

### Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	1.50	1.50	1.50	1.50	1.50	1.50	0.00	0.00%
Personal Services	53,557	103,414	89,811	89,622	156,971	179,433	22,462	14.31%
Operating Expenses	48,338	48,342	97,548	97,661	96,680	195,209	98,529	101.91%
Local Assistance	125,000	125,000	131,000	137,000	250,000	268,000	18,000	7.20%
Grants	12,068,923	13,807,923	13,022,685	13,686,063	25,876,846	26,708,748	831,902	3.21%
Transfers	0	0	0	0	0	0	0	n/a
<b>Total Costs</b>	<b>\$12,295,818</b>	<b>\$14,084,679</b>	<b>\$13,341,044</b>	<b>\$14,010,346</b>	<b>\$26,380,497</b>	<b>\$27,351,390</b>	<b>\$970,893</b>	<b>3.68%</b>
General Fund	9,606,033	10,445,767	13,191,514	13,860,816	20,051,800	27,052,330	7,000,530	34.91%
State Special	101,895	101,824	149,530	149,530	203,719	299,060	95,341	46.80%
Federal Special	2,587,890	3,537,088	0	0	6,124,978	0	(6,124,978)	(100.00%)
<b>Total Funds</b>	<b>\$12,295,818</b>	<b>\$14,084,679</b>	<b>\$13,341,044</b>	<b>\$14,010,346</b>	<b>\$26,380,497</b>	<b>\$27,351,390</b>	<b>\$970,893</b>	<b>3.68%</b>

### Program Description

This program includes various types of state-administered financial assistance for postsecondary students in Montana. The types of assistance include need-and merit-based grants, loans, and work study; regional interstate student exchange and assistance, including state support for students attending professional schools which are not available in Montana such as medicine, dentistry and veterinary medicine; and student loan repayment assistance programs. Title 20, Chapters 25 and 26, MCA, govern the program.

### Program Highlights

<b>Student Assistance Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The legislature approved an overall biennial budget increase of 3.7%</li> <li>◆ Primary budget adjustments impacting the increase include:               <ul style="list-style-type: none"> <li>◆ \$1.0 million one-time-only increase to implement veterans success programs on the Montana University System campuses</li> <li>◆ \$0.5 million beginning in FY 2015 as an ongoing increase to expand the number of medical education slots in WWAMI by 10 each year. A related decision package is included in the Appropriation Distribution program for increase costs anticipated for Montana State University (See DP 909)</li> </ul> </li> <li>◆ The general fund funding switch implemented by the 2011 Legislature is mostly reversed in the proposed 2015 biennium executive budget</li> </ul>

### Funding

The following table shows program funding by source of authority for the 2015 biennium as adopted by the legislature.

Total Commissioner Of Higher Education Funding by Source of Authority 2015 Biennium Budget - Student Assistance Program							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$27,052,330	\$0	\$0	\$27,052,330	96.3%		
State Special Total	\$299,060	\$0	\$744,336	\$1,043,396	3.7%		
02846 Family Ed Savings Admin Fee	\$299,060	\$0	\$0	\$299,060	1.1%		
02943 Rural Physicians Account	\$0	\$0	\$744,336	\$744,336	2.6%	20-26-1501	Pass Thru
Total All Funds	\$27,351,390	\$0	\$744,336	\$28,095,726	100.0%		
<b>Percent - Total All Sources</b>	<b>97.4%</b>	<b>0.0%</b>	<b>2.6%</b>				

The legislature funded this program primarily from general fund via HB 2. The legislature also appropriated state special revenue in HB 2 to administer the college savings program. The 2011 Legislature implemented a funding switch for the 2013 biennium, whereby it reduced a total of \$5,751,600 general fund and replaced it with a like amount of federal funds available from the Montana guaranteed student loan program. For the 2015 biennium, the legislature replaced most of the fund switch back to general fund, adding \$5,175,780 general fund and reducing federal funds by a like amount (DP 205).

The table below summarizes the student assistance program budget for the 2015 biennium.

