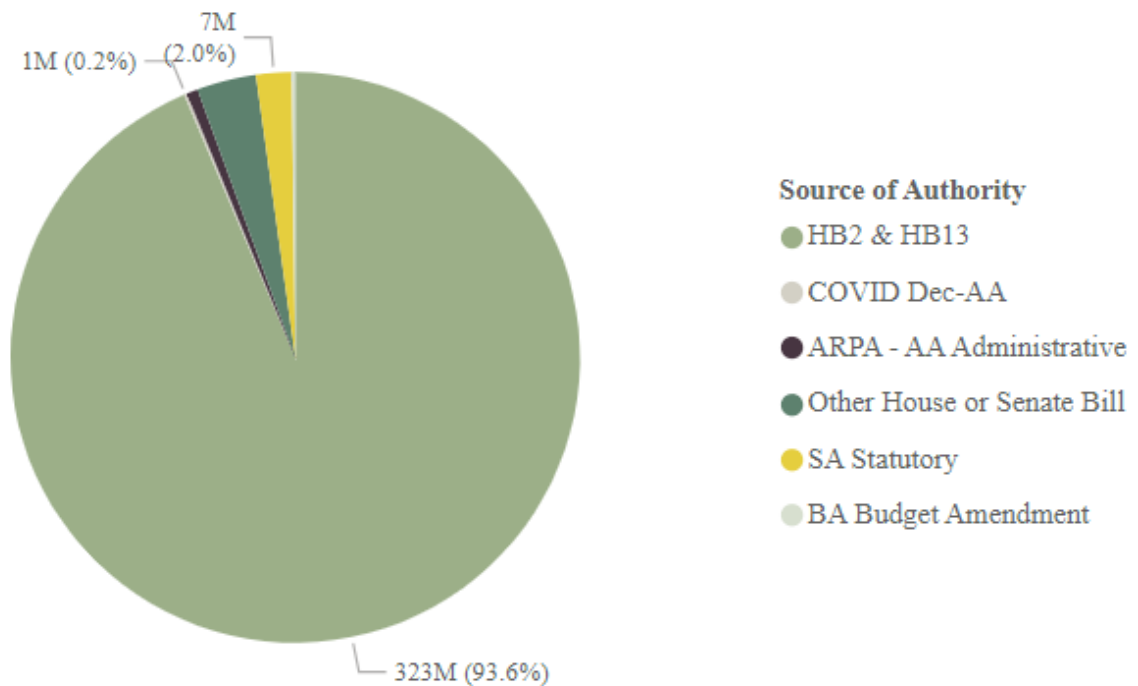


OFFICE OF THE COMMISSIONER OF HIGHER EDUCATION

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the Office of the Commission of Higher Education (OCHE) for Fiscal Year (FY) 2024 is shown in the pie chart below. HB 2 and HB 13 provided 93.6% of the total authority for this agency. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

Total Modified Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	% Expended
HB2 & HB13	323,199,221	312,998,655	96.8%
BA Budget Amendment	695,845	361,408	51.9%
Other House or Senate Bill	11,633,463	4,408,678	37.9%
SA Statutory	6,942,698	6,160,279	88.7%
CARES II	548,060	548,060	100.0%
ARPA	2,192,881	1,036,838	47.3%
Total	345,212,168	325,513,918	94.3%

Other Bills

The Office of the Commissioner of Higher Education had approximately \$11.6 million in spending authority from other house or senate bills in FY 2024. These include:

