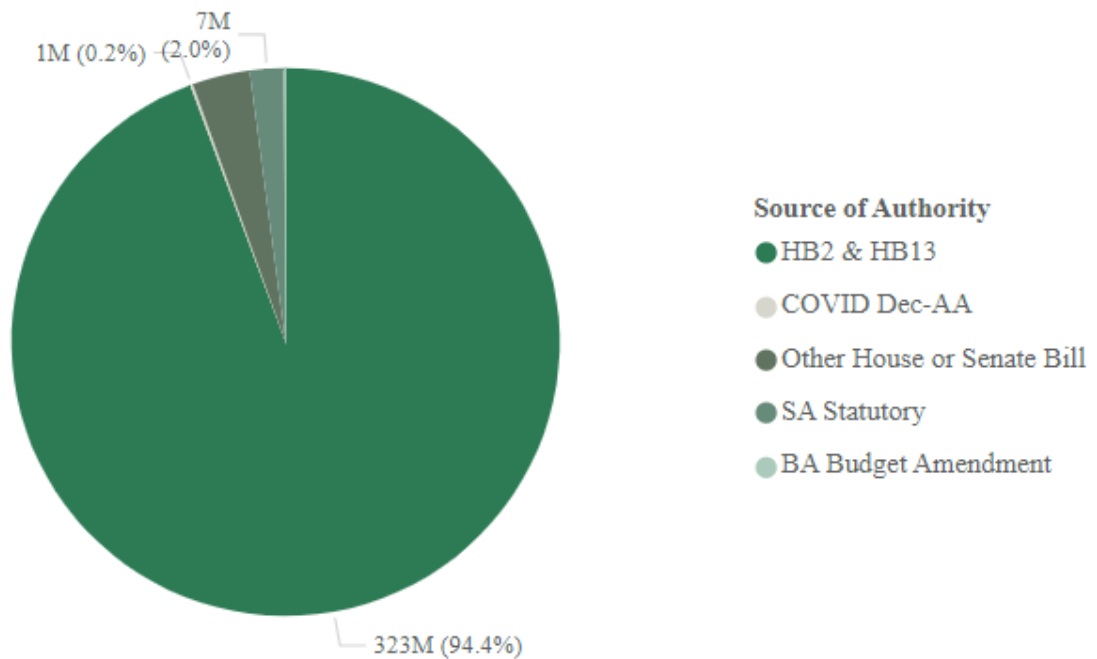


# OFFICE OF THE COMMISSIONER OF HIGHER EDUCATION

## TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the Office of the Commission of Higher Education is shown in the pie chart below. HB 2 and HB 13 provide 94.4% 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	279,193,395	86.4%
BA Budget Amendment	313,805	131,101	41.8%
Other House or Senate Bill	11,633,463	4,408,678	37.9%
SA Statutory	6,846,295	5,600,793	81.8%
CARES II	548,060	391,923	71.5%
<b>Total</b>	<b>342,540,844</b>	<b>289,725,890</b>	<b>84.6%</b>

## Other Bills

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

- HB 10, which appropriated approximately \$6.6 million for the CyberMontana cybersecurity initiative. As of May 31, \$3.0 million, or 45.2% of appropriations are expended. These funds are being 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 operations 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. To date, no expenditures have been made as projects are still under construction. 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. Less than \$200,000 is expected to be expended this fiscal year
- 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 May 31, 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 May 31, 2024, 100.0% of these appropriations have been expended

## **Statutory Appropriations**

The Office of the Commissioner of Higher Education has several statutory appropriations, which total approximately \$6.8 million through May 31, 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. As of May 31, 2024, appropriations of approximately \$1.9 million are 77.4% expended
- Travel and visitor research at the University of Montana and is funded through an allocation of the 4.0% lodging facility use tax (15-65-121, MCA). Appropriations total 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 total approximately \$1.7 million in FY 2024 and are 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 total approximately \$1.9 million in FY 2024 and are 99.2% expended as of May 31. Appropriation authority increased in February when OCHE submitted a budget change document that increased the appropriation authority for STEM Scholarship distributions by approximately \$894,000

Overall, OCHE has expended \$5.6 million, or 81.8% of its FY 2024 statutory appropriations. This is in line with typical expenditures at this point in the fiscal year.

