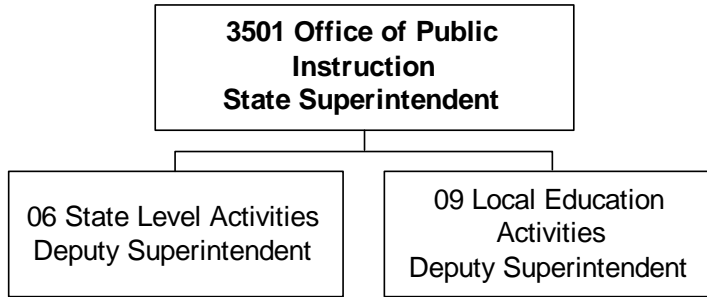


OFFICE OF PUBLIC INSTRUCTION-3501

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - It is the mission of the Office of Public Instruction to improve teaching and learning through communication, collaboration, advocacy, and accountability to those we serve.

Statutory Authority - Title 20, MCA

Language - "The Office of Public Instruction may distribute funds from the appropriation for instate treatment to public school districts for the purpose of providing for educational costs of children with significant behavioral or physical needs."

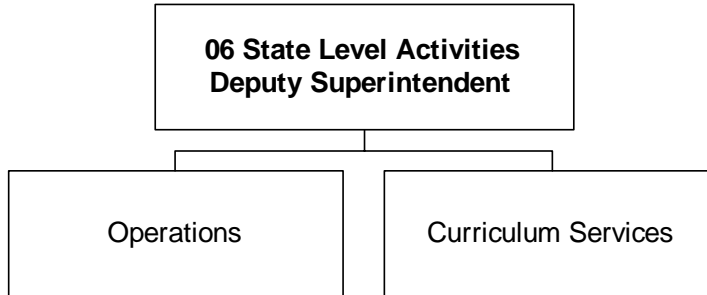
"All revenue up to \$1.1 million in the state traffic education account for distribution to schools under the provisions of 20-7-506 and 61-5-121 is appropriated as provided in Title 20, chapter 7, part 5."

"All appropriations for federal special revenue programs in state level activities and in local education activities, and all general fund appropriations in local educational activities are biennial."

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	157.36	8.50	0.00	165.86	8.50	0.00	165.86
Personal Services	9,072,595	1,354,616	0	10,427,211	1,384,803	0	10,457,398
Operating Expenses	13,490,967	991,552	456,901	14,939,420	1,315,715	1,005,984	15,812,666
Equipment & Intangible Assets	50,426	0	0	50,426	0	0	50,426
Local Assistance	634,042,814	32,381,231	7,028,649	673,452,694	47,210,730	10,271,906	691,525,450
Grants	126,371,496	8,932,948	100,000	135,404,444	11,757,948	100,000	138,229,444
Total Costs	\$783,028,298	\$43,660,347	\$7,585,550	\$834,274,195	\$61,669,196	\$11,377,890	\$856,075,384
General Fund	642,761,421	33,037,427	7,585,550	683,384,398	47,929,712	11,377,890	702,069,023
State/Other Special	957,495	12,707	0	970,202	12,770	0	970,265
Federal Special	139,309,382	10,610,213	0	149,919,595	13,726,714	0	153,036,096
Total Funds	\$783,028,298	\$43,660,347	\$7,585,550	\$834,274,195	\$61,669,196	\$11,377,890	\$856,075,384

OFFICE OF PUBLIC INSTRUCTION-3501 STATE LEVEL ACTIVITIES-06

Please note that this program also contains proprietary funding (see Section P).



Program Description - The State Level Activities program provides leadership and coordination of services to a variety of school and public groups. The staff provides assistance to the Superintendent of Public Instruction in performing statutorily prescribed duties. The program: 1) supports the Superintendent's statutory role with the Board of Public Education, Board of Regents, and Land Board; 2) is responsible for the distribution and accounting of state and federal funds provided to school districts; 3) maintains the information systems necessary to assess student achievement and the quality of Montana's elementary and secondary school system; and 4) provides assistance and information to school districts. The program administers all federal grants received by OPI, including: 1) curriculum assistance; 2) special education; 3) ESEA/NCLB administration; 4) secondary vocational education administration; and 5) other educational services.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	157.36	8.50	0.00	165.86	8.50	0.00	165.86
Personal Services	9,072,595	1,354,616	0	10,427,211	1,384,803	0	10,457,398
Operating Expenses	13,490,967	991,552	456,901	14,939,420	1,315,715	1,005,984	15,812,666
Equipment & Intangible Assets	50,426	0	0	50,426	0	0	50,426
Local Assistance	503,530	0	0	503,530	0	0	503,530
Total Costs	\$23,117,518	\$2,346,168	\$456,901	\$25,920,587	\$2,700,518	\$1,005,984	\$26,824,020
General Fund	9,200,157	653,176	456,901	10,310,234	715,962	1,005,984	10,922,103
State/Other Special	207,495	12,707	0	220,202	12,770	0	220,265
Federal Special	13,709,866	1,680,285	0	15,390,151	1,971,786	0	15,681,652
Proprietary	0	0	0	0	0	0	0
Total Funds	\$23,117,518	\$2,346,168	\$456,901	\$25,920,587	\$2,700,518	\$1,005,984	\$26,824,020

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$21,998	\$21,998
FY 2011	\$33,485	\$33,485

PL- 7 - Audiological Services -

Services for children with hearing impairments require timely and appropriate assessments of their hearing deficits. The Hearing Conservation Program (HCP) is critical to the success of children with hearing impairments. A present law adjustment is necessary to ensure the continuation of the services at 6.09% for FY 2010 and 9.27% in FY 2011 over the base in FY 2008.

**OFFICE OF PUBLIC INSTRUCTION-3501
STATE LEVEL ACTIVITIES-06**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$12,000	\$0
FY 2011	\$12,000	\$0

PL- 14 - Traffic Education Budget Adjustment -

An increase in administrative operating funds of \$12,000 per year for the 2011 biennium is needed to maintain present level traffic education service to public schools and to eliminate nonrecurring appropriations through personal services contingencies. Available administrative direct operating funds and purchasing power in the Traffic Education (TE) Administration account have eroded over the past several biennia.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$147,144	\$78,382
FY 2011	\$156,781	\$84,670

PL- 15 - Indirect Cost of Base Adjustments -

The legislature adds appropriation authority for the indirect cost portion of the general fund, state special revenue fund and federal funds statewide level base adjustments. The general fund requirement is \$163,053 over the biennium. In addition to providing central services within the agency, these adjustments fund increases in statewide cost assessments for the legislative audit, SABHRS costs, a portion of the increases in rent, and others.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,123,377	\$0
FY 2011	\$1,387,784	\$0

PL- 19 - Federal Grant Award Adjustments - Program 06 -

This biennial appropriation is to adjust federal spending authority in OPI for grant awards currently administered by OPI due to anticipated increases and decreases in federal funding. Funds are used to support the administration of current federal grants and provide technical assistance to schools. The adjustment is \$1,123,377 in FY 2010 and \$1,387,784 in FY 2011. This request is a biennial appropriation.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$0	\$0

NP- 26 - Student Assessment -

This request transfers an appropriation of \$325,000 previously appropriated for the norm-reference test (NRT) student assessment. The NRT, formerly in administrative rules of the Board of Public Education for the accreditation of schools, is no longer required. These funds will be dedicated to support the cost incurred for students in their junior year in high school to take a national, curriculum-based college entrance examine. Consistency in high school assessments facilitates the state's ability to better understand high school course taking patterns to align high school graduation requirements with college admission requirements and reduce the need for remedial course taking in college.

**OFFICE OF PUBLIC INSTRUCTION-3501
STATE LEVEL ACTIVITIES-06**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$6,901	\$6,901
FY 2011	\$5,984	\$5,984

NP- 6101 - Fixed Cost Workers Comp Management Program Allocation -

The workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$6,901 in FY 2010 and \$5,984 in FY 2011 general fund for the Office of Public Instruction allocation of the fixed cost.

-----Other Legislation Required to Implement HB2-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$450,000	\$450,000
FY 2011	\$1,000,000	\$1,000,000

NP- 21 - 21st Century E-learning - MT Virtual High School -

This request for \$1.45 million in the 2011 biennium is to provide pass-through funding to establish a year-round virtual high school in the University of Montana (UM) School of Education. The virtual high school will provide distance learning courses to increase access for all students in Montana to support quality schools to provide core courses for accreditation, accelerated learning classes, and credit recovery to improve graduation rates. In the first year, the UM, guided by and advisory council, will conduct a needs assessment and build curriculum based on the results of the assessment. In the second year, Montana certified quality educators will be hired to deliver e-courses to students who remain enrolled in their local school districts. In addition, the virtual high school will serve as a source to integrate e-learning in Montana's teacher preparation programs.

**OFFICE OF PUBLIC INSTRUCTION-3501
LOCAL EDUCATION ACTIVITIES-09**

09 Local Education Activities Deputy Superintendent
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Program Description - The Local Education Activities program is used by OPI to distribute various state and federal funds to local education agencies.

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2008	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2010	Fiscal 2010	Fiscal 2010	Fiscal 2011	Fiscal 2011	Fiscal 2011
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Local Assistance	633,539,284	32,381,231	7,028,649	672,949,164	47,210,730	10,271,906	691,021,920
Grants	126,371,496	8,932,948	100,000	135,404,444	11,757,948	100,000	138,229,444
Total Costs	\$759,910,780	\$41,314,179	\$7,128,649	\$808,353,608	\$58,968,678	\$10,371,906	\$829,251,364
General Fund	633,561,264	32,384,251	7,128,649	673,074,164	47,213,750	10,371,906	691,146,920
State/Other Special	750,000	0	0	750,000	0	0	750,000
Federal Special	125,599,516	8,929,928	0	134,529,444	11,754,928	0	137,354,444
Total Funds	\$759,910,780	\$41,314,179	\$7,128,649	\$808,353,608	\$58,968,678	\$10,371,906	\$829,251,364

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$26,582,635	\$26,582,635
FY 2011	\$41,947,779	\$41,947,779

PL- 1 - K-12 BASE Aid - Present Law -

This request is for \$68.53 million for the present law adjustment of K-12 BASE Aid in the 2011 biennium. Of this total, \$16.5 million is to bring the FY 2008 expenditure base up to the FY 2009 funding rates. The remaining \$52.03 million is to increase the basic and per-ANB entitlements by 3% each year in accordance with 20-9-326, MCA, which requires annual inflation-related adjustments to the basic and per-ANB entitlements.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,233,764	\$1,233,764
FY 2011	\$1,233,764	\$1,233,764

PL- 2 - Special Education-Maintain Fiscal Effort -

Federal special education law requires each state that receives Individuals with Disabilities Education Act Part B funds to maintain their fiscal effort from year to year. The Office of Public Instruction requests \$1,233,764 for each year of the 2011 biennium to maintain fiscal effort.

**OFFICE OF PUBLIC INSTRUCTION-3501
LOCAL EDUCATION ACTIVITIES-09**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$200,000	\$200,000
FY 2011	\$300,000	\$300,000

PL- 4 - Pupil Transportation - PL -

The present law adjustment requested for pupil transportation for the formula-driven state appropriation increases by \$200,000 in FY 2010 and \$300,000 in FY 2011 over base year FY 2008. This amount is matched by county property taxes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$777,830	\$777,830
FY 2011	\$1,171,185	\$1,171,185

PL- 10 - School Block Grants - HB 124 -

State law (20-9-630 and 632, MCA) provides for an annual 0.76% increase in the county transportation and school district block grants. The FY 2008 base is \$50,979,326. This is a request for a biennial appropriation increase of \$777,830 in FY 2010 and \$1,171,185 in FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$775,000	\$775,000
FY 2011	\$775,000	\$775,000

PL- 11 - School Facilities Reimbursement -

Montana promotes safe school facilities and a measure of taxpayer fairness by providing school facilities reimbursement payments to low-wealth school districts with general obligation bonds. State payments are calculated using statutory formulas. Each year new districts may become eligible for these payments. HB 2 appropriated \$21,018,074 (biennial) for of the 2009 biennium. This request is a biennial appropriation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$319,024	\$319,024
FY 2011	\$319,024	\$319,024

PL- 18 - Biennial Appropriations - Program 09 -

This present law adjustment establishes biennial appropriations in each year at half of the amount appropriated for the 2009 biennium. The biennial appropriations include: Instate treatment base adjusted \$187,096 per year to \$974,896 per year; adult basic education base adjusted \$2 per year to \$525,000 per year; gifted and talented base adjusted \$3,018 per year to \$500,000 per year; and state tuition base adjusted \$128,908 per year to \$606,138 per year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$8,929,928	\$0
FY 2011	\$11,754,928	\$0

PL- 20 - Federal Grant Award Adjustment - Program 09 -

This biennial appropriation is to adjust federal spending authority in OPI Program 09 - Local Education Activities for anticipated increases and decreases in federal funding. These funds are distributed by OPI to school districts and other local education agencies. The adjustment is \$8,929,928 in FY 2010 and \$11,547,928 in FY 2011.

