

**Agency Budget Comparison**

The following table compares the 2017 biennium appropriated budget to the 2019 biennium appropriated budget by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	26,047,345	24,835,771	(1,211,574)	(4.65)%
Operating Expenses	33,275,587	32,937,634	(337,953)	(1.02)%
Equipment & Intangible Assets	1,048,646	1,048,646	0	0.00 %
Local Assistance	1,567,999,925	1,614,148,642	46,148,717	2.94 %
Grants	299,763,102	304,005,102	4,242,000	1.42 %
Transfers	5,116,680	5,016,680	(100,000)	(1.95)%
<b>Total Expenditures</b>	<b>\$1,933,251,285</b>	<b>\$1,981,992,475</b>	<b>\$48,741,190</b>	<b>2.52 %</b>
General Fund	1,577,245,891	1,622,171,631	44,925,740	2.85 %
State/Other Special Rev. Funds	19,320,741	19,086,445	(234,296)	(1.21)%
Federal Spec. Rev. Funds	336,684,653	340,734,399	4,049,746	1.20 %
<b>Total Funds</b>	<b>\$1,933,251,285</b>	<b>\$1,981,992,475</b>	<b>\$48,741,190</b>	<b>2.52 %</b>
<b>Total Ongoing</b>	<b>\$1,931,398,070</b>	<b>\$1,980,197,475</b>	<b>\$48,799,405</b>	<b>2.53 %</b>
<b>Total OTO</b>	<b>\$1,853,215</b>	<b>\$1,795,000</b>	<b>(\$58,215)</b>	<b>(3.14)%</b>

**Agency Description**

The Superintendent of Public Instruction is an elected official authorized by Article VI, Section 1, of the Montana Constitution. The Office of Public Instruction (OPI) distributes funding to school districts and provides services to Montana's school-age children and to teachers in just over 400 school districts. The core processes of the agency include licensure of educators, accreditation of schools, administration of statewide student assessments, distribution of state and federal grants/aid to schools, collection and reporting of data, and dissemination of information about K-12 education. The staff provides technical assistance in planning, implementing, and evaluating educational programs in such areas as teacher preparation, teacher certification, school accreditation, academic standards and curriculum, school finance, and school law.

The staff also administers a number of federally-funded programs and provides a variety of information services, including the information systems necessary to assess student achievement and the quality of Montana's elementary and secondary school system.

**Agency Highlights**

**Office of Public Instruction  
Major Budget Highlights**

The legislature established the base budget for each year of the 2019 biennium at the level of the FY 2017 appropriation. The legislature approved a increase in total appropriation of \$48.7 million or 2.5%. The agency is funded 81.8% with general fund, 1.0% state special revenue, and 17.2% federal revenue. 97.0% of the total appropriation is for distribution to just over 400 school districts throughout the state, the remaining 3.0% supports the superintendent's office and staff.

**State Level Activities (Program 06)** - The legislature approved appropriations \$1.6 million lower than the 2017 biennium for the operation of the superintendents office, staff and activities:

- \$0.6 million increase - Annualize FY 2016 appropriation to FY 2017 base budget funding level
- \$1.6 million decrease - lower appropriation for personal services
- \$0.5 million decrease - present law adjustments for fixed costs, inflation/deflation, IT rate adjustment, liability insurance, motor pools adjustments, and additional targeted budget reductions
- \$0.1 million decrease - renewal of one-time-only funding at lower levels than the previous biennium for audiological services

HB 2 includes language directing the Office of Public Instruction to withhold the one-time-only funding in FY 2019 for the Montana Digital Academy until the academy provides a detailed financial and performance report to the interim Legislative Finance Committee not later than May 31, 2018.

**Local Assistance to Schools (Program 09)** - The legislature approved a net increase in total appropriations \$50.3 million higher than the 2017 biennium for distribution to local school districts.

General Fund Increases of \$156.5 million:

- \$8.5 million - Annualized inflation between FY 2016 and base year
- \$136.3 million - for BASE Aid, this includes inflationary increases of 0.5% in FY 2018 and 1.87% in FY 2019, increases in ANB, and the elimination of the Natural Resource Development payment
- \$5.8 million increase - For the new Natural Resource Development K-12 School Facilities payment
- \$3.4 million - Funding for the new coal fired generating plant closure mitigation grant
- \$1.2 million - Funding increase for special education
- \$1.0 million - Funding increase for career technical education
- \$0.2 million - Inflationary increase for the At Risk Student Payment
- \$0.1 million - Funding for the state lands reimbursement block grant

General fund decreases of \$110.2 million:

- \$1.4 million - Additional reductions to targeted budget reductions
- \$108.8 million - Elimination of block grants for school district general fund.

Federal and state special revenue increases of \$4.0 million:

- \$1.1 million increase - Annualize FY 2016 federal appropriation to FY 2017 base budget funding level
- \$3.0 million increase - Appropriation for federal special revenue
- \$0.1 million decrease - Appropriation for state special revenue

The legislature approved a supplemental appropriation consisting of general fund of \$17.3 million for the fiscal year ending June 30, 2017 to fund an anticipated shortfall for local assistance for BASE Aid.

### Agency Actuals and Budget Comparison

The following table compares the 2017 biennium appropriated budget to the 2019 biennium appropriated budget by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	159.71	159.71	159.71	156.51	156.51
Personal Services	12,538,414	12,837,502	13,209,843	12,377,238	12,458,533
Operating Expenses	15,831,453	16,498,391	16,777,196	16,414,126	16,523,508
Equipment & Intangible Assets	0	524,323	524,323	524,323	524,323
Local Assistance	770,925,069	779,796,052	788,203,873	787,908,091	826,240,551
Grants	141,328,786	149,260,551	150,502,551	151,502,551	152,502,551
Transfers	2,509,769	2,608,340	2,508,340	2,508,340	2,508,340
<b>Total Expenditures</b>	<b>\$943,133,491</b>	<b>\$961,525,159</b>	<b>\$971,726,126</b>	<b>\$971,234,669</b>	<b>\$1,010,757,806</b>
General Fund	779,974,578	784,305,388	792,940,503	791,840,243	830,331,388
State/Other Special Rev. Funds	4,980,225	9,657,464	9,663,277	9,542,925	9,543,520
Federal Spec. Rev. Funds	158,178,688	167,562,307	169,122,346	169,851,501	170,882,898
<b>Total Funds</b>	<b>\$943,133,491</b>	<b>\$961,525,159</b>	<b>\$971,726,126</b>	<b>\$971,234,669</b>	<b>\$1,010,757,806</b>
<b>Total Ongoing</b>	<b>\$942,214,084</b>	<b>\$960,605,752</b>	<b>\$970,792,318</b>	<b>\$970,352,169</b>	<b>\$1,009,845,306</b>
<b>Total OTO</b>	<b>\$919,407</b>	<b>\$919,407</b>	<b>\$933,808</b>	<b>\$882,500</b>	<b>\$912,500</b>

**Summary of Legislative Action**

The major changes to the K-12 funding formula for the 2019 biennium are the elimination of two district general fund sources of non-levy revenue, school district general fund block grants and the natural resource development payment, and increases to state-funded Guaranteed Tax Base Aid. These changes will affect property taxes in varying ways and to varying degrees in all Montana school districts over the next several years.

**HB 2** - HB 2, and the guarantee account, contains the majority of the general fund, state, and federal special revenue appropriation for the 2019 biennium. Changes in appropriations in HB 2 are primarily due to increases in enrollment of about 0.8% in each year of the biennium and the passage of HB 191 school funding legislation that set inflation rates of 0.50% in FY 2018 and 1.87% in FY 2019. HB 2 also appropriates funds for the new Natural Resource Development payment and the coal fired power plant closure mitigation block grant created in HB 647. For more detail, see the table in the appendix [HB 2 Distribution to Schools 2019](#).

**HB 191** - Applies an inflationary increase of 0.5% in FY 2018 and 1.87% in FY 2019 to the basic entitlement, per-ANB entitlement, quality educator payment, the Indian education for all payment, the American Indian achievement gap payment, and the data for achievement payment. For more detail, see the table in the appendix [Elements of School Funding for BASE Aid](#).

**HB 647** - Eliminates school district general fund block grants and increases guaranteed tax base aid. The bill also eliminated the existing natural resource development payment that was a funding component of BASE Aid and created a new natural resource development school facilities payment to aid school districts with major maintenance. The bill re-directs excess oil and gas production taxes to the guarantee account reducing the need for state general fund. HB 647 creates the Coal-Fired Generating Unit Closure Mitigation Block Grant that mitigates the loss in revenue to school districts that lose tax base due to the closure of coal fired power plants.

**SB 95** - Creates the state lands reimbursement block grant for school districts within a county where greater than 20% of the land area is composed of state school trust lands. The bill increase the general fund appropriation in HB 2 for reimbursement block grants by \$100,000 in each year of the biennium for the purpose of distributing state lands reimbursement block grants. The general fund appropriation for BASE Aid is reduced by \$34,000 in fiscal year 2018 and \$42,000 in FY 2019 for the purpose of guaranteed tax base aid reduction related to the block grant.

**SB 261** - The legislature approved the reduction or elimination of various appropriations or expenditures based on triggers in the event of lower general fund revenue received in fiscal years 2017 and 2018. The bill directs that appropriations for the office of public instruction be reduced as follows. For more information see the discussion on SB 261 in volume one.

- **Level 1.0** - None
- **Level 1.5** - None
- **Level 2.0** - The general fund appropriation for the Office of Public Instruction for FY 2018 would be reduced by 0.5%; however, the following funding components are exempt from the reduction: K-12 BASE Aid, block grants, tuition payments, transportation, Natural Resource K-12 School Facilities Payment, and special education
- **Level 3.0** - The appropriation for secondary vocational education would be reduced by \$0.5 million in each year of the biennium, the natural resource development K-12 school facilities payment for FY 2019 is eliminated, and the Office of Public Instruction will suspend the data for achievement payment. The Office of Public Instruction will reduce the amount of the school district combined fund block grant by \$2.8 million in fiscal years 2018 and 2019
- **Level 4.0** - No further reduction

**HB 390** - The legislature approved legislation that requires that property taxes be reduced in the following year when an anticipated enrollment increase does not materialize, saving the state general fund approximately \$60,000 per year. The bill also temporarily redirects the \$1.0 million technology appropriation from the school facility and technology account to be used as e-rate matching funds for the 2019 biennium.

**SB 307** - Creates a new state subsidized formula driven permissive levy not to exceed 10-mills for major maintenance of school district facilities, and repeals the Quality Schools Grant Program. The state subsidy is provided by the new natural resource facilities payment created in HB 647 and interest earnings from a new sub trust within the coal tax trust created in SB 260.

**SB 260** - Creates the school facilities sub trust in the coal severance tax trust fund and allocates a portion of coal severance taxes to the school facilities trust until a balance of \$200 million is obtained. The interest generated by new sub-trust is transferred to the school major maintenance aid account created in SB 307.

**SB 115** - Revises the professional stipends provided for teachers who attain national board certification by replacing the one-time \$3,000 payment with an annual payment of up to \$1,500 each year, or \$2,500 each year for educators working in high poverty areas. Educators would receive each year from the state general fund a base payment of \$500 and additional state support of \$1 for every \$1 funded by the local school district up to a maximum state contribution of \$2,000. Educators in high poverty areas would receive from the general fund a base payment of \$1,000 and an additional state support of \$2 for every \$1 funded by the local school district up to a maximum state contribution of \$2,000. The bill stipulates that if the money appropriated for the stipends is not enough to provide the full amount for each eligible teacher, the superintendent of public instruction shall request the state budget director to submit a request for a supplemental appropriation in the second year of the biennium that is sufficient to complete the funding of the stipends.

**HB 3** - Revises appropriation for the biennium ending June 30, 2017

- Increases the appropriation for BASE aid by \$17.3 million general fund to address
  - Anticipated shortfall in the guarantee account of \$9.9 million
  - Higher than anticipated enrollment of \$6.2 million
  - Higher than anticipated Guaranteed Tax Base subsidy of \$0.9 million
  - Increased audit fees of \$0.2 million
  - Other expense higher than anticipated of \$0.1 million

## Funding

The following table shows adopted agency funding by source of authority. Funding for each program is discussed in detail in the individual program narratives.

Total Office of Public Instruction Funding by Source of Authority 2019 Biennium Budget Request - Office of Public Instruction						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	1,620,376,631	1,795,000	0	0	1,622,171,631	77.87 %
State Special Total	19,086,445	0	0	95,758,759	114,845,204	5.51 %
Federal Special Total	340,734,399	0	0	0	340,734,399	16.36 %
Proprietary Total	0	0	5,358,201	0	5,358,201	0.26 %
Other Total	0	0	0	0	0	0.00 %
<b>Total All Funds</b>	<b>\$1,980,197,475</b>	<b>\$1,795,000</b>	<b>\$5,358,201</b>	<b>\$95,758,759</b>	<b>\$2,083,109,435</b>	
<b>Percent - Total All Sources</b>	<b>95.06 %</b>	<b>0.09 %</b>	<b>0.26 %</b>	<b>4.60 %</b>		

Just over 95.0% of the total budget is appropriated in HB 2. Non-budgeted proprietary funds support the centralized services functions. Statutory appropriations are from the guarantee account for distribution to local schools and are discussed in the Local Education Activities Program. General fund provides 77.9% of total funding for the agency; an increase compared to the previous biennium in which general fund provided 77.6% of the total funding. This is due primarily to decrease in interest and revenue from the guarantee account which offsets general fund. Of the \$1.6 billion of general fund, 99.0% is for distribution to local school districts and the remainder supports state level activities.

**Budget Summary by Category**

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	792,006,695	792,006,695	1,584,013,390	97.65 %	970,792,318	970,792,318	1,941,584,636	97.96 %
SWPL Adjustments	(121,840)	(100,767)	(222,607)	(0.01)%	(788,142)	(734,486)	(1,522,628)	(0.08)%
PL Adjustments	36,256,440	45,372,671	81,629,111	5.03 %	37,753,546	47,869,722	85,623,268	4.32 %
New Proposals	(36,301,052)	(6,947,211)	(43,248,263)	(2.67)%	(36,523,053)	(7,169,748)	(43,692,801)	(2.20)%
<b>Total Budget</b>	<b>\$791,840,243</b>	<b>\$830,331,388</b>	<b>\$1,622,171,631</b>		<b>\$971,234,669</b>	<b>\$1,010,757,806</b>	<b>\$1,981,992,475</b>	

**Executive Budget Comparison**

The following table compares the legislative budget for the biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2017	Executive Budget Fiscal 2018	Legislative Budget Fiscal 2018	Leg — Exec. Difference Fiscal 2018	Executive Budget Fiscal 2019	Legislative Budget Fiscal 2019	Leg — Exec. Difference Fiscal 2019	Biennium Difference Fiscal 18-19
FTE	159.71	156.51	156.51	0.00	156.51	156.51	0.00	0.00
Personal Services	13,209,843	12,632,447	12,377,238	(255,209)	12,674,419	12,458,533	(215,886)	(471,095)
Operating Expenses	16,777,196	16,482,723	16,414,126	(68,597)	16,549,582	16,523,508	(26,074)	(94,671)
Equipment & Intangible Assets	524,323	524,323	524,323	0	524,323	524,323	0	0
Local Assistance	788,203,873	809,229,853	787,908,091	(21,321,762)	819,280,518	826,240,551	6,960,033	(14,361,729)
Grants	150,502,551	151,502,551	151,502,551	0	152,502,551	152,502,551	0	0
Transfers	2,508,340	1,675,840	2,508,340	832,500	1,675,840	2,508,340	832,500	1,665,000
<b>Total Costs</b>	<b>\$971,726,126</b>	<b>\$992,047,737</b>	<b>\$971,234,669</b>	<b>(\$20,813,068)</b>	<b>\$1,003,207,233</b>	<b>\$1,010,757,806</b>	<b>\$7,550,573</b>	<b>(\$13,262,495)</b>
General Fund	792,940,503	812,507,052	791,840,243	(20,666,809)	822,633,965	830,331,388	7,697,423	(12,969,386)
State/other Special Rev. Funds	9,663,277	9,545,547	9,542,925	(2,622)	9,546,153	9,543,520	(2,633)	(5,255)
Federal Spec. Rev. Funds	169,122,346	169,995,138	169,851,501	(143,637)	171,027,115	170,882,898	(144,217)	(287,854)
<b>Total Funds</b>	<b>\$971,726,126</b>	<b>\$992,047,737</b>	<b>\$971,234,669</b>	<b>(\$20,813,068)</b>	<b>\$1,003,207,233</b>	<b>\$1,010,757,806</b>	<b>\$7,550,573</b>	<b>(\$13,262,495)</b>
<b>Total Ongoing</b>	<b>\$970,792,318</b>	<b>\$992,065,737</b>	<b>\$970,352,169</b>	<b>(\$21,713,568)</b>	<b>\$1,003,177,233</b>	<b>\$1,009,845,306</b>	<b>\$6,668,073</b>	<b>(\$15,045,495)</b>
<b>Total OTO</b>	<b>\$933,808</b>	<b>(\$18,000)</b>	<b>\$882,500</b>	<b>\$900,500</b>	<b>\$30,000</b>	<b>\$912,500</b>	<b>\$882,500</b>	<b>\$1,783,000</b>

The legislature approved appropriations totaling \$13.3 million below the budget proposed by the executive. The legislature made the following adjustments to the executive proposal.

Statewide education activities \$1.1 million above the executive proposed budget

- \$0.5 million below the executive proposed budget for personal services
- \$0.1 million below executive proposed budget for operations
- \$1.7 million above the executive proposed budget for the Montana Digital Academy

Local education activities \$14.4 million below the executive proposed budget for general fund. The legislature approved all executive proposals for state and federal special revenues.

The legislature approved general fund appropriations higher than the executive for the following:

- \$11.2 million to reflect increased funding for K-12 BASE aid based on 2017 spring enrollment counts
- \$1.9 million to reflect increases for changes in the GTB ratio in the second year of the biennium
- \$1.0 million for career technical education
- \$5.8 million for the new natural resource development K-12 school facilities payment
- \$3.4 million for the new coal fired generating unit closure mitigation block grant
- \$6.2 million, the legislature restored the data for achievement payment
- \$1.0 million, the legislature approved the state lands reimbursement block grant
- \$0.2 million higher than the executive for other increases

The legislature approved general fund appropriations lower than the executive for the following:

- \$2.7 million to reflect adjustments to the inflation rates for K-12 BASE aid proposed by the governor
- \$1.4 million additional reduction to the executive re-base, these reductions were allocated to
  - \$1.0 million reduction in the appropriation for transportation
  - \$0.4 million reduction in the appropriation for school tuition
- \$0.1 million lower for auditing fees
- \$40.0 million reduction for the elimination of school district general fund block grants and for changes in the GTB ratio in the second year of the biennium

**Language and Statutory Authority**

The legislature included the following language in HB 2.

“All revenue up to \$1.8 million in the state traffic education account for distribution to schools under the provisions of 20-7-506 and 61-5-121 is appropriated as provided in Title 20, chapter 7, part 5.”

“All appropriations for federal special revenue appropriations in State Level Activities and in Local Education Activities and all general fund appropriations in Local Education Activities are biennial.”

“All general and state funds appropriated to local school districts through Local Education Activities for FY 2018 and FY 2019 are restricted for the intended purpose. This includes funding for the follow: K-12 BASE Aid, At-Risk Student Payment, Special Education, Gifted and Talented, In-State Treatment, Secondary Vo-ed, Adult Basic Education, Transportation, School Facility Reimbursement, School Food, Reimbursement Block Grants, State Tuition Payments, Advancing Agricultural Education.”

"The office of public instruction may distribute funds from the appropriation for In-State Treatment to public school districts for the purpose of providing educational costs of children with significant behavioral or physical needs."

"The legislature intends that the funding for Secondary Vo-ed be used, in part, for student participation in workforce development activities, including but not limited to attainment of industry-recognized professional certifications and work-based learning programs, such as internships and registered apprenticeships."

"The office of public instruction may distribute the one-time-only general fund appropriation for the Montana Digital Academy for fiscal year 2019 only if the digital academy provides a report to the legislative finance committee not later than May 31, 2018, that includes at a minimum information on enrollment, course offerings, completion rates, schools served, implications of MCA 20-7-1202, and detailed financial statements for fiscal year 2014 through fiscal year 2017."

### Program Budget Comparison

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	26,047,345	24,835,771	(1,211,574)	(4.65)%
Operating Expenses	30,722,859	30,324,421	(398,438)	(1.30)%
Equipment & Intangible Assets	1,048,646	1,048,646	0	0.00 %
Transfers	4,001,000	4,001,000	0	0.00 %
<b>Total Expenditures</b>	<b>\$61,819,850</b>	<b>\$60,209,838</b>	<b>(\$1,610,012)</b>	<b>(2.60)%</b>
General Fund	23,949,488	22,531,776	(1,417,712)	(5.92)%
State/Other Special Rev. Funds	514,491	414,445	(100,046)	(19.45)%
Federal Spec. Rev. Funds	37,355,871	37,263,617	(92,254)	(0.25)%
<b>Total Funds</b>	<b>\$61,819,850</b>	<b>\$60,209,838</b>	<b>(\$1,610,012)</b>	<b>(2.60)%</b>
<b>Total Ongoing</b>	<b>\$59,966,635</b>	<b>\$58,414,838</b>	<b>(\$1,551,797)</b>	<b>(2.59)%</b>
<b>Total OTO</b>	<b>\$1,853,215</b>	<b>\$1,795,000</b>	<b>(\$58,215)</b>	<b>(3.14)%</b>

### Program Description

The State Level Activities program provides leadership and coordination of services to a variety of school and public groups. The staff provides assistance to the superintendent of public instruction in performing statutorily prescribed duties. The program: 1) supports the superintendent's statutory role with the Board of Public Education, Board of Regents, and Land Board; 2) is responsible for the distribution and accounting of state and federal funds provided to school districts; 3) maintains the information systems necessary to assess student achievement and the quality of Montana's elementary and secondary school system; and 4) provides assistance and information to school districts. The program administers all federal grants received by OPI, including curriculum assistance, special education, Every Student Succeeds Act (ESSA) administration, secondary vocational education administration, and other educational services.

### Program Highlights

**State Level Activities  
Major Budget Highlights**

The legislature approved a 2.6% decrease or \$1.6 million in total appropriation compared to the 2017 biennium.

**Personal Services** - Total appropriation for personal services decreased by 4.7% or \$1.2 million

- \$0.4 million increase - Annualize FY 2016 appropriation to FY 2017 base funding levels
- \$1.6 million decrease - The legislature approved statewide present law adjustments for personal services
- \$0.5 million decrease - The legislature approved an additional 2% vacancy savings
- \$0.5 million decrease - The legislature approved the elimination of 3.20 FTE as part of budgeted budget reduction
- \$1.0 million increase - The legislature approved an increase in federal appropriation for personal services for part-time modified FTE

**Operating Expenses** - Total appropriation for operating expenses decreased by 1.3% or \$0.4 million

- \$0.2 million increase - Annualize FY 2016 appropriation to FY 2017 base funding levels
- \$0.6 million decrease - The legislature approved targeted budget reduction for operation
- \$0.1 million decrease - The legislature approved lower level one-time-only general fund appropriation for audiological services than 2017 biennium
- \$0.1 million increase - The legislature approved present law adjustments for fixed costs, inflation, IT rate adjustment, liability insurance, motor pool adjustments, one-time-only general fund appropriation for educators that achieve national board certification, and the partial restoration of FY 2017 budget reductions for operations

**Transfers** - The legislature approved general fund transfers to the Montana Digital Academy at the same level as the 2017 biennium.

**Program Actuals and Budget Comparison**

The following table compares the program’s FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	159.71	159.71	159.71	156.51	156.51
Personal Services	12,538,414	12,837,502	13,209,843	12,377,238	12,458,533
Operating Expenses	14,606,175	15,252,262	15,470,597	15,107,521	15,216,900
Equipment & Intangible Assets	0	524,323	524,323	524,323	524,323
Transfers	2,000,500	2,000,500	2,000,500	2,000,500	2,000,500
<b>Total Expenditures</b>	<b>\$29,145,089</b>	<b>\$30,614,587</b>	<b>\$31,205,263</b>	<b>\$30,009,582</b>	<b>\$30,200,256</b>
General Fund	11,885,104	11,891,332	12,058,156	11,186,547	11,345,229
State/Other Special Rev. Funds	230,225	254,339	260,152	206,925	207,520
Federal Spec. Rev. Funds	17,029,760	18,468,916	18,886,955	18,616,110	18,647,507
<b>Total Funds</b>	<b>\$29,145,089</b>	<b>\$30,614,587</b>	<b>\$31,205,263</b>	<b>\$30,009,582</b>	<b>\$30,200,256</b>
<b>Total Ongoing</b>	<b>\$28,225,682</b>	<b>\$29,695,180</b>	<b>\$30,271,455</b>	<b>\$29,127,082</b>	<b>\$29,287,756</b>
<b>Total OTO</b>	<b>\$919,407</b>	<b>\$919,407</b>	<b>\$933,808</b>	<b>\$882,500</b>	<b>\$912,500</b>

**Funding**

The following table shows adopted program funding by source of authority.

Office of Public Instruction, 06-State Level Activities Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	22,531,776	0	0	22,531,776	34.26 %	
02001 School Lunch Program	93,597	0	0	93,597	15.23 %	
02012 Misc Grants/Contracts-Budgeted	0	0	0	0	0.00 %	
02019 Educational Improvement	0	0	200,000	200,000	32.55 %	
02402 Traffic & Safety Education	320,848	0	0	320,848	52.22 %	
<b>State Special Total</b>	<b>\$414,445</b>	<b>\$0</b>	<b>\$200,000</b>	<b>\$614,445</b>	<b>0.93 %</b>	
03002 Public Instruction	37,263,617	0	0	37,263,617	100.00 %	
<b>Federal Special Total</b>	<b>\$37,263,617</b>	<b>\$0</b>	<b>\$0</b>	<b>\$37,263,617</b>	<b>56.66 %</b>	
06067 Advanced Drivers Education	0	313,993	0	313,993	5.86 %	
06512 Indirect Cost Pool	0	5,044,208	0	5,044,208	94.14 %	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$5,358,201</b>	<b>\$0</b>	<b>\$5,358,201</b>	<b>8.15 %</b>	
<b>Total All Funds</b>	<b>\$60,209,838</b>	<b>\$5,358,201</b>	<b>\$200,000</b>	<b>\$65,768,039</b>		

Federal funds support 61.9% of the HB 2 budget, general funds support 37.4%, and state special revenue supports 0.7%.

State Special revenues fund the School Lunch Program and the Traffic and Safety Education Program. Revenues for the School Lunch Program are generated through reimbursements for the costs of shipping, handling, and other related costs of school food commodities used in the program. Traffic and Safety Education revenues are generated through a percentage of driver's license fees. Statutory appropriations are SB 410 (2015 legislature) donations to public schools and student scholarship organizations.

For a detailed discussion of programs funded with proprietary funds, see the discussion on proprietary rates.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	11,124,348	11,124,348	22,248,696	98.74 %	30,271,455	30,271,455	60,542,910	100.55 %
SWPL Adjustments	(121,846)	(100,776)	(222,622)	(0.99)%	(788,148)	(734,495)	(1,522,643)	(2.53)%
PL Adjustments	24,674	72,627	97,301	0.43 %	521,780	569,678	1,091,458	1.81 %
New Proposals	159,371	249,030	408,401	1.81 %	4,495	93,618	98,113	0.16 %
<b>Total Budget</b>	<b>\$11,186,547</b>	<b>\$11,345,229</b>	<b>\$22,531,776</b>		<b>\$30,009,582</b>	<b>\$30,200,256</b>	<b>\$60,209,838</b>	

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. "Statewide Present Law" adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(138,118)	(39,385)	(640,224)	(817,727)	0.00	(121,639)	(38,864)	(615,070)	(775,573)
DP 2 - Fixed Costs	0.00	15,386	291	10,212	25,889	0.00	17,720	360	12,712	30,792
DP 3 - Inflation Deflation	0.00	886	0	2,804	3,690	0.00	3,143	16	7,127	10,286
DP 53 - SWPLA Fixed Cost Reductions	0.00	(7,326)	(78)	(2,816)	(10,220)	0.00	(7,373)	(79)	(2,870)	(10,322)
DP 54 - SWPLA Fixed Cost Reductions Adjustment	0.00	(4,153)	0	0	(4,153)	0.00	(3,393)	0	0	(3,393)
DP 56 - Oracle License Funding Reinstatement	0.00	4,153	0	0	4,153	0.00	3,393	0	0	3,393
DP 618 - National Board Certification (Restricted/OTO)	0.00	0	0	0	0	0.00	30,000	0	0	30,000
DP 619 - National Board Certification	0.00	(18,000)	0	0	(18,000)	0.00	0	0	0	0
DP 633 - Federal Grant Award Adjustments - Pgm 06	0.00	0	0	500,000	500,000	0.00	0	0	500,000	500,000
DP 6271 - Audiological Services (Restricted/OTO)	0.00	50,000	0	0	50,000	0.00	50,000	0	0	50,000
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$97,172)</b>	<b>(\$39,172)</b>	<b>(\$130,024)</b>	<b>(\$266,368)</b>	<b>0.00</b>	<b>(\$28,149)</b>	<b>(\$38,567)</b>	<b>(\$98,101)</b>	<b>(\$164,817)</b>

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

DP 1 - Personal Services -

The legislature approved adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 53 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warrant writer, rent, and information technology.

DP 54 - SWPLA Fixed Cost Reductions Adjustment -

The legislature approved further reductions in fixed costs for rent and information technology.

DP 56 - Oracle License Funding Reinstatement -

The legislature increased funding for Oracle license costs included in the State Information Technology Service Division. The license costs are allocated through fixed cost adjustments

DP 618 - National Board Certification (Restricted/OTO) -

The legislature approved a one-time-only restricted general fund appropriation of \$30,000 in FY 2019 for the \$3,000 stipends in 20-4-134, MCA, for teachers who achieve National Board for Professional Teaching Standards certification. Base funding includes \$18,000 which brings the total appropriation to \$48,000 to fund the 16 teachers that OPI anticipates will be eligible for stipends in FY 2019.

DP 619 - National Board Certification -

The legislature approved a reduction in base funding of \$18,000 in FY 2018 only, for the \$3,000 stipends in 20-4-134, MCA, for teachers who achieve National Board for Professional Teaching Standards certification. OPI anticipates no teachers will be eligible for stipends in FY 2018.

DP 633 - Federal Grant Award Adjustments - Pgm 06 -

The legislature approved an increase in federal appropriation for personal services authority to cover part-time modified FTE. Changes in state and federal law do not allow the agency to contract for those services as in previous years.

DP 6271 - Audiological Services (Restricted/OTO) -

The legislature approved inflationary increases for contracted audiological services as required by 20-7-403(12), MCA, and for equipment replacement and maintenance.

**New Proposals**

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 51 - Additional 2% Vacancy Savings	0.00	(111,844)	(2,544)	(140,821)	(255,209)	0.00	(112,185)	(2,554)	(141,347)	(256,086)
DP 52 - Partial FY 2019 Base Budget Restoration	0.00	0	0	0	0	0.00	90,000	0	0	90,000
DP 555 - Rebase Appropriation	(3.20)	(548,285)	(11,511)	0	(559,796)	(3.20)	(548,285)	(11,511)	0	(559,796)
DP 556 - IT Convergence Savings	0.00	(13,000)	0	0	(13,000)	0.00	(13,000)	0	0	(13,000)
DP 6000 - Montana Digital Academy One Time Only Funding	0.00	832,500	0	0	832,500	0.00	832,500	0	0	832,500
<b>Total</b>	<b>(3.20)</b>	<b>\$159,371</b>	<b>(\$14,055)</b>	<b>(\$140,821)</b>	<b>\$4,495</b>	<b>(3.20)</b>	<b>\$249,030</b>	<b>(\$14,065)</b>	<b>(\$141,347)</b>	<b>\$93,618</b>

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

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

DP 52 - Partial FY 2019 Base Budget Restoration -

The legislature restored a portion of the 5% base reduction for FY 2019.

DP 555 - Rebase Appropriation -

The legislature approved reductions to the present law budget based on either the 5% reduction plans or FY 2016 reversions.

DP 556 - IT Convergence Savings -

The legislature approved reductions to agency information technology costs for savings generated by migrating information technology assets to the state data center and other enterprise IT solutions.

DP 6000 - Montana Digital Academy One Time Only Funding -

The legislature approved one-time-only general fund appropriation for the Montana Digital Academy. To receive the one-time-only funding in the second year of the biennium the academy must provide a detailed performance and fiscal report to the Legislative Fiscal Committee not later than May of 2018.

**Other Issues****Proprietary Program Description**

The State Level Activities program provides the following functions funded with proprietary funds. These programs are described separately along with a discussion of program expenses, revenues, and rates being requested to finance the program. There are two proprietary programs:

- Indirect Cost Pool
- Advanced Driver Education Program

*Indirect Cost Pool*

The OPI Indirect Cost Pool is an internal service fund used to allocate various centralized costs such as payroll, accounting, or budgeting to all of OPI's state and federally funded programs using a pre-approved indirect cost rate. Because the proprietary funds do not require an appropriation, they are not typically included in appropriation tables. Instead, the legislature approves the fees and charges that support the revenues for the program. The fees and charges approved in the general appropriations act are the maximum fees and charges that may be charged in the biennium.

*Program Description*

OPI's internal service fund is used to pool internal and statewide central service type costs that are charged back to all of the agency's state and federally funded programs using a pre-approved indirect cost rate.

Revenue - Indirect cost pool revenues are a function of the amount of expenditures recorded in the State Level Activities Program. Revenues are generated monthly by applying the approved indirect cost rate to the prior month's direct personal services and operating expenditures in both state and federally funded programs. OPI negotiated a three-year "predetermined rate" with the U.S. Department of Education. The negotiated rate for fiscal year 2017 is 17%. For fiscal years 2018 – 2020 OPI has proposed to keep the rate at 17%, the actual rate will be negotiated in December of 2017 and may be higher or lower than the proposed rate. The agency may not charge more than the lower of the rate negotiated with the Department of Education or the rate approved by the legislature, for FY 2017 the agency's rate is 16%.

Expenses – Indirect cost pool covers the expenses incurred by the 22.44 FTE, who provide administrative, finance, accounting and data management services to the rest of the agency. The rate also covers fees charged for services provided by other departments, including but not limited to warrant writing, worker's compensation fees, audit fees, rent, and grounds maintenance. The pool also covers termination payouts for staff, except the Superintendent and the Superintendents personal staff.

2019 Biennium Report on Internal Service and Enterprise Funds								
Agency # 35010	Agency Name: Office of Public Instruction		Program Name: State Level Activities					
	<b>Fund</b>	<b>Fund Name</b>						
	06512	Indirect Cost Pool						
			Actual FY14	Actual FY15	Actual FY16	Budgeted FY17	Budgeted FY18	Budgeted FY19
<b>Operating Revenues:</b>								
Fee and Charges								
Revenue A								
			6,072	7,096	8,694	8,700	8,700	8,700
<b>Total Operating Revenues</b>			6,072	7,096	8,694	8,700	8,700	8,700
<b>Expenses:</b>								
Personal Services								
			1,667,549	1,727,305	1,932,041	2,106,754	2,106,754	2,106,754
Other Operating Expenses								
			989,866	1,005,873	1,209,530	1,000,000	1,000,000	1,000,000
<b>Total Operating Expenses</b>			2,657,415	2,733,178	3,141,571	3,106,754	3,106,754	3,106,754
<b>Operating Income (Loss)</b>			(2,651,343)	(2,726,082)	(3,132,877)	(3,098,054)	(3,098,054)	(3,098,054)
Nonoperating Revenues:								
Other Revenue A								
			1,168,561	1,168,087	1,153,946	1,200,000	1,200,000	1,200,000
Other Revenue B								
			1,460,451	1,639,663	1,771,100	1,800,000	1,800,000	1,800,000
Nonoperating Expenses:								
<b>Total Nonoperating Revenues (Expenses)</b>			2,629,012	2,807,750	2,925,046	3,000,000	3,000,000	3,000,000
<b>Income (Loss) Before Contributions and Transfers</b>			(22,331)	81,668	(207,831)	(98,054)	(98,054)	(98,054)
<b>Change in Net Position</b>			(22,331)	81,668	(207,831)	(98,054)	(98,054)	(98,054)
<b>Beginning Net Position - July 1</b>			940,196	917,865	999,533	791,702	693,648	595,594
Change in Net Position			(22,331)	81,668	(207,831)	(98,054)	(98,054)	(98,054)
<b>Ending Net Position - June 30</b>			917,865	999,533	791,702	693,648	595,594	497,540
<b>Net Position (Fund Balance) Analysis</b>								

*Advanced Driver Education Program*

The Advanced Driver Education program (D.R.I.V.E.) is a seasonal, hands-on, behind-the-wheel crash avoidance program operated by the Health Enhancement and Safety Division of OPI at a training facility in Lewistown. The one-day course provides training to school bus drivers, driver education teachers, state employees, ambulance drivers, firefighters, road crews, and others who drive as a part of their employment. In operation since 1979, this program offers its services to employees of government services, fleet managers, and the public.

