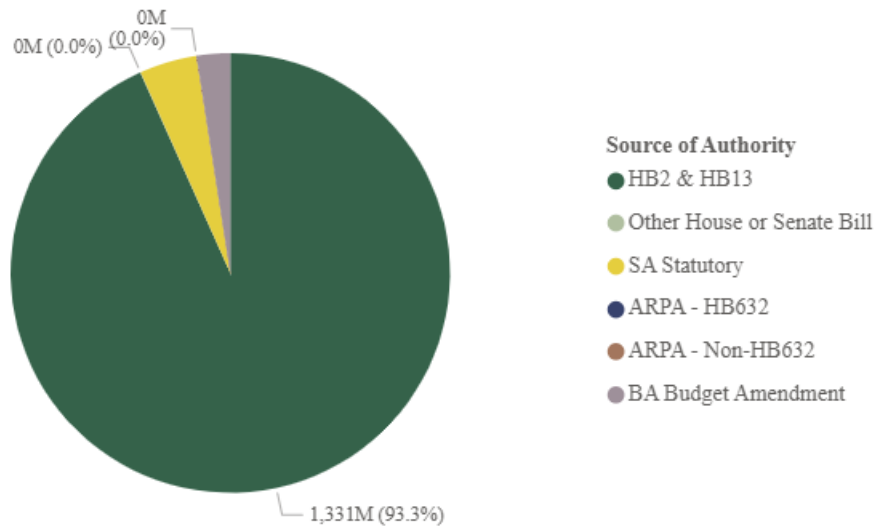


OFFICE OF PUBLIC INSTRUCTION

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the Office of Public Instruction (OPI) is shown in the pie chart below. HB 2 and HB 13 provide 93.3% of the total authority for this agency. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

Total Modified Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	% Expended	
HB2 & HB13	1,330,602,735	353,751,005	26.6%	
BA Budget Amendment	35,058,413	7,798,953	22.2%	
Other House or Senate Bill	340,100	144,128	42.4%	
SA Statutory	60,055,216	1,201,362	2.0%	
ARPA	292,545	43,315	14.8%	
Total	1,426,349,008	362,938,765	25.4%	

The Office of Public Instruction has total budgeted authority of approximately \$1.4 billion for FY 2026, of which approximately \$1.3 billion is HB 2 spending authority. The second largest portion of OPI's spending authority is made up of statutory appropriations, primarily for K-12 BASE Aid, which total \$60.1 million or 4.2% of the budget. The remainder of the budget consists mostly of budget amendment authority, totaling \$35.1 million or 2.5% of the budget. As of November 30, 2025, OPI had expended 25.4% of its total budgeted spending authority and 26.6% of its HB 2 spending authority.

Budget Amendments

OPI has approximately \$35.1 million in budget amendment authority for FY 2026, of which 22.2% was expended as of November 30, 2025. Budget amendment authority for OPI is primarily made up of federal grants, many of which have deadlines that do not align with the state fiscal year. Five federal grant programs make up the budget amendment authority for OPI:

- Montana Comprehensive Literacy Development Project (MCLDP): \$18.3 million
- School Nutrition: \$10.1 million
- Montana Alternative Student Testing (MAST): \$1.9 million
- Montana Alternative Student Testing (MAST) Science: \$4.0 million
- Project AWARE (Advancing Wellness and Resiliency in Education): \$842,000

Other House and Senate Bills

OPI has approximately \$340,000 in other house and senate bill appropriations for FY 2026, of which 42.4% was expended as of November 30, 2025. These appropriations were primarily from HB 252 and HB 869, both of which passed in the 2025 Legislative Session.

- HB 252, the Student and Teacher Advancement for Results and Success (STARS) Act, is a revised and enhanced version of the TEACH Act (HB 143, 2021 Session), which further incentivizes increases in teacher pay, particularly for teachers early in their careers. The STARS Act also incentivizes career and technical education through a Future Ready payment beginning in FY 2028, allows school districts with higher housing costs to increase their maximum budget limit to propose an additional over-BASE levy to the districts' voters, and provides additional funding for the Advanced Opportunities Program. The \$100,000 appropriation in the bill for Advanced Opportunities was 100.0% expended as of November 30, 2025; the remainder of the appropriations for implementing the provisions of HB 252 were included in HB 2 and will be discussed in the HB 2 section of this report
- HB 869 requires schools to train coaches, provide resources and response teams, and purchase automatic external defibrillators to enhance student safety and cardiac arrest response. This bill also requires OPI to make available a cardiac arrest information sheet on the OPI website. Of the \$240,000 biennial appropriation in the bill, approximately \$44,000 or 18.4% was expended as of November 30, 2025

Statutory Appropriations

The Office of Public Instruction has \$60.1 million in statutory spending authority for FY 2026, which was 2.0% expended as of November 30, 2025. The guarantee account, which is a statutorily appropriated state special revenue fund dedicated to school funding, is the source of most of the statutory appropriations for OPI. 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. OPI receives the proceeds from the guarantee account in January and June, which are then used to make the K-12 Basic Amount for School Equity (BASE) aid payment in those months.

