

### 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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change    | Biennium<br>% Change |
| Personal Services              | 26,594,024                   | 26,603,035                  | 9,011                 | 0.03 %               |
| Operating Expenses             | 30,594,456                   | 32,659,449                  | 2,064,993             | 6.75 %               |
| Local Assistance               | 1,794,921,091                | 1,959,995,081               | 165,073,990           | 9.20 %               |
| Grants                         | 322,536,870                  | 319,566,409                 | (2,970,461)           | (0.92)%              |
| Transfers                      | 28,652,140                   | 5,608,604                   | (23,043,536)          | (80.43)%             |
| Debt Service                   | 331,414                      | 325,514                     | (5,900)               | (1.78)%              |
| <b>Total Expenditures</b>      | <b>\$2,203,629,995</b>       | <b>\$2,344,758,092</b>      | <b>\$141,128,097</b>  | <b>6.40 %</b>        |
| General Fund                   | 1,824,467,915                | 1,100,538,487               | (723,929,428)         | (39.68)%             |
| State/Other Special Rev. Funds | 31,795,684                   | 897,436,161                 | 865,640,477           | 2,722.51 %           |
| Federal Spec. Rev. Funds       | 347,366,396                  | 346,783,444                 | (582,952)             | (0.17)%              |
| <b>Total Funds</b>             | <b>\$2,203,629,995</b>       | <b>\$2,344,758,092</b>      | <b>\$141,128,097</b>  | <b>6.40 %</b>        |
| <b>Total Ongoing</b>           | <b>\$2,179,543,010</b>       | <b>\$2,344,506,421</b>      | <b>\$164,963,411</b>  | <b>7.57 %</b>        |
| <b>Total OTO</b>               | <b>\$24,086,985</b>          | <b>\$251,671</b>            | <b>(\$23,835,314)</b> | <b>(98.96)%</b>      |

### Agency Description

The Superintendent of Public Instruction is an elected official authorized by Article VI, Section 1, of the Montana Constitution. The Office of Public Instruction (OPI) distributes funding to school districts and provides services to Montana's school-age children and to teachers in approximately 400 school districts. The core responsibilities of the agency include licensure of educators, accreditation of schools, administration of statewide student assessments, distribution of state and federal grants/aid to schools, collection and reporting of data, and dissemination of information about K-12 education. Agency staff provide technical assistance in planning, implementing, and evaluating educational programs in such areas as teacher preparation, teacher certification, school accreditation, academic standards and curriculum, school finance, and school law. The staff also administer a number of federally funded programs and provide a variety of information services, including the information systems necessary to assess student achievement and the quality of Montana's elementary and secondary school system.

## Agency Highlights

**Office of Public Instruction  
Major Budget Highlights**

The Office of Public Instruction's 2025 biennium HB 2 adopted budget is \$141.1 million or 6.4% higher than the 2023 biennium budget.

Major changes for the State Level Activities Program are listed below:

- A restricted, biennial appropriation of general fund for the reauthorization of the Montana Indian Language Preservation Program
- A federal special revenue grant award adjustment to support part-time modified FTE
- A one-time-only increase of general fund for the replacement of audiological services equipment
- An increase of 3.00 FTE and associated funding to administer the programs passed in HB 352 and HB 393
- The reduction of 4.00 FTE and associated general fund and federal special revenue
- A fund switch from general fund to state special revenue for the new teacher licensing system, per HB 403

Major changes for the Local Education Activities Program are listed below:

- An inflationary increase of general fund for K-12 BASE Aid
- A decrease in general fund for K-12 BASE Aid to offset increases in the guarantee account
- A state special revenue increase to fully fund debt service assistance
- Increases in general fund and decreases in state special revenue for major maintenance aid
- A fund switch from general fund to state special revenue to transfer the 95 property tax mills into a state special revenue account specifically dedicated to school funding, per HB 587
- An increase of general fund for K-12 BASE Aid due to an increased retirement GTB multiplier, also per HB 587

### 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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>Fiscal 2025 |
| FTE                                  | 0.00                   | 153.27                 | 153.27                 | 153.27                     | 153.27                     |
| Personal Services                    | 11,431,765             | 12,806,887             | 13,787,137             | 13,262,987                 | 13,340,048                 |
| Operating Expenses                   | 13,221,917             | 15,230,793             | 15,363,663             | 16,320,722                 | 16,338,727                 |
| Local Assistance                     | 870,486,784            | 875,868,585            | 919,052,506            | 933,823,947                | 1,026,171,134              |
| Grants                               | 148,924,335            | 160,602,748            | 161,934,122            | 159,719,906                | 159,846,503                |
| Transfers                            | 8,689,395              | 14,960,766             | 13,691,374             | 2,780,365                  | 2,828,239                  |
| Debt Service                         | 165,437                | 168,657                | 162,757                | 162,757                    | 162,757                    |
| <b>Total Expenditures</b>            | <b>\$1,052,919,633</b> | <b>\$1,079,638,436</b> | <b>\$1,123,991,559</b> | <b>\$1,126,070,684</b>     | <b>\$1,218,687,408</b>     |
| General Fund                         | 884,693,735            | 891,242,610            | 933,225,305            | 508,648,459                | 591,890,028                |
| State/Other Special Rev. Funds       | 9,076,170              | 14,755,667             | 17,040,017             | 444,108,793                | 453,327,368                |
| Federal Spec. Rev. Funds             | 159,149,728            | 173,640,159            | 173,726,237            | 173,313,432                | 173,470,012                |
| <b>Total Funds</b>                   | <b>\$1,052,919,633</b> | <b>\$1,079,638,436</b> | <b>\$1,123,991,559</b> | <b>\$1,126,070,684</b>     | <b>\$1,218,687,408</b>     |
| <b>Total Ongoing</b>                 | <b>\$1,047,085,620</b> | <b>\$1,067,444,703</b> | <b>\$1,112,098,307</b> | <b>\$1,125,778,003</b>     | <b>\$1,218,728,418</b>     |
| <b>Total OTO</b>                     | <b>\$5,834,013</b>     | <b>\$12,193,733</b>    | <b>\$11,893,252</b>    | <b>\$292,681</b>           | <b>(\$41,010)</b>          |

### Summary of Legislative Action

The legislature adopted an increase to the Office of Public Instruction's total biennial appropriation of approximately \$141.1 million or 6.4% compared to the 2023 biennium appropriation.

For the State Level Activities Program, legislative increases to the agency's budget include:

- An increase for the statewide present law adjustment for personal services, made up of increases in general fund and state special revenue
- An increase in general fund for the statewide present law adjustment for fixed costs and an increase in general fund for an additional fixed costs adjustment to correct an error made in the budgeting process
- Increases in general fund, state special, and federal special revenue for the statewide present law adjustment for inflation/deflation
- An increase in federal special revenue personal services funding to support part-time modified FTE
- An increase of general fund and 2.00 FTE to administer an early literacy targeted intervention program, per HB 352
- An increase of general fund and 1.00 FTE to administer the program for special needs education savings accounts, per HB 393
- A restricted, biennial increase in general fund grants for the Montana Indian Language Preservation Program
- An inflationary increase for the Montana Digital Academy
- A one-time-only increase in general fund in FY 2024 only in order to fund the replacement of audiology equipment used to provide hearing screenings for Montana students
- An increase in state special revenue due to increases in teacher license fees in order to fully fund the operations of the teacher licensure system, per HB 403

The increases to the State Level Activities Program were partially offset by decreases adopted by the legislature, which include:

- A decrease of federal special revenue and 3.00 FTE due to the completion of the Substance Abuse and Mental Health Services Administration (SAMHSA) federal grant
- A decrease of 1.00 FTE and associated personal services expenses for the Comprehensive School and Community Treatment (CSCT) program services-to-schools director, as the program moves back to the Department of Public Health and Human Services
- A decrease in federal special revenue for the statewide present law adjustments for personal services
- An additional 1.0% vacancy savings
- A decrease in state special revenue and federal special revenue for the statewide present law adjustment for fixed costs
- A decrease for the state motor pool rates

For the Local Education Activities Program, legislative increases to the agency's budget include:

- An increase in general fund for the statewide present law adjustment for inflation/deflation
- An increase in general fund for the K-12 BASE Aid inflationary adjustment
- An increase of general fund for K-12 BASE Aid due to an increased retirement guaranteed tax base aid (GTB) multiplier, per HB 587
- Additional increases in general fund for K-12 BASE Aid for:
  - A new significant enrollment increase payment, per HB 36
  - An increase in the GTB multiplier due to changes in taxable value from an increase to the class 8 business equipment property tax exemption, per HB 212
  - A new requirement for school districts to admit children part-time, per HB 396
  - The passage of the Public Charter School Act, per HB 549
  - The establishment of community choice schools, per HB 562
  - An increase to starting teacher salaries, per HB 588
- Increases in general fund for the at-risk student payment, national board certification stipends, and the transformational learning program
- An increase in general fund for major maintenance aid
- An increase of state special revenue to fully fund debt service assistance
- An increase for in-state treatment payments, per HB 171
- An increase for the advanced opportunities program
- An increase for recruitment and retention for the Quality Educator Loan Assistance Program, per SB 70

The increases to the Local Education Activities Program were partially offset by decreases adopted by the legislature, which include:

- A decrease in general fund for K-12 BASE Aid to offset revenue increases in the statutorily appropriated guarantee account
- A decrease in state special revenue for major maintenance aid
- A decrease for state tuition payments, per HB 171
- A decrease for the advanced opportunities program, per HB 257 which includes a separate appropriation for the program

There were also several net-zero changes adopted by the legislature:

- A net-zero change to break out a reduction for the Risk Management and Tort Defense insurance premiums from DP 2 in order to designate the reduction as one-time-only in the budgeting system
- An increase and corresponding decrease for inflationary adjustments, resulting in a net-zero adjustment to inflation
- An increase for the Tribal Computer Scholarship Boost Program and a corresponding decrease to move the program to the Department of Labor and Industry, per HB 346, resulting in a net-zero change to the budget
- A fund switch from general fund to state special revenue to fund ongoing maintenance costs for the teacher licensure system with teacher license fees, per HB 403
- A fund switch from general fund to state special revenue to transfer the 95 property tax mills into a state special revenue account specifically dedicated to school funding, per HB 587



**Funding**

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

| Total Office of Public Instruction Funding by Source of Authority<br>2025 Biennium Budget Request - Office of Public Instruction |                        |                  |                             |                            |                        |                      |
|--|------------------------|------------------|-----------------------------|----------------------------|------------------------|----------------------|
| Funds  | HB2<br>Ongoing         | HB2<br>OTO       | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources   | % Total<br>All Funds |
| General Fund   | 1,100,384,542          | 153,945          | 0                           | 0                          | 1,100,538,487          | 44.64 %              |
| State Special Total  | 897,434,601            | 1,560            | 0                           | 113,241,891                | 1,010,678,052          | 41.00 %              |
| Federal Special Total  | 346,687,278            | 96,166           | 0                           | 0                          | 346,783,444            | 14.07 %              |
| Proprietary Total  | 0                      | 0                | 7,288,322                   | 0                          | 7,288,322              | 0.30 %               |
| Other Total  | 0                      | 0                | 0                           | 0                          | 0                      | 0.00 %               |
| <b>Total All Funds</b>   | <b>\$2,344,506,421</b> | <b>\$251,671</b> | <b>\$7,288,322</b>          | <b>\$113,241,891</b>       | <b>\$2,465,288,305</b> |                      |
| <b>Percent - Total All Sources</b>   | <b>95.10 %</b>         | <b>0.01 %</b>    | <b>0.30 %</b>               | <b>4.59 %</b>              |                        |                      |

*HB 2 Funding*General Fund

General fund accounts for a majority of spending for OPI, and a majority of general fund dollars are passed through to local school districts, primarily as K-12 BASE aid.

State Special Revenue

The school facility and technology account supports state subsidies for school debt service from facilities bonds, technological improvements, and other infrastructure and facility needs. The school facility and technology account is funded from hydroelectric power site rent under the provisions of 77-4-208(2), MCA and timber harvest income from school trust lands under the provisions of 20-9-516(2)(a), MCA. The school facility state special revenue account receives interest from the school facility sub-trust within the state coal trust. This money is then distributed to school districts to help support major maintenance.

State special revenues for the School Lunch Program are generated through reimbursements for the costs of shipping, handling, and other related costs of school food commodities used in the program.

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

Per HB 587, property tax revenues from the 95 mills will be deposited into a new state special revenue account specifically dedicated to school funding.

Federal Special Revenue

OPI receives federal grants that support public education, school nutrition, education for the disadvantaged, special education, professional development for educators, and various other functions.

*Statutory Funding*

The guarantee account is a state special revenue fund dedicated to school funding, and its funds are statutorily appropriated. The guarantee account receives revenue generated from common school state land, as well as interest from the common school trust. Revenues are primarily generated from interest off the trust in addition to agriculture and extraction industry leases. Revenues from the guarantee account offset general fund received by OPI.

*COVID-19 Authority*

All three rounds of federal COVID-19 funding for education were provided to OPI through the Elementary and Secondary School Emergency Relief (ESSER) Fund, but each round of funding has its own specific allocation details.

ESSER I

This allocation is also referred to as CARES I or ESSER I and was provided to OPI from the Governor's Office through the budget amendment process. The funding was allocated according to federal guidance and, where allowable, OPI's discretion. OPI received approximately \$41.3 million in these federal coronavirus relief funds, of which \$35.6 million or 86.1% had been expended as of FYE 2022. The remaining funds were expended in FY 2023.

ESSER II

This allocation is also referred to under three other names—Coronavirus Response and Relief Supplemental Appropriations (CRRSA), CARES II, and ESSER II. OPI received approximately \$182.9 million in these federal coronavirus relief funds, which were appropriated in HB 630 during the 2021 Legislative Session. As of the end of FY 2022, OPI had expended about \$77.4 million or 42.3% of HB 630 funding. Most of the remaining funds are available for expenditure through September 2023.

ESSER III

This allocation is also referred to as the American Rescue Plan Act (ARPA) or ESSER III, and the allocation authority was provided in HB 632 during the 2021 Legislative Session. OPI received approximately \$382.6 million in these federal coronavirus relief funds. By the end of FY 2022, OPI had expended about \$51.2 million or 13.4% of HB 632 funding. Most of the remaining funds are available for expenditure through September 2024.

**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<br>Fiscal 2024  | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024  | Budget<br>Fiscal 2025  | Biennium<br>Fiscal 24-25 | Percent<br>of Budget |
| 2023 Base Budget           | 932,345,305            | 932,345,305           | 1,864,690,610            | 169.43 %             | 1,112,098,307          | 1,112,098,307          | 2,224,196,614            | 94.86 %              |
| SWPL Adjustments           | 420,417                | 512,026               | 932,443                  | 0.08 %               | (174,123)              | 76,751                 | (97,372)                 | (0.00)%              |
| PL Adjustments             | 887,042                | 52,405,347            | 53,292,389               | 4.84 %               | 12,673,112             | 63,933,346             | 76,606,458               | 3.27 %               |
| New Proposals              | (425,004,305)          | (393,372,650)         | (818,376,955)            | (74.36)%             | 1,473,388              | 42,579,004             | 44,052,392               | 1.88 %               |
| <b>Total Budget</b>        | <b>\$508,648,459</b>   | <b>\$591,890,028</b>  | <b>\$1,100,538,487</b>   |                      | <b>\$1,126,070,684</b> | <b>\$1,218,687,408</b> | <b>\$2,344,758,092</b>   |                      |

**Other Legislation**

The major changes to K-12 funding for the 2025 biennium are included in HB 2, which appropriates the majority of funding for OPI. Changes to appropriations in HB 2 are primarily due to inflationary increases for K-12 BASE Aid and HB 2 language appropriations for a variety of bills passed by the 2023 Legislature. The following list only includes bills that affect funding:

**HB 3** – HB 3 provides supplemental general fund appropriations to meet the state's statutory obligations for the fiscal year ending June 30, 2023. The appropriation to OPI in the bill is for \$86,000 to cover a projected shortfall in FY 2023 for the National Board Certification payments to Montana teachers.

**HB 4** – HB 4 extends all remaining FY 2023 federal budget amendment authority for the Elementary and Secondary School Emergency Relief (ESSER) fund and for the National School Lunch Program into federal fiscal year 2024. The bill also authorizes all remaining FY 2023 federal budget amendment authority for Farm-to-School grants and for the Alternative Student Testing Program to continue into state FY 2025.

**HB 13** – HB 13 implements the state employee pay plan for the 2025 biennium.

**HB 15** – HB 15 applies an inflationary increase of 2.7% in FY 2024 and 3.0% in FY 2025 to the basic entitlement, per-average number belonging (per-ANB) entitlement, quality educator payment, the Indian education for all payment, the American Indian achievement gap payment, the data for achievement payment, and the special education allowable cost payment; these increases are included in HB 2 (see DP 920). These inflationary rates are also applied to the at-risk student payment, which is also included as an increase in HB 2 (see DP 903).

**HB 321** – HB 321 transfers \$71.6 million from the general fund into the school facilities trust in FY 2024 only. Interest generated off the school trust is appropriated in HB 2 for school major maintenance aid and debt service assistance.

**HB 332** – HB 332 transfers \$40.0 million from the general fund into a new state school health trust in FY 2024 only in order to provide a one-time-only distribution to qualifying district health insurance trusts and member districts.

**HB 352** – HB 352 appropriates \$1.5 million general fund in FY 2025 for an early literacy targeted intervention program. HB 2 also contains a general fund language appropriation for approximately \$154,000 in FY 2024 and \$148,000 in FY 2025 for 2.00 FTE to administer the program.

**HB 367** – HB 367 clarifies the use of federal ESSER funds for the database modernization project that were appropriated in HB 630 and HB 632 by the 2021 Legislature. The bill has a net-zero effect on funding.

**HB 382** – HB 382 appropriates \$350,000 general fund per year of the biennium to provide grant funding to seven career and technology student organizations (CTSOs).

**HB 393** – HB 393 establishes a program for special needs education savings accounts and appropriates \$75,000 general fund in FY 2024 and \$30,000 general fund in FY 2025 for the administration of the program. HB 2 also contains a general fund language appropriation for approximately \$18,000 in FY 2024, \$25,000 in FY 2025, and 1.00 FTE to administer the program.

**HB 749** – HB 749 expands the functions of the Montana Digital Academy (MTDA) and creates a clearinghouse to build capacity to serve Montana students. The bill provides an appropriation to the Office of the Commissioner of Higher Education, which will be passed on to the MTDA.

**HB 833** – HB 833 appropriates \$2.0 million general fund in FY 2025 to create a teacher residency program in order to improve teacher recruitment and retention.

**HB 946** – HB 946 is the companion bill for the Section E Joint Budget Subcommittee on Education. The bill creates reporting requirements for the Office of Public Instruction related to funding for the Advanced Opportunities Program, the Transformational Learning Program, and innovated educational donations.

## 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.<br>Fiscal 2023 | Executive<br>Budget<br>Fiscal 2024 | Legislative<br>Budget<br>Fiscal 2024 | Leg — Exec.<br>Difference<br>Fiscal 2024 | Executive<br>Budget<br>Fiscal 2025 | Legislative<br>Budget<br>Fiscal 2025 | Leg — Exec.<br>Difference<br>Fiscal 2025 | Biennium<br>Difference<br>Fiscal 24-25 |
| FTE                            | 153.27                 | 149.27                             | 153.27                               | 4.00                                     | 149.27                             | 153.27                               | 4.00                                     | 4.00                                   |
| Personal Services              | 13,787,137             | 13,175,776                         | 13,262,987                           | 87,211                                   | 13,242,615                         | 13,340,048                           | 97,433                                   | 184,644                                |
| Operating Expenses             | 15,363,663             | 16,193,147                         | 16,320,722                           | 127,575                                  | 16,041,373                         | 16,338,727                           | 297,354                                  | 424,929                                |
| Equipment & Intangible Assets  | 0                      | 0                                  | 0                                    | 0  | 0                                  | 0                                    | 0  | 0                                      |
| Local Assistance               | 919,052,506            | 506,982,728                        | 933,823,947                          | 426,841,219                              | 553,299,404                        | 1,026,171,134                        | 472,871,730                              | 899,712,949                            |
| Grants                         | 161,934,122            | 163,316,393                        | 159,719,906                          | (3,596,487)                              | 163,480,149                        | 159,846,503                          | (3,633,646)                              | (7,230,133)                            |
| Transfers                      | 13,691,374             | 2,733,122                          | 2,780,365                            | 47,243                                   | 2,733,122                          | 2,828,239                            | 95,117                                   | 142,360                                |
| Debt Service                   | 162,757                | 162,757                            | 162,757                              | 0  | 162,757                            | 162,757                              | 0  | 0                                      |
| <b>Total Costs</b>             | <b>\$1,123,991,559</b> | <b>\$702,563,923</b>               | <b>\$1,126,070,684</b>               | <b>\$423,506,761</b>                     | <b>\$748,959,420</b>               | <b>\$1,218,687,408</b>               | <b>\$469,727,988</b>                     | <b>\$893,234,749</b>                   |
| General Fund                   | 933,225,305            | 518,300,069                        | 508,648,459                          | (9,651,610)                              | 563,158,944                        | 591,890,028                          | 28,731,084                               | 19,079,474                             |
| State/other Special Rev. Funds | 17,040,017             | 10,879,078                         | 444,108,793                          | 433,229,715                              | 12,258,938                         | 453,327,368                          | 441,068,430                              | 874,298,145                            |
| Federal Spec. Rev. Funds       | 173,726,237            | 173,384,776                        | 173,313,432                          | (71,344)                                 | 173,541,538                        | 173,470,012                          | (71,526)                                 | (142,870)                              |
| <b>Total Funds</b>             | <b>\$1,123,991,559</b> | <b>\$702,563,923</b>               | <b>\$1,126,070,684</b>               | <b>\$423,506,761</b>                     | <b>\$748,959,420</b>               | <b>\$1,218,687,408</b>               | <b>\$469,727,988</b>                     | <b>\$893,234,749</b>                   |
| <b>Total Ongoing</b>           | <b>\$1,112,098,307</b> | <b>\$702,230,231</b>               | <b>\$1,125,778,003</b>               | <b>\$423,547,772</b>                     | <b>\$748,959,420</b>               | <b>\$1,218,728,418</b>               | <b>\$469,768,998</b>                     | <b>\$893,316,770</b>                   |
| <b>Total OTO</b>               | <b>\$11,893,252</b>    | <b>\$333,692</b>                   | <b>\$292,681</b>                     | <b>(\$41,011)</b>                        | <b>\$0</b>                         | <b>(\$41,010)</b>                    | <b>(\$41,010)</b>                        | <b>(\$82,021)</b>                      |

The legislature adopted a HB 2 budget that is approximately \$851.1 million higher than the proposed executive HB 2 budget for the 2025 biennium. This large increase is primarily driven by a change in the source of appropriation authority for the fund switch to move the 95 mill property tax revenue from the general fund to a state special revenue account dedicated to school funding, contingent on HB 587 which was signed into law by the Governor. This change was included in the executive budget with a statutorily appropriated state special revenue account, but the legislature chose to adopt a HB 2 state special revenue appropriation in order to improve legislative oversight of the OPI budget. This change has a net zero effect to the OPI budget as a whole; it increases HB 2 appropriations by \$861.6 million and reduces statutory appropriations by the same amount.

There are several other notable differences in the legislative budget as compared to the executive budget:

- An increased adjustment to fully fund debt service assistance
- An increase for a fixed costs adjustment
- An inflationary increase for the Montana Digital Academy
- An adjusted decrease to transfer the 95 mills from the general fund to a statutorily appropriated state special revenue account based on the HJ 2 revenue estimate
- A reduced increase for K-12 BASE Aid inflation due to adjustments to the GTB multiplier based on the HJ 2 marijuana revenue estimate
- A reduction to major maintenance aid to bring the appropriation down to the statutory payment cap
- An additional 1.0% vacancy savings
- A reduction to the proposed motor pool rates
- A reduction to the proposed SABHRS rate
- Two adjustments to the statewide present law adjustment for inflation
- Increases to implement HB 36, HB 171, HB 212, HB 352, HB 393, HB 396, HB 403, HB 549, HB 562, HB 587, HB 588, and SB 70, and decreases to implement HB 257 and HB 346

**Language and Statutory Authority**

*The legislature adopted the following language in HB 2:*

"All revenue up to \$1.5 million in the state traffic education account for distribution to schools under the provisions of 20-7-506 and 61-5-121 is appropriated for the 2025 biennium as provided in Title 20, chapter 7, part 5."

"All appropriations for federal special revenue appropriations in OPI Administration and in Distribution to Public Schools are biennial. All general fund appropriations in Distribution to Public Schools are biennial except for major maintenance aid and debt service assistance."

"OPI Administration includes 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."

"OPI Administration includes an increase in general fund of \$54,933 in FY 2024 and \$71,349 in FY 2025, an increase in state special revenue of \$1,213 in FY 2024 and \$1,600 in FY 2025, and an increase in federal special revenue of \$110,154 in FY 2024 and \$143,330 in FY 2025. The increase was provided to offset inflationary impacts. The agency may allocate this increase in funding among programs when developing 2025 biennium operating plans."

*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 in the tables in the fiscal report:*

"If HB 36 is passed and approved, K-12 BASE Aid is increased by \$60,288 general fund local assistance in FY 2024 and \$299,696 general fund local assistance in FY 2025."

"If HB 171 is passed and approved, OPI Administration is increased by \$81,300 general fund in FY 2024 and \$78,500 general fund in FY 2025; State Tuition Payments are decreased by \$199,015 general fund in FY 2025; In-State Treatment is increased by \$1,845,330 general fund in each fiscal year of the biennium; and the Office of Public Instruction may increase full-time equivalent positions authorized in HB 2 by 1.00 FTE in FY 2024 and 1.00 FTE in FY 2025."

"If HB 212 is passed and approved, K-12 BASE Aid is increased by \$2,745,568 general fund local assistance in FY 2025."

"If HB 257 is passed and approved, the appropriation for Advanced Opportunities is void."

"If HB 346 is passed and approved, the appropriations for OPI Administration are decreased by \$32,000 general fund local assistance in FY 2024 and decreased by \$32,000 general fund local assistance in FY 2025."

"If HB 352 is passed and approved, OPI Administration is increased by \$153,748 general fund in FY 2024 and \$148,148 general fund in FY 2025, and the Office of Public Instruction may increase full-time equivalent positions authorized in HB 2 by 2.00 FTE in FY 2024 and 2.00 FTE in FY 2025."

"If HB 393 is passed and approved, OPI Administration is increased by \$17,544 general fund in FY 2024 and \$25,241 general fund in FY 2025, and the Office of Public Instruction may increase full-time equivalent positions authorized in HB 2 by 1.00 FTE in FY 2024 and 1.00 FTE in FY 2025."

"If HB 396 is passed and approved, K-12 BASE Aid is increased by \$1,977,675 general fund local assistance in FY 2024 and \$2,199,656 general fund local assistance in FY 2025."

"OPI Administration includes general fund operating expenses reductions of \$166,348 in FY 2024 and \$166,333 in FY 2025. If HB 403 is not passed and approved, the reduction of general fund and the appropriations for Teacher Licensure System are void and the appropriations for OPI Administration are increased by \$166,348 in general fund operating expenses in FY 2024 and \$166,333 in general fund operating expenses in FY 2025. If HB 403 is passed and approved, the appropriation for Teacher Licensure System is increased by \$8,889 state special revenue operating expenses in FY 2024 and increased by \$188,904 state special revenue operating expenses in FY 2025."

"If HB 549 is passed and approved, K-12 BASE Aid is increased by \$816,893 general fund local assistance in FY 2025."

"If HB 562 is passed and approved, K-12 BASE Aid is increased by \$424,542 general fund local assistance in FY 2025."

"If HB 587 is passed and approved, K-12 BASE Aid is increased by \$36,458,256 general fund local assistance in FY 2025. If HB 587 is not passed and approved, K-12 BASE Aid is increased by \$426,054,000 general fund local assistance in FY 2024 and \$435,529,000 general fund local assistance in FY 2025 and is decreased by \$426,054,000 state special revenue local assistance in FY 2024 and \$435,529,000 state special revenue local assistance in FY 2025."

"If HB 588 is passed and approved, K-12 BASE Aid is increased by \$209,361 general fund local assistance in FY 2025."

"If HB 774 is passed and approved, K-12 BASE Aid is increased by \$4,738,597 general fund local assistance in FY 2025."

"If HB 818 is passed and approved and contains an appropriation for Major Maintenance Aid and Debt Service Assistance, the appropriations for Major Maintenance Aid and Debt Service Assistance are void."

"If SB 70 is passed and approved, Recruitment and Retention is increased by \$103,000 general fund in FY 2024 and \$166,000 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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change   | Biennium<br>% Change |
| Personal Services              | 26,594,024                   | 26,603,035                  | 9,011                | 0.03 %               |
| Operating Expenses             | 28,060,831                   | 29,912,350                  | 1,851,519            | 6.60 %               |
| Grants                         | 1,849,885                    | 1,500,000                   | (349,885)            | (18.91)%             |
| Transfers                      | 4,281,015                    | 4,223,600                   | (57,415)             | (1.34)%              |
| Debt Service                   | 331,414                      | 325,514                     | (5,900)              | (1.78)%              |
| <b>Total Expenditures</b>      | <b>\$61,117,169</b>          | <b>\$62,564,499</b>         | <b>\$1,447,330</b>   | <b>2.37 %</b>        |
| General Fund                   | 24,638,353                   | 26,297,316                  | 1,658,963            | 6.73 %               |
| State/Other Special Rev. Funds | 583,202                      | 954,521                     | 371,319              | 63.67 %              |
| Federal Spec. Rev. Funds       | 35,895,614                   | 35,312,662                  | (582,952)            | (1.62)%              |
| <b>Total Funds</b>             | <b>\$61,117,169</b>          | <b>\$62,564,499</b>         | <b>\$1,447,330</b>   | <b>2.37 %</b>        |
| <b>Total Ongoing</b>           | <b>\$59,316,244</b>          | <b>\$62,312,828</b>         | <b>\$2,996,584</b>   | <b>5.05 %</b>        |
| <b>Total OTO</b>               | <b>\$1,800,925</b>           | <b>\$251,671</b>            | <b>(\$1,549,254)</b> | <b>(86.03)%</b>      |

### Program Description

The State Level Activities Program provides leadership and coordination of services to a variety of school and public groups. The staff provides assistance to the Superintendent of Public Instruction in performing statutorily prescribed duties. The program:

- Supports the superintendent's statutory role with the Board of Public Education, Board of Regents, and Land Board
- Is responsible for the distribution and accounting of state and federal funds provided to school districts
- Maintains the information systems necessary to assess student achievement and the quality of Montana's elementary and secondary school system
- Provides assistance and information to school districts

The program also administers all federal grants received by OPI, including curriculum assistance, special education, Every Student Succeeds Act (ESSA), career and technical education (CTE), and other educational services.

## Program Highlights

**State Level Activities Program  
Major Budget Highlights**

The State Level Activities Program 2025 biennium budget proposed by the executive is approximately \$1.4 million or 2.4% higher than the 2023 biennium. Major highlights include:

- A net decrease for the statewide present law adjustment for personal services, made up of increases in general fund and state special revenue and a decrease in federal special revenue
- Increases in general fund, state special, and federal special revenue for the statewide present law adjustment for inflation/deflation
- An increase in federal special revenue personal services funding to support part-time modified FTE
- A restricted, biennial increase in general fund grants for the Montana Indian Language Preservation Program
- A one-time-only increase in general fund in FY 2024 only in order to fund the replacement of audiology equipment used to provide hearing screenings for Montana students
- An increase of general fund and 2.00 FTE to administer an early literacy targeted intervention program, per HB 352
- An increase of general fund and 1.00 FTE to administer the program for special needs education savings accounts, per HB 393
- A decrease of federal special revenue and 3.00 FTE due to the completion of the Substance Abuse and Mental Health Services Administration (SAMHSA) federal grant
- A decrease of 1.00 FTE and associated personal services expenses for the Comprehensive School and Community Treatment (CSCT) program services-to-schools director, as the program moves back to the Department of Public Health and Human Services
- A fund switch from general fund to state special revenue and an additional increase in state special revenue to fund ongoing maintenance costs for the teacher licensure system with teacher license fees, per HB 403



**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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>Fiscal 2025 |
| FTE                                   | 0.00                   | 153.27                 | 153.27                 | 153.27                     | 153.27                     |
| Personal Services                     | 11,431,765             | 12,806,887             | 13,787,137             | 13,262,987                 | 13,340,048                 |
| Operating Expenses                    | 12,089,978             | 14,091,055             | 13,969,776             | 14,955,668                 | 14,956,682                 |
| Grants                                | 409,219                | 1,137,385              | 712,500                | 750,000                    | 750,000                    |
| Transfers                             | 2,240,395              | 2,240,395              | 2,040,620              | 2,087,863                  | 2,135,737                  |
| Debt Service                          | 165,437                | 168,657                | 162,757                | 162,757                    | 162,757                    |
| <b>Total Expenditures</b>             | <b>\$26,336,794</b>    | <b>\$30,444,379</b>    | <b>\$30,672,790</b>    | <b>\$31,219,275</b>        | <b>\$31,345,224</b>        |
| General Fund                          | 11,497,387             | 12,249,174             | 12,389,179             | 13,164,905                 | 13,132,411                 |
| State/Other Special Rev. Funds        | 222,078                | 290,437                | 292,765                | 476,329                    | 478,192                    |
| Federal Spec. Rev. Funds              | 14,617,329             | 17,904,768             | 17,990,846             | 17,578,041                 | 17,734,621                 |
| <b>Total Funds</b>                    | <b>\$26,336,794</b>    | <b>\$30,444,379</b>    | <b>\$30,672,790</b>    | <b>\$31,219,275</b>        | <b>\$31,345,224</b>        |
| <b>Total Ongoing</b>                  | <b>\$26,144,451</b>    | <b>\$29,503,454</b>    | <b>\$29,812,790</b>    | <b>\$30,926,594</b>        | <b>\$31,386,234</b>        |
| <b>Total OTO</b>                      | <b>\$192,343</b>       | <b>\$940,925</b>       | <b>\$860,000</b>       | <b>\$292,681</b>           | <b>(\$41,010)</b>          |

**Funding**

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

| Office of Public Instruction, 06-State Level Activities<br>Funding by Source of Authority |                     |                             |                            |                      |                      |
|---|---------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds   | HB2                 | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>All Funds |
| 01100 General Fund  | 26,297,316          | 0                           | 0                          | 26,297,316           | 37.65 %              |
| 02001 School Lunch Program  | 151,187             | 0                           | 0                          | 151,187              | 15.84 %              |
| 02122 Advisory Council  | 222,372             | 0                           | 0                          | 222,372              | 23.30 %              |
| 02219 Research Fund   | 110,309             | 0                           | 0                          | 110,309              | 11.56 %              |
| 02402 Traffic & Safety Education  | 470,653             | 0                           | 0                          | 470,653              | 49.31 %              |
| <b>State Special Total</b>  | <b>\$954,521</b>    | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$954,521</b>     | <b>1.37 %</b>        |
| 03002 Public Instruction  | 35,372,905          | 0                           | 0                          | 35,372,905           | 100.17 %             |
| 03170 Grant Clearance Discretionary   | (60,243)            | 0                           | 0                          | (60,243)             | (0.17) %             |
| <b>Federal Special Total</b>  | <b>\$35,312,662</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$35,312,662</b>  | <b>50.55 %</b>       |
| 06067 Advanced Drivers Education  | 0                   | 309,179                     | 0                          | 309,179              | 4.24 %               |
| 06512 Indirect Cost Pool  | 0                   | 6,979,143                   | 0                          | 6,979,143            | 95.76 %              |
| <b>Proprietary Total</b>  | <b>\$0</b>          | <b>\$7,288,322</b>          | <b>\$0</b>                 | <b>\$7,288,322</b>   | <b>10.43 %</b>       |
| <b>Total All Funds</b>  | <b>\$62,564,499</b> | <b>\$7,288,322</b>          | <b>\$0</b>                 | <b>\$69,852,821</b>  |                      |

**HB 2 Funding****General Fund**

General fund supports about a third of the State Level Activities Program budget, with the remainder supported by state special revenue, federal special revenue, and proprietary funds.

**State Special Revenue**

State special revenues fund the School Lunch Program and the Traffic and Safety Education Program. Revenues for the School Lunch Program are generated through reimbursements for the costs of shipping, handling, and other related costs of school food commodities used in the program. Traffic and Safety Education revenues are generated through a percentage of driver's license fees.

Federal Special Revenue

Federal funds support just over half of the Office of Public Instruction's total budget authority.

*Non-Budgeted Proprietary Funding*

Proprietary funds are used for the indirect cost pool and the advanced drivers' education program. For a detailed discussion of programs funded through proprietary funds, see the discussion on proprietary rates.

**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<br>Fiscal 2024  | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget |
| 2023 Base Budget           | 11,584,179             | 11,584,179            | 23,168,358               | 88.10 %              | 29,812,790            | 29,812,790            | 59,625,580               | 95.30 %              |
| SWPL Adjustments           | 346,541                | 413,617               | 760,158                  | 2.89 %               | (247,999)             | (21,658)              | (269,657)                | (0.43)%              |
| PL Adjustments             | 452,827                | 120,303               | 573,130                  | 2.18 %               | 449,433               | 117,126               | 566,559                  | 0.91 %               |
| New Proposals              | 781,358                | 1,014,312             | 1,795,670                | 6.83 %               | 1,205,051             | 1,436,966             | 2,642,017                | 4.22 %               |
| <b>Total Budget</b>        | <b>\$13,164,905</b>    | <b>\$13,132,411</b>   | <b>\$26,297,316</b>      |                      | <b>\$31,219,275</b>   | <b>\$31,345,224</b>   | <b>\$62,564,499</b>      |                      |

**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<br>Fund  | State<br>Special | Federal<br>Special | Total<br>Funds   | FTE                   | General<br>Fund  | State<br>Special | Federal<br>Special | Total<br>Funds  |
| DP 1 - Personal Services                                   | 0.00                  | 166,434          | 14,974           | (988,087)          | (806,679)        | 0.00                  | 195,341          | 15,454           | (950,093)          | (739,298)       |
| DP 2 - Fixed Costs   | 0.00                  | 47,564           | (419)            | (25,812)           | 21,333           | 0.00                  | 48,783           | (417)            | (25,712)           | 22,654          |
| DP 3 - Inflation Deflation                                 | 0.00                  | 132,543          | 4,410            | 400,394            | 537,347          | 0.00                  | 169,493          | 5,803            | 519,690            | 694,986         |
| DP 21 - Fixed Costs Adjustment                             | 0.00                  | 87,707           | 0                | 0                  | 87,707           | 0.00                  | 88,838           | 0                | 0                  | 88,838          |
| DP 30 - Motor Pool Rate Adjustment                         | 0.00                  | (572)            | (127)            | (3,267)            | (3,966)          | 0.00                  | (535)            | (119)            | (3,058)            | (3,712)         |
| DP 222 - RMTD Adjustment                                   | 0.00                  | 91,436           | (805)            | (49,620)           | 41,011           | 0.00                  | 88,311           | (755)            | (46,546)           | 41,010          |
| DP 223 - RMTD Adjustment (OTO)                             | 0.00                  | (91,436)         | 805              | 49,620             | (41,011)         | 0.00                  | (88,311)         | 755              | 46,546             | (41,010)        |
| DP 601 - Audiological Services Equipment Replacement (OTO) | 0.00                  | 333,692          | 0                | 0                  | 333,692          | 0.00                  | 0                | 0                | 0                  | 0               |
| DP 613 - Tribal Computer Boost Scholarship Program         | 0.00                  | 32,000           | 0                | 0                  | 32,000           | 0.00                  | 32,000           | 0                | 0                  | 32,000          |
| <b>Grand Total All Present Law Adjustments</b>             | <b>0.00</b>           | <b>\$799,368</b> | <b>\$18,838</b>  | <b>(\$616,772)</b> | <b>\$201,434</b> | <b>0.00</b>           | <b>\$533,920</b> | <b>\$20,721</b>  | <b>(\$459,173)</b> | <b>\$95,468</b> |

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

DP 1 - Personal Services -

The legislature 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 21 - Fixed Costs Adjustment -

The legislature adopted an adjustment to fixed costs for the Office of Public Instruction to reallocate the proprietary funding back to general fund authority. A portion of the general fund allocation of the statewide present law adjustment for fixed costs was allocated to proprietary funds in DP 2 during the budgeting process. However, these fixed costs are not included in the current approved U.S. Department of Education indirect cost rate, and OPI would not have the ability to recover these costs via the proprietary fund.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

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 601 - Audiological Services Equipment Replacement (OTO) -

The legislature adopted one-time-only general fund operating expenses in FY 2024 only, in order to fund the replacement of audiology equipment used to provide hearing screenings for Montana students. The Individuals with Disabilities Education Act (IDEA) requires schools to have a system in place for children suspected of having disabilities, including hearing loss, through the age of 21. The OPI Hearing Conservation Program is the primary method for schools to ensure proper identification of students with hearing impairments. OPI and DPHHS administer the program, which mandates hearing screenings for children in kindergarten, 1st grade, and either 9th or 10th grade. The public school takes on the primary responsibility for conducting screenings, but OPI contracts with audiologists to provide hearing screenings and provides the hearing screening equipment. According to OPI, all of the state's ten audiologists are currently screening with outdated equipment, which is no longer supported by the manufacturer.

