

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	25,890,629	26,719,751	829,122	3.20 %
Operating Expenses	29,975,216	31,126,517	1,151,301	3.84 %
Local Assistance	1,673,270,544	1,781,829,653	108,559,109	6.49 %
Grants	312,459,302	314,630,102	2,170,800	0.69 %
Benefits & Claims	0	22,136,060	22,136,060	0.00 %
Transfers	5,076,708	5,306,695	229,987	4.53 %
Total Expenditures	\$2,046,672,399	\$2,181,748,778	\$135,076,379	6.60 %
General Fund	1,692,679,248	1,802,777,152	110,097,904	6.50 %
State/Other Special Rev. Funds	8,321,718	31,794,222	23,472,504	282.06 %
Federal Spec. Rev. Funds	345,671,433	347,177,404	1,505,971	0.44 %
Total Funds	\$2,046,672,399	\$2,181,748,778	\$135,076,379	6.60 %
Total Ongoing	\$2,046,672,399	\$2,157,957,477	\$111,285,078	5.44 %
Total OTO	\$0	\$23,791,301	\$23,791,301	100.00 %

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Agency Highlights

Office of Public Instruction Major Budget Highlights
<ul style="list-style-type: none"> • The Office of Public Instruction’s 2023 biennium ongoing budget request is approximately \$135.1 million or 6.6% higher than the 2021 biennium budget. Major budget changes include: <ul style="list-style-type: none"> ◦ Increases in general fund for K-12 BASE aid inflation, which has been adjusted to account for a change in the inflationary rate and for a decline in enrollment associated with the COVID-19 pandemic ◦ An increase in general fund to incentivize increasing starting teacher pay in Montana ◦ An increase in general fund to offset decreases in the guarantee account ◦ An increase in general fund for the natural resource development (NRD) K-12 facilities payment ◦ Increases in general fund for the advanced opportunities and transformational learning grant programs ◦ An increase in general fund for the Montana Indian Language Preservation Program, which will be transferred to OPI from the Department of Commerce ◦ Increases in general fund for the Montana Digital Academy, including an inflationary increase and funding for several additional titles ◦ Increases in general fund and state special revenue for Comprehensive School and Community Treatment (CSCT)

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	152.27	152.27	153.27	153.27
Personal Services	11,708,366	12,846,313	13,044,316	13,278,629	13,441,122
Operating Expenses	13,849,411	14,966,166	15,009,050	15,547,301	15,579,216
Local Assistance	817,828,634	824,543,690	848,726,854	870,042,340	911,787,313
Grants	152,733,986	155,756,751	156,702,551	157,315,051	157,315,051
Benefits & Claims	0	0	0	11,177,808	10,958,252
Transfers	2,720,236	2,558,368	2,518,340	2,758,235	2,548,460
Total Expenditures	\$998,840,633	\$1,010,671,288	\$1,036,001,111	\$1,070,119,364	\$1,111,629,414
General Fund	828,559,717	835,780,228	856,899,020	881,782,657	920,994,495
State/Other Special Rev. Funds	2,514,928	2,613,412	5,708,306	14,755,959	17,038,263
Federal Spec. Rev. Funds	167,765,988	172,277,648	173,393,785	173,580,748	173,596,656
Total Funds	\$998,840,633	\$1,010,671,288	\$1,036,001,111	\$1,070,119,364	\$1,111,629,414
Total Ongoing	\$998,840,633	\$1,010,671,288	\$1,036,001,111	\$1,058,073,085	\$1,099,884,392
Total OTO	\$0	\$0	\$0	\$12,046,279	\$11,745,022

