

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	88.61	88.61	88.61	88.61	88.61	88.61	0.00	0.00%
Personal Services	4,812,010	5,416,726	5,449,743	5,496,967	10,228,736	10,946,710	717,974	7.02%
Operating Expenses	998,606	924,330	921,299	883,359	1,922,936	1,804,658	(118,278)	(6.15%)
Capital Outlay	0	0	0	0	0	0	0	n/a
Total Costs	\$5,810,616	\$6,341,056	\$6,371,042	\$6,380,326	\$12,151,672	\$12,751,368	\$599,696	4.94%
General Fund	5,300,570	5,946,429	5,953,779	5,948,424	11,246,999	11,902,203	655,204	5.83%
State Special	417,370	293,924	334,290	348,929	711,294	683,219	(28,075)	(3.95%)
Federal Special	92,676	100,703	82,973	82,973	193,379	165,946	(27,433)	(14.19%)
Total Funds	\$5,810,616	\$6,341,056	\$6,371,042	\$6,380,326	\$12,151,672	\$12,751,368	\$599,696	4.94%

Agency Description

Mission Statement: As part of Montana's educational system, the Montana School for the Deaf and the Blind is committed to promote and provide free appropriate educational opportunities statewide, for children who are deaf, hard of hearing, blind, low vision and deaf-blind ages birth to twenty-one. This comprehensive education ensures these children achieve their greatest potential for independence and success.

The Montana School for the Deaf and Blind (MSDB), located in Great Falls, operating under the authority of Title 20-101 through 121, MCA, is part of Montana's educational system, and under the policy and governance of the State Board of Public Education. The school is a state funded special purpose school with a residential option for children and adolescents whose hearing or sight is a barrier to receiving proper education in the public schools of the state. MSDB also provides outreach educational services and serves as a resource center for parents of deaf and blind children, as well as state public schools and organizations that serve sensory impaired children. The mission of the school is to provide students with the "building blocks" to become independent, contributing members of society.

MSDB executes its mandated duties with 84.03 FTE and four programs: administration, general services (grounds and buildings), student services (residential), and education. The population served includes students enrolled in the education program, individuals receiving educational and audiological evaluations, outreach programs serving families and children ages 0 to 21 and public schools, and students attending summer and weekend programs.

Agency Highlights

Montana School for the Deaf and Blind HB 2 Budget Highlights
<ul style="list-style-type: none"> ◆ The legislature approved increasing the budget by \$0.6 million when compared to the 2009 biennium ◆ Present law adjustments are \$1.1 million, primarily for statewide present law adjustments ◆ Vacancy savings were approved at 4 percent for the General Services, Student Services, and Education Programs rather than the 7 percent recommended by the Governor ◆ The legislature reduced general fund support by \$244,000 over the biennium

HB 645 Budget Highlights
<ul style="list-style-type: none"> ◆ The legislature approved \$52,500 in additional general fund support for special needs equipment in the Education Program ◆ HB 645 includes \$69,000 for deferred maintenance and energy efficiency projects distributed based on the per educator component for MSDB

Summary of Legislative Action

The legislature approved overall increases of \$0.6 million or 4.9 percent when compared with the 2009 biennium. The majority of the increases are the result of statewide present law adjustments for personal services costs offset by overall general fund reductions. In addition, the legislature approved increased support for health insurance contributions totaling \$103,581 in general fund over the 2011 biennium in HB 13 that are included in the tables. One-time payment of \$450 for employees earning less than \$45,000 were also approved in HB 13 and are included.

The bill includes vacancy savings for the General Services, Student Services, and Education Programs at 4 percent, with 7 percent included for the Administration Program. The Student Services Program provides 24 day residential services for visually or hearing impaired children attending the school. The Education Program provides educational services to children on the MSDB campus and provides outreach workers to school districts with visually or hearing impaired children educated in their local schools. The General Services Program supports both the Student Services Program and the Education Program.

As part of its efforts to align overall state expenditures with projected revenues the legislature included a 1.3 percent reduction of approximately \$153,000 in general fund support for MSDB over the 2011 biennium. The reduction in operating expenses is budgeted in the Education Program. Language included in the bill allows MSDB to allocate the reduction among programs.

Due to the methodologies used for the budget process, MSDB received increased general fund appropriations for personal services in the statewide present law adjustments and was provided duplicate budget authority for general fund for operating costs resulting from transfers of the personal services authority. The legislature included further general fund reductions of \$95,000 in operating costs to eliminate the duplicate budget authority.

Agency Discussion

As a state funded general purpose school, the level of support for the school is determined through the legislative appropriation process which provided for an overall increase of 4.9 percent over the 2011 biennium. MSDB does not receive the inflationary increases of three percent in FY 2010 and three percent in FY 2011 or 6 percent over the biennium that was granted to school districts through the school funding formula for basic and ANB entitlements.

