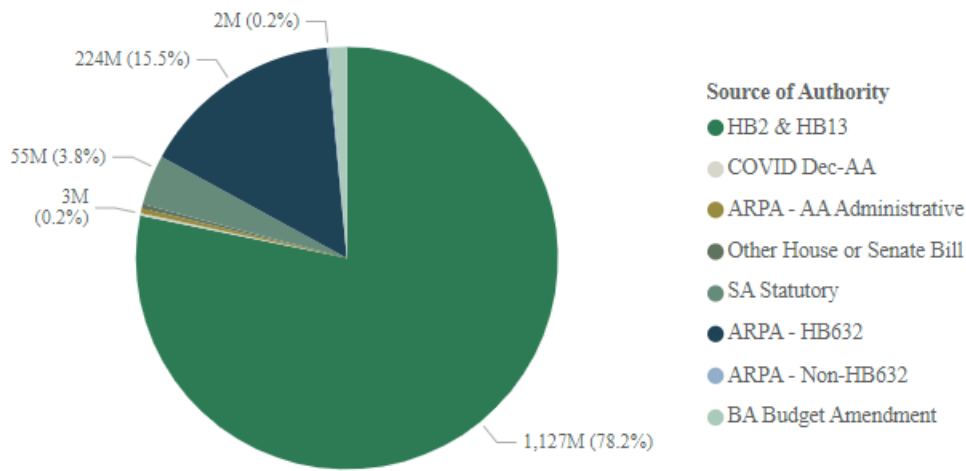


OFFICE OF PUBLIC INSTRUCTION

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the Office of Public Instruction (OPI) is shown in the pie chart below. HB 2 and HB 13 provide 78.2% 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	% Expended
HB2 & HB13	1,127,333,867	313,600,822	27.8%
BA Budget Amendment	19,459,000	4,414,691	22.7%
Other House or Senate Bill	4,425,000	3,579,321	80.9%
SA Statutory	55,399,118	1,000,000	1.8%
CARES II	2,833,047	2,484,383	87.7%
ARPA	231,548,944	40,196,772	17.4%
Total	1,440,998,976	365,275,989	25.3%

The Office of Public Instruction has total budgeted authority of \$1.4 billion for FY 2024, of which approximately \$1.1 billion is HB 2 spending authority. The second largest portion of OPI’s spending authority is made up of federal fund allocations (CARES II and ARPA) related to COVID-19, which in combination total \$234.4 million or 16.3% of the budget. The remainder of the budget consists primarily of budget amendments and statutory authority. As of November 30, 2023, OPI had expended 25.3% of its total budgeted spending authority and 27.8% of its HB 2 spending authority.

Budget Amendments

OPI has approximately \$19.5 million in budget amendment authority for FY 2024, of which 22.7% was expended as of November 30, 2023. This budget amendment authority in OPI is primarily federal grants, many of which have deadlines that do not align with the state fiscal year. There are about half a dozen federal grant programs that make up the budget amendment authority for OPI, the majority of which is for the Montana Comprehensive Literacy Development Project (MCLDP). Smaller amounts of budget amendment authority are for a federal Supply Chain Assistance Grant, Project AWARE (Advancing Wellness and Resiliency in Education), Montana Alternative Student Testing (MAST), and a Rural Mental Health Preparation Pathway Award.

Other Bills

OPI has approximately \$4.4 million in other house and senate bill appropriations for FY 2024, of which 80.9% was expended as of November 30, 2023. These appropriations are from HB 257, HB 382, and HB 393, all of which passed in the 2023 Legislative Session.

HB 257 (2023 Legislature) expanded the Advanced Opportunities Aid Program, which provides personal learning opportunity payments to K-12 school districts. Of the \$4.0 million appropriation, \$3.2 million or 81.2% was expended as of November 30, 2023.

HB 382 (2023 Legislature) provided grant funding to seven career and technology student organizations (CTSOs). Of the \$350,000 appropriation, \$330,000 or 94.3% was expended as of November 30, 2023.

