



Guidance Document

Transformational Learning Aid

Background:

The Transformational Learning Aid program is established in [20-7-1601](#) and [20-7-1602](#), MCA, (Amended by [Senate Bill 8](#), 2023 legislative session) to provide an incentive to school districts that satisfy certain conditions and are qualified by the Board of Public Education. A district may be qualified for no more than one 4-consecutive-year provision of transitional funding and flexibility in any 8-year period. Currently this section of law is set to expire on [June 30, 2027](#).

Accounting:

[20-7-1602](#), MCA: Transformational learning aid payment must be distributed directly to the Flexibility Fund (29) and expended by the district according to the district's approved transformational learning program.

| <u>Recording Funds Received:</u> | <u>Recording Expenditures:</u> |
|-----------------------------------------|---------------------------------------|
| Fund 29 | Fund 29 |
| Revenue Code 3760 | Program Code 376 |

(5) During each year that a school district remains qualified for funding, under subsection (4), the district's trustees may:

(5)(a) if the obligations of transparency set forth in [20-9-116](#), MCA are met,

- levy an annual permissive property tax not to exceed 100% of any funds distributed to the district under subsection (5).
- proceeds of the levy must be deposited in the district's Flexibility Fund established under [20-9-543](#), MCA.
- funds must be expended by the district only for the purposes of the district's approved transformational learning plan.

(5)(b) The money must be expended by the district only for the purposes set forth in the district's approved transformational learning program and within 2 years of the date of distribution.

Allowable Transfers:

The district may transfer state or local revenue from any budgeted or nonbudgeted fund, other than the Retirement Fund (14) or Debt Service Fund (50) to the district's Flexibility Fund (29).

Any funds transferred may be expended for the purposes of implementing the district's approved transformational learning plan.

Any funds transfers are not considered expenditures to be applied against budget authority.

If transfers of funds are made from funds supported by a non-voted levy, the district may not increase its non-voted levy to restore the amount of funds transferred.

- A unique project reporter (PRC) is required for each transfer.

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

Additional questions can be directed to:

Autumn Belmont, Budget Analyst at (406) 444-9852 or Autumn.Belmont@mt.gov

Krystal Smith, Education Innovation Manager at (406) 594-1722 or Krystal.Smith@mt.gov