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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	152.27	153.27	153.27	0.00	153.27	153.27	0.00	0.00
Personal Services	13,044,316	13,000,567	13,278,629	278,062	13,162,376	13,441,122	278,746	556,808
Operating Expenses	15,009,050	15,543,066	26,725,109	11,182,043	15,583,060	26,537,468	10,954,408	22,136,451
Local Assistance	848,726,854	878,239,203	870,042,340	(8,196,863)	910,550,175	911,787,313	1,237,138	(6,959,725)
Grants	156,702,551	156,702,551	157,315,051	612,500	156,702,551	157,315,051	612,500	1,225,000
Transfers	2,518,340	2,518,340	2,758,235	239,895	2,518,340	2,548,460	30,120	270,015
Total Costs	\$1,036,001,111	\$1,066,003,727	\$1,070,119,364	\$4,115,637	\$1,098,516,502	\$1,111,629,414	\$13,112,912	\$17,228,549
General Fund	856,899,020	886,743,231	881,782,657	(4,960,574)	918,967,659	920,994,495	2,026,836	(2,933,738)
State/other Special Rev. Funds	5,708,306	5,810,455	14,755,959	8,945,504	6,076,880	17,038,263	10,961,383	19,906,887
Federal Spec. Rev. Funds	173,393,785	173,450,041	173,580,748	130,707	173,471,963	173,596,656	124,693	255,400
Total Funds	\$1,036,001,111	\$1,066,003,727	\$1,070,119,364	\$4,115,637	\$1,098,516,502	\$1,111,629,414	\$13,112,912	\$17,228,549
Total Ongoing	\$1,036,001,111	\$1,071,627,637	\$1,058,073,085	(\$13,554,552)	\$1,098,516,502	\$1,099,884,392	\$1,367,890	(\$12,186,662)
Total OTO	\$0	(\$5,623,910)	\$12,046,279	\$17,670,189	\$0	\$11,745,022	\$11,745,022	\$29,415,211

The legislature adopted a budget that is approximately \$17.2 million higher than the proposed executive budget for the 2023 biennium. There are several notable differences in the legislative budget as compared to the executive budget:

- A reduced increase for K-12 BASE Aid inflation due to adjustments to the inflation rates (as amended into HB 15) and reduced enrollment related to the COVID-19 pandemic
- Reduced increases for the at-risk student payment, transformational learning aid, and advanced opportunities aid due to adjustments to the inflation rates (as amended into HB 15)
- A reduced increase in general fund to offset decreases in the guarantee account. The amount was adjusted to align the guarantee account estimate with HJ 2
- Reduced increases in state tuition payments and in-state treatment, which have been adjusted in coordination with HB 206. HB 206 modifies the tuition rates paid by the district of residence for out of district placements and clarifies how the educational costs will be paid for children placed in in-state treatment facilities
- An increase for the Indian Language Immersion Program and an increase to move the Montana Indian Language Preservation Program from the Department of Commerce to OPI
- Increases for the Montana Digital Academy to adjust for inflation and to create additional course titles, including several Indian language courses
- An increase in personal services due to a reduction in vacancy savings for OPI from 4.0% to 2.0%
- An increase for Comprehensive School and Community Treatment (CSCT)
- Increases to implement the costs of HB 303 and SB 305 in HB 2

Funding

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

Total Office of Public Instruction Funding by Source of Authority 2023 Biennium Budget Request - Office of Public Instruction						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	1,798,886,333	3,890,819	0	0	1,802,777,152	79.21 %
State Special Total	11,893,740	19,900,482	0	87,300,573	119,094,795	5.23 %
Federal Special Total	347,177,404	0	0	0	347,177,404	15.25 %
Proprietary Total	0	0	6,923,003	0	6,923,003	0.30 %
Other Total	0	0	0	0	0	0.00 %
Total All Funds	\$2,157,957,477	\$23,791,301	\$6,923,003	\$87,300,573	\$2,275,972,354	
Percent - Total All Sources	94.81 %	1.05 %	0.30 %	3.84 %		

HB 2 Funding

General Fund

General fund accounts for a majority of spending for OPI, and nearly all general fund dollars are passed through to local school districts, primarily as K-12 BASE aid.

State Special Revenue

The school facility and technology account supports state subsidies for school debt service from facilities bonds, technological improvements, and other infrastructure and facility needs. The school facility and technology account is funded from hydroelectric power site rent under the provisions of 77-4-208(2), MCA and timber harvest income from school trust lands under the provisions of 20-9-516(2)(a), MCA. The school facility state special revenue account 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. State special for the School Lunch Program are generated through reimbursements for the costs of shipping, handling, and other related costs of school food commodities used in the program. The traffic & safety education state special revenue account funds traffic education programs in Montana schools. Traffic and safety education revenues are generated from a percentage of drivers' license and commercial drivers' license fees.

Federal Special Revenue

OPI receives federal grants that support public education, school nutrition, education for the disadvantaged, special education, professional development for educators, and various other functions.

Statutory Funding

The guarantee account is a state special revenue fund dedicated to school funding, and its funds are usually statutorily appropriated. 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. Revenues from the guarantee account offset general fund received by OPI.

