



# MONTANA LEGISLATIVE BRANCH

## Legislative Fiscal Division

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**Director**  
AMY CARLSON

TO: HB 424 Subcommittee  
FROM: Katie Guenther, Legislative Fiscal Division  
RE: Reorganization of the Budget Analysis Document  
DATE: December 15, 2023

The document included in this memo provides a mock-up of the budget analysis document that incorporates the new tables approved by the HB 424 committee in September, and a reorganization of the sections. The reorganization of this document will be discussed during the December 15, 2023, meeting of the HB 424 subcommittee. LFD will work on incorporating the changes in the organization of the sections into the budgeting system following the December meeting, provided the HB 424 committee agrees with these changes.

**Base Budget Comparison**

The following table compares the base budget with the requested expenditures for the upcoming biennium by type of expenditure and source of funding.

Agency Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2023	FY 2024	FY 2025	Amount	Percent
FTE	50.22	50.22	50.22	0.00	0.0%
General Fund	255,419,848	257,783,963	260,125,167	7,069,434	1.4%
State Special Revenue	24,877,428	34,812,245	34,917,065	19,974,454	40.1%
Federal Special Revenue	18,132,307	18,265,097	18,307,428	307,911	0.8%
Proprietary	610,554	723,465	723,465	225,822	18.5%
<b>Total Funds</b>	<b>299,040,137</b>	<b>311,584,770</b>	<b>314,073,125</b>	<b>27,577,621</b>	<b>4.6%</b>
Personal Services	5,519,433	5,735,507	5,763,552	460,193	4.2%
Operating Expenses	8,315,581	11,087,438	11,069,227	5,525,503	33.2%
Equipment & Intangible Assets	11,063	11,063	11,063	-	0.0%
Local Assistance	14,113,373	15,488,681	16,169,308	3,431,243	12.2%
Grants	17,623,690	19,044,462	20,016,554	3,813,636	10.8%
Transfers	253,212,470	259,953,221	260,779,023	14,307,304	2.8%
Debt Service	244,527	264,398	264,398	39,742	8.1%
<b>Total Expenditures</b>	<b>299,040,137</b>	<b>311,584,770</b>	<b>314,073,125</b>	<b>27,577,621</b>	<b>4.6%</b>
<b>Total Ongoing</b>	<b>299,040,137</b>	<b>309,084,770</b>	<b>311,573,125</b>	<b>22,577,621</b>	<b>3.8%</b>
<b>Total One-Time-Only</b>		<b>2,500,000</b>	<b>2,500,000</b>	<b>5,000,000</b>	

**Executive Request**

<p><b>Office of the Commissioner of Higher Education</b> <b>Highlights</b></p>
Content area for highlights

Overview of the Executive Request

The following table compares the base budget with the requested statewide present law adjustments, present law adjustments, and new proposals by source of funding.

Office of the Commissioner of Higher Education 2025 Biennium Base Budget and Requested Adjustments										
	FY 2024					FY 2025				
	General Fund	State Special	Federal Special	Total Funds	% of Budget Request	General Fund	State Special	Federal Special	Total Funds	% of Budget Request
<b>HB 2 Base Budget</b>	<b>255,419,848</b>	<b>24,877,428</b>	<b>18,132,307</b>	<b>299,040,137</b>	<b>96.0%</b>	<b>255,419,848</b>	<b>24,877,428</b>	<b>18,132,307</b>	<b>299,040,137</b>	<b>95.2%</b>
HB 2 Adjustments										
DP 1 - Personal Services	138,353	20,927	(3,092)	156,188	0.1%	162,566	21,189	2,065	185,820	0.1%
DP 2 - Fixed Costs	(78,688)			(78,688)	0.0%	(150,827)			(150,827)	0.0%
DP 3 - Inflation Deflation	39,342	13,890	135,882	189,114	0.1%	49,960	18,448	173,056	241,464	0.1%
Total Statewide PL	99,007	34,817	132,790	266,614	0.1%	61,699	39,637	175,121	276,457	0.1%
Present Law (PL)	10,036,466			10,149,377	3.3%	12,546,353			12,659,264	4.0%
New Proposals	(7,771,358)	9,900,000		2,128,642	0.7%	(7,902,733)	10,000,000		2,097,267	0.7%
<b>Total HB 2 Adjustments</b>	<b>2,364,115</b>	<b>9,934,817</b>	<b>132,790</b>	<b>12,544,633</b>	<b>4.0%</b>	<b>4,705,319</b>	<b>10,039,637</b>	<b>175,121</b>	<b>15,032,988</b>	<b>4.8%</b>
<b>Total Requested Budget</b>	<b>257,783,963</b>	<b>34,812,245</b>	<b>18,265,097</b>	<b>311,584,770</b>		<b>260,125,167</b>	<b>34,917,065</b>	<b>18,307,428</b>	<b>314,073,125</b>	