Revenue - Revenues are generated from workshop fees collected from program users (Authority Title 20 MCA). Typically, the program serves 450-500 participants a season. The current fee is \$315 for a full-day workshop per person. Program fees should remain within a range of \$315 - \$350 for the 2019 biennium. This should cover any unusual maintenance costs that are incurred during a season. It is anticipated that services will remain approximately the same as present for the 2019 biennium.

Expense Description - Cost drivers for fees include instructor expenses (includes salaries, travel and per diem); vehicle maintenance and operating expenses (fuel and repairs), classroom and track supplies, track lease, program advertising, and administration (planning, scheduling, registrations, advertising, professional development of staff, support services, etc.). Continued facility maintenance is anticipated to be an on-going cost.

Working Capital Discussion - This program is a summer seasonal program that operates 45-55 days during June, July, and August utilizing 13 – 16 vehicles. The program typically employs four professional instructors for each workshop (10 – 11

hours per day each) totaling 1.30 FTE. A director (0.15 FTE) and a program specialist (0.23 FTE) provide administrative support during the year. Most revenue is received in April - June through pre-paid workshop registrations. Most expenses are realized June through August, with continuing administrative expenses during the remainder of the year. The program requires 30 - 45% of its annual budget to be carried over into the next fiscal year to cover working expenses paid out.

Fund Equity and Reserved Fund Balance - In addition to operating expenses during non-revenue months, the program also incurs periodic (every 2 - 5 years) expenditures for replacement of vehicles and facility maintenance/improvement. Payment of these services requires accumulation and an amount of revenue to carryover from year of approximately 10 - 20% percent of its annual budget.

**Program Budget Comparison**

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Operating Expenses	2,552,728	2,613,213	60,485	2.37 %
Local Assistance	1,567,999,925	1,614,148,642	46,148,717	2.94 %
Grants	299,763,102	304,005,102	4,242,000	1.42 %
Transfers	1,115,680	1,015,680	(100,000)	(8.96)%
<b>Total Expenditures</b>	<b>\$1,871,431,435</b>	<b>\$1,921,782,637</b>	<b>\$50,351,202</b>	<b>2.69 %</b>
General Fund	1,553,296,403	1,599,639,855	46,343,452	2.98 %
State/Other Special Rev. Funds	18,806,250	18,672,000	(134,250)	(0.71)%
Federal Spec. Rev. Funds	299,328,782	303,470,782	4,142,000	1.38 %
<b>Total Funds</b>	<b>\$1,871,431,435</b>	<b>\$1,921,782,637</b>	<b>\$50,351,202</b>	<b>2.69 %</b>
<b>Total Ongoing</b>	<b>\$1,871,431,435</b>	<b>\$1,921,782,637</b>	<b>\$50,351,202</b>	<b>2.69 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Description**

The Local Education Activities Program is used by OPI to distribute state and federal funds to local education agencies.

**Program Highlights**

**Local Education Activities  
Major Budget Highlights**

The legislature approved a 2.7% increase or \$50.3 million in total appropriation compared to the 2017 biennium.

General fund appropriations for local assistance to school districts increased 3.0% or \$46.3 million:

- \$8.5 million increase - Annualize FY 2016 appropriation to FY 2017 base funding levels
- \$56.3 million increase - The legislature approved inflationary increases for per student funding, basic entitlement, and the five state funded components of BASE Aid and increases in enrollment
- \$19.2 million increase - The legislature approved an increase in general fund appropriation to adjust for anticipated loss in interest and revenue from the guarantee account
- \$1.0 million increase - The legislature approved an increase in appropriation for secondary vocational education
- \$1.5 million increase - The legislature approved an increase in funding for special education
- \$3.4 million increase - The legislature created the Coal Fired Generating Unit Mitigation Block Grant
- \$5.8 million increase - The legislature created a Natural Resource Development K-12 School Facilities payment
- 0.2 million increase - The legislature approved an increase in appropriation for auditing fees
- \$0.1 million increase - The legislature approved the state lands reimbursement block grants
- \$4.1 million decrease - The legislature eliminated the Natural Resource Development payment
- \$41.0 million decrease - The legislature eliminated the school district general fund block grants
- \$3.2 million decrease - The legislature redirected the excess oil and gas revenues to the guarantee account, reducing the need for general fund
- \$1.4 million decrease - The legislature approved targeted budget reductions to transportation and state tuition payments

State Special Revenue decreased by 0.7% or \$0.1 million. The legislature reduced base funding for state special revenue that is now statutorily appropriated

Federal grants increase by 1.4% or \$4.1 million

- \$1.1 million increase - Annualize FY 2016 appropriation to FY 2017 base funding levels
- \$2.0 million increase - The legislature approved higher levels of funding for school nutrition programs
- \$1.0 million increase - The legislature approved higher levels of funding for students with disabilities

**Program Actuals and Budget Comparison**

The following table compares the program's FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
Operating Expenses	1,225,278	1,246,129	1,306,599	1,306,605	1,306,608
Local Assistance	770,925,069	779,796,052	788,203,873	787,908,091	826,240,551
Grants	141,328,786	149,260,551	150,502,551	151,502,551	152,502,551
Transfers	509,269	607,840	507,840	507,840	507,840
<b>Total Expenditures</b>	<b>\$913,988,402</b>	<b>\$930,910,572</b>	<b>\$940,520,863</b>	<b>\$941,225,087</b>	<b>\$980,557,550</b>
General Fund	768,089,474	772,414,056	780,882,347	780,653,696	818,986,159
State/Other Special Rev. Funds	4,750,000	9,403,125	9,403,125	9,336,000	9,336,000
Federal Spec. Rev. Funds	141,148,928	149,093,391	150,235,391	151,235,391	152,235,391
<b>Total Funds</b>	<b>\$913,988,402</b>	<b>\$930,910,572</b>	<b>\$940,520,863</b>	<b>\$941,225,087</b>	<b>\$980,557,550</b>
<b>Total Ongoing</b>	<b>\$913,988,402</b>	<b>\$930,910,572</b>	<b>\$940,520,863</b>	<b>\$941,225,087</b>	<b>\$980,557,550</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Funding**

The following table shows adopted program funding by source of authority.

Office of Public Instruction, 09-Local Education Activities Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	1,599,639,855	0	0	1,599,639,855	79.29 %
02018 Guarantee Fund	0	0	81,858,759	81,858,759	71.66 %
02019 Educational Improvement	0	0	5,700,000	5,700,000	4.99 %
02218 School Facility & Tech Account	17,172,000	0	2,000,000	19,172,000	16.78 %
02402 Traffic & Safety Education	1,500,000	0	0	1,500,000	1.31 %
02584 State School Oil & Gas Impact	0	0	2,000,000	2,000,000	1.75 %
02587 State School Oil & Gas Distrib	0	0	4,000,000	4,000,000	3.50 %
<b>State Special Total</b>	<b>\$18,672,000</b>	<b>\$0</b>	<b>\$95,558,759</b>	<b>\$114,230,759</b>	<b>5.66 %</b>
03002 Public Instruction	0	0	0	0	0.00 %
03170 Grant Clearance Discretionary	303,470,782	0	0	303,470,782	100.00 %
<b>Federal Special Total</b>	<b>\$303,470,782</b>	<b>\$0</b>	<b>\$0</b>	<b>\$303,470,782</b>	<b>15.04 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$1,921,782,637</b>	<b>\$0</b>	<b>\$95,558,759</b>	<b>\$2,017,341,396</b>	

General Fund

In HB 2 general fund supports 83.2% of the distribution to school districts, federal 15.8% and state special revenue the remaining 1.0%.

Guarantee Account

The guarantee account is a state special revenue account statutorily appropriated to school funding (20-9-622, MCA). The guarantee account receives revenue generated from common school trust lands and the subsequent interest on the common school trust account.

School Facility and Technology Account

The school facility and technology account supports state subsidies for school debt from facilities bonds, technological improvements, and other infrastructure and facility needs. The school facility and technology account is funded from public

land trust power site rent under the provisions of 77-4-208(2), MCA and timber harvest income from school trust lands under the provisions of 20-9-516(2)(a), MCA.

Traffic & Safety Education

The Traffic & Safety Education account funds traffic education programs in Montana schools. Traffic and Safety Education revenues are generated from a percentage of drivers' license and commercial drivers' license fees.

State School Oil & Gas Impact

State School Oil & Gas Impact account provides support to schools that are not receiving oil and natural gas production taxes in an amount sufficient to address oil and natural gas development impacts.

Federal funds

Federal funds support school nutrition, special education, and professional development for educators.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	780,882,347	780,882,347	1,561,764,694	97.63 %	940,520,863	940,520,863	1,881,041,726	97.88 %
SWPL Adjustments	6	9	15	0.00 %	6	9	15	0.00 %
PL Adjustments	36,231,766	45,300,044	81,531,810	5.10 %	37,231,766	47,300,044	84,531,810	4.40 %
New Proposals	(36,460,423)	(7,196,241)	(43,656,664)	(2.73)%	(36,527,548)	(7,263,366)	(43,790,914)	(2.28)%
<b>Total Budget</b>	<b>\$780,653,696</b>	<b>\$818,986,159</b>	<b>\$1,599,639,855</b>		<b>\$941,225,087</b>	<b>\$980,557,550</b>	<b>\$1,921,782,637</b>	

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. "Statewide Present Law" adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 3 - Inflation Deflation	0.00	6	0	0	6	0.00	9	0	0	9
DP 902 - K-12 BASE Aid - Inflationary Increase	0.00	19,606,658	0	0	19,606,658	0.00	31,523,471	0	0	31,523,471
DP 930 - Guarantee Account Adjustment	0.00	10,347,813	0	0	10,347,813	0.00	8,897,428	0	0	8,897,428
DP 934 - Federal Grant Award Adjustments - Pgm 09	0.00	0	0	1,000,000	1,000,000	0.00	0	0	2,000,000	2,000,000
DP 9012 - K-12 BASE Aid - Adjustment For Spring Enrollment Count	0.00	6,277,295	0	0	6,277,295	0.00	4,879,145	0	0	4,879,145
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$36,231,772</b>	<b>\$0</b>	<b>\$1,000,000</b>	<b>\$37,231,772</b>	<b>0.00</b>	<b>\$45,300,053</b>	<b>\$0</b>	<b>\$2,000,000</b>	<b>\$47,300,053</b>

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

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 902 - K-12 BASE Aid - Inflationary Increase -

This present law adjustment increases general fund appropriation by \$51.1 million for the biennium and reflects inflationary increases for BASE Aid in accordance with 20-9-326, MCA of 1.37% in FY 2018 and 1.00% in FY 2019. The legislature offset this increase with a new proposal 9011 reducing inflation in the first year to 0.50% and increasing inflation in the second year to 1.87% for a net reduction of \$6.1 million for the biennium.

In previous versions of this report, this appropriation was classified as a new proposal.

DP 930 - Guarantee Account Adjustment -

The legislature approved an increase in general fund appropriation to offset an anticipated decrease in Guarantee Account revenue. The legislature adopted estimates for interest and revenue from the guarantee account lower than the base year by \$10.3 million in FY 2018 and \$8.9 million in FY 2019.

DP 934 - Federal Grant Award Adjustments - Pgm 09 -

The legislature approved an increase in federal appropriation for School Foods and IDEA B grants, net of reductions due to the end of the Striving Readers, School Improvement distribution to districts, and Mathematics and Science Partnership grants.

DP 9012 - K-12 BASE Aid - Adjustment For Spring Enrollment Count -

The legislature increased general fund appropriation for K-12 BASE aid to adjust for spring enrollment counts.

**New Proposals**

The "New Proposals" table shows new changes to expenditures.

New Proposals	Fiscal 2018					Fiscal 2019				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 50 - 5% Plan Adjustment	0.00	(675,000)	0	0	(675,000)	0.00	(675,000)	0	0	(675,000)
DP 938 - Reduce State School O&G Fund Base	0.00	0	(67,125)	0	(67,125)	0.00	0	(67,125)	0	(67,125)
DP 950 - Eliminate Natural Resource Dev Pmt	0.00	(2,521,889)	0	0	(2,521,889)	0.00	(1,622,610)	0	0	(1,622,610)
DP 952 - Excess Oil & Gas	0.00	(1,570,000)	0	0	(1,570,000)	0.00	(1,630,000)	0	0	(1,630,000)
DP 9011 - K-12 BASE Aid - Inflation (0.5%, 1.87%)	0.00	(6,083,061)	0	0	(6,083,061)	0.00	(40,942)	0	0	(40,942)
DP 9131 - At-Risk Student Pmt. - Inflationary Increase (0.5%, 1.87%)	0.00	26,819	0	0	26,819	0.00	127,622	0	0	127,622
DP 9251 - Auditing Fees Legislative Approved	0.00	100,000	0	0	100,000	0.00	100,000	0	0	100,000
DP 9410 - Special Education Increase	0.00	718,918	0	0	718,918	0.00	740,389	0	0	740,389
DP 9500 - Eliminate School District General Fund Block Grants	0.00	(28,715,484)	0	0	(28,715,484)	0.00	(12,246,974)	0	0	(12,246,974)
DP 9600 - Secondary Vocational Education	0.00	500,000	0	0	500,000	0.00	500,000	0	0	500,000
DP 9700 - Coal Fired Generating Unit Closure Mitigation Block Grant	0.00	1,693,274	0	0	1,693,274	0.00	1,693,274	0	0	1,693,274
DP 9800 - Natural Resource Development K-12 School Facilities Payment	0.00	0	0	0	0	0.00	5,800,000	0	0	5,800,000
DP 9900 - State Lands Reimbursement Block Grant	0.00	66,000	0	0	66,000	0.00	58,000	0	0	58,000
<b>Total</b>	<b>0.00</b>	<b>(\$36,460,423)</b>	<b>(\$67,125)</b>	<b>\$0</b>	<b>(\$36,527,548)</b>	<b>0.00</b>	<b>(\$7,196,241)</b>	<b>(\$67,125)</b>	<b>\$0</b>	<b>(\$7,263,366)</b>

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

DP 50 - 5% Plan Adjustment -

Statute requires state agencies to submit a plan to reduce base expenditures for general fund and certain state special revenues as part of its budget submission. The executive incorporated a portion of these reductions in the proposed budget. The legislature adopted reductions for general fund and certain state special revenues to bring the total base reduction for the agency to 5% of the 2017 base budget as outlined in statute, with some exceptions.

DP 938 - Reduce State School O&G Fund Base -

The legislature reduced base state special revenue oil and gas impact funding, the funds are now statutorily appropriated.

DP 950 - Eliminate Natural Resource Dev Pmt -

The legislature approved the elimination of the Natural Resource Development (NRD) payment to schools.

DP 952 - Excess Oil & Gas -

The legislature approved increases in funding to the state special revenue guarantee account and reductions in expenditures of the state general fund by a like amount.

DP 9011 - K-12 BASE Aid - Inflation (0.5%, 1.87%) -

The legislature approved inflationary increases of 0.50% in FY 2018 and 1.87% in FY 2019 for the basic and per-ANB entitlements, quality educator payment, Indian education for all payment, American Indian achievement gap payment, and the data for achievement payment. This is a reduction to the present law adjustment PL 902 of \$6.1 million in the first year of the biennium.

DP 9131 - At-Risk Student Pmt. - Inflationary Increase (0.5%, 1.87%) -

The legislature approved an increase in general fund appropriation for at-risk student payment. These increases represent a 0.50% increase in FY 2018 and 1.87% increase in FY 2019.

DP 9251 - Auditing Fees Legislative Approved -

The legislature approved an increase in general fund appropriation to fund school district audit filing fees paid to the Department of Administration in accordance with 2-7-514(2), MCA, and ARM 2.4.402.

DP 9410 - Special Education Increase -

The legislature increased the general fund appropriation for special education allowable costs and associated increase in guaranteed tax base aid.

DP 9500 - Eliminate School District General Fund Block Grants -

The legislature eliminated the school district general fund block grants totaling \$54 million in each year of the biennium. This reduction is offset by increases in guaranteed tax base (GTB) aid and reflects an increase in GTB ratio from 193% to 216% in the second year of the biennium as prescribed in HB 647.

DP 9600 - Secondary Vocational Education -

The legislature increased general fund appropriations for vocational education in each year of the biennium. This is an ongoing appropriation.

DP 9700 - Coal Fired Generating Unit Closure Mitigation Block Grant -

The legislature approved a general fund appropriation for coal fired generating unit closure mitigation block grants as prescribed in HB 647.

DP 9800 - Natural Resource Development K-12 School Facilities Payment -

The legislature approved a general fund appropriation to support the Natural Resource Development K-12 school facilities payment as prescribed in HB 647.

DP 9900 - State Lands Reimbursement Block Grant -

The legislature approved and the executive signed into law SB 95 which provides for a \$100,000 block grant in each year of the biennium to school districts that reside in a county that is composed of more than 20 percent state trust lands by area. The Block grant is offset by savings in guaranteed tax base aid of \$34,000 in FY 2018 and \$42,000 in FY 2019.

**Agency Budget Comparison**

The following table compares the 2017 biennium appropriated budget to the 2019 biennium appropriated budget by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	464,270	489,825	25,555	5.50 %
Operating Expenses	255,339	247,498	(7,841)	(3.07)%
Debt Service	3,564	0	(3,564)	(100.00)%
<b>Total Expenditures</b>	<b>\$723,173</b>	<b>\$737,323</b>	<b>\$14,150</b>	<b>1.96 %</b>
General Fund	365,974	300,056	(65,918)	(18.01)%
State/Other Special Rev. Funds	357,199	437,267	80,068	22.42 %
<b>Total Funds</b>	<b>\$723,173</b>	<b>\$737,323</b>	<b>\$14,150</b>	<b>1.96 %</b>
<b>Total Ongoing</b>	<b>\$663,173</b>	<b>\$677,323</b>	<b>\$14,150</b>	<b>2.13 %</b>
<b>Total OTO</b>	<b>\$60,000</b>	<b>\$60,000</b>	<b>\$0</b>	<b>0.00 %</b>

**Agency Description**

The Montana Constitution in Article X, section 9 created and empowered the Board of Public Education (BPE) to supervise, serve, maintain, and strengthen Montana's system of free quality public elementary and secondary schools. The purpose of the is board to promote high academic achievement for all Montana students.

Activities of the BPE:

- General supervision over the K-12 public school system
- General supervision of the Montana School for the Deaf and Blind
- Establishing accreditation standards for schools
- Establishing the accreditation status of each school
- Overseeing teacher certification
- Standardization of policies and programs

Per 20-2-101, MCA, the board combines with the Board of Regents to create the State Board of Education. The State Board of Education is responsible for general planning, coordination, and evaluation of the state education system, and for developing and submitting to the legislature the unified budget for Montana's educational system.

**Agency Highlights**

<b>Board of Public Education Major Budget Highlights</b>	
<ul style="list-style-type: none"> <li>• The legislature established the base budget for each year of the 2017 biennium at the level of the FY 2017 appropriation.</li> <li>• The total 2019 biennium general fund appropriation decreased by \$65,918 or 18.0% compared to the 2017 biennium                             <ul style="list-style-type: none"> <li>◦ \$8,882 decrease - Annualized FY 2016 expenses to FY 2017 base budget funding level</li> <li>◦ \$60,000 decrease - Appropriation for legal services switched from general fund to state special revenue.</li> <li>◦ \$3,564 decrease - Appropriation for debt service was eliminated, the debt was retired</li> <li>◦ \$6,528 increase - Appropriation for fixed cost and inflation</li> </ul> </li> <li>• The total 2019 biennium state special revenue appropriation increased by \$80,068 or 22.4% compared to the 2017 biennium                             <ul style="list-style-type: none"> <li>◦ \$1,215 increase - Annualized FY 2016 expenses to FY 2017 base budget funding level</li> <li>◦ \$60,000 increase - Appropriation for legal services switched from general fund to state special revenue.</li> <li>◦ \$18,853 increase - Appropriation for statewide present law adjustment for personal services</li> </ul> </li> <li>• The agency is not subject to vacancy savings</li> </ul>	

**Agency Actuals and Budget Comparison**

The following table compares the 2017 biennium appropriated budget to the 2019 biennium appropriated budget by type of expenditure and source of funding.

Agency Actuals and Budget Comparison						
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019	
FTE	3.00	3.00	3.00	3.00	3.00	3.00
Personal Services	214,237	228,784	235,486	244,804	245,021	
Operating Expenses	94,148	134,854	120,485	131,432	116,066	
Debt Service	0	1,782	1,782	0	0	
<b>Total Expenditures</b>	<b>\$308,385</b>	<b>\$365,420</b>	<b>\$357,753</b>	<b>\$376,236</b>	<b>\$361,087</b>	
General Fund	144,736	187,428	178,546	157,711	142,345	
State/Other Special Rev. Funds	163,649	177,992	179,207	218,525	218,742	
<b>Total Funds</b>	<b>\$308,385</b>	<b>\$365,420</b>	<b>\$357,753</b>	<b>\$376,236</b>	<b>\$361,087</b>	
<b>Total Ongoing</b>	<b>\$291,869</b>	<b>\$335,420</b>	<b>\$327,753</b>	<b>\$346,236</b>	<b>\$331,087</b>	
<b>Total OTO</b>	<b>\$16,516</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$30,000</b>	

**Summary of Legislative Action**

The legislature approved an increase in total appropriation of \$14,150 or a 2.0% increase compared to appropriation for 2017 biennium. Funding for legal services in the 2017 biennium were appropriated from the general fund. For the 2019 biennium the legislature switched the funding for legal fees to state special revenue and retained the OTO designation.

**Funding**

The following table shows adopted agency funding by source of authority. Funding for each program is discussed in detail in the individual program narratives.

Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	300,056	0	0	0	300,056	40.70 %
State Special Total	377,267	60,000	0	0	437,267	59.30 %
Federal Special Total	0	0	0	0	0	0.00 %
Proprietary Total	0	0	0	0	0	0.00 %
Other Total	0	0	0	0	0	0.00 %
<b>Total All Funds</b>	<b>\$677,323</b>	<b>\$60,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$737,323</b>	
<b>Percent - Total All Sources</b>	<b>91.86 %</b>	<b>8.14 %</b>	<b>0.00 %</b>	<b>0.00 %</b>		

The Board of Public Education is funded through a combination of general fund and state special funds. Unlike previous biennium where funding was evenly split between general fund and state special revenue, the legislature funded 40.7% of the budget with general fund and the remainder, 59.3%, with state special revenue. State special revenue is provided by teacher certification fees of \$6.00 per year. By statute, these fees are collected by OPI and deposited into two accounts: two-thirds (2/3) of the fees are deposited in the advisory council which supports the activities of The Certification Standards and Practices Advisory Council (CSPAC), and one-third is deposited into the research fund and used to fund the statutory duties of the BPE and CSPAC.

All revenue to the advisory council fund is expended each year before general fund is expended. As originally created, the research fund was to be a reserve for special projects. Statute was changed to allow for the appropriation of a portion of the fund for operations with the balance reserved for special projects. Historical revenues and expenditures over the last five years are in line with the plan adopted by the legislature for both funds.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	148,546	148,546	297,092	99.01 %	327,753	327,753	655,506	88.90 %
SWPL Adjustments	11,029	(4,338)	6,691	2.23 %	20,347	5,197	25,544	3.46 %
PL Adjustments	(1,864)	(1,863)	(3,727)	(1.24)%	(1,864)	(1,863)	(3,727)	(0.51)%
New Proposals	0	0	0	0.00 %	30,000	30,000	60,000	8.14 %
<b>Total Budget</b>	<b>\$157,711</b>	<b>\$142,345</b>	<b>\$300,056</b>		<b>\$376,236</b>	<b>\$361,087</b>	<b>\$737,323</b>	

**Executive Budget Comparison**

The following table compares the legislative budget for the biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2017	Executive Budget Fiscal 2018	Legislative Budget Fiscal 2018	Leg — Exec. Difference Fiscal 2018	Executive Budget Fiscal 2019	Legislative Budget Fiscal 2019	Leg — Exec. Difference Fiscal 2019	Biennium Difference Fiscal 18-19
FTE	3.00	3.00	3.00	0.00	3.00	3.00	0.00	0.00
Personal Services	235,486	244,804	244,804	0	245,021	245,021	0	0
Operating Expenses	120,485	131,514	131,432	(82)	116,147	116,066	(81)	(163)
Debt Service	1,782	0	0	0	0	0	0	0
<b>Total Costs</b>	<b>\$357,753</b>	<b>\$376,318</b>	<b>\$376,236</b>	<b>(\$82)</b>	<b>\$361,168</b>	<b>\$361,087</b>	<b>(\$81)</b>	<b>(\$163)</b>
General Fund	178,546	157,793	157,711	(82)	142,426	142,345	(81)	(163)
State/other Special Rev. Funds	179,207	218,525	218,525	0	218,742	218,742	0	0
<b>Total Funds</b>	<b>\$357,753</b>	<b>\$376,318</b>	<b>\$376,236</b>	<b>(\$82)</b>	<b>\$361,168</b>	<b>\$361,087</b>	<b>(\$81)</b>	<b>(\$163)</b>
<b>Total Ongoing</b>	<b>\$327,753</b>	<b>\$346,318</b>	<b>\$346,236</b>	<b>(\$82)</b>	<b>\$331,168</b>	<b>\$331,087</b>	<b>(\$81)</b>	<b>(\$163)</b>
<b>Total OTO</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$0</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$0</b>	<b>\$0</b>

In addition to all executive proposals the legislature approved statewide present law adjustments (SWPLA) for fixed costs which reduce general fund by \$163 when compared to the executive request.

**Program Actuals and Budget Comparison**

The following table compares the program’s FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	3.00	3.00	3.00	3.00	3.00
Personal Services	214,237	228,784	235,486	244,804	245,021
Operating Expenses	94,148	134,854	120,485	131,432	116,066
Debt Service	0	1,782	1,782	0	0
<b>Total Expenditures</b>	<b>\$308,385</b>	<b>\$365,420</b>	<b>\$357,753</b>	<b>\$376,236</b>	<b>\$361,087</b>
General Fund	144,736	187,428	178,546	157,711	142,345
State/Other Special Rev. Funds	163,649	177,992	179,207	218,525	218,742
<b>Total Funds</b>	<b>\$308,385</b>	<b>\$365,420</b>	<b>\$357,753</b>	<b>\$376,236</b>	<b>\$361,087</b>
<b>Total Ongoing</b>	<b>\$291,869</b>	<b>\$335,420</b>	<b>\$327,753</b>	<b>\$346,236</b>	<b>\$331,087</b>
<b>Total OTO</b>	<b>\$16,516</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$30,000</b>

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. “Statewide Present Law” adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	9,318	0	9,318	0.00	0	9,535	0	9,535
DP 2 - Fixed Costs	0.00	11,081	0	0	11,081	0.00	(4,297)	0	0	(4,297)
DP 3 - Inflation Deflation	0.00	(52)	0	0	(52)	0.00	(41)	0	0	(41)
DP 5 - Reduce Unused Debt Service	0.00	(1,782)	0	0	(1,782)	0.00	(1,782)	0	0	(1,782)
DP 53 - SWPLA Fixed Cost Reductions	0.00	(82)	0	0	(82)	0.00	(81)	0	0	(81)
DP 54 - SWPLA Fixed Cost Reductions Adjustment	0.00	(65)	0	0	(65)	0.00	(53)	0	0	(53)
DP 56 - Oracle License Funding Reinstatement	0.00	65	0	0	65	0.00	53	0	0	53
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$9,165</b>	<b>\$9,318</b>	<b>\$0</b>	<b>\$18,483</b>	<b>0.00</b>	<b>(\$6,201)</b>	<b>\$9,535</b>	<b>\$0</b>	<b>\$3,334</b>

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

DP 1 - Personal Services -

The legislature approved adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 5 - Reduce Unused Debt Service -

The legislature approved a reduction in base debt service authority in each year of the 2019 biennium, since it is no longer needed.

DP 53 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warrant writer, rent, and information technology.

DP 54 - SWPLA Fixed Cost Reductions Adjustment -

The legislature approved further reductions in fixed costs for rent and information technology.

DP 56 - Oracle License Funding Reinstatement -

The legislature increased funding for Oracle license costs included in the State Information Technology Service Division. The license costs are allocated through fixed cost adjustments.

**New Proposals**

The “New Proposals” table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 4 - Legal Fees RST/OTO	0.00	0	30,000	0	30,000	0.00	0	30,000	0	30,000
<b>Total</b>	<b>0.00</b>	<b>\$0</b>	<b>\$30,000</b>	<b>\$0</b>	<b>\$30,000</b>	<b>0.00</b>	<b>\$0</b>	<b>\$30,000</b>	<b>\$0</b>	<b>\$30,000</b>

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

DP 4 - Legal Fees RST/OTO -

The legislature approved restricted, one-time-only appropriation of state special revenue for legal fees.

### Agency Budget Comparison

The following table compares the 2017 biennium appropriated budget to the 2019 biennium appropriated budget by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	14,350,731	13,658,987	(691,744)	(4.82)%
Operating Expenses	16,154,790	15,878,152	(276,638)	(1.71)%
Equipment & Intangible Assets	51,251	42,630	(8,621)	(16.82)%
Local Assistance	26,732,438	26,075,929	(656,509)	(2.46)%
Grants	30,149,259	31,807,229	1,657,970	5.50 %
Benefits & Claims	97,051,074	97,651,074	600,000	0.62 %
Transfers	465,473,095	446,420,952	(19,052,143)	(4.09)%
Debt Service	25,364	25,364	0	0.00 %
<b>Total Expenditures</b>	<b>\$649,988,002</b>	<b>\$631,560,317</b>	<b>(\$18,427,685)</b>	<b>(2.84)%</b>
General Fund	473,109,567	448,381,153	(24,728,414)	(5.23)%
State/Other Special Rev. Funds	42,025,152	43,813,364	1,788,212	4.26 %
Federal Spec. Rev. Funds	133,770,298	138,304,677	4,534,379	3.39 %
Proprietary Funds	1,082,985	1,061,123	(21,862)	(2.02)%
<b>Total Funds</b>	<b>\$649,988,002</b>	<b>\$631,560,317</b>	<b>(\$18,427,685)</b>	<b>(2.84)%</b>
<b>Total Ongoing</b>	<b>\$630,705,466</b>	<b>\$630,650,317</b>	<b>(\$55,149)</b>	<b>(0.01)%</b>
<b>Total OTO</b>	<b>\$19,282,536</b>	<b>\$910,000</b>	<b>(\$18,372,536)</b>	<b>(95.28)%</b>

### Agency Description

The mission of the Office of Commissioner of Higher Education is to serve students through the delivery of high quality, accessible postsecondary educational opportunities, while actively participating in the preservation and advancement of Montana's economy and society.

The Office of the Commissioner of Higher Education (OCHE) is the state-level administrative organization of the Montana University System (MUS). The Montana Constitution, Article X, Section 9, grants governance authority over the MUS to the Board of Regents (Regents), with seven members appointed by the Governor. All state funds appropriated by the legislature to the Regents for the support of the MUS are channeled through OCHE. The Constitution charges the Regents with hiring a Commissioner of Higher Education (CHE) who serves as its executive staff. The agency's 11 programs are:

1. Administration\* - General administration of the Montana University System including system-level academic, financial, legal, and labor management functions.
2. Student Financial Assistance\* - Financial assistance programs for students attending units of the Montana University System. Programs include several state and federal funded grant programs, state support for professional student exchange programs, and loan repayment assistance programs.
3. Improving Teacher Quality\* - A federally funded program intended to provide professional development and teacher training that improves teaching methods and teaching skills in the classroom.
4. Community College Assistance - State funding for the three community colleges as calculated using a statutory funding formula. The community colleges in Kalispell, Glendive, and Miles City collectively serve about 1,900 resident full-time equivalent (FTE) students.
5. MUS Group Health Insurance - This program administers a system-wide group benefit program for MUS campuses, agencies, and programs, and the state's community colleges. Both the employer and the employee participate in the cost of this program.
6. Educational Outreach and Diversity Program\* - A primarily federally funded program that serves at-risk and underrepresented populations to increase participation and retention in postsecondary education.
7. MUS Self-Insured Workers' Compensation - Since July 2003, this program manages the MUS self-insured workers' compensation program. All workers' compensation insurance for the MUS is provided through this program.
8. Workforce Development\* - OCHE and the Office of Public Instruction coordinate the primarily federally funded efforts to support vocational education at the secondary and postsecondary levels.
9. Appropriation Distribution\* - State funding for the university educational units as a lump sum appropriation. The MUS campuses collectively serve approximately 26,000 resident FTE students. University units include:

UM Missoula  
UM MT Tech  
UM Western  
UM Helena  
MSU Bozeman  
MSU Billings  
MSU Northern  
MSU Great Falls

10. Research and Development Agencies - Funding for the agencies that aid in research, scientific experimentation, and professional and community development. Agencies include:
  - Agricultural Experiment Station
  - Extension Service
  - Forestry and Conservation Experiment Station
  - Bureau of Mines & Geology
  - Fire Services Training School
11. Tribal College Assistance - Provides funding to Montana tribal colleges to support a portion of the cost of educating non-beneficiary Montana students (non-tribal members) attending the seven tribal colleges on the reservations in Montana.
12. Guaranteed Student Loan Program\* - Guarantees student loans that were made by private lenders to higher education students in Montana under the former Federal Family Education Loan Program prior to July 1, 2010. After July 1, all federal student loans are issued and serviced through the U.S. Department of Education's William D. Ford Direct Loan Program.
13. Board of Regents\* - This program provides travel and per diem expenses for the Board of Regents.

\*Since the 1995 legislative session, the legislature has appropriated the university educational units and several programs of OCHE as single, lump-sum appropriations. Thus, the legislature determines the size of these budgets, but the Regents make the ultimate funding allocations to the various university campuses and programs.

For additional, information, please refer to the agency profile. The profile may be viewed at: [http://leg.mt.gov/content/Publications/fiscal/Budget-Books/2019/Budget-Analysis/section\\_e/5102-00agency-profile.pdf](http://leg.mt.gov/content/Publications/fiscal/Budget-Books/2019/Budget-Analysis/section_e/5102-00agency-profile.pdf)

### Agency Highlights

**Commissioner of Higher Education  
Major Budget Highlights**

- The legislature approved a budget decrease of 2.8% or \$18.4 million compared to the previous biennium
- The legislature signed a Shared Policy Goal with the Commissioner of Higher Education, establishing efficiency benchmarks for state support per resident FTE
- The legislature approved an authority increase for federal funds for GEAR UP grants in Educational Outreach & Diversity
- The legislature funded the state share of the community college funding formula at 48.2% in the 2019 biennium
- The legislature approved one-time-only funding for the AES Seed Lab and Wool Lab
- The legislature restored partial funding for Extension Service and Fire School Training Services
- The legislature approved expansion of the Family Practice Rural Residency program including adding psychiatry residency slots

### Agency Actuals and Budget Comparison

The following table compares the 2017 biennium appropriated budget to the 2019 biennium appropriated budget by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	89.90	89.90	89.90	89.90	89.90
Personal Services	5,773,156	6,970,416	7,380,315	6,824,334	6,834,653
Operating Expenses	5,724,454	8,243,336	7,911,454	7,962,053	7,916,099
Equipment & Intangible Assets	29,936	29,936	21,315	21,315	21,315
Local Assistance	13,341,670	13,341,670	13,390,768	13,037,046	13,038,883
Grants	14,880,633	16,007,793	14,141,466	15,825,761	15,981,468
Benefits & Claims	24,361,683	48,225,537	48,825,537	48,825,537	48,825,537
Transfers	237,746,119	238,871,890	226,601,205	223,457,868	222,963,084
Debt Service	0	12,682	12,682	12,682	12,682
<b>Total Expenditures</b>	<b>\$301,857,651</b>	<b>\$331,703,260</b>	<b>\$318,284,742</b>	<b>\$315,966,596</b>	<b>\$315,593,721</b>
General Fund	240,573,630	241,663,673	231,445,894	224,256,176	224,124,977
State/Other Special Rev. Funds	20,987,604	21,111,272	20,913,880	22,022,071	21,791,293
Federal Spec. Rev. Funds	39,822,469	68,386,895	65,383,403	69,157,955	69,146,722
Proprietary Funds	473,948	541,420	541,565	530,394	530,729
<b>Total Funds</b>	<b>\$301,857,651</b>	<b>\$331,703,260</b>	<b>\$318,284,742</b>	<b>\$315,966,596</b>	<b>\$315,593,721</b>
<b>Total Ongoing</b>	<b>\$284,908,917</b>	<b>\$314,461,992</b>	<b>\$316,243,474</b>	<b>\$315,511,596</b>	<b>\$315,138,721</b>
<b>Total OTO</b>	<b>\$16,948,734</b>	<b>\$17,241,268</b>	<b>\$2,041,268</b>	<b>\$455,000</b>	<b>\$455,000</b>

### Summary of Legislative Action

The 2017 Legislature approved \$631.6 million in total appropriated funds in the 2019 biennium, which is an \$18.4 million decrease from the 2017 biennium. The decrease was primarily a reduction in the Montana Research and Economic Development Initiative, Governor's Best & Brightest Scholarship, and Quality Educator Loan Forgiveness one-time-only appropriations during the 2017 biennium. Ongoing appropriations remained essentially equivalent to the previous biennium.

