

Agency Biennium Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Agency Biennium Comparison				
Budget Item	Appropriated Budget 18-19	Requested Budget 20-21	Biennium Change	Biennium % Change
Personal Services	12,898,380	14,481,714	1,583,334	12.28 %
Operating Expenses	1,599,929	1,710,898	110,969	6.94 %
Equipment & Intangible Assets	19,547	0	(19,547)	(100.00)%
Transfers	10,000	2,000	(8,000)	(80.00)%
Debt Service	56,902	56,902	0	0.00 %
Total Expenditures	\$14,584,758	\$16,251,514	\$1,666,756	11.43 %
General Fund	13,642,654	15,317,496	1,674,842	12.28 %
State/Other Special Rev. Funds	801,916	570,208	(231,708)	(28.89)%
Federal Spec. Rev. Funds	140,188	363,810	223,622	159.52 %
Total Funds	\$14,584,758	\$16,251,514	\$1,666,756	11.43 %
Total Ongoing	\$14,470,882	\$16,137,638	\$1,666,756	11.52 %
Total OTO	\$113,876	\$113,876	\$0	0.00 %

Mission Statement

The mission of the Montana School for the Deaf and Blind (MSDB) is to provide to deaf children and blind children in the state of Montana a quality comprehensive education that will impact the opportunities to enable them to achieve their greatest potential of independence and success; and to serve as a resource center providing information, consultation, technical assistance, and leadership to (1) parents of deaf and/or blind children not yet enrolled in an educational program, (2) public schools in the state having deaf and/or blind children enrolled, and (3) organizations and individuals concerned with the provision of services to these children.

Agency Highlights

Montana School for the Deaf and Blind Major Budget Highlights
<ul style="list-style-type: none"> • The Montana School for the Deaf and Blind's 2021 biennium budget request is approximately \$1.7 million or 11.4% higher than the 2019 biennium budget <ul style="list-style-type: none"> ◦ Proposed changes to personal services account for 95.0% of the total increase. Instructor salaries were increased to parity with the Great Falls Public School District in order to promote hiring and retention

Agency Actuals and Budget Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Request Fiscal 2020	Request Fiscal 2021
FTE	0.00	84.96	84.96	84.96	84.96
Personal Services	5,877,998	6,339,656	6,558,724	7,238,635	7,243,079
Operating Expenses	787,283	827,997	771,932	867,803	843,095
Equipment & Intangible Assets	13,147	19,547	0	0	0
Transfers	9,000	9,000	1,000	1,000	1,000
Debt Service	28,450	28,451	28,451	28,451	28,451
Total Expenditures	\$6,715,878	\$7,224,651	\$7,360,107	\$8,135,889	\$8,115,625
General Fund	6,266,628	6,757,028	6,885,626	7,668,880	7,648,616
State/Other Special Rev. Funds	379,968	398,340	403,576	285,104	285,104
Federal Spec. Rev. Funds	69,282	69,283	70,905	181,905	181,905
Total Funds	\$6,715,878	\$7,224,651	\$7,360,107	\$8,135,889	\$8,115,625
Total Ongoing	\$6,665,778	\$7,167,713	\$7,303,169	\$8,078,951	\$8,058,687
Total OTO	\$50,100	\$56,938	\$56,938	\$56,938	\$56,938

Agency Discussion

FY 2018 Appropriations Compared to FY 2018 Actual Expenditures

The School for Deaf and Blind's HB 2 modified budget is comprised of general fund, state special revenue and federal funds. It expended 93.0% of its \$7.2 million HB 2 modified budget as of the end of FY 2018. This is in line with anticipated expenditures at the end of the fiscal year.

Personal services make up most of the school's expenditures and was 92.7% expended. Approximately \$0.5 million in personal services was not used in FY 2018 due to difficulty in filling vacancies. Of this savings \$57,400 was transferred for operating expenses and equipment. Figure 1 summarizes how the agency moved personal services to other purposes.

FY 2018 Appropriations Compared to FY 2019 Appropriations

FY 2019 total appropriations are \$135,456, or 1.9% higher than the FY 2018 total appropriation due to:

- Increases in personal services between the first and second year to cover pay-plan and benefit increases for 84.96 FTE, which accounts for the majority of difference between FY 2018 and FY 2019.
- The FY 2018 appropriation for operating expenses, which increased by nearly \$38,000 due to program transfers from personal services during the fiscal year.

