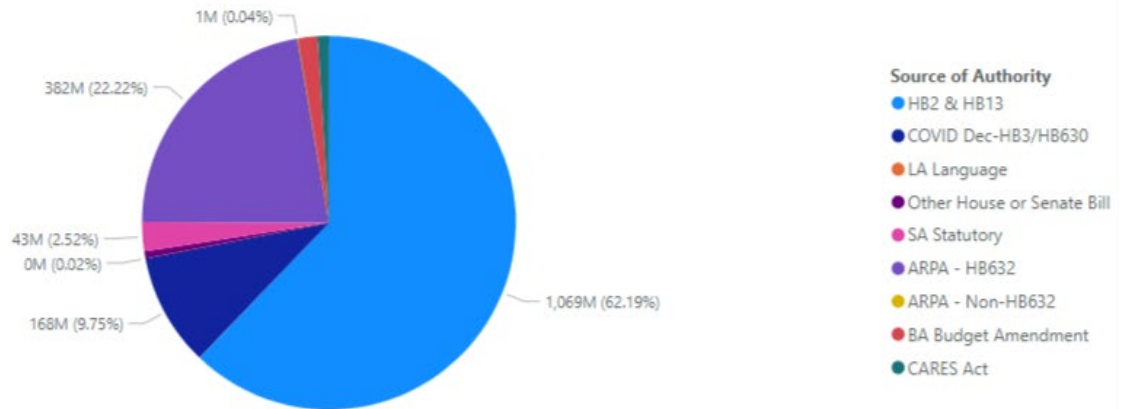


OFFICE OF PUBLIC INSTRUCTION

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the Office of Public Instruction (OPI) is shown in the pie chart below. HB 2 and HB 13 provide 62.2% of the total authority for this agency. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

Total Modified Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	Percent Expended	FiscalMonth
HB2 & HB13	1,069,333,345	316,436,813	29.6%	<input type="checkbox"/> Select all
ARPA - HB632	382,019,236	5,582,081	1.5%	<input checked="" type="checkbox"/> Jul
COVID Dec-HB3/HB630	167,652,600	25,651,392	15.3%	<input checked="" type="checkbox"/> Aug
SA Statutory	43,405,707	749,941	1.7%	<input checked="" type="checkbox"/> Sep
BA Budget Amendment	29,421,079	8,407,293	28.6%	<input checked="" type="checkbox"/> Oct
CARES Act	16,530,003	7,011,563	42.4%	<input checked="" type="checkbox"/> Nov
Other House or Senate Bill	10,277,460			<input type="checkbox"/> Dec
ARPA - Non-HB632	625,607	68,792	11.0%	<input type="checkbox"/> Jan
LA Language	300,000			<input type="checkbox"/> Feb
Total	1,719,565,038	363,907,874	21.2%	<input type="checkbox"/> Mar
				<input type="checkbox"/> Apr
				<input type="checkbox"/> May
				<input type="checkbox"/> Jun

The Office of Public Instruction has a total budgeted authority of \$1.7 billion for FY 2022. This amount includes \$1.1 billion in HB 2 spending authority, which makes up 62.2% of OPI's total budgeted authority. The second largest portion of OPI's spending authority is made up of several federal fund allocations related to COVID-19, which in combination total \$566.8 million or 33.0% of the budget. The remainder of the budget consists primarily of budget amendments and statutory authority. As of November 30, 2021 OPI has expended 21.2% of its total budgeted spending authority and 29.6% of its HB 2 spending authority for FY 2022.

Budget Amendments

OPI has approximately \$29.4 million in budget amendment authority so far for FY 2022, of which 28.6% has been expended. This budget amendment authority in OPI is primarily federal grants, many of which have deadlines in September 2022 or beyond and may not be fully expended by the end of state FY 2022.

There are about a half a dozen federal grant programs which made up the budget amendment authority for OPI, the majority of which is for the Montana Comprehensive Literacy Project (MCLP). Smaller amounts of budget amendment authority are for the Striving Readers Program, Project AWARE (Advancing Wellness and Resiliency in Education), the Stop School Violence Program, and the federal Statewide Longitudinal Data Systems Grant which funds the Montana Innovation through Infrastructure (MITI) project.

