



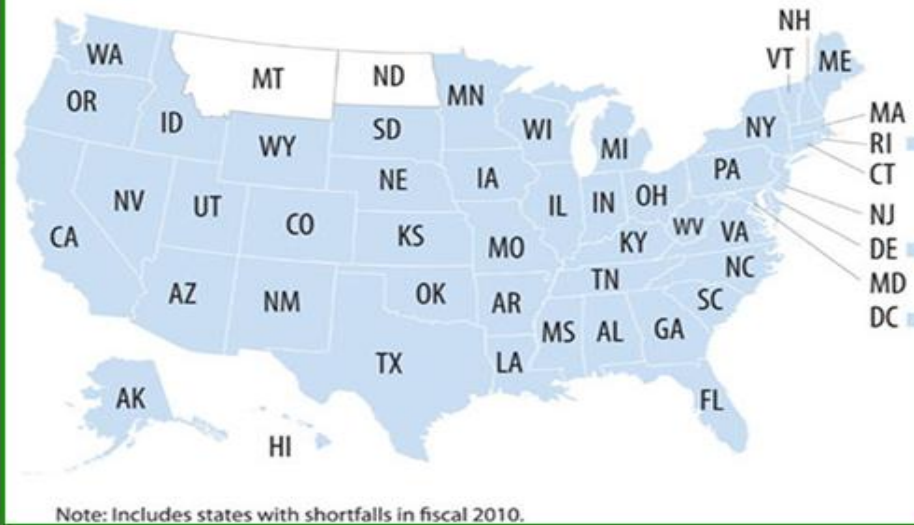
GOVERNOR  
BRIAN SCHWEITZER  
STATE OF MONTANA

# Executive Budget Proposal 2013 Biennium

*Board of Education  
University of Montana  
November 17, 2010*



## 48 States Face Budget Shortfalls

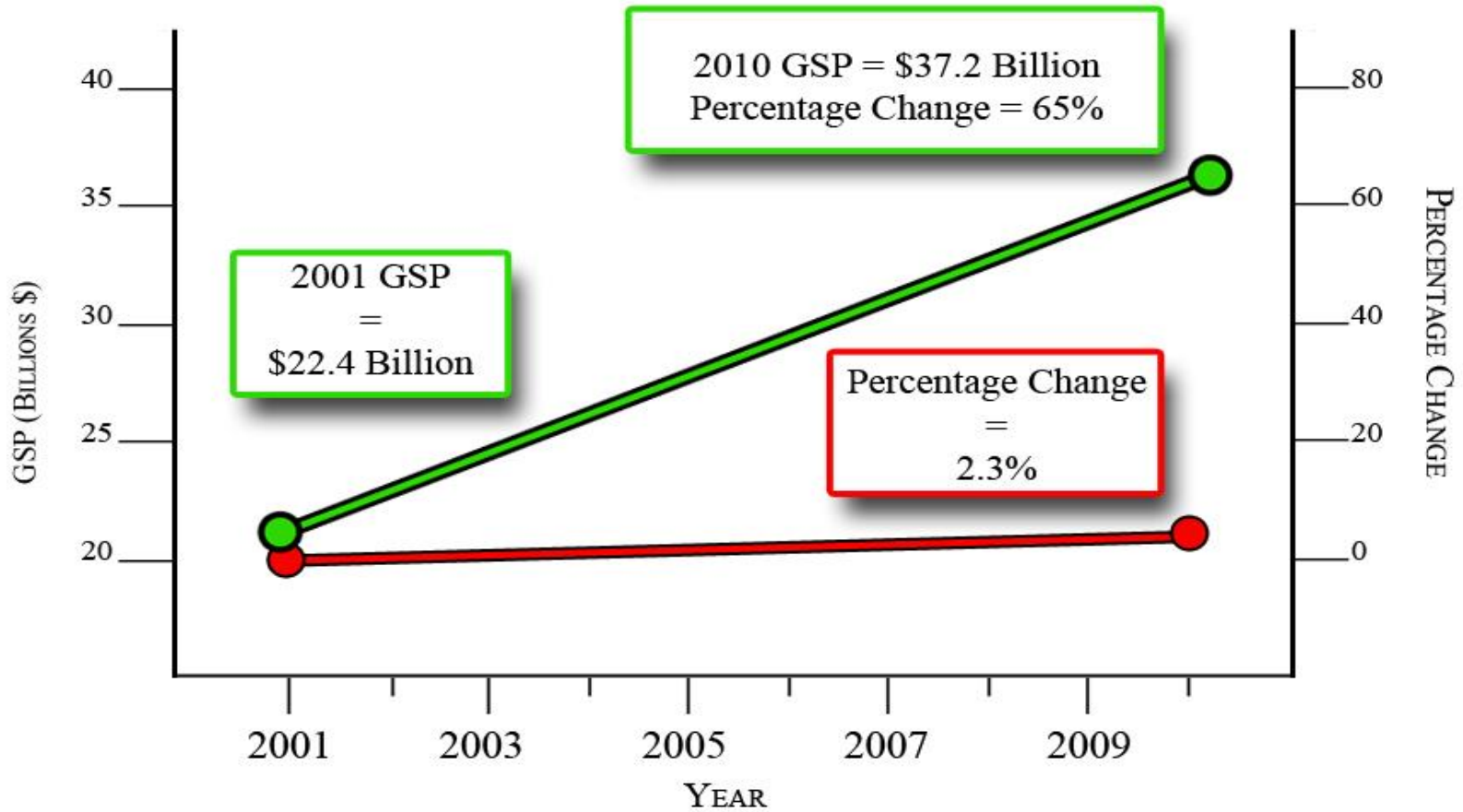


CASH BALANCE: \$333 MILLION

- TAX CUTS
- A BALANCED BUDGET THAT DELIVERS ESSENTIAL SERVICES TO MONTANANS
- A STRONG ENDING FUND BALANCE
- JOB CREATION

