



2025 LEGISLATIVE SESSION

Summary of Legislation Related to K-12 Education

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Introduction

The Montana Office of Public Instruction (OPI) extends its sincere appreciation to all legislators for their hard work, thoughtful deliberation, and unwavering dedication to the students, educators, and families of our state during the 69th Legislative Session. Their efforts to advance education policy will have a meaningful and lasting impact on Montana's schools and communities.

This legislative wrap-up provides an overview of the key education-related bills considered during the session—covering areas such as school funding, teacher recruitment and retention, student safety, and mental health support. These bills reflect a shared commitment to strengthening our education system and ensuring every Montana student has access to a high-quality learning experience.

As we move forward, the Office of Public Instruction is committed to the successful implementation of the new legislation. Our team is already working closely with school districts, education partners, and stakeholders to ensure clear guidance, timely communication, and effective support throughout the transition process. This includes updating guidance, developing training and technical assistance resources, and creating tools to help schools understand and meet new requirements.

We thank the Legislature for its partnership and look forward to continuing our work together to build a stronger future for Montana education—one that supports every learner, every day.

A handwritten signature in black ink that reads "Susie Hedalen".

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A special thank you to OPI's School Finance team for their work during this legislative session to prepare fiscal notes and the legislative summaries in this book. Thank you also to Lucas Rowsey, OPI IT Data & Special Projects, for his technical and IT support.

Passed Legislation

HB2: General Appropriations Act

- Representative Llew Jones
- Effective Date: July 1, 2025
- Summary: [HB2](#) appropriates money to various state agencies for the biennium ending June 30, 2027.

Administration- OPI

[HB 32](#): Allow audio and video recording of public events

- Representative Amy Regier
- Effective Date: October 1, 2025
- Summary: HB 32 amends section 40-6-701, MCA revising the circumstances in which a government entity may make an audio or video recording of a child without obtaining parental consent. It establishes that a government entity may make an audio or video recording as part of an event open to the public, including but not limited to a public performance, an athletic competition, and any preparation, dress rehearsal, or practice for an event open to the public.

[HB 60](#): Generally revise state auditor laws

- Representative Ed Buttrey
- Effective Date: Sections 1-33 & 35 October 1, 2025. Sections 34,35,37.
- Summary: HB60 amends Section 20-3-369, MCA regarding the state school health trust operating reserve account distribution and uses. It is amended to read: If a trust has been qualified by the state auditor on or before June 30, 2026, for initial operation beginning July 1, 2026, the superintendent shall, on July 1, 2026, or on qualification by the state auditor, distribute \$40 million to the district health insurance trust.

[HB100](#): Generally revise public record laws

- Representative Bill Mercer
- Effective Date: Sections 2 and 3 July 1, 2026, All other sections October 1, 2025.
- Summary: HB100 revises public record laws by establishing requirements and deadlines for public agencies that are not local governments; revising fees for public information requests; establishing a 2-year retention period of information requests and responses for public agencies that are not local governments; establishing the fees that a public agency may charge when responding to public information requests; providing that the first hour of service not be charged; establishing an

hourly fee limit; allowing a person to file an action in district court if a public agency that is not a local government fails to meet the response deadline.

HB 126: Revise legislative oversight of administrative rules and encourage public comment

- Representative David Bedey
- Effective Date: May 5, 2025
- Summary: HB126 revises laws related to agency administrative rulemaking; establishes that a filing of the proposal notice is ineffective if the agency fails to properly notify the sponsor. The bill also clarifies that the notice of proposed rulemaking must include an opportunity for an interested person to request that the agency provide a presentation of the rule proposal and allow the public to submit oral or written questions or comments if a hearing is held. If the primary sponsor submits comments for an agency proposal and the agency disagrees with the primary sponsor, the agency shall publish the primary sponsor's unredacted comment in the proposal notice and provide a statement explaining why the sponsor's comments were not incorporated into the proposed rule.

HB 178: Limit government use of AI systems

- Representative Braxton Mitchell
- Effective Date: October 1, 2025
- Summary: HB178 limits the use of artificial intelligence systems by state and local government. It prohibits certain uses of artificial intelligence systems including surveillance of public spaces or cognitive behavioral manipulation. The bill requires the disclosure of certain uses of artificial intelligence systems when publishing materials or interfacing with the public. It also requires that if artificial intelligence systems produce a recommendation or decision for a government entity, that recommendation must be reviewed by a human in an appropriate position.

HB 592: Generally revise agency rulemaking under MAPA

- Representative Courtney Sprunger
- Effective Date: May 13, 2025
- Summary: HB592 revises state agency rulemaking under the administrative procedure act. It requires an agency to contact the primary sponsor of legislation related to a rule proposal and revises agency notice and hearing requirements. This bill requires an agency to implement an interested persons list for rule proposals and establishes rule review committee objection notification requirements.

HB 692: Generally revise the SMART Act

- Representative Bill Mercer
- Effective Date: May 13, 2025

- Summary: HB692 amends 2-12-104, MCA to require state government departments to submit an annual plan yearly and establishes that the plan must include initiatives from each program in the department.

HB 864: Authorize transfers and other necessary measure to implement HB 2 section E

- Representative David Bedey
- Effective Date: July 1, 2025
- Summary: HB 864 as it applies to the OPI amends section 20-9-515, MCA, or the school facility and technology account, stating that the school technology purpose is not limited to those described in section 20-9-371, MCA.
- The bill also requires that during the interim following the 69th legislative session, the education budget committee provided for in section 5-12-501, MCA, shall direct:
 - a study of the educational and fiscal impact of state funding to support interlibrary resource sharing programs across the state's public, school, academic, special, and tribal libraries; and
 - a comprehensive study of the organization and structure of the office of public instruction.
- The OPI is also required to produce the following quarterly reports to the education budget committee established in section 5-12-501, MCA, as follows:
 - The transformational learning program if HB 573 is passed and approved
 - The implementation of the high-quality instructional materials initiative if HB 462 is passed and approved
 - The Office of Public Instruction's database modernization project and associated information technology projects
 - Implementation of revised math content standards

Appropriations & Budgets

HB 15: Implement K-12 Inflation

- Representative David Bedey
- Effective Date: July 1, 2025
- Summary: HB 15 amends section 20-9-306, MCA. HB 15 provides inflationary increases of 3.00 percent for FY 2026 and 3.00 percent for FY 2027 to the funding components of school district general fund budgets. The increases are applied to the basic and per-ANB entitlements, the special education allowable cost payment, the quality educator payment, the Indian education for all payment, the at-risk student payment, the American Indian achievement gap payment, and the data for achievement payment. (Note: The inflationary increase for the at-risk student payment is not included in HB 15 rather it is a line-item appropriation in HB 2.) The fiscal note for HB 15 shows a biennial cost of \$52.1 million.

HB 153: Revise laws related to the school funding interim commission

- Representative David Bedey

- Effective Date: May 12, 2025
- Summary: HB153 revises laws related to the school funding interim commission. It revises the membership of the commission; superintendent or designee is a member of the commission. The bill modifies the commission's focus for the 2025-2026 interim and creates an innovation and excellence in education working group for the 2025-2026 interim and provides duties of the working group.

HB 156: Revise education funding laws by replacing school district BASE levies with countywide BASE levies

- Representative David Bedey
- Effective Date: October 1, 2025
- Summary: HB 156 replaces the school district base levy with a countywide levy to support the base budgets of school districts. The calculation of GTB is applied to the countywide base levy along with adjustments to tuition, non-levy revenues and modifying the duties of trustees, district clerks, county superintendents and county treasures to align with these amendments.
- See [page 36](#) for further explanation.

HB 234: Extend the use of funding for lead-in-schools appropriated in 2023

- Representative Paul Tuss
- Effective Date: April 17, 2025
- Summary: Specific to public school districts, HB 234 appropriates any remaining funds for grants to reduce exposure to lead in drinking water at school facilities to the department of environmental quality (DEQ).

HB 266: Establish education inflation reconciliation process

- Representative Luke Muszkiewicz
- Effective Date: July 1, 2025.
- Summary: HB 266 amends section 20-9-326, MCA, to include a calculation that is to be reported every even numbered fiscal year to the interim education and budget committees as follows:
 - the increase in funding on a per-ANB basis for the K-12 BASE Aid elements represented in 20-9-306(2)(a) and (2)(c) through 2(h) budgeted to be provided to school districts in the first year of the current biennium and the five most recent past fiscal years, which must be reported in both dollar and percentage amounts.
 - The one-year percent change from July of the preceding year to July, in the consumer price index, U.S. city average, all urban consumers, for all items, as published by the bureau of labor statistics of the United States department of labor for the first fiscal year of the current biennium and each the five most recent past fiscal years.
 - a 6-year cumulative numerical comparison of the difference between the percentages in (a) and (b) determined above.

- As described above parts 20-9-306(2)(a) and (2)(c) through 2(h) include the following:
 - Direct State Aid
 - Quality Educator Payment
 - At-Risk Student Payment
 - Indian Education for All Payment
 - American Indian Achievement Gap Payment
 - Data-for-Achievement Payment
 - Special Education Allowable Cost Payment

HB 515: Generally revise laws relating to school facilities consolidating two existing state special revenue accounts

- Representative Linda Reksten
- Effective Date: July 1, 2025 Sections 1 through 11, all other sections are effective May 13, 2025.
- Summary: Section 17-5-703, MCA, or the coal severance tax trust funds is amended to direct the state treasurer to annually transfer on May 15 or the Monday following, funds from the school facilities fund to the account established in section 20-9-516, MCA.
- Section 20-9-380, MCA, is a section that describes the school facilities fund and is amended to remove references to major maintenance aid and replacing these with the title of facilities and technology account established under section 20-9-516, MCA. Sections 20-9-533, & 20-9-622, MCA are amended for similar purposes.
- Section 20-9-516, MCA, or the establishment of the school facility and technology account, is amended to prioritize the order of funding for specific programs as follows:
 - School technology purposes as provided in section 20-9-516(3), MCA
 - Contingent on appropriation from the legislature, school major maintenance aid as provided in section 20-9-525, MCA
 - Contingent on appropriation from the legislature, state debt service assistance as provided in section 20-9-371, MCA
- Section 20-9-516, MCA, is further amended to identify the revenue earnings from the school facilities fund within the coal severance tax trust fund as provided in section 17-5-703, MCA, and, if applicable, excess interest and income, revenue as provided in section 20-9-622, MCA, as available revenue sources for the programs described under this section.
- Finally, section 20-9-516, MCA, continues to statutorily appropriate \$1 million a year, as provided in section 17-7-502, MCA, from the school facility and technology account established in this section for grants for school technology purposes.
- Section 20-9-525, MCA, defines the school major maintenance aid formula, with amendments to strike references to the school major maintenance aid account and directing the source of revenue to come from the school facility and technology account established in section 20-9-516, MCA.

- Additional changes to section 20-9-525, MCA, increases the state school major maintenance amount multiplier from 187% to 355% and the base school major maintenance amount from \$15,000 to \$40,000 and the rate per budget limit ANB is to be adjusted from \$110 to \$115 per budget limit ANB.

SB 34: Clarify budget limit calculations for new k-12 school districts

- Senator Daniel Emrich
- Effective Date: July 1, 2025.
- Summary: SB 34 amends sections 20-6-702 and 20-6-703, MCA, for technical clean by removing obsolete language regarding tuition calculations and clarifying the budget limit calculations for a new K-12 school district.

Career & Technical Education

HB 357: Provide funding for middle school career and technical education

- Representative Eric Tilleman
- Effective Date: October 1, 2025
- HB 357 revises educational laws to provide funding for career and technical education in the middle grades by requiring the superintendent of public instruction to adopt rules for the method of distribution, form of application, budget procedures and accounting rules associated with the appropriated funds. HB 357 provides a \$240,000 appropriation from the general fund to the OPI for FY 2027 for this program. The legislature intends that the appropriation be considered part of the ongoing base for the next legislative session.

HB 381: Provide for educational credit for students volunteering in long term care, nursing home, home care, and child care settings

- Representative Ed Buttrey
- Effective Date: July 1, 2025
- Summary: HB381 revises laws regarding student employment for high school credit in public schools and non-public schools. Provides that students 16 years of age or older may earn credit toward high school graduation through employment on a paid or voluntary basis in certain care settings. These settings include a development disabilities facility, long-term care facility, community residential facility, congregate-care facility, residential care facility, school-age program, or childcare facility. This bill also allows a public high school or nonpublic high school to impose conditions and requirements on work performed to qualify for high school credit.

HB 449: Eliminate statutory reference to the adult basic education fund and its distribution

- Representative David Bedey
- Effective Date: July 1, 2025.

- Summary: HB 449 repeals section 20-7-712, MCA. This program is being moved to the Depart of Labor.

