

1 HOUSE BILL NO. 166

2 INTRODUCED BY D. FERN

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE TRANSFORMATIONAL LEARNING PROGRAM;
5 EXPANDING THE DEFINITION OF "TRANSFORMATIONAL LEARNING" TO INCLUDE THE
6 IMPLEMENTATION OF A MAGNET SCHOOL OR PROGRAM AND DEFINING "MAGNET SCHOOL OR
7 PROGRAM"; AMENDING SECTION 20-7-1602, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE
8 AND A TERMINATION DATE."

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10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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12 **Section 1.** Section 20-7-1602, MCA, is amended to read:13 **"20-7-1602. (Temporary) Incentives for creation of transformational learning programs. (1) (a)**

14 A school district as defined in 20-6-101 that satisfies the conditions of subsection (2) and is qualified by the
15 board of public education pursuant to subsection (3) is eligible for a 4-consecutive-year provision of the
16 transitional funding and flexibilities in subsections (4) and (5).

17 (b) A school district may be qualified by the board of public education for no more than one 4-
18 consecutive-year provision of transitional funding and flexibilities in any 8-year period.

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

23 (a) identify the number of full-time equivalent educators meeting the criteria of 20-9-327(3) who will
24 participate in the district's transformational learning program, with full-time equivalence calculated and reported
25 by the district based on the planned portion of each qualifying educator's full-time equivalent assignment that is
26 dedicated to the district's transformational learning program;

27 (b) include the district's definition of proficiency within the meaning of that term as used in 20-9-
28 311(4)(d). The definition must not require seat time as a condition or other element of determining proficiency.

1 The definition must be incorporated in the district's policies and must be used for purposes of determining
2 content and course mastery and other progress, promotion from grade to grade, grades, and graduation for
3 pupils enrolled in the district's transformational learning program.

4 (c) include a strategic plan with appropriate planning horizons for implementation, measurable
5 objectives to ensure accountability, and planned strategies to:

6 (i) develop a transformational learning plan for each participating pupil that honors individual interests,
7 passions, strengths, needs, and culture and that is rooted in relationships with teachers, family, peers, and
8 community members;

9 (ii) embed community-based, experiential, online, and work-based learning opportunities and foster a
10 learning environment that incorporates both face-to-face and virtual connections;

11 (iii) provide effective professional development to assist employees in transitioning to a
12 transformational learning model; and

13 (iv) ensure equality of educational opportunity to participate by all pupils of the district.

14 (3) On an annual basis, the board of public education shall:

15 (a) establish by rule the opening and closing dates for receipt of applications and annual reports;

16 (b) qualify districts that submit an application meeting the requirements of subsection (2) for the
17 funding in subsection (4) and the flexibilities in subsection (5) until the annual appropriation is exhausted, after
18 which further applications, including first-time applications and annual reports requesting an expansion of a
19 previously approved plan, are to be deferred for consideration in a subsequent year, in the order of date
20 received, if and when additional funds become available for distribution;

21 (c) require each participating school district to submit an annual report demonstrating continued
22 qualification for funding under this section and including a report of progress toward measurable objectives
23 under the school district's transformational learning plan. The school district shall include any decrease or
24 requested increase in the number of participating full-time equivalent educators under subsection (2)(a) for
25 adjustments to its funding. Any increase in funding based on requested increased levels of participation under
26 subsection (2)(a) must be determined in the order of date received among all first-time applications and annual
27 reports requesting an expansion of a previously approved plan and must be contingent on the availability of
28 funds within any appropriation of the legislature. An application deferred for consideration in a subsequent year

1 due to lack of funding must be annually updated each year after more than 1 full fiscal year has passed from
2 the date of original submission of the application in order for the application to retain its priority by original date
3 received.

4 (d) on or before September 15 of even-numbered years, report to the education interim committee on
5 the progress made by districts operating under approved transformational learning plans.

6 (4) (a) Except as provided in subsection (4)(d), for a period of 4 consecutive fiscal years following the
7 fiscal year in which a district is qualified by the board of public education and contingent on continued
8 compliance with annual reporting requirements under subsection (3), the superintendent of public instruction
9 shall provide a transformational learning aid payment to the district equivalent to 50% of the quality educator
10 payment defined in 20-9-306 from the immediate prior fiscal year multiplied by the number of the district's full-
11 time equivalent educators reported under subsection (2)(a) of this section.

