



GOVERNOR
BRIAN SCHWEITZER
STATE OF MONTANA

SECTION E: EDUCATION

Office of Public Instruction
Board of Public Education
School for the Deaf & Blind
Montana Arts Council
Montana State Library
Montana Historical Society

Commissioner of Higher Education
Montana University System (MUS)
Educational Units
Community Colleges
Bureau of Mines & Geology
Agricultural Experiment Station
Cooperative Extension Service
Forestry Experiment Station
Fire Services Training School

OBPP Staff:

Nancy Hall
Nate Thomas

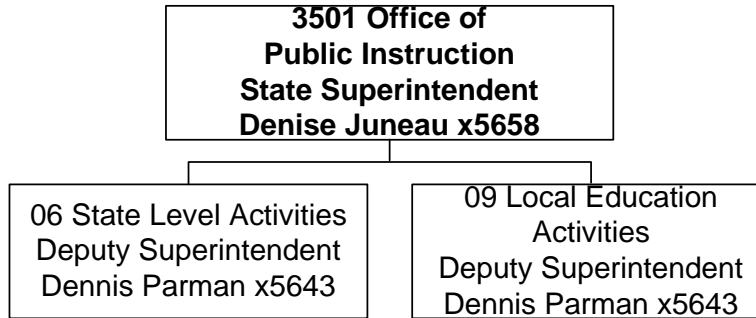
x 4899
x 4893



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

OFFICE OF PUBLIC INSTRUCTION-3501

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



Mission Statement - The Montana Office of Public Instruction provides vision, advocacy, support, and leadership for schools and communities to ensure that all students meet today's challenges and tomorrow's opportunities.

Statutory Authority - Title 20, MCA

Language - The agency requests the following language be included in HB 2:

"The office of public instruction may distribute funds from the appropriation for In-state Treatment to public school districts for the purpose of providing for educational costs of children with significant behavioral or physical needs."

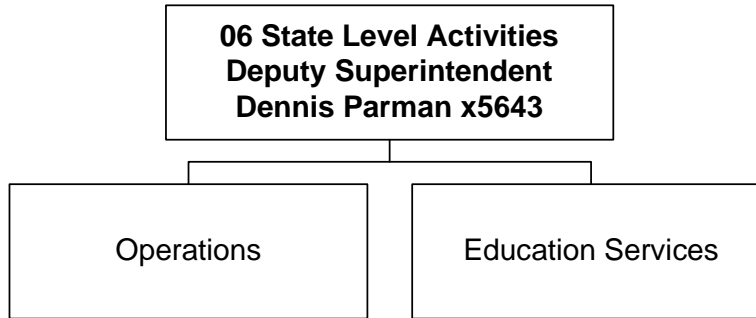
"All revenue up to \$1.1 million in the state traffic education account for distribution to schools under the provisions of 20-7-506 and 61-5-121, MCA, is appropriated as provided in Title 20, chapter 7, part 5, MCA."

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

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015
FTE	163.50	0.00	2.00	165.50	0.00	2.00	165.50
Personal Services	10,247,829	279,167	110,508	10,637,504	298,414	110,346	10,656,589
Operating Expenses	15,220,553	152,087	282,950	15,655,590	153,412	283,112	15,657,077
Equipment & Intangible Assets	921,444	0	0	921,444	0	0	921,444
Local Assistance	620,260,239	71,062,125	0	691,322,364	92,402,003	0	712,662,242
Grants	142,889,668	7,541,712	7,475,743	157,907,123	9,101,712	7,475,743	159,467,123
Transfers	1,675,840	300,000	0	1,975,840	300,000	0	1,975,840
Total Costs	\$791,215,573	\$79,335,091	\$7,869,201	\$878,419,865	\$102,255,541	\$7,869,201	\$901,340,315
General Fund	622,881,959	71,636,961	0	694,518,920	92,992,330	0	715,874,289
State/Other Special	9,571,786	25,593	0	9,597,379	25,660	0	9,597,446
Federal Special	158,761,828	7,672,537	7,869,201	174,303,566	9,237,551	7,869,201	175,868,580
Total Funds	\$791,215,573	\$79,335,091	\$7,869,201	\$878,419,865	\$102,255,541	\$7,869,201	\$901,340,315

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

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



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

Program Proposed Budget	Base Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	PL Base Adjustment	New Proposals	Total Exec. Budget
Budget Item	Fiscal 2012	Fiscal 2014	Fiscal 2014	Fiscal 2014	Fiscal 2015	Fiscal 2015	Fiscal 2015
FTE	163.50	0.00	2.00	165.50	0.00	2.00	165.50
Personal Services	10,247,829	279,167	110,508	10,637,504	298,414	110,346	10,656,589
Operating Expenses	13,912,344	152,158	282,950	14,347,452	153,457	283,112	14,348,913
Equipment & Intangible Assets	921,444	0	0	921,444	0	0	921,444
Transfers	1,168,000	300,000	0	1,468,000	300,000	0	1,468,000
Total Costs	\$26,249,617	\$731,325	\$393,458	\$27,374,400	\$751,871	\$393,458	\$27,394,946
General Fund	9,874,513	574,905	0	10,449,418	590,370	0	10,464,883
State/Other Special	235,786	25,593	0	261,379	25,660	0	261,446
Federal Special	16,139,318	130,827	393,458	16,663,603	135,841	393,458	16,668,617
Total Funds	\$26,249,617	\$731,325	\$393,458	\$27,374,400	\$751,871	\$393,458	\$27,394,946

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$300,000	\$300,000
FY 2015	\$300,000	\$300,000

PL - 607 - Montana Digital Academy -

This request is for \$600,000 of general fund for the 2015 biennium to address the growing demand for enrollment in the courses offered by the Montana Digital Academy. The FY 2012 base includes \$1,168,000.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$27,000	\$27,000
FY 2015	\$27,000	\$27,000

PL - 616 - National Board Certified Teachers (Rst/OTO) -

OPI requests \$54,000 general fund in the 2015 biennium to pay stipends in the amount of \$3,000 per Montana teacher who achieve certification from the National Board for Professional Teaching Standards per 20-4-134, MCA. OPI anticipates 15 teachers will be eligible for stipends each year of the 2015 biennium. The base budget includes \$18,000 for six stipends. Eleven teachers received stipends in FY 2010 and seven teachers received stipends in FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$68,186	\$68,186
FY 2015	\$68,186	\$68,186

PL - 626 - Audiological Services (Rst) -

The Hearing Conservation Program (HCP) at OPI requests \$136,372 of general fund for the 2015 biennium to fund increased contract costs of the statewide program. The purpose of the HCP is to identify children with hearing impairments as early as possible. The Individuals with Disabilities Education Act requires public schools to have an effective child-find system in place for children through age 21 who are suspected of having disabilities. Total general fund costs for this program would be \$452,084 per year.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$393,458	\$0
FY 2015	\$393,458	\$0

NP - 627 - Striving Readers State Admin (Rst/Bien/OTO) -

OPI requests \$393,458 of federal funding each year of the 2015 biennium for the agency to administer and provide technical assistance to K-12 school district sub grantees receiving Striving Readers Comprehensive Literacy Grants under the Montana Striving Readers Project (MSRP). MSRP is a statewide collaborative effort to improve literacy birth through grade 12. This includes 2.00 FTE for each year of the biennium.

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

09 Local Education Activities Deputy Superintendent Dennis Parman x5643
--

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

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2012	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2014	Fiscal 2014	Fiscal 2014	Fiscal 2015	Fiscal 2015	Fiscal 2015
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	1,308,209	(71)	0	1,308,138	(45)	0	1,308,164
Local Assistance	620,260,239	71,062,125	0	691,322,364	92,402,003	0	712,662,242
Grants	142,889,668	7,541,712	7,475,743	157,907,123	9,101,712	7,475,743	159,467,123
Transfers	507,840	0	0	507,840	0	0	507,840
Total Costs	\$764,965,956	\$78,603,766	\$7,475,743	\$851,045,465	\$101,503,670	\$7,475,743	\$873,945,369
General Fund	613,007,446	71,062,056	0	684,069,502	92,401,960	0	705,409,406
State/Other Special	9,336,000	0	0	9,336,000	0	0	9,336,000
Federal Special	142,622,510	7,541,710	7,475,743	157,639,963	9,101,710	7,475,743	159,199,963
Total Funds	\$764,965,956	\$78,603,766	\$7,475,743	\$851,045,465	\$101,503,670	\$7,475,743	\$873,945,369

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$13,676,564	\$13,676,564
FY 2015	\$11,067,384	\$11,067,384

PL - 901 - K-12 BASE Aid - Annualization -

The Executive requests \$24.7 million general fund to annualize K-12 BASE Aid to the FY 2013 level of funding in the 2015 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$5,084,851	\$5,084,851
FY 2015	\$16,970,209	\$16,970,209

PL - 902 - K-12 BASE Aid - Inflationary Increase -

The Executive requests \$22.0 million general fund for the present law inflationary adjustment for K-12 BASE Aid for the 2015 biennium. The present law adjustment increases the basic and per-ANB entitlements by 0.89% in FY 2014 and by 2.03% in FY 2015 in accordance with 20-9-326, MCA, which requires annual inflation-related adjustments to the basic and per-ANB entitlements.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$51,266	\$51,266
FY 2015	\$51,266	\$51,266

PL - 912 - Special Education - MOE -

Federal law requires the state to maintain fiscal effort (MOE) from year to year in order to receive funds under the Individuals with Disabilities Education Act (IDEA) Part B. This request is for \$102,532 for the 2015 biennium to meet the MOE requirements of the IDEA. Loss of this maintenance funding will result in an equal loss of federal special education funding for the state under the IDEA program. Total general fund cost for special education is \$41.6 million per year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$6,375,365	\$6,375,365
FY 2015	\$14,125,365	\$14,125,365

