

Agency Budget Comparison

The following table compares 2014 actuals expenditures without one-time appropriations plus 2015 estimated appropriations including one-time appropriations, but excluding certain base appropriations to the 2017 biennial total legislative budget. The comparison is listed by year, type of expenditure, and source of funding. The biennial percent change column has been eliminated to allow for the transition to a comparison of biennial appropriations consistent with SB 140 in the future. The biennial appropriation growth/decline is listed in the agency highlight tables and the expenditure section of Volume 1 of this Fiscal Report.

Agency Budget Comparison							
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change
FTE	4.00	4.00	3.00	3.00	4.00	3.00	(1.00)
Personal Services	202,245	303,990	225,661	225,461	506,235	451,122	(55,113)
Operating Expenses	82,454	77,941	134,854	120,485	160,395	255,339	94,944
Debt Service	0	1,782	1,782	1,782	1,782	3,564	1,782
Total Costs	\$284,699	\$383,713	\$362,297	\$347,728	\$668,412	\$710,025	\$41,613
General Fund	119,381	206,567	184,219	168,521	325,948	352,740	26,792
State/Other Special Rev. Funds	165,318	177,146	178,078	179,207	342,464	357,285	14,821
Total Funds	\$284,699	\$383,713	\$362,297	\$347,728	\$668,412	\$710,025	\$41,613

Agency Description

The Montana Constitution in Article X, section 9 created and empowered the Board of Public Education (BPE) to supervise, serve, maintain, and strengthen Montana's system of free quality public elementary and secondary schools. The purpose of the is board to promote high academic achievement for all Montana students.

Activities of the BPE:

- General supervision over the K-12 public school system
- General supervision of the Montana School for the Deaf and Blind
- Establishing accreditation standards for schools
- Establishing the accreditation status for each school
- Overseeing teacher certification
- Standardization of policies and programs

Per 20-2-101, MCA, the board combines with the Board of Regents to create the State Board of Education. The State Board of Education is responsible for general planning, coordination, and evaluation of the state education system, and for developing and submitting to the legislature the unified budget for Montana's educational system.

Agency Highlights

**Board of Public Education
Major Budget Highlights**

- The legislature utilized the 2015 legislative appropriations as the starting point for the budgeting process.
 - The 2015 biennial general fund appropriations for ongoing activities were \$216,000 in FY 2014 and \$207,000 in FY 2015 for a total appropriation of \$422,000. The legislature established the base budget for each year of the 2017 biennium at the level of the FY 2015 appropriation.
- The total ongoing 2017 biennium general fund appropriation decreased by \$129,600 or 30.7% compared to the 2015 biennium appropriation
 - \$9,300 decrease - Annualize FY 2014 expenses to FY 2015 base budget funding level
 - \$174,500 - Decrease due to the permanent elimination of 1.00 FTE
 - \$14,700 Increase - Increase in present law adjustments for personal services and health care
 - \$39,500 Increase - Present law adjustments for fixed costs, inflation, IT rate adjustments, liability, motor pool adjustments
- In addition to the 30.7% decrease in general fund detailed above, the legislature approved one-time-only general fund appropriation of \$60,000 for legal services.

Summary of Legislative Action

The legislature approved an ongoing general fund decrease of \$129,600 or a 30.7% decrease compared to appropriation for 2015 biennium. The legislature approved the executive's request to eliminate one permanent FTE reducing the staff from 4.00 FTE to 3.00 FTE. Funding for legal services was designated as one-time-only (OTO) funding, when including OTO funding the approved general fund budget is a decrease of approximately one percent.

Funding

The following table shows agency funding by source of authority. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Board of Public Education Funding by Source of Authority 2017 Biennium Budget - Board of Public Education					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	352,740	0	0	352,740	49.68 %
State Special Total	357,285	0	0	357,285	50.32 %
Federal Special Total	0	0	0	0	0.00 %
Proprietary Total	0	0	0	0	0.00 %
Other Total	0	0	0	0	0.00 %
Total All Funds	\$710,025	\$0	\$0	\$710,025	
Percent - Total All Sources	100.00 %	0.00 %	0.00 %		

The BPE is funded through a combination of general fund and state special funds. One-half of the budget is funded with general fund, the remainder of the funding is provided by teacher certification fees. By statute, these fees are collected by OPI and deposited into two accounts; two thirds (2/3) of the fees are deposited in the Advisory Council which supports the activities of Certification Standards and Practices Advisory Council (CSPAC), and one third is deposited into the Research Fund and used to fund the statutory duties of the BPE and CSPAC.