MSDB does receive funding for quality educator payments that are included in the state school funding formula. These payments are based on the number of licensed professionals working with students as MSDB and in the outreach program. Further discussion of additional payments based on quality educator payments and appropriated in HB 645 can be found in the Other Legislation section.

Funding

The following table shows funding for the agency, by program and source, as adopted by the legislature. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Agency Funding 2011 Biennium Budget					
Agency Program	General Fund	State Spec.	Fed Spec.	Grand Total	Total %
01 Administration Program	\$ 940,471	\$ 7,690	\$ -	\$ 948,161	7.44%
02 General Services	1,086,462	-	-	1,086,462	8.52%
03 Student Services	2,683,849	-	38,320	2,722,169	21.35%
04 Education	7,191,421	675,529	127,626	7,994,576	62.70%
Grand Total	<u>\$ 11,902,203</u>	<u>\$ 683,219</u>	<u>\$ 165,946</u>	<u>\$ 12,751,368</u>	<u>100.00%</u>

MSDB's programs are funded primarily with general fund, augmented by state special revenues and federal funding from the Individuals with Disabilities Education Act (IDEA), Medicaid, and the school lunch program. General fund support for MSDB increases from 92.5 percent of total funding to 93.3 percent. Support from both state special revenues derived from the state trust income account and federal funds are decreased in the 2011 biennium. The bill includes appropriations for transfers from the School Trust Income and Interest account of about \$683,000 over the 2011 biennium. These state special revenues decreased due to effects of the national recession that affected revenue projections for school trust interest and income in the upcoming biennium. The revenues decline \$30,000 over the biennium when compared to the 2009 biennium. Federal revenues derived from IDEA, Part B and Medicaid reimbursements for school students decreased by slightly more than \$35,000 when compared to the 2009 biennium.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
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	5,300,570	5,300,570	10,601,140	89.07%	5,810,616	5,810,616	11,621,232	91.14%
Statewide PL Adjustments	694,595	649,442	1,344,037	11.29%	601,814	571,300	1,173,114	9.20%
Other PL Adjustments	(21,852)	(21,874)	(43,726)	(0.37%)	(21,854)	(21,876)	(43,730)	(0.34%)
New Proposals	(19,534)	20,286	752	0.01%	(19,534)	20,286	752	0.01%
Total Budget	\$5,953,779	\$5,948,424	\$11,902,203		\$6,371,042	\$6,380,326	\$12,751,368	

Other Legislation

HB 645 – Implementation of the American Reinvestment and Recovery Act of 2009

The following table summarizes funding for the agency, by program, included in the bill. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Agency Funding 2011 Biennium Budget			
Agency Program	General Fund	Grand Total	Total %
04 Education	\$ 52,507	\$ 52,507	100.00%
Grand Total	<u>\$ 52,507</u>	<u>\$ 52,507</u>	<u>100.00%</u>

While school districts around Montana received significantly increased appropriations for federal funding generated from Title I and IDEA, Part B programs in the American Reinvestment and Recovery Act (ARRA) of 2009, MSDB does not receive these increased appropriations for federal funds due to the formulaic methodology of allocating the funds.

HB 645 includes approximately \$53,000 in general fund for MSDB to support special needs equipment purchases for the visually and hearing impaired students served by MSDB. Included in the bill is language that allows MSDB to receive a general fund distribution of about \$69,000 from the Department of Commerce for deferred maintenance on school facilities and for making energy efficiency improvements. These grants are funded based on the per educator component of the school funding formula. The legislature required MSDB to expend these funds by September 30, 2010.

HB 2 and HB 645 Combined

The table illustrates the interplay between HB 2 and HB 645. The first two columns show the appropriations in HB 2 and HB 645 side by side, the third column shows the total funding for the agency from both bills. A detailed explanation of impacts to individual programs, including on-going funding and present law adjustments due to using one-time-only from HB 645 in existing programs is presented at the program level when applicable.

2011 Biennium HB 2 and HB 645 Combined School for the Deaf and Blind			
Fund	HB 2	One-time HB 645 Appropriations	2011 Biennium Revised Total
General Fund	\$11,902,203	\$52,507	\$11,954,710
State Special Revenues	683,219	0	683,219
Federal Special Revenues	165,946	0	165,946
Total Funds	<u>\$12,751,368</u>	<u>\$52,507</u>	<u>\$12,803,875</u>

HB 5 - Capital projects funding of \$250,000 for energy and facility improvements is appropriated in the long-range building program fund for MSDB. An additional \$25,000 from state building energy conservation funds is also provided for the project. Improvements include replacing fire control panels in the residential cottages, vocational building, and boiler house to meet code requirements, insulating the outside wall in the vocational building and replacing existing windows with thermal panes, upgrading lighting, and if funding allows replacing carpeting.

