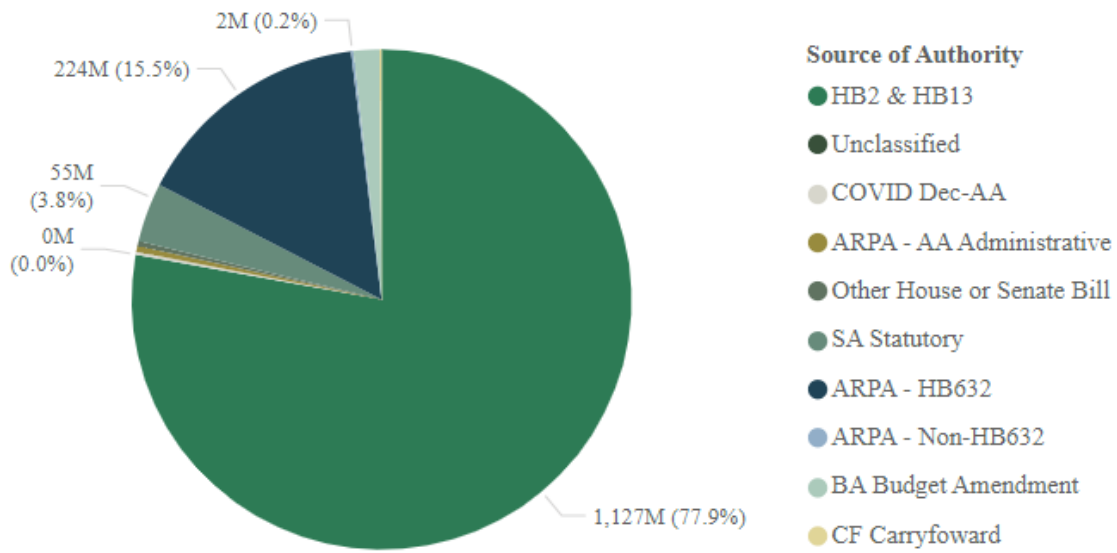


OFFICE OF PUBLIC INSTRUCTION

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 77.9% 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	1,127,323,577	978,737,847	86.8%
BA Budget Amendment	24,191,022	15,527,916	64.2%
CF Carryforward	1,912,024	1,912,024	100.0%
Other House or Senate Bill	4,425,000	3,611,303	81.6%
SA Statutory	55,399,118	26,247,053	47.4%
Unclassified	12,210		
CARES II	2,833,047	2,483,882	87.7%
ARPA	231,548,944	82,432,499	35.6%
Total	1,447,644,942	1,110,952,524	76.7%

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 16.2% of the budget. The remainder of the budget consists primarily of budget amendments and statutory authority. As of May 31, 2024, OPI had expended 76.7% of its total budgeted spending authority and 86.8% of its HB 2 spending authority.

Budget Amendments

OPI has approximately \$24.2 million in budget amendment authority for FY 2024, of which 64.2% was expended as of May 31, 2024. 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 made 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 81.6% was expended as of May 31, 2024. These appropriations are from HB 257, HB 382, and HB 393, all of which passed in the 2023 Legislative Session.

HB 257 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 May 31, 2024. OPI reports that all schools that applied to the program were funded in FY 2024, but that the appropriation exceeded the number of applications. Though this appropriation has historically been designated as biennial, it was not given a biennial designation in HB 257, and the unspent funds will not be available for expenditure in the second year of the biennium. OPI also reports that they anticipate to fully use the allotted amount of funding in FY 2025.

HB 382 provided grant funding to seven career and technology student organizations (CTSOs). Of the \$350,000 appropriation, 100.0% was expended as of May 31, 2024.

HB 393 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, of which approximately \$12,000 was expended as of May 31, 2024. 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.

Statutory Appropriations

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.

The Office of Public Instruction has \$55.4 million in statutory spending authority for FY 2024, of which 47.4% was expended as of May 31, 2024. This lower percentage expended is due to the timing of payments to schools. 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.

