

Agency Budget Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	10,951,602	10,792,878	(158,724)	(1.45)%
Operating Expenses	13,987,628	14,813,281	825,653	5.90 %
Equipment & Intangible Assets	22,126	22,126	0	0.00 %
Local Assistance	28,099,483	29,020,344	920,861	3.28 %
Grants	35,569,041	35,442,080	(126,961)	(0.36)%
Transfers	478,858,830	498,685,533	19,826,703	4.14 %
Total Expenditures	\$567,488,710	\$588,776,242	\$21,287,532	3.75 %
General Fund	481,635,143	501,251,141	19,615,998	4.07 %
State/Other Special Rev. Funds	48,302,616	50,126,787	1,824,171	3.78 %
Federal Spec. Rev. Funds	36,329,666	36,177,206	(152,460)	(0.42)%
Proprietary Funds	1,221,285	1,221,108	(177)	(0.01)%
Total Funds	\$567,488,710	\$588,776,242	\$21,287,532	3.75 %
Total Ongoing	\$564,228,710	\$589,333,110	\$25,104,400	4.45 %
Total OTO	\$3,260,000	(\$556,868)	(\$3,816,868)	(117.08)%

Agency Description

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

The Office of the Commissioner of Higher Education (OCHE) is the state-level administrative organization of the Montana University System (MUS). The Montana Constitution, Article X, Section 9, grants governance authority over the MUS to the Board of Regents (regents), with seven members appointed by the Governor. All state funds appropriated by the legislature to the regents for the support of the MUS are channeled through OCHE. The Constitution charges the regents with hiring a Commissioner of Higher Education (CHE) who serves as its executive staff. The agency's 12 programs include:

- Administration - 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
- Student 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
- Community College Assistance – state funding for community colleges is budgeted in this program. Two-year community colleges are located in Kalispell, Glendive, and Miles City
- MUS Group Health Insurance - administers a system wide group benefit program for MUS campuses, agencies, and programs, and the state's community colleges. Both the employer and the employee participate in the cost of this program
- Educational Outreach and Diversity - a primarily federally funded program that serves at-risk and underrepresented populations to increase participation and retention in postsecondary education
- 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
- Workforce Development - the OCHE and the Office of Public Instruction coordinate the primarily federal efforts to support vocational education at the secondary and postsecondary levels
- Appropriation Distribution* - state funding for university educational units and agencies is budgeted in this program. The MUS campuses collectively serve approximately 23,000 resident full-time students. The units of the MUS include:
 - University Montana (UM) Missoula

- UM Montana Tech
- UM Western
- UM Helena
- Montana State University (MSU) Bozeman
- MSU Billings
- MSU Northern
- MSU Great Falls
- Research and Public Service Agencies - 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
- 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
- Guaranteed Student Loan Program - provides financial aid-related services for the benefit of students as determined by the board
- Board of Regents - provides travel expenses and per diem expenses for the Board of Regents

Please refer to the agency profile for the Commissioner of Higher Education at <https://leg.mt.gov/lfd/state-agency-profiles/commissioner-higher-education/> for additional information about the agency's organizational structure, historical expenditures, FY 2020 expenditure dashboard, and recent studies, audits, and legislation.

*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**

- The Commissioner of Higher Education's 2023 biennium appropriations are approximately \$21.3 million or 3.8% higher than the 2021 biennium. Significant biennial changes include:
 - Increases in restricted, biennial, one-time-only general fund appropriations of \$550,000 for a public/private partnership for a career and technical education (CTE) program related to finishing trades
 - Increases in general fund appropriations of \$1.0 million for Flathead Valley Community College and Bitterroot Valley Community College
 - Increases in general fund of \$13.3 million and state special revenue of \$1.7 million for present law adjustments for personal services, fixed costs, and audit costs in the Appropriation Distribution Program
 - Decreases in general fund appropriations of \$8.9 million for the state share insurance holiday in the Appropriation Distribution Program
 - Increases in general fund appropriations of \$4.8 million in the Appropriation Distribution Program for teacher education programs, workforce recovery programs, the Accelerate Montana Initiative, and the Cyber Hub Program
 - Increases in general fund of \$2.8 million for present law adjustments for personal service and fixed costs in the Research and Development Agencies
 - Increases in restricted, one-time-only general fund appropriations of \$200,000 for the Agricultural Experiment Stations Seed Lab and \$110,000 for the Agricultural Experiment Stations Wool Lab
 - Increases in restricted, one-time-only state special revenue of \$600,000 for the Montana Bureau of Mines and Geology data preservation project

Agency Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	50.22	50.22	50.22	50.22
Personal Services	4,568,366	5,516,563	5,435,039	5,358,113	5,434,765
Operating Expenses	3,416,873	7,053,999	6,933,629	7,182,788	7,630,493
Equipment & Intangible Assets	0	11,063	11,063	11,063	11,063
Local Assistance	13,921,066	13,921,066	14,178,417	15,020,699	13,999,645
Grants	15,401,229	17,474,363	18,094,678	17,418,390	18,023,690
Transfers	234,833,800	237,088,062	241,770,768	244,504,595	254,180,938
Total Expenditures	\$272,141,334	\$281,065,116	\$286,423,594	\$289,495,648	\$299,280,594
General Fund	237,477,693	238,460,105	243,175,038	245,870,187	255,380,954
State/Other Special Rev. Funds	23,460,637	23,918,364	24,384,252	24,949,790	25,176,997
Federal Spec. Rev. Funds	10,618,099	18,075,916	18,253,750	18,065,117	18,112,089
Proprietary Funds	584,905	610,731	610,554	610,554	610,554
Total Funds	\$272,141,334	\$281,065,116	\$286,423,594	\$289,495,648	\$299,280,594
Total Ongoing	\$270,669,584	\$279,535,116	\$284,693,594	\$293,857,516	\$295,475,594
Total OTO	\$1,471,750	\$1,530,000	\$1,730,000	(\$4,361,868)	\$3,805,000

Summary of Legislative Action

The legislature approved \$588.8 million in total appropriations for the 2023 biennium. This is an increase of 3.4% or approximately \$19.4 million in the 2023 biennium compared to the FY 2021 base appropriation.

Appropriations for Higher Education Institutions and Agencies

Of the \$588.8 million in total funds, 88.2% or \$519.3 million will be distributed to higher education institutions and agencies:

- Montana University System education units will receive \$425.9 million.
- Research and Development Agencies will receive \$62.7 million
- Community colleges will receive \$28.7 million
- Tribal colleges will receive \$2.0 million for the support of nonbeneficiary students and HiSET preparation

The legislature adopted increases from the FY 2021 base budget of \$17.1 million for these programs. Present law changes for personal services, fixed costs, and audit costs totaled approximately \$17.4 million. Additionally, the Appropriation Distribution Program received an additional \$4.8 million for teacher education programs, programs for workforce recovery from COVID-19, Accelerate Montana, and the Cyber Hub Program. The Community College Assistance Program received an additional \$1.0 million for Flathead Valley Community College and Bitterroot Valley Community College. These increases are partially offset by general fund decreases of \$8.9 million for the two-month state share insurance holiday.

Appropriations for the Student Assistance Program

The Student Assistance Program comprises 4.0% or \$23.4 million of total appropriations for the Commissioner of Higher Education. Types of assistance include:

- 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)
- Idaho College of Medicine (starting in FY 2023)

The legislature adopted increases from the FY 2021 base budget of \$1.9 million over the 2023 biennium for the Student

Assistance Program. This included increases of \$1.2 million for statewide present law adjustments and present law adjustments for personal service, fixed costs and the professional student exchange programs. Included in the present law adjustment for the professional student exchange programs is \$245,000 in FY 2023 for 10 slots in the Idaho College of Medicine. This funding is the result of HB 716, which was passed and approved by the 2019 Legislature.

Additionally, the legislature approved two new proposals. They adopted the transfer of 1.50 FTE from the Guaranteed Student Loan Program to the Student Assistance Program and general fund appropriations of \$250,000 over the 2023 biennium for operating expenses and personal services. The legislature also adopted general fund appropriations of \$500,000 over the biennium for the Grow Your Own Teacher Program included in HB 403.

Appropriations for Primarily Federally Funded Programs

Primarily federally funded programs, including Education Outreach and Diversity, Workforce Development, and Guaranteed Student Loan Programs, comprise 6.2% or \$36.6 million of the total biennial appropriation.

The legislature adopted decreases from the FY 2021 base budget of \$328,000 over the 2023 biennium for these programs. The adopted decreases are primarily due to the statewide present law adjustments for personal services and inflation/deflation. Additionally, the transfer of 1.50 FTE from the Guaranteed Student Loan Program to the Student Assistance Program is contributing to the decrease in federal special revenue appropriations.

Appropriations for Administrative Programs

The remaining 1.6% or \$9.5 million of the total biennial appropriations are for the operational and personal services expenses for the Board of Regents and the Office of the Commissioner of Higher Education.

The legislature adopted increases from the FY 2021 base budget of \$741,000 over the 2023 biennium for the Administration Program and the Board of Regents. The entire increase is in the Administration Program and partly due to the statewide present law adjustment for personal services and fixed costs. The legislature also approved restricted, biennial, one-time-only general fund appropriations of \$550,000 for a public/private partnership for a CTE program.