- HB 10, which appropriated approximately \$6.6 million for the CyberMontana cybersecurity initiative. As of FYE 2024, \$3.0 million, or 45.2% of appropriations were expended. These funds are used in four distinct areas. Support and enhancement of cybersecurity education and outreach is taking place under CyberMontana at the University of Montana (UM). Additional uses of this funding include further development and promotion of a Bachelor of Science degree in Cybersecurity at UM, the development of a Security Operations Center Analyst Training Facility at UM, and the development of the Rural Policy Academy, which provides a platform for public entities to prepare and respond to cybersecurity incidents
- HB 5 included approximately \$3.6 million in appropriations in the OCHE base budget to account for the operation and maintenance of new facilities authorized as part of the state's long-range building program. The funds may not be expended until the facility is constructed and available for occupancy. Appropriations include operations and maintenance funding for: MSU Supplemental Wool Lab, Helena College Airport Hangar, UMW Campus Storage/Warehouse Building, Mark and Robyn Jones MSU College of Nursing, MSU Gianforte Hall, The MT Tech Highlands College Indoor Pole Barn, the UM McGill Hall Expansion, and MSU-N Health and Recreation Complex. To date, no expenditures have been made as projects are still under construction
- HB 749 appropriated \$950,000 to create a clearinghouse for the MT Digital Academy (MTDA). MTDA allows for elective courses, catch-up courses, or Advanced Placement courses that may not normally be offered within a school district. Historically, all funding for the MTDA has been appropriated to the OPI. OCHE is being provided additional funding needed to create a clearinghouse interface to access additional course providers, content, services, and formats. As of the end of FY 2024, 100.0% of appropriations have been transferred to the University of Montana for this project
- HB 185 appropriates \$352,000 for base funding and \$120,000 for a one-time-only appropriation to fund the fire services training school at the Montana State University extension service. As of the end of FY 2024, 100.0% of these appropriations have been expended

Statutory Appropriations

The Office of the Commissioner of Higher Education has several statutory appropriations, which totaled approximately \$6.9 million through the end of FY 2024. These include:

- The Montana University System (MUS) retirement plan general fund transfer is for a 1.0% employer contribution reimbursement to the MUS. The transfer was authorized by HB 95 (2007 Legislature) and codified in 19-21-203, MCA. Authority for this appropriation increased in June 2024 when a BCD increased the appropriation amount by approximately \$96,000 for the final FY 2024 campus distribution. As of the end of FY 2024, appropriations of approximately \$2.0 million were 100.0% expended
- Travel and visitor research at the University of Montana, which is funded through an allocation of the 4.0% lodging facility use tax (15-65-121, MCA). Appropriations totaled approximately \$1.4 million, and 100.00% of these appropriations have been transferred to the University of Montana

- The Montana Rural Physicians Incentive Program state special revenue fund (20-26-1501, MCA through 20-26-1503, MCA) provides a financial incentive for physicians to practice in rural areas or medically underserved areas by paying up to \$150,000 of student loan debt. Funding comes from fees paid by medical students in the professional student exchange programs and the state general fund. State special revenue fund appropriations totaled approximately \$1.7 million in FY 2024 and were 51.7% expended
- The science, technology, engineering, and math (STEM) scholarships state special revenue fund is funded through lottery proceeds (20-26-614, MCA through 20-26-617, MCA). The STEM scholarship program is designed to provide an incentive for Montana high school students to prepare for, enter into, and complete degrees in postsecondary fields related to STEM. Appropriations totaled approximately \$1.9 million in FY 2024 and were 99.2% expended as of the end of FY 2024

Overall, OCHE expended \$6.2 million, or 88.7% of its FY 2024 statutory appropriations. This is in line with typical expenditures for a given fiscal year.

ARPA Authority

The Office of the Commissioner of Higher education had approximately \$2.2 million of American Rescue Plan Act (ARPA) spending authority in FY 2024. This budget authority was approved near the end of the fiscal year and provides additional funds used to supplement the Governor’s Emergency Education Relief Fund (GEER) which is described below. Appropriation authority is set to carry forward into FY 2025. As of the end of FY 2024 approximately 47.3% of appropriations have been expended.

COVID-19 Authority

The Office of the Commissioner of Higher Education currently had \$548,000 of CARES fund authority in FY 2024. This funding was provided to support the operations, infrastructure, and technology related to distance learning and remote delivery across the MUS and to respond to COVID-19 by developing a single learning management system. All funds in this category came from the GEER Fund. As of the end of FY 2024, 100.0% of this authority has been expended.

