Public Comment
SFIC - 4/7-8/2026

Public Comments 26-04-08

Mr. Chair,

Thank you for allowing me to speak before you and the commission and guests.

My name is Pamela Van Sant, VAN SANT.

Just a quick disclosure as to who I am:

HSD#3 employs me as a Library Media Specialist Paraprofessional.
Giving me the opportunity to be a member of MFPE, and the Secretary/Treasurer for Local 4533.
I've been with the district for 20 years, over those years I've seen many changes in our students, their parents/guardians and the methods in which our students are taught.

I am speaking on behalf of myself.

During APA Consultation's presentations & comments from the commission members there were a few comments I would like to address:

MTDA or digital classes have become popular with students who think that method of learning will be so much easier. No structured class day or time. No instructors/teachers monitoring student actions or results during class periods. However, this now opens questions regarding class rigor and class integrity.

Also, the achieved grades and passing rates along with the number of students who have enrolled in on-line classes, might be something of interest to the commission. How many attempts has the student made to pass the class.

We have several students who attend their on-line classes in our library because they are already on campus and choose not to leave for one reason or another. They are not assigned to us & can leave if they so choose. We have little to no impact on them but we do ask them to follow library rules & expectations.

In the past, the only students who had to enroll in **MTDA were those requiring credit recovery** in order to receive their diploma. We supervised those students during the testing process and many times actually sat with them to explain instructions or breakdown information into "chunks" they could understand as there was no on-line teacher available to answer their questions.

Students who are required to be on campus are learning or experiencing soft skills which they will take with them when they graduate. Skills and work ethics like:

Being present, NO absences, just because it is hunting season or it's a perfect day skiing. **Being on time**, not tardy to work or appointments. **Being present**, NO absences, just because. **Pride in your work,** putting forth effort, doing the best job you can. **Following directions, being**

respectful to peers and adults. You can do hard things … you may need to ask for help. **Cell phone usage** at appropriate times, only.

I believe parents and the public have lost the value and importance of public education. However, when we were in the shutdown stages during the pandemic those same parents were begging for us to be back in the classroom as soon as possible.

We are and continue to be here to support our students and parents.

Just an overall closing comment on this month's meeting topics:

For the past 30 years, it feels as though the school funding patterns/formulas Montana has used and is currently using to be a challenge and fails to meet students, teachers, support staff and the school buildings requirements and needs.

In order for the formulas to work successfully it appears you need additional sources of funds. That's where your creativity and "out of the box thinking" comes into play. Your pride needs to take a back burner, no matter where and what the source is. It is dollars for education.

The average Montanan is taxed and maxed out. I did not need a pie chart on my Montana property tax bill to show I am paying 70% to education. I could see by the numbers is was 70%. Your pride needs to take a back burner, no matter where and what the source is. It is dollars for education.

Likely funding sources:

Reinstate or return the board foot of lumber to education

Lottery money (many states direct funds to education)

LLC's motor vehicle registration fees- Increase their fees, earmark the increase for education – the out of state folks will still pay less than what is expected from them in their home state.

SIN dollars- tax ALL tobacco, alcohol & marijuana products

Utilities Tax = Cellular, Telephone, Cable, Electric, Natural Gas divert a portion to MT education

Fuel Taxes, maybe a small amount ($.01 per gallon) to education

Large out of state corporations- add/increase an education tax

Non-resident property owners- add/increase an education tax

Entertainment Industries- Movie production, Music acts etc. -a small percentage of gross profits &/or from sale of marketed merchandise

I'm sure the commission can supply many more options that have deeper pocketbooks and maybe even open-hearts.

I have listened to the majority of your meetings via zoom, I applaud ALL of you for taking on this unbelievably difficult task. I am impressed with the commission's ability to work with all members regardless of party affiliations.

Thank you allowing me to address you, the Commission and guests this afternoon.

Public Comment
SFIC - 4/7-8/2026

April 1, 2026

School Funding Interim Commission
PO Box 201706
Helena, Montana 59620

Re: Interaction of HB 156, Tax Increment Financing, and Statutory Protections for the Public School System

Members of the Commission,

Thank you for your work evaluating Montana's school-funding structure. As you continue your statutory review, I respectfully request that the Commission examine the interaction between HB 156 (2025) and tax increment financing (TIF), particularly as it relates to statewide equalization, countywide BASE levies, and the Legislature's long-standing protections for the public school system.

