

Montana School Funding EAQs #1

prepared by Pad McCracken, Legislative Research Analyst
for the School Funding Interim Commission, November 2015

This EAQ document differs from traditional “frequently asked question” (FAQ) documents in that the questions addressed are not frequently asked, but rather they are *comparatively* “easily answered” Montana school funding questions. The questions in this edition were generated at the initial meeting of the School Funding Interim Commission on September 23, 2015, and in the follow-up survey of commissioners.

How does Montana define “at-risk student”?

Montana statute defines “at-risk student” at [20-1-101\(4\), MCA](#), as “any student who is affected by environmental conditions that negatively impact the student's educational performance or threaten a student's likelihood of promotion or graduation.”

What is the American Indian Achievement Gap payment currently? Are there requirements for how this money is spent? Has the achievement gap closed since the payment was applied to school district budgets in 2006?

The American Indian Achievement Gap payment is \$205 for FY 16 and \$209 for FY 17 for every American Indian student enrolled in a district. The payment is for the purpose of “closing the achievement gap that exists between Indian and non-Indian students.” The money is deposited in the district general fund and there are no reporting requirements for how it is spent. While American Indian achievement as measured on standardized tests and graduation rates has improved in the last decade, non-Indian achievement has also improved and a significant gap remains. See OPI’s [American Indian Student Achievement Report \(Fall 2014\)](#). Additionally, the most recently reported National Assessment of Educational Progress (NAEP) scores show the American Indian Achievement gap widening in 3 of the 4 grades/subjects tested.

What are the limits on school facility bonding, and what can districts bond for related to facilities?

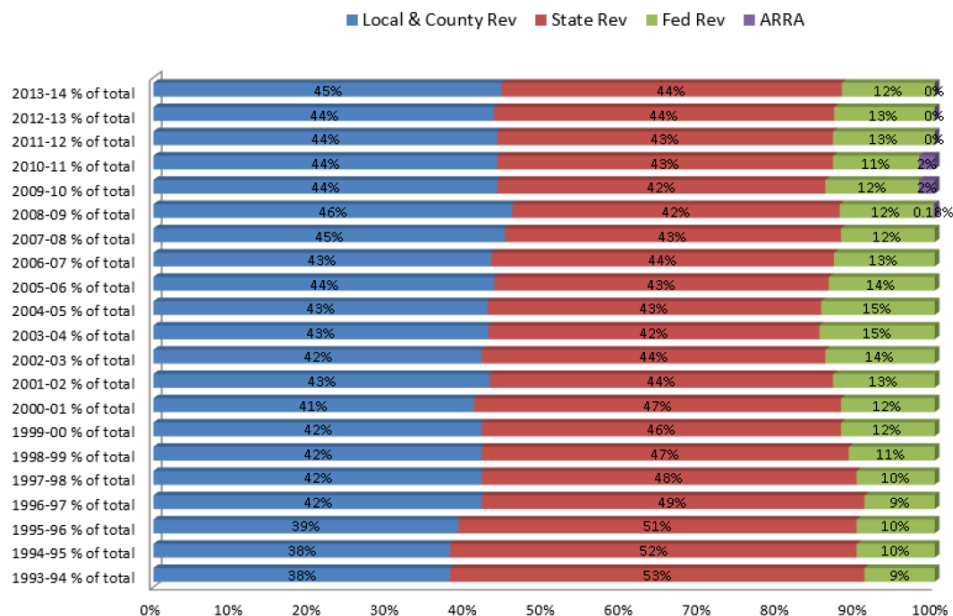
The total amount of indebtedness that districts may incur through bonding was doubled in [HB 373](#) (2015; Staffanson). Wealthier (as measured by mill value per ANB) districts that are not eligible for school facility reimbursements are now limited to 100% of their taxable valuation; districts that qualify for school facility reimbursements are able to bond in excess of their taxable valuation, up to an amount determined based on the facility guaranteed mill value per ANB. The purposes for which a district can bond related to school facilities are provided for in [20-9-403\(1\)\(a\), MCA](#): “building, altering, repairing, buying, furnishing, equipping, purchasing lands for, or obtaining a water supply for a school, teacherage, dormitory, gymnasium, other building, or combination of buildings for school purposes.”

What do cities and counties do for employee health benefits?