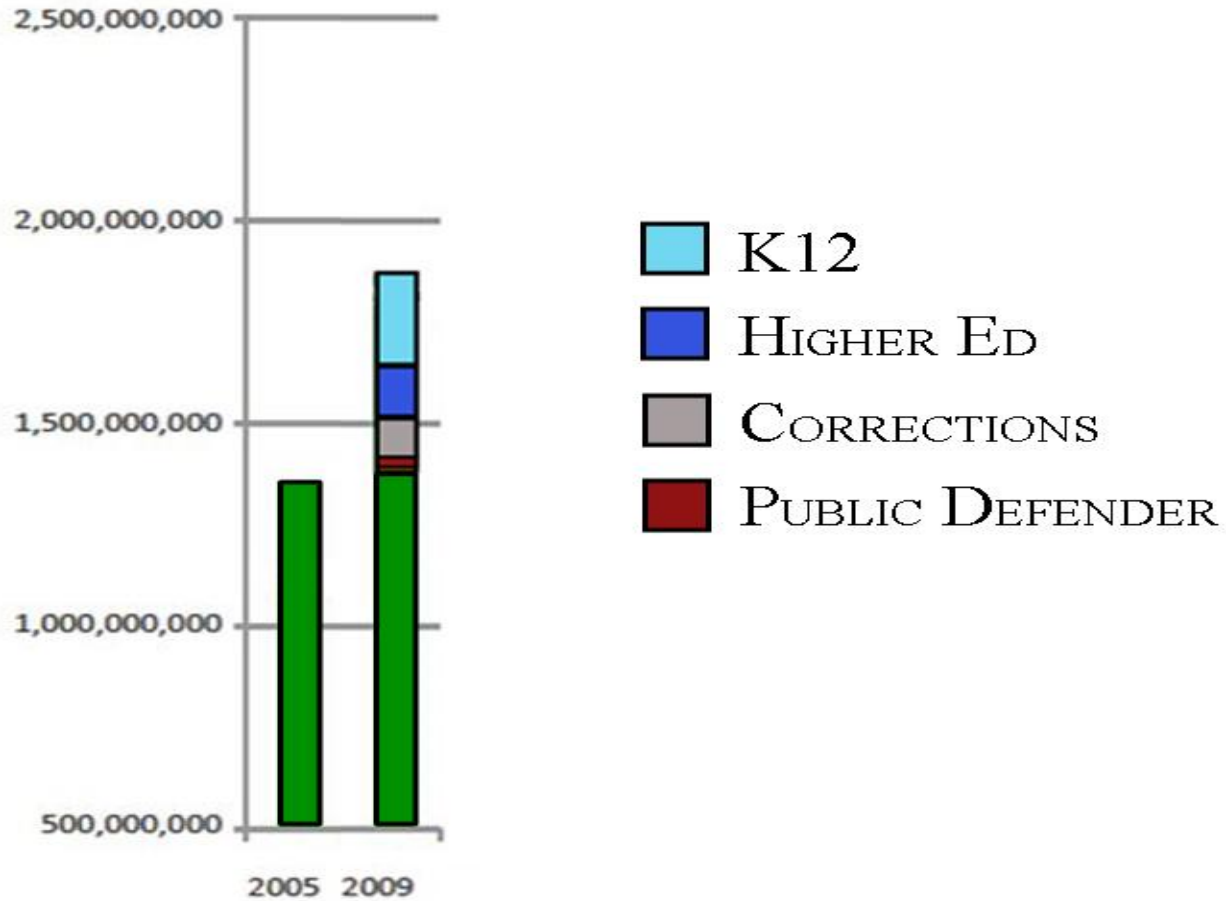
SOURCE: CENTER ON BUDGET POLICY  
AND PRIORITIES

