Increase	0.00	5,346	0	1,702	7,048	0.00	5,076	0	1,702	6,778
DP 1604 - Other Pay	0.00	0	0	28,676	28,676	0.00	0	0	25,866	25,866
Grand Total All Present Law Adjustments	0.00	\$7,073	\$0	\$567,994	\$575,067	0.00	\$6,792	\$0	\$565,159	\$571,951

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

DP 520 - Fully Fund 2015 Legislatively Authorized FTE -

The legislature provided appropriation authority to restore personal services funding to create a vacancy savings rate of zero.

DP 1600 - Operating Increases -

The legislature approved operating expense increases to reflect the higher operating expense levels related to increased outreach to the GEAR-UP program, including inflationary costs.

DP 1601 - Grants -

The legislature approved additional federal special revenue spending authority to grants and to fully fund federal scholarships to students.

DP 1602 - Transfers -

The legislature approved a reduction in federal special revenue for transfers as the FY 2015 base year transfer level is in excess of the FY 2016 and FY 2017 requests.

DP 1603 - OCHE Pay Increase -

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

DP 1604 - 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.

51020 - Commissioner Of Higher Education07-University System Workers Compensation Program

Program Budget Comparison

The following table summarizes the total proposed 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	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00 %
Personal Services	91,379	92,225	95,502	95,251	183,604	190,753	7,149	3.89 %
Operating Expenses	1,173,512	969,068	1,195,000	1,195,002	2,142,580	2,390,002	247,422	11.55 %
Benefits & Claims	1,931,362	3,499,476	3,000,000	3,000,000	5,430,838	6,000,000	569,162	10.48 %
Total Costs	\$3,196,253	\$4,560,769	\$4,290,502	\$4,290,253	\$7,757,022	\$8,580,755	\$823,733	10.62 %
General Fund	0	0	0	0	0	0	0	0.00 %
Proprietary Funds	3,196,253	4,560,769	4,290,502	4,290,253	7,757,022	8,580,755	823,733	10.62 %
Total Funds	\$3,196,253	\$4,560,769	\$4,290,502	\$4,290,253	\$7,757,022	\$8,580,755	\$823,733	10.62 %

Page Reference

Legislative Budget Analysis, E-75

Funding

This program is funded with an enterprise type proprietary fund. As such, the legislature does not appropriate funds or approve rates for the program. Instead, the legislature reviews the report for the enterprise fund and identifies any concerns with the financial position of the fund.

Budget Summary by Category

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

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	0	0	0	0.00 %	4,551,886	4,551,886	9,103,772	0.00 %
PL Adjustments	0	0	0	0.00 %	(261,384)	(261,633)	(523,017)	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$4,290,502	\$4,290,253	\$8,580,755	

Present Law Adjustments -

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

51020 - Commissioner Of Higher Education07-University System Workers Compensation Program

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 700701 - MUS Self-Funded WC Program	0.00	0	0	0	(261,384)	0.00	0	0	0	(261,633)
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$0	(\$261,384)	0.00	\$0	\$0	\$0	(\$261,633)

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

DP 700701 - MUS Self-Funded WC Program -

This request reflects increases in claims and related operating cost in the work comp program. The request includes \$1,090,144 in FY 2106 and \$1,090,144 in FY2017.

Other Issues -

Program Description

The Montana Board of Regents created the Montana University System Self-Funded Workers' Compensation Program April 2003 as allowed by the Workers' Compensation Act in Title 39, Chapter 71 of the Montana Codes Annotated. This program, which became effective in July 2003, provides workers' compensation insurance coverage for all university system employees and employees of the Office of Commissioner of Higher Education.

This program is funded with an enterprise type proprietary fund. As such, the legislature does not appropriate funds or approve rates for the program. Instead, the legislature reviews the report for the enterprise fund and identifies any concerns with the financial position of the fund. The report for the enterprise fund is available in the appendix.