### **COVID-19 Authority**

The Office of the Commissioner of Higher Education currently has \$548,000 of CARES fund authority. This funding is 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 are from the Governor's Emergency Education Relief (GEER) Fund. As of May 31, 71.5% of this authority has been expended.

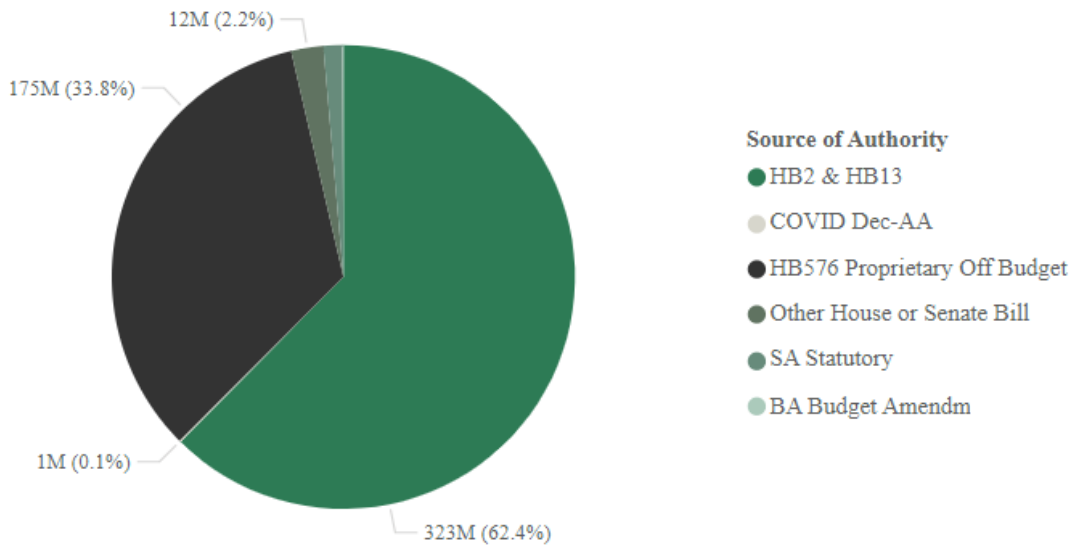
### **Budget Amendments**

The Office of the Commissioner of Higher Education has had one budget amendment so far in FY 2024. This amendment increases 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, and so far, OCHE has expended approximately \$131,000, or 41.8% of the total authority.

## 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	279,193,395	86.4%
HB576 Proprietary Off Budget	175,260,110	117,044,265	66.8%
Other House or Senate Bill	11,633,463	4,408,678	37.9%
SA Statutory	6,846,295	5,600,793	81.8%
CARES II	548,060	391,923	71.5%
BA Budget Amendment	313,805	131,101	41.8%
<b>Total</b>	<b>517,800,954</b>	<b>406,770,155</b>	<b>78.6%</b>

## Non-Budgeted Proprietary Funds

A significant portion, or 33.8%, of the funding for the Office of the Commissioner of Higher Education is from non-budgeted proprietary funds and totals \$175.3 million in FY 2024. These include:

- The MUS Group Insurance Program that is budgeted at approximately \$157.2 million and is 70.7% expended
- The MUS flexible spending account that is budgeted at \$13.4 million and is 24.4% expended
- The MUS Workers' Compensation Program that is budgeted at \$4.7 million and is 56.2% expended

