

By: Representative Smith

To: Education

HOUSE BILL NO. 351

1 AN ACT TO CREATE THE FINANCIAL TRANSPARENCY IN EDUCATION ACT;
 2 TO REQUIRE EACH LOCAL EDUCATION PROVIDER IN THE STATE TO CREATE
 3 AND MAINTAIN A SEARCHABLE EXPENDITURE AND REVENUE WEBSITE THAT
 4 INCLUDES DETAILED DATA ON ALL MONIES RECEIVED AND EXPENDED BY THE
 5 LOCAL EDUCATION PROVIDER; TO REQUIRE EACH LOCAL EDUCATION PROVIDER
 6 TO MAINTAIN THE DATA IN AN EASILY ACCESSIBLE, SEARCHABLE AND
 7 DOWNLOADABLE FORMAT AND TO POST COMPREHENSIVE FIGURES ON TOTAL
 8 EXPENDITURES AND PER-PUPIL SPENDING; TO REQUIRE EACH LOCAL
 9 EDUCATION PROVIDER TO SUBMIT THE SUMMARY DATA TO THE STATE TO BE
 10 AGGREGATED AND MADE AVAILABLE ONLINE; AND FOR RELATED PURPOSES.

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

12 **SECTION 1.** This act shall be known and may be cited as the
 13 "Financial Transparency in Education Act."

14 **SECTION 2.** (1) The Legislature finds and declares that:

15 (a) Taxpayers should have easy access to the details of
 16 public school district spending;

17 (b) Easier access to and storage of electronic data
 18 would increase transparency in public school financial matters;
 19 and

20 (c) It is neither difficult nor prohibitively expensive
 21 to make such data available to the public via the Internet.



22 (2) Therefore, it is the intent of the Legislature to direct
23 all local education providers to create and maintain a searchable
24 expenditure and revenue website database detailing financial
25 activities and education return on investment analysis.

26 **SECTION 3.** As used in this act, the following words and
27 phrases have the meanings ascribed in this section unless the
28 context clearly indicates otherwise:

29 (a) "Entity" means a corporation, association, union,
30 limited liability company, limited liability partnership, grantee,
31 contractor, local government, other legal entity, including a
32 nonprofit corporation, or an employee of the local education
33 provider. The term "entity" does not include an individual
34 recipient of public assistance.

35 (b) "Local education provider" means:

36 (i) A school district organized and existing
37 pursuant to law;

38 (ii) A board of cooperative services or
39 intermediate school district;

40 (iii) The Mississippi Charter School Authorizer
41 Board; or

42 (iv) A public charter school authorized under
43 Chapter 28, Title 37, Mississippi Code of 1972.

44 (c) "Public record" has the same meaning as set forth
45 in Section 25-61-3 of the Mississippi Public Records Act of 1983.



46 (d) "Education Return on Investment (eROI)" means the
47 correlation of intended use or purpose, expenditures or resource
48 allocations and student outcomes data at the district, school,
49 grade and classroom level.

50 **SECTION 4.** (1) Before July 1, 2019, each local education
51 provider shall develop, maintain and make available publicly a
52 single, searchable expenditure and revenue website database that
53 allows the public, at no cost, to review information concerning
54 monies received, whether by appropriation, grant, devise or gift,
55 distribution, donation or collection, and expended by a local
56 education provider.

57 (2) (a) For each fiscal year, using budgeted numbers no
58 more than one (1) week following the adoption of the budget for
59 the most recent fiscal year, and actual audited spending figures
60 no more than one (1) week after official figures have been
61 accepted, concerning all expenditures made by the local education
62 provider, the website must include the following data:

63 (i) A comprehensive total for all monies expended
64 directly by the local education provider and any subsidiary under
65 its direction, as well as all expenditures made on behalf or for
66 the benefit of the local education provider or any subsidiary by
67 any governmental or nongovernmental entity;

68 (ii) A total for all monies expended on adult
69 education programs, not including expenses for GED or other
70 alternative high school equivalency diploma programs;



71 (iii) A total for all monies expended on community
72 services, which are defined as expenditures used exclusively for
73 purposes other than K-12 education;

74 (iv) A total for all monies expended on preschool
75 and early childhood education services, defined as all services
76 provided to children younger than the compulsory school age for
77 enrollment in kindergarten;

78 (v) The name and principal location or address of
79 the entity receiving monies, except that information concerning a
80 payment to an employee of the local education provider may
81 identify the individual employee by name and business address or
82 location only;

83 (vi) The amount of expended monies;

84 (vii) The funding source or sources of the
85 expended monies;

86 (viii) The date of the expenditure;

87 (ix) The name of the budget program, activity or
88 category supporting the expenditure;

89 (x) A description of the purpose for the
90 expenditure;

91 (xi) The Education Return on Investment (eROI) for
92 internal use, program evaluation and continuous improvement
93 processes;

94 (xii) A unique identifier for each expenditure on
95 adult education as described in subparagraph (ii) and community



96 services in subparagraph (iii) of this paragraph, and for all
97 other expenditures to the extent possible;

98 (xiii) Copies of all credit card statements,
99 identified by the department responsible for each credit card; and

100 (xiv) Both the budgeted and audited actual
101 expenditure figures retained for each fiscal year in such a manner
102 that ensures that each set of figures can be identified as
103 budgeted or audited figures.

104 (b) The expenditure data must be provided in an open
105 structured data format that:

106 (i) May be downloaded by the user; and

107 (ii) Allows the user to systematically sort,
108 search and access all data.

109 (c) The website may contain only information that is a
110 public record or which is not confidential or otherwise protected
111 from public disclosure pursuant to state or federal law.

112 (3) The local education provider shall:

113 (a) Update the financial data contained on the website
114 at least monthly;

115 (b) Archive the financial data, which must remain
116 accessible and searchable on the website;

117 (c) Post total expenditures as defined in subsection
118 (2) (a) (i), (ii), (iii) and (iv) on the home page of the local
119 education provider's website no more than one (1) week after the
120 official budget is adopted for the most recent fiscal year and no



121 more than one (1) week after the final audited and actual
122 expenditure figures are produced. In the same section of the
123 website, the local education provider shall post both the
124 estimated and the audited actual average daily attendance figures
125 for Grades K-12 for the most recent fiscal year budget and for
126 pre-K, if applicable;

127 (d) Post the per-pupil spending figures using both the
128 budgeted and audited figures described in subsection (2)(a)(i),
129 (ii), (iii) and (iv), as derived from the following formula:
130 Total expenditures minus adult education expenditures minus
131 community services expenditures minus preschool services in those
132 local education providers providing such services divided by the
133 K-12 average daily attendance;

134 (e) Design the website to be easily accessible from the
135 homepage of the local education provider's website; and

136 (f) Create and make accessible an automated Rich Site
137 Summary (RSS) feed, also referred to as Really Simple Syndication,
138 to which users of the website's database may subscribe for
139 notification of updates to the website's database.

140 **SECTION 5.** This act shall take effect and be in force from
141 and after July 1, 2018.

