

Mission Statement - To advocate for, communicate with, be accountable to and educate those we serve.

Statutory Authority - Title 20, MCA

Supplemental Appropriation Description - The Office of Public Instruction is requesting supplemental appropriations to distribute BASE aid as required by statute, Timber Harvest/Technology monies set aside for school districts for school year 2000 - 2001, and employee termination costs from the previous administration.

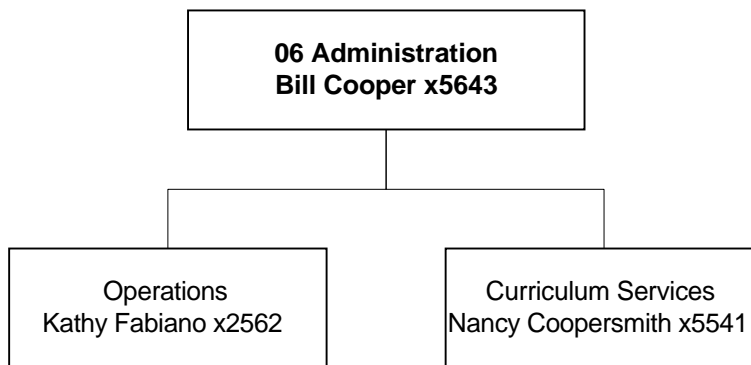
Executive Recommended Legislation -

- Increase the basic and per-ANB entitlements for K-12 BASE aid by 3 percent in FY 2003
- Implement selections from the Governor’s task force report on Teacher Shortage/Salaries
 - Create the student loan repayment program for specific categories of teachers
 - Establish a teacher mentoring grant program for districts
 - Statutorily establish the National Board Certification stipends

Executive Budget Recommendation –

- Implement the School Improvement initiative

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	114.01	0.25	14.09	128.35	0.25	14.09	128.35
Personal Services	4,852,546	302,864	527,203	5,682,613	333,682	529,015	5,715,243
Operating Expenses	4,807,538	1,345,430	2,059,431	8,212,399	1,344,120	2,094,302	8,245,960
Equipment	47,351	25,000	0	72,351	25,000	0	72,351
Local Assistance	477,179,483	9,016,287	930,000	487,125,770	3,873,528	16,049,914	497,102,925
Grants	74,197,792	6,307,721	7,732,961	88,238,474	8,159,472	8,276,661	90,633,925
Total Costs	\$561,084,710	\$16,997,302	\$11,249,595	\$589,331,607	\$13,735,802	\$26,949,892	\$601,770,404
General Fund	480,885,526	9,453,712	2,537,064	492,876,302	4,329,991	17,681,377	502,896,894
State/Other Special	1,242,216	(156,222)	(152,083)	933,911	(156,191)	(152,114)	933,911
Federal Special	78,956,968	7,699,812	8,712,531	95,369,311	9,562,002	9,268,515	97,787,485
Proprietary	0	0	152,083	152,083	0	152,114	152,114
Total Funds	\$561,084,710	\$16,997,302	\$11,249,595	\$589,331,607	\$13,735,802	\$26,949,892	\$601,770,404



Program Description - The Administration 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 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) provides operational support to OPI; and 4) provides assistance and information to school districts. The program administers all federal grants received by OPI, including the budgets for: 1) curriculum assistance; 2) special education; 3) ESEA Title I, II, III, IV and VI administration; 4) secondary vocational education administration; and 5) other educational services including driver's education, school food services, and audiology.

Program Indicators -

Indicator	Actual FY1998	Actual FY1999	Actual FY2000	Estimated FY2001	Requested FY2002	Requested FY2003
Certified Staff (FTE) Employed by Public Schools	11,938	11,902	12,004	12,000	12,000	12,000

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	114.01	0.25	14.09	128.35	0.25	14.09	128.35
Personal Services	4,852,546	302,864	527,203	5,682,613	333,682	529,015	5,715,243
Operating Expenses	4,805,731	1,345,430	2,059,431	8,210,592	1,344,120	2,094,302	8,244,153
Equipment	47,351	25,000	0	72,351	25,000	0	72,351
Local Assistance	15,330	0	0	15,330	0	0	15,330
Total Costs	\$9,720,958	\$1,673,294	\$2,586,634	\$13,980,886	\$1,702,802	\$2,623,317	\$14,047,077
General Fund	4,330,299	178,499	1,532,064	6,040,862	197,537	1,556,463	6,084,299
State/Other Special	242,216	93,778	(152,083)	183,911	93,809	(152,114)	183,911
Federal Special	5,148,443	1,401,017	1,054,570	7,604,030	1,411,456	1,066,854	7,626,753
Proprietary	0	0	152,083	152,083	0	152,114	152,114
Total Funds	\$9,720,958	\$1,673,294	\$2,586,634	\$13,980,886	\$1,702,802	\$2,623,317	\$14,047,077

New Proposals -

- Implement School Improvement, Focus on Learning, with \$2.2 million in general fund for the following: provide for annual testing of grades 4, 8, and 11, development and publication of biennial Profile of Montana Schools, improving student learning through the development of a statewide system of support for teachers and administrators.
- Develop guides for incorporating American Indian content into all content and performance standards and improve communication between the American Indian community and the education community for a cost of \$120,000.
- Keep up with the continually changing and increasing complexity of school funding by adding one FTE and approximately \$50,000 per year to the school distribution area
- Complete schools non-fiscal data information system and provide on going support with \$100,000 general fund

- Enhance the quality of education for students with disabilities and improve the availability of trained personnel with a federal grant which includes 2.75 FTE and \$1.1 million
- Transfer funding for tobacco education in schools from DPHHS to OPI
- Change accounting of Advanced Driver's Education program fund from state special to proprietary
- Encourage low-income students to participate in Advance Placement courses with a federal grant
- Provide improved leadership and support for school health programs with a federal grant
- Implement three recommendations of the Teacher Shortage/ Salaries Task Force: Encourage new teachers to work in rural areas of Montana with a loan forgiveness program, assist districts to develop mentoring programs to improve the skills and retention of beginning teachers, and provide a \$3,000 annual stipend for Montana teachers who are certified by the National Board of Professional Teaching Standards

Language Recommendations – The following language is recommended for HB 2:

"There shall be an Advanced Driver's education proprietary account for the collection and expenditure of tuition."

"Items [federal funds] are biennial appropriations."

"Item [National board Certification] is contingent on passage and approval of LC132."

Proprietary Rates

Program Description -OPI Indirect Cost Pool - OPI's internal service fund (fund 06512) is used to pool internal and statewide central service type costs that are charged back to all of OPI's state and federally funded programs using a pre-approved indirect cost rate.

Revenues and Expenses - Expenditures accounted for as indirect costs include all internal payroll, human resource, accounting, budgeting, cash management, financial reporting, procurement, word-processing, mail deliver, library services, most statewide fixed costs, statewide indirect costs, and all other costs that cannot reasonably be identified to a particular program. A total of 19.55 FTE are funded from revenues deposited in this fund.

Indirect cost pool revenues are based on expenditures recorded in the Administration Program. Applying an approved indirect cost rate to all direct personal service generates revenues and operating expenditures recorded in both state and federally funded programs.

In order to comply with federal regulations (OMB Circular A-87) and a recent Legislative audit recommendation, effective July 1, 2000 OPI began paying termination costs for all employees, except personal staff to the State Superintendent, out of the indirect cost pool. Also, effective July 1, 2001 OPI will begin paying Department of Administration charges for SABHRS as an indirect cost, thereby allocating the cost to both State and Federal programs.

There is no requirement to reserve fund balance. Management's objective is to maintain the minimum balance necessary for on-going operations. If a significant balance accumulates because direct expenses increase at a faster rate than indirect expenses, the approved rate will adjust downward over time to reduce the excess.

Rate Explanation -OPI negotiates a three-year "predetermined rate" with the U.S. Department of Education. The rate is calculated in accordance with federal regulations and 17-3-111(1), MCA. The rate approved for fiscal years 1999 through 2001 is 17 percent. A new rate will be negotiated for the 2003 biennium based on actual costs incurred in FY 2000. No significant change in the rate is anticipated.

Significant Present Law -

Establish the base budget for the indirect cost pool at half the biennial amount appropriated for the 2001 biennium. Additional authority is needed to pay for Department of Administration SABHRS charges and for paying the cost of employee terminations.

**OFFICE OF PUBLIC INSTRUCTION
DISTRIBUTION TO PUBLIC SCHOOLS**

**3501
09**

Program Description - The Distribution to Public Schools program is used by OPI to distribute various state and federal funds to local education agencies.

Program Indicators -

Indicator	Actual FY1998	Actual FY1999	Actual FY2000	Estimated FY2001	Requested FY2002	Requested FY2003
K-12 Public School Enrollment	162,335	159,982	157,556	155,860	153,904	151,728
Public Schools	886	884	880	882	880	880

Budget History -

Table E1 displays a short history and recommendations of school funding. In the 2001 biennium, the legislature has increased the percentage of state aid in school district general fund revenues through increasing the percentage of the districts' Base budgets that are funded with direct state aid. Direct state aid (DSA) is given to all districts regardless of the taxable value within a district. Guaranteed Tax Base Aid (GTB) is state funding for the remaining portion of the entitlements up to 80 percent plus a portion of the state special education funding. State GTB aid varies by district depending on the taxable value relative to the costs of the district. Districts with very high taxable values or high non-levy revenues, receive no GTB aid, while districts with very low taxable values and non-levy revenue receive a high level of GTB aid.

Table E1					
Entitlements, Enrollments, and State Aid					
	<u>FY 1999 actual</u>	<u>FY 2000 actual</u>	<u>FY 2001 estimate</u>	<u>FY 2002 recommend</u>	<u>FY 2003 recommend</u>
Elementary entitlements					
per district	\$ 18,000	\$ 18,000	\$ 18,540	\$ 18,540	\$ 19,096
per ANB (approx./student)	\$ 3,410	\$ 3,529	\$ 3,763	\$ 3,763	\$ 3,876
High School entitlements					
per district	\$ 200,000	\$ 200,000	\$ 206,000	\$ 206,000	\$ 212,180
per ANB (approx./student)	\$ 4,773	\$ 4,821	\$ 5,015	\$ 5,015	\$ 5,165
Base budget components (80% of entitlements)					
Direct State Aid	40.0%	41.1%	44.7%	44.7%	44.7%
Guaranteed Tax Base Aid	40.0%	38.9%	35.3%	35.3%	35.3%
Average number belonging (ANB)	161,753	159,592	157,538	155,137	153,141
Total state aid to district general fund (millions)	\$ 425.7	\$ 439.2	\$ 458.8	\$ 447.4	\$ 456.3
Average state aid/ANB to district general fund	\$ 2,632	\$ 2,752	\$ 2,912	\$ 2,884	\$ 2,980

Note that the cost per student declines from fiscal 2001 to fiscal 2002 due to an anomaly resulting from the technical calculation of the GTB level. With the declining taxable values and decreasing GTB area, the GTB level is unusually high in FY 2001 and returns to a "regular" level in FY 2002 and beyond.

