

## Office Of Public Instruction-3501

**Please note that this agency also contains proprietary funds (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 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	135.23	10.13	12.00	157.36	10.13	12.00	157.36
Personal Services	7,095,501	1,386,890	671,367	9,153,758	1,422,298	671,967	9,189,766
Operating Expenses	9,367,657	1,261,750	2,492,919	13,122,326	1,357,378	2,182,695	12,907,730
Equipment	42,023	10,000	160,000	212,023	10,000	0	52,023
Local Assistance	526,527,149	71,558,970	27,478,438	625,564,557	82,794,761	30,911,405	640,233,315
Grants	133,713,635	6,094,609	250,000	140,058,244	11,958,267	250,000	145,921,902
<b>Total Costs</b>	<b>\$676,745,965</b>	<b>\$80,312,219</b>	<b>\$31,052,724</b>	<b>\$788,110,908</b>	<b>\$97,542,704</b>	<b>\$34,016,067</b>	<b>\$808,304,736</b>
General Fund	531,682,484	72,482,696	31,006,617	635,171,797	83,784,602	33,970,238	649,437,324
State/Other Special	970,495	9,519	0	980,014	9,770	0	980,265
Federal Special	144,092,986	7,820,004	46,107	151,959,097	13,748,332	45,829	157,887,147
<b>Total Funds</b>	<b>\$676,745,965</b>	<b>\$80,312,219</b>	<b>\$31,052,724</b>	<b>\$788,110,908</b>	<b>\$97,542,704</b>	<b>\$34,016,067</b>	<b>808,304,736</b>

## Office Of Public Instruction-3501 State Level Activities-06

Please note that this program also contains proprietary funds (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 Indicators -

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Licensed Educator Staff (FTE) Employed by Public Schools and Special Education Cooperatives	11,985	11,925	12,027	12,050	12,050	12,050
Licensed Professional Staff (FTE) (Non-educators) Employed by Public Schools and Special Education Cooperatives	N/A	N/A	329	330	330	330
Instructional Paraprofessionals (FTE) Employed by Public Schools and Special Education Cooperatives	1,870	1,917	1,970	2,000	2,000	2,000

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	135.23	10.13	12.00	157.36	10.13	12.00	157.36
Personal Services	7,095,501	1,386,890	671,367	9,153,758	1,422,298	671,967	9,189,766
Operating Expenses	9,366,690	1,260,718	2,492,919	13,120,327	1,356,346	2,182,695	12,905,731
Equipment	42,023	10,000	160,000	212,023	10,000	0	52,023
Local Assistance	25,827	0	475,000	500,827	0	475,000	500,827
Grants	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
<b>Total Costs</b>	<b>\$16,530,041</b>	<b>\$2,657,608</b>	<b>\$3,799,286</b>	<b>\$22,986,935</b>	<b>\$2,788,644</b>	<b>\$3,329,662</b>	<b>\$22,648,347</b>
General Fund	5,180,391	1,149,497	3,753,179	10,083,067	1,215,612	3,283,833	9,679,836
State/Other Special	220,495	9,519	0	230,014	9,770	0	230,265
Federal Special	11,129,155	1,498,592	46,107	12,673,854	1,563,262	45,829	12,738,246
Proprietary	0	0	0	0	0	0	0
<b>Total Funds</b>	<b>\$16,530,041</b>	<b>\$2,657,608</b>	<b>\$3,799,286</b>	<b>\$22,986,935</b>	<b>\$2,788,644</b>	<b>\$3,329,662</b>	<b>\$22,648,347</b>

**Office Of Public Instruction-3501  
State Level Activities-06**

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$27,500	\$27,500
FY 2009	\$42,500	\$42,500

**PL- 19 - Statewide Student Assessment (NRT) -**

Increased costs associated with the OPI contract for administration of a statewide norm-referenced test in grades 4, 8 and 11 are estimated to be \$27,500 in FY 2008 and \$42,500 in FY 2009. The statewide student assessment is required by the Administrative Rules of the Board of Public Education for the accreditation of schools. The Office of Public Instruction estimates that the cost of a new contract will be \$310,000 in FY 2008 and \$325,000 in FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$28,007	\$28,007
FY 2009	\$49,990	\$49,990

**PL- 21 - Hearing Conservation Program -**

Contracting for regional audiological evaluators for the hearing conservation program is estimated to cost an additional 3% or \$18,007 in FY 2008 and \$39,990 in FY 2009. Additionally, replacement and maintenance of equipment used to test hearing for K-12 school children across the state will cost \$10,000 in each year of the 2009 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$573,200	\$573,200
FY 2009	\$573,200	\$573,200

**PL- 30 - Indian Education for All Reestablished -**

Reestablishing the Indian Education for All in Program 06 - State Level Activities for OPI established as a biennial appropriation of \$1,155,423 in the 2007 biennium. The appropriation will continue at \$577,711 in each year of the 2009 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$865,012	\$0
FY 2009	\$901,966	\$0

**PL- 31 - Federal Grant Award Adjustment - 06 -**

This biennial appropriation is to adjust federal spending authority in OPI Program 06 - State Level Activities for grant awards currently administered by OPI due to normal increases in federal funding. Funds are used to support the administration of current federal grants and provide technical assistance to schools. The adjustment is \$865,012 in FY 2008 and \$901,966 in FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$4,046	\$0
FY 2009	\$4,052	\$0

**PL- 34 - Traffic Education 0.125 FTE HB 0002 -**

The Health Enhancement and Safety Division of OPI requests a state special spending authority increase of \$8,294 for the 2009 biennium and 0.125 FTE for increased administrative support for the traffic education program. This position is part of the Superintendent's staff to fulfill statutory requirements of M.C.A. Title 20, Chapter 7, Part 5, Traffic Education for Montana schools.

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State Level Activities-06**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$181,516	\$82,301
FY 2009	\$190,293	\$86,826

**PL- 51 - Indirect Cost of Base Adjustments -**

This biennial appropriation is to adjust federal spending authority in OPI Program 06 - State Level Activities for grant awards currently administered by OPI due to normal increases in federal funding. Funds are used to support the administration of current federal grants and provide technical assistance to schools. The adjustment is \$865,012 in FY 2008 and \$901,966 in FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$11,776	\$11,776
FY 2009	\$11,776	\$11,776

**PL- 33002 - Gifted and Talented Staff Request -**

Continuation of the operating expenses not in the base year for the 0.50 FTE gifted and talented specialist funded in FY 2007 by the 2005 legislature will cost \$11,776 each year of the biennium. This position assists school gifted and talented programs across the state.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,866,814	\$1,866,814
FY 2009	\$1,592,133	\$1,592,133

**NP- 6 - K12 Education Data Systems -**

This decision package provides continued funding for a K-12 education data system that was developed with one time only funding in the 2005 legislature. This data system will continue to improve data collections practices and data quality about K-12 students and be enhanced to include data on educators. Better data on students and staffing assists with better policy decision about student needs and will aid in meeting local, state and federal requirements. Continuation, enhancement, and expansion of the K-12 Education Data System will cost \$3.458 million in the 2009 biennium and provide 4.0 FTE to the Office of Public Instruction (OPI) for the operation and maintenance of the systems. The OPI will focus on the following:

- Enhancements of the existing e-grants system to include submission, review, and tracking of school district state and federal education grant applications. OPI will also incorporate the electronic grants management tool into the five year comprehensive education plan.
- Expansion will include data collection on school staffing to provide better information for decisions about recruitment and retention of highly qualified teachers in the 2009 biennium.
- This funding also provides \$3.25 per student enrolled in each district to help districts cover the cost of exchanging data between the district and the state data systems for an annual cost of \$475,000.
- The OPI and the Office of Commissioner of Higher Education (OCHE) are working together to coordinate data systems that link students' educational opportunities in K-12 with their successes in college and to link teacher preparation programs with success in the K-12 classroom.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$959,700	\$959,700
FY 2009	\$924,816	\$924,816

### NP- 8 – Curriculum Specialist Support to Quality Schools -

The executive supports the State Superintendent's request for funding for curriculum specialists to support schools to provide a quality education to students at a biennial cost of \$1.885 million. These new 6.0 FTE will provide technical assistance to K-12 quality public schools in curricular areas such as science, mathematics, early childhood (kindergarten), communications arts (including reading, writing, listening, and speaking), library media, and high school curriculum/dropout prevention. The FTE will be charged to:

- Develop resources for teachers and administrators based on research-proven, best practices in curriculum and classroom instruction,
- Assist schools in working with teachers, parents and students in career and academic planning that meets each student's unique interests, needs and aptitudes,
- Assist schools with a smooth transition to full-time kindergarten and school readiness
- Improve teacher educator preparation programs within the Montana units of higher education,
- Determine the professional development needs of schools on a regional basis and assist in the delivery to school personnel,
- Provide research-based instructional strategies and training to teachers,
- Assist local schools long-range planning for improved student performance,
- Integrating Indian Education for All in curriculum,
- Assisting schools in developing educational experiences that promote increased graduation rates, improve attendance, and reduce dropout rates.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$160,000	\$160,000
FY 2009	\$0	\$0

### NP- 16 - Storage Area Network (SAN) Replacement - OTO -

The OPI Storage Area Network (SAN) is a machine that houses the OPI servers that contain OPI's data and computer software. The SAN was purchased in 2004, will be obsolete in 2008, and will no longer be on a maintenance contract. The state's standard replacement period for this type of equipment is 4 years, and the equipment and software must be replaced in 2008. The cost is \$71,000 for SAN equipment, \$66,000 for SAN software, and \$23,000 for fiber switches. This results in a one-time cost of \$160,000 in the first year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$46,107	\$0
FY 2009	\$45,829	\$0

### NP- 33 - School Support System Assistant (Federal) -

This request for \$46,107 in FY 2008 and \$45,829 in FY 2009 funds a 1.00 FTE administrative support position to assist the Title I Director and Accreditation Specialist in operating the federally required School Support System. The position will schedule and manage logistics for up to 50 school visitations per year that are necessary to comply with federal law.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$509,928	\$509,928
FY 2009	\$510,147	\$510,147

### NP- 53 - Indian Education Programs -

The Executive requests continued funding of \$509,928 in FY 2008 and \$510,147 in FY 2009 for the Office of Public Instruction to assist quality schools with the unique needs of American Indian students and ensuring that Indian Education for All is imbedded in the classroom instruction. This request includes:

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- Add 1.0 FTE for an Indian Achievement Gap Analyst to gather data, analyze successful strategies, and provide technical assistance to improve Indian student achievement to coordinate with the Indian Achievement Gap component of the school funding formula.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$237,500	\$237,500
FY 2009	\$237,500	\$237,500

### NP- 54 - Indian Ed for All Tribal History – Biennial OTO -

The Executive recommends funding to complete an effort started in the 2007 legislature to record Montana's tribal histories for K-12 students as part of Indian Education for All. The funds will be distributed as follows:

- \$200,000 is requested for the Little Shell Tribal Nation to write their history since they were not included in the 2007 legislature appropriation for the seven tribal colleges to detail tribal histories. These funds will be distributed to the Great Falls College of Technology who will work with the Little Shell Tribal Nation.
- \$25,000 is requested for each of the seven tribal colleges to coordinate with OPI for completion of the history project started in the 2007 biennium. These funds will be distributed through the OPI.
- \$100,000 is requested for OPI for oversight of the tribal history curriculum development and implementation for use by K-12.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$19,237	\$19,237
FY 2009	\$19,237	\$19,237

### NP- 23002 - Surplus Computers for Schools -

This request for \$19,237 in each year of the biennium will pay a portion of the rent on the facility used by OPI to warehouse, process, and distribute surplus state computer equipment to school districts across the state under the Surplus Computer Program. The request also funds the lease of a small equipment van for hauling computers and monitors from donating state agencies in Helena to the facility. Each year, this highly successful program provides thousands of donated surplus computers to school districts.

**Language Recommendations** - "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."

## Office Of Public Instruction-3501 Local Education Activities-09

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

### Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
K-12 Public School Enrollment	148,356	146,705	145,259	144,000	143,251	142,432
Public Schools and State Funded Schools	859	852	840	832	832	832

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	967	1,032	0	1,999	1,032	0	1,999
Local Assistance	526,501,322	71,558,970	27,003,438	625,063,730	82,794,761	30,436,405	639,732,488
Grants	133,713,635	6,094,609	250,000	140,058,244	11,958,267	250,000	145,921,902
Transfers	0	0	0	0	0	0	0
<b>Total Costs</b>	<b>\$660,215,924</b>	<b>\$77,654,611</b>	<b>\$27,253,438</b>	<b>\$765,123,973</b>	<b>\$94,754,060</b>	<b>\$30,686,405</b>	<b>\$785,656,689</b>
General Fund	526,502,093	71,333,199	27,253,438	625,088,730	82,568,990	30,686,405	639,757,488
State/Other Special	750,000	0	0	750,000	0	0	750,000
Federal Special	132,963,831	6,321,412	0	139,285,243	12,185,070	0	145,148,901
<b>Total Funds</b>	<b>\$660,215,924</b>	<b>\$77,654,611</b>	<b>\$27,253,438</b>	<b>\$765,123,973</b>	<b>\$94,754,060</b>	<b>\$30,686,405</b>	<b>\$785,656,389</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$14,737,109	\$14,737,109
FY 2009	\$25,339,728	\$25,339,728

#### PL- 3 – K-12 Base Aid -

This request is for funding for the K-12 BASE Aid Present Law Adjustment as defined by Section 20-9-326, MCA and adjusted for available Guarantee Fund revenue. It includes inflation on the basic and per-ANB entitlements and adjustments for changes in enrollment. The inflator for FY 2008 (calculated using CPI-Urban indexes for July 2002 and July 2005) is 2.76%. The inflator for FY 2009 (calculated using CPI-Urban indexes for July 2003 and July 2006) is 2.97%. ANB (number of students) are anticipated to decline 0.6% in FY 2008 and 0.7% in FY 2009. The resulting increases in state aid to district base budgets are \$14.7 million in FY 2008 and \$25.3 million in FY 2009.