HB 631: Revise student online protection laws related to postsecondary opportunities

- Representative Curtis Schomer
- Effective Date: May 1, 2025
- Summary: HB631 amends the definition of “K-12 school purposes” to establish that the term does not include courses that are provided for the purpose of postsecondary credit or work-based learning courses provided by a work-based learning partner pursuant to 20-7-1510.

HB 721: Revise laws relating to apprenticeship programs

- Representative Curtis Schomer
- Effective Date: October 1, 2025
- Summary: HB721 revises laws related to registered apprenticeship program. The bill revises duties of the Department of Labor and Industry for the registered apprenticeship program and revises allowable credit for prior training or experience. It also clarifies voluntary participation of employers in the registered apprenticeship program.

HB 823: Revise laws relating to the state plan committee

- Representative Brad Barker
- Effective Date: October 1, 2025
- Summary: HB823 revises the state plan committee for career and technical education. The bill adds members to the state plan committee, authorizing the Commissioner of the Department of Labor and Industry to appoint members to the state plan committee. It amends the meeting requirements of the state plan committee and requires the state plan committee to coordinate with the Strengthening Career and Technical Education for the 21st Century Act state plan in the Workforce Innovation and Opportunity Act combined state plan.

Elections

HB 125: Revise laws related to the conduct of school district elections

- Representative David Bedey
- Effective Date: May 8, 2025
- Summary: HB 125 amends section 20-20-109, MCA, revising the qualification of election judges for school district elections when a county election administrator is conducting an election on behalf of a school district.
- Amendments to this section are as follows: If a county election administrator agrees to conducts a school election pursuant to section 20-20-417, MCA, election judges must be qualified registered electors in the county in which they serve. When a school district is conducting their own election, judges must be registered electors of the school district in which they serve.

HB167: Generally revise election laws

- Representative Julie Darling
- Effective Date: April 3, 2025
- Summary: HB 167 amends sections 13-13-233 & 13-13-214, MCA, revising the requirements to post absentee voter lists at polling locations.
- Amendments to section 13-13-233, MCA, are as follows: The election judges are no longer required to post a list of the absentee ballots at polling locations and assigns duty for maintenance of absentee information to the election administrator.

HB 406: Revise election laws related to school election deadlines

- Representative Fiona Nave
- Effective Date: October 1, 2025
- Summary: HB 406 amends sections 13-10-211, 20-3-305, 20-20-201, & 20-20-401, MCA. These are changes related to candidate filing for school elections, the timelines for calling school elections, and the deadline for ballot certification.
- Section 20-3-305, MCA, amends candidate filing as follows:
 - The regular candidate filing dates for school trustee are amended from at least 40 days before the regular school election day to between 145 days and 85 days before the regular school election day.
 - The write-in candidate filing deadline for school trustee is amended from 5 p.m. on the day before ballot certification to 5 p.m. on the 65th day before the regular school election day.
 - The deadline for candidate withdrawal for school trustee is amended from 5 p.m. the day before ballot certification to 5 p.m. on the candidate filing deadline for regular school election day.
- Section 20-20-201, MCA, amends the date for the trustees of a district or other entity or official authorized by law to call a school election from 70 days before the regular school election to at least 145 days before a regular school election. The trustees may amend the resolution until 70 days prior to the regular school election. If the election called by the trustees of the district or other entity or official authorized by law to call a school election calls a special election, the resolution must be passed at least 70 days prior to a special election.
- Section 20-20-401, MCA, amends the ballot certification deadline from 30 days before an election to 40 days before an election.

HB 527: Revising the process for written plans of conduct for mail elections

- Representative Morgan Thiel
- Effective Date: October 1, 2025
- Summary: HB527 revises the process for written plans of conduct for elections conducted by mail and requires the plan to be posted to the county election office website.
- See [page 49](#) for further explanation.

HB 719: Revise election laws related to an elector's date of birth

- Representative Braxton Mitchell
- Effective Date: October 1, 2025
- Summary: HB 719 establishes that an elector must provide their date of birth on the signature envelope upon return of a mail or absentee ballot. The election administrator must verify the date of birth before the mail or absentee ballot may be counted.
- Amendments to the sections are as follows:
 - Section 13-2-110, MCA, the applicant for voter registration shall provide the applicant's date of birth.
 - Section 13-13-201, MCA, if voting by mail or absentee ballot the elector must provide a date of birth for the applicant on the signature envelope.
 - Section 13-13-213, MCA, the election administrator must compare the signature and date for birth when an elector requests an absentee ballot.
 - Section 13-13-241, MCA, adds: The date of birth as provided on the signature envelope must be compared to the elector's voter registration form or the elector's absentee ballot request. The ballot is handled as a regular ballot if the signature and date of birth are verified. If the elector is provisionally registered and signature and date of birth are verified, the election administrator or election judge shall open the outer signature envelope and determine if the information is sufficient to legally register the elector. If the date of birth on the signature envelope is missing or does not match, the election administrator shall notify the elector as provide in section 13-13-245, MCA.
 - Section 13-13-245, MCA, adds: If the date of birth on the signature envelope is missing or does not match, the election administrator shall inform the elector as to how the elector may resolve the issue.
 - Section 13-15-201, MCA, adds: The elector's date of birth on the signature envelope must be verified in preparation for counting the absentee ballots.
 - Section 13-19-301, MCA, adds: The elector's date of birth must be provided on the signature envelope upon receipt of the mail ballot.
 - Section 13-19-304, MCA, adds: For elections by a political subdivision that allows individuals to vote who are not registered electors, the signature and date of birth must be provided as verification when the mail ballot is returned.

SB 57: Revise county canvassing processes

- Senator Mike Cuffe
- Effective Date: May 8, 2025
- Summary: SB 57 amends sections 13-15-403 & 13-16-201, MCA. The canvass must include a comparison of the number of votes cast to the number of electors and number of persons who voted. If the votes returned for any candidate or ballot issue

exceeds the number of electors or the total number of persons who voted or finds an error in vote totals, the board shall immediately investigate the discrepancy or error until it is reconciled and documented or determined to have no impact on the outcome of the election. The investigation must be concluded within 2 days. The board may require the election administrator to conduct a recount in a race or races a ballot issue or ballot issues or to inspect ballots as part of its investigation. A recount must follow the procedures established in sections 13-16-Part 4, MCA

SB 105: Generally revise election laws related to electioneering at polling locations

- Senator Jonathan Windy Boy
- Effective Date: July 1, 2025
- Summary: This bill expands electioneering restrictions to any time that an elector may obtain or vote a ballot or the hours a location is open to obtain or vote a ballot.

SB 115: Revise election laws related to public notices

- Senator Wendy McKamey
- Effective Date: April 17, 2025
- Summary: Section 13-15-105, MCA, amends the dates for notices related to absentee ballot counting board to not more than 12 days or less than 2 days before an election. Section 13-17-203, MCA, amends the dates for notice of publication of information concerning voting systems to not more than 12 days or less than 2 days before an election.

SB 242: Revise election laws related to ballot form and uniformity

- Senator Wendy McKamey
- Effective Date: April 17, 2025
- Summary: Section 13-12-202, MCA, is amended to allow the ballot to be printed with the words “official ballot” in accordance with Section 13-13-116, MCA. Section 13-13-116, MCA, is amended to remove the requirement that ballots be individually stamped with the words “official ballot”.

SB 276: Generally revise voter identification laws

- Senator Mike Cuffe
- Effective Date: October 1, 2025
- Summary: SB276 revises voter identification laws and identification requirements for voting and provisional voting. It removes the option to execute a declaration of reasonable impediment to meeting the identification requirements for provisional ballots.

SB 360: Revise election laws related to definitions

- Senator Shelley Vance
- Effective Date: May 5, 2025

- Summary: SB360 revises election laws by revising definitions. "Accepted ballot" means a ballot that has been completed by an elector and the election administrator has determined that it may be counted. "Ballot number variance" means the difference between the number of ballots issued for both poll electors and absentee electors and the number of ballots counted. "Challenged ballot" means a ballot cast by an individual whose eligibility to vote has been challenged pursuant to 13-13-301. "Overvote" means the number of selections made by an elector on a ballot is more than the maximum number allowed. "Regular ballot" means an official ballot that has been issued to an elector. "Rejected ballot" means a ballot which has been cast but cannot be counted by law. "Replacement ballot" means a regular ballot issued by an election administrator or election judge to replace a regular ballot. "Report of the canvass" means a report that contains the information required to be entered into the record at the canvass as provided in 13-15-404 and 13-15-506. "Spoiled ballot" means a ballot that has been mistakenly marked, damaged, or altered. "Voided ballot" means a ballot that has been marked "void" by an election administrator.

SB 490: Revise election laws regarding late registration

- Senator Mike Cuffe
- Effective Date: October 1, 2025
- Summary: SB490 revises late voter registration. This bill revises the days and times an elector may register late, change the elector's voter registration information, and vote in a federal election.

General Education

Districts

HB 250: Generally revise education laws related to out-of-district attendance.

- Representative David Bedey
- Effective Date: July 1, 2025
- Summary: HB 250 revises education laws related to out-of-district attendance. The bill clarifies the tuition and transportation responsibilities of a district of residence for a child with a disability; clarifies provisions related to transportation responsibilities. It allows trustees to deny an out-of-district attendance request if accepting the request would jeopardize the district's accreditation status and for students who have been suspended. The bill clarifies the tuition responsibilities for a nonoperating school district and prorated tuition for partial-year attendance. The bill also revises the out-of-district reporting requirements by school districts to the superintendent of public instruction. It clarifies remote instruction for students attending out-of-district and removes the requirement that a student seek remote instruction from the nearest school district offering the remote instruction.
- See [page 39](#) for further explanation.

HB 567: Revise education laws related to multidistrict agreements

- Representative Brad Barker
- Effective Date: July 1, 2025
- Summary: HB 567 revises laws related to multidistrict agreements between school districts to increase the flexibility of school districts to enter into multidistrict agreements. The bill also provides a countywide resource-sharing incentive through the total quality educator payment for school districts that establish certain multidistrict agreements with all districts in a county and allows multidistrict agreements to include private entities.
- See [page 50](#) for further explanation.

HB 606: Revise school district reorganization laws

- Representative Brad Barker
- Effective Date: July 1, 2025
- Summary: HB 606 revises school district reorganization to create a pathway for various types of school districts to reorganize to form a unified k-12 school district. The bill requires county superintendents of schools to modify school district boundaries when necessary to accommodate reorganizations.
- HB 606 amends sections 20-3-205, 20-3-302, & 20-3-312, 20-3-342, 20-6-202, 20-6-314, 20-6-410, 20-6-411, 20-6-413, 20-6-414, 20-6-423, 20-6-424, 20-6-704, 20-9-311, 20-9-502, MCA, to remove the term consolidate and replaces this with reorganize as well as additional limited verbiage adjustments.
- Section 20-6-423, MCA, is amended requiring county superintendents to modify school district boundaries when the requirements of consolidation are necessary.

SB 34: Clarify laws related to k-12 school districts

- Senator Daniel Emrich
- Effective Date: July 1, 2025
- Summary: SB 34 amends sections 20-6-702 and 20-6-703, MCA, for technical cleanup by removing obsolete language regarding tuition calculations and clarifying the budget limit calculations for a new K-12 school district.

SB 36: Remove expired contingency language related to generating unit closure

- Senator Daniel Emrich
- Effective Date: July 1, 2025.
- Summary: SB 36 amends section 20-9-638, MCA by striking obsolete language from section 20-9-638, MCA, which directs a district to repay all, or a portion of the coal-fired generating unit closure mitigation block grant should closure transition agreements be met. These transition agreements were required for fiscal years between 2018 and 2022 and are no longer applicable.

SB 37: Clarify calculations for significant enrollment increases

- Senator Daniel Emrich

- Effective Date: July 1, 2025
- Summary: SB 37 amends section 20-9-166(2)(a), MCA, to add in language to specify that enrollment increases must be calculated separately for each budget unit of a school district. The functioning unit of funding for school districts is the budget unit as defined in section 20-9-306(7), MCA. Under past statute the mechanisms associated with unusual enrollment increases in 20-9-166 & 20-9-314, MCA, operate using the budget unit as the functioning units in the associated formulas.

Early Childhood Education

HB24: Clarify laws related to kindergarten

- Representative Melissa Romano
- Effective Date: July 1, 2025
- Summary: HB 24 revises education laws about kindergarten, to clarify specific types of enrollment increases, and to remove obsolete provisions by amending multiple sections of law.
- Sections 20-1-301, 20-3-326, and 20-7-117, MCA, are amended to clarify that students enrolled in kindergarten programs are to be counted for ANB purposes based on the number of aggregate hours enrolled. Students may enroll half or full time and, that districts offer kindergarten to meet aggregate hour requirements.
- Sections 20-9-311, and 20-9-313, MCA, are modified to remove references to the transitioning of districts to full-time kindergarten programs for adjustments to ANB funding, and budget amendment adjustment purposes that were related to SB 2 of the 2007 special legislative session.
- Section 20-9-205, MCA, or the powers and duties of the county superintendent, is amended to broaden the meaning of estimated increases to ANB under section 20-9-131, MCA from item (1)(c), or anticipated increases in ANB associated with the closure of a private or other public school district in or in a neighboring school district to the entire section.

