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Education and Local Government Interim Committee
62nd Montana Legislature

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TO: Members of the Legislative Council
Members of the Legislative Finance Committee

FROM: The Education and Local Government Committee

DATE: September 13, 2012

RE: K-12 Funding Study

On September 13, the Education and Local Government Interim Committee (ELG) voted 7-5 to submit the recommendation located on page 2 of this document with regard to a study carried out under the provisions of section 20-9-309(5).

At various points in the 2010-2011 interim, ELG considered the requirement provided in section 20-9-309(5), MCA, that reads:

- (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.

ELG received information about the genesis of the requirement and about the results of the work of the 2005 Quality Schools Interim Committee which conducted the most recent comprehensive study of this nature. ELG has also dedicated numerous hours this interim to learning about the history and evolution of the current K-12 funding system.

After discussing at its June meeting the question of whether or not to request a bill draft requiring the study, four ELG members were assigned to examine the question further. In August, the Legislative Council requested a bill to require the study. The four designated ELG members--Senators Hawks and Lake and Representatives Hansen and Mehlhoff--held a conference call on September 7 and reported their discussion to the full committee at its meeting on September 13, at which time Sen. Hawks proposed and the committee approved the recommendation.

The members look forward to monitoring the Legislative Council's bill draft as it takes shape.

2011-2013 K-12 STUDY RECOMMENDATION

Approved by the Education and Local Government Committee on September 13, 2012

WHEREAS: The 2005 Legislature established a definition of a basic system of free quality public elementary and secondary schools as guaranteed by Section 1, Article X of the Montana constitution; and

WHEREAS: In 2005, an interim legislative task force, charged with developing a school funding formula to support the definition of a basic system of free quality public elementary and secondary schools, produced a report with the assistance of national consultants who prepared a cost-based analysis of Montana K-12 education funding; and

WHEREAS: In special session in December 2005, the legislature enhanced the school funding formula and appropriated funding to support it; and

WHEREAS: In accordance with 20-9-309(5), at least every 10 years following April 7, 2005, the legislature shall authorize a study to reassess the educational needs and costs related to the basic system of free quality public elementary and secondary schools; and, if necessary, incorporate the results of those assessments into the state's funding formula.

The 2011-2012 Education and Local Government Interim Committee recommends that the 2013 Legislature assign the responsibility for an education funding policy study to an appropriate task force. The committee further suggests that the following criteria be considered by this task force:

1. That the existing Shared Policy Goals established between the Board of Public Education, the Superintendent of Public Instruction, and the Legislature be used as a basis for creating broad metrics that will align to the goals and lead to agreed-upon funding recommendations for implementation; and
2. That funding considerations reflect the realities of inflation in the education sector and that they factor in the costs of agreed-upon changes in education policy.

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