Unclassified

The Office of Public Instruction has unclassified appropriation authority of \$12,000 because of lower workers' compensation premiums. 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:

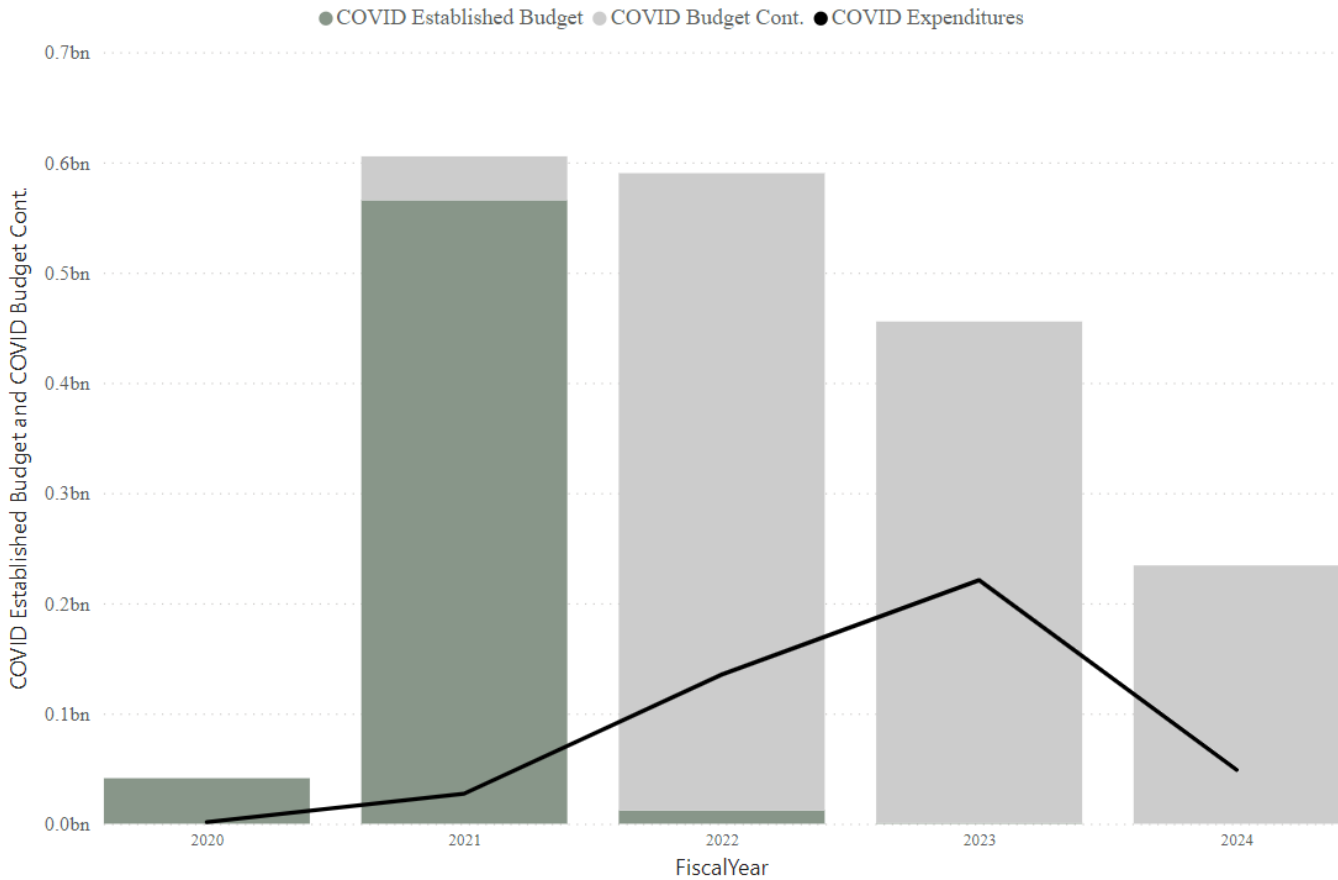
- Reduce HB 2, statutory, and proprietary appropriations
- Create a separate offsetting entry on the financial statements in the same amount using an identifying number for workers' compensation entries

The offsetting entries are identified as "frozen" appropriations, which means the appropriations will not be spent unless authorized by OBPP.