PL - 915 - SB 372 Block Grant Reimbursements -

A general fund cost of \$12.75 million for the 2015 biennium is requested to provide reimbursement to school districts through the block grant program established under 15-1-123(3), MCA. Funding will provide reimbursement to county school retirement and county transportation funds for the reduction of class eight property tax revenue due to a rate reduction made by SB 372 of the 2011 session. The first distributions were made in FY 2013 and were not in base expenditures. It is anticipated that SB 372 will trigger again in FY 2014 and there will be an additional \$7.75 million block grant reimbursements of \$3.0 million one-time-only and \$4.75 million ongoing reimbursements to be paid in FY 2015. The ongoing reimbursements will need to be a present law decision package in the 2017 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$11,556	\$11,556
FY 2015	\$17,595	\$17,595

PL - 917 - School District Audit Filing Fees -

This request is for \$29,151 of general fund for the 2015 biennium to fund school district audit filing fees. This increase will allow OPI to pay fees to the Department of Administration as required by 2-7-514(2), MCA. The projection assumes school district revenues, which are the basis for the fees, will increase 3% each year. This brings the biennial general fund cost to \$408,661.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$100,000	\$100,000
FY 2015	\$200,000	\$200,000

PL - 918 - Pupil Transportation -

An additional \$300,000 of general fund for the 2015 biennium is requested to fund the state obligation for pupil transportation required under 20-10-145, MCA. This amount is matched by county property taxes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$73,044	\$73,044
FY 2015	\$112,327	\$112,327

PL - 919 - State Tuition Payments -

OPI requests \$185,371 of general fund for the 2015 biennium to fund the increased costs of state tuition payments to K-12 school districts. 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 at \$712,614 in FY 2014 and \$824,941 in FY 2015. Tuition obligations increase an average of 5% each year.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$29,266	\$29,266
FY 2015	\$44,561	\$44,561

PL - 920 - Countywide School Transportation Block Grants -

A general fund request for \$73,827 for the 2015 biennium to cover the 0.76% increase in countywide school transportation block grants as described in 20-9-632, MCA. During the FY 2011 legislative session, the annual 0.76% increase was eliminated for school district block grants in 20-9-630, MCA. However, the annual increase still applies to the countywide school transportation block grants but was not appropriated for FY 2012 and FY 2013. A supplemental appropriation was required for the 2013 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$7,541,710	\$0
FY 2015	\$9,101,710	\$0

PL - 932 - Federal Grant Award Adjustment - Pgm 09 (Bien) -

OPI requests a federal funding increase of \$7.54 million in FY 2014 and \$9.1 million in FY 2015. Total biennial increase is \$16,643,420. The following federal grant awards are adjusted: School Foods \$1.6 million in FY 2014 and \$3.1 million in FY 2015; Title programs \$2.7 million in FY 2014 and FY 2015; School Improvement grants \$2.1 million in each year; IDEA B \$1.2 million each year; and miscellaneous grants \$34,689 each year of the 2015 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$692	\$692
FY 2015	\$666	\$666

PL - 933 - General Fund Appropriation Adjustments (Bien) -

This decision package increases general fund costs by \$692 in FY 2014 and \$666 in FY 2015 to establish biennial appropriations in each year at half the amount appropriated for the 2013 biennium. The adjustments are for instate treatment \$12,428 each year - total appropriation \$775,372 per year; adult basic education \$2 per year - total appropriation \$525,000 per year; and reducing advancing agriculture education base by \$11,738 in FY 2014 and \$11,764 in FY 2015 - total appropriation \$118,488 per year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$45,659,523	\$45,659,523
FY 2015	\$49,812,632	\$49,812,632

PL - 950 - Guarantee Account -

This decision package aligns estimated revenues with proposed expenses for special revenue guarantee account (20-9-622, MCA). A biennial increase of \$95.5 million general fund expenditures and a decrease of a like amount of guarantee account expenditures create no new funding for K-12 BASE aid in this decision package. The 2012 base included \$27.4 million in transfers from other funds and other one-time revenues that are not ongoing sources for this fund. The guarantee account is statutorily appropriated for distribution to school districts through school equalization aid and is the first source of funding for K-12 BASE Aid.

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

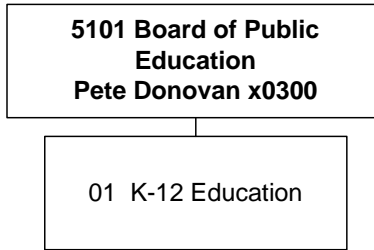
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$7,475,743	\$0
FY 2015	\$7,475,743	\$0

NP - 928 - Striving Readers Comp Literacy (Rst/Bien/OTO) -

The OPI requests \$14,951,426 of federal funding for the 2015 biennium to implement of the Montana Striving Readers Project (MSRP). The purpose of the MSRP is to further develop and implement a Montana Literacy Plan that makes provisions for literacy at all age/grade levels, including challenging transitions from preschool to elementary, elementary to middle school, and middle school to high school that are aligned to Montana Standards for English Language Arts and Montana Early Learning Guidelines, involves collaborating with other agencies, and addresses literacy across the content areas. A rigorous, competitive sub grant application process is used to select district operated K-12 schools and special education preschools and Head Start programs that have a high capacity to implement comprehensive, effective literacy instruction that meets the needs of disadvantaged children and students.

**BOARD OF PUBLIC EDUCATION-5101
K-12 EDUCATION-01**



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

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

Program Description - The staff of the Administration Program provides administration, research, clerical functions, and management of business affairs for all programs under the purview of the Board of Public Education as outlined in the powers and duties of 20-2-121, MCA.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00	
Personal Services	313,107	(32,035)	0	281,072	(31,712)	0	281,395	
Operating Expenses	80,960	13,283	33	94,276	(3,047)	33	77,946	
Debt Service	1,782	0	0	1,782	0	0	1,782	
Total Costs	\$395,849	(\$18,752)	\$33	\$377,130	(\$34,759)	\$33	\$361,123	
General Fund	215,806	(6,708)	17	209,115	(22,902)	17	192,921	
State/Other Special	180,043	(12,044)	16	168,015	(11,857)	16	168,202	
Total Funds	\$395,849	(\$18,752)	\$33	\$377,130	(\$34,759)	\$33	\$361,123	

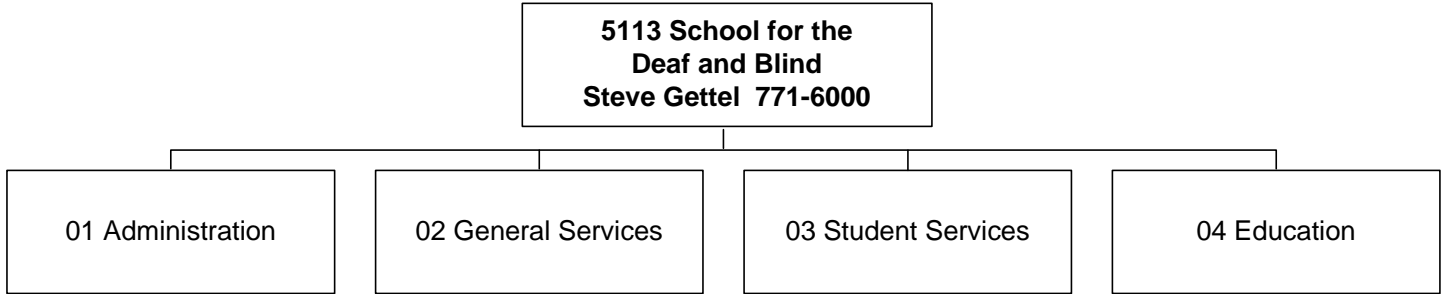
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$33	\$17
FY 2015	\$33	\$17

NP - 6101 - Professional Development Center Fee Allocation -

The Professional Development Center at the Department of Administration has been funded for many years by fees assessed for individual training courses. For the 2015 biennium and beyond, the program will be funded via a fixed cost allocation. Because the allocation represents a funding switch, it must be presented as a new proposal for the next biennium. The budget includes \$33 general fund in each year of the biennium for the department's allocation of the fixed cost.

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) public schools in the state having deaf and/or blind children enrolled, and (3) organizations and individuals concerned with the provision of services to these children.

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

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015
FTE	88.61	0.00	0.00	88.61	0.00	0.00	88.61
Personal Services	5,472,749	208,371	0	5,681,120	198,652	0	5,671,401
Operating Expenses	762,865	47,557	37,620	848,042	7,498	37,620	807,983
Transfers	11,300	0	0	11,300	0	0	11,300
Debt Service	28,450	895	0	29,345	0	0	28,450
Total Costs	\$6,275,364	\$256,823	\$37,620	\$6,569,807	\$206,150	\$37,620	\$6,519,134
General Fund	5,927,138	270,209	37,620	6,234,967	219,396	37,620	6,184,154
State/Other Special	284,311	(21,231)	0	263,080	(21,091)	0	263,220
Federal Special	63,915	7,845	0	71,760	7,845	0	71,760
Total Funds	\$6,275,364	\$256,823	\$37,620	\$6,569,807	\$206,150	\$37,620	\$6,519,134

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

01 Administration

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

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00
Personal Services	339,697	2,276	0	341,973	1,515	0	341,212
Operating Expenses	98,013	7,383	3,065	108,461	(13,299)	3,065	87,779
Total Costs	\$437,710	\$9,659	\$3,065	\$450,434	(\$11,784)	\$3,065	\$428,991
General Fund	433,483	11,086	3,065	447,634	(10,497)	3,065	426,051
State/Other Special	4,227	(1,427)	0	2,800	(1,287)	0	2,940
Total Funds	\$437,710	\$9,659	\$3,065	\$450,434	(\$11,784)	\$3,065	\$428,991

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$3,065	\$3,065
FY 2015	\$3,065	\$3,065

NP - 6101 - Professional Development Center Fee Allocation -

The Professional Development Center at the Department of Administration has been funded for many years by fees assessed for individual training courses. For the 2015 biennium and beyond, the program will be funded via a fixed cost allocation. Because the allocation represents a funding switch, it must be presented as a new proposal for the next biennium. The budget includes \$3,065 from the general fund in each year of the 2015 biennium for the school's allocation of the fixed cost.

