

SB 261 and Budget Reductions Related to Education—FY 2017 Revenue Triggers

prepared for the Education Interim Committee, June 2017, by Pad McCracken, LSD Research Analyst

FY 2017 GF Revenue as of 8/15/2017



The budget cuts for the triggers are cumulative

If GF revenue is less than \$2.204 B (Level 2), almost all HB 2 GF appropriations will be reduced by 0.5% for BOTH FY 18 and FY 19, including the following (some K-12 Local Education Activities are exempted):

- OPI State Level Activities including
 - Audiological Services; NBCT stipends; MT Digital Academy
- K-12 Local Education Activities including
 - Advancing Ag Ed
 - In-State Treatment
 - Secondary Vo-ed (CTE)
 - Adult Basic Ed
 - Gifted and Talented
 - At-Risk Student Payment*
 - Special Ed*
 - School Food
- Additionally these “across-the-board cuts” will reduce all GF line item appropriations to BPE, MSDB, MAC, MSL, MHS, and MUS/OCHE

If GF revenue is less than \$2.192 B (Level 3), HB 2 appropriations will be modified for BOTH FY 18 and FY 19:

- Montana State Library (reduced by \$0.67 million/year)
- Montana Historical Society (reduced by \$0.61 million/year)

If GF revenue is less than \$2.180 B (Level 4), the following HB 2 appropriations will be modified for BOTH FY 18 and FY 19:

- Secondary Vo-ed (reduced by \$0.5 M/year to \$1.5 M/year)
- Data-for achievement payment* is suspended (about \$3 M/year)
- Combined fund block grants (roughly halved; \$2.8 M/year)
- Natural resource development K-12 school facilities payment (delayed until 2020; would’ve provided \$5.8 M in state major maintenance aid in FY 19)

Level 4 also voids the FY 18 appropriation for the state pay plan (EXEC, JUD, LEG, and MUS) and reduces the appropriation in FY 19.

* School district general fund components

SB 261 Impacts on Education Funding to OPI and Public Schools

	FY 18 HB2 Appropriation	Level 2 Reduction	Level 4 Reduction	Total Reduction
<i>State Level</i>				
Agency General Fund Budget	10,304,047	51,520	0	51,520
Audiological Services (OTO)	50,000	250	0	250
National Board Certified Teachers' stipends (OTO)	0	0	0	0
Montana Digital Academy (OTO)	832,500	4,163	0	4,163
Pay plan	17,400	0	17,400	17,400
<i>Subtotal</i>	<i>11,203,947</i>	<i>55,933</i>	<i>17,400</i>	<i>73,333</i>
<i>Aid to Schools</i>				
Advancing Agricultural Education	151,941	760	0	760
In-State Treatment	787,800	3,939	0	3,939
Secondary Vo-Ed (CTE)	2,000,000	10,000	500,000	510,000
Adult Basic Education	525,000	2,625	0	2,625
Gifted and Talented	250,000	1,250	0	1,250
At-risk Student Payment	5,390,549	26,953	0	26,953
Special Education	43,509,471	217,547	0	217,547
School Foods	663,861	3,319	0	3,319
Data for Achievement	3,109,347	0	3,109,347	3,109,347
Reimbursement block grants	5,872,888	0	2,800,000	2,800,000
NRD	0	0	0	0
<i>Subtotal</i>	<i>62,260,857</i>	<i>266,393</i>	<i>6,409,347</i>	<i>6,675,740</i>