HB 393 (2023 Legislature) established a program for special needs education savings accounts. The bill appropriated \$75,000 general fund in FY 2024 for the administration of the program, and HB 2 also contained an additional general fund language appropriation for approximately \$18,000 in FY 2024 and 1.00 FTE to administer the program. As of November 30, 2023, none of the \$75,000 appropriation in the bill had been expended.

Statutory Appropriations

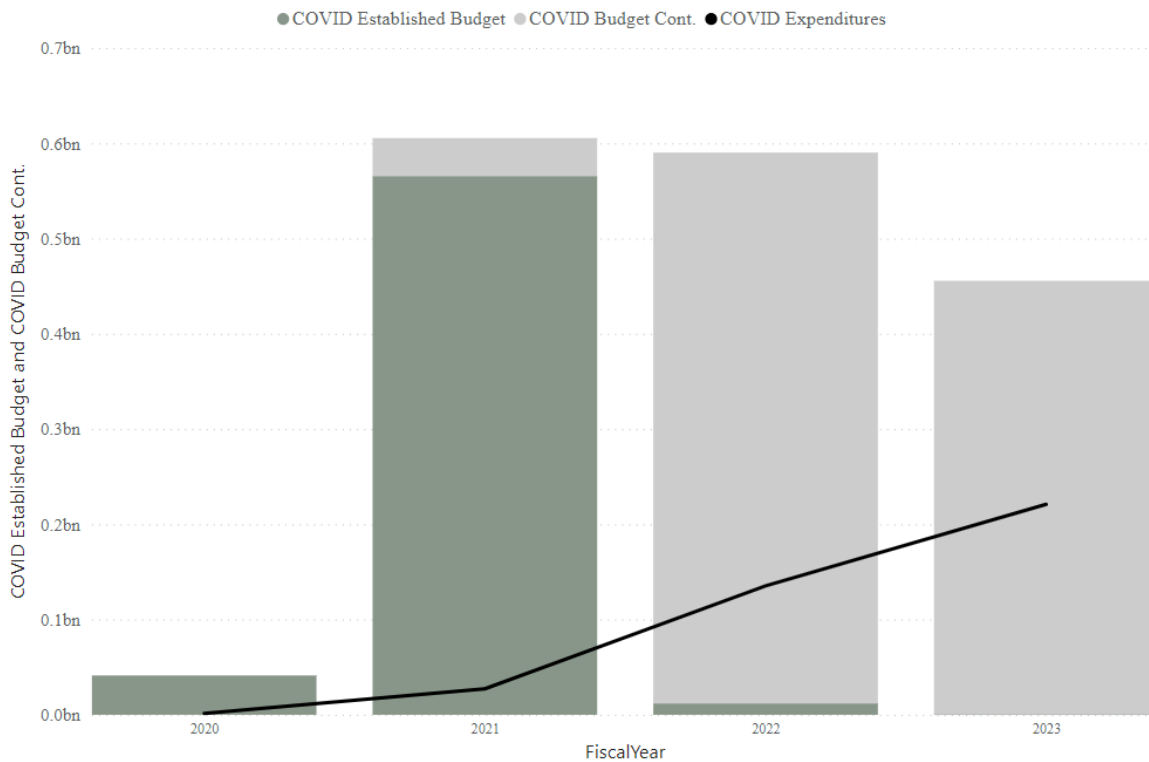
The Office of Public Instruction has \$55.4 million in statutory spending authority for FY 2024, of which 1.8% was expended as of November 30, 2023. Nearly all statutory appropriations are from the guarantee account, which is a statutorily appropriated state special revenue fund dedicated to school funding. There was also a minor amount of statutory authority for a technology payment, which was paid in its entirety at the beginning of FY 2024.

The guarantee account receives revenue generated from common school state land as well as interest from the common school trust. Revenues are primarily generated from interest off the trust, as well as agriculture and extraction industry leases. Revenue from the guarantee account offsets general fund and other state special revenue expenditures for K-12 BASE Aid. OPI receives the proceeds from the guarantee account in January and June, which are then used to make the Basic Amount for School Equity (BASE) aid payment in those months.