Overall, non-budgeted proprietary funds are 66.8% expended as of May 31, 2024. This is in line with typical spending levels in previous 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 March 1, 2024, through May 31, 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	0
☐ 04 COMMUNITY COLLEGE ASSISTANCE	16,151,492	16,151,492	
☐ 06 EDUCATION OUTREACH & DIVERSITY	9,699,267	9,699,267	
☐ 08 WORK FORCE DEVELOPMENT PROGRAM	6,468,245	6,468,245	
☐ 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	0
☐ 13 BOARD OF REGENTS-ADMIN	74,252	74,252	
<b>Total</b>	<b>323,199,221</b>	<b>323,199,221</b>	<b>0</b>

Expenditure Type	HB 2 Budget	Modified Budget	Net Modifications
☐ 61000 Personal Services	5,929,299	5,929,299	
☐ 62000 Operating Expenses	9,994,854	9,607,826	-387,028
☐ 63000 Equipment & Intangible Assets	11,063	11,063	
☐ 65000 Local Assistance	15,703,511	15,703,946	435
☐ 66000 Grants	18,874,987	18,874,987	
☐ 68000 Transfers-out	272,421,105	272,420,670	-435
☐ 69000 Debt Service	264,402	651,430	387,028
<b>Total</b>	<b>323,199,221</b>	<b>323,199,221</b>	<b>0</b>

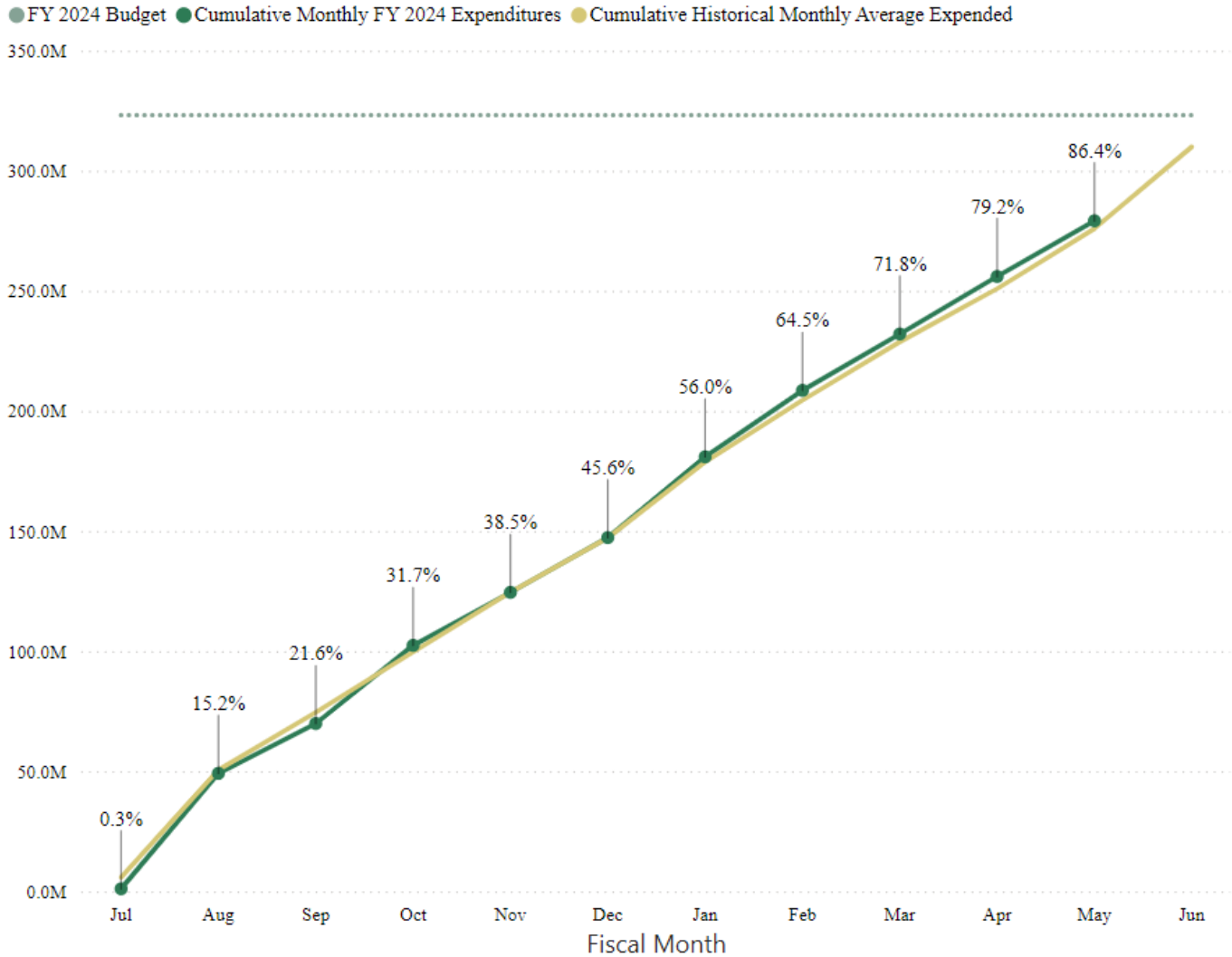
Fund Type	HB 2 Budget	Modified Budget	Net Modifications
☐ 01 General	269,064,074	269,064,074	0
☐ 02 State/Other Spec Rev	35,110,764	35,110,764	
☐ 03 Fed/Other Spec Rev	18,300,918	18,300,918	0
☐ 06 Internal Service	723,465	723,465	
<b>Total</b>	<b>323,199,221</b>	<b>323,199,221</b>	<b>0</b>

