

Agency Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding. Also included in the table is the HB 447 pay plan allocation.

Agency Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00	4.00
Personal Services	212,729	5,770	9,794	228,293	6,120	20,004	238,853	467,146
Operating Expenses	81,365	50,768	10,100	142,233	46,779	10,100	138,244	280,477
Total Costs	\$294,094	\$56,538	\$19,894	\$370,526	\$52,899	\$30,104	\$377,097	\$747,623
General Fund	141,309	18,983	10,345	170,637	17,039	15,526	173,874	344,511
State/Other Special	152,785	37,555	9,549	199,889	35,860	14,578	203,223	403,112
Federal Special	0	0	0	0	0	0	0	0
Total Funds	\$294,094	\$56,538	\$19,894	\$370,526	\$52,899	\$30,104	\$377,097	\$747,623

Agency Description

The seven-member Board of Public Education, 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. 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.

Agency Highlights

Board of Public Education Major Budget Highlights
<p>Total funding increases over the FY 2004 base year are due to:</p> <ul style="list-style-type: none"> ◆ Statewide and other present law adjustments of \$109,400: <ul style="list-style-type: none"> ● \$11,700 in personal services and fixed costs ● \$95,000 to tie agency appropriations to anticipated revenue ● \$2,700 to restore per diem for Board of Public Education meetings ◆ New proposals: <ul style="list-style-type: none"> ● \$23,000 to implement the HB 447 pay plan ● \$20,000 for in and out-of-state travel and per diem ● \$6,800 for representatives of the Montana Advisory Council on Indian Education to attend Board of Public Education meetings ◆ The legislature approved funding for a Board of Education staff person administratively attached to the Governor’s Office to assist the Board of Public Education, the Board of Regents, and the Governor in their combined work as the Board of Education

Summary of Legislative Action

The legislature increased the agency’s budget by \$159,000 over the FY 2004 base primarily for present law adjustments and the cost of the pay plan provided by HB 447.

The statewide present law adjustments contain a transfer of \$26,415 from the Advisory Council to the Administration program to correct a miscoded salary entry. The miscode adjustment, combined with the standard statewide adjustments,

results in a net adjustment of \$11,700 over the biennium for the Board of Public Education (BPE) that includes: 1) \$9,200 in personal services for pay plan salary increases as well as employment taxes, longevity, employee benefits and health insurance; 2) a deflation figure of \$2,300; and 3) \$4,800 in fixed costs that are primarily for expenses related to the legislative audit and the Statewide Accounting, Budget, and Human Resource System.

The legislature approved \$47,500 each year of the biennium to align the appropriation for the Advisory Council to the 2007 biennium anticipated revenue, as well as \$50,000 for: 1) \$20,000 to restore board per diem for Board of Public Education meetings, Board of Education meetings, and travel to national meetings; 2) \$6,800 in travel and per diem for representatives from the Montana Advisory Council on Indian Education to attend BPE meetings; and 4) \$23,200 to implement the pay plan adopted in HB 447.

Funding

The following table summarizes 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 2007 Biennium Legislative Budget				
Agency Program	General Fund	State Spec.	Grand Total	Total %
01 Administration	\$ 344,511	\$ 42,776	\$ 387,287	51.8%
03 Advisory Council	-	360,336	360,336	48.2%
Grand Total	\$ 344,511	\$ 403,112	\$ 747,623	100.0%

Other Legislation

SB 525 – This bill provides for an eleven-member interim committee comprising eight legislators and three ex-officio, non-voting members representing the Board of Public Education, the Office of Public Instruction, and the Governor, to study the school funding formula. The appropriation is made to the Legislative Branch, which will pay the costs of the study. The chair of the Board of Public Education, a non-recompensed position, may require lodging and per diem for committee meetings and may request reimbursement. General fund of \$200,000 was added in HB 2 to fund this study.

