

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	163.50	163.50	166.00	166.00	163.50	166.00	2.50	1.53%
Personal Services	10,247,829	11,562,314	10,596,658	10,615,211	21,810,143	21,211,869	(598,274)	(2.74%)
Operating Expenses	13,912,344	15,735,335	14,596,007	14,613,481	29,647,679	29,209,488	(438,191)	(1.48%)
Equipment & Intangible Assets	921,444	12,556	966,768	921,444	934,000	1,888,212	954,212	102.16%
Transfers	1,168,000	1,168,000	1,883,000	1,918,000	2,336,000	3,801,000	1,465,000	62.71%
Total Costs	\$26,249,617	\$28,478,205	\$28,042,433	\$28,068,136	\$54,727,822	\$56,110,569	\$1,382,747	2.53%
General Fund	9,874,513	9,904,346	11,246,328	11,267,181	19,778,859	22,513,509	2,734,650	13.83%
State Special	235,786	236,692	257,048	257,109	472,478	514,157	41,679	8.82%
Federal Special	16,139,318	18,337,167	16,539,057	16,543,846	34,476,485	33,082,903	(1,393,582)	(4.04%)
Total Funds	\$26,249,617	\$28,478,205	\$28,042,433	\$28,068,136	\$54,727,822	\$56,110,569	\$1,382,747	2.53%

Program Description

The State Level Activities program provides leadership, programs and services to support Montana’s students, families, educators and public schools. The program includes the Office of the State Superintendent and supports Montana public education through the following functions; career and technical education, measurement and accountability, health enhancement and safety, special education, Indian education, school finance, educational opportunity and equity, centralized services and information and technology. The Montana Digital Academy (MTDA) is budgeted within OPI but is administered through the University of Montana. The Superintendent of Public Instruction or a designee sits on the governing board of the MTDA.

Program Highlights

Office of Public Instruction State Level Activities	
Major Budget Highlights	
<ul style="list-style-type: none"> ◆ The biennial budget increases by \$1.4 million or 2.5% as compared to the previous biennium. <ul style="list-style-type: none"> ◆ General fund increases by \$2.7 million due primarily to; <ul style="list-style-type: none"> • Increased funding for the Montana Digital Academy (\$1.5 million), • Implementation of new accreditation standards (\$181,000 / 1.0 FTE), • IT projects and systems maintenance (\$350,000 / 1.5 FTE), • Teacher stipends (\$84,000), • School based health programs (\$352,000), • Statewide present law adjustments (\$375,000) • Additional, additional vacancy savings applied by legislature (\$173,000). ◆ Federal funds decrease by \$1.4 million due primarily to the completion of the State Longitudinal Data System, which was funded through federal grants. 	

Funding

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

Total Office Of Public Instruction Funding by Source of Authority 2015 Biennium Budget - State Level Activities							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$22,513,509	\$0	\$0	\$22,513,509	37.2%		
State Special Total	\$514,157	\$0	\$0	\$514,157	0.8%		
02001 School Lunch Program	\$200,990	\$0	\$0	\$200,990	0.3%		
02402 Traffic & Safety Education	\$313,167	\$0	\$0	\$313,167	0.5%		
Federal Special Total	\$33,082,903	\$0	\$0	\$33,082,903	54.7%		
03002 Public Instruction	\$33,082,903	\$0	\$0	\$33,082,903	54.7%		
Proprietary Total	\$0	\$4,422,656	\$0	\$4,422,656	7.3%		
06067 Advanced Drivers Education	\$0	\$275,634	\$0	\$275,634	0.5%		
06512 Indirect Cost Pool	\$0	\$4,147,022	\$0	\$4,147,022	6.9%		
Total All Funds	\$56,110,569	\$4,422,656	\$0	\$60,533,225	100.0%		
Percent - Total All Sources	92.7%	7.3%	0.0%				

Over half of the program is funded with federal funds. Federal revenue is the portion of federal grants received by the department for those administrative costs related to federal education initiatives, including curriculum development, special education, K-12 education, and vocational programs. General fund accounts for 37%, which is used primarily for administrative cost with the exception of those funds designated for the operation of the Montana Digital Academy. State special revenue comes from the revenues paid to the department for shipping, handling, and other related costs for the school lunch program. Traffic and safety funds are a percentage of driver’s license fees.

