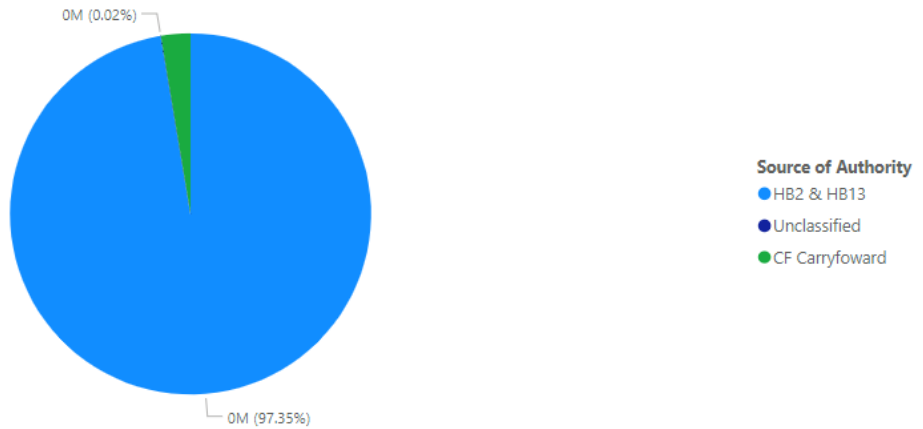


BOARD OF PUBLIC EDUCATION

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the Board of Public Education (BPE) is shown in the pie chart below. HB 2 and HB 13 provide 97.4% of the total authority for this agency. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

Total Modified Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	Percent Expended
HB2 & HB13	393,448	278,266	70.7%
CF Carryforward	10,638	10,638	100.0%
Unclassified	83		
Total	404,169	288,904	71.5%

Report Period

- Jul
- Aug
- Sep
- Oct
- Nov
- Dec
- Jan
- Feb
- Mar
- Apr
- May
- Jun

Carryforward

The BPE had fewer in-person meetings in FY 2021 due to COVID-19 and did not utilize all of its budget authority. As a result of fewer in-person meetings, the agency had a total of \$10,638 in carryforward authority for operating expenses, which has been fully expended.

Unclassified

Per 39-71-403(1)(b)(iv), MCA, when workers' compensation premiums are lower than the previous year, state agencies shall reduce personal services appropriations by the amount of the premium reduction. To track the changes in appropriation authority, total appropriations are not reduced, instead the Governor's Office of Budget and Program Planning (OBPP) requires state agencies to:

- Reduce HB 2, statutory, and proprietary appropriations
- Create a separate offsetting entry on the financial statements in the same amount using an identifying number for workers' compensation entries

The offsetting entries are identified as “frozen” appropriations, which means the appropriations will not be spent unless authorized by OBPP. Overall, the agency had an \$83 reduction in workers’ compensation premiums.

HB 2 Budget Modifications

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB 2 modified budget through May 31, 2022. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The **positive modifications** and **negative modifications** are shown by program, expenditure account, and fund type.

Legislative Budget Compared to Modified Budget - HB 2 Only

Agency Name	March Modified Budget	June Modified Budget	Net Modifications
<input type="checkbox"/> Board of Public Education	393,531	393,448	-83
<input type="checkbox"/> K-12 EDUCATION	393,531	393,448	-83
Total	393,531	393,448	-83

Acct & Lvl 1 DESC	March Modified Budget	June Modified Budget	Net Modifications
<input type="checkbox"/> 61000 Personal Services	256,677	256,594	-83
<input type="checkbox"/> 62000 Operating Expenses	136,854	136,854	

Fund Type	March Modified Budget	June Modified Budget	Net Modifications
<input type="checkbox"/> 01 General	207,620	207,571	-49
<input type="checkbox"/> 02 State/Other Spec Rev	185,911	185,877	-34

