

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	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	15,220,553	16,856,170	15,904,145	15,921,645	32,076,723	31,825,790	(250,933)	(0.78%)
Equipment & Intangible Assets	921,444	12,556	966,768	921,444	934,000	1,888,212	954,212	102.16%
Local Assistance	620,260,239	642,976,162	698,139,241	721,187,515	1,263,236,401	1,419,326,756	156,090,355	12.36%
Grants	142,889,668	140,292,700	157,907,123	159,467,123	283,182,368	317,374,246	34,191,878	12.07%
Transfers	1,675,840	1,479,139	2,390,840	2,425,840	3,154,979	4,816,680	1,661,701	52.67%
Total Costs	\$791,215,573	\$813,179,041	\$885,904,775	\$910,538,778	\$1,604,394,614	\$1,796,443,553	\$192,048,939	11.97%
General Fund	622,881,959	645,440,345	700,115,453	723,670,650	1,268,322,304	1,423,786,103	155,463,799	12.26%
State Special	9,571,786	9,572,692	11,610,302	11,124,319	19,144,478	22,734,621	3,590,143	18.75%
Federal Special	158,761,828	158,166,004	174,179,020	175,743,809	316,927,832	349,922,829	32,994,997	10.41%
Total Funds	\$791,215,573	\$813,179,041	\$885,904,775	\$910,538,778	\$1,604,394,614	\$1,796,443,553	\$192,048,939	11.97%

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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	163.50	165.50	166.00	0.50	165.50	166.00	0.50	
Personal Services	10,247,829	10,637,504	10,596,658	(40,846)	10,656,589	10,615,211	(41,378)	(82,224)
Operating Expenses	15,220,553	15,655,590	15,904,145	248,555	15,657,077	15,921,645	264,568	513,123
Equipment & Intangible Assets	921,444	921,444	966,768	45,324	921,444	921,444	0	45,324
Local Assistance	620,260,239	697,908,478	698,139,241	230,763	717,494,806	721,187,515	3,692,709	3,923,472
Grants	142,889,668	157,907,123	157,907,123	0	159,467,123	159,467,123	0	0
Transfers	1,675,840	1,975,840	2,390,840	415,000	1,975,840	2,425,840	450,000	865,000
Total Costs	\$791,215,573	\$885,005,979	\$885,904,775	\$898,796	\$906,172,879	\$910,538,778	\$4,365,899	\$5,264,695
General Fund	622,881,959	701,105,034	700,115,453	(989,581)	720,706,853	723,670,650	2,963,797	1,974,216
State/Other Special	9,571,786	9,597,379	11,610,302	2,012,923	9,597,446	11,124,319	1,526,873	3,539,796
Federal Special	158,761,828	174,303,566	174,179,020	(124,546)	175,868,580	175,743,809	(124,771)	(249,317)
Total Funds	\$791,215,573	\$885,005,979	\$885,904,775	\$898,796	\$906,172,879	\$910,538,778	\$4,365,899	\$5,264,695

The legislature recommends a general fund budget for OPI that is \$2.0 million above the executive, and \$5.3 million above the executive for all funds.

General Fund - The local education activities program is above the executive by \$2.9 million and the state level activities program is above the executive by \$1.7 million, as shown in the table below.

Comparison of Executive OPI Budget and Joint Subcommittee Action - 2015 Biennium - General Fund and Traffic Education

		Executive Recommendation	Legislative Recommendation	Difference
General Fund	Distribution to Schools Program			
	Present Law Adjustments			
	PL901 - K-12 Base Aid - Annualization	\$32,700,182	\$32,700,182	\$0
	PL902 - K-12 Base Aid - Inflationary Increase	22,213,959	22,213,959	0
	PL950 - Guarantee Account - Lower Revenue	86,102,670	94,516,164	8,413,494
	PL915 - School Block Grants - SB 372	20,500,730	20,500,730	0
	Other Present Law Adjustments	<u>692,123</u>	<u>692,123</u>	<u>0</u>
	Total Present Law Adjustments	<u>\$162,209,664</u>	<u>\$170,623,158</u>	<u>\$8,413,494</u>
	New Proposals			
	NP 2 - Special Education Inflation	0	1,615,296	1,615,296
	NP 2 - GTB Associated w/ Special Ed	0	325,322	325,322
	NP 2 - At Risk Inflation	0	193,926	193,926
	NP 905 - Chapter 55 Professional Development & Stipends (OTO/RST)	0	500,000	500,000
	NP 914 - Career and Technical Education	0	1,000,000	1,000,000
	NP 976 - School Technology (OTO)	6,000,000	1,000,000	(5,000,000)
	NP 975 - Increase Quality Educator Payment, then inflate	<u>6,673,030</u>	<u>0</u>	<u>(6,673,030)</u>
	Total New Proposals - Distribution to Schools	12,673,030	4,634,544	(8,038,486)
	Total General Fund Adjustments - Distribution to Schools	<u>\$174,882,694</u>	<u>\$175,257,702</u>	<u>\$375,008</u>
Traffic Education	NP 924 - Novice Traffic Ed School Reimbursement (Cont on HB 178)	0	1,848,464	1,848,464
State School Oil & Gas Impact	NP92584 - State School Oil and gas Impact Account	0	1,700,000	1,700,000
	Total General Fund and State Special Changes	<u>\$174,882,694</u>	<u>\$178,806,166</u>	<u>\$3,923,472</u>
General Fund	State Level Activities			
	PL 607 - Montana Digital Academy	\$600,000	\$1,465,000	\$865,000
	PL 616 - National Board Certified Teachers	54,000	84,000	30,000
	PL 626 - Audiological Services	136,372	136,372	0
	New Proposals			
	NP 54 - 2% Vacancy Savings	0	(173,351)	(173,351)
	NP 606 - Chapter 55 Amendments to School Accreditations	0	181,306	181,306
	NP 612 - Disaster Recovery and Data System Maintenance	0	175,800	175,800
	NP 622 - Staffing for OPI Information Systems	0	304,139	304,139
	NP 628 - School Based Mental Health (OTO)	<u>0</u>	<u>215,684</u>	<u>215,684</u>
	Total State Level Activities - General Fund	<u>\$790,372</u>	<u>\$2,388,950</u>	<u>\$1,598,578</u>
	Total OPI Budget, General Fund - Comparison of Executive with Legislative Recommendation	\$175,673,066	\$177,646,652	\$1,973,585

