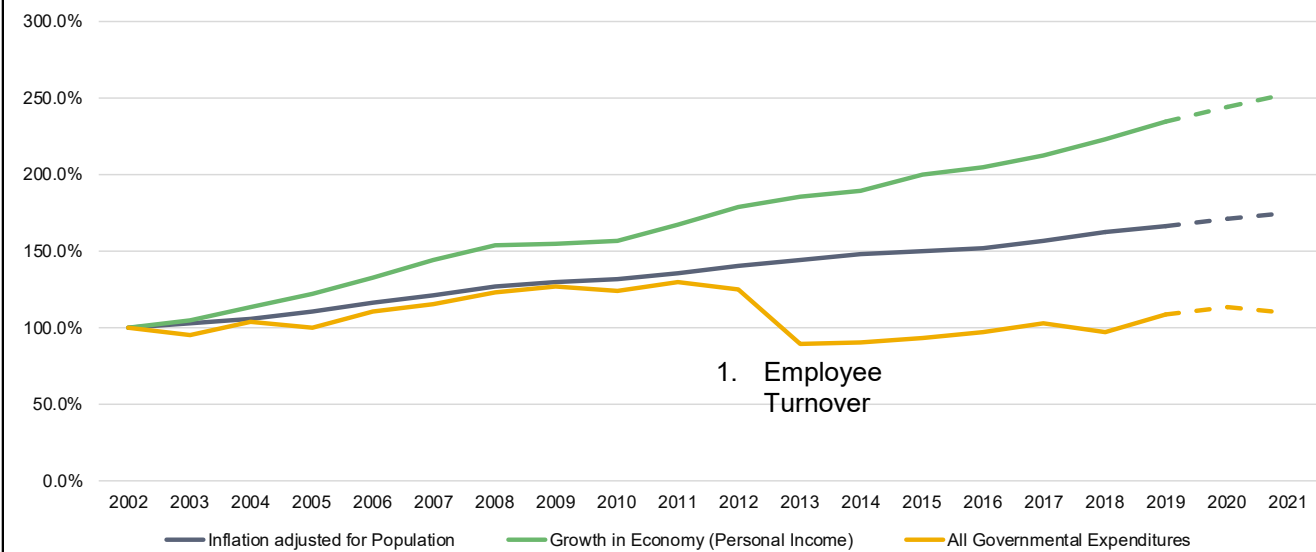


## 51010-Board of Public Education

This chart shows the **all funds growth** in total expenditures compared to **growth in inflation** and to the **growth in the economy** since fiscal year 2002.



This report includes a series of charts that compare expenditure growth to the growth in the economy and growth in inflation adjusted for population. Montana statute, 17-8-106, MCA, recommends using growth in personal income for comparison purposes. Personal income is a measure for growth in the economy. Comparing growth allows financial planners to consider past and future demands in services or changes in revenues.

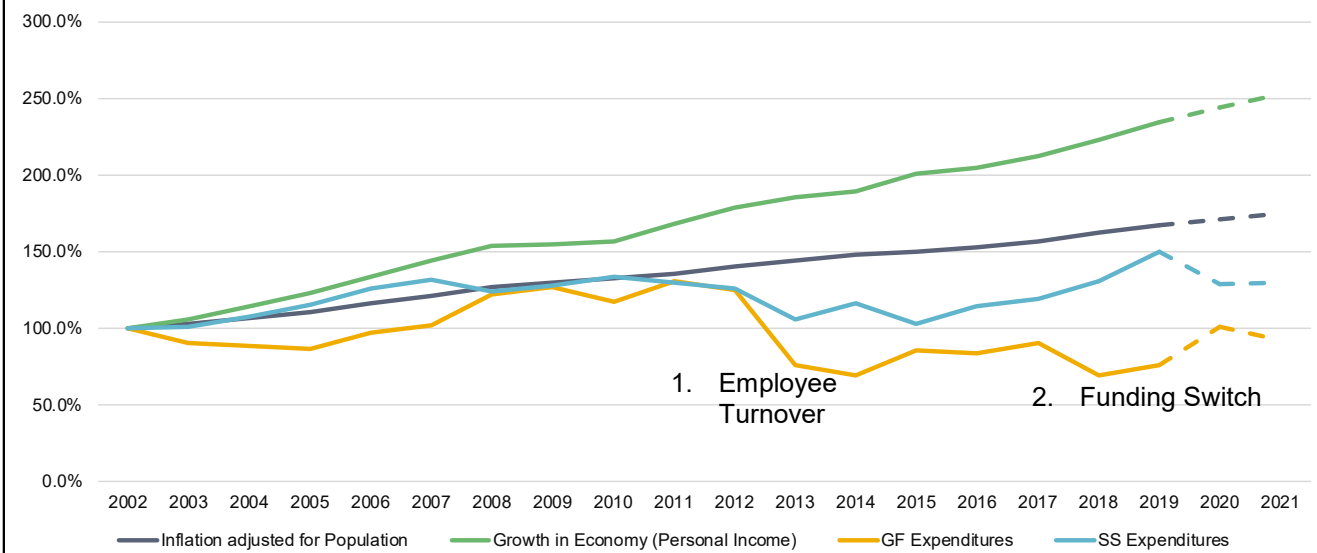
The following list discusses in more detail the inflection points on the charts:

1. In FY 2013 and FY 2014, there was a large reduction in expenditures due to a significant amount of employee turnover. These vacant positions were filled with new employees at lower salaries than the previous employees received, leaving the BPE with unspent authority in FY 2012. The legislature adopted those decreases as a statewide present law adjustment in FY 2013, which created a change point from which the BPE's expenditures continued to increase at a rate similar to its prior growth rate. This growth rate is approximately equal to the growth rate of population and inflation. In FY 2016, the legislature permanently reduced the agency's FTE from 4.00 to 3.00.

## 51010-Board of Public Education

## GF and SS ONLY

This chart shows the **general fund growth** and **state special revenue growth** in total expenditures compared to **growth in inflation** and to the **growth in the economy** since fiscal year 2002.



- The slight drop in general fund in FY 2018 is due to reductions made in anticipation of the projected revenue shortfall. Unlike previous biennium, where funding was evenly split between general fund and state special revenue, the legislature funded 40.7% of the budget in the 2019 biennium with general fund and the remaining 59.3% with state special revenue. In FY 2020 and FY 2021, the legislature approved a fund switch to again fund the BPE with approximately 47.4% general fund over the biennium. This change was made to reflect a fund switch to return to previous funding levels after spending down the state special revenue fund balance during the 2019 biennium.

## General Fund

The BPE is funded through a combination of general fund and state special revenue funds. Generally, one-half of the budget is funded with general fund.

## State Special Revenue

State special revenue for the BPE provided by teacher certification fees of \$6.00 per year. By statute, these fees are collected by the Office of Public Instruction (OPI) and deposited into two accounts: two-thirds of the fees are deposited in the advisory council state special revenue account, which supports the activities of The Certification Standards and Practices Advisory Council (CSPAC), and one-third is deposited into the research fund and used to fund the statutory duties of the BPE and CSPAC. All revenue to the advisory council fund is expended each year before general fund is expended. As originally created, the research fund was to be a reserve for special projects. However, statute has been changed to allow for the appropriation of a portion of the fund for operations with the balance reserved for special projects.