HB 156 replaced district-level BASE levies with countywide BASE levies and established a mandatory property-tax-reduction requirement. When countywide BASE revenue exceeds a district's over-BASE need, the excess must be used to reduce local property taxes in other budgeted funds. This is a clear and specific legislative directive intended to operate uniformly across all counties.

In counties with active TIF districts, however, this mechanism does not function as intended. Under current law, TIF captures the incremental taxable value within its boundaries, including mills levied for countywide BASE funding and the 95 statewide equalization mills. Revenue captured by TIF does not reach the district's general fund and therefore cannot be counted as "excess revenue" for purposes of HB 156. As a result, counties without TIF can deliver the required property-tax reduction, while counties with TIF often cannot, creating unequal treatment under a statewide levy.

Legislative Intent and Statutory Construction

The Legislature has established a clear and particular intent in 20-9-331, 20-9-333, and 20-9-360 regarding the use of countywide school-funding levies. Across these statutes, the Legislature uses mandatory language—"shall levy," "must be apportioned," "must be deposited," "must be remitted"—to direct that revenue from the 33-mill elementary levy, the 22-mill high-school levy, and the 40-mill state equalization levy must be used for BASE funding, statewide equalization, and property-tax reduction.

For example:

- 20-9-331(1): "The revenue collected from this levy must be apportioned to the support of the elementary BASE funding programs… and to the school equalization and property tax reduction account."
- 20-9-333(1): "The revenue collected from this levy must be apportioned to the support of the BASE funding programs of high school districts… and to the school equalization and property tax reduction account."
- 20-9-360: "Proceeds of the levy must be deposited… for state equalization aid to the public schools of Montana."

These statutes express a specific and unmistakable legislative intent: revenue from these levies is to support BASE funding and statewide equalization, and any surplus must reduce property taxes.

Under MCA 1-2-102, *"when a general and particular provision are inconsistent, the latter is paramount… a particular intent will control a general one that is inconsistent with it."*

The school-funding statutes above are particular. TIF authority under Title 7 is general redevelopment authority.

When TIF capture removes incremental taxable value from the 33-mill, 22-mill, and 40-mill levies—preventing the formation of surplus revenue and blocking the required remittance to the school equalization and property-tax-reduction account—TIF is being applied in a manner inconsistent with the Legislature's specific directives. Under 1-2-102, the particular statutes governing school funding and property-tax reduction must control.

This statutory conflict is further underscored by MCA 7-1-111(3), which prohibits self-governing local governments from exercising *"any power that applies to or affects the public school system."* TIF capture of school-related tax revenue directly affects the public school system and therefore falls within this prohibition unless expressly authorized by the Legislature.

Commission Responsibility

The School Funding Interim Commission is mandate to examine the structure, equity, and operation of Montana's school-funding system. That mandate necessarily includes evaluating whether TIF, as currently administered, is consistent with:

- Statewide equalization requirements;
- HB 156's property-tax-reduction mandate;
- The statutory prohibition in 7-1-111(3); and
- The Legislature's particular intent expressed in 20-9-331, 20-9-333, and 20-9-360.

Requested Commission Actions

I respectfully request that the Commission:

1. Study the interaction between HB 156 and TIF, including the effect of TIF capture on the operation of the property-tax-reduction requirement.
2. Evaluate whether TIF capture of school tax dollars is consistent with MCA 7-1-111(3) and the statutory-construction rule in MCA 1-2-102.
3. Quantify the difference in property-tax-reduction capacity between counties with and without TIF districts.
4. Consider recommending statutory clarification to ensure that statewide school-funding statutes operate uniformly and are not impaired by local redevelopment mechanisms.

Thank you for your attention to this matter and for your service to the State of Montana.

Respectfully submitted,

Kevin Nelson
PO Box 23107
Billings, Montana 59104
geo59101@gmail.com

March 31, 2026

School Funding Interim Commission
PO Box 201706
Helena, Montana 59620

Re: Retirement Mill Diversion, TIF, and Statutory Protections for Montana's Public Retirement Systems

Members of the Commission,

Thank you for your work evaluating Montana's school funding structure. As you continue your statutory review, I respectfully request that the Commission examine the diversion of retirement mills into tax increment financing (TIF) districts and the resulting conflicts with Montana's constitutional trust protections, statewide retirement statutes, and the State's equalization obligations.

Retirement Mills and Their Impact

Retirement mills are a core component of district retirement funding and are constitutionally defined as retirement system income. When TIF districts capture the incremental taxable value within their boundaries, they also capture the retirement mills levied on that value. This diversion reduces the revenue available to the Teachers' Retirement System (TRS) and the Public Employees' Retirement System (PERS), shifts costs to the State through increased GTB obligations, and undermines the Legislature's long-standing protections for public retirement assets.

