



**TO: Members of the Indiana State Board of Education**

**FROM: Melissa Ambre, Director, Office of School Finance**

**RE: Chart of Accounts**

**DATE: March 23, 2018**

In 2015, the Every Student Succeeds Act (ESSA) was signed into law, and with it came a requirement that all states report per-pupil expenditures down to the school level on district and school report cards. What has been required and reported across the state is *district*-level spending. But the new federal financial transparency clause calls on states to publicly report spending *by school*. This change will make a slew of never-before-available school-level financials easily accessible to communities and school systems.

For our state, this level financial reporting is unprecedented, but it also provides a tremendous opportunity to build an information system that can be used to drive improvements for our schools. School-level financial data will enable education leaders and stakeholders at all levels to better understand spending patterns across the state and individual districts, and use that knowledge for the benefit of our students.

Since July 1, 2017, our state's financial accounting structure enables the use of school-level coding for all expenditures. In preparation for the July 1, 2018 requirement, the staff has reviewed and, with assistance from the State Board of Accounts, determined that two additional expenditure accounts are necessary to properly code expenditures for Innovation Network Charter Schools. Also, the Indiana Department of Education (IDOE) respectfully requests a change in the categorical classification under I.C. 20-42.5 which are also used for the "Dollars to Classroom Report" compiled each year by the Office of Management and Budget.

### **Description**

Classify new expenditure account **17250 Tuition Transfer to Innovation Network Schools** as Category 1- Academic Achievement. The expenditure account will reflect the transfer of funds to an innovation network school; and

Classify new expenditure account **17200 Tuition Transfer to Innovation Network Charter Schools** as Category 1- Academic Achievement. The expenditure account will reflect the transfer of funds to an innovation network charter school based upon an agreement.

Reclassify expenditure account **33400 Athletic Coaches** as Category 2- Student Support. The expenditure account is currently classified as Category 4-Non-Operational. The reason for the request is because most coaches are also teachers and the contractual agreement for the coaching position can also be part of the teacher contract for the same.

Should other changes become necessary, IDOE will work with the IN Association of School Business Officials, the State Board of Accounts and State Budget Agency to determine the appropriate accounts. The IDOE respectfully requests approval of the two new expenditure accounts as well as the category change for the Chart of Accounts.