Executive Request

The executive is requesting an 11.4% increase to the Montana School for Deaf and Blind budget for the 2021 biennium. This includes:

- A 12.3% increase to personal services to cover raises for teachers
- A 6.9% increase in operating expenses to cover increased fixed costs for SITSD and audit expenses

The budget includes a 12.3% increase to general fund appropriations to cover increased personal services expenses and a decrease of 28.9% to state special funds. Additional state special funds were available in the school trust lands account in the previous biennium and were used to offset general fund spending at that time. The additional funds have been exhausted.

**LFD
ISSUE**Fund Switches required to be new proposals

MSDB is funded in part by the school trust interest and income state special fund. The fund receives approximately \$0.25-0.35 million per fiscal year. The table below shows the fund balance by fiscal year.

MSDB School Trust Interest and Income						
Fund Item	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Forecast	FY 2020 Proposed	FY 2021 Proposed
Beginning Balance	\$85,088	\$176,604	\$206,324	\$85,646	\$122,979	\$136,143
Revenue	343,811	276,595	259,290	275,536	298,268	309,845
Expenditures	(252,295)	(246,875)	(379,968)	(335,104)	(285,104)	(285,104)
Ending Balance	\$176,604	\$206,324	\$85,646	\$122,979	\$136,143	\$160,884

The 2017 Legislature passed a change package to use the unappropriated fund balance to reduce the MSDB general fund appropriation. This action caused the base level of funding to be reduced for the general fund and increased for state special funding. The current executive proposal shifts the spending levels again by raising the general fund and reducing state special funding, however statute requires the legislature to approve a change package to change the levels of state special and general funds in the base. The fund can likely not support the entirety of the level of funding that it did last biennium, however it still requires a change package to switch the burden back to the general fund.

Comparison of FY 2019 Legislative Budget to FY 2019 Base

Figure 2 illustrates the beginning FY 2019 budget as adopted by the 2017 Legislature compared to the finalized 2019 Base Budget, which includes modifications done by the executive (as authorized in statute) during the interim. The 2019 Base Budget was agreed upon by the executive and legislative branches to be the point from which any changes would be recorded for the 2021 biennium budgeting process.

Figure 2

FY 2019 Legislative Appropriations				
	Legislative Action	Executive Modifications per Statutory Authority	Executive Base	% Change from Legislative Action
01 Administration Program	517,119	-	517,119	0.0%
02 General Services	558,875	(72,700)	486,175	-13.0%
03 Student Services	1,806,088	(125,235)	1,680,853	-6.9%
04 Education	4,421,087	197,935	4,619,022	4.5%
Grand Total	\$7,303,169	(\$0)	\$7,303,169	0.0%

There were a number of modifications to the legislative budget. There were several program transfers throughout FY 2019 resulting in a \$197,935 increase to the Education Program related to personal services with corresponding decreases in the General Services and Student Services programs. (See figure 2) MSDB was exempt from special session reductions, therefore did not receive any SB 9 general fund restorations.

5.0% Reduction Plan

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5.0%. The School for the Deaf and Blind has provided a plan for general fund reductions of approximately \$0.3 million, and state special reductions of approximately \$16,000. The plan consists of reductions to personal services in each program. A summary of the entire 2021 biennium 5.0% plan submitted for this agency is in the appendix.

Agency Personal Services

In order to explain the factors influencing personal services changes, the proposed statewide personal services present law adjustment (DP 1) has been broken down into four categories, as follows:

1. *Formula Based*

Formula based changes are calculated independent of agency choices, such as: annualize personal services costs including FY 2019 statewide pay plan adjustments, changes to benefit rates, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot, plus rate changes for workers' compensation and unemployment insurance.

A detailed illustration of this methodology is included in the Budget Analysis Appendix.

2. *Personal Services Management Decisions*

Any agency management decisions that adjusted employee pay or transferred personal services authority between programs. This includes raises or position changes that may increase or reduce a budget, such as hiring FTE at a lower rate to replace retired senior staff or moving FTE and funding between programs.

3. *Proposed Reinstatement of Personal Services Base Budget Reductions*

Most agencies requested reinstatement of personal services budget reductions taken last session. The single largest reinstatement is due to the lower vacancy savings rate requested by the executive. The FY 2019 personal services base included approximately 6.0% vacancy savings reduction as part of the funding adopted in HB 2. Generally, the executive requested a 2.0% vacancy savings reduction for 2021 biennium.

Agencies funded with general fund may have additional personal services reductions such as those reduced from the triggers in SB 261 from last session.

In some instances, the lower personal services budgets caused agencies to make management decisions that lowered the ongoing cost of personal services. When this occurred, the LFD reflected the lower reinstatement requested rather than the total of all personal services reductions made by the previous legislature.

