

Agency Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	10,942,832	11,426,839	484,007	4.42 %
Operating Expenses	17,233,485	22,044,628	4,811,143	27.92 %
Equipment & Intangible Assets	22,126	22,126	0	0.00 %
Local Assistance	29,134,072	32,294,359	3,160,287	10.85 %
Grants	35,442,108	38,722,066	3,279,958	9.25 %
Transfers	498,120,420	524,414,007	26,293,587	5.28 %
Debt Service	489,068	528,796	39,728	8.12 %
Total Expenditures	\$591,384,111	\$629,452,821	\$38,068,710	6.44 %
General Fund	503,837,657	521,927,964	18,090,307	3.59 %
State/Other Special Rev. Funds	50,127,218	69,619,548	19,492,330	38.89 %
Federal Spec. Rev. Funds	36,198,128	36,458,379	260,251	0.72 %
Proprietary Funds	1,221,108	1,446,930	225,822	18.49 %
Total Funds	\$591,384,111	\$629,452,821	\$38,068,710	6.44 %
Total Ongoing	\$583,949,111	\$641,709,951	\$57,760,840	9.89 %
Total OTO	\$7,435,000	(\$12,257,130)	(\$19,692,130)	(264.86)%

Agency Description

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

Agency Highlights

**Office of the Commissioner of Higher Education
Major Budget Highlights**

- The Office of the Commissioner of Higher Education's 2025 biennium appropriations are approximately \$38.1 million or 6.4% higher than the 2023 biennium. Significant biennial changes include:
 - Restricted, one-time-only general fund appropriations in the Administration Program of \$3.0 million for a seamless system initiative, \$2.0 million for developing accelerated degree pathways, and \$1.4 million for the One-Two-Free Program
 - Increases in general fund appropriations of \$4.5 million for the statutory calculation of the community college funding formula
 - Increases in general fund appropriations of \$27.8 million for present law adjustments related to personal services, higher education fixed costs, and inflation in the Appropriation Distribution Program. This increase is partially offset by a decrease of \$17.8 million because of the elimination of insurance payments to the Risk Management and Tort Defense (RMTD) Division in the 2025 biennium
 - Decreases in general fund appropriations and increases in six-mill levy state special revenue appropriations of \$19.2 million. The revenues in the state special revenue fund are estimated to grow substantially in the 2025 biennium due to high reappraisal growth estimates
 - Increases in general fund of \$4.3 million for present law adjustments for personal services, fixed costs, and inflation in the Research and Development Agencies. This increase is partially offset by a decrease of \$663,000 due to the elimination of insurance payments to the RMTD Division in the 2025 biennium
 - Increases in restricted general fund appropriations of \$600,000 for the Montana Agricultural Experiment Stations (MAES), \$600,000 for precision agriculture, \$200,000 for the MAES Seed Lab, and \$110,000 for the MAES Wool Lab
 - Increases in restricted state special revenue appropriations of \$600,000 for the Montana Bureau of Mines and Geology data preservation project

Agency Actuals and Budget Comparison

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

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	50.22	50.22	50.22	50.22
Personal Services	5,061,933	5,408,399	5,534,433	5,682,052	5,744,787
Operating Expenses	5,211,408	8,357,904	8,875,581	11,031,853	11,012,775
Equipment & Intangible Assets	0	11,063	11,063	11,063	11,063
Local Assistance	15,017,699	15,020,699	14,113,373	15,703,511	16,590,848
Grants	15,404,612	17,418,418	18,023,690	18,874,987	19,847,079
Transfers	241,775,480	242,077,950	256,042,470	261,064,353	263,349,654
Debt Service	244,521	244,541	244,527	264,398	264,398
Total Expenditures	\$282,715,653	\$288,538,974	\$302,845,137	\$312,632,217	\$316,820,604
General Fund	243,776,321	244,912,809	258,924,848	258,588,117	263,339,847
State/Other Special Rev. Funds	24,598,673	24,949,790	25,177,428	35,107,935	34,511,613
Federal Spec. Rev. Funds	13,772,759	18,065,821	18,132,307	18,212,700	18,245,679
Proprietary Funds	567,900	610,554	610,554	723,465	723,465
Total Funds	\$282,715,653	\$288,538,974	\$302,845,137	\$312,632,217	\$316,820,604
Total Ongoing	\$279,116,269	\$284,908,974	\$299,040,137	\$319,468,282	\$322,241,669
Total OTO	\$3,599,384	\$3,630,000	\$3,805,000	(\$6,836,065)	(\$5,421,065)

Summary of Legislative Action

The legislature adopted an increase of 5.2% or \$31.4 million in the 2025 biennium when compared to FY 2023 base appropriations. State special revenue appropriations increased by approximately \$19.9 million or 39.9% and general fund appropriations increased by \$11.1 million or 2.2%. Federal special revenue and internal service funds have smaller increases of \$194,000 and \$226,000 over the 2025 biennium, respectively.

Significant increases in state special revenue appropriations primarily occurred in the Appropriation Distribution Program, where the legislature adopted an increase of \$19.2 million or 40.5%. This increase was the result of an increase in appropriations from the six-mill levy of \$9.9 million in FY 2024 and \$9.3 million in FY 2025 and a decrease in general fund appropriations of the same amount. The revenues for this state special revenue fund are primarily from property taxes and are anticipated to increase significantly in the 2025 biennium because of reappraisal growth. This increase in projected revenue led the legislature to adopt a switch in funding for the Montana University System. Additionally, the legislature adopted oil and gas state special revenue funding of \$600,000 in the Research and Development Agencies for the Montana Bureau of Mines and Geology data preservation project. This funding has been adopted by the legislature as one-time-only for several biennia, and the 2023 Legislature adopted this funding as ongoing for the 2025 biennium. Increases in general fund appropriations primarily occurred in the Administration Program, Student Assistance Program, Community College Assistance Program, Research and Development Agencies, and Tribal College Assistance Program. Significant biennial increases by program include:

- Administration Program – General fund appropriations increased by approximately \$6.3 million or 83.0%. The increase is primarily due to three initiatives where the legislature adopted one-time-only funding, which include
 - \$3.0 million over the 2025 biennium for an initiative that will implement a single learning management system that will allow students to access online courses across all campuses in the Montana University System regardless of which campus the student is attending
 - \$2.0 million over the 2025 biennium for an initiative that would allow students to complete 4-year degrees in six to seven semesters and 2-year degrees in three semesters for degree pathways that are in high-demand
 - \$1.4 million in FY 2025 for One-Two-Free Program, which offers two dual enrollment courses, or up to six credits, through the Montana University System and community colleges to all eligible high school students for free
- Student Assistance Program – General fund appropriations increased by \$3.6 million or 16.0%. This increase is primarily for present law adjustments associated with support for first year and continuing student slots and anticipated increases in tuition levels for the WICHE, WWAMI, MN Dental, WIMU, and ICOM professional student exchange programs

- Community College Assistance Program – General fund appropriations increased by approximately \$4.1 million or 14.6%. The increase in funding is primarily due to the present law adjustments resulting from the community college funding formula
- Research and Development Agencies – General fund appropriations increased by approximately \$5.1 million or 8.3%. The legislature adopted an increase of \$3.6 million for present law adjustments for personal services, higher education fixed costs, and inflationary costs. Additionally, the legislature adopted general fund appropriations of \$910,000 for the Montana Agricultural Experiment Stations (MAES), MAES Seed Lab, and MAES Wool Lab, and \$600,000 for precision agriculture
- Tribal College Assistance Program – General fund appropriations increased by \$361,000 or 21.5%. The legislature adopted one-time-only general fund appropriations of \$200,000 for the HiSET program, so tribal colleges can provide classes and training to individuals to prepare and complete the HiSET. Additionally, the legislature increased general fund appropriations by \$161,000 for nonbeneficiary students attending a tribal college, which provides funding for an additional 24.55 nonbeneficiary students

These increases in general fund were slightly offset by reductions in the Appropriation Distribution Program. General fund appropriations decreased by \$8.5 million or 2.2%. The decrease in general fund appropriations is due to the fund shift to the six-mill levy state special revenue fund and the elimination of insurance payments to the Risk Management and Tort Defense Division in the 2025 biennium.

The impacts of these changes are illustrated in the table below. The table shows the funding levels for each program in the Office of the Commissioner of Higher Education and shows the percent change from the FY 2023 base budget.

Office of the Commissioner of Higher Education Adopted 2025 Biennium Budget by Program					
	Base Budget FY 2023	Adopted FY 2024	Adopted FY 2025	2025 Biennium Change from FY 2023 Base	
Administration Program					
General Fund	\$ 3,832,984	\$ 6,339,418	\$ 7,690,759	\$ 6,364,209	83.0%
Internal Service	610,554	723,465	723,465	225,822	18.5%
Total	4,443,538	7,062,883	8,414,224	6,590,031	74.2%
Student Assistance Program					
General Fund	11,409,111	12,685,376	13,775,291	3,642,445	16.0%
State Special Revenue	330,035	360,542	364,220	64,692	9.8%
Total	11,739,146	13,045,918	14,139,511	3,707,137	15.8%
Community College Assistance					
General Fund	13,948,373	15,539,511	16,421,848	4,064,613	14.6%
Total	13,948,373	15,539,511	16,421,848	4,064,613	14.6%
Education Outreach & Diversity					
General Fund	141,712	142,706	144,745	4,027	1.4%
Federal Special Revenue	9,412,069	9,486,998	9,510,468	173,328	0.9%
Total	9,553,781	9,629,704	9,655,213	177,355	0.9%
Workforce Development Program					
General Fund	92,817	103,077	103,048	20,491	11.0%
Federal Special Revenue	6,365,579	6,344,706	6,344,340	(42,112)	-0.3%
Total	6,458,396	6,447,783	6,447,388	(21,621)	-0.2%
Appropriation Distribution Program					
General Fund	194,219,196	189,321,993	190,592,897	(8,523,502)	-2.2%
State Special Revenue	23,727,425	33,627,425	33,027,425	19,200,000	40.5%
Total	217,946,621	222,949,418	223,620,322	10,676,498	2.4%
Research and Development Agencies					
General Fund	30,870,430	33,363,384	33,518,282	5,140,806	8.3%
State Special Revenue	819,968	1,119,968	1,119,968	600,000	36.6%
Total	31,690,398	34,483,352	34,638,250	5,740,806	9.1%
Tribal College Assistance Program					
General Fund	837,875	1,018,400	1,018,400	361,050	21.5%
Total	837,875	1,018,400	1,018,400	361,050	21.5%
Guaranteed Student Loan Program					
Federal Special Revenue	2,354,659	2,380,996	2,390,871	62,549	1.3%
Total	2,354,659	2,380,996	2,390,871	62,549	1.3%
Board of Regents					
General Fund	67,350	74,252	74,577	14,129	10.5%
Total	67,350	74,252	74,577	14,129	10.5%
OCHE Summary					
General Fund	255,419,848	258,588,117	263,339,847	11,088,268	2.2%
State Special Revenue	24,877,428	35,107,935	34,511,613	19,864,692	39.9%
Federal Special Revenue	18,132,307	18,212,700	18,245,679	193,765	0.5%

Internal Service	610,554	723,465	723,465	225,822	18.5%
Grand Total	\$ 299,040,137	\$ 312,632,217	\$ 316,820,604	\$ 31,372,547	5.2%

Funding

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

Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	534,185,094	(12,257,130)	0	3,765,356	525,693,320	52.96 %
State Special Total	69,619,548	0	0	8,775,033	78,394,581	7.90 %
Federal Special Total	36,458,379	0	0	0	36,458,379	3.67 %
Proprietary Total	1,446,930	0	350,631,712	0	352,078,642	35.47 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$641,709,951	(\$12,257,130)	\$350,631,712	\$12,540,389	\$992,624,922	
Percent - Total All Sources	64.65 %	(1.23)%	35.32 %	1.26 %		

Approximately two-thirds of the funding for the agency is appropriated in HB 2, approximately one-third of the proposed funding does not require an appropriation as the funds are enterprise funds, and the remaining one percent is statutory appropriation authority.

