

QUALITY SCHOOLS INTERIM STUDY SCOPE

A Report Prepared for the
Legislative Finance Committee

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INTRODUCTION

The Quality Schools Facilities Grant Program (QSGP) is a competitive grant program, administered by the Department of Commerce (DOC), which was created to provide infrastructure grants to public school districts in Montana. The program is established in Title 90, Chapter 6, part 8, MCA. Grants are awarded through a competitive application process that is open to all 421 Montana school districts.

In the role of prioritizing program grants, the DOC must consider the following attributes of each school facility project application [90-6-811(2), MCA]:

- The need for financial assistance
- The fiscal capacity of the public school district to meet the conditions established in 90-6-812, MCA
- Past efforts to ensure sound, effective, long-term planning and management of the school facility and attempts to address school facility needs with local resources
- The ability to obtain funds from other sources
- The importance of the project and support for the project from the community

PROJECT OBJECTIVE

In order to understand the roles that financial needs, local effort, and other criteria play in the QSGP process, the Legislative Finance Committee (LFC) has expressed an interest in developing a full understanding of the tradeoffs that school districts make between taxes, personal services, operating expenses, and capital investments.

The goal of this research is to inform the next legislative session regarding the factors to consider in further developing the Quality Schools Facilities Grant Program and other school funding sources. The LFC anticipates studying this topic throughout the interim, but will begin the analysis in December with a study of personnel/operating expenses versus capital investment and tax equity among school districts. Expanded research into salaries and staffing relative to district size may be included if available. Further research from the committee will evolve with committee questions and discussion.

Potential topics for committee consideration may include:

- What proportion of budgets are allocated or otherwise “earmarked” within districts for capital improvement purposes versus personal services and operating expenses
- How have schools historically funded new construction, regular annual maintenance, and major maintenance/repairs/renovations
- How (and in what proportion) do school districts leverage various financial resources for physical plant maintenance and improvements, including but not limited to: state funds, local funds, federal funds, other funding sources
- Does size of the school district affect salaries, benefits, and capital investments
- Other topics as directed by the LFC