4. *Budget Modifications*

This category includes modifications to the FY 2019 personal services budget such as transfer of personal services authority to operating expenses that occurred during the interim. These transfers may impact the overall size of the personal services present law adjustment (DP 1).

The Figure shows the analysis of the proposed changes.

Figure 3

DP 1 - FY 2020					
Program	Formula Based	Management Decisions	Proposed Reinstatement of PS	Budget Modifications	DP1 SWPL
01 ADMINISTRATION PROGRAM	9,907	18,653	(21,526)	-	7,034
02 GENERAL SERVICES	293	4,219	1,999	-	6,511
03 STUDENT SERVICES	7,670	2,312	11,294	-	21,276
04 EDUCATION	95,868	498,629	50,593	-	645,090
Agency Total	\$113,738	\$523,813	\$42,360	\$0	\$679,911

Personal services were \$6.6 million or 89.1% of the total FY 2019 appropriations. The executive proposes an increase of \$0.7 million in FY 2020 and \$0.7 million in FY 2021. Formula based changes and management decisions were the largest contributors to the statewide present law adjustment to personal services.

LFD COMMENT

Of note in the 2021 biennium budget for MSDB is a 12.3% increase in the personal services appropriation, most of which is in the Education Program. The Education Program has had difficulty in hiring and retaining workers over the last several years. Due to several unfilled positions, MSDB had significant unused personal services appropriations which were either reverted and/or transferred to other purposes during the past few years. At the end of FY 2018 the program had nearly \$0.5 million in unexpended personal services, a vacancy saving rate of roughly 7.0%.

Near the end of FY 2018 the Governor's Office allowed the agency to raise pay for teaching positions to parity with the Great Falls Public School District. These raises occurred before the snapshot which determines the personal services base funding, which allowed all positions that were affected to be included in the base at the higher rate of pay. This explains the high statewide present law adjustment for personal services in this agency.

During the 2017 session the Legislature approved a reduction of 3.65 FTE from the Education Program resulting in 84.96 FTE, down from 88.61 in the 2015 biennium. During FY 2018 MSDB moved 3.84 vacant FTE positions to the Education Program which had previously been in the General Services Program and the Student Services Program. The positions also received raises and brings the Education Program back to its 2015 biennium staffing levels while reducing the

staffing levels for the Student Services and General Services Programs. Current FTE for all programs are included in the organizational chart in page 2 of the agency profile.

Funding

The following table shows proposed agency funding by source of authority.

Total School For the Deaf & Blind Funding by Source of Authority 2021 Biennium Budget Request - School For the Deaf & Blind						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	15,203,620	113,876	0	0	15,317,496	94.25 %
State Special Total	570,208	0	0	0	570,208	3.51 %
Federal Special Total	363,810	0	0	0	363,810	2.24 %
Proprietary Total	0	0	0	0	0	0.00 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$16,137,638	\$113,876	\$0	\$0	\$16,251,514	
Percent - Total All Sources	99.30 %	0.70 %	0.00 %	0.00 %		

MSDB’s programs are funded primarily with general fund. State special funds include school trust income & interest and Medicaid reimbursements. The LFD estimates school trust income will be sufficient to support the executive’s proposal for its use. Revenues from school trusts fluctuate based on the activities occurring on school lands. Students under the care of the MSDB may be Medicaid eligible and the school is reimbursed for those services covered by Medicaid.

Sources of federal funds include the National School Lunch Program, which provides subsidized meals for low-income children. Additionally the Education Consolidation and Improvement Act Chapter I, which provides federal funds to assist state and local educational agencies meet the needs of educationally deprived children.

Unlike other public schools, the school does not have the ability to levy property taxes to support school programs.

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 section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	6,885,626	6,885,626	13,771,252	89.91 %	7,303,169	7,303,169	14,606,338	89.88 %
SWPL Adjustments	726,316	706,052	1,432,368	9.35 %	775,782	755,518	1,531,300	9.42 %
PL Adjustments	26,938	26,938	53,876	0.35 %	26,938	26,938	53,876	0.33 %
New Proposals	30,000	30,000	60,000	0.39 %	30,000	30,000	60,000	0.37 %
Total Budget	\$7,668,880	\$7,648,616	\$15,317,496		\$8,135,889	\$8,115,625	\$16,251,514	

Program Biennium Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 18-19	Requested Budget 20-21	Biennium Change	Biennium % Change
Personal Services	838,935	858,347	19,412	2.31 %
Operating Expenses	223,969	336,428	112,459	50.21 %
Equipment & Intangible Assets	3,335	0	(3,335)	(100.00)%
Total Expenditures	\$1,066,239	\$1,194,775	\$128,536	12.06 %
General Fund	1,060,417	1,188,801	128,384	12.11 %
State/Other Special Rev. Funds	5,822	5,974	152	2.61 %
Total Funds	\$1,066,239	\$1,194,775	\$128,536	12.06 %
Total Ongoing	\$1,066,239	\$1,194,775	\$128,536	12.06 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Administration Program staff provide purchasing, accounting, personnel functions, and management of the business affairs for the school.