The legislature includes present law adjustments for local education activities of \$170.6 million, \$8.4 million above the executive. The executive proposed general fund present law adjustments of \$162.2 million. These included:

- Annualization of entitlements and funding components and adjustments for ANB to FY 2013 levels, \$32.7 million
- Inflation of the basic and per-ANB entitlements of \$22.2 million
- SB 372 reimbursement block grants, \$20.5 million
- Guarantee account revenue adjustments, \$86.1 million
- Other present law adjustments, \$0.7 million.

The legislature adopted these present law adjustments except adjustments to guarantee account revenue. The legislature changed this decision package to \$94.5 million due to lower expected guarantee revenue due to lower expected oil and gas bonus payments.

The legislature increased present law adjustments in the state level activities program. The executive proposed an increase of \$600,000 in the Montana digital academy. The legislature includes \$1.5 million due to higher expected enrollment. The executive proposed \$54,000 in stipends for national board certified teachers. The legislature appropriated \$84,000.

The legislature funds \$5.5 million less than the executive in new proposals in the local education activities program, and \$0.9 million more than the executive in the state level activities program.

In the local education activities program, the executive proposed \$6 million in one-time only funds for school technology and \$6.7 million for an increase in the quality educator payment of \$240 in FY 2014 and inflation in FY 2015. The legislature includes only \$1 million in one-time only technology for school districts. The legislature made no change to the current quality educator payment. In addition, the legislature added the following new proposals in local education activities, totaling \$4.1 million: 1) inflation for special education and the at-risk payment, \$2.1 million, 2) Chapter 55 professional development and stipends, \$1 million, and 3) an increase in career and technical education, \$1.0 million.

The executive proposed no new initiatives in the state level activities program in the general fund. The legislature funded four new proposals totaling \$876,929. They are: 1) money to implement Chapter 55 amendments to school accreditation (\$181,306), 2) disaster recovery and data system maintenance (\$175,800), 3) staffing for OPI's information system (\$304,139) and 4) funding for a mental health coordinator (\$215,684). In addition, the legislature adopted 2% vacancy savings worth \$173,351 in general fund savings.

Traffic Education Fund – The legislature appropriated additional authority to spend drivers' license money on the traffic education program, contingent on passage of HB 178. HB 178 changes the distribution of drivers' license fees by reducing the percentage allocated to the general fund and increasing the percentage allocated to the traffic education account, \$1.8 million for the biennium.

State School Oil and Gas Impact Account – The legislature appropriated \$1.7 million from the state school oil and gas impact account to fund schools that are not receiving oil and natural gas production taxes under 15-36-331, MCA but are impacted by contiguous counties that are benefiting from receipt of oil and natural gas production taxes as per 20-9-517, MCA. School districts may apply to the superintendent of public instruction for funds from the account for circumstances that are directly related to impacts resulting from the development or cessation of development of oil and natural gas.