Statutory Appropriations

The Office of Public Instruction has \$43.4 million in statutory spending authority for FY 2022. Nearly all of this amount is from the guarantee account, which is a statutorily appropriated state special revenue fund dedicated to school funding. 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. OPI has expended 1.7% of its statutory authority for FY 2022 as of November 30, 2021, due to the timing of revenue collections and payments from the guarantee account. OPI receives the proceeds from the guarantee account in January and June, which is then used to make the Basic Amount for School Equity (BASE) aid payment in those months. There is also a minor amount of statutory appropriation authority for a technology payment, which was already made at the beginning of FY 2022.

Other Bills

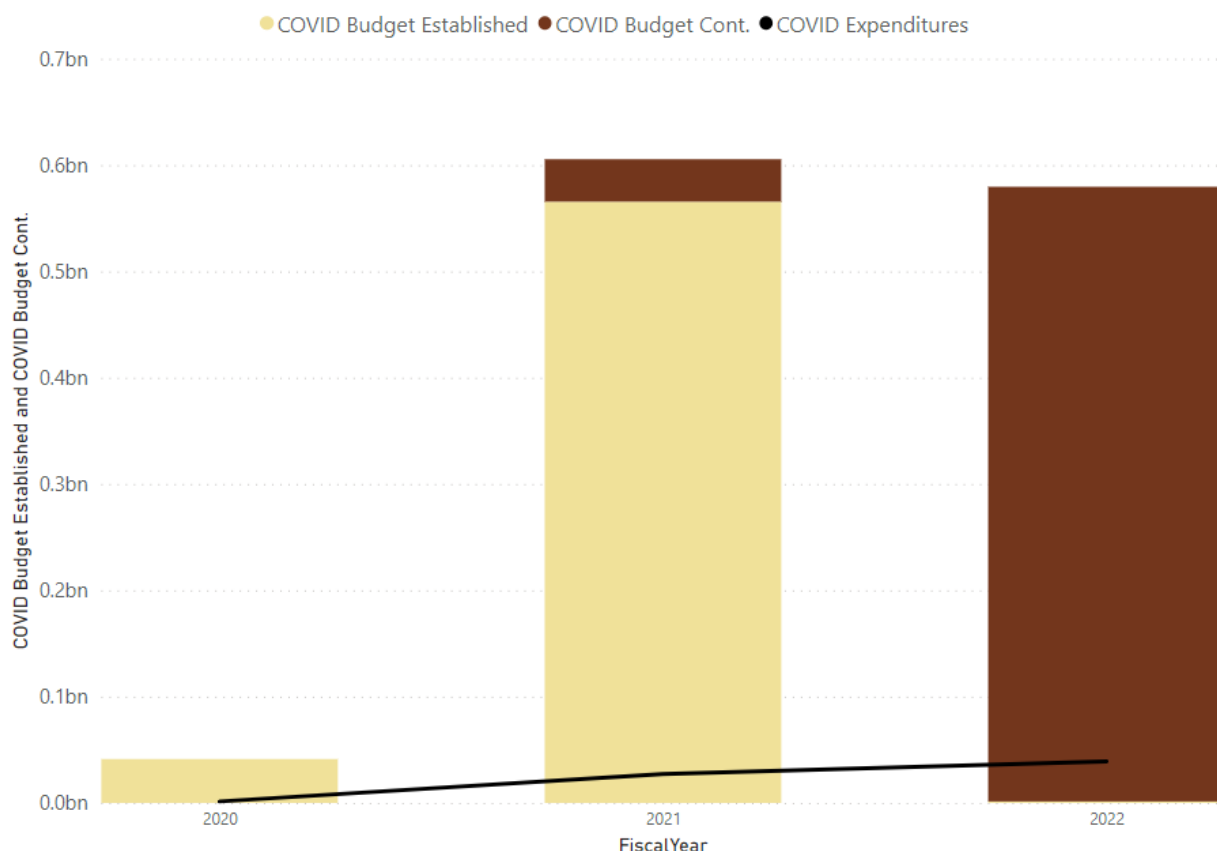
OPI has approximately \$10.3 million in other house and senate bill appropriations for FY 2022, of which 0.0% has been expended as of November 30, 2021. These appropriations are from HB 644 and HB 663, both passed in the 2021 Legislative Session. HB 644 allocated \$32,000 to establish a tribal computer programming scholarship program, and HB 663 allocated \$10.2 million to revise the school funding formula in order to increase Guaranteed Tax Base Aid (GTB) and lower property taxes. The appropriation of funding in HB 663 will be used to make a portion of the GTB payment to schools in December, according to OPI.