Program Highlights

Administration Program Major Budget Highlights
<ul style="list-style-type: none"> • The Administration Program's 2021 biennium budget request is approximately \$129,000 or 12.1% higher than the 2019 biennium budget <ul style="list-style-type: none"> ◦ Most of the increase in this program is due to a 50.2% increase in operating expenses, this is due to roughly \$25,000 in audit expenses and fixed cost increases for SITSD services.

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Request Fiscal 2020	Request Fiscal 2021
FTE	0.00	5.00	5.00	5.00	5.00
Personal Services	388,414	417,153	421,782	428,816	429,531
Operating Expenses	100,928	128,632	95,337	181,178	155,250
Equipment & Intangible Assets	3,335	3,335	0	0	0
Total Expenditures	\$492,677	\$549,120	\$517,119	\$609,994	\$584,781
General Fund	489,842	546,285	514,132	607,007	581,794
State/Other Special Rev. Funds	2,835	2,835	2,987	2,987	2,987
Total Funds	\$492,677	\$549,120	\$517,119	\$609,994	\$584,781
Total Ongoing	\$492,677	\$549,120	\$517,119	\$609,994	\$584,781
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Discussion -

FY 2018 Appropriation Compared to FY 2018 Actual Expenditures

The Administration Program spent 89.7% of the FY 2018 general fund appropriation and 89.7% of its approximately \$549,000 in total funds. For FY 2018, 99.4% of the budget was supported by the general fund.

FY 2018 Appropriation Compared to FY 2019 Appropriation

FY 2019 total appropriations are \$32,001, or 5.8% lower than the FY 2018 total appropriation due to audit fees being included in hte FY 2018 appropriation for operating expenses.

The budget also includes increases in personal services to adjust for statewide pay plan, benefits and longevity for 5.00 FTE.

Executive Request

The executive request for the program includes an increase of 12.1% over the previous biennium.

- the executive requests an increase of 50.2% in operating expenses for the 2021 biennium. Most of the increase is for SITSD fixed costs and audit fees.
- Nearly all of the proposed increase is general fund.

Program Personal Services Narrative

The proposed budget for the Administration Program includes \$429,000 total in each year of the 2021 biennium for personal services comprised of general and state special funds. The executive's request includes a 2.3% increase above the FY 2019 base to personal services in the Administration Program totalling roughly \$14,000 of general fund. The primary drivers of this increase are formula based changes and management decisions.

Funding

The following table shows proposed program funding by source of authority.

School For the Deaf & Blind, 01-Administration Program Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	1,188,801	0	0	0	1,188,801	99.50 %	
02050 School Trust Interest/Income	5,974	0	0	0	5,974	100.00 %	
State Special Total	\$5,974	\$0	\$0	\$0	\$5,974	0.50 %	
Federal Special Total	\$0	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$1,194,775	\$0	\$0	\$0	\$1,194,775		

The program is funded almost entirely with general fund. The school also receives interest and income from school trust lands which funds less than one percent of the programs budget.

Program 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 section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	514,132	514,132	1,028,264	86.50 %	517,119	517,119	1,034,238	86.56 %
SWPL Adjustments	92,875	67,662	160,537	13.50 %	92,875	67,662	160,537	13.44 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$607,007	\$581,794	\$1,188,801		\$609,994	\$584,781	\$1,194,775	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2020-----				-----Fiscal 2021-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	7,034	0	0	7,034	0.00	7,749	0	0	7,749
DP 2 - Fixed Costs	0.00	85,841	0	0	85,841	0.00	59,913	0	0	59,913
Grand Total All Present Law Adjustments	0.00	\$92,875	\$0	\$0	\$92,875	0.00	\$67,662	\$0	\$0	\$67,662

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

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Formula based changes
- Personal services management decisions
- Reinstatement of personal services previously reduced
- Modifications made to the personal services budget in the 2019 biennium

DP 2 - Fixed Costs -

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

Program Biennium Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 18-19	Requested Budget 20-21	Biennium Change	Biennium % Change
Personal Services	377,809	407,199	29,390	7.78 %
Operating Expenses	528,467	518,698	(9,769)	(1.85)%
Equipment & Intangible Assets	6,400	0	(6,400)	(100.00)%
Transfers	10,000	2,000	(8,000)	(80.00)%
Debt Service	56,902	56,902	0	0.00 %
Total Expenditures	\$979,578	\$984,799	\$5,221	0.53 %
General Fund	979,565	984,799	5,234	0.53 %
State/Other Special Rev. Funds	13	0	(13)	(100.00)%
Total Funds	\$979,578	\$984,799	\$5,221	0.53 %
Total Ongoing	\$979,578	\$984,799	\$5,221	0.53 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The General Services Program staff are responsible for the general upkeep and maintenance of the school's eight buildings and 18.5 acre campus.