Just like school districts, Montana cities and counties provide a wide range of health benefits in a variety of ways: some of the larger entities offer self-funded plans, others find plans on the open market, and others participate in risk pools. The Montana Municipal Interlocal Authority (MMIA) is a risk retention pool for cities and towns and began a program for employee benefits in 2004. There are 83 groups participating with nearly 3,000 covered employees and dependents. The Montana Association of Counties (MACo) established a Health Care Trust in 2005 to pool risks for counties that choose to participate. These can be seen as similar to the Montana Unified School Trust (MUST) which provides an option for school districts to pool risks in an effort to manage costs. Unlike the state employee health plan or university employee health plan, each group participating in one of the trusts selects a different plan(s) for employees with rates based on that group's claims history.

How has the proportion of local, state, and federal education revenue in Montana changed over time?

Local, State and Federal Shares



*ARRA does not include Revenue type General Fund SF/SF (rev types 7800, 7810) this is included in State Revenue.

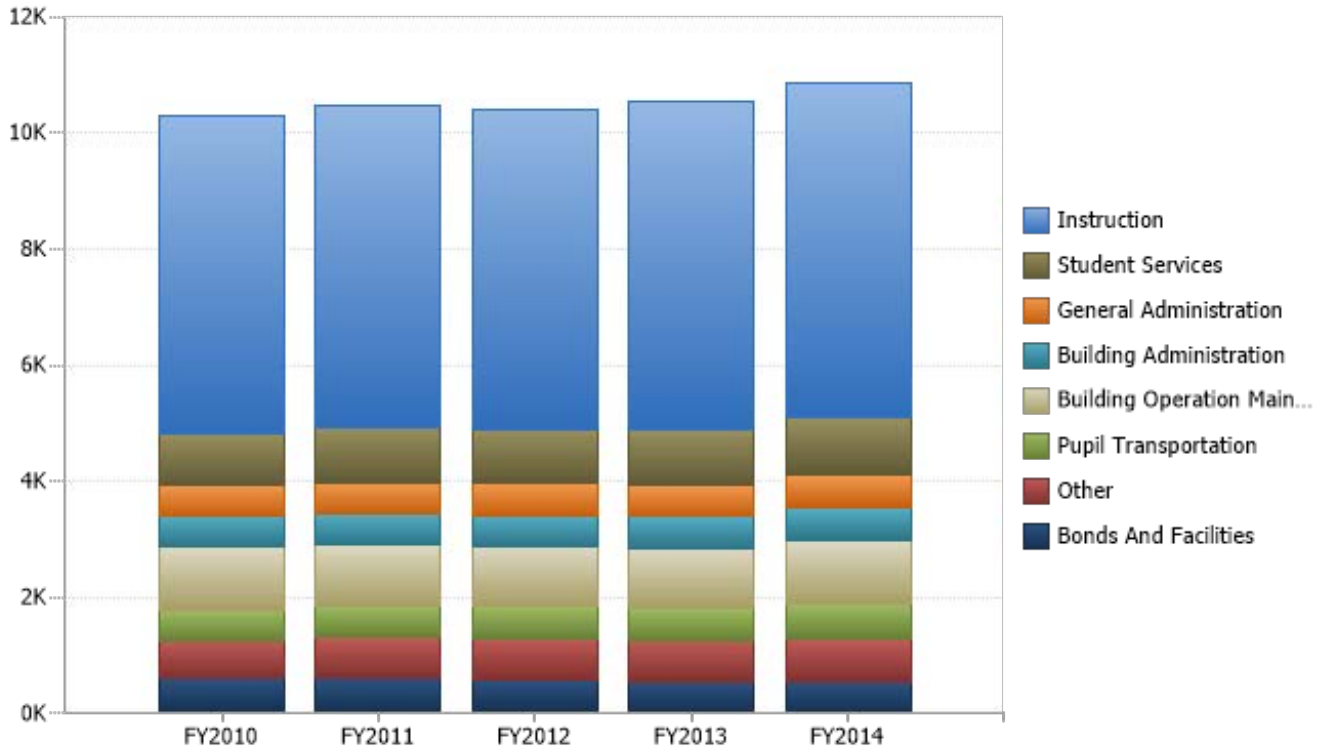
This chart shows revenues for **all** school funds