COVID-19 Authority

The following chart is provided to allow the legislature to examine the funding that is available to the agency for COVID-19 impacts. The chart shows the budget established in each fiscal year, any authority that continued into a following fiscal year because it was not spent in the previous fiscal year, and expenditures. A portion of the unspent COVID-19 federal funds authority remains available for expenditure past FY 2024. The [OPI website](#) includes some additional background information.

COVID Established Budget, COVID Continuing Budget, and COVID Expenditures by Fiscal Year



All three rounds of federal COVID-19 funding for education were provided to OPI through the Elementary and Secondary School Emergency Relief (ESSER) Fund, but each round of funding has its own specific allocation details. Please refer to the OPI COVID-19 report for additional details on the various ESSER expenditures that are summarized below.

CARES I

OPI received approximately \$41.3 million in these federal coronavirus relief funds, of which 100.0% was expended or obligated by the September 30, 2022 federal deadline.

HB 630

This allocation is also referred to under three other names—Coronavirus Response and Relief Supplemental Appropriations (CRRSA), CARES II, and ESSER II.

OPI received approximately \$182.9 million in these federal coronavirus relief funds, which were appropriated in HB 630 during the 2021 Legislative Session. As of November 30, 2023, OPI had expended about \$177.5 million or 97.0% of HB 630 funding.

HB 632

This allocation is also referred to as the American Rescue Plan Act (ARPA) or ESSER III, and the allocation authority was provided in HB 632 during the 2021 Legislative Session.

OPI received approximately \$382.6 million in these federal coronavirus relief funds, which were appropriated in HB 632 during the 2021 Legislative Session. As of November 30, 2023, OPI had expended about \$209.0 million or 54.6% of HB 632 funding. Most of the remaining funds are available for expenditure through September 2024.

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 from June 1, 2023 through November 30, 2023. 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.

Agency Name	Starting Budget	Prior Period Modifications	Legislative Budget	Net Modifications	Modified Budget
Office of Public Instruction	1,127,333,867		1,127,333,867	0	1,127,333,867
LOCAL EDUCATION ACTIVITIES	1,095,601,409		1,095,601,409	0	1,095,601,409
STATE LEVEL ACTIVITIES	31,732,458		31,732,458	0	31,732,458
Total	1,127,333,867		1,127,333,867	0	1,127,333,867

Acct & Lvl 1 DESC	Starting Budget	Prior Period Modifications	Legislative Budget	Net Modifications	Modified Budget
69000 Debt Service	162,757		162,757		162,757
68000 Transfers-out	2,780,365		2,780,365		2,780,365
66000 Grants	159,719,906		159,719,906	174,337	159,894,243
65000 Local Assistance	932,728,617		932,728,617	-475,112	932,253,505
62000 Operating Expenses	18,151,517		18,151,517	300,775	18,452,292
61000 Personal Services	13,790,705		13,790,705		13,790,705

Fund Type	Starting Budget	Prior Period Modifications	Legislative Budget	Net Modifications	Modified Budget
01 General	508,871,797		508,871,797	0	508,871,797
02 State/Other Spec Rev	444,874,805		444,874,805		444,874,805
03 Fed/Other Spec Rev	173,587,265		173,587,265	0	173,587,265