Revenues and Expenses

This program is an enterprise fund in which the funding is derived from premiums and investment earnings. Expenditures include claims, reinsurance premiums, debt service, and administrative costs. Debt service is for the bonds that were issued to establish the claim reserve for the program.

Rate Explanation

Premium rates for the program are based upon commonly accepted actuarial principles developed by a qualified actuary and reviewed by an oversight committee comprised of university system representatives and the administrator of the State of Montana Risk Management and Tort Defense Division.

Proprietary Rates

The workers' compensation committee sets rates for the worker's compensation program. In FY 2013 a change in the IBNR (incurred but not reported) estimate was made that resulted in a significant reduction of the long-term claims liability (approximately \$2.8 million decrease). As a result, the committee adopted a one-time six month work comp premium holiday to run from July 1, 2013 to December 31, 2013 to spend down the fund balance.

51020 - Commissioner Of Higher Education07-University System Workers Compensation Program

2017 Biennium Report on Internal Service and Enterprise Funds							
Agency # 51020	Agency Name: Commissioner of Higher Ed			Program Name: University System Group Insurance Program			
	Fund	Fund Name					
	06010	CHE Wellness Account					
		Actual FY12	Actual FY13	Actual FY14	Budgeted FY15	Budgeted FY16	Budgeted FY17
Operating Revenues:							
Fee and Charges							
Other Operating Revenue							
		6,131	504	167	5,211	7,877	7,877
Total Operating Revenues							
		6,131	504	167	5,211	7,877	7,877
Expenses:							
Other Operating Expenses							
		5,211	8,297	7,876	5,211	7,877	7,877
Total Operating Expenses							
		5,211	8,297	7,876	5,211	7,877	7,877
Operating Income (Loss)							
		920	(7,793)	(7,709)	-	-	-
Nonoperating Revenues:							
Nonoperating Expenses:							
Total Nonoperating Revenues (Expenses)							
		-	-	-	-	-	-
Income (Loss) Before Contributions and Transfers							
		920	(7,793)	(7,709)	-	-	-
Change in Net Position							
		920	(7,793)	(7,709)	-	-	-
Beginning Net Position - July 1							
		63,079	63,999	56,206	48,497	48,497	48,497
Change in Net Position							
		920	(7,793)	(7,709)	-	-	-
Ending Net Position - June 30							
		63,999	56,206	48,497	48,497	48,497	48,497
Net Position (Fund Balance) Analysis							

Program Budget Comparison

The following table summarizes the total proposed 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	4.45	4.45	4.45	4.45	4.45	4.45	0.00	0.00 %
Personal Services	297,458	388,827	380,746	380,746	686,285	761,492	75,207	10.96 %
Operating Expenses	416,373	450,100	416,314	416,269	866,473	832,583	(33,890)	(3.91)%
Grants	1,788,083	2,199,700	1,788,083	1,788,083	3,987,783	3,576,166	(411,617)	(10.32)%
Transfers	3,010,712	3,275,059	3,010,712	3,010,712	6,285,771	6,021,424	(264,347)	(4.21)%
Total Costs	\$5,512,626	\$6,313,686	\$5,595,855	\$5,595,810	\$11,826,312	\$11,191,665	(\$634,647)	(5.37)%
General Fund	90,067	90,067	90,067	90,067	180,134	180,134	0	0.00 %
Federal Spec. Rev. Funds	5,422,559	6,223,619	5,505,788	5,505,743	11,646,178	11,011,531	(634,647)	(5.45)%
Total Funds	\$5,512,626	\$6,313,686	\$5,595,855	\$5,595,810	\$11,826,312	\$11,191,665	(\$634,647)	(5.37)%

Page Reference

Legislative Budget Analysis, E-78

Funding

Funding for this program is nearly all federal funds. These federal funds:

- Are authorized by the federal Carl D. Perkins Career and Technical Education Improvement Act of 2006
- Are received by the Office of the Commissioner of Higher Education and distributed to postsecondary programs and to the Office of Public Instruction for secondary programs
- Require a dollar for dollar match on funds used for administration

The state general fund in this program is the non-federal match for the postsecondary administration costs. The state match for secondary administration is accounted for in the Office of Public Instruction.