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 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 \$41.4 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 May 31, 2024, OPI had expended about \$179.3 million or 98.0% of this HB 630 funding. These funds had to be obligated by September 30, 2023 per federal requirements, but can still be expended beyond the obligation deadline.

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 May 31, 2024, OPI had expended about \$251.2 million or 65.7% of this HB 632 funding. The remaining funds must be obligated by the end of September 2024, but remain available for expenditure beyond the obligation deadline.

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 March 1, 2024 through May 31, 2024. 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	HB 2 Budget	Modified Budget	Net Modifications
Office of Public Instruction	1,127,323,577	1,127,323,577	0
06 STATE LEVEL ACTIVITIES	31,722,168	31,722,168	0
09 LOCAL EDUCATION ACTIVITIES	1,095,601,409	1,095,601,409	0
Total	1,127,323,577	1,127,323,577	0

Expenditure Type	HB 2 Budget	Modified Budget	Net Modifications
61000 Personal Services	13,780,415	13,846,615	66,200
62000 Operating Expenses	18,452,292	18,519,255	66,963
65000 Local Assistance	932,253,505	932,253,505	0
66000 Grants	159,894,243	159,894,243	0
68000 Transfers-out	2,780,365	2,770,365	-10,000
69000 Debt Service	162,757	39,594	-123,163
Total	1,127,323,577	1,127,323,577	0

Fund Type	HB 2 Budget	Modified Budget	Net Modifications
01 General	508,866,754	508,866,754	0
02 State/Other Spec Rev	444,874,668	444,874,668	0
03 Fed/Other Spec Rev	173,582,155	173,582,155	0
Total	1,127,323,577	1,127,323,577	0

The Office of Public Instruction had three HB 2 budget modifications between March 1, 2024 through May 31, 2024:

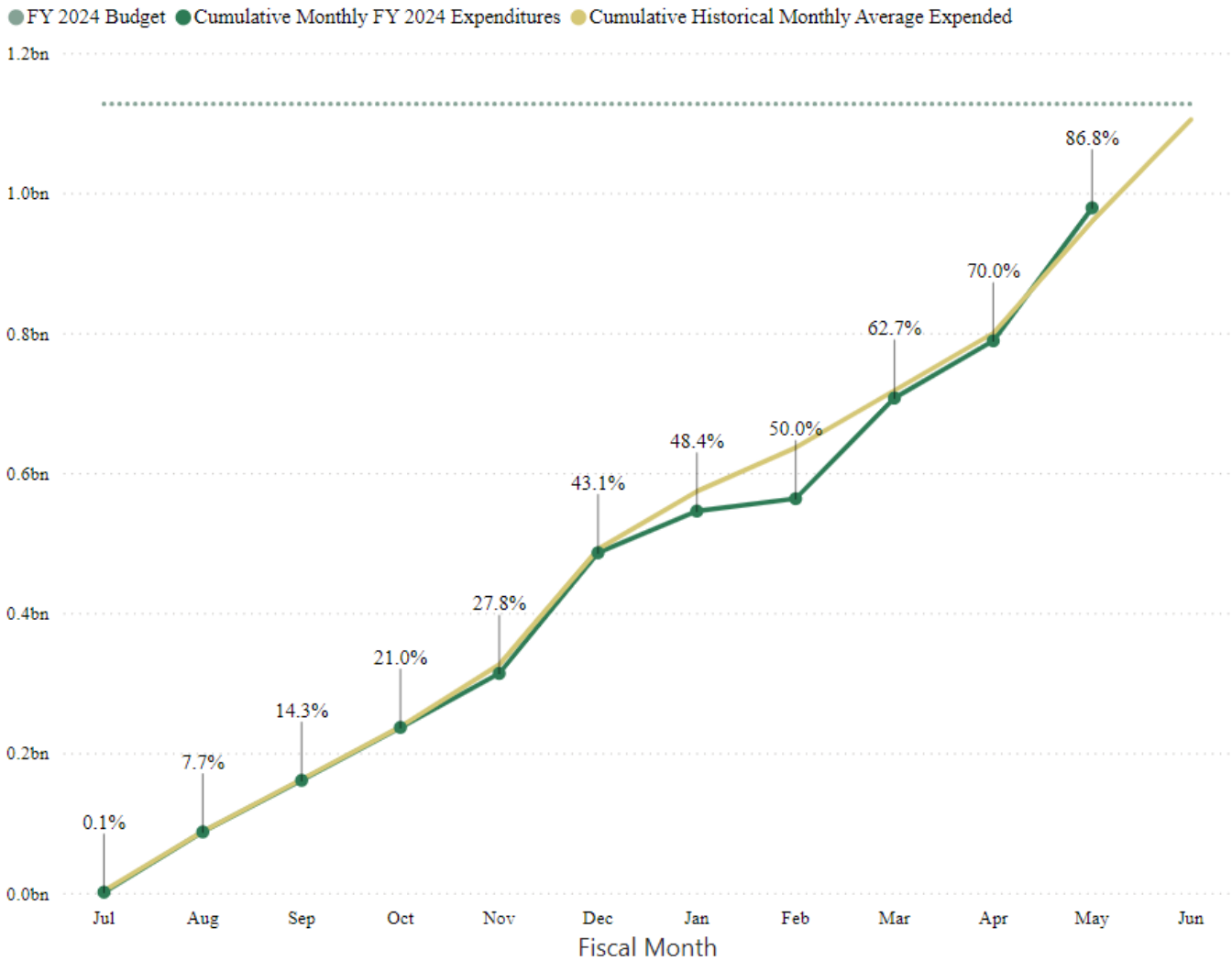
- Approximately \$123,000 was moved from debt service to operating expenses in order to correctly expend lease payments in accordance with new rules for lease payments that qualify as a capital expense
- Approximately \$66,000 was moved from operating expenses to personal services in order to fund personnel costs for the Teacher Licensure system. OPI reports that the position had been grant-funded while working on the TeachMT system, and the agency switched the position back to general fund when the project ended
- \$10,000 was moved from transfers-out to operating expenses since the funds will no longer need to be transferred

In total, these changes resulted in reductions of approximately \$123,000 from debt service and \$10,000 from transfers out, with corresponding increases of approximately \$67,000 to operating expenses and about \$66,000 to personal services.

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through May 31, 2024.

Monthly Expenditures Compared to Historical Average



Program Name	Modified Budget	Expended Budget	% Expended
☐ 06 STATE LEVEL ACTIVITIES	31,722,168	22,898,456	72.2%
☐ 09 LOCAL EDUCATION ACTIVITIES	1,095,601,409	955,839,391	87.2%
Total	1,127,323,577	978,737,847	86.8%

Expenditure Type	Modified Budget	Expended Budget	% Expended
▲ ☐ Personal Services	13,846,615	11,303,446	81.6%
☐ Operating Expenses	18,519,255	11,447,834	61.8%
☐ Local Assistance	932,253,505	808,586,021	86.7%
☐ Grants	159,894,243	144,683,930	90.5%
☐ Transfers-out	2,770,365	2,680,338	96.8%
☐ Debt Service	39,594	36,278	91.6%
Total	1,127,323,577	978,737,847	86.8%

Fund Type	Modified Budget	Expended Budget	% Expended
▲ ☐ 01 General	508,866,754	494,719,879	97.2%
☐ 02 State/Other Spec Rev	444,874,668	330,836,914	74.4%
☐ 03 Fed/Other Spec Rev	173,582,155	153,181,054	88.2%
Total	1,127,323,577	978,737,847	86.8%

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 86.8% of its HB 2 modified budget as of May 31, 2024, which is in line with historic spending patterns.