**OFFICE OF PUBLIC INSTRUCTION-3501
LOCAL EDUCATION ACTIVITIES-09**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,495,998	\$2,495,998
FY 2011	\$1,466,998	\$1,466,998

PL- 100 - Guarantee Account Adjustment -

This request reflects an adjustment to FY 2008 base in the guarantee account and increases general fund expenditure in the amount of \$2.5 million in FY 2010 and \$1.5 million in FY 2011. The guarantee account is a state special revenue account statutorily appropriated primarily for distribution to school districts through school equalization aid.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$150,000	\$150,000
FY 2011	\$0	\$0

NP- 3 - School Foods Equip/Facility Mini Grants-Bien/OTO -

One-time-only funds are requested to make competitive grants available for schools to provide more or improved breakfast or lunch programs. Total request is for \$150,000 for at least 30 schools to be granted up to \$5,000 each to improve facilities and/or update equipment. This request is a biennial appropriation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,500,649	\$1,500,649
FY 2011	\$3,044,906	\$3,044,906

NP- 5 - Special Education Inflation -

The budget includes an inflationary increase in the state appropriation for special education of \$4.5 million for the 2011 biennium based on the same inflationary adjustment included for basic and per ANB entitlements section 20-9-326, MCA. The inflator for each year of the biennium is 3%. This proposal would increase the state special education appropriation to \$41.647 million in FY 2010 and \$42.897 million in FY 2011. The estimates of increased GTB costs associated with the state special education appropriation are \$251,229 in FY2010 and \$508,584 in FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,300,000	\$1,300,000
FY 2011	\$2,600,000	\$2,600,000

NP- 28 - Quality Educator Payment -

This request reflects an increase in the quality educator payment of \$100 per year at a cost of \$1.3 million in FY 2010 and \$2.6 million in FY 2011. The quality educator payment distributes funding to schools for licensed professionals per 20-9-327, MCA. This request increases the quality educator payment to \$3,142 per qualified FTE in FY 2010 and \$3,242 per qualified FTE in FY 2011.

**OFFICE OF PUBLIC INSTRUCTION-3501
LOCAL EDUCATION ACTIVITIES-09**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$100,000	\$100,000
FY 2011	\$100,000	\$100,000

NP- 99 - Quality Schools Resource Sharing -

This request will appropriate \$100,000 each year of the 2011 biennium for OPI to establish Quality Schools Resource Sharing structure and provide grants for increased efficiencies of cooperative decision making. Cooperation and sharing among school districts can multiply resources, provide more and enhanced education experiences for students, and also help reduce the pressure on local property taxes. Special Education Cooperatives are already using this model in varying ways to include a wide range of services including teacher and administrator sharing and cooperative purchases. Montana's 427 school districts, comprising about 830 schools, could benefit from continued emphasis on this model to leverage school resources to reduce operating costs, while maintaining the ability for local decision making.

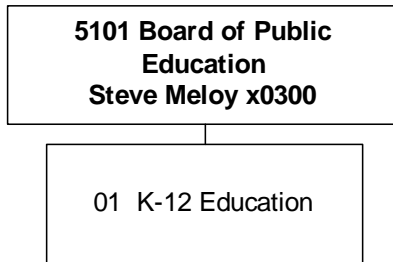
-----**Other Legislation Required to Implement HB2**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$4,078,000	\$4,078,000
FY 2011	\$4,627,000	\$4,627,000

NP- 101 - Quality School Facility Program -

This decision package removes revenue available for Base Aid from trust land leases for navigable waters and sets it aside for the Quality School Facility Program. This program will help schools in Montana address facility deficiencies and improve access to technology. The School Facility Study was completed with appropriations from HB 1, Legislative Special Session 2005. This new program will be managed by the Department of Commerce and operate similar to the current Treasure State Endowment Program. Ongoing funding streams for this purpose will be the navigable waters funds and funds from timber revenues for the amount exceeding 18 million board feet. This request transfers \$14.3 million in the 2011 biennium for school facilities and technology. Note that the remaining \$5.6 million is a recommended change in the current statutory distribution of funds and does not affect HB2.

**BOARD OF PUBLIC EDUCATION-5101
ADMINISTRATION-01**



Mission Statement - The Board of Public Education shall carry out its constitutional and statutory responsibility in an exemplary manner to exercise general supervision over the public school system and other such public educational institutions as may be assigned by law. In doing so, the board will cooperate with the Governor and other elected officials, the Board of Regents, Superintendent of Public Instruction, local school boards, the education community and all Montana citizens, including its students.

Statutory Authority - Article X, Section 9, Montana Constitution; 2-15-1507 and 2-15-1522, MCA.

Program Description - The staff of the administration program provides administration, research, clerical functions, and management of business affairs for all programs under the purview of the Board of Public Education.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	266,842	28,164	0	295,006	28,215	0	295,057
Operating Expenses	109,214	(1,391)	8,930	116,753	(1,133)	10,751	118,832
Total Costs	\$376,056	\$26,773	\$8,930	\$411,759	\$27,082	\$10,751	\$413,889
General Fund	209,990	10,287	5,433	225,710	11,013	7,254	228,257
State/Other Special	166,066	16,486	3,497	186,049	16,069	3,497	185,632
Total Funds	\$376,056	\$26,773	\$8,930	\$411,759	\$27,082	\$10,751	\$413,889

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,300	\$1,300
FY 2011	\$1,300	\$1,300

PL- 2 - Per Diem -

This request restores zero-based per diem of \$1,300 general fund each year. Board members are paid per diem in accordance with state law.

**BOARD OF PUBLIC EDUCATION-5101
ADMINISTRATION-01**

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,799	\$1,799
FY 2011	\$3,638	\$3,638

NP- 1 - In-State Travel -

Non-employee in-state travel is increased by \$1,799 in FY 2010 and \$3,638 in FY 2011 in this request to accommodate greater distances traveled by Board of Public Education members from eastern Montana. Funding comes from the general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$6,994	\$3,497
FY 2011	\$6,994	\$3,497

NP- 3 - ITSD New Services -

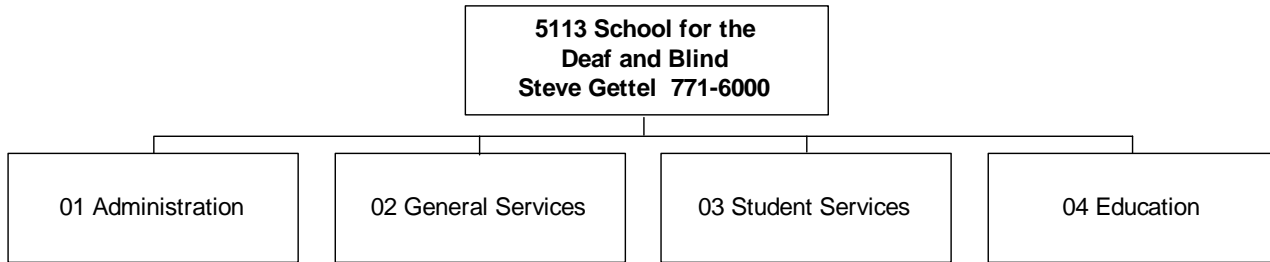
In the past, the Board of Public Education (BPE) has received network and computer services from the Office of the Commissioner of Higher Education (OCHE) as part of their rental agreement. OCHE will no longer provide those network services. Additional ITSD costs will be \$6,994 in each year of the 2011 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$137	\$137
FY 2011	\$119	\$119

NP- 6101 - Fixed Cost Workers Comp Mgmt Program –

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$137 in FY 2010 and \$119 in FY 2011 general fund for the Board of Public Education allocation of the fixed costs.

SCHOOL FOR THE DEAF & BLIND-5113



Mission Statement - To provide to deaf children and blind children in the State of Montana a quality comprehensive education that will impart 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) to public schools in the state having deaf and/or blind children enrolled, and (3) to organizations and individuals concerned with the provision of services to these children.

Statutory Authority - Title 20, Chapter 8, part 1, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	88.61	0.00	0.00	88.61	0.00	0.00	88.61
Personal Services	4,812,010	584,774	45,233	5,442,017	591,660	45,233	5,448,903
Operating Expenses	998,606	(3,816)	71,685	1,066,475	(41,090)	71,168	1,028,684
Total Costs	\$5,810,616	\$580,958	\$116,918	\$6,508,492	\$550,570	\$116,401	\$6,477,587
General Fund	5,300,570	673,739	49,121	6,023,430	628,712	48,604	5,977,886
State/Other Special	417,370	(83,078)	67,797	402,089	(68,439)	67,797	416,728
Federal Special	92,676	(9,703)	0	82,973	(9,703)	0	82,973
Total Funds	\$5,810,616	\$580,958	\$116,918	\$6,508,492	\$550,570	\$116,401	\$6,477,587

SCHOOL FOR THE DEAF & BLIND-5113 ADMINISTRATION PROGRAM-01

01 Administration

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

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00
Personal Services	321,057	7,111	0	328,168	8,070	0	329,127
Operating Expenses	149,004	18,462	3,888	171,354	(20,294)	3,371	132,081
Total Costs	\$470,061	\$25,573	\$3,888	\$499,522	(\$12,224)	\$3,371	\$461,208
General Fund	467,901	23,982	3,888	495,771	(14,003)	3,371	457,269
State/Other Special	2,160	1,591	0	3,751	1,779	0	3,939
Total Funds	\$470,061	\$25,573	\$3,888	\$499,522	(\$12,224)	\$3,371	\$461,208

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,888	\$3,888
FY 2011	\$3,371	\$3,371

NP- 6101 - Fixed Cost Workers Comp Mgmt Program Allocation -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$3,888 in FY 2010 and \$3,371 in FY 2011 general fund for the School for the Deaf and Blind allocation of the fixed cost.

SCHOOL FOR THE DEAF & BLIND-5113 GENERAL SERVICES-02

02 General Services

Program Description - The General Services Program staff are responsible for general upkeep and maintenance of the school's eight buildings and 18.5 acre campus.

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2008	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2010	Fiscal 2010	Fiscal 2010	Fiscal 2011	Fiscal 2011	Fiscal 2011
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	150,655	11,639	0	162,294	12,660	0	163,315
Operating Expenses	416,837	(38,484)	0	378,353	(39,550)	0	377,287
Total Costs	\$567,492	(\$26,845)	\$0	\$540,647	(\$26,890)	\$0	\$540,602
General Fund	567,492	(26,845)	0	540,647	(26,890)	0	540,602
Total Funds	\$567,492	(\$26,845)	\$0	\$540,647	(\$26,890)	\$0	\$540,602

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$7,000)	(\$7,000)
FY 2011	(\$7,000)	(\$7,000)

PL- 1 - Energy Conservation Bonds -

The school spent \$18,300 in the base year FY 2008 on energy conservation bonds funded through the Department of Environmental Quality (DEQ). The DEQ is charging the school \$11,300 in each year of the 2011 biennium for energy conservation bonds which is a reduction of \$7,000 from the base year. Therefore, the budget is reduced by this amount as the funding is no longer needed.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$1,757)	(\$1,757)
FY 2011	(\$1,757)	(\$1,757)

PL- 2 - Operating Cost Reduction - Lease Vehicle -

MSDB is replacing a school owned van with a motor pool lease vehicle reducing operating costs in the general services program. The new lease vehicle is budgeted under the education program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$35,872)	(\$35,872)
FY 2011	(\$35,872)	(\$35,872)

PL- 8 - Correct Duplicate Budget Entry -

MSDB moved personal services authority into the operating expense category in the FY 2008 base year. The personal services authority was restored in the base personal services calculations and also in the operating base authority. This request removes \$35,872 general fund from the operating expense category for each year of the 2011 biennium so the authority does not appear in both categories.

