

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	24.03	24.03	23.03	23.03	24.03	23.03	(1.00)	(4.16)%
Personal Services	2,399,356	2,833,980	6,593,139	11,783,898	5,233,336	18,377,037	13,143,701	251.15 %
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	\$15,101,250	\$20,247,735	\$6,909,552	\$35,348,985	\$28,439,433	411.60 %
General Fund	2,831,002	3,044,865	14,522,813	19,449,062	5,875,867	33,971,875	28,096,008	478.16 %
State/Other Special Rev. Funds	0	0	566	3,816	0	4,382	4,382	0.00 %
Federal Spec. Rev. Funds	0	0	36,451	253,292	0	289,743	289,743	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	\$15,101,250	\$20,247,735	\$6,909,552	\$35,348,985	\$28,439,433	411.60 %

Program Description

The administration program includes: 1) general administration of the university system, 2) academic, financial, and legal administration, 3) labor relations and personnel administration, and 4) student assistance administration. Article X, Section 9, of the Montana Constitution requires that the Board of Regents appoints the Commissioner and prescribes his powers and duties.

Program Highlights

Administration Program Major Budget Highlights
<ul style="list-style-type: none"> • The general fund increase in this program is largely due to one new budget proposal for \$7.5 million each fiscal year, restricted for research projects at campuses across the state • Program 1 also includes the University System's pay plan increase for the 2017 biennium, to be distributed by the Commissioner of Higher Education at the appropriate program levels • The legislature approved present law adjustments at operating, equipment, and personal services account levels

Funding

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

Commissioner of Higher Education, 01-Administration Program Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	33,971,875	0	0	33,971,875	96.10 %	
02443 University Millage	0	0	0	0	0.00 %	
02846 Family Ed Savings Admin Fee	4,382	0	0	4,382	100.00 %	
State Special Total	\$4,382	\$0	\$0	\$4,382	0.01 %	
03080 CHE INDIRECT COST RECOVERY	0	0	0	0	0.00 %	
03400 Guaranteed Std. Loan-Admin.	289,743	0	0	289,743	100.00 %	
Federal Special Total	\$289,743	\$0	\$0	\$289,743	0.82 %	
06539 Indirect Costs - OCHE	1,082,985	0	0	1,082,985	100.00 %	
Proprietary Total	\$1,082,985	\$0	\$0	\$1,082,985	3.06 %	
Total All Funds	\$35,348,985	\$0	\$0	\$35,348,985		

This program is funded primarily from general fund. Once removing appropriations for the research initiative and the pay plan included in this program, about 15% of the funding for the 2017 biennium comes 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	17.28 %	3,466,401	3,466,401	6,932,802	19.61 %
PL Adjustments	357,886	314,430	672,316	1.98 %	368,211	324,900	693,111	1.96 %
New Proposals	11,229,621	16,199,326	27,428,947	80.74 %	11,266,638	16,456,434	27,723,072	78.43 %
Total Budget	\$14,522,813	\$19,449,062	\$33,971,875		\$15,101,250	\$20,247,735	\$35,348,985	

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	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 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 590 - Employee Pay and State Share	0.00	3,729,621	566	36,451	3,766,638	0.00	8,699,326	3,816	253,292	8,956,434
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	\$11,229,621	\$566	\$36,451	\$11,266,638	0.00	\$16,199,326	\$3,816	\$253,292	\$16,456,434

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

DP 590 - Employee Pay and State Share -

The legislature approved a pay plan for state employees that provides a \$0.50 an hour raise for employees effective on the first day of the first complete pay period that includes January 15, 2016 and 2017. In addition, the legislature increased the state share contribution towards employee insurance by 10% the first year of the biennium and 8% the second.

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.

Language and Statutory Authority

The legislature included the following language in HB 2.

"The Commissioner of Higher Education, as chairman of the Advisory Panel, is authorized by the Board of Regents of Higher Education to approve disbursements consistent with the research awards recommended by the Advisory Panel."

"It is the intent of the legislature that the advisory panel should be composed of one member of the Montana house of representatives, one member of the Montana senate, one agriculture/agribusiness representative, one natural resources industry representative, one health-biomedical industry representative, on Montana state university representative, one university of Montana representative, and the commissioner of higher education."