COVID-19 Authority

The following chart is provided to allow the legislature to examine the funding that is available to the agency for COVID-19 impacts. Administrative authority for CARES I and ARPA appropriations was allocated to the agency by the Governor's Office. Administration authority is not an appropriation and thus is not included in the total appropriation authority shown on the previous page.

A large portion of the unspent COVID-19 federal funds authority remains available for expenditure past FY 2022. The [OPI website](#) includes some additional background information.

COVID Established Budget, COVID Continuing Budget, and COVID Expenditures by Fiscal Year



All three rounds of federal COVID-19 funding for education was provided to OPI through the Elementary and Secondary School Emergency Relief (ESSER) Fund, but each round of funding has a couple of alternative titles and specific allocation details.

CARES I

This allocation is also referred to as CARES I or ESSER I, and was provided to OPI from the Governor’s Office through the budget amendment process. The funding was allocated according to federal guidance and, where allowable, OPI’s discretion.

OPI received approximately \$41.3 million in federal coronavirus relief funds, of which \$31.9 million or 77.2% had been expended as of November 30, 2021. Most of the remaining funds are available for expenditure through September 2023.

HB 630

This allocation is also referred to under three other names—Coronavirus Response and Relief Supplemental Appropriations (CRRSA), CARES II, and ESSER II.

OPI received approximately \$182.9 million in federal coronavirus relief funds, which were appropriated in HB 630 during the 2021 Legislative Session. As of November 30, 2021 OPI had expended about \$30.4 million or 16.5% of HB 630 funding. Most of the remaining funds are available for expenditure through September 2023.

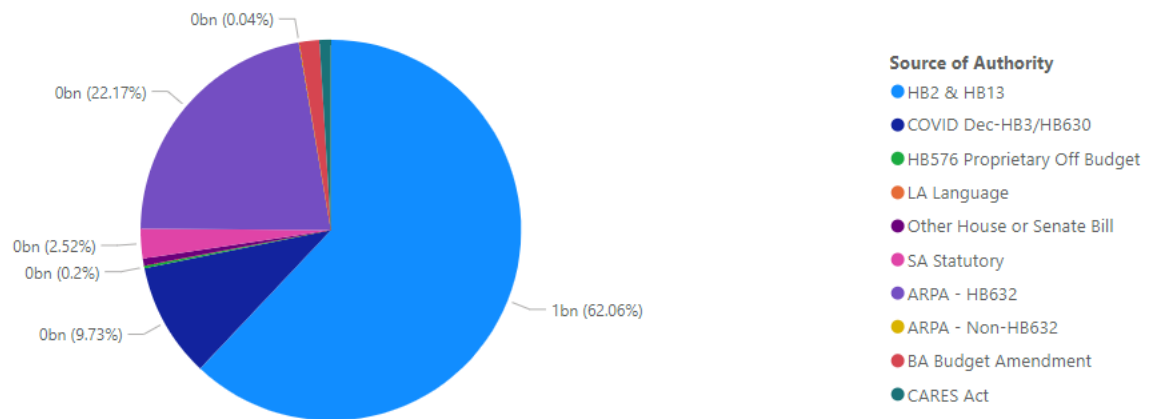
HB 632

This allocation is also referred to as the American Rescue Plan Act (ARPA) or ESSER III, and the allocation authority was provided in HB 632 during the 2021 Legislative Session.

OPI received approximately \$382.6 million in federal coronavirus relief funds, which were appropriated in HB 632 during the 2021 Legislative Session. As of November 30, 2021 OPI had expended about \$5.7 million or 1.5% of HB 632 funding. Most of the remaining funds are available for expenditure through September 2023.