Program Highlights

General Services Program Major Budget Highlights
<ul style="list-style-type: none"> • The General Services Program's 2021 biennium budget request is approximately \$5,000 or 0.5% higher than the 2019 biennium budget • The proposed budget only includes SWPL adjustments

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Request Fiscal 2020	Request Fiscal 2021
FTE	0.00	3.57	3.57	3.57	3.57
Personal Services	165,060	181,041	196,768	203,279	203,920
Operating Expenses	268,503	268,511	259,956	259,949	258,749
Equipment & Intangible Assets	0	6,400	0	0	0
Transfers	9,000	9,000	1,000	1,000	1,000
Debt Service	28,450	28,451	28,451	28,451	28,451
Total Expenditures	\$471,013	\$493,403	\$486,175	\$492,679	\$492,120
General Fund	471,000	493,390	486,175	492,679	492,120
State/Other Special Rev. Funds	13	13	0	0	0
Total Funds	\$471,013	\$493,403	\$486,175	\$492,679	\$492,120
Total Ongoing	\$471,013	\$493,403	\$486,175	\$492,679	\$492,120
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Discussion -*FY 2018 Appropriation Compared to FY 2018 Actual Expenditures*

The General Services Program spent 95.5% of the approximate \$493,000 FY 2018 general fund appropriation. The program is funded almost entirely by general fund.

FY 2018 Appropriation Compared to FY 2019 Appropriation

The FY 2019 appropriation includes increases in personal services to adjust for statewide pay plan, benefits, and longevity for 3.57 FTE that provide general maintenance and upkeep of the school's facilities.

Executive Request

In the 2021 biennium the program is funded entirely by general fund. The executive proposes an increase of less than 1.0%.

Program Personal Services Narrative

The proposed budget for the General Services Program includes roughly \$0.2 million in general fund in each year of the 2021 biennium for personal services. The executive's request includes a 1.3% increase above the FY 2019 base to personal services in the General Services program totalling roughly \$14,000. The primary drivers of this increase are management decisions and proposed reinstatement of personal services.

Funding

The following table shows proposed program funding by source of authority.

School For the Deaf & Blind, 02-General Services Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	984,799	0	0	0	984,799	100.00 %
02050 School Trust Interest/Income	0	0	0	0	0	0.00 %
State Special Total	\$0	\$0	\$0	\$0	\$0	0.00 %
Federal Special Total	\$0	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$984,799	\$0	\$0	\$0	\$984,799	

The program is funded entirely with general fund.

Program 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 section of the Budget Analysis.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	486,175	486,175	972,350	98.74 %	486,175	486,175	972,350	98.74 %
SWPL Adjustments	6,504	5,945	12,449	1.26 %	6,504	5,945	12,449	1.26 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$492,679	\$492,120	\$984,799		\$492,679	\$492,120	\$984,799	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	6,511	0	0	6,511	0.00	7,152	0	0	7,152
DP 2 - Fixed Costs	0.00	(7)	0	0	(7)	0.00	(1,207)	0	0	(1,207)
Grand Total All Present Law Adjustments	0.00	\$6,504	\$0	\$0	\$6,504	0.00	\$5,945	\$0	\$0	\$5,945

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

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Formula based changes
- Personal services management decisions
- Reinstatement of personal services previously reduced
- Modifications made to the personal services budget in the 2019 biennium

DP 2 - Fixed Costs -

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

Program Biennium Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 18-19	Requested Budget 20-21	Biennium Change	Biennium % Change
Personal Services	2,994,530	3,092,364	97,834	3.27 %
Operating Expenses	367,234	376,304	9,070	2.47 %
Equipment & Intangible Assets	2,496	0	(2,496)	(100.00)%
Total Expenditures	\$3,364,260	\$3,468,668	\$104,408	3.10 %
General Fund	3,258,533	3,400,338	141,805	4.35 %
State/Other Special Rev. Funds	60,000	0	(60,000)	(100.00)%
Federal Spec. Rev. Funds	45,727	68,330	22,603	49.43 %
Total Funds	\$3,364,260	\$3,468,668	\$104,408	3.10 %
Total Ongoing	\$3,304,260	\$3,408,668	\$104,408	3.16 %
Total OTO	\$60,000	\$60,000	\$0	0.00 %

Program Description

The Student Services Program provides residential care for children living at the school.

