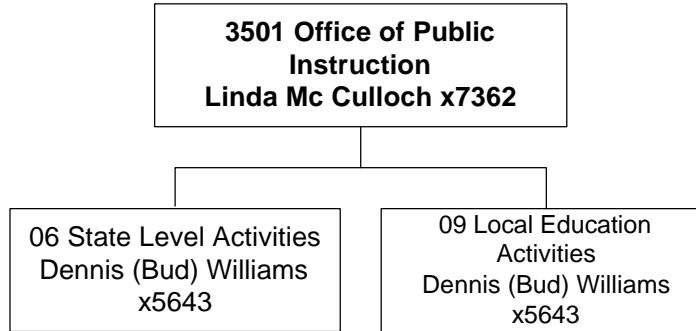


# Office of Public Instruction-3501



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

**Statutory Authority** - Title 20, MCA

**Executive Recommended Legislation -**

The Executive recommends the following Office of Public Instruction (OPI) bills.

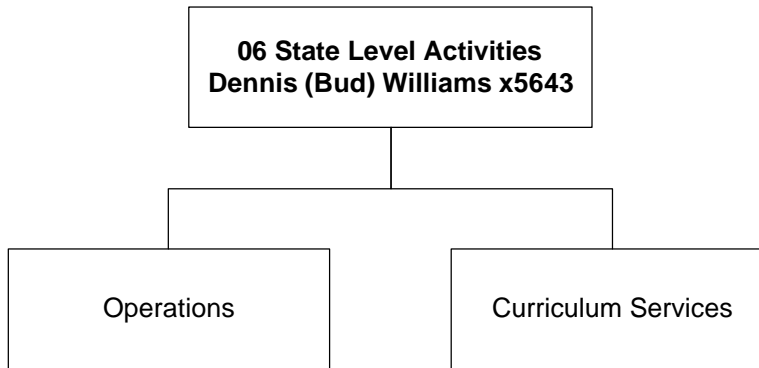
1. To increase school funding entitlements by the ratio of inflation as required by the statutory definition of present law.
2. To require the OPI pay the tuition for state placed students to districts instead of the county paying these costs from statewide school levies.

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	125.31	4.35	1.00	130.66	4.40	1.50	131.21
Personal Services	6,115,508	631,352	51,599	6,798,459	627,602	75,924	6,819,034
Operating Expenses	7,434,615	2,095,039	238,970	9,768,624	2,421,324	258,403	10,114,342
Equipment	76,335	5,000	50,463	131,798	0	50,463	126,798
Local Assistance	509,984,289	8,466,265	2,170,593	520,621,147	13,899,729	3,090,015	526,974,033
Grants	119,604,611	14,082,528	85,000	133,772,139	21,003,299	85,000	140,692,910
<b>Total Costs</b>	<b>\$643,215,358</b>	<b>\$25,280,184</b>	<b>\$2,596,625</b>	<b>\$671,092,167</b>	<b>\$37,951,954</b>	<b>\$3,559,805</b>	<b>\$684,727,117</b>
General Fund	514,085,061	8,713,666	2,588,625	525,387,352	14,164,535	3,551,805	531,801,401
State/Other Special	943,936	15,843	8,000	967,779	15,848	8,000	967,784
Federal Special	128,186,361	16,550,675	0	144,737,036	23,771,571	0	151,957,932
<b>Total Funds</b>	<b>\$643,215,358</b>	<b>\$25,280,184</b>	<b>\$2,596,625</b>	<b>\$671,092,167</b>	<b>\$37,951,954</b>	<b>\$3,559,805</b>	<b>\$684,727,117</b>

Agency proposed budget - including statutory appropriations							
	Base budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
General Fund	514,085,061	8,713,666	2,588,625	525,387,352	14,164,535	3,551,805	531,801,401
State Special - HB 2	943,936	15,843	8,000	967,779	15,848	8,000	967,784
State Special - Statutory	47,257,759	2,318,903		49,576,662	2,140,903		49,398,662
Federal Special	128,186,361	16,550,675		144,737,036	23,771,571		151,957,932
<b>Total Funds</b>	<b>\$ 690,473,117</b>	<b>\$27,599,087</b>	<b>\$2,596,625</b>	<b>\$ 720,668,829</b>	<b>\$ 40,092,857</b>	<b>\$3,559,805</b>	<b>\$ 734,125,779</b>

The Statutory appropriations for K-12 come through the Guarantee Fund. The Guarantee Fund is comprised of interest earnings from the Common School Trust and trust land revenue. This funding is dedicated to schools.

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



**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) Responsible for the distribution and accounting of state and federal funds provided to school districts; and
- 3) Provides assistance and information to school districts.
- 4) Administers all federal grants received by OPI, including: curriculum assistance; special education; ESEA/NCLB administration; secondary vocational education administration; and other educational services.

### Program Indicators -

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Certified Staff (FTE) Employed by Public Schools	12,079	12,038	11,985	12,000	12,000	12,000

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	125.31	4.35	1.00	130.66	4.40	1.50	131.21
Personal Services	6,115,508	631,352	51,599	6,798,459	627,602	75,924	6,819,034
Operating Expenses	7,432,791	2,394,863	238,970	10,066,624	2,721,148	258,403	10,412,342
Equipment	76,335	5,000	50,463	131,798	0	50,463	126,798
Local Assistance	19,301	4,000	0	23,301	4,000	0	23,301
<b>Total Costs</b>	<b>\$13,643,935</b>	<b>\$3,035,215</b>	<b>\$341,032</b>	<b>\$17,020,182</b>	<b>\$3,352,750</b>	<b>\$384,790</b>	<b>\$17,381,475</b>
General Fund	4,452,922	243,552	333,032	5,029,506	260,957	376,790	5,090,669
State/Other Special	193,936	15,843	8,000	217,779	15,848	8,000	217,784
Federal Special	8,997,077	2,775,820	0	11,772,897	3,075,945	0	12,073,022
<b>Total Funds</b>	<b>\$13,643,935</b>	<b>\$3,035,215</b>	<b>\$341,032</b>	<b>\$17,020,182</b>	<b>\$3,352,750</b>	<b>\$384,790</b>	<b>\$17,381,475</b>

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

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$38,822	\$38,822
FY07	\$33,808	\$33,808

**PL- 12 - Provide Funding for Surplus Computers for Schools -**

OPI began administering this program with existing staff and resources after it was authorized by the 1999 Legislature (18-6-101, MCA). As a result of growth in this program, OPI requests increasing an existing 0.25 FTE to a 0.50 FTE, providing storage space, supplies, phone and internet service to the storage facility, and provide funding to lease or purchase, operate and maintain an older model vehicle for hauling computers from a state agency to the storage facility. The general fund cost for these increases are \$38,822 in FY 2006 and \$33,808 in FY 2007.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$3,540	\$3,540
FY07	\$3,540	\$3,540

**PL- 13 - Education Licensure Increased costs -**

The executive recommends a present law adjustment for the Education Licensure program in the amount of \$3,540 general fund in each year of the 2007 biennium for increased costs associated with scanning education licenses, conducting fingerprint-based background checks for initial applicants for an educator license, and for additional mailings to educators.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$22,883	\$22,883
FY07	\$34,477	\$34,477

**PL- 16 - Audiology -**

Current contracts for the audiological program total \$355,156. In order to maintain contractor participation the OPI anticipates needing to provide a minimum of a 3 percent increase per year. A 3 percent increase requires additional funding in the amount of \$22,883 in FY 2006 and \$34,477 in FY 2007.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$29,250	\$29,250
FY07	\$43,250	\$43,250

**PL- 18 - Statewide Student Assessment -**

This request is for a present law adjustment to fund the increased costs associated with the Office of Public Instruction's contract with Riverside Publishing Company for administration of the Iowa Tests. The statewide student assessment is required by the Administrative Rules of the Board of Public Education for the accreditation of schools for grades 4, 8 and 11. The base for the Statewide Student Assessment is \$253,250 general fund. The present law adjustment for FY 2006 is \$29,250 and for FY 2007 is \$43,250 general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$15,000	\$0
FY07	\$15,000	\$0

**PL- 26 - Growth in Commodities and Cooperative Purchasing -**

This increase of \$15,000 in state special spending authority for the Commodities and Cooperative Purchasing budget from the current \$85,000 to \$100,000 for each year of the new biennium is the result of growing use of the program by private and public entities.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$2,457,751	\$0
FY07	\$2,755,494	\$0

**PL- 27 - Federal Grant Increases -**

This \$5.2 million increase in federal spending authority for grant awards currently administered by the Office of Public Instruction are due to normal increases in federal funding. These funds are used to support the administration of current federal grants and to provide technical assistance to sub-grantees (districts and cooperatives).

Federal Grant Increases		
Program Name	FY 2006	FY 2007
Individuals with Disabilities Education Act Part B	\$ 468,536	\$ 764,205
Individuals with Disabilities Education Act Supervision	300,000	300,000
State Assessments	1,151,630	1,153,037
Reading First	511,322	511,894
Title V, Learn & Serve, Character Ed.	26,263	26,358
<b>Total Federal Grant Awards</b>	<b>\$ 2,457,751</b>	<b>\$ 2,755,494</b>

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$93,371	\$40,877
FY07	\$92,953	\$40,336

**PL- 29 - Indirect Cost of Base Adjustments -**

The executive recommends additional appropriation authority for the indirect cost portion of the general fund, state special revenue fund and federal fund base adjustments. The general fund requirement is \$81,000, federal funds increased in the biennium. In addition to providing in central services within the agency, these adjustments fund increases in statewide cost assessments for the legislative audit, SABHRS costs, a portion of the increases in rent and others.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$49,738)	(\$49,738)
FY07	(\$47,665)	(\$47,665)

**PL- 30 - Statewide FTE Reduction -**

This decision package implements an FTE reduction equivalent to the reductions taken in the 2003 legislative session. This 1.60 FTE and \$49,000 general fund per year are removed from the budget permanently.

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

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$248,032	\$248,032
FY07	\$247,873	\$247,873

**NP- 4 - Indian Education for All -**

This biennial general fund appropriation of \$500,000 and 1.00 FTE is to respond to our constitutional and statutory obligations to preserve the distinct and unique cultural heritage of American Indians. This appropriation will be used for:

- Annual summit and focus groups to receive/share information concerning issues in the education of American Indian students and to plan for the implementation of Indian Education for All;
- Extensive and focused professional development for teachers and administrators;
- Development of research based curricular materials and teaching strategies;
- Dissemination of effective practices;
- Regular meetings of the Montana Advisory Committee for Indian Education (MACIE) to provide policy advice to the State Superintendent and Board of Public Education; and Creation of a Native American Studies curriculum council.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$8,000	\$0
FY07	\$8,000	\$0

**NP- 17 - Educator Preparation Unit Reviews -**

OPI requests \$16,000 state special authority to spend the funds paid by campuses of the Montana Institutions of Higher Education for review of educator preparation programs. Programs are reviewed for compliance with the teacher preparation standards adopted by the Board of Public Education. Fees charged for this service are a flat fee of \$500 per campus, plus \$50 for each program to be reviewed.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$0
FY07	\$43,917	\$43,917

**NP- 53 - Gifted and Talented Assistance -**

An increase of 0.50 FTE and \$43,917 general fund would be added to the Office of Public Instruction staff in FY 2007 to assist districts in providing gifted and talented education to students throughout the state. This would improve gifted and talented education throughout the state by providing technical assistance and support to all districts.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$85,000	\$85,000
FY07	\$85,000	\$85,000

**NP- 54 - Audiology Equipment – Restricted/OTO -**

Replacement of the equipment used to test the hearing of students across the state is needed. Much of the current equipment is beyond its useful life. This \$170,000 general funds one-time-only appropriation will ensure that all equipment used in the state will be functional and up to date.

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

**09 Local Education Activities  
Dennis (Bud) Williams x5643**

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

**Program Indicators -**

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
K-12 Public School Enrollment	151,947	149,995	148,356	146,702	144,985	143,729
Public Schools	877	866	859	855	855	855

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	1,824	176	0	2,000	176	0	2,000
Local Assistance	509,964,988	8,462,265	2,170,593	520,597,846	13,895,729	3,090,015	526,950,732
Grants	119,604,611	14,082,528	85,000	133,772,139	21,003,299	85,000	140,692,910
<b>Total Costs</b>	<b>\$629,571,423</b>	<b>\$22,544,969</b>	<b>\$2,255,593</b>	<b>\$654,371,985</b>	<b>\$34,899,204</b>	<b>\$3,175,015</b>	<b>\$667,645,642</b>
General Fund	509,632,139	8,470,114	2,255,593	520,357,846	13,903,578	3,175,015	526,710,732
State/Other Special	750,000	0	0	750,000	0	0	750,000
Federal Special	119,189,284	14,074,855	0	133,264,139	20,995,626	0	140,184,910
<b>Total Funds</b>	<b>\$629,571,423</b>	<b>\$22,544,969</b>	<b>\$2,255,593</b>	<b>\$654,371,985</b>	<b>\$34,899,204</b>	<b>\$3,175,015</b>	<b>\$667,645,642</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$5,727,904	\$5,727,904
FY07	\$10,676,730	\$10,676,730

**PL- 1 - K-12 BASE Aid -**

This request is for funding for the K-12 BASE Aid Present Law Adjustment as defined by Section 20-9-326, MCA and adjusted for available Guarantee Fund revenue. It includes inflation on the basic and per-ANB entitlements and adjustments for changes in enrollment. The inflator for FY 2006 (calculated using CPI-Urban indexes for July 2000 and July 2003) is 2.10 percent. The inflator for FY 2007 (calculated using CPI-Urban indexes for July 2001 and July 2004) is 2.19 percent. ANB (number of students) are anticipated to decline 1.4 percent in FY 2006 and 1.2 percent in FY 2007. The resulting increases in state aid to district base budgets are \$6.3 million in FY 2006 and \$11.1 million in FY 2007.

An anticipated increase in the Guarantee Fund Revenues of \$0.6 million in FY 2006 and \$0.4 million in FY 2007 offset increases in general fund by a like amount. The net increase in general fund cost is \$5.7 million in FY 2006 and \$10.7 million in FY 2007.

**Office of Public Instruction-3501  
Local Education Activities-09**

<b>Table E-2</b>					
Entitlements, Enrollments, and State Aid					
	<u>FY 2003 actual</u>	<u>FY 2004 actual</u>	<u>FY 2005 estimate</u>	<u>FY 2006 recommend</u>	<u>FY 2007 recommend</u>
<u>Elementary entitlements</u>					
per district	\$19,244	\$19,456	\$19,859	\$20,275	\$20,718
per ANB (approx./student)	\$3,906	\$3,949	\$4,031	\$4,116	\$4,206
<u>High School entitlements</u>					
per district	\$213,819	\$216,171	\$220,646	\$225,273	\$230,199
per ANB (approx./student)	\$5,205	\$5,262	\$5,371	\$5,484	\$5,604
<u>Special Education Block Grant</u>	\$ 34,912,640	\$ 34,912,640	\$36,448,452	\$37,167,113	\$37,980,001
<u>Statewide figures</u>					
Average number belonging (ANB)	151,499	149,425	147,607	145,511	143,714
State aid district general fund (millions) (does not include HB124 grants)	\$459.7	\$460.8	\$465.2	\$471.7	\$476.7
State aid/ANB district general fund	\$3,034	\$3,084	\$3,152	\$3,241	\$3,317

	<u><b>Total Agency Impact</b></u>	<u><b>General Fund Total</b></u>
FY06	\$1,535,812	\$1,535,812
FY07	\$1,535,812	\$1,535,812

**PL- 5 - Special Education Increase to FY 2005 level -**

The state special education expenditure in the base year was \$34,900,310. In FY 2005 the amount available to distribute is \$36,436,122, for a difference of \$1,535,812 per year. This general fund increase to the FY 2005 level is both a present law increase and federal maintenance of effort requirement

	<u><b>Total Agency Impact</b></u>	<u><b>General Fund Total</b></u>
FY06	\$100,000	\$100,000
FY07	\$200,000	\$200,000

**PL- 19 - Transportation Aid - Increased State Obligation -**

An increase in the state general fund obligation for school district on schedule transportation costs is anticipated to increase by \$100,000 in each year of the next biennium. Increased costs are primarily due to changes in the number of bus miles and the size of the buses approved by the county school transportation committee.

	<u><b>Total Agency Impact</b></u>	<u><b>General Fund Total</b></u>
FY06	\$140,558	\$140,558
FY07	\$140,558	\$140,558

**PL- 20 - School Facility Reimbursement -**

To promote safe school facilities and as a measure of taxpayer fairness, Montana has established a statutory formula for providing state payments to low property tax wealth school districts to assist with debt service payments on school bonds. The state school facility reimbursement expenditure in the base year was \$8,270,735 general fund. In FY 2005 the amount available to distribute is \$8,411,293, for a difference of \$140,558 general fund per year. The increase to the FY 2005 level is a present law adjustment.