The Office of the Commissioner of Higher Education had two budget modifications between March 1 and May 31, 2024. Approximately \$387,000 was moved in an account-level transfer from operating expenses to debt services in order to comply with governmental accounting standards, which now require that payments for long-term software subscription services be classified as debt services. Additionally, approximately \$400 was moved in an account level change in order to send funds to a community college participating in the Foster Youth Higher Education Assistance Program.

## HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through May 31, 2024.

### Monthly Expenditures Compared to Historical Average



The Office of the Commissioner of Higher Education expended \$279.2 million, or 86.4% of its \$323.2 million HB 2 modified budget through May 31, 2024. This spending is similar to the 5-year Olympic average of 85.4% (the Olympic average is the average of the percent expended for the most recently completed seven years with the exclusion of the highest and lowest numbers during this time period). The Montana University System (MUS) also receives additional funding that is 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.

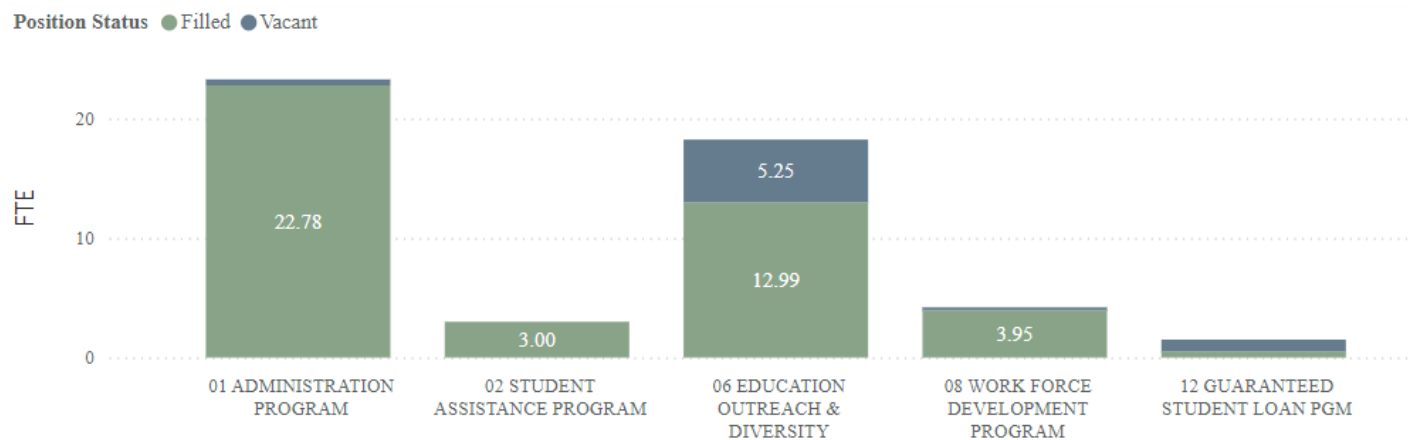
Program Name	Modified Budget	Expended Budget	% Expended
⊕ 01 ADMINISTRATION PROGRAM	7,194,310	5,593,917	77.8%
⊕ 02 STUDENT ASSISTANCE PROGRAM	13,059,100	12,705,352	97.3%
⊕ 04 COMMUNITY COLLEGE ASSISTANCE	16,151,492	14,805,534	91.7%
⊕ 06 EDUCATION OUTREACH & DIVERSITY	9,699,267	2,965,497	30.6%
⊕ 08 WORK FORCE DEVELOPMENT PROGRAM	6,468,245	5,144,619	79.5%
⊕ 09 APPROPRIATION DISTRIBUTION	231,708,007	203,706,454	87.9%
⊕ 10 AGENCY FUNDS	35,436,709	32,639,889	92.1%
⊕ 11 TRIBAL COLLEGE ASSISTANCE PGM	1,018,400	994,451	97.6%
⊕ 12 GUARANTEED STUDENT LOAN PGM	2,389,439	592,702	24.8%
⊕ 13 BOARD OF REGENTS-ADMIN	74,252	44,980	60.6%
<b>Total</b>	<b>323,199,221</b>	<b>279,193,395</b>	<b>86.4%</b>
Expenditure Type	Modified Budget	Expended Budget	% Expended
