

Agency Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	518,117	797,337	279,220	53.89 %
Operating Expenses	256,467	341,656	85,189	33.22 %
Total Expenditures	\$774,584	\$1,138,993	\$364,409	47.05 %
General Fund	402,796	1,138,993	736,197	182.77 %
State/Other Special Rev. Funds	371,788	0	(371,788)	(100.00)%
Total Funds	\$774,584	\$1,138,993	\$364,409	47.05 %
Total Ongoing	\$724,584	\$1,140,885	\$416,301	57.45 %
Total OTO	\$50,000	(\$1,892)	(\$51,892)	(103.78)%

Agency Description

The Montana Constitution created and empowered the Board of Public Education to supervise, serve, maintain, and strengthen Montana's system of free quality public elementary and secondary schools. The board exists to promote high academic achievement for all Montana students.

Agency Highlights

**Board of Public Education
Major Budget Highlights**

The Board of Public Education's 2025 biennium budget as adopted by the legislature is 47.1% or \$364,409 greater than the 2023 biennium budget. Changes include the following:

- The legislature adopted two fund switches that removed state special appropriations and replaced them with general fund including the following:
 - A fund switch that replaces \$19,725 of state special funds with general fund. This ensures the agency will have sufficient funding available as appropriations have been greater than revenues
 - A fund switch of approximately \$166,000 state special funds derived from teacher licensure fees in each year of the biennium. This replaces all state special funds with general fund. This change is contingent on passage and approval of HB 403
- The legislature adopted a reduction in general fund because of the statewide present law adjustment to personal services
- The legislature adopted an increase to operations funding of \$20,000 for the biennium to support meeting costs, professional development and travel for staff and board members
- The legislature approved an appropriation of \$35,000 in each year of the biennium for legal fees
- The legislature approved language that states “If [HB 132](#) is passed and approved by the Legislature, Legislative Audit is void.” This removes the audit line item and reduces general fund by \$20,153 in FY 2024
- The legislature passed DP 333 which reduces the DP 3 inflation increase by 25.0% or \$4,035 for the biennium
- The legislature passed DP 3333 which increases DP 3 inflation by \$4,035 for the biennium
- The legislature adopted contingency language to provide an appropriation for personal services in the amount of \$147,166 general fund in FY 2024 and \$141,566 in FY 2025 upon passage and approval of [HB 549](#) in order to authorize the establishment of public charter schools

Agency Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	3.00	3.00	3.00	3.00
Personal Services	220,152	256,594	261,523	400,298	397,039
Operating Expenses	100,795	136,854	119,613	170,486	171,170
Total Expenditures	\$320,947	\$393,448	\$381,136	\$570,784	\$568,209
General Fund	161,801	207,571	195,225	570,784	568,209
State/Other Special Rev. Funds	159,146	185,877	185,911	0	0
Total Funds	\$320,947	\$393,448	\$381,136	\$570,784	\$568,209
Total Ongoing	\$295,947	\$368,448	\$356,136	\$571,730	\$569,155
Total OTO	\$25,000	\$25,000	\$25,000	(\$946)	(\$946)

Summary of Legislative Action

The legislature passed a budget for the 2025 biennium that includes changes that stabilize funding for the BPE, provide professional development funding, and make legal fees a part of the base among other changes. The legislature approved a fund switch, contingent on passage and approval of HB 403. This removes the state special revenue from teacher license fees as a funding source and replaces it with general fund. The legislature included language in HB 2 that appropriated funding to the BPE contingent on passage and approval of HB 549. This language provides the board an appropriation for supervision of charter schools. Language for the implementation of HB 132 removes the restricted biennial audit appropriation.

Funding

The following table shows adopted agency funding for all sources of authority.

Total Board of Public Education Funding by Source of Authority 2025 Biennium Budget Request - Board of Public Education						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	1,140,877	(1,884)	0	0	1,138,993	100.00 %
State Special Total	8	(8)	0	0	0	0.00 %
Federal Special Total	0	0	0	0	0	0.00 %
Proprietary Total	0	0	0	0	0	0.00 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$1,140,885	(\$1,892)	\$0	\$0	\$1,138,993	
Percent - Total All Sources	100.17 %	(0.17)%	0.00 %	0.00 %		

The primary functions for the Board of Public Education are funded through HB 2 and the pay plan.

HB 2 Funding

In the past, the BPE has been funded through a combination of general fund and state special revenue funds. The legislature adopted a fund switch that replaces all state special funding with general fund, while redirecting teacher licensure fees to OPI. This funding switch is contingent on approval and passage of [HB 403](#).