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Local Education Activities-09**

<b>Table E-1</b>					
Entitlements, enrollments, and State Aid					
	FY 2005 actual	FY 2006 actual	FY 2007 estimate	FY 2008 recommend	FY 2009 recommend
<b>Elementary entitlements</b>					
per district	\$ 19,859	\$ 20,275	\$ 20,718	\$ 21,290	\$ 21,922
per ANB (approx./student)	\$ 4,031	\$ 4,366	\$ 4,456	\$ 4,579	\$ 4,715
<b>High School entitlements</b>					
per district	\$ 220,646	\$ 225,273	\$ 230,199	\$ 236,552	\$ 243,578
per ANB (approx./student)	\$ 5,371	\$ 5,584	\$ 5,704	\$ 5,861	\$ 6,035
<b>Special Education Block Grant</b> (millions)	\$ 36.45	\$ 38.51	\$ 39.35	\$ 40.43	\$ 41.64
<b>Statewide figures</b>					
Average number belonging (ANB)	147,610	145,767	144,203	143,288	142,264
State aid district general fund (millions) (does not include HB 124 grants)	\$ 450.56	\$ 482.69	\$ 520.62	\$ 530.55	\$ 541.36
State aid/ANB district general fund	\$ 3,052	\$ 3,311	\$ 3,610	\$ 3,703	\$ 3,805

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$330,000	\$330,000
FY 2009	\$430,000	\$430,000

**PL- 24 - Pupil Transportation Appropriation -**

In the 2005 Special Session, SB 1 amended 20-10-142, MCA, to raise the individual pupil transportation contract mileage rate from \$0.25 to \$0.35 effective in FY 2007. This cost is not in the base. The amount requested is \$130,000, which matches the appropriation that was approved for FY 2007. Also requested is an increase for pupil transportation of \$200,000 in FY 2008 and \$300,000 in FY 2009 for increasing costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$766,141	\$766,141
FY 2009	\$1,153,584	\$1,153,584

**PL- 25 - School Block Grants - HB 124 -**

Present law (20-9-630 and 632, MCA) provides for an annual 0.76% increase in the county transportation and school district block grants. This is a biennial appropriation increase of \$766,141 in FY 2008 and \$1,153,584 in FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$336,000	\$336,000
FY 2009	\$336,000	\$336,000

**PL- 26 - State Tuition Payments -**

This request funds OPI's statutory obligation for tuition payments under 20-5-324, MCA, for students placed in a school district outside their district of residence by a state agency or court. The 2005 Legislature passed HB 83, which moved the responsibility for paying the state's tuition obligation from the county superintendents to the OPI starting in FY 2007. This request continues the appropriation at the 2007 level of \$336,000 per year.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$29,300	\$29,300
FY 2009	\$34,600	\$34,600

### PL- 27 - School District Audit Filing Fee Increase -

This increase in general fund authority for school district audit filing fees of \$29,300 in FY 2008 and \$34,600 in FY 2009 will allow OPI to pay school district audit filing. Payment of this fee from the OPI to the Department of Administration is required by 2-7-514(2), MCA. This increase assumes school district revenues will increase 3.0% each year. This is a biennial appropriation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,009,992	\$1,009,992
FY 2009	\$1,020,500	\$1,020,500

### PL- 28 - Special Education Increase to FY 2007 Level -

Maintenance of fiscal effort requirements under federal law specifies that a state may not decrease its support of special education programs from one year to the next. Failure to maintain fiscal effort will result in a reduction of federal funding equal to the decrease of state support. The state special education general fund base in FY 2006 was \$38,488,071. The state special education general fund appropriation in FY 2007 is \$39,348,289. This represents an increase over base of \$1,009,992 in FY 2008 and \$1,020,500 in FY 2009 which must be maintained to avoid loss of federal funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$131,039	\$131,039
FY 2009	\$131,039	\$131,039

### PL- 29 - Biennial Appropriations -

This present law adjustment establishes biennial appropriations in each year at half of the amount appropriated for the 2007 biennium. The biennial appropriations include:

- Instate treatment - \$1,949,792 - adjusted \$116,857 each year
- Secondary Vo-ed - \$2,000,000 - no adjustment needed
- Adult Basic Ed - \$550,000 - adjusted \$3 each year
- Gifted and Talented - \$500,000 - adjusted \$14,179 each year
- School Foods - \$1,297,306 - no adjustment needed
- Indian Education for All - \$550,000 - see dp #38

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$6,321,412	\$0
FY 2009	\$12,185,070	\$0

### PL- 32 - Federal Grant Award Adjustment -

This is an adjustment in federal spending authority for grant awards currently administered by the Office of Public Instruction. The adjustments in federal grant awards are due to normal increases in federal funding. These funds are distributed to school districts and other local education agencies. This is a biennial appropriation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$18,299,383	\$18,299,383
FY 2009	\$18,472,383	\$18,472,383

### PL- 36 – Replace Guarantee Account - Interest & Income -

The anticipated reduction in guarantee fund revenues requires a like increase in general fund expenditures to fully fund school district BASE aid. The amount added to general fund BASE aid authority is \$18.3 million in FY 2008 and \$18.5 million in FY 2009.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$35,934,188	\$35,934,188
FY 2009	\$35,891,109	\$35,891,109

**PL- 37 - 2005 Special Session Funding -**

The 2005 Special Session included four new components for K-12 schools distribution. The Per Educator, At Risk, Achievement Gap, and Indian Education components are not included in the FY 2006 base funding. The biennial cost of this package is \$71.82 million, \$35.93 million in FY 2008 and \$35.89 million in FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$239,953)	(\$239,953)
FY 2009	(\$239,953)	(\$239,953)

**PL- 38 - Indian Education For All-Biennial –**

Reduce the "Ready to Go" grants to school districts from the FY 2007 biennium and replace as "Indian Education Programs" decision package in the state activities programs.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$11,720,000	\$11,720,000
FY 2009	\$13,448,700	\$13,448,700

**NP- 1 - Full-Time Kindergarten -**

The Executive recommends an increase in K-12 BASE aid for students enrolled in full-time kindergarten. This request is for \$25.2 million in the 2009 biennium to provide full-time ANB funding for kindergarten students enrolled in a full-time public school kindergarten programs. This proposal does not require schools to offer a full-time kindergarten program, but provides full-time funding for those districts that choose to provide it. Nationwide, 63% of kindergarteners attend full-time kindergarten programs. This proposal is included in the Governor's school funding bill.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$3,172,623	\$3,172,623
FY 2009	\$3,266,850	\$3,266,850

**NP- 2 - District Retirement Fund -**

The Superintendent of Public Instruction requests \$6.439 million for the 2009 biennium to allow school districts to access the district retirement fund for retirement benefits associated with school employee salaries paid with federal funds. The 2003 legislature changed the method for charging district retirement fund expenses by limiting charges to only those school employees who are paid from state or local funding sources, federal impact aid, or the district school food services fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,232,153	\$1,232,153
FY 2009	\$2,601,706	\$2,601,706

**NP- 7 - Special Education -**

This request is for \$3.834 million for the 2009 biennium to provide an inflationary increase in the state appropriation for special education based on the same inflationary adjustment included for basic and per ANB entitlements in DP 3, section 20-9-326, MCA. The inflator for FY 2008 (calculated using CPI-Urban indexes for July 2002 and July 2005) is 2.7%. The inflator for FY 2009 (calculated using CPI-Urban indexes for July 2003 and July 2006) is 2.97%. ANB (number of students) are anticipated to decline 0.6% in FY 2008 and 0.7% in FY 2009.

## Office Of Public Instruction-3501 Local Education Activities-09

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$250,000	\$250,000
FY 2009	\$250,000	\$250,000

### **NP- 13 - Adult Basic and Literacy Education -**

This proposal will increase the current adult basic and literacy education (ABLE) appropriation of \$275,000 per year in state general funds to \$525,000 per year in state general funds. Increasing the appropriation will allow 1) more funding to serve students in up to three additional sites located in underserved or un-served areas of the state, 2) additional resources to currently funded programs to increase the number of students served; and 3) to meet mandatory requirements. Additional funds will also provide local programs much needed resources to meet the demands of serving an increasing number of out of school youth.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,097,744	\$1,097,744
FY 2009	\$1,097,744	\$1,097,744

### **NP- 23 - School Facilities Reimbursement -**

To promote safe school facilities and as a measure of taxpayer fairness, Montana has established a statutory formula for providing state payments to low property tax wealth school districts to assist with debt service payments on school bonds. The state school facility reimbursement expenditure in the base year was \$9,411,293 general fund. An increased need is projected therefore; \$1,097,744 is being added for each year of the 2009 biennium. This is a restricted biennial appropriation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$9,780,918	\$9,780,918
FY 2009	\$10,021,405	\$10,021,405

### **NP- 39 - Increase Quality Per Educator Component -**

The Quality Per Educator Component was created by the legislature in the December 2005 special session to ensure the State of Montana is providing resources for all of the components of a basic system of quality education as defined in 20-9-309, MCA. The budgeted quality per educator increase is \$790 raising the total per educator component to \$2790 in both years of the 2009 biennium. The biennial cost of this proposal is \$19.8 million. This proposal will be contained in the Governor's school funding bill.

**Language Recommendations** – “All revenue received 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. This appropriation may not exceed \$1 million a year.”

“The office of public instruction may distribute funds from the appropriation in item \_\_\_ (Instate Treatment) to public school districts for the purpose of providing for educational costs of children with significant behavioral or physical needs.”

## Board Of Public Education-5101

**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.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	242,088	24,169	0	266,257	24,438	0	266,526
Operating Expenses	106,411	7,920	0	114,331	17,794	0	124,205
<b>Total Costs</b>	<b>\$348,499</b>	<b>\$32,089</b>	<b>\$0</b>	<b>\$380,588</b>	<b>\$42,232</b>	<b>\$0</b>	<b>\$390,731</b>
General Fund	167,682	43,034	0	210,716	48,128	0	215,810
State/Other Special	180,817	(10,945)	0	169,872	(5,896)	0	174,921
<b>Total Funds</b>	<b>\$348,499</b>	<b>\$32,089</b>	<b>\$0</b>	<b>\$380,588</b>	<b>\$42,232</b>	<b>\$0</b>	<b>\$390,731</b>

## Board Of Public Education-5101 Administration-01

**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 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	2.00	0.00	0.00	2.00	0.00	0.00	2.00
Personal Services	101,403	52,840	0	154,243	52,994	0	154,397
Operating Expenses	66,279	5,194	0	71,473	15,134	0	81,413
<b>Total Costs</b>	<b>\$167,682</b>	<b>\$58,034</b>	<b>\$0</b>	<b>\$225,716</b>	<b>\$68,128</b>	<b>\$0</b>	<b>\$235,810</b>
General Fund	167,682	43,034	0	210,716	48,128	0	215,810
State/Other Special	0	15,000	0	15,000	20,000	0	20,000
<b>Total Funds</b>	<b>\$167,682</b>	<b>\$58,034</b>	<b>\$0</b>	<b>\$225,716</b>	<b>\$68,128</b>	<b>\$0</b>	<b>\$235,810</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$3,000	\$3,000
FY 2009	\$13,000	\$8,000

**PL- 1 - Rent increase -**

The Board of Public Education (BPE) is currently housed with the Commissioner of Higher Education (CHE) downtown Helena in the New York Building. The BPE may have to relocate to a new building, public or private sector, which may cost additional rent. The Office of the Commissioner of Higher Education reports that if the BPE moves into CHE space sometime in FY 2008, the BPE will need 1,000 square feet of space at \$22 per square foot, increasing the FY 2009 rent cost by \$13,000 over base FY 2006.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,134	\$1,134
FY 2009	\$1,134	\$1,134

**PL- 2 - Present Law Per Diem -**

The budget includes per diem reinstatement of \$1,134 each year of the biennium - \$2,268 for the biennium.