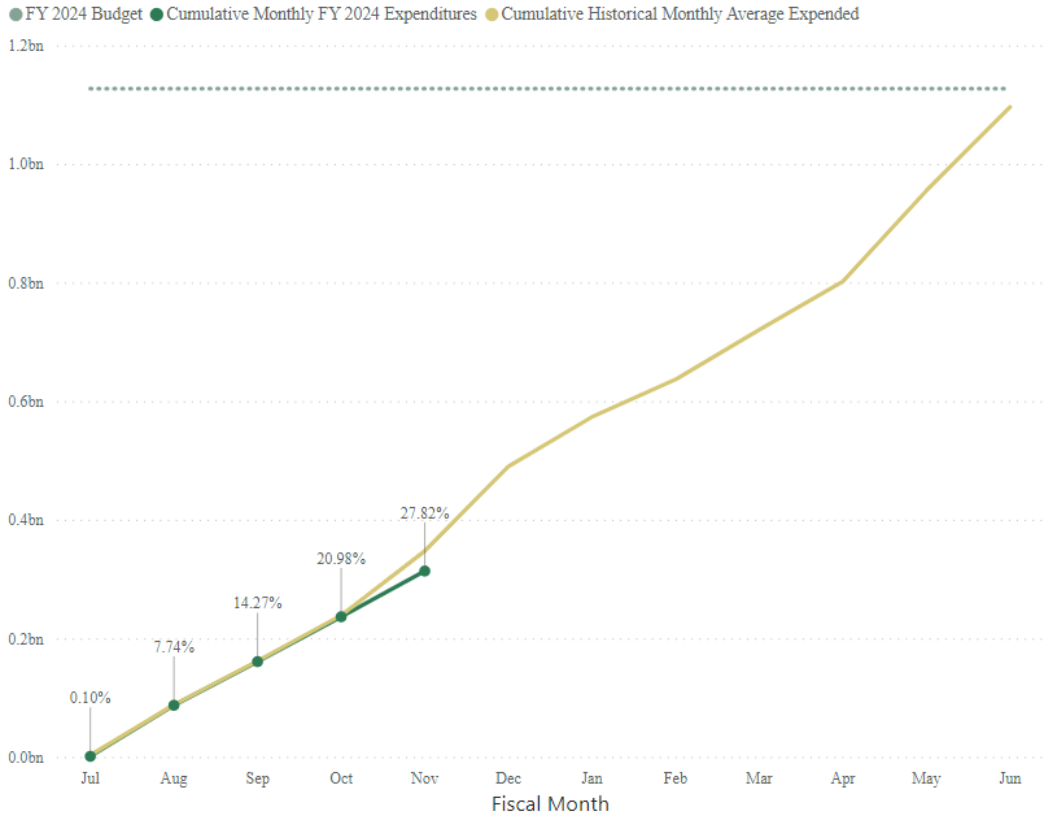
The Office of Public Instruction had two HB 2 budget modifications between July 1, 2023 and November 30, 2023. These modifications include:

- A transfer of approximately \$475,000 from local assistance to operating expenses to allow for contract payments for the purpose of federal matching funds
- A transfer of approximately \$174,000 from operating expenses to grants to allow for the payment of IEFA (Indian Education for All) and other discretionary grants

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through November 30, 2023.

Monthly Expenditures Compared to Historical Average



Fund Type	Modified Budget	Expended Budget	% Expended
01 General	508,871,797	256,484,034	50.4%
02 State/Other Spec Rev	444,874,805	12,315,039	2.8%
03 Fed/Other Spec Rev	173,587,265	44,801,749	25.8%
Total	1,127,333,867	313,600,822	27.8%

Expenditure Type	Modified Budget	Expended Budget	% Expended
Personal Services	13,790,705	5,023,578	36.4%
Operating Expenses	18,452,292	4,454,315	24.1%
Local Assistance	932,253,505	259,748,549	27.9%
Grants	159,894,243	42,237,712	26.4%
Transfers-out	2,780,365	2,123,601	76.4%
Debt Service	162,757	13,067	8.0%
Total	1,127,333,867	313,600,822	27.8%

Program Name	Modified Budget	Expended Budget	% Expended
06 STATE LEVEL ACTIVITIES	31,732,458	11,761,403	37.1%
09 LOCAL EDUCATION ACTIVITIES	1,095,601,409	301,839,419	27.6%
Total	1,127,333,867	313,600,822	27.8%

