

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 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	4.00	4.00	4.00	4.00	4.00	4.00	0.00	0.00%
Personal Services	266,842	282,621	297,306	298,929	549,463	596,235	46,772	8.51%
Operating Expenses	109,214	127,254	112,214	114,292	236,468	226,506	(9,962)	(4.21%)
Total Costs	\$376,056	\$409,875	\$409,520	\$413,221	\$785,931	\$822,741	\$36,810	4.68%
General Fund	209,990	224,324	223,471	227,589	434,314	451,060	16,746	3.86%
State Special	166,066	185,551	186,049	185,632	351,617	371,681	20,064	5.71%
Total Funds	\$376,056	\$409,875	\$409,520	\$413,221	\$785,931	\$822,741	\$36,810	4.68%

Agency Description

Mission Statement: The Board of Public Education shall carry out its constitutional and statutory responsibility in an exemplary manner to exercise general supervision over the public school system and other such public educational institutions as may be assigned by law. In doing so, the Board will cooperate with the Governor and other elected officials, the Board of Regents, Superintendent of Public Instruction, local school boards, the education community and all Montana citizens, including its students.

The seven-member Board of Public Education (BPE), under authority of Article X, Section 9 of the Montana Constitution, exercises "general supervision over the public school system" including the School for the Deaf and Blind. This includes school accreditation, teacher certification, standardization of policies and programs, and equalization of aid distribution. According to statute, the educational program specified by the accreditation standards represents the minimum standards upon which Montana's basic system of free quality public elementary and secondary schools is built. Board accreditation is the basis for local school district eligibility for state funds. The board shares responsibility with the Board of Regents under Title 20, Chapter 2, MCA 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 HB 2 Budget Highlights
<ul style="list-style-type: none"> ◆ The bill includes a reduction of 2 percent in general fund support ◆ Increases for operating costs result from higher information technology costs due to a switch from an OCHE partnership to ITSD services

Summary of Legislative Action

The legislature increased the Board of Public Education budget by about \$37,000 when compared to the 2009 biennium budget. The majority of the increases included are for personal service costs. HB 13 includes \$5,152 to offset increases resulting from higher health insurance costs. The legislature included a one-time payment for BPE employees earning less than \$45,000 a year as part of HB 13. The statewide present law adjustments included increases due to additional broadband pay adjustments for employees, rent increases, and increased operating costs for computer services.

Changes in the operating costs shown in the biennial comparison table include a change in the method of calculating the charges for Information Technology Services Division (ITSD) services. Previously, BPE was able to partner with the

Office of the Commissioner of Higher Education (OCHE) for data network services. OCHE moved out of the shared office location in January 2009. Since then, information technology services for BPE have been provided by ITSD. A portion of these costs are considered a new cost to BPE and were funded by the legislature.

The legislature included a two percent general fund reduction to BPE as part of its actions to balance the state's budget. The reduction of about \$4,540 each year of the biennium was allocated to operating expenses.

Agency Discussion

BPE consolidated from two programs, the Administration Program and the Advisory Council, to a single program in FY 2008. The 2011 biennial budget reflects the single program. BPE oversees two advisory councils: the Montana Council on Indian Education and the Certification Standards and Practices Advisory Council.

Recommendations to the Legislative Finance Committee (LFC)

In previous biennia, the Education and Local Government Interim Committee formed a subcommittee, the Joint Subcommittee on Postsecondary Education Policy and Budget that developed shared policy goals and accountability measures with the Montana University System. Two resolutions passed by the legislature recommend expanding this process to the K-12 education system and the education system from kindergarten through graduate school. HJ 6 urges the Board of Public Education to work with the Education and Local Government Interim Committee to develop K-12 shared policy goals and accountability measures that can be used by the legislature and education community to evaluate progress toward the goals and to guide future funding decisions for the public education system in Montana.

SJ 8 also recommends that shared policy goals and accountability measures be developed for K-20 education or education provided in kindergarten through graduate school. The LFC may wish to receive updates on the development of these goals and accountability measures through the interim.