Executive Budget Comparison

The following table compares the legislative budget for the 2007 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Budget Item	Base Budget Fiscal 2004	Executive Budget Fiscal 2006	Legislative Budget Fiscal 2006	Leg - Exec. Difference Fiscal 2006	Executive Budget Fiscal 2007	Legislative Budget Fiscal 2007	Leg - Exec. Difference Fiscal 2007	Biennium Difference Fiscal 06-07
FTE	4.00	4.00	4.00	0.00	4.00	4.00	0.00	
Personal Services	212,729	221,799	228,293	6,494	222,149	238,853	16,704	23,198
Operating Expenses	81,365	138,833	142,233	3,400	134,844	138,244	3,400	6,800
Total Costs	\$294,094	\$360,632	\$370,526	\$9,894	\$356,993	\$377,097	\$20,104	\$29,998
General Fund	141,309	167,292	170,637	3,345	165,348	173,874	8,526	11,871
State/Other Special	152,785	193,340	199,889	6,549	191,645	203,223	11,578	18,127
Federal Special	0	0	0	0	0	0	0	0
Total Funds	\$294,094	\$360,632	\$370,526	\$9,894	\$356,993	\$377,097	\$20,104	\$29,998

The legislature approved a budget that is \$30,000 greater than the amount recommended by the Governor to implement the HB 447 pay plan and support of travel to Board of Education meetings by representatives from the Montana Advisory Council on Indian Education.

Program Legislative Budget

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding. Also included in the table is HB 447 pay plan allocation.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	2.00	0.00	0.00	2.00	0.00	0.00	2.00	2.00
Personal Services	88,518	32,593	6,645	127,756	32,950	11,826	133,294	261,050
Operating Expenses	52,791	1,378	10,100	64,269	(923)	10,100	61,968	126,237
Total Costs	\$141,309	\$33,971	\$16,745	\$192,025	\$32,027	\$21,926	\$195,262	\$387,287
General Fund	141,309	18,983	10,345	170,637	17,039	15,526	173,874	344,511
State/Other Special	0	14,988	6,400	21,388	14,988	6,400	21,388	42,776
Federal Special	0	0	0	0	0	0	0	0
Total Funds	\$141,309	\$33,971	\$16,745	\$192,025	\$32,027	\$21,926	\$195,262	\$387,287

Program Description

The Administration Program provides administration, research, clerical functions, and management of business affairs for all programs under the authority of the Board of Public Education. The Board of Public Education exists under Article X, Section 9 of the Montana Constitution, and exercises general supervision of the public school system.

As mandated by 20-2-101 (6), MCA the Board of Public Education and the Board of Regents meet at least twice yearly as the Board of Education. Administration oversees all aspect of business management, research, and proceedings regarding denial, suspension, or revocation of teacher certificates, including investigations, possible hearings, or formal action. BPE meets eight times a year to conduct business related to its constitutional and statutory obligation. It is also required to meet two times annually with the Montana Board of Regents of Higher Education as the Board of Education (20-2-101 (6), MCA).

Program Highlights

Administration Program Major Budget Highlights
<ul style="list-style-type: none"> ◆ Total funding increases over the FY 2004 base year are due to: <ul style="list-style-type: none"> ● Statewide present law adjustments ● \$38,000 in new proposals ● \$11,900 to implement the HB 447 pay plan ◆ Increases in personal services in this program include a \$26,400 correction for a miscode in salary; a reduction of the same amount occurs in the Advisory Council Program

Funding

The following table shows program funding, by source, for the base year and the 2007 biennium as adopted by the legislature.