The Office of Public Instruction’s HB 2 modified budget for FY 2024 is made up of 45.1% general fund, 39.5% state special revenue, and 15.4% federal special revenue. OPI has a larger state special revenue appropriation than it had in FY 2023 due to a newly established state special revenue account which receives property tax revenue from the 95 mills and offsets general fund expenditures for K-12 BASE Aid. OPI also has state special revenue 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. OPI

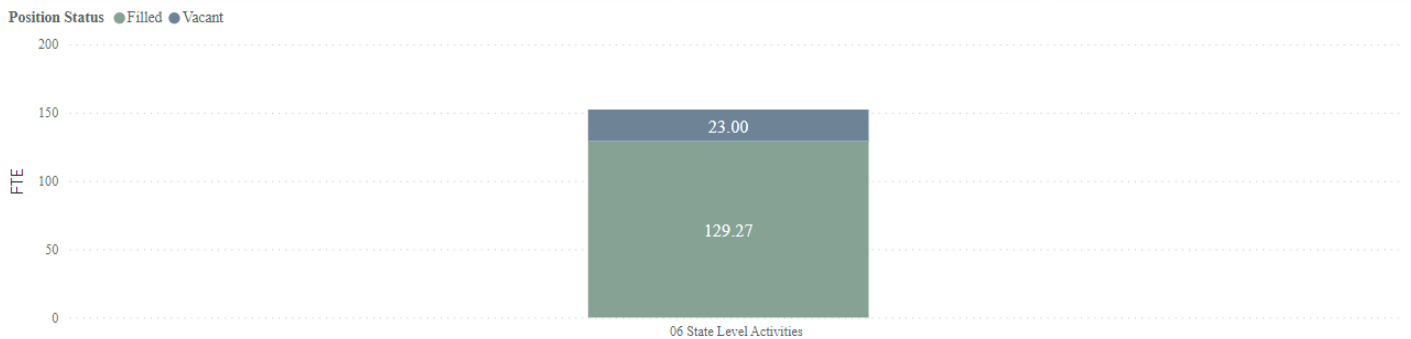
receives federal grants that support public education, school nutrition, education for the disadvantaged, special education, professional development for educators, and various other functions. OPI expended 27.8% of its HB 2 modified budget as of November 30, 2023.

Personal Services

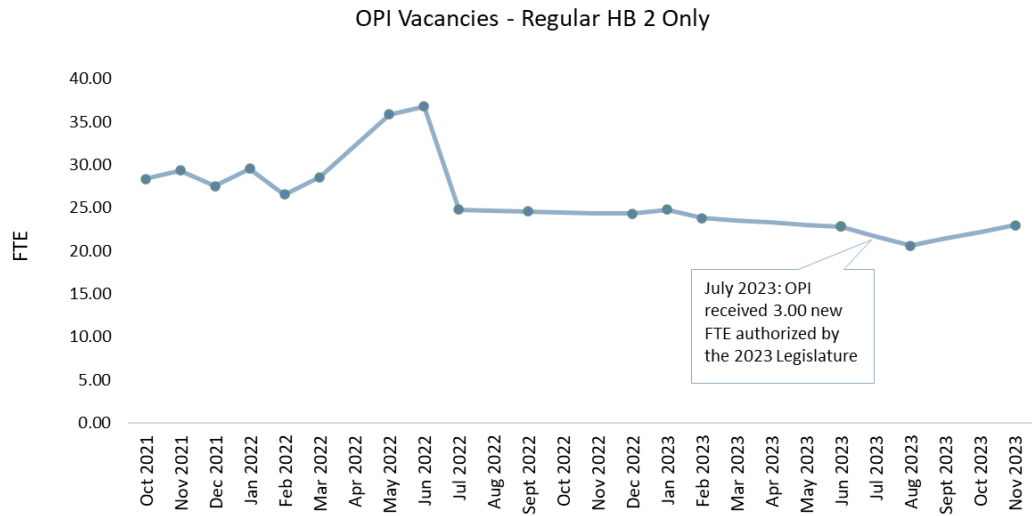
Personal services are approximately \$13.8 million or 1.2% of the HB 2 modified budget for FY 2024, with 36.4% of that amount expended as of November 30, 2023.