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	856,899,020	856,899,020	1,713,798,040	95.06 %	1,036,001,111	1,036,001,111	2,072,002,222	94.97 %
SWPL Adjustments	390,196	404,845	795,041	0.04 %	(15,399)	21,597	6,198	0.00 %
PL Adjustments	20,082,428	58,865,127	78,947,555	4.38 %	20,280,409	59,322,951	79,603,360	3.65 %
New Proposals	4,411,013	4,825,503	9,236,516	0.51 %	13,853,243	16,283,755	30,136,998	1.38 %
Total Budget	\$881,782,657	\$920,994,495	\$1,802,777,152		\$1,070,119,364	\$1,111,629,414	\$2,181,748,778	

Language and Statutory Authority

If HB 46 is passed and approved, the appropriation for Special Education becomes part of K-12 BASE Aid.

The Office of Public Instruction may distribute funds from the appropriation for In-State Treatment to public school districts for the purpose of providing educational costs of children with significant behavioral or physical needs.

All revenue up to \$1.3 million in the traffic education account for distribution to schools under the provisions of 20-7-506 and 61-5-121 is appropriated as provided in Title 20, chapter 7, part 5.

All appropriations for federal special revenue programs in state level activities and in local education activities are biennial. All general fund appropriations in local education activities are biennial, except Major Maintenance Aid, Debt Service Assistance, and Incentivize Increase in Starting Teacher Pay.

The Major Maintenance Aid and Debt Service Assistance restricted line item appropriation is restricted to the major maintenance aid program established in 20-9-525 unless funding requirements for the program are less than the available funds. Any remaining appropriation authority from the restricted appropriations may be used to augment the appropriations for debt service assistance established in 20-9-367."

Incentivize Increase in Starting Teacher Pay is part of K-12 BASE Aid.

If HB 303 is not passed and approved, K-12 BASE Aid is decreased by \$1,040,828 general fund in FY 2022 and \$1,244,592 general fund in FY 2023.

If HB 206 is not passed and approved, State Tuition Payments are increased by \$214,944 general fund in FY 2022 and \$220,649 general fund in FY 2023.

If HB 206 is not passed and approved, In-State Treatment is increased by \$477,893 general fund in FY 2022 and \$450,724 general fund in FY 2023.

Program 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.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Personal Services	25,890,629	26,719,751	829,122	3.20 %
Operating Expenses	27,288,330	28,323,743	1,035,413	3.79 %
Grants	94,200	1,425,000	1,330,800	1,412.74 %
Transfers	4,021,000	4,291,015	270,015	6.72 %
Total Expenditures	\$57,294,159	\$60,759,509	\$3,465,350	6.05 %
General Fund	21,597,790	24,471,147	2,873,357	13.30 %
State/Other Special Rev. Funds	495,718	581,740	86,022	17.35 %
Federal Spec. Rev. Funds	35,200,651	35,706,622	505,971	1.44 %
Total Funds	\$57,294,159	\$60,759,509	\$3,465,350	6.05 %
Total Ongoing	\$57,294,159	\$59,178,584	\$1,884,425	3.29 %
Total OTO	\$0	\$1,580,925	\$1,580,925	100.00 %

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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	152.27	152.27	153.27	153.27
Personal Services	11,708,366	12,846,313	13,044,316	13,278,629	13,441,122
Operating Expenses	12,476,413	13,593,167	13,695,163	14,158,414	14,165,329
Grants	86,200	94,200	0	712,500	712,500
Transfers	2,000,500	2,010,500	2,010,500	2,250,395	2,040,620
Total Expenditures	\$26,271,479	\$28,544,180	\$28,749,979	\$30,399,938	\$30,359,571
General Fund	10,724,163	10,755,511	10,842,279	12,263,852	12,207,295
State/Other Special Rev. Funds	147,928	246,412	249,306	290,729	291,011
Federal Spec. Rev. Funds	15,399,388	17,542,257	17,658,394	17,845,357	17,861,265
Total Funds	\$26,271,479	\$28,544,180	\$28,749,979	\$30,399,938	\$30,359,571
Total Ongoing	\$26,271,479	\$28,544,180	\$28,749,979	\$29,569,013	\$29,609,571
Total OTO	\$0	\$0	\$0	\$830,925	\$750,000

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Funding

HB 2 Funding

General Fund

General funds support about one third of the State Level Activities Program budget, with the remainder supported by state special revenue, federal special revenue, and proprietary funds.

