



OPI FAQ – IEFA Finance Reporting Update

Indian Education For All (IEFA) is a landmark [provision](#) in the [Montana Constitution](#) that “recognizes the distinct and unique cultural heritage of the American Indians and is committed in its educational goals to the preservation of their cultural integrity.” The Montana Legislature provides IEFA funding to school districts and requires school districts to report IEFA expenditures to the Montana Office of Public Instruction (OPI).

In 2023 the Legislature passed [HB 338](#), which included several new reporting requirements and provided a reduction of future funding for school districts that fail to report expenditures of all IEFA revenue. This frequently asked questions (FAQ) document provides OPI guidance to help school districts navigate the legal and financial landscape for IEFA finance reporting.

What new IEFA provisions for school districts are in HB 338 (2023)?

Although HB 338 must be read in its entirety, the new reporting provisions are in Section 4(4) of the bill and address reporting of instruction and instruction development. Section 4(5) of the bill provides a reduction of, or ineligibility for, future funding for a school district’s failure to report expenditures of all IEFA revenue in the Trustee Financial Summary (TFS).

When do the new IEFA reporting provisions apply to school districts?

Section 6 of the bill provides an effective date of July 1, 2023. Section 7 of the bill provides that the new requirement for reporting of instruction and instruction development applies to IEFA funds for FY 2024 and later. The reporting of annual expenditures is not a new requirement. **The requirement for reduction in funding does not have a later applicability date and, thus, applies to the FY 2024 reporting of the FY 2023 expenditures, which impacts the FY 2025 IEFA funding.**

How might IEFA finance reporting impact future IEFA funding?

If a school district fails to report IEFA expenditures in its TFS, the district “is ineligible for the funding under this section for subsequent school fiscal years until the report is filed.” If a school district fails to report expenditures in its TFS for all IEFA revenue, the “district’s BASE budget and funding under this section for the subsequent fiscal year must be reduced by the amount of funding received that was not spent” on IEFA.

How and when can a school district correct an inaccurate TFS it filed with OPI?

A school district may file a corrected TFS (per ARM 10.10.504) with OPI as soon as the inaccuracy is discovered, but no later than December 10, by submitting a [School Data Error Correction Request Form](#) to opischoolfinance@mt.gov.