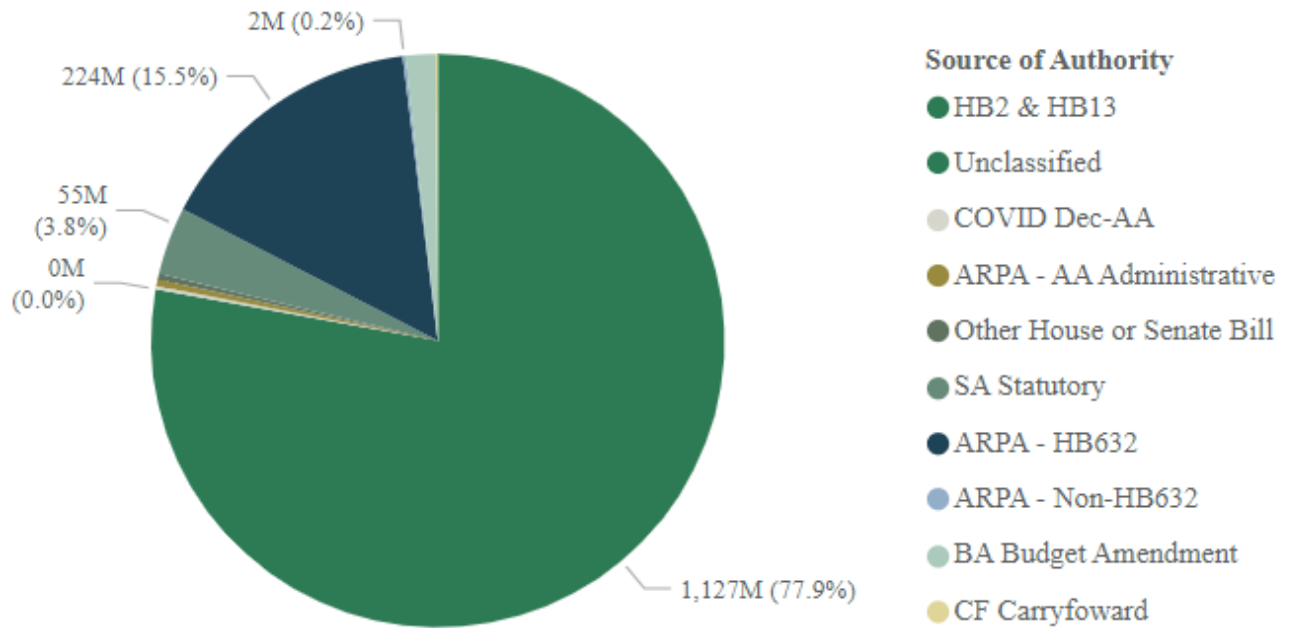


# OFFICE OF PUBLIC INSTRUCTION

## 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	563,246,075	50.0%
BA Budget Amendment	24,191,022	12,221,640	50.5%
CF Carryforward	1,912,024	1,912,024	100.0%
Other House or Senate Bill	4,425,000	3,580,390	80.9%
SA Statutory	55,399,118	21,515,546	38.8%
Unclassified	12,210		
CARES II	2,833,047	2,483,882	87.7%
ARPA	231,548,944	53,929,237	23.3%
<b>Total</b>	<b>1,447,644,942</b>	<b>658,888,795</b>	<b>45.5%</b>

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 February 29, 2024, OPI had expended 45.5% of its total budgeted spending authority and 50.0% of its HB 2 spending authority.

## **Budget Amendments**

OPI has approximately \$24.2 million in budget amendment authority for FY 2024, of which 50.5% was expended as of February 29, 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 80.9% was expended as of February 29, 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 February 29, 2024.

HB 382 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 February 29, 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 \$1,000 was expended as of February 29, 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**

The Office of Public Instruction has \$55.4 million in statutory spending authority for FY 2024, of which 38.8% was expended as of February 29, 2024. 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.