Local Assistance

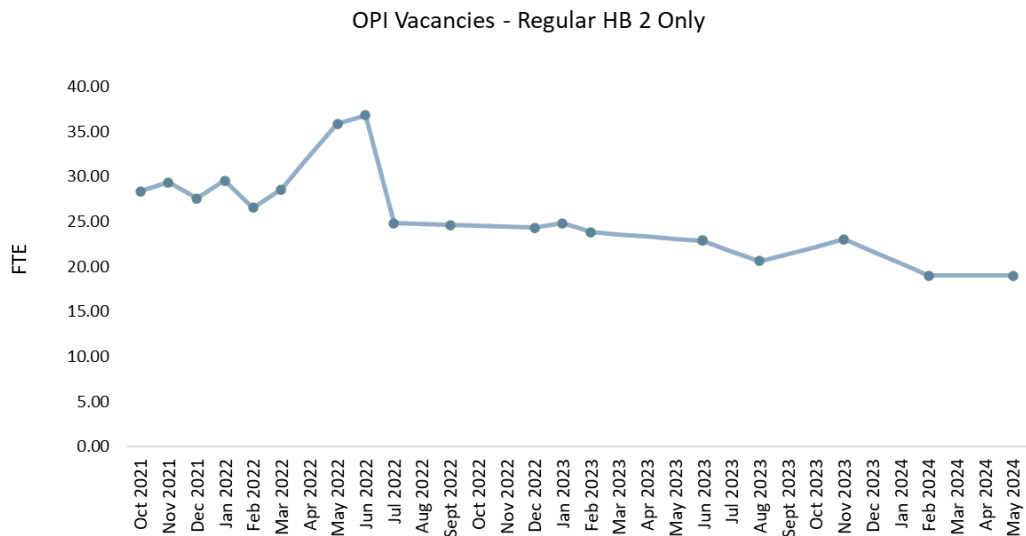
Local assistance makes up the majority of OPI’s HB 2 modified budget for FY 2024, at approximately \$932.2 million or 82.7%. Local assistance is paid out to school districts throughout the year and was 86.7% expended as of May 31, 2024, which is consistent with recent historical expenditures at this point in the fiscal year.

Personal Services

Personal services are approximately \$13.8 million or 1.2% of the HB 2 modified budget for FY 2024, with 81.6% of that amount expended as of May 31, 2024. OPI has 153.27 FTE, of which 19.00 FTE or 12.4% were vacant as of May 1, 2024. OPI reports that as of June 7, 2024, there were 11.00 vacant FTE with 3.00 of those FTE in the early recruitment process. The chart below shows the filled and vacant FTE within the agency as of May 1, 2024.



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
2/1/2024	19.00
5/1/2024	19.00



The percentage of FTE hours utilized through May 1, 2024 was 86.4%. The chart below shows the hourly utilization percentage for the Office of Public Instruction between July 1 and May 1 for each fiscal year when compared to the available hours for the same time period. The median amount of

time positions remain vacant is about three months, with the length of vacancies ranging from a few days to over two years.