**Office of Public Instruction-3501  
Local Education Activities-09**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$754,633	\$754,633
FY07	\$1,136,257	\$1,136,257

**PL- 22 - School Block Grants -**

20-9-630 and 632, MCA provides for an annual 0.76 percent increase in the county transportation and school district block grants. These block grants originated from HB 124 of the 2001 legislative session and are intended to replace former local sources of revenue to school districts with state general fund. The general fund increase is \$754,633 in FY 2006 and \$1,136,257 in FY 2007.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$7,256	\$7,256
FY07	\$10,270	\$10,270

**PL- 23 - School District Audit Filing Fee -**

This increase in general fund authority for school district audit filing fees of \$7,256 in FY 2006 and \$10,270 in FY 2007 will allow OPI to pay school district audit filing. Payment of this fee from the OPI to the Department of Administration is required by 2-7-514(2), MCA. This increase assumes school district revenues will increase 3 percent each year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$203,951	\$203,951
FY07	\$203,951	\$203,951

**PL- 25 - Biennial Appropriations -**

This \$203,951 general fund per year present law adjustment establishes biennial appropriations in each year at half of the amount appropriated for the 2005 biennium. In the base year each of these appropriations spent less than half of the biennial appropriation. The increase maintains the present law amounts. The biennial appropriations include:

- Instate treatment - \$1,949,792
- Secondary Vo-ed - \$1,430,000
- Adult Basic Ed - \$550,000
- Gifted and Talented - \$300,000
- School Foods - \$1,297,306

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$14,074,855	\$0
FY07	\$20,995,626	\$0

**PL- 28 - Increasing Federal authority to anticipated level -**

This \$35 million biennial adjustment in federal spending authority for grant awards currently administered by the Office of Public Instruction adjusts appropriations to the anticipated level of federal revenue.

Federal Grant Increases		
Program Name	FY 2006	FY 2007
Individuals with Disabilities Education Act Part B	\$ 6,999,855	\$ 11,470,626
Title VI Part B - 21st Century	2,200,000	2,200,000
Child Nutrition - School Lunch	2,200,000	3,600,000
Child Nutrition - School Breakfast	1,000,000	1,800,000
Child Nutrition - Summer Food	500,000	750,000
Title II, Part B - Math/Science	675,000	675,000
Title I	500,000	500,000
<b>Total Federal Grant Awards</b>	<b>\$ 14,074,855</b>	<b>\$ 20,995,626</b>



**Office of Public Instruction-3501  
Local Education Activities-09**

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$885,593	\$885,593
FY07	\$1,805,015	\$1,805,015

**NP- 6 - Special Education Increase -**

In addition to the amount appropriated in FY 2005, the executive is recommending that the inflationary adjustment provided in Section 20-9-326, MCA be applied to special education funding as well as basic and per ANB entitlements. The inflators used for entitlements are 2.10 percent in FY 2006 and 2.19 percent in FY 2007. The additional general fund requirement is \$2.7 million in the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,000,000	\$1,000,000
FY07	\$1,000,000	\$1,000,000

**NP- 21 - Additional School Facility Reimbursement -**

In addition to the present law increase provided for school facility reimbursement, the executive recommends an additional \$1 million general fund each year of the biennium to be distributed to school districts for school facility bond payments. As additional bonds are passed throughout the state additional state support is needed to keep the pro-ration of eligible costs close to 100%.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$85,000	\$85,000
FY07	\$85,000	\$85,000

**NP- 50 - Additional funding - Gifted and Talented -**

This proposal adds \$85,000 general fund per year to the current gifted and talented block grant of \$150,000 per year. These funds are used to provide a small amount of earmarked funds for the gifted and talented programs in schools, most gifted and talented funding services are provided by the district general fund budgets.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$285,000	\$285,000
FY07	\$285,000	\$285,000

**NP- 51 - Additional funding - Career and Technical Education -**

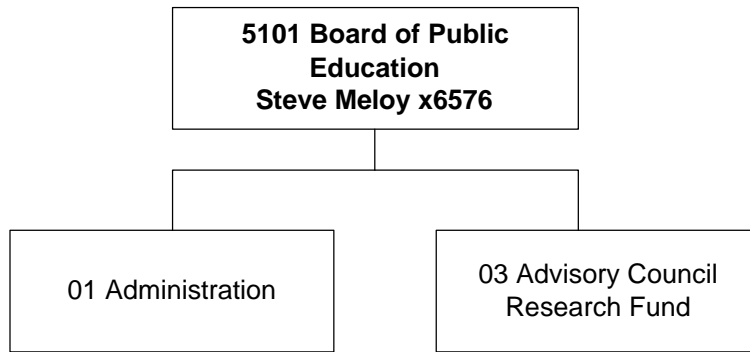
This request increases the state Career and Technical Education allocation from \$715,000 to \$1,000,000 general fund per year. The requested funding is distributed to schools help Career and Technical Education programs keep pace with the student needs for education in today's technical economy. New technologies and constantly emerging career opportunities require continual program improvement, professional development and well-equipped learning environments.

**Language Recommendations –**

All revenue received in the state traffic education account for distribution to schools under the provisions of 20-7-506 and 61-5-121 is appropriated as provided in Title 20, chapter 7, part 5. This appropriation may not exceed \$1 million a year.

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

# Board of Public Education-5101



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

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

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	212,729	5,770	3,300	221,799	6,120	3,300	222,149
Operating Expenses	81,365	50,768	6,700	138,833	46,779	6,700	134,844
<b>Total Costs</b>	<b>\$294,094</b>	<b>\$56,538</b>	<b>\$10,000</b>	<b>\$360,632</b>	<b>\$52,899</b>	<b>\$10,000</b>	<b>\$356,993</b>
General Fund	141,309	18,983	7,000	167,292	17,039	7,000	165,348
State/Other Special	152,785	37,555	3,000	193,340	35,860	3,000	191,645
<b>Total Funds</b>	<b>\$294,094</b>	<b>\$56,538</b>	<b>\$10,000</b>	<b>\$360,632</b>	<b>\$52,899</b>	<b>\$10,000</b>	<b>\$356,993</b>

# Board of Public Education-5101 Administration-01

<b>01 Administration</b>
--------------------------

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

Program Proposed Budget	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	2.00	0.00	0.00	2.00	0.00	0.00	2.00
Personal Services	88,518	32,593	3,300	124,411	32,950	3,300	124,768
Operating Expenses	52,791	1,378	6,700	60,869	(923)	6,700	58,568
<b>Total Costs</b>	<b>\$141,309</b>	<b>\$33,971</b>	<b>\$10,000</b>	<b>\$185,280</b>	<b>\$32,027</b>	<b>\$10,000</b>	<b>\$183,336</b>
General Fund	141,309	18,983	7,000	167,292	17,039	7,000	165,348
State/Other Special	0	14,988	3,000	17,988	14,988	3,000	17,988
Federal Special	0	0	0	0	0	0	0
<b>Total Funds</b>	<b>\$141,309</b>	<b>\$33,971</b>	<b>\$10,000</b>	<b>\$185,280</b>	<b>\$32,027</b>	<b>\$10,000</b>	<b>\$183,336</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,350	\$1,350
FY07	\$1,350	\$1,350

**PL- 1 - Per Diem Reinstated -**

Restore \$1,350 in each year of the biennium provides board member per diem which is deleted from the actual FY 2004 expenditures in creating the base budget.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$6,000	\$3,000
FY07	\$6,000	\$3,000

**NP- 2 - Out-of-State Travel -**

The Board of Public Education is currently a member of the National Association of State Boards of Education (NASBE), which provides technical support and assistance on a variety of state and federal educational issues such as the No Child Left Behind legislation. This decision package will provide \$3,000 state special revenue and \$3,000 general fund in each year of the biennium for board members travel to NASBE events.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$4,000	\$4,000
FY07	\$4,000	\$4,000

**NP- 3 - Additional Meetings - Board of Education -**

Provide travel and per diem of \$4,000 general fund in each year of the biennium will allow the Board of Public Education to meet with the Board of Regents as the Board of Education for two meetings each fiscal year. The Board of Public Education is currently funded to meet eight times a year. Pursuant to 20-2-101 (6), MCA the Board of Public Education and the Board of Regents need to meet at least twice yearly as the Board of Education. Currently, both Boards meet this mandate by overlapping their January and July meetings.

**Board of Public Education-5101  
Advisory Council-03**

<b>03 Advisory Council</b>
----------------------------

**Program Description** - The seven-member Certification Standards and Practices Advisory Council was created by the Legislature in 1987 to study and make recommendations to the Board of Public Education in the following areas: 1) teacher, administrator, and specialist certification standards; 2) the status and efficacy of approved teacher education programs; and 3) the feasibility of establishing teaching certification and the appeals process. The board staff provides administrative, research, and clerical duties to the council. The advisory council is created in 2-15-1522, MCA.

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2004	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2006	Fiscal 2006	Fiscal 2006	Fiscal 2007	Fiscal 2007	Fiscal 2007
FTE	2.00	0.00	0.00	2.00	0.00	0.00	2.00
Personal Services	124,211	(26,823)	0	97,388	(26,830)	0	97,381
Operating Expenses	28,574	49,390	0	77,964	47,702	0	76,276
<b>Total Costs</b>	<b>\$152,785</b>	<b>\$22,567</b>	<b>\$0</b>	<b>\$175,352</b>	<b>\$20,872</b>	<b>\$0</b>	<b>\$173,657</b>
State/Other Special	152,785	22,567	0	175,352	20,872	0	173,657
<b>Total Funds</b>	<b>\$152,785</b>	<b>\$22,567</b>	<b>\$0</b>	<b>\$175,352</b>	<b>\$20,872</b>	<b>\$0</b>	<b>\$173,657</b>

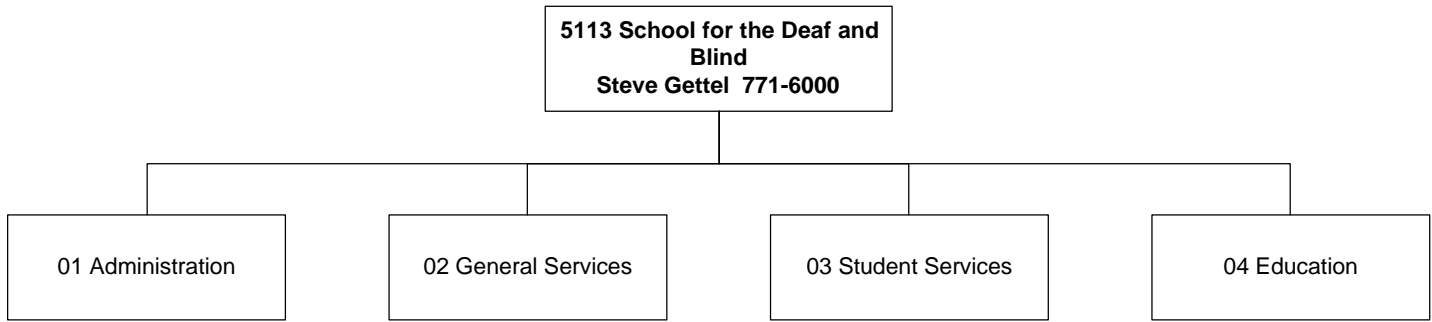
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$47,500	\$0
FY07	\$47,500	\$0

**PL- 7000 - Tie Appropriations to Anticipated Revenue -**

Research state special revenue is anticipated to be \$58,000 in FY 2006 and \$60,000 in FY 2007 with an estimated balance of \$113,769 in FY 2005. This adjustment of \$47,500 in FY 2006 and 2007 brings the research fund spending appropriation to \$60,000 in each year of the biennium. The research revenue is designated by 20-4-109, MCA for activities in support of the constitutional and statutory duties of the Board of Public Education and the Certification Standards and Practices Advisory Council.

## School for the Deaf and Blind-5113



**Mission Statement** - To provide to deaf children and blind children in the State of Montana a quality comprehensive education that will impart the opportunities to enable them to achieve their greatest potential of independence and success; and to serve as a resource center providing information, consultation, technical assistance, and leadership to (1) parents of deaf and/or blind children not yet enrolled in an educational program, (2) to public schools in the state having deaf and/or blind children enrolled, and (3) to organizations and individuals concerned with the provision of services to these children.

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

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	81.68	(0.73)	0.00	80.95	(0.73)	0.00	80.95
Personal Services	3,285,424	475,472	0	3,760,896	475,109	0	3,760,533
Operating Expenses	561,260	48,297	0	609,557	15,955	0	577,215
<b>Total Costs</b>	<b>\$3,846,684</b>	<b>\$523,769</b>	<b>\$0</b>	<b>\$4,370,453</b>	<b>\$491,064</b>	<b>\$0</b>	<b>\$4,337,748</b>
General Fund	3,408,893	575,943	0	3,984,836	543,238	0	3,952,131
State/Other Special	341,095	(58,343)	0	282,752	(58,343)	0	282,752
Federal Special	96,696	6,169	0	102,865	6,169	0	102,865
<b>Total Funds</b>	<b>\$3,846,684</b>	<b>\$523,769</b>	<b>\$0</b>	<b>\$4,370,453</b>	<b>\$491,064</b>	<b>\$0</b>	<b>\$4,337,748</b>

## School for the Deaf and Blind-5113 Administration Program-01

<b>01 Administration</b>
--------------------------

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

**Program Indicators -**

Indicator	Actual FY 2002	Actual FY 2003	Actual FY 2004	Projected FY 2005	Projected FY 2006	Projected FY 2007
<b>Campus Based Services 20-8-102 MCA, 10.61.102 ARM</b>						
<b>Total Served</b>	<b>314</b>	<b>439</b>	<b>453</b>	<b>459</b>	<b>467</b>	<b>471</b>
Education Program - Deaf	53	48	51	54	56	56
Education Program – Blind	27	25	24	25	26	27
Residential Program *	42	40	37	40	43	44
Evaluations – Educational	32	29	23	30	32	34
Evaluations – Audiological	160	297	318	310	310	310
Outreach and Itinerant Services 20-8-102 MCA, 10.61.102 ARM						
<b>Total Served</b>	<b>255</b>	<b>292</b>	<b>301</b>	<b>303</b>	<b>300</b>	<b>297</b>
Consultation Services - Deaf	75	89	95	95	93	91
Family Advisor Program	10	15	18	20	22	24
Consultation Services - Blind	170	188	188	188	185	182
Summer Programs 20-8-102 MCA, 10.61.103 ARM						
<b>Total Participants</b>	<b>206</b>	<b>251</b>	<b>287</b>	<b>315</b>	<b>320</b>	<b>320</b>
Summer Skills Program for Blind	8	13	8	10	12	12
Summer Camp for Deaf/Hearing Impaired	21	28	26	26	28	28
Family Learning Weekend - Blind	57	85	90	99	105	105
Family Learning Weekend – Deaf	120	125	163	180	175	175
<b>Professional Development – Parents, School Districts and Education Associations - (Not including training for MSDB staff) 20-8-102 MCA</b>						
Total Participants	<b>785</b>	<b>1,100</b>	<b>1,377</b>	<b>1,710</b>	<b>1,795</b>	<b>1,885</b>
Number of Training Sessions	43	54	90	95	100	105
Total Population Served	<b>1,560</b>	<b>2,082</b>	<b>2,418</b>	<b>2,787</b>	<b>2,882</b>	<b>2,973</b>
Percent Change Over Previous Year	<b>+40%</b>	<b>+33%</b>	<b>+14%</b>	<b>+13%</b>	<b>+3%</b>	<b>+3%</b>

\* Residential Program numbers include individuals that are also served in the Education Programs for Deaf, Blind.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00
Personal Services	258,906	(1,117)	0	257,789	(1,143)	0	257,763
Operating Expenses	71,756	34,147	0	105,903	8,479	0	80,235
<b>Total Costs</b>	<b>\$330,662</b>	<b>\$33,030</b>	<b>\$0</b>	<b>\$363,692</b>	<b>\$7,336</b>	<b>\$0</b>	<b>\$337,998</b>
General Fund	330,662	32,591	0	363,253	6,897	0	337,559
State/Other Special	0	439	0	439	439	0	439
<b>Total Funds</b>	<b>\$330,662</b>	<b>\$33,030</b>	<b>\$0</b>	<b>\$363,692</b>	<b>\$7,336</b>	<b>\$0</b>	<b>\$337,998</b>

## School for the Deaf and Blind-5113 General Services-02

<b>02 General Services</b>
----------------------------

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

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00
Personal Services	128,630	19,135	0	147,765	19,854	0	148,484
Operating Expenses	254,389	11,598	0	265,987	4,827	0	259,216
<b>Total Costs</b>	<b>\$383,019</b>	<b>\$30,733</b>	<b>\$0</b>	<b>\$413,752</b>	<b>\$24,681</b>	<b>\$0</b>	<b>\$407,700</b>
General Fund	383,019	30,733	0	413,752	24,681	0	407,700
<b>Total Funds</b>	<b>\$383,019</b>	<b>\$30,733</b>	<b>\$0</b>	<b>\$413,752</b>	<b>\$24,681</b>	<b>\$0</b>	<b>\$407,700</b>

There are no decision packages (DP) in this program.