**OFFICE OF PUBLIC INSTRUCTION
DISTRIBUTION TO PUBLIC SCHOOLS**

**3501
09**

It has been nearly a decade since the last thorough study of school finance in Montana. It assumed that the legislature will include in its interim study committee agenda, a study of school finance that will take look at the various aspects of school funding and make recommendations for future action.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
Operating Expenses	1,807	0	0	1,807	0	0	1,807
Local Assistance	477,164,153	9,016,287	930,000	487,110,440	3,873,528	16,049,914	497,087,595
Grants	74,197,792	6,307,721	7,732,961	88,238,474	8,159,472	8,276,661	90,633,925
Total Costs	\$551,363,752	\$15,324,008	\$8,662,961	\$575,350,721	\$12,033,000	\$24,326,575	\$587,723,327
General Fund	476,555,227	9,275,213	1,005,000	486,835,440	4,132,454	16,124,914	496,812,595
State/Other Special	1,000,000	(250,000)	0	750,000	(250,000)	0	750,000
Federal Special	73,808,525	6,298,795	7,657,961	87,765,281	8,150,546	8,201,661	90,160,732
Total Funds	\$551,363,752	\$15,324,008	\$8,662,961	\$575,350,721	\$12,033,000	\$24,326,575	\$587,723,327

Significant Present Law Adjustments -

- Increase Basic and per ANB entitlements and direct state aid percentage from the FY 2000 to the FY 2001 levels with the anticipated enrollments for FY 2002 and FY 2003
- Continue statutory transportation payments to counties for approved transportation routes at anticipated level

New Proposals -

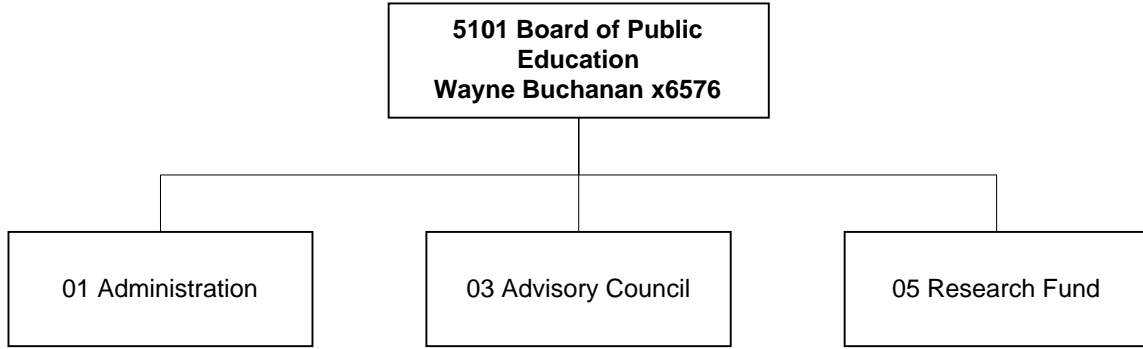
- Raise the Basic and per-ANB entitlements and special education for schools by 3 percent in FY 2003 for a cost of \$14.4 million general fund
- Maintain full funding for school facility bond payments to guaranteed tax base aid eligible school districts with \$1.05 million general fund
- Meet needs of Adult Basic Education federal match and maintain flexibility of local programs with an additional \$75,000 per year
- Provide comprehensive school reform grants to districts with \$1.9 million of federal revenue in the biennium
- Continue the federally funded Reduced Class Size program with a federal grant of \$13.5 million in the biennium
- Encourage low-income students to participate in Advanced Placement courses with a federal grant of \$433,500 in the biennium
- Implement two recommendations of the Teacher Shortage/Teacher Salaries Task Force: establish a student loan repayment program for teachers in under served areas and encourage school districts to establish mentoring programs through state grants with \$1.5 million general fund in the biennium

Language Recommendations – The following language is recommended for HB 2:

"The office of public instruction may distribute funds from the appropriation in item [in-state treatment] to public school districts for the purpose of providing educational costs of day-treatment services."

"Items [all general funds and all federal funds] are biennial appropriations."

"Item [Timber Harvest for Technology] is for school technology as provided in 20-9-534. The amount expended may not exceed the amount paid into the general fund under the provisions of 20-9-343(3)(a)(ii)."

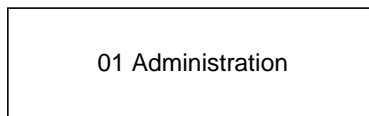


Mission Statement - To exercise "general supervision over the public school system", govern the Montana School for the Deaf and Blind and, together with the Board of Regents, do the general planning, coordinating, and evaluating of the state educational system.

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

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	165,764	18,898	0	184,662	19,840	0	185,604
Operating Expenses	130,077	7,451	8,000	145,528	4,047	8,000	142,124
Equipment	1,814	0	0	1,814	0	0	1,814
Total Costs	\$297,655	\$26,349	\$8,000	\$332,004	\$23,887	\$8,000	\$329,542
General Fund	137,503	11,941	7,384	156,828	10,620	7,384	155,507
State/Other Special	160,152	14,408	616	175,176	13,267	616	174,035
Total Funds	\$297,655	\$26,349	\$8,000	\$332,004	\$23,887	\$8,000	\$329,542

ADMINISTRATION



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. The Board of Public Education is created by Article X, Section 9 of the Montana Constitution and charged with exercising general supervision of the public school system.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	2.00	0.00	0.00	2.00	0.00	0.00	2.00
Personal Services	103,090	6,135	0	109,225	6,527	0	109,617
Operating Expenses	45,838	5,806	8,000	59,644	4,093	8,000	57,931
Total Costs	\$148,928	\$11,941	\$8,000	\$168,869	\$10,620	\$8,000	\$167,548
General Fund	137,503	11,941	7,384	156,828	10,620	7,384	155,507
State/Other Special	11,425	0	616	12,041	0	616	12,041
Total Funds	\$148,928	\$11,941	\$8,000	\$168,869	\$10,620	\$8,000	\$167,548

New Proposals -

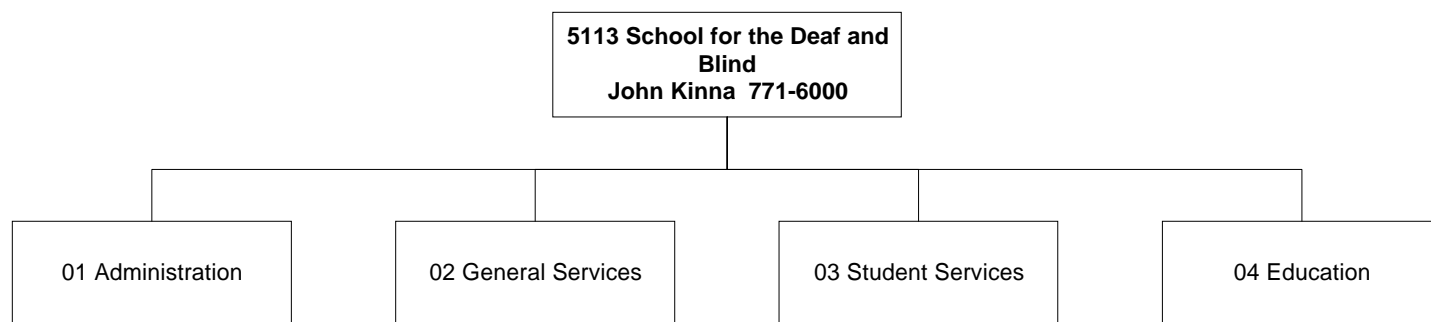
- Support the adoption and implementation of standards

ADVISORY COUNCIL

03 Advisory Council

Program Description - The seven-member Certification Standards and Practices Advisory Council was created by the legislature in 1987 to study and make recommendations to the Board of Public Education in the following areas: 1) teacher, administrator, and specialist certification standards; 2) the status and efficacy of approved teacher education programs; and 3) the feasibility of establishing teaching certification and the appeals process. The board staff provides administrative, research, and clerical duties to the council. The advisory council is created in 2-15-1522, MCA, with duties described in 20-4-133, MCA. These duties include making recommendations to the Board of Public Education regarding precertification training, education requirements, and renewal certification requirements for teachers, administrators, and specialists. The council is required to submit annually its recommendations to the Board of Public Education.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	2.00	0.00	0.00	2.00	0.00	0.00	2.00
Personal Services	62,674	12,763	0	75,437	13,313	0	75,987
Operating Expenses	84,239	1,645	0	85,884	(46)	0	84,193
Equipment	1,814	0	0	1,814	0	0	1,814
Total Costs	\$148,727	\$14,408	\$0	\$163,135	\$13,267	\$0	\$161,994
State/Other Special	148,727	14,408	0	163,135	13,267	0	161,994
Total Funds	\$148,727	\$14,408	\$0	\$163,135	\$13,267	\$0	\$161,994



Mission Statement - To provide to deaf children and blind children in the State of Montana a quality comprehensive education that will provide 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 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	81.68	0.00	0.00	81.68	0.00	0.00	81.68
Personal Services	3,028,662	115,323	34,710	3,178,695	120,567	34,710	3,183,939
Operating Expenses	446,424	47,453	60,000	553,877	17,785	60,000	524,209
Equipment	28,802	0	0	28,802	0	0	28,802
Capital Outlay	0	0	0	0	0	0	0
Total Costs	\$3,503,888	\$162,776	\$94,710	\$3,761,374	\$138,352	\$94,710	\$3,736,950
General Fund	3,194,426	148,275	94,710	3,437,411	123,851	94,710	3,412,987
State/Other Special	228,068	6,997	0	235,065	6,997	0	235,065
Federal Special	81,394	7,504	0	88,898	7,504	0	88,898
Total Funds	\$3,503,888	\$162,776	\$94,710	\$3,761,374	\$138,352	\$94,710	\$3,736,950

**SCHOOL FOR THE DEAF & BLIND
ADMINISTRATION PROGRAM**

**5113
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 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00
Personal Services	221,983	5,447	0	227,430	6,270	0	228,253
Operating Expenses	65,981	39,682	0	105,663	9,064	0	75,045
Total Costs	\$287,964	\$45,129	\$0	\$333,093	\$15,334	\$0	\$303,298
General Fund	287,964	45,129	0	333,093	15,334	0	303,298
Total Funds	\$287,964	\$45,129	\$0	\$333,093	\$15,334	\$0	\$303,298

GENERAL SERVICES PROGRAM

02 General Services

Program Description - The General Services Program staff are responsible for general upkeep and maintenance of the school's eight buildings and 12-acre campus.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	111,819	1,919	0	113,738	2,811	0	114,630
Operating Expenses	194,900	7,035	0	201,935	7,569	0	202,469
Equipment	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
Total Costs	\$306,719	\$8,954	\$0	\$315,673	\$10,380	\$0	\$317,099
General Fund	306,719	8,954	0	315,673	10,380	0	317,099
Total Funds	\$306,719	\$8,954	\$0	\$315,673	\$10,380	\$0	\$317,099