## Board Of Public Education-5101 Advisory Council-03

**Program Description** - The seven-member Certification Standards and Practices Advisory Council (CSPAC) 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.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	2.00	0.00	0.00	2.00	0.00	0.00	2.00
Personal Services	140,685	(28,671)	0	112,014	(28,556)	0	112,129
Operating Expenses	40,132	2,726	0	42,858	2,660	0	42,792
<b>Total Costs</b>	<b>\$180,817</b>	<b>(\$25,945)</b>	<b>\$0</b>	<b>\$154,872</b>	<b>(\$25,896)</b>	<b>\$0</b>	<b>\$154,921</b>
State/Other Special	180,817	(25,945)	0	154,872	(25,896)	0	154,921
<b>Total Funds</b>	<b>\$180,817</b>	<b>(\$25,945)</b>	<b>\$0</b>	<b>\$154,872</b>	<b>(\$25,896)</b>	<b>\$0</b>	<b>\$154,921</b>

## 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 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	84.03	0.00	4.58	88.61	0.00	4.58	88.61
Personal Services	4,223,764	198,465	498,979	4,921,208	211,332	550,461	4,985,557
Operating Expenses	833,711	56,553	62,362	952,626	22,016	55,919	911,646
Equipment	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
<b>Total Costs</b>	<b>\$5,057,475</b>	<b>\$255,018</b>	<b>\$561,341</b>	<b>\$5,873,834</b>	<b>\$233,348</b>	<b>\$606,380</b>	<b>\$5,897,203</b>
General Fund	4,675,386	117,243	561,341	5,353,970	220,573	606,380	5,502,339
State/Other Special	281,148	137,953	0	419,101	12,953	0	294,101
Federal Special	100,941	(178)	0	100,763	(178)	0	100,763
<b>Total Funds</b>	<b>\$5,057,475</b>	<b>\$255,018</b>	<b>\$561,341</b>	<b>\$5,873,834</b>	<b>\$233,348</b>	<b>\$606,380</b>	<b>\$5,897,203</b>

## School For The Deaf & Blind-5113 Administration Program-01

**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 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00
Personal Services	293,382	4,872	0	298,254	5,225	0	298,607
Operating Expenses	91,606	56,071	0	147,677	24,708	0	116,314
<b>Total Costs</b>	<b>\$384,988</b>	<b>\$60,943</b>	<b>\$0</b>	<b>\$445,931</b>	<b>\$29,933</b>	<b>\$0</b>	<b>\$414,921</b>
General Fund	384,549	59,222	0	443,771	28,212	0	412,761
State/Other Special	439	1,721	0	2,160	1,721	0	2,160
<b>Total Funds</b>	<b>\$384,988</b>	<b>\$60,943</b>	<b>\$0</b>	<b>\$445,931</b>	<b>\$29,933</b>	<b>\$0</b>	<b>\$414,921</b>

## School For The Deaf & Blind-5113 General Services-02

**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							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	151,820	5,851	0	157,671	7,418	0	159,238
Operating Expenses	365,011	15,954	0	380,965	10,722	0	375,733
<b>Total Costs</b>	<b>\$516,831</b>	<b>\$21,805</b>	<b>\$0</b>	<b>\$538,636</b>	<b>\$18,140</b>	<b>\$0</b>	<b>\$534,971</b>
General Fund	516,831	21,805	0	538,636	18,140	0	534,971
<b>Total Funds</b>	<b>\$516,831</b>	<b>\$21,805</b>	<b>\$0</b>	<b>\$538,636</b>	<b>\$18,140</b>	<b>\$0</b>	<b>\$534,971</b>

## School For The Deaf & Blind-5113 Student Services-03

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

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	29.74	0.00	0.00	29.74	0.00	0.00	29.74
Personal Services	1,034,738	99,404	7,669	1,141,811	107,098	7,823	1,149,659
Operating Expenses	109,843	2,079	0	111,922	2,888	0	112,731
<b>Total Costs</b>	<b>\$1,144,581</b>	<b>\$101,483</b>	<b>\$7,669</b>	<b>\$1,253,733</b>	<b>\$109,986</b>	<b>\$7,823</b>	<b>\$1,262,390</b>
General Fund	1,117,394	101,483	7,669	1,226,546	109,986	7,823	1,235,203
Federal Special	27,187	0	0	27,187	0	0	27,187
<b>Total Funds</b>	<b>\$1,144,581</b>	<b>\$101,483</b>	<b>\$7,669</b>	<b>\$1,253,733</b>	<b>\$109,986</b>	<b>\$7,823</b>	<b>\$1,262,390</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$7,669	\$7,669
FY 2009	\$7,823	\$7,823

**NP- 314 - Per Educator Component Increase -**

The Quality Per Educator Component was created by the legislature in the December 2005 Special Session to ensure the State of Montana is providing resources for all of the components of a basic system of quality education as defined in 20-9-309, MCA. The increase is \$790 quality per educator in FY 2008 and FY 2009. Total cost for the School for the Deaf and Blind Student Services Program will be \$15,492 for the biennium.

## School For The Deaf & Blind-5113 Education-04

**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							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	45.29	0.00	4.58	49.87	0.00	4.58	49.87
Personal Services	2,743,824	88,338	491,310	3,323,472	91,591	542,638	3,378,053
Operating Expenses	267,251	(17,551)	62,362	312,062	(16,302)	55,919	306,868
<b>Total Costs</b>	<b>\$3,011,075</b>	<b>\$70,787</b>	<b>\$553,672</b>	<b>\$3,635,534</b>	<b>\$75,289</b>	<b>\$598,557</b>	<b>\$3,684,921</b>
General Fund	2,656,612	(65,267)	553,672	3,145,017	64,235	598,557	3,319,404
State/Other Special	280,709	136,232	0	416,941	11,232	0	291,941
Federal Special	73,754	(178)	0	73,576	(178)	0	73,576
<b>Total Funds</b>	<b>\$3,011,075</b>	<b>\$70,787</b>	<b>\$553,672</b>	<b>\$3,635,534</b>	<b>\$75,289</b>	<b>\$598,557</b>	<b>\$3,684,921</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$26,243	\$26,243
FY 2009	\$26,243	\$26,243

**PL- 1 - Extracurricular Compensation -**

The school pays extracurricular compensation to employees who sponsor after school activities. Each year of the 2009 biennium will cost \$26,243 for salaries and benefits contained in a collective bargaining agreement with MEA/MFT. The school participates in volleyball, track, and boys and girls Class C basketball through a cooperative agreement with Great Falls Central Catholic High School.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,387	\$2,387
FY 2009	\$2,387	\$2,387

**PL- 7 - Special Session 2005 - Indian Ed & Achievement Gap -**

This decision package adds \$2,387 Present Law adjustment to the operating budget in each year for the Indian Education for All and Closing the Achievement Gap portion of the 2005 Special Session appropriation. The total appropriation of \$85,000 included \$82,613 for salaries which is budgeted in the Education Program personal services budget.

## School For The Deaf & Blind-5113 Education-04

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$3,938	\$3,938
FY 2009	\$3,861	\$3,861

**PL- 9 - Replace Motor Pool Lease Van -**

The school is requesting a Motor Pool lease van to replace a school van that has high mileage. The van will be used to transport students to activities around the Great Falls area. Cost is \$5,325 in FY 2008 and \$5,248 in FY 2009. This decision package also reduces gasoline and maintenance costs for the lease van by \$1,387 in each year of the biennium. Total biennium cost of this proposal is \$7,799.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$48,542)	(\$48,542)
FY 2009	(\$48,542)	(\$48,542)

**PL- 12 - HB 438 Initial Equipment Reduction -**

HB 438 in the 2005 Regular Session allowed MSDB \$195,731 for outreach service and \$48,542 for equipment start-up costs. The equipment costs of \$48,542 are being reduced from the base year funding.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$0	\$0

**PL- 21 - Indirect Costs Corrections -**

Indirect costs for federal programs are being moved between expense line items from statewide indirect costs (62888) to indirect costs administrative (62827).

### -----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$213,857	\$213,857
FY 2009	\$265,050	\$265,050

**NP- 2 - Retention/Recruitment of Highly Qualified Staff -**

This package provides market adjustments to licensed professional staff and interpreters with the purpose of assisting the school for the deaf and blind in recruiting and retaining these highly qualified staff. The adjustment in FY 2008 is \$213,857 and \$265,050 in FY 2009

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$227,663	\$227,663
FY 2009	\$221,509	\$221,509

**NP- 3 - Expansion of Outreach Services -**

The budget includes \$227,663 in FY 2008 and \$221,509 in FY 2009 for 3.08 FTE outreach consultants and operating expenses to provide consultation and technical assistance to local K-12 school districts that have sensory impaired children enrolled.

## School For The Deaf & Blind-5113 Education-04

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$42,676	\$42,676
FY 2009	\$42,676	\$42,676

**NP- 4 - Guidance Counselor -**

The budget includes a guidance and counseling position to develop, coordinate, and implement an effective school counseling program to integrate and support the academic, vocational, social and behavioral development of the School's students. In the 2009 biennium this new 0.73 FTE position would cost \$42,676 per year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$56,418	\$56,418
FY 2009	\$56,418	\$56,418

**NP- 6 - Educational Audiologist -**

This proposal addresses the need for state-wide coordination of early identification and educationally based audiological intervention services for infants, toddlers and school age children who have been diagnosed with a hearing loss. The cost will be \$56,418 in each year of the 2009 biennium for 0.77 FTE.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$13,058	\$13,058
FY 2009	\$12,904	\$12,904

**NP- 414 - Per Educator Component Increase -**

The Quality Per Educator Component was created by the legislature in the December 2005 Special Session to ensure the State of Montana is providing resources for all of the components of a basic system of quality education as defined in 20-9-309, MCA. The increase is \$790 quality per educator in FY 2008 and FY 2009. Total cost for the School for the Deaf and Blind Student Services Program will be \$25,962 for the biennium.

## Montana Arts Council-5114 Promotion Of The Arts-01

**Mission Statement** - The Montana Arts Council is the agency of state government charged with promoting and expanding the significant role of arts and culture in our lives through a variety of grant and technical assistance programs, which benefit Montanans of all ages and cultures as current or future creators, participants or patrons of the arts.

**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.

**Language Recommendations-** "All federal funds in [Montana Arts Council] are biennial appropriations."

### Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Stable grant funding to organizations	\$452,000	\$457,000	\$449,000	\$466,400	\$466,400	\$466,400
State of the Arts newsletter subscribers/users	8,115	7,000	9,100	9,555	10,033	10,534
Arts Education residencies/services— students/counties reached	23,102 students; 54 counties	29,307 students; 43 counties	32,540 students; 40 counties	33,000 students; 40 counties	33,000 students; 40 counties	33,000 students; 40 counties

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	7.00	0.00	0.00	7.00	0.00	0.00	7.00
Personal Services	443,615	37,516	0	481,131	38,150	0	481,765
Operating Expenses	262,606	42,824	83,920	389,350	21,119	10,000	293,725
Grants	449,188	0	10,000	459,188	0	12,500	461,688
<b>Total Costs</b>	<b>\$1,155,409</b>	<b>\$80,340</b>	<b>\$93,920</b>	<b>\$1,329,669</b>	<b>\$59,269</b>	<b>\$22,500</b>	<b>\$1,237,178</b>
General Fund	399,976	35,282	93,920	529,178	11,297	22,500	433,773
State/Other Special	185,091	15,299	0	200,390	16,967	0	202,058
Federal Special	570,342	29,759	0	600,101	31,005	0	601,347
<b>Total Funds</b>	<b>\$1,155,409</b>	<b>\$80,340</b>	<b>\$93,920</b>	<b>\$1,329,669</b>	<b>\$59,269</b>	<b>\$22,500</b>	<b>\$1,237,178</b>

# Montana Arts Council-5114

## Promotion Of The Arts-01

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$22,100	\$9,382
FY 2009	\$19,108	\$5,532

**PL- 5 - Rent Increase & Relocation Expenses -**

Restricted - The Montana Arts Council, currently housed at the City-County Building, may have to move because the county needs the space. The rent increase for 2000 square feet of space at \$20 per square foot totals \$40,000. There is also a charge of \$300 per FTE moving expense and \$300 per jack for rewiring the space if needed (\$4200). The biennial increased cost for rent is \$41,208.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$6,837	\$2,772
FY 2009	\$5,562	\$2,397

**PL- 51401 - Present Law Cost Adjustments -**

The agency includes reinstating zero based per diem for FY 2008 (\$1,875) and FY 2009 (\$3,150). Council and advisory committee members attend a variety of meetings throughout the year. The Cultural and Aesthetics Advisory Committee meets only in the odd fiscal years in preparation for legislative session. Out-of-state-meals allowance increased in FY 2006 from \$28 to \$36 per day increasing the budget by \$584 in each year of the biennium. Projected readership of the State of the Arts newspaper will increase 5% so related production (\$1,639), printing (\$561) and mailing (\$903) costs are estimated at \$3,103 per year.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$10,000	\$10,000
FY 2009	\$10,000	\$10,000

**NP- 1 - LAN Administration, Hosting, and Server Needs -**

The budget includes \$10,000 in each year of the biennium for the Montana Arts Council to contract for information technology assistance for day-to-day computer assistance, standard software needs, LAN administration and LAN hosting of the Montana Arts Council.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$10,000	\$10,000
FY 2009	\$12,500	\$12,500

**NP- 2 - Arts Education in K-12 Schools -**

Arts education is not always available in Montana K-12 schools' curriculum. This decision package increases current funding provided to schools to integrate arts education into the curriculum through grants from the Montana Arts Council by \$10,000 in FY 2008 and \$12,500 in FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$73,920	\$73,920
FY 2009	\$0	\$0

**NP- 8 - Database Re-Write - OTO -**

One time only funding of \$73,920 (880 hours at \$84 per hour) in FY 2008 for a database re-write to create a new database using the SQL platform and the incorporation of enhancements to allow the Arts Council to better manage the data critical to their business. This will allow easy access to data to improve response to customers and reduce the time and effort to create reports.