Facility improvements for MSDB received \$398,000 in appropriation authority in the capital projects included in HB 5. The funds are to replace the constant air volume controls with digital controls that are variable in the administrative building and the gym. It is anticipated that these improvements will pay for themselves within three years due to the energy savings generated using the digital controls.

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	88.61	88.61	88.61	0.00	88.61	88.61	0.00	
Personal Services	4,812,010	5,231,641	5,449,743	218,102	5,238,318	5,496,967	258,649	476,751
Operating Expenses	998,606	1,065,477	921,299	(144,178)	1,027,538	883,359	(144,179)	(288,357)
Capital Outlay	0	0	0	0	0	0	0	0
Total Costs	\$5,810,616	\$6,297,118	\$6,371,042	\$73,924	\$6,265,856	\$6,380,326	\$114,470	\$188,394
General Fund	5,300,570	5,812,060	5,953,779	141,719	5,766,160	5,948,424	182,264	323,983
State/Other Special	417,370	402,085	334,290	(67,795)	416,723	348,929	(67,794)	(135,589)
Federal Special	92,676	82,973	82,973	0	82,973	82,973	0	0
Total Funds	\$5,810,616	\$6,297,118	\$6,371,042	\$73,924	\$6,265,856	\$6,380,326	\$114,470	\$188,394

The legislature approved vacancy savings at 4 percent for the General Services, Student Services, and Education Programs resulting in higher support for MSDB than recommended by the Governor. In addition, the legislature did not include \$135,589 in operating costs proposed by the Governor as the state special revenues supporting the costs are derived from out of state tuition payments that are statutorily appropriated and do not require a legislative appropriation. HB 2 contains a reduction in general fund support of about \$153,000 for the agency as a whole. The reduction is contained in the Education Program. Language included in the bill allows the agency to allocate the reduction among programs.

Language and Statutory Authority

The legislature added the following language to HB 2:

"Education includes a reduction in general fund money of \$76,381 each year of the biennium. The agency may allocate these reductions in funding among programs when developing 2011 biennium operating plans. "

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 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	5.00	5.00	5.00	5.00	5.00	5.00	0.00	0.00%
Personal Services	321,057	323,545	321,043	323,683	644,602	644,726	124	0.02%
Operating Expenses	149,004	129,948	171,354	132,081	278,952	303,435	24,483	8.78%
Total Costs	\$470,061	\$453,493	\$492,397	\$455,764	\$923,554	\$948,161	\$24,607	2.66%
General Fund	467,901	451,333	488,646	451,825	919,234	940,471	21,237	2.31%
State Special	2,160	2,160	3,751	3,939	4,320	7,690	3,370	78.01%
Total Funds	\$470,061	\$453,493	\$492,397	\$455,764	\$923,554	\$948,161	\$24,607	2.66%

Program Description

The Administration Program staff provides purchasing, accounting, personnel functions, and management of business affairs for the school.

Program Highlights

Administration Program HB 2 Budget Highlights	
◆	The legislature approved <ul style="list-style-type: none"> Statewide present law adjustments Fixed cost workers' compensation management allocation 3 percent additional vacancy savings for the program

Program Narrative

The Administration Program budget supported by this bill increases 2.7 percent when compared to the 2009 biennium mainly due to statewide present law adjustments. Personal services increases are offset by a required 7 percent vacancy savings adjustment of \$47,924. A reduction in operating costs of \$20,294 in FY 2011 mainly reflects adjustments for legislative audit costs which are included in the bill as restricted and biennial appropriations of \$34,889 in FY 2010.

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							
Administration Program							
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	\$ 467,901	99.5%	\$ 488,646	99.2%	\$ 451,825	99.1%	
01100 General Fund	467,901	99.5%	488,646	99.2%	451,825	99.1%	
02000 Total State Special Funds	2,160	0.5%	3,751	0.8%	3,939	0.9%	
02050 School Trust Interest/Income	2,160	0.5%	3,751	0.8%	3,939	0.9%	
Grand Total	\$ 470,061	100.0%	\$ 492,397	100.0%	\$ 455,764	100.0%	

General fund supports 99.2 percent of the Administration Program budget increasing 1.4 percent between the 2009 and 2011 biennia. School trust interest/income generated from trust lands granted by the federal government to the state for the benefit of MSDB support the remaining 0.8 percent of the budget.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
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	467,901	467,901	935,802	99.50%	470,061	470,061	940,122	99.15%
Statewide PL Adjustments	23,982	(14,003)	9,979	1.06%	25,573	(12,224)	13,349	1.41%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	(3,237)	(2,073)	(5,310)	(0.56%)	(3,237)	(2,073)	(5,310)	(0.56%)
Total Budget	\$488,646	\$451,825	\$940,471		\$492,397	\$455,764	\$948,161	

