

Agency Budget Comparison

Agency Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	26,069,359	25,507,231	(562,128)	(2.16)%
Operating Expenses	30,770,645	28,991,566	(1,779,079)	(5.78)%
Equipment & Intangible Assets	985,523	985,524	1	0.00 %
Local Assistance	1,571,679,181	1,671,950,969	100,271,788	6.38 %
Grants	303,997,352	311,205,102	7,207,750	2.37 %
Transfers	5,008,388	5,036,680	28,292	0.56 %
Total Expenditures	\$1,938,510,448	\$2,043,677,072	\$105,166,624	5.43 %
General Fund	1,578,870,904	1,689,940,678	111,069,774	7.03 %
State/Other Special Rev. Funds	19,079,719	8,316,578	(10,763,141)	(56.41)%
Federal Spec. Rev. Funds	340,559,825	345,419,816	4,859,991	1.43 %
Total Funds	\$1,938,510,448	\$2,043,677,072	\$105,166,624	5.43 %
Total Ongoing	\$1,936,724,424	\$2,043,395,572	\$106,671,148	5.51 %
Total OTO	\$1,786,024	\$281,500	(\$1,504,524)	(84.24)%

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 state and federal funding to school districts and provides services to Montana's school-age children and to teachers.

Agency Highlights

**Office of Public Instruction
Major Budget Highlights**

- The legislature adopted an increase to the Office of Public Instruction's total biennial appropriation of approximately \$105.2 million or 5.4% compared to the 2019 biennium appropriation
- State Level Activities
 - The legislature adopted appropriations \$2.3 million lower than the 2019 biennium including:
 - A decrease of approximately \$0.6 million in personal services, half general fund, half federal funds, with an associated reduction of 4.03 FTE
 - A decrease of \$1.8 million general fund or 6.4% in operating expenses. The majority of this decrease was redirected to Local Education Activities to restore cuts from the previous biennium and to increase gifted and talented base
- Local Education Activities
 - The total biennial appropriation to Local Education Activities for the 2021 biennium is \$107.5 million greater than the 2019 biennium (2-year to 2-year comparison)
 - The legislature adopted present law adjustments above the FY 2019 base totaling \$93.8 million for the 2021 biennium.
 - \$90.6 million general fund primarily for inflationary increases, increases in ANB (a measure of number of students), and increases in the Guaranteed Tax Base (GTB) rates. This includes \$7.0 million for the mid-session fall ANB count and expected new high school districts.
 - Reduction of \$2.8 million state special which includes a reduction of \$6.7 million (together with a reduction of \$8.0 million in the new proposals section below) align appropriations to expected revenue for debt service assistance. The increase in state special is \$3.8 million for trust interest to the major maintenance account.
 - \$6.0 million in federal for anticipated increases in federal grants.
 - The legislature adopted new proposals for the 2021 biennium which reduced \$6.7 million from the FY 2019 base
 - Reduced \$8.0 million in state special revenue for debt service assistance to align the appropriation with expected revenue (connected to the \$6.7 million reduction from present law above for a total reduction of \$14.7 million).
 - \$1.7 million general fund to restore funding cut in previous special session in special education allowable cost, secondary Vo-Ed base, and gifted and talented base authority
 - Reduced general fund by \$0.8 million as a direct offset due to increased anticipated revenue in the Guarantee Account from HB 695.

- Additional general fund increase of \$0.2 million for school safety, \$0.1 to restore multiple impacts from SB 261 (2017), and \$0.1 million for the extension of the Cultural Integrity Commitment Act

Agency Actuals and Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	156.32	156.32	152.29	152.29
Personal Services	11,035,054	12,226,247	13,843,112	12,753,949	12,753,282
Operating Expenses	15,678,345	15,562,813	15,207,832	14,491,883	14,499,683
Equipment & Intangible Assets	0	492,761	492,762	492,762	492,762
Local Assistance	762,104,637	776,131,503	795,547,678	824,079,754	847,871,215
Grants	150,847,617	151,498,676	152,498,676	155,102,551	156,102,551
Transfers	2,704,420	2,504,211	2,504,177	2,518,340	2,518,340
Total Expenditures	\$942,370,073	\$958,416,211	\$980,094,237	\$1,009,439,239	\$1,034,237,833
General Fund	773,704,820	779,283,557	799,587,347	834,617,458	855,323,220
State/Other Special Rev. Funds	930,522	9,534,870	9,544,849	2,612,145	5,704,433
Federal Spec. Rev. Funds	167,734,731	169,597,784	170,962,041	172,209,636	173,210,180
Total Funds	\$942,370,073	\$958,416,211	\$980,094,237	\$1,009,439,239	\$1,034,237,833
Total Ongoing	\$941,491,986	\$957,538,124	\$979,186,300	\$1,009,332,239	\$1,034,063,333
Total OTO	\$878,087	\$878,087	\$907,937	\$107,000	\$174,500

Summary of Legislative Action

The major changes to K-12 funding for the 2021 biennium centered around inflationary increases established in HB 159 as well as increases to the guaranteed tax base aid and other restoration of funding that was removed during the 2019 special session. There were also new programs funded in areas such as school safety, transformational learning, teacher recruitment and retention, and inflationary increases for special education. This list only includes bills that affect funding, however the OPI provides a detailed list of all education bills in their 66th Montana Legislature Session Wrap-Up document.

HB 2 - HB 2, and the guarantee account, contain the majority of the general fund, state special, and federal special revenue appropriations. Changes to appropriations in HB 2 are primarily due to increases in ANB as well as inflationary increases, set in HB 159, of 0.91% in FY 2020 and 1.83% in FY 2021.

HB 3 - HB 3 provides supplemental general fund appropriations to meet the state’s statutory obligations for the fiscal year ending June 30, 2019. The only education appropriation in the bill is \$100,000 for the state lands reimbursement block grant.

HB 41 - HB 41 extends the Cultural Integrity and Commitment Act passed with SB 272 (2015). This is a Indian language immersion program with funding contained in HB 2.

HB 159 - HB 159 applies an inflationary increase of 0.91% in FY 2020 and 1.83% in FY 2021 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 211 - HB 211 renews the quality educator loan assistance program as a teacher recruitment and retention aid for rural schools and moves the responsibility for administering the program from the Office of the Commissioner of Higher

Education to the OPI. Under this program, newly hired teachers who teach a subject that has been identified as a “critical quality educator shortage area” at an “impacted school” are eligible to receive state paid loan assistance up to \$3,000 in their first year, \$4,000 in their second year, and \$5,000 in their third year so long as they remain full time employees at an impacted school. The local school district has the option to make a fourth-year payment of up to \$5,000.

HB 351 - HB 351 provides an appropriation of \$2.6 million from the state general fund over the biennium for transformational learning aid and allows limited permissive levy authority to qualifying districts. Transformational learning is defined in the bill as a flexible system of pupil-centered learning that is designed to develop the full educational potential of each pupil that: is customized to address each pupil's strengths, needs, and interests; includes continued focus on each pupil's proficiency over content; and actively engages each pupil in determining what, how, when, and where each pupil learns.

HB 387 - HB 387 creates the Montana advanced opportunity act which is defined as any course, exam, experiential, online, or other learning opportunity that is incorporated in a district's advanced opportunity plan and that is designed to advance each qualifying pupil's opportunity for postsecondary career and educational success. An appropriation of \$750,000 from the state general fund is provided for distributions of advanced opportunity aid to begin in FY 2021.

HB 638 - HB 638 increases the special education allowable cost payment and associated guaranteed tax base aid by \$460,000 in FY 2020 and \$1.4 million in FY 2021. The 2021 amount is to be considered part of the base for the 2021 legislative session.

HB 643 - HB 643 extends the state lands reimbursement block grant for schools through the end of FY 2021 and provides an annual appropriation of \$100,000 for the 2021 biennium.

HB 695 - HB 695 increases the guarantee account by an estimated \$400,000 per year in new interest, which offsets state general fund need. The new interest is due to the Department of Fish, Wildlife, and Parks (FWP) purchasing a permanent recreation easement at Big Arm State Park from the Department of Natural Resources and Conservation for \$12.0 million, this money is then placed in the common school trust.

SB 140 - SB 140 establishes the Montana Dyslexia Screening and Intervention Act. SB 140 requires school districts to identify children with disabilities and evaluate for special education as early as possible. While there is no appropriation in SB 140, aggregate appropriation authority in the amount of \$30,000 was provided in HB 715, some of which may be used for this purpose.

HB 715 - \$30,000 of general fund is allocated to OPI beginning in FY 2020 to be considered as part of HB 2 appropriations. Preliminary allocations of the appropriation must be made by August 15, 2019.

Funding

The following table shows agency funding by source of authority.

Total Office of Public Instruction Funding by Source of Authority 2021 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	1,689,659,178	281,500	0	0	1,689,940,678	78.82 %
State Special Total	8,316,578	0	0	94,322,969	102,639,547	4.79 %
Federal Special Total	345,419,816	0	0	0	345,419,816	16.11 %
Proprietary Total	0	0	5,919,926	0	5,919,926	0.28 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$2,043,395,572	\$281,500	\$5,919,926	\$94,322,969	\$2,143,919,967	
Percent - Total All Sources	95.31 %	0.01 %	0.28 %	4.40 %		

A full narrative of funding sources is provided in the funding section at the program levels.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	798,679,410	798,679,410	1,597,358,820	94.52 %	979,186,300	979,186,300	1,958,372,600	95.83 %
SWPL Adjustments	377,937	383,860	761,797	0.05 %	(1,186,687)	(1,180,296)	(2,366,983)	(0.12)%
PL Adjustments	34,791,921	55,490,880	90,282,801	5.34 %	34,671,436	59,462,759	94,134,195	4.61 %
New Proposals	768,190	769,070	1,537,260	0.09 %	(3,231,810)	(3,230,930)	(6,462,740)	(0.32)%
Total Budget	\$834,617,458	\$855,323,220	\$1,689,940,678		\$1,009,439,239	\$1,034,237,833	\$2,043,677,072	

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.

Budget Item	Approp. Fiscal 2019	Executive Budget Fiscal 2020	Legislative Budget Fiscal 2020	Leg — Exec. Difference Fiscal 2020	Executive Budget Fiscal 2021	Legislative Budget Fiscal 2021	Leg — Exec. Difference Fiscal 2021	Biennium Difference Fiscal 20-21
FTE	156.32	156.32	152.29	(4.03)	156.32	152.29	(4.03)	(4.03)
Personal Services	13,843,112	13,053,673	12,753,949	(299,724)	13,052,264	12,753,282	(298,982)	(598,706)
Operating Expenses	15,207,832	14,384,623	14,491,883	107,260	14,392,423	14,499,683	107,260	214,520
Equipment & Intangible Assets	492,762	492,762	492,762	0	492,762	492,762	0	0
Local Assistance	795,547,678	838,834,832	824,079,754	(14,755,078)	866,043,775	847,871,215	(18,172,560)	(32,927,638)
Grants	152,498,676	155,209,926	155,102,551	(107,375)	156,209,926	156,102,551	(107,375)	(214,750)
Transfers	2,504,177	2,518,340	2,518,340	0	2,518,340	2,518,340	0	0
Total Costs	\$980,094,237	\$1,024,494,156	\$1,009,439,239	(\$15,054,917)	\$1,052,709,490	\$1,034,237,833	(\$18,471,657)	(\$33,526,574)
General Fund	799,587,347	845,520,890	834,617,458	(10,903,432)	869,643,756	855,323,220	(14,320,536)	(25,223,968)
State/other Special Rev. Funds	9,544,849	6,612,145	2,612,145	(4,000,000)	9,704,433	5,704,433	(4,000,000)	(8,000,000)
Federal Spec. Rev. Funds	170,962,041	172,361,121	172,209,636	(151,485)	173,361,301	173,210,180	(151,121)	(302,606)
Total Funds	\$980,094,237	\$1,024,494,156	\$1,009,439,239	(\$15,054,917)	\$1,052,709,490	\$1,034,237,833	(\$18,471,657)	(\$33,526,574)
Total Ongoing	\$979,186,300	\$1,023,651,656	\$1,009,332,239	(\$14,319,417)	\$1,051,866,990	\$1,034,063,333	(\$17,803,657)	(\$32,123,074)
Total OTO	\$907,937	\$842,500	\$107,000	(\$735,500)	\$842,500	\$174,500	(\$668,000)	(\$1,403,500)

The legislature adopted appropriations totaling \$33.5 million below the budget proposed by the executive, as follows:

Statewide Education Activities

The legislative budget for statewide education activities is \$0.4 million below the executive proposed biennial budget. General fund is lower by \$0.1 million and federal special revenue is lower by \$0.3 million.

- \$ 0.6 million below the executive proposed budget for personal services
 - The legislature adopted a reduction in personal services of 4.03 FTE
- \$ 0.2 million above the executive proposed budget for operations
 - The legislature adopted DP 926, which reduced the amount moved to Local Education activities

Local Education Activities

The legislative budget for Local Education Activities is \$33.1 million below the executive proposed biennial budget.

- Increases
 - The legislature adopted an increase of \$7.0 million general fund for expected ANB increases
 - The legislature adopted an appropriation for school safety of \$0.2 million
 - The legislature adopted DP 901 which increases the budget by \$0.1 million to restore several of the 0.5% cuts from SB 261
- Decreases
 - The legislature did not approve an increase of \$21.7 million to provide preschool in K-12 schools in HB 2
 - The legislature decreased the general fund appropriation by \$8.0 million in order to match the HJ2 guarantee account state special revenue estimate
 - The legislature adopted a decrease of \$8.0 million in state special for debt service alignment to expected revenues
 - The legislature did not approve inflationary increases of \$1.9 million for special education in HB 2 - this funding was included in HB 638 instead
 - The legislature adopted a decrease of \$0.8 million in general fund for increased guarantee account revenue due to HB 695
 - The legislature adopted DP 926, which reduced the amount moved in the executive proposal by \$0.2 million from statewide to Local Education activities. (This is directly connected to the \$0.2 million in statewide activities above)

Language and Statutory Authority

The legislature included the following language in HB 2:

"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.

All revenue up to \$1.3 million in the 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 programs in state level activities and in local education activities are biennial. All general fund appropriations in local education activities are biennial, except Major Maintenance Aid and Debt Service Assistance.

The Major Maintenance Aid and Debt Service Assistance restricted line item appropriation is restricted to the major maintenance aid program established in 20-9-525 unless funding requirements for the program are less than the available funds. Any remaining appropriation authority from the restricted appropriations may be used to augment the appropriations for debt service assistance established in 20-9-367

Cultural Integrity Commitment Act -- HB 41 is contingent on passage and approval of HB 41.

If HB 695 is not passed and approved, K-12 BASE Aid is increased by \$400,000 general fund in FY 2020 and \$400,000 general fund in FY 2021."

Narrative on statutory authority is included in the funding section at the program levels.

Program Budget Comparison

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	26,069,359	25,507,231	(562,128)	(2.16)%
Operating Expenses	28,171,017	26,363,796	(1,807,221)	(6.42)%
Equipment & Intangible Assets	985,523	985,524	1	0.00 %
Transfers	3,992,674	4,021,000	28,326	0.71 %
Total Expenditures	\$59,218,573	\$56,877,551	(\$2,341,022)	(3.95)%
General Fund	21,721,811	21,437,939	(283,872)	(1.31)%
State/Other Special Rev. Funds	407,719	490,578	82,859	20.32 %
Federal Spec. Rev. Funds	37,089,043	34,949,034	(2,140,009)	(5.77)%
Total Funds	\$59,218,573	\$56,877,551	(\$2,341,022)	(3.95)%
Total Ongoing	\$57,432,549	\$56,877,551	(\$554,998)	(0.97)%
Total OTO	\$1,786,024	\$0	(\$1,786,024)	(100.00)%

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 (Program 06) Major Budget Highlights
<p>The legislature adopted appropriations \$2.3 million or 4.0% lower than the 2019 biennium budget for the OPI's State Level Activities.</p> <p>Major highlights in addition to those mentioned in the Agency Summary narrative include:</p> <ul style="list-style-type: none"> • The legislature adopted DP 604, the Federal Grant Award Adjustment, which appropriated \$1.0 million of federal funding over biennium to reinstate personal services for short term workers • The legislature removed 4.03 FTE and switched 0.4 FTE from general fund to federal fund • The legislature adopted a proposal from the superintendent to make the audiological services appropriation of \$508,000 a restricted line item, this did not require an additional appropriation • The legislature reduced base operating expenses by \$0.7 million in each year of the biennium. • The legislature approved a request by the superintendent to make entirety of Montana Digital Academy (MTDA) funding be made ongoing and appear in HB 2 as a single restricted line item. Previously 40% of the budget had been one-time-only since the program was created

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	156.32	156.32	152.29	152.29
Personal Services	11,035,054	12,226,247	13,843,112	12,753,949	12,753,282
Operating Expenses	14,400,889	14,269,793	13,901,224	13,178,000	13,185,796
Equipment & Intangible Assets	0	492,761	492,762	492,762	492,762
Transfers	1,990,497	1,996,337	1,996,337	2,010,500	2,010,500
Total Expenditures	\$27,426,440	\$28,985,138	\$30,233,435	\$28,435,211	\$28,442,340
General Fund	10,423,817	10,423,875	11,297,936	10,715,821	10,722,118
State/Other Special Rev. Funds	180,522	198,870	208,849	245,145	245,433
Federal Spec. Rev. Funds	16,822,101	18,362,393	18,726,650	17,474,245	17,474,789
Total Funds	\$27,426,440	\$28,985,138	\$30,233,435	\$28,435,211	\$28,442,340
Total Ongoing	\$26,548,353	\$28,107,051	\$29,325,498	\$28,435,211	\$28,442,340
Total OTO	\$878,087	\$878,087	\$907,937	\$0	\$0

Funding

The following table shows 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	21,437,939	0	0	21,437,939	34.14 %	
02001 School Lunch Program	142,262	0	0	142,262	28.85 %	
02012 Misc Grants/Contracts-Budgeted	0	0	0	0	0.00 %	
02019 Educational Improvement	0	0	2,500	2,500	0.51 %	
02402 Traffic & Safety Education	348,316	0	0	348,316	70.64 %	
State Special Total	\$490,578	\$0	\$2,500	\$493,078	0.79 %	
03002 Public Instruction	34,949,034	0	0	34,949,034	100.00 %	
Federal Special Total	\$34,949,034	\$0	\$0	\$34,949,034	55.65 %	
06067 Advanced Drivers Education	0	325,773	0	325,773	5.50 %	
06512 Indirect Cost Pool	0	5,594,153	0	5,594,153	94.50 %	
Proprietary Total	\$0	\$5,919,926	\$0	\$5,919,926	9.43 %	
Total All Funds	\$56,877,551	\$5,919,926	\$2,500	\$62,799,977		

HB 2 Funding

Federal funds support just over half of the Office of Public Instruction's total budget authority, general funds support roughly one third, with the balance supported by state special revenue and proprietary funds.

State special revenue includes:

- School Lunch Program revenues 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 Program revenues generated through a percentage of driver's license fees

Federal special revenue is made up of federal grants that support public education

Non-Budgeted Proprietary Funding

- Indirect cost pool is a funding source that supports operations and various functions of the agency. A discussion of this source is included in the Proprietary Rates section of the narrative. The legislature adopted an indirect cost pool rate of 17.0%
- Advanced Drivers Education Program

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	10,389,999	10,389,999	20,779,998	96.93 %	29,325,498	29,325,498	58,650,996	103.12 %
SWPL Adjustments	377,922	383,841	761,763	3.55 %	(1,186,702)	(1,180,315)	(2,367,017)	(4.16)%
PL Adjustments	(166,239)	(165,861)	(332,100)	(1.55)%	182,276	183,018	365,294	0.64 %
New Proposals	114,139	114,139	228,278	1.06 %	114,139	114,139	228,278	0.40 %
Total Budget	\$10,715,821	\$10,722,118	\$21,437,939		\$28,435,211	\$28,442,340	\$56,877,551	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

Present Law Adjustments										
-----Fiscal 2020-----						-----Fiscal 2021-----				
FTE	General Fund	State Special	Federal Special	Total Funds		FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	286,935	36,153	(1,612,527)	(1,289,439)	0.00	289,984	36,336	(1,617,168)	(1,290,848)
DP 2 - Fixed Costs	0.00	88,441	106	3,061	91,608	0.00	90,699	203	5,818	96,720
DP 3 - Inflation Deflation	0.00	2,546	37	8,546	11,129	0.00	3,158	45	10,610	13,813
DP 50 - Personal Services Adjustment	(4.03)	(148,239)	0	(151,485)	(299,724)	(4.03)	(147,861)	0	(151,121)	(298,982)
DP 604 - Federal Grant Award Adjustment-Pgm 06	0.00	0	0	500,000	500,000	0.00	0	0	500,000	500,000
DP 693 - National Board Certification Stipends	0.00	(18,000)	0	0	(18,000)	0.00	(18,000)	0	0	(18,000)
Grand Total All Present Law Adjustments	(4.03)	\$211,683	\$36,296	(\$1,252,405)	(\$1,004,426)	(4.03)	\$217,980	\$36,584	(\$1,251,861)	(\$997,297)

*"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 adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted 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 50 - Personal Services Adjustment -

The legislature adopted a present law adjustment in personal services to maintain operations and services of the program. Specific reductions include the reduction of 4.03 FTE and transfer of 0.40 FTE to federal special revenue funding.

DP 604 - Federal Grant Award Adjustment-Pgm 06 -

The legislature adopted an appropriation of \$1.0 million for the biennium to restore federal authority for personal services for short-term workers.

DP 693 - National Board Certification Stipends -

The legislature adopted a transfer of \$18,000 per year from the State Level Activities program to the Local Education Activities program to fund stipends for teachers who have received National Board Certification per 20-4-134, MCA.

New Proposals

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

New Proposals										
-----Fiscal 2020-----						-----Fiscal 2021-----				
FTE	General Fund	State Special	Federal Special	Total Funds		FTE	General Fund	State Special	Federal Special	Total Funds
DP 620 - Montana Digital Academy - RST	0.00	842,500	0	0	842,500	0.00	842,500	0	0	842,500
DP 926 - SB 9 Restoration Funds RST/BIEN	0.00	(728,361)	0	0	(728,361)	0.00	(728,361)	0	0	(728,361)
Total	0.00	\$114,139	\$0	\$0	\$114,139	0.00	\$114,139	\$0	\$0	\$114,139

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

DP 620 - Montana Digital Academy - RST -

The legislature adopted \$842,500 per year general fund as a restricted, one-time-only appropriation for the Montana Digital Academy (MTDA) in addition to \$1,158,000 per year in the OPI base budget for MTDA.

DP 926 - SB 9 Restoration Funds RST/BIEN -

The legislature adopted a reduction of OPI base operating expense of \$728,361 in each year of the biennium.

Other Issues

Proprietary Rates

Indirect Cost Pool - 06512

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 approved in the general appropriations act are the maximum fees that may be charged in the biennium.

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 2019 is 17.0%. For fiscal years 2020-2021 the legislature adopted the rate of 17.0%.

Expenses

Indirect cost pool covers the expenses incurred by the 25.85 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, workers' compensation fees, audit fees, rent, and grounds maintenance. The pool also covers termination payouts for staff, except the superintendent and the superintendent's personal staff.

Advanced Driver Education Program - 06067

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 and half-day courses 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 \$350 for a full-day workshop per person. Program fees should remain \$315-\$350 for the 2021 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 2021 biennium.

Expenses

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 totaling 1.68 FTE. Most revenue is received in April - June through pre-paid workshop registrations. Most expenses are realized from June through August, with continuing administrative expenses during the remainder of the year. The program requires 30.0 - 45.0% of its annual budget to be carried over into the next fiscal year to cover working expenses to be 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 and improvement. Payment of these services requires accumulation and an amount of revenue to carryover from the year of approximately 10 - 20% percent of its year-end budget.