⊕ Personal Services	5,929,299	4,535,707	76.5%
⊕ Operating Expenses	9,607,826	4,130,649	43.0%
⊕ Equipment & Intangible Assets	11,063	10,311	93.2%
⊕ Local Assistance	15,703,946	14,969,534	95.3%
⊕ Grants	18,874,987	15,554,892	82.4%
⊕ Transfers-out	272,420,670	239,757,578	88.0%
⊕ Debt Service	651,430	234,724	36.0%
<b>Total</b>	<b>323,199,221</b>	<b>279,193,395</b>	<b>86.4%</b>
Fund Type	Modified Budget	Expended Budget	% Expended
⊕ 01 General	269,064,074	245,426,870	91.2%
⊕ 02 State/Other Spec Rev	35,110,764	24,971,589	71.1%
⊕ 03 Fed/Other Spec Rev	18,300,918	8,467,196	46.3%
⊕ 06 Internal Service	723,465	327,741	45.3%
<b>Total</b>	<b>323,199,221</b>	<b>279,193,395</b>	<b>86.4%</b>

The Tribal College Assistance Program expended \$994,000 of its approximately \$1.0 million HB 2 appropriation. HB 2 included an appropriation of \$100,000 for high school equivalency test (HiSET) preparation at the tribal colleges, which were 100.0% expended. HB 2 also included general fund appropriations of approximately \$918,000 for tribal colleges to support a portion of the costs of educating nonbeneficiary Montana students (non-tribal members) attending the seven tribal community colleges. Expenditures from this appropriation happen at the beginning of the fiscal year and were 97.6% expended.

The Guaranteed Student Loan Program expended 24.8% of its approximately \$2.4 million appropriation. A low percentage expended is typical in this program since it no longer manages actual student loans and has transitioned into administering financial literacy and education outreach activities. The Education Outreach and Diversity Program expended 30.6% of its approximately \$9.7 million appropriation. The Work Force Development Program expended approximately 79.5% of its approximately \$6.5 million appropriation. The funding for the Education Outreach and Diversity program and the Work Force Development program comes from federal grants that span several years, and lower expenditures in these programs are due to the timing of grant activities.

