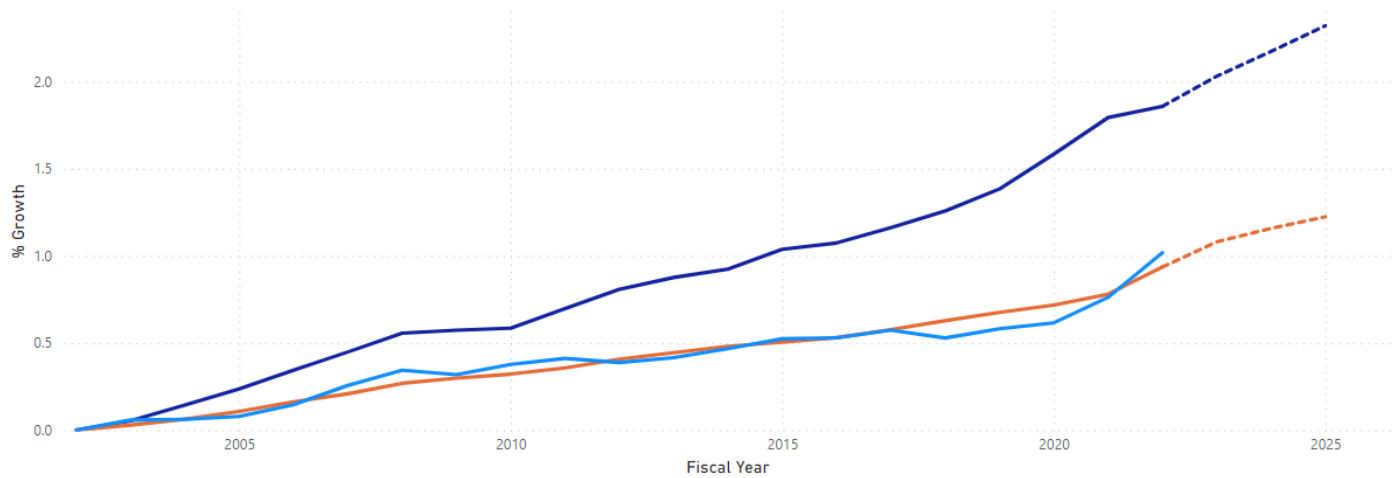


Office of Public Instruction

The chart shows the growth in state resource expenditures compared to the growth in personal income and growth in inflation.

● MT Personal Income Growth ● CPI Adjusted for Population ● State Resources Growth



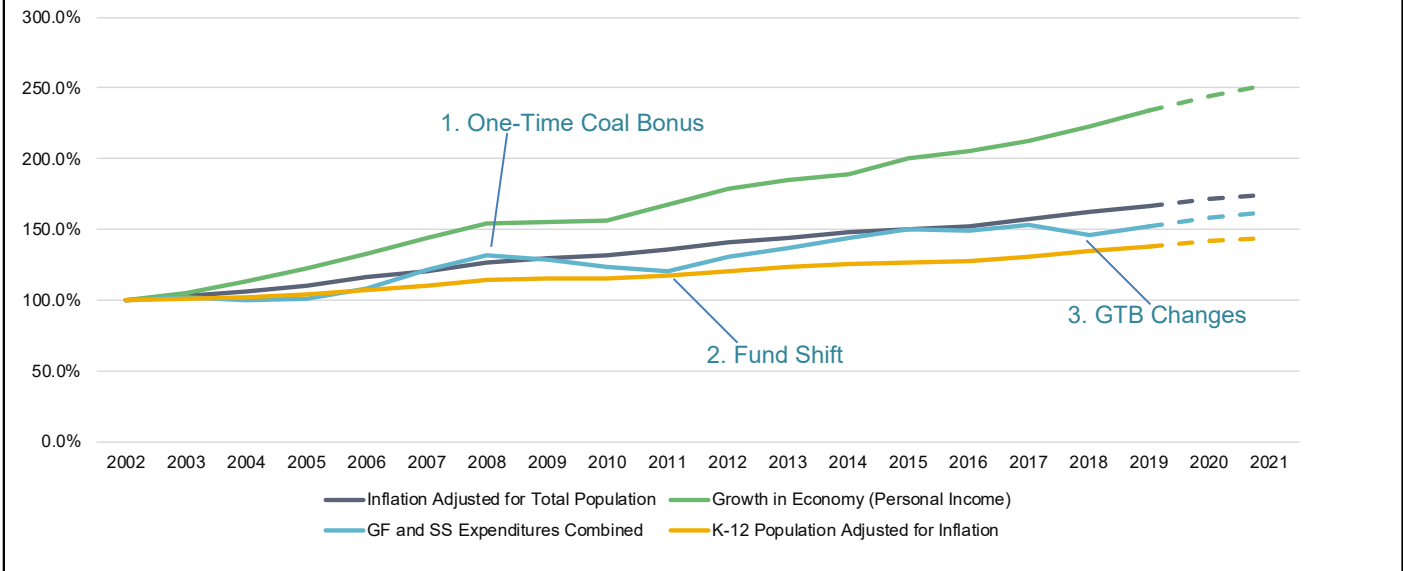
This report includes a series of charts that compare expenditure growth to the growth in the economy and growth in inflation adjusted for population. Montana statute, 17-8-106, MCA, recommends using growth in personal income for comparison purposes. Personal income is a measure for growth in the economy. Comparing growth allows financial planners to consider past and future demands in services or changes in revenues.