**SCHOOL FOR THE DEAF & BLIND
STUDENT SERVICES PROGRAM**

**5113
03**

03 Student Services

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

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	29.74	0.00	0.00	29.74	0.00	0.00	29.74
Personal Services	785,044	18,176	0	803,220	21,248	0	806,292
Operating Expenses	104,068	748	0	104,816	1,164	0	105,232
Equipment	28,802	0	0	28,802	0	0	28,802
Capital Outlay	0	0	0	0	0	0	0
Total Costs	\$917,914	\$18,924	\$0	\$936,838	\$22,412	\$0	\$940,326
General Fund	893,270	18,568	0	911,838	22,056	0	915,326
Federal Special	24,644	356	0	25,000	356	0	25,000
Total Funds	\$917,914	\$18,924	\$0	\$936,838	\$22,412	\$0	\$940,326

EDUCATION PROGRAM

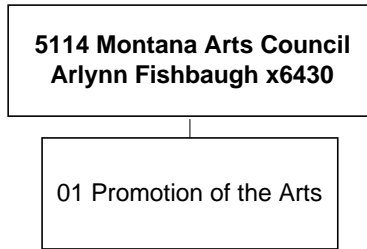
04 Education

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.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	42.94	0.00	0.00	42.94	0.00	0.00	42.94
Personal Services	1,909,816	89,781	34,710	2,034,307	90,238	34,710	2,034,764
Operating Expenses	81,475	(12)	60,000	141,463	(12)	60,000	141,463
Total Costs	\$1,991,291	\$89,769	\$94,710	\$2,175,770	\$90,226	\$94,710	\$2,176,227
General Fund	1,706,473	75,624	94,710	1,876,807	76,081	94,710	1,877,264
State/Other Special	228,068	6,997	0	235,065	6,997	0	235,065
Federal Special	56,750	7,148	0	63,898	7,148	0	63,898
Total Funds	\$1,991,291	\$89,769	\$94,710	\$2,175,770	\$90,226	\$94,710	\$2,176,227

New Proposals -

- Increase salaries for interpreters to recruit and retain a qualified staff
- Replace computers in the classroom that were traditionally financed by the MSDB foundation and other sources



Mission Statement - To encourage the study and presentation of the arts in Montana and to stimulate public interest and participation.

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

Program Description - The Montana Arts Council (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.

Program Indicators –

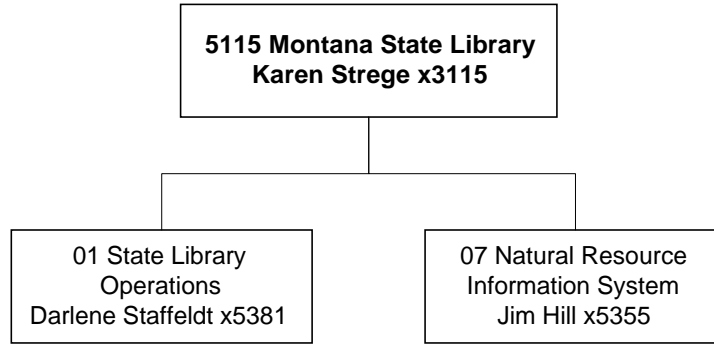
Indicator	Actual FY1998	Actual FY1999	Actual FY2000	Estimated FY2001	Requested FY2002	Requested FY2003
Stable grant funding to organizations	\$320,500	\$465,000	\$405,000	\$420,000	\$396,903	\$402,981
State of the Arts newsletter subscribers/users	5,500	5,500	6,500	7,000	7,500	7,500
Arts Education residencies/services—students/community reached	20,000 students	20,000 students	30,000 students	30,000 students	30,000 students	30,000 students

Language Recommendations- The following HB 2 language is recommended:
"All federal funds in item 1 are biennial appropriations."

Program Proposed Budget	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	7.00	0.00	0.00	7.00	0.00	0.00	7.00
Personal Services	275,647	46,719	0	322,366	49,775	0	325,422
Operating Expenses	204,511	12,735	37,000	254,246	(14,250)	37,000	227,261
Equipment	0	16,500	0	16,500	0	0	0
Grants	333,098	63,805	0	396,903	69,883	0	402,981
Total Costs	\$813,256	\$139,759	\$37,000	\$990,015	\$105,408	\$37,000	\$955,664
General Fund	280,604	54,082	37,000	371,686	23,144	37,000	340,748
State/Other Special	132,440	8,389	0	140,829	4,976	0	137,416
Federal Special	400,212	77,288	0	477,500	77,288	0	477,500
Total Funds	\$813,256	\$139,759	\$37,000	\$990,015	\$105,408	\$37,000	\$955,664

New Proposals -

- Support improving Montana's economy through business technical assistance



Mission Statement - The Montana State Library is committed to providing quality information services to state employees, fostering excellent public libraries and cooperative library services among all types of libraries, collecting and distributing comprehensive and accurate natural resource information, and helping citizens unable to read printed text find suitable materials.

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

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	29.90	0.00	0.60	30.50	0.00	0.60	30.50
Personal Services	1,162,510	(6,398)	31,923	1,188,035	417	31,923	1,194,850
Operating Expenses	1,007,212	88,459	235,000	1,330,671	59,455	235,000	1,301,667
Equipment	128,681	28,842	0	157,523	28,842	0	157,523
Grants	630,090	932,584	200,000	1,762,674	233,449	200,000	1,063,539
Transfers	0	500,000	0	500,000	0	0	0
Debt Service	29,128	(29,128)	0	0	(29,128)	0	0
Total Costs	\$2,957,621	\$1,514,359	\$466,923	\$4,938,903	\$293,035	\$466,923	\$3,717,579
General Fund	1,597,833	342,180	346,115	2,286,128	70,798	346,115	2,014,746
State/Other Special	667,481	158,792	120,808	947,081	133,850	120,808	922,139
Federal Special	692,307	1,013,387	0	1,705,694	88,387	0	780,694
Total Funds	\$2,957,621	\$1,514,359	\$466,923	\$4,938,903	\$293,035	\$466,923	\$3,717,579

STATE LIBRARY OPERATIONS



Program Description - The State Library Operations Program provides 1) information services to state government; 2) referral and back-up services to all libraries in the state; 3) direct library service to all blind and physically handicapped Montana residents; 4) staff consultation and services to individual libraries; and 5) direction to the six library federations. This program administers the state documents depository system, functions as a partial depository for federal government publications, and coordinates the development of library collections throughout the state. The program also manages the budgetary, personnel, and coordination functions of the State Library.

**LIBRARY COMMISSION
STATE LIBRARY OPERATIONS**

**5115
01**

Program Indicators –

Indicator	Actual FY1998	Actual FY1999	Actual FY2000	Estimated FY2001	Requested FY2002	Requested FY2003
Consulting contacts*	6,100	7,198	8,638	9,502	10,262	11,083
Talking book circulation	148,500	139,232	138,629	144,100	149,865	155,900
Information Services Provided			12,453	15,550	17,875	19,650
State Publications Center			1,220	1,460	1,680	1,850

***Consulting Contacts** defined as providing information and advice to librarians (mainly the 79 public library directors and staff, but occasionally academic, special or school librarians), trustees (five for each of the 79 public libraries), administrators, and users of Montana libraries on all aspects of providing library services to Montanans. This consulting is provided on a variety of topics including, but not limited to, donations, censorship, e-rate application forms, library certification, technology plans, use of OCLC/WLN, use of MLN gateway, long range planning, statewide periodical database usage, collection development guidelines, internet connectivity, budgeting, acceptable use policies, trustee training, children’s services, availability of grant funds, library personnel issues.

***Talking book circulation** defined as providing materials for the blind or physically handicapped from the Montana Talking Book Library. The active patron population remains fairly consistent at approximately 2,600 patrons. At this time this number includes only the physical talking books provided, not the web services provided.

***Library and Information Services** targets its resources and services to state government employees and Montana librarians in addition to providing the general public with access to State of Montana publications. Our mission is to bring current knowledge to bear on the issues facing the state by locating and providing books, journal articles, technical reports, and government documents. We also research answers to questions and perform searches of the professional literature on requested topics pertinent to state professional staff, researchers and decision-makers.

***The State Publications Center** within LISD provides permanent public access to State of Montana publications by maintaining a comprehensive documents collection and managing a depository library program. This program supports the basic right of citizens to know about the activities of state government and to benefit from the information developed at public expense, and supports the needs of agencies and citizens alike to easily access this information.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	24.50	0.00	0.00	24.50	0.00	0.00	24.50
Personal Services	914,828	(23,808)	0	891,020	(18,439)	0	896,389
Operating Expenses	698,505	(39,237)	235,000	894,268	(71,059)	235,000	862,446
Equipment	119,840	8,842	0	128,682	8,842	0	128,682
Grants	630,090	932,584	200,000	1,762,674	233,449	200,000	1,063,539
Debt Service	14,564	(14,564)	0	0	(14,564)	0	0
Total Costs	\$2,377,827	\$863,817	\$435,000	\$3,676,644	\$138,229	\$435,000	\$2,951,056
General Fund	1,540,599	322,641	317,500	2,180,740	47,053	317,500	1,905,152
State/Other Special	174,921	2,789	117,500	295,210	2,789	117,500	295,210
Federal Special	662,307	538,387	0	1,200,694	88,387	0	750,694
Total Funds	\$2,377,827	\$863,817	\$435,000	\$3,676,644	\$138,229	\$435,000	\$2,951,056

Significant Present Law Adjustments -

- Continue the Library Services Technology Act grants and the state aid biennial appropriation

New Proposals -

- Establish a one-time-only appropriation for the statewide periodical electronic database
- Add state aid grants to help communities support basic library service

Language Recommendations - The following HB 2 language is recommended:

"Item 1 includes a biennial appropriation of \$251,138 general fund and \$889,102 federal special revenue for grants to local libraries."

07 Natural Resource
Information System
Jim Hill x5355

Program Description - The Natural Resources Information Services Program (NRIS) manages the natural resources data for the state. It provides a standard system for the acquisition, storage, retrieval, and management of this data, and coordinates and consults with other state agencies on the geographic information system and the river study. The program also administers the Montana Natural Heritage Program, a database on rare or exemplary plants, animals, communities, and geological features.

Program Indicators –

Indicator	Actual FY1998	Actual FY1999	Actual FY2000	Estimated FY2001	Requested FY2002	Requested FY2003
Clearinghouse activities- Mediated requests*	1,710	1,881	1,867	1,900	1,900	1,900
Clearinghouse activities – Web MB Downloaded	128,727	275,395	410,926	550,000	700,000	850,000

Mediated Requests include only those services or product requests for which a formal response is prepared by NRIS staff or that require significant staff resources in order to respond.

