

Commissioner of Higher Education has \$361,322,426 in total authority, \$354,970,530 (98%) is HB 2 authority

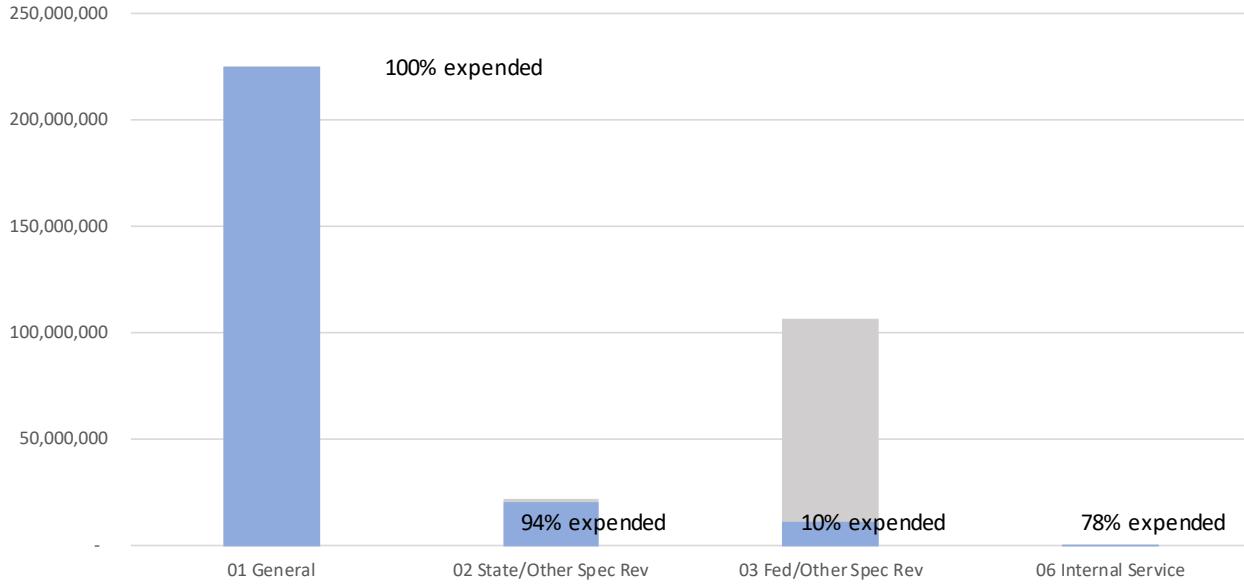
HB 2 Expenditures

73% of the agency's total HB2 budget was expended, **90%** is the 5 year average

HB 2 Expenditures

Budgeted vs. Expended

by fund type



Expenditure Account	Budgeted	Expended	% Expended
Personal Services	9,239,659	4,037,553	44%
Operating Expenses	10,859,140	4,425,763	41%
Equipment & Intangible Assets	30,210	9,705	32%
Local Assistance	13,009,403	13,009,403	100%
Grants	17,686,854	14,073,728	80%
Benefits & Claims	79,891,091	-	0%
Transfers-out	224,228,809	222,043,038	99%
Debt Service	25,364	-	0%
Agency Program	Budgeted	Expended	% Expended
01 Administration Program	3,906,675	3,758,320	96%
02 Student Assistance Program	10,670,309	9,923,745	93%
03 Improving Teacher Quality	754,555	103,042	14%
04 Community College Assistance	12,856,403	12,856,403	100%
06 Education Outreach & Diversity	11,767,491	5,671,970	48%
08 Work Force Development Program	6,312,024	5,416,379	86%
09 Appropriation Distribution	190,820,774	190,168,816	100%
10 Agency Funds	28,578,115	28,572,825	100%
11 Tribal College Assistance Pgm	837,875	837,875	100%
12 Guaranteed Student Loan Pgm	88,398,360	242,070	0%
13 Board Of Regents-Admin	67,951	47,746	70%
Total	354,970,530	257,599,190	73%

General fund provides the greatest amount of the HB 2 modified budget for the Office of the Commissioner of Higher Education (OCHE), at 63%, followed by federal special revenue at 30% and state special revenue funds at 6%. Internal service funds provide the remaining funding of the OCHE HB 2 budget at less than 1%. Approximately 2% of the funding in OCHE is not appropriated in HB 2. This is primarily comprised of statutory appropriations for science, technology, engineering, and math scholarships, the Montana Rural Physician Incentive program, lodging and facility use tax used to conduct travel research by the University of Montana, and a 1% employer contribution reimbursement to the Montana University System defined contribution retirement plan.