Of the \$631.6 million in total funds, 73.6% (\$464.9 million) will be distributed to higher education institutions and agencies:

- \$380.2 million to the MUS education units
- \$57.2 million to the research and development agencies
- \$25.8 million to community college assistance
- \$1.7 million to the tribal colleges for state support of non-beneficiary students

3.3% (\$20.5 million) of the MUS budget is for Student Financial Assistance programs. The types of assistance include:

- Grants and scholarships
- Work study
- Student loan repayment assistance
- Professional student exchange programs (WICHE, WWAMI, Minnesota Dental, and WIMU veterinary)

\$138.7 million (22%) of the MUS budget is for educational outreach & diversity, workforce development, improving teacher quality, and the guaranteed student loan program, all of which are funded from federal grants and federal reimbursements.

The remaining 1.2% of the MUS budget is for the Board of Regents administrative expenses and the Office of the Commissioner of Higher Education staff.

The state employee pay plan, as authorized in SB 294 will provide a 1.0% pay increase occurring on February 15 each fiscal year of the biennium. The pay plan increase of \$4.7 million over the biennium is not included in the budget numbers of this agency.

#### *Shared Policy Goal*

The 2017 Legislature signed a shared policy goal with the Commissioner of Higher Education. The shared policy goal is based upon developing a weighted average of state support per resident FTE, funding comparisons to regional peers, and median income to create efficiency benchmarks for the state support per resident FTE within the MUS educational units.

#### *Board of Regents Action*

The Board of Regents have the sole authority to establish tuition for the Montana University System. At its May 2017 meeting, the Board of Regents approved resident tuition increases for each campus of the Montana University System for the 2019 biennium.

For the tuition rates approved by the Board of Regents at the May 2017 meeting visit the following address <http://mus.edu/board/meetings/agendas-and-minutes.asp>.

#### *MUS Educational Units*

The legislature approved a biennial budget decrease for the MUS educational units of \$4.5 million or 1.2%.

#### *Research & Development Agencies*

The legislature approved a biennial budget decrease for the five research and development agencies of \$0.9 million or 1.6%. The legislature added \$0.9 million in one-time-only funding for the AES Wool Lab, AES Seed Lab, and the MBMG Data Preservation Project for the 2019 biennium.

#### *Community College Assistance*

The statutory funding formula was used to calculate the general fund appropriation to the community colleges. The legislature adopted a state percent share of 48.2% as a matter of public policy for the 2019 biennium. The biennial budget decrease for the community colleges is \$0.6 million or 2.5%. In addition, the legislature adopted a maximum state support per resident student FTE of \$9,518.

*Student Assistance*

The legislature funded the student professional programs at a level intended to continue the resident slots available to Montana students. Funding for the present law adjustment was allocated from the Montana Rural Physicians Incentive Program (MrPiP) state special revenue account for the 2019 biennium.

**Funding**

The following table shows adopted agency funding by source of authority. Funding for each program is discussed in detail in the individual program narratives.

Total Commissioner of Higher Education Funding by Source of Authority 2019 Biennium Budget Request - Commissioner of Higher Education						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	448,071,153	310,000	0	3,483,739	451,864,892	49.61 %
State Special Total	43,213,364	600,000	0	5,191,472	49,004,836	5.38 %
Federal Special Total	138,304,677	0	0	0	138,304,677	15.19 %
Proprietary Total	1,061,123	0	270,530,504	0	271,591,627	29.82 %
Other Total	0	0	0	0	0	0.00 %
<b>Total All Funds</b>	<b>\$630,650,317</b>	<b>\$910,000</b>	<b>\$270,530,504</b>	<b>\$8,675,211</b>	<b>\$910,766,032</b>	
<b>Percent - Total All Sources</b>	<b>69.24 %</b>	<b>0.10 %</b>	<b>29.70 %</b>	<b>0.95 %</b>		

HB 2 funds are primarily general fund. Also included is state special revenue from the six-mill levy and federal funds from various federal education grant programs and program fees earned in the Montana Guaranteed Student Loan Program. A portion of funding is also derived from statutory appropriations.

*Non-Budgeted Proprietary Funds*

The agency administers two programs funded by enterprise funds:

- MUS Self-Funded Workers' Compensation
- MUS Group Health Insurance

The legislature does not appropriate enterprise funds or approve rates for the programs. Instead, the legislature reviews the funds and identifies any concerns with the financial position of the funds.

**Budget Summary by Category**

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	229,704,626	229,704,626	459,409,252	102.46 %	316,243,474	316,243,474	632,486,948	100.15 %
SWPL Adjustments	56,828	2,114	58,942	0.01 %	(209,212)	(274,633)	(483,845)	(0.08)%
PL Adjustments	926,540	341,969	1,268,509	0.28 %	5,653,962	5,238,559	10,892,521	1.72 %
New Proposals	(6,431,818)	(5,923,732)	(12,355,550)	(2.76)%	(5,721,628)	(5,613,679)	(11,335,307)	(1.79)%
<b>Total Budget</b>	<b>\$224,256,176</b>	<b>\$224,124,977</b>	<b>\$448,381,153</b>		<b>\$315,966,596</b>	<b>\$315,593,721</b>	<b>\$631,560,317</b>	

**Other Legislation**

*HB 647 - Companion Bill*

The legislature approved HB 647 companion bill for section E with the following items specific to OCHE:

- Transfer of \$0.2 million for Fire Services Training School from the fire suppression fund, it is the intent of the legislature that general fund will be the funding source in future biennium
- Statutory changes to the funding formula for community colleges
- Transfer of \$0.4 million from MrPiP and \$0.4 million from general fund for Family Rural Residency Program over the biennium

**Executive Budget Comparison**

The following table compares the legislative budget for the biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2017	Executive Budget Fiscal 2018	Legislative Budget Fiscal 2018	Leg — Exec. Difference Fiscal 2018	Executive Budget Fiscal 2019	Legislative Budget Fiscal 2019	Leg — Exec. Difference Fiscal 2019	Biennium Difference Fiscal 18-19
FTE	89.90	89.90	89.90	0.00	89.90	89.90	0.00	0.00
Personal Services	7,380,315	6,972,481	6,824,334	(148,147)	6,983,020	6,834,653	(148,367)	(296,514)
Operating Expenses	7,911,454	7,962,474	7,962,053	(421)	7,886,514	7,916,099	29,585	29,164
Equipment & Intangible Assets	21,315	21,315	21,315	0	21,315	21,315	0	0
Local Assistance	13,390,768	13,061,684	13,037,046	(24,638)	13,008,776	13,038,883	30,107	5,469
Grants	14,141,466	15,825,761	15,825,761	0	15,981,468	15,981,468	0	0
Benefits & Claims	48,825,537	48,825,537	48,825,537	0	48,825,537	48,825,537	0	0
Transfers	226,601,205	227,597,314	223,457,868	(4,139,446)	227,661,036	222,963,084	(4,697,952)	(8,837,398)
Debt Service	12,682	12,682	12,682	0	12,682	12,682	0	0
<b>Total Costs</b>	<b>\$318,284,742</b>	<b>\$320,279,248</b>	<b>\$315,966,596</b>	<b>(\$4,312,652)</b>	<b>\$320,380,348</b>	<b>\$315,593,721</b>	<b>(\$4,786,627)</b>	<b>(\$9,099,279)</b>
General Fund	231,445,894	228,849,307	224,256,176	(4,593,131)	228,365,153	224,124,977	(4,240,176)	(8,833,307)
State/other Special Rev. Funds	20,913,880	21,653,370	22,022,071	368,701	22,249,386	21,791,293	(458,093)	(89,392)
Federal Spec. Rev. Funds	65,383,403	69,240,192	69,157,955	(82,237)	69,229,087	69,146,722	(82,365)	(164,602)
Other	541,565	536,379	530,394	(5,985)	536,722	530,729	(5,993)	(11,978)
<b>Total Funds</b>	<b>\$318,284,742</b>	<b>\$320,279,248</b>	<b>\$315,966,596</b>	<b>(\$4,312,652)</b>	<b>\$320,380,348</b>	<b>\$315,593,721</b>	<b>(\$4,786,627)</b>	<b>(\$9,099,279)</b>
<b>Total Ongoing</b>	<b>\$316,243,474</b>	<b>\$320,279,248</b>	<b>\$315,511,596</b>	<b>(\$4,767,652)</b>	<b>\$320,380,348</b>	<b>\$315,138,721</b>	<b>(\$5,241,627)</b>	<b>(\$10,009,279)</b>
<b>Total OTO</b>	<b>\$2,041,268</b>	<b>\$0</b>	<b>\$455,000</b>	<b>\$455,000</b>	<b>\$0</b>	<b>\$455,000</b>	<b>\$455,000</b>	<b>\$910,000</b>

The legislature approved a budget that is \$9.1 million less than the proposed executive budget for the 2019 biennium.

The major differences in the legislative budget compared to the executive budget are:

- The legislature adopted an additional 2% vacancy savings -- a difference of \$0.1 million
- The legislature established the state's share of the community colleges' cost of education at 48.2% in the 2019 biennium compared to the executive proposal to use 50.8% as the state's share. The legislature used the

statutorily required funding formula to establish a variable cost of education (COE) of \$3,278 compared to the executive's proposed COE of \$2,863

- The legislature reduced the educational units 1.2% in the 2019 biennium from the 2017 biennium base budget -- a difference of \$10.7 million
- The legislature implemented an increase of 2.0% or \$1.1 million for the five research and public service agencies affiliated with the Montana University System
- The legislature reduced funding for the student assistance program 5.1% in the 2019 biennium. The reduction is primarily the result of reduced funding for the Governor's Best & Brightest Scholarship and the Quality Educator Loan Assistance program which were one-time-only in the 2017 biennium -- a difference of \$1.1 million

### **Language and Statutory Authority**

The legislature included the following language in HB 2:

"Items designated as OCHE Administration (01), Student Assistance (02), Improving Teacher Quality (03), Educational Outreach and Diversity (06), Workforce Development (08), Appropriation Distribution Transfers (09), Guaranteed Student Loan (12), and the Board of Regents (13) are designated as biennial appropriations."

"General fund money, state and federal special revenue and proprietary fund revenue appropriated to the board of regents are included in all Montana university system programs. All other public funds received by units of the Montana university system (other than plant funds appropriated in HB 5, relating to long-range building) are appropriated to the board of regents and may be expended under the provisions of 17-7-138(2), MCA. The board of regents shall allocate the appropriations to individual university system units, as defined in 17-7-102(13), MCA, according to board policy."

"The Montana University system, except the office of the commissioner of higher education and the community colleges, shall provide the office of budget and program planning and the legislative fiscal division banner access to the entire university system's information system, except for information pertaining to individual students and individual employees that is protected by Article II, sections 9 and 10, of the Montana constitution, 20-25-515, or the Family Educational Rights and Privacy Act of 1974, 20 U.S. C. 1232g."

"The Montana university system shall provide the electronic data required for entering human resource data for the current unrestricted operating funds into the Internet Budgeting and Reporting System (IBARS). The salary and benefit data provided must reflect approved board of regents operating budgets."

"The average budgeted amount for each full-time equivalent student at the community colleges, includes \$3,278 for each year of the 2019 biennium. The general fund appropriation for OCHE – Community College Assistance provides 48.20% in FY 2018 and 48.20% in FY 2019 of the budget amount for each full-time equivalent student each year of the 2019 biennium. The remaining 51.80% of the budget amount for each full-time equivalent student must be paid from funds other than those appropriated for OCHE – Community College Assistance."

"The commissioner may adjust the funding distribution between community colleges based on actual enrollment."

"The general fund appropriation for OCHE -- Community College Assistance is calculated to fund education in the community colleges for an estimated resident FTE students of 1,937 in FY 2018 and 1,958 in FY 2019. If total resident FTE student enrollment in the community colleges is greater than the estimated number for the biennium, the community colleges shall serve the additional students without a state general fund contribution. If actual resident FTE student enrollment is less than the estimated numbers for the biennium, the community colleges shall revert general fund money to the state in accordance with 17-7-142."

"The funding for community colleges may not exceed \$9,518 state support per resident full-time equivalent student. "

"Funding to be transferred to the state energy conservation program debt service account for energy improvements are as followed. Transferred funding for each year of the biennium to retire bonded projects are University of Montana \$26,500, UM Western \$98,000, UM Helena \$6,000, MSU Northern \$26,700, MSU Billings \$115,219, Great Falls \$86,500. Funding to be transferred for each year of the biennium for state energy revolving projects are UM Western \$41,885, UM Helena \$55,649, UM Montana Tech \$90,266, MSU Billings \$55,323, MSU Northern \$62,063, Miles Community College \$23,553.

University of Montana transfers are \$433,405 in FY 2018 and \$371,357 in FY 2019. Montana State University transfers are \$325,388 in FY 2018 and \$277,611 in FY 2019."

"Total audit costs are estimated to be \$172,144 for the community colleges for the biennium. The general fund appropriation for each community college provides 48.20% of the total audit costs in the 2019 biennium. The remaining 51.80% of these cost must be paid from funds other than those appropriated from OCHE – Community College Assistance – Legislative Audit. Audit costs charged to the community colleges for the biennium may not exceed \$54,590 for Flathead Valley CC, \$49,714 for Miles CC, and \$67,840 for Dawson CC. Total audit cost for OCHE/BOR \$45,284, GSL program \$16,982, UM-Missoula \$279,253, MSU – Bozeman \$279,253."

"The Montana university system shall pay \$88,506 for the 2019 biennium in current funds in support of the Montana natural resource information system (NRIS) located at the Montana state library. Quarterly payments must be made upon receipt of the bills from the state library, up to the total appropriated."

**Program Budget Comparison**

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	5,735,288	5,307,690	(427,598)	(7.46)%
Operating Expenses	2,004,831	1,945,950	(58,881)	(2.94)%
Equipment & Intangible Assets	26,311	22,126	(4,185)	(15.91)%
Transfers	15,000,000	0	(15,000,000)	(100.00)%
<b>Total Expenditures</b>	<b>\$22,766,430</b>	<b>\$7,275,766</b>	<b>(\$15,490,664)</b>	<b>(68.04)%</b>
General Fund	21,683,445	6,214,643	(15,468,802)	(71.34)%
Proprietary Funds	1,082,985	1,061,123	(21,862)	(2.02)%
<b>Total Funds</b>	<b>\$22,766,430</b>	<b>\$7,275,766</b>	<b>(\$15,490,664)</b>	<b>(68.04)%</b>
<b>Total Ongoing</b>	<b>\$7,766,430</b>	<b>\$7,275,766</b>	<b>(\$490,664)</b>	<b>(6.32)%</b>
<b>Total OTO</b>	<b>\$15,000,000</b>	<b>\$0</b>	<b>(\$15,000,000)</b>	<b>(100.00)%</b>

**Program Description**

The administration program includes: 1) general administration of the university system, 2) academic, financial, and legal administration, 3) labor relations and personnel administration, and 4) student assistance administration. Article X, Section 9, of the Montana Constitution requires that the Board of Regents appoints the commissioner and prescribes his powers and duties.

**Program Highlights**

<b>Administration Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The legislature approved budget decreases to the Administration program biennial appropriation due to statewide present law adjustments for personal services, fixed costs, inflation/deflation, and other operating costs</li> <li>• Further reductions included the adoption of the rebase plan proposed by the executive</li> </ul>

**Program Actuals and Budget Comparison**

The following table compares the program’s FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	23.28	23.28	23.28	23.28	23.28
Personal Services	2,597,121	2,810,127	2,925,161	2,652,165	2,655,525
Operating Expenses	929,778	1,052,057	952,774	990,365	955,585
Equipment & Intangible Assets	15,248	15,248	11,063	11,063	11,063
Transfers	14,920,395	15,000,000	0	0	0
<b>Total Expenditures</b>	<b>\$18,462,542</b>	<b>\$18,877,432</b>	<b>\$3,888,998</b>	<b>\$3,653,593</b>	<b>\$3,622,173</b>
General Fund	17,988,594	18,336,012	3,347,433	3,123,199	3,091,444
Proprietary Funds	473,948	541,420	541,565	530,394	530,729
<b>Total Funds</b>	<b>\$18,462,542</b>	<b>\$18,877,432</b>	<b>\$3,888,998</b>	<b>\$3,653,593</b>	<b>\$3,622,173</b>
<b>Total Ongoing</b>	<b>\$3,542,147</b>	<b>\$3,877,432</b>	<b>\$3,888,998</b>	<b>\$3,653,593</b>	<b>\$3,622,173</b>
<b>Total OTO</b>	<b>\$14,920,395</b>	<b>\$15,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Funding**

The following table shows adopted program funding by source of authority.

Commissioner of Higher Education, 01-Administration Program Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	6,214,643	0	0	6,214,643	85.42 %	
02248 MUS Research Director	0	0	0	0	0.00 %	
02027 STEM Scholarships	0	0	0	0	0.00 %	
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
03487 WICHE Passport	0	0	0	0	0.00 %	
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
06539 Indirect Costs OCHE	1,061,123	0	0	1,061,123	100.00 %	
<b>Proprietary Total</b>	<b>\$1,061,123</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,061,123</b>	<b>14.58 %</b>	
<b>Total All Funds</b>	<b>\$7,275,766</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,275,766</b>		

This program is funded primarily from general fund. The remaining portion of the funding for the 2019 biennium will come from proprietary revenue and is used to support administrative overhead activities for proprietary programs administered by other OCHE programs (e.g. Talent Search, GEAR UP, Perkins, Group Insurance, and MUS Workers' Compensation).

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	3,347,433	3,347,433	6,694,866	107.73 %	3,888,998	3,888,998	7,777,996	106.90 %
SWPL Adjustments	(8,665)	(64,243)	(72,908)	(1.17)%	(13,851)	(69,086)	(82,937)	(1.14)%
PL Adjustments	(421)	(416)	(837)	(0.01)%	(421)	(416)	(837)	(0.01)%
New Proposals	(215,148)	(191,330)	(406,478)	(6.54)%	(221,133)	(197,323)	(418,456)	(5.75)%
<b>Total Budget</b>	<b>\$3,123,199</b>	<b>\$3,091,444</b>	<b>\$6,214,643</b>		<b>\$3,653,593</b>	<b>\$3,622,173</b>	<b>\$7,275,766</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. “Statewide Present Law” adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	Fiscal 2018					Fiscal 2019				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(46,677)	0	0	(51,863)	0.00	(43,588)	0	0	(48,431)
DP 2 - Fixed Costs	0.00	38,212	0	0	38,212	0.00	(20,687)	0	0	(20,687)
DP 3 - Inflation Deflation	0.00	(200)	0	0	(200)	0.00	32	0	0	32
DP 53 - SWPLA Fixed Cost Reductions	0.00	(421)	0	0	(421)	0.00	(416)	0	0	(416)
DP 54 - SWPLA Fixed Cost Reductions Adjustment	0.00	(254)	0	0	(254)	0.00	(207)	0	0	(207)
DP 56 - Oracle License Funding Reinstatement	0.00	254	0	0	254	0.00	207	0	0	207
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$9,086)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$14,272)</b>	<b>0.00</b>	<b>(\$64,659)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$69,502)</b>

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

DP 1 - Personal Services -

The legislature approved adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 53 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warrant writer, rent, and information technology.

DP 54 - SWPLA Fixed Cost Reductions Adjustment -

The legislature approved further reductions in fixed costs for rent and information technology.

DP 56 - Oracle License Funding Reinstatement -

The legislature increased funding for Oracle license costs included in the State Information Technology Service Division. The license costs are allocated through fixed cost adjustments.

**New Proposals**

The “New Proposals” table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 51 - Additional 2% Vacancy Savings	0.00	(53,875)	0	0	(59,860)	0.00	(53,939)	0	0	(59,932)
DP 52 - Partial FY 2019 Base Budget Restoration	0.00	0	0	0	0	0.00	23,882	0	0	23,882
DP 555 - Appropriation Rebase	0.00	(161,273)	0	0	(161,273)	0.00	(161,273)	0	0	(161,273)
<b>Total</b>	<b>0.00</b>	<b>(\$215,148)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$221,133)</b>	<b>0.00</b>	<b>(\$191,330)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$197,323)</b>

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

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

DP 52 - Partial FY 2019 Base Budget Restoration -

The legislature restored a portion of the 5% base reduction for FY 2019.

DP 555 - Appropriation Rebase -

Under 17-7-111, MCA state agencies are required to submit plans to reduce general fund and certain state special revenue funds by 5%. The legislature approved reductions to the present law budget based on either the 5% reduction plans or FY 2016 reversions.

### Program Budget Comparison

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	197,620	318,692	121,072	61.27 %
Operating Expenses	356,786	135,087	(221,699)	(62.14)%
Local Assistance	286,000	302,000	16,000	5.59 %
Grants	20,814,167	19,792,893	(1,021,274)	(4.91)%
<b>Total Expenditures</b>	<b>\$21,654,573</b>	<b>\$20,548,672</b>	<b>(\$1,105,901)</b>	<b>(5.11)%</b>
General Fund	21,181,705	18,981,553	(2,200,152)	(10.39)%
State/Other Special Rev. Funds	472,868	1,567,119	1,094,251	231.41 %
<b>Total Funds</b>	<b>\$21,654,573</b>	<b>\$20,548,672</b>	<b>(\$1,105,901)</b>	<b>(5.11)%</b>
<b>Total Ongoing</b>	<b>\$18,664,793</b>	<b>\$20,548,672</b>	<b>\$1,883,879</b>	<b>10.09 %</b>
<b>Total OTO</b>	<b>\$2,989,780</b>	<b>\$0</b>	<b>(\$2,989,780)</b>	<b>(100.00)%</b>

### Program Description

All student grant funding is included in this program. Types of grants include: work study, state grants, federal grant matching programs, and student grants for attending professional schools which are not available in Montana such as medicine, dentistry, and veterinary medicine. Title 20, Chapters 25 and 26, MCA govern the program.

### Program Highlights

<b>Student Assistance Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>The legislature approved funding of the WICHE, WWAMI, Minnesota Dental and WIMU professional programs' present law adjustments with state special revenue. The Montana Rural Physicians Incentive Program state special revenue account was used rather than general fund for the 2019 biennium</li> </ul>

### Program Actuals and Budget Comparison

The following table compares the program's FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	1.50	1.50	1.50	1.50	1.50
Personal Services	79,069	83,423	114,197	159,288	159,404
Operating Expenses	242,589	292,302	64,484	64,484	70,603
Local Assistance	141,000	141,000	145,000	149,000	153,000
Grants	9,921,109	10,161,247	10,652,920	9,818,593	9,974,300
<b>Total Expenditures</b>	<b>\$10,383,767</b>	<b>\$10,677,972</b>	<b>\$10,976,601</b>	<b>\$10,191,365</b>	<b>\$10,357,307</b>
General Fund	10,102,924	10,343,061	10,838,644	9,487,686	9,493,867
State/Other Special Rev. Funds	280,843	334,911	137,957	703,679	863,440
<b>Total Funds</b>	<b>\$10,383,767</b>	<b>\$10,677,972</b>	<b>\$10,976,601</b>	<b>\$10,191,365</b>	<b>\$10,357,307</b>
<b>Total Ongoing</b>	<b>\$8,840,428</b>	<b>\$9,083,082</b>	<b>\$9,581,711</b>	<b>\$10,191,365</b>	<b>\$10,357,307</b>
<b>Total OTO</b>	<b>\$1,543,339</b>	<b>\$1,594,890</b>	<b>\$1,394,890</b>	<b>\$0</b>	<b>\$0</b>

**Funding**

The following table shows adopted program funding by source of authority.

Commissioner of Higher Education, 02-Student Assistance Program Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	18,981,553	0	0	18,981,553	77.97 %
02846 Family Ed Savings Admin Fee	278,286	0	0	278,286	5.19 %
02943 Rural Physicians Account	1,288,833	0	1,213,000	2,501,833	46.64 %
02027 STEM Scholarships	0	0	2,584,472	2,584,472	48.18 %
<b>State Special Total</b>	<b>\$1,567,119</b>	<b>\$0</b>	<b>\$3,797,472</b>	<b>\$5,364,591</b>	<b>22.03 %</b>
03354 Challenge Grant	0	0	0	0	0.00 %
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$20,548,672</b>	<b>\$0</b>	<b>\$3,797,472</b>	<b>\$24,346,144</b>	

The Student Assistance Program is funded primarily from general fund via HB 2. State special revenue is also included in HB 2 to administer the college savings program.

The figure below summarizes the proposed budgets for the student assistance programs for the 2019 biennium.

Student Financial Assistance Programs General Fund and State Special Revenue Only							
Budget Item	Approp FY 2016	Approp FY 2017	Approp FY 2018	Approp FY 2019	Change 17-19 Bien	% Change 17-19 Bien	
Student Grants/ Assistance	1,640,975	1,640,885	1,684,817	1,690,998	(93,955)	2.9%	
Governor's Scholarship (OTO)	1,100,000	900,000	-	-	(2,000,000)	-100.0%	
WICHE/WWAMI/MN Dentistry	6,742,300	7,103,823	7,321,016	7,460,653	935,546	6.8%	
WIMU Veterinary	321,290	655,440	1,002,810	1,022,880	1,048,960	107.4%	
Institutional Nursing Incentive	43,606	43,606	43,606	43,606	-	0.0%	
Teacher Loan Forgiveness	494,890	494,890	-	-	(989,780)	-100.0%	
Family Savings Program	334,911	137,957	139,116	139,170	(194,582)	-41.1%	
<b>TOTAL GENERAL FUND &amp; STATE SPECIAL REVENUE</b>	<b>10,677,972</b>	<b>10,976,601</b>	<b>10,191,365</b>	<b>10,357,307</b>	<b>(1,105,901)</b>	<b>-5.1%</b>	

The legislature increased biennial funding for the WWAMI medical and WIMU veterinary professional student exchange programs by \$1.9 million in the 2019 biennium. The cost increase in these programs is driven by the increased support fees in both programs and maintaining student slots funded in the programs. One-time-only funding of the Governor's Best & Brightest Scholarship and Quality Educator Loan Forgiveness from the 2017 biennium were not continued in the 2019 biennium.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	9,443,754	9,443,754	18,887,508	99.50 %	9,581,711	9,581,711	19,163,422	93.26 %
SWPL Adjustments	45,733	45,797	91,530	0.48 %	48,480	48,599	97,079	0.47 %
PL Adjustments	0	0	0	0.00 %	564,563	724,270	1,288,833	6.27 %
New Proposals	(1,801)	4,316	2,515	0.01 %	(3,389)	2,727	(662)	(0.00)%
<b>Total Budget</b>	<b>\$9,487,686</b>	<b>\$9,493,867</b>	<b>\$18,981,553</b>		<b>\$10,191,365</b>	<b>\$10,357,307</b>	<b>\$20,548,672</b>	

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. "Statewide Present Law" adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	45,733	2,747	0	48,480	0.00	45,797	2,802	0	48,599
DP 203 - WICHE/WWAMI/MN Dental PL	0.00	0	564,563	0	564,563	0.00	0	724,270	0	724,270
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$45,733</b>	<b>\$567,310</b>	<b>\$0</b>	<b>\$613,043</b>	<b>0.00</b>	<b>\$45,797</b>	<b>\$727,072</b>	<b>\$0</b>	<b>\$772,869</b>

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

DP 1 - Personal Services -

The legislature approved adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 203 - WICHE/WWAMI/MN Dental PL -

The legislature approved an increase in state special revenue for the WICHE/WWAMI/MN Dental and WIMU professional programs.

**New Proposals**

The "New Proposals" table shows new changes to expenditures.

New Proposals										
	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 51 - Additional 2% Vacancy Savings	0.00	(1,801)	(1,588)	0	(3,389)	0.00	(1,803)	(1,589)	0	(3,392)
DP 52 - Partial FY 2019 Base Budget Restoration	0.00	0	0	0	0	0.00	6,119	0	0	6,119
<b>Total</b>	<b>0.00</b>	<b>(\$1,801)</b>	<b>(\$1,588)</b>	<b>\$0</b>	<b>(\$3,389)</b>	<b>0.00</b>	<b>\$4,316</b>	<b>(\$1,589)</b>	<b>\$0</b>	<b>\$2,727</b>

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

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

DP 52 - Partial FY 2019 Base Budget Restoration -

The legislature restored a portion of the 5% base reduction for FY 2019.

**Program Budget Comparison**

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison					
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change	
Personal Services	32,780	32,780	0	0.00 %	
Operating Expenses	2,000	2,000	0	0.00 %	
Grants	1,000,000	1,000,000	0	0.00 %	
<b>Total Expenditures</b>	<b>\$1,034,780</b>	<b>\$1,034,780</b>	<b>\$0</b>	<b>0.00 %</b>	
Federal Spec. Rev. Funds	1,034,780	1,034,780	0	0.00 %	
<b>Total Funds</b>	<b>\$1,034,780</b>	<b>\$1,034,780</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total Ongoing</b>	<b>\$1,034,780</b>	<b>\$1,034,780</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	

**Program Description**

Improving Teacher Quality is a federally funded grant program providing awards to fund partnerships between higher education and high-need K-12 school districts in order to provide professional development and teacher training that improves teaching methods and teaching skills in the classroom.

**Program Highlights**

Improving Teacher Quality Program Major Budget Highlights
<ul style="list-style-type: none"> <li>The legislature approved personal services budget authority for staff time associated with administration of the grant</li> </ul>

**Program Actuals and Budget Comparison**

The following table compares the program’s FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
Personal Services	6,078	16,390	16,390	16,390	16,390
Operating Expenses	933	1,000	1,000	1,000	1,000
Grants	228,722	500,000	500,000	500,000	500,000
<b>Total Expenditures</b>	<b>\$235,733</b>	<b>\$517,390</b>	<b>\$517,390</b>	<b>\$517,390</b>	<b>\$517,390</b>
Federal Spec. Rev. Funds	235,733	517,390	517,390	517,390	517,390
<b>Total Funds</b>	<b>\$235,733</b>	<b>\$517,390</b>	<b>\$517,390</b>	<b>\$517,390</b>	<b>\$517,390</b>
<b>Total Ongoing</b>	<b>\$235,733</b>	<b>\$517,390</b>	<b>\$517,390</b>	<b>\$517,390</b>	<b>\$517,390</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Funding**

The following table shows adopted program funding by source of authority.

Commissioner of Higher Education, 03-Improving Teacher Quality Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
03183 Ed For Econ Security Grant	1,034,780	0	0	1,034,780	100.00 %
<b>Federal Special Total</b>	<b>\$1,034,780</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,034,780</b>	<b>100.00 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$1,034,780</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,034,780</b>	

Funding is entirely from the federal Improving Teacher Quality grants.

**Budget Summary by Category**

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	0	0	0	0.00 %	517,390	517,390	1,034,780	100.00 %
SWPL Adjustments	0	0	0	0.00 %	(16,390)	(16,390)	(32,780)	(3.17)%
PL Adjustments	0	0	0	0.00 %	16,390	16,390	32,780	3.17 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$517,390</b>	<b>\$517,390</b>	<b>\$1,034,780</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. “Statewide Present Law” adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	(16,390)	(16,390)	0.00	0	0	(16,390)	(16,390)
DP 301 - Restore Federal Grant Personal Services Authority	0.00	0	0	16,390	16,390	0.00	0	0	16,390	16,390
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

DP 1 - Personal Services -

The legislature approved a reduction in personal services. The calculation is different for this program since there are no FTE in the program.

DP 301 - Restore Federal Grant Personal Services Authority -

The legislature approved an increase in federal special authority to restore grant funding to support personal services. The Improving Teacher Quality program does not have FTE budgeted. The grant funds time for a staff member in Administration to manage the grant activities.

**Program Budget Comparison**

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Local Assistance	26,446,438	25,773,929	(672,509)	(2.54)%
<b>Total Expenditures</b>	<b>\$26,446,438</b>	<b>\$25,773,929</b>	<b>(\$672,509)</b>	<b>(2.54)%</b>
General Fund	26,446,438	25,773,929	(672,509)	(2.54)%
<b>Total Funds</b>	<b>\$26,446,438</b>	<b>\$25,773,929</b>	<b>(\$672,509)</b>	<b>(2.54)%</b>
<b>Total Ongoing</b>	<b>\$26,446,438</b>	<b>\$25,773,929</b>	<b>(\$672,509)</b>	<b>(2.54)%</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00%</b>

**Program Description**

This program distributes funds appropriated by the legislature in support of the three community colleges:

- Miles Community College in Miles City
- Dawson Community College in Glendive
- Flathead Valley Community College in Kalispell

Each community college district has an elected board of trustees. The regents have statutory authority to control the community colleges in Title 20, Chapter 15, MCA.

**Program Highlights**

<b>Community College Assistance Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The legislature decreased the community college biennial budget by \$0.7 million or 2.5% compared to the 2017 biennium</li> <li>• The state percent share of funding was set at 48.2% as a matter of public policy</li> <li>• The legislature established the following efficiency benchmarks for the community colleges:                             <ul style="list-style-type: none"> <li>◦ Maximum state funding per resident student FTE is \$9,518 for the 2019 biennium</li> <li>◦ If a community college's enrollment is below 200 FTE for 24 consecutive months it will trigger other funding formula guidelines</li> </ul> </li> </ul>

**Program Actuals and Budget Comparison**

The following table compares the program's FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
Local Assistance	13,200,670	13,200,670	13,245,768	12,888,046	12,885,883
<b>Total Expenditures</b>	<b>\$13,200,670</b>	<b>\$13,200,670</b>	<b>\$13,245,768</b>	<b>\$12,888,046</b>	<b>\$12,885,883</b>
General Fund	13,200,670	13,200,670	13,245,768	12,888,046	12,885,883
<b>Total Funds</b>	<b>\$13,200,670</b>	<b>\$13,200,670</b>	<b>\$13,245,768</b>	<b>\$12,888,046</b>	<b>\$12,885,883</b>
<b>Total Ongoing</b>	<b>\$13,200,670</b>	<b>\$13,200,670</b>	<b>\$13,245,768</b>	<b>\$12,888,046</b>	<b>\$12,885,883</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Funding**

The following table shows adopted program funding by source of authority.

Commissioner of Higher Education, 04-Community College Assistance Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	25,773,929	0	0	25,773,929	100.00 %
02027 STEM Scholarships	0	0	0	0	0.00 %
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$25,773,929</b>	<b>\$0</b>	<b>\$0</b>	<b>\$25,773,929</b>	

The Community College Assistance program is funded entirely with general fund in HB 2. The state appropriation for the community colleges is a separate line item and is not part of the lump sum appropriation to the Montana University System educational units.

The general fund appropriation is determined by a three-factor statutory funding formula that is a calculation of the cost of education, the resident student enrollment level, and the state percent share of funding that is determined by the legislature as a matter of public policy. The total cost of education is rebased each biennium from the actual base year expenditures reported by the community colleges in the annual operating budgets submitted to and approved by the Montana Board of Regents.

The formula calculation for the state funding appropriated to the community college is shown in the following table.