HB 338: Revise laws regarding targeted early numeracy intervention

- Representative Melissa Romano
- Effective Date: May 5, 2025
- Summary: HB 338 revises laws related to early literacy targeted interventions to include numeracy and allow greater flexibility in evaluating children for eligibility along with revising reporting requirements.
- HB 338 amends sections 5-11-222, 20-3-326, 20-5-101, 20-7-1801, 20-7-1802, 20-7-1803, 20-7-1804, & 20-9-311, MCA, broadening the meaning of early interventions to include both early literacy and numeracy.
- Additional amendments adjust section 20-7-1803, MCA, by removing the limitation requirement to administer evaluations during the months of April, May and June for student candidates to early intervention programs, allowing for evaluation to occur any time of year.

SB35: Clarify enrollment counts for early literacy jumpstart program

- Senator Daniel Emrich
- Effective Date: July 1, 2025, with retroactive applicability.
- Summary: SB 35 amends sections 20-7-1804, & 20-9-311, MCA, clarifying the funding and enrollment counts for a child participating in an early literacy jumpstart program. Section 20-7-1804(3), MCA, or the early literacy targeted interventions, funding and reporting requirements is amended to expand language to clarify that an eligible child participating in a jumpstart program pursuant to 20-7-1803(7), MCA, must be counted as quarter-time enrollment by the school district providing the jumpstart program to the child for the purpose of ANB calculations pursuant to 20-9-311, MCA. An eligible child participating in a jumpstart program provided by a district other than the child's resident school district does not require an out-of-district attendance agreement and is not subject to the tuition laws under 20-5-320 through 20-5-324, MCA. Section 20-9-311, MCA(4)(e)(ii), is amended clarifying that the district providing a jumpstart program is to generate the ANB funding.

Indian Education

SB 181: Generally revise Indian education for all laws

- Senator Jonathan Windy Boy
- Effective Date: July 1, 2025
- Summary: SB 181 amends section 20-9-329, MCA, clarifying that if school district fails to file the annual financial report, the OPI shall reduce the school district's BASE and maximum budget limits and BASE aid funding by the full amount of the Indian education for all payment. BASE and maximum budget limits and BASE aid funding are to be reduced for a school district that fails to show that all funds received were spent for approved purposes.
- Additional amendments to section 20-9-329, MCA, require the OPI to publish an annual report on the agency website listing school districts that fail to report or satisfactorily report. The OPI is also required to list the school districts that fail to report or satisfactorily report, to be noted in the school accreditation status reports established by the Board of Public Education.
- Section 20-1-503, MCA, adds the requirement for the OPI to create and maintain an online portal to respond to and address feedback for improvement of the quality of American Indian studies.

SB 182: Generally revise MT Indian language preservation program

- Senator Jonathan Windy Boy
- Effective Date: July 1, 2025
- Summary: SB182 provides greater flexibility for the educational partnerships entered into by tribes in the Montana Indian language preservation program. The bill encourages the integration of efforts between the Montana Indian language preservation program and the Indian language immersion programs of school

districts. It also emphasizes the value of collaborative professional development and the use of materials previously produced by the tribes under the program that are housed at the Montana Historical Society.

SB 303: Require agency reporting on financial assistance to tribes

- Senator Jonathan Windy Boy
- Effective Date: July 1, 2025
- Summary: SB303 requires state agencies to submit reports to the Office of Budget and Program Planning on information related to financial assistance provided to tribal entities. It requires the Office of Budget and Program Planning to compile a report on financial assistance provided by state agencies directly or indirectly to tribal entities and submit the report in an electronic format to the legislature.

Other

HB118: Revise the Montana interstate compact on educational opportunities for military children

- Representative Ed Buttrey
- Effective Date: April 3, 2025
- Summary: HB118 revises the interstate compact on educational opportunity for military children. It clarifies the commission's authority to determine an annual assessment in an amount equal to a per-student amount multiplied by the number of children in military families in Montana. The bill also updates citations to the United States code.

HB 400: Enact the "Free to Speak Act"

- Representative Braxton Mitchell
- Effective Date: May 1, 2025
- Summary: HB400 prohibits public schools or the state from imposing disciplinary or other adverse actions on a student or employee who refuses to use certain speech including students' pronouns or using a person's legal name. The bill also provides a cause of action for violations of the "Free to Speak Act".

HB 573: Revise transformational learning laws to create a phase II grant program

- Representative David Bedey
- Effective Date: July 1, 2025
- Summary: HB573 revises laws related to transformational learning by moving the termination of the existing transformational learning grant program up by 1 year. The bill establishes a transformational learning phase ii grant program and requirements for administering the program for the Superintendent of Public Instruction and the Board of Public Education.
- See [page 51](#) for further explanation.

HB 591: Institute the celebrate freedom week in Montana's public schools

- Representative Greg Oblander
- Effective Date: July 1, 2025
- Summary: HB591 designating the last full week in September as celebrate freedom week in Montana’s public schools. The bill requires the trustees to adopt a policy to address and ensure the effective conduct of appropriate exercises for the commemorative days provided in Section 1 20-1-306, MCA.

HB 718: Generally revise laws relating to incarceration

- Representative Kerri Seekins-Crowe
- Effective Date: May 8, 2025
- Summary: HB718 establishes an office of reentry services in the Department of Labor and Industry. Directs the office of reentry services to collaborate with state agencies, companies, and stakeholder organizations, including the Office of Public Instruction.

HB 744: Authorize speech-language pathology aides and audiology aides

- Representative Melissa Nikolakakos
- Effective Date: May 8, 2025
- Summary: HB744 establishes that a speech-language pathology aide or audiology aide employed by a school district: is not required to be licensed by the board; shall work under the supervision of a speech-language pathologist or an audiologist a minimum of 20% of the time; and may not perform work that requires the independent judgment of a speech-language pathologist or audiologist.

HB 806: Generally revising laws related to dietitians and nutritionists

- Representative Courtenay Sprunger
- Effective Date: October 1, 2025
- Summary: HB 806 redirects the license type for dietitians from section 37-25-302, MCA to the language provided in section 7 of the bill which states:
 - *Section 7. Scope of dietetic-nutrition practice. Only an individual licensed under this chapter or as permitted pursuant to 37-25-304 may provide medical nutrition therapy as part of the practice of dietetics or nutrition.*
- HB 806 amends section 20-4-502, MCA redirecting licensed nutritionists and dieticians defined under section 37-25-302, MCA to what is described in section 7 of the bill. Additionally, section 20-9-327, MCA, titled Quality educator payment, is likewise amended to redirect licensed nutritionists and dieticians defined under section 37-25-302, MCA to what is described in section 7 of the bill.
- HB 806 provides definitions for licensed dieticians and nutritionists under section 37-25-102, MCA

SB 278: Revise education laws to support advanced opportunities

- Senator Sara Novak
- Effective Date: May 12, 2025 & July 1, 2025, sections 1 and 2.

- Summary: SB 278 amends section 20-7-1503, MCA, to define advanced opportunity facilitator to mean: *an individual employed by a school district who coordinates between the school district, a qualifying pupil and the pupil's family, postsecondary institutions, employers, industry associations, community organizations, or any other individual or entity that provides an advanced opportunity.*
- Section 20-7-1506, MCA, or incentives for creation of advanced opportunity programs, is amended to include with the listing of permissible expenditures where advanced opportunity aid remaining that is not expended or carried forward may be spent by the district to: *pay for the costs of employing an advanced opportunity facilitator as defined in 20-7- 2 1503, MCA.*
- Section 20-9-327, MCA, which defines the quality educator payment, is amended to include the advanced opportunity facilitator in the calculation of the quality educator payment.
- The effective date is set for July 1, 2025. A collection of the newly established advanced opportunity facilitators will need to be collected. The first year of increased quality educator payments will be FY2027.

SB 350: Revise participation in extracurricular activities

- Senator Matt Regier
- Effective Date: May 12, 2025
- Summary: SB 350 amends section 20-5-112, MCA, stating that a school district or an athletic association, conference, or organization with authority over interscholastic sports may prohibit or restrict the participation in extracurricular activities of a student attending a home school based on one or both of the following factors:
 - The student's status as a united states citizen
 - The student's status as a Montana resident, as determined under the provisions of section 1-127-215, MCA.

Public Charter Schools

HB28: Clarify timelines and opening procedures for public charter schools

- Representative David Bedey
- Effective Date: April 7, 2025.
- Summary: HB 28 amends sections 20-6-804, 20-6-805, 20-6-806, 20-6-809, & 20-6-812, MCA
- HB 28 clarifies law relating to public charter schools for, approval timelines, opening procedures, and initial year funding to include that public charter school districts are entitled to per-ANB based funding components in the initial year of operation.
- HB 28 requires that the Board of Public Education (BPE) will notify the Office of Public Instruction and the relevant county superintendent of the status of public charter schools, in a timely manner.

- The BPE is to approve pre-opening of charter schools, exempting the requirements of opening a school within a district under Title 20, chapter 6, part 5.
- Funding for public charter schools, is amended to require charter schools operated by a local school board to return state Basic Entitlement payments if October enrollment converted to ANB does not meet the eligibility requirements for separate budget unit status. The return of over payment is described under section 20-9-344, MCA.
- Per-ANB based entitlements are not to be included in budget determination or payments in the inaugural year of operation for public school charters that are operated by a school district.
- Further clarification includes that estimated enrollments provided are to be converted to ANB and that in the second and third years of operation, the current year ANB is to also be the 3-year average ANB for the budget unit(s) identified as charter schools.
- Finally, and specifically to separate independent charter school districts, amendments add similar requirements for repayment of the state basic entitlement payment when overpayment is made and the minimum ANB levels are not met, as indicated in section 20-9-344, MCA. That the basic entitlement is to be based on the estimated enrollment converted to ANB for the budget determination of the inaugural year of operation.
- As amended the district public charter school per-ANB entitlement, Indian education for all payment, data-for-achievement payment, and special education allowable cost payment must be based on the planned enrollment provided in the public charter school district's application in the inaugural year.
- Retroactive applicability affects charter schools opening for inaugural operation under existing public school district boards and independent charter school district budgets of FY2025 or FY2026.

HB 251: Generally revise laws related to public charter schools

- Representative David Bedey
- Effective Date: July 1, 2025.
- HB 251 amends section 20-6-803, MCA, to include the following definition defining public charter school districts. "Public charter school district" means a school district created pursuant to this part by the Board of Public Education that is governed by a governing board that is not a local school board. A public charter school district:
 - (a) is a district for governing purposes only
 - (b) is not a taxing jurisdiction
 - (c) receives state funding as described in 20-6-812, MCA
 - (d) is subject to Title 20, except as described in this part
 - (e) is not subject to the laws for district boundary changes or school opening

- Section 20-6-805, MCA, is additionally amended by requiring the Office of Public Instruction (OPI), prior to the Board of Public Education (BPE) review, to provide an estimate of state and local costs attributable to each charter school proposal and existing charter schools as follows:
 - (i) an estimate of the additional state and local costs attributable to the basic entitlement
 - portion of the budget of each charter school proposal based on the planned enrollment
 - in the third year of operations as stated in the proposal pursuant to subsection (3) within
 - section 20-6-805, MCA.
 - (ii) the additional state and local costs attributable to the basic entitlement
 - portion of the
 - budget of existing public charter schools in the current year.
- Section 20-6-805(6), MCA, is amended directing the BPE to limit the estimated annual additional state cost attributable to the basic entitlement portion of the budget for all public charter schools based on the information provided by the OPI in subsection (5)(b), limit the estimated total additional state cost attributable to the basic entitlement in the third year of operations for public charter schools newly approved by the board to the amount specified by the legislature in the appropriations act for the purposes of this program.
- Additionally, the BPE is directed to prioritize those proposals that demonstrate a commitment to and robust understanding of personalized and proficiency-based learning as described and defined in section 20-7-1601, MCA.
- Section 20-6-812, MCA, describes funding for public charter schools, and clarifies requirements for public school districts as it relates to tuition. HB 251, states that a charter school district is prohibited from charging tuition and fees, and the provisions for out-of-district attendance under Title 20, chapter 5, part 3, do not apply to a public charter school district. The section is further amended to clarify that the provisions for out-of-district attendance for a child with a disability under Title 20, chapter 5, part 3, apply to a public charter school district, including the resident school district's obligation to support a portion of the costs of the child's education.
- Finally, section 20-6-812, MCA, is amended providing that a public charter school district may receive donations for innovative educational programs as provided for in sections 15-30-2334, 15-30-3110, and 15-31-158, MCA.