Statutory and Constitutional Protections

Montana law establishes clear and specific protections for public retirement assets:

- 19-20-501, MCA — Teachers' Retirement System (TRS): The TRS Board is the trustee of all money collected for TRS, and TRS assets must be administered in accordance with Article VIII, Section 15 of the Montana Constitution.
- 19-3-103 & 19-2-506, MCA — Public Employees' Retirement System (PERS): The Public Employees' Retirement Board (PERB) is the trustee of all money collected for PERS, and PERS assets must be held in trust and used exclusively for members and beneficiaries.
- 19-20-502 & 19-2-1007, MCA — Restrictions on Use: Retirement system assets (TRS and PERS) may not be diverted, must be used exclusively for members and beneficiaries, must remain in trust until lawfully transferred, and retirement mills fund both systems depending on employee classification.

These statutes implement Article VIII, Section 15, which prohibits the diversion, encumbrance, or reduction of retirement system income. Retirement mills are considered "income" the moment they are levied. Their diversion through TIF conflicts directly with these constitutional and statutory protections.

Statutory Construction and Legislative Intent

Montana's rules of statutory construction provide clear guidance. Under MCA 1-2-102, "when a general and particular provision are inconsistent, the latter is paramount… a particular intent will control a general one."

Two statutes express the Legislature's particular intent with respect to retirement and school-related revenue:

1. Title 19, which establishes mandatory trust protections for TRS and PERS assets and prohibits diversion; and
2. MCA 7-1-111(10), which prohibits self-governing local governments from exercising "any power that applies to or affects a public employee's pension or retirement rights."

These are specific statutory directives. TIF authority under Title 7 is general redevelopment authority.

When TIF capture and diverts retirement mills or affects the operation of statewide retirement statutes, the specific statutes in Title 19 and the powers-denied provisions in 7-1-111 must control under MCA 1-2-102. The Legislature's particular intent—to protect public retirement systems from local interference—cannot be subordinated to general redevelopment powers.

Fiscal Evidence — HB 483 (2025 Session)

HB 483 authorized up to $7.7 million in additional GTB backfill for FY 2026. This backfill exists because retirement mills are being diverted.

If retirement mills were flowing to TRS and PERS as required, no GTB backfill would be necessary. HB 483 is the Legislature's own fiscal confirmation that diversion is occurring and that the State is absorbing the loss.

Commission Responsibility

The School Funding Interim Commission has mandate to examine the structure, equity, and operation of Montana's school funding system. That mandate necessarily includes evaluating whether TIF, as currently administered, is consistent with:

- Constitutional trust protections for TRS and PERS;
- Statewide retirement funding obligations;
- The statutory prohibition in 7-1-111(10) against local actions affecting public employee retirement rights.

Requested Commission Actions

I respectfully request that the Commission:

1. Study the interaction between retirement mill diversion and statewide retirement-system funding requirements.
2. Evaluate whether TIF capture of retirement mills is consistent with MCA 7-1-111(10) and the statutory construction rule in MCA 1-2-102.
3. Quantify the statewide retirement-mill losses attributable to TIF districts.
4. Consider recommending statutory clarification to ensure that retirement-system statutes operate uniformly and are not impaired by local redevelopment mechanisms.

Thank you for your attention to this matter and for your service to the State of Montana.

Respectfully submitted,

Kevin Nelson
PO Box 23107
Billings, Montana 59104
geo59101@gmail.com

Public Comment
SFIC - 4/7-8/2026

MT	Miles City	Valerie Pachl	Self	02/12/2026 12:07 PM

Subject: Short statement from Eastern MT Special Education Teacher

Comment: I have attached my statement that I was hoping to read allowed on February 11, 2026 during the session where you were discussing Special Education, however I had classroom duties during the meeting time and was unable to. I hope you will read my statement closely and hear our voices. We are crying for help that you can provide! I am willing to answer questions or speak if my presence is requested.

Attachments:

VIEW ATTACHMENT 1

Mister Chair, Members of the Committee, my name is Valerie Pachl,

V-A-L-E-R-I-E P-A-C-H-L

Good afternoon, and thank you for the opportunity to speak with you today.

I have proudly served as a special education teacher in Miles City since 2013. I am here to share a concern that has been repeated to educators across our state for years — that there simply is not enough funding to meet the needs of our public schools.

