

## Overall Adequacy and Equity

As noted earlier, the budget provided for the Commission was inadequate to fund the comprehensive study of costs and needs originally envisioned for the decennial retrospective required by 20-9-309. However, the testimony received by Commissioners and the deliberations they engaged in demonstrate that, overall, school funding in Montana is inadequate to respond to the current costs and needs related to the educationally relevant factors of quality public education. Even in the few areas of focus prioritized by the Commission, this fact is plain:

- 1) **Facilities.** a) State-supported debt service was 25.3% in 2006; today it is 6.08% in 2016. The Quality Schools Block Grant program is inadequately funded to meet district needs. The statewide inventory of school facilities that impressed the *Columbia Falls Elementary II* court in 2008 is now out of date. Although the Commission's solutions mitigate these inadequacies, they do not eliminate them.
- 2) **Special Education.** Special education costs have more than tripled since 1990 – from \$40.9 million to \$131.2 million. In 1990, state paid 81.66% of special education expenditures; local districts paid 7.09%. In 2014, state paid 32.69%; local districts paid 41.15%. Special education and the special education co-ops didn't receive the inflationary funding other elements of school funding recently received, worsening their situation and intensifying the cost-shifting from general fund to special education. The *Columbia Falls Elementary II* court was concerned about this cost-shifting in 2008. The steps the Commission has taken to improve this substantial inadequacy has not materially changed it. Perhaps the study bill will take the important steps the Commission did not take. If so, at least four more years will go by with districts shifting general education funds to backfill inadequate special education funding.
- 3) **High-ability Students.** In 2008, the court was impressed with the infusion of \$1.25 million annually into gifted and talented education by the 2007 legislature. That level was never reached again. The annual allocation ever since has been at the 2006 level: \$250,000/year. Rep. Kelker's proposal for ANB funding for high-ability students would resolve this inadequacy, but unless a commensurate increase in the general fund is made, some other area will necessarily be adversely affected.
- 4) **Recruitment and Retention of Teachers.** With teacher shortages now a phenomenon statewide, creating the conditions that ensure that quality teachers are in Montana classrooms is fundamental to adequacy. Experts note – and the Commission's findings aver – that a number of factors come into play when recruiting and retaining teachers. The logical inference is that a multi-faceted approach that addresses all these factors should be deployed. The Commission has chosen instead to tweak the loan repayment program, a program that has not shown impressive results in the past. Moreover, because of the costs of a more inclusive approach, the Commission has chosen to narrow significantly the number of prioritized districts. While it is true that rural and isolated districts have a greater challenge than other areas, they are far from the only ones. It's going to take a pipeline approach with statewide application to address this problem adequately.

In sum, although the Commission has made a good-faith effort to patch prioritized holes in the fabric of Montana's school funding system, inadequacies continue to exist. Because the Commission's proposal package continues an approach that essentially tailors notions of adequacy to fit within the parameters of the projected revenues for the next biennium, the following inadequacies and inequities, at a minimum, can be projected as the Commission ends its work:

- Debt service for facilities bonds and state assistance for major maintenance of facilities will be available only on a prioritized basis and only as available funds allow.
- School districts will continue to bear the major share of providing special education.
- School districts will continue to use funds intended for the general student population to meet mandates for special education students.
- The opportunity for IEP-recommended adult transition programs for special education students over the age of 19 will not be equally available in Montana's schools – and will require school districts that do provide them to shift even more of their general fund dollars to special education.
- Opportunities for high-ability students to receive instruction appropriate to their abilities will not be equally available in Montana's schools and not available at all in many classrooms. **[Including this bullet depends on the fate of Rep. Kelker's proposed bill draft.]**
- Only a loan repayment program will be deployed as a tool to recruit and retain teachers, and unless the program is substantially funded, only the districts and entities in the direct need will be able to benefit from it. Many Montana schools will be unable to find qualified teachers for their classrooms.
- Unless allocations far exceed current levels, school districts experiencing teacher recruitment and retention problems in communities that are not defined as "isolated/special needs" will have to dedicate their own general fund dollars to address the issue without the assistance that other communities receive from the state.

As one Commissioner aptly observed, adequacy drives equity. When funds are not adequate, they tend to be allocated on a priority basis, meaning that some student populations and some school districts, where needs are present but are not deemed a priority, will be denied access to the benefits other students and other districts receive.

If the state makes the commitment to identify the true costs of these and other elements of free, quality public education in Montana, it will take some time to adjust our resource allocations to this commitment. It is a goal worth advancing toward; indeed, it is the goal our constitution expects us to advance toward. Until we have reached that level of adequacy, and the equity that flows from it, we cannot dedicate resources to other initiatives that are not part of the state's constitutional obligation.