



# Guidance Document Transformational Learning Program

As of March 2020

## **Background:**

The transformational learning program was established through 20-7-1602, MCA, ([House Bill 351](#), 2019 legislative session), to provide an incentive to school districts that satisfy certain conditions and are qualified by the Board of Public Education. A district may be qualified for no more than one 4-consecutive-year provision of transitional funding and flexibilities in any 8-year period. Currently, this section of law is set to expire on June 30, 2027.

## **Accounting:**

### **20-7-1602, MCA:**

Transformational learning aid payment must be distributed directly to the school district's flexibility fund (29).

Transformational learning aid **must** be expended by the district according to the district's approved transformational learning program.

#### **Recording Funds Received:**

Fund 29  
Revenue Code 3760

#### **Recording Expenditures:**

Fund 29  
Program Code 376

During each year that a school district remains qualified for funding, the district's trustees may:

- (5)(a) If the obligations of transparency set forth in [20-9-116, MCA](#) are met,
- levy an annual permissive property tax not to exceed 100% of any funds distributed to the district under subsection (4).
  - Proceeds of the levy must be deposited in the district's flexibility fund established under [20-9-543, MCA](#), no later than June 30 of fiscal year 2020 and by October 1 of each year beginning fiscal year 2021 by the superintendent of public instruction.
  - funds must be expended by the district only for the purposes of the district's approved transformational learning plan.
- (5)(b) Transfer state or local revenue from any budgeted or nonbudgeted fund, other than the debt service fund or retirement fund, to the district's flexibility fund.

## **Allowable Transfers:**

**Originating Fund** can transfer state or local revenue from any budgeted or nonbudgeted fund, other than the retirement fund (14) or debt service fund (50), to the district's flexibility fund (29).

- Any funds transferred may be expended for the purposes of implementing the district's approved transformational learning plan.
- Any funds transfers are not considered expenditures to be applied against budget authority.
- Any unspent transferred funds must be transferred back to the originating fund from which the revenue was transferred within 2 full school fiscal years after the funds are transferred
- If transfers of funds are made from funds supported by a nonvoted levy, the district may not increase its nonvoted levy to restore the amount of funds transferred.
- A unique project reporter (PRC) is required for each transfer.

| <b><u>Recording Transfers:</u></b> |                       |                       |                        |                      |   |
|------------------------------------|-----------------------|-----------------------|------------------------|----------------------|---|
|                                    | <b><u>Fund</u></b>    | <b><u>Program</u></b> | <b><u>Function</u></b> | <b><u>Object</u></b> | <b><u>Project Reporter Code (PRC)</u></b> |
| <b><u>Originating Fund</u></b>     | xx                    | 996                   | 61xx                   | 914                  | Unique PRC is required                    |
|                                    | <b><u>Revenue</u></b> |                       |                        |                      |   |
|                                    | <b><u>Fund</u></b>    | <b><u>Code</u></b>    | -                      | -                    | <b><u>Project Reporter Code (PRC)</u></b> |
| <b><u>Destination Fund</u></b>     | 29                    | 5304                  |                        |                      | Unique PRC is required                    |

## **Application:**

On an annual basis, the board of public education shall: establish by rule the opening and closing dates for receipt of applications and annual reports.

To qualify for the transitional funding and flexibilities in subsections (4) and (5), the board of trustees of a district shall submit an application that has been approved by motion of the board of trustees and signed by the presiding officer to the board of public education for approval of a transformational learning program on a form provided by the superintendent of public instruction.

More information about the Transformational Learning Program can be found on the Office of Public Instructions (OPI) website located at <http://opi.mt.gov/Leadership/Academic-Success/Transformational-Learning>.

Additional questions can be directed to:

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