

1 **** BILL NO. ****

2 INTRODUCED BY ****

3 BY REQUEST OF THE ****

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4
5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE TRANSFORMATIONAL LEARNING PROGRAM;
6 REQUIRING THE BOARD OF PUBLIC EDUCATION TO ADMINISTER TRANSFORMATIONAL LEARNING AID
7 AS A GRANT PROGRAM; AMENDING SECTIONS 20-7-1601 AND 20-7-1602, MCA; PROVIDING A DELAYED
8 EFFECTIVE DATE; PROVIDING AN APPLICABILITY DATE."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11
12 **Section 1.** Section 20-7-1601, MCA, is amended to read:

13 **"20-7-1601. (Temporary) Transformational learning -- legislative intent.** The legislature finds and
14 declares pursuant to Article X, section 1, of the 1972 Montana constitution that transformational learning is an
15 appropriate means of fulfilling the people's goal of developing the full educational potential of each person. The
16 provision of and participation in transformational learning under this part and in compliance with accreditation
17 standards of the board of public education is constitutionally compliant and protected. The legislature declares
18 that any public or private regulation that discriminates against a district or pupil participating in transformational
19 learning is inconsistent with constitutional goals and guarantees under Article X of the Montana constitution.
20 (Terminates June 30, 2027--sec. 7, Ch. 402, L. 2019.)"

21
22 **Section 2.** Section 20-7-1602, MCA, is amended to read:

23 **"20-7-1602. (Temporary) Incentives for creation of transformational learning programs. (1) (a)**

24 The board of public education shall oversee a grant program for school district transformational learning
25 programs. A school district as defined in 20-6-101 or 20-6-701 that satisfies the conditions of subsection (2) and is
26 qualified by the board of public education pursuant to subsection (3) is eligible for a 4-consecutive-year provision
27 of the transitional funding and flexibilities in subsections (4) and (5).

28 (b) A school district may be qualified by the board of public education for no more than one 4-

Commented [SKL1]: This would highlight the change to a grant program upfront. Is BPE the best place for the grant program to be housed? Or should it all be moved to SPI/OPI?

Commented [SKL2]: This is a reference to the definition of K-12 districts.

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- 1 consecutive-year provision of transitional funding and flexibilities in any 8-year period.
- 2 (2) To qualify for the transitional funding and flexibilities in subsections (4) and (5), the board of trustees
- 3 of a district shall submit an application that has been approved by motion of the board of trustees and signed by
- 4 the presiding officer to the board of public education for approval of a transformational learning program on a form
- 5 provided by the superintendent of public instruction. The school board's application must:
- 6 (a) identify the number of full-time equivalent educators meeting the criteria of 20-9-327(3) who will
- 7 participate in the district's transformational learning program, with full-time equivalence calculated and reported by
- 8 the district based on the planned portion of each qualifying educator's full-time equivalent assignment that is
- 9 dedicated to the district's transformational learning program;
- 10 (b) include the district's definition of proficiency ~~within the meaning of that term as used in 20-9-~~
- 11 ~~311(4)(d).~~ The definition of proficiency:
- 12 (i) ~~must reflect the district's implementation of an education system where a student's progress is based~~
- 13 ~~on the student's demonstration of mastery of competencies and content;~~
- 14 (ii) ~~may not require include~~ seat time, ~~age, or grade level~~ as a condition ~~or other element of for~~
- 15 determining proficiency--;
- 16 (iii) ~~The definition~~ must be incorporated in the district's policies; and
- 17 (iv) ~~must be used for purposes of determining content and course mastery and other progress, promotion~~
- 18 from grade to grade, grades, and graduation for pupils enrolled in the district's transformational learning program.
- 19 (c) include a strategic plan with appropriate planning horizons for implementation, measurable
- 20 objectives to ensure accountability, and planned strategies to:
- 21 (i) develop a transformational learning plan for each participating pupil that honors individual interests,
- 22 passions, strengths, needs, and culture and that is rooted in relationships with teachers, family, peers, and
- 23 community members;
- 24 (ii) embed community-based, experiential, online, and work-based learning opportunities and foster a
- 25 learning environment that incorporates both face-to-face and virtual connections;
- 26 (iii) provide effective professional development to assist employees in transitioning to a transformational
- 27 learning model; and
- 28 (iv) ensure equality of educational opportunity to participate by all pupils of the district.

Commented [SKL3]: Clarifying that proficiency is based on mastering content and doesn't have to do with seat time within the ANB statute.

1 (3) ~~On an annual basis, the~~The board of public education shall:

2 (a) ~~direct the superintendent of public instruction to~~ establish by rule the opening and closing dates for
3 receipt of applications and annual reports;

Commented [SKL4]: OPI is able to adopt rules on a faster timeline than BPE; this change would provide a little more flexibility for the agency and the board.

4 (b) ~~qualify districts that submit an application meeting the requirements of subsection (2) for the funding~~
5 ~~in subsection (4) and the flexibilities in subsection (5) until the annual appropriation is exhausted, after which~~
6 ~~further applications, including first-time applications and annual reports requesting an expansion of a previously~~
7 ~~approved plan, are to be deferred for consideration in a subsequent year, in the order of date received, if and~~
8 ~~when additional funds become available for distribution; direct the superintendent of public instruction to establish~~
9 ~~a committee to evaluate district applications and make recommendations to the board of public education for~~
10 ~~awarding grants to support the district's transformational learning program. The committee:~~

Commented [SKL5]: I modeled this committee language and process on the negotiated rulemaking language for accreditation standards in 20-7-101. The SPI would for the committee, the committee would make recommendations to BPE, and BPE is ultimately responsible for administering the program.