TOTAL EXPENDITURE AUTHORITY

Modified Budget and Expended Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	Percent Expended
HB2 & HB13	1,069,333,345	316,414,474	29.6%
COVID Dec-HB3/HB630	167,652,600	25,636,085	15.3%
HB576 Proprietary Off Budget	3,510,969	1,153,549	32.9%
LA Language	300,000		
NB Non-Budgeted		18,861	Infinity
Other House or Senate Bill	10,277,460		
SA Statutory	43,405,707	749,941	1.7%
ARPA - HB632	382,019,236	5,582,081	1.5%
ARPA - Non-HB632	625,607	68,791	11.0%
BA Budget Amendment	29,421,079	8,405,086	28.6%
CARES Act	16,530,003	7,011,563	42.4%
Total	1,723,076,007	365,040,432	21.2%

FiscalMonth

- ☐ Select all
- ☒ Jul
- ☒ Aug
- ☒ Sep
- ☒ Oct
- ☒ Nov
- ☐ Dec
- ☐ Jan
- ☐ Feb
- ☐ Mar
- ☐ Apr
- ☐ May
- ☐ Jun

Non-Budgeted Proprietary Funding

OPI has approximately \$3.5 million in non-budgeted proprietary funding for FY 2022, of which 32.9% was expended by November 30, 2021. The largest source of non-budgeted proprietary funding is OPI's indirect cost pool, which is an internal service fund used to allocate various centralized costs such as payroll, accounting, or budgeting, to all of OPI's state and federally funded programs using a pre-approved indirect cost rate. The other sources of non-budgeted proprietary funding for OPI include legislative audit fees, State Information Technology Services Division (SITSD) fees, and the Advanced Driver Education Program (DRIVE) fund. DRIVE is a seasonal, hands-on, behind-the-wheel crash avoidance program for adult and teen drivers, operated by the Health Enhancement and Safety Division of OPI at a training facility in Lewistown.

HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB 2 modified budget through November 30, 2021. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The **positive modifications** and **negative modifications** are shown by program, expenditure account, and fund type.

Legislative Budget Compared to Modified Budget - HB 2 Only

Agency Name	Legislative Budget	Modified Budget	Net Modifications
<input type="checkbox"/> Office of Public Instruction	1,069,333,345	1,069,333,345	0
Total	1,069,333,345	1,069,333,345	0

Acct & Lvl 1 DESC	Legislative Budget	Modified Budget	Net Modifications
<input type="checkbox"/> 61000 Personal Services	13,533,438	13,533,438	
<input type="checkbox"/> 62000 Operating Expenses	15,547,301	15,369,186	-178,115
<input type="checkbox"/> 65000 Local Assistance	869,001,512	869,001,512	
<input type="checkbox"/> 66000 Grants	157,315,051	157,493,166	178,115
<input type="checkbox"/> 67000 Benefits & Claims	11,177,808	0	-11,177,808
<input type="checkbox"/> 68000 Transfers-out	2,758,235	13,936,043	11,177,808

Fund Type	Legislative Budget	Modified Budget	Net Modifications
<input type="checkbox"/> 01 General			
<input type="checkbox"/> Office of Public Instruction	880,868,358	880,868,358	0
<input type="checkbox"/> 02 State/Other Spec Rev			
<input type="checkbox"/> Office of Public Instruction	14,755,959	14,755,959	0
<input type="checkbox"/> 03 Fed/Other Spec Rev	173,709,028	173,709,028	0

