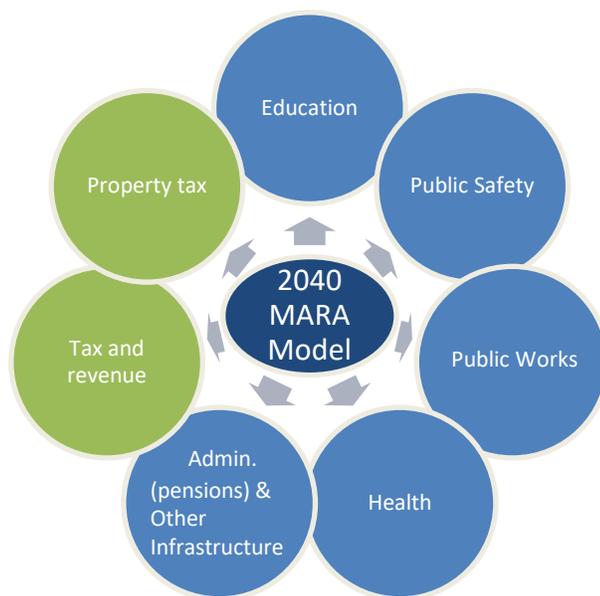


## EDUCATION MODULE

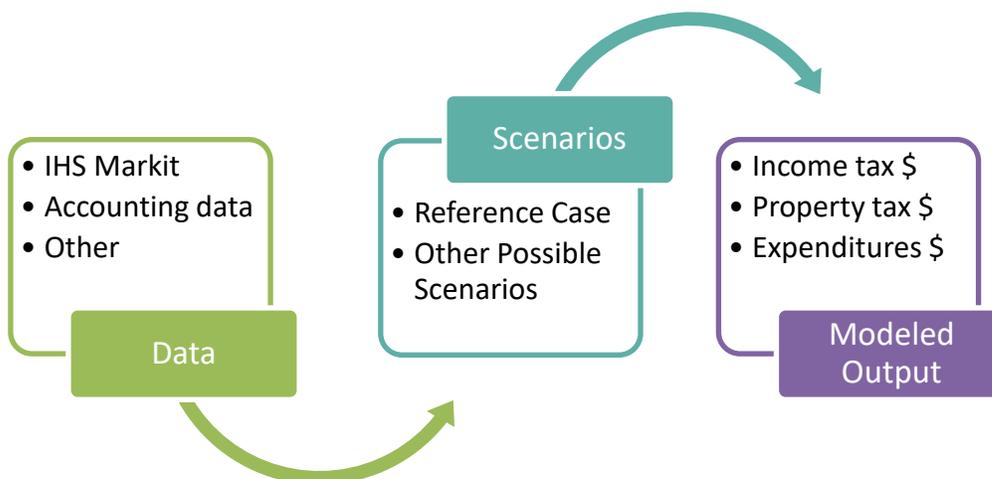
The 2040 MARA model will be broken into “modules”. The modules reflect different aspects of the revenues and expenditures of state government, local government, and school districts. The diagram below shows the revenue components in green and the expenditure components in blue. The Montana University System (MUS) and K-12 expenditures will be developed in the education module. The funding to support MUS and K-12 will be developed in the property tax and tax and revenue modules.

### Modules



### Data Driven

All modules will rely on a consistent set of data used to keep the model assumptions consistent through all modules. Examples are econometric data from IHS Markit, Regional Economic Models, Inc (REMI), and others. The graphic depicts the flow of data into the model, scenarios, and the modeled outputs.



## **MUS Process**

The MUS process will begin with the following tasks:

- Gather these data:
  - Past 20 years of MUS revenues and expenditures by fiscal year
  - Enrollment data
  - Western Interstate Commission for Higher Education (WICHE) peer historical averages
  - Commonfund Higher Education Price Index (HEPI)
  - Actuarial pension system evaluations
- Reach out to stakeholders: Montana University System Board of Regents, Office of the Commissioner of Higher Education, Governor's Office of Budget and Program Planning, Education Interim Committee, Education Interim Budget Committee, Community College Presidents
- Develop a small group of experts for sounding board

Analysis: evaluate the data with ideas from stakeholders and experts, consider how to incorporate changes in technology, population, demographics, etc. into the module.

## **K-12 Process**

The K-12 process will begin with the following tasks:

### **Expenditure Process**

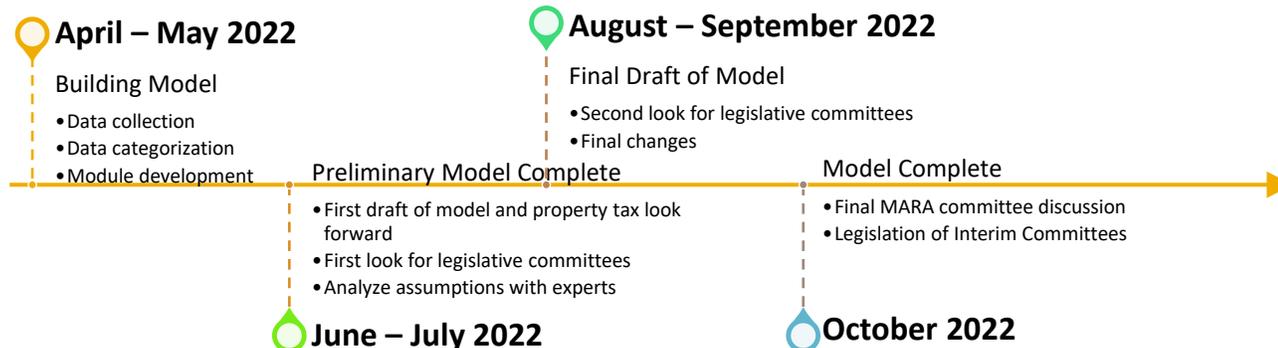
- Gather these data:
  - Past 20 years of K-12 revenues, expenditures, enrollment, budgeted ANB, and population by county
  - Poverty by county or a Title 1 statistic by district
  - American Indian statistics
  - Actuarial pension system evaluations
- Reach out to stakeholders: School Boards Association, School Fiscal officers, Governor's Office of Budget and Program Planning, the Office of Public Instruction, Education Interim Committee, Education Interim Budget Committee
- Develop a small group of experts for sounding board

### **Revenue Process**

The property taxes for K-12 schools will use the expenditure forecast to determine necessary property taxes. The property tax module will incorporate impacts from all taxing jurisdictions for impacts on taxpayers.

Analysis: evaluate the data with ideas from stakeholders and experts, consider how to incorporate changes in technology, population, demographics, poverty, etc. into the module.

## Timeline for Completion



The first draft of the model will be available in June. Additional legislator, stakeholder, and expert feedback will be sought during the summer months for suggested improvements to the model. The final version of the model is expected in early September. If you have questions about the modules or final model, or would like to provide feedback, please contact Susie Lindsay at [slindsay@mt.gov](mailto:slindsay@mt.gov).