State Special Revenue

State special revenues fund the School Lunch Program and the Traffic and Safety Education Program. Revenues for the School Lunch Program are generated through reimbursements for the costs of shipping, handling, and other related costs of school food commodities used in the program. Traffic and Safety Education revenues are generated through a percentage of driver’s license fees.

Federal Special Revenue

Federal funds support just over half of the Office of Public Instruction's total budget authority.

Statutory Funding

Statutory appropriations are SB 410 donations to public schools and student scholarship organizations.

Non-Budgeted Proprietary Funding

Proprietary funds are used for the indirect cost pool and the advanced drivers’ education program. For a detailed discussion of programs funded through proprietary funds, see the discussion on proprietary rates.

Program 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	10,842,279	10,842,279	21,684,558	88.61 %	28,749,979	28,749,979	57,499,958	94.64 %
SWPL Adjustments	390,196	404,845	795,041	3.25 %	(15,399)	21,597	6,198	0.01 %
PL Adjustments	110,816	109,578	220,394	0.90 %	244,797	237,402	482,199	0.79 %
New Proposals	920,561	850,593	1,771,154	7.24 %	1,420,561	1,350,593	2,771,154	4.56 %
Total Budget	\$12,263,852	\$12,207,295	\$24,471,147		\$30,399,938	\$30,359,571	\$60,759,509	

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.

Present Law Adjustments										
	-----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	296,816	29,339	(827,593)	(501,438)	0.00	310,763	29,625	(809,155)	(468,767)
DP 2 - Fixed Costs	0.00	94,844	9,160	392,645	496,649	0.00	95,001	9,168	392,852	497,021
DP 3 - Inflation Deflation	0.00	(1,464)	(350)	(8,796)	(10,610)	0.00	(919)	(219)	(5,519)	(6,657)
DP 50 - SWPLA Fixed Cost Reductions	0.00	(2,501)	(245)	(10,519)	(13,265)	0.00	(4,026)	(394)	(16,924)	(21,344)
DP 623 - Change OPI Vacancy Savings from 4% to 2%	0.00	113,317	3,519	141,226	258,062	0.00	113,604	3,525	141,617	258,746
Grand Total All Present Law Adjustments	0.00	\$501,012	\$41,423	(\$313,037)	\$229,398	0.00	\$514,423	\$41,705	(\$297,129)	\$258,999

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

DP 1 - Personal Services -

The budget includes 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 made 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.

DP 3 - Inflation Deflation -

The legislature made 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 50 - SWPLA Fixed Cost Reductions -

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

DP 623 - Change OPI Vacancy Savings from 4% to 2% -

The legislature approved a reduction in vacancy savings from 4.0% to 2.0% for the Office of Public Instruction.

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 603 - Fully Fund Audiological Services	0.00	25,460	0	0	25,460	0.00	36,129	0	0	36,129
DP 604 - Federal Grant Award Adjustments	0.00	0	0	500,000	500,000	0.00	0	0	500,000	500,000
DP 612 - Indirect Cost Base Adjustment	0.00	0	0	0	0	0.00	0	0	0	0
DP 614 - CTE FTE for HB 351/HB 387	1.00	86,764	0	0	86,764	1.00	86,827	0	0	86,827
DP 616 - NRIS/GIS Fixed Costs	0.00	517	0	0	517	0.00	517	0	0	517
DP 617 - MTDA Inflationary Increase for Technology (RST/BIEN)	0.00	29,895	0	0	29,895	0.00	30,120	0	0	30,120
DP 618 - MTDA Additional Titles (RST/BIEN/OTO)	0.00	130,000	0	0	130,000	0.00	0	0	0	0
DP 620 - MTDA Indian Language Titles (RST/BIEN/OTO)	0.00	80,000	0	0	80,000	0.00	0	0	0	0
DP 624 - MT Indian Language Preservation (RST/BIEN/OTO)	0.00	750,000	0	0	750,000	0.00	750,000	0	0	750,000
DP 913 - Separate CTSO Funding; Move FFA Funding to CTSO	0.00	(53,000)	0	0	(53,000)	0.00	(53,000)	0	0	(53,000)
DP 5555 - Reduce GF Budget for State Share Holiday (OTO)	0.00	(129,075)	0	0	(129,075)	0.00	0	0	0	0
Total	1.00	\$920,561	\$0	\$500,000	\$1,420,561	1.00	\$850,593	\$0	\$500,000	\$1,350,593

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

DP 603 - Fully Fund Audiological Services -

The legislature increased general fund for operating expenses to fund the activities in 20-7-403(12), MCA, which requires the superintendent to contract for audiological services for children throughout Montana. The amount increases the base funding each year to the amount actually expended in FY 2020. In addition, an inflation adjustment of 2.0% per year is provided to keep up with ongoing audiological cost rates and stable funding for the required equipment calibration and repairs.

