

STATUTES RELATED TO THE DECENNIAL STUDY OF SCHOOL FUNDING

**** BILL NO. ****

INTRODUCED BY ****

FOR DISCUSSION PURPOSES AT THE JUNE 20, 2024, MEETING OF THE EIBC

BY REQUEST OF THE ****

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A BILL FOR AN ACT ENTITLED: "AN ACT ***; AMENDING SECTIONS 5-20-301 AND 20-9-309, MCA."

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

Section 1. Section 5-20-301, MCA, is amended to read:

"5-20-301. 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

(g) request research and analysis from the legislative fiscal division, the office of public instruction,

DUTIES

AUTHORITY

1 the department of revenue, and any other state agency or entity that maintains information or data relevant to
2 the study.

3 (3) The members of the commission are: MEMBERSHIP

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

7 (b) six members of the senate, three from the majority party and three from the minority party,
8 appointed by the president of the senate in consultation with the senate majority leader and the senate minority
9 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
14 minority 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
17 the legislative services division shall provide sufficient and appropriate support to the commission in order that it
18 may carry out its statutory duties, within the limitations of legislative appropriations. STAFFING

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

21 (7) The commission shall issue a report to the legislature in accordance with 5-11-210 on the
22 commission's findings and recommendations, including any draft legislation for amending the state school
23 funding formula. COMPENSATION

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."

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

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

DEFINITION

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

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

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

- (i) a child with a disability, as defined in 20-7-401;
- (ii) an at-risk student;
- (iii) a student with limited English proficiency;
- (iv) a child who is qualified for services under 29 U.S.C. 794; and
- (v) gifted and talented children, as defined in 20-7-901;

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

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

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

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

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

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

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

- 6 (a) the number of students in a district;
- 7 (b) the needs of isolated schools with low population density;
- 8 (c) the needs of urban schools with high population density;
- 9 (d) the needs of students with special needs, such as a child with a disability, an at-risk student, a
10 student with limited English proficiency, a child who is qualified for services under 29 U.S.C. 794, and gifted and
11 talented children;
- 12 (e) the needs of American Indian students; and
- 13 (f) the ability of school districts to attract and retain qualified educators and other personnel.

14 (4) The legislature shall: DUTIES IN FUNDING

- 15 (a) determine the costs of providing the basic system of free quality public elementary and secondary
16 schools;
- 17 (b) establish a funding formula that:
 - 18 (i) is based on the definition of a basic system of free quality public elementary and secondary
19 schools and reflects the costs associated with providing that system as determined in subsection (4)(a);
 - 20 (ii) allows the legislature to adjust the funding formula based on the educationally relevant factors
21 identified in this section;
 - 22 (iii) is self-executing and includes a mechanism for annual inflationary adjustments;
 - 23 (iv) is based on state laws;
 - 24 (v) is based on federal education laws consistent with Montana's constitution and laws; and
 - 25 (vi) distributes to school districts in an equitable manner the state's share of the costs of the basic
26 system of free quality public elementary and secondary schools; and
 - 27 (c) consolidate the budgetary fund structure to create the number and types of funds necessary to
28 provide school districts with the greatest budgetary flexibility while ensuring accountability and efficiency.

