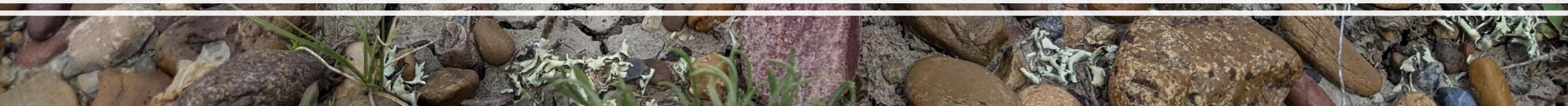




Reading HB 2 and the accompanying Narrative



HB 2 Narrative
page E-68
School for the
Deaf and Blind

51130 - School For The Deaf & Blind

SUMMARY

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	83.47	83.47	88.28	88.28
Personal Services	6,798,833	7,382,278	7,807,087	8,252,507	8,264,786
Operating Expenses	938,458	1,021,850	886,547	1,025,231	984,712
Equipment & Intangible Assets	50,000	50,000	0	0	0
Transfers	0	1,000	1,000	1,000	1,000
Debt Service	28,450	28,451	28,451	28,451	28,451
Total Expenditures	\$7,815,741	\$8,483,579	\$8,723,085	\$9,307,189	\$9,278,949
General Fund	7,379,294	8,009,635	8,245,512	8,819,616	8,791,376
State/Other Special Rev. Funds	253,429	290,927	293,257	293,257	293,257
Federal Spec. Rev. Funds	183,018	183,017	184,316	194,316	194,316
Total Funds	\$7,815,741	\$8,483,579	\$8,723,085	\$9,307,189	\$9,278,949
Total Ongoing	\$7,708,441	\$8,371,641	\$8,661,147	\$9,383,100	\$9,354,915
Total OTO	\$107,300	\$111,938	\$61,938	(\$75,966)	(\$75,966)

Page Reference

LFD Budget Analysis, E-131

Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2023	Executive Budget Fiscal 2024	Legislative Budget Fiscal 2024	Leg — Exec. Difference Fiscal 2024	Executive Budget Fiscal 2025	Legislative Budget Fiscal 2025	Leg — Exec. Difference Fiscal 2025	Biennium Difference Fiscal 24-25
FTE	83.47	86.74	88.28	1.54	86.74	88.28	1.54	1.54
Personal Services	7,807,087	8,113,089	8,252,507	139,418	8,124,833	8,264,786	139,953	279,371
Operating Expenses	886,547	1,019,060	1,025,231	6,171	988,856	984,712	(4,144)	2,027
Equipment & Intangible Assets	0	0	0	0	0	0	0	0
Transfers	1,000	1,000	1,000	0	1,000	1,000	0	0
Debt Service	28,451	28,451	28,451	0	28,451	28,451	0	0
Total Costs	\$8,723,085	\$9,161,600	\$9,307,189	\$145,589	\$9,143,140	\$9,278,949	\$135,809	\$281,398
General Fund	8,245,512	8,674,027	8,819,616	145,589	8,655,567	8,791,376	135,809	281,398
State/Other Special Rev. Funds	293,257	293,257	293,257	0	293,257	293,257	0	0
Federal Spec. Rev. Funds	184,316	194,316	194,316	0	194,316	194,316	0	0
Total Funds	\$8,723,085	\$9,161,600	\$9,307,189	\$145,589	\$9,143,140	\$9,278,949	\$135,809	\$281,398
Total Ongoing	\$8,661,147	\$9,116,600	\$9,383,155	\$266,555	\$9,098,140	\$9,354,915	\$256,775	\$523,330
Total OTO	\$61,938	\$45,000	(\$75,966)	(\$120,966)	\$45,000	(\$75,966)	(\$120,966)	(\$241,932)

The legislature adopted a budget that is \$281,398 greater than the proposed executive budget for the 2025 biennium. This change is in part due to the inclusion of an additional two outreach consultants beyond the executive request totaling 3.08 FTE and \$569,942 in general fund. The legislature approved several adjustments to rates that affect statewide present law adjustments. These include DP 30 which reflects a decrease in motor pool rates from those initially proposed by the Montana Department of Transportation, DP 20 which funds an increase in the SABHRS rate, DP 222 and 223 which make the decrease paid to the Risk Management and Tort Defense Division proprietary fund one-time-only, and DP 333 which reduced DP 3 by 25.0%. The legislature also approved an additional \$25,000 of general fund per year for group and activity travel.