Budget Amendments

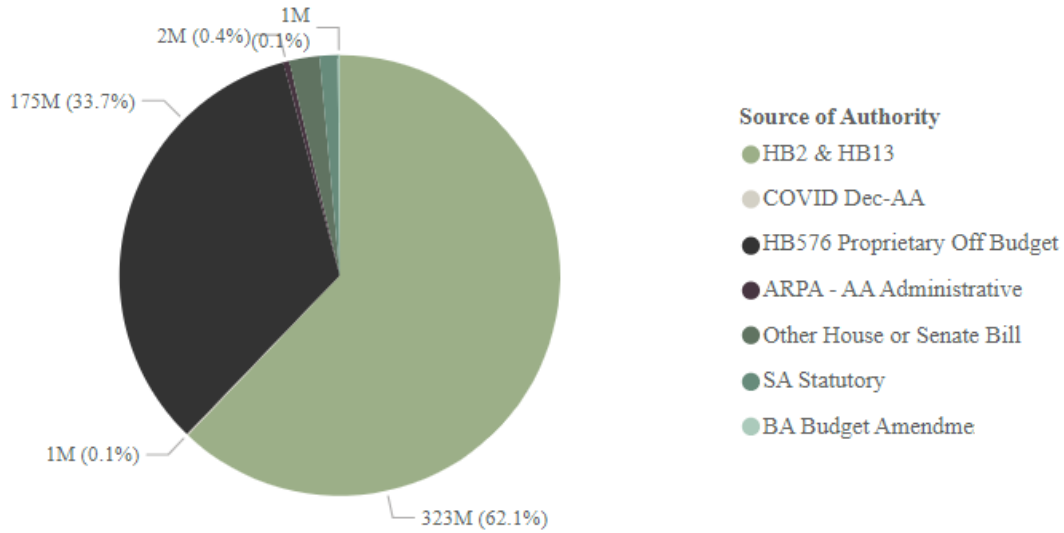
The Office of the Commissioner of Higher Education had two budget amendment in FY 2024. One amendment increased federal special revenue authority by approximately \$314,000 in FY 2024 for a discretionary TRIO (Upward Bound, Talent Search, and Student Support Service programs) educational opportunity center grant. This grant is used to provide a series of new trainings, outreach, and associated staff for encouraging disadvantaged students, including low-income and first-generation college students, in attending postsecondary educational opportunities. Authority for this grant carried forward from FY 2023. OCHE expended approximately \$153,000, or 48.6% of the authority.

A second budget amendment increased the appropriation authority for the Perkins grant program to the federal grant award amount. This increase allowed federal award appropriations to be distributed to OPI and campus partners for career and technical education programming. As of the end of FY 2024, approximately \$209,000, or 54.6% of these appropriations were expended. Remaining authority will carry forward into FY 2025.

Total Expenditure Authority

The total expenditure authority for the agency is shown in the following pie chart. Total expenditure authority includes non-budgeted proprietary funding and non-budgeted expenditures such as transfers or indirect costs which are not included in the previous pie chart as the expenditures are not appropriated.

Modified Budget & Expended Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	% Expended
HB2 & HB13	323,199,221	312,998,655	96.8%
HB576 Proprietary Off Budget	175,260,113	131,081,825	74.8%
Other House or Senate Bill	11,633,463	4,408,678	37.9%
SA Statutory	6,942,698	6,160,279	88.7%
ARPA	2,192,881	1,036,838	47.3%
BA Budget Amendment	695,845	361,408	51.9%
CARES II	548,060	548,060	100.0%
Total	520,472,281	456,595,742	87.7%

Non-Budgeted Proprietary Funds

A significant portion, or 33.6%, of the funding for the Office of the Commissioner of Higher Education came from non-budgeted proprietary funds and totaled \$175.3 million in FY 2024. These include:

- The MUS Group Insurance Program that was budgeted at approximately \$157.2 million and was 79.4% expended
- The MUS flexible spending account that was budgeted at \$13.4 million and was 26.6% expended
- The MUS Workers' Compensation Program that was budgeted at \$4.7 million and was 58.6% expended

Overall, non-budgeted proprietary funds were 74.8% expended as of the end of FY 2024. This is in line with typical spending levels in previous fiscal years.

HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB 2 modified budget from June 1, 2024, through June 30, 2024. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The **positive modifications** and **negative modifications** are shown by program, expenditure account, and fund type.

