



**Indiana Association of School  
Business Officials  
May 2013  
Fort Wayne, Indiana**

**State Board of Accounts**



# Contact Us

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**State Board of Accounts**

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# Tammy Baker

**Graduated in May 1992 from Ball State University**

**Began career with SBOA in August of 1992**

**Named Office Supervisor of Schools and Townships  
in June 2011**

# State Board of Accounts Website

[www.in.gov/sboa](http://www.in.gov/sboa)

**School Administrator**  
**Charter School Administrator**  
**Public School Corporations Manual**  
**Extra-Curricular Accounts Manual**  
**Charter Schools Manual**  
**Regulatory Reporting Manual**  
**Filed Audit Reports**  
**Meeting Materials**

# Regulatory Basis of Accounting

The auditing standards define and allow SBOA to audit financial statements that are presented on an “other comprehensive basis of accounting” (OCBOA) which does not represent generally accepted accounting principles (GAAP). One of the non-GAAP bases of accounting most common to state and local governments is a regulatory basis.

A regulatory basis is defined as a basis of accounting that the reporting entity uses to comply with the requirements or financial reporting provisions of a governmental regulatory agency to whose jurisdiction the entity is subject.

# Regulatory Basis of Accounting

## Why did SBOA switch to regulatory reporting?

1. Recent changes were made to the auditing standards which do not allow for the person auditing the financial statements to also be able to offer technical assistance in compiling or preparing the financial statements. The auditing standards require the person auditing the financial statements to be independent of the financials and compiling would impair that independence.

# Regulatory Basis of Accounting

## Why did SBOA switch to regulatory reporting?

2. The standards require that management of the unit have the ability to oversee and approve the compilation of the financial statements. SBOA had to find a way for the compilation of the financial statements to be done independent of the audit. The local units were already required by law to submit an annual financial report through the gateway system and schools through DOE. The easiest way to compile financial statements and not affect the independence of the audit was to establish the regulatory requirements around what is required in the annual report.

3. This format also allows for the local unit to easily understand the format and how and where the numbers in the financial statements come from because they ultimately put the numbers into the annual report themselves.



# Regulatory Basis of Accounting

## INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE UNITNAME, CONAME COUNTY, INDIANA

### ***Report on the Financial Statements***

We have audited were engaged to audit the accompanying financial statements of the Unitname (Unittype), which comprise the financial position and results of operations for the year ended December 31, EndAudYr, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). ***Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation in the circumstances.*** Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

# Regulatory Basis of Accounting

## Management Oversight of Nonaudit Services – Regulatory Basis

As the management designee, I have reviewed the financial statements, notes to the financial statements, and schedule of expenditures of federal awards for each of the aforementioned items. These items were prepared by use of our books and records. Our books and records adequately support the financial statements, notes to the financial statements, and schedule of expenditures of federal awards prepared, and accordingly, I approve these items as prepared by the State Board of Accounts. I understand that slight modifications such as spelling, grammatical and formatting errors may be corrected during the processing of our report by the State Board of Accounts. I acknowledge that the financial statements, including the notes to the financial statements, and the schedule of expenditures of federal awards are our responsibility. ***I have determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation in the circumstances.***

□

# Regulatory Manual

[www.in.gov/sboa/files/RegulatoryManual\\_2012.pdf](http://www.in.gov/sboa/files/RegulatoryManual_2012.pdf)

This manual sets out the requirements for reporting using a regulatory basis of accounting.

This manual was a requirement when the SBOA chose to abandon GASB 34 reporting and switch to regulatory reporting.

Part I – Introduction

Part II – Objectives of Financial Reporting and  
Fund Accounting

Part III – Financial Reporting Requirements

Part IV – Internal Controls

# Regulatory Manual

## *Schedule of Expenditures of Federal Awards (SEFA)*

Each reporting entity shall be required to report information related to activity involving federal awards on this schedule. This schedule shall present each federal program separately. This schedule shall present on the same basis of accounting as the financial statements.

An example of the required format for the SEFA is documented in appendix C of the Regulatory Manual and will be emailed to each school corporation prior to the start of their audit.