Shared Policy Goals

The legislature and the Commissioner of Higher Education worked together to develop shared policy goals. These shared policy goals covered five main areas including:

- Tribal College Transfer Partnerships – the MUS will enhance its efforts to engage tribal colleges to improve the experience of students transferring from tribal colleges to MUS institutions
- American Indian Language Linguistic Programs – establish one or more MUS campuses as internationally-recognized center(s) for the study of Montana American Indian languages
- Public-Private Joint Ventures for CTE – when possible, pursue public-private partnerships that expand workforce training programs
- Partnership with the Office of Public Instruction's (OPI) Digital Academy – refine the partnership between the MUS, the OPI, and the Digital Academy in order to expand dual enrollment course offerings
- Efficiency and Productivity – renew efforts to improve efficiency and productivity on and between campuses, and use quantitative data for assessments and comparisons to national standards and peers

Funding

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

Total Commissioner of Higher Education Funding by Source of Authority 2023 Biennium Budget Request - Commissioner of Higher Education						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	502,408,009	(1,156,868)	0	3,784,262	505,035,403	53.41 %
State Special Total	49,526,787	600,000	0	8,175,036	58,301,823	6.17 %
Federal Special Total	36,177,206	0	0	0	36,177,206	3.83 %
Proprietary Total	1,221,108	0	344,818,949	0	346,040,057	36.60 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$589,333,110	(\$556,868)	\$344,818,949	\$11,959,298	\$945,554,489	
Percent - Total All Sources	62.33 %	(0.06)%	36.47 %	1.26 %		

Nearly two-thirds of the funding for the agency is appropriated in HB 2. Approximately one-third of the funding does not require an appropriation as the funds are non-budgeted enterprise funds. The remaining one percent is statutory appropriation authority.

HB 2 funds are primarily general fund. Also included is state special revenue, with the majority being from the six-mill levy. Federal funds are also appropriated in HB 2 and are from various federal education grant programs.

Non-Budgeted Proprietary Funds

The agency administers two programs funded by enterprise funds:

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

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

Statutory Appropriations

The agency receives several statutory appropriations that are not included in HB 2. The MUS Retirement Program is a general fund statutory appropriation. The majority of the agency's statutory appropriations are from state special revenue, including:

- Montana Rural Physicians Incentive Program
- STEM Scholarships
- UM Bed Tax

More detail about statutory appropriations is provided in the program analyses.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	241,745,038	241,745,038	483,490,076	96.46 %	284,693,594	284,693,594	569,387,188	96.71 %
SWPL Adjustments	307,138	246,853	553,991	0.11 %	16,999	(40,764)	(23,765)	(0.00)%
PL Adjustments	7,255,884	9,348,419	16,604,303	3.31 %	8,038,680	10,402,807	18,441,487	3.13 %
New Proposals	(3,437,873)	4,040,644	602,771	0.12 %	(3,253,625)	4,224,957	971,332	0.17 %
Total Budget	\$245,870,187	\$255,380,954	\$501,251,141		\$289,495,648	\$299,280,594	\$588,776,242	

Other Legislation

HB 67 – Generally revise community college funding laws

The community college funding formula has been revised and the new formula will be effective for the 2025 biennium. There are two primary components to the base-plus funding formula: the prior biennia base budget plus inflation and funding additional FTE by area of study.

Additionally, HB 67 establishes a statutory appropriation for the reconciliation of the appropriation distributed to the community colleges. Any overpayment is deposited into the state special revenue account and any underpayment will be distributed to the applicable community college.

HB 179 – Generally revise laws related to community college

HB 179 clarifies the procedures for the organization of and funding for a new community college district. This bill also revises the organization of the local property tax levies. It creates a single voted operating levy for any community college created after January 1, 2021.

HB 403 – Create “grow your own” teacher grant program

The Grow Your Own Teacher Grant Program is intended to address educator recruitment and retention issues in rural Montana and Indian country. The Commissioner of Higher Education is responsible for developing programs that increase the teacher pipeline for rural and reservation school districts

HB 630 – Appropriate CARES II funds, supplemental, and temporarily revise ed funding

In addition to other changes, HB 630 revised the reversion calculation for the community colleges. The community colleges are not required to calculate a reversion for the 2021 biennium.

SB 110 – Revise state employee and U-system health plan laws for temp state share holiday

SB 110 allows that approving authority for the Montana University System to suspend the employer contribution to the university system group benefit plan for a period of up to 2 months.

SJ 15 – Approve organization of Bitterroot valley community college district

The legislature approved a joint resolution approving the establishment of the Bitterroot Valley Community College District located in Ravalli County.

Executive Budget Comparison

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2021	Executive Budget Fiscal 2022	Legislative Budget Fiscal 2022	Leg — Exec. Difference Fiscal 2022	Executive Budget Fiscal 2023	Legislative Budget Fiscal 2023	Leg — Exec. Difference Fiscal 2023	Biennium Difference Fiscal 22-23
FTE	50.22	50.22	50.22	0.00	50.22	50.22	0.00	0.00
Personal Services	5,435,039	5,340,942	5,358,113	17,171	5,417,450	5,434,765	17,315	34,486
Operating Expenses	6,933,629	7,090,694	7,182,788	92,094	7,063,478	7,630,493	567,015	659,109
Equipment & Intangible Assets	11,063	11,063	11,063	0	11,063	11,063	0	0
Local Assistance	14,178,417	14,020,675	15,020,699	1,000,024	13,999,645	13,999,645	0	1,000,024
Grants	18,094,678	17,018,390	17,418,390	400,000	17,623,690	18,023,690	400,000	800,000
Transfers	241,770,768	240,733,605	244,504,595	3,770,990	251,409,949	254,180,938	2,770,989	6,541,979
Debt Service	0	0	0	0	0	0	0	0
Total Costs	\$286,423,594	\$284,215,369	\$289,495,648	\$5,280,279	\$295,525,275	\$299,280,594	\$3,755,319	\$9,035,598
General Fund	243,175,038	240,774,156	245,870,187	5,096,031	251,809,948	255,380,954	3,571,006	8,667,037
State/other Special Rev. Funds	24,384,252	24,649,790	24,949,790	300,000	24,876,997	25,176,997	300,000	600,000
Federal Spec. Rev. Funds	18,253,750	18,180,869	18,065,117	(115,752)	18,227,776	18,112,089	(115,687)	(231,439)
Other	610,554	610,554	610,554	0	610,554	610,554	0	0
Total Funds	\$286,423,594	\$284,215,369	\$289,495,648	\$5,280,279	\$295,525,275	\$299,280,594	\$3,755,319	\$9,035,598
Total Ongoing	\$284,693,594	\$293,207,237	\$293,857,516	\$650,279	\$295,525,275	\$295,475,594	(\$49,681)	\$600,598
Total OTO	\$1,730,000	(\$8,991,868)	(\$4,361,868)	\$4,630,000	\$0	\$3,805,000	\$3,805,000	\$8,435,000

The legislature adopted appropriations that are approximately \$9.0 million higher than the proposed appropriations for the 2023 biennium.

The major differences in the legislative budget compared to the proposed budget include the legislature adopting:

- Restricted, biennial, one-time-only general fund appropriations of \$550,000 for a public/private partnership for a career and technical education program related to finishing trades
- Restricted, biennial, one-time-only general fund appropriations of \$500,000 over the biennium for the Grow Your Own Teacher Grant Program
- Additional general fund appropriations for the Community College Assistance Program. Flathead Valley Community College received appropriations of \$600,000, of which \$300,000 is one-time-only. Bitterroot Valley Community College received appropriations of \$400,000
- General fund appropriations of \$250,000 for operating and personal services support for the Student Assistance Program. This included the transfer of 1.50 FTE from the Guaranteed Student Loan (GSL) Program to the Student Assistance Program. The GSL Program had a reduction in federal funds of \$231,000 associated with this transfer of FTE
- Restricted, one-time-only general fund appropriations of \$1.0 million over the biennium for the implementation of HB 102. If the Montana University System files a lawsuit contesting the legality of HB 102, this appropriation is void
- Restricted, biennial, one-time-only general fund appropriations of approximately \$4.8 million over the biennium for teacher education programs, workforce recovery programs, the Accelerate Montana Initiative, and the Cyber Hub Program
- Restricted, one-time-only general fund appropriations of \$200,000 for the Agricultural Experiment Stations Seed Lab and \$110,000 for the Agricultural Experiment Stations Wool Lab over the biennium
- Restricted, one-time-only state special revenue appropriations of \$600,000 over the biennium for the Montana Bureau of Mines and Geology data preservation project
- Restricted, biennial, one-time-only general fund appropriations of \$350,000 for high school equivalency test (HiSET) preparation at the tribal colleges

The legislature did not adopt general fund appropriations of \$118,000 for the operating and maintenance costs of a new facility because it was determined to not be needed in the 2023 biennium

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), MCA. The Board of Regents shall allocate the appropriations to individual university system units, as defined in 17-7-102(13), MCA, according to board policy.

The Montana University System, except the Office of the Commissioner of Higher Education and the community colleges, shall provide the Office of Budget and Program Planning and the Legislative Fiscal Division banner access to the entire university system's information system, except for information pertaining to individual students and individual employees that is protected by Article II, sections 9 and 10, of the Montana Constitution, 20-25-515, MCA, 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 \$3,264 for each year of the 2023 biennium. The general fund appropriation for OCHE – Community College Assistance provides 48.2% in FY 2022 and 48.2% in FY 2023 of the budget amount for each full-time equivalent student each year of the 2023 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 OCHE – Community College Assistance.

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

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 MSU Northern \$16,700 in FY 2022 and \$16,200 in FY 2023, MSU Billings \$45,519, Great Falls \$86,500. Funding to be transferred for each year of the biennium for state energy revolving projects are 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 2022 and \$254,753 in FY 2023.