Agency Highlights

Office of Public Instruction Major Budget Highlights
<p>The legislature recommends the following:</p> <ul style="list-style-type: none"> ◆ A general fund increase above base of \$175.3 million in local education activities and \$2.4 million in state level activities. ◆ An increase for all funds above the base of \$210.4 million in the local education activities program and \$3.6 million in the state level activities program. ◆ Significant present law general fund adjustments include the following:: <ul style="list-style-type: none"> • Annualization of entitlements and funding components and adjustments for ANB to FY 2013 levels, \$32.7 million • Inflation of the basic and per-ANB entitlements of \$22.2 million • SB 372 reimbursement block grants, \$20.5 million • Guarantee account revenue adjustments, \$94.5 million • Digital Academy - \$1.5 million ◆ Significant general fund new proposals include: <ul style="list-style-type: none"> • Inflation applied to special education and the at-risk payment, \$2.1 million • Chapter 55 implementation, \$1 million • An increase in career and technical education, \$1 million, contingent on HB 86 • A one-time only payment for school technology, \$1 million • 2% vacancy savings, chapter 55 implementation, data system maintenance, staffing for OPI information systems, and school based mental health (\$0.7 million) in the state level activities program. ◆ The Education subcommittee recommends additional authority to spend drivers' license money on the traffic education program, contingent on passage of HB 178, which would reduce the allocation to the general fund, resulting in a \$1.8 million general fund revenue reduction ◆ The legislature added \$15.0 million federal funds for a new striving readers competency and literacy program, along with \$0.8 million administrative costs

Agency Discussion

Personal Services

All personal services expense is contained in the State Level Activities Program. Funding sources for personal expenses are shown in the tables below.

- The agency utilized 93% of the budgeted FTE hours in FY 2012, compared to a legislatively imposed 4%
- 24 FTE positions are currently vacant; on average vacant positions have been open for 1.3 years
- 46 positions received targeted pay increases in FY 2012, annualized cost for these increases is \$50,000
- OPI generally advertises positions at 93% of the 2006 or 80% of the 2010 market whichever is higher
- The agency reports that it has generally been successful in recruitment efforts, with the exception of instructional coordinators where they compete for personnel with the school districts
- No retirements that would significantly impact operations are projected at this time

5% Reduction Plan

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. A summary of the entire 2015 biennium 5% plan submitted for this agency is in the appendix.

IT Systems

State agencies have identified information technology (IT) systems that are critical to the state as a whole or to the agency. Further, state agencies have assessed the age of the systems to establish whether the system is:

- New
- Emerging
- Mature
- Declining
- Obsolete

The Legislative Finance Committee recommended that House Appropriations and Senate Finance and Claims Committee leadership direct the Long Range Planning Subcommittee to meet jointly with each of the appropriate joint appropriations subcommittees to discuss priorities related to critical IT systems, and that state agencies be prepared to discuss:

- Current plans to address obsolescence
- Costs to replace the system
- Costs of maintaining the current system
- Risks associated with both retaining the current system and replacing the system

LFD staff will be prepared to discuss issues related to those systems that have been determined to be either critical to the state as a whole or to the agency and either declining or obsolete. Issues include security, continuity of operations, and funding.

Agency Goals and Objectives

Goals and objectives for the agency can be found in the appendix.

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 Office Of Public Instruction Funding by Source of Authority 2015 Biennium Budget					
Funds	HB 2	Non- Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	\$1,423,786,103	\$0	\$0	\$1,423,786,103	74.3%
State Special Total	22,734,621	-	114,133,518	136,868,139	7.1%
Federal Special Total	349,922,829	-	-	349,922,829	18.3%
Proprietary Total	-	4,422,656	-	4,422,656	0.2%
Current Unrestricted	-	-	-	-	0.0%
Other Total	-	-	-	-	0.0%
Total All Funds	<u>\$1,796,443,553</u>	<u>\$4,422,656</u>	<u>\$114,133,518</u>	<u>\$1,914,999,727</u>	
Percent - Total All Sources	93.8%	0.2%	6.0%		

Total funding is split between two programs as shown below. Total funding for both programs is 79% general fund, 20% federal, and 1% state special.

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	622,881,959	622,881,959	1,245,763,918	87.50%	791,215,573	791,215,573	1,582,431,146	88.09%
Statewide PL Adjustments	179,648	195,139	374,787	0.03%	336,068	356,640	692,708	0.04%
Other PL Adjustments	74,436,679	97,872,597	172,309,276	12.10%	81,979,435	106,975,304	188,954,739	10.52%
New Proposals	2,617,167	2,720,955	5,338,122	0.37%	12,373,699	11,991,261	24,364,960	1.36%
Total Budget	\$700,115,453	\$723,670,650	\$1,423,786,103		\$885,904,775	\$910,538,778	\$1,796,443,553	

Language and Statutory Authority

The legislature requests the following language be included in HB 2:

"The office of public instruction may distribute funds from the appropriation for In-state Treatment to public school districts for the purpose of providing for educational costs of children with significant behavioral or physical needs"

"All revenue up to \$1.8 million in the state traffic education account for distribution to schools under the provisions of 20-7-506 and 61-5-121, MCA, is appropriated as provided in Title 20, chapter 7, part 5, MCA."

"All appropriations for federal special revenue appropriations in state level activities and in local education activities and all general fund appropriations in local education activities are biennial."

"Line Item Novice Traffic Ed Reimbursement is null and void if HB 178 is not passed and approved."