# Regulatory Manual

*What happens if the School chooses not to provide a Schedule of Expenditures of Federal Awards (SEFA)?*

If no SEFA is presented or materials errors are noted on the SEFA presented, a Section II federal finding will be included in the report related to the material noncompliance and internal control.

# Regulatory Manual

## *Schedule of Leases and Debt*

Each reporting entity shall be permitted to report lease and debt information on this supplementary schedule. If presented, the schedule should include all outstanding lease and debt at the end of the fiscal year.

An example of the required format for the schedule of lease and debt is documented in appendix F of the Regulatory Manual and will be emailed to each school corporation prior to the start of their audit.

# Regulatory Manual

## *Schedule of Capital Assets*

Each reporting entity shall be permitted to report capital assets owned by the reporting entity on this schedule. If presented, this schedule should include all capital assets owned at the end of the fiscal period. The capital assets should be reported in the following categories: land; infrastructure; buildings; improvements other than buildings; machinery; equipment and vehicles; construction in progress; and books and other.

An example of the required format for the Schedule of Capital Assets is documented in Appendix G and will be emailed to each school corporation prior to the start of their audit.

# Regulatory Manual

## *Schedule of Payables and Receivables*

Each reporting entity shall be permitted to report payables and receivables of the entity on this schedule. If presented, the schedule should include amounts payable and receivable at the end of the fiscal period.

An example of the required format for the schedule of payables and receivables is documented in appendix H and will be emailed to each school corporation prior to the start of their audit.



# Regulatory Basis of Accounting

*What if your school corporation does not agree that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation?*

Schools may complete their financial reporting on a basis of accounting other than the regulatory basis set out in this manual. The school corporation must prepare the financial statements, note to financial statements, and all other schedules required for the basis of accounting used. All the required information must be available at the beginning of the scheduled audit or examination. The State Board of Accounts will provide no technical assistance in the preparation of the financial reporting if prepared on a basis of accounting other than the regulatory basis.

# Affordable Care Act

The State Board of Accounts has received many questions regarding our audit position with regards to the Affordable Care Act. Most of the questions have inquired specifically about the penalties, fines, or tax associated with this law. While our general audit guidelines prohibit the paying of penalties and interest and states that those payments would be a personal charge to the fiscal officer, administrator, or board, we do not believe this general guideline should apply to this controversial, mandated, and complicated law.

# Affordable Care Act

We also believe that the governing boards should be making the fiscal decisions associated with their unit of government and the implementation of this law. Therefore, if the fiscally wise decision of the board is to pay the penalties, fines, or tax instead of the cost of the insurance then we will not personally charge the officials involved. One of the conditions necessary to not charging the penalties, fines, or tax is to have the governing board officially document their decision to not comply with the Affordable Care Act. This could be a motion in the board minutes, a resolution, or an ordinance.

# Affordable Care Act

In summary, as long as there is an official action of the board to choose to pay the fines, penalties, or tax, then the State Board of Accounts will not personally hold anyone in that unit of government accountable for reimbursing the cost of those penalties, fines, or tax.

# Object Account Numbers

OMB compiles various School spending reports and had questions about specific object codes that were being used on Form 9.

For example they found that the Object Code 612 Tires and Repairs was being used in the Textbook Rental Fund. We theorized that some Schools had not updated or changed the codes as instructed beginning in 2008.

The School Corporation Manual, Chapter 7 includes a column that details the “prior to 1-1-08” object codes and a column that details the “new 1-1-08” object codes.

Please check to ensure that you are currently using the Object Codes detailed in the “new 1-1-08” column.

# Borrowing Funds

**SBOA audit position is that a school corporation is limited to borrowing money in accordance with IC 20-48-1.**

**IC 20-48-1-4: Bonds issued by a school corporation**

**IC 20-48-1-7: Emergency loans**

**IC 20-48-1-9: Anticipation warrants**

**IC 20-48-1-10: Temporary transfers among funds**

# School Corporation Health Insurance Limits

IC 20-26-17-3 places a limit on the employer share of the cost of coverage under a health plan that a School Corporation can provide its employees.

The limit is stated as not to exceed 12% of the employer share of a health plan. SPD performs an analysis each year and notifies School Corporations that exceed the limit.

