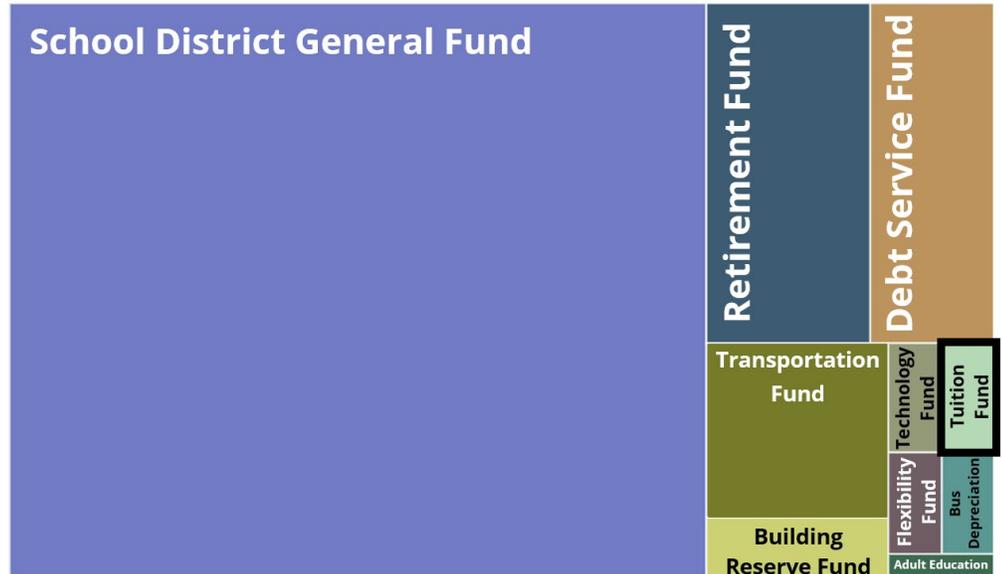


SCHOOL FUNDING BASICS: DISTRICT TUITION FUND

EDUCATION INTERIM COMMITTEE
PAD MCCracken - JANUARY 2024

OVERVIEW AND PURPOSE

Purpose - finance tuition payment costs of resident students attending out-of-district or payments to residential treatment facilities, children's psychiatric hospitals, therapeutic group homes, and youth detention facilities providing education to resident students; can also be used to finance certain in-district student individualized education program (IEP) costs



The tuition fund is not a particularly large budgeted fund, but it has grown since 2013 and is likely to grow more in the next few years (see explanations below).

How is the district tuition fund funded?

1. Non-levy revenues (if available; ex. oil and gas)
2. Permissive levy

TUITION FUND BUDGETING PROCESS

As noted to the right, the use of the tuition fund is changing in the next couple years, but some of the process will remain the same:

Note – Montana's out-of-district attendance and tuition laws were significantly revised by HB 203 (Bede; 2023) and the use of the tuition fund may expand greatly in certain districts beginning in FY 2026 (to pay for tuition costs of out-of-district attendance in FY 2025).

1. Out-of-district attendance agreements are entered into between districts
2. Following a school year, the district of attendance submits a bill to the student's district of residence
3. The district of residence determines if it will use other funding sources to pay this bill, otherwise, it can use the permissive (non-voted) tuition fund levy to raise the necessary funding
4. The district of residence then pays half the bill by December 31 and the remainder by June 15

The process is similar for resident students receiving education while at a residential treatment facility, children's psychiatric hospital, therapeutic group home, or youth detention facility.

The use of the tuition fund to support a student's IEP costs was established in SB 191 (2013; T. Brown) and is still often referred to as the SB 191 levy. Basically, a district can levy for the differential costs of meeting a student's IEP after subtracting the state and federal money the student generates.

Tuition fund revenue 2014 to 2023 (from OPIREV data files)