LFD Analysis Community College Assistance Program - Adjusted State % Share Calculation of General Fund Appropriation for the 2019 Biennium Using Statutory Funding Formula								
Includes a Fixed/Variable Cost Calculation at a 75/25 Ratio								
Budget Item Factors	Fiscal Year 2018				Fiscal Year 2019			
	Dawson	Flathead Valley	Miles	Total	Dawson	Flathead Valley	Miles	Total
Projected Resident Student FTE	160	1,460	317	1,937	166	1,465	327	1,958
Variable Cost of Education per FTE	\$3,278	\$3,278	\$3,278	\$3,278	\$3,278	\$3,278	\$3,278	\$3,278
Fixed Cost of Education	2,974,150	13,441,851	4,139,493	20,555,494	2,974,150	13,441,851	4,139,493	20,555,494
Variable Cost of Education	524,542	4,786,447	1,039,249	6,350,238	544,212	4,802,839	1,072,033	6,419,084
Total Cost of Education	3,498,692	18,228,298	5,178,742	26,905,731	3,518,362	18,244,690	5,211,526	26,974,578
State % Share of Cost of Education	48.20%	48.20%	48.20%	48.20%	48.20%	48.20%	48.20%	48.20%
Calculated Total Funding Budget	<u>1,686,369</u>	<u>8,786,039</u>	<u>2,496,154</u>	<u>12,968,563</u>	<u>1,695,851</u>	<u>8,793,940</u>	<u>2,511,955</u>	<u>13,001,746</u>
Funding Cap	(163,489)	0	0	(163,489)	(115,863)	0	0	(115,863)
Formula Budget	<u>1,522,880</u>	<u>8,786,039</u>	<u>2,496,154</u>	<u>12,805,074</u>	<u>1,579,988</u>	<u>8,793,940</u>	<u>2,511,955</u>	<u>12,885,883</u>
Other Funding: Legislative Audit	32,699	26,312	23,962	82,973	0	0	0	0
Total General Fund Budget	<u>1,555,579</u>	<u>8,812,351</u>	<u>2,520,116</u>	<u>12,888,046</u>	<u>1,579,988</u>	<u>8,793,940</u>	<u>2,511,955</u>	<u>12,885,883</u>
Total Biennial Appropriation:								
Calculated Total Funding Budget			<u>\$25,690,957</u>					
Other Funding			<u>\$82,973</u>					
Total General Fund Budget			<u>\$25,773,929</u>					

### Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	13,245,768	13,245,768	26,491,536	102.78 %	13,245,768	13,245,768	26,491,536	102.78 %
SWPL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
PL Adjustments	226,301	145,970	372,271	1.44 %	226,301	145,970	372,271	1.44 %
New Proposals	(584,023)	(505,855)	(1,089,878)	(4.23)%	(584,023)	(505,855)	(1,089,878)	(4.23)%
<b>Total Budget</b>	<b>\$12,888,046</b>	<b>\$12,885,883</b>	<b>\$25,773,929</b>		<b>\$12,888,046</b>	<b>\$12,885,883</b>	<b>\$25,773,929</b>	

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. "Statewide Present Law" adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 401 - Legislative Audit Fixed Cost	0.00	82,973	0	0	82,973	0.00	0	0	0	0
DP 405 - CC Formula State Share Adjustment	0.00	143,328	0	0	143,328	0.00	145,970	0	0	145,970
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$226,301</b>	<b>\$0</b>	<b>\$0</b>	<b>\$226,301</b>	<b>0.00</b>	<b>\$145,970</b>	<b>\$0</b>	<b>\$0</b>	<b>\$145,970</b>

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

DP 401 - Legislative Audit Fixed Cost -

The legislature approved the legislative audit costs for the community colleges.

DP 405 - CC Formula State Share Adjustment -

The legislature approved an increase to the state percent share applied to the community college funding formula. The state percent share for the 2019 biennium is 48.2%. This was originally characterized as a new proposal but is a present law adjustment.

**New Proposals**

The "New Proposals" table shows new changes to expenditures.

New Proposals										
	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 403 - Current level funding	0.00	(420,534)	0	0	(420,534)	0.00	(389,992)	0	0	(389,992)
DP 406 - Funding Cap for Community Colleges	0.00	(163,489)	0	0	(163,489)	0.00	(115,863)	0	0	(115,863)
<b>Total</b>	<b>0.00</b>	<b>(\$584,023)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$584,023)</b>	<b>0.00</b>	<b>(\$505,855)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$505,855)</b>

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

DP 403 - Current level funding -

The legislature approved the executive's proposed decrease in general fund appropriation to the community colleges.

DP 406 - Funding Cap for Community Colleges -

The legislature approved a maximum state support amount per resident FTE. The maximum for the 2019 biennium is \$9,518 per resident FTE.

**Language and Statutory Authority**

The legislature included the following HB 2 language for the community colleges:

"The average budgeted amount for each full-time equivalent student at the community colleges, includes \$3,278 for each year of the 2019 biennium. The general fund appropriation for OCHE – Community College Assistance provides 48.20% in FY 2018 and 48.20% in FY 2019 of the budget amount for each full-time equivalent student each year of the 2019 biennium. The remaining 51.80% of the budget amount for each full-time equivalent student must be paid from funds other than those appropriated for OCHE – Community College Assistance."

"The commissioner may adjust the funding distribution between community colleges based on actual enrollment."

"The general fund appropriation for OCHE -- Community College Assistance is calculated to fund education in the community colleges for an estimated resident FTE students of 1,937 in FY 2018 and 1,958 in FY 2019. If total resident FTE student enrollment in the community colleges is greater than the estimated number for the biennium, the community colleges shall serve the additional students without a state general fund contribution. If actual resident FTE student enrollment is less than the estimated numbers for the biennium, the community colleges shall revert general fund money to the state in accordance with 17-7-142."

"The funding for community colleges may not exceed \$9,518 state support per resident full-time equivalent student. "

"Funding to be transferred to the state energy conservation program debt service account for energy improvements are as followed. Transferred funding for each year of the biennium to retire bonded projects are University of Montana \$26,500, UM Western \$98,000, UM Helena \$6,000, MSU Northern \$26,700, MSU Billings \$115,219, Great Falls \$86,500. Funding to be transferred for each year of the biennium for state energy revolving projects are UM Western \$41,885, UM Helena \$55,649, UM Montana Tech \$90,266, MSU Billings \$55,323, MSU Northern \$62,063, Miles Community College \$23,553. University of Montana transfers are \$433,405 in FY 2018 and \$371,357 in FY 2019. Montana State University transfers are \$325,388 in FY 2018 and \$277,611 in FY 2019."

"Total audit costs are estimated to be \$172,144 for the community colleges for the biennium. The general fund appropriation for each community college provides 48.20% of the total audit costs in the 2019 biennium. The remaining 51.80% of these cost must be paid from funds other than those appropriated from OCHE – Community College Assistance – Legislative Audit. Audit costs charged to the community colleges for the biennium may not exceed \$54,590 for Flathead Valley CC, \$49,714 for Miles CC, and \$67,840 for Dawson CC. Total audit cost for OCHE/BOR \$45,284, GSL program \$16,982, UM-Missoula \$279,253, MSU – Bozeman \$279,253."

**Program Budget Comparison**

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	1,101,094	1,080,262	(20,832)	(1.89)%
Operating Expenses	18,142,685	27,703,482	9,560,797	52.70 %
Benefits & Claims	190,422,901	232,623,981	42,201,080	22.16 %
<b>Total Expenditures</b>	<b>\$209,666,680</b>	<b>\$261,407,725</b>	<b>\$51,741,045</b>	<b>24.68 %</b>
Proprietary Funds	209,666,680	261,407,725	51,741,045	24.68 %
<b>Total Funds</b>	<b>\$209,666,680</b>	<b>\$261,407,725</b>	<b>\$51,741,045</b>	<b>24.68 %</b>

**Program Description**

The Board of Regents provides faculty and staff with group benefits through the MUS Group Insurance Program. The commissioner is authorized by Board of Regents policy to administer the program as a self-insured, group insurance plan. All university system employees, retirees, and eligible dependents are offered medical, dental, vision, and group life insurance, as well as long-term disability benefits.

**Program Highlights**

<b>MUS Group Insurance Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The MUS Group Insurance program is funded with enterprise-type proprietary funds and is not included in HB 2</li> <li>• The legislature requires the Montana University System to operate the program to maintain the plan on an actuarially sound basis</li> <li>• Proprietary fund authority was increased to offset the rising cost of pharmacy and medical expenses and projected claims for the biennium</li> </ul>

**Program Actuals and Budget Comparison**

The following table compares the program’s FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	6.00	6.00	6.00	6.00	6.00
Personal Services	607,644	607,644	493,450	539,300	540,962
Operating Expenses	10,567,286	10,567,283	7,575,402	13,067,554	14,635,928
Benefits & Claims	95,832,254	102,259,255	88,163,646	109,728,293	122,895,688
<b>Total Expenditures</b>	<b>\$107,007,184</b>	<b>\$113,434,182</b>	<b>\$96,232,498</b>	<b>\$123,335,147</b>	<b>\$138,072,578</b>
Proprietary Funds	107,007,184	113,434,182	96,232,498	123,335,147	138,072,578
<b>Total Funds</b>	<b>\$107,007,184</b>	<b>\$113,434,182</b>	<b>\$96,232,498</b>	<b>\$123,335,147</b>	<b>\$138,072,578</b>

### Funding

The following table shows adopted program funding by source of authority.

Commissioner of Higher Education, 05-M U S Group Insurance Program Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	0	0	0	0	0.00 %	
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
06008 MUS Group Insurance Program	0	236,091,854	0	236,091,854	90.32 %	
06009 MUS Flexible Spending Account	0	25,315,871	0	25,315,871	9.68 %	
06010 CHE Wellness Account	0	0	0	0	0.00 %	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$261,407,725</b>	<b>\$0</b>	<b>\$261,407,725</b>	<b>100.00 %</b>	
<b>Total All Funds</b>	<b>\$0</b>	<b>\$261,407,725</b>	<b>\$0</b>	<b>\$261,407,725</b>		

This program is funded with an enterprise-type proprietary fund. As such, the legislature does not appropriate funds or approve rates for the program. Instead, the legislature reviews the report for the enterprise fund and identifies any concerns with the financial position of the fund.

### Proprietary Revenues and Expenses

Revenue in this program comes from:

- Employer-paid contributions toward insurance premiums
- Employee-paid contributions toward insurance premiums
- Employee payments to flexible spending accounts
- Prescription rebates

The agency is projecting an increase in revenues in the 2019 biennium, primarily due to additional Medicare retirees.

Significant costs for the program are for:

- Insurance claim payments
- Claims management
- Program administration
- Wellness program expense

### Rate Explanation

The employer-paid portion of the group insurance premium is statutorily established in Section 2-18-703, MCA, and is presently \$1,054 per month per eligible participating employee. The employee-paid portion of the group insurance premium is adjusted as needed by the Montana University System to cover the premium requirements of a variety of benefit options and to maintain employee group benefit plans on an actuarially sound basis. Fluctuations in Other Operating Revenues are primarily due to two Affordable Care Act transition programs for employers. Congress implemented these transition programs with the intent to keep employers from removing retirees from coverage. The agency is receiving payments from these programs to continue providing coverage for non-Medicare retirees and a portion of drug costs for Medicare retirees.

**Budget Summary by Category**

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	0	0	0	0.00 %	96,232,498	96,232,498	192,464,996	73.63 %
SWPL Adjustments	0	0	0	0.00 %	45,035	46,867	91,902	0.04 %
PL Adjustments	0	0	0	0.00 %	27,057,614	41,793,213	68,850,827	26.34 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$123,335,147</b>	<b>\$138,072,578</b>	<b>\$261,407,725</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. “Statewide Present Law” adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	0	45,850	0.00	0	0	0	47,512
DP 3 - Inflation Deflation	0.00	0	0	0	(815)	0.00	0	0	0	(645)
DP 501 - MUS Group Health Insurance Inflation	0.00	0	0	0	27,057,614	0.00	0	0	0	41,793,213
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$27,102,649</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$41,840,080</b>

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

DP 1 - Personal Services -

The legislature reviewed adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 3 - Inflation Deflation -

The legislature reviewed adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 501 - MUS Group Health Insurance Inflation -

The legislature reviewed the increase in proprietary funds authority for projected insurance expenses.

**Program Budget Comparison**

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	2,728,064	2,664,527	(63,537)	(2.33)%
Operating Expenses	6,564,254	6,577,608	13,354	0.20 %
Grants	2,752,000	5,754,000	3,002,000	109.08 %
Transfers	1,647,017	3,000,000	1,352,983	82.15 %
<b>Total Expenditures</b>	<b>\$13,691,335</b>	<b>\$17,996,135</b>	<b>\$4,304,800</b>	<b>31.44 %</b>
General Fund	217,733	258,065	40,332	18.52 %
Federal Spec. Rev. Funds	13,473,602	17,738,070	4,264,468	31.65 %
<b>Total Funds</b>	<b>\$13,691,335</b>	<b>\$17,996,135</b>	<b>\$4,304,800</b>	<b>31.44 %</b>
<b>Total Ongoing</b>	<b>\$13,691,335</b>	<b>\$17,996,135</b>	<b>\$4,304,800</b>	<b>31.44 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Description**

This program is primarily a federally funded program to decrease the dropout rate of disadvantaged students in high schools and increase their enrollment and retention in postsecondary education. The Educational Outreach and Diversity program has three components providing services to target populations:

- Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) is an early intervention and scholarship program that provides mentoring, counseling, and outreach to build academic success that will lead to postsecondary education enrollment and achievement. The program provides these services to an entire cohort of students at participating schools starting in seventh grade. The program services follow that cohort through high school completion
- Montana Educational Talent Search (METS) creates a long-term academic contract with middle school students that subsequently provide academic support, skills building, and counseling to encourage the planning, preparation, and pursuit of a postsecondary education
- American Indian/Minority Achievement (AIMA) is responsible for American Indian and minority recruitment and retention in the university system, oversight for the campus diversity plans, and implementation of Indian Education for All programs. An overall objective of the program is to work with the campuses of the MUS in order to increase recruitment, enrollment, and graduation rates of American Indian and other minority students

**Program Highlights**

**Educational Outreach & Diversity Program  
Major Budget Highlights**

- The legislature approved a \$4.3 million increase in federal special revenue authority compared to the 2017 biennium, to align projected expenditures with available grants over the biennium

### Program Actuals and Budget Comparison

The following table compares the program's FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison						
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019	
FTE	19.90	19.90	19.90	19.90	19.90	19.90
Personal Services	1,086,237	1,290,098	1,437,966	1,330,473	1,334,054	
Operating Expenses	2,253,584	3,275,849	3,288,405	3,288,821	3,288,787	
Grants	2,221,369	2,555,000	197,000	2,877,000	2,877,000	
Transfers	919,265	1,571,017	76,000	1,500,000	1,500,000	
<b>Total Expenditures</b>	<b>\$6,480,455</b>	<b>\$8,691,964</b>	<b>\$4,999,371</b>	<b>\$8,996,294</b>	<b>\$8,999,841</b>	
General Fund	105,702	106,192	111,541	128,641	129,424	
Federal Spec. Rev. Funds	6,374,753	8,585,772	4,887,830	8,867,653	8,870,417	
<b>Total Funds</b>	<b>\$6,480,455</b>	<b>\$8,691,964</b>	<b>\$4,999,371</b>	<b>\$8,996,294</b>	<b>\$8,999,841</b>	
<b>Total Ongoing</b>	<b>\$6,480,455</b>	<b>\$8,691,964</b>	<b>\$4,999,371</b>	<b>\$8,996,294</b>	<b>\$8,999,841</b>	
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### Funding

The following table shows adopted program funding by source of authority.

Commissioner of Higher Education, 06-Educational Outreach & Diversity Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	258,065	0	0	258,065	1.43 %	
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
03042 2nd Gear Up Grant	12,706,083	0	0	12,706,083	71.63 %	
03411 GEAR UP Federal Schol 1999	0	0	0	0	0.00 %	
03412 GEAR UP Federal Schol 2005	3,290,686	0	0	3,290,686	18.55 %	
03806 Talent Search	1,741,301	0	0	1,741,301	9.82 %	
<b>Federal Special Total</b>	<b>\$17,738,070</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,738,070</b>	<b>98.57 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$17,996,135</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,996,135</b>		

General fund supports the American Indian/Minority Achievement component of the program and comprises about 1.4% of the program budget in the 2019 biennium.

Federal funds are from two grant sources:

- The Talent Search grant, comprising approximately 9.8% of the biennial program funding, has no matching requirement
- The GEAR UP grant, comprising approximately 90.2% of the biennial budget, requires a 50% non-federal fund match which is provided through allowable in-kind services

**Budget Summary by Category**

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	111,541	111,541	223,082	86.44 %	4,999,371	4,999,371	9,998,742	55.56 %
SWPL Adjustments	19,761	20,561	40,322	15.62 %	(78,769)	(75,146)	(153,915)	(0.86)%
PL Adjustments	0	0	0	0.00 %	4,104,000	4,104,000	8,208,000	45.61 %
New Proposals	(2,661)	(2,678)	(5,339)	(2.07)%	(28,308)	(28,384)	(56,692)	(0.32)%
<b>Total Budget</b>	<b>\$128,641</b>	<b>\$129,424</b>	<b>\$258,065</b>		<b>\$8,996,294</b>	<b>\$8,999,841</b>	<b>\$17,996,135</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. “Statewide Present Law” adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	19,761	0	(98,946)	(79,185)	0.00	20,561	0	(96,089)	(75,528)
DP 2 - Fixed Costs	0.00	0	0	299	299	0.00	0	0	125	125
DP 3 - Inflation Deflation	0.00	0	0	117	117	0.00	0	0	257	257
DP 601 - GEAR UP Federal Grant Authority	0.00	0	0	4,104,000	4,104,000	0.00	0	0	4,104,000	4,104,000
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$19,761</b>	<b>\$0</b>	<b>\$4,005,470</b>	<b>\$4,025,231</b>	<b>0.00</b>	<b>\$20,561</b>	<b>\$0</b>	<b>\$4,008,293</b>	<b>\$4,028,854</b>

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

DP 1 - Personal Services -

The legislature approved adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 601 - GEAR UP Federal Grant Authority -

The legislature approved additional federal special revenue appropriation authority for the GEAR UP Federal Grant.

**New Proposals**

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 51 - Additional 2% Vacancy Savings	0.00	(2,661)	0	(25,647)	(28,308)	0.00	(2,678)	0	(25,706)	(28,384)
<b>Total</b>	<b>0.00</b>	<b>(\$2,661)</b>	<b>\$0</b>	<b>(\$25,647)</b>	<b>(\$28,308)</b>	<b>0.00</b>	<b>(\$2,678)</b>	<b>\$0</b>	<b>(\$25,706)</b>	<b>(\$28,384)</b>

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

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

**Program Budget Comparison**

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	191,617	192,753	1,136	0.59 %
Operating Expenses	2,389,138	2,930,026	540,888	22.64 %
Benefits & Claims	6,000,000	6,000,000	0	0.00 %
<b>Total Expenditures</b>	<b>\$8,580,755</b>	<b>\$9,122,779</b>	<b>\$542,024</b>	<b>6.32 %</b>
Proprietary Funds	8,580,755	9,122,779	542,024	6.32 %
<b>Total Funds</b>	<b>\$8,580,755</b>	<b>\$9,122,779</b>	<b>\$542,024</b>	<b>6.32 %</b>

**Program Description**

The Montana Board of Regents created the Montana University System Self-Funded Workers' Compensation Program in April 2003 as allowed by the Workers' Compensation Act in Title 39, Chapter 71 of the Montana Codes Annotated. This program, which became effective in July 2003, provides workers' compensation insurance coverage for all university system employees and employees of the Office of the Commissioner of Higher Education. The MUS Self-Funded Workers' Compensation Insurance Committee, comprised of nine voting members, one from each of the eight participating campuses of the MUS and one from the Office of the Commissioner of Higher Education, is responsible for policy and management decisions of the program.

**Program Highlights**

<b>MUS Workers' Comp Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The MUS Workers' Compensation Program is funded with enterprise-type proprietary funds and therefore is not included in HB 2</li> <li>• The legislature requires the Montana University System to operate the program to maintain the plan on an actuarially sound basis</li> <li>• Premium rates are based upon actuarial principles and are reviewed by the MUS Workers' Compensation Insurance Committee</li> </ul>

**Program Actuals and Budget Comparison**

The following table compares the program's FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	1.00	1.00	1.00	1.00	1.00
Personal Services	96,366	96,366	95,251	96,341	96,412
Operating Expenses	935,537	1,194,136	1,195,002	1,465,011	1,465,015
Benefits & Claims	1,378,496	3,000,000	3,000,000	3,000,000	3,000,000
<b>Total Expenditures</b>	<b>\$2,410,399</b>	<b>\$4,290,502</b>	<b>\$4,290,253</b>	<b>\$4,561,352</b>	<b>\$4,561,427</b>
Proprietary Funds	2,410,399	4,290,502	4,290,253	4,561,352	4,561,427
<b>Total Funds</b>	<b>\$2,410,399</b>	<b>\$4,290,502</b>	<b>\$4,290,253</b>	<b>\$4,561,352</b>	<b>\$4,561,427</b>

**Funding**

The following table shows adopted program funding by source of authority.

Commissioner of Higher Education, 07-M U S Workers Comp Program Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	0	0	0	0	0.00 %	
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
06082 MUS Self-Funded Workers Comp	0	9,122,779	0	9,122,779	100.00 %	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$9,122,779</b>	<b>\$0</b>	<b>\$9,122,779</b>	<b>100.00 %</b>	
<b>Total All Funds</b>	<b>\$0</b>	<b>\$9,122,779</b>	<b>\$0</b>	<b>\$9,122,779</b>		

This program is funded with an enterprise-type proprietary fund. As such, the legislature does not appropriate funds or approve rates for the program. Instead, the legislature reviews the report for the enterprise fund and identifies any concerns with the financial position of the fund.

*Proprietary Revenues and Expenses*

This program is an enterprise fund in which the funding is derived from premiums and investment earnings. The surplus is projected to decrease by 3.9% over the biennium due to the agency reducing premiums in order to manage the surplus more effectively. Expenditures include claims, reinsurance premiums, debt service, and administrative costs. Debt service is for the bonds that were issued to establish the claim reserve for the program. Expenses are projected to moderately increase in the 2019 biennium.

*Rate Explanation*

Premium rates for the program are based upon commonly accepted actuarial principles developed by a qualified actuary and reviewed by an oversight committee comprised of university system representatives and the administrator of the State of Montana Risk Management and Tort Defense Division.

**Budget Summary by Category**

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

Budget Summary by Category									
Budget Item	-----General Fund-----				-----Total Funds-----				
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	
2017 Base Budget	0	0	0	0.00 %	4,290,253	4,290,253	8,580,506	94.06 %	
SWPL Adjustments	0	0	0	0.00 %	1,099	1,174	2,273	0.02 %	
PL Adjustments	0	0	0	0.00 %	270,000	270,000	540,000	5.92 %	
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %	
<b>Total Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$4,561,352</b>	<b>\$4,561,427</b>	<b>\$9,122,779</b>		

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. "Statewide Present Law" adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	0	1,090	0.00	0	0	0	1,161
DP 3 - Inflation Deflation	0.00	0	0	0	9	0.00	0	0	0	13
DP 701 - MUS Workers' Comp Inflation	0.00	0	0	0	270,000	0.00	0	0	0	270,000
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$271,099</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$271,174</b>

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

DP 1 - Personal Services -

The legislature reviewed adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 3 - Inflation Deflation -

The legislature reviewed adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 701 - MUS Workers' Comp Inflation -

The legislature reviewed the increase in the authority of proprietary funds for inflation of the MUS Workers' Compensation program. Inflation factors include projected increases in contracted services, claims management, and safety awards.

**Program Budget Comparison**

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	799,632	694,672	(104,960)	(13.13)%
Operating Expenses	837,905	832,968	(4,937)	(0.59)%
Grants	3,576,166	3,576,166	0	0.00 %
Transfers	6,021,424	6,021,424	0	0.00 %
<b>Total Expenditures</b>	<b>\$11,235,127</b>	<b>\$11,125,230</b>	<b>(\$109,897)</b>	<b>(0.98)%</b>
General Fund	180,134	180,134	0	0.00 %
Federal Spec. Rev. Funds	11,054,993	10,945,096	(109,897)	(0.99)%
<b>Total Funds</b>	<b>\$11,235,127</b>	<b>\$11,125,230</b>	<b>(\$109,897)</b>	<b>(0.98)%</b>
<b>Total Ongoing</b>	<b>\$11,235,127</b>	<b>\$11,125,230</b>	<b>(\$109,897)</b>	<b>(0.98)%</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Description**

The Workforce Development Program is a coordinated effort between OCHE and the Office of Public Instruction to support vocational education at the secondary and postsecondary levels.

**Program Highlights**

<b>Workforce Development Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The legislature decreased the appropriation for federal special revenue by \$0.1 million or 1.0% compared to the 2017 biennium</li> </ul>

**Program Actuals and Budget Comparison**

The following table compares the program’s FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	4.20	4.20	4.20	4.20	4.20
Personal Services	323,280	380,892	418,740	347,150	347,522
Operating Expenses	108,484	421,636	416,269	416,498	416,470
Grants	1,723,053	1,788,083	1,788,083	1,788,083	1,788,083
Transfers	2,954,793	3,010,712	3,010,712	3,010,712	3,010,712
<b>Total Expenditures</b>	<b>\$5,109,610</b>	<b>\$5,601,323</b>	<b>\$5,633,804</b>	<b>\$5,562,443</b>	<b>\$5,562,787</b>
General Fund	90,066	90,067	90,067	90,067	90,067
Federal Spec. Rev. Funds	5,019,544	5,511,256	5,543,737	5,472,376	5,472,720
<b>Total Funds</b>	<b>\$5,109,610</b>	<b>\$5,601,323</b>	<b>\$5,633,804</b>	<b>\$5,562,443</b>	<b>\$5,562,787</b>
<b>Total Ongoing</b>	<b>\$5,109,610</b>	<b>\$5,601,323</b>	<b>\$5,633,804</b>	<b>\$5,562,443</b>	<b>\$5,562,787</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### Funding

The following table shows adopted program funding by source of authority.

Commissioner of Higher Education, 08-Workforce Development Program Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	180,134	0	0	180,134	1.62 %
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
03164 SWAMMEI Project	0	0	0	0	0.00 %
03215 Carl Perkins Federal Funds	10,945,096	0	0	10,945,096	100.00 %
<b>Federal Special Total</b>	<b>\$10,945,096</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,945,096</b>	<b>98.38 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$11,125,230</b>	<b>\$0</b>	<b>\$0</b>	<b>\$11,125,230</b>	

Funding for this program is nearly all federal special revenue. These federal funds:

- Are authorized by the federal Carl D. Perkins Career and Technical Education Improvement Act of 2006
- Are administered by the Office of the Commissioner of Higher Education and granted to postsecondary programs and transferred to the Office of Public Instruction for secondary programs
- Require a maintenance of effort on funds used for administration

The state general fund in this program is the non-federal match for the postsecondary administration costs. The state match for administration related to secondary programs is accounted for in the Office of Public Instruction.

### Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	90,067	90,067	180,134	100.00 %	5,633,804	5,633,804	11,267,608	101.28 %
SWPL Adjustments	0	0	0	0.00 %	(63,975)	(63,623)	(127,598)	(1.15)%
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	(7,386)	(7,394)	(14,780)	(0.13)%
<b>Total Budget</b>	<b>\$90,067</b>	<b>\$90,067</b>	<b>\$180,134</b>		<b>\$5,562,443</b>	<b>\$5,562,787</b>	<b>\$11,125,230</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. “Statewide Present Law” adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	(64,204)	(64,204)	0.00	0	0	(63,824)	(63,824)
DP 2 - Fixed Costs	0.00	0	0	122	122	0.00	0	0	50	50
DP 3 - Inflation Deflation	0.00	0	0	107	107	0.00	0	0	151	151
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$63,975)</b>	<b>(\$63,975)</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$63,623)</b>	<b>(\$63,623)</b>

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

DP 1 - Personal Services -

The legislature approved adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

**New Proposals**

The “New Proposals” table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 51 - Additional 2% Vacancy Savings	0.00	0	0	(7,386)	(7,386)	0.00	0	0	(7,394)	(7,394)
<b>Total</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$7,386)</b>	<b>(\$7,386)</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$7,394)</b>	<b>(\$7,394)</b>

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

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

**Program Budget Comparison**

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Transfers	384,641,597	380,176,805	(4,464,792)	(1.16)%
<b>Total Expenditures</b>	<b>\$384,641,597</b>	<b>\$380,176,805</b>	<b>(\$4,464,792)</b>	<b>(1.16)%</b>
General Fund	345,520,012	340,560,496	(4,959,516)	(1.44)%
State/Other Special Rev. Funds	39,121,585	39,616,309	494,724	1.26 %
<b>Total Funds</b>	<b>\$384,641,597</b>	<b>\$380,176,805</b>	<b>(\$4,464,792)</b>	<b>(1.16)%</b>
<b>Total Ongoing</b>	<b>\$384,641,597</b>	<b>\$380,176,805</b>	<b>(\$4,464,792)</b>	<b>(1.16)%</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Description**

The Appropriation Distribution program in the Office of the Commissioner of Higher Education (OCHE) is the conduit through which state funds flow to the university system units. This program includes state funding for the Montana University System educational units, the Family Practice Rural Residency programs located at MSU Billings and University of Montana in Missoula, and the Motorcycle Safety Program located at MSU Northern in Havre.

**Program Highlights**

<b>Appropriation Distribution Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The legislature decreased the biennial budget by \$4.5 million or 1.2% compared to the 2017 biennium</li> <li>• The legislature increased funding for the Family Rural Residency program by \$0.8 million compared to the 2017 biennium. This increase provides the ability to add psychiatry residency options in Montana</li> <li>• The legislature and the Commissioner of Higher Education signed a shared policy goal to establish efficiency benchmarks based on:                         <ul style="list-style-type: none"> <li>◦ Weighted average of state support per resident FTE</li> <li>◦ Funding comparisons to regional peers</li> <li>◦ Median income</li> </ul> </li> </ul>

**Program Actuals and Budget Comparison**

The following table compares the program’s FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
Transfers	190,296,488	190,565,383	194,076,214	190,362,925	189,813,880
<b>Total Expenditures</b>	<b>\$190,296,488</b>	<b>\$190,565,383</b>	<b>\$194,076,214</b>	<b>\$190,362,925</b>	<b>\$189,813,880</b>
General Fund	170,735,858	171,004,753	174,515,259	170,359,501	170,200,995
State/Other Special Rev. Funds	19,560,630	19,560,630	19,560,955	20,003,424	19,612,885
<b>Total Funds</b>	<b>\$190,296,488</b>	<b>\$190,565,383</b>	<b>\$194,076,214</b>	<b>\$190,362,925</b>	<b>\$189,813,880</b>
<b>Total Ongoing</b>	<b>\$190,296,488</b>	<b>\$190,565,383</b>	<b>\$194,076,214</b>	<b>\$190,362,925</b>	<b>\$189,813,880</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Funding**

The following table shows adopted program funding by source of authority.

Commissioner of Higher Education, 09-Appropriation Distribution Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	340,560,496	0	3,483,739	344,044,235	89.35 %	
02111 Accommodation Tax Account	0	0	1,394,000	1,394,000	3.40 %	
02443 University Millage	38,065,452	0	0	38,065,452	92.82 %	
02943 Rural Physicians Account	400,000	0	0	400,000	0.98 %	
02944 Motorcycle Safety Training	1,150,857	0	0	1,150,857	2.81 %	
<b>State Special Total</b>	<b>\$39,616,309</b>	<b>\$0</b>	<b>\$1,394,000</b>	<b>\$41,010,309</b>	<b>10.65 %</b>	
03043 SW Workforce-Career Tech	0	0	0	0	0.00 %	
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$380,176,805</b>	<b>\$0</b>	<b>\$4,877,739</b>	<b>\$385,054,544</b>		

Funding for this program is predominately general fund. State special revenue from six-mill property tax levy funds a portion of the university educational units. Program fees and an allocation from drivers’ license fees support the motorcycle safety program at MSU Northern in Havre.

State general fund for the educational units and the state special revenue from the statewide six-mill property tax levy are appropriated as a lump sum and are distributed by the Board of Regents to the educational units using an allocation formula.

**Budget Summary by Category**

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	174,515,259	174,515,259	349,030,518	102.49 %	194,076,214	194,076,214	388,152,428	102.10 %
SWPL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
PL Adjustments	558,506	0	558,506	0.16 %	600,975	51,930	652,905	0.17 %
New Proposals	(4,714,264)	(4,314,264)	(9,028,528)	(2.65)%	(4,314,264)	(4,314,264)	(8,628,528)	(2.27)%
<b>Total Budget</b>	<b>\$170,359,501</b>	<b>\$170,200,995</b>	<b>\$340,560,496</b>		<b>\$190,362,925</b>	<b>\$189,813,880</b>	<b>\$380,176,805</b>	

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. "Statewide Present Law" adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 905 - Motorcycle Safety	0.00	0	42,469	0	42,469	0.00	0	51,930	0	51,930
DP 9061 - Legislative Audit Fixed Cost (RST)	0.00	558,506	0	0	558,506	0.00	0	0	0	0
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$558,506</b>	<b>\$42,469</b>	<b>\$0</b>	<b>\$600,975</b>	<b>0.00</b>	<b>\$0</b>	<b>\$51,930</b>	<b>\$0</b>	<b>\$51,930</b>

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

DP 905 - Motorcycle Safety -

The legislature approved an increase in state special revenue for the motorcycle safety program.

DP 9061 - Legislative Audit Fixed Cost (RST) -

The legislature approved legislative audit costs for the MUS. This was originally characterized as a new proposal but is a present law adjustment.

**New Proposals**

The "New Proposals" table shows new changes to expenditures.

New Proposals										
	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 555 - Appropriation Rebase	0.00	(4,714,264)	0	0	(4,714,264)	0.00	(4,714,264)	0	0	(4,714,264)
DP 9002 - Family Practice Rural Residency	0.00	0	400,000	0	400,000	0.00	400,000	0	0	400,000
<b>Total</b>	<b>0.00</b>	<b>(\$4,714,264)</b>	<b>\$400,000</b>	<b>\$0</b>	<b>(\$4,314,264)</b>	<b>0.00</b>	<b>(\$4,314,264)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$4,314,264)</b>

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

DP 555 - Appropriation Rebase -

Under 17-7-111, MCA state agencies are required to submit plans to reduce general fund and certain state special revenue funds by 5%. The legislature approved reductions to the present law budget based on either the 5% reduction plans or FY 2016 reversions.

DP 9002 - Family Practice Rural Residency -

The legislature approved funding for graduate medical education including adding psychiatry slots for residency. Funds will come from the Montana Rural Physicians Incentive state special revenue account for FY 2018 and general fund for FY 2019.

**Program Budget Comparison**

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Transfers	58,163,057	57,222,723	(940,334)	(1.62)%
<b>Total Expenditures</b>	<b>\$58,163,057</b>	<b>\$57,222,723</b>	<b>(\$940,334)</b>	<b>(1.62)%</b>
General Fund	55,732,358	54,592,787	(1,139,571)	(2.04)%
State/Other Special Rev. Funds	2,430,699	2,629,936	199,237	8.20 %
<b>Total Funds</b>	<b>\$58,163,057</b>	<b>\$57,222,723</b>	<b>(\$940,334)</b>	<b>(1.62)%</b>
<b>Total Ongoing</b>	<b>\$57,193,057</b>	<b>\$56,312,723</b>	<b>(\$880,334)</b>	<b>(1.54)%</b>
<b>Total OTO</b>	<b>\$970,000</b>	<b>\$910,000</b>	<b>(\$60,000)</b>	<b>(6.19)%</b>

**Program Description**

Research and Development Agencies aid in research, scientific experimentation, and professional and community development. The agencies work side by side with campuses across the state to foster learning and create career opportunities in various fields of study including agriculture, resource management and conservation, forestry, fire and rescue, and geologic studies.

The research & development agencies consist of:

- Agricultural Experiment Stations (AES)
- Extension Services (ES)
- Forestry & Conservation Experiment Station (FCES)
- Bureau of Mines & Geology (MBMG)
- Fire Services Training School (FSTS)

**Program Highlights**

<b>Research and Development Agencies Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The legislature decreased the biennial budget by \$0.9 million or 1.6% compared to the 2017 biennium</li> <li>• The legislature approved one-time-only funding for:                             <ul style="list-style-type: none"> <li>◦ AES Seed Lab</li> <li>◦ AES Wool Lab</li> <li>◦ MBMG Data Preservation Project</li> </ul> </li> </ul>

**Program Actuals and Budget Comparison**

The following table compares the program's FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
Transfers	28,655,178	28,724,778	29,438,279	28,584,231	28,638,492
<b>Total Expenditures</b>	<b>\$28,655,178</b>	<b>\$28,724,778</b>	<b>\$29,438,279</b>	<b>\$28,584,231</b>	<b>\$28,638,492</b>
General Fund	27,509,047	27,509,047	28,223,311	27,269,263	27,323,524
State/Other Special Rev. Funds	1,146,131	1,215,731	1,214,968	1,314,968	1,314,968
<b>Total Funds</b>	<b>\$28,655,178</b>	<b>\$28,724,778</b>	<b>\$29,438,279</b>	<b>\$28,584,231</b>	<b>\$28,638,492</b>
<b>Total Ongoing</b>	<b>\$28,170,178</b>	<b>\$28,239,778</b>	<b>\$28,953,279</b>	<b>\$28,129,231</b>	<b>\$28,183,492</b>
<b>Total OTO</b>	<b>\$485,000</b>	<b>\$485,000</b>	<b>\$485,000</b>	<b>\$455,000</b>	<b>\$455,000</b>

**Funding**

The following table shows adopted program funding by source of authority.