Program Budget Comparison

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Operating Expenses	2,599,628	2,627,770	28,142	1.08 %
Local Assistance	1,571,679,181	1,671,950,969	100,271,788	6.38 %
Grants	303,997,352	311,205,102	7,207,750	2.37 %
Transfers	1,015,714	1,015,680	(34)	0.00 %
Total Expenditures	\$1,879,291,875	\$1,986,799,521	\$107,507,646	5.72 %
General Fund	1,557,149,093	1,668,502,739	111,353,646	7.15 %
State/Other Special Rev. Funds	18,672,000	7,826,000	(10,846,000)	(58.09)%
Federal Spec. Rev. Funds	303,470,782	310,470,782	7,000,000	2.31 %
Total Funds	\$1,879,291,875	\$1,986,799,521	\$107,507,646	5.72 %
Total Ongoing	\$1,879,291,875	\$1,986,518,021	\$107,226,146	5.71 %
Total OTO	\$0	\$281,500	\$281,500	100.00 %

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
<p>The legislature adopted appropriations \$107.5 million or 5.7% greater than the 2019 biennium budget for the OPI's Local Education Activities. The growth, which is measured off the base year, is primarily in present law such as inflationary adjustments, which increased \$93.8 million. This is compared to new proposals, which had a biennial reduction of \$6.7 million. All approved decisions are discussed in the present law adjustments and new proposals section but major budget highlights include:</p> <p><u>Present law adjustments</u></p> <p>Increases due to:</p> <ul style="list-style-type: none"> • BASE aid inflation - \$70.7 million general fund biennial. Includes inflation adjustments, enrollment adjustments and increases in Guaranteed Tax Base (GTB) state funding (including \$15.0 million in GTB restoration). • An increase for fall enrollment counts - \$7.0 million general fund biennial. • Major Maintenance Aid - \$14.0 million biennial (\$10.2 million general fund, \$3.8 million state special). • Restoration of the data for achievement payment that was removed last biennium - \$6.5 million general fund biennial. • Restore and adjust transportation payment - \$3.8 million general fund biennial. • Federal grant award adjustment - \$6.0 million federal biennial <p>Decrease due to:</p> <ul style="list-style-type: none"> • Guarantee account anticipated revenue adjustment - (\$8.1) million general fund biennial <p><u>New proposals</u></p> <p>Increases due to:</p> <ul style="list-style-type: none"> • Restoration of funds in special ed and Vo-Ed - \$1.7 million general fund biennial • School Safety - \$0.2 million general fund biennial <p>Decrease due to:</p> <ul style="list-style-type: none"> • Adjustment for HB 695 interest into the guarantee account - (\$0.8) million biennial <p>There was also a decrease of \$14.7 million in state special funding that was mix of present law and new proposal to align the appropriation for debt service assistance to anticipated revenue.</p>

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
Operating Expenses	1,277,456	1,293,020	1,306,608	1,313,883	1,313,887
Local Assistance	762,104,637	776,131,503	795,547,678	824,079,754	847,871,215
Grants	150,847,617	151,498,676	152,498,676	155,102,551	156,102,551
Transfers	713,923	507,874	507,840	507,840	507,840
Total Expenditures	\$914,943,633	\$929,431,073	\$949,860,802	\$981,004,028	\$1,005,795,493
General Fund	763,281,003	768,859,682	788,289,411	823,901,637	844,601,102
State/Other Special Rev. Funds	750,000	9,336,000	9,336,000	2,367,000	5,459,000
Federal Spec. Rev. Funds	150,912,630	151,235,391	152,235,391	154,735,391	155,735,391
Total Funds	\$914,943,633	\$929,431,073	\$949,860,802	\$981,004,028	\$1,005,795,493
Total Ongoing	\$914,943,633	\$929,431,073	\$949,860,802	\$980,897,028	\$1,005,620,993
Total OTO	\$0	\$0	\$0	\$107,000	\$174,500

Funding

The following table shows 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	1,668,502,739	0	0	1,668,502,739	80.17 %	
02018 Guarantee Fund	0	0	92,272,969	92,272,969	90.33 %	
02019 Educational Improvement	0	0	47,500	47,500	0.05 %	
02218 School Facility & Tech Account	2,500,000	0	2,000,000	4,500,000	4.41 %	
02402 Traffic & Safety Education	1,500,000	0	0	1,500,000	1.47 %	
02487 School Fac State Spcl Revenue	3,826,000	0	0	3,826,000	3.75 %	
State Special Total	\$7,826,000	\$0	\$94,320,469	\$102,146,469	4.91 %	
03170 Grant Clearance Discretionary	310,470,782	0	0	310,470,782	100.00 %	
Federal Special Total	\$310,470,782	\$0	\$0	\$310,470,782	14.92 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$1,986,799,521	\$0	\$94,320,469	\$2,081,119,990		

Local Education Activities is funded by a combination of general fund, state and federal special revenue. The majority of funds are appropriated by HB 2 (shown in the first column in the table above), the remainder are statutory appropriations (shown in the third column). Details of state and federal special revenue sources are described below.

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 service from facilities bonds, technological improvements, and other infrastructure and facility needs. The school facility and technology account is funded from hydroelectric 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 Account

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.

School Facility State Special Revenue

The school facility state special revenue account receives interest from the school facility sub-trust within the state coal trust. This money is then distributed to school districts to help support major maintenance.

Federal funds

Federal funds support school nutrition, education for the disadvantaged, special education, professional development for educators, and various other purposes.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	788,289,411	788,289,411	1,576,578,822	94.49 %	949,860,802	949,860,802	1,899,721,604	95.62 %
SWPL Adjustments	15	19	34	0.00 %	15	19	34	0.00 %
PL Adjustments	34,958,160	55,656,741	90,614,901	5.43 %	34,489,160	59,279,741	93,768,901	4.72 %
New Proposals	654,051	654,931	1,308,982	0.08 %	(3,345,949)	(3,345,069)	(6,691,018)	(0.34)%
Total Budget	\$823,901,637	\$844,601,102	\$1,668,502,739		\$981,004,028	\$1,005,795,493	\$1,986,799,521	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 3 - Inflation Deflation	0.00	15	0	0	15	0.00	19	0	0	19
DP 692 - National Board Certification Stipends RST/OTO	0.00	107,000	0	0	107,000	0.00	174,500	0	0	174,500
DP 902 - K-12 BASE Aid Inflation RST/BIEN	0.00	24,572,480	0	0	24,572,480	0.00	46,158,348	0	0	46,158,348
DP 904 - Fall ANB Count	0.00	4,217,393	0	0	4,217,393	0.00	2,831,718	0	0	2,831,718
DP 908 - Restore Transportation Payment RST/BIEN	0.00	1,900,000	0	0	1,900,000	0.00	1,900,000	0	0	1,900,000
DP 909 - Federal Grant Award Adjustments-Pgm 09	0.00	0	0	2,500,000	2,500,000	0.00	0	0	3,500,000	3,500,000
DP 910 - Restore Data for Achievement RST/BIEN	0.00	3,209,999	0	0	3,209,999	0.00	3,272,947	0	0	3,272,947
DP 920 - At Risk Inflation RST/BIEN	0.00	49,721	0	0	49,721	0.00	150,620	0	0	150,620
DP 922 - NRD Major Maintenance Aid RST/BIEN	0.00	4,783,000	1,617,000	0	6,400,000	0.00	5,391,000	2,209,000	0	7,600,000
DP 923 - Debt Service Assistance RST	0.00	0	(4,586,000)	0	(4,586,000)	0.00	0	(2,086,000)	0	(2,086,000)
DP 960 - Guarantee Account Adjustment RST/BIEN	0.00	(3,881,433)	0	0	(3,881,433)	0.00	(4,222,392)	0	0	(4,222,392)
Grand Total All Present Law Adjustments	0.00	\$34,958,175	(\$2,969,000)	\$2,500,000	\$34,489,175	0.00	\$55,656,760	\$123,000	\$3,500,000	\$59,279,760

**"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 adopted 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 692 - National Board Certification Stipends RST/OTO -

The legislature adopted \$281,500 in one-time-only general fund for the biennium, restricted to support stipends for National Board Certified teachers per 20-4-134, MCA. Stipends are to be distributed to the qualifying teacher's school district for distribution to the teacher. Therefore, this change package moves base funding of \$18,000 per year of the biennium to the Local Education Activities program, reducing the agency State Level Activities by the same amount. Additional general fund of \$89,000 in FY 2020 and \$156,500 in FY 2021 is included based upon projections of eligible teachers.

DP 902 - K-12 BASE Aid Inflation RST/BIEN -

The legislature adopted an increase of \$70.7 million general fund for the 2021 biennium to support inflation increases per 20-9-326, MCA. Increases of 0.91% in FY 2020 and 1.83% in FY 2021 are for the basic entitlement, per-Average Number Belonging (ANB) entitlement, the quality educator payment, the Indian education for all payment, and the American Indian achievement gap payment. ANB counts are projected to increase by 0.9% in FY 2020 and by 1.2% in FY 2021, so the present law adjustment includes funding for both the growth in enrollment (ANB) and the inflationary increases in the statutory funding rates.

DP 904 - Fall ANB Count -

The legislature adopted an appropriation of \$7.0 million general fund for K-12 BASE Aid for revised ANB estimates arising from the February 2019 actual enrollment counts; including the ANB from newly formed high school districts.

DP 908 - Restore Transportation Payment RST/BIEN -

The legislature adopted DP 908 which restores \$1.7 million general fund per year to the pupil transportation appropriation, which was cut in the previous biennium, and adds \$0.2 million general fund per year to meet estimated statutory pupil transportation costs. This totals \$1.9 million per year.

DP 909 - Federal Grant Award Adjustments-Pgm 09 -

The legislature adopted a \$6.0 million increase in federal fund appropriations for the 2021 biennium for anticipated increases in federal grant awards that OPI distributes to school districts and other local education entities administered by the OPI. Increases are primarily related to IDEA Part B and Title I Part A.

DP 910 - Restore Data for Achievement RST/BIEN -

The legislature adopted an increase of \$6.5 million general fund for the 2021 biennium to restore the data for achievement payment and provide inflationary increases in each year. The restoration of this payment includes \$3,180,038 each year of the biennium plus inflationary and ANB adjustments of \$29,960 in FY 2020 and \$92,909 in FY 2021. These increases represent a 0.91% increase in FY 2020 and 1.83% in FY 2021 as required for this payment in 20-9-326, MCA.

DP 920 - At Risk Inflation RST/BIEN -

The legislature adopted inflation increases for the at-risk student payment of \$49,721 general fund in FY 2020 and \$150,620 general fund in FY 2021. This represents a 0.91% increase in FY 2020 and a 1.83% increase in FY 2021 per 20-9-326, MCA.

DP 922 - NRD Major Maintenance Aid RST/BIEN -

The legislature adopted \$6.4 million in FY 2020 and \$7.6 million in FY 2021 for the Natural Resource Development K-12 School Facilities Payment (20-9-635, MCA). Funding includes \$1.6 million in FY 2020 and \$2.2 million in FY 2021 from

the school major maintenance aid state special revenue fund (20-9-380, MCA) and \$4.8 million in FY 2020 and \$5.4 million in FY 2021 from the state general fund.

DP 923 - Debt Service Assistance RST -

The legislature adopted DP 923, for a decrease of \$4.6 million state special in FY 2020 and \$2.1 million state special in FY 2021. This reduction along with the removal of \$4.0 million state special in both FY 2020 and FY 2021 in DP 906 brought the FY 2020 state special appropriation for debt service to \$0 and reduced the appropriation in FY 2021 to \$2.5 million. These changes align the appropriation with anticipated revenue for the purpose of the debt service assistance payment in 20-9-346, MCA.

DP 960 - Guarantee Account Adjustment RST/BIEN -

The legislature adopted a general fund decrease of \$8.1 million for the 2021 biennium to offset estimated revenue increases to the guarantee state special revenue account.

New Proposals

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

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 900 - School Safety RST/BIEN	0.00	100,000	0	0	100,000	0.00	100,000	0	0	100,000
DP 901 - Reinstate SB 261 Cuts RST/BIEN	0.00	39,350	0	0	39,350	0.00	39,350	0	0	39,350
DP 905 - HB 695 Adjustment	0.00	(400,000)	0	0	(400,000)	0.00	(400,000)	0	0	(400,000)
DP 906 - Adjust Debt Service Assistance	0.00	0	(4,000,000)	0	(4,000,000)	0.00	0	(4,000,000)	0	(4,000,000)
DP 926 - SB 9 Restoration Funds RST/BIEN	0.00	867,111	0	0	867,111	0.00	867,111	0	0	867,111
DP 9041 - HB 41 Funding	0.00	47,590	0	0	47,590	0.00	48,470	0	0	48,470
Total	0.00	\$654,051	(\$4,000,000)	\$0	(\$3,345,949)	0.00	\$654,931	(\$4,000,000)	\$0	(\$3,345,069)

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

DP 900 - School Safety RST/BIEN -

The legislature adopted an appropriation of \$200,000 general fund for the biennium to provide school safety training to educators.

DP 901 - Reinstate SB 261 Cuts RST/BIEN -

The legislature adopted an appropriation of \$39,350 general fund per year to restore reductions in multiple programs that were impacted by SB 261.

DP 905 - HB 695 Adjustment -

The legislature adopted a reduction to the K-12 BASE Aid line item of \$400,000 general fund per year as a direct offset to the increased interest earnings that would flow into the Guarantee Account from the passage of HB 695. This includes language to make this contingent upon passage and approval of HB 695.

DP 906 - Adjust Debt Service Assistance -

The legislature adopted DP 906, which in combination with DP 923 removes of \$8.6 million in FY 2020 and \$6.1 million in FY 2021 in state special authority for Debt Service Assistance which aligns the appropriation with anticipated revenue. DP 906 also renamed the line items School Facility Reimbursement (Restricted) to Debt Service Assistance (Restricted) as well as Major Maintenance Aid (Restricted/Biennial) to Major Maintenance Aid and Debt Service Assistance (Restricted). The changes to the line items, as well as added language, facilitates the distribution of funds between Major Maintenance and Debt Service Assistance.

DP 926 - SB 9 Restoration Funds RST/BIEN -

The legislature adopted an increase in special education allowable cost base of \$217,547 plus \$39,564 GTB and retirement costs per year; secondary Vo-Ed base of \$510,000 per year; and additional gifted and talented base authority of \$100,000 per year.

DP 9041 - HB 41 Funding -

The legislature approved funding for HB 41, which extends the Cultural Integrity Commitment Act through June 30, 2023. Cost to the state general fund is \$47,590 in FY 2020 and \$48,470 in FY 2021.

Agency Budget Comparison

Agency Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	483,896	504,248	20,352	4.21 %
Operating Expenses	230,623	191,018	(39,605)	(17.17)%
Total Expenditures	\$714,519	\$695,266	(\$19,253)	(2.69)%
General Fund	278,326	329,452	51,126	18.37 %
State/Other Special Rev. Funds	436,193	365,814	(70,379)	(16.13)%
Total Funds	\$714,519	\$695,266	(\$19,253)	(2.69)%
Total Ongoing	\$654,519	\$695,266	\$40,747	6.23 %
Total OTO	\$60,000	\$0	(\$60,000)	(100.00)%

Agency Description

The Montana Constitution created and empowered the Board of Public Education to supervise, serve, maintain, and strengthen Montana's system of free quality public elementary and secondary schools. The board exists to promote high academic achievement for all Montana students.

Agency Highlights

Board of Public Education Major Budget Highlights
<ul style="list-style-type: none"> • The legislature established a decrease to the Board of Public Education's total biennial appropriation of approximately \$19,000 or 2.7% compared to the 2019 biennium appropriation <ul style="list-style-type: none"> ◦ The legislature adopted a \$20,000 increase to personal services for the 2021 biennium ◦ The legislature adopted a decrease of \$40,000 in operating expenses for the 2021 biennium • The total 2021 biennium general fund appropriation increased by approximately \$51,000 or 18.4% compared to the 2019 biennium <ul style="list-style-type: none"> ◦ Increase of \$18,000 in each year for personal services. A fund switch of \$12,000 from state special revenue and \$6,000 increase over base in each year • The total 2021 biennium state special appropriation decreased by approximately \$70,000 or 16.1% compared with the 2019 biennium <ul style="list-style-type: none"> ◦ A decrease of \$60,000 due to the one-time-only appropriation for legal fees was not reinstated. ◦ A decrease of \$24,000 due to personal services funding which was switched back to general fund after spending down fund balance during the 2019 biennium ◦ An increase of \$10,000 for fixed costs • The base budget that was used to establish the budget for the 2021 biennium was more complicated than in many previous biennia due to various reductions and restorations from budget changes during FY 2018 • The agency is not subject to vacancy savings because it has fewer than 20.0 FTE

Agency Actuals and Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	3.00	3.00	3.00	3.00
Personal Services	220,845	237,947	245,949	252,395	251,853
Operating Expenses	83,268	115,150	115,473	103,438	87,580
Total Expenditures	\$304,113	\$353,097	\$361,422	\$355,833	\$339,433
General Fund	118,717	136,811	141,515	172,926	156,526
State/Other Special Rev. Funds	185,396	216,286	219,907	182,907	182,907
Total Funds	\$304,113	\$353,097	\$361,422	\$355,833	\$339,433
Total Ongoing	\$286,472	\$323,097	\$331,422	\$355,833	\$339,433
Total OTO	\$17,641	\$30,000	\$30,000	\$0	\$0

Summary of Legislative Action

The legislative budget as passed made no changes to the executive proposed budget. The total ongoing budget increased by \$41,000 for the biennium, however total appropriations were decreased by \$19,000. This included a \$20,000 increase in personal services and a \$40,000 decrease in operating expenses. The decrease in operating expenses was primarily due to the discontinuation of a \$60,000 one-time-only appropriation for legal fees, which was not requested in the executive budget. The agency anticipates the operating expenses budget is sufficient to cover legal costs, which have been averaging roughly \$18,000 per year. General fund spending increased by \$51,000, while state special funds were decreased by \$70,000, reflecting a fund switch that reverted back to previous levels after spending down a fund balance during the 2019 biennium.

Funding

The following table shows agency funding by source of authority.

Total Board of Public Education Funding by Source of Authority 2021 Biennium Budget Request - Board of Public Education						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	329,452	0	0	0	329,452	47.38 %
State Special Total	365,814	0	0	0	365,814	52.62 %
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 %
Total All Funds	\$695,266	\$0	\$0	\$0	\$695,266	
Percent - Total All Sources	100.00 %	0.00 %	0.00 %	0.00 %		

The Board of Public Education (BPE) is funded through a combination of general fund and state special funds. In previous biennia the funding was evenly split between general fund and state special funds.

The funding for the state special revenue accounts is provided by teacher certification fees of \$6.00 per year. By statute, these fees are collected by the Office of Public Instruction (OPI) and deposited into two accounts: two-thirds of the fees are deposited in the advisory council state special revenue fund which supports the activities of the Certification Standards and Practices Advisory Council (CSPAC), and one-third is deposited into the research state special revenue 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 appropriation adopted by the legislature for both funds.

During the previous biennium there was a one-time-only appropriation for legal fees, this appropriation has been discontinued for the 2021 biennium.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	141,515	141,515	283,030	85.91 %	331,422	331,422	662,844	95.34 %
SWPL Adjustments	31,411	15,011	46,422	14.09 %	24,411	8,011	32,422	4.66 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$172,926	\$156,526	\$329,452		\$355,833	\$339,433	\$695,266	

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.

Budget Item	Approp. Fiscal 2019	Executive Budget Fiscal 2020	Legislative Budget Fiscal 2020	Leg — Exec. Difference Fiscal 2020	Executive Budget Fiscal 2021	Legislative Budget Fiscal 2021	Leg — Exec. Difference Fiscal 2021	Biennium Difference Fiscal 20-21
FTE	3.00	3.00	3.00	0.00	3.00	3.00	0.00	0.00
Personal Services	245,949	252,395	252,395	0	251,853	251,853	0	0
Operating Expenses	115,473	103,438	103,438	0	87,580	87,580	0	0
Total Costs	\$361,422	\$355,833	\$355,833	\$0	\$339,433	\$339,433	\$0	\$0
General Fund	141,515	172,926	172,926	0	156,526	156,526	0	0
State/other Special Rev. Funds	219,907	182,907	182,907	0	182,907	182,907	0	0
Total Funds	\$361,422	\$355,833	\$355,833	\$0	\$339,433	\$339,433	\$0	\$0
Total Ongoing	\$331,422	\$355,833	\$355,833	\$0	\$339,433	\$339,433	\$0	\$0
Total OTO	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0

The legislature adopted the executive budget proposal with no changes.

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	3.00	3.00	3.00	3.00
Personal Services	220,845	237,947	245,949	252,395	251,853
Operating Expenses	83,268	115,150	115,473	103,438	87,580
Total Expenditures	\$304,113	\$353,097	\$361,422	\$355,833	\$339,433
General Fund	118,717	136,811	141,515	172,926	156,526
State/Other Special Rev. Funds	185,396	216,286	219,907	182,907	182,907
Total Funds	\$304,113	\$353,097	\$361,422	\$355,833	\$339,433
Total Ongoing	\$286,472	\$323,097	\$331,422	\$355,833	\$339,433
Total OTO	\$17,641	\$30,000	\$30,000	\$0	\$0

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

	-----Fiscal 2020-----				-----Fiscal 2021-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	18,446	(12,000)	0	6,446	0.00	17,904	(12,000)	0	5,904
DP 2 - Fixed Costs	0.00	12,896	5,000	0	17,896	0.00	(2,978)	5,000	0	2,022
DP 3 - Inflation Deflation	0.00	69	0	0	69	0.00	85	0	0	85
Grand Total All Present Law Adjustments	0.00	\$31,411	(\$7,000)	\$0	\$24,411	0.00	\$15,011	(\$7,000)	\$0	\$8,011

**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 adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted 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.

Agency Budget Comparison

Agency Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	13,566,250	10,566,296	(2,999,954)	(22.11)%
Operating Expenses	21,354,719	13,931,344	(7,423,375)	(34.76)%
Equipment & Intangible Assets	42,630	22,126	(20,504)	(48.10)%
Local Assistance	25,825,047	27,756,318	1,931,271	7.48%
Grants	32,257,920	35,799,041	3,541,121	10.98%
Benefits & Claims	90,937,952	0	(90,937,952)	(100.00)%
Transfers	444,145,532	473,136,337	28,990,805	6.53%
Debt Service	25,364	0	(25,364)	(100.00)%
Total Expenditures	\$628,155,414	\$561,211,462	(\$66,943,952)	(10.66)%
General Fund	444,997,731	475,516,946	30,519,215	6.86%
State/Other Special Rev. Funds	43,814,509	48,302,616	4,488,107	10.24%
Federal Spec. Rev. Funds	138,282,033	36,170,615	(102,111,418)	(73.84)%
Proprietary Funds	1,061,141	1,221,285	160,144	15.09%
Total Funds	\$628,155,414	\$561,211,462	(\$66,943,952)	(10.66)%
Total Ongoing	\$627,246,964	\$557,408,962	(\$69,838,002)	(11.13)%
Total OTO	\$908,450	\$3,802,500	\$2,894,050	318.57%

Agency Description

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.

OCHE is structured into 13 programs:

1. Administration Program – general administration of the Montana University System including system level academic, financial, legal, and labor management functions. The Montana Constitution requires the Board of Regents to appoint a Commissioner of Higher Education and prescribe his/her duties.
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. This program was not renewed by the federal government. The program ended December 31, 2018 and therefore is no longer included in the budget.
4. Community College Assistance – state funding for the community colleges located in Kalispell, Glendive, and Miles City. The community colleges collectively serve about 1,960 resident FTE.
5. MUS Group Health Insurance – administers a system-wide group benefit program for MUS campuses, agencies, 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 – 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 federal efforts to support vocational education at the secondary and postsecondary levels.

9. Appropriation Distribution* – state funding for the Montana University System educational units. The MUS campuses collectively serve approximately 25,000 resident FTE. The units of the MUS include:

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

10. Research Education and Public Service Agencies/Programs – combine research and education to serve students, communities, business, and the state providing knowledge in specific disciplines. The five agencies include:

- Agricultural Experiment Station
- Extension Service
- Forest and Conservation Experiment Station
- Bureau of Mines
- Fire Services Training School

11. Tribal College Assistance – provides funding to Montana tribal colleges to support a portion of the cost of educating nonbeneficiary Montana students (non-tribal members) attending the seven tribal community colleges on the reservations in Montana.

