

**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	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)%
<b>Total Costs</b>	<b>\$39,578,957</b>	<b>\$46,054,426</b>	<b>\$54,359,249</b>	<b>\$54,342,527</b>	<b>\$85,633,383</b>	<b>\$108,701,776</b>	<b>\$23,068,393</b>	<b>26.94 %</b>
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 %
<b>Total Funds</b>	<b>\$39,578,957</b>	<b>\$46,054,426</b>	<b>\$54,359,249</b>	<b>\$54,342,527</b>	<b>\$85,633,383</b>	<b>\$108,701,776</b>	<b>\$23,068,393</b>	<b>26.94 %</b>

**Program Description**

The Guaranteed Student Loan Program (GSL) operates under federal regulation to guarantee federal student loans. GSL purchases and services student loans that have been defaulted, works to prevent default, collects outstanding principle from defaulted loans, and provides training and technical assistance to schools and lenders under Title 20, Chapter 26, MCA.

**Program Highlights**

<p><b>Guaranteed Student Loan Program Major Budget Highlights</b></p>
<ul style="list-style-type: none"> <li>The legislature approved a biennial budget increase of 18.2% for this federal program to address the steady growth in the number of Lender Request for Assistance (LRA) forms filed for default borrowers, associated collection costs, and default aversion expenses</li> </ul>

**Funding**

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

Commissioner of Higher Education, 12-Guaranteed Student Loan Program Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	0	0	0	0	0.00 %	
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
03400 Guaranteed Std. Loan-Admin.	19,212,998	0	0	19,212,998	17.68 %	
03401 U.S. Dept Ed / GSL Recall Acct	89,460,586	0	0	89,460,586	82.30 %	
03410 Gear Up Essay Scholarship	28,192	0	0	28,192	0.03 %	
<b>Federal Special Total</b>	<b>\$108,701,776</b>	<b>\$0</b>	<b>\$0</b>	<b>\$108,701,776</b>	<b>100.00 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$108,701,776</b>	<b>\$0</b>	<b>\$0</b>	<b>\$108,701,776</b>		

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	84.74 %
PL Adjustments	0	0	0	0.00 %	8,304,823	8,288,101	16,592,924	15.26 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$54,359,249</b>	<b>\$54,342,527</b>	<b>\$108,701,776</b>	

**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.

	-----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
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
<b>Grand Total All Present Law Adjustments</b>	<b>(2.98)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,304,823</b>	<b>\$8,304,823</b>	<b>(2.98)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,288,101</b>	<b>\$8,288,101</b>

\*\*\*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.