Commissioner of Higher Education, 10-Research and Development Agencies Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	54,592,787	0	0	54,592,787	95.40 %
02248 MUS Research Director	200,000	0	0	200,000	7.60 %
02289 Bureau Of Mines Groundwater	1,332,000	0	0	1,332,000	50.65 %
02576 Natural Resources Operations	497,936	0	0	497,936	18.93 %
02432 Oil & Gas ERA	600,000	0	0	600,000	22.81 %
<b>State Special Total</b>	<b>\$2,629,936</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,629,936</b>	<b>4.60 %</b>
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$57,222,723</b>	<b>\$0</b>	<b>\$0</b>	<b>\$57,222,723</b>	

The general operating budgets for the research and development agencies are funded for the most part with general fund. The remaining funding comes from state special revenue. The state special revenue is comprised of revenues from resource indemnity trust (RIT) interest, oil and gas and metal mines tax. The agencies also use non-state revenues to support their general operating budgets; these revenues are not appropriated in HB 2.

The following table outlines the appropriation to each agency.

Research & Development Agencies Comparison of Executive Request to Legislative Level				
19 Biennium				
Agency	Executive Request	Legislative Level	Change	% Change
Agricultural Experiment Station	30,545,396	30,855,396	310,000	1.0%
Extension Service	11,758,403	12,358,403	600,000	4.9%
Fire Services Training School	1,276,971	1,476,971	200,000	13.5%
Forestry and Conservation Experiment Station	2,596,934	2,596,934	-	0.0%
Montana Bureau of Mines & Geology	9,935,019	9,935,019	-	0.0%
<b>Total Funds</b>	<b>56,112,723</b>	<b>57,222,723</b>	<b>1,110,000</b>	<b>2.0%</b>

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	28,038,311	28,038,311	56,076,622	102.72 %	28,953,279	28,953,279	57,906,558	101.20 %
SWPL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
PL Adjustments	142,154	196,415	338,569	0.62 %	142,154	196,415	338,569	0.59 %
New Proposals	(911,202)	(911,202)	(1,822,404)	(3.34)%	(511,202)	(511,202)	(1,022,404)	(1.79)%
<b>Total Budget</b>	<b>\$27,269,263</b>	<b>\$27,323,524</b>	<b>\$54,592,787</b>		<b>\$28,584,231</b>	<b>\$28,638,492</b>	<b>\$57,222,723</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. “Statewide Present Law” adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1005 - SWPL Research Agencies	0.00	142,154	0	0	142,154	0.00	196,415	0	0	196,415
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$142,154</b>	<b>\$0</b>	<b>\$0</b>	<b>\$142,154</b>	<b>0.00</b>	<b>\$196,415</b>	<b>\$0</b>	<b>\$0</b>	<b>\$196,415</b>

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

DP 1005 - SWPL Research Agencies -

The legislature approved an increase in general fund to annualize various personal services costs, fixed costs, and inflation and deflation factors. This request is equivalent to SWPL 1, 2, and 3 for all other agencies.

**New Proposals**

The “New Proposals” table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 555 - Appropriation Rebase	0.00	(1,366,202)	0	0	(1,366,202)	0.00	(1,366,202)	0	0	(1,366,202)
DP 1003 - MBMG Data Preservation Program (OTO)	0.00	0	300,000	0	300,000	0.00	0	300,000	0	300,000
DP 1006 - Extension Service Restoration	0.00	300,000	0	0	300,000	0.00	300,000	0	0	300,000
DP 1007 - AES Seed Lab MSU-Bozeman (Biennial/OTO)	0.00	100,000	0	0	100,000	0.00	100,000	0	0	100,000
DP 1008 - AES Wool Lab MSU-Bozeman (Restricted/Biennial/OTO)	0.00	55,000	0	0	55,000	0.00	55,000	0	0	55,000
DP 1009 - Fire School Training Services	0.00	0	100,000	0	100,000	0.00	0	100,000	0	100,000
<b>Total</b>	<b>0.00</b>	<b>(\$911,202)</b>	<b>\$400,000</b>	<b>\$0</b>	<b>(\$511,202)</b>	<b>0.00</b>	<b>(\$911,202)</b>	<b>\$400,000</b>	<b>\$0</b>	<b>(\$511,202)</b>

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

DP 555 - Appropriation Rebase -

Under 17-7-111, MCA state agencies are required to submit plans to reduce general fund and certain state special revenue funds by 5%. The legislature approved reductions to the present law budget based on either the 5% reduction plans or FY 2016 reversions.

DP 1003 - MBMG Data Preservation Program (OTO) -

The legislature approved an increase in state special revenue for the Bureau of Mines and Geology's data preservation program. This program received a one-time-only appropriation during the 2017 biennium for this project.

DP 1006 - Extension Service Restoration -

The legislature restored partial funding to Extension Service for the 2019 biennium.

DP 1007 - AES Seed Lab MSU-Bozeman (Biennial/OTO) -

The legislature approved additional general fund for the AES Seed Lab on the MSU-Bozeman campus as biennial, and one-time-only.

DP 1008 - AES Wool Lab MSU-Bozeman (Restricted/Biennial/OTO) -

The legislature approved additional general fund for the AES Wool Lab on the MSU-Bozeman campus as restricted, biennial, and one-time-only.

DP 1009 - Fire School Training Services -

The legislature restored partial funding to Fire School Training Services for the 2019 biennium.

**Program Budget Comparison**

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Grants	2,006,926	1,684,170	(322,756)	(16.08)%
<b>Total Expenditures</b>	<b>\$2,006,926</b>	<b>\$1,684,170</b>	<b>(\$322,756)</b>	<b>(16.08)%</b>
General Fund	2,006,926	1,684,170	(322,756)	(16.08)%
<b>Total Funds</b>	<b>\$2,006,926</b>	<b>\$1,684,170</b>	<b>(\$322,756)</b>	<b>(16.08)%</b>
<b>Total Ongoing</b>	<b>\$1,684,170</b>	<b>\$1,684,170</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total OTO</b>	<b>\$322,756</b>	<b>\$0</b>	<b>(\$322,756)</b>	<b>(100.00)%</b>

**Program Description**

The Tribal College Assistance program provides funding to tribal colleges to support a portion of the costs of educating non-beneficiary Montana students (non-tribal members) attending the seven tribal community colleges on the reservations in Montana. Section 20-25-428, MCA requires the Board of Regents to provide assistance to tribal colleges "subject to a line item appropriation" by the legislature, up to a maximum of \$3,280 per year for each nonbeneficiary student FTE.

**Program Highlights**

<b>Tribal College Assistance Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>The legislature approved a budget approximately \$0.3 million less than the 2017 biennium. One-time-only funds appropriated in the previous biennium were not requested</li> </ul>

**Program Actuals and Budget Comparison**

The following table compares the program's FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
Grants	786,380	1,003,463	1,003,463	842,085	842,085
<b>Total Expenditures</b>	<b>\$786,380</b>	<b>\$1,003,463</b>	<b>\$1,003,463</b>	<b>\$842,085</b>	<b>\$842,085</b>
General Fund	786,380	1,003,463	1,003,463	842,085	842,085
<b>Total Funds</b>	<b>\$786,380</b>	<b>\$1,003,463</b>	<b>\$1,003,463</b>	<b>\$842,085</b>	<b>\$842,085</b>
<b>Total Ongoing</b>	<b>\$786,380</b>	<b>\$842,085</b>	<b>\$842,085</b>	<b>\$842,085</b>	<b>\$842,085</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$161,378</b>	<b>\$161,378</b>	<b>\$0</b>	<b>\$0</b>

**Funding**

The following table shows adopted program funding by source of authority.

Commissioner of Higher Education, 11-Tribal College Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	1,684,170	0	0	1,684,170	100.00 %	
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$1,684,170</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,684,170</b>		

Funding for Tribal College support of non-beneficiary students is entirely from the state general fund.

The table below illustrates a recent history of program expenditures, the legislative budget for the 2019 biennium, and the changes in average state funds per non-beneficiary student over the same time horizon.

State Funding for Non-beneficiary Montana Students Attending Tribal Community Colleges FY 2010 through 2019						
Fiscal Year		Number of Non- beneficiary Montana Students Reported	State Funds Distributed for Non-beneficiary Students			Average State Funds per Non- beneficiary Student
			One-Time	On-Going	Total	
FY 2010	Actual	273.13	384,944	441,002	\$825,946	\$3,024
FY 2011	Actual	279.56	515,056	383,087	\$898,143	\$3,213
FY 2012	Actual	339.46	0	842,085	\$842,085	\$2,481
FY 2013	Actual	334.11	0	842,085	\$842,085	\$2,520
FY 2014	Actual	270.84	0	819,021	\$819,021	\$3,024
FY 2015	Actual	276.37	184,442	651,300	\$835,742	\$3,024
FY 2016	Actual	239.75	0	786,380	\$786,380	\$3,280
FY 2017	Appropriated	305.93	161,378	842,085	\$1,003,463	\$3,280
FY 2018	Appropriated	256.73	0	842,085	\$842,085	\$3,280
FY 2019	Appropriated	256.73	0	842,085	\$842,085	\$3,280

\*\*Per Section 20-25-428, MCA there is a maximum distribution of \$3,280 per non-beneficiary student per year

**Budget Summary by Category**

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	842,085	842,085	1,684,170	100.00 %	842,085	842,085	1,684,170	100.00 %
SWPL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
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>\$842,085</b>	<b>\$842,085</b>	<b>\$1,684,170</b>		<b>\$842,085</b>	<b>\$842,085</b>	<b>\$1,684,170</b>	

**Program Budget Comparison**

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	4,844,747	4,628,026	(216,721)	(4.47)%
Operating Expenses	6,260,798	6,261,763	965	0.02 %
Equipment & Intangible Assets	24,940	20,504	(4,436)	(17.79)%
Benefits & Claims	97,051,074	97,651,074	600,000	0.62 %
Debt Service	25,364	25,364	0	0.00 %
<b>Total Expenditures</b>	<b>\$108,206,923</b>	<b>\$108,586,731</b>	<b>\$379,808</b>	<b>0.35 %</b>
Federal Spec. Rev. Funds	108,206,923	108,586,731	379,808	0.35 %
<b>Total Funds</b>	<b>\$108,206,923</b>	<b>\$108,586,731</b>	<b>\$379,808</b>	<b>0.35 %</b>
<b>Total Ongoing</b>	<b>\$108,206,923</b>	<b>\$108,586,731</b>	<b>\$379,808</b>	<b>0.35 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Description**

The Guaranteed Student Loan Program (GSL) operates under federal regulation to guarantee federal student loans. GSL purchases and services student loans that have been defaulted, works to prevent default, collects outstanding principal from defaulted loans, and provides training and technical assistance to schools and lenders under Title 20, Chapter 26, MCA. GSL offers default prevention assistance to the campuses and administration of Achieve Montana’s college savings plan, and other state-aid related programs.

**Program Highlights**

<b>Guaranteed Student Loan Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The legislature adopted a biennial budget increase of \$0.4 million or 0.4% compared to the 2017 biennium</li> </ul>

**Program Actuals and Budget Comparison**

The following table compares the program’s FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	41.02	41.02	41.02	41.02	41.02
Personal Services	1,678,621	2,383,186	2,461,561	2,312,568	2,315,458
Operating Expenses	2,137,447	3,136,384	3,124,414	3,139,497	3,122,266
Equipment & Intangible Assets	14,688	14,688	10,252	10,252	10,252
Benefits & Claims	24,361,683	48,225,537	48,825,537	48,825,537	48,825,537
Debt Service	0	12,682	12,682	12,682	12,682
<b>Total Expenditures</b>	<b>\$28,192,439</b>	<b>\$53,772,477</b>	<b>\$54,434,446</b>	<b>\$54,300,536</b>	<b>\$54,286,195</b>
Federal Spec. Rev. Funds	28,192,439	53,772,477	54,434,446	54,300,536	54,286,195
<b>Total Funds</b>	<b>\$28,192,439</b>	<b>\$53,772,477</b>	<b>\$54,434,446</b>	<b>\$54,300,536</b>	<b>\$54,286,195</b>
<b>Total Ongoing</b>	<b>\$28,192,439</b>	<b>\$53,772,477</b>	<b>\$54,434,446</b>	<b>\$54,300,536</b>	<b>\$54,286,195</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Funding**

The following table shows adopted program funding by source of authority.

Commissioner of Higher Education, 12-Guaranteed Student Loan Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
03400 Guaranteed Std. Loan-Admin.	19,097,953	0	0	19,097,953	17.59 %
03401 U. S. Dept Ed / GSL Recall Acct	89,460,586	0	0	89,460,586	82.39 %
03410 Gear Up Essay Scholarship	28,192	0	0	28,192	0.03 %
<b>Federal Special Total</b>	<b>\$108,586,731</b>	<b>\$0</b>	<b>\$0</b>	<b>\$108,586,731</b>	<b>100.00 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$108,586,731</b>	<b>\$0</b>	<b>\$0</b>	<b>\$108,586,731</b>	

This program is funded with federal funds from the U.S. Department of Education relating to the operation of the program.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	0	0	0	0.00 %	54,434,446	54,434,446	108,868,892	100.26 %
SWPL Adjustments	0	0	0	0.00 %	(84,706)	(98,986)	(183,692)	(0.17)%
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	(49,204)	(49,265)	(98,469)	(0.09)%
<b>Total Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$54,300,536</b>	<b>\$54,286,195</b>	<b>\$108,586,731</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. “Statewide Present Law” adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	(99,789)	(99,789)	0.00	0	0	(96,838)	(96,838)
DP 2 - Fixed Costs	0.00	0	0	18,231	18,231	0.00	0	0	521	521
DP 3 - Inflation Deflation	0.00	0	0	(3,148)	(3,148)	0.00	0	0	(2,669)	(2,669)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$84,706)</b>	<b>(\$84,706)</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$98,986)</b>	<b>(\$98,986)</b>

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

DP 1 - Personal Services -

The legislature approved adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

**New Proposals**

The “New Proposals” table shows new changes to expenditures.

	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 51 - Additional 2% Vacancy Savings	0.00	0	0	(49,204)	(49,204)	0.00	0	0	(49,265)	(49,265)
<b>Total</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$49,204)</b>	<b>(\$49,204)</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$49,265)</b>	<b>(\$49,265)</b>

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

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

**Program Budget Comparison**

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	12,600	12,600	0	0.00 %
Operating Expenses	128,216	122,776	(5,440)	(4.24)%
<b>Total Expenditures</b>	<b>\$140,816</b>	<b>\$135,376</b>	<b>(\$5,440)</b>	<b>(3.86)%</b>
General Fund	140,816	135,376	(5,440)	(3.86)%
<b>Total Funds</b>	<b>\$140,816</b>	<b>\$135,376</b>	<b>(\$5,440)</b>	<b>(3.86)%</b>
<b>Total Ongoing</b>	<b>\$140,816</b>	<b>\$135,376</b>	<b>(\$5,440)</b>	<b>(3.86)%</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Description**

The Board of Regents program provides secretarial support, travel, and per diem for the Board of Regents. The Board of Regents has full power, responsibility, and authority to supervise, coordinate, manage, and control the Montana University System under Article X, Section 9, Montana Constitution, and 20-25-301, MCA.

**Program Highlights**

<b>Board of Regents Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The legislature adopted a biennial budget decrease of 3.9% or \$5,440 compared to the 2017 biennium appropriation</li> </ul>

**Program Actuals and Budget Comparison**

The following table compares the program's FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
Personal Services	2,750	6,300	6,300	6,300	6,300
Operating Expenses	51,639	64,108	64,108	61,388	61,388
<b>Total Expenditures</b>	<b>\$54,389</b>	<b>\$70,408</b>	<b>\$70,408</b>	<b>\$67,688</b>	<b>\$67,688</b>
General Fund	54,389	70,408	70,408	67,688	67,688
<b>Total Funds</b>	<b>\$54,389</b>	<b>\$70,408</b>	<b>\$70,408</b>	<b>\$67,688</b>	<b>\$67,688</b>
<b>Total Ongoing</b>	<b>\$54,389</b>	<b>\$70,408</b>	<b>\$70,408</b>	<b>\$67,688</b>	<b>\$67,688</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Funding**

The following table shows adopted program funding by source of authority.

Commissioner of Higher Education, 13-Board of Regents Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	135,376	0	0	135,376	100.00 %	
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$135,376</b>	<b>\$0</b>	<b>\$0</b>	<b>\$135,376</b>		

The Board of Regents administration program is funded exclusively with general fund.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	70,408	70,408	140,816	104.02 %	70,408	70,408	140,816	104.02 %
SWPL Adjustments	(1)	(1)	(2)	(0.00)%	(1)	(1)	(2)	(0.00)%
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	(2,719)	(2,719)	(5,438)	(4.02)%	(2,719)	(2,719)	(5,438)	(4.02)%
<b>Total Budget</b>	<b>\$67,688</b>	<b>\$67,688</b>	<b>\$135,376</b>		<b>\$67,688</b>	<b>\$67,688</b>	<b>\$135,376</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. “Statewide Present Law” adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 3 - Inflation Deflation	0.00	(1)	0	0	(1)	0.00	(1)	0	0	(1)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$1)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1)</b>	<b>0.00</b>	<b>(\$1)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1)</b>

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

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

**New Proposals**

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 555 - Appropriation Rebase	0.00	(2,719)	0	0	(2,719)	0.00	(2,719)	0	0	(2,719)
<b>Total</b>	<b>0.00</b>	<b>(\$2,719)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$2,719)</b>	<b>0.00</b>	<b>(\$2,719)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$2,719)</b>

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

DP 555 - Appropriation Rebase -

Under 17-7-111, MCA state agencies are required to submit plans to reduce general fund and certain state special revenue funds by 5%. The legislature approved reductions to the present law budget based on either the 5% reduction plans or FY 2016 reversions.

### Agency Budget Comparison

The following table compares the 2017 biennium appropriated budget to the 2019 biennium appropriated budget by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	13,112,512	13,085,932	(26,580)	(0.20)%
Operating Expenses	1,756,604	1,637,354	(119,250)	(6.79)%
Transfers	22,600	10,000	(12,600)	(55.75)%
Debt Service	56,900	56,902	2	0.00%
<b>Total Expenditures</b>	<b>\$14,948,616</b>	<b>\$14,790,188</b>	<b>(\$158,428)</b>	<b>(1.06)%</b>
General Fund	14,291,377	13,845,319	(446,058)	(3.12)%
State/Other Special Rev. Funds	516,470	803,999	287,529	55.67%
Federal Spec. Rev. Funds	140,769	140,870	101	0.07%
<b>Total Funds</b>	<b>\$14,948,616</b>	<b>\$14,790,188</b>	<b>(\$158,428)</b>	<b>(1.06)%</b>
<b>Total Ongoing</b>	<b>\$14,809,740</b>	<b>\$14,676,312</b>	<b>(\$133,428)</b>	<b>(0.90)%</b>
<b>Total OTO</b>	<b>\$138,876</b>	<b>\$113,876</b>	<b>(\$25,000)</b>	<b>(18.00)%</b>

### Agency Description

The Montana School for the Deaf & the Blind (MSDB) provides comprehensive educational opportunities for Montana's students who are deaf, hard of hearing, blind, visually impaired, and deafblind, giving them their best chance for independence and success. Children and youth from preschool through high school can attend MSDB as residential or day students on the Great Falls campus, where specialized instruction is combined with opportunities to attend classes in the public schools. MSDB also serves as a statewide resource center for families, school districts, and professionals serving students who are deaf, hard of hearing, blind, visually impaired, and deafblind. The team of outreach consultants serves hundreds of students and families in communities across Montana. Additionally, MSDB offers outreach programs on campus.

The school's funding is almost entirely by legislative appropriation from the general fund (93.6% of total funding), unlike public K-12 school districts MSDB has no authority to levy additional funds.

The school consists of four programs with the following functions:

1. Administration - (7.3% of total budget) purchasing, accounting, personnel functions, and overall management of the school
2. General Services - (7.6% of total budget) upkeep and maintenance of school facilities and grounds of the 18.5 acre campus
3. Student Services - (24.9% of total budget) round-the-clock residential care for students residing at the school, including general supervision, meal services, and support services
4. Educational Services - (60.3% of total budget) resident, outreach, and mainstream education programs

There is additional, more detailed information about the agency in the agency profile. The profile may be viewed at:

[http://leg.mt.gov/content/Publications/fiscal/Budget-Books/2019/Budget-Analysis/section\\_e/5113-00agency-profile.pdf](http://leg.mt.gov/content/Publications/fiscal/Budget-Books/2019/Budget-Analysis/section_e/5113-00agency-profile.pdf)

### Agency Highlights

**Montana School for the Deaf and Blind  
Major Budget Highlights**

The legislature established the base budget for each year of the 2019 biennium at the level of the FY 2017 appropriation. The legislature approved a decrease in total appropriation of \$158,428 or 1.1%. The agency is funded 93.6% with general fund, 5.4% state special revenue, and 1.0% federal revenue.

General fund appropriations decreased by \$446,058 or 3.1% compared to the 2017 biennium appropriations.

- \$202,077 increase - Annualize FY 2016 appropriation to FY 2017 base budget funding level
- \$348,944 increase - The legislature approved statewide present law and other adjustments to personal services
- \$176,124 decrease - The legislature approved a switch in funding from general fund to state special revenue
- \$25,991 decrease - Present law adjustments for fixed costs, inflation, IT rate adjustment, liability, motor pool adjustments
- \$656,088 decrease - The legislature approved targeted budget reductions that eliminated 3.65 FTE from the education program
- \$53,876 decrease - The legislature approved appropriations from state special revenue for staff stipends in support of extra-curricular activities and student travel from state special revenue, in prior biennium this appropriation was from the general fund
- \$60,000 decrease - The legislature approved appropriations from state special revenue for student travel from state special revenue, in prior biennium this appropriation was from the general fund
- \$25,000 decrease - The agency did not request funding for the lending library as in previous biennium

State special revenue appropriations increased by \$287,529 or 55.7% compared to the 2017 biennium appropriations.

- \$348 increase - Annualize FY 2016 appropriation to FY 2017 base budget funding level
- \$53,876 increase - The legislature approved a present law adjustments for personal services, specifically stipends for staff that support extra-curricular activities
- \$2,819 decrease - The legislature approved targeted budget reductions in operating expense
- \$176,124 increase - The legislature approved a switch in funding from general fund to state special revenue
- \$60,000 increase - The legislature approved a one-time-only state special revenue appropriation to fund student travel

Federal special revenue appropriations increased by \$101 or 0.1% compared to the 2017 biennium appropriations.

- \$101 increase - Annualize FY 2016 appropriation to FY 2017 base budget funding level

### Agency Actuals and Budget Comparison

The following table compares the 2017 biennium appropriated budget to the 2019 biennium appropriated budget by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	88.61	88.61	88.61	84.96	84.96
Personal Services	5,986,936	6,415,974	6,696,538	6,543,594	6,542,338
Operating Expenses	895,407	917,321	839,283	828,072	809,282
Transfers	9,000	11,300	11,300	9,000	1,000
Debt Service	28,450	28,450	28,450	28,451	28,451
<b>Total Expenditures</b>	<b>\$6,919,793</b>	<b>\$7,373,045</b>	<b>\$7,575,571</b>	<b>\$7,409,117</b>	<b>\$7,381,071</b>
General Fund	6,602,466	7,044,650	7,246,727	6,936,682	6,908,637
State/Other Special Rev. Funds	246,993	258,061	258,409	402,000	401,999
Federal Spec. Rev. Funds	70,334	70,334	70,435	70,435	70,435
<b>Total Funds</b>	<b>\$6,919,793</b>	<b>\$7,373,045</b>	<b>\$7,575,571</b>	<b>\$7,409,117</b>	<b>\$7,381,071</b>
<b>Total Ongoing</b>	<b>\$6,850,355</b>	<b>\$7,303,607</b>	<b>\$7,506,133</b>	<b>\$7,352,179</b>	<b>\$7,324,133</b>
<b>Total OTO</b>	<b>\$69,438</b>	<b>\$69,438</b>	<b>\$69,438</b>	<b>\$56,938</b>	<b>\$56,938</b>

### Summary of Legislative Action

The legislature approved a decrease in general funds of \$446,000 or 3.1% compared to the 2017 biennial appropriation, 65% of this reduction (\$290,000) was replaced with appropriation from state special revenue. The legislature approved targeted budget reductions that eliminated 3.65 FTE from the education program.

### Funding

The following table shows adopted agency funding by source of authority. Funding for each program is discussed in detail in the individual program narratives.

Total School For the Deaf & Blind Funding by Source of Authority 2019 Biennium Budget Request - School For the Deaf & Blind						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	13,845,319	0	0	0	13,845,319	93.61 %
State Special Total	690,123	113,876	0	0	803,999	5.44 %
Federal Special Total	140,870	0	0	0	140,870	0.95 %
Proprietary Total	0	0	0	0	0	0.00 %
Other Total	0	0	0	0	0	0.00 %
<b>Total All Funds</b>	<b>\$14,676,312</b>	<b>\$113,876</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,790,188</b>	
<b>Percent - Total All Sources</b>	<b>99.23 %</b>	<b>0.77 %</b>	<b>0.00 %</b>	<b>0.00 %</b>		

Montana School for Deaf and Blind (MSDB) programs are funded primarily with general fund. State special funds include school trust income & interest and Medicaid reimbursements. The LFD estimates school trust income will be sufficient to support the legislative appropriation for its use. Revenues from school trusts fluctuate based on the activities occurring on school lands. Students under the care of the MSDB may be Medicaid eligible and the school is reimbursed for those services covered by Medicaid.

Sources of federal funds include the National School Lunch Program, which provides subsidized meals for low-income children, and Education Consolidation and Improvement Act Chapter I, which provides federal funds to assist state and local educational agencies to meet the needs of educationally deprived children.

Unlike other public schools, the school does not have the ability to levy property taxes to support school programs.

### Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	7,177,289	7,177,289	14,354,578	103.68 %	7,506,133	7,506,133	15,012,266	101.50 %
SWPL Adjustments	185,279	165,207	350,486	2.53 %	185,279	165,207	350,486	2.37 %
PL Adjustments	(11,558)	(11,558)	(23,116)	(0.17)%	15,380	15,380	30,760	0.21 %
New Proposals	(414,328)	(422,301)	(836,629)	(6.04)%	(297,675)	(305,649)	(603,324)	(4.08)%
<b>Total Budget</b>	<b>\$6,936,682</b>	<b>\$6,908,637</b>	<b>\$13,845,319</b>		<b>\$7,409,117</b>	<b>\$7,381,071</b>	<b>\$14,790,188</b>	

**Executive Budget Comparison**

The following table compares the legislative budget for the biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2017	Executive Budget Fiscal 2018	Legislative Budget Fiscal 2018	Leg — Exec. Difference Fiscal 2018	Executive Budget Fiscal 2019	Legislative Budget Fiscal 2019	Leg — Exec. Difference Fiscal 2019	Biennium Difference Fiscal 18-19
FTE	88.61	84.96	84.96	0.00	84.96	84.96	0.00	0.00
Personal Services	6,696,538	6,541,929	6,543,594	1,665	6,548,420	6,542,338	(6,082)	(4,417)
Operating Expenses	839,283	845,907	828,072	(17,835)	827,358	809,282	(18,076)	(35,911)
Equipment & Intangible Assets	0	0	0	0	0	0	0	0
Transfers	11,300	9,000	9,000	0	1,000	1,000	0	0
Debt Service	28,450	28,451	28,451	0	28,451	28,451	0	0
<b>Total Costs</b>	<b>\$7,575,571</b>	<b>\$7,425,287</b>	<b>\$7,409,117</b>	<b>(\$16,170)</b>	<b>\$7,405,229</b>	<b>\$7,381,071</b>	<b>(\$24,158)</b>	<b>(\$40,328)</b>
General Fund	7,246,727	6,951,443	6,936,682	(14,761)	6,931,385	6,908,637	(22,748)	(37,509)
State/other Special Rev. Funds	258,409	403,409	402,000	(1,409)	403,409	401,999	(1,410)	(2,819)
Federal Spec. Rev. Funds	70,435	70,435	70,435	0	70,435	70,435	0	0
<b>Total Funds</b>	<b>\$7,575,571</b>	<b>\$7,425,287</b>	<b>\$7,409,117</b>	<b>(\$16,170)</b>	<b>\$7,405,229</b>	<b>\$7,381,071</b>	<b>(\$24,158)</b>	<b>(\$40,328)</b>
<b>Total Ongoing</b>	<b>\$7,506,133</b>	<b>\$7,368,349</b>	<b>\$7,352,179</b>	<b>(\$16,170)</b>	<b>\$7,348,291</b>	<b>\$7,324,133</b>	<b>(\$24,158)</b>	<b>(\$40,328)</b>
<b>Total OTO</b>	<b>\$69,438</b>	<b>\$56,938</b>	<b>\$56,938</b>	<b>\$0</b>	<b>\$56,938</b>	<b>\$56,938</b>	<b>\$0</b>	<b>\$0</b>

In addition to executive request, the legislature approved additional reductions of \$40,328 for the biennium. The legislature approved an additional \$25,935 in reductions for fixed cost and an additional \$4,417 reduction in personal services compared to the executive request. The legislature did not approve an executive request of \$9,976 general fund for the replacement of agency owned vehicles with vehicles leased from the state motor pool. The table above reflects lower appropriations, when compared with the executive request, for general fund and state special revenue.

**Program Budget Comparison**

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	775,312	848,158	72,846	9.40 %
Operating Expenses	260,287	226,121	(34,166)	(13.13)%
<b>Total Expenditures</b>	<b>\$1,035,599</b>	<b>\$1,074,279</b>	<b>\$38,680</b>	<b>3.74 %</b>
General Fund	1,029,719	1,068,399	38,680	3.76 %
State/Other Special Rev. Funds	5,880	5,880	0	0.00 %
<b>Total Funds</b>	<b>\$1,035,599</b>	<b>\$1,074,279</b>	<b>\$38,680</b>	<b>3.74 %</b>
<b>Total Ongoing</b>	<b>\$1,035,599</b>	<b>\$1,074,279</b>	<b>\$38,680</b>	<b>3.74 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Description**

The Administration Program staff provide purchasing, accounting, personnel functions, and management of the business affairs for the school.

**Program Highlights**

<b>Administration Program Major Budget Highlights</b>
<p>The legislature approved a 3.8% increase or \$38,680 in general fund appropriation. The legislature approved appropriation from state special revenue at the same level as the previous biennium.</p> <p><b>Personal Services</b> - General fund appropriation for personal services increased by \$72,846</p> <ul style="list-style-type: none"> <li>• \$1,184 increase - Annualize FY 2016 appropriation to FY 2017 base funding levels</li> <li>• \$14,438 increase - The legislature approved statewide present law adjustments for personal services</li> <li>• \$57,224 increase - The legislature approved a partial restoration of personal services reductions</li> </ul> <p><b>Operating Expense</b> - General fund appropriation for operating expense decreased by \$34,166</p> <ul style="list-style-type: none"> <li>• \$33,493 decrease - Annualize FY 2016 appropriation to FY 2017 base funding levels</li> <li>• \$673 decrease - The legislature approved present law adjustments for fixed costs, inflation, IT rate adjustment, liability insurance, motor pool adjustments</li> </ul>

**Program Actuals and Budget Comparison**

The following table compares the program's FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	5.00	5.00	5.00	5.00	5.00
Personal Services	378,771	387,064	388,248	427,693	420,465
Operating Expenses	132,475	146,890	113,397	125,214	100,907
<b>Total Expenditures</b>	<b>\$511,246</b>	<b>\$533,954</b>	<b>\$501,645</b>	<b>\$552,907</b>	<b>\$521,372</b>
General Fund	508,306	531,014	498,705	549,967	518,432
State/Other Special Rev. Funds	2,940	2,940	2,940	2,940	2,940
<b>Total Funds</b>	<b>\$511,246</b>	<b>\$533,954</b>	<b>\$501,645</b>	<b>\$552,907</b>	<b>\$521,372</b>
<b>Total Ongoing</b>	<b>\$511,246</b>	<b>\$533,954</b>	<b>\$501,645</b>	<b>\$552,907</b>	<b>\$521,372</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Funding**

The following table shows adopted program funding by source of authority.

School For the Deaf & Blind, 01-Administration Program Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	1,068,399	0	0	1,068,399	99.45 %
02050 School Trust Interest/Income	5,880	0	0	5,880	100.00 %
<b>State Special Total</b>	<b>\$5,880</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,880</b>	<b>0.55 %</b>
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$1,074,279</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,074,279</b>	

The program is funded almost entirely with general fund. The school also receives interest and income from school trust lands which funds less than 1.0% of the program's budget.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	498,705	498,705	997,410	93.36 %	501,645	501,645	1,003,290	93.39 %
SWPL Adjustments	30,335	6,546	36,881	3.45 %	30,335	6,546	36,881	3.43 %
PL Adjustments	(11,558)	(11,558)	(23,116)	(2.16)%	(11,558)	(11,558)	(23,116)	(2.15)%
New Proposals	32,485	24,739	57,224	5.36 %	32,485	24,739	57,224	5.33 %
<b>Total Budget</b>	<b>\$549,967</b>	<b>\$518,432</b>	<b>\$1,068,399</b>		<b>\$552,907</b>	<b>\$521,372</b>	<b>\$1,074,279</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. “Statewide Present Law” adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	6,960	0	0	6,960	0.00	7,478	0	0	7,478
DP 2 - Fixed Costs	0.00	23,548	0	0	23,548	0.00	(759)	0	0	(759)
DP 3 - Inflation Deflation	0.00	(173)	0	0	(173)	0.00	(173)	0	0	(173)
DP 53 - SWPLA Fixed Cost Reductions	0.00	(11,558)	0	0	(11,558)	0.00	(11,558)	0	0	(11,558)
DP 54 - SWPLA Fixed Cost Reductions Adjustment	0.00	(10,148)	0	0	(10,148)	0.00	(8,291)	0	0	(8,291)
DP 56 - Oracle License Funding Reinstatement	0.00	10,148	0	0	10,148	0.00	8,291	0	0	8,291
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$18,777</b>	<b>\$0</b>	<b>\$0</b>	<b>\$18,777</b>	<b>0.00</b>	<b>(\$5,012)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$5,012)</b>

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

DP 1 - Personal Services -

The legislature approved adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature approved funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 53 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warrant writer, rent, and information technology.

DP 54 - SWPLA Fixed Cost Reductions Adjustment -

The legislature approved further reductions in fixed costs for rent and information technology.

DP 56 - Oracle License Funding Reinstatement -

The legislature increased funding for Oracle license costs included in the State Information Technology Service Division. The license costs are allocated through fixed cost adjustments.

**New Proposals**

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 60 - Personal Services Restoration	0.00	32,485	0	0	32,485	0.00	24,739	0	0	24,739
<b>Total</b>	<b>0.00</b>	<b>\$32,485</b>	<b>\$0</b>	<b>\$0</b>	<b>\$32,485</b>	<b>0.00</b>	<b>\$24,739</b>	<b>\$0</b>	<b>\$0</b>	<b>\$24,739</b>

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

DP 60 - Personal Services Restoration -

The legislature approved partial restoration of personal services funding for the agency.

**Program Budget Comparison**

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	474,192	536,922	62,730	13.23 %
Operating Expenses	559,750	523,313	(36,437)	(6.51)%
Transfers	22,600	10,000	(12,600)	(55.75)%
Debt Service	56,900	56,902	2	0.00 %
<b>Total Expenditures</b>	<b>\$1,113,442</b>	<b>\$1,127,137</b>	<b>\$13,695</b>	<b>1.23 %</b>
General Fund	1,113,442	1,127,137	13,695	1.23 %
<b>Total Funds</b>	<b>\$1,113,442</b>	<b>\$1,127,137</b>	<b>\$13,695</b>	<b>1.23 %</b>
<b>Total Ongoing</b>	<b>\$1,113,442</b>	<b>\$1,127,137</b>	<b>\$13,695</b>	<b>1.23 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Description**

The General Services Program staff are responsible for the general upkeep and maintenance of the school's eight buildings and 18.5 acre campus.