In my classroom, I am currently using U.S. Government textbooks published in 2001. Many of my math students, despite having widely varied academic levels, are expected to learn from the same materials because we do not have the funds to purchase a differentiated curriculum. While I remain committed to doing the very best I can with the resources available, our students — especially those with disabilities — deserve more than outdated tools and limited opportunities.

Adequate funding is not about convenience; it is about access, equity, and preparing students for independence. With updated curriculum and appropriate resources, we could provide richer learning experiences and better equip our students with disabilities to become confident, capable members of society. They deserve the same chance to pursue meaningful careers, contribute to their communities, and live independently.

I ask you to consider this: Would you want your doctor to operate using outdated tools? Would you trust a mechanic to repair the vehicle carrying your family with worn-out parts? If the answer is no, then we must ask why it is acceptable to expect teachers to educate the next generation of doctors, mechanics, and educators without the necessary resources.

Montana's teachers are resilient, creative, and deeply dedicated to their students. But dedication alone cannot replace the materials and support required for effective instruction.

Today, I urge you to hear the voices of educators across this state. We are not asking for excess — we are asking for the ability to do our jobs adequately and provide the quality education that every Montana student deserves.

Because when we underfund education, we are not saving money — we are borrowing it from our children's future, with interest. The question before you is simple: Will we invest in our students today, or pay the price for neglect tomorrow?

Thank you for your time and your commitment to public education.

MT	Missoula	Lyndsey Langley	Self	02/12/2026 05:47 PM

bject: School funding

Comment: -

Attachments:

VIEW ATTACHMENT 1

Dear School Funding Interim Committee,

My name is Lyndsey Langley and I am a life Skills Paraeducator at CS Porter MIddle School in Missoula MT. I have to admit that I rarely get involved in matters above or outside of my station as a Center Based Para. I come to work, I do my Job, and I go home, but that's not entirely true. I get up every morning at 5am, I pack my lunch, I feed my dogs, I make sure my family has food for the day that's ready and available (I have two kids, both with special needs and a husband who works over 50 hours a week). When I leave the house every morning I go to my first job of the day as a school bus driver for Beach Transportation. I work from 6am to 735 when I show up to work at Porter. When I get off work at 2:43 I leave immediately with the kids to get back on my bus and drive them home. When I get off work every day, around 4pm, I check my email to see if my supervisor at The University of Montana Police Department (UMPD) has posted any upcoming work that is available, football, basketball, concerts or events at The Adams Center. I keep a constant eye out for opportunities to work. At the moment I have also signed up to take the Para Pathways courses, not only because paras need more training and I don't often have the time to take extra training courses, but also because it's an opportunity to make an extra 800$ over the course of completing all of the classes. That's money I can use to get me through the Summer months without much work. Because of my seniority at Beach Transportation (I've been there over a decade) I do have the opportunity to drive for a few summer concerts at The Kettlehouse Amphitheater. It's not much, but the summer is a desperate time to earn money. I have worked at MCPS for five seasons now. Last year my take home pay from MCPS was 18,950$. The truth is, I could make double that income and STILL qualify for free lunches in the school district that I work for. It is difficult to get by on those wages, to say the least. I have tried to find seasonal summer work, in fact it seems like it would be a perfect fit to pair school year employment with seasonal summer work, right? It's not. Seasonal summer work often starts in May and ends in August\September. As we speak I have a tab open on my computer to apply for a seasonal position with the Bob Marshall Wilderness Foundation, doing trail work for the summer. The position starts May 11th. Who wants to hire someone that's only going to be available for 6 to 8 weeks? No one, its expensive to train employees and employers want someone that's going to stick around. I love being a paraeducator. In fact I don't think I have ever found a job that I derived more meaning from, but I can't EVER consider it a career, I can not afford to think that way. It isn't sustainable, and yet it's such an important job, for the schools, for the students it benefits and most importantly for the Special Education Teachers that depend on well trained paraeducators to support them in their very stressful positions. A good, well paid, well trained and dedicated Para could go a long way in supporting teachers, administrators, students and staff, but I go into every single Summer not knowing if I am going to be able to come back to the school, the job, the kids that I love, because I'm not sure im going to be able to financially make it through the Summer.

