

SENATE BILL NO. 566

INTRODUCED BY B. HAWKS

BY REQUEST OF THE SENATE FINANCE AND CLAIMS STANDING COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT IMPLEMENTING THE PROVISIONS OF THE APPROPRIATIONS ACT THAT PROVIDE FUNDING FOR THE UNIVERSITY SYSTEM; PROVIDING A CREDIT TRANSFERABILITY INCENTIVE; PROVIDING A DISTANCE LEARNING INCENTIVE; PROVIDING FOR A REPORT ON STUDENT ASSISTANCE AND FINANCIAL AID; REVISING THE DEFINITIONS OF "BASE BUDGET" AND "PRESENT LAW BASE"; AMENDING SECTION 17-7-102, MCA; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Credit transferability incentive.** (1) The university system is encouraged to:

(a) create 11 faculty councils to work on the transferability of credits between units of the university system;

(b) create transfer pathways in 11 different program and subject areas, which may include common coursework, a common curriculum, common course content, articulation agreements, and other matters considered appropriate;

(c) increase the number of presecondary and postsecondary educational credits that are accepted by the university system by 15% above the fiscal year 2007 baseline, including but not limited to dual enrollment, running start, advanced placement, and technology preparation; and

(d) reduce the number of appeals of transfer credit decisions below the rate that is documented for the 2006-07 base year, toward the goal of reducing the rate by at least 50% by 2009-10.

(2) By August 2008, the office of the commissioner of higher education shall report to the education and local government interim committee success in achieving the measures contained in subsection (1). If the measures contained in subsection (1) are achieved, then the education and local government interim committee shall recommend to the office of budget and program planning that the appropriation of \$312,500, contained in House Bill No. 820 and designated as "one-time-only", be treated as present law base and be part of the base budget for the executive budget submitted to the 61st legislature.

NEW SECTION. Section 2. Distance learning incentive. (1) The university system is encouraged to expand and coordinate the distance learning program across the university system. The university system is urged to:

(a) increase by 10%, above the fiscal year 2007 baseline, the number of students enrolled in distance learning education courses, toward a biennial goal of 20%;

(b) increase by 10%, above the fiscal year 2007 baseline, the number of distance learning courses and programs that are offered, which would be a total of approximately 60 new courses and programs; and

(c) increase by 10%, above the fiscal year 2007 baseline, the number of new credit and noncredit distance education programs that are intended to serve primarily workers in need of career training and employers in need of specially skilled workers, which would be a total of approximately 30 new courses.

(2) By August 2008, the office of the commissioner of higher education shall report to the education and local government interim committee success in achieving the measures contained in subsection (1). If the measures contained in subsection (1) are achieved, then the education and local government interim committee shall recommend to the office of budget and program planning that the appropriation of \$225,000, contained in House Bill No. 820 and designated as "one-time-only", be treated as present law base and be part of the base budget for the executive budget submitted to the 61st legislature.

NEW SECTION. Section 3. Student assistance -- financial aid report. The appropriation in House Bill No. 820 for the Montana university system includes funding for a report to the education and local government interim committee by August 2008 that includes the following:

(1) A segment of the report must address the various components of student financial aid, both federal and state funded, including the Baker grant program, the Montana higher education grant program, Pell grants, the leveraging educational assistance partnership (LEAP) program, the special leveraging educational assistance partnership (SLEAP) program, the governor's scholarship program, the Montana partnering for affordable college tuition (MPACT) program, tuition waivers, Montana university system honors scholarships, work study, and federal Perkins loans. The report must include findings and recommendations for how the components of the student financial aid program may best achieve the shared policy goals of affordability approved by the interim postsecondary education policy and budget subcommittee.

(2) The report must address the impact that all student assistance programs have on progress toward the board of regents 2006-2010 strategic plan goal I(2), to make higher education more affordable by offering more need-based financial aid and scholarships, and on the following measures:

- (a) reducing the gap between expected family contributions and average cost of attendance;
- (b) increasing the percentage of students who receive financial aid or scholarships; and
- (c) increasing the average aid and scholarship award amount.

Section 4. Section 17-7-102, MCA, is amended to read:

"17-7-102. Definitions. As used in this chapter, the following definitions apply:

- (1) "Additional services" means different services or more of the same services.
- (2) "Agency" means all offices, departments, boards, commissions, institutions, universities, colleges, and any other person or any other administrative unit of state government that spends or encumbers public money by virtue of an appropriation from the legislature under 17-8-101.
- (3) "Approving authority" means:
 - (a) the governor or the governor's designated representative for executive branch agencies;
 - (b) the chief justice of the supreme court or the chief justice's designated representative for judicial branch agencies;
 - (c) the speaker for the house of representatives;
 - (d) the president for the senate;
 - (e) appropriate legislative committees or a designated representative for legislative branch agencies;or
 - (f) the board of regents of higher education or its designated representative for the university system.
- (4) "Base budget" means, subject to [sections 1 and 2], the resources for the operation of state government that are of an ongoing and nonextraordinary nature in the current biennium. The base budget for the state general fund and state special revenue funds may not exceed that level of funding authorized by the previous legislature.
- (5) "Budget amendment" means a temporary appropriation as provided in Title 17, chapter 7, part 4.
- (6) "Emergency" means a catastrophe, disaster, calamity, or other serious unforeseen and unanticipated circumstance that has occurred subsequent to the time that an agency's appropriation was made, that was clearly not within the contemplation of the legislature and the governor, and that affects one or more functions of a state agency and the agency's expenditure requirements for the performance of the function or functions.
- (7) "Funds subject to appropriation" means those funds required to be paid out of the treasury as set forth in 17-8-101.
- (8) "Necessary" means essential to the public welfare and of a nature that cannot wait until the next

legislative session for legislative consideration.

(9) "New proposals" means requests to provide new nonmandated services, to change program services, to eliminate existing services, or to change sources of funding. For purposes of establishing the present law base, the distinction between new proposals and the adjustments to the base budget to develop the present law base is to be determined by the existence of constitutional or statutory requirements for the proposed expenditure. Any proposed increase or decrease that is not based on those requirements is considered a new proposal.

(10) "Present law base" means, subject to [sections 1 and 2], that level of funding needed under present law to maintain operations and services at the level authorized by the previous legislature, including but not limited to:

- (a) changes resulting from legally mandated workload, caseload, or enrollment increases or decreases;
- (b) changes in funding requirements resulting from constitutional or statutory schedules or formulas;
- (c) inflationary or deflationary adjustments; and
- (d) elimination of nonrecurring appropriations.

(11) "Program" means a principal organizational or budgetary unit within an agency.

(12) "Requesting agency" means the agency of state government that has requested a specific budget amendment.

(13) "University system unit" means the board of regents of higher education; office of the commissioner of higher education; university of Montana, with campuses at Missoula, Butte, Dillon, and Helena; Montana state university, with campuses at Bozeman, Billings, Havre, and Great Falls; the agricultural experiment station, with central offices at Bozeman; the forest and conservation experiment station, with central offices at Missoula; the cooperative extension service, with central offices at Bozeman; the bureau of mines and geology, with central offices at Butte; the fire services training school at Great Falls; and the community colleges at Miles City, Glendive, and Kalispell."

NEW SECTION. **Section 5. Effective date.** [This act] is effective July 1, 2007.

NEW SECTION. **Section 6. Termination.** [This act] terminates June 30, 2009.

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