# MONTANA'S ECONOMIC GROWTH





- Gross State Product Growth
- State Employee Growth

# GENERAL FUND INCREASES

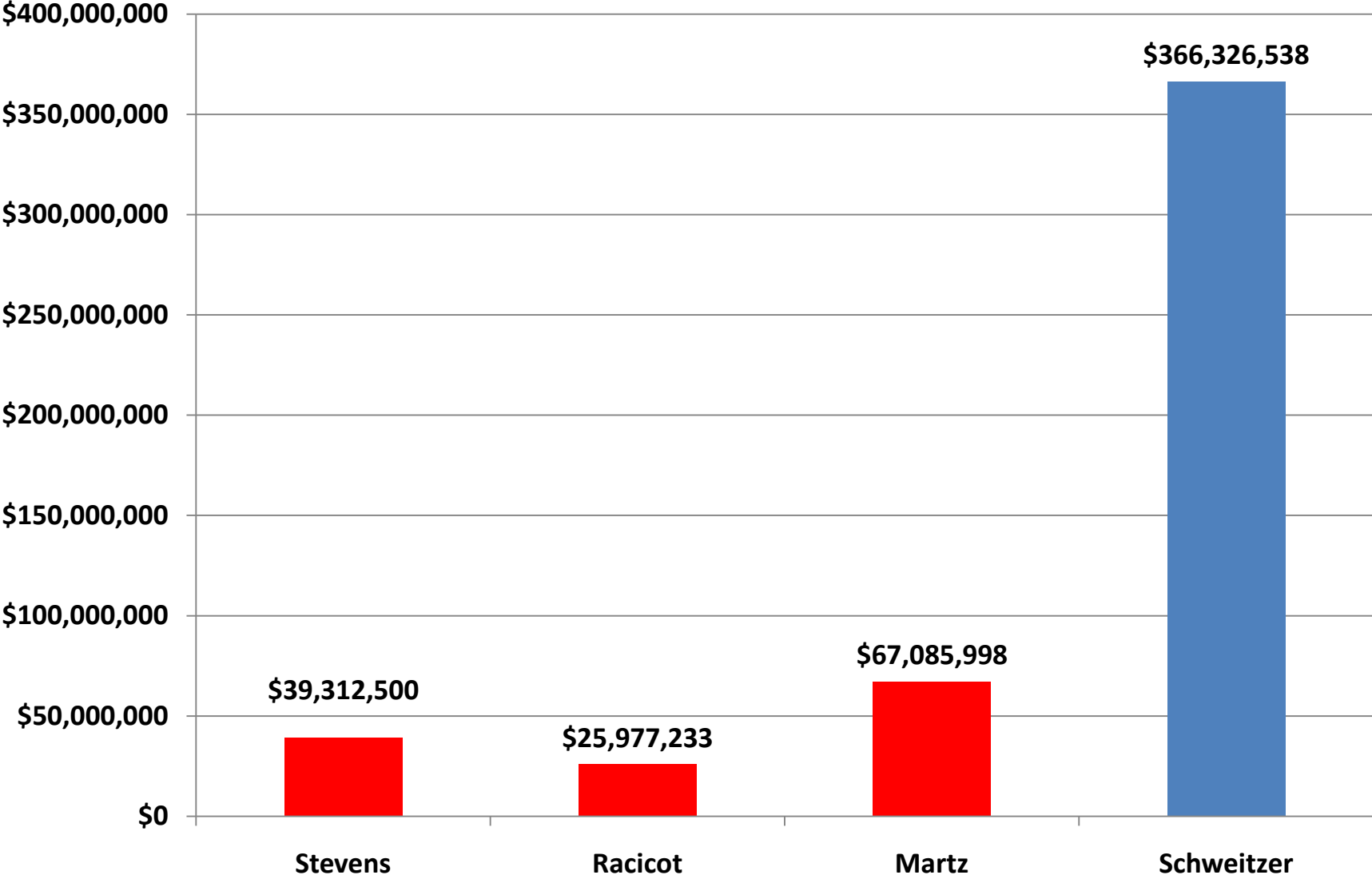


\* TOTALS REFLECT OTO AND ONGOING SPENDING \*

# Putting Grain in the Bin and Saving for Tomorrow

 			
Fiscal Year-End	General Fund - unreserved, undesignated fund balance	General Fund - cash balance	Difference between cash and fund balance
6/30/1990	89,038,000		
6/30/1991	58,700,000		
6/30/1992	24,486,000		
6/30/1993	41,471,000		
6/30/1994	32,593,000		
6/30/1995	25,527,000		
6/30/1996	30,145,000		
6/30/1997	30,315,000		
6/30/1998	44,309,000		
6/30/1999	109,674,000	141,215,048	31,541,048
6/30/2000	146,000,000	121,728,536	(24,271,464)
6/30/2001	142,897,000	138,617,810	(4,279,190)
6/30/2002	78,116,000	53,770,663	(24,345,337)
6/30/2003	43,065,000	29,484,074	(13,580,926)
6/30/2004	132,873,291	112,647,953	(20,225,338)
6/30/2005	289,674,776	303,114,824	13,440,048
6/30/2006	408,581,587	389,861,310	(18,720,277)
6/30/2007	549,157,660	518,249,105	(30,908,555)
6/30/2008	433,580,170	440,878,863	7,298,693
6/30/2009	391,965,036	446,407,476	54,442,440

# Average Savings



Source: Legislative Fiscal Division, General Fund – unreserved, undesignated fund balance

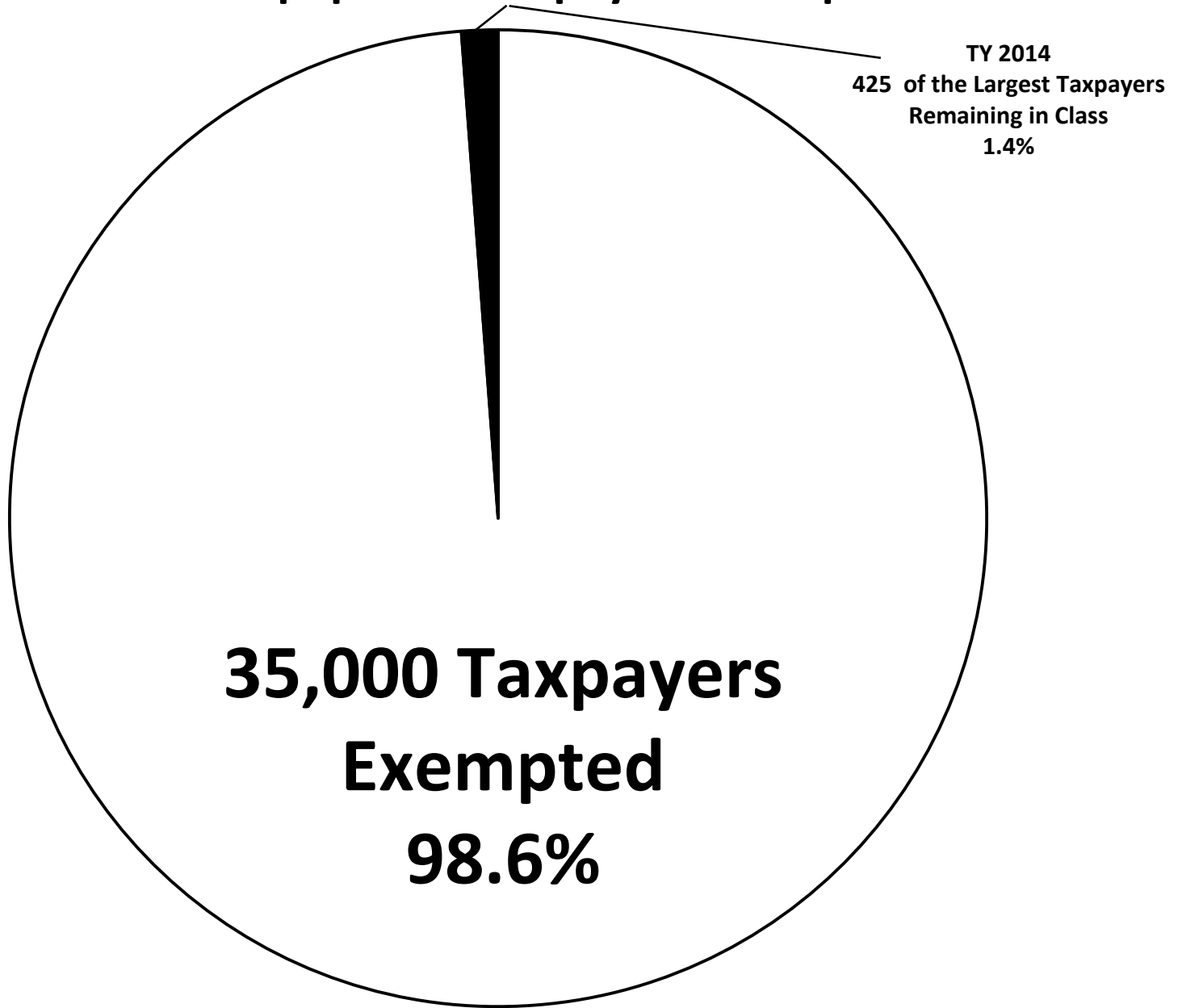
# \$159 Million in Savings and Collections