Lyndsey Langley
Life Skills Para
CS Porter

MT	Bozeman	John Nielson	Self	04/02/2026 01:59 PM

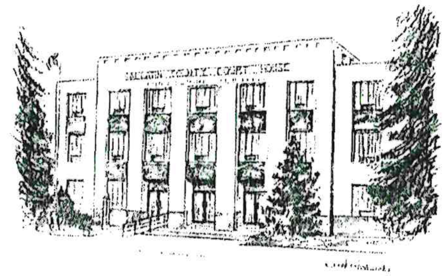
Subject: Potential to continue Phase 1 work

Comment: Thank you for all you do on this committee. And I appreciate you reading my document and ideas.
John Nielson

Attachments:

VIEW ATTACHMENT 1

Gallatin County Superintendent of Schools
John Nielson
Bozeman, Montana
john.nielson@gallatin.mt.gov



April 2, 2026

School Funding Interim Commission

I want to thank the SFIC for all the work done in Phase 1 of the Decennial Study. By observation, the members could have been satisfied spending more time working in Phase 1. Understandably, Phase 2 needs to be a focus. I propose that the Commission put forth means in the next session to continue the work they started in Phase 1. Solutions to large institutions that are diverse and scattered across the State do not happen in one year or with one legislative session. Hopefully we can keep the good work you have started going.

Here are a few idea to do just that:

1. HB153 already has provisions for an innovation and excellence working group. It would include (and should include) people who are doing the work in the schools currently. It calls for teachers, school administrators, school trustees, and parent advocacy groups. Fund that group to continue your work and be prepared to share their findings with the legislature (or a particular committee) by the 2029 session.
2. That working group could be under the purview of OPI or the Board of Public Education or select major players in the process to appoint people who fit the description in HB153.
3. The group should be small. Most agree that working groups can get things done best if there are between 10 and 15 members. Selected members would have multiple current experiences (wear many hats), such as a current public school parent who is a school board trustee.
4. The focus would be on creating a quality system that is supportive of the Montana Constitutional mandate of "a system of education which will develop the full educational potential of each person."
5. MCA 20-9-309, the Constitutional mandate, the Decennial Study and Phase 1 work of this group is a strong basis for this group to work with. In two years (or potentially more if it takes that kind of time—ask Maryland and Nevada or the NCEE about that), Montana would be able to have an educational model to fund, instead of continuing to fund the many diverse models that exist across the state.

Sincerely,

John Nielson

John Nielson

311 West Main Street, Room 107
Bozeman, Montana 59715
Telephone 406.582.3090 **Fax** 406.582.3093
www.gallatin.mt.gov

MT	Dillon	Estee Aiken	AGATE	04/06/2026 08:04 PM

Subject: AGATE Letter for SFIC

Comment: The Montana Association for Gifted and Talented Education (AGATE) would like to support the Committee's finding that there is a "lack of a
state funding formula mechanism for three types of students with special needs...[including] gifted and talented children" (https://docs.legmt.gov/download-ticket?ticketId=67f68361-9519-4c20-8f41-82dbe4ca2a6b) and reiterate its position that gifted students should be considered as part of the funding formula.

Attachments:

VIEW ATTACHMENT 1

MONTANA AGATE Montana Association of Gifted and Talented Education

December 15, 2025, Public Comment

The Montana Association for Gifted and Talented Education (AGATE) appreciates the opportunity to engage with the Legislative School Funding Interim Commission as the funding formula is re-evaluated. Several AGATE board members have participated in public meetings and provided comments throughout Phase I of this work. Having read the Montana Innovation and Excellence in Education Working Group Draft Policy Recommendations (December 2025), AGATE urges the commission to consider the following as the work moves into Phase II:

- Article X of the Montana constitution asserts "It is the goal of the people to establish a system of education which will develop the full educational potential of each person."
- Montana Code Annotated, Title 20, Chapter 9, Part 3 states, "(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." Which includes "(b) educational programs to provide for students with special needs, such as...(v) gifted and talented children, as defined in **20-7-901**." Furthermore, "(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...(d) the needs of students with special needs, [including] gifted and talented children.
- Administrative Rules of Montana 10.55.804 GIFTED AND TALENTED states, "Districts shall provide educational services to gifted and talented students that are commensurate to their needs, foster a positive self-image, and create a supportive learning environment."

It is not only legally expected; it is imperative that gifted and talented students be explicitly included in Montana's next funding formula, particularly in the context of the recommended areas of Pathways to Graduation and Learner Centered Design.

The board of AGATE appreciates the time and effort that is being invested in this very important work and welcomes the opportunity to discuss gifted and talented learners' inclusion in the funding formula.