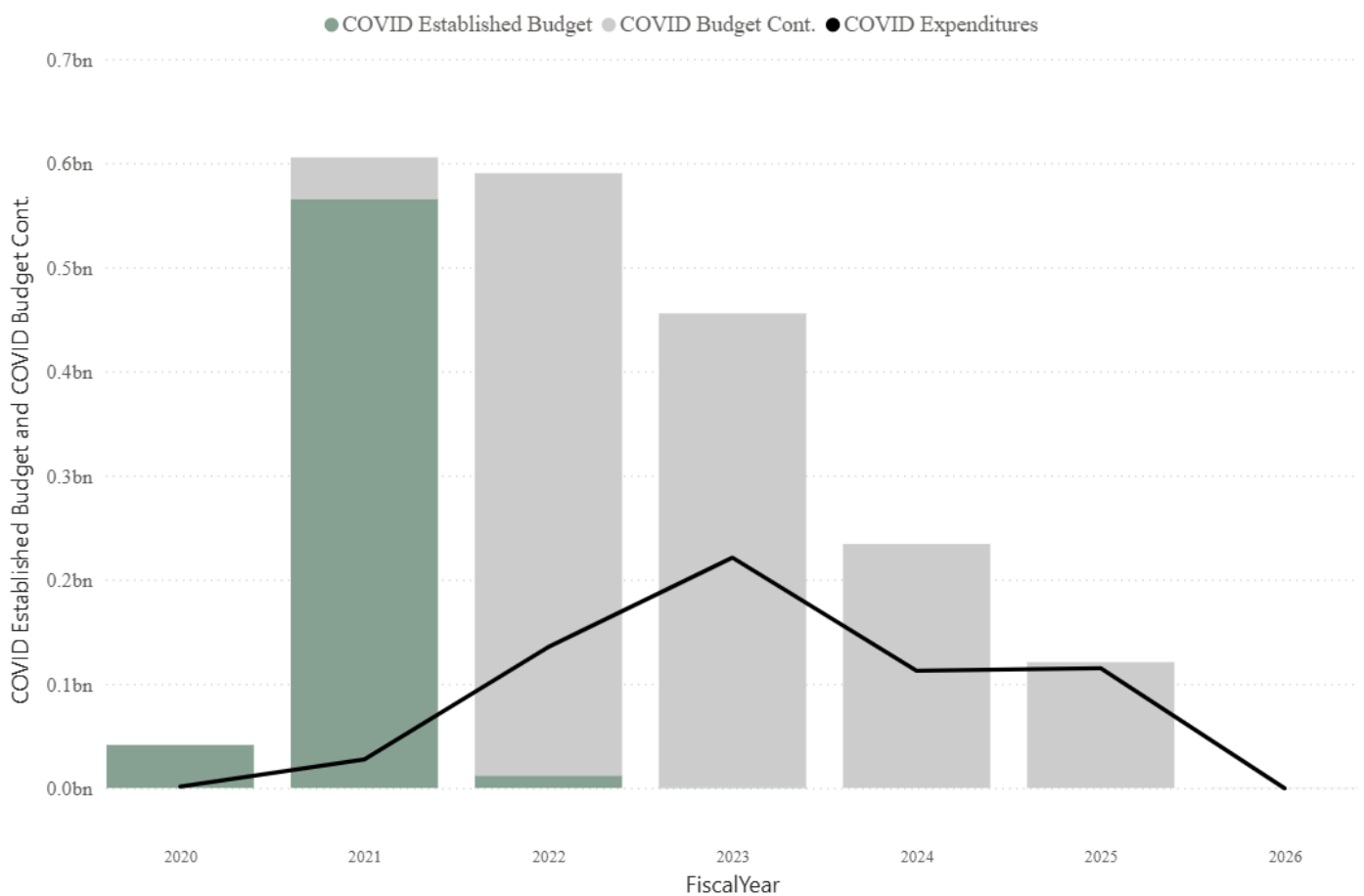
There are also smaller statutory appropriations for technology payments to schools and special needs education savings accounts:

- The state technology payment, which is paid out of the school facility and technology account, totals \$1.0 million and was paid in its entirety at the beginning of FY 2026
- HB 393 (2023 Legislative Session) established a program for special needs education savings accounts (ESAs), which are statutorily appropriated. ESAs are used to reimburse parents for certain educational costs of children with disabilities under the Individuals with Disabilities Education Act. Of the approximately \$34,000 budgeted spending authority in the state accounting system, which was based on estimates from the fiscal note for the bill, 0.0% had been expended as of November 30, 2025 due to lower-than-expected revenue in the account

COVID-19 Authority

The following chart is provided to allow the legislature to examine the funding that is available to the agency for COVID-19 impacts. The chart shows the budget established in each fiscal year, any authority that continued into a following fiscal year because it was not spent in the previous fiscal year, and expenditures.

