



Transformational Learning Aid Guidance Document

Updated July 2021

Background:

The Transformational Learning Aid program is established in 20-7-1601 and 20-7-1602, MCA, [House Bill 351](#), of the 2019 legislative session to provide an incentive to school districts that satisfy certain conditions and are qualified by the Board of Public Education. A district may be qualified for no more than one 4-consecutive-year provision of transitional funding and flexibilities in any 8-year period. Currently this section of law is set to expire on June 30, 2027.

Accounting:

20-7-1602, MCA:

Transformational learning aid payment must be distributed directly to the Flexibility Fund (29) and expended by the district according to the district's approved transformational learning program.

Recording Funds Received:

Fund 29
Revenue Code 3760

Recording Expenditures:

Fund 29
Program Code 376

(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 (4).
- 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.

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.

Any unspent transferred funds must be returned to the originating fund from which the revenue was transferred within 2 full school fiscal years after the funds are transferred.

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

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

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

Additional questions can be directed to:

Mari Haefka at 444-9852 or Mari.Haefka2@mt.gov

Renee Richter at 444-1960 or Renee.Richter@mt.gov

Krystal Smith at 406-249-0758 or Krystal.Smith@mt.gov