HB 2 page E-4 line 21

8	SCHOOL FOR THE DEAF AND BLIND (51130)												
9	1. Administration Program (01)												
10	676,007	3,394	0	0	0	679,401	678,052	3,394	0	0	0	681,446	
11	a. Legislative Audit (Restricted/Biennial)												
12	29,110	0	0	0	0	29,110	0	0	0	0	0	0	
13	2. General Services Program (02)												
14	575,394	0	0	0	0	575,394	574,981	0	0	0	0	574,981	
15	3. Student Services Program (03)												
16	1,904,401	0	34,729	0	0	1,939,130	1,912,594	0	34,729	0	0	1,947,323	
17	4. Education Program (04)												
18	5,634,704	289,863	159,587	0	0	6,084,154	5,625,749	289,863	159,587	0	0	6,075,199	
19	<hr/>												
20	Total												
21	8,819,616	293,257	194,316	0	0	9,307,189	8,791,376	293,257	194,316	0	0	9,278,949	

22 The Administration Program and General Services Program include a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk
 23 Management and Tort Defense Division's proprietary fund.

24 If HB 132 is passed and approved by the Legislature, Legislative Audit is void.

25



Programs

- Education Program

04- Education Narrative

Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	10,492,885	11,547,393	1,054,508	10.05 %
Operating Expenses	509,842	611,960	102,118	20.03 %
Total Expenditures	\$11,002,727	\$12,159,353	\$1,156,626	10.51 %
General Fund	10,127,359	11,260,453	1,133,094	11.19 %
State/Other Special Rev. Funds	577,426	579,726	2,300	0.40 %
Federal Spec. Rev. Funds	297,942	319,174	21,232	7.13 %
Total Funds	\$11,002,727	\$12,159,353	\$1,156,626	10.51 %
Total Ongoing	\$10,948,851	\$12,159,353	\$1,210,502	11.06 %
Total OTO	\$53,876	\$0	(\$53,876)	(100.00)%

Page Reference

LFD Budget Analysis, E-150

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	49.69	49.69	53.50	53.50
Personal Services	4,727,031	5,089,757	5,403,128	5,772,588	5,774,805
Operating Expenses	237,143	267,486	242,356	311,566	300,394
Total Expenditures	\$4,964,174	\$5,357,243	\$5,645,484	\$6,084,154	\$6,075,199
General Fund	4,565,753	4,921,325	5,206,034	5,634,704	5,625,749
State/Other Special Rev. Funds	250,065	287,563	289,863	289,863	289,863
Federal Spec. Rev. Funds	148,356	148,355	149,587	159,587	159,587
Total Funds	\$4,964,174	\$5,357,243	\$5,645,484	\$6,084,154	\$6,075,199
Total Ongoing	\$4,941,874	\$5,330,305	\$5,618,546	\$6,064,154	\$6,075,199
Total OTO	\$22,300	\$26,938	\$26,938	\$0	\$0

Page Reference

LFD Budget Analysis, E-151

Funding

The MSDB outreach program is funded with 92.6% general fund. The residential education program is funded with general fund, additional state special revenue funding from the school's trust lands, Medicaid reimbursement for services provided to students who qualify for Medicaid, and federal funds designated for the assistance of state and local educational agencies to meet the special educational needs of educationally deprived children.

