

**Agency Budget Comparison**

The following table compares the 2021 biennium appropriated budget and the 2023 biennium adopted budget by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	512,109	518,200	6,091	1.19 %
Operating Expenses	191,118	256,467	65,349	34.19 %
<b>Total Expenditures</b>	<b>\$703,227</b>	<b>\$774,667</b>	<b>\$71,440</b>	<b>10.16 %</b>
General Fund	333,420	402,845	69,425	20.82 %
State/Other Special Rev. Funds	369,807	371,822	2,015	0.54 %
<b>Total Funds</b>	<b>\$703,227</b>	<b>\$774,667</b>	<b>\$71,440</b>	<b>10.16 %</b>
<b>Total Ongoing</b>	<b>\$703,227</b>	<b>\$728,045</b>	<b>\$24,818</b>	<b>3.53 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$46,622</b>	<b>\$46,622</b>	<b>100.00 %</b>

**Agency Description**

The Montana Constitution created and empowered the Board of Public Education (BPE) 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**

<b>Board of Public Education Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The legislature adopted an increase to the Board of Public Education's total biennial appropriation of approximately \$71,000 or 10.2% compared to the 2021 biennium appropriation. Changes include:                             <ul style="list-style-type: none"> <li>◦ Increases in general fund for statewide present law adjustments for personal services and fixed costs</li> <li>◦ A small decrease in general fund for the statewide present law adjustment for inflation/deflation</li> <li>◦ A one-time-only increase in general fund for a new proposal for legal costs</li> </ul> </li> </ul>

**Agency Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	3.00	3.00	3.00	3.00
Personal Services	239,489	254,309	257,800	256,677	261,523
Operating Expenses	61,382	103,488	87,630	136,854	119,613
<b>Total Expenditures</b>	<b>\$300,871</b>	<b>\$357,797</b>	<b>\$345,430</b>	<b>\$393,531</b>	<b>\$381,136</b>
General Fund	158,706	173,901	159,519	207,620	195,225
State/Other Special Rev. Funds	142,165	183,896	185,911	185,911	185,911
<b>Total Funds</b>	<b>\$300,871</b>	<b>\$357,797</b>	<b>\$345,430</b>	<b>\$393,531</b>	<b>\$381,136</b>
<b>Total Ongoing</b>	<b>\$300,871</b>	<b>\$357,797</b>	<b>\$345,430</b>	<b>\$371,909</b>	<b>\$356,136</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,622</b>	<b>\$25,000</b>

**Summary of Legislative Action**

The legislature adopted an increase to the Board of Public Education’s total biennial appropriation of approximately \$71,000 or 10.2% compared to the 2021 biennium appropriation. Legislative increases to the agency’s budget include:

- Increases in general fund for the statewide present law adjustments for personal services and fixed costs, and inflation/deflation
- A one-time-only increase in general fund for a new proposal for legal costs

The increases to the budget were partially offset by decreases adopted by the legislature, which include:

- A small decrease in general fund for the statewide present law adjustments for inflation/deflation
- A one-time-only reduction in general fund for a two-month state share holiday for the employer paid portion for health insurance (in coordination with SB 110)
- A small decrease in fixed costs for warehouses, storage rooms, and information technology

**Funding**

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

Total Board of Public Education Funding by Source of Authority 2023 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	356,223	46,622	0	0	402,845	52.00 %
State Special Total	371,822	0	0	0	371,822	48.00 %
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 %
<b>Total All Funds</b>	<b>\$728,045</b>	<b>\$46,622</b>	<b>\$0</b>	<b>\$0</b>	<b>\$774,667</b>	
<b>Percent - Total All Sources</b>	<b>93.98 %</b>	<b>6.02 %</b>	<b>0.00 %</b>	<b>0.00 %</b>		