Statewide Present Law Adjustment for Personal Services

In order to explain the factors influencing personal services changes, the proposed statewide personal services present law adjustment (DP 1) has been broken down into three categories, as follows:

- Legislatively approved changes – This category includes adjustments explicitly approved by the legislature, such as expected changes to annualize personal services costs included in the FY 2023 statewide pay plan adjustments, changes to benefit rates, increases in pay approved by the legislature, longevity adjustments required by statute, and changes in rates for workers’ compensation and unemployment insurance
- Management decisions – This category includes agency management decisions that adjust personal services related to changes in pay. This includes changes such as hiring full time equivalent (FTE) at a lower rate to replace senior staff and broadband pay adjustments for recruitment and retention
- Budget modifications – This category includes other modifications to the FY 2023 personal services base budget such as management decisions to transfer personal services funding between programs within an agency or transfers to move personal funding to or from other expenditure category (e.g. moving funding from operating expenses to personal services)

The figure below shows the analysis of the executive budget for personal services for each program.

Statewide Present Law Adjustment for Personal Services FY 2024 Decision Package 1				
Program	Legislative Changes	Management Decisions	Budget Modifications	Decision Package 1
Administration Program	\$ 37,023	\$ 117,399	\$ (51,897)	\$ 102,525
Student Assistance Program	14,504	43,060	-	57,564
Education Outreach and Diversity Program	(5,392)	20,317	-	14,925
Workforce Development Program	(17,996)	(2,857)	-	(20,853)
Guaranteed Student Loan Program	5,379	(3,352)	-	2,027
<b>Total</b>	<b>\$ 33,518</b>	<b>\$ 174,567</b>	<b>\$ (51,897)</b>	<b>\$ 156,188</b>

Statewide Present Law Adjustment for Fixed Costs (if applicable)

Statewide Present Law Adjustment for Inflation / Deflation (if applicable)

Present Law Adjustments (if applicable agencywide)

New Proposals (if applicable agencywide)

**Funding**

The following table shows proposed agency funding for all sources of authority.

Total Office of the Commissioner of Higher Education Funding by Source of Authority 2025 Biennium Budget Request						
Funds	HB 2 Ongoing	HB 2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
<b>01100 General Fund</b>	<b>512,909,130</b>	<b>5,000,000</b>		<b>3,765,356</b>	<b>521,674,486</b>	<b>52.8%</b>
02443 University Millage	66,194,532				66,194,532	6.7%
02943 Rural Physicians Account				3,335,193	3,335,193	0.3%
02111 Accommodation Tax Account				2,830,578	2,830,578	0.3%
02027 STEM Scholarships				2,094,262	2,094,262	0.2%
02944 Motorcycle Safety Training	1,160,318				1,160,318	0.1%
Other State Special Revenue	2,374,460			515,000	2,889,460	0.3%
<b>State Special Revenue Total</b>	<b>69,729,310</b>	<b>-</b>	<b>-</b>	<b>8,775,033</b>	<b>78,504,343</b>	<b>7.9%</b>
03042 2nd GEAR UP Grant	13,707,394				13,707,394	1.4%
03215 Carl Perkins Federal Funds	12,696,742				12,696,742	1.3%
03400 Guaranteed Std. Loan-Admin.	4,466,240				4,466,240	0.5%
03412 GEAR UP Federal Schol 2005	3,290,686				3,290,686	0.3%
03806 Talent Search	2,080,513				2,080,513	0.2%
Other Federal Special Revenue	330,950				330,950	0.0%
<b>Federal Special Revenue Total</b>	<b>36,572,525</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,572,525</b>	<b>3.7%</b>
06008 MUS Group Insurance Program			314,374,189		314,374,189	31.8%
06009 MUS Flexible Spending Account			26,788,365		26,788,365	2.7%
06082 MUS Self-Funded Workers Comp			9,469,373		9,469,373	1.0%
06539 Indirect Costs OCHE	1,446,930				1,446,930	0.1%
<b>Proprietary Fund Total</b>	<b>1,446,930</b>	<b>-</b>	<b>350,631,927</b>	<b>-</b>	<b>352,078,857</b>	<b>35.6%</b>
<b>Total of All Funds</b>	<b>620,657,895</b>	<b>5,000,000</b>	<b>350,631,927</b>	<b>12,540,389</b>	<b>988,830,211</b>	
<b>Percent of All Sources of Authority</b>	<b>62.8%</b>	<b>0.5%</b>	<b>35.5%</b>	<b>1.3%</b>		