Total audit costs are estimated to be \$242,498 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 2023 biennium. The remaining 51.8% of these cost must be paid from funds other than those appropriated from OCHE – Community College Assistance – Legislative Audit. Audit costs charged to the community colleges for the biennium may not exceed \$66,388 for Flathead Valley Community College, \$86,994 for Miles Community College, and \$89,116 for Dawson Community College. Total audit cost for OCHE/BOR \$66,816, UM-Missoula \$301,752, MSU-Bozeman \$301,752.

The Montana University System shall pay \$109,276 for the 2023 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.

The general fund appropriation for Community College Assistance is calculated to fund education in the community colleges for an estimated 2,050 resident FTE in FY 2022 and 2,109 in FY 2023. 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.

Implementation of HB 102 is restricted to the provision of full implementation of open and concealed carry of firearms on

the Montana University System campuses, including but not limited to firearms training, metal detectors for events, gun safes for campus resident housing, or awareness campaigns. If the Montana University System files a lawsuit contesting the legality of HB 102, Implementation of HB 102 is void.

If HB 403 is not passed and approved, the appropriation for Grow Your Own Teacher Grant Program is void."

Program Budget Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	6,556,801	6,448,767	(108,034)	(1.65)%
Operating Expenses	2,050,479	2,852,738	802,259	39.13 %
Equipment & Intangible Assets	22,126	22,126	0	0.00 %
Transfers	47,068	45,546	(1,522)	(3.23)%
Total Expenditures	\$8,676,474	\$9,369,177	\$692,703	7.98 %
General Fund	7,455,189	8,148,069	692,880	9.29 %
Proprietary Funds	1,221,285	1,221,108	(177)	(0.01)%
Total Funds	\$8,676,474	\$9,369,177	\$692,703	7.98 %
Total Ongoing	\$8,676,474	\$8,798,985	\$122,511	1.41 %
Total OTO	\$0	\$570,192	\$570,192	100.00 %

Program Description

The Administration Program includes:

- General administration of the university system
- Academic, financial, and legal administration
- Labor relations and personnel administration
- 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 Administration Program’s 2023 biennium appropriations are approximately \$693,000 or 8.0% higher than the 2021 biennium • The increase in general fund is primarily due to the legislature approving funding for a public/private partnership for career and technical education

Program Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	23.28	23.28	23.28	23.28
Personal Services	3,245,470	3,356,289	3,200,512	3,192,065	3,256,702
Operating Expenses	761,969	970,881	1,079,598	1,224,370	1,628,368
Equipment & Intangible Assets	0	11,063	11,063	11,063	11,063
Transfers	19,522	24,295	22,773	22,773	22,773
Total Expenditures	\$4,026,961	\$4,362,528	\$4,313,946	\$4,450,271	\$4,918,906
General Fund	3,442,056	3,751,797	3,703,392	3,839,717	4,308,352
Proprietary Funds	584,905	610,731	610,554	610,554	610,554
Total Funds	\$4,026,961	\$4,362,528	\$4,313,946	\$4,450,271	\$4,918,906
Total Ongoing	\$4,026,961	\$4,362,528	\$4,313,946	\$4,430,079	\$4,368,906
Total OTO	\$0	\$0	\$0	\$20,192	\$550,000

Funding

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

Commissioner of Higher Education, 01-Administration Program Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	8,148,069	0	0	8,148,069	86.97 %	
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 %	
03462 CARES Act - CRF	0	0	0	0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
06539 Indirect Costs OCHE	1,221,108	0	0	1,221,108	100.00 %	
Proprietary Total	\$1,221,108	\$0	\$0	\$1,221,108	13.03 %	
Total All Funds	\$9,369,177	\$0	\$0	\$9,369,177		

The Administration Program is primarily funded with general fund. The remaining funding in the 2023 biennium is from a budgeted proprietary fund. The proprietary fund receives revenue from an indirect cost rate charge to other programs, which supports administrative overhead activities for those 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](#).

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	3,703,392	3,703,392	7,406,784	90.90 %	4,313,946	4,313,946	8,627,892	92.09 %
SWPL Adjustments	116,116	54,943	171,059	2.10 %	116,116	54,943	171,059	1.83 %
PL Adjustments	17	17	34	0.00 %	17	17	34	0.00 %
New Proposals	20,192	550,000	570,192	7.00 %	20,192	550,000	570,192	6.09 %
Total Budget	\$3,839,717	\$4,308,352	\$8,148,069		\$4,450,271	\$4,918,906	\$9,369,177	

Present Law Adjustments

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

Present Law Adjustments										
	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	46,361	0	0	46,361	0.00	56,190	0	0	56,190
DP 2 - Fixed Costs	0.00	70,570	0	0	70,570	0.00	(736)	0	0	(736)
DP 3 - Inflation Deflation	0.00	(815)	0	0	(815)	0.00	(511)	0	0	(511)
DP 50 - SWPLA Fixed Cost Reductions	0.00	17	0	0	17	0.00	17	0	0	17
Grand Total All Present Law Adjustments	0.00	\$116,133	\$0	\$0	\$116,133	0.00	\$54,960	\$0	\$0	\$54,960

***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 for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments for 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 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warehouses, storage rooms, and information technology.

New Proposals

The New Proposals table shows new changes to spending

New Proposals	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 104 - Finishing Trades (RST/BIEN/OTO)	0.00	0	0	0	0	0.00	550,000	0	0	550,000
DP 105 - Bureau of Business and Economic Research Study (RST/BIEN/OTO)	0.00	75,000	0	0	75,000	0.00	0	0	0	0
DP 5555 - OCHE State Share Insurance Holiday	0.00	(54,808)	0	0	(54,808)	0.00	0	0	0	0
Total	0.00	\$20,192	\$0	\$0	\$20,192	0.00	\$550,000	\$0	\$0	\$550,000

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

DP 104 - Finishing Trades (RST/BIEN/OTO) -

The legislature adopted a restricted, biennial, one-time-only general fund appropriation for a public/private partnership for a career and technical education (CTE) program related to finishing trades.

DP 105 - Bureau of Business and Economic Research Study (RST/BIEN/OTO) -

The legislature adopted a restricted, biennial, one-time-only general fund appropriation for a study to be conducted by the University of Montana Bureau of Business and Economic Research for the purpose of determining the effect of Public Service Commission replacement power cost disallowances on customers. The research should examine not only the effect of the disallowance on customer bills, but also any costs that may be passed onto the consumer as a result of changes in bond ratings.

DP 5555 - OCHE State Share Insurance Holiday -

The legislature adopted a reduction in general fund appropriations for a two-month state share holiday for employer contributions into the university system health insurance fund. This removes the general fund portion of the savings generate by the contribution holiday. Savings from other funding sources will remain in the agency to be able to address ongoing functions of the agency.

Program Budget Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	252,969	593,946	340,977	134.79 %
Operating Expenses	771,204	636,291	(134,913)	(17.49)%
Local Assistance	315,000	327,000	12,000	3.81 %
Grants	21,925,553	21,798,592	(126,961)	(0.58)%
Total Expenditures	\$23,264,726	\$23,355,829	\$91,103	0.39 %
General Fund	22,522,364	22,696,662	174,298	0.77 %
State/Other Special Rev. Funds	742,362	659,167	(83,195)	(11.21)%
Total Funds	\$23,264,726	\$23,355,829	\$91,103	0.39 %
Total Ongoing	\$21,264,726	\$22,862,153	\$1,597,427	7.51 %
Total OTO	\$2,000,000	\$493,676	(\$1,506,324)	(75.32)%

Program Description

All student grant funding is included in the Student Assistance Program (SAP). 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 Student Assistance Program’s 2023 biennium appropriations are approximately \$91,000 or 0.4% higher than the 2021 biennium • Increases in general fund are due in part to the Grow Your Own Teacher Program and funding the transfer of 1.50 FTE from the Guaranteed Student Loan Program • Present law adjustments for the Professional Student Exchange Program increased general fund appropriations by \$245,000 and 10 slots starting in FY 2023 for the Idaho College of Medicine (ICOM)

Program Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	1.50	1.50	3.00	3.00
Personal Services	80,030	126,008	126,961	293,711	300,235
Operating Expenses	263,346	500,607	270,597	318,189	318,102
Local Assistance	156,000	156,000	159,000	162,000	165,000
Grants	10,505,569	10,652,619	11,272,934	10,596,646	11,201,946
Total Expenditures	\$11,004,945	\$11,435,234	\$11,829,492	\$11,370,546	\$11,985,283
General Fund	10,688,123	11,063,997	11,458,367	11,040,983	11,655,679
State/Other Special Rev. Funds	316,822	371,237	371,125	329,563	329,604
Total Funds	\$11,004,945	\$11,435,234	\$11,829,492	\$11,370,546	\$11,985,283
Total Ongoing	\$10,163,195	\$10,535,234	\$10,729,492	\$11,126,870	\$11,735,283
Total OTO	\$841,750	\$900,000	\$1,100,000	\$243,676	\$250,000

Funding

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

Commissioner of Higher Education, 02-Student Assistance Program Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	22,696,662	0	0	22,696,662	78.78 %
02846 Family Ed Savings Admin Fee	659,167	0	0	659,167	10.78 %
02943 Rural Physicians Account	0	0	3,334,000	3,334,000	54.54 %
02027 STEM Scholarships	0	0	2,120,327	2,120,327	34.68 %
State Special Total	\$659,167	\$0	\$5,454,327	\$6,113,494	21.22 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$23,355,829	\$0	\$5,454,327	\$28,810,156	

HB 2 Appropriations

The Student Assistance Program is funded primarily with general fund in 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 2023 biennium.