## School for the Deaf and Blind-5113 Student Services-03

<b>03 Student Services</b>
----------------------------

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

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	29.74	0.00	0.00	29.74	0.00	0.00	29.74
Personal Services	906,663	146,396	0	1,053,059	150,025	0	1,056,688
Operating Expenses	99,047	4,833	0	103,880	4,930	0	103,977
Equipment	0	0	0	0	0	0	0
<b>Total Costs</b>	<b>\$1,005,710</b>	<b>\$151,229</b>	<b>\$0</b>	<b>\$1,156,939</b>	<b>\$154,955</b>	<b>\$0</b>	<b>\$1,160,665</b>
General Fund	977,958	149,870	0	1,127,828	153,596	0	1,131,554
Federal Special	27,752	1,359	0	29,111	1,359	0	29,111
<b>Total Funds</b>	<b>\$1,005,710</b>	<b>\$151,229</b>	<b>\$0</b>	<b>\$1,156,939</b>	<b>\$154,955</b>	<b>\$0</b>	<b>\$1,160,665</b>

There are no decision packages (DP) in this program.



## School for the Deaf and 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.

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2004	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2006	Fiscal 2006	Fiscal 2006	Fiscal 2007	Fiscal 2007	Fiscal 2007
FTE	42.94	(0.73)	0.00	42.21	(0.73)	0.00	42.21
Personal Services	1,991,225	311,058	0	2,302,283	306,373	0	2,297,598
Operating Expenses	136,068	(2,281)	0	133,787	(2,281)	0	133,787
<b>Total Costs</b>	<b>\$2,127,293</b>	<b>\$308,777</b>	<b>\$0</b>	<b>\$2,436,070</b>	<b>\$304,092</b>	<b>\$0</b>	<b>\$2,431,385</b>
General Fund	1,717,254	362,749	0	2,080,003	358,064	0	2,075,318
State/Other Special	341,095	(58,782)	0	282,313	(58,782)	0	282,313
Federal Special	68,944	4,810	0	73,754	4,810	0	73,754
<b>Total Funds</b>	<b>\$2,127,293</b>	<b>\$308,777</b>	<b>\$0</b>	<b>\$2,436,070</b>	<b>\$304,092</b>	<b>\$0</b>	<b>\$2,431,385</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$10,930	\$10,930
FY07	\$10,930	\$10,930

**PL- 2 - Extracurricular Compensation -**

The school pays staff for supervising or coaching extracurricular activities in sports and other school functions, which is contained in the collective bargaining agreement. The executive recommends \$10,930 general fund in each year of the biennium to pay this compensation. Included in this amount are \$9,234 in salaries and \$1,696 in employer paid benefits.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$0
FY07	\$0	\$0

**PL- 5 - Replacement Lease Vehicles -**

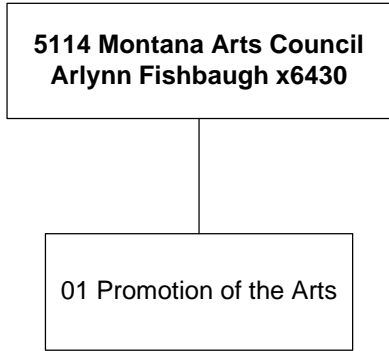
Lease a car and van to replace vehicles used by the Outreach Consultant and the school in Great Falls. The total cost for both lease vehicles is \$10,217 per year. The total lease cost is offset by base reductions in operating expenses of \$10,217 and no increase to the 2007 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$31,328)	(\$31,328)
FY07	(\$31,259)	(\$31,259)

**PL- 7 - Statewide FTE Reduction -**

This decision package implements an FTE based on the reductions taken in the 2003 legislative session. This 0.73 FTE and \$31,000 general fund per year are removed from the budget permanently.

# Montana Arts Council-5114 Promotion of the Arts-01



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

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

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

**Language Recommendations-** "All federal funds in item 1 are biennial appropriations."

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	7.00	0.00	0.00	7.00	0.00	0.00	7.00
Personal Services	374,214	58,146	0	432,360	58,441	0	432,655
Operating Expenses	198,491	(13,167)	5,000	190,324	(41,882)	5,000	161,609
Grants	452,330	10,054	0	462,384	14,747	0	467,077
Transfers	0	0	40,000	40,000	0	0	0
<b>Total Costs</b>	<b>\$1,025,035</b>	<b>\$55,033</b>	<b>\$45,000</b>	<b>\$1,125,068</b>	<b>\$31,306</b>	<b>\$5,000</b>	<b>\$1,061,341</b>
General Fund	286,250	25,106	45,000	356,356	(345)	5,000	290,905
State/Other Special	158,801	7,177	0	165,978	8,901	0	167,702
Federal Special	579,984	22,750	0	602,734	22,750	0	602,734
<b>Total Funds</b>	<b>\$1,025,035</b>	<b>\$55,033</b>	<b>\$45,000</b>	<b>\$1,125,068</b>	<b>\$31,306</b>	<b>\$5,000</b>	<b>\$1,061,341</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$558	\$158
FY07	\$3,618	\$1,008

**PL- 1 - Rent Increase -**

This is the cost and funding for the present law increase in rent under the negotiated lease with the City-County Administration and the Department of Administration. The increase is projected at 3% per year. The cost of rent is shared \$1,166 general fund, \$1,844 state special revenue and \$1,166 federal funds over the biennium.

**Montana Arts Council-5114  
Promotion of the Arts-01**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$6,428	\$6,428
FY07	\$4,902	\$4,902

**PL- 2 - Equipment Replacement -**

Computer replacement of four PC's, two laptops and two printers is funded with general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$10,054	\$0
FY07	\$14,747	\$0

**PL- 4 - Federal Funds Increase -**

This increase is allocated by the National Endowment for Arts for Challenge America purposes. The Basic State Plan funds decreased while the Challenge America funds increased providing funding over the biennium of approximately \$24,800 federal funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$26,176	\$12,597
FY07	\$15,561	\$7,089

**PL- 5 - Administrative Cost Adjustments -**

This decision package establishes the anticipated cost of per diem for the Council, Cultural & Aesthetic Projects and the Citizens Advisory Panel and allows for other basic adjustments such as professional services, legal fees, printing, in-state lodging and a state and federal required strategic plan. Funding will also provide for mid-tier processing and LAN administration from ITSD for approximately \$9,700 over the biennium. The funding of this proposal is \$19,686 general fund, \$5,038 state special revenue fund and \$17,013 federal funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$45,000)	(\$15,000)
FY07	(\$45,000)	(\$15,000)

**PL- 7000 - Alternative Pay Plan Conversion -**

At the end of FY 2004 the agency converted to the alternative pay plan 20. The alternative pay plan allows the agency to compensate employees at the level necessary to recruit and retain a qualified department staff. This increase in pay expenditures is captured in the budgeting process and included in statewide present law adjustments. The annual cost of the conversion is approximately \$45,000 and funding is split evenly between general fund, state special revenue and federal special revenue. Without this reduction in budget authority, the agency budget would increase by \$45,000 without the direct approval of the legislature. The operating budget for the program is being reduced by a like amount to fund the conversion.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$5,000	\$5,000
FY07	\$5,000	\$5,000

**NP- 3 - E-Grants and Data Base System – Restricted/OTO-**

This request is one-time-only, restricted and biennial and will be paid from one-time general fund revenues. ITSD has submitted a proposal on behalf of the Montana Arts Council to develop and design a database and an e-grants system. The project is expected to enhance the grant submission and review process for the council. The project will cost \$10,000 over the biennium.

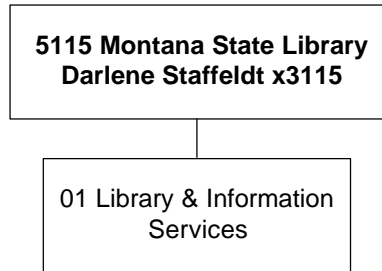
**Montana Arts Council-5114  
Promotion of the Arts-01**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$40,000	\$40,000
FY07	\$0	\$0

**NP- 7001 - Additional Grant Money for Loss of C&A Interest –Restricted/OTO-**

This request is one-time-only, restricted biennial appropriation transfer to the Cultural & Aesthetic (C&A) Project Fund and will be paid from one-time revenues. It provides additional resources for grants for the Montana Arts Council in House Bill 2 to soften the interest earnings reductions in the C&A Trust Fund. The executive budget transfers \$3.9 million of general fund to the C&A Trust Fund and removes all of the general fund that had been contained in HB 9 (C&A Grant Awards) in previous biennia.

# Library Commission-5115 Statewide Library Resources-01



**Mission Statement** - To help all citizens receive the information services that they need to improve or enhance their lives by providing comprehensive information about natural resources; fulfilling the information needs of state agency employees; preserving state publications; improving public library services; promoting cooperation among Montana libraries of all types; and providing reading material to those with physical disabilities.

**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, functions as a partial depository for federal government publications, 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.

**Language Recommendations-** "Item 1 includes biennial appropriations of \$251,138 in general fund money and \$850,000 in federal funds for grants to local libraries."

**Program Indicators -**

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Consulting contacts	11,558	10,976	12,324	12,714	13,731	14,175
Talking book circulation	145,384	144,828	141,864	144,700	147,600	153,500
Digital Library – Reference request	7,637	7,180	4,604	5,064	5,571	6,128
Digital Library – Visitor sessions to web based services	608,525	761,000	847,023	890,000	934,500	981,225

**Consulting Contacts** defined as providing information and advise to librarians (mainly the 79 public library directors and staff, but occasionally to the 646 academic, special or school librarians), trustees (five for each of the 79 public libraries), administrators, and users of Montana libraries on all aspects of providing library services to Montanans. This consulting is provided on an variety of topics including, but not limited to, donations, censorship, e-rate application forms, library certification, technology plans, use of OCLC/WLN, use of MLN gateway, long range planning, statewide periodical database usage, collection development guidelines, internet connectivity, budgeting, acceptable use policies, trustee training, children’s services, availability of grant funds, library personnel issues.

**Talking Book Library.** The active patron population remains fairly consistent at approximately 2,600 patrons. At this time this number includes only the physical talking books provided not the web services provided.

## Library Commission-5115 Statewide Library Resources-01

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

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

**Reference Services** include those information transactions in which a staff member responds to an inquiry. These often involve research and assimilation of data and information from various sources on behalf of the patron. Reference services decreased during FY 2004 due to transition activities – moving from print-based library services to electronic-based library services. Expectations are that the number of reference services provided will again increase as the volume of data and information served through the library grows. Although reliance on Web-based services will continue to increase (see Visitor Sessions statistics), there will also be an increasing need for library staff to be able to intelligently filter, interpret, customize and package digital information on behalf of patrons.

A **Visitor Session to a web based information resource** is defined as a discrete period of time during which a unique user comes to our web site and uses the resources on any given day. Visitor sessions represent a visit to our digital library during which a patron may utilize several different information resources; this statistic reflects the value of a particular web-based resource more accurately than “hits” or similar measurements sometimes used. In FY 2004, 847,023 visitor sessions averaged approximately 13 minutes each. This translates to 504 hours of web service usage by our patrons for every calendar day of the year.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	28.50	0.00	1.00	29.50	0.00	1.00	29.50
Personal Services	1,466,723	(186,892)	29,645	1,309,476	(186,551)	29,565	1,309,737
Operating Expenses	1,311,150	(24,295)	0	1,286,855	(37,274)	0	1,273,876
Equipment	74,885	3,534	70,000	148,419	5,300	0	80,185
Grants	423,332	883,316	25,136	1,331,784	277,655	25,136	726,123
<b>Total Costs</b>	<b>\$3,276,090</b>	<b>\$675,663</b>	<b>\$124,781</b>	<b>\$4,076,534</b>	<b>\$59,130</b>	<b>\$54,701</b>	<b>\$3,389,921</b>
General Fund	1,497,806	224,506	124,781	1,847,093	7,972	54,701	1,560,479
State/Other Special	1,020,396	28,351	0	1,048,747	28,352	0	1,048,748
Federal Special	757,888	422,806	0	1,180,694	22,806	0	780,694
<b>Total Funds</b>	<b>\$3,276,090</b>	<b>\$675,663</b>	<b>\$124,781</b>	<b>\$4,076,534</b>	<b>\$59,130</b>	<b>\$54,701</b>	<b>\$3,389,921</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$28,351	\$0
FY07	\$28,352	\$0

#### **PL- 2 - Library Federation Support -**

The Coal Tax Shared account will provide funding to the Library Federation program of \$56,703 over the biennium. Federations offer library workers in Montana's rural areas the benefits of quality education opportunities and the ability to leverage local and state funds to purchase expensive library services and products.

## Library Commission-5115 Statewide Library Resources-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$768,202	\$107,278
FY07	\$162,540	(\$98,384)

### PL- 8 - Standard Base Adjustments -

The decision package reestablishes zero-based per diem and volunteer insurance, increases the federal authority to the estimated grant awards and realigns the biennial appropriation and establishes it in the first year of the biennium. FY 2007 appears negative due to moving the full appropriation back into FY 2006. The biennial increase of these adjustments is \$8,894 in general funds and \$921,848 in federal funds.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$0
FY07	\$0	\$0

### PL- 10 - Transfer Base Expenditures from Renewable Resource to Reclamation and Development -

The Natural Resource Information System Program (NRIS) at the State Library is partially funded with Renewable Resource (02272) funds and Reclamation Development (02458) funds. Because of cash flow problems in the Renewable Resources Program, base expenditures are transferred to the Reclamation and Development Program.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$29,645	\$29,645
FY07	\$29,565	\$29,565

### NP- 7000 - Clerical Assistance in Library Development -

This decision package will restore 1.00 FTE and approximately \$59,000 in general fund lost in the reduction of funds for the 2005 biennium. Funding will provide clerical assistance in the Library Development Department, which provides a variety of services to Montana libraries including, managing joint projects for services, interpreting federal and state regulations and laws and improving technology and other library services.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$25,136	\$25,136
FY07	\$25,136	\$25,136

### NP- 7001 - Interlibrary Loan Reimbursement -

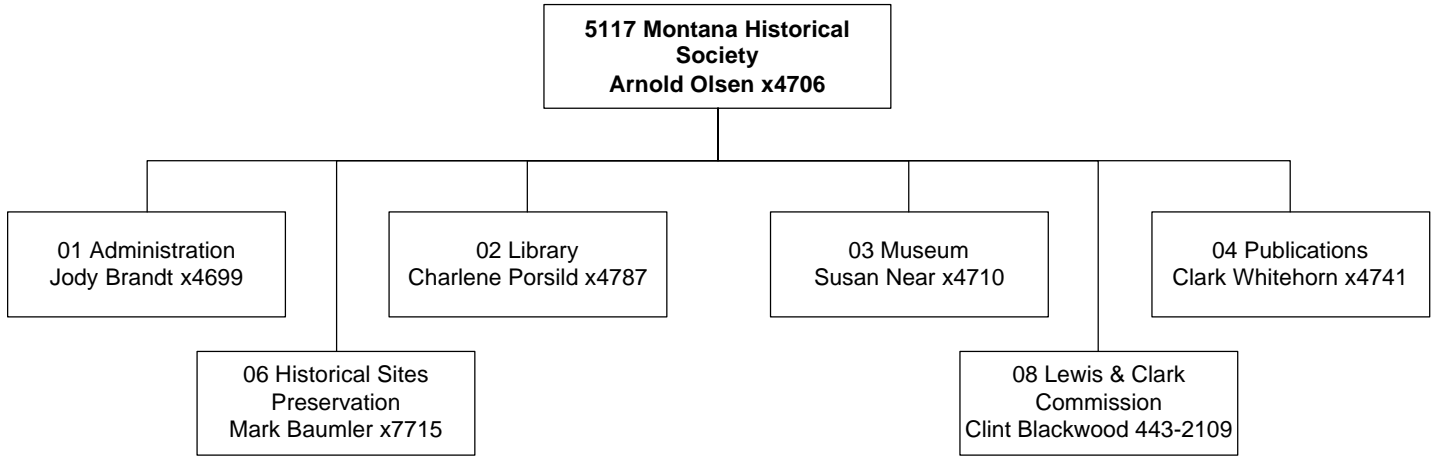
Restore partial funding of \$25,136 general fund per year to the Interlibrary Loan Reimbursements program. Montana has reimbursed loans among all Montana libraries since July 1, 1989. Payments dropped from \$9.59 in FY 2002 to \$5.60 in FY 2004. This funding is anticipated to provide payments at \$5.40 per loan while the cost to the library to loan materials will be about \$18.00.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$70,000	\$70,000
FY07	\$0	\$0

### NP- 7002 - Computer Equipment Upgrade –Restricted/OTO-

This request is one-time-only, restricted and will be paid from one-time general fund revenues. During the 2003 legislative session, the Montana State Digital Library (MSdL) was formed by combining the Library and Information Services Division and the Natural Resource Information System. This transformation has now established highly functional and enhanced services and a truly digital presence for the MSdL. Additionally, there is a need to invest in information technology infrastructure to support the mission of the MSdL to keep it on par with changing technology. Three outstanding issues remain to be addressed: A higher capacity tape backup system costing approximately \$25,000; A backup generator costing approximately \$35,000 that would provide power for critical systems in the event of a power outage of long duration; Finally, additional hard-disk storage to accommodate anticipated growth in storage needs costing approximately \$10,000.