## Montana Library Commission-5115

**Mission Statement** - MSL 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.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	29.50	1.00	0.00	30.50	1.00	0.00	30.50
Personal Services	1,607,749	56,570	0	1,664,319	62,512	0	1,670,261
Operating Expenses	1,451,875	82,509	120,000	1,654,384	108,417	120,000	1,680,292
Equipment	47,398	5,936	0	53,334	9,286	0	56,684
Grants	531,041	1,055,682	15,000	1,601,723	330,682	15,000	876,723
<b>Total Costs</b>	<b>\$3,638,063</b>	<b>\$1,200,697</b>	<b>\$135,000</b>	<b>\$4,973,760</b>	<b>\$510,897</b>	<b>\$135,000</b>	<b>\$4,283,960</b>
General Fund	1,671,787	533,391	0	2,205,178	567,291	0	2,239,078
State/Other Special	1,081,518	(1)	135,000	1,216,517	(1)	135,000	1,216,517
Federal Special	884,758	667,307	0	1,552,065	(56,393)	0	828,365
<b>Total Funds</b>	<b>\$3,638,063</b>	<b>\$1,200,697</b>	<b>\$135,000</b>	<b>\$4,973,760</b>	<b>\$510,897</b>	<b>\$135,000</b>	<b>\$4,283,960</b>

## Montana Library Commission-5115 Statewide Library Resources-01

**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 Indicators –

Indicator	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007	Requested FY2008	Requested FY2009
Consulting contacts	12,324	10,714	8,496	8,836	9,186	9,553
Talking book circulation	141,864	140,700	139,985	142,785	145,635	148,547
Digital Library – Reference request	4,604	4,064	2,700	2,808	2,920	3,036
Digital Library – Visitor sessions to web based services	847,023	990,000	1,549,810	1,611,810	1,676,310	1,743,362

**Consulting Contacts** defined as providing information and advise to librarians (mainly the 79 public library directors and staff, but occasionally to the 646 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/WLNL, 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.

**The Montana State Digital Library (MSdL)**, which comprises Library and Information Services (LIS) and the Natural Resources Information System (NRIS), provides resources to support the information needs of state agency management and staff, Montana librarians, and the public, including businesses and students. Specialized information resources include State of Montana publications, natural resource information (NRIS is the recognized point of access for GIS information), and information about the unique plants and animals of Montana. Digital Library services are offered to users through robust and easy-to-use resources via the Internet and through one-on-one assistance.

Number of reference services (sometimes referred to as mediated or staff-assisted services) and number of on-line services provided are good indicators that the Digital Library meets the needs of its clients.

**Reference Services** include those information transactions in which a staff member responds to an inquiry. These often involve research and assimilation of data and information from various sources on behalf of the patron. Reference services decreased during FY2004 due to transition activities – moving from print-based library services to electronic-based library services. Expectations are that the number of reference services provided will again increase as the of volume of data and information served through the library grows. Although reliance on Web-based services will continue to increase (see Visitor Sessions statistics), there will also be an increasing need for library staff to be able to intelligently filter, interpret, customize and package digital information on behalf of patrons.

A **Visitor Session to a web based information resource** is defined as a discrete period of time during which a unique user comes to our web site and uses the resources on any given day. Visitor sessions represent a visit to our digital library during which a patron may utilize several different information resources; this statistic reflects the value of a particular web-based resource more accurately than "hits" or similar measurements sometimes used. In FY2004, 847,023 visitor sessions averaged approximately 13 minutes each. This translates to 504 hours of web service usage by our patrons for every calendar day of the year.

## Montana Library Commission-5115 Statewide Library Resources-01

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2006	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2008	Fiscal 2008	Fiscal 2008	Fiscal 2009	Fiscal 2009	Fiscal 2009
FTE	29.50	1.00	0.00	30.50	1.00	0.00	30.50
Personal Services	1,607,749	56,570	0	1,664,319	62,512	0	1,670,261
Operating Expenses	1,451,875	82,509	120,000	1,654,384	108,417	120,000	1,680,292
Equipment	47,398	5,936	0	53,334	9,286	0	56,684
Grants	531,041	1,055,682	15,000	1,601,723	330,682	15,000	876,723
<b>Total Costs</b>	<b>\$3,638,063</b>	<b>\$1,200,697</b>	<b>\$135,000</b>	<b>\$4,973,760</b>	<b>\$510,897</b>	<b>\$135,000</b>	<b>\$4,283,960</b>
General Fund	1,671,787	533,391	0	2,205,178	567,291	0	2,239,078
State/Other Special	1,081,518	(1)	135,000	1,216,517	(1)	135,000	1,216,517
Federal Special	884,758	667,307	0	1,552,065	(56,393)	0	828,365
<b>Total Funds</b>	<b>\$3,638,063</b>	<b>\$1,200,697</b>	<b>\$135,000</b>	<b>\$4,973,760</b>	<b>\$510,897</b>	<b>\$135,000</b>	<b>\$4,283,960</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$150,000	\$150,000
FY 2009	\$150,000	\$150,000

#### PL- 1 - GIS Portal -

The Executive recommends an increase to fund geographic information systems (GIS) at the state library to expand the role of the Montana State Library to become the GIS clearinghouse for the state of Montana. This provides \$150,000 in each year of the 2009 biennium and 1.00 FTE to create the GIS data gateway to spatial information by state and local agencies and the public.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$75,000	\$75,000
FY 2009	\$75,000	\$75,000

#### PL- 2 - Natural Heritage Program -

Adding \$75,000 in each year of the 2009 biennium will increase support of the Natural Heritage Program to obtain, catalog, store, manage and provide access to natural resource information from state agencies and other sources, work with data producers to routinely update information, develop and manage a website providing access to information, conduct outreach and training to promote effective access and use, and respond to user requests.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$5,550	\$5,550
FY 2009	\$5,550	\$5,550

#### PL- 4 - Standard Cost Adjustments -

Reinstating per diem at \$3,350 and volunteer insurance for Talking Book Library volunteers at \$500 both zero based line items. The per diem is for five commission members, appointed by the Governor, to receive a \$50 per day per diem rate to represent the Commission on business. Legal fees in Department of Justice increase from \$71.80 per hour to \$84 for approximately 135 hours per year totaling \$1,700.

## Montana Library Commission-5115 Statewide Library Resources-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$916,251	\$0
FY 2009	\$191,220	\$0

**PL- 5 - LSTA Grants -**

Library Services and Technology Act (LSTA) funds are redefined each year. Projects are approved by the Library Commission. LSTA grants are requested as a biennial appropriation and are estimated amounts for the carryover each year. LSTA funding is received every year and has a two-year award cycle. Following are the estimated grant levels for the 2009 biennium: 06 LSTA \$75,000; 07 LSTA \$550,000; 08 LSTA \$500,000; 09 LSTA \$400,000

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$135,000	\$0
FY 2009	\$135,000	\$0

**NP- 6 - Increase Library Federation Support -**

Increased coal tax shared account funding of \$135,000 in each year of the 2009 biennium will provide funding to the Library Federation Program to tie revenue to projected annual expenditures of \$219,000 for the periodical database, \$56,000 for library on-line materials, and \$161,122 for federation activities. The state library's total coal severance tax shared account revenue for FY 2006 was \$436,512. This appropriation brings the total to just over \$571,500 for FY 2008 and FY 2009.

## 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.

**Language** - It is the intent of the legislature that the Department of Commerce use lodging facility use taxes to fund \$454,963 in FY 2008 and \$458,310 in FY 2009 for the Montana Historical Society. This would be expended as follows:

- Historical Interpretation   \$316,527    \$316,527
- Scriver Collection           \$138,436    \$141,783

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	59.59	0.25	1.30	61.14	0.25	1.30	61.14
Personal Services	2,241,960	464,033	87,892	2,793,885	472,150	87,892	2,802,002
Operating Expenses	1,114,498	63,123	9,541	1,187,162	51,698	5,541	1,171,737
Equipment	7,304	1,023	0	8,327	1,600	0	8,904
Grants	78,861	0	0	78,861	0	0	78,861
Transfers	50,503	0	0	50,503	0	0	50,503
<b>Total Costs</b>	<b>\$3,493,126</b>	<b>\$528,179</b>	<b>\$97,433</b>	<b>\$4,118,738</b>	<b>\$525,448</b>	<b>\$93,433</b>	<b>\$4,112,007</b>
General Fund	2,010,433	322,443	160,803	2,493,679	301,155	156,803	2,468,391
State/Other Special	90,381	(2,265)	0	88,116	(2,238)	0	88,143
Federal Special	535,304	97,917	0	633,221	100,928	0	636,232
Proprietary	857,008	110,084	(63,370)	903,722	125,603	(63,370)	919,241
<b>Total Funds</b>	<b>\$3,493,126</b>	<b>\$528,179</b>	<b>\$97,433</b>	<b>\$4,118,738</b>	<b>\$525,448</b>	<b>\$93,433</b>	<b>\$4,112,007</b>

## Montana Historical Society-5117 Administration Program-01

**Program Description** - The Administration Program provides supervision, administration, and coordination of the five programs in the Montana Historical Society. 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 FY2004	Actual FY2005	Actual FY2006	Requested FY2007	Requested FY2008	Requested FY2009
Visitors to the Society	40155	47697	39955	40000	40000	40000
Member Program	1193	1439	1597	1750	1900	2050

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	19.74	0.00	0.00	19.74	0.00	0.00	19.74
Personal Services	860,323	107,255	0	967,578	108,944	0	969,267
Operating Expenses	702,374	60,808	0	763,182	45,482	0	747,856
<b>Total Costs</b>	<b>\$1,562,697</b>	<b>\$168,063</b>	<b>\$0</b>	<b>\$1,730,760</b>	<b>\$154,426</b>	<b>\$0</b>	<b>\$1,717,123</b>
General Fund	1,014,730	134,856	63,370	1,212,956	106,566	63,370	1,184,666
State/Other Special	83,878	1,114	0	84,992	1,141	0	85,019
Federal Special	55,300	1,200	0	56,500	1,200	0	56,500
Proprietary	408,789	30,893	(63,370)	376,312	45,519	(63,370)	390,938
<b>Total Funds</b>	<b>\$1,562,697</b>	<b>\$168,063</b>	<b>\$0</b>	<b>\$1,730,760</b>	<b>\$154,426</b>	<b>\$0</b>	<b>\$1,717,123</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$19,200	\$19,200
FY 2009	\$19,200	\$19,200

**PL- 2 - Computer Replacement -**

This proposal will allow the Society to replace one-fourth of approximately 65 computers at \$1,200 each, totaling \$19,200 each year of the 2009 biennium.

## Montana Historical Society-5117 Research Center-02

**Program Description** - The Library Program consists of the library, archives, and photograph 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 histories illustrative of the history of Montana and the surrounding region. By statute, this program houses the official Archives of the State. It assists researchers seeking historical information.

### Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Number of published items and photographs acquired	7849	9831	12143	9950	10000	10100
Linear feet of manuscripts and state records acquired	608.7	453.2	510.3	525	550	600
Reference service	13332	11579	11681	12200	12700	13000

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	14.75	0.00	0.00	14.75	0.00	0.00	14.75
Personal Services	590,797	123,645	0	714,442	125,545	0	716,342
Operating Expenses	127,676	18,844	0	146,520	19,843	0	147,519
Equipment	7,304	1,023	0	8,327	1,600	0	8,904
<b>Total Costs</b>	<b>\$725,777</b>	<b>\$143,512</b>	<b>\$0</b>	<b>\$869,289</b>	<b>\$146,988</b>	<b>\$0</b>	<b>\$872,765</b>
General Fund	658,645	136,571	0	795,216	139,965	0	798,610
State/Other Special	42	2,582	0	2,624	2,582	0	2,624
Proprietary	67,090	4,359	0	71,449	4,441	0	71,531
<b>Total Funds</b>	<b>\$725,777</b>	<b>\$143,512</b>	<b>\$0</b>	<b>\$869,289</b>	<b>\$146,988</b>	<b>\$0</b>	<b>\$872,765</b>

## Montana Historical Society-5117 Museum Program-03

**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, tours and traveling exhibits. The program also houses the society's education office that orchestrates events, programs, and materials on Montana history for learners of all ages.

### Program Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Estimated FY2007	Requested FY2008	Requested FY2009
Number of exhibits*	19	25	27	21	23	25
Number of participants in Educational programs**	35,720	39,904	43,649	48,000	50,000	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, workshops, and outreach resources.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	9.85	0.00	1.30	11.15	0.00	1.30	11.15
Personal Services	214,671	61,842	45,459	321,972	62,823	45,459	322,953
Operating Expenses	37,633	(47,634)	9,541	(460)	(46,682)	5,541	(3,508)
<b>Total Costs</b>	<b>\$252,304</b>	<b>\$14,208</b>	<b>\$55,000</b>	<b>\$321,512</b>	<b>\$16,141</b>	<b>\$51,000</b>	<b>\$319,445</b>
General Fund	240,391	15,621	55,000	311,012	17,554	51,000	308,945
State/Other Special	6,461	(5,961)	0	500	(5,961)	0	500
Proprietary	5,452	4,548	0	10,000	4,548	0	10,000
<b>Total Funds</b>	<b>\$252,304</b>	<b>\$14,208</b>	<b>\$55,000</b>	<b>\$321,512</b>	<b>\$16,141</b>	<b>\$51,000</b>	<b>\$319,445</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$254,631)	(\$254,631)
FY 2009	(\$254,631)	(\$254,631)

#### PL- 20 - Move Expended LA Base of Lodging Facility Use Tax -

This proposal is removing \$254,631 in FY 2008 and FY 2009 of state special revenue increases from the Montana Historical Society budget to eliminate a double appropriation between the Department of Commerce and the Society. This decision package eliminates the double appropriation of lodging facility tax while maintaining the intent of the legislature as stated in the language in HB 2.