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%

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Legislative Budget Analysis, E-7

Funding

State Level Activities are funded primarily with federal funds (59%) Federal revenues support administrative costs in support of federal grants related to federal education initiatives. General fund accounts for 40% of the budget and state special revenue accounts for 1% of the budget.

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 funds totaling \$1,465,000 for the biennium. This increase is to address the growing demand for 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 has approved an increase of \$136,372 of 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 provide assistance to Montana school district personnel regarding the implementation of new rule of Chapter 55 Standards of Accreditation. The request 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 of general fund to fund 1.50 FTE positions and operation expenses. The additional FTE and operating funds are to support the management of GEMS, TEAMS and AIM unit.

DP 627 - Striving Readers State Admin (Rst/Bien/OTO) - The legislature approved \$786,916 of federal funding 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 birth through grade 12.

DP 628 - School Based Mental Health (OTO) - The legislature approved general fund o \$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. The Appropriation for Developmental Services Division will be reduced by a like amount to provide the funding.

Total funding for the Biennium is \$215,684 general fund.

Proprietary Rates

Proprietary Program Description

The State Level Activities program provides the following functions funded with proprietary funds. These programs are described separately along with a discussion of program expenses, revenues, and rates approved to finance the program.

There are two proprietary programs:

- Indirect Cost Pool
- Advanced Driver Education Program

Indirect Cost Pool

The OPI Indirect Cost Pool is an internal service fund used to allocate various centralized costs such as payroll, accounting, or budgeting to all OPI's state and federally funded programs using a pre-approved indirect cost rate.

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 the 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.

Proprietary Rates

Refer to section R in HB 2 for the approved rates.

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
Personal Services	0	0	0	0	0	0	0	n/a
Operating Expenses	1,308,209	1,120,835	1,308,138	1,308,164	2,429,044	2,616,302	187,258	7.71%
Local Assistance	620,260,239	642,976,162	698,139,241	721,187,515	1,263,236,401	1,419,326,756	156,090,355	12.36%
Grants	142,889,668	140,292,700	157,907,123	159,467,123	283,182,368	317,374,246	34,191,878	12.07%
Transfers	507,840	311,139	507,840	507,840	818,979	1,015,680	196,701	24.02%
Total Costs	\$764,965,956	\$784,700,836	\$857,862,342	\$882,470,642	\$1,549,666,792	\$1,740,332,984	\$190,666,192	12.30%
General Fund	613,007,446	635,535,999	688,869,125	712,403,469	1,248,543,445	1,401,272,594	152,729,149	12.23%
State Special	9,336,000	9,336,000	11,353,254	10,867,210	18,672,000	22,220,464	3,548,464	19.00%
Federal Special	142,622,510	139,828,837	157,639,963	159,199,963	282,451,347	316,839,926	34,388,579	12.18%
Total Funds	\$764,965,956	\$784,700,836	\$857,862,342	\$882,470,642	\$1,549,666,792	\$1,740,332,984	\$190,666,192	12.30%

Page Reference

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Funding

The following table shows funding for the distribution to school program.