Web MB Downloaded is a measure of non-mediated response to the NRIS service and product needs of state and federal agencies, businesses and the public. The measure includes all information provided by NRIS via the Internet (measured in Megabytes), and is heavily weighted towards map products provided through this means.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	5.40	0.00	0.60	6.00	0.00	0.60	6.00
Personal Services	247,682	17,410	31,923	297,015	18,856	31,923	298,461
Operating Expenses	308,707	127,696	0	436,403	130,514	0	439,221
Equipment	8,841	20,000	0	28,841	20,000	0	28,841
Transfers	0	500,000	0	500,000	0	0	0
Debt Service	14,564	(14,564)	0	0	(14,564)	0	0
Total Costs	\$579,794	\$650,542	\$31,923	\$1,262,259	\$154,806	\$31,923	\$766,523
General Fund	57,234	19,539	28,615	105,388	23,745	28,615	109,594
State/Other Special	492,560	156,003	3,308	651,871	131,061	3,308	626,929
Federal Special	30,000	475,000	0	505,000	0	0	30,000
Total Funds	\$579,794	\$650,542	\$31,923	\$1,262,259	\$154,806	\$31,923	\$766,523

Significant Present Law Adjustments -

- Continue the level of services provided by the NRIS program and adjust for the Natural Heritage Program contract increase

New Proposals -

- Provide stable funding in the NRIS core program and add 0.60 FTE

**LIBRARY COMMISSION
NATURAL RESOURCE INFO SYSTEM**

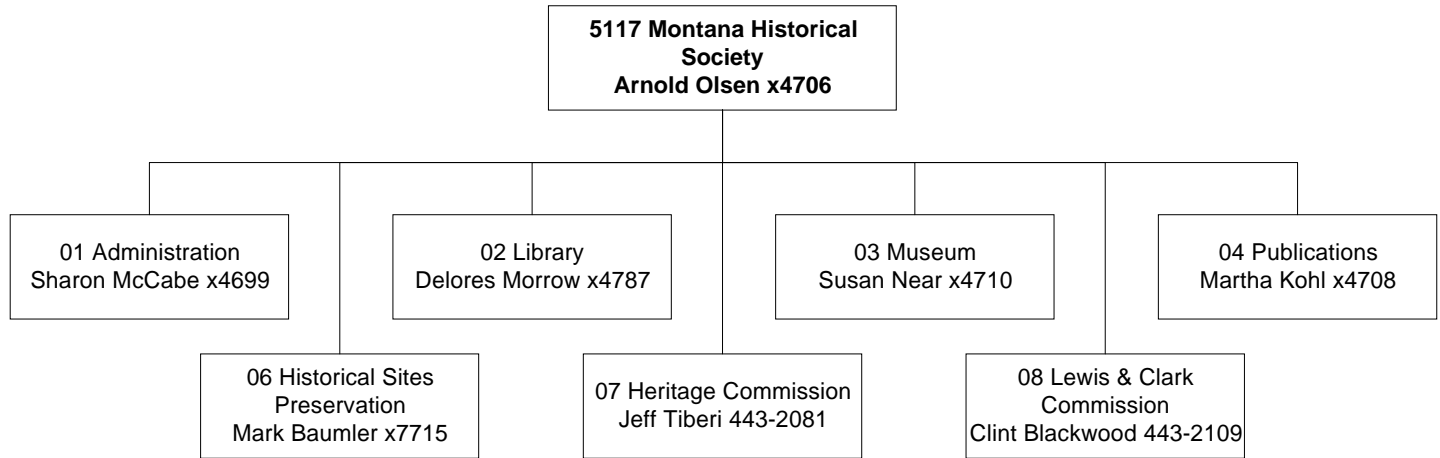
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07**

Language Recommendations - The following HB 2 language is recommended:

'Item 2a includes \$500,000 for legislative contract authority as a biennial appropriation, subject to the following provisions:

- 1) legislative contract authority applies only to state special revenue funds received from the Montana university system, federal funds, and private funds.
- 2) legislative contract authority expenditures must be reported on the state accounting system. The records must be separate from present law operations. In preparing the 2005 biennium budget for legislative consideration, the office of budget and program planning may not include the expenditures from this item in the present law base.
- 3) a report must be submitted by the Montana state library commission to the legislative fiscal division following the end of each fiscal year of the biennium. The report must include a list of projects with the related amount of expenditures and FTE for each project.
- 4) legislative contract authority may be transferred between state special and federal special revenue depending upon the contract received by the Montana state library."

Table E-2 Natural Resource Information System Program 2003 Biennium Funding				
	<u>General Fund</u>	<u>State Special</u>	<u>Federal/ Other</u>	<u>Total Funding</u>
<u>State Agencies in HB 2</u>				
DEQ	40,150	58,694	65,676	164,520
DNRC	98,310			98,310
FWP		138,780		138,780
MDT		63,690		63,690
MSL General Fund	214,982			214,982
MSL Renewable Resources (RIT)		396,105		396,105
MSL Reclamation and Development (RIT)		350,555		350,555
MUS Current Funds (Universities)	44,252		44,253	88,505
<u>Non-Budgeted Funding</u>				
NRIS Non-budgeted DEQ	<u>0</u>	<u>0</u>	<u>13,335</u>	<u>13,335</u>
Subtotal Core By Fund	<u>\$397,694</u>	<u>\$1,007,824</u>	<u>\$ 123,264</u>	<u>\$1,528,782</u>
<u>Legislative Contract Authority (LCA)</u>				
MSL Private		25,000		25,000
MSL Federal	<u>0</u>	<u>0</u>	<u>475,000</u>	<u>475,000</u>
Subtotal LCA	<u>\$ 0</u>	<u>\$ 25,000</u>	<u>\$ 475,000</u>	<u>\$500,000</u>
Total Funding	<u>\$353,442</u>	<u>\$1,032,824</u>	<u>\$ 642,516</u>	<u>\$2,028,782</u>



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 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	53.63	1.00	4.50	59.13	1.00	4.50	59.13
Personal Services	1,902,403	242,336	191,921	2,336,660	252,589	192,548	2,347,540
Operating Expenses	996,842	318,824	211,490	1,527,156	300,607	200,273	1,497,722
Equipment	10,077	0	0	10,077	0	0	10,077
Grants	72,670	240,000	100,000	412,670	240,000	100,000	412,670
Transfers	53,652	0	0	53,652	0	0	53,652
Total Costs	\$3,035,644	\$801,160	\$503,411	\$4,340,215	\$793,196	\$492,821	\$4,321,661
General Fund	1,650,520	316,088	433,411	2,400,019	302,793	422,821	2,376,134
State/Other Special	192,586	40,462	0	233,048	41,014	0	233,600
Federal Special	461,688	409,095	0	870,783	412,328	0	874,016
Proprietary	730,850	35,515	70,000	836,365	37,061	70,000	837,911
Total Funds	\$3,035,644	\$801,160	\$503,411	\$4,340,215	\$793,196	\$492,821	\$4,321,661

01 Administration
Sharon McCabe x4699

Program Description - The Administration Program provides supervision, administration, and coordination of the five 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, and historic interpretation.

Program Indicators -

Indicator	Actual FY1998	Actual FY1999	Actual FY2000	Estimated FY2001	Requested FY2002	Requested FY2003
Visitors to the Society	87,521	101,136	75,856	100,000	80,000	80,000
Special Members	1,277	1,260	1,234	1,300	1,360	1,420

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	13.00	0.00	3.00	16.00	0.00	3.00	16.00
Personal Services	498,696	73,940	131,381	704,017	76,451	131,817	706,964
Operating Expenses	377,198	122,471	178,625	678,294	98,268	173,408	648,874
Total Costs	\$875,894	\$196,411	\$310,006	\$1,382,311	\$174,719	\$305,225	\$1,355,838
General Fund	737,206	175,489	240,006	1,152,701	152,975	235,225	1,125,406
State/Other Special	81,510	20,513	0	102,023	20,513	0	102,023
Federal Special	57,178	409	0	57,587	1,231	0	58,409
Proprietary	0	0	70,000	70,000	0	70,000	70,000
Total Funds	\$875,894	\$196,411	\$310,006	\$1,382,311	\$174,719	\$305,225	\$1,355,838

Significant Present Law Adjustments -

- Respond to the Lewis and Clark Bicentennial assistance and interpretations requests

New Proposals -

- Add 0.50 FTE personnel officer and related funding
- Support one-time-only 1.50 FTE and costs to prepare for the upcoming Lewis and Clark Bicentennial
- Add 1.00 FTE and funding for an information system support specialist
- Support electronic format information on archival holdings, books, historic photographs, museums objects, art, and historic site records
- Provide proprietary overhead for administrative and professional assistance to the Heritage Commission and the Lewis and Clark Commission

<p>02 Library Delores Morrow x4787</p>

Program Description - The Library Program consists of the library, archives, and photo archives functions. This program acquires, organizes, preserves, and makes accessible to the public published materials, historic records and manuscripts, photographs and related media, and oral history illustrative of the history of Montana, the surrounding region, and the Trans-Mississippi West. This program houses the official Archives of State Government and the Legislature. It also assists researchers seeking historical information.

Program Indicators -

Indicator	Actual FY1998	Actual FY1999	Actual FY2000	Estimated FY2001	Requested FY2002	Requested FY2003
Number of published items and photographs acquired	9,500	9,420	9,500	9,700	9,700	9,700
Linear feet of manuscripts and state records acquired	600	325	518	1500	900	600
Reference service	17,380	17,420	17,600	18,000	18,200	18,400

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	13.75	0.00	0.00	13.75	0.00	0.00	13.75
Personal Services	492,839	31,943	0	524,782	34,935	0	527,774
Operating Expenses	112,770	10,589	0	123,359	10,673	0	123,443
Equipment	10,077	0	0	10,077	0	0	10,077
Total Costs	\$615,686	\$42,532	\$0	\$658,218	\$45,608	\$0	\$661,294
General Fund	556,884	38,799	0	595,683	41,803	0	598,687
State/Other Special	2,808	0	0	2,808	0	0	2,808
Proprietary	55,994	3,733	0	59,727	3,805	0	59,799
Total Funds	\$615,686	\$42,532	\$0	\$658,218	\$45,608	\$0	\$661,294

**03 Museum
Sue Near x4710**

Program Description - The Museum Program collects, preserves, and interprets the history of Montana through its material culture. The museum collects fine arts and historical, archaeological, and ethnological artifacts from Montana and the general geographic region. The program interprets its collections through exhibits, educational activities, tours and traveling exhibits.

Program Indicators -

Indicator	Actual FY1998	Actual FY1999	Actual FY2000	Estimated FY2001	Requested FY2002	Requested FY2003
Number of exhibits*	26	29	33	34	35	36
Number of participants in Educational programs**	42,396	49,876	50,540	52,000	40,000	52,000

* The number of permanent, rotating, offsite, and traveling exhibits owned by the society.

** This consists of school tours, capital tours, Original Governor's Mansion tours, lectures, seminars, and workshops

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	9.00	0.00	1.00	10.00	0.00	1.00	10.00
Personal Services	307,818	22,737	38,921	369,476	24,470	39,043	371,331
Operating Expenses	88,597	98,499	9,865	196,961	103,532	6,865	198,994
Total Costs	\$396,415	\$121,236	\$48,786	\$566,437	\$128,002	\$45,908	\$570,325
General Fund	280,204	101,612	48,786	430,602	107,826	45,908	433,938
State/Other Special	108,268	19,949	0	128,217	20,501	0	128,769
Proprietary	7,943	(325)	0	7,618	(325)	0	7,618
Total Funds	\$396,415	\$121,236	\$48,786	\$566,437	\$128,002	\$45,908	\$570,325

Significant Present Law Adjustments -

- Continue \$196,000 general fund for the biennium for storage of the Robert M. Scriver collection of art

New Proposals -

- Establish 0.50 FTE and funding to curate the Robert M. Scriver collection
- Provide 0.50 FTE for a coordinator to manage volunteers

<p>04 Publications Martha Kohl x4708</p>
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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 Post, the official newsletter of the society. It also publishes books under the Montana Historical Society Press imprint and operates the retail and mail order museum store.