If the School Corporation fails to reduce their cost to an allowable amount for a second year, then IC 20-26-17-4(3) requires them to participate in the state employee health plan if they decide to continue to offer health care coverage.

# Average Daily Member Count Requirements

The School Corporation Manual, Chapter 8 provides requirements for records associated with ADM.

SBOA is of the audit position that the building level Official (Principal, Assistant Principal, etc.) responsible for reporting ADM to the School Corporation Central Office should provide a written certification of ADM (written or electronic which is retained for audit) to properly document responsibility.

The certification should at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed.



# Special Purchases

The SBOA encourages bidding and quote procedures whenever possible, but IC 5-22-10-1 does provide, “Notwithstanding any other provision of this article, a purchasing agent may make a purchase under this chapter without soliciting bids or proposals.”

We are of the audit position that schools should obtain the written position of the school attorney as to which section IC 5-22-10 is applicable in any particular situation.

Contract records for a special purchase must be kept in a separate file. Records must include a written determination of the basis for the special purchase and the basis for the selection of the particular contractor. Records must be retained for a minimum of 5 years and are subject to audit by the SBOA.

Some examples of exceptions to bidding: Emergency conditions, Savings to governmental body, Auctions, Compatibility of equipment, Governmental discount available, and single source of supply.

# Scrap Metal Sales

The SBOA has received numerous calls from citizens and school officials notifying us that employees had sold “scrap metal” and collected proceeds from the sales without the knowledge of School Administration or the School Board.

IC 5-22-22-7 does permit the sale of recyclable property. However, all the receipts should be recorded in the School’s records and deposited into the School’s bank account.

It appears that most of the situations have occurred in places that are outside the Administration offices, such as the Transportation Building, the Maintenance Building, or the School Lunch Department. The School Corporation should have internal control procedures that provides sufficient control of the school’s assets.

# Updates to Extra-Curricular Account Policies

**Donations – SBOA will not take exception to club/organizations choosing to donate money to outside organizations by majority vote.**

**Gift Cards – SBOA will not take exception to the issuance of gift cards if the steps detailed in the December 2012 School Administrator, Volume 200, page 8 are followed.**

**Fundraisers – SBOA will not take exception to the School Board passing required procedures if the fundraising activity uses school property or is associated with a school event. In the absence of a local policy, our opinion would be that each fundraising activity needs to be looked at individually to determine if the School Corporation is running the activity or if an Outside Organization is running the activity. Things to keep in mind would be that if school employees are participating in the fundraising activity on school time, then the fundraiser activity should be accounted for in the school records or the School Corporation could run the risk of a ghost employment claim.**

## Segregation of Duties

The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same action.

# Segregation of Duties

**Advantages of having proper segregation of duties:**

- 1. Fraud is more difficult to perpetrate when proper segregation of duties are in place because it would require collusion of two or more individuals.**
- 2. With several individuals involved in the process, innocent errors are more likely to be found and corrected.**

## Segregation of Duties

An option for governmental entities who do not have sufficient staff to provide for adequate segregation of duties would be to involve officials and/or board members more actively in the reviewing processes, reports, and reconcilements to ensure they are properly authorized.

# Bad Debts and Uncollectible Accounts Policy

The governing body of a governmental unit should have a written policy concerning a procedure for the writing off of bad debts, uncollectible accounts receivable, or any adjustments to record balances.

Documentation should exist for all efforts made by the governmental unit to collect amounts owed prior to any write-offs.

Officials or employees authorizing, directing or executing write-offs or adjustments to records which are not documented or warranted may be held personally responsible.

# Ryan Preston

Born and raised in Winchester, IN, Randolph County

Graduated from Hanover College in May 2001

Field Examiner from June 2001 to July 2011

Office Supervisor for Schools and Townships in August 2011



# **Laws Enacted in 2013**

**[www.in.gov/legislative/](http://www.in.gov/legislative/)**

**State Board of Accounts**

# **Senate Enrolled Act 293**

## **Government Accounting Study Committee**

### **Adds IC 2-5-36.5 – Effective July 1, 2013**

Establishes the interim study committee on government accounting to study issues concerning state and local government accounting, including issues related to the implementation of generally accepted accounting principles, as adopted by the Governmental Accounting Standards Board (GASB), during the legislative interim in 2013 and 2014. Requires the committee to report its findings and recommendations to the legislative council before November 1, 2014.

