

K-12 Funding Follow-Ups: Round 3 (Various Topics)

School Funding Interim Commission
July 20th and 21st, 2026

Prepared by

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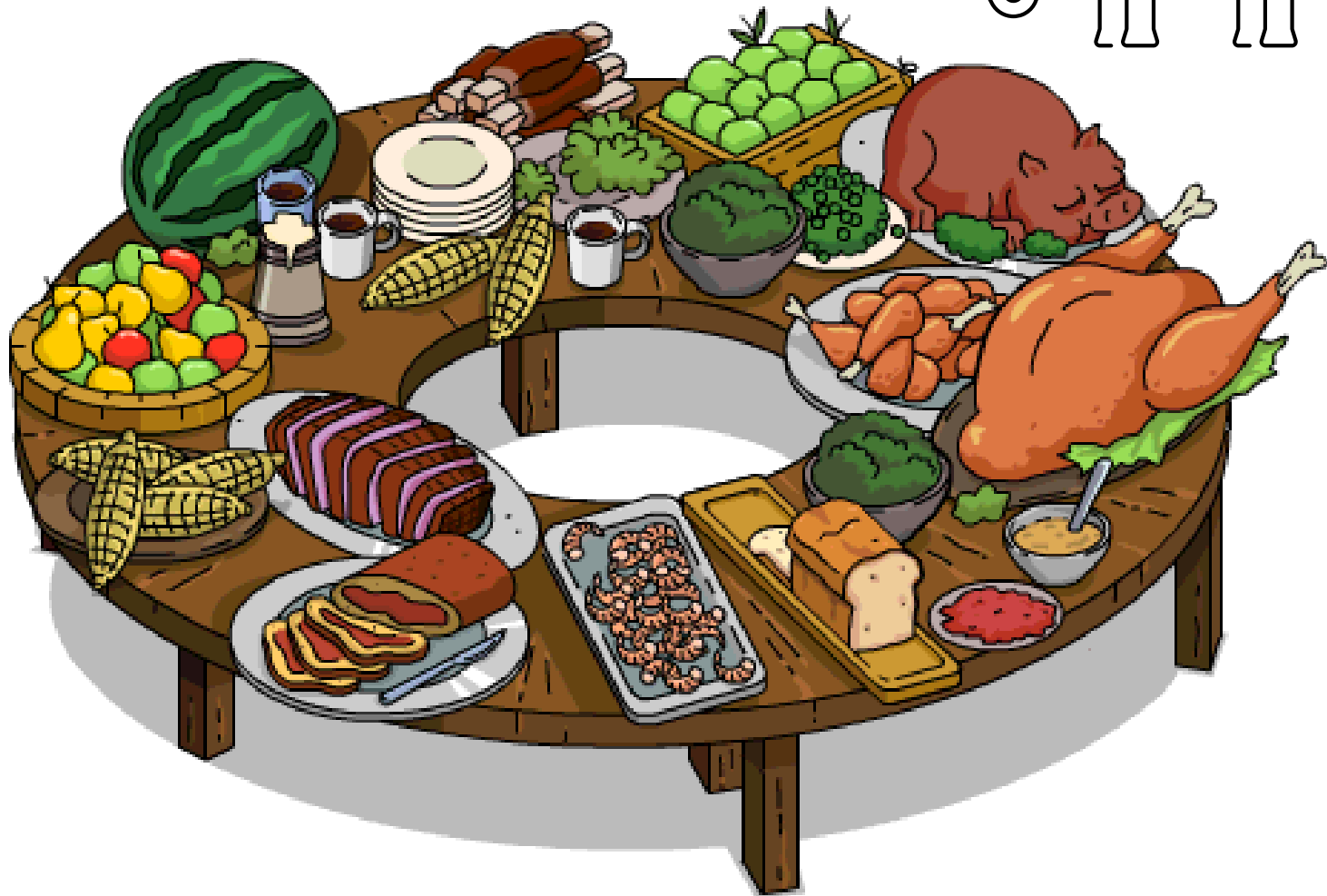
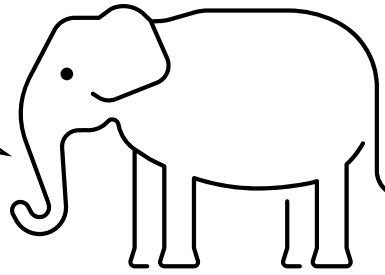
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Let's learn
about school
funding!



Today's school funding training will be another smorgasbord of various topics:

- CAMPS Recipe Card
- Spending, Inflation, and Achievement
- Indian Education for All and the American Indian Achievement Gap

CAMPS Funding Proposal “Recipe”



CAMPS Proposal “Recipe Card”

Ingredients

- Eliminate 80% BASE and replace with 100% Quality Assurance (QA) budget
 - Prohibit local property tax levies in funding the QA budget, eliminate BASE GTB, and replace with 100% state funded allocation for the QA budget
- Eliminate over-BASE and replace with “Discretionary Funding Enhancement” (DFE) voted levy with GTB support; calculated as up to 10% of QA budget; revenue to flexibility fund for innovation/excellence
- Per-ANB entitlement
 - Decrease per-ANB entitlement
 - Remove the per-ANB decrement
 - Fund 6th graders in MS at HS ANB rates
- Increase Basic Entitlement and lower thresholds for BE increments; define increments as “school units”
- Increase QE payment (from current \$4K to \$15K; maintain 2x bonus if teacher salary benchmarks met)
- Increase At-risk payment (15x current; from ≈ \$6M to \$90M)
- Increase state special education allowable cost payment (2x current; from ≈ \$45M to \$90 M)
- Increase IEFA (2x current \$26/ANB to \$52/ANB; \$5,000 min - \$100 currently)
- Increase D4A (2x current \$25/ANB to \$50/ANB; \$5,000 min – no minimum currently)
- Increase AIAG (3x current \$250/AI student to \$750/AI student)

- Provide inflationary adjustment to all QA budget components in as close to real time as possible; no cap; statutory approp. to cover increased state costs
- Provide state GTB support for levies not currently receiving it (DFE/Flex; tech; safety)
- Restructure SEPTR account as receptacle for all state school funding dollars
 - 95 mills
 - Guarantee account revenue
 - State GF appropriations
 - New 1% income tax surcharge

Instructions

1. Get yourself a big heavy stew pot. Put it on low heat. Brew a strong pot of coffee...
2. Assemble all ingredients. Working within the current statutory framework for the school funding formula (and creating new sections, parts, and chapters as needed), carefully mix all ingredients and revise, create, coordinate, align, and repeal as necessary. Utilize delayed effective dates and transition sections to provide phase-in.
3. Stew for at least 3 months. Do not begin cooking between January and April of odd-numbered years – begin ahead of time! Assemble a team of expert “tasters” to sample as it stews and adjust ingredients and season as necessary.

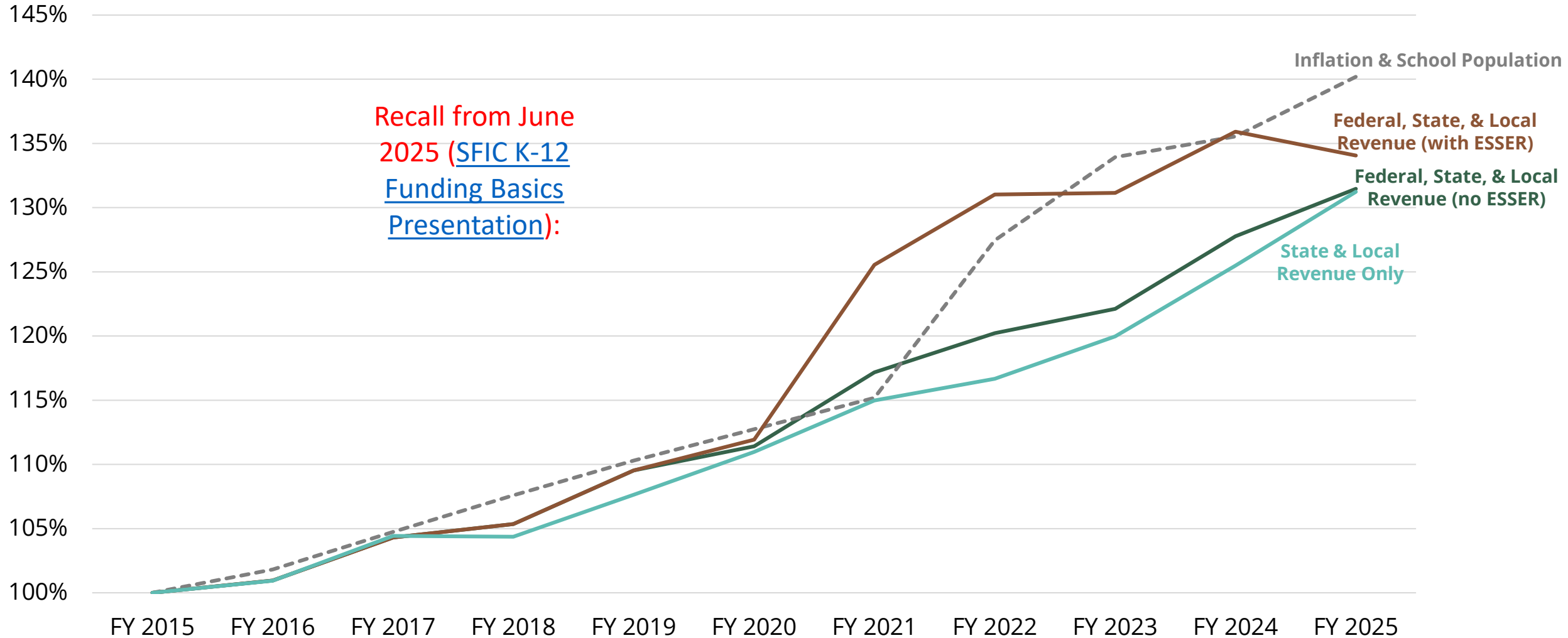
Serves approximately 150,000 students, 75,000 families, and 25,000 school employees.