Budget Summary by Category

The following table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	170,225	170,225	340,450	29.89 %	356,136	356,136	712,272	62.54 %
SWPL Adjustments	42,426	25,318	67,744	5.95 %	42,588	25,465	68,053	5.97 %
PL Adjustments	29,772	29,767	59,539	5.23 %	10,047	10,042	20,089	1.76 %
New Proposals	328,361	342,899	671,260	58.93 %	162,013	176,566	338,579	29.73 %
Total Budget	\$570,784	\$568,209	\$1,138,993		\$570,784	\$568,209	\$1,138,993	

Other Legislation

HB 132 - *Modify timing of legislative audits*

Eliminates the biennial audit for BPE and defines new criteria for agencies to be selected for audit

HB 231 - *Eliminate certification standards and practices advisory council*

Eliminates the certification standards and practices advisory council

HB 338 - *Revise laws related to Indian Education for All*

Requires the BPE and to incorporate the distinct and unique cultural heritage of Montana American Indians into content standards with involvement from the tribes

HB 403 - *Generally revise laws concerning fees for teacher and specialist certificates*

Directs teacher license fees to the Office of Public Instruction

HB 531 - *Establish annual combined meeting of the board of education*

Requires the Board of Public Education and the board of regents to meet at least once a year as the combined State Board of Education

HB 549 - *Authorizing establishment of public charter schools*

Prescribes duties to the Board of Public Education

HB 562 - *Authorize establishment of community choice schools*

Assigns certain duties to the Board of Public Education

Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2023	Executive Budget Fiscal 2024	Legislative Budget Fiscal 2024	Leg — Exec. Difference Fiscal 2024	Executive Budget Fiscal 2025	Legislative Budget Fiscal 2025	Leg — Exec. Difference Fiscal 2025	Biennium Difference Fiscal 24-25
FTE	3.00	3.00	3.00	0.00	3.00	3.00	0.00	0.00
Personal Services	261,523	253,132	400,298	147,166	255,473	397,039	141,566	288,732
Operating Expenses	119,613	190,592	170,486	(20,106)	171,128	171,170	42	(20,064)
Total Costs	\$381,136	\$443,724	\$570,784	\$127,060	\$426,601	\$568,209	\$141,608	\$268,668
General Fund	195,225	443,724	570,784	127,060	426,601	568,209	141,608	268,668
State/other Special Rev. Funds	185,911	0	0	0	0	0	0	0
Total Funds	\$381,136	\$443,724	\$570,784	\$127,060	\$426,601	\$568,209	\$141,608	\$268,668
Total Ongoing	\$356,136	\$408,724	\$571,730	\$163,006	\$391,601	\$569,155	\$177,554	\$340,560
Total OTO	\$25,000	\$35,000	(\$946)	(\$35,946)	\$35,000	(\$946)	(\$35,946)	(\$71,892)

The legislature adopted a budget that is \$268,668 higher than the proposed executive budget for the 2025 biennium. This increase is due in part to adjustments to statewide present law, increases to fixed costs and inflation/deflation by the legislature. A fund switch directs teacher license fees away from the agency to the Office of Public Instruction and replaces them with general fund, making the agency fully funded with general fund. Legal fees, which have been one-time-only for several bienna were made ongoing and part of the base budget. The legislature passed a language appropriation related to fund implementation and oversight of charter schools.

Language and Statutory Authority

The legislature adopted the following language in HB 2:

"Administration includes a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division’s proprietary fund."

"Administration includes general fund appropriations of \$166,348 in FY 2024 and \$166,333 in FY 2025 and state special revenue reductions of \$166,348 in FY 2024 and \$166,333 in FY 2025. The increase in general fund and reduction of state special revenue is contingent on the passage and approval of HB 403."

"The Administration Program includes an increase in general fund of \$1,778 in FY 2024 and \$2,257 in FY 2025. The increase was provided to offset inflationary impacts. The agency may allocate this increase in funding among programs when developing 2025 biennium operating plans."

Additionally, the legislature adopted the following HB 2 language, contingent on the passage and approval of other bills and the adjustments to HB 2 appropriations are included as decision packages and incorporated in the tables in the fiscal report:

"If HB 132 is passed and approved by the Legislature, Legislative Audit is void."

"If HB 549 is passed and approved, the Board of Public Education is increased by \$147,166 general fund in FY 2024 and \$141,566 general fund in FY 2025, and the Board of Public Education may increase full-time equivalent positions authorized in HB 2 by 2.00 FTE in FY 2024 and 2.00 FTE in FY 2025."