Program Highlights

Student Services Program Major Budget Highlights
<ul style="list-style-type: none"> • The Student Services Program's 2021 biennium budget request is approximately \$104,000 or 3.1% higher than the 2019 biennium budget • In the previous biennium student travel was funded with one-time-only state special funds. DP 5 proposes to fund student travel in the 2021 biennium with one-time-only general fund

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Request Fiscal 2020	Request Fiscal 2021
FTE	0.00	26.70	26.70	26.70	26.70
Personal Services	1,308,498	1,469,712	1,524,818	1,546,094	1,546,270
Operating Expenses	180,075	181,199	186,035	187,924	188,380
Equipment & Intangible Assets	2,496	2,496	0	0	0
Total Expenditures	\$1,491,069	\$1,653,407	\$1,710,853	\$1,734,018	\$1,734,650
General Fund	1,438,507	1,600,845	1,657,688	1,699,853	1,700,485
State/Other Special Rev. Funds	30,000	30,000	30,000	0	0
Federal Spec. Rev. Funds	22,562	22,562	23,165	34,165	34,165
Total Funds	\$1,491,069	\$1,653,407	\$1,710,853	\$1,734,018	\$1,734,650
Total Ongoing	\$1,461,069	\$1,623,407	\$1,680,853	\$1,704,018	\$1,704,650
Total OTO	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000

Program Discussion -*FY 2018 Appropriation Compared to FY 2018 Actual Expenditures*

The Student Services Program spent 89.% of the FY 2018 general fund appropriation and 90.2% of its approximate \$1.7 million in total funds. For FY 2018, 96.8% of the budget was supported by the general fund.

FY 2018 Appropriation Compared to FY 2019 Appropriation

FY 2019 total appropriations are \$1.7 million, which is 3.5% higher than the FY 2018 total appropriation due to increases in personal services to adjust for statewide pay plan, benefits and longevity for 26.7 FTE.

Executive Request

The executive requests an increase for the program of 3.1% over the previous biennium. The increase includes the statewide present law adjustment for personal services and fixed costs.

Program Personal Services Narrative

The proposed budget for the Student Services Program includes \$1.5 million total funds comprised of general fund and federal funds each year of the 2021 biennium for personal services. The executive's request includes a 1.4% increase above the FY 2019 base to personal services in the Student Services program totalling roughly \$21,000 each fiscal year. The primary drivers of this increase are formula based changes and proposed reinstatement of personal services.

Funding

The following table shows proposed program funding by source of authority.

School For the Deaf & Blind, 03-Student Services Funding by Source of Authority							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	3,340,338	60,000	0	0	3,400,338	98.03 %	
02050 School Trust Interest/Income	0	0	0	0	0	0.00 %	
State Special Total	\$0	\$0	\$0	\$0	\$0	0.00 %	
03167 National School Lunch	68,330	0	0	0	68,330	100.00 %	
Federal Special Total	\$68,330	\$0	\$0	\$0	\$68,330	1.97 %	
Proprietary Total	\$0	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$3,408,668	\$60,000	\$0	\$0	\$3,468,668		

The program is funded primarily with general fund appropriations. Federal funds are subsidies provided by the National School Lunch Program.

Program 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 section of the Budget Analysis.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	1,657,688	1,657,688	3,315,376	97.50 %	1,680,853	1,680,853	3,361,706	96.92 %
SWPL Adjustments	12,165	12,797	24,962	0.73 %	23,165	23,797	46,962	1.35 %
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	30,000	30,000	60,000	1.76 %	30,000	30,000	60,000	1.73 %
Total Budget	\$1,699,853	\$1,700,485	\$3,400,338		\$1,734,018	\$1,734,650	\$3,468,668	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----				-----Fiscal 2021-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	10,276	0	11,000	21,276	0.00	10,452	0	11,000	21,452
DP 3 - Inflation Deflation	0.00	1,889	0	0	1,889	0.00	2,345	0	0	2,345
Grand Total All Present Law Adjustments	0.00	\$12,165	\$0	\$11,000	\$23,165	0.00	\$12,797	\$0	\$11,000	\$23,797

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

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary:

- Formula based changes
- Personal services management decisions
- Reinstatement of personal services previously reduced
- Modifications made to the personal services budget in the 2019 biennium

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

New Proposals

The “New Proposals” table shows new changes to spending.