COVID Established Budget, COVID Continuing Budget, and COVID Expenditures by Fiscal Year



All three rounds of federal COVID-19 funding for education were provided to OPI primarily through the Elementary and Secondary School Emergency Relief (ESSER) fund, but each round of funding has its own specific allocation details. There was also a small amount of funding provided through Emergency Assistance to Non-Public Schools (EANS). OPI received approximately \$41.4 million of ESSER I funds, \$182.9 million of ESSER II funds, and \$382.6 million of ESSER III funds. As of November 30, 2025, OPI had expended nearly 100.0% of this funding.

HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB 2 modified budget from July 1, 2025 through November 30, 2025. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The **positive modifications** and **negative modifications** are shown by program, expenditure account, and fund type.

Legislative Budget Compared to Modified Budget - HB 2 Only

Agency Name	HB 2 Budget	Modified Budget	Net Modifications
⊞ Office of Public Instruction	1,330,149,486	1,330,602,735	453,249
⊞ 06 STATE LEVEL ACTIVITIES	41,366,496	42,866,496	1,500,000
⊞ 09 LOCAL EDUCATION ACTIVITIES	1,288,782,990	1,287,736,239	-1,046,751
Total	1,330,149,486	1,330,602,735	453,249

Expenditure Type	HB 2 Budget	Modified Budget	Net Modifications
⊞ 61000 Personal Services	16,173,920	16,204,920	31,000
⊞ 62000 Operating Expenses	23,675,060	24,984,060	1,309,000
⊞ 65000 Local Assistance	1,111,607,226	1,111,607,226	
⊞ 66000 Grants	173,882,841	172,836,090	-1,046,751
⊞ 68000 Transfers-out	4,770,250	4,930,250	160,000
⊞ 69000 Debt Service	40,189	40,189	
Total	1,330,149,486	1,330,602,735	453,249

Fund Type	HB 2 Budget	Modified Budget	Net Modifications
⊞ 01 General	608,078,317	608,531,566	453,249
⊞ 02 State/Other Spec Rev	539,146,812	539,146,812	
⊞ 03 Fed/Other Spec Rev	182,924,357	182,924,357	
Total	1,330,149,486	1,330,602,735	453,249

The net modification to the Office of Public Instruction HB 2 budget is an increase of approximately \$453,000 of grant authority. This increase is due entirely to a fiscal transfer of expenditure authority for the Advanced Opportunities Program from FY 2027 to FY 2026 in order to provide access to the program for all districts in the state. The Advanced Opportunities appropriation in HB 2 has a biennial designation for the 2027 biennium, meaning it can be expended at any time over the biennium.

