Budget & Education Working Group

April 24, 2024

Welcome

Tonight is an introduction to the Working Group, main discussion will be during the small group meetings.

Please keep your mics muted to reduce background noise

Please be respectful of everyone's opinions.

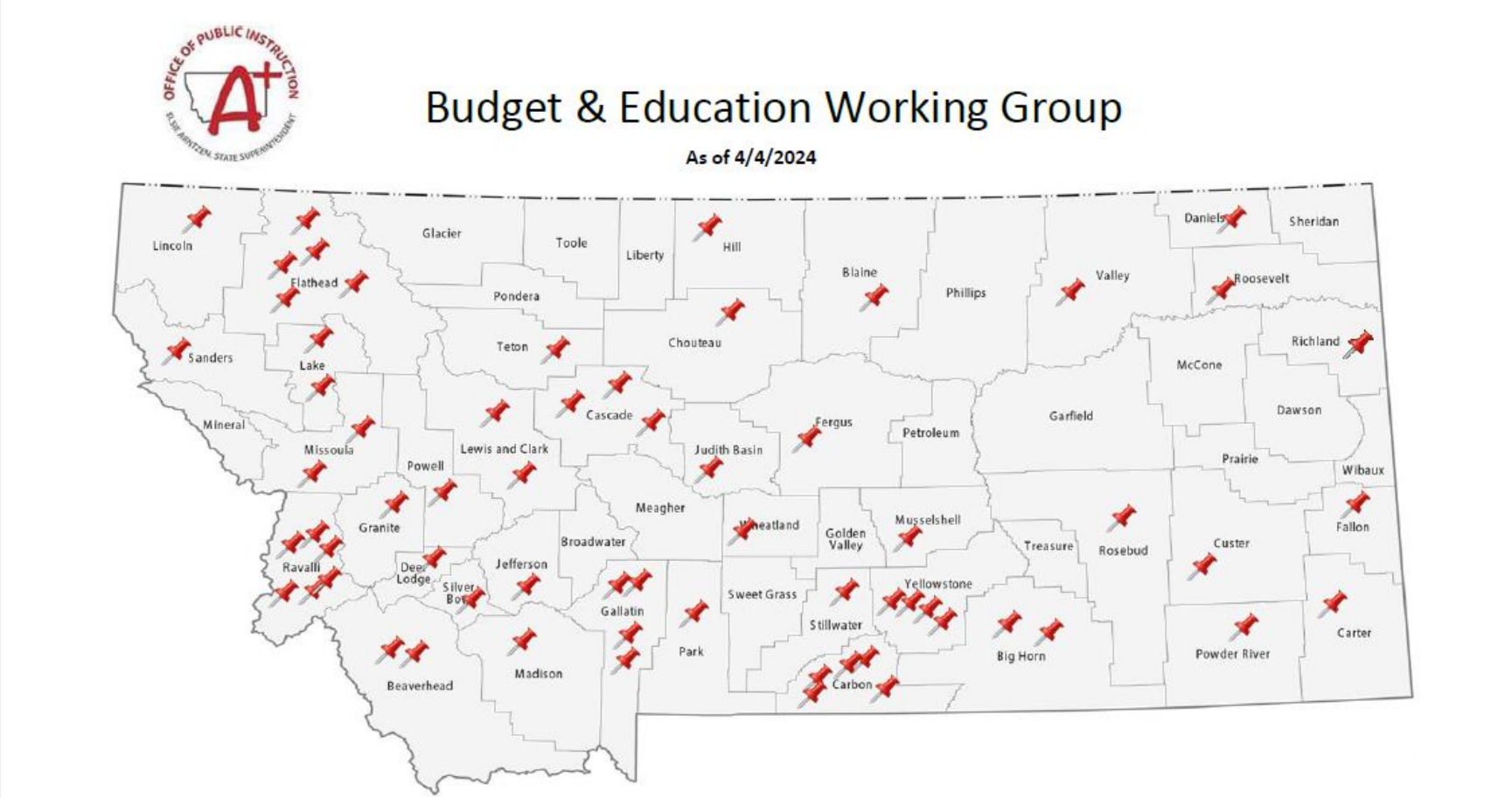
Everyone is here because they care about our students and our schools. Let's work together to make them even better!

Please drop any questions into the chat or email Katie at Katie.bloodgood@mt.gov

OFFICE OF PUBLIC INSTRUCTION
ELSIE ARNTZEN, STATE SUPERINTENDENT

Who?

Over 170 Montana teachers, parents, taxpayers, school clerks, and superintendents submitted their names to be a part of the working group.



What?

The OPI established the Budget & Education Working Group to gather information from the community and offer feedback that will serve as a resource for the legislature when considering education funding for the 2025 Biennium Budget and 2025 Legislative Session. OPI staff will provide a white paper and summary from the working group for the legislature.

This group will meet virtually 4 times before September to discuss the budget formula, ongoing budget discussion, and budgeting challenges our schools and community face while educating our students.

Due to immense interest, there will be seven breakout groups based on the areas of interest expressed on the application:

- Special needs students and programs
- Teacher pay, retention, & recruitment.
- Rural, population, & culture
- Sustainability & tax burden
- Programs & curriculum
- Funding formula
- School budgeting

OFFICE OF PUBLIC INSTRUCTION
ELSIE ARNTZEN, STATE SUPERINTENDENT

Goal

The goal is to hear from You!