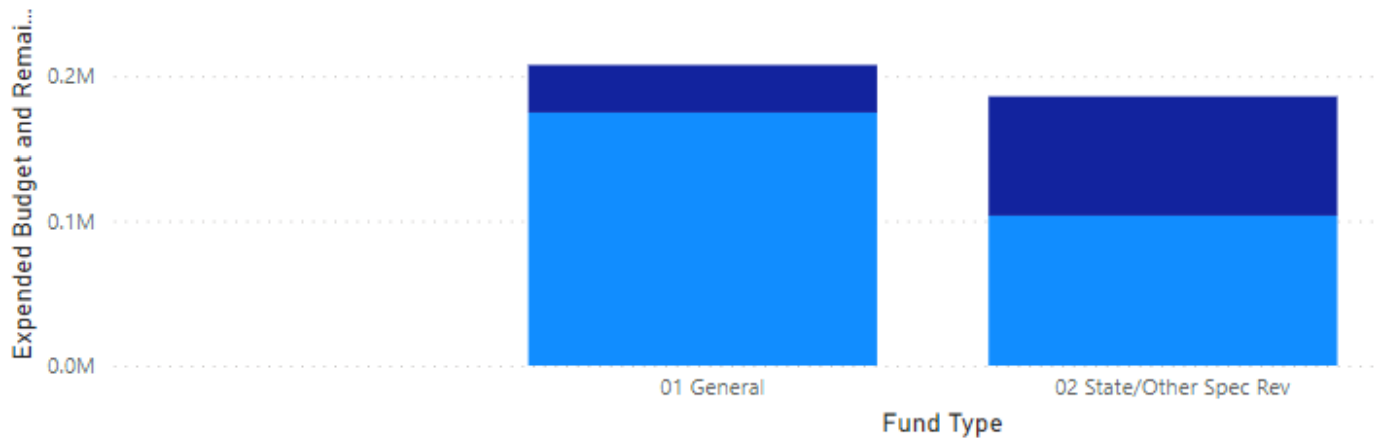
The BPE had negative \$83 in net modifications resulting from a reduction from workers’ compensation savings.

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through May 31, 2022.

Expended Budget and Remaining Budget by Fund Type - HB 2 Only

● Expended Budget ● Remaining Budget



acclv1_descr	Modified Budget	Expended Budget	Percent Expended
Personal Services	256,594	197,805	77.1%
Operating Expenses	136,854	80,461	58.8%

Program Name	Modified Budget	Expended Budget	Percent Expended
K-12 EDUCATION	393,448	278,266	70.7%
A_ACCRUAL	393,448		
ACTUALS	393,448	278,266	70.7%
COST_ALLOC	393,448		
ENTITYWIDE	393,448		
Total	393,448	278,266	70.7%

In total, the BPE's HB 2 budget was \$393,448, of which \$278,266 or 70.7% has been expended as of the end of May.

The BPE has expended 77.1% of its personal services budget and 58.8% of its operating expenses budget.

The BPE's HB 2 general fund appropriation is \$207,571 of which \$174,722 or 84.2% has been expended. The agency also expended \$103,544 or 55.7% of its state special funds appropriation. The advisory council and the research state special revenue funds are experiencing low fund balances and due to this it is unlikely that all authority will be exhausted. The tables below show the past decade of revenue and disbursements for both the advisory council fund and the research fund.

The FY 2022 appropriation for the advisory council fund is \$122,873.

02122 - Advisory Council

Fund Balance	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
01 Fund Balance	12,545	31,110	29,742	51,142	55,120	45,818	36,883	5,176	1,003	-4,285
02 Revenue	110,168	109,805	113,852	112,629	110,848	105,746	106,552	103,928	109,835	76,532
03 Disbursements	-91,603	-111,173	-92,453	-108,651	-120,150	-114,681	-138,258	-108,101	-115,124	-64,416
Total	31,110	29,742	51,142	55,120	45,818	36,883	5,176	1,003	-4,285	7,831

Balance Sheet	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
04 Assets	34,929	34,904	54,060	63,658	54,622	45,916	5,240	16,060	3,064	7,831
05 Liabilities	-3,819	-5,161	-2,919	-8,538	-8,805	-9,033	-64	-15,057	-7,349	0
Total	31,110	29,742	51,142	55,120	45,818	36,883	5,176	1,003	-4,285	7,831