HB 2 Distribution to Schools, General Fund, State Special, and Federal Funds							
Description	Base Budget 2012	PL Base Adjustments Fiscal 2014	New Proposals Fiscal 2014	Total Fiscal 2014	PL Base Adjustments Fiscal 2015	New Proposals Fiscal 2015	Total Fiscal 2015
Base Aid Summary	\$601,287,856	\$21,139,312	\$70,399	\$622,497,567	\$33,803,980	\$254,923	\$635,346,759
HB 2 General Fund	\$497,963,015	\$66,996,557	\$70,399	\$565,029,971	\$82,462,899	\$254,923	\$580,680,837
Guarantee Account (statutory appropriation)	\$103,324,841	-\$45,857,245	\$0	\$57,467,596	-\$48,658,919	\$0	\$54,665,922
HB 2 General Fund							
Base Aid							
Direct State Aid	\$284,387,890	\$58,094,840	\$0	\$342,482,730	\$69,267,622	\$0	353,655,512
GTB - School General Fund	140,621,720	5,173,714	70,399	145,865,833	8,443,453	254,923	149,320,096
GTB - School Retirement	28,690,929	3,970,463	0	32,661,392	5,001,811	0	33,692,740
Quality Educator	37,836,280	-793,660	0	37,042,620	-793,660	0	37,042,620
Indian Ed for All	3,009,641	-2,956	0	3,006,685	-1,722	0	3,007,919
Close Achievement Gap	3,226,800	542,600	0	3,769,400	527,800	0	3,754,600
School District Audits	189,755	11,556	0	201,311	17,595	0	207,350
At Risk Payment	5,000,000	0	44,500	5,044,500	0	149,426	5,149,426
Special Education	41,596,065	51,266	370,661	42,017,992	51,266	1,244,635	42,891,966
Transportation	12,216,253	100,000	0	12,316,253	200,000	0	12,416,253
Instate Treatment	775,372	12,428	0	787,800	12,428	0	787,800
Career and Technical Education	1,000,000	0	500,000	1,500,000	0	500,000	1,500,000
Adult Basic Ed	524,998	2	0	525,000	2	0	525,000
Gifted & Talented	250,000	0	0	250,000	0	0	250,000
School Food	663,861	0	0	663,861	0	0	663,861
HB 124 Block Grants	52,164,499	6,404,631	0	58,569,130	14,169,926	0	66,334,425
State Tuition Payments	712,614	73,044	0	785,658	112,327	0	824,941
HB 464 Advancing Agricultural Education in Montana	140,769	-11,809	0	128,960	-11,809	0	128,960
Chapter 55 Prof Development & Stipends (OTO/RST)	0	0	250,000	250,000	0	250,000	250,000
School Technology (OTO/RST)	0	0	1,000,000	1,000,000	0	0	0
Total General Fund	\$613,007,446	\$73,626,119	\$2,235,560	\$688,869,125	\$96,997,039	\$2,398,984	\$712,403,469
State Special Revenue							
Traffic Safety Distribution	\$750,000	\$0	\$1,017,254	\$1,767,254	\$0	\$831,210	\$1,581,210
Sch Facility & Technology Account - Debt Service	\$8,586,000	\$0	\$0	\$8,586,000	\$0	\$0	\$8,586,000
State School Oil and Gas Impact Account (2584)	\$0	\$0	\$1,000,000	\$1,000,000	\$0	\$700,000	\$700,000
Total State Special	\$9,336,000	\$0	\$2,017,254	\$11,353,254	\$0	\$1,531,210	\$10,867,210
Federal Special Revenue							
Federal School Foods Programs	33,908,716	1,579,287	-	35,488,003	3,089,287	-	36,998,003
ESEA - Title I - Improving Basic Program - Disadvantaged	42,895,975	3,136,584	-	46,032,559	3,136,584	-	46,032,559
ESEA - Title I - Achievement	1,754,518	-	-	1,754,518	-	-	1,754,518
ESEA - Title I - School Improvement	213,000	-	-	213,000	-	-	213,000
ESEA - Title I - Migrant Education	913,664	1,348	-	915,012	1,348	-	915,012
ESEA - Title I - Neglected & Delinquent	124,923	-	-	124,923	-	-	124,923
ESEA - Title I - Part B - Even Start	74,348	(74,348)	-	-	(74,348)	-	-
ESEA - Title I - SIG 1003G	924,439	2,075,561	-	3,000,000	2,075,561	-	3,000,000
ESEA Title II - Teacher & Principal Training	12,912,385	-	-	12,912,385	-	-	12,912,385
ESEA Title II - Math & Science	768,678	1,322	-	770,000	1,322	-	770,000
ESEA Title II - Part D - Ed Technology	395,779	(395,779)	-	-	(395,779)	-	-
ESEA Title III-Language Acquisition	657,833	-	-	657,833	-	-	657,833
ESEA Title IV - Part B - 21st Cent Schools	5,520,646	79,354	-	5,600,000	129,354	-	5,650,000
ESEA Title IV - Drug Free Schools	69,220	(69,220)	-	-	(69,220)	-	-
Title VI - Rural Low Income	224,356	644	-	225,000	644	-	225,000
IDEA - Children w/ Disabilities Part B	35,825,753	1,174,247	-	37,000,000	1,174,247	-	37,000,000
IDEA - Preschool	1,195,409	4,591	-	1,200,000	4,591	-	1,200,000
IDEA - Part D	134,641	359	-	135,000	359	-	135,000
Adult Basic Education	1,004,183	5,817	-	1,010,000	5,817	-	1,010,000
Carl Perkins	2,831,914	29,860	-	2,861,774	29,860	-	2,861,774
Carl Perkins State Leadership	38,226	-	-	38,226	-	-	38,226
Learn and Serve Montana	10,098	(10,098)	-	-	(10,098)	-	-
Education of Homeless Children	147,819	2,181	-	150,000	2,181	-	150,000
Migrant Incentive	75,987	-	-	75,987	-	-	75,987
Striving Readers Comp Literacy (RST/Bien/OTO)			7,475,743	7,475,743		7,475,743	7,475,743
Total Federal Special	\$142,622,510	\$7,541,710	\$7,475,743	157,639,963	\$9,101,710	\$7,475,743	159,199,963
Funding							
Total General Fund	\$613,007,446	\$73,626,119	\$2,235,560	\$688,869,125	\$96,997,039	\$2,398,984	\$712,403,469
Total State Special	9,336,000	0	2,017,254	11,353,254	0	1,531,210	10,867,210
Total Federal	142,622,510	7,541,710	7,475,743	157,639,963	9,101,710	7,475,743	159,199,963
Total Distribution to Public Schools	\$764,965,956	\$81,167,829	\$11,728,557	\$857,862,342	\$106,098,749	\$11,405,937	\$882,470,642
Statutory Appropriations							
Guarantee Account - Direct State Aid	\$103,324,841	-\$45,857,245	\$0	\$57,467,596	-\$48,658,919	\$0	\$54,665,922
School Facility and Technology Account	1,000,000	0	0	1,000,000	0	0	1,000,000
Total Statutory	\$104,324,841	-\$45,857,245	\$0	\$58,467,596	-\$48,658,919	\$0	\$55,665,922

Federal Deficit Reduction

As discussed in the summary section of this narrative, the major federal funding sources of this agency are subject to sequester in the federal Budget Control Act’s current form. The legislature may wish to discuss the potential impact on federal funds in this program, including DP 932 and DP 928.