Spending, Inflation, and Achievement

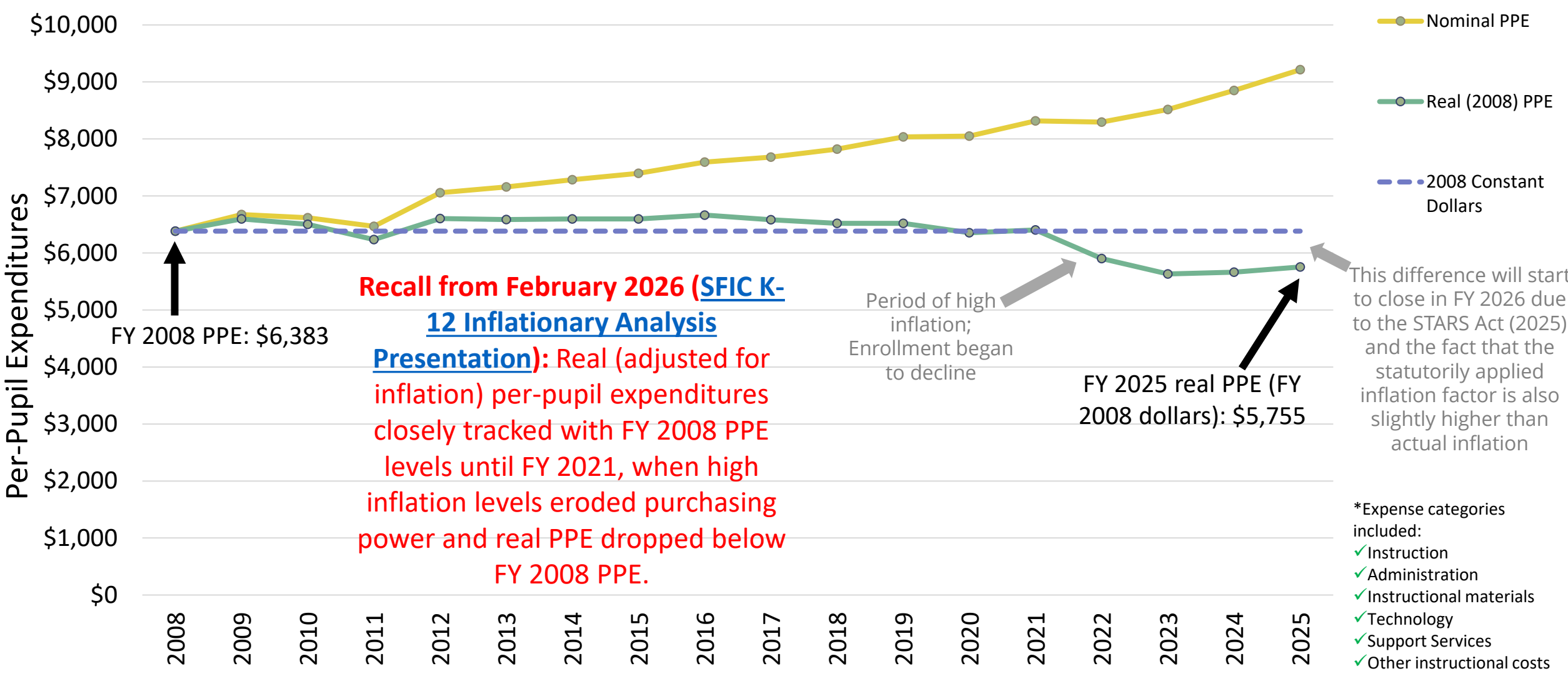
Federal, State, & Local Revenue Sources as compared to Inflation & School Population

This graphic does not include state funds for the administration of school funding through OPI.



Student Centered Expenditures* for Selected District Funds

Nominal and Real (2008) Dollars

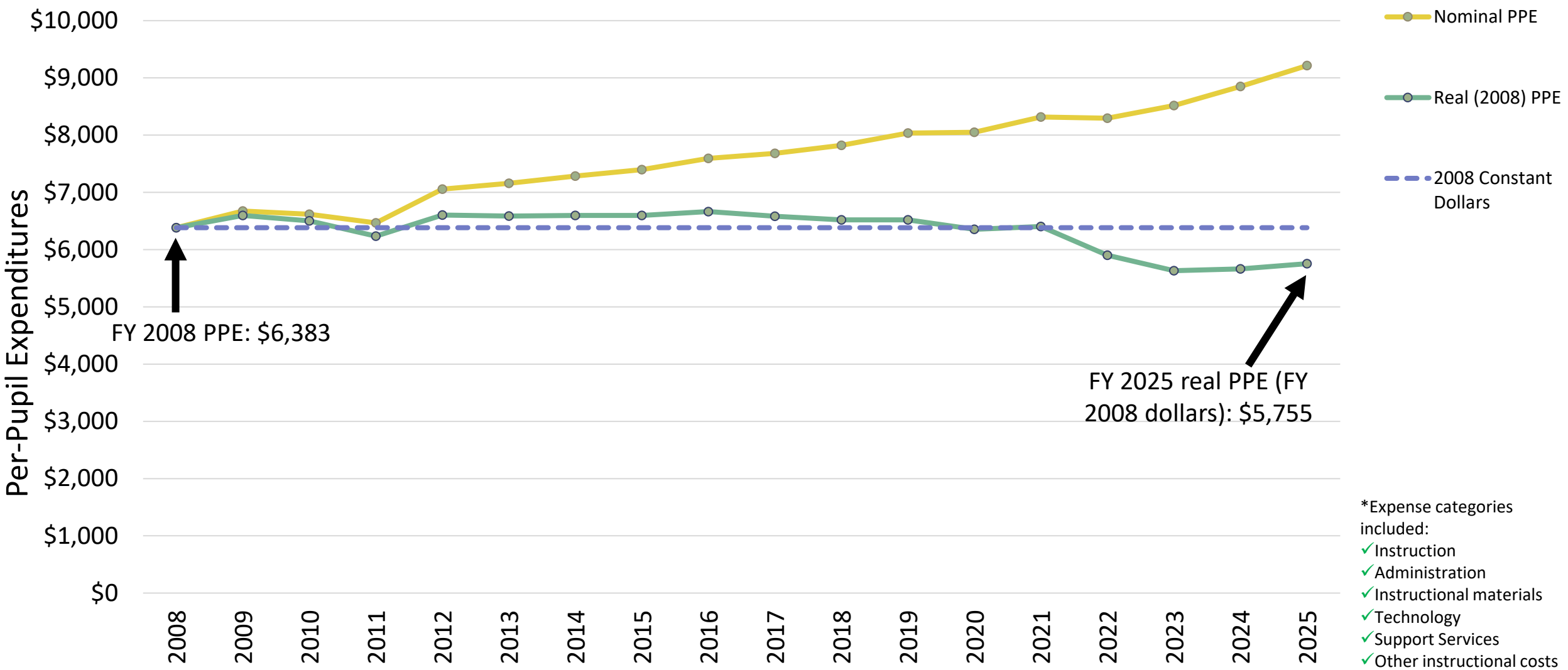


*Expense categories included:

- ✓ Instruction
- ✓ Administration
- ✓ Instructional materials
- ✓ Technology
- ✓ Support Services
- ✓ Other instructional costs

Student Centered Expenditures* for Selected District Funds

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Achievement Data – National Trends