## **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:

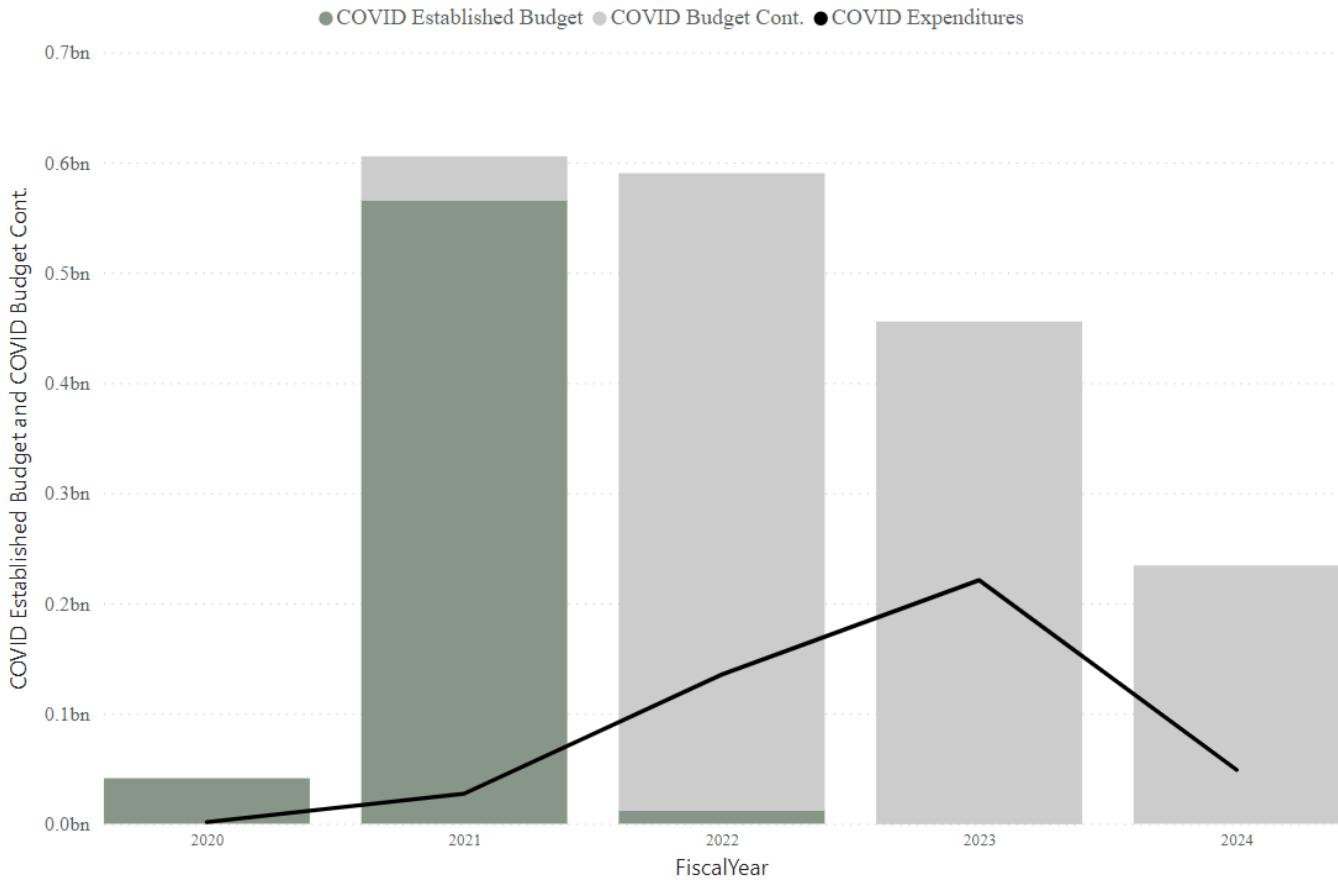
- Reduce HB 2, statutory, and proprietary appropriations
- Create a separate offsetting entry on the financial statements in the same amount using an identifying number for workers' compensation entries

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 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 February 29, 2024, OPI had expended about \$179.3 million or 98.0% of HB 630 funding. These funds had to be obligated by September 30, 2023 per federal requirements, but can still be expended through September of 2024.

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 February 29, 2024, OPI had expended about \$222.7 million or 58.2% 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 December 1, 2023 through February 29, 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	Starting Budget	Prior Period Modifications	Legislative Budget	Net Modifications	Modified Budget
<input type="checkbox"/> Office of Public Instruction	1,127,333,867	0	1,127,333,867	-10,290	1,127,323,577
LOCAL EDUCATION ACTIVITIES	1,095,601,409	0	1,095,601,409		1,095,601,409
STATE LEVEL ACTIVITIES	31,732,458	0	31,732,458	-10,290	31,722,168
<b>Total</b>	<b>1,127,333,867</b>	<b>0</b>	<b>1,127,333,867</b>	<b>-10,290</b>	<b>1,127,323,577</b>