Not everyone is a budget formula expert, but that's good!

We want to hear the problems your communities are facing, but also creative solutions that will help students, teachers, and parents.

Think outside the box!

What solutions should our legislators consider going into the 2025 session?

FY 2024 BUDGETED FUNDS

Fund	Adopted Budget	% of Total Budgets	*Anticipated State Revenue	Anticipated County Revenue	Fund Balance Reappropriated	Anticipated Non-Levy Revenue	Anticipated Local Property Tax Revenue	% of Total Levy	Voted (V) or Permissive (P) Levy?
General	1,264,365,984	59.88%	873,681,133		5,462,887	15,517,797	369,706,549	53.62%	V, P
Transportation	129,406,272	6.13%	12,236,005	12,179,633	14,262,290	1,759,975	88,969,837	12.90%	P
Bus Depreciation	77,975,347	3.69%			60,801,885	912,201	16,261,262	2.36%	P
Tuition	40,604,512	1.92%			6,614,955	169,280	34,011,015	4.93%	P
Retirement	204,625,733	9.69%	47,109,230	137,123,695	20,312,238	80,570	-	0.00%	P
Adult Education	12,845,166	0.61%			5,909,853	695,773	6,622,898	0.96%	P
Non-Operating	172,553	0.01%			166,857	89	5,697	0.00%	P
Technology	40,038,353	1.90%	1,000,000		21,593,745	1,132,674	16,311,934	2.37%	V
Flexibility	65,724,568	3.11%	5,511,763		48,729,994	10,359,295	1,123,515	0.16%	P
Debt Service	135,948,791	6.44%	13,345,149		9,953,182	2,677,362	126,631,826	18.37%	V
Building Reserve	139,740,885	6.62%	9,769,306		96,973,192	3,126,622	29,871,765	4.33%	V,P
Total All Funds	2,111,448,165	100%	962,652,586	149,303,328	290,781,078	36,431,637	689,516,297	100%	

General Fund

The school general fund is defined as the fund used to account for the financing of a district's operation and maintenance costs not accounted for in another fund.

Some *examples* of general fund expenditures include salaries and benefits, supplies associated with pupil instruction, administration, support services to students, loans paid to the Board of Investments, and extracurricular activities not paid by the student activities fund.

Budget Levels

Budget levels are calculated based on state entitlements, driven by enrollment, number of educators and licensed professionals, and number of American Indian students. The basic and per-ANB entitlements, Quality Educator, Indian Education for All, American Indian Achievement Gap, At-Risk Student and Data for Achievement components, along with the district's special education funding, define BASE (minimum) and Maximum general fund budget limits.

ANB: In October and February of each school year, school districts report the number of students enrolled in their schools to the OPI. From these counts, ANB (Average Number Belonging) is calculated. The calculation is figured by computing the average enrollment (October and February counts) and then multiplying the average enrollment by the 187 and then divide by 180. ANB is then used to calculate the per-ANB entitlement, Special Education, Indian Education for All, and the Data for Achievement components. Together with the Basic Entitlement, At-Risk Student component, and the Quality Educator component, make up the BASE and Maximum general fund budget limits for the following school year.

OFFICE OF PUBLIC INSTRUCTION
ELSIE ARNTZEN, STATE SUPERINTENDENT

Base & Maximum Budget

The BASE budget is the minimum budget that a district must adopt for its general fund. It is equal to 80% of the basic entitlement, 80% of the district's per-ANB entitlement, 100% of the Quality Educator component, 100% of the At-Risk Student component, 100% of the Indian Education for All component, 100% of the American Indian Achievement Gap component, 100% of the Data for Achievement component, 140% of the district's Special Education allowable cost payment, and includes the 40% of the district's prorated Special Education cooperative cost payment.

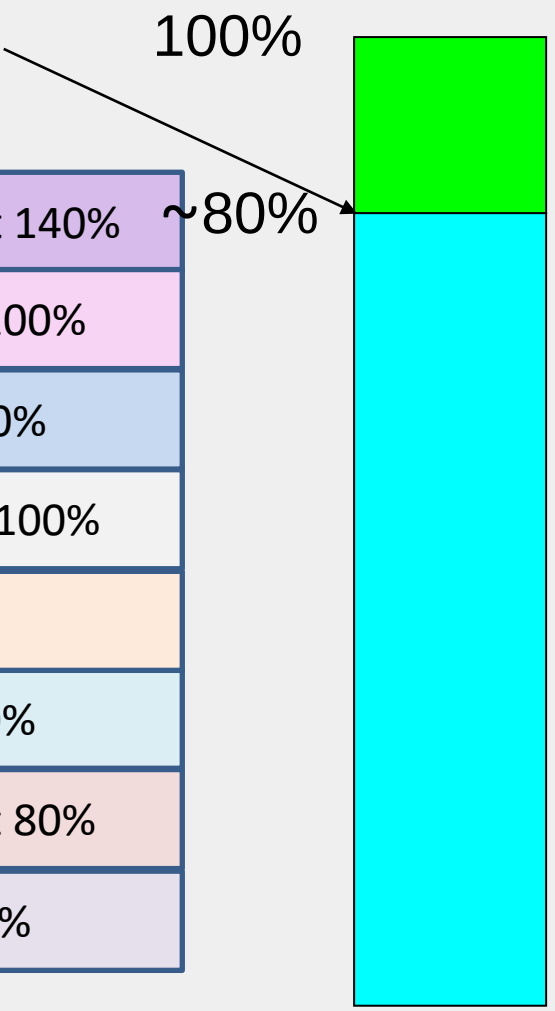
The Maximum general fund budget is the sum of 100% of the district's basic entitlement, 100% of the district's per-ANB entitlement, 100% of the Quality Educator component, 100% of the At-Risk Student component, 100% of the Indian Education for All component, 100% of the American Indian Achievement Gap component, 100% of the Data for Achievement component, between 175% and 200% of its Special Education allowable cost payment, and includes between 75% and 100% of the district's prorated Special Education cooperative cost payment.