- **\$40 million** in 5% budget reductions.
- **\$4 million** from State Vehicle Reduction.
- **\$79 million** in audit collections by the Department of Revenue.
- **\$800,000** biennium savings by extending computer replacement cycle to 5 years.
- **\$3.4 million** renegotiating lease rates for commercial space rented by the state.
- **\$17,000** in savings from Governor and Lt. Governor salary decrease.
- **\$6 million** in savings from cancelled building projects across the state.
- **\$450,000** in estimated savings through efficiency steps taken by the Department of Livestock in the implementation of the Brucellosis Action Plan.
- **\$400,000** by rescreening aggregate and using the surplus and obsolete material, rather than crushing new material.
- **\$18 million** cancelling the new unemployment insurance (UI) contribution computer system.
- **\$4.5 million** cancelling renovations of the unused Receiving Hospital Building on the Montana State Hospital Campus.
- **\$2 million** in savings by state government by suspending some wildfire-related equipment purchases and fuels reduction projects in 2010.
- **\$600,000** not bailing out Swank Enterprises' clean up liabilities.
- **\$380,000** over the biennium with the elimination of the RDO positions in Commerce.
- **\$131,000** in savings from Department of Revenue printing fewer tax booklets.
- **\$20,000** in estimated saving by not printing a state phone directory.

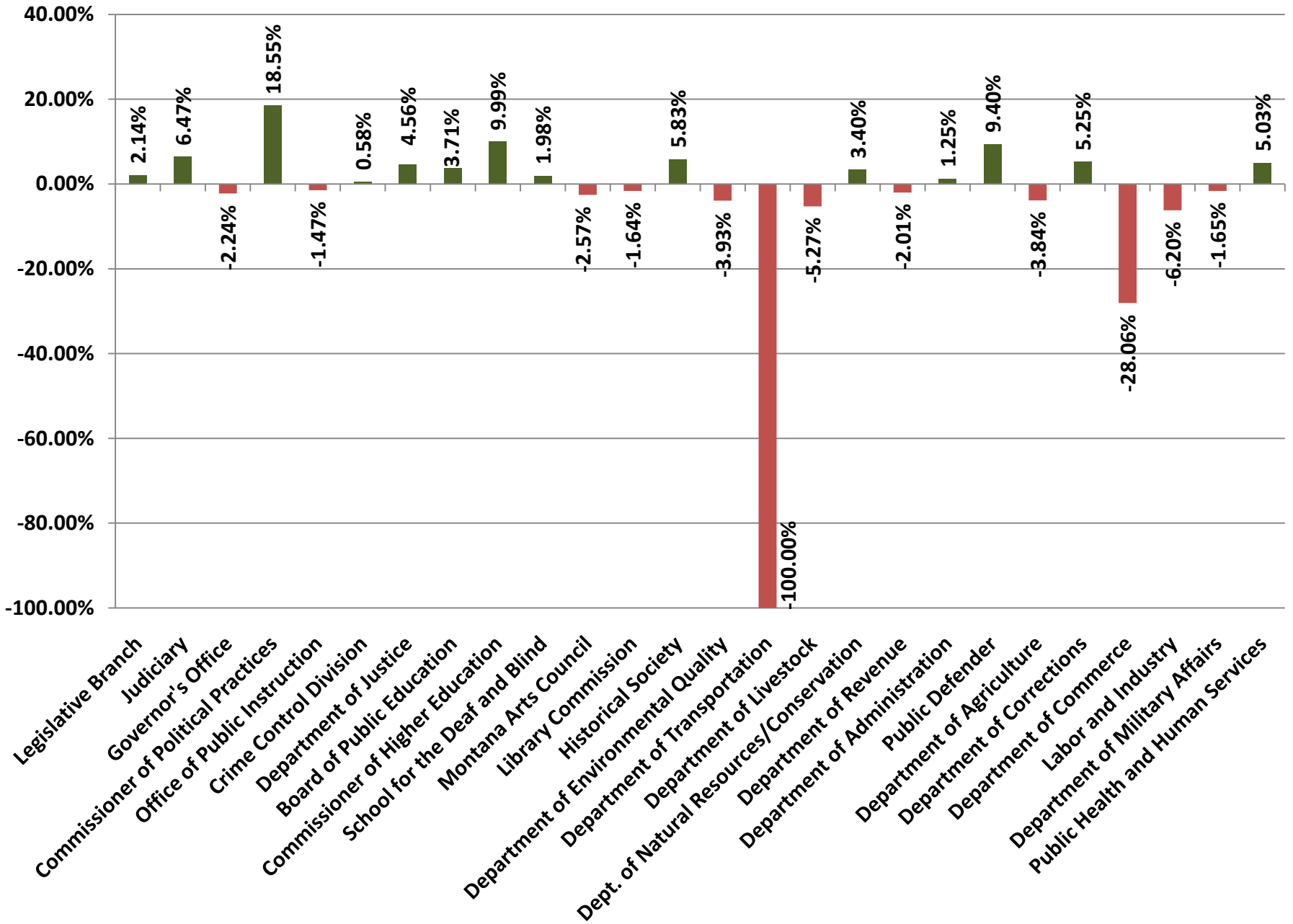
<b>2013 Biennium Budget</b>	<b>\$3,761.6 million</b>
2011 Biennium Budget	\$3,688.9 million
<b>Percent Change</b>	<b>1.97%</b>
<b>Money in the Bank</b>	<b>\$125 million</b>



# Business Equipment Taxpayers Exempted



# HB 2 General Fund



# Education – Path to Good Jobs, Growing Economy & Competitive State

We must continue to invest in education because an educated people – an educated workforce -- is the best path to good jobs, a strong economy and a competitive state.



This budget puts more state money into K-12 and into our higher education system.

We must not short-change our children's future!