Other Legislation

HB 645 - Federal funds included in the American Reinvestment and Recovery Act of 2009 (ARRA) for education are appropriated for distribution to local school districts in HB 645 to the Office of Public Instruction.

HJR 6 - urges the Board of Public Education and the Superintendent of Public Instruction to work with the Education and Local Government Committee on developing K-12 shared policy goals and accountability measures that can be used by legislators, the education community, and the public to evaluate progress toward the goals and used by the Montana Legislature to guide its funding decisions.

SJR8 - urges the Board of Public Education, the Superintendent of Public Instruction, the Board of Regents, and the Commissioner of Higher Education to work with the Education and Local Government Interim Committee on developing K-20 shared policy goals and accountability measures that can be used by legislators, the education community, and the public to evaluate progress toward the goals and by the Montana Legislature to guide its funding decisions. The resolution includes language on goals and measures including:

- Improve affordability and availability of distance learning
- Reduce the remediation rate of students entering postsecondary education
- Improve the dual enrollment process

Executive Budget Comparison

The following table compares the legislative budget in the 2011 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2008	Executive Budget Fiscal 2010	Legislative Budget Fiscal 2010	Leg - Exec. Difference Fiscal 2010	Executive Budget Fiscal 2011	Legislative Budget Fiscal 2011	Leg - Exec. Difference Fiscal 2011	Biennium Difference Fiscal 10-11
FTE	4.00	4.00	4.00	0.00	4.00	4.00	0.00	
Personal Services	266,842	295,006	297,306	2,300	295,057	298,929	3,872	6,172
Operating Expenses	109,214	116,753	112,214	(4,539)	118,832	114,292	(4,540)	(9,079)
Total Costs	\$376,056	\$411,759	\$409,520	(\$2,239)	\$413,889	\$413,221	(\$668)	(\$2,907)
General Fund	209,990	225,710	223,471	(2,239)	228,257	227,589	(668)	(2,907)
State/Other Special	166,066	186,049	186,049	0	185,632	185,632	0	0
Total Funds	\$376,056	\$411,759	\$409,520	(\$2,239)	\$413,889	\$413,221	(\$668)	(\$2,907)

The legislature approved the budget as submitted by the Governor with one exception, a two percent unspecified reduction in general fund of \$9,079 over the biennium.

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as adopted by the legislature.

Program Funding Table						
K-12 Education						
Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011
01000 Total General Fund	\$ 209,990	55.8%	\$ 223,471	54.6%	\$ 227,589	55.1%
01100 General Fund	209,990	55.8%	223,471	54.6%	227,589	55.1%
02000 Total State Special Funds	166,066	44.2%	186,049	45.4%	185,632	44.9%
02122 Advisory Council	94,517	25.1%	111,049	27.1%	110,632	26.8%
02219 Research Fund	71,549	19.0%	75,000	18.3%	75,000	18.2%
Grand Total	\$ 376,056	100.0%	\$ 409,520	100.0%	\$ 413,221	100.0%

The Board of Public Education (BPE) is funded with general fund and state special revenue collected from teacher certification fees. By statute, the Office of Public Instruction Certification/Teacher Licensure Unit is responsible for collecting fees and depositing them in two state special revenue accounts for use by BPE. The fee for teacher and specialist certificates is set by statute at \$6 per year. Of this total, \$4 of the fee is to be used for expenses of the Certification Standards and Practices Advisory Council. The remaining \$2 is used to support the Board of Public Education's constitutional and statutory duties, special projects, and research studies of the advisory council.

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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	209,990	209,990	419,980	93.11%	376,056	376,056	752,112	91.42%
Statewide PL Adjustments	8,987	9,713	18,700	4.15%	25,473	25,782	51,255	6.23%
Other PL Adjustments	1,300	1,300	2,600	0.58%	1,300	1,300	2,600	0.32%
New Proposals	3,194	6,586	9,780	2.17%	6,691	10,083	16,774	2.04%
Total Budget	\$223,471	\$227,589	\$451,060		\$409,520	\$413,221	\$822,741	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget made 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 descriptions.