SCHOOL FOR THE DEAF & BLIND-5113 STUDENT SERVICES-03

03 Student Services

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

Program Proposed Budget	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
Budget Item							
FTE	29.74	0.00	0.00	29.74	0.00	0.00	29.74
Personal Services	1,054,888	161,346	0	1,216,234	164,833	0	1,219,721
Operating Expenses	106,900	3,167	0	110,067	4,100	0	111,000
Total Costs	\$1,161,788	\$164,513	\$0	\$1,326,301	\$168,933	\$0	\$1,330,721
General Fund	1,142,628	164,513	0	1,307,141	168,933	0	1,311,561
Federal Special	19,160	0	0	19,160	0	0	19,160
Total Funds	\$1,161,788	\$164,513	\$0	\$1,326,301	\$168,933	\$0	\$1,330,721

SCHOOL FOR THE DEAF & BLIND-5113 EDUCATION-04

04 Education

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 school system. 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 Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2008	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2010	Fiscal 2010	Fiscal 2010	Fiscal 2011	Fiscal 2011	Fiscal 2011
FTE	49.87	0.00	0.00	49.87	0.00	0.00	49.87
Personal Services	3,285,410	404,678	45,233	3,735,321	406,097	45,233	3,736,740
Operating Expenses	325,865	13,039	67,797	406,701	14,654	67,797	408,316
Total Costs	\$3,611,275	\$417,717	\$113,030	\$4,142,022	\$420,751	\$113,030	\$4,145,056
General Fund	3,122,549	512,089	45,233	3,679,871	500,672	45,233	3,668,454
State/Other Special	415,210	(84,669)	67,797	398,338	(70,218)	67,797	412,789
Federal Special	73,516	(9,703)	0	63,813	(9,703)	0	63,813
Total Funds	\$3,611,275	\$417,717	\$113,030	\$4,142,022	\$420,751	\$113,030	\$4,145,056

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$26,938	\$26,938
FY 2011	\$26,938	\$26,938

PL- 2 - Extracurricular Compensation -

The Montana School for the Deaf and Blind pays extracurricular compensation to employees who sponsor after school activities funded from the state general fund as zero-based expenditures. Amounts paid to employees are contained in a collective bargaining agreement. The school participates in volleyball, track, and boys and girls Class C basketball through a cooperative agreement with Great Falls Central Catholic High School. The remaining activities are sponsored through the MSDB. Salaries and benefits total \$26,938 per year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$8,299	\$8,299
FY 2011	\$8,425	\$8,425

PL- 3 - Motor Pool Lease Vehicle -

The school is requesting a motor pool lease vehicle to replace a school van that has high mileage. The lease vehicle will be used to transport students. total general fund cost in the 2011 biennium is \$16,724.

**SCHOOL FOR THE DEAF & BLIND-5113
EDUCATION-04**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$11,464)	(\$11,464)
FY 2011	(\$11,464)	(\$11,464)

PL- 8 - Correct Duplicate Budget Entry -

MSDB moved personal services authority into the operating expense category in FY 2008 base year. The personal services authority was restored in the base personal services calculations and in the operating base authority. This request removes \$11,464 general fund from the operating expense category for each year of the 2011 biennium so the authority does not appear in both categories.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$45,233	\$45,233
FY 2011	\$45,233	\$45,233

NP- 1 - Early Intervention Services -

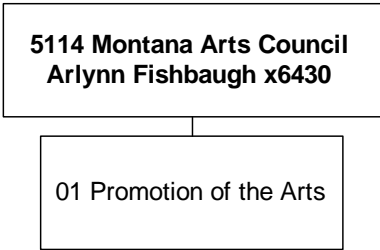
This request provides \$45,233 general fund each year of the 2011 biennium for home-based early intervention services on a bimonthly basis to 35 families of sensory impaired children. Research has shown providing early intervention services to sensory impaired infants by six months of age and younger increases their ability to compete at age-level with their non-handicapped peers when entering educational services.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$67,797	\$0
FY 2011	\$67,797	\$0

NP- 4 - Tuition Authority Increase -

This request is for authority to utilize state special tuition revenue fund balance of \$67,797 each year of the 2011 biennium. This is current fund balance from prior years collections.

MONTANA ARTS COUNCIL-5114 PROMOTION OF THE ARTS-01



Mission Statement - The Montana Arts Council is the agency of state government established to develop the creative potential of all Montanans, advance education, spur economic vibrancy and revitalize communities through involvement in the arts.

Statutory Authority - 22-2-101-109, MCA.

Program Description - The Montana Arts Council cooperates with public and private institutions engaged in artistic and cultural activities. The council cooperates with public and private institutions engaged in artistic and cultural activities. The council: 1) recommends appropriate methods to encourage participation in and appreciation of the arts; 2) fosters interest in the state's cultural heritage; 3) expands the state's cultural resources; and 4) encourages and assists freedom of artistic expression through ongoing programs and council initiated projects. The council administers the Cultural and Aesthetic Projects Advisory Committee authorized in 22-2-302, MCA. This committee reviews all proposals for cultural and aesthetic project grants and presents its recommendations to the legislature.

Language Recommendations - "All federal funds are biennial appropriations."

Program Proposed Budget	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	7.00	0.00	0.00	7.00	0.00	0.00	7.00
Personal Services	506,369	28,053	0	534,422	31,794	0	538,163
Operating Expenses	322,558	12,191	40,705	375,454	(7,639)	334	315,253
Grants	420,903	0	3,880	424,783	0	9,429	430,332
Total Costs	\$1,249,830	\$40,244	\$44,585	\$1,334,659	\$24,155	\$9,763	\$1,283,748
General Fund	467,889	8,507	24,345	500,741	(1,885)	9,554	475,558
State/Other Special	204,517	8,500	5,063	218,080	7,133	55	211,705
Federal Special	577,424	23,237	15,177	615,838	18,907	154	596,485
Total Funds	\$1,249,830	\$40,244	\$44,585	\$1,334,659	\$24,155	\$9,763	\$1,283,748

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$10,468	\$3,873
FY 2011	\$14,839	\$4,306

PL- 5 - Present Law Adjustments -

This request for present law adjustments in the 2011 biennium includes restoration of zero-based funding for the Arts Council and its advisory committee for per diem, increased legal fees and inflationary adjustment for rent. Total biennial cost is \$25,307.

**MONTANA ARTS COUNCIL-5114
PROMOTION OF THE ARTS-01**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$6,150)	(\$6,150)
FY 2011	(\$6,150)	(\$6,150)

PL- 7 - Remove Telephone Move Charges -

The Arts Council moved from the City-County Building into a non-state rented building in FY 2008. The move created a one-time-only charge of \$6,150 for telephone moving charges in the base budget. This request removes the one-time-only expense from the budget.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,880	\$3,880
FY 2011	\$9,429	\$9,429

NP- 1 - AISC Residencies -

The Arts Council's top funding priority is a general fund request for \$3,880 in FY 2010 and \$9,429 in FY 2011 for the Artists in Schools and Communities Grant Program (AISC). These programs fund schools and community arts organizations, especially rural Montana communities, to hire teaching artists who provide educational experiences in the arts addressing the public schools state art standards. The teaching artists also mentor classroom teachers to effectively teach the arts to students. Artists help teachers develop curriculum and lesson plans for classes and suggest ways to use the arts to teach concepts in core classes such as math, science, and reading. The agency also partners to provide professional development in the arts for classroom teachers. These funds will be matched on a 1:1 basis within the community.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$40,320	\$20,320
FY 2011	\$0	\$0

NP- 4 - Database and E-Grant - OTO -

The Arts Council requests OTO funding for the database and e-grants project totaling \$40,320 in the 2011 biennium. The e-grants program will be designed to fully integrate into MAC's database and produce significant simplification, streamlining, and web access for staff and grantees.

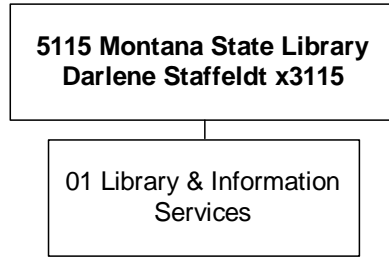
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$385	\$145
FY 2011	\$334	\$125

NP- 6101 - Fixed Cost Workers Comp Mgmt Program -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$385 in FY 2010 and \$334 in FY 2011 in general, state and federal funds for the Montana Arts Council's allocation of the fixed cost.

MONTANA LIBRARY COMMISSION-5115 STATEWIDE LIBRARY RESOURCES-01

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - The Montana State Library meets the information needs of Montana government agency management and staff, ensures all Montana citizens have access to information created by their government, supports the role of all Montana libraries in delivering quality library content and services to their patrons, works to strengthen local community public libraries, ensures that Montanans who are visually or physically handicapped are provided access to library resources, and measures its successes by its patrons' and partners' successes.

Statutory Authority - Title 22, Chapter 1, and Title 90, Chapter 15, MCA.

Program Description - The State Library operations program provides 1) information services to state government employees and officials; 2) assistance to all public libraries; 3) reading material for all blind and physically handicapped Montana residents; 4) direction to the six library federations and 5) a centralized depository for natural resources information. This program also administers the state documents depository system, and coordinates the development of information resources and library information systems throughout the state. The program also manages the budgetary, personnel, and administrative functions of the State Library.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	30.50	0.25	0.00	30.75	0.25	0.00	30.75
Personal Services	1,980,114	(198,274)	0	1,781,840	(194,325)	0	1,785,789
Operating Expenses	1,838,352	97,576	26,167	1,962,095	81,598	1,012	1,920,962
Equipment & Intangible Assets	17,896	828	0	18,724	1,320	0	19,216
Grants	522,135	1,004,588	0	1,526,723	404,588	0	926,723
Total Costs	\$4,358,497	\$904,718	\$26,167	\$5,289,382	\$293,181	\$1,012	\$4,652,690
General Fund	2,348,128	240,605	277,568	2,866,301	229,066	252,413	2,829,607
State/Other Special	1,054,978	200,000	(251,401)	1,003,577	200,000	(251,401)	1,003,577
Federal Special	955,391	464,113	0	1,419,504	(135,885)	0	819,506
Total Funds	\$4,358,497	\$904,718	\$26,167	\$5,289,382	\$293,181	\$1,012	\$4,652,690

**MONTANA LIBRARY COMMISSION-5115
STATEWIDE LIBRARY RESOURCES-01**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$15,425	\$15,425
FY 2011	\$16,033	\$16,033

PL- 1 - Communications & Marketing Coordinator -

The library requests to increase the Montana State Library Commission (MSLC) communications and marketing coordinator FTE from 0.25 FTE to 0.50 FTE. MSLC provides a wide variety of services to all Montanans and there is a need to better inform the users of the services available. The communications and marketing coordinator provides guidance in presenting the Montana State Library and its products and services to the public. This request is for \$15,425 in FY 2010 and \$16,033 in FY 2011 from the general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$790,630	\$0
FY 2011	\$190,529	\$0

PL- 2 - LSTA Grants -

This request provides an increase in federal authority to spend estimated federal Library Services and Technology Act (LSTA) grant awards and to realign the biennial appropriation of the awards into the first year of the biennium, resulting in a smaller adjustment in FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$4,354	\$4,354
FY 2011	\$4,354	\$4,354

PL- 3 - Standard Cost Adjustment -

This request restores zero-based per diem to the budget and includes a request to cover the increase in the hourly rate charged by the Department of Justice for legal assistance. The request is for \$8,708 general fund for the 2011 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$200,000	\$0
FY 2011	\$200,000	\$0

PL- 4 - Library Courier/Delivery Service Pilot - OTO -

The budget includes \$200,000 state special revenue each year to fund a Library Courier/Delivery Service Pilot Project. The movement of interlibrary loan items between libraries has increased significantly due to increased electronic library catalog searches. This proposal would provide one-time-only funding of \$200,000 state special revenue for each year of the 2011 biennium to research and pilot cost effective alternatives such as utilizing other existing statewide courier networks or purchasing multiple copies of material to minimize reliance on escalating postal fees. The funding can also be used to increase resources for libraries that incur shipping costs when sharing materials.

