

HOUSE BILL NO. 153

INTRODUCED BY D. BEDEY, E. BUTTREY, J. FULLER, L. JONES, B. BARKER

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING LAWS RELATED TO THE SCHOOL FUNDING INTERIM COMMISSION; REVISING THE MEMBERSHIP OF THE COMMISSION; ESTABLISHING A DEADLINE FOR APPOINTMENTS TO THE COMMISSION; ~~DESIGNATING A AN INTERIM PRESIDING OFFICER OF THE COMMISSION;~~ MODIFYING THE COMMISSION'S FOCUS FOR THE 2025-2026 INTERIM; CREATING AN INNOVATION AND EXCELLENCE IN EDUCATION WORKING GROUP FOR THE 2025-2026 INTERIM AND PROVIDING DUTIES OF THE WORKING GROUP; PROVIDING AN APPROPRIATION; AMENDING SECTION 5-20-301, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 5-20-301, MCA, is amended to read:

**"5-20-301. School funding interim commission.** (1) There is a school funding interim commission that must be formed during the 2015-2016 interim and each successive fifth interim pursuant to 20-9-309. The commission shall:

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

(b) if necessary, recommend to the following legislature changes to the state's funding formula;

(c) IN CONSIDERING CHANGES TO THE FUNDING FORMULA OR IN DESIGNING A NEW FUNDING FORMULA, STRIVE FOR A FUNDING FORMULA THAT:

(i) IS UNDERSTANDABLE, TRANSPARENT, AND EQUITABLE, INCLUDING ADJUSTMENTS FOR STUDENT NEEDS, DISTRICT CHARACTERISTICS, AND LOCAL PROPERTY WEALTH DISPARITIES;

(ii) UTILIZES REVENUE SOURCES THAT ARE STABLE AND PREDICTABLE;

(iii) PRIORITIZES FUNDING THE EDUCATION OF CHILDREN IN THE CURRENT YEAR, AND NOT SIMPLY FUNDING A SYSTEM OF SCHOOLS BASED ON PRIOR YEAR ENROLLMENT;

- 1            (IV) REDUCES ADMINISTRATIVE BURDENS AND COSTS AND DRIVES FUNDING TOWARD CLASSROOM  
2 INSTRUCTION;
- 3            (V) ALLOWS FOR PARENTAL CHOICE WITHIN AN EXPANDED PUBLIC EDUCATION SYSTEM;  
4            (VI) ELIMINATES THE NEED FOR TUITION PAYMENTS BETWEEN SCHOOL DISTRICTS;  
5            (VII) MINIMIZES PROPERTY TAX IMPACTS RELATED TO THE REAPPRAISAL CYCLE; AND  
6            (VIII) INCORPORATES FREE MARKET PRINCIPLES WHERE APPROPRIATE AND REWARDS SCHOOL DISTRICTS  
7 BASED ON STUDENT ACADEMIC GROWTH, ACHIEVEMENT, AND PROFICIENCY RATHER THAN HEAD COUNTS AND SEAT TIME;  
8 AND
- 9            (e) (D) for the commission formed during the 2025-2026 interim, prior to conducting the study under  
10 subsection (1)(a), form an innovation and excellence in education working group to develop recommendations,  
11 objectives, and an implementation plan as described in subsection (10) to improve the basic system of free,  
12 quality, public elementary and secondary schools.
- 13            (2) In conducting the study, the commission may:
- 14            (a) review the work of previous studies and commissions;
- 15            (b) consider recommendations and topics provided by other interim or standing legislative  
16 committees, the board of public education, the office of public instruction, the governor's office, private  
17 organizations, professional educators, school trustees, and members of the public;
- 18            (c) review how the state's education funding policy has evolved as a result of litigation;
- 19            (d) seek input from representatives from the board of public education, the office of public  
20 instruction, the governor's office, private organizations, professional educators, school trustees, and members  
21 of the public;
- 22            (e) consider the state's existing and projected financial resources as well as the needs and  
23 concerns of Montana taxpayers;
- 24            (f) authorize research and studies to be conducted by reputable and reliable experts in the public  
25 or private sectors; and
- 26            (g) request research and analysis from the legislative fiscal division, the office of public instruction,  
27 the department of revenue, and any other state agency or entity that maintains information or data relevant to  
28 the study.