Special Education

HB 168: Provide state funding for preschool children with disabilities

- Representative Jonathan Karlan
- Effective Date: July 1, 2025
- Summary: HB 168 modifies section 20-9-311(7), MCA, to include the following:

- *Preschool children with disabilities receiving special education services as required under 20-7-411(3), or the obligation to establish special education program, may be included in ANB calculations based on the aggregate hours of pupil instruction.*
- Section 20-5-101, MCA, is amended, adding that a child with a disability and is being admitted into a special education program pursuant to section 20-7-411, MCA, clarifying that these students are not eligible to be enrolled in a special educational setting concurrently to that of a classroom based early literacy program.
- Section 20-7-411(3), MCA state: The board of trustees of each elementary district shall provide or establish and maintain a special education program for each preschool child with a disability who is 3 years of age or older and under 7 years of age.

HB 184: Revise laws that may diminish the dignity of individuals who are deaf or hard of hearing

- Representative Connie Keogh
- Effective Date: October 1, 2025
- Summary: This bill modifies language in Montana laws that may diminish the dignity of individuals who are deaf or hard of hearing. For instance it amends “hearing loss” to “various auditory ranges” and “impaired hearing” to “being deaf or hard of hearing”.

HB 669: Revise laws related to educating children receiving in-state inpatient treatment of serious emotional disturbances

- Representative David Bedey
- Effective Date: July 1, 2025
- Summary: HB 669 amends sections 20-7-419 & 20-7-435, MCA. HB 669 revises laws regarding educational programs for eligible children receiving in-state inpatient treatment of serious emotional disturbances and clarifies the tuition calculations for certain eligible children. It also strikes section 20-7-435, MCA. This removes the Office of Public Instruction ability to assist public schools with unexpected enrollment of a student with significant behavioral or physical needs, also known as the Significant Needs Grant. The Significant Needs Grant was specifically directed towards schools who will be significantly financially impacted by the unexpected enrollment of a student with significant behavioral or physical needs in the midst of a school year.

HB 866: Allow the term "emotional disability" to be used instead of "emotional disturbance" as it relates to special education

- Representative Melissa Romano
- Effective Date: July 1, 2025

- Summary: Allows the term “emotional disability” to be used instead of the term “emotional disturbance” as it relates to special education.

SB 191: Provide for the licensure of residential treatment centers

- Senator Mike Cuffe
- Effective Date: October 1, 2025
- Summary: SB191 amends sections 20-7-419, 20-7-436, and 50-5-101, MCA to amend the creation and licensure of residential treatment centers and extends funding of appropriate educational opportunities to children in residential treatment centers.

Parental Rights & Privacy

HB 471: Revise education laws related to human sexuality and identity instruction

- Representative Jedediah Hinkle
- Effective Date: July 1, 2025
- Summary: HB471 amends school laws related to human sexuality and identity instruction to increase the transparency of curriculum and strengthen the rights of parents to control their child's instruction. This bill requires a parent or guardian to give permission or opt-in for a child to receive identity instruction. It also revises timeline requirements for schools to provide notice to parents and guardians prior to the provision of human sexuality instruction. The bill requires school districts to prepare a summary of the district's health enhancement curriculum and provide updates to the publicly available summary each year. "Identity instruction" is defined as instruction that has the goal or purpose of studying, exploring, or informing students about gender identity or gender expression, or sexual orientation. This bill also establishes that neither "human sexuality instruction" nor "identity instruction" includes or applies to a teacher's response to an unexpected student-initiated inquiry related to the topics under each term.

HB 599: Revise student data collection laws

- Representative Melissa Nikolakakos
- Effective Date: October 1, 2025
- Summary: HB599 revises parental rights regarding data collection for children. This bill provides opt-out and opt-in options for parents regarding evaluations, surveys, and data collection. It also requires that notifications be sent to parents regarding any physical and mental health screenings or surveys.

School Choice

HB 343: Require schools to provide religious instruction released time program

- Representative Randyn Gregg
- Effective Date: July 1, 2025

- Summary: This bill revises education laws related to religious instruction released time. It requires school district trustees to provide a religious instruction released time program; the program must allow a student at least 1 hour of religious instruction released time a week. Authorizes the school district trustees to adopt a policy awarding credit for a religious instruction released time course and providing requirements for that policy.

HB 778: Generally revise laws related to homeschooling

- Representative Randyn Gregg
- Effective Date: May 13, 2025
- Summary: This bill revises requirements regarding home schools and separates the requirements for home schools from the requirements for nonpublic schools.

SB 177: Allow community choice school commission to seek public funding

- Senator Sue Vinton
- Effective Date: May 5, 2025
- Summary: SB 177 amends section 20-11-106, MCA authorizing the community choice school commission to seek and receive public funding and clarifying the commission's ability to receive and expend gifts from private individuals.

SB 486: Revise equal opportunity education savings account funding

- Senator Sue Vinton
- Effective Date: July 1, 2025.
- Summary: SB 486 amends section 20-7-1709 revising remittances for the Montana special needs equal opportunity education savings account (ESA) to allow a school district to elect to have the OPI pay the remittance amount in the first year of a student's participation in the program.
- Amendments to the section are as follows:
 - A school district may elect to have the OPI provide the amount calculated under subsection (1) of section 20-7-1709, MCA, in the first year of a student's participation in the program in the school district. In this circumstance:
 - The OPI shall use money from the BASE aid appropriation and account for the money as provided for all ESA funds.
 - In the first year in which the student is no longer participating in the program in the school district, the OPI shall reduce the school district's BASE aid payment by an amount equivalent to the amount provided by the OPI under this subsection (2)(b), increased by the same inflationary adjustment provided by the legislature for the basic and per-ANB entitlement amounts calculated as provided in section 20-9-306, MCA, since the student's first year of participation in the program in the school district.

SB 253: Revise administrative and certification processes for student scholarship organizations

- Senator Sue Vinton
- Effective Date: October 1, 2025
- Summary: HB253 requires a student scholarship organization to apply for certification from the department of revenue and establishes requirements for certification. The bill ensures a parent's right to select an education provider and increases transparency and accountability requirements for student scholarship organizations.

Student Health & Safety

HB121: Provide privacy in certain restrooms, changing rooms, and sleeping quarters

- Representative Kerri Seekins-Crowe
- Effective Date: March 27, 2025
- Summary: This bill requires that certain facilities designate multi-occupancy restrooms, changing rooms, and sleeping quarters for the exclusive use of males or females. The bill also requires that individuals use restrooms, changing rooms, and sleeping quarters designated for their sex.

HB300: Generally revise laws related to discrimination in education

- Representative Kerri Seekins-Crowe
- Effective Date: October 1, 2025
- Summary: HB300 establishes that it is an unlawful discriminatory practice for an educational institution to allow a male person to participate in athletic programs designated for female persons. Provides that it is an unlawful discriminatory practice for an educational institution to fail to provide a person with access to a restroom, locker room, shower area, or sleeping quarter that is inaccessible by a person of the opposite sex while in use.

HB 600: Authorize emergency use of albuterol in a school setting

- Representative Melody Cunningham
- Effective Date: July 1, 2025
- Summary: HB600 amends laws regarding emergency administration of medication by an employee or agent of a public or nonpublic school. It allows a school to maintain a supply of stock albuterol and the emergency use of stock albuterol in a school setting by a trained individual.

HB 745: Require background checks for certain school employees and volunteers

- Representative Eric Tilleman
- Effective Date: July 1, 2025

- Summary: HB745 requires school districts to adopt a student protection policy that requires background checks for any individual who may have unsupervised contact with students. It requires school districts who fail to comply with their student protection policy to submit a correction plan with the superintendent of public instruction.

HB 869: Provide for the sudden cardiac arrest prevention in youth sports

- Representative Melissa Romano
- Effective Date: July 1, 2025
- Summary: HB869 requires the superintendent of public instruction to develop resources for cardiac arrest prevention. It requires coaches to undergo training on cardiac arrest and to hold informational meetings on cardiac arrest. The bill allows coaches, trainers, and officials to remove a youth athlete from participation if the youth athlete exhibits warning signs of cardiac arrest and requires a youth athlete be removed from participation and to be cleared by a medical professional prior to returning to play. The bill clarifies that the purchase of automatic external defibrillators is allowed as an enhancement to school and student safety and security and is therefore an allowable expenditure for school major maintenance aid. Creates a reimbursement grant program for the cost of automatic external defibrillators to be administered by the office of public instruction.

HJ 53: Request an interim study on school safety

- Representative Brad Barker
- Effective Date: Report due by September 15, 2026
- Summary: A joint resolution of the Senate and the House of Representatives of the state of Montana requesting an interim study on improving school safety, and requiring that the final results of the study be reported to the 70th Legislature.

SB 107: Provide for human trafficking prevention education in public schools

- Senator Susan Webber
- Effective Date: July 1, 2025
- Summary: This bill further establishes a legislative goal for public elementary and secondary schools to support instruction of prevention and avoidance of child sex trafficking and human trafficking. Requires the office of public instruction to undertake activities to educate Montanans about and prevent child sex trafficking and human trafficking.

SB 211: Revise emergency use of epinephrine in school setting to include nasal spray

- Senator Cora Neumann
- Effective Date: April 16, 2025
- Summary: SB211 revises the emergency use of epinephrine in a school setting to include nasal spray.

SB 245: Provide for human trafficking awareness training for school bus drivers

- Senator Mike Yakawich
- Effective Date: July 1, 2025
- Summary: SB 245 modifies language in section 20-7-1316(2), MCA, as follows: The office of public instruction shall make available cost-free, transportation industry-specific training materials that school bus drivers may use to complete a training course on how to recognize and identify signs of human trafficking and how to report concerns to an appropriate authority as part of any annual training requirement. The Office of Public Instruction shall use transportation industry-specific courses from organizations that have developed resources specifically for school bus drivers and have made these materials available to the public at no cost.

SB 369: Strengthen suicide prevention efforts in schools

- Senator Mike Yakawich
- Effective Date: July 1, 2025
- Summary: SB369 revises school youth suicide prevention laws. It strengthens youth suicide prevention efforts in Montana schools by requiring the office of public instruction to ensure low-cost and no-cost options for youth suicide awareness and prevention training. The bill requires youth suicide awareness and prevention training for office of public instruction employees who work directly with students and for school district employees. It requires that the policies, procedures, or plans related to suicide prevention and response developed by a school district include a description of youth suicide awareness and prevention training requirements for school district employees.

SB 503: Allow use of expired opioid antagonists

- Senator Cora Neumann
- Effective Date: October 1, 2025
- Summary: SB503 provides for the use of expired opioid antagonists, and provides partial immunity to school employees, to eligible recipients, and to medical practitioners and pharmacists for using expired opioid antagonists.

SJ 29: Interim study resolution on coordinating efforts between OPI and DPHHS in addressing the impacts on children of prenatal exposure to meth and fentanyl

- Senator Jonathan Windy Boy
- Effective Date: Concluded prior to September 15, 2026.
- Summary: SJ29 is a joint resolution of the Senate and the House of Representatives of the state of Montana requesting an interim study on coordinating efforts between the Department of Public Health and Human Services and the office of public instruction to address the impacts of prenatal exposure to methamphetamine and fentanyl on children; and requiring that the final results of the study be reported to the 70th legislature.

Taxes

HB18: Deposit non-levy revenue in school equalization and property tax relief account

- Representative Mark Thane
- Effective Date: July 1, 2025
- Summary: HB 18 amends sections 15-39-110, 17-3-222, 20-9-331, 20-9-332, & 20-9-333, MCA.
- HB 18 redirects the deposits or revenues associated with school equalization levies into the school equalization and property tax reduction (SEPTR) account from the state general fund.
- HB 18 amends section 15-39-110, MCA, by removing language in association with bentonite mine tax, interest and penalties and redirects a state general fund portion to the school equalization and property tax reduction account. Section 17-3-222, MCA, is amended to redirect state general fund Taylor grazing to the school equalization and property tax reduction (SEPTR) account.
- Section 20-9-331, & 20-9-332, MCA, are amended to redirect surplus equalization funds to the SEPTR account to be used for the purposes described in section 20-9-336, MCA, which consists of state equalization aid. Equalization aid is defined in section 20-9-343, MCA, as guaranteed tax base aid, BASE aid, and state debt service assistance.