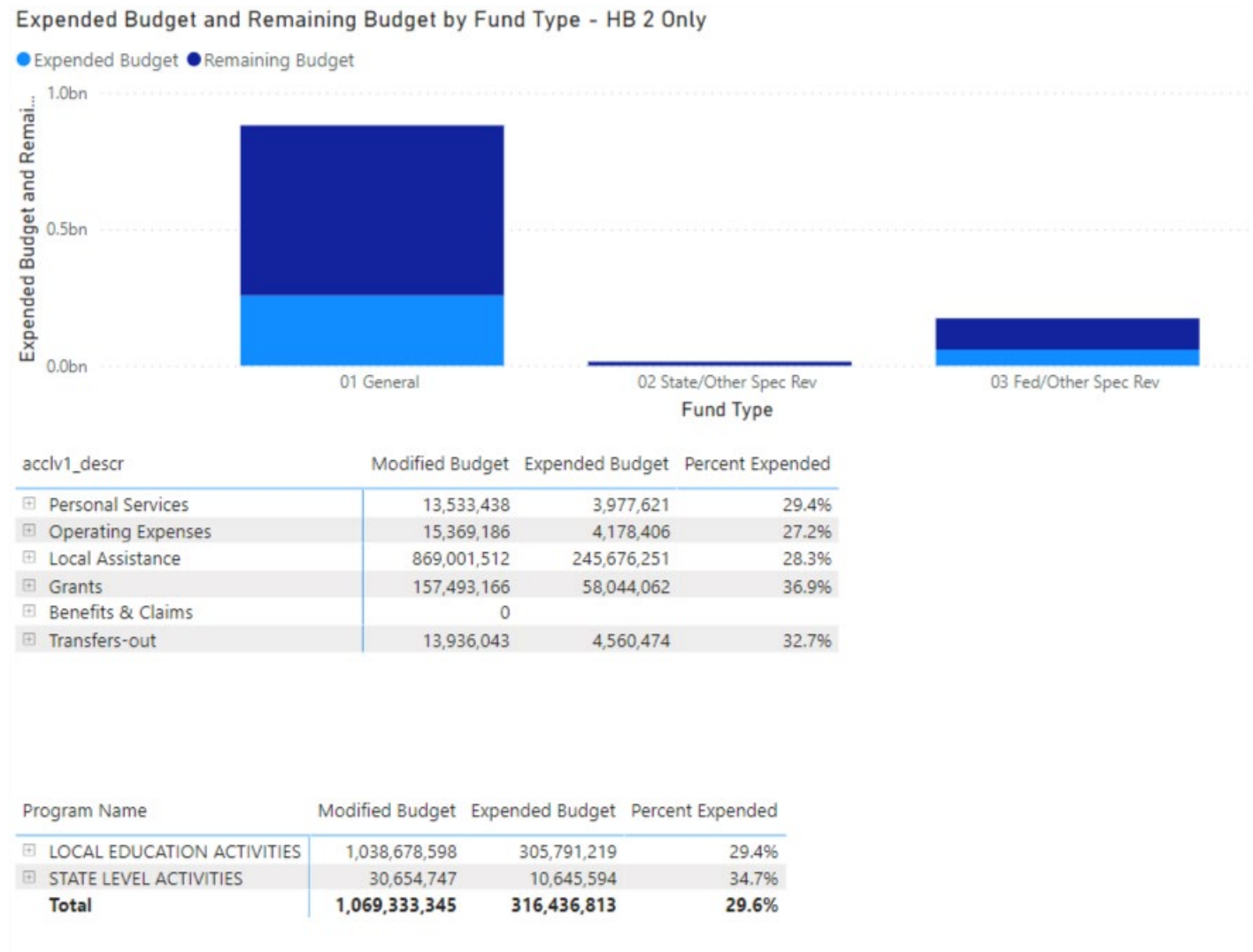
The Office of Public Instruction had two budget modifications in between July 1, 2021 and November 30, 2021. Both these modifications had a net-zero impact to OPI's budget:

- A shift of approximately \$178,000 of federal special revenue funds for the 2021 Summer Summit from operating expenses to grants in order to pay out grants to local schools that were participating in the program

- Approximately \$11.2 million of general fund and state special revenue shifted from benefits and claims to transfers out in order to pay the Department of Public Health and Human Services (DPHHS) for Comprehensive School and Community Treatment (CSCT) services

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through November 30, 2021.



The majority of the Office of Public Instruction's HB 2 modified budget is from general fund, at 82.4%. State and federal special revenues make up the remaining percentage, with federal special revenue accounting for 16.2% of funding and state special revenue accounting for 1.4% of funding. OPI receives federal grants that support public education, school nutrition, education for the disadvantaged, special education, professional development for educators, and various other functions. Most of state special revenue utilized by the

department is from the school facility account, which receives interest from the school facility sub-trust within the state coal trust. This money is then distributed to school districts to help support major maintenance.