Budget Summary by Category

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

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	90,067	90,067	180,134	100.00 %	6,313,686	6,313,686	12,627,372	112.83 %
PL Adjustments	0	0	0	0.00 %	(717,831)	(717,876)	(1,435,707)	(12.83)%
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$90,067	\$90,067	\$180,134		\$5,595,855	\$5,595,810	\$11,191,665	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed. 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 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	0	0	7,021	7,021	0.00	0	0	7,021	7,021
DP 1800 - Operating Decreases	0.00	0	0	(33,786)	(33,786)	0.00	0	0	(33,831)	(33,831)
DP 1801 - Grants	0.00	0	0	(411,617)	(411,617)	0.00	0	0	(411,617)	(411,617)
DP 1802 - Transfers	0.00	0	0	(264,347)	(264,347)	0.00	0	0	(264,347)	(264,347)
DP 1803 - OCHE Pay Increase	0.00	0	0	2,404	2,404	0.00	0	0	2,404	2,404
DP 1804 - Other Pay	0.00	0	0	(17,506)	(17,506)	0.00	0	0	(17,506)	(17,506)
Grand Total All Present Law Adjustments	0.00	\$0	\$0	(\$717,831)	(\$717,831)	0.00	\$0	\$0	(\$717,876)	(\$717,876)

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

DP 520 - Fully Fund 2015 Legislatively Authorized FTE -

The legislature provided appropriation authority to restore personal services funding to create a vacancy savings rate of zero.

DP 1800 - Operating Decreases -

The legislature approved operating decreases in federal special revenue due to the difference from the change in base.

DP 1801 - Grants -

The legislature approved grant decreases in federal special revenue as the Carl Perkins grant has timed out and is no longer available.

DP 1802 - Transfers -

The legislature approved transfer decreases in federal special revenue as the Carl Perkins grant is no longer available.

DP 1803 - OCHE Pay Increase -

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

DP 1804 - 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.

Program Budget Comparison

The following table summarizes the total proposed 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	
Personal Services	0	0	0	0	0	0	0	0.00 %	
Operating Expenses	0	0	0	0	0	0	0	0.00 %	
Transfers	170,864,830	209,242,994	187,424,665	186,882,980	380,107,824	374,307,645	(5,800,179)	(1.53)%	
Total Costs	\$170,864,830	\$209,242,994	\$187,424,665	\$186,882,980	\$380,107,824	\$374,307,645	(\$5,800,179)	(1.53)%	
General Fund	151,368,110	188,097,631	167,864,035	167,322,025	339,465,741	335,186,060	(4,279,681)	(1.26)%	
State/Other Special Rev. Funds	19,496,720	21,145,363	19,560,630	19,560,955	40,642,083	39,121,585	(1,520,498)	(3.74)%	
Total Funds	\$170,864,830	\$209,242,994	\$187,424,665	\$186,882,980	\$380,107,824	\$374,307,645	(\$5,800,179)	(1.53)%	

Page Reference

Legislative Budget Analysis, E-81

Funding

While funding for this program is primarily general fund, state special revenue from the six-mill property tax levy funds the university educational units. Resource Indemnity Trust interest (RIT) and oil and gas and metal mines taxes support research programs at the Montana Bureau of Mines, and program fees and an allocation from driver's license fees support the motorcycle safety program at MSU-Northern in Havre.

Six-Mill Property Tax Levy

The statewide six-mill property tax levy that supports the Montana University System is authorized in 15-10-108, MCA. The tax levy is presented to voters statewide for approval every 10 years. The most recent statewide vote was in 2008.

The six-mill levy revenue is used to fund the education and general operating expenses of the educational units and is the second largest state funding source for the MUS after general fund.