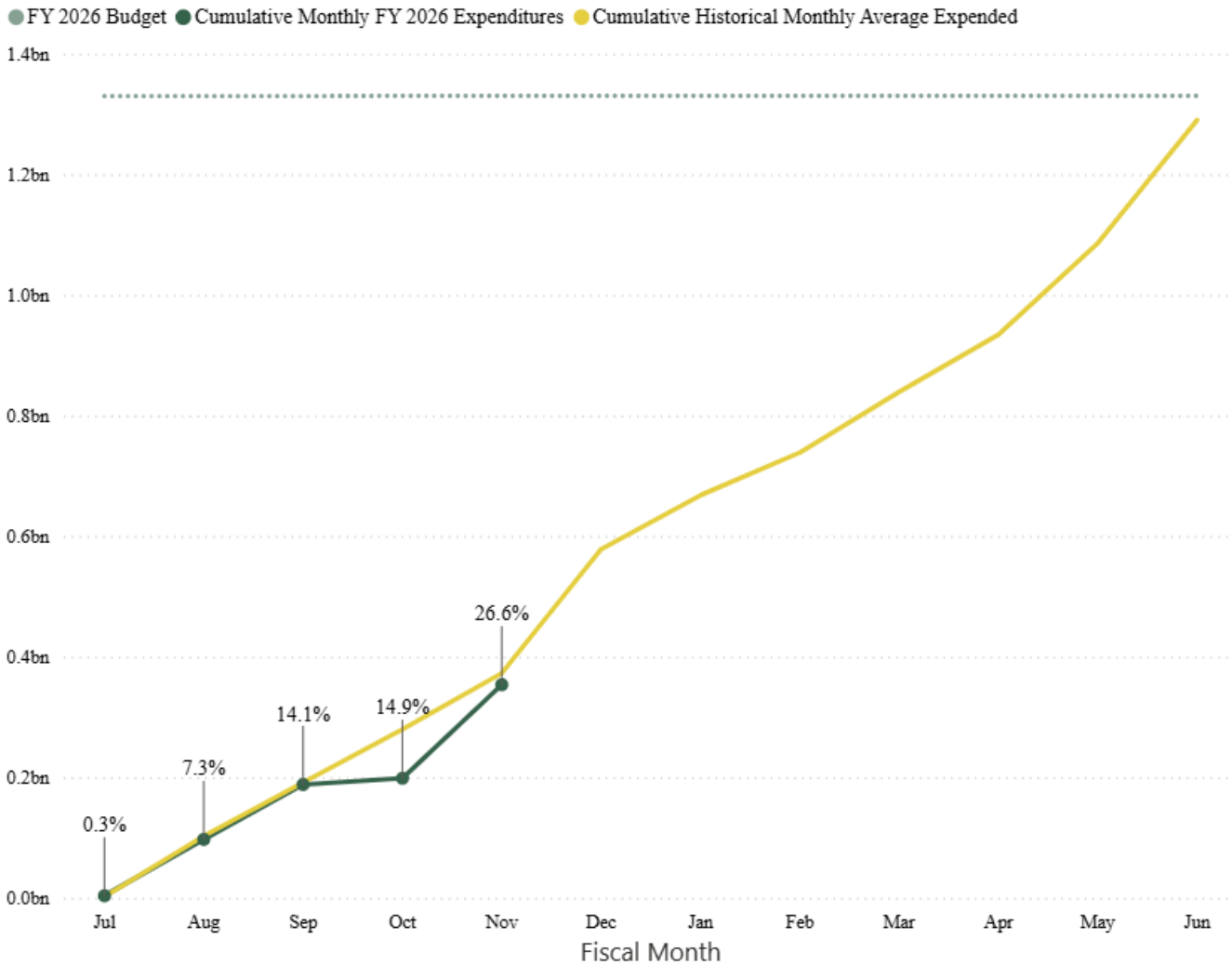
All other modifications to the HB 2 budget were net-zero. These changes resulted in increases to personal services of \$31,000; increases to operating expenses of approximately \$1.3 million; increases to transfers-out of \$160,000; and reductions of approximately \$1.0 million from grants. Significant modifications include:

- A transfer of \$160,000 of general fund from operating expenses to transfers-out in order to correctly record expenditures for the school food restricted appropriation. OPI entered into an agreement with the Department of Public Health and Human Services (DPHHS), and this budget change was made to allow for the transfer of administrative authority to DPHHS
- A transfer of \$31,000 of general fund from operating expenses to personal services in order to cover the personnel costs associated with the administration of the Teacher Residency Program
- A transfer of \$1.5 million of general fund from grants in the Local Education Activities Program to operating expenses in the State Level Activities Program in order to correctly record payments for the Early Targeted Interventions Program home-based literacy program

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through November 30, 2025. The cumulative FY 2026 expenditures diverge from the recent cumulative historical expenditures for October due to the timing of K-12 BASE aid October payment, which due to a posting error that was not corrected until after November 1, is reflected as a November payment in the state accounting system.

Monthly Expenditures Compared to Historical Average



Program Name	Modified Budget	Expended Budget	% Expended
06 STATE LEVEL ACTIVITIES	42,866,496	16,167,275	37.7%
09 LOCAL EDUCATION ACTIVITIES	1,287,736,239	337,583,731	26.2%
Total	1,330,602,735	353,751,005	26.6%

Expenditure Type	Modified Budget	Expended Budget	% Expended
Personal Services	16,204,920	5,626,932	34.7%
Operating Expenses	24,984,060	9,154,257	36.6%
Local Assistance	1,111,607,226	294,357,267	26.5%
Grants	172,836,090	41,411,130	24.0%
Transfers-out	4,930,250	3,194,419	64.8%
Debt Service	40,189	7,000	17.4%
Total	1,330,602,735	353,751,005	26.6%

Fund Type	Modified Budget	Expended Budget	% Expended
01 General	608,531,566	261,631,179	43.0%
02 State/Other Spec Rev	539,146,812	51,048,519	9.5%
03 Fed/Other Spec Rev	182,924,357	41,071,307	22.5%
Total	1,330,602,735	353,751,005	26.6%

The Office of Public Instruction’s HB 2 modified budget for FY 2026 is made up of 45.7% general fund, 40.5% state special revenue, and 13.7% federal special revenue. In large part, OPI’s general fund supports K-12 BASE aid payments and other school funding program payments made to school districts throughout the year; general fund also supports a large portion of OPI’s day-to-day operations.