## **K-12 Education**

- Backfill \$26M HB645 fund switch to BASE Aid and Special Education
- Provide inflation to:
  - Per ANB & Basic Entitlement (1.9% & 1.53%) - \$29.5M
  - Special Education - \$2.7M
  - Quality Educator (FY13 1.53%) - \$600K
- Restore \$10M At-Risk Funding
- Continues funding the Montana Digital Academy - \$2.4M
- \$10M for Quality Schools Facility Grants to local districts
- \$17M in Facility payments to schools from Quality Schools Facility Acct
- Create \$38M Teach Montana account and fund Quality Educator Payment and inflation increase from this fund

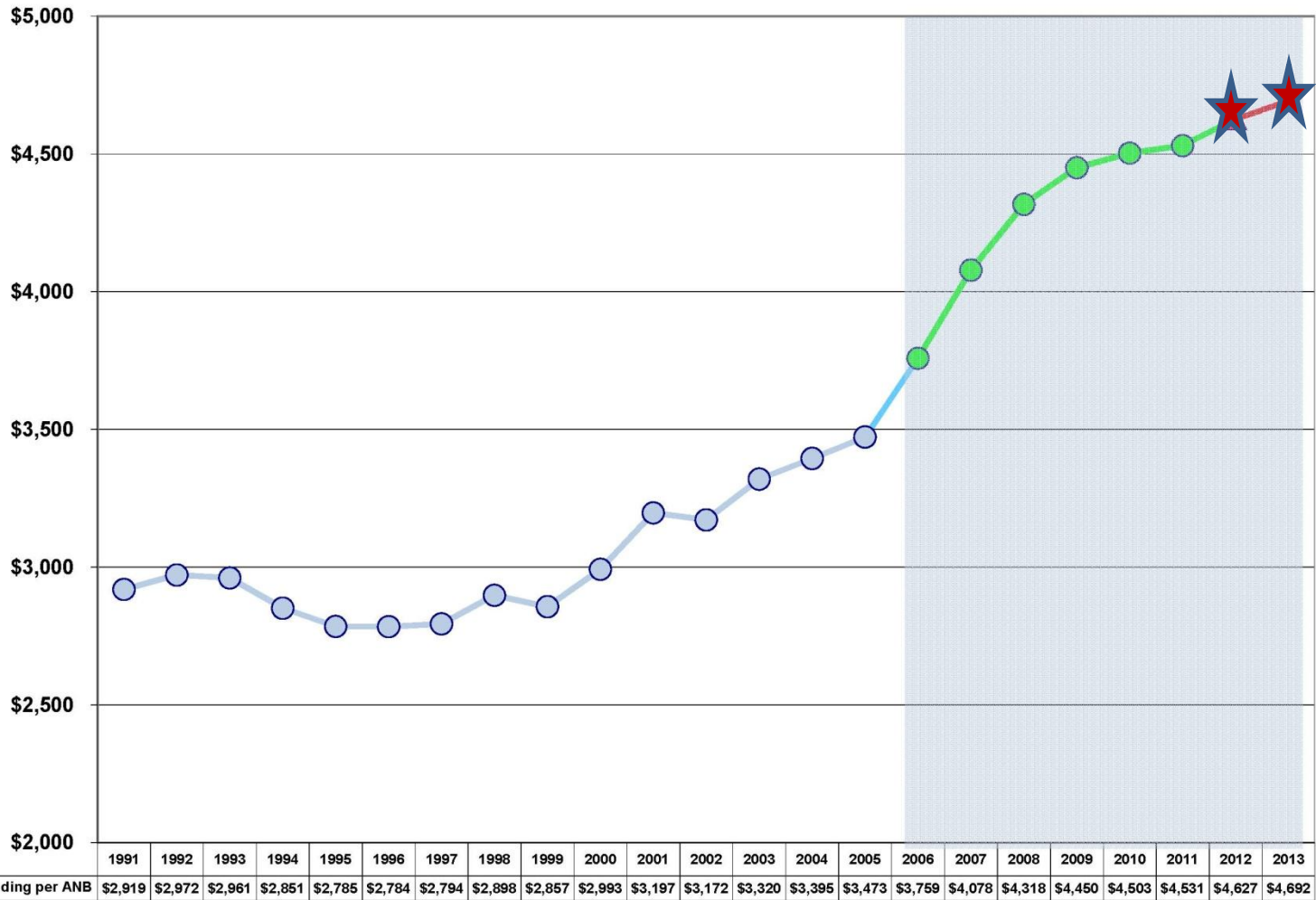
### **TOTAL NEW MONEY TO K12 SCHOOLS:**

***\$42,800,000***

### **TOTAL BACKFILL TO K12 SCHOOLS FROM 2009 LEGISLATURE:**

***\$36,000,000***

## K-12 State Funding Per ANB ("students") (not including tax reimbursements)

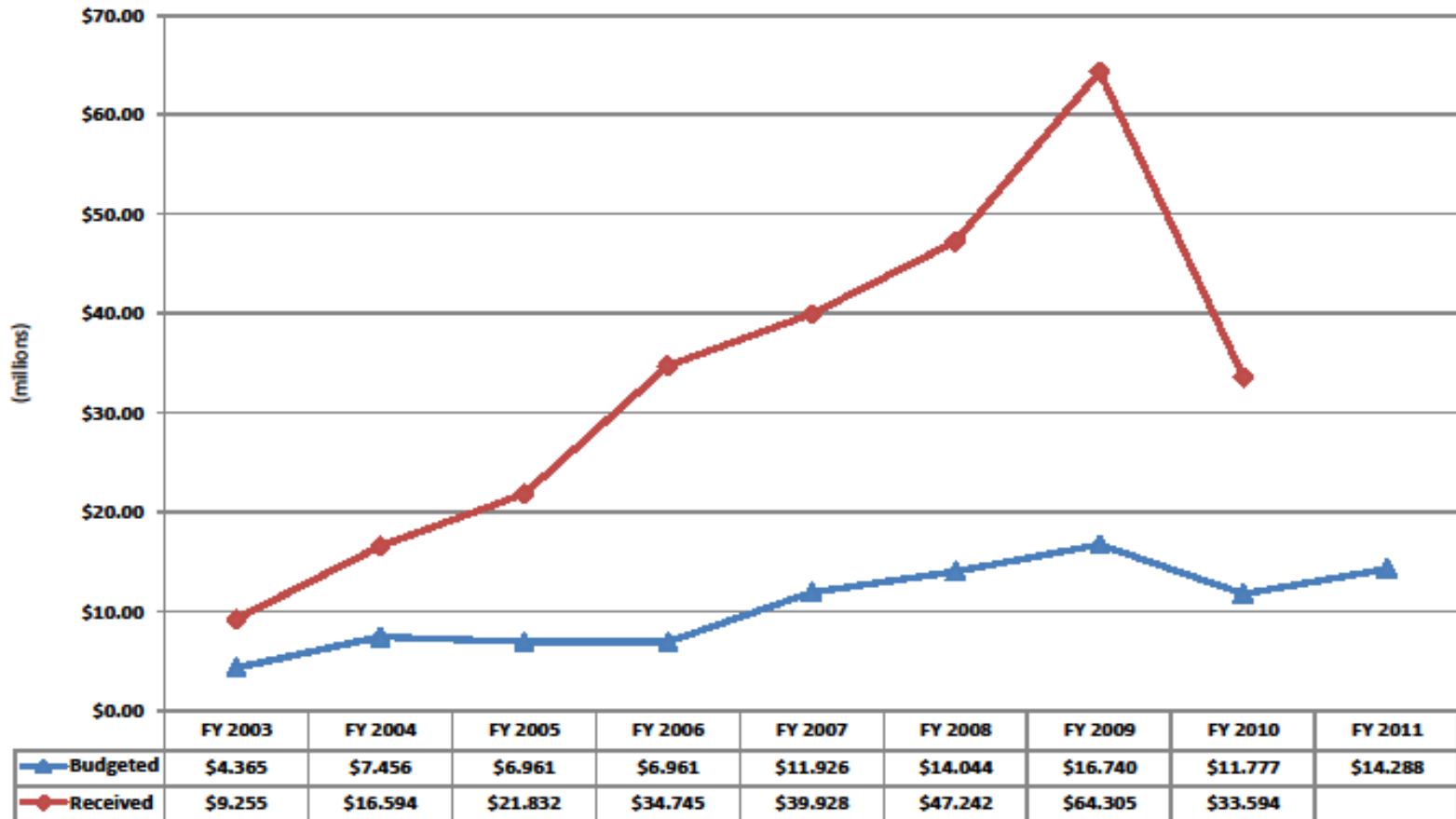


**SAMPLE  
K-12 Funding Summary  
by District**

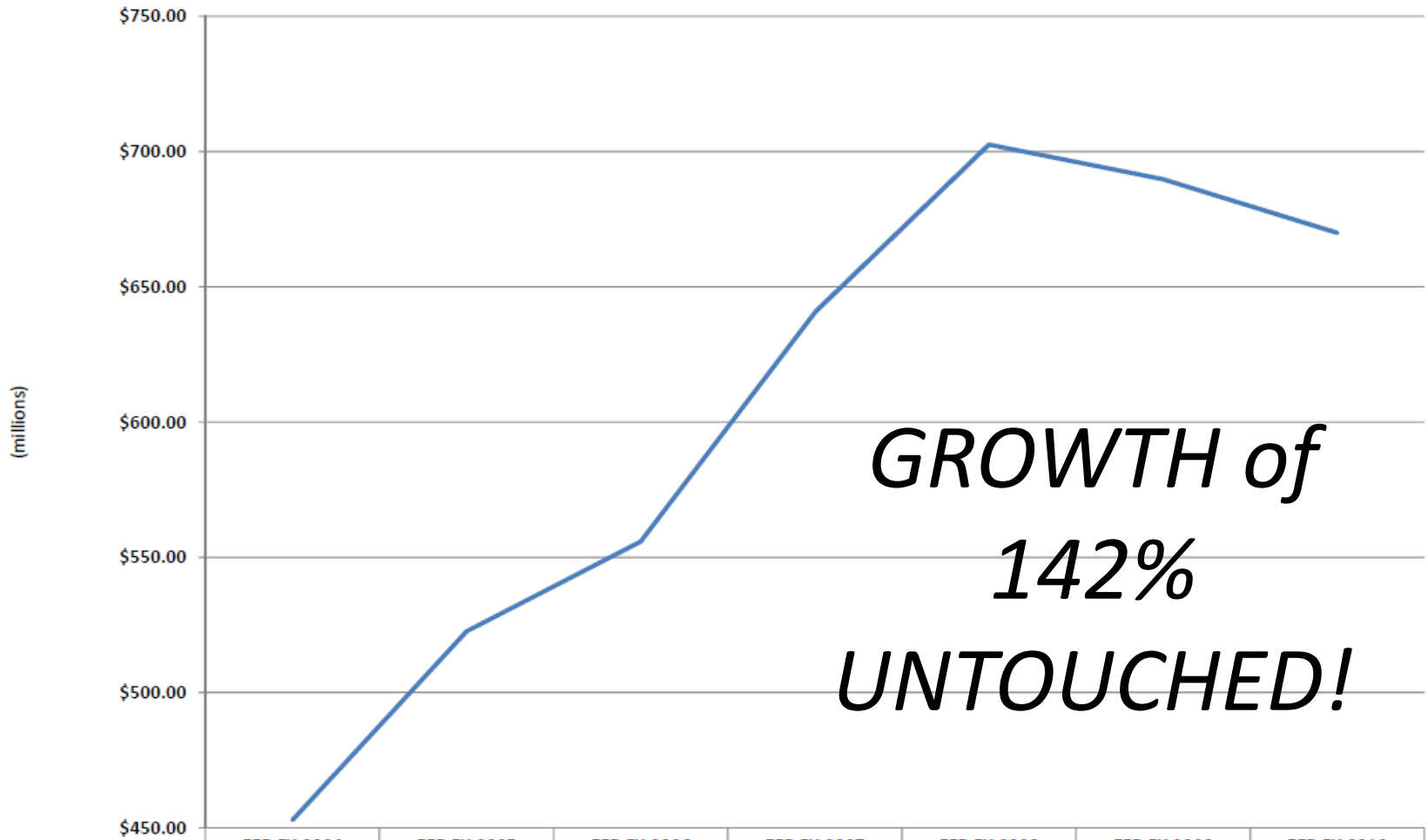
County	District Name	Type	FY 2012 State Pmts without Ed Funding Bill	FY 2012 State Pmts provided in Ed Funding Bill	FY 2012 Increase (DSA, GTB, At-Risk, Qual Ed)	FY 2013 State Pmts without Ed Funding Bill	FY 2013 State Pmts provided in Ed Funding Bill	FY 2013 Increase (DSA, GTB, At-Risk, Qual Ed)