**Montana Historical Society-5117  
Museum Program-03**

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$55,000	\$55,000
FY 2009	\$51,000	\$51,000

**NP- 8 - Museum Assistant Registrar Positions -**

The budget includes adding 1.3 FTE registrar positions aids in meeting recommendations of the last two legislative audit reports that recommended adding positions to manage society collections and follow monitoring procedures to ensure all artifacts are properly controlled. These additions will cost \$55,000 in FY 2008 and \$51,000 in FY 2009 for a biennial total of \$106,000.

## Montana Historical Society-5117 Publications Program-04

**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 museum store.

**Program Indicators –**

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Requested FY2007	Requested FY2008	Requested FY2009
Subscribers to magazine	5865	5890	5915	5926	3602	3650
Number of books published By the Society Press	2	3	3	3	3	3

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	5.75	0.00	0.00	5.75	0.00	0.00	5.75
Personal Services	196,740	67,405	42,433	306,578	68,221	42,433	307,394
Operating Expenses	173,937	1,523	0	175,460	1,758	0	175,695
Transfers	50,503	0	0	50,503	0	0	50,503
<b>Total Costs</b>	<b>\$421,180</b>	<b>\$68,928</b>	<b>\$42,433</b>	<b>\$532,541</b>	<b>\$69,979</b>	<b>\$42,433</b>	<b>\$533,592</b>
General Fund	50,503	(1,356)	42,433	91,580	(1,116)	42,433	91,820
Federal Special	0	0	0	0	0	0	0
Proprietary	370,677	70,284	0	440,961	71,095	0	441,772
<b>Total Funds</b>	<b>\$421,180</b>	<b>\$68,928</b>	<b>\$42,433</b>	<b>\$532,541</b>	<b>\$69,979</b>	<b>\$42,433</b>	<b>\$533,592</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$42,433	\$42,433
FY 2009	\$42,433	\$42,433

**NP- 6 - Increase State Support - Western History Magazine -**

The agency includes increasing general fund support of The Magazine of Western History from 15% (\$50,503) to nearly 28% general fund support by adding \$42,433 in each year of the biennium. This is still well below state participation in other western states (i.e. Nebraska and North Dakota 70%, Arizona 65%, Minnesota 60%, and Kansas 50%).

## Montana Historical Society-5117 Historic Preservation Program-06

**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 Indicators –

Indicator	Actual FY2004	Actual FY2005	Actual FY2006	Requested FY2007	Requested FY2008	Requested FY2009
Construction projects developed with SHPO assistance	2958	3000	3100	3200	2000***	2000***
Newly listed properties on the National Register of Historic Places	13**	12	12	12	15	15

\*\* FY2004 includes one community district with over 300 individual contributing buildings.

\*\*\* Reduction in mediated assistance anticipated due to implementation of shared direct electronic access to routine information

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	9.50	0.25	0.00	9.75	0.25	0.00	9.75
Personal Services	379,429	103,886	0	483,315	106,617	0	486,046
Operating Expenses	72,878	29,582	0	102,460	31,297	0	104,175
Grants	78,861	0	0	78,861	0	0	78,861
<b>Total Costs</b>	<b>\$531,168</b>	<b>\$133,468</b>	<b>\$0</b>	<b>\$664,636</b>	<b>\$137,914</b>	<b>\$0</b>	<b>\$669,082</b>
General Fund	46,164	36,751	0	82,915	38,186	0	84,350
State/Other Special	0	0	0	0	0	0	0
Federal Special	480,004	96,717	0	576,721	99,728	0	579,732
Proprietary	5,000	0	0	5,000	0	0	5,000
<b>Total Funds</b>	<b>\$531,168</b>	<b>\$133,468</b>	<b>\$0</b>	<b>\$664,636</b>	<b>\$137,914</b>	<b>\$0</b>	<b>\$669,082</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$30,276	\$30,276
FY 2009	\$30,276	\$30,276

#### PL- 7 - State Historic Preservation Office Funding -

Providing \$30,276 and 0.25 FTE each year of the 2009 biennium would allow the State Historic Preservation Office (SHPO) to annually increase 0.25 FTE at a cost of \$8,864 for a grant manager position; \$16,912 for the cost of housing the State Antiquities Database at the Department of Administration, Information Technology Services Division (ITSD) mid-tier environment; and \$4,500 for the State Preservation Review Board to statutorily meet three times each year to review nominations to the National Register of Historic Places and the State Heritage Properties Registry.

## Commissioner Of Higher Ed-5102

Please note that this agency also contains proprietary funds (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

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	100.06	0.00	4.00	104.06	0.00	4.00	104.06
Personal Services	4,652,921	708,297	366,077	5,727,295	729,005	366,186	5,748,112
Operating Expenses	6,571,778	106,334	1,781,910	8,460,022	63,077	513,236	7,148,091
Equipment	18,742	0	225,000	243,742	0	225,000	243,742
Local Assistance	7,590,416	763,397	0	8,353,813	929,556	0	8,519,972
Grants	13,151,418	1,529,847	2,018,556	16,699,821	2,446,292	2,628,551	18,226,261
Benefits & Claims	21,967,240	0	18,700,000	40,667,240	0	21,800,000	43,767,240
Transfers	148,037,141	12,345,648	7,208,983	168,118,360	16,447,036	674,000	165,158,177
<b>Total Costs</b>	<b>\$201,989,656</b>	<b>\$15,453,523</b>	<b>\$30,300,526</b>	<b>\$247,743,705</b>	<b>\$20,614,966</b>	<b>\$26,206,973</b>	<b>\$248,811,595</b>
General Fund	149,076,830	12,473,424	6,846,236	168,396,490	17,307,884	1,875,785	168,260,499
State/Other Special	14,296,001	2,265,692	2,099,662	18,661,355	2,598,634	99,662	16,994,297
Federal Special	38,616,825	714,407	20,913,693	60,244,926	708,448	23,790,867	63,116,140
Proprietary	0	0	440,935	440,935	0	440,659	440,659
<b>Total Funds</b>	<b>\$201,989,656</b>	<b>\$15,453,523</b>	<b>\$30,300,526</b>	<b>\$247,743,705</b>	<b>\$20,614,966</b>	<b>\$26,206,973</b>	<b>\$248,811,595</b>

**Language -**

The Executive recommends language in HB 2, but it is not printed in this book for space considerations.

## Commissioner Of Higher Ed-5102 Administration Program-01

**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							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	17.90	1.00	3.50	22.40	1.00	3.50	22.40
Personal Services	1,576,675	(32,039)	318,066	1,862,702	(22,535)	318,165	1,872,305
Operating Expenses	487,330	75,402	1,307,808	1,870,540	48,174	271,965	807,469
Equipment	11,243	0	225,000	236,243	0	225,000	236,243
<b>Total Costs</b>	<b>\$2,075,248</b>	<b>\$43,363</b>	<b>\$1,850,874</b>	<b>\$3,969,485</b>	<b>\$25,639</b>	<b>\$815,130</b>	<b>\$2,916,017</b>
General Fund	1,854,234	43,363	1,630,953	3,528,550	25,639	595,484	2,475,358
Federal Special	221,014	0	(221,014)	0	0	(221,014)	0
Proprietary	0	0	440,935	440,935	0	440,659	440,659
<b>Total Funds</b>	<b>\$2,075,248</b>	<b>\$43,363</b>	<b>\$1,850,874</b>	<b>\$3,969,485</b>	<b>\$25,639</b>	<b>\$815,130</b>	<b>\$2,916,017</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$30,000	\$30,000
FY 2009	\$0	\$0

**PL- 1000 - Moving Expenses (OTO) -**

This \$30,000 general fund request is for moving expenses for the Office of the Commissioner of Higher Education (OCHE).

In September 2005, the OCHE moved from the Student Assistance Foundation (SAF) Building on Broadway Street to downtown Helena as SAF needed the space because of its growth. Subsequently, SAF has chosen to build a new larger building. OCHE has been offered space in the new SAF building. The SAF building is expected to be completed by March 31, 2008. OCHE will move as soon as possible when the new building is completed.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$13,356	\$13,356
FY 2009	\$54,420	\$54,420

**PL- 1002 - Rent Increase -**

This \$67,776 general fund request is for increased rent for the Administration Program.

As stated in the above decision package, the OCHE will be moving to the new SAF building by the end of March 2008. OCHE was temporarily located in downtown Helena.

## Commissioner Of Higher Ed-5102 Administration Program-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$33,848	\$33,848
FY 2009	\$33,858	\$33,858

**PL- 1020 - Move One FTE from Minority Achievement to Administration -**

This decision package moves 1.00 FTE (Administrative Support) from the American Indian and Minority Achievement function within the Talent Search Program to the Administration Program.

In an effort to maximize resources within the OCHE, the Administrative Support position will serve all academic and student support areas including the American Indian and Minority Achievement Program.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,291,099	\$1,291,099
FY 2009	\$253,901	\$253,901

**NP- 1051 - Improve Transferability and Student Data OTO -**

This decision package funds \$1,545,000 towards a comprehensive program to improve transferability between campuses of the Montana University System.

There are three main components to this request. 1) Develop a comprehensive and refined data warehouse and implement required assessment models (\$350,000) . 2) Faculty Program Council expenses (\$500,000) and 3) the management and sustainability 2.5 FTE, operating expenses, faculty council on-going expenses (\$625,000). The proposal will also be used in the facilitation of dual enrollment (\$70,000).

The Office of Public Instruction (OPI) and the Office of Commissioner of Higher Education (OCHE) are working together to coordinate data systems that link students' educational opportunities in K-12 with their successes in college and to link teacher preparation programs with success in the K-12 classroom.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$450,000	\$450,000
FY 2009	\$450,000	\$450,000

**NP- 1052 - Coordinate and Enhance Distant Learning - OTO -**

The Montana University System requests \$900,000 in the 2009 biennium to significantly expand student access to distance education beyond what has been possible in the current biennium. Getting all on-line general education core courses available through one portal is significant, but these courses are only a subset of the much broader array of course and degree program offerings which students need to access. Current work is focused on making existing courses more accessible to students, but additional resources are needed to develop new high-demand on-line courses. Also, it will take one more biennium to remove the more complicated barriers for on-line students.

The estimated biennial budget is as follows:

- Central course management and expand "gateway" for all courses: \$450,000
- Develop new on-line courses in high-demand areas: \$100,000
- Develop on-line application, records, financial aid processes: \$ 75,000
- Develop learning outcomes assessment: \$ 25,000
- Develop on-line student support and advising system: \$100,000
- Create single tuition and fee statements for on-line courses: \$ 75,000
- Administrative costs: \$ 75,000

## Commissioner Of Higher Ed-5102 Administration Program-01

The salary of one FTE has been allocated to the above budget items.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$99,775	(\$120,146)
FY 2009	\$101,229	(\$118,416)

**NP- 1053 - Create Internal Service Fund for Fiscal and Admin -**

This decision package creates a proprietary indirect cost plan fund in the OCHE budget for the 2009 biennium. During the base year OCHE had accounted for indirect costs in a federal special revenue fund.

OCHE implemented an agency indirect cost plan in FY 2006 and is in compliance with state law and guidelines in regard to recovering certain costs from non-general fund sources, such as federal grants. All OCHE funds would be charged an indirect rate (presently 2.8%). The revenues from the indirect cost assessment would be deposited into a proprietary fund and used to pay indirect costs such as, but not limited to, accounting, legal, and information technology services, janitorial services, messenger services, warrant writing, and statewide indirect costs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$10,000	\$10,000
FY 2009	\$10,000	\$10,000

**NP- 1054 - Improve OCHE IT Network and Security -**

The Executive budget includes an additional \$20,000 for the 2009 biennium for network maintenance and security services. OCHE experienced a serious security breach of its information technology network in Helena in FY 2006.

## Commissioner Of Higher Ed-5102 Student Assistance Program-02

**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							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	0.00	0.00	1.50	1.50	0.00	1.50	1.50
Personal Services	46,662	(15,762)	84,605	115,505	(14,662)	84,628	116,628
Operating Expenses	338	0	38,877	39,215	0	38,859	39,197
Local Assistance	108,000	8,000	0	116,000	12,000	0	120,000
Grants	9,073,420	1,565,186	576,180	11,214,786	2,481,631	1,176,175	12,731,226
<b>Total Costs</b>	<b>\$9,228,420</b>	<b>\$1,557,424</b>	<b>\$699,662</b>	<b>\$11,485,506</b>	<b>\$2,478,969</b>	<b>\$1,299,662</b>	<b>\$13,007,051</b>
General Fund	8,970,505	1,557,424	600,000	11,152,591	2,503,631	1,200,000	12,674,136
State/Other Special	25,000	(24,662)	99,662	100,000	(24,662)	99,662	100,000
Federal Special	232,915	0	0	232,915	0	0	232,915
<b>Total Funds</b>	<b>\$9,228,420</b>	<b>\$1,557,424</b>	<b>\$699,662</b>	<b>\$11,485,506</b>	<b>\$2,478,969</b>	<b>\$1,299,662</b>	<b>\$13,007,051</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$295,020	\$295,020
FY 2009	\$480,465	\$480,465

#### PL- 2001 - WWAMI/WICHE/MN Dental -

Adjustments for the professional programs of WICHE/WWAMI/Minnesota Dental carry forward the authorized slots from the last legislative session with the projected increases in support costs.

The Western Interstate Commission for Higher Education (WICHE) Professional Student Exchange Program enables students in 13 western states to enroll in selected out-of-state professional programs usually because those fields of study are not available at public institutions in their home states.