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

*HB 2 Funding*

The BPE is funded through a combination of general fund and state special revenue funds. Generally, slightly less than one-half of the budget is funded with general fund. State special revenue makes up the remainder and is provided by teacher certification fees of \$6.00 per year. By statute, these fees are collected by the Office of Public Instruction (OPI) and deposited into two accounts: two-thirds of the fees are deposited in the advisory council state special revenue account,

which supports the activities of The Certification Standards and Practices Advisory Council (CSPAC), and one-third is deposited into the research fund and used to fund the statutory duties of the BPE and CSPAC. All revenue to the advisory council fund is expended each year before general fund is expended. As originally created, the research fund was to be a reserve for special projects. However, statute now allows for the appropriation of a portion of the fund for operations with the balance reserved for special projects.

**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 Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget	Budget Fiscal 2022	Budget Fiscal 2023	Biennium Fiscal 22-23	Percent of Budget
2021 Base Budget	159,519	159,519	319,038	79.20 %	345,430	345,430	690,860	89.18 %
SWPL Adjustments	26,501	10,728	37,229	9.24 %	26,501	10,728	37,229	4.81 %
PL Adjustments	(22)	(22)	(44)	(0.01)%	(22)	(22)	(44)	(0.01)%
New Proposals	21,622	25,000	46,622	11.57 %	21,622	25,000	46,622	6.02 %
<b>Total Budget</b>	<b>\$207,620</b>	<b>\$195,225</b>	<b>\$402,845</b>		<b>\$393,531</b>	<b>\$381,136</b>	<b>\$774,667</b>	

**Other Legislation**

The major changes to BPE funding for the 2023 biennium were included in HB 2. The following list only includes bills that affect funding:

**HB 2** – HB 2 contains the majority of the appropriations for BPE.

**HB 13** – HB 13 implements the state employee pay plan for the 2023 biennium.

**SB 110** – SB 110 suspends the employer contribution to the state employee group benefit plan and the Montana university group benefit plan for a period of up to two months in FY 2022. Savings are generated due to employer contributions not being made for this two-month period.

**Executive Budget Comparison**

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2021	Executive Budget Fiscal 2022	Legislative Budget Fiscal 2022	Leg — Exec. Difference Fiscal 2022	Executive Budget Fiscal 2023	Legislative Budget Fiscal 2023	Leg — Exec. Difference Fiscal 2023	Biennium Difference Fiscal 22-23
FTE	3.00	3.00	3.00	0.00	3.00	3.00	0.00	0.00
Personal Services	257,800	256,677	256,677	0	261,523	261,523	0	0
Operating Expenses	87,630	146,876	136,854	(10,022)	129,635	119,613	(10,022)	(20,044)
<b>Total Costs</b>	<b>\$345,430</b>	<b>\$403,553</b>	<b>\$393,531</b>	<b>(\$10,022)</b>	<b>\$391,158</b>	<b>\$381,136</b>	<b>(\$10,022)</b>	<b>(\$20,044)</b>
General Fund	159,519	238,553	207,620	(30,933)	226,158	195,225	(30,933)	(61,866)
State/other Special Rev. Funds	185,911	165,000	185,911	20,911	165,000	185,911	20,911	41,822
<b>Total Funds</b>	<b>\$345,430</b>	<b>\$403,553</b>	<b>\$393,531</b>	<b>(\$10,022)</b>	<b>\$391,158</b>	<b>\$381,136</b>	<b>(\$10,022)</b>	<b>(\$20,044)</b>
<b>Total Ongoing</b>	<b>\$345,430</b>	<b>\$406,931</b>	<b>\$371,909</b>	<b>(\$35,022)</b>	<b>\$391,158</b>	<b>\$356,136</b>	<b>(\$35,022)</b>	<b>(\$70,044)</b>
<b>Total OTO</b>	<b>\$0</b>	<b>(\$3,378)</b>	<b>\$21,622</b>	<b>\$25,000</b>	<b>\$0</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$50,000</b>