Commissioner of Higher Education Student Assistance Program 2023 Biennium Executive Budget Across Functional Areas General Fund and State Special Revenue Only						
Budget Item	Appropriated FY 2020	Appropriated FY 2021	Requested FY 2022	Requested FY 2023	Change 21-23 Bien.	% Change 21-23 Bien.
<u>GRANTS, LOANS, WK STUDY</u>						
Supplemental Ed Opportunity Grant	\$ 737,160	\$ 737,160	\$ 737,160	\$ 737,160	\$ -	0.0%
Work Study	815,781	815,781	815,781	815,781	-	0.0%
Financial Assistance Match	900,000	1,100,000	375,000	375,000	(1,250,000)	-62.5%
<u>PROFESSIONAL STUDENT EXCHANGE</u>						
WICHE	2,456,091	2,447,636	2,501,667	2,596,058	193,998	4.0%
WWAMI	4,909,140	5,059,710	5,183,271	5,369,490	583,911	5.9%
MN Dentistry	133,750	164,100	168,000	229,000	99,150	33.3%
WIMU Veterinary Program	1,043,340	1,064,190	1,084,410	1,106,100	82,980	3.9%
ICOM	-	-	-	245,000	245,000	
<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	24,712	24,506	226,806	233,202	410,790	834.6%
Family Savings Program (SSR)	371,237	371,125	329,563	329,604	(83,195)	-11.2%
Software Maintenance	-	-	30,500	30,500	61,000	100.0%
TOTAL COSTS	11,434,599	11,827,596	11,495,546	12,110,283	343,634	1.5%
<u>FUNDING</u>						
General Fund	11,063,362	11,456,471	11,165,983	11,780,679	426,829	1.9%
State Special	371,237	371,125	329,563	329,604	(83,195)	-11.2%
TOTAL FUNDING	\$11,434,599	\$11,827,596	\$ 11,495,546	\$ 12,110,283	\$ 343,634	1.5%

Statutory Appropriations

The Student Assistance Program has statutory appropriations from two state special revenue funds, which include appropriations for:

- The Montana Rural Physician Incentive Program (MRPIP)
- Science, technology, engineering, math, and healthcare (STEM) scholarships

MRPIP provides a financial incentive for physicians to practice in rural areas or medically underserved areas by paying up to \$150,000 of student loan debt. Funding for the program comes from fees paid by medical students in the professional student exchange programs and state general fund. Statutes governing MRPIP also allow administrative costs to be paid up to 10.0% of the annual fees assessed.

The STEM scholarship is a statutory appropriation funded through lottery proceeds. The STEM scholarship program is designed to provide an incentive for Montana high school students to prepare for, enter into, and complete degrees in postsecondary fields related to science, technology, engineering, mathematics, and healthcare. The goal of this program is to increase the number of STEM degree recipients participating in Montana's workforce.

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	10,358,367	10,358,367	20,716,734	91.28 %	10,729,492	10,729,492	21,458,984	91.88 %
SWPL Adjustments	81,728	81,800	163,528	0.72 %	40,166	40,279	80,445	0.34 %
PL Adjustments	232,212	840,512	1,072,724	4.73 %	232,212	840,512	1,072,724	4.59 %
New Proposals	368,676	375,000	743,676	3.28 %	368,676	375,000	743,676	3.18 %
Total Budget	\$11,040,983	\$11,655,679	\$22,696,662		\$11,370,546	\$11,985,283	\$23,355,829	

Present Law Adjustments

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

Present Law Adjustments										
	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	81,713	(41,562)	0	40,151	0.00	81,793	(41,521)	0	40,272
DP 2 - Fixed Costs	0.00	15	0	0	15	0.00	7	0	0	7
DP 201 - Professional Student Exchange Program	0.00	232,212	0	0	232,212	0.00	840,512	0	0	840,512
Grand Total All Present Law Adjustments	0.00	\$313,940	(\$41,562)	\$0	\$272,378	0.00	\$922,312	(\$41,521)	\$0	\$880,791

***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 for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to 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 201 - Professional Student Exchange Program -

The legislature adopted increases in general fund appropriations for present law adjustments associated with support for first year and continuing student slots and an anticipated increase in tuition levels for the WICHE, WWAMI, MN Dental, and WIMU professional student exchange programs. It also includes maintenance costs for a new software application required by WICHE/WWAMI and funding for the Idaho College of Medicine expansion.

New Proposals

The New Proposals table shows new changes to spending

New Proposals	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 221 - Operating and Personal Services Support	1.50	125,000	0	0	125,000	1.50	125,000	0	0	125,000
DP 222 - Grow Your Own Teacher Grant Program (RST/BIEN/OTO)	0.00	250,000	0	0	250,000	0.00	250,000	0	0	250,000
DP 5555 - OCHE State Share Insurance Holiday	0.00	(6,324)	0	0	(6,324)	0.00	0	0	0	0
Total	1.50	\$368,676	\$0	\$0	\$368,676	1.50	\$375,000	\$0	\$0	\$375,000

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

DP 221 - Operating and Personal Services Support -

The legislature adopted general fund appropriations to support the operations and personnel in the Student Assistance Program. This includes a transfer of 1.50 FTE from the Guaranteed Student Loan Program.

DP 222 - Grow Your Own Teacher Grant Program (RST/BIEN/OTO) -

The legislature adopted restricted, biennial, one-time-only general fund appropriations for the Grow Your Own Teacher Grant Program. This includes appropriations of \$15,000 in personal services and \$10,000 in operating expenses for administrative expenses and \$225,000 in grants each fiscal year.

DP 5555 - OCHE State Share Insurance Holiday -

The legislature adopted a reduction in general fund appropriations for a two-month state share holiday for employer contributions into the university system health insurance fund. This removes the general fund portion of the savings generate by the contribution holiday. Savings from other funding sources will remain in the agency to be able to address ongoing functions of the agency.

Program Budget Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Local Assistance	27,784,483	28,693,344	908,861	3.27 %
Total Expenditures	\$27,784,483	\$28,693,344	\$908,861	3.27 %
General Fund	27,784,483	28,693,344	908,861	3.27 %
Total Funds	\$27,784,483	\$28,693,344	\$908,861	3.27 %
Total Ongoing	\$27,784,483	\$28,393,344	\$608,861	2.19 %
Total OTO	\$0	\$300,000	\$300,000	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 Program Major Budget Highlights
<ul style="list-style-type: none"> • The Community College Assistance Program’s 2023 biennium appropriations are approximately \$909,000 or 3.3% higher than the 2021 biennium • Increases are due to the legislature approving additional funding for Flathead Valley Community College of \$600,000, of which \$300,000 is a one-time-only appropriation, and \$400,000 for Bitterroot Community College

Program Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
Local Assistance	13,765,066	13,765,066	14,019,417	14,858,699	13,834,645
Total Expenditures	\$13,765,066	\$13,765,066	\$14,019,417	\$14,858,699	\$13,834,645
General Fund	13,765,066	13,765,066	14,019,417	14,858,699	13,834,645
Total Funds	\$13,765,066	\$13,765,066	\$14,019,417	\$14,858,699	\$13,834,645
Total Ongoing	\$13,765,066	\$13,765,066	\$14,019,417	\$14,558,699	\$13,834,645
Total OTO	\$0	\$0	\$0	\$300,000	\$0

Funding

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

Commissioner of Higher Education, 04-Community College Assistance Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	28,693,344	0	0	28,693,344	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	\$28,693,344	\$0	\$0	\$28,693,344		

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 state general fund appropriation for each community college is defined in Montana statute (20-15-310, MCA). The purpose of the community college funding formula is to provide a tool for the legislature to use to establish the state general fund appropriation for the community colleges each biennium. The state appropriation is based on a multi-factor funding formula.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	14,019,417	14,019,417	28,038,834	97.72 %	14,019,417	14,019,417	28,038,834	97.72 %
SWPL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
PL Adjustments	(160,718)	(184,772)	(345,490)	(1.20)%	(160,718)	(184,772)	(345,490)	(1.20)%
New Proposals	1,000,000	0	1,000,000	3.49 %	1,000,000	0	1,000,000	3.49 %
Total Budget	\$14,858,699	\$13,834,645	\$28,693,344		\$14,858,699	\$13,834,645	\$28,693,344	

Present Law Adjustments

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

	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 403 - Community College PLA	0.00	36,398	0	0	36,398	0.00	129,228	0	0	129,228
DP 404 - Base Budget Adjustment	0.00	(314,000)	0	0	(314,000)	0.00	(314,000)	0	0	(314,000)
DP 405 - Community College LAD Audit Costs	0.00	116,884	0	0	116,884	0.00	0	0	0	0
Grand Total All Present Law Adjustments	0.00	(\$160,718)	\$0	\$0	(\$160,718)	0.00	(\$184,772)	\$0	\$0	(\$184,772)

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

DP 403 - Community College PLA -

The legislature adopted an increase in general fund as a present law adjustment based on the statutory funding formula.

DP 404 - Base Budget Adjustment -

The legislature adopted a reduction in general fund to correct the base budget. The base budget included a one-time-only appropriation of \$314,000, which is being removed in this decision package.