OFFICE OF PUBLIC INSTRUCTION
ELSIE ARNTZEN, STATE SUPERINTENDENT

General Fund Budget **Limits**

BASE BUDGET

- Special Ed Allowable Cost 140%
- Data for Achievement 100%
- Achievement Gap 100%
- Indian Education for All 100%
- At Risk 100%
- Quality Educator 100%
- Per Student Entitlement 80%
- Basic Entitlement 80%

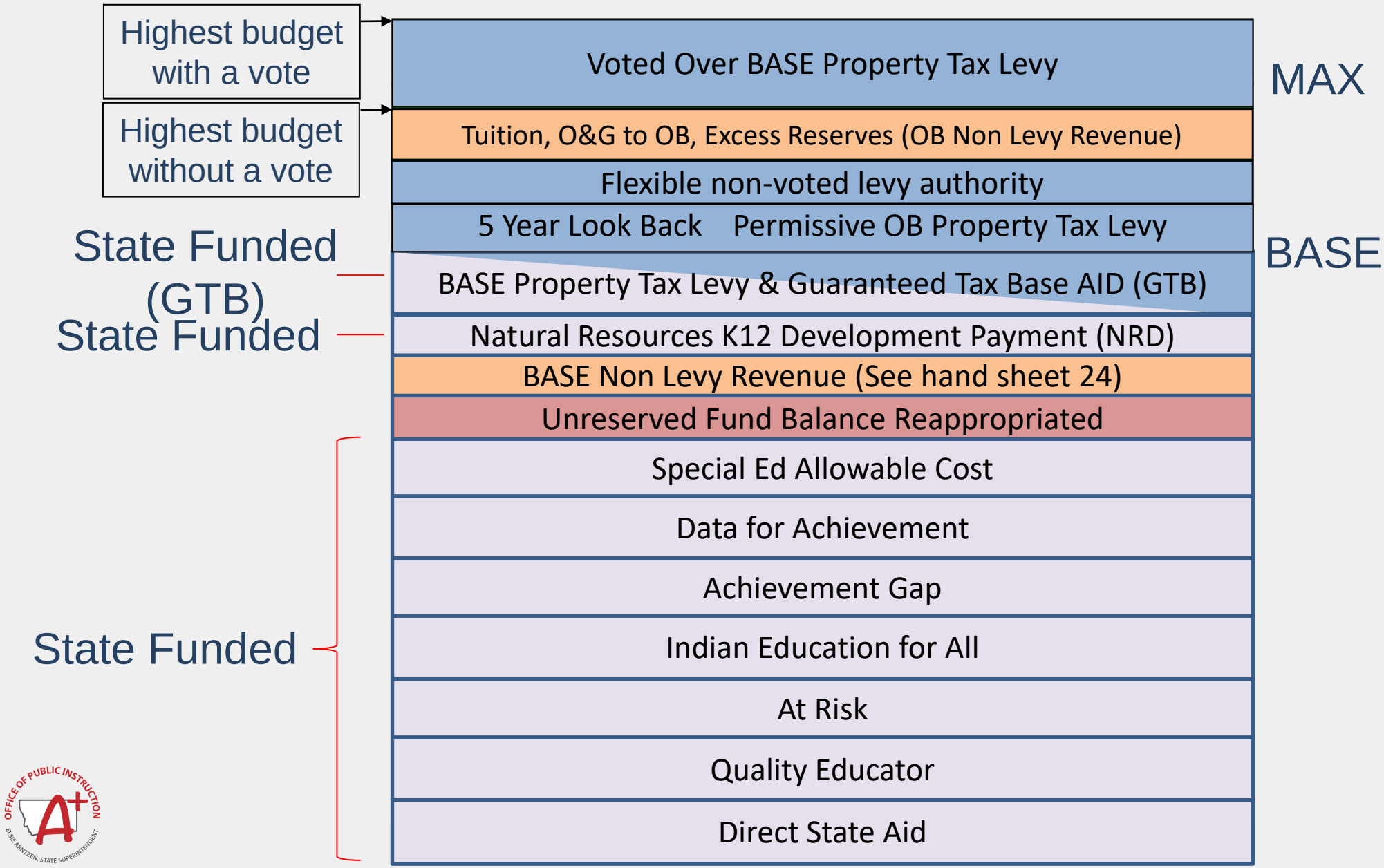


MAXIMUM BUDGET

- Special Ed Allowable Cost 200%
- Data for Achievement 100%
- Achievement Gap 100%
- Indian Education for All 100%
- At Risk 100%
- Quality Educator 100%
- Per Student Entitlement 100%
- Basic Entitlement 100%