## **Senate Enrolled Act 464**

# **Education Funding for Children in Residential Care Adds IC 20-26-11-11.5 – Effective July 1, 2013**

Provides that if a student is placed in a state licensed residential mental health facility under written orders of a licensed physician, if the student receives educational services provided by the facility, and if certain other conditions are satisfied, the school corporation receiving state tuition support for the student at the time of the student's admission to the facility shall pay the facility a per diem for the educational services provided by the facility to the student during the student's admission in the facility. Specifies that the amount such a school corporation shall pay to a facility is the amount, prorated according to the number of instructional days for which the student receives the educational services, that is equal to: (1) the student's proportionate share of basic tuition support distributions that are made to the school corporation for the school year; and (2) any special education grants received for the student. Requires a facility to provide written notice to the school corporation not later than five business days after a student is admitted to the facility

# House Enrolled Act 1012

## Sale of a Public School Building

### Amends IC 20-26-7-1 – Effective Upon Passage

Provides that a school corporation may sell a vacant or unused school building after the school building is made available for sale or lease to a charter school for at least two years. (Current law says after 48 months.)

Provides that a governing body shall make available for lease or purchase to any charter school any vacant or unused school building owned by the school corporation or any other entity that is related in any way to, or created by, the school corporation or the governing body, including a building corporation. (Includes school corporations and building corporations).

Provides that a governing body of a school corporation may request a waiver from the department of education (department) from the requirement that a vacant school building must be made available to a charter school.

# House Enrolled Act 1012

## Sale of a Public School Building

### Effective Upon Passage

#### (continued)

Provides that, after a governing body of a school corporation sends a waiver request to the department, the sponsor or membership organization representing charter schools may submit a qualified objection to the waiver request to the department. Provides that the department must deny a waiver request if it receives a qualified objection. Requires a charter school or related entity to transfer to the school corporation an amount equal to the gain, minus the adjusted basis of the school building, from a subsequent sale of a school building to a third party by the charter school or related entity. Requires the department to notify a school corporation of a charter school's intent to purchase or lease a vacant school building within 30 days of receiving a written notification from a charter school. Provides that if the department does not receive a qualified objection from a charter school or statewide organization representing charter schools, the governing body may dispose of the vacant or unused school building in any lawful manner.

**House Enrolled Act 1110  
School Capital Projects Fund  
Amends IC 20-40-8-19 – Effective July 1, 2013**

Extends the authority for a school corporation to use money in its capital projects fund to pay the costs of insurance and utilities through 2015.

# **House Enrolled Act 1560**

## **Rollovers of School Retirement Accounts**

### **Adds IC 20-26-5-34 – Effective July 1, 2013**

Provides that whenever a school corporation closes future contributions to a retirement, saving, or investment plan described under Section 401(c) OR Section 403(b) of the Internal Revenue Code, a participant in the plan, without regard to the participant's age or employment status, may elect to rollover the balance invested in that plan to: (1) another eligible retirement, savings, or investment plan offered by the school corporation; or (2) an individual retirement account or annuity described under Section 408(a) or 408(b) of the Internal Revenue Code.

# House Enrolled Act 1102

## Open Meetings

**Amends IC 5-14-1.5-2; IC 5-14-1.5-6 – Effective July 1, 2013**

Provides with regard to the law allowing the governing body of a public agency to conduct an executive session to discuss strategy with respect to the initiation of litigation, "litigation" includes any judicial action or administrative law proceeding under state or federal law. Provides that collective bargaining discussions that a governing body of a school corporation engages in directly with bargaining adversaries (because the governing body has not appointed a collective bargaining agent) are not subject to the requirements of the open door law