# Historical Society-5117



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

**Statutory Authority** - Title 22, Chapter 3, MCA.

**Language -**

The legislature added the following language that requests the Department of Commerce to use a portion of the accommodations tax funding for Historical Society projects, similar to language approved by the 2005 legislature.

"It is the intent of the legislature that the Department of Commerce use lodging facility use taxes to fund \$617,782 in fiscal year 2006 and \$617,782 in fiscal year 2007 for the Montana Historical Society. This would be expended as follows:

▪ Historical Interpretation	\$197,631	\$190,392
▪ Scriver Collection	120,151	127,390
▪ Lewis and Clark Exhibit & Interpretation	100,000	100,000
▪ Lewis and Clark Bicentennial Commission	200,000	200,000

The first three uses of lodging taxes are budgeted in items 1 and 3. The \$200,000 each fiscal year of the biennium for the Lewis and Clark Bicentennial Commission is a language appropriation."

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	57.68	(0.84)	0.75	57.59	(0.84)	0.75	57.59
Personal Services	2,275,999	221,509	29,924	2,527,432	220,374	29,883	2,526,256
Operating Expenses	1,254,988	114,536	35,600	1,405,124	85,315	35,600	1,375,903
Equipment	9,910	65,668	0	75,578	10,892	0	20,802
Grants	194,795	0	0	194,795	0	0	194,795
Transfers	46,752	0	0	46,752	0	0	46,752
<b>Total Costs</b>	<b>\$3,782,444</b>	<b>\$401,713</b>	<b>\$65,524</b>	<b>\$4,249,681</b>	<b>\$316,581</b>	<b>\$65,483</b>	<b>\$4,164,508</b>
General Fund	1,715,418	228,053	0	1,943,471	153,144	0	1,868,562
State/Other Special	517,318	38,337	0	555,655	37,256	0	554,574
Federal Special	720,896	70,645	0	791,541	69,893	0	790,789
Proprietary	828,812	64,678	65,524	959,014	56,288	65,483	950,583
<b>Total Funds</b>	<b>\$3,782,444</b>	<b>\$401,713</b>	<b>\$65,524</b>	<b>\$4,249,681</b>	<b>\$316,581</b>	<b>\$65,483</b>	<b>\$4,164,508</b>



## Historical Society-5117 Administration Program-01

<b>01 Administration</b> <b>Jody Brandt x4699</b>
--

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

**Program Indicators -**

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Visitors to the Society	62,319	68,000	39,486	40,000	40,000	40,000
Member Program *	1,299	1,300	1,300	1,300	1,300	1,300

\*In fiscal year 2002 the Society revamped and renamed its "Special Member" Program, to its "Member Program".

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	17.58	0.00	0.75	18.33	0.00	0.75	18.33
Personal Services	727,347	69,612	29,924	826,883	69,014	29,883	826,244
Operating Expenses	703,321	133,786	15,600	852,707	104,355	15,600	823,276
Equipment	0	65,074	0	65,074	10,000	0	10,000
<b>Total Costs</b>	<b>\$1,430,668</b>	<b>\$268,472</b>	<b>\$45,524</b>	<b>\$1,744,664</b>	<b>\$183,369</b>	<b>\$45,483</b>	<b>\$1,659,520</b>
General Fund	864,130	160,116	0	1,024,246	84,689	0	948,819
State/Other Special	115,933	31,449	0	147,382	30,313	0	146,246
Federal Special	88,686	44,746	0	133,432	44,683	0	133,369
Proprietary	361,919	32,161	45,524	439,604	23,684	45,483	431,086
<b>Total Funds</b>	<b>\$1,430,668</b>	<b>\$268,472</b>	<b>\$45,524</b>	<b>\$1,744,664</b>	<b>\$183,369</b>	<b>\$45,483</b>	<b>\$1,659,520</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$55,074	\$55,074
FY07	\$0	\$0

**PL- 1 - Security Equipment Replacement – Restricted/OTO-**

The request is one-time-only, restricted and will be paid from one-time general fund revenues. The proposal is for replacement of security systems and equipment within the Historical Society's galleries and exhibits. Some of the components of the current system are out-dated and prone to failure. Replacement involves following the agency's replacement schedule to upgrade or replace items such as security cameras, security monitors, the multiplexer camera, the switcher camera, the time lapse VCR, the computer and printer attached to the security system and replacement and enhancement of outside lighting. This is a general fund request for \$55,074 in FY 2006 and would ensure the protection and security of valuable artwork, artifacts and archives at risk, including for example, a \$15-\$20 million dollar Russell collection.

## Historical Society-5117 Administration Program-01

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$10,000	\$10,000
FY07	\$10,000	\$10,000

**PL- 7000 - Computer Server Replacement –Restricted/OTO-**

The request is one-time-only, restricted and will be paid from one-time general fund revenues. Two servers for the Society would be purchased under this request for approximately \$20,000 over the biennium. The main Society server is no longer under warranty and the second server in the Historic Preservation program will be out of warranty during the 2007 biennium.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$27,219	\$0
FY07	\$27,178	\$0

**NP- 4 - Entrance Fee Collection and Exhibits -**

This decision package is to expend Museum entrance fees. The Museum began charging an entrance fee in February 2002 and raised fees slightly in May of 2004. The expenditure of \$54,397 over the biennium is for 0.75 FTE to provide fee collection for the museum and additional funding for the Museum program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$18,305	\$0
FY07	\$18,305	\$0

**NP- 10 - Registration Fees -**

This decision package is to expend fees charged to participants for the Montana History Conference. The fee helps pay for a portion of the salaries and operating cost incurred by the Society to administer the conference.

## Historical Society-5117 Library Program-02

<b>02 Library</b> <b>Charlene Porsild x4787</b>
--

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

**Program Indicators -**

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Number of published items and photographs acquired	15,062	17,613	7,849	12,500	12,500	12,500
Linear feet of manuscripts and state records acquired	947	349	609	800	600	600
Reference service	10,853	10,850	13,332	14,000	14,750	15,500

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	14.25	(0.16)	0.00	14.09	(0.16)	0.00	14.09
Personal Services	568,431	45,175	0	613,606	44,924	0	613,355
Operating Expenses	101,901	(588)	10,000	111,313	(583)	10,000	111,318
Equipment	9,910	594	0	10,504	892	0	10,802
<b>Total Costs</b>	<b>\$680,242</b>	<b>\$45,181</b>	<b>\$10,000</b>	<b>\$735,423</b>	<b>\$45,233</b>	<b>\$10,000</b>	<b>\$735,475</b>
General Fund	600,422	42,651	0	643,073	42,655	0	643,077
State/Other Special	24,066	1,314	0	25,380	1,370	0	25,436
Federal Special	0	0	0	0	0	0	0
Proprietary	55,754	1,216	10,000	66,970	1,208	10,000	66,962
<b>Total Funds</b>	<b>\$680,242</b>	<b>\$45,181</b>	<b>\$10,000</b>	<b>\$735,423</b>	<b>\$45,233</b>	<b>\$10,000</b>	<b>\$735,475</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$6,587)	(\$6,587)
FY07	(\$6,587)	(\$6,587)

**PL- 11 - Statewide FTE Reduction -**

This decision package implements an FTE reduction equivalent to the reductions taken in the 2003 legislative session. This 0.16 FTE and \$6,587 general fund per year are removed from the budget permanently.

**Historical Society-5117  
Library Program-02**

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$10,000	\$0
FY07	\$10,000	\$0

**NP- 1 - Library Sales Increase -**

Increased revenue in the Library Sales Enterprise fund will pay for operating costs such as microfilming, copy expenses and various other expenses that occur in meeting the public's request for state records.

## Historical Society-5117 Museum Program-03

**03 Museum  
Sue Near x4710**

**Program Description** - The Museum Program collects, preserves, and interprets the history of Montana through its material culture. The museum collects fine arts and historical, archaeological, and ethnological artifacts from Montana and the general geographic region. The program interprets its collections through exhibits, tours and traveling exhibits. The program also houses the society's education office that orchestrates events, programs, and materials on Montana history for learners of all ages.

**Program Indicators -**

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Number of exhibits*	31	24	19	21	21	21
Number of participants in Educational programs**	54,501	59,374	35,720	47,000	38,000	48,000

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

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

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	10.35	(0.68)	0.00	9.67	(0.68)	0.00	9.67
Personal Services	376,757	34,185	0	410,942	34,176	0	410,933
Operating Expenses	164,321	(925)	5,000	168,396	(923)	5,000	168,398
<b>Total Costs</b>	<b>\$541,078</b>	<b>\$33,260</b>	<b>\$5,000</b>	<b>\$579,338</b>	<b>\$33,253</b>	<b>\$5,000</b>	<b>\$579,331</b>
General Fund	158,556	26,274	0	184,830	26,269	0	184,825
State/Other Special	377,319	5,574	0	382,893	5,573	0	382,892
Proprietary	5,203	1,412	5,000	11,615	1,411	5,000	11,614
<b>Total Funds</b>	<b>\$541,078</b>	<b>\$33,260</b>	<b>\$5,000</b>	<b>\$579,338</b>	<b>\$33,253</b>	<b>\$5,000</b>	<b>\$579,331</b>

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

	FY06	(\$19,761)	(\$19,761)
	FY07	(\$19,761)	(\$19,761)

**PL- 10 - Statewide FTE reduction -**

This decision package implements an FTE reduction equivalent to the reductions taken in the 2003 legislative session. This 0.68 FTE and \$19,761 general fund per year are removed from the budget permanently.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$5,000	\$0
FY07	\$5,000	\$0

**NP- 7 - Original Governor's Mansion Entrance Fees -**

Entrance fees are estimated to increase by \$10,000 for the biennium for the Original Governor's Mansion. Funds will be utilized for minor restoration projects at the mansion.

## Historical Society-5117 Publications Program-04

<b>04 Publications</b> <b>Clark Whitehorn x4741</b>
--

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

**Program Indicators -**

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Subscribers to magazine	5,558	5,565	5,865	5,890	5,915	5,926
Number of books published By the Society Press	4	3	2	3	3	3

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	6.00	0.00	0.00	6.00	0.00	0.00	6.00
Personal Services	206,240	39,305	0	245,545	39,568	0	245,808
Operating Expenses	199,696	(5,665)	0	194,031	(5,664)	0	194,032
Transfers	46,752	0	0	46,752	0	0	46,752
<b>Total Costs</b>	<b>\$452,688</b>	<b>\$33,640</b>	<b>\$0</b>	<b>\$486,328</b>	<b>\$33,904</b>	<b>\$0</b>	<b>\$486,592</b>
General Fund	46,752	3,751	0	50,503	3,919	0	50,671
Proprietary	405,936	29,889	0	435,825	29,985	0	435,921
<b>Total Funds</b>	<b>\$452,688</b>	<b>\$33,640</b>	<b>\$0</b>	<b>\$486,328</b>	<b>\$33,904</b>	<b>\$0</b>	<b>\$486,592</b>

## Historical Society-5117 Historic Preservation Program-06

**06 Historic Sites Preservation  
Mark Baumler x7715**

**Program Description** - The Historic Sites Preservation Program administers the Montana Antiquities Act and Montana's participation in federal Historic Preservation Act and the federal grants-in-aid for historic preservation. Staff provide technical assistance to all Montana property owners. Staff review all proposed federally funded or permitted projects within the state to determine their effect on properties listed or eligible for listing on the National Register of Historic Places. The office certifies historic structures and rehabilitation projects for federal tax credits to citizens and businesses authorized by the Tax Reform Act of 1976. The program awards federal grants to local governments, communities, and individuals for: 1) the Certified Local Government Program, 2) historic survey and planning for historic areas, and 3) bricks and mortar rehabilitation when funds are available.

**Program Indicators -**

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Construction projects developed with SHPO assistance	2,212	2,200	2,958	3,000	3,100	3,200
Newly listed properties on the National Register of Historic Places	14	15	13**	12	12	12

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

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	9.50	0.00	0.00	9.50	0.00	0.00	9.50
Personal Services	397,224	33,232	0	430,456	32,692	0	429,916
Operating Expenses	85,749	(12,072)	5,000	78,677	(11,870)	5,000	78,879
Grants	194,795	0	0	194,795	0	0	194,795
<b>Total Costs</b>	<b>\$677,768</b>	<b>\$21,160</b>	<b>\$5,000</b>	<b>\$703,928</b>	<b>\$20,822</b>	<b>\$5,000</b>	<b>\$703,590</b>
General Fund	45,558	(4,739)	0	40,819	(4,388)	0	41,170
Federal Special	632,210	25,899	0	658,109	25,210	0	657,420
Proprietary	0	0	5,000	5,000	0	5,000	5,000
<b>Total Funds</b>	<b>\$677,768</b>	<b>\$21,160</b>	<b>\$5,000</b>	<b>\$703,928</b>	<b>\$20,822</b>	<b>\$5,000</b>	<b>\$703,590</b>

