



## Montana Code Annotated 2023

TITLE 20. EDUCATION

CHAPTER 9. FINANCE

Part 3. Funding of Basic System of Quality Public Schools

### **20-9-309. Basic system of free quality public elementary and secondary schools defined --**

### **identifying educationally relevant factors -- establishment of funding formula and budgetary**

### **structure -- legislative review.** (1) Pursuant to Article X, section 1, of the Montana constitution, the

legislature is required to provide a basic system of free quality public elementary and secondary schools throughout the state of Montana that will guarantee equality of educational opportunity to all.

(2) *As used in this section, a "basic system of free quality public elementary and secondary schools" means:*

(a) *the educational program specified by the accreditation standards provided for in [20-7-111](#), which represent the minimum standards upon which a basic system of free quality public elementary and secondary schools is built;*

(b) *educational programs to provide for students with special needs, such as:*

(i) *a child with a disability, as defined in [20-7-401](#);*

(ii) *an at-risk student;*

(iii) *a student with limited English proficiency;*

(iv) *a child who is qualified for services under 29 U.S.C. 794; and*

(v) *gifted and talented children, as defined in [20-7-901](#);*

(c) *educational programs to implement the provisions of Article X, section 1(2), of the Montana constitution and Title 20, chapter 1, part 5, through development of curricula designed to integrate the distinct and unique cultural heritage of American Indians into the curricula, with particular emphasis on Montana Indians;*

(d) *qualified and effective teachers or administrators and qualified staff to implement the programs in subsections (2)(a) through (2)(c);*

(e) *facilities and distance learning technologies associated with meeting the accreditation standards;*

(f) *transportation of students pursuant to Title 20, chapter 10;*

(g) *a procedure to assess and track student achievement in the programs established pursuant to subsections (2)(a) through (2)(c); and*

*(h) preservation of local control of schools in each district vested in a board of trustees pursuant to Article X, section 8, of the Montana constitution.*

(3) In developing a mechanism to fund the basic system of free quality public elementary and secondary schools and in making adjustments to the funding formula, the legislature shall, at a minimum, consider the following educationally relevant factors:

- (a) the number of students in a district;
- (b) the needs of isolated schools with low population density;
- (c) the needs of urban schools with high population density;
- (d) the needs of students with special needs, such as a child with a disability, an at-risk student, a student with limited English proficiency, a child who is qualified for services under 29 U.S.C. 794, and gifted and talented children;
- (e) the needs of American Indian students; and
- (f) the ability of school districts to attract and retain qualified educators and other personnel.

(4) The legislature shall:

- (a) determine the costs of providing the basic system of free quality public elementary and secondary schools;
- (b) establish a funding formula that:
  - (i) is based on the definition of a basic system of free quality public elementary and secondary schools and reflects the costs associated with providing that system as determined in subsection (4)(a);
  - (ii) allows the legislature to adjust the funding formula based on the educationally relevant factors identified in this section;
  - (iii) is self-executing and includes a mechanism for annual inflationary adjustments;
  - (iv) is based on state laws;
  - (v) is based on federal education laws consistent with Montana's constitution and laws; and
  - (vi) distributes to school districts in an equitable manner the state's share of the costs of the basic system of free quality public elementary and secondary schools; and
- (c) consolidate the budgetary fund structure to create the number and types of funds necessary to provide school districts with the greatest budgetary flexibility while ensuring accountability and efficiency.

(5) At least every 10 years, the legislature shall form the school funding interim commission pursuant to [5-20-301](#) for the purpose of reassessing the state's school funding formula.

**History:** En. Sec. 2, Ch. 208, L. 2005; amd. Sec. 2, Ch. 359, L. 2015.