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

02 General Services

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

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	173,312	10,287	0	183,599	10,128	0	183,440
Operating Expenses	264,287	(13,865)	0	250,422	(11,913)	0	252,374
Transfers	11,300	0	0	11,300	0	0	11,300
Debt Service	28,450	895	0	29,345	0	0	28,450
Total Costs	\$477,349	(\$2,683)	\$0	\$474,666	(\$1,785)	\$0	\$475,564
General Fund	477,349	(2,683)	0	474,666	(1,785)	0	475,564
Total Funds	\$477,349	(\$2,683)	\$0	\$474,666	(\$1,785)	\$0	\$475,564

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	(\$7,021)	(\$7,021)
FY 2015	(\$7,021)	(\$7,021)

PL - 4 - Reduction for Replacement Vehicles -

This decision package reduces operating costs for school owned vehicles by \$7,021 in each year of the 2015 biennium. The school is replacing six school owned vehicles that have high mileage and are in poor operating condition with leased vehicles from the motor pool. The decision package for the leased vehicles is included in the Student Services Program budget. If PL 3 in the student services program is not approved, this decision package is withdrawn.

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

03 Student Services

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

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015
FTE	29.74	0.00	0.00	29.74	0.00	0.00	29.74
Personal Services	1,200,631	153,750	0	1,354,381	153,186	0	1,353,817
Operating Expenses	124,704	32,462	9,555	166,721	34,874	9,555	169,133
Total Costs	\$1,325,335	\$186,212	\$9,555	\$1,521,102	\$188,060	\$9,555	\$1,522,950
General Fund	1,309,942	178,605	9,555	1,498,102	180,453	9,555	1,499,950
Federal Special	15,393	7,607	0	23,000	7,607	0	23,000
Total Funds	\$1,325,335	\$186,212	\$9,555	\$1,521,102	\$188,060	\$9,555	\$1,522,950

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$31,206	\$31,206
FY 2015	\$32,187	\$32,187

PL - 3 - Replacement Vehicles -

The school is requesting \$31,206 in FY 2014 and \$32,187 in FY 2015 to lease six vehicles from the Department of Transportation motor pool unit. Lease vehicles include four vans and two sedans which will replace six school owned vehicles that have high mileage and are in poor condition. Lease vehicle costs include fuel, liability insurance, and maintenance costs in addition to the vehicle costs. The school will go through surplus property to dispose of the school vehicles.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$9,555	\$9,555
FY 2015	\$9,555	\$9,555

NP - 2 - Student Travel -

MSDB is requesting \$9,555 in each year of the 2015 biennium to pay for five additional travel periods for students living on the schools' campus. The school increased cottage student transportation home to twice per month totaling 14 trips in FY 2012. In FY 2012 and FY 2013, the MSDB foundation paid for the additional travel.

SCHOOL FOR THE DEAF & BLIND-5113 EDUCATION-04

04 Education

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

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	
FTE	49.87	0.00	0.00	49.87	0.00	0.00	49.87	
Personal Services	3,759,109	42,058	0	3,801,167	33,823	0	3,792,932	
Operating Expenses	275,861	21,577	25,000	322,438	(2,164)	25,000	298,697	
Total Costs	\$4,034,970	\$63,635	\$25,000	\$4,123,605	\$31,659	\$25,000	\$4,091,629	
General Fund	3,706,364	83,201	25,000	3,814,565	51,225	25,000	3,782,589	
State/Other Special	280,084	(19,804)	0	260,280	(19,804)	0	260,280	
Federal Special	48,522	238	0	48,760	238	0	48,760	
Total Funds	\$4,034,970	\$63,635	\$25,000	\$4,123,605	\$31,659	\$25,000	\$4,091,629	

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$26,938	\$26,938
FY 2015	\$26,938	\$26,938

PL - 1 - Extracurricular Compensation -

MSDB requests \$26,938 general fund for each year of the 2015 biennium to pay zero-based extracurricular compensation to employees who sponsor after school activities. Each biennium the school must submit a present law decision package to request funding for this item. This request is the same as was submitted and funded in the 2013 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$25,000	\$25,000
FY 2015	\$0	\$0

PL - 6 - Upgrade Equipment - Lending Library (Bien/OTO) -

The school requests \$25,000 OTO in FY 2014 to replace and upgrade educational technology used in the schools' lending library. The lending library was established by the 2007 Legislature with the Braille Bill and allows school districts to use and evaluate a piece of technology used with blind or low vision students to see if the equipment meets the needs of their students. A number of factors go into determining whether an equipment item meets the needs of a particular student, and this is the value in allowing districts to evaluate a piece of technology prior to making a purchasing decision. Equipment is loaned to districts on a short-term basis.

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

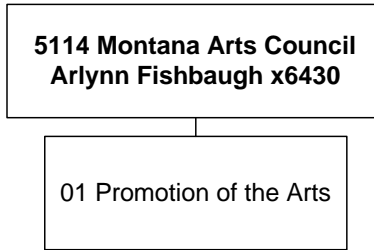
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$25,000	\$25,000
FY 2015	\$25,000	\$25,000

NP - 5 - In-service Professional Development (Rst/OTO) -

The school is requesting \$25,000 general fund per year of the 2015 biennium to establish an in-service training budget for professional staff. This will allow the MSDB to provide training opportunities for professional staff to assure the school can maintain accreditation standards for highly qualified staff. The MSDB foundation currently supports the schools' professional development budget and considers this a state obligation in serving sensory impaired students.

MONTANA ARTS COUNCIL-5114 PROMOTION OF THE ARTS-01



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

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

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

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015
FTE	7.00	0.00	0.00	7.00	0.00	0.00	7.00
Personal Services	505,301	90,323	0	595,624	91,416	0	596,717
Operating Expenses	335,429	10,391	(19)	345,801	(17,475)	(19)	317,935
Grants	462,238	0	92,000	554,238	0	92,000	554,238
Total Costs	\$1,302,968	\$100,714	\$91,981	\$1,495,663	\$73,941	\$91,981	\$1,468,890
General Fund	451,284	34,882	91,993	578,159	25,609	91,993	568,886
State/Other Special	204,321	15,793	(3)	220,111	11,595	(3)	215,913
Federal Special	647,363	50,039	(9)	697,393	36,737	(9)	684,091
Total Funds	\$1,302,968	\$100,714	\$91,981	\$1,495,663	\$73,941	\$91,981	\$1,468,890

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	(\$3,683)	(\$1,276)
FY 2015	(\$10,875)	(\$3,767)

PL - 51142 - Operating Expense Adjustments -

General fund costs are reduced by \$5,043 for the 2015 biennium in this decision package. Total base level funding is reduced by \$3,683 in FY 2014 and by \$10,875 in FY 2015. Changes are needed to adjust for computer equipment 5-year replacement costs, E-grants software costs, annual rent increases of 2% per year per the existing 10-year lease, and an annual 5% production and circulation cost increase for the State of the Arts newspaper.

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

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

	Total Agency Impact	General Fund Total
FY 2014	(\$19)	(\$7)
FY 2015	(\$19)	(\$7)

NP - 6101 - Professional Development Center Fee Allocation -

The Professional Development Center at the Department of Administration has been funded for many years by fees assessed for individual training courses. For the 2015 biennium and beyond, the program will be funded via a fixed cost allocation. Because the allocation represents a funding switch, it must be presented as a new proposal for the next biennium. The budget includes a reduction of \$19 each year for the department's allocation of the fixed cost.

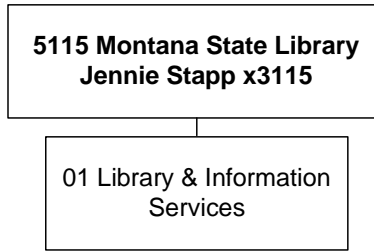
	Total Agency Impact	General Fund Total
FY 2014	\$92,000	\$92,000
FY 2015	\$92,000	\$92,000

NP - 51141 - Rural Arts-Based Education Funding (OTO) -

MAC requests \$184,000 general fund OTO funding for the 2015 biennium for additional rural arts-based education funding. This funding provides a solution in meeting challenges K-12 public schools face to meet the required Montana Content Standards for Arts established by the Montana Board of Public Education as well as other arts education needs.

MONTANA LIBRARY COMMISSION-5115 STATEWIDE LIBRARY RESOURCES-01

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



Mission Statement - The Montana State Library is committed to strengthening libraries and information services for all Montanans through leadership, advocacy, and service.

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

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

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015
FTE	28.25	0.00	3.50	31.75	0.00	3.50	31.75
Personal Services	2,002,399	(296,526)	279,789	1,985,662	(298,357)	279,369	1,983,411
Operating Expenses	2,122,110	(124,371)	208,011	2,205,750	(149,476)	183,011	2,155,645
Equipment & Intangible Assets	28,235	483	0	28,718	868	0	29,103
Grants	295,837	1,208,540	602,968	2,107,345	108,540	602,575	1,006,952
Total Costs	\$4,448,581	\$788,126	\$1,090,768	\$6,327,475	(\$338,425)	\$1,064,955	\$5,175,111
General Fund	2,544,909	250,634	96,706	2,892,249	224,083	71,596	2,840,588
State/Other Special	763,324	43,000	994,062	1,800,386	43,000	993,359	1,799,683
Federal Special	1,140,348	494,492	0	1,634,840	(605,508)	0	534,840
Total Funds	\$4,448,581	\$788,126	\$1,090,768	\$6,327,475	(\$338,425)	\$1,064,955	\$5,175,111

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$901,325	\$0
FY 2015	(\$198,699)	\$0

PL - 101 - LSTA Grants (Bien) -

Library Services and Technology Act (LSTA) are federal funds redefined each year. Projects are approved by the Library Commission and based on a five-year plan. LSTA grants are requested as a biennial appropriation (\$1,300,000) and are estimated amounts for the carryover each year. LSTA funding is received every year and has a two-year award cycle.