**MONTANA LIBRARY COMMISSION-5115
STATEWIDE LIBRARY RESOURCES-01**

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$251,401
FY 2011	\$0	\$251,401

NP- 5 - Natural Resources Operations Acct - Funding Switch -

To balance expenditures with available revenue in the Natural Resources Operations Account, this proposal substitutes \$251,401 general fund each year of the biennium for the same amount of state special revenue. Funding is used to help pay for staff and operating expenses of the Natural Resource Information System (NRIS). The proposal helps ensure a sustainable fund balance in the account for the 2011 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$25,000	\$25,000
FY 2011	\$0	\$0

NP- 7 - Training Lab Replacement - Bien/OTO -

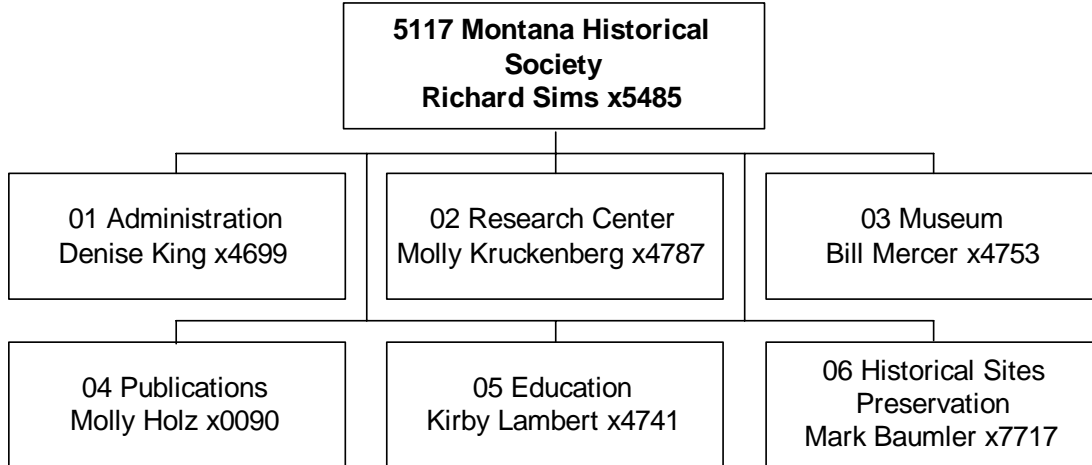
The state library requests \$25,000 one-time-only funding to replace approximately 12 existing training lab computers. The computers are used in-house and around the state by the state library and other state agencies for library related training. This is a biennial OTO.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$1,167	\$1,167
FY 2011	\$1,012	\$1,012

NP- 6101 - Fixed Cost Workers Comp Mgmt Program -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$1,167 in FY 2010 and \$1,012 in FY 2011 general fund for the Library Commission's allocation of the fixed costs.

MONTANA HISTORICAL SOCIETY-5117



Mission Statement - To acquire, conserve, and advocate the protection of, provide broad access to, and interpret Montana's varied historical resources, thus promoting--for its citizens and for all others--the use, understanding, appreciation, and enjoyment of those resources.

Statutory Authority - Title 22, Chapter 3, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	61.14	0.00	0.00	61.14	0.00	0.00	61.14
Personal Services	2,766,436	438,597	(55,341)	3,149,692	448,676	(67,152)	3,147,960
Operating Expenses	1,224,784	84,887	(12,387)	1,297,284	53,350	(12,708)	1,265,426
Equipment & Intangible Assets	49,442	(9,778)	(10,748)	28,916	(8,983)	(10,748)	29,711
Grants	77,000	0	0	77,000	0	0	77,000
Transfers	50,503	0	0	50,503	0	0	50,503
Total Costs	\$4,168,165	\$513,706	(\$78,476)	\$4,603,395	\$493,043	(\$90,608)	\$4,570,600
General Fund	2,668,353	189,402	(34,663)	2,823,092	176,564	(25,690)	2,819,227
State/Other Special	78,768	67,907	(6,204)	140,471	68,195	(6,263)	140,700
Federal Special	620,578	97,547	(69,914)	648,211	94,903	(81,073)	634,408
Proprietary	800,466	158,850	32,305	991,621	153,381	22,418	976,265
Total Funds	\$4,168,165	\$513,706	(\$78,476)	\$4,603,395	\$493,043	(\$90,608)	\$4,570,600

MONTANA HISTORICAL SOCIETY-5117 ADMINISTRATION PROGRAM-01

**01 Administration
Denise King x4699**

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

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2008	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
	Fiscal 2008	Fiscal 2010	Fiscal 2010	Fiscal 2010	Fiscal 2011	Fiscal 2011	Fiscal 2011
FTE	17.79	0.00	0.00	17.79	0.00	0.00	17.79
Personal Services	905,975	73,724	0	979,699	75,713	0	981,688
Operating Expenses	768,273	102,555	2,190	873,018	69,642	1,899	839,814
Equipment & Intangible Assets	20,544	(7,794)	0	12,750	(7,794)	0	12,750
Total Costs	\$1,694,792	\$168,485	\$2,190	\$1,865,467	\$137,561	\$1,899	\$1,834,252
General Fund	1,134,351	99,351	(4,760)	1,228,942	78,652	(6,796)	1,206,207
State/Other Special	76,292	36,930	2,249	115,471	37,150	2,258	115,700
Federal Special	156,879	(8,167)	(64,197)	84,515	(12,641)	(59,723)	84,515
Proprietary	327,270	40,371	68,898	436,539	34,400	66,160	427,830
Total Funds	\$1,694,792	\$168,485	\$2,190	\$1,865,467	\$137,561	\$1,899	\$1,834,252

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$40,580)	(\$40,580)
FY 2011	(\$40,580)	(\$40,580)

PL- 5 - Correct Duplicate Budget Entry -

The Historical Society moved personal services authority into the operating expense category in the FY 2008 base year. The personal services authority was restored in the base personal services calculations and also in the operating base authority. This request removes \$40,580 general fund from the operating expense category for each year of the 2011 biennium so the authority does not appear in both categories.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	(\$6,950)
FY 2011	\$0	(\$8,695)

NP- 20 - Align Funding -

The Historical Society requests changes in funding of \$71,147 in FY 2010 and \$68,418 in FY 2011 from general fund and federal funds to state special and proprietary funds in order to align projected revenues with projected expenditures for the 2011 biennium.

**MONTANA HISTORICAL SOCIETY-5117
ADMINISTRATION PROGRAM-01**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,190	\$2,190
FY 2011	\$1,899	\$1,899

NP- 6101 - Fixed Cost Workers Comp Mgmt Program -

The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only general fund appropriation. For the 2011 biennium and beyond, the program will be funded via a fixed cost allocation. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. The budget includes \$2,190 in FY 2010 and \$1,899 in FY 2011 general fund for the Historical Society allocation of the fixed cost.

MONTANA HISTORICAL SOCIETY-5117 RESEARCH CENTER-02

**02 Research Center
Molly Kruckenberg x4787**

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, and oral histories illustrative of the history of Montana and the surrounding region. By statute, this program houses the official archives of the state.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	15.75	0.00	0.00	15.75	0.00	0.00	15.75
Personal Services	733,129	86,729	0	819,858	89,610	0	822,739
Operating Expenses	149,090	(1,629)	0	147,461	(1,587)	0	147,503
Equipment & Intangible Assets	18,150	(1,984)	0	16,166	(1,189)	0	16,961
Total Costs	\$900,369	\$83,116	\$0	\$983,485	\$86,834	\$0	\$987,203
General Fund	842,871	40,631	0	883,502	45,346	0	888,217
Proprietary	57,498	42,485	0	99,983	41,488	0	98,986
Total Funds	\$900,369	\$83,116	\$0	\$983,485	\$86,834	\$0	\$987,203

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$5,338)	(\$3,323)
FY 2011	(\$5,338)	(\$3,323)

PL- 6 - Correct Duplicate Budget Entry -

The Historical Society moved personal services authority into the operating expense category in the FY 2008 base year. The personal services authority was restored in the base personal services calculations and also in the operating base authority. This request removes \$5,338 general fund from the operating expense category for each year of the 2011 biennium so the authority does not appear in both categories.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$0
FY 2011	\$0	\$0

NP- 25 - Align Funding -

The Historical Society requests changes between proprietary funds of \$20,035 in FY 2010 and \$19,941 in FY 2011 to align projected revenues with projected expenditures for the 2011 biennium.

MONTANA HISTORICAL SOCIETY-5117 MUSEUM PROGRAM-03

03 Museum Bill Mercer x4753
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Program Description - The museum program collects, preserves, and interprets the history of Montana through its material culture, collecting fine arts and historical, archaeological, and ethnological artifacts from Montana and the general geographic region. The program interprets its collections through exhibits, tours, and traveling exhibits. The program also coordinates with the society's education program to orchestrate events, programs, and materials on Montana history for learners of all ages.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	9.00	0.00	0.00	9.00	0.00	0.00	9.00
Personal Services	312,439	109,112	(15,075)	406,476	110,361	(18,780)	404,020
Operating Expenses	19,494	5,083	(14,577)	10,000	5,113	(14,607)	10,000
Equipment & Intangible Assets	10,748	0	(10,748)	0	0	(10,748)	0
Total Costs	\$342,681	\$114,195	(\$40,400)	\$416,476	\$115,474	(\$44,135)	\$414,020
General Fund	279,893	37,150	2,482	319,525	38,195	5,682	323,770
State/Other Special	0	25,000	0	25,000	25,000	0	25,000
Proprietary	62,788	52,045	(42,882)	71,951	52,279	(49,817)	65,250
Total Funds	\$342,681	\$114,195	(\$40,400)	\$416,476	\$115,474	(\$44,135)	\$414,020

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$25,000	\$0
FY 2011	\$25,000	\$0

PL- 3 - Original Gov Mansion Restoration -

This request is for \$25,000 state special revenue in the 2011 biennium for restoration work at the Original Governor's Mansion (OGM). This request will include expending resources in the fund and donations from the OGM board for refurbishing the OGM carriage house.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$20,204)	(\$20,204)
FY 2011	(\$20,204)	(\$20,204)

PL- 7 - Correct Duplicate Budget Entry -

The Historical Society moved personal services authority into the operating expense category in the FY 2008 base year. The personal services authority was restored in the base personal services calculations and also in the operating base authority. This removes \$20,204 in general fund from the operating expense category for each year of the 2011 biennium so the authority does not appear in both categories.

**MONTANA HISTORICAL SOCIETY-5117
MUSEUM PROGRAM-03**

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$40,400)	\$2,482
FY 2011	(\$44,135)	\$5,682

NP- 21 - Align Funding -

The Historical Society requests changes in funding of \$40,400 in FY 2010 and \$44,135 in FY 2011 from proprietary funds to general fund and state special funds in order to align projected revenues with projected expenditures for the 2011 biennium.

MONTANA HISTORICAL SOCIETY-5117 PUBLICATIONS PROGRAM-04

04 Publications Molly Holz x0090

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* and the *Montana Star*, official newsletter of the society. It also publishes books under the Montana Historical Society Press imprint.

