

Study: HB 657

Short Title: Study education-related topics

Preliminary Analysis

Issues as listed in legislation:

1. K-12 special education funding
2. Community college funding formula
3. Career and training education credit values

Preliminary study approach:

1. K-12 special education funding
 - a. Review and summarize Montana legislative efforts regarding special education
 - b. Review and summarize statutes related to special education funding
 - c. Determine the components of the funding formula used to allocate funding including administration, travel, and disproportionate share allocations, determine the intended purpose of each component of the allowable cost payment, define what type of expenditures are covered by each component of the allowable cost payment, determine whether the current portion of the allowable cost payment dedicated to each of its four components matches actual expenditures for the state as a whole, and examine the validity of the current formula in determining the portion of the state cooperative administration and travel payment received by the cooperatives
 - d. Review 2021 biennium budget established for special education and subsequent allocation to special education cooperatives
 - e. Compile historic budgetary information last 10 years for special education by school district and cooperative
 - f. Obtain memorandums of understanding for special education cooperatives
 - g. Compile information on OPI and school district allocation of special education funding to the various cooperatives including rules and requirements at state and local levels
 - h. Determine which districts use cooperatives and which fund services separately. For those that fund separately determine the services provided and related costs and funding sources
 - i. Review necessity of inflationary increases for special education and impact and benefits to special education for the inflationary increases included in other components of school funding
 - j. Identify benefits and challenges of current formula
 - k. Review actions taken in other states related to use of special education cooperatives, funding allocation and components
 - l. Request input from stakeholders in the special education cooperatives
2. Community college funding formula
 - a. Review and summarize Montana legislative efforts regarding community college funding formula
 - b. Review and summarize statutes related to college funding formula
 - c. Identify benefits and challenges of current formula
 - d. Review and summarize 2021 biennium budget established for community colleges, both state and total including mill levies and tuition
 - e. Review and summarize historic information compiled for previous study
 - f. Review and summarize actions taken in other states to provide equitable community college funding
 - g. Request input from stakeholders in the community colleges and 2-year colleges within MUS
 - h. Examine how state funding has varied over the past ten years as compared to student FTE and inflation
 - i. Validate the definition of fixed and variable costs used in the funding formula

- j. Compare inflation and student FTE over the past ten years to the growth of fixed and variable costs
 - k. Examine the sufficiency of current law as it pertains to determining the initial budget and mandatory level for a new community college district
 - l. Examine the level of funding (in total and by source) dedicated to career and training education and to “college preparation” as well as measure of students served in each category over the past 10 years
 - m. Based on the result of the career and training education credit values, examine how measures of student serviced other than student FTE might be incorporated into the community college funding formula
3. Career and training education credit values
- a. Review and summarize Montana legislative efforts regarding career and technical training education credit values
 - b. Review and summarize actions taken in other states to establish values for career and technical education credits
 - c. Review and summarize 2021 biennium community college funding established using FTE credits
 - d. Review and summarize 2021 biennium 2 year institution funding established using FTE credits
 - e. Compile historic information on career and technical training
 - f. Compile information on differences between credits for further college education and credits necessary for technical certification, continuing education classes
 - g. Request input from stakeholders regarding use of FTE credits and recognition of career and technical education credits including community colleges and 2-year colleges within MUS

Data

- 1. K-12 special education
 - a. Budget and expenditures by local school district and cooperative between FY 2009 and FY 2021
 - b. Memorandums of understanding between school districts and cooperatives
 - c. Large district staffing and related costs for special education services if not part of a cooperative
 - d. Rules and requirements for special education funding
- 2. Community college funding formula
 - a. Budget and expenditures for community college by unit between FY 2009 and FY 2021
 - b. Other state funding formulas for community colleges including North and South Dakota, Idaho, Wyoming, and WUE states
 - c. Mill levies supporting community colleges between FY 2009 and FY 2019
 - d. Provide measures of student enrollment used in the community college funding formula broken into those educated under “college preparation” and those attending career and training education courses
- 3. Career and training education credit values
 - a. Courses offered at 2 year institutions both MUS and community colleges broken out by college credit, continuing education, and technical certification such as welding last 10 years
 - b. Other state formulas on career and technical education credits

Deliverables

- 1. K-12 special education funding
 - a. Briefing paper detailing the special education funding formula and the cooperative funding formula by component, the benefits and challenges of the current method, recommendations for improvements
 - b. Briefing paper regarding other states allocation methods of special education, use of special education cooperatives

- c. Panel discussion by special education cooperative members, OPI, and school districts outlining recommendations for improvements to current process
 - d. Legislation, if recommended by the committee, to change methodology of special education funding
2. Community college funding formula
 - a. Briefing paper detailing the community college funding formula by component, the benefits and challenges of the current method, recommendations for improvements
 - b. Briefing paper regarding other states allocation methods of community college funding formula and 2-year colleges within each states university system
 - c. Panel discussion by community colleges, OCHE, and MUS 2-year colleges outlining role of community colleges in current MUS system,
 - d. Panel discussion by community colleges on challenges, benefits, and recommendations for improvements to current process
 - e. Legislation, if recommended by the committee, to change statute for the community college funding formula
 3. Career and training education credit values
 - a. Briefing paper detailing career and training credit values as included in the community college funding formula by component, the benefits and challenges of the current method, recommendations for improvements
 - b. Briefing paper regarding other states allocation methods of career and training credit values as included in the community college funding formula and 2-year colleges within each states university system
 - c. Panel discussion on FTE credits and recognition of career and technical education credits
 - d. Legislation, if recommended by the committee, to change the career and training credit values used in the community college funding formula

Role for LSD or LAD staff? At first meeting update subcommittee on work done in previous interims and legislation considered during the session. Assist in subsequent meetings if legislation is proposed and review of briefing papers

Role for Executive OPI, MUS and OBPP staff assist in data gathering, panel discussions, and review of briefing papers

Estimated LFD staff time:

1. K-12
2. Community college funding
3. Career and training education credit values