

SENATE BILL NO. 525

INTRODUCED BY J. TESTER

BY REQUEST OF THE SENATE FINANCE AND CLAIMS STANDING COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A QUALITY SCHOOLS INTERIM COMMITTEE TO ASSESS THE EDUCATIONAL NEEDS OF MONTANA'S CHILDREN, DETERMINE THE COSTS OF A BASIC SYSTEM OF FREE QUALITY PUBLIC ELEMENTARY AND SECONDARY SCHOOLS, DETERMINE THE STATE'S SHARE OF THE COSTS, AND CONSTRUCT A FUNDING FORMULA THAT EQUITABLY DISTRIBUTES THE STATE'S SHARE OF THE COSTS OF THE BASIC SYSTEM; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Quality schools interim committee – duties.** (1) There is a quality schools interim committee. The committee shall continue the work of the joint select committee on education funding established during the 59th legislative session. ~~By December 1, 2005, the~~ THE committee shall:

- (a) assess the educational needs of the children served by the basic system of free quality public elementary and secondary schools in Montana, as defined by the legislature. IN CONDUCTING ITS ASSESSMENT OF EDUCATIONAL NEEDS, THE COMMITTEE SHALL COLLECT AND ANALYZE ANY AVAILABLE DATA REGARDING STUDENT DEVELOPMENT AND PERFORMANCE. DATA ANALYZED SHALL INCLUDE, BUT MAY NOT NECESSARILY BE LIMITED TO INFORMATION REGARDING COMPLIANCE WITH THE MONTANA ACCREDITATION STANDARDS, THE STATEWIDE STUDENT ASSESSMENT, SCHOOL ENROLLMENTS BY SUB-CATEGORY SPECIFIED IN THE NO CHILD LEFT BEHIND ACT, DATA REGARDING COMPLIANCE WITH THE NO CHILD LEFT BEHIND ACT, DROPOUT AND GRADUATE DATA, FEDERAL REPORTS TO THE NATIONAL CENTER FOR EDUCATION STATISTICS, FREE AND REDUCED PRICE PARTICIPATION, MONTANA NORM REFERENCED TEST DATA, MONTANA CRITERION REFERENCED TEST DATA, PERFORMANCE ON THE NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS, DATA

REGARDING SCHOOL DISTRICTS' FIVE YEAR PLANS AND PROFILES AND ANY OTHER INFORMATION AVAILABLE FROM THE ANNUAL DATA COLLECTION OF THE OFFICE OF PUBLIC INSTRUCTION.

(b) determine the total costs of providing the basic system of free quality public elementary and secondary schools;

(c) determine the state's share of the total costs of a basic system of free quality public elementary and secondary schools;

(d) construct a funding formula that:

(i) is based on:

(A) the definition of a basic system of free quality public elementary and secondary schools adopted by the legislature;

(B) the assessment of educational needs conducted by the committee; and

(C) the work of the joint select committee on education funding as outlined in the select committee's final report;

(ii) allows the legislature to adjust the funding formula based on the educationally relevant factors identified by the legislature;

(iii) is self-executing and includes a mechanism for annual inflationary adjustments;

(iv) is based on state laws;

(v) is based on federal education laws consistent with Montana's constitution and laws;

(vi) distributes to school districts in an equitable manner the state's share of the costs of the basic system of free quality public elementary and secondary schools; and

(vii) consolidates the budgetary fund structure to create the number and types of funds necessary to provide school districts with the greatest budgetary flexibility while ensuring accountability and efficiency; and

(e) prepare the appropriate legislation.

(2) IN COMPLETING THE DUTIES SPECIFIED IN SUBSECTION (2), THE COMMITTEE SHALL SEEK TO ADHERE TO THE FOLLOWING TIMELINE:

(a) ESTABLISHMENT OF PARAMETERS AND THE SCOPE OF THE NEEDS ASSESSMENT BY JUNE 21, 2005;

(b) COMPLETION, PUBLICATION AND DISSEMINATION OF A COMMITTEE-APPROVED FINAL REPORT AND RECOMMENDATIONS BY SEPTEMBER 21, 2005; AND

(c) COMPLETION, PUBLICATION AND DISSEMINATION OF FINAL DRAFT LEGISLATION FOR CONSIDERATION BY ANY SPECIAL SESSION OF THE LEGISLATURE AS MAY BE CALLED PURSUANT TO PROCEDURES SPECIFIED IN LAW BY OCTOBER 1, 2005.

(2) (3) The members of the committee are:

(a) four members of the house of representatives, two from each party, appointed by the speaker of the house in consultation with the house democratic leader and the house republican leader;

(b) four members of the senate, two from each party, appointed by the president of the senate;

and

(c) as ex-officio, nonvoting members:

(i) the presiding officer of the board of public education or the presiding officer's designee;

(ii) the superintendent of public instruction or the superintendent's designee; and

(iii) the governor or the governor's designee.

(3) (4) The committee shall select its presiding officer from among the voting members at the first meeting of the committee.

(4) (5) The committee shall assess the educational needs of children and determine the costs of providing the basic system of free quality public elementary and secondary schools, as defined by the legislature:

(a) through studies authorized or conducted by the committee; or

(b) based upon existing studies completed by reputable and reliable experts.

(5) (6) In implementing the educational needs and cost analyses and in drafting a new funding formula, the committee:

(a) shall work closely with and seek input from representatives from the board of public education, the office of public instruction, the governor's office, private organizations, professional educators, school trustees, and members of the public;

(b) may request assistance from other legislative and executive branch agencies; and

(c) shall examine the state's ~~existing and projected financial resources~~ FISCAL CAPACITY COMPARED TO THOSE RESOURCES IDENTIFIED BY THE COMMITTEE AS NECESSARY TO PROVIDE FOR THE FUNDING OF THE BASIC SYSTEM OF FREE QUALITY PUBLIC ELEMENTARY AND SECONDARY SCHOOLS AS DEFINED IN SENATE BILL 152, TAKING INTO ACCOUNT ~~as well as~~ the needs and concerns of Montana taxpayers AND OTHER MONTANA

CITIZENS.

~~(6) (7)~~ The committee is attached for administrative purposes to the legislative services division.

~~(7) On or before October 1, 2005, the committee shall issue a report on the committee's preliminary findings and recommendations.~~

NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval.

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