HB 2 Appropriations

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. Revenues, expenditures, and fund balances for the enterprise funds for the current and projected biennia are detailed in the respective program.

Statutory Appropriations

The agency receives several statutory appropriations that are not included in HB 2. The MUS RP 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 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	255,419,848	255,419,848	510,839,696	97.88 %	299,040,137	299,040,137	598,080,274	95.02 %
SWPL Adjustments	99,007	61,699	160,706	0.03 %	266,614	276,457	543,071	0.09 %
PL Adjustments	10,251,527	12,949,313	23,200,840	4.45 %	10,364,184	13,061,985	23,426,169	3.72 %
New Proposals	(7,182,265)	(5,091,013)	(12,273,278)	(2.35)%	2,961,282	4,442,025	7,403,307	1.18 %
Total Budget	\$258,588,117	\$263,339,847	\$521,927,964		\$312,632,217	\$316,820,604	\$629,452,821	

Other Legislation

HB 185 – This legislation increases appropriations to the Fire Services Training School at the Montana State University Extension Service to convert two part-time training positions to full-time, increase the service life of two fire engines, and provide materials for training. General fund appropriations of approximately \$352,000 in each fiscal year are intended to be ongoing, and appropriations of \$120,000 for the 2025 biennium are designated one-time-only.

HB 367 – This legislation provides requirements for the Office of Public Instruction’s database modernization project, which impact the Office of the Commissioner of Higher Education. Requirements that impact OCHE include:

- The use of data to improve individual student academic outcomes and periodically evaluate student academic performance (which includes community colleges and the Montana University System)
- Secure sharing of data between the Office of Public Instruction, Office of the Commissioner of Higher Education, and the Department of Labor

HB 482 – This legislation establishes a Montana Foster Youth Higher Education Assistance Program, which provides educational financial support for eligible students who have aged out of the state’s foster care system. Appropriations for this program are included in HB 2.

HB 749 – This legislation revises the laws related to the Montana Digital Academy in which courses empower students to become community, college, and career ready. Also, this legislation requires the creation of a clearinghouse for additional choice and flexibility for remote instruction, courses, models, and materials. The bill includes general fund appropriations of \$950,000 in each fiscal year to the Office of the Commissioner of Higher Education to be transferred to the Montana Digital Academy for the creation of the clearinghouse.

HB 833 – This legislation establishes a teacher residency program to be administered by the Office of Public Instruction in collaboration with school districts and professional educator preparation programs. Ongoing appropriations of \$35,000 for 0.33 FTE and one-time-only appropriations of \$15,000 for software modification and/or development costs are included in HB 2 for the Office of the Commissioner of Higher Education in FY 2025.

HB 946 – This legislation requires two reports from the Office of the Commissioner of Higher Education, which include:

- Specific information on the funding provided for the HiSET program at the tribal colleges
- Specific information on collaborations, partnerships, contracts, donations, and contributions related to an entity or individual associated with a foreign country of concern

HB 949 – This legislation creates an Education and Workforce Data Governing Board that will create policies for sharing education and workforce data between the Office of Public Instruction, the Office of the Commissioner of Higher Education, and the Department of Labor and Industry.

SB 289 – This legislation allows for the Board of Regents to waive tuition and fees for surviving spouses and children of Montana firefighters or peace officers who died in the line of duty.

Executive Budget Comparison

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

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2023	Executive Budget Fiscal 2024	Legislative Budget Fiscal 2024	Leg — Exec. Difference Fiscal 2024	Executive Budget Fiscal 2025	Legislative Budget Fiscal 2025	Leg — Exec. Difference Fiscal 2025	Biennium Difference Fiscal 24-25
FTE	50.22	50.22	50.22	0.00	50.22	50.22	0.00	0.00
Personal Services	5,534,433	5,735,507	5,682,052	(53,455)	5,763,552	5,744,787	(18,765)	(72,220)
Operating Expenses	8,875,581	11,087,438	11,031,853	(55,585)	11,069,227	11,012,775	(56,452)	(112,037)
Equipment & Intangible Assets	11,063	11,063	11,063	0	11,063	11,063	0	0
Local Assistance	14,113,373	15,488,681	15,703,511	214,830	16,169,308	16,590,848	421,540	636,370
Grants	18,023,690	19,044,462	18,874,987	(169,475)	20,016,554	19,847,079	(169,475)	(338,950)
Transfers	256,042,470	259,953,221	261,064,353	1,111,132	260,779,023	263,349,654	2,570,631	3,681,763
Debt Service	244,527	264,398	264,398	0	264,398	264,398	0	0
Total Costs	\$302,845,137	\$311,584,770	\$312,632,217	\$1,047,447	\$314,073,125	\$316,820,604	\$2,747,479	\$3,794,926
General Fund	258,924,848	257,783,963	258,588,117	804,154	260,125,167	263,339,847	3,214,680	4,018,834
State/other Special Rev. Funds	25,177,428	34,812,245	35,107,935	295,690	34,917,065	34,511,613	(405,452)	(109,762)
Federal Spec. Rev. Funds	18,132,307	18,265,097	18,212,700	(52,397)	18,307,428	18,245,679	(61,749)	(114,146)
Other	610,554	723,465	723,465	0	723,465	723,465	0	0
Total Funds	\$302,845,137	\$311,584,770	\$312,632,217	\$1,047,447	\$314,073,125	\$316,820,604	\$2,747,479	\$3,794,926
Total Ongoing	\$299,040,137	\$309,084,770	\$319,468,282	\$10,383,512	\$311,573,125	\$322,241,669	\$10,668,544	\$21,052,056
Total OTO	\$3,805,000	\$2,500,000	(\$6,836,065)	(\$9,336,065)	\$2,500,000	(\$5,421,065)	(\$7,921,065)	(\$17,257,130)

The legislature adopted appropriations that are approximately \$3.8 million higher than the proposed appropriations for the 2025 biennium. The significant differences in the legislative budget compared to the proposed budget include:

- The legislature adopted restricted, one-time-only general fund appropriations of \$1.4 million in FY 2024 for the One-Two-Free Program. This program offers two dual enrollment courses, or up to six credits, through the Montana University System and community colleges to all eligible students for free
- The legislature adjusted factors in the community college funding formula, as allowed by statute. The present law adjustment for the community colleges increased by \$617,000 over the biennium when compared to the proposed budget
- The legislature adopted restricted general fund appropriations of \$600,000 for the Montana Agricultural Experiment Stations (MAES), \$600,000 for precision agriculture, \$200,000 for the MAES Seed Lab, and \$110,000 for the MAES Wool Lab over the 2025 biennium
- The legislature adopted restricted state special revenue appropriations of \$600,000 over the 2025 biennium for the Montana Bureau of Mines and Geology data preservation project
- The legislature adopted restricted, one-time-only appropriations of \$200,000 over the biennium for high school equivalency test (HiSET) preparation at the Tribal Colleges. This is a reduction of \$500,000 from the proposed budget
- The legislature adopted additional general fund appropriations of \$161,000 for nonbeneficiary students attending one of the seven tribal colleges in Montana. This provides funding for 24.55 additional nonbeneficiary students, which, in addition to the base budget, funds a total of 280.00 students at the statutory maximum payment of \$3,280 each fiscal year

The shift of appropriations between one-time-only and ongoing is primarily due to designating the elimination of the insurance premiums being paid to the RMTD Division as one-time-only.

Language and Statutory Authority

The legislature adopted the following language in HB 2:

"Items designated as OCHE Administration Program, Student Assistance Program, Educational Outreach and Diversity, Workforce Development Program, Appropriation Distribution, Guaranteed Student Loan, and Board of Regents Administration are designated as biennial appropriations.

General fund money, state and federal special revenue, and proprietary fund revenue appropriated to the Board of Regents are included in all Montana University System programs. All other public funds received by units of the Montana University System (other than plant funds appropriated in HB 5 relating to long-range building) are appropriated to the Board of Regents and may be expended under the provisions of 17-7-138(2). The Board of Regents shall allocate the appropriations to individual University System units, as defined in 17-7-102(15), according to board policy.

The Montana University System, except for the Office of the Commissioner of Higher Education and the community colleges, shall provide the Office of Budget and Program Planning and the Legislative Fiscal Division Banner access to the entire University System's information system, except for information pertaining to individual students and individual employees that is protected by Article II, sections 9 and 10, of the Montana Constitution, 20-25-515, or the Family Educational Rights and Privacy Act of 1974, 20 U.S. C. 1232g.

The Montana University System shall provide the electronic data required for entering human resource data for the current unrestricted operating funds into the internet budgeting and reporting system. The salary and benefit data provided must reflect approved Board of Regents operating budgets.

The community college FTE decrease funding factor is \$3,125 for FY 2024 and \$3,125 for FY 2025. The community college FTE increase funding factor is \$6,250 for FY 2024 and \$6,250 for FY 2025. The community college weighting factors for the 2025 biennium are 1.50 for CTE FTE, 1.00 for general education FTE, 0.50 for early college FTE, and 0.25 for concurrent enrollment FTE.

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

The general fund appropriation for Community College Assistance is calculated to fund education in the community colleges for an estimated 1,865 resident FTE in FY 2024 and 1,951 in FY 2025. If total weighted resident FTE student enrollment in the community colleges is greater than the estimated number for the biennium, the community colleges must receive a reimbursement for the underpayment from the community college FTE adjustment account. If actual resident FTE student enrollment is less than the estimated numbers for the biennium, the community colleges shall pay a fee equal to the overpayment amount to be deposited in the FTE adjustment account in accordance with 20-15-328.

Funding to be transferred to the state energy conservation program debt service account for energy improvements are as follows: Transferred funding for each year of the biennium to retire bonded projects are MSU Northern -- \$16,200 in FY 2024 and \$16,200 in FY 2025, MSU Billings -- \$45,519 in both FY 2024 and FY 2025, MSU Great Falls -- \$86,500 in FY 2024 and \$80,000 for FY 2025. Funding to be transferred for each year of the biennium for state energy revolving projects are MSU Billings -- \$55,323, MSU Northern -- \$69,099, and Miles Community College -- \$23,553. Montana State University transfers are \$254,753 in FY 2024 and \$253,822 in FY 2025.

Total audit costs are estimated to be \$178,000 for the community colleges for the biennium. Audit costs charged to the community colleges for the biennium may not exceed \$58,100 for Flathead Valley Community College, \$55,000 for Miles Community College, and \$65,000 for Dawson Community College. Total audit costs for the Office of Commissioner of Higher Education and the Board of Regents is \$71,655, UM - Missoula is \$313,489, and MSU - Bozeman is \$313,489.

OCHE Administration Program, Appropriation Distribution, and Research and Development Agencies include a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund."

Additionally, the legislature adopted the following HB 2 language, contingent on the passage and approval of other bills, and the adjustments to HB 2 appropriations are included as decision packages and incorporated into the tables in the fiscal report:

"If HB 482 is passed and approved, the Commissioner of Higher Education is increased by \$56,132 general fund in FY 2024 and \$115,631 general fund in FY 2025.

If HB 833 is passed and approved, the Commissioner of Higher Education is increased by \$35,000 general fund in FY 2025 and \$15,000 one-time-only general fund in FY 2025.

If HB 314 is passed and approved, the Commissioner of Higher Education is increased by \$5,600 general fund in FY 2024 and \$5,600 general fund in FY 2025."