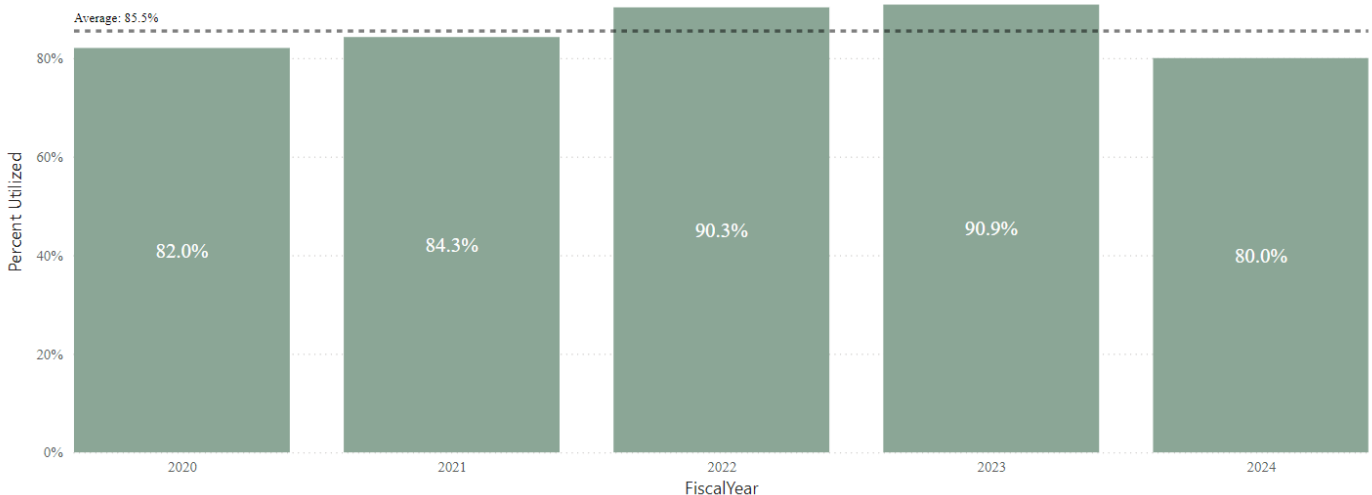
## PERSONAL SERVICES

Appropriations for personal services in the Office of the Commissioner of Higher Education total approximately \$5.9 million and are 76.5% expended through May 31, 2024. OCHE has 50.22 HB 2 regular FTE and approximately 86.1% of these positions are filled as of May 1, 2024. This is an increase from February, when 76.9% were filled. The following chart shows the filled and vacant FTE within the agency as of May 1, 2024.



Four previously vacant positions have been filled in the Education Outreach and Diversity Program. Of the 5.25 currently vacant FTE in the Education Outreach & Diversity Program, 2.25 FTE are in GEAR UP, and 3.00 FTE are 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 between July 1 and May 1 for each fiscal year. Overall, the department has utilized 80.0% of the available hours for FY 2024, as shown in the chart below. This is lower than the historic average utilization rate of 85.5%.





The chart below shows the vacant FTE in each division and the number of months each position has been vacant.

	FTE	Median Months Vacant
⊖ <b>51020 COMMISSIONER OF HIGHER ED</b>	<b>7.00</b>	<b>11.84</b>
⊖ <b>01 ADMINISTRATION PROGRAM</b>	<b>0.50</b>	<b>1.67</b>
Commissioner/Higher Education	0.50	1.67
⊖ <b>06 EDUCATION OUTREACH &amp; DIVERSITY</b>	<b>5.25</b>	<b>12.95</b>
Commissioner/Higher Education	5.25	12.95
⊖ <b>08 WORK FORCE DEVELOPMENT PROGRAM</b>	<b>0.25</b>	<b>66.46</b>
Commissioner/Higher Education	0.25	66.46
⊖ <b>12 GUARANTEED STUDENT LOAN PGM</b>	<b>1.00</b>	<b>5.41</b>
Commissioner/Higher Education	1.00	5.41
<b>Total</b>	<b>7.00</b>	<b>11.84</b>