SB 261 and Budget Reductions Related to Education—FY 2017 Revenue Triggers
prepared for the Education Interim Committee, June 2017, by Pad McCracken, LSD Research Analyst

**FY 2017 GF Revenue as of 8/15/2017**

- **Level 1**
  - No education related cuts
- **Level 2**
  - If GF revenue is less than $2.204 B, almost all HB 2 GF appropriations will be reduced by 0.5% for BOTH FY 18 and FY 19, including the following:
  - OPI State Level Activities including Audiological Services; NBCT stipends; MT Digital Academy
  - K-12 Local Education Activities including Advancing Ag Ed, In-State Treatment, Secondary Vo-ed (CTE), Adult Basic Ed, Gifted and Talented, At-Risk Student Payment*, Special Ed*, School Food
  - Additionally these “across-the-board cuts” will reduce all GF line item appropriations to BPE, MSDB, MAC, MSL, MHS, and MUS/OCHE
- **Level 3**
  - If GF revenue is less than $2.192 B, HB 2 appropriations will be modified for BOTH FY 18 and FY 19:
  - Montana State Library (reduced by $0.67 million/year)
  - Montana Historical Society (reduced by $0.61 million/year)
- **Level 4**
  - If GF revenue is less than $2.180 B, the following HB 2 appropriations will be modified for BOTH FY 18 and FY 19:
  - Secondary Vo-ed (reduced by $0.5 M/year to $1.5 M/year)
  - Data-for achievement payment* is suspended (about $3 M/year)
  - Combined fund block grants (roughly halved; $2.8 M/year)
  - Natural resource development K-12 school facilities payment (delayed until 2020; would’ve provided $5.8 M in state major maintenance aid in FY 19)
  - Level 4 also voids the FY 18 appropriation for the state pay plan (EXEC, JUD, LEG, and MUS) and reduces the appropriation in FY 19.

* School district general fund components

**The budget cuts for the triggers are cumulative**

If GF revenue is less than $2.204 B (Level 2), almost all HB 2 GF appropriations will be reduced by 0.5% for BOTH FY 18 and FY 19, including the following:

- OPI State Level Activities including Audiological Services; NBCT stipends; MT Digital Academy
- K-12 Local Education Activities including Advancing Ag Ed, In-State Treatment, Secondary Vo-ed (CTE), Adult Basic Ed, Gifted and Talented, At-Risk Student Payment*, Special Ed*, School Food
- Additionally these “across-the-board cuts” will reduce all GF line item appropriations to BPE, MSDB, MAC, MSL, MHS, and MUS/OCHE

If GF revenue is less than $2.192 B (Level 3), HB 2 appropriations will be modified for BOTH FY 18 and FY 19:

- Montana State Library (reduced by $0.67 million/year)
- Montana Historical Society (reduced by $0.61 million/year)

If GF revenue is less than $2.180 B (Level 4), the following HB 2 appropriations will be modified for BOTH FY 18 and FY 19:

- Secondary Vo-ed (reduced by $0.5 M/year to $1.5 M/year)
- Data-for achievement payment* is suspended (about $3 M/year)
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