

What is the Decennial Study of School Funding?

Prepared for the joint meeting of the Education Interim
and Modernization and Risk Analysis Committees

January 10, 2024

Pad McCracken, LSD Research Analyst



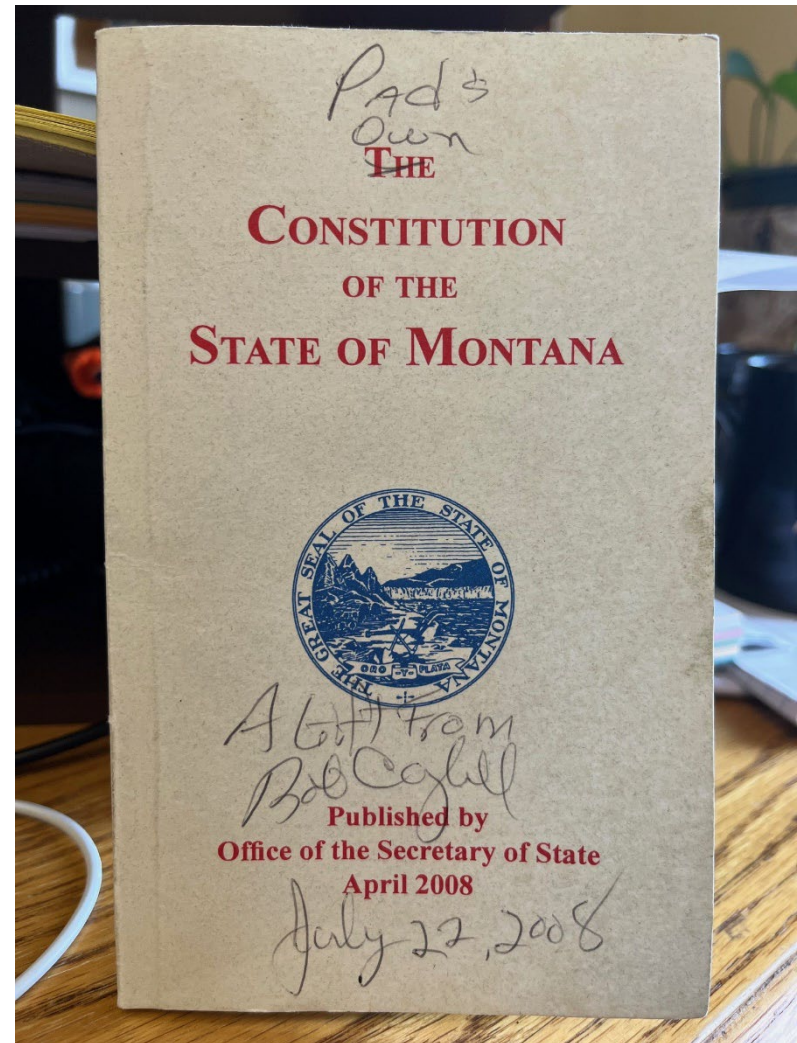
From Article X. Education and Public Lands.

Section 1. Educational goals and duties.

(1) It is the **goal** of the people to establish a system of education which will develop the full educational potential of each person. Equality of educational opportunity is **guaranteed** to each person of the state.

(2) The state recognizes the distinct and unique cultural heritage of the American Indians and is **committed** in its educational goals to the preservation of their cultural integrity.

(3) **The legislature shall provide a basic system of free quality public elementary and secondary schools.** The legislature may provide such other educational institutions, public libraries, and educational programs as it deems desirable. **It shall fund and distribute in an equitable manner to the school districts the state's share of the cost of the basic elementary and secondary school system.**



Columbia Falls V. State 2004

To satisfy Montana Constitution, the State's school finance system must be based upon a determination of the needs and costs of the public school system, and the school finance system must be designed and based upon educationally-relevant factors.

2005 Session

SB 152 established definition of “basic system of free quality public elementary and secondary schools” and “educationally relevant factors” to be used in a funding formula, placed requirements on the legislature in developing a formula, and **required the legislature to study the costs and modify the formula accordingly at least every ten years** (20-9-309, MCA).

Formed a Joint Select Committee on Education Funding to create a new formula

Formed a Quality Schools Interim Committee to create a new formula by December 2005

2005 December Special Session

Added new components to the existing formula; provided other funding for facilities and to bolster retirement systems.

Defining and Funding a Basic System of Free Quality Public Elementary and Secondary Schools

Final Report of the Quality Schools Interim Committee
October 2006
Prepared by Connie Erickson
Research Analyst



P.O. Box 201706
Helena, MT 59620-1706
Phone: 406 444-3064
Fax: 406 444-3036
<http://leg.mt.gov>

2011-2012 Interim

The Education and Local Government Committee requested school funding training in preparation for the first “Decennial Study” – it was unclear when exactly the study would take place, who would conduct it, or how it would be formed.

2015 Session

[SB 128](#) was enacted to address the confusion, establishing a School Funding Interim Commission (SFIC), a schedule for formation, membership, and duties (see following slide).

2015-2016 Interim

The commission was formed for the first time and focused its attention on four main topics/areas of concern:

1. Recruitment and Retention
2. School Facilities
3. Special Education and Special Needs
4. District Size, Structure, and Equity

And added a fifth topic, related to recruitment and retention:

5. K-12 Employee Health Benefits



[Final Report of the 2015-16 SFIC](#)

[2015-16 SFIC Website](#)

The School Funding Interim Commission ([5-20-301](#), [MCA](#))

First in 2015-2016 Interim and must be formed “each successive fifth interim” – so, during **2025-2026 Interim**

16 members – 6 House, 6 Senate, 4 public

Duties are:

- conduct a **study** to reassess the educational **needs and costs** related to the basic system of free quality public elementary and secondary schools; and
- if necessary, **recommend** to the following legislature **changes to the state's funding formula**.

What needs to happen?

Funding for the commission included in the budget

Appointments made by leadership at the end of the 2025 Session

What might be nice?

Reviewing both [20-9-309](#) and [5-20-301](#)

Looking at what [HJ 25](#) suggested (part of EDIC’s work plan)

Considering the data needs to support the Commission’s work

Examining what is involved in conducting a cost analysis

