



School Funding Interim Commission

69th Montana Legislature

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TO: School Funding Interim Commission (SFIC)
FROM: Pad McCracken, Commission Staff
RE: Phase II planning and possible consultant
DATE: October 9, 2025

This memo is a follow-up to the [memo](#) I provided to you in September regarding how to approach “Phase II” of the Commission’s work as stated in 5-20-301, MCA, as amended by [House Bill No. 153](#) (2025, Bedey) and specifically, the requirement under subsection (1)(a) that the Commission shall:

...conduct a study to reassess the educational needs and costs related to the basic system of free quality public elementary and secondary schools.

The previous memo provided some considerations for this and suggested that the Commission consider seeking the assistance of a nationally recognized and experienced individual or organization in conducting some semblance of a cost study for Phase II.

More specifically, the consultant could support and advise staff in conducting what is known as the “successful schools” methodology in assessing the needs and costs of the basic system. In a nutshell, this methodology identifies schools/districts that meet or exceed state standards, then examines funding levels and expenditure patterns for the identified schools/districts.

As the Commission considers how to structure Phase II, you might consider a three-prong approach:

1. With this Commission’s charge to conduct the Phase I examination of the education system as a whole and develop recommendations and an implementation plan to ensure that Montana’s basic system of schools are future-ready, it’s crucial that the Commission ensure that the school funding formula is **aligned with this vision** or “Lodestar” to borrow the central principle of NCSL’s [“Principles of a Sound State Education Finance System”](#).
2. Based on the foundational learning that the Commission has been engaged in about Montana’s current school funding formula and on the significant feedback that the Commission has received (and will continue to receive), it is likely that some **specific aspects of the current**

formula will emerge as deserving of further examination. Phase II could include deeper dives into these aspects as identified by the Commission.

3. Analyze the data gathered in a consultant-supported cost study utilizing the successful schools methodology.

If the Commission wants to explore contracting with a consultant to support a cost study, staff could work with the Department of Administration to issue a Request for Information (RFI) to gain a better understanding of the support that might be available through a consultant and an estimate of corresponding costs. Information gathered could then be shared with the Commission at a subsequent meeting, ideally your November 13-14 meeting if possible.