The following table provides HB 2 funding by function sorted by general fund.

Office of Public Instruction 2015 Biennium Budget by Agency Function						
	General Fund	State Special Revenue	Federal Special Revenue	Biennium Total	Percent of General Fund	Percent of Total Budget
Superintendents Office	\$5,140,762		\$6,081,849	\$11,222,611	22.8%	20.0%
Montana Digital Academy	3,801,000			3,801,000	16.9%	6.8%
Accreditation Division	2,470,235		1,090,740	3,560,975	11.0%	6.3%
Information Technology Services	2,357,962		2,961,241	5,319,203	10.5%	9.5%
Indian Education	2,264,947		242,022	2,506,969	10.1%	4.5%
State Distribution To Schools	1,645,553			1,645,553	7.3%	2.9%
Measurement And Accountability	1,612,436		656,193	2,268,629	7.2%	4.0%
Legal Services	1,058,442			1,058,442	4.7%	1.9%
Special Education	998,719		8,708,423	9,707,142	4.4%	17.3%
Career Technical & Adult Education	561,143		1,750,633	2,311,776	2.5%	4.1%
Curriculum Services	407,624		159,742	567,366	1.8%	1.0%
Health Enhancement And Safety	194,686	514,157	3,450,477	4,159,320	0.9%	7.4%
Educational Opportunity And Equity			\$7,981,583	\$7,981,583	0.0%	14.2%
Grand Total	<u>\$22,513,509</u>	<u>\$514,157</u>	<u>\$33,082,903</u>	<u>\$56,110,569</u>	<u>100.0%</u>	<u>100.0%</u>
	40%	1%	59%	100%		

Program Narrative

The budget includes an increase of 2.5 FTE at a total cost of \$0.5 million personal services and related operating expenses:

- o 1.5 FTE to manage and maintain data systems related to Montana's Statewide Longitudinal Education Data System

- o 1.0 FTE accreditation specialist to assist school districts in implementing the new accreditation standards that go into effect July 2013.

Funding for these FTE is one-time-only and will not be included in the base budget for the next biennium.

The Montana Digital Academy (MTDA) provides middle school and high school students the opportunity to take classes online. Course enrollment is forecast to grow at an annual rate of 17.6% over the biennium. The budget contains a transfer of \$3.8 million general fund to the University of Montana to administer the MTDA, of which \$2.3 million is base funding and \$1.5 million is one-time-only funding to cover the expected growth.

One-time-only funding for school based health care programs added \$0.35 million general fund. The funds cover inflationary costs related to audiological testing for K-12 students and funds to contract for school based mental health coordination services.

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	9,874,513	9,874,513	19,749,026	87.72%	26,249,617	26,249,617	52,499,234	93.56%
Statewide PL Adjustments	179,719	195,184	374,903	1.67%	336,139	356,685	692,824	1.23%
Other PL Adjustments	810,489	875,513	1,686,002	7.49%	811,535	876,510	1,688,045	3.01%
New Proposals	381,607	321,971	703,578	3.13%	645,142	585,324	1,230,466	2.19%
Total Budget	\$11,246,328	\$11,267,181	\$22,513,509		\$28,042,433	\$28,068,136	\$56,110,569	

