

LEGISLATIVE AUDIT DIVISION

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Education Funding 25P-07

Office of Public Instruction

Audit Objectives *(what the audit intends to accomplish or questions auditors will answer):*

1. Does the Office of Public Instruction effectively collaborate with school districts to deliver and monitor school funding?
2. Does Montana effectively track student metrics and how do these metrics inform school funding decisions?

Audit Scope *(the boundary of the audit & subject matter auditors will assess):*

Objective 1 focuses on the collaboration between the Office of Public Instruction and local school districts, including the processes for training school district staff on education funding; obtaining information from school districts for funding; and monitoring of funding after it has been distributed to school districts. Objective 2 provides a more wholistic review of education funding in Montana, examining which student metrics drive state funding and guide legislative decision making. Objective 2 represents the Legislative Audit Division's efforts to contribute to the decennial school funding interim commission as part of our audit work. Our audit will examine data and processes from 2024 and 2025 as well as changes to education funding made during the 2025 Legislative Session. The following steps will be completed in fieldwork:

- Interview program management and staff
- Review state and federal laws and regulation
- Interview school districts of varying sizes
- Review department policy and procedure
- Interview stakeholder groups
- Interview 4-8 other states regarding school collaboration and funding metrics
- Survey school districts across Montana
- Examine data reliability of information used for education funding
- Review department data modernization efforts
- Identify best practices and independent studies
- Review student metrics required for funding by law
- Interview members of the legislature regarding metrics informing legislation
- Review materials and reports guiding legislative action during the 2025 biennium
- Compare current student metrics with best practices and other states

Scope Exclusions *(areas that will not be included in scope and why):*

Our audit will not examine the adequacy of education funding in Montana.