MONTANA LIBRARY COMMISSION-5115 STATEWIDE LIBRARY RESOURCES-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$13,000	\$0
FY 2015	\$13,000	\$0

PL - 102 - Inflationary Increase for Statewide Database -

MSL requests \$13,000 per year coal severance tax state special revenue fund appropriation for inflationary cost increases for contract management with periodical database vendors to provide statewide access. Current funding does not allow MSL to keep pace with inflationary increases for these databases and without this increase MSL would be forced to reduce the number of databases available to Montana libraries and patrons.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$4,432	\$4,432
FY 2015	\$4,432	\$4,432

PL - 103 - Standard Cost Adjustments -

MSL requests a general fund increase of \$4,432 per year for per diem, zero-based funding for volunteer insurance for Talking Book Library volunteers, and legal fees.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$0	\$0
FY 2015	\$0	\$0

PL - 104 - NRIS Core Funding Switch -

A funding switch from federal funds to state special revenue funds is requested. The Department of Environmental Quality used \$30,000 of federal funding to pay for core NRIS costs in the base year and will use state special revenue funds to pay these core NRIS costs in the 2013 biennium. This request represents only an accounting adjustment.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$72,472	\$72,472
FY 2015	\$72,362	\$72,362

NP - 202 - Water Information System Manager (OTO) -

This decision package provides MSL 1.00 FTE at a general fund cost of \$72,472 in FY 2014 and \$72,362 in FY 2015. Section 90-15-305, MCA, directs NRIS to operate the Montana Water Information System (WIS). This FTE would act as a WIS Manager, a position that MSL has not had in almost a decade, to more effectively develop and deliver this water information. The need for water information is more critical than ever in Montana. Several state agencies currently maintain in-house hydrography data to support water related business needs such as the State Water Plan, currently being updated by DNRC under 85-1-203, MCA. In addition to being costly to maintain, these local datasets differ across and sometimes within agencies making it difficult to quickly and efficiently pull together data from different work groups to analyze water issues spanning different professional disciplines (water rights vs. water management vs. water quality vs. fisheries).

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$25,000	\$25,000
FY 2015	\$0	\$0

NP - 203 - Talking Book Library Digital Transition (OTO) -

This one-time-only request for \$25,000 of general fund in FY 2014 will provide funds to support the Montana Talking Book Library (TBL) transition from analog cassettes to digital files. The TBL currently offers over 1,500 analog titles of Montana local recordings in cassette format. To keep pace with user demands and requirements of the National Library Service, these cassettes should be migrated to an easily accessible digital format for patrons. Additionally, TBL would like to offer these and future local Montana recordings in a downloadable format for patrons who are able to download books via the web. TBL does not currently have adequate staff to accomplish this transition.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$40,000	\$0
FY 2015	\$40,000	\$0

NP - 204 - Online Information Resources -

MSL requests \$40,000 per year from the state special revenue coal severance tax fund to pay for online information resources in the 2015 biennium. The online databases are utilized by other agencies, the public, and MSL.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	(\$766)	(\$766)
FY 2015	(\$766)	(\$766)

NP - 6101 - Professional Development Center Fee Allocation -

The Professional Development Center at the Department of Administration has been funded for many years by fees assessed for individual training courses. For the 2015 biennium and beyond, the program will be funded via a fixed cost allocation. Because the allocation represents a funding switch, it must be presented as a new proposal for the next biennium. The budget includes a reduction of \$766 general fund each year for the department's allocation of the fixed cost.

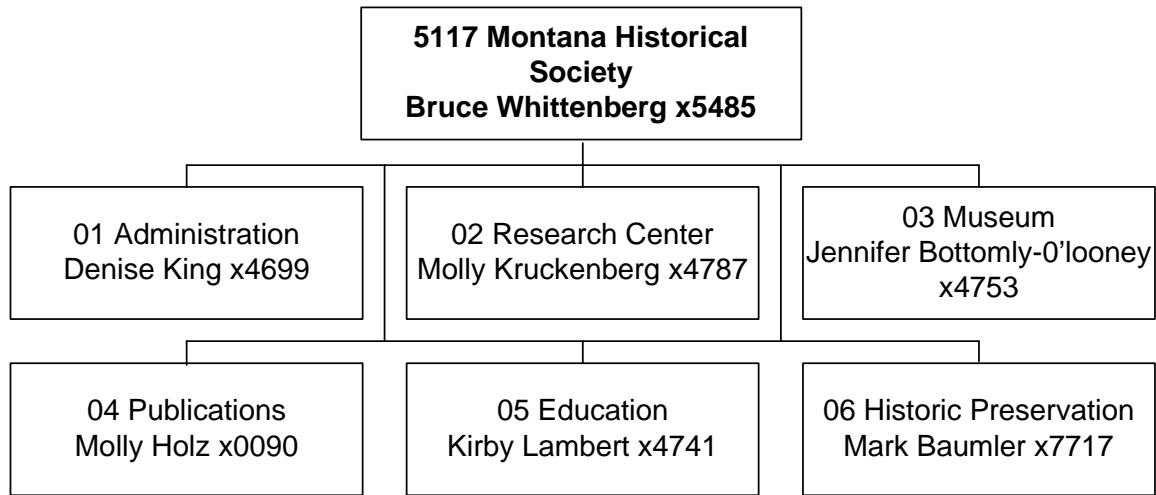
-----**Other Legislation Required to Implement HB2**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$954,062	\$0
FY 2015	\$953,359	\$0

NP - 201 - Base Map Service Center transfer to MSL -

This decision package will formally transfer the Base Map Service Center (BMSC) from the Department of Administration (DOA/SITSD) to the State Library. Montana Land Information state special revenue funds totaling \$1.9 million in the 2015 biennium will fund 2.50 FTE, Montana Land Information Act (MLIA) coordination, Montana Spatial Data Infrastructure support as approved by the MLIA Council, and MLIA grant funds to local and tribal governments. This request is contingent upon passage and approval of LC 212.

MONTANA HISTORICAL SOCIETY-5117



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

Statutory Authority - Title 22, Chapter 3, MCA.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015
FTE	59.83	0.00	1.00	60.83	0.00	1.00	60.83
Personal Services	3,027,304	127,943	58,359	3,213,606	128,832	58,274	3,214,410
Operating Expenses	1,509,535	263,920	76,980	1,850,435	205,578	28,980	1,744,093
Equipment & Intangible Assets	55,361	5,693	300,000	361,054	6,244	102,000	163,605
Grants	87,120	0	0	87,120	0	0	87,120
Total Costs	\$4,679,320	\$397,556	\$435,339	\$5,512,215	\$340,654	\$189,254	\$5,209,228
General Fund	2,824,649	206,902	434,604	3,466,155	149,774	188,519	3,162,942
State/Other Special	552,247	160,653	259	713,159	160,550	259	713,056
Federal Special	752,392	(22,238)	0	730,154	(22,715)	0	729,677
Proprietary	550,032	52,239	476	602,747	53,045	476	603,553
Total Funds	\$4,679,320	\$397,556	\$435,339	\$5,512,215	\$340,654	\$189,254	\$5,209,228

MONTANA HISTORICAL SOCIETY-5117 ADMINISTRATION PROGRAM-01

**01 Administration
Denise King x4699**

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

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2012	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2014	Fiscal 2014	Fiscal 2014	Fiscal 2015	Fiscal 2015	Fiscal 2015
FTE	17.43	0.00	1.00	18.43	0.00	1.00	18.43
Personal Services	871,415	85,347	58,359	1,015,121	84,487	58,274	1,014,176
Operating Expenses	408,447	70,701	602	479,750	16,808	602	425,857
Total Costs	\$1,279,862	\$156,048	\$58,961	\$1,494,871	\$101,295	\$58,876	\$1,440,033
General Fund	888,251	103,031	58,961	1,050,243	48,581	58,876	995,708
State/Other Special	98,010	881	0	98,891	585	0	98,595
Federal Special	96,870	0	0	96,870	0	0	96,870
Proprietary	196,731	52,136	0	248,867	52,129	0	248,860
Total Funds	\$1,279,862	\$156,048	\$58,961	\$1,494,871	\$101,295	\$58,876	\$1,440,033

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$602	\$602
FY 2015	\$602	\$602

NP - 6101 - Professional Development Center Fee Allocation -

The Professional Development Center at the Department of Administration has been funded for many years by fees assessed for individual training courses. For the 2015 biennium and beyond, the program will be funded via a fixed cost allocation. Because the allocation represents a funding switch, it must be presented as a new proposal for the next biennium. The budget includes \$602 general fund each year for the department's allocation of the fixed cost.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$58,359	\$58,359
FY 2015	\$58,274	\$58,274

NP - 15001 - Security Guard Supervisor FTE -

MHS requests \$58,359 in FY 2014 and \$58,274 in FY 2015 general fund and 1.00 FTE for a business operations supervisor to supervise the security staff and daily operations of the museum security office.

MONTANA HISTORICAL SOCIETY-5117 RESEARCH CENTER-02

**02 Research Center
Molly Kruckenberg x4787**

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

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015
FTE	14.75	0.00	0.00	14.75	0.00	0.00	14.75
Personal Services	794,895	660	0	795,555	1,720	0	796,615
Operating Expenses	292,955	61,236	450	354,641	59,379	450	352,784
Equipment & Intangible Assets	48,566	5,693	300,000	354,259	6,244	102,000	156,810
Total Costs	\$1,136,416	\$67,589	\$300,450	\$1,504,455	\$67,343	\$102,450	\$1,306,209
General Fund	1,037,315	19,838	300,450	1,357,603	19,542	102,450	1,159,307
State/Other Special	64,999	47,751	0	112,750	47,801	0	112,800
Proprietary	34,102	0	0	34,102	0	0	34,102
Total Funds	\$1,136,416	\$67,589	\$300,450	\$1,504,455	\$67,343	\$102,450	\$1,306,209

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$47,000	\$0
FY 2015	\$47,000	\$0

PL - 15007 - Lodging Facility Use Tax Revenue Increase -

The MHS research program requests an increase of \$47,000 per year in the 2015 biennium in state special revenue funds for anticipated increased revenue for lodging facility use tax, 15-65-121(f), MCA, to be used for costs as described in 22-3-115, MCA. This increase will allow the research program to enhance retrospective cataloging projects to ensure proper management of the library, archival, and photographic collections; provide enhanced and easier access to materials; conserve and preserve collections, including working with a professional conservator and purchase of preservation and conservation supplies; and provide additional storage for collections.