Program Indicators -

Indicator	Actual FY1998	Actual FY1999	Actual FY2000	Estimated FY2001	Requested FY2002	Requested FY2003
Subscribers to magazine	7,341	6,513	6,090	6,236	6,400	6,500
Number of books published by the Society Press	5	5	6	5	5	5

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	10.38	0.00	0.00	10.38	0.00	0.00	10.38
Personal Services	319,826	38,663	0	358,489	39,893	0	359,719
Operating Expenses	347,087	(6,556)	20,000	360,531	(6,312)	20,000	360,775
Transfers	53,652	0	0	53,652	0	0	53,652
Total Costs	\$720,565	\$32,107	\$20,000	\$772,672	\$33,581	\$20,000	\$774,146
General Fund	53,652	0	20,000	73,652	0	20,000	73,652
Proprietary	666,913	32,107	0	699,020	33,581	0	700,494
Total Funds	\$720,565	\$32,107	\$20,000	\$772,672	\$33,581	\$20,000	\$774,146

New Proposals -

- Fund the newsletter and mailing list management in one program

**06 Historic Sites Preservation
Mark Baumler x7715**

Program Description - The Historic Sites Preservation Program administers Montana Antiquities Act and Montana's participation in the federal Historic Preservation Act and the federal grants-in-aid for historic preservation. Staff provide technical assistance to all Montana property owners. Staff review all proposed federally funded or permitted projects within the state to determine their effect on properties listed or eligible for listing on the National Register of Historic Places. The office certifies historic structures and rehabilitation projects for federal tax credits to citizens and businesses authorized by the Tax Reform Act of 1976. The program awards federal grants to local governments, communities, and individuals in two primary areas: 1) the Certified Local Government Program, and 2) historic survey and planning for historic areas.

Program Indicators –

Indicator	Actual FY1998	Actual FY1999	Actual FY2000	Estimated FY2001	Requested FY2002	Requested FY2003
Construction projects created with SHPO assistance	1,498	1,242	1,202	1,250	1,300	1,300
Newly listed properties on the National Register of Historic Places	17	21	11	20	20	20

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	7.50	1.00	0.50	9.00	1.00	0.50	9.00
Personal Services	283,224	75,053	21,619	379,896	76,840	21,688	381,752
Operating Expenses	71,190	93,821	3,000	168,011	94,446	0	165,636
Grants	72,670	240,000	0	312,670	240,000	0	312,670
Total Costs	\$427,084	\$408,874	\$24,619	\$860,577	\$411,286	\$21,688	\$860,058
General Fund	22,574	188	24,619	47,381	189	21,688	44,451
Federal Special	404,510	408,686	0	813,196	411,097	0	815,607
Total Funds	\$427,084	\$408,874	\$24,619	\$860,577	\$411,286	\$21,688	\$860,058

Significant Present Law –

- Adjust funding for increased U.S. Department of Interior grants and add 1.00 FTE for rural efforts

New Proposals -

- Add 0.50 FTE grants administrator to ensure receipt of federal preservation funding

**07 Heritage Commission
Jeff Tiberi 443-2081**

Program Description - The Montana Heritage Preservation and Development Commission is an 11 member board appointed by the Governor and the Legislature that manages the Virginia City and Nevada City properties held by the Montana Historical Society in trust for the state. Working in concert with the Montana Historical Society, commission staff supervise maintenance, preservation, and curation of historic buildings and artifacts, administer commercial operations and concessions within the state-held properties, and create and manage needed visitor services. The commission is administratively attached to the society and its budget has been a statutory appropriation, which sunsets June 30, 2001. Hence, there is no budget table shown.

LEWIS & CLARK BICENTENNIAL

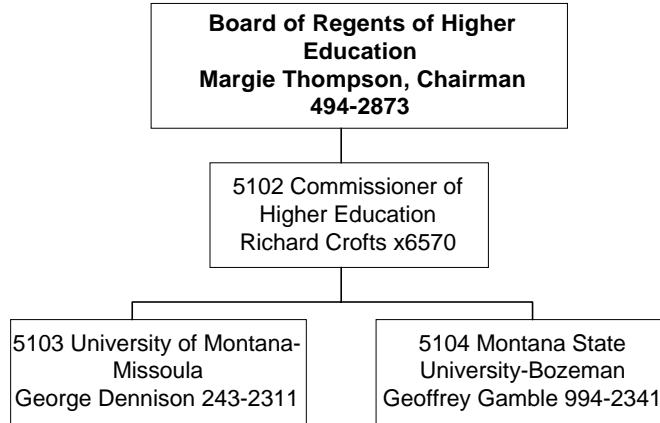
**08 Lewis & Clark Commission
Clint Blackwood 443-2109**

Its main mission is to provide statewide leadership, communication, and coordination in planning and implementing the Lewis and Clark Bicentennial observance in Montana, which will be held from 2003-2006. The commission has 12 Governor-appointed commissioners serving three-year staggered terms. The commission is funded with a grant from the Department of Commerce accommodations tax and private funds, neither of which are appropriated to the society in HB 2. Hence, there is no base budget in the table below.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants	0	0	100,000	100,000	0	100,000	100,000
Total Costs	\$0	\$0	\$100,000	\$100,000	\$0	\$100,000	\$100,000
General Fund	0	0	100,000	100,000	0	100,000	100,000
Total Funds	\$0	\$0	\$100,000	\$100,000	\$0	\$100,000	\$100,000

New Proposals -

- Provide match for federal and foundation grants



Mission Statement -The purpose of the Montana University System (MUS) is to deliver high quality post-secondary educational opportunities to the citizens of Montana while balancing access, cost and accountability.

Statutory Authority - Article X, Sect 9, Montana Constitution; 2-15-1506, MCA

Executive Budget Recommendation –

- Add \$7.5 million over the biennium to fund library and student services, information technology investment, physical plant maintenance and capital equipment
- Add \$1 million per year for this biennium for student assistance programs
- Provide \$0.8 million in this biennium for the development of new programs at two-year colleges to enhance their potential for economic development
- Support non-beneficiary students attending tribal colleges by providing \$0.83 million in assistance to these schools

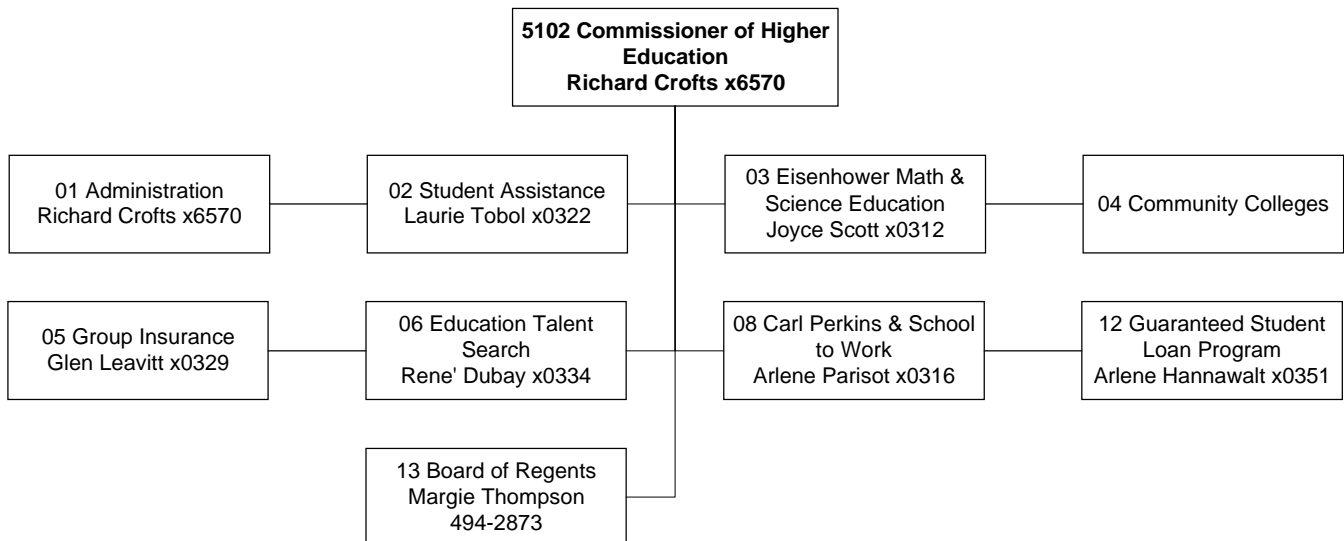
Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	73.55	0.00	13.25	86.80	0.00	13.50	87.05
Personal Services	2,914,768	126,793	476,694	3,518,255	145,546	489,940	3,550,254
Operating Expenses	3,784,903	161,240	4,767,341	8,713,484	137,462	5,049,540	8,971,905
Local Assistance	5,289,315	387,411	0	5,676,726	414,222	0	5,703,537
Grants	9,906,881	683,934	3,635,400	14,226,215	919,256	3,779,800	14,605,937
Benefits & Claims	18,462,439	0	6,812,849	25,275,288	0	9,300,378	27,762,817
Transfers	131,911,080	4,359,815	3,731,676	140,002,571	3,232,538	5,638,926	140,782,544
Debt Service	3,748	0	0	3,748	0	0	3,748
Total Costs	\$172,273,134	\$5,719,193	\$19,423,960	\$197,416,287	\$4,849,024	\$24,258,584	\$201,380,742
General Fund	124,494,535	8,940,017	5,303,405	138,737,957	9,527,888	7,312,555	141,334,978
State/Other Special	15,567,144	(2,746,000)	0	12,821,144	(2,578,000)	0	12,989,144
Federal Special	32,211,455	(474,824)	14,120,555	45,857,186	(2,100,864)	16,946,029	47,056,620
Total Funds	\$172,273,134	\$5,719,193	\$19,423,960	\$197,416,287	\$4,849,024	\$24,258,584	\$201,380,742

Explanation of the Above Table: This table reflects the financial transactions of the Office of Commissioner of Higher Education (OCHE). These funds are directly appropriated from the state to the MUS. The majority of these funds are transferred out of the OCHE into the university units, where they are combined with tuition and other general operating funds to become "current unrestricted " in higher education funds. All of the above OCHE appropriations are recorded in the state accounting system in governmental fund structure (MCA 17-2-102). All units of the MUS, except the OCHE, record all transactions in higher education fund structure, as shown in the following table.