OPI’s state special revenue appropriations are primarily made up of funding from the school equalization and property tax reduction (SEPTR) state special revenue account, which receives property tax revenue from the 95 mills and offsets general fund expenditures for K-12 BASE Aid. OPI also has state special revenue from the school facility and technology account, which receives revenue from timber harvests, riverbed rents at hydroelectric facility sites, and interest from the school facility sub-trust within the state coal trust. This account also receives excess school trust land income and interest above \$56.0 million from the guarantee account. This money is then distributed to school districts in the form of state major maintenance aid and state debt service assistance, which are appropriated in HB 2; there is also a statutory appropriation from the account for the state technology payment.

OPI receives federal grants that support public education, school nutrition, education for the disadvantaged, special education, professional development for educators, and various other functions. OPI expended 26.6% of its HB 2 modified budget as of November 30, 2025, which is in line with historic spending patterns.

Local Assistance

Local assistance makes up the majority of OPI's HB 2 modified budget for FY 2026, at approximately \$1.1 billion or 83.5%. Local assistance is paid out to school districts primarily as K-12 BASE aid throughout the year and was 26.5% expended as of November 30, 2025, which is consistent with historical expenditures at this point in the fiscal year. K-12 BASE aid payments are made 11 months out of the fiscal year, from August through the following June. In the 2019 Legislative Session, the legislature made a change in the pattern of payments for BASE Aid specified in 20-9-344, MCA, which swapped the November and December payments in order to better match payments to revenue collections. Prior to this change, the November payment had typically been approximately \$80.0 million higher than the December payment. Based on the current law, the larger payment now occurs in December, and at the time of the writing of this report had not yet been recorded in the state accounting system.

Grants

Grants make up the second largest portion of OPI's HB 2 modified budget for FY 2026, at approximately \$172.8 million or 13.0%. Grants include:

- Miscellaneous federal grants (Title Programs, Carl Perkins, School Nutrition, etc.): \$163.7 million
- Advanced Opportunities: \$4.5 million
- Transformational Learning: \$2.5 million
- Montana Indian Language Preservation: \$750,000
- Recruitment and Retention: \$666,000
- Gifted and Talented: \$350,000
- Career and Technical Student Organizations: \$350,000
- School Safety: \$100,000

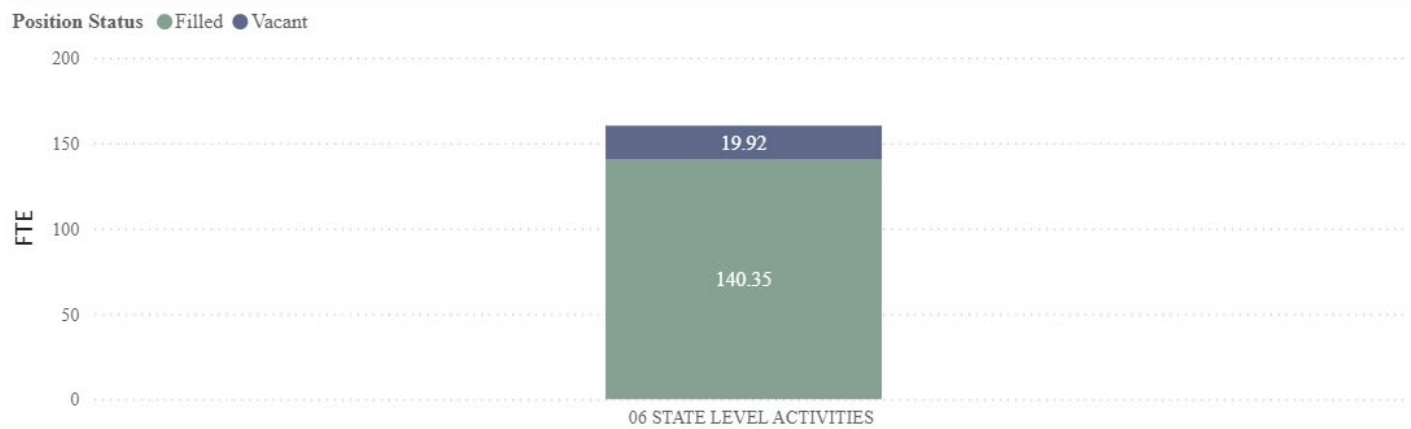
The timing for grant payments from OPI varies depending on the specific program and funding source. Grants were 24.0% expended as of November 30, 2025, which is consistent with historical expenditures at this point in the fiscal year.