Carbon	Roberts K-12 Schools	C	843,197	853,470	10,273	850,086	869,224	19,138
Cascade	Centerville Elem	E	662,063	681,815	19,751	671,260	698,346	27,086
Cascade	Great Falls Elem	E	25,243,925	25,918,109	674,184	25,778,068	26,762,325	984,257
Gallatin	Bozeman H S	H	5,824,842	5,948,720	123,879	5,750,533	5,963,147	212,614
Glacier	Browning Elem	E	6,055,808	6,276,452	220,645	6,176,997	6,459,952	282,955
Hill	Havre Elem	E	4,576,662	4,700,629	123,967	4,682,701	4,864,690	181,988
Lake	Ronan H S	H	1,695,443	1,736,300	40,857	1,707,014	1,766,027	59,014
Lewis & Clark	Augusta Elem	E	199,429	209,488	10,058	186,540	199,288	12,748
Lewis & Clark	Helena Elem	E	18,222,798	18,616,428	393,630	18,603,158	19,220,516	617,358
Liberty	Chester-J-I HS	H	368,143	398,437	30,293	356,983	386,159	29,176
Lincoln	Libby K-12 Schools	C	5,186,058	5,331,232	145,174	5,165,905	5,369,283	203,378
Meagher	Lenep Elem	E	22,071	22,431	360	22,071	22,774	703
Missoula	Hellgate Elem	E	4,583,370	4,670,566	87,196	4,664,776	4,809,481	144,705