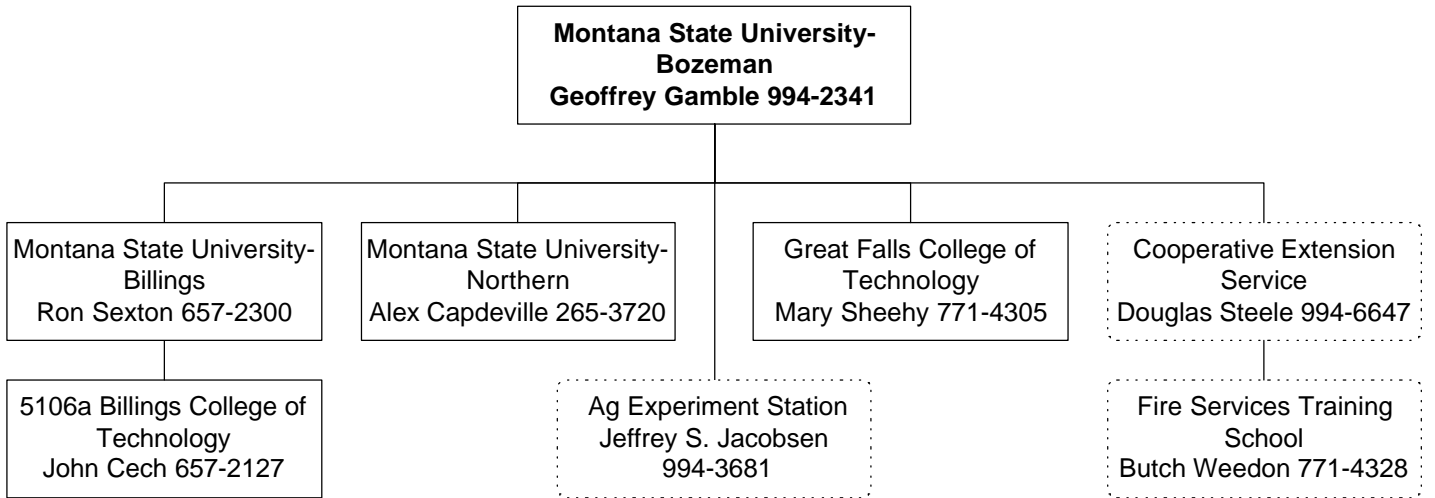
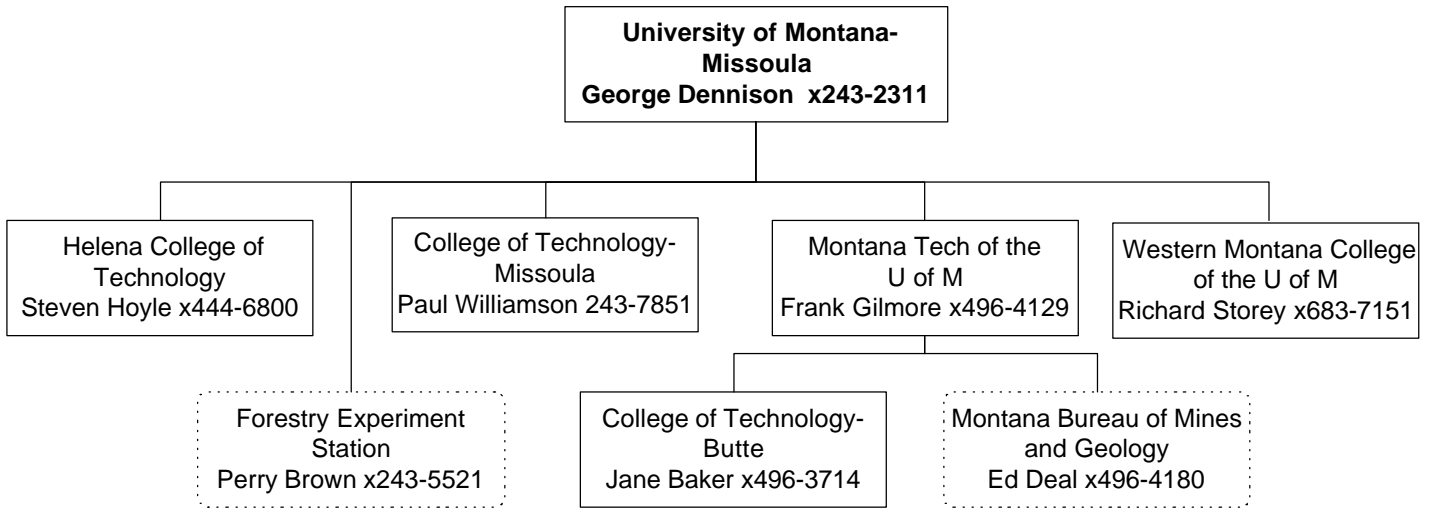
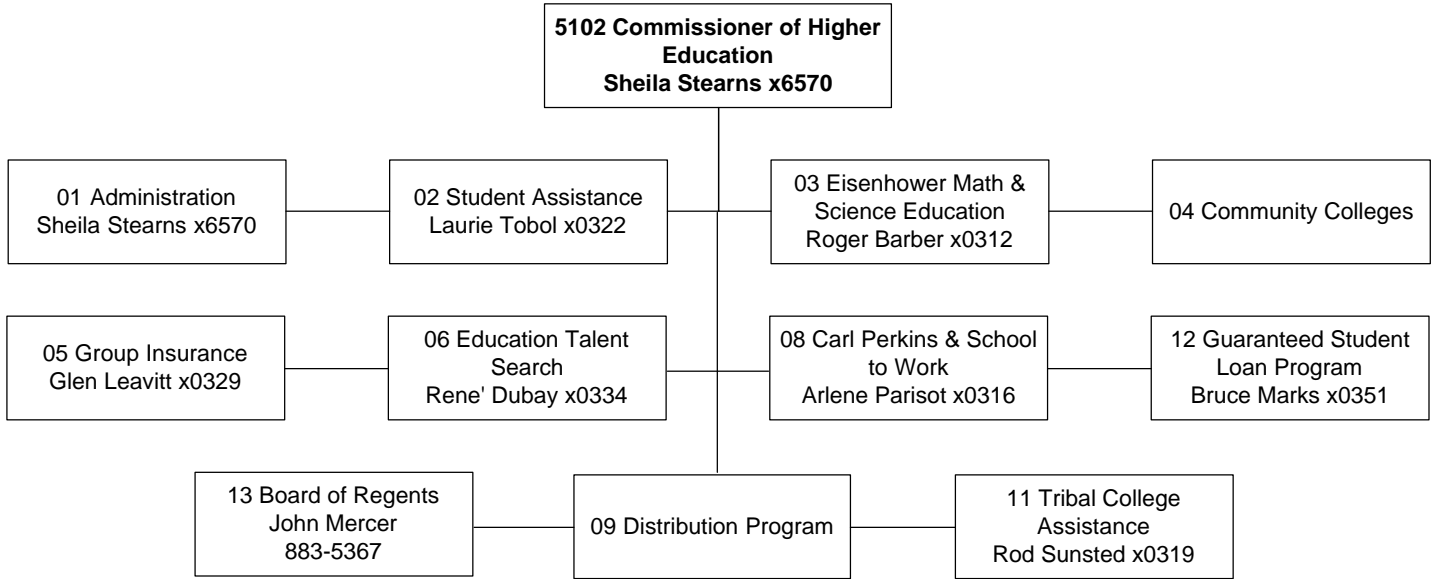
-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$5,000	\$0
FY07	\$5,000	\$0

**NP- 11 - SHPO Photocopy Fees -**

This decision package is for \$10,000 over the biennium to expend fees generated from photocopies at the State Historic Preservation Office (SHPO) of the Montana Historical Society.

# Commissioner of Higher Education-5102





## Commissioner of Higher Education-5102

**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

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Degree Productivity:						
Associate	834	952	976	980	980	980
Bachelors	4,700	4,649	4,700	4,700	4,700	4,700
Masters	959	949	955	960	965	965
Doctorate	73	75	73	75	75	75
Montana AVG Resident Undergrad Tuition as a Percentage of WICHE State's AVG 4-year	114%	134%	119%	120%	120%	120%
Instruction as a Percent of Current Unrestricted Funding	53%	53.8%	52%	52%	53%	53%
Growth in 2-year education						
Total FTE	5,538	5,791	6,264	6,303	6,497	6,726
Research Expenditures (in millions)	\$114	\$138	\$150	\$168	\$189	\$211
Resident Enrollment	27,719	28,424	29,314	28,929	29,449	29,958
Credit by Exam (4-year campuses) # of Credits	4,959	5,108	5,261	5,419	5,419	5,419

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	90.05	0.00	12.00	102.05	0.00	12.00	102.05
Personal Services	4,330,416	(183,633)	553,587	4,700,370	(183,110)	552,676	4,699,982
Operating Expenses	4,088,819	222,024	674,563	4,985,406	214,208	674,655	4,977,682
Equipment	0	0	0	0	0	0	0
Local Assistance	6,395,234	989,185	0	7,384,419	1,355,290	0	7,750,524
Grants	10,748,488	2,239,721	0	12,988,209	2,244,211	0	12,992,699
Benefits & Claims	19,921,785	8,936,000	0	28,857,785	11,170,000	0	31,091,785
Transfers	141,415,047	4,274,677	4,613,066	150,302,790	4,004,886	4,650,462	150,070,395
<b>Total Costs</b>	<b>\$186,899,789</b>	<b>\$16,477,974</b>	<b>\$5,841,216</b>	<b>\$209,218,979</b>	<b>\$18,805,485</b>	<b>\$5,877,793</b>	<b>\$211,583,067</b>
General Fund	140,778,703	4,515,044	4,933,066	150,226,813	4,428,299	4,970,462	150,177,464
State/Other Special	13,101,000	1,210,001	25,000	14,336,001	1,504,000	25,000	14,630,000
Federal Special	33,020,086	10,752,929	883,150	44,656,165	12,873,186	882,331	46,775,603
<b>Total Funds</b>	<b>\$186,899,789</b>	<b>\$16,477,974</b>	<b>\$5,841,216</b>	<b>\$209,218,979</b>	<b>\$18,805,485</b>	<b>\$5,877,793</b>	<b>\$211,583,067</b>

### Language -

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

# Commissioner of Higher Education-5102

## Governor’s Initiative

### Equipment – 2-Year Programs – Restricted/OTO

Our two-year programs within the Montana University System and Community Colleges have a wide array of serious equipment deficiencies, particularly in industrial and trade programs. Montana industry needs students trained with the current equipment and technology employed in most private industry around the state. In areas ranging from welding/metal fabrication to automotive maintenance to HVAC installation/repair our institutions are teaching with outdated and marginally functioning equipment. In some cases our lack of relevant training equipment creates worker shortages in high demand, high wage occupations. In addition, we are also increasingly facing safety concerns in some of our programs using outdated equipment.

To be an effective economic development partner, our two-year programs must provide current and relevant training experiences. This requires familiarity with the equipment our students are expected to master when they take jobs here in Montana. A one-time appropriation of \$5.0 million to the Board of Regents to fund the purchase and update of equipment for our two-year programs within the Montana University System and Community Colleges will have a tremendous impact on the ability of higher education to serve Montana’s students and businesses and our continuing efforts to improve economic development.

This appropriation must be matched dollar for dollar.

### Shared Leadership for a Stronger Montana Economy

Table E-3 Shared Leadership for a Stronger Montana Economy Proposals					
INVESTMENT AREA/PROPOSAL	OTO	Investment from the State	Investment from other Partners	Investment Students & Families through Tuition	Total Investment
<b>WORKFORCE DEVELOPMENT</b>					
Two-Year Education - Train Workers, Create Jobs, and Develop a Common Curriculum for High Demand Programs	Yes	\$ 1,200,000	\$ 400,000	\$ 1,200,000	\$ 2,800,000
MT Tech Economic Development Resource Center	Yes	100,000	200,000		\$ 300,000
Workforce System Data Collection and Management	Yes	280,000			
Increasing Supply of Health Care Workers	Yes	1,000,000	250,000		\$ 1,250,000
Subtotal		\$ 2,580,000	\$ 850,000	\$ 1,200,000	\$ 4,630,000
<b>DISTANCE EDUCATION</b>	Yes	\$ 1,000,000	\$ 250,000		\$ 1,250,000
<b>AGRICULTURE, NATURAL RESOURCE AND RURAL DEVELOPMENT</b>					
Extension Cropping Specialist	No	\$ 65,600	\$ 16,400		\$ 82,000
Livestock Specialist	No	131,200	32,800		164,000
FSTS Plan-Add One Trainer	No	153,035	38,259		191,294
Integrated Weed Management and Biotechnology	No	319,933	159,967		479,900
Technical Assistance to Small Oil and Gas Operators	No	146,880	36,720		183,600
Coal and Coalbed-Methane Technology Program	No	146,880	36,720		183,600
Subtotal		\$ 963,528	\$ 320,866	\$ -	\$ 1,284,394
<b>OUTREACH/ INCREASE SERVICES</b>					
Business and Economic Development Outreach - OCHE	Yes	360,000			360,000
<b>Total</b>		\$ 4,903,528	\$ 1,420,866	\$ 1,200,000	\$ 7,524,394

*Shared Leadership for a Stronger Montana Economy* is a partnership between the Governor, state legislature, congressional delegation, educators, and the business community. The goal of the partnership is to identify concrete actions that the Montana University System can take, in partnership with other government entities and the private

## Commissioner of Higher Education-5102

sector, to create a stronger economy and create more good paying jobs in the state. The effort has been underway in earnest since January 2004 and has developed three priority areas:

- Develop stronger business-university system partnerships for workforce training;
- Remove barriers to access for postsecondary education;
- Expand distance learning programs and opportunities.

An important objective of the “Shared Leadership” initiatives is to better coordinate statewide activities of the university system. Unless specifically directed otherwise, it is expected that funding for these initiatives will be used to support coordinated activities among multiple institutions in the higher education system. All funding is provided with an understanding that the university system will provide matching funds in the amount indicated in Table E-3. Each proposal listed below has a decision package listed in the appropriate program in the remainder of the Office of the Commissioner of Higher Education section.

### **Two-Year Education – Train Workers, Create Jobs, and Develop Common Curriculum for High Demand Occupations – Restricted/OTO (NP 60)**

This funding will create a more responsive workforce training system which can better respond to the needs of Montana businesses that require skilled craft, technical, and professional workers. It is strongly expected that programs or initiatives receiving these funds will each involve multiple institutions across the state and will not be used to support a program at a single institution that does not address inter-regional or statewide worker training needs. Funding should be used to:

- Determine Montana business’ highest demand occupations and future shortages.
- Support customized training for Montana businesses that provide good paying jobs.
- Provide incentives and programs for two-year colleges to create a common curriculum and delivery system for AAS degrees, as well as specialized endorsements, certificates, and one-year programs in high demand occupations.
- Expand Tech Prep, Med Prep, and Running Start programs in Montana high schools to encourage students to acquire proficiencies and credentials that apply to every career area.
- Provide evening, weekend, mobile, and on-line course delivery to improve access to proficiency training and credentialing for place-bound and/or geographically isolated Montana workers and workplaces.
- Create a cadre of master faculty in Montana’s two-year colleges who will deliver proficiency training to workers and workplaces throughout the state.

### **Montana Tech Economic Development Resource Center – Restricted/OTO (NP 61)**

This proposal provide \$100,000 in bridge funding to support of the Economic Development Resource Center on the campus of Montana Tech as they continue to build a self-sustained economic model.

- The program allows Montana Tech to assist in the economic development efforts currently being pursued by local and state agencies in southwest Montana.
- The Center continues to help in the recruitment of business to Southwest Montana by its proactive brokering of Montana Tech’s physical and intellectual resources to new and expanding companies.

### **Workforce System Data Collection and Management – Restricted/OTO (NP 77)**

Montana’s workforce system is fragmented, with myriad programs spread throughout the university system, K-12 and more than 40 other programs around the state. It is vital that Montana design and implement a data management system that will give the state the ability to collect, evaluate and analyze data across multiple workforce development programs. Implementation of such a system will allow Montana to identify and track system-wide indicators of achievement and to effectively manage coordination and change. This establishment of an integrated data management system that will:

- Establish a repository of existing performance data to fulfill state reporting requirements, evaluate programs, facilitate research, and provide longitudinal capability.
- Establish an independent unit and advisory group charged with improving data accuracy.
- Provide a basis for common outcome measures, comparisons, and discussions of issues across all workforce programs and operations.

### **Increasing the Supply of Health Care Workers – Restricted/OTO (NP 63)**

The ability of rural communities and health care facilities to attract and retain health care workers is declining and has threatened and will continue to threaten the viability of rural health care facilities. The loss of these important community

## Commissioner of Higher Education-5102

organizations, which provide many of the best paying jobs in their counties, has a negative multiplier effect on the jobs, income, and survival of the communities in which they exist. The Governor's Health Care Task Force has identified shortages in the availability of trained health care workers, particularly east of the divide and most critically in rural areas.

- This will provide new funds, specifically directed toward the rural delivery of health care education, producing significant financial and cultural returns by enlarging the pipeline of workers for rural facilities.
- The MUS is in a position to assist communities in remaining viable by making education and training in the health professions more accessible to an existing pool of talented, but place-bound citizens in rural areas.

### **Distance Education – Restricted/OTO (NP 51)**

The current method of providing distance and distributed courses and programs is decentralized. Disparities are confusing and costly for students, especially students who use the offerings of more than one campus. There is no common approach among distance education providers to address the crucial issues affecting affordability and quality—tuition, duplication, articulation, transfer, and best practices in teaching, assessment, and support services.

Funding will be provided to the university system to:

- Develop and implement a statewide distance learning plan, including cost analysis, organizational design, and programs, technology selection, faculty development and training, evaluation, and implementation.
- Build partnerships with the K-12 community and other education providers to identify and implement an appropriate statewide model for distance-delivered academic offerings.
- Convert and/or develop new courses for online delivery that support the related instruction requirements of apprenticeship programs, especially in nontraditional apprenticeship areas.
- Reduce duplication of costs through standardization and the development of scalable courses.
- Link accredited academic institutions and ensure seamlessly coordinated online services to students.

### **Extension Cropping Systems Specialist – Ongoing Expenditure (NP 8)**

The Cropping Systems Specialist Position will integrate with existing Agricultural Experiment Station and College of Agriculture faculty, including cropping systems research/on-campus teaching, weed management, and many others.

- Montana cropping systems have shifted fundamentally to no-till systems presenting new pest and soil management issues.
- Montana producers have an opportunity to acquire increased market share with management-intensive organic production. This Extension position is critical to reducing costly mistakes based on inexperience for new crops such as canola, mustard, sunflower, peas, lentils and chickpeas.

### **Livestock Specialist – Ongoing Expenditure (NP 16)**

A livestock specialist position will be filled and located at the Ag Research Center in Miles City.

- The U.S. beef industry is changing rapidly - driven by consumer concerns regarding food safety and dynamic global markets. Cattle and calves account for approximately one-half of Montana's agricultural income - approximately \$1 billion dollars.
- Increased educational assistance could significantly help to further improve this industry by enhancing reproductive efficiency, food safety and animal identification of non-productive animals.

### **Fire Services Plan Add One Trainer – Ongoing Expenditure (NP 66)**

This initiative will add one trainer, strategically located within the state, to meet the growing demand for skilled responders to a variety of emergency incidents at a cost-effective level.

- Public demands have resulted in an increased need to provide faster, reliable response to incidents to mitigate loss of life, injury, and economic and social cost.
- Firefighters no longer respond to just fires; they are called to the rescue of people in road traffic accidents, chemical spills, biological, radiological or nuclear threats.