11 (i) ~~must be composed of members who represent the diverse circumstances of schools of all sizes~~
12 ~~across the state and must include representatives of school district trustees, school administrators, K-12 teachers,~~
13 ~~professional educator preparation programs, and industry and trade professionals.~~

14 (ii) ~~shall review each application upon receipt and qualify districts with applications meeting the~~
15 ~~requirements of subsection (2) for further consideration. Once the pool of qualified applicants is established, the~~
16 ~~committee shall divide qualified applicants into separate pools based on district class size as determined under~~
17 ~~20-6-201 and 20-6-301.~~

Commented [SKL6]: This subsection would split applicants up based on class size -- should there be a specific requirement of the amount of the appropriation that should be awarded to each class size? Right now, there's not a minimum amount/percentage of the appropriation set.

18 (iii) ~~shall develop criteria to evaluate and prioritize grants to districts if the amount of funds appropriated~~
19 ~~are insufficient to fully fund every qualified applicant. The criteria must include, but is not limited to, the~~
20 ~~innovativeness of a district's transformational learning program, the number and proportion of students in the~~
21 ~~district to be served by the transformational learning program, the number of educators who will participate in the~~
22 ~~program, and the professional development opportunities the district will make available to its staff.~~

Commented [SKL7]: Should there be specific criteria established in statute? If yes, then what criteria should be included?

23 (c) ~~make the final determination of grant awards based on the recommendations of the committee~~
24 ~~established in subsection (3)(b). The maximum amount of grant a district is eligible to receive in a year may not~~
25 ~~exceed 50% of the quality educator payment defined in 20-9-306 from the immediate prior fiscal year multiplied by~~
26 ~~the number of the district's full-time equivalent educators reported under subsection (2)(a). The board of public~~
27 ~~education shall award the maximum grant amount to as many of the grantee districts as possible based on the~~
28 ~~appropriation.~~

Commented [SKL8]: BPE is the ultimate decision maker. I also tried to word this subsection to allow BPE to award less than the maximum amount so grants could be prorated based on the appropriation.

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1 ~~(e)(d)~~ require each participating school district to submit an annual report demonstrating continued
2 qualification for funding under this section and including a report of progress toward measurable objectives under
3 the school district's transformational learning plan. The school district shall include any decrease or requested
4 increase in the number of participating full-time equivalent educators under subsection (2)(a) for adjustments to its
5 funding. Any increase in funding based on requested increased levels of participation under subsection (2)(a)
6 must be ~~determined in the order of date received among all first-time applications and annual reports requesting~~
7 ~~an expansion of a previously approved plan and must be contingent on the availability of funds within any~~
8 ~~appropriation of the legislature. An application deferred for consideration in a subsequent year due to lack of~~
9 ~~funding must be annually updated each year after more than 1 full fiscal year has passed from the date of original~~
10 ~~submission of the application in order for the application to retain its priority by original date received evaluated~~
11 ~~and approved or disapproved by the board of public education upon recommendation by the committee~~
12 ~~established in subsection (3)(b).~~

13 ~~(d)(e)~~ ~~on or before September 15 of even-numbered years upon approval of the annual report~~
14 ~~submissions~~, report to the education interim committee ~~at the committee's next meeting~~ on the progress made by
15 districts operating under approved transformational learning plans.

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

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

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

Commented [SKL9]: I believe this language would allow the amount of the grant to fluctuate based on the amounts set by BPE. The idea was that a district that got less than the maximum amount in year 1 would be able to get the maximum amount in years 2-4, but it could also authorize a decreased grant amount (which is what happens under the current program if the FTE decreases, I think).

1 ~~.(d)—Applications qualified by the board of public education in fiscal year 2020 must be funded beginning~~
2 ~~in fiscal year 2020.~~

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

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

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

11 (6) (a) Any funds transferred pursuant to subsection (5)(b) may be expended by the district solely for
12 the purposes of implementing the district's approved transformational learning plan. Any transfers of funds are not
13 considered expenditures to be applied against budget authority.

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

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

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

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

24 (a) "Transformational learning" means a flexible system of pupil-centered learning that is designed to
25 develop the full educational potential of each pupil that:

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

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

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

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1 (b) "Transformational learning aid" means 50% of the quality educator payment defined in 20-9-306
2 multiplied by:
3 ~~(i) for fiscal year 2020, 5% of the statewide number of full-time equivalent educators from fiscal year~~
4 ~~2019 calculated as provided in 20-9-327;~~
5 ~~(ii) for fiscal year 2021, 7.5% of the statewide number of full-time equivalent educators from fiscal year~~
6 ~~2020 calculated as provided in 20-9-327; and~~
7 ~~(iii) for fiscal year 2022 and subsequent fiscal years, 10% of the statewide number of full-time equivalent~~
8 educators from the fiscal year immediately preceding the year to which distribution of transformational aid applies
9 calculated as provided in 20-9-327. (Terminates June 30, 2027--sec. 7, Ch. 402, L. 2019.)"

11 **NEW SECTION. Section 3. Effective date.** [This act] is effective July 1, 2022.

13 **NEW SECTION. Section 4. Transition.** A district that has applied and been approved for funding on or
14 before June 30, 2022, under the original version of the transformational learning aid program may keep the
15 district's priority spot for funding based on the criteria established by the original version and will be required to
16 follow the standards set forth in the original version of the transformational learning program.

18 **NEW SECTION. Section 5. Applicability.** [This act] applies to applications for the transformational
19 learning aid grant program received on or after July 1, 2022.

21 - END -

Commented [SKL10]: Sections 3-5 will need some attention. By the time the Legislature meets in January, the next round of applications under the existing program will have been submitted. I chose this date to try to keep the priority for the districts that are already on the waiting list, but I'm not sure these sections will have the intended effect.