Vacancies

OPI has 152.27 FTE, of which 23.00 FTE or 15.1% were vacant as of November 1, 2023. The chart below shows the filled and vacant FTE within the agency as of November 1, 2023.



Office of Public Instruction HB 2 Vacancies	
Date	Vacant FTE
10/12/2021	28.34
11/1/2021	29.34
12/15/2021	27.54
1/4/2022	29.54
2/1/2022	26.54
3/3/2022	28.54
5/1/2022	35.84
6/6/2022	36.79
7/1/2022	24.80
9/8/2022	24.58
12/1/2022	24.30
1/1/2023	24.80
2/15/2023	23.80
6/1/2023	22.80
8/2/2023	20.61
11/1/2023	23.00



The data used to create the vacant positions report below was pulled at a slightly different time than the data used in the above charts, which is why the number of vacant positions differs by 1.00 FTE. Of the 22.00 FTE that are vacant in the chart below, 11.00 FTE have been vacant for four months or less (since July 2023) including 3.00 new FTE authorized by the 2023 Legislature. The median amount of time positions remain vacant is about 3.8 months, with the length of vacancies ranging from a few days to over two years.

OPI reports the following statuses for the 22.00 vacancies:

- 1.00 FTE – vacant hold (dual role)
- 2.00 FTE – temporary hold (ESSER)
- 2.00 FTE – position assessment
- 4.00 FTE – setting up recruitment
- 5.00 FTE – position posted
- 5.00 FTE – offer out
- 3.00 FTE – offer accepted

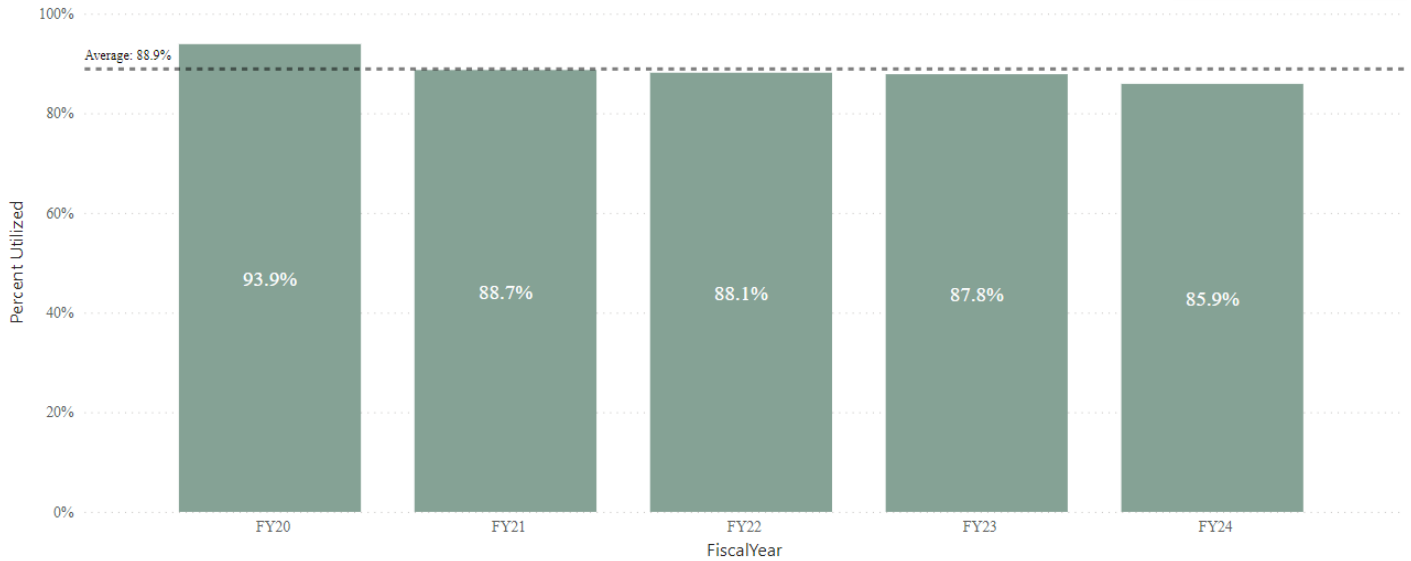
The chart below shows the vacant FTE, the number of months each position has been vacant, and the midpoint hourly pay rate.