New Proposals	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 5 - Student Travel RST/OTO	0.00	30,000	0	0	30,000	0.00	30,000	0	0	30,000
Total	0.00	\$30,000	\$0	\$0	\$30,000	0.00	\$30,000	\$0	\$0	\$30,000

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

DP 5 - Student Travel RST/OTO -

The MSDB requests \$30,000 one-time-only, restricted, general fund in each year of the 2021 biennium to cover travel costs due to lack of commercial transportation available in Great Falls. Statute requires MSDB to use a carrier certified by the Public Service Commission, in accordance with 20-8-121, MCA, to charter buses to transport children on visits home twice per month. The school used commercial bus transportation until the bus lines ceased to run through Great Falls.

Program Biennium Comparison

The following table compares the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Biennium Comparison				
Budget Item	Appropriated Budget 18-19	Requested Budget 20-21	Biennium Change	Biennium % Change
Personal Services	8,687,106	10,123,804	1,436,698	16.54 %
Operating Expenses	480,259	479,468	(791)	(0.16)%
Equipment & Intangible Assets	7,316	0	(7,316)	(100.00)%
Total Expenditures	\$9,174,681	\$10,603,272	\$1,428,591	15.57 %
General Fund	8,344,139	9,743,558	1,399,419	16.77 %
State/Other Special Rev. Funds	736,081	564,234	(171,847)	(23.35)%
Federal Spec. Rev. Funds	94,461	295,480	201,019	212.81 %
Total Funds	\$9,174,681	\$10,603,272	\$1,428,591	15.57 %
Total Ongoing	\$9,120,805	\$10,549,396	\$1,428,591	15.66 %
Total OTO	\$53,876	\$53,876	\$0	0.00 %

Program Description

The Education Program provides an education for children with hearing and/or sight loss that prevents them from receiving a quality education in their local schools. The Education Program serves visually and hearing impaired children who remain in their local school districts by providing deaf/blind educational support services to the students' local schools. The program also offers "mainstream" programs for on-campus students in a joint effort with the Great Falls Public Schools. Additionally, pursuant to 20-8-102(3), MCA, the school is charged with the responsibility of tracking a child identified as hearing or visually impaired from the time of impairment identification through the child's exit from intervention or educational services.

Program Highlights

Education Program Major Budget Highlights
<ul style="list-style-type: none"> • The Education Program's 2021 biennium budget request is approximately \$1.4 million or 15.6% higher than the 2019 biennium budget • The increase in personal services for the Education Program is the most notable change in the agency for the 2021 biennium and is a result of pay increases which brought teacher compensation to parity with the Great Falls Public School District.

Program Actuals and Budget Comparison

The following table compares FY 2018 actual expenditures to the 2019 biennium appropriated budget and the 2021 biennium budget request by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2018	Approp. Fiscal 2018	Approp. Fiscal 2019	Request Fiscal 2020	Request Fiscal 2021
FTE	0.00	49.69	49.69	49.69	49.69
Personal Services	4,016,026	4,271,750	4,415,356	5,060,446	5,063,358
Operating Expenses	237,777	249,655	230,604	238,752	240,716
Equipment & Intangible Assets	7,316	7,316	0	0	0
Total Expenditures	\$4,261,119	\$4,528,721	\$4,645,960	\$5,299,198	\$5,304,074
General Fund	3,867,279	4,116,508	4,227,631	4,869,341	4,874,217
State/Other Special Rev. Funds	347,120	365,492	370,589	282,117	282,117
Federal Spec. Rev. Funds	46,720	46,721	47,740	147,740	147,740
Total Funds	\$4,261,119	\$4,528,721	\$4,645,960	\$5,299,198	\$5,304,074
Total Ongoing	\$4,241,019	\$4,501,783	\$4,619,022	\$5,272,260	\$5,277,136
Total OTO	\$20,100	\$26,938	\$26,938	\$26,938	\$26,938

Program Discussion -

FY 2018 Appropriation Compared to FY 2018 Actual Expenditures

The Education Program spent 93.9% of the FY 2018 general fund appropriation and 94.1% of its \$4.5 million in total funds. Personal services spending was approximately \$250,000 less than budgeted. For FY 2018, 90.9% of the budget was supported by the general fund, 5.1% state special revenue and 1.0% federal revenues.