Operating Expenses

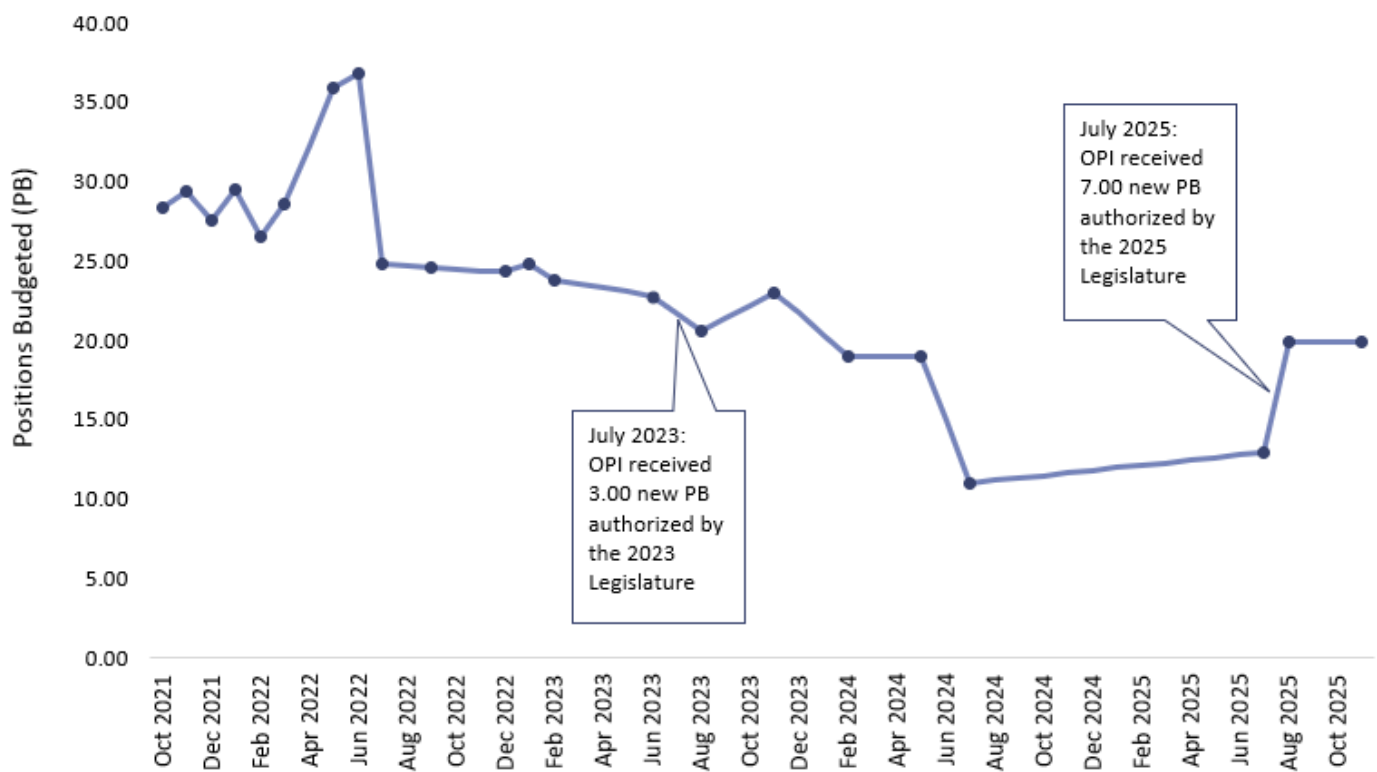
Operating expenses are \$25.0 million or 1.9% of OPI's HB 2 modified budget for FY 2026. In addition to the general operational costs for the administration of OPI, operating expenses include appropriations for Teacher Residency, Early Targeted Interventions for literacy and numeracy, state information technology (IT) expenses, Traffic Education, school audiology assessments, the teacher licensure system, the Database Modernization Project, high school assessment testing, state matching funds for school nutrition, and educational services for in-state treatment of K-12 students residing in psychiatric hospitals and residential facilities. Operating expenses were 36.6% expended as of November 30, 2025, which is consistent with historical expenditures at this point in the fiscal year.