**Program Highlights**

<b>General Services Major Budget Highlights</b>
<p>The legislature approved a 1.2% increase or \$13,695 in general fund appropriation. For the biennium the proposed budget includes only SWPL adjustments.</p> <p><u>Personal Services</u> - General fund appropriation for personal services increased by \$62,730</p> <ul style="list-style-type: none"> <li>• \$39,344 decrease - Annualize FY 2016 appropriation to FY 2017 base funding levels</li> <li>• \$102,074 increase - The legislature approved statewide present law adjustments for personal services</li> </ul> <p><u>Operating Expense</u> - General fund appropriation for operating expense decrease by \$36,437</p> <ul style="list-style-type: none"> <li>• \$9,482 decrease - Annualize FY 2016 appropriation to FY 2017 base funding levels</li> <li>• \$26,955 decrease - The legislature approved present law adjustments for fixed costs, inflation, IT rate adjustment, liability insurance, motor pool adjustments, debt service</li> </ul> <p><u>Transfer Costs</u> - The legislature approved a decrease in general fund appropriation of \$12,600 to reflect reduced obligation for re-payment of energy improvement projects</p>

**Program Actuals and Budget Comparison**

The following table compares the program's FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison						
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019	
FTE	4.57	4.57	4.57	4.57	4.57	4.57
Personal Services	240,181	256,768	217,424	268,244	268,678	
Operating Expenses	281,780	284,616	275,134	260,939	262,374	
Transfers	9,000	11,300	11,300	9,000	1,000	
Debt Service	28,450	28,450	28,450	28,451	28,451	
<b>Total Expenditures</b>	<b>\$559,411</b>	<b>\$581,134</b>	<b>\$532,308</b>	<b>\$566,634</b>	<b>\$560,503</b>	
General Fund	559,411	581,134	532,308	566,634	560,503	
<b>Total Funds</b>	<b>\$559,411</b>	<b>\$581,134</b>	<b>\$532,308</b>	<b>\$566,634</b>	<b>\$560,503</b>	
<b>Total Ongoing</b>	<b>\$559,411</b>	<b>\$581,134</b>	<b>\$532,308</b>	<b>\$566,634</b>	<b>\$560,503</b>	
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	

**Funding**

The following table shows adopted program funding by source of authority.

School For the Deaf & Blind, 02-General Services Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	1,127,137	0	0	1,127,137	100.00 %	
02050 School Trust Interest/Income	0	0	0	0	0.00 %	
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$1,127,137</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,127,137</b>		

The general services program is funded entirely with general fund.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	532,308	532,308	1,064,616	94.45 %	532,308	532,308	1,064,616	94.45 %
SWPL Adjustments	34,326	28,195	62,521	5.55 %	34,326	28,195	62,521	5.55 %
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>\$566,634</b>	<b>\$560,503</b>	<b>\$1,127,137</b>		<b>\$566,634</b>	<b>\$560,503</b>	<b>\$1,127,137</b>	

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. "Statewide Present Law" adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	50,820	0	0	50,820	0.00	51,254	0	0	51,254
DP 2 - Fixed Costs	0.00	(2,221)	0	0	(2,221)	0.00	(10,593)	0	0	(10,593)
DP 3 - Inflation Deflation	0.00	(14,273)	0	0	(14,273)	0.00	(12,466)	0	0	(12,466)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$34,326</b>	<b>\$0</b>	<b>\$0</b>	<b>\$34,326</b>	<b>0.00</b>	<b>\$28,195</b>	<b>\$0</b>	<b>\$0</b>	<b>\$28,195</b>

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

DP 1 - Personal Services -

The legislature approved adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature approved funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

**Program Budget Comparison**

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	3,078,424	3,288,297	209,873	6.82 %
Operating Expenses	408,626	388,702	(19,924)	(4.88)%
<b>Total Expenditures</b>	<b>\$3,487,050</b>	<b>\$3,676,999</b>	<b>\$189,949</b>	<b>5.45 %</b>
General Fund	3,441,050	3,570,999	129,949	3.78 %
State/Other Special Rev. Funds	0	60,000	60,000	0.00 %
Federal Spec. Rev. Funds	46,000	46,000	0	0.00 %
<b>Total Funds</b>	<b>\$3,487,050</b>	<b>\$3,676,999</b>	<b>\$189,949</b>	<b>5.45 %</b>
<b>Total Ongoing</b>	<b>\$3,427,050</b>	<b>\$3,616,999</b>	<b>\$189,949</b>	<b>5.54 %</b>
<b>Total OTO</b>	<b>\$60,000</b>	<b>\$60,000</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Description**

The Student Services Program provides residential care for children living at the school.

**Program Highlights**

<b>Student Services Major Budget Highlights</b>
<p>The legislature approved a 3.8% increase or \$129,949 in general fund appropriation for the biennium and a 5.5% increase in total funds. The approved appropriation includes:</p> <p><u>Personal Services</u> - Appropriation for personal services increased by \$209,873</p> <ul style="list-style-type: none"> <li>• \$123,132 increase - Annualize FY 2016 appropriation to FY 2017 base funding levels</li> <li>• \$86,741 increase - The legislature approved statewide present law adjustments for personal services</li> </ul> <p><u>Operating Expense</u> - Appropriation for operating expense decrease by \$19,924</p> <ul style="list-style-type: none"> <li>• \$26,124 decrease - Annualize FY 2016 appropriation to FY 2017 base funding levels</li> <li>• \$6,200 increase - The legislature approved present law adjustments for inflation</li> </ul> <p><u>Funding Switch for student travel</u> - The legislature approved one-time-only appropriation of \$60,000 from state special revenue for student travel. In previous biennium, the legislature provided this appropriation from the general fund.</p>

**Program Actuals and Budget Comparison**

The following table compares the program's FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison						
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019	
FTE	29.54	29.54	29.54	29.54	29.54	29.54
Personal Services	1,341,556	1,477,646	1,600,778	1,642,873	1,645,424	
Operating Expenses	212,870	217,375	191,251	192,995	195,707	
<b>Total Expenditures</b>	<b>\$1,554,426</b>	<b>\$1,695,021</b>	<b>\$1,792,029</b>	<b>\$1,835,868</b>	<b>\$1,841,131</b>	
General Fund	1,531,426	1,672,021	1,769,029	1,782,868	1,788,131	
State/Other Special Rev. Funds	0	0	0	30,000	30,000	
Federal Spec. Rev. Funds	23,000	23,000	23,000	23,000	23,000	
<b>Total Funds</b>	<b>\$1,554,426</b>	<b>\$1,695,021</b>	<b>\$1,792,029</b>	<b>\$1,835,868</b>	<b>\$1,841,131</b>	
<b>Total Ongoing</b>	<b>\$1,524,426</b>	<b>\$1,665,021</b>	<b>\$1,762,029</b>	<b>\$1,805,868</b>	<b>\$1,811,131</b>	
<b>Total OTO</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$30,000</b>	

**Funding**

The following table shows adopted program funding by source of authority.

School For the Deaf & Blind, 03-Student Services Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	3,570,999	0	0	3,570,999	97.12 %	
02050 School Trust Interest/Income	60,000	0	0	60,000	100.00 %	
<b>State Special Total</b>	<b>\$60,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$60,000</b>	<b>1.63 %</b>	
03167 National School Lunch	46,000	0	0	46,000	100.00 %	
<b>Federal Special Total</b>	<b>\$46,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$46,000</b>	<b>1.25 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$3,676,999</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,676,999</b>		

The program is funded primarily with general fund appropriation. State special revenue, school trust income and interest is budgeted for student travel, federal funds are subsidies provided by the National School Lunch Program.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	1,739,029	1,739,029	3,478,058	97.40 %	1,762,029	1,762,029	3,524,058	95.84 %
SWPL Adjustments	43,839	49,102	92,941	2.60 %	43,839	49,102	92,941	2.53 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	30,000	30,000	60,000	1.63 %
<b>Total Budget</b>	<b>\$1,782,868</b>	<b>\$1,788,131</b>	<b>\$3,570,999</b>		<b>\$1,835,868</b>	<b>\$1,841,131</b>	<b>\$3,676,999</b>	

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. "Statewide Present Law" adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	42,095	0	0	42,095	0.00	44,646	0	0	44,646
DP 3 - Inflation Deflation	0.00	1,744	0	0	1,744	0.00	4,456	0	0	4,456
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$43,839</b>	<b>\$0</b>	<b>\$0</b>	<b>\$43,839</b>	<b>0.00</b>	<b>\$49,102</b>	<b>\$0</b>	<b>\$0</b>	<b>\$49,102</b>

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

DP 1 - Personal Services -

The legislature approved adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

**New Proposals**

The "New Proposals" table shows new changes to expenditures.

	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 5 - Student Travel RST/OTO	0.00	0	30,000	0	30,000	0.00	0	30,000	0	30,000
<b>Total</b>	<b>0.00</b>	<b>\$0</b>	<b>\$30,000</b>	<b>\$0</b>	<b>\$30,000</b>	<b>0.00</b>	<b>\$0</b>	<b>\$30,000</b>	<b>\$0</b>	<b>\$30,000</b>

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

DP 5 - Student Travel RST/OTO -

The legislature approved state special revenue appropriation for additional travel costs in accordance with MCA 20-8-121.

### Program Budget Comparison

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	8,784,584	8,412,555	(372,029)	(4.24)%
Operating Expenses	527,941	499,218	(28,723)	(5.44)%
<b>Total Expenditures</b>	<b>\$9,312,525</b>	<b>\$8,911,773</b>	<b>(\$400,752)</b>	<b>(4.30)%</b>
General Fund	8,707,166	8,078,784	(628,382)	(7.22)%
State/Other Special Rev. Funds	510,590	738,119	227,529	44.56 %
Federal Spec. Rev. Funds	94,769	94,870	101	0.11 %
<b>Total Funds</b>	<b>\$9,312,525</b>	<b>\$8,911,773</b>	<b>(\$400,752)</b>	<b>(4.30)%</b>
<b>Total Ongoing</b>	<b>\$9,233,649</b>	<b>\$8,857,897</b>	<b>(\$375,752)</b>	<b>(4.07)%</b>
<b>Total OTO</b>	<b>\$78,876</b>	<b>\$53,876</b>	<b>(\$25,000)</b>	<b>(31.70)%</b>

### Program Description

The Education Program provides education for children with hearing and/or sight loss that prevents them from receiving a quality education in their local schools. The Education Program serves visually and hearing impaired children who remain in their local school districts by providing deaf/blind educational support services to the students' local schools. The program also offers "mainstream" programs for on-campus students in a joint effort with the Great Falls Public Schools. Additionally, pursuant to 20-8-102(3), MCA, the school is charged with the responsibility of tracking a child identified as hearing or visually impaired from the time of impairment identification through the child's exit from intervention or educational services.

### Program Highlights

**Education  
Major Budget Highlights**

The legislature approved a 7.2% decrease or \$628,382 in general fund appropriation and a 44.6% increase, or \$227,529 in state special revenue appropriation. Total appropriation for all funds is decreased by 4.3%.

Personal Services - Appropriation for personal services decreased by \$372,029

- \$195,592 increase - Annualize FY 2016 appropriation to FY 2017 base funding levels
- \$150,108 increase - The legislature approved statewide present law adjustments for personal services
- \$656,088 decrease - The legislature approved the executive targeted budget reduction elimination of 3.65 FTE from the program
- \$61,641 decrease - The legislature approved an additional 2% vacancy savings in addition to the executive targeted budget reduction

Operating Expense - Total appropriation for operating expense decrease by \$28,723

- \$8,939 decrease - Annualize FY 2016 appropriation to FY 2017 base funding levels
- \$8,035 increase - The legislature approved present law adjustments for inflation
- \$2,819 decrease - The legislature approved reductions to operating expense in addition to the executive's targeted budget reductions
- \$25,000 decrease - The agency did not request funding for the lending library as in previous biennium

Funding Switch - The legislature approved state special revenue appropriations of \$230,000 for expenses that were funded with general fund in the previous biennium

- \$53,876 - The legislature approved an appropriation from state special revenue to fund stipends for staff that support extra-curricular activities
- \$176,124 - The legislature approved an appropriation from state special revenue to fund operating expenses

### Program Actuals and Budget Comparison

The following table compares the program's FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	49.50	49.50	49.50	45.85	45.85
Personal Services	4,026,428	4,294,496	4,490,088	4,204,784	4,207,771
Operating Expenses	268,282	268,440	259,501	248,924	250,294
<b>Total Expenditures</b>	<b>\$4,294,710</b>	<b>\$4,562,936</b>	<b>\$4,749,589</b>	<b>\$4,453,708</b>	<b>\$4,458,065</b>
General Fund	4,003,323	4,260,481	4,446,685	4,037,213	4,041,571
State/Other Special Rev. Funds	244,053	255,121	255,469	369,060	369,059
Federal Spec. Rev. Funds	47,334	47,334	47,435	47,435	47,435
<b>Total Funds</b>	<b>\$4,294,710</b>	<b>\$4,562,936</b>	<b>\$4,749,589</b>	<b>\$4,453,708</b>	<b>\$4,458,065</b>
<b>Total Ongoing</b>	<b>\$4,255,272</b>	<b>\$4,523,498</b>	<b>\$4,710,151</b>	<b>\$4,426,770</b>	<b>\$4,431,127</b>
<b>Total OTO</b>	<b>\$39,438</b>	<b>\$39,438</b>	<b>\$39,438</b>	<b>\$26,938</b>	<b>\$26,938</b>

### Funding

The following table shows adopted program funding by source of authority.

School For the Deaf & Blind, 04-Education Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	8,078,784	0	0	8,078,784	90.65 %	
02050 School Trust Interest/Income	715,051	0	0	715,051	96.87 %	
02243 Medicaid	23,068	0	0	23,068	3.13 %	
02275 Voc Rehab Pre-Ets	0	0	0	0	0.00 %	
<b>State Special Total</b>	<b>\$738,119</b>	<b>\$0</b>	<b>\$0</b>	<b>\$738,119</b>	<b>8.28 %</b>	
03012 E.C.I.A. Chapter I	94,870	0	0	94,870	100.00 %	
03064 EHA Part B	0	0	0	0	0.00 %	
<b>Federal Special Total</b>	<b>\$94,870</b>	<b>\$0</b>	<b>\$0</b>	<b>\$94,870</b>	<b>1.06 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$8,911,773</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,911,773</b>		

The Outreach Program is funded almost entirely with general fund. The Residential Education Program is funded primarily with general fund, with additional funding from the school’s trust lands, Medicaid reimbursement for services provided to students who qualify for Medicaid, and federal funds designated for the assistance of state and local educational agencies to meet the special educational needs of educationally deprived children.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	4,407,247	4,407,247	8,814,494	109.11 %	4,710,151	4,710,151	9,420,302	105.71 %
SWPL Adjustments	76,779	81,364	158,143	1.96 %	76,779	81,364	158,143	1.77 %
PL Adjustments	0	0	0	0.00 %	26,938	26,938	53,876	0.60 %
New Proposals	(446,813)	(447,040)	(893,853)	(11.06)%	(360,160)	(360,388)	(720,548)	(8.09)%
<b>Total Budget</b>	<b>\$4,037,213</b>	<b>\$4,041,571</b>	<b>\$8,078,784</b>		<b>\$4,453,708</b>	<b>\$4,458,065</b>	<b>\$8,911,773</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. “Statewide Present Law” adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2018-----				-----Fiscal 2019-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	73,447	0	0	73,447	0.00	76,661	0	0	76,661
DP 3 - Inflation Deflation	0.00	3,332	0	0	3,332	0.00	4,703	0	0	4,703
DP 6 - Extra-curricular stipends RST/OTO	0.00	0	26,938	0	26,938	0.00	0	26,938	0	26,938
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$76,779</b>	<b>\$26,938</b>	<b>\$0</b>	<b>\$103,717</b>	<b>0.00</b>	<b>\$81,364</b>	<b>\$26,938</b>	<b>\$0</b>	<b>\$108,302</b>

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

DP 1 - Personal Services -

The legislature approved adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 6 - Extra-curricular stipends RST/OTO -

The legislature approved a one-time-only state special revenue appropriation for stipends to be paid to staff sponsoring extra-curricular activities such as sports, clubs, and other activities.

**New Proposals**

The "New Proposals" table shows new changes to expenditures.

New Proposals	Fiscal 2018					Fiscal 2019				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 7 - Agency Fund Switch	0.00	(88,062)	88,062	0	0	0.00	(88,062)	88,062	0	0
DP 50 - 5% Plan Adjustment	0.00	(30,820)	(1,409)	0	(32,229)	0.00	(30,821)	(1,410)	0	(32,231)
DP 555 - Rebase Appropriation	(3.65)	(327,931)	0	0	(327,931)	(3.65)	(328,157)	0	0	(328,157)
<b>Total</b>	<b>(3.65)</b>	<b>(\$446,813)</b>	<b>\$86,653</b>	<b>\$0</b>	<b>(\$360,160)</b>	<b>(3.65)</b>	<b>(\$447,040)</b>	<b>\$86,652</b>	<b>\$0</b>	<b>(\$360,388)</b>

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

DP 7 - Agency Fund Switch -

The legislature approved the utilization of available School Trust Interest and Income state special revenue funding to reduce general fund expenditures by a like amount.

DP 50 - 5% Plan Adjustment -

Statute requires state agencies to submit a plan to reduce base expenditures for general fund and certain state special revenues as part of its budget submission. The executive incorporated a portion of these reductions in the proposed budget. The legislature adopted reductions for general fund and certain state special revenues to bring the total base reduction for the agency to 5% of the 2017 base budget as outlined in statute, with some exceptions.

DP 555 - Rebase Appropriation -

Under 17-7-111, MCA state agencies are required to submit plans to reduce general fund and certain state special revenue funds by 5%. The legislature approved reductions to the present law budget based on either the 5% reduction plans or FY 2016 reversions.

**Agency Budget Comparison**

The following table compares the 2017 biennium appropriated budget to the 2019 biennium appropriated budget by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	1,364,503	1,366,245	1,742	0.13 %
Operating Expenses	600,787	653,858	53,071	8.83 %
Grants	963,723	924,476	(39,247)	(4.07)%
<b>Total Expenditures</b>	<b>\$2,929,013</b>	<b>\$2,944,579</b>	<b>\$15,566</b>	<b>0.53 %</b>
General Fund	1,062,420	1,061,156	(1,264)	(0.12)%
State/Other Special Rev. Funds	454,690	468,218	13,528	2.98 %
Federal Spec. Rev. Funds	1,411,903	1,415,205	3,302	0.23 %
<b>Total Funds</b>	<b>\$2,929,013</b>	<b>\$2,944,579</b>	<b>\$15,566</b>	<b>0.53 %</b>
<b>Total Ongoing</b>	<b>\$2,904,013</b>	<b>\$2,944,579</b>	<b>\$40,566</b>	<b>1.40 %</b>
<b>Total OTO</b>	<b>\$25,000</b>	<b>\$0</b>	<b>(\$25,000)</b>	<b>(100.00)%</b>

**Agency Description**

The Montana Arts Council (MAC) is authorized in 22-2-101, MCA to assist public and private institutions with artistic and cultural activities. The council encourages participation in, and appreciation of, the arts. The council fosters interest in the state's cultural heritage, expands state cultural resources, and supports freedom of artistic expression through ongoing programs and projects. The council administers the Cultural and Aesthetic Project grants and other grants approved by the legislature, and makes recommendations to the legislature on issues related to the arts.

**Agency Highlights**

**Montana Arts Council  
Major Budget Highlights**

The legislature established the base budget for each year of the 2019 biennium at the level of the FY 2017 appropriation. The legislature approved an increase in total appropriation of \$15,566. The agency is funded 36.0% with general fund, 15.9% state special revenue, and 48.1% federal revenue.

General fund appropriations decreased by \$1,264 or 0.1% compared to the 2017 biennium appropriations.

- \$38,438 decrease - Annualize FY 2016 appropriation to FY 2017 base budget funding level
- \$4,582 increase - Present law adjustments for personal services
- \$32,592 increase - Present law adjustments for fixed costs, inflation, IT rate adjustment, liability, motor pool adjustments

State special revenue appropriations increased by \$13,528 or 3.0% compared to the 2017 biennium appropriations.

- 5,566 increase - Annualize FY 2016 appropriation to FY 2017 base budget funding level
- \$3,666 increase - Present law adjustments for personal services
- \$4,296 increase - Present law adjustments for fixed costs, inflation, IT rate adjustment, liability, motor pool adjustments

Federal special revenue appropriations increased by \$3,302 or 0.2% compared to the 2017 biennium appropriations.

- 9,097 decrease - Annualize FY 2016 appropriation to FY 2017 base budget funding level
- \$4,843 increase - Present law adjustments for personal services
- \$7,556 increase - Present law adjustments for fixed costs, inflation, IT rate adjustment, liability, motor pool adjustments

**Agency Actuals and Budget Comparison**

The following table compares the 2017 biennium appropriated budget to the 2019 biennium appropriated budget by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	7.00	7.00	7.00	7.00	7.00
Personal Services	688,479	687,926	676,577	681,358	684,887
Operating Expenses	290,557	296,080	304,707	339,960	313,898
Grants	476,487	501,485	462,238	462,238	462,238
<b>Total Expenditures</b>	<b>\$1,455,523</b>	<b>\$1,485,491</b>	<b>\$1,443,522</b>	<b>\$1,483,556</b>	<b>\$1,461,023</b>
General Fund	520,396	550,429	511,991	541,985	519,171
State/Other Special Rev. Funds	224,575	224,562	230,128	233,981	234,237
Federal Spec. Rev. Funds	710,552	710,500	701,403	707,590	707,615
<b>Total Funds</b>	<b>\$1,455,523</b>	<b>\$1,485,491</b>	<b>\$1,443,522</b>	<b>\$1,483,556</b>	<b>\$1,461,023</b>
<b>Total Ongoing</b>	<b>\$1,455,523</b>	<b>\$1,460,491</b>	<b>\$1,443,522</b>	<b>\$1,483,556</b>	<b>\$1,461,023</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$25,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Summary of Legislative Action**

The legislature approved an increase in total appropriation of \$15,556 or a 0.5% increase compared to appropriation for 2017 biennium. The legislature approved all statewide present law adjustments for personal services, fixed cost, inflation, rent, and information technology services. The legislature included language in HB 2 designating all federal appropriations as biennial.

**Funding**

The following table shows adopted agency funding by source of authority. Funding for each program is discussed in detail in the individual program narratives.

Total Montana Arts Council Funding by Source of Authority 2019 Biennium Budget Request - Montana Arts Council						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	1,061,156	0	0	0	1,061,156	36.04 %
State Special Total	468,218	0	0	0	468,218	15.90 %
Federal Special Total	1,415,205	0	0	0	1,415,205	48.06 %
Proprietary Total	0	0	0	0	0	0.00 %
Other Total	0	0	0	0	0	0.00 %
<b>Total All Funds</b>	<b>\$2,944,579</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,944,579</b>	
<b>Percent - Total All Sources</b>	<b>100.00 %</b>	<b>0.00 %</b>	<b>0.00 %</b>	<b>0.00 %</b>		

The agency is funded with a combination of general fund, state special revenue funds from the cultural and aesthetic project account, and federal funds from the National Endowment for the Arts.

General fund supports:

- A portion of the agency operations and services to the state’s arts communities
- Arts grants including artists in the schools and several other grant programs available to non-profit arts organizations, schools, and other entities

State special revenue includes proceeds from the cultural and aesthetic project account. This account:

- Receives interest earnings from a statutory trust account that is funded from a 0.63% distribution from the coal severance tax
- Must be used for protection of works of art in the State Capitol and other cultural and aesthetic projects (15-35-108, MCA)
- Supports the agency’s administration of the cultural and aesthetic trust activities and its Circle of American Master’s program, which promotes Montana’s traditional and native arts and cultures

Federal funds come from the National Endowment for the Arts. These federal funds:

- Are formula grants from the federal agency rather than competitive grants
- Require a dollar for dollar match with non-federal revenue. The agency uses general fund and its allocation from the cultural and aesthetic project account to match the federal grant
- Are used for agency administration, grants, and services to the state’s arts communities

**Budget Summary by Category**

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	511,991	511,991	1,023,982	96.50 %	1,443,522	1,443,522	2,887,044	98.05 %
SWPL Adjustments	30,301	7,546	37,847	3.57 %	40,419	18,285	58,704	1.99 %
PL Adjustments	(307)	(366)	(673)	(0.06)%	(385)	(784)	(1,169)	(0.04)%
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$541,985</b>	<b>\$519,171</b>	<b>\$1,061,156</b>		<b>\$1,483,556</b>	<b>\$1,461,023</b>	<b>\$2,944,579</b>	

**Executive Budget Comparison**

The following table compares the legislative budget for the biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2017	Executive Budget Fiscal 2018	Legislative Budget Fiscal 2018	Leg — Exec. Difference Fiscal 2018	Executive Budget Fiscal 2019	Legislative Budget Fiscal 2019	Leg — Exec. Difference Fiscal 2019	Biennium Difference Fiscal 18-19
FTE	7.00	7.00	7.00	0.00	7.00	7.00	0.00	0.00
Personal Services	676,577	681,358	681,358	0	684,887	684,887	0	0
Operating Expenses	304,707	342,323	339,960	(2,363)	316,660	313,898	(2,762)	(5,125)
Grants	462,238	462,238	462,238	0	462,238	462,238	0	0
Transfers	0	0	0	0	0	0	0	0
<b>Total Costs</b>	<b>\$1,443,522</b>	<b>\$1,485,919</b>	<b>\$1,483,556</b>	<b>(\$2,363)</b>	<b>\$1,463,785</b>	<b>\$1,461,023</b>	<b>(\$2,762)</b>	<b>(\$5,125)</b>
General Fund	511,991	543,182	541,985	(1,197)	520,427	519,171	(1,256)	(2,453)
State/other Special Rev. Funds	230,128	234,405	233,981	(424)	234,784	234,237	(547)	(971)
Federal Spec. Rev. Funds	701,403	708,332	707,590	(742)	708,574	707,615	(959)	(1,701)
<b>Total Funds</b>	<b>\$1,443,522</b>	<b>\$1,485,919</b>	<b>\$1,483,556</b>	<b>(\$2,363)</b>	<b>\$1,463,785</b>	<b>\$1,461,023</b>	<b>(\$2,762)</b>	<b>(\$5,125)</b>
<b>Total Ongoing</b>	<b>\$1,443,522</b>	<b>\$1,483,941</b>	<b>\$1,483,556</b>	<b>(\$385)</b>	<b>\$1,461,807</b>	<b>\$1,461,023</b>	<b>(\$784)</b>	<b>(\$1,169)</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$1,978</b>	<b>\$0</b>	<b>(\$1,978)</b>	<b>\$1,978</b>	<b>\$0</b>	<b>(\$1,978)</b>	<b>(\$3,956)</b>

The legislature approved an operating budget \$5,125 lower than the executive request. The legislature did not approve an executive request of \$3,956 for computer replacement and did approve an additional \$1,169 in fixed cost reductions. These reductions are reflected in lowered general fund appropriation by \$2,453, lowered state special revenue appropriation by \$971 and lowered federal special revenue appropriation by \$1,701.

**Language and Statutory Authority**

The following language is recommended for inclusion in HB 2:

"All HB 2 federal funding appropriations for the Arts Council are biennial appropriations."

**Program Actuals and Budget Comparison**

The following table compares the program’s FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	7.00	7.00	7.00	7.00	7.00
Personal Services	688,479	687,926	676,577	681,358	684,887
Operating Expenses	290,557	296,080	304,707	339,960	313,898
Grants	476,487	501,485	462,238	462,238	462,238
<b>Total Expenditures</b>	<b>\$1,455,523</b>	<b>\$1,485,491</b>	<b>\$1,443,522</b>	<b>\$1,483,556</b>	<b>\$1,461,023</b>
General Fund	520,396	550,429	511,991	541,985	519,171
State/Other Special Rev. Funds	224,575	224,562	230,128	233,981	234,237
Federal Spec. Rev. Funds	710,552	710,500	701,403	707,590	707,615
<b>Total Funds</b>	<b>\$1,455,523</b>	<b>\$1,485,491</b>	<b>\$1,443,522</b>	<b>\$1,483,556</b>	<b>\$1,461,023</b>
<b>Total Ongoing</b>	<b>\$1,455,523</b>	<b>\$1,460,491</b>	<b>\$1,443,522</b>	<b>\$1,483,556</b>	<b>\$1,461,023</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$25,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. “Statewide Present Law” adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	1,673	1,339	1,769	4,781	0.00	2,909	2,327	3,074	8,310
DP 2 - Fixed Costs	0.00	29,005	2,671	4,702	36,378	0.00	4,868	2,012	3,548	10,428
DP 3 - Inflation Deflation	0.00	(377)	(129)	(234)	(740)	0.00	(231)	(79)	(143)	(453)
DP 53 - SWPLA Fixed Cost Reductions	0.00	(307)	(28)	(50)	(385)	0.00	(366)	(151)	(267)	(784)
DP 54 - SWPLA Fixed Cost Reductions Adjustment	0.00	(241)	(22)	(39)	(302)	0.00	(250)	(103)	(182)	(535)
DP 56 - Oracle License Funding Reinstatement	0.00	241	22	39	302	0.00	250	103	182	535
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$29,994</b>	<b>\$3,853</b>	<b>\$6,187</b>	<b>\$40,034</b>	<b>0.00</b>	<b>\$7,180</b>	<b>\$4,109</b>	<b>\$6,212</b>	<b>\$17,501</b>

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

DP 1 - Personal Services -

The legislature approved adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 53 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warrant writer, rent, and information technology.

DP 54 - SWPLA Fixed Cost Reductions Adjustment -

The legislature approved further reductions in fixed costs for rent and information technology.

DP 56 - Oracle License Funding Reinstatement -

The legislature increased funding for Oracle license costs included in the State Information Technology Service Division. The license costs are allocated through fixed cost adjustments.

### Agency Budget Comparison

The following table compares the 2017 biennium appropriated budget to the 2019 biennium appropriated budget by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	5,246,025	4,418,755	(827,270)	(15.77)%
Operating Expenses	4,837,870	4,041,121	(796,749)	(16.47)%
Equipment & Intangible Assets	16,074	27,394	11,320	70.42 %
Grants	1,866,964	3,209,356	1,342,392	71.90 %
<b>Total Expenditures</b>	<b>\$11,966,933</b>	<b>\$11,696,626</b>	<b>(\$270,307)</b>	<b>(2.26)%</b>
General Fund	6,173,501	5,778,791	(394,710)	(6.39)%
State/Other Special Rev. Funds	3,496,880	3,496,934	54	0.00 %
Federal Spec. Rev. Funds	2,296,552	2,420,901	124,349	5.41 %
<b>Total Funds</b>	<b>\$11,966,933</b>	<b>\$11,696,626</b>	<b>(\$270,307)</b>	<b>(2.26)%</b>
<b>Total Ongoing</b>	<b>\$11,966,933</b>	<b>\$11,696,626</b>	<b>(\$270,307)</b>	<b>(2.26)%</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

### Agency Description

Montana Library Commission (MLC) meets the information needs of Montana government agency management and staff, ensures all Montana citizens have access to information created by their government, supports the role of all Montana libraries in delivering quality library content and services to their patrons, works to strengthen local community public libraries, ensures that Montanans who are visually or physically impaired are provided access to library resources, and measures its successes by its patrons' and partners' successes.

MLC, authorized in Section 22-1-101, MCA, administers state and federal library funding to operate and maintain the state library, oversees the six library federations located throughout Montana, and develops library oriented statewide long-range planning, policy, and service coordination.

MLC is also authorized in section 90-1-401, MCA, to develop a standardized, sustainable method to collect, maintain, and disseminate information in digital formats about the natural and artificial land characteristics of Montana.

MLC is further authorized in section 90-15-101, MCA, to establish a planning framework for the development of the natural resources information system (NRIS), to implement the system, and to establish an ongoing Montana Natural Heritage Program.

Additional responsibilities of the commission include: assisting all tax-supported libraries and local governments wishing to establish or improve libraries; maintaining an audio book library for use by Montanans unable to utilize printed materials; providing access to state publications; developing a land information plan and administering a granting process for the purposes of implementing the plan; and maintaining and providing information related to Montana's plant and animal species and habitat and comprehensive natural resources (land) information.

### Agency Highlights

**Montana State Library  
Major Budget Highlights**

The legislature established the base budget for each year of the 2019 biennium at the level of the FY 2017 appropriation. The legislature approved a decrease in total appropriation of \$270,307. The agency is funded 49.4% with general fund, 29.9% state special revenue, and 20.7% federal revenue.

General fund appropriations decreased by \$394,710 or 6.4% compared to the 2017 biennium appropriations.

- \$48,025 increase - Annualize FY 2016 appropriation to FY 2017 base budget funding level
- \$134,217 decrease - The legislature approved present law adjustments for personal services and applied an additional 2% vacancy savings
- \$298,834 decrease - The legislature approved the executive's targeted budget reductions
- \$17,108 increase - The legislature approved a 3.0% increase for statewide library resources
- \$26,792 decrease - Present law adjustments for fixed costs, inflation, IT rate adjustment, liability insurance, motor pool adjustments

State special revenue appropriations increased by \$54 or 0.0% compared to the 2017 biennium appropriations

- \$1,658 increase - Annualize FY 2016 appropriation to FY 2017 base budget funding level
- \$14,034 decrease - The legislature approved present law adjustments for personal services and applied an additional 2% vacancy savings
- \$26,412 increase - The legislature approved an increase in appropriation from the Coal Shared Tax account
- \$13,982 decrease - The legislature approved present law adjustments for fixed costs, inflation, IT rate adjustment, liability insurance, motor pool adjustments

Federal special revenue appropriations increased by \$124,349 or 5.4% compared to the 2017 biennium appropriations

- \$1,050,276 decrease - Annualize FY 2016 appropriation to FY 2017 base budget funding level
- \$9,472 decrease - The legislature approved present law adjustments for personal services and applied an additional 2% vacancy savings
- \$60,839 decrease - Present law adjustments for fixed costs, inflation, IT rate adjustment, liability insurance, motor pool adjustments
- \$1,244,936 increase - The legislature approved the re-establishment of biennial federal appropriation not appropriated in the base year.

### Agency Actuals and Budget Comparison

The following table compares the 2017 biennium appropriated budget to the 2019 biennium appropriated budget by type of expenditure and source of funding.

Agency Actuals and Budget Comparison						
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019	
FTE	30.46	30.46	30.46	30.46	30.46	30.46
Personal Services	2,830,439	2,957,786	2,288,239	2,205,573	2,213,182	
Operating Expenses	2,390,480	2,638,846	2,199,024	2,013,947	2,027,174	
Equipment & Intangible Assets	2,307	2,377	13,697	13,697	13,697	
Grants	333,618	884,754	982,210	1,604,678	1,604,678	
<b>Total Expenditures</b>	<b>\$5,556,844</b>	<b>\$6,483,763</b>	<b>\$5,483,170</b>	<b>\$5,837,895</b>	<b>\$5,858,731</b>	
General Fund	3,009,477	3,062,738	3,110,763	2,893,913	2,884,878	
State/Other Special Rev. Funds	1,434,129	1,747,611	1,749,269	1,733,753	1,763,181	
Federal Spec. Rev. Funds	1,113,238	1,673,414	623,138	1,210,229	1,210,672	
<b>Total Funds</b>	<b>\$5,556,844</b>	<b>\$6,483,763</b>	<b>\$5,483,170</b>	<b>\$5,837,895</b>	<b>\$5,858,731</b>	
<b>Total Ongoing</b>	<b>\$5,556,844</b>	<b>\$6,483,763</b>	<b>\$5,483,170</b>	<b>\$5,837,895</b>	<b>\$5,858,731</b>	
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	

**Summary of Legislative Action**

**HB 2** - The legislature approved a decrease in total appropriation of \$270,307 or a 2.3% compared to appropriation for 2017 biennium. The legislature approved all statewide present law adjustments for personal services, fixed cost, inflation, rent, and information technology services. The legislature approved changes to the agencies share of the Coal Tax Shared account.

**SB 261** - The legislature approved the reduction or elimination of various appropriations or expenditures based on triggers in the event of lower than anticipated general fund revenue received in fiscal years 2017 and 2018. For more information see the discussion of SB 261 in volume one.

- **Level 1.0** - None
- **Level 1.5** - None
- **Level 2.0** - The general fund appropriation for the historical society is reduced by 0.5% in fiscal years FY 2018 and FY 2019
- **Level 3.0** - The general fund appropriation for the state library commission statewide library resources is reduced by \$666,527 in FY 2018 and \$669,513 in FY 2019. The proprietary appropriation for the library commission is increased in each year of the biennium by a like amount
- **Level 4.0** - None

**Funding**

The following table shows adopted agency funding by source of authority. Funding for each program is discussed in detail in the individual program narratives.

Total Montana State Library Funding by Source of Authority 2019 Biennium Budget Request - Montana State Library						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	5,778,791	0	0	791,532	6,570,323	49.89 %
State Special Total	3,496,934	0	0	0	3,496,934	26.56 %
Federal Special Total	2,420,901	0	0	0	2,420,901	18.38 %
Proprietary Total	0	0	680,282	0	680,282	5.17 %
Other Total	0	0	0	0	0	0.00 %
<b>Total All Funds</b>	<b>\$11,696,626</b>	<b>\$0</b>	<b>\$680,282</b>	<b>\$791,532</b>	<b>\$13,168,440</b>	
<b>Percent - Total All Sources</b>	<b>88.82 %</b>	<b>0.00 %</b>	<b>5.17 %</b>	<b>6.01 %</b>		

The Montana State Library is funded through a combination of general fund, state special revenue, and federal special revenue.