Sincerely,

Dr. Estee Aiken, board president

	MT	Polson	Devin Kamarainen	Self	04/06/2026 09:00 PM

Subject: Support for GT funding

Comment: Good morning,
I write in support of the 'formula alignment with the definition of "basic system of free quality schools". Specifically, the impact that including gifted and talented funding in the school funding formula would have. I have two children currently in the public school system that have been identified as gifted. Fortunately, we live in the Polson School District, which has a great GT program, which has allowed them the opportunity to be given an appropriate and considered education. GT gives them the challenges they need to build resilience they will need to put their gifts to best use. It's my opinion that it is just to consider and guarentee more to students that are gifted and talented. They deserve to be engaged and society deserves to see their development at the level appropriate.
Thank you for your time.

MT	Polson	Tamara Fisher Alley	Self	04/07/2026 05:55 AM

Subject: gifted students in school funding formula

Comment: I'm attaching my comments in case my small windows of time during the school day don't align with your live public comment times.

Attachments:

VIEW ATTACHMENT 1

April 7, 2026

Kiʔsuʔk kiyukyit! Greetings, Chair Bedey and members of the School Funding Interim Commission,

Thank you so much for your hard work over these many months on the important task before you. Your dedication has been apparent and is most certainly appreciated.

In June, August, and September, I connected with you at your meetings regarding the needs of gifted and talented students being left out of our school funding formula, despite the mandate to address those needs in state law (MCA 20-7-901 through 904), state accreditation standards (ARM 10.55.804), and our state definition of quality education (MCA 20-9-309).

I am reaching out to you today to thank you for your continued conversation about the oversight of this misalignment: our strong and legal language calling for meeting the needs of gifted and talented students, but our lack of adequate and equitable funding to do so in all of Montana's schools.

Finally aligning our funding formula with Montana's legal language regarding gifted students would go a long way to helping schools identify and meet the needs of these unique learners.

Thank you again for your hard work and attention to detail.

Sincerely,

Tamara J. Alley

Tamara Fisher Alley
K-12 Gifted Education Specialist, Polson Schools
Past President, Montana AGATE
Finalist, 2024 Montana Teacher of the Year
thethinkteacher@gmail.com
(406) 212-8264

MT	Helena	Emily Rodway	Self	04/07/2026 06:39 AM

Subject: School funding with respect to ESPs

Comment: Dear Committee Members,
The Education budget hasn't kept up with the cost of the world we're living in. I hope all members can agree there needs to be a change. With respect to or Educational Support Professionals, I ask that you directly and specifically address monies for this group of individuals that get the low end of the pay scale and some of the hardest work. They lead small student groups needing specialized instruction for example.
We get lucky with a few secretaries and paras that can work for such a low wage but most of our folks can go work at McDonald's or Costco and have less stress, responsibility, and higher income. We've lost amazing paras this way. They just don't have a choice. Their cost of living is rising and their wages don't come close to keeping up. These are folks that want to work with it children! That's saying a lot. They are special in that way and we don't want to keep losing them to higher paying jobs.
Sincerely,
Emily Rodway

MT	Helena	Jenny Jarvis	Self	04/07/2026 12:45 PM

Subject: Item #8 Formula Alignment regarding the Gifted and Talented Grant Program

Comment: I am commenting SOLEY as a parent of gifted children and a longtime advocate for gifted education in our public schools, but I also must disclose for transparency that I am currently the Gifted and Talented Program Support Specialist at OPI. Over the years, I have been discouraged by the lack of funding for gifted education in Montana. Many schools do not have functional GT programs even though it is the law. I know from personal experience that when budgets get tight, GT teachers and services are often on the top of the list to be cut. Nurturing and supporting our gifted students is of existential importance to our nation and to our great state. It is not elitist. It is essential. Replacing the existing gifted and talented grant program with a formula component is a wise, forward-thinking decision. With that new funding mechanism, Montana schools will be better equipped with the stable financial resources they need to provide the fair, quality education our gifted students deserve.

MT	Polson	Stacey Dunn	Self	04/07/2026 03:00 PM

Subject: State Funding Formula; Gifted and talented program

Comment: I am writing in support of a state funding formula for ALL students with special needs, in particular gifted and talented children.

Attachments:

VIEW ATTACHMENT 1

I am writing in support of a state funding formula for ALL students with special needs, in particular gifted and talented children.