Table E-3 Current Unrestricted					
Educational Units / Agencies	Base Budget Fiscal 2000	Adjustments Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment 2003	Total Exec. Budget Fiscal 2003
UM - Missoula	79,860,093	1,804,479	81,664,572	1,842,832	81,702,925
UM - Tech	14,835,101	472,620	15,307,721	505,762	15,340,863
UM- Western	6,660,693	283,593	6,944,286	306,921	6,967,614
UM - Helena COT	3,315,846	169,107	3,484,953	180,500	3,496,346
MSU - Bozeman	78,266,069	2,250,253	80,516,322	2,339,515	80,605,584
MSU - Billings	23,017,788	1,075,430	24,093,218	1,062,483	24,080,271
MSU - Northern	9,999,264	533,222	10,532,486	486,932	10,486,196
MSU - Great Falls COT	4,246,874	235,760	4,482,634	230,188	4,477,062
Nonresident Student Decrease		(3,564,505)	(3,564,505)	(5,840,787)	(5,840,787)
Subtotal	220,201,728	3,259,959	223,461,687	1,114,346	221,316,074
Governor's Recommendations:					
Distance Learning	200,000	-	200,000	-	200,000
Academic Dev.- Two Year Programs	-	800,000	800,000	-	-
Fee Waivers	-	500,586	500,586	734,561	734,561
Increase State Support	-	2,500,000	2,500,000	5,000,000	5,000,000
Resident Enrollment Growth	-	767,567	767,567	1,156,135	1,156,135
Banner Inc. Operating Costs	-	371,080	371,080	371,080	371,080
NRIS	-	44,252	44,252	44,254	44,254
Rural Residency Program	295,600	45,600	341,200	45,600	341,200
Subtotal for Educational Units	220,697,328	8,289,044	228,986,372	8,465,976	229,163,304
Agencies:					
Ag Experiment Station	11,897,205	1,029,615	12,926,820	1,078,213	12,975,418
Extension Services	6,132,804	233,963	6,366,767	259,584	6,392,388
Forestry and Cons.	862,543	42,353	904,896	45,709	908,252
Bureau of Mines	2,097,452	79,257	2,176,709	84,071	2,181,523
Fire Services	346,435	54,621	401,056	100,834	447,269
Grand Total	242,033,767	9,728,853	251,762,620	10,034,387	252,068,154

Explanation of the Table E-3: This table reflects the total current unrestricted financial transactions of the MUS. General fund and state millage are transferred into these higher education funds through the OCHE. The appropriations of general fund and state millage shown here are duplicated above in the transfers shown in the OCHE agency table.

The current unrestricted portion of the MUS budget is the state appropriated or general operating budget of the MUS. Other funds exist on campuses for dormitories, food services, grants and contracts, and other special purpose funds and are not reflected in the executive budget.



01 Administration
Richard Crofts x6570

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.

Statutory Authority - 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							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	15.40	0.00	0.00	15.40	0.00	0.00	15.40
Personal Services	925,606	100,474	0	1,026,080	106,914	0	1,032,520
Operating Expenses	261,212	4,916	33,829	299,957	(22,014)	33,829	273,027
Total Costs	\$1,186,818	\$105,390	\$33,829	\$1,326,037	\$84,900	\$33,829	\$1,305,547
General Fund	1,186,818	105,390	33,829	1,326,037	84,900	33,829	1,305,547
Total Funds	\$1,186,818	\$105,390	\$33,829	\$1,326,037	\$84,900	\$33,829	\$1,305,547

Significant Present Law Adjustments -

- Adjust rent to reflect payments in lease agreement
- Reduce operations as personal services funds were spent in operations during FY 2000. Personal services has been fully funded in the 2003 biennium.

New Proposals -

- Account for federal indirect cost recoveries in accordance with a legislative audit recommendation.

**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.

Statutory Authority - Title 20 Chapters 25 and 26, MCA

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
Operating Expenses	0	0	2,500	2,500	0	5,000	5,000
Local Assistance	85,000	14,000	0	99,000	18,000	0	103,000
Grants	7,368,922	464,339	1,118,400	8,951,661	638,157	1,217,800	9,224,879
Total Costs	\$7,453,922	\$478,339	\$1,120,900	\$9,053,161	\$656,157	\$1,222,800	\$9,332,879
General Fund	7,383,508	463,882	1,120,900	8,968,290	641,700	1,222,800	9,248,008
Federal Special	70,414	14,457	0	84,871	14,457	0	84,871
Total Funds	\$7,453,922	\$478,339	\$1,120,900	\$9,053,161	\$656,157	\$1,222,800	\$9,332,879

Significant Present Law Adjustments -

- Cost increases related to interstate assistance (WICHE/WAMI/Minnesota Dentistry) programs in professional schools
- Increase financial aid for the Work Study, SEOG and SSIG programs due to enrollment growth and additional federal funds

New Proposals -

- Provide an additional \$1 million per year for various Student Assistance Programs. Funds are targeted for additional dental slots, speech pathology, dental hygiene and the Baker Scholarship Program
- Fund an additional Veterinary Medicine slot in the WICHE program
- Initiate the scholarship program for targeted teaching specialties, outlined in the final report of the Governor's Task Force on Teacher Salaries/Teacher Shortage

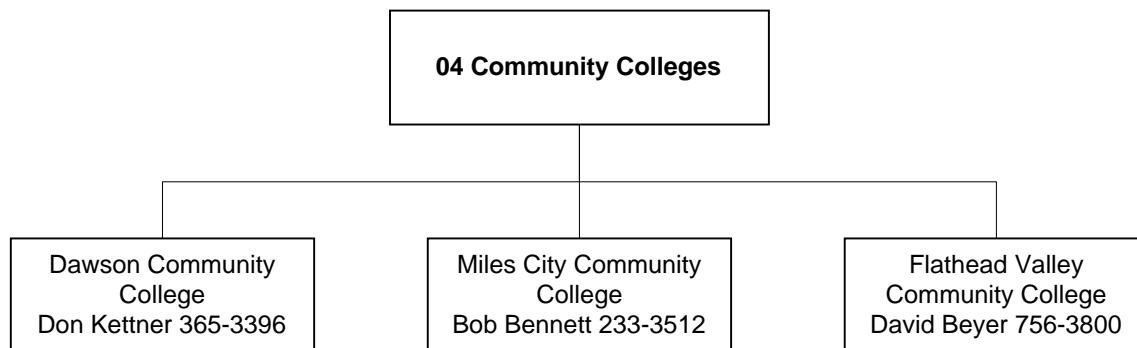
**03 Eisenhower Math & Science
Education
Joyce Scott x0312**

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 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
Personal Services	3,551	(3,551)	0	0	(3,551)	0	0
Operating Expenses	13,591	0	0	13,591	0	0	13,591
Grants	199,153	100,000	0	299,153	100,000	0	299,153
Total Costs	\$216,295	\$96,449	\$0	\$312,744	\$96,449	\$0	\$312,744
Federal Special	216,295	96,449	0	312,744	96,449	0	312,744
Total Funds	\$216,295	\$96,449	\$0	\$312,744	\$96,449	\$0	\$312,744

Significant Present Law Adjustments -

- Increase appropriation authority based on projected federal grant levels and estimated carryover funds available



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.

Statutory Authority - Title 20, Chapter 15, MCA

**COMMISSIONER OF HIGHER ED
COMMUNITY COLLEGE ASSISTANCE**

**5102
04**

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
Local Assistance	5,204,315	373,411	0	5,577,726	396,222	0	5,600,537
Total Costs	\$5,204,315	\$373,411	\$0	\$5,577,726	\$396,222	\$0	\$5,600,537
General Fund	5,204,315	373,411	0	5,577,726	396,222	0	5,600,537
Total Funds	\$5,204,315	\$373,411	\$0	\$5,577,726	\$396,222	\$0	\$5,600,537

Significant Present Law Adjustments -

- Fund an anticipated increase in the community college enrollment to 2,064 in FY 2002 and 2,085 in FY 2003 at the FY 2001 level of funding of \$2,686 state general fund per student.
- If actual resident student enrollment is greater than the estimated number for the biennium, the community colleges shall serve the additional students without a state general fund contribution. If actual resident student enrollment is less than the estimated number for the biennium, the commissioner of higher education shall revert general fund equal to the estimated cost calculation to the state for each estimated FTE student who did not enroll.

TALENT SEARCH

**06 Education Talent Search
Rene' Dubay x0334**

Program Description - This is primarily a federally funded program to decrease the dropout rate in high schools and increase enrollment in post-secondary education of disadvantaged students.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	10.95	0.00	9.25	20.20	0.00	9.50	20.45
Personal Services	385,982	4,687	333,944	724,613	7,151	346,584	739,717
Operating Expenses	122,820	440	145,632	268,892	808	221,580	345,208
Grants	0	0	2,100,000	2,100,000	0	2,145,000	2,145,000
Total Costs	\$508,802	\$5,127	\$2,579,576	\$3,093,505	\$7,959	\$2,713,164	\$3,229,925
General Fund	81,995	12,090	0	94,085	12,598	0	94,593
Federal Special	426,807	(6,963)	2,579,576	2,999,420	(4,639)	2,713,164	3,135,332
Total Funds	\$508,802	\$5,127	\$2,579,576	\$3,093,505	\$7,959	\$2,713,164	\$3,229,925

New Proposals -

- Add appropriation authority related to the GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs) grant from the U.S. Department of Education. OCHE received \$1.9 million during FY 2000 with an anticipated \$11.8 million over a five-year period.
- Make permanent an academic specialist position in the Talent Search Program.
- Increase federal authority to spend projected Talent Search funds for 4 percent growth in FY 2002 and 15 percent growth in FY 2003.