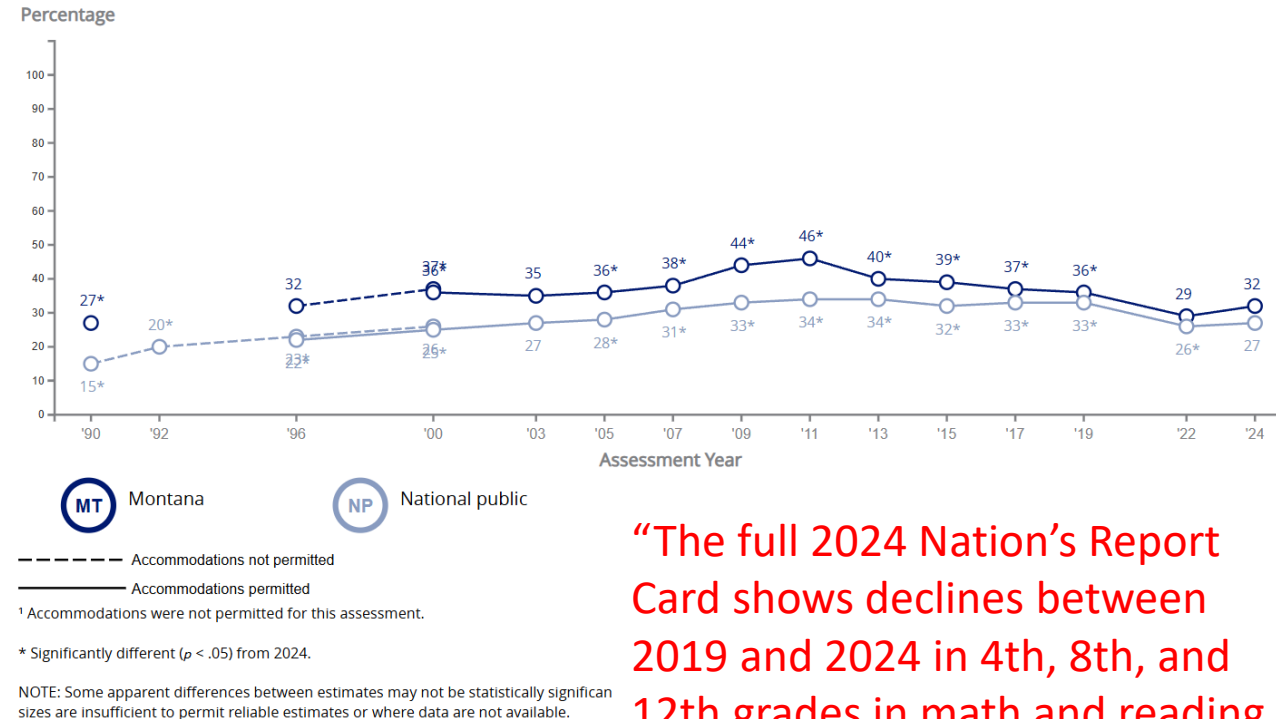
What is NAEP?

From [An Overview of NAEP](#): The National Assessment of Educational Progress (NAEP), often called The Nation's Report Card, is the largest nationally representative and continuing assessment of what students in public and private schools in the United States know and are able to do in various subjects.

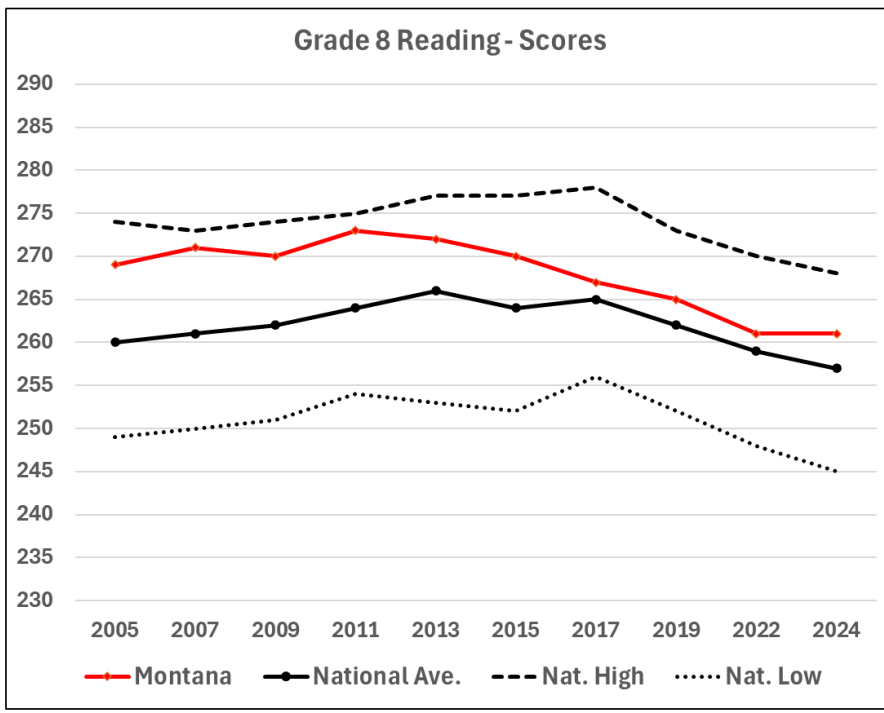
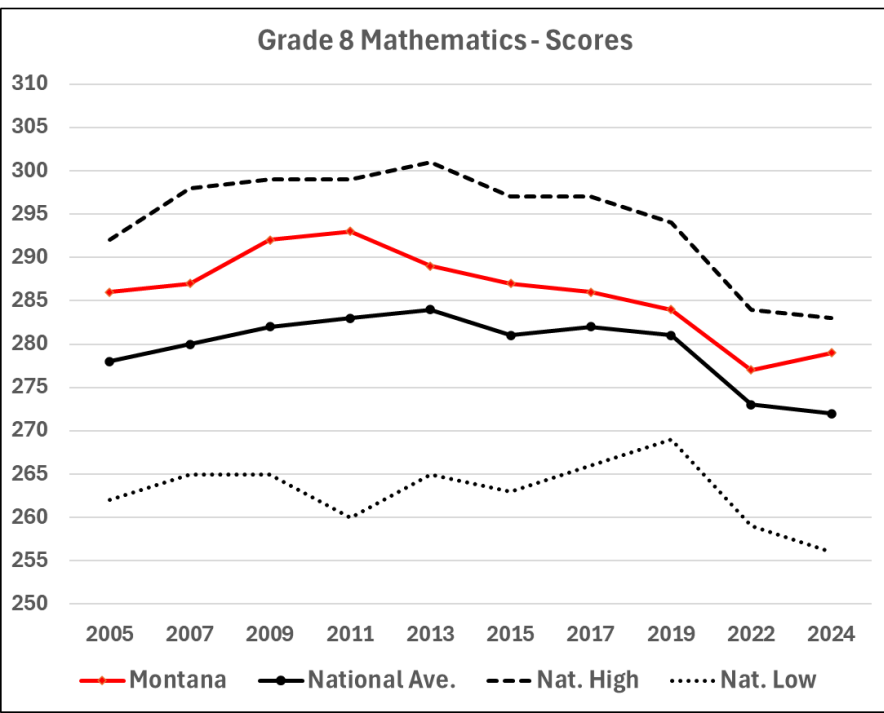
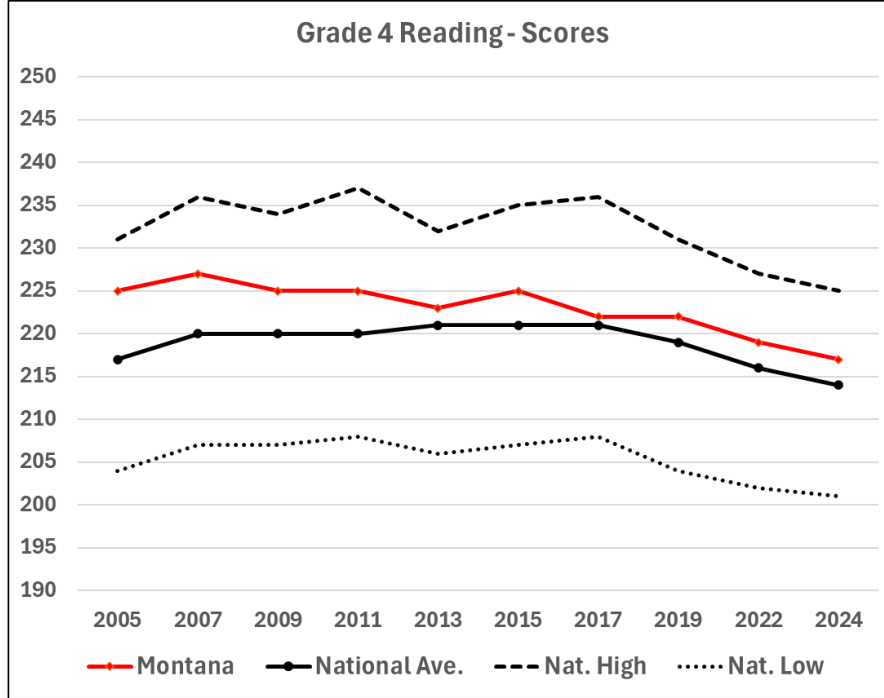
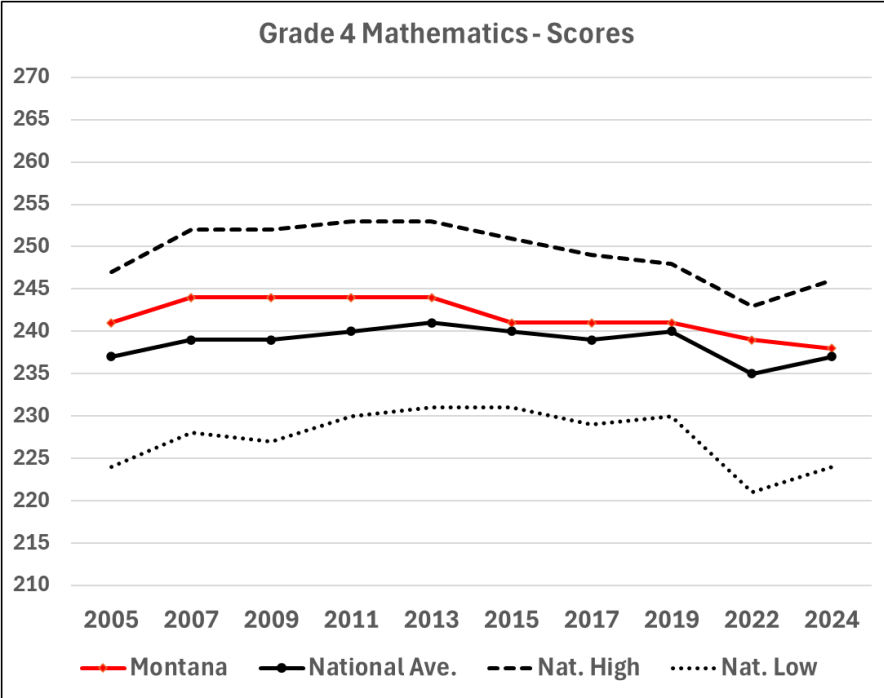
How is NAEP different from state assessments? States have their own assessments, which are designed to provide individual student data about achievement based on different content standards, unique to each state. NCES administers the same NAEP assessment in every state, providing educators, policymakers, and parents with a common measure of student achievement that allows for direct comparisons among states and participating urban districts.