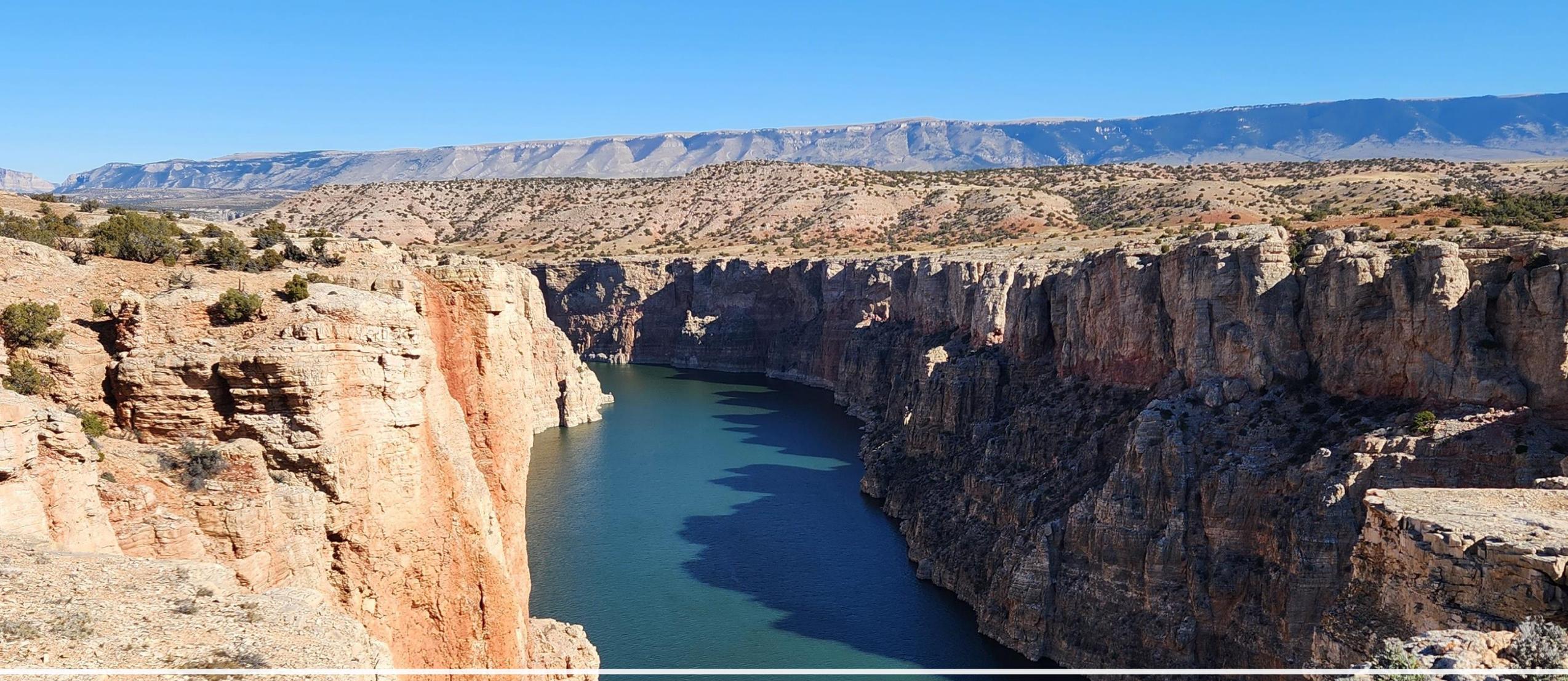
Program 04 Page E-4

8	SCHOOL FOR THE DEAF AND BLIND (51130)												
9	1.	Administration Program (01)											
10		676,007	3,394	0	0	0	679,401	678,052	3,394	0	0	0	681,446
11		a. Legislative Audit (Restricted/Biennial)											
12		29,110	0	0	0	0	29,110	0	0	0	0	0	0
13	2.	General Services Program (02)											
14		575,394	0	0	0	0	575,394	574,981	0	0	0	0	574,981
15	3.	Student Services Program (03)											
16		1,904,401	0	34,729	0	0	1,939,130	1,912,594	0	34,729	0	0	1,947,323
17	4.	Education Program (04)											
18		5,634,704	289,863	159,587	0	0	6,084,154	5,625,749	289,863	159,587	0	0	6,075,199
19	<hr/>												
20	Total												
21		8,819,616	293,257	194,316	0	0	9,307,189	8,791,376	293,257	194,316	0	0	9,278,949

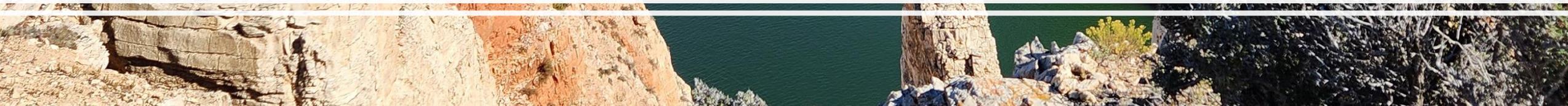
22 The Administration Program and General Services Program include a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk
 23 Management and Tort Defense Division's proprietary fund.

24 If HB 132 is passed and approved by the Legislature, Legislative Audit is void.

25



Change Packages



Change Packages – Page E-81 of Narrative

51130 - School For The Deaf & Blind

04-Education

New Proposals	Fiscal 2024					Fiscal 2025				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 4 - New Transition Specialist Position	0.73	70,111	0	0	70,111	0.73	67,567	0	0	67,567
DP 5 - Additional Funding for Family Advisors	0.00	21,000	0	0	21,000	0.00	21,000	0	0	21,000
DP 8 - Professional Development	0.00	35,000	0	0	35,000	0.00	35,000	0	0	35,000
DP 9 - IDEA Part B Outreach Grant Expenses	0.00	0	0	10,000	10,000	0.00	0	0	10,000	10,000
DP 12 - Extra-curricular Compensation	0.00	26,938	0	0	26,938	0.00	26,938	0	0	26,938
DP 14 - Four New Outreach Consultants	3.08	290,036	0	0	290,036	3.08	279,906	0	0	279,906
DP 333 - Adjustment to Inflation	0.00	(4,450)	0	0	(4,450)	0.00	(5,325)	0	0	(5,325)
Total	3.81	\$438,635	\$0	\$10,000	\$448,635	3.81	\$425,086	\$0	\$10,000	\$435,086

Total Funds amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 4 - New Transition Specialist Position -

The legislature adopted an increase of 0.73 FTE for a transition specialist at a cost of \$70,111 in FY 2024 and \$67,567 in FY 2025. The position will develop partnerships with businesses and organizations to work with MSDB students and act as a job coach for employers and students to help prepare MSDB students to be productive in the workforce. This appropriation also includes one new employee office package (\$1,600) and computer equipment (\$1,200) in FY 2024.