HB20: Require voted levies to be in dollars rather than mills

- Representative Larry Brewster
- Effective Date: October 1, 2025
- Summary: Section 15-10-425, MCA, titled mill levy election, is amended to strike the opportunity to hold elections with a resolution based on either a dollar amount or a specified number of mills, rather, elections held after the effective date of HB 20, are to be based on a dollar amount only.
- HB 20 amends section 15-10-420, MCA, or the procedure for calculating levies, which limits the increase of levy imposition to one-half of the average rate of inflation for the prior 3 years.
- In accordance with the current statute, this limitation does not include certain school district related levies as stated in section 15-10-420(5)(a), MCA.
- School district exclusions are expanded by adding reference to new language listed as, section 15-10-425(2)(b) which states: *Section 15-10-425(2)(b), Except for a school district levy established in Title 20, the resolution, charter amendment, or petition may provide that the mill levy is subject to the provisions of 15-10-420(1)(a).*

HB 22: Align home value amounts for school district property tax impact statements

- Representative Melissa Romano
- Effective Date: October 1, 2025
- Summary: HB 22 amends section 20-9-116, MCA, or the resolution of intent to increase non-voted levy notices, to align with changes provided in HB 543 (session

2023) and SB 123 (session 2023) which amended sections 15-10-425 & 20-9-426, MCA, to require the notice for tax impacts on home property values of \$100,000, \$300,000 and \$600,000.

HB 231: Revise property tax rates for certain property

- Representative Llew Jones
- Effective Date: Retroactive to December 31, 2024 & Sections 3 & 4 December 31, 2026
- Summary: HB 231 changes various sections under title 15 Taxation as well as creates new sections describing the homestead reduction tax rate, impacting the calculation of school district general fund GTB, county retirement GTB, and the estimated revenue to support the SEPTR account.
- HB 231 revises tax rates for certain class four residential and commercial property providing a lower tax rate for certain owner-occupied residential property and long-term rentals and provides a lower tax rate for a portion of commercial property value.
- HB 231 amends section 15-6-134, MCA, the changes adjust district and statewide taxable valuation. Changes to TV will impact the calculation of guaranteed tax base (GTB) aid beginning FY2026.
- Taxable value changes associated with HB 231 will adjust the estimated amount of revenue received to the school equalization and property tax reduction (SEPTR) account under section 20-9-336, MCA. This account receives revenue as described in sections 20-9-331, 20-9-333, & 20-9-360, MCA. These sections levy funds for school district equalization aid in the amounts of 33, 22, and 40 mill respectively.
- Reductions to taxable value will adjust the value of each mill levied. As a result, additional mills will be required to achieve the same level of funding for the formulaic and required BASE levy area of a district's general fund budget. State general fund GTB described under section 20-9-366, MCA, will adjust for qualifying districts.
- Reductions to taxable value will adjust the value of each mill levied. As a result, additional mills will be required to achieve the same level of funding for the formulaic retirement GTB calculation. State retirement GTB described under section 20-9-366, MCA, will adjust for qualifying districts.
- Retroactive applicability is applied requiring that these amendments would apply to property tax years beginning after December 31, 2024, impacting the budget setting mills of FY2026 and the GTB subsidy per mill calculations for funding in FY 2027.
- Coordination instructions with SB 542 direct section 15-6-134(3)(a), MCA state that for FY2026 class four residential property described in subsections (1)(a) through (1)(d) of this section are taxed at a graduated rate as follows:
 - 0.76% for the first \$400,000 market value
 - 1.1% for the market value that is greater than \$400,000 and up to \$1.5 million
 - 2.2% for the market value that is greater than \$1.5 million

HB 483: Revise laws to reduce property taxes while preserving the current 95 school equalization mills

- Representative Courtenay Sprunger
- Effective Date: May 12, 2025
- Summary: HB 483 amends statute requiring the office of public instruction and the department of revenue to collaborate and mitigate on the impacts of reappraisal on school property taxes. The bill clarifies that the state and county school equalization mills (the 95 mills) and vocational-technical education mills are fixed amounts and that school levies are not subject to the requirements of section, 15-10-420, MCA. The bill also amends the mechanisms within the school equalization and property tax reduction account (SEPTR) as well as changes the school district and retirement GTB multipliers for fiscal year 2026 contingent on property tax legislation enacted. HB 483 changes the on-schedule reimbursement rates for school transportation and adjusts the state & county share of the schedule reimbursements.
- See [page 46](#) further explanation.

HB 845: Increase IRC 529 education savings income tax deduction

- Representative Julie Darling
- Effective Date: May 13, 2025
- Summary: This bill increases the income tax deduction for contributions to a family education savings account and provides inflationary increases.

HB 846: Revising property taxation for certain local government subdivisions

- Representative Ken Walsh
- Effective Date: May 13, 2025
- Summary: HB 846 addresses pupils unable to access their resident school district by providing for the calculation of a reconciliation payment related to isolated pupils unable to access their resident school district. The bill describes a process for petition procedures and a processing fee to establish the qualification of a school district of attendance.

SB 542: Generally revise property tax laws

- Senator Wylie Galt
- Effective Date: May 13, 2025, Sections 5 through 10, 15 through 21, & 24
- Summary: SB 542 creates a tiered tax rate for residential and commercial class 4 property beginning TY 2026. The bill indexes the tax tiers to the median residential and commercial property value each reappraisal cycle. The bill also implements a tiered rate adjustment for all residential and commercial property retroactive for TY 2025. Agricultural property receives an ongoing rate reduction. The bill also added a \$400 rebate for property taxes paid in TY 2024.

Specific to school districts section 15-6-134, class four property is amended, in part, to create for four residential property described in subsections (1)(a) through (1)(d) of this section is taxed at a graduated rate as follows:

Market Value	Tax Rate
first \$500,000	0.76%
\$500,001 to \$750,000	1.15%
\$750,001 to \$1 million	1.2%
\$1,000,001 to \$1.5 million	1.4%
\$1,500,001 to \$2 million	1.89%
greater than \$2 million	2.2%

Teacher Recruitment & Retention

HB 67: Generally revise laws related to the administration of TRS

- Representative Marta Bertoglio
- Effective Date: July 1, 2025
- Summary: HB67 amends sections 19-20-101, 19-20-208, 19-20-302, 19-20-303, 19-20-417, 19-20-703, and 19-20-905, MCA. This bill revises administrative and tax qualification provisions of the teachers' retirement system. It clarifies the reporting duties of employers, elective membership deferral for certain positions, active membership and dormant member status, and the purchase of deferred elective service. The bill revises mandatory distribution provisions to conform with federal law and clarifies disability retirement allowance calculations.

HB 151: Revise educational laws pertaining to recruitment and retention and MSDB

- Representative Connie Keogh
- Effective Date: Sections 1 through 5 July 1, 2025, section 6 is effective on May 13, 2025.
- Summary: HB 151 amends section 20-4-502, MCA, to include with the definition of quality educator an employee who is:
 - employed by a school public school district, special education cooperative, MSDB, DOC, MT Youth Challenge, to provide educational sign language interpreting for deaf and hard-of-hearing students and who meets the qualifications for educational sign language interpreting established by the board of public education.
- Section 20-4-702, MCA, the teacher residency program, is amended to include a definition of educational entities eligible for a quality educator payment under section 20-9-327, MCA.
- Section 20-8-121, MCA, is expanded to allow residential students at the MSDB to use a school bus, as defined in 20-10-101, MCA, for transportation.
- Section 20-9-324, MCA, is amended to provide teacher incentives to the additional entities described in HB 151, that qualify for the quality educator payment, as

defined under section 20-9-327, MCA. Refer to HB 252(2025) amending section 20-9-324, MCA, for congruent language.

- Section 20-9-327, MCA, is amended to include an employee who meets the qualifications for educational sign language interpreting established by the board of public education and is employed by a [qualifying] entity to provide educational sign language interpreting for deaf and hard-of-hearing students for inclusion in the FTE that contribute to the calculation of the Quality Educator Payment.

HB 158: Revising working retiree provisions under TRS

- Representative Melissa Nikolakakos
- Effective Date: July 1, 2025
- Summary: HB158 revises working retiree provisions under the teachers' retirement system. The bill allows a retired teacher to work on a full-time basis for up to 5 years.

HB 252: Create the student and teacher advancement for results and success act (STARS)

- Representative Llew Jones
- Effective Date: May 8, 2025, Transition Instructions Included
- Summary: The Student and Teacher Advancement for Results and Success (STARS) Act was established with HB 252 of the 2025 legislative session. It amends the district general fund school funding formula by including the district clerk in the quality education component payment, replaces a limited incentive for increasing beginning teacher salaries under the TEACH act with an expanded incentive that doubles a district's quality educator payment, creates a new incentive for resource sharing among districts, restores full funding to the Advanced Opportunities program, renames and redefines the quality educator payment, establishes a new funding component related to post-graduation preparation termed the future ready payment, amends the maximum budget limitation calculation for districts with elevated housing costs, and requires the creation of a school funding data dashboard.
- See [page 40](#) for further explanation

HB 260: Revise teacher stipends for national board certification

- Representative Luke Muszkiewicz
- Effective Date: July 1, 2025
- Summary: HB 260 amends section 20-4-134, MCA, or what is known as professional stipends for teachers certified by national board for professional teaching (NBPT) standards. This section amends the annual stipends as follows:
 - A teacher who holds a current NBPT certificate currently receives a stipend of up to \$1,500. Proposed language amends this amount to 50% of the quality educator payment amount defined in 20-9-306, MCA.

- A teacher who holds a current NBPT certificate and who has an instructional assignment in a high poverty area or an impacted school, currently these teachers receive stipends for an amount up to \$2,500. The proposed language amends this amount to 85% of the quality educator payment amount defined in 20-9-306, MCA.
- Section 20-4-134(6), MCA, is further amended to shift from statutorily set static values to the use of the inflationary adjusted quality educator component payments percentages. These changes change the state funding obligation. The amended language is summarized as follows:
 - For a teacher who holds a current NBPT certificate the state shall pay 50% of the maximum stipend amount and another 1% of the amount for each 1% of amount contributed by the school district up to the maximum state contribution of 75% of the amount.
 - A teacher who holds a current NBPT certificate and who has an instructional assignment in a high poverty area or an impacted school, the state shall pay 55% of the maximum stipend amount and another 2% of the amount for each 1% of the amount contributed by the teacher's school district, up to a maximum state contribution of 85% of the amount.

HB 349: Revise TRS laws related to reemployment

- Representative Melissa Nikolakakos
- Effective Date: May 5, 2025
- Summary: HB349 establishing provisions for retirees under the teachers' retirement system to return to work for the superintendent of public instruction without losing retirement benefits. This includes but is not limited to the retired member completing 27 or more years of creditable service prior to retirement and works for no longer than 5 years for the superintendent of public instruction.

HB 359: Generally revise TRS laws on when retired teachers can return to work after retirement

- Representative Jamie Isaly
- Effective Date: July 1, 2025.
- Summary: HB359 revises working retiree provisions under the teachers' retirement system to allow retired teachers during a break-in-service period to mentor new teachers.

HB 499: Extend the grow your own grant program

- Representative Thedis Crowe
- Effective Date: July 1, 2025.
- Summary: HB 499 extends the termination date for the grow your own grant program. The bill also amends the program by removing the requirement for the

commissioner of higher education to convert a grant to a loan if the recipient of the loan is not licensed within 5 years or if the recipient does not teach for 3 or more years in an impacted school. The bill also establishes that postsecondary institutions are eligible for grants under the program and revises the requirement for earning postsecondary credits while in high school.

HB 509: Revise the quality educator loan forgiveness program to expand eligibility

- Representative Debo Powers
- Effective Date: July 1, 2025
- Summary: HB509 revises the quality educator loan assistance program. It expands eligibility for the program to include all newly hired quality educators in Montana public schools. It establishes that newly hired quality educators in impacted schools have priority for receiving loan assistance payments, and provides a process to prorate loan assistance payments if the appropriation is insufficient to fully fund the loan assistance payment for all eligible quality educators.

HB 602: Require school district personnel to inform board of trustees of reductions in force

- Representative Greg Overstreet
- Effective Date: July 1, 2025
- Summary: HB 602 requires written notice to the school district board of trustees when a district administrator proposes to non-renew a non-tenure teacher for financial reasons and requires the board of trustees to place the notice of the proposal to non-renew on the agenda for the next a public-school board meeting. Allowing for public comment is also required.

Further Bill Explanations:

HB 156: Revise education funding laws by replacing school district BASE levies with countywide BASE levies

- Representative David Bedey
- Effective Date: October 1, 2025, Transition & Applicability for FY 2027

HB 156 amends sections 7-15-4291, 15-1-402, 20-3-209, 20-3-324, 20-5-323, 20-5-324, 20-6-702, 20-9-101, 20-9-104, 20-9-131, 20-9-141, 20-9-212, 20-9-235, 20-9-306, 20-9-308, 20-9-310, 20-9-336, 20-9-366, 20-9-367, 20-9-368, 20-9-369, & 20-9-515, MCA.