Missoula	Missoula Elem	E	16,879,426	17,385,100	505,674	17,215,476	17,934,593	719,117
Petroleum	Winnett K-12 Schools	C	631,235	660,173	28,938	638,326	674,541	36,214
Pondera	Heart Butte H S	C	1,088,567	1,119,185	30,618	1,082,938	1,123,365	40,427
Ravalli	Corvallis K-12 Schools	C	5,839,675	5,972,021	132,346	5,901,836	6,099,357	197,522
Roosevelt	Brockton Elem	E	347,609	365,918	18,309	343,489	365,303	21,814
Rosebud	Lame Deer H S	H	959,961	999,213	39,252	921,638	969,242	47,604
Sanders	Hot Springs Elem	E	680,614	707,441	26,827	692,976	726,877	33,901
Silver Bow	Butte H S	H	6,089,585	6,205,369	115,784	6,034,670	6,223,263	188,593
Teton	Dutton/Brady K-12 Schools	C	714,900	736,811	21,911	690,037	721,611	31,574
Teton	Pendroy Elem	E	123,888	130,009	6,120	128,017	135,891	7,874
Valley	Hinsdale Elem	E	209,103	222,162	13,060	212,023	228,873	16,849
Wheatland	Judith Gap H S	H	194,812	198,415	3,603	195,957	202,400	6,444
Yellowstone	Billings Elem	E	37,343,539	38,255,668	912,128	38,098,478	39,471,452	1,372,975
Yellowstone	Billings H S	H	20,089,356	20,445,752	356,396	19,861,363	20,469,867	608,503
Yellowstone	Laurel Elem	E	4,546,909	4,638,953	92,044	4,642,737	4,792,316	149,579