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	6,569,522	6,914,113	344,591	5.25 %
Operating Expenses	2,490,440	6,744,936	4,254,496	170.83 %
Equipment & Intangible Assets	22,126	22,126	0	0.00 %
Transfers	45,546	1,445,546	1,400,000	3,073.82 %
Debt Service	310,644	350,386	39,742	12.79 %
Total Expenditures	\$9,438,278	\$15,477,107	\$6,038,829	63.98 %
General Fund	8,217,170	14,030,177	5,813,007	70.74 %
Proprietary Funds	1,221,108	1,446,930	225,822	18.49 %
Total Funds	\$9,438,278	\$15,477,107	\$6,038,829	63.98 %
Total Ongoing	\$8,813,278	\$9,425,593	\$612,315	6.95 %
Total OTO	\$625,000	\$6,051,514	\$5,426,514	868.24 %

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

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 2025 biennium appropriations are approximately \$6.0 million or 64.0% higher than the 2023 biennium. Significant changes include: <ul style="list-style-type: none"> ◦ Increasing restricted, one-time-only general fund appropriations by approximately \$1.5 million each fiscal year for a seamless system initiative. This initiative would provide for a single learning management system throughout the Montana University System (MUS), which would allow students to take online courses at any campus across the MUS regardless of the campus the student attends ◦ Increasing restricted, one-time-only general fund appropriations by approximately \$1.0 million each fiscal year for developing accelerated degree pathways for high-demand 2-year and 4-year degrees ◦ Increasing restricted, one-time-only general fund appropriations by \$1.4 million in FY 2025 for the one-two-free program which allows for up to six credits to received dual credit for free for eligible high school students

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	23.28	23.28	23.28	23.28
Personal Services	3,236,932	3,238,188	3,331,334	3,447,397	3,466,716
Operating Expenses	576,879	1,017,394	1,473,046	3,406,457	3,338,479
Equipment & Intangible Assets	0	11,063	11,063	11,063	11,063
Transfers	0	22,773	22,773	22,773	1,422,773
Debt Service	155,311	155,322	155,322	175,193	175,193
Total Expenditures	\$3,969,122	\$4,444,740	\$4,993,538	\$7,062,883	\$8,414,224
General Fund	3,401,222	3,834,186	4,382,984	6,339,418	7,690,759
Proprietary Funds	567,900	610,554	610,554	723,465	723,465
Total Funds	\$3,969,122	\$4,444,740	\$4,993,538	\$7,062,883	\$8,414,224
Total Ongoing	\$3,894,122	\$4,369,740	\$4,443,538	\$4,737,126	\$4,688,467
Total OTO	\$75,000	\$75,000	\$550,000	\$2,325,757	\$3,725,757

Funding

The following table shows proposed agency funding for all sources 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	14,030,177	0	0	14,030,177	90.65 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
06539 Indirect Costs OCHE	1,446,930	0	0	1,446,930	100.00 %	
Proprietary Total	\$1,446,930	\$0	\$0	\$1,446,930	9.35 %	
Total All Funds	\$15,477,107	\$0	\$0	\$15,477,107		

The Administration Program is primarily funded with general fund. The remaining funding in the 2025 biennium is from a budgeted proprietary fund. The proprietary fund receives revenues from an indirect costs rate charged to other programs and supports the administrative overhead activities for those programs (e.g., Talent Search, GEAR-UP, Perkins, MUS 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 Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	3,832,984	3,832,984	7,665,968	54.64 %	4,443,538	4,443,538	8,887,076	57.42 %
SWPL Adjustments	58,777	15,456	74,233	0.53 %	58,777	15,456	74,233	0.48 %
PL Adjustments	442	352	794	0.01 %	113,353	113,263	226,616	1.46 %
New Proposals	2,447,215	3,841,967	6,289,182	44.83 %	2,447,215	3,841,967	6,289,182	40.64 %
Total Budget	\$6,339,418	\$7,690,759	\$14,030,177		\$7,062,883	\$8,414,224	\$15,477,107	

Present Law Adjustments

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

	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	102,525	0	0	102,525	0.00	122,048	0	0	122,048
DP 2 - Fixed Costs	0.00	(78,688)	0	0	(78,688)	0.00	(150,827)	0	0	(150,827)
DP 3 - Inflation Deflation	0.00	34,940	0	0	34,940	0.00	44,235	0	0	44,235
DP 20 - SABHRS Rate Adjustment	0.00	745	0	0	745	0.00	635	0	0	635
DP 30 - Motor Pool Rate Adjustment	0.00	(303)	0	0	(303)	0.00	(283)	0	0	(283)
DP 101 - Indirect Cost Increases	0.00	0	0	0	112,911	0.00	0	0	0	112,911
DP 222 - RMTD Adjustment	0.00	174,243	0	0	174,243	0.00	174,243	0	0	174,243
DP 223 - RMTD Adjustment (OTO)	0.00	(174,243)	0	0	(174,243)	0.00	(174,243)	0	0	(174,243)
Grand Total All Present Law Adjustments	0.00	\$59,219	\$0	\$0	\$172,130	0.00	\$15,808	\$0	\$0	\$128,719

**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 provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, 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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 20 - SABHRS Rate Adjustment -

The legislature adopted an increase to proposed SABHRS rates.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 101 - Indirect Cost Increases -

The legislature adopted an increase in budgeted proprietary funds for an indirect cost rate approved by the Department of Education. A new rate was approved, which increased to 5.2% restricted and 5.6% unrestricted. This will increase the authority in the internal service fund for the indirect cost recoveries to support the operation of the Administration Program.

DP 222 - RMTD Adjustment -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package eliminates the reduction included in DP 2. This change is necessary to designate the reduction as one-time-only in the budgeting system.

DP 223 - RMTD Adjustment (OTO) -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package designates the reduction as one-time-only.

New Proposals

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

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 102 - Seamless System (RST/OTO)	0.00	1,500,000	0	0	1,500,000	0.00	1,500,000	0	0	1,500,000
DP 104 - MUS Sprint Degree (RST/OTO)	0.00	1,000,000	0	0	1,000,000	0.00	1,000,000	0	0	1,000,000
DP 105 - One-Two-Free Program (RST/OTO)	0.00	0	0	0	0	0.00	1,400,000	0	0	1,400,000
DP 333 - Adjustment to Inflation	0.00	(17,016)	0	0	(17,016)	0.00	(22,060)	0	0	(22,060)
DP 555 - Additional Vacancy Savings	0.00	(35,769)	0	0	(35,769)	0.00	(35,973)	0	0	(35,973)
Total	0.00	\$2,447,215	\$0	\$0	\$2,447,215	0.00	\$3,841,967	\$0	\$0	\$3,841,967

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

DP 102 - Seamless System (RST/OTO) -

The legislature adopted restricted, one-time-only general fund appropriations for a seamless system initiative. This initiative will create an online course catalog for students to discover, register for, and access all online courses across all campuses in the Montana University System. It will also provide a digital learning environment for all student and courses that will modernize and improve the quality of service and provide a single learning management system throughout the MUS.

DP 104 - MUS Sprint Degree (RST/OTO) -

The legislature adopted restricted, one-time-only general fund appropriations to support an accelerated high-quality degree pathway that results in degree attainment in reliable, high-wage, high-demand careers (e.g., health professions, manufacturing, technology) in Montana. Four-year degree pathways would be condensed to six or seven semesters, and two-year programs would be condensed to three semesters.

DP 105 - One-Two-Free Program (RST/OTO) -

The legislature adopted restricted, one-time-only general fund appropriations in FY 2025 to support the One-Two-Free Program. This program offers two dual enrollment courses, or up to six credits, through the Montana University System and community colleges to all eligible high school students for free.

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	597,809	722,237	124,428	20.81 %
Operating Expenses	636,263	890,901	254,638	40.02 %
Local Assistance	327,000	333,000	6,000	1.83 %
Grants	21,798,620	25,067,528	3,268,908	15.00 %
Transfers	0	171,763	171,763	0.00 %
Total Expenditures	\$23,359,692	\$27,185,429	\$3,825,737	16.38 %
General Fund	22,700,094	26,460,667	3,760,573	16.57 %
State/Other Special Rev. Funds	659,598	724,762	65,164	9.88 %
Total Funds	\$23,359,692	\$27,185,429	\$3,825,737	16.38 %
Total Ongoing	\$22,859,692	\$27,170,429	\$4,310,737	18.86 %
Total OTO	\$500,000	\$15,000	(\$485,000)	(97.00)%

Program Description

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

Program Highlights

Student Assistance Program Major Budget Highlights
<ul style="list-style-type: none"> • The Student Assistance Program’s 2025 biennium appropriations are approximately \$3.8 million or 16.4% higher than the 2023 biennium • Significant changes include increasing general fund appropriations by approximately \$1.2 million in FY 2024 and \$2.2 million in FY 2025 for present law increases for the professional student exchange program

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	3.00	3.00	3.00	3.00
Personal Services	286,693	293,711	304,098	343,051	379,186
Operating Expenses	281,335	318,161	318,102	435,017	455,884
Local Assistance	159,000	162,000	165,000	164,000	169,000
Grants	9,983,754	10,596,674	11,201,946	12,047,718	13,019,810
Transfers	0	0	0	56,132	115,631
Total Expenditures	\$10,710,782	\$11,370,546	\$11,989,146	\$13,045,918	\$14,139,511
General Fund	10,405,074	11,040,983	11,659,111	12,685,376	13,775,291
State/Other Special Rev. Funds	305,708	329,563	330,035	360,542	364,220
Total Funds	\$10,710,782	\$11,370,546	\$11,989,146	\$13,045,918	\$14,139,511
Total Ongoing	\$10,491,398	\$11,120,546	\$11,739,146	\$13,045,918	\$14,124,511
Total OTO	\$219,384	\$250,000	\$250,000	\$0	\$15,000

Funding

The following table shows proposed agency funding for all sources 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	26,460,667	0	0	26,460,667	81.13 %
02846 Family Ed Savings Admin Fee	724,762	0	0	724,762	11.78 %
02943 Rural Physicians Account	0	0	3,335,193	3,335,193	54.19 %
02027 STEM Scholarships	0	0	2,094,262	2,094,262	34.03 %
State Special Total	\$724,762	\$0	\$5,429,455	\$6,154,217	18.87 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$27,185,429	\$0	\$5,429,455	\$32,614,884	

HB 2 Appropriations

The Student Assistance Program is funded primarily with general fund in HB 2. State special revenue supports the administration of the Family Education Savings Program. The state special revenue fund receives revenue from annual account maintenance fees paid by non-resident participants and Board of Investments earnings.

The figure below summarizes the budgets for the student assistance programs for the 2025 biennium.

The figure below summarizes the budgets for the student assistance programs for the 2025 biennium.

