



Bridging the Statutory Definition of Quality Schools to a New School Funding System for the 21st Century

The Legislature has enacted a statutory definition of the “basic system of free quality public and elementary secondary schools” in Senate Bill 152. The Legislature is engaged in efforts to design and implement a new school funding system to assure that (1) all districts have access to adequate resources to meet the statutory definition of quality; and (2) revenues are equitably generated and distributed for the support of public schools. In order to successfully achieve these objectives, it is necessary that a needs assessment process be undertaken to analyze and identify the costs of meeting the statutory definition of quality.

Based on requests from members of the Joint Select Committee on School Funding, MQEC has prepared proposed draft legislation for the Committee’s consideration. The key criteria to be included in the Needs Assessment process include:

1. Demonstrable, substantive participation and input by Montana educators;
2. The Needs Assessment process shall include recognized methodologies to identify resources and costs that are necessary to meet the definition of Senate Bill 152;
3. Adequate financial and staff resources shall be provided by the State of Montana for the Needs Assessment process; and
4. The process will proceed in a timely manner, culminating in a new school funding system by no later than December 31, 2005.

MQEC suggests the following benchmark dates for the Joint Committee’s consideration as it considers legislation to implement the Needs Assessment process:

- By May 1: The interim school funding committee shall be organized and meet;
- By June 21: The parameters and scope of the Needs Assessment shall be established;
- By Sept. 21: Final Report and Recommendations shall be completed and disseminated to the public;
- By Oct. 1: Draft Legislation shall be prepared and approved by the interim school funding committee
- By Dec. 5: The Montana Legislature shall convene in special session and consider the new school funding system drafted by the Committee

MQEC appreciates the opportunity to provide this input, and looks forward to working with the Legislature in developing a new school funding system that meets the promises of the Montana Constitution.

Unofficial Draft Copy

As of: April 2, 2005 (10:38am)

LC8888

**** Bill No. ****

Introduced By *****

By Request of the *****

A Bill for an Act entitled: "An Act establishing a quality schools interim committee to 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 AND SHALL OVERSEE AND IMPLEMENT THE PROCESS OF ASSESSING EDUCATIONAL NEEDS OF CHILDREN SERVED BY THE BASIC SYSTEM OF FREE QUALITY PUBLIC ELEMENTARY AND SECONDARY SCHOOLS IN MONTANA. THE COMMITTEE SHALL HAVE FULL AUTHORITY TO CONTRACT AS NEEDED WITH RECOGNIZED SCHOOL FINANCE CONSULTANTS THAT HAVE EXPERIENCE AND EXPERTISE IN CONDUCTING COST ANALYSES TO ASSIST THE COMMITTEE IN CONDUCTING ANY PORTION OF THE COMMITTEE'S ASSESSMENT OF EDUCATIONAL NEEDS. IF THE COMMITTEE DETERMINES SUCH ASSISTANCE TO BE APPROPRIATE, THE COMMITTEE SHALL SELECT ANY SUCH

CONSULTANTS BY DEVELOPING AND ISSUING REQUESTS FOR PROPOSALS,
EVALUATING THE PROPOSALS, AND AWARDING CONTRACTS TO THE MOST
QUALIFIED CONSULTING FIRM ON THE BASIS OF SELECTION CRITERIA
ESTABLISHED BY THE COMMITTEE. THERE SHALL BE NO RIGHT TO ANY
CAUSE OF ACTION BY AN UNSUCCESSFUL BIDDER UNDER THIS SECTION.

~~By December 1, 2005, the committee shall~~ THE COMMITTEE'S GENERAL
DUTIES, AS MORE SPECIFICALLY SET FORTH IN THIS SECTION, SHALL BE
TO:

(A) ASSESS THE EDUCATIONAL NEEDS OF CHILDREN SERVED BY THE
BASIC SYSTEM OF FREE QUALITY PUBLIC ELEMENTARY AND SECONDARY
SCHOOLS IN MONTANA;

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

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

~~(e)~~ (D) construct a funding formula that:

(i) is based on the ASSESSMENT OF EDUCATIONAL NEEDS AND
THE definition of a basic system of free quality public elementary
and secondary schools, as defined ~~by the legislature~~ IN SENATE
BILL 152, 2005 LEGISLATIVE SESSION;

(ii) ~~allows the legislature to adjust the funding~~
~~formula~~ MAKES APPROPRIATE COST ADJUSTMENTS based on the
educationally relevant factors identified ~~by the legislature~~
IN SENATE BILL 152, 2005 LEGISLATIVE SESSION;

(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; and

(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}
~~(d)~~ (VII) consolidate 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;

^{viii}
~~(e)~~ prepares the appropriate legislation TO PROPOSE A STATUTORY IMPLEMENTATION OF THE FUNDING FORMULA.

