

**Agency Budget Comparison**

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

Agency 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	4.00	4.00	4.00	4.00	4.00	4.00	0.00	0.00%
Personal Services	313,107	300,687	281,072	281,395	613,794	562,467	(51,327)	(8.36%)
Operating Expenses	80,960	107,886	94,273	77,941	188,846	172,214	(16,632)	(8.81%)
Debt Service	1,782	1,782	1,782	1,782	3,564	3,564	0	0.00%
<b>Total Costs</b>	<b>\$395,849</b>	<b>\$410,355</b>	<b>\$377,127</b>	<b>\$361,118</b>	<b>\$806,204</b>	<b>\$738,245</b>	<b>(\$67,959)</b>	<b>(8.43%)</b>
General Fund	215,806	222,033	209,128	192,932	437,839	402,060	(35,779)	(8.17%)
State Special	180,043	188,322	167,999	168,186	368,365	336,185	(32,180)	(8.74%)
<b>Total Funds</b>	<b>\$395,849</b>	<b>\$410,355</b>	<b>\$377,127</b>	<b>\$361,118</b>	<b>\$806,204</b>	<b>\$738,245</b>	<b>(\$67,959)</b>	<b>(8.43%)</b>

**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 board exists 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**

<b>Board of Public Education</b>
<b>Major Budget Highlights</b>
◆ The biennial budget decreased \$67,959 or 8.4% from the previous biennium due to present law reductions in personnel service expense (\$63,747).

**Summary of Legislative Action**

The legislature approved a biennial budget of \$738,245. 79% (\$53,511) of the reduction resulted from statewide present law adjustments primarily as a result of significant turnover in FY 2012, with positions filled at a lower salary than had been budgeted for in FY 2013.

**Executive Budget Comparison**

The following table compares the legislative budget in the 2015 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2012	Executive Budget Fiscal 2014	Legislative Budget Fiscal 2014	Leg - Exec. Difference Fiscal 2014	Executive Budget Fiscal 2015	Legislative Budget Fiscal 2015	Leg - Exec. Difference Fiscal 2015	Biennium Difference Fiscal 14-15
FTE	4.00	4.00	4.00	0.00	4.00	4.00	0.00	
Personal Services	313,107	281,072	281,072	0	281,395	281,395	0	0
Operating Expenses	80,960	94,276	94,273	(3)	77,946	77,941	(5)	(8)
Debt Service	1,782	1,782	1,782	0	1,782	1,782	0	0
<b>Total Costs</b>	<b>\$395,849</b>	<b>\$377,130</b>	<b>\$377,127</b>	<b>(\$3)</b>	<b>\$361,123</b>	<b>\$361,118</b>	<b>(\$5)</b>	<b>(\$8)</b>
General Fund	215,806	209,115	209,128	13	192,921	192,932	11	24
State/Other Special	180,043	168,015	167,999	(16)	168,202	168,186	(16)	(32)
<b>Total Funds</b>	<b>\$395,849</b>	<b>\$377,130</b>	<b>\$377,127</b>	<b>(\$3)</b>	<b>\$361,123</b>	<b>\$361,118</b>	<b>(\$5)</b>	<b>(\$8)</b>

The legislature accepted the budget as proposed by the executive, except that the legislature did not approve of a proposed change in the way statewide professional development was funded.

**Funding**

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

Total Board Of Public Education Funding by Source of Authority 2015 Biennium Budget - K-12 Education							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$402,060	\$0	\$0	\$402,060	54.5%		
State Special Total	\$336,185	\$0	\$0	\$336,185	45.5%		
02122 Advisory Council	\$226,185	\$0	\$0	\$226,185	30.6%		
02219 Research Fund	\$110,000	\$0	\$0	\$110,000	14.9%		
Total All Funds	\$738,245	\$0	\$0	\$738,245	100.0%		
<b>Percent - Total All Sources</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>				

The BPE is funded through a combination of general fund and state special funds. The general fund funds 54.5% of the board’s budget. The remainder of the funding is provided by fees paid by teachers for certification (45.5%). By statute, these fees are collected by OPI and deposited into two accounts, the Advisory Council and the Research Fund. Two thirds of the fees are deposited in the Advisory Council which supports the activities of the 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.

**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	215,806	215,806	431,612	107.35%	395,849	395,849	791,698	107.24%
Statewide PL Adjustments	(6,708)	(22,902)	(29,610)	(7.36%)	(18,752)	(34,759)	(53,511)	(7.25%)
Other PL Adjustments	30	28	58	0.01%	30	28	58	0.01%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$209,128</b>	<b>\$192,932</b>	<b>\$402,060</b>		<b>\$377,127</b>	<b>\$361,118</b>	<b>\$738,245</b>	

**Other Legislation**

HB 13 – The legislature approved funding for a pay plan for state employees. The bill includes a lump sum appropriation for pay raises that will be determined for their respective employees by the executive, legislative, and judicial branches and the Montana University System. The bill also includes funding for a 10% insurance increase for all employees each year. The legislature did not specify a particular percentage salary increase a state employee should receive, but stipulated that the appropriated funds must be used to increase the base pay of each employee, with particular attention to the lower pay bands and employees who did not receive an increase in the 2013 biennium.

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the base budget adopted by the legislature. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative.

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					(32,035)					(31,712)
Inflation/Deflation					40					84
Fixed Costs					13,243					(3,131)
<b>Total Statewide Present Law Adjustments</b>		<b>(\$6,708)</b>	<b>(\$12,044)</b>	<b>\$0</b>	<b>(\$18,752)</b>		<b>(\$22,902)</b>	<b>(\$11,857)</b>	<b>\$0</b>	<b>(\$34,759)</b>
DP 50 - Initial Motion to FY 2012 Base	0.00	6,708	12,044	0	18,752	0.00	22,902	11,857	0	34,759
DP 51 - Adjustment for Statewide Personal Services	0.00	(17,465)	(14,570)	0	(32,035)	0.00	(17,289)	(14,423)	0	(31,712)
DP 52 - Adjustment for Statewide Operations	0.00	7,272	6,041	0	13,313	0.00	(1,633)	(1,386)	0	(3,019)
DP 53 - Base Funding Switch	0.00	3,515	(3,515)	0	0	0.00	(3,952)	3,952	0	0
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$30</b>	<b>\$0</b>	<b>\$0</b>	<b>\$30</b>	<b>0.00</b>	<b>\$28</b>	<b>\$0</b>	<b>\$0</b>	<b>\$28</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$6,678)</b>	<b>(\$12,044)</b>	<b>\$0</b>	<b>(\$18,722)</b>	<b>0.00</b>	<b>(\$22,874)</b>	<b>(\$11,857)</b>	<b>\$0</b>	<b>(\$34,731)</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 53 - Base Funding Switch - This adjustment is to establish a fund switch between fund types to fund base operations.