**MONTANA HISTORICAL SOCIETY-5117
RESEARCH CENTER-02**

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$450	\$450
FY 2015	\$450	\$450

NP - 6101 - Professional Development Center Fee Allocation -

The Professional Development Center at the Department of Administration has been funded for many years by fees assessed for individual training courses. For the 2015 biennium and beyond, the program will be funded via a fixed cost allocation. Because the allocation represents a funding switch, it must be presented as a new proposal for the next biennium. The budget includes \$450 general fund each year for the department's allocation of the fixed cost.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$300,000	\$300,000
FY 2015	\$102,000	\$102,000

NP - 15003 - Research Program Shelving (Rst/Bien/OTO) -

The Montana Historical Society (MHS) requests \$402,000 general fund in the 2015 biennium to replace 9,000 linear feet of regular shelving in the Archives storage area with 12,000 linear feet of compact shelving and reutilize the regular shelving.

MONTANA HISTORICAL SOCIETY-5117 MUSEUM PROGRAM-03

03 Museum
Jennifer Bottomly-O'looney
x4753

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

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015
FTE	8.05	0.00	0.00	8.05	0.00	0.00	8.05
Personal Services	381,462	7,338	0	388,800	7,387	0	388,849
Operating Expenses	402,055	125,819	75,193	603,067	123,076	27,193	552,324
Equipment & Intangible Assets	6,795	0	0	6,795	0	0	6,795
Total Costs	\$790,312	\$133,157	\$75,193	\$998,662	\$130,463	\$27,193	\$947,968
General Fund	487,866	35,314	75,193	598,373	32,397	27,193	547,456
State/Other Special	299,739	97,843	0	397,582	98,066	0	397,805
Proprietary	2,707	0	0	2,707	0	0	2,707
Total Funds	\$790,312	\$133,157	\$75,193	\$998,662	\$130,463	\$27,193	\$947,968

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$93,000	\$0
FY 2015	\$93,000	\$0

PL - 15008 - Lodging Facility Use Tax Revenue Increase -

The MHS museum program requests an increase of \$93,000 per year in the 2015 biennium in state special revenue funds for anticipated increased revenue for lodging facility use tax, 15-65-121(f), MCA, to be used for costs as described in 22-3-115, MCA. This increase will enhance the museum program ability to collect, preserve, and interpret Montana history; will pay for Scriver Center rent increases; and will enhance exhibits.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$193	\$193
FY 2015	\$193	\$193

NP - 6101 - Professional Development Center Fee Allocation -

The Professional Development Center at the Department of Administration has been funded for many years by fees assessed for individual training courses. For the 2015 biennium and beyond, the program will be funded via a fixed cost allocation. Because the allocation represents a funding switch, it must be presented as a new proposal for the next biennium. The budget includes \$193 general fund each year for the department's allocation of the fixed cost.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$75,000	\$75,000
FY 2015	\$27,000	\$27,000

NP - 15004 - Original Gov's Mansion Repair (Rst/Bien/OTO) -

The Montana Historical Society (MHS) requests \$102,000 general fund in the 2015 biennium for the purpose of interior work on the Original Governor's Mansion (OGM). The OGM is in need of interior repairs including plaster repair, window repair, electrical work, and concrete work. The funding will be transferred to the Department of Administration to manage the project.

MONTANA HISTORICAL SOCIETY-5117 PUBLICATIONS PROGRAM-04

04 Publications
Molly Holz x0090

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

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2012	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2014	Fiscal 2014	Fiscal 2014	Fiscal 2015	Fiscal 2015	Fiscal 2015
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00
Personal Services	266,964	(5,389)	0	261,575	(4,102)	0	262,862
Operating Expenses	168,187	(4,665)	173	163,695	(4,500)	173	163,860
Total Costs	\$435,151	(\$10,054)	\$173	\$425,270	(\$8,602)	\$173	\$426,722
General Fund	151,048	(10,778)	0	140,270	(10,086)	0	140,962
Proprietary	284,103	724	173	285,000	1,484	173	285,760
Total Funds	\$435,151	(\$10,054)	\$173	\$425,270	(\$8,602)	\$173	\$426,722

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$173	\$0
FY 2015	\$173	\$0

NP - 6101 - Professional Development Center Fee Allocation -

The Professional Development Center at the Department of Administration has been funded for many years by fees assessed for individual training courses. For the 2015 biennium and beyond, the program will be funded via a fixed cost allocation. Because the allocation represents a funding switch, it must be presented as a new proposal for the next biennium. The budget includes \$173 proprietary funds each year for the department's allocation of the fixed cost.

MONTANA HISTORICAL SOCIETY-5117 EDUCATION PROGRAM-05

**05 Education
Kirby Lambert x4741**

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

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2012	Adjustment Fiscal 2014	Proposals Fiscal 2014	Exec. Budget Fiscal 2014	Adjustment Fiscal 2015	Proposals Fiscal 2015	Exec. Budget Fiscal 2015
FTE	5.85	0.00	0.00	5.85	0.00	0.00	5.85
Personal Services	226,029	58,434	0	284,463	58,323	0	284,352
Operating Expenses	111,189	14,178	259	125,626	14,098	259	125,546
Total Costs	\$337,218	\$72,612	\$259	\$410,089	\$72,421	\$259	\$409,898
General Fund	226,029	58,434	0	284,463	58,323	0	284,352
State/Other Special	89,499	14,178	259	103,936	14,098	259	103,856
Proprietary	21,690	0	0	21,690	0	0	21,690
Total Funds	\$337,218	\$72,612	\$259	\$410,089	\$72,421	\$259	\$409,898

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$10,000	\$0
FY 2015	\$10,000	\$0

PL - 15009 - Lodging Facility Use Tax Revenue Increase -

The MHS education program requests an increase of \$10,000 per year in the 2015 biennium in state special revenue funds for anticipated increased revenue for lodging facility use tax, 15-65-121(f), MCA, to be used for costs as described in 22-3-115, MCA. This increase will enhance the museum program ability to produce additional interpretive components for classrooms and public programming developing new hands-on history trunks devoted to and celebrating the theme of the sesquicentennial of the establishment of the Montana Territory.

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

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$259	\$0
FY 2015	\$259	\$0

NP - 6101 - Professional Development Center Fee Allocation -

The Professional Development Center at the Department of Administration has been funded for many years by fees assessed for individual training courses. For the 2015 biennium and beyond, the program will be funded via a fixed cost allocation. Because the allocation represents a funding switch, it must be presented as a new proposal for the next biennium. The budget includes \$259 state special revenue each year for the department's allocation of the fixed cost.

MONTANA HISTORICAL SOCIETY-5117 HISTORIC PRESERVATION PROGRAM-06

**06 Historic Preservation
Mark Baumler x7717**

Program Description - The Historic Sites Preservation Program (State Historic Preservation Office) administers the Montana Antiquities Act (MCA 22-3-421; ARM 10.121.901) and Montana's participation in the National Historic Preservation Act of 1966, as amended, with its federal programs, guidelines, and grants-in-aid for historic preservation. Staff provide technical assistance to all Montana property owners, including agencies, organizations, and the public. Staff maintains a statewide inventory of recorded historic and archaeological sites. Staff reviews state agencies compliance with state antiquities act. Staff review and comment on all proposed federally funded or permitted projects within the state to determine their effect on properties listed or eligible for listing in the National Register of Historic Places. Staff administers the National Register of Historic Places program in Montana through the state preservation review board. The office recommends certification of historic structures and rehabilitation projects for federal tax credits to citizens and businesses, as authorized by the Tax Reform Act of 1976. The program awards and administers pass-through federal grants to local governments participating in the federal Certified Local Government Program. The program may also award funds for historic survey and planning for historic areas and for bricks and mortar rehabilitation when funds are available.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015
FTE	8.75	0.00	0.00	8.75	0.00	0.00	8.75
Personal Services	486,539	(18,447)	0	468,092	(18,983)	0	467,556
Operating Expenses	126,702	(3,349)	303	123,656	(3,283)	303	123,722
Grants	87,120	0	0	87,120	0	0	87,120
Total Costs	\$700,361	(\$21,796)	\$303	\$678,868	(\$22,266)	\$303	\$678,398
General Fund	34,140	1,063	0	35,203	1,017	0	35,157
Federal Special	655,522	(22,238)	0	633,284	(22,715)	0	632,807
Proprietary	10,699	(621)	303	10,381	(568)	303	10,434
Total Funds	\$700,361	(\$21,796)	\$303	\$678,868	(\$22,266)	\$303	\$678,398

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

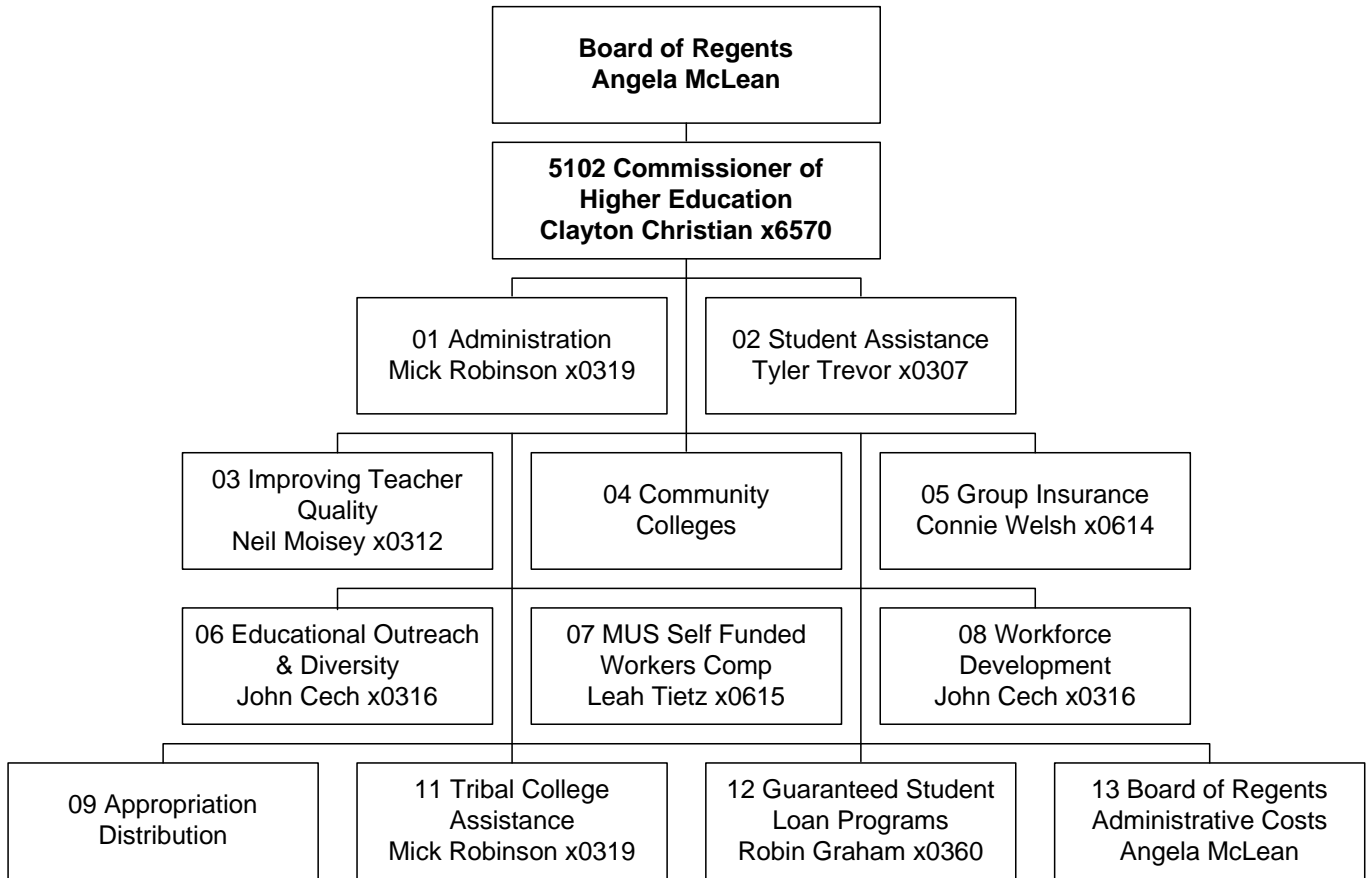
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$303	\$0
FY 2015	\$303	\$0