DP 613 - Tribal Computer Boost Scholarship Program -

The legislature adopted an appropriation of general fund local assistance to fund the Tribal Computer Programming Boost Scholarship Program. OPI would administer the teacher professional development component as provided in 20-7-106, MCA. HB 644 (2021 Legislative Session) authorized the program with a sunset at the end of FY 2025. HB 346 transferred this program to the Department of Labor and Industry, and HB 2 included contingent language to remove the appropriation from OPI (see DP 1404).

**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          | (36,464)         | (1,213)          | (110,154)        | (147,831)             | 0.00          | (46,746)         | (1,600)          | (143,330)        | (191,676)          |
| DP 555 - Additional Vacancy Savings                          | 0.00          | (60,737)         | (1,622)          | (68,077)         | (130,436)             | 0.00          | (61,037)         | (1,627)          | (68,468)         | (131,132)          |
| DP 604 - FTE Efficiency                                      | (3.00)        | 0                | 0                | (135,701)        | (135,701)             | (3.00)        | 0                | 0                | (136,082)        | (136,082)          |
| DP 605 - Federal Grant Award Adjustments                     | 0.00          | 0                | 0                | 500,000          | 500,000               | 0.00          | 0                | 0                | 500,000          | 500,000            |
| DP 612 - CSCT FTE Reduction                                  | (1.00)        | (36,750)         | 0                | (37,255)         | (74,005)              | (1.00)        | (36,831)         | 0                | (37,502)         | (74,333)           |
| DP 614 - MT Indian Language Preservation (RST/BIEN)          | 0.00          | 750,000          | 0                | 0                | 750,000               | 0.00          | 750,000          | 0                | 0                | 750,000            |
| DP 618 - Montana Digital Academy Inflationary Increase (RST) | 0.00          | 47,243           | 0                | 0                | 47,243                | 0.00          | 95,117           | 0                | 0                | 95,117             |
| DP 619 - Teacher Licensure System (RST/BIEN)                 | 0.00          | 0                | 166,348          | 0                | 166,348               | 0.00          | 0                | 166,333          | 0                | 166,333            |
| DP 620 - Teacher Licensure System                            | 0.00          | (166,348)        | 0                | 0                | (166,348)             | 0.00          | (166,333)        | 0                | 0                | (166,333)          |
| DP 1404 - HB 346   | 0.00          | (32,000)         | 0                | 0                | (32,000)              | 0.00          | (32,000)         | 0                | 0                | (32,000)           |
| DP 1405 - HB 352   | 2.00          | 153,748          | 0                | 0                | 153,748               | 2.00          | 148,148          | 0                | 0                | 148,148            |
| DP 1406 - HB 393   | 1.00          | 17,544           | 0                | 0                | 17,544                | 1.00          | 25,241           | 0                | 0                | 25,241             |
| DP 1408 - HB 403   | 0.00          | 8,889            | 0                | 0                | 8,889                 | 0.00          | 188,904          | 0                | 0                | 188,904            |
| DP 3333 - Additional Adjustment to Inflation                 | 0.00          | 54,933           | 1,213            | 110,154          | 166,300               | 0.00          | 71,349           | 1,600            | 143,330          | 216,279            |
| <b>Total</b>   | <b>(1.00)</b> | <b>\$700,058</b> | <b>\$164,726</b> | <b>\$258,967</b> | <b>\$1,123,751</b>    | <b>(1.00)</b> | <b>\$935,812</b> | <b>\$164,706</b> | <b>\$257,948</b> | <b>\$1,358,466</b> |

\*"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 604 - FTE Efficiency -

The legislature adopted a reduction of federal special revenue personal services authority and 3.00 FTE due to the completion of the Substance Abuse and Mental Health Services Administration (SAMHSA) federal grant, which ended in March of 2022.

DP 605 - Federal Grant Award Adjustments -

The legislature adopted federal special revenue personal services funding to support part-time modified FTE. Changes in state and federal law do not allow the agency to contract for these services and the state personal services funding process does not reinstate personal services expenditures for these workers.

DP 612 - CSCT FTE Reduction -

The legislature adopted a reduction of 1.00 FTE and the associated personal services and operating expenses funding for the Comprehensive School & Community Treatment (CSCT) Program services-to-schools director, as the program moves to the Department of Public Health and Human Services (DPHHS). In the 2021 Legislative Session, the legislature moved the CSCT Program from DPHHS to OPI and approved a restricted, one-time-only appropriation of general fund and state special revenue to be used as state match for federal funds for CSCT. According to the executive, DPHHS has continued to administer the benefit plan, provider network, and claims payments for CSCT throughout the 2023 biennium. The return of CSCT administration to DPHHS would eliminate the third-party collection of the required cash match by OPI.

DP 614 - MT Indian Language Preservation (RST/BIEN) -

The legislature adopted a restricted, biennial general fund increase in grants funding for the Montana Indian Language Preservation Program (MILP). The MILP was established to address the language loss of Native American languages in the state and to preserve Montana tribal heritage. The funding is used for grants to tribal nations to develop and make accessible curricula, audio, and video recordings and reference materials to assist in preserving and perpetuating Indian languages. The program was previously housed in the Department of Commerce, but the program was transferred to the Office of Public Instruction and approved as one-time-only by the 2021 Legislature.

DP 618 - Montana Digital Academy Inflationary Increase (RST) -

The legislature adopted an inflationary increase of general fund transfers for the Montana Digital Academy (MTDA). This inflationary increase provides a pay increase of \$1.50 per hour or 4.0% of salary, whichever is greater, for each of the MTDA's 8.38 FTE.

DP 619 - Teacher Licensure System (RST/BIEN) -

OPI's new TeachMT teacher licensure system was created with federal COVID-19 funding from the Elementary and Secondary School Emergency Relief Fund (ESSER). However, the system will have ongoing costs for upkeep and maintenance that will not be funded with federal dollars. The legislature adopted a restricted, biennial increase of state special revenue operating expenses as part of a fund switch from general fund to state special revenue, in order to use teacher license fees to fund existing operational costs for the teacher licensure system. HB 403 removed teacher license fees as a source of funding for Board of Public Education (BPE) and redirect the funds to a state special revenue account for OPI's teacher licensure system. HB 2 also included contingent language to increase this appropriation for the teacher licensure system (see DP 1408).

Under previous law, teacher license fees were deposited into two state special revenue accounts, both of which funded the activities of the BPE. Historically, about half of BPE's budget was made up of state special revenue from teacher license fees. The legislature approved a general fund increase to the Board of Public Education in order to maintain its current funding level.

DP 620 - Teacher Licensure System -

The legislature adopted a decrease of general fund operating expenses as part of the fund switch from general fund to state special revenue, per HB 403, in order to use teacher license fees to fund existing operational costs for the teacher licensure system.

DP 1404 - HB 346 -

The legislature adopted contingency language if HB 346 was passed and approved, and this decision package implements the coordination language to reduce funding for OPI. HB 346 moves the administration of the Tribal Computer Boost Scholarship Program from the Office of Public Instruction to the Department of Labor and Industry and increases the appropriation for the program.

DP 1405 - HB 352 -

The legislature adopted contingency language if HB 352 was passed and approved, and this decision package implements the coordination language. HB 352 appropriates \$1.5 million general fund in FY 2025 for an early literacy targeted intervention program, and additional funding was included in HB 2 language for 2.00 FTE to administer the program.

DP 1406 - HB 393 -

The legislature adopted contingency language if HB 393 was passed and approved, and this decision package implements the coordination language. HB 393 establishes a program for special needs education savings accounts and appropriates \$75,000 general fund in FY 2024 and \$30,000 general fund in FY 2025 for the administration of the program. HB 2 also contains language in order to fully fund 1.00 FTE to administer the program.

DP 1408 - HB 403 -

The legislature adopted contingency language if HB 403 was passed and approved, and this decision package implements the coordination language. HB 403 redirects teacher license fees from the Board of Public Education to the Office of Public Instruction and increases the license fee to be commensurate with the costs of maintaining the teacher licensure system. HB 2 includes a regular appropriation to move the fees to OPI (see DP 620), but also contains a language appropriation in order to account for the increase in the license fees.

DP 3333 - Additional Adjustment to Inflation -

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

**Other Issues****Proprietary Rates**

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

- Indirect cost pool
  - Advanced driver education program

**Indirect Cost Pool – 06512***Proprietary Program Description*

The OPI indirect cost pool is an internal service fund used to allocate various centralized costs such as payroll, accounting, and budgeting to all of OPI's state and federally funded programs, using a pre-approved indirect cost rate. Because the proprietary funds do not require an appropriation, they are not typically included in appropriation tables. Instead, the legislature approves the fees and charges that support the revenues for the program. The fees approved in HB 2 are the maximum fees that may be charged in the biennium.

*Program Description*Revenue

Indirect cost pool revenues are a function of the amount of expenditures recorded in the State Level Activities Program. Revenues are generated monthly by applying the approved indirect cost rate to the prior month's direct personal services and operating expenditures in both state and federally funded programs.

Expenses

Costs of OPI operations that are paid from the indirect cost pool include:

- Termination payouts (for vacation, comp time, and sick leave) for all staff, except the state superintendent and personal staff
- Partial costs for services provided to OPI by other state agencies, known as fixed costs
- Payroll, personnel, accounting, budgeting, data management, cash management, financial reporting, purchasing, mail delivery, and resource center services to all OPI programs
- Operating costs associated with 25.91 FTE, including the cost of rent for space occupied, office supplies, postage, equipment, training, travel, photocopy charges, etc.
- General-use items such as paper, FAX lines, and shared equipment, including maintenance contracts on equipment

It should be noted that the legislative audit costs are appropriated on a biennial basis causing expenditures for the OPI indirect cost pool to be higher in the first year of the biennium.

## 2025 Biennium Report on Internal Service and Enterprise Funds

| Fund  | Fund Name          | Agency # | Agency Name                  | Program Name           |
|-------|--------------------|----------|------------------------------|------------------------|
| 06512 | Indirect Cost Pool | 35010    | Office of Public Instruction | State Level Activities |

|  | Actual<br>FY 2022 | Budgeted<br>FY 2023 | Adopted<br>FY 2024 | Adopted<br>FY 2025 |
|--|-------------------|---------------------|--------------------|--------------------|
| Operating Revenues:                              |                   |                     |                    |                    |
| Fees and Charges                                 |                   |                     |                    |                    |
| Federal Indirect Cost Recovery                   | 1,656,986         | 1,167,166           | 1,303,907          | 1,181,986          |
| Non Federal Ind Cost Recovery                    | 1,229,780         | 2,085,839           | 2,132,070          | 2,145,864          |
| Total Operating Revenues                         | 2,886,766         | 3,253,005           | 3,435,977          | 3,327,850          |
| Expenses:  |                   |                     |                    |                    |
| Personal Services                                | 1,669,984         | 2,085,839           | 2,132,070          | 2,145,864          |
| Other Operating Expense                          | 870,428           | 1,167,166           | 1,303,907          | 1,181,986          |
| Total Operating Expense                          | 2,540,412         | 3,253,005           | 3,435,977          | 3,327,850          |
| Operating Income (Loss)                          | 346,355           | -                   | -                  | -                  |
| Nonoperating Revenues                            |                   |                     |                    |                    |
| Accomodation Tax                                 | 4,180             | -                   | -                  | -                  |
| Total Nonoperating Revenue                       |                   |                     |                    |                    |
| Income (Loss) Before Contributions and Transfers | 350,535           | -                   | -                  | -                  |
| Loans and Lease Payments                         | 1,386             | 24,930              | 24,930             | 24,930             |
| Change in Net Position                           | 351,921           | 24,930              | 24,930             | 24,930             |
| Beginning Net Position - July 1                  | (476,544)         | (124,623)           | (99,693)           | (74,763)           |
| Prior Period Adjustments                         |                   |                     |                    |                    |
| Change in Net Position                           | 351,921           | 24,930              | 24,930             | 24,930             |
| Ending Net Position - June 30                    | (124,623)         | (99,693)            | (74,763)           | (49,833)           |
| Net Position (Fund Balance) Analysis             |                   |                     |                    |                    |
| Unrestricted Net Position                        |                   |                     |                    |                    |

*Rate and Rate Explanation*

OPI negotiates an annual predetermined rate with the U.S. Department of Education, calculated in accordance with federal regulations and section 17-3-111(1), MCA. OPI will renegotiate an annual rate for FY 2024 and FY 2025. It is anticipated this rate will be consistent with previous years and remain around 17.0%, which is consistent with the current legislatively approved rate of 17.0%. The agency may not charge more than the lesser of the rate negotiated with the Department of Education and the rate approved by the legislature.



### 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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change    | Biennium<br>% Change |
| Operating Expenses             | 2,533,625                    | 2,747,099                   | 213,474               | 8.43 %               |
| Local Assistance               | 1,794,921,091                | 1,959,995,081               | 165,073,990           | 9.20 %               |
| Grants                         | 320,686,985                  | 318,066,409                 | (2,620,576)           | (0.82)%              |
| Transfers                      | 24,371,125                   | 1,385,004                   | (22,986,121)          | (94.32)%             |
| <b>Total Expenditures</b>      | <b>\$2,142,512,826</b>       | <b>\$2,282,193,593</b>      | <b>\$139,680,767</b>  | <b>6.52 %</b>        |
| General Fund                   | 1,799,829,562                | 1,074,241,171               | (725,588,391)         | (40.31)%             |
| State/Other Special Rev. Funds | 31,212,482                   | 896,481,640                 | 865,269,158           | 2,772.19 %           |
| Federal Spec. Rev. Funds       | 311,470,782                  | 311,470,782                 | 0                     | 0.00 %               |
| <b>Total Funds</b>             | <b>\$2,142,512,826</b>       | <b>\$2,282,193,593</b>      | <b>\$139,680,767</b>  | <b>6.52 %</b>        |
| <b>Total Ongoing</b>           | <b>\$2,120,226,766</b>       | <b>\$2,282,193,593</b>      | <b>\$161,966,827</b>  | <b>7.64 %</b>        |
| <b>Total OTO</b>               | <b>\$22,286,060</b>          | <b>\$0</b>                  | <b>(\$22,286,060)</b> | <b>(100.00)%</b>     |

### Program Description

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

### Program Highlights

| Local Education Activities Program<br>Major Budget Highlights  |
|--|
| <p>The Office of Public Instruction's 2025 biennium HB 2 adopted budget for the Local Education Activities Program is approximately \$139.7 million or 6.5% higher than the 2023 biennium. Major highlights include:</p> <ul style="list-style-type: none"> <li>• An increase in general fund for the K-12 BASE Aid inflationary adjustment</li> <li>• An increase of state special revenue to fully fund debt service assistance</li> <li>• A decrease in general fund for K-12 BASE Aid to offset revenue increases in the statutorily appropriated guarantee account</li> <li>• An increase in general fund and a decrease in state special revenue for major maintenance aid</li> <li>• Increases in general fund for the at-risk student payment, the advanced opportunities act, the transformational learning program, and national board certification stipends</li> <li>• A fund switch from general fund to state special revenue to transfer the 95 property tax mills into a state special revenue account specifically dedicated to school funding, per HB 587</li> <li>• An increase of general fund for K-12 BASE Aid due to an increased retirement GTB multiplier, also per HB 587</li> </ul> |

**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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>Fiscal 2025 |
| Operating Expenses                    | 1,131,939              | 1,139,738              | 1,393,887              | 1,365,054                  | 1,382,045                  |
| Local Assistance                      | 870,486,784            | 875,868,585            | 919,052,506            | 933,823,947                | 1,026,171,134              |
| Grants                                | 148,515,116            | 159,465,363            | 161,221,622            | 158,969,906                | 159,096,503                |
| Transfers                             | 6,449,000              | 12,720,371             | 11,650,754             | 692,502                    | 692,502                    |
| <b>Total Expenditures</b>             | <b>\$1,026,582,839</b> | <b>\$1,049,194,057</b> | <b>\$1,093,318,769</b> | <b>\$1,094,851,409</b>     | <b>\$1,187,342,184</b>     |
| General Fund                          | 873,196,348            | 878,993,436            | 920,836,126            | 495,483,554                | 578,757,617                |
| State/Other Special Rev. Funds        | 8,854,092              | 14,465,230             | 16,747,252             | 443,632,464                | 452,849,176                |
| Federal Spec. Rev. Funds              | 144,532,399            | 155,735,391            | 155,735,391            | 155,735,391                | 155,735,391                |
| <b>Total Funds</b>                    | <b>\$1,026,582,839</b> | <b>\$1,049,194,057</b> | <b>\$1,093,318,769</b> | <b>\$1,094,851,409</b>     | <b>\$1,187,342,184</b>     |
| <b>Total Ongoing</b>                  | <b>\$1,020,941,169</b> | <b>\$1,037,941,249</b> | <b>\$1,082,285,517</b> | <b>\$1,094,851,409</b>     | <b>\$1,187,342,184</b>     |
| <b>Total OTO</b>                      | <b>\$5,641,670</b>     | <b>\$11,252,808</b>    | <b>\$11,033,252</b>    | <b>\$0</b>                 | <b>\$0</b>                 |

**Funding**

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

| Office of Public Instruction, 09-Local Education Activities<br>Funding by Source of Authority |                        |                             |                            |                        |                      |
|---|------------------------|-----------------------------|----------------------------|------------------------|----------------------|
| Funds   | HB2                    | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources   | % Total<br>All Funds |
| 01100 General Fund  | 1,074,241,171          | 0                           | 0                          | 1,074,241,171          | 44.85 %              |
| 02018 Guarantee Fund  | 0                      | 0                           | 111,241,891                | 111,241,891            | 11.02 %              |
| 02218 School Facility & Tech Account  | 30,000,000             | 0                           | 2,000,000                  | 32,000,000             | 3.17 %               |
| 02402 Traffic & Safety Education  | 1,500,000              | 0                           | 0                          | 1,500,000              | 0.15 %               |
| 02487 School Fac State Spcl Revenue   | 3,398,640              | 0                           | 0                          | 3,398,640              | 0.34 %               |
| 02129 95 Mill Account   | 861,583,000            | 0                           | 0                          | 861,583,000            | 85.33 %              |
| <b>State Special Total</b>  | <b>\$896,481,640</b>   | <b>\$0</b>                  | <b>\$113,241,891</b>       | <b>\$1,009,723,531</b> | <b>42.15 %</b>       |
| 03170 Grant Clearance Discretionary   | 311,470,782            | 0                           | 0                          | 311,470,782            | 100.00 %             |
| <b>Federal Special Total</b>  | <b>\$311,470,782</b>   | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$311,470,782</b>   | <b>13.00 %</b>       |
| <b>Proprietary Total</b>  | <b>\$0</b>             | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>             | <b>0.00 %</b>        |
| <b>Total All Funds</b>  | <b>\$2,282,193,593</b> | <b>\$0</b>                  | <b>\$113,241,891</b>       | <b>\$2,395,435,484</b> |                      |

The Local Education Activities Program is funded by a combination of general fund, state, and federal special revenue. The majority of funds are appropriated in HB 2 and the remainder are statutory appropriations.

**General Fund**

General fund supports the majority of the distribution to school districts, with the addition of some state and federal funds.

**State Special Revenue****Guarantee Account**

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

School Facility and Technology Account

The school facility and technology account supports state subsidies for school debt service from facilities bonds, technological improvements, and other infrastructure and facility needs. The school facility and technology account is funded from public land trust power site rent under the provisions of 77-4-208(2), MCA and timber harvest income from school trust lands under the provisions of 20-9-516(2)(a), MCA.

Traffic & Safety Education Account

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

School Facility State Special Revenue Account

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

School Equalization and Property Tax Reduction Account

Per HB 587, property tax revenues from the 95 mills will be deposited into a new state special revenue account specifically dedicated to school funding.

*Federal Funds*

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

**Budget Summary by Category**

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

| Budget Summary by Category |                        |                       |                          |                      |                        |                        |                          |                      |
|----------------------------|------------------------|-----------------------|--------------------------|----------------------|------------------------|------------------------|--------------------------|----------------------|
| Budget Item                | -----General Fund----- |                       |                          |                      | -----Total Funds-----  |                        |                          |                      |
|                            | Budget<br>Fiscal 2024  | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024  | Budget<br>Fiscal 2025  | Biennium<br>Fiscal 24-25 | Percent<br>of Budget |
| 2023 Base Budget           | 920,761,126            | 920,761,126           | 1,841,522,252            | 171.43 %             | 1,082,285,517          | 1,082,285,517          | 2,164,571,034            | 94.85 %              |
| SWPL Adjustments           | 73,876                 | 98,409                | 172,285                  | 0.02 %               | 73,876                 | 98,409                 | 172,285                  | 0.01 %               |
| PL Adjustments             | 434,215                | 52,285,044            | 52,719,259               | 4.91 %               | 12,223,679             | 63,816,220             | 76,039,899               | 3.33 %               |
| New Proposals              | (425,785,663)          | (394,386,962)         | (820,172,625)            | (76.35)%             | 268,337                | 41,142,038             | 41,410,375               | 1.81 %               |
| <b>Total Budget</b>        | <b>\$495,483,554</b>   | <b>\$578,757,617</b>  | <b>\$1,074,241,171</b>   |                      | <b>\$1,094,851,409</b> | <b>\$1,187,342,184</b> | <b>\$2,282,193,593</b>   |                      |

**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 3 - Inflation Deflation                            | 0.00        | 73,876           | 0                   | 0               | 73,876              | 0.00                  | 98,409              | 0                   | 0               | 98,409              |
| DP 903 - At Risk Payment Inflationary Increase        | 0.00        | 158,592          | 0                   | 0               | 158,592             | 0.00                  | 339,563             | 0                   | 0               | 339,563             |
| DP 904 - Increase National Board Certification        | 0.00        | 75,760           | 0                   | 0               | 75,760              | 0.00                  | 74,352              | 0                   | 0               | 74,352              |
| DP 907 - NRD K-12 Facilities Major Maintenance Aid    | 0.00        | 2,809,000        | (710,536)           | 0               | 2,098,464           | 0.00                  | 3,117,100           | (968,824)           | 0               | 2,148,276           |
| DP 910 - State Transformational Learning Aid          | 0.00        | 193,257          | 0                   | 0               | 193,257             | 0.00                  | 256,854             | 0                   | 0               | 256,854             |
| DP 911 - State Advanced Opportunities Aid             | 0.00        | 1,151,514        | 0                   | 0               | 1,151,514           | 0.00                  | 1,251,673           | 0                   | 0               | 1,251,673           |
| DP 914 - Guarantee Account Adjustment                 | 0.00        | (5,464,252)      | 0                   | 0               | (5,464,252)         | 0.00                  | (8,860,907)         | 0                   | 0               | (8,860,907)         |
| DP 917 - Debt Service Assistance                      | 0.00        | 0                | 12,500,000          | 0               | 12,500,000          | 0.00                  | 0                   | 12,500,000          | 0               | 12,500,000          |
| DP 920 - Adjusted K-12 BASE Aid Inflationary Increase | 0.00        | 1,510,344        | 0                   | 0               | 1,510,344           | 0.00                  | 56,106,409          | 0                   | 0               | 56,106,409          |
| <b>Grand Total All Present Law Adjustments</b>        | <b>0.00</b> | <b>\$508,091</b> | <b>\$11,789,464</b> | <b>\$0</b>      | <b>\$12,297,555</b> | <b>0.00</b>           | <b>\$52,383,453</b> | <b>\$11,531,176</b> | <b>\$0</b>      | <b>\$63,914,629</b> |

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

**DP 3 - Inflation Deflation -**

The legislature 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 state motor pool and motor pool leased vehicles, and repair and maintenance.

**DP 903 - At Risk Payment Inflationary Increase -**

The legislature adopted an appropriation of general fund local assistance to support inflationary increases for the at-risk student payment, at 2.7% in FY 2024 and 3.0% in FY 2025. These rates are the same inflationary rates associated with the present law adjustment for K-12 BASE aid.

**DP 904 - Increase National Board Certification -**

The legislature adopted an increase in general fund local assistance for stipends to qualified teachers who hold a current certification with the National Board for Professional Teaching Standards, per 20-4-134, MCA.

**DP 907 - NRD K-12 Facilities Major Maintenance Aid -**

The legislature adopted an increase of general fund local assistance and a reduction of state special revenue local assistance in order to meet the statutory required growth for the Natural Resource Development (NRD) K-12 school facilities payment in each year of the biennium, per 20-9-635, MCA. The NRD payment is composed of general fund and state special coal sub-trust interest, and the payment is used to support major maintenance of public school facilities.

**DP 910 - State Transformational Learning Aid -**

The legislature adopted an appropriation of general fund grants to increase the state transformational learning payment. This increase represents 10.0% of the estimated statewide number of full-time equivalent educators from the fiscal year immediately preceding the year to which distribution of transformational aid applies, per 20-7-1602(8)(b)(iii), MCA.

DP 911 - State Advanced Opportunities Aid -

The legislature adopted an appropriation of general fund grants to increase the state advanced opportunities payment. This increase represents an amount sufficient to provide advanced opportunities aid to 100.0% of districts in FY 2024 and FY 2025, based on the statutory inflationary increases of 2.7% in FY 2024 and 3.0%, as per section 20-7-1506(7), MCA. HB 257 expanded the advanced opportunities programs, and the bill included an appropriation of \$4.0 million per year. HB 2 included coordination language to remove this appropriation and the base budget appropriation for advanced opportunities from HB 2 (see DP 1403).

DP 914 - Guarantee Account Adjustment -

The legislature adopted a reduction in general fund K-12 BASE aid appropriations and an increase in the statutory guarantee account authority to reflect the HJ 2 revenue estimate for the guarantee account. The guarantee account revenue is statutorily appropriated and offsets general fund appropriations for K-12 BASE aid.

DP 917 - Debt Service Assistance -

The legislature adopted state special revenue local assistance authority to fully fund the debt service assistance payment.

DP 920 - Adjusted K-12 BASE Aid Inflationary Increase -

The legislature adopted an adjusted general fund local assistance inflationary increase for:

- Inflationary increases of 2.7% in FY 2024 and 3.0% in FY 2025 for the basic entitlement, per-ANB entitlement, quality educator payment, Indian education for all payment, data for achievement payment, special education allowable cost payment, and American Indian achievement gap payment
- Growth in enrollment (average number belonging, ANB) at 0.98% in FY 2024 and 0.65% in FY 2025
- Changes to the guaranteed tax base (GTB) aid multiplier (20-9-366, MCA) for property tax changes and revenue received from marijuana, at 0.0% in FY 2024 and 7.0% in FY 2025
- An increase for teacher base pay incentives (20-9-324, MCA)

**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        | (18,469)               | 0                    | 0               | (18,469)         | 0.00                  | (24,603)               | 0                    | 0               | (24,603)            |
| DP 927 - 95 Mills Fund Switch    | 0.00        | (426,054,000)          | 426,054,000          | 0               | 0                | 0.00                  | (435,529,000)          | 435,529,000          | 0               | 0                   |
| DP 1400 - HB 36                  | 0.00        | 60,288                 | 0                    | 0               | 60,288           | 0.00                  | 299,696                | 0                    | 0               | 299,696             |
| DP 1401 - HB 171                 | 0.00        | 1,845,330              | 0                    | 0               | 1,845,330        | 0.00                  | 1,646,315              | 0                    | 0               | 1,646,315           |
| DP 1402 - HB 212                 | 0.00        | 0                      | 0                    | 0               | 0                | 0.00                  | 2,745,568              | 0                    | 0               | 2,745,568           |
| DP 1403 - HB 257                 | 0.00        | (3,699,487)            | 0                    | 0               | (3,699,487)      | 0.00                  | (3,799,646)            | 0                    | 0               | (3,799,646)         |
| DP 1407 - HB 396                 | 0.00        | 1,977,675              | 0                    | 0               | 1,977,675        | 0.00                  | 2,199,656              | 0                    | 0               | 2,199,656           |
| DP 1409 - HB 549                 | 0.00        | 0                      | 0                    | 0               | 0                | 0.00                  | 816,893                | 0                    | 0               | 816,893             |
| DP 1410 - HB 562                 | 0.00        | 0                      | 0                    | 0               | 0                | 0.00                  | 424,542                | 0                    | 0               | 424,542             |
| DP 1411 - HB 587                 | 0.00        | 0                      | 0                    | 0               | 0                | 0.00                  | 36,458,256             | 0                    | 0               | 36,458,256          |
| DP 1412 - HB 588                 | 0.00        | 0                      | 0                    | 0               | 0                | 0.00                  | 209,361                | 0                    | 0               | 209,361             |
| DP 1413 - SB 70                  | 0.00        | 103,000                | 0                    | 0               | 103,000          | 0.00                  | 166,000                | 0                    | 0               | 166,000             |
| <b>Total</b>                     | <b>0.00</b> | <b>(\$425,785,663)</b> | <b>\$426,054,000</b> | <b>\$0</b>      | <b>\$268,337</b> | <b>0.00</b>           | <b>(\$394,386,962)</b> | <b>\$435,529,000</b> | <b>\$0</b>      | <b>\$41,142,038</b> |

\*"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 927 - 95 Mills Fund Switch -**

The legislature adopted a funding switch for K-12 BASE aid from the general fund to a new state special revenue fund dedicated to school funding, per HB 587. HB 587 redirects property tax revenue from the 95 mills from the general fund to the new state special revenue account specifically dedicated to school funding. The legislature adopted contingent language to increase this appropriation if HB 587 passed (see DP 1411).

**DP 1400 - HB 36 -**

The legislature adopted contingency language if HB 36 was passed and approved, and this decision package implements the coordination language. HB 36 replaces the anticipated enrollment increase procedure with a significant enrollment increase (SEI) payment based on the October student enrollment count.

**DP 1401 - HB 171 -**

The legislature adopted contingency language if HB 171 was passed and approved, and this decision package implements the coordination language. HB 171 allows therapeutic group homes providing educational programs to children to be included as qualifying facilities eligible to receive in-state treatment payments. This appropriation includes an increase of in-state treatment funding for both years of the biennium and a reduction of state tuition funding in FY 2025.

**DP 1402 - HB 212 -**

The legislature adopted contingency language if HB 212 was passed and approved, and this decision package implements the coordination language. HB 212 substantially increases the class 8 business equipment property tax exemption, resulting in a reduction of taxable value. The bill also increases the guaranteed tax base (GTB) aid multiplier.

DP 1403 - HB 257 -

The legislature adopted contingency language if HB 257 was passed and approved, and this decision package implements the coordination language. HB 257 expands the Advanced Opportunities Aid Program, which provides personal learning opportunity payments to K-12 school districts. The bill included coordination language which voids the current appropriation for Advanced Opportunities in HB 2.

DP 1407 - HB 396 -

The legislature adopted contingency language if HB 396 was passed and approved, and this decision package implements the coordination language. HB 396 requires school districts to admit children residing in the district on a part-time basis at the request of a parent.

DP 1409 - HB 549 -

The legislature adopted contingency language if HB 549 was passed and approved, and this decision package implements the coordination language. HB 549 establishes the Public Charter School Act.

DP 1410 - HB 562 -

The legislature adopted contingency language if HB 562 was passed and approved, and this decision package implements the coordination language. HB 562 establishes community choice schools.

DP 1411 - HB 587 -

The legislature adopted contingency language if HB 587 was passed and approved, and this decision package implements the coordination language. HB 587 redirects property tax revenue generated from the 95 mills from the general fund into a new state special revenue account specifically dedicated to school funding and creates a formula for adjusting the guaranteed tax base aid (GTB) ratio based as revenues increase over time; HB 2 includes this fund switch, which has a net-zero effect on funding (see DP 927). The HB 2 language appropriation accounts for increases to the retirement GTB multiplier.

DP 1412 - HB 588 -

The legislature adopted contingency language if HB 588 was passed and approved, and this decision package implements the coordination language. HB 588 revises the TEACH Act, which was passed by the 2021 Legislature to increase starting teacher salaries.

DP 1413 - SB 70 -

The legislature adopted contingency language if SB 70 was passed and approved, and this decision package implements the coordination language. SB 70 broadens the requirements for the Quality Educator Loan Assistance Program.

**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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change | Biennium<br>% Change |
| Personal Services              | 518,117                      | 797,337                     | 279,220            | 53.89 %              |
| Operating Expenses             | 256,467                      | 341,656                     | 85,189             | 33.22 %              |
| <b>Total Expenditures</b>      | <b>\$774,584</b>             | <b>\$1,138,993</b>          | <b>\$364,409</b>   | <b>47.05 %</b>       |
| General Fund                   | 402,796                      | 1,138,993                   | 736,197            | 182.77 %             |
| State/Other Special Rev. Funds | 371,788                      | 0                           | (371,788)          | (100.00)%            |
| <b>Total Funds</b>             | <b>\$774,584</b>             | <b>\$1,138,993</b>          | <b>\$364,409</b>   | <b>47.05 %</b>       |
| <b>Total Ongoing</b>           | <b>\$724,584</b>             | <b>\$1,140,885</b>          | <b>\$416,301</b>   | <b>57.45 %</b>       |
| <b>Total OTO</b>               | <b>\$50,000</b>              | <b>(\$1,892)</b>            | <b>(\$51,892)</b>  | <b>(103.78)%</b>     |

**Agency Description**

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



## Agency Highlights

**Board of Public Education  
Major Budget Highlights**

The Board of Public Education's 2025 biennium budget as adopted by the legislature is 47.1% or \$364,409 greater than the 2023 biennium budget. Changes include the following:

- The legislature adopted two fund switches that removed state special appropriations and replaced them with general fund including the following:
  - A fund switch that replaces \$19,725 of state special funds with general fund. This ensures the agency will have sufficient funding available as appropriations have been greater than revenues
  - A fund switch of approximately \$166,000 state special funds derived from teacher licensure fees in each year of the biennium. This replaces all state special funds with general fund. This change is contingent on passage and approval of HB 403
- The legislature adopted a reduction in general fund because of the statewide present law adjustment to personal services
- The legislature adopted an increase to operations funding of \$20,000 for the biennium to support meeting costs, professional development and travel for staff and board members
- The legislature approved an appropriation of \$35,000 in each year of the biennium for legal fees
- The legislature approved language that states "If [HB 132](#) is passed and approved by the Legislature, Legislative Audit is void." This removes the audit line item and reduces general fund by \$20,153 in FY 2024
- The legislature passed DP 333 which reduces the DP 3 inflation increase by 25.0% or \$4,035 for the biennium
- The legislature passed DP 3333 which increases DP 3 inflation by \$4,035 for the biennium
- The legislature adopted contingency language to provide an appropriation for personal services in the amount of \$147,166 general fund in FY 2024 and \$141,566 in FY 2025 upon passage and approval of [HB 549](#) in order to authorize the establishment of public charter schools

### 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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>Fiscal 2025 |
| FTE                                  | 0.00                   | 3.00                   | 3.00                   | 3.00                       | 3.00                       |
| Personal Services                    | 220,152                | 256,594                | 261,523                | 400,298                    | 397,039                    |
| Operating Expenses                   | 100,795                | 136,854                | 119,613                | 170,486                    | 171,170                    |
| <b>Total Expenditures</b>            | <b>\$320,947</b>       | <b>\$393,448</b>       | <b>\$381,136</b>       | <b>\$570,784</b>           | <b>\$568,209</b>           |
| General Fund                         | 161,801                | 207,571                | 195,225                | 570,784                    | 568,209                    |
| State/Other Special Rev. Funds       | 159,146                | 185,877                | 185,911                | 0                          | 0                          |
| <b>Total Funds</b>                   | <b>\$320,947</b>       | <b>\$393,448</b>       | <b>\$381,136</b>       | <b>\$570,784</b>           | <b>\$568,209</b>           |
| <b>Total Ongoing</b>                 | <b>\$295,947</b>       | <b>\$368,448</b>       | <b>\$356,136</b>       | <b>\$571,730</b>           | <b>\$569,155</b>           |
| <b>Total OTO</b>                     | <b>\$25,000</b>        | <b>\$25,000</b>        | <b>\$25,000</b>        | <b>(\$946)</b>             | <b>(\$946)</b>             |

### Summary of Legislative Action

The legislature passed a budget for the 2025 biennium that includes changes that stabilize funding for the BPE, provide professional development funding, and make legal fees a part of the base among other changes. The legislature approved a fund switch, contingent on passage and approval of HB 403. This removes the state special revenue from teacher license fees as a funding source and replaces it with general fund. The legislature included language in HB 2 that appropriated funding to the BPE contingent on passage and approval of HB 549. This language provides the board an appropriation for supervision of charter schools. Language for the implementation of HB 132 removes the restricted biennial audit appropriation.

### Funding

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

| Total Board of Public Education Funding by Source of Authority<br>2025 Biennium Budget Request - Board of Public Education |                    |                  |                             |                            |                      |                      |
|--|--------------------|------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds  | HB2<br>Ongoing     | HB2<br>OTO       | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>All Funds |
| General Fund   | 1,140,877          | (1,884)          | 0                           | 0                          | 1,138,993            | 100.00 %             |
| State Special Total  | 8                  | (8)              | 0                           | 0                          | 0                    | 0.00 %               |
| Federal Special Total  | 0                  | 0                | 0                           | 0                          | 0                    | 0.00 %               |
| Proprietary Total  | 0                  | 0                | 0                           | 0                          | 0                    | 0.00 %               |
| Other Total  | 0                  | 0                | 0                           | 0                          | 0                    | 0.00 %               |
| <b>Total All Funds</b>   | <b>\$1,140,885</b> | <b>(\$1,892)</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$1,138,993</b>   |                      |
| <b>Percent - Total All Sources</b>   | <b>100.17 %</b>    | <b>(0.17)%</b>   | <b>0.00 %</b>               | <b>0.00 %</b>              |                      |                      |

The primary functions for the Board of Public Education are funded through HB 2 and the pay plan.

### HB 2 Funding

In the past, the BPE has been funded through a combination of general fund and state special revenue funds. The legislature adopted a fund switch that replaces all state special funding with general fund, while redirecting teacher licensure fees to OPI. This funding switch is contingent on approval and passage of [HB 403](#).