Natural Resource Operations State Special Revenue Account

The 2007 Legislature created the natural resource operations state special revenue account and allocated revenues from the Resource Indemnity Trust Fund, metal mines license tax proceeds, and oil and gas production taxes to the account. Appropriations were authorized by the 2009 Legislature from this account for the Department of Natural Resources and Conservation (DNRC), the Montana Bureau of Mines, the Department of Environmental Quality, and the Water Court in the Judicial Branch. The 2009, 2011, and 2013 Legislatures have appropriated \$175,866 per year of natural resource operations state special revenue for general program support for the Montana Bureau of Mines.

Statutory Appropriations

Statutory appropriations do not require reauthorization each biennium, and they do not appear in HB 2. There are two statutory appropriations in this program:

- An allocation of the 4% lodging facility use tax is transferred to the University of Montana for travel research
- General fund is statutorily appropriated for a 1% employer contribution increase to the MUS defined contribution retirement plan authorized by HB 95 passed by the 2007 Legislature

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	161,843,336	161,843,336	323,686,672	96.57 %	181,846,813	181,846,813	363,693,626	97.16 %
PL Adjustments	6,020,699	5,478,689	11,499,388	3.43 %	5,577,852	5,036,167	10,614,019	2.84 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$167,864,035	\$167,322,025	\$335,186,060		\$187,424,665	\$186,882,980	\$374,307,645	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed. 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	530,974	0	0	530,974	0.00	0	0	0	0
DP 526 - 2017 Biennium Legislative Audit (RST/BIEN)	0.00	14,862	0	0	14,862	0.00	0	0	0	0
DP 900 - General Government Adjustments (Ed Units)	0.00	181,837	0	0	181,837	0.00	182,720	0	0	182,720
DP 901 - Educational Units Present Law	0.00	5,293,026	0	0	5,293,026	0.00	5,295,969	0	0	5,295,969
DP 902 - 6-Mill Levy	0.00	0	(567,026)	0	(567,026)	0.00	0	(567,026)	0	(567,026)
DP 909 - Motorcycle Safety	0.00	0	124,179	0	124,179	0.00	0	124,504	0	124,504
Grand Total All Present Law Adjustments	0.00	\$6,020,699	(\$442,847)	\$0	\$5,577,852	0.00	\$5,478,689	(\$442,522)	\$0	\$5,036,167

**"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 900 - General Government Adjustments (Ed Units) -

The legislature approved a general fund increase for adjustments in fixed costs, inflation, and deflation, as revised by general government.

DP 901 - Educational Units Present Law -

The legislature approved general fund revenue for the educational units to ensure the Montana University System could implement a tuition freeze over the 2017 biennium.

DP 902 - 6-Mill Levy -

The legislature approved a decrease in the Montana University's 6-mill levy to align expenditures with anticipated revenues.

DP 909 - Motorcycle Safety -

The legislature approved a general fund revenue increase for the Motorcycle Safety program.

Program Budget Comparison

The following table summarizes the total proposed 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	
Transfers	0	0	28,187,292	28,171,709	0	56,359,001	56,359,001	0.00 %	
Total Costs	\$0	\$0	\$28,187,292	\$28,171,709	\$0	\$56,359,001	\$56,359,001	0.00 %	
General Fund	0	0	26,971,561	26,956,741	0	53,928,302	53,928,302	0.00 %	
State/Other Special Rev. Funds	0	0	1,215,731	1,214,968	0	2,430,699	2,430,699	0.00 %	
Total Funds	\$0	\$0	\$28,187,292	\$28,171,709	\$0	\$56,359,001	\$56,359,001	0.00 %	

Page Reference

Legislative Budget Analysis, E-81

Funding

The MUS Agencies are exclusively funded with general fund revenue.

The 2015 legislative base is \$25,798,587 which is not shown in the program budget comparison table above. The legislature approved a 7.5% increase over the 2015 legislative base in each fiscal year of the 2017 biennium.

