



Kirk Miller <samkm@sammt.org>

OPI Proposed 10% Budget Cuts

1 message

OPI <tim.tharp@mt.gov>
 Reply-To: tim.tharp@mt.gov
 To: samkm@sammt.org

Fri, Sep 8, 2017 at 3:19 PM

Elsie Amtzen, Superintendent
 PO Box 202501
 Helena, MT 59620-2501
 406.444.5643
 www.opi.mt.gov

OFFICE OF PUBLIC INSTRUCTION
 STATE OF MONTANA

Putting Montana Students First **A+**



As everyone is very well aware, all state agencies were given a directive from the Governor's Budget Office on August 30th to submit plans to reduce their general fund expenditures by a proposed 10% due to an anticipated deficit for the 2019 biennium. The law authorizing such a request is found in [17-7-140, MCA](#).

In order to understand the responsibility of the Office of Public Instruction in this regard, one has to understand that the OPI has two separate budgets.

- **Program 6 is state level activities and provides for operations of the OPI.** This amount is approximately \$11.1 million annually which includes roughly \$2 million per year for the Montana Digital Academy. In our response to the Governor's Budget Office, we have exempted the funding for MTDA out of our proposed reductions because this action would have an immediate impact of reducing enrollments which would threaten the graduation of Montana students, particularly in rural districts. This leaves just over \$9 million per year for the operation of the agency. The OPI will achieve the reduction of just over \$900k per year by enforcing a hiring freeze on FTE paid out of the general fund and placing additional restrictions on operating expenses, especially travel and conferences. These expenditures are permissive. The impact of this reduction will significantly alter the way the OPI provides services to Montana schools and students.
- **Program 9 is direct aid to schools which flows through OPI's finance division.** The largest amount of this is Base Aid and Special Education funding which is exempt from the cuts by statute. This leaves just under \$30 million per year which is subject to the proposed 10% reductions. The OPI will achieve the \$2,937,602 reduction each year in the Combined fund block grants which is 95.60% of the remaining appropriation available after SB 261 adjustments. These combined block grants are mandatory as they are provided by 20-9-630, MCA "(c) (i) *The combined fund block grant is equal to the amount received in fiscal year 2011 and the amount received under subsection (2), except the amount received under 15-1-123(3)(b).*" The impact of this reduction will be severe as the districts have already budgeted this amount and cannot replace this money from any other source.

The above proposed cuts were submitted to the Governor's Budget Office and the Legislative Fiscal Division on September 8, 2017. After that, the Revenue and Transportation Interim Committee and the Legislative Finance Committee will review all of the proposals. 17-7-140, MCS states: "*The governor shall consider each agency's analysis and the recommendations of the office of budget and program planning and the legislative finance committee in determining the agency's reduction in spending.*" It is important to note that elsewhere in the same statute it says, "*Departments or agencies headed by elected officials.....may not be required to reduce general fund spending by a percentage greater than the percentage of general fund spending reductions required for the total of all other executive branch agencies.*" This means that the OPI budget cannot be cut by an amount more than those agencies overseen by the Governor's office.

Internally, Superintendent Arntzen and her staff have met multiple times per day since receiving this request and have met with all OPI division heads. There will be follow-up again on Monday, September 11th to continue the discussion.

Externally, we have met with the representatives of MT-PEC and considered their input and suggestions as well regarding how we can accomplish this with the least amount of harm to schools. We are also providing this group with technical assistance to help provide guidance to schools in order to deal with the budget shortfalls.

The bottom line is that the Office of Public Instruction will get through this budget crisis while keeping the focus on how to best serve Montana's students. The way the OPI provides services to schools across the state will look different and these budget reductions will require that we operate differently than we have in the past.

As soon as the OPI has more information, we will share this information with schools across the state as well as our valued OPI employees.



Putting Montana Students First

[Click here to unsubscribe](#)