DP 604 - Federal Grant Award Adjustments -

The legislature provided federal special revenue for personal services to support a part-time modified FTE. Changes in state and federal law do not allow the agency to contract for services as in previous years, and the state personal services funding process does not reinstate personal services expenditures for these workers.

DP 612 - Indirect Cost Base Adjustment -

The legislature increased operating expenses for fixed costs charged to the indirect cost pool. The indirect cost pool is an internal service proprietary fund used to allocate various centralized services costs such as payroll, accounting, or budgeting to all of OPI's State Level Activities Program state and federally funded programs, using a federally pre-approved indirect cost rate.

DP 614 - CTE FTE for HB 351/HB 387 -

The legislature provided general fund to support 1.00 FTE to administer the transformational learning and advanced opportunity programs established in the 2019 Legislative Session.

DP 616 - NRIS/GIS Fixed Costs -

The 2019 Legislature enacted HB 633 requiring the Legislative Finance Committee (LFC) to conduct a study of the funding of digital library services. The LFC recommended that the Office of Budget and Program Planning include an assessment for the natural resource information system (NRIS) and the geographic information system (GIS) as a fixed cost to state agencies beginning in the 2023 biennium. The assessment is made to those agencies that utilize the NRIS/GIS.

DP 617 - MTDA Inflationary Increase for Technology (RST/BIEN) -

The legislature approved a restricted, biennial appropriation of general fund for an inflationary increase for technology in the Montana Digital Academy.

DP 618 - MTDA Additional Titles (RST/BIEN/OTO) -

The legislature provided a restricted, biennial, one-time-only appropriation of general fund for developing thirteen additional titles within the Montana Digital Academy in FY 2022.

DP 620 - MTDA Indian Language Titles (RST/BIEN/OTO) -

The legislature approved a restricted, biennial, one-time-only appropriation of general fund for Native American and cultural courses in the Montana Digital Academy, as outlined in HB 286.

DP 624 - MT Indian Language Preservation (RST/BIEN/OTO) -

The legislature approved a restricted, biennial, one-time-only general fund increase for the Montana Indian Language Preservation Program (MILP). The program was previously housed in the Department of Commerce, but is being transferred to the Office of Public Instruction. The MILP was established to address the rapid language loss of Native American languages in the state and to preserve this rich aspect of Montana and tribal heritage. Each tribal nation develops and makes accessible curricula, audio, and video recordings and reference materials to assist in preserving and perpetuating Indian languages.

DP 913 - Separate CTSO Funding: Move FFA Funding to CTSO -

The legislature reduced Career and Technical Education (CTE) state match distribution and increased by the same amount Career and Technical Student Organizations (CTSO) to clarify the appropriations. Historically, this has been paid to the Future Farmers of America (FFA), a CTSO organization, to pay for the FFA executive director. This change combines all CTSO funding and separates it from the CTE state match appropriation. The net effect of this change package between OPI's programs is zero.

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. Savings from other funding sources will remain in the agency to be able to address ongoing functions of the agency. This change package is contingent on passage and approval of the proposed legislation.

Program 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.

