

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 ENROLLED ACT No. 106

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

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

SECTION 1. IC 4-9.1-1-7, AS AMENDED BY P.L.205-2013, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 7. (a) The board may transfer money between state funds, and the board may transfer money between appropriations for any board, department, commission, office, or benevolent or penal institution of the state. After the transfer is made, the money of the fund or appropriation transferred is not available to the fund or the board, department, commission, office, or benevolent or penal institution from which it was transferred.

(b) In addition to a transfer under subsection (a), the board may transfer money from an appropriation for any board, department, commission, office, or benevolent or penal institution of the state to the Indiana economic development corporation.

(c) An order by the board to make a transfer under this section is sufficient authority for the making of appropriate entries showing the transfer on the books of the auditor of state and treasurer of state.

(d) The authority given the board under this section to make transfers does not apply to trust funds. For the purposes of this section, "trust fund" means a fund which by the constitution or by statute has been designated as a trust fund or a fund which has been determined by the board to be a trust fund.

(e) Whenever the board takes action to transfer money out of a

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dedicated fund that is attributable to fees credited to the fund, the budget agency shall notify the budget committee within thirty (30) days and state the reason for the transfer.

(f) Within thirty (30) days after approving a transfer, the board shall post on the Indiana transparency Internet web site:

(1) a narrative description of each approved transfer under this section; and

(2) the reason for the transfer.

SECTION 2. IC 5-14-3.7-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 2.5. As used in this chapter, "school corporation" has the meaning set forth in IC 36-1-2-17.**

SECTION 3. IC 5-14-3.7-3, AS ADDED BY P.L.172-2011, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3. (a) The department, working with the office of technology established by IC 4-13.1-2-1 or another organization that is part of a state educational institution, the state board of accounts established by IC 5-11-1-1, the department of local government finance established under IC 6-1.1-30-1.1, and the office of management and budget established by IC 4-3-22-3, shall post on the Indiana transparency Internet web site a data base that lists expenditures and fund balances, including expenditures for contracts, grants, and leases, for public schools. The web site must be electronically searchable by the public.**

(b) The data base must include for public schools:

(1) the amount, date, payer, and payee of expenditures;

(2) a listing of expenditures by:

(A) personal services;

(B) other operating expenses; or

(C) total operating expenses;

(3) a listing of fund balances;

(4) a listing of real and personal property owned by the public school; ~~and~~

(5) the report required under IC 6-1.1-33.5-7; and

(6) information for evaluating the fiscal health of each school corporation in the format required by section 16(b) of this chapter.

SECTION 4. IC 5-14-3.7-16 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 16. (a) The department of local government finance shall develop indicators of fiscal health for evaluating the fiscal health of a school corporation. The department of local**



government finance may consider including any of the following in the indicators developed under this subsection:

- (1) The cash balance of a school corporation.
- (2) The debt to revenue ratio of a school corporation.
- (3) The condition of a school corporation's property tax base as measured by both the assessed value of the school corporation and the amount of per capita revenue generated from the school corporation's tax base.
- (4) The per capita amount of a school corporation's general fund operating revenue.
- (5) Any trends in the amount of a school corporation's tax revenue.
- (6) Whether a school corporation maintains a structural deficit or a structural surplus.
- (7) The extent that the school corporation is affected by tax increment financing districts.
- (8) The extent that the school corporation's property tax base is affected by exempt properties.
- (9) The school corporation's bond rating.
- (10) The amount of retiree benefits paid by the school corporation.
- (11) The amount of pension contributions paid on behalf of the school corporation's employees.
- (12) Any other factor that the department of local government finance considers relevant to evaluating the fiscal health of a school corporation.

(b) The department of local government finance shall use the indicators developed under subsection (a) and the associated fiscal data to present the information for evaluating the fiscal health of each school corporation on the Indiana transparency Internet web site. The information must be presented in a manner that:

- (1) can be conveniently and easily accessed from a single web page; and
- (2) is commonly known as an Internet dashboard.

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

(c) Neither the department of local government finance nor any other state agency may use the fiscal health indicators developed under this section to assign a school corporation a summative grade.

SECTION 5. IC 5-14-3.8-3, AS AMENDED BY P.L.229-2013,



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

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

SECTION 6. IC 5-14-3.8-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8. (a) The department shall develop indicators of fiscal health for evaluating the fiscal health of a political subdivision. The department may consider including any of the following in the indicators developed under this subsection:**

- (1) The cash balance of a political subdivision.**
- (2) The debt to revenue ratio of a political subdivision.**
- (3) The condition of a political subdivision's property tax base and income tax base, if any, as measured by both the assessed value of the political subdivision and the amount of per capita revenue generated from the political subdivision's tax bases.**
- (4) The per capita amount of a political subdivision's general fund operating revenue.**
- (5) Any trends in the amount of a political subdivision's tax revenue.**
- (6) Whether a political subdivision maintains a structural deficit or a structural surplus.**
- (7) The number and size of the tax increment financing districts designated by a redevelopment commission established by the political subdivision, if any.**
- (8) The extent that the political subdivision is affected by tax**



increment financing districts.

(9) The extent that the political subdivision's property tax base is affected by exempt properties.

(10) The political subdivision's bond rating.

(11) The amount of retiree benefits paid by the political subdivision.

(12) The amount of pension contributions paid on behalf of the political subdivision's employees.

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

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

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

(2) is commonly known as an Internet dashboard.

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

(c) Neither the department of local government finance nor any other state agency may use the fiscal health indicators developed under this section to assign a political subdivision a summative grade.

SECTION 7. IC 6-1.1-20.3-14 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) The office of management and budget shall:

(1) review the board's organizational structure, the board's composition, the number of board members, and the staffing, policies, procedures, and capabilities of the board; and

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

(b) The office of management and budget may:

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

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

The office of management and budget shall submit the recommended legislation under subdivision (2) in an electronic



format under IC 5-14-6.

SECTION 8. IC 6-1.1-20.3-15 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 15. (a) After June 30, 2015, the executive of a political subdivision may request technical assistance from the board in helping prevent the political subdivision from becoming a distressed political subdivision. The board, by using the health fiscal indicators developed under IC 5-14-3.7-16 or IC 5-14-3.8-8, shall determine whether to provide assistance to the political subdivision.**

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

- (1) Provide information and technical assistance with respect to the data management, accounting, or other aspects of the fiscal management of the political subdivision.**
- (2) Assist the political subdivision in obtaining assistance from state agencies and other resources.**

SECTION 9. An emergency is declared for this act.



President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Governor of the State of Indiana

Date: _____ Time: _____