Commissioner of Higher Education Student Assistance Program 2025 Biennium Executive Budget Across Functional Areas General Fund and State Special Revenue Only						
Budget Item	Appropriated FY 2022	Appropriated FY 2023	Adopted FY 2024	Adopted FY 2025	Change 23-25 Bien.	% Change 23-25 Bien.
<u>Grants, Loans, Work Study</u>						
Supplemental Ed Opportunity	\$ 737,160	\$ 737,160	\$ 737,160	\$ 737,160	\$ -	0.0%
Work Study	815,781	815,781	815,781	815,781	-	0.0%
Grow Your Own Teacher Grant	225,000	225,000	-	-	(450,000)	-100.0%
Foster Care Youth Assistance			56,132	115,631	171,763	100.0%
<u>Professional Student Exchange</u>						
WICHE	2,501,667	2,596,058	2,935,750	2,950,892	788,917	15.5%
WWAMI	5,183,271	5,369,490	5,874,930	6,542,280	1,864,449	17.7%
MN Dentistry	168,000	229,000	175,500	179,400	(42,100)	-10.6%
WIMU Veterinary Program	1,084,410	1,106,100	1,128,240	1,151,940	89,670	4.1%
ICOM	-	245,000	501,000	768,000	1,024,000	418.0%
<u>Student Loan Assistance</u>						
Institutional Nursing Incentive	43,388	43,388	43,388	43,388	-	0.0%
<u>Administrative Costs</u>						
Student Assistance Admin	282,306	292,565	417,495	470,819	313,443	54.5%
Family Savings Program (SSR)	329,563	329,604	360,542	364,220	65,595	10.0%
Total Costs	<u>11,370,546</u>	<u>11,989,146</u>	<u>13,045,918</u>	<u>14,139,511</u>	<u>3,825,737</u>	16.4%
<u>Funding</u>						
General Fund	11,040,983	11,659,111	12,685,376	13,775,291	3,760,573	16.6%
State Special	<u>329,563</u>	<u>330,035</u>	<u>360,542</u>	<u>364,220</u>	<u>65,164</u>	9.9%
Total Funding	<u>\$11,370,546</u>	<u>\$11,989,146</u>	<u>\$13,045,918</u>	<u>\$14,139,511</u>	<u>\$3,825,737</u>	16.4%

Statutory Appropriations

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

- The Montana Rural Physicians 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 Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	11,409,111	11,409,111	22,818,222	86.23 %	11,739,146	11,739,146	23,478,292	86.36 %
SWPL Adjustments	38,563	40,079	78,642	0.30 %	73,380	79,716	153,096	0.56 %
PL Adjustments	1,184,826	2,163,892	3,348,718	12.66 %	1,184,826	2,163,892	3,348,718	12.32 %
New Proposals	52,876	162,209	215,085	0.81 %	48,566	156,757	205,323	0.76 %
Total Budget	\$12,685,376	\$13,775,291	\$26,460,667		\$13,045,918	\$14,139,511	\$27,185,429	

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 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	36,637	20,927	0	57,564	0.00	37,522	21,189	0	58,711
DP 3 - Inflation Deflation	0.00	1,926	13,890	0	15,816	0.00	2,557	18,448	0	21,005
DP 201 - Professional Student Exchange Programs	0.00	1,184,826	0	0	1,184,826	0.00	2,163,892	0	0	2,163,892
Grand Total All Present Law Adjustments	0.00	\$1,223,389	\$34,817	\$0	\$1,258,206	0.00	\$2,203,971	\$39,637	\$0	\$2,243,608

**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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 201 - Professional Student Exchange Programs -

The legislature adopted increases in general fund appropriations for present law adjustments associated with support for first year and continuing student slots and anticipated increases in tuition levels for the WICHE, WWAMI, MN Dental, WIMU, and ICOM professional student exchange programs.

New Proposals

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

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	(482)	(3,473)	0	(3,955)	0.00	(639)	(4,612)	0	(5,251)
DP 555 - Additional Vacancy Savings	0.00	(2,774)	(837)	0	(3,611)	0.00	(2,783)	(840)	0	(3,623)
DP 1400 - HB 482	0.00	56,132	0	0	56,132	0.00	115,631	0	0	115,631
DP 1401 - HB 833	0.00	0	0	0	0	0.00	35,000	0	0	35,000
DP 1402 - HB 833 (OTO)	0.00	0	0	0	0	0.00	15,000	0	0	15,000
Total	0.00	\$52,876	(\$4,310)	\$0	\$48,566	0.00	\$162,209	(\$5,452)	\$0	\$156,757

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 1400 - HB 482 -

The legislature adopted contingency language to increase appropriations if HB 482 was passed and approved and this decision package implements this language. This bill establishes a Montana Foster Youth Higher Education Assistance Program, which provides educational financial support for eligible students who have aged out of the state's foster care system.

DP 1401 - HB 833 -

The legislature adopted contingency language to increase appropriations if HB 833 was passed and approved and this decision package implements this language. This bill establishes a teacher residency program to be administered by the Office of Public Instruction in collaboration with school districts and professional educator preparation programs. This decision package includes ongoing funding for personal services.

DP 1402 - HB 833 (OTO) -

The legislature adopted contingency language to increase appropriations if HB 833 was passed and approved and this decision package implements this language. This bill establishes a teacher residency program to be administered by the Office of Public Instruction in collaboration with school districts and professional educator preparation programs. This decision package includes one-time-only funding for software modification and/or development costs.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Local Assistance	28,807,072	31,961,359	3,154,287	10.95 %
Total Expenditures	\$28,807,072	\$31,961,359	\$3,154,287	10.95 %
General Fund	28,807,072	31,961,359	3,154,287	10.95 %
Total Funds	\$28,807,072	\$31,961,359	\$3,154,287	10.95 %
Total Ongoing	\$28,507,072	\$31,961,359	\$3,454,287	12.12 %
Total OTO	\$300,000	\$0	(\$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.

Bitterroot Valley Community College

The registered voters of the proposed community college district in Ravalli County approved the establishment of a community college district in May 2020. Following this approval, the 2021 Legislature passed and approved Senate Joint Resolution 15, which approved the establishment of the Bitterroot Valley Community College. In May 2022, the community college district included a request for an operational levy on the ballot for the community college, which was not passed by the voters. The timeline for opening the community college has changed because this levy did not pass.

Program Highlights

Community College Assistance Program Major Budget Highlights
<ul style="list-style-type: none"> • The Community College Assistance Program’s 2025 biennium appropriations are approximately \$3.2 million or 11.0% higher than the 2023 biennium. Significant changes include: <ul style="list-style-type: none"> ◦ Increasing general fund appropriations by approximately \$1.7 million in FY 2024 and \$2.8 million in FY 2025 because of the statutory funding formula calculation for Dawson Community College, Flathead Valley Community College, and Miles Community College ◦ Reducing appropriations for Flathead Valley Community College by \$300,000 each fiscal year ◦ Eliminating general fund appropriations for Bitterroot Valley Community College because it is not anticipated the college will be open in the 2025 biennium

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
Local Assistance	14,858,699	14,858,699	13,948,373	15,539,511	16,421,848
Total Expenditures	\$14,858,699	\$14,858,699	\$13,948,373	\$15,539,511	\$16,421,848
General Fund	14,858,699	14,858,699	13,948,373	15,539,511	16,421,848
Total Funds	\$14,858,699	\$14,858,699	\$13,948,373	\$15,539,511	\$16,421,848
Total Ongoing	\$14,558,699	\$14,558,699	\$13,948,373	\$15,539,511	\$16,421,848
Total OTO	\$300,000	\$300,000	\$0	\$0	\$0

Funding

The following table shows proposed agency funding for all sources 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	31,961,359	0	0	31,961,359	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	\$31,961,359	\$0	\$0	\$31,961,359	

The Community College Assistance Program is funded entirely with general fund in HB 2. The state general fund appropriations for each community college are primarily provided using a funding formula that 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 establish the state general fund appropriation for the community colleges each biennium. There are primarily two components to the funding formula: the prior biennia base budget plus inflation and funding additional FTE by area of study.

For the 2025 biennium, the community college funding formula starts with the state appropriations from FY 2022 for each community college, adjusted for legislative audit appropriations and reversions as calculated in 17-7-142, MCA. This was then multiplied by inflation factors.

Additionally, the community college funding formula includes weighted FTE in certain areas of study. The community colleges projected resident FTE in four areas: career and technical education (CTE), general education, early college, and concurrent enrollment. The legislature established weights to apply to each area of study. The weighted FTE were then multiplied by either a decreasing or increasing FTE funding factor. The factors adopted by the legislature include:

- FTE weighting factor
 - 1.50 – career and technical education
 - 1.00 – general education
 - 0.50 – early college
 - 0.25 – concurrent enrollment
- FTE funding factor
 - \$3,125 – decrease in FTE
 - \$6,250 – increase in FTE

The table below shows the actual resident FTE in FY 2022 and the projected resident FTE in FY 2024 and FY 2025 by area of study. The FY 2022 actual resident FTE and projected FTE were used in the community college funding formula to determine funding for the 2025 biennium.

Community College Assistance Program Community College Funding Formula Actual and Projected Resident FTE			
	Actual FY 2022	Projected FY 2024	Projected FY 2025
Dawson Community College			
Career and Technical Education	99	105	110
General Education	117	120	125
Early College	10	10	12
Concurrent Enrollment	<u>33</u>	<u>35</u>	<u>40</u>
Total	259	270	287
Flathead Valley Community College			
Career and Technical Education	619	667	700
General Education	388	302	317
Early College	53	177	186
Concurrent Enrollment	<u>54</u>	<u>57</u>	<u>60</u>
Total	1,114	1,203	1,263
Miles Community College			
Career and Technical Education	119	137	144
General Education	172	192	195
Early College	25	28	28
Concurrent Enrollment	<u>40</u>	<u>35</u>	<u>34</u>
Total	356	392	401

The table below shows the distribution to each community college, which includes funding from the statutory funding formula as well as adjustments adopted by the legislature.

Community College Assistance Program					
2025 Biennium HB 2 Appropriations Adopted by the Legislature					
	Dawson	Flathead	Miles	Bitterroot	Total
FY 2023 Base Appropriations	\$ 2,036,339	\$ 8,931,442	\$ 2,980,592	\$ -	\$ 13,948,373
FY 2024 Appropriation (Formula)					
Adjusted Base with Inflation	\$ 2,057,150	\$ 9,869,455	\$ 3,056,682	\$ 21,358	\$ 15,004,644
Adjustment for Weighted FTE	<u>78,125</u>	<u>304,688</u>	<u>295,313</u>	<u>-</u>	<u>678,125</u>
Total FY 2024 Appropriation (Formula)	2,135,275	10,174,142	3,351,994	21,358	15,682,769
Adjustments (audit and other)	<u>65,000</u>	<u>(241,900)</u>	<u>55,000</u>	<u>(21,358)</u>	<u>(143,258)</u>
Total FY 2024 Appropriation	<u>\$ 2,200,275</u>	<u>\$ 9,932,242</u>	<u>\$ 3,406,994</u>	<u>\$ -</u>	<u>\$ 15,539,511</u>
FY 2025 Appropriation (Formula)					
Adjusted Base with Inflation	\$ 2,118,864	\$ 10,165,539	\$ 3,148,382	\$ 33,998	\$ 15,466,783
Adjustment for Weighted FTE	<u>170,313</u>	<u>740,625</u>	<u>378,125</u>	<u>-</u>	<u>1,289,063</u>
Total FY 2025 Appropriation (Formula)	2,289,177	10,906,164	3,526,507	33,998	16,755,846
Adjustments (audit and other)	<u>-</u>	<u>(300,000)</u>	<u>-</u>	<u>(33,998)</u>	<u>(333,998)</u>
Total FY 2025 Appropriation	<u>\$ 2,289,177</u>	<u>\$ 10,606,164</u>	<u>\$ 3,526,507</u>	<u>\$ -</u>	<u>\$ 16,421,848</u>
2025 Biennium Total	<u>\$ 4,489,452</u>	<u>\$ 20,538,406</u>	<u>\$ 6,933,501</u>	<u>\$ -</u>	<u>\$ 31,961,358</u>

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	13,948,373	13,948,373	27,896,746	87.28 %	13,948,373	13,948,373	27,896,746	87.28 %
SWPL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
PL Adjustments	2,312,496	3,207,473	5,519,969	17.27 %	2,312,496	3,207,473	5,519,969	17.27 %
New Proposals	(721,358)	(733,998)	(1,455,356)	(4.55)%	(721,358)	(733,998)	(1,455,356)	(4.55)%
Total Budget	\$15,539,511	\$16,421,848	\$31,961,359		\$15,539,511	\$16,421,848	\$31,961,359	

Present Law Adjustments

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

	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 402 - BVCC Funded Base	0.00	400,000	0	0	400,000	0.00	400,000	0	0	400,000
DP 403 - Community College Audit Costs	0.00	178,100	0	0	178,100	0.00	0	0	0	0
DP 408 - Community College PLA	0.00	1,734,396	0	0	1,734,396	0.00	2,807,473	0	0	2,807,473
Grand Total All Present Law Adjustments	0.00	\$2,312,496	\$0	\$0	\$2,312,496	0.00	\$3,207,473	\$0	\$0	\$3,207,473

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

DP 402 - BVCC Funded Base -

The legislature adopted general fund appropriations for establishing the base for Bitterroot Valley Community College (BVCC). BVCC was appropriated \$400,000 in FY 2022, which is the base year for the statutory calculation for funding community colleges.

DP 403 - Community College Audit Costs -

The legislature adopted restricted, biennial general fund appropriations for audit costs for the community colleges.