# House Enrolled Act 1145

## Various Local Governmental Matters

### Amends IC 36-1-8-5.1; IC 36-1-8-11 – Effective July 1, 2013

Authorizes a political subdivision or municipally owned utility to charge a reasonable fee for convenience when accepting a credit card or bank card for payments. Provides that a convenience fee imposed by a political subdivision or municipally owned utility on a credit card transaction may not exceed \$3, must be uniform regardless of the bank card or credit card used, and may be collected regardless of retail merchant agreements between the bank and credit card vendors that may prohibit such fees. Provides that unused and unencumbered funds from any fiscal year and certain specified sources may be transferred to a political subdivision's rainy day fund at any time. Provides that unobligated cash balances from any fiscal year and sources not specified by statute may be transferred to the rainy day fund if the amount of the transfer is specified in an ordinance or resolution and the transfer is not more than 10% of the political subdivision's annual budget.

# **Enrolled Acts Passed by Both Houses in 2013**

[www.in.gov/legislative/](http://www.in.gov/legislative/)

**State Board of Accounts**

# Senate Enrolled Act 001

## School Resource Officers and School Safety

### Adds IC 10-21; IC 20-26-18.2 – Effective Upon Passage

Specifies how a school resource officer program may be established and sets forth duties and responsibilities for school resource officers. Establishes the Indiana secured school fund (fund) under the administration of the department of homeland security to provide matching grants to enable school corporations and charter schools to establish programs to: (1) employ school resource officers; (2) conduct threat assessments of school buildings; or (3) purchase safety equipment and technology. Provides that a matching grant from the fund may not exceed the following: (1) \$50,000 per year, in the case of a school corporation or charter school that has an ADM of at least 1,000 and is not applying jointly. (2) \$35,000 per year, in the case of a school corporation or charter school that has an ADM of less than 1,000 and is not applying jointly. (3) \$50,000 per year, in the case of a coalition of schools applying jointly. Eliminates the authority to use money in the safe schools fund for certain purposes. Provides that in order to receive a matching grant, a school corporation or charter school must be located in a county that has a county school safety commission.

# **Senate Enrolled Act 352**

## **School Policies on Gang Activities**

### **Amends IC 5-2-10.1-2 – Effective July 1, 2013**

### **Adds IC 20-26-18; IC 20-33-9-10.5 – Effective July 1, 2013**

Allows the Indiana safe schools fund to be used to provide educational outreach and training to school personnel concerning the identification and prevention of, and intervention in, criminal gang activity. Requires the governing body of each school corporation to develop and maintain a criminal gang policy. Requires each school corporation to develop: (1) an educational criminal gang awareness program for students, school employees, and parents; and (2) a school employee development program to provide training to school employees in the implementation of the school corporation's criminal gang policy. Requires, beginning in 2017 and each year thereafter, each school corporation to submit a report to the department outlining the activities undertaken by the school corporation to address criminal gang activity. Requires a school employee to report any incidence of suspected criminal gang activity, criminal gang intimidation, or criminal gang recruitment to the principal and the school safety specialist.

**Senate Enrolled Act 402**  
**School Administrator Contracts**  
**Amends IC 20-28-8-3 – Effective July 1, 2013**  
**Adds IC 21-41-9 – Effective July 1, 2013**  
**Repealed IC 20-20-2 – Effective July 1, 2013**

Changes, from February 1 to March 1, the date by which a governing body shall give written notice of renewal or refusal to renew an assistant superintendent's, a principal's, or an assistant principal's contract. Establishes the principal institute within Indiana State University to strengthen leadership and management skills of practicing Indiana public school principals. Repeals provisions establishing the principal leadership academy within the department of education.

# Senate Enrolled Act 421

## School Bus Safety

**Adds IC 20-27-3-6.5; IC 20-27-4-9 – Effective July 1, 2013**

Provides that the failure to provide the instruction or conduct the drill subjects: (1) an employee of a school corporation to removal from employment; and (2) a person operating a school bus under contract to cancellation of the contract. Provides that before a governing body may purchase a school bus equipped with safety belts, the governing body must conduct a public hearing to explain why the governing body is purchasing the school bus rather than using the purchase money for other student safety measures.