Legislative Budget Compared to Modified Budget - HB 2 Only

Agency Name	HB 2 Budget	Modified Budget	Net Modifications
☐ Commissioner of Higher Ed	323,199,221	323,199,221	0
☐ 01 ADMINISTRATION PROGRAM	7,194,310	7,194,310	
☐ 02 STUDENT ASSISTANCE PROGRAM	13,059,100	13,059,100	
☐ 04 COMMUNITY COLLEGE ASSISTANCE	16,151,492	16,151,492	0
☐ 06 EDUCATION OUTREACH & DIVERSITY	9,699,267	9,699,267	0
☐ 08 WORK FORCE DEVELOPMENT PROGRAM	6,468,245	6,468,245	0
☐ 09 APPROPRIATION DISTRIBUTION	231,708,007	231,708,007	
☐ 10 AGENCY FUNDS	35,436,709	35,436,709	
☐ 11 TRIBAL COLLEGE ASSISTANCE PGM	1,018,400	1,018,400	
☐ 12 GUARANTEED STUDENT LOAN PGM	2,389,439	2,389,439	
☐ 13 BOARD OF REGENTS-ADMIN	74,252	74,252	
Total	323,199,221	323,199,221	0

Expenditure Type	HB 2 Budget	Modified Budget	Net Modifications
☐ 61000 Personal Services	5,929,299	5,894,814	-34,485
☐ 62000 Operating Expenses	9,607,826	9,622,306	14,480
☐ 63000 Equipment & Intangible Assets	11,063	11,063	
☐ 65000 Local Assistance	15,703,946	16,315,927	611,981
☐ 66000 Grants	18,874,987	18,558,987	-316,000
☐ 68000 Transfers-out	272,420,670	272,144,685	-275,985
☐ 69000 Debt Service	651,430	651,440	9
Total	323,199,221	323,199,221	0

Fund Type	HB 2 Budget	Modified Budget	Net Modifications
☐ 01 General	269,064,074	269,064,074	0
☐ 02 State/Other Spec Rev	35,110,764	35,110,764	
☐ 03 Fed/Other Spec Rev	18,300,918	18,300,918	0
☐ 06 Internal Service	723,465	723,465	
Total	323,199,221	323,199,221	0

