

TO: Members of the Indiana State Board of Education

FROM: Melissa Ambre, Director, Office of School Finance

RE: Chart of Accounts

DATE: September 21, 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. Based on further review of the Chart of Accounts prescribed by the State Board of Accounts, we recommend the following categories for the three new expenditure accounts.

Description

Expenditure account 33921 Contributions to Art Associations

Recommended classification: Nonoperational

Definition: Permissible appropriation for contribution to local art associations.

Expenditure account 33925 Public Playground

Recommended classification: Nonoperational

Definition: Activities and expenses concerned with providing a playground for the general public.

Expenditure exception account 60120 Expenditures for refund of revenue erroneously received

Recommended classification: Excluded

Definition: Expenditures to refund revenue erroneously received by a Local Education Agency.

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 account classifications. The IDOE respectfully requests approval of the three new expenditure account classifications for the Dollars to Classroom Report specified in I.C. 20-42.5.