

1 _____ BILL NO. _____

2 INTRODUCED BY _____
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING SCHOOL FUNDING LAWS RELATED TO THE
5 DEFINITION OF THE "BASIC SYSTEM OF FREE QUALITY PUBLIC ELEMENTARY AND SECONDARY
6 SCHOOLS"; REVISING A DEFINITION; REVISING THE EDUCATIONALLY RELEVANT FACTORS THAT
7 THE LEGISLATURE SHALL CONSIDER IN DEVELOPING A SCHOOL FUNDING FORMULA; REQUIRING
8 THE SCHOOL FUNDING FORMULA TO ADDRESS OPEN ENROLLMENT, STUDENT ACHIEVEMENT, AND
9 TRANSPARENCY; AMENDING SECTION 20-9-309, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE
10 DATE."

11

12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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14 **Section 1.** Section 20-9-309, MCA, is amended to read:

15 **"20-9-309. Basic system of free quality public elementary and secondary schools defined --**
16 **identifying educationally relevant factors -- establishment of funding formula and budgetary structure --**
17 **legislative review.** (1) Pursuant to Article X, section 1, of the Montana constitution, the legislature is required to
18 provide a basic system of free quality public elementary and secondary schools throughout the state of
19 Montana that will guarantee equality of educational opportunity to all.

20 (2) As used in this section, a "basic system of free quality public elementary and secondary
21 schools" means:

22 (a) the educational program specified by the accreditation standards provided for in 20-7-111,
23 which represent the minimum standards upon which a basic system of free quality public elementary and
24 secondary schools is built;

25 (b) educational programs to provide for students with special needs, such as:

26 (i) a child with a disability, as defined in 20-7-401;

27 (ii) an at-risk student;

28 (iii) a student with limited English proficiency;

- 1 (iv) a child who is qualified for services under 29 U.S.C. 794; and
- 2 (v) gifted and talented children, as defined in 20-7-901;
- 3 (c) educational programs to implement the provisions of Article X, section 1(2), of the Montana
- 4 constitution and Title 20, chapter 1, part 5, through development of curricula designed to integrate the distinct
- 5 and unique cultural heritage of American Indians into the curricula, with particular emphasis on Montana
- 6 Indians;
- 7 (d) qualified and effective teachers or administrators and qualified staff to implement the programs
- 8 in subsections (2)(a) through (2)(c);
- 9 (e) facilities and distance learning technologies associated with meeting the accreditation
- 10 standards;
- 11 (f) transportation of students pursuant to Title 20, chapter 10;
- 12 (g) a procedure to assess and track student achievement in the programs established pursuant to
- 13 subsections (2)(a) through (2)(c); and
- 14 (h) a statewide public school open enrollment program that allows students to transfer to any
- 15 public school in the state;
- 16 (i) student achievement growth commensurate with increases in inflation-adjusted funding for
- 17 each student;
- 18 (j) transparency with how public school districts spend additional per-student funding and whether
- 19 these dollars resulted in improved student achievement; and
- 20 (k) preservation of local control of schools in each district vested in a board of trustees pursuant to
- 21 Article X, section 8, of the Montana constitution.
- 22 (3) In developing a mechanism to fund the basic system of free quality public elementary and
- 23 secondary schools and in making adjustments to the funding formula, the legislature shall, at a minimum,
- 24 consider the following educationally relevant factors:
- 25 (a) the number of students in a district;
- 26 (b) the needs of isolated schools with low population density;
- 27 (c) the needs of urban schools with high population density;
- 28 (d) the needs of students with special needs, such as a child with a disability, an at-risk student, a

1 student with limited English proficiency, a child who is qualified for services under 29 U.S.C. 794, and gifted and
2 talented children;

3 (e) the needs of American Indian students; ~~and~~

4 (f) the ability of school districts to attract and retain qualified educators and other personnel;

5 (g) the ability for students to easily transfer among any public school in the state at no personal
6 cost;

7 (h) the degree to which student achievement growth corresponds to increases in inflation-adjusted
8 funding for each student; and

9 (i) the degree to which the funding mechanism is transparent and easy for taxpayers to
10 understand.

11 (4) The legislature shall:

12 (a) (i) determine the costs of providing the basic system of free quality public elementary and
13 secondary schools; and

14 (ii) in determining the costs under subsection (4)(a)(i), account for the degree to which inflation-
15 adjusted public school funding increases have led to meaningful improvements in student achievement in
16 states with the highest per-student funding growth in the most recent 2 decades;

17 (b) establish a funding formula that:

18 (i) is based on the definition of a basic system of free quality public elementary and secondary
19 schools and reflects the costs associated with providing that system as determined in subsection (4)(a);

20 (ii) allows the legislature to adjust the funding formula based on the educationally relevant factors
21 identified in this section;

22 (iii) is self-executing and includes a mechanism for annual inflationary adjustments;

23 (iv) is based on state laws;

24 (v) is based on federal education laws consistent with Montana's constitution and laws; and

25 (vi) distributes to school districts in an equitable manner the state's share of the costs of the basic
26 system of free quality public elementary and secondary schools; ~~and~~

27 (vii) allocates funding using a statewide per-student amount with funding weights that account for
28 student needs;

1 (viii) ensures funding follows public school open enrollment participants across school district

2 boundaries without additionally taxing the sending districts' or counties' residents;

3 (ix) uses current-year enrollment counts for funding purposes; and

4 (x) is transparent and easy for taxpayers to understand; and

5 (c) consolidate the budgetary fund structure to create the number and types of funds necessary to
6 provide school districts with the greatest budgetary flexibility while ensuring accountability and efficiency.

7 (5) At least every 10 years, the legislature shall form the school funding interim commission
8 pursuant to 5-20-301 for the purpose of reassessing the state's school funding formula."

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10 NEW SECTION. Section 2. **Effective date.** [This act] is effective on passage and approval.

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