Program Proposed Budget	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	188,373	31,266	0	219,639	31,682	0	220,055
Operating Expenses	201,420	(26,601)	0	174,819	(25,698)	0	175,722
Transfers	50,503	0	0	50,503	0	0	50,503
Total Costs	\$440,296	\$4,665	\$0	\$444,961	\$5,984	\$0	\$446,280
General Fund	92,401	6,429	0	98,830	6,706	0	99,107
Proprietary	347,895	(1,764)	0	346,131	(722)	0	347,173
Total Funds	\$440,296	\$4,665	\$0	\$444,961	\$5,984	\$0	\$446,280

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$25,969)	\$0
FY 2011	(\$25,969)	\$0

PL- 8 - Correct Duplicate Budget Entry -

The Historical Society moved personal services authority into the operating expense category in the FY 2008 base year. The personal services authority was restored in the base personal services calculations and also in the operating base authority. This removes \$25,969 in general fund from the operating expense category for each year of the 2011 biennium so the authority does not appear in both categories.

MONTANA HISTORICAL SOCIETY-5117 EDUCATION PROGRAM-05

**05 Education
Kirby Lambert x4741**

Program Description - The education program is comprised of three primary divisions: outreach and interpretation, historic signs, and the volunteer program. The outreach and interpretation 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; 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 signage in all parts of the state; assists in the planning, production, and distribution of interpretive permanent, temporary, and traveling exhibitions; provides reference services to the general public, teachers, students, technical users, and other like-minded institutions and organizations; and oversees the society's volunteer program, coordinating volunteers, and volunteer activities society-wide.

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2008	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
	Fiscal 2008	Fiscal 2010	Fiscal 2010	Fiscal 2010	Fiscal 2011	Fiscal 2011	Fiscal 2011
FTE	5.85	0.00	0.00	5.85	0.00	0.00	5.85
Personal Services	161,307	125,677	(40,266)	246,718	128,098	(48,372)	241,033
Operating Expenses	16,992	(9,366)	0	7,626	(9,356)	0	7,636
Total Costs	\$178,299	\$116,311	(\$40,266)	\$254,344	\$118,742	(\$48,372)	\$248,669
General Fund	174,590	(510)	47,196	221,276	957	40,054	215,601
State/Other Special	2,476	5,977	(8,453)	0	6,045	(8,521)	0
Federal Special	0	85,298	(85,298)	0	85,980	(85,980)	0
Proprietary	1,233	25,546	6,289	33,068	25,760	6,075	33,068
Total Funds	\$178,299	\$116,311	(\$40,266)	\$254,344	\$118,742	(\$48,372)	\$248,669

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$9,436)	(\$9,436)
FY 2011	(\$9,436)	(\$9,436)

PL- 9 - Correct Duplicate Budget Entry -

The Historical Society moved personal services authority into the operating expense category in the FY 2008 base year. The personal services authority was restored in the base personal services calculations and also in the operating base authority. This request removes \$9,436 general fund from the operating expense category for each year of the 2011 biennium so the authority does not appear in both categories.

**MONTANA HISTORICAL SOCIETY-5117
EDUCATION PROGRAM-05**

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	(\$40,266)	\$47,196
FY 2011	(\$48,372)	\$40,054

NP- 22 - Align Funding -

The Historical Society requests changes in funding of \$40,266 in FY 2010 and \$48,372 in FY 2011 from state special and federal funds to general fund, state special and proprietary funds in order to align projected revenues with projected expenditures for the 2011 biennium.

MONTANA HISTORICAL SOCIETY-5117 HISTORIC PRESERVATION PROGRAM-06

**06 Historic Sites Preservation
Mark Baumler x7717**

Program Description - The Historic Sites Preservation Program (State Historic Preservation Office) administers the Montana Antiquities Act (MCA 22-3-421; ARM 10.121.901) and Montana's participation in the National Historic Preservation Act of 1966, as amended, with its federal programs, guidelines, and grants-in-aid for historic preservation. Staff provide technical assistance to all Montana property owners, including agencies, organizations, and the public. Staff maintains a statewide inventory of recorded historic and archaeological sites. 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 administers 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 Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2008	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2010	Fiscal 2010	Fiscal 2010	Fiscal 2011	Fiscal 2011	Fiscal 2011
FTE	8.75	0.00	0.00	8.75	0.00	0.00	8.75
Personal Services	465,213	12,089	0	477,302	13,212	0	478,425
Operating Expenses	69,515	14,845	0	84,360	15,236	0	84,751
Grants	77,000	0	0	77,000	0	0	77,000
Total Costs	\$611,728	\$26,934	\$0	\$638,662	\$28,448	\$0	\$640,176
General Fund	144,247	6,351	(79,581)	71,017	6,708	(64,630)	86,325
State/Other Special	0	0	0	0	0	0	0
Federal Special	463,699	20,416	79,581	563,696	21,564	64,630	549,893
Proprietary	3,782	167	0	3,949	176	0	3,958
Total Funds	\$611,728	\$26,934	\$0	\$638,662	\$28,448	\$0	\$640,176

-----New Proposals-----

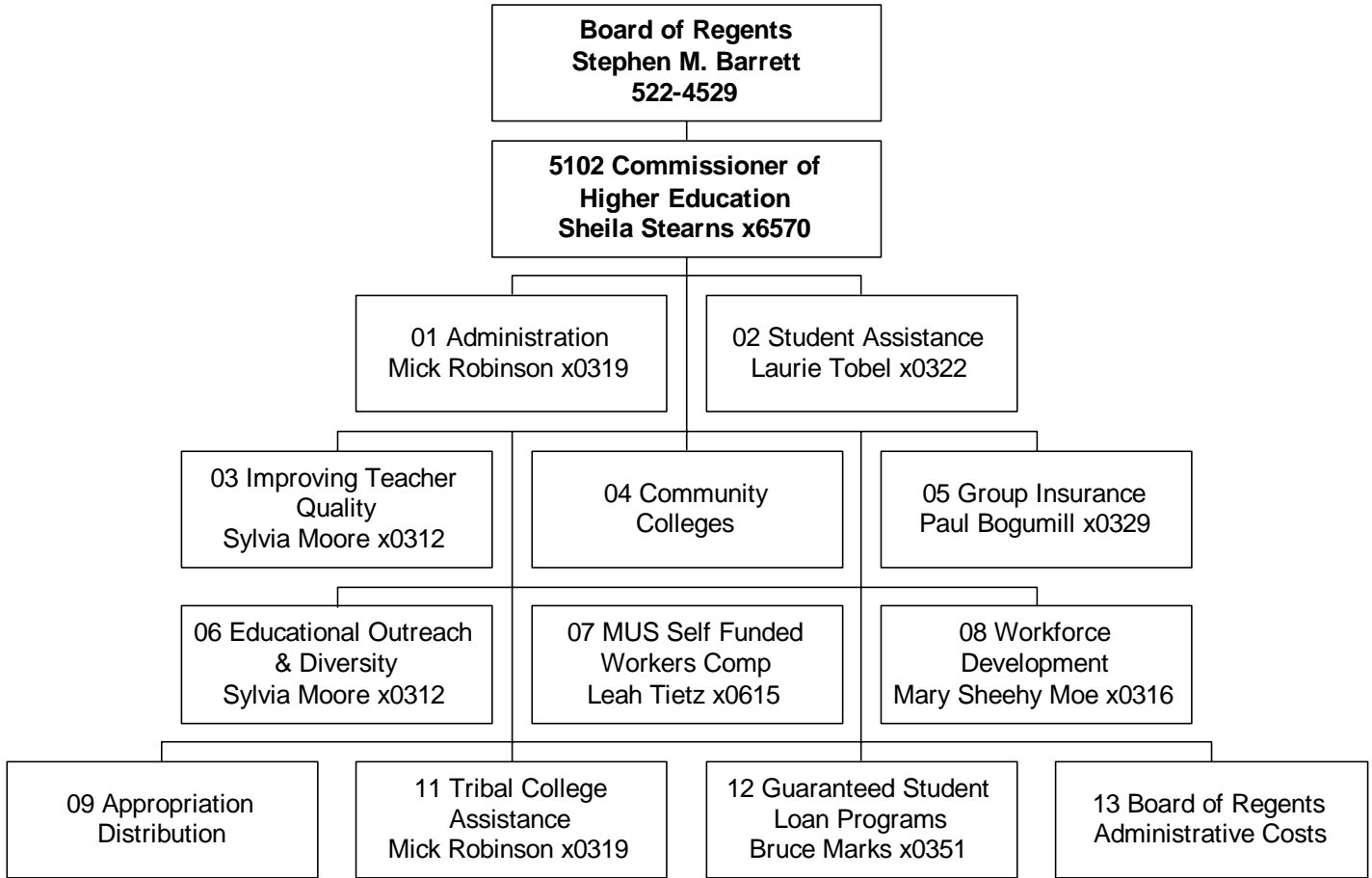
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	(\$79,581)
FY 2011	\$0	(\$64,630)

NP- 23 - Align Funding -

The Historical Society requests changes in funding in FY 2010 of \$79,581 and FY 2011 of \$64,630 from general fund to federal funds in order to align projected revenues with projected expenditures for the 2011 biennium.

COMMISSIONER OF HIGHER ED-5102

Please note that this agency also contains proprietary funding (see Section P).



Mission Statement - 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.

Statutory Authority - Article X, Section 9, Montana Constitution and 2-15-1506, MCA

COMMISSIONER OF HIGHER ED-5102

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	104.05	0.00	2.00	106.05	0.00	2.00	106.05
Personal Services	5,763,795	668,903	204,939	6,637,637	679,134	204,972	6,647,901
Operating Expenses	5,631,549	5,443,215	0	11,074,764	6,332,951	0	11,964,500
Equipment & Intangible Assets	43,732	0	0	43,732	0	0	43,732
Local Assistance	8,826,093	733,456	0	9,559,549	828,484	0	9,654,577
Grants	14,526,744	5,888,889	461,400	20,877,033	5,293,310	461,400	20,281,454
Benefits & Claims	25,034,673	7,038,516	0	32,073,189	10,873,816	0	35,908,489
Transfers	169,519,888	17,015,637	200,000	186,735,525	18,769,612	200,000	188,489,500
Total Costs	\$229,346,474	\$36,788,616	\$866,339	\$267,001,429	\$42,777,307	\$866,372	\$272,990,153
General Fund	170,167,847	18,698,135	916,339	189,782,321	20,540,667	916,372	191,624,886
State/Other Special	18,154,607	930,208	0	19,084,815	1,428,257	0	19,582,864
Federal Special	40,929,549	17,163,930	(50,000)	58,043,479	20,813,691	(50,000)	61,693,240
Proprietary	94,471	(3,657)	0	90,814	(5,308)	0	89,163
Total Funds	\$229,346,474	\$36,788,616	\$866,339	\$267,001,429	\$42,777,307	\$866,372	\$272,990,153

COMMISSIONER OF HIGHER ED-5102 ADMINISTRATION PROGRAM-01

01 Administration
Mick Robinson x0319

Program Description - The administration program includes: 1) general administration of the university system, 2) academic, financial, and legal administration, 3) labor relations and personnel administration, and 4) student assistance administration. Article X, Section 9, of the Montana Constitution requires that the Board of Regents appoints the commissioner and prescribes his powers and duties.