Acct & Lvl 1 DESC	Starting Budget	Prior Period Modifications	Legislative Budget	Net Modifications	Modified Budget
<input type="checkbox"/> 69000 Debt Service	162,757		162,757		162,757
<input type="checkbox"/> 68000 Transfers-out	2,780,365		2,780,365		2,780,365
<input type="checkbox"/> 66000 Grants	159,719,906	174,337	159,894,243		159,894,243
<input type="checkbox"/> 65000 Local Assistance	932,728,617	-475,112	932,253,505		932,253,505
<input type="checkbox"/> 62000 Operating Expenses	18,151,517	300,775	18,452,292	0	18,452,292
<input type="checkbox"/> 61000 Personal Services	13,790,705		13,790,705	-10,290	13,780,415

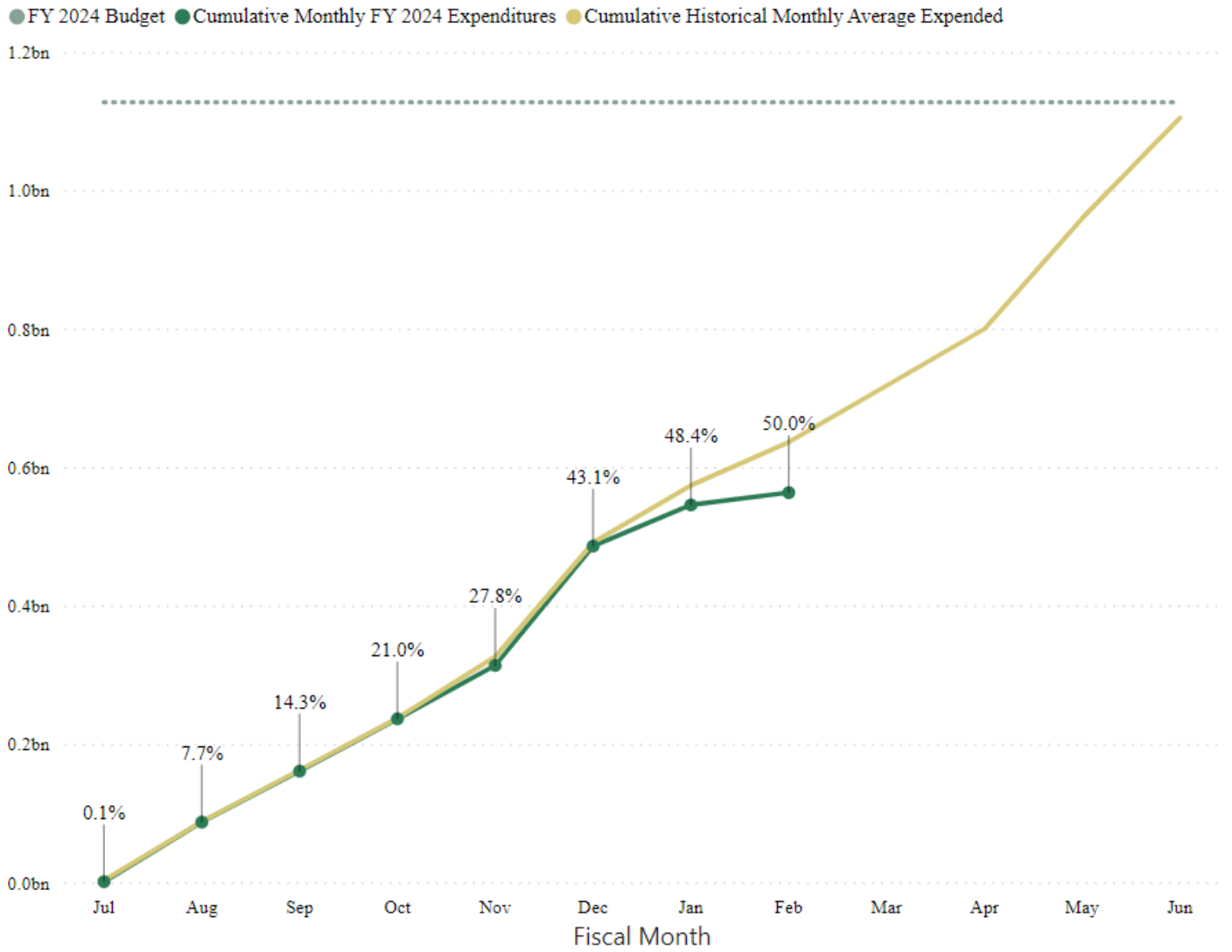
Fund Type	Starting Budget	Prior Period Modifications	Legislative Budget	Net Modifications	Modified Budget
<input type="checkbox"/> 01 General	508,871,797	0	508,871,797	-5,043	508,866,754
<input type="checkbox"/> 02 State/Other Spec Rev	444,874,805		444,874,805	-137	444,874,668
<input type="checkbox"/> 03 Fed/Other Spec Rev	173,587,265	0	173,587,265	-5,110	173,582,155

The Office of Public Instruction had one HB 2 budget modification between December 1, 2023 through February 29, 2024 as a result of lower workers' compensation premiums (additional information is included in the Unclassified section above).

## HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through February 29, 2024.

# Monthly Expenditures Compared to Historical Average



Program Name	Modified Budget	Expended Budget	% Expended
⊕ 06 STATE LEVEL ACTIVITIES	31,722,168	15,359,097	48.4%
⊕ 09 LOCAL EDUCATION ACTIVITIES	1,095,601,409	547,886,978	50.0%
<b>Total</b>	<b>1,127,323,577</b>	<b>563,246,075</b>	<b>50.0%</b>

Expenditure Type	Modified Budget	Expended Budget	% Expended
⊕ Personal Services	13,780,415	7,895,367	57.3%
⊕ Operating Expenses	18,452,292	6,709,004	36.4%
⊕ Local Assistance	932,253,505	451,299,009	48.4%
⊕ Grants	159,894,243	94,991,867	59.4%
<b>Total</b>	<b>1,127,323,577</b>	<b>563,246,075</b>	<b>50.0%</b>

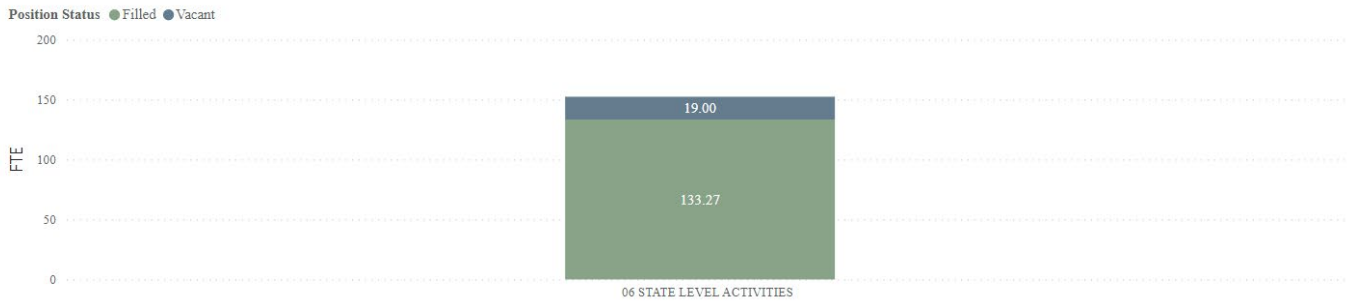
Fund Type	Modified Budget	Expended Budget	% Expended
⊕ 01 General	508,866,754	297,076,126	58.4%
⊕ 02 State/Other Spec Rev	444,874,668	167,218,708	37.6%
⊕ 03 Fed/Other Spec Rev	173,582,155	98,951,241	57.0%
<b>Total</b>	<b>1,127,323,577</b>	<b>563,246,075</b>	<b>50.0%</b>

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 50.0% of its HB 2 modified budget as of February 29, 2024.