Budget Summary by Category

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

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	24,956,701	24,956,701	49,913,402	92.56 %	25,798,587	25,798,587	51,597,174	91.55 %
PL Adjustments	564,860	550,040	1,114,900	2.07 %	638,705	623,122	1,261,827	2.24 %
New Proposals	1,450,000	1,450,000	2,900,000	5.38 %	1,750,000	1,750,000	3,500,000	6.21 %
Total Budget	\$26,971,561	\$26,956,741	\$53,928,302		\$28,187,292	\$28,171,709	\$56,359,001	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed. 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 903 - Agriculture Experiment Station PLA	0.00	474,222	0	0	474,222	0.00	460,693	0	0	460,693
DP 904 - Forest & Conservation Experiment Station PLA	0.00	105,079	0	0	105,079	0.00	105,490	0	0	105,490
DP 905 - Bureau of Mines General Fund PLA	0.00	49,581	0	0	49,581	0.00	49,510	0	0	49,510
DP 906 - Bureau of Mines State Special Revenue PLA	0.00	0	73,845	0	73,845	0.00	0	73,082	0	73,082
DP 907 - Fire Services Training School PLA	0.00	20,667	0	0	20,667	0.00	19,648	0	0	19,648
DP 908 - Extension Service PLA	0.00	(91,802)	0	0	(91,802)	0.00	(92,277)	0	0	(92,277)
DP 911 - General Government Adjustments (AES)	0.00	4,592	0	0	4,592	0.00	4,594	0	0	4,594
DP 913 - General Government Adjustments (ES)	0.00	2,671	0	0	2,671	0.00	2,521	0	0	2,521
Grand Total All Present Law Adjustments	0.00	\$565,010	\$73,845	\$0	\$638,855	0.00	\$550,179	\$73,082	\$0	\$623,261

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

DP 903 - Agriculture Experiment Station PLA -

The legislature approved general fund revenue for present law adjustments.

DP 904 - Forest & Conservation Experiment Station PLA -

The legislature approved general fund revenue for present law adjustments.

DP 905 - Bureau of Mines General Fund PLA -

The legislature approved general fund revenue for present law adjustments.

DP 906 - Bureau of Mines State Special Revenue PLA -

The legislature approved state special revenue for present law adjustments.

DP 907 - Fire Services Training School PLA -

The legislature approved general fund revenue for present law adjustments.

DP 908 - Extension Service PLA -

The legislature approved general fund revenue for present law adjustments.

DP 911 - General Government Adjustments (AES) -

The legislature approved general fund revenue for fixed costs, inflation, and deflation as adjusted by general government.

DP 913 - General Government Adjustments (ES) -

The legislature approved general fund revenue for fixed costs, inflation, and deflation as adjusted by general government.

New Proposals -

The "New Proposals" table shows the changes from the legislative appropriation for FY 15 to the proposed budget.

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 209 - Coal and Mine Data Records BMG	0.00	0	300,000	0	300,000	0.00	0	300,000	0	300,000
DP 212 - AES Seed Lab Addition	0.00	125,000	0	0	125,000	0.00	125,000	0	0	125,000
DP 234 - AES Wool Lab	0.00	60,000	0	0	60,000	0.00	60,000	0	0	60,000
DP 238 - ES Local Govt Center	0.00	90,000	0	0	90,000	0.00	90,000	0	0	90,000
DP 914 - AES Base Addition	0.00	775,000	0	0	775,000	0.00	775,000	0	0	775,000
DP 915 - ES Base Addition	0.00	250,000	0	0	250,000	0.00	250,000	0	0	250,000
DP 916 - FCES Base Addition	0.00	150,000	0	0	150,000	0.00	150,000	0	0	150,000
Total	0.00	\$1,450,000	\$300,000	\$0	\$1,750,000	0.00	\$1,450,000	\$300,000	\$0	\$1,750,000

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

DP 209 - Coal and Mine Data Records BMG -

The legislature added restricted, one-time-only funding from the Board of Oil and Gas state special revenue account to the Montana Bureau of Mines for 3.00 FTE and related expenses to assist with making data records of mines and coal available online to the public.