**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<br>Fiscal 2024  | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget |
| 2023 Base Budget           | 170,225                | 170,225               | 340,450                  | 29.89 %              | 356,136               | 356,136               | 712,272                  | 62.54 %              |
| SWPL Adjustments           | 42,426                 | 25,318                | 67,744                   | 5.95 %               | 42,588                | 25,465                | 68,053                   | 5.97 %               |
| PL Adjustments             | 29,772                 | 29,767                | 59,539                   | 5.23 %               | 10,047                | 10,042                | 20,089                   | 1.76 %               |
| New Proposals              | 328,361                | 342,899               | 671,260                  | 58.93 %              | 162,013               | 176,566               | 338,579                  | 29.73 %              |
| <b>Total Budget</b>        | <b>\$570,784</b>       | <b>\$568,209</b>      | <b>\$1,138,993</b>       |                      | <b>\$570,784</b>      | <b>\$568,209</b>      | <b>\$1,138,993</b>       |                      |

**Other Legislation****HB 132 - *Modify timing of legislative audits***

Eliminates the biennial audit for BPE and defines new criteria for agencies to be selected for audit

**HB 231 - *Eliminate certification standards and practices advisory council***

Eliminates the certification standards and practices advisory council

**HB 338 - *Revise laws related to Indian Education for All***

Requires the BPE and to incorporate the distinct and unique cultural heritage of Montana American Indians into content standards with involvement from the tribes

**HB 403 - *Generally revise laws concerning fees for teacher and specialist certificates***

Directs teacher license fees to the Office of Public Instruction

**HB 531 - *Establish annual combined meeting of the board of education***

Requires the Board of Public Education and the board of regents to meet at least once a year as the combined State Board of Education

**HB 549 - *Authorizing establishment of public charter schools***

Prescribes duties to the Board of Public Education

**HB 562 - *Authorize establishment of community choice schools***

Assigns certain duties to the Board of Public Education

**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.<br>Fiscal 2023 | Executive<br>Budget<br>Fiscal 2024 | Legislative<br>Budget<br>Fiscal 2024 | Leg — Exec.<br>Difference<br>Fiscal 2024 | Executive<br>Budget<br>Fiscal 2025 | Legislative<br>Budget<br>Fiscal 2025 | Leg — Exec.<br>Difference<br>Fiscal 2025 | Biennium<br>Difference<br>Fiscal 24-25 |
| FTE                               | 3.00                   | 3.00                               | 3.00                                 | 0.00                                     | 3.00                               | 3.00                                 | 0.00                                     | 0.00                                   |
| Personal Services                 | 261,523                | 253,132                            | 400,298                              | 147,166                                  | 255,473                            | 397,039                              | 141,566                                  | 288,732                                |
| Operating Expenses                | 119,613                | 190,592                            | 170,486                              | (20,106)                                 | 171,128                            | 171,170                              | 42                                       | (20,064)                               |
| <b>Total Costs</b>                | <b>\$381,136</b>       | <b>\$443,724</b>                   | <b>\$570,784</b>                     | <b>\$127,060</b>                         | <b>\$426,601</b>                   | <b>\$568,209</b>                     | <b>\$141,608</b>                         | <b>\$268,668</b>                       |
| General Fund                      | 195,225                | 443,724                            | 570,784                              | 127,060                                  | 426,601                            | 568,209                              | 141,608                                  | 268,668                                |
| State/other Special Rev.<br>Funds | 185,911                | 0                                  | 0                                    | 0  | 0                                  | 0                                    | 0  | 0                                      |
| <b>Total Funds</b>                | <b>\$381,136</b>       | <b>\$443,724</b>                   | <b>\$570,784</b>                     | <b>\$127,060</b>                         | <b>\$426,601</b>                   | <b>\$568,209</b>                     | <b>\$141,608</b>                         | <b>\$268,668</b>                       |
| <b>Total Ongoing</b>              | <b>\$356,136</b>       | <b>\$408,724</b>                   | <b>\$571,730</b>                     | <b>\$163,006</b>                         | <b>\$391,601</b>                   | <b>\$569,155</b>                     | <b>\$177,554</b>                         | <b>\$340,560</b>                       |
| <b>Total OTO</b>                  | <b>\$25,000</b>        | <b>\$35,000</b>                    | <b>(\$946)</b>                       | <b>(\$35,946)</b>                        | <b>\$35,000</b>                    | <b>(\$946)</b>                       | <b>(\$35,946)</b>                        | <b>(\$71,892)</b>                      |

The legislature adopted a budget that is \$268,668 higher than the proposed executive budget for the 2025 biennium. This increase is due in part to adjustments to statewide present law, increases to fixed costs and inflation/deflation by the legislature. A fund switch directs teacher license fees away from the agency to the Office of Public Instruction and replaces them with general fund, making the agency fully funded with general fund. Legal fees, which have been one-time-only for several bienna were made ongoing and part of the base budget. The legislature passed a language appropriation related to fund implementation and oversight of charter schools.

**Language and Statutory Authority**

The legislature adopted the following language in HB 2:

"Administration includes 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."

"Administration includes general fund appropriations of \$166,348 in FY 2024 and \$166,333 in FY 2025 and state special revenue reductions of \$166,348 in FY 2024 and \$166,333 in FY 2025. The increase in general fund and reduction of state special revenue is contingent on the passage and approval of HB 403."

"The Administration Program includes an increase in general fund of \$1,778 in FY 2024 and \$2,257 in FY 2025. The increase was provided to offset inflationary impacts. The agency may allocate this increase in funding among programs when developing 2025 biennium operating plans."

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 in the tables in the fiscal report:

"If HB 132 is passed and approved by the Legislature, Legislative Audit is void."

"If HB 549 is passed and approved, the Board of Public Education is increased by \$147,166 general fund in FY 2024 and \$141,566 general fund in FY 2025, and the Board of Public Education may increase full-time equivalent positions authorized in HB 2 by 2.00 FTE in FY 2024 and 2.00 FTE in FY 2025."

### 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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>Fiscal 2025 |
| FTE                                   | 0.00                   | 3.00                   | 3.00                   | 3.00                       | 3.00                       |
| Personal Services                     | 220,152                | 256,594                | 261,523                | 400,298                    | 397,039                    |
| Operating Expenses                    | 100,795                | 136,854                | 119,613                | 170,486                    | 171,170                    |
| <b>Total Expenditures</b>             | <b>\$320,947</b>       | <b>\$393,448</b>       | <b>\$381,136</b>       | <b>\$570,784</b>           | <b>\$568,209</b>           |
| General Fund                          | 161,801                | 207,571                | 195,225                | 570,784                    | 568,209                    |
| State/Other Special Rev. Funds        | 159,146                | 185,877                | 185,911                | 0                          | 0                          |
| <b>Total Funds</b>                    | <b>\$320,947</b>       | <b>\$393,448</b>       | <b>\$381,136</b>       | <b>\$570,784</b>           | <b>\$568,209</b>           |
| <b>Total Ongoing</b>                  | <b>\$295,947</b>       | <b>\$368,448</b>       | <b>\$356,136</b>       | <b>\$571,730</b>           | <b>\$569,155</b>           |
| <b>Total OTO</b>                      | <b>\$25,000</b>        | <b>\$25,000</b>        | <b>\$25,000</b>        | <b>(\$946)</b>             | <b>(\$946)</b>             |

### 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<br>Fund | State<br>Special  | Federal<br>Special | Total<br>Funds  | FTE                   | General<br>Fund | State<br>Special  | Federal<br>Special | Total<br>Funds  |
| DP 1 - Personal Services                         | 0.00        | (8,391)         | 0                 | 0                  | (8,391)         | 0.00                  | (6,050)         | 0                 | 0                  | (6,050)         |
| DP 2 - Fixed Costs                               | 0.00        | 47,626          | 162               | 0                  | 47,788          | 0.00                  | 27,478          | 147               | 0                  | 27,625          |
| DP 3 - Inflation Deflation                       | 0.00        | 3,191           | 0                 | 0                  | 3,191           | 0.00                  | 3,890           | 0                 | 0                  | 3,890           |
| DP 5 - Reallocate State Special and General Fund | 0.00        | 19,725          | (19,725)          | 0                  | 0               | 0.00                  | 19,725          | (19,725)          | 0                  | 0               |
| DP 6 - Operations Funding                        | 0.00        | 10,000          | 0                 | 0                  | 10,000          | 0.00                  | 10,000          | 0                 | 0                  | 10,000          |
| DP 20 - SABHRS Rate Adjustment                   | 0.00        | 51              | 0                 | 0                  | 51              | 0.00                  | 45              | 0                 | 0                  | 45              |
| DP 30 - Motor Pool Rate Adjustment               | 0.00        | (4)             | 0                 | 0                  | (4)             | 0.00                  | (3)             | 0                 | 0                  | (3)             |
| DP 222 - RMTD Adjustment                         | 0.00        | 943             | 3                 | 0                  | 946             | 0.00                  | 941             | 5                 | 0                  | 946             |
| DP 223 - RMTD Adjustment (OTO)                   | 0.00        | (943)           | (3)               | 0                  | (946)           | 0.00                  | (941)           | (5)               | 0                  | (946)           |
| <b>Grand Total All Present Law Adjustments</b>   | <b>0.00</b> | <b>\$72,198</b> | <b>(\$19,563)</b> | <b>\$0</b>         | <b>\$52,635</b> | <b>0.00</b>           | <b>\$55,085</b> | <b>(\$19,578)</b> | <b>\$0</b>         | <b>\$35,507</b> |

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

#### DP 1 - Personal Services -

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

DP 5 - Reallocate State Special and General Fund -

The legislature adopted a reallocation of funds to decrease the state special fund allocation and increase general fund allocation.

DP 6 - Operations Funding -

The legislature adopted an appropriation of \$10,000 of general fund in each year of the biennium for operating costs. This appropriation will fund basic operational costs, professional development for staff and board members, and travel to educational conferences.

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 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 4 - Legal Fees                            | 0.00        | 35,000           | 0                  | 0               | 35,000           | 0.00        | 35,000           | 0                  | 0               | 35,000           |
| DP 7 - Teacher Licensure Fund Switch         | 0.00        | 166,348          | (166,348)          | 0               | 0                | 0.00        | 166,333          | (166,333)          | 0               | 0                |
| DP 333 - Adjustment to Inflation             | 0.00        | (1,778)          | 0                  | 0               | (1,778)          | 0.00        | (2,257)          | 0                  | 0               | (2,257)          |
| DP 1400 - HB 549                             | 0.00        | 147,166          | 0                  | 0               | 147,166          | 0.00        | 141,566          | 0                  | 0               | 141,566          |
| DP 1401 - HB 132                             | 0.00        | (20,153)         | 0                  | 0               | (20,153)         | 0.00        | 0                | 0                  | 0               | 0                |
| DP 3333 - Additional Adjustment to Inflation | 0.00        | 1,778            | 0                  | 0               | 1,778            | 0.00        | 2,257            | 0                  | 0               | 2,257            |
| <b>Total</b>                                 | <b>0.00</b> | <b>\$328,361</b> | <b>(\$166,348)</b> | <b>\$0</b>      | <b>\$162,013</b> | <b>0.00</b> | <b>\$342,899</b> | <b>(\$166,333)</b> | <b>\$0</b>      | <b>\$176,566</b> |

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

**DP 4 - Legal Fees -**

The legislature adopted an increase in general fund for legal fees in the 2025 biennium and removed the one-time-only designation, making the appropriation ongoing.

**DP 7 - Teacher Licensure Fund Switch -**

The legislature adopted a reduction of state special revenue funding by \$166,348 in FY 2024 and \$166,333 in FY 2025 and increases general fund expenditures by like amounts each year.

**DP 333 - Adjustment to Inflation -**

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

**DP 1400 - HB 549 -**

The legislature adopted contingency language to increase appropriations if HB 549 was passed and approved and this decision package implements this language. HB 549 provides for the establishment of public charter schools and directs the BPE to collect and analyze data from each school as well as monitor performance and legal compliance of each school.

**DP 1401 - HB 132 -**

The legislature adopted contingency language to reduce appropriations if HB 132 was passed and approved and this decision package implements this language. HB 132 modifies the timing of legislative audits, providing for a transition from biennial audits, to allowing the auditor to select agencies for auditing based on certain considerations.

**DP 3333 - Additional Adjustment to Inflation -**

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

### 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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change    | Biennium<br>% 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 %               |
| <b>Total Expenditures</b>      | <b>\$591,384,111</b>         | <b>\$629,452,821</b>        | <b>\$38,068,710</b>   | <b>6.44 %</b>        |
| 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 %              |
| <b>Total Funds</b>             | <b>\$591,384,111</b>         | <b>\$629,452,821</b>        | <b>\$38,068,710</b>   | <b>6.44 %</b>        |
| <b>Total Ongoing</b>           | <b>\$583,949,111</b>         | <b>\$641,709,951</b>        | <b>\$57,760,840</b>   | <b>9.89 %</b>        |
| <b>Total OTO</b>               | <b>\$7,435,000</b>           | <b>(\$12,257,130)</b>       | <b>(\$19,692,130)</b> | <b>(264.86)%</b>     |

### 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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>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                    |
| <b>Total Expenditures</b>            | <b>\$282,715,653</b>   | <b>\$288,538,974</b>   | <b>\$302,845,137</b>   | <b>\$312,632,217</b>       | <b>\$316,820,604</b>       |
| 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                    |
| <b>Total Funds</b>                   | <b>\$282,715,653</b>   | <b>\$288,538,974</b>   | <b>\$302,845,137</b>   | <b>\$312,632,217</b>       | <b>\$316,820,604</b>       |
| <b>Total Ongoing</b>                 | <b>\$279,116,269</b>   | <b>\$284,908,974</b>   | <b>\$299,040,137</b>   | <b>\$319,468,282</b>       | <b>\$322,241,669</b>       |
| <b>Total OTO</b>                     | <b>\$3,599,384</b>     | <b>\$3,630,000</b>     | <b>\$3,805,000</b>     | <b>(\$6,836,065)</b>       | <b>(\$5,421,065)</b>       |

### 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<br>Adopted 2025 Biennium Budget by Program |                        |                    |                    |   |              |
|---|------------------------|--------------------|--------------------|---|--------------|
|   | Base Budget<br>FY 2023 | Adopted<br>FY 2024 | Adopted<br>FY 2025 | 2025 Biennium Change<br>from FY 2023 Base |              |
| Administration Program  |                        |                    |                    |   |              |
| General Fund  | \$ 3,832,984           | \$ 6,339,418       | \$ 7,690,759       | \$ 6,364,209                              | 83.0%        |
| Internal Service  | <u>610,554</u>         | <u>723,465</u>     | <u>723,465</u>     | <u>225,822</u>                            | <u>18.5%</u> |
| 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   | <u>330,035</u>         | <u>360,542</u>     | <u>364,220</u>     | <u>64,692</u>                             | <u>9.8%</u>  |
| Total   | 11,739,146             | 13,045,918         | 14,139,511         | 3,707,137                                 | 15.8%        |
| Community College Assistance  |                        |                    |                    |   |              |
| General Fund  | <u>13,948,373</u>      | <u>15,539,511</u>  | <u>16,421,848</u>  | <u>4,064,613</u>                          | <u>14.6%</u> |
| 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   | <u>9,412,069</u>       | <u>9,486,998</u>   | <u>9,510,468</u>   | <u>173,328</u>                            | <u>0.9%</u>  |
| 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   | <u>6,365,579</u>       | <u>6,344,706</u>   | <u>6,344,340</u>   | <u>(42,112)</u>                           | <u>-0.3%</u> |
| 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   | <u>23,727,425</u>      | <u>33,627,425</u>  | <u>33,027,425</u>  | <u>19,200,000</u>                         | <u>40.5%</u> |
| 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   | <u>819,968</u>         | <u>1,119,968</u>   | <u>1,119,968</u>   | <u>600,000</u>                            | <u>36.6%</u> |
| Total   | 31,690,398             | 34,483,352         | 34,638,250         | 5,740,806                                 | 9.1%         |
| Tribal College Assistance Program   |                        |                    |                    |   |              |
| General Fund  | <u>837,875</u>         | <u>1,018,400</u>   | <u>1,018,400</u>   | <u>361,050</u>                            | <u>21.5%</u> |
| Total   | 837,875                | 1,018,400          | 1,018,400          | 361,050                                   | 21.5%        |
| Guaranteed Student Loan Program   |                        |                    |                    |   |              |
| Federal Special Revenue   | <u>2,354,659</u>       | <u>2,380,996</u>   | <u>2,390,871</u>   | <u>62,549</u>                             | <u>1.3%</u>  |
| Total   | 2,354,659              | 2,380,996          | 2,390,871          | 62,549                                    | 1.3%         |
| Board of Regents  |                        |                    |                    |   |              |
| General Fund  | <u>67,350</u>          | <u>74,252</u>      | <u>74,577</u>      | <u>14,129</u>                             | <u>10.5%</u> |
| 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.

| Total Commissioner of Higher Education Funding by Source of Authority<br>2025 Biennium Budget Request - Commissioner of Higher Education |                      |                       |                             |                            |                      |                      |
|--|----------------------|-----------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds  | HB2<br>Ongoing       | HB2<br>OTO            | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>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 %               |
| <b>Total All Funds</b>   | <b>\$641,709,951</b> | <b>(\$12,257,130)</b> | <b>\$350,631,712</b>        | <b>\$12,540,389</b>        | <b>\$992,624,922</b> |                      |
| <b>Percent - Total All Sources</b>   | <b>64.65 %</b>       | <b>(1.23)%</b>        | <b>35.32 %</b>              | <b>1.26 %</b>              |                      |                      |

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.

| -----General Fund----- |                       |                       |                          |                      | -----Total Funds----- |                       |                          |                      |
|------------------------|-----------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
| Budget Item            | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>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 %               |
| <b>Total Budget</b>    | <b>\$258,588,117</b>  | <b>\$263,339,847</b>  | <b>\$521,927,964</b>     |                      | <b>\$312,632,217</b>  | <b>\$316,820,604</b>  | <b>\$629,452,821</b>     |                      |

**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.<br>Fiscal 2023 | Executive<br>Budget<br>Fiscal 2024 | Legislative<br>Budget<br>Fiscal 2024 | Leg — Exec.<br>Difference<br>Fiscal 2024 | Executive<br>Budget<br>Fiscal 2025 | Legislative<br>Budget<br>Fiscal 2025 | Leg — Exec.<br>Difference<br>Fiscal 2025 | Biennium<br>Difference<br>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                                      |
| <b>Total Costs</b>             | <b>\$302,845,137</b>   | <b>\$311,584,770</b>               | <b>\$312,632,217</b>                 | <b>\$1,047,447</b>                       | <b>\$314,073,125</b>               | <b>\$316,820,604</b>                 | <b>\$2,747,479</b>                       | <b>\$3,794,926</b>                     |
| 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                                      |
| <b>Total Funds</b>             | <b>\$302,845,137</b>   | <b>\$311,584,770</b>               | <b>\$312,632,217</b>                 | <b>\$1,047,447</b>                       | <b>\$314,073,125</b>               | <b>\$316,820,604</b>                 | <b>\$2,747,479</b>                       | <b>\$3,794,926</b>                     |
| <b>Total Ongoing</b>           | <b>\$299,040,137</b>   | <b>\$309,084,770</b>               | <b>\$319,468,282</b>                 | <b>\$10,383,512</b>                      | <b>\$311,573,125</b>               | <b>\$322,241,669</b>                 | <b>\$10,668,544</b>                      | <b>\$21,052,056</b>                    |
| <b>Total OTO</b>               | <b>\$3,805,000</b>     | <b>\$2,500,000</b>                 | <b>(\$6,836,065)</b>                 | <b>(\$9,336,065)</b>                     | <b>\$2,500,000</b>                 | <b>(\$5,421,065)</b>                 | <b>(\$7,921,065)</b>                     | <b>(\$17,257,130)</b>                  |

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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change | Biennium<br>% 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 %              |
| <b>Total Expenditures</b>     | <b>\$9,438,278</b>           | <b>\$15,477,107</b>         | <b>\$6,038,829</b> | <b>63.98 %</b>       |
| 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 %              |
| <b>Total Funds</b>            | <b>\$9,438,278</b>           | <b>\$15,477,107</b>         | <b>\$6,038,829</b> | <b>63.98 %</b>       |
| <b>Total Ongoing</b>          | <b>\$8,813,278</b>           | <b>\$9,425,593</b>          | <b>\$612,315</b>   | <b>6.95 %</b>        |
| <b>Total OTO</b>              | <b>\$625,000</b>             | <b>\$6,051,514</b>          | <b>\$5,426,514</b> | <b>868.24 %</b>      |

**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<br>Major Budget Highlights  |  |
|--|--|
| <ul style="list-style-type: none"> <li>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"> <li>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</li> <li>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</li> <li>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</li> </ul> </li> </ul> |  |

## 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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>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                    |
| <b>Total Expenditures</b>             | <b>\$3,969,122</b>     | <b>\$4,444,740</b>     | <b>\$4,993,538</b>     | <b>\$7,062,883</b>         | <b>\$8,414,224</b>         |
| 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                    |
| <b>Total Funds</b>                    | <b>\$3,969,122</b>     | <b>\$4,444,740</b>     | <b>\$4,993,538</b>     | <b>\$7,062,883</b>         | <b>\$8,414,224</b>         |
| <b>Total Ongoing</b>                  | <b>\$3,894,122</b>     | <b>\$4,369,740</b>     | <b>\$4,443,538</b>     | <b>\$4,737,126</b>         | <b>\$4,688,467</b>         |
| <b>Total OTO</b>                      | <b>\$75,000</b>        | <b>\$75,000</b>        | <b>\$550,000</b>       | <b>\$2,325,757</b>         | <b>\$3,725,757</b>         |

**Funding**

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

| Commissioner of Higher Education, 01-Administration Program<br>Funding by Source of Authority |                     |                             |                            |                      |                      |  |
|---|---------------------|-----------------------------|----------------------------|----------------------|----------------------|--|
| Funds   | HB2                 | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>All Funds |  |
| 01100 General Fund  | 14,030,177          | 0                           | 0                          | 14,030,177           | 90.65 %              |  |
| <b>State Special Total</b>  | <b>\$0</b>          | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |  |
| <b>Federal Special Total</b>  | <b>\$0</b>          | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |  |
| 06539 Indirect Costs OCHE   | 1,446,930           | 0                           | 0                          | 1,446,930            | 100.00 %             |  |
| <b>Proprietary Total</b>  | <b>\$1,446,930</b>  | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$1,446,930</b>   | <b>9.35 %</b>        |  |
| <b>Total All Funds</b>  | <b>\$15,477,107</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$15,477,107</b>  |                      |  |

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 Summary by Category |                        |                       |                          |                      |                       |                       |                          |                      |
|----------------------------|------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
| Budget Item                | -----General Fund----- |                       |                          |                      | -----Total Funds----- |                       |                          |                      |
|                            | Budget<br>Fiscal 2024  | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>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 %              |
| <b>Total Budget</b>        | <b>\$6,339,418</b>     | <b>\$7,690,759</b>    | <b>\$14,030,177</b>      |                      | <b>\$7,062,883</b>    | <b>\$8,414,224</b>    | <b>\$15,477,107</b>      |                      |

**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        | 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)        |
| <b>Grand Total All Present Law Adjustments</b> | <b>0.00</b> | <b>\$59,219</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$172,130</b> | <b>0.00</b>           | <b>\$15,808</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$128,719</b> |

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

**DP 1 - Personal Services -**

The legislature 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)           |
| <b>Total</b>                            | <b>0.00</b> | <b>\$2,447,215</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$2,447,215</b>    | <b>0.00</b> | <b>\$3,841,967</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$3,841,967</b> |

\*"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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change | Biennium<br>% 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 %               |
| <b>Total Expenditures</b>      | <b>\$23,359,692</b>          | <b>\$27,185,429</b>         | <b>\$3,825,737</b> | <b>16.38 %</b>       |
| 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 %               |
| <b>Total Funds</b>             | <b>\$23,359,692</b>          | <b>\$27,185,429</b>         | <b>\$3,825,737</b> | <b>16.38 %</b>       |
| <b>Total Ongoing</b>           | <b>\$22,859,692</b>          | <b>\$27,170,429</b>         | <b>\$4,310,737</b> | <b>18.86 %</b>       |
| <b>Total OTO</b>               | <b>\$500,000</b>             | <b>\$15,000</b>             | <b>(\$485,000)</b> | <b>(97.00)%</b>      |

### 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<br>Major Budget Highlights   |
|---|
| <ul style="list-style-type: none"> <li>The Student Assistance Program's 2025 biennium appropriations are approximately \$3.8 million or 16.4% higher than the 2023 biennium</li> <li>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</li> </ul> |



**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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>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                    |
| <b>Total Expenditures</b>             | <b>\$10,710,782</b>    | <b>\$11,370,546</b>    | <b>\$11,989,146</b>    | <b>\$13,045,918</b>        | <b>\$14,139,511</b>        |
| 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                    |
| <b>Total Funds</b>                    | <b>\$10,710,782</b>    | <b>\$11,370,546</b>    | <b>\$11,989,146</b>    | <b>\$13,045,918</b>        | <b>\$14,139,511</b>        |
| <b>Total Ongoing</b>                  | <b>\$10,491,398</b>    | <b>\$11,120,546</b>    | <b>\$11,739,146</b>    | <b>\$13,045,918</b>        | <b>\$14,124,511</b>        |
| <b>Total OTO</b>                      | <b>\$219,384</b>       | <b>\$250,000</b>       | <b>\$250,000</b>       | <b>\$0</b>                 | <b>\$15,000</b>            |

**Funding**

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

| Commissioner of Higher Education, 02-Student Assistance Program<br>Funding by Source of Authority |                     |                             |                            |                      |                      |
|---|---------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds   | HB2                 | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>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 %              |
| <b>State Special Total</b>  | <b>\$724,762</b>    | <b>\$0</b>                  | <b>\$5,429,455</b>         | <b>\$6,154,217</b>   | <b>18.87 %</b>       |
| <b>Federal Special Total</b>  | <b>\$0</b>          | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| <b>Proprietary Total</b>  | <b>\$0</b>          | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| <b>Total All Funds</b>  | <b>\$27,185,429</b> | <b>\$0</b>                  | <b>\$5,429,455</b>         | <b>\$32,614,884</b>  |                      |

**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<br>Student Assistance Program<br>2025 Biennium Executive Budget Across Functional Areas<br>General Fund and State Special Revenue Only |                         |                         |                     |                     |                       |                         |
|---|-------------------------|-------------------------|---------------------|---------------------|-----------------------|-------------------------|
| Budget Item   | Appropriated<br>FY 2022 | Appropriated<br>FY 2023 | Adopted<br>FY 2024  | Adopted<br>FY 2025  | Change<br>23-25 Bien. | % Change<br>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<br>Fiscal 2024  | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>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 %               |
| <b>Total Budget</b> | <b>\$12,685,376</b>    | <b>\$13,775,291</b>   | <b>\$26,460,667</b>      |                      | <b>\$13,045,918</b>   | <b>\$14,139,511</b>   | <b>\$27,185,429</b>      |                      |

**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<br>Fund    | State<br>Special | Federal<br>Special | Total<br>Funds     | FTE                   | General<br>Fund    | State<br>Special | Federal<br>Special | Total<br>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          |
| <b>Grand Total All Present Law Adjustments</b>  | <b>0.00</b>           | <b>\$1,223,389</b> | <b>\$34,817</b>  | <b>\$0</b>         | <b>\$1,258,206</b> | <b>0.00</b>           | <b>\$2,203,971</b> | <b>\$39,637</b>  | <b>\$0</b>         | <b>\$2,243,608</b> |

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

**DP 1 - Personal Services -**

The legislature 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           |
| <b>Total</b>                        | <b>0.00</b> | <b>\$52,876</b> | <b>(\$4,310)</b> | <b>\$0</b>      | <b>\$48,566</b> | <b>0.00</b>           | <b>\$162,209</b> | <b>(\$5,452)</b> | <b>\$0</b>      | <b>\$156,757</b> |

\*"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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change | Biennium<br>% Change |
| Local Assistance          | 28,807,072                   | 31,961,359                  | 3,154,287          | 10.95 %              |
| <b>Total Expenditures</b> | <b>\$28,807,072</b>          | <b>\$31,961,359</b>         | <b>\$3,154,287</b> | <b>10.95 %</b>       |
| General Fund              | 28,807,072                   | 31,961,359                  | 3,154,287          | 10.95 %              |
| <b>Total Funds</b>        | <b>\$28,807,072</b>          | <b>\$31,961,359</b>         | <b>\$3,154,287</b> | <b>10.95 %</b>       |
| <b>Total Ongoing</b>      | <b>\$28,507,072</b>          | <b>\$31,961,359</b>         | <b>\$3,454,287</b> | <b>12.12 %</b>       |
| <b>Total OTO</b>          | <b>\$300,000</b>             | <b>\$0</b>                  | <b>(\$300,000)</b> | <b>(100.00)%</b>     |

### 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<br>Major Budget Highlights   |
|---|
| <ul style="list-style-type: none"> <li>• 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"> <li>◦ 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</li> <li>◦ Reducing appropriations for Flathead Valley Community College by \$300,000 each fiscal year</li> <li>◦ Eliminating general fund appropriations for Bitterroot Valley Community College because it is not anticipated the college will be open in the 2025 biennium</li> </ul> </li> </ul> |

### 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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>Fiscal 2025 |
| Local Assistance                      | 14,858,699             | 14,858,699             | 13,948,373             | 15,539,511                 | 16,421,848                 |
| <b>Total Expenditures</b>             | <b>\$14,858,699</b>    | <b>\$14,858,699</b>    | <b>\$13,948,373</b>    | <b>\$15,539,511</b>        | <b>\$16,421,848</b>        |
| General Fund                          | 14,858,699             | 14,858,699             | 13,948,373             | 15,539,511                 | 16,421,848                 |
| <b>Total Funds</b>                    | <b>\$14,858,699</b>    | <b>\$14,858,699</b>    | <b>\$13,948,373</b>    | <b>\$15,539,511</b>        | <b>\$16,421,848</b>        |
| <b>Total Ongoing</b>                  | <b>\$14,558,699</b>    | <b>\$14,558,699</b>    | <b>\$13,948,373</b>    | <b>\$15,539,511</b>        | <b>\$16,421,848</b>        |
| <b>Total OTO</b>                      | <b>\$300,000</b>       | <b>\$300,000</b>       | <b>\$0</b>             | <b>\$0</b>                 | <b>\$0</b>                 |

### Funding

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

| Commissioner of Higher Education, 04-Community College Assistance<br>Funding by Source of Authority |                     |                             |                            |                      |                      |  |
|---|---------------------|-----------------------------|----------------------------|----------------------|----------------------|--|
| Funds   | HB2                 | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>All Funds |  |
| 01100 General Fund  | 31,961,359          | 0                           | 0                          | 31,961,359           | 100.00 %             |  |
| <b>State Special Total</b>  | <b>\$0</b>          | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |  |
| <b>Federal Special Total</b>  | <b>\$0</b>          | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |  |
| <b>Proprietary Total</b>  | <b>\$0</b>          | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |  |
| <b>Total All Funds</b>  | <b>\$31,961,359</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$31,961,359</b>  |                      |  |

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<br>Community College Funding Formula<br>Actual and Projected Resident FTE |                   |                      |                      |
|--|-------------------|----------------------|----------------------|
|  | Actual<br>FY 2022 | Projected<br>FY 2024 | Projected<br>FY 2025 |
| <b>Dawson Community College</b>  |                   |                      |                      |
| Career and Technical Education   | 99                | 105                  | 110                  |
| General Education  | 117               | 120                  | 125                  |
| Early College  | 10                | 10                   | 12                   |
| Concurrent Enrollment  | 33                | 35                   | 40                   |
| Total  | 259               | 270                  | 287                  |
| <b>Flathead Valley Community College</b>   |                   |                      |                      |
| Career and Technical Education   | 619               | 667                  | 700                  |
| General Education  | 388               | 302                  | 317                  |
| Early College  | 53                | 177                  | 186                  |
| Concurrent Enrollment  | 54                | 57                   | 60                   |
| Total  | 1,114             | 1,203                | 1,263                |
| <b>Miles Community College</b>   |                   |                      |                      |
| Career and Technical Education   | 119               | 137                  | 144                  |
| General Education  | 172               | 192                  | 195                  |
| Early College  | 25                | 28                   | 28                   |
| Concurrent Enrollment  | 40                | 35                   | 34                   |
| 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<br>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 Summary by Category |                        |                       |                          |                      |                       |                       |                          |                      |
|----------------------------|------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
|                            | -----General Fund----- |                       |                          |                      | -----Total Funds----- |                       |                          |                      |
| Budget Item                | Budget<br>Fiscal 2024  | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>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)%              |
| <b>Total Budget</b>        | <b>\$15,539,511</b>    | <b>\$16,421,848</b>   | <b>\$31,961,359</b>      |                      | <b>\$15,539,511</b>   | <b>\$16,421,848</b>   | <b>\$31,961,359</b>      |                      |



**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 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          |
| <b>Grand Total All Present Law Adjustments</b> |                    |               |                 |                    |  |                       |                    |               |                 |                    |
| <b>0.00</b>                                    | <b>\$2,312,496</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$2,312,496</b> |  | <b>0.00</b>           | <b>\$3,207,473</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$3,207,473</b> |

\*"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             | 0               | (433,998)          |
| DP 405 - FVCC Funded Base            | 0.00        | (300,000)          | 0             | 0               | (300,000)          | 0.00                  | (300,000)          | 0            | 0             | 0               | (300,000)          |
| <b>Total</b>                         | <b>0.00</b> | <b>(\$721,358)</b> | <b>\$0</b>    | <b>\$0</b>      | <b>(\$721,358)</b> | <b>0.00</b>           | <b>(\$733,998)</b> | <b>\$0</b>   | <b>\$0</b>    | <b>\$0</b>      | <b>(\$733,998)</b> |

\*"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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change | Biennium<br>% 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 %               |
| <b>Total Expenditures</b> | <b>\$335,481,722</b>         | <b>\$341,162,358</b>        | <b>\$5,680,636</b> | <b>1.69 %</b>        |
| Proprietary Funds         | 335,481,722                  | 341,162,358                 | 5,680,636          | 1.69 %               |
| <b>Total Funds</b>        | <b>\$335,481,722</b>         | <b>\$341,162,358</b>        | <b>\$5,680,636</b> | <b>1.69 %</b>        |

### Program Description

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

### Program Highlights

| MUS Group Insurance Program<br>Major Budget Highlights  |
|---|
| <ul style="list-style-type: none"> <li>• 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</li> <li>• The MUS Group Insurance Program's 2025 biennium appropriations are approximately \$5.7 million or 1.7% higher than the 2023 biennium</li> <li>• The Montana University System is required to operate the program to maintain the plan on an actuarially sound basis</li> </ul> |

**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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>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                     |
| <b>Total Expenditures</b>             | <b>\$124,302,416</b>   | <b>\$165,735,627</b>   | <b>\$169,746,095</b>   | <b>\$170,490,179</b>       | <b>\$170,672,179</b>       |
| Proprietary Funds                     | 124,302,416            | 165,735,627            | 169,746,095            | 170,490,179                | 170,672,179                |
| <b>Total Funds</b>                    | <b>\$124,302,416</b>   | <b>\$165,735,627</b>   | <b>\$169,746,095</b>   | <b>\$170,490,179</b>       | <b>\$170,672,179</b>       |

**Funding**

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

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

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<br>Fiscal 2024  | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>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 %               |
| <b>Total Budget</b>        | <b>\$0</b>             | <b>\$0</b>            | <b>\$0</b>               |                      | <b>\$170,490,179</b>  | <b>\$170,672,179</b>  | <b>\$341,162,358</b>     |                      |

**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               | (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)             |
| <b>Grand Total All Present Law Adjustments</b> |              |               |                 |                  |             |              |               |                 |                  |
| <b>0.00</b>                                    | <b>\$0</b>   | <b>\$0</b>    | <b>\$0</b>      | <b>\$517,394</b> | <b>0.00</b> | <b>\$0</b>   | <b>\$0</b>    | <b>\$0</b>      | <b>\$699,783</b> |

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

**DP 1 - Personal Services -**

The legislature reviewed adjustments to 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.

| 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 501 - MUS Group Insurance Wellness Program |              |               |                 |                  |             |              |               |                 |                  |
| 3.00  | 0            | 0             | 0               | 226,690          | 3.00        | 0            | 0             | 0               | 226,301          |
| <b>Total</b>                                  | <b>3.00</b>  | <b>\$0</b>    | <b>\$0</b>      | <b>\$226,690</b> | <b>3.00</b> | <b>\$0</b>   | <b>\$0</b>    | <b>\$0</b>      | <b>\$226,301</b> |

\*\*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<br>FY 22    | Estimated<br>FY 23 | Budgeted<br>FY 24   | Budgeted<br>FY 25 |
| <b>Operating Revenues</b>                                     |                     |                    |                     |                   |
| <b>Fees and Charges</b>                                       |                     |                    |                     |                   |
| 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        |
| <b>Total Operating Revenues</b>                               | 109,182,287         | 167,000,000        | 168,598,716         | 168,775,001       |
| <b>Expenses</b>   |                     |                    |                     |                   |
| 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            |
| <b>Total Operating Expense</b>                                | 120,674,198         | 156,371,673        | 157,095,716         | 157,275,001       |
| <b>Operating Income (Loss)</b>                                | (11,491,911)        | 10,628,327         | 11,503,000          | 11,500,000        |
| Nonoperating Revenues   |                     |                    |                     |                   |
| BOI Investment Earnings                                       | (93,413)            | 700,000            | 750,000             | 800,000           |
| <b>Total Nonoperating Revenues (Expenses)</b>                 | (93,413)            | 700,000            | 750,000             | 800,000           |
| <b>Income (Loss) Before Contributions and Transfers</b>       | (11,585,324)        | 11,328,327         | 12,253,000          | 12,300,000        |
| <b>Change in Net Position</b>                                 | (11,585,324)        | 11,328,327         | 12,253,000          | 12,300,000        |
| <b>Beginning Net Position - July 1</b>                        | 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        |
| <b>Ending Net Position - June 30</b>                          | 86,573,967          | 97,902,294         | 110,155,294         | 122,455,294       |

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<br>FY 22      | Estimated<br>FY 23 | Budgeted<br>FY 24   | Budgeted<br>FY 25 |
| <b>Operating Revenues</b>                                     |                       |                    |                     |                   |
| <b>Fees and Charges</b>                                       |                       |                    |                     |                   |
| Contributions/Premiums  | 3,615,869             | 13,374,422         | 13,391,376          | 13,396,987        |
| <b>Total Operating Revenues</b>                               | 3,615,869             | 13,374,422         | 13,391,376          | 13,396,987        |
| <b>Expenses</b>   |                       |                    |                     |                   |
| 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        |
| <b>Total Operating Expense</b>                                | 3,633,495             | 13,374,422         | 13,391,376          | 13,396,987        |
| <b>Operating Income (Loss)</b>                                | (17,626)              | -                  | -                   | -                 |
| <b>Income (Loss) Before Contributions and Transfers</b>       | (17,626)              | -                  | -                   | -                 |
| <b>Change in Net Position</b>                                 | (17,626)              | -                  | -                   | -                 |
| <b>Beginning Net Position - July 1</b>                        | 1,050,555             | 1,032,929          | 1,032,929           | 1,032,929         |
| Prior Period Adjustments                                      |                       |                    |                     |                   |
| Change in Net Position  | (17,626)              | -                  | -                   | -                 |
| <b>Ending Net Position - June 30</b>                          | 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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change | Biennium<br>% 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 %               |
| <b>Total Expenditures</b> | <b>\$19,042,682</b>          | <b>\$19,284,917</b>         | <b>\$242,235</b>   | <b>1.27 %</b>        |
| General Fund              | 280,230                      | 287,451                     | 7,221              | 2.58 %               |
| Federal Spec. Rev. Funds  | 18,762,452                   | 18,997,466                  | 235,014            | 1.25 %               |
| <b>Total Funds</b>        | <b>\$19,042,682</b>          | <b>\$19,284,917</b>         | <b>\$242,235</b>   | <b>1.27 %</b>        |
| <b>Total Ongoing</b>      | <b>\$19,042,682</b>          | <b>\$19,284,917</b>         | <b>\$242,235</b>   | <b>1.27 %</b>        |
| <b>Total OTO</b>          | <b>\$0</b>                   | <b>\$0</b>                  | <b>\$0</b>         | <b>0.00 %</b>        |

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

**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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>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                     |
| <b>Total Expenditures</b>             | <b>\$5,948,624</b>     | <b>\$9,488,901</b>     | <b>\$9,553,781</b>     | <b>\$9,629,704</b>         | <b>\$9,655,213</b>         |
| 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                  |
| <b>Total Funds</b>                    | <b>\$5,948,624</b>     | <b>\$9,488,901</b>     | <b>\$9,553,781</b>     | <b>\$9,629,704</b>         | <b>\$9,655,213</b>         |
| <b>Total Ongoing</b>                  | <b>\$5,948,624</b>     | <b>\$9,488,901</b>     | <b>\$9,553,781</b>     | <b>\$9,629,704</b>         | <b>\$9,655,213</b>         |
| <b>Total OTO</b>                      | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>                 | <b>\$0</b>                 |

**Funding**

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

| Commissioner of Higher Education, 06-Education Outreach & Diversity<br>Funding by Source of Authority |                     |                             |                            |                      |                      |
|---|---------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds   | HB2                 | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>All Funds |
| 01100 General Fund  | 287,451             | 0                           | 0                          | 287,451              | 1.49 %               |
| <b>State Special Total</b>  | <b>\$0</b>          | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| 03042 2nd GEAR UP Grant   | 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 %              |
| <b>Federal Special Total</b>  | <b>\$18,997,466</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$18,997,466</b>  | <b>98.51 %</b>       |
| <b>Proprietary Total</b>  | <b>\$0</b>          | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| <b>Total All Funds</b>  | <b>\$19,284,917</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$19,284,917</b>  |                      |

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.

| -----General Fund----- |                    |                    |                       |                   | -----Total Funds----- |                    |                       |                   |
|------------------------|--------------------|--------------------|-----------------------|-------------------|-----------------------|--------------------|-----------------------|-------------------|
| Budget Item            | 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)%           |
| <b>Total Budget</b>    | <b>\$142,706</b>   | <b>\$144,745</b>   | <b>\$287,451</b>      |                   | <b>\$9,629,704</b>    | <b>\$9,655,213</b> | <b>\$19,284,917</b>   |                   |

