

Tuition Freeze

A tuition freeze agreement between Governor Steve Bullock and the Montana University System (MUS) was signed during the 2019 Legislative Session. The agreement states that the MUS will implement a resident undergraduate student tuition freeze for the 2020 and 2021 fiscal years if certain funding levels are provided. The agreement hinges on the following factors:

- **Present Law Adjustments:** The State's share of present law for the MUS Ed. Units is \$8,485,157 in FY 2020 and \$9,630,723 in FY 2021 over the base year of FY 2019, for a total of \$18,115,880. The State's share represents 41% of the total present law request for the MUS.
- **Six-mill Levy Revenue:** Six-mill revenue is projected to increase by \$6M over the biennium. All increased revenue from the Six-mill Levy will contribute to the MUS base budget without further off-setting reductions in General Fund.
- **State Employee Pay Plan:** While specific funding criteria for freezing tuition is included in HB 2 appropriations, it is imperative that the MUS remains included in any appropriations provided for the state employee pay plan.
- **Performance Funding:** The MUS will continue with performance funding and commit to allocating a total of \$30,000,000 to the MUS Ed. Units through a performance-based funding model in the next biennium (FY20 and FY21).
- **No Shifting of Costs to Fees:** The MUS must commit to not increasing fees beyond what would be required for the normal programs that fees support. The MUS campuses will not shift costs from current unrestricted funding to fee supported programs.

Outcome: The 2019 Legislature appropriated sufficient levels of funding for the tuition freeze agreement to be implemented.

- **State Appropriations** include an increase of **\$29.4** million in ***present law adjustments*** and ***pay plan funding*** to MUS Ed. Units.
- **Performance Funding** – the MUS is prepared to continue with performance funding; an Action Item in the Budget, Administration, & Audit Committee will be presented for the Regents' consideration.

State Funding Increases

Biennial State Funding Increase = \$38.6 million

(includes General Fund & State Special, HB 2 & HB 175 only)

<u>HB 2- General Appropriation Act</u>	<u>\$\$ INCREASE</u>	<u>%INC</u>
Office of the Commissioner of Higher Ed.	\$1,076,802	17%
Student Assistance	\$2,640,735	13%
<i>Access Grant: Need-based aid with required 1:1 match from the campus foundations. Total = \$2.0M biennial</i>		
Community Colleges	\$1,723,466	7%
Appropriation Dist. (MUS Ed Units)	\$24,020,428	7%
Agencies	\$2,794,147	5%
Tribal Colleges (Hi-Set Test)	\$350,000	
Board of Regents	\$12,600	10%
<u>HB 175 – State Employee Pay Plan</u>		
Pay Plan	\$6,066,049	
Total: State Funding Increase (HB 2 & HB 175)	\$38,684,227	8%

Building/Maintenance/Authority

Building Projects Total = \$31.25M (cash/bonds), \$7M (authority)

- Romney Hall – MSU, \$25M (cash/bonds), \$7M (authority)
- Dental Clinic Lab – GFC, \$4.25M
- Research Lab – MAES, \$2M

Maintenance Total = \$4.5M

- Deferred Maintenance, \$4.5M

Authority Only = \$62.5M

- General Spending Authority, MUS, \$16M
- American Indian Hall, MSU, \$12M
- Remodel Harrison Hall, Hospitality Management, Gallatin College, MSU, \$4M
- Facilities Services Yard Relocation, MSU, \$9M
- Visual Communications Building Addition, MSU, \$12M
- Renovate Renne Library, MSU, \$1.5M
- Upgrade Donaldson Hall, MSU-Northern, \$6M
- Upgrade McKenzie Hall Systems, MSU-Northern, \$2M

Other Legislation

SB 60 - Generally revise laws related to financial aid program

- Revises the MT STEM Scholarship by shifting Lottery funding from last dollar to first dollar and extends the number of years that students can receive scholarships from two to four
- Award amounts are \$1,000 in the first year, \$1,500 in years two and three, and \$2,000 in year four

HB 61 - Revise school data privacy laws

- Allows OPI to share student's personally identifiable information from a statewide assessment/college entrance exam with postsecondary education institutions, testing agencies under contract with a state entity to provide a college entrance exam to students, or scholarship organizations

SB 218 - Exempt certain students from minimum wage and overtime compensation requirements

- Exempts resident hall advisors who receive free or reduced housing in a university facility from minimum wage and overtime compensation requirements

HB 553 - Generally revise infrastructure funding laws

- Revamps the bonding process for the State of MT by establishing new guidelines and structure
- Sets a limit on the amount of general obligation bond debt that the state can accrue

- Establishes new process for obtaining maintenance funds from the legislature based on a submittal of prioritized list of projects and creates new funding criteria (80% life safety, 20% remodel/aesthetics)

HB 619 - Revise student data privacy laws

- Allows OPI to share student-level information with OCHE and the MT Department of Labor and Industry for the purpose of research directed at ensuring that MT's K-12 system meets the expectations of the MT University System and the workforce needs of the state

HB 657 - Study community college funding formula and CTE funding

- Interim study by the Legislative Finance Committee
- Focus on Community College funding formula and Career & Technical Education credit values

HB 716 - Develop an agreement with MUS and Idaho College of Medicine

- Directs OCHE to negotiate the terms of a memorandum of understanding between the Board of Regents and the Idaho college of osteopathic medicine to establishes a cooperative medical education program for Montana residents
- Upon full accreditation of the college in 2022, the program will make up to 10 slots per year available to MT residents
- The state funded support fee will be equivalent to the WICHE osteopathic medicine support fee and should be included in the preliminary budget submitted by the Board of Regents next biennium

HB 754 - Create study commission to review MUS restructuring

- The commission will consist of four members of the House, four members of the Senate, two members of the Board of Regents, a member of the Board of Public Education, the president of the MT Associated Students, two members appointed by the Governor, and two members of the public
- The commission will focus on the history and structure of 2-year Education within the MUS, analyzing the impacts of restructuring that occurred in the 1990's on 2-year campuses, governance structures in other states, the demand for career and technical education, and the potential for restructuring 2-year Education in the MUS to enhance career and technical education