Revenue Sources for all District Expenditures

Funding Source	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
State	42.99%	43.43%	40.63%	39.69%	40.30%
Local Property Taxes	30.57%	30.81%	28.99%	27.87%	27.82%
County	8.75%	8.88%	8.35%	7.87%	7.99%
Local Non-Tax	4.86%	4.52%	2.98%	3.45%	5.25%
Federal	12.83%	12.36%	19.05%	21.12%	18.64%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**


Highest budget with a vote
Highest budget without a vote
Voted Over BASE Property Tax Levy
MAX
Tuition, O&G to OB, Excess Reserves (OB Non Levy Revenue)
Flexible non-voted levy authority
5 Year Look Back
Permissive OB Property Tax Levy
BASE
State Funded (GTB)
BASE Property Tax Levy & Guaranteed Tax Base AID (GTB)
State Funded
Natural Resources K12 Development Payment (NRD)
BASE Non Levy Revenue (See hand sheet 24)
Unreserved Fund Balance Reappropriated
State Funded
Special Ed Allowable Cost
Data for Achievement
Achievement Gap
Indian Education for All
At Risk
Quality Educator
Direct State Aid

GTB- *Guaranteed Tax Base*

Locally collected school dollars come mostly from property taxes.

Districts with bigger tax bases — high-value industrial or resort properties in their district — collect more money overall while putting less burden on individual taxpayers. Districts with smaller tax bases and/or more students have a harder time meeting their base budget.

The Guaranteed Tax Base program uses state dollars to supplement local funding to the BASE line budget, to help alleviate disparities.

The state funding formula assigns each district a “GTB ratio” that scores how wealthy the district’s tax bass. That ratio is used to calculate how the shared portion is split between state and local tax dollars.

What's Next

Do you want more information on a specific topic?

Levies

GTB

How and how much special education is funded

Ask Katie – Katie.bloodgood@mt.gov

Now some Background on ESSER

Wendi Fawns – wendi.fawns@mt.gov

OFFICE OF PUBLIC INSTRUCTION
ELSIE ARNTZEN, STATE SUPERINTENDENT

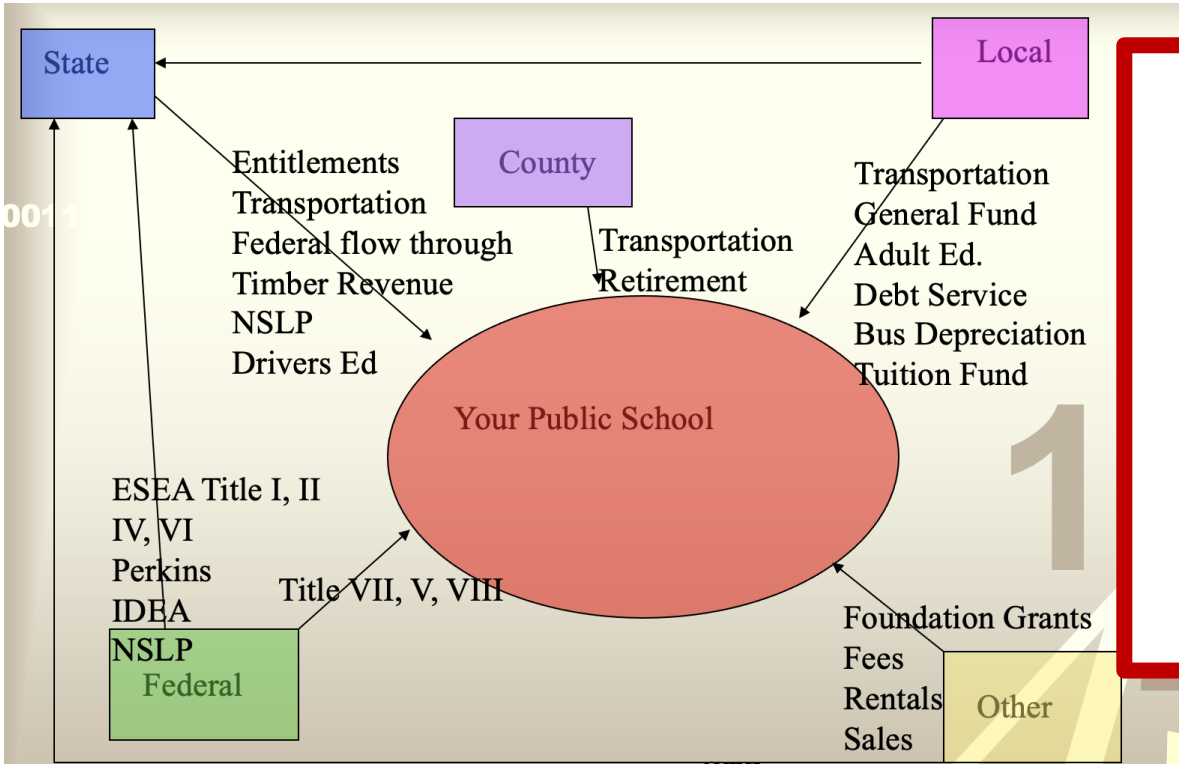
Budget Education Workshop
ESSER Funding $605M for Montana Schools 2021-2024
ESSER Team: Partners in Education
April 24, 2024