**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<br>Fund  | State<br>Special | Federal<br>Special | Total<br>Funds        | FTE         | General<br>Fund  | State<br>Special | Federal<br>Special | Total<br>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)          |
| <b>Total</b>                        | <b>0.00</b> | <b>(\$1,537)</b> | <b>\$0</b>       | <b>(\$37,198)</b>  | <b>(\$38,735)</b>     | <b>0.00</b> | <b>(\$1,586)</b> | <b>\$0</b>       | <b>(\$43,572)</b>  | <b>(\$45,158)</b> |

\*"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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change | Biennium<br>% 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)%              |
| <b>Total Expenditures</b> | <b>\$9,344,455</b>           | <b>\$9,469,354</b>          | <b>\$124,899</b>   | <b>1.34 %</b>        |
| Proprietary Funds         | 9,344,455                    | 9,469,354                   | 124,899            | 1.34 %               |
| <b>Total Funds</b>        | <b>\$9,344,455</b>           | <b>\$9,469,354</b>          | <b>\$124,899</b>   | <b>1.34 %</b>        |

**Program Description**

The Montana Board of Regents created the Montana University System Self-Funded Workers' Compensation Program in April 2003 as allowed by the Workers' Compensation Act in Title 39, Chapter 71 of the Montana 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**

| <b>MUS Workers' Compensation Program<br/>Major Budget Highlights</b>  |
|---|
| <ul style="list-style-type: none"> <li>• 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</li> <li>• The MUS Workers' Compensation Program's 2025 biennium appropriations are approximately \$125,000 or 1.3% higher than the 2023 biennium</li> <li>• Premium rates are based on actuarial principles and are reviewed by the MUS Workers' Compensation Insurance Committee</li> </ul> |

**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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>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                      |
| <b>Total Expenditures</b>             | <b>\$1,437,644</b>     | <b>\$4,671,721</b>     | <b>\$4,672,734</b>     | <b>\$4,725,886</b>         | <b>\$4,743,468</b>         |
| Proprietary Funds                     | 1,437,644              | 4,671,721              | 4,672,734              | 4,725,886                  | 4,743,468                  |
| <b>Total Funds</b>                    | <b>\$1,437,644</b>     | <b>\$4,671,721</b>     | <b>\$4,672,734</b>     | <b>\$4,725,886</b>         | <b>\$4,743,468</b>         |

**Funding**

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

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

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 Summary by Category |                        |                       |                          |                      |                       |                       |                          |                      |
|----------------------------|------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
|                            | -----General Fund----- |                       |                          |                      | -----Total Funds----- |                       |                          |                      |
| Budget Item                | Budget<br>Fiscal 2024  | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>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 %               |
| <b>Total Budget</b>        | <b>\$0</b>             | <b>\$0</b>            | <b>\$0</b>               |                      | <b>\$4,725,886</b>    | <b>\$4,743,468</b>    | <b>\$9,469,354</b>       |                      |

**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               | 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)             |
| <b>Grand Total All Present Law Adjustments</b> | <b>0.00</b> | <b>\$0</b>   | <b>\$0</b>    | <b>\$0</b>      | <b>\$53,152</b> | <b>0.00</b>           | <b>\$0</b>   | <b>\$0</b>    | <b>\$0</b>      | <b>\$70,734</b> |

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

**DP 1 - Personal Services -**

The legislature reviewed adjustments to 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<br>Funded WC | MUS Workers'<br>Compensation |                   |                   |
|   | Actuals<br>FY 22      | Estimated<br>FY 23           | Budgeted<br>FY 24 | Budgeted<br>FY 25 |
| <b>Operating Revenues</b>                                     |                       |                              |                   |                   |
| <b>Fees and Charges</b>                                       |                       |                              |                   |                   |
| Contributions/Premiums  | 1,618,100             | -                            | 4,725,000         | 4,750,000         |
| <b>Total Operating Revenues</b>                               | 1,618,100             | -                            | 4,725,000         | 4,750,000         |
| <b>Expenses</b>   |                       |                              |                   |                   |
| 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             |
| <b>Total Operating Expense</b>                                | 1,436,865             | 4,672,734                    | 4,725,879         | 4,743,451         |
| <b>Operating Income (Loss)</b>                                | 181,235               | (4,672,734)                  | (879)             | 6,549             |
| Nonoperating Revenues   |                       |                              |                   |                   |
| BOI Investment Earnings                                       | (81,326)              | 139,000                      | 139,000           | 139,000           |
| <b>Total Nonoperating Revenues (Expenses)</b>                 | (81,326)              | 139,000                      | 139,000           | 139,000           |
| <b>Income (Loss) Before Contributions and Transfers</b>       | 99,909                | (4,533,734)                  | 138,121           | 145,549           |
| <b>Change in Net Position</b>                                 | 99,909                | (4,533,734)                  | 138,121           | 145,549           |
| <b>Beginning Net Position - July 1</b>                        | 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           |
| <b>Ending Net Position - June 30</b>                          | 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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change | Biennium<br>% 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)%              |
| <b>Total Expenditures</b> | <b>\$12,919,811</b>          | <b>\$12,895,171</b>         | <b>(\$24,640)</b>  | <b>(0.19)%</b>       |
| General Fund              | 193,219                      | 206,125                     | 12,906             | 6.68 %               |
| Federal Spec. Rev. Funds  | 12,726,592                   | 12,689,046                  | (37,546)           | (0.30)%              |
| <b>Total Funds</b>        | <b>\$12,919,811</b>          | <b>\$12,895,171</b>         | <b>(\$24,640)</b>  | <b>(0.19)%</b>       |
| <b>Total Ongoing</b>      | <b>\$12,919,811</b>          | <b>\$12,895,171</b>         | <b>(\$24,640)</b>  | <b>(0.19)%</b>       |
| <b>Total OTO</b>          | <b>\$0</b>                   | <b>\$0</b>                  | <b>\$0</b>         | <b>0.00 %</b>        |

### Program Description

The Workforce Development Program is a coordinated effort between 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<br>Major Budget Highlights   |
|--|
| <ul style="list-style-type: none"> <li>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"> <li>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</li> <li>An increase in general fund of approximately \$24,000 for the minimum maintenance of effort requirements for the Perkins grant</li> </ul> </li> </ul> |

**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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>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                     |
| <b>Total Expenditures</b>             | <b>\$6,392,874</b>     | <b>\$6,461,415</b>     | <b>\$6,458,396</b>     | <b>\$6,447,783</b>         | <b>\$6,447,388</b>         |
| 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                  |
| <b>Total Funds</b>                    | <b>\$6,392,874</b>     | <b>\$6,461,415</b>     | <b>\$6,458,396</b>     | <b>\$6,447,783</b>         | <b>\$6,447,388</b>         |
| <b>Total Ongoing</b>                  | <b>\$6,392,874</b>     | <b>\$6,461,415</b>     | <b>\$6,458,396</b>     | <b>\$6,447,783</b>         | <b>\$6,447,388</b>         |
| <b>Total OTO</b>                      | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>                 | <b>\$0</b>                 |

**Funding**

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

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

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<br>Fiscal 2024  | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>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)%              |
| <b>Total Budget</b>        | <b>\$103,077</b>       | <b>\$103,048</b>      | <b>\$206,125</b>         |                      | <b>\$6,447,783</b>    | <b>\$6,447,388</b>    | <b>\$12,895,171</b>      |                      |

**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<br>Fund | State<br>Special | Federal<br>Special | Total<br>Funds   | FTE                   | General<br>Fund | State<br>Special | Federal<br>Special | Total<br>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           |
| <b>Grand Total All Present Law Adjustments</b> | <b>0.00</b>           | <b>\$10,412</b> | <b>\$0</b>       | <b>(\$17,042)</b>  | <b>(\$6,630)</b> | <b>0.00</b>           | <b>\$10,419</b> | <b>\$0</b>       | <b>(\$17,374)</b>  | <b>(\$6,955)</b> |

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

**DP 1 - Personal Services -**

The legislature 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.

| 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                  | (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)          |
| <b>Total</b>                        | <b>0.00</b>           | <b>(\$152)</b> | <b>\$0</b>    | <b>(\$3,831)</b> | <b>(\$3,983)</b> | <b>0.00</b>           | <b>(\$188)</b> | <b>\$0</b>    | <b>(\$3,865)</b> | <b>(\$4,053)</b> |

\*\*"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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change    | Biennium<br>% Change |
| Transfers                      | 427,691,012                  | 446,569,740                 | 18,878,728            | 4.41 %               |
| <b>Total Expenditures</b>      | <b>\$427,691,012</b>         | <b>\$446,569,740</b>        | <b>\$18,878,728</b>   | <b>4.41 %</b>        |
| 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 %              |
| <b>Total Funds</b>             | <b>\$427,691,012</b>         | <b>\$446,569,740</b>        | <b>\$18,878,728</b>   | <b>4.41 %</b>        |
| <b>Total Ongoing</b>           | <b>\$422,941,012</b>         | <b>\$464,429,894</b>        | <b>\$41,488,882</b>   | <b>9.81 %</b>        |
| <b>Total OTO</b>               | <b>\$4,750,000</b>           | <b>(\$17,860,154)</b>       | <b>(\$22,610,154)</b> | <b>(476.00)%</b>     |

### 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<br>Major Budget Highlights   |  |
|---|--|
| <ul style="list-style-type: none"> <li>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"> <li>Decreasing general fund and correspondingly increasing six-mill levy state special revenue appropriations by \$19.2 million</li> <li>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</li> <li>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</li> </ul> </li> </ul> |  |

**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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>Fiscal 2025 |
| Transfers                             | 207,042,129            | 207,369,391            | 220,321,621            | 222,949,418                | 223,620,322                |
| <b>Total Expenditures</b>             | <b>\$207,042,129</b>   | <b>\$207,369,391</b>   | <b>\$220,321,621</b>   | <b>\$222,949,418</b>       | <b>\$223,620,322</b>       |
| 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                 |
| <b>Total Funds</b>                    | <b>\$207,042,129</b>   | <b>\$207,369,391</b>   | <b>\$220,321,621</b>   | <b>\$222,949,418</b>       | <b>\$223,620,322</b>       |
| <b>Total Ongoing</b>                  | <b>\$204,667,129</b>   | <b>\$204,994,391</b>   | <b>\$217,946,621</b>   | <b>\$231,879,495</b>       | <b>\$232,550,399</b>       |
| <b>Total OTO</b>                      | <b>\$2,375,000</b>     | <b>\$2,375,000</b>     | <b>\$2,375,000</b>     | <b>(\$8,930,077)</b>       | <b>(\$8,930,077)</b>       |

**Funding**

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

| Commissioner of Higher Education, 09-Appropriation Distribution<br>Funding by Source of Authority |                      |                             |                            |                      |                      |
|---|----------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds   | HB2                  | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>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 %               |
| <b>State Special Total</b>  | <b>\$66,654,850</b>  | <b>\$0</b>                  | <b>\$2,830,578</b>         | <b>\$69,485,428</b>  | <b>15.33 %</b>       |
| <b>Federal Special Total</b>  | <b>\$0</b>           | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| <b>Proprietary Total</b>  | <b>\$0</b>           | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| <b>Total All Funds</b>  | <b>\$446,569,740</b> | <b>\$0</b>                  | <b>\$6,595,934</b>         | <b>\$453,165,674</b> |                      |

**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 Summary by Category |                        |                       |                          |                      |                       |                       |                          |                      |
|----------------------------|------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
| Budget Item                | -----General Fund----- |                       |                          |                      | -----Total Funds----- |                       |                          |                      |
|                            | Budget<br>Fiscal 2024  | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>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 %               |
| <b>Total Budget</b>        | <b>\$189,321,993</b>   | <b>\$190,592,897</b>  | <b>\$379,914,890</b>     |                      | <b>\$222,949,418</b>  | <b>\$223,620,322</b>  | <b>\$446,569,740</b>     |                      |

**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<br>Fund    | State<br>Special | Federal<br>Special | Total<br>Funds     | FTE                   | General<br>Fund    | State<br>Special | Total<br>Funds     |
| DP 222 - RMTD Adjustment                       | 0.00                  | 8,930,077          | 0                | 0                  | 8,930,077          | 0.00                  | 8,930,077          | 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                | (8,930,077)        |
| DP 901 - MUS LAD Audit Costs                   | 0.00                  | 626,978            | 0                | 0                  | 626,978            | 0.00                  | 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                | (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                | 14,585,078         |
| <b>Grand Total All Present Law Adjustments</b> | <b>0.00</b>           | <b>\$5,002,797</b> | <b>\$0</b>       | <b>\$0</b>         | <b>\$5,002,797</b> | <b>0.00</b>           | <b>\$5,673,701</b> | <b>\$0</b>       | <b>\$5,673,701</b> |

\*\*\*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           |
| <b>Total</b>                            | <b>0.00</b> | <b>(\$9,900,000)</b> | <b>\$9,900,000</b> | <b>\$0</b>      | <b>\$0</b>  | <b>0.00</b>           | <b>(\$9,300,000)</b> | <b>\$9,300,000</b> | <b>\$0</b>      | <b>\$0</b>  |

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

DP 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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change   | Biennium<br>% Change |
| Transfers                      | 63,256,030                   | 69,121,602                  | 5,865,572            | 9.27 %               |
| <b>Total Expenditures</b>      | <b>\$63,256,030</b>          | <b>\$69,121,602</b>         | <b>\$5,865,572</b>   | <b>9.27 %</b>        |
| 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 %               |
| <b>Total Funds</b>             | <b>\$63,256,030</b>          | <b>\$69,121,602</b>         | <b>\$5,865,572</b>   | <b>9.27 %</b>        |
| <b>Total Ongoing</b>           | <b>\$62,346,030</b>          | <b>\$69,785,092</b>         | <b>\$7,439,062</b>   | <b>11.93 %</b>       |
| <b>Total OTO</b>               | <b>\$910,000</b>             | <b>(\$663,490)</b>          | <b>(\$1,573,490)</b> | <b>(172.91)%</b>     |

**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**

| <b>Research and Development Agencies<br/>Major Budget Highlights</b>   |
|--|
| <ul style="list-style-type: none"> <li>• 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"> <li>◦ Increasing general fund appropriations by approximately \$4.3 million for present law adjustments for personal services, higher education fixed costs, and inflation</li> <li>◦ 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</li> <li>◦ 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</li> <li>◦ Increasing state special revenue fund appropriations by \$600,000 for the Bureau of Mines Data Preservation Project</li> </ul> </li> </ul> |

## 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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>Fiscal 2025 |
| Transfers                             | 31,110,631             | 31,110,632             | 32,145,398             | 34,483,352                 | 34,638,250                 |
| <b>Total Expenditures</b>             | <b>\$31,110,631</b>    | <b>\$31,110,632</b>    | <b>\$32,145,398</b>    | <b>\$34,483,352</b>        | <b>\$34,638,250</b>        |
| 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                  |
| <b>Total Funds</b>                    | <b>\$31,110,631</b>    | <b>\$31,110,632</b>    | <b>\$32,145,398</b>    | <b>\$34,483,352</b>        | <b>\$34,638,250</b>        |
| <b>Total Ongoing</b>                  | <b>\$30,655,631</b>    | <b>\$30,655,632</b>    | <b>\$31,690,398</b>    | <b>\$34,815,097</b>        | <b>\$34,969,995</b>        |
| <b>Total OTO</b>                      | <b>\$455,000</b>       | <b>\$455,000</b>       | <b>\$455,000</b>       | <b>(\$331,745)</b>         | <b>(\$331,745)</b>         |

## Funding

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

| Commissioner of Higher Education, 10-Agency Funds<br>Funding by Source of Authority |                     |                             |                            |                      |                      |
|---|---------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds   | HB2                 | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>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 %              |
| <b>State Special Total</b>  | <b>\$2,239,936</b>  | <b>\$0</b>                  | <b>\$515,000</b>           | <b>\$2,754,936</b>   | <b>3.96 %</b>        |
| <b>Federal Special Total</b>  | <b>\$0</b>          | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| <b>Proprietary Total</b>  | <b>\$0</b>          | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| <b>Total All Funds</b>  | <b>\$69,121,602</b> | <b>\$0</b>                  | <b>\$515,000</b>           | <b>\$69,636,602</b>  |                      |

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 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           | 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 %            |
| <b>Total Budget</b>        | <b>\$33,363,384</b>    | <b>\$33,518,282</b> | <b>\$66,881,666</b>   |                   | <b>\$34,483,352</b>   | <b>\$34,638,250</b> | <b>\$69,121,602</b>   |                   |

**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            |
| <b>Total</b>                           | <b>0.00</b> | <b>\$755,000</b> | <b>\$300,000</b> | <b>\$0</b>      | <b>\$1,055,000</b> | <b>0.00</b> | <b>\$755,000</b> | <b>\$300,000</b> | <b>\$0</b>      | <b>\$1,055,000</b> |

\*"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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change | Biennium<br>% Change |
| Grants                    | 2,025,750                    | 2,036,800                   | 11,050             | 0.55 %               |
| <b>Total Expenditures</b> | <b>\$2,025,750</b>           | <b>\$2,036,800</b>          | <b>\$11,050</b>    | <b>0.55 %</b>        |
| General Fund              | 2,025,750                    | 2,036,800                   | 11,050             | 0.55 %               |
| <b>Total Funds</b>        | <b>\$2,025,750</b>           | <b>\$2,036,800</b>          | <b>\$11,050</b>    | <b>0.55 %</b>        |
| <b>Total Ongoing</b>      | <b>\$1,675,750</b>           | <b>\$1,836,800</b>          | <b>\$161,050</b>   | <b>9.61 %</b>        |
| <b>Total OTO</b>          | <b>\$350,000</b>             | <b>\$200,000</b>            | <b>(\$150,000)</b> | <b>(42.86)%</b>      |

### 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<br>Major Budget Highlights   |  |
|--|--|
| <ul style="list-style-type: none"> <li>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"> <li>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</li> <li>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</li> </ul> </li> </ul> |  |

**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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>Fiscal 2025 |
| Grants                                | 950,851                | 1,012,875              | 1,012,875              | 1,018,400                  | 1,018,400                  |
| <b>Total Expenditures</b>             | <b>\$950,851</b>       | <b>\$1,012,875</b>     | <b>\$1,012,875</b>     | <b>\$1,018,400</b>         | <b>\$1,018,400</b>         |
| General Fund                          | 950,851                | 1,012,875              | 1,012,875              | 1,018,400                  | 1,018,400                  |
| <b>Total Funds</b>                    | <b>\$950,851</b>       | <b>\$1,012,875</b>     | <b>\$1,012,875</b>     | <b>\$1,018,400</b>         | <b>\$1,018,400</b>         |
| <b>Total Ongoing</b>                  | <b>\$775,851</b>       | <b>\$837,875</b>       | <b>\$837,875</b>       | <b>\$918,400</b>           | <b>\$918,400</b>           |
| <b>Total OTO</b>                      | <b>\$175,000</b>       | <b>\$175,000</b>       | <b>\$175,000</b>       | <b>\$100,000</b>           | <b>\$100,000</b>           |

**Funding**

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

| Commissioner of Higher Education, 11-Tribal College Assistance Pgm<br>Funding by Source of Authority |                    |                             |                            |                      |                      |
|--|--------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds  | HB2                | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>All Funds |
| 01100 General Fund   | 2,036,800          | 0                           | 0                          | 2,036,800            | 100.00 %             |
| <b>State Special Total</b>   | <b>\$0</b>         | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| <b>Federal Special Total</b>   | <b>\$0</b>         | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| <b>Proprietary Total</b>   | <b>\$0</b>         | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| <b>Total All Funds</b>   | <b>\$2,036,800</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$2,036,800</b>   |                      |

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<br>Tribal College Assistance Program<br>State Funding<br>Nonbeneficiary Montana Students Attending Tribal Community Colleges |          |  |  |   |
|---|----------|--|--|---|
| Fiscal Year   |          | Number of<br>Nonbeneficiary<br>Montana<br>Students<br>Reported | State Funds<br>Distributed for<br>Nonbeneficiary<br>Students | Average State<br>Funds per<br>Nonbeneficiary<br>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 Summary by Category |                        |                       |                          |                      |                       |                       |                          |                      |
|----------------------------|------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
| Budget Item                | -----General Fund----- |                       |                          |                      | -----Total Funds----- |                       |                          |                      |
|                            | Budget<br>Fiscal 2024  | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>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 %              |
| <b>Total Budget</b>        | <b>\$1,018,400</b>     | <b>\$1,018,400</b>    | <b>\$2,036,800</b>       |                      | <b>\$1,018,400</b>    | <b>\$1,018,400</b>    | <b>\$2,036,800</b>       |                      |



**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           |
| <b>Total</b>  | <b>0.00</b> | <b>\$180,525</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$180,525</b>      | <b>0.00</b> | <b>\$180,525</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$180,525</b> |

\*\*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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change | Biennium<br>% 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 %               |
| <b>Total Expenditures</b> | <b>\$4,709,084</b>           | <b>\$4,771,867</b>          | <b>\$62,783</b>    | <b>1.33 %</b>        |
| Federal Spec. Rev. Funds  | 4,709,084                    | 4,771,867                   | 62,783             | 1.33 %               |
| <b>Total Funds</b>        | <b>\$4,709,084</b>           | <b>\$4,771,867</b>          | <b>\$62,783</b>    | <b>1.33 %</b>        |
| <b>Total Ongoing</b>      | <b>\$4,709,084</b>           | <b>\$4,771,867</b>          | <b>\$62,783</b>    | <b>1.33 %</b>        |
| <b>Total OTO</b>          | <b>\$0</b>                   | <b>\$0</b>                  | <b>\$0</b>         | <b>0.00 %</b>        |

### 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<br>Major Budget Highlights   |
|--|
| <ul style="list-style-type: none"> <li>The Guaranteed Student Loan Program's 2025 biennium appropriations are approximately \$63,000 or 1.3% higher than the 2023 biennium</li> <li>Significant changes include an increase in federal special revenue appropriations of approximately \$62,000 in the 2025 biennium because of inflation</li> </ul> |

### 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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>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                      |
| <b>Total Expenditures</b>             | <b>\$1,666,023</b>     | <b>\$2,354,425</b>     | <b>\$2,354,659</b>     | <b>\$2,380,996</b>         | <b>\$2,390,871</b>         |
| Federal Spec. Rev. Funds              | 1,666,023              | 2,354,425              | 2,354,659              | 2,380,996                  | 2,390,871                  |
| <b>Total Funds</b>                    | <b>\$1,666,023</b>     | <b>\$2,354,425</b>     | <b>\$2,354,659</b>     | <b>\$2,380,996</b>         | <b>\$2,390,871</b>         |
| <b>Total Ongoing</b>                  | <b>\$1,666,023</b>     | <b>\$2,354,425</b>     | <b>\$2,354,659</b>     | <b>\$2,380,996</b>         | <b>\$2,390,871</b>         |
| <b>Total OTO</b>                      | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>                 | <b>\$0</b>                 |

**Funding**

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

| Commissioner of Higher Education, 12-Guaranteed Student Loan Pgm<br>Funding by Source of Authority |                    |                             |                            |                      |                      |
|--|--------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds  | HB2                | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>All Funds |
| General Fund   | 0                  | 0                           | 0                          | 0                    | 0.00 %               |
| <b>State Special Total</b>   | <b>\$0</b>         | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| 03400 Guaranteed Std. Loan-Admin.  | 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 %               |
| <b>Federal Special Total</b>   | <b>\$4,771,867</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$4,771,867</b>   | <b>100.00 %</b>      |
| <b>Proprietary Total</b>   | <b>\$0</b>         | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| <b>Total All Funds</b>   | <b>\$4,771,867</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$4,771,867</b>   |                      |

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 Summary by Category |                        |                       |                          |                      |                       |                       |                          |                      |
|----------------------------|------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
| Budget Item                | -----General Fund----- |                       |                          |                      | -----Total Funds----- |                       |                          |                      |
|                            | Budget<br>Fiscal 2024  | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>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)%              |
| <b>Total Budget</b>        | <b>\$0</b>             | <b>\$0</b>            | <b>\$0</b>               |                      | <b>\$2,380,996</b>    | <b>\$2,390,871</b>    | <b>\$4,771,867</b>       |                      |

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

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

DP 1 - Personal Services -

The legislature 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)           |
| <b>Total</b>                        | <b>0.00</b>           | <b>\$0</b>   | <b>\$0</b>    | <b>(\$11,114)</b> | <b>(\$11,114)</b> | <b>0.00</b>           | <b>\$0</b>   | <b>\$0</b>    | <b>(\$14,073)</b> | <b>(\$14,073)</b> |

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

### Program Description

The Board of Regents program provides 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<br>Major Budget Highlights   |
|---|
| <ul style="list-style-type: none"> <li>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"> <li>An increase of approximately \$11,200 in order to implement HB 314</li> <li>An increase of approximately \$3,900 because of inflation</li> </ul> </li> </ul> |

### 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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>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                     |
| <b>Total Expenditures</b>             | <b>\$65,918</b>        | <b>\$67,350</b>        | <b>\$67,350</b>        | <b>\$74,252</b>            | <b>\$74,577</b>            |
| General Fund                          | 65,918                 | 67,350                 | 67,350                 | 74,252                     | 74,577                     |
| <b>Total Funds</b>                    | <b>\$65,918</b>        | <b>\$67,350</b>        | <b>\$67,350</b>        | <b>\$74,252</b>            | <b>\$74,577</b>            |
| <b>Total Ongoing</b>                  | <b>\$65,918</b>        | <b>\$67,350</b>        | <b>\$67,350</b>        | <b>\$74,252</b>            | <b>\$74,577</b>            |
| <b>Total OTO</b>                      | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>                 | <b>\$0</b>                 |

**Funding**

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

| Commissioner of Higher Education, 13-Board of Regents-Admin<br>Funding by Source of Authority |                  |                             |                            |                      |                      |
|---|------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds   | HB2              | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>All Funds |
| 01100 General Fund  | 148,829          | 0                           | 0                          | 148,829              | 100.00 %             |
| <b>State Special Total</b>  | <b>\$0</b>       | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| <b>Federal Special Total</b>  | <b>\$0</b>       | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| <b>Proprietary Total</b>  | <b>\$0</b>       | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| <b>Total All Funds</b>  | <b>\$148,829</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$148,829</b>     |                      |

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 Summary by Category |                        |                       |                          |                      |                       |                       |                          |                      |
|----------------------------|------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
| Budget Item                | -----General Fund----- |                       |                          |                      | -----Total Funds----- |                       |                          |                      |
|                            | Budget<br>Fiscal 2024  | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>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 %               |
| <b>Total Budget</b>        | <b>\$74,252</b>        | <b>\$74,577</b>       | <b>\$148,829</b>         |                      | <b>\$74,252</b>       | <b>\$74,577</b>       | <b>\$148,829</b>         |                      |

**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<br>Fund | State<br>Special | Federal<br>Special | Total<br>Funds | FTE                   | General<br>Fund | State<br>Special | Total<br>Funds |
| DP 1 - Personal Services                       | 0.00                  | 0               | 0                | 0                  | 0              | 0.00                  | 0               | 0                | 0              |
| DP 3 - Inflation Deflation                     | 0.00                  | 1,736           | 0                | 0                  | 1,736          | 0.00                  | 2,169           | 0                | 2,169          |
| <b>Grand Total All Present Law Adjustments</b> | <b>0.00</b>           | <b>\$1,736</b>  | <b>\$0</b>       | <b>\$0</b>         | <b>\$1,736</b> | <b>0.00</b>           | <b>\$2,169</b>  | <b>\$0</b>       | <b>\$2,169</b> |

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

DP 1 - Personal Services -

The legislature 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          |
| <b>Total</b>                     | <b>0.00</b>           | <b>\$5,166</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$5,166</b> | <b>0.00</b>           | <b>\$5,058</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$5,058</b> |

\*"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.

### 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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change | Biennium<br>% Change |
| Personal Services              | 15,189,365                   | 16,524,786                  | 1,335,421          | 8.79 %               |
| Operating Expenses             | 1,908,397                    | 1,980,833                   | 72,436             | 3.80 %               |
| Equipment & Intangible Assets  | 50,000                       | 0                           | (50,000)           | (100.00)%            |
| Transfers                      | 2,000                        | 2,000                       | 0                  | 0.00 %               |
| Debt Service                   | 56,902                       | 56,902                      | 0                  | 0.00 %               |
| <b>Total Expenditures</b>      | <b>\$17,206,664</b>          | <b>\$18,564,521</b>         | <b>\$1,357,857</b> | <b>7.89 %</b>        |
| General Fund                   | 16,255,147                   | 17,589,375                  | 1,334,228          | 8.21 %               |
| State/Other Special Rev. Funds | 584,184                      | 586,514                     | 2,330              | 0.40 %               |
| Federal Spec. Rev. Funds       | 367,333                      | 388,632                     | 21,299             | 5.80 %               |
| <b>Total Funds</b>             | <b>\$17,206,664</b>          | <b>\$18,564,521</b>         | <b>\$1,357,857</b> | <b>7.89 %</b>        |
| <b>Total Ongoing</b>           | <b>\$17,032,788</b>          | <b>\$18,716,453</b>         | <b>\$1,683,665</b> | <b>9.88 %</b>        |
| <b>Total OTO</b>               | <b>\$173,876</b>             | <b>(\$151,932)</b>          | <b>(\$325,808)</b> | <b>(187.38)%</b>     |

### Agency Description

The Montana School for the Deaf & the Blind (MSDB) provides comprehensive educational opportunities for Montana's students who are deaf, hard of hearing, blind, visually impaired, and deafblind, giving them their best chance for independence and success. Children and youth from preschool through high school can attend MSDB as residential or day students on the Great Falls campus, where specialized instruction is combined with opportunities to attend classes in the public schools. MSDB also serves as a statewide resource center for families, school districts, and professionals serving students who are deaf, hard of hearing, blind, visually impaired, and deafblind. Outreach consultants serve hundreds of students and families in communities across Montana and MSDB offers additional outreach programs on campus. MSDB provides to deaf children and blind children in the State of Montana, a quality comprehensive education that will impact the opportunities to enable them to achieve their greatest potential of independence and success; and to serve as a resource center providing information, consultation, technical assistance, and leadership to (1) parents of deaf and/or blind children not yet enrolled in an educational program, (2) public schools in the state having deaf and/or blind children enrolled, and (3) organizations and individuals concerned with the provision of services to these children.



## Agency Highlights

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

The Montana School for the Deaf and Blind's 2025 biennium budget as adopted by the legislature is \$1.4 million or 7.9% higher than the 2023 biennium budget. This increase includes:

- Statewide present law adjustments in the amount of \$69,048 general fund for the biennium. These are partially offset by adjustments totaling negative \$53,573 to inflation and fixed costs
- A total of 4.81 new FTE and associated funding were adopted including the following:
  - In the general services program 1.00 FTE and \$124,301 of general fund for the biennium to add a maintenance supervisor position
  - 3.81 FTE and \$569,942 general fund in the education program for four new outreach consultant positions (3.08 FTE) and \$137,678 of general fund for a transition specialist (0.73 FTE)
- An appropriation of \$45,000 general fund for student travel in each year of the biennium
- \$42,500 of general fund in each year for personal services to support family engagement camps and weekends
- \$70,000 general fund for the biennium for professional development
- \$20,000 in federal special revenue for the IDEA Part B outreach grant
- \$53,876 general fund for the biennium for compensation to teachers supervising extra-curricular activities
- The legislature adopted language removing the audit line item contingent on passage and approval of HB 132. This removes \$29,110 of restricted general fund
- The legislature adopted language contingent on passage and approval of HB 15 which provides a general fund appropriation for K-12 inflation of \$2,388 in FY 2024 and \$5,105 in FY 2025

### 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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>Fiscal 2025 |
| FTE                                  | 0.00                   | 83.47                  | 83.47                  | 88.28                      | 88.28                      |
| Personal Services                    | 6,798,833              | 7,382,278              | 7,807,087              | 8,254,895                  | 8,269,891                  |
| Operating Expenses                   | 938,458                | 1,021,850              | 886,547                | 996,121                    | 984,712                    |
| Equipment & Intangible Assets        | 50,000                 | 50,000                 | 0                      | 0                          | 0                          |
| Transfers                            | 0                      | 1,000                  | 1,000                  | 1,000                      | 1,000                      |
| Debt Service                         | 28,450                 | 28,451                 | 28,451                 | 28,451                     | 28,451                     |
| <b>Total Expenditures</b>            | <b>\$7,815,741</b>     | <b>\$8,483,579</b>     | <b>\$8,723,085</b>     | <b>\$9,280,467</b>         | <b>\$9,284,054</b>         |
| General Fund                         | 7,379,294              | 8,009,635              | 8,245,512              | 8,792,894                  | 8,796,481                  |
| State/Other Special Rev. Funds       | 253,429                | 290,927                | 293,257                | 293,257                    | 293,257                    |
| Federal Spec. Rev. Funds             | 183,018                | 183,017                | 184,316                | 194,316                    | 194,316                    |
| <b>Total Funds</b>                   | <b>\$7,815,741</b>     | <b>\$8,483,579</b>     | <b>\$8,723,085</b>     | <b>\$9,280,467</b>         | <b>\$9,284,054</b>         |
| <b>Total Ongoing</b>                 | <b>\$7,708,441</b>     | <b>\$8,371,641</b>     | <b>\$8,661,147</b>     | <b>\$9,356,433</b>         | <b>\$9,360,020</b>         |
| <b>Total OTO</b>                     | <b>\$107,300</b>       | <b>\$111,938</b>       | <b>\$61,938</b>        | <b>(\$75,966)</b>          | <b>(\$75,966)</b>          |

### Summary of Legislative Action

The legislature adopted an increase of \$1.4 million or 7.9% over the previous biennium appropriation. Changes to the School for Deaf and Blind's 2025 biennium budget include the addition of 4.81 FTE including 1.00 FTE for a maintenance supervisor position in the general services program, and 3.81 FTE in the education program to fund four outreach specialists (3.08 FTE) and one transition specialist position (0.73 FTE). The appropriation for student travel was made ongoing and added to the base after having been one-time-only for several biennia. The legislature added an addition appropriation for student group and activity travel. The legislature provided appropriations for family engagement camps and weekends, as well as an appropriation for compensation to teachers supporting extra-curricular activities. An appropriation for professional development was approved for the specialized training needs of staff.

In contingency language the legislature provided an increase for K-12 inflation per HB 15, and removed the audit line item and appropriation per HB 132, which changes audit timing from biennial to risk based.

### Funding

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

| Total School For the Deaf & Blind Funding by Source of Authority<br>2025 Biennium Budget Request - School For the Deaf & Blind |                     |                    |                             |                            |                      |                      |
|--|---------------------|--------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds  | HB2<br>Ongoing      | HB2<br>OTO         | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>All Funds |
| General Fund   | 17,741,307          | (151,932)          | 0                           | 0                          | 17,589,375           | 94.75 %              |
| State Special Total  | 586,514             | 0                  | 0                           | 0                          | 586,514              | 3.16 %               |
| Federal Special Total  | 388,632             | 0                  | 0                           | 0                          | 388,632              | 2.09 %               |
| Proprietary Total  | 0                   | 0                  | 0                           | 0                          | 0                    | 0.00 %               |
| Other Total  | 0                   | 0                  | 0                           | 0                          | 0                    | 0.00 %               |
| <b>Total All Funds</b>   | <b>\$18,716,453</b> | <b>(\$151,932)</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$18,564,521</b>  |                      |
| <b>Percent - Total All Sources</b>   | <b>100.82 %</b>     | <b>(0.82)%</b>     | <b>0.00 %</b>               | <b>0.00 %</b>              |                      |                      |

The School for the Deaf and Blind is funded primarily with general fund, which is 94.8% of the budget. The school receives state special funding from school trust interest, and Medicaid reimbursement. The school receives federal school lunch funds as well as federal funds designated for the assistance of state and local education agencies to meet special educational needs of students.

**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<br>Fiscal 2024  | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget |
| 2023 Base Budget           | 8,183,574              | 8,183,574             | 16,367,148               | 93.05 %              | 8,661,147             | 8,661,147             | 17,322,294               | 93.31 %              |
| SWPL Adjustments           | 38,662                 | 30,386                | 69,048                   | 0.39 %               | 38,662                | 30,386                | 69,048                   | 0.37 %               |
| PL Adjustments             | 41,243                 | 41,492                | 82,735                   | 0.47 %               | 41,243                | 41,492                | 82,735                   | 0.45 %               |
| New Proposals              | 529,415                | 541,029               | 1,070,444                | 6.09 %               | 539,415               | 551,029               | 1,090,444                | 5.87 %               |
| <b>Total Budget</b>        | <b>\$8,792,894</b>     | <b>\$8,796,481</b>    | <b>\$17,589,375</b>      |                      | <b>\$9,280,467</b>    | <b>\$9,284,054</b>    | <b>\$18,564,521</b>      |                      |

**Other Legislation**

HB 15 - Implement K-12 Inflation - Provides a general fund appropriation to the education program in the amount of \$2,388 in FY 2024 and \$5,105 in FY 2025

HB 132 - Modify timing of legislative audits - Removes restricted general fund appropriation for audit, and modifies the timing of audits from biennial to risk based

HB 619 - Generally language assessment laws for deaf and hard of hearing children - Directs the Department of Public Health and Human Services to collaborate with the Office of Public Instruction to select language development milestones and to develop and distribute a resource for parents to use to monitor language acquisition of deaf and hard-of-hearing children. MSDB expects to need five assessments per year at a cost of \$250 each and will absorb the costs within its existing budget

**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.<br>Fiscal 2023 | Executive<br>Budget<br>Fiscal 2024 | Legislative<br>Budget<br>Fiscal 2024 | Leg — Exec.<br>Difference<br>Fiscal 2024 | Executive<br>Budget<br>Fiscal 2025 | Legislative<br>Budget<br>Fiscal 2025 | Leg — Exec.<br>Difference<br>Fiscal 2025 | Biennium<br>Difference<br>Fiscal 24-25 |
| FTE                               | 83.47                  | 86.74                              | 88.28                                | 1.54                                     | 86.74                              | 88.28                                | 1.54                                     | 1.54                                   |
| Personal Services                 | 7,807,087              | 8,113,089                          | 8,254,895                            | 141,806                                  | 8,124,833                          | 8,269,891                            | 145,058                                  | 286,864                                |
| Operating Expenses                | 886,547                | 1,019,060                          | 996,121                              | (22,939)                                 | 988,856                            | 984,712                              | (4,144)                                  | (27,083)                               |
| Equipment & Intangible Assets     | 0                      | 0                                  | 0                                    | 0  | 0                                  | 0                                    | 0  | 0                                      |
| Transfers                         | 1,000                  | 1,000                              | 1,000                                | 0  | 1,000                              | 1,000                                | 0  | 0                                      |
| Debt Service                      | 28,451                 | 28,451                             | 28,451                               | 0  | 28,451                             | 28,451                               | 0  | 0                                      |
| <b>Total Costs</b>                | <b>\$8,723,085</b>     | <b>\$9,161,600</b>                 | <b>\$9,280,467</b>                   | <b>\$118,867</b>                         | <b>\$9,143,140</b>                 | <b>\$9,284,054</b>                   | <b>\$140,914</b>                         | <b>\$259,781</b>                       |
| General Fund                      | 8,245,512              | 8,674,027                          | 8,792,894                            | 118,867                                  | 8,655,567                          | 8,796,481                            | 140,914                                  | 259,781                                |
| State/other Special Rev.<br>Funds | 293,257                | 293,257                            | 293,257                              | 0  | 293,257                            | 293,257                              | 0  | 0                                      |
| Federal Spec. Rev. Funds          | 184,316                | 194,316                            | 194,316                              | 0  | 194,316                            | 194,316                              | 0  | 0                                      |
| <b>Total Funds</b>                | <b>\$8,723,085</b>     | <b>\$9,161,600</b>                 | <b>\$9,280,467</b>                   | <b>\$118,867</b>                         | <b>\$9,143,140</b>                 | <b>\$9,284,054</b>                   | <b>\$140,914</b>                         | <b>\$259,781</b>                       |
| <b>Total Ongoing</b>              | <b>\$8,661,147</b>     | <b>\$9,116,600</b>                 | <b>\$9,356,433</b>                   | <b>\$239,833</b>                         | <b>\$9,098,140</b>                 | <b>\$9,360,020</b>                   | <b>\$261,880</b>                         | <b>\$501,713</b>                       |
| <b>Total OTO</b>                  | <b>\$61,938</b>        | <b>\$45,000</b>                    | <b>(\$75,966)</b>                    | <b>(\$120,966)</b>                       | <b>\$45,000</b>                    | <b>(\$75,966)</b>                    | <b>(\$120,966)</b>                       | <b>(\$241,932)</b>                     |

The legislature adopted a budget that is \$259,781 greater than the proposed executive budget for the 2025 biennium. This change is in part due to the inclusion of an additional two outreach consultants beyond the executive request totaling 3.08 FTE and \$569,942 in general fund. The legislature approved several adjustments to rates that affect statewide present law adjustments. These include DP 30 which reflects a decrease in motor pool rates from those initially proposed by the Montana Department of Transportation, DP 20 which funds an increase in the SABHRS rate, DP 222 and 223 which make the decrease paid to the Risk Management and Tort Defense Division proprietary fund one-time-only, and DP 333 which reduced DP 3 by 25.0%. The legislature also approved an additional \$25,000 of general fund per year for group and activity travel. Language contingent on the passage and approval of HB 132 removed the restricted general fund audit appropriation of \$29,110.