WWAMI is a cooperative program of the University of Washington School of Medicine and the states of Wyoming, Alaska, Montana and Idaho.

Program	FY 2006 Actual	FY 2006 PL Adjustment	FY 2008 Request	FY 2009 PL Adjustment	FY 2009 Request
WICHE Admin. Dues	108,000	8,000	116,000	12,000	120,000
WHICE	1,773,083	118,417	1,891,500	203,517	1,976,600
<b>Subtotal</b>	<b>1,881,083</b>	<b>126,417</b>	<b>2,007,500</b>	<b>215,517</b>	<b>2,096,600</b>
WWAMI	2,865,033	159,803	3,024,836	250,548	3,115,581
MN Dentistry	156,000	8,800	164,800	14,400	170,400
<b>Grand Total</b>	<b>4,902,116</b>	<b>295,020</b>	<b>5,197,136</b>	<b>480,465</b>	<b>5,382,581</b>

## Commissioner Of Higher Ed-5102 Student Assistance Program-02

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY 2008	\$1,278,166	\$1,278,166
FY 2009	\$2,013,166	\$2,013,166

**PL- 2002 - Governor's Postsecondary Scholarship Program -**

This decision package fully implements the Governor's Postsecondary Scholarship Program.

The Governor's Postsecondary Scholarship program passed by the 2005 legislature was partially funded and implemented in the 2007 biennium. This request for \$3,291,332 general fund will provide sufficient funds to fully fund and implement the program in the 2009 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY 2008	\$30,900	\$30,900
FY 2009	\$32,000	\$32,000

**PL- 2053 - Reimburse MGSLP for Services Related to Student Assistance -**

This decision package provides \$62,900 for estimated costs to be paid to the MT Guaranteed Student Loan Program (MGSLP) for administering state student assistance grants and the High School Honors Tuition Waiver program.

Personal Services is zero based in the budgeting system. MGSLP is a federally funded program.

### -----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY 2008	\$99,662	\$0
FY 2009	\$99,662	\$0

**NP- 2060 - MT Family Education Savings Program Growth -**

This decision package increases the administration costs for the MT Family Education Savings Plan to \$100,000 and adds 1.00 FTE that is being transferred from the Montana Guaranteed Student Loan Program (MTGSLP).

Personal Services costs were \$24,662 in the base year but these costs were zero based in the budgeting system

Legislation was passed in the 2005 session naming the Board of Regents as trustees of the Montana Family Education Savings Plan (MFESP) and bringing state law into compliance with federal tax law. This program, with an excess of \$150 million in total assets, has grown significantly since the introduction of new investments options a few years ago.

There is no fee increase associated with the decision package.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY 2008	\$250,000	\$250,000
FY 2009	\$500,000	\$500,000

**NP- 2061 - Governor's Scholarship Program Expansion -**

The Executive recommends expanding two-year \$1,000 need based scholarships to respond to workforce demands. There will be more scholarships in the high demand fields of health and technology and new scholarships for process plant and building trades programs to attend one of Montana's colleges of technology, community colleges, or tribal colleges. The total cost would be \$750,000 for the 2009 biennium.

The Executive also recommends restructuring the Governor's Scholarship Program to provide more merit based high-school four-year \$1,000 scholarships. In coordination with the OCHE, the Governor's Scholarship will complement changes made to the Montana University System's Honors Scholarship Tuition Waiver to enhance opportunities for the "best and brightest" high school students to attend college in Montana.

## Commissioner Of Higher Ed-5102 Student Assistance Program-02

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$350,000	\$350,000
FY 2009	\$700,000	\$700,000

### **NP- 2063 - Quality Educator Loan Forgiveness Program -**

The Executive recommends the creation of a loan forgiveness program for teachers serving in critical shortage areas as defined by subject or geography. This program will assist schools to recruit and retain new quality educators and helps schools meet accreditation standards.

The Board of Public Education and the Office of Public Instruction will identify the critical shortage areas for Montana's public school system. The Montana Guaranteed Loan Program of the OCHE will administer the new Quality Educator Teacher Loan Forgiveness program in coordination with other federal loan forgiveness programs. The cost is estimated at \$1,050,000 general fund for the 2009 biennium.

A .50 FTE is included in this proposal.

## Commissioner Of Higher Ed-5102 Improving Teacher Quality-03

**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 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personal Services	12,686	(12,686)	0	0	(12,686)	0	0
Operating Expenses	5,056	1	0	5,057	1	0	5,057
Grants	344,809	0	35,134	379,943	0	45,134	389,943
<b>Total Costs</b>	<b>\$362,551</b>	<b>(\$12,685)</b>	<b>\$35,134</b>	<b>\$385,000</b>	<b>(\$12,685)</b>	<b>\$45,134</b>	<b>\$395,000</b>
Federal Special	362,551	(12,685)	35,134	385,000	(12,685)	45,134	395,000
<b>Total Funds</b>	<b>\$362,551</b>	<b>(\$12,685)</b>	<b>\$35,134</b>	<b>\$385,000</b>	<b>(\$12,685)</b>	<b>\$45,134</b>	<b>\$395,000</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$35,134	\$0
FY 2009	\$45,134	\$0

**NP- 3001 - Increase Improving Teacher Quality Grants -**

This request adds \$80,268 federal authority in the 2009 biennium for increased federal funds anticipated for grants for programs to improve teacher quality. Under Title II, Part A, Improving Teacher Quality State Grants, the OCHE provides competitive grants to partnerships comprised of schools of education and arts and sciences, along with one or more high-need school districts.

## 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 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Local Assistance	7,482,416	755,397	0	8,237,813	917,556	0	8,399,972
<b>Total Costs</b>	<b>\$7,482,416</b>	<b>\$755,397</b>	<b>\$0</b>	<b>\$8,237,813</b>	<b>\$917,556</b>	<b>\$0</b>	<b>\$8,399,972</b>
General Fund	7,482,416	755,397	0	8,237,813	917,556	0	8,399,972
<b>Total Funds</b>	<b>\$7,482,416</b>	<b>\$755,397</b>	<b>\$0</b>	<b>\$8,237,813</b>	<b>\$917,556</b>	<b>\$0</b>	<b>\$8,399,972</b>

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

Projected Resident FTE			
	FY 2006 Actual	FY 2008	FY 2009
Dawson C.C.	442	445	445
Flathead C.C.	1,332	1,475	1,475
Miles C.C.	442	491	491
<b>Total</b>	<b>2,216</b>	<b>2,411</b>	<b>2,411</b>
Present Law Adjustment			
Dawson C.C.	\$1,466,213	\$121,339	\$151,227
Flathead C.C.	\$4,407,586	\$506,523	\$605,817
Miles C.C.	\$1,608,617	\$127,535	\$160,513
<b>TOTAL</b>	<b>\$7,482,416</b>	<b>\$755,397</b>	<b>\$917,556</b>

It is anticipated that the funds provided in the following three decision packages, along with pay plan funding, will be sufficient for the community colleges to offer zero tuition increases for resident students.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$659,162)	(\$659,162)
FY 2009	(\$659,162)	(\$659,162)

#### **PL- 4000 - Community Colleges-Reversion Adjustment -**

FY 2006 expenditures do not reflect the enrollment reversions for the three community colleges. This negative adjustment is necessary to true up the base year.

## Commissioner Of Higher Ed-5102 Community College Assistance-04

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$964,559	\$964,559
FY 2009	\$1,126,718	\$1,126,718

**PL- 4001 - Community Colleges - Enrollment Adjustment -**

This decision package updates resident enrollment projections for the 2009 biennium. The Executive estimated the community college resident enrollment at 2,411 resident students. This was based upon FY 2006 enrollment or a three year historical average, whichever was higher for each of the three community colleges.

The cost of education was rebased to \$7,300. The state is funding \$3,230 and \$3,297 in FY 2008 and FY 2009 respectively. The state share is 44 percent and 45 percent respectively.

If the enrollment projections are not met, the community colleges must revert in accordance with 17-7-142, MCA.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$450,000	\$450,000
FY 2009	\$450,000	\$450,000

**PL- 4002 - Community Colleges - Base Funding -**

The Executive recommends providing \$150,000 annually to each campus. This funding is not contingent on enrollment.

## Commissioner Of Higher Ed-5102 Talent Search-06

**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 in post-secondary education.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	19.95	(1.00)	0.00	18.95	(1.00)	0.00	18.95
Personal Services	755,774	163,127	0	918,901	165,676	0	921,450
Operating Expenses	652,091	5,907	52,412	710,410	7,634	52,412	712,137
Grants	603,613	0	1,407,242	2,010,855	0	1,407,242	2,010,855
Transfers	300,000	0	600,000	900,000	0	600,000	900,000
<b>Total Costs</b>	<b>\$2,311,478</b>	<b>\$169,034</b>	<b>\$2,059,654</b>	<b>\$4,540,166</b>	<b>\$173,310</b>	<b>\$2,059,654</b>	<b>\$4,544,442</b>
General Fund	82,687	(9,816)	0	72,871	(9,782)	0	72,905
State/Other Special	0	0	0	0	0	0	0
Federal Special	2,228,791	178,850	2,059,654	4,467,295	183,092	2,059,654	4,471,537
<b>Total Funds</b>	<b>\$2,311,478</b>	<b>\$169,034</b>	<b>\$2,059,654</b>	<b>\$4,540,166</b>	<b>\$173,310</b>	<b>\$2,059,654</b>	<b>\$4,544,442</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$33,848)	(\$33,848)
FY 2009	(\$33,858)	(\$33,858)

**PL- 6053 - Move 1 FTE from Minority Achievement to Administration -**

This decision package transfers one FTE (Administrative Support) from the American Indian and Minority Achievement function within the Talent Search Program to the Administration Program.

In an effort to maximize resources within the OCHE, the Administrative Support Position will serve all academic and student support areas including the American Indian and Minority Achievement Program.

### -----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$2,059,654	\$0
FY 2009	\$2,059,654	\$0

**NP- 6052 - Increase Federal Gear-Up Grants & Scholarships -**

This request adds \$4,119,308 federal authority in the 2009 biennium to allow the OCHE to expend the anticipated amount of this grant funds available for each year of the biennium.

GEAR UP (Gaining Early Awareness & Readiness for Undergraduate Programs) is a five-year federal grant awarded to the OCHE for the State of Montana. The program was reauthorized for a second time in FY 2006. The goal of this federal initiative is to encourage and support youngsters from low-income backgrounds to set high academic expectations, stay in school, study hard, and take courses to prepare them for college level studies.

## Commissioner Of Higher Ed-5102 Work Force Development Pgm-08

**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							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	5.01	0.00	0.00	5.01	0.00	0.00	5.01
Personal Services	263,822	43,597	0	307,419	44,953	0	308,775
Operating Expenses	184,570	501	0	185,071	612	0	185,182
Grants	2,729,576	(85,339)	0	2,644,237	(85,339)	0	2,644,237
Transfers	3,262,045	0	0	3,262,045	0	0	3,262,045
<b>Total Costs</b>	<b>\$6,440,013</b>	<b>(\$41,241)</b>	<b>\$0</b>	<b>\$6,398,772</b>	<b>(\$39,774)</b>	<b>\$0</b>	<b>\$6,400,239</b>
General Fund	91,092	0	0	91,092	0	0	91,092
Federal Special	6,348,921	(41,241)	0	6,307,680	(39,774)	0	6,309,147
<b>Total Funds</b>	<b>\$6,440,013</b>	<b>(\$41,241)</b>	<b>\$0</b>	<b>\$6,398,772</b>	<b>(\$39,774)</b>	<b>\$0</b>	<b>\$6,400,239</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$85,339)	\$0
FY 2009	(\$85,339)	\$0

**PL- 801 - Decrease Grant Funding -**

This decision package removes base year expenditures for grant funds that do not continue into the 2009 biennium related to a grant for health care shortages. The grant has been closed.