General fund supports:

- The statewide inter-library resource-sharing program
- State aid to libraries throughout Montana
- Natural Resource Information System (NRIS)
- General agency operations

State special revenue includes:

- A portion of the coal severance tax shared account, partially funding general operations, the periodical database, and the library federation grants to assist local libraries in providing basic services
- Assessments from certain state agencies that use the NRIS
- Revenue from the Montana Land Information account that receives a portion of document recording fees assessed at the local level

Federal funds come primarily from Library Services and Technology Act (LSTA) grants administered through the federal Institute of Museum and Library Services.

Federal funds:

- Are formula grants from the federal agency rather than competitive grants
- Require a 2:1 federal to state match and a 5 year plan
- Are used for collection content and access, training and outreach to local libraries, and services to patrons with disabilities

This agency includes proprietary funding that does not require an appropriation. This funding is discussed in more detail in the Proprietary Rates section later in this narrative.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	3,110,763	3,110,763	6,221,526	107.66 %	5,483,170	5,483,170	10,966,340	93.76 %
SWPL Adjustments	(11,560)	(20,282)	(31,842)	(0.55)%	(47,967)	(55,556)	(103,523)	(0.89)%
PL Adjustments	(6,276)	(6,444)	(12,720)	(0.22)%	616,136	615,968	1,232,104	10.53 %
New Proposals	(199,014)	(199,159)	(398,173)	(6.89)%	(213,444)	(184,851)	(398,295)	(3.41)%
<b>Total Budget</b>	<b>\$2,893,913</b>	<b>\$2,884,878</b>	<b>\$5,778,791</b>		<b>\$5,837,895</b>	<b>\$5,858,731</b>	<b>\$11,696,626</b>	

**Executive Budget Comparison**

The following table compares the legislative budget for the biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2017	Executive Budget Fiscal 2018	Legislative Budget Fiscal 2018	Leg — Exec. Difference Fiscal 2018	Executive Budget Fiscal 2019	Legislative Budget Fiscal 2019	Leg — Exec. Difference Fiscal 2019	Biennium Difference Fiscal 18-19
FTE	30.46	30.46	30.46	0.00	30.46	30.46	0.00	0.00
Personal Services	2,288,239	2,252,429	2,205,573	(46,856)	2,260,199	2,213,182	(47,017)	(93,873)
Operating Expenses	2,199,024	1,994,884	2,013,947	19,063	1,982,733	2,027,174	44,441	63,504
Equipment & Intangible Assets	13,697	13,697	13,697	0	13,697	13,697	0	0
Grants	982,210	1,604,678	1,604,678	0	1,604,678	1,604,678	0	0
<b>Total Costs</b>	<b>\$5,483,170</b>	<b>\$5,865,688</b>	<b>\$5,837,895</b>	<b>(\$27,793)</b>	<b>\$5,861,307</b>	<b>\$5,858,731</b>	<b>(\$2,576)</b>	<b>(\$30,369)</b>
General Fund	3,110,763	2,949,317	2,893,913	(55,404)	2,940,595	2,884,878	(55,717)	(111,121)
State/other Special Rev. Funds	1,749,269	1,703,676	1,733,753	30,077	1,707,571	1,763,181	55,610	85,687
Federal Spec. Rev. Funds	623,138	1,212,695	1,210,229	(2,466)	1,213,141	1,210,672	(2,469)	(4,935)
<b>Total Funds</b>	<b>\$5,483,170</b>	<b>\$5,865,688</b>	<b>\$5,837,895</b>	<b>(\$27,793)</b>	<b>\$5,861,307</b>	<b>\$5,858,731</b>	<b>(\$2,576)</b>	<b>(\$30,369)</b>
<b>Total Ongoing</b>	<b>\$5,483,170</b>	<b>\$5,865,688</b>	<b>\$5,837,895</b>	<b>(\$27,793)</b>	<b>\$5,861,307</b>	<b>\$5,858,731</b>	<b>(\$2,576)</b>	<b>(\$30,369)</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

The legislature approved total appropriations \$30,369 below the executive request for the biennium. The legislature approved an additional 2% vacancy savings, reducing personal services \$93,873 compared to the executive request. The legislature approved an additional \$29,940 in reductions for fixed cost compared to the executive request. The legislature increased the state special appropriation from the Coal Tax Shared Account by \$93,444. The table above reflects lower appropriations, when compared with the executive request, for general fund and federal special revenue.

**Program Actuals and Budget Comparison**

The following table compares the program’s FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	30.46	30.46	30.46	30.46	30.46
Personal Services	2,830,439	2,957,786	2,288,239	2,205,573	2,213,182
Operating Expenses	2,390,480	2,638,846	2,199,024	2,013,947	2,027,174
Equipment & Intangible Assets	2,307	2,377	13,697	13,697	13,697
Grants	333,618	884,754	982,210	1,604,678	1,604,678
<b>Total Expenditures</b>	<b>\$5,556,844</b>	<b>\$6,483,763</b>	<b>\$5,483,170</b>	<b>\$5,837,895</b>	<b>\$5,858,731</b>
General Fund	3,009,477	3,062,738	3,110,763	2,893,913	2,884,878
State/Other Special Rev. Funds	1,434,129	1,747,611	1,749,269	1,733,753	1,763,181
Federal Spec. Rev. Funds	1,113,238	1,673,414	623,138	1,210,229	1,210,672
<b>Total Funds</b>	<b>\$5,556,844</b>	<b>\$6,483,763</b>	<b>\$5,483,170</b>	<b>\$5,837,895</b>	<b>\$5,858,731</b>
<b>Total Ongoing</b>	<b>\$5,556,844</b>	<b>\$6,483,763</b>	<b>\$5,483,170</b>	<b>\$5,837,895</b>	<b>\$5,858,731</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. “Statewide Present Law” adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(29,934)	(3,496)	(2,380)	(35,810)	0.00	(22,990)	(2,809)	(2,241)	(28,040)
DP 2 - Fixed Costs	0.00	17,879	0	(30,531)	(12,652)	0.00	1,829	0	(30,224)	(28,395)
DP 3 - Inflation Deflation	0.00	495	0	0	495	0.00	879	0	0	879
DP 4 - LSTA Grants - BIEN	0.00	0	0	622,468	622,468	0.00	0	0	622,468	622,468
DP 5 - Cost Adjustments	0.00	8,554	0	0	8,554	0.00	8,554	0	0	8,554
DP 53 - SWPLA Fixed Cost Reductions	0.00	(14,466)	(14)	(41)	(14,521)	0.00	(14,609)	(14)	(41)	(14,664)
DP 54 - SWPLA Fixed Cost Reductions Adjustment	0.00	(1,685)	0	(1)	(1,686)	0.00	(1,484)	0	(1)	(1,485)
DP 55 - Fixed Cost Technical amendment	0.00	84	0	0	84	0.00	84	0	0	84
DP 56 - Oracle License Funding Reinstatement	0.00	1,237	0	0	1,237	0.00	1,011	0	0	1,011
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$17,836)</b>	<b>(\$3,510)</b>	<b>\$589,515</b>	<b>\$568,169</b>	<b>0.00</b>	<b>(\$26,726)</b>	<b>(\$2,823)</b>	<b>\$589,961</b>	<b>\$560,412</b>

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

DP 1 - Personal Services -

The legislature approved adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate

adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 4 - LSTA Grants - BIEN -

The legislature approved the re-establishment of a biennial appropriation of federal funds for the Library Services and Technology Act (LSTA) not appropriated in the base year.

DP 5 - Cost Adjustments -

The legislature approved an inflationary increase of 3% in general fund appropriation for statewide library resources, group services contract, Talking Book Library, and software maintenance contracts.

DP 53 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warrant writer, rent, and information technology.

DP 54 - SWPLA Fixed Cost Reductions Adjustment -

The legislature approved further reductions in fixed costs for rent and information technology.

DP 55 - Fixed Cost Technical amentment -

The legislature approved a technical amendment to SWPL adjustments impacting rent.

DP 56 - Oracle License Funding Reinstatement -

The legislature increased funding for Oracle license costs included in the State Information Technology Service Division. The license costs are allocated through fixed cost adjustments

**New Proposals**

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 9 - Balance Coal Tax Shared Account	0.00	0	(35,120)	0	(35,120)	0.00	0	(31,912)	0	(31,912)
DP 10 - Balance Coal Tax Shared Account Adjustment Fix Ratios	0.00	0	33,949	0	33,949	0.00	0	59,495	0	59,495
DP 51 - Additional 2% Vacancy Savings	0.00	(40,574)	(3,858)	(2,424)	(46,856)	0.00	(40,719)	(3,871)	(2,427)	(47,017)
DP 555 - Appropriation Rebase	0.00	(149,417)	0	0	(149,417)	0.00	(149,417)	0	0	(149,417)
DP 556 - IT Convergence Savings	0.00	(9,023)	(6,977)	0	(16,000)	0.00	(9,023)	(6,977)	0	(16,000)
<b>Total</b>	<b>0.00</b>	<b>(\$199,014)</b>	<b>(\$12,006)</b>	<b>(\$2,424)</b>	<b>(\$213,444)</b>	<b>0.00</b>	<b>(\$199,159)</b>	<b>\$16,735</b>	<b>(\$2,427)</b>	<b>(\$184,851)</b>

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

DP 9 - Balance Coal Tax Shared Account -

The legislature approved a reduction in expenditures funded by the Coal Severance Tax Shared Account to balance revenues and expenditures.

DP 10 - Balance Coal Tax Shared Account Adjustment Fix Ratios -

The legislature approved adjustments to the appropriation for state special revenue, Coal Shared Tax Account. The legislature increased the agency's share of this account.

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

DP 555 - Appropriation Rebase -

Under 17-7-111, MCA state agencies are required to submit plans to reduce general fund and certain state special revenue funds by 5%. The legislature approved reductions to the present law budget based on either the 5% reduction plans or FY 2016 reversions.

DP 556 - IT Convergence Savings -

The legislature approved reductions to agency information technology costs for savings generated by migrating information technology assets to the state data center and other enterprise IT solutions.

**Other Issues**

**Proprietary Program Description**

The Montana Shared Catalog (MSC) is a cooperative project involving about 177 libraries in 99 Montana communities. Public, school, academic, medical, and other special libraries have pooled resources to purchase a library automation system. Members enjoy the benefits of shared expertise and the ability to provide services to library customers. The Montana State Library became the fiscal agent for the MSC in FY 2008.

The Montana Shared Catalog is funded with enterprise type proprietary funds. Because the proprietary funds do not require an appropriation, they are not typically included in appropriation tables. The source of the funding is the member fees paid by the libraries that belong to the MSC. State support is not appropriated to the proprietary fund.

The executive anticipates that operating revenues will increase, compared to the base year, at an annualized rate of 1.86% in the 2019 biennium.

2019 Biennium Report on Internal Service and Enterprise Funds								
Agency # 51150	Agency Name: Montana State Library		Program Name: Statewide Library Resources					
	<b>Fund</b>	<b>Fund Name</b>						
	06021	MT Shared Catalog						
			Actual FY14	Actual FY15	Actual FY16	Budgeted FY17	Budgeted FY18	Budgeted FY19
<b>Operating Revenues:</b>								
Fee and Charges								
Fee Revenue A								
			248,662	316,852	321,516	351,470	364,554	364,554
<b>Total Operating Revenues</b>								
			248,662	316,852	321,516	351,470	364,554	364,554
<b>Expenses:</b>								
Personal Services								
			85,178	114,559	137,763	159,079	150,807	150,904
Other Operating Expenses								
			192,381	214,623	216,579	192,391	213,747	213,770
<b>Total Operating Expenses</b>								
			277,559	329,182	354,342	351,470	364,554	364,674
<b>Operating Income (Loss)</b>								
			(28,897)	(12,330)	(32,826)	-	-	(120)
Nonoperating Revenues:								
Nonoperating Expenses:								
<b>Total Nonoperating Revenues (Expenses)</b>								
			-	-	-	-	-	-
<b>Income (Loss) Before Contributions and Transfers</b>								
			(28,897)	(12,330)	(32,826)	-	-	(120)
<b>Change in Net Position</b>								
			(28,897)	(12,330)	(32,826)	-	-	(120)
<b>Beginning Net Position - July 1</b>								
			109,749	80,852	68,522	35,696	35,696	35,696
Change in Net Position								
			(28,897)	(12,330)	(32,826)	-	-	(120)
<b>Ending Net Position - June 30</b>								
			80,852	68,522	35,696	35,696	35,696	35,576
<b>Net Position (Fund Balance) Analysis</b>								

**Proprietary Revenue and Expenses**

The shared catalog members pay membership dues that are used to pay operating expenses. There are approximately 177 member libraries that pay membership fees each year. Expenditures include payment of required fees for software licensing, user interface, indexing to make the system run, payment for required yearly catalog director station maintenance, travel budget for meetings with stakeholders and conference attendance, member training, and equipment replacement.

**Proprietary Rate Explanation**

In accordance with the written agreement each participating Montana Shared Catalog library signs upon joining this library consortium, annual fees assessed to each library are established on the basis of a membership-approved cost formula. The goal of the cost formula is to distribute MSC annual operational costs as fairly and evenly as possible based on the following:

- The individual library's title counts
- Patron counts
- Circulation counts
- Equal share contribution

Libraries that fall below a set threshold in their title counts and patron counts receive a fixed discount in accordance with criteria set forth in the cost formula.

### Agency Budget Comparison

The following table compares the 2017 biennium appropriated budget to the 2019 biennium appropriated budget by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	7,497,729	7,348,765	(148,964)	(1.99)%
Operating Expenses	3,632,008	3,474,665	(157,343)	(4.33)%
Equipment & Intangible Assets	191,133	188,020	(3,113)	(1.63)%
Grants	172,740	174,240	1,500	0.87%
<b>Total Expenditures</b>	<b>\$11,493,610</b>	<b>\$11,185,690</b>	<b>(\$307,920)</b>	<b>(2.68)%</b>
General Fund	7,025,008	6,603,198	(421,810)	(6.00)%
State/Other Special Rev. Funds	1,500,162	1,535,794	35,632	2.38%
Federal Spec. Rev. Funds	1,595,151	1,677,362	82,211	5.15%
Proprietary Funds	1,373,289	1,369,336	(3,953)	(0.29)%
<b>Total Funds</b>	<b>\$11,493,610</b>	<b>\$11,185,690</b>	<b>(\$307,920)</b>	<b>(2.68)%</b>
<b>Total Ongoing</b>	<b>\$11,493,610</b>	<b>\$11,185,690</b>	<b>(\$307,920)</b>	<b>(2.68)%</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00%</b>

### Agency Description

The Montana Historical Society (MHS) is an agency of state government that exists for the use, learning, culture, and enjoyment of the citizens of, and visitors to, the State of Montana. MHS acquires, preserves, and protects historical records, art, archives, museum objects, historical places, sites, and monuments. MHS maintains a library and historical museum, providing educational programs and services for teachers and the general public and, publishes the state historical magazine and books. MHS administers the preservation and antiquities acts, supports commissions with state historical orientation and provides technical assistance to all Montana museums, historical societies, preservation programs, and owners of historic resources.

**Agency Highlights**

**Montana Historical Society  
Major Budget Highlights**

The legislature established the base budget for each year of the 2019 biennium at the level of the FY 2017 appropriation. The legislature approved a decrease in total appropriation of \$307,920 or 2.7%. The agency is funded 59.0% with general fund, 13.7% state special revenue, 15.0% federal revenue, and 12.3% proprietary funds.

General fund appropriations decreased by \$421,810 or 6.0% compared to the 2017 biennium appropriations.

- \$62,932 increase - Annualize FY 2016 appropriation to FY 2017 base budget funding level
- \$345,158 decrease - Statewide present law adjustments for personal services, additional 2% vacancy savings and the elimination of 1.0 FTE
- \$139,584 decrease - Present law adjustments for fixed costs, inflation, IT rate adjustment, liability insurance, motor pool adjustments

State special revenue appropriations increase by \$35,362 or 2.4% compared to the 2017 biennium appropriations.

- \$1,214 increase - Annualize FY 2016 appropriation to FY 2017 base budget funding level
- \$96,865 decrease - Statewide present law adjustments for personal services, additional 2% vacancy savings and the elimination of 1.0 FTE
- \$57,527 decrease - Present law adjustments for fixed costs, inflation, IT rate adjustment, liability insurance, motor pool adjustments
- \$188,810 increase - The legislature approved an increase in appropriation for the museum program

Federal special revenue appropriations increased by \$82,211 or 5.2% compared to the 2017 biennium appropriations.

- \$21,783 increase - Annualize FY 2016 appropriation to FY 2017 base budget funding level
- \$2,666 decrease - Statewide present law adjustments for personal services, additional 2% vacancy savings and the elimination of 1.0 FTE
- \$63,094 increase - Present law adjustments for fixed costs, inflation, IT rate adjustment, liability insurance, motor pool adjustments

Proprietary revenue appropriations decreased by \$3,953 or 0.3% compared to the 2017 biennium appropriations.

- \$8,041 increase - Annualize FY 2016 appropriation to FY 2017 base budget funding level
- \$11,896 decrease - Statewide present law adjustments for personal services, additional 2% vacancy savings and the elimination of 1.0 FTE
- \$98 decrease - Present law adjustments for fixed costs, inflation, IT rate adjustment, liability insurance, motor pool adjustments

**Agency Actuals and Budget Comparison**

The following table compares the 2017 biennium appropriated budget to the 2019 biennium appropriated budget by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	59.39	59.39	59.39	58.39	58.39
Personal Services	3,502,806	3,662,104	3,835,625	3,669,228	3,679,537
Operating Expenses	1,801,767	1,854,973	1,777,035	1,760,709	1,713,956
Equipment & Intangible Assets	98,131	97,123	94,010	94,010	94,010
Grants	90,662	85,620	87,120	87,120	87,120
<b>Total Expenditures</b>	<b>\$5,493,366</b>	<b>\$5,699,820</b>	<b>\$5,793,790</b>	<b>\$5,611,067</b>	<b>\$5,574,623</b>
General Fund	3,378,088	3,481,038	3,543,970	3,317,568	3,285,630
State/Other Special Rev. Funds	664,221	749,474	750,688	769,397	766,397
Federal Spec. Rev. Funds	776,654	786,684	808,467	839,488	837,874
Proprietary Funds	674,403	682,624	690,665	684,614	684,722
<b>Total Funds</b>	<b>\$5,493,366</b>	<b>\$5,699,820</b>	<b>\$5,793,790</b>	<b>\$5,611,067</b>	<b>\$5,574,623</b>
<b>Total Ongoing</b>	<b>\$5,493,366</b>	<b>\$5,699,820</b>	<b>\$5,793,790</b>	<b>\$5,611,067</b>	<b>\$5,574,623</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### Summary of Legislative Action

**HB 2** - The legislature approved a decrease in total appropriation of \$496,730 or a 4.3% decrease compared to the appropriation for 2017 biennium. The legislature approved all statewide present law adjustments for personal services, fixed cost, inflation, rent, and information technology services.

**SB 261** - The legislature approved the reduction or elimination of various appropriations or expenditures based on triggers in the event of lower than anticipated general fund revenue received in fiscal years 2017 and 2018. For more information see the discussion of SB 261 in volume one.

- **Level 1.0** - None
- **Level 1.5** - None
- **Level 2.0** - The general fund appropriation for the historical society is reduced by 0.5% in fiscal years FY 2018 and FY 2019
- **Level 3.0** - The general fund appropriation for the Historical Society research center is reduced 50% or \$608,710 in FY 2018 and \$609,786 in FY 2019. The proprietary appropriation for the society is increased in each year of the biennium by a like amount
- **Level 4.0** - None

In addition to the above SB 261 increases the HB 2 Appropriation for state special revenue for the "Museum Program" by \$97,115 in FY 2018 and \$91,605 in FY 2019.

### Funding

The following table shows adopted agency funding by source of authority. Funding for each program is discussed in detail in the individual program narratives.

Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	6,603,198	0	0	0	6,603,198	55.31 %
State Special Total	1,535,794	0	0	753,080	2,288,874	19.17 %
Federal Special Total	1,677,362	0	0	0	1,677,362	14.05 %
Proprietary Total	1,369,336	0	0	0	1,369,336	11.47 %
Other Total	0	0	0	0	0	0.00 %
<b>Total All Funds</b>	<b>\$11,185,690</b>	<b>\$0</b>	<b>\$0</b>	<b>\$753,080</b>	<b>\$11,938,770</b>	
<b>Percent - Total All Sources</b>	<b>93.69 %</b>	<b>0.00 %</b>	<b>0.00 %</b>	<b>6.31 %</b>		

The agency is funded through a combination of general fund, state special, federal special and proprietary revenue as shown under HB2 in the table above.

Statutory revenues sources include:

- Montana Historical Society Membership fees
- Entrance fees charged at the Original Governor’s Mansion
- 2.6% of the lodging facility use tax

Proprietary revenues are fees for goods and services to external customers and support the costs of providing those goods and services. Examples of proprietary fund revenue include magazine subscriptions, the sale of books published by the Historical Society, merchandise sales, and photography sales.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	3,543,970	3,543,970	7,087,940	107.34 %	5,793,790	5,793,790	11,587,580	103.59 %
SWPL Adjustments	42,206	14,363	56,569	0.86 %	100,850	80,051	180,901	1.62 %
PL Adjustments	(19,497)	(23,398)	(42,895)	(0.65)%	(131,541)	(141,571)	(273,112)	(2.44)%
New Proposals	(249,111)	(249,305)	(498,416)	(7.55)%	(152,032)	(157,647)	(309,679)	(2.77)%
<b>Total Budget</b>	<b>\$3,317,568</b>	<b>\$3,285,630</b>	<b>\$6,603,198</b>		<b>\$5,611,067</b>	<b>\$5,574,623</b>	<b>\$11,185,690</b>	

**Executive Budget Comparison**

The following table compares the legislative budget for the biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2017	Executive Budget Fiscal 2018	Legislative Budget Fiscal 2018	Leg — Exec. Difference Fiscal 2018	Executive Budget Fiscal 2019	Legislative Budget Fiscal 2019	Leg — Exec. Difference Fiscal 2019	Biennium Difference Fiscal 18-19
FTE	59.39	57.39	58.39	1.00	57.39	58.39	1.00	1.00
Personal Services	3,835,625	3,674,115	3,669,228	(4,887)	3,684,569	3,679,537	(5,032)	(9,919)
Operating Expenses	1,777,035	1,812,216	1,760,709	(51,507)	1,780,963	1,713,956	(67,007)	(118,514)
Equipment & Intangible Assets	94,010	94,010	94,010	0	94,010	94,010	0	0
Grants	87,120	87,120	87,120	0	87,120	87,120	0	0
Transfers	0	0	0	0	0	0	0	0
<b>Total Costs</b>	<b>\$5,793,790</b>	<b>\$5,667,461</b>	<b>\$5,611,067</b>	<b>(\$56,394)</b>	<b>\$5,646,662</b>	<b>\$5,574,623</b>	<b>(\$72,039)</b>	<b>(\$128,433)</b>
General Fund	3,543,970	3,438,339	3,317,568	(120,771)	3,410,496	3,285,630	(124,866)	(245,637)
State/other Special Rev. Funds	750,688	697,459	769,397	71,938	701,980	766,397	64,417	136,355
Federal Spec. Rev. Funds	808,467	845,649	839,488	(6,161)	847,146	837,874	(9,272)	(15,433)
Other	690,665	686,014	684,614	(1,400)	687,040	684,722	(2,318)	(3,718)
<b>Total Funds</b>	<b>\$5,793,790</b>	<b>\$5,667,461</b>	<b>\$5,611,067</b>	<b>(\$56,394)</b>	<b>\$5,646,662</b>	<b>\$5,574,623</b>	<b>(\$72,039)</b>	<b>(\$128,433)</b>
<b>Total Ongoing</b>	<b>\$5,793,790</b>	<b>\$5,647,461</b>	<b>\$5,611,067</b>	<b>(\$36,394)</b>	<b>\$5,626,662</b>	<b>\$5,574,623</b>	<b>(\$52,039)</b>	<b>(\$88,433)</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$20,000</b>	<b>\$0</b>	<b>(\$20,000)</b>	<b>\$20,000</b>	<b>\$0</b>	<b>(\$20,000)</b>	<b>(\$40,000)</b>

The legislature approved total appropriations \$128,433 below the executive request for the biennium. The legislature approved a reduction in personal services of \$9,919, and a reduction in operating expenses of \$118,514 which included an amount offsetting the cost of 1.00 FTE restored from the executive targeted budget reductions. The legislature did not approve the replacement of agency computers. The table above reflects lower appropriations, when compared to the executive request, for general fund and federal special revenue, the legislature approved higher appropriation for state special revenue.

**Program Budget Comparison**

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	2,213,614	2,141,765	(71,849)	(3.25)%
Operating Expenses	850,676	624,790	(225,886)	(26.55)%
Equipment & Intangible Assets	28,374	56,736	28,362	99.96 %
<b>Total Expenditures</b>	<b>\$3,092,664</b>	<b>\$2,823,291</b>	<b>(\$269,373)</b>	<b>(8.71)%</b>
General Fund	2,234,136	2,062,038	(172,098)	(7.70)%
State/Other Special Rev. Funds	211,338	102,332	(109,006)	(51.58)%
Federal Spec. Rev. Funds	144,037	152,832	8,795	6.11 %
Proprietary Funds	503,153	506,089	2,936	0.58 %
<b>Total Funds</b>	<b>\$3,092,664</b>	<b>\$2,823,291</b>	<b>(\$269,373)</b>	<b>(8.71)%</b>
<b>Total Ongoing</b>	<b>\$3,092,664</b>	<b>\$2,823,291</b>	<b>(\$269,373)</b>	<b>(8.71)%</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Description**

The Administration Program provides supervision, administration, and coordination of the six programs in the Montana Historical Society. Program staff are responsible for the management, planning, direction, and leadership of the society. Activities include public information, payroll/personnel, fund raising, financial reporting, business management, security, building management, community outreach, and the society store.

**Program Highlights**

**Administration Program  
Major Budget Highlights**

The legislature approved a decrease of \$269,373 or 8.7% below the 2017 biennium appropriation.

**Personal Services** - Total appropriation for personal services decreased by 3.3% or \$71,849

- \$85,374 increase - Annualize FY 2016 appropriation to FY 2017 base funding levels
- \$18,177 decrease - The legislature approved statewide present law adjustments for personal services
- \$42,181 decrease - The legislature approved an additional 2% vacancy savings
- \$96,865 decrease - The legislature approved the elimination of 1.00 FTE that is now funded with a statutory appropriation

**Operating Expense** - Total appropriation for operating expense decreased by 26.6% or \$225,886

- \$66,202 decrease - Annualize FY 2016 appropriation to FY 2017 base funding levels
- \$68,119 increase - The legislature approved present law adjustments for fixed costs, inflation, IT rate adjustment, liability insurance, motor pool adjustments
- \$134,100 decrease - In lieu of elimination, the legislature approved the funding of 1.00 FTE from the appropriation for operations
- \$61,819 decrease - The legislature approved the reduction of operating expense associated with 1.00 FTE now funded from statutory appropriation
- \$13,088 decrease - The legislature approved targeted budget reductions
- \$93,792 decrease - The legislature approved reductions to bring the total base reduction for the agency to 5% of the 2017 base
- \$74,996 increase - The legislature approved an increase in appropriation from the accommodation tax

**Equipment & Intangible Assets** - Total appropriation for equipment and intangible assets increased by 99.96% or \$28,362

- \$28,362 increase - Annualize FY 2016 appropriation to FY 2017 base funding levels

**Program Actuals and Budget Comparison**

The following table compares the program's FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	17.19	17.19	17.19	16.19	16.19
Personal Services	992,941	1,064,120	1,149,494	1,069,661	1,072,104
Operating Expenses	406,570	458,439	392,237	333,257	291,533
Equipment & Intangible Assets	0	6	28,368	28,368	28,368
<b>Total Expenditures</b>	<b>\$1,399,511</b>	<b>\$1,522,565</b>	<b>\$1,570,099</b>	<b>\$1,431,286</b>	<b>\$1,392,005</b>
General Fund	1,084,852	1,124,404	1,109,732	1,050,643	1,011,395
State/Other Special Rev. Funds	183	80,840	130,498	51,136	51,196
Federal Spec. Rev. Funds	64,720	67,015	77,022	76,332	76,500
Proprietary Funds	249,756	250,306	252,847	253,175	252,914
<b>Total Funds</b>	<b>\$1,399,511</b>	<b>\$1,522,565</b>	<b>\$1,570,099</b>	<b>\$1,431,286</b>	<b>\$1,392,005</b>
<b>Total Ongoing</b>	<b>\$1,399,511</b>	<b>\$1,522,565</b>	<b>\$1,570,099</b>	<b>\$1,431,286</b>	<b>\$1,392,005</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### Funding

The following table shows adopted program funding by source of authority.

Montana Historical Society, 01-Administration Program Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	2,062,038	0	0	2,062,038	69.21 %	
02009 Cultural And Aesthetic Project	0	0	0	0	0.00 %	
02041 MHS Membership	0	0	155,956	155,956	60.38 %	
02188 Senate Art	444	0	0	444	0.17 %	
02853 Accommodation Tax	101,888	0	0	101,888	39.45 %	
<b>State Special Total</b>	<b>\$102,332</b>	<b>\$0</b>	<b>\$155,956</b>	<b>\$258,288</b>	<b>8.67 %</b>	
03021 Historic Sites Preservation	152,832	0	0	152,832	100.00 %	
03102 Federal Grants	0	0	0	0	0.00 %	
<b>Federal Special Total</b>	<b>\$152,832</b>	<b>\$0</b>	<b>\$0</b>	<b>\$152,832</b>	<b>5.13 %</b>	
06071 Merchandise - Historical Soc	421,120	0	0	421,120	83.21 %	
06072 MHS Photo Archives Enterprise	0	0	0	0	0.00 %	
06073 Historical Society Management	84,969	0	0	84,969	16.79 %	
<b>Proprietary Total</b>	<b>\$506,089</b>	<b>\$0</b>	<b>\$0</b>	<b>\$506,089</b>	<b>16.99 %</b>	
<b>Total All Funds</b>	<b>\$2,823,291</b>	<b>\$0</b>	<b>\$155,956</b>	<b>\$2,979,247</b>		

The program is funded with a combination of:

- General fund
- State special revenue funds from membership fees, donations, and a portion of the lodging facility use tax
- Federal funds through indirect cost recoveries
- Proprietary funds from museum entrance fees and merchandise sales

### Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	1,109,732	1,109,732	2,219,464	107.63 %	1,570,099	1,570,099	3,140,198	111.22 %
SWPL Adjustments	48,389	10,719	59,108	2.87 %	48,113	10,728	58,841	2.08 %
PL Adjustments	(3,455)	(4,987)	(8,442)	(0.41)%	(82,867)	(84,716)	(167,583)	(5.94)%
New Proposals	(104,023)	(104,069)	(208,092)	(10.09)%	(104,059)	(104,106)	(208,165)	(7.37)%
<b>Total Budget</b>	<b>\$1,050,643</b>	<b>\$1,011,395</b>	<b>\$2,062,038</b>		<b>\$1,431,286</b>	<b>\$1,392,005</b>	<b>\$2,823,291</b>	

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. "Statewide Present Law" adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(9,186)	0	(690)	(10,348)	0.00	(6,950)	0	(522)	(7,829)
DP 2 - Fixed Costs	0.00	57,575	0	0	58,895	0.00	17,669	0	0	18,965
DP 3 - Inflation Deflation	0.00	0	0	0	(434)	0.00	0	0	0	(408)
DP 5 - Statutory FTE and Funding	(1.00)	0	(79,342)	0	(79,342)	(1.00)	0	(79,342)	0	(79,342)
DP 53 - SWPLA Fixed Cost Reductions	0.00	(1,123)	0	0	(1,149)	0.00	(2,614)	0	0	(2,806)
DP 54 - SWPLA Fixed Cost Reductions Adjustment	0.00	(3,160)	0	0	(3,232)	0.00	(4,219)	0	0	(4,528)
DP 55 - SWPLA Technical Amendment	0.00	539	0	0	551	0.00	514	0	0	551
DP 56 - Oracle License Funding Reinstatement	0.00	289	16	0	305	0.00	1,332	77	0	1,409
<b>Grand Total All Present Law Adjustments</b>	<b>(1.00)</b>	<b>\$44,934</b>	<b>(\$79,326)</b>	<b>(\$690)</b>	<b>(\$34,754)</b>	<b>(1.00)</b>	<b>\$5,732</b>	<b>(\$79,265)</b>	<b>(\$522)</b>	<b>(\$73,988)</b>

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

DP 1 - Personal Services -

The legislature approved adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 5 - Statutory FTE and Funding -

The legislature approved the reduction of 1.00 FTE from the HB 2 appropriation reducing operating expenditures and state special revenue.

DP 53 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warrant writer, rent, and information technology.

DP 54 - SWPLA Fixed Cost Reductions Adjustment -

The legislature approved further reductions in fixed costs for rent and information technology.

DP 55 - SWPLA Technical Amendment -

The legislature approved a technical amendment to SWPL adjustments impacting rent.

DP 56 - Oracle License Funding Reinstatement -

The legislature increased funding for Oracle license costs included in the State Information Technology Service Division. The license costs are allocated through fixed cost adjustments.

**New Proposals**

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 40 - State Special Revenue Appropriation	0.00	0	37,498	0	37,498	0.00	0	37,498	0	37,498
DP 50 - 5% Plan Adjustment	0.00	(9,361)	(37,534)	0	(46,895)	0.00	(9,362)	(37,535)	0	(46,897)
DP 51 - Additional 2% Vacancy Savings	0.00	(21,068)	0	(1,582)	(23,732)	0.00	(21,113)	0	(1,586)	(23,784)
DP 511 - Additional 2% Vacancy Savings Non General Fund Restoration	0.00	0	0	1,582	2,664	0.00	0	0	1,586	2,671
DP 555 - Appropriation Rebase	(1.00)	(73,594)	0	0	(73,594)	(1.00)	(73,594)	0	0	(73,594)
DP 600 - FTE Restoration	1.00	0	0	0	0	1.00	0	0	0	0
<b>Total</b>	<b>0.00</b>	<b>(\$104,023)</b>	<b>(\$36)</b>	<b>\$0</b>	<b>(\$104,059)</b>	<b>0.00</b>	<b>(\$104,069)</b>	<b>(\$37)</b>	<b>\$0</b>	<b>(\$104,106)</b>

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

DP 40 - State Special Revenue Appropriation -

The legislature approved a state special revenue appropriation from from the accommodation tax (02853).

DP 50 - 5% Plan Adjustment -

Statute requires state agencies to submit a plan to reduce base expenditures for general fund and certain state special revenues as part of its budget submission. The executive incorporated a portion of these reductions in the proposed budget. The legislature adopted reductions for general fund and certain state special revenues to bring the total base reduction for the agency to 5% of the 2017 base budget as outlined in statute, with some exceptions.

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

DP 511 - Additional 2% Vacancy Savings Non General Fund Restoration -

The legislature approved the restoration of state special, federal, and proprietary revenue resulting from the additional 2% vacancy savings applied by decision package (DP) 51.

DP 555 - Appropriation Rebase -

Under 17-7-111, MCA state agencies are required to submit plans to reduce general fund and certain state special revenue funds by 5%. The legislature approved reductions to the present law budget based on either the 5% reduction plans or FY 2016 reversions.

DP 600 - FTE Restoration -

The legislature restored 1.00 FTE to the administration program with the increase in personal services being entirely offset by a decrease in operating expense.

### Program Budget Comparison

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	1,986,115	1,952,928	(33,187)	(1.67)%
Operating Expenses	745,601	663,985	(81,616)	(10.95)%
Equipment & Intangible Assets	129,169	117,694	(11,475)	(8.88)%
<b>Total Expenditures</b>	<b>\$2,860,885</b>	<b>\$2,734,607</b>	<b>(\$126,278)</b>	<b>(4.41)%</b>
General Fund	2,530,769	2,436,991	(93,778)	(3.71)%
State/Other Special Rev. Funds	260,986	228,110	(32,876)	(12.60)%
Proprietary Funds	69,130	69,506	376	0.54%
<b>Total Funds</b>	<b>\$2,860,885</b>	<b>\$2,734,607</b>	<b>(\$126,278)</b>	<b>(4.41)%</b>
<b>Total Ongoing</b>	<b>\$2,860,885</b>	<b>\$2,734,607</b>	<b>(\$126,278)</b>	<b>(4.41)%</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00%</b>

### Program Description

The Research Center Program consists of the library, archives, and photograph archives functions. This program acquires, organizes, preserves, makes accessible to the public, and assists researchers with published materials, historic records and manuscripts, photographs and related media, digitized materials available online, and oral histories illustrative of the history of Montana and the surrounding region. By statute, this program houses the official archives of state government.