DP 405 - Community College LAD Audit Costs -

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

New Proposals

The New Proposals table shows new changes to spending

	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 406 - Bitterroot Valley Community College (RST/BIEN)	0.00	400,000	0	0	400,000	0.00	0	0	0	0
DP 407 - Flathead Valley Community College (OTO)	0.00	300,000	0	0	300,000	0.00	0	0	0	0
DP 408 - Flathead Valley Community College	0.00	300,000	0	0	300,000	0.00	0	0	0	0
Total	0.00	\$1,000,000	\$0	\$0	\$1,000,000	0.00	\$0	\$0	\$0	\$0

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

DP 406 - Bitterroot Valley Community College (RST/BIEN) -

The legislature adopted restricted, biennial general fund appropriations for Bitterroot Valley Community College.

DP 407 - Flathead Valley Community College (OTO) -

The legislature adopted one-time-only general fund appropriations for Flathead Valley Community College.

DP 408 - Flathead Valley Community College -

The legislature adopted general fund appropriations for Flathead Valley Community College.

Program Budget Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	1,427,426	1,458,413	30,987	2.17 %
Operating Expenses	42,272,441	44,272,062	1,999,621	4.73 %
Benefits & Claims	269,165,879	289,744,942	20,579,063	7.65 %
Total Expenditures	\$312,865,746	\$335,475,417	\$22,609,671	7.23 %
Proprietary Funds	312,865,746	335,475,417	22,609,671	7.23 %
Total Funds	\$312,865,746	\$335,475,417	\$22,609,671	7.23 %

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 program’s 2023 biennium appropriations are approximately \$22.6 million or 7.2% higher than the 2021 biennium • The Montana University System is required to operate the program to maintain the plan on an actuarially sound basis

Program Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	7.00	7.00	7.00	7.00
Personal Services	703,026	709,126	718,300	727,176	731,237
Operating Expenses	8,241,837	20,136,189	22,136,252	22,135,980	22,136,082
Benefits & Claims	96,060,901	128,793,408	140,372,471	142,872,471	146,872,471
Total Expenditures	\$105,005,764	\$149,638,723	\$163,227,023	\$165,735,627	\$169,739,790
Proprietary Funds	105,005,764	149,638,723	163,227,023	165,735,627	169,739,790
Total Funds	\$105,005,764	\$149,638,723	\$163,227,023	\$165,735,627	\$169,739,790

Funding

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

Commissioner of Higher Education, 05-M U S Group Insurance Program Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
State Special Total	\$0	\$0	\$0	\$0	0.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
06008 MUS Group Insurance Program	0	308,726,573	0	308,726,573	92.03 %
06009 MUS Flexible Spending Account	0	26,748,844	0	26,748,844	7.97 %
Proprietary Total	\$0	\$335,475,417	\$0	\$335,475,417	100.00 %
Total All Funds	\$0	\$335,475,417	\$0	\$335,475,417	

The MUS Group Insurance Program is funded with enterprise type proprietary funds. 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](#).

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	0	0	0	0.00 %	163,227,023	163,227,023	326,454,046	97.31 %
SWPL Adjustments	0	0	0	0.00 %	8,604	12,767	21,371	0.01 %
PL Adjustments	0	0	0	0.00 %	2,500,000	6,500,000	9,000,000	2.68 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$165,735,627	\$169,739,790	\$335,475,417	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide

Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2022-----					-----Fiscal 2023-----				
	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	8,876	0.00	0	0	0	12,937
DP 3 - Inflation Deflation	0.00	0	0	0	(272)	0.00	0	0	0	(170)
DP 501 - MUS Group Health Insurance Inflation	0.00	0	0	0	2,500,000	0.00	0	0	0	6,500,000
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$0	\$2,508,604	0.00	\$0	\$0	\$0	\$6,512,767

**"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 the present law personal services budget for expected changes, management decisions and budget modifications.

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 an increase in proprietary funds to cover anticipated claim and operating costs.

Program Budget Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	2,699,727	2,567,636	(132,091)	(4.89)%
Operating Expenses	6,578,210	6,703,714	125,504	1.91 %
Grants	6,754,000	6,754,000	0	0.00 %
Transfers	3,000,000	3,000,000	0	0.00 %
Total Expenditures	\$19,031,937	\$19,025,350	(\$6,587)	(0.03)%
General Fund	281,619	279,359	(2,260)	(0.80)%
Federal Spec. Rev. Funds	18,750,318	18,745,991	(4,327)	(0.02)%
Total Funds	\$19,031,937	\$19,025,350	(\$6,587)	(0.03)%
Total Ongoing	\$19,031,937	\$19,027,458	(\$4,479)	(0.02)%
Total OTO	\$0	(\$2,108)	(\$2,108)	100.00 %

Program Description

The Educational Outreach and Diversity 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 post-secondary 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
- Educational Talent Search (ETS) 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 and Diversity Program Major Budget Highlights
<ul style="list-style-type: none"> • The Education Outreach and Diversity Program’s 2023 biennium appropriations are approximately \$7,000 lower than the 2021 biennium • Decreases are primarily due to the statewide present law adjustment for personal services • There is an increase in federal authority of approximately \$62,000 in FY 2022 and \$106,000 in FY 2023 for Education Talent Search in order to match anticipated new grant funding

Program Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	18.24	18.24	18.24	18.24
Personal Services	906,829	1,322,058	1,377,669	1,281,502	1,286,134
Operating Expenses	1,520,587	3,288,791	3,289,419	3,330,038	3,373,676
Grants	1,914,046	3,377,000	3,377,000	3,377,000	3,377,000
Transfers	110,531	1,500,000	1,500,000	1,500,000	1,500,000
Total Expenditures	\$4,451,993	\$9,487,849	\$9,544,088	\$9,488,540	\$9,536,810
General Fund	140,280	140,341	141,278	138,518	140,841
Federal Spec. Rev. Funds	4,311,713	9,347,508	9,402,810	9,350,022	9,395,969
Total Funds	\$4,451,993	\$9,487,849	\$9,544,088	\$9,488,540	\$9,536,810
Total Ongoing	\$4,451,993	\$9,487,849	\$9,544,088	\$9,490,648	\$9,536,810
Total OTO	\$0	\$0	\$0	(\$2,108)	\$0

Funding

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

Commissioner of Higher Education, 06-Educational Outreach & Diversity Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	279,359	0	0	279,359	1.47 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
03042 2nd GEAR UP Grant	13,451,170	0	0	13,451,170	71.75 %	
03412 GEAR UP Federal Schol 2005	3,290,686	0	0	3,290,686	17.55 %	
03806 Talent Search	2,004,135	0	0	2,004,135	10.69 %	
Federal Special Total	\$18,745,991	\$0	\$0	\$18,745,991	98.53 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$19,025,350	\$0	\$0	\$19,025,350		

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

Federal funds are from two grant sources:

- The talent search grant has no non-federal matching requirement
- The GEAR UP grant requires a 50.0% non-federal fund match. The non-federal match 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](#).

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	141,278	141,278	282,556	101.14 %	9,544,088	9,544,088	19,088,176	100.33 %
SWPL Adjustments	(652)	(437)	(1,089)	(0.39)%	(115,540)	(113,193)	(228,733)	(1.20)%
PL Adjustments	0	0	0	0.00 %	62,100	105,915	168,015	0.88 %
New Proposals	(2,108)	0	(2,108)	(0.75)%	(2,108)	0	(2,108)	(0.01)%
Total Budget	\$138,518	\$140,841	\$279,359		\$9,488,540	\$9,536,810	\$19,025,350	

Present Law Adjustments

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

	Fiscal 2022					Fiscal 2023				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Present Law Adjustments										
DP 1 - Personal Services	0.00	(366)	0	(114,493)	(114,859)	0.00	(258)	0	(112,492)	(112,750)
DP 2 - Fixed Costs	0.00	0	0	102	102	0.00	0	0	48	48
DP 3 - Inflation Deflation	0.00	(286)	0	(497)	(783)	0.00	(179)	0	(312)	(491)
DP 601 - ETS Federal Authority Increase	0.00	0	0	62,100	62,100	0.00	0	0	105,915	105,915
Grand Total All Present Law Adjustments	0.00	(\$652)	\$0	(\$52,788)	(\$53,440)	0.00	(\$437)	\$0	(\$6,841)	(\$7,278)

***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 for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to 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 601 - ETS Federal Authority Increase -

The legislature adopted additional federal authority to meet the requirements of the new federal grant cycle for Education Talent Search. ETS will be submitting a new grant proposal based upon 3.0% and 15.0% increases. These increase guidelines are per the ETS grant funding agency and are dependent upon finalization of federal legislation. ETS has available authority, thus the calculated increase takes into consideration the authority levels already established.

Additionally, ETS has three positions that are currently 0.83 FTE each. The new grant guidelines require an increase to 1.00 FTE each due to new requirements of year-round employment rather than 10 months for these positions. ETS has available FTE to make the adjustments once the grant has been finalized. This includes the funding needed for the increased level of FTE.

New Proposals

The New Proposals table shows new changes to spending

	Fiscal 2022					Fiscal 2023				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 5555 - OCHE State Share Insurance Holiday	0.00	(2,108)	0	0	(2,108)	0.00	0	0	0	0
Total	0.00	(\$2,108)	\$0	\$0	(\$2,108)	0.00	\$0	\$0	\$0	\$0

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

DP 5555 - OCHE State Share Insurance Holiday -

The legislature adopted a reduction in general fund appropriations for a two-month state share holiday for employer contributions into the university system health insurance fund. This removes the general fund portion of the savings generate by the contribution holiday. Savings from other funding sources will remain in the agency to be able to address ongoing functions of the agency.