12. Guaranteed Student Loan Program – provides student financial aid related services to campuses and students.

13. Board of Regents – the governing body for the MUS.

For additional information, please refer to the agency profile. The agency profile may be viewed at <https://leg.mt.gov/content/Publications/fiscal/BA-2021/Section-E/Agency-Profiles/5102-OCHE.pdf>.

*Since the 1995 Legislative Session, the legislature has combined the appropriation for the university educational units and most of OCHE into a single, lump-sum appropriation. Thus, the legislature determines the size of this budget, but the Regents make the ultimate funding allocations to the various university campuses and programs.

Agency Highlights

Commissioner of Higher Education Major Budget Highlights
<ul style="list-style-type: none"> • The legislature adopted an increase to the Commissioner of Higher Education's total biennial appropriation of approximately \$41.7 million or 8.0% compared to the 2019 biennium appropriation <ul style="list-style-type: none"> ◦ This has been adjusted for the Guaranteed Student Loan and Improving Teacher Quality Programs that have been either reduced or eliminated, accounting for a federal funds decrease of \$103.9 million • The legislature agreed to a Shared Policy Goal with the Office of the Commissioner of Higher Education to enhance the efforts of career and technical education. This Shared Policy Goal is the result of agreeing to a tuition freeze for the 2021 biennium • The legislature adopted a one-time-only match of \$2.0 million general fund to provide scholarships for need-based aid and adult learners • The legislature adopted a general fund appropriation of \$350,000 one-time-only for high school equivalency test (HiSET) preparation at the Tribal Colleges • The legislature adopted one-time-only funding for: <ul style="list-style-type: none"> ◦ Bureau of Mines data preservation project ◦ Agricultural Experiment Stations Wool Lab ◦ Agricultural Experiment Stations Seed Lab • The legislature adopted an increase in federal authority for GEAR UP and Perkins grants • The legislature adopted a general fund appropriation of \$542,500 one-time-only for Flathead Valley Community College

Agency Actuals and Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	89.90	89.90	50.22	50.22
Personal Services	4,283,621	6,676,172	6,890,078	5,285,927	5,280,369
Operating Expenses	10,814,305	13,785,389	7,569,330	6,999,137	6,932,207
Equipment & Intangible Assets	0	21,315	21,315	11,063	11,063
Local Assistance	12,815,643	12,815,644	13,009,403	13,835,193	13,921,125
Grants	14,455,942	16,120,845	16,137,075	17,704,363	18,094,678
Benefits & Claims	11,046,860	42,112,415	48,825,537	0	0
Transfers	219,774,756	220,957,926	223,187,606	235,642,188	237,494,149
Debt Service	0	12,682	12,682	0	0
Total Expenditures	\$273,191,127	\$312,502,388	\$315,653,026	\$279,477,871	\$281,733,591
General Fund	219,766,507	220,857,734	224,139,997	236,913,165	238,603,781
State/Other Special Rev. Funds	21,696,821	22,022,324	21,792,185	23,918,364	24,384,252
Federal Spec. Rev. Funds	31,269,452	69,095,328	69,186,705	18,035,611	18,135,004
Proprietary Funds	458,347	527,002	534,139	610,731	610,554
Total Funds	\$273,191,127	\$312,502,388	\$315,653,026	\$279,477,871	\$281,733,591
Total Ongoing	\$272,736,902	\$312,048,163	\$315,198,801	\$277,719,371	\$279,689,591
Total OTO	\$454,225	\$454,225	\$454,225	\$1,758,500	\$2,044,000

Summary of Legislative Action

The 2019 Legislature approved \$561.2 million in total appropriated funds for the 2021 biennium. General fund, state special and proprietary funds increased \$35.2 million compared to the 2019 biennium. Federal special revenue decreased \$102.1 million primarily due to the reduction in service with the Guaranteed Student Loan Program and the elimination of the Improving Teacher Quality Program, which were partially offset with increased authority in the Educational Outreach and Workforce Development Programs.

Of the \$561.2 million in total funds, 87.8% (\$492.6 million) will be distributed to higher education institutions and agencies:

- \$403.9 million to the Montana University System educational units
- \$59.2 million to the research and development agencies
- \$27.4 million to community college assistance
- \$2.0 million to the tribal colleges for the state support of nonbeneficiary students and HiSET preparation

Student financial assistance programs comprise 4.1% or \$23.3 million of the OCHE appropriation. Types of assistance include:

- Grants and scholarships, including \$2.0 million for need based aid and adult learners to be matched by campus affiliated foundations
- Work study
- Student loan repayment assistance
- Professional student exchange programs
 - Western Interstate Commission for Higher Education (WICHE)
 - Washington, Wyoming, Alaska, Montana, and Idaho medical school cooperative (WWAMI)
 - Minnesota Dental
 - Washington, Idaho, Montana, and Utah veterinary school collaboration (WIMU)

Primarily federally funded programs for educational outreach and diversity, workforce development, and guaranteed student loan account for 6.5% or \$36.6 million of the biennial appropriation.

The remaining 1.6% (\$8.8 million) of the OCHE biennial appropriation is for the operational and personal services expenses for the Board of Regents and the Office of the Commissioner of Higher Education.

The state employee pay plan, as authorized in HB 175 provides a 50 cents an hour pay increase on January 1 each fiscal year of the biennium. The pay plan increase of \$6.2 million over the biennium is not included in the budget numbers of this agency.

Tuition Freeze Agreement

The legislature adopted a level of funding for the MUS that was sufficient for the Board of Regents to ensure a resident student tuition freeze each year of the 2021 biennium.

Shared Policy Goal

As part of the agreed funding level and tuition freeze, the legislature and the Commissioner of Higher Education agreed to a shared policy goal to enhance the efforts of career and technical education (CTE) by:

- Developing a College & Career Readiness Portal that equally promotes CTE and non-CTE opportunities available throughout the MUS
- Working with K-12 partners & MUS campuses to more effectively promote CTE opportunities through school counseling & advising strategies
- Reviewing the effectiveness of existing CTE programs and the development of new CTE opportunities
- Developing a system-level approach for the recruitment of students interested in CTE

Memorandum of Understanding

The Governor and the Commissioner of Higher Education signed a memorandum of understanding outlining the following criteria to allow for a tuition freeze:

- Present law adjustments are fully funded and the state's share represents 41.0% of the total request for the MUS
- Increased six-mill levy revenue is to contribute to the MUS base budget further offsetting reductions in general fund
- The MUS remain included in the state employee pay plan
- The MUS will allocate \$30.0 million for continued performance funding efforts
- The MUS will commit to not increasing fees beyond what would be reasonable to maintain services

Board of Regents Action

At its May 2019 meeting, the Board of Regents approved a resident student tuition freeze for FY 2020 and FY 2021 for all campuses of the Montana University System. The freeze only applies to resident tuition rates.

The Board approved a tuition rate increase for the three community colleges at the May 2019 meeting. The community colleges are not part of the Tuition Freeze Agreement.

For the tuition and mandatory fees approved by the Board of Regents at the May 2019 meeting, visit the following address <https://mus.edu/board/meetings/agendas-and-minutes.asp>.

MUS Educational Units

The legislature approved a \$26.5 million increase over the 2019 biennium to the MUS educational units. The allocation of funds to the specific educational units is determined by the Board of Regents.

Research and Development Agencies

The legislature approved a \$2.2 million increase over the 2019 biennium for the Research & Development Agencies. This includes one-time-only funding of \$600,000 for the Bureau of Mines data preservation project, \$200,000 for the Montana Agricultural Experiment Stations (MAES) Seed Lab, and \$110,000 for the MAES Wool Lab.

Community College Assistance

The funding formula calculation for the 2021 biennium provided a present law increase of \$1.4 million for the three community colleges. In addition, the legislature adopted a one-time-only appropriation for Flathead Valley Community College in order to increase their state support per resident FTE to be more equitable with the other units of the MUS and community college systems.

Student Assistance

The legislature funded an additional \$2.0 million in student assistance for need based aid and adult learners as one-time-only. These funds are contingent upon a dollar for dollar match by campus affiliated foundations.

Funding

The following table shows agency funding by source of authority.

Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	472,314,446	3,202,500	0	3,570,048	479,086,994	53.55 %
State Special Total	47,702,616	600,000	0	7,690,792	55,993,408	6.26 %
Federal Special Total	36,170,615	0	0	0	36,170,615	4.04 %
Proprietary Total	1,221,285	0	322,179,375	0	323,400,660	36.15 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$557,408,962	\$3,802,500	\$322,179,375	\$11,260,840	\$894,651,677	
Percent - Total All Sources	62.30 %	0.42 %	36.01 %	1.26 %		

The Commissioner of Higher Education is funded through a combination of general fund, state special revenue, federal special revenue, and proprietary funds. Funding is discussed in further detail at the individual program levels.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	223,985,772	223,985,772	447,971,544	94.21 %	315,198,801	315,198,801	630,397,602	112.33 %
SWPL Adjustments	469,694	393,866	863,560	0.18 %	467,225	391,342	858,567	0.15 %
PL Adjustments	10,999,199	12,480,143	23,479,342	4.94 %	(37,946,655)	(35,900,552)	(73,847,207)	(13.16)%
New Proposals	1,458,500	1,744,000	3,202,500	0.67 %	1,758,500	2,044,000	3,802,500	0.68 %
Total Budget	\$236,913,165	\$238,603,781	\$475,516,946		\$279,477,871	\$281,733,591	\$561,211,462	

Other Legislation

HB 341 -- Creating a groundwater investigation state special revenue account

The legislature approved a \$250,000 statutory appropriation for the Montana Bureau of Mines and Geology (MBMG). This bill directs the MBMG to develop and implement a ground water investigation program for the purpose of collecting and compiling ground water and aquifer data. The statutory appropriation terminates July 1, 2023.

HB 657 -- Study community college funding formula and career and technical educational funding

The legislature adopted an interim study directed by the Legislative Finance Committee focused on the community college funding formula and postsecondary career and technical education (CTE). The intent is to establish an effective formula for calculating community college appropriations while taking into consideration the many factors that currently contribute to the formula. In addition, this bill sets out to evaluate and establish a value metric for postsecondary CTE.

HB 716 -- Developing an agreement with the Montana University System and Idaho College of Osteopathic Medicine

The legislature adopted HB 716 to provide OCHE the authority to negotiate the terms of expanding professional student exchange opportunities with the Idaho College of Osteopathic Medicine (ICOM). A memorandum of understanding will be developed between the Board of Regents and ICOM upon full accreditation in 2022 to have 10 slots available to Montana residents at a state funded support fee equivalent to the WICHE osteopathic medicine support fee.

HB 754 -- Create study commission to review Montana University System restructuring

The legislature adopted a study commission to review the history and structure of 2-year education within the Montana University System (MUS). The commission will analyze the impacts of restructuring which occurred in the 1990's,

governance structures in other states, the demand for career and technical education, and the potential for restructuring 2-year education in the MUS to enhance career and technical education.

SB 60 -- Generally revise laws related to financial aid

The legislature adopted SB 60 to revise laws related to financial aid for resident Montana students. This bill clarifies the funding and distribution of science, technology, engineering, and math (STEM) scholarships and establishes a program to provide financial aid to resident Montana postsecondary undergraduate and graduate students. The statutory appropriation for STEM scholarships will continue to be funded with revenue from lottery proceeds, however, STEM scholarships will be funded with the first dollars before the remaining lottery proceeds are transferred to the general fund. The adjustment to the funding source ensures the availability of the scholarships which will be awarded beginning fall semester 2020. Scholarships will be awarded up to \$6,000 over four years of college as long as students continue to meet the criteria set forth in 20-26-616, MCA.

In addition, the legislature intends to collaborate with the Board of Regents and the educational units to create three types of financial aid programs for undergraduate resident students. The programs will include:

- Incentive program for science, technology, engineering, math, and health care fields
- Merit program to recruit and retain the highest achieving Montana resident students
- Access-to-Higher Education program to expand financial aid for need based aid scholarships through a matching partnership with campus affiliated foundations

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 2019	Executive Budget Fiscal 2020	Legislative Budget Fiscal 2020	Leg — Exec. Difference Fiscal 2020	Executive Budget Fiscal 2021	Legislative Budget Fiscal 2021	Leg — Exec. Difference Fiscal 2021	Biennium Difference Fiscal 20-21	
FTE	89.90	49.88	50.22	0.34	49.88	50.22	0.34	0.34	
Personal Services	6,890,078	5,201,646	5,285,927	84,281	5,194,915	5,280,369	85,454	169,735	
Operating Expenses	7,569,330	6,994,488	6,999,137	4,649	6,927,558	6,932,207	4,649	9,298	
Equipment & Intangible Assets	21,315	11,063	11,063	0	11,063	11,063	0	0	
Local Assistance	13,009,403	13,519,243	13,835,193	315,950	13,607,125	13,921,125	314,000	629,950	
Grants	16,137,075	19,479,363	17,704,363	(1,775,000)	19,669,678	18,094,678	(1,575,000)	(3,350,000)	
Benefits & Claims	48,825,537	0	0	0	0	0	0	0	
Transfers	223,187,606	235,350,708	235,642,188	291,480	237,202,669	237,494,149	291,480	582,960	
Debt Service	12,682	0	0	0	0	0	0	0	
Total Costs	\$315,653,026	\$280,556,511	\$279,477,871	(\$1,078,640)	\$282,613,008	\$281,733,591	(\$879,417)	(\$1,958,057)	
General Fund	224,139,997	238,377,746	236,913,165	(1,464,581)	239,870,312	238,603,781	(1,266,531)	(2,731,112)	
State/other Special Rev. Funds	21,792,185	23,618,364	23,918,364	300,000	24,084,252	24,384,252	300,000	600,000	
Federal Spec. Rev. Funds	69,186,705	17,954,319	18,035,611	81,292	18,052,539	18,135,004	82,465	163,757	
Other	534,139	606,082	610,731	4,649	605,905	610,554	4,649	9,298	
Total Funds	\$315,653,026	\$280,556,511	\$279,477,871	(\$1,078,640)	\$282,613,008	\$281,733,591	(\$879,417)	(\$1,958,057)	
Total Ongoing	\$315,198,801	\$280,392,991	\$277,719,371	(\$2,673,620)	\$282,449,488	\$279,689,591	(\$2,759,897)	(\$5,433,517)	
Total OTO	\$454,225	\$163,520	\$1,758,500	\$1,594,980	\$163,520	\$2,044,000	\$1,880,480	\$3,475,460	

The legislature approved a budget that is \$2.8 million less than the budget proposed by the executive for the 2021 biennium. The major differences in the legislative budget compared to the executive budget are:

- The legislature adopted the proposal for Financial Assistance Match at \$2.0 million rather than \$5.0 million

- The legislature reduced the proposed HiSET preparation funding from \$700,000 to \$350,000
- The legislature adopted a reduced amount of the proposed reinstatement of personal services in several programs and the reduction of 1.66 FTE
- The legislature increased the Guaranteed Student Loan Program FTE to a total of 3.00 rather than 2.00
- The legislature did not approve the one-time-only operation and maintenance costs associated with the MSU American Indian Hall
- The legislature did not adopt the further reduction of audit costs on the community colleges
- The legislature adopted \$910,000 in one-time-only funding for the Research & Development Agencies for the Seed Lab, Wool Lab, and a data preservation program at the Montana Bureau of Mines and Geology
- The legislature adopted \$542,500 in one-time-only general fund for Flathead Valley Community College to increase their state support per resident FTE

Language and Statutory Authority

The legislature included the following language in HB 2:

"Items designated as OCHE Administration (01), Student Assistance (02), Educational Outreach and Diversity (06), Workforce Development (08), Appropriation Distribution (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). The board of regents shall allocate the appropriations to individual university system units, as defined in 17-7-102(15), 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 \$3,196 for each year of the 2021 biennium. The general fund appropriation for Community College Assistance provides 48.2% in FY 2020 and 48.2% in FY 2021 of the budget amount for each full-time equivalent student each year of the 2021 biennium. The remaining 51.8% of the budget amount for each full-time equivalent student must be paid from funds other than those appropriated for Community College Assistance.

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

The general fund appropriation for Community College Assistance is calculated to fund education in the community colleges for an estimated 2,083 resident FTE in FY 2020 and 2,143 in FY 2021. 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.

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 \$16,700 in FY 2020 and \$16,200 in FY 2021, MSU Billings \$45,519, Great Falls \$86,500. Funding to be transferred for each year of the biennium for state energy revolving projects are UM Western \$41,885 in FY 2020 and \$41,205 in FY 2021, UM Helena \$55,649, UM Montana Tech \$90,266, MSU

Billings \$55,323, MSU Northern \$64,576, Miles Community College \$23,553, University of Montana \$294,875. Montana State University transfers are \$277,611 in FY 2020 and \$254,753 in FY 2021.

Total audit costs are estimated to be \$197,329 for the community colleges for the biennium. The general fund appropriation for each community college provides 48.2% of the total audit costs in the 2021 biennium. The remaining 51.8% of these cost must be paid from funds other than those appropriated from Community College Assistance – Legislative Audit. Audit costs charged to the community colleges for the biennium may not exceed \$62,577 for Flathead Valley CC, \$56,987 for Miles CC, and \$77,765 for Dawson CC. Total audit cost for Administration \$65,951, UM - Missoula \$286,054, MSU - Bozeman \$286,054.

The Montana university system shall pay \$88,506 for the 2021 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

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	5,304,545	6,339,328	1,034,783	19.51 %
Operating Expenses	1,905,144	2,225,288	320,144	16.80 %
Equipment & Intangible Assets	22,126	22,126	0	0.00 %
Transfers	31,958	45,546	13,588	42.52 %
Total Expenditures	\$7,263,773	\$8,632,288	\$1,368,515	18.84 %
General Fund	6,202,632	7,411,003	1,208,371	19.48 %
Proprietary Funds	1,061,141	1,221,285	160,144	15.09 %
Total Funds	\$7,263,773	\$8,632,288	\$1,368,515	18.84 %
Total Ongoing	\$7,263,773	\$8,632,288	\$1,368,515	18.84 %
Total OTO	\$0	\$0	\$0	0.00 %

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/her powers and duties.

Program Highlights

Administration Program Major Budget Highlights
<ul style="list-style-type: none"> • The legislature adopted an increase to the Administration Program's biennial appropriation of \$1.4 million or 18.8% due to present law adjustments • The legislature adopted the following: <ul style="list-style-type: none"> ◦ General fund increase of approximately \$1.2 million ◦ State special revenue increase of approximately \$160,000

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	23.28	23.28	23.28	23.28
Personal Services	2,518,604	2,608,913	2,695,632	3,171,741	3,167,587
Operating Expenses	829,526	966,348	938,796	1,146,198	1,079,090
Equipment & Intangible Assets	0	11,063	11,063	11,063	11,063
Transfers	8,973	9,185	22,773	22,773	22,773
Total Expenditures	\$3,357,103	\$3,595,509	\$3,668,264	\$4,351,775	\$4,280,513
General Fund	2,898,756	3,068,507	3,134,125	3,741,044	3,669,959
Proprietary Funds	458,347	527,002	534,139	610,731	610,554
Total Funds	\$3,357,103	\$3,595,509	\$3,668,264	\$4,351,775	\$4,280,513
Total Ongoing	\$3,357,103	\$3,595,509	\$3,668,264	\$4,351,775	\$4,280,513
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows 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	7,411,003	0	0	7,411,003	85.85 %	
02248 MUS Research Director	0	0	0	0	0.00 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
03487 WICHE Passport	0	0	0	0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
06539 Indirect Costs OCHE	1,221,285	0	0	1,221,285	100.00 %	
Proprietary Total	\$1,221,285	\$0	\$0	\$1,221,285	14.15 %	
Total All Funds	\$8,632,288	\$0	\$0	\$8,632,288		

This program is funded primarily from general fund. The remaining portion of the funding for the 2021 biennium would come from proprietary revenue in the form of indirect costs to support administrative overhead activities for 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 table 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 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	3,134,125	3,134,125	6,268,250	84.58 %	3,668,264	3,668,264	7,336,528	84.99 %
SWPL Adjustments	469,415	393,531	862,946	11.64 %	541,358	465,297	1,006,655	11.66 %
PL Adjustments	137,504	142,303	279,807	3.78 %	142,153	146,952	289,105	3.35 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$3,741,044	\$3,669,959	\$7,411,003		\$4,351,775	\$4,280,513	\$8,632,288	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

Present Law Adjustments	Fiscal 2020				Fiscal 2021					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	404,950	0	0	476,109	0.00	401,162	0	0	471,955
DP 2 - Fixed Costs	0.00	64,465	0	0	64,465	0.00	(7,631)	0	0	(7,631)
DP 3 - Inflation Deflation	0.00	0	0	0	784	0.00	0	0	0	973
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	0	0	4,649	0.00	0	0	0	4,649
DP 101 - Information Technology Costs	0.00	137,504	0	0	137,504	0.00	142,303	0	0	142,303
Grand Total All Present Law Adjustments	0.00	\$606,919	\$0	\$0	\$683,511	0.00	\$535,834	\$0	\$0	\$612,249

*“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 adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted 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 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

DP 101 - Information Technology Costs -

The legislature adopted an increase related to information technology fixed costs.

Program Budget Comparison

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	300,129	250,438	(49,691)	(16.56)%
Operating Expenses	154,795	541,204	386,409	249.63 %
Local Assistance	302,000	315,000	13,000	4.30 %
Grants	19,697,986	22,155,553	2,457,567	12.48 %
Total Expenditures	\$20,454,910	\$23,262,195	\$2,807,285	13.72 %
General Fund	18,886,646	22,519,833	3,633,187	19.24 %
State/Other Special Rev. Funds	1,568,264	742,362	(825,902)	(52.66)%
Total Funds	\$20,454,910	\$23,262,195	\$2,807,285	13.72 %
Total Ongoing	\$20,454,910	\$21,262,195	\$807,285	3.95 %
Total OTO	\$0	\$2,000,000	\$2,000,000	100.00 %

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

Student Assistance Program Major Budget Highlights
<ul style="list-style-type: none"> • The legislature adopted an increase to the Student Assistance Program's biennial appropriation of \$2.8 million or 13.7% • The legislature adopted a new proposal to use general fund to provide \$2.0 million in scholarships for need based aid and adult learners <ul style="list-style-type: none"> ◦ This funding proposal is contingent on a 1:1 match from campus affiliated foundations • The legislature approved an increase in the state special revenue spending authority for the Family Educational Savings Program to expand the marketing of the program

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	1.50	1.50	1.50	1.50
Personal Services	45,729	139,833	160,296	125,373	125,065
Operating Expenses	84,192	84,192	70,603	270,607	270,597
Local Assistance	149,000	149,000	153,000	156,000	159,000
Grants	9,505,681	9,771,155	9,926,831	10,882,619	11,272,934
Total Expenditures	\$9,784,602	\$10,144,180	\$10,310,730	\$11,434,599	\$11,827,596
General Fund	9,369,740	9,440,248	9,446,398	11,063,362	11,456,471
State/Other Special Rev. Funds	414,862	703,932	864,332	371,237	371,125
Total Funds	\$9,784,602	\$10,144,180	\$10,310,730	\$11,434,599	\$11,827,596
Total Ongoing	\$9,784,602	\$10,144,180	\$10,310,730	\$10,534,599	\$10,727,596
Total OTO	\$0	\$0	\$0	\$900,000	\$1,100,000

Funding

The following table shows 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	22,519,833	0	0	22,519,833	77.27 %
02846 Family Ed Savings Admin Fee	742,362	0	0	742,362	11.21 %
02943 Rural Physicians Account	0	0	3,334,000	3,334,000	50.32 %
02027 STEM Scholarships	0	0	2,548,792	2,548,792	38.47 %
State Special Total	\$742,362	\$0	\$5,882,792	\$6,625,154	22.73 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$23,262,195	\$0	\$5,882,792	\$29,144,987	

The Student Assistance Program is funded primarily with 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 2021 biennium.