### Program Highlights

<b>Research Center Major Budget Highlights</b>
<p>The legislature approved a decrease of \$126,278 or 4.4% below the 2017 biennium appropriation.</p> <p><b>Personal Services</b> - Total appropriation for personal services decreased by 1.7% or \$33,187</p> <ul style="list-style-type: none"> <li>• \$25,483 increase - Annualize FY 2016 appropriation to FY 2017 base funding levels</li> <li>• \$17,118 decrease - The legislature approved statewide present law adjustments for personal services</li> <li>• \$41,552 decrease - The legislature approved an additional 2% vacancy savings</li> </ul> <p><b>Operating Expense</b> - Total appropriation for operating expense decreased by 11.0% or \$81,616</p> <ul style="list-style-type: none"> <li>• \$2,955 increase - Annualize FY 2016 appropriation to FY 2017 base funding levels</li> <li>• \$13,915 increase - The legislature approved present law adjustments for fixed costs, inflation, IT rate adjustment, liability insurance, motor pool adjustments</li> <li>• \$98,486 decrease - The legislature approved targeted budget reductions</li> </ul> <p><b>Equipment &amp; Intangible Assets</b> - Total appropriation for equipment and intangible assets decreased by 8.9% or \$11,475</p> <ul style="list-style-type: none"> <li>• \$11,475 decrease - Annualize FY 2016 appropriation to FY 2017 base funding levels</li> </ul>

**Program Actuals and Budget Comparison**

The following table compares the program’s FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	15.50	15.50	15.50	15.50	15.50
Personal Services	980,252	980,316	1,005,799	975,606	977,322
Operating Expenses	367,060	371,323	374,278	331,774	332,211
Equipment & Intangible Assets	70,631	70,322	58,847	58,847	58,847
<b>Total Expenditures</b>	<b>\$1,417,943</b>	<b>\$1,421,961</b>	<b>\$1,438,924</b>	<b>\$1,366,227</b>	<b>\$1,368,380</b>
General Fund	1,240,592	1,240,653	1,290,116	1,217,419	1,219,572
State/Other Special Rev. Funds	146,778	146,931	114,055	114,055	114,055
Proprietary Funds	30,573	34,377	34,753	34,753	34,753
<b>Total Funds</b>	<b>\$1,417,943</b>	<b>\$1,421,961</b>	<b>\$1,438,924</b>	<b>\$1,366,227</b>	<b>\$1,368,380</b>
<b>Total Ongoing</b>	<b>\$1,417,943</b>	<b>\$1,421,961</b>	<b>\$1,438,924</b>	<b>\$1,366,227</b>	<b>\$1,368,380</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Funding**

The following table shows adopted program funding by source of authority.

Montana Historical Society, 02-Research Center Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	2,436,991	0	0	2,436,991	89.12 %	
02131 HIS/LSD MOU	0	0	0	0	0.00 %	
02853 Accommodation Tax	228,110	0	0	228,110	100.00 %	
<b>State Special Total</b>	<b>\$228,110</b>	<b>\$0</b>	<b>\$0</b>	<b>\$228,110</b>	<b>8.34 %</b>	
03102 Federal Grants	0	0	0	0	0.00 %	
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
06072 MHS Photo Archives Enterprise	33,558	0	0	33,558	48.28 %	
06076 MHS Library Enterprise Funds	35,948	0	0	35,948	51.72 %	
<b>Proprietary Total</b>	<b>\$69,506</b>	<b>\$0</b>	<b>\$0</b>	<b>\$69,506</b>	<b>2.54 %</b>	
<b>Total All Funds</b>	<b>\$2,734,607</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,734,607</b>		

The program is funded with a combination of:

- General fund
- State special revenue from the lodging facility use tax
- Proprietary fund revenue from the sale of historic photo reproductions and images

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	1,290,116	1,290,116	2,580,232	105.88 %	1,438,924	1,438,924	2,877,848	105.24 %
SWPL Adjustments	13,346	17,904	31,250	1.28 %	13,346	17,904	31,250	1.14 %
PL Adjustments	(16,042)	(18,411)	(34,453)	(1.41)%	(16,042)	(18,411)	(34,453)	(1.26)%
New Proposals	(70,001)	(70,037)	(140,038)	(5.75)%	(70,001)	(70,037)	(140,038)	(5.12)%
<b>Total Budget</b>	<b>\$1,217,419</b>	<b>\$1,219,572</b>	<b>\$2,436,991</b>		<b>\$1,366,227</b>	<b>\$1,368,380</b>	<b>\$2,734,607</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. “Statewide Present Law” adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
-----Fiscal 2018-----						-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(9,435)	0	0	(9,435)	0.00	(7,683)	0	0	(7,683)
DP 2 - Fixed Costs	0.00	22,925	0	0	22,925	0.00	25,728	0	0	25,728
DP 3 - Inflation Deflation	0.00	(144)	0	0	(144)	0.00	(141)	0	0	(141)
DP 53 - SWPLA Fixed Cost Reductions	0.00	(3,969)	0	0	(3,969)	0.00	(5,521)	0	0	(5,521)
DP 54 - SWPLA Fixed Cost Reductions Adjustment	0.00	(15,132)	0	0	(15,132)	0.00	(16,978)	0	0	(16,978)
DP 55 - SWPLA Technical Amendment	0.00	2,791	0	0	2,791	0.00	2,791	0	0	2,791
DP 56 - Oracle License Funding Reinstatement	0.00	268	0	0	268	0.00	1,297	0	0	1,297
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$2,696)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$2,696)</b>	<b>0.00</b>	<b>(\$507)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$507)</b>

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

DP 1 - Personal Services -

The legislature approved adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 53 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warrant writer, rent, and information technology.

DP 54 - SWPLA Fixed Cost Reductions Adjustment -

The legislature approved further reductions in fixed costs for rent and information technology.

DP 55 - SWPLA Technical Amendment -

The legislature approved a technical amendment to SWPL adjustments impacting rent.

DP 56 - Oracle License Funding Reinstatement -

The legislature increased funding for Oracle license costs included in the State Information Technology Service Division. The license costs are allocated through fixed cost adjustments.

**New Proposals**

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 51 - Additional 2% Vacancy Savings	0.00	(20,758)	0	0	(20,758)	0.00	(20,794)	0	0	(20,794)
DP 555 - Appropriation Rebase	0.00	(49,243)	0	0	(49,243)	0.00	(49,243)	0	0	(49,243)
<b>Total</b>	<b>0.00</b>	<b>(\$70,001)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$70,001)</b>	<b>0.00</b>	<b>(\$70,037)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$70,037)</b>

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

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

DP 555 - Appropriation Rebase -

Under 17-7-111, MCA state agencies are required to submit plans to reduce general fund and certain state special revenue funds by 5%. The legislature approved reductions to the present law budget based on either the 5% reduction plans or FY 2016 reversions.

**Program Budget Comparison**

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	949,733	933,992	(15,741)	(1.66)%
Operating Expenses	1,111,241	1,215,251	104,010	9.36 %
Equipment & Intangible Assets	33,590	13,590	(20,000)	(59.54)%
<b>Total Expenditures</b>	<b>\$2,094,564</b>	<b>\$2,162,833</b>	<b>\$68,269</b>	<b>3.26 %</b>
General Fund	1,278,478	1,168,568	(109,910)	(8.60)%
State/Other Special Rev. Funds	810,069	988,247	178,178	22.00 %
Proprietary Funds	6,017	6,018	1	0.02 %
<b>Total Funds</b>	<b>\$2,094,564</b>	<b>\$2,162,833</b>	<b>\$68,269</b>	<b>3.26 %</b>
<b>Total Ongoing</b>	<b>\$2,094,564</b>	<b>\$2,162,833</b>	<b>\$68,269</b>	<b>3.26 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Description**

The Museum Program collects, preserves, and interprets the history of Montana through its material culture, by collecting fine arts and historical, archaeological, and ethnological artifacts from Montana and the general geographic region. The program interprets its collections through exhibits, tours, and traveling exhibits. The program also coordinates with the society's education program to orchestrate events, programs, and materials on Montana history for learners of all ages.

**Program Highlights**

<b>Museum Program Major Budget Highlights</b>
<p>The legislature approved a increase of \$68,269 or 3.3% above the 2017 biennial appropriation.</p> <p><b><u>Personal Services</u></b> - Total appropriation for personal services decreased by 1.7% or \$15,741</p> <ul style="list-style-type: none"> <li>• \$17,463 increase - Annualize FY 2016 appropriation to FY 2017 base funding levels</li> <li>• \$13,332 decrease - The legislature approved statewide present law adjustments for personal services</li> <li>• \$19,872 decrease - The legislature approved an additional 2% vacancy savings</li> </ul> <p><b><u>Operating Expense</u></b> - Total appropriation for operating expense increased by 9.4% or \$104,010</p> <ul style="list-style-type: none"> <li>• \$843 increase - Annualize FY 2016 appropriation to FY 2017 base funding levels</li> <li>• \$4,357 increase - The legislature approved present law adjustments for fixed costs, inflation, IT rate adjustment, liability insurance, motor pool adjustments</li> <li>• \$90,000 decrease - The legislature approved targeted budget reductions</li> <li>• \$188,810 increase - The legislature approved an increase in appropriation for state special revenue</li> </ul> <p><b><u>Equipment &amp; Intangible Assets</u></b> - Total appropriation for equipment and intangible assets decreased by 59.5% or \$20,000</p> <ul style="list-style-type: none"> <li>• \$20,000 decrease - Annualize FY 2016 appropriation to FY 2017 base funding levels</li> </ul>

**Program Actuals and Budget Comparison**

The following table compares the program’s FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	7.75	7.75	7.75	7.75	7.75
Personal Services	460,847	466,135	483,598	466,261	467,731
Operating Expenses	549,536	555,199	556,042	609,227	606,024
Equipment & Intangible Assets	27,500	26,795	6,795	6,795	6,795
<b>Total Expenditures</b>	<b>\$1,037,883</b>	<b>\$1,048,129</b>	<b>\$1,046,435</b>	<b>\$1,082,283</b>	<b>\$1,080,550</b>
General Fund	627,301	632,590	645,888	583,547	585,021
State/Other Special Rev. Funds	408,088	412,531	397,538	495,727	492,520
Proprietary Funds	2,494	3,008	3,009	3,009	3,009
<b>Total Funds</b>	<b>\$1,037,883</b>	<b>\$1,048,129</b>	<b>\$1,046,435</b>	<b>\$1,082,283</b>	<b>\$1,080,550</b>
<b>Total Ongoing</b>	<b>\$1,037,883</b>	<b>\$1,048,129</b>	<b>\$1,046,435</b>	<b>\$1,082,283</b>	<b>\$1,080,550</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Funding**

The following table shows adopted program funding by source of authority.

Montana Historical Society, 03-Museum Program Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	1,168,568	0	0	1,168,568	48.75 %
02009 Cultural And Aesthetic Project	0	0	0	0	0.00 %
02045 Original Governor's Mansion	6,350	0	5,835	12,185	1.00 %
02123 Sites & Signs	0	0	102,316	102,316	8.37 %
02853 Accommodation Tax	981,897	0	0	981,897	80.33 %
02986 Lewis & Clark License Plates	0	0	125,938	125,938	10.30 %
<b>State Special Total</b>	<b>\$988,247</b>	<b>\$0</b>	<b>\$234,089</b>	<b>\$1,222,336</b>	<b>51.00 %</b>
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
06077 MHS Museum Enterprise Funds	6,018	0	0	6,018	100.00 %
<b>Proprietary Total</b>	<b>\$6,018</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,018</b>	<b>0.25 %</b>
<b>Total All Funds</b>	<b>\$2,162,833</b>	<b>\$0</b>	<b>\$234,089</b>	<b>\$2,396,922</b>	

The program is funded with a combination of:

- General fund
- State special revenue from the lodging facility use tax, and donations at the Original Governor’s Mansion
- Proprietary funds generated through the sales of books, copies, and photographs, and the rental of traveling exhibits

**Budget Summary by Category**

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	645,888	645,888	1,291,776	110.54 %	1,046,435	1,046,435	2,092,870	96.77 %
SWPL Adjustments	(7,421)	(5,915)	(13,336)	(1.14)%	16,820	22,434	39,254	1.81 %
PL Adjustments	0	0	0	0.00 %	(23,167)	(25,062)	(48,229)	(2.23)%
New Proposals	(54,920)	(54,952)	(109,872)	(9.40)%	42,195	36,743	78,938	3.65 %
<b>Total Budget</b>	<b>\$583,547</b>	<b>\$585,021</b>	<b>\$1,168,568</b>		<b>\$1,082,283</b>	<b>\$1,080,550</b>	<b>\$2,162,833</b>	

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. "Statewide Present Law" adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(7,417)	0	0	(7,417)	0.00	(5,915)	0	0	(5,915)
DP 2 - Fixed Costs	0.00	0	24,241	0	24,241	0.00	0	28,349	0	28,349
DP 3 - Inflation Deflation	0.00	(4)	0	0	(4)	0.00	0	0	0	0
DP 53 - SWPLA Fixed Cost Reductions	0.00	0	(5,491)	0	(5,491)	0.00	0	(6,191)	0	(6,191)
DP 54 - SWPLA Fixed Cost Reductions Adjustment	0.00	0	(21,873)	0	(21,873)	0.00	0	(23,490)	0	(23,490)
DP 55 - SWPLA Technical Amendment	0.00	0	4,087	0	4,087	0.00	0	4,087	0	4,087
DP 56 - Oracle License Funding Reinstatement	0.00	0	110	0	110	0.00	0	532	0	532
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$7,421)</b>	<b>\$1,074</b>	<b>\$0</b>	<b>(\$6,347)</b>	<b>0.00</b>	<b>(\$5,915)</b>	<b>\$3,287</b>	<b>\$0</b>	<b>(\$2,628)</b>

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

DP 1 - Personal Services -

The legislature approved adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 53 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warrant writer, rent, and information technology.

DP 54 - SWPLA Fixed Cost Reductions Adjustment -

The legislature approved further reductions in fixed costs for rent and information technology.

DP 55 - SWPLA Technical Amendment -

The legislature approved a technical amendment to SWPL adjustments impacting rent.

DP 56 - Oracle License Funding Reinstatement -

The legislature increased funding for Oracle license costs included in the State Information Technology Service Division. The license costs are allocated through fixed cost adjustments.

**New Proposals**

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 51 - Additional 2% Vacancy Savings	0.00	(9,920)	0	0	(9,920)	0.00	(9,952)	0	0	(9,952)
DP 555 - Appropriation Rebase	0.00	(45,000)	0	0	(45,000)	0.00	(45,000)	0	0	(45,000)
DP 700 - SB 261 Special Revenue Appropriation	0.00	0	97,115	0	97,115	0.00	0	91,695	0	91,695
<b>Total</b>	<b>0.00</b>	<b>(\$54,920)</b>	<b>\$97,115</b>	<b>\$0</b>	<b>\$42,195</b>	<b>0.00</b>	<b>(\$54,952)</b>	<b>\$91,695</b>	<b>\$0</b>	<b>\$36,743</b>

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

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

DP 555 - Appropriation Rebase -

Under 17-7-111, MCA state agencies are required to submit plans to reduce general fund and certain state special revenue funds by 5%. The legislature approved reductions to the present law budget based on either the 5% reduction plans or FY 2016 reversions.

DP 700 - SB 261 Special Revenue Appropriation -

The legislature passed SB 261 which increased HB 2 appropriation for state special revenue.

**Program Budget Comparison**

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	640,510	622,177	(18,333)	(2.86)%
Operating Expenses	331,723	335,430	3,707	1.12 %
<b>Total Expenditures</b>	<b>\$972,233</b>	<b>\$957,607</b>	<b>(\$14,626)</b>	<b>(1.50)%</b>
General Fund	322,707	310,330	(12,377)	(3.84)%
Proprietary Funds	649,526	647,277	(2,249)	(0.35)%
<b>Total Funds</b>	<b>\$972,233</b>	<b>\$957,607</b>	<b>(\$14,626)</b>	<b>(1.50)%</b>
<b>Total Ongoing</b>	<b>\$972,233</b>	<b>\$957,607</b>	<b>(\$14,626)</b>	<b>(1.50)%</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Description**

The Publications Program promotes the study of Montana history and education through lectures, publications, and curriculum materials. The program publishes quarterly edition of the award-winning *Montana The Magazine of Western History*. It also publishes books under the Montana Historical Society Press imprint.

**Program Highlights**

**Publications Program  
Major Budget Highlights**

The legislature approved a decrease of \$14,626 or 1.5% below the 2017 biennial appropriation.

**Personal Services** - Total appropriation for personal services decreased by 2.9% or \$18,333

- \$10,360 increase - Annualize FY 2016 appropriation to FY 2017 base funding levels
- \$22,142 decrease - The legislature approved statewide present law adjustments for personal services
- \$6,551 decrease - The legislature approved an additional 2% vacancy savings

**Operating Expense** - Total appropriation for operating expense increased by 1.1% or \$3,707

- \$5,029 increase - Annualize FY 2016 appropriation to FY 2017 base funding levels
- \$1,322 decrease - The legislature approved present law adjustments for fixed costs, inflation, IT rate adjustment, liability insurance, motor pool adjustments

**Program Actuals and Budget Comparison**

The following table compares the program's FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	5.00	5.00	5.00	5.00	5.00
Personal Services	283,905	315,075	325,435	310,385	311,792
Operating Expenses	163,240	163,347	168,376	167,886	167,544
<b>Total Expenditures</b>	<b>\$447,145</b>	<b>\$478,422</b>	<b>\$493,811</b>	<b>\$478,271</b>	<b>\$479,336</b>
General Fund	128,477	158,729	163,978	154,817	155,513
Proprietary Funds	318,668	319,693	329,833	323,454	323,823
<b>Total Funds</b>	<b>\$447,145</b>	<b>\$478,422</b>	<b>\$493,811</b>	<b>\$478,271</b>	<b>\$479,336</b>
<b>Total Ongoing</b>	<b>\$447,145</b>	<b>\$478,422</b>	<b>\$493,811</b>	<b>\$478,271</b>	<b>\$479,336</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Funding**

The following table shows adopted program funding by source of authority.

Montana Historical Society, 04-Publications Program Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	310,330	0	0	310,330	32.41 %	
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
06002 MHS Publications Enterprise	647,277	0	0	647,277	100.00 %	
<b>Proprietary Total</b>	<b>\$647,277</b>	<b>\$0</b>	<b>\$0</b>	<b>\$647,277</b>	<b>67.59 %</b>	
<b>Total All Funds</b>	<b>\$957,607</b>	<b>\$0</b>	<b>\$0</b>	<b>\$957,607</b>		

The program is funded with a combination of:

- General fund
- Proprietary funds from subscription sales for the magazine and sales of books published by the program

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	163,978	163,978	327,956	105.68 %	493,811	493,811	987,622	103.13 %
SWPL Adjustments	(5,893)	(5,182)	(11,075)	(3.57)%	(10,958)	(9,338)	(20,296)	(2.12)%
PL Adjustments	0	0	0	0.00 %	(1,314)	(1,854)	(3,168)	(0.33)%
New Proposals	(3,268)	(3,283)	(6,551)	(2.11)%	(3,268)	(3,283)	(6,551)	(0.68)%
<b>Total Budget</b>	<b>\$154,817</b>	<b>\$155,513</b>	<b>\$310,330</b>		<b>\$478,271</b>	<b>\$479,336</b>	<b>\$957,607</b>	

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. "Statewide Present Law" adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(5,893)	0	0	(11,782)	0.00	(5,182)	0	0	(10,360)
DP 2 - Fixed Costs	0.00	0	0	0	1,047	0.00	0	0	0	1,246
DP 3 - Inflation Deflation	0.00	0	0	0	(223)	0.00	0	0	0	(224)
DP 53 - SWPLA Fixed Cost Reductions	0.00	0	0	0	(338)	0.00	0	0	0	(622)
DP 54 - SWPLA Fixed Cost Reductions Adjustment	0.00	0	0	0	(1,190)	0.00	0	0	0	(1,446)
DP 55 - SWPLA Technical Amendment	0.00	0	0	0	214	0.00	0	0	0	214
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$5,893)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$12,272)</b>	<b>0.00</b>	<b>(\$5,182)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$11,192)</b>

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

DP 1 - Personal Services -

The legislature approved adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 53 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warrant writer, rent, and information technology.

DP 54 - SWPLA Fixed Cost Reductions Adjustment -

The legislature approved further reductions in fixed costs for rent and information technology.

DP 55 - SWPLA Technical Amendment -

The legislature approved a technical amendment to SWPL adjustments impacting rent.

**New Proposals**

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 51 - Additional 2% Vacancy Savings	0.00	(3,268)	0	0	(6,534)	0.00	(3,283)	0	0	(6,564)
DP 511 - Additional 2% Vacancy Savings Non General Fund Restoration	0.00	0	0	0	3,266	0.00	0	0	0	3,281
<b>Total</b>	<b>0.00</b>	<b>(\$3,268)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$3,268)</b>	<b>0.00</b>	<b>(\$3,283)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$3,283)</b>

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

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

DP 511 - Additional 2% Vacancy Savings Non General Fund Restoration -

The legislature approved the restoration of state special, federal, and proprietary revenue resulting from the additional 2% vacancy savings applied by decision package (DP) 51.

**Program Budget Comparison**

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	570,579	575,246	4,667	0.82 %
Operating Expenses	273,109	267,425	(5,684)	(2.08)%
<b>Total Expenditures</b>	<b>\$843,688</b>	<b>\$842,671</b>	<b>(\$1,017)</b>	<b>(0.12)%</b>
General Fund	570,579	575,246	4,667	0.82 %
State/Other Special Rev. Funds	217,769	217,105	(664)	(0.30)%
Proprietary Funds	55,340	50,320	(5,020)	(9.07)%
<b>Total Funds</b>	<b>\$843,688</b>	<b>\$842,671</b>	<b>(\$1,017)</b>	<b>(0.12)%</b>
<b>Total Ongoing</b>	<b>\$843,688</b>	<b>\$842,671</b>	<b>(\$1,017)</b>	<b>(0.12)%</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Description**

The Education Program is comprised of three primary activities: outreach and interpretation, historic signs, and the volunteer program. The Education Program provides educational public programming of all types, both at the society's headquarters and throughout the state, for a wide range of audiences; plans and produces educational publications, curriculum materials, and instructional literature for broad distribution; plans and produces interpretive, place-based publications, articles, brochures, and tours for statewide distribution/implementation; provides reference services to the general public, teachers, students, technical users, and other like-minded institutions and organizations; oversees the National Register Sign Program for the State of Montana, producing interpretive signage for eligible structures and sites in all parts of the state; assists in the planning, production, and placement of non-Register permanent and/or temporary signage in all parts of the state; and oversees the society's volunteer program, coordinating volunteers, and volunteer activities society-wide.

**Program Highlights**

<b>Education Program Major Budget Highlights</b>
<p>The legislature approved a decrease of \$1,017 or 0.1% below 2017 biennial appropriation.</p> <p><b>Personal Services</b> - Total appropriation for personal services increased by 0.8% or \$4,667</p> <ul style="list-style-type: none"> <li>• \$12,099 increase - Annualize FY 2016 appropriation to FY 2017 base funding levels</li> <li>• \$4,807 increase - The legislature approved statewide present law adjustments for personal services</li> <li>• \$12,239 decrease - The legislature approved an additional 2% vacancy savings</li> </ul> <p><b>Operating Expense</b> - Total appropriation for operating expense decreased by 2.1% or \$5,684</p> <ul style="list-style-type: none"> <li>• \$5,595 decrease - Annualize FY 2016 appropriation to FY 2017 base funding levels</li> <li>• \$89 decrease - The legislature approved present law adjustments for fixed costs, inflation, IT rate adjustment, liability insurance, motor pool adjustments</li> </ul>

**Program Actuals and Budget Comparison**

The following table compares the program’s FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	4.95	4.95	4.95	4.95	4.95
Personal Services	252,955	279,240	291,339	287,490	287,756
Operating Expenses	137,044	139,352	133,757	133,639	133,786
<b>Total Expenditures</b>	<b>\$389,999</b>	<b>\$418,592</b>	<b>\$425,096</b>	<b>\$421,129</b>	<b>\$421,542</b>
General Fund	252,955	279,240	291,339	287,490	287,756
State/Other Special Rev. Funds	109,172	109,172	108,597	108,479	108,626
Proprietary Funds	27,872	30,180	25,160	25,160	25,160
<b>Total Funds</b>	<b>\$389,999</b>	<b>\$418,592</b>	<b>\$425,096</b>	<b>\$421,129</b>	<b>\$421,542</b>
<b>Total Ongoing</b>	<b>\$389,999</b>	<b>\$418,592</b>	<b>\$425,096</b>	<b>\$421,129</b>	<b>\$421,542</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Funding**

The following table shows adopted program funding by source of authority.

Montana Historical Society, 05-Education Program Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	575,246	0	0	575,246	47.71 %	
02123 Sites & Signs	0	0	363,035	363,035	62.58 %	
02406 Cultural And Aesthetic Project	0	0	0	0	0.00 %	
02853 Accommodation Tax	217,105	0	0	217,105	37.42 %	
<b>State Special Total</b>	<b>\$217,105</b>	<b>\$0</b>	<b>\$363,035</b>	<b>\$580,140</b>	<b>48.12 %</b>	
03102 Federal Grants	0	0	0	0	0.00 %	
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
06022 MHS Education Enterprise Funds	50,320	0	0	50,320	100.00 %	
<b>Proprietary Total</b>	<b>\$50,320</b>	<b>\$0</b>	<b>\$0</b>	<b>\$50,320</b>	<b>4.17 %</b>	
<b>Total All Funds</b>	<b>\$842,671</b>	<b>\$0</b>	<b>\$363,035</b>	<b>\$1,205,706</b>		

The program is funded with a combination of:

- General fund
- State special revenue appropriated in HB 2 from a 2.6% allocation of the lodging facility use tax which may be used only for the purpose of historical interpretation and costs relating to the Scriver collection
- State special revenue appropriated via a statutory appropriation from a 1% allocation of the lodging facility use tax which may be used for the installation or maintenance of roadside historical signs and historic sites
- Proprietary funds derived from program fees and education enterprises

**Budget Summary by Category**

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	291,339	291,339	582,678	101.29 %	425,096	425,096	850,192	100.89 %
SWPL Adjustments	2,268	2,539	4,807	0.84 %	4,140	4,824	8,964	1.06 %
PL Adjustments	0	0	0	0.00 %	(1,990)	(2,256)	(4,246)	(0.50)%
New Proposals	(6,117)	(6,122)	(12,239)	(2.13)%	(6,117)	(6,122)	(12,239)	(1.45)%
<b>Total Budget</b>	<b>\$287,490</b>	<b>\$287,756</b>	<b>\$575,246</b>		<b>\$421,129</b>	<b>\$421,542</b>	<b>\$842,671</b>	

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. "Statewide Present Law" adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	2,268	0	0	2,268	0.00	2,539	0	0	2,539
DP 2 - Fixed Costs	0.00	0	1,898	0	1,898	0.00	0	2,229	0	2,229
DP 3 - Inflation Deflation	0.00	0	(26)	0	(26)	0.00	0	56	0	56
DP 53 - SWPLA Fixed Cost Reductions	0.00	0	(520)	0	(520)	0.00	0	(831)	0	(831)
DP 54 - SWPLA Fixed Cost Reductions Adjustment	0.00	0	(1,912)	0	(1,912)	0.00	0	(2,224)	0	(2,224)
DP 55 - SWPLA Technical Amendment	0.00	0	349	0	349	0.00	0	349	0	349
DP 56 - Oracle License Funding Reinstatement	0.00	0	93	0	93	0.00	0	450	0	450
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$2,268</b>	<b>(\$118)</b>	<b>\$0</b>	<b>\$2,150</b>	<b>0.00</b>	<b>\$2,539</b>	<b>\$29</b>	<b>\$0</b>	<b>\$2,568</b>

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

DP 1 - Personal Services -

The legislature approved adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 53 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warrant writer, rent, and information technology.

DP 54 - SWPLA Fixed Cost Reductions Adjustment -

The legislature approved further reductions in fixed costs for rent and information technology.

DP 55 - SWPLA Technical Amendment -

The legislature approved a technical amendment to SWPL adjustments impacting rent.

DP 56 - Oracle License Funding Reinstatement -

The legislature increased funding for Oracle license costs included in the State Information Technology Service Division. The license costs are allocated through fixed cost adjustments.

**New Proposals**

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 51 - Additional 2% Vacancy Savings	0.00	(6,117)	0	0	(6,117)	0.00	(6,122)	0	0	(6,122)
<b>Total</b>	<b>0.00</b>	<b>(\$6,117)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$6,117)</b>	<b>0.00</b>	<b>(\$6,122)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$6,122)</b>

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

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

### Program Budget Comparison

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	1,137,178	1,122,657	(14,521)	(1.28)%
Operating Expenses	319,658	367,784	48,126	15.06 %
Grants	172,740	174,240	1,500	0.87 %
<b>Total Expenditures</b>	<b>\$1,629,576</b>	<b>\$1,664,681</b>	<b>\$35,105</b>	<b>2.15 %</b>
General Fund	88,339	50,025	(38,314)	(43.37)%
Federal Spec. Rev. Funds	1,451,114	1,524,530	73,416	5.06 %
Proprietary Funds	90,123	90,126	3	0.00 %
<b>Total Funds</b>	<b>\$1,629,576</b>	<b>\$1,664,681</b>	<b>\$35,105</b>	<b>2.15 %</b>
<b>Total Ongoing</b>	<b>\$1,629,576</b>	<b>\$1,664,681</b>	<b>\$35,105</b>	<b>2.15 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

### Program Description

The Historic Sites Preservation Program (State Historic Preservation Office) administers the Montana Antiquities Act and Montana's participation in the National Historic Preservation Act of 1966, as amended, with its federal programs, guidelines, and grants-in-aid for historic preservation. Staff provide technical assistance to all Montana property owners, including agencies, organizations, and the public.

Staff maintain a statewide inventory of recorded historic and archaeological sites. Staff review state agencies compliance with the state antiquities act. Staff review and comment on all proposed federally funded or permitted projects within the state to determine their effect on properties listed or eligible for listing in the National Register of Historic Places. Staff administer the National Register of Historic Places program in Montana through the State Preservation Review Board. The office recommends certification of historic structures and rehabilitation projects for federal tax credits to citizens and businesses, as authorized by the Tax Reform Act of 1976. The program awards and administers pass-through federal grants to local governments participating in the federal Certified Local Government Program.

The program may also award funds for historic survey and planning for historic areas and for bricks and mortar rehabilitation when funds are available.

### Program Highlights

<b>Historic Preservation Program Major Budget Highlights</b>	
The legislature approved an increase of \$35,105 or 2.2% above the 2017 biennial appropriation.	
<b>Personal Services</b> - Total appropriation for personal services decreased by 1.3% or \$14,521	
<ul style="list-style-type: none"> <li>• \$22,742 increase - Annualize FY 2016 appropriation to FY 2017 base funding levels</li> <li>• \$15,639 decrease - The legislature approved statewide present law adjustments for personal services</li> <li>• \$21,624 decrease - The legislature approved an additional 2% vacancy savings</li> </ul>	
<b>Operating Expense</b> - Total appropriation for operating expense increased by 15.1% or \$48,126	
<ul style="list-style-type: none"> <li>• \$14,968 decrease - Annualize FY 2016 appropriation to FY 2017 base funding levels</li> <li>• \$63,094 increase - The legislature approved present law adjustments for fixed costs, inflation, IT rate adjustment, liability insurance, motor pool adjustments</li> </ul>	
<b>Grants</b> - Total appropriation for grants increased by 0.9% or \$1,500	
<ul style="list-style-type: none"> <li>• \$1,500 increase - Annualize FY 2016 appropriation to FY 2017 base funding levels</li> </ul>	

**Program Actuals and Budget Comparison**

The following table compares the program’s FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	9.00	9.00	9.00	9.00	9.00
Personal Services	531,906	557,218	579,960	559,825	562,832
Operating Expenses	178,317	167,313	152,345	184,926	182,858
Grants	90,662	85,620	87,120	87,120	87,120
<b>Total Expenditures</b>	<b>\$800,885</b>	<b>\$810,151</b>	<b>\$819,425</b>	<b>\$831,871</b>	<b>\$832,810</b>
General Fund	43,911	45,422	42,917	23,652	26,373
Federal Spec. Rev. Funds	711,934	719,669	731,445	763,156	761,374
Proprietary Funds	45,040	45,060	45,063	45,063	45,063
<b>Total Funds</b>	<b>\$800,885</b>	<b>\$810,151</b>	<b>\$819,425</b>	<b>\$831,871</b>	<b>\$832,810</b>
<b>Total Ongoing</b>	<b>\$800,885</b>	<b>\$810,151</b>	<b>\$819,425</b>	<b>\$831,871</b>	<b>\$832,810</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Funding**

The following table shows adopted program funding by source of authority.

Montana Historical Society, 06-Historic Preservation Program Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	50,025	0	0	50,025	3.01 %	
<b>State Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
03021 Historic Sites Preservation	1,524,530	0	0	1,524,530	100.00 %	
03102 Federal Grants	0	0	0	0	0.00 %	
<b>Federal Special Total</b>	<b>\$1,524,530</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,524,530</b>	<b>91.58 %</b>	
06013 SHPO ENTERPRISE FUND	90,126	0	0	90,126	100.00 %	
<b>Proprietary Total</b>	<b>\$90,126</b>	<b>\$0</b>	<b>\$0</b>	<b>\$90,126</b>	<b>5.41 %</b>	
<b>Total All Funds</b>	<b>\$1,664,681</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,664,681</b>		

The program is funded through a combination of:

- General fund
- Federal special revenue from the National Park Service
- Proprietary funds generated from fees for historical preservation assistance and services used to enhance and maintain the agency’s antiquities database

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	42,917	42,917	85,834	171.58 %	819,425	819,425	1,638,850	98.45 %
SWPL Adjustments	(8,483)	(5,702)	(14,185)	(28.36)%	29,389	33,499	62,888	3.78 %
PL Adjustments	0	0	0	0.00 %	(6,161)	(9,272)	(15,433)	(0.93)%
New Proposals	(10,782)	(10,842)	(21,624)	(43.23)%	(10,782)	(10,842)	(21,624)	(1.30)%
<b>Total Budget</b>	<b>\$23,652</b>	<b>\$26,373</b>	<b>\$50,025</b>		<b>\$831,871</b>	<b>\$832,810</b>	<b>\$1,664,681</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. “Statewide Present Law” adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(8,483)	0	(870)	(9,353)	0.00	(5,702)	0	(584)	(6,286)
DP 2 - Fixed Costs	0.00	0	0	38,737	38,737	0.00	0	0	39,740	39,740
DP 3 - Inflation Deflation	0.00	0	0	5	5	0.00	0	0	45	45
DP 53 - SWPLA Fixed Cost Reductions	0.00	0	0	(1,871)	(1,871)	0.00	0	0	(4,690)	(4,690)
DP 54 - SWPLA Fixed Cost Reductions Adjustment	0.00	0	0	(5,785)	(5,785)	0.00	0	0	(8,004)	(8,004)
DP 55 - SWPLA Technical Amendment	0.00	0	0	992	992	0.00	0	0	992	992
DP 56 - Oracle License Funding Reinstatement	0.00	0	0	503	503	0.00	0	0	2,430	2,430
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$8,483)</b>	<b>\$0</b>	<b>\$31,711</b>	<b>\$23,228</b>	<b>0.00</b>	<b>(\$5,702)</b>	<b>\$0</b>	<b>\$29,929</b>	<b>\$24,227</b>

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

DP 1 - Personal Services -

The legislature approved adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 53 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warrant writer, rent, and information technology.

DP 54 - SWPLA Fixed Cost Reductions Adjustment -

The legislature approved further reductions in fixed costs for rent and information technology.

DP 55 - SWPLA Technical Amendment -

The legislature approved a technical amendment to SWPL adjustments impacting rent.

DP 56 - Oracle License Funding Reinstatement -

The legislature increased funding for Oracle license costs included in the State Information Technology Service Division. The license costs are allocated through fixed cost adjustments.

**New Proposals**

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 51 - Additional 2% Vacancy Savings	0.00	(10,782)	0	(1,106)	(11,888)	0.00	(10,842)	0	(1,110)	(11,952)
DP 511 - Additional 2% Vacancy Savings Non General Fund Restoration	0.00	0	0	1,106	1,106	0.00	0	0	1,110	1,110
<b>Total</b>	<b>0.00</b>	<b>(\$10,782)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$10,782)</b>	<b>0.00</b>	<b>(\$10,842)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$10,842)</b>

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

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

DP 511 - Additional 2% Vacancy Savings Non General Fund Restoration -

The legislature approved the restoration of state special, federal, and proprietary revenue resulting from the additional 2% vacancy savings applied by decision package (DP) 51.