

Possible Options for ELG Committee Action on the Required K-12 Funding Study

prepared for the Education and Local Government Interim Committee

by Laura Sankey, LSD Staff Attorney, April 2014

Statute

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.

...

(5) At least every 10 years following April 7, 2005, the legislature shall:

(a) authorize 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, incorporate the results of those assessments into the state's funding formula.

Background

The 2005 Legislature passed [Senate Bill 152](#), which defined a basic system of free quality public elementary and secondary schools, and required the Legislature to authorize a funding study at least every ten years. In that same session, the Legislature also passed [Senate Bill 525](#), which created the [Quality Schools Interim Committee](#) (QSIC) to assess the education needs of Montana students and determine the costs of a basic system of free quality public education.

As defined in SB 152, QSIC was comprised of eight legislators and three non-legislators who were nonvoting members. The eight legislators included two senators from each party, appointed by the President of the Senate, and two representatives from each party, appointed by the Speaker of the House in consultation with House democratic and republican leaders. The three nonvoting members were the Superintendent of Public Instruction, the chair of the Board of Public Education, and the director of the Office of Budget and Program Planning, as designated by the Governor. QSIC was staffed by two LSD research analysts, an LSD attorney, an LFD fiscal analyst, and an LSD secretary. Additionally, QSIC created a work group whose members included three staff people from the Office of Budget and Program Planning, two staff people from the Office of Public Instruction, three school superintendents, and one staff person from the Senate.

The 2005 Legislature appropriated \$200,000 to the Legislative Services Division to fund QSIC's efforts. Between May and December 2005, the committee held 17 meetings over 21 days and the work group met almost weekly. QSIC also contracted with a consulting firm, which provided a needs assessment, a funding adequacy study, and recommendations for a new school funding formula. QSIC entered into a separate contract with researchers from the Montana university system for an analysis of issues related to compensation, recruitment and retention.

Once QSIC reviewed the analysis, the committee developed a new funding formula that contained nine separate components (per-student; classroom; accredited programs; building operations and maintenance; special education; transportation; capital projects; school facility payment/debt service; and Indian education for all). The committee authorized two committee bills to be drafted: LC0001 implemented the new school funding formula, and LC0002 moved school district employees into the state employees' health insurance program. While the bill drafts were subject to much committee discussion and public comment, QSIC eventually voted against introducing either of the bills in the December 2005 Special Session, as a majority of the committee members believed the bills were not yet ready for legislative consideration.

Possible Options for Committee Action

Under the existing statute, the Legislature faces a deadline of April 7, 2015 to authorize the statutorily required school funding study. The following are some options that ELG could take if the committee is interested in pursuing a committee bill to address the required study.

- A. ELG could request a bill draft that would create a temporary interim committee with the same composition as the original QSIC committee.
- B. ELG could request a bill draft to create a temporary study committee with a different composition of committee members.
- C. ELG could request a bill draft to delay the study deadline or to repeal 20-9-309(5) and remove the study requirement from the statute.