Present Law Adjustments	Fiscal 2010					Fiscal 2011				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					26,864	0.00				26,915
Inflation/Deflation					247	0.00				291
Fixed Costs					(1,638)	0.00				(1,424)
Total Statewide Present Law Adjustments		\$8,987	\$16,486	\$0	\$25,473	0.00	\$9,713	\$16,069	\$0	\$25,782
DP 2 - Per Diem	0.00	1,300	0	0	1,300	0.00	1,300	0	0	1,300
Total Other Present Law Adjustments	0.00	\$1,300	\$0	\$0	\$1,300	0.00	\$1,300	\$0	\$0	\$1,300
Grand Total All Present Law Adjustments	0.00	\$10,287	\$16,486	\$0	\$26,773	0.00	\$11,013	\$16,069	\$0	\$27,082

DP 2 - Per Diem - The bill includes reinstatement of per diem travel for the Board of Education members which are zero based in the budget.

New Proposals

New Proposals	Fiscal 2010					Fiscal 2011					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - In-State Travel											
01	0.00	1,799	0	0	1,799	0.00	3,638	0	0	3,638	
DP 3 - ITSD New Services											
01	0.00	3,497	3,497	0	6,994	0.00	3,497	3,497	0	6,994	
DP 6013 - 2011 Biennium Pay Plan - HB 13											
01	0.00	1,280	0	0	1,280	0.00	3,872	0	0	3,872	
DP 6014 - Pay Plan Lump Sum Payment OTO											
01	0.00	1,020	0	0	1,020	0.00	0	0	0	0	
DP 6101 - Fixed Cost Workers Comp Mgmt Pgm											
01	0.00	137	0	0	137	0.00	119	0	0	119	
DP 6105 - 2 percent Unspecified Reduction of General Fund											
01	0.00	(4,539)	0	0	(4,539)	0.00	(4,540)	0	0	(4,540)	
Total	0.00	\$3,194	\$3,497	\$0	\$6,691	0.00	\$6,586	\$3,497	\$0	\$10,083	

DP 1 - In-State Travel - The bill includes increases for non-employee instate travel to offset the additional costs due to two Board of Public Education members being from eastern Montana.

DP 3 - ITSD New Services - In the past, the Board of Public Education (BPE) has received network and computer services from the Office of the Commissioner of Higher Education (OCHE) as part of their rental agreement. OCHE will no longer provide those network services. The bill includes support for additional ITSD costs of \$6,994 in each year in the 2011 biennium.

DP 6013 - 2011 Biennium Pay Plan - HB 13 - The legislature passed a pay plan that provides an additional \$53 per month in health insurance contribution for CY 2010 and an additional \$54 per month for CY 2011. In addition, the legislature provided a one-time-only payment of \$450 for all employees earning less than \$45,000 annually. These costs are included in DP 6014.

DP 6014 - Pay Plan Lump Sum Payment OTO - This DP funds this program's cost of providing a one-time-only payment of \$450 to each full-time employee making less than \$45,000 annually and \$225 for half-time employees making \$21.635 per hour or less.

DP 6101 - Fixed Cost Workers Comp Mgmt Pgm - The bill includes funding for Workers' Compensation Management Program in the Department of Administration via a fixed cost allocation. The allocation is based upon the average number of payroll warrants issued per pay period. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. Therefore, the allocation cannot be included as part of the standard present law fixed cost process.

DP 6105 - 2 Percent Unspecified Reduction of General Fund - This item provides an unspecified reduction in general fund of 2 percent for the agency. Language included in the bill allows the agency to allocate the reduction in funding among programs when developing 2011 biennium operating plans.

Language and Statutory Authority

The legislature added the following language to HB 2:

"Administration includes a reduction in general fund money of \$4,540 each year of the biennium. The agency may allocate these reductions in funding among programs when developing 2011 biennium operating plans."