DP 408 - Community College PLA -

The legislature adopted an increase in general fund for the present law adjustment based on the statutory funding formula for the community colleges.

New Proposals

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

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 404 - BVCC Funded Base Adjustment	0.00	(421,358)	0	0	(421,358)	0.00	(433,998)	0	0	(433,998)
DP 405 - FVCC Funded Base	0.00	(300,000)	0	0	(300,000)	0.00	(300,000)	0	0	(300,000)
Total	0.00	(\$721,358)	\$0	\$0	(\$721,358)	0.00	(\$733,998)	\$0	\$0	(\$733,998)

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

DP 404 - BVCC Funded Base Adjustment -

The legislature adopted a reduction in general fund appropriations for the Bitterroot Valley Community College. This adjustment reduces the appropriation for BVCC to \$0 because it is not anticipated that the college will be operational with FTE during the 2025 biennium.

DP 405 - FVCC Funded Base -

The legislature adopted a reduction in general fund appropriations for Flathead Valley Community College. FVCC received a one-time-only appropriation from the 2021 Legislature. For the 2025 biennium, the community college funding formula did not adjust for one-time-only appropriations. The legislature adopted the elimination of this one-time-only appropriation for the 2025 biennium.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	1,464,718	1,897,419	432,701	29.54 %
Operating Expenses	44,193,792	45,441,727	1,247,935	2.82 %
Benefits & Claims	289,744,942	293,744,942	4,000,000	1.38 %
Debt Service	78,270	78,270	0	0.00 %
Total Expenditures	\$335,481,722	\$341,162,358	\$5,680,636	1.69 %
Proprietary Funds	335,481,722	341,162,358	5,680,636	1.69 %
Total Funds	\$335,481,722	\$341,162,358	\$5,680,636	1.69 %

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 an enterprise fund, which is a type of proprietary fund. It is not appropriated in HB 2 • The MUS Group Insurance Program's 2025 biennium appropriations are approximately \$5.7 million or 1.7% higher than the 2023 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 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	7.00	7.00	10.00	10.00
Personal Services	699,198	727,176	737,542	946,326	951,093
Operating Expenses	16,435,178	22,096,845	22,096,947	22,632,247	22,809,480
Benefits & Claims	107,128,906	142,872,471	146,872,471	146,872,471	146,872,471
Debt Service	39,134	39,135	39,135	39,135	39,135
Total Expenditures	\$124,302,416	\$165,735,627	\$169,746,095	\$170,490,179	\$170,672,179
Proprietary Funds	124,302,416	165,735,627	169,746,095	170,490,179	170,672,179
Total Funds	\$124,302,416	\$165,735,627	\$169,746,095	\$170,490,179	\$170,672,179

Funding

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

Commissioner of Higher Education, 05-Mus Group Insurance Program Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	0	0	0	0	0.00 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
06008 MUS Group Insurance Program	0	314,373,993	0	314,373,993	92.15 %	
06009 MUS Flexible Spending Account	0	26,788,365	0	26,788,365	7.85 %	
Proprietary Total	\$0	\$341,162,358	\$0	\$341,162,358	100.00 %	
Total All Funds	\$0	\$341,162,358	\$0	\$341,162,358		

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 Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	169,746,095	169,746,095	339,492,190	99.51 %
SWPL Adjustments	0	0	0	0.00 %	517,495	699,878	1,217,373	0.36 %
PL Adjustments	0	0	0	0.00 %	(101)	(95)	(196)	(0.00)%
New Proposals	0	0	0	0.00 %	226,690	226,301	452,991	0.13 %
Total Budget	\$0	\$0	\$0		\$170,490,179	\$170,672,179	\$341,162,358	

Present Law Adjustments

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

	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	0	(17,906)	0.00	0	0	0	(12,750)
DP 3 - Inflation Deflation	0.00	0	0	0	535,401	0.00	0	0	0	712,628
DP 30 - Motor Pool Rate Adjustment	0.00	0	0	0	(101)	0.00	0	0	0	(95)
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$0	\$517,394	0.00	\$0	\$0	\$0	\$699,783

**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 items such as the annualization of the FY 2023 pay plan, benefit rate adjustments, vacancy savings, longevity, and pay rate changes approved by management.

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: other services, supplies and materials, communications, in-state state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature reviewed a reduction to proposed motor pool rates.

New Proposals

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

	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 501 - MUS Group Insurance Wellness Program	3.00	0	0	0	226,690	3.00	0	0	0	226,301
Total	3.00	\$0	\$0	\$0	\$226,690	3.00	\$0	\$0	\$0	\$226,301

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

DP 501 - MUS Group Insurance Wellness Program -

The legislature reviewed an increase to proprietary funding for 3.00 FTE. These positions support the wellness program of the MUS Group Insurance Program. The wellness program is undergoing strategic changes, and these positions were formerly held by Montana State University as part of a service agreement that has ended.

Other Issues

MUS Group Insurance Program - 06008

Proprietary 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.

Proprietary Program Revenues and Expenses

The following table shows the actual and projected expenditures and related revenues associated with this fund.

2025 Biennium Report on Internal Service and Enterprise Funds				
Fund	Fund Name	Agency Name	Program Name	
06008	MUS Group Insurance	OCHE	MUS Group Insurance	
	Actuals FY 22	Estimated FY 23	Budgeted FY 24	Budgeted FY 25
Operating Revenues				
Fees and Charges				
Contributions/Premiums	102,059,462	156,000,000	157,098,716	157,275,001
Prescription Rebates	7,122,825	11,000,000	11,500,000	11,500,000
Total Operating Revenues	<u>109,182,287</u>	<u>167,000,000</u>	<u>168,598,716</u>	<u>168,775,001</u>
Expenses				
Personal Services	701,971	737,542	943,326	951,093
Other Operating Expense				
Operating Expense	16,398,327	21,396,947	21,915,206	22,086,724
Benefits & Claims	103,567,909	134,198,049	134,198,049	134,198,049
Debt Service	5,991	39,135	39,135	39,135
Total Operating Expense	<u>120,674,198</u>	<u>156,371,673</u>	<u>157,095,716</u>	<u>157,275,001</u>
Operating Income (Loss)	<u>(11,491,911)</u>	<u>10,628,327</u>	<u>11,503,000</u>	<u>11,500,000</u>
Nonoperating Revenues				
BOI Investment Earnings	(93,413)	700,000	750,000	800,000
Total Nonoperating Revenues (Expenses)	<u>(93,413)</u>	<u>700,000</u>	<u>750,000</u>	<u>800,000</u>
Income (Loss) Before Contributions and Transfers	<u>(11,585,324)</u>	<u>11,328,327</u>	<u>12,253,000</u>	<u>12,300,000</u>
Change in Net Position	<u>(11,585,324)</u>	<u>11,328,327</u>	<u>12,253,000</u>	<u>12,300,000</u>
Beginning Net Position - July 1	98,159,291	86,573,967	97,902,294	110,155,294
Prior Period Adjustments				
Change in Net Position	(11,585,324)	11,328,327	12,253,000	12,300,000
Ending Net Position - June 30	<u>86,573,967</u>	<u>97,902,294</u>	<u>110,155,294</u>	<u>122,455,294</u>

Revenue in this program comes from:

- Employer-paid contributions toward insurance premiums
- Employee-paid contributions toward insurance premiums
- Prescription rebates

Significant costs for the program are for:

- Insurance claims payments
- Claims management
- Program administration
- Wellness program expenses

Proprietary Rates

The employer-paid portion of the group insurance premium is statutorily established in statute (2-18-703, MCA) and is presently \$1,054 per month per eligible participating employee. The employee-paid portion of the group insurance premium is adjusted as needed by the Montana University System to cover the premium requirements of a variety of benefit options and to maintain employee group benefit plans on an actuarially sound basis.

The MUS Group Insurance Program is funded with an enterprise fund, which is a type of a proprietary fund. As such, the legislature does not appropriate the funds or approve the rates for the program. Instead, the legislature reviews the report for the enterprise fund and identifies concerns with the financial position of the fund.

MUS Flex Spending Account - 06009

Proprietary Program Description

The flexible spending account is an optional selection for each employee to participate in or not. Employees can elect to set aside a certain amount of their pay into accounts to pay dependent care and out-of-pocket medical costs. The "set aside" funds are withdrawn from employee pay prior to assessment of taxes, effectively lowering employee taxable pay. Employees must submit claims to use the funds deposited in the accounts for allowable expenses. The funds are managed by a third party and are distributed to employees as claims are made.

Proprietary Program Revenues and Expenses

The following table shows the actual and projected expenditures and related revenues associated with this fund.

Proprietary Program Revenues and Expenses

The following table shows the actual and projected expenditures and related revenues associated with this fund.

2025 Biennium Report on Internal Service and Enterprise Funds				
Fund	Fund Name	Agency Name	Program Name	
06009	MUS Flexible Spending	OCHE	MUS Group Insurance	
	Actuals	Estimated	Budgeted	Budgeted
	FY 22	FY 23	FY 24	FY 25
Operating Revenues				
Fees and Charges				
Contributions/Premiums	3,615,869	13,374,422	13,391,376	13,396,987
Total Operating Revenues	3,615,869	13,374,422	13,391,376	13,396,987
Expenses				
Personal Services	-	-	-	-
Other Operating Expense				
Operating Expense	72,498	700,000	716,954	722,565
Benefits & Claims	3,560,997	12,674,422	12,674,422	12,674,422
Total Operating Expense	3,633,495	13,374,422	13,391,376	13,396,987
Operating Income (Loss)	(17,626)	-	-	-
Income (Loss) Before Contributions and Transfers	(17,626)	-	-	-
Change in Net Position	(17,626)	-	-	-
Beginning Net Position - July 1	1,050,555	1,032,929	1,032,929	1,032,929
Prior Period Adjustments				
Change in Net Position	(17,626)	-	-	-
Ending Net Position - June 30	1,032,929	1,032,929	1,032,929	1,032,929

Revenue in this program comes from:

- Employee payments to flexible spending accounts

Expenses included in the table above for FY 2023 through FY 2025 include authority for all employees to participate in the flexible spending account program.

Proprietary Rates

The third-party vendor charges an administrative fee for managing the accounts.