### Language and Statutory Authority

*The legislature adopted the following language in HB 2:*

"The Administration Program and General Services Program 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 in the tables in the fiscal report:*

"If HB 132 is passed and approved by the Legislature, Legislative Audit is void."

"If HB 15 is passed and approved, the Montana School For the Deaf and Blind is increased by \$2,388 general fund in FY 2024 and \$5,105 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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change | Biennium<br>% Change |
| Personal Services              | 882,633                      | 926,006                     | 43,373             | 4.91 %               |
| Operating Expenses             | 356,032                      | 434,841                     | 78,809             | 22.14 %              |
| <b>Total Expenditures</b>      | <b>\$1,238,665</b>           | <b>\$1,360,847</b>          | <b>\$122,182</b>   | <b>9.86 %</b>        |
| General Fund                   | 1,231,907                    | 1,354,059                   | 122,152            | 9.92 %               |
| State/Other Special Rev. Funds | 6,758                        | 6,788                       | 30                 | 0.44 %               |
| <b>Total Funds</b>             | <b>\$1,238,665</b>           | <b>\$1,360,847</b>          | <b>\$122,182</b>   | <b>9.86 %</b>        |
| <b>Total Ongoing</b>           | <b>\$1,238,665</b>           | <b>\$1,362,625</b>          | <b>\$123,960</b>   | <b>10.01 %</b>       |
| <b>Total OTO</b>               | <b>\$0</b>                   | <b>(\$1,778)</b>            | <b>(\$1,778)</b>   | <b>100.00 %</b>      |

### Program Description

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

### Program Highlights

| Administration Program<br>Major Budget Highlights   |
|---|
| <ul style="list-style-type: none"> <li>The administration program has a total increase of approximately \$122,000 or 9.9% over the previous biennium budget. This includes the following: <ul style="list-style-type: none"> <li>Statewide present law adjustments for personal services, fixed costs and inflation totaling approximately \$191,000 for the biennium. This was partially offset by negative adjustments to inflation, and insurance payments</li> <li>Operating costs for this program increased by 22.1% primarily due to statewide present law increases in fixed costs and inflation</li> <li>A negative adjustment of approximately \$29,000 of restricted general fund for audit activities as a result of <a href="#">HB 132</a>, which modifies the timing of audits</li> </ul> </li> </ul> |

## 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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>Fiscal 2025 |
| FTE                                   | 0.00                   | 5.00                   | 5.00                   | 5.00                       | 5.00                       |
| Personal Services                     | 427,026                | 434,412                | 448,221                | 462,258                    | 463,748                    |
| Operating Expenses                    | 172,965                | 200,087                | 155,945                | 217,143                    | 217,698                    |
| <b>Total Expenditures</b>             | <b>\$599,991</b>       | <b>\$634,499</b>       | <b>\$604,166</b>       | <b>\$679,401</b>           | <b>\$681,446</b>           |
| General Fund                          | 596,627                | 631,135                | 600,772                | 676,007                    | 678,052                    |
| State/Other Special Rev. Funds        | 3,364                  | 3,364                  | 3,394                  | 3,394                      | 3,394                      |
| <b>Total Funds</b>                    | <b>\$599,991</b>       | <b>\$634,499</b>       | <b>\$604,166</b>       | <b>\$679,401</b>           | <b>\$681,446</b>           |
| <b>Total Ongoing</b>                  | <b>\$599,991</b>       | <b>\$634,499</b>       | <b>\$604,166</b>       | <b>\$680,290</b>           | <b>\$682,335</b>           |
| <b>Total OTO</b>                      | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             | <b>(\$889)</b>             | <b>(\$889)</b>             |

## Funding

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

| School For the Deaf & Blind, 01-Administration Program<br>Funding by Source of Authority |                    |                             |                            |                      |                      |  |
|--|--------------------|-----------------------------|----------------------------|----------------------|----------------------|--|
| Funds  | HB2                | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>All Funds |  |
| 01100 General Fund   | 1,354,059          | 0                           | 0                          | 1,354,059            | 99.50 %              |  |
| 02050 School Trust Interest/Income   | 6,788              | 0                           | 0                          | 6,788                | 100.00 %             |  |
| <b>State Special Total</b>   | <b>\$6,788</b>     | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$6,788</b>       | <b>0.50 %</b>        |  |
| <b>Federal Special Total</b>   | <b>\$0</b>         | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |  |
| <b>Proprietary Total</b>   | <b>\$0</b>         | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |  |
| <b>Total All Funds</b>   | <b>\$1,360,847</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$1,360,847</b>   |                      |  |

The Administration Program is funded entirely through HB 2 and the pay plan.

## HB 2 Funding

The Administration Program is funded almost entirely with general fund, at 99.5%. The school also receives interest and income from school trust lands which funds less than 1.0% of the programs budget.

## Budget Summary by Category

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

| Budget Summary by Category |                        |                       |                          |                      |                       |                       |                          |                      |
|----------------------------|------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
| Budget Item                | -----General Fund----- |                       |                          |                      | -----Total Funds----- |                       |                          |                      |
|                            | Budget<br>Fiscal 2024  | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget |
| 2023 Base Budget           | 600,772                | 600,772               | 1,201,544                | 88.74 %              | 604,166               | 604,166               | 1,208,332                | 88.79 %              |
| SWPL Adjustments           | 107,964                | 83,015                | 190,979                  | 14.10 %              | 107,964               | 83,015                | 190,979                  | 14.03 %              |
| PL Adjustments             | 113                    | 111                   | 224                      | 0.02 %               | 113                   | 111                   | 224                      | 0.02 %               |
| New Proposals              | (32,842)               | (5,846)               | (38,688)                 | (2.86)%              | (32,842)              | (5,846)               | (38,688)                 | (2.84)%              |
| <b>Total Budget</b>        | <b>\$676,007</b>       | <b>\$678,052</b>      | <b>\$1,354,059</b>       |                      | <b>\$679,401</b>      | <b>\$681,446</b>      | <b>\$1,360,847</b>       |                      |

**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        | 14,037           | 0             | 0               | 14,037                | 0.00        | 15,527          | 0             | 0               | 15,527          |
| DP 2 - Fixed Costs                             | 0.00        | 85,839           | 0             | 0               | 85,839                | 0.00        | 56,913          | 0             | 0               | 56,913          |
| DP 3 - Inflation Deflation                     | 0.00        | 8,088            | 0             | 0               | 8,088                 | 0.00        | 10,575          | 0             | 0               | 10,575          |
| DP 20 - SABHRS Rate Adjustment                 | 0.00        | 113              | 0             | 0               | 113                   | 0.00        | 111             | 0             | 0               | 111             |
| DP 222 - RMTD Adjustment                       | 0.00        | 889              | 0             | 0               | 889                   | 0.00        | 889             | 0             | 0               | 889             |
| DP 223 - RMTD Adjustment (OTO)                 | 0.00        | (889)            | 0             | 0               | (889)                 | 0.00        | (889)           | 0             | 0               | (889)           |
| <b>Grand Total All Present Law Adjustments</b> | <b>0.00</b> | <b>\$108,077</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$108,077</b>      | <b>0.00</b> | <b>\$83,126</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$83,126</b> |

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

**DP 1 - Personal Services -**

The legislature 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 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 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 99 - New Fixed Costs          | 0.00        | 2,786             | 0             | 0               | 2,786             | 0.00                  | 2,786            | 0             | 0               | 2,786            |
| DP 333 - Adjustment to Inflation | 0.00        | (6,518)           | 0             | 0               | (6,518)           | 0.00                  | (8,632)          | 0             | 0               | (8,632)          |
| DP 1401 - HB 132                 | 0.00        | (29,110)          | 0             | 0               | (29,110)          | 0.00                  | 0                | 0             | 0               | 0                |
| <b>Total</b>                     | <b>0.00</b> | <b>(\$32,842)</b> | <b>\$0</b>    | <b>\$0</b>      | <b>(\$32,842)</b> | <b>0.00</b>           | <b>(\$5,846)</b> | <b>\$0</b>    | <b>\$0</b>      | <b>(\$5,846)</b> |

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

**DP 99 - New Fixed Costs -**

The legislature adopted a general fund appropriation of \$2,786 in each year of the 2025 biennium to provide funding for the agency to pay for new fixed cost allocations related to the State Management Training Center. Rates for the fix costs are reviewed by the Section A subcommittee.

**DP 333 - Adjustment to Inflation -**

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

**DP 1401 - HB 132 -**

The legislature adopted contingency language to reduce appropriations if HB 132 was passed and approved and this decision package implements this language. HB 132 modifies the timing of legislative audits, providing for a transition from biennial audits, to allowing the auditor to select agencies for auditing based on certain considerations.



### 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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change | Biennium<br>% Change |
| Personal Services             | 503,621                      | 632,580                     | 128,959            | 25.61 %              |
| Operating Expenses            | 652,720                      | 458,893                     | (193,827)          | (29.70)%             |
| Equipment & Intangible Assets | 50,000                       | 0                           | (50,000)           | (100.00)%            |
| Transfers                     | 2,000                        | 2,000                       | 0                  | 0.00 %               |
| Debt Service                  | 56,902                       | 56,902                      | 0                  | 0.00 %               |
| <b>Total Expenditures</b>     | <b>\$1,265,243</b>           | <b>\$1,150,375</b>          | <b>(\$114,868)</b> | <b>(9.08)%</b>       |
| General Fund                  | 1,265,243                    | 1,150,375                   | (114,868)          | (9.08)%              |
| <b>Total Funds</b>            | <b>\$1,265,243</b>           | <b>\$1,150,375</b>          | <b>(\$114,868)</b> | <b>(9.08)%</b>       |
| <b>Total Ongoing</b>          | <b>\$1,215,243</b>           | <b>\$1,300,529</b>          | <b>\$85,286</b>    | <b>7.02 %</b>        |
| <b>Total OTO</b>              | <b>\$50,000</b>              | <b>(\$150,154)</b>          | <b>(\$200,154)</b> | <b>(400.31)%</b>     |

### Program Description

The General Services program maintains all buildings and property on campus. This includes all custodial work and any maintenance of the buildings and grounds.

### Program Highlights

| General Services Program<br>Major Budget Highlights  |  |
|--|--|
| <ul style="list-style-type: none"> <li>The general services program budget is decreased by approximately \$115,000 or 9.1% when compared to the 2023 biennium. Major adjustments include: <ul style="list-style-type: none"> <li>Statewide present law adjustments totaling approximately negative \$126,000 for the biennium primarily due to fixed costs adjustments for risk management and tort defense</li> <li>The addition of 1.00 FTE and approximately \$124,000 for the biennium to provide for a maintenance supervisor position</li> </ul> </li> </ul> |  |

### 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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>Fiscal 2025 |
| FTE                                   | 0.00                   | 3.57                   | 3.57                   | 4.57                       | 4.57                       |
| Personal Services                     | 223,093                | 245,817                | 257,804                | 315,784                    | 316,796                    |
| Operating Expenses                    | 347,806                | 356,742                | 295,978                | 230,159                    | 228,734                    |
| Equipment & Intangible Assets         | 50,000                 | 50,000                 | 0                      | 0                          | 0                          |
| Transfers                             | 0                      | 1,000                  | 1,000                  | 1,000                      | 1,000                      |
| Debt Service                          | 28,450                 | 28,451                 | 28,451                 | 28,451                     | 28,451                     |
| <b>Total Expenditures</b>             | <b>\$649,349</b>       | <b>\$682,010</b>       | <b>\$583,233</b>       | <b>\$575,394</b>           | <b>\$574,981</b>           |
| General Fund                          | 649,349                | 682,010                | 583,233                | 575,394                    | 574,981                    |
| <b>Total Funds</b>                    | <b>\$649,349</b>       | <b>\$682,010</b>       | <b>\$583,233</b>       | <b>\$575,394</b>           | <b>\$574,981</b>           |
| <b>Total Ongoing</b>                  | <b>\$599,349</b>       | <b>\$632,010</b>       | <b>\$583,233</b>       | <b>\$650,471</b>           | <b>\$650,058</b>           |
| <b>Total OTO</b>                      | <b>\$50,000</b>        | <b>\$50,000</b>        | <b>\$0</b>             | <b>(\$75,077)</b>          | <b>(\$75,077)</b>          |

### Funding

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

| School For the Deaf & Blind, 02-General Services<br>Funding by Source of Authority |                    |                             |                            |                      |                      |
|--|--------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds  | HB2                | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>All Funds |
| 01100 General Fund   | 1,150,375          | 0                           | 0                          | 1,150,375            | 100.00 %             |
| <b>State Special Total</b>   | <b>\$0</b>         | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| <b>Federal Special Total</b>   | <b>\$0</b>         | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| <b>Proprietary Total</b>   | <b>\$0</b>         | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| <b>Total All Funds</b>   | <b>\$1,150,375</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$1,150,375</b>   |                      |

The program is funded entirely with general fund, through HB 2 and the pay plan.

### 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.

| -----General Fund----- |                       |                       |                          |                      | -----Total Funds----- |                       |                          |                      |
|------------------------|-----------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
| Budget Item            | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget |
| 2023 Base Budget       | 583,233               | 583,233               | 1,166,466                | 101.40 %             | 583,233               | 583,233               | 1,166,466                | 101.40 %             |
| SWPL Adjustments       | (65,145)              | (61,203)              | (126,348)                | (10.98)%             | (65,145)              | (61,203)              | (126,348)                | (10.98)%             |
| PL Adjustments         | 0                     | 0                     | 0                        | 0.00 %               | 0                     | 0                     | 0                        | 0.00 %               |
| New Proposals          | 57,306                | 52,951                | 110,257                  | 9.58 %               | 57,306                | 52,951                | 110,257                  | 9.58 %               |
| <b>Total Budget</b>    | <b>\$575,394</b>      | <b>\$574,981</b>      | <b>\$1,150,375</b>       |                      | <b>\$575,394</b>      | <b>\$574,981</b>      | <b>\$1,150,375</b>       |                      |

**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        | (2,658)           | 0             | 0               | (2,658)           | 0.00                  | (1,871)           | 0             | 0               | (1,871)           |
| DP 2 - Fixed Costs                             | 0.00        | (75,077)          | 0             | 0               | (75,077)          | 0.00                  | (75,077)          | 0             | 0               | (75,077)          |
| DP 3 - Inflation Deflation                     | 0.00        | 12,590            | 0             | 0               | 12,590            | 0.00                  | 15,745            | 0             | 0               | 15,745            |
| DP 222 - RMTD Adjustment                       | 0.00        | 75,077            | 0             | 0               | 75,077            | 0.00                  | 75,077            | 0             | 0               | 75,077            |
| DP 223 - RMTD Adjustment (OTO)                 | 0.00        | (75,077)          | 0             | 0               | (75,077)          | 0.00                  | (75,077)          | 0             | 0               | (75,077)          |
| <b>Grand Total All Present Law Adjustments</b> | <b>0.00</b> | <b>(\$65,145)</b> | <b>\$0</b>    | <b>\$0</b>      | <b>(\$65,145)</b> | <b>0.00</b>           | <b>(\$61,203)</b> | <b>\$0</b>    | <b>\$0</b>      | <b>(\$61,203)</b> |

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

**DP 1 - Personal Services -**

The legislature 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 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 7 - Maintenance Supervisor Position | 1.00        | 63,438          | 0             | 0               | 63,438          | 1.00                  | 60,863          | 0             | 0               | 60,863          |
| DP 333 - Adjustment to Inflation       | 0.00        | (6,132)         | 0             | 0               | (6,132)         | 0.00                  | (7,912)         | 0             | 0               | (7,912)         |
| <b>Total</b>                           | <b>1.00</b> | <b>\$57,306</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$57,306</b> | <b>1.00</b>           | <b>\$52,951</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$52,951</b> |

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

**DP 7 - Maintenance Supervisor Position -**

The legislature adopted an appropriation of \$63,438 for FY 2024 and \$60,863 for FY 2025, as well as 1.00 FTE for a maintenance supervisor. A maintenance supervisor position was reduced in the budget several years ago. This position will manage day-to-day activities of maintenance and custodial staff, request project quotes, complete maintenance paperwork for accounting, work with Department of Administration on Long Range Building Program projects, verify Occupational Safety and Health Administration (OSHA) compliance, and complete the MSDB portion of the statewide facility assessment.

**DP 333 - Adjustment to Inflation -**

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

### 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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change | Biennium<br>% Change |
| Personal Services         | 3,310,226                    | 3,411,314                   | 101,088            | 3.05 %               |
| Operating Expenses        | 389,803                      | 475,139                     | 85,336             | 21.89 %              |
| <b>Total Expenditures</b> | <b>\$3,700,029</b>           | <b>\$3,886,453</b>          | <b>\$186,424</b>   | <b>5.04 %</b>        |
| General Fund              | 3,630,638                    | 3,816,995                   | 186,357            | 5.13 %               |
| Federal Spec. Rev. Funds  | 69,391                       | 69,458                      | 67                 | 0.10 %               |
| <b>Total Funds</b>        | <b>\$3,700,029</b>           | <b>\$3,886,453</b>          | <b>\$186,424</b>   | <b>5.04 %</b>        |
| <b>Total Ongoing</b>      | <b>\$3,630,029</b>           | <b>\$3,886,453</b>          | <b>\$256,424</b>   | <b>7.06 %</b>        |
| <b>Total OTO</b>          | <b>\$70,000</b>              | <b>\$0</b>                  | <b>(\$70,000)</b>  | <b>(100.00)%</b>     |

### Program Description

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

### Program Highlights

| Student Services Program<br>Major Budget Highlights   |
|---|
| <p>The student services program budget increased by approximately \$186,000 or 5.0% when compared to the previous biennium. Changes include:</p> <ul style="list-style-type: none"> <li>• A negative adjustment to statewide present law of approximately \$40,000. The reduction is mainly due to seniou employees' retirements in the last biennium</li> <li>• Student travel was made ongoing and added to the base appropriation</li> <li>• The legislature approved appropriations for additional student travel and family engagement opportunities.</li> </ul> |

**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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>Fiscal 2025 |
| FTE                                   | 0.00                   | 25.21                  | 25.21                  | 25.21                      | 25.21                      |
| Personal Services                     | 1,421,683              | 1,612,292              | 1,697,934              | 1,701,877                  | 1,709,437                  |
| Operating Expenses                    | 180,544                | 197,535                | 192,268                | 237,253                    | 237,886                    |
| <b>Total Expenditures</b>             | <b>\$1,602,227</b>     | <b>\$1,809,827</b>     | <b>\$1,890,202</b>     | <b>\$1,939,130</b>         | <b>\$1,947,323</b>         |
| General Fund                          | 1,567,565              | 1,775,165              | 1,855,473              | 1,904,401                  | 1,912,594                  |
| Federal Spec. Rev. Funds              | 34,662                 | 34,662                 | 34,729                 | 34,729                     | 34,729                     |
| <b>Total Funds</b>                    | <b>\$1,602,227</b>     | <b>\$1,809,827</b>     | <b>\$1,890,202</b>     | <b>\$1,939,130</b>         | <b>\$1,947,323</b>         |
| <b>Total Ongoing</b>                  | <b>\$1,567,227</b>     | <b>\$1,774,827</b>     | <b>\$1,855,202</b>     | <b>\$1,939,130</b>         | <b>\$1,947,323</b>         |
| <b>Total OTO</b>                      | <b>\$35,000</b>        | <b>\$35,000</b>        | <b>\$35,000</b>        | <b>\$0</b>                 | <b>\$0</b>                 |

**Funding**

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

| School For the Deaf & Blind, 03-Student Services<br>Funding by Source of Authority |                    |                             |                            |                      |                      |
|--|--------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds  | HB2                | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>All Funds |
| 01100 General Fund   | 3,816,995          | 0                           | 0                          | 3,816,995            | 98.21 %              |
| <b>State Special Total</b>   | <b>\$0</b>         | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| 03167 National School Lunch  | 69,458             | 0                           | 0                          | 69,458               | 100.00 %             |
| <b>Federal Special Total</b>   | <b>\$69,458</b>    | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$69,458</b>      | <b>1.79 %</b>        |
| <b>Proprietary Total</b>   | <b>\$0</b>         | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| <b>Total All Funds</b>   | <b>\$3,886,453</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$3,886,453</b>   |                      |

The Student Services Program is funded primarily with general fund appropriations. The small portion of federal funds is made up of subsidies provided by the National School Lunch Program.

**Budget Summary by Category**

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

| Budget Summary by Category |                        |                       |                          |                      |                       |                       |                          |                      |
|----------------------------|------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
| Budget Item                | -----General Fund----- |                       |                          |                      | -----Total Funds----- |                       |                          |                      |
|                            | Budget<br>Fiscal 2024  | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget |
| 2023 Base Budget           | 1,820,473              | 1,820,473             | 3,640,946                | 95.39 %              | 1,855,202             | 1,855,202             | 3,710,404                | 95.47 %              |
| SWPL Adjustments           | (24,271)               | (15,931)              | (40,202)                 | (1.05)%              | (24,271)              | (15,931)              | (40,202)                 | (1.03)%              |
| PL Adjustments             | 44,271                 | 44,319                | 88,590                   | 2.32 %               | 44,271                | 44,319                | 88,590                   | 2.28 %               |
| New Proposals              | 63,928                 | 63,733                | 127,661                  | 3.34 %               | 63,928                | 63,733                | 127,661                  | 3.28 %               |
| <b>Total Budget</b>        | <b>\$1,904,401</b>     | <b>\$1,912,594</b>    | <b>\$3,816,995</b>       |                      | <b>\$1,939,130</b>    | <b>\$1,947,323</b>    | <b>\$3,886,453</b>       |                      |

**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        | (38,557)        | 0             | 0               | (38,557)              | 0.00        | (30,997)        | 0             | 0               | (30,997)        |
| DP 3 - Inflation Deflation                     | 0.00        | 14,286          | 0             | 0               | 14,286                | 0.00        | 15,066          | 0             | 0               | 15,066          |
| DP 10 - Student Travel                         | 0.00        | 45,000          | 0             | 0               | 45,000                | 0.00        | 45,000          | 0             | 0               | 45,000          |
| DP 30 - Motor Pool Rate Adjustment             | 0.00        | (729)           | 0             | 0               | (729)                 | 0.00        | (681)           | 0             | 0               | (681)           |
| <b>Grand Total All Present Law Adjustments</b> | <b>0.00</b> | <b>\$20,000</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$20,000</b>       | <b>0.00</b> | <b>\$28,388</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$28,388</b> |

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

**DP 1 - Personal Services -**

The legislature 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 10 - Student Travel -**

The legislature adopted general fund appropriations of \$45,000 each year of the 2025 biennium to pay additional travel costs to transport students to and from their homes. No commercial bus transportation is available in Great Falls, so the school must charter transportation for students to and from their homes once per month. Due to COVID-19 and inflation, transportation costs have increased.

**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 6 - Family Engagement Opportunities    | 0.00        | 42,500          | 0             | 0               | 42,500          | 0.00                  | 42,500          | 0             | 0               | 42,500          |
| DP 13 - Student Group and Activity Travel | 0.00        | 25,000          | 0             | 0               | 25,000          | 0.00                  | 25,000          | 0             | 0               | 25,000          |
| DP 333 - Adjustment to Inflation          | 0.00        | (3,572)         | 0             | 0               | (3,572)         | 0.00                  | (3,767)         | 0             | 0               | (3,767)         |
| <b>Total</b>                              | <b>0.00</b> | <b>\$63,928</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$63,928</b> | <b>0.00</b>           | <b>\$63,733</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$63,733</b> |

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

**DP 6 - Family Engagement Opportunities -**

The legislature adopted general fund appropriations of \$42,500 in each year of the 2025 biennium for personal services authority to provide staffing for various engagement opportunities provided by the school during the summers.

**DP 13 - Student Group and Activity Travel -**

The legislature adopted an appropriation of \$25,000 general fund in each year of the biennium to fund travel for students for groups and activities.

**DP 333 - Adjustment to Inflation -**

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



### 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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change | Biennium<br>% Change |
| Personal Services              | 10,492,885                   | 11,554,886                  | 1,062,001          | 10.12 %              |
| Operating Expenses             | 509,842                      | 611,960                     | 102,118            | 20.03 %              |
| <b>Total Expenditures</b>      | <b>\$11,002,727</b>          | <b>\$12,166,846</b>         | <b>\$1,164,119</b> | <b>10.58 %</b>       |
| General Fund                   | 10,127,359                   | 11,267,946                  | 1,140,587          | 11.26 %              |
| State/Other Special Rev. Funds | 577,426                      | 579,726                     | 2,300              | 0.40 %               |
| Federal Spec. Rev. Funds       | 297,942                      | 319,174                     | 21,232             | 7.13 %               |
| <b>Total Funds</b>             | <b>\$11,002,727</b>          | <b>\$12,166,846</b>         | <b>\$1,164,119</b> | <b>10.58 %</b>       |
| <b>Total Ongoing</b>           | <b>\$10,948,851</b>          | <b>\$12,166,846</b>         | <b>\$1,217,995</b> | <b>11.12 %</b>       |
| <b>Total OTO</b>               | <b>\$53,876</b>              | <b>\$0</b>                  | <b>(\$53,876)</b>  | <b>(100.00)%</b>     |

### Program Description

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

## Program Highlights

| Education Program<br>Major Budget Highlights  |  |
|---|--|
| <p>The Education Program's 2025 biennium budget is \$1.2 million or 10.6% higher than the 2023 biennium budget. This increase includes:</p> <ul style="list-style-type: none"> <li>Statewide present law adjustment increases of \$44,619 for personal services and inflation/deflation</li> <li>An increase of 3.81 FTE for five positions. These include: <ul style="list-style-type: none"> <li>4 positions for outreach consultants totaling approximately \$290,000 of general fund in FY 2024 and \$280,000 general fund in FY 2025</li> <li>A transition specialist position totaling approximately \$70,000 general fund in FY 2024 and \$68,000 in FY 2025</li> </ul> </li> <li>Other increases to the education program include: <ul style="list-style-type: none"> <li>Additional personal services funding for family advisors of \$21,000 general fund each year</li> <li>Professional development for specialized training totaling \$35,000 general fund each year</li> <li>Extra-curricular compensation for staff stipends to sponsor sports, clubs, etc., of approximately \$27,000 general fund each year</li> <li>IDEA Part B outreach grant match funding of \$10,000 federal special revenue in each year</li> <li>Approximately \$2,400 general fund in FY 2024 and \$5,000 in 2025 for K-12 inflation as prescribed by HB 15 and appropriated through contingency language in HB 2</li> </ul> </li> </ul> |  |

## 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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>Fiscal 2025 |
| FTE                                   | 0.00                   | 49.69                  | 49.69                  | 53.50                      | 53.50                      |
| Personal Services                     | 4,727,031              | 5,089,757              | 5,403,128              | 5,774,976                  | 5,779,910                  |
| Operating Expenses                    | 237,143                | 267,486                | 242,356                | 311,566                    | 300,394                    |
| <b>Total Expenditures</b>             | <b>\$4,964,174</b>     | <b>\$5,357,243</b>     | <b>\$5,645,484</b>     | <b>\$6,086,542</b>         | <b>\$6,080,304</b>         |
| General Fund                          | 4,565,753              | 4,921,325              | 5,206,034              | 5,637,092                  | 5,630,854                  |
| State/Other Special Rev. Funds        | 250,065                | 287,563                | 289,863                | 289,863                    | 289,863                    |
| Federal Spec. Rev. Funds              | 148,356                | 148,355                | 149,587                | 159,587                    | 159,587                    |
| <b>Total Funds</b>                    | <b>\$4,964,174</b>     | <b>\$5,357,243</b>     | <b>\$5,645,484</b>     | <b>\$6,086,542</b>         | <b>\$6,080,304</b>         |
| <b>Total Ongoing</b>                  | <b>\$4,941,874</b>     | <b>\$5,330,305</b>     | <b>\$5,618,546</b>     | <b>\$6,086,542</b>         | <b>\$6,080,304</b>         |
| <b>Total OTO</b>                      | <b>\$22,300</b>        | <b>\$26,938</b>        | <b>\$26,938</b>        | <b>\$0</b>                 | <b>\$0</b>                 |

## Funding

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

| School For the Deaf & Blind, 04-Education<br>Funding by Source of Authority |                     |                             |                            |                      |                      |
|---|---------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds   | HB2                 | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>All Funds |
| 01100 General Fund  | 11,267,946          | 0                           | 0                          | 11,267,946           | 92.61 %              |
| 02050 School Trust Interest/Income  | 556,658             | 0                           | 0                          | 556,658              | 96.02 %              |
| 02243 Medicaid  | 23,068              | 0                           | 0                          | 23,068               | 3.98 %               |
| <b>State Special Total</b>  | <b>\$579,726</b>    | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$579,726</b>     | <b>4.76 %</b>        |
| 03012 E.C.I.A. Chapter I  | 97,520              | 0                           | 0                          | 97,520               | 30.55 %              |
| 03064 EHA, Part B   | 221,654             | 0                           | 0                          | 221,654              | 69.45 %              |
| <b>Federal Special Total</b>  | <b>\$319,174</b>    | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$319,174</b>     | <b>2.62 %</b>        |
| <b>Proprietary Total</b>  | <b>\$0</b>          | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| <b>Total All Funds</b>  | <b>\$12,166,846</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$12,166,846</b>  |                      |

The MSDB outreach program is funded with 92.6% general fund. The residential education program is funded with general fund, additional state special revenue funding from the school's trust lands, Medicaid reimbursement for services provided to students who qualify for Medicaid, and federal funds designated for the assistance of state and local educational agencies to meet the special educational needs of educationally deprived children.

## Budget Summary by Category

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

| Budget Summary by Category |                        |                       |                          |                      |                       |                       |                          |                      |
|----------------------------|------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
| Budget Item                | -----General Fund----- |                       |                          |                      | -----Total Funds----- |                       |                          |                      |
|                            | Budget<br>Fiscal 2024  | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget |
| 2023 Base Budget           | 5,179,096              | 5,179,096             | 10,358,192               | 91.93 %              | 5,618,546             | 5,618,546             | 11,237,092               | 92.36 %              |
| SWPL Adjustments           | 20,114                 | 24,505                | 44,619                   | 0.40 %               | 20,114                | 24,505                | 44,619                   | 0.37 %               |
| PL Adjustments             | (3,141)                | (2,938)               | (6,079)                  | (0.05)%              | (3,141)               | (2,938)               | (6,079)                  | (0.05)%              |
| New Proposals              | 441,023                | 430,191               | 871,214                  | 7.73 %               | 451,023               | 440,191               | 891,214                  | 7.32 %               |
| <b>Total Budget</b>        | <b>\$5,637,092</b>     | <b>\$5,630,854</b>    | <b>\$11,267,946</b>      |                      | <b>\$6,086,542</b>    | <b>\$6,080,304</b>    | <b>\$12,166,846</b>      |                      |

## 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<br>Fund | State<br>Special | Federal<br>Special | Total<br>Funds  | FTE                   | General<br>Fund | State<br>Special | Total<br>Funds  |
| DP 1 - Personal Services                       | 0.00                  | 2,313           | 0                | 0                  | 2,313           | 0.00                  | 3,204           | 0                | 3,204           |
| DP 3 - Inflation Deflation                     | 0.00                  | 17,801          | 0                | 0                  | 17,801          | 0.00                  | 21,301          | 0                | 21,301          |
| DP 30 - Motor Pool Rate Adjustment             | 0.00                  | (3,141)         | 0                | 0                  | (3,141)         | 0.00                  | (2,938)         | 0                | (2,938)         |
| <b>Grand Total All Present Law Adjustments</b> | <b>0.00</b>           | <b>\$16,973</b> | <b>\$0</b>       | <b>\$0</b>         | <b>\$16,973</b> | <b>0.00</b>           | <b>\$21,567</b> | <b>\$0</b>       | <b>\$21,567</b> |

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

DP 1 - Personal Services -

The legislature 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 4 - New Transition Specialist Position     | 0.73        | 70,111           | 0             | 0               | 70,111           | 0.73                  | 67,567           | 0             | 0               | 67,567           |
| DP 5 - Additional Funding for Family Advisors | 0.00        | 21,000           | 0             | 0               | 21,000           | 0.00                  | 21,000           | 0             | 0               | 21,000           |
| DP 8 - Professional Development               | 0.00        | 35,000           | 0             | 0               | 35,000           | 0.00                  | 35,000           | 0             | 0               | 35,000           |
| DP 9 - IDEA Part B Outreach Grant Expenses    | 0.00        | 0                | 0             | 10,000          | 10,000           | 0.00                  | 0                | 0             | 10,000          | 10,000           |
| DP 12 - Extra-curricular Compensation         | 0.00        | 26,938           | 0             | 0               | 26,938           | 0.00                  | 26,938           | 0             | 0               | 26,938           |
| DP 14 - Four New Outreach Consultants         | 3.08        | 290,036          | 0             | 0               | 290,036          | 3.08                  | 279,906          | 0             | 0               | 279,906          |
| DP 333 - Adjustment to Inflation              | 0.00        | (4,450)          | 0             | 0               | (4,450)          | 0.00                  | (5,325)          | 0             | 0               | (5,325)          |
| DP 1400 - HB 15                               | 0.00        | 2,388            | 0             | 0               | 2,388            | 0.00                  | 5,105            | 0             | 0               | 5,105            |
| <b>Total</b>                                  | <b>3.81</b> | <b>\$441,023</b> | <b>\$0</b>    | <b>\$10,000</b> | <b>\$451,023</b> | <b>3.81</b>           | <b>\$430,191</b> | <b>\$0</b>    | <b>\$10,000</b> | <b>\$440,191</b> |

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

DP 4 - New Transition Specialist Position -

The legislature adopted an increase of 0.73 FTE for a transition specialist at a cost of \$70,111 in FY 2024 and \$67,567 in FY 2025. The position will develop partnerships with businesses and organizations to work with MSDB students and act as a job coach for employers and students to help prepare MSDB students to be productive in the workforce. This appropriation also includes one new employee office package (\$1,600) and computer equipment (\$1,200) in FY 2024.

DP 5 - Additional Funding for Family Advisors -

The legislature adopted an increase of \$21,000 general fund in each year of the 2025 biennium for personal services costs to provide family advisors. Family advisors are non-staff people who have children with similar disabilities who are paid by MSDB to meet with other families with children with similar needs for consulting and advising. These funds are not used to pay additional stipends to current MSDB staff. Historically, these costs have been paid by an IDEA Part B grant from the Office of Public Instruction and vacancy savings. It is anticipated these funds will not be sufficient for this purpose in the 2025 biennium.

DP 8 - Professional Development -

The legislature adopted an appropriation of \$35,000 per year for professional development funding. No staff training is available in Montana, so staff must travel to other states to maintain their high level of training.

DP 9 - IDEA Part B Outreach Grant Expenses -

The legislature adopted an appropriation of \$10,000 per year of the 2025 biennium in federal authority to match the funding received for the IDEA Part B grant received through the Office of Public Instruction.

DP 12 - Extra-curricular Compensation -

The legislature adopted general fund personal services authority of \$26,938 in each year of the biennium to pay stipends to staff for sponsoring extracurricular activities such as sports, clubs, and class sponsors. These sponsors allow MSDB students to participate in extracurricular activities like their peers who attend public schools.

DP 14 - Four New Outreach Consultants -

The legislature adopted a general fund increase of \$290,036 for FY 2024 and \$279,906 for FY 2025 and 3.08 FTE for outreach consultants. This decision package also includes operating costs for four new employee office packages (\$6,200) and four computer packages (\$4,800) in FY 2024.

DP 333 - Adjustment to Inflation -

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

DP 1400 - HB 15 -

The legislature adopted contingency language to increase appropriations if HB 15 was passed and approved and this decision package implements this language. HB 15 provides for the implementation of K-12 inflation.

### 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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change | Biennium<br>% Change |
| Personal Services              | 1,389,594                    | 1,420,396                   | 30,802             | 2.22 %               |
| Operating Expenses             | 507,294                      | 683,931                     | 176,637            | 34.82 %              |
| Grants                         | 1,046,964                    | 1,024,476                   | (22,488)           | (2.15)%              |
| Debt Service                   | 68,237                       | 90,982                      | 22,745             | 33.33 %              |
| <b>Total Expenditures</b>      | <b>\$3,012,089</b>           | <b>\$3,219,785</b>          | <b>\$207,696</b>   | <b>6.90 %</b>        |
| General Fund                   | 1,091,318                    | 1,216,023                   | 124,705            | 11.43 %              |
| State/Other Special Rev. Funds | 467,946                      | 432,519                     | (35,427)           | (7.57)%              |
| Federal Spec. Rev. Funds       | 1,452,825                    | 1,571,243                   | 118,418            | 8.15 %               |
| <b>Total Funds</b>             | <b>\$3,012,089</b>           | <b>\$3,219,785</b>          | <b>\$207,696</b>   | <b>6.90 %</b>        |
| <b>Total Ongoing</b>           | <b>\$3,012,089</b>           | <b>\$3,224,361</b>          | <b>\$212,272</b>   | <b>7.05 %</b>        |
| <b>Total OTO</b>               | <b>\$0</b>                   | <b>(\$4,576)</b>            | <b>(\$4,576)</b>   | <b>100.00 %</b>      |

### Agency Description

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

### Agency Highlights

| Montana Arts Council<br>Major Budget Highlights  |
|--|
| <ul style="list-style-type: none"> <li>The Montana Arts Council's 2025 biennium budget as adopted by the legislature is \$207,696 or 6.9% greater than the 2023 biennium budget. This is comprised of increases in general fund and federal authority, offset by a decrease in state special funds. This includes: <ul style="list-style-type: none"> <li>An increase of \$50,000 general fund each year of the biennium to match federal National Endowment for the Arts (NEA) grant award</li> <li>A fund switch replaces \$25,000 of state special revenue funds with federal special funds for personal services each fiscal year</li> <li>Statewide present law increased \$156,548 over the 2025 biennium, of which \$78,537 is general fund</li> <li>A negative adjustment to inflation in the amount of \$10,479</li> <li>An increase to board member pay in the amount of \$11,000 for the biennium, split between general and federal funds. This is a result of <a href="#">HB 314</a></li> <li>A general fund reduction in the amount of \$31,349 in FY 2024, as a result of <a href="#">HB 132</a> which makes audits risk-based</li> <li>A negative adjustment to inflation in the amount of \$10,479</li> </ul> </li> </ul> |

### 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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>Fiscal 2025 |
| FTE                                  | 0.00                   | 7.00                   | 7.00                   | 7.00                       | 7.00                       |
| Personal Services                    | 674,742                | 689,176                | 700,418                | 708,396                    | 712,000                    |
| Operating Expenses                   | 208,669                | 218,922                | 288,372                | 341,952                    | 341,979                    |
| Grants                               | 584,726                | 584,726                | 462,238                | 512,238                    | 512,238                    |
| Debt Service                         | 22,746                 | 22,746                 | 45,491                 | 45,491                     | 45,491                     |
| <b>Total Expenditures</b>            | <b>\$1,490,883</b>     | <b>\$1,515,570</b>     | <b>\$1,496,519</b>     | <b>\$1,608,077</b>         | <b>\$1,611,708</b>         |
| General Fund                         | 533,409                | 558,107                | 533,211                | 607,433                    | 608,590                    |
| State/Other Special Rev. Funds       | 232,703                | 232,703                | 235,243                | 215,886                    | 216,633                    |
| Federal Spec. Rev. Funds             | 724,771                | 724,760                | 728,065                | 784,758                    | 786,485                    |
| <b>Total Funds</b>                   | <b>\$1,490,883</b>     | <b>\$1,515,570</b>     | <b>\$1,496,519</b>     | <b>\$1,608,077</b>         | <b>\$1,611,708</b>         |
| <b>Total Ongoing</b>                 | <b>\$1,490,883</b>     | <b>\$1,515,570</b>     | <b>\$1,496,519</b>     | <b>\$1,610,365</b>         | <b>\$1,613,996</b>         |
| <b>Total OTO</b>                     | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             | <b>(\$2,288)</b>           | <b>(\$2,288)</b>           |

### Summary of Legislative Action

The legislature approved an increase of 6.9% or approximately \$208,000 in the 2025 biennium compared to the 2023 biennium. The increase is mostly due to the following: 1 an increase to general fund in order to match and fully utilize available federal authority, and 2 a material increase to fixed costs. These increases were offset by negative adjustments to inflation, risk management and tort defense, motor pool rates, and audit costs.