Program Budget Comparison				
Budget Item	Appropriated Budget 20-21	Legislative Budget 22-23	Biennium Change	Biennium % Change
Operating Expenses	2,686,886	2,802,774	115,888	4.31 %
Local Assistance	1,673,270,544	1,781,829,653	108,559,109	6.49 %
Grants	312,365,102	313,205,102	840,000	0.27 %
Benefits & Claims	0	22,136,060	22,136,060	0.00 %
Transfers	1,055,708	1,015,680	(40,028)	(3.79)%
Total Expenditures	\$1,989,378,240	\$2,120,989,269	\$131,611,029	6.62 %
General Fund	1,671,081,458	1,778,306,005	107,224,547	6.42 %
State/Other Special Rev. Funds	7,826,000	31,212,482	23,386,482	298.83 %
Federal Spec. Rev. Funds	310,470,782	311,470,782	1,000,000	0.32 %
Total Funds	\$1,989,378,240	\$2,120,989,269	\$131,611,029	6.62 %
Total Ongoing	\$1,989,378,240	\$2,098,778,893	\$109,400,653	5.50 %
Total OTO	\$0	\$22,210,376	\$22,210,376	100.00 %

Page Reference

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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
Operating Expenses	1,372,998	1,372,999	1,313,887	1,388,887	1,413,887
Local Assistance	817,828,634	824,543,690	848,726,854	870,042,340	911,787,313
Grants	152,647,786	155,662,551	156,702,551	156,602,551	156,602,551
Benefits & Claims	0	0	0	11,177,808	10,958,252
Transfers	719,736	547,868	507,840	507,840	507,840
Total Expenditures	\$972,569,154	\$982,127,108	\$1,007,251,132	\$1,039,719,426	\$1,081,269,843
General Fund	817,835,554	825,024,717	846,056,741	869,518,805	908,787,200
State/Other Special Rev. Funds	2,367,000	2,367,000	5,459,000	14,465,230	16,747,252
Federal Spec. Rev. Funds	152,366,600	154,735,391	155,735,391	155,735,391	155,735,391
Total Funds	\$972,569,154	\$982,127,108	\$1,007,251,132	\$1,039,719,426	\$1,081,269,843
Total Ongoing	\$972,569,154	\$982,127,108	\$1,007,251,132	\$1,028,504,072	\$1,070,274,821
Total OTO	\$0	\$0	\$0	\$11,215,354	\$10,995,022

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Funding

The Local Education Activities Program is funded by a combination of general fund, state and federal special revenue. The majority of funds are appropriated by HB 2 and the remainder are statutory appropriations. General fund supports the majority of the distribution to school districts, with the addition of some state and federal funds. Details of state and federal special revenue are described below.

State Special Revenue

Guarantee Account

The guarantee account is a state special revenue account statutorily appropriated to school funding (20-9-622, MCA). The guarantee account receives revenue generated from common school trust lands and the subsequent interest on the common school trust account.

School Facility and Technology Account

The school facility and technology account supports state subsidies for school debt service from facilities bonds, technological improvements, and other infrastructure and facility needs. The school facility and technology account is funded from public land trust power site rent under the provisions of 77-4-208(2), MCA and timber harvest income from school trust lands under the provisions of 20-9-516(2)(a), MCA.

Traffic & Safety Education Account

The traffic & safety education account funds traffic education programs in Montana schools. Traffic and safety education revenues are generated from a percentage of drivers' license and commercial drivers' license fees.

School Facility State Special Revenue

The school facility state special revenue account 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.

Federal Funds

Federal funds support school nutrition, education for the disadvantaged, special education, professional development for educators, and various other purposes.

Program 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	846,056,741	846,056,741	1,692,113,482	95.15 %	1,007,251,132	1,007,251,132	2,014,502,264	94.98 %
SWPL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
PL Adjustments	19,971,612	58,755,549	78,727,161	4.43 %	20,035,612	59,085,549	79,121,161	3.73 %
New Proposals	3,490,452	3,974,910	7,465,362	0.42 %	12,432,682	14,933,162	27,365,844	1.29 %
Total Budget	\$869,518,805	\$908,787,200	\$1,778,306,005		\$1,039,719,426	\$1,081,269,843	\$2,120,989,269	

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.