- 1 (3) The members of the commission are:
- 2 (a) six members of the house of representatives, ~~three from the majority party and three;~~
- 3 ~~(I) THE PRESIDING OFFICER OF THE JOINT APPROPRIATIONS EDUCATION STANDING SUBCOMMITTEE;~~
- 4 ~~(II) THE PRESIDING OFFICER OF THE EDUCATION STANDING COMMITTEE;~~
- 5 ~~(III) THE MINORITY VICE PRESIDING OFFICER OF THE EDUCATION STANDING COMMITTEE; AND~~
- 6 ~~(IV) ONE ADDITIONAL MEMBER FROM THE MAJORITY PARTY AND TWO ADDITIONAL MEMBERS~~ from the
- 7 minority party, ~~one of whom must be the presiding officer of the joint appropriations education standing~~
- 8 ~~subcommittee,~~ THREE FROM THE MAJORITY PARTY AND THREE FROM THE MINORITY PARTY, appointed by the speaker
- 9 of the house in consultation with the house majority leader and the house minority leader;
- 10 (b) six members of the senate, ~~three from the majority party and three;~~
- 11 ~~(I) THE VICE PRESIDING OFFICER OF THE JOINT APPROPRIATIONS EDUCATION STANDING SUBCOMMITTEE;~~
- 12 ~~(II) THE PRESIDING OFFICER OF THE EDUCATION AND CULTURAL RESOURCES STANDING COMMITTEE;~~
- 13 ~~(III) THE MINORITY VICE PRESIDING OFFICER OF THE EDUCATION AND CULTURAL RESOURCES STANDING~~
- 14 ~~COMMITTEE; AND~~
- 15 ~~(IV) ONE ADDITIONAL MEMBER FROM THE MAJORITY PARTY, OR TWO ADDITIONAL MEMBERS FROM THE~~
- 16 ~~MAJORITY PARTY IF ONE SENATOR ACTS AS BOTH THE VICE PRESIDING OFFICER OF THE JOINT APPROPRIATIONS~~
- 17 ~~EDUCATION STANDING SUBCOMMITTEE AND THE PRESIDING OFFICER OF THE EDUCATION AND CULTURAL RESOURCES~~
- 18 ~~STANDING COMMITTEE, AND TWO ADDITIONAL MEMBERS~~ from the minority party, ~~one of whom must be the vice~~
- 19 ~~presiding officer of the joint appropriations education standing subcommittee,~~ THREE FROM THE MAJORITY PARTY
- 20 AND THREE FROM THE MINORITY PARTY, appointed by the president of the senate in consultation with the senate
- 21 majority leader and the senate minority leader; and
- 22 (c) four members of the public to be appointed as follows:
- 23 (i) two public members appointed by the speaker of the house with the consent of the house
- 24 minority leader; and
- 25 (ii) two public members appointed by the president of the senate with the consent of the senate
- 26 minority leader
- 27 (C) FOUR MEMBERS OF THE PUBLIC TO BE APPOINTED AS FOLLOWS:
- 28 (I) TWO PUBLIC MEMBERS APPOINTED BY THE SPEAKER OF THE HOUSE WITH THE CONSENT OF THE HOUSE

1 MINORITY LEADER; AND

2 (II) TWO PUBLIC MEMBERS APPOINTED BY THE PRESIDENT OF THE SENATE WITH THE CONSENT OF THE  
3 SENATE MINORITY LEADER;

4 (e) (D) the presiding officer of the board of public education or the presiding officer's designee;

5 (d) (E) the superintendent of public instruction or the superintendent's designee;

6 (e) (F) the presiding officer of the board of regents of higher education or the presiding officer's  
7 designee; AND

8 (f) (G) the governor or the governor's designee ; and

9 (g) two members ONE MEMBER of the public WHO IS A CURRENT OR FORMER SCHOOL BOARD TRUSTEE  
10 AND WHO IS appointed by the governor, one of whom is a current or former school board trustee.

11 (4) Appointments to the commission must be made by April-MAY 1 in a year the commission is to  
12 form, pursuant to subsection (1).

13 (4)(5) The presiding officer of the joint appropriations education standing subcommittee shall serve  
14 as the INTERIM presiding officer of the commission UNTIL A PRESIDING OFFICER IS SELECTED. The commission  
15 shall select its vice presiding officer AND VICE PRESIDING OFFICER, WHO MUST BE LEGISLATORS, at the first meeting  
16 of the commission.

17 (5)(6) The commission is attached for administrative purposes to the legislative services division, and  
18 the legislative services division shall provide sufficient and appropriate support to the commission in order that it  
19 may carry out its statutory duties, within the limitations of legislative appropriations.

20 (6)(7) The commission is staffed by the legislative services division. The legislative fiscal analyst shall  
21 assign staff to assist the commission.

22 (7)(8) The commission shall issue a report to the legislature in accordance with 5-11-210 on the  
23 commission's findings and recommendations, including any draft legislation for amending the state school  
24 funding formula.

25 (8)(9) Unless the person is a full-time salaried officer or employee of the state or a political  
26 subdivision of the state, a nonlegislative member appointed to the commission is entitled to salary and  
27 expenses to the same extent as a legislative member. If the appointee is a full-time salaried officer or employee  
28 of the state or of a political subdivision of the state, the appointee is entitled to reimbursement for travel

1 expenses as provided for in 2-18-501 through 2-18-503.

2 (10) (a) The innovation and excellence in education working group is composed of the commission  
3 and others as determined by the commission. THE COMMISSION SHALL INCLUDE REPRESENTATION FROM TEACHERS,  
4 SCHOOL ADMINISTRATORS, SCHOOL TRUSTEES, AND PARENT ADVOCACY GROUPS IN FORMING THE WORKING GROUP.

5 (b) The innovation and excellence in education working group shall:

6 (i) conduct a benchmarking or gap analysis study comparing the education policies of Montana to  
7 the education policies of high-performing international and domestic education systems or review a similar  
8 analysis conducted for another state;

9 (ii) develop recommendations to adapt the appropriate education policies of high-performing  
10 international and domestic education systems for the public education system in Montana;

11 (iii) identify objectives to put the education performance of pupils in Montana in parity with that of  
12 pupils in high-performing international and domestic education systems and make recommendations on how to  
13 meet the identified objectives;

14 (iv) develop an implementation plan for the recommendations made pursuant to this subsection  
15 (10)(b), which includes an analysis of the costs of the plan; and

16 (v) publish its recommendations and implementation plan no later than January 30, 2026.

17 (c) The innovation and excellence in education working group may contract with a reputable  
18 national organization to support the working group's efforts under this subsection (10)."

19  
20 NEW SECTION. Section 2. Appropriation. There is appropriated \$10,000 from the general fund to  
21 the legislative services division for funding activities of the school funding interim commission in May and June  
22 2025.

23  
24 NEW SECTION. SECTION 3. TRANSITION. APPOINTMENTS MADE FOR THE 2025-2026 SCHOOL FUNDING  
25 INTERIM COMMISSION MUST BE MADE WITHIN 15 DAYS OF THE [EFFECTIVE DATE OF THIS ACT].

26  
27 NEW SECTION. Section 4. Effective date. [This act] is effective on passage and approval.

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