

12-111 in the prior fiscal year above the amount of revenue transferred in the fiscal year 2 years prior by 0.25, divide the resulting product by \$500,000, and round to the nearest whole number; and

(B) add the number derived in subsection (5)(a)(i)(A) as a percentage point increase to the multiplier used for the prior fiscal year;

(ii) for fiscal years 2024 through 2031, if the revenue transferred to the state general fund pursuant to 16-12-111 in the prior fiscal year is less than \$1 million more than the revenue transferred in the fiscal year 2 years prior, then the multiplier is equal to the multiplier used for the prior fiscal year;

(iii) for fiscal years 2032 and subsequent fiscal years, the multiplier is equal to the multiplier used for fiscal year 2031; and

(iv) for all multiplier increases under this subsection (5)(a), the calculations are made in the year prior to the year in which the increase to the multiplier takes effect and impacts distribution of guaranteed tax base aid.

(b) "Statewide mill value per elementary ANB" or "statewide mill value per high school ANB", for school retirement guaranteed tax base purposes, means, subject to adjustment under 20-9-336, the sum of the taxable valuation in the previous year of all property in the state, multiplied by 189% and divided by 1,000, with the quotient divided by the total state elementary ANB count or the total state high school ANB amount used to calculate the elementary school districts' and high school districts' prior year total per-ANB entitlement amounts."

NEW SECTION. Section 14. Future ready payment -- purpose -- calculation -- definitions. (1)

Beginning in fiscal year ~~2027~~ 2028, the state shall provide a future ready payment to school districts. The payment is composed of incentive amounts as described in 20-9-306 and this section. The purpose of the payment is to:

(a) expand personalized career and technical education opportunities for middle school and high school pupils;

(b) reduce out-of-pocket costs for pupils and families in support of a pupil's postsecondary success;

(c) empower pupils to actively engage in forming their postsecondary success path; and

(d) provide expanded flexibility to districts to support the alignment of each pupil's postsecondary success path with each pupil's individual interests, passions, strengths, needs, and culture.

(2) The incentive amount of the future ready payment is based on three goal levels:

(a) goal level 1, high school graduates who while in high school earned 15 or more postsecondary or CTE-equivalent credits;

(b) goal level 2, high school graduates who while in high school earned 30 or more postsecondary or CTE-equivalent credits; and

(c) goal level 3, high school graduates who while in high school earned an associate-level degree.

(3) (a) A high school graduate may reach goal levels 1 and 2 using any combination of postsecondary and CTE-equivalent credits.

(b) A high school graduate who achieves a higher future ready goal level does not generate a lower goal level payment.

(4) For the purposes of [section 15] and this section, the following definitions apply:

(a) "CTE-equivalent credit" means the career and technical education (CTE) credit value ascribed by the department of labor and industry as set forth in [section 15].

(b) (i) "Postsecondary credit" means the successful completion of a course of study by a student enrolled in a high school district or K-12 school district that results in the student's eligibility for transcribed credit within the Montana university system.

(ii) No later than December 1, the commissioner of higher education shall provide to the office of public instruction an annually updated list of the criteria of courses of study, including any completion or examination requirements, that a high school student may take that result in eligibility for transcribed credit at any unit of the Montana university system based on the adopted policies of the board of regents of higher education. If the number of credits differs based on examination results, the list must include these differentiated credit values. The list submitted applies to the achievements of high school graduates from the prior school year.

NEW SECTION. Section 15. CTE-equivalent credit -- department of labor and industry -- rulemaking. (1) Annually, but not later than December 1, the department of labor and industry shall adopt in

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2 **NEW SECTION. Section 18. Transition.** (1) (a) The legislature intends that the enhanced incentive
3 and flexibility in meeting the legislative goals for competitive teacher base pay under [this act] apply for and are
4 to be distributed in fiscal year 2026 and that the superintendent of public instruction robustly support
5 educational entities in fulfilling the data submission requirements to meet the legislative goals.

6 (b) For school fiscal year 2026 only:

7 (i) prior to enhancements under subsection (1)(b)(ii) and applicable for the fiscal year 2026
8 budget, each school district must have the number of full-time equivalent quality educators and qualified staff
9 increased by 1.

10 ~~(i)(ii)~~ an educational entity must receive the enhanced incentives based on the entity's ~~written~~
11 commitment, in a format prescribed by the superintendent of public instruction, to meet the revised legislative
12 goals for fiscal year 2026 established in [this act]:

13 (A) a teacher base salary in fiscal year 2026 that is at least 11 times the fiscal year 2026 quality
14 educator and qualified staff payment amount provided in 20-9-306, as amended in House Bill No. 15; and

15 (B) a teacher base salary in fiscal year 2026 that is at least 62% of the teacher average salary in
16 fiscal year 2025; and

17 ~~(ii)(iii)~~ the superintendent of public instruction shall allow an educational entity the opportunity to
18 provide this ~~written~~ commitment until [the effective date of this act] or May 15, 2025, whichever is later, and
19 adjust the entity's general fund BASE and maximum general fund budget limits and quality educator and
20 qualified staff payment for fiscal year 2026 accordingly and as applicable.

21 (2) The legislature intends that eligible district clerks and emergency authorized teachers are
22 included with the quality educator and qualified staff payments distributed beginning in fiscal year 2027.

23 (3) The legislature intends that the increases in maximum general fund budget limits related to
24 housing costs under [this act] apply for fiscal year 2026 and that the department of revenue and the
25 superintendent of public instruction collaborate to meet this intention. As applies to school fiscal year 2026:

26 (a) the department of revenue shall provide the housing cost data as described in [this act] that it
27 would have provided in December 2023, had [this act] been effective then, to OPI within 10 days of [the
28 effective date of this act]; and

Amendment - 1st Reading-white - Requested by: Llew Jones - (H) Education

- 2025

69th Legislature 2025

Drafter: Pad McCracken,

HB0252.001.001

(b) the superintendent of public instruction shall inform a school district of any increase to the district's maximum general fund budget limit for fiscal year 2026 ~~within 20 days of [the effective date of this act]~~ by June 1, 2025.

(4) For 2025 only, the May 1 deadline for the superintendent of public instruction to provide financial information to school districts under 20-9-369 is extended to June 1.

~~(4)(5)~~ The legislature intends that the future ready payment component provided for in [section 14] be fully operational for and result in initial distribution of funding by the office of public instruction during fiscal year ~~2027 2028~~, based on the achievements of high school graduates of school year ~~2025-2026~~ during their high school careers.

~~(5)(6)~~ The legislature intends that the incentive for resource sharing under [section 16] be fully operational for and result in distribution of funding by the office of public instruction during fiscal year 2027.

NEW SECTION. Section 19. Codification instruction. [Sections 14 through 17] are intended to be codified as an integral part of Title 20, chapter 9, part 3, and the provisions of Title 20, chapter 9, part 3, apply to [sections 14 through 17].

NEW SECTION. Section 20. Appropriation. There is appropriated from the general fund to the office of public instruction \$100,000 for each fiscal year of the biennium beginning July 1, 2025, for advanced opportunity aid. The money is in addition to the amount appropriated in House Bill No. 2 for advanced opportunity aid.

NEW SECTION. Section 21. Effective date. [This act] is effective on passage and approval.

NEW SECTION. Section 22. Applicability. [This act] applies to school years beginning on or after July 1, 2025.

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