The legislature directly appropriates general fund, the six-mill levy, and certain federal funds, which totaled \$355.0 million in FY 2019. The Montana University System (MUS) receives additional funding that is not appropriated or approved by the legislature and is not reflected in the chart above. Total funding for the MUS was \$1.56 billion in FY 2019. This funding includes but is not limited to tuition, federal research grants, financial aid, campus building projects, debt service, and auxiliary funds.

Overall, the Office of the Commissioner of Higher Education expended 73% of its FY 2019 HB 2 modified budget. Federal special revenue appropriations were 10% expended as of fiscal year end, and is the main cause of the overall low total spending level. The federal funds are primarily within the Guaranteed Student Loan (GSL) Program, but the Improving Teacher Quality, Education Outreach and Diversity, and Workforce Development Programs also have low federal special revenue expenditures.

The GSL Program expended approximately \$242,000 of its \$88.4 million appropriation as of fiscal year end. It has not issued loans since July 2010 and has been managing the existing loan portfolio. As of October 1, 2017, the GSL Program transferred their portfolio to a federally approved loan servicing provider. This has resulted in minimal expenditures in FY 2019 in the program. The 2019 Legislature approve a decrease in federal special revenue and FTE to reflect this change in the 2021 biennium budget. This program will continue to administer financial literacy and education programs and outreach activities with 3.00 FTE in the 2021 biennium.

The Improving Teacher Quality Program is a grant funded program through the Department of Education. The federal grant has not been renewed for post-secondary education. There were no expenditures in this program after December 2018. The 2019 Legislature reduced all appropriation authority to zero and eliminated the program in the 2021 biennium.

The Education Outreach and Diversity Program expended 48% and the Work Force Development Program expended 86% of their HB 2 appropriations. Lower expenditures in these programs were due to the timing of grant activities.

HB 2 Modifications

Negative modifications vs. positive modifications, by program

The net budget modifications were \$0.

Agency Program	April Budget	FYE Modified Budget	Net Modifications
01 Administration Program	3,906,675	3,906,675	-
02 Student Assistance Program	10,670,309	10,670,309	-
03 Improving Teacher Quality	754,555	754,555	-
04 Community College Assista	12,856,403	12,856,403	-
06 Education Outreach & Diver	11,767,491	11,767,491	-
08 Work Force Development Pr	6,312,024	6,312,024	-
09 Appropriation Distribution	190,820,774	190,820,774	-
10 Agency Funds	28,578,115	28,578,115	-
11 Tribal College Assistance P	837,875	837,875	-
12 Guaranteed Student Loan P	88,398,360	88,398,360	-
13 Board Of Regents-Admin	67,951	67,951	-
Expenditure Account	April Budget	FYE Modified Budget	Net Modifications
Personal Services	9,312,395	9,239,659	(72,736)
Operating Expenses	10,866,143	10,859,140	(7,003)
Equipment & Intangible Assets	42,630	30,210	(12,420)
Local Assistance	13,009,403	13,009,403	-
Grants	17,594,695	17,686,854	92,159
Benefits & Claims	79,891,091	79,891,091	-
Transfers-out	224,228,809	224,228,809	-
Debt Service	25,364	25,364	-
Fund Type	April Budget	FYE Modified Budget	Net Modifications
01 General	225,237,464	225,237,464	-
02 State/Other Spec Rev	22,117,689	22,117,689	-
03 Fed/Other Spec Rev	107,012,585	107,012,585	-
06 Internal Service	602,793	602,793	-
Total	354,970,530	354,970,530	-

The Office of the Commissioner of Higher Education had minor modifications for fiscal year-end adjustments to correct negative account balances.