



December 4, 2018

Re: Elected Official Request

Legislative Priorities:

The Superintendent provided her four legislative requests to the Education Interim Committee on September 12, 2018. The financial requirements of the four requests are:

Student Safety Accountability Act. The Superintendent's first request is to examine Montana's laws regarding the state's ability to protect students from people who could do them harm has resulted in bill LC563 "Creating a student safety accountability act" sponsored by Senator Regier, which will criminalize sexual contact between students and school or district employees, contractors, or volunteers. It will also bring Montana into compliance with federal law by criminalizing the aiding and abetting of child sexual abuse. The statute will prohibit certain classes of individuals from assisting a person gaining employment if the individual knows or has probable cause to believe that the person in question has committed sexual misconduct with a minor or student. The OPI does not anticipate any new school funding will be requested by this bill.

School Safety. For the Superintendent's second request to provide training to Montana educators regarding school safety, the Superintendent is proposing an appropriation of \$500,000/yr of general fund for professional development programs. The Superintendent proposes funding this proposal by transferring \$500,000 per year from existing OPI State Level Activities to Local Education Activities. The OPI does not anticipate any new school funding will be requested for this proposal.

Revise the Student Data Protection Statute. The Superintendent's request to review this statute is aimed at facilitating opportunities to better serve students by sharing data with the Office of the Commissioner of Higher Education, colleges and universities, and scholarship organizations in order to assist Montana's students in their post-secondary education aspirations. LC227 "Revise school data privacy laws" sponsored by Representative Jones addresses these issues. The OPI does not anticipate any new school funding will be requested for this statute change.

Align School Funding Payments with Treasury Receipts. The Superintendent is proposing a change to the monthly distribution amounts of BASE Aid to better align with treasury receipts, thereby avoiding the possibility of delaying the November payment to schools. The November payment is typically more than double the size of the December payment. The proposed change is to simply swap the November and December payments. The request is being offered due to the uncertainty in some years as to whether the November payment to schools could be fully funded. This change in timing better aligns with the timing of property tax receipts. The OPI does not anticipate any new school funding will be requested for this proposal.

Other Requests:

K-12 Base Aid Inflation. The Superintendent is requesting that the K-12 BASE Aid inflationary increase for \$70.7M (per 20-9-326, MCA) of general fund for the biennium be considered and pass the legislature early in the session. Local school districts will begin the budgeting process for 2020 in late February, 2019. The passage of this funding demonstrates the state's commitment to public education and gives local school districts confidence in planning their programs in the upcoming biennium.

Montana Digital Academy (MTDA) Funding. The Superintendent proposes to put the entire funding of the MTDA as a single line item and remove the one-time only designation for this appropriation. For the last three biennia the funding for the MTDA has been split in HB 2 with the base funding for the MTDA included in OPI's State Level Activities line item and the remainder as a one-time only line item. Since the OPI simply passes through the funding and does not retain any administrative fee, the proposal is to make the entire appropriation a single line item. This change will clarify the MTDA funding and solidify the certainty of having the MTDA courses available to Montana students. There will not be a new general fund request associated with this change.

Audiology Funding. Similar to the MTDA request, the Superintendent is proposing to make Audiology its own line item. The state Hearing Conservation Program for testing the hearing of students is required by 20-7-403(12), MCA. The program has been funded mostly from the OPI's State Level Activities with a small one-time only line item for cost increases. This proposal will take the full amount of the program out of the State Level Activities line item without renewing the OTO line item from the last legislative session. There will not be an additional general fund request associated with this change.

Secondary Vo Ed Restoration. The Superintendent requests that the legislature restore the Secondary Vo Ed funding of \$510,000/yr which was cut by SB 261 and the Special Session and not restored by SB 9. The Superintendent believes the continued funding of the Career and Technical Education programs throughout the state are vital to Montana students.

Special Education Restoration. The Superintendent requests that the legislature restores Special Education funding of \$217,547/yr which was cut by SB 261 and the Special Session and not restored by SB 9.

Additional Local Education Activities Restoration. The Superintendent requests that the legislature restores funding of \$39,350/yr for Local Education Activities line items which were cut by SB 261 and the Special Session and not restored by SB 9. These programs include Advancing Ag Ed, In-State Treatment, Adult Basic Education, At-risk Student Payment and School Foods.

SB 9 Rollback. Since the Superintendent is separately proposing the transfer of \$500,000 of general fund from State Level Activities to Local Education Activities to support School Safety and three packages that separately account for the restoration of funds cut by SB 261 and the special session and not restored by SB 9, the Superintendent asks that change package NP – 926 – SB 9 Restoration Funds in the Executive Budget be rejected.

Summary:

Superintendent Arntzen is requesting early passage of the K-12 BASE Aid inflationary increase. The Superintendent is proposing three new change packages to restore the funding to Montana schools cut by SB 261 and the Special Session including \$510,000/yr to restore the Secondary Vo Ed funding, \$217,547/yr to restore Special Education funding, and \$39,350/yr to restore other programs. Another change package, \$500,000/yr for providing training on school safety to educators, will entail a transfer of general fund from existing State Level Activities to Local Education Activities. In addition, the Superintendent is proposing two change packages, MTDA funding and Audiology funding, that will not require additional general fund but will transfer general fund from the HB 2 State Level Activities line item to separate line items fully funding each program.

Regards,

Ken Bailey



Ken Bailey

Chief Financial Officer, Montana Office of Public Instruction