Program Budget Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	205,577	213,482	7,905	3.85 %
Operating Expenses	3,130,088	3,130,050	(38)	0.00 %
Benefits & Claims	6,000,000	6,000,000	0	0.00 %
Total Expenditures	\$9,335,665	\$9,343,532	\$7,867	0.08 %
Proprietary Funds	9,335,665	9,343,532	7,867	0.08 %
Total Funds	\$9,335,665	\$9,343,532	\$7,867	0.08 %

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 Program 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 MUS Workers' Compensation Program's 2023 biennium appropriations are approximately \$8,000 or 0.1% higher than the 2021 biennium • Premium rates are based on actuarial principles and are reviewed by the MUS Workers' Compensation Insurance Committee

Program Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	1.00	1.00	1.00	1.00
Personal Services	103,406	103,407	102,170	106,701	106,781
Operating Expenses	1,049,164	1,565,041	1,565,047	1,565,020	1,565,030
Benefits & Claims	(1,050,394)	3,000,000	3,000,000	3,000,000	3,000,000
Total Expenditures	\$102,176	\$4,668,448	\$4,667,217	\$4,671,721	\$4,671,811
Proprietary Funds	102,176	4,668,448	4,667,217	4,671,721	4,671,811
Total Funds	\$102,176	\$4,668,448	\$4,667,217	\$4,671,721	\$4,671,811

Funding

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

Commissioner of Higher Education, 07-M U S Workers Comp Program Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	0	0	0	0	0.00 %	
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	9,343,532	0	9,343,532	100.00 %	
Proprietary Total	\$0	\$9,343,532	\$0	\$9,343,532	100.00 %	
Total All Funds	\$0	\$9,343,532	\$0	\$9,343,532		

The MUS Workers' Compensation 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](#).

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	0	0	0	0.00 %	4,667,217	4,667,217	9,334,434	99.90 %
SWPL Adjustments	0	0	0	0.00 %	4,504	4,594	9,098	0.10 %
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	\$0	\$0	\$0		\$4,671,721	\$4,671,811	\$9,343,532	

Present Law Adjustments

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

these items were applied globally to all agencies.

	-----Fiscal 2022-----					-----Fiscal 2023-----				
	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	4,531	0.00	0	0	0	4,611
DP 3 - Inflation Deflation	0.00	0	0	0	(27)	0.00	0	0	0	(17)
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$0	\$4,504	0.00	\$0	\$0	\$0	\$4,594

*"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 the present law personal services budget for expected changes, management decisions and budget modifications.

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.

Program Budget Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	902,191	744,054	(158,137)	(17.53)%
Operating Expenses	182,160	194,459	12,299	6.75%
Grants	4,863,738	4,863,738	0	0.00%
Transfers	7,005,356	7,105,356	100,000	1.43%
Total Expenditures	\$12,953,445	\$12,907,607	(\$45,838)	(0.35)%
General Fund	184,886	185,476	590	0.32%
Federal Spec. Rev. Funds	12,768,559	12,722,131	(46,428)	(0.36)%
Total Funds	\$12,953,445	\$12,907,607	(\$45,838)	(0.35)%
Total Ongoing	\$12,953,445	\$12,907,607	(\$45,838)	(0.35)%
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 post-secondary levels with primarily federal funds.

Program Highlights

Workforce Development Program Major Budget Highlights
<ul style="list-style-type: none"> • The Workforce Development Program's 2023 biennium appropriations are approximately \$46,000 or 0.4% lower than the 2021 biennium • The decrease is primarily due to the statewide present law adjustment for personal services

Program Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	4.20	4.20	4.20	4.20
Personal Services	297,196	446,932	455,259	371,679	372,375
Operating Expenses	85,709	90,955	91,205	97,187	97,272
Grants	1,968,739	2,431,869	2,431,869	2,431,869	2,431,869
Transfers	3,282,693	3,452,678	3,552,678	3,552,678	3,552,678
Total Expenditures	\$5,634,337	\$6,422,434	\$6,531,011	\$6,453,413	\$6,454,194
General Fund	94,718	94,717	90,169	92,743	92,733
Federal Spec. Rev. Funds	5,539,619	6,327,717	6,440,842	6,360,670	6,361,461
Total Funds	\$5,634,337	\$6,422,434	\$6,531,011	\$6,453,413	\$6,454,194
Total Ongoing	\$5,634,337	\$6,422,434	\$6,531,011	\$6,453,413	\$6,454,194
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Commissioner of Higher Education, 08-Perkins Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	185,476	0	0	185,476	1.44 %
State Special Total	\$0	\$0	\$0	\$0	0.00 %
03215 Carl Perkins Federal Funds	12,722,131	0	0	12,722,131	100.00 %
Federal Special Total	\$12,722,131	\$0	\$0	\$12,722,131	98.56 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$12,907,607	\$0	\$0	\$12,907,607	

Funding for the Workforce Development 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](#).

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	90,169	90,169	180,338	97.23 %	6,531,011	6,531,011	13,062,022	101.20 %
SWPL Adjustments	109,946	110,547	220,493	118.88 %	(83,822)	(83,041)	(166,863)	(1.29)%
PL Adjustments	(107,372)	(107,983)	(215,355)	(116.11)%	6,224	6,224	12,448	0.10 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$92,743	\$92,733	\$185,476		\$6,453,413	\$6,454,194	\$12,907,607	

Present Law Adjustments

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

Present Law Adjustments										
	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	110,188	0	(193,768)	(83,580)	0.00	110,704	0	(193,588)	(82,884)
DP 2 - Fixed Costs	0.00	41	0	0	41	0.00	20	0	0	20
DP 3 - Inflation Deflation	0.00	(283)	0	0	(283)	0.00	(177)	0	0	(177)
DP 801 - Perkins MOE Adjust	0.00	(107,372)	0	113,596	6,224	0.00	(107,983)	0	114,207	6,224
Grand Total All Present Law Adjustments	0.00	\$2,574	\$0	(\$80,172)	(\$77,598)	0.00	\$2,564	\$0	(\$79,381)	(\$76,817)

**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 for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to 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 801 - Perkins MOE Adjust -

The legislature adopted an adjustment in general fund to fund the minimum maintenance of effort requirement for the Perkins grant. Without the minimum maintenance of effort, the state would lose all or a portion of this federal grant program.

Program Budget Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Operating Expenses	0	20,770	20,770	0.00 %
Transfers	409,101,663	425,840,501	16,738,838	4.09 %
Total Expenditures	\$409,101,663	\$425,861,271	\$16,759,608	4.10 %
General Fund	363,971,345	378,594,587	14,623,242	4.02 %
State/Other Special Rev. Funds	45,130,318	47,266,684	2,136,366	4.73 %
Total Funds	\$409,101,663	\$425,861,271	\$16,759,608	4.10 %
Total Ongoing	\$409,101,663	\$429,039,899	\$19,938,236	4.87 %
Total OTO	\$0	(\$3,178,628)	(\$3,178,628)	100.00 %

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 Program Major Budget Highlights
<ul style="list-style-type: none"> • The Appropriation Distribution Program’s 2023 biennium appropriations are approximately \$16.8 million or 4.1% higher than the 2021 biennium. Significant biennial increases include: <ul style="list-style-type: none"> ◦ General fund and state special revenue appropriations of \$14.9 million for present law adjustments for personal services, fixed costs, and legislative audit costs ◦ General fund appropriations of approximately \$4.8 million for teacher education programs, programs for workforce recovery from COVID-19, the Accelerate Montana Initiative, and the Cyber Hub Program ◦ General fund appropriations of \$1.0 million for the implementation of HB 102. This appropriation is void if the Montana University System files a lawsuit contesting the legality of HB 102 • Increases in appropriations are partially offset by decreases of approximately \$8.9 million for the two-month state share insurance holiday

Program Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
Operating Expenses	0	0	0	10,385	10,385
Transfers	201,875,857	202,455,748	206,645,915	208,321,424	217,519,077
Total Expenditures	\$201,875,857	\$202,455,748	\$206,645,915	\$208,331,809	\$217,529,462
General Fund	179,836,866	180,123,589	183,847,756	184,792,550	193,802,037
State/Other Special Rev. Funds	22,038,991	22,332,159	22,798,159	23,539,259	23,727,425
Total Funds	\$201,875,857	\$202,455,748	\$206,645,915	\$208,331,809	\$217,529,462
Total Ongoing	\$201,875,857	\$202,455,748	\$206,645,915	\$213,885,437	\$215,154,462
Total OTO	\$0	\$0	\$0	(\$5,553,628)	\$2,375,000

Funding

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

Commissioner of Higher Education, 09-Appropriation Distribution Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	378,594,587	0	3,784,262	382,378,849	88.54 %	
02111 Accommodation Tax Account	0	0	2,205,709	2,205,709	4.46 %	
02443 University Millage	46,106,366	0	0	46,106,366	93.20 %	
02944 Motorcycle Safety Training	1,160,318	0	0	1,160,318	2.35 %	
State Special Total	\$47,266,684	\$0	\$2,205,709	\$49,472,393	11.46 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$425,861,271	\$0	\$5,989,971	\$431,851,242		

HB 2 Appropriations

Funding for this program is predominately general fund. State special revenue from the six-mill 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.

The statewide six-mill levy that supports the Montana University System is authorized in 15-10-108, MCA. The levy is presented to voters statewide for approval every 10 years. The most recent statewide vote was in 2018. The six-mill levy fund primarily receives revenues from property tax, but also receives a small amount of revenue from the oil and natural gas and bentonite taxes. The fund is used to fund the education and general operating expenses of the educational units and is the second largest state funding source for the MUS after the general fund.

