

SENATE BILL NO. 128

INTRODUCED BY K. HANSEN

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A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A SCHOOL FUNDING INTERIM COMMISSION; PROVIDING THAT THE COMMISSION BE FORMED AT LEAST ONCE EVERY 10 YEARS; REQUIRING THE COMMISSION TO CONDUCT A STUDY OF THE EDUCATIONAL NEEDS AND COSTS RELATED TO THE BASIC SYSTEM OF FREE QUALITY PUBLIC ELEMENTARY AND SECONDARY SCHOOLS; PROVIDING FOR COMMISSION MEMBERSHIP AND STAFFING; REQUIRING ISSUANCE OF A REPORT; AMENDING SECTION 20-9-309, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. Section 1. School funding interim commission. (1) There is a school funding interim commission that must be formed during the 2015-2016 interim and each successive fifth interim pursuant to 20-9-309. The commission shall:

(a) conduct a study to reassess the educational needs and costs related to the basic system of free quality public elementary and secondary schools; and

(b) if necessary, recommend to the following legislature changes to the state's funding formula.

(2) In conducting the study, the commission may:

(a) review the work of previous studies and commissions;

(b) consider recommendations and topics provided by other interim or standing legislative committees, 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;

(c) review how the state's education funding policy has evolved as a result of litigation;

(d) 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;

(e) consider the state's existing and projected financial resources as well as the needs and concerns of Montana taxpayers;

(f) authorize research and studies to be conducted by reputable and reliable experts in the public or private sectors; and



1 (g) request research and analysis from the legislative fiscal division, the office of public instruction, the
2 department of revenue, and any other state agency or entity that maintains information or data relevant to the
3 study.

4 (3) The members of the commission are:

5 (a) six members of the house of representatives, three from the majority party and three from the minority
6 party, appointed by the speaker of the house in consultation with the house majority leader and the house
7 minority leader;

8 (b) six members of the senate, three from the majority party and three from the minority party, appointed
9 by the president of the senate in consultation with the senate majority leader and the senate minority leader; and

10 (c) four members of the public to be appointed as follows:

11 (i) two public members appointed by the speaker of the house with the consent of the house minority
12 leader; and

13 (ii) two public members appointed by the president of the senate with the consent of the senate minority
14 leader.

15 (4) The commission shall select its presiding officer at the first meeting of the commission.

16 (5) The commission is attached for administrative purposes to the legislative services division, and the
17 legislative services division shall provide sufficient and appropriate support to the commission in order that it may
18 carry out its statutory duties, within the limitations of legislative appropriations.

19 (6) The commission is staffed by the legislative services division. The legislative fiscal analyst shall
20 assign staff to assist the commission.

21 (7) The commission shall issue a report on the commission's findings and recommendations, including
22 any draft legislation for amending the state school funding formula, by no later than the 15th of September
23 preceding the next regular legislative session.

24 (8) Unless the person is a full-time salaried officer or employee of the state or a political subdivision of
25 the state, a nonlegislative member appointed to the commission is entitled to salary and expenses to the same
26 extent as a legislative member. If the appointee is a full-time salaried officer or employee of the state or of a
27 political subdivision of the state, the appointee is entitled to reimbursement for travel expenses as provided for
28 in 2-18-501 through 2-18-503.

29

30 **Section 2.** Section 20-9-309, MCA, is amended to read:

1 **"20-9-309. Basic system of free quality public elementary and secondary schools defined --**
2 **identifying educationally relevant factors -- establishment of funding formula and budgetary structure --**
3 **legislative review.** (1) Pursuant to Article X, section 1, of the Montana constitution, the legislature is required to
4 provide a basic system of free quality public elementary and secondary schools throughout the state of Montana
5 that will guarantee equality of educational opportunity to all.

6 (2) As used in this section, a "basic system of free quality public elementary and secondary schools"
7 means:

8 (a) the educational program specified by the accreditation standards provided for in 20-7-111, which
9 represent the minimum standards upon which a basic system of free quality public elementary and secondary
10 schools is built;

11 (b) educational programs to provide for students with special needs, such as:

12 (i) a child with a disability, as defined in 20-7-401;

13 (ii) an at-risk student;

14 (iii) a student with limited English proficiency;

15 (iv) a child who is qualified for services under 29 U.S.C. 794; and

16 (v) gifted and talented children, as defined in 20-7-901;

17 (c) educational programs to implement the provisions of Article X, section 1(2), of the Montana
18 constitution and Title 20, chapter 1, part 5, through development of curricula designed to integrate the distinct and
19 unique cultural heritage of American Indians into the curricula, with particular emphasis on Montana Indians;

20 (d) qualified and effective teachers or administrators and qualified staff to implement the programs in
21 subsections (2)(a) through (2)(c);

22 (e) facilities and distance learning technologies associated with meeting the accreditation standards;

23 (f) transportation of students pursuant to Title 20, chapter 10;

24 (g) a procedure to assess and track student achievement in the programs established pursuant to
25 subsections (2)(a) through (2)(c); and

26 (h) preservation of local control of schools in each district vested in a board of trustees pursuant to Article
27 X, section 8, of the Montana constitution.

28 (3) In developing a mechanism to fund the basic system of free quality public elementary and secondary
29 schools and in making adjustments to the funding formula, the legislature shall, at a minimum, consider the
30 following educationally relevant factors:

- 1 (a) the number of students in a district;
- 2 (b) the needs of isolated schools with low population density;
- 3 (c) the needs of urban schools with high population density;
- 4 (d) the needs of students with special needs, such as a child with a disability, an at-risk student, a
- 5 student with limited English proficiency, a child who is qualified for services under 29 U.S.C. 794, and gifted and
- 6 talented children;
- 7 (e) the needs of American Indian students; and
- 8 (f) the ability of school districts to attract and retain qualified educators and other personnel.
- 9 (4) ~~By July 1, 2007, the~~ The legislature shall:
- 10 (a) determine the costs of providing the basic system of free quality public elementary and secondary
- 11 schools;
- 12 (b) establish a funding formula that:
- 13 (i) is based on the definition of a basic system of free quality public elementary and secondary schools
- 14 and reflects the costs associated with providing that system as determined in subsection (4)(a);
- 15 (ii) allows the legislature to adjust the funding formula based on the educationally relevant factors
- 16 identified in this section;
- 17 (iii) is self-executing and includes a mechanism for annual inflationary adjustments;
- 18 (iv) is based on state laws;
- 19 (v) is based on federal education laws consistent with Montana's constitution and laws; and
- 20 (vi) distributes to school districts in an equitable manner the state's share of the costs of the basic system
- 21 of free quality public elementary and secondary schools; and
- 22 (c) consolidate the budgetary fund structure to create the number and types of funds necessary to
- 23 provide school districts with the greatest budgetary flexibility while ensuring accountability and efficiency.
- 24 (5) At least every 10 years ~~following April 7, 2005,~~ the legislature shall:
- 25 ~~—— (a) authorize a study to reassess the educational needs and costs related to the basic system of free~~
- 26 ~~quality public elementary and secondary schools; and~~
- 27 ~~—— (b) if necessary, incorporate the results of those assessments into the state's funding formula form the~~
- 28 ~~school funding interim commission pursuant to [section 1] for the purpose of reassessing the state's school~~
- 29 ~~funding formula."~~
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1 NEW SECTION. **Section 3. Codification instruction.** [Section 1] is intended to be codified as an
2 integral part of Title 5, and the provisions of Title 5 apply to [section 1].

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4 NEW SECTION. **Section 4. Effective date.** [This act] is effective on passage and approval.

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