The FY 2022 appropriation for the research fund is \$63,004

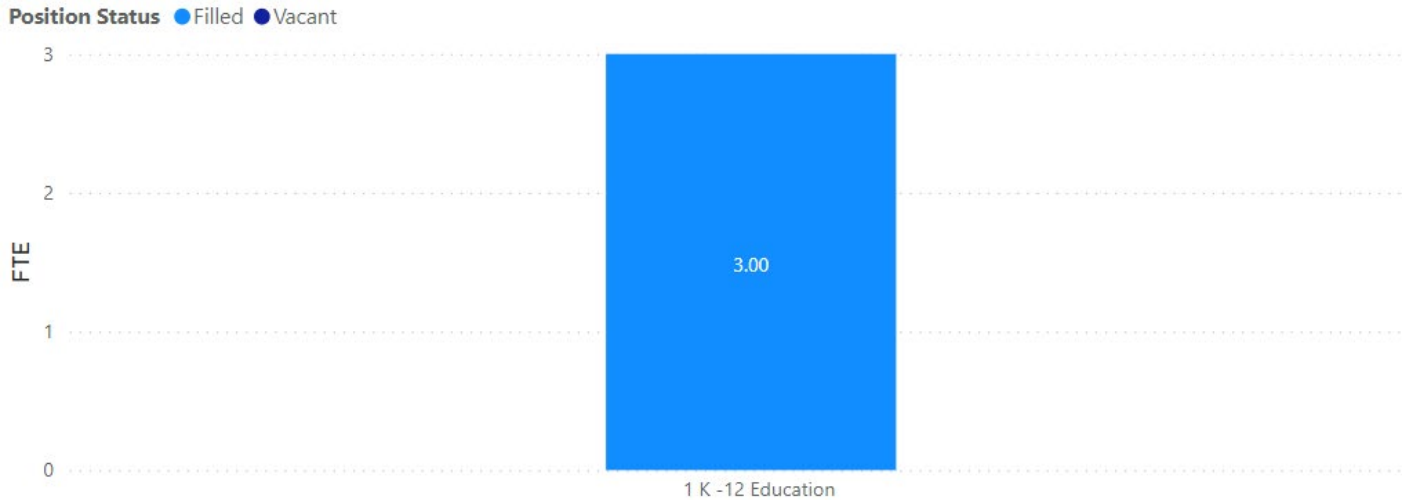
02219 - Research Fund

Fund Balance	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
01 Fund Balance	38,503	33,287	33,002	35,103	36,415	41,669	21,899	-526	17,375	10,584
02 Revenue	55,077	54,892	56,919	56,312	55,422	52,871	53,255	51,963	54,917	38,247
03 Disbursements	-60,292	-55,177	-54,818	-55,000	-50,168	-72,641	-75,681	-34,062	-61,708	-39,205
Total	33,287	33,002	35,103	36,415	41,669	21,899	-526	17,375	10,584	9,627

Balance Sheet	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
04 Assets	32,252	33,956	35,105	36,426	41,749	22,792	12	18,122	11,440	10,368
05 Liabilities	1,035	-954	-2	-11	-80	-893	-538	-747	-856	-741
Total	33,287	33,002	35,103	36,415	41,669	21,899	-526	17,375	10,584	9,627

Personal Services

The following chart shows the filled and vacant FTE within the agency as of May 1, 2022.



The agency is fully staffed at this time.

Next Steps for Personal Services Reporting

In upcoming Quarterly Financial Reports, the LFD will begin the process of a more comprehensive look at personal services. The LFD will compare two executive “snapshots” -- July 2020 and July 2022. The analysis will identify adjustments adopted by the legislature in 2021 and modifications made by the agencies, within the confines of budget law.

The September Quarterly Financial Report will provide the complete comparison from July 2020 to July 2022. Ultimately, the analysis will result in a description of all the components that will be part of the executive’s decision package one (DP 1) 2025 biennium budget request. This work will prepare legislators for budget deliberations in the 2023 session. For a review of how DP 1 works and snapshot components, please read this short brochure from 2019. This story map was created with the Story Map Cascade application in ArcGIS Online.

OTHER ISSUES

Additional Information

The BPE’s state special revenue authority is provided by teacher certification fees of \$6.00 per year. These fees are collected by the Office of Public Instruction and then deposited into two funds: an advisory council fund and a research fund. Additional information about the BPE’s state special revenue funds, including historical revenues and appropriations can be found here, under the Meeting Materials section:

<https://www.leg.mt.gov/lfd/interim-budget-committee-section-e/>.

[The Legislative Audit Division’s most recent financial compliance audit](#) found that BPE was not complying with state law regarding the use of teacher licensing funding. This was a finding in the 2018 audit as well. The audit included a recommendation (Recommendation #1) to seek legislation change to allow the BPE to use all of the

teacher licensure revenues for all Board activities, including the Certification Standards and Practices Advisory Council (CSPAC).

The Legislative Interim Budget Committee Section E studied Board of Public Education license fees and teacher licensing accreditation in other states within the region. Please review the full report for more details:

<https://leg.mt.gov/content/publications/fiscal/2023-Interim/IBC-E/BPE-regional-study.pdf>