Program Proposed Budget	Base Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	PL Base Adjustment	New Proposals	Total Exec. Budget
Budget Item	Fiscal 2008	Fiscal 2010	Fiscal 2010	Fiscal 2010	Fiscal 2011	Fiscal 2011	Fiscal 2011
FTE	22.40	0.00	2.00	24.40	0.00	2.00	24.40
Personal Services	2,156,082	(143,376)	204,939	2,217,645	(141,882)	204,972	2,219,172
Operating Expenses	541,685	183,108	0	724,793	142,150	0	683,835
Equipment & Intangible Assets	21,389	0	0	21,389	0	0	21,389
Local Assistance	0	8,907	0	8,907	8,893	0	8,893
Transfers	0	49,107	0	49,107	49,000	0	49,000
Total Costs	\$2,719,156	\$97,746	\$204,939	\$3,021,841	\$58,161	\$204,972	\$2,982,289
General Fund	2,360,914	92,733	204,939	2,658,586	59,749	204,972	2,625,635
Federal Special	263,771	8,670	0	272,441	3,720	0	267,491
Proprietary	94,471	(3,657)	0	90,814	(5,308)	0	89,163
Total Funds	\$2,719,156	\$97,746	\$204,939	\$3,021,841	\$58,161	\$204,972	\$2,982,289

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$54,420	\$54,420
FY 2011	\$56,053	\$56,053

PL- 103 - Rent Increase -

This decision package reinstates the rent increase approved by the 2007 Legislature for FY 2009. The Office of the Commissioner of Higher Education (OCHE) will move to a permanent location in FY 2009. OCHE requests an additional \$110,473 of general fund in the 2011 biennium for increased rent from the base year. Programs 2, 6, and 8 are allocated rent increases to be paid from non-general fund sources.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$58,014	\$58,014
FY 2011	\$57,893	\$57,893

PL- 104 - Distance Learning Assistance -

The 2007 legislature appropriated \$225,000 of general fund for the on-going support of distance learning. During the base year, not all funding was spent. This decision package restores the distance learning budget to approximately \$225,000 per year to allow the program to continue to work with the campuses on a coordinated, system-wide approach to distance learning .

**COMMISSIONER OF HIGHER ED-5102
ADMINISTRATION PROGRAM-01**

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$204,939	\$204,939
FY 2011	\$204,972	\$204,972

NP- 102 - Information Resources, Planning, and Communication -

OCHE requests to maintain two positions that are currently funded from the appropriation distribution program 9. OCHE transferred funds from program 09 to program 01 and since the funding was spent on modified positions, the funding was not captured in the base budget. In recent years, the BOR has made it a priority to improve system-wide strategic planning, information resources, communications, and collaboration with statewide agencies and educational organizations.

COMMISSIONER OF HIGHER ED-5102 STUDENT ASSISTANCE PROGRAM-02

02 Student Assistance
Laurie Tobol x0322

Program Description - This program includes all student grant funding. 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 Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2008	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2010	Fiscal 2010	Fiscal 2010	Fiscal 2011	Fiscal 2011	Fiscal 2011
FTE	1.50	0.00	0.00	1.50	0.00	0.00	1.50
Personal Services	98,580	17,857	0	116,437	17,869	0	116,449
Operating Expenses	38,660	9,998	0	48,658	8,038	0	46,698
Local Assistance	116,000	9,000	0	125,000	14,000	0	130,000
Grants	10,995,694	2,153,972	0	13,149,666	2,677,846	0	13,673,540
Total Costs	\$11,248,934	\$2,190,827	\$0	\$13,439,761	\$2,717,753	\$0	\$13,966,687
General Fund	10,956,182	2,187,667	0	13,143,849	2,716,544	0	13,672,726
State/Other Special	99,446	3,160	0	102,606	1,209	0	100,655
Federal Special	193,306	0	0	193,306	0	0	193,306
Total Funds	\$11,248,934	\$2,190,827	\$0	\$13,439,761	\$2,717,753	\$0	\$13,966,687

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$884	\$0
FY 2011	\$910	\$0

PL- 200 - Rent Increase -

Allocation of rent increase to the student assistance program. This request funds an increase in rent as explained in PL103 in program 1. The increase is \$1,794 state special revenue for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$577,252	\$577,252
FY 2011	\$806,126	\$806,126

PL- 201 - WICHE/WWAMI/MN Dental -

This decision package requests \$1,383,378 general fund in the 2011 biennium to fund continuing student slots at anticipated increased tuition levels for the WICHE, WWAMI and MN Dental professional student exchange programs.

**COMMISSIONER OF HIGHER ED-5102
STUDENT ASSISTANCE PROGRAM-02**

Program	FY 2008 Actual	FY 2010 PL Adjustment	FY 2010 Request	FY 2011 PL Adjustment	FY 2011 Request
WICHE Admin. Dues	\$ 116,000	\$ 9,000	\$ 125,000	\$ 14,000	\$ 130,000
WICHE	\$ 1,911,300	\$ 226,467	\$ 2,137,767	\$ 316,533	\$ 2,227,833
Subtotal	\$ 2,027,300	\$ 235,467	\$ 2,262,767	\$ 330,533	\$ 2,357,833
WWAMI	\$ 2,906,819	\$ 333,385	\$ 3,240,204	\$ 462,993	\$ 3,369,812
MN Dentistry	\$ 123,600	\$ 8,400	\$ 132,000	\$ 12,600	\$ 136,200
Grand Total	\$ 5,057,719	\$ 577,252	\$ 5,634,971	\$ 806,126	\$ 5,863,845

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$32,000	\$32,000
FY 2011	\$32,000	\$32,000

PL- 202 - GSL Reimbursement -

The 2007 Legislature approved \$62,900 general fund for the 2009 biennium to provide a personal services cost reimbursement to the Guaranteed Student Loan Program (GSL), where administrative support is provided for a number of student assistance programs, including the High School Honors Fee Waiver, the Governor's Postsecondary Scholarship Program, the Montana Higher Education Grant, the Baker Grant, and other programs. The appropriation was allocated with \$30,900 to FY 2008 and \$32,000 to FY 2009. Adjusting the base level of funding to the FY 2009 level of support, an additional \$1,100 is needed for each year of the biennium or \$2,200 in total. The entire amount needs to be restored each year as it is not an FTE driven expense and therefore, gets zeroed out in the budgeting process.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$993,000	\$993,000
FY 2011	\$993,000	\$993,000

PL- 203 - Governor's Postsecondary Scholarship Program -

In the current biennium, the Montana Legislature provided a general fund appropriation of \$4,040,000 for scholarships to be awarded to Montana's best and brightest students attending one of the state's postsecondary institutions. The scholarships are awarded to students in three categories: merit, merit-at-large, and need. Both merit scholarships are awarded to incoming freshman and the need-based is awarded to students in academic categories, as determined by the Commissioner of Higher Education. The scholarships are renewable and can be used at a two-year or four-year institution. In FY 2008, \$1,530,000 was awarded to Montana students and \$2,510,000 will be awarded in FY 2009. To continue to fund existing students in the program and to maintain the same level of funding from 2009 biennium, an increase of \$993,000 in each year of the biennium.

Governor's Best & Brightest - Number of Scholarships Awarded				
Award Type	2008	2009	2010	2011
Merit-At-Large	172	258	234	292
Merit-High School	515	679	640	596
Subtotal	687	937	874	888
Need	649	864	916	902
Total Scholarships Awarded	1336	1801	1790	1790

**COMMISSIONER OF HIGHER ED-5102
STUDENT ASSISTANCE PROGRAM-02**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$592,720	\$592,720
FY 2011	\$892,720	\$892,720

PL- 204 - Quality Educator Loan Assistance Program -

During the 2007 Legislative session, the Quality Educator Loan Assistance Program was created, with the objective of attracting public school teachers to underserved Montana school districts by providing state funding assistance to help those teachers pay outstanding student loans. A qualifying educator will be eligible for loan assistance for a maximum of four years and the annual maximum repayment amount is \$3,000. The Board of Regents was designated as the administrator and was given \$1,050,000 in general fund appropriation for the biennium. A 0.50 FTE was granted to assist in the administration of the program but has since been split between two existing positions so funding for the 0.50 FTE is not necessary through this decision package. In cooperation with OPI, 100+ teachers will be given loan assistance in FY 2008 and another 100 will join them in FY 2009. To support the continuation and again offer 100 teachers assistance, \$592,720 of additional funding will be necessary in FY 2010 and \$892,720 in FY2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$10,000	\$0
FY 2011	\$8,000	\$0

PL- 206 - Montana Family Education Savings Plan -

The contract between the Commissioner of Higher Education and Montana's 529 education savings plan program manager expired on May 31, 2008. There will be increased costs related to the preparation, review, and award of the contract, as well as costs to transition a new program manager. This increase for non-general fund authority is estimated to be \$10,000 in FY 2010 and \$8,000 in FY 2011 for a total of \$18,000 for the biennium. The Montana 529 Education Savings Plan administrative costs are 100% funded by an annual administrative fee charged to non-resident investors. This request will be funded as state special revenue.

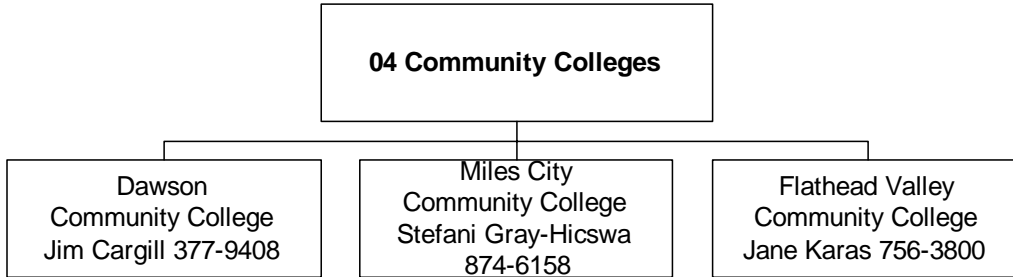
**COMMISSIONER OF HIGHER ED-5102
IMPROVING TEACHER QUALITY-03**

03 Improving Teacher Quality Sylvia Moore x0312

Program Description - This program is a federal grant program aimed at upgrading teaching skills of teachers in math and science.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personal Services	14,666	(14,666)	0	0	(14,666)	0	0
Operating Expenses	1,936	67	0	2,003	73	0	2,009
Grants	221,786	0	0	221,786	0	0	221,786
Total Costs	\$238,388	(\$14,599)	\$0	\$223,789	(\$14,593)	\$0	\$223,795
Federal Special	238,388	(14,599)	0	223,789	(14,593)	0	223,795
Total Funds	\$238,388	(\$14,599)	\$0	\$223,789	(\$14,593)	\$0	\$223,795

COMMISSIONER OF HIGHER ED-5102 COMMUNITY COLLEGE ASSISTANCE-04



Program Description - This program distributes funds appropriated by the Legislature in support of the three community colleges: Miles Community College, Dawson Community College, and Flathead Valley Community College. Each community college district has an elected board of trustees. The regents have statutory authority to control the community colleges in Title 20, Chapter 15, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Local Assistance	8,710,093	715,549	0	9,425,642	805,591	0	9,515,684
Total Costs	\$8,710,093	\$715,549	\$0	\$9,425,642	\$805,591	\$0	\$9,515,684
General Fund	8,710,093	715,549	0	9,425,642	805,591	0	9,515,684
Total Funds	\$8,710,093	\$715,549	\$0	\$9,425,642	\$805,591	\$0	\$9,515,684

In the base year, the 2007 Legislature assumed the community college funding was 48.5% of costs. The community colleges received additional revenue from other sources and the actual state share of funding in the base year was 42.6%. The recommended community college budget begins at the higher level of expenditure in the base year and FY 2009 and builds from that level of expenditure. The following recommended budget provides for an increase in state share to 44.3 % in FY 2010 and 44.4% in FY 2011, an increase from the actual level of 42.6% in FY 2008.

The Administration recommends no additional enrollment in the portion of the budget that flows through the Office of the Commissioner of Higher Education to community colleges. Funding for additional enrollment is available through the decision package for 21st Century Workforce in the Department of Labor.

Statute also requires the Legislature adopt the ratio of the community college budget that it identifies as fixed and variable. In an attempt to keep the community colleges funding similar to the educational units, the Administration recommends that 100% of the community college funding funded through the OCHE is fixed and that 0% is variable. If the community college enrollment is less than the level budgeted, there will be no reversion of general fund.

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$40,751	\$40,751
FY 2011	\$0	\$0

PL- 401 - Audit Costs -

Estimated audit costs for contract audits of FVCC, MCC, and DCC is \$81,500 and this requests the state pay for 50% of those costs. Audit costs were added to the community college budgets in the 2009 legislative session. The \$81,500 was taken from the fixed cost schedule set out by OBPP. The audit costs were split in the same ratio as they were funded last year with 32% or \$13,040 to DCC; 39% or \$15,893 to FVCC and 29% or \$11,818 to MCC.