Montana University System - Impact of 2021 Biennium Executive Budget Across Functional Areas General Fund and State Special Revenue Only						
Budget Item	Appropriated FY 2018	Appropriated FY 2019	Request FY 2020	Request FY 2021	Change 19-21 Bien.	% Change 19-21 Bien.
<u>GRANTS, LOANS, WK STUDY</u>						
Supplemental Ed Opportunity Grant	\$458,160	\$458,160	\$737,160	\$737,160	\$558,000	60.9%
Work Study	851,056	815,781	815,781	815,781	(35,275)	-2.1%
Governor's Scholarship Program	279,000	279,000	-	-	(558,000)	-100.0%
Financial Assistance Match	-	-	900,000	1,100,000	2,000,000	100.0%
<u>PROFESSIONAL STUDENT EXCHANGE</u>						
WICHE	2,348,266	2,337,958	2,456,091	2,447,636	217,503	4.6%
WWAMI	4,792,500	4,939,470	4,909,140	5,059,710	236,880	2.4%
MN Dentistry	180,250	183,225	133,750	164,100	(65,625)	-18.1%
WIMU Veterinary Program	1,002,810	1,022,880	1,043,340	1,064,190	81,840	4.0%
<u>STUDENT LOAN REPAYMENT ASSISTANCE</u>						
Institutional Nursing Incentive	43,388	43,388	43,388	43,388	-	0.0%
<u>ADMINISTRATIVE COSTS</u>						
Student Assistance Admin	49,381	91,698	24,712	24,506	(91,861)	-60.4%
Family Savings Program (SSR)	139,369	139,170	371,237	371,126	463,824	166.5%
TOTAL COSTS	10,144,180	10,310,730	11,434,599	11,827,596	2,807,285	13.7%
<u>FUNDING</u>						
General Fund	9,440,248	9,446,398	11,063,362	11,456,471	3,633,187	19.2%
State Special	703,932	864,332	371,237	371,125	(825,902)	-52.7%
TOTAL FUNDING	\$10,144,180	\$10,310,730	\$11,434,599	\$11,827,596	\$2,807,285	13.7%

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	9,446,398	9,446,398	18,892,796	83.89 %	10,310,730	10,310,730	20,621,460	88.65 %
SWPL Adjustments	4	(6)	(2)	0.00 %	4	(6)	(2)	0.00 %
PL Adjustments	716,960	910,079	1,627,039	7.22 %	223,865	416,872	640,737	2.75 %
New Proposals	900,000	1,100,000	2,000,000	8.88 %	900,000	1,100,000	2,000,000	8.60 %
Total Budget	\$11,063,362	\$11,456,471	\$22,519,833		\$11,434,599	\$11,827,596	\$23,262,195	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Fixed Costs	0.00	4	0	0	4	0.00	(6)	0	0	(6)
DP 50 - Present Law Adjustment	0.00	(66,098)	31,175	0	(34,923)	0.00	(66,294)	31,063	0	(35,231)
DP 201 - WICHE/WWAMI/MN Dental	0.00	58,788	0	0	58,788	0.00	252,103	0	0	252,103
DP 202 - WWAMI Funding Switch	0.00	724,270	(724,270)	0	0	0.00	724,270	(724,270)	0	0
DP 203 - Increase Family Educational Savings Authority	0.00	0	200,000	0	200,000	0.00	0	200,000	0	200,000
Grand Total All Present Law Adjustments	0.00	\$716,964	(\$493,095)	\$0	\$223,869	0.00	\$910,073	(\$493,207)	\$0	\$416,866

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

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 50 - Present Law Adjustment -

The legislature adopted a present law adjustment in personal services to maintain operations and services of the program. Specific adjustments include reducing the proposed reinstatement of personal services.

DP 201 - WICHE/WWAMI/MN Dental -

The legislature adopted present law increases associated with increased fees to continue the support of professional programs.

DP 202 - WWAMI Funding Switch -

The legislature restored funding of WICHE/WWAMI/MN Dental to general fund from the rural physicians state special revenue.

DP 203 - Increase Family Educational Savings Authority -

The legislature adopted an increase in family educational savings state special revenue authority to increase marketing of college savings plans.

New Proposals

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

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 204 - Financial Assistance Match (RST/OTO)	0.00	900,000	0	0	900,000	0.00	1,100,000	0	0	1,100,000
Total	0.00	\$900,000	\$0	\$0	\$900,000	0.00	\$1,100,000	\$0	\$0	\$1,100,000

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

DP 204 - Financial Assistance Match (RST/OTO) -

The legislature adopted restricted, one-time-only funding for student assistance programs to provide student funding for need based aid and returning adult learners. Distribution is contingent on a 1:1 match from private donors.

Program Budget Comparison

Program Budget Comparison					
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change	
Personal Services	32,780	0	(32,780)	(100.00)%	
Operating Expenses	2,000	0	(2,000)	(100.00)%	
Grants	1,000,000	0	(1,000,000)	(100.00)%	
Total Expenditures	\$1,034,780	\$0	(\$1,034,780)	(100.00)%	
Federal Spec. Rev. Funds	1,034,780	0	(1,034,780)	(100.00)%	
Total Funds	\$1,034,780	\$0	(\$1,034,780)	(100.00)%	
Total Ongoing	\$1,034,780	\$0	(\$1,034,780)	(100.00)%	
Total OTO	\$0	\$0	\$0	0.00 %	

Program Description

The Improving Teacher Quality grant expired December 31, 2018. This federal grant program was aimed at upgrading teaching skills of teachers in both math and science areas.

Program Highlights

Improving Teacher Quality Major Budget Highlights
<ul style="list-style-type: none"> • The federal grant for the Improving Teacher Quality Program expired on December 31, 2018 and will not be continued • The legislature adopted to reduce all authority to zero and eliminate the program

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Actuals and Budget Comparison						
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021	
Personal Services	41	16,390	16,390	0	0	
Operating Expenses	2	1,000	1,000	0	0	
Grants	280,183	500,000	500,000	0	0	
Total Expenditures	\$280,226	\$517,390	\$517,390	\$0	\$0	
Federal Spec. Rev. Funds	280,226	517,390	517,390	0	0	
Total Funds	\$280,226	\$517,390	\$517,390	\$0	\$0	
Total Ongoing	\$280,226	\$517,390	\$517,390	\$0	\$0	
Total OTO	\$0	\$0	\$0	\$0	\$0	

Funding

The following table shows 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 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
03183 Ed For Econ Security Grant	0	0	0	0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$0	\$0	\$0	\$0		

This program was funded entirely from the federal Improving Teacher Quality grant. The federal grant supporting this program terminated on December 31, 2018.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	0	0	0	0.00 %	517,390	517,390	1,034,780	0.00 %
SWPL Adjustments	0	0	0	0.00 %	(16,390)	(16,390)	(32,780)	0.00 %
PL Adjustments	0	0	0	0.00 %	(501,000)	(501,000)	(1,002,000)	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$0	\$0	\$0	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

Present Law Adjustments	-----Fiscal 2020-----				-----Fiscal 2021-----					
	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 - Remove Federal Authority for Grant Ending	0.00	0	0	(501,000)	(501,000)	0.00	0	0	(501,000)	(501,000)
Grand Total All Present Law Adjustments	0.00	\$0	\$0	(\$517,390)	(\$517,390)	0.00	\$0	\$0	(\$517,390)	(\$517,390)

**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 adopted to reduce the personal services budget authority in each year to zero. Federal funding for this program has been eliminated.

DP 301 - Remove Federal Authority for Grant Ending -

The legislature adopted to reduce the federal budget authority in each year to zero. Federal funding for this program has been eliminated.

Program Budget Comparison

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Local Assistance	25,523,047	27,441,318	1,918,271	7.52 %
Total Expenditures	\$25,523,047	\$27,441,318	\$1,918,271	7.52 %
General Fund	25,523,047	27,441,318	1,918,271	7.52 %
Total Funds	\$25,523,047	\$27,441,318	\$1,918,271	7.52 %
Total Ongoing	\$25,523,047	\$26,898,818	\$1,375,771	5.39 %
Total OTO	\$0	\$542,500	\$542,500	100.00 %

Program Description

The funds appropriated by the legislature for this program are distributed to support Montana's three community colleges:

- Miles Community College
- Dawson Community College
- Flathead Valley Community College

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

Community College Assistance Major Budget Highlights
<ul style="list-style-type: none"> • The legislature adopted an increase to the Community College Assistance's ongoing biennial appropriation of \$1.4 million or 5.4% over the 2019 biennium • The legislature adopted a one-time-only appropriation of \$542,500 for Flathead Valley Community College to increase the state support per resident FTE

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
Local Assistance	12,666,643	12,666,644	12,856,403	13,679,193	13,762,125
Total Expenditures	\$12,666,643	\$12,666,644	\$12,856,403	\$13,679,193	\$13,762,125
General Fund	12,666,643	12,666,644	12,856,403	13,679,193	13,762,125
Total Funds	\$12,666,643	\$12,666,644	\$12,856,403	\$13,679,193	\$13,762,125
Total Ongoing	\$12,666,643	\$12,666,644	\$12,856,403	\$13,450,693	\$13,448,125
Total OTO	\$0	\$0	\$0	\$228,500	\$314,000

Funding

The following table shows 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	27,441,318	0	0	27,441,318	100.00 %
State Special Total	\$0	\$0	\$0	\$0	0.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$27,441,318	\$0	\$0	\$27,441,318	

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 projected resident student enrollment, 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 following table outlines the funding distribution to each community college.

Community College Assistance Program Calculation of General Fund Appropriation for the 2021 Biennium Using Statutory Funding Formula Includes a Fixed/Variable Cost Calculation at a 75/25 Ratio				
Fiscal Year 2020				
Budget Item Factors	Dawson	Flathead Valley	Miles	Total
Projected Resident Student FTE	225	1,465	393	2,083
Variable Cost of Education per FTE	\$ 3,196	\$ 3,196	\$ 3,196	\$ 3,196
Fixed Cost of Education	2,951,162	13,759,809	4,332,252	21,043,223
Variable Cost of Education	983,721	4,586,603	1,444,084	7,014,408
Total Cost of Education	3,934,883	18,346,412	5,776,336	28,057,631
State % Share of Cost of Education	48.2%	48.2%	48.2%	48.2%
Calculated Total Funding Budget	<u>1,769,500</u>	<u>8,891,844</u>	<u>2,694,236</u>	<u>13,355,580</u>
Other Funding:				
Legislative Audit	37,483	30,162	27,468	95,113
One-time-only	-	228,500	-	228,500
Total FY20 Appropriation	<u>\$ 1,806,983</u>	<u>\$ 9,150,506</u>	<u>\$ 2,721,704</u>	<u>\$ 13,679,193</u>
Fiscal Year 2021				
Budget Item Factors	Dawson	Flathead Valley	Miles	Total
Projected Resident Student FTE	248	1,494	401	2,143
Variable Cost of Education per FTE	\$ 3,196	\$ 3,196	\$ 3,196	\$ 3,196
Fixed Cost of Education	2,951,162	13,759,809	4,332,252	21,043,223
Variable Cost of Education	983,721	4,586,603	1,444,084	7,014,408
Total Cost of Education	3,934,883	18,346,412	5,776,336	28,057,631
State % Share of Cost of Education	48.2%	48.2%	48.2%	48.2%
Calculated Total Funding Budget	<u>1,804,975</u>	<u>8,936,574</u>	<u>2,706,576</u>	<u>13,448,125</u>
Other Funding:				
Legislative Audit	-	-	-	-
One-time-only	-	314,000	-	314,000
Total FY21 Appropriation	<u>\$ 1,804,975</u>	<u>\$ 9,250,574</u>	<u>\$ 2,706,576</u>	<u>\$ 13,762,125</u>
Total 2021 Biennium Appropriation	<u>\$ 3,611,958</u>	<u>\$ 18,401,080</u>	<u>\$ 5,428,280</u>	<u>\$ 27,441,318</u>

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	12,856,403	12,856,403	25,712,806	93.70 %	12,856,403	12,856,403	25,712,806	93.70 %
SWPL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
PL Adjustments	594,290	591,722	1,186,012	4.32 %	594,290	591,722	1,186,012	4.32 %
New Proposals	228,500	314,000	542,500	1.98 %	228,500	314,000	542,500	1.98 %
Total Budget	\$13,679,193	\$13,762,125	\$27,441,318		\$13,679,193	\$13,762,125	\$27,441,318	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 401 - Community College PLA	0.00	499,177	0	0	499,177	0.00	591,722	0	0	591,722
DP 402 - Community College LAD Audit Costs	0.00	95,113	0	0	95,113	0.00	0	0	0	0
Grand Total All Present Law Adjustments	0.00	\$594,290	\$0	\$0	\$594,290	0.00	\$591,722	\$0	\$0	\$591,722

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

DP 401 - Community College PLA -

The legislature adopted present law adjustments related to the increased funding based on the statutory funding formula.

DP 402 - Community College LAD Audit Costs -

The legislature adopted the present law adjustment for the legislative audit costs for the community colleges.

New Proposals

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

New Proposals										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 404 - Additional funding for FVCC (OTO)	0.00	228,500	0	0	228,500	0.00	314,000	0	0	314,000
Total	0.00	\$228,500	\$0	\$0	\$228,500	0.00	\$314,000	\$0	\$0	\$314,000

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

DP 404 - Additional funding for FVCC (OTO) -

The legislature adopted additional one-time-only general fund for Flathead Valley Community College. These funds were to increase the state support per resident FTE to make it more equitable with other colleges in the Montana University System.

Program Budget Comparison

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	1,421,674	1,410,029	(11,645)	(0.82)%
Operating Expenses	28,370,209	42,272,441	13,902,232	49.00 %
Benefits & Claims	231,623,981	269,165,879	37,541,898	16.21 %
Total Expenditures	\$261,415,864	\$312,848,349	\$51,432,485	19.67 %
Proprietary Funds	261,415,864	312,848,349	51,432,485	19.67 %
Total Funds	\$261,415,864	\$312,848,349	\$51,432,485	19.67 %

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

MUS Group Insurance Program Major Budget Highlights
<ul style="list-style-type: none"> • The MUS Group Insurance Program is funded with enterprise type proprietary funds and is not appropriated in HB 2 • The legislature requires the Montana University System to operate the program to maintain the plan on an actuarially sound basis • Proprietary fund authority was increased is to offset the rising cost of pharmacy and medical expenses, projected claims, and the costs associated with a new computer system which was implemented in the 2019 biennium

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	7.00	7.00	7.00	7.00
Personal Services	874,310	874,311	547,363	704,765	705,264
Operating Expenses	8,317,194	13,234,281	15,135,928	20,136,189	22,136,252
Benefits & Claims	91,552,134	109,228,293	122,395,688	128,793,408	140,372,471
Total Expenditures	\$100,743,638	\$123,336,885	\$138,078,979	\$149,634,362	\$163,213,987
Proprietary Funds	100,743,638	123,336,885	138,078,979	149,634,362	163,213,987
Total Funds	\$100,743,638	\$123,336,885	\$138,078,979	\$149,634,362	\$163,213,987

Funding

The following table shows program funding by source of authority.

Commissioner of Higher Education, 05-Mus 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 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
06008 MUS Group Insurance Program	0	286,099,505	0	286,099,505	91.45 %	
06009 MUS Flexible Spending Account	0	26,748,844	0	26,748,844	8.55 %	
Proprietary Total	\$0	\$312,848,349	\$0	\$312,848,349	100.00 %	
Total All Funds	\$0	\$312,848,349	\$0	\$312,848,349		

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.

Budget Summary by Category

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

Budget Summary by Category									
Budget Item	-----General Fund-----					-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	
2019 Base Budget	0	0	0	0.00 %	138,078,979	138,078,979	276,157,958	88.27 %	
SWPL Adjustments	0	0	0	0.00 %	157,663	158,225	315,888	0.10 %	
PL Adjustments	0	0	0	0.00 %	11,397,720	24,976,783	36,374,503	11.63 %	
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %	
Total Budget	\$0	\$0	\$0		\$149,634,362	\$163,213,987	\$312,848,349		

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	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	157,402	0.00	0	0	0	157,901
DP 3 - Inflation Deflation	0.00	0	0	0	261	0.00	0	0	0	324
DP 501 - MUS Group Health Insurance Inflation	0.00	0	0	0	11,397,720	0.00	0	0	0	24,976,783
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$0	\$11,555,383	0.00	\$0	\$0	\$0	\$25,135,008

**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 2019 statewide pay plan adjustments, benefit rate adjustments, vacancy savings 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 fund authority for program expenses.

Program Budget Comparison

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	2,637,704	2,585,911	(51,793)	(1.96)%
Operating Expenses	6,593,662	6,577,444	(16,218)	(0.25)%
Grants	5,754,000	6,754,000	1,000,000	17.38 %
Transfers	3,000,000	3,000,000	0	0.00 %
Total Expenditures	\$17,985,366	\$18,917,355	\$931,989	5.18 %
General Fund	255,647	279,027	23,380	9.15 %
Federal Spec. Rev. Funds	17,729,719	18,638,328	908,609	5.12 %
Total Funds	\$17,985,366	\$18,917,355	\$931,989	5.18 %
Total Ongoing	\$17,985,366	\$18,917,355	\$931,989	5.18 %
Total OTO	\$0	\$0	\$0	0.00 %

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, and 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 Major Budget Highlights
<ul style="list-style-type: none"> • The legislature adopted an increase to the Educational Outreach & Diversity Program's biennial budget of approximately \$932,000 or 5.2% compared to the 2019 biennium • The legislature approved additional federal authority of \$1.0 million to utilize carryover grants • The legislature adopted to reduced 1.66 vacant FTE and associated funding from Montana Educational Talent Search

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	19.90	19.90	18.24	18.24
Personal Services	934,140	1,289,063	1,348,641	1,293,129	1,292,782
Operating Expenses	1,991,060	3,305,773	3,287,889	3,288,668	3,288,776
Grants	1,836,834	2,877,000	2,877,000	3,377,000	3,377,000
Transfers	1,455,781	1,500,000	1,500,000	1,500,000	1,500,000
Total Expenditures	\$6,217,815	\$8,971,836	\$9,013,530	\$9,458,797	\$9,458,558
General Fund	125,804	125,870	129,777	139,664	139,363
Federal Spec. Rev. Funds	6,092,011	8,845,966	8,883,753	9,319,133	9,319,195
Total Funds	\$6,217,815	\$8,971,836	\$9,013,530	\$9,458,797	\$9,458,558
Total Ongoing	\$6,217,815	\$8,971,836	\$9,013,530	\$9,458,797	\$9,458,558
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows program funding by source of authority.

Commissioner of Higher Education, 06-Educational Outreach and Diversity Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	279,027	0	0	279,027	1.48 %
State Special Total	\$0	\$0	\$0	\$0	0.00 %
03042 2nd Gear Up Grant	13,792,612	0	0	13,792,612	74.00 %
03412 GEAR UP Federal Schol 2005	3,290,686	0	0	3,290,686	17.66 %
03806 Talent Search	1,555,030	0	0	1,555,030	8.34 %
Federal Special Total	\$18,638,328	\$0	\$0	\$18,638,328	98.52 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$18,917,355	\$0	\$0	\$18,917,355	

General fund supports the American Indian/Minority Achievement component of the program.

Federal funds are from two grant sources:

- The Talent Search grant comprising approximately 8.3% of the biennial program funding; it does not have a non-federal matching requirement
- The GEAR UP grant comprising approximately 91.7% of the biennial budget; requires a 50.0% non-federal fund match which is provided through allowable in-kind services

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	129,777	129,777	259,554	93.02 %	9,013,530	9,013,530	18,027,060	95.29 %
SWPL Adjustments	275	341	616	0.22 %	779	887	1,666	0.01 %
PL Adjustments	9,612	9,245	18,857	6.76 %	444,488	444,141	888,629	4.70 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$139,664	\$139,363	\$279,027		\$9,458,797	\$9,458,558	\$18,917,355	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Fixed Costs	0.00	0	0	26	26	0.00	0	0	(47)	(47)
DP 3 - Inflation Deflation	0.00	275	0	478	753	0.00	341	0	593	934
DP 50 - Present Law Adjustment	(1.66)	9,612	0	(65,124)	(55,512)	(1.66)	9,245	0	(65,104)	(55,859)
DP 601 - GEAR UP Federal Authority Increase	0.00	0	0	500,000	500,000	0.00	0	0	500,000	500,000
Grand Total All Present Law Adjustments	(1.66)	\$9,887	\$0	\$435,380	\$445,267	(1.66)	\$9,586	\$0	\$435,442	\$445,028

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

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted 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 50 - Present Law Adjustment -

The legislature adopted a present law adjustment in personal services to maintain operations and services of the program. Specific adjustments include a reduction of 1.66 FTE.

DP 601 - GEAR UP Federal Authority Increase -

The legislature adopted an increase in federal authority to utilize carryover funds on grants to eligible schools.

Program Budget Comparison

Program Budget Comparison					
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change	
Personal Services	197,280	200,938	3,658	1.85 %	
Operating Expenses	2,926,966	3,130,088	203,122	6.94 %	
Benefits & Claims	6,000,000	6,000,000	0	0.00 %	
Total Expenditures	\$9,124,246	\$9,331,026	\$206,780	2.27 %	
Proprietary Funds	9,124,246	9,331,026	206,780	2.27 %	
Total Funds	\$9,124,246	\$9,331,026	\$206,780	2.27 %	

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 Commissioner of Higher Education.

Program Highlights

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

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	1.00	1.00	1.00	1.00
Personal Services	99,715	99,715	97,565	100,600	100,338
Operating Expenses	1,124,555	1,461,951	1,465,015	1,565,041	1,565,047
Benefits & Claims	1,513,273	3,000,000	3,000,000	3,000,000	3,000,000
Total Expenditures	\$2,737,543	\$4,561,666	\$4,562,580	\$4,665,641	\$4,665,385
Proprietary Funds	2,737,543	4,561,666	4,562,580	4,665,641	4,665,385
Total Funds	\$2,737,543	\$4,561,666	\$4,562,580	\$4,665,641	\$4,665,385

Funding

The following table shows program funding by source of authority.

Commissioner of Higher Education, 07-Mus 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 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
06082 MUS Self-Funded Workers Comp	0	9,331,026	0	9,331,026	100.00 %	
Proprietary Total	\$0	\$9,331,026	\$0	\$9,331,026	100.00 %	
Total All Funds	\$0	\$9,331,026	\$0	\$9,331,026		

This program is funded with an enterprise type proprietary fund in which the funding is derived from premiums and investment earnings. For enterprise type proprietary funds, 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.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	0	0	0	0.00 %	4,562,580	4,562,580	9,125,160	97.79 %
SWPL Adjustments	0	0	0	0.00 %	3,061	2,805	5,866	0.06 %
PL Adjustments	0	0	0	0.00 %	100,000	100,000	200,000	2.14 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$4,665,641	\$4,665,385	\$9,331,026	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	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	3,035	0.00	0	0	0	2,773
DP 3 - Inflation Deflation	0.00	0	0	0	26	0.00	0	0	0	32
DP 701 - MUS Workers Comp Increased Budget Authority	0.00	0	0	0	100,000	0.00	0	0	0	100,000
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$0	\$103,061	0.00	\$0	\$0	\$0	\$102,805

**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 2019 statewide pay plan adjustments, benefit rate adjustments, vacancy savings 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 Increased Budget Authority -

The legislature reviewed the additional spending authority for safety incentives contingent upon approval by the MUS Workers' Compensation Management Committee.

Program Budget Comparison

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	661,987	870,426	208,439	31.49 %
Operating Expenses	526,244	181,869	(344,375)	(65.44)%
Grants	4,130,184	4,863,738	733,554	17.76 %
Transfers	6,721,854	7,005,356	283,502	4.22 %
Total Expenditures	\$12,040,269	\$12,921,389	\$881,120	7.32 %
General Fund	180,134	180,134	0	0.00 %
Federal Spec. Rev. Funds	11,860,135	12,741,255	881,120	7.43 %
Total Funds	\$12,040,269	\$12,921,389	\$881,120	7.32 %
Total Ongoing	\$12,040,269	\$12,921,389	\$881,120	7.32 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

Workforce Development is a coordinated effort between OCHE and the Office of Public Instruction to support vocational education at the secondary and postsecondary levels with primarily federal funds.