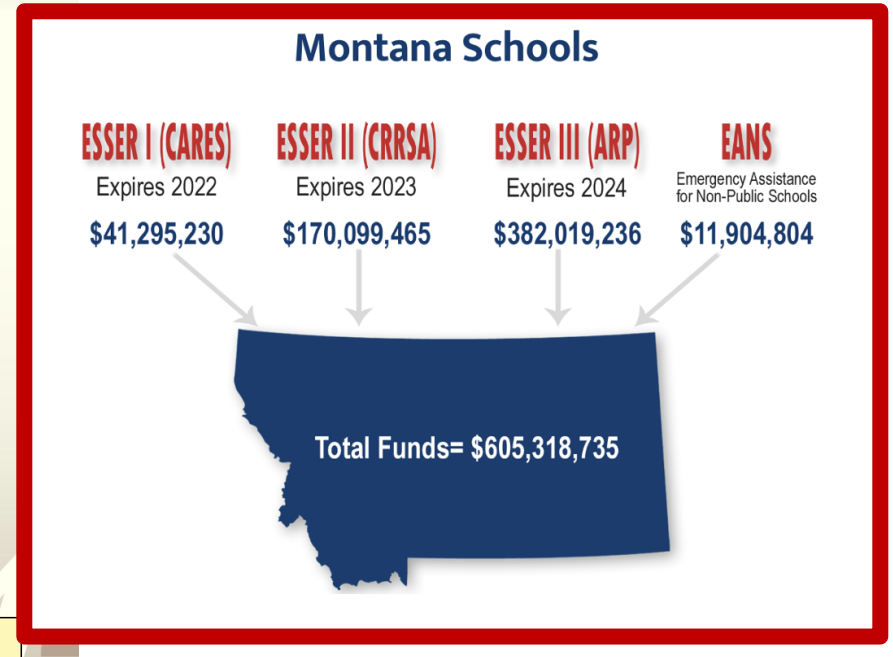
Wendi Fawns, ESSER/EANS Director
- wendi.fawns@mt.gov or 406-437-8595

Rebecca Brown, ESSER Program Manager
- rebecca.brown@mt.gov or 406-437-4795

Allison Agostino, ELO Grant
- allison.agostino@mt.gov or 406-202-7685

Funding is intermingled





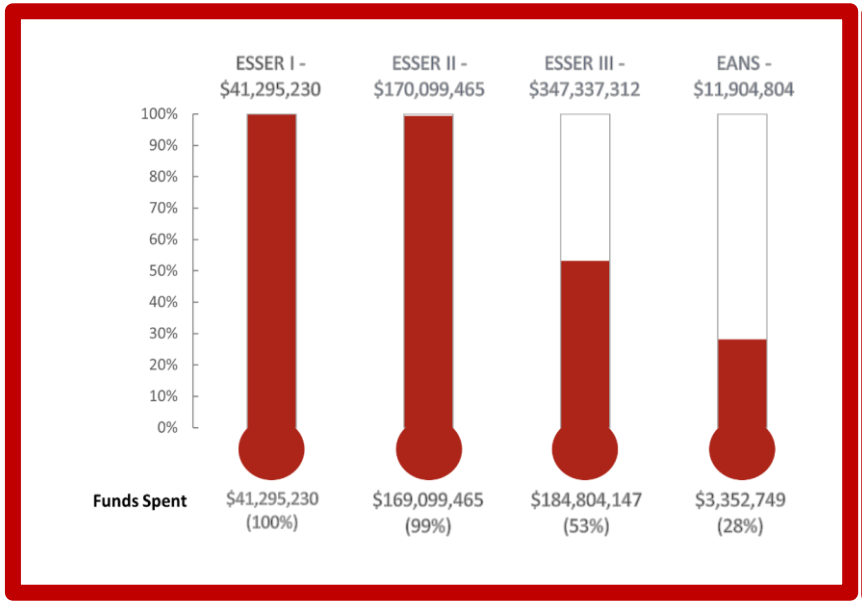
Braiding vs Blending

Blending	Braiding
Funding/Resources under single application	Intentional coordinated funding/resources
Often unable to tell what individual sources make up the support for the program	Each funding and resource maintains its full identity while contributing to the whole

Expect to Braid and intentionally build stronger sustainable pathways (fiscal, operational, technical)

Fist Layer	Second Layer - General Enhancements	Third Layer - Target Enhancements	
What are the items are fundimental to the programming and outcome? Examples might be staff, facility, and students.	What enhancements to the first layer of resources would benefit the program? What could be added to enhance outcomes by number achieved or by breadth? For example staff from multiple backgrounds and students from different schools both might increase publicity, professional development, and eventual capacity building.	What resources are needed for the target audience to enhance their specific outcomes? For example, special education and first aid certified staff, dyslexic readers, and individual cooking kits for different size/age students. The third layer may not be required but is highly desired and target focused. These target enhancements may increase program costs but may also increase outcomes and future	Braided together the layers of funding strengthen and sustain the programming effort. ESSER funds pay for staff, facility, and recruit students. Second layer of resources supplied staff through local clubs and colleges while private donor fund dyslexic programming supplies. After a year of effort the outcomes are reported to Sodexo Stop Hunger and Youth Serve America for continued supply funding while Second Layer diverse staffing efforts continue to supply staffing, recuit students, and cover facility.