Contingent language in HB 2 adopted by the legislature impacted the 2025 biennium budget. Coordination language for HB 132 removed the biennial audit appropriation, audits for this agency will now be risk based and occur less frequently. HB 314 increased pay for council members to \$100 per day, this increased the MAC budget by \$5,500 in general fund and \$5,500 in federal special revenue for the biennium.

### Funding

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

| Total Montana Arts Council Funding by Source of Authority<br>2025 Biennium Budget Request - Montana Arts Council |                    |                  |                             |                            |                      |                      |
|--|--------------------|------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds  | HB2<br>Ongoing     | HB2<br>OTO       | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>All Funds |
| General Fund   | 1,218,310          | (2,287)          | 0                           | 0                          | 1,216,023            | 37.77 %              |
| State Special Total  | 432,919            | (400)            | 0                           | 0                          | 432,519              | 13.43 %              |
| Federal Special Total  | 1,573,132          | (1,889)          | 0                           | 0                          | 1,571,243            | 48.80 %              |
| Proprietary Total  | 0                  | 0                | 0                           | 0                          | 0                    | 0.00 %               |
| Other Total  | 0                  | 0                | 0                           | 0                          | 0                    | 0.00 %               |
| <b>Total All Funds</b>   | <b>\$3,224,361</b> | <b>(\$4,576)</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$3,219,785</b>   |                      |
| <b>Percent - Total All Sources</b>   | <b>100.14 %</b>    | <b>(0.14)%</b>   | <b>0.00 %</b>               | <b>0.00 %</b>              |                      |                      |

The Montana Arts Council is funded with general fund, state special revenue, and federal special revenue.

General fund supports the following:

- A portion of the agency operations and services to the state's art community
- Grants, which include Artists in the Schools and several other grant programs available to non-profit art organizations, schools, and other eligible entities

The cultural and aesthetic project state special revenue fund supports the following:

- Overall agency operations
- Administration of cultural and aesthetic trust activities and the preservation of the state's cultural heritage
- Grant awards in HB 9 for cultural and aesthetic projects

Federal special revenue from the National Endowment of the Arts supports the following:

- Formula-based grants, which require a non-federal dollar match. The agency utilizes general fund and state special revenue as a source of matching funds
- The agency's administration of services to the state's art community

### Budget Summary by Category

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

| Budget Summary by Category |                        |                       |                          |                      |                       |                       |                          |                      |
|----------------------------|------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
| Budget Item                | -----General Fund----- |                       |                          |                      | -----Total Funds----- |                       |                          |                      |
|                            | Budget<br>Fiscal 2024  | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget |
| 2023 Base Budget           | 533,211                | 533,211               | 1,066,422                | 87.70 %              | 1,496,519             | 1,496,519             | 2,993,038                | 92.96 %              |
| SWPL Adjustments           | 54,079                 | 24,458                | 78,537                   | 6.46 %               | 91,518                | 65,030                | 156,548                  | 4.86 %               |
| PL Adjustments             | 243                    | 81                    | 324                      | 0.03 %               | 342                   | 219                   | 561                      | 0.02 %               |
| New Proposals              | 19,900                 | 50,840                | 70,740                   | 5.82 %               | 19,698                | 49,940                | 69,638                   | 2.16 %               |
| <b>Total Budget</b>        | <b>\$607,433</b>       | <b>\$608,590</b>      | <b>\$1,216,023</b>       |                      | <b>\$1,608,077</b>    | <b>\$1,611,708</b>    | <b>\$3,219,785</b>       |                      |

### Other Legislation

HB 3 - Supplemental appropriations - The arts council was appropriated \$54,000 general fund to meet the match for the 1:1 National Endowment for the Arts (NEA grant)

HB 9 - Cultural and aesthetic grants - Appropriates revenue from coal severance taxes to art entities throughout the state

HB 110 - Make interim budget committees permanent - Makes interim budget committees permanent and assigns Arts Council to section E

HB 132 - Modify timing of legislative audits - Removes the biennial audit appropriation. Audits for this agency will now be risk-based

HB 314 - Revise compensation for members of boards, commissions, and councils - Increases the compensation rate for boards, commissions, and councils to \$100 per day

HB 946 - Implement provision of HB 2 - Section E - Education - The interim budget committee will direct a study of potential services the Department of Administration may be able to perform for the Historical Society, State Library, and Arts Council to create operating efficiencies



## 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.<br>Fiscal 2023 | Executive<br>Budget<br>Fiscal 2024 | Legislative<br>Budget<br>Fiscal 2024 | Leg — Exec.<br>Difference<br>Fiscal 2024 | Executive<br>Budget<br>Fiscal 2025 | Legislative<br>Budget<br>Fiscal 2025 | Leg — Exec.<br>Difference<br>Fiscal 2025 | Biennium<br>Difference<br>Fiscal 24-25 |
| FTE                               | 7.00                   | 7.00                               | 7.00                                 | 0.00                                     | 7.00                               | 7.00                                 | 0.00                                     | 0.00                                   |
| Personal Services                 | 700,418                | 702,896                            | 708,396                              | 5,500                                    | 706,500                            | 712,000                              | 5,500                                    | 11,000                                 |
| Operating Expenses                | 288,372                | 377,645                            | 341,952                              | (35,693)                                 | 347,553                            | 341,979                              | (5,574)                                  | (41,267)                               |
| Equipment & Intangible Assets     | 0                      | 0                                  | 0                                    | 0  | 0                                  | 0                                    | 0  | 0                                      |
| Grants                            | 462,238                | 512,238                            | 512,238                              | 0  | 512,238                            | 512,238                              | 0  | 0                                      |
| Transfers                         | 0                      | 0                                  | 0                                    | 0  | 0                                  | 0                                    | 0  | 0                                      |
| Debt Service                      | 45,491                 | 45,491                             | 45,491                               | 0  | 45,491                             | 45,491                               | 0  | 0                                      |
| <b>Total Costs</b>                | <b>\$1,496,519</b>     | <b>\$1,638,270</b>                 | <b>\$1,608,077</b>                   | <b>(\$30,193)</b>                        | <b>\$1,611,782</b>                 | <b>\$1,611,708</b>                   | <b>(\$74)</b>                            | <b>(\$30,267)</b>                      |
| General Fund                      | 533,211                | 637,523                            | 607,433                              | (30,090)                                 | 607,902                            | 608,590                              | 688                                      | (29,402)                               |
| State/other Special Rev.<br>Funds | 235,243                | 216,383                            | 215,886                              | (497)                                    | 217,246                            | 216,633                              | (613)                                    | (1,110)                                |
| Federal Spec. Rev. Funds          | 728,065                | 784,364                            | 784,758                              | 394                                      | 786,634                            | 786,485                              | (149)                                    | 245                                    |
| <b>Total Funds</b>                | <b>\$1,496,519</b>     | <b>\$1,638,270</b>                 | <b>\$1,608,077</b>                   | <b>(\$30,193)</b>                        | <b>\$1,611,782</b>                 | <b>\$1,611,708</b>                   | <b>(\$74)</b>                            | <b>(\$30,267)</b>                      |
| <b>Total Ongoing</b>              | <b>\$1,496,519</b>     | <b>\$1,638,270</b>                 | <b>\$1,610,365</b>                   | <b>(\$27,905)</b>                        | <b>\$1,611,782</b>                 | <b>\$1,613,996</b>                   | <b>\$2,214</b>                           | <b>(\$25,691)</b>                      |
| <b>Total OTO</b>                  | <b>\$0</b>             | <b>\$0</b>                         | <b>(\$2,288)</b>                     | <b>(\$2,288)</b>                         | <b>\$0</b>                         | <b>(\$2,288)</b>                     | <b>(\$2,288)</b>                         | <b>(\$4,576)</b>                       |

The legislature adopted ongoing appropriations that are \$30,267 lower than the proposed executive appropriations for the 2025 biennium. The differences are due to an increase in fixed costs for SAHBRS, offset by reductions in motor pool rates, inflation, risk management and tort defense (RMTD) insurance premium holiday, and audit fees. The reduction for RMTD premiums was designated as one-time-only.

## Language and Statutory Authority

## The legislature adopted the following language in HB 2:

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

"Promotion of the Arts includes 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 in the tables in the fiscal report:**

"If HB 132 is passed and approved by the Legislature, Legislative Audit is void."

"If HB 314 is passed and approved, the Montana Arts Council is increased by \$2,750 general fund and \$2,750 federal special revenue in FY 2024 and \$2,750 general fund and \$2,750 federal special revenue in FY 2025."

**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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>Fiscal 2025 |
| FTE                                   | 0.00                   | 7.00                   | 7.00                   | 7.00                       | 7.00                       |
| Personal Services                     | 674,742                | 689,176                | 700,418                | 708,396                    | 712,000                    |
| Operating Expenses                    | 208,669                | 218,922                | 288,372                | 341,952                    | 341,979                    |
| Grants                                | 584,726                | 584,726                | 462,238                | 512,238                    | 512,238                    |
| Debt Service                          | 22,746                 | 22,746                 | 45,491                 | 45,491                     | 45,491                     |
| <b>Total Expenditures</b>             | <b>\$1,490,883</b>     | <b>\$1,515,570</b>     | <b>\$1,496,519</b>     | <b>\$1,608,077</b>         | <b>\$1,611,708</b>         |
| General Fund                          | 533,409                | 558,107                | 533,211                | 607,433                    | 608,590                    |
| State/Other Special Rev. Funds        | 232,703                | 232,703                | 235,243                | 215,886                    | 216,633                    |
| Federal Spec. Rev. Funds              | 724,771                | 724,760                | 728,065                | 784,758                    | 786,485                    |
| <b>Total Funds</b>                    | <b>\$1,490,883</b>     | <b>\$1,515,570</b>     | <b>\$1,496,519</b>     | <b>\$1,608,077</b>         | <b>\$1,611,708</b>         |
| <b>Total Ongoing</b>                  | <b>\$1,490,883</b>     | <b>\$1,515,570</b>     | <b>\$1,496,519</b>     | <b>\$1,610,365</b>         | <b>\$1,613,996</b>         |
| <b>Total OTO</b>                      | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             | <b>(\$2,288)</b>           | <b>(\$2,288)</b>           |

**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<br>Fund | State<br>Special | Federal<br>Special | Total<br>Funds  |                       | FTE             | General<br>Fund | State<br>Special | Total<br>Funds  |
| DP 1 - Personal Services                       | 0.00        | 1,392           | (204)            | 1,290              | 2,478           | 0.00                  | 2,654           | 516             | 2,912            | 6,082           |
| DP 2 - Fixed Costs                             | 0.00        | 47,838          | 4,903            | 23,193             | 75,934          | 0.00                  | 15,963          | 4,750           | 22,447           | 43,160          |
| DP 3 - Inflation Deflation                     | 0.00        | 4,849           | 1,441            | 6,816              | 13,106          | 0.00                  | 5,841           | 1,737           | 8,210            | 15,788          |
| DP 20 - SABHRS Rate Adjustment                 | 0.00        | 282             | 29               | 136                | 447             | 0.00                  | 118             | 35              | 165              | 318             |
| DP 30 - Motor Pool Rate Adjustment             | 0.00        | (39)            | (11)             | (55)               | (105)           | 0.00                  | (37)            | (11)            | (51)             | (99)            |
| DP 222 - RMTD Adjustment                       | 0.00        | 1,441           | 148              | 699                | 2,288           | 0.00                  | 846             | 252             | 1,190            | 2,288           |
| DP 223 - RMTD Adjustment (OTO)                 | 0.00        | (1,441)         | (148)            | (699)              | (2,288)         | 0.00                  | (846)           | (252)           | (1,190)          | (2,288)         |
| <b>Grand Total All Present Law Adjustments</b> | <b>0.00</b> | <b>\$54,322</b> | <b>\$6,158</b>   | <b>\$31,380</b>    | <b>\$91,860</b> | <b>0.00</b>           | <b>\$24,539</b> | <b>\$7,027</b>  | <b>\$33,683</b>  | <b>\$65,249</b> |

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

**DP 1 - Personal Services -**

The legislature 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 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 4 - Personal Services Fund Switch       | 0.00                  | 0               | (25,000)          | 25,000          | 0               | 0.00                  | 0               | (25,000)          | 25,000          | 0               |
| DP 5 - General Fund Federal Match Increase | 0.00                  | 50,000          | 0                 | 0               | 50,000          | 0.00                  | 50,000          | 0                 | 0               | 50,000          |
| DP 99 - New Fixed Costs                    | 0.00                  | 233             | 0                 | 0               | 233             | 0.00                  | 233             | 0                 | 0               | 233             |
| DP 333 - Adjustment to Inflation           | 0.00                  | (1,734)         | (515)             | (2,437)         | (4,686)         | 0.00                  | (2,143)         | (637)             | (3,013)         | (5,793)         |
| DP 1400 - HB 314                           | 0.00                  | 2,750           | 0                 | 2,750           | 5,500           | 0.00                  | 2,750           | 0                 | 2,750           | 5,500           |
| DP 1401 - HB 132                           | 0.00                  | (31,349)        | 0                 | 0               | (31,349)        | 0.00                  | 0               | 0                 | 0               | 0               |
| <b>Total</b>                               | <b>0.00</b>           | <b>\$19,900</b> | <b>(\$25,515)</b> | <b>\$25,313</b> | <b>\$19,698</b> | <b>0.00</b>           | <b>\$50,840</b> | <b>(\$25,637)</b> | <b>\$24,737</b> | <b>\$49,940</b> |

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

DP 4 - Personal Services Fund Switch -

The legislature adopted a personal services reduction of \$25,000 in FY 2024 and FY 2025 in the state special revenue fund (Cultural Trust and a corresponding personal services increase of \$25,000 in FY 2024 and FY 2025 in federal special revenue (National Endowment for the Arts).

DP 5 - General Fund Federal Match Increase -

The legislature adopted an appropriation of \$50,000 general fund for each year of the 2025 biennium to fully match the federal National Endowment for the Arts (NEA) grant award without reverting funds.

DP 99 - New Fixed Costs -

The legislature adopted an appropriation of \$233 in each year of the 2025 biennium to provide funding for the agency to pay for new fixed cost allocations related to the Chief Data Office and the State Management Training Center. Rates for the fix costs are reviewed by the Section A subcommittee.

DP 333 - Adjustment to Inflation -

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

DP 1400 - HB 314 -

The legislature adopted contingency language to increase appropriations if HB 314 was passed and approved and this decision package implements that language. HB 314 increases compensation to members of boards, commissions, and councils.

DP 1401 - HB 132 -

The legislature adopted contingency language to reduce appropriations if HB 132 was passed and approved and this decision package implements this language. HB 132 modifies the timing of legislative audits, providing for a transition from biennial audits, to allowing the auditor to select agencies for auditing based on certain considerations.

**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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change | Biennium<br>% Change |
| Personal Services              | 6,433,580                    | 5,729,631                   | (703,949)          | (10.94)%             |
| Operating Expenses             | 6,752,300                    | 10,373,700                  | 3,621,400          | 53.63 %              |
| Grants                         | 974,961                      | 950,000                     | (24,961)           | (2.56)%              |
| Debt Service                   | 3,044                        | 0                           | (3,044)            | (100.00)%            |
| <b>Total Expenditures</b>      | <b>\$14,163,885</b>          | <b>\$17,053,331</b>         | <b>\$2,889,446</b> | <b>20.40 %</b>       |
| General Fund                   | 5,710,161                    | 6,306,879                   | 596,718            | 10.45 %              |
| State/Other Special Rev. Funds | 6,318,031                    | 7,751,611                   | 1,433,580          | 22.69 %              |
| Federal Spec. Rev. Funds       | 2,127,939                    | 2,994,841                   | 866,902            | 40.74 %              |
| Proprietary Funds              | 7,754                        | 0                           | (7,754)            | (100.00)%            |
| <b>Total Funds</b>             | <b>\$14,163,885</b>          | <b>\$17,053,331</b>         | <b>\$2,889,446</b> | <b>20.40 %</b>       |
| <b>Total Ongoing</b>           | <b>\$13,238,885</b>          | <b>\$15,283,335</b>         | <b>\$2,044,450</b> | <b>15.44 %</b>       |
| <b>Total OTO</b>               | <b>\$925,000</b>             | <b>\$1,769,996</b>          | <b>\$844,996</b>   | <b>91.35 %</b>       |

**Agency Description**

The Montana State Library Commission (MSL) has several responsibilities, which include:

- Meeting the information needs of Montana government agency management and staff
- Ensuring all Montana citizens have access to information created by their state government
- Supporting the role of all Montana libraries in delivering quality library content and services to their patrons
- Working to strengthen local community public libraries
- Ensuring that Montanans who are visually or physically handicapped are provided access to library resources

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

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

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

Additional responsibilities of the library include:

- Assisting all tax-supported libraries and local governments wishing to establish or improve libraries
- Maintaining an audiobook library for use by Montanans unable to utilize print materials
- Providing access to state publications
- Developing a land information plan and administering a grant process for the purposes of implementing the plan
- Maintaining and providing information related to Montana's plant and animal species and habitat and comprehensive natural resources (land) information

Please refer to the agency profile for the Montana State Library at <https://www.leg.mt.gov/lfd/appropriation-subcommittee-section-e/agency-montana-state-library/> for additional information about the agency's organizational structure, historical expenditures, budget analysis dashboard, audits, and agency goals and objectives.

## Agency Highlights

| Montana State Library<br>Major Budget Highlights   |  |
|--|--|
| <ul style="list-style-type: none"> <li>The Montana State Library's 2025 biennium appropriations are \$2.9 million or 20.4% higher than the 2023 biennium budget. Significant biennial changes include: <ul style="list-style-type: none"> <li>Restricted, one-time-only state special revenue funding of \$500,000 per fiscal year for additional start-up and ongoing costs related to the Montana real-time network</li> <li>One-time-only state special revenue funding of \$400,000 per fiscal year to continue the hot spots program for local libraries</li> <li>An increase of \$370,000 of federal special revenue per fiscal year in the 2025 biennium to allow the appropriation to match the anticipated federal Library Services and Technology Act grant funding</li> <li>Restricted general fund appropriation for legislative audit, \$29,000 in fiscal year 2024, was voided after the passage of HB 132, which modified the timing of legislative audits</li> </ul> </li> </ul> |  |

## 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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>Fiscal 2025 |
| FTE                                  | 0.00                   | 30.46                  | 30.46                  | 30.46                      | 30.46                      |
| Personal Services                    | 3,982,274              | 4,176,840              | 2,256,740              | 2,857,842                  | 2,871,789                  |
| Operating Expenses                   | 2,249,518              | 2,555,911              | 4,196,389              | 5,166,418                  | 5,207,282                  |
| Grants                               | 474,515                | 499,961                | 475,000                | 475,000                    | 475,000                    |
| Debt Service                         | 3,043                  | 3,044                  | 0                      | 0                          | 0                          |
| <b>Total Expenditures</b>            | <b>\$6,709,350</b>     | <b>\$7,235,756</b>     | <b>\$6,928,129</b>     | <b>\$8,499,260</b>         | <b>\$8,554,071</b>         |
| General Fund                         | 2,582,110              | 2,828,689              | 2,881,472              | 3,129,636                  | 3,177,243                  |
| State/Other Special Rev. Funds       | 2,884,694              | 3,156,767              | 3,161,264              | 3,873,109                  | 3,878,502                  |
| Federal Spec. Rev. Funds             | 1,242,546              | 1,242,546              | 885,393                | 1,496,515                  | 1,498,326                  |
| Proprietary Funds                    | 0                      | 7,754                  | 0                      | 0                          | 0                          |
| <b>Total Funds</b>                   | <b>\$6,709,350</b>     | <b>\$7,235,756</b>     | <b>\$6,928,129</b>     | <b>\$8,499,260</b>         | <b>\$8,554,071</b>         |
| <b>Total Ongoing</b>                 | <b>\$6,450,710</b>     | <b>\$6,773,256</b>     | <b>\$6,465,629</b>     | <b>\$7,614,262</b>         | <b>\$7,669,073</b>         |
| <b>Total OTO</b>                     | <b>\$258,640</b>       | <b>\$462,500</b>       | <b>\$462,500</b>       | <b>\$884,998</b>           | <b>\$884,998</b>           |

### Summary of Legislative Action

The legislature approved an increase of 31.9% or approximately \$4.1 million in the 2025 biennium compared to the FY2023 base appropriation.

The increase in appropriations can be attributed in part to the one-time-only funding for the Montana real-time network. The legislature appropriated \$1.0 million of one-time-only funding from the Montana land information account state special revenue account for additional start-up and ongoing costs for the Montana real-time network (RTN). The RTN allows for precise location data that can be used for precision agriculture, surveying, infrastructure asset management, and autonomous navigation.

The legislature also appropriated \$800,000 of one-time-only coal severance tax state special revenue funding from the basic library services account to continue the hot spot lending program for local libraries. This program was originally funded with federal special revenue from the American Rescue Plan Act.

Additionally, the legislature adopted a \$740,000 increase in federal special revenue funding to allow the Montana State Library to fully expend its federal grant funding from the Institute of Museum and Library Services.

The following table shows the Montana State Library's appropriated budget by fiscal year as allocated among three primary categories: central services; patron and local library development services; and geographic information system (GIS), data, and information programs. Sub-categories are included as well to provide a further breakdown of the budget. The table also shows FY 2022 actuals, the FY 2022 legislative budget, and the 2023 executive base budget as allocated by the same categories. Because the Montana State Library's funding is budgeted in one program, the agency can move funding within the program among these categories as needed without executive modifications. The categories are included to provide a better understanding of the allocation of the budget by function.

| Montana State Library Budget Allocation by Category    |                  |                                    |                                |                                    |                                    |
|--|------------------|------------------------------------|--------------------------------|------------------------------------|------------------------------------|
|  | 2022 Actuals     | 2022 Legislative Budget Allocation | 2023 Executive Base Allocation | 2024 Legislative Budget Allocation | 2025 Legislative Budget Allocation |
| <b>Central Services</b>                                | <b>1,872,523</b> | <b>2,792,905</b>                   | <b>3,462,603</b>               | <b>3,489,596</b>                   | <b>3,518,691</b>                   |
| <b>Patron &amp; Local Library Development Services</b> | <b>2,041,146</b> | <b>1,101,464</b>                   | <b>1,276,513</b>               | <b>2,448,183</b>                   | <b>2,458,439</b>                   |
| <i>Patron Services</i>                                 | 478,982          | 458,033                            | 319,454                        | 609,778                            | 615,409                            |
| <i>Consulting &amp; Learning</i>                       | 712,662          | 184,960                            | 264,188                        | 231,318                            | 231,424                            |
| <i>Statewide Projects</i>                              | 849,502          | 458,471                            | 692,871                        | 1,607,087                          | 1,611,606                          |
| <b>GIS, Data, &amp; Information Programs</b>           | <b>2,534,231</b> | <b>2,512,588</b>                   | <b>1,726,513</b>               | <b>2,061,481</b>                   | <b>2,076,941</b>                   |
| <i>MT Land Information Act (MLIA)</i>                  | 722,684          | 1,161,552                          | 532,239                        | 604,926                            | 608,560                            |
| <i>Information Products</i>                            | 509,590          | 360,195                            | 442,728                        | 1,065,229                          | 1,069,615                          |
| <i>Information Management</i>                          | 805,990          | 592,143                            | 474,330                        | 674,096                            | 679,303                            |
| <i>MT Natural Heritage Program</i>                     | 495,967          | 398,698                            | 277,216                        | 217,230                            | 219,463                            |
| Unallocated Funding                                    | -                | 47,185                             | -                              | -                                  | -                                  |
| COVID-19 LSTA  | 2,810            | -                                  | -                              | -                                  | -                                  |
| <b>Total Funds</b>                                     | <b>6,450,710</b> | <b>6,454,142</b>                   | <b>6,465,629</b>               | <b>8,497,160</b>                   | <b>8,551,971</b>                   |

**Funding**

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

| Total Montana State Library Funding by Source of Authority<br>2025 Biennium Budget Request - Montana State Library |                     |                    |                             |                            |                      |                      |
|--|---------------------|--------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds  | HB2<br>Ongoing      | HB2<br>OTO         | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>All Funds |
| General Fund   | 6,336,883           | (30,004)           | 0                           | 1,084,226                  | 7,391,105            | 36.86 %              |
| State Special Total  | 5,951,611           | 1,800,000          | 0                           | 999,794                    | 8,751,405            | 43.64 %              |
| Federal Special Total  | 2,994,841           | 0                  | 0                           | 0                          | 2,994,841            | 14.94 %              |
| Proprietary Total  | 0                   | 0                  | 914,401                     | 0                          | 914,401              | 4.56 %               |
| Other Total  | 0                   | 0                  | 0                           | 0                          | 0                    | 0.00 %               |
| <b>Total All Funds</b>   | <b>\$15,283,335</b> | <b>\$1,769,996</b> | <b>\$914,401</b>            | <b>\$2,084,020</b>         | <b>\$20,051,752</b>  |                      |
| <b>Percent - Total All Sources</b>   | <b>76.22 %</b>      | <b>8.83 %</b>      | <b>4.56 %</b>               | <b>10.39 %</b>             |                      |                      |

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

*HB 2 Authority*

General fund in the Montana State Library supports:

- General agency operations
- The statewide interlibrary resource sharing program
- Natural resource information system (NRIS)
- The Montana natural heritage program

State special revenue in the 2025 biennium supports:

- The digital library services account, which receives assessments paid by certain state agencies that use the Natural Resource Information System (NRIS)/Geographic Information Systems (GIS)
- The Montana land information account, which receives a portion of the document recording fees assessed at the local level, funds GIS and land information services and grants
- The coal severance tax library account, which receives a 0.9% distribution of coal severance tax funds and is used for general operations, statewide technology contracts, and the library federation grants to assist local libraries in providing basic services

Federal special revenue is primarily comprised of Library Services and Technology Act (LSTA) grants administered by the Institute of Museum and Library Services (IMLS). These funds:

- Are a formula grant to the Montana State Library from the IMLS rather than a competitive grant
- Require a 2:1 federal/state match and a five-year plan
- Are used for collection content and access, training and outreach to local libraries, and services to patrons with disabilities

*Proprietary Authority*

Approximately 4.6% of the Montana State Library's total budget is non-budgeted proprietary funding for the Montana Shared Catalog project; funding is member fees paid by participating libraries.

*Statutory Authority*

Statutory authority for the Montana State Library is estimated to be approximately \$2.1 million or 10.4% of the total budget. The funding for this authority includes state special revenue from fees imposed for 9-1-1 mapping services; in accordance with 10-4-304(5), MCA, the Montana State Library's 9-1-1 GIS mapping account receives a transfer of \$450,000 of state special revenue each fiscal year through FY 2030. Statutory authority for the agency also includes general fund for state aid to public libraries, as authorized under 22-1-327, MCA.



**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<br>Fiscal 2024  | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget |
| 2023 Base Budget           | 2,881,472              | 2,881,472             | 5,762,944                | 91.38 %              | 6,465,629             | 6,465,629             | 12,931,258               | 75.83 %              |
| SWPL Adjustments           | 191,793                | 231,572               | 423,365                  | 6.71 %               | 718,359               | 765,396               | 1,483,755                | 8.70 %               |
| PL Adjustments             | 164,675                | 164,704               | 329,379                  | 5.22 %               | 164,675               | 164,704               | 329,379                  | 1.93 %               |
| New Proposals              | (108,304)              | (100,505)             | (208,809)                | (3.31)%              | 1,150,597             | 1,158,342             | 2,308,939                | 13.54 %              |
| <b>Total Budget</b>        | <b>\$3,129,636</b>     | <b>\$3,177,243</b>    | <b>\$6,306,879</b>       |                      | <b>\$8,499,260</b>    | <b>\$8,554,071</b>    | <b>\$17,053,331</b>      |                      |

**Other Legislation****HB 91** - Revise laws related to public library state aid

In accordance with 22-1-327, MCA, the Montana State Library Commission distributes state aid grants to public libraries and public library districts on a per capita and per square mile basis for the purpose of broadening access to existing information, augmenting and extending services provided by public libraries and public library districts, and permitting new types of library services based on local need. These grants are funded with general fund and are statutorily appropriated. The authorization for this funding was set to terminate July 1, 2023. HB 91 extended that termination date to July 1, 2029 and increased the funding by \$0.10 per capita. It also added accredited tribal college libraries that provide services to the public as eligible entities to receive grants.

**HB 343** - Generally revise library geospatial and natural resource information laws

The purpose of the Montana Land Information Act (MLIA) is to develop a standardized and sustainable way to collect, maintain, and disseminate information in a digital form about the land characteristics of Montana. The Montana State Library receives funding from fees for filing documents such as land titles with county clerks for the purposes of implementing the Montana Land Information Act. HB 343 renames MLIA to the Montana Geospatial Information Act (MGIA). It revises the membership and terms of the associated advisory council; provides standards for geospatial information grants, eliminates reporting requirements, eliminates the Natural Resource Data System Advisory Committee, and provides rulemaking authority for the Montana State Library with regard to the MGIA.

**HB 946** - Implement provisions of HB 2 - Section E - Education

The 68th Legislature provided one-time-only state special revenue funding for the Montana State Library Commission to continue the local library hot spot lending program during the 2025 biennium. The Montana State Library will be required to report on its hot spot program activities to the education interim budget committee. Reporting will include: library deployment locations; the comparison of rural and urban deployment locations; hot spot usage measured by gigabytes for each device and by library; and verification that any commercial activity usage of the hot spots is consistent with library policy.

**SB 60** - Establish enterprise fund for Montana spatial real time network

The 2021 legislature provided one-time-only state special revenue funding for start-up costs to build out a state real-time network, which is a network of permanent continuously operating reference stations (CORS) spread throughout the state. The CORS are mounted with global navigation satellite system receivers and communication equipment to continuously receive and stream global navigation satellite system (GNSS) data. This precise location data supports a variety of needs including precision agriculture, surveying, infrastructure asset management, and autonomous navigation. SB 60 creates an enterprise fund for the Montana State Library to receive funding from users of the network to support its operation and provides rulemaking authority for the Montana State Library for administration of the network.

## 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.<br>Fiscal 2023 | Executive<br>Budget<br>Fiscal 2024 | Legislative<br>Budget<br>Fiscal 2024 | Leg — Exec.<br>Difference<br>Fiscal 2024 | Executive<br>Budget<br>Fiscal 2025 | Legislative<br>Budget<br>Fiscal 2025 | Leg — Exec.<br>Difference<br>Fiscal 2025 | Biennium<br>Difference<br>Fiscal 24-25 |
| FTE                               | 30.46                  | 30.46                              | 30.46                                | 0.00                                     | 30.46                              | 30.46                                | 0.00                                     | 0.00                                   |
| Personal Services                 | 2,256,740              | 2,887,890                          | 2,857,842                            | (30,048)                                 | 2,901,983                          | 2,871,789                            | (30,194)                                 | (60,242)                               |
| Operating Expenses                | 4,196,389              | 4,682,820                          | 5,166,418                            | 483,598                                  | 4,715,764                          | 5,207,282                            | 491,518                                  | 975,116                                |
| Grants                            | 475,000                | 475,000                            | 475,000                              | 0  | 475,000                            | 475,000                              | 0  | 0                                      |
| Debt Service                      | 0                      | 0                                  | 0                                    | 0  | 0                                  | 0                                    | 0  | 0                                      |
| <b>Total Costs</b>                | <b>\$6,928,129</b>     | <b>\$8,045,710</b>                 | <b>\$8,499,260</b>                   | <b>\$453,550</b>                         | <b>\$8,092,747</b>                 | <b>\$8,554,071</b>                   | <b>\$461,324</b>                         | <b>\$914,874</b>                       |
| General Fund                      | 2,881,472              | 3,239,987                          | 3,129,636                            | (110,351)                                | 3,279,766                          | 3,177,243                            | (102,523)                                | (212,874)                              |
| State/other Special Rev.<br>Funds | 3,161,264              | 3,482,264                          | 3,873,109                            | 390,845                                  | 3,487,705                          | 3,878,502                            | 390,797                                  | 781,642                                |
| Federal Spec. Rev. Funds          | 885,393                | 1,323,459                          | 1,496,515                            | 173,056                                  | 1,325,276                          | 1,498,326                            | 173,050                                  | 346,106                                |
| Other                             | 0                      | 0                                  | 0                                    | 0  | 0                                  | 0                                    | 0  | 0                                      |
| <b>Total Funds</b>                | <b>\$6,928,129</b>     | <b>\$8,045,710</b>                 | <b>\$8,499,260</b>                   | <b>\$453,550</b>                         | <b>\$8,092,747</b>                 | <b>\$8,554,071</b>                   | <b>\$461,324</b>                         | <b>\$914,874</b>                       |
| <b>Total Ongoing</b>              | <b>\$6,465,629</b>     | <b>\$7,545,710</b>                 | <b>\$7,614,262</b>                   | <b>\$68,552</b>                          | <b>\$7,592,747</b>                 | <b>\$7,669,073</b>                   | <b>\$76,326</b>                          | <b>\$144,878</b>                       |
| <b>Total OTO</b>                  | <b>\$462,500</b>       | <b>\$500,000</b>                   | <b>\$884,998</b>                     | <b>\$384,998</b>                         | <b>\$500,000</b>                   | <b>\$884,998</b>                     | <b>\$384,998</b>                         | <b>\$769,996</b>                       |

The legislature adopted appropriations that, in total, are approximately \$915,000 higher than the proposed budget. This includes adoption of ongoing appropriations that are approximately \$145,000 higher than proposed for the 2025 biennium and adoption of one-time-only appropriations that are approximately \$770,000 higher than proposed. These differences are primarily for state and federal special revenue appropriations.

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

- The legislature adopted an ongoing increase of federal special revenue appropriations totaling \$370,000 per fiscal year. The federal special revenue increase in the proposed budget was \$195,000 per fiscal year. The difference in the legislative budget compared to the proposed budget, totaling \$175,000 per fiscal year, is due to an anticipated higher amount of federal grant funding awarded to the Montana State Library
- The legislature adopted a one-time only appropriation of state special revenue funds totaling \$400,000 per fiscal year for the continuation of the Montana State Library's hot spot program. This program was originally funded with federal American Rescue Plan Act funding, granted by the Institute of Museum and Library Services, for which the period of performance ended April 30, 2023
- Contingency language in HB 2 voided the appropriation for legislative audit, \$29,000 of general fund in FY 2024, with the passage and approval of HB 132, which modified the timing of legislative audits
- The legislature adopted an ongoing increase of \$15,000 of general fund per fiscal year for insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund. The legislature also adopted a one-time-only reduction of \$15,000 of general fund per fiscal year for the Risk Management and Tort Defense Division's insurance premium holiday. The net impact of these changes is zero and results in the designation of the insurance premium holiday as one-time-only
- The legislature adopted an additional 1.0% vacancy savings and a reduction to the statewide present law adjustment for inflation

**Language and Statutory Authority**

*The legislature adopted the following language in HB 2:*

"Statewide Library Resources includes 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 the HB 2 appropriations are included as decision packages and incorporated in the tables in the fiscal report.*

*"If HB 314 is passed and approved, the Montana State Library Commission is increased by \$2,100 general fund in FY 2024 and \$2,100 general fund in FY 2025."*

*"If HB 132 is passed and approved by the Legislature, Legislative Audit is void."*

## 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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>Fiscal 2025 |
| FTE                                   | 0.00                   | 30.46                  | 30.46                  | 30.46                      | 30.46                      |
| Personal Services                     | 3,982,274              | 4,176,840              | 2,256,740              | 2,857,842                  | 2,871,789                  |
| Operating Expenses                    | 2,249,518              | 2,555,911              | 4,196,389              | 5,166,418                  | 5,207,282                  |
| Grants                                | 474,515                | 499,961                | 475,000                | 475,000                    | 475,000                    |
| Debt Service                          | 3,043                  | 3,044                  | 0                      | 0                          | 0                          |
| <b>Total Expenditures</b>             | <b>\$6,709,350</b>     | <b>\$7,235,756</b>     | <b>\$6,928,129</b>     | <b>\$8,499,260</b>         | <b>\$8,554,071</b>         |
| General Fund                          | 2,582,110              | 2,828,689              | 2,881,472              | 3,129,636                  | 3,177,243                  |
| State/Other Special Rev. Funds        | 2,884,694              | 3,156,767              | 3,161,264              | 3,873,109                  | 3,878,502                  |
| Federal Spec. Rev. Funds              | 1,242,546              | 1,242,546              | 885,393                | 1,496,515                  | 1,498,326                  |
| Proprietary Funds                     | 0                      | 7,754                  | 0                      | 0                          | 0                          |
| <b>Total Funds</b>                    | <b>\$6,709,350</b>     | <b>\$7,235,756</b>     | <b>\$6,928,129</b>     | <b>\$8,499,260</b>         | <b>\$8,554,071</b>         |
| <b>Total Ongoing</b>                  | <b>\$6,450,710</b>     | <b>\$6,773,256</b>     | <b>\$6,465,629</b>     | <b>\$7,614,262</b>         | <b>\$7,669,073</b>         |
| <b>Total OTO</b>                      | <b>\$258,640</b>       | <b>\$462,500</b>       | <b>\$462,500</b>       | <b>\$884,998</b>           | <b>\$884,998</b>           |

## 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<br>Fund  | State<br>Special | Federal<br>Special | Total<br>Funds   |                       | FTE              | General<br>Fund  | State<br>Special | Total<br>Funds   |
| DP 1 - Personal Services                       | 0.00        | 219,584          | 283,500          | 243,066            | 746,150          | 0.00                  | 226,419          | 288,941          | 244,883          | 760,243          |
| DP 2 - Fixed Costs                             | 0.00        | (213,607)        | 0                | 0                  | (213,607)        | 0.00                  | (242,542)        | 0                | 0                | (242,542)        |
| DP 3 - Inflation Deflation                     | 0.00        | 185,816          | 0                | 0                  | 185,816          | 0.00                  | 247,695          | 0                | 0                | 247,695          |
| DP 20 - SABHRS Rate Adjustment                 | 0.00        | 133              | 0                | 0                  | 133              | 0.00                  | 133              | 0                | 0                | 133              |
| DP 30 - Motor Pool Rate Adjustment             | 0.00        | (458)            | 0                | 0                  | (458)            | 0.00                  | (429)            | 0                | 0                | (429)            |
| DP 222 - RMTD Adjustment                       | 0.00        | 15,002           | 0                | 0                  | 15,002           | 0.00                  | 15,002           | 0                | 0                | 15,002           |
| DP 223 - RMTD Adjustment (OTO)                 | 0.00        | (15,002)         | 0                | 0                  | (15,002)         | 0.00                  | (15,002)         | 0                | 0                | (15,002)         |
| DP 51507 - Off-Campus Location Lease           | 0.00        | 165,000          | 0                | 0                  | 165,000          | 0.00                  | 165,000          | 0                | 0                | 165,000          |
| <b>Grand Total All Present Law Adjustments</b> | <b>0.00</b> | <b>\$356,468</b> | <b>\$283,500</b> | <b>\$243,066</b>   | <b>\$883,034</b> | <b>0.00</b>           | <b>\$396,276</b> | <b>\$288,941</b> | <b>\$244,883</b> | <b>\$930,100</b> |

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

DP 1 - Personal Services -

The legislature 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 to 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 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 51507 - Off-Campus Location Lease -

The legislature adopted a general fund appropriation in each year of the 2025 biennium for an off-campus lease location. The Montana State Library moved from a 25,000 square-foot space in an on-campus building, rented at \$293,000 per year, to a 7,200 square-foot building, rented at \$165,000 per year. The reduction of general fund for the former location rent amount is included in DP 2 – Fixed Costs.