DP 212 - AES Seed Lab Addition -

The legislature approved general fund for the Seed Lab at Montana State University out of the Agricultural Experiment Station base addition appropriation.

DP 234 - AES Wool Lab -

The legislature added general fund to the Montana Wool Laboratory at MSU-Bozeman to fund a Research Scientist position and to supplement administrative and operational costs for the lab.

DP 238 - ES Local Govt Center -

The legislature added general fund to the Local Government Center at MSU-Bozeman.

DP 914 - AES Base Addition -

The legislature approved general fund revenue as a base addition for ongoing funding.

DP 915 - ES Base Addition -

The legislature approved general fund revenue as a base addition for ongoing funding.

DP 916 - FCES Base Addition -

The legislature approved general fund revenue as a base addition for ongoing funding.

Program Budget Comparison

The following table summarizes the total proposed 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
Grants	819,021	1,026,527	1,003,463	1,003,463	1,845,548	2,006,926	161,378	8.74 %
Total Costs	\$819,021	\$1,026,527	\$1,003,463	\$1,003,463	\$1,845,548	\$2,006,926	\$161,378	8.74 %
General Fund	819,021	1,026,527	1,003,463	1,003,463	1,845,548	2,006,926	161,378	8.74 %
Total Funds	\$819,021	\$1,026,527	\$1,003,463	\$1,003,463	\$1,845,548	\$2,006,926	\$161,378	8.74 %

Page Reference

Legislative Budget Analysis, E-92

Funding

Funding is entirely from the state general fund.

Budget Summary by Category

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

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	842,085	842,085	1,684,170	83.92 %	842,085	842,085	1,684,170	83.92 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	161,378	161,378	322,756	16.08 %	161,378	161,378	322,756	16.08 %
Total Budget	\$1,003,463	\$1,003,463	\$2,006,926		\$1,003,463	\$1,003,463	\$2,006,926	

New Proposals -

The "New Proposals" table shows the changes from the legislative appropriation for FY 15 to the proposed budget.

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 1101101 - Increase Tribal Assistance OTO	0.00	161,378	0	0	161,378	0.00	161,378	0	0	161,378
Total	0.00	\$161,378	\$0	\$0	\$161,378	0.00	\$161,378	\$0	\$0	\$161,378

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

DP 1101101 - Increase Tribal Assistance OTO -

The legislature increased general fund tribal assistance to the maximum allowed under state law.

Program Budget Comparison

The following table summarizes the total proposed 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	44.00	44.00	41.02	41.02	44.00	41.02	(2.98)	(6.77)%
Personal Services	1,672,627	2,403,826	2,369,958	2,369,642	4,076,453	4,739,600	663,147	16.27 %
Operating Expenses	2,539,350	2,989,211	3,140,820	3,124,414	5,528,561	6,265,234	736,673	13.32 %
Equipment & Intangible Assets	10,252	0	10,252	10,252	10,252	20,504	10,252	100.00 %
Benefits & Claims	35,344,046	40,617,909	48,825,537	48,825,537	75,961,955	97,651,074	21,689,119	28.55 %
Debt Service	12,682	43,480	12,682	12,682	56,162	25,364	(30,798)	(54.84)%
Total Costs	\$39,578,957	\$46,054,426	\$54,359,249	\$54,342,527	\$85,633,383	\$108,701,776	\$23,068,393	26.94 %
Federal Spec. Rev. Funds	39,578,957	46,054,426	54,359,249	54,342,527	85,633,383	108,701,776	23,068,393	26.94 %
Total Funds	\$39,578,957	\$46,054,426	\$54,359,249	\$54,342,527	\$85,633,383	\$108,701,776	\$23,068,393	26.94 %

Page Reference

Legislative Budget Analysis, E-96

Funding

This program is funded from federal funds from the U.S. Department of Education relating to the operation of the program.