Program Funding		Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
01000	Total General Fund	\$ 141,309	100.0%	\$ 170,637	88.9%	\$ 173,874	89.0%
	01100 General Fund	141,309	100.0%	170,637	88.9%	173,874	89.0%
02000	Total State Special Funds	-	-	21,388	11.1%	21,388	11.0%
	02219 Research Fund	-	-	21,388	11.1%	21,388	11.0%
Grand Total		\$ 141,309	100.0%	\$ 192,025	100.0%	\$ 195,262	100.0%

This program is funded with 89 percent general fund and 11 percent state special revenue authorized by 20-4-109, MCA, which allows the agency to use a portion of the revenue collected from teacher fees for activities in support of the board's constitutional and statutory duties, special projects, and research studies of the advisory council.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

	Fiscal 2006					Fiscal 2007				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					31,243					31,600
Inflation/Deflation					(534)					(533)
Fixed Costs					1,912					(390)
Total Statewide Present Law Adjustments					\$32,621					\$30,677
DP 1 - Per diem reinstated	0.00	1,350	0	0	1,350	0.00	1,350	0	0	1,350
Total Other Present Law Adjustments	0.00	\$1,350	\$0	\$0	\$1,350	0.00	\$1,350	\$0	\$0	\$1,350
Grand Total All Present Law Adjustments					\$33,971					\$32,027

DP 1 - Per diem reinstated - The legislature approved \$2,700 general fund across the biennium to restore per diem for BPE members to attend eight BPE meetings a year.

New Proposals

New Proposals	-----Fiscal 2006-----					-----Fiscal 2007-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Out-of-State Travel											
01	0.00	3,000	3,000	0	6,000	0.00	3,000	3,000	0	6,000	
DP 3 - Additional Meetings - Board of Education											
01	0.00	4,000	0	0	4,000	0.00	4,000	0	0	4,000	
DP 4 - Travel for MACIE to BPE Meetings											
01	0.00	0	3,400	0	3,400	0.00	0	3,400	0	3,400	
DP 6010 - 2007 Biennium Pay Plan - HB 447											
01	0.00	3,345	0	0	3,345	0.00	8,526	0	0	8,526	
Total	0.00	\$10,345	\$6,400	\$0	\$16,745	0.00	\$15,526	\$6,400	\$0	\$21,926	

DP 2 - Out-of-State Travel - The legislature approved \$6,000 in each year of the biennium for board members to travel to National Association of State Boards of Education (NASBE) events, where they garner information, technical support, and assistance on a variety of state and federal educational issues such as the No Child Left Behind legislation.

DP 3 - Additional Meetings - Board of Education - The legislature increased travel and per diem by \$4,000 in each year of the biennium to allow the Board of Public Education to meet with the Board of Regents for two mandated meetings per year as the Board of Education (20-2-101 (6), MCA).

DP 4 - Travel for MACIE to BPE Meetings - The legislature added \$3,400 per year for travel to Board of Education meetings by representatives from the Montana Advisory Council on Indian Education.

DP 6010 - 2007 Biennium Pay Plan - HB 447 - The legislature passed a pay plan in HB 447 that provides an additional 3.5 percent (or \$1,005, whichever is greater) in FY 2006 and an additional 4.0 percent (or \$1,188, whichever is greater) in FY 2007, as well as \$46 per month in insurance contributions in calendar 2006 and an additional \$51 per month in calendar 2007. These amounts represent the program's allocation of costs to fund this pay plan.

Program Legislative Budget

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding. Also included in the table is the HB 447 pay plan allocation.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	2.00	0.00	0.00	2.00	0.00	0.00	2.00	2.00
Personal Services	124,211	(26,823)	3,149	100,537	(26,830)	8,178	105,559	206,096
Operating Expenses	28,574	49,390	0	77,964	47,702	0	76,276	154,240
Total Costs	\$152,785	\$22,567	\$3,149	\$178,501	\$20,872	\$8,178	\$181,835	\$360,336
State/Other Special	152,785	22,567	3,149	178,501	20,872	8,178	181,835	360,336
Total Funds	\$152,785	\$22,567	\$3,149	\$178,501	\$20,872	\$8,178	\$181,835	\$360,336

Program Description

The seven-member Certification Standards and Practices Advisory Council was created by the legislature in 1987 to study and make recommendations to the Board of Public Education in the following areas: 1) teacher, administrator, and specialist certification standards; 2) the status and efficacy of approved teacher education programs; and 3) the feasibility of establishing teaching certification and the appeals process. The board staff provides administrative, research, and clerical duties to the council. The advisory council is created in 2-15-1522, MCA.

