

SENATE BILL No. 106

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-14; IC 6-1.1-20.3.

Synopsis: Local government transparency. Requires the department of local government finance (DLGF) to develop indicators of fiscal health for school corporations and other political subdivisions. Requires the DLGF to present information for evaluating the fiscal health of political subdivisions on the Indiana transparency Internet web site through conveniently and easily accessed dashboards. Allows political subdivisions showing signs of fiscal distress to request technical assistance from the distressed unit appeals board (DUAB) beginning in 2015. Requires the office of management and budget (OMB) to evaluate whether the DUAB requires additional powers and resources to provide technical assistance. Allows the OMB to recommend any legislation necessary to provide those additional powers and resources to the DUAB.

Effective: Upon passage.

Charbonneau

January 8, 2014, read first time and referred to Committee on Appropriations.



Second Regular Session 118th General Assembly (2014)

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

SENATE BILL No. 106



A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

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

1 SECTION 1. IC 5-14-3.7-2.5 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE UPON PASSAGE]: **Sec. 2.5. As used in this chapter,**
4 **"school corporation" has the meaning set forth in IC 36-1-2-17.**
5 SECTION 2. IC 5-14-3.7-3, AS ADDED BY P.L.172-2011,
6 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 UPON PASSAGE]: Sec. 3. (a) The department, working with the office
8 of technology established by IC 4-13.1-2-1 or another organization that
9 is part of a state educational institution, the state board of accounts
10 established by IC 5-11-1-1, the department of local government finance
11 established under IC 6-1.1-30-1.1, and the office of management and
12 budget established by IC 4-3-22-3, shall post on the Indiana
13 transparency Internet web site a data base that lists expenditures and
14 fund balances, including expenditures for contracts, grants, and leases,
15 for public schools. The web site must be electronically searchable by
16 the public.



- 1 (b) The data base must include for public schools:
 2 (1) the amount, date, payer, and payee of expenditures;
 3 (2) a listing of expenditures by:
 4 (A) personal services;
 5 (B) other operating expenses; or
 6 (C) total operating expenses;
 7 (3) a listing of fund balances;
 8 (4) a listing of real and personal property owned by the public
 9 school; ~~and~~
 10 (5) the report required under IC 6-1.1-33.5-7; **and**
 11 **(6) information for evaluating the fiscal health of each school**
 12 **corporation in the format required by section 16(b) of this**
 13 **chapter.**
 14 SECTION 3. IC 5-14-3.7-16 IS ADDED TO THE INDIANA CODE
 15 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 16 UPON PASSAGE]: **Sec. 16. (a) The department of local government**
 17 **finance shall develop indicators of fiscal health for evaluating the**
 18 **fiscal health of a school corporation. The department of local**
 19 **government finance may consider including any of the following in**
 20 **the indicators developed under this subsection:**
 21 **(1) The cash balance of a school corporation.**
 22 **(2) The debt to revenue ratio of a school corporation.**
 23 **(3) The condition of a school corporation's property tax base**
 24 **as measured by both the assessed value of the school**
 25 **corporation and the amount of per capita revenue generated**
 26 **from the school corporation's tax base.**
 27 **(4) The per capita amount of a school corporation's general**
 28 **fund operating revenue.**
 29 **(5) Any trends in the amount of a school corporation's tax**
 30 **revenue.**
 31 **(6) Whether a school corporation maintains a structural**
 32 **deficit or a structural surplus.**
 33 **(7) Any other factor that the department of local government**
 34 **finance considers relevant to evaluating the fiscal health of a**
 35 **school corporation.**
 36 **(b) The department of local government finance shall use the**
 37 **indicators developed under subsection (a) and the associated fiscal**
 38 **data to present the information for evaluating the fiscal health of**
 39 **each school corporation on the Indiana transparency Internet web**
 40 **site. The information must be presented in a manner that:**
 41 **(1) can be conveniently and easily accessed from a single web**
 42 **page; and**



1 **(2) is commonly known as an Internet dashboard.**
 2 **The information must be available on the Indiana transparency**
 3 **Internet web site in the format required by this subsection before**
 4 **January 1, 2015.**