**COMMISSIONER OF HIGHER ED-5102
COMMUNITY COLLEGE ASSISTANCE-04**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$674,798	\$674,798
FY 2011	\$805,591	\$805,591

PL- 403 - Increase Funding to Cover the Costs of Present Law -

The Administration recommends funding community colleges as similar as possible as the educational units. Increased funding for the following present law adjustments in the Community Colleges as follows:

- Statewide inflation and fixed costs as applied to all other agencies
- Enrollment continued to be level with the FY 2009 operating budgeted level of enrollment
- Increases for employee merit and market adjustments, and faculty promotions and floors by campus set at the highest rate of the educational units
- Faculty termination costs will now be eligible for a share of funding from the personal services contingency pool to the extent that they exceed the level agreed upon
- Other operating cost inflationary increase to account for increases in rent, supplies, equipment and other costs
- Campus and agency specific increases for water and sewer rates

Unlike the educational units, the community colleges have local community support. In building these budgets, the growth rates for particular funding sources were assumed per the following: a non-resident tuition increase of approximately 1.0% in FY 2010 and 1.1% in FY 2011; and statutory local government levy increases per 15-10-420, MCA of 1.6% in each year of the biennium. No increase in resident student is assumed to be needed with the above adjustments. There is no recommended replacement of the one-time only funding provided in the previous biennium.

The following table summarizes the increases in state funding for both decision packages for each campus.

Projected Resident FTE						
Campus	FY 2008 Actual	FY 2009 Budgeted	PL Adjustments	FY 2010 Projections	PL Adjustments	FY2011 Projections
Present Law Adjustments						
Dawson C.C.	\$ 1,561,351	\$ 1,678,742	\$ 190,839	\$ 1,752,190	\$ 195,073	\$ 1,756,424
Flathead C.C.	\$ 5,028,763	\$ 5,323,858	\$ 341,129	\$ 5,369,892	\$ 415,036	\$ 5,443,799
Miles C.C.	\$ 2,119,979	\$ 2,245,074	\$ 183,581	\$ 2,303,560	\$ 195,482	\$ 2,315,461

**COMMISSIONER OF HIGHER ED-5102
EDUCATIONAL OUTREACH & DIVERSITY-06**

06 Educational Outreach & Diversity Sylvia Moore x0312
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Program Description - This program is primarily a federally-funded program to decrease the dropout rate of disadvantaged students in high schools and increase their enrollment and retention in post-secondary education.

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2008	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2010	Fiscal 2010	Fiscal 2010	Fiscal 2011	Fiscal 2011	Fiscal 2011
FTE	19.95	0.00	0.00	19.95	0.00	0.00	19.95
Personal Services	758,599	255,549	0	1,014,148	255,893	0	1,014,492
Operating Expenses	943,427	18,230	0	961,657	21,428	0	964,855
Grants	915,547	3,203,906	0	4,119,453	2,084,453	0	3,000,000
Transfers	900,000	0	0	900,000	0	0	900,000
Total Costs	\$3,517,573	\$3,477,685	\$0	\$6,995,258	\$2,361,774	\$0	\$5,879,347
General Fund	63,005	10,316	0	73,321	10,361	0	73,366
State/Other Special	0	0	0	0	0	0	0
Federal Special	3,454,568	3,467,369	0	6,921,937	2,351,413	0	5,805,981
Total Funds	\$3,517,573	\$3,477,685	\$0	\$6,995,258	\$2,361,774	\$0	\$5,879,347

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$13,195	\$0
FY 2011	\$13,591	\$0

PL- 600 - Rent Increase -

This request funds an increase in rent as explained in PL103 in program 1. The increase is \$26,786 federal funds for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$3,203,906	\$0
FY 2011	\$2,084,453	\$0

PL- 601 - Additional Federal Authority for GEAR UP -

Montana GEAR UP operates under a six year discretionary federal grant. The request for additional federal authority will allow all the GEAR UP grant to be expended and to provide federally funded college scholarships to GEAR UP students.

COMMISSIONER OF HIGHER ED-5102 WORK FORCE DEVELOPMENT PGM-08

08 Workforce Development
Mary Sheehy Moe x0316

Program Description - The OCHE and the Office of Public Instruction coordinate the primarily federal efforts to support vocational education at the secondary and post-secondary levels.

Program Proposed Budget	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00
Personal Services	310,557	92,117	0	402,674	92,863	0	403,420
Operating Expenses	127,598	5,935	0	133,533	6,236	0	133,834
Grants	1,943,715	531,011	0	2,474,726	531,011	0	2,474,726
Transfers	3,073,647	350,000	0	3,423,647	350,000	0	3,423,647
Total Costs	\$5,455,517	\$979,063	\$0	\$6,434,580	\$980,110	\$0	\$6,435,627
General Fund	90,093	(28)	50,000	140,065	(31)	50,000	140,062
Federal Special	5,365,424	979,091	(50,000)	6,294,515	980,141	(50,000)	6,295,565
Total Funds	\$5,455,517	\$979,063	\$0	\$6,434,580	\$980,110	\$0	\$6,435,627

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$7,758	\$0
FY 2011	\$7,991	\$0

PL- 800 - Rent Increase -

This request funds an increase in rent as explained in PL103 in program 1. The increase is \$15,749 federal special revenue for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$881,011	\$0
FY 2011	\$881,011	\$0

PL- 801 - Increased Federal Authority for Perkins -

This increased federal authority will allow the Commissioner's office to award the federally funded grants and to transfer the required federal funding to OPI.

**COMMISSIONER OF HIGHER ED-5102
WORK FORCE DEVELOPMENT PGM-08**

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	\$50,000
FY 2011	\$0	\$50,000

NP- 802 - Fund Deputy Commissioner for 2-Year Education -

OCHE requests \$50,000 general fund per year to convert the Director of two-year Education position within OCHE to the Deputy Commissioner for two-year Education, to focus on two-year issues and system-wide solutions. While the availability of two-year education in Montana is broad and diverse, the number of students taking advantage of two-year education is low. There is a need in Montana to develop a coordinated system of two-year education. This approach must strive to increase college participation for all ages of students, address regional workforce training needs, align strategies and resources, increase administrative efficiencies, and improve public perception.

COMMISSIONER OF HIGHER ED-5102 APPROPRIATION DISTRIBUTION-09

**09 Appropriation
Distribution**

Program Description -

The Appropriation Distribution Program in the Office of the Commissioner of Higher Education (OCHE) is the conduit through which state funds flow to: 1) the university system units and colleges of technology and other campus related appropriations, and 2) the research/public service agencies.

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2008	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2010	Fiscal 2010	Fiscal 2010	Fiscal 2011	Fiscal 2011	Fiscal 2011
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfers	165,546,241	16,616,530	200,000	182,362,771	18,370,612	200,000	184,116,853
Total Costs	\$165,546,241	\$16,616,530	\$200,000	\$182,362,771	\$18,370,612	\$200,000	\$184,116,853
General Fund	147,491,080	15,689,482	200,000	163,380,562	16,943,564	200,000	164,634,644
State/Other Special	18,055,161	927,048	0	18,982,209	1,427,048	0	19,482,209
Total Funds	\$165,546,241	\$16,616,530	\$200,000	\$182,362,771	\$18,370,612	\$200,000	\$184,116,853

The following table summarizes the funding table above by campus or agency. These funds are appropriated to the Office of the Commissioner of Higher Education and distributed to the campuses and agencies.

Appropriation Distribution Program (09) -- 2011 Biennium Executive Budget Proposal									
Educational Units	FY 2008	State Share	New	Executive Budget	State Share	New	Executive Budget	2011 Biennium	
	Base Year	Present Law FY 2010	Proposals FY 2010	FY 2010	Present Law FY 2011	Proposals FY 2011	FY 2011	FY 2011	Total
UM - Missoula	\$ 45,186,426	\$ 4,708,098		\$ 49,894,524	\$ 5,165,270		\$ 50,351,696	\$	100,246,220
MSU - Bozeman	\$ 44,863,936	\$ 5,063,026		\$ 49,926,962	\$ 5,698,628		\$ 50,562,564	\$	100,489,526
UM - MT Tech	\$ 11,529,160	\$ 1,410,248		\$ 12,939,408	\$ 1,596,666		\$ 13,125,826	\$	26,065,234
MSU - Billings	\$ 18,016,449	\$ 1,811,897		\$ 19,828,346	\$ 1,962,604		\$ 19,979,053	\$	39,807,399
MSU - Northern	\$ 8,112,772	\$ 609,235		\$ 8,722,007	\$ 612,529		\$ 8,725,301	\$	17,447,308
MU - Western	\$ 6,170,885	\$ 392,663		\$ 6,563,548	\$ 429,700		\$ 6,600,585	\$	13,164,133
Great Falls COT	\$ 5,081,776	\$ 992,747		\$ 6,074,523	\$ 1,047,100		\$ 6,128,876	\$	12,203,399
Helena COT	\$ 3,548,527	\$ 417,842		\$ 3,966,369	\$ 448,418		\$ 3,996,945	\$	7,963,314
Family Practice Residency	\$ 319,366			\$ 319,366			\$ 319,366	\$	638,732
Yellow Bay Biological Institute	\$ 125,000			\$ 125,000			\$ 125,000	\$	250,000
Motorcycle Safety Program	\$ 220,000	\$ 55,000		\$ 275,000	\$ 55,000		\$ 275,000	\$	550,000
PBS Delivery System			\$ 200,000	\$ 200,000		\$ 200,000	\$ 200,000	\$	400,000
Subtotal	\$ 143,174,297	\$ 15,460,756	\$ 200,000	\$ 158,835,053	\$ 17,015,915	\$ 200,000	\$ 160,390,212	\$	319,225,265
Research/Public Service Agencies									
Ag Experiment Station	\$ 12,102,217	\$ 419,440		\$ 12,521,657	\$ 520,660		\$ 12,622,877	\$	25,144,534
Extension Services	\$ 5,725,432	\$ 386,391		\$ 6,111,823	\$ 445,894		\$ 6,171,326	\$	12,283,149
Forestry Conservation ES	\$ 1,124,312	\$ 41,420		\$ 1,165,732	\$ 41,420		\$ 1,165,732	\$	2,331,464
Bureau of Mines	\$ 2,644,107	\$ 260,724		\$ 2,904,831	\$ 295,626		\$ 2,939,733	\$	5,844,564
Fire Service Training School	\$ 775,876	\$ 47,799		\$ 823,675	\$ 51,097		\$ 826,973	\$	1,650,648
Subtotal	\$ 22,371,944	\$ 1,155,774		\$ 23,527,718	\$ 1,354,697		\$ 23,726,641	\$	47,254,359
Grand Total Program 09	\$ 165,546,241	\$ 16,616,530	\$ 200,000	\$ 182,362,771	\$ 18,370,612	\$ 200,000	\$ 184,116,853	\$	\$ 366,479,624

COMMISSIONER OF HIGHER ED-5102 APPROPRIATION DISTRIBUTION-09

The following table summarizes the total current unrestricted budget recommended by the Administration. These funds account for the total current unrestricted funding available to the campuses and agencies to include federal funds, tuition, and other funds that are not transferred from the Office of the Commissioner of Higher Education to the campuses. Adjustments to Program 09 begin with the current unrestricted expenditures by unit and then the costs are prorated between state funds and other current unrestricted funding sources.