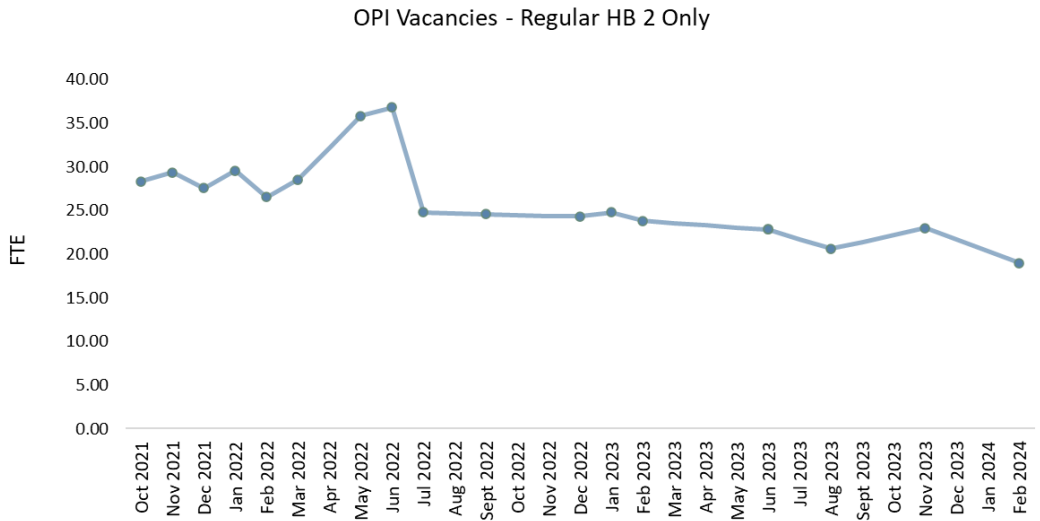
### Personal Services

Personal services are approximately \$13.8 million or 1.2% of the HB 2 modified budget for FY 2024, with 57.3% of that amount expended as of February 29, 2024. OPI has 152.27 FTE, of which 19.00 FTE or 12.5% were vacant as of February 1, 2024. The chart below shows the filled and vacant FTE within the agency as of February 1, 2024.

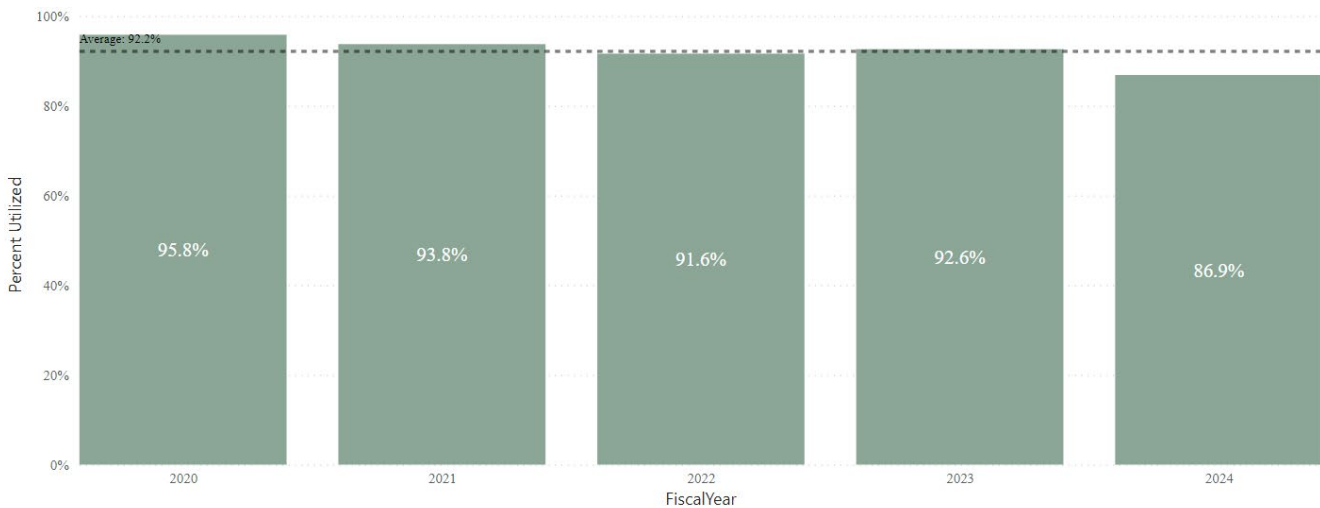




Office of Public Instruction HB 2 Vacancies	
Date	Vacant FTE
10/12/2021	28.34
11/1/2021	29.34
12/15/2021	27.54
1/4/2022	29.54
2/1/2022	26.54
3/3/2022	28.54
5/1/2022	35.84
6/6/2022	36.79
7/1/2022	24.80
9/8/2022	24.58
12/1/2022	24.30
1/1/2023	24.80
2/15/2023	23.80
6/1/2023	22.80
8/2/2023	20.61
11/1/2023	23.00
2/1/2024	19.00



The percentage of FTE hours utilized through February 1, 2024 was 86.9%. The chart below shows the hourly utilization percentage for the Office of Public Instruction between July 1 and February 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 3 months, with the length of vacancies ranging from a few days to over two years.