### **Integrated Weed Management and Biotechnology – Ongoing Expenditure (NP 67)**

Fill two weed science positions, one in integrated weed management practices on rangeland and forestlands, and second on in biological control (disease and insect) for cropland and rangeland weeds. Also create a position in either animal or plant biotechnology to apply molecular genetic tools to improve the quality of animal and plant products.

- As part of the Montana Weed Management Plan, research is needed on integrated weed management practices and bio-control options on rangeland and croplands.
- Animal and plant biotechnology research will add value to livestock and plant systems, which will enhance the current \$2 billion, cash receipts from agriculture.

## Commissioner of Higher Education-5102

### **Technical Assistance to Small Oil and Gas Operators – Ongoing Expenditure (NP 68)**

Hire a petroleum geologist to maintain a small but steady program to compile and map regional data held in state records that will encourage exploration, and to offer other technical assistance to small operators. As the state's geological survey, Bureau of Mines (BoM) is capable of generating these maps. Current work by the BoM is limited to contract-funded projects, and is narrow in scope to comply with limitations by the funding source.

- Discovery of additional reserves and subsequent production will result in increased royalties and taxes collected. The state and the nation need increased production of oil and gas to meet current projected energy needs.

### **Coal and Coal bed-Methane Technology Program – Ongoing Expenditure (NP 69)**

This initiative will assist industry and regulators in the responsible development of coal and coal bed methane. The Bureau of Mines (BoM) would hire a coal geologist to maintain the continuity of databases and information flow, and to act as liaison with industry, regulators, and other agencies to assist in the course of responsible development.

- Montana possesses 1/3 of the strippable coal reserves in the contiguous United States. Coal mining provides a substantial tax base to the state, which should increase in the future.
- Continuing BoM technical service and research is critical to enhance new mining and to achieve large-scale coal bed-methane development.

### **Business and Economic Development in the Office of the Commissioner – Restricted/OTO (NP 40)**

The Board of Regents and the Montana University System are much more active in economic development, outreach and collaboration with government entities and educational organizations. The Office of Commissioner of Higher Education (OCHE) has had few options to take on these new initiatives and activities. Most employees have simply taken on the increased work and juggle priorities as best as they can. However, to fully recognize the potential of these activities and initiate other programs, additional staff will be required. Two positions are recommended including one high level position to establish partnerships with business, industry, government and MUS representatives. One position will be dedicated for administrative support.

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

**01 Administration**  
Sheila Stearns x6570

**Program Description** - The administration program includes: 1) general administration of the university system, 2) academic, financial, and legal administration, 3) labor relations and personnel administration, and 4) student assistance administration. 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 Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	15.40	0.00	2.50	17.90	0.00	2.50	17.90
Personal Services	1,241,468	(78,960)	170,437	1,332,945	(78,880)	170,345	1,332,933
Operating Expenses	389,454	54,389	174,563	618,406	33,053	174,655	597,162
<b>Total Costs</b>	<b>\$1,630,922</b>	<b>(\$24,571)</b>	<b>\$345,000</b>	<b>\$1,951,351</b>	<b>(\$45,827)</b>	<b>\$345,000</b>	<b>\$1,930,095</b>
General Fund	1,630,922	(24,571)	320,000	1,926,351	(45,827)	320,000	1,905,095
State/Other Special	0	0	25,000	25,000	0	25,000	25,000
<b>Total Funds</b>	<b>\$1,630,922</b>	<b>(\$24,571)</b>	<b>\$345,000</b>	<b>\$1,951,351</b>	<b>(\$45,827)</b>	<b>\$345,000</b>	<b>\$1,930,095</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$75,000	\$75,000
FY07	\$75,000	\$75,000

**PL- 2 - Potential Rent Increase for CHE - Restricted -**

The Office of the Commissioner of Higher Education (OCHE) has been informed by the Student Assistance Foundation (SAF) that they need the space that OCHE occupies at the Higher Education Complex. SAF owns the building located on Broadway Street. It is likely that by the 2007 biennium, OCHE will be forced to move into higher priced quarters. OCHE currently pays in the neighborhood of \$7 per square foot while the current market price is more in the neighborhood of \$14 a square foot.

This \$75,000 general fund appropriation is restricted to new office space.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$51,521	\$51,521
FY07	\$51,396	\$51,396

**PL- 3 - Data Warehouse - CHE -**

The Montana University System Data Warehouse is configured so that each of the Universities has a warehouse that is fed into the OCHE warehouse. The hardware and software for the MUS warehouse has been paid for out of student computer fee money. The Data Base Administrator is paid out of the Office of the Commissioner. OCHE does not have a stable source of revenue to fund this position. This position will help support the Shared Leadership Workforce System Data Collection and Management Initiative.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$22,548)	(\$22,548)
FY07	(\$22,526)	(\$22,526)

**PL- 29 - Statewide FTE Reduction -**

This decision package implements an FTE reduction equivalent to the reductions taken in the 2003 legislative session. 0.50 FTE and about \$22,500 general fund per year are removed from the budget permanently.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$25,000	\$0
FY07	\$25,000	\$0

**NP- 1 - Family Education Savings Staff -**

Allows the OCHE to hire a part-time employee and contract for an audit for the Family Education Savings Program. The Legislature authorized the Family Education Savings and the Board of Regents has operated it for 5 years.

Funding is state special revenue and comes from a portion of the application fees.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$180,000	\$180,000
FY07	\$180,000	\$180,000

**NP- 40 – Shared Leadership - Business and Economic Development Outreach – Restricted/OTO -**

Fund two FTEs to help the Board of Regents meet its mission of actively participating in the development of a strong Montana economy and other policy initiatives that require reallocation of staff. The positions requested would initiate, coordinate, or assist with state-level policy development and communications activities, as well as relieve some of the workload increase experienced by the Commissioner and her senior staff.

The request is one-time-only, restricted, and will be paid from one-time general fund revenues.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$140,000	\$140,000
FY07	\$140,000	\$140,000

**NP- 77 – Shared Leadership - Workforce System Data Collection and Management – Restricted/OTO -**

This funding will support the establishment of an integrated data management system. It is vital that Montana design and implement a data management system that will give the state the ability to collect, evaluate and analyze data across multiple workforce development programs.

The request is one-time-only, restricted, and will be paid from one-time general fund revenues.

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

<b>02 Student Assistance</b> Laurie Tobol x0322
--

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

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Local Assistance	103,000	5,000	0	108,000	9,000	0	112,000
Grants	8,537,206	397,555	0	8,934,761	622,787	0	9,159,993
<b>Total Costs</b>	<b>\$8,640,206</b>	<b>\$402,555</b>	<b>\$0</b>	<b>\$9,042,761</b>	<b>\$631,787</b>	<b>\$0</b>	<b>\$9,271,993</b>
General Fund	8,451,220	365,768	0	8,816,988	595,000	0	9,046,220
Federal Special	188,986	36,787	0	225,773	36,787	0	225,773
<b>Total Funds</b>	<b>\$8,640,206</b>	<b>\$402,555</b>	<b>\$0</b>	<b>\$9,042,761</b>	<b>\$631,787</b>	<b>\$0</b>	<b>\$9,271,993</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$365,768	\$365,768
FY07	\$595,000	\$595,000

#### PL- 4 - WWAMI/WICHE/MN Dental -

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

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

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

Program	FY 2004 Actual	FY 2006 Request	FY 2006 PL Adjustment	FY 2007 Request	FY 2007 PL Adjustment
WICHE Dues	103,000	108,000	5,000	112,000	9,000
WICHE	1,619,800	1,777,634	157,834	1,865,966	246,166
<b>Subtotal</b>	<b>1,722,800</b>	<b>1,885,634</b>	<b>162,834</b>	<b>1,977,966</b>	<b>255,166</b>
WWAMI	2,791,866	2,970,800	178,934	3,104,500	312,634
MN Dentistry	132,000	156,000	24,000	159,200	27,200
<b>TOTAL</b>	<b>4,646,666</b>	<b>5,012,434</b>	<b>365,768</b>	<b>5,241,666</b>	<b>595,000</b>



**Commissioner of Higher Ed-5102  
Student Assistance Program-02**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$36,787	\$0
FY07	\$36,787	\$0

**PL- 21 - Additional Federal Funds for Student Assistance -**

This request adds \$73,574 federal financial aid for the Special Leveraging Educational Assistance Partnership (SLEAP) in the 2007 biennium. This request will allow the Office of the Commissioner of Higher Education to fully expend the anticipated amount of this grant. The SLEAP Program assists states in providing grants, scholarships, and community service work-study assistance to eligible postsecondary education students who demonstrate financial need.

# Commissioner of Higher Ed-5102

## D. Eisenhower Mathematics & Science Education-03

**03 Eisenhower Math & Science Education**  
 Roger Barber 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 Adjustment	New Proposals	Total Exec. Budget	PL Base Adjustment	New Proposals	Total Exec. Budget
Budget Item	Fiscal 2004	Fiscal 2006	Fiscal 2006	Fiscal 2006	Fiscal 2007	Fiscal 2007	Fiscal 2007
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personal Services	17,462	(17,462)	0	0	(17,462)	0	0
Operating Expenses	0	0	0	0	0	0	0
Grants	277,667	85,279	0	362,946	85,279	0	362,946
<b>Total Costs</b>	<b>\$295,129</b>	<b>\$67,817</b>	<b>\$0</b>	<b>\$362,946</b>	<b>\$67,817</b>	<b>\$0</b>	<b>\$362,946</b>
Federal Special	295,129	67,817	0	362,946	67,817	0	362,946
<b>Total Funds</b>	<b>\$295,129</b>	<b>\$67,817</b>	<b>\$0</b>	<b>\$362,946</b>	<b>\$67,817</b>	<b>\$0</b>	<b>\$362,946</b>

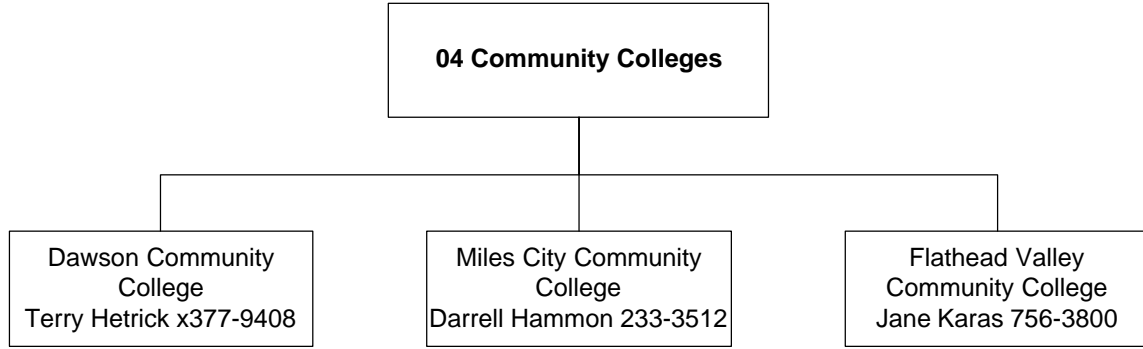
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$85,279	\$0
FY07	\$85,279	\$0

**PL- 22 - Increase Improving Teacher Quality Grants -**

This request adds \$170,558 federal authority in the 2007 biennium for increased federal funds anticipated for grants for programs to improve teacher quality. Under Title II, Part A, Improving Teacher Quality State Grants, the OCHE provides competitive grants to partnerships comprised of schools of education and arts and sciences, along with one or more high-need school districts.

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



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

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Local Assistance	6,292,234	984,185	0	7,276,419	1,346,290	0	7,638,524
<b>Total Costs</b>	<b>\$6,292,234</b>	<b>\$984,185</b>	<b>\$0</b>	<b>\$7,276,419</b>	<b>\$1,346,290</b>	<b>\$0</b>	<b>\$7,638,524</b>
General Fund	6,292,234	984,185	0	7,276,419	1,346,290	0	7,638,524
<b>Total Funds</b>	<b>\$6,292,234</b>	<b>\$984,185</b>	<b>\$0</b>	<b>\$7,276,419</b>	<b>\$1,346,290</b>	<b>\$0</b>	<b>\$7,638,524</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$984,185	\$984,185
FY07	\$1,346,290	\$1,346,290

#### **PL- 5 - Resident Enrollment Growth - Community Colleges -**

This decision package updates resident enrollment projections for the 2007 biennium. Enrollments are projected to grow from 2,485 resident students in the FY 2004 base to 2,631 students in FY 2006 to 2,770 students in FY 2007.

The budgeted cost of \$5,706 per resident FTE was rebased to \$5,042 because of reductions made during the last legislative session. This amount was augmented by \$161 for the cost of the previous pay plan. The state funds 53 percent of this cost.

Projected Resident FTE			
	FY 2004 Actual	FY 2006	FY 2007
Dawson C.C.	392	515	545
Flathead C.C.	1,604	1,550	1,625
Miles C.C.	489	566	600
<b>Total</b>	<b>2,485</b>	<b>2,631</b>	<b>2,770</b>
Present Law Adjustment			
Dawson C.C.	\$1,136,572	\$290,212	\$366,315
Flathead C.C.	\$3,756,091	\$526,124	\$724,993
Miles C.C.	\$1,399,571	\$167,850	\$254,983
<b>TOTAL</b>	<b>\$6,292,234</b>	<b>\$984,185</b>	<b>\$1,346,290</b>

## Commissioner of Higher Education-5102 Workforce Development Program - 08

<b>06 Education Talent Search</b> Rene' Dubay x0334
--

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

Program Proposed Budget	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
Budget Item							
FTE	20.45	0.00	0.50	20.95	0.00	0.50	20.95
Personal Services	889,445	(34,199)	28,800	884,046	(34,204)	28,813	884,054
Operating Expenses	413,419	105,456	0	518,875	106,308	0	519,727
Grants	(326,090)	1,580,766	0	1,254,676	1,580,663	0	1,254,573
Transfers	547,201	0	0	547,201	0	0	547,201
<b>Total Costs</b>	<b>\$1,523,975</b>	<b>\$1,652,023</b>	<b>\$28,800</b>	<b>\$3,204,798</b>	<b>\$1,652,767</b>	<b>\$28,813</b>	<b>\$3,205,555</b>
General Fund	81,595	18,166	0	99,761	18,936	0	100,531
Federal Special	1,442,380	1,633,857	28,800	3,105,037	1,633,831	28,813	3,105,024
<b>Total Funds</b>	<b>\$1,523,975</b>	<b>\$1,652,023</b>	<b>\$28,800</b>	<b>\$3,204,798</b>	<b>\$1,652,767</b>	<b>\$28,813</b>	<b>\$3,205,555</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$93,340	\$0
FY07	\$87,791	\$0

**PL- 23 - Increase Federal Talent Search Grant Funds -**

This request adds \$181,131 federal authority in the 2007 biennium to allow the Office of the Commissioner of Higher Education to expend the anticipated amount of this grant each year of the 2007 biennium. Talent Search is one of the TRIO programs (Talent Search, Upward Bound, Student Support Services) created in 1965 to provide equal opportunity for higher education to all Americans.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,580,766	\$0
FY07	\$1,580,663	\$0

**PL- 24 - Increase Federal GEAR-UP Grant Funds -**

This request adds \$3,161,429 federal authority in the 2007 biennium to allow the Office of the Commissioner of Higher Education to expend the anticipated amount of this grant each year of the 2007 biennium.

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

**Commissioner of Higher Education-5102  
Workforce Development Program - 08**

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$28,800	\$0
FY07	\$28,813	\$0

**NP- 20 - Add 0.50 FTE Accountant for GEAR-UP Grant -**

This proposal adds a 0.50 FTE accountant funded from the federal GEAR-UP to assist the program with financial management. This 0.50 FTE position, which is currently filled with a modified FTE, is the second half of a 1.00 FTE position that has been funded from two federal grants (Carl Perkins and GEAR-UP) for at least three years.

# Commissioner of Higher Education-5102 Workforce Development Program - 08

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

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

Program Proposed Budget	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00
Personal Services	243,674	25,000	0	268,674	24,457	0	268,131
Operating Expenses	101,552	537	0	102,089	2,913	0	104,465
Grants	2,259,705	79,621	0	2,339,326	(44,518)	0	2,215,187
Transfers	3,540,126	0	0	3,540,126	0	0	3,540,126
<b>Total Costs</b>	<b>\$6,145,057</b>	<b>\$105,158</b>	<b>\$0</b>	<b>\$6,250,215</b>	<b>(\$17,148)</b>	<b>\$0</b>	<b>\$6,127,909</b>
General Fund	90,094	320	0	90,414	3,014	0	93,108
Federal Special	6,054,963	104,838	0	6,159,801	(20,162)	0	6,034,801
<b>Total Funds</b>	<b>\$6,145,057</b>	<b>\$105,158</b>	<b>\$0</b>	<b>\$6,250,215</b>	<b>(\$17,148)</b>	<b>\$0</b>	<b>\$6,127,909</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$79,621	\$0
FY07	(\$44,518)	\$0

**PL- 25 - Increase Federal Carl Perkins Grant Funds -**

This request adds \$35,103 federal authority in the 2007 biennium to allow the Office of the Commissioner of Higher Education to fully expend the anticipated amount of this federal grant each year of the 2007 biennium. Carl Perkins funds are aimed at two-year education. The increase is reduced in the second year because OCHE is expecting to fully expend \$125 thousand of Perkins Incentive money.