ESSER-Funds Awarded, Timeline, Status



Allocated based on formula to all public and nonpublic schools in Montana.
Flexible spending requirements, managed as a three phased grant by the schools and uses are amendable.
Requirements include annual report, relate spending to covid/post conditions, public engagement, FAQ allowable.

ESSER Transitioning - Areas of Impact

- Stressful – winning the lottery ?
  - Large and many options
  - Transparency - allocation and use
    - E-Grants public access – Grant Management portal
    - Funding status by school
    - Grant assistance Monday - Saturday
  - **Remaining funds**
    - $150M school funds
    - $3.5M ELO (summer/after)
      - Schools, nonprofits, partnerships

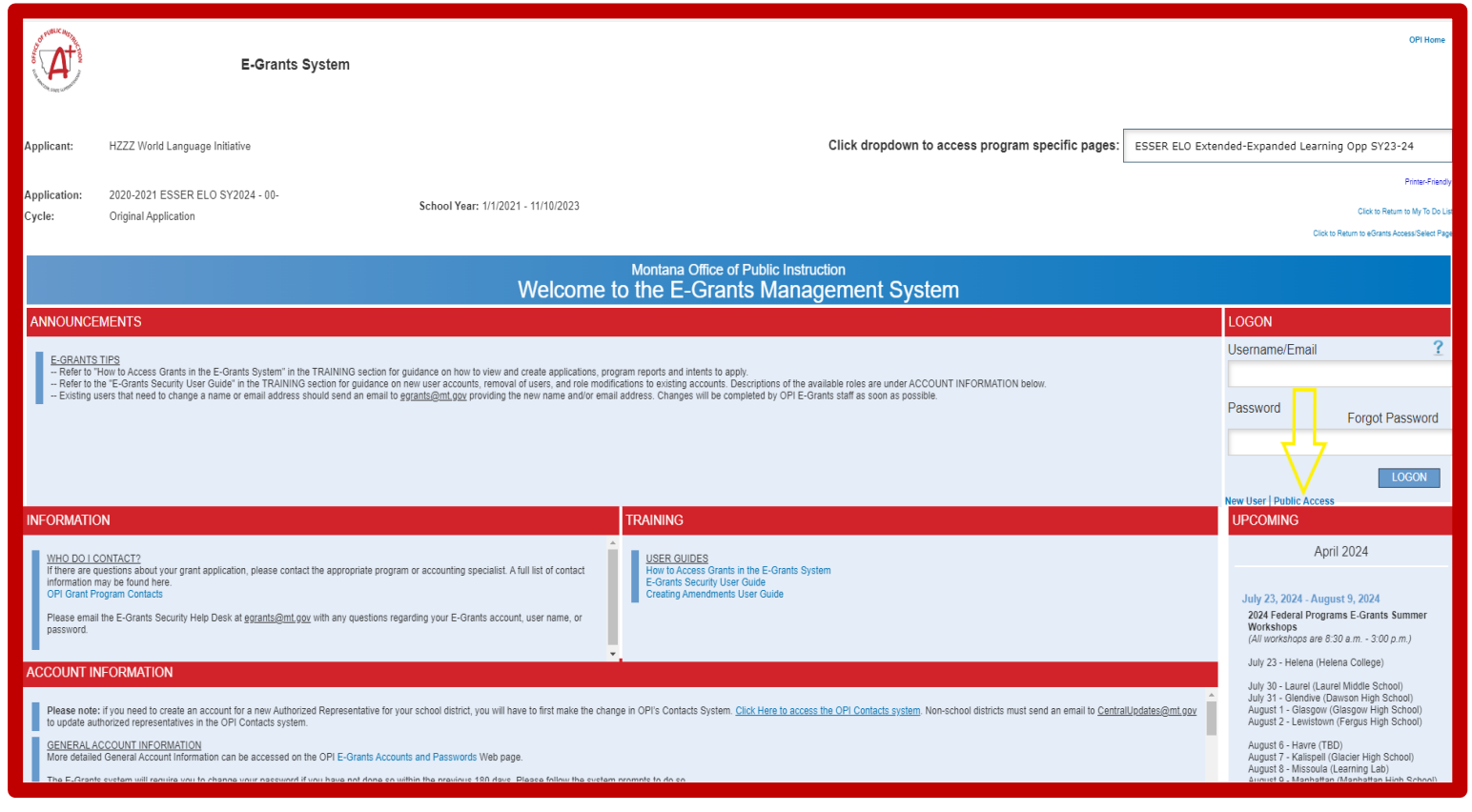
E-Grants Overview

E-Grants Login Page

How to Access Guide

Navigating E-Grants

Public Access Guide



What can ESSER be Used For?

Various ED guidance documents state that addressing challenges that existed *before* the pandemic can be a reasonable *response to* the pandemic.