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 is transferred to the University of Montana for travel research
- General fund is 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

The Board of Regents is the sole authority in setting tuition rates for the MUS. Tuition is not controlled or appropriated by the legislature. However, the Regents, legislature, and executive have worked together to create affordable postsecondary educational opportunities for the residents of Montana.

Budget Summary by Category

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	183,847,756	183,847,756	367,695,512	97.12 %	206,645,915	206,645,915	413,291,830	97.05 %
SWPL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
PL Adjustments	6,099,427	7,168,637	13,268,064	3.50 %	6,840,527	8,097,903	14,938,430	3.51 %
New Proposals	(5,154,633)	2,785,644	(2,368,989)	(0.63)%	(5,154,633)	2,785,644	(2,368,989)	(0.56)%
Total Budget	\$184,792,550	\$193,802,037	\$378,594,587		\$208,331,809	\$217,529,462	\$425,861,271	

Present Law Adjustments

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

Present Law Adjustments										
	-----Fiscal 2022-----					-----Fiscal 2023-----				
	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	603,504	0	0	603,504	0.00	0	0	0	0
DP 902 - MUS Fixed Cost Increases from State	0.00	1,429,031	0	0	1,429,031	0.00	1,424,573	0	0	1,424,573
DP 903 - Montana University System PLA	0.00	4,066,892	741,100	0	4,807,992	0.00	5,744,064	929,266	0	6,673,330
Grand Total All Present Law Adjustments	0.00	\$6,099,427	\$741,100	\$0	\$6,840,527	0.00	\$7,168,637	\$929,266	\$0	\$8,097,903

***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 an increase in general fund in FY 2022 for legislative audit costs.

DP 902 - MUS Fixed Cost Increases from State -

The legislature adopted increases in general fund for statewide present law adjustments for fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others.

DP 903 - Montana University System PLA -

The legislature adopted an increase in general fund and state special revenue for statewide present law adjustments. These increases include adjustments for personal services costs and higher education fixed costs. This is for the state's share (44.8%) of the calculated present law adjustment.

New Proposals

The New Proposals table shows new changes to spending

	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 904 - MUS New Space	0.00	388,610	0	0	388,610	0.00	400,259	0	0	400,259
DP 907 - NRIS/GIS Fixed Costs	0.00	10,385	0	0	10,385	0.00	10,385	0	0	10,385
DP 908 - Implementation of HB 102 (RST/OTO)	0.00	1,000,000	0	0	1,000,000	0.00	0	0	0	0
DP 909 - Teacher Education Programs (RST/BIEN/OTO)	0.00	500,000	0	0	500,000	0.00	500,000	0	0	500,000
DP 910 - Workforce Recovery COVID-19 (RST/BIEN/OTO)	0.00	375,000	0	0	375,000	0.00	375,000	0	0	375,000
DP 911 - Accelerate Montana (RST/BIEN/OTO)	0.00	750,000	0	0	750,000	0.00	750,000	0	0	750,000
DP 912 - Cyber Hub (RST/BIEN/OTO)	0.00	750,000	0	0	750,000	0.00	750,000	0	0	750,000
DP 5556 - State Share Insurance Holiday	0.00	(3,984,424)	0	0	(3,984,424)	0.00	0	0	0	0
DP 5557 - Tuition Share Insurance Holiday	0.00	(4,944,204)	0	0	(4,944,204)	0.00	0	0	0	0
Total	0.00	(\$5,154,633)	\$0	\$0	(\$5,154,633)	0.00	\$2,785,644	\$0	\$0	\$2,785,644

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

DP 904 - MUS New Space -

The legislature adopted general fund appropriations for the state share (44.8%) of the operation and maintenance costs associated with new buildings. The legislature granted authority to the Department of Administration for the purpose of constructing the new American Indian Hall at MSU, the Yellowstone Allied Health Science Building at MSU Billings, and the Dental Hygiene Clinic at Great Falls College.

DP 907 - NRIS/GIS Fixed Costs -

The 2019 Legislature enacted HB 633 requiring the Legislative Finance Committee (LFC) to conduct a study of the funding of digital library services. The LFC recommended that the Office of Budget and Program Planning include an assessment for the natural resource information system (NRIS) and the geographic information system (GIS) as a fixed cost to state agencies beginning in the 2023 biennium. The assessment is made to those agencies that utilize the NRIS/GIS.

DP 908 - Implementation of HB 102 (RST/OTO) -

The legislature adopted a restricted, one-time-only general fund appropriation in FY 2022 for the implementation of HB 102. This funding is restricted to the provision of full implementation of open and concealed carry of firearms on the Montana University System campuses. This includes, but is not limited to, firearms training, metal detectors for events, gun safes for campus resident housing, or awareness campaigns. If the Montana University System files a lawsuit contesting the legality of HB 102, this appropriation is void.

DP 909 - Teacher Education Programs (RST/BIEN/OTO) -

The legislature adopted restricted, biennial, one-time-only general fund appropriations for teacher education programs at Montana State University for proficiency-based education. This includes:

- Development of new partnerships with model schools
- Revision of early field experience, practicum experiences, and student teaching experiences for teacher candidates
- Training for faculty and field supervisors
- Development of new modules for teacher education and educational leadership coursework

DP 910 - Workforce Recovery COVID-19 (RST/BIEN/OTO) -

The legislature adopted restricted, biennial, one-time-only general fund appropriations for workforce recovery programs at Montana Tech and Highlands College. This appropriation is for launching workforce recovery programs designed specifically to address business and industry needs coming out of the COVID-19 pandemic.

DP 911 - Accelerate Montana (RST/BIEN/OTO) -

The legislature adopted restricted, biennial, one-time-only general fund appropriations for the Accelerate Montana Initiative at the University of Montana. This appropriation is for piloting a proficiency-based education model with close partnerships with employers and the state. This includes:

- Providing easy access to training and certification on the in-demand skills employers need
- Working closely with employers to build short-term, collaborative training programs with clear pathways to jobs
- Working with private and public sector employers to develop training programs for current employees
- Establishing internship and apprenticeship programs with employers and industry associations
- Partnering with the Montana Department of Labor and Industry to identify workforce needs and case management to assist individuals in transitioning from training to the workforce
- Expanding the portfolio of University of Montana online offerings

DP 912 - Cyber Hub (RST/BIEN/OTO) -

The legislature adopted restricted, biennial, one-time-only general fund appropriations for the Cyber Hub Program at the University of Montana. This includes funding for:

- Equipment and cloud services that provide education and training capacity for individuals and prepares business for cyber defense readiness
- Recruitment and career mentoring personnel
- Personnel to supplement Missoula College's existing cybersecurity training programs tailored for remote delivery and accessibility across the state

DP 5556 - State Share Insurance Holiday -

The legislature adopted a reduction in general fund for a two-month state share holiday for employer contributions into the university system health insurance fund. This change package removes the general fund portion of the savings generated by the contribution holiday.

DP 5557 - Tuition Share Insurance Holiday -

The legislature adopted a reduction in general fund for a two-month state share holiday for employer contributions into the university system health insurance fund. The state share holiday generates savings in the current unrestricted fund at the university system. The current unrestricted fund is primarily funded by tuition. Because savings are generated, they are to be used to offset general fund in the university system budget. Therefore, this removes general fund from the budget by a

like amount of the freed up current unrestricted funds.

Program Budget Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Transfers	59,704,743	62,694,130	2,989,387	5.01 %
Total Expenditures	\$59,704,743	\$62,694,130	\$2,989,387	5.01 %
General Fund	57,274,807	60,493,194	3,218,387	5.62 %
State/Other Special Rev. Funds	2,429,936	2,200,936	(229,000)	(9.42)%
Total Funds	\$59,704,743	\$62,694,130	\$2,989,387	5.01 %
Total Ongoing	\$58,794,743	\$61,784,130	\$2,989,387	5.08 %
Total OTO	\$910,000	\$910,000	\$0	0.00 %

Program Description

The Research and Development Agencies (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 and Development Agencies consist of:

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

Program Highlights

Research and Development Agencies Major Budget Highlights
<ul style="list-style-type: none"> • The Research and Development Agencies’ 2023 biennium appropriations are approximately \$3.0 million or 5.0% higher than the 2021 biennium • Increases in general fund are primarily due to present law adjustments • Restricted, one-time-only appropriations include: <ul style="list-style-type: none"> ◦ State special revenue of \$600,000 for the Bureau of Mines data preservation project ◦ General fund of \$200,000 for the Montana Agricultural Experiment Station Seed Lab ◦ General fund of \$110,000 for the Montana Agricultural Experiment Station Wool Lab • There was a decrease in appropriations from the bureau of mines groundwater state special revenue fund because of an anticipated decline in revenues

Program Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
Transfers	29,545,197	29,655,341	30,049,402	31,107,720	31,586,410
Total Expenditures	\$29,545,197	\$29,655,341	\$30,049,402	\$31,107,720	\$31,586,410
General Fund	28,440,373	28,440,373	28,834,434	30,026,752	30,466,442
State/Other Special Rev. Funds	1,104,824	1,214,968	1,214,968	1,080,968	1,119,968
Total Funds	\$29,545,197	\$29,655,341	\$30,049,402	\$31,107,720	\$31,586,410
Total Ongoing	\$29,090,197	\$29,200,341	\$29,594,402	\$30,652,720	\$31,131,410
Total OTO	\$455,000	\$455,000	\$455,000	\$455,000	\$455,000