OPI has expended 29.6% of its HB 2 modified budget so far for FY 2022, which is consistent with recent historical expenditures at this point in the fiscal year.

Local Assistance

Local assistance makes up the majority of OPI's HB 2 modified budget for FY 2022, at approximately \$869.0 million or 81.3%. Local assistance is 28.3% expended, which is consistent with recent historical expenditures at this point in the fiscal year. In the 2019 Legislative Session, the legislature made a change in the pattern of payments for BASE Aid specified in 20-9-344, MCA, which swapped the November and December payments in order to better match payments to revenue collections. Prior to this change, the November payment had typically been approximately \$80.0 million higher than the December payment. Based on the current law, the larger payment now occurs in December and has not yet been recorded in the state accounting system.

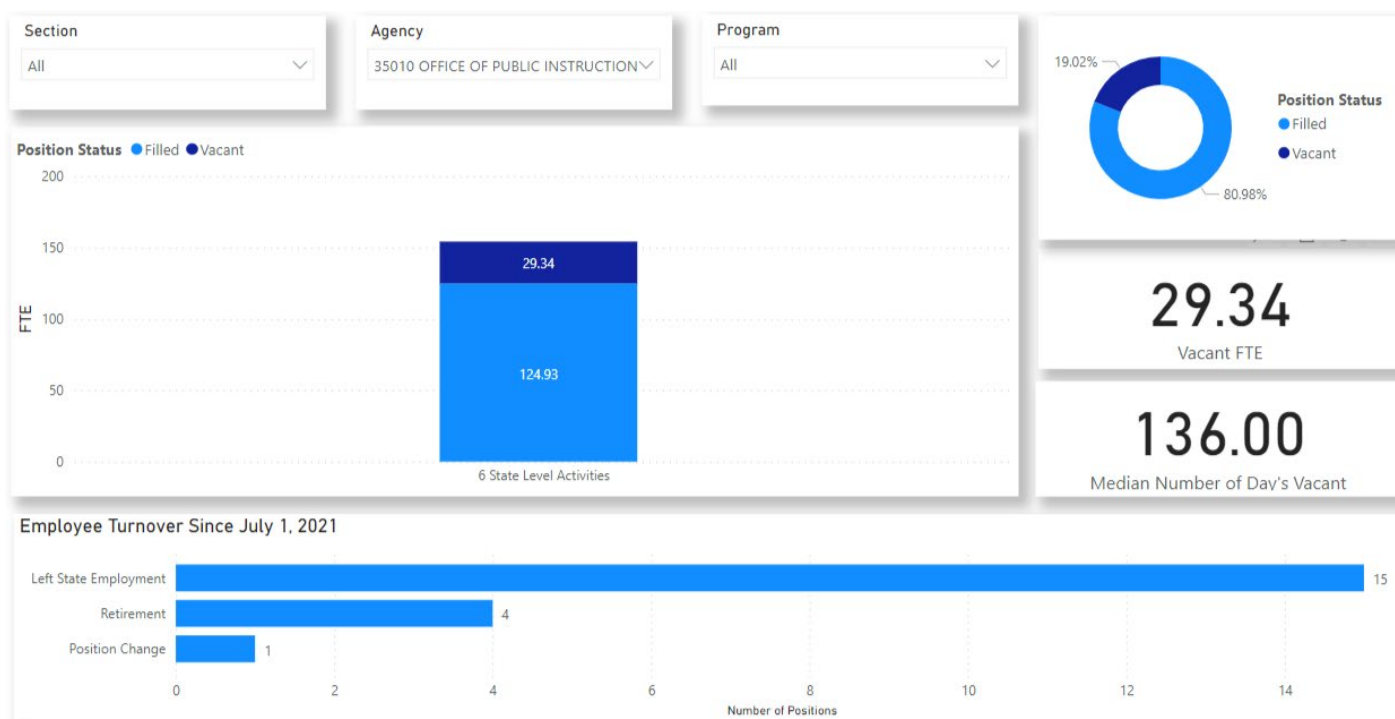
Grants

Grants are approximately \$157.5 million or 14.7% of the HB 2 modified budget for FY 2022. The majority of grant funding is from federal education grants, at \$151.3 million; the remaining grant funding is for a few smaller grant programs— Transformational Learning, Advanced Opportunities, Montana Indian Language Preservation, Adult Education, Recruitment and Retention, Gifted and Talented, and School Safety. So far in FY 2022, 36.9% of OPI's grants budget has been expended. The lower percentage expended for this point in the fiscal year is due to the timing of payments and the expiration dates of various programs. For the ongoing grants like Title I and Individuals with Disabilities Education Act (IDEA), payments are aligned with the school year rather than the fiscal year. There are also some multi-year federal grants that do not need to be expended by the end of FY 2022.

Personal Services