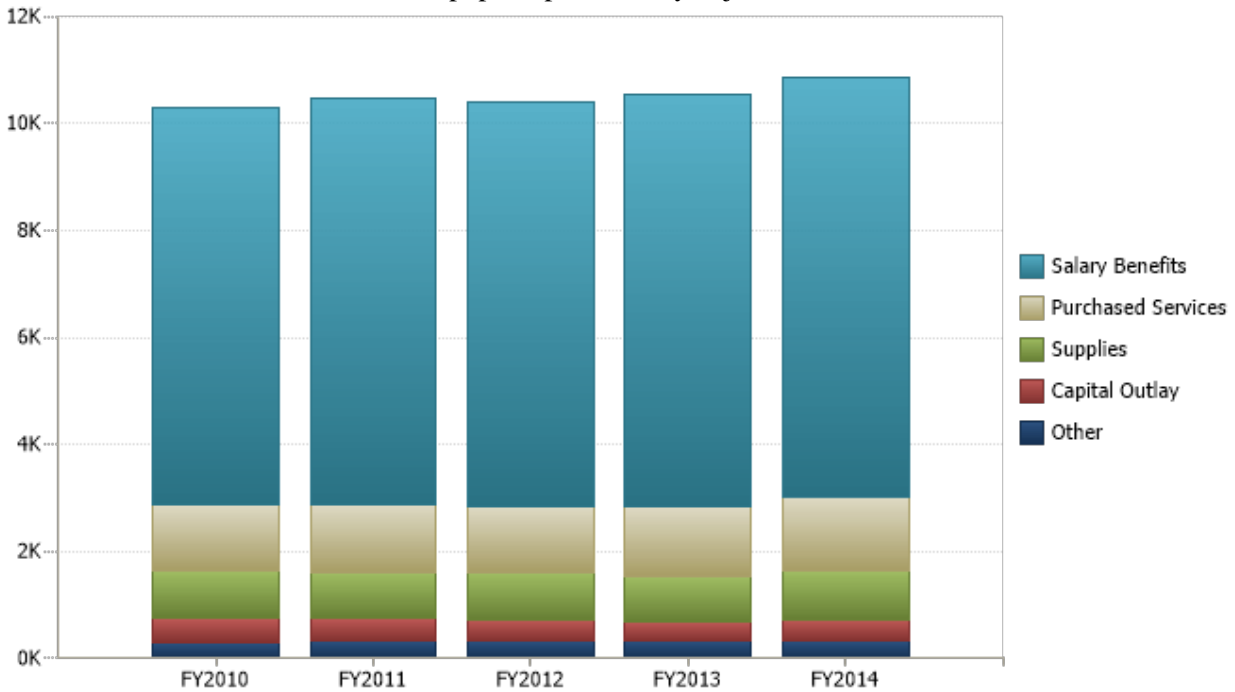
<http://opi.mt.gov/pdf/SchoolFinance/Budget/15JanSchoolFundingBasics.pdf>

How are education dollars in Montana spent?

Per pupil expenditures by function from GEMS



Per pupil expenditures by object from GEMS



<http://gems.opi.mt.gov/SchoolFinance/Dashboards/Per%20Pupil%20Revenues%20and%20Expenditures%20Dashboard/Per%20Pupil%20Expenditures.aspx>

How many paraprofessionals work in the state? How much are they paid? Are these positions mandated by state law or federal law?

OPI has been collecting “School District Employee Compensation Reports” since the 2012-13 year as part of the Montana Pathway to Excellence program enacted by SB 329 (2011; Zinke). Not all districts have filed complete reports, but from available data, the table below shows the different categories of “instructional paraprofessional”, total FTE, and compensation information for the 2013-14 school year in rounded figures. Similar data for regular and special education teachers is included for comparison. These positions are not explicitly mandated by state or federal law; however, paraprofessionals may be employed at the discretion of local trustees to help meet state or federal requirements or to supplement teacher instruction in a variety of ways.

Classification	Statewide FTE	Total compensation per FTE (includes benefits)	Regular salary per FTE
Regular Instructional Paraprofessional	900	\$20,750	\$16,200
Special Education Instructional Paraprofessional	1,500	\$20,670	\$15,940
Title 1 Instructional Paraprofessional	300	\$21,100	\$16,240
Teacher—Regular Education	9,500	\$54,610	\$43,640
Teacher—Special Education	940	\$51,660	\$41,620

What were QSIC’s recommendations for simplifying district-level funds?

