



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Revised

Bill information:

SB0132 - Revise agricultural education laws (Beard, Becky)

Status: As Introduced - Revised

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|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
Expenditures:				
General Fund	\$254,040	\$263,040	\$272,040	\$281,040
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$254,040)</u>	<u>(\$263,040)</u>	<u>(\$272,040)</u>	<u>(\$281,040)</u>

Description of fiscal impact: SB 132 revises funding for Advancing Agricultural Education costing the state general fund an additional \$254,040 in FY 2024 and \$263,040 in FY 2025 above the \$151,960 current base budget for the program.

FISCAL ANALYSIS

Assumptions:

1. SB 132 revises advancing agricultural education funding distribution in Montana.
2. Under current law, high school agricultural education programs in the state could receive \$1,000 when a national quality program standard evaluation is submitted to the Office of Public Instruction (OPI). These national quality program standard evaluations are biennial reports thus funding is available to the school program every other year.
3. The program currently also offers a \$1,000 payment prorated per full-time equivalent teacher endorsed in agricultural education who teaches approved agricultural education courses through the local agricultural education program.

4. SB 132 proposes that each agricultural education program in the state that submits a plan of improvement to OPI's agricultural education specialist must receive a \$1,000 payment and an additional \$1,000 prorated per full-time equivalent teachers endorsed in agricultural education and teaching approved agricultural education coursed through the local agricultural education program.
5. SB 132 defines a plan of improvement to be based on a national quality program standard evaluation or a comprehensive local needs assessment under the Carl D. Perkins Career and Technical Education Improvement Act of 2006.
6. Further, the bill directs each agricultural education program that submits to OPI a detailed budget to increase the quality of its agricultural education program based on the plan of improvement must receive a payment of \$1,000.
7. The bill allows school districts to file their improvement plan based upon either the national quality program standard evaluation or the comprehensive local needs assessment under the federal Carl Perkins program. Since this assessment is an annual Perkins requirement, this fiscal note assumes that schools will choose to submit an improvement plan and supporting budget annually and apply for funding. It also assumes therefore that all school districts will apply for funding rather than the current 90% participation rate.
8. SB 132 allows a \$50 payment for each agricultural education credit awarded to a high school student through an online course or work-based learning partnership to a high school in a second- or third-class district that does not have an approved agricultural education program. The maximum a high school in a district can receive for online credits is \$1,000. The following table shows the number of high school or K-12 districts in each classification:

Class	# of Districts
1	30
2	75
3	53

9. In FY 2023, approximately 100 half credit courses will be taken by Montana high school students through the Montana digital Academy and an additional 100 full credit courses will be taken other online providers. These credits could cost this program up to an additional \$7,500.
10. Advancing Agricultural Education current law and continuing in this bill allows a \$7,500 payment to a school that adds agricultural education to its curriculum and recruits and retains an endorsed agricultural education teacher. A school with an existing program is also eligible for a \$7,500 payment each time the school expands the program's teaching staff by adding a full-time equivalent teacher endorsed in agricultural education.
11. The current program directs a payment of \$20,000 annually for program administrators in Bozeman and Helena. This payment is not changed in SB 132.
12. Currently, there are 109 school districts with agricultural education programs that employ 129 endorsed agricultural education teachers.
13. The following table outlines the cost of this program in FY 2024:

Plan of Improvement	109 programs	\$1,000	\$109,000
Endorsed Ag Ed Teachers	129 teachers	\$1,000	\$129,000
Detailed budget to increase quality of ag ed program	109 programs	\$1,000	\$109,000
Online ag ed credits	150 credits	\$50	\$7,500
New Programs (10-year average of 3 per year)	3 new pgms	\$7,500	\$22,500
New programs (Plan of Improvement (\$1,000), Teacher (\$1,000), Detailed Budget \$1,000)	3 new pgms	\$3,000	\$9,000
Program administration (support for travel)			\$20,000
Total cost of Advancing Agricultural Education Program			<u>\$406,000</u>

14. It is assumed for this fiscal note that there will be an increase of three new programs and three new endorsed agricultural education teachers each year.
15. There is currently \$151,960 in the OPI HB 2 base budget for the Advancing Agricultural Education in Montana Program.
16. The additional appropriation required to fund the estimated increases would be \$248,540 in FY 2024 and \$257, 540 in FY 2025.
17. SB 132 also would allow OPI to prorate payments if the appropriation is less than the total amount for which Montana school districts qualify. If additional appropriation is not added to the OPI budget for this bill, OPI will only be able to pay 38% of stipulated payments.

Local Assistance	\$254,040	\$263,040	\$272,040	\$281,040
TOTAL Expenditures	\$254,040	\$263,040	\$272,040	\$281,040

Funding of Expenditures:

General Fund (01)	\$254,040	\$263,040	\$272,040	\$281,040
TOTAL Funding of Exp.	\$254,040	\$263,040	\$272,040	\$281,040

Revenues:

General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

General Fund (01)	(\$254,040)	(\$263,040)	(\$272,040)	(\$281,040)
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Technical Notes:

1. The wording added to 20-7-334(3), MCA, to allow a choice of the document upon which the plan of improvement should be based could be interpreted to allow a plan of improvement to be submitted with neither document.
2. The existing 20-7-334(1), MCA, refers to a state special revenue fund whose funds may also be used for the purpose of supporting this program. The account does not exist nor is there any wording to state how funds would be deposited into this fund. The account should either be created or removed from statute.
3. There is a potential conflict or at least, a lack of clarity by using the verb “must” for each payment and then instructing the OPI to “prorate accordingly” if there is insufficient funding. This should be clarified.

 <hr/> Sponsor's Initials	1-27-23 <hr/> Date	 <hr/> Budget Director's Initials	1-27-23 <hr/> Date
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