5 SECTION 4. IC 5-14-3.8-3, AS AMENDED BY P.L.229-2013,
 6 SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 UPON PASSAGE]: Sec. 3. The department, working with the office of
 8 technology established by IC 4-13.1-2-1, or another organization that
 9 is part of a state educational institution, the office of management and
 10 budget established by IC 4-3-22-3, and the state board of accounts
 11 established by IC 5-11-1-1, shall post on the Indiana transparency
 12 Internet web site the following:

- 13 (1) The financial reports required by IC 5-11-1-4.
 14 (2) The report on expenditures per capita prepared under
 15 IC 6-1.1-33.5-7.
 16 (3) A listing of the property tax rates certified by the department.
 17 (4) An index of audit reports prepared by the state board of
 18 accounts.
 19 (5) Local development agreement reports prepared under
 20 IC 4-33-23-10 and IC 4-33-23-17.
 21 **(6) Information for evaluating the fiscal health of a political**
 22 **subdivision in the format required by section 8(b) of this**
 23 **chapter.**
 24 ~~(6)~~ (7) Any other financial information deemed appropriate by the
 25 department.

26 SECTION 5. IC 5-14-3.8-8 IS ADDED TO THE INDIANA CODE
 27 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
 28 UPON PASSAGE]: **Sec. 8. (a) The department shall develop**
 29 **indicators of fiscal health for evaluating the fiscal health of a**
 30 **political subdivision. The department may consider including any**
 31 **of the following in the indicators developed under this subsection:**

- 32 **(1) The cash balance of a political subdivision.**
 33 **(2) The debt to revenue ratio of a political subdivision.**
 34 **(3) The condition of a political subdivision's property tax base**
 35 **and income tax base, if any, as measured by both the assessed**
 36 **value of the political subdivision and the amount of per capita**
 37 **revenue generated from the political subdivision's tax bases.**
 38 **(4) The per capita amount of a political subdivision's general**
 39 **fund operating revenue.**
 40 **(5) Any trends in the amount of a political subdivision's tax**
 41 **revenue.**
 42 **(6) Whether a political subdivision maintains a structural**



1 deficit or a structural surplus.

2 (7) Any other factor that the department considers relevant to
3 evaluating the fiscal health of a political subdivision.

4 (b) The department shall use the indicators developed under
5 subsection (a) and the associated fiscal data to present the
6 information for evaluating the fiscal health of a political
7 subdivision on the Indiana transparency Internet web site. The
8 information must be presented in a manner that:

9 (1) can be conveniently and easily accessed from a single web
10 page; and

11 (2) is commonly known as an Internet dashboard.

12 The information must be available on the Indiana transparency
13 Internet web site in the format required by this subsection before
14 January 1, 2015.

15 SECTION 6. IC 6-1.1-20.3-14 IS ADDED TO THE INDIANA
16 CODE AS A NEW SECTION TO READ AS FOLLOWS
17 [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) The office of
18 management and budget shall:

19 (1) review the staffing, policies, procedures, and capabilities
20 of the board; and

21 (2) determine whether the board requires any additional
22 powers or resources to carry out section 15 of this chapter.

23 (b) The office of management and budget may:

24 (1) recommend any legislation necessary to provide the board
25 with sufficient powers and resources to carry out section 15 of
26 this chapter; and

27 (2) submit the recommended legislation to the general
28 assembly for consideration in the 2015 legislative session.

29 The office of management and budget shall submit the
30 recommended legislation under subdivision (2) in an electronic
31 format under IC 5-14-6.

32 SECTION 7. IC 6-1.1-20.3-15 IS ADDED TO THE INDIANA
33 CODE AS A NEW SECTION TO READ AS FOLLOWS
34 [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) After June 30, 2015,
35 the executive of a political subdivision showing signs of fiscal
36 distress, as determined using the fiscal health indicators developed
37 under IC 5-14-3.7-16 or IC 5-14-3.8-8, may request technical
38 assistance from the board in helping prevent the political
39 subdivision from becoming a distressed political subdivision.

40 (b) The board may do any of the following for a political
41 subdivision that requests assistance under subsection (a):

42 (1) Provide information and technical assistance with respect



1 **to the data management, accounting, or other aspects of the**
2 **fiscal management of the political subdivision.**
3 **(2) Assist the political subdivision in obtaining assistance from**
4 **state agencies and other resources.**
5 **SECTION 8. An emergency is declared for this act.**