Personal services are approximately \$13.5 million or 1.3% of the HB 2 modified budget for FY 2022, with 29.4% of that amount expended as of November 30, 2021. This lower percentage expended for this point in the fiscal year is due to vacant positions and timing of temporary positions. Vacancy savings for OPI in FY 2022 are higher than they were at this time last year. Additionally, OPI has approximately \$500,000 of federal special revenue for temporary employees to work in school districts to support federal programs. These federal special revenue expenditures are in line with the historical expenditures of those federal funds.

The following chart shows the filled and vacant FTE within the agency as of November 1, 2021.



There are three specific programs for which the committee has requested detailed information on staffing levels—the Indian Language Preservation Program, the Indian Language Immersion Program, and the Database Modernization project. Only 1.00 FTE is associated with the Indian Language Preservation Program, and duties relating to the Indian Language Preservation Program are only a portion of the responsibilities for that FTE. As of December 9th, that position was vacant. Information on FTE for the Indian Language Immersion Program was not provided by OPI. The Database Modernization project has 3.00 modified FTE. As of December 9th, all three positions were vacant. However, according to OPI, the agency is actively recruiting for these openings and one of those positions may be filled before the Section E Interim Budget Committee meets on December 15th.

Operating Expenses

Operating expenses are approximately \$15.4 million or 1.4% of the HB 2 modified budget for FY 2022. Operating expenses were 27.2% expended as of November 30, 2021, which is lower than would be expected at this point in the fiscal year due to timing of expenses. OPI has some regular expenses that typically occur at the end of the fiscal year.