# House Enrolled Act 1157

## Various Election Matters

**Amends IC 3-5-4-11 – Retroactive to January 1, 2012**

**Amends IC 3-8-2.5-4 – Effective July 1, 2013**

Provides that an elected member of the governing body of a school corporation takes office on the date set in the school corporation's organization plan. Provides that the date set in the organization plan for an elected member of the governing body to take office may not be more than 14 months after the date of the member's election. Provides that if the school corporation's organization plan does not set a date for an elected member of the governing body to take office, the member takes office January 1 immediately following the member's election. Specifies the deadline for withdrawal of school board candidates, and revises the deadline for filing as a write-in candidate for school board office. Specifies the procedure for certification of school board candidates to the county election board of each county in which a school corporation is located.

**House Enrolled Act 1159**  
**School Liability**  
**Amends IC 34-13-3-3 – Effective July 1, 2013**  
**Adds IC 34-31-10 – Effective July 1, 2013**

Limits the liability of a public school or an accredited nonpublic school that provides community use physical fitness activities to the general public. Specifies that the tort claims act applies to charter schools, and provides tort claims immunity to a public or charter school for a claim based on the adoption or enforcement of a policy, or on the failure to adopt or enforce a policy.



# **House Enrolled Act 1334 Teacher Liability Insurance Adds IC 4-13-20 – Effective July 1, 2013**

Permits the department of administration to contract for the availability of personal liability insurance for public and nonpublic school teachers in Indiana.

# **House Enrolled Act 1357**

## **School Administrators**

**Amends IC 20-18-2-22; IC 20-23-7-10; IC 20-25-2-2;  
IC 20-26-5-4; IC 20-28-8-6; IC 20-28-8-7 – Effective July 1,  
2013**

**Repeals IC 20-23-2-7 – Effective July 1, 2013**

Provides that a superintendent of schools is not required to hold a teacher's or superintendent's license, but is required to have obtained at least a master's degree from an accredited postsecondary educational institution. Repeals a requirement that a county superintendent of schools must have five years of successful teaching experience and hold a superintendent's license.

# House Enrolled Act 1381

## Public School Transfers

### Adds IC 20-18-2-18.3; 20-26-11-32 – Effective July 1, 2013

Requires the governing body of a school corporation that accepts transfer students to establish the number of transfer students the school corporation has the capacity to accept. Requires the governing body to establish a date by which transfer requests must be received. Provides that, with certain exceptions, a governing body may not deny a request to transfer from another school corporation to a school within the school corporation for any reason other than capacity. Requires the governing body to publish the deadline for transfer requests on the school corporation's Internet web site and to report the deadline to the department of education (department). Provides that if the number of transfer requests a school corporation receives exceeds the school's capacity, admissions must be determined by a random drawing at a public meeting. Allows a governing body to limit the number of transfers to a particular school building or grade level to ensure that a student who has already transferred to a school may continue attending the same school and to allow the members of the same household as the transfer student to attend a particular school. Provides that the governing body of a school corporation with a school building that offers a special curriculum may require a student who transfers to the school building to meet the same eligibility criteria required of all students who attend the school building that offers the special curriculum. Provides that a school corporation that has adopted a policy to not accept student transfers after June 30, 2013, is not prohibited from enrolling a transfer student who attended a school with the school corporation during the 2012-2013 school year.

# House Enrolled Act 1423

## Antibullying

**Amends IC 20-20-8-8; IC 20-33-8-0.2; IC 20-33-8-13.5 –**

**Effective July 1, 2013**

**Adds IC 20-26-5-34.2; IC 20-30-5-5.5 – Effective July 1, 2013**

Requires each school corporation to include the number and categories of bullying incidents that occur within the school corporation on the school corporation's annual performance report. Requires each school corporation to provide training to school employees and volunteers concerning the school corporation's bullying prevention program, and to provide annual bullying prevention education to students. Modifies the definition of "bullying". Requires each school corporation to include detailed procedures for investigation and reporting of bullying behaviors in the school corporation's discipline rules. Requires each school corporation to include detailed procedures outlining the use of follow-up services for support services for the victim and bullying education for the bully in the school corporation's discipline rules. Sets out a bullying reporting requirement for each school corporation.

# House Enrolled Act 1427

## Various Education Matters

### Adds IC 20-26-5-34.2; IC 20-30-5-5.5 – Effective July 1, 2013

A majority of the enrolled act places requirements on the state board and the department.