Program Highlights

Workforce Development Major Budget Highlights
<ul style="list-style-type: none"> • The legislature adopted an increase to the Workforce Development Program's biennial appropriation of \$881,120 or 7.3% compared to the 2019 biennium • The legislature approved additional federal authority of \$1.6 million to utilize carryover grants, which constitutes the majority of the adopted increase

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	4.20	4.20	4.20	4.20
Personal Services	325,075	333,661	328,326	435,352	435,074
Operating Expenses	90,633	435,611	90,633	90,917	90,952
Grants	1,995,369	2,134,815	1,995,369	2,431,869	2,431,869
Transfers	3,317,171	3,569,176	3,152,678	3,452,678	3,552,678
Total Expenditures	\$5,728,248	\$6,473,263	\$5,567,006	\$6,410,816	\$6,510,573
General Fund	90,068	90,067	90,067	90,067	90,067
Federal Spec. Rev. Funds	5,638,180	6,383,196	5,476,939	6,320,749	6,420,506
Total Funds	\$5,728,248	\$6,473,263	\$5,567,006	\$6,410,816	\$6,510,573
Total Ongoing	\$5,728,248	\$6,473,263	\$5,567,006	\$6,410,816	\$6,510,573
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows program funding by source of authority.

Commissioner of Higher Education, 08-Workforce Development 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	1.39 %
State Special Total	\$0	\$0	\$0	\$0	0.00 %
03164 SWAMMEI Project	0	0	0	0	0.00 %
03215 Carl Perkins Federal Funds	12,741,255	0	0	12,741,255	100.00 %
Federal Special Total	\$12,741,255	\$0	\$0	\$12,741,255	98.61 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$12,921,389	\$0	\$0	\$12,921,389	

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 minimum 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 table 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 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	90,067	90,067	180,134	100.00 %	5,567,006	5,567,006	11,134,012	86.17 %
SWPL Adjustments	0	0	0	0.00 %	284	319	603	0.00 %
PL Adjustments	0	0	0	0.00 %	843,526	943,248	1,786,774	13.83 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$90,067	\$90,067	\$180,134		\$6,410,816	\$6,510,573	\$12,921,389	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Fixed Costs	0.00	0	0	12	12	0.00	0	0	(18)	(18)
DP 3 - Inflation Deflation	0.00	0	0	272	272	0.00	0	0	337	337
DP 50 - Present Law Adjustment	0.00	0	0	107,026	107,026	0.00	0	0	106,748	106,748
DP 801 - Perkins Federal Authority Increase	0.00	0	0	736,500	736,500	0.00	0	0	836,500	836,500
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$843,810	\$843,810	0.00	\$0	\$0	\$943,567	\$943,567

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

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted 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 50 - Present Law Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/ program.

DP 801 - Perkins Federal Authority Increase -

The legislature adopted additional federal authority for the anticipated increase in federal funds and carryover funding from prior years.

Program Budget Comparison

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Transfers	377,365,721	403,888,508	26,522,787	7.03 %
Total Expenditures	\$377,365,721	\$403,888,508	\$26,522,787	7.03 %
General Fund	337,749,412	358,758,190	21,008,778	6.22 %
State/Other Special Rev. Funds	39,616,309	45,130,318	5,514,009	13.92 %
Total Funds	\$377,365,721	\$403,888,508	\$26,522,787	7.03 %
Total Ongoing	\$377,365,721	\$403,888,508	\$26,522,787	7.03 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Appropriation Distribution Program in the Office of the Commissioner of Higher Education 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

Appropriation Distribution Major Budget Highlights
<ul style="list-style-type: none"> • The legislature adopted an increase to the Appropriation Distribution's biennial appropriation of \$26.5 million, which includes: <ul style="list-style-type: none"> ◦ Present law increase of \$10.1 million ◦ Tuition freeze of \$14.4 million • The legislature agreed to a Shared Policy Goal with the Office of the Commissioner of Higher Education to enhance the efforts of career and technical education. This Shared Policy Goal is the stipulation of agreeing to a tuition freeze for the 2021 biennium

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
Transfers	186,544,947	187,431,681	189,934,040	201,138,471	202,750,037
Total Expenditures	\$186,544,947	\$187,431,681	\$189,934,040	\$201,138,471	\$202,750,037
General Fund	166,577,956	167,428,257	170,321,155	178,806,312	179,951,878
State/Other Special Rev. Funds	19,966,991	20,003,424	19,612,885	22,332,159	22,798,159
Total Funds	\$186,544,947	\$187,431,681	\$189,934,040	\$201,138,471	\$202,750,037
Total Ongoing	\$186,544,947	\$187,431,681	\$189,934,040	\$201,138,471	\$202,750,037
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows 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	358,758,190	0	3,570,048	362,328,238	88.53 %	
02111 Accommodation Tax Account	0	0	1,808,000	1,808,000	3.85 %	
02443 University Millage	43,970,000	0	0	43,970,000	93.68 %	
02943 Rural Physicians Account	0	0	0	0	0.00 %	
02944 Motorcycle Safety Training	1,160,318	0	0	1,160,318	2.47 %	
State Special Total	\$45,130,318	\$0	\$1,808,000	\$46,938,318	11.47 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$403,888,508	\$0	\$5,378,048	\$409,266,556		

Funding for this program is predominately general fund. State special revenue from the 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. The Board of Regents allocates the funds to the educational units.

Statutory Appropriations

Statutory appropriations do not require reauthorization each biennium, and they do not appear in HB 2. There are two statutory appropriations in this program:

- An allocation of the 4.0% lodging facility use tax transferred to the University of Montana for travel research
- General fund statutorily appropriated for a 1.0% employer contribution reimbursement to the MUS defined contribution retirement plan authorized by HB 95 passed by the 2007 Legislature

Tuition

In addition to state funding, the educational units fund operational costs with revenue from student tuition and interest earnings (collectively these comprise the current unrestricted operating fund). In FY 2018, state funds provided an average of 38.2% of the current unrestricted fund budget for the educational units with state general fund and six-mill levy revenue. Student tuition funded the majority of the remaining 61.8%.

With the proposed legislative action and if the Board of Regents approves the current unrestricted operating budgets at the level included in the agency budget request submitted in September 2018, the equivalent state percent share would be 39.5% of the current unrestricted fund. Student tuition would comprise most of the remaining 60.5%. The legislature required a Shared Policy Goal to further the development and promotion of career and technical education in Montana in return for a tuition freeze for the 2021 biennium.

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	170,321,155	170,321,155	340,642,310	94.95 %	189,934,040	189,934,040	379,868,080	94.05 %
SWPL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
PL Adjustments	8,485,157	9,630,723	18,115,880	5.05 %	11,204,431	12,815,997	24,020,428	5.95 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$178,806,312	\$179,951,878	\$358,758,190		\$201,138,471	\$202,750,037	\$403,888,508	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 901 - MUS LAD Audit Costs	0.00	572,108	0	0	572,108	0.00	0	0	0	0
DP 902 - MUS Fixed Cost Increases from State	0.00	246,014	0	0	246,014	0.00	8,284	0	0	8,284
DP 903 - Educational Units PLA	0.00	7,667,035	0	0	7,667,035	0.00	9,622,439	0	0	9,622,439
DP 905 - 6 Mill Levy PLA	0.00	0	2,719,274	0	2,719,274	0.00	0	3,185,274	0	3,185,274
Grand Total All Present Law Adjustments	0.00	\$8,485,157	\$2,719,274	\$0	\$11,204,431	0.00	\$9,630,723	\$3,185,274	\$0	\$12,815,997

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

DP 901 - MUS LAD Audit Costs -

The legislature adopted a line item appropriation for legislative audit costs.

DP 902 - MUS Fixed Cost Increases from State -

The legislature adopted an increase for fixed costs for the educational units. These are higher education specific fixed cost increases.

DP 903 - Educational Units PLA -

The legislature adopted an increase in general fund for personal services, operating expenses, and other items specific to higher education. This request is similar to SWPL 1, 2, and 3 for all other agencies.

DP 905 - 6 Mill Levy PLA -

The legislature adopted an increase of six-mill levy authority based upon revenue estimates.

Program Budget Comparison

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Transfers	57,025,999	59,196,927	2,170,928	3.81 %
Total Expenditures	\$57,025,999	\$59,196,927	\$2,170,928	3.81 %
General Fund	54,396,063	56,766,991	2,370,928	4.36 %
State/Other Special Rev. Funds	2,629,936	2,429,936	(200,000)	(7.60)%
Total Funds	\$57,025,999	\$59,196,927	\$2,170,928	3.81 %
Total Ongoing	\$56,117,549	\$58,286,927	\$2,169,378	3.87 %
Total OTO	\$908,450	\$910,000	\$1,550	0.17 %

Program Description

The Research and Development Agencies within the Montana University System 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

Research & Development Agencies Major Budget Highlights
<ul style="list-style-type: none"> • The legislature adopted an increase to the Research & Development Agencies' ongoing biennial appropriation of \$2.2 million or 3.9% due to present law adjustments • The legislature restored general fund for the Fire Services Training School which was temporarily funded from the fire suppression account during the 2017 Legislative Session • The legislature provided one-time-only funding for: <ul style="list-style-type: none"> ◦ Bureau of Mines Data Preservation Project: \$600,000 state special revenue ◦ Montana Ag Experiment Stations Wool Lab: \$110,000 general fund ◦ Montana Ag Experiment Stations Seed Lab: \$200,000 general fund

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
Transfers	28,447,884	28,447,884	28,578,115	29,528,266	29,668,661
Total Expenditures	\$28,447,884	\$28,447,884	\$28,578,115	\$29,528,266	\$29,668,661
General Fund	27,132,916	27,132,916	27,263,147	28,313,298	28,453,693
State/Other Special Rev. Funds	1,314,968	1,314,968	1,314,968	1,214,968	1,214,968
Total Funds	\$28,447,884	\$28,447,884	\$28,578,115	\$29,528,266	\$29,668,661
Total Ongoing	\$27,993,659	\$27,993,659	\$28,123,890	\$29,073,266	\$29,213,661
Total OTO	\$454,225	\$454,225	\$454,225	\$455,000	\$455,000

Funding

The following table shows 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	56,766,991	0	0	56,766,991	95.90 %
02185 HB647 FSTS TRANSFER	0	0	0	0	0.00 %
02289 Bureau Of Mines Groundwater	1,332,000	0	0	1,332,000	54.82 %
02576 Natural Resources Operations	497,936	0	0	497,936	20.49 %
02432 Oil & Gas ERA	600,000	0	0	600,000	24.69 %
State Special Total	\$2,429,936	\$0	\$0	\$2,429,936	4.10 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$59,196,927	\$0	\$0	\$59,196,927	

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 sources. The state special revenue is comprised of revenues from resource indemnity trust (RIT) interest, and 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.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	27,108,922	27,108,922	54,217,844	95.51 %	28,123,890	28,123,890	56,247,780	95.02 %
SWPL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
PL Adjustments	1,049,376	1,189,771	2,239,147	3.94 %	949,376	1,089,771	2,039,147	3.44 %
New Proposals	155,000	155,000	310,000	0.55 %	455,000	455,000	910,000	1.54 %
Total Budget	\$28,313,298	\$28,453,693	\$56,766,991		\$29,528,266	\$29,668,661	\$59,196,927	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1001 - Restore General Fund to FSTS	0.00	100,000	(100,000)	0	0	0.00	100,000	(100,000)	0	0
DP 1002 - SWPL Research and Development Agencies	0.00	444,894	0	0	444,894	0.00	392,037	0	0	392,037
DP 1003 - PL Research and Development Agencies	0.00	504,482	0	0	504,482	0.00	697,734	0	0	697,734
Grand Total All Present Law Adjustments	0.00	\$1,049,376	(\$100,000)	\$0	\$949,376	0.00	\$1,189,771	(\$100,000)	\$0	\$1,089,771

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

DP 1001 - Restore General Fund to FSTS -

The legislature restored funding for the Fire Services Training School to general fund from the fire suppression state special revenue account.

DP 1002 - SWPL Research and Development Agencies -

The legislature adopted 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.

DP 1003 - PL Research and Development Agencies -

The legislature adopted an increase in general fund to annualize personal services and operating costs.

New Proposals

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

	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1004 - MAES Seed Lab (RST/OTO)	0.00	100,000	0	0	100,000	0.00	100,000	0	0	100,000
DP 1005 - MAES Wool Lab (RST/OTO)	0.00	55,000	0	0	55,000	0.00	55,000	0	0	55,000
DP 1006 - MBMG Data Preservation (RST/OTO)	0.00	0	300,000	0	300,000	0.00	0	300,000	0	300,000
Total	0.00	\$155,000	\$300,000	\$0	\$455,000	0.00	\$155,000	\$300,000	\$0	\$455,000

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

DP 1004 - MAES Seed Lab (RST/OTO) -

The legislature adopted a restricted one-time-only appropriation for the Montana Ag Experiment Stations Seed Lab.

DP 1005 - MAES Wool Lab (RST/OTO) -

The legislature adopted a restricted one-time-only appropriation for the Montana Ag Experiment Stations Wool Lab.

DP 1006 - MBMG Data Preservation (RST/OTO) -

The legislature adopted a restricted one-time-only appropriation for the Montana Bureau of Mines and Geology data preservation project.

Program Budget Comparison

Program Budget Comparison					
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change	
Grants	1,675,750	2,025,750	350,000	20.89 %	
Total Expenditures	\$1,675,750	\$2,025,750	\$350,000	20.89 %	
General Fund	1,675,750	2,025,750	350,000	20.89 %	
Total Funds	\$1,675,750	\$2,025,750	\$350,000	20.89 %	
Total Ongoing	\$1,675,750	\$1,675,750	\$0	0.00 %	
Total OTO	\$0	\$350,000	\$350,000	100.00 %	

Program Description

The Tribal College Assistance Program provides funding to tribal colleges to support a portion of the costs of educating nonbeneficiary 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

Tribal College Assistance Major Budget Highlights
<ul style="list-style-type: none"> • The legislature adopted a one-time-only increase to the Tribal College Assistance Program by \$350,000 <ul style="list-style-type: none"> ◦ The increase is entirely related to a new proposal for training, access, and completion of the high school equivalency test (HiSET) • The maximum nonbeneficiary student benefit is \$3,280

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
Grants	837,875	837,875	837,875	1,012,875	1,012,875
Total Expenditures	\$837,875	\$837,875	\$837,875	\$1,012,875	\$1,012,875
General Fund	837,875	837,875	837,875	1,012,875	1,012,875
Total Funds	\$837,875	\$837,875	\$837,875	\$1,012,875	\$1,012,875
Total Ongoing	\$837,875	\$837,875	\$837,875	\$837,875	\$837,875
Total OTO	\$0	\$0	\$0	\$175,000	\$175,000

Funding

The following table shows 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	2,025,750	0	0	2,025,750	100.00 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$2,025,750	\$0	\$0	\$2,025,750		

Funding for tribal college support of nonbeneficiary students is entirely from the state general fund.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	837,875	837,875	1,675,750	82.72 %	837,875	837,875	1,675,750	82.72 %
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	175,000	175,000	350,000	17.28 %	175,000	175,000	350,000	17.28 %
Total Budget	\$1,012,875	\$1,012,875	\$2,025,750		\$1,012,875	\$1,012,875	\$2,025,750	

New Proposals

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

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1101 - HiSET to Tribal Colleges (RST/OTO)	0.00	175,000	0	0	175,000	0.00	175,000	0	0	175,000
Total	0.00	\$175,000	\$0	\$0	\$175,000	0.00	\$175,000	\$0	\$0	\$175,000

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

DP 1101 - HiSET to Tribal Colleges (RST/OTO) -

The legislature adopted funding from the general fund for the tribal colleges to provide specific classes and training to individuals and students to prepare for and complete the high school equivalency test (HiSET) as restricted and one-time-only.

Program Budget Comparison

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	4,624,704	507,593	(4,117,111)	(89.02)%
Operating Expenses	12,048,875	4,283,439	(7,765,436)	(64.45)%
Equipment & Intangible Assets	20,504	0	(20,504)	(100.00)%
Benefits & Claims	90,937,952	0	(90,937,952)	(100.00)%
Debt Service	25,364	0	(25,364)	(100.00)%
Total Expenditures	\$107,657,399	\$4,791,032	(\$102,866,367)	(95.55)%
Federal Spec. Rev. Funds	107,657,399	4,791,032	(102,866,367)	(95.55)%
Total Funds	\$107,657,399	\$4,791,032	(\$102,866,367)	(95.55)%
Total Ongoing	\$107,657,399	\$4,791,032	(\$102,866,367)	(95.55)%
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Guaranteed Student Loan Program (GSL) provides student financial aid related services to campuses and students across the Montana University System. GSL administers financial literacy education grants and targeted financial aid grants, the FAFSA Completion Initiative and supports campus financial education programs, and other programs aimed at improving college affordability. In addition, GSL provides outreach activities focused on planning for and paying for college, saving for college, and the availability of financial aid.

Program Highlights

Guaranteed Student Loan Program Major Budget Highlights
<ul style="list-style-type: none"> • The legislature adopted a decrease of \$102.9 million federal special revenue for the biennium <ul style="list-style-type: none"> ◦ This decrease includes the reduction of 38.02 FTE • The loan portfolio for the Guaranteed Student Loan Program (GSL) was transitioned to a federally approved loan servicing provider as of October 1, 2017, thus the corresponding federal funds are no longer required • GSL will continue to offer student financial aid related services to campuses and students. The remaining 3.00 FTE and operational budget will serve to administer financial literacy, education programs, and outreach activities

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	41.02	41.02	3.00	3.00
Personal Services	456,232	2,283,911	2,340,793	254,032	253,561
Operating Expenses	7,755,943	8,929,516	3,119,359	2,141,697	2,141,742
Equipment & Intangible Assets	0	10,252	10,252	0	0
Benefits & Claims	11,046,860	42,112,415	48,825,537	0	0
Debt Service	0	12,682	12,682	0	0
Total Expenditures	\$19,259,035	\$53,348,776	\$54,308,623	\$2,395,729	\$2,395,303
Federal Spec. Rev. Funds	19,259,035	53,348,776	54,308,623	2,395,729	2,395,303
Total Funds	\$19,259,035	\$53,348,776	\$54,308,623	\$2,395,729	\$2,395,303
Total Ongoing	\$19,259,035	\$53,348,776	\$54,308,623	\$2,395,729	\$2,395,303
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows 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
01100 General Fund	0	0	0	0	0.00 %
State Special Total	\$0	\$0	\$0	\$0	0.00 %
03400 Guaranteed Std. Loan-Admin.	4,410,023	0	0	4,410,023	92.05 %
03401 U. S. Dept Ed / GSL Recall Acct	381,009	0	0	381,009	7.95 %
03410 Gear Up Essay Scholarship	0	0	0	0	0.00 %
Federal Special Total	\$4,791,032	\$0	\$0	\$4,791,032	100.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$4,791,032	\$0	\$0	\$4,791,032	

This program is funded entirely with federal funds from the U.S. Department of Education.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	0	0	0	0.00 %	54,308,623	54,308,623	108,617,246	2,267.10 %
SWPL Adjustments	0	0	0	0.00 %	(58,810)	(58,765)	(117,575)	(2.45)%
PL Adjustments	0	0	0	0.00 %	(51,854,084)	(51,854,555)	(103,708,639)	(2,164.64)%
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$2,395,729	\$2,395,303	\$4,791,032	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Fixed Costs	0.00	0	0	(58,993)	(58,993)	0.00	0	0	(58,993)	(58,993)
DP 3 - Inflation Deflation	0.00	0	0	183	183	0.00	0	0	228	228
DP 50 - Present Law Adjustment	0.00	0	0	(1,711,239)	(1,711,239)	0.00	0	0	(1,661,920)	(1,661,920)
DP 1201 - Reduce Federal Authority for GSL	(38.02)	0	0	(50,142,845)	(50,142,845)	(38.02)	0	0	(50,192,635)	(50,192,635)
Grand Total All Present Law Adjustments	(38.02)	\$0	\$0	(\$51,912,894)	(\$51,912,894)	(38.02)	\$0	\$0	(\$51,913,320)	(\$51,913,320)

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

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted 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 50 - Present Law Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/ program.

DP 1201 - Reduce Federal Authority for GSL -

The legislature adopted a decrease in each year of the biennium of federal authority to align with the reduced operating plan as approved by the Board of Regents. In addition, the legislature adopted a reduction of 38.02 FTE associated with the decrease in authority.

Program Budget Comparison

Program Budget Comparison					
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change	
Personal Services	4,401	12,600	8,199	186.30 %	
Operating Expenses	123,999	122,100	(1,899)	(1.53)%	
Total Expenditures	\$128,400	\$134,700	\$6,300	4.91 %	
General Fund	128,400	134,700	6,300	4.91 %	
Total Funds	\$128,400	\$134,700	\$6,300	4.91 %	
Total Ongoing	\$128,400	\$134,700	\$6,300	4.91 %	
Total OTO	\$0	\$0	\$0	0.00 %	

Program Description

The Board of Regents Program provides administrative 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

Board of Regents Major Budget Highlights
<ul style="list-style-type: none"> The legislature restored the Board of Regent's personal services biennial appropriation of \$6,300

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
Personal Services	3,800	4,401	0	6,300	6,300
Operating Expenses	62,949	62,949	61,050	61,050	61,050
Total Expenditures	\$66,749	\$67,350	\$61,050	\$67,350	\$67,350
General Fund	66,749	67,350	61,050	67,350	67,350
Total Funds	\$66,749	\$67,350	\$61,050	\$67,350	\$67,350
Total Ongoing	\$66,749	\$67,350	\$61,050	\$67,350	\$67,350
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows 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	134,700	0	0	134,700	100.00 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$134,700	\$0	\$0	\$134,700		

The Board of Regents Program is funded exclusively with general fund.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	61,050	61,050	122,100	90.65 %	61,050	61,050	122,100	90.65 %
SWPL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
PL Adjustments	6,300	6,300	12,600	9.35 %	6,300	6,300	12,600	9.35 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$67,350	\$67,350	\$134,700		\$67,350	\$67,350	\$134,700	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1301 - Reinstate Personal Services	0.00	6,300	0	0	6,300	0.00	6,300	0	0	6,300
Grand Total All Present Law Adjustments	0.00	\$6,300	\$0	\$0	\$6,300	0.00	\$6,300	\$0	\$0	\$6,300

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

DP 1301 - Reinstate Personal Services -

The legislature adopted the reinstatement of personal services for the Board of Regents which had been removed from the base budget.

Agency Budget Comparison

Agency Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	12,898,380	14,280,646	1,382,266	10.72 %
Operating Expenses	1,599,929	1,711,454	111,525	6.97 %
Equipment & Intangible Assets	19,547	0	(19,547)	(100.00)%
Transfers	10,000	2,000	(8,000)	(80.00)%
Debt Service	56,902	56,902	0	0.00 %
Total Expenditures	\$14,584,758	\$16,051,002	\$1,466,244	10.05 %
General Fund	13,642,654	15,116,428	1,473,774	10.80 %
State/Other Special Rev. Funds	801,916	570,764	(231,152)	(28.82)%
Federal Spec. Rev. Funds	140,188	363,810	223,622	159.52 %
Total Funds	\$14,584,758	\$16,051,002	\$1,466,244	10.05 %
Total Ongoing	\$14,470,882	\$15,937,126	\$1,466,244	10.13 %
Total OTO	\$113,876	\$113,876	\$0	0.00 %

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 and MSDB offers additional outreach programs on campus.