FY 2018 Appropriation compared to FY 2019 Appropriation

FY 2019 total appropriations are \$117,000 higher than the FY 2018 total appropriation due to:

- SB 294 pay plan increase in FY 2019 of \$10,000
- The November 2017 Special Session reduced the state share contribution for employee insurance benefits by \$80,000 in FY 2018
- Program transfers in FY 2018 moved personal services to operating expenses in order to hire interpreters and cover shortfalls at fiscal year end

The budget also includes increases to personal services to adjust for statewide pay plan, benefits, and longevity for 49.69 FTE.

Executive Request

In the 2021 biennium the Executive requests an increase of 15.6% to the Education Program's budget. The increase is due to the statewide present law adjustments for personal services and inflation/deflation. The executive also has a present law adjustment for extra-curricular stipends.

LFD COMMENT	For several years the School for the Deaf and Blind has reverted significant portions of its personal services budget due to issues with recruiting and retention. The school has also had to compete with the Great Falls School District for qualified teachers while not having competitive pay. At the end of FY 2018 the Governor's Office approved salary increases for MSDB teaching positions to bring them up to parity with Great Falls Public Schools. This change increases the budget for all FTE including vacant positions.
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Program Personal Services Narrative

The proposed budget for the Education Program includes \$5.1 million in total funds comprised of general fund, state special funds and federal funds in each year of the 2021 biennium for personal services. The executive's request includes a 14.6% increase above the FY 2019 base to personal services in the Education Program totalling roughly \$1.3 million in the 2021 biennium. The primary drivers of this increase are formula based changes and management decisions.

Funding

The following table shows proposed program funding by source of authority.

School For the Deaf & Blind, 04-Education Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	9,689,682	53,876	0	0	9,743,558	91.89 %
02050 School Trust Interest/Income	564,234	0	0	0	564,234	100.00 %
02243 Medicaid	0	0	0	0	0	0.00 %
State Special Total	\$564,234	\$0	\$0	\$0	\$564,234	5.32 %
03012 E.C.I.A. Chapter I	95,480	0	0	0	95,480	32.31 %
03064 EHA Part B	200,000	0	0	0	200,000	67.69 %
03235 DPHHS Grant - Outreach	0	0	0	0	0	0.00 %
Federal Special Total	\$295,480	\$0	\$0	\$0	\$295,480	2.79 %
Proprietary Total	\$0	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$10,549,396	\$53,876	\$0	\$0	\$10,603,272	

The Outreach Program is funded almost entirely with general fund. The Residential Education Program is funded primarily with general fund, with additional funding from the school's trust lands, Medicaid reimbursement for services provided to students who qualify for Medicaid, and federal funds designated for the assistance of state and local educational agencies to meet the special educational needs of educationally deprived children.

Program 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 section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget	Budget Fiscal 2020	Budget Fiscal 2021	Biennium Fiscal 20-21	Percent of Budget
2019 Base Budget	4,227,631	4,227,631	8,455,262	86.78 %	4,619,022	4,619,022	9,238,044	87.12 %
SWPL Adjustments	614,772	619,648	1,234,420	12.67 %	653,238	658,114	1,311,352	12.37 %
PL Adjustments	26,938	26,938	53,876	0.55 %	26,938	26,938	53,876	0.51 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$4,869,341	\$4,874,217	\$9,743,558		\$5,299,198	\$5,304,074	\$10,603,272	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2019 base appropriation to the budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2020-----					-----Fiscal 2021-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	606,624	(61,534)	100,000	645,090	0.00	609,536	(61,534)	100,000	648,002
DP 3 - Inflation Deflation	0.00	8,148	0	0	8,148	0.00	10,112	0	0	10,112
DP 4 - Extra-curricular stipends RST/OTO	0.00	26,938	0	0	26,938	0.00	26,938	0	0	26,938
Grand Total All Present Law Adjustments	0.00	\$641,710	(\$61,534)	\$100,000	\$680,176	0.00	\$646,586	(\$61,534)	\$100,000	\$685,052

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

DP 1 - Personal Services -

The executive requests adjustments to the present law personal services budget. This request has been broken into the following categories, and further detail is shown in the agency summary

- Formula based changes
- Personal services management decisions
- Reinstatement of personal services previously reduced
- Modifications made to the personal services budget in the 2019 biennium

The budget includes an increase of \$645,090 in FY 2020 and an increase of \$648,002 in FY 2021 to annualize various personal service costs to include FY 2019 statewide pay plan adjustments, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the snapshot. MSDB is statutorily exempt from vacancy savings.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

DP 4 - Extra-curricular stipends RST/OTO -

MSDB requests one-time-only revenue of \$26,938 in each year of the 2021 biennium restricted for stipends to be paid to staff sponsoring and interpreting extra-curricular activities such as sports, clubs, and class meetings.