The legislature adopted a budget that is approximately \$20,000 lower than the proposed executive budget for the 2023 biennium. There are three notable differences in the legislative budget as compared to the executive budget:

- The legislature added a one-time-only designation to a new proposal for legal fees
- The legislature did not approve an increase in general fund for a new proposal for operations funding
- The legislature did not approve a fund switch to reduce state special revenue and increase general fund the same amount

**Program Actuals and Budget Comparison**

The following table compares FY 2020 actual expenditures to the 2021 biennium appropriated budget and the 2023 biennium adopted budget by year, type of expenditure, and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2020	Approp. Fiscal 2020	Approp. Fiscal 2021	Legislative Fiscal 2022	Legislative Fiscal 2023
FTE	0.00	3.00	3.00	3.00	3.00
Personal Services	239,489	254,309	257,800	256,677	261,523
Operating Expenses	61,382	103,488	87,630	136,854	119,613
<b>Total Expenditures</b>	<b>\$300,871</b>	<b>\$357,797</b>	<b>\$345,430</b>	<b>\$393,531</b>	<b>\$381,136</b>
General Fund	158,706	173,901	159,519	207,620	195,225
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<b>Total Funds</b>	<b>\$300,871</b>	<b>\$357,797</b>	<b>\$345,430</b>	<b>\$393,531</b>	<b>\$381,136</b>
<b>Total Ongoing</b>	<b>\$300,871</b>	<b>\$357,797</b>	<b>\$345,430</b>	<b>\$371,909</b>	<b>\$356,136</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,622</b>	<b>\$25,000</b>

**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 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	2,255	0	0	2,255	0.00	3,723	0	0	3,723
DP 2 - Fixed Costs	0.00	24,257	0	0	24,257	0.00	7,012	0	0	7,012
DP 3 - Inflation Deflation	0.00	(11)	0	0	(11)	0.00	(7)	0	0	(7)
DP 50 - SWPLA Fixed Cost Reductions	0.00	(22)	0	0	(22)	0.00	(22)	0	0	(22)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$26,479</b>	<b>\$0</b>	<b>\$0</b>	<b>\$26,479</b>	<b>0.00</b>	<b>\$10,706</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,706</b>

\*\*"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 approved adjustments to annualize various personal services costs including FY 2021 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

DP 2 - Fixed Costs -

The legislature approved adjustments to provide the funding required in the budget to pay fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

DP 3 - Inflation Deflation -

The legislature approved adjustments to reflect budgetary changes generated from the application of inflation to specific expenditure accounts. Affected accounts include those associated with the statewide Motor Pool operated by the Department of Transportation.

DP 50 - SWPLA Fixed Cost Reductions -

The legislature reduced fixed costs for warehouses, storage rooms, and information technology.

**New Proposals**

The New Proposals table shows new changes to spending

New Proposals	-----Fiscal 2022-----					-----Fiscal 2023-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 10 - Legal Fees (RST/BIEN/OTO)	0.00	25,000	0	0	25,000	0.00	25,000	0	0	25,000
DP 5555 - Reduce GF Budget for State Share Holiday (OTO)	0.00	(3,378)	0	0	(3,378)	0.00	0	0	0	0
<b>Total</b>	<b>0.00</b>	<b>\$21,622</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,622</b>	<b>0.00</b>	<b>\$25,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$25,000</b>

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

DP 10 - Legal Fees (RST/BIEN/OTO) -

The legislature approved a restricted, biennial, one-time-only increase in general fund for legal fees for the 2023 biennium. The Board conducts hearings on educator licenses and revisions to Administrative Rules, which require legal services.

DP 5555 - Reduce GF Budget for State Share Holiday (OTO) -

The legislature approved the removal of the general fund portion of the savings generated by the contribution holiday from the budget (in coordination with SB 110). Savings from other funding sources will remain in the agency to be able to address ongoing functions of the agency.