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	Total Funds
Personal Services					20,784	0.00			21,782
Vacancy Savings					(13,673)	0.00			(13,712)
Inflation/Deflation					9	0.00			9
Fixed Costs					18,453	0.00			(20,303)
Total Statewide Present Law Adjustments									
		\$23,982	\$1,591	\$0	\$25,573	0.00	(\$14,003)	\$1,779	\$0
Grand Total All Present Law Adjustments									
	0.00	\$23,982	\$1,591	\$0	\$25,573	0.00	(\$14,003)	\$1,779	\$0

New Proposals

New Proposals									
Program	-----Fiscal 2010-----					-----Fiscal 2011-----			
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Total Funds
DP 6013 - 2011 Biennium Pay Plan - HB 13									
01	0.00	1,600	0	0	1,600	0.00	4,840	0	4,840
DP 6014 - Pay Plan Lump Sum Payment OTO									
01	0.00	1,530	0	0	1,530	0.00	0	0	0
DP 6101 - Fixed Cost Workers Comp Mgmt Program Allocation									
01	0.00	3,888	0	0	3,888	0.00	3,371	0	3,371
DP 8101 - Increasing 4% Vacancy Savings to 7%									
01	0.00	(10,255)	0	0	(10,255)	0.00	(10,284)	0	(10,284)
Total	0.00	(\$3,237)	\$0	\$0	(\$3,237)	0.00	(\$2,073)	\$0	(\$2,073)

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 Program Allocation - The Workers' Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only (OTO) general fund appropriation. For the 2011 biennium and beyond, the bill includes that the program be funded 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 8101 - Increasing 4% Vacancy Savings to 7% - The bill includes an additional 3 percent per year to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment.

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 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	150,655	171,583	165,614	167,187	322,238	332,801	10,563	3.28%
Operating Expenses	416,837	375,733	377,432	376,229	792,570	753,661	(38,909)	(4.91%)
Capital Outlay	0	0	0	0	0	0	0	n/a
Total Costs	\$567,492	\$547,316	\$543,046	\$543,416	\$1,114,808	\$1,086,462	(\$28,346)	(2.54%)
General Fund	567,492	547,316	543,046	543,416	1,114,808	1,086,462	(28,346)	(2.54%)
Total Funds	\$567,492	\$547,316	\$543,046	\$543,416	\$1,114,808	\$1,086,462	(\$28,346)	(2.54%)

Program Description

The General Services Program staff is responsible for general upkeep and maintenance of the school's eight buildings and 18.5 acre campus. The majority of the buildings were built between 1940 and 1984.

Program Highlights

General Services Program HB 2 Budget Highlights	
<ul style="list-style-type: none"> ◆ The legislature reduced general fund: <ul style="list-style-type: none"> • To reflect the reduction in energy conservation bond costs and other one-time operating costs in FY 2008 • Due to replacing a school van with a Motor Pool leased vehicle ◆ The reductions are partially offset by statewide present law adjustments and personal services increases contained in HB 13 	

Program Narrative

The legislature approved a 2011 biennial budget for the General Services Program which is 2.5 percent less than the 2009 biennial budget. Statewide present law adjustments of \$35,523 included for the 2011 biennium are offset in the bill by a total of \$91,237 in general fund reductions for the program or 8.4 percent of the 2009 biennial budget. Reductions over the 2011 biennium include:

- \$71,700 to eliminate duplicate budget authority contained in personal services and operating expenses
- \$14,000 for energy conservation bonds that were paid in full
- \$ 3,500 to eliminate maintenance costs of a van that was replaced by a lease vehicle
- \$ 2,000 for a reduction in fuel costs

Personal services increases of \$7,192 were approved in HB 13 to support increased costs of health insurance coverage and one-time payment of \$450 for employees making less than \$45,000. The funding is included in the program budget comparison as the costs will be ongoing increases to personal services in future biennia. Vacancy savings for the program are included at 4 percent rather than the 7 percent recommended by the executive.

Maintenance costs are approximately 22.3 percent of operating expenses in the 2011 biennium included in the bill. In the bill utilities comprise 32.7 percent of the operations budget in the 2011 biennium. As energy prices fluctuate, the amount available for maintenance projects on campus is adjusted.

HB 645

HB 645 includes general fund appropriations for grants to schools for the Department of Commerce. The funds are distributed based on the per educator component of the school funding formula, which includes an allocation for MSDB. The approximately \$69,000 in general fund allocated to MSDB must be used by September 30, 2010 for deferred maintenance and energy efficiency improvements.