The flexible spending account program is funded with an enterprise fund, which is a type of a proprietary fund. As such, the legislature does not appropriate the funds or approve the rates for the program. Instead, the legislature reviews the report for the enterprise fund and identifies concerns with the financial position of the fund.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	2,584,968	2,615,029	30,061	1.16 %
Operating Expenses	9,589,053	9,801,232	212,179	2.21 %
Grants	6,754,000	6,754,000	0	0.00 %
Debt Service	114,661	114,656	(5)	0.00 %
Total Expenditures	\$19,042,682	\$19,284,917	\$242,235	1.27 %
General Fund	280,230	287,451	7,221	2.58 %
Federal Spec. Rev. Funds	18,762,452	18,997,466	235,014	1.25 %
Total Funds	\$19,042,682	\$19,284,917	\$242,235	1.27 %
Total Ongoing	\$19,042,682	\$19,284,917	\$242,235	1.27 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Education 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 Education 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

Education Outreach and Diversity Program Major Budget Highlights
<ul style="list-style-type: none"> • The Education Outreach and Diversity Program’s 2025 biennium appropriations are approximately \$242,000 or 1.3% higher than the 2023 biennium • Significant changes include increases in general fund and federal special revenue appropriations of approximately \$195,000 over the 2025 biennium because of inflation

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	18.24	18.24	18.24	18.24
Personal Services	1,095,482	1,281,863	1,303,105	1,304,301	1,310,728
Operating Expenses	2,738,409	4,772,705	4,816,348	4,891,075	4,910,157
Grants	2,057,401	3,377,000	3,377,000	3,377,000	3,377,000
Debt Service	57,332	57,333	57,328	57,328	57,328
Total Expenditures	\$5,948,624	\$9,488,901	\$9,553,781	\$9,629,704	\$9,655,213
General Fund	134,361	138,518	141,712	142,706	144,745
Federal Spec. Rev. Funds	5,814,263	9,350,383	9,412,069	9,486,998	9,510,468
Total Funds	\$5,948,624	\$9,488,901	\$9,553,781	\$9,629,704	\$9,655,213
Total Ongoing	\$5,948,624	\$9,488,901	\$9,553,781	\$9,629,704	\$9,655,213
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Commissioner of Higher Education, 06-Education Outreach & Diversity Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	287,451	0	0	287,451	1.49 %
State Special Total	\$0	\$0	\$0	\$0	0.00 %
03042 2nd GEAR UP Grant	13,626,496	0	0	13,626,496	71.73 %
03412 GEAR UP Federal Schol 2005	3,290,686	0	0	3,290,686	17.32 %
03806 Talent Search	2,080,284	0	0	2,080,284	10.95 %
Federal Special Total	\$18,997,466	\$0	\$0	\$18,997,466	98.51 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$19,284,917	\$0	\$0	\$19,284,917	

HB 2 appropriation authority is comprised of general fund and federal special revenue. The general fund supports the American Indian / Minority Achievement component of the program. The federal special revenue supports Educational Talent Search and GEAR UP and is from two sources:

- The talent search grant comprises approximately 10.8% of the biennial program funding and has no non-federal matching requirements
- The GEAR UP grant comprises 87.7% of the biennial budget and requires a 50.0% non-federal 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 Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	141,712	141,712	283,424	98.60 %	9,553,781	9,553,781	19,107,562	99.08 %
SWPL Adjustments	2,637	4,718	7,355	2.56 %	114,948	146,862	261,810	1.36 %
PL Adjustments	(106)	(99)	(205)	(0.07)%	(290)	(272)	(562)	(0.00)%
New Proposals	(1,537)	(1,586)	(3,123)	(1.09)%	(38,735)	(45,158)	(83,893)	(0.43)%
Total Budget	\$142,706	\$144,745	\$287,451		\$9,629,704	\$9,655,213	\$19,284,917	

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 2024-----				-----Fiscal 2025-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	2,391	0	12,534	14,925	0.00	4,355	0	17,065	21,420
DP 3 - Inflation Deflation	0.00	246	0	99,777	100,023	0.00	363	0	125,079	125,442
DP 30 - Motor Pool Rate Adjustment	0.00	(106)	0	(184)	(290)	0.00	(99)	0	(173)	(272)
Grand Total All Present Law Adjustments	0.00	\$2,531	\$0	\$112,127	\$114,658	0.00	\$4,619	\$0	\$141,971	\$146,590

**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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

New Proposals

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

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	(62)	0	(24,944)	(25,006)	0.00	(91)	0	(31,270)	(31,361)
DP 555 - Additional Vacancy Savings	0.00	(1,475)	0	(12,254)	(13,729)	0.00	(1,495)	0	(12,302)	(13,797)
Total	0.00	(\$1,537)	\$0	(\$37,198)	(\$38,735)	0.00	(\$1,586)	\$0	(\$43,572)	(\$45,158)

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	214,405	228,284	13,879	6.47 %
Operating Expenses	3,118,879	3,229,902	111,023	3.56 %
Benefits & Claims	6,000,000	6,000,000	0	0.00 %
Debt Service	11,171	11,168	(3)	(0.03)%
Total Expenditures	\$9,344,455	\$9,469,354	\$124,899	1.34 %
Proprietary Funds	9,344,455	9,469,354	124,899	1.34 %
Total Funds	\$9,344,455	\$9,469,354	\$124,899	1.34 %

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 Code 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 an enterprise fund, which is a type of proprietary fund. It is not appropriated in HB 2 • The MUS Workers' Compensation Program's 2025 biennium appropriations are approximately \$125,000 or 1.3% higher than the 2023 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 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	1.00	1.00	1.00	1.00
Personal Services	105,855	106,701	107,704	113,244	115,040
Operating Expenses	1,228,554	1,559,433	1,559,446	1,607,058	1,622,844
Benefits & Claims	97,648	3,000,000	3,000,000	3,000,000	3,000,000
Debt Service	5,587	5,587	5,584	5,584	5,584
Total Expenditures	\$1,437,644	\$4,671,721	\$4,672,734	\$4,725,886	\$4,743,468
Proprietary Funds	1,437,644	4,671,721	4,672,734	4,725,886	4,743,468
Total Funds	\$1,437,644	\$4,671,721	\$4,672,734	\$4,725,886	\$4,743,468

Funding

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

Commissioner of Higher Education, 07-Mus Workers Comp Program Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	0	0	0	0	0.00 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
06082 MUS Self-Funded Workers Comp	0	9,469,354	0	9,469,354	100.00 %	
Proprietary Total	\$0	\$9,469,354	\$0	\$9,469,354	100.00 %	
Total All Funds	\$0	\$9,469,354	\$0	\$9,469,354		

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 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	4,672,734	4,672,734	9,345,468	98.69 %
SWPL Adjustments	0	0	0	0.00 %	53,162	70,743	123,905	1.31 %
PL Adjustments	0	0	0	0.00 %	(10)	(9)	(19)	(0.00)%
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$4,725,886	\$4,743,468	\$9,469,354	

Present Law Adjustments

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

	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	0	5,540	0.00	0	0	0	7,336
DP 3 - Inflation Deflation	0.00	0	0	0	47,622	0.00	0	0	0	63,407
DP 30 - Motor Pool Rate Adjustment	0.00	0	0	0	(10)	0.00	0	0	0	(9)
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$0	\$53,152	0.00	\$0	\$0	\$0	\$70,734

**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 items such as the annualization of the FY 2023 pay plan, benefit rate adjustments, vacancy savings, longevity, and pay rate changes approved by management.

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: other services, supplies and materials, communications, in-state state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature reviewed a reduction to proposed motor pool rates.

Other Issues

MUS Self-Funded Workers' Compensation - 06082

Proprietary 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 Code 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.

Proprietary Program Narrative

The following table shows the actual and projected expenditures and related revenues associated with this fund.

2025 Biennium Report on Internal Service and Enterprise Funds				
Fund	Fund Name	Program Name		
06082	MUS Self Funded WC	MUS Workers' Compensation		
	Actuals FY 22	Estimated FY 23	Budgeted FY 24	Budgeted FY 25
Operating Revenues				
Fees and Charges				
Contributions/Premiums	1,618,100	-	4,725,000	4,750,000
Total Operating Revenues	1,618,100	-	4,725,000	4,750,000
Expenses				
Personal Services	104,718	107,704	113,244	115,040
Other Operating Expense				
Operating Expense	1,233,644	1,559,446	1,607,051	1,622,827
Benefits & Claims	97,648	3,000,000	3,000,000	3,000,000
Other Operating Expenses	855	5,584	5,584	5,584
Total Operating Expense	1,436,865	4,672,734	4,725,879	4,743,451
Operating Income (Loss)	181,235	(4,672,734)	(879)	6,549
Nonoperating Revenues				
BOI Investment Earnings	(81,326)	139,000	139,000	139,000
Total Nonoperating Revenues (Expenses)	(81,326)	139,000	139,000	139,000
Income (Loss) Before Contributions and Transfers	99,909	(4,533,734)	138,121	145,549
Change in Net Position	99,909	(4,533,734)	138,121	145,549
Beginning Net Position - July 1	12,920,285	13,020,194	8,486,460	8,624,581
Prior Period Adjustments				
Change in Net Position	99,909	(4,533,734)	138,121	145,549
Ending Net Position - June 30	13,020,194	8,486,460	8,624,581	8,770,130

This program is an enterprise fund in which the funding is derived from premiums and investment earnings. Expenditures include claims, reinsurance premiums, debt service, and administrative costs.

Rate Explanation

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

Historically, the rates for this program are based on total payroll for two classes of employees: high risk and low risk. Currently, the MUS has instituted a premium holiday from January 1, 2022 through June 30, 2023. The rates for FY 2024 are anticipated to be set in mid-March.

The MUS Workers' Compensation Program is funded with an enterprise fund. As such, the legislature does not appropriate the funds or approve the rates for the program. Instead, the legislature reviews the report for the enterprise fund and identifies concerns with the financial position of the fund.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	756,258	725,022	(31,236)	(4.13)%
Operating Expenses	124,994	154,075	29,081	23.27 %
Grants	4,863,738	4,863,738	0	0.00 %
Transfers	7,127,832	7,105,356	(22,476)	(0.32)%
Debt Service	46,989	46,980	(9)	(0.02)%
Total Expenditures	\$12,919,811	\$12,895,171	(\$24,640)	(0.19)%
General Fund	193,219	206,125	12,906	6.68 %
Federal Spec. Rev. Funds	12,726,592	12,689,046	(37,546)	(0.30)%
Total Funds	\$12,919,811	\$12,895,171	(\$24,640)	(0.19)%
Total Ongoing	\$12,919,811	\$12,895,171	(\$24,640)	(0.19)%
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Workforce Development Program is a coordinated effort between the Office of the Commissioner of Higher Education 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 2025 biennium appropriations are approximately \$25,000 or 0.2% lower than the 2023 biennium. Significant biennial changes include: <ul style="list-style-type: none"> ◦ A decrease in general fund of approximately \$4,600 and a decrease in federal special revenue of \$36,000 because of the statewide present law adjustment for personal services ◦ An increase in general fund of approximately \$24,000 for the minimum maintenance of effort requirements for the Perkins grant

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	4.20	4.20	4.20	4.20
Personal Services	297,543	379,681	376,577	362,597	362,425
Operating Expenses	36,507	51,212	73,782	77,149	76,926
Grants	2,412,606	2,431,869	2,431,869	2,431,869	2,431,869
Transfers	3,622,720	3,575,154	3,552,678	3,552,678	3,552,678
Debt Service	23,498	23,499	23,490	23,490	23,490
Total Expenditures	\$6,392,874	\$6,461,415	\$6,458,396	\$6,447,783	\$6,447,388
General Fund	100,401	100,402	92,817	103,077	103,048
Federal Spec. Rev. Funds	6,292,473	6,361,013	6,365,579	6,344,706	6,344,340
Total Funds	\$6,392,874	\$6,461,415	\$6,458,396	\$6,447,783	\$6,447,388
Total Ongoing	\$6,392,874	\$6,461,415	\$6,458,396	\$6,447,783	\$6,447,388
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Commissioner of Higher Education, 08-Work Force Development Program Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	206,125	0	0	206,125	1.60 %
State Special Total	\$0	\$0	\$0	\$0	0.00 %
03215 Carl Perkins Federal Funds	12,689,046	0	0	12,689,046	100.00 %
Federal Special Total	\$12,689,046	\$0	\$0	\$12,689,046	98.40 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$12,895,171	\$0	\$0	\$12,895,171	

The Workforce Development Program is primarily funded with 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 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	92,817	92,817	185,634	90.06 %	6,458,396	6,458,396	12,916,792	100.17 %
SWPL Adjustments	(2,706)	(723)	(3,429)	(1.66)%	(19,748)	(18,097)	(37,845)	(0.29)%
PL Adjustments	13,118	11,142	24,260	11.77 %	13,118	11,142	24,260	0.19 %
New Proposals	(152)	(188)	(340)	(0.16)%	(3,983)	(4,053)	(8,036)	(0.06)%
Total Budget	\$103,077	\$103,048	\$206,125		\$6,447,783	\$6,447,388	\$12,895,171	

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 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(3,200)	0	(17,653)	(20,853)	0.00	(1,359)	0	(18,064)	(19,423)
DP 3 - Inflation Deflation	0.00	494	0	611	1,105	0.00	636	0	690	1,326
DP 30 - Motor Pool Rate Adjustment	0.00	(105)	0	0	(105)	0.00	(98)	0	0	(98)
DP 801 - Perkins MOE Increase	0.00	13,223	0	0	13,223	0.00	11,240	0	0	11,240
Grand Total All Present Law Adjustments	0.00	\$10,412	\$0	(\$17,042)	(\$6,630)	0.00	\$10,419	\$0	(\$17,374)	(\$6,955)

**"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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 801 - Perkins MOE Increase -

The legislature adopted general fund appropriations for the minimum maintenance of effort requirement for the Perkins grant.