NP - 6101 - Professional Development Center Fee Allocation -

The Professional Development Center at the Department of Administration has been funded for many years by fees assessed for individual training courses. For the 2015 biennium and beyond, the program will be funded via a fixed cost allocation. Because the allocation represents a funding switch, it must be presented as a new proposal for the next biennium. The budget includes \$303 proprietary funds each year for the department's allocation of the fixed cost.

COMMISSIONER OF HIGHER ED-5102

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



Mission Statement - To serve students through the delivery of high quality, accessible postsecondary educational opportunities, while actively participating in the preservation and advancement of Montana’s economy and society.

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

Language - The agency requests the following language be included in HB 2:

Items designated as OCHE Student Assistance (02), Improving Teacher Quality (03), Educational Outreach and Diversity (06), Workforce Development (08), Appropriation Distribution Transfers (09) [excluding Agriculture Experiment Station, Extension Service, Forest and Conservation Experiment Station, Bureau of Mines and Geology, Bureau Ground Water Program and Fire Services Training School] Guaranteed Student Loan (12), and the Board of Regents (13) are a single biennial lump-sum appropriation.

General fund money, state and federal special revenue and proprietary fund revenue appropriated to the board of regents are included in all Montana university system programs. All other public funds received by units of the Montana university system (other than plant funds appropriated in House Bill No. 5, relating to long-range building) are appropriated to the board of regents and may be expended under the provisions of 17-7-138(2). The board of regents shall allocate the appropriations to individual university system units, as defined in 17-7-102(13), according to board policy.

The Montana university system, except the office of the commissioner of higher education and the community colleges, shall provide the office of budget and program planning and the legislative fiscal division banner access to the entire university system's banner information system, except for information pertaining to individual students or individual employees that is protected by Article II, sections 9 and 10, of the Montana constitution, 20-25-515, or the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. 1232g.

COMMISSIONER OF HIGHER ED-5102

The Montana university system shall provide the electronic data required for entering human resource data for the current unrestricted operating funds into the Montana Budgeting and Reporting System (MBARS). The salary and benefit data provided must reflect approved board of regents operating budgets.

The average budgeted amount for each full-time equivalent student at the community colleges, including is \$6,210 for each year of the 2015 biennium. The general fund appropriation for OCHE -- Community College Assistance provides 50.8% in FY 2014 and 50.8% in FY 2015 of the budget amount for each full-time equivalent student each year of the 2015 biennium. The remaining percentage of the budget amount for each full-time equivalent student must be paid from funds other than those appropriated for OCHE -- Community College Assistance.

The general fund appropriation for OCHE -- Community College Assistance is calculated to fund education in the community colleges for an estimated 2,235 resident FTE students each year of the 2015 biennium. If total resident FTE student enrollment in the community colleges is greater than the estimated number for the biennium, the community colleges shall serve the additional students without a state general fund contribution. If actual resident FTE student enrollment is less than the estimated numbers for the biennium, the community colleges shall revert general fund money to the state in accordance with 17-7-142.

Total audit costs are estimated to be \$145,378 for the community colleges for the biennium. The general fund appropriation for each community college provides 50.8% of the total audit costs in the 2015 biennium. The remaining 49.2% of these costs must be paid from funds other than those appropriated for OCHE -- Community College Assistance -- Legislative Audit. Audit costs charged to the community colleges for the biennium may not exceed \$55,000 for Dawson, \$44,520 for Miles and \$45,858 for Flathead Valley community colleges.

Revenue anticipated to be received by the Montana university system units and colleges of technology includes interest earnings and other revenues of \$956,891 for each year of the 2015 biennium.

Revenue anticipated to be received by the agricultural experiment station includes interest earnings and other revenue of \$8,500 each year of the 2015 biennium.

Revenue anticipated to be received by the extension service includes interest earnings of \$1,500 each year of the 2015 biennium.

Anticipated interest revenue of \$800 in each year of the 2015 biennium is appropriated to the forestry and conservation experiment station for current unrestricted operating expenses. This amount is in addition to that shown in OCHE -- Appropriation Distribution Transfers.

Anticipated sales revenue of \$40,000 each year in the 2015 biennium is appropriated to the bureau of mines and geology for current unrestricted operating expenses. This amount is in addition to that shown in OCHE -- Appropriation Distribution Transfers.

Anticipated interest revenue of \$200 each year of the 2015 biennium is appropriated to the fire services training school for current unrestricted operating expenses. This amount is in addition to that shown in OCHE -- Appropriation Distribution Transfers.

These amounts are appropriated for current unrestricted operating expenses as a biennial lump-sum appropriation and are in addition to the funds shown in OCHE.

Total audit costs are estimated to be \$530,974 for the university system educational units, other than the office of the commissioner of higher education.

OCHE -- Appropriation Distribution Transfers includes \$578,957 in FY 2014 and \$520,957 in FY 2015 that must be transferred to the energy conservation program account and used to retire the general obligation bonds sold to fund energy improvements through the state energy conservation program. The costs of this transfer in each year of the 2015 biennium are as follows: University of Montana-Missoula, \$231,832 each year; University of Montana- Western, \$41,985 each year; Helena College of Technology, \$64,104 each year of the biennium; Montana State University-Bozeman

COMMISSIONER OF HIGHER ED-5102

\$97,898 in FY 2014 and \$39,898 in FY 2015; Montana State University- Billings \$33,700 each year; and Montana State University-Northern,\$85,885 each year of the biennium.

The Montana university system shall pay \$88,506 for the 2015 biennium in current funds in support of the Montana natural resource information system (NRIS) located at the Montana state library. Quarterly payments must be made upon receipt of the bills from the state library, up to the total amount appropriated.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015
FTE	93.88	0.00	0.00	93.88	0.00	0.00	93.88
Personal Services	5,328,130	775,374	0	6,103,504	774,353	0	6,102,483
Operating Expenses	4,548,981	1,298,807	52,559	5,900,347	1,256,804	52,608	5,858,393
Local Assistance	11,139,820	976,987	0	12,116,807	970,451	0	12,110,271
Grants	15,713,709	840,886	0	16,554,595	939,462	0	16,653,171
Benefits & Claims	30,617,909	10,000,000	0	40,617,909	10,000,000	0	40,617,909
Transfers	179,600,026	12,819,808	0	192,419,834	14,593,840	0	194,193,866
Debt Service	43,480	23,553	0	67,033	23,553	0	67,033
Total Costs	\$246,992,055	\$26,735,415	\$52,559	\$273,780,029	\$28,558,463	\$52,608	\$275,603,126
General Fund	179,551,398	13,799,234	2,589,363	195,939,995	15,184,232	2,589,363	197,324,993
State/Other Special	19,827,019	582,511	49,612	20,459,142	1,089,488	49,661	20,966,168
Federal Special	47,540,878	12,350,197	(2,586,416)	57,304,659	12,282,069	(2,586,416)	57,236,531
Proprietary	72,760	3,473	0	76,233	2,674	0	75,434
Total Funds	\$246,992,055	\$26,735,415	\$52,559	\$273,780,029	\$28,558,463	\$52,608	\$275,603,126

COMMISSIONER OF HIGHER ED-5102 ADMINISTRATION PROGRAM-01

01 Administration Mick Robinson x0319

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

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2012	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2014	Fiscal 2014	Fiscal 2014	Fiscal 2015	Fiscal 2015	Fiscal 2015
FTE	23.03	0.00	0.00	23.03	0.00	0.00	23.03
Personal Services	2,348,762	21,632	0	2,370,394	21,209	0	2,369,971
Operating Expenses	663,112	61,387	2,947	727,446	33,220	2,947	699,279
Debt Service	0	23,553	0	23,553	23,553	0	23,553
Total Costs	\$3,011,874	\$106,572	\$2,947	\$3,121,393	\$77,982	\$2,947	\$3,092,803
General Fund	2,539,506	84,025	1,473	2,625,004	60,623	1,473	2,601,602
Federal Special	399,608	19,074	1,474	420,156	14,685	1,474	415,767
Proprietary	72,760	3,473	0	76,233	2,674	0	75,434
Total Funds	\$3,011,874	\$106,572	\$2,947	\$3,121,393	\$77,982	\$2,947	\$3,092,803

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$2,947	\$1,473
FY 2015	\$2,947	\$1,473

NP - 6101 - Professional Development Center Fee Allocation -

The Professional Development Center at the Department of Administration has been funded for many years by fees assessed for individual training courses. For the 2015 biennium and beyond, the program will be funded via a fixed cost allocation. Because the allocation represents a funding switch, it must be presented as a new proposal for the next biennium. The budget includes \$1,473 from general fund and \$1,474 from federal special funds each year of the biennium for the department's allocation of the fixed cost.