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	613,007,446	613,007,446	1,226,014,892	87.49%	764,965,956	764,965,956	1,529,931,912	87.91%
Statewide PL Adjustments	(71)	(45)	(116)	0.00%	(71)	(45)	(116)	0.00%
Other PL Adjustments	73,626,190	96,997,084	170,623,274	12.18%	81,167,900	106,098,794	187,266,694	10.76%
New Proposals	2,235,560	2,398,984	4,634,544	0.33%	11,728,557	11,405,937	23,134,494	1.33%
Total Budget	\$688,869,125	\$712,403,469	\$1,401,272,594		\$857,862,342	\$882,470,642	\$1,740,332,984	

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
Inflation/Deflation					(71)					(45)
Total Statewide Present Law Adjustments		(\$71)	\$0	\$0	(\$71)		(\$45)	\$0	\$0	(\$45)
DP 50 - Initial Motion to FY 2012 Base	0.00	71	0	0	71	0.00	45	0	0	45
DP 52 - Adjustment for Statewide Operations	0.00	(71)	0	0	(71)	0.00	(45)	0	0	(45)
DP 901 - K-12 BASE Aid - Annualization (Bien)	0.00	16,034,188	0	0	16,034,188	0.00	16,665,994	0	0	16,665,994
DP 902 - K-12 BASE Aid - Inflationary Increase (Bien)	0.00	5,093,568	0	0	5,093,568	0.00	17,120,391	0	0	17,120,391
DP 912 - Special Education - MOE (Bien)	0.00	51,266	0	0	51,266	0.00	51,266	0	0	51,266
DP 915 - SB 372 Block Grant Reimbursements (Bien)	0.00	6,375,365	0	0	6,375,365	0.00	14,125,365	0	0	14,125,365
DP 917 - School District Audit Filing Fees (Bien)	0.00	11,556	0	0	11,556	0.00	17,595	0	0	17,595
DP 918 - Pupil Transportation (Bien)	0.00	100,000	0	0	100,000	0.00	200,000	0	0	200,000
DP 919 - State Tuition Payments (Bien)	0.00	73,044	0	0	73,044	0.00	112,327	0	0	112,327
DP 920 - Countywide School Transport Block Grants (Bien)	0.00	29,266	0	0	29,266	0.00	44,561	0	0	44,561
DP 932 - Federal Grant Award Adjustment - Pgm 09 (Bien)	0.00	0	0	7,541,710	7,541,710	0.00	0	0	9,101,710	9,101,710
DP 933 - General Fund Appropriation Adjustments (Bien)	0.00	692	0	0	692	0.00	666	0	0	666
DP 950 - Guarantee Account (Bien)	0.00	45,857,245	0	0	45,857,245	0.00	48,658,919	0	0	48,658,919
Total Other Present Law Adjustments	0.00	\$73,626,190	\$0	\$7,541,710	\$81,167,900	0.00	\$96,997,084	\$0	\$9,101,710	\$106,098,794
Grand Total All Present Law Adjustments	0.00	\$73,626,119	\$0	\$7,541,710	\$81,167,829	0.00	\$96,997,039	\$0	\$9,101,710	\$106,098,749

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 52 - Adjustment for Statewide Operations - This adjustment establishes the base adjustment the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 901 - K-12 BASE Aid - Annualization (Bien) - The legislature approves \$32.3 million general fund to annualize K-12 BASE Aid to the FY 2013 level of funding in the 2015 biennium.

DP 902 - K-12 BASE Aid - Inflationary Increase (Bien) - The legislature approved \$22.2 million general fund for the present law inflationary adjustment for K-12 BASE Aid for the 2015 biennium. The present law adjustment increases the basic and per-ANB entitlements by 0.89% in FY 2014 and by 2.03% in FY 2015 in accordance with 20-9-326, MCA, which requires annual inflation-related adjustments to the basic and per-ANB entitlements.

DP 912 - Special Education - MOE (Bien) - The legislature approved \$102,532 for the 2015 biennium to meet the MOE requirements of the IDEA.

DP 915 - SB 372 Block Grant Reimbursements (Bien) - The legislature approved \$20.5 million for the 2015 biennium to provide reimbursement to school districts through the block grant program established under 15-1-123(3), MCA, and reimbursement to county school retirement and county transportation for the reduction of class eight property tax revenue due to a rate reduction of class eight properties as per SB 372 of the 2011 session.

