

SENATE BILL NO. 215

INTRODUCED BY B. BEARD

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

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

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

"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.

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

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

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

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

(ii) an at-risk student;

(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 ~~(h)~~(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.

(5) At least every 10 years, the legislature shall form the school funding interim commission 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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