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						
General Services						
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	\$ 567,492	100.0%	\$ 543,046	100.0%	\$ 543,416	100.0%
01100 General Fund	<u>567,492</u>	<u>100.0%</u>	<u>543,046</u>	<u>100.0%</u>	<u>543,416</u>	<u>100.0%</u>
Grand Total	<u>\$ 567,492</u>	<u>100.0%</u>	<u>\$ 543,046</u>	<u>100.0%</u>	<u>\$ 543,416</u>	<u>100.0%</u>

The General Service Program is funded entirely with general fund. General fund support for the program is reduced 2.5 percent when compared to the 2009 biennial budget.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
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	567,492	567,492	1,134,984	104.47%	567,492	567,492	1,134,984	104.47%
Statewide PL Adjustments	17,784	17,739	35,523	3.27%	17,784	17,739	35,523	3.27%
Other PL Adjustments	(45,550)	(45,687)	(91,237)	(8.40%)	(45,550)	(45,687)	(91,237)	(8.40%)
New Proposals	3,320	3,872	7,192	0.66%	3,320	3,872	7,192	0.66%
Total Budget	\$543,046	\$543,416	\$1,086,462		\$543,046	\$543,416	\$1,086,462	

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				18,402	0.00				19,464
Vacancy Savings				(6,763)	0.00				(6,804)
Inflation/Deflation				9,608	0.00				10,424
Fixed Costs				(3,463)	0.00				(5,345)
Total Statewide Present Law Adjustments	\$17,784	\$0	\$0	\$17,784	0.00	\$17,739	\$0	\$0	\$17,739
									0
DP 1 - Energy Conservation Bonds	0.00	(7,000)	0	0	(7,000)	0.00	(7,000)	0	0
DP 2 - Operating Cost Reduction - Lease Vehicle	0.00	(1,757)	0	0	(1,757)	0.00	(1,757)	0	0
DP 8 - Pgm 02 Correct Duplicate Budget Entry	0.00	(35,872)	0	0	(35,872)	0.00	(35,872)	0	0
DP 7101 - Fuel Inflation Reduction	0.00	(921)	0	0	(921)	0.00	(1,058)	0	0
				0	0.00				0
Total Other Present Law Adjustments	0.00	(\$45,550)	\$0	\$0	(\$45,550)	0.00	(\$45,687)	\$0	(\$45,687)
				0	0.00				0
Grand Total All Present Law Adjustments	0.00	(\$27,766)	\$0	\$0	(\$27,766)	0.00	(\$27,948)	\$0	(\$27,948)

DP 1 - Energy Conservation Bonds - The bill includes reductions of \$7,000 in general fund each year of the biennium for energy conservation bonds which have been paid in full.

DP 2 - Operating Cost Reduction - Lease Vehicle - The bill includes a Motor Pool lease van to replace a school van that has high mileage. A reduction in operating costs for a school owned van that will be replaced is included in the General Services Program where the costs of the van were recorded in the 2009 biennium. The lease vehicle is budgeted under the Education Program in the bill.

DP 8 - Pgm 02 Correct Duplicate Budget Entry - MSDB moved personal services authority from the Student Services Program into operating authority in the General Services Program in the FY 2008 base year. The personal services authority was restored in the base personal services calculations in the Student Services Program and it appears in the operating base authority of the General Services Program. The bill contains a reduction of \$35,872 in general fund in the General Services Program from the operating expenses for each year of the 2011 biennium.

DP 7101 - Fuel Inflation Reduction - The bill contains a reduction in funding for gasoline and diesel by the amount these two expenditure categories were increased in the statewide present law adjustment for inflation. The effect is to apply no inflation adjustment to these two expenditure categories.

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 6013 - 2011 Biennium Pay Plan - HB 13										
02	0.00	1,280	0	0	1,280	0.00	3,872	0	0	3,872
DP 6014 - Pay Plan Lump Sum Payment OTO										
02	0.00	2,040	0	0	2,040	0.00	0	0	0	0
Total	0.00	\$3,320	\$0	\$0	\$3,320	0.00	\$3,872	\$0	\$0	\$3,872

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.

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 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	29.74	29.74	29.74	29.74	29.74	29.74	0.00	0.00%
Personal Services	1,054,888	1,253,478	1,245,565	1,255,537	2,308,366	2,501,102	192,736	8.35%
Operating Expenses	106,900	112,731	110,067	111,000	219,631	221,067	1,436	0.65%
Total Costs	\$1,161,788	\$1,366,209	\$1,355,632	\$1,366,537	\$2,527,997	\$2,722,169	\$194,172	7.68%
General Fund	1,142,628	1,339,022	1,336,472	1,347,377	2,481,650	2,683,849	202,199	8.15%
Federal Special	19,160	27,187	19,160	19,160	46,347	38,320	(8,027)	(17.32%)
Total Funds	\$1,161,788	\$1,366,209	\$1,355,632	\$1,366,537	\$2,527,997	\$2,722,169	\$194,172	7.68%

Program Description

The Student Services Program provides residential care for out-of-district children living at the school. The program operates 24 hours a day, 7 days a week. By statute, MSDB provides supervised transportation for students to return home once a month during the school year. The residential program includes two cottages, each having three wings connected by a food service building. One of the wings is used for the campus infirmary.