My son is a freshman in high school. He is twice exceptional, meaning he has both giftedness and severe disabilities (autism, bipolar I disorder, and ADHD). He attends school part-time in a contained special education classroom with a special education teacher and para-educators due to his disabilities. Over the years, his education team has changed as he aged out of different grades. However he has had one consistent person in his school career, his amazing gifted and talented teacher. This teacher has worked with him every year since the 4th grade. As an autistic person, my son struggles to connect with others; but he has a strong connection with this particular teacher. She sees beyond his disabilities and has helped him to grow in his unique creativity and alternative learning style.

Unfortunately due to budget cuts in our school district, this gifted teacher's position has been on the chopping block for the last couple years. We have assisted with fundraising and contributed donations from our own pocket to keep her in this position. We have an extremely tight budget as my husband is a teacher and I stay home as the primary caregiver, taking my son to appointments and picking him up from school when he has autistic breakdowns. This is exceptionally frustrating, because state law and state accreditation standards MANDATE meeting the needs of gifted learners such as my son. Funding has not been appropriately allocated.

You have the opportunity to right this wrong by including gifted students in the funding formula. Please consider the needs of our unique learners, such as my brilliant son, rather than leaving him behind yet again. You can make a difference in children's lives by providing them with the learning opportunities that they deserve; opportunities that allow them to become the best possible version of themselves.

March 31, 2026

School Funding Interim Commission
PO Box 201706
Helena, Montana 59620

Re: Retirement Mill Diversion, TIF, and Statutory Protections for Montana's Public Retirement Systems

Members of the Commission,

Thank you for your work evaluating Montana's school funding structure. As you continue your statutory review, I respectfully request that the Commission examine the diversion of retirement mills into tax increment financing (TIF) districts and the resulting conflicts with Montana's constitutional trust protections, statewide retirement statutes, and the State's equalization obligations.

Retirement Mills and Their Impact

Retirement mills are a core component of district retirement funding and are constitutionally defined as retirement system income. When TIF districts capture the incremental taxable value within their boundaries, they also capture the retirement mills levied on that value. This diversion reduces the revenue available to the Teachers' Retirement System (TRS) and the Public Employees' Retirement System (PERS), shifts costs to the State through increased GTB obligations, and undermines the Legislature's long-standing protections for public retirement assets.

Statutory and Constitutional Protections

Montana law establishes clear and specific protections for public retirement assets:

- 19-20-501, MCA — Teachers' Retirement System (TRS): The TRS Board is the trustee of all money collected for TRS, and TRS assets must be administered in accordance with Article VIII, Section 15 of the Montana Constitution.
- 19-3-103 & 19-2-506, MCA — Public Employees' Retirement System (PERS): The Public Employees' Retirement Board (PERB) is the trustee of all money collected for PERS, and PERS assets must be held in trust and used exclusively for members and beneficiaries.
- 19-20-502 & 19-2-1007, MCA — Restrictions on Use: Retirement system assets (TRS and PERS) may not be diverted, must be used exclusively for members and beneficiaries, must remain in trust until lawfully transferred, and retirement mills fund both systems depending on employee classification.

These statutes implement Article VIII, Section 15, which prohibits the diversion, encumbrance, or reduction of retirement system income. Retirement mills are considered "income" the moment they are levied. Their diversion through TIF conflicts directly with these constitutional and statutory protections.

Statutory Construction and Legislative Intent

Montana's rules of statutory construction provide clear guidance. Under MCA 1-2-102, "when a general and particular provision are inconsistent, the latter is paramount… a particular intent will control a general one."

Two statutes express the Legislature's particular intent with respect to retirement and school-related revenue:

1. Title 19, which establishes mandatory trust protections for TRS and PERS assets and prohibits diversion; and
2. MCA 7-1-111(10), which prohibits self-governing local governments from exercising "any power that applies to or affects a public employee's pension or retirement rights."

These are specific statutory directives. TIF authority under Title 7 is general redevelopment authority.

When TIF capture and diverts retirement mills or affects the operation of statewide retirement statutes, the specific statutes in Title 19 and the powers-denied provisions in 7-1-111 must control under MCA 1-2-102. The Legislature's particular intent—to protect public retirement systems from local interference—cannot be subordinated to general redevelopment powers.

Fiscal Evidence — HB 483 (2025 Session)

HB 483 authorized up to $7.7 million in additional GTB backfill for FY 2026. This backfill exists because retirement mills are being diverted.

If retirement mills were flowing to TRS and PERS as required, no GTB backfill would be necessary. HB 483 is the Legislature's own fiscal confirmation that diversion is occurring and that the State is absorbing the loss.