## Commissioner Of Higher Ed-5102 Appropriation Distribution-09

### 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							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	0	0	0	0	0	0	0
Transfers	144,438,496	12,345,648	6,608,983	163,393,127	16,447,036	74,000	160,959,532
Debt Service	0	0	0	0	0	0	0
<b>Total Costs</b>	<b>\$144,438,496</b>	<b>\$12,345,648</b>	<b>\$6,608,983</b>	<b>\$163,393,127</b>	<b>\$16,447,036</b>	<b>\$74,000</b>	<b>\$160,959,532</b>
General Fund	130,167,495	10,055,294	4,608,983	144,831,772	13,823,740	74,000	144,065,235
State/Other Special	14,271,001	2,290,354	2,000,000	18,561,355	2,623,296	0	16,894,297
<b>Total Funds</b>	<b>\$144,438,496</b>	<b>\$12,345,648</b>	<b>\$6,608,983</b>	<b>\$163,393,127</b>	<b>\$16,447,036</b>	<b>\$74,000</b>	<b>\$160,959,532</b>

### Educational Units – HB 2 Only

Proposed Budget	Base Budget	PL Base Adjustments	New Proposals	Total Ex. Budget	PL Base Adjustments	New Proposals	Total Ex. Budget
Budget Item	FY 2006	Fiscal 2008	Fiscal 2008	FY 2008	Fiscal 2009	Fiscal 2009	FY 2009
UM-Missoula	38,505,125	3,391,646		41,896,771	4,955,085		43,460,210
UM-Tech	10,422,931	588,047		11,010,978	1,009,689		11,432,620
UM-Western	5,270,936	629,780		5,900,716	674,519		5,945,455
UM-Helena COT	3,013,662	393,726		3,407,388	465,889		3,479,551
MSU-Bozeman	39,336,474	2,900,065		42,236,539	3,972,250		43,308,724
MSU Billings	15,573,142	1,616,930		17,190,072	1,980,849		17,553,991
MSU-Northern	7,373,359	293,483		7,666,842	550,796		7,924,155
MSU-Great Falls	4,084,065	478,285		4,562,350	651,065		4,735,130
Family Practice Residency Program -	319,366			319,366			319,366
Great Falls Dental Hygiene Program	235,000			235,000			235,000
Motorcycle Safety Education - North.	220,000			220,000			220,000
High School Honors (OTO)		500,000		500,000	500,000		500,000
Equipment and Technology MUS & CC (OTO)			4,000,000	4,000,000			-
Workforce Training and Program Development MUS & CC (OTO)			1,500,000	1,500,000			-
<b>Total</b>	<b>124,354,060</b>	<b>10,791,962</b>	<b>5,500,000</b>	<b>140,646,022</b>	<b>14,760,142</b>	<b>0</b>	<b>139,114,202</b>
General Fund	110,749,059	8,501,608	3,500,000	122,750,667	12,136,845		122,885,904
Statewide Six Mill Levy	13,385,001	2,290,354	2,000,000	17,675,355	2,623,297		16,008,298
Other Special Revenue	220,000			220,000			220,000
<b>State Funds</b>	<b>124,354,060</b>	<b>10,791,962</b>	<b>5,500,000</b>	<b>140,646,022</b>	<b>14,760,143</b>	<b>0</b>	<b>139,114,202</b>

The table above only reflects "state funds" that flow through the OCHE to the campuses.

### Current Level Funding for Campuses

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Campus	FY 2006	FY 2007	FY 2008	FY 2009
UM - Missoula	112,252,946	119,080,472	123,098,242	124,844,606
MT Tech	20,032,372	21,111,028	22,007,335	22,472,845
UM Western	9,338,752	9,825,144	10,258,480	10,328,493
UM - HCOT	5,015,172	5,196,824	5,386,567	5,459,317
MSU Bozeman	110,310,963	117,066,029	120,600,761	121,995,372
MSU Billings	33,322,639	35,124,943	36,177,655	36,553,467
MSU Northern	12,347,489	12,483,291	13,022,691	13,290,481
MSU G.F.	7,992,745	8,965,268	8,991,145	9,162,038
<b>Totals</b>	<b>310,613,078</b>	<b>328,852,999</b>	<b>339,542,876</b>	<b>344,106,619</b>

G.F. & 6 - Mill	123,677,044	125,306,273	133,955,586	137,937,397
Tuition and Fees	184,799,566	201,410,258	203,450,822	204,032,754
Other	2,136,468	2,136,468	2,136,468	2,136,468
<b>Total</b>	<b>310,613,078</b>	<b>328,852,999</b>	<b>339,542,876</b>	<b>344,106,619</b>

The above table reflects the current level base budget excluding the High School Honor's tuition waiver increases into the 2009 biennium. This table reflects no pay plan or retirement increases.

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

**6-mill Account** – The six-mill levy account is expected to grow from \$27.4 for the 2007 biennium to \$30.7 for the 2009 biennium. The Executive has funded the adjusted base with this increase to the six-mill account and decreased the general fund in the base by a like amount. No decision package is needed in the budgeting system.

#### **College Affordability Plan (CAP) -- No Tuition Increases for Montana Resident and WUE Students**

The Executive recommends funding for the Montana University System (MUS) that can result in a zero percent increase for students for the biennium. The CAP comprises three decision packages when combined to create a tuition cap so that no tuition increase would need to be asked of Montana resident students

Montana resident students and students participating in the Western Undergraduate Exchange (WUE) program represent 85% of all MUS students. The remaining 15% are non-resident students and are expected to incur tuition increases equal to the remaining core costs of the university system.

The three recommended funding increases for the Montana University System core operations are:

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$9,767,959	\$9,767,959
FY 2009	\$13,507,974	\$13,507,974

#### **PL- 9001 - Present Law Adjustments - Ed Units (Resident) -**

Montana resident students make up 80% of total students attending the Montana University System. This recommended increase is for the "resident " portion.

This increase includes such items as annualization of the 2007 pay-plan, faculty and staff merit and promotion increases, base year termination costs, new faculty positions added during FY 2007, IT fixed costs, new space, local utility increases and tuition waiver utilization and 2007 cost increases.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$524,003	\$524,003
FY 2009	\$752,168	\$752,168

**PL- 9002 - Present Law Adjustments - Ed Units (WUE) -**

Students participating in Western University Exchange (WUE) represent 5% of the total students attending the Montana University System. This recommended increase is for the "WUE " portion.

Montana is member of the WUE program comprising 15 western states that allow students to enroll in 2 year and 4-year colleges at a reduced rate of 150% of the institutions regular resident tuition. If tuition is not increased on Montana resident students, it cannot be increased on WUE students.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$500,000	\$0
FY 2009	\$500,000	\$0

**PL- 9008 - Tuition Waivers - H.S. Honors Program OTO -**

The Executive Budget contains a one-time appropriation of \$500,000 in FY 2008 and \$500,000 in FY 2009 for restructuring the High School Honors Tuition Waiver Program.

OCHE redesigning the Honors program utilizing rigorous course taking and test scores so that all high school students will compete equally. This revised waiver program complements the Governor's "Best and Brightest" Scholarship Program to provide a maximum number of students in Montana with merit-based aid.

### -----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$4,000,000	\$2,000,000
FY 2009	\$0	\$0

**NP- 9053 – Equipment and Technology in High Demand Fields MUS & CC OTO -**

The Executive recommends a one-time allocation to address the need for equipment and technology at Montana's colleges to educate and train high demand workers as follows:

- Healthcare, skilled industries and high demand programs \$2.5 million;
- Classroom equipment and technology 1.5 million

The equipment and technology grant process for administering these funds shall be performed by the OCHE, in consultation with the State Workforce Investment Board (SWIB), and must give scoring priority to grants that receive matching funds. Matching funds may include federal funding revenue, private funding revenue and other non-state university funds.

This decision package is funded half with general fund and half with 6-mill carryover funds.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,500,000	\$1,500,000
FY 2009	\$0	\$0

### NP- 9054 - Workforce Training in High Demand Fields MUS & CC-OTO -

This one-time-only investment will provide funding for much needed operational costs targeted toward expanding capacity in programs to educate and train high demand workers.

Funding for workforce training opportunities is essential in order to be responsive to Montana's changing workforce development needs. Student demand exceeds current capabilities for instruction in several MUS programs.

The process of for distributing these funds shall be administered by the OCHE , in consultation with the State Workforce Investment Board (SWIB). Leveraging funds from non-state sources should be a priority in allocating these funds.

### Agricultural Experiment Station

Agency Proposed Budget	Base Budget	PL Base Adj.	New Proposals	Total Exec. Budget	PL Base Adj.	New Proposals	Total Exec. Budget
Budget Item	Fiscal 2006	Fiscal 2008	Fiscal 2008	Fiscal 2008	Fiscal 2009	Fiscal 2009	Fiscal 2009
FTE	217.01	0.00	-17.00	200.01	0.00	-17.00	200.01
Personal Services	11,710,837	906,464	(723,640)	11,893,661	940,236	(726,899)	11,924,174
Operating Costs	1,902,835	177,951	(438,924)	1,641,862	193,488	(435,665)	1,660,658
Equipment	47,947			47,947			47,947
Transfers	328,044	3,836		331,880	6,159		334,203
<b>Total Funds</b>	<b>13,989,663</b>	<b>1,088,251</b>	<b>(1,162,564)</b>	<b>13,915,350</b>	<b>1,139,883</b>	<b>(1,162,564)</b>	<b>13,966,982</b>
State Funds							
General Fund	10,875,387	881,238		11,756,625	921,361		11,796,748
Subtotal State Funds	10,875,387	881,238	0	11,756,625	921,361	0	11,796,748
University Funds							
Federal Funds	1,951,712	146,705		2,098,417	158,214		2,109,926
Sales & Service	1,162,564		(1,162,564)	-		(1,162,564)	-
Interest and Other	-	60,308		60,308	60,308		60,308
Subtotal Univ. Funds	3,114,276	207,013	(1,162,564)	2,158,725	218,522	(1,162,564)	2,170,234
<b>Total Current Unrestricted</b>							
<b>Operating Fund</b>	<b>13,989,663</b>	<b>1,088,251</b>	<b>(1,162,564)</b>	<b>13,915,350</b>	<b>1,139,883</b>	<b>(1,162,564)</b>	<b>13,966,982</b>
Notes: AES received of \$10,875,387 in state support, \$1,992,805 in federal, \$1,162,564 in sales, \$165,146 in interest & \$40 of other in FY 2006.							
Excess revenues over expenditures were \$206,278 in FY 2006.							
Table reflects estimates for federal funds and interest for FY 2008 and FY 2009.							

The Agricultural Experiment Station (AES) has requested that the Livestock and Range Research Laboratory (LARRL), located at Fort Keogh in Miles City, and other sales be removed from the current unrestricted fund and accounted for in a designated fund.

The above table reflects the \$1,162,564 expenditure and revenue reduction along with the 17 FTE. No decision package is necessary as these are not appropriated funds.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$762,373	\$762,373
FY 2009	\$769,954	\$769,954

**PL- 9020 - Present Law Adjustments - AES -**

This \$1,532,327 adjustment is the state share of statewide present law adjustments for the AES. The state share of current unrestricted funding is 83 percent. This adjustment also includes \$165,794 in base year faculty termination costs and \$19,185 of scheduled faculty promotions for FY 2007.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$71,272	\$71,272
FY 2009	\$83,196	\$83,196

**PL- 9067 - AES - Miscellaneous -**

The Executive adds \$154,468 for the state share for repair and maintenance, new space and for base reductions due to increased cost of gasoline.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$47,593	\$47,593
FY 2009	\$68,211	\$68,211

**PL- 66 - Increased Overhead Costs for Campus Support -**

This adjustment adds a total of \$115,804 general fund in the 2009 biennium for the state portion of increased overhead costs allocated from Montana State University Bozeman to the AES.

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### Extension Services

Agency Proposed Budget	Base Budget Fiscal 2006	PL Base Adj. Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adj. Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	121.14	1.00	0.00	122.14	1.00	0.00	122.14
Personal Services	6,351,322	582,317		6,933,639	601,834		6,953,156
Operating Costs	857,662	51,572		909,234	55,468		913,130
Equipment	33,713			33,713			33,713
Transfers	124,949			124,949			124,949
<b>Total Funds</b>	<b>7,367,646</b>	<b>633,889</b>	<b>0</b>	<b>8,001,535</b>	<b>657,302</b>	<b>0</b>	<b>8,024,948</b>
<b>State Funds</b>							
General Fund	5,112,843	438,651		5,551,494	454,853		5,567,696
Subtotal State Funds	5,112,843	438,651	0	5,551,494	454,853	0	5,567,696
<b>University Funds</b>							
Federal Funds	2,234,670	195,238		2,429,908	202,449		2,437,119
Interest and Other	20,133			20,133			20,133
Subtotal Univer, Funds	2,254,803	195,238	0	2,450,041	202,449	0	2,457,252
<b>Total Current Unrestricted Operating Fund</b>	<b>7,367,646</b>	<b>633,889</b>	<b>0</b>	<b>8,001,535</b>	<b>657,302</b>	<b>0</b>	<b>8,024,948</b>

Notes: The PL adjustment includes a Cropping Specialist position funded in FY 2007 by the 59th Legislature.  
ES received of \$5,112,843 in state support, \$2,234,670 in federal, \$26,026 in interest in FY 2006.  
Table reflects estimate of federal revenue (Smith-Lever) for FY 2008 and FY 2009.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$398,948	\$398,948
FY 2009	\$398,763	\$398,763

#### PL- 9030 - Present Law Adjustments -Extension Services -

This \$797,711 adjustment is the state share of statewide present law adjustments for Extension Services (ES). The state share of current unrestricted funding is 69 percent. This adjustment also includes \$199,221 in base year faculty termination costs and \$14,979 of faculty promotions scheduled for FY 2007, and the cropping specialist position that was approved by the 59th legislature that started in FY 2007.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$3,265	\$3,265
FY 2009	\$4,127	\$4,127

#### PL- 9069 - ES - Miscellaneous -

The Executive adds \$7,932 for the state share of repair and maintenance and for base reductions due to increased cost of gasoline.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$36,439	\$36,439
FY 2009	\$51,693	\$51,693

**PL- 66 - Increased Overhead Costs for Campus Support -**

This adjustment adds a total of \$88,402 general fund in the 2009 biennium for the state portion of increased overhead costs allocated from Montana State University Bozeman to the ES.