Program Highlights

Student Services Program HB 2 Budget Highlights	
◆	The legislature approved statewide present law adjustments and increases contained in HB 13

Program Narrative

The legislature provided for increases due to the costs of statewide present law adjustments. Support for increased health insurance costs, and for providing a one-time payment of \$450 for employees earning less than \$45,000 were approved in HB 13 and are included in the above table. The legislature included a 4 percent vacancy savings for the Student Services program rather than the 7 percent vacancy savings recommended by the Governor.

The costs of providing residency for students and student travel to their homes each month are wholly supported by the general fund in the bill. Non-employee travel costs comprise 38.7 percent of the operating expenses and are decreased by 4.8 percent when compared to the 2009 biennium. Costs of providing meals to the students comprise more than 40.4 percent of operating expenses in the 2011 biennium. Federal funds for the national school lunch program provide support for about 42.9 percent of the operating costs of providing meals to the students.

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						
Student Services						
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	\$ 1,142,628	98.4%	\$ 1,336,472	98.6%	\$ 1,347,377	98.6%
01100 General Fund	1,142,628	98.4%	1,336,472	98.6%	1,347,377	98.6%
03000 Total Federal Special Funds	19,160	1.6%	19,160	1.4%	19,160	1.4%
03167 National School Lunch	19,160	1.6%	19,160	1.4%	19,160	1.4%
Grand Total	\$ 1,161,788	100.0%	\$ 1,355,632	100.0%	\$ 1,366,537	100.0%

The Student Services Program general fund supports 98.6 percent of the budget, increasing 7.7 percent in the 2011 biennium when compared with the 2009 biennium. The program receives a small amount of federal funds from the national school lunch program which supports about 1.4 percent of the 2011 biennial budget. The federal program funding is based on the number of students served and does not include increases for higher food costs.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
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	1,142,628	1,142,628	2,285,256	85.15%	1,161,788	1,161,788	2,323,576	85.36%
Statewide PL Adjustments	164,513	168,933	333,446	12.42%	164,513	168,933	333,446	12.25%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	29,331	35,816	65,147	2.43%	29,331	35,816	65,147	2.39%
Total Budget	\$1,336,472	\$1,347,377	\$2,683,849		\$1,355,632	\$1,366,537	\$2,722,169	

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									
FTE	-----Fiscal 2010-----				FTE	-----Fiscal 2011-----			
	General Fund	State Special	Federal Special	Total Funds		General Fund	State Special	Federal Special	Total Funds
Personal Services				212,022	0.00				215,654
Vacancy Savings				(50,676)	0.00				(50,821)
Inflation/Deflation				3,167	0.00				4,100
Total Statewide Present Law Adjustments	\$164,513	\$0	\$0	\$164,513	0.00	\$168,933	\$0	\$0	\$168,933
Grand Total All Present Law Adjustments	0.00	\$164,513	\$0	\$164,513	0.00	\$168,933	\$0	\$0	\$168,933

New Proposals

New Proposals									
Program	FTE	-----Fiscal 2010-----				FTE	-----Fiscal 2011-----		
		General Fund	State Special	Federal Special	Total Funds		General Fund	State Special	Federal Special
DP 6013 - 2011 Biennium Pay Plan - HB 13									
03	0.00	11,840	0	0	11,840	0.00	35,816	0	0
DP 6014 - Pay Plan Lump Sum Payment OTO									
03	0.00	17,491	0	0	17,491	0.00	0	0	0
Total	0.00	\$29,331	\$0	\$0	\$29,331	0.00	\$35,816	\$0	\$0

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.

