

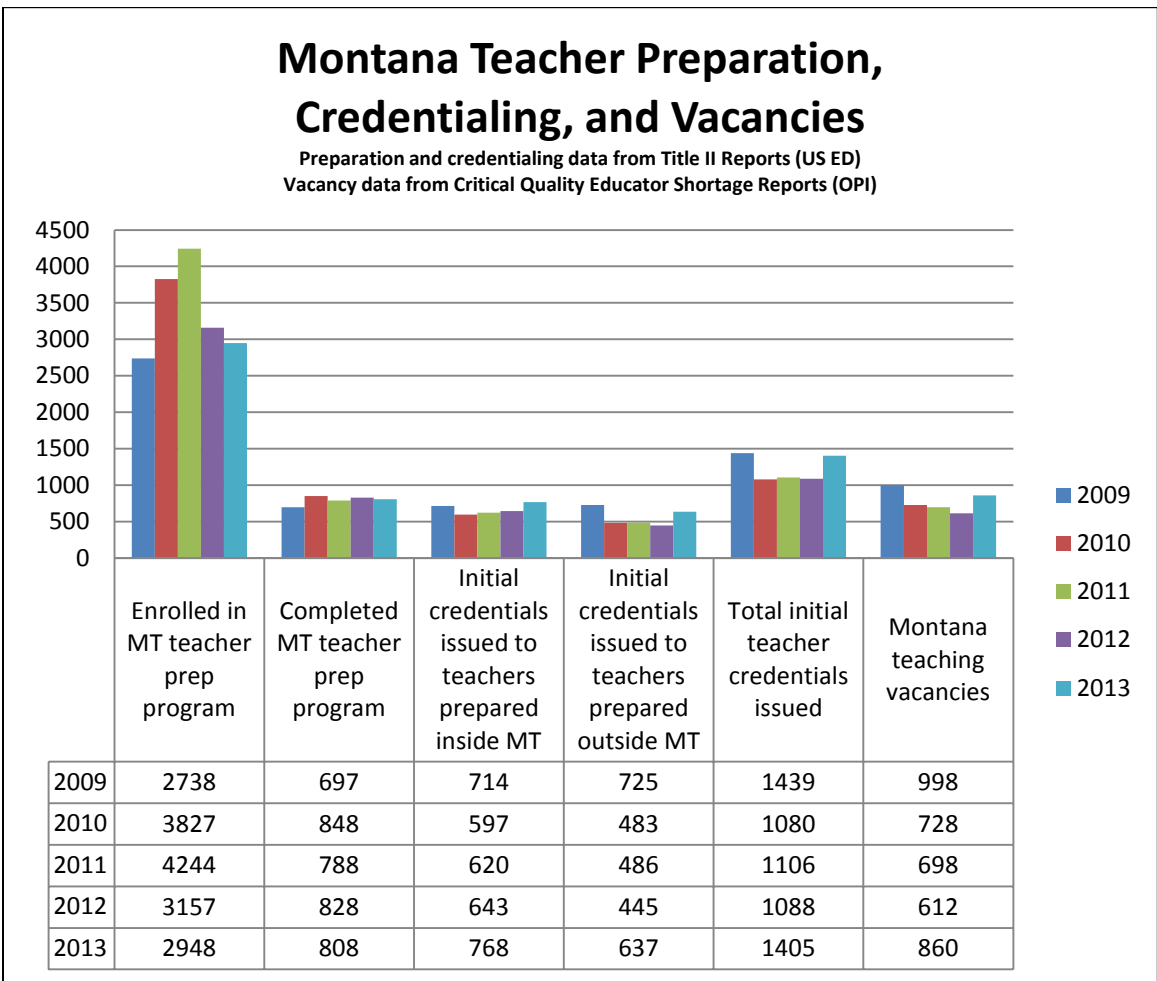
Montana School Funding EAQs #2

prepared for the School Funding Interim Commission, December 2015
by Pad McCracken, Legislative Research Analyst