**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 8 - Real Time Network (RST/OTO)    | 0.00        | 0                  | 500,000          | 0                | 500,000            | 0.00                  | 0                  | 500,000          | 0                | 500,000            |
| DP 10 - Hot Spot Program (OTO)        | 0.00        | 0                  | 400,000          | 0                | 400,000            | 0.00                  | 0                  | 400,000          | 0                | 400,000            |
| DP 99 - New Fixed Costs               | 0.00        | 1,722              | 0                | 0                | 1,722              | 0.00                  | 1,722              | 0                | 0                | 1,722              |
| DP 333 - Adjustment to Inflation      | 0.00        | (64,067)           | 0                | 0                | (64,067)           | 0.00                  | (85,286)           | 0                | 0                | (85,286)           |
| DP 555 - Additional Vacancy Savings   | 0.00        | (18,949)           | (9,155)          | (1,944)          | (30,048)           | 0.00                  | (19,041)           | (9,203)          | (1,950)          | (30,194)           |
| DP 1400 - HB 314                      | 0.00        | 2,100              | 0                | 0                | 2,100              | 0.00                  | 2,100              | 0                | 0                | 2,100              |
| DP 1401 - HB 132                      | 0.00        | (29,110)           | 0                | 0                | (29,110)           | 0.00                  | 0                  | 0                | 0                | 0                  |
| DP 51506 - Increase Federal Authority | 0.00        | 0                  | 0                | 370,000          | 370,000            | 0.00                  | 0                  | 0                | 370,000          | 370,000            |
| <b>Total</b>                          | <b>0.00</b> | <b>(\$108,304)</b> | <b>\$890,845</b> | <b>\$368,056</b> | <b>\$1,150,597</b> | <b>0.00</b>           | <b>(\$100,505)</b> | <b>\$890,797</b> | <b>\$368,050</b> | <b>\$1,158,342</b> |

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

DP 8 - Real Time Network (RST/OTO) -

The legislature adopted restricted, one-time-only state special revenue funding for additional start-up costs and operational costs for the statewide Real Time Network, a network of permanent continuously operating reference stations (CORS) spread throughout the state to provide precise location data.

DP 10 - Hot Spot Program (OTO) -

The legislature adopted one-time-only state special revenue funding for the hot spots program to allow continuation of the hot spots lending program.

DP 99 - New Fixed Costs -

The legislature adopted an appropriation for the agency to provide funding for a new fixed cost for the State Management Training Center. The rates charged for this service are approved in the section of the budget that provides the services.

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 314 -

The legislature adopted contingency language to increase appropriations if HB 314 was passed and approved, and this decision package implement this language. HB 314 increased compensation for members of boards, commissions, and councils.

DP 1401 - HB 132 -

The legislature adopted contingency language to void the Legislative Audit appropriation if HB 132 was passed and approved, and this decision package implements this language. HB 132 modified the timing of audits by the legislative auditor, allowing the auditor to determine audit intervals based on agency operations, complexity of the agency's fiscal structure, and the nature and extent of previous audit findings.

DP 51506 - Increase Federal Authority -

The legislature adopted an increase to the Library's federal special revenue authority in each year of the 2025 biennium. This increase is for the Montana State Library's base federal authority to match the anticipated federal grant amounts.

**Other Issues***Proprietary Program Description*

The Montana Shared Catalog (MSC) is a cooperative project involving approximately 180 libraries in 99 Montana communities. Public school, academic, medical, and other special libraries have pooled resources to purchase a library automation system. Members enjoy the benefits of shared expertise and the ability to provide services to library customers. The Montana State Library became the fiscal agent for the MSC in FY 2008. The MSC is funded with enterprise type proprietary funds. Since proprietary funds do not require an appropriation, they are not typically included in appropriation tables. The source of the funding is from member fees paid by the libraries to belong to the MSC.

| 2025 Biennium Report on Internal Service and Enterprise Funds |                   |          |                             |  |  |
|---|-------------------|----------|-----------------------------|--|--|
| Fund  | Fund Name         | Agency # | Program Name                |  |  |
| 6021  | MT Shared Catalog | 51150    | Statewide Library Resources |  |  |

|                                 |          |          |          |          |
|---------------------------------|----------|----------|----------|----------|
|                                 | Actual   | Budgeted | Budgeted | Budgeted |
|                                 | FY 22    | FY 23    | FY 24    | FY 25    |
| <hr/>                           |          |          |          |          |
| Operating Revenues              |          |          |          |          |
| Fees and Charges                | 448,867  | 458,583  | 472,340  | 472,340  |
| Total Operating Revenues        | 448,867  | 458,583  | 472,340  | 472,340  |
| <br>                            |          |          |          |          |
| Expenses                        |          |          |          |          |
| Personal Services               | 297,771  | 214,662  | 221,102  | 227,735  |
| Other Operating Expense         | 204,318  | 204,568  | 210,705  | 217,026  |
| Total Operating Expense         | 502,089  | 419,230  | 431,807  | 444,761  |
| <br>                            |          |          |          |          |
| Operating Income (Loss)         | (53,221) | 39,353   | 40,534   | 27,579   |
| <hr/>                           |          |          |          |          |
| <br>                            |          |          |          |          |
| Beginning Net Position - July 1 | 211,714  | 158,492  | 197,845  | 238,379  |
| Prior Period Adjustments        |          |          |          |          |
| Change in Net Position          | (53,221) | 39,353   | 40,534   | 27,579   |
| <hr/>                           |          |          |          |          |
| Ending Net Position - June 30   | 158,492  | 197,845  | 238,379  | 265,958  |
| <hr/>                           |          |          |          |          |

*Proprietary Revenue and Expenses*

The MSC members pay membership dues that are used to pay operating expenses. There are approximately 180 member libraries that pay membership fees each year. Expenditures include personal services for 2.62 FTE and the payment of required fees for software licensing, user interface, indexing to make the system run, payment for required yearly catalog director station maintenance, travel budget for meeting with stakeholders and conference attendance, member training, and equipment replacement.

*Proprietary Rate Explanation*

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

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



**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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change | Biennium<br>% Change |
| Personal Services              | 7,456,471                    | 10,386,117                  | 2,929,646          | 39.29 %              |
| Operating Expenses             | 3,647,066                    | 5,761,634                   | 2,114,568          | 57.98 %              |
| Equipment & Intangible Assets  | 224,821                      | 192,020                     | (32,801)           | (14.59)%             |
| Grants                         | 174,240                      | 174,240                     | 0                  | 0.00 %               |
| Debt Service                   | 356,674                      | 375,828                     | 19,154             | 5.37 %               |
| <b>Total Expenditures</b>      | <b>\$11,859,272</b>          | <b>\$16,889,839</b>         | <b>\$5,030,567</b> | <b>42.42 %</b>       |
| General Fund                   | 6,955,289                    | 7,742,903                   | 787,614            | 11.32 %              |
| State/Other Special Rev. Funds | 1,903,860                    | 5,335,859                   | 3,431,999          | 180.27 %             |
| Federal Spec. Rev. Funds       | 1,817,506                    | 1,910,773                   | 93,267             | 5.13 %               |
| Proprietary Funds              | 1,182,617                    | 1,900,304                   | 717,687            | 60.69 %              |
| <b>Total Funds</b>             | <b>\$11,859,272</b>          | <b>\$16,889,839</b>         | <b>\$5,030,567</b> | <b>42.42 %</b>       |
| <b>Total Ongoing</b>           | <b>\$11,859,272</b>          | <b>\$16,574,481</b>         | <b>\$4,715,209</b> | <b>39.76 %</b>       |
| <b>Total OTO</b>               | <b>\$0</b>                   | <b>\$315,358</b>            | <b>\$315,358</b>   | <b>100.00 %</b>      |

**Agency Description**

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

## Agency Highlights

**Montana Historical Society  
Major Budget Highlights**

The legislature adopted a biennial budget for the Montana Historical Society which is 42.4% or \$5.0 million greater than the previous biennium. The increase is due in large part to the operation and staffing of the new Heritage Center (SB 338, 2019). Most of this increase will be funded by state special revenues from accommodations taxes. Approved changes include the following:

- Statewide present law increases totaling \$2.5 million for the biennium the majority of the increase is for SWPL 2, fixed costs, due to additional rent for the expanded space. This is offset by the one-time-only insurance payment holiday, a reduction to inflation in the amount of \$77,440, and a 1.0% increase in vacancy savings which totals \$116,110
- A fund switch of \$823,930 of authority for operating and maintenance (O&M) from general fund to state special revenue funds from accommodation taxes
- A one-time-only appropriation on \$48,000 for archiving legislative records
- Additional moving and rent costs for an interim location for employees displaced by construction totaling \$242,358 general fund
- The legislature adopted language to void the biennial restricted audit appropriation contingent on passage and approval of HB 132
- 24.46 additional FTE, a total FTE increase of 45.0%, totaling \$3.1 million for the biennium to staff the new Montana Heritage Center. The legislature approved a phase in of these FTE with 12.64 added in the first year and 11.82 more added in FY 25. These FTE are distributed as follows:
  - Administration program: 15.00 FTE of which 8.00 FTE are approved for first year - \$1.4 million state special revenue for the biennium
  - Research center: 3.00 FTE of which 1.00 is approved for the first year - \$295,208 state special revenue
  - Museum Program: 4.00 FTE of which 2.00 are approved for the first year - \$442,697 state special revenue
  - Education program: 2.46 FTE of which 1.64 are approved for the first year - \$206,679 state special revenue

### 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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>Fiscal 2025 |
| FTE                                  | 0.00                   | 54.38                  | 54.38                  | 67.02                      | 78.84                      |
| Personal Services                    | 3,674,186              | 3,682,783              | 3,773,688              | 4,853,279                  | 5,532,838                  |
| Operating Expenses                   | 1,717,472              | 1,795,751              | 1,851,315              | 2,802,242                  | 2,959,392                  |
| Equipment & Intangible Assets        | 128,524                | 128,811                | 96,010                 | 96,010                     | 96,010                     |
| Grants                               | 87,000                 | 87,120                 | 87,120                 | 87,120                     | 87,120                     |
| Debt Service                         | 168,757                | 168,760                | 187,914                | 187,914                    | 187,914                    |
| <b>Total Expenditures</b>            | <b>\$5,775,939</b>     | <b>\$5,863,225</b>     | <b>\$5,996,047</b>     | <b>\$8,026,565</b>         | <b>\$8,863,274</b>         |
| General Fund                         | 3,371,867              | 3,417,538              | 3,537,751              | 4,251,192                  | 3,491,711                  |
| State/Other Special Rev. Funds       | 943,273                | 951,897                | 951,963                | 1,914,908                  | 3,420,951                  |
| Federal Spec. Rev. Funds             | 892,054                | 903,737                | 913,769                | 952,882                    | 957,891                    |
| Proprietary Funds                    | 568,745                | 590,053                | 592,564                | 907,583                    | 992,721                    |
| <b>Total Funds</b>                   | <b>\$5,775,939</b>     | <b>\$5,863,225</b>     | <b>\$5,996,047</b>     | <b>\$8,026,565</b>         | <b>\$8,863,274</b>         |
| <b>Total Ongoing</b>                 | <b>\$5,775,939</b>     | <b>\$5,863,225</b>     | <b>\$5,996,047</b>     | <b>\$7,818,742</b>         | <b>\$8,755,739</b>         |
| <b>Total OTO</b>                     | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             | <b>\$207,823</b>           | <b>\$107,535</b>           |

### Summary of Legislative Action

The legislature approved several changes for the 2025 biennium. The agency will receive a total of 24.46 FTE for operation of the new Montana Heritage Center which will be opening in 2025. Roughly half of the new FTE were approved for FY 2024, with the remaining FTE authorized to be hired in FY 2025. These FTE are spread across 4 programs, see the highlights table for a summary. All new FTE and increased operating costs for the Heritage Center will be funded with accommodations tax. The legislature also approved a fund switch in order to implement the change to accommodation tax distribution that will begin January of 2025, following the completion of the heritage center. All new FTE and operations and maintenance of the center will be funded with state special revenue from accommodations taxes. An appropriation for an off-campus location was approved by the legislature to house employees while they are displaced during construction of the Heritage Center and the remodel of the Veterans and Pioneers memorial building.

### Funding

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

| Total Montana Historical Society Funding by Source of Authority<br>2025 Biennium Budget Request - Montana Historical Society |                     |                  |                             |                            |                      |                      |
|--|---------------------|------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds  | HB2<br>Ongoing      | HB2<br>OTO       | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>All Funds |
| General Fund   | 7,475,545           | 267,358          | 0                           | 0                          | 7,742,903            | 40.91 %              |
| State Special Total  | 5,287,859           | 48,000           | 0                           | 2,037,389                  | 7,373,248            | 38.96 %              |
| Federal Special Total  | 1,910,773           | 0                | 0                           | 0                          | 1,910,773            | 10.10 %              |
| Proprietary Total  | 1,900,304           | 0                | 0                           | 0                          | 1,900,304            | 10.04 %              |
| Other Total  | 0                   | 0                | 0                           | 0                          | 0                    | 0.00 %               |
| <b>Total All Funds</b>   | <b>\$16,574,481</b> | <b>\$315,358</b> | <b>\$0</b>                  | <b>\$2,037,389</b>         | <b>\$18,927,228</b>  |                      |
| <b>Percent - Total All Sources</b>   | <b>87.57 %</b>      | <b>1.67 %</b>    | <b>0.00 %</b>               | <b>10.76 %</b>             |                      |                      |

The agency is funded through a combination of general fund, state special revenue, federal special, and proprietary revenue as shown in the table above. State special revenue funding will increase nearly threefold over the previous biennium in order to fund operating and maintenance (O&M) and new FTE for the Montana Heritage Center (MHC). A total of 6.0% of the lodging tax will be distributed to the MHC for this purpose.

*Statutory Appropriations*

The Montana Historical Society has several state special revenue funds that are statutorily appropriated. These include:

- Montana Historical Society membership state special revenue fund
- Original Governor's mansion state special revenue fund
- Sites and signs state special revenue fund
- Lewis and Clark license plates state special revenue fund

The statutory appropriations will be discussed in further detail at the program level.

**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 |                        |                       |                          |                      |                       |                       |                          |                      |
|----------------------------|------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
|                            | -----General Fund----- |                       |                          |                      | -----Total Funds----- |                       |                          |                      |
| Budget Item                | Budget<br>Fiscal 2024  | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget |
| 2023 Base Budget           | 3,537,751              | 3,537,751             | 7,075,502                | 91.38 %              | 5,996,047             | 5,996,047             | 11,992,094               | 71.00 %              |
| SWPL Adjustments           | 660,903                | 731,375               | 1,392,278                | 17.98 %              | 1,150,721             | 1,345,033             | 2,495,754                | 14.78 %              |
| PL Adjustments             | 428                    | 326                   | 754                      | 0.01 %               | 514                   | 418                   | 932                      | 0.01 %               |
| New Proposals              | 52,110                 | (777,741)             | (725,631)                | (9.37)%              | 879,283               | 1,521,776             | 2,401,059                | 14.22 %              |
| <b>Total Budget</b>        | <b>\$4,251,192</b>     | <b>\$3,491,711</b>    | <b>\$7,742,903</b>       |                      | <b>\$8,026,565</b>    | <b>\$8,863,274</b>    | <b>\$16,889,839</b>      |                      |

**Other Legislation**

HB 132 - *Modify timing of legislative audits* - makes timing of audits risk based rather than biennial for this agency

HB 377 - *Create a 250th commission for Montana* - establishes the Montana 250th Commission and allocates administrative responsibility of the Commission to MTHS and appropriates \$177,557 to MTHS starting in the 2025 biennium and continuing into the 2027 biennium

HB 855 - *Provide for plaque or tribute commemorating Chuck Johnson* - Directs the MTHS to administer funds, procure, install, and maintain a plaque memorializing Chuck Johnson

HB 920 - *Revise capitol complex laws recognizing US senator Thomas Carter* - Provides a \$100 appropriation. Directs the MTHS to administer funds for a commemorative plaque or bust, with funds raised from private donors

HB 946 - *Implement provision of HB 2 - Section E - Education* - The interim budget committee will direct a study of potential services the Department of Administration may be able to perform for the Historical Society, State Library, and Arts Council to create operating efficiencies

**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.<br>Fiscal 2023 | Executive<br>Budget<br>Fiscal 2024 | Legislative<br>Budget<br>Fiscal 2024 | Leg — Exec.<br>Difference<br>Fiscal 2024 | Executive<br>Budget<br>Fiscal 2025 | Legislative<br>Budget<br>Fiscal 2025 | Leg — Exec.<br>Difference<br>Fiscal 2025 | Biennium<br>Difference<br>Fiscal 24-25 |
| FTE                               | 54.38                  | 78.84                              | 67.02                                | (11.82)                                  | 78.84                              | 78.84                                | 0.00                                     | 0.00                                   |
| Personal Services                 | 3,773,688              | 5,603,545                          | 4,853,279                            | (750,266)                                | 5,591,078                          | 5,532,838                            | (58,240)                                 | (808,506)                              |
| Operating Expenses                | 1,851,315              | 2,753,938                          | 2,802,242                            | 48,304                                   | 2,863,307                          | 2,959,392                            | 96,085                                   | 144,389                                |
| Equipment & Intangible Assets     | 96,010                 | 96,010                             | 96,010                               | 0  | 96,010                             | 96,010                               | 0  | 0                                      |
| Grants                            | 87,120                 | 87,120                             | 87,120                               | 0  | 87,120                             | 87,120                               | 0  | 0                                      |
| Debt Service                      | 187,914                | 187,914                            | 187,914                              | 0  | 187,914                            | 187,914                              | 0  | 0                                      |
| <b>Total Costs</b>                | <b>\$5,996,047</b>     | <b>\$8,728,527</b>                 | <b>\$8,026,565</b>                   | <b>(\$701,962)</b>                       | <b>\$8,825,429</b>                 | <b>\$8,863,274</b>                   | <b>\$37,845</b>                          | <b>(\$664,117)</b>                     |
| General Fund                      | 3,537,751              | 4,199,767                          | 4,251,192                            | 51,425                                   | 3,446,309                          | 3,491,711                            | 45,402                                   | 96,827                                 |
| State/other Special Rev.<br>Funds | 951,963                | 2,642,911                          | 1,914,908                            | (728,003)                                | 3,399,328                          | 3,420,951                            | 21,623                                   | (706,380)                              |
| Federal Spec. Rev. Funds          | 913,769                | 967,860                            | 952,882                              | (14,978)                                 | 974,451                            | 957,891                              | (16,560)                                 | (31,538)                               |
| Other                             | 592,564                | 917,989                            | 907,583                              | (10,406)                                 | 1,005,341                          | 992,721                              | (12,620)                                 | (23,026)                               |
| <b>Total Funds</b>                | <b>\$5,996,047</b>     | <b>\$8,728,527</b>                 | <b>\$8,026,565</b>                   | <b>(\$701,962)</b>                       | <b>\$8,825,429</b>                 | <b>\$8,863,274</b>                   | <b>\$37,845</b>                          | <b>(\$664,117)</b>                     |
| <b>Total Ongoing</b>              | <b>\$5,996,047</b>     | <b>\$8,680,527</b>                 | <b>\$7,818,742</b>                   | <b>(\$861,785)</b>                       | <b>\$8,825,429</b>                 | <b>\$8,755,739</b>                   | <b>(\$69,690)</b>                        | <b>(\$931,475)</b>                     |
| <b>Total OTO</b>                  | <b>\$0</b>             | <b>\$48,000</b>                    | <b>\$207,823</b>                     | <b>\$159,823</b>                         | <b>\$0</b>                         | <b>\$107,535</b>                     | <b>\$107,535</b>                         | <b>\$267,358</b>                       |

The legislature adopted an ongoing budget that is \$664,117 lower than the executive's request. The difference consists of legislative adjustments reducing inflation, increasing vacancy savings, and reducing the amount of new FTE in the first year of the biennium. The legislature also adopted a one-time-only agency request for additional rent and moving costs for an interim location for employees displaced by construction and renovations.

**Language and Statutory Authority**

The legislature adopted the following language in HB 2:

"The Administration Program includes 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."

"If HB 132 is passed and approved by the Legislature, Legislative Audit is void."

### 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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change | Biennium<br>% Change |
| Personal Services              | 2,134,816                    | 3,796,032                   | 1,661,216          | 77.82 %              |
| Operating Expenses             | 875,218                      | 1,742,417                   | 867,199            | 99.08 %              |
| <b>Total Expenditures</b>      | <b>\$3,010,034</b>           | <b>\$5,538,449</b>          | <b>\$2,528,415</b> | <b>84.00 %</b>       |
| General Fund                   | 2,373,087                    | 3,003,504                   | 630,417            | 26.57 %              |
| State/Other Special Rev. Funds | 3,458                        | 1,653,438                   | 1,649,980          | 47,714.86 %          |
| Federal Spec. Rev. Funds       | 219,324                      | 259,109                     | 39,785             | 18.14 %              |
| Proprietary Funds              | 414,165                      | 622,398                     | 208,233            | 50.28 %              |
| <b>Total Funds</b>             | <b>\$3,010,034</b>           | <b>\$5,538,449</b>          | <b>\$2,528,415</b> | <b>84.00 %</b>       |
| <b>Total Ongoing</b>           | <b>\$3,010,034</b>           | <b>\$5,296,091</b>          | <b>\$2,286,057</b> | <b>75.95 %</b>       |
| <b>Total OTO</b>               | <b>\$0</b>                   | <b>\$242,358</b>            | <b>\$242,358</b>   | <b>100.00 %</b>      |

### Program Description

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

## Program Highlights

**Administration Program  
Major Budget Highlights**

The legislature approved an increase for the 2025 biennium of approximately \$2.5 million or 84.0% over the administration program's 2023 biennium budget. This includes the following adjustments

- An additional 15.00 FTE for staffing of the expanded Montana Heritage Center. With 8.00 FTE totaling approximately \$500,000 approved for FY 2024 and the remaining 7.00 FTE approved to begin the following fiscal year for a total ongoing increase of approximately \$900,000 annually. These FTE will be funded with state special funds derived from accommodations taxes. Positions include guards, guest services, a human resources specialist, merchandise staff, information technology (IT) staff, a facilities specialist, and an accountant
- A fund switch in FY 2025 of \$270,159 general fund to state special revenue for operations and maintenance of the Heritage Center.
- A one-time-only increase of approximately \$250,000 for the biennium to cover rent and moving costs for temporary displacement of the agency an off-campus location during renovation and construction activities
- A temporary holiday of Risk Management and Tort Defense payments
- An additional 1.0% vacancy savings totalling approximately \$44,000 for the biennium
- A reduction in audit costs as a result of [HB 132](#) which makes the audit for this agency risk-based rather than biennial

## 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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>Fiscal 2025 |
| FTE                                   | 0.00                   | 14.68                  | 14.68                  | 22.68                      | 29.68                      |
| Personal Services                     | 1,062,885              | 1,071,475              | 1,063,341              | 1,699,855                  | 2,096,177                  |
| Operating Expenses                    | 407,420                | 454,327                | 420,891                | 837,556                    | 904,861                    |
| <b>Total Expenditures</b>             | <b>\$1,470,305</b>     | <b>\$1,525,802</b>     | <b>\$1,484,232</b>     | <b>\$2,537,411</b>         | <b>\$3,001,038</b>         |
| General Fund                          | 1,162,127              | 1,207,799              | 1,165,288              | 1,615,024                  | 1,388,480                  |
| State/Other Special Rev. Funds        | 21                     | 1,729                  | 1,729                  | 498,787                    | 1,154,651                  |
| Federal Spec. Rev. Funds              | 103,168                | 108,972                | 110,352                | 129,188                    | 129,921                    |
| Proprietary Funds                     | 204,989                | 207,302                | 206,863                | 294,412                    | 327,986                    |
| <b>Total Funds</b>                    | <b>\$1,470,305</b>     | <b>\$1,525,802</b>     | <b>\$1,484,232</b>     | <b>\$2,537,411</b>         | <b>\$3,001,038</b>         |
| <b>Total Ongoing</b>                  | <b>\$1,470,305</b>     | <b>\$1,525,802</b>     | <b>\$1,484,232</b>     | <b>\$2,402,588</b>         | <b>\$2,893,503</b>         |
| <b>Total OTO</b>                      | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             | <b>\$134,823</b>           | <b>\$107,535</b>           |

**Funding**

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

| Montana Historical Society, 01-Administration Program<br>Funding by Source of Authority |                    |                             |                            |                      |                      |  |
|---|--------------------|-----------------------------|----------------------------|----------------------|----------------------|--|
| Funds   | HB2                | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>All Funds |  |
| 01100 General Fund  | 3,003,504          | 0                           | 0                          | 3,003,504            | 52.17 %              |  |
| 02041 MHS Membership  | 0                  | 0                           | 218,989                    | 218,989              | 11.70 %              |  |
| 02188 Senate Art  | 3,458              | 0                           | 0                          | 3,458                | 0.18 %               |  |
| 02853 Accommodation Tax   | 1,649,980          | 0                           | 0                          | 1,649,980            | 88.12 %              |  |
| <b>State Special Total</b>  | <b>\$1,653,438</b> | <b>\$0</b>                  | <b>\$218,989</b>           | <b>\$1,872,427</b>   | <b>32.52 %</b>       |  |
| 03021 Historic Sites Preservation   | 259,109            | 0                           | 0                          | 259,109              | 100.00 %             |  |
| <b>Federal Special Total</b>  | <b>\$259,109</b>   | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$259,109</b>     | <b>4.50 %</b>        |  |
| 06071 Merchandise - Historical Soc  | 545,065            | 0                           | 0                          | 545,065              | 87.58 %              |  |
| 06073 Historical Society Management   | 77,333             | 0                           | 0                          | 77,333               | 12.43 %              |  |
| <b>Proprietary Total</b>  | <b>\$622,398</b>   | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$622,398</b>     | <b>10.81 %</b>       |  |
| <b>Total All Funds</b>  | <b>\$5,538,449</b> | <b>\$0</b>                  | <b>\$218,989</b>           | <b>\$5,757,438</b>   |                      |  |

**HB 2 Appropriations**

The Administration Program has been primarily funded in HB 2 with general fund in the past, however due to the new distribution of lodging taxes the program will receive nearly half of its funding from state special revenue by the end of the biennium. The program also receives a small amount of state special revenue from the sale of Lewis and Clark medallions and bronze replicas of the "We Proceeded On" bronze relief located in the Senate chamber. This state special revenue funding is used for the care and maintenance of the original bronze relief.

The program also receives federal funds generated through indirect cost recoveries and proprietary funds from museum entrance fees, lobby rentals, and merchandise sales.

**Statutory Appropriations**

The Administration Program has one statutorily appropriated state special revenue fund. The Montana Historical Society membership fund receives revenue from the purchase of memberships to the Montana Historical Society. This funding must be used for the improvement, development, and operation of the MTHS.

**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<br>Fiscal 2024  | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget |
| 2023 Base Budget           | 1,165,288              | 1,165,288             | 2,330,576                | 77.60 %              | 1,484,232             | 1,484,232             | 2,968,464                | 53.60 %              |
| SWPL Adjustments           | 385,707                | 408,415               | 794,122                  | 26.44 %              | 505,011               | 564,644               | 1,069,655                | 19.31 %              |
| PL Adjustments             | 394                    | 342                   | 736                      | 0.02 %               | 528                   | 499                   | 1,027                    | 0.02 %               |
| New Proposals              | 63,635                 | (185,565)             | (121,930)                | (4.06)%              | 547,640               | 951,663               | 1,499,303                | 27.07 %              |
| <b>Total Budget</b>        | <b>\$1,615,024</b>     | <b>\$1,388,480</b>    | <b>\$3,003,504</b>       |                      | <b>\$2,537,411</b>    | <b>\$3,001,038</b>    | <b>\$5,538,449</b>       |                      |



**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        | 157,200          | 0             | 18,607          | 183,757          | 0.00                  | 164,023          | 0             | 19,365          | 191,738          |
| DP 2 - Fixed Costs                             |             |                  |               |                 |                  |                       |                  |               |                 |                  |
|  | 0.00        | 222,838          | 0             | 0               | 298,578          | 0.00                  | 237,860          | 0             | 0               | 346,778          |
| DP 3 - Inflation Deflation                     |             |                  |               |                 |                  |                       |                  |               |                 |                  |
|  | 0.00        | 5,669            | 0             | 5,669           | 22,676           | 0.00                  | 6,532            | 0             | 6,532           | 26,128           |
| DP 20 - SABHRS Rate Adjustment                 |             |                  |               |                 |                  |                       |                  |               |                 |                  |
|  | 0.00        | 394              | 0             | 0               | 528              | 0.00                  | 342              | 0             | 0               | 499              |
| DP 222 - RMTD Adjustment                       |             |                  |               |                 |                  |                       |                  |               |                 |                  |
|  | 0.00        | 82,110           | 0             | 0               | 110,018          | 0.00                  | 75,463           | 0             | 0               | 110,018          |
| DP 223 - RMTD Adjustment (OTO)                 |             |                  |               |                 |                  |                       |                  |               |                 |                  |
|  | 0.00        | (82,110)         | 0             | 0               | (110,018)        | 0.00                  | (75,463)         | 0             | 0               | (110,018)        |
| <b>Grand Total All Present Law Adjustments</b> |             |                  |               |                 |                  |                       |                  |               |                 |                  |
|  | <b>0.00</b> | <b>\$386,101</b> | <b>\$0</b>    | <b>\$24,276</b> | <b>\$505,539</b> | <b>0.00</b>           | <b>\$408,757</b> | <b>\$0</b>    | <b>\$25,897</b> | <b>\$565,143</b> |

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

**DP 1 - Personal Services -**

The legislature 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 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 99 - New Fixed Costs  | 0.00        | 421             | 0                | 0                | 535              | 0.00                  | 421                | 0                  | 0                | 535              |
| DP 333 - Adjustment to Inflation                                     | 0.00        | (3,403)         | 0                | (3,403)          | (13,613)         | 0.00                  | (4,276)            | 0                  | (4,276)          | (17,105)         |
| DP 555 - Additional Vacancy Savings                                  | 0.00        | (18,944)        | 0                | (2,037)          | (21,901)         | 0.00                  | (19,086)           | 0                  | (2,052)          | (22,065)         |
| DP 1401 - HB 132   | 0.00        | (49,262)        | 0                | 0                | (49,262)         | 0.00                  | 0                  | 0                  | 0                | 0                |
| DP 51701 - MT Heritage Center FTE                                    | 8.00        | 0               | 497,058          | 0                | 497,058          | 15.00                 | 0                  | 882,763            | 0                | 882,763          |
| DP 51705 - Fund Switch O&M Costs                                     | 0.00        | 0               | 0                | 0                | 0                | 0.00                  | (270,159)          | 270,159            | 0                | 0                |
| DP 51707 - Temporary Location Rent and Moving Costs (Restricted/OTO) | 0.00        | 134,823         | 0                | 0                | 134,823          | 0.00                  | 107,535            | 0                  | 0                | 107,535          |
| <b>Total</b>   | <b>8.00</b> | <b>\$63,635</b> | <b>\$497,058</b> | <b>(\$5,440)</b> | <b>\$547,640</b> | <b>15.00</b>          | <b>(\$185,565)</b> | <b>\$1,152,922</b> | <b>(\$6,328)</b> | <b>\$951,663</b> |

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

**DP 99 - New Fixed Costs -**

The legislature adopted an appropriation for the agency to provide funding for a new fixed cost for the State Management Training Center. The rates charged for this service are approved in the section of the budget that provides the services.

**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 1401 - HB 132 -**

The legislature adopted contingency language to reduce appropriations if HB 132 was passed and approved and this decision package implements this language. HB 132 modifies the timing of legislative audits, providing for a transition from biennial audits, to allowing the auditor to select agencies for auditing based on certain considerations.

DP 51701 - MT Heritage Center FTE -

The legislature adopted an increase of 15.00 FTE to be funded with state special revenue lodging facility use taxes. The positions approved in this program include guards, guest services, human resources specialist, merchandise staff, information technology staff, facilities specialist, and an accountant. An office furniture package and computer package is included as operating costs in FY 2024 for each FTE.

DP 51705 - Fund Switch O&M Costs -

The legislature adopted a reduction to operation and maintenance expenses in the general fund and moved those costs to the state special revenue account for operations and maintenance funded with accommodations taxes in FY 2025.

DP 51707 - Temporary Location Rent and Moving Costs (Restricted/OTO) -

The legislature adopted a one-time-only appropriation to cover rent and moving costs associated with a temporary location during the 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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change | Biennium<br>% Change |
| Personal Services              | 1,740,892                    | 2,227,618                   | 486,726            | 27.96 %              |
| Operating Expenses             | 914,261                      | 1,281,325                   | 367,064            | 40.15 %              |
| Equipment & Intangible Assets  | 218,021                      | 178,430                     | (39,591)           | (18.16)%             |
| <b>Total Expenditures</b>      | <b>\$2,873,174</b>           | <b>\$3,687,373</b>          | <b>\$814,199</b>   | <b>28.34 %</b>       |
| General Fund                   | 2,313,049                    | 2,464,015                   | 150,966            | 6.53 %               |
| State/Other Special Rev. Funds | 489,879                      | 1,152,937                   | 663,058            | 135.35 %             |
| Proprietary Funds              | 70,246                       | 70,421                      | 175                | 0.25 %               |
| <b>Total Funds</b>             | <b>\$2,873,174</b>           | <b>\$3,687,373</b>          | <b>\$814,199</b>   | <b>28.34 %</b>       |
| <b>Total Ongoing</b>           | <b>\$2,873,174</b>           | <b>\$3,639,373</b>          | <b>\$766,199</b>   | <b>26.67 %</b>       |
| <b>Total OTO</b>               | <b>\$0</b>                   | <b>\$48,000</b>             | <b>\$48,000</b>    | <b>100.00 %</b>      |

### Program Description

The Research Center Program consists of the library, archives, and photograph archives functions. This program acquires, organizes, preserves, makes accessible to the public and assists researchers with published materials, historic records and manuscripts, photographs and related media, digitized materials available online and oral histories illustrative of the history of Montana and the surrounding region. By statute, this program houses the official archives of state government.

### Program Highlights

| Research Center<br>Major Budget Highlights   |
|--|
| <p>The legislature approved an overall biennial increase of 28.3% to the research center program. This request includes:</p> <ul style="list-style-type: none"> <li>• An increase to statewide present law totaling \$398,531 for the biennium, with most of the adjustment going to increased fixed costs for the Heritage Center</li> <li>• A total increase of 3.00 FTE for the biennium with 1.00 FTE approved for a project management specialist in FY 2024 and 2.00 more FTE for archivists in FY 2025. The increase includes \$2,800 of operating expenses for an office furniture/computer package for each position</li> <li>• A fund switch for when the accommodation tax distribution changes on January 1, 2025 for O&amp;M. This will replace \$302,792 of general fund with state special funds</li> <li>• New fixed costs for the State Management Training Center</li> <li>• A one-time-only appropriation of \$48,000 for archiving legislative records</li> <li>• An additional 1.0% vacancy savings, approximately \$12,000 general fund per fiscal year</li> </ul> |

### 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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>Fiscal 2025 |
| FTE                                   | 0.00                   | 13.50                  | 13.50                  | 14.50                      | 16.50                      |
| Personal Services                     | 813,971                | 813,968                | 926,924                | 1,077,550                  | 1,150,068                  |
| Operating Expenses                    | 432,635                | 435,543                | 478,718                | 621,623                    | 659,702                    |
| Equipment & Intangible Assets         | 128,524                | 128,806                | 89,215                 | 89,215                     | 89,215                     |
| <b>Total Expenditures</b>             | <b>\$1,375,130</b>     | <b>\$1,378,317</b>     | <b>\$1,494,857</b>     | <b>\$1,788,388</b>         | <b>\$1,898,985</b>         |
| General Fund                          | 1,098,246              | 1,098,248              | 1,214,801              | 1,362,903                  | 1,101,112                  |
| State/Other Special Rev. Funds        | 244,849                | 244,945                | 244,934                | 390,272                    | 762,665                    |
| Proprietary Funds                     | 32,035                 | 35,124                 | 35,122                 | 35,213                     | 35,208                     |
| <b>Total Funds</b>                    | <b>\$1,375,130</b>     | <b>\$1,378,317</b>     | <b>\$1,494,857</b>     | <b>\$1,788,388</b>         | <b>\$1,898,985</b>         |
| <b>Total Ongoing</b>                  | <b>\$1,375,130</b>     | <b>\$1,378,317</b>     | <b>\$1,494,857</b>     | <b>\$1,740,388</b>         | <b>\$1,898,985</b>         |
| <b>Total OTO</b>                      | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             | <b>\$48,000</b>            | <b>\$0</b>                 |

### Funding

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

| Montana Historical Society, 02-Research Center<br>Funding by Source of Authority |                    |                             |                            |                      |                      |
|--|--------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds  | HB2                | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>All Funds |
| 01100 General Fund   | 2,464,015          | 0                           | 0                          | 2,464,015            | 66.82 %              |
| 02131 HIS/LSD MOU  | 48,000             | 0                           | 0                          | 48,000               | 4.16 %               |
| 02853 Accommodation Tax  | 1,104,937          | 0                           | 0                          | 1,104,937            | 95.84 %              |
| <b>State Special Total</b>   | <b>\$1,152,937</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$1,152,937</b>   | <b>31.27 %</b>       |
| <b>Federal Special Total</b>   | <b>\$0</b>         | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| 06072 MHS Photo Archives Enterprise  | 33,608             | 0                           | 0                          | 33,608               | 47.72 %              |
| 06076 MHS Library Enterprise Funds   | 36,813             | 0                           | 0                          | 36,813               | 52.28 %              |
| <b>Proprietary Total</b>   | <b>\$70,421</b>    | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$70,421</b>      | <b>1.91 %</b>        |
| <b>Total All Funds</b>   | <b>\$3,687,373</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$3,687,373</b>   |                      |

The Research Center is primarily funded with general fund. The program also receives state special revenue from the lodging tax, as well as funding from two proprietary funds that receive revenue from the sale of historical photo reproductions and images and research requests.

**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<br>Fiscal 2024  | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget |
| 2023 Base Budget           | 1,214,801              | 1,214,801             | 2,429,602                | 98.60 %              | 1,494,857             | 1,494,857             | 2,989,714                | 81.08 %              |
| SWPL Adjustments           | 164,247                | 206,467               | 370,714                  | 15.05 %              | 176,999               | 221,532               | 398,531                  | 10.81 %              |
| PL Adjustments             | 126                    | 100                   | 226                      | 0.01 %               | 126                   | 100                   | 226                      | 0.01 %               |
| New Proposals              | (16,271)               | (320,256)             | (336,527)                | (13.66)%             | 116,406               | 182,496               | 298,902                  | 8.11 %               |
| <b>Total Budget</b>        | <b>\$1,362,903</b>     | <b>\$1,101,112</b>    | <b>\$2,464,015</b>       |                      | <b>\$1,788,388</b>    | <b>\$1,898,985</b>    | <b>\$3,687,373</b>       |                      |

**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<br>Fund  | State<br>Special | Federal<br>Special | Total<br>Funds   | FTE                   | General<br>Fund  | State<br>Special | Federal<br>Special | Total<br>Funds   |
| DP 1 - Personal Services                       | 0.00                  | 30,872           | 0                | 0                  | 30,872           | 0.00                  | 35,039           | 0                | 0                  | 35,039           |
| DP 2 - Fixed Costs                             | 0.00                  | 121,138          | 424              | 0                  | 121,653          | 0.00                  | 156,860          | 410              | 0                  | 157,356          |
| DP 3 - Inflation Deflation                     | 0.00                  | 12,237           | 12,237           | 0                  | 24,474           | 0.00                  | 14,568           | 14,569           | 0                  | 29,137           |
| DP 20 - SABHRS Rate Adjustment                 | 0.00                  | 126              | 0                | 0                  | 126              | 0.00                  | 100              | 0                | 0                  | 100              |
| <b>Grand Total All Present Law Adjustments</b> | <b>0.00</b>           | <b>\$164,373</b> | <b>\$12,661</b>  | <b>\$0</b>         | <b>\$177,125</b> | <b>0.00</b>           | <b>\$206,567</b> | <b>\$14,979</b>  | <b>\$0</b>         | <b>\$221,632</b> |

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

**DP 1 - Personal Services -**

The legislature 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 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.