DP 917 - School District Audit Filing Fees (Bien) - The legislature approved \$29,151 of general fund for the 2015 biennium to fund school district audit filing fees. This increase would allow OPI to pay fees to the Department of Administration as required by 2-7-514(2), MCA. The projection assumes school district revenues, which are the basis for the fees, will increase 3% each year.

DP 918 - Pupil Transportation (Bien) - The legislature approved \$300,000 of general fund for the 2015 biennium to fund the state obligation for pupil transportation required under 20-10-145, MCA. This amount is matched by county property taxes.

DP 919 - State Tuition Payments (Bien) - The legislature approved \$185,371 of general fund for the 2015 biennium to fund the increased costs of state tuition payments to K-12 school districts. This request funds OPI's statutory obligation for tuition payments under 20-5-324, MCA, for students placed in a school district outside their district of residence by a state agency or court at \$712,614 in FY 2014 and \$824,941 in FY 2015. Tuition obligations are projected to increase an average of 5% each year.

DP 920 - Countywide School Transport Block Grants (Bien) - The legislature approved \$73,827 for the 2015 biennium to cover the 0.76% increase in countywide school transportation block grants as described in 20-9-632, MCA. During the FY 2011 legislative session, the annual 0.76% increase was eliminated for school district block grants in 20-9-630, MCA. However, the annual increase still applies to the countywide school transportation block grants but was not appropriated for in FY 2012 and FY 2013. Funding for this increase is included in the supplemental bill requested by the Governor for the 2013 biennium.

DP 932 - Federal Grant Award Adjustment - Pgm 09 (Bien) - The legislature approved federal funding increase of \$7.54 million in FY 2014 and \$9.1 million in FY 2015 for a total biennial increase of \$16,643,420. The following federal grant awards are adjusted: 1) School Foods - \$1.6 million in FY 2014 and \$3.1 million in FY 2015; 2) Title programs - \$2.7 million in FY 2014 and FY 2015; 3) School Improvement grants - \$2.1 million in each year; 4) IDEA B - \$1.2 million each year; and 5) miscellaneous grants - \$34,689 each year .

DP 933 - General Fund Appropriation Adjustments (Bien) - The legislature approves general fund increase of \$692 in FY 2014 and \$666 in FY 2015. The adjustments are for instate treatment, adult basic education and a reduction to the advancing agriculture education base.

DP 950 - Guarantee Account (Bien) - The legislature approve a biennial increase of \$94.5 million general fund expenditures and a decrease of a like amount of guarantee account expenditures create no new funding for K-12 BASE aid in this decision package. This decision package aligns estimated revenues with proposed expenses for the special revenue guarantee account (20-9-622, MCA). The 2012 base included \$27.4 million in transfers from other funds and other one-time revenues that are not ongoing sources for this fund. The guarantee account is statutorily appropriated for distribution to school districts through school equalization aid and is the first source of funding for K-12 BASE Aid.

New Proposals

Program	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Special Ed/ At Risk/GTB										
09	0.00	485,560	0	0	485,560	0.00	1,648,984	0	0	1,648,984
DP 905 - Chpt. 55 Prof. Dvlp.and Stipends (Rst/OTO)										
09	0.00	250,000	0	0	250,000	0.00	250,000	0	0	250,000
DP 914 - Career and Technical Education										
09	0.00	500,000	0	0	500,000	0.00	500,000	0	0	500,000
DP 924 - Novice Traffic Education School Reimbursement										
09	0.00	0	1,017,254	0	1,017,254	0.00	0	831,210	0	831,210
DP 928 - Striving Readers Comp Literacy (Rst/Bien/OTO)										
09	0.00	0	0	7,475,743	7,475,743	0.00	0	0	7,475,743	7,475,743
DP 976 - School Technology (OTO/Rst)										
09	0.00	1,000,000	0	0	1,000,000	0.00	0	0	0	0
DP 92584 - State School Oil and Gas Impact Account										
09	0.00	0	1,000,000	0	1,000,000	0.00	0	700,000	0	700,000
Total	0.00	\$2,235,560	\$2,017,254	\$7,475,743	\$11,728,557	0.00	\$2,398,984	\$1,531,210	\$7,475,743	\$11,405,937

DP 2 - Special Ed/ At Risk/GTB - The legislature appropriated \$2.13 million general fund for the 2015 biennium to increase special education payments and At-Risk payments by the statutory inflation rates of 0.89% in FY 2014 and 2.08% in FY 2015. The increases will be \$370,661 in FY 2014 and \$1,244,635 in FY 2015 for special education; GTB increases of \$70,399 in FY 2014 and \$254,923 in FY 2015; and \$44,500 in FY 2014 and FY 149,426 in FY 2015 for At-Risk payments.

DP 905 - Chpt. 55 Prof. Dvlp.and Stipends (Rst/OTO) - \$0.5 million of general fund for the 2015 biennium for the implementation of the revisions of Chapter 55 of the Montana Accreditation Standards. The funding would be used for stipends and professional development for mentors and mentees. This amount is intended to be used for the extra time and professional development.