The Quality School Interim Committee (QSIC; 2005) revisited the work of both the K-12 Public School Funding Advisory Council (2001) and the Joint Select Committee on Education Funding (2005 Session) related to revising school district fund structure—details on this can be found on pages 27-29 of [QSIC’s final report](#). QSIC’s recommendations were:

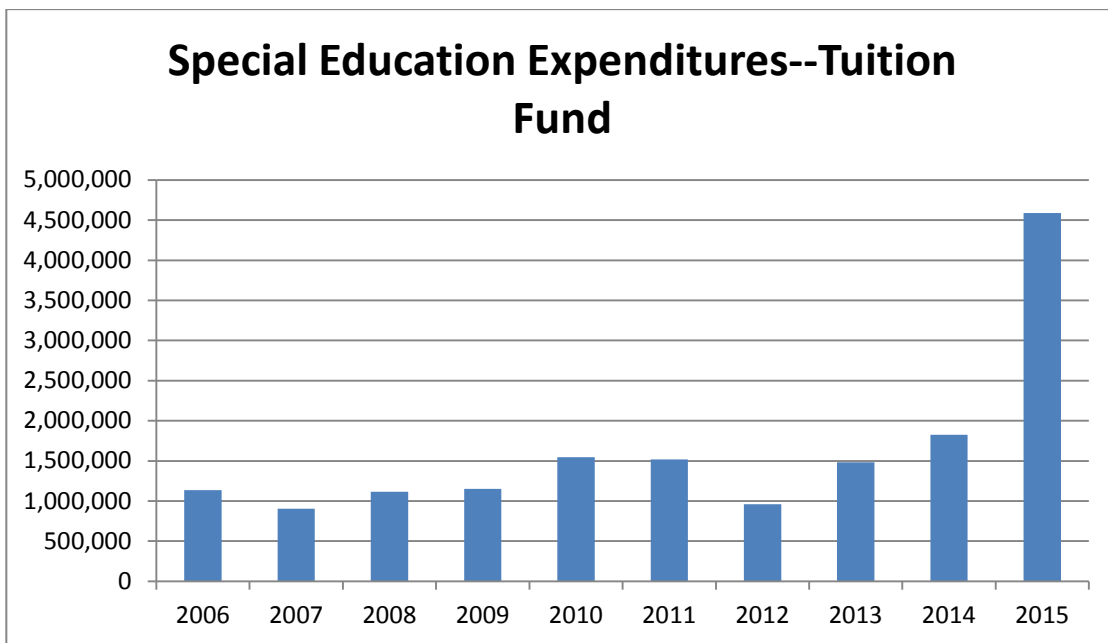
1. retain the following special revenue funds: transportation, tuition, school food services, impact aid, interlocal cooperative, and compensated absences;
2. retain, rename, and divide the miscellaneous programs fund into a federal programs fund and a state and private programs fund;
3. retain the following funds until completion of the Facilities Condition Inventory: building, building reserve, bus depreciation, and lease rental agreement; and
4. eliminate the following school district funds: flexibility, litigation reserve, traffic education, metal mines, mining impact, and technology.

How would including students ages 19, 20, and 21 receiving special education services in ANB calculations impact state and local finances?

[HB 451](#) (2015; Pope) proposed this and the [fiscal note](#) estimated increased state costs of \$151,375 for FY 2016 and \$188,649 in FY 2017. Increases in required local funding were estimated at about \$30,000 per year. This estimate was based on the number of special education students ages 19, 20, and 21 who were enrolled in 2014-15 (37 students) and did not estimate any increase in the number of students based on the availability of state funding.

How much are districts using the provisions of SB 191 (2013; T. Brown) allowing a permissive tuition levy for the purposes of funding special education?

Districts appear to be using this funding mechanism. The chart below shows special education expenditures out of the tuition fund 2006 through 2015. Prior to the enactment of SB 191, effective 2014, the only special education expenditures out of the tuition fund were for student transportation.



From OPI data

How much have special education expenditures grown over time and what is the breakdown by funding source—state, federal, and local?