GRADE 8 | MATHEMATICS

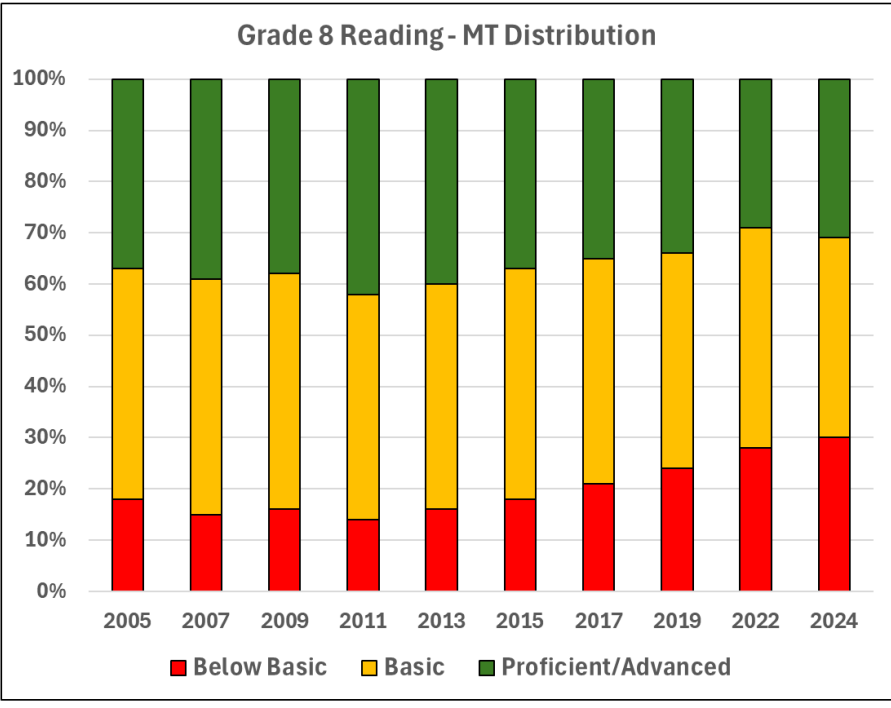
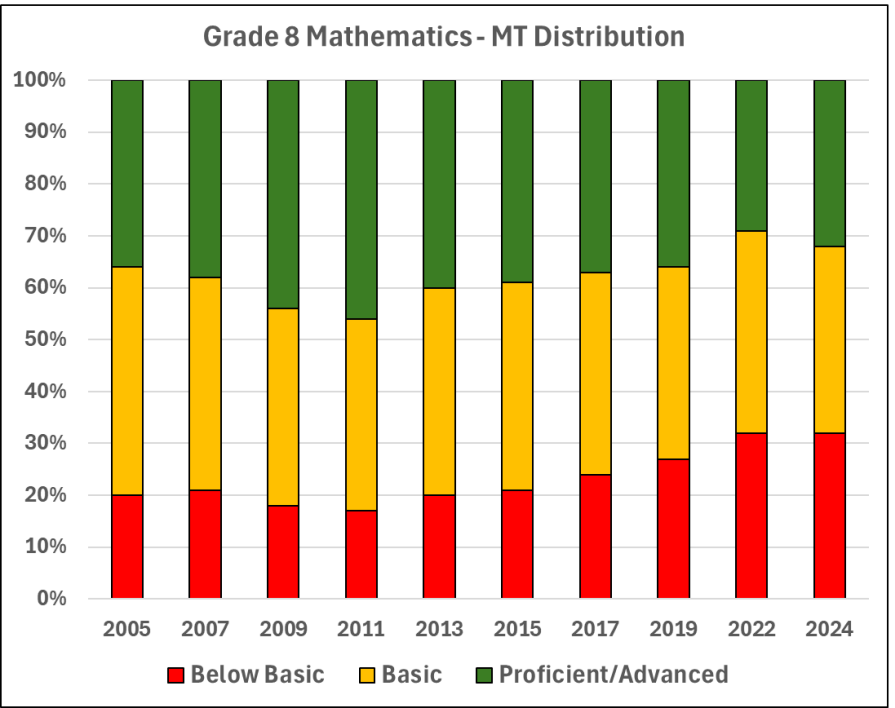
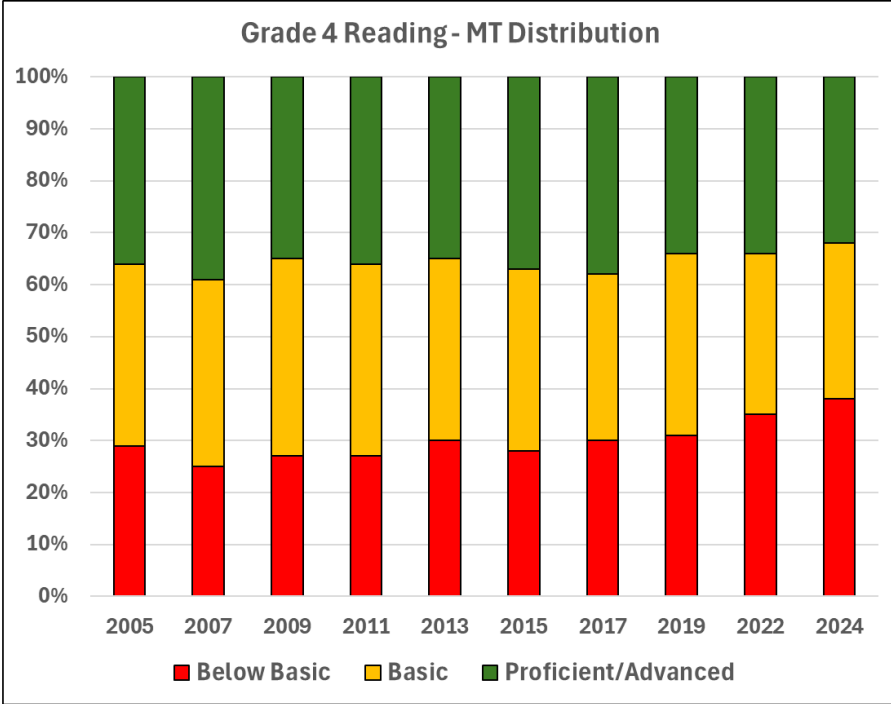
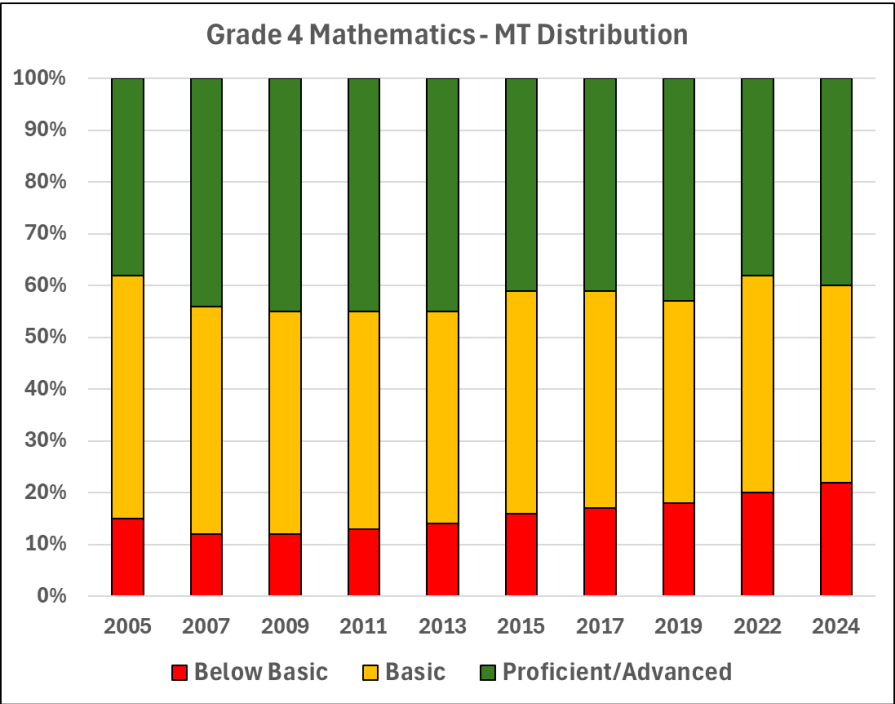
Percentage at or above Proficient for grade 8 mathematics, by All students [TOTAL] and jurisdiction: 1990, 1992, 1996, 2000, 2003, 2005, 2007, 2009, 2011, 2013, 2015, 2017, 2019, 2022, and 2024



