

# HOUSE BILL No. 1338

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 20-39-5.

**Synopsis:** Financial transparency by school corporations. Requires each school corporation, charter school, and joint program to maintain a searchable data base on the education provider's Internet site of the education provider's expenditures, both budgeted and actual.

**Effective:** July 1, 2011.

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**Behning, Frizzell**

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January 13, 2011, read first time and referred to Committee on Education.

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PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2010 Regular Session of the General Assembly.

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## HOUSE BILL No. 1338



A BILL FOR AN ACT to amend the Indiana Code concerning education.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 20-39-5 IS ADDED TO THE INDIANA CODE AS  
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2011]:

4 **Chapter 5. Financial Transparency**

5 **Sec. 1. As used in this chapter, "education provider" refers to**  
6 **any of the following:**

- 7 (1) **A school corporation.**
- 8 (2) **A charter school.**
- 9 (3) **A joint program (as defined in IC 20-26-10-1).**

10 **Sec. 2. (a) As used in this chapter, "entity" means a corporation,**  
11 **an association, a union, a limited liability corporation, a limited**  
12 **liability partnership, a grantee, a contractor, a unit of local**  
13 **government, a nonprofit corporation, or an employee of an**  
14 **education provider.**

15 **(b) The term does not include an individual recipient of public**  
16 **assistance.**

17 **Sec. 3. As used in this chapter, "public record" has the meaning**



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set forth in IC 5-15-6-1.5.

**Sec. 4. (a) Not later than June 30, 2012, each education provider shall develop, maintain, and make available to the public a single, searchable revenue and expenditure data base on the education provider's Internet site to allow the public, at no cost, to review information concerning money collected and expended by the education provider.**

**(b) The data base must include the following information for each fiscal year concerning expenditures made by the education provider:**

- (1) A comprehensive total for all money expended by:
 
  - (A) the education provider;**
  - (B) a subsidiary under the education provider's control;**
  - and**
  - (C) a governmental or nongovernmental entity on behalf of the education provider or a subsidiary under the education provider's control.****
- (2) The total amount expended for adult education programs, not including expenses for a general educational development diploma program under IC 20-20-6 or an alternative high school diploma program.**
- (3) The total amount expended for community services that are not used exclusively for kindergarten through grade 12 purposes.**
- (4) The total amount expended for preschool and early childhood education programs for children who are not old enough to attend kindergarten.**
- (5) The name and principal location or address of an entity receiving money. Information concerning a payment made to an employee of the education provider must identify the individual employee by name and work address.**
- (6) The amount of expended money.**
- (7) The funding source of expended money.**
- (8) The date of each expenditure.**
- (9) The budget category in which each expenditure is included.**
- (10) A description of the purpose of each expenditure.**
- (11) A unique identifier for each expenditure under subdivisions (2) and (3), and for all other expenditures to the extent possible.**
- (12) A copy of all credit card statements, identified by the department responsible for the credit card.**

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1 (c) The data base must include and store both the budgeted  
2 amounts and audited actual figures for each fiscal year, identified  
3 as a budgeted or an actual figure. Budgeted amounts must be  
4 included in the data base not more than one (1) week following the  
5 adoption of a budget. Actual audited amounts expended must be  
6 included in the data base not more than one (1) week following the  
7 acceptance of the audited amounts.

8 (d) The education provider shall ensure that the expenditure  
9 data in the data base is provided in an open structured data format  
10 that:

- 11 (1) may be downloaded by the user; and
- 12 (2) allows the user to systematically sort, search, and access  
13 all data.

14 (e) The data base may contain only information that is:

- 15 (1) a public record; and
- 16 (2) not confidential or otherwise protected from public  
17 disclosure under state or federal law.

18 **Sec. 5. The education provider shall:**

- 19 (1) update the financial data contained in the data base at  
20 least monthly;
- 21 (2) archive the financial data in a manner that remains  
22 accessible and searchable on the Internet site;
- 23 (3) make the data base easily accessible from the main page of  
24 the education provider's Internet site;
- 25 (4) create and make easily accessible an automated Really  
26 Simple Syndication feed to which users of the data base may  
27 subscribe for notification of updates to the data base; and
- 28 (5) post, on the main page of the education provider's Internet  
29 site, the following information for the most recent fiscal year:

30 (A) The total expenditures, both budget and actual, set  
31 forth in section 4(b)(1) through 4(b)(4) of this chapter on  
32 the schedule set forth in section 4(c) of this chapter.

33 (B) The estimated or actual ADM for kindergarten  
34 through grade 12, and for preschool or early childhood  
35 education programs, if applicable.

36 (C) The amount of spending per student, both budgeted  
37 and actual, determined under STEP FIVE of the following  
38 formula:

39 **STEP ONE: Determine the total expenditures described**  
40 **in section 4(b)(1) of this chapter.**

41 **STEP TWO: From the amount determined under STEP**  
42 **ONE, subtract the amount described in section 4(b)(2) of**

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**this chapter.**  
**STEP THREE: From the remainder determined under**  
**STEP TWO, subtract the amount described in section**  
**4(b)(3) of this chapter.**  
**STEP FOUR: From the remainder determined under**  
**STEP THREE, subtract the amount described in section**  
**4(b)(4) of this chapter.**  
**STEP FIVE: Divide the remainder determined under**  
**STEP FOUR by the ADM for kindergarten through**  
**grade 12.**

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