Vacant Positions Report

	FTE	Median Months Vacant	Market Midpoint
☐ 35010 OFFICE OF PUBLIC INSTRUCTION	22.00	3.80	30.05
☐ 06 State Level Activities	22.00	3.80	30.05
Accountant 3	1.00	4.03	36.96
Deputy Superintendent	1.00	2.66	
Dir. of Special Education	1.00	0.13	53.55
Early Literacy Instr Coord	1.00	4.03	30.05
Early Literacy Research Analys	1.00	4.03	27.63
English Learner Specialist	1.00	4.98	30.05
Family Engagement Specialist	1.00	0.16	
Federal Grants Coordinator	1.00	4.98	30.05
Food Distribution Program Spec	1.00	6.72	23.12
Indian Student Achievement Spc	1.00	3.57	30.05
Indian Student Achvement Spec	1.00	4.03	30.05
Instructional Coordinator 1	1.00	0.30	30.05
Internal Control Auditor	1.00	0.30	25.55
IT Systems Support Specialist	1.00	1.21	25.33
Lawyer	1.00	1.67	41.36
Montana Ready Coordinator	1.00	10.92	36.25
Professional Learning Manager	1.00	6.72	51.21
Program Manager	1.00	0.36	51.21
Senior Data Operations Analyst	1.00	3.38	38.50
Spec Education Parent Liaison	1.00	26.92	30.05
Spec Populations Assess Spec	1.00	2.89	27.63
Youth Support & Training Coord	1.00	11.38	30.05
Total	22.00	3.80	30.05

FTE Utilization

The percentage of FTE hours utilized through November 1, 2023 was 85.9%. OPI reports that the agency has paid out approximately \$7,500 in overtime through November 17, 2023. The chart below shows the hourly utilization percentage for the Office of Public Instruction between July 1 and November 1 for each fiscal year when compared to the available hours for the same time period.