DP 5 - Additional Funding for Family Advisors -

The legislature adopted an increase of \$21,000 general fund in each year of the 2025 biennium for personal services costs to provide family advisors. Family advisors are non-staff people who have children with similar disabilities who are paid by MSDB to meet with other families with children with similar needs for consulting and advising. These funds are not used to pay additional stipends to current MSDB staff. Historically, these costs have been paid by an IDEA Part B grant from the Office of Public Instruction and vacancy savings. It is anticipated these funds will not be sufficient for this purpose in the 2025 biennium.

DP 8 - Professional Development -

The legislature adopted an appropriation of \$35,000 per year for professional development funding. No staff training is available in Montana so staff must travel to other states to maintain their high level of training.

DP 9 - IDEA Part B Outreach Grant Expenses -

The legislature adopted an appropriation of \$10,000 per year of the 2025 biennium in federal authority to match the funding received for the IDEA Part B grant received through the Office of Public Instruction.

DP 12 - Extra-curricular Compensation -

The legislature adopted general fund personal services authority of \$26,938 in each year of the biennium to pay stipends to staff for sponsoring extracurricular activities such as sports, clubs, and class sponsors. These sponsors allow MSDB students to participate in extracurricular activities like their peers who attend public schools.

Change Packages – Page E-82 of Narrative – Inflation adjustment

51130 - School For The Deaf & Blind

04-Education

DP 14 - Four New Outreach Consultants -

The legislature adopted a general fund increase of \$290,036 for FY 2024 and \$279,906 for FY 2025 and 3.08 FTE for outreach consultants. This decision package also includes operating costs for four new employee office packages (\$6,200) and four computer packages (\$4,800) in FY 2024.

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.



Additional Vacancy Savings



New Proposals -

The "New Proposals" table shows new changes to spending.

New Proposals	Fiscal 2024					Fiscal 2025				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	(36,464)	(1,213)	(110,154)	(147,831)	0.00	(46,746)	(1,600)	(143,330)	(191,676)
DP 555 - Additional Vacancy Savings	0.00	(60,737)	(1,622)	(68,077)	(130,436)	0.00	(61,037)	(1,627)	(68,468)	(131,132)
DP 604 - FTE Efficiency	(3.00)	0	0	(135,701)	(135,701)	(3.00)	0	0	(136,082)	(136,082)
DP 605 - Federal Grant Award Adjustments	0.00	0	0	500,000	500,000	0.00	0	0	500,000	500,000
DP 612 - CSCT FTE Reduction	(1.00)	(36,750)	0	(37,255)	(74,005)	(1.00)	(36,831)	0	(37,502)	(74,333)
DP 614 - MT Indian Language Preservation (RST/BIEN)	0.00	750,000	0	0	750,000	0.00	750,000	0	0	750,000
DP 618 - Montana Digital Academy Inflationary Increase (RST)	0.00	47,243	0	0	47,243	0.00	95,117	0	0	95,117
DP 619 - Teacher Licensure System (RST/BIEN)	0.00	0	166,348	0	166,348	0.00	0	166,333	0	166,333
DP 620 - Teacher Licensure System	0.00	(166,348)	0	0	(166,348)	0.00	(166,333)	0	0	(166,333)
Total	(4.00)	\$496,944	\$163,513	\$148,813	\$809,270	(4.00)	\$534,170	\$163,106	\$114,618	\$811,894

**Total Funds* amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

HB2 Narrative

E-10

2025 Biennium

35010 - Office Of Public Instruction

06-State Level Activities

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.