As a summary HB 156 replaces the school district BASE levy with a countywide levy to support the BASE budgets of school districts. The calculation of GTB is applied to the countywide base levy along with adjustments to tuition, non-levy revenues, and modifies the duties of trustees, district clerks, county superintendents, and county treasurers to align with these amendments.

HB 156 amends section 20-9-151, MCA, adjusting language associated with calculating the number of mills to be levied on the taxable property in the county to finance the BASE funding levy. These changes constitute language cleanup.

HB 156 amends section 7-15-4291, MCA, to remove language referring to the use of TIF remittances to reduce a district's BASE levy amount.

Section 15-1-402, MCA, or payment of property taxes or fees under protest, is amended for references to section 15-1-409, which is to be repealed because of this act.

Section 20-3-209, MCA, or the requirement to submit annual reports to the superintendent of public instruction to include the new *county school fund for supporting school district BASE budgets*.

Section 20-3-324, MCA, is amended to refer to the BASE funding levy requirement rather than the BASE levy.

Section 20-5-323, MCA, is modified to direct the student's resident district to pay the district of attendance an amount equal to 20% of the over-BASE levy, from the lessor amount's district, as tuition for the student's out-of-district attendance.

Section 20-5-324, MCA, relates to tuition eligibility to receive state reimbursement or payments and is amended to remove language referring to estimated revenue received to the BASE of a district's general fund to reduce BASE levy and how the estimated value is not to affect the distribution of general fund GTB.

Section 20-6-702, MCA, is amended to strike language referring to district general fund GTB.

Section 20-9-101, MCA, is modified to include the BASE budget in the list of county budget obligations.

Section 20-9-104, MCA, the general fund operating reserve is changed, removing language that would permit excess reserves to reduce the BASE funding levy requirements.

Section 20-9-131, MCA, is modified for language changes and includes *county* in the fixing of tax levies by both the school district and the county.

Section 20-9-141, MCA, is the computation of general fund net levy requirements. This section is amended to change the calculation of net levy requirement at the district level to the county level.

A county superintendent is to calculate the levy requirements as follows:

- Determine the funding for the BASE area of the district's general fund, minus the following:
 - State funded BASE aid.
 - Non-isolated BASE requirement under section 20-9-303, MCA.
 - Unreserved fund balance re-appropriated.
 - Interest earnings in the prior fiscal year.
 - Any other revenues received during the fiscal year.
 - Anticipated oil and gas revenue pursuant to section 20-9-310, MCA.
 - Anticipated coal gross proceeds pursuant to section 15-23-703, MCA.
- The product is the BASE funding levy requirement. If the amount determined exceeds the BASE area, excess amounts are applied to reduce the over-BASE levy area.
- The over-BASE levy area to be calculated as follows:
 - Any excess amount remaining after the calculation of the BASE levy area.
 - Any tax credit increment funding remittance is used to reduce the over-BASE levy.
 - Anticipated oil and gas revenue pursuant to section 20-9-310, MCA to reduce the over-BASE levy.
 - Coal-fired generating unit closure mitigating block grant pursuant to section 20-9-638, MCA.
 - Tuition payments for out-of-district pupils under sections 20-5-320, & 20-5-324, MCA.
- Subtract this total from the district's over-BASE budget, this is the district's over-BASE budget levy.

The county superintendent shall utilize a district's BASE funding calculated revenue requirement to determine the countywide levy for BASE funding support as described and report a district's over-BASE budget levy amount to the county commissioners to have a levy set in accordance with 20-9-142, MCA.

If a district has an amount revenue directed to funding the district's general fund that results in an excess of revenue required to fund the district's over-BASE, the trustees of the district shall allocate that excess to another budgeted fund of the district to reduce local property taxes by the amount of the excess.

Section 20-9-212, MCA, the duties of the treasurer is amended to include, *the county tax for elementary and high school district BASE funding support, to be identified as a separate county level account.*

Section 20-9-235, MCA, or a section providing for the authorization of a school district investment account, is amended to use district general fund interest earnings to reduce the BASE funding requirement. This redirects these revenues from a reduction in district property taxes.

Section 20-9-306, MCA, is amended to remove language associated with guaranteed tax base aid to a school district, additionally, the definition of BASE is adjusted to refer to the county levy and county GTB. This is an adjustment from the district level definition of BASE.

Section 20-9-308, MCA, or the description of BASE budget and general fund budget limits, is amended to strike references to district level general fund GTB and district level BASE levies, replacing them with the intended county level definitions described in the bill.

Section 20-9-310, MCA, is amended to remove language associated oil and natural gas production taxes received by a district that impacts the amount of GTB a district may receive. This change reflects the adjustment of GTB to the county level from the district level.

Section 20-9-336, MCA, amends language that refers to GTB to align it with the county level calculation of GTB from that of the district level. See coordination language in HB 156, section 28 and/or the HB 483 summary.

"20-9-366. Definitions are to be amended as follows, to adjust for the county level calculations required by HB 483(2025):

(1)(a) "County elementary guaranteed tax base ratio" or "county high school guaranteed tax base ratio" for guaranteed tax base funding for the countywide levy for BASE funding support of an eligible county means the taxable valuation in the previous year of all property in the county, , divided by the district's sum of the prior year GTBA budget area areas of the elementary school districts or the high school districts in the county. The GTBA budget areas for joint districts must be prorated to each county in which a part of the district is located in the same proportion as the district ANB of the joint district is distributed by pupil residence in each county.

(2) "County retirement mill value per elementary ANB" or "county retirement mill value per high school ANB" means the sum of the taxable valuation in the previous year of all property in the county divided by 1,000, with the quotient divided by the total county elementary ANB count or the total county high school ANB count used to calculate the elementary school districts' and high school districts' prior year total per-ANB entitlement amounts.

Section 20-9-367, MCA, describes the eligibility to receive guaranteed tax base aid. Amended language concentrates on adjusting this eligibility from the district level to the county level.

Section 20-9-368, MCA, is amended to direct the amount of GTB from the district to the county level.

Section 20-9-369, MCA, or the duties of the superintendent of public instruction, amended language associated with the GTB ratio to the county from the district level.

HB 156 describes countywide levies to support BASE budgets and describes the portion of BASE not funded by state BASE aid and in consideration of isolation situations described in section 20-9-

302, MCA, non-levy revenues, un-reserved fund balance reappropriated. This levy requirement is qualified for both elementary and high school settings and for districts with joint district settings.

HB 156 directs prior county level fund balance to lower the countywide level amounts before mill setting.

It is required that the county superintendent shall:

- calculate the number of mills to be levied on the taxable property in the county to finance the BASE funding levy requirement by dividing the amount determined by the sum of:
 - the amount of guaranteed tax base aid that the county will receive for each mill levied, as certified by the superintendent of public instruction; and
 - the taxable valuation of the district divided by 1,000; and
- report the number of mills required to fund the BASE funding levy requirement to the county commissioners by the later of the first Tuesday in September or within 30 calendar days after receiving certified taxable values.

The county commissioners shall fix and set the countywide BASE funding levies in accordance with 20-9-142, MCA.

The county superintendent of each county shall submit a report of the revenue amounts used to establish the BASE funding levy requirements to the superintendent of public instruction on or before September 15.

The report must be completed on forms supplied by the superintendent of public instruction.

HB 156 repeals section 15-1-409, MCA, which is the exclusion of certain property subject to property tax protest, guaranteed tax base, tax refund.

HB 156 provides a transition section which states that the legislature *intends this act to be fully operational in fiscal year 2027 with the first countywide levies to support BASE budgets levied in fiscal year 2027.*

HB 156 applies *applicability to fiscal years beginning on or after July 1, 2026, or FY2027.*

HB 250: Generally revise education laws related to out-of-district attendance.

- Representative David Bedey
- Effective Date: July 1, 2025

HB 250 amends sections 20-5-320, 20-5-322, 20-5-323, 20-5-324, 20-7-118, 20-7-421, & 20-9-505, MCA. HB 250 amends section 20-5-320, MCA, adding that a district may reject an attendance agreement if it sets their district over the maximum class size for accreditation standards and clarifies the suspended student attendance agreement provision.

Section 20-5-322, MCA, is revised to state that the district is no longer required to provide a copy of the out-of-district attendance agreement to the Office of Public Instruction.

Section 20-5-323, MCA, is amended for non-operating district tuition clarification, stating that If the district of residence is a nonoperating district, the required tuition is the percentage of the adopted general fund budget funded by over-BASE property taxes in the district of attendance in the year of attendance, not to exceed 20% of the tuition per-ANB amount for the year of attendance as described in 20-5-324."

This section is also clarified, for the required tuition amounts for partial year attendance and is additionally revised for the provision for tuition for a child with a disability.

This section also consolidates the transportation provisions for situations in which the district of residence, the parent or guardian, or the district of attendance is responsible for the costs associated with transporting the child.

Section 20-5-324, MCA, clarifies that a nonoperating district will use the nonoperating fund to levy for and pay tuition costs.

Section 20-5-324, MCA, is amended to require that a district reports to the office of public instruction each year a breakdown by district the number of nonresident students served by the district under out-of-district attendance agreements, broken down by district of residence, and the number of resident students served by other school districts under out-of-district attendance agreements, broken down by district of attendance.

Section 20-7-118, MCA, revises remote instruction laws removing the nearest district enrollment requirement, and adding in that a district providing the remote instruction shall include the child in the enrollment counts for ANB. This bill also states that out-of-district attendance and tuition laws under Title 20, chapter 5, part 3 do not apply to remote instruction.

Students who participate in remote instruction must be physically attending a school or offsite location of the district. Students who are fully remote are not eligible for out of district attendance. Students who are taking a remote course at an out of district school are not subject to out of district attendance if the resident district does not offer an equivalent course, either in person or remote. A course is not equivalent if the course does not provide the same level of advantage on successful completion, including but not limited to dual credit, advanced placement, and career certification.

Section 20-7-421, MCA, is expanded to include those financial obligations for tuition and transportation for a child with a disability attending school not in their resident district in lieu of a special education program is subject to the provisions under Title 20, chapter 5, part 3.

HB 252: Create the student and teacher advancement for results and success act (STARS)

- Representative Llew Jones
- Effective Date: May 8, 2025, Transition Instructions Included

HB 252 amends sections 20-3-325, 20-6-326, 20-6-812, 20-7-102, 20-7-1404, 20-7-1503, 20-7-1506, 20-7-1602, 20-9-306, 20-9-324, 20-9-327, 20-9-344, AND 20-9-366, MCA.

HB 252 amends section 20-3-325, MCA, or the requirement for school districts to appoint a clerk is expanded to describe the requirements for that clerk to qualify for inclusion in the quality educator component payment. The requirements are summarized as follows:

- Advise the board on financial and operational constraints as outlined by law.
- Serve as a member of the administrative team, working to align the goals and financial stability of the district.
- Assist the board in ensuring all district policies comply with local, state, and federal laws.
- Attend trustees' meetings and ensure that a permanent record is maintained.
- Act as the custodian of all documents, records, and reports of the trustees, including the trustees report.
- Maintain accurate and detailed accounting records of all financial transactions of the district.
- Serve as the election administrator for the district.

Section 20-9-327, MCA, is amended to include school district clerks for state aid payments and is described as follows:

- is employed by a public school district, as defined in 20-6-101, MCA, and 20-6-701, MCA, as clerk of the district to perform the functions described in 20-3-325(3), MCA.

Section 20-9-327, MCA, is amended to include a teacher who is employed by an educational entity listed in 20-9-327(1), MCA, and has been issued an emergency authorization of employment under 20-4-111, MCA, for that entity for no more than 3 school years.

Section 20-9-327, MCA, is amended to include teachers holding an American Indian Language and Cultural Specialist license and is employed to provide instruction in this field are qualified for inclusion of the QEC payment. Current law provides QEC funding for these teachers but are restricted to teachers of Indian Language Immersion programs.

Teacher Incentive Adjustments

Section 20-9-324, MCA, is modified to include the entities that the incentives may apply to and include: public school districts, special education cooperatives, the Montana school for the Deaf and Blind, education programs at correctional facilities, and the Montana youth challenge program.

Section 20-9-324, MCA, is further modified to include a definition of *Full-Time Equivalent Teacher* and is defined as follows: *A teacher who is contracted for employment for the entire academic year, fulfilling professional responsibilities throughout all periods of the day when the educational entity offers instruction. This includes time spent preparing for classes, delivering instruction, mentoring others and performing other duties set forth in the teacher's job description, individual contract or in the collective bargaining agreement governing the teacher's employment.*

Section 20-9-306, MCA, or the quality educator and qualified staff payment is amended for additional entitlement as follows:

- School districts meeting the legislative goal for competitive base pay of teachers in section 20-9-324, MCA has been amended to remove the requirement for a teacher being in the first 3 years of their teaching career and is modified to include all qualifying full-time equivalent staff. A further qualification permits a district to receive the incentive unless it fails to meet eligibility for two consecutive years.