HB 2 Appropriations

Non-Budgeted Proprietary Funds

Statutory Appropriations

**Agency Actuals and Budget Comparison**

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the expenditures requested for FY 2024 and FY 2025 by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Request Fiscal 2024	Request Fiscal 2025
FTE	0.00	50.22	50.22	50.22	50.22
Personal Services	5,061,933	5,408,399	5,534,433	5,735,507	5,763,552
Operating Expenses	5,211,408	8,357,904	8,875,581	11,087,438	11,069,227
Equipment & Intangible Assets	0	11,063	11,063	11,063	11,063
Local Assistance	15,017,699	15,020,699	14,113,373	15,488,681	16,169,308
Grants	15,404,612	17,418,418	18,023,690	19,044,462	20,016,554
Transfers	241,775,480	242,077,950	256,042,470	259,953,221	260,779,023
Debt Service	244,521	244,541	244,527	264,398	264,398
<b>Total Expenditures</b>	<b>\$282,715,653</b>	<b>\$288,538,974</b>	<b>\$302,845,137</b>	<b>\$311,584,770</b>	<b>\$314,073,125</b>
General Fund	243,776,321	244,912,809	258,924,848	257,783,963	260,125,167
State/Other Special Rev. Funds	24,598,673	24,949,790	25,177,428	34,812,245	34,917,065
Federal Spec. Rev. Funds	13,772,759	18,065,821	18,132,307	18,265,097	18,307,428
Proprietary Funds	567,900	610,554	610,554	723,465	723,465
<b>Total Funds</b>	<b>\$282,715,653</b>	<b>\$288,538,974</b>	<b>\$302,845,137</b>	<b>\$311,584,770</b>	<b>\$314,073,125</b>
<b>Total Ongoing</b>	<b>\$279,116,269</b>	<b>\$284,908,974</b>	<b>\$299,040,137</b>	<b>\$309,084,770</b>	<b>\$311,573,125</b>
<b>Total OTO</b>	<b>\$3,599,384</b>	<b>\$3,630,000</b>	<b>\$3,805,000</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>

**Agency Discussion**

*Agency Overview*

*FY 2022 Appropriation Compared to FY 2022 Actual Expenditures*

*FY 2022 Appropriations Compared to FY 2023 Appropriations*

## Comparison of FY 2023 Legislative Budget to FY 2023 Base

The figure below illustrates the beginning FY 2023 budget as adopted by the 2021 Legislature compared to the FY 2023 base budget, which includes modifications as approved by the approving authority (as authorized in statute) during the interim. The FY 2023 base budget was agreed upon by the executive and legislative branches to be the point from which any changes would be recorded for the 2025 biennium budgeting process.