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 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	49.87	49.87	49.87	49.87	49.87	49.87	0.00	0.00%
Personal Services	3,285,410	3,668,120	3,717,521	3,750,560	6,953,530	7,468,081	514,551	7.40%
Operating Expenses	325,865	305,918	262,446	264,049	631,783	526,495	(105,288)	(16.67%)
Total Costs	\$3,611,275	\$3,974,038	\$3,979,967	\$4,014,609	\$7,585,313	\$7,994,576	\$409,263	5.40%
General Fund	3,122,549	3,608,758	3,585,615	3,605,806	6,731,307	7,191,421	460,114	6.84%
State Special	415,210	291,764	330,539	344,990	706,974	675,529	(31,445)	(4.45%)
Federal Special	73,516	73,516	63,813	63,813	147,032	127,626	(19,406)	(13.20%)
Total Funds	\$3,611,275	\$3,974,038	\$3,979,967	\$4,014,609	\$7,585,313	\$7,994,576	\$409,263	5.40%

Program Description

The Education Program provides an education for children with hearing and/or sight loss that prevents them from receiving a quality education in their local schools. The Education Program serves visually and hearing impaired children who remain in their local school districts by providing deaf/blind educational support services to the students' local schools. The program also offers "mainstream" programs for on-campus students in a joint effort with the Great Falls public school system. Additionally, pursuant to 20-8-102(3), MCA, the school is charged with the responsibility of tracking a child identified as hearing or visually impaired from the time of impairment identification through the child's exit from intervention or educational services.

Program Highlights

Education Program HB 2 Budget Highlights	
<ul style="list-style-type: none"> ◆ In addition to Statewide Present Law Adjustments, which comprise the bulk of the 5.4 percent budget increase, the legislature approved : <ul style="list-style-type: none"> • Leasing a motor pool van to replace a school owned vehicle with high mileage • Vacancy savings at 4 percent • \$85,000 in general fund support to partially offset a 2 percent general fund reduction of \$238,000 ◆ The budget includes small reductions in the percentage of funding provided by state special revenues generated through trust income and interest 	
HB 645 Budget Highlights	
<ul style="list-style-type: none"> ◆ The legislature provided \$52,500 in general fund appropriations in HB 645 to provide for special equipment needs in the program 	

Program Narrative

The legislature provided support for costs which are 5.4 percent higher in the 2011 biennium when compared to the 2009 biennium. The Education Program comprises 62.7 percent of the total agency budget and provides for both educational needs of students on their campus and outreach services to students in 92 school districts throughout Montana. In FY 2008 the on-campus education program expended about \$2.4 million in general fund. The outreach program expended \$0.7 million in general fund. The legislature provided about \$2.8 million in general fund annually for the on-campus education program and about \$1.1 million to support the outreach program.

Increases for the program include statewide present law adjustments of approximately \$0.8 million. General fund support for personal service costs and operating costs included in the adjustments were also provided for by the legislature. The table above includes personal service costs appropriated in HB 13, \$78,500 for increased health insurance costs and \$7,900 for one-time payment of \$450 for employees earning less than \$45,000. The legislature included vacancy savings at 4 percent of the personal services costs in the 2011 biennium rather than the 7 percent vacancy savings rate recommended by the Governor.

Other general fund increases for the program include reinstatement of extracurricular compensation for staff involved in supporting students in extracurricular activities such as teams or field trips. The compensation costs are eliminated through the budgeting process. Support for the activities is included in the bill for the 2011 biennium. Support is also included to replace a van through a lease with the state motor pool.

The legislature approved an agency wide two percent reduction of general fund totaling approximately \$238,000. The reduction is included in the Education Program. The legislature included language in the bill allowing MSDB to allocate the reduction among its programs. The legislature partially offset this reduction through a separate decision package, increasing general fund support for MSDB by \$85,000 over the biennium. General fund reductions of \$23,000 for fuel costs and operating costs funded through personal service appropriation transfers are included in HB 2.

HB 645

As mentioned in the agency summary, MSDB does not receive additional federal funding to support its education programs as part of the ARRA. The legislature included about \$52,500 in general fund support for special needs equipment for the Education Program in HB 645.

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						
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	\$ 3,122,549	86.5%	\$ 3,585,615	90.1%	\$ 3,605,806	89.8%
01100 General Fund	3,122,549	86.5%	3,585,615	90.1%	3,605,806	89.8%
02000 Total State Special Funds	415,210	11.5%	330,539	8.3%	344,990	8.6%
02050 School Trust Interest/Income	415,210	11.5%	330,539	8.3%	344,990	8.6%
03000 Total Federal Special Funds	73,516	2.0%	63,813	1.6%	63,813	1.6%
03012 E.C.I.A. Chapter I	73,516	2.0%	63,813	1.6%	63,813	1.6%
Grand Total	<u>\$3,611,275</u>	<u>100.0%</u>	<u>\$3,979,967</u>	<u>100.0%</u>	<u>\$ 4,014,609</u>	<u>100.0%</u>

The Education Program is funded by general fund, state special revenue generated from income on school trust lands, reimbursements from school districts for large print and Braille materials, and federal grants used to meet special educational program needs.

General fund increases by 6.8 percent when compared to the 2009 biennium. The majority of the increases support statewide present law adjustments and increases included in HB 13. Increased general fund also offsets a reduction in state special revenue support and a small reduction in federal support.