New Proposals

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

	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	(124)	0	(153)	(277)	0.00	(159)	0	(173)	(332)
DP 555 - Additional Vacancy Savings	0.00	(28)	0	(3,678)	(3,706)	0.00	(29)	0	(3,692)	(3,721)
Total	0.00	(\$152)	\$0	(\$3,831)	(\$3,983)	0.00	(\$188)	\$0	(\$3,865)	(\$4,053)

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Transfers	427,691,012	446,569,740	18,878,728	4.41 %
Total Expenditures	\$427,691,012	\$446,569,740	\$18,878,728	4.41 %
General Fund	380,424,328	379,914,890	(509,438)	(0.13)%
State/Other Special Rev. Funds	47,266,684	66,654,850	19,388,166	41.02 %
Total Funds	\$427,691,012	\$446,569,740	\$18,878,728	4.41 %
Total Ongoing	\$422,941,012	\$464,429,894	\$41,488,882	9.81 %
Total OTO	\$4,750,000	(\$17,860,154)	(\$22,610,154)	(476.00)%

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 2025 biennium appropriations are approximately \$18.9 million or 4.4% higher than the 2023 biennium. Significant biennial changes include: <ul style="list-style-type: none"> ◦ Decreasing general fund and correspondingly increasing six-mill levy state special revenue appropriations by \$19.2 million ◦ Increasing general fund appropriations by approximately \$28.5 million for present law adjustments for personal services, higher education fixed costs, inflation, and legislative audit costs ◦ Decreasing general fund appropriations by approximately \$17.8 million primarily because of the elimination of insurance payments to the Risk Management and Tort Defense Division in the 2025 biennium

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
Transfers	207,042,129	207,369,391	220,321,621	222,949,418	223,620,322
Total Expenditures	\$207,042,129	\$207,369,391	\$220,321,621	\$222,949,418	\$223,620,322
General Fund	183,830,132	183,830,132	196,594,196	189,321,993	190,592,897
State/Other Special Rev. Funds	23,211,997	23,539,259	23,727,425	33,627,425	33,027,425
Total Funds	\$207,042,129	\$207,369,391	\$220,321,621	\$222,949,418	\$223,620,322
Total Ongoing	\$204,667,129	\$204,994,391	\$217,946,621	\$231,879,495	\$232,550,399
Total OTO	\$2,375,000	\$2,375,000	\$2,375,000	(\$8,930,077)	(\$8,930,077)

Funding

The following table shows proposed agency funding for all sources 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	379,914,890	0	3,765,356	383,680,246	84.67 %
02111 Accommodation Tax Account	0	0	2,830,578	2,830,578	4.07 %
02443 University Millage	65,494,532	0	0	65,494,532	94.26 %
02944 Motorcycle Safety Training	1,160,318	0	0	1,160,318	1.67 %
State Special Total	\$66,654,850	\$0	\$2,830,578	\$69,485,428	15.33 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$446,569,740	\$0	\$6,595,934	\$453,165,674	

HB 2 Appropriations

Funding for the Appropriation Distribution Program is predominately general fund. Other HB 2 funding includes the motorcycle safety training state special revenue and the six-mill levy. Program fees and an allocation from drivers' license fees support the motorcycle safety program at MSU Northern in Havre.

The statewide six-mill levy, which supports the Montana University System, is authorized in statute (15-10-108, MCA). The levy is presented to voters statewide for approval every 10 years. The most recent vote was in 2018. The six-mill levy revenue is used to fund the education and general operating expenses of the Montana University System educational units and is the second largest state funding source for the MUS after 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 in HB 95 (2007 Legislature)

Tuition

The Board of Regents is the sole authority in setting tuition rates for the MUS. The Board of Regents met in May and established tuition for the Montana University System. Resident undergraduate and graduate tuition were increased by 4.0% in FY 2024 and FY 2025. Non-resident tuition increases are expected to increase by 6.0% in FY 2024 and FY 2025.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	194,219,196	194,219,196	388,438,392	102.24 %	217,946,621	217,946,621	435,893,242	97.61 %
SWPL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
PL Adjustments	5,002,797	5,673,701	10,676,498	2.81 %	5,002,797	5,673,701	10,676,498	2.39 %
New Proposals	(9,900,000)	(9,300,000)	(19,200,000)	(5.05)%	0	0	0	0.00 %
Total Budget	\$189,321,993	\$190,592,897	\$379,914,890		\$222,949,418	\$223,620,322	\$446,569,740	

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 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 222 - RMTD Adjustment	0.00	8,930,077	0	0	8,930,077	0.00	8,930,077	0	0	8,930,077
DP 223 - RMTD Adjustment (OTO)	0.00	(8,930,077)	0	0	(8,930,077)	0.00	(8,930,077)	0	0	(8,930,077)
DP 901 - MUS LAD Audit Costs	0.00	626,978	0	0	626,978	0.00	0	0	0	0
DP 902 - MUS Fixed Cost Increases from State	0.00	(8,879,218)	0	0	(8,879,218)	0.00	(8,911,377)	0	0	(8,911,377)
DP 903 - Montana University System PLA	0.00	13,255,037	0	0	13,255,037	0.00	14,585,078	0	0	14,585,078
Grand Total All Present Law Adjustments	0.00	\$5,002,797	\$0	\$0	\$5,002,797	0.00	\$5,673,701	\$0	\$0	\$5,673,701

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

DP 222 - RMTD Adjustment -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package eliminates the reduction included in DP 2. This change is necessary to designate the reduction as one-time-only in the budgeting system.

DP 223 - RMTD Adjustment (OTO) -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package designates the reduction as one-time-only.

DP 901 - MUS LAD Audit Costs -

The legislature adopted general fund appropriations for legislative audit costs for the Montana University System in FY 2024.

DP 902 - MUS Fixed Cost Increases from State -

The legislature adopted general fund decreases for statewide present law adjustment for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 903 - Montana University System PLA -

The legislature adopted an increase in general fund appropriations for statewide present law adjustments. This includes adjustments to annualize various personal services costs, MUS fixed cost, and inflationary costs for all Montana University System (MUS) units at the state share rate. This change package is similar to the statewide present law adjustments for personal services, fixed costs, and inflation for other agencies.

New Proposals

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

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 904 - University Millage Fund Switch	0.00	(9,900,000)	9,900,000	0	0	0.00	(9,300,000)	9,300,000	0	0
Total	0.00	(\$9,900,000)	\$9,900,000	\$0	\$0	0.00	(\$9,300,000)	\$9,300,000	\$0	\$0

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

DP 904 - University Millage Fund Switch -

The legislature adopted a decrease in general fund appropriations and an increase in state special revenue appropriations to adjust funding because of a significant increase in revenue in the six-mill levy state special revenue fund.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Transfers	63,256,030	69,121,602	5,865,572	9.27 %
Total Expenditures	\$63,256,030	\$69,121,602	\$5,865,572	9.27 %
General Fund	61,055,094	66,881,666	5,826,572	9.54 %
State/Other Special Rev. Funds	2,200,936	2,239,936	39,000	1.77 %
Total Funds	\$63,256,030	\$69,121,602	\$5,865,572	9.27 %
Total Ongoing	\$62,346,030	\$69,785,092	\$7,439,062	11.93 %
Total OTO	\$910,000	(\$663,490)	(\$1,573,490)	(172.91)%

Program Description

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

The Research and Development Agencies consist of:

- Montana Agricultural Experiment Stations (MAES)
- 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’ 2025 biennium appropriations are approximately \$5.9 million or 9.3% higher than the 2023 biennium. Significant biennial changes include: <ul style="list-style-type: none"> ◦ Increasing general fund appropriations by approximately \$4.3 million for present law adjustments for personal services, higher education fixed costs, and inflation ◦ Decreasing general fund appropriations by approximately \$663,000 because of the elimination of insurance payments to the Risk Management and Tort Defense Division in the 2025 biennium ◦ Increasing general fund appropriations by \$600,000 for the Montana Agricultural Experiment Stations, \$600,000 for precision agriculture, \$200,000 for the MAES Seed Lab, and \$110,000 for the MAES Wool Lab ◦ Increasing state special revenue fund appropriations by \$600,000 for the Bureau of Mines Data Preservation Project

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
Transfers	31,110,631	31,110,632	32,145,398	34,483,352	34,638,250
Total Expenditures	\$31,110,631	\$31,110,632	\$32,145,398	\$34,483,352	\$34,638,250
General Fund	30,029,663	30,029,664	31,025,430	33,363,384	33,518,282
State/Other Special Rev. Funds	1,080,968	1,080,968	1,119,968	1,119,968	1,119,968
Total Funds	\$31,110,631	\$31,110,632	\$32,145,398	\$34,483,352	\$34,638,250
Total Ongoing	\$30,655,631	\$30,655,632	\$31,690,398	\$34,815,097	\$34,969,995
Total OTO	\$455,000	\$455,000	\$455,000	(\$331,745)	(\$331,745)

Funding

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

Commissioner of Higher Education, 10-Agency Funds Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	66,881,666	0	0	66,881,666	96.04 %
02289 Bureau Of Mines Groundwater	1,142,000	0	515,000	1,657,000	60.15 %
02576 Natural Resources Operations	497,936	0	0	497,936	18.07 %
02432 Oil & Gas ERA	600,000	0	0	600,000	21.78 %
State Special Total	\$2,239,936	\$0	\$515,000	\$2,754,936	3.96 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$69,121,602	\$0	\$515,000	\$69,636,602	

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 the 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 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	30,870,430	30,870,430	61,740,860	92.31 %	31,690,398	31,690,398	63,380,796	91.69 %
SWPL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
PL Adjustments	1,737,954	1,892,852	3,630,806	5.43 %	1,737,954	1,892,852	3,630,806	5.25 %
New Proposals	755,000	755,000	1,510,000	2.26 %	1,055,000	1,055,000	2,110,000	3.05 %
Total Budget	\$33,363,384	\$33,518,282	\$66,881,666		\$34,483,352	\$34,638,250	\$69,121,602	

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 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 222 - RMTD Adjustment	0.00	331,745	0	0	331,745	0.00	331,745	0	0	331,745
DP 223 - RMTD Adjustment (OTO)	0.00	(331,745)	0	0	(331,745)	0.00	(331,745)	0	0	(331,745)
DP 1001 - Research & Development Agencies PLA	0.00	2,069,699	0	0	2,069,699	0.00	2,224,597	0	0	2,224,597
DP 1002 - SWPL Research & Development Agencies	0.00	(331,745)	0	0	(331,745)	0.00	(331,745)	0	0	(331,745)
Grand Total All Present Law Adjustments	0.00	\$1,737,954	\$0	\$0	\$1,737,954	0.00	\$1,892,852	\$0	\$0	\$1,892,852

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

DP 222 - RMTD Adjustment -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package eliminates the reduction included in DP 2. This change is necessary to designate the reduction as one-time-only in the budgeting system.

DP 223 - RMTD Adjustment (OTO) -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package designates the reduction as one-time-only.

DP 1001 - Research & Development Agencies PLA -

The legislature adopted an increase in general fund appropriations for statewide present law adjustments. This includes adjustments to annualize various personal services costs, higher education fixed cost, and inflationary costs. This change package is similar to the statewide present law adjustments for personal services, fixed costs, and inflation for other agencies.