# Commissioner of Higher Education-5102 Appropriation Distribution-09

## 09 Distribution

### Program Description -

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

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2004	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
	Fiscal 2004	Fiscal 2006	Fiscal 2006	Fiscal 2006	Fiscal 2007	Fiscal 2007	Fiscal 2007
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	43,983	0	0	43,983	0	0	43,983
Transfers	137,255,170	4,274,677	4,613,066	146,142,913	4,004,886	4,650,462	145,910,518
<b>Total Costs</b>	<b>\$137,299,153</b>	<b>\$4,274,677</b>	<b>\$4,613,066</b>	<b>\$146,186,896</b>	<b>\$4,004,886</b>	<b>\$4,650,462</b>	<b>\$145,954,501</b>
General Fund	124,198,153	3,064,676	4,613,066	131,875,895	2,500,886	4,650,462	131,349,501
State/Other Special	13,101,000	1,210,001	0	14,311,001	1,504,000	0	14,605,000
<b>Total Funds</b>	<b>\$137,299,153</b>	<b>\$4,274,677</b>	<b>\$4,613,066</b>	<b>\$146,186,896</b>	<b>\$4,004,886</b>	<b>\$4,650,462</b>	<b>\$145,954,501</b>

### Educational Units – (HB 2 Only)

Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	FY 2004	Adjustments	Proposals	Ex. Budget	Adjustments	Proposals	Ex. Budget
	FY 2004	Fiscal 2006	Fiscal 2006	FY 2006	Fiscal 2007	Fiscal 2007	FY 2007
UM-Missoula	37,818,253			37,818,253			37,818,253
UM-Tech	8,967,311			8,967,311			8,967,311
UM-Western	4,136,087			4,136,087			4,136,087
UM-Helena COT	2,263,794			2,263,794			2,263,794
MSU-Bozeman	40,399,419			40,399,419			40,399,419
MSU Billings	14,306,972			14,306,972			14,306,972
MSU-Northern	6,763,838			6,763,838			6,763,838
MSU-Great Falls	3,633,184			3,633,184			3,633,184
Other	43,983			43,983			43,983
Family Practice Residency Program - Boz	319,366			319,366			319,366
Motorcycle Safety Education - Northern	200,000	60,000		260,000	60,000		260,000
Statewide Present Law Adjustment		5,691,703		5,691,703	4,687,092		4,687,092
Resident Enrollment Growth		98,176		98,176	607,936		607,936
Equalization of Base Expenditures		(2,750,000)		(2,750,000)	(2,750,000)		(2,750,000)
Other Educational Unit PLAs		462,446		462,446	662,916		662,916
Two Year Education - Equipment - OTO			2,500,000	2,500,000		2,500,000	2,500,000
<i>Board of Regents/ Shared Leadership Initiatives</i>				-			-
Two Year Education - Programs - OTO			600,000	600,000		600,000	600,000
Distance Education - OTO			500,000	500,000		500,000	500,000
Increasing Health Care Workers - OTO			500,000	500,000		500,000	500,000
MT Tech Economic Development Resource Center - OTO			50,000	50,000		50,000	50,000
<b>Total</b>	<b>118,852,207</b>	<b>3,562,325</b>	<b>4,150,000</b>	<b>126,564,532</b>	<b>3,267,944</b>	<b>4,150,000</b>	<b>126,270,151</b>
General Fund	106,417,207	2,352,325	4,150,000	112,919,532	1,763,944	4,150,000	112,331,151
Statewide Six Mill Levy	12,235,000	1,150,000		13,385,000	1,444,000		13,679,000
Other Special Revenue	200,000	60,000		260,000	60,000		260,000
<b>State Funds</b>	<b>118,852,207</b>	<b>3,562,325</b>	<b>4,150,000</b>	<b>126,564,532</b>	<b>3,267,945</b>	<b>4,150,000</b>	<b>126,270,151</b>

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

## Commissioner of Higher Education-5102 Appropriation Distribution-09

Over the past three years school years, budget reductions due to revenue below needed levels have caused tuition increases higher desired. The system-wide average annual tuition rate for the 2005 biennium was approximately 11 percent.

Steps have been taken in this budget to minimize additional tuition increases. In previous biennia, "present law" calculations were based upon the state support versus tuition and other current sources of revenue for each educational unit. This percentage is approximately 43 percent in total in the base year. The executive is recommending funding at the percent of resident students versus nonresident students. In other words the resident student share of present law increases is recommended to be fully funded with state funds. Therefore, for the 2007 biennium, the executive has used the percent of resident students versus non-residents for standard present law adjustments. This percentage, in total, is approximately 80 percent of the cost of the decision package. Decision packages PL 40, PL 42, PL 43, PL 45 & PL 49 are all funded based upon this methodology.

As demonstrated in the table below, if the Board of Regents (BOR) adopts the present law budget contained in the executive recommendation along with the Governor's 3 percent proposed pay increase, the required tuition increase should be 2 percent. This 2 percent tuition increase is consistent with inflation and should not cause further burdens on resident students.

Tuition is a component in funding university budgets, however the Governor and the Legislature can only recommend tuition levels. Tuition rates are determined by the BOR and are considered private revenue and not subject to legislative appropriation.

Table E-4 Funding Sources of the Educational Units				
	Board of Regents - Enacted		OBPP Estimate	
	FY 2004 Actual	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget
General Fund	106,288,857	101,381,233	108,450,161	107,861,785
Gen. Fund in Governor's HB13 Payplan			2,355,000	5,355,000
Millage - University Six mill levy	12,235,000	12,362,999	13,385,000	13,679,000
Tuition and Fees	154,598,464	172,721,055	176,400,000	181,600,000
Interest Earnings	689,643	791,274	791,274	791,274
Transfers	3,803,991	4,263,093	4,263,093	4,263,093
Other	1,248,483	1,301,198	1,301,198	1,301,198
<b>Total</b>	<b>278,864,438</b>	<b>292,820,852</b>	<b>306,945,726</b>	<b>314,851,350</b>

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

**6-Mill Account** – The six-mill levy account is expected to grow from \$24.6 million for the 2005 biennium to \$27.1 million for the 2007 biennium. The executive has funded the adjusted base with this increase to the six-mill account and decreased the general fund in the base by a like amount. No decision package is needed in the budgeting system.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$5,691,703	\$5,691,703
FY07	\$4,687,092	\$4,687,092

**PL- 40 - Statewide - Educational Units -**

In previous biennia this calculation was based upon the state support versus tuition and other current sources of revenue for each educational unit. This percentage is approximately 43 percent in total. In order to minimize resident student tuition increases the executive is recommending funding at the percent of resident students versus nonresidents. For the 2007 biennium, the executive has used the percent of resident students versus non-residents for standard present law adjustments. This percentage in total is approximately 80 percent. This results in approximately \$4.2 million increase in the state share calculation.



## Commissioner of Higher Education-5102 Appropriation Distribution-09

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$2,750,000)	(\$2,750,000)
FY07	(\$2,750,000)	(\$2,750,000)

**PL- 41 - Base Year Equalization Adjustment - SB 407 –**

This request reduces the general fund by \$2,750,000 per year to the educational units to equalize state support in the base year.

HB 2 from the 2003 Legislative session provided \$5.5 million biennial appropriation to the Educational Units contingent on SB 407 (Income tax reduction with revenue from limited sales tax) passing. The educational units fully expended this appropriation in the first year of the biennium. The MUS has relied on more tuition dollars and less state support in the second year of the biennium, FY 2005.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$86,097	\$86,097
FY07	\$115,641	\$115,641

**PL- 42 - Increase in Operations and Maintenance for New Space -**

This adjustment adds about \$202,000 general fund in the 2007 biennium for the state portion of increased operations and maintenance costs due to new building space coming on line in the 2007 biennium at MSU-Northern and UM-Missoula.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$108,977	\$108,977
FY07	\$189,235	\$189,235

**PL- 43 - Increased Information Technology License and Maintenance -**

This adjustment adds approximately \$298,000 general fund for the state's share of increased information technology licenses and maintenance costs at MSU-Bozeman, UM-Missoula, MSU- Billings, Montana Tech, UM-Western, and the Helena College of Technology.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$98,176	\$98,176
FY07	\$607,936	\$607,936

**PL- 44 - Resident Enrollment Growth --MUS -**

This \$706,112 general fund adjustment increases funds for resident growth by about 375 students over the next biennium. This is significantly less student growth than what has occurred in previous biennia. The executive is funding these students at the marginal cost calculation of \$1,888 per student, which was the marginal cost calculated from the 2005 biennium. Calculating a new marginal cost for the 2007 biennium would result in lower marginal cost due to significant tuition increases enacted during the current biennium. The executive does not recommend decreasing the state funding for resident students, so it is recommending continuation of the 2005 biennium marginal cost funding.

	FY 2004	FY 2006	FY 2007	Growth	
	Budgeted	Projected	Projected	FY 2004 - FY 2006	FY 2004 - FY 2007
Resident FTE	26,866	26,918	27,188	52	322
State funding for enrollment growth				\$98,176	\$607,936

**Commissioner of Higher Education-5102  
Appropriation Distribution-09**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$198,917	\$198,917
FY07	\$263,854	\$263,854

**PL- 45 - Water, Sewer, Elevator and Other -**

This \$462,771 general fund increase is for the state share for water, sewer and other items reported by the educational units.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$68,455	\$68,455
FY07	\$94,186	\$94,186

**PL- 49 - Off Campus Rental Increases - Educational Units -**

This adjustment adds about \$163,000 general fund for the state's portion of increased off campus rental costs at MSU-Bozeman and the Helena College of Technology.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$60,000	\$0
FY07	\$60,000	\$0

**PL- 98 - Motorcycle Safety Training Adjust to Revenue Estimate -**

The motorcycle safety-training fund receives revenue from motorcycle endorsements on driver's licenses and motorcycle plates. The fund is projected to have more revenue over the 2007 biennium. This adjustment will bring the appropriation up to the base year revenue. The fund received \$261,385 in revenue in the base year. This funding is dedicated to the motorcycle program located at Montana State University Northern.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$500,000	\$500,000
FY07	\$500,000	\$500,000

**NP- 51 – Shared Leadership - Distant Learning Initiative – Restricted/OTO -**

Funding will be used to develop and implement a statewide distance learning plan, including cost analysis, organizational design, and programs, technology selection, faculty development and training, evaluation, and implementation. This proposal is matched with \$250,000 from funds identified by the Board of Regents (BoR).

The request is one-time-only, restricted and biennial and will be paid from one-time general fund revenues.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$600,000	\$600,000
FY07	\$600,000	\$600,000

**NP- 60 – Shared Leadership - 2-Year Education-Develop Common Curriculum - Restricted/OTO**

The request is one-time-only, restricted and biennial and will be paid from one-time general fund revenues. This proposal is matched with \$400,000 from funds identified by the Board of Regents (BoR).

**Commissioner of Higher Education-5102  
Appropriation Distribution-09**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$50,000	\$50,000
FY07	\$50,000	\$50,000

**NP- 61 – Shared Leadership - Montana Tech Economic Development Resource Center – Restricted/OTO -**

This proposal provides a \$100,000 general fund investment in the 2007 biennium for "bridge funding" for the Economic Development Resource Center on the Montana Tech campus. A \$200,000 investment from other funds is expected to replace state funding in the 2009 biennium.

The request is one-time-only, restricted and biennial and will be paid from one-time general fund revenues.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$500,000	\$500,000
FY07	\$500,000	\$500,000

**NP- 63 – Shared Leadership - Increase Supply of Health Care Workers – Restricted/OTO -**

This proposal will provide a biennial investment of \$1 million general fund for the purpose of increasing the supply of rural health care workers by delivering health care education to place-bound citizens in rural areas. This proposal is matched with \$250,000 from funds identified by the Board of Regents.

The request is one-time-only, restricted and biennial and will be paid from one-time general fund revenues.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$2,500,000	\$2,500,000
FY07	\$2,500,000	\$2,500,000

**NP- 78 - Equipment – 2-Year Programs – Restricted/OTO -**

An appropriation to the Board of Regents to fund the purchase of updated equipment for two-year programs within the Montana University System including the Community Colleges. The appropriation must be matched dollar for dollar from other sources of funding to be identified by the Board of Regents.

The request is one-time-only, restricted and biennial and will be paid from one-time general fund revenues.

## Commissioner of Higher Education-5102 Appropriation Distribution-09

### Agricultural Experiment Station

**Agricultural  
Experiment Station**  
Jeffrey S. Jacobsen x994-3681

Agency Proposed Budget	Base Budget	PL Base Adj.	New Proposals	Total Exec. Budget	PL Base Adj.	New Proposals	Total Exec. Budget
Budget Item	Fiscal 2004	Fiscal 2006	Fiscal 2006	Fiscal 2007	Fiscal 2007	Fiscal 2007	Fiscal 2007
FTE	212.96	0.00	3.00	215.96	0.00	3.00	215.96
Personal Services	11,316,707	209,672	239,949	11,766,328	222,294	239,949	11,778,950
Operating Costs	1,803,042	104,548		1,907,590	92,416		1,895,458
Equipment	91,828			91,828			91,828
Transfers	65,160			65,160			65,160
<b>Total Funds</b>	<b>13,276,737</b>	<b>314,220</b>	<b>239,949</b>	<b>13,830,906</b>	<b>314,710</b>	<b>239,949</b>	<b>13,831,396</b>
State Funds							
General Fund	10,279,958	231,207	159,967	10,671,132	241,163	159,967	10,681,088
Subtotal State Funds	10,279,958	231,207	159,967	10,671,132	241,163	159,967	10,681,088
University Funds							
Federal Funds	1,741,291	83,013		1,824,304	76,157		1,817,448
Sales & Service	1,195,180			1,195,180			1,195,180
Interest and Other	60,308			60,308			60,308
Private Funds			79,984	79,984		79,984	79,984
Subtotal University Funds	2,996,779	83,013	79,984	3,159,776	76,157	79,984	3,152,920
<b>Total Current Unrestricted Operating Fund</b>	<b>13,276,737</b>	<b>314,220</b>	<b>239,950</b>	<b>13,830,907</b>	<b>317,320</b>	<b>239,950</b>	<b>13,834,007</b>

Note: AES received of \$10,279,958 in state support, \$2,016,520 in federal, \$1,195,180 in sales, \$45,021 in interest & \$15,287 of other in FY 2004. Excess revenues over expenditures were \$275,791 in FY 2004.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$192,788	\$192,788
FY07	\$183,933	\$183,933

#### PL- 62 - Statewide -Agricultural Experiment Station -

This \$376,721 adjustment is the state share of statewide present law adjustments for the Agricultural Experiment Station (AES) for the 2007 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	38,419	38,419
FY07	57,230	57,230

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

This adjustment adds \$95,649 general fund in the 2007 biennium for the state portion of increased overhead costs allocated from Montana State University Bozeman to the AES.

## Commissioner of Higher Education-5102 Appropriation Distribution-09

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$159,966	\$159,966
FY07	\$159,967	\$159,967

#### NP- 67 - Integrated Weed Management and Biotechnology -

This proposal provides \$319,933 state general fund, matched \$159,967 from other funds identified by the Board of Regents, to increase research on integrated weed management practices and biological control of weeds.

#### Montana Extension Service

**Montana Extension Service**  
Douglas Steele 994-6647

Agency Proposed Budget	Base Budget Fiscal 2004	PL Base Adj. Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adj. Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	118.98	0.00	1.00	119.98	0.00	2.00	120.98
Personal Services	5,755,733	759,504	72,000	6,587,237	752,843	144,000	6,652,576
Operating Costs	584,938	51,951	10,000	646,889	81,749	20,000	686,687
Equipment	23,444			23,444			23,444
Transfers	36,937			36,937			36,937
<b>Total Funds</b>	<b>6,401,052</b>	<b>811,455</b>	<b>82,000</b>	<b>7,294,507</b>	<b>834,592</b>	<b>164,000</b>	<b>7,399,644</b>
State Funds							
General Fund	4,481,715	325,788	65,600	4,873,103	348,933	131,200	4,961,848
Subtotal State Funds	4,481,715	325,788	65,600	4,873,103	348,933	131,200	4,961,848
University Funds							
Federal Funds	1,914,333	485,667		2,400,000	485,667		2,400,000
Interest and Other	5,034			5,034			5,034
Private Funds			16,400	16,400		32,800	32,800
Subtotal Univer. Funds	1,919,367	485,667	16,400	2,421,434	485,667	32,800	2,437,834
<b>Total Current Unrestricted Operating Fund</b>	<b>6,401,082</b>	<b>811,455</b>	<b>82,000</b>	<b>7,294,537</b>	<b>834,600</b>	<b>164,000</b>	<b>7,399,682</b>

Note: ES received of \$4,481,715 in state support, \$1,914,333 in federal, \$8,167 in interest & \$41 of other in FY 2004.  
Excess revenues over expenditures were \$275,791 in FY 2004.  
Table reflects ES estimate of federal revenue (Smith-Lever) for FY 2006 and FY 2007.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$195,626	\$195,626
FY07	\$207,785	\$207,785

#### PL- 61 - Statewide Adjustments - Extension Services -

This \$403,411 general fund adjustment is the state share of statewide present law adjustments for the Extension Services (ES) for the 2007 biennium.