Other significant changes by HAC

- General Fund
 - School PL cost down \$16 million
 - Corrections up \$24 million private prison beds and inflation
 - DPHHS up \$13 million post partum coverage, FMAP adjustment, hospital provider rates

Other significant changes by HAC

- All funds
 - Inflation evened out between sections, netted a reduction of about \$2 million in FY 24 and \$3 million in FY 25
 - Increase in vacancy savings ~ \$8 million per year reduction all funds



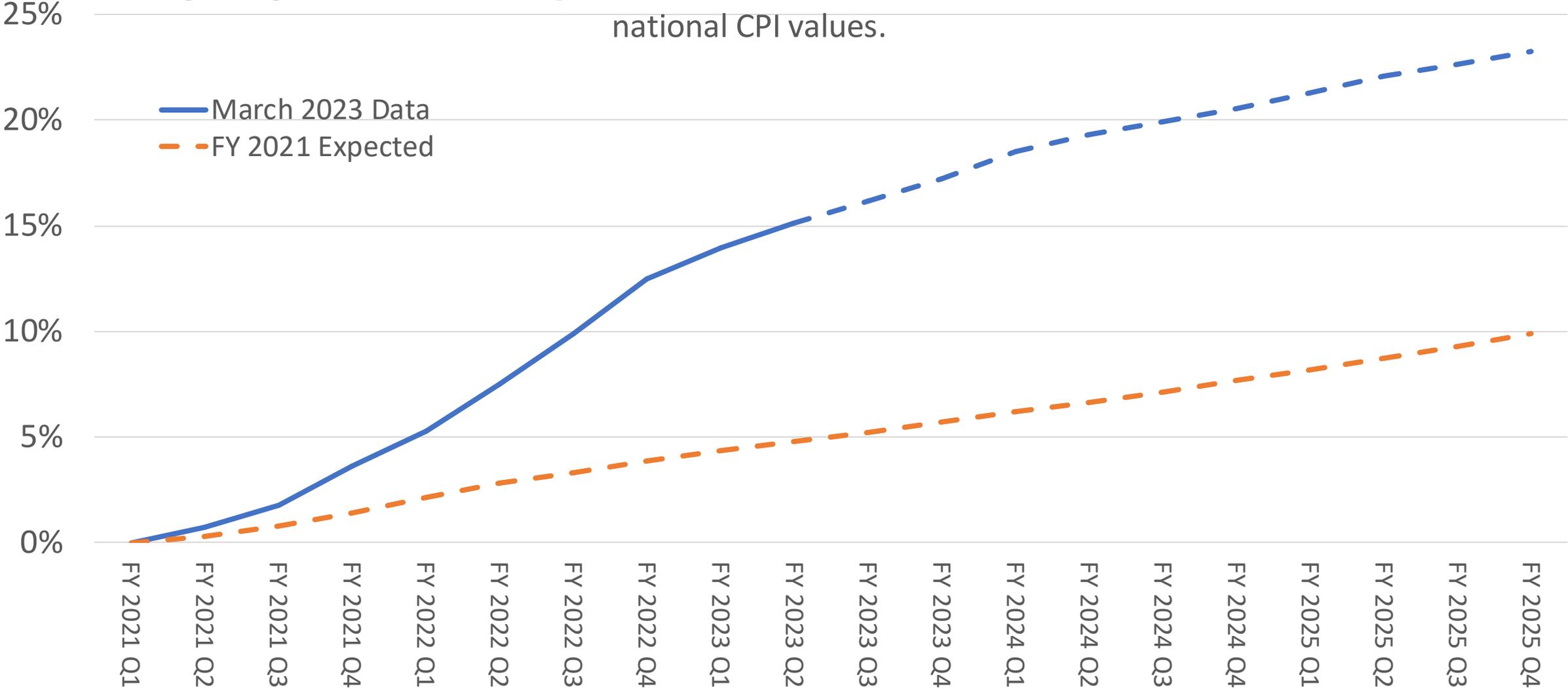
Online Tools



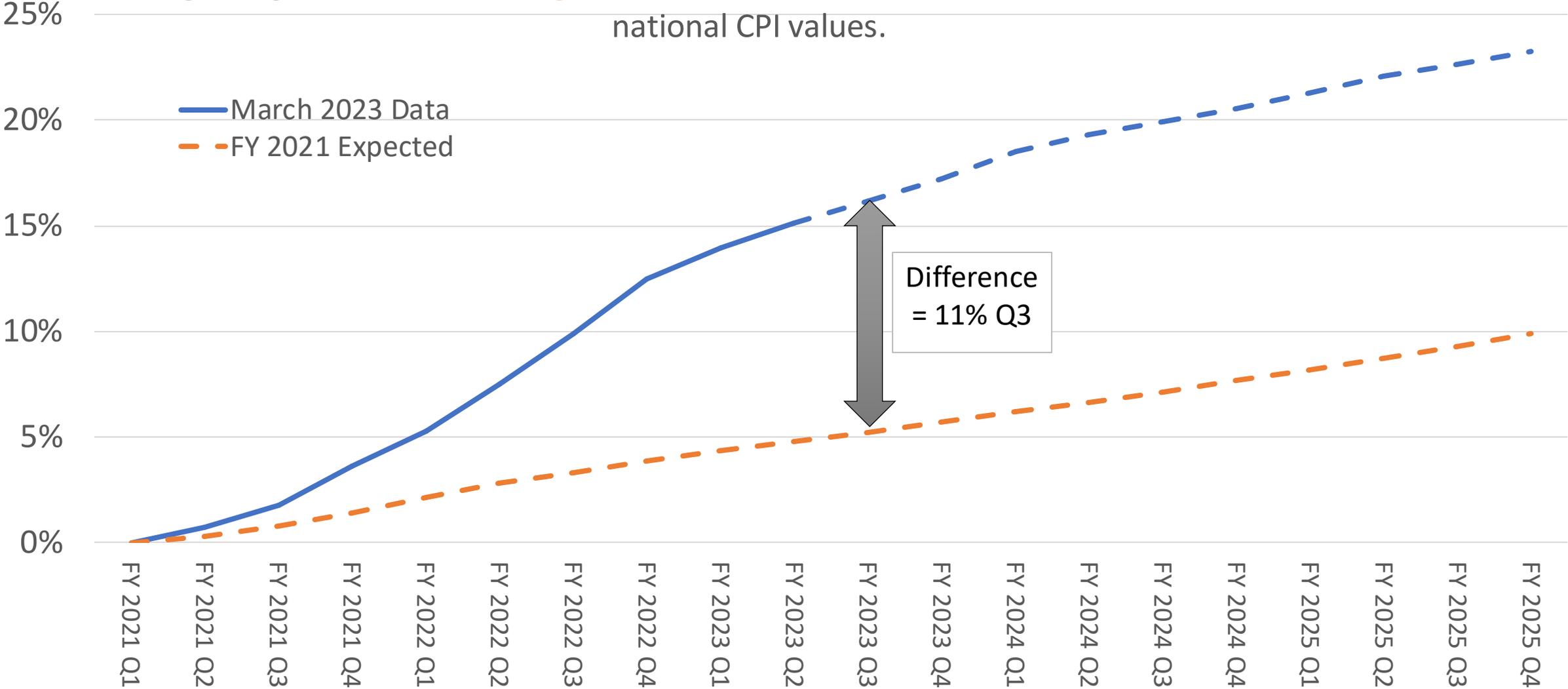


Analysis of Inflation Adjustments for the 2025 Biennium

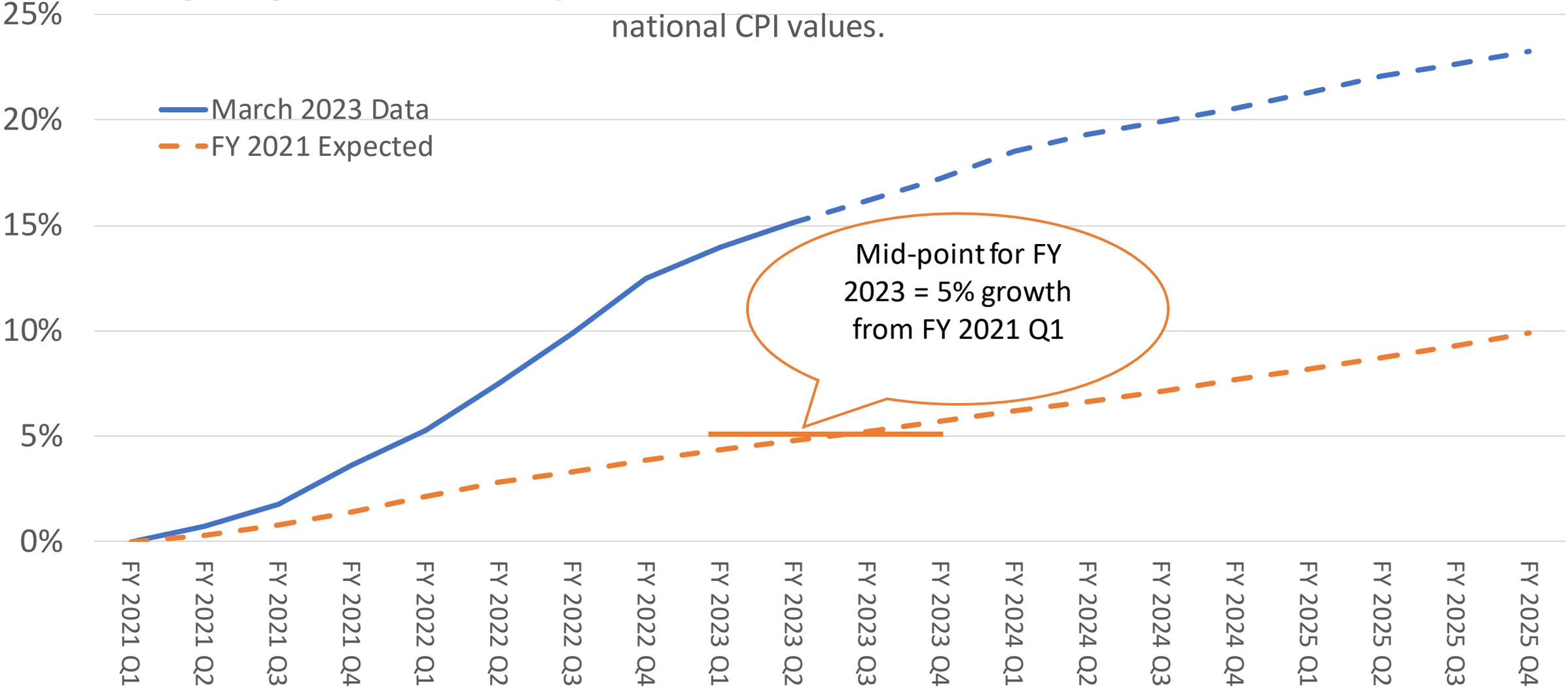
CPI growth benchmarked to the beginning of FY 2021. What was expected at the beginning of FY 2021 in Orange and most recent March data in Blue. All data from IHS national CPI values.