Campus/Agencies Current Unrestricted Funds -- 2011 Biennium Executive Budget Proposal									
Educational Units	FY 2008 Base Year	PL Base Adjustment 2010	New Proposals FY 2010	Executive Budget FY 2010	PL Base Adjustment FY 2011	New Proposals FY 2011	Executive Budget FY 2011	2011 Biennium Total	
UM - Missoula	\$ 127,540,281	\$ 9,486,594	\$ -	\$ 137,026,875	\$ 10,775,679	\$ -	\$ 138,315,960	\$ 275,342,835	
MSU - Bozeman	\$ 126,542,107	\$ 8,752,384	\$ -	\$ 135,294,491	\$ 10,540,621	\$ -	\$ 137,082,728	\$ 272,377,219	
UM - MT Tech	\$ 23,342,861	\$ 2,038,492	\$ -	\$ 25,381,353	\$ 2,415,930	\$ -	\$ 25,758,791	\$ 51,140,144	
MSU - Billings	\$ 36,500,906	\$ 2,362,996	\$ -	\$ 38,863,902	\$ 2,668,326	\$ -	\$ 39,169,232	\$ 78,033,134	
MSU - Northern	\$ 13,632,993	\$ 208,161	\$ -	\$ 13,841,154	\$ 290,975	\$ -	\$ 13,923,968	\$ 27,765,122	
MU - Western	\$ 10,850,565	\$ 523,338	\$ -	\$ 11,373,903	\$ 588,461	\$ -	\$ 11,439,026	\$ 22,812,929	
Great Falls COT	\$ 9,275,883	\$ 1,426,677	\$ -	\$ 10,702,560	\$ 1,525,889	\$ -	\$ 10,801,772	\$ 21,504,332	
Helena COT	\$ 5,571,177	\$ 408,108	\$ -	\$ 5,979,285	\$ 456,978	\$ -	\$ 6,028,155	\$ 12,007,440	
Subtotal	\$ 353,256,773	\$ 25,206,750	\$ -	\$ 378,463,523	\$ 29,262,859	\$ -	\$ 382,519,632	\$ 760,983,155	
Research/Public Service Agencies									
Ag Experiment Station	\$ 17,663,797	\$ (2,553,071)	\$ -	\$ 15,110,726	\$ (2,227,133)	\$ -	\$ 15,436,664	\$ 30,547,390	
Extension Services	\$ 8,341,947	\$ 311,317	\$ -	\$ 8,653,264	\$ 398,014	\$ -	\$ 8,739,961	\$ 17,393,225	
Forestry Conservation ES	\$ 1,128,085	\$ 11,107	\$ -	\$ 1,139,192	\$ 22,394	\$ -	\$ 1,150,479	\$ 2,289,671	
Bureau of Mines	\$ 2,730,115	\$ 214,787	\$ -	\$ 2,944,902	\$ 250,824	\$ -	\$ 2,980,939	\$ 5,925,841	
Fire Services Training School	\$ 779,526	\$ 49,431	\$ -	\$ 828,957	\$ 52,745	\$ -	\$ 832,271	\$ 1,661,228	
Subtotal	\$ 30,643,470	\$ (1,966,429)	\$ -	\$ 28,677,041	\$ (1,503,156)	\$ -	\$ 29,140,314	\$ 57,817,355	
Grand Total CUR	\$ 383,900,243	\$ 23,240,321	0.00	\$ 407,140,564	\$ 27,759,703	0.00	\$ 411,659,946	\$ 818,800,510	

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$11,696,883	\$11,624,835
FY 2011	\$11,696,883	\$11,624,835

PL- 902 - Adjust Funding to the 2009 Level of State Support -

The administration recommends adjusting the base level of funding to the 2009 level of state support as the first step in funding educational units and the agencies. This increase includes such items as annualization of the 2009 pay-plan, faculty and staff merit and promotion increases, new space, IT fixed costs and operating costs.

**COMMISSIONER OF HIGHER ED-5102
APPROPRIATION DISTRIBUTION-09**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$4,864,647	\$4,864,647
FY 2011	\$6,618,729	\$6,618,729

PL- 903 - Fund Present Law to 2011 Biennium Level -

The Administration recommends increased funding for the following present law adjustments in the Educational Units and Agencies as follows:

- Statewide inflation and fixed costs as applied to all other agencies
- Increased costs associated with operation and maintenance of new or renovated buildings that were approved by previous legislatures of \$2.2 million in FY 2010 and 3.0 million in FY 2011
- Enrollment continued to be level with the FY 2007 budgeted level of enrollment
- Increases for employee merit and market adjustments, and faculty promotions and floors by campus
- Faculty termination costs will continue to be eligible for a share of funding from the personal services contingency pool to the extent that they exceed the level budgeted for in the 2009 biennium
- Other operating cost inflationary increase to account for increases in rent, supplies, equipment and other costs
- Corrections for accounting adjustments, recharges, and personal services zero based items
- Campus and agency specific increases for fertilizer, water, and sewer rates

These increases in current unrestricted (university funds) are recommended to be funded at the FY 2008 state share level of funding by campus or agency. The overall average percentage state share is 43%.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$0	(\$800,000)
FY 2011	\$0	(\$1,300,000)

PL- 930 - General Fund Replacement with Six Mill Levy Funds -

The Administration recommends reconciling the budget with the six mill state special revenues anticipated to be available net of anticipated reappraisal mitigation, and reducing the general fund by a like amount.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$55,000	\$0
FY 2011	\$55,000	\$0

PL- 9015 - Motorcycle Safety (Northern) -

MSU-Northern requests an increase of \$55,000 per year for the Montana motorcycle safety program. The program is funded from fees collected by the Department of Justice at the time motorcycles are registered. The increased funding will be used for the following: replacement of older motorcycles, maintenance on existing motorcycles, increased marketing expenses, and increased operating expenses. The additional appropriation authority is needed to offset the costs of providing services for this continually growing program. The last time the appropriation was increased was for FY 2006. Since this program is funded with fees (02944), no general fund is requested.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$200,000	\$200,000
FY 2011	\$200,000	\$200,000

NP- 920 - PBS Restore One-Time Funding to be Ongoing -

The 2007 Legislature provided one-time-only support for the Public Broadcast System (PBS) for \$400,000 for FY 2008 only. This request restores funding, \$200,000 general fund per year, on an ongoing basis.

**COMMISSIONER OF HIGHER ED-5102
TRIBAL COLLEGE ASSISTANCE PGM-11**

<p>11 Tribal College Assistance Mick Robinson x0319</p>
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Program Description - The program provides assistance to tribal colleges in Montana.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants	450,002	0	461,400	911,402	0	461,400	911,402
Total Costs	\$450,002	\$0	\$461,400	\$911,402	\$0	\$461,400	\$911,402
General Fund	450,002	0	461,400	911,402	0	461,400	911,402
Total Funds	\$450,002	\$0	\$461,400	\$911,402	\$0	\$461,400	\$911,402

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$461,400	\$461,400
FY 2011	\$461,400	\$461,400

NP- 1101 - Restore One-Time Funding to be Ongoing -

In accordance with 20-25-428 MCA, the 2007 legislature appropriated \$450,000 to the tribal colleges for support of non-beneficiary student assistance, along with a one-time-only appropriation of \$507,000. The full \$507,000 was not expended in FY 2008. This request restores the funding to the level expended in FY 2008 in to be ongoing instead of one-time only.

COMMISSIONER OF HIGHER ED-5102 GUARANTEED STUDENT LOAN PGM-12

**12 Guaranteed Student
Loan Program**
Bruce Marks x0351

Program Description - GSL operates under federal regulation to guarantee federal student loans. GSL purchases and services student loans that have been defaulted, works to prevent default, collects outstanding principle from defaulted loans and provides training and technical assistance to schools and lenders under Title 20, Chapter 26, MCA.

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2008	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2010	Fiscal 2010	Fiscal 2010	Fiscal 2011	Fiscal 2011	Fiscal 2011
FTE	55.20	0.00	0.00	55.20	0.00	0.00	55.20
Personal Services	2,419,311	461,122	0	2,880,433	468,757	0	2,888,068
Operating Expenses	3,937,765	5,223,761	0	9,161,526	6,150,437	0	10,088,202
Equipment & Intangible Assets	22,343	0	0	22,343	0	0	22,343
Benefits & Claims	25,034,673	7,038,516	0	32,073,189	10,873,816	0	35,908,489
Transfers	0	0	0	0	0	0	0
Total Costs	\$31,414,092	\$12,723,399	\$0	\$44,137,491	\$17,493,010	\$0	\$48,907,102
General Fund	0	0	0	0	0	0	0
Federal Special	31,414,092	12,723,399	0	44,137,491	17,493,010	0	48,907,102
Total Funds	\$31,414,092	\$12,723,399	\$0	\$44,137,491	\$17,493,010	\$0	\$48,907,102

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$5,240,190	\$0
FY 2011	\$6,186,970	\$0

PL- 1201 - Loan Servicing Costs Increase -

The Montana Guaranteed Student Loan Program (MGSLP) has negotiated a new servicing agreement with Great Lakes Higher Education Corporation to continue to provide a student loan guarantee/processing system and data processing services. The effective date of the new contract was July 1, 2008. With the new contract, MGSLP servicing costs will increase nearly 50%. The increase in costs are relative to the loan portfolio growth the MGSLP has experienced, as the contract pricing is based on the agency's outstanding principal balance of loans under guarantee. The anticipated increase to base funding to cover the costs will be \$5,240,190 in FY 2010 and \$6,186,970 in FY 2011. The costs will be funded 100% from federal funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,655,516	\$0
FY 2011	\$3,637,816	\$0

PL- 1202 - Increased Collection Costs -

The MGSLP anticipates the need for increased collection cost appropriation due to changes in the guarantor funding model as set forth in the College Cost Reduction Act (CCRA). Based on CCRA, MGSLP's remittance requirement on claims payments to the U.S. Department of Education (DE) has increased 7%.

Additionally, MGSLP anticipates more collections and associated collection costs to the DE collection due to projected increases in claim payments based on increased loan limits, increased borrowing, and a slowed economy. The combination of these factors creates a need for additional federal appropriation in the 2011 biennium of \$2,655,516 in FY 2010 and \$3,637,816 in FY 2011.

**COMMISSIONER OF HIGHER ED-5102
GUARANTEED STUDENT LOAN PGM-12**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$4,383,000	\$0
FY 2011	\$7,236,000	\$0

PL- 1203 - Increased Claims Payments -

The Montana Guaranteed Student Loan Program (MGSLP) continues to experience growth in their outstanding guarantee portfolio from \$1,600,000,000 in FY 2006 to \$1,766,000,000 in FY 2007 and to \$1,943,000,000 in FY 2008. The portfolio growth is attributed to increased loan limits and increased borrowing. With claims payments during this period at a rate of approximately 1.2% of the outstanding portfolio and continued expected growth of outstanding portfolio balance, MGSLP will need an appropriation increase for potential claim payments. For this purpose, MGSLP requests increased federal appropriations of \$4,383,000 in FY 2010 and \$7,236,000 FY 2011 for the biennium.

**COMMISSIONER OF HIGHER ED-5102
BOARD OF REGENTS-ADMIN-13**

13 Board of Regents Stephen M. Barrett 522-4529
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Program Description - - The Board of Regents program provides secretarial support, travel and per diem for the Board of Regents. The Board of Regents has full power, responsibility, and authority to supervise, coordinate, manage, and control the Montana University System under Article X, Section 9, Montana Constitution, and 20-25-301, MCA.

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2008	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
	Fiscal 2008	Fiscal 2010	Fiscal 2010	Fiscal 2010	Fiscal 2011	Fiscal 2011	Fiscal 2011
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personal Services	6,000	300	0	6,300	300	0	6,300
Operating Expenses	40,478	2,116	0	42,594	4,589	0	45,067
Local Assistance	0	0	0	0	0	0	0
Total Costs	\$46,478	\$2,416	\$0	\$48,894	\$4,889	\$0	\$51,367
General Fund	46,478	2,416	0	48,894	4,889	0	51,367
Total Funds	\$46,478	\$2,416	\$0	\$48,894	\$4,889	\$0	\$51,367

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$6,300	\$6,300
FY 2011	\$6,300	\$6,300

PL- 1301 - Board of Regents Per Diem -

Board of Regents per diem is zero based. This request restores the per diem of \$6,300 general fund for each year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2010	\$2,041	\$2,041
FY 2011	\$4,471	\$4,471

PL- 1302 - Board of Regents Mileage -

The budget includes \$6,512 general fund for the biennium for travel reimbursement for regents traveling to Board of Regents meetings.