

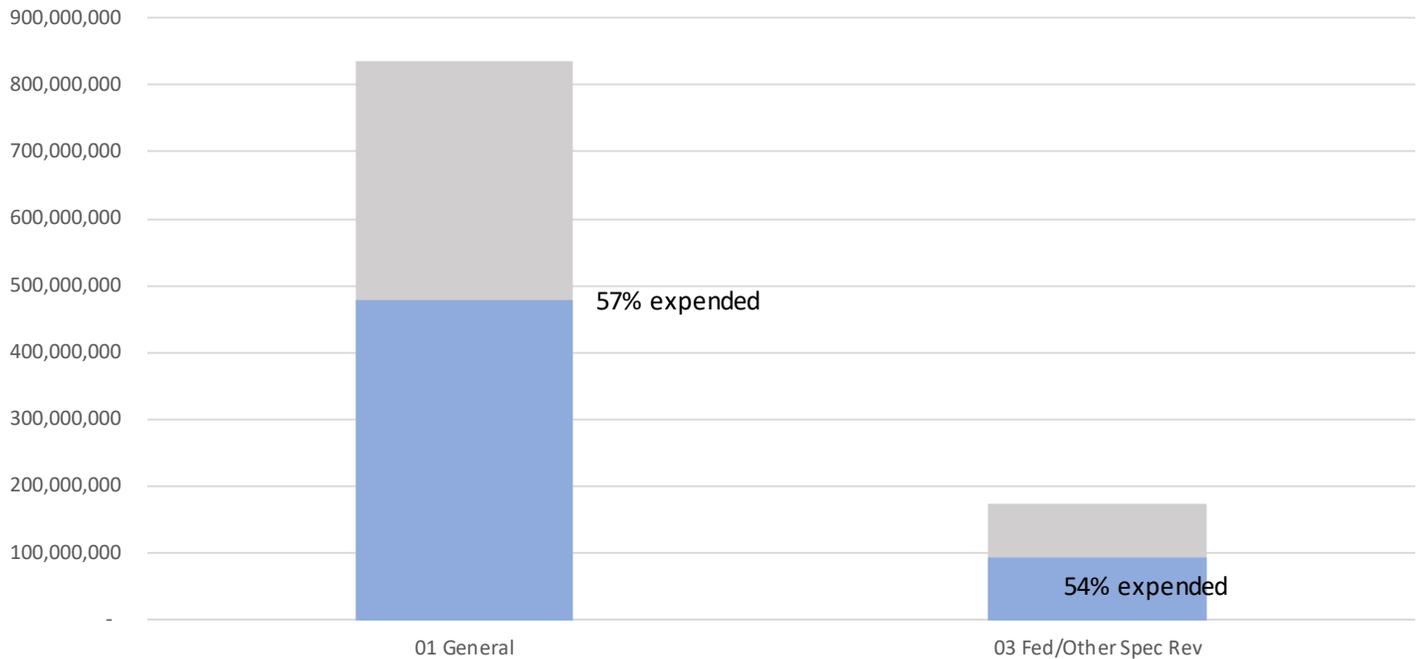
Office of Public Instruction has \$1,097,555,166 in total authority, \$1,009,613,208 (92%) is HB 2 authority

57% of the agency's total HB2 budget has been expended, 58% is the 5 year average of actual expenditures

HB 2 Expenditures

Budgeted vs. Expended

by fund type



Expenditure Account	Budgeted	Expended	% Expended
Personal Services	12,846,313	7,426,659	58%
Operating Expenses	14,414,288	9,696,040	67%
Equipment & Intangible Assets	492,762	-	0%
Local Assistance	824,044,754	468,605,604	57%
Grants	155,296,751	82,459,700	53%
Transfers-out	2,518,340	2,303,574	91%
Agency Program	Budgeted	Expended	% Expended
06 State Level Activities	28,544,180	18,329,330	64%
09 Local Education Activities	981,069,028	552,162,246	56%
Total	1,009,613,208	570,491,576	57%

The majority of the Office of Public Instruction's HB 2 modified budget is from general fund, at 82.7%. State and federal special revenues make up the remaining percentage, with federal special revenue accounting for 17.1% of funding and state special revenue accounting for less than 1.0% of funding. OPI

receives federal grants that support public education, school nutrition, education for the disadvantaged, special education, professional development for educators, and various other functions. Most of state special revenue utilized by the department is from the school facility account, which receives interest from the school facility sub-trust within the state coal trust. This money is then distributed to school districts to help support major maintenance projects.

OPI's HB 2 modified budget was 56.5% expended as of the beginning of March 2020, which is slightly low but generally consistent with the 5-year average for this time of the year. The State Level Activities Program was 64.2% expended, and the Local Education Activities Program was 56.3% expended overall. Over the last five years OPI has been on-average 58% expended at this point in the fiscal year, so the lower percentage expended is on track with the five-year average.

OPI's HB 2 modified general fund budget was 57.2% expended, which is on track with the five-year average. State special revenue was only 3.1% expended, due to several factors. The state food coop state special revenue appropriation is no longer active; the traffic education state special revenue distribution to schools is accrued in June and paid out the following August; and the major maintenance state special revenue appropriation will be paid out in May of 2020. Federal special revenue was 53.9% expended, which is again lower than would be expected at this point in the fiscal year. Distribution of federal grants to schools is different than general fund. Every year the agency uses carryover federal funds into the new fiscal year because the federal grant year does not coincide with the state fiscal year.

Personal services were slightly under-expended for this point in the fiscal year due to a net combination of reductions in expenses from vacancy savings and an increase in expenditures for short-term workers during the school year. According to the agency, approximately \$500,000 in federal pay is expended for short term workers who work primarily during the school year, meaning the expenditures during the school year months are slightly higher. Operating expenses were expended at a level consistent with this point in the fiscal year. Equipment and intangible assets were 0.0% expended because the appropriation was a budget holdover from prior years; the agency plans to move the appropriation authority to operating expenses. Grants were slightly under-expended at 53.1%, which is typical for the agency. Federal grant expenditures tend to follow the school year, so the amount expended is lower on average in the first two months of the fiscal year and heavier the rest of the year. Transfers-out were almost completely expended due to a one-time payment to the Montana Digital Academy (MTDA) which occurred at the beginning at the fiscal year.

HB 2 Modifications

Negative modifications vs. positive modifications, by program

The net budget modifications were \$0.

Agency Program	Dec. Mod. Budget	Mar. Mod. Budget	Net Modifications
06 State Level Activities	28,544,180	28,544,180	-
09 Local Education Activities	981,069,028	981,069,028	-
Expenditure Account	Dec. Mod. Budget	Mar. Mod. Budget	Net Modifications
Personal Services	12,846,313	12,846,313	-
Operating Expenses	14,508,488	14,414,288	(94,200)
Equipment & Intangible Assets	492,762	492,762	-
Local Assistance	824,144,754	824,044,754	(100,000)
Grants	155,102,551	155,296,751	194,200
Transfers-out	2,518,340	2,518,340	-
Fund Type	Dec. Mod. Budget	Mar. Mod. Budget	Net Modifications
01 General	834,722,148	834,722,148	-
02 State/Other Spec Rev	2,613,412	2,613,412	-
03 Fed/Other Spec Rev	172,277,648	172,277,648	-
Total	1,009,613,208	1,009,613,208	-

The Office of Public Instruction processed two budget modifications between December 2019 and March 2020. The first transferred \$100,000 from local assistance to grants in order to record school safety grants properly. The second transferred \$94,200 from operating expenses to grants, also in order to correctly record other school grant activity.