Present Law Adjustments

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

Present Law Adjustments	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					712,242					732,295
Vacancy Savings					(433,075)					(433,881)
Inflation/Deflation					5,053					12,507
Fixed Costs					51,919					45,764
Total Statewide Present Law Adjustments		\$179,719	\$25,593	\$130,827	\$336,139		\$195,184	\$25,660	\$135,841	\$356,685
DP 50 - Initial Motion to FY 2012 Base	0.00	(179,719)	(25,593)	(130,827)	(336,139)	0.00	(195,184)	(25,660)	(135,841)	(356,685)
DP 51 - Adjustment for Statewide Personal Services	0.00	413,940	19,876	(154,649)	279,167	0.00	422,648	20,073	(144,307)	298,414
DP 52 - Adjustment for Statewide Operations	0.00	13,409	178	44,734	58,321	0.00	14,762	252	44,581	59,595
DP 53 - Base Funding Switch	0.00	(247,327)	5,539	241,788	0	0.00	(241,899)	5,335	236,564	0
DP 607 - Montana Digital Academy (Rst/OTO/Bien)	0.00	715,000	0	0	715,000	0.00	750,000	0	0	750,000
DP 616 - National Board Certified Teachers (Rst/OTO)	0.00	27,000	0	0	27,000	0.00	57,000	0	0	57,000
DP 626 - Audiological Services (Rst/OTO/Bien)	0.00	68,186	0	0	68,186	0.00	68,186	0	0	68,186
Total Other Present Law Adjustments	0.00	\$810,489	\$0	\$1,046	\$811,535	0.00	\$875,513	\$0	\$997	\$876,510
Grand Total All Present Law Adjustments	0.00	\$990,208	\$25,593	\$131,873	\$1,147,674	0.00	\$1,070,697	\$25,660	\$136,838	\$1,233,195

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 53 - Base Funding Switch - This adjustment establishes a fund switch between fund types to fund base operations.

DP 607 - Montana Digital Academy (Rst/OTO/Bien) - The legislature approved an increase of general fund totaling \$1,465,000 for the biennium. This increase is to address the growing enrollment in the courses offered by the Montana Digital Academy.

DP 616 - National Board Certified Teachers (Rst/OTO) - The legislature approved general fund to provide for stipends to Montana teachers who achieve certification from the National Board for Professional Teaching Standards per 20-4-134, MCA.

DP 626 - Audiological Services (Rst/OTO/Bien) - The legislature approved an increase of \$136,372 general fund for the 2015 biennium to fund increased contract costs of the statewide program.

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 54 - Additional Vacancy Savings											
06	0.00	(86,615)	(4,331)		(125,592)	(216,538)	0.00	(86,736)	(4,337)	(125,768)	(216,841)
DP 606 - Chpt. 55 Amendments to School Accred (Rst/OTO)											
06	1.00	92,513	0		0	92,513	1.00	88,793	0	0	88,793
DP 621 - Disaster Recovery and Data Syst. Maint. (Rst/OTO)											
06	0.00	110,562	0		0	110,562	0.00	65,238	0	0	65,238
DP 622 - Staffing OPI Information Sys. (OTO)											
06	1.50	155,422	0		0	155,422	1.50	148,717	0	0	148,717
DP 627 - Striving Readers State Admin (Rst/Bien/OTO)											
06	0.00	0	0		393,458	393,458	0.00	0	0	393,458	393,458
DP 628 - School Based Mental Health (OTO)											
06	0.00	109,725	0		0	109,725	0.00	105,959	0	0	105,959
Total	2.50	\$381,607	(\$4,331)		\$267,866	\$645,142	2.50	\$321,971	(\$4,337)	\$267,690	\$585,324

DP 54 - Additional Vacancy Savings - The legislature applied an additional 2% vacancy savings to all positions except those exempt in statute or that must be filled 24/7. Language was included in HB 2 that allows the agency to allocate the reduction among programs.

DP 606 - Chpt. 55 Amendments to School Accred (Rst/OTO) - The legislature approved \$181,306 of general fund for the 2015 biennium to assist Montana school district personnel regarding the implementation of new rules of Chapter 55 Standards of Accreditation. The appropriation includes personal services and operating budgets for 1.0 FTE accreditation specialists.