- Legislature appropriated all estimated revenue designated to the advisory council fund, ending the biennium with a balance of zero.
- The legislature appropriated 97% of expected revenues designated to the research fund, ending the biennium with a balance of \$38,000. As originally created, the research fund was to be a reserve for special projects. Statute was changed to allow for the appropriation of a portion of the fund for operations with the balance reserved for special projects.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Summary by Category								
-----General Fund-----					-----Total Funds-----			
Budget Item	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	206,567	206,567	413,134	117.12 %	383,713	383,713	767,426	108.08 %
PL Adjustments	35,020	19,095	54,115	15.34 %	35,952	21,156	57,108	8.04 %
New Proposals	(57,368)	(57,141)	(114,509)	(32.46)%	(57,368)	(57,141)	(114,509)	(16.13)%
Total Budget	\$184,219	\$168,521	\$352,740		\$362,297	\$347,728	\$710,025	

Executive Budget Comparison

The following table compares the legislative budget for the 2017 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2014	Executive Budget Fiscal 2016	Legislative Budget Fiscal 2016	Leg — Exec. Difference Fiscal 2016	Executive Budget Fiscal 2017	Legislative Budget Fiscal 2017	Leg — Exec. Difference Fiscal 2017	Biennium Difference Fiscal 16-17
FTE	4.00	3.00	3.00	0.00	3.00	3.00	0.00	0.00
Personal Services	202,245	231,180	225,661	(5,519)	230,980	225,461	(5,519)	(11,038)
Operating Expenses	82,454	157,495	134,854	(22,641)	143,111	120,485	(22,626)	(45,267)
Debt Service	0	0	1,782	1,782	0	1,782	1,782	3,564
Total Costs	\$284,699	\$388,675	\$362,297	(\$26,378)	\$374,091	\$347,728	(\$26,363)	(\$52,741)
General Fund	119,381	207,925	184,219	(23,706)	193,542	168,521	(25,021)	(48,727)
State/other Special Rev. Funds	165,318	180,750	178,078	(2,672)	180,549	179,207	(1,342)	(4,014)
Total Funds	\$284,699	\$388,675	\$362,297	(\$26,378)	\$374,091	\$347,728	(\$26,363)	(\$52,741)

The legislatively approved budget lowers general fund by \$49,000 from the level proposed by the executive. The adjustment includes \$30,000 general fund in each year of the biennium for legal fees lower than the executive request, offset by other general fund present law adjustments of \$11,000 above the executive request.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	4.00	4.00	3.00	3.00	4.00	3.00	(1.00)	(25.00)%
Personal Services	202,245	303,990	225,661	225,461	506,235	451,122	(55,113)	(10.89)%
Operating Expenses	82,454	77,941	134,854	120,485	160,395	255,339	94,944	59.19 %
Debt Service	0	1,782	1,782	1,782	1,782	3,564	1,782	100.00 %
Total Costs	\$284,699	\$383,713	\$362,297	\$347,728	\$668,412	\$710,025	\$41,613	6.23 %
General Fund	119,381	206,567	184,219	168,521	325,948	352,740	26,792	8.22 %
State/Other Special Rev. Funds	165,318	177,146	178,078	179,207	342,464	357,285	14,821	4.33 %
Total Funds	\$284,699	\$383,713	\$362,297	\$347,728	\$668,412	\$710,025	\$41,613	6.23 %

Program Description

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

Program Highlights

Funding

The following table shows program funding by source from all sources of authority.

