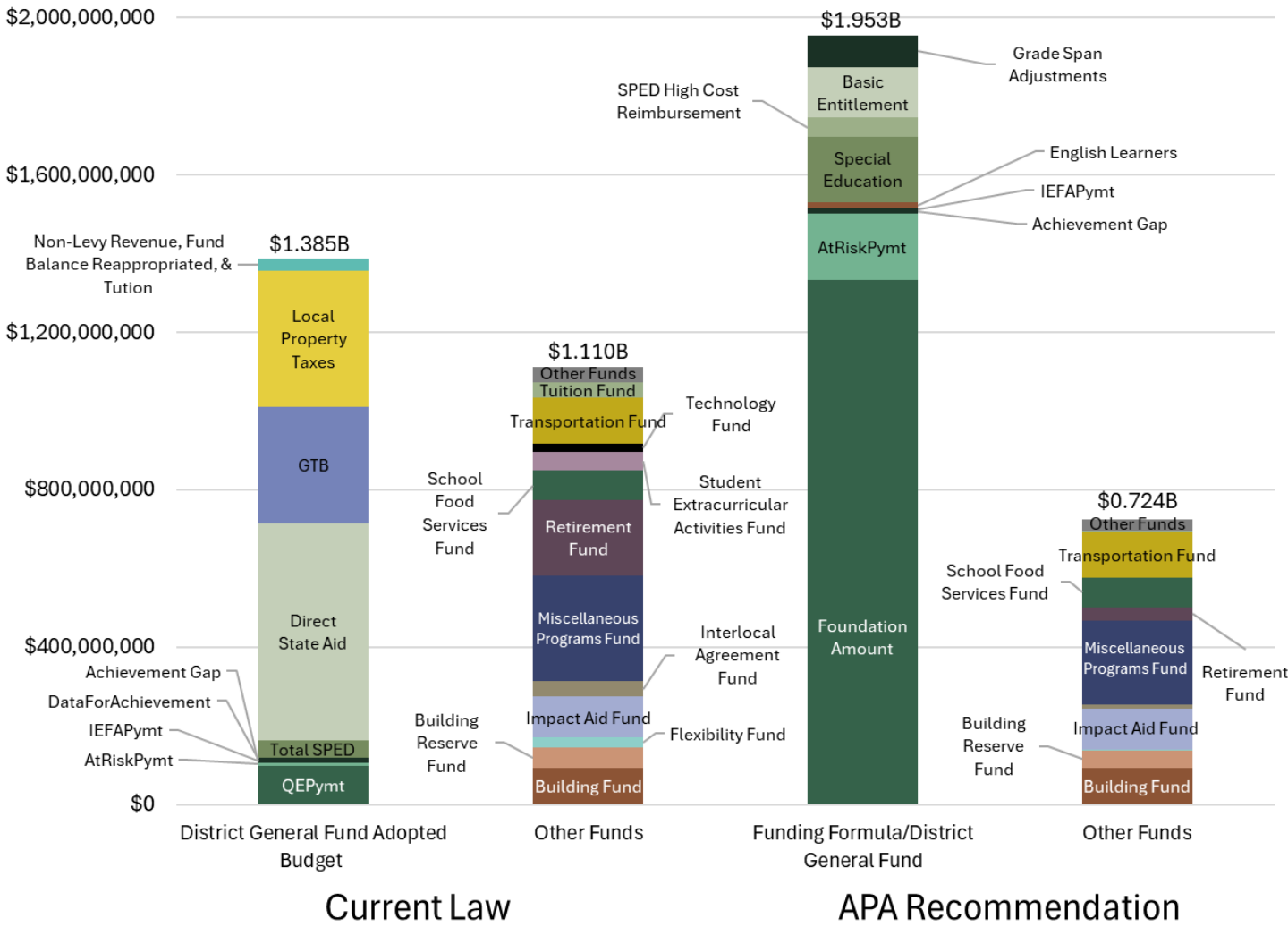


Foundation amount comparison to current law

SCHOOL FUNDING INTERIM COMMISSION
JULIA PATTIN, LFD – JULY 2026

The [recommended amount based on APA's foundation calculation](#) is not directly comparable to the current Montana school funding formula (the district general fund). The following chart shows the current law funding structure for the district general fund and for other funds as compared to the recommended foundation formula structure. Because the foundation amount includes funding outside of the current district general fund, the comparison shows a “rebalancing effect” between the district general fund and other funds that may occur if the commission opts to adopt the foundation formula framework from APA.

For example, funding for items such as the high cost special education reimbursement would be routed through the funding formula in APA’s recommended framework and would essentially eliminate the current special education levies in the tuition fund. However, some funding that currently exists outside the funding formula would also not be included in the foundation formula recommendation (for example, transportation costs would stay in the transportation fund as they are now). The amount of funding that would shift from other school district funding into the foundation amount in the funding formula recommendation is approximately \$385 million and is largely made up of retirement costs, tuition, school safety funding currently in the building reserve fund, technology, functions recorded in the flexibility fund, etc.



The next chart is intended to illustrate the difference between the recommended formula amount and the current funding structure formula. In order to avoid the challenges of comparing the foundation amount and the current funding formula amount, the approximately \$385 million of foundation amount funding currently accounted for in other school district funds has been removed from this chart. The recommended amount is approximately \$180 million higher than the FY 2026 adopted budget and approximately \$400 million higher than the FY 2026 BASE budget.

Since the recommended amount is generally based on the amount necessary for every district to "succeed" (adequacy), it makes sense to compare this number to the current BASE budget (an approximately \$400 million difference). The comparison to the current adopted budget reflects the additional amount of funding needed (approximately \$180 million) above current levels to meet the recommended foundation formula amount.