The school consists of four programs with the following functions:

1. Administration - (7.5% of total budget) purchasing, accounting, personnel functions, and overall management of the school
2. General Services - (6.1% of total budget) upkeep and maintenance of school facilities and grounds of the 18.5 acre campus
3. Student Services - (20.7% of total budget) around-the-clock residential care for students residing at the school, including general supervision, meal services, and support services
4. Educational Services - (65.7% of total budget) resident, outreach, and mainstream education programs

Agency Highlights

Montana School for the Deaf and Blind Major Budget Highlights
<ul style="list-style-type: none"> • The legislature increased the Montana School for the Deaf and Blind’s total biennial appropriation by approximately \$1.5 million or 10.1% compared to the 2019 biennium appropriation. This includes: <ul style="list-style-type: none"> ◦ General fund increase of \$1.5 million; Personal services increase of \$1.4 million in the Education program; increase of \$0.1 million in operating expenses • The legislature eliminated 1.49 FTE from the Student Services Program. The reduction consisted of 3 partial FTE that had each been vacant for 5-7 years • The legislature adopted two, one-time-only appropriations: <ul style="list-style-type: none"> ◦ Student Services Program: 60,000 in general fund for student travel ◦ Education Program: \$53,876 general fund for extra-curricular stipends

Agency Actuals and Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	84.96	84.96	83.47	83.47
Personal Services	5,877,998	6,339,656	6,558,724	7,138,028	7,142,618
Operating Expenses	787,283	827,997	771,932	868,081	843,373
Equipment & Intangible Assets	13,147	19,547	0	0	0
Transfers	9,000	9,000	1,000	1,000	1,000
Debt Service	28,450	28,451	28,451	28,451	28,451
Total Expenditures	\$6,715,878	\$7,224,651	\$7,360,107	\$8,035,560	\$8,015,442
General Fund	6,266,628	6,757,028	6,885,626	7,568,273	7,548,155
State/Other Special Rev. Funds	379,968	398,340	403,576	285,382	285,382
Federal Spec. Rev. Funds	69,282	69,283	70,905	181,905	181,905
Total Funds	\$6,715,878	\$7,224,651	\$7,360,107	\$8,035,560	\$8,015,442
Total Ongoing	\$6,665,778	\$7,167,713	\$7,303,169	\$7,978,622	\$7,958,504
Total OTO	\$50,100	\$56,938	\$56,938	\$56,938	\$56,938

Summary of Legislative Action

The legislature approved an increase of \$1.5 million general fund for the 2021 biennium. Additionally, there was a decrease of \$0.2 million in state special revenue appropriations and an increase of \$0.2 million in federal special revenue appropriations.

Most of the increase is due to a significant present law adjustment in personal services to support pay increases for teaching positions. The school had been struggling with recruiting and retaining teaching staff resulting in large personal services reversions each year. Prior to the snapshot, pay increases were given to most teaching positions. This caused a large present law increase for personal services. The legislature was supportive of this change.

Funding

The following table shows agency funding by source of authority.

Total School For the Deaf & Blind Funding by Source of Authority 2021 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	15,002,552	113,876	0	0	15,116,428	94.18 %
State Special Total	570,764	0	0	0	570,764	3.56 %
Federal Special Total	363,810	0	0	0	363,810	2.27 %
Proprietary Total	0	0	0	0	0	0.00 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$15,937,126	\$113,876	\$0	\$0	\$16,051,002	
Percent - Total All Sources	99.29 %	0.71 %	0.00 %	0.00 %		

HB 2 Funding

General Fund

- Montana School for the Deaf and Blind’s programs are funded primarily with general fund

State Special Revenue

- School trust income & interest. Revenues from school trusts fluctuate based on the activities occurring on school lands
- Medicaid reimbursement. Students under the care of the MSDB may be Medicaid eligible and the school is reimbursed for those services covered by Medicaid

Federal Special Revenue

- National School Lunch Program provides subsidized meals for low-income children
- Education Consolidation and Improvement Act Chapter I assists state and local educational agencies 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 table 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 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	6,885,626	6,885,626	13,771,252	91.10 %	7,303,169	7,303,169	14,606,338	91.00 %
SWPL Adjustments	102,905	78,912	181,817	1.20 %	102,905	78,912	181,817	1.13 %
PL Adjustments	549,742	553,617	1,103,359	7.30 %	599,486	603,361	1,202,847	7.49 %
New Proposals	30,000	30,000	60,000	0.40 %	30,000	30,000	60,000	0.37 %
Total Budget	\$7,568,273	\$7,548,155	\$15,116,428		\$8,035,560	\$8,015,442	\$16,051,002	

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 2019	Executive Budget Fiscal 2020	Legislative Budget Fiscal 2020	Leg — Exec. Difference Fiscal 2020	Executive Budget Fiscal 2021	Legislative Budget Fiscal 2021	Leg — Exec. Difference Fiscal 2021	Biennium Difference Fiscal 20-21
FTE	84.96	84.96	83.47	(1.49)	84.96	83.47	(1.49)	(1.49)
Personal Services	6,558,724	7,238,635	7,138,028	(100,607)	7,243,079	7,142,618	(100,461)	(201,068)
Operating Expenses	771,932	867,803	868,081	278	843,095	843,373	278	556
Equipment & Intangible Assets	0	0	0	0	0	0	0	0
Transfers	1,000	1,000	1,000	0	1,000	1,000	0	0
Debt Service	28,451	28,451	28,451	0	28,451	28,451	0	0
Total Costs	\$7,360,107	\$8,135,889	\$8,035,560	(\$100,329)	\$8,115,625	\$8,015,442	(\$100,183)	(\$200,512)
General Fund	6,885,626	7,668,880	7,568,273	(100,607)	7,648,616	7,548,155	(100,461)	(201,068)
State/other Special Rev. Funds	403,576	285,104	285,382	278	285,104	285,382	278	556
Federal Spec. Rev. Funds	70,905	181,905	181,905	0	181,905	181,905	0	0
Total Funds	\$7,360,107	\$8,135,889	\$8,035,560	(\$100,329)	\$8,115,625	\$8,015,442	(\$100,183)	(\$200,512)
Total Ongoing	\$7,303,169	\$8,078,951	\$7,978,622	(\$100,329)	\$8,058,687	\$7,958,504	(\$100,183)	(\$200,512)
Total OTO	\$56,938	\$56,938	\$56,938	\$0	\$56,938	\$56,938	\$0	\$0

The legislature adopted a budget that is approximately \$201,000 less than the proposed executive budget for the 2021 biennium.

The major difference in the legislative budget compared to the executive is an additional reduction of \$0.2 million for the biennium which removes 1.49 FTE from the Student Services Program.

Program Budget Comparison

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	838,935	858,347	19,412	2.31 %
Operating Expenses	223,969	336,984	113,015	50.46 %
Equipment & Intangible Assets	3,335	0	(3,335)	(100.00)%
Total Expenditures	\$1,066,239	\$1,195,331	\$129,092	12.11 %
General Fund	1,060,417	1,188,801	128,384	12.11 %
State/Other Special Rev. Funds	5,822	6,530	708	12.16 %
Total Funds	\$1,066,239	\$1,195,331	\$129,092	12.11 %
Total Ongoing	\$1,066,239	\$1,195,331	\$129,092	12.11 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

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

Program Highlights

Administration Program Major Budget Highlights
<ul style="list-style-type: none"> • The Administration Program's 2021 biennium budget is approximately \$129,000 or 12.1% higher than the 2019 biennium budget <ul style="list-style-type: none"> ◦ Most of the increase in this program is a 50.5% or \$113,000 increase in operating expenses, due to roughly \$25,000 in audit expenses and fixed cost increases for SITSD services.

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	5.00	5.00	5.00	5.00
Personal Services	388,414	417,153	421,782	428,816	429,531
Operating Expenses	100,928	128,632	95,337	181,456	155,528
Equipment & Intangible Assets	3,335	3,335	0	0	0
Total Expenditures	\$492,677	\$549,120	\$517,119	\$610,272	\$585,059
General Fund	489,842	546,285	514,132	607,007	581,794
State/Other Special Rev. Funds	2,835	2,835	2,987	3,265	3,265
Total Funds	\$492,677	\$549,120	\$517,119	\$610,272	\$585,059
Total Ongoing	\$492,677	\$549,120	\$517,119	\$610,272	\$585,059
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows 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	1,188,801	0	0	1,188,801	99.45 %	
02050 School Trust Interest/Income	6,530	0	0	6,530	100.00 %	
State Special Total	\$6,530	\$0	\$0	\$6,530	0.55 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$1,195,331	\$0	\$0	\$1,195,331		

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

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	514,132	514,132	1,028,264	86.50 %	517,119	517,119	1,034,238	86.52 %
SWPL Adjustments	92,875	67,662	160,537	13.50 %	92,875	67,662	160,537	13.43 %
PL Adjustments	0	0	0	0.00 %	278	278	556	0.05 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$607,007	\$581,794	\$1,188,801		\$610,272	\$585,059	\$1,195,331	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	7,034	0	0	7,034	0.00	7,749	0	0	7,749
DP 2 - Fixed Costs	0.00	85,841	0	0	85,841	0.00	59,913	0	0	59,913
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	278	0	278	0.00	0	278	0	278
Grand Total All Present Law Adjustments	0.00	\$92,875	\$278	\$0	\$93,153	0.00	\$67,662	\$278	\$0	\$67,940

**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 adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

Program Budget Comparison

Program Budget Comparison					
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change	
Personal Services	377,809	405,199	27,390	7.25 %	
Operating Expenses	528,467	518,698	(9,769)	(1.85)%	
Equipment & Intangible Assets	6,400	0	(6,400)	(100.00)%	
Transfers	10,000	2,000	(8,000)	(80.00)%	
Debt Service	56,902	56,902	0	0.00 %	
Total Expenditures	\$979,578	\$982,799	\$3,221	0.33 %	
General Fund	979,565	982,799	3,234	0.33 %	
State/Other Special Rev. Funds	13	0	(13)	(100.00)%	
Total Funds	\$979,578	\$982,799	\$3,221	0.33 %	
Total Ongoing	\$979,578	\$982,799	\$3,221	0.33 %	
Total OTO	\$0	\$0	\$0	0.00 %	

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

General Services Program Major Budget Highlights
<ul style="list-style-type: none"> The General Services Program's 2021 biennium budget is approximately \$3,000 or 0.3% higher than the 2019 biennium budget. All changes were SWPL increases

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	3.57	3.57	3.57	3.57
Personal Services	165,060	181,041	196,768	202,279	202,920
Operating Expenses	268,503	268,511	259,956	259,949	258,749
Equipment & Intangible Assets	0	6,400	0	0	0
Transfers	9,000	9,000	1,000	1,000	1,000
Debt Service	28,450	28,451	28,451	28,451	28,451
Total Expenditures	\$471,013	\$493,403	\$486,175	\$491,679	\$491,120
General Fund	471,000	493,390	486,175	491,679	491,120
State/Other Special Rev. Funds	13	13	0	0	0
Total Funds	\$471,013	\$493,403	\$486,175	\$491,679	\$491,120
Total Ongoing	\$471,013	\$493,403	\$486,175	\$491,679	\$491,120
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows 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	982,799	0	0	982,799	100.00 %	
02050 School Trust Interest/Income	0	0	0	0	0.00 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$982,799	\$0	\$0	\$982,799		

The program is funded entirely with general fund.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	486,175	486,175	972,350	98.94 %	486,175	486,175	972,350	98.94 %
SWPL Adjustments	(7)	(1,207)	(1,214)	(0.12)%	(7)	(1,207)	(1,214)	(0.12)%
PL Adjustments	5,511	6,152	11,663	1.19 %	5,511	6,152	11,663	1.19 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$491,679	\$491,120	\$982,799		\$491,679	\$491,120	\$982,799	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Fixed Costs	0.00	(7)	0	0	(7)	0.00	(1,207)	0	0	(1,207)
DP 50 - Personal Services Adjustment	0.00	5,511	0	0	5,511	0.00	6,152	0	0	6,152
Grand Total All Present Law Adjustments	0.00	\$5,504	\$0	\$0	\$5,504	0.00	\$4,945	\$0	\$0	\$4,945

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

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 50 - Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/program. Specific adjustments include: an increase of \$5,511 in FY 2020 and \$6,152 in FY 2021.

Program Budget Comparison

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	2,994,530	2,943,890	(50,640)	(1.69)%
Operating Expenses	367,234	376,304	9,070	2.47 %
Equipment & Intangible Assets	2,496	0	(2,496)	(100.00)%
Total Expenditures	\$3,364,260	\$3,320,194	(\$44,066)	(1.31)%
General Fund	3,258,533	3,251,864	(6,669)	(0.20)%
State/Other Special Rev. Funds	60,000	0	(60,000)	(100.00)%
Federal Spec. Rev. Funds	45,727	68,330	22,603	49.43 %
Total Funds	\$3,364,260	\$3,320,194	(\$44,066)	(1.31)%
Total Ongoing	\$3,304,260	\$3,260,194	(\$44,066)	(1.33)%
Total OTO	\$60,000	\$60,000	\$0	0.00 %

Program Description

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

Program Highlights

Student Services Program Major Budget Highlights
<ul style="list-style-type: none"> • The Student Services Program's 2021 biennium budget is \$44,066 or 1.3% lower than the 2019 biennium budget. Most of the decrease was personal services, offset by a small increase in operating expenses • A reduction of 1.49 FTE and associated funding was removed from this program. This was funding for 3 partial position numbers that had each been vacant between 5-7 years. • In the previous biennium student travel was funded with one-time-only state special funds. DP 5 shifted this to general fund for the 2021 biennium due to declining state special account balances

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	26.70	26.70	25.21	25.21
Personal Services	1,308,498	1,469,712	1,524,818	1,471,784	1,472,106
Operating Expenses	180,075	181,199	186,035	187,924	188,380
Equipment & Intangible Assets	2,496	2,496	0	0	0
Total Expenditures	\$1,491,069	\$1,653,407	\$1,710,853	\$1,659,708	\$1,660,486
General Fund	1,438,507	1,600,845	1,657,688	1,625,543	1,626,321
State/Other Special Rev. Funds	30,000	30,000	30,000	0	0
Federal Spec. Rev. Funds	22,562	22,562	23,165	34,165	34,165
Total Funds	\$1,491,069	\$1,653,407	\$1,710,853	\$1,659,708	\$1,660,486
Total Ongoing	\$1,461,069	\$1,623,407	\$1,680,853	\$1,629,708	\$1,630,486
Total OTO	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000

Funding

The following table shows 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	3,251,864	0	0	3,251,864	97.94 %	
02050 School Trust Interest/Income	0	0	0	0	0.00 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
03167 National School Lunch	68,330	0	0	68,330	100.00 %	
Federal Special Total	\$68,330	\$0	\$0	\$68,330	2.06 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$3,320,194	\$0	\$0	\$3,320,194		

The program is funded primarily with general fund appropriations. Federal funds are subsidies provided by the National School Lunch Program.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	1,657,688	1,657,688	3,315,376	101.95 %	1,680,853	1,680,853	3,361,706	101.25 %
SWPL Adjustments	1,889	2,345	4,234	0.13 %	1,889	2,345	4,234	0.13 %
PL Adjustments	(64,034)	(63,712)	(127,746)	(3.93)%	(53,034)	(52,712)	(105,746)	(3.18)%
New Proposals	30,000	30,000	60,000	1.85 %	30,000	30,000	60,000	1.81 %
Total Budget	\$1,625,543	\$1,626,321	\$3,251,864		\$1,659,708	\$1,660,486	\$3,320,194	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 3 - Inflation Deflation	0.00	1,889	0	0	1,889	0.00	2,345	0	0	2,345
DP 50 - Personal Services Adjustment	(1.49)	(64,034)	0	11,000	(53,034)	(1.49)	(63,712)	0	11,000	(52,712)
Grand Total All Present Law Adjustments	(1.49)	(\$62,145)	\$0	\$11,000	(\$51,145)	(1.49)	(\$61,367)	\$0	\$11,000	(\$50,367)

**"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 adopted 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 50 - Personal Services Adjustment -

The legislature adopted a decrease in personal services to the Student Services Program, eliminating funding for 1.49 FTE. Specific adjustments include: a decrease of \$53,034 in FY 2020 and \$52,712 in FY 2021.

New Proposals

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

	-----Fiscal 2020-----					-----Fiscal 2021-----				
	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	30,000	0	0	30,000	0.00	30,000	0	0	30,000
Total	0.00	\$30,000	\$0	\$0	\$30,000	0.00	\$30,000	\$0	\$0	\$30,000

**"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 adopted an appropriation of \$30,000 one-time-only, restricted, general fund in each year of the 2021 biennium to cover travel costs due to lack of commercial transportation available in Great Falls. Statute requires MSDB to use a carrier certified by the Public Service Commission, in accordance with 20-8-121, MCA, to charter buses to transport children on visits home twice per month. The school used commercial bus transportation until the bus lines ceased to run through Great Falls.

Program Budget Comparison

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	8,687,106	10,073,210	1,386,104	15.96 %
Operating Expenses	480,259	479,468	(791)	(0.16)%
Equipment & Intangible Assets	7,316	0	(7,316)	(100.00)%
Total Expenditures	\$9,174,681	\$10,552,678	\$1,377,997	15.02 %
General Fund	8,344,139	9,692,964	1,348,825	16.16 %
State/Other Special Rev. Funds	736,081	564,234	(171,847)	(23.35)%
Federal Spec. Rev. Funds	94,461	295,480	201,019	212.81 %
Total Funds	\$9,174,681	\$10,552,678	\$1,377,997	15.02 %
Total Ongoing	\$9,120,805	\$10,498,802	\$1,377,997	15.11 %
Total OTO	\$53,876	\$53,876	\$0	0.00 %

Program Description

The Education Program provides an 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 Program Major Budget Highlights
<ul style="list-style-type: none"> The Education Program's 2021 biennium budget request is approximately \$1.4 million or 15.0% higher than the 2019 biennium budget, almost entirely due to raising wages for teaching staff to parity with the Great Falls Public School District

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	49.69	49.69	49.69	49.69
Personal Services	4,016,026	4,271,750	4,415,356	5,035,149	5,038,061
Operating Expenses	237,777	249,655	230,604	238,752	240,716
Equipment & Intangible Assets	7,316	7,316	0	0	0
Total Expenditures	\$4,261,119	\$4,528,721	\$4,645,960	\$5,273,901	\$5,278,777
General Fund	3,867,279	4,116,508	4,227,631	4,844,044	4,848,920
State/Other Special Rev. Funds	347,120	365,492	370,589	282,117	282,117
Federal Spec. Rev. Funds	46,720	46,721	47,740	147,740	147,740
Total Funds	\$4,261,119	\$4,528,721	\$4,645,960	\$5,273,901	\$5,278,777
Total Ongoing	\$4,241,019	\$4,501,783	\$4,619,022	\$5,246,963	\$5,251,839
Total OTO	\$20,100	\$26,938	\$26,938	\$26,938	\$26,938

Funding

The following table shows 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	9,692,964	0	0	9,692,964	91.85 %	
02050 School Trust Interest/Income	541,166	0	0	541,166	95.91 %	
02243 Medicaid	23,068	0	0	23,068	4.09 %	
State Special Total	\$564,234	\$0	\$0	\$564,234	5.35 %	
03012 E.C.I.A. Chapter I	295,480	0	0	295,480	100.00 %	
03064 EHA Part B	0	0	0	0	0.00 %	
03235 DPHHS Grant - Outreach	0	0	0	0	0.00 %	
Federal Special Total	\$295,480	\$0	\$0	\$295,480	2.80 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$10,552,678	\$0	\$0	\$10,552,678		

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 table 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 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	4,227,631	4,227,631	8,455,262	87.23 %	4,619,022	4,619,022	9,238,044	87.54 %
SWPL Adjustments	8,148	10,112	18,260	0.19 %	8,148	10,112	18,260	0.17 %
PL Adjustments	608,265	611,177	1,219,442	12.58 %	646,731	649,643	1,296,374	12.28 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$4,844,044	\$4,848,920	\$9,692,964		\$5,273,901	\$5,278,777	\$10,552,678	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 3 - Inflation Deflation	0.00	8,148	0	0	8,148	0.00	10,112	0	0	10,112
DP 4 - Extra-curricular stipends RST/OTO	0.00	26,938	0	0	26,938	0.00	26,938	0	0	26,938
DP 50 - Personal Services Adjustment	0.00	581,327	(61,534)	100,000	619,793	0.00	584,239	(61,534)	100,000	622,705
Grand Total All Present Law Adjustments	0.00	\$616,413	(\$61,534)	\$100,000	\$654,879	0.00	\$621,289	(\$61,534)	\$100,000	\$659,755

**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 adopted 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 - Extra-curricular stipends RST/OTO -

The legislature adopted a general fund one-time-only appropriation of \$26,938 in each year of the 2021 biennium, which is restricted for stipends to be paid to staff sponsoring and interpreting extra-curricular activities such as sports, clubs, and class meetings.

DP 50 - Personal Services Adjustment -

The legislature adopted a present law increase in personal services appropriation to maintain operations and services of the agency/program. Specific adjustments include: an increase of \$0.6 million for each year of the biennium.

Agency Budget Comparison

Agency Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	1,285,030	1,365,168	80,138	6.24 %
Operating Expenses	664,506	701,257	36,751	5.53 %
Grants	924,476	924,476	0	0.00 %
Total Expenditures	\$2,874,012	\$2,990,901	\$116,889	4.07 %
General Fund	995,386	1,074,383	78,997	7.94 %
State/Other Special Rev. Funds	466,320	482,455	16,135	3.46 %
Federal Spec. Rev. Funds	1,412,306	1,434,063	21,757	1.54 %
Total Funds	\$2,874,012	\$2,990,901	\$116,889	4.07 %
Total Ongoing	\$2,874,012	\$2,990,901	\$116,889	4.07 %
Total OTO	\$0	\$0	\$0	0.00 %

Agency Description

The Montana Arts Council (MAC) is authorized by Title 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 arts related issues.

For additional information, please refer to the agency profile. The agency profile may be viewed at <https://leg.mt.gov/content/Publications/fiscal/BA-2021/Section-E/Agency-Profiles/5114-MAC.pdf>.

Agency Highlights

Montana Arts Council Major Budget Highlights
<ul style="list-style-type: none"> • The legislature adopted an increase to the Montana Arts Council's total biennial appropriation by approximately \$117,000 or 4.1% compared to the 2019 biennium appropriation • Increases are due to SB 9 restoration to the base and statewide present law adjustments

Agency Actuals and Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	7.00	7.00	7.00	7.00
Personal Services	615,610	616,404	668,626	683,245	681,923
Operating Expenses	332,358	332,808	331,698	364,531	336,726
Grants	459,801	462,238	462,238	462,238	462,238
Total Expenditures	\$1,407,769	\$1,411,450	\$1,462,562	\$1,510,014	\$1,480,887
General Fund	475,354	479,042	516,344	551,314	523,069
State/Other Special Rev. Funds	230,129	230,126	236,194	241,419	241,036
Federal Spec. Rev. Funds	702,286	702,282	710,024	717,281	716,782
Total Funds	\$1,407,769	\$1,411,450	\$1,462,562	\$1,510,014	\$1,480,887
Total Ongoing	\$1,407,769	\$1,411,450	\$1,462,562	\$1,510,014	\$1,480,887
Total OTO	\$0	\$0	\$0	\$0	\$0

Summary of Legislative Action

The legislature approved an increase in total appropriation of \$116,889 or 4.1% compared to the 2019 biennium appropriation. SB 9 restored general fund appropriations of approximately \$52,000 to the base budget. In addition, the legislature approved all statewide present law adjustments for personal services, fixed costs, inflation deflation, and statewide cost allocation plan (SWCAP). The legislature included language in HB 2 which designates all federal appropriations as biennial.

Funding

The following table shows agency funding by source of authority.

Total Montana Arts Council Funding by Source of Authority 2021 Biennium Budget Request - Montana Arts Council						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	1,074,383	0	0	0	1,074,383	35.92 %
State Special Total	482,455	0	0	0	482,455	16.13 %
Federal Special Total	1,434,063	0	0	0	1,434,063	47.95 %
Proprietary Total	0	0	0	0	0	0.00 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$2,990,901	\$0	\$0	\$0	\$2,990,901	
Percent - Total All Sources	100.00 %	0.00 %	0.00 %	0.00 %		

MAC is funded with a combination of general fund, state special revenue, and federal special revenue.