DP 1002 - SWPL Research & Development Agencies -

The legislature adopted general fund decreases for the statewide present law adjustment for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

New Proposals

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

New Proposals	Fiscal 2024					Fiscal 2025				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1004 - MAES Seed Lab (RST)	0.00	100,000	0	0	100,000	0.00	100,000	0	0	100,000
DP 1005 - MAES Wool Lab (RST)	0.00	55,000	0	0	55,000	0.00	55,000	0	0	55,000
DP 1006 - MBMG Data Preservation (RST)	0.00	0	300,000	0	300,000	0.00	0	300,000	0	300,000
DP 1007 - MAES (RST)	0.00	300,000	0	0	300,000	0.00	300,000	0	0	300,000
DP 1008 - Precision Agriculture (RST)	0.00	300,000	0	0	300,000	0.00	300,000	0	0	300,000
Total	0.00	\$755,000	\$300,000	\$0	\$1,055,000	0.00	\$755,000	\$300,000	\$0	\$1,055,000

**"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) -

The legislature adopted restricted general fund appropriations for the Montana Agricultural Experiment Stations Seed Lab.

DP 1005 - MAES Wool Lab (RST) -

The legislature adopted restricted general fund appropriations for the Montana Agricultural Experiment Stations Wool Lab.

DP 1006 - MBMG Data Preservation (RST) -

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

DP 1007 - MAES (RST) -

The legislature adopted restricted general fund appropriations for the Montana Agricultural Experiment Stations.

DP 1008 - Precision Agriculture (RST) -

The legislature adopted restricted general fund appropriations for transfers to the Montana Agricultural Experiment Station (MAES) and the MSU Extension. This includes funding for salaries and associated benefits for two new tenure-track faculty positions and operational costs to continue a precision agriculture program. MAES would utilize \$200,000 per year toward precision agriculture research, and the MSU Extension would utilize \$100,000 per year to build and maintain a precision agriculture outreach program.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Grants	2,025,750	2,036,800	11,050	0.55 %
Total Expenditures	\$2,025,750	\$2,036,800	\$11,050	0.55 %
General Fund	2,025,750	2,036,800	11,050	0.55 %
Total Funds	\$2,025,750	\$2,036,800	\$11,050	0.55 %
Total Ongoing	\$1,675,750	\$1,836,800	\$161,050	9.61 %
Total OTO	\$350,000	\$200,000	(\$150,000)	(42.86)%

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 one of the seven tribal community colleges 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 2025 biennium appropriations are \$11,000 or 0.6% higher than the 2023 biennium. Significant biennial changes include: <ul style="list-style-type: none"> ◦ Increasing general fund appropriations by \$161,000 to fund additional nonbeneficiary students. The 2025 biennium budget includes funding for a total of 280.00 nonbeneficiary student FTE ◦ One-time-only general fund appropriations of \$200,000 for the tribal colleges to provide HiSET training and classes, which is a reduction of \$150,000 when compared to the 2023 biennium

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
Grants	950,851	1,012,875	1,012,875	1,018,400	1,018,400
Total Expenditures	\$950,851	\$1,012,875	\$1,012,875	\$1,018,400	\$1,018,400
General Fund	950,851	1,012,875	1,012,875	1,018,400	1,018,400
Total Funds	\$950,851	\$1,012,875	\$1,012,875	\$1,018,400	\$1,018,400
Total Ongoing	\$775,851	\$837,875	\$837,875	\$918,400	\$918,400
Total OTO	\$175,000	\$175,000	\$175,000	\$100,000	\$100,000

Funding

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

Commissioner of Higher Education, 11-Tribal College Assistance Pgm Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	2,036,800	0	0	2,036,800	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	\$2,036,800	\$0	\$0	\$2,036,800		

The Tribal College Assistance Program is funded entirely with general fund.

The table below illustrates the recent history of actual program expenditures for nonbeneficiary students, the budget adopted by the legislature for the 2025 biennium, and the changes in the average state funds per nonbeneficiary student.

Commissioner of Higher Education Tribal College Assistance Program State Funding Nonbeneficiary Montana Students Attending Tribal Community Colleges				
Fiscal Year		Number of Nonbeneficiary Montana Students Reported	State Funds Distributed for Nonbeneficiary Students	Average State Funds per Nonbeneficiary Student
FY 2016	Actual	239.75	786,380	3,280
FY 2017	Actual	240.34	788,315	3,280
FY 2018	Actual	295.67	837,875	2,834
FY 2019	Actual	296.13	837,875	2,829
FY 2020	Actual	260.56	837,875	3,216
FY 2021	Actual	214.04	702,047	3,280
FY 2022	Actual	236.54	775,851	3,280
FY 2023	Actual	269.73	837,875	3,106
FY 2024	Budgeted	280.00	918,400	3,280
FY 2025	Budgeted	280.00	918,400	3,280

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

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	837,875	837,875	1,675,750	82.27 %	837,875	837,875	1,675,750	82.27 %
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	180,525	180,525	361,050	17.73 %	180,525	180,525	361,050	17.73 %
Total Budget	\$1,018,400	\$1,018,400	\$2,036,800		\$1,018,400	\$1,018,400	\$2,036,800	

New Proposals

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

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1101 - HiSET to Tribal Colleges (RST/OTO)	0.00	100,000	0	0	100,000	0.00	100,000	0	0	100,000
DP 1103 - Funding for Additional Non-Beneficiary Students	0.00	80,525	0	0	80,525	0.00	80,525	0	0	80,525
Total	0.00	\$180,525	\$0	\$0	\$180,525	0.00	\$180,525	\$0	\$0	\$180,525

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

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

The legislature adopted restricted, one-time-only general fund appropriations in FY 2024 and FY 2025 to distribute to tribal colleges for the colleges to provide specific classes and training to individuals and students to prepare and complete the HiSET.

DP 1103 - Funding for Additional Non-Beneficiary Students -

The legislature adopted general fund appropriations for nonbeneficiary students attending one of the seven tribal colleges in Montana. The base budget funds 255.45 nonbeneficiary students and the additional funding included in this decision package allows for a total of 280.00 nonbeneficiary students at the statutory maximum payment of \$3,280.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	425,875	426,638	763	0.18 %
Operating Expenses	4,266,435	4,328,455	62,020	1.45 %
Debt Service	16,774	16,774	0	0.00 %
Total Expenditures	\$4,709,084	\$4,771,867	\$62,783	1.33 %
Federal Spec. Rev. Funds	4,709,084	4,771,867	62,783	1.33 %
Total Funds	\$4,709,084	\$4,771,867	\$62,783	1.33 %
Total Ongoing	\$4,709,084	\$4,771,867	\$62,783	1.33 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Guaranteed Student Loan (GSL) Program provides financial aid awareness and related outreach and other financial aid-related activities for the benefit of students. The GSL Program 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 2025 biennium appropriations are approximately \$63,000 or 1.3% higher than the 2023 biennium • Significant changes include an increase in federal special revenue appropriations of approximately \$62,000 in the 2025 biennium because of inflation

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	1.50	1.50	1.50	1.50
Personal Services	143,583	212,856	213,019	212,806	213,832
Operating Expenses	1,514,060	2,133,182	2,133,253	2,159,803	2,168,652
Debt Service	8,380	8,387	8,387	8,387	8,387
Total Expenditures	\$1,666,023	\$2,354,425	\$2,354,659	\$2,380,996	\$2,390,871
Federal Spec. Rev. Funds	1,666,023	2,354,425	2,354,659	2,380,996	2,390,871
Total Funds	\$1,666,023	\$2,354,425	\$2,354,659	\$2,380,996	\$2,390,871
Total Ongoing	\$1,666,023	\$2,354,425	\$2,354,659	\$2,380,996	\$2,390,871
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Commissioner of Higher Education, 12-Guaranteed Student Loan Pgm 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.	4,440,917	0	0	4,440,917	93.06 %	
03401 U.S. Dept Ed / GSL Recall Acct	330,950	0	0	330,950	6.94 %	
Federal Special Total	\$4,771,867	\$0	\$0	\$4,771,867	100.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$4,771,867	\$0	\$0	\$4,771,867		

The Guaranteed Student Loan 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 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	0	0	0	0.00 %	2,354,659	2,354,659	4,709,318	98.69 %
SWPL Adjustments	0	0	0	0.00 %	37,521	50,351	87,872	1.84 %
PL Adjustments	0	0	0	0.00 %	(70)	(66)	(136)	(0.00)%
New Proposals	0	0	0	0.00 %	(11,114)	(14,073)	(25,187)	(0.53)%
Total Budget	\$0	\$0	\$0		\$2,380,996	\$2,390,871	\$4,771,867	

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 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	2,027	2,027	0.00	0	0	3,064	3,064
DP 3 - Inflation Deflation	0.00	0	0	35,494	35,494	0.00	0	0	47,287	47,287
DP 30 - Motor Pool Rate Adjustment	0.00	0	0	(70)	(70)	0.00	0	0	(66)	(66)
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$37,451	\$37,451	0.00	\$0	\$0	\$50,285	\$50,285

**"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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

New Proposals

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

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	0	0	(8,874)	(8,874)	0.00	0	0	(11,822)	(11,822)
DP 555 - Additional Vacancy Savings	0.00	0	0	(2,240)	(2,240)	0.00	0	0	(2,251)	(2,251)
Total	0.00	\$0	\$0	(\$11,114)	(\$11,114)	0.00	\$0	\$0	(\$14,073)	(\$14,073)

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison					
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change	
Personal Services	8,400	23,800	15,400	183.33 %	
Operating Expenses	126,300	125,029	(1,271)	(1.01)%	
Total Expenditures	\$134,700	\$148,829	\$14,129	10.49 %	
General Fund	134,700	148,829	14,129	10.49 %	
Total Funds	\$134,700	\$148,829	\$14,129	10.49 %	
Total Ongoing	\$134,700	\$148,829	\$14,129	10.49 %	
Total OTO	\$0	\$0	\$0	0.00 %	

Program Description

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

Program Highlights

Board of Regents Major Budget Highlights
<ul style="list-style-type: none"> • The Board of Regents’ 2025 biennium appropriations are approximately \$14,000 or 10.5% higher than the 2023 biennium. Significant biennial changes in general fund appropriations include: <ul style="list-style-type: none"> ◦ An increase of approximately \$11,200 in order to implement HB 314 ◦ An increase of approximately \$3,900 because of inflation

Program Actuals and Budget Comparison

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

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
Personal Services	1,700	2,100	6,300	11,900	11,900
Operating Expenses	64,218	65,250	61,050	62,352	62,677
Total Expenditures	\$65,918	\$67,350	\$67,350	\$74,252	\$74,577
General Fund	65,918	67,350	67,350	74,252	74,577
Total Funds	\$65,918	\$67,350	\$67,350	\$74,252	\$74,577
Total Ongoing	\$65,918	\$67,350	\$67,350	\$74,252	\$74,577
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Commissioner of Higher Education, 13-Board of Regents-Admin Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	148,829	0	0	148,829	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	\$148,829	\$0	\$0	\$148,829		

The Board of Regents 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 Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	67,350	67,350	134,700	90.51 %	67,350	67,350	134,700	90.51 %
SWPL Adjustments	1,736	2,169	3,905	2.62 %	1,736	2,169	3,905	2.62 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	5,166	5,058	10,224	6.87 %	5,166	5,058	10,224	6.87 %
Total Budget	\$74,252	\$74,577	\$148,829		\$74,252	\$74,577	\$148,829	

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 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	0	0	0	0	0.00	0	0	0	0
DP 3 - Inflation Deflation	0.00	1,736	0	0	1,736	0.00	2,169	0	0	2,169
Grand Total All Present Law Adjustments	0.00	\$1,736	\$0	\$0	\$1,736	0.00	\$2,169	\$0	\$0	\$2,169

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

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

DP 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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

New Proposals

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

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	(434)	0	0	(434)	0.00	(542)	0	0	(542)
DP 1403 - HB 314	0.00	5,600	0	0	5,600	0.00	5,600	0	0	5,600
Total	0.00	\$5,166	\$0	\$0	\$5,166	0.00	\$5,058	\$0	\$0	\$5,058

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 1403 - HB 314 -

The legislature adopted contingency language to increase appropriations if HB 314 was passed and approved and this decision package implements this language. This bill increases the compensation rates for boards, commissions and councils to \$100 per day.