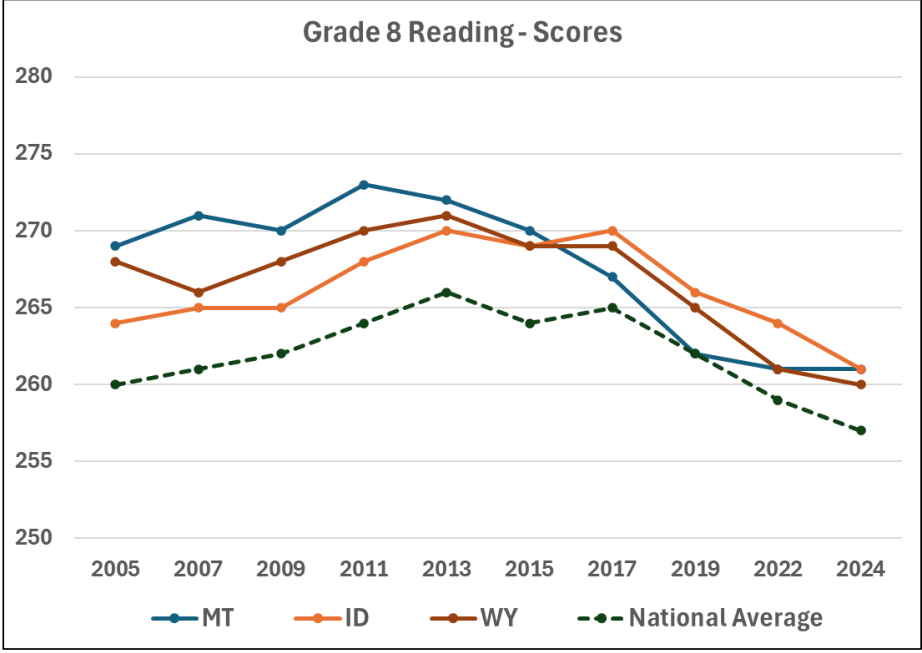
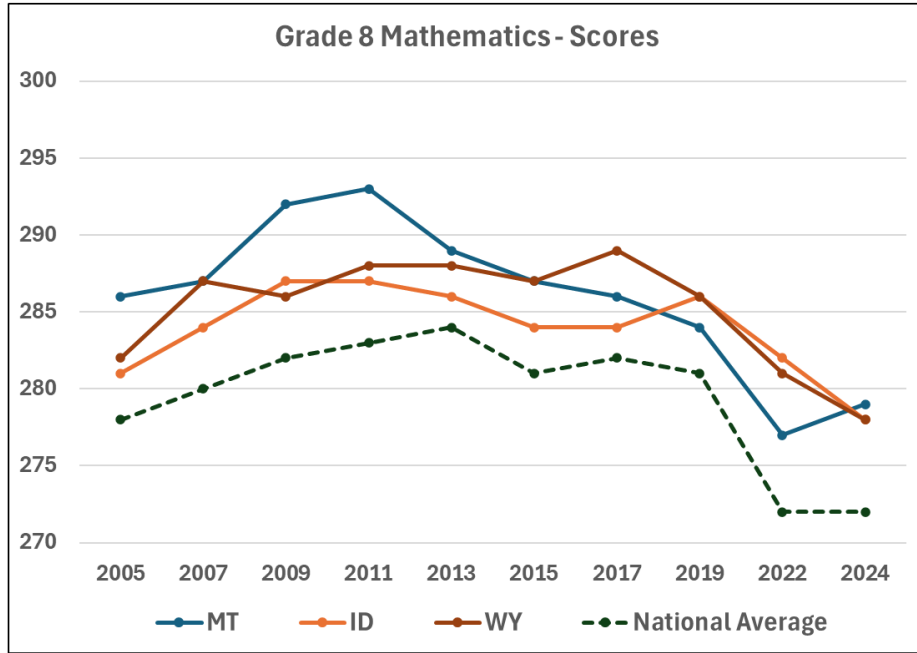
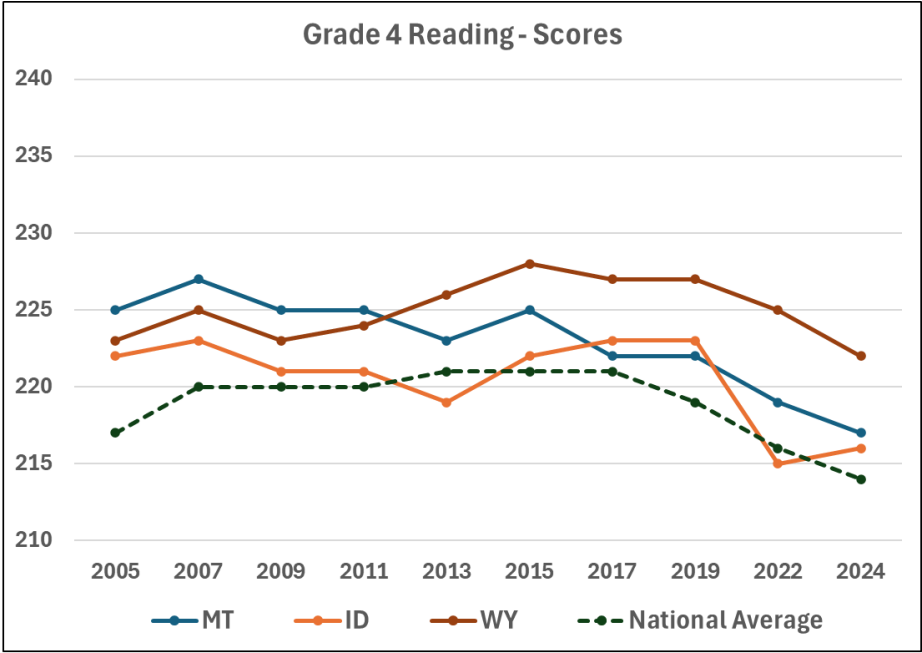
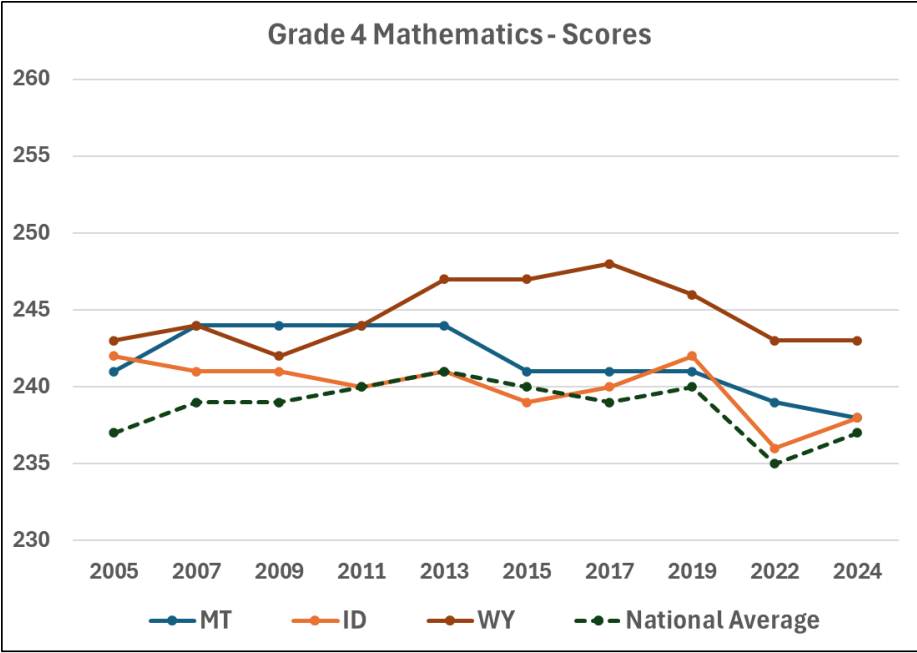
“The full 2024 Nation’s Report Card shows declines between 2019 and 2024 in 4th, 8th, and 12th grades in math and reading and 8th grade science.” –[NAGB Press Release, Sept 2025](#)