## Commissioner of Higher Education-5102 Appropriation Distribution-09

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$86,446	\$86,446
FY07	\$86,446	\$86,446

**PL- 82 - Payroll Benefits and Insurance Adjustment -**

The ES funds all payroll benefits, including medical insurance, on salary paid to our agents. The counties reimburse MSU for a portion of salary. This adjustment is necessary because MBARS calculates only benefits on state salary.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	43,716	43,716
FY07	54,702	54,702

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

This adjustment adds \$98,418 general fund in the 2007 biennium for the state portion of increased overhead costs allocated from Montana State University Bozeman to the ES.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$0
FY07	\$65,600	\$65,600

**NP- 8 – Shared Leadership - Extension Cropping Specialist -**

The Cropping Systems Specialist Position will integrate with existing Agricultural Experiment Station and College of Agriculture faculty, including cropping systems research/on-campus teaching, weed management, and many others. This \$65,600 proposal is matched with \$16,400 from funds identified by the Board of Regents.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$65,600	\$65,600
FY07	\$65,600	\$65,600

**NP- 16 – Shared Leadership- Livestock Specialist -**

A Livestock Specialist position would provide increased educational assistance to improve this industry by enhancing reproductive efficiency, food safety and animal identification of non-productive animals. The \$65,600 general fund for this position is matched with \$32,800 from funds identified by the Board of Regents.

## Commissioner of Higher Education-5102 Appropriation Distribution-09

### Bureau of Mines and Geology

**Bureau of Mines and Geology**  
Ed Deal x496-4180

Agency Proposed Budget	Base Budget	PL Base Adj.	New Proposals	Total Exec. Budget	PL Base Adj.	New Proposals	Total Exec. Budget
Budget Item	Fiscal 2004	Fiscal 2006	Fiscal 2006	Fiscal 2006	Fiscal 2007	Fiscal 2007	Fiscal 2007
FTE	31.59	0.00	2.00	33.59	0.00	2.00	33.59
Personal Services	1,798,976	29,392	144,000	1,972,368	25,479	149,760	1,974,215
Operating Costs	478,080	10,000	36,720	524,800	10,000	36,720	524,800
Equipment				-			-
Debt Service				-			-
<b>Total Funds</b>	<b>2,277,056</b>	<b>39,392</b>	<b>180,720</b>	<b>2,497,168</b>	<b>35,479</b>	<b>186,480</b>	<b>2,499,015</b>
State Funds							
General Fund	1,581,899	39,392	144,000	1,765,291	35,479	149,760	1,767,138
RIT Allocation	666,000			666,000			666,000
Subtotal State Funds	2,247,899	39,392	144,000	2,431,291	35,479	149,760	2,433,138
University Funds							
Sales & Service	29,157			29,157			29,157
Private Funds			36,720	36,720		36,720	36,720
Subtotal Univ. Funds	29,157	-	36,720	65,877	-	36,720	65,877
<b>Total Current Unrestricted</b>							
<b>Operating Fund</b>	<b>2,277,056</b>	<b>39,392</b>	<b>180,720</b>	<b>2,497,168</b>	<b>35,479</b>	<b>186,480</b>	<b>2,499,015</b>

Note: BOM received \$1,581,899 in state funds, \$666,000 of RIT allocation and \$35,649 in misc. funds in FY 2004.  
Excess revenues over expenditures were \$6,492 in FY 2004.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$29,392	\$29,392
FY07	\$25,479	\$25,479

#### PL- 46 - Statewide Adjustments - Bureau of Mines -

This \$54,871 general fund adjustment is the state share of statewide present law adjustments for the Bureau of Mines (BOM) for the 2007 biennium. This decision package does not fund any present law increases associated with positions in the RIT account because the account is capped at \$666,000 per year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$10,000	\$10,000
FY07	\$10,000	\$10,000

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

This adjustment adds \$20,000 general fund in the 2007 biennium for the state portion of increased overhead costs allocated from UM Montana Tech to the BOM.

## Commissioner of Higher Education-5102 Appropriation Distribution-09

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$72,000	\$72,000
FY07	\$74,880	\$74,880

**NP- 68 – Shared Leadership - Technical Assistance to Small Oil and Gas Operators -**

This proposal provides a state general fund investment of \$146,880 in the 2007 biennium, matched with \$36,720 from funds identified by the Board of Regents, to provide technical assistance to small oil and gas operators that will encourage exploration and development in Montana.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$72,000	\$72,000
FY07	\$74,880	\$74,880

**NP- 69 – Shared Leadership - Coal and Coal Bed-Methane Technology Program -**

This proposal requests a state investment of \$146,880 in the 2007 biennium, matched with \$36,720 from funds identified by the Board of Regents, for the purpose of continuing to assist industry and regulators in the responsible development of coal and coal-bed methane.

### Forestry and Conservation Experiment Station

**Forestry and Conservation  
Experiment Station**  
Perry Brown x243-5522

Agency Proposed Budget	Base Budget	PL Base Adj.	New Proposals	Total Exec. Budget	PL Base Adj.	New Proposals	Total Exec. Budget
Budget Item	Fiscal 2004	Fiscal 2006	Fiscal 2006	Fiscal 2006	Fiscal 2007	Fiscal 2007	Fiscal 2007
FTE	12.78	0.00	0.00	12.78	0.00	0.00	12.78
Personal Services	739,602	43,351		782,953	40,823		780,425
Operating Costs	89,687	2,134		91,821	2,069		91,756
Transfers	4,000			4,000			4,000
Scholarships	91,220			91,220			91,220
<b>Total Funds</b>	<b>924,509</b>	<b>45,485</b>	-	<b>969,994</b>	<b>42,892</b>	-	<b>967,401</b>
State Funds							
General Fund	924,509	45,485		969,994	42,892		967,401
Subtotal State Funds	924,509	45,485	-	969,994	42,892	-	967,401
University Funds							
Interest and Other	-						
Subtotal Univ. Funds	-	-	-	-	-	-	-
<b>Total Current Unrestricted</b>							
<b>Operating Fund</b>	<b>924,509</b>	<b>45,485</b>	-	<b>969,994</b>	<b>42,892</b>	-	<b>967,401</b>

Note: FCES received \$925,839 in state funds and \$1,052 in interest earnings in FY 2004.  
Excess revenues over expenditures were \$2,382 in FY 2004.



**Commissioner of Higher Education-5102  
Appropriation Distribution-09**

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

	<b><u>Total Agency Impact</u></b>	<b><u>General Fund Total</u></b>
FY06	\$45,485	\$45,485
FY07	\$42,892	\$42,892

**PL- 63 - Statewide Adjustments -**

This \$83,377 general fund adjustment is the state share of statewide present law adjustments for the Forestry and Conservation Experiment Station for the 2007 biennium.

**Fire Services Training School**

**Fire Services Training School**  
Butch Weedon x771-4328

<b>Agency Proposed Budget</b>	<b>Base Budget</b>	<b>PL Base</b>	<b>New</b>	<b>Total</b>	<b>PL Base</b>	<b>New</b>	<b>Total</b>
<b>Budget Item</b>	<b>Fiscal 2004</b>	<b>Fiscal 2006</b>	<b>Fiscal 2006</b>	<b>Fiscal 2007</b>	<b>Fiscal 2007</b>	<b>Fiscal 2007</b>	<b>Fiscal 2007</b>
FTE	8.48	0.00	1.00	9.48	0.00	1.00	9.48
Personal Services	405,606	45,389	60,500	511,495	43,311	60,500	509,417
Operating Costs	76,293	25,091	19,130	120,514	25,164	18,165	119,622
Equipment	45,758		33,000	78,758			45,758
Transfers	1,198			1,198			1,198
<b>Total Funds</b>	<b>528,855</b>	<b>70,480</b>	<b>112,630</b>	<b>711,965</b>	<b>68,475</b>	<b>78,665</b>	<b>675,995</b>
State Funds							
General Fund	511,535	70,480	93,500	675,515	68,475	59,535	639,545
Subtotal St. Funds	511,535	70,480	93,500	675,515	68,475	59,535	639,545
University Funds							
MSU Transfer	16,588			16,588			16,588
Interest and Other	732			732			732
Private Funds			19,130	19,130		19,130	19,130
Subtotal Univ. Funds	17,320	-	19,130	36,450	-	19,130	36,450
<b>Total Current Unrestricted</b>							
<b>Operating Fund</b>	<b>528,855</b>	<b>70,480</b>	<b>112,630</b>	<b>711,965</b>	<b>68,475</b>	<b>78,665</b>	<b>675,995</b>

Note: FSTS received \$511,535 in state funds and \$732 in interest earnings and \$41,698 Transfer from MSU Bozeman in FY 2004 to facilitate their move. FY 2004 base excludes the \$49,000 OTO. Excess revenues over expenditures were \$25,109 in FY 2004.

## Commissioner of Higher Education-5102 Appropriation Distribution-09

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$45,389	\$45,389
FY07	\$43,311	\$43,311

**PL- 64 - Statewide Adjustments -**

This \$88,700 general fund adjustment is the state share of statewide present law adjustments for the Fire Services Training School (FSTS) for the 2007 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$835	\$835
FY07	\$180	\$180

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

This adjustment adds \$1,015 general fund in the 2007 biennium for the state portion of increased overhead costs allocated from MSU Bozeman to the FSTS.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$24,256	\$24,256
FY07	\$24,984	\$24,984

**PL- 68 - New Space – Fire Services Training School -**

This adjustment adds \$49,240 general fund in the 2007 biennium for increased cost for rent because of the move from the Great Falls COT campus.

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$93,500	\$93,500
FY07	\$59,535	\$59,535

**NP- 66 – Shared Leadership - Add One Fire Trainer -**

This proposal requests a state investment of \$153,035, to be matched with \$38,259 by funds identified by the Board of Regents, for the purpose of training fire fighters and meeting the growing demand for skilled responders to a variety of emergency incidents. FY 2006 also includes the purchase of a vehicle.

## Commissioner of Higher Education-5102 Tribal College Assistance Program-11

**11 Tribal College Assistance  
Rod Sundsted x0319**

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

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants	0	96,500	0	96,500	0	0	0	0
<b>Total Costs</b>	<b>\$0</b>	<b>\$96,500</b>	<b>\$0</b>	<b>\$96,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
General Fund	0	96,500	0	96,500	0	0	0	0
<b>Total Funds</b>	<b>\$0</b>	<b>\$96,500</b>	<b>\$0</b>	<b>\$96,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$96,500	\$96,500
FY07	\$0	\$0

**PL- 28 – Reestablish Non-beneficiary Student Base Appropriation -**

This request reestablishes the 2005 biennium base appropriation for non-beneficiary student state support at tribal colleges. The \$96,500 general fund biennial appropriation was expended in FY 2005 and therefore not included in the 2007 biennium expenditure base.

## Commissioner of Higher Ed-5102 Guaranteed Student Loan Program-12

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

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

Program Proposed Budget	Base Budget	PL Base	New	Total	PL Base	New	Total
Budget Item	Fiscal 2004	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2006	Fiscal 2006	Fiscal 2006	Fiscal 2007	Fiscal 2007	Fiscal 2007
FTE	49.20	0.00	9.00	58.20	0.00	9.00	58.20
Personal Services	1,931,167	(78,012)	354,350	2,207,505	(77,021)	353,518	2,207,664
Operating Expenses	3,113,126	51,642	500,000	3,664,768	61,934	500,000	3,675,060
Equipment	0	0	0	0	0	0	0
Benefits & Claims	19,921,785	8,936,000	0	28,857,785	11,170,000	0	31,091,785
Transfers	72,550	0	0	72,550	0	0	72,550
<b>Total Costs</b>	<b>\$25,038,628</b>	<b>\$8,909,630</b>	<b>\$854,350</b>	<b>\$34,802,608</b>	<b>\$11,154,913</b>	<b>\$853,518</b>	<b>\$37,047,059</b>
Federal Special	25,038,628	8,909,630	854,350	34,802,608	11,154,913	853,518	37,047,059
<b>Total Funds</b>	<b>\$25,038,628</b>	<b>\$8,909,630</b>	<b>\$854,350</b>	<b>\$34,802,608</b>	<b>\$11,154,913</b>	<b>\$853,518</b>	<b>\$37,047,059</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$8,000,000	\$0
FY07	\$10,000,000	\$0

**PL- 9 - Increased Claim Payments -**

This \$18 million increase in federal funds is needed as the result of two factors:

- 1) During fiscal year 2004, Montana State University - Bozeman (MSU Bozeman) returned to the Federal Family Education Loan Program (FFELP), increasing the Montana Guaranteed Student Loan Program (MGSLP) loan guarantee volume by more than \$35 million annually. With the addition of MSU's loan volume, MGSLP anticipates an increase in gross claim payments beginning in FY2006.
- 2) In addition, during the past 2 fiscal years, MGSLP has experienced record low claim filings by lenders. MGSLP anticipates that this trend of low claims will not continue, as during the same time period MGSLP continued to have a cohort default rate that is higher than the national average. MGSLP must have appropriate authority to pay timely claims to lenders when they are filed (MGSLP is later reimbursed for these claim payments by the Department of Education.)

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$936,000	\$0
FY07	\$1,170,000	\$0

**PL- 10 - Collection Recoveries -**

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

## Commissioner of Higher Ed-5102 Guaranteed Student Loan Program-12

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$500,000	\$0
FY07	\$500,000	\$0

**NP- 11 - Default Reduction and Outreach -**

This \$1 million increase in federal authority will fund default reduction and outreach activities. The U.S. Department of Education encourages and supports guaranty agency efforts in these areas and has established designated funds to be used for these expenditures. The agency has developed several successful programs in support of GEAR UP and other federal programs to assist low-income or at-risk students. During the coming year, the agency plans to expand these efforts to increase access to higher education.

MGSLP also intends to expend approximately \$250,000 per year for scholarships targeted to low income students.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$354,350	\$0
FY07	\$353,518	\$0

**NP- 12 - Add 9.00 FTE for Outreach Services -**

The Montana Guaranteed Student Loan Program (MGSLP) proposes the addition of 9.00 FTE and \$767,868 federal funds to provide additional outreach services to students and schools, produce quality materials in support of their program initiatives, and to effectively support the agency's increased loan volume. MGSLP proposes 2.00 FTE Information Technology Specialists, 2.00 FTE Default Prevention Counselors, 2 Outreach Counselors, 1.00 FTE Events Coordinator, 1.00 FTE Communication Specialist, and 1.00 FTE Collection Technician.

## Commissioner of Higher Education-5102 Board Of Regents-13

**13 Board of Regents**  
John Mercer x883-5367

**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 2004	Adjustment	Proposals	Exec. Budget	Adjustment	Proposals	Exec. Budget
		Fiscal 2006	Fiscal 2006	Fiscal 2006	Fiscal 2007	Fiscal 2007	Fiscal 2007
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personal Services	7,200	0	0	7,200	0	0	7,200
Operating Expenses	27,285	10,000	0	37,285	10,000	0	37,285
<b>Total Costs</b>	<b>\$34,485</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$44,485</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$44,485</b>
General Fund	34,485	10,000	0	44,485	10,000	0	44,485
<b>Total Funds</b>	<b>\$34,485</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$44,485</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$44,485</b>

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

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$10,000	\$10,000
FY07	\$10,000	\$10,000

**PL- 14 - Restore Regents Budget to FY 2004 authorized levels -**

The Board of Regents did not spend their FY 2004 appropriation. Since the Board has now changed their meeting structure, and are meeting more days each meeting, the full FY 2004 budget authorization will be needed for the 2007 biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$7,200	\$7,200
FY07	\$7,200	\$7,200

**PL- 15 - Restore Base - Per Diem -**

Board per diem is zero based; actual 2004 expenditures are removed from the base budget. This adjustment restores authority for FY 2006 and FY 2007 to the level of actual expenditures for FY 2004.