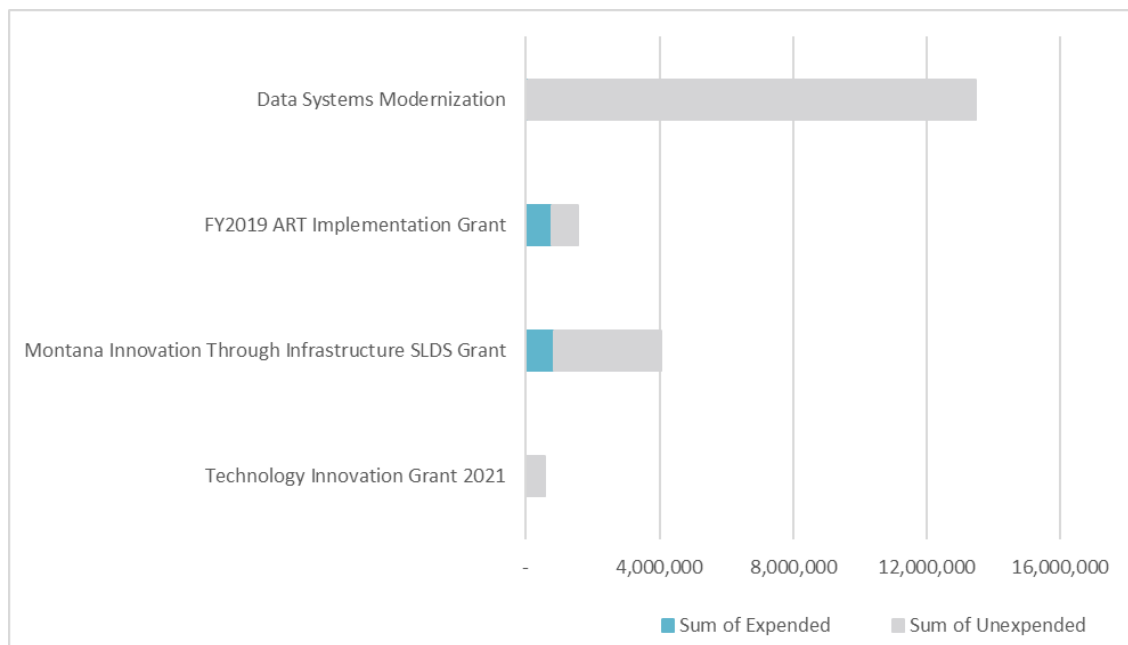
Transfers Out

Transfers out are approximately \$13.9 million or 1.3% of the HB 2 modified budget for FY 2022. Transfers out were 32.7% expended as of November 30, 2021. There are two main appropriations for transfers out—\$11.2 million for payments to DPHHS for Comprehensive School and Community Treatment (CSCT) services and \$2.2 million for the Montana Digital Academy (MTDA). Of the total \$11.2 million for CSCT, \$2.2 million is general fund, which has already been transferred to DPHHS, and \$1,050,000 of that amount had been expended through November 15, 2021. The remaining \$8.9 million for CSCT is state special revenue which has not yet been

transferred to DPHHS, but will be transferred soon so that expenditures can begin in December, according to OPI. All the funds for MTDA were expended in a one-time payment to the MTDA at the beginning of the fiscal year.

OTHER ISSUES

Information Technology Project Expenditures



Large Information Technology Projects Original and Revised Budgets			
Project	Original Budget	Revised Budget	Change from Original Budget
Data Systems Modernization	13,475,248	13,475,248	0.0%
FY2019 ART Implementation Grant	1,561,279	1,561,279	0.0%
Montana Innovation Through Infrastructure SLDS Grant	4,057,867	4,057,867	0.0%
Technology Innovation Grant 2021	579,597	579,597	0.0%

Large Information Technology Projects Original and Revised Delivery Date				
Project	Start Date	Original Delivery Date	Revised Delivery Date	Change from Original Delivery Date
Data Systems Modernization	4/26/2021	9/30/2024	N/A	0.0%
FY2019 ART Implementation Grant	7/22/2019	6/30/2022	N/A	0.0%
Montana Innovation Through Infrastructure SLDS Grant	3/1/2020	2/28/2024	N/A	0.0%
Technology Innovation Grant 2021	10/1/2021	9/30/2024	N/A	0.0%

The OPI data systems modernization project funding will be used to repair, improve, and replace existing data systems so as to respond to learning loss associated with the COVID-19 pandemic. Funding for this project is

entirely made up of federal CARES II and ARPA funds. Of the project's \$13.5 million budget, approximately \$56,000 or less than 1.0% was expended as of November 15, 2021. The projected delivery date of the project is September 30, 2024.

The Administrative Review and Training (ART) implementation project will upgrade and enhance a comprehensive child nutrition system platform. Of the project's \$1.6 million budget, approximately \$786,000 or 50.4% was expended as of November 15, 2021. The projected delivery date for the project is June 30, 2022.

The Montana Innovation through Infrastructure (MITI) project will update the Statewide Longitudinal Data Systems (SLDS), which is becoming outdated. The funds will be used to make improvements to data warehouses and expanded data linkages. Of the project's \$4.1 million budget, approximately \$846,000 or 20.9% was expended as of November 15, 2021. The projected delivery date for the project is February 28, 2024.

The non-competitive Technology Innovation Grant 2021 (nTIG) project for OPI is in its early phases. Per USDA requirements, these funds will be used to develop, improve, and maintain automated information technology systems used to operate and manage all federal child nutrition programs (the National School Lunch Program, the School Breakfast Program, the Summer Food Service Program, and the Child and Adult Care Food Program). Of the project's approximately \$580,000 budget, 0.0% was expended as of November 15, 2021. The projected delivery date for the project is September 30, 2024.