Student Financial Assistance Programs Fiscal 2012 through 2015						
Types of Student Assistance	Actual FY 2012	Approp FY 2013	HB 2 FY 2014	HB 2 FY 2015	Biennial \$ Change	Biennial % Change
<u>Grants, Loans &amp; Work Study</u>						
MT Higher Education Grants	\$617,590	\$612,117	\$617,590	\$617,590	\$5,473	0.4%
Baker Grants (MT Tuition Assistance Pgm)	2,018,774	2,018,775	2,018,774	2,018,774	(1)	0.0%
Supplemental Ed. Opportunity Grant*	397,161	402,647	397,161	397,161	(5,486)	-0.7%
Perkins Loan*	68,280	68,280	68,280	68,280	0	0.0%
Work Study	863,003	862,989	863,003	863,003	14	0.0%
Governor's Scholarship Program (Federal)	2,093,000	1,947,864	0	0	(4,040,864)	-100.0%
Governor's Scholarship Program (General Fund)	279,000	446,206	2,372,000	2,372,000	4,018,794	554.2%
Unallocated Federal Authority	0	373,378	0	0	(373,378)	-100.0%
<u>Professional Student Exchange</u>						
WICHE/WWAMI/MN Dentistry	5,305,988	5,998,446	5,522,640	5,676,753	(105,041)	-0.9%
WWAMI 10 Slot Expansion				515,265	515,265	100.0%
DP 202 Veterans' Success	-	-	500,000	500,000	1,000,000	100.0%
<u>Student Loan Repayment Assistance</u>						
Institutional Nursing Incentive	56,237	36,307	56,237	56,237	19,930	21.5%
Quality Educator Loan Forgiveness (Federal)	494,890	1,215,846	0	0	(1,710,736)	-100.0%
Quality Educator Loan Forgiveness (Gen Fund)	0	0	738,000	738,000	1,476,000	100.0%
<u>Administrative Costs</u>						
Student Assistance Administration	0	0	37,829	37,753	75,582	100.0%
Family Savings Program	101,895	101,824	149,530	149,530	95,341	46.8%
Total Costs	\$12,295,818	\$14,084,679	\$13,341,044	\$14,010,346	\$970,893	3.7%
<u>Funding</u>						
General Fund	\$9,606,033	\$10,445,767	\$13,191,514	\$13,860,816	\$7,000,530	34.9%
State Special Revenue	101,895	101,824	149,530	149,530	95,341	46.8%
Federal Funds	2,587,890	3,537,088	0	0	(6,124,978)	-100.0%
Total Funding	\$12,295,818	\$14,084,679	\$13,341,044	\$14,010,346	\$970,893	3.7%

\* Represents the state match. The federal matching funds are distributed directly to university campuses.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	9,606,033	9,606,033	19,212,066	71.02%	12,295,818	12,295,818	24,591,636	89.91%
Statewide PL Adjustments	37,829	37,753	75,582	0.28%	35,852	35,727	71,579	0.26%
Other PL Adjustments	459,762	613,875	1,073,637	3.97%	459,762	613,875	1,073,637	3.93%
New Proposals	3,087,890	3,603,155	6,691,045	24.73%	549,612	1,064,926	1,614,538	5.90%
<b>Total Budget</b>	<b>\$13,191,514</b>	<b>\$13,860,816</b>	<b>\$27,052,330</b>		<b>\$13,341,044</b>	<b>\$14,010,346</b>	<b>\$27,351,390</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the base budget adopted by the legislature.

	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					39,996					39,799
Vacancy Savings					(3,742)					(3,734)
Inflation/Deflation					68					132
Fixed Costs					(470)					(470)
<b>Total Statewide Present Law Adjustments</b>		<b>\$37,829</b>	<b>(\$1,977)</b>	<b>\$0</b>	<b>\$35,852</b>		<b>\$37,753</b>	<b>(\$2,026)</b>	<b>\$0</b>	<b>\$35,727</b>
DP 50 - Initial Motion to FY 2012 Base	0.00	(37,829)	1,977	0	(35,852)	0.00	(37,753)	2,026	0	(35,727)
DP 51 - Adjustment for Statewide Personal Services	0.00	37,829	(1,575)	0	36,254	0.00	37,753	(1,688)	0	36,065
DP 52 - Adjustment for Statewide Operations	0.00	0	(402)	0	(402)	0.00	0	(338)	0	(338)
DP 201 - WICHE/WWAMI/MN Dental	0.00	216,652	0	0	216,652	0.00	370,765	0	0	370,765
DP 207 - Quality Educator Loan Forgiveness (RST/OTO)	0.00	243,110	0	0	243,110	0.00	243,110	0	0	243,110
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$459,762</b>	<b>\$0</b>	<b>\$0</b>	<b>\$459,762</b>	<b>0.00</b>	<b>\$613,875</b>	<b>\$0</b>	<b>\$0</b>	<b>\$613,875</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$497,591</b>	<b>(\$1,977)</b>	<b>\$0</b>	<b>\$495,614</b>	<b>0.00</b>	<b>\$651,628</b>	<b>(\$2,026)</b>	<b>\$0</b>	<b>\$649,602</b>

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 201 - WICHE/WWAMI/MN Dental - The legislature increased funding for the 166 current student slots at anticipated increased tuition levels for the WICHE, WWAMI and MN Dental professional student exchange programs.