**08 Carl Perkins & School to
 Work
 Arlene Parisot x0316**

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

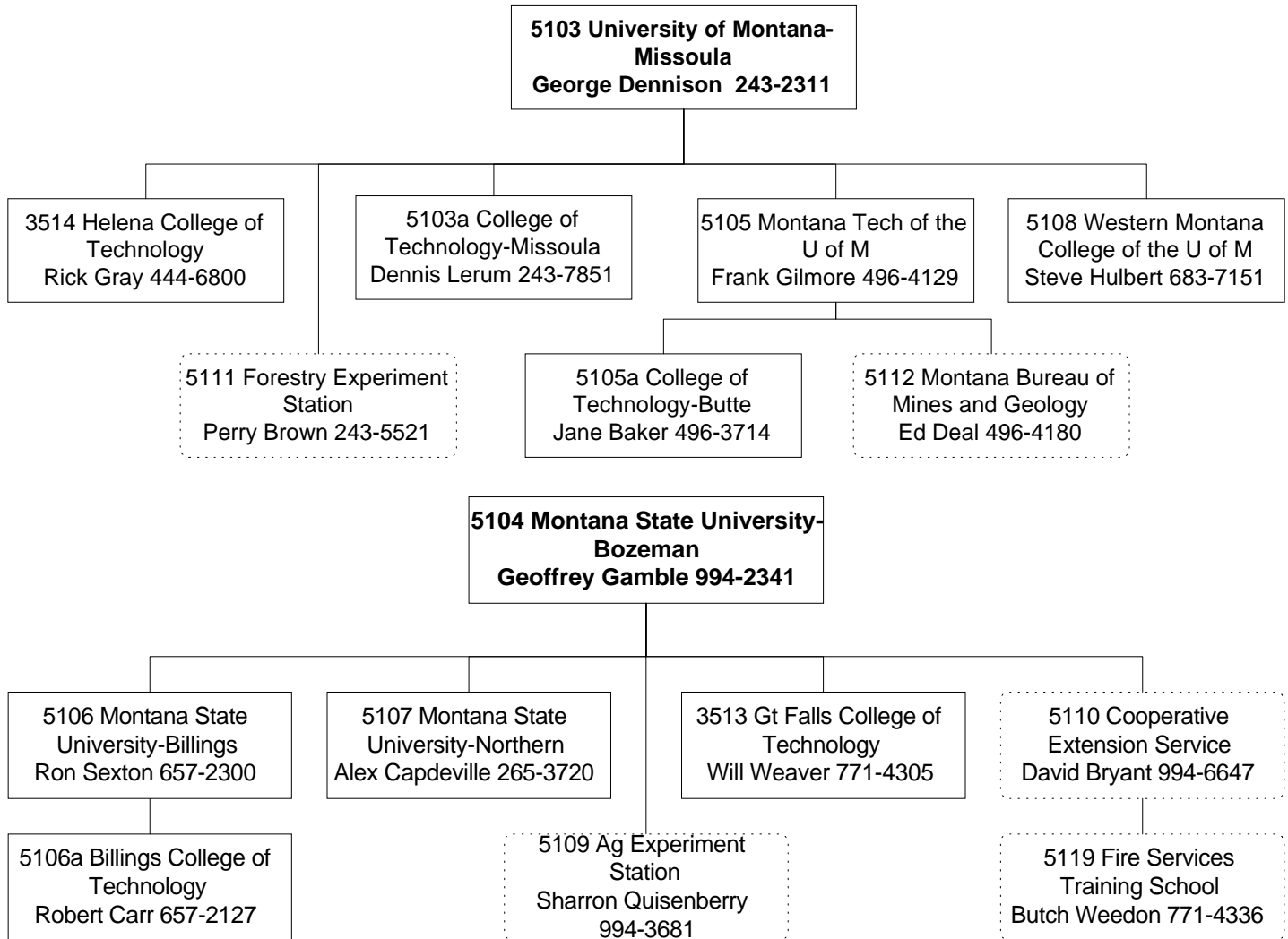
Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	4.00	0.00	1.00	5.00	0.00	1.00	5.00
Personal Services	236,581	(53,161)	44,299	227,719	(52,379)	44,491	228,693
Operating Expenses	210,677	173	0	210,850	131	0	210,808
Grants	2,338,806	119,595	0	2,458,401	181,099	0	2,519,905
Transfers	5,826,327	(875,957)	0	4,950,370	(2,578,458)	0	3,247,869
Total Costs	\$8,612,391	(\$809,350)	\$44,299	\$7,847,340	(\$2,449,607)	\$44,491	\$6,207,275
General Fund	76,528	3,472	0	80,000	3,472	0	80,000
Federal Special	8,535,863	(812,822)	44,299	7,767,340	(2,453,079)	44,491	6,127,275
Total Funds	\$8,612,391	(\$809,350)	\$44,299	\$7,847,340	(\$2,449,607)	\$44,491	\$6,207,275

Significant Present Law Adjustments -

- Adjustments based on estimated level of federal authority and projected carryover of funds for Carl Perkins and School to Work Grants. School to Work is anticipated to end during FY 2003.

New Proposals -

- Make permanent a program specialist position, who has been funded out of Carl Perkins administrative funds.



Program Description - The Montana University System (MUS) is segregated organizationally into two sub-systems: the University of Montana (UM) and the Montana State University (MSU). The appropriation for the MUS is combined differently. The educational units are combined into one budget and recommended for funding as one. This gives the Board of Regents the ability to move funds between campuses, as needs change. All of these campuses budgets are combined on pages E-33 to E -37. The research and public service agencies (such as Agricultural Experiment Station and Forestry and Conservation Experiment Station) are budgeted individually. Each of these agencies is displayed on a separate page.

PROGRAM INDICATORS -

Indicator	Actual FY1998	Actual FY1999	Actual FY2000	Estimated FY2001	Requested FY2002	Requested FY2003
Resident Enrollments- FTE	24,323	24,436	24,603	24,873	25,004	25,207
Budget Devoted to Instruction	54%	55%	54%	55%	53%	53%
Credit by Examination – 4 year	4,660	4,396	4,408	4,500	4,500	4,500
Institutions - # of Credits						
Credit by Examination – Colleges of Technology	684	934	552	500	500	500
Credit by Examination – Community Colleges	197	76	39	40	40	40

**COMMISSIONER OF HIGHER ED
APPROPRIATION DISTRIBUTION**

**5102
09**

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2000	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2002	Fiscal 2002	Fiscal 2002	Fiscal 2003	Fiscal 2003	Fiscal 2003
Transfers	126,084,753	5,235,772	3,731,676	135,052,201	5,810,996	5,638,926	137,534,675
Total Costs	\$126,084,753	\$5,235,772	\$3,731,676	\$135,052,201	\$5,810,996	\$5,638,926	\$137,534,675
General Fund	110,517,609	7,981,772	3,731,676	122,231,057	8,388,996	5,638,926	124,545,531
State/Other Special	15,567,144	(2,746,000)	0	12,821,144	(2,578,000)	0	12,989,144
Total Funds	\$126,084,753	\$5,235,772	\$3,731,676	\$135,052,201	\$5,810,996	\$5,638,926	\$137,534,675

The above table reflects only expenditures of general fund, six mill funds which, for accounting purposes, are transfers from the Office of Commissioner Higher Education (OCHE) to all campuses, colleges, and agencies of the Montana University System (MUS). The total expenditures, which include tuition, federal funds, and other general operating revenue, are recorded in higher education funds (current unrestricted) shown on page E-25.

Executive Budget Recommendation –

- The budget for the eight campuses, along with programs 1, 2, 3, 6, 8 and 13 is recommended to be a combined budget. Since the 1995 session, the educational units budget has been appropriated to the Board of Regents in one appropriation for allocation among the various units.
- Due to property tax reductions created by the 1999 legislative session, revenue decreased from \$30.1 million in the 2001 biennium to \$24.3 million in the 2003 biennium. General Fund has replaced this gap to keep the base budget constant.
- Tuition, interest and other revenue available to the MUS units is anticipated to be \$226.8 million during the 2003 biennium. Tuition is assumed to increase at 3 percent per year.
- A decrease in the number of students from out-of-state projected by the university system will reduce revenue approximately \$12 million in the biennium. Out- of-state students pay tuition equal to or greater than the average cost of education. A reduction in these students will decrease revenue more than the incremental savings from the loss of those students.
- The increase in resident student growth was calculated on a marginal cost basis. If actual resident student enrollment is greater than the estimated number for the biennium, the university system shall serve the additional students with only increased tuition revenue from added students and without additional state general fund. If actual resident student enrollment is less than the estimated number for the biennium, the commissioner of higher education shall revert general fund equal to the marginal cost calculation to the state for each estimated FTE student who did not enroll and the system will not receive associated tuition revenues.

Educational Units Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Budget	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
	Fiscal 2000	Fiscal 2002	Fiscal 2002	Fiscal 2000	Fiscal 2003	Fiscal 2003	Fiscal 2003
UM - Missoula	33,898,634	1,084,574		34,983,208	1,100,996		34,999,630
UM - Tech	9,170,641	223,410		9,394,051	243,776		9,414,417
UM- Western	4,156,173	171,247		4,327,420	185,775		4,341,948
UM - Helena COT	2,038,949	100,446		2,139,395	107,450		2,146,399
MSU - Bozeman	36,490,509	1,399,246		37,889,755	1,436,294		37,926,803
MSU - Billings	13,555,560	563,921		14,119,481	556,335		14,111,895
MSU - Northern	6,589,154	215,617		6,804,771	185,051		6,774,205
MSU - Great Falls COT	2,656,705	139,064		2,795,769	135,589		2,792,294
Rural Residency Program	295,600	45,600		341,200	45,600		341,200
Distributed Learning	200,000			200,000			200,000
Academic Dev.- Two Year Programs			800,000	800,000			-
Resident Fee Waivers		300,953	199,633	500,586	327,678	406,883	734,561
Increase State Support			2,500,000	2,500,000		5,000,000	5,000,000
Resident Enrollment Growth		767,567		767,567	1,156,135		1,156,135
Banner Inc. Operating Costs			185,540	185,540		185,540	185,540
Natural Resource Information System		22,126		22,126	22,127		22,127
Total Costs	109,051,925	5,033,771	3,685,173	117,770,869	5,502,806	5,592,423	120,147,154
General Fund	94,242,925	7,779,771	3,685,173	105,707,869	8,080,806	5,592,423	107,916,154
Six Mill Levy	14,809,000	(2,746,000)		12,063,000	(2,578,000)		12,231,000
Other State Special							
Total Funds	109,051,925	5,033,771	3,685,173	117,770,869	5,502,806	5,592,423	120,147,154

Significant Present Law Adjustments (educational units only) -

- Annualize standard fixed costs - \$7.5 million for annualizing fixed costs and the state approved pay plan for the educational units.
- Resident enrollment - \$1.9 million increased cost as resident student enrollment at the educational units is expected to increase by approximately 200 students per year over the next two years.
- New building space - \$0.15 million in increased costs in base budgets to account for the increased cost of operating the new space approved by previous legislatures.
- Resident fee waivers - \$0.63 million increased costs associated with projected level of resident students and the increase in tuition between FY 2000 and FY 2001.
- Allocates a portion of Natural Resources and Information System (NRIS) costs to the Montana University System based upon a cost allocation model. A total of \$44,253 of general fund is budgeted for the 2003 biennium. The MUS must pay an additional \$44,252 for the 2003 biennium in current funds in support of NRIS.

New Proposals (educational units only)-

- Increased state support - Add \$7.5 million over the biennium to fund library and student services, information technology investment, physical plant maintenance, capital equipment and other needs in the MUS.
- New academic programs – Provide \$0.8 million in support of new technical programs at two year colleges that are geared towards economic development.
- Resident fee waivers - \$.61 million increase resulting from an estimated 3 percent tuition increase.
- Banner - Allocates \$.37 million in state funds to help fund a portion of the increased operating costs related to the Banner Higher Education Administrative Information System for student records, human resource, and finance.

AGRICULTURAL EXPERIMENT STATION

<p>Agricultural Experiment Station Sharron Quisenberry 994-3681</p>
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Mission Statement - To conduct research relating to agriculture, natural resources, and rural life; and to distribute the resulting information among the people of Montana.

Statutory Authority - 20-25-222, 20-25-225 through 20-25-236, MCA

Program Description - The Montana Agricultural Experiment Station was established at Montana State University-Bozeman by the legislature in 1893 under Hatch Act authorization enacted by the U.S. Congress. The agency is the agricultural research component of the land-grant university's three-part mission of teaching, research, and service.

The Fort Keogh Livestock and Range Research Laboratory at Miles City is a cooperative program of the U.S. Department of Agriculture, Agricultural Research Service, and the state through the Montana Agricultural Experiment Station. The purpose of the laboratory is to improve efficiency of livestock production from rangeland resources.

Executive Budget Recommendation –

- Provide current level of research with appropriate inflationary increases plus targeted equipment and research space.