Present Law Adjustments										
-----Fiscal 2022-----					-----Fiscal 2023-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 907 - NRD K-12 Facilities Payment										
0.00	2,336,000	64,000	0	2,400,000	0.00	2,070,000	330,000	0	2,400,000	
DP 932 - Adjusted K-12 BASE Aid Inflationary Increase (RST/BIEN)										
0.00	9,385,188	0	0	9,385,188	0.00	47,799,387	0	0	47,799,387	
DP 933 - Adjusted At Risk Inflationary Increase (RST/BIEN)										
0.00	84,630	0	0	84,630	0.00	231,804	0	0	231,804	
DP 940 - Adjusted State Transformational Learning Aid (RST/BIEN)										
0.00	2,123,916	0	0	2,123,916	0.00	2,155,760	0	0	2,155,760	
DP 941 - Adjusted State Advanced Opportunities Aid (RST/BIEN)										
0.00	1,673,558	0	0	1,673,558	0.00	2,547,973	0	0	2,547,973	
DP 944 - Guarantee Account Adjustment Aligned with HJ 2										
0.00	3,901,257	0	0	3,901,257	0.00	3,462,098	0	0	3,462,098	
DP 949 - Adjusted State Tuition Appropriation Increase (RST/BIEN)										
0.00	157,956	0	0	157,956	0.00	152,251	0	0	152,251	
DP 950 - Adjusted In-State Treatment Appropriation Increase (RST/BIEN)										
0.00	309,107	0	0	309,107	0.00	336,276	0	0	336,276	
Grand Total All Present Law Adjustments										
0.00	\$19,971,612	\$64,000	\$0	\$20,035,612	0.00	\$58,755,549	\$330,000	\$0	\$59,085,549	

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

DP 907 - NRD K-12 Facilities Payment -

The natural resource development (NRD) K-12 facilities payment (20-9-635, MCA) is composed of general fund and state special coal sub-trust interest. The legislature provided increased general fund to meet the statutorily required \$10.0 million appropriation per year of the 2023 biennium.

DP 932 - Adjusted K-12 BASE Aid Inflationary Increase (RST/BIEN) -

The legislature approved a restricted, biennial K-12 BASE Aid inflationary increase as directed by 20-9-326, MCA, for the basic entitlement, per-average number belonging (ANB) entitlement, the quality educator payment, the Indian education for all payment, and the American Indian achievement gap payment. This appropriation has been adjusted to align with the inflationary rates of 1.5% in FY 2022 and 2.57% in FY 2023, as amended in HB 15, to account for a COVID-related decline in enrollment, and to implement the costs of HB 303 and SB 305.

DP 933 - Adjusted At Risk Inflationary Increase (RST/BIEN) -

The legislature approved a restricted and biennial inflationary increase in general fund for the at-risk payment. This appropriation has been adjusted to align with the inflationary rates of 1.5% in FY 2022 and 2.57% in FY 2023, as amended in HB 15.

DP 940 - Adjusted State Transformational Learning Aid (RST/BIEN) -

The legislature provided a restricted, biennial appropriation of general fund for the Transformation Learning Program (20-7-16, MCA). The 2021 biennium general fund appropriation was \$2.6 million, but was not included in the base funding. These increases represent 10.0% of the estimated statewide number of full-time equivalent educators from the fiscal year immediately preceding the year to which distribution of transformational aid applies, as directed in section 20-7-1602(8)(b)(iii), MCA. This appropriation has been adjusted to align with the inflationary rates of 1.5% in FY 2022 and 2.57% in FY 2023, as amended in HB 15.

DP 941 - Adjusted State Advanced Opportunities Aid (RST/BIEN) -

The legislature approved an appropriation of general fund for the Montana Advanced Opportunities Act (20-7-15, MCA). The 2021 biennium appropriation was \$750,000, but was not included in base funding. These increases represent an

amount sufficient to provide advanced opportunities aid to 50.0% of districts in FY 2022 and 75.0% of districts in FY 2023, as per section 20-7-1506(7), MCA. This appropriation has been adjusted to align with the inflationary rates of 1.5% in FY 2022 and 2.57% in FY 2023, as amended in HB 15.

DP 944 - Guarantee Account Adjustment Aligned with HJ 2 -

The legislature aligned the guarantee account adjustment with the estimates adopted in HJR 2.

DP 949 - Adjusted State Tuition Appropriation Increase (RST/BIEN) -

The legislature approved a restricted, biennial increase for the state tuition appropriation due to state tuition rate increases and changes in which districts are funded. The cost of state tuition provided under 20-7-435, MCA, has increased on the per student level and has increased the number of students served. This increase has been adjusted to align with HB 206, which modifies the tuition rates paid by the district of residence for out of district placements.