Personal Services

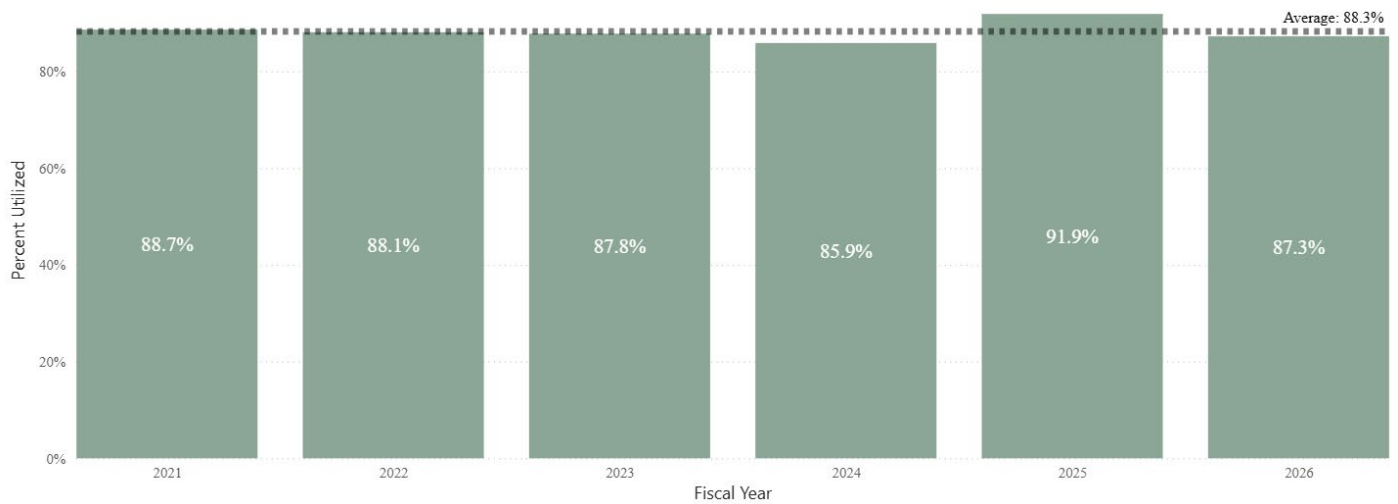
Personal services are approximately \$16.2 million or 1.2% of the HB 2 modified budget for FY 2026, with 34.7% of that amount expended as of November 30, 2025. OPI has 160.27 positions budgeted (PB), of which 19.92 PB or 12.4% were vacant as of November 1, 2025. The chart below shows the filled and vacant PB within the agency as of November 1, 2025.



OPI Vacancies - Regular HB 2 Only



The chart below shows the hourly utilization percentage for the Office of Public Instruction for each of the last five fiscal years when compared to the available hours. The percentage of PB hours utilized through November 1, 2025 was 87.3%, which is slightly below the five-year average of 88.3%.

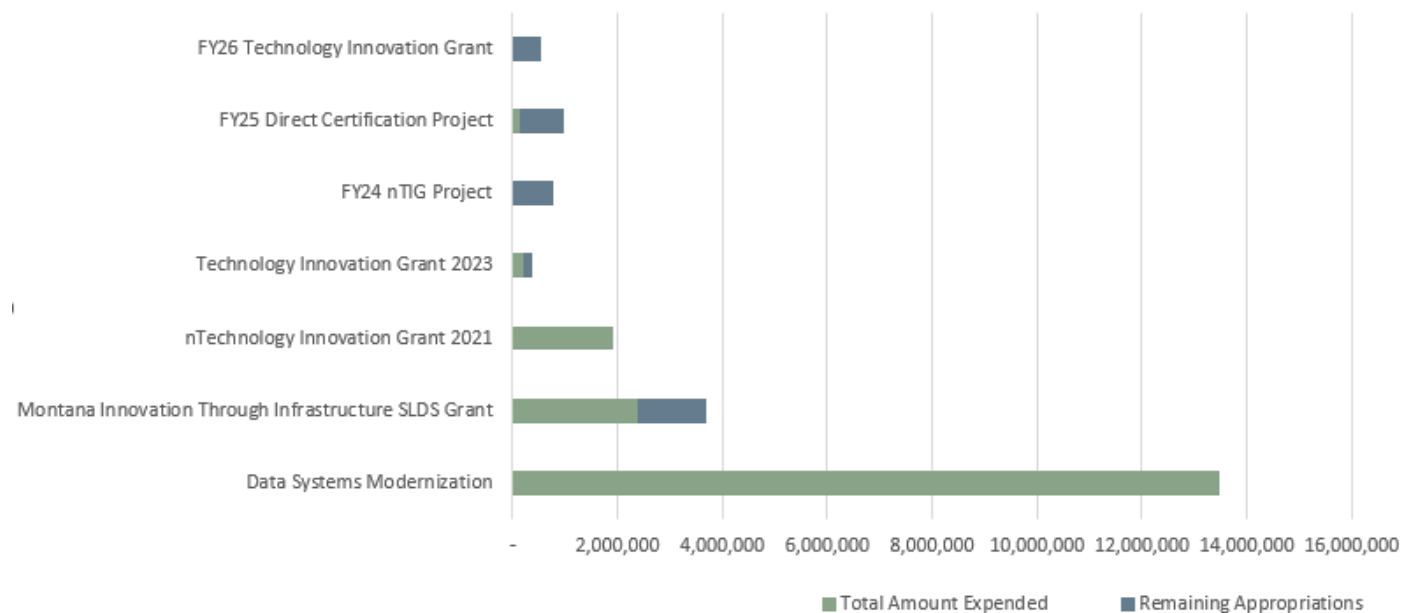


The median amount of time positions remain vacant is about three months, with the length of vacancies ranging from a few weeks to 11 months. The chart below reflects 18.92 vacant PB, rather than the 19.92 vacant PB on the chart above, due to the timing of the two different data reports. In addition to vacant PB, the chart below also shows the number of months each position has been vacant, and the midpoint hourly pay rate.