Provides that the geographic boundary of an educational service center's region must, to the extent possible, be aligned with the boundary of a regional works council's region.

Replaces the definition of "textbook" with a definition of "curricular materials".

Repeals a provision that requires a school corporation to compile class size data for kindergarten through grade 3 and report the data to the department for purposes of maintaining the primetime program. Requires a school corporation to annually compile class size data for kindergarten through grade 3 and report the data to the department by a date established by the department.

# **Public Law Changes for 2012**

**[www.in.gov/legislative/](http://www.in.gov/legislative/)**

**State Board of Accounts**

**House Enrolled Act 1205**  
**Public Law 148**  
**School Employee Contracts**  
**Effective July 1, 2012**

Requires a school corporation to give public notice and hold a public meeting pertaining to a proposed superintendent employment contract. Provides that the public meeting must occur at least seven days before a contract for employment is entered. Provides that the governing body is not required to disclose the identity of the candidate for superintendent at the public meeting. Requires that the governing body shall post the provisions of a superintendent's employment contract on the school corporation's internet web site. Requires a school corporation to post the provisions of an employment contract with a certificated employee that is not represented by an exclusive representative on the school corporation's internet web site. Provides that after a governing body and the certified employees' exclusive representative have reached an agreement on a contract, the governing body shall post the contract on the school corporation's internet web site. Requires the organizer of a charter school to publish the names of the members of the charter school's governing body on the school's internet web site.

**Senate Enrolled Act 259**  
**Public Law 24**  
**School Consolidation Executive Session**  
**Effective July 1, 2012**

Allows discussion of strategy with respect to school consolidation to be conducted in an executive session.



**Senate Enrolled Act 1058**  
**Public Law 26**  
**School Consolidation Executive Session**  
**Effective July 1, 2012**

Amends IC 36-1.5-4-7: Permits two or more school corporations to publish notices, hold public hearings, and take final action for the adoption of property tax levies, property tax rates, and a budget for the reorganized school corporation after the voters approve a plan of reorganization in a general election. Provides that a conversion charter school must publish its estimated annual budget for the ensuing year.

**House Enrolled Act 1283**  
**Public Law 84**  
**Record Retention Schedules**  
**Effective July 1, 2012**

Amends IC 5-15-6-2.5: Requires each County Commission of Public Records to implement local government record retention schedules not more than 30 days after adoption by the State's Oversight Committee of the Indiana Commission on Public Records (ICPR)

**Senate Enrolled Act 193**  
**Public Law 90**  
**Local Elected Officials**  
**Effective January 1, 2013**

Requires a candidate for a local or school board office to file a statement of economic interests with the candidate's declaration of candidacy, petition of nomination, declaration of intent to be a write-in candidate, or certificate of candidate selection. Requires an individual who fills a vacancy in an elected local or school board office to file a statement of economic interests not later than 60 days after the individual assumes the office.

**House Enrolled Act 1003  
Public Law 134  
Public Records/Public Access**

**Adds 5-14-1.5-7.5; 5-14-1.5-9.5; 5-14-3-9.5; 5-14-4-14 and Amends 5-14-1.5-5; 5-14-1.5-7, 5-14-3-3; 5-14-3-4; 5-14-3-9 5-15-5.1-1 Effective July 1, 2012**

**Adds 5-14-1.5-3.5; 5-14-1.5-3.6; and Amends 5-14-1.5-3; 5-14-1.5-4 Effective January 1, 2013**

**Allows a court to impose civil penalties to officers of a public agency or a public agency where an individual with specific intent to violate the law fails to perform a duty under IC 5-14-1.5 by:**

- 1. failing to give proper notice of a regular meeting, special meeting, or executive session;**
- 2. taking final action outside a regular meeting or special meeting;**
- 3. participating in a secret ballot during a meeting;**
- 4. discussing in an executive session subjects not eligible for discussion in an executive session;**
- 5. failing to prepare a memorandum of a meeting, or**
- 6. participating in at least one (1) gathering of a series of gatherings.**

**House Enrolled Act 1003**  
**Public Law 134**  
**Public Access/Public Records**  
**(continued)**

States a civil penalty may only be imposed as part of an action filed. A court may not impose a civil penalty unless the public access counselor has issued an advisory opinion:

1. to the complainant and the public agency;
2. that finds that the individual or public agency violated IC 5-14-1.5; and
3. before the action is filed.