Though the growth of the Office of Public Instruction (OPI)'s funding closely follows the growth of population and inflation, OPI accounts for the largest amount of general fund expenditures (approximately \$884.7 million in FY 2022) when compared to any other state agency. A large portion of the growth for OPI is for K-12 BASE Aid, which has increased nearly every legislative session. The legislature sets in statute the formula for the BASE Budget for all school districts and the amount of BASE Aid provided to school districts from state sources.

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GF and SS Expenditures Combined

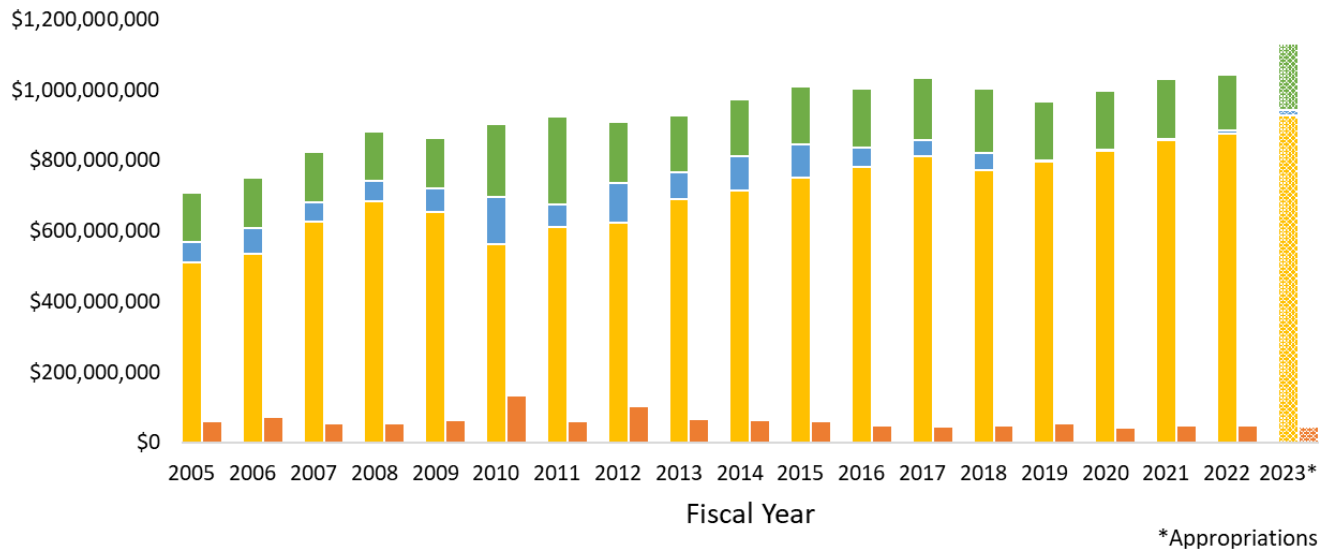
This chart shows the **combined general fund and state special revenue growth** in expenditures compared to **growth in inflation** and to the **growth in the economy** since fiscal year 2002.



1. The relatively large expenditures in FY 2010 were due to a one-time coal bonus payment to the guarantee account from Arch Coal
2. In FY 2012, a larger portion of K-12 BASE aid was paid from the guarantee state special revenue account instead of the general fund
3. If FY 2018, K-12 BASE aid was reduced due to the elimination of the distribution of general fund block grants to school districts. This decrease was offset by an increase in local property taxes

Funding Sources

OPI's HB 2 budget consists primarily of **general fund**, with additional funding coming from **state special revenue** and **federal special revenue**. **Statutory appropriations** for OPI are primarily from the Guarantee Account



General Fund

General fund accounts for a majority of the 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

Statutory Appropriations

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.

HB 2 Authority

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 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. 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 revenues also 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.

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. The amount of federal funding received by OPI has grown steadily over the last 20 years, but there were increases in federal funds in FY 2010 through FY 2012 due to the American Reinvestment and Recovery Act (ARRA) of 2009.