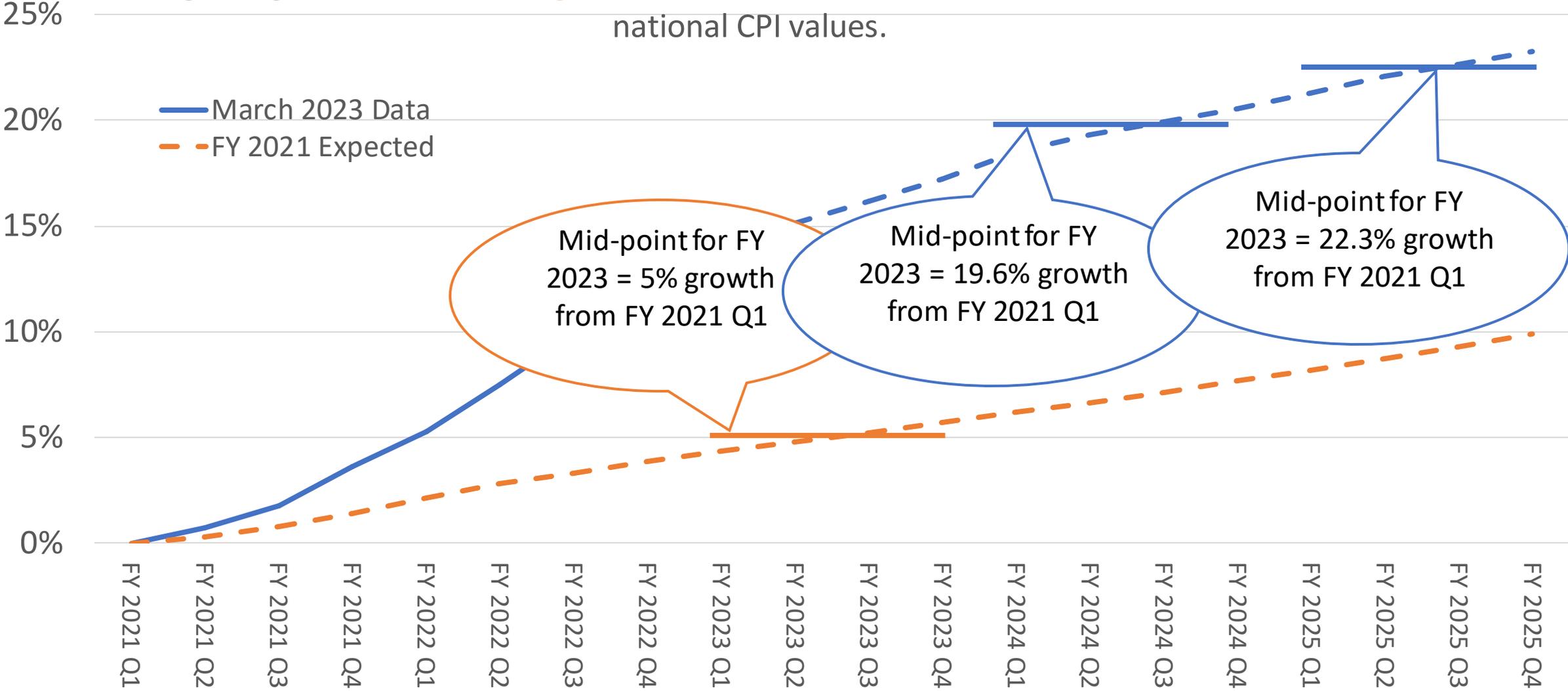
CPI growth benchmarked to the beginning of FY 2021. What was expected at the beginning of FY 2021 in Orange and most recent March data in Blue. All data from IHS national CPI values.