- Additional increases are provided to school districts qualifying for the shared resource incentive described in New Section 16 of HB 252.

Section 20-9-324, MCA, is amended for the incentives for school districts meeting legislative goal for competitive base pay of teachers in public school districts as follows:

- Base teacher pay is equal to at least 11 times as much as the quality educator payment in the current fiscal year. This is an increase from 10 times the amount. AND
- The base payment is not less than the following percentages of the teacher average pay in the prior fiscal year.
 - In fiscal year 2026, not less than 62% of the teacher average pay in the district.
 - In fiscal year 2027, not less than 64% of the teacher average pay in the district.
 - In fiscal year 2028, not less than 66% of the teacher average pay in the district.
 - In fiscal year 2029, not less than 68% of the teacher average pay in the district.
 - In fiscal year 2030 and succeeding years, not less than 70% of the teacher average pay in the school.

HB 252 creates incentives for school districts based on sharing resources to receive enhanced quality educator payments, and are described as follows:

- If two school districts, other than an elementary and high school district of a unified school system, employ an individual who qualifies as a quality educator under 20-9-327, MCA, with each district employing the individual as no less than 0.33 full-time equivalent, that employee must be counted as a 1.0 full-time equivalent employee for the purposes of the total quality educator payment under 20-9-306, MCA, and is qualified if the districts employ the individual directly or where the individual is determined eligible through a multidistrict agreement provided in section 20-3-363, MCA. It is the intent of the Office of Public Instruction (OPI) to include this requirement as a portion of the district audit process.

Maximum Budget Limit Increase for High Housing Cost Districts

Section 20-9-306, MCA is modified to include an additional adjustment to the maximum budget limit described as follows:

- A district who meets the legislative goal for base teacher pay under 20-9-324, MCA, (Teacher Incentive) AND
- Any territory in the county in which the median market value for residential properties is greater than 105% of the median county market value for residential properties in the state will have an adjustment to its maximum budget limit. It will be required that these districts will have the maximum general fund budget calculated by multiplying the amount calculated as maximum budget limit by the percentage by which the county median market value exceeds the median county market value for residential properties in the state divided by 60.

Data for determining the median home value shall be calculated by the department of revenue by, excluding properties with a market value of \$50,000 or less, in odd-numbered calendar years and report this information to the office of public instruction no later than December 1.

It is required that districts with increases to the maximum budget limit, spend the increase on specific items listed in the bill proposal under section 20-9-306(9)(b)(iii) MCA, generally surrounding costs associated with housing. It is the intent of the OPI to include this requirement as a portion of the district audit process.

Future Ready Payment (enacted for FY2028)

Section 20-9-306, MCA, is amended to include a new 100% paid funding component to be titled the future ready payment and is incorporated into the calculations of BASE and maximum budget limit.

The total future ready payment is calculated as follows:

- The per-pupil rate is X 10% for every graduate of the district in the school year 2 years prior who achieved a level 1 goal.
- For an elementary school district, the product of 10% of the elementary school maximum per-ANB payment under this section for every graduate counted for a. who was included in the district's spring enrollment count in the graduate's 8th grade year.
- The per-pupil rate is X 20% for every graduate of the district in the school year 2 years prior who achieved a level 2 goal.
- For an elementary school district, the product of 20% of the elementary school maximum per-ANB payment under this section for every graduate counted under subsection c. who was included in the district's spring enrollment count in the graduate's 8th grade year.
- The per-pupil rate is X 30% for every graduate of the district in the school year 2 years prior who achieved a level 3 goal.
- For an elementary school district, the product of 30% of the elementary school maximum per-ANB payment under this section for every graduate counted under subsection e. who was included in the district's spring enrollment count in the graduate's 8th grade year.

Level 1, 2 and 3 goals are defined in new section 14 under future ready payment, and is calculated as follows:

- The legislative goals for post-graduation preparation consist of three goal levels and are:
 - Goal level 1, high school graduates in the school year two years prior earning.
 - 15 or more postsecondary credits. Or
 - One or more level 1 CTE-equivalent credit.
 - Goal level 2, high school graduates in the school year two years prior earning.
 - 30 or more postsecondary credits. Or
 - One or more level 2 CTE-equivalent credit. Or
 - 15 or more postsecondary credits and one or more level 1 CTE-equivalent credit.
 - Goal level 3, high school graduates in the school year two years prior earning.
 - An associates-level degree.

Students attaining the highest goal level, that of 1, 2 or 3, is the basis for a future ready payment. Earning a level of two or three does not also avail future ready payments described in lower levels.

Additionally, HB 252 provides various definitions associated with the Future Ready Payment and requires the Commissioner of Labor and Industry shall, in consultation with the OPI and industry stakeholders, provide to the OPI an annually updated list of CTE-equivalent credit which designates level 1 and level 2 credentials. The list submitted applies to graduates the following school year, by no later than December 1, except that the list provided December 1, 2025, applies to graduates in the current and following school year.

HB 252 requires the Department of Labor and Industry to annually, but not later than December 1, shall adopt in rule a list of industry-recognized credentials, combinations of credentials, and work-based learning experiences, and the credit value of each. The list must:

- be developed, in part, with input from industry stakeholders, school districts, the OPI, and the office of the commissioner of higher education.
- include credentials, combinations of credentials, and work-based learning experiences that lead to enhanced employment opportunities at higher rates of compensation and, when feasible, are stackable toward further credentialing.
- note the credit value available in 3-credit increments.
- be applicable from the date of adoption until the date a new list is adopted. However, if a credential or work-based learning experience is removed from the list, a high school student who is already enrolled in a listed course may receive credit for the course through the end of the current school term.

The Department of Labor and Industry shall adopt a process to add recognition for credentials and work-based learning experiences between list updates that are available to any student. The process must:

- be set forth in administrative rule, written to include factors for consideration of inclusion and exclusion
- solely allow for a high school district or K-12 school district to submit proposed recognition
- provide for posting added credentials and work-based learning experiences to the Department of Labor and Industry website

The Department of Labor and Industry may adopt rules necessary for the implementation of this section.

Advance opportunities aid

Section 20-7-1506, MCA, or incentives for the creation of advanced opportunities programs, is no longer to be annually limited to the appropriation available. Additional language directs an estimate for advanced opportunity aid sufficient for all districts in the state. Any shortfalls in funding must be addressed through requesting a supplemental appropriation as described in section 20-9-351, MCA.

HB 252 provides for an appropriation of \$100,000 for each year of the 2027 biennium for advanced opportunities and is in addition to the current base amount of \$4 million.

State Share Definition

Section 20-9-306, MCA, is amended to include a definition of *State Share* to include the following:

- BASE aid for the school district general fund
- retirement guaranteed tax base aid
- major maintenance aid for the school district building reserve fund
- transportation reimbursements for the school district transportation fund
- debt service assistance for the school district debt service fund
- technology funding for the school district technology acquisition and depreciation fund
- career and technical education funding for the school district miscellaneous programs fund
- advanced opportunity aid for the school district flexibility fund

- gifted and talented funding for the school district miscellaneous programs fund
- any other state funding provided by the legislature

Data Dashboard

HB 252 requires the creation of a *School Funding Data Dashboard* to be made publicly available and include the following data measures:

- the percent of total K-12 revenues provided by the state's share as defined in 20-9-306, MCA.
- the percent of total K-12 revenues made up of property tax revenue
- the equitable distribution of the state's share and the equity of the funding formula
- base, average, and top teacher and administrator salaries compared regionally, nationally by state rankings
- other data measures as determined by the legislative fiscal analyst or as directed by the Legislative Finance Committee.

The dashboard is to be developed by the legislative fiscal analyst in collaboration with the following:

- the Board of Public Education
- the Office of Public Instruction
- the Governor's Office of Budget and Program Planning
- the Legislative Services Division
- other organizations or entities as determined by the legislative fiscal analyst or as directed by the Legislative Finance Committee.

Transition Requirements

HB 252 describes a transition plan for the requirements of HB 252 in relation to FY2026 as follows:

- In association with the incentives to increase teacher base pay:
 - For FY2026 budget only each school district is to have the number of full-time equivalent quality educators and qualified staff increased by 1.
 - A school district must receive the enhanced incentives based on the district's commitment in a format prescribed by the superintendent to meet the revised legislative goals for FY 2026 established in HB 252.
 - The Superintendent of Public Instruction shall allow school districts the opportunity to provide this commitment until the later of [the effective date of this act] or May 15, 2025, and adjust a district's general fund BASE and maximum budget limits for fiscal year 2026 accordingly.
- In association with increases in maximum budget limits for high-cost housing:
 - The legislature intends that the increases in maximum budget limits under HB 252 apply for FY 2026 and that the Department of Revenue and the Superintendent of Public Instruction collaborate to meet this intention.
 - The December 1 deadline for the department of revenue to provide the housing cost data as described in HB 252 to OPI is changed to 10 days after the effective date of HB 252
 - The Superintendent of Public Instruction shall inform a school district of any increase to the district's maximum budget limit for FY 2026, by June 1, 2025, only.
- In association with the future ready component under section 14.
 - The Future Ready Payment is set to begin in Fiscal Year 2028, based on the achievements of high school graduates from the 2025-2026 school year during their high school careers. This is clarified in the transition section of HB 252.

- In association with the enhanced incentive for resource sharing:
 - To be fully operational for and result in distribution of funding by the OPI during fiscal year 2027.

HB 483: Revise laws to reduce property taxes while preserving the current 95 school equalization mills

- Representative Courtenay Sprunger
- Effective Date: May 12, 2025

HB 483 amends section 15-10-420, MCA, or the procedures for calculating levies, to exclude of the imposition of mills under sections 15-10-109, 20-9-331, 20-9-333, 20-9-360, & 20-25-439, MCA from the requirements described in section 15-10-420(1)(c). These sections levy funds for university support and school district equalization aid in the amounts of 6, 33, 22, and 40 mills respectively. Further clarification is made to this section by striking language in section 15-10-420(8), MCA.

Section 20-9-306, MCA, is amended to include additional language indicating that the definition of BASE budget is subject to adjustment under 20-9-336, MCA.

Sections, 20-9-331, 20-9-333, 20-9-360, 20-25-439, & 90-6-403, MCA, are amended to remove reference to section 15-10-420, MCA.

Section 20-9-336, MCA, or the School Equalization and Property Tax Reduction account (SEPTR) uses section is amended for requirements that are to begin in FY 2027 and includes some clarifying language.

Additional amendments to section 20-9-336, MCA, clarify the current calculation for when the forecasted amount of revenue estimated to be received by the account is less than \$2,000,000. However, where the formula indicates an increase in the forecasted amount of revenue estimated to be received, amended language includes changes that are described as follows:

- Total the taxable value of all property in the state reported by the DOR pursuant to section 20-9-369, MCA. Divide the total by 1000, then multiply the product by the total number of mills, specified in 20-9-331, 20-9-333, & 20-9-360, MCA.
- Perform this calculation for the most recent year of finalized (PY) data and perform this as an estimate for the ensuing year (EY).
- Compare the product of the PY to the EY and if the change is an increase, the superintendent, using an amount equal to 50% of the forecasted revenue growth up to revenue growth of 105% of the prior fiscal year revenue plus all forecasted revenue growth above 105% of the prior fiscal year revenue, shall:
 - Increase the multiplier used to calculate statewide mill value per elementary and high school ANB for retirement purposes under section 20-9-366, MCA. The multiplier change should never exceed 305%. The multiplier increase should result in an increased distribution of retirement GTB approximately equal to the amount determined in assumption (6)(c) above. If there is an excess amount remaining after the 305% cap is hit the following applies:
 - Increase the percentages of the basic and per-ANB entitlements defined in section 20-9-306(2)(b), MCA, and section 20-9-306(3)(a), MCA.

The percentage changes should never exceed 45.3% and 90% respectively. After adjusting the percentages described in assumption (c)(ii) above adjust the multiplier used to calculate the statewide elementary and high school GTB ratios used for funding BASE budgets defined in section 20-9-366, MCA. The percentage and multiplier increases should result in an amount of GTB distribution equal to the excess amount remaining as described in assumption (c)(i) above. These adjustments are to be made to mitigate increases in the amount of BASE property taxes on a statewide basis.

1. This is intended for making the calculation changes under assumption (6)(C)(ii) above, to impact the year of distribution where the measure taken under assumptions (6)(a)(b)&(c) impact the EY and utilize a GTBA budget area for the prior year based on the adjusted percentages of the basic and per-ANB entitlements.