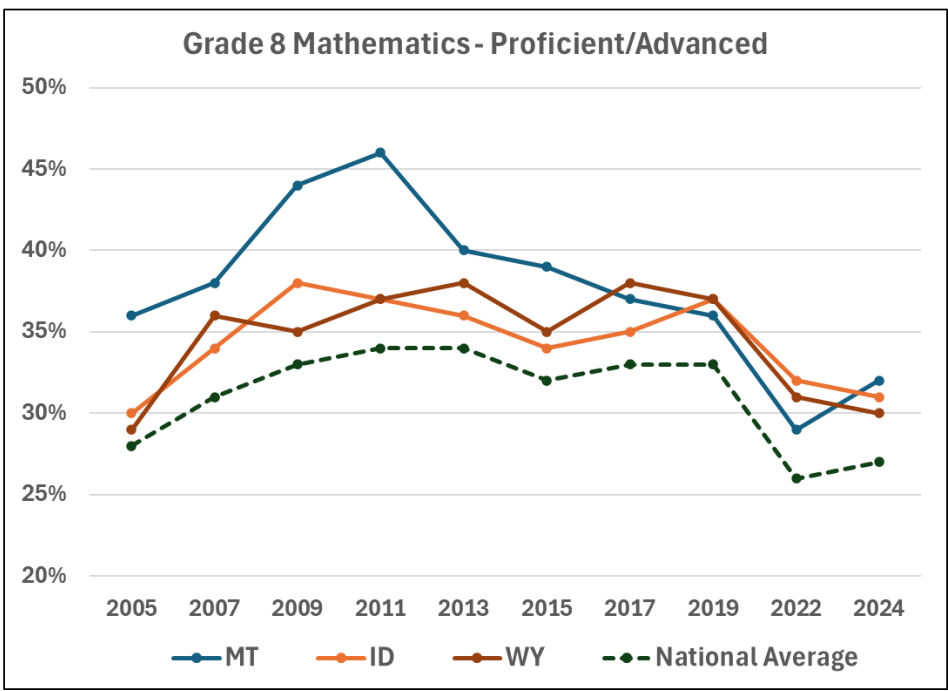
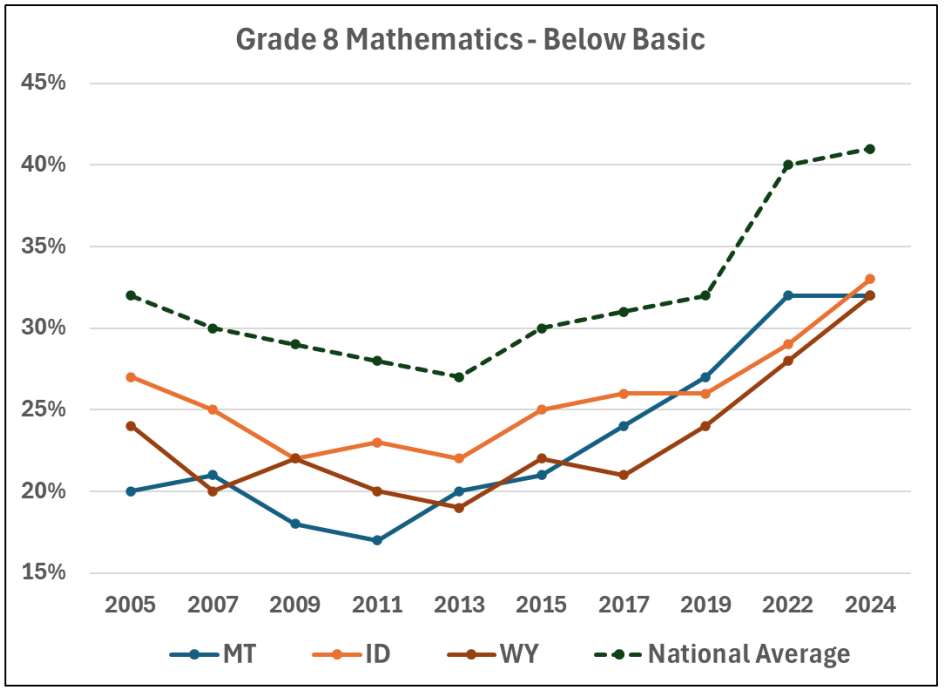
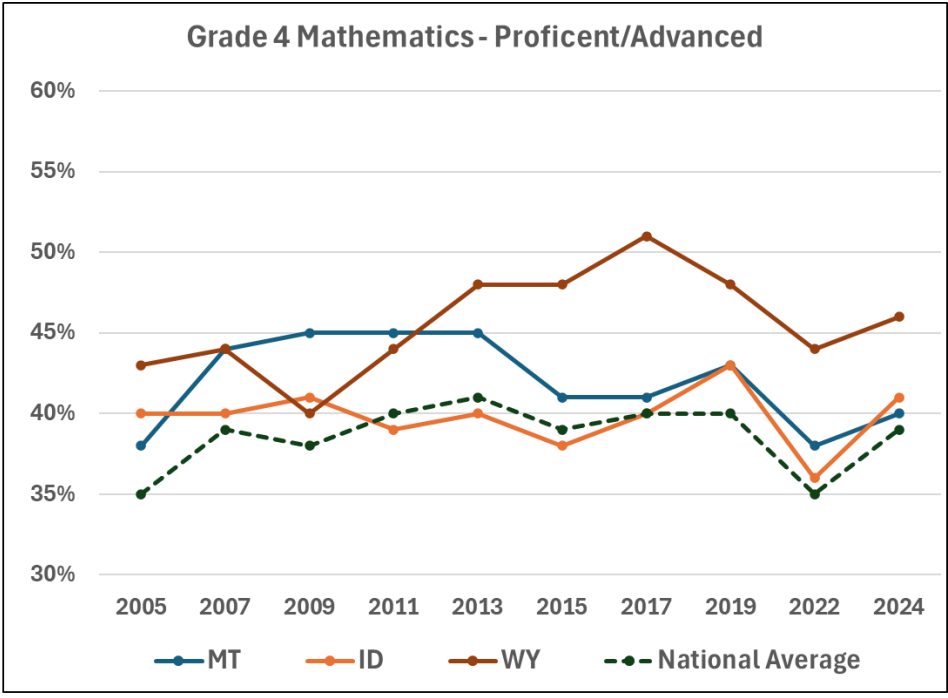
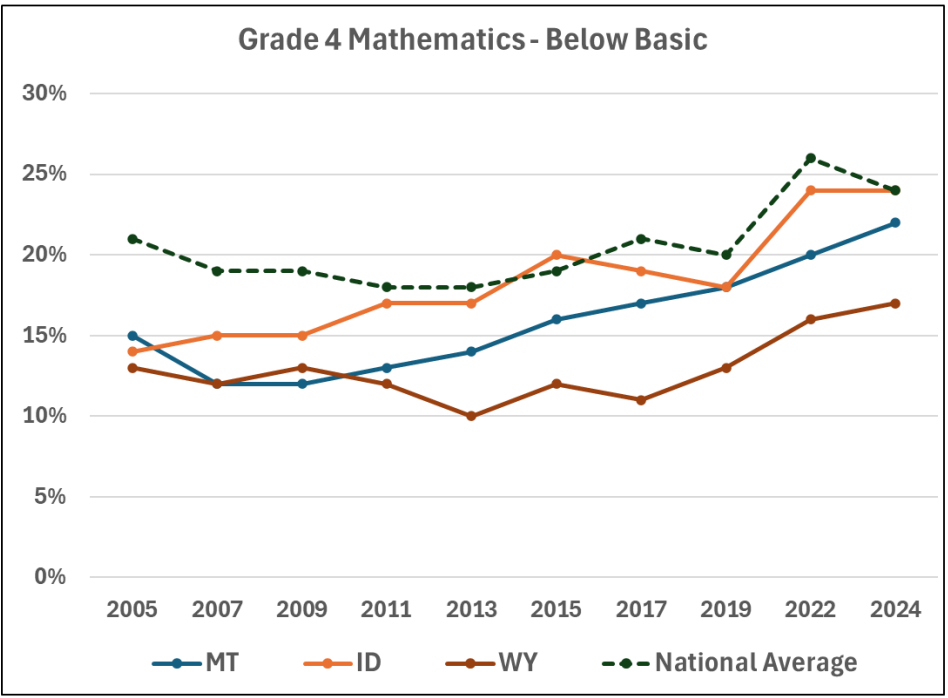
https://www.nationsreportcard.gov/profiles/stateprofile/overview/mt?sfj=np&chort=2&sub=mat&sj=mt&st=mn&year=2024r3&cti=pgtab_ot