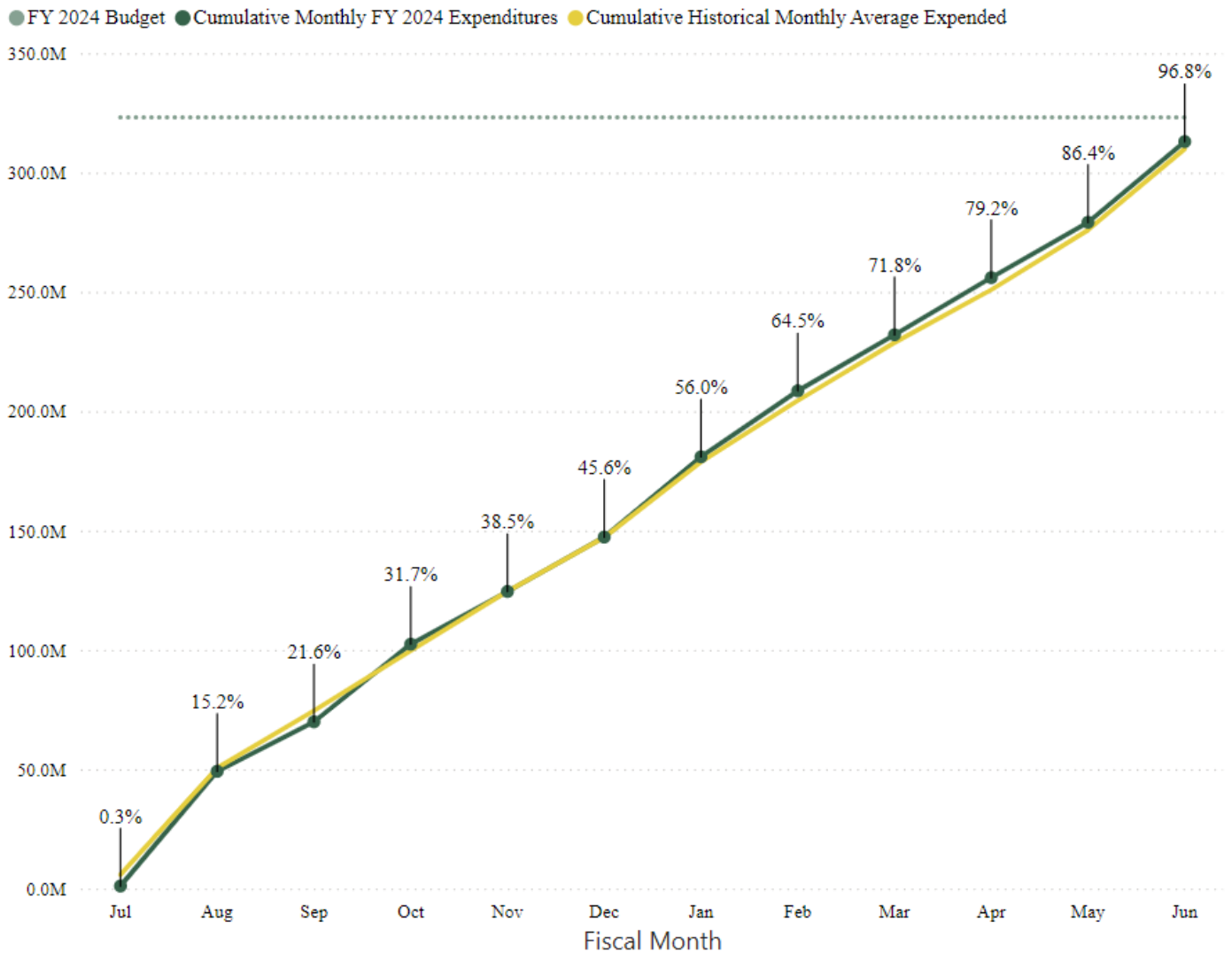
The Office of the Commissioner of Higher Education had two HB 2 budget modifications between June 1 and June 30, 2024.

- Approximately \$612,000 of authority was moved between accounts in order to transfer funds for the pay plan portion of community college appropriations
- Approximately \$350,000 was transferred from the Personal Services and Grants accounts to Operating Expenses, Transfers-Out, and Debt Service accounts to correct negative org budgets for fiscal year 2024

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through the end of FY 2024.

Monthly Expenditures Compared to Historical Average



The Office of the Commissioner of Higher Education expended \$313.0 million, or 96.8% of its \$323.2 million HB 2 modified budget through the end of FY 2024. This spending is similar to typical spending in previous fiscal years. The Montana University System (MUS) also received additional funding that was not appropriated or approved by the legislature and is not reflected in the chart above. This funding includes but is not limited to tuition, federal research grants, financial aid, campus building projects, debt service, and auxiliary funds.

Program Name	Modified Budget	Expended Budget	% Expended
⊕ 01 ADMINISTRATION PROGRAM	7,194,310	5,473,144	76.1%
⊕ 02 STUDENT ASSISTANCE PROGRAM	13,059,100	12,745,437	97.6%
⊕ 04 COMMUNITY COLLEGE ASSISTANCE	16,151,492	16,151,492	100.0%
⊕ 06 EDUCATION OUTREACH & DIVERSITY	9,699,267	4,113,518	42.4%
⊕ 08 WORK FORCE DEVELOPMENT PROGRAM	6,468,245	6,452,885	99.8%
⊕ 09 APPROPRIATION DISTRIBUTION	231,708,007	230,826,203	99.6%
⊕ 10 AGENCY FUNDS	35,436,709	35,352,605	99.8%
⊕ 11 TRIBAL COLLEGE ASSISTANCE PGM	1,018,400	994,451	97.6%
⊕ 12 GUARANTEED STUDENT LOAN PGM	2,389,439	833,187	34.9%
⊕ 13 BOARD OF REGENTS-ADMIN	74,252	55,733	75.1%
Total	323,199,221	312,998,655	96.8%
Fund Type	Modified Budget	Expended Budget	% Expended
⊕ 01 General	269,064,074	266,215,465	98.9%
⊕ 02 State/Other Spec Rev	35,110,764	35,011,518	99.7%
⊕ 03 Fed/Other Spec Rev	18,300,918	11,144,456	60.9%
⊕ 06 Internal Service	723,465	627,217	86.7%
Total	323,199,221	312,998,655	96.8%
Expenditure Type	Modified Budget	Expended Budget	% Expended
⊕ Personal Services	5,894,814	5,044,624	85.6%
⊕ Operating Expenses	9,622,306	4,557,917	47.4%
⊕ Equipment & Intangible Assets	11,063	10,311	93.2%
⊕ Local Assistance	16,315,927	16,315,492	100.0%
⊕ Grants	18,558,987	16,103,224	86.8%
⊕ Transfers-out	272,144,685	270,722,565	99.5%
⊕ Debt Service	651,440	244,521	37.5%
Total	323,199,221	312,998,655	96.8%