# Teach Montana

**K-12 Oil & Gas Budgeted vs. Actual Receipts**  
(All District Funds)

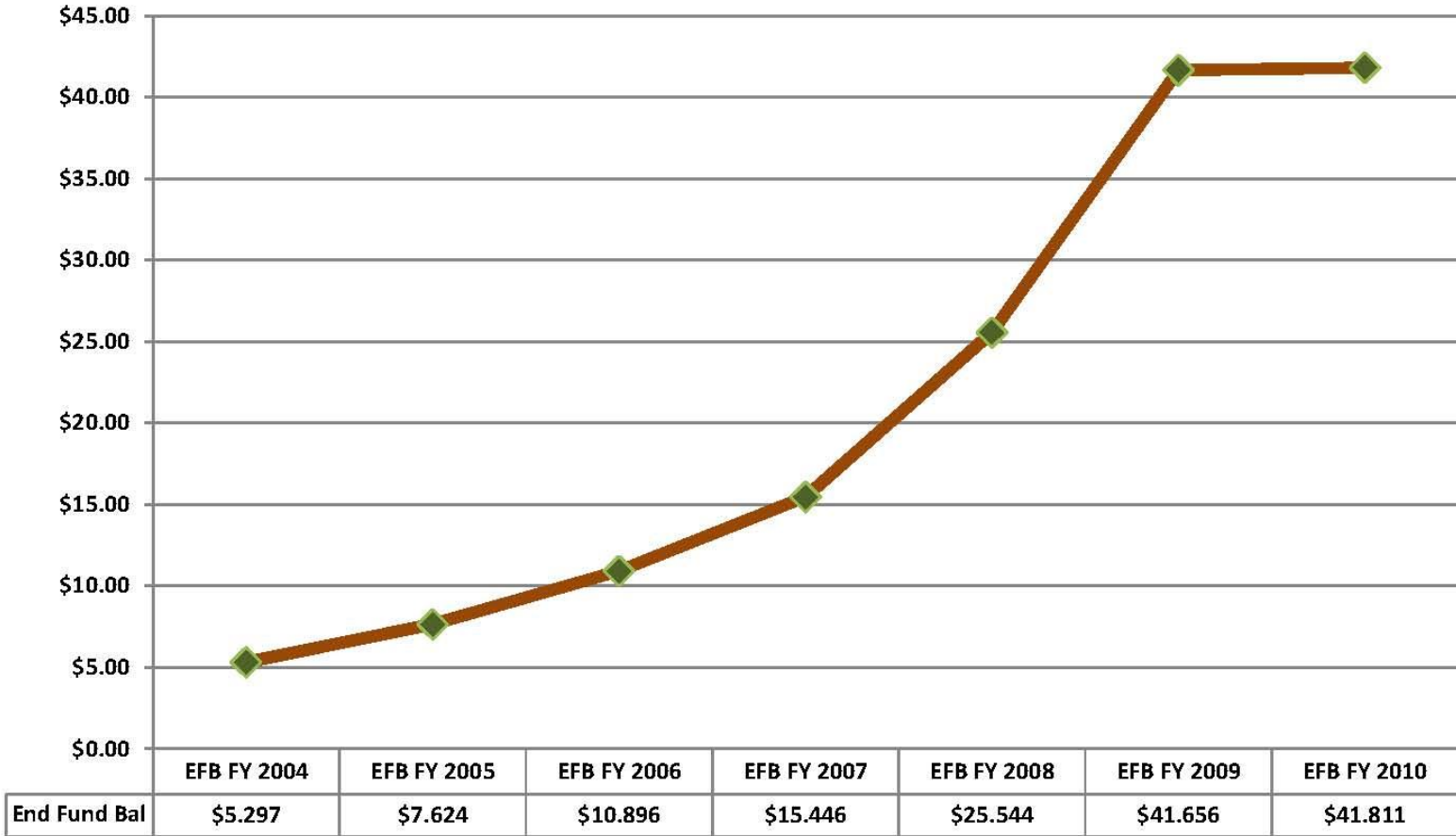


## Ending Fund Balances All Funds





**K-12 Schools  
Flexibility Fund  
Ending Fund Balance History  
FY 2004 - FY 2010**



# Higher Education

- Backfill \$31M in HB645 fund switch
- \$24M Present Law Adjustment
- \$12.6M new funding to UM and MSU systems
- \$500,000 for Dual Enrollment Scholarships
- \$1.7M for Non-Beneficiary Tribal Student Funding
- \$140,000 for Community College BANNER support
- \$5.4M Community College new funding

TOTAL NEW MONEY TO HIGHER ED:

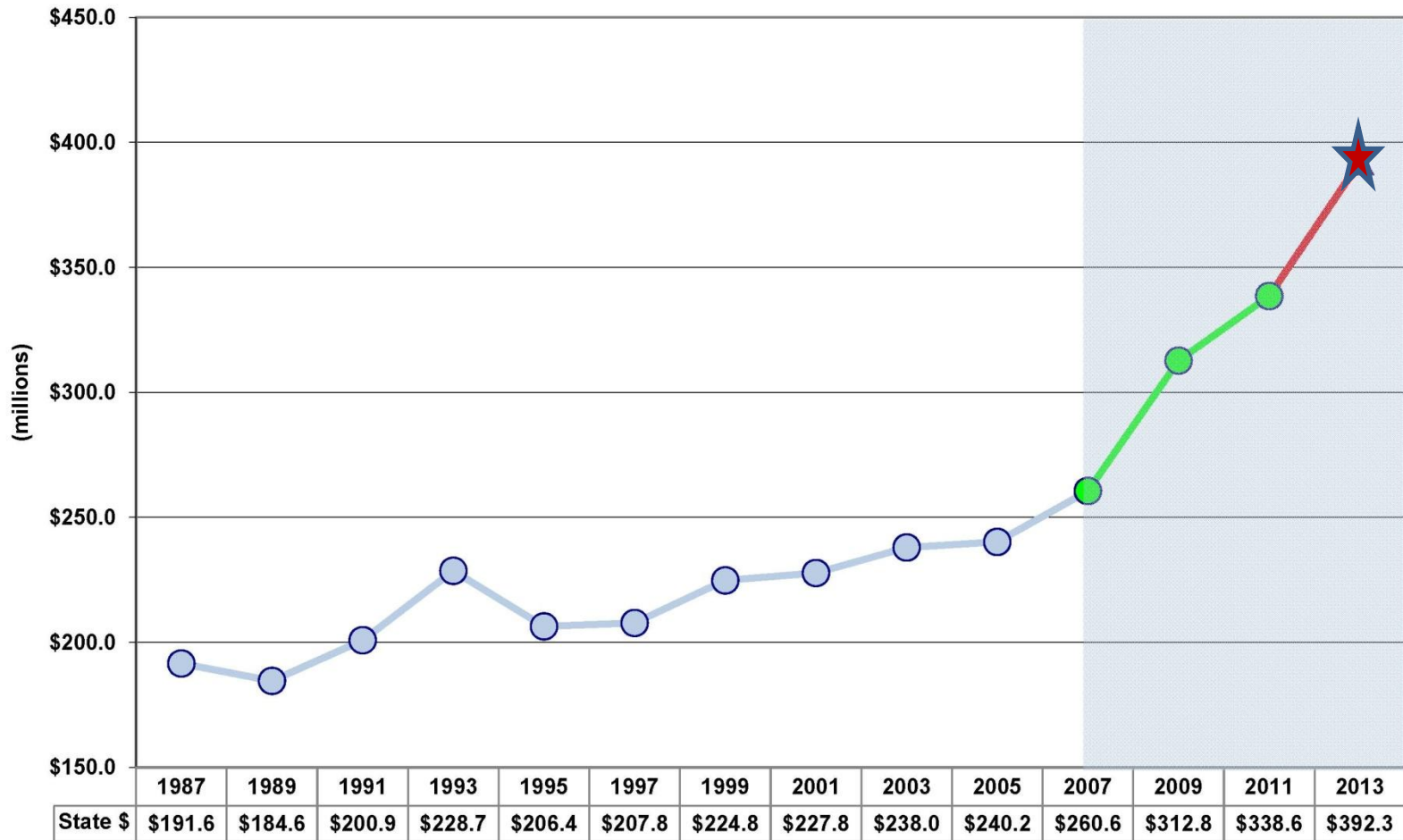
***\$43,490,000***

TOTAL BACKFILL TO HIGHER ED FROM 2009 LEGISLATURE:

***\$31,850,000***

## State Funding MUS

Includes state investment in scholarships and ed units



Includes federal funding from ARRA in the 2011 biennium