General fund supports:

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

State special revenue from the Cultural and Aesthetic Trust:

- Supports the agency’s administration of cultural and aesthetic trust activities and the preservation of the state’s cultural heritage
- Grant awards through HB 9 Cultural and Aesthetic projects

Federal special revenue from the National Endowment of the Arts:

- Formula grants requiring a non-federal revenue dollar for dollar match. The agency utilizes general fund and state special revenue as a source of matching funds
- Supports the administration, grants, and services to the state’s arts community

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	516,344	516,344	1,032,688	96.12 %	1,462,562	1,462,562	2,925,124	97.80 %
SWPL Adjustments	34,970	6,725	41,695	3.88 %	46,920	17,793	64,713	2.16 %
PL Adjustments	0	0	0	0.00 %	532	532	1,064	0.04 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$551,314	\$523,069	\$1,074,383		\$1,510,014	\$1,480,887	\$2,990,901	

Other Legislation

HB 9 - Cultural and Aesthetic Grants

MAC disburses funds for projects authorized in HB 9 Cultural and Aesthetic Grants. The legislature appropriated \$423,381 for over 80 projects statewide for special projects, operating support, and capital expenditures. A full list of projects and associated funding can be located in HB 9.

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.

Budget Item	Approp. Fiscal 2019	Executive Budget Fiscal 2020	Legislative Budget Fiscal 2020	Leg — Exec. Difference Fiscal 2020	Executive Budget Fiscal 2021	Legislative Budget Fiscal 2021	Leg — Exec. Difference Fiscal 2021	Biennium Difference Fiscal 20-21
FTE	7.00	7.00	7.00	0.00	7.00	7.00	0.00	0.00
Personal Services	668,626	683,245	683,245	0	681,923	681,923	0	0
Operating Expenses	331,698	363,999	364,531	532	336,194	336,726	532	1,064
Grants	462,238	462,238	462,238	0	462,238	462,238	0	0
Transfers	0	0	0	0	0	0	0	0
Total Costs	\$1,462,562	\$1,509,482	\$1,510,014	\$532	\$1,480,355	\$1,480,887	\$532	\$1,064
General Fund	516,344	551,314	551,314	0	523,069	523,069	0	0
State/other Special Rev. Funds	236,194	241,286	241,419	133	240,903	241,036	133	266
Federal Spec. Rev. Funds	710,024	716,882	717,281	399	716,383	716,782	399	798
Total Funds	\$1,462,562	\$1,509,482	\$1,510,014	\$532	\$1,480,355	\$1,480,887	\$532	\$1,064
Total Ongoing	\$1,462,562	\$1,509,482	\$1,510,014	\$532	\$1,480,355	\$1,480,887	\$532	\$1,064
Total OTO	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

The legislature adopted a budget that is slightly higher than the proposed executive budget for the 2021 biennium. The legislature adopted the statewide cost allocation plan adjustment for fixed costs which was not included in the executive proposed budget. The legislature adopted all other present law adjustments as proposed in the executive budget.

Language and Statutory Authority

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

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	7.00	7.00	7.00	7.00
Personal Services	615,610	616,404	668,626	683,245	681,923
Operating Expenses	332,358	332,808	331,698	364,531	336,726
Grants	459,801	462,238	462,238	462,238	462,238
Total Expenditures	\$1,407,769	\$1,411,450	\$1,462,562	\$1,510,014	\$1,480,887
General Fund	475,354	479,042	516,344	551,314	523,069
State/Other Special Rev. Funds	230,129	230,126	236,194	241,419	241,036
Federal Spec. Rev. Funds	702,286	702,282	710,024	717,281	716,782
Total Funds	\$1,407,769	\$1,411,450	\$1,462,562	\$1,510,014	\$1,480,887
Total Ongoing	\$1,407,769	\$1,411,450	\$1,462,562	\$1,510,014	\$1,480,887
Total OTO	\$0	\$0	\$0	\$0	\$0

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	4,824	4,240	5,555	14,619	0.00	4,388	3,856	5,053	13,297
DP 2 - Fixed Costs	0.00	30,004	800	1,224	32,028	0.00	2,161	789	1,207	4,157
DP 3 - Inflation Deflation	0.00	142	52	79	273	0.00	176	64	99	339
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	133	399	532	0.00	0	133	399	532
Grand Total All Present Law Adjustments	0.00	\$34,970	\$5,225	\$7,257	\$47,452	0.00	\$6,725	\$4,842	\$6,758	\$18,325

**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 adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted 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 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

Agency Budget Comparison

Agency Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	4,346,437	4,513,363	166,926	3.84 %
Operating Expenses	3,451,694	3,899,479	447,785	12.97 %
Grants	2,450,314	2,659,356	209,042	8.53 %
Total Expenditures	\$10,248,445	\$11,072,198	\$823,753	8.04 %
General Fund	4,335,299	5,142,124	806,825	18.61 %
State/Other Special Rev. Funds	3,493,578	3,827,715	334,137	9.56 %
Federal Spec. Rev. Funds	2,419,568	2,102,359	(317,209)	(13.11)%
Total Funds	\$10,248,445	\$11,072,198	\$823,753	8.04 %
Total Ongoing	\$10,248,445	\$10,822,198	\$573,753	5.60 %
Total OTO	\$0	\$250,000	\$250,000	100.00 %

Agency Description

The Montana State Library Commission (MSL) 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 handicapped are provided access to library resources, and measures its successes by its patrons' and partners' successes.

MSL, 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.

MSL 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.

MSL 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 library 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.

For additional information, please refer to the agency profile. The agency profile may be viewed at <https://leg.mt.gov/content/Publications/fiscal/BA-2021/Section-E/Agency-Profiles/5115-Library.pdf>.

Agency Highlights

Montana State Library Major Budget Highlights
<ul style="list-style-type: none"> • The legislature adopted an increase to the Montana State Library's ongoing total biennial appropriation of approximately \$824,000 or 8.0% compared to the 2019 biennium appropriation • The legislature adopted a reduction of 1.00 FTE for a personal services savings of \$114,000 • The legislature approved an additional \$250,000 one-time-only state special revenue appropriation for the 2021 biennium

Agency Actuals and Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	30.46	30.46	29.46	29.46
Personal Services	2,361,289	2,510,782	1,835,655	2,258,110	2,255,253
Operating Expenses	1,604,658	1,729,119	1,722,575	1,926,334	1,973,145
Grants	425,303	845,636	1,604,678	1,504,678	1,154,678
Total Expenditures	\$4,391,250	\$5,085,537	\$5,162,908	\$5,689,122	\$5,383,076
General Fund	2,099,353	2,148,954	2,186,345	2,582,171	2,559,953
State/Other Special Rev. Funds	1,399,846	1,729,049	1,764,529	1,880,403	1,947,312
Federal Spec. Rev. Funds	892,051	1,207,534	1,212,034	1,226,548	875,811
Total Funds	\$4,391,250	\$5,085,537	\$5,162,908	\$5,689,122	\$5,383,076
Total Ongoing	\$4,391,250	\$5,085,537	\$5,162,908	\$5,589,122	\$5,233,076
Total OTO	\$0	\$0	\$0	\$100,000	\$150,000

Summary of Legislative Action

The legislature approved an increase in total appropriation of \$823,753 or 8.0% compared to the 2019 biennium. The legislature approved all statewide present law adjustments for personal services, fixed costs, inflation deflation, coal severance tax authority, grant authority, and statewide cost allocation plan (SWCAP). The legislature adopted the executive's proposal to permanently reduce 1.00 FTE and associated funding as a result of SB 261 from the 2017 Legislative Session. In addition, the legislature adopted a one-time-only appropriation of \$250,000 state special revenue to offset a portion of the reductions experienced by the MSL during the 2019 biennium.

Funding

The following table shows agency funding by source of authority.

Total Montana State Library Funding by Source of Authority 2021 Biennium Budget Request - Montana State Library						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	5,142,124	0	0	791,532	5,933,656	46.96 %
State Special Total	3,577,715	250,000	0	0	3,827,715	30.29 %
Federal Special Total	2,102,359	0	0	0	2,102,359	16.64 %
Proprietary Total	0	0	771,773	0	771,773	6.11 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$10,822,198	\$250,000	\$771,773	\$791,532	\$12,635,503	
Percent - Total All Sources	85.65 %	1.98 %	6.11 %	6.26 %		

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:

- Coal severance tax from the basic library services account, which was previously a portion of the coal severance tax shared account, partially funds general operations, statewide technology contracts, 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 Technology Act (LSTA) grants administered through the federal Institute of Museum and Library Services. These funds:

- Are formula grants from the federal agency rather than competitive grants
- Require a 2:1 federal: 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

In addition, the Montana State Library has proprietary funding that does not require an appropriation. This funding is discussed in more detail in the Proprietary Rates section later in this narrative.

The Montana State Library also receives approximately \$792,000 in statutory authority over the biennium. This statutory appropriation is a per capita per square mile state aid authorized in 22-1-327, MCA to distribute state aid grants to public libraries and public library districts.

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	2,186,345	2,186,345	4,372,690	85.04 %	5,162,908	5,162,908	10,325,816	93.26 %
SWPL Adjustments	453,033	430,719	883,752	17.19 %	528,767	505,625	1,034,392	9.34 %
PL Adjustments	0	0	0	0.00 %	(45,346)	(378,346)	(423,692)	(3.83)%
New Proposals	(57,207)	(57,111)	(114,318)	(2.22)%	42,793	92,889	135,682	1.23 %
Total Budget	\$2,582,171	\$2,559,953	\$5,142,124		\$5,689,122	\$5,383,076	\$11,072,198	

Other Legislation

HB 633 -- Create digital library services state special revenue account

Additional legislation impacting MSL includes HB 633. This bill creates a new state special revenue account for the library as a part of a mission shift to increase and expand digital library services. As part of the bill, the Legislative Finance Committee will direct a study of a funding formula to adequately and fairly distribute the cost of administering and operating the natural resource information system and other digital library services among state agencies and private or commercial entities.

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 2019	Executive Budget Fiscal 2020	Legislative Budget Fiscal 2020	Leg — Exec. Difference Fiscal 2020	Executive Budget Fiscal 2021	Legislative Budget Fiscal 2021	Leg — Exec. Difference Fiscal 2021	Biennium Difference Fiscal 20-21
FTE	30.46	29.46	29.46	0.00	29.46	29.46	0.00	0.00
Personal Services	1,835,655	2,258,110	2,258,110	0	2,255,253	2,255,253	0	0
Operating Expenses	1,722,575	1,824,176	1,926,334	102,158	1,820,987	1,973,145	152,158	254,316
Grants	1,604,678	1,504,678	1,504,678	0	1,154,678	1,154,678	0	0
Total Costs	\$5,162,908	\$5,586,964	\$5,689,122	\$102,158	\$5,230,918	\$5,383,076	\$152,158	\$254,316
General Fund	2,186,345	2,582,171	2,582,171	0	2,559,953	2,559,953	0	0
State/other Special Rev. Funds	1,764,529	1,779,549	1,880,403	100,854	1,796,458	1,947,312	150,854	251,708
Federal Spec. Rev. Funds	1,212,034	1,225,244	1,226,548	1,304	874,507	875,811	1,304	2,608
Total Funds	\$5,162,908	\$5,586,964	\$5,689,122	\$102,158	\$5,230,918	\$5,383,076	\$152,158	\$254,316
Total Ongoing	\$5,162,908	\$5,586,964	\$5,589,122	\$2,158	\$5,230,918	\$5,233,076	\$2,158	\$4,316
Total OTO	\$0	\$0	\$100,000	\$100,000	\$0	\$150,000	\$150,000	\$250,000

The legislature adopted an ongoing budget that is approximately \$254,000 higher than the budget proposed by the executive for the 2021 biennium. The legislature adopted the statewide cost allocation plan adjustment for fixed costs which was not included in the executive proposed budget. The legislature adopted all other present law adjustments as proposed in the executive budget. In addition, the legislature adopted a one-time-only appropriation of \$250,000 state special revenue to offset a portion of the reductions experienced by the MSL in the 2019 biennium.

Language and Statutory Authority

The Montana State Library has statutory authority per 22-1-327, MCA to distribute state aid grants to public libraries and public library districts. This statutory appropriation is determined by the total amount of annual per capita and per square mile funding to public libraries for each fiscal year

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	30.46	30.46	29.46	29.46
Personal Services	2,361,289	2,510,782	1,835,655	2,258,110	2,255,253
Operating Expenses	1,604,658	1,729,119	1,722,575	1,926,334	1,973,145
Grants	425,303	845,636	1,604,678	1,504,678	1,154,678
Total Expenditures	\$4,391,250	\$5,085,537	\$5,162,908	\$5,689,122	\$5,383,076
General Fund	2,099,353	2,148,954	2,186,345	2,582,171	2,559,953
State/Other Special Rev. Funds	1,399,846	1,729,049	1,764,529	1,880,403	1,947,312
Federal Spec. Rev. Funds	892,051	1,207,534	1,212,034	1,226,548	875,811
Total Funds	\$4,391,250	\$5,085,537	\$5,162,908	\$5,689,122	\$5,383,076
Total Ongoing	\$4,391,250	\$5,085,537	\$5,162,908	\$5,589,122	\$5,233,076
Total OTO	\$0	\$0	\$0	\$100,000	\$150,000

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

Present Law Adjustments	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	419,030	62,524	(1,892)	479,662	0.00	416,905	62,433	(2,629)	476,709
DP 2 - Fixed Costs	0.00	32,493	0	15,102	47,595	0.00	11,940	0	15,102	27,042
DP 3 - Inflation Deflation	0.00	1,510	0	0	1,510	0.00	1,874	0	0	1,874
DP 5 - Coal Severance Tax Allotment	0.00	0	52,496	0	52,496	0.00	0	69,496	0	69,496
DP 7 - MLIAC & LSTA Grant Authority Adjustment	0.00	0	(100,000)	0	(100,000)	0.00	0	(100,000)	(350,000)	(450,000)
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	854	1,304	2,158	0.00	0	854	1,304	2,158
Grand Total All Present Law Adjustments	0.00	\$453,033	\$15,874	\$14,514	\$483,421	0.00	\$430,719	\$32,783	(\$336,223)	\$127,279

*"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 adopted adjustments to the present law personal services budget.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted 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 - Coal Severance Tax Allotment -

The legislature adopted an increase in the coal severance tax authority to the Montana State Library due to increased revenue projections.

DP 7 - MLIAC & LSTA Grant Authority Adjustment -

The legislature adopted to reduce state special revenue authority for the Montana Land Information Advisory Council to align projects and expenditures with needed authority. Additionally, the legislature adopted to reduce federal special revenue authority to align Library Services and Technology Act grant activities with needed authority.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

New Proposals

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

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 9 - FTE Reductions	(1.00)	(57,207)	0	0	(57,207)	(1.00)	(57,111)	0	0	(57,111)
DP 10 - Montana State Library Funding (OTO)	0.00	0	100,000	0	100,000	0.00	0	150,000	0	150,000
Total	(1.00)	(\$57,207)	\$100,000	\$0	\$42,793	(1.00)	(\$57,111)	\$150,000	\$0	\$92,889

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

DP 9 - FTE Reductions -

The legislature adopted a reduction of 1.00 FTE, and associated general fund appropriations, to make permanent reductions as the result of SB 261 during the 2017 Legislative Session.

DP 10 - Montana State Library Funding (OTO) -

The legislature adopted a one-time-only appropriation of state special revenue revenue for the Montana State Library. This decision package was adopted to provide a partial offset of reductions experienced as a result of SB 261 during the 2017 Legislative Session. The funds were transferred from the consumer protection account via HB 684.

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

Proprietary Revenue and Expenses

The MSC 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 library signs upon joining this consortium, the annual fee 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:

- Individual library's titles count
- Patron count
- Circulation count
- Equal share contribution

Agency Budget Comparison

Agency Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	6,032,843	6,474,009	441,166	7.31 %
Operating Expenses	3,442,628	3,777,961	335,333	9.74 %
Equipment & Intangible Assets	160,068	188,020	27,952	17.46 %
Grants	174,240	174,240	0	0.00 %
Total Expenditures	\$9,809,779	\$10,614,230	\$804,451	8.20 %
General Fund	5,255,234	5,932,122	676,888	12.88 %
State/Other Special Rev. Funds	1,534,552	1,842,173	307,621	20.05 %
Federal Spec. Rev. Funds	1,658,714	1,596,057	(62,657)	(3.78)%
Proprietary Funds	1,361,279	1,243,878	(117,401)	(8.62)%
Total Funds	\$9,809,779	\$10,614,230	\$804,451	8.20 %
Total Ongoing	\$9,809,779	\$10,614,230	\$804,451	8.20 %
Total OTO	\$0	\$0	\$0	0.00 %

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, publishing the state historical magazine and books. MHS administers the preservation and antiquities acts, supporting commissions with state historical orientation and provides technical assistance to all Montana museums, historical societies, preservation programs, and owners of historic resources.

For additional information, please refer to the agency profile. The agency profile may be viewed at <https://leg.mt.gov/content/Publications/fiscal/BA-2021/Section-E/Agency-Profiles/5117-MHS.pdf>.

Agency Highlights

Montana Historical Society Major Budget Highlights
<ul style="list-style-type: none"> • The legislature adopted an increase to the Montana Historical Society's total biennial appropriation of approximately \$804,000 or 8.2% compared to the 2019 biennium appropriation • The legislature adopted a reduced amount of the proposed reinstatement of personal services • The legislature adopted the reduction of 4.01 FTE for a personal services savings of \$0.5 million

Agency Actuals and Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	58.39	58.39	54.38	54.38
Personal Services	2,928,101	2,945,028	3,087,815	3,236,869	3,237,140
Operating Expenses	1,644,159	1,758,341	1,684,287	1,892,621	1,885,340
Equipment & Intangible Assets	66,057	66,058	94,010	94,010	94,010
Grants	73,200	87,120	87,120	87,120	87,120
Total Expenditures	\$4,711,517	\$4,856,547	\$4,953,232	\$5,310,620	\$5,303,610
General Fund	2,553,796	2,593,159	2,662,075	2,986,814	2,945,308
State/Other Special Rev. Funds	766,101	768,776	765,776	905,359	936,814
Federal Spec. Rev. Funds	756,025	818,165	840,549	796,635	799,422
Proprietary Funds	635,595	676,447	684,832	621,812	622,066
Total Funds	\$4,711,517	\$4,856,547	\$4,953,232	\$5,310,620	\$5,303,610
Total Ongoing	\$4,711,517	\$4,856,547	\$4,953,232	\$5,310,620	\$5,303,610
Total OTO	\$0	\$0	\$0	\$0	\$0

Summary of Legislative Action

The legislature approved an increase in total appropriation of \$804,451 or 8.2% compared to the 2019 biennium. The legislature adopted all statewide present law adjustments for fixed costs, inflation deflation, and statewide cost allocation plan (SWCAP). The statewide present law adjustment for personal services was adjusted to adopt 50.0% of the proposed reinstatement from SB 261 reductions of the 2017 Legislative Session. The legislature adopted the executive's proposal to permanently reduce 4.01 FTE and associated funding also as a result of SB 261.

Funding

The following table shows agency funding by source of authority.

Total Montana Historical Society Funding by Source of Authority 2021 Biennium Budget Request - Montana Historical Society						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	5,932,122	0	0	0	5,932,122	52.13 %
State Special Total	1,842,173	0	0	766,291	2,608,464	22.92 %
Federal Special Total	1,596,057	0	0	0	1,596,057	14.02 %
Proprietary Total	1,243,878	0	0	0	1,243,878	10.93 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$10,614,230	\$0	\$0	\$766,291	\$11,380,521	
Percent - Total All Sources	93.27 %	0.00 %	0.00 %	6.73 %		

The Montana Historical Society is funded through a combination of general fund, state special revenue, federal special revenue, and proprietary revenue as shown in the table above.

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

In addition, the Montana Historical Society receives statutory authority which includes:

- Montana Historical Society Membership fees
- Entrance fees charged at the Original Governor's Mansion
- A 1.0% allocation of the lodging facility use tax
- One fourth of the revenue generated from the sale of Lewis and Clark license plates

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	2,662,075	2,662,075	5,324,150	89.75 %	4,953,232	4,953,232	9,906,464	93.33 %
SWPL Adjustments	56,289	16,235	72,524	1.22 %	79,186	43,479	122,665	1.16 %
PL Adjustments	515,599	513,973	1,029,572	17.36 %	398,003	398,100	796,103	7.50 %
New Proposals	(247,149)	(246,975)	(494,124)	(8.33)%	(119,801)	(91,201)	(211,002)	(1.99)%
Total Budget	\$2,986,814	\$2,945,308	\$5,932,122		\$5,310,620	\$5,303,610	\$10,614,230	

Other Legislation

SB 338 -- Montana Museums Act of 2020

The 2019 Legislature approved the Montana Museums Act of 2020 which provides a funding mechanism and the authority to construct a new Montana Heritage Center. SB 338 established a increase of the sales tax on accomodations and campgrounds and maintained the sales tax rate on rental vehicles. Until December 30, 2024, a portion of revenue of the sales tax are to be distributed as follows:

- 20.0% for the construction of the Montana Heritage Center
- 5.0% for historic preservation grants

Starting January 1, 2025, a portion of revenue of the sales tax are to be distributed as follows:

- 6.0% for operation and maintenance of the Montana Heritage Center
- 6.0% for historic preservation grants

In addition, SB 338 dedicates portions of the sales tax revenues for capital development long-range building programs, to the Department of Transportation for senior citizen and persons with disabilities transportation services, to the Department of Commerce for tourism and promotion, to the Department of Fish, Wildlife, and Parks for maintenance of facilities in state parks, and the to the state-tribal economic development commission for activities in the Indian tourism region.

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 2019	Executive Budget Fiscal 2020	Legislative Budget Fiscal 2020	Leg — Exec. Difference Fiscal 2020	Executive Budget Fiscal 2021	Legislative Budget Fiscal 2021	Leg — Exec. Difference Fiscal 2021	Biennium Difference Fiscal 20-21
FTE	58.39	54.38	54.38	0.00	54.38	54.38	0.00	0.00
Personal Services	3,087,815	3,608,182	3,236,869	(371,313)	3,608,453	3,237,140	(371,313)	(742,626)
Operating Expenses	1,684,287	1,763,473	1,892,621	129,148	1,727,766	1,885,340	157,574	286,722
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
Total Costs	\$4,953,232	\$5,552,785	\$5,310,620	(\$242,165)	\$5,517,349	\$5,303,610	(\$213,739)	(\$455,904)
General Fund	2,662,075	3,308,628	2,986,814	(321,814)	3,267,122	2,945,308	(321,814)	(643,628)
State/other Special Rev. Funds	765,776	768,147	905,359	137,212	768,394	936,814	168,420	305,632
Federal Spec. Rev. Funds	840,549	820,285	796,635	(23,650)	823,076	799,422	(23,654)	(47,304)
Other	684,832	655,725	621,812	(33,913)	658,757	622,066	(36,691)	(70,604)
Total Funds	\$4,953,232	\$5,552,785	\$5,310,620	(\$242,165)	\$5,517,349	\$5,303,610	(\$213,739)	(\$455,904)
Total Ongoing	\$4,953,232	\$5,552,785	\$5,310,620	(\$242,165)	\$5,517,349	\$5,303,610	(\$213,739)	(\$455,904)
Total OTO	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

The legislature adopted a budget that is approximately \$456,000 less than the proposed executive budget for the 2021 biennium.