- ESSER and GEER FAQs December 2022
- diverse needs **arising from or exacerbated by the COVID-19 pandemic, or to emerge stronger post-pandemic**, including responding to students' social, emotional, mental health, and academic needs …p. 9
- Implementing or expanding art programs, sports programs, or clubs. C-3
- Improving existing data systems. C-12
- Sustaining and maximizing enrollment in existing summer programs. C-25
- Continuing to pay existing employees and contractors. D-3
- ED says SEAs and LEAs can use ESSER funds for mental health services and su… that were experiencing trauma *before* the pandemic. C-14
- Curriculum, including related professional development. (ARP Public Safety Guidance, pp.5-6)

The cliff and planning

- ELO grant available after and summer school setting
  - Very flexible, math and reading
  - cooking, book clubs, landscaping, facility design, building ….
- Develop an idea, map it out, present
  - Seek to use remaining ESSER to avoid cliff – Braid to the Future
  - Think creatively, let the system tell you ‘no’ and then petition
- Education Matters – use your valuable KSA
- Engage through ~~funding~~ Resource knowledge
  - Promote and share out to build support

Promoting Partnership of ESSER Funds

- Community Partner with District
- Be public with everything ESSER allows you to accomplish - show student gain.
  - Publish your plan, and take progress pictures …
- Bring in the newspaper or TV station, show all that is being achieved.
- Host events and give tours, so public can come in and see ESSER success.

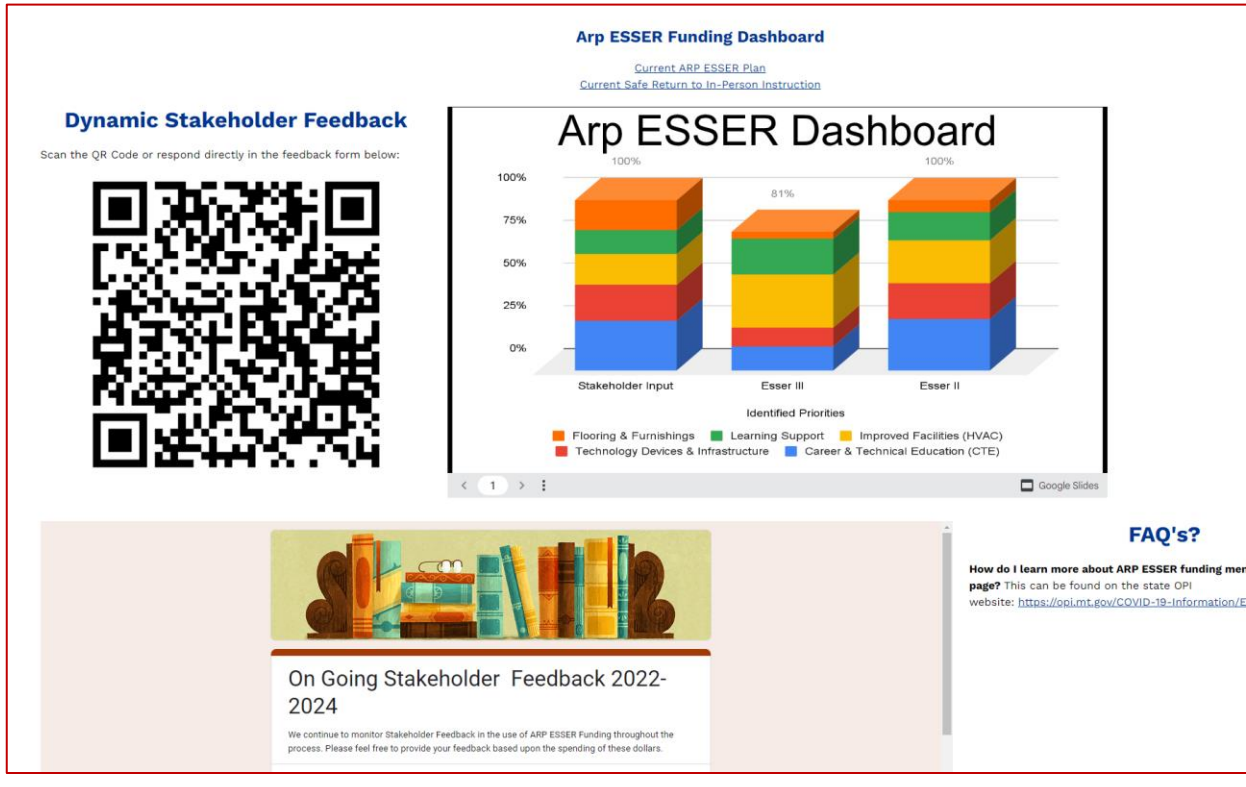
WHY?

- If the community has a partnership and a vested interest in success, then the ESSER funding “cliff” won’t pose a threat.
- In Montana, **our communities make us strong**. And community support will ensure program carries on after the federal monies stop.