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	3.00	3.00	3.00	3.00
Personal Services	220,152	256,594	261,523	400,298	397,039
Operating Expenses	100,795	136,854	119,613	170,486	171,170
Total Expenditures	\$320,947	\$393,448	\$381,136	\$570,784	\$568,209
General Fund	161,801	207,571	195,225	570,784	568,209
State/Other Special Rev. Funds	159,146	185,877	185,911	0	0
Total Funds	\$320,947	\$393,448	\$381,136	\$570,784	\$568,209
Total Ongoing	\$295,947	\$368,448	\$356,136	\$571,730	\$569,155
Total OTO	\$25,000	\$25,000	\$25,000	(\$946)	(\$946)

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(8,391)	0	0	(8,391)	0.00	(6,050)	0	0	(6,050)
DP 2 - Fixed Costs	0.00	47,626	162	0	47,788	0.00	27,478	147	0	27,625
DP 3 - Inflation Deflation	0.00	3,191	0	0	3,191	0.00	3,890	0	0	3,890
DP 5 - Reallocate State Special and General Fund	0.00	19,725	(19,725)	0	0	0.00	19,725	(19,725)	0	0
DP 6 - Operations Funding	0.00	10,000	0	0	10,000	0.00	10,000	0	0	10,000
DP 20 - SABHRS Rate Adjustment	0.00	51	0	0	51	0.00	45	0	0	45
DP 30 - Motor Pool Rate Adjustment	0.00	(4)	0	0	(4)	0.00	(3)	0	0	(3)
DP 222 - RMTD Adjustment	0.00	943	3	0	946	0.00	941	5	0	946
DP 223 - RMTD Adjustment (OTO)	0.00	(943)	(3)	0	(946)	0.00	(941)	(5)	0	(946)
Grand Total All Present Law Adjustments	0.00	\$72,198	(\$19,563)	\$0	\$52,635	0.00	\$55,085	(\$19,578)	\$0	\$35,507

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget for expected changes, management decisions and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include the following: other services, supplies and materials, communications, in-state state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 5 - Reallocate State Special and General Fund -

The legislature adopted a reallocation of funds to decrease the state special fund allocation and increase general fund allocation.

DP 6 - Operations Funding -

The legislature adopted an appropriation of \$10,000 of general fund in each year of the biennium for operating costs. This appropriation will fund basic operational costs, professional development for staff and board members, and travel to educational conferences.

DP 20 - SABHRS Rate Adjustment -

The legislature adopted an increase to proposed SABHRS rates.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 222 - RMTD Adjustment -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package eliminates the reduction included in DP 2. This change is necessary to designate the reduction as one-time-only in the budgeting system.

DP 223 - RMTD Adjustment (OTO) -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package designates the reduction as one-time-only.

New Proposals

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 4 - Legal Fees	0.00	35,000	0	0	35,000	0.00	35,000	0	0	35,000
DP 7 - Teacher Licensure Fund Switch	0.00	166,348	(166,348)	0	0	0.00	166,333	(166,333)	0	0
DP 333 - Adjustment to Inflation	0.00	(1,778)	0	0	(1,778)	0.00	(2,257)	0	0	(2,257)
DP 1400 - HB 549	0.00	147,166	0	0	147,166	0.00	141,566	0	0	141,566
DP 1401 - HB 132	0.00	(20,153)	0	0	(20,153)	0.00	0	0	0	0
DP 3333 - Additional Adjustment to Inflation	0.00	1,778	0	0	1,778	0.00	2,257	0	0	2,257
Total	0.00	\$328,361	(\$166,348)	\$0	\$162,013	0.00	\$342,899	(\$166,333)	\$0	\$176,566

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 4 - Legal Fees -

The legislature adopted an increase in general fund for legal fees in the 2025 biennium and removed the one-time-only designation, making the appropriation ongoing.

DP 7 - Teacher Licensure Fund Switch -

The legislature adopted a reduction of state special revenue funding by \$166,348 in FY 2024 and \$166,333 in FY 2025 and increases general fund expenditures by like amounts each year.

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 1400 - HB 549 -

The legislature adopted contingency language to increase appropriations if HB 549 was passed and approved and this decision package implements this language. HB 549 provides for the establishment of public charter schools and directs the BPE to collect and analyze data from each school as well as monitor performance and legal compliance of each school.

DP 1401 - HB 132 -

The legislature adopted contingency language to reduce appropriations if HB 132 was passed and approved and this decision package implements this language. HB 132 modifies the timing of legislative audits, providing for a transition from biennial audits, to allowing the auditor to select agencies for auditing based on certain considerations.

DP 3333 - Additional Adjustment to Inflation -

The legislature adopted an additional adjustment to inflation included in DP 3.