DP 914 - Career and Technical Education - The legislature approved \$1.0 million general fund for the 2015 biennium to support Career and Technical Student Organizations (CTSO), expand their mission to reach more students to increase graduation rates, develop employer demanded soft skills, and create a career and college ready work force that meets the needs of today's technical economy. This is contingent on passage and approval of HB 86.

DP 924 - Novice Traffic Education School Reimbursement - Contingent on HB-178 being signed into law, the legislature approves an increase in revenues and appropriation of \$1,017,254 in FY 2014 and \$831,210 in FY 2015 in the state traffic education special revenue fund. Per 61-5-121©, MCA, 20.7% of each driver's license fee collected by the Department of Justice is deposited into the state traffic education account and is used to offset costs associated with novice traffic education training.

DP 928 - Striving Readers Comp Literacy (Rst/Bien/OTO) - The legislature approved \$15.0 million of federal funding for the 2015 biennium to implement the Montana Striving Readers Project (MSRP). The purpose of the MSRP is to further develop and implement a Montana Literacy Plan that makes provisions for literacy at all age/grade levels. The plans are aligned to Montana Standards for English Language Arts and Montana Early Learning Guidelines.

DP 976 - School Technology (OTO/Rst) - An appropriation of \$1.0 million one-time-only in FY 2014 will be made to K-12 schools' technology acquisition and depreciation fund in the same manner as the distributions in 20-9-534(2), MCA.

DP 92584 - State School Oil and Gas Impact Account - The legislature appropriated \$1.7 million from the state school oil and gas impact account to fund schools that are not receiving oil and natural gas production taxes under 15-36-331, MCA but are impacted by contiguous counties that are benefiting from receipt of oil and natural gas production taxes as per 20-9-517, MCA. School districts may apply to the superintendent of public instruction for funds from the account for circumstances that are directly related to impacts resulting from the development or cessation of development of oil and natural gas.

Language and Statutory Authority

The legislature proposes the following language for inclusion in HB 2.

"The office of public instruction may distribute funds from the appropriation for in-state treatment to public school districts for the children with significant behavioral or physical needs."

"All revenue up to \$1.8 million in the traffic education account for distribution to schools under the provisions of 20-7-506 and 20-7-507, MCA, chapter 7, part 5."

"All appropriations for federal special revenue programs in state level activities and in local education activities and all general fund activities are biennial."

"Line Item Novice Traffic Ed Reimbursement is null and void if HB 178 is not passed and approved."

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%
Total Costs	\$395,849	\$410,355	\$377,127	\$361,118	\$806,204	\$738,245	(\$67,959)	(8.43%)
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%)
Total Funds	\$395,849	\$410,355	\$377,127	\$361,118	\$806,204	\$738,245	(\$67,959)	(8.43%)

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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
Total Costs	\$395,849	\$377,130	\$377,127	(\$3)	\$361,123	\$361,118	(\$5)	(\$8)
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)
Total Funds	\$395,849	\$377,130	\$377,127	(\$3)	\$361,123	\$361,118	(\$5)	(\$8)

The legislature accepted the budget as proposed by the executive.

Agency Highlights

Board of Public Education Major Budget Highlights
◆ The legislative budget is 8.4% lower than the previous biennium due primarily to lower personal services costs.

Funding

The Board of Public Education is funded with general fund (54%) for board operations and teacher certification fees (46%) support the Certification Standards and Practices Advisory Council (CSPAC), educational research and some general board functions.

Total Board Of Public Education Funding by Source of Authority 2015 Biennium Budget						
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	\$402,060	\$0	\$0	\$402,060	54.5%	
State Special Total	336,185	-	-	336,185	45.5%	
Federal Special Total	-	-	-	-	0.0%	
Proprietary Total	-	-	-	-	0.0%	
Current Unrestricted	-	-	-	-	0.0%	
Other Total	-	-	-	-	0.0%	
Total All Funds	\$738,245	\$0	\$0	\$738,245		
Percent - Total All Sources	100.0%	0.0%	0.0%			

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%
Total Budget	\$209,128	\$192,932	\$402,060		\$377,127	\$361,118	\$738,245	

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					(32,035)					(31,712)
Inflation/Deflation					40					84
Fixed Costs					13,243					(3,131)
Total Statewide Present Law Adjustments		(\$6,708)	(\$12,044)	\$0	(\$18,752)		(\$22,902)	(\$11,857)	\$0	(\$34,759)
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
Total Other Present Law Adjustments	0.00	\$30	\$0	\$0	\$30	0.00	\$28	\$0	\$0	\$28
Grand Total All Present Law Adjustments	0.00	(\$6,678)	(\$12,044)	\$0	(\$18,722)	0.00	(\$22,874)	(\$11,857)	\$0	(\$34,731)

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 adjustments to establish a fund switch between fund types to fund base operations.