Funding

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

Commissioner of Higher Education, 10-Research and Development Agencies Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	60,493,194	0	0	60,493,194	95.70 %	
02289 Bureau Of Mines Groundwater	1,103,000	0	515,000	1,618,000	59.57 %	
02576 Natural Resources Operations	497,936	0	0	497,936	18.33 %	
02432 Oil & Gas ERA	600,000	0	0	600,000	22.09 %	
State Special Total	\$2,200,936	\$0	\$515,000	\$2,715,936	4.30 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$62,694,130	\$0	\$515,000	\$63,209,130		

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

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	28,679,434	28,679,434	57,358,868	94.82 %	29,594,402	29,594,402	59,188,804	94.41 %
SWPL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
PL Adjustments	1,192,318	1,632,008	2,824,326	4.67 %	1,058,318	1,537,008	2,595,326	4.14 %
New Proposals	155,000	155,000	310,000	0.51 %	455,000	455,000	910,000	1.45 %
Total Budget	\$30,026,752	\$30,466,442	\$60,493,194		\$31,107,720	\$31,586,410	\$62,694,130	

Present Law Adjustments

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

Present Law Adjustments	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1001 - Research and Development Agencies PLA	0.00	1,181,432	0	0	1,181,432	0.00	1,608,056	0	0	1,608,056
DP 1002 - SWPL Research & Development Agencies	0.00	10,886	0	0	10,886	0.00	23,952	0	0	23,952
DP 1003 - Groundwater Balancing	0.00	0	(134,000)	0	(134,000)	0.00	0	(95,000)	0	(95,000)
Grand Total All Present Law Adjustments	0.00	\$1,192,318	(\$134,000)	\$0	\$1,058,318	0.00	\$1,632,008	(\$95,000)	\$0	\$1,537,008

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

DP 1001 - Research and Development Agencies PLA -

The legislature adopted an increase in general fund appropriations for statewide present law adjustments. These increases include adjustments for personal services costs and higher education fixed costs.

DP 1002 - SWPL Research & Development Agencies -

The legislature adopted increases in general fund appropriations for statewide present law adjustments for fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others.

DP 1003 - Groundwater Balancing -

The legislature adopted a decrease in state special revenue funding to align appropriations from the groundwater state special revenue account with revenue estimates.

New Proposals

The New Proposals table shows new changes to spending

New Proposals	-----Fiscal 2022-----					-----Fiscal 2023-----				
	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 restricted, one-time-only general fund appropriations for the Montana Agricultural Experiment Stations Seed Lab.

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

The legislature adopted restricted, one-time-only general fund appropriations for the Montana Agricultural Experiment Stations Wool Lab.

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

The legislature adopted restricted, one-time-only state special revenue appropriations for the Montana Bureau of Mines and Geology data preservation project.

Program Budget Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison					
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change	
Grants	2,025,750	2,025,750	0	0.00 %	
Total Expenditures	\$2,025,750	\$2,025,750	\$0	0.00 %	
General Fund	2,025,750	2,025,750	0	0.00 %	
Total Funds	\$2,025,750	\$2,025,750	\$0	0.00 %	
Total Ongoing	\$1,675,750	\$1,675,750	\$0	0.00 %	
Total OTO	\$350,000	\$350,000	\$0	0.00 %	

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 Program Major Budget Highlights
<ul style="list-style-type: none"> • The Tribal College Assistance Program's 2023 biennium appropriations are unchanged from the 2021 biennium • The legislature adopted restricted, biennial, one-time-only general fund appropriations of \$350,000 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 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
Grants	1,012,875	1,012,875	1,012,875	1,012,875	1,012,875
Total Expenditures	\$1,012,875	\$1,012,875	\$1,012,875	\$1,012,875	\$1,012,875
General Fund	1,012,875	1,012,875	1,012,875	1,012,875	1,012,875
Total Funds	\$1,012,875	\$1,012,875	\$1,012,875	\$1,012,875	\$1,012,875
Total Ongoing	\$837,875	\$837,875	\$837,875	\$837,875	\$837,875
Total OTO	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000

Funding

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

Commissioner of Higher Education, 11-Tribal College Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	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](#).

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 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 2022-----					-----Fiscal 2023-----				
	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/BIEN/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/BIEN/OTO) -

The legislature adopted restricted, biennial, one-time-only general fund appropriations 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).

Program Budget Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	527,314	425,875	(101,439)	(19.24)%
Operating Expenses	4,283,475	4,283,209	(266)	(0.01)%
Total Expenditures	\$4,810,789	\$4,709,084	(\$101,705)	(2.11)%
Federal Spec. Rev. Funds	4,810,789	4,709,084	(101,705)	(2.11)%
Total Funds	\$4,810,789	\$4,709,084	(\$101,705)	(2.11)%
Total Ongoing	\$4,810,789	\$4,709,084	(\$101,705)	(2.11)%
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Guaranteed Student Loan Program (GSL) provides financial aid literacy and related activities for the benefit of students. GSL is authorized under Title 20, Chapter 26, MCA.

Program Highlights

Guaranteed Student Loan Program Major Budget Highlights
<ul style="list-style-type: none"> • The Guaranteed Student Loan Program’s 2023 biennium appropriations are approximately \$102,000 or 2.1% lower than the 2021 biennium • The decrease is primarily due to the reduction of federal special revenue each fiscal year and 1.50 FTE. The 1.50 FTE were transferred to the Student Assistance Program

Program Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	3.00	3.00	1.50	1.50
Personal Services	36,741	258,976	268,338	212,856	213,019
Operating Expenses	730,026	2,141,715	2,141,760	2,141,569	2,141,640
Total Expenditures	\$766,767	\$2,400,691	\$2,410,098	\$2,354,425	\$2,354,659
Federal Spec. Rev. Funds	766,767	2,400,691	2,410,098	2,354,425	2,354,659
Total Funds	\$766,767	\$2,400,691	\$2,410,098	\$2,354,425	\$2,354,659
Total Ongoing	\$766,767	\$2,400,691	\$2,410,098	\$2,354,425	\$2,354,659
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Commissioner of Higher Education, 12-Guaranteed Student Loan Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
State Special Total	\$0	\$0	\$0	\$0	0.00 %
03400 Guaranteed Std. Loan-Admin.	4,378,134	0	0	4,378,134	92.97 %
03401 U.S. Dept Ed / GSL Recall Acct	330,950	0	0	330,950	7.03 %
Federal Special Total	\$4,709,084	\$0	\$0	\$4,709,084	100.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$4,709,084	\$0	\$0	\$4,709,084	

The GSL 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](#).

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	0	0	0	0.00 %	2,410,098	2,410,098	4,820,196	102.36 %
SWPL Adjustments	0	0	0	0.00 %	60,079	60,248	120,327	2.56 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	(115,752)	(115,687)	(231,439)	(4.91)%
Total Budget	\$0	\$0	\$0		\$2,354,425	\$2,354,659	\$4,709,084	

Present Law Adjustments

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

these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2022-----					-----Fiscal 2023-----				
	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	60,270	60,270	0.00	0	0	60,368	60,368
DP 3 - Inflation Deflation	0.00	0	0	(191)	(191)	0.00	0	0	(120)	(120)
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$60,079	\$60,079	0.00	\$0	\$0	\$60,248	\$60,248

**"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 for expected changes, management decisions and budget modifications.

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.

New Proposals

The New Proposals table shows new changes to spending

New Proposals	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 221 - Operating and Personal Services Support	(1.50)	0	0	(115,752)	(115,752)	(1.50)	0	0	(115,687)	(115,687)
Total	(1.50)	\$0	\$0	(\$115,752)	(\$115,752)	(1.50)	\$0	\$0	(\$115,687)	(\$115,687)

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

DP 221 - Operating and Personal Services Support -

The legislature adopted a reduction in federal special revenue and 1.50 FTE in the Guaranteed Student Loan Program. The 1.50 FTE will be transferred to the Student Assistance Program.

Program Budget Comparison

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison					
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change	
Personal Services	12,600	12,600	0	0.00 %	
Operating Expenses	122,100	122,100	0	0.00 %	
Total Expenditures	\$134,700	\$134,700	\$0	0.00 %	
General Fund	134,700	134,700	0	0.00 %	
Total Funds	\$134,700	\$134,700	\$0	0.00 %	
Total Ongoing	\$134,700	\$134,700	\$0	0.00 %	
Total OTO	\$0	\$0	\$0	0.00 %	

Program Description

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

Program Highlights

Board of Regents Major Budget Highlights
<ul style="list-style-type: none"> The Board of Regents Program’s 2023 biennium appropriations are unchanged from the 2021 biennium

Program Actuals and Budget Comparison

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
Personal Services	2,100	6,300	6,300	6,300	6,300
Operating Expenses	55,236	61,050	61,050	61,050	61,050
Total Expenditures	\$57,336	\$67,350	\$67,350	\$67,350	\$67,350
General Fund	57,336	67,350	67,350	67,350	67,350
Total Funds	\$57,336	\$67,350	\$67,350	\$67,350	\$67,350
Total Ongoing	\$57,336	\$67,350	\$67,350	\$67,350	\$67,350
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Commissioner of Higher Education, 13-Board of Regents Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	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 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](#).

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	67,350	67,350	134,700	100.00 %	67,350	67,350	134,700	100.00 %
SWPL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
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 base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2022-----					-----Fiscal 2023-----				
	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	0	0.00	0	0	0	0
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$0	\$0	0.00	\$0	\$0	\$0	\$0

***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 moving expenditure items within personal services to account for per diem expenditures.