### Fire Services Training School

Agency Proposed Budget	Base Budget Fiscal 2006	PL Base Adj. Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2009	PL Base Adj. Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	8.48	0.00	1.00	9.48	0.00	1.00	8.48
Personal Services	468,222	43,134	54,983	566,339	44,454	55,000	567,676
Operating Costs	98,574	8,330	19,000	125,904	6,277	19,000	123,851
Equipment	29,393		35,000	64,393			29,393
Transfers	1,200			1,200			1,200
<b>Total Funds</b>	<b>597,389</b>	<b>51,464</b>	<b>108,983</b>	<b>757,836</b>	<b>50,731</b>	<b>74,000</b>	<b>722,120</b>
State Funds							
General Fund	597,389	51,464	108,983	757,836	50,731	74,000	722,120
Subtotal State Funds	597,389	51,464	108,983	757,836	50,731	74,000	722,120
University Funds							
Interest and Other							
Subtotal Univer. Funds							
<b>Total Current Unrestricted</b>							
<b>Operating Fund</b>	<b>597,389</b>	<b>51,464</b>	<b>108,983</b>	<b>757,836</b>	<b>50,731</b>	<b>74,000</b>	<b>722,120</b>

Note: FSTS received \$598,292 in state funds and \$943 in interest earnings.  
Excess revenues over expenditures were \$1,846 in FY 2006.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$45,004	\$45,004
FY 2009	\$42,544	\$42,544

**PL- 9040 - Present Law Adjustments - Fire Services Training -**

This \$87,548 adjustment is the state share of statewide present law adjustments for Fire Services Training Center (FSTS). This figure also includes \$41,884 in base year termination costs. The state share of current unrestricted funding is 100 percent.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY 2008	\$6,010	\$6,010
FY 2009	\$6,955	\$6,955

**PL- 9065 – Fire Services Training School - Miscellaneous -**

The Executive adds the state share of \$4,272 for repair and maintenance; \$1,969 for a lease increase and \$6,727 for base reductions due to increased cost of gasoline.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY 2008	\$450	\$450
FY 2009	\$1,232	\$1,232

**PL- 66 - Increased Overhead Costs for Campus Support -**

This adjustment adds a total of \$1,682 general fund in the 2009 biennium for the state portion of increased overhead costs allocated from Montana State University Bozeman to the FSTS.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
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FY 2008	\$108,983	\$108,983
FY 2009	\$74,000	\$74,000

**NP- 68 - Add One Fire Trainer at FSTS -**

The Executive supports an additional fire trainer at the FSTS. Montana's rapid growth puts a strain on communities to provide adequately trained fire fighters, most of whom are volunteers. This proposal requires a state investment of \$189,983 for the purpose of training fire fighters that meet the growing demand for skilled responders to a variety of emergency incidents across the state. There are currently only four training positions at FSTS and this will add a fifth trainer as well as in FY 2008 the purchase of one vehicle.

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### Bureau of Mines and Geology

Agency Proposed Budget	Base Budget	PL Base Adj.	New Proposals	Total Exec. Budget	PL Base Adj.	New Proposals	Total Exec. Budget
Budget Item	Fiscal 2006	Fiscal 2008	Fiscal 2008	Fiscal 2008	Fiscal 2009	Fiscal 2009	Fiscal 2009
FTE	32.26	0.00	0.00	32.26	0.00	0.00	32.26
Personal Services	1,902,430	49,841		1,952,271	50,977		1,953,407
Operating Costs	352,156	32,535		384,691	101,102		453,258
Equipment	15,221	-		15,221	-		15,221
Transfers	170,814			170,814			170,814
<b>Total Funds</b>	<b>2,440,621</b>	<b>82,376</b>	<b>0</b>	<b>2,522,997</b>	<b>152,079</b>	<b>0</b>	<b>2,592,700</b>
<b>State Funds</b>							
General Fund	1,738,919	81,140		1,820,059	149,798		1,888,717
RIT Allocation	666,000			666,000			666,000
Subtotal State Funds	2,404,919	81,140	<b>0</b>	2,486,059	149,798	<b>0</b>	2,554,717
<b>University Funds</b>							
Sales & Service	35,702	1,126		36,828	2,281		37,983
Subtotal University Funds	35,702	1,126	<b>0</b>	36,828	2,281	<b>0</b>	37,983
<b>Total Current Unrestricted Operating Fund</b>	<b>2,440,621</b>	<b>82,266</b>	<b>0</b>	<b>2,522,887</b>	<b>152,079</b>	<b>0</b>	<b>2,592,700</b>

Note: BOM received \$1,738,919 in state funds, \$666,666 of RIT allocation and \$37,044 in misc. funds in FY 2006. Excess revenues over expenditures were (\$473) in FY 2006

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$51,874	\$51,874
FY 2009	\$53,287	\$53,287

#### PL- 9060 - Present Law Adjustments - Bureau of Mines -

This \$105,161 adjustment is the state share of statewide present law adjustments for the Bureau of Mines (BOM). This adjustment includes \$6,956 of base year termination costs. The state share of current unrestricted funding is 98.5 percent, excluding the Groundwater Program.

The Groundwater Program is capped at \$666,000 with Resource Indemnity Trust Funds.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$6,852	\$6,852
FY 2009	\$6,852	\$6,852

**PL- 9064 – Bureau of Mines-Miscellaneous -**

The Executive approves \$13,703 for base reductions due to increased cost of gasoline.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$22,415	\$22,415
FY 2009	\$89,660	\$89,660

**PL- 9063 – Bureau of Mines - New Space - Restricted -**

The Governor allocates \$112,074 for the BOM for new space in the Petroleum Building. The estimated occupancy date is fourth quarter of FY 2008.

### Forestry and Conservation Experiment Station

Agency Proposed Budget	Base Budget Fiscal 2006	PL Base Adj. Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adj. Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	12.14	0.00	0.00	12.14	0.00	0.00	12.14
Personal Services	803,608	97,943		901,551	104,801		908,409
Operating Costs	186,579	3,248		189,827	5,619		192,198
Transfers	3,500			3,500			3,500
Scholarships				-			-
<b>Total Funds</b>	<b>993,687</b>	<b>101,191</b>	<b>0</b>	<b>1,094,878</b>	<b>110,420</b>	<b>0</b>	<b>1,104,107</b>
<b>State Funds</b>							
General Fund	992,995	101,191		1,094,186	110,420		1,103,415
Subtotal State Funds	992,995	101,191	<b>0</b>	<b>1,094,186</b>	110,420	<b>0</b>	1,103,415
<b>University Funds</b>							
Interest and Other	692			692	-		692
Subtotal University Funds	692	0	<b>0</b>	692	0	<b>0</b>	692
<b>Total Current Unrestricted Operating Fund</b>	<b>993,687</b>	<b>101,191</b>	<b>0</b>	<b>1,094,878</b>	<b>110,420</b>	<b>0</b>	<b>1,104,107</b>

Note: FCES received \$992,995 in state funds and \$2,841 in interest earnings in FY 2006.  
Excess revenues over expenditures were \$2,149 in FY 2006.

## Commissioner Of Higher Ed-5102 Appropriation Distribution-09

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$100,271	\$100,271
FY 2009	\$108,580	\$108,580

**PL- 9050 - Present Law Adjustments - Forestry & Cons. -**

This \$208,851 adjustment is the state share of statewide present law adjustments for Forestry Conservation and Experiment Station (FCES). This adjustment also includes \$15,130 in base year termination costs and \$24,332 in Faculty Promotion and Market Increases. The state share of current unrestricted funding is 100 percent.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$920	\$920
FY 2009	\$1,840	\$1,840

**PL- 9066 - FCES - Miscellaneous -**

The Executive adds \$2,760 for anticipated increases in repair and maintenance accounts.

### -----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$1,000,000	\$1,000,000
FY 2009	\$0	\$0

**NP- 9055 - Research Agencies Equipment - OTO -**

Allocate \$1 million for equipment needs of the five MUS Research Agencies.

The equipment grant process for administering these funds shall be administered by the OCHE, and must give scoring priority to grants that receive matching funds. Matching funds may include federal funding revenue, private funding revenue and other non-state university funds.

## Commissioner Of Higher Ed-5102 Tribal College Assistance Pgm-11

**Program Description** - The program provides assistance to tribal colleges in Montana.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants	400,000	50,000	0	450,000	50,000	0	450,000
<b>Total Costs</b>	<b>\$400,000</b>	<b>\$50,000</b>	<b>\$0</b>	<b>\$450,000</b>	<b>\$50,000</b>	<b>\$0</b>	<b>\$450,000</b>
General Fund	400,000	50,000	0	450,000	50,000	0	450,000
<b>Total Funds</b>	<b>\$400,000</b>	<b>\$50,000</b>	<b>\$0</b>	<b>\$450,000</b>	<b>\$50,000</b>	<b>\$0</b>	<b>\$450,000</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$200,000)	(\$200,000)
FY 2009	(\$200,000)	(\$200,000)

**PL- 1101 - Biennial Appropriation Adjustment -**

This adjustment is necessary in the budgeting system to correct the biennial appropriation that was fully spent in the first year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$250,000	\$250,000
FY 2009	\$250,000	\$250,000

**PL- 1102 - Increase Non-beneficiary Student Assistance -**

Allocates \$500,000 to the tribal colleges for support of non-beneficiary student assistance in accordance with 20-25-428 MCA.

## Commissioner Of Higher Ed-5102 Guaranteed Student Loan Pgm-12

**Program Description** - The Montana Guaranteed Student Loan Program (MGSLP) operates under federal regulation to guarantee federal student loans. MGSLP 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							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	57.20	0.00	(1.00)	56.20	0.00	(1.00)	56.20
Personal Services	1,994,402	564,960	(42,894)	2,516,468	571,159	(42,907)	2,522,654
Operating Expenses	5,216,892	24,523	382,813	5,624,228	6,656	150,000	5,373,548
Equipment	7,499	0	0	7,499	0	0	7,499
Benefits & Claims	21,967,240	0	18,700,000	40,667,240	0	21,800,000	43,767,240
Transfers	36,600	0	0	36,600	0	0	36,600
<b>Total Costs</b>	<b>\$29,222,633</b>	<b>\$589,483</b>	<b>\$19,039,919</b>	<b>\$48,852,035</b>	<b>\$577,815</b>	<b>\$21,907,093</b>	<b>\$51,707,541</b>
Federal Special	29,222,633	589,483	19,039,919	48,852,035	577,815	21,907,093	51,707,541
<b>Total Funds</b>	<b>\$29,222,633</b>	<b>\$589,483</b>	<b>\$19,039,919</b>	<b>\$48,852,035</b>	<b>\$577,815</b>	<b>\$21,907,093</b>	<b>\$51,707,541</b>

### -----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$13,000,000	\$0
FY 2009	\$15,000,000	\$0

**NP- 1251 - GSL Increased Claims Payments -**

During the last two years MGSLP's Outstanding Guarantee Portfolio grew from approximately \$991 million to \$1.6 billion. MGSLP will need to increase its appropriation for potential claim payments by \$28,000,000 for the biennium. MGSLP must have appropriate authority to pay timely claims to lenders when they are filed. Subsequent to claim payment, MGSLP is reimbursed by the U.S. Department of Education for approximately 95% of the amount expended.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$5,700,000	\$0
FY 2009	\$6,800,000	\$0

**NP- 1252 - GSL Increased Collection Costs -**

With the addition of increased claim payments, MGSLP also anticipates increased collections on the associated defaulted loans. This proposal increases federal authority to pay the Department of Education its required share of the default collection recoveries.

## Commissioner Of Higher Ed-5102 Guaranteed Student Loan Pgm-12

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$382,813	\$0
FY 2009	\$0	\$0

**NP- 1253 - GSL Federal Fund Reserve Recall -**

The Higher Education Amendments of 1998 required the U.S. Secretary of Education to recall from guaranty agency federal student loan reserve funds a total of \$85 million, \$82.5 million, and \$82.5 million in each of federal fiscal years 2002, 2006, and 2007 respectively. MGSLP portion of the recall for federal fiscal year 2007 (which will be remitted on September 1, 2007, during state fiscal year 2008) is \$382,813.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$0	\$0
FY 2009	\$150,000	\$0

**NP- 1254 - GSL Guarantee Servicing System -**

MGSLP's current Guarantee Servicing System agreement with Great Lakes Higher Education Corporation will expire on June 30, 2008. During FY 2007, the agency will be renegotiating for a Guarantee Servicing System. At that time, MGSLP anticipates a potential increase in servicing costs of approximately 20% over current contract costs, for a total of \$150,000 in FY 2009.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	(\$42,894)	\$0
FY 2009	(\$42,907)	\$0

**NP- 1255 - Transfer 1 FTE from MGSLP to Stud. Assist. -**

Moves one vacant FTE from the MGSLP to the Students Assistance Program. The position will manage the Family Education Savings Loan Program.

## Commissioner Of Higher Ed-5102 Board Of Regents-admin-13

**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							
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Exec. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Exec. Budget Fiscal 2009
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personal Services	2,900	(2,900)	6,300	6,300	(2,900)	6,300	6,300
Operating Expenses	25,501	0	0	25,501	0	0	25,501
<b>Total Costs</b>	<b>\$28,401</b>	<b>(\$2,900)</b>	<b>\$6,300</b>	<b>\$31,801</b>	<b>(\$2,900)</b>	<b>\$6,300</b>	<b>\$31,801</b>
General Fund	28,401	(2,900)	6,300	31,801	(2,900)	6,300	31,801
<b>Total Funds</b>	<b>\$28,401</b>	<b>(\$2,900)</b>	<b>\$6,300</b>	<b>\$31,801</b>	<b>(\$2,900)</b>	<b>\$6,300</b>	<b>\$31,801</b>

### -----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2008	\$6,300	\$6,300
FY 2009	\$6,300	\$6,300

**NP- 1301 - Restore Base - Per Diem -**

Board per diem is zero based, actual 2006 expenditures are removed from the base budget. This adjustment restores authority for FY 2008 and FY 2009 to the level of 6 meetings for 7 board members.