Further amendments to section 20-9-336, MCA, include resulting adjustments in cases where the increase of estimated 95 mill revenue is met and requires a two-tier adjustment described as follows:

- First, increase the retirement GTB multiplier, rounded to the nearest whole number, to result in an increase in the amount of retirement GTB distributed to counties equal to the amount forecast in assumption 5 above. The retirement GTB multiplier is not to increase above 305%. If the amount of increase results in a distribution greater than the amount that would result from the retirement GTB multiplier of 305% then the following:
- The OPI is then required to increase the percentages of the basic and per-ANB entitlements in 20-9-306(2)(b) & (3)(a), not to exceed 45.3% and 90% respectively, by the nearest whole number determined to result in an increase in the amount of GTB distributed to districts equal to the amount remaining after the calculation of assumption 5 above and after the full adjustments due to increased distributions to retirement GTB described in (a.) above.

Section 20-9-366, MCA, is amended by setting the district general fund GTB ratio to 262% but subject to the adjustment by the OPI in new section 20, for FY2026 and 262% in each succeeding fiscal year after. This section is additionally amended by striking language associated with adjustments to the district general fund multiplier associated with distribution of revenues transferred to the state general fund pursuant to section 16-12-111, MCA.

Section 20-9-366, MCA is amended for adjustments to the retirement GTB multiplier to 189% but subject to the adjustment by the OPI in new section 20, for FY 2026 and 189% in each succeeding fiscal year after.

Section 20-10-141, or the schedule of maximum reimbursement by mileage rates for pupil transportation. The rates are to be adjusted as follows but are subject to the adjustment by the OPI [new section 20] if maximum levels are met:

	Initial Rate	Proposed Rate
E type bus	\$0.50	\$1.00
not more than 49 passengers	\$0.95	\$1.90

50 to 59 passengers	\$1.15	\$2.30
60 to 69 passengers	\$1.36	\$2.72
70 to 79 passengers	\$1.57	\$3.14
80 or more passengers	\$1.80	\$3.60
Non-bus mileage	\$0.50	\$1.00

*e type bus is defined in section 20-10-101(5)(a)(ii)

Section 20-10-144, MCA, or the computation of revenue and net tax levy requirements for district transportation fund budget, is amended for the ratio of the “schedule” amount determined, or the total transportation fund budget, whichever is less, is divided by 4 and is used to determine the available state and county revenue to be budgeted on the following basis:

- three-fourths is the budgeted state transportation reimbursement
- one-fourth is the budgeted county transportation fund reimbursement

Sections 20-10-145 & 20-10-146, MCA are amended to reflect the “schedule” ratio of $\frac{3}{4}$ state reimbursement and $\frac{1}{4}$ county reimbursement.

HB 483 creates a new section to be titled *adjustments to guaranteed tax base multipliers and calculations to mitigate impacts of reappraisal on property tax relief*.

It requires the DOR and the OPI to annually collaborate and jointly assess how reappraisal affects, on a statewide basis, the portions of funding between guaranteed tax base aid and local property tax responsibilities for the general fund BASE budgets of school districts and the countywide school retirement funds budgets of counties.

It is further stated that after completing the analysis, and by the May 1 deadline, for finalizing guaranteed tax base aid ratios under 20-9-369, the office of public instruction shall annually adjust the guaranteed tax base multipliers and calculations outlined in sections 20-9-366 through 20-9-368 to prevent any statewide increase in property taxes due to the combined effects of reappraisal and the standard guaranteed tax base aid formulas supporting the countywide levy for BASE budget funding support and the countywide school retirement funds budgets of counties.

HB 483 provides a transition section which requires that after the close of the 2025 legislative session and no later than May 15, the DOR shall provide to the OPI an estimate of the revenue expected to be generated by the county and statewide school equalization levies under sections 20-9-331, 20-9-333, & 20-9-360, MCA, in FY 2026 that is in excess of \$441.624 million.

- If the amount reported is less than \$24.5 million, the OPI shall:
 - leave the guaranteed tax base multipliers under section 20-9-366, MCA, as amended by HB 483 unadjusted, AND
 - proportionally increase the school transportation mileage rates in section 20-10-141, MCA, as amended by HB 483, to amounts that result in an increase in the distribution of state transportation reimbursements to school districts in fiscal year 2026 equal to the amount reported by the DOR to the OPI.
- If the amount reported is equal to or greater than \$24.5 million, the OPI shall:
 - Increase the school transportation mileage rates in section 20-10-141, MCA, as amended by HB 483, AND
 - subtract \$24.5 million from the amount reported and use the remainder for the calculations in the following:

1. Using the amount remaining the OPI shall calculate:
 - a. first, an increase in the multiplier used in calculating the statewide mill value per elementary and high school ANB for retirement purposes under section 20-9-366, MCA, as amended by HB 483, for fiscal year 2026 that results in an increase in the amount of guaranteed tax base aid for retirement distributed to counties in fiscal year 2026 that is equal to the amount not to exceed \$7.7 million.
 - b. then, if money remains, an increase in the multiplier used in calculating the statewide elementary and high school guaranteed tax base ratios used for funding BASE budgets under section 20-9-366, MCA, as amended by HB 483, for fiscal year 2026 that results in an increase in the amount of GTB distributed to school districts in fiscal year 2026 that is equal to the amount remaining, not to exceed \$17.9 million.

HB 483 applies to school district budgeting and funding distributions for school fiscal years beginning on or after July 1, 2025 (FY 2026).

HB 527: Revising the process for written plans of conduct for mail elections

- Representative Morgan Thiel
- Effective Date: October 1, 2025

HB 527 amends sections 13-19-105, 13-19-205, & 20-20-201, MCA and revises the process of written plans for conducting an election by mail and requires the plan to be posted to the county election office website.

Amendments to the sections are as follows:

Section 13-19-105, MCA, is amended and the secretary of state is no longer required to review the written plan for a mail ballot election.

Section 13-19-205, MCA, is amended to remove the requirement for the secretary of state's office to review mail ballot plans and adds the requirements for public posting.

Written plans for mail ballot elections must be

- For elections conducted by the county election administrator.
 - Posted on the county election website or publicly noticed in another way.
- For school elections conducted by a school district.
 - Noticed in at least one of the methods provided in section 20-20-204(1)(a)(i) or (1)(a)(ii), MCA, posted to the district website, if active, and sent to the county election office in accordance with section 20-201(2)(b), MCA.
 - Section 20-204(1)(a)(i), MCA, published in a newspaper of general circulation if there is one in the district.
 - Section 20-204(2)(a)(ii), MCA, posted notices in three public places in the district.
 - Section 20-20-201(2)(b), MCA, transmitted to the county election administrator.

- For school elections conducted by the county election office.
 - Noticed as provided for either an election conducted by the county or noticed as provided for an election conducted by a school district.

Any amendments to the mail ballot plan must be noticed not less than 35 days before the election in the same manner as above.

- If a plan is not posted at least 60 days prior to the election, the election defaults to a polling place election.

HB 567: Revise education laws related to multidistrict agreements

- Representative Brad Barker
- Effective Date: July 1, 2025

HB 567 amends sections 20-3-363 & 20-9-306, MCA

As a summary HB 567 revises laws related to multidistrict agreements between school districts to increase the flexibility of school districts to enter into multidistrict agreements. The bill also provides a countywide resource-sharing incentive through the total quality educator payment for school districts that establish certain multidistrict agreements with all districts in a county and allows multidistrict agreements to include private entities.

HB 567 amends section 20-3-363, MCA, multidistrict agreement fund transfers, to allow for full joint funding and operation for all programs and services of the participating districts and may occur for an unlimited number of years. Prior law both limited the term of the agreement and the purpose for which the agreement was created.

References to governance using sections 20-9-703, MCA, & 20-9-704, MCA, or district as prime agency & district as cooperating agency are removed as requirements under the revised section, inserting that the district's trustees of each district are to authorize any transfers to the inter-local agreement fund.

Section 20-3-363, MCA, is amended to strike language limiting multidistrict agreements with other school districts or other public entity participating in an interlocal cooperative agreement and replacing this with any other public or private entity participating in the cooperative and complying with the requirements of this section and other laws governing public schools in the state.

Section 20-3-363, MCA, is further amended by removing language limiting expenditures that are "permitted by law" and inserting that considered by the board of trustees of the district to be reasonable and necessary to efficiently and effectively finance the expenditures pursuant to the terms of the multidistrict agreement, not to exceed the total expenditures approved by the board of trustees for the budgeted fund from which the transfer was made, including expenditures pursuant to any budget amendment adopted.

Section 20-3-363, MCA, is expanded to include the following:

- *Beginning in school fiscal year 2027, school districts that achieve the legislative goal for countywide resource sharing outlined in this subsection must receive a 50% increase in*

their total quality educator payment as defined in section 20-9-306, MCA.

Countywide resource sharing is described in the bills draft as follows:

- *The legislative goal for countywide resource sharing is for each school district with a majority of its territory in a county to participate in a countywide multidistrict agreement as specified in the bill proposal. To receive the enhanced incentive, the multidistrict agreement executed by the participating districts must:*
 - *include at least all school districts with a majority of their territory within the boundaries of the same county. Provided that at least all school districts in at least one county have entered into a multidistrict agreement, other school districts located in other counties that participate in the multidistrict agreement must also receive the enhanced total quality educator payment.*
 - *provide for the joint funding and operation of the participating districts*
 - *contractually allocate an amount at least equal to each district's general fund direct state aid for the support of joint funding and operations among all participating districts*
 - *to the extent of the funds committed, jointly and mutually establish, maintain, budget, and finance the programs of the participating districts identified. Activities must be in compliance with the accreditation standards of the board of public education and may include the sharing of staff among the participating districts when that is consistent with collective bargaining, if applicable, and when that is determined by the board of trustees of each participating school district to be the most efficient and effective use of district staff. The programs of the participating districts that are mutually administered.*

Proposed sub-section 20-3-363(7), MCA, is amended to strike language limiting multidistrict agreements with other school districts or other public entity participating in an interlocal cooperative agreement and replacing this with any other public or private entity participating in the cooperative and complying with the requirements of this section and other laws governing public schools in the state.

Section 20-9-306, MCA, is amended to increase the total quality educator payment for a district meeting the legislative goal for countywide resource sharing under section 20-3-363, MCA, must have its total quality educator payment increased by 50% as described in section 20-3-363, MCA.

HB 573: Revise transformational learning laws to create a phase II grant program

- Representative David Bedey
- Effective Date: July 1, 2025

HB 573 amending sections 20-7-1601 & 20-7-1602, MCA in association with transformational learning aid.

Section 20-7-1601, MCA, or forms of personalized learning, is amended to include a definition for transformational learning and is as follows:

- *means a flexible system of pupil-centered and proficiency-based learning that is designed to develop the full educational potential of each pupil that:*

- *is customized to address each pupil's strengths, needs, and interests*
- *actively engages each pupil in determining what, how, when, and where each pupil learns*

Section 20-7-1602, MCA, is amended to require expenditure of funds received for transformational learning aid within 6 years of the first year of funding. An additional amendment is to sunset this provision on June 30, 2026.

The phase II grant program for transformational learning. This section describes the new program and requires the following of the superintendent of public instruction:

- invite those school districts that have been awarded transformational learning grants to submit an application for a transformational learning phase II grant. The application must include at a minimum:
 - evidence of the progress made by the district in implementing transformational and proficiency-based learning, as the terms are defined in section 20-7-1601, MCA
 - a detailed description of how the district plans to continue its progress toward district-wide transformational and proficiency-based learning, including cost estimates
 - determine a list of no more than 5 districts to recommend for a phase II grant to the board of public education for the board's approval
 - no later than February 1, 2026, and contingent on appropriation from the legislature, award to no more than 5 districts a transformational learning phase II grant. The superintendent shall base the award amounts on the district's size and the costs outlined in its application and utilize 90% of the amount appropriated by the legislature for the grants.
- A district receiving a transformational learning phase II grant shall:
 - deposit the money in the district's flexibility fund and use the money prior to June 30, 2028, for the purposes described in the district's grant application
 - participate in collaborative activities organized by the superintendent of public instruction for grantees as described in subsection (4).
- With the remaining 10% of the amount appropriated by the legislature, the superintendent shall provide technical assistance and collaborative opportunities for the grantees. In supporting grantees, the superintendent may:
 - host convenings of the grantees
 - provide professional development for grantees
 - enlist assistance of organizations with expertise in supporting school districts in implementing transformational and proficiency-based learning
 - provide other types of support requested by grantees or determined to be beneficial by the superintendent.
- No later than September 1, 2028, the office of public instruction and the grantees shall, in accordance with section 5-11-210, MCA, provide a joint report to the education interim committee and the education interim budget committee on the progress made by the grantees. The report must include:
 - a detailed description of how the grantees furthered their progress toward district-wide transformational and proficiency-based learning as a result of the grant
 - a guidance document for other school districts in implementing transformational and proficiency-based learning

- recommendations for legislative action to support districts in implementing transformational and proficiency-based learning.

HB 573 terminates Section 7, of Chapter 402, Laws of 2019, as of June 30, 2026, or the phase I grant program for transformational learning.