DP 207 - Quality Educator Loan Forgiveness (RST/OTO) - The legislature added \$243,110 general fund each year of the biennium to fund the current and projected pipeline of students in the program. The legislature anticipates providing loan assistance to 100 new teachers each year of the 2015 biennium in addition to those teachers already in the pipeline. The

legislature established this appropriation as a restricted, one-time-only appropriation for the 2015 biennium. The table below summarizes the actual and projected use of this loan assistance program through the 2015 biennium.

Quality Educator Loan Forgiveness Assistance Program								
FY 2008 through FY 2015								
FY	New	Return Y2	Return Y3	Return Y4	Total Awarded	Cost		\$/Award
2008	104	-	-	-	104	\$307,280	Actual	\$2,955
2009	37	79	-	-	116	\$330,785	Actual	\$2,852
2010	101	21	41	-	163	\$471,754	Actual	\$2,894
2011	64	49	17	13	143	\$470,221	Actual	\$3,288
2012	98	33	32	4	167	\$494,890	Actual	\$2,963
2013	100	72	49	25	246	\$928,245	Op Budget	\$3,773
2014	100	72	49	25	246	\$738,000	HB 2	\$3,000
2015	100	72	49	25	246	\$738,000	HB 2	\$3,000

This table tracks GRANTS only. Administrative costs are excluded.

**New Proposals**

New Proposals	-----Fiscal 2014-----					-----Fiscal 2015-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 202 - Veterans' Success - RST/BIEN/OTO											
02	0.00	500,000	0	0	500,000	0.00	500,000	0	0	500,000	
DP 203 - WWAMI Expansion - 10 Slots											
02	0.00	0	0	0	0	0.00	515,265	0	0	515,265	
DP 205 - GSL/Student Assistance fund allocation (OTO)											
02	0.00	2,587,890	0	(2,587,890)	0	0.00	2,587,890	0	(2,587,890)	0	
DP 206 - Family Education Savings Plan											
02	0.00	0	49,612	0	49,612	0.00	0	49,661	0	49,661	
<b>Total</b>	<b>0.00</b>	<b>\$3,087,890</b>	<b>\$49,612</b>	<b>(\$2,587,890)</b>	<b>\$549,612</b>	<b>0.00</b>	<b>\$3,603,155</b>	<b>\$49,661</b>	<b>(\$2,587,890)</b>	<b>\$1,064,926</b>	

DP 202 - Veterans' Success - RST/BIEN/OTO - The legislature added a \$1 million restricted, biennial, one-time-only general fund appropriation for the Montana University System (MUS) to provide the services and resources necessary for today's veterans to access and complete college. This funding will help ensure every campus in the MUS provides dedicated services and space to meet veterans' needs by providing resources aimed at increasing the ease of access, transferability of credit, and job placement.

The Montana University System agreed to the following metrics to measure the success of this program:

- o Enrollment (total # of veterans enrolled each year)
- o Retention Rates (% returning for 2<sup>nd</sup> year of enrollment)
- o Completions (# veterans receiving degrees and certificates)
- o Workforce Placement (% of veterans receiving degrees and certificates that find) employment in Montana within one year following graduation)

DP 203 - WWAMI Expansion - 10 Slots - The legislature increased funding \$515,265 to expand the Washington-Wyoming-Alaska-Montana-Idaho (WWAMI) medical education exchange program at Montana State University (MSU) by 10 slots. The student assistance program cost to expand the program by 10 slots at University of Washington, School of Medicine (UWSOM) is \$515,265 beginning in FY 2015 and will increase each year until the pipeline (years 2 thru 4) is full which would occur in FY 2017. Direct operating costs to expand the program at MSU are included in DP-909 in program 09.

The table below projects the biennial subsidy cost of this expansion when the student pipeline is full.

