

State Maintenance-of-Effort Submission
under the
Education Jobs Fund Program



U.S. Department of Education
Washington, D.C. 20202

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Paperwork Burden Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1810-0703. The time required to complete this information collection is estimated to average 2 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, D.C. 20202-4537. If you have comments or concerns regarding the status of your individual submission of this form, write directly to: Education Jobs Fund Program, Office of Elementary and Secondary Education, U.S. Department of Education, 400 Maryland Ave., S.W., Room 3E108, Washington, D.C. 20202-3118.

Instructions for the State Maintenance-of-Effort Submission under the Education Jobs Fund Program

**U.S. Department of Education
September 8, 2010**

In its application for funding under the Education Jobs Fund (Ed Jobs) program, each State assured that it would comply with the maintenance-of-effort (MOE) requirements in section 101(10)(A) of Public Law 111-226. Each State also assured that, within 60 days of the date of the State's grant award, it would submit to the U.S. Department of Education (Department) the most current applicable MOE data available.

A State that receives Ed Jobs funds must maintain fiscal effort for education for fiscal year (FY) 2011 in one of four ways:

1. Maintain FY 2011 dollar levels of support at levels that are not less than FY 2009 levels;
2. Maintain FY 2011 percentages of support at percentages that are not less than FY 2010 percentages;
3. Maintain FY 2011 dollar levels of support at levels that are not less than FY 2006 levels; or
4. Maintain FY 2011 percentages of support at percentages that are not less than FY 2006 percentages.

Each method is described in detail in the attachments to these instructions. Using the applicable form in the attachments, each State must provide data only for the method by which the State intends to demonstrate that it will comply with the MOE requirements. A State must also provide source documentation substantiating the reported MOE data. Details on the source documentation are provided in the attachments.

Each State should submit its data and documentation to EducationJobsFund@ed.gov. The submission is due to the Department not later than 60 days after the date of the State's grant award under the Ed Jobs program. If you have any questions, please contact Jim Butler at 202-453-7500 or James.Butler@ed.gov.

**State Maintenance-of-Effort (MOE) Submission
under the Education Jobs Fund Program**

STATE: MONTANA

**MOE Method 3: Comparing Fiscal Year 2011 Dollar Levels of Support with
Fiscal Year 2006 Levels**

NOTE: This method is available only to States with State tax collections for calendar year 2009 that are less than State tax collections for calendar year 2006.

For State fiscal year (FY) 2011, the State will maintain State support for elementary and secondary education (*in the aggregate*) at not less than the level of such support for State FY 2006; and

For State FY 2011, the State will maintain State support for public institutions of higher education (IHEs) (not including support for capital projects or for research and development or tuition and fees paid by students) at not less than the level of such support for State FY 2006.

State Tax Collections Data

\$1,891,474,416 State tax collections for calendar year 2006.

\$1,868,836,752 State tax collections for calendar year 2009.

FY 2006 Baseline Data

\$518,014,833 (Actual)

The level of State support for elementary and secondary education (*in the aggregate*) for FY 2006.

\$131,297,110 (Actual)

The level of State support for public IHEs for FY 2006.

Projected FY 2011 Data

\$580,329,194 (Appropriated)

The projected level of State support for elementary and secondary education (*in the aggregate*) for FY 2011.

\$131,297,111 (Appropriated)

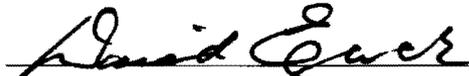
The projected level of State support for public IHEs for FY 2011.

Affirmation of MOE Data

To the best of my knowledge and belief, all of the data in this submission are true and correct and are substantiated by the accompanying documentation.

David Ewer

Governor or Authorized Representative (Printed Name)



Signature of Governor or Authorized Representative

Sept 25, 2010

Date

MOE Method 3 Source Documentation

To document State tax collections for calendar years 2006 and 2009, a State may use the sum of the State quarterly tax collections data from the U.S. Census Bureau (Census), which are available at http://www.census.gov/govs/qtax/table_3.php. A State may provide revised State tax collection data if it has available more recent auditable data that differs from the information that was reported to Census. A State may, if it chooses, exclude from State tax collections those tax revenues that may not be used to provide support for elementary, secondary, or postsecondary education. For example, a State may exclude gasoline taxes that generate revenue that is available to support only transportation projects. If a State chooses to exclude dedicated taxes, it must do so for both calendar years 2006 and 2009. Furthermore, as part of its application, the State must identify the taxes excluded and the amounts of the State tax collections under such taxes.

For the FY 2006 baseline data, a State must provide documentation substantiating the State's final appropriations or expenditures for elementary and secondary education and for public IHEs. Such documentation may include tables or text from official State budget documents (e.g., a State budget summary or table of expenditures from the State's accounting system).

For the projected FY 2011 data, a State must provide enacted or estimated appropriations levels. Such documentation may include a Governor's budget proposal, legislative budget proposals, or enacted appropriations.

Following the close of State FY 2011, the Department will be collecting final appropriations or expenditure data for that fiscal year to verify that the State met the statutory MOE requirements.

Ed Jobs Bill Appendix A

State tax collections for calendar years 2006 and 2009:

Montana qualifies for the Ed Jobs maintenance of effort method three using the State Accounting Division's definition of state tax collections as it appears in the Montana Operations Manual (MOM) and actual tax collections received as they appear on the State Accounting, Budgeting and Human Resource System (SABHRS). All state agencies are required to use SABHRS, including state expenditures for elementary, secondary and public IHEs higher education. SABHRS is audited for appropriations, expenditures and revenue receipts and is the primary data source in producing the State's audited Comprehensive Annual Financial Report.