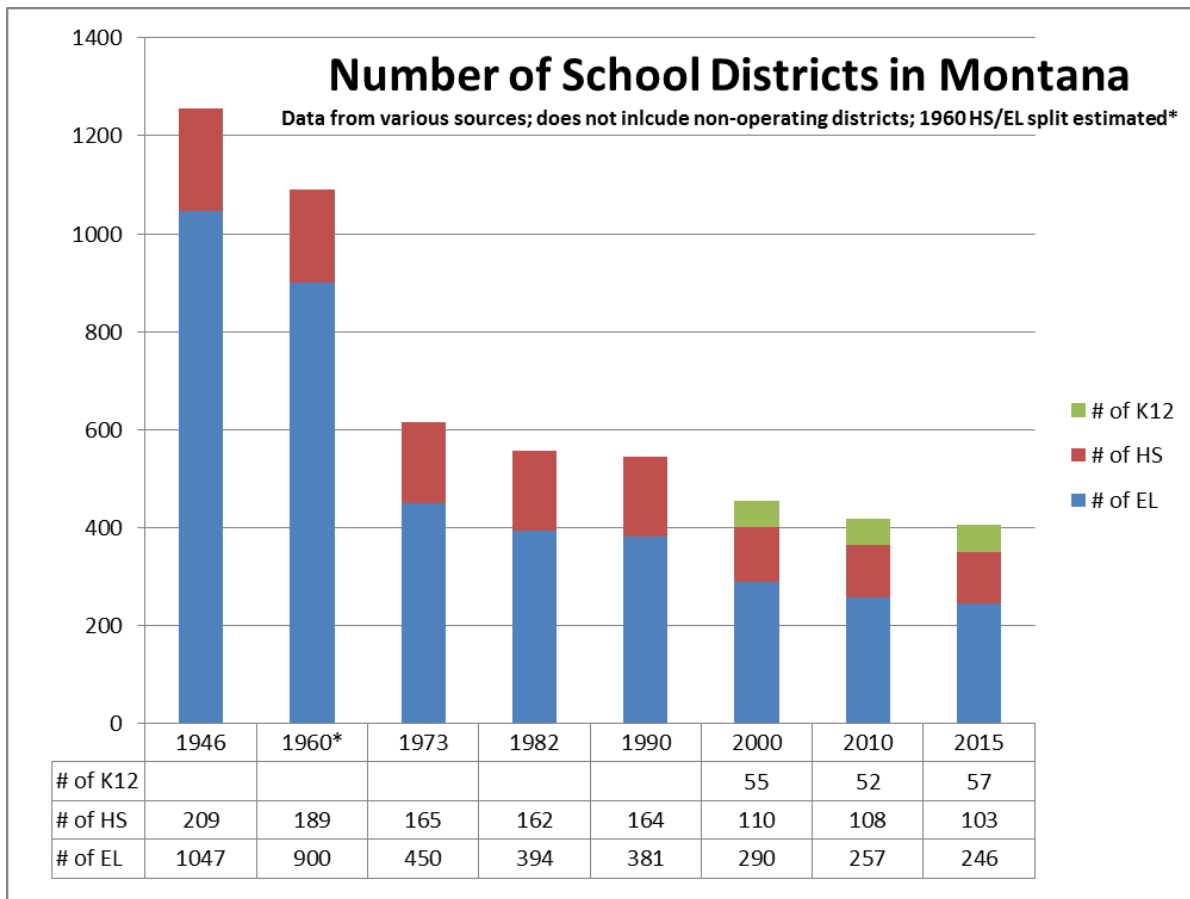
This EAQ document differs from traditional “frequently asked question” (FAQ) documents in that the questions addressed are not frequently asked, but rather they are *comparatively* “easily answered” Montana school funding questions. The questions in this edition were generated at the initial meeting of the School Funding Interim Commission on September 23, 2015, and in the follow-up survey of commissioners.

How many future educators are in Montana’s teacher preparation pipeline? How many Montana teachers come from out of state?

The chart below shows enrollments and completions in MT teacher preparation programs, initial credentials issued to both in-state and out-of-state prepared teachers, and teaching vacancies for a recent five-year span. While the last two columns might suggest that there are plenty of teachers to fill open positions, it is important to remember that content-area endorsement and geography are two factors that limit the number of qualified applicants for specific vacancies (ex. a math opening in Brockton isn’t going to be filled by any number of English teachers residing anywhere, or even a math teacher committed to residing in Butte).



How has the number of school districts in MT changed over time?



What would it cost the state to apply the inflation factor to the special education allowable cost payment?

Fiscal Impact of Inflation Applied to State Special Education Payments			
	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Inflation (20-9-326 MCA)	Base Year *	1.24%	1.10%
HB 2	\$42,891,966	\$42,891,966	\$42,891,966
Inflation Applied to Special Education	42,891,966	43,423,826	43,901,488
Special Education increase due to inflation applied		\$531,860	\$1,009,522
Increased GTB required due to inflation **		79,479	157,410
Total ***		\$611,339	\$1,166,932

Notes:

Produced by Legislative Fiscal Division

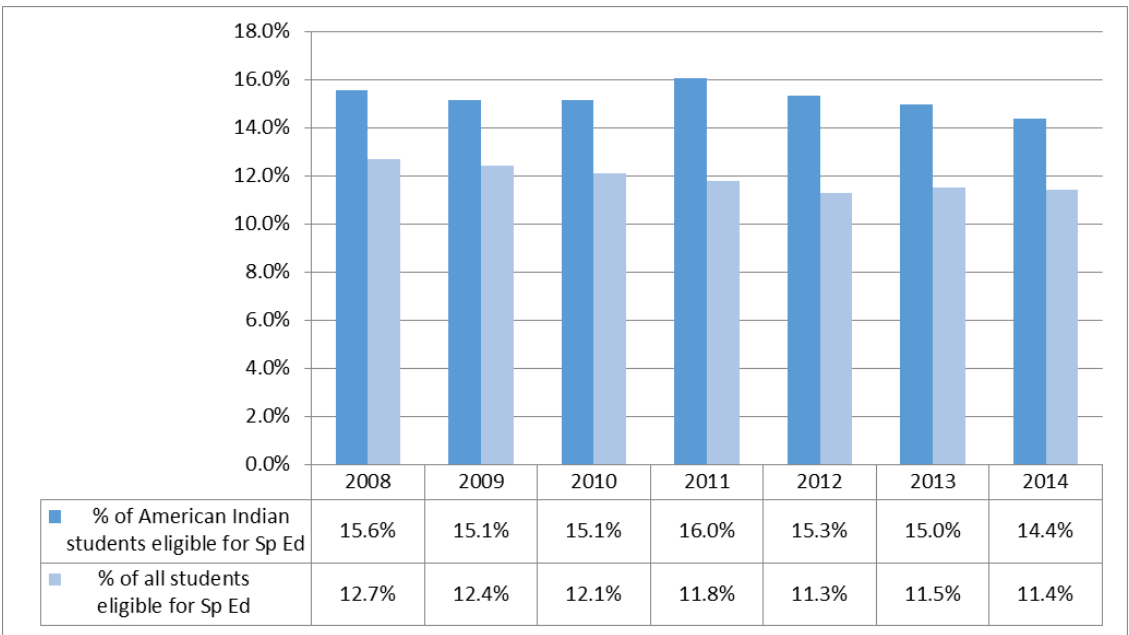
* This is the anticipated legislative base funding for the 2019 biennium.

** School districts are required to include 140% of special education allowable cost in their general fund BASE budget. Increasing special education payments increases school districts BASE budget resulting in higher GTB payments.

*** Results were obtained using the school funding model "3-15-2015K-12".

How many students are identified for special education in Montana? Is there trend data for this? Disaggregate for American Indian students. How do identification rates vary by district size?

For the 2014-2015 school year, just fewer than 17,000 Montana students were identified as being eligible for special education. This is about 11.7% of Montana’s 144,000 schoolchildren. According to the National Center for Education Statistics (NCES), about 13% of public school students nationwide received special education services in 2012-2013. The chart below shows the special education identification rates for Montana from 2008 to 2014 and includes the rates disaggregated for American Indian students. Nationwide data from NCES shows special education rates for American Indian/Alaska Native students about 3% higher than the national average, similar to Montana. (Montana data from OPI)



The table to the right shows the range of special education identification rates broken down by district size for school year 2014-2015. Not surprisingly, the smallest districts, where one or two students can have a great impact on the rate, see the largest range. The ranges decrease as district size increases, approaching the statewide rate of about 11.7%.

Enrollment Category	% identified as Sp Ed
1E Elementary > 2500	10% - 14%
2E Elementary 851-2500	6% - 17%
3E Elementary 401-850	6% - 21%
4E Elementary 151-400	5% - 24%
5E Elementary 41-150	3% - 27%
6E Elementary < 41	3% - 50%
1H High School > 1250	9% - 13%
2H High School 401-1250	7% - 14%
3H High School 201-400	5% - 19%
4H High School 76-200	5% - 28%
5H High School < 76	3% - 22%
1K K-12 > 399	8% - 18%
2K K-12 < 400	4% - 30%

What is the status of the safety and security upgrades related to SB 348 (2013; Thomas)?

Senate Bill No. 348 (2013; Thomas) allowed districts to transfer funds out of any budgeted or nonbudgeted fund, except for the debt service and retirement funds, **into their building reserve fund** for the purpose of improving school safety and security for school fiscal years 2013 through 2015. This period was extended through FY 2019 in Senate Bill No. 213 (2015; Thomas). Any transferred funds not encumbered for expenditures related to school safety improvements by June 30, 2019, must be transferred back to the originating fund. The intent of the bill was to allow districts greater flexibility to address safety concerns without raising local taxes. The tables below provide information on the amount of money transferred under the allowances of SB 348 (data from OPI; FY 2015 figures are preliminary). During fiscal years 2013-2015, **99 of Montana's 406 operating school districts** have utilized transfers under this legislation. Information on specific expenditures is not collected at the state level, but districts have made improvements such as:

Whitehall—keypad entry system for rear entry door; emergency radios
 Miles City—installed controlled-access doors; updated security cameras
 Chester/Joplin/Inverness—interior doors and locks; security cameras
 Stevensville—card-access exterior doors; intercom system; cameras; radios
 Browning—electronic locking/key entry access doors
 Laurel—new doors and security cameras
 Shelby—security cameras; keycard access points; phone-controlled remote entry access points
 Centerville—new phone system; new locks
 Belgrade—remodeled entryways including controlled-access doors; shatterproof window treatments

School Fiscal Year	2013	2014	2015	Total
Amount Transferred	\$1,508,675	\$2,168,924	\$2,513,171	\$6,190,770

Fund	Amount transferred 2013-2015
Adult Education Fund	\$537,934
Bus Depreciation Fund	\$2,536,039
Compensated Absence Fund	\$8,000
Flexibility Fund	\$7,175
General Fund	\$1,789,493
Lease-Rental Fund	\$18,000
Litigation Reserve Fund	\$7,500
Miscellaneous Programs Fund	\$515
Traffic Education Fund	\$5,348
Transportation Fund	\$1,176,741
Tuition Fund	\$104,025
Grand Total	\$6,190,770