DP 950 - Adjusted In-State Treatment Appropriation Increase (RST/BIEN) -

The legislature provided a restricted, biennial increase of general fund for payment of in-state treatment expenses for Montana K-12 students at children’s psychiatric hospitals and residential treatment facilities. Since 1997, the OPI has not paid for education services provided to children who are at these facilities and are covered by Medicaid. However, Medicaid does not pay for education services, and these children receive no state funding support for their education. State statute 20-7-403(13), MCA, specifically excludes these students from receiving this funding. OPI decided this statute was in error and began making payments to these facilities for these students in FY 2020 without sufficient appropriation. This change caused a shortfall in funding for in-state treatment payments in FY 2020 and FY 2021, which OPI prorated. This change package has been adjusted to align with HB 206, which clarifies how the educational costs will be paid for children placed in children’s psychiatric hospital or residential treatment facility and who are covered by Medicaid.

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 901 - National Board Certification Stipends (RST/BIEN)	0.00	75,000	0	0	75,000	0.00	100,000	0	0	100,000
DP 913 - Separate CTSO Funding; Move FFA Funding to CTSO	0.00	53,000	0	0	53,000	0.00	53,000	0	0	53,000
DP 921 - Incentivize Increase in Starting Teacher Pay (RST)	0.00	0	0	0	0	0.00	2,492,048	0	0	2,492,048
DP 946 - Combine BEO with School Safety Grants	0.00	0	0	0	0	0.00	0	0	0	0
DP 948 - Indian Language Immersion Program (RST/BIEN)	0.00	48,500	0	0	48,500	0.00	48,500	0	0	48,500
DP 951 - State Lands Block Grants (RST/BIEN/OTO)	0.00	37,546	0	0	37,546	0.00	36,770	0	0	36,770
DP 952 - K-12 BASE Aid Increase to Implement HB 303 (RST/BIEN)	0.00	1,040,828	0	0	1,040,828	0.00	1,244,592	0	0	1,244,592
DP 954 - Comprehensive School & Community Treatment (RST/OTO)	0.00	2,235,578	8,942,230	0	11,177,808	0.00	0	10,958,252	0	10,958,252
Total	0.00	\$3,490,452	\$8,942,230	\$0	\$12,432,682	0.00	\$3,974,910	\$10,958,252	\$0	\$14,933,162

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

DP 901 - National Board Certification Stipends (RST/BIEN) -

The legislature approved a restricted, biennial appropriation of general fund operating expenses for the national board certification teacher stipend program in 20-4-134, MCA. Teachers receiving national board certification or renewal are eligible for a state stipend if they retain certification and continue teaching at an impacted school. The number of teachers receiving certification will continue to grow each year. Funding in the 2021 biennium was one-time-only, and there is no base funding for these stipends.

DP 913 - Separate CTSO Funding; Move FFA Funding to CTSO -

The legislature reduced Career and Technical Education (CTE) state match distribution and increased by the same amount Career and Technical Student Organizations (CTSO) to clarify the appropriations. Historically, this has been paid to the Future Farmers of America (FFA), a CTSO organization, to pay for the FFA executive director. This change combines all CTSO funding and separates it from the CTE state match appropriation. The net effect of this change package between OPI's programs is zero.

DP 921 - Incentivize Increase in Starting Teacher Pay (RST) -

The legislature provided ongoing, restricted general fund to incentivize school districts to modify pay scales in order to increase base pay for starting teachers beginning in FY 2023. Montana has one of the lowest starting teacher pay levels in the country. This decision package is dependent on passage and approval of HB 143.

DP 946 - Combine BEO with School Safety Grants -

The legislature approved combining the budgets within school safety grants.

DP 948 - Indian Language Immersion Program (RST/BIEN) -

The legislature approved a restricted and biennial increase of general fund for the Indian Language Immersion Program.

DP 951 - State Lands Block Grants (RST/BIEN/OTO) -

The legislature approved a restricted, one-time-only increase in general fund to implement the costs of SB 305, which revives the State Lands Block Grant program through the end of FY 2023. This decision package includes an increase in funding for state lands block grants and a corresponding, smaller decrease in the K-12 BASE aid appropriation for GTB.

DP 952 - K-12 BASE Aid Increase to Implement HB 303 (RST/BIEN) -

The legislature approved a restricted, biennial increase in general fund to implement the costs of HB 303. HB 303 would increase the guaranteed tax base aid (GTB) ratio to offset reductions in property taxes, which would increase K-12 BASE Aid.

DP 954 - Comprehensive School & Community Treatment (RST/OTO) -

The legislature approved a restricted, one-time-only appropriation of general fund and state special revenue to be used as state match for federal funds for Comprehensive School and Community Treatment (CSCT).