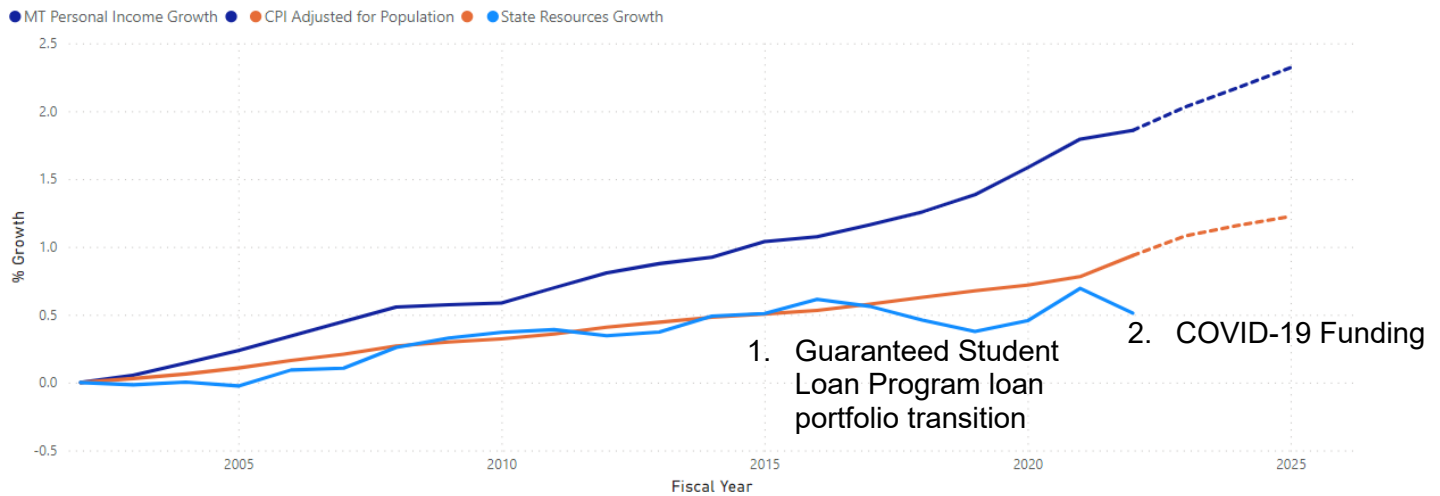


OFFICE OF THE COMMISSIONER OF HIGHER EDUCATION

This report includes a series of charts that compare state resource expenditure growth to the growth in personal income and growth in inflation adjusted for population. Montana statute, 17-8-106, MCA, recommends using growth in personal income for comparison purposes. Personal income is a measure for growth in the economy. Comparing growth allows financial planners to consider past and future demands in services or changes in revenues.

All Governmental Funds

The chart shows the growth in state resource expenditures compared to the growth in personal income and growth in inflation.

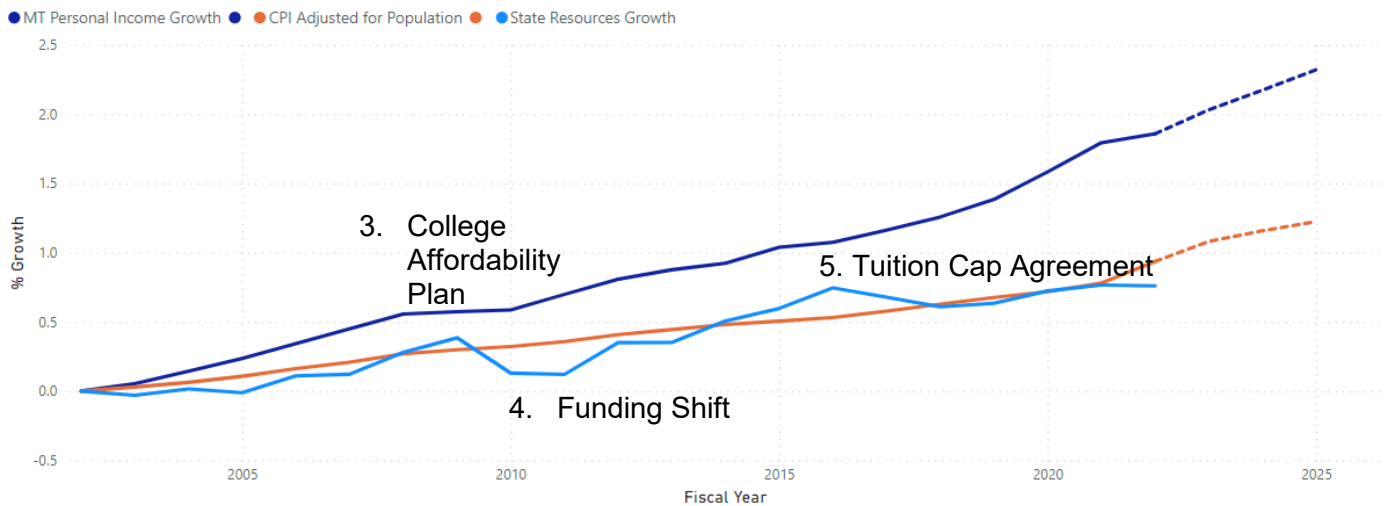


Overall, the trend for expenditures related to all governmental funds in the Office of the Commission of Higher Education has followed the growth in inflation adjusted for population. There are two inflection points on the chart above, which were due to:

1. The Guaranteed Student Loan (GSL) Program had not issued loans since July 2010 and was managing the existing loan portfolio. As of October 1, 2017, the GSL Program transferred the portfolio to a federally approved loan servicing provider, which caused a significant decline in federal special revenue expenditures
2. Between FY 2020 and FY 2021 there was an increase in expenditures. This increase was due to the Office of the Commissioner of Higher Education receiving federal funding because of the COVID-19 pandemic

General Fund

The chart shows the growth in state resource expenditures compared to the growth in personal income and growth in inflation.

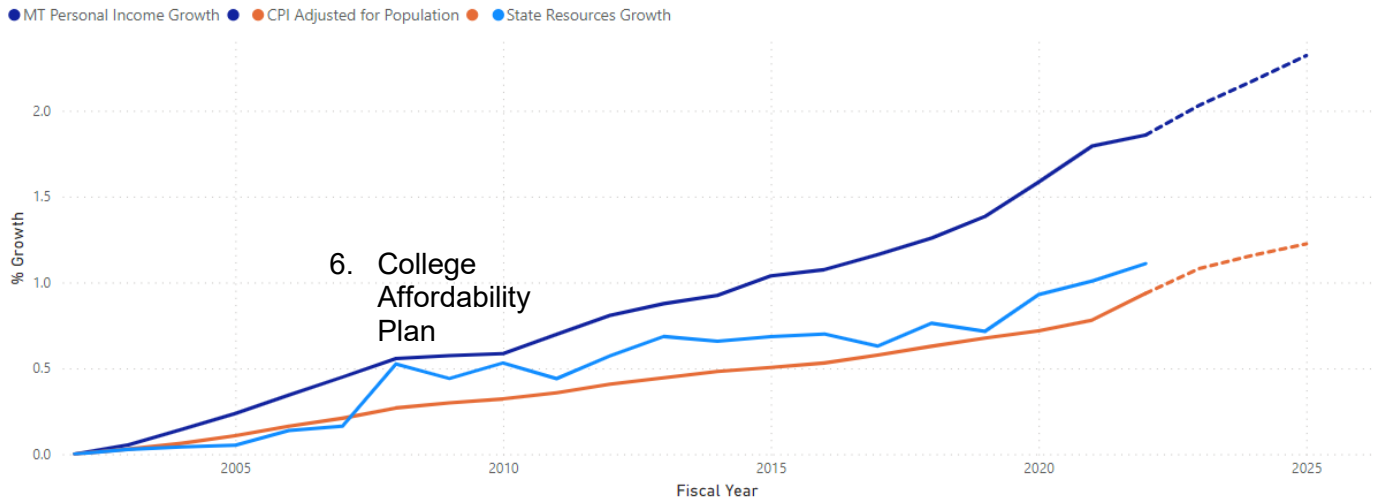


Overall, the trend for general fund expenditures has followed the growth in inflation adjusted for population. Inflections in the chart are primarily due to:

3. The legislature approved appropriation increases in general fund to support the College Affordability Plan in an effort to cap university tuition rates in the 2009 biennium
4. The legislature approved a funding switch from general fund to federal special revenue in the 2011 biennium. The state received one-time-only federal special revenue from the American Recovery and Reinvestment Act and used these funds to reduce general fund expenditures for the biennium
5. The legislature signed a Tuition Cap Agreement with the Commissioner of Higher Education and the Governor, which froze resident tuition rates over the 2017 biennium. This agreement also committed the Montana University System to incorporating a performance funding component into the allocation model used by the Board of Regents for distributing funds to the Montana University System educational units

State Special Revenue Funds

The chart shows the growth in state resource expenditures compared to the growth in personal income and growth in inflation.



Overall, the trend for state special revenue fund expenditures has been in between the growth in inflation adjusted for population and growth in the economy as measured by personal income. The primary source of state special revenues for the Office of the Commissioner of Higher Education is the 6-mill levy. There is one inflection point on the chart above, which was due to:

6. The legislature approved appropriation increases in the six-mill levy, using available fund balance, to support the College Affordability Plan in an effort to cap university tuition rates in the 2009 biennium