## 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 99 - New Fixed Costs  | 0.00        | 492               | 0                | 0               | 492              | 0.00                  | 492                | 0                | 0               | 492              |
| DP 333 - Adjustment to Inflation                               | 0.00        | (4,720)           | (4,720)          | 0               | (9,440)          | 0.00                  | (5,850)            | (5,851)          | 0               | (11,701)         |
| DP 555 - Additional Vacancy Savings                            | 0.00        | (12,043)          | 0                | 0               | (12,043)         | 0.00                  | (12,106)           | 0                | 0               | (12,106)         |
| DP 51701 - MT Heritage Center FTE                              | 1.00        | 0                 | 89,397           | 0               | 89,397           | 3.00                  | 0                  | 205,811          | 0               | 205,811          |
| DP 51705 - Fund Switch O&M Costs                               | 0.00        | 0                 | 0                | 0               | 0                | 0.00                  | (302,792)          | 302,792          | 0               | 0                |
| DP 51706 - Legislative Archive Costs (Restricted/Biennial/OTO) | 0.00        | 0                 | 48,000           | 0               | 48,000           | 0.00                  | 0                  | 0                | 0               | 0                |
| <b>Total</b>   | <b>1.00</b> | <b>(\$16,271)</b> | <b>\$132,677</b> | <b>\$0</b>      | <b>\$116,406</b> | <b>3.00</b>           | <b>(\$320,256)</b> | <b>\$502,752</b> | <b>\$0</b>      | <b>\$182,496</b> |

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

### DP 99 - New Fixed Costs -

The legislature adopted an appropriation for the agency to provide funding for a new fixed cost for the State Management Training Center. The rates charged for this service are approved in the section of the budget that provides the services.

### 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 51701 - MT Heritage Center FTE -

The legislature adopted an increase of 3.00 FTE to be funded with state special revenue lodging facility use taxes. The positions include a digital projects specialist, an archivist, and a photo/film specialist. This includes an office package and computer package in FY 2024 for each FTE.

### DP 51705 - Fund Switch O&M Costs -

The legislature adopted a decision package to reduce operation and maintenance expenses in the general fund and moves those costs to the state special revenue account for operations and maintenance funded with accommodations taxes in FY 2025.

### DP 51706 - Legislative Archive Costs (Restricted/Biennial/OTO) -

The legislature adopted a one-time-only, biennial, restricted state special revenue authority of \$48,000 to spend cash available for archiving legislative files.

### 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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change | Biennium<br>% Change |
| Personal Services              | 1,060,617                    | 1,556,820                   | 496,203            | 46.78 %              |
| Operating Expenses             | 886,203                      | 984,521                     | 98,318             | 11.09 %              |
| Equipment & Intangible Assets  | 6,800                        | 13,590                      | 6,790              | 99.85 %              |
| Debt Service                   | 356,674                      | 375,828                     | 19,154             | 5.37 %               |
| <b>Total Expenditures</b>      | <b>\$2,310,294</b>           | <b>\$2,930,759</b>          | <b>\$620,465</b>   | <b>26.86 %</b>       |
| General Fund                   | 1,134,939                    | 1,048,712                   | (86,227)           | (7.60)%              |
| State/Other Special Rev. Funds | 1,169,196                    | 1,875,889                   | 706,693            | 60.44 %              |
| Proprietary Funds              | 6,159                        | 6,158                       | (1)                | (0.02)%              |
| <b>Total Funds</b>             | <b>\$2,310,294</b>           | <b>\$2,930,759</b>          | <b>\$620,465</b>   | <b>26.86 %</b>       |
| <b>Total Ongoing</b>           | <b>\$2,310,294</b>           | <b>\$2,905,759</b>          | <b>\$595,465</b>   | <b>25.77 %</b>       |
| <b>Total OTO</b>               | <b>\$0</b>                   | <b>\$25,000</b>             | <b>\$25,000</b>    | <b>100.00 %</b>      |

### Program Description

The Museum Program collects, preserves and interprets the history of Montana through its material culture, by collecting fine art and historical, archaeological and ethnological artifacts from Montana and the general geographic region. The program interprets its collections through exhibits, tours and traveling exhibits. The program also coordinates with the Society's education program to orchestrate events, programs, and materials on Montana history for learners of all ages.



## Program Highlights

| Museum Program<br>Major Budget Highlights  |  |
|--|--|
| <p>The legislature approved a budget for the 2025 biennium is 26.9% greater than the 2023 biennium. This includes:</p> <ul style="list-style-type: none"> <li>• The DP 1 adjustment in the amount of \$95,356 general fund for the biennium</li> <li>• An additional 4.00 FTE for the operation of the MHC with 2.00 FTE for historians approved to begin in FY 2024 and 2.00 FTE for museum technicians approved to begin in FY 2025. The majority of this request is personal services but does include a small amount of operating costs for office furniture and computer equipment. The total is approximately \$340,000 for the biennium</li> <li>• Statewide present law adjustments total \$184,966 for the biennium and are 90.4% general fund with the balance from state special funds from accommodations tax</li> <li>• The program has additional statutory appropriations totaling \$290,232 that are used for operation of the original Governor's mansion, installation and maintenance of roadside signs and sites, and projects related to Lewis and Clark</li> <li>• A fund switch of approximately \$250,000 in FY 2025 to replace general fund with lodging tax revenue</li> <li>• An additional 1.0% vacancy savings totaling approximately \$18,000 for the biennium</li> <li>• An appropriation of \$25,000 general fund in FY 2024 for moving and temporary storage of military items during building renovation activities</li> </ul> |  |

## 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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>Fiscal 2025 |
| FTE                                   | 0.00                   | 7.75                   | 7.75                   | 9.75                       | 11.75                      |
| Personal Services                     | 536,620                | 536,618                | 523,999                | 698,100                    | 858,720                    |
| Operating Expenses                    | 452,060                | 452,072                | 434,131                | 505,525                    | 478,996                    |
| Equipment & Intangible Assets         | 0                      | 5                      | 6,795                  | 6,795                      | 6,795                      |
| Debt Service                          | 168,757                | 168,760                | 187,914                | 187,914                    | 187,914                    |
| <b>Total Expenditures</b>             | <b>\$1,157,437</b>     | <b>\$1,157,455</b>     | <b>\$1,152,839</b>     | <b>\$1,398,334</b>         | <b>\$1,532,425</b>         |
| General Fund                          | 569,778                | 569,776                | 565,163                | 661,495                    | 387,217                    |
| State/Other Special Rev. Funds        | 584,581                | 584,599                | 584,597                | 733,760                    | 1,142,129                  |
| Proprietary Funds                     | 3,078                  | 3,080                  | 3,079                  | 3,079                      | 3,079                      |
| <b>Total Funds</b>                    | <b>\$1,157,437</b>     | <b>\$1,157,455</b>     | <b>\$1,152,839</b>     | <b>\$1,398,334</b>         | <b>\$1,532,425</b>         |
| <b>Total Ongoing</b>                  | <b>\$1,157,437</b>     | <b>\$1,157,455</b>     | <b>\$1,152,839</b>     | <b>\$1,373,334</b>         | <b>\$1,532,425</b>         |
| <b>Total OTO</b>                      | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             | <b>\$25,000</b>            | <b>\$0</b>                 |

## Funding

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

| Montana Historical Society, 03-Museum Program<br>Funding by Source of Authority |                    |                             |                            |                      |                      |
|---|--------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds   | HB2                | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>All Funds |
| 01100 General Fund  | 1,048,712          | 0                           | 0                          | 1,048,712            | 25.00 %              |
| 02045 Original Governor's Mansion   | 0                  | 0                           | 5,772                      | 5,772                | 0.18 %               |
| 02123 Sites & Signs   | 0                  | 0                           | 1,132,246                  | 1,132,246            | 36.06 %              |
| 02853 Accommodation Tax   | 1,875,889          | 0                           | 0                          | 1,875,889            | 59.74 %              |
| 02986 Lewis & Clark License Plates  | 0                  | 0                           | 126,202                    | 126,202              | 4.02 %               |
| <b>State Special Total</b>  | <b>\$1,875,889</b> | <b>\$0</b>                  | <b>\$1,264,220</b>         | <b>\$3,140,109</b>   | <b>74.85 %</b>       |
| <b>Federal Special Total</b>  | <b>\$0</b>         | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| 06077 MHS Museum Enterprise Funds   | 6,158              | 0                           | 0                          | 6,158                | 100.00 %             |
| <b>Proprietary Total</b>  | <b>\$6,158</b>     | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$6,158</b>       | <b>0.15 %</b>        |
| <b>Total All Funds</b>  | <b>\$2,930,759</b> | <b>\$0</b>                  | <b>\$1,264,220</b>         | <b>\$4,194,979</b>   |                      |

The Museum Program is primarily funded in HB 2 with general fund and the accommodation tax state special revenue fund. This program also has proprietary funding, which receives revenue from the sale of books, copies, and photographs, as well as the rental of traveling exhibits.

The Museum Program has several state special revenue funds that are statutorily appropriated. These include:

- The Original Governor's Mansion account, which is established in 22-3-117, MCA. It receives revenues from tours of the mansion and the funding must be used for the improvement, development, and operation of the Original Governor's Mansion
- The sites and signs account, which is established in 15-65-121(2)(a), MCA. This fund receives 1.0% of the lodging facility use tax for the installation or maintenance of roadside historical signs and historic sites
- The Lewis and Clark license plates account, which is established in 90-1-115, MCA. This fund receives 25.0% of the revenue from the sale of Lewis and Clark bicentennial license plates. Funding must be used to support projects related to Lewis and Clark

## Budget Summary by Category

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

| Budget Summary by Category |                        |                       |                          |                      |                       |                       |                          |                      |
|----------------------------|------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
| Budget Item                | -----General Fund----- |                       |                          |                      | -----Total Funds----- |                       |                          |                      |
|                            | Budget<br>Fiscal 2024  | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget |
| 2023 Base Budget           | 565,163                | 565,163               | 1,130,326                | 107.78 %             | 1,152,839             | 1,152,839             | 2,305,678                | 78.67 %              |
| SWPL Adjustments           | 82,540                 | 84,614                | 167,154                  | 15.94 %              | 91,129                | 93,837                | 184,966                  | 6.31 %               |
| PL Adjustments             | (92)                   | (116)                 | (208)                    | (0.02)%              | (95)                  | (120)                 | (215)                    | (0.01)%              |
| New Proposals              | 13,884                 | (262,444)             | (248,560)                | (23.70)%             | 154,461               | 285,869               | 440,330                  | 15.02 %              |
| <b>Total Budget</b>        | <b>\$661,495</b>       | <b>\$387,217</b>      | <b>\$1,048,712</b>       |                      | <b>\$1,398,334</b>    | <b>\$1,532,425</b>    | <b>\$2,930,759</b>       |                      |

**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   | 45,874          | 0              | 0               | 45,874          |  | 0.00                  | 49,482          | 0              | 0               | 49,482          |
| DP 2 - Fixed Costs                             |                 |                |                 |                 |  |                       |                 |                |                 |                 |
| 0.00   | 28,972          | 895            | 0               | 29,867          |  | 0.00                  | 26,743          | 834            | 0               | 27,577          |
| DP 3 - Inflation Deflation                     |                 |                |                 |                 |  |                       |                 |                |                 |                 |
| 0.00   | 7,694           | 7,694          | 0               | 15,388          |  | 0.00                  | 8,389           | 8,389          | 0               | 16,778          |
| DP 20 - SABHRS Rate Adjustment                 |                 |                |                 |                 |  |                       |                 |                |                 |                 |
| 0.00   | (92)            | (3)            | 0               | (95)            |  | 0.00                  | (116)           | (4)            | 0               | (120)           |
| <b>Grand Total All Present Law Adjustments</b> |                 |                |                 |                 |  |                       |                 |                |                 |                 |
| <b>0.00</b>                                    | <b>\$82,448</b> | <b>\$8,586</b> | <b>\$0</b>      | <b>\$91,034</b> |  | <b>0.00</b>           | <b>\$84,498</b> | <b>\$9,219</b> | <b>\$0</b>      | <b>\$93,717</b> |

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

**DP 1 - Personal Services -**

The legislature 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 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.

**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 99 - New Fixed Costs  |              |                 |                  |             |                  |                       |                    |                  |                 |                  |
| 0.00   | 200          | 82              | 0                | 282         |                  | 0.00                  | 200                | 82               | 0               | 282              |
| DP 333 - Adjustment to Inflation                                       |              |                 |                  |             |                  |                       |                    |                  |                 |                  |
| 0.00   | (2,324)      | (2,324)         | 0                | (4,648)     |                  | 0.00                  | (2,626)            | (2,626)          | 0               | (5,252)          |
| DP 555 - Additional Vacancy Savings                                    |              |                 |                  |             |                  |                       |                    |                  |                 |                  |
| 0.00   | (8,992)      | 0               | 0                | (8,992)     |                  | 0.00                  | (9,039)            | 0                | 0               | (9,039)          |
| DP 51701 - MT Heritage Center FTE                                      |              |                 |                  |             |                  |                       |                    |                  |                 |                  |
| 2.00   | 0            | 142,819         | 0                | 142,819     |                  | 4.00                  | 0                  | 299,878          | 0               | 299,878          |
| DP 51705 - Fund Switch O&M Costs                                       |              |                 |                  |             |                  |                       |                    |                  |                 |                  |
| 0.00   | 0            | 0               | 0                | 0           |                  | 0.00                  | (250,979)          | 250,979          | 0               | 0                |
| DP 51708 - Military Equipment Moving and Storage (Restricted/Biennial/ |              |                 |                  |             |                  |                       |                    |                  |                 |                  |
| 0.00   | 25,000       | 0               | 0                | 25,000      |                  | 0.00                  | 0                  | 0                | 0               | 0                |
| <b>Total</b>   | <b>2.00</b>  | <b>\$13,884</b> | <b>\$140,577</b> | <b>\$0</b>  | <b>\$154,461</b> | <b>4.00</b>           | <b>(\$262,444)</b> | <b>\$548,313</b> | <b>\$0</b>      | <b>\$285,869</b> |

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

DP 99 - New Fixed Costs -

The legislature adopted an appropriation in each year of the 2025 biennium to provide funding for the agency to pay for new fixed cost allocations related to the State Management Training Center. Rates for the fix costs are reviewed by the Section A subcommittee.

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 51701 - MT Heritage Center FTE -

The legislature adopted an increase of 4.00 FTE to be funded with state special revenue lodging facility use taxes. The positions include two exhibits specialists and two historians/curators to operate the Heritage Center. This request includes an office package and computer package in FY 2024 for each FTE.

DP 51705 - Fund Switch O&M Costs -

The legislature adopted a decision package to reduce operation and maintenance expenses in the general fund and moves those costs to the state special revenue account for operations and maintenance funded with accommodations taxes in FY 2025.

DP 51708 - Military Equipment Moving and Storage (Restricted/Biennial/ -

To facilitate the moving and temporary storage of military items from their present location in the Veterans and Pioneers Memorial Building during building renovation activities.

### 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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change | Biennium<br>% Change |
| Personal Services         | 681,423                      | 706,261                     | 24,838             | 3.65 %               |
| Operating Expenses        | 301,016                      | 530,235                     | 229,219            | 76.15 %              |
| <b>Total Expenditures</b> | <b>\$982,439</b>             | <b>\$1,236,496</b>          | <b>\$254,057</b>   | <b>25.86 %</b>       |
| General Fund              | 451,172                      | 510,255                     | 59,083             | 13.10 %              |
| Proprietary Funds         | 531,267                      | 726,241                     | 194,974            | 36.70 %              |
| <b>Total Funds</b>        | <b>\$982,439</b>             | <b>\$1,236,496</b>          | <b>\$254,057</b>   | <b>25.86 %</b>       |
| <b>Total Ongoing</b>      | <b>\$982,439</b>             | <b>\$1,236,496</b>          | <b>\$254,057</b>   | <b>25.86 %</b>       |
| <b>Total OTO</b>          | <b>\$0</b>                   | <b>\$0</b>                  | <b>\$0</b>         | <b>0.00 %</b>        |

### Program Description

The Publications Program promotes the study of Montana history and education through lectures, publications, and curriculum materials. The program publishes quarterly editions of the award-winning *Montana The Magazine of Western History*. It also publishes books under the Montana Historical Society Press imprint.

### Program Highlights

| <b>Publications Program<br/>Major Budget Highlights</b>  |
|--|
| <p>The legislature approved an increase to the publications program of 25.9% over the previous biennium. This includes:</p> <ul style="list-style-type: none"> <li>• SWPL adjustments in the amount of \$207,850 <ul style="list-style-type: none"> <li>◦ Fixed costs make up the majority at \$170,192 of proprietary funds</li> <li>◦ DP 1 and DP 3 are split between general and proprietary funds.</li> <li>◦ Total general fund is \$21,745</li> </ul> </li> <li>• A small amount for new fixed costs related to the State Management Training Center</li> <li>• Additional 1.0% vacancy savings totalling approximately \$5,400 general fund and approximately \$2,000 proprietary funds for the biennium</li> </ul> |

### 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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>Fiscal 2025 |
| FTE                                   | 0.00                   | 5.00                   | 5.00                   | 5.00                       | 5.00                       |
| Personal Services                     | 339,779                | 339,781                | 341,642                | 352,259                    | 354,002                    |
| Operating Expenses                    | 123,063                | 123,070                | 177,946                | 253,572                    | 276,663                    |
| <b>Total Expenditures</b>             | <b>\$462,842</b>       | <b>\$462,851</b>       | <b>\$519,588</b>       | <b>\$605,831</b>           | <b>\$630,665</b>           |
| General Fund                          | 203,455                | 203,455                | 247,717                | 254,525                    | 255,730                    |
| Proprietary Funds                     | 259,387                | 259,396                | 271,871                | 351,306                    | 374,935                    |
| <b>Total Funds</b>                    | <b>\$462,842</b>       | <b>\$462,851</b>       | <b>\$519,588</b>       | <b>\$605,831</b>           | <b>\$630,665</b>           |
| <b>Total Ongoing</b>                  | <b>\$462,842</b>       | <b>\$462,851</b>       | <b>\$519,588</b>       | <b>\$605,831</b>           | <b>\$630,665</b>           |
| <b>Total OTO</b>                      | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>                 | <b>\$0</b>                 |

### Funding

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

| Montana Historical Society, 04-Publications Program<br>Funding by Source of Authority |                    |                             |                            |                      |                      |
|---|--------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds   | HB2                | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>All Funds |
| 01100 General Fund  | 510,255            | 0                           | 0                          | 510,255              | 41.27 %              |
| <b>State Special Total</b>  | <b>\$0</b>         | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| <b>Federal Special Total</b>  | <b>\$0</b>         | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| 06002 MHS Publications Enterprise   | 726,241            | 0                           | 0                          | 726,241              | 100.00 %             |
| <b>Proprietary Total</b>  | <b>\$726,241</b>   | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$726,241</b>     | <b>58.73 %</b>       |
| <b>Total All Funds</b>  | <b>\$1,236,496</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$1,236,496</b>   |                      |

The Publications Program is funded with general fund and proprietary funds. The proprietary fund receives revenues from subscription sales for the magazine and sales of books published by the program.

### Budget Summary by Category

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

| Budget Summary by Category |                        |                       |                          |                      |                       |                       |                          |                      |
|----------------------------|------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
| Budget Item                | -----General Fund----- |                       |                          |                      | -----Total Funds----- |                       |                          |                      |
|                            | Budget<br>Fiscal 2024  | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget |
| 2023 Base Budget           | 247,717                | 247,717               | 495,434                  | 97.10 %              | 519,588               | 519,588               | 1,039,176                | 84.04 %              |
| SWPL Adjustments           | 10,182                 | 11,563                | 21,745                   | 4.26 %               | 91,338                | 116,522               | 207,860                  | 16.81 %              |
| PL Adjustments             | 0                      | 0                     | 0                        | 0.00 %               | (243)                 | (249)                 | (492)                    | (0.04)%              |
| New Proposals              | (3,374)                | (3,550)               | (6,924)                  | (1.36)%              | (4,852)               | (5,196)               | (10,048)                 | (0.81)%              |
| <b>Total Budget</b>        | <b>\$254,525</b>       | <b>\$255,730</b>      | <b>\$510,255</b>         |                      | <b>\$605,831</b>      | <b>\$630,665</b>      | <b>\$1,236,496</b>       |                      |

**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        | 8,535           | 0             | 0               | 14,325          | 0.00                  | 9,582           | 0             | 0               | 16,086           |
| DP 2 - Fixed Costs                             | 0.00        | 0               | 0             | 0               | 73,718          | 0.00                  | 0               | 0             | 0               | 96,474           |
| DP 3 - Inflation Deflation                     | 0.00        | 1,647           | 0             | 0               | 3,295           | 0.00                  | 1,981           | 0             | 0               | 3,962            |
| DP 20 - SABHRS Rate Adjustment                 | 0.00        | 0               | 0             | 0               | (243)           | 0.00                  | 0               | 0             | 0               | (249)            |
| <b>Grand Total All Present Law Adjustments</b> | <b>0.00</b> | <b>\$10,182</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$91,095</b> | <b>0.00</b>           | <b>\$11,563</b> | <b>\$0</b>    | <b>\$0</b>      | <b>\$116,273</b> |

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

**DP 1 - Personal Services -**

The legislature 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.

**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 99 - New Fixed Costs             | 0.00        | 0                | 0             | 0               | 182              | 0.00                  | 0                | 0             | 0               | 182              |
| DP 333 - Adjustment to Inflation    | 0.00        | (663)            | 0             | 0               | (1,326)          | 0.00                  | (826)            | 0             | 0               | (1,652)          |
| DP 555 - Additional Vacancy Savings | 0.00        | (2,711)          | 0             | 0               | (3,708)          | 0.00                  | (2,724)          | 0             | 0               | (3,726)          |
| <b>Total</b>                        | <b>0.00</b> | <b>(\$3,374)</b> | <b>\$0</b>    | <b>\$0</b>      | <b>(\$4,852)</b> | <b>0.00</b>           | <b>(\$3,550)</b> | <b>\$0</b>    | <b>\$0</b>      | <b>(\$5,196)</b> |

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

DP 99 - New Fixed Costs -

The legislature adopted an appropriation for the agency to provide funding for a new fixed cost for the State Management Training Center. The rates charged for this service are approved in the section of the budget that provides the services.

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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change | Biennium<br>% Change |
| Personal Services              | 564,613                      | 797,490                     | 232,877            | 41.25 %              |
| Operating Expenses             | 299,830                      | 503,544                     | 203,714            | 67.94 %              |
| <b>Total Expenditures</b>      | <b>\$864,443</b>             | <b>\$1,301,034</b>          | <b>\$436,591</b>   | <b>50.51 %</b>       |
| General Fund                   | 564,613                      | 593,591                     | 28,978             | 5.13 %               |
| State/Other Special Rev. Funds | 241,327                      | 653,595                     | 412,268            | 170.83 %             |
| Proprietary Funds              | 58,503                       | 53,848                      | (4,655)            | (7.96)%              |
| <b>Total Funds</b>             | <b>\$864,443</b>             | <b>\$1,301,034</b>          | <b>\$436,591</b>   | <b>50.51 %</b>       |
| <b>Total Ongoing</b>           | <b>\$864,443</b>             | <b>\$1,301,034</b>          | <b>\$436,591</b>   | <b>50.51 %</b>       |
| <b>Total OTO</b>               | <b>\$0</b>                   | <b>\$0</b>                  | <b>\$0</b>         | <b>0.00 %</b>        |

### Program Description

The Education Program is comprised of three primary activities: outreach and interpretation, historic signs and the volunteer program. The Education Program provides educational public programming of all types, both at the Society's headquarters and throughout the state, for a wide range of audiences; plans and produces educational publications, curriculum materials and instructional literature for broad distribution; plans and produces interpretive, place-based publications, articles, brochures and tours for statewide distribution/implementation; provides reference services to the general public, teachers, students, technical users and other like-minded institutions and organizations; oversees the National Register Sign Program for the State of Montana, producing interpretive signage for eligible structures and sites in all parts of the state; assists in the planning, production and placement of non-register permanent and/or temporary signage in all parts of the state; and oversees the society's volunteer program, coordinating volunteers, and volunteer activities society-wide.

### Program Highlights

| Education Program<br>Major Budget Highlights  |  |
|---|--|
| <ul style="list-style-type: none"> <li>• The legislatively approved Education program budget is 50.5% greater than the previous biennium. Most of the increase is to state special revenue to operate the MHC</li> <li>• The legislature approved an additional 2.46 FTE for tour guides for the MHC. The FTE will be phased in with 1.64 approved to begin in FY 2024 and an additional 0.82 FTE approved to begin in FY 2025 when the new MHC opens</li> <li>• Statewide present law adjustments total \$245,252 state special funding of the biennium of which approximately \$30,000 is general fund <ul style="list-style-type: none"> <li>◦ The majority of SWPL adjustments to this and most programs is in fixed costs due to increased square footage</li> </ul> </li> </ul> |  |

**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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>Fiscal 2025 |
| FTE                                   | 0.00                   | 4.45                   | 4.45                   | 6.09                       | 6.91                       |
| Personal Services                     | 279,646                | 279,646                | 284,967                | 376,732                    | 420,758                    |
| Operating Expenses                    | 144,089                | 153,877                | 145,953                | 238,252                    | 265,292                    |
| <b>Total Expenditures</b>             | <b>\$423,735</b>       | <b>\$433,523</b>       | <b>\$430,920</b>       | <b>\$614,984</b>           | <b>\$686,050</b>           |
| General Fund                          | 279,646                | 279,646                | 284,967                | 296,027                    | 297,564                    |
| State/Other Special Rev. Funds        | 113,822                | 120,624                | 120,703                | 292,089                    | 361,506                    |
| Proprietary Funds                     | 30,267                 | 33,253                 | 25,250                 | 26,868                     | 26,980                     |
| <b>Total Funds</b>                    | <b>\$423,735</b>       | <b>\$433,523</b>       | <b>\$430,920</b>       | <b>\$614,984</b>           | <b>\$686,050</b>           |
| <b>Total Ongoing</b>                  | <b>\$423,735</b>       | <b>\$433,523</b>       | <b>\$430,920</b>       | <b>\$614,984</b>           | <b>\$686,050</b>           |
| <b>Total OTO</b>                      | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>                 | <b>\$0</b>                 |

**Funding**

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

| Montana Historical Society, 05-Education<br>Funding by Source of Authority |                    |                             |                            |                      |                      |
|--|--------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds  | HB2                | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>All Funds |
| 01100 General Fund   | 593,591            | 0                           | 0                          | 593,591              | 32.00 %              |
| 02123 Sites & Signs  | 0                  | 0                           | 554,180                    | 554,180              | 45.88 %              |
| 02853 Accommodation Tax  | 653,595            | 0                           | 0                          | 653,595              | 54.12 %              |
| <b>State Special Total</b>   | <b>\$653,595</b>   | <b>\$0</b>                  | <b>\$554,180</b>           | <b>\$1,207,775</b>   | <b>65.10 %</b>       |
| <b>Federal Special Total</b>   | <b>\$0</b>         | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| 06002 MHS Publications Enterprise  | 1                  | 0                           | 0                          | 1                    | 0.00 %               |
| 06022 MHS Education Enterprise Funds                                       | 53,847             | 0                           | 0                          | 53,847               | 100.00 %             |
| <b>Proprietary Total</b>   | <b>\$53,848</b>    | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$53,848</b>      | <b>2.90 %</b>        |
| <b>Total All Funds</b>   | <b>\$1,301,034</b> | <b>\$0</b>                  | <b>\$554,180</b>           | <b>\$1,855,214</b>   |                      |

**HB 2 Appropriations**

The Education Program is primarily funded in HB 2 with general fund and the accommodation tax state special revenue fund. This program also has proprietary funding, which receives revenue from:

- The Montana Historical Conference and the revenues are used for expenses associated with the conference
- Special tour revenues are used for operating expenses associated with the tours
- Elementary and middle school textbook sales and revenues are used for expenses related to textbook reproduction and teacher training

**Statutory Appropriations**

The Education Program has one state special revenue fund that is statutorily appropriated. The sites and signs fund established in 15-65-121(2)(a), MCA, receives 1.0% of the lodging facility use tax for the installation or maintenance of roadside historical signs and historic sites.

**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<br>Fiscal 2024  | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget |
| 2023 Base Budget           | 284,967                | 284,967               | 569,934                  | 96.01 %              | 430,920               | 430,920               | 861,840                  | 66.24 %              |
| SWPL Adjustments           | 16,175                 | 17,870                | 34,045                   | 5.74 %               | 108,186               | 137,066               | 245,252                  | 18.85 %              |
| PL Adjustments             | 0                      | 0                     | 0                        | 0.00 %               | 158                   | 149                   | 307                      | 0.02 %               |
| New Proposals              | (5,115)                | (5,273)               | (10,388)                 | (1.75)%              | 75,720                | 117,915               | 193,635                  | 14.88 %              |
| <b>Total Budget</b>        | <b>\$296,027</b>       | <b>\$297,564</b>      | <b>\$593,591</b>         |                      | <b>\$614,984</b>      | <b>\$686,050</b>      | <b>\$1,301,034</b>       |                      |

**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<br>Fund | State<br>Special | Federal<br>Special | Total<br>Funds   | FTE                   | General<br>Fund | State<br>Special | Federal<br>Special | Total<br>Funds   |
| DP 1 - Personal Services                       | 0.00                  | 14,126          | 0                | 0                  | 14,126           | 0.00                  | 15,577          | 0                | 0                  | 15,577           |
| DP 2 - Fixed Costs                             | 0.00                  | 0               | 87,626           | 0                  | 87,911           | 0.00                  | 0               | 114,327          | 0                  | 114,608          |
| DP 3 - Inflation Deflation                     | 0.00                  | 2,049           | 2,050            | 0                  | 6,149            | 0.00                  | 2,293           | 2,294            | 0                  | 6,881            |
| DP 20 - SABHRS Rate Adjustment                 | 0.00                  | 0               | 157              | 0                  | 158              | 0.00                  | 0               | 149              | 0                  | 149              |
| <b>Grand Total All Present Law Adjustments</b> | <b>0.00</b>           | <b>\$16,175</b> | <b>\$89,833</b>  | <b>\$0</b>         | <b>\$108,344</b> | <b>0.00</b>           | <b>\$17,870</b> | <b>\$116,770</b> | <b>\$0</b>         | <b>\$137,215</b> |

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

**DP 1 - Personal Services -**

The legislature 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.

**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 99 - New Fixed Costs             | 0.00        | 0                | 235             | 0               | 235             | 0.00                  | 0                | 235              | 0               | 235              |
| DP 333 - Adjustment to Inflation    | 0.00        | (718)            | (718)           | 0               | (2,154)         | 0.00                  | (844)            | (845)            | 0               | (2,534)          |
| DP 555 - Additional Vacancy Savings | 0.00        | (4,397)          | 0               | 0               | (4,397)         | 0.00                  | (4,429)          | 0                | 0               | (4,429)          |
| DP 51701 - MT Heritage Center FTE   | 1.64        | 0                | 82,036          | 0               | 82,036          | 2.46                  | 0                | 124,643          | 0               | 124,643          |
| <b>Total</b>                        | <b>1.64</b> | <b>(\$5,115)</b> | <b>\$81,553</b> | <b>\$0</b>      | <b>\$75,720</b> | <b>2.46</b>           | <b>(\$5,273)</b> | <b>\$124,033</b> | <b>\$0</b>      | <b>\$117,915</b> |

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

**DP 99 - New Fixed Costs -**

The legislature adopted an appropriation for the agency to provide funding for a new fixed cost for the State Management Training Center. The rates charged for this service are approved in the section of the budget that provides the services.

**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 51701 - MT Heritage Center FTE -**

The legislature adopted an increase of 2.46 FTE to be funded with state special revenue lodging facility use taxes. This includes an office furniture package and computer package in FY 2024 for each FTE.

### 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<br>Budget 22-23 | Legislative<br>Budget 24-25 | Biennium<br>Change | Biennium<br>% Change |
| Personal Services         | 1,274,110                    | 1,301,896                   | 27,786             | 2.18 %               |
| Operating Expenses        | 370,538                      | 719,592                     | 349,054            | 94.20 %              |
| Grants                    | 174,240                      | 174,240                     | 0                  | 0.00 %               |
| <b>Total Expenditures</b> | <b>\$1,818,888</b>           | <b>\$2,195,728</b>          | <b>\$376,840</b>   | <b>20.72 %</b>       |
| General Fund              | 118,429                      | 122,826                     | 4,397              | 3.71 %               |
| Federal Spec. Rev. Funds  | 1,598,182                    | 1,651,664                   | 53,482             | 3.35 %               |
| Proprietary Funds         | 102,277                      | 421,238                     | 318,961            | 311.86 %             |
| <b>Total Funds</b>        | <b>\$1,818,888</b>           | <b>\$2,195,728</b>          | <b>\$376,840</b>   | <b>20.72 %</b>       |
| <b>Total Ongoing</b>      | <b>\$1,818,888</b>           | <b>\$2,195,728</b>          | <b>\$376,840</b>   | <b>20.72 %</b>       |
| <b>Total OTO</b>          | <b>\$0</b>                   | <b>\$0</b>                  | <b>\$0</b>         | <b>0.00 %</b>        |

### Program Description

The Historic Preservation Office administers the Montana Antiquities Act and Montana's participation in the National Historic Preservation Act of 1966, as amended. Staff provide technical assistance to all Montana property owners, including agencies, organizations, and the public. Staff maintain a statewide inventory of recorded historic and archaeological sites. Staff review state agencies compliance with the state antiquities act. Staff review and comment on all proposed federally funded or permitted projects within the state to determine their effect on properties listed or eligible for listing in the National Register of Historic Places. Staff administer the National Register of Historic Places program in Montana through the State Preservation Review Board. The office recommends certification of historic structures and rehabilitation projects for federal tax credits to citizens and businesses, as authorized by the Tax Reform Act of 1976. The program awards and administers pass-through federal grants to local governments participating in the federal Certified Local Government Program. The program may also award funds for historic survey and planning for historic areas and for bricks and mortar rehabilitation when funds are available.

### Program Highlights

| Historic Preservation Program<br>Major Budget Highlights  |
|---|
| <p>The legislature approved a budget for the historic preservation program is 20.7% greater than the previous biennium</p> <ul style="list-style-type: none"> <li>• The program has greatly increased fixed costs in SWPL 2 due to growth in the program, most of the increase is funded with proprietary revenue.</li> <li>• The legislature approved reductions to the inflation increase and additional vacancy savings totaling approximately \$10,000 in each fiscal year of the biennium</li> </ul> |

### 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<br>Fiscal 2022 | Approp.<br>Fiscal 2022 | Approp.<br>Fiscal 2023 | Legislative<br>Fiscal 2024 | Legislative<br>Fiscal 2025 |
| FTE                                   | 0.00                   | 9.00                   | 9.00                   | 9.00                       | 9.00                       |
| Personal Services                     | 641,285                | 641,295                | 632,815                | 648,783                    | 653,113                    |
| Operating Expenses                    | 158,205                | 176,862                | 193,676                | 345,714                    | 373,878                    |
| Grants                                | 87,000                 | 87,120                 | 87,120                 | 87,120                     | 87,120                     |
| <b>Total Expenditures</b>             | <b>\$886,490</b>       | <b>\$905,277</b>       | <b>\$913,611</b>       | <b>\$1,081,617</b>         | <b>\$1,114,111</b>         |
| General Fund                          | 58,615                 | 58,614                 | 59,815                 | 61,218                     | 61,608                     |
| Federal Spec. Rev. Funds              | 788,886                | 794,765                | 803,417                | 823,694                    | 827,970                    |
| Proprietary Funds                     | 38,989                 | 51,898                 | 50,379                 | 196,705                    | 224,533                    |
| <b>Total Funds</b>                    | <b>\$886,490</b>       | <b>\$905,277</b>       | <b>\$913,611</b>       | <b>\$1,081,617</b>         | <b>\$1,114,111</b>         |
| <b>Total Ongoing</b>                  | <b>\$886,490</b>       | <b>\$905,277</b>       | <b>\$913,611</b>       | <b>\$1,081,617</b>         | <b>\$1,114,111</b>         |
| <b>Total OTO</b>                      | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>             | <b>\$0</b>                 | <b>\$0</b>                 |

### Funding

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

| Montana Historical Society, 06-Historic Preservation Program<br>Funding by Source of Authority |                    |                             |                            |                      |                      |
|--|--------------------|-----------------------------|----------------------------|----------------------|----------------------|
| Funds  | HB2                | Non-Budgeted<br>Proprietary | Statutory<br>Appropriation | Total<br>All Sources | % Total<br>All Funds |
| 01100 General Fund   | 122,826            | 0                           | 0                          | 122,826              | 5.59 %               |
| <b>State Special Total</b>   | <b>\$0</b>         | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$0</b>           | <b>0.00 %</b>        |
| 03021 Historic Sites Preservation  | 1,651,664          | 0                           | 0                          | 1,651,664            | 100.00 %             |
| <b>Federal Special Total</b>   | <b>\$1,651,664</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$1,651,664</b>   | <b>75.22 %</b>       |
| 06013 SHPO ENTERPRISE FUND   | 421,238            | 0                           | 0                          | 421,238              | 100.00 %             |
| <b>Proprietary Total</b>   | <b>\$421,238</b>   | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$421,238</b>     | <b>19.18 %</b>       |
| <b>Total All Funds</b>   | <b>\$2,195,728</b> | <b>\$0</b>                  | <b>\$0</b>                 | <b>\$2,195,728</b>   |                      |

The Historic Preservation Program is primarily funded with federal special revenue. This funding is from the National Parks Service for historic site preservation. The program also receives funding from a proprietary fund and a small portion from the general fund. The proprietary fund receives revenue from fees for historical preservation assistance and services and is used to enhance and maintain the agency's antiquities database.

### Budget Summary by Category

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

| Budget Summary by Category |                        |                       |                          |                      |                       |                       |                          |                      |
|----------------------------|------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
| Budget Item                | -----General Fund----- |                       |                          |                      | -----Total Funds----- |                       |                          |                      |
|                            | Budget<br>Fiscal 2024  | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget | Budget<br>Fiscal 2024 | Budget<br>Fiscal 2025 | Biennium<br>Fiscal 24-25 | Percent<br>of Budget |
| 2023 Base Budget           | 59,815                 | 59,815                | 119,630                  | 97.40 %              | 913,611               | 913,611               | 1,827,222                | 83.22 %              |
| SWPL Adjustments           | 2,052                  | 2,446                 | 4,498                    | 3.66 %               | 178,058               | 211,432               | 389,490                  | 17.74 %              |
| PL Adjustments             | 0                      | 0                     | 0                        | 0.00 %               | 40                    | 39                    | 79                       | 0.00 %               |
| New Proposals              | (649)                  | (653)                 | (1,302)                  | (1.06)%              | (10,092)              | (10,971)              | (21,063)                 | (0.96)%              |
| <b>Total Budget</b>        | <b>\$61,218</b>        | <b>\$61,608</b>       | <b>\$122,826</b>         |                      | <b>\$1,081,617</b>    | <b>\$1,114,111</b>    | <b>\$2,195,728</b>       |                      |

**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        | 2,052          | 0             | 20,746          | 22,798           | 0.00                  | 2,446          | 0             | 24,727          | 27,173           |
| DP 2 - Fixed Costs                             | 0.00        | 0              | 0             | 2,069           | 147,398          | 0.00                  | 0              | 0             | 2,058           | 175,092          |
| DP 3 - Inflation Deflation                     | 0.00        | 0              | 0             | 7,000           | 7,862            | 0.00                  | 0              | 0             | 8,000           | 9,167            |
| DP 20 - SABHRS Rate Adjustment                 | 0.00        | 0              | 0             | 3               | 224              | 0.00                  | 0              | 0             | 2               | 212              |
| DP 30 - Motor Pool Rate Adjustment             | 0.00        | 0              | 0             | (164)           | (184)            | 0.00                  | 0              | 0             | (151)           | (173)            |
| <b>Grand Total All Present Law Adjustments</b> | <b>0.00</b> | <b>\$2,052</b> | <b>\$0</b>    | <b>\$29,654</b> | <b>\$178,098</b> | <b>0.00</b>           | <b>\$2,446</b> | <b>\$0</b>    | <b>\$34,636</b> | <b>\$211,471</b> |

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

**DP 1 - Personal Services -**

The legislature 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.

**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 99 - New Fixed Costs             | 0.00        | 0              | 0             | 0                | 328               | 0.00                  | 0              | 0             | 0                 | 328               |
| DP 333 - Adjustment to Inflation    | 0.00        | 0              | 0             | (3,196)          | (3,590)           | 0.00                  | 0              | 0             | (3,861)           | (4,424)           |
| DP 555 - Additional Vacancy Savings | 0.00        | (649)          | 0             | (6,181)          | (6,830)           | 0.00                  | (653)          | 0             | (6,222)           | (6,875)           |
| <b>Total</b>                        | <b>0.00</b> | <b>(\$649)</b> | <b>\$0</b>    | <b>(\$9,377)</b> | <b>(\$10,092)</b> | <b>0.00</b>           | <b>(\$653)</b> | <b>\$0</b>    | <b>(\$10,083)</b> | <b>(\$10,971)</b> |

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

**DP 99 - New Fixed Costs -**

The legislature adopted an appropriation for the agency to provide funding for a new fixed cost for the State Management Training Center. The rates charged for this service are approved in the section of the budget that provides the services.

**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.