



Guidance Document

MT Advanced Opportunity Aid

Background

The Montana Advanced Opportunity Act was revised by [HB 257](#) (2023 legislative session) amending sections [20-7-1503](#) & [20-7-1506](#), MCA. Additional changes have occurred to this program through the action of [HB 408](#) (2023 legislative session). In general, the advanced opportunity program provides state funding to school districts for expanding personalized learning opportunities for students to accelerate their career and college readiness and reduce out-of-pocket costs for families; empower students to actively engage in forming successful post-secondary pathways.

The HB 257 amendments modify the funding formula for advanced opportunities aid payments to school districts as follows:

- Elementary districts qualify for 4.5% of the district's prior year total quality educator payment.
- High school districts qualify for 30% of the district's prior year total quality educator payment.
- K-12 districts qualify for 18% of the district's prior year total quality educator payment.

HB 257 also modifies the limit for the number of districts who qualify for advanced opportunities aid to now be based on the appropriation. However, distributions continue to be limited to the total appropriation authority. A district's annual distribution of advanced opportunity aid that must be spent to address a pupil's out-of-pocket costs adjusts from 60% to 75%.

HB 408 creates additional funding to districts qualified to receive Advanced Opportunities payments. HB 408 established an Innovative Educational Program state special revenue account to be administered by the Superintendent of Public Instruction. The account receives revenues from school districts where tax credit donations exceeded district limits. The OPI is to distribute the funds received in the Innovative Educational Program account to school districts for advanced opportunity aid under 20-7-1506(4), MCA, and school districts' flexibility fund to be used to pay pupil costs as provided in 20-7-1506(5)(a). The funds must be distributed at the same time as the advanced opportunity aid distributions by October 1 each year.

Accounting

A Project Reporter Code (PRC) is recommended.

Recording Funds Received:

Fund 29
Revenue Code 3770

Recording Expenditures:

Fund 29
Program Code 377

Advanced opportunity aid **may be expended on any qualifying pupil** by the district subject to the following conditions:

- Section 20-7-1506 (5)(a), MCA, has been amended so that at least 75% of a district's annual distribution of advanced opportunity aid must be spent or encumbered to address out-of-pocket costs that would otherwise be assumed by a qualifying pupil or the pupil's family.
- The trustees have full discretion to allocate expenditures among all pupils of the district or any select group of pupils, using any reasonable method they consider appropriate in their full discretion to meet the individual needs of each pupil who pursues an advanced opportunity.
- The trustees may create free district initiatives of their own that satisfy the conditions of Advanced Opportunity Aid.

Permissible expenditures include but are not limited to:

- Dual credit tuition at any institution under authority of the board of regents.
- Exam fees used for postsecondary advancement, placement, or credit, including but not limited to exam fees associated with the ACT, SAT, CLEP, career advancement, international baccalaureate, and advanced placement.
- Fees charged by and any out-of-pocket costs of any business providing work-based learning opportunities to a qualifying pupil of the district, including the cost of workers' compensation insurance for work-based learning opportunities.
- Exam and other fees of any industry-recognized credential or license for which a qualifying pupil is eligible as a result of participation in an advanced opportunity.
- The costs of participation for qualifying pupils in out-of-school enrichment activities that, in the discretion of the trustees, advance the pupil's opportunity for postsecondary career and educational success.
- The costs of participation for qualifying pupils that are identified as necessary, at the discretion of the district and upon request of a qualifying pupil, to maximize the benefit of an advanced opportunity for a qualifying pupil.

Section 20-7-1506(5)(b), MCA, states that any Advanced Opportunity Aid remaining that is not expended or carried forward for the purposes listed above may be spent by the district to provide any K-12 career and vocational/technical education course offered by the district.

Section 20-7-1506(6), MCA, states that a district qualified for funding may supplement state funding of advanced opportunity aid with matched expenditures from its adopted adult education budget, not to exceed 25% of the district's advanced opportunity aid. The conditions for expense of these funds apply to any matched expenditures:

Matched Expenditures from Adult Education:

Recording Expenditures:

Fund 17

Program Code 377

Applications

Section 20-7-1506(3)(a), MCA The board of public education shall: establish by rule the opening and closing dates for receipt of applications and annual reports. Reference ARM 10.54.1010 for the deadline details.

To qualify for the funding and flexibilities in subsections 20-7-1506 (4) and (5), the board of trustees of a district shall submit an application that has been approved by motion of the board and signed by the presiding officer to the board of public education for approval of an Advanced Opportunity Program on a form provided by the superintendent of public instruction.

Beginning in fiscal year 2021, the superintendent of public instruction shall provide advanced opportunity aid to each district qualified by the board of public education under Section 20-7-1506(3), MCA, by October 1. Advanced Opportunity Aid must be distributed directly to the school district's flexibility fund under 20-9-543, MCA.

Additional questions can be directed to:

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