The revenue account categories for taxes (510000 – 519999) as they appear on the state accounting system are defined within the MOM as: "A tax is a forced contribution made to the State to meet public needs. Typically, the amount of the tax bears no direct relationship to any benefits received by the taxpayer. Ranges of taxes include:

2-0710.02 Taxes (510000 – 519999)

- Individual income taxes (510100 – 510199)
- Fuel taxes (510200 – 510299)
- Property taxes (510300 – 510399)
- Natural resource taxes (510400 – 510499)
- Corporate taxes (510500 – 510599)
- Payroll taxes (510600 – 510699)
- Cigarette/tobacco taxes (510700 – 510799)
- Alcohol taxes (510800 – 510899)
- Millage tax (510900 – 510999)
- Miscellaneous taxes (512000 – 512999)
- Inheritance taxes (513000 – 513999)"

Below please find an auditable comparison of calendar year 2006 tax collections versus calendar year 2009 tax collections:

Montana Calendar Year Tax Collections as recorded on SABHRS			
	CY 2006	CY 2009	CY 09 Difference
Taxes (accounts 510000-519999)¹	\$1,891,474,416	\$1,868,836,752	(\$22,637,664)
¹ Accrual orgs, delinquent accounts receivable and liquor agency operating funds (to avoid double counting of liquor taxes) have been removed to reflect a cash basis similar to the Census methodology (receipts)			

State expenditures or appropriations for FY 2006 and FY 2011:

The data source for this maintenance of effort documentation is Montana's State Accounting, Budgeting, and Human Resources System (SABHRS). All state agencies are required to use SABHRS, including state expenditures for elementary, secondary and public IHEs higher education. SABHRS is audited for both appropriations and expenditures and is the primary data source in producing the State's audited Comprehensive Annual Financial Report.

Actual expenditure amounts are shown for FY 2006. Appropriated amounts are shown for FY 2011. A spreadsheet of the appropriation bills, line items, and appropriations as established on SABHRS is attached.

Definitions applicable to this MOE documentation include:

- Actual – Actual FY 2006 expenditures as recorded on SABHRS as of September 17, 2010.
- Appropriated – Appropriated level of FY 2011 funding from legislatively enacted bills as recorded in SABHRS as of the date of this documentation.

Prior to receipt of the Education Jobs funding, the FY 2011 appropriated amount in subclass 160H5 was \$515,378,870. 17-2-108, Montana Code Annotated (MCA), requires the approving authority (Governor's Budget Office) to decrease the general fund appropriation of an agency by the amount of money received from federal sources in excess of the appropriation unless the approving authority certifies that the services to be funded by the additional money are significantly different than those for which the agency received the general fund appropriation. Once the Education Jobs funding was received by the State of Montana, the state general fund appropriation in subclass 160H5 was decreased by the amount of the federal award (-\$30,737,469) in accordance with state law.

State Support Meets Maintenance of Effort Requirements of FY 2006

Business Unit	Source of Authority	Subclass	Fund	FY 2006 Actual Expenditures	FY 2011 Appropriated Amount	
K - 12 Funding						
35010	HB2 & HB13	160H5 K-12 BASE AID RST/BIEN	01100 General Fund	412,842,380	484,641,401	
		160HA SPECIAL EDUCATION RST/BIEN	01100 General Fund	38,488,071	40,464,250	
		160HG AT-RISK PAYMENT-RST/BIEN	01100 General Fund		1	
		MT Reinvestment Act (HB 645)	160W7 HB645-SPECIAL ED-MOE	01100 General Fund		1,233,764
		SA Statutory	160S1 GUARANTEE ACCOUNT-BASE-only the BASE AID org 21	02018 Guarantee Fund	66,684,383	53,989,778
35010 Total				\$518,014,833	\$580,329,194	
Montana University System						
51020	HB2 & HB13	260H1 COMMUNITY COLLEGE LUMP BIEN	01100 General Fund	7,461,216	8,622,079	
		260H2 CC AUDIT APPROP RST/BIEN	01100 General Fund		-	
		260H7 CC LEGISLATIVE AUDIT RST/BIEN	01100 General Fund	21,200		
		280HD HB 13 OTO - ED UNITS	01100 General Fund		-	
		280HG GT FALLS DNTL HYGIENE RST	01100 General Fund	235,000		
		280HH MUS ED UNITS LUMP BIEN	01100 General Fund	110,194,693	98,704,247	
		280HH MUS ED UNITS LUMP BIEN	02443 University Millage	13,385,001	17,018,698	
		280HK LEG AUDIT (RST/BIEN)	01100 General Fund		-	
		280HM ED UNITS PAY PLAN	01100 General Fund		2,286,595	
		260W1 HB645 CC REST (RST/OTO 6/30/11	01100 General Fund		671,586	
		260W3 ARRA CC ASSISTANCE 6/30/11	01100 General Fund		113,299	
		MT Reinvestment Act (HB 645)	280WH HB645 TUITION MITI 6/30/11	01100 General Fund		3,880,607
		51020 Total				\$131,297,110
Grand Total K-12 and the Montana University System				\$649,311,943	\$711,626,305	

Data Source: Montana State Accounting, Budgeting, Human Resource System (SABHRS).