Program Highlights

Advisory Council Major Budget Highlights	
◆	Total funding increases over the FY 2004 base year are due to: <ul style="list-style-type: none"> • A \$26,400 decrease in personal services to correct a miscode in salary • \$3,300 in fixed costs • \$95,000 to tie appropriations to anticipated revenue for studies • \$11,300 to implement the HB 447 pay plan

Funding

The following table shows program funding, by source, for the base year and the 2007 biennium as adopted by the legislature.

Program Funding Table Advisory Council							
Program Funding		Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
02000	Total State Special Funds	\$ 152,785	100.0%	\$ 178,501	100.0%	\$ 181,835	100.0%
	02122 Advisory Council	109,197	71.5%	118,501	66.4%	121,835	67.0%
	02219 Research Fund	<u>43,588</u>	<u>28.5%</u>	<u>60,000</u>	<u>33.6%</u>	<u>60,000</u>	<u>33.0%</u>
Grand Total		<u>\$ 152,785</u>	<u>100.0%</u>	<u>\$ 178,501</u>	<u>100.0%</u>	<u>\$ 181,835</u>	<u>100.0%</u>

This program is funded entirely by state special revenue. By statute, the Office of Public Instruction (OPI) 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 are set in 20-4-109, MCA, at \$6 per year. \$4 is

used for expenses of the Certification Standards and Practices Advisory Council, which makes recommendations regarding standards, policies, and research activities to be undertaken by the board. \$2 is used for activities in support of the board’s constitutional and statutory duties, special projects, and research studies of the Advisory Council.

The legislature increased funding for the Advisory Council by just over \$20,000 each year. The legislature approved \$47,500 annually to tie appropriations to anticipated revenue, and present law adjustments including a correction in personal services of \$26,415 for a salary miscode, that reduces state special revenue in the research fund and increases funding in the administration program.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative 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 2006-----					-----Fiscal 2007-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(26,823)					(26,830)
Inflation/Deflation					(607)					(604)
Fixed Costs					2,497					806
Total Statewide Present Law Adjustments					(\$24,933)					(\$26,628)
DP 7000 - Tie Appropriations to Anticipated Revenue	0.00	0	47,500	0	47,500	0.00	0	47,500	0	47,500
Total Other Present Law Adjustments	0.00	\$0	\$47,500	\$0	\$47,500	0.00	\$0	\$47,500	\$0	\$47,500
Grand Total All Present Law Adjustments					\$22,567					\$20,872

DP 7000 - Tie Appropriations to Anticipated Revenue - The legislature approved \$47,500 annually of state special revenue to bring the research fund spending appropriation to \$60,000 in each year of the biennium.

New Proposals

New Proposals	-----Fiscal 2006-----					-----Fiscal 2007-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6010 - 2007 Biennium Pay Plan - HB 447	03	0.00	0	3,149	0	3,149	0.00	0	8,178	0	8,178
Total		0.00	\$0	\$3,149	\$0	\$3,149	0.00	\$0	\$8,178	\$0	\$8,178

DP 6010 - 2007 Biennium Pay Plan - HB 447 - The legislature passed a pay plan in HB 447 that provides an additional 3.5 percent (or \$1,005, whichever is greater) in FY 2006 and an additional 4.0 percent (or \$1,188, whichever is greater) in FY 2007, as well as \$46 per month in insurance contributions in calendar 2006 and an additional \$51 per month in calendar 2007. These amounts represent the program's allocation of costs to fund this pay plan.