Office of the Commissioner of Higher Education Comparison of the FY 2023 Legislative Budget to the FY 2023 Base Budget				
	Legislative Budget	Executive Modifications	Base Budget	% Change
<b>Administration Program</b>				
Personal Services	\$ 3,279,437	\$ 51,897	\$ 3,331,334	1.6%
Operating Expenses	1,078,368	(155,322)	923,046	-14.4%
Equipment & Intangible Assets	11,063	-	11,063	0.0%
Transfers	22,773	-	22,773	0.0%
Debt Service	-	155,322	155,322	100.0%
<b>Total</b>	<b>4,391,641</b>	<b>51,897</b>	<b>4,443,538</b>	<b>1.2%</b>
<b>Student Assistance Program</b>				
Personal Services	289,098	-	289,098	0.0%
Operating Expenses	308,102	-	308,102	0.0%
Local Assistance	165,000	-	165,000	0.0%
Grants	10,976,946	-	10,976,946	0.0%
<b>Total</b>	<b>11,739,146</b>	<b>-</b>	<b>11,739,146</b>	<b>0.0%</b>
<b>Community College Assistance</b>				
Local Assistance	13,967,148	(18,775)	13,948,373	-0.1%
<b>Total</b>	<b>13,967,148</b>	<b>(18,775)</b>	<b>13,948,373</b>	<b>-0.1%</b>
<b>Education Outreach &amp; Diversity</b>				
Personal Services	1,303,105	-	1,303,105	0.0%
Operating Expenses	3,373,676	1,442,672	4,816,348	42.8%
Grants	3,377,000	-	3,377,000	0.0%
Transfers	1,500,000	(1,500,000)	-	-100.0%
Debt Service	-	57,328	57,328	100.0%
<b>Total</b>	<b>9,553,781</b>	<b>-</b>	<b>9,553,781</b>	<b>0.0%</b>
<b>Work Force Development Program</b>				
Personal Services	376,577	-	376,577	0.0%
Operating Expenses	97,272	(23,490)	73,782	-24.1%
Grants	2,431,869	-	2,431,869	0.0%
Transfers	3,552,678	-	3,552,678	0.0%
Debt Service	-	23,490	23,490	100.0%
<b>Total</b>	<b>6,458,396</b>	<b>-</b>	<b>6,458,396</b>	<b>0.0%</b>
<b>Appropriation Distribution</b>				
Operating Expenses	10,385	(10,385)	-	-100.0%
Transfers	217,839,670	106,951	217,946,621	0.0%
<b>Total</b>	<b>217,850,055</b>	<b>96,566</b>	<b>217,946,621</b>	<b>0.0%</b>

Agency Funds				
Transfers	31,820,086	(129,688)	31,690,398	-0.4%
Total	31,820,086	(129,688)	31,690,398	-0.4%
Tribal College Assistance Program				
Grants	837,875	-	837,875	0.0%
Total	837,875	-	837,875	0.0%
Guaranteed Student Loan Program				
Personal Services	213,019	-	213,019	0.0%
Operating Expenses	2,141,640	(8,387)	2,133,253	-0.4%
Debt Service	-	8,387	8,387	100.0%
Total	2,354,659	-	2,354,659	0.0%
Board of Regents				
Personal Services	6,300	-	6,300	0.0%
Operating Expenses	61,050	-	61,050	0.0%
Total	67,350	-	67,350	0.0%
Agency Total	\$ 299,040,137	\$ -	\$ 299,040,137	0.0%

5.0% Plan

Agency Goals and Objectives

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary.

Budget Item	General Fund				Total Funds			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	255,419,848	255,419,848	510,839,696	98.64 %	299,040,137	299,040,137	598,080,274	95.59 %
SWPL Adjustments	99,007	61,699	160,706	0.03 %	266,614	276,457	543,071	0.09 %
PL Adjustments	10,036,466	12,546,353	22,582,819	4.36 %	10,149,377	12,659,264	22,808,641	3.65 %
New Proposals	(7,771,358)	(7,902,733)	(15,674,091)	(3.03)%	2,128,642	2,097,267	4,225,909	0.68 %
<b>Total Budget</b>	<b>\$257,783,963</b>	<b>\$260,125,167</b>	<b>\$517,909,130</b>		<b>\$311,584,770</b>	<b>\$314,073,125</b>	<b>\$625,657,895</b>	

HB 2 Language

The following language is requested in HB 2:

**Program Base Budget Comparison**

The following table compares the base budget with the requested expenditures for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison					
Budget Item	Base Budget	Requested Budget		Biennium Change from Base	
	FY 2023	FY 2024	FY 2025	Amount	Percent
FTE	18.24	18.24	18.24	0.00	0.0%
General Fund	141,712	144,349	146,430	7,355	2.6%
Federal Special Revenue	9,412,069	9,524,380	9,554,213	254,455	1.4%
<b>Total Funds</b>	<b>9,553,781</b>	<b>9,668,729</b>	<b>9,700,643</b>	<b>261,810</b>	<b>1.4%</b>
Personal Services	1,303,105	1,318,030	1,324,525	36,345	1.4%
Operating Expenses	4,816,348	4,916,371	4,941,790	225,465	2.3%
Grants	3,377,000	3,377,000	3,377,000	-	0.0%
Debt Service	57,328	57,328	57,328	-	0.0%
<b>Total Expenditures</b>	<b>9,553,781</b>	<b>9,668,729</b>	<b>9,700,643</b>	<b>261,810</b>	<b>1.4%</b>
<b>Total Ongoing</b>	<b>9,553,781</b>	<b>9,668,729</b>	<b>9,700,643</b>	<b>261,810</b>	<b>1.4%</b>
<b>Total One-Time-Only</b>		-	-	-	