**COMMISSIONER OF HIGHER ED
APPROPRIATION DISTRIBUTION**

**5102
09**

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	239.56	0.00	0.00	239.56	0.00	0.00	239.56
Personal Services	10,038,201	677,527	0	10,715,728	726,630	0	10,764,831
Operating Expenses	1,727,890	28,576	60,000	1,816,466	28,071	60,000	1,815,961
Equipment	162,728	230,000	0	392,728	230,000	0	392,728
Debt Service	1,898	0	0	1,898	0	0	1,898
Total Costs	\$11,897,205	\$936,103	\$60,000	\$12,926,820	\$984,701	\$60,000	\$12,975,418
General Fund	8,875,976	704,107	46,503	9,626,586	739,600	46,503	9,662,079
Federal Funds	2,003,119	108,598	10,652	2,122,369	116,728	10,652	2,130,499
Sale of merchandise	874,228	117,166	2,233	993,627	121,674	2,233	998,135
Other	177,394	6,233	611	184,238	6,699	611	184,704
Total Funds	\$11,897,205	\$936,103	\$60,000	\$12,926,820	\$984,701	\$60,000	\$12,975,418

Significant Present Law Adjustments-

- Replace various pieces of farm equipment that are 15-43 years old, requiring frequent repairs, with some obsolete, as an OTO

New Proposals -

- Provide additional space for research projects at the Agricultural Experiment Station. \$60,000 per year pays for rent and utilities.

EXTENSION SERVICE

**Extension Service
David Bryant 994-6647**

Mission Statement - The Extension Service is an educational resource dedicated to improving the quality of people's lives by providing research-based knowledge to strengthen the social, economic and environmental well-being of families, communities and agricultural enterprises.

Statutory Authority - 20-25-235, MCA

Program Description - The Extension Service was established in 1914 as a result of the federal Smith-Lever Act. The Extension Service mission is disseminating and encouraging practical use of research about agricultural production and marketing, family and consumer science, and human resource development. It serves 54 of the 56 counties through 52 county extension offices. The central operations are housed on the Bozeman campus. Background materials for its educational efforts are developed by faculty at the Extension Service, the Agricultural Experiment Station, and Montana State University departments.

Executive Budget Recommendation -

- Continue the program at the present level of service with appropriate inflationary adjustments.

**COMMISSIONER OF HIGHER ED
APPROPRIATION DISTRIBUTION**

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09**

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	121.35	0.00	0.00	121.35	0.00	0.00	121.35
Personal Services	5,546,186	214,888	0	5,761,074	235,490	0	5,781,676
Operating Expenses	574,606	19,158	0	593,764	24,177	0	598,783
Equipment	12,012	(83)	0	11,929	(83)	0	11,929
Total Costs	\$6,132,804	\$233,963	\$0	\$6,366,767	\$259,584	\$0	\$6,392,388
General Fund	3,897,593	153,347	0	4,050,940	169,660	0	4,067,253
Federal Funds	2,183,039	85,889	0	2,268,928	95,026	0	2,278,065
Other	52,172	(5,273)	0	46,889	(5,102)	0	47,070
Total Funds	\$6,132,804	\$233,963	\$0	\$6,366,767	\$259,584	\$0	\$6,392,388

Significant Present Law Adjustments -

- Adjust rent paid to the main campus for space in Culbertson Hall to accurately reflect current space used

FORESTRY AND CONSERVATION EXPERIMENT STATION

**Forestry and Conservation
Experiment Station
Perry Brown 243-5521**

Mission Statement - The program purposes include studies of forestland resources, timber, and relationships between forests and water, pasturage, and recreation.

Statutory Authority - 20-25-241, MCA

Program Description - The Montana Forestry and Conservation Experiment Station was established by the legislature in 1937 as a non-profit organization for the scientific investigation of natural resource problems. The station is directed by the Dean of the School of Forestry, is the research unit of the University of Montana School of Forestry. Research is conducted at Lubrecht Experimental Forest and at other locations in Montana in cooperation with private, state, and federal agencies.

Executive Budget Recommendation -

- Continue the program at the present level of service with appropriate inflationary adjustments.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	13.44	0.00	0.00	13.44	0.00	0.00	13.44
Personal Services	711,094	41,305	0	752,399	44,427	0	755,521
Operating Expenses	151,449	1,048	0	152,497	1,282	0	152,731
Total Costs	\$862,543	\$42,353	\$0	\$904,896	\$45,709	\$0	\$908,252
General Fund	862,543	41,529	0	899,973	44,885	0	903,329
Other	4,099	824	0	4,923	824	0	4,923
Total Funds	\$862,543	\$42,353	\$0	\$904,896	\$45,709	\$0	\$908,252

**COMMISSIONER OF HIGHER ED
APPROPRIATION DISTRIBUTION**

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09**

BUREAU OF MINES

**Bureau of Mines and Geology
Ed Deal 496-4180**

Mission Statement - To promote the effective use of mineral resources through investigation of their geology, production, treatment, and economics.

Statutory Authority - 20-25-212, MCA

Program Description - The Bureau of Mines and Geology is a public service and research agency at Montana Tech of the University of Montana in Butte. It disseminates information through publications and replies to individual inquiries. Work includes field and laboratory study and compilation of statistics on all mineral resources, metallic and nonmetallic minerals, fuels, and ground water.

Executive Budget Recommendation –

- Continue the program at the present level of service with appropriate inflationary adjustments

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	34.16	0.00	0.00	34.16	0.00	0.00	34.16
Personal Services	1,604,895	70,574	0	1,675,469	75,388	0	1,680,283
Operating Expenses	478,322	8,015	0	486,337	8,015	0	486,337
Equipment	14,066	0	0	14,066	0	0	14,066
Debt Service	169	0	0	169	0	0	169
Total Costs	\$2,097,452	\$78,589	\$0	\$2,176,709	\$83,403	\$0	\$2,181,523
General Fund	1,470,263	78,468	0	1,548,731	83,282	0	1,553,545
State special	600,000	0	0	600,000	0	0	600,000
Other	27,189	121	0	27,310	121	0	27,310
Total Funds	\$2,097,452	\$78,589	\$0	\$2,176,041	\$83,403	\$0	\$2,180,855

FIRE SERVICES TRAINING SCHOOL

**Fire Services Training School
Butch Weedon 771-4336**

Mission Statement - To build capacity in local governments for protecting the life safety of citizens, their property, the tax base and infrastructure from harm caused by unwanted fires, accidents, injuries, hazardous materials incidents and other emergencies.

Statutory Authority - 20-31-102 MCA

Executive Budget Recommendation –

- Continue the program at the present level of service with appropriate inflationary adjustments

**COMMISSIONER OF HIGHER ED
APPROPRIATION DISTRIBUTION**

**5102
09**

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	6.17	0.73	0.00	6.90	0.73	0.00	6.90
Personal Services	270,202	47,104	0	317,306	48,291	0	318,493
Operating Expenses	53,339	195	0	55,232	(3,779)	0	49,560
Equipment	22,894	7,322	0	30,216	56,322	0	79,216
Total Costs	\$346,435	\$54,621	\$0	\$401,056	\$100,834	\$0	\$447,269
General Fund	344,057	52,902	0	396,959	99,115	0	443,172
Other	2,378	1,719	0	4,097	1,719	0	4,097
Total Funds	\$346,435	\$54,621	\$0	\$401,056	\$100,834	\$0	\$447,269

Significant Present Law Adjustments -

- Additional personnel were phased in over the 2001 biennium, and the Base is brought up to the FY 2001 level of personnel
- Replace one mobile training lab tractor in FY 2003 since current tractors are in need of frequent repairs

Program Indicators -

Indicator	Actual FY1998	Actual FY1999	Actual FY2000	Estimated FY2001	Requested FY2002	Requested FY2003
Fire Departments Impacted by FSTS	175	175	180	200	200	200
Fire Departments Significantly Impacted by FSTS	58	58	63	120	120	120

TRIBAL COLLEGE ASSISTANCE PROGRAM

Program Description - Provides assistance to tribal colleges in Montana.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
Grants	0	0	417,000	417,000	0	417,000	417,000
Total Costs	\$0	\$0	\$417,000	\$417,000	\$0	\$417,000	\$417,000
General Fund	0	0	417,000	417,000	0	417,000	417,000
Total Funds	\$0	\$0	\$417,000	\$417,000	\$0	\$417,000	\$417,000

New Proposals -

- Restore the same level of funding as the previous biennium for non-beneficiary students attending tribal colleges. The 1999 Legislature established this as a one-time-only appropriation.

<p>12 Guaranteed Student Loan Program Arlene Hannawalt x0351</p>

Program Description - Guaranteed Student Loan Program (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.

Statutory authority - Title 20 Chapter 26, MCA

Executive Budget Recommendation –

- Continue the program at base plus personal services, fixed costs, and inflation adjustments. Allow increases in appropriation authority related to scholarships, expanded default services, and a recommendation by the Legislative Audit Division.

Program Proposed Budget	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	43.20	0.00	3.00	46.20	0.00	3.00	46.20
Personal Services	1,351,898	78,344	98,451	1,528,693	87,411	98,865	1,538,174
Operating Expenses	3,143,991	155,711	4,585,380	7,885,082	158,537	4,789,131	8,091,659
Benefits & Claims	18,462,439	0	6,812,849	25,275,288	0	9,300,378	27,762,817
Debt Service	3,748	0	0	3,748	0	0	3,748
Total Costs	\$22,962,076	\$234,055	\$11,496,680	\$34,692,811	\$245,948	\$14,188,374	\$37,396,398
Federal Special	22,962,076	234,055	11,496,680	34,692,811	245,948	14,188,374	37,396,398
Total Funds	\$22,962,076	\$234,055	\$11,496,680	\$34,692,811	\$245,948	\$14,188,374	\$37,396,398

Significant Present Law Adjustments -

- Increase in the amount of servicing fees related to maintenance of the software servicing system and database for the agency student loan portfolio

New Proposals -

- Add 3.00 FTE to provide additional default reduction services, expand the availability of financial aid services via the Internet, and expand agency scholarship and grant programs to Montana students.
- Add \$25 million in expenditure authority to implement a change in accounting practice as suggested by the Legislative Audit Division. The change in accounting method is related to defaulted student loan dollars collected from "net" value to "gross" value.
- Use interest earnings from the GSL reserve fund for expanded default reduction activities.
- Participate in the GEAR UP program by providing in-kind contributions and scholarship funds to targeted low-income students.

**13 Board of Regents
Margie Thompson 494-2873**

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.

Statutory Authority - Article X, Section 9 of the Montana Constitution and 20-25-301, MCA

Executive Budget Recommendation –

- Reinstated per diem at the level in the base year

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
Personal Services	11,150	0	0	11,150	0	0	11,150
Operating Expenses	32,612	0	0	32,612	0	0	32,612
Total Costs	\$43,762	\$0	\$0	\$43,762	\$0	\$0	\$43,762
General Fund	43,762	0	0	43,762	0	0	43,762
Total Funds	\$43,762	\$0	\$0	\$43,762	\$0	\$0	\$43,762