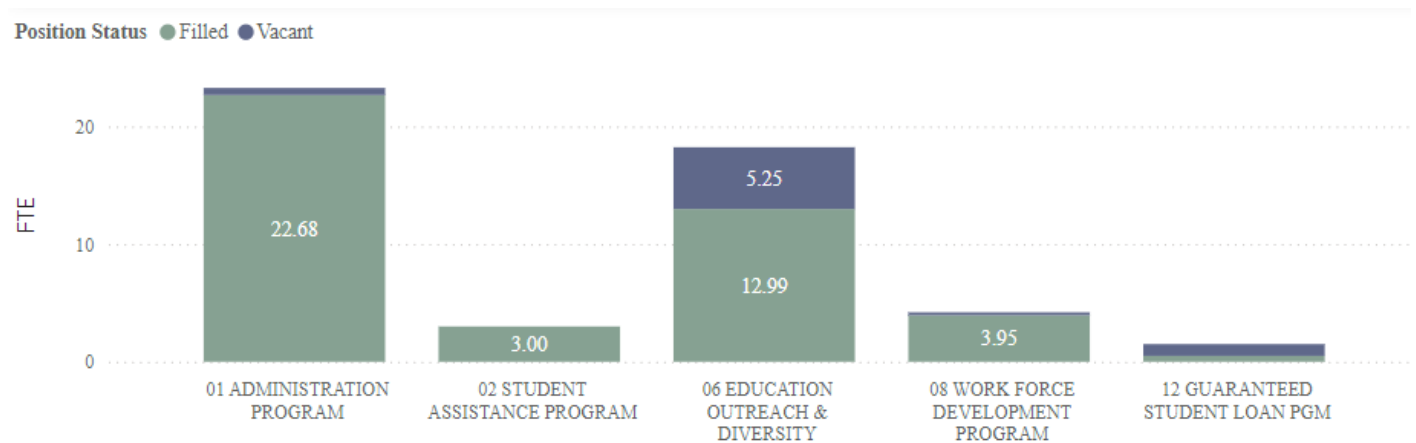
Expenditures were below 50.0% of budget authority in the Education Outreach & Diversity programs and the Guaranteed Student Loan Program.

The Education Outreach & Diversity program expended 42.4% of its approximately \$9.7 million appropriation. The majority of funding within this program comes from federal grants which span several years, and lower expenditures in these programs are often due to the timing of grant activities. The Education Outreach & Diversity program also had a relatively high vacancy rate throughout FY 2024, which will be discussed more below. Federal grants in this program provide support for the GEAR UP program which helps students to prepare for postsecondary education after high school graduation, and the Educational Talent Search program, which provides support for youth to complete high school and enroll in higher education institutions. Remaining authority comes from HB 2 and provides funding for the American Indian/Minority Achievement (AIMA) program, which is responsible for American Indian and minority recruitment and retention in the university system. GEAR UP had appropriations of approximately \$8.5 million in FY 2024, which was 41.3% expended. Talent Search had appropriations of approximately \$1.1 million in FY 2024, which was 43.1% expended. AIMA received appropriations of approximately \$148,000 and was 99.4% expended in FY 2024.