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

- The legislature adopted a reduced amount of the proposed reinstatement of personal services
- The legislature adopted an increase in the statewide cost allocation plan

Program Budget Comparison

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	1,611,937	1,753,982	142,045	8.81 %
Operating Expenses	708,772	643,467	(65,305)	(9.21)%
Equipment & Intangible Assets	28,368	56,736	28,368	100.00 %
Total Expenditures	\$2,349,077	\$2,454,185	\$105,108	4.47 %
General Fund	1,638,054	1,874,419	236,365	14.43 %
State/Other Special Rev. Funds	54,918	105,480	50,562	92.07 %
Federal Spec. Rev. Funds	151,927	79,679	(72,248)	(47.55)%
Proprietary Funds	504,178	394,607	(109,571)	(21.73)%
Total Funds	\$2,349,077	\$2,454,185	\$105,108	4.47 %
Total Ongoing	\$2,349,077	\$2,454,185	\$105,108	4.47 %
Total OTO	\$0	\$0	\$0	0.00 %

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
<ul style="list-style-type: none"> • The legislature adopted an increase to the Administration Program biennial appropriation by \$105,000 or 4.5% due in large part to present law adjustments <ul style="list-style-type: none"> ◦ The proposed reinstatement of present law adjustments was reduced \$134,179 as part of the SWPL adjustment for personal services • The legislature adopted a reduction of 1.51 FTE and associated funding

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	16.19	16.19	14.68	14.68
Personal Services	764,882	779,267	832,670	877,452	876,530
Operating Expenses	372,093	418,513	290,259	342,665	300,802
Equipment & Intangible Assets	0	0	28,368	28,368	28,368
Total Expenditures	\$1,136,975	\$1,197,780	\$1,151,297	\$1,248,485	\$1,205,700
General Fund	830,169	869,538	768,516	959,533	914,886
State/Other Special Rev. Funds	757	2,222	52,696	52,740	52,740
Federal Spec. Rev. Funds	73,194	74,599	77,328	38,978	40,701
Proprietary Funds	232,855	251,421	252,757	197,234	197,373
Total Funds	\$1,136,975	\$1,197,780	\$1,151,297	\$1,248,485	\$1,205,700
Total Ongoing	\$1,136,975	\$1,197,780	\$1,151,297	\$1,248,485	\$1,205,700
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows 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	1,874,419	0	0	1,874,419	71.70 %
02041 MHS Membership	0	0	160,058	160,058	60.28 %
02188 Senate Art	3,458	0	0	3,458	1.30 %
02853 Accommodation Tax	102,022	0	0	102,022	38.42 %
State Special Total	\$105,480	\$0	\$160,058	\$265,538	10.16 %
03021 Historic Sites Preservation	79,679	0	0	79,679	100.00 %
Federal Special Total	\$79,679	\$0	\$0	\$79,679	3.05 %
06071 Merchandise - Historical Soc	321,991	0	0	321,991	81.60 %
06073 Historical Society Management	72,616	0	0	72,616	18.40 %
Proprietary Total	\$394,607	\$0	\$0	\$394,607	15.09 %
Total All Funds	\$2,454,185	\$0	\$160,058	\$2,614,243	

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

A portion of state special revenue is received from memberships fees which are a statutory appropriation for the improvement, development, and operation of the historical society.

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	768,516	768,516	1,537,032	82.00 %	1,151,297	1,151,297	2,302,594	93.82 %
SWPL Adjustments	49,712	7,710	57,422	3.06 %	52,131	10,268	62,399	2.54 %
PL Adjustments	229,546	226,711	456,257	24.34 %	133,298	132,186	265,484	10.82 %
New Proposals	(88,241)	(88,051)	(176,292)	(9.41)%	(88,241)	(88,051)	(176,292)	(7.18)%
Total Budget	\$959,533	\$914,886	\$1,874,419		\$1,248,485	\$1,205,700	\$2,454,185	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Fixed Costs	0.00	49,669	6	0	52,088	0.00	7,657	6	0	10,215
DP 3 - Inflation Deflation	0.00	43	0	0	43	0.00	53	0	0	53
DP 50 - Personal Services Adjustment	0.00	229,546	0	(38,406)	133,023	0.00	226,711	0	(36,683)	131,911
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	38	56	275	0.00	0	38	56	275
Grand Total All Present Law Adjustments	0.00	\$279,258	\$44	(\$38,350)	\$185,429	0.00	\$234,421	\$44	(\$36,627)	\$142,454

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

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted 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 50 - Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/ program.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

New Proposals

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

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 4 - Position Reductions	(1.51)	(88,241)	0	0	(88,241)	(1.51)	(88,051)	0	0	(88,051)
Total	(1.51)	(\$88,241)	\$0	\$0	(\$88,241)	(1.51)	(\$88,051)	\$0	\$0	(\$88,051)

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

DP 4 - Position Reductions -

The legislature adopted a reduction of 1.51 FTE, and associated general fund appropriations, to make certain reductions from SB 261 (2017 Legislative Session) permanent.

Program Budget Comparison

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	1,420,517	1,478,133	57,616	4.06 %
Operating Expenses	661,949	814,727	152,778	23.08 %
Equipment & Intangible Assets	113,628	117,694	4,066	3.58 %
Total Expenditures	\$2,196,094	\$2,410,554	\$214,460	9.77 %
General Fund	1,898,478	1,970,577	72,099	3.80 %
State/Other Special Rev. Funds	228,110	369,834	141,724	62.13 %
Proprietary Funds	69,506	70,143	637	0.92 %
Total Funds	\$2,196,094	\$2,410,554	\$214,460	9.77 %
Total Ongoing	\$2,196,094	\$2,410,554	\$214,460	9.77 %
Total OTO	\$0	\$0	\$0	0.00 %

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

Research Center Major Budget Highlights
<ul style="list-style-type: none"> • The legislature adopted an increase to the Research Center biennial appropriation by \$214,460 or 9.8% due in part to the present law adjustments <ul style="list-style-type: none"> ◦ The proposed reinstatement of present law adjustments was reduced \$149,216 as part of the SWPL adjustment for personal services • The legislature adopted a reduction of 2.00 FTE and associated funding

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	15.50	15.50	13.50	13.50
Personal Services	703,607	703,604	716,913	738,505	739,628
Operating Expenses	329,603	332,789	329,160	399,291	415,436
Equipment & Intangible Assets	54,780	54,781	58,847	58,847	58,847
Total Expenditures	\$1,087,990	\$1,091,174	\$1,104,920	\$1,196,643	\$1,213,911
General Fund	942,371	942,366	956,112	983,756	986,821
State/Other Special Rev. Funds	114,029	114,055	114,055	177,814	192,020
Proprietary Funds	31,590	34,753	34,753	35,073	35,070
Total Funds	\$1,087,990	\$1,091,174	\$1,104,920	\$1,196,643	\$1,213,911
Total Ongoing	\$1,087,990	\$1,091,174	\$1,104,920	\$1,196,643	\$1,213,911
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows 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	1,970,577	0	0	1,970,577	81.75 %	
02131 HIS/LSD MOU	0	0	0	0	0.00 %	
02406 Cultural And Aesthetic Project	0	0	0	0	0.00 %	
02853 Accommodation Tax	369,834	0	0	369,834	100.00 %	
State Special Total	\$369,834	\$0	\$0	\$369,834	15.34 %	
03102 Federal Grants	0	0	0	0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
06072 MHS Photo Archives Enterprise	33,607	0	0	33,607	47.91 %	
06076 MHS Library Enterprise Funds	36,536	0	0	36,536	52.09 %	
Proprietary Total	\$70,143	\$0	\$0	\$70,143	2.91 %	
Total All Funds	\$2,410,554	\$0	\$0	\$2,410,554		

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 table 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 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	956,112	956,112	1,912,224	97.04 %	1,104,920	1,104,920	2,209,840	91.67 %
SWPL Adjustments	6,052	7,994	14,046	0.71 %	6,333	8,265	14,598	0.61 %
PL Adjustments	137,958	138,810	276,768	14.04 %	138,082	138,934	277,016	11.49 %
New Proposals	(116,366)	(116,095)	(232,461)	(11.80)%	(52,692)	(38,208)	(90,900)	(3.77)%
Total Budget	\$983,756	\$986,821	\$1,970,577		\$1,196,643	\$1,213,911	\$2,410,554	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Fixed Costs	0.00	5,903	(10)	0	6,184	0.00	7,809	(17)	0	8,080
DP 3 - Inflation Deflation	0.00	149	0	0	149	0.00	185	0	0	185
DP 50 - Personal Services Adjustment	0.00	137,958	0	0	137,958	0.00	138,810	0	0	138,810
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	95	0	124	0.00	0	95	0	124
Grand Total All Present Law Adjustments	0.00	\$144,010	\$85	\$0	\$144,415	0.00	\$146,804	\$78	\$0	\$147,199

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

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted 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 50 - Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/ program.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

New Proposals

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

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 4 - Position Reductions	(2.00)	(116,366)	0	0	(116,366)	(2.00)	(116,095)	0	0	(116,095)
DP 10 - Accommodations Tax Authority	0.00	0	63,674	0	63,674	0.00	0	77,887	0	77,887
Total	(2.00)	(\$116,366)	\$63,674	\$0	(\$52,692)	(2.00)	(\$116,095)	\$77,887	\$0	(\$38,208)

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

DP 4 - Position Reductions -

The legislature adopted a reduction of 2.00 FTE, and associated general fund appropriations, to make certain reductions from SB 261 (2017 Legislative Session) permanent.

DP 10 - Accommodations Tax Authority -

The legislature adopted an increase in state special revenue authority from the accommodations tax to match HJ 2 revenue projections.

Program Budget Comparison

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	909,924	972,697	62,773	6.90 %
Operating Expenses	1,145,330	1,338,467	193,137	16.86 %
Equipment & Intangible Assets	18,072	13,590	(4,482)	(24.80)%
Total Expenditures	\$2,073,326	\$2,324,754	\$251,428	12.13 %
General Fund	1,030,661	1,172,971	142,310	13.81 %
State/Other Special Rev. Funds	1,035,647	1,145,686	110,039	10.63 %
Proprietary Funds	7,018	6,097	(921)	(13.12)%
Total Funds	\$2,073,326	\$2,324,754	\$251,428	12.13 %
Total Ongoing	\$2,073,326	\$2,324,754	\$251,428	12.13 %
Total OTO	\$0	\$0	\$0	0.00 %

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

Museum Program Major Budget Highlights
<ul style="list-style-type: none"> • The legislature adopted an increase to the Museum Program biennial appropriation by \$251,428 or 12.1% due to present law adjustments <ul style="list-style-type: none"> ◦ The proposed reinstatement of present law adjustments was reduced \$11,897 as part of the SWPL adjustment for personal services

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	7.75	7.75	7.75	7.75
Personal Services	440,740	440,741	469,183	486,401	486,296
Operating Expenses	557,158	558,487	586,843	660,734	677,733
Equipment & Intangible Assets	11,277	11,277	6,795	6,795	6,795
Total Expenditures	\$1,009,175	\$1,010,505	\$1,062,821	\$1,153,930	\$1,170,824
General Fund	461,868	461,869	568,792	586,535	586,436
State/Other Special Rev. Funds	543,445	544,627	491,020	564,346	581,340
Proprietary Funds	3,862	4,009	3,009	3,049	3,048
Total Funds	\$1,009,175	\$1,010,505	\$1,062,821	\$1,153,930	\$1,170,824
Total Ongoing	\$1,009,175	\$1,010,505	\$1,062,821	\$1,153,930	\$1,170,824
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows 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	1,172,971	0	0	1,172,971	45.80 %
02009 Cultural And Aesthetic Project	0	0	0	0	0.00 %
02045 Original Governor's Mansion	3,356	0	5,969	9,325	0.67 %
02123 Sites & Signs	0	0	104,150	104,150	7.54 %
02853 Accommodation Tax	1,142,330	0	0	1,142,330	82.67 %
02986 Lewis & Clark License Plates	0	0	125,928	125,928	9.11 %
State Special Total	\$1,145,686	\$0	\$236,047	\$1,381,733	53.96 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
06077 MHS Museum Enterprise Funds	6,097	0	0	6,097	100.00 %
Proprietary Total	\$6,097	\$0	\$0	\$6,097	0.24 %
Total All Funds	\$2,324,754	\$0	\$236,047	\$2,560,801	

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

A portion of the funding for the Montana Historical Society is statutory appropriations. The tour fees from the Original Governor's Mansion are statutorily appropriated for the maintenance, upkeep and operation of the mansion. Along with one-fourth of the revenue from the sales of Lewis and Clark bicentennial license plates for projects related to Lewis and Clark.

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	568,792	568,792	1,137,584	96.98 %	1,062,821	1,062,821	2,125,642	91.44 %
SWPL Adjustments	525	531	1,056	0.09 %	9,284	12,070	21,354	0.92 %
PL Adjustments	17,218	17,113	34,331	2.93 %	18,151	18,046	36,197	1.56 %
New Proposals	0	0	0	0.00 %	63,674	77,887	141,561	6.09 %
Total Budget	\$586,535	\$586,436	\$1,172,971		\$1,153,930	\$1,170,824	\$2,324,754	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Fixed Costs	0.00	493	34	0	9,252	0.00	491	33	0	12,030
DP 3 - Inflation Deflation	0.00	32	0	0	32	0.00	40	0	0	40
DP 11 - Fixed Costs Fund Adjustment	0.00	0	8,691	0	0	0.00	0	11,473	0	0
DP 50 - Personal Services Adjustment	0.00	17,218	0	0	17,218	0.00	17,113	0	0	17,113
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	927	0	933	0.00	0	927	0	933
Grand Total All Present Law Adjustments	0.00	\$17,743	\$9,652	\$0	\$27,435	0.00	\$17,644	\$12,433	\$0	\$30,116

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

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted 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 11 - Fixed Costs Fund Adjustment -

The legislature adopted a correction to the funding for DP 3 Fixed Costs for the Museum Program.

DP 50 - Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/ program.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

New Proposals

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

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 10 - Accommodations Tax Authority	0.00	0	63,674	0	63,674	0.00	0	77,887	0	77,887
Total	0.00	\$0	\$63,674	\$0	\$63,674	0.00	\$0	\$77,887	\$0	\$77,887

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

DP 10 - Accommodations Tax Authority -

The legislature adopted an increase in state special revenue authority from the accommodations tax to match HJ 2 revenue projections.

Program Budget Comparison

Program Budget Comparison					
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change	
Personal Services	585,096	643,282	58,186	9.94 %	
Operating Expenses	313,044	339,288	26,244	8.38 %	
Total Expenditures	\$898,140	\$982,570	\$84,430	9.40 %	
General Fund	245,661	355,480	109,819	44.70 %	
Proprietary Funds	652,479	627,090	(25,389)	(3.89)%	
Total Funds	\$898,140	\$982,570	\$84,430	9.40 %	
Total Ongoing	\$898,140	\$982,570	\$84,430	9.40 %	
Total OTO	\$0	\$0	\$0	0.00 %	

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
<ul style="list-style-type: none"> • The legislature adopted an increase to the Publications Program biennial appropriation by \$84,430 or 9.4% due to present law adjustments <ul style="list-style-type: none"> ◦ The proposed reinstatement of present law adjustments was reduced \$19,173 as part of the SWPL adjustment for personal services

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	5.00	5.00	5.00	5.00
Personal Services	297,891	297,933	287,163	321,879	321,403
Operating Expenses	144,290	146,068	166,976	169,577	169,711
Total Expenditures	\$442,181	\$444,001	\$454,139	\$491,456	\$491,114
General Fund	116,536	116,536	129,125	177,978	177,502
Proprietary Funds	325,645	327,465	325,014	313,478	313,612
Total Funds	\$442,181	\$444,001	\$454,139	\$491,456	\$491,114
Total Ongoing	\$442,181	\$444,001	\$454,139	\$491,456	\$491,114
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows 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	355,480	0	0	355,480	36.18 %	
02386 MHS Misc MOU's	0	0	0	0	0.00 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
06002 MHS Publications Enterprise	627,090	0	0	627,090	100.00 %	
Proprietary Total	\$627,090	\$0	\$0	\$627,090	63.82 %	
Total All Funds	\$982,570	\$0	\$0	\$982,570		

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 table 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 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	129,125	129,125	258,250	72.65 %	454,139	454,139	908,278	92.44 %
SWPL Adjustments	0	0	0	0.00 %	2,192	2,326	4,518	0.46 %
PL Adjustments	48,853	48,377	97,230	27.35 %	35,125	34,649	69,774	7.10 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$177,978	\$177,502	\$355,480		\$491,456	\$491,114	\$982,570	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Fixed Costs	0.00	0	0	0	2,172	0.00	0	0	0	2,301
DP 3 - Inflation Deflation	0.00	0	0	0	20	0.00	0	0	0	25
DP 50 - Personal Services Adjustment	0.00	48,853	0	0	34,716	0.00	48,377	0	0	34,240
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	0	0	409	0.00	0	0	0	409
Grand Total All Present Law Adjustments	0.00	\$48,853	\$0	\$0	\$37,317	0.00	\$48,377	\$0	\$0	\$36,975

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

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted 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 50 - Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/program.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

Program Budget Comparison

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	393,954	446,729	52,775	13.40 %
Operating Expenses	268,697	271,580	2,883	1.07 %
Total Expenditures	\$662,651	\$718,309	\$55,658	8.40 %
General Fund	393,954	446,729	52,775	13.40 %
State/Other Special Rev. Funds	215,877	221,173	5,296	2.45 %
Proprietary Funds	52,820	50,407	(2,413)	(4.57)%
Total Funds	\$662,651	\$718,309	\$55,658	8.40 %
Total Ongoing	\$662,651	\$718,309	\$55,658	8.40 %
Total OTO	\$0	\$0	\$0	0.00 %

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

Education Program Major Budget Highlights
<ul style="list-style-type: none"> • The legislature adopted an increase to the Education Program biennial appropriation by \$55,658 or 8.4% due in part to the present law adjustments <ul style="list-style-type: none"> ◦ The proposed reinstatement of present law adjustments was reduced \$45,097 as part of the SWPL adjustment for personal services • The legislature adopted a reduction of 0.50 FTE and associated funding

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021
FTE	0.00	4.95	4.95	4.45	4.45
Personal Services	180,963	180,962	212,992	222,931	223,798
Operating Expenses	132,808	135,532	133,165	135,664	135,916
Total Expenditures	\$313,771	\$316,494	\$346,157	\$358,595	\$359,714
General Fund	180,963	180,962	212,992	222,931	223,798
State/Other Special Rev. Funds	107,870	107,872	108,005	110,459	110,714
Proprietary Funds	24,938	27,660	25,160	25,205	25,202
Total Funds	\$313,771	\$316,494	\$346,157	\$358,595	\$359,714
Total Ongoing	\$313,771	\$316,494	\$346,157	\$358,595	\$359,714
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows 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	446,729	0	0	446,729	41.04 %
02123 Sites & Signs	0	0	370,186	370,186	62.60 %
02853 Accommodation Tax	221,173	0	0	221,173	37.40 %
State Special Total	\$221,173	\$0	\$370,186	\$591,359	54.33 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
06022 MHS Education Enterprise Funds	50,407	0	0	50,407	100.00 %
Proprietary Total	\$50,407	\$0	\$0	\$50,407	4.63 %
Total All Funds	\$718,309	\$0	\$370,186	\$1,088,495	

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 1.0% 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 table 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 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	212,992	212,992	425,984	95.36 %	346,157	346,157	692,314	96.38 %
SWPL Adjustments	0	0	0	0.00 %	2,384	2,636	5,020	0.70 %
PL Adjustments	52,481	53,635	106,116	23.75 %	52,596	53,750	106,346	14.80 %
New Proposals	(42,542)	(42,829)	(85,371)	(19.11)%	(42,542)	(42,829)	(85,371)	(11.88)%
Total Budget	\$222,931	\$223,798	\$446,729		\$358,595	\$359,714	\$718,309	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Fixed Costs	0.00	0	2,245	0	2,288	0.00	0	2,476	0	2,516
DP 3 - Inflation Deflation	0.00	0	96	0	96	0.00	0	120	0	120
DP 50 - Personal Services Adjustment	0.00	52,481	0	0	52,481	0.00	53,635	0	0	53,635
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	113	0	115	0.00	0	113	0	115
Grand Total All Present Law Adjustments	0.00	\$52,481	\$2,454	\$0	\$54,980	0.00	\$53,635	\$2,709	\$0	\$56,386

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

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted 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 50 - Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/ program.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).

New Proposals

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

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 4 - Position Reductions	(0.50)	(42,542)	0	0	(42,542)	(0.50)	(42,829)	0	0	(42,829)
Total	(0.50)	(\$42,542)	\$0	\$0	(\$42,542)	(0.50)	(\$42,829)	\$0	\$0	(\$42,829)

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

DP 4 - Position Reductions -

The legislature adopted a reduction of 0.50 FTE, and associated general fund appropriations, to make certain reductions from SB 261 (2017 Legislative Session) permanent.

Program Budget Comparison

Program Budget Comparison				
Budget Item	Appropriated Budget 18-19	Legislative Budget 20-21	Biennium Change	Biennium % Change
Personal Services	1,111,415	1,179,186	67,771	6.10 %
Operating Expenses	344,836	370,432	25,596	7.42 %
Grants	174,240	174,240	0	0.00 %
Total Expenditures	\$1,630,491	\$1,723,858	\$93,367	5.73 %
General Fund	48,426	111,946	63,520	131.17 %
Federal Spec. Rev. Funds	1,506,787	1,516,378	9,591	0.64 %
Proprietary Funds	75,278	95,534	20,256	26.91 %
Total Funds	\$1,630,491	\$1,723,858	\$93,367	5.73 %
Total Ongoing	\$1,630,491	\$1,723,858	\$93,367	5.73 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Historic Preservation Office administers the Montana Antiquities Act and Montana's participation in the National Historic Preservation Act of 1966, as amended. 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

Historic Preservation Program Major Budget Highlights
<ul style="list-style-type: none"> • The legislature adopted an increase to the Historic Preservation Program biennial appropriation by \$93,367 or 5.7% due to present law adjustments <ul style="list-style-type: none"> ◦ The proposed reinstatement of present law adjustments was reduced \$11,768 as part of the SWPL adjustment for personal services

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget by type of expenditure and source of funding.

Program Actuals and Budget Comparison						
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Legislative Fiscal 2020	Legislative Fiscal 2021	
FTE	0.00	9.00	9.00	9.00	9.00	9.00
Personal Services	540,018	542,521	568,894	589,701	589,485	
Operating Expenses	108,207	166,952	177,884	184,690	185,742	
Grants	73,200	87,120	87,120	87,120	87,120	
Total Expenditures	\$721,425	\$796,593	\$833,898	\$861,511	\$862,347	
General Fund	21,889	21,888	26,538	56,081	55,865	
Federal Spec. Rev. Funds	682,831	743,566	763,221	757,657	758,721	
Proprietary Funds	16,705	31,139	44,139	47,773	47,761	
Total Funds	\$721,425	\$796,593	\$833,898	\$861,511	\$862,347	
Total Ongoing	\$721,425	\$796,593	\$833,898	\$861,511	\$862,347	
Total OTO	\$0	\$0	\$0	\$0	\$0	

Funding

The following table shows 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	111,946	0	0	111,946	6.49 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
03021 Historic Sites Preservation	1,516,378	0	0	1,516,378	100.00 %	
03102 Federal Grants	0	0	0	0	0.00 %	
Federal Special Total	\$1,516,378	\$0	\$0	\$1,516,378	87.96 %	
06013 SHPO ENTERPRISE FUND	95,534	0	0	95,534	100.00 %	
Proprietary Total	\$95,534	\$0	\$0	\$95,534	5.54 %	
Total All Funds	\$1,723,858	\$0	\$0	\$1,723,858		

The program is funded through a combination of:

- General fund
- Federal special revenue
- Proprietary

Federal special revenue is from the National Park Service for historic site preservation. Proprietary funds are generated from fees for historical preservation assistance and services and are used to enhance and maintain the agency’s antiquities database.

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	26,538	26,538	53,076	47.41 %	833,898	833,898	1,667,796	96.75 %
SWPL Adjustments	0	0	0	0.00 %	6,862	7,914	14,776	0.86 %
PL Adjustments	29,543	29,327	58,870	52.59 %	20,751	20,535	41,286	2.40 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$56,081	\$55,865	\$111,946		\$861,511	\$862,347	\$1,723,858	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the 2021 biennium budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were based on the discussion and action of each subcommittee.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Fixed Costs	0.00	0	0	3,144	6,808	0.00	0	0	4,198	7,846
DP 3 - Inflation Deflation	0.00	0	0	54	54	0.00	0	0	68	68
DP 50 - Personal Services Adjustment	0.00	29,543	0	(8,736)	20,807	0.00	29,327	0	(8,736)	20,591
DP 55 - SWPL Fixed Cost Adjustment	0.00	0	0	(26)	(56)	0.00	0	0	(30)	(56)
Grand Total All Present Law Adjustments	0.00	\$29,543	\$0	(\$5,564)	\$27,613	0.00	\$29,327	\$0	(\$4,500)	\$28,449

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

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted 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 50 - Personal Services Adjustment -

The legislature adopted a present law increase in personal services to maintain operations and services of the agency/ program.

DP 55 - SWPL Fixed Cost Adjustment -

The legislature adopted an increase to the Statewide Cost Allocation Plan (SWCAP).