12 (b) The payment under this subsection (4) must be distributed directly to the school district's flexibility
13 fund established under 20-9-543 no later than June 30 of fiscal year 2020 and by October 1 of each year
14 beginning fiscal year 2021 by the superintendent of public instruction. The money must be expended by the
15 district only for the purposes set forth in the district's approved transformational learning program.

16 (c) For fiscal years 2020 and 2021, a school district may not receive more than 25% of the total
17 amount of payments made under this subsection.

18 (d) Applications qualified by the board of public education in fiscal year 2020 must be funded
19 beginning in fiscal year 2020.

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

22 (a) if the obligations of transparency set forth in 20-9-116 are met, levy an annual permissive property
23 tax not to exceed 100% of any funds distributed to the district under subsection (4). Proceeds of the levy must
24 be deposited in the district's flexibility fund established under 20-9-543 and must be expended by the district
25 only for the purposes of the district's approved transformational learning plan.

26 (b) transfer state or local revenue from any budgeted or nonbudgeted fund, other than the debt
27 service fund or retirement fund, to the district's flexibility fund.

28 (6) (a) Any funds transferred pursuant to subsection (5)(b) may be expended by the district solely for

1 the purposes of implementing the district's approved transformational learning plan. Any transfers of funds are
 2 not considered expenditures to be applied against budget authority.

3 (b) Any transfers that are not expended for the purposes of implementing the district's approved
 4 transformational learning plan within 2 full school fiscal years after the funds are transferred must be transferred
 5 back to the originating fund from which the revenue was transferred.

6 (c) The intent of subsection (5)(b) and this subsection (6) is to increase the flexibility and efficiency of
 7 school districts without an increase in local taxes. In furtherance of this intent, if transfers of funds are made
 8 from any school district fund supported by a nonvoted levy, the district may not increase its nonvoted levy for
 9 the purpose of restoring the amount of funds transferred.

10 (7) The present law base calculated for K-12 local assistance under Title 17, chapter 7, part 1, must
 11 include transformational learning aid as defined in subsection (8).

12 (8) For the purposes of this title, the following definitions apply:

13 (a) "Magnet school or program" means a school or program of a school district aimed at attracting and
 14 better serving a group of students that offers a specialized approach including but not limited to:

15 (i) dual language immersion;

16 (ii) a curriculum focused on science, technology, engineering, and math, often known as STEM; or

17 (iii) an emphasis on:

18 (A) creative arts;

19 (B) project-based learning; or

20 (C) career and technical education generally or a specific career and technical education area such
 21 as health sciences, business, agriculture, industrial technology, or family and consumer sciences.

22 ~~(a)(b)~~ (i) "Transformational learning" means a flexible system of pupil-centered learning that is
 23 designed to develop the full educational potential of each pupil that:

24 ~~(i)(A)~~ (i) is customized to address each pupil's strengths, needs, and interests;

25 ~~(ii)(B)~~ (ii) includes continued focus on each pupil's proficiency over content; and

26 ~~(iii)(C)~~ (iii) actively engages each pupil in determining what, how, when, and where each pupil learns.

27 (ii) The term includes the implementation of a magnet school or program.

28 ~~(b)(c)~~ (c) "Transformational learning aid" means 50% of the quality educator payment defined in 20-9-306

1 multiplied by:

2 (i) for fiscal year 2020, 5% of the statewide number of full-time equivalent educators from fiscal year
3 2019 calculated as provided in 20-9-327;

4 (ii) for fiscal year 2021, 7.5% of the statewide number of full-time equivalent educators from fiscal year
5 2020 calculated as provided in 20-9-327; and

6 (iii) for fiscal year 2022 and subsequent fiscal years, 10% of the statewide number of full-time
7 equivalent educators from the fiscal year immediately preceding the year to which distribution of
8 transformational aid applies calculated as provided in 20-9-327. (Terminates June 30, 2027--sec. 7, Ch. 402, L.
9 2019.)"

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11 NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

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13 NEW SECTION. **Section 3. Termination.** [This act] terminates June 30, 2027.

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