The legislature included state special revenue support for the program from transfers of interest and income generated on the Deaf and Blind Trust. State special revenue support decreases about \$31,500 in the 2011 biennium when compared to the 2009 biennium due to reduced revenues generated from school trust lands, in part due to the national recession. Federal special revenues include funds received for Individuals with Disabilities Education Act (IDEA), Part B, and Medicaid reimbursements for students served in the Education Program.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
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	3,122,549	3,122,549	6,245,098	86.84%	3,611,275	3,611,275	7,222,550	90.34%
Statewide PL Adjustments	488,316	476,773	965,089	13.42%	393,944	396,852	790,796	9.89%
Other PL Adjustments	23,698	23,813	47,511	0.66%	23,696	23,811	47,507	0.59%
New Proposals	(48,948)	(17,329)	(66,277)	(0.92%)	(48,948)	(17,329)	(66,277)	(0.83%)
Total Budget	\$3,585,615	\$3,605,806	\$7,191,421		\$3,979,967	\$4,014,609	\$7,994,576	

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					526,818	0.00				528,291
Vacancy Savings					(149,078)	0.00				(149,132)
Inflation/Deflation					16,314	0.00				17,803
Fixed Costs					(110)	0.00				(110)
Total Statewide Present Law Adjustments		\$488,316	(\$84,669)	(\$9,703)	\$393,944	0.00	\$476,773	(\$70,218)	(\$9,703)	\$396,852
0										
DP 2 - Extracurricular Compensation	0.00	26,938	0	0	26,938	0.00	26,938	0	0	26,938
DP 3 - Motor Pool Lease Vehicle	0.00	8,299	0	0	8,299	0.00	8,425	0	0	8,425
DP 8 - Pgm 04 Correct Duplicate Budget Entry	0.00	(11,464)	0	0	(11,464)	0.00	(11,464)	0	0	(11,464)
DP 7101 - Fuel Inflation Reduction	0.00	(75)	(2)	0	(77)	0.00	(86)	(2)	0	(88)
0										
Total Other Present Law Adjustments		0.00	\$23,698	(\$2)	\$0	\$23,696	0.00	\$23,813	(\$2)	\$0
0										
Grand Total All Present Law Adjustments		0.00	\$512,014	(\$84,671)	(\$9,703)	\$417,640	0.00	\$500,586	(\$70,220)	(\$9,703)
0										
\$420,663										

DP 2 - Extracurricular Compensation - The Montana School for the Deaf and the Blind pays extracurricular compensation to employees who sponsor after school activities which are not included in the base budget. The bill includes amounts paid to employees which are contained in a collective bargaining agreement with the Montana Education Association/Montana Federation of Teachers. Salaries and benefits total \$26,938 per year.

DP 3 - Motor Pool Lease Vehicle - The bill includes support for a motor pool lease vehicle to replace a school van that has high mileage. The lease vehicle will be used to transport students. Reductions for maintenance costs of the van are included in the General Services Program.

DP 8 - Pgm 04 Correct Duplicate Budget Entry - MSDB transferred personal services appropriation authority into operating expenses appropriation authority in FY 2008. The personal services authority was restored in the statewide present law adjustment for FY 2010 and FY 2011. It is also included in the general fund appropriations request for operating expenses. The bill includes a reduction of \$11,464 of general fund support for operating expenses for each year of the 2011 biennium.

DP 7101 - Fuel Inflation Reduction - The bill includes a reduction for gasoline and diesel by the amount these two expenditure categories were increased in the statewide present law adjustment for inflation. The effect is to apply no inflation adjustment to these two expenditure categories.

New Proposals

New Proposals										
Program	FTE	Fiscal 2010				FTE	Fiscal 2011			
		General Fund	State Special	Federal Special	Total Funds		General Fund	State Special	Federal Special	Total Funds
DP 6013 - 2011 Biennium Pay Plan - HB 13										
04	0.00	19,525	0	0	19,525	0.00	59,053	0	0	59,053
DP 6014 - Pay Plan Lump Sum Payment OTO										
04	0.00	7,908	0	0	7,908	0.00	0	0	0	0
DP 6105 - 2 percent Unspecified Reduction of General Fund										
04	0.00	(118,881)	0	0	(118,881)	0.00	(118,882)	0	0	(118,882)
DP 8102 - Partially Restore Unspecified Reduction										
04	0.00	42,500	0	0	42,500	0.00	42,500	0	0	42,500
Total	0.00	(\$48,948)	\$0	\$0	(\$48,948)	0.00	(\$17,329)	\$0	\$0	(\$17,329)

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 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.

DP 8102 - Partially Restore Unspecified Reduction - The legislature provided \$42,500 general fund support in each year of the biennium to partially restore funding reduced through an unspecified general fund reduction of two percent each year.