Vacant Positions Report

	PB	Median Months Vacant	Market Midpoint (Hourly)
▣ 35010 OFFICE OF PUBLIC INSTRUCTION	18.92	3.21	30.05
▣ 06 STATE LEVEL ACTIVITIES	18.92	3.21	30.05
Accountant 2	1.00	4.03	29.57
Administrative Assistant	2.00	5.59	19.82
Budget Analyst	1.00	0.46	28.41
Budget Analyst 2	1.00	4.03	33.52
Chief Information Officer	1.00	7.34	69.05
Data Resource Specialist	1.00	1.31	15.84
Dir of Amer Indian Ed For All	1.00	5.51	33.05
Health Science Education Spec	1.00	1.97	30.05
Indian Student Achievement Spe	1.00	1.84	30.05
Innovation&Improv. Senior Mgr.	1.00	2.98	53.55
Land Board Liaison	0.92	9.87	
Program Manager	1.00	1.38	30.05
Program Specialist 1	2.00	1.03	27.86
Program Specialist 2	1.00	3.21	36.35
School Improvement Specialist	1.00	0.46	30.05
Seasonal Monitor Specialist	1.00	3.21	26.76
Student Safety and Wellness	1.00	11.02	30.05
Total	18.92	3.21	30.05

Information Technology Project Expenditures



The FY 2026 Technology Innovation Grant (TIG) project is in its early phases. Of the project's approximately \$542,000 budget, 0.0% has been expended. The projected delivery date for the project is September 30, 2028.

The FY 2025 Direct Certification Project is intended to fund the costs of improving direct certification rates with the Supplemental Nutrition Assistance Program (SNAP) and other assistance programs as allowed under federal statute and regulations. Of the project's approximately \$958,000 budget, approximately \$146,000 or 15.3% has been expended. The projected delivery date for the project is September 30, 2027.

The non-competitive Technology Innovation Grant 2024 (nTIG) project is in its early phases. Of the project's approximately \$746,000 budget, \$16,000 or 2.1% has been expended. The projected delivery date for the project is September 30, 2028.

The Technology Innovation Grant 2023 (TIG) project is intended to develop, improve, and maintain automated information technology systems used to operate and manage all federal child nutrition programs (the National School Lunch Program, the School Breakfast Program, the Summer Food Service Program, and the Child and Adult Care Food Program), per the United States Department of Agriculture (USDA) requirement. Of the project's approximately \$373,000 budget, approximately \$221,000 or 59.3% has been expended. The projected delivery date for the project is September 30, 2026.

The non-competitive Technology Innovation Grant 2021 (nTIG) project has the same purpose as the 2023 grant described above. The delivery date for the project was extended by a year to September 30, 2025, because of delays from the software company. The USDA automatically granted states using this software company an extension. Of the project's approximately \$1.9 million budget, 100.0% has been expended.

The Montana Innovation through Infrastructure (MITI) project will update the Statewide Longitudinal Data Systems (SLDS), which is becoming outdated. The funds will be used to make improvements to data warehouses and expanded data linkages. Of the project's \$3.6 million budget, approximately \$2.4 million or 65.1% has been expended. It is unclear if the timeline for the project will need to be extended, as the projected delivery date for the project is February 28, 2026.

The OPI data systems modernization project funding is intended to be used to repair, improve, and replace existing data systems. Of the project's initial \$13.5 million budget, which was entirely made up of federal CARES II (ESSER II) and ARPA (ESSER III) funds, 100.0% has been expended. The projected delivery date for the data modernization project is December 31, 2026. However, the project received an additional \$2.0 million of state special revenue authority from the school facility and technology account for the 2027 biennium to finish the project. OPI reports that approximately \$467,000 of HB 2 funding was expended at the beginning of FY 2026 to purchase additional modules and functionality of the Analytics and Insights data warehouse and dashboard platform. Additionally, the ongoing subscription costs for PowerSchool, totaling approximately \$2.8 million, are included as a general fund appropriation in HB 2 for FY 2027. Please see the OPI Database Modernization Report for December 2025 for more details.