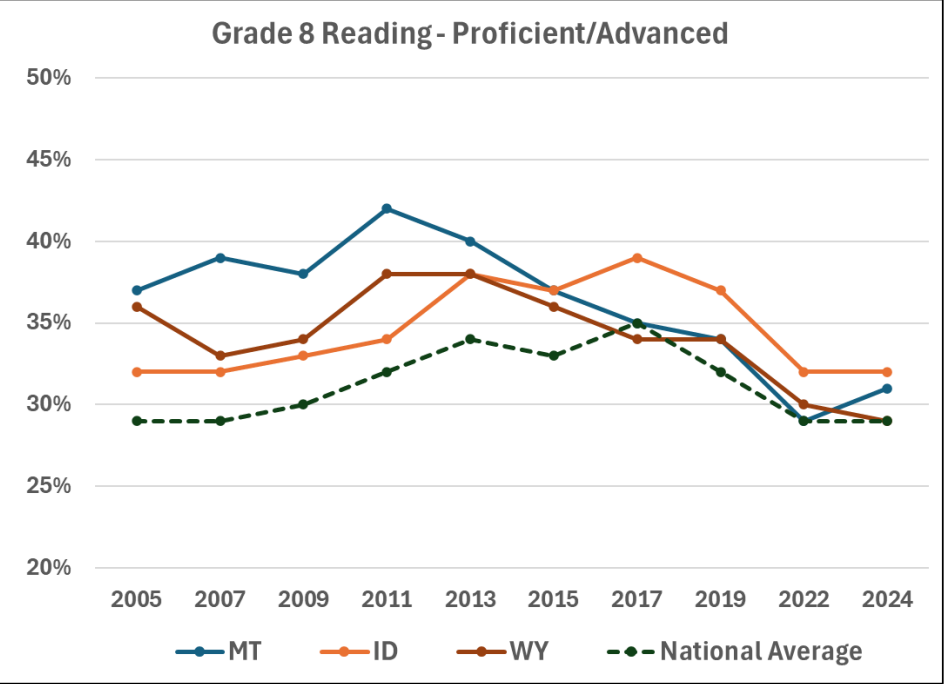
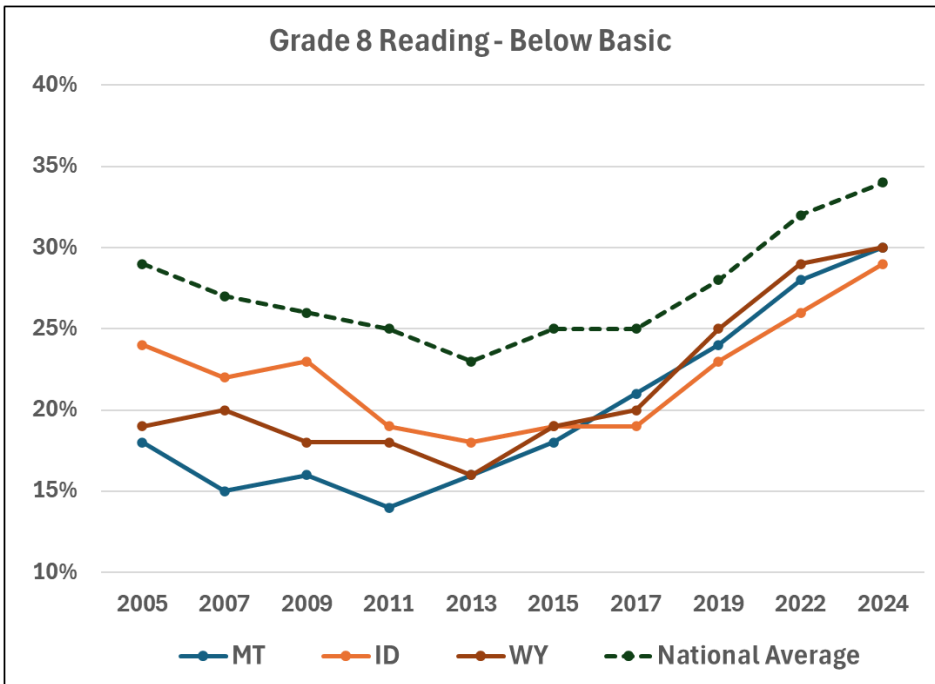
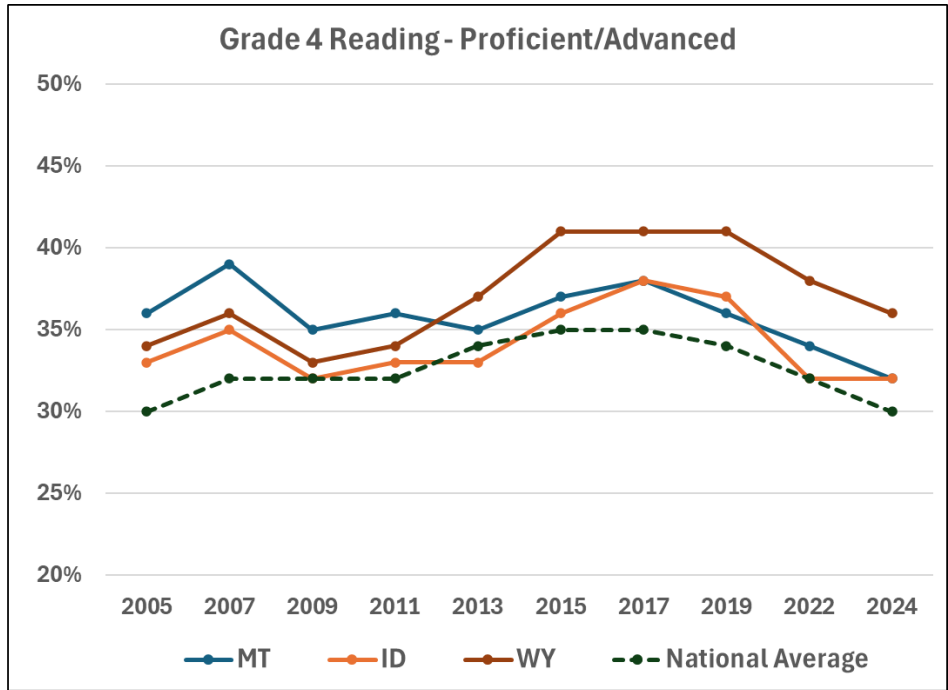
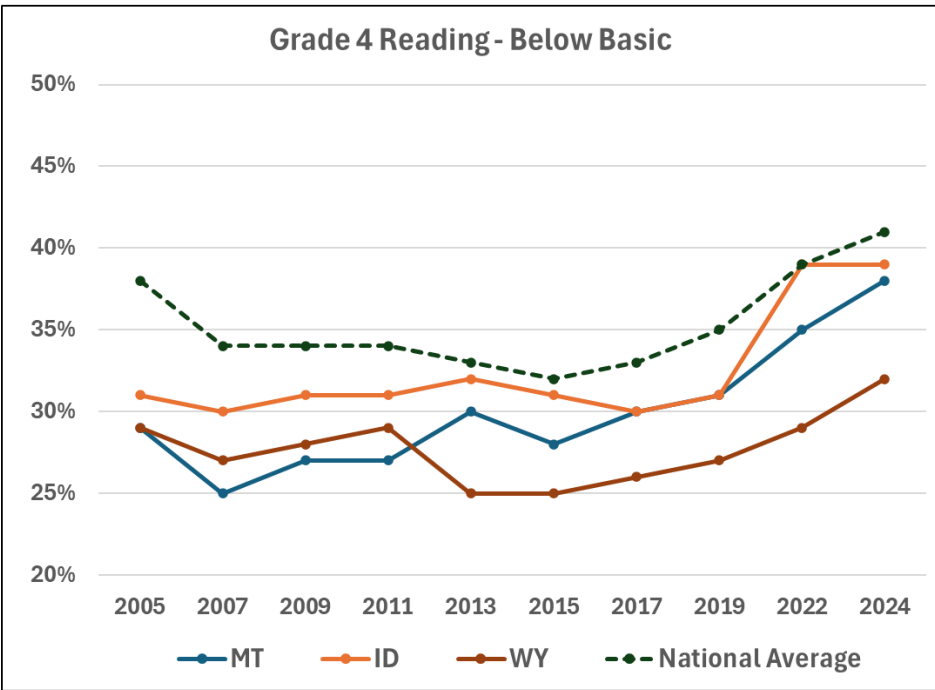
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Achievement and Spending