COMMISSIONER OF HIGHER ED-5102 STUDENT ASSISTANCE PROGRAM-02

02 Student Assistance
Tyler Trevor x0307

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

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2012	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2014	Fiscal 2014	Fiscal 2014	Fiscal 2015	Fiscal 2015	Fiscal 2015
FTE	1.50	0.00	0.00	1.50	0.00	0.00	1.50
Personal Services	53,557	36,254	0	89,811	36,065	0	89,622
Operating Expenses	48,338	(402)	49,612	97,548	(338)	49,661	97,661
Local Assistance	125,000	6,000	0	131,000	12,000	0	137,000
Grants	12,068,923	453,762	0	12,522,685	601,875	0	12,670,798
Total Costs	\$12,295,818	\$495,614	\$49,612	\$12,841,044	\$649,602	\$49,661	\$12,995,081
General Fund	9,606,033	497,591	2,587,890	12,691,514	651,628	2,587,890	12,845,551
State/Other Special	101,895	(1,977)	49,612	149,530	(2,026)	49,661	149,530
Federal Special	2,587,890	0	(2,587,890)	0	0	(2,587,890)	0
Total Funds	\$12,295,818	\$495,614	\$49,612	\$12,841,044	\$649,602	\$49,661	\$12,995,081

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$216,652	\$216,652
FY 2015	\$370,765	\$370,765

PL - 201 - WICHE/WWAMI/MN Dental -

This decision package requests \$216,652 in FY 2014 and \$370,765 in FY 2015 general fund for student slots at anticipated increased tuition levels for the WICHE, WWAMI and MN Dental professional student exchange programs and is included as part of the Governor's Tuition CAP agreement.

WICHE/WWAMI/MN Dentistry								
Program	Base Budget	PL Base	New	Total	PL Base	New	Total	
	FY 2012	Adjustments FY	Proposals	Ex. Budget	Adjustments	Proposals	Ex. Budget	Biennial Total
		2014	FY 2014	FY 2014	FY 2015	FY 2015	FY 2015	
WICHE	2,329,884	110,116	-	2,440,000	108,849	-	2,438,733	4,878,733
WWAMI	2,884,104	102,936	-	2,987,040	207,516	-	3,091,620	6,078,660
MN Dentistry	92,000	3,600	-	95,600	54,400	-	146,400	242,000
Total	\$ 5,305,988	\$216,652	-	\$ 5,522,640	\$370,765	-	\$5,676,753	\$11,199,393

Total Agency Impact General Fund Total

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

FY 2014	\$243,110	\$243,110
FY 2015	\$243,110	\$243,110

PL - 207 - Quality Educator Loan Forgiveness (RST)-

This decision package continues the teacher's loan assistance program at the same level as the 2013 biennium at a cost of \$243,110 general fund each year of the biennium. This program is operating in cooperation with OPI. It is the intent of the Board of Regents to provide 100 teachers loan assistance in FY 2013 and fund the pipeline from the three previous years.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$0	\$2,587,890
FY 2015	\$0	\$2,587,890

NP - 205 - GSL/Student Assistance fund allocation -

In the 2011 Legislative Session, the legislature approved a funding switch in the Student Assistance Program. The funding switch reduced general fund spending by \$2,587,890 and increase federal fund expenditures in GSL by \$2,587,890 in FY 2012 and by a similar amount in FY 2013. The federal funds appropriated in the 2013 biennium are not sustainable and will not be available in the 2015 biennium. In order to continue the services in the Student Assistance Program, general funds are needed. This decision package restores \$2,587,890 in the Student Assistance Program for the Governor's Best and Brightest Scholarship and Quality Educator Loan Forgiveness to general fund each year of the 2015 biennium as part of the Governor's Tuition CAP agreement.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$49,612	\$0
FY 2015	\$49,661	\$0

NP - 206 - Family Education Savings Plan -

For the 2015 biennium, additional expenditures will be incurred in the Montana Family Education Savings Plan Program (MFESP) for contract services. The MFESP has procured an industry expert to assist with program manager contract negotiations and plan evaluation. Existing fund balance will be used to cover the additional costs. Additional state special appropriation authority is requested \$49,612 in FY 2014 and \$49,661 in FY 2015.

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

03 Improving Teacher Quality Neil Moisey x0312
--

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

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2012	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2014	Fiscal 2014	Fiscal 2014	Fiscal 2015	Fiscal 2015	Fiscal 2015
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personal Services	33	1,857	0	1,890	1,857	0	1,890
Operating Expenses	1,726	15,000	0	16,726	15,000	0	16,726
Grants	323,964	49,537	0	373,501	0	0	323,964
Total Costs	\$325,723	\$66,394	\$0	\$392,117	\$16,857	\$0	\$342,580
Federal Special	325,723	66,394	0	392,117	16,857	0	342,580
Total Funds	\$325,723	\$66,394	\$0	\$392,117	\$16,857	\$0	\$342,580

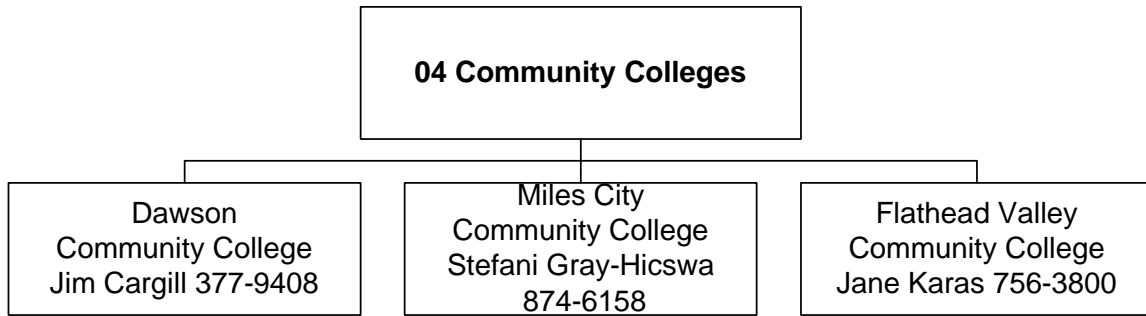
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$66,427	\$0
FY 2015	\$16,890	\$0

PL - 301 - Title II Federal Funds Improving Teacher Quality -

This decision package increases \$66,427 federal authority in FY 2014 and \$16,890 federal authority in FY 2015 for an anticipated increase in federal grant funds for programs to improve teacher quality.

**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	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Local Assistance	11,014,820	970,987	0	11,985,807	958,451	0	11,973,271
Total Costs	\$11,014,820	\$970,987	\$0	\$11,985,807	\$958,451	\$0	\$11,973,271
General Fund	11,014,820	970,987	0	11,985,807	958,451	0	11,973,271
Total Funds	\$11,014,820	\$970,987	\$0	\$11,985,807	\$958,451	\$0	\$11,973,271

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$958,451	\$958,451
FY 2015	\$958,451	\$958,451

PL - 402 - Community College Assistance -

This request increases general fund by \$958,451 in FY 2014 and \$ 958,451 in FY 2015. The average of spring and fall semester enrollment at each of the three community colleges was used to calculate the funding increase at the state share of 50.8% of the total cost of education for FY 2014 and FY 2015.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$73,852	\$73,852
FY 2015	\$0	\$0

PL - 403 - Community College Audit Costs (BIEN-OTO) -

This decision package requests 50.8% of the community college audit costs at the state share of the expense. Historically, the legislature has funded these costs at the same percentage as the base budget. FY 2014 audit costs are split \$27,940 to Dawson Community College, \$23,296 to Flathead Community College, and \$22,616 to Miles Community College.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	(\$61,316)	(\$61,316)
FY 2015	\$0	\$0

PL - 404 - Remove Audit from Base -

This decision package is necessary to remove audit costs from the FY 2014 and FY 2015 adjusted base. The total state percentage for audit costs will be funded as OTO in DP 403.

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

Community College Assistance:								
Proposed Budget Budget Item	Base Budget FY 2012	PL Base Adjustments FY 2014	New Proposals FY 2014	Total Ex. Budget FY 2014	PL Base Adjustments FY 2015	New Proposals FY 2015	Total Ex. Budget FY 2015	Biennial Total
Flathead Valley Community College	6,986,405	944,245	-	7,930,650	944,151		7,930,556	15,861,206
Dawson Community College	1,753,754	(9,491)	-	1,744,263	(17,763)	-	1,735,991	3,480,254
Miles Community College	2,274,661	36,233	-	2,310,894	32,063		2,306,724	4,617,618
Grand Total Program 04	\$11,014,820	\$970,987	-	\$11,985,807	\$958,451	-	\$11,973,271	\$23,959,078

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

**06 Educational Outreach
& Diversity**
John Cech x0316

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

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2012	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2014	Fiscal 2014	Fiscal 2014	Fiscal 2015	Fiscal 2015	Fiscal 2015
FTE	19.90	0.00	0.00	19.90	0.00	0.00	19.90
Personal Services	885,670	205,776	0	1,091,446	208,042	0	1,093,712
Operating Expenses	992,571	549,804	0	1,542,375	549,976	0	1,542,547
Grants	616,624	0	0	616,624	0	0	616,624
Transfers	1,289,703	0	0	1,289,703	0	0	1,289,703
Total Costs	\$3,784,568	\$755,580	\$0	\$4,540,148	\$758,018	\$0	\$4,542,586
General Fund	83,218	7,753	0	90,971	7,564	0	90,782
Federal Special	3,701,350	747,827	0	4,449,177	750,454	0	4,451,804
Total Funds	\$3,784,568	\$755,580	\$0	\$4,540,148	\$758,018	\$0	\$4,542,586

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$550,000	\$0
FY 2015	\$550,000	\$0

PL - 601 - Present law increases for OCHE programs -

This decision package increases appropriation authority by \$550,000 per year in federal funds for scholarship awards made by the GEAR UP program.