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 18.00 FTE that are vacant in the chart below, 11.00 FTE have been vacant for four months or less (since November 2023). As of February 15, 2024, OPI reports:

- 7.00 FTE are in recruitment
- 1.00 FTE is currently being reclassified and will be in recruitment after reclassification
- 3.00 FTE are on hold for needs assessment to determine where there are potential gaps within the agency that recent vacancies may address
- 1.00 FTE is on hold due to a dual role
- 2.00 FTE are on hold until the final round of ESSER expires in September of 2024
- 4.00 FTE have offers accepted by new hires

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

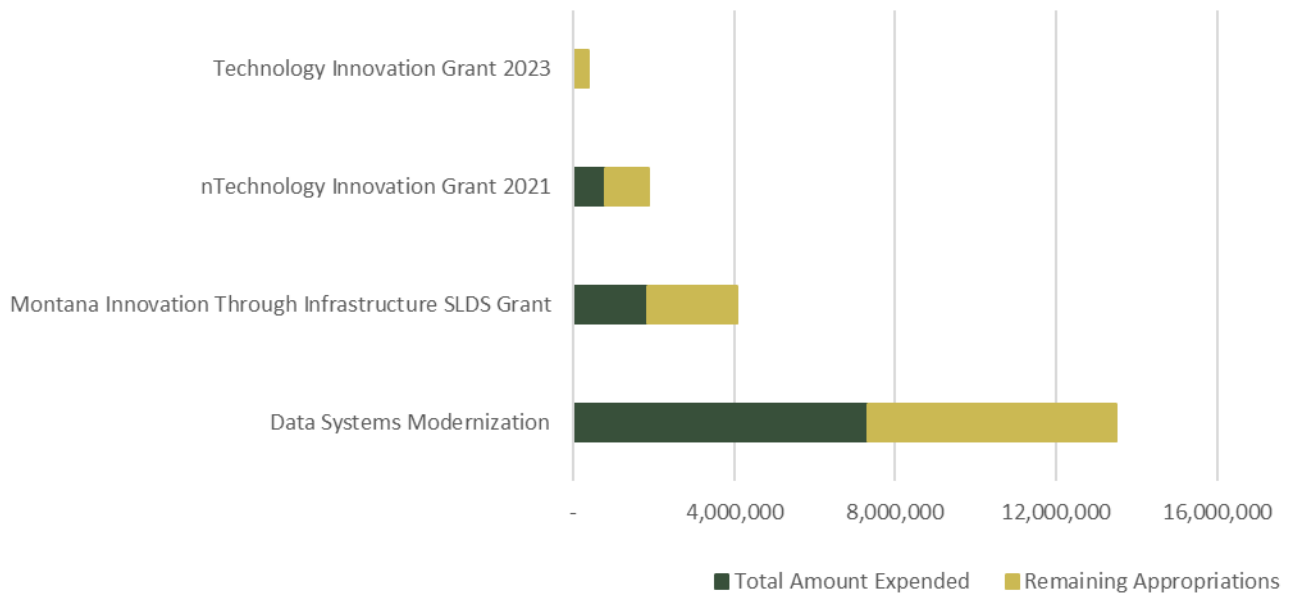
### Vacant Positions Report

DEPT NUM/NAME	FTE	Median Months Vacant	Market Midpoint (Hourly)
☐ 35010 OFFICE OF PUBLIC INSTRUCTION	18.00	3.03	30.05
☐ 06 STATE LEVEL ACTIVITIES	18.00	3.03	30.05
21st CCLC Program Specialist	1.00	3.31	30.05
Accountant 2	1.00	7.05	29.57
Accountant 3	1.00	7.05	36.96
Budget Analyst	1.00	4.56	28.41
Chief Legal Counsel	1.00	0.75	
Data Processor	1.00	0.95	15.84
Fiscal & Reporting Manager	1.00	1.48	39.86
Indian Education Specialist	1.00	2.75	30.05
Indian Student Achievement Spc	1.00	6.59	30.05
Instructional Coordinator	1.00	1.48	30.05
Montana Ready Coordinator	1.00	13.93	36.25
Personal Staff/EO-Admin	1.00	0.16	
Program Manager	1.00	3.38	51.21
Program Supervisor	1.00	0.98	36.25
School Improvement Specialist	1.00	0.98	30.05
Software Developer	1.00	2.03	45.80
Spec Education Parent Liaison	1.00	29.93	30.05
Youth Support & Training Coord	1.00	14.39	30.05
<b>Total</b>	<b>18.00</b>	<b>3.03</b>	<b>30.05</b>

## 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 48.4% expended as of February 29, 2024, 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.

## 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 USDA requirements. Of the project's approximately \$1.9 million budget, approximately \$800,000 or 42.3% 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 August 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 through September of 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.