Key takeaways:

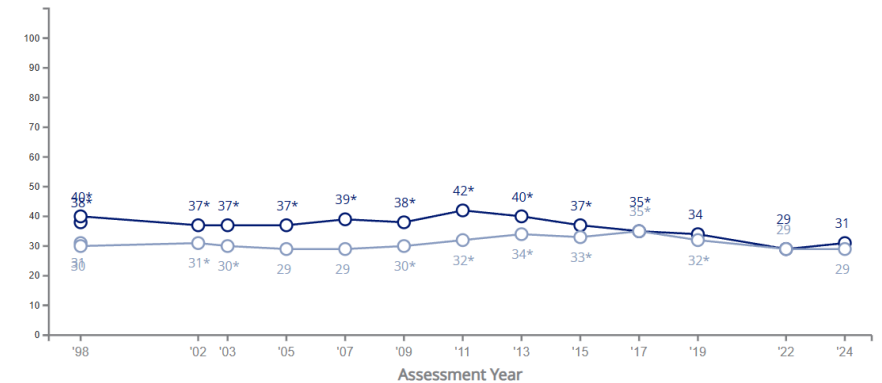
- Depending on how we look at spending, spending on K-12 education in Montana has largely paralleled the rate of growth of school population and inflation
- Without the influx of ESSER funding, typical amounts of spending for federal, state, and local dollars are generally at or below the rate of growth of inflation and school population
- Montana NAEP scores are typically a little higher than nationwide, but the gap has been closing a bit in the last few years in certain content areas
- NAEP scores show Montana tracking closely with the nationwide swings in test scores (and similar to neighboring mountain-west states)
- There is something negatively impacting achievement nationwide. Whether overall achievement (the % at or above proficient) for Montana is “good enough” is a judgement call for the commission
- The relationship between spending and achievement may be impacted by how funds are allocated and spent, rising disproportionate costs for operational functions that don’t directly affect instruction, pandemic-related learning slowdown/losses, etc.

GRADE 8 | READING

Percentage at or above Proficient for grade 8 reading, by All students [TOTAL] and jurisdiction: 1998, 2002, 2003, 2005, 2007, 2009, 2011, 2013, 2015, 2017, 2019, 2022, and 2024



Percentage



Montana



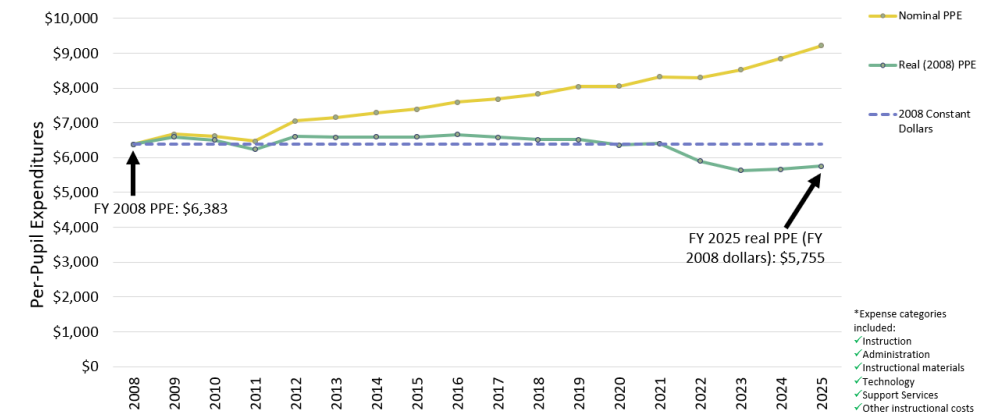
National public

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----- Accommodations permitted

Student Centered Expenditures* for Selected District Funds

Nominal and Real (2008) Dollars



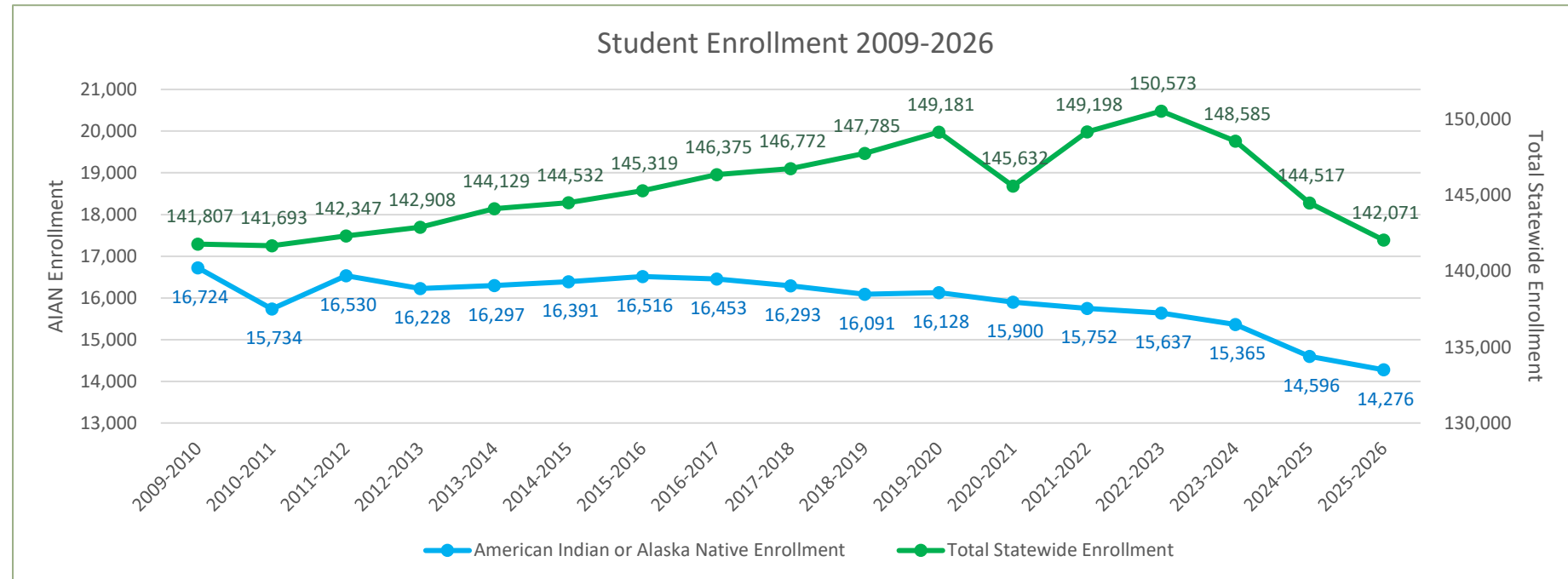
American Indian Student Adjustments



American Indian Student Characteristic Adjustments

- Indian Education For All (IEFA) is calculated according to total district enrollment.
 - FY2026 IEFA payment was **\$25.37 per student (or \$100/district)** pursuant to 20-9-306(16).
 - Potential recommendation:** Raise the minimum “floor” from \$100 per district to \$1,000 per district
- American Indian Achievement Gap (AIAG) is calculated according to American Indian student population.
 - FY2026 AIAG payment was **\$249 per identified student** pursuant to 20-9-306(12).

	Total Enrollment Count	Indian Education For All (IEFA) Payment FY26	American Indian Enrollment Count	American Indian Achievement Gap (AIAG) Payment FY26	At-Risk Payment FY26
Arlee	417	\$ 10,579	284	\$ 70,716	\$ 44,554
Billings	17,143	\$ 434,918	2,205	\$ 549,045	\$ 674,557
Browning	1,965	\$ 49,852	1,793	\$ 446,457	\$ 209,083
Great Falls	10,453	\$ 265,193	1,612	\$ 401,388	\$ 569,604
Hardin	1,789	\$ 45,387	1,371	\$ 341,379	\$ 211,084
Statewide TOTAL	148,984	\$ 3,779,713	20,138	\$ 5,014,362	\$ 6,395,448





School Funding Resources:

<https://www.legmt.gov/lfd/publications/school-funding-library/>

Property Tax Resources:

<https://www.legmt.gov/lfd/publications/property-tax-library/>

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Questions?