Commission Responsibility

The School Funding Interim Commission has mandate to examine the structure, equity, and operation of Montana's school funding system. That mandate necessarily includes evaluating whether TIF, as currently administered, is consistent with:

- Constitutional trust protections for TRS and PERS;
- Statewide retirement funding obligations;
- The statutory prohibition in 7-1-111(10) against local actions affecting public employee retirement rights.

April 1, 2026

School Funding Interim Commission
PO Box 201706
Helena, Montana 59620

Re: Interaction of HB 156, Tax Increment Financing, and Statutory Protections for the Public School System

Members of the Commission,

Thank you for your work evaluating Montana's school-funding structure. As you continue your statutory review, I respectfully request that the Commission examine the interaction between HB 156 (2025) and tax increment financing (TIF), particularly as it relates to statewide equalization, countywide BASE levies, and the Legislature's long-standing protections for the public school system.

HB 156 replaced district-level BASE levies with countywide BASE levies and established a mandatory property-tax-reduction requirement. When countywide BASE revenue exceeds a district's over-BASE need, the excess must be used to reduce local property taxes in other budgeted funds. This is a clear and specific legislative directive intended to operate uniformly across all counties.

In counties with active TIF districts, however, this mechanism does not function as intended. Under current law, TIF captures the incremental taxable value within its boundaries, including mills levied for countywide BASE funding and the 95 statewide equalization mills. Revenue captured by TIF does not reach the district's general fund and therefore cannot be counted as "excess revenue" for purposes of HB 156. As a result, counties without TIF can deliver the required property-tax reduction, while counties with TIF often cannot, creating unequal treatment under a statewide levy.

Legislative Intent and Statutory Construction

The Legislature has established a clear and particular intent in 20-9-331, 20-9-333, and 20-9-360 regarding the use of countywide school-funding levies. Across these statutes, the Legislature uses mandatory language—"shall levy," "must be apportioned," "must be deposited," "must be remitted"—to direct that revenue from the 33-mill elementary levy, the 22-mill high-school levy, and the 40-mill state equalization levy must be used for BASE funding, statewide equalization, and property-tax reduction.

For example:

- 20-9-331(1): "The revenue collected from this levy must be apportioned to the support of the elementary BASE funding programs… and to the school equalization and property tax reduction account."
- 20-9-333(1): "The revenue collected from this levy must be apportioned to the support of the BASE funding programs of high school districts… and to the school equalization and property tax reduction account."
- 20-9-360: "Proceeds of the levy must be deposited… for state equalization aid to the public schools of Montana."

These statutes express a specific and unmistakable legislative intent: revenue from these levies is to support BASE funding and statewide equalization, and any surplus must reduce property taxes.

Under MCA 1-2-102, *"when a general and particular provision are inconsistent, the latter is paramount... a particular intent will control a general one that is inconsistent with it."*

The school-funding statutes above are particular. TIF authority under Title 7 is general redevelopment authority.

When TIF capture removes incremental taxable value from the 33-mill, 22-mill, and 40-mill levies—preventing the formation of surplus revenue and blocking the required remittance to the school equalization and property-tax-reduction account—TIF is being applied in a manner inconsistent with the Legislature's specific directives. Under 1-2-102, the particular statutes governing school funding and property-tax reduction must control.

This statutory conflict is further underscored by MCA 7-1-111(3), which prohibits self-governing local governments from exercising *"any power that applies to or affects the public school system."* TIF capture of school-related tax revenue directly affects the public school system and therefore falls within this prohibition unless expressly authorized by the Legislature.

Commission Responsibility

The School Funding Interim Commission is mandate to examine the structure, equity, and operation of Montana's school-funding system. That mandate necessarily includes evaluating whether TIF, as currently administered, is consistent with:

- Statewide equalization requirements;
- HB 156's property-tax-reduction mandate;
- The statutory prohibition in 7-1-111(3); and
- The Legislature's particular intent expressed in 20-9-331, 20-9-333, and 20-9-360.

Requested Commission Actions

I respectfully request that the Commission:

1. Study the interaction between HB 156 and TIF, including the effect of TIF capture on the operation of the property-tax-reduction requirement.
2. Evaluate whether TIF capture of school tax dollars is consistent with MCA 7-1-111(3) and the statutory-construction rule in MCA 1-2-102.
3. Quantify the difference in property-tax-reduction capacity between counties with and without TIF districts.
4. Consider recommending statutory clarification to ensure that statewide school-funding statutes operate uniformly and are not impaired by local redevelopment mechanisms.

Thank you for your attention to this matter and for your service to the State of Montana.

Respectfully submitted,

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