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

08 Workforce Development
John Cech x0316

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

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2012	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2014	Fiscal 2014	Fiscal 2014	Fiscal 2015	Fiscal 2015	Fiscal 2015
FTE	4.45	0.00	0.00	4.45	0.00	0.00	4.45
Personal Services	223,017	128,854	0	351,871	128,058	0	351,075
Operating Expenses	382,490	67,922	0	450,412	67,610	0	450,100
Grants	1,862,113	337,587	0	2,199,700	337,587	0	2,199,700
Transfers	3,275,059	0	0	3,275,059	0	0	3,275,059
Total Costs	\$5,742,679	\$534,363	\$0	\$6,277,042	\$533,255	\$0	\$6,275,934
General Fund	90,067	0	0	90,067	0	0	90,067
Federal Special	5,652,612	534,363	0	6,186,975	533,255	0	6,185,867
Total Funds	\$5,742,679	\$534,363	\$0	\$6,277,042	\$533,255	\$0	\$6,275,934

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$405,585	\$0
FY 2015	\$405,244	\$0

PL - 801 - Present Law Adjustments for Perkins Program -

This proposal increases federal appropriation authority by \$405,585 in FY 2014 and \$405,244 in FY 2015 to spend available funds. These funds are used to promote career and technical programs of study under the federal Carl D. Perkins Program.

COMMISSIONER OF HIGHER ED-5102 APPROPRIATION DISTRIBUTION-09

09 Appropriation Distribution

Program Description -

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

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfers	175,035,264	12,819,808	0	187,855,072	14,593,840	0	189,629,104	
Total Costs	\$175,035,264	\$12,819,808	\$0	\$187,855,072	\$14,593,840	\$0	\$189,629,104	
General Fund	155,310,140	12,235,320	0	167,545,460	13,502,326	0	168,812,466	
State/Other Special	19,725,124	584,488	0	20,309,612	1,091,514	0	20,816,638	
Total Funds	\$175,035,264	\$12,819,808	\$0	\$187,855,072	\$14,593,840	\$0	\$189,629,104	

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$13,213,836	\$13,213,836
FY 2015	\$15,067,994	\$15,067,994

PL - 901 - State Support of Educational Units -

In accordance with the Governor's Tuition Cap Agreement Plan (CAP) this decision package includes \$13,213,836 in FY 2014, and \$15,067,994 in FY 2015 to fund present law adjustments. Items funded with this present law adjustment include, faculty, classified and contract employee market/merit/inversion pay, mandatory fee waivers, utilities and library inflation, overtime, statewide present law adjustments and other base budget operating adjustments. These costs are funded at the overall resident/WUE share as a percentage of total students.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	(\$454,028)	(\$454,028)
FY 2015	(\$474,154)	(\$474,154)

PL - 904 - Statewide Present Law Adjustments Agencies -

This decision package includes automatic adjustments to the base budget as calculated by MBARS. Included in this adjustment are personal services adjustments, vacancy savings, inflation/deflation, fixed costs, and administrative assessments as they relate to the agencies of the Montana University System (MUS).

COMMISSIONER OF HIGHER ED-5102 APPROPRIATION DISTRIBUTION-09

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$60,000	\$0
FY 2015	\$0	\$0

PL - 9071 - Motorcycle Safety Equipment Replacement -

The motorcycle safety program is requesting an additional \$60,000 of state special revenue authority for equipment replacement including a pickup which is 10 years old that is used to haul the motorcycles to offered trainings around the state and replacement of older motorcycles.

The following table summarizes the increases in state funding for each campus/agency.

Appropriation Distribution Program 09 - 2015 Biennium Executive Budget Proposal								
Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total	
Budget Item	FY 2012	Adjustments FY 2014	Proposals FY 2014	Ex. Budget FY 2014	Adjustments FY 2015	Proposals FY 2015	Ex. Budget FY 2015	Biennial Total
3513- MSU Great Falls	5,910,068	343,047	-	6,253,115	342,140	-	6,252,208	12,505,323
3514- UM-Helena COT	4,502,265	391,989	-	4,894,254	396,911	-	4,899,176	9,793,430
5103- UM-Missoula	49,268,294	4,673,069	-	53,941,363	5,729,948	-	54,998,242	108,939,605
5104-MSU-Bozeman	44,490,570	4,407,124	-	48,897,694	4,982,358	-	49,472,928	98,370,622
5105-UM-Tech	12,897,465	811,266	-	13,708,731	934,606	-	13,832,071	27,540,802
5106-MSU-Billings	18,851,964	1,011,314	-	19,863,278	1,067,431	-	19,919,395	39,782,673
5107-MSU-Northern	8,422,062	980,389	-	9,402,451	955,738	-	9,377,800	18,780,251
5108- UM-Western Motorcycle Safety Program	6,576,301	595,638	-	7,171,939	658,862	-	7,235,163	14,407,102
	375,000	60,000	-	435,000	-	-	375,000	810,000
<i>Subtotal</i>	<i>\$151,293,989</i>	<i>\$13,273,836</i>	<i>-</i>	<i>\$164,567,825</i>	<i>\$15,067,994</i>	<i>-</i>	<i>\$166,361,983</i>	<i>\$330,929,808</i>
5109-Agricultural Experiment Station	12,455,424	(381,085)	-	12,074,339	(367,004)	-	12,088,420	24,162,759
5110-Extension Service	5,338,715	(102,707)	-	5,236,008	(134,118)	-	5,204,597	10,440,605
5111-Forestry & Conservation Experiment Station	1,011,216	(64,150)	-	947,066	(64,913)	-	946,303	1,893,369
5112-Bureau of Mines	4,198,071	157,961	-	4,356,032	155,364	-	4,353,435	8,709,467
5119-Fire Services Training School	737,849	(64,047)	-	673,802	(63,483)	-	674,366	1,348,168
<i>Subtotal</i>	<i>\$23,741,275</i>	<i>\$(454,028)</i>	<i>-</i>	<i>\$23,287,247</i>	<i>\$(474,154)</i>	<i>-</i>	<i>\$23,267,121</i>	<i>\$46,554,368</i>
Grand Total Program 09	\$175,035,264	\$12,819,808	-	\$187,855,072	\$14,593,840	-	\$189,629,104	\$377,484,176

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

**11 Tribal College
Assistance
Mick Robinson x0319**

Program Description - The Tribal College Assistance program provides funding to tribal colleges to support a portion of the costs of educating non-beneficiary Montana students (non-tribal members) attending the seven tribal community colleges on the reservations in Montana. Section 20-25-428, MCA requires the Board of Regents to provide assistance to tribal colleges "subject to a line item appropriation" by the legislature, up to a maximum of \$3,024 per year for each non-beneficiary student FTE.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants	842,085	0	0	842,085	0	0	842,085
Total Costs	\$842,085	\$0	\$0	\$842,085	\$0	\$0	\$842,085
General Fund	842,085	0	0	842,085	0	0	842,085
Total Funds	\$842,085	\$0	\$0	\$842,085	\$0	\$0	\$842,085

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

**12 Guaranteed Student
Loan Program**
Robin Graham x0360

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

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015
FTE	45.00	0.00	0.00	45.00	0.00	0.00	45.00
Personal Services	1,813,441	378,351	0	2,191,792	376,472	0	2,189,913
Operating Expenses	2,398,865	604,188	0	3,003,053	590,346	0	2,989,211
Benefits & Claims	30,617,909	10,000,000	0	40,617,909	10,000,000	0	40,617,909
Debt Service	43,480	0	0	43,480	0	0	43,480
Total Costs	\$34,873,695	\$10,982,539	\$0	\$45,856,234	\$10,966,818	\$0	\$45,840,513
Federal Special	34,873,695	10,982,539	0	45,856,234	10,966,818	0	45,840,513
Total Funds	\$34,873,695	\$10,982,539	\$0	\$45,856,234	\$10,966,818	\$0	\$45,840,513

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$10,600,000	\$0
FY 2015	\$10,600,000	\$0

PL - 1201 - Present law increases for GSL -

The Montana Guaranteed Student Loan Program (MGSLP) continues to experience a steady growth in the number of Lender Request for Assistance (LRA's) filed for defaulted borrowers. As the guarantor, MGSLP purchases the loans, using federal funds, from the lender and is then tasked with collecting on the loan. The increase in the number of defaulted borrowers is attributed to the slow recovery of the economy and all borrower repayment options being exhausted. MGSLP expects the trend to continue into the 2015 biennium and anticipates needing an additional \$10,000,000 of appropriation authority for each year of the biennium to accommodate the potential purchase of default claims. In addition, MGSLP places borrower accounts with an external collection agency, who charges a fee for the revenue collected. With an increasing number of defaults, it will be necessary to utilize the collection agency's resources to a greater extent, in turn, increasing the collection costs charged to the program. Additionally, with the increase, it is also likely that MGSLP's default MGSLP is paid a 1% default fee assisting borrowers in averting default. If the borrowers re-default MGSLP has to return the default fee to the Department of Education. The returned fee is reflected as an expense to the program. The combination of the two activities requires an additional \$600,000 appropriation authority each year of this biennium.

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

<p>13 Board of Regents Angela McLean</p>

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

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2012	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2014	Fiscal 2014	Fiscal 2014	Fiscal 2015	Fiscal 2015	Fiscal 2015
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personal Services	3,650	2,650	0	6,300	2,650	0	6,300
Operating Expenses	61,879	908	0	62,787	990	0	62,869
Total Costs	\$65,529	\$3,558	\$0	\$69,087	\$3,640	\$0	\$69,169
General Fund	65,529	3,558	0	69,087	3,640	0	69,169
Total Funds	\$65,529	\$3,558	\$0	\$69,087	\$3,640	\$0	\$69,169

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY 2014	\$3,558	\$3,558
FY 2015	\$3,640	\$3,640

PL - 1301 - Board of Regents Per Diem & Mileage -

This request restores the Board of Regents per diem. The per diem is calculated based on 7 regents attending 6 meetings per year that run for 3 days at a rate of \$50 per day. Since there was \$3,650 in the base budget that carried forward to FY 2014 and FY 2015, the request is for the difference of \$2,650. The requested increase for mileage is \$908 in FY 2014 and \$990 in FY 2015.