Budget Summary by Category

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

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	0	0	0	0.00 %	46,054,426	46,054,426	92,108,852	0.00 %
PL Adjustments	0	0	0	0.00 %	8,304,823	8,288,101	16,592,924	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$54,359,249	\$54,342,527	\$108,701,776	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed. 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	0	0	15,720	15,720	0.00	0	0	0	0	0
DP 520 - Fully Fund 2015 Legislatively Authorized FTE										
0.00	0	0	48,698	48,698	0.00	0	0	48,698	48,698	
DP 526 - 2017 Biennium Legislative Audit (RST/BIEN)										
0.00	0	0	440	440	0.00	0	0	0	0	
DP 11200 - Operating Increases										
0.00	0	0	135,449	135,449	0.00	0	0	135,203	135,203	
DP 11201 - Equipment Increases										
0.00	0	0	10,252	10,252	0.00	0	0	10,252	10,252	
DP 11202 - Benefits and Claims Purchased Loans										
0.00	0	0	8,207,628	8,207,628	0.00	0	0	8,207,628	8,207,628	
DP 11203 - Debt Service										
0.00	0	0	(30,798)	(30,798)	0.00	0	0	(30,798)	(30,798)	
DP 11205 - Other Pay										
0.00	0	0	(82,566)	(82,566)	0.00	0	0	(82,882)	(82,882)	
DP 1200444 - Statewide 4% FTE Reduction-Program 12 GSL										
(2.98)	0	0	0	0	(2.98)	0	0	0	0	
Grand Total All Present Law Adjustments										
(2.98)	\$0	\$0	\$8,304,823	\$8,304,823	(2.98)	\$0	\$0	\$8,288,101	\$8,288,101	

*"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 520 - Fully Fund 2015 Legislatively Authorized FTE -

The legislature provided appropriation authority to restore personal services funding to create a vacancy savings rate of zero.

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 11200 - Operating Increases -

The legislature approved an increase in federal special revenue for anticipated increased collection costs and default aversion expenses due to the increasing number of defaulted borrowers.

DP 11201 - Equipment Increases -

The legislature approved federal special revenue to address upgrades in network servers.

DP 11202 - Benefits and Claims Purchased Loans -

The legislature approved an increase in federal special revenue to address the steady growth in the number of Lender Request for Assistance (LRA's) filed for defaulted borrowers.

DP 11203 - Debt Service -

The legislature approved a decrease in federal special revenue due to a reduction in the amount of leased computers used by the program.

DP 11205 - 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 1200444 - Statewide 4% FTE Reduction-Program 12 GSL -

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. Change package 1200444 includes a reduction of 2.98 FTE each fiscal year.

Program Budget Comparison

The following table summarizes the total proposed 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
Personal Services	3,450	6,300	6,300	6,300	9,750	12,600	2,850	29.23 %
Operating Expenses	63,263	62,869	64,108	64,108	126,132	128,216	2,084	1.65 %
Total Costs	\$66,713	\$69,169	\$70,408	\$70,408	\$135,882	\$140,816	\$4,934	3.63 %
General Fund	66,713	69,169	70,408	70,408	135,882	140,816	4,934	3.63 %
Total Funds	\$66,713	\$69,169	\$70,408	\$70,408	\$135,882	\$140,816	\$4,934	3.63 %

Page Reference

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Funding

The Board of Regents Administration Program is funded exclusively with general fund authority.

Budget Summary by Category

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

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	69,169	69,169	138,338	98.24 %	69,169	69,169	138,338	98.24 %
PL Adjustments	1,239	1,239	2,478	1.76 %	1,239	1,239	2,478	1.76 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$70,408	\$70,408	\$140,816		\$70,408	\$70,408	\$140,816	