(2) 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) The committee shall select its presiding officer from among the voting members at the first meeting of the ~~task force~~ COMMITTEE.

(4) (A) ~~The task force COMMITTEE shall determine the costs of providing the basic system of free quality public elementary and secondary schools, as defined by the legislature, through:~~

~~(a) studies authorized and conducted by the committee; or the adoption of analyses of educational needs and costs contained in existing studies completed by reputable and reliable experts.~~

COORDINATE A PROFESSIONAL ASSESSMENT OF EDUCATIONAL NEEDS BY A REPRESENTATIVE SAMPLE OF MONTANA EDUCATORS AND SCHOOL BOARD TRUSTEES. UPON COMPLETION OF THE PANELS' WORK, THE COMMITTEE SHALL PREPARE A FINAL REPORT OF THE RECOMMENDATIONS OF THE PANEL FOR PUBLIC DISSEMINATION.

(B) THE COMMITTEE SHALL ALSO 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 AND ANY OTHER INFORMATION AVAILABLE FROM THE ANNUAL DATA
COLLECTION OF THE OFFICE OF PUBLIC INSTRUCTION.

(C) UPON COMPLETION OF THE ASSESSMENT OF EDUCATIONAL
NEEDS, THE COMMITTEE SHALL DRAFT LEGISLATION TO IMPLEMENT A NEW
SCHOOL FUNDING FORMULA.

(F) THE DRAFT OF THE LEGISLATION, TOGETHER WITH A
SUMMARY DESCRIPTION AND OTHER APPLICABLE MATERIALS, SHALL BE
SHALL BE FINALIZED AND PREPARED FOR CONSIDERATION BY THE MONTANA
LEGISLATURE IN A SPECIAL SESSION. THE LEGISLATION SHALL BE BASED
ON THE TOTALITY OF THE COMMITTEE'S ASSESSMENT OF EDUCATIONAL
NEEDS. THE FUNDING FORMULA DEVELOPED SHALL BE COST-BASED AND
SELF-EXECUTING SO AS TO ASSURE ADEQUATE, EQUITABLE, AND STABLE
FUNDING FOR ALL SCHOOL DISTRICTS IN MONTANA. SUCH LEGISLATION
MUST INCLUDE A MECHANISM FOR INFLATIONARY ADJUSTMENTS, ADDRESS
FIXED AND VARIABLE COSTS, AND INCLUDE A MECHANISM FOR PERIODIC
AND AUTOMATIC REVIEW WITH ADDITIONAL STUDIES AND DRAFTING AND
INTRODUCTION OF LEGISLATION BASED UPON THE FINDINGS OF SUCH
STUDIES.

(e)
(f) A SPECIAL SESSION SHALL BE CONVENED NOT LATER THAN
DECEMBER 5 2005, TO ACT UPON THE PROPOSED NEW SCHOOL FUNDING
SYSTEM. THE NEW LEGISLATION SHALL BE IMMEDIATELY EFFECTIVE AND
SHALL APPLY TO SCHOOL FISCAL YEARS BEGINNING JULY 1, 2006.

(5) In implementing the ASSESSMENT OF EDUCATIONAL NEEDS,
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, private organizations, professional educators, SCHOOL BOARD TRUSTEES and OTHER 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 as well as the needs and concerns of Montana ~~taxpayers~~ CITIZENS.

~~(6) On or before October 1, 2005, the committee shall~~
THE FOLLOWING ARE DEADLINES WITH WHICH THE COMMITTEE MUST COMPLY:

(A) BY MAY 1, 2005, THE COMMITTEE SHALL ORGANIZE AND MEET.

(B) BY JUNE 21, 2005, THE COMMITTEE SHALL ESTABLISH THE PARAMETERS AND SCOPE OF THE ASSESSMENT OF EDUCATIONAL NEEDS.

(C) BY SEPTEMBER 21 2005, ALL FINAL REPORTS OF THE COMMITTEE SHALL BE COMPLETED AND DISSEMINATED TO THE PUBLIC.

(B) BY OCTOBER 1 2005, THE COMMITTEE SHALL COMPLETE AND APPROVE ITS PRELIMINARY DRAFT LEGISLATION.

(C) BY DECEMBER 5 2005, THE LEGISLATURE SHALL CONVENE IN SPECIAL SESSION AND CONSIDER THE LEGISLATION DRAFTED BY THE COMMITTEE.

NEW SECTION. Section 2. {standard} Effective date. [This act] is effective on passage and approval. - END