The Guaranteed Student Loan Program expended 34.9% of its approximately \$2.4 million appropriation. Low expenditures in this program are typical, since the program no longer manages actual student loans and instead administers financial literacy and education outreach activities. The Guaranteed Student Loan program is funded entirely with federal funds from the U.S. Department of Education. Low agency-wide debt service expenditures are also attributable to low expenditures on debt services within this program.

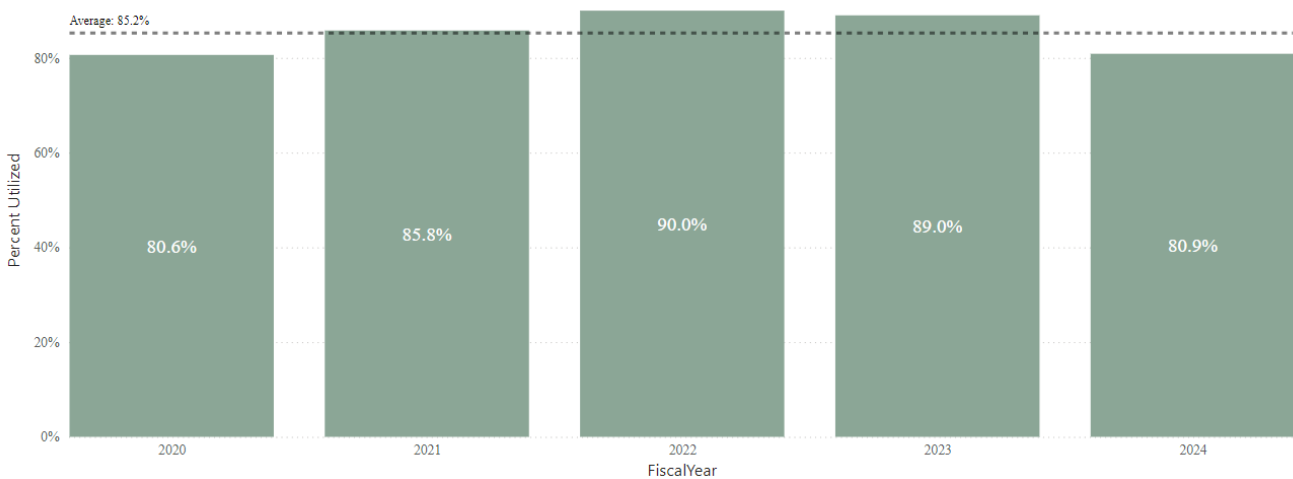
PERSONAL SERVICES

Appropriations for personal services in the Office of the Commissioner of Higher Education totaled approximately \$5.9 million and were 85.6% expended through the end of FY 2024. OCHE had 50.22 HB 2 regular FTE and approximately 84.1% of these positions were filled as of July 1, 2024. The following chart shows the filled and vacant FTE within the agency as of July 1, 2024.



Of the 5.25 vacant FTE in the Education Outreach & Diversity Program at FYE 2024, 2.25 FTE were in GEAR UP, and 3.00 FTE were in Educational Talent Search (ETS).

The chart on the following page shows the hourly utilization percentage for the Office of the Commissioner of Higher Education for each fiscal year. Overall, the department utilized 80.9% of the available hours for FY 2024, as shown in the chart below. This is lower than the historic average utilization rate of 85.2%.



The chart below shows the vacant FTE in each division and the number of months each position had been vacant at fiscal year end.

	FTE	Median Months Vacant
⊖ 51020 COMMISSIONER OF HIGHER ED	7.10	13.38
⊖ 01 ADMINISTRATION PROGRAM	0.60	2.33
⊕ Commissioner/Higher Education	0.60	2.33
⊖ 06 EDUCATION OUTREACH & DIVERSITY	5.25	14.95
⊕ Commissioner/Higher Education	5.25	14.95
⊖ 08 WORK FORCE DEVELOPMENT PROGRAM	0.25	68.46
⊕ Commissioner/Higher Education	0.25	68.46
⊖ 12 GUARANTEED STUDENT LOAN PGM	1.00	7.41
⊕ Commissioner/Higher Education	1.00	7.41
Total	7.10	13.38