New law §15-30-3102, MCA, from HB 279 (2021), changes income tax credits for the Educational Improvement Program. This allows an increase of up to $1 million in FY 2022 and up to $2 million in FY 2023, with increases through FY 2029, statewide, to be spent at the discretion of trustees, for Innovative Education Programs.

FY 2022 will be the last year revenue code 1925 Innovative Education Payment will be recorded in Flexibility Fund (29) on the TFS in association with the older program. Under the new program set forth through HB 279 (2021), in FY 2022 revenue code 1925 Innovative Education Payment will be recorded in the Miscellaneous Programs Fund (15). Districts should continue to expend prior year revenue from the Flexibility Fund (29) and new revenue from the Miscellaneous Programs Fund (15) using program code 192 Innovative Education Payment.

Permissible Expenditures Include:

Section 15-30-3102(4), MCA is modified to define Innovative Education as follows:

   (4) "Innovative educational program" includes any of the following:
   (a) transformational learning as defined in 20-7-1602, MCA;
   (b) advanced opportunity as defined in 20-7-1503, MCA;
   (c) any program, service, instructional methodology, or adaptive equipment used to expand opportunity for a child with a disability as defined in 20-7-401, MCA;
   (d) any courses provided through work-based learning partnerships or for postsecondary credit or career certification; and
   (e) technology enhancements, including but not limited to any expenditure incurred for purposes specified in 20-9-533, MCA.

For more information, the following is a link to the DOR tax credit website: Education Tax Credits - Montana Department of Revenue

OPI Accounting Guidance

<table>
<thead>
<tr>
<th>Revenue should be deposited to:</th>
<th>Expenditures should be coded to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miscellaneous Programs Fund 15</td>
<td>Miscellaneous Programs Fund 15</td>
</tr>
<tr>
<td>Revenue Source 1925</td>
<td>Program 192</td>
</tr>
<tr>
<td>Unique Project Reporter Code is required</td>
<td>Unique Project Reporter Code is required</td>
</tr>
</tbody>
</table>

Coding questions can be addressed to Andrea Mohammadi at andrea.mohammadi@mt.gov