Board of Public Education, 01-K-12 Education Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	352,740	0	0	352,740	49.68 %
02122 Advisory Council	247,285	0	0	247,285	69.21 %
02219 Research Fund	110,000	0	0	110,000	30.79 %
State Special Total	\$357,285	\$0	\$0	\$357,285	50.32 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$710,025	\$0	\$0	\$710,025	

The BPE is funded through a combination of general fund and state special funds, see summary section for details.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	206,567	206,567	413,134	117.12 %	383,713	383,713	767,426	108.08 %
PL Adjustments	35,020	19,095	54,115	15.34 %	35,952	21,156	57,108	8.04 %
New Proposals	(57,368)	(57,141)	(114,509)	(32.46)%	(57,368)	(57,141)	(114,509)	(16.13)%
Total Budget	\$184,219	\$168,521	\$352,740		\$362,297	\$347,728	\$710,025	

Present Law Adjustments

The "Present Law Adjustments" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

Present Law Adjustments										
	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 102 - Personal Services adjustment excluded from global motion	0.00	6,407	688	0	7,095	0.00	4,851	1,817	0	6,668
DP 510 - Legislative Audit - HB 2 2014 Fixed Costs (Restricted/Biennia	0.00	16,418	0	0	16,418	0.00	0	0	0	0
DP 515 - State Share Health Insurance	0.00	1,700	244	0	1,944	0.00	1,700	244	0	1,944
DP 525 - Fixed Costs Adjustment	0.00	11,949	0	0	11,949	0.00	11,936	0	0	11,936
DP 526 - 2017 Biennium Legislative Audit (Restricted/Biennial)	0.00	(2,054)	0	0	(2,054)	0.00	0	0	0	0
DP 531 - SITSD Rate Adjustment	0.00	238	0	0	238	0.00	238	0	0	238
DP 532 - General Liability Insurance Rate Adjustment	0.00	(71)	0	0	(71)	0.00	(72)	0	0	(72)
DP 550 - Motor Pool Rate Adjustment	0.00	(47)	0	0	(47)	0.00	(47)	0	0	(47)
Grand Total All Present Law Adjustments	0.00	\$34,540	\$932	\$0	\$35,472	0.00	\$18,606	\$2,061	\$0	\$20,667

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 102 - Personal Services adjustment excluded from global motion -

The legislature provided an increase in general fund of \$11,258 and an increase in state special revenue of \$2,505 for the biennium for funding excluded from the global motion.

DP 510 - Legislative Audit - HB 2 2014 Fixed Costs (Restricted/Biennia -

The legislature provided a restricted biennial appropriation for the legislative audit costs. The funding is established at the level of the 2015 biennial appropriation contained in HB 2 as enacted by the 2013 Legislature.

DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 525 - Fixed Costs Adjustment -

The legislature adopted proprietary rates for fixed costs charged to state agencies for services such as information technology or rent and grounds maintenance within the capitol complex. Rates for messenger services, legislative audit,

grounds maintenance, records management, agency legal costs, and the statewide cost allocation plan were adopted as proposed by the executive. The legislature lowered proprietary rates for warrant writer, payroll services, SABHRS, SITSD fees, and rent. The legislature increased insurance premiums to provide for increased costs of claims and to establish a reserve for the insurance fund.

DP 526 - 2017 Biennium Legislative Audit (Restricted/Biennial) -

The legislature adjusted legislative audit costs and funding based on the current estimate of the Legislative Auditor.

DP 531 - SITSD Rate Adjustment -

The legislature approved an increase for fixed cost rates included in state agency budgets for information technology services provided by the State Information Technology Services Division (SITSD).

DP 532 - General Liability Insurance Rate Adjustment -

The legislature reduced the rate assessed to state agencies for general liability insurance provided by the Risk Management and Tort Defense Division.

DP 550 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to the motor pool rates.

New Proposals

The "New Proposals" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

New Proposals	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 100 - FTE reduction of 1.00 FTE	(1.00)	(87,368)	0	0	(87,368)	(1.00)	(87,141)	0	0	(87,141)
DP 101 - Funding for legal expenses (Rst/OTO)	0.00	30,000	0	0	30,000	0.00	30,000	0	0	30,000
Total	(1.00)	(\$57,368)	\$0	\$0	(\$57,368)	(1.00)	(\$57,141)	\$0	\$0	(\$57,141)

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 100 - FTE reduction of 1.00 FTE -

The legislature approved the reduction of 1.00 permanent FTE resulting in a general fund reduction of \$87,368 in FY 2016 and \$87,141 in FY 2017, total reduction for the biennium is \$174,509 general fund.

DP 101 - Funding for legal expenses (Rst/OTO) -

The legislature provided a one-time-only, restricted \$30,000 general fund appropriation for legal expenses in each year of the biennium.