**Executive Request**

Education Outreach and Diversity Program Highlights



**Funding**

The following table shows proposed agency funding for all sources of authority.

Commissioner of Higher Education, 06-Education Outreach & Diversity Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	290,779	0	0	0	290,779	1.50 %
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
03042 2nd GEAR UP Grant	13,707,394	0	0	0	13,707,394	71.85 %
03412 GEAR UP Federal Schol 2005	3,290,686	0	0	0	3,290,686	17.25 %
03806 Talent Search	2,080,513	0	0	0	2,080,513	10.90 %
<b>Federal Special Total</b>	<b>\$19,078,593</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,078,593</b>	<b>98.50 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$19,369,372</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,369,372</b>	

*HB 2 Appropriations*

*Non-Budgeted Proprietary Funds*

*Statutory Appropriations*

**Program Actuals and Budget Comparison**

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Request Fiscal 2024	Request Fiscal 2025
FTE	0.00	18.24	18.24	18.24	18.24
Personal Services	1,095,482	1,281,863	1,303,105	1,318,030	1,324,525
Operating Expenses	2,738,409	4,772,705	4,816,348	4,916,371	4,941,790
Grants	2,057,401	3,377,000	3,377,000	3,377,000	3,377,000
Debt Service	57,332	57,333	57,328	57,328	57,328
<b>Total Expenditures</b>	<b>\$5,948,624</b>	<b>\$9,488,901</b>	<b>\$9,553,781</b>	<b>\$9,668,729</b>	<b>\$9,700,643</b>
General Fund	134,361	138,518	141,712	144,349	146,430
Federal Spec. Rev. Funds	5,814,263	9,350,383	9,412,069	9,524,380	9,554,213
<b>Total Funds</b>	<b>\$5,948,624</b>	<b>\$9,488,901</b>	<b>\$9,553,781</b>	<b>\$9,668,729</b>	<b>\$9,700,643</b>
<b>Total Ongoing</b>	<b>\$5,948,624</b>	<b>\$9,488,901</b>	<b>\$9,553,781</b>	<b>\$9,668,729</b>	<b>\$9,700,643</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Program Discussion**

*Program Overview*

*FY 2022 Appropriation Compared to FY 2022 Actual Expenditures*

*FY 2022 Appropriations Compared to FY 2023 Appropriations*

**Program Budget Summary by Category**

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary.

Budget Item	General Fund				Total Funds			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	141,712	141,712	283,424	97.47 %	9,553,781	9,553,781	19,107,562	98.65 %
SWPL Adjustments	2,637	4,718	7,355	2.53 %	114,948	146,862	261,810	1.35 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$144,349</b>	<b>\$146,430</b>	<b>\$290,779</b>		<b>\$9,668,729</b>	<b>\$9,700,643</b>	<b>\$19,369,372</b>	

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	Fiscal 2024				Fiscal 2025					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	2,391	0	12,534	14,925	0.00	4,355	0	17,065	21,420
DP 3 - Inflation Deflation	0.00	246	0	99,777	100,023	0.00	363	0	125,079	125,442
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$2,637</b>	<b>\$0</b>	<b>\$112,311</b>	<b>\$114,948</b>	<b>0.00</b>	<b>\$4,718</b>	<b>\$0</b>	<b>\$142,144</b>	<b>\$146,862</b>

\*\*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services =

Office of the Commissioner of Higher Education Education Outreach and Diversity Program FY 2024 Statewide Present Law Adjustment for Personal Services	
Legislative Changes	\$ (5,392)
Management Changes	20,317
Budget Modifications	-
<b>Total</b>	<b>\$ 14,925</b>

DP 3 - Inflation Deflation :