CPI growth benchmarked to the beginning of FY 2021. What was expected at the beginning of FY 2021 in Orange and most recent March data in Blue. All data from IHS national CPI values.



CPI growth benchmarked to the beginning of FY 2021. What was expected at the beginning of FY 2021 in Orange and most recent March data in Blue. All data from IHS national CPI values.



Math

	FY 2024 23 Session	FY 2025 23 Session
23 Bi Budget development IHS Markit	5.0%	5.0%
25 Bi Current IHS Markit estimates	19.6%	22.3%
Difference from 23 Bi budget development	14.5%	17.3%
Difference from FY 2023 budget	13.8%	16.5%
Annual inflation	3.4%	2.3%

OBPP budgeted inflation in DP 3

Items	FY 2024 from FY 2023 Base	FY 2025 from FY 2023 Base
Other Services	5.30%	7.06%
Supplies and Materials	14.36%	14.24%
Communications	5.90%	6.57%
Repair and Maintenance	12.87%	16.06%
Motor Pool	9.45%	14.50%

Note that some objects are not inflated.

Are fixed costs (DP 2) and inflation (DP 3) both inflating the same objects?

-
- Other Services and Communications objects were evaluated because of the potential in those areas
 - LFD analyzed and determined that DP3 is inflating objects in DP2 by ~\$3.9 million in FY 2024 and ~\$4.9 million in FY 2025 all funds
 - Note that the total increase for DP3 of \$59.2 million in FY 2024 and \$74.8 million in FY 2025 is on a base of \$1.1 billion the fixed cost objects represent ~6% of the total increase
 - Examples follow – calculations close, but not final

Calculations close, but not final

Judicial Branch = 29.3% of all DP 3

FY 2024 only

Object #	Object Description	Base	DP 2 Fixed costs	DP 3 Inflation	SWPL Total	Inflation on reduced base (5.3%/5.9%)	Difference to DP 3
62100	Other Services	1,715,089		196,188	1,911,277	90,900	(105,288)
62104	Insurance & Bonds	165,659	(165,659)		-		
62113	Warrant Writing Services	2,281	305		2,586		
62114	HRIS Fee	124,423	6,674		131,097		
62148	SABHRS Administrative Costs	20,832	2,698		23,530		
621ITSD	ITSD Fixed Cost Account	1,673,391	204,426		1,877,817		
62300	Communications	161,399		86,331	247,730	9,523	(76,808)
62307	Messenger Services - D Of A	17,150	300		17,450		
623ITSD	ITSD Fixed Cost Account	1,284,697			1,284,697		
Total							(182,097)

Calculations close, but not final

Dept of Transportation = 2.2% of DP 3

FY 2024 only

Object #	Object Description	Base	DP 2 Fixed costs	DP 3 Inflation	SWPL Total	Inflation on reduced base (5.3%/ 5.9%)	Difference to DP 3
62100	Other Services	454,839,892		24,640,947	479,480,839	24,106,514	(534,433)
62104	Insurance & Bonds	5,103,933	(5,103,933)		-		
62113	Warrant Writing Services	19,488	3,081		22,569		
62114	HRIS Fee	520,292	23,839		544,131		
62148	SABHRS Administrative Costs	134,753	19,182		153,935		
621ITSD	ITSD Fixed Cost Account	4,305,173	995,992		5,301,165		
62300	Communications	2,954,097		282,071	3,236,168	174,292	(107,779)
62307	Messenger Services - D Of A	2,200	(450)		1,750		
623ITSD	ITSD Fixed Cost Account	1,824,575			1,824,575		
Total							(642,212)

Calculations close, but not final

Dept of Corrections = 4.2% of all DP3

FY 2024 only

Object #	Object Description	Base	DP 2 Fixed costs	DP 3 Inflation	SWPL Total	Inflation on reduced base (5.3%/5.9%)	Difference to DP 3
62100	Other Services	94,201,091		5,208,809	99,409,900	4,992,658	(216,151)
62104	Insurance & Bonds	1,860,823	(1,860,823)		-		
62113	Warrant Writing Services	22,358	1,294		23,652		
62114	HRIS Fee	326,513	13,601		340,114		
62148	SABHRS Administrative Costs	66,302	9,320		75,622		
621ITSD	ITSD Fixed Cost Account	1,802,321	231,754		2,034,075		
62300	Communications	496,879		127,433	624,312	29,316	(98,117)
62307	Messenger Services - D Of A	7,950	(2,500)				
623ITSD	ITSD Fixed Cost Account	1,655,047					
Total							(314,268)