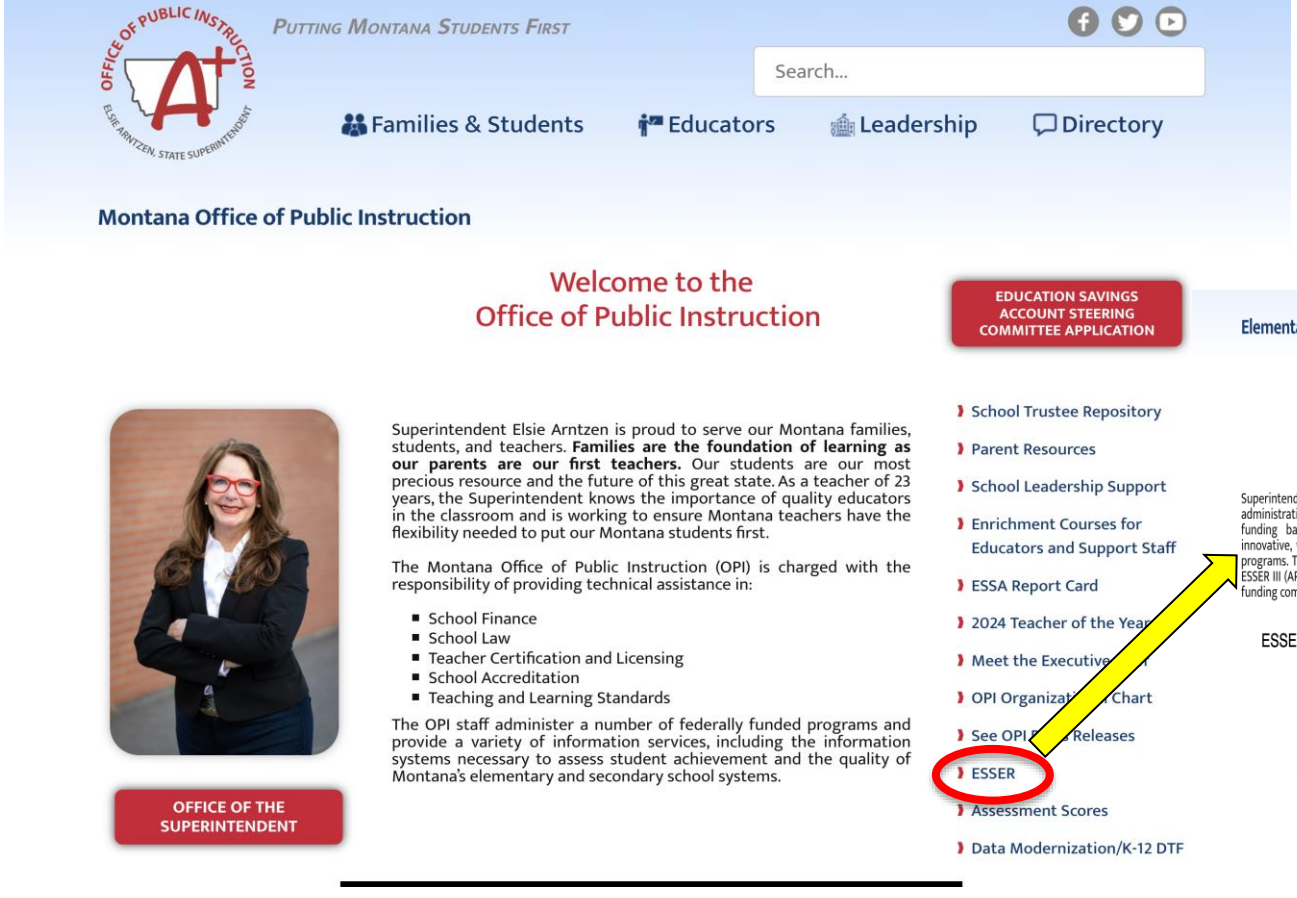
An ESSER Website and Parent Survey

THANK YOU to **Diane Woodard**, Superintendent of Victor School district

- Victor School District developed and implemented a survey and then website dashboard to demonstrate ESSER spending.



Resources at OPI.MT.GOV



THANK YOU!

Wendi Fawns, ESSER/EANS Director
wendi.fawns@mt.gov or 406-437-8595

Montana
Office of Public Instruction
opi.mt.gov Elsie Arntzen, Superintendent

Small Groups

Meeting dates and times for **Group A: Special needs students and programs**
- Monday, May 20, 5:30pm
- Monday, June 24, 5:30pm
- Monday, July 22, 5:30pm

Meeting dates and times for **Group B: Teacher pay, retention, & recruitment**
- Monday, May 20, 7:00pm
- Monday, June 24, 7:00pm
- Monday, July 22, 7:00pm

Meeting dates and times for **Group C**: **Rural, population, & culture**
- Tuesday, May 21, 5:30pm
- Tuesday, June 25, 5:30pm
- Tuesday, July 23, 5:30pm

OFFICE OF PUBLIC INSTRUCTION
ELSIE ARNTZEN, STATE SUPERINTENDENT

Meeting dates and times for **Group D: Sustainability & tax burden**

- Tuesday, May 21, 7:00pm
- Tuesday, June 25, 7:00pm
- Tuesday, July 23, 7:00pm

Meeting dates and times for **Group E: Programs & curriculum**

- Wednesday, May 22, 5:30pm
- Wednesday, June 26, 5:30pm
- Wednesday, July 24, 5:30pm

Meeting dates and times for **Group F: Funding formula**

- Wednesday, May 22, 7:00pm
- Wednesday, June 26, 7:00pm
- Wednesday, July 24, 7:00pm

Meeting dates and times for **Group G: School budgeting**

- Thursday, May 23, 5:30pm
- Thursday, June 27, 5:30pm
- Thursday, July 25, 5:30pm