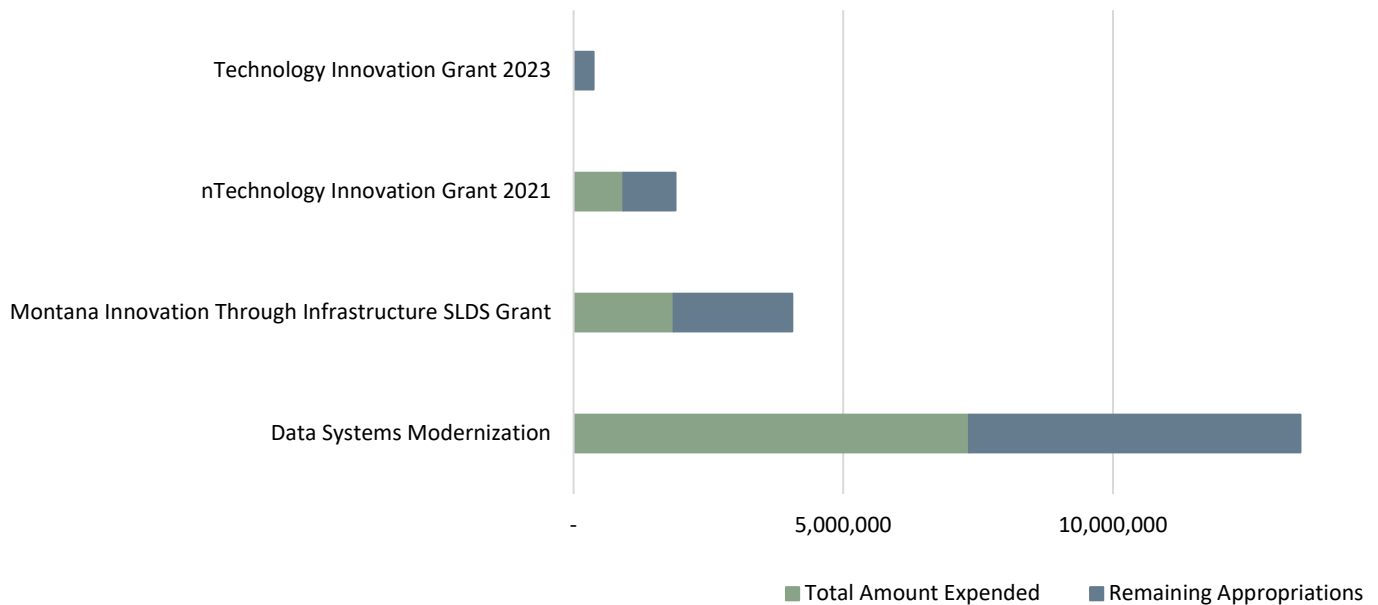


Of the 19.00 vacant FTE, 10.00 FTE have been vacant for four months or less. The chart below shows the vacant FTE, the number of months each position has been vacant, and the midpoint hourly pay rate.

Vacant Positions Report

	FTE	Median Months Vacant	Market Midpoint (Hourly)
☐ 35010 OFFICE OF PUBLIC INSTRUCTION	19.00	3.93	30.05
☐ 06 STATE LEVEL ACTIVITIES	19.00	3.93	30.05
Montana Ready Coordinator	1.00	16.89	36.25
Accountant 2	1.00	10.00	29.57
Indian Student Achievement Spc	1.00	9.54	30.05
Budget Analyst	1.00	7.51	28.41
Program Supervisor	1.00	6.33	36.25
Indian Education Specialist	1.00	5.70	30.05
Software Developer	1.00	4.98	45.80
Fiscal & Reporting Manager	1.00	4.43	39.86
Instructional Coordinator	1.00	4.43	30.05
IT Systems Support 2	1.00	3.90	31.02
Chief Legal Counsel	1.00	3.70	
Business Analyst/Project Mgr	1.00	3.11	42.74
School Improvement Specialist	2.00	2.69	30.05
Data Accountability Specialist	1.00	2.43	27.63
Dir of Amer Indian Ed For All	1.00	1.67	33.05
Autism Specialist	1.00	1.08	30.05
Research Analyst	1.00	0.43	38.50
21st CCLC Program Specialist	1.00	0.26	30.05
Total	19.00	3.93	30.05

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 for OPI 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 the United States Department of Agriculture (USDA) requirements. Of the project's approximately \$1.9 million budget, approximately \$922,000 or 48.8% has been expended. The projected delivery date for the project is September 30, 2024. OPI reports that the delivery date for the project is likely to be extended by a year because of delays from the software company. The USDA automatically gave states using this software company an extension, and OPI reports that they expect to fully expend these funds by the end of December 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, 2025.

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 (ESSER II) and ARPA (ESSER III) funds. Of the project's \$13.5 million budget, approximately \$7.3 million or 54.4% has been expended. The \$8.0 million of ESSER II funds associated with the project have a federal deadline to be obligated by September 30, 2023, but can still be expended into 2024. The approximately \$5.5 million of ESSER III funds have until September 30, 2024 to be obligated. The projected delivery date for the project is December 31, 2024. The Department of Education also has provided guidance which allows states to request an extension for the liquidation period of ESSER funds.