If an individual:

1. continues to deny a request that complies with IC 5-14-3-3(b) for inspection or copying of a public record after the public access counselor has issued an advisory opinion:
  - A. regarding the request for inspection or copying of the public record; and
  - B. that instructs the public agency to allow access to the public record; and
2. denies the request with the specific intent to unlawfully withhold a public record that is subject to disclosure; the individual and the public agency employing the individual are subject to a civil penalty.

# House Enrolled Act 1003

## Public Law 134

### Public Access/Public Records (continued)

If an individual intentionally charges a copying fee that the individual knows exceeds the amount set by statute, fee schedule, ordinance, or court order, the individual is subject to a civil penalty.

A civil penalty may only be imposed as part of an action filed. A court may not impose a civil penalty unless the public access counselor has issued an advisory opinion:

1. to the complainant and the public agency;
2. that instructs the public agency to allow access to the public record; and
3. before the action is filed.

Civil penalties imposed by a court may not be more than \$100 for the first violation and not more than \$500 for each additional violation. States that an individual is personally liable for a civil penalty that is imposed and that civil penalties imposed against a public agency shall be paid by the public agency's budget. Creates an education fund for the public access counselor where such civil penalties shall be deposited. Such fund is to be used to train elected officials and the public about public access laws.

**House Enrolled Act 1134**

**Public Law 140**

**School Transportation**

**Section 1 Effective July 1, 2012**

**Section 2 Effective April 1, 2012**

**Section 3 Effective July 1, 2012**

**Provides that no fee may be charged to a parent or student for transportation to and from school if a school corporation provides transportation or contracts with an educational service center to provide transportation. Provides that parent supplemental transportation contracts do not apply to transportation provided by an educational service center. Makes a technical correction concerning school bus replacement plans.**

# **House Enrolled Act 1192**

## **Public Law 145**

### **School Corporation and Local Government Finances**

#### **Effective March 19, 2012**

Provides that before January 1, 2014, a school corporation may use the debt restructuring statutes if the school corporation has a circuit breaker impact of at least 20%, as certified by the department of local government finance (DLGF) (rather than 30%, under current law). Provides that if a school corporation that covers its active and retired employees under a state employee health plan consolidates, reorganizes, or merges after May 1, 2012, with a school corporation that does not cover its active and retired employees under a state employee health plan, the school corporation that results from the consolidation, reorganization, or merger must allow an individual for whom the first school corporation had (as of the effective date of the consolidation, reorganization, or merger) health insurance liability under a state employee health plan to continue the individual's coverage under the state employee health plan for at least five years, as long as the individual otherwise remains eligible for coverage under the plan.



# House Enrolled Act 1192

## Public Law 145

### School Corporation and Local Government Finances

Effective March 19, 2012

(continued)

Provides that a school corporation that carried out a general program in at least one school year beginning after June 30, 2010, to provide transportation to and from school for eligible students must carry out a program to provide transportation to and from school, unless the governing body of the school corporation: (1) approves the termination of the transportation program; and (2) provides public notice of the termination; at least three years before the date after which the transportation will no longer be provided. Allows the department of education to waive these requirements if the department determines that a transportation plan presented by the school corporation, with or without revisions required by the department: (1) will protect the safety of eligible students enrolled in the school corporation; and (2) is otherwise in accordance with applicable law. Provides that before January 1, 2018, costs attributable to transportation may be budgeted in and paid from a school corporation's general fund. Provides that the DLGF may upon petition by a school corporation adjust the school corporation's levy for the school bus replacement fund to reflect the school corporation's school bus acquisition plan. Reduces (by 75% in 2013, 50% in 2014, and 25% in 2015) the amount by which a school corporation must otherwise reduce the school corporation's other levies to offset a pension debt levy, if the school corporation adopts a resolution to apply such a reduction.

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