DP 621 - Disaster Recovery and Data Syst. Maint. (Rst/OTO) - The legislature approved \$175,800 one-time-only and restricted general fund for the 2015 biennium to build disaster recovery capabilities and pay for ongoing maintenance of existing systems.

DP 622 - Staffing OPI Information Sys. (OTO) - The legislature approved \$304,139 general fund for 1.50 FTE positions and related operating expenses to support the management of Growth and Enhancement of Montana Students (GEMS), Terms of Employment, Accreditation, and Master Schedule (TEAMS) and Achievement in Montana (AIM).

DP 627 - Striving Readers State Admin (Rst/Bien/OTO) - The legislature approved \$786,916 federal funds for the 2015 biennium for the agency to administer and provide technical assistance to K-12 school district sub-grantees receiving Striving Readers Comprehensive Literacy Grants under the Montana Striving Readers Project (MSRP). MSRP is a statewide collaborative effort to improve literacy from birth through grade 12.

DP 628 - School Based Mental Health (OTO) - The legislature approved general fund of \$109,725 in FY 2014 and \$105,959 in FY 2015 for the Office of Public Instruction to contract for services to coordinate School Based Mental Health programs. The appropriation for the Developmental Services Division in the Department of Public Health and Human Services was reduced by a like amount to provide the funding. Total funding for the biennium is \$215,684 general fund.

Proprietary Rates

Proprietary Program Description

Indirect Cost Pool

OPI's internal service fund is used to pool internal and statewide central service type costs that are charged back to all of the department's state and federally funded programs using a pre-approved indirect cost rate (17%).

The indirect cost pool covers the expenses incurred by the 22.3 FTE who provide payroll, personnel, accounting, budgeting, data management, financial reporting, and purchasing and mail services to the rest of the agency. The rate also covers fees charged for services provided by other departments, including but not limited to warrant writing, worker's compensation fees, audit fees, rent, and grounds maintenance. The pool also covers termination payouts for all staff, except the superintendent and the superintendent's staff.

Indirect Cost Pool Budget				
	Actual FY 2012 Base	FY 2014 Budget Request	FY 2015 Budget Request	Biennial Budget 2014 - 2015
FTE	22.27	22.27	22.27	22.27
61000 Personal Services	\$1,707,013	\$1,293,909	\$1,296,160	\$3,485,367
62000 Operating Costs	<u>752,020</u>	<u>819,430</u>	<u>737,523</u>	<u>1,569,919</u>
Total Cost	<u>\$2,459,033</u>	<u>\$2,113,339</u>	<u>\$2,033,683</u>	<u>\$4,147,022</u>

Advanced Driver Education program

The Advanced Driver Education program (D.R.I.V.E.) is a seasonal, hands-on, behind-the-wheel crash avoidance program operated by the Health Enhancement and Safety Division of OPI at a training facility in Lewistown. The one-day and half-day refresher courses provide training to school bus drivers, driver education teachers, state employees, ambulance drivers, firefighters, road crews, and others who drive as a part of their employment. In operation since 1979, this program offers its services to employees of government services, fleet managers, and the general public.

All costs for the program are covered by fees charged to participants. Expenses include instructor expenses (salaries, travel, and per diem), vehicle maintenance and operating expenses (fuel and repairs), classroom and track supplies, track lease, program advertising, and administration (planning, scheduling, registrations, advertising, professional development of staff, and support services).

Advanced Driver Education Budget			
	FY 2014	FY 2015	Biennial Budget
FTE	1.68	1.68	1.68
61000 Personal Services	\$73,519	\$73,464	\$146,983
62000 Operating Costs	52,270	52,405	\$104,675
63000 Equipment & Intangibles	<u>11,988</u>	<u>11,988</u>	<u>\$23,976</u>
Total Cost	<u>\$137,777</u>	<u>\$137,857</u>	<u>\$275,634</u>