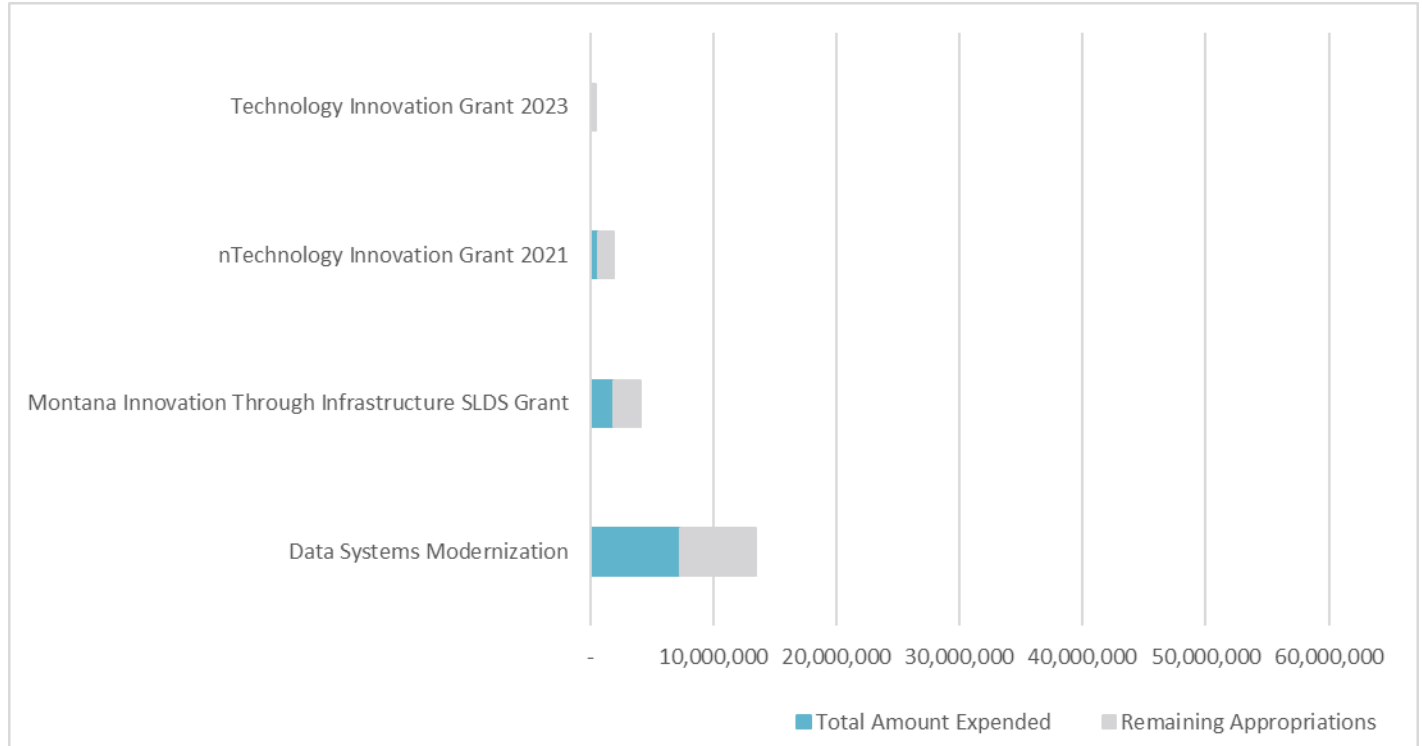
Local Assistance

Local assistance makes up the majority of OPI's HB 2 modified budget for FY 2024, at approximately \$932.2 million or 82.7%. Local assistance was 27.9% expended as of November 30, 2023, which is consistent with recent historical expenditures at this point in the fiscal year. In the 2019 Legislative Session, the legislature made a change in the pattern of payments for BASE Aid specified in 20-9-344, MCA, which swapped the November and December payments in order to better match payments to revenue collections. Prior to this change, the November payment had typically been approximately \$80.0 million higher than the December

payment. Based on the current law, the larger payment now occurs in December and has not yet been recorded in the state accounting system.

Other Issues

Information Technology Project Expenditures



The Technology Innovation Grant 2023 (TIG) project is in its early phases. None of the project’s approximately \$373,000 budget has been expended. The projected delivery date for the project is September 30, 2026.

The non-competitive Technology Innovation Grant 2021 (nTIG) project will develop, improve, and maintain automated information technology systems used to operate and manage all federal child nutrition programs (the National School Lunch Program, the School Breakfast Program, the Summer Food Service Program, and the Child and Adult Care Food Program), per USDA requirements. Of the project’s approximately \$1.9 million budget, approximately \$612,000 or 32.4% has been expended. The projected delivery date for the project is September 30, 2024.

The Montana Innovation through Infrastructure (MITI) project will update the Statewide Longitudinal Data Systems (SLDS), which is becoming outdated. The funds will be used to make improvements to data warehouses and expanded data linkages. Of the project’s \$4.1 million budget, approximately \$1.9 million or 45.6% has been expended. The projected delivery date for the project is February 28, 2024.

The OPI data systems modernization project funding will be used to repair, improve, and replace existing data systems. Funding for this project is entirely made up of federal CARES II and ARPA funds. Of the project’s \$13.5 million budget, approximately \$7.3 million or 54.4% has been expended. The projected delivery date of the

project is September 30, 2024. However, the \$8.0 million of ESSER II funds associated with the project had a federal deadline to be obligated by September 30, 2023, while the approximately \$5.5 million of ESSER III funds have until September 30, 2024 to be obligated. The Department of Education also has provided guidance which allows states to request an extension for the liquidation period of ESSER funds.