WWAMI Expansion Cost Estimates - 10 Slot Expansion FY 2014 - FY 2019									
Pipeline Year					Total # in pipeline	Cost/Student in YR1	Cost/Student in YR2- YR4*	Total Annual Cost	Biennial Cost
FY	YR1	YR2	YR3	YR4					
2014	10	0	0	0	10	\$0	\$51,527	\$0	
2015	10	10	0	0	20	\$0	\$51,527	\$515,265	\$515,265
2016	10	10	10	0	30	\$0	\$51,527	\$1,030,540	
2017	10	10	10	10	40	\$0	\$51,527	\$1,545,810	\$2,576,350
2018	10	10	10	10	40	\$0	\$51,527	\$1,545,810	
2019	10	10	10	10	40	\$0	\$51,527	\$1,545,810	\$3,091,620

\*This is the amount estimated for FY 15. Future cost per student rates will likely be higher.

The following table shows the legislative budget for the professional student exchange programs. The WWAMI expansion is included in a separate line on the table for illustration purposes only.

WICHE/WWAMI/MINNESOTA Dental Programs Office of the Commissioner of Higher Education 2015 Biennium Legislative Budget												
PROGRAM	FY 2014						FY 2015					
	Support Fee	New (1st Year) Students	Cost	Cost	Total	Support 515265	New (1st Year) Students	Cost	Continuing Students	Cost	Total	
<b>WICHE</b>												
Administrative Dues			\$131,000		\$131,000			\$137,000			\$137,000	
Student Assistance:												
Medicine	\$30,800	6	\$184,800	20	\$616,000	\$800,800	\$31,500	6	\$189,000	18	\$567,000	\$756,000
Osteopathic Medicine	20,400	2	40,800	3	61,200	102,000	20,900	1	20,900	5	104,500	125,400
Dentistry	23,900	1	23,900	7	167,300	191,200	24,400	1	24,400	5	122,000	146,400
Veterinary Medicine	30,600	9	275,400	27	826,200	1,101,600	31,300	9	281,700	28	876,400	1,158,100
Podiatry	14,200	1	14,200	0	0	14,200	14,500	0	0	1	14,500	14,500
Optometry	16,400	1	16,400	3	49,200	65,600	16,800	1	16,800	3	50,400	67,200
Occupational Therapy	12,600	1	12,600	1	21,000	33,600	12,800	1	12,800	1	21,333	34,133
(Includes 1 @ clinical rate \$21,000 for FY 2014 and \$21,333 for FY 2015)												
Subtotal (WICHE Student Support)		<u>21</u>	<u>\$568,100</u>	<u>61</u>	<u>\$1,740,900</u>	<u>\$2,309,000</u>		<u>19</u>	<u>\$545,600</u>	<u>61</u>	<u>\$1,756,133</u>	<u>\$2,301,733</u>
TOTAL WICHE (Including Dues)						\$2,440,000						\$2,438,733
MINNESOTA DENTAL	23,900	2	47,800	2	47,800	95,600	24,400	2	48,800	4	97,600	146,400
WWAMI	49,784	20	0	60	2,987,040	2,987,040	51,527	20	0	60	3,091,620	3,091,620
WWAMI-Expansion	<u>49,784</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>51,527</u>	<u>10</u>	<u>0</u>	<u>10</u>	<u>515,265</u>	<u>515,265</u>
TOTAL WICHE/WWAMI/MN DENTAL		<u>53</u>	<u>\$746,900</u>	<u>123</u>	<u>\$4,775,740</u>	<u>\$5,522,640</u>		<u>51</u>	<u>\$731,400</u>	<u>135</u>	<u>\$5,460,618</u>	<u>\$6,192,018</u>
<b>Notes:</b>												
1) Rates for all continuing occupational therapy students are calculated at 1 2/3 the annual support fee to include support for two clinical rotations.												
2) The WWAMI support fee is calculated as an average per continuing student. Actual support varies by program year.												

DP 205 - GSL/Student Assistance fund allocation (OTO) - The legislature restored \$2,587,890 in the Student Assistance Program for the Governor's Best and Brightest Scholarship and Quality Educator Loan Forgiveness to general fund each year of the 2015 biennium as part of the Governor's Tuition CAP agreement.

DP 206 - Family Education Savings Plan - The legislature increased the budget of this program by \$49,612 in FY 2014 and \$49,661 in FY 2015 for increased contracted services. Existing fund balance will be used to cover the additional costs.

**Language and Statutory Authority**

The legislature included the following language in HB 2.

"Veterans' Success in OCHE -- Student Assistance Program may be used only to provide space and services to meet veterans' needs for access to and completion of postsecondary education."