



PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1028 be amended to read as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 5-11-1-9, AS AMENDED BY P.L.280-2013,
4 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2015]: Sec. 9. (a) The state examiner, personally or through
6 the deputy examiners, field examiners, or, **except as provided in**
7 **subsection (h)**, private examiners, shall examine all accounts and all
8 financial affairs of every public office and officer, state office, state
9 institution, and entity.
10 (b) An examination of an entity deriving:
11 (1) less than fifty percent (50%); or
12 (2) subject to subsection (h), at least fifty percent (50%) but less
13 than two hundred thousand dollars (\$200,000) if the entity is
14 organized as a not-for-profit corporation;
15 of its disbursements during the period subject to an examination from
16 appropriations, public funds, taxes, and other sources of public expense
17 shall be limited to matters relevant to the use of the public money
18 received by the entity.
19 (c) The examination of an entity described in subsection (b) may be
20 waived or deferred by the state examiner if the state examiner
21 determines in writing that all disbursements of public money during the

period subject to examination were made for the purposes for which the money was received. However, the:

(1) Indiana economic development corporation created by IC 5-28-3 and the corporation's funds, accounts, and financial affairs; and

(2) department of financial institutions established by IC 28-11-1-1 and the department's funds, accounts, and financial affairs;

shall be examined biennially by the state board of accounts.

(d) On every examination under this section, inquiry shall be made as to the following:

(1) The financial condition and resources of each municipality, office, institution, or entity.

(2) Whether the laws of the state and the uniform compliance guidelines of the state board of accounts established under section 24 of this chapter have been complied with.

(3) The methods and accuracy of the accounts and reports of the person examined.

The examinations shall be made without notice.

(e) If during an examination of a state office under this chapter the examiner encounters an inefficiency in the operation of the state office, the examiner may comment on the inefficiency in the examiner's report.

(f) The state examiner, deputy examiners, any field examiner, or any private examiner, when engaged in making any examination or when engaged in any official duty devolved upon them by the state examiner, is entitled to do the following:

(1) Enter into any state, county, city, township, or other public office in this state, or any entity, agency, or instrumentality, and examine any books, papers, documents, or electronically stored information for the purpose of making an examination.

(2) Have access, in the presence of the custodian or the custodian's deputy, to the cash drawers and cash in the custody of the officer.

(3) During business hours, examine the public accounts in any depository that has public funds in its custody pursuant to the laws of this state.

(g) The state examiner, deputy examiner, or any field examiner, when engaged in making any examination authorized by law, may issue subpoenas for witnesses to appear before the examiner in person or to produce books, papers, or other records (including records stored in electronic data processing systems) for inspection and examination. The state examiner, deputy examiner, and any field examiner may administer oaths and examine witnesses under oath orally or by interrogatories concerning the matters under investigation and examination. Under the authority of the state examiner, the oral examinations may be transcribed with the reasonable expense paid by

the examined person in the same manner as the compensation of the field examiner is paid. The subpoenas shall be served by any person authorized to serve civil process from any court in this state. If a witness duly subpoenaed refuses to attend, refuses to produce information required in the subpoena, or attends and refuses to be sworn or affirmed, or to testify when called upon to do so, the examiner may apply to the circuit court having jurisdiction of the witness for the enforcement of attendance and answers to questions as provided by the law governing the taking of depositions.

(h) This subsection applies to audited years beginning after June 30, 2009. The definitions in IC 20-24-1 apply throughout this subsection. Appropriations, public funds, taxes, and other sources of public money received by a nonprofit corporation as a charter school or organizer of a charter school for the purposes of a charter school may not be counted for the purpose of applying subsection (b)(2). Unless the nonprofit corporation receives other public money that would qualify the nonprofit corporation for a full examination of all accounts and financial affairs of the entity under subsection (b)(2), an examination of a charter school or organizer of a charter school must be limited to matters relevant to the use of the public money received for the charter school. This subsection does not prohibit the state examiner, personally or through the deputy examiners, field examiners, or private examiners, from examining the accounts in which appropriations, public funds, taxes, or other sources of public money are applied that are received by a nonprofit corporation as a charter school or organizer of a charter school relating to the operation of the charter school. **Any examination of a charter school or organizer must be performed by a deputy examiner or a field examiner and may not be performed by a private examiner unless all school corporations are also examined by a private examiner for that year."**

Page 2, between lines 3 and 4, begin a new paragraph and insert:

"SECTION 4. IC 20-51-4-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2016]: **Sec. 12. (a) This section applies to any eligible school that provides educational services to any eligible choice scholarship student during a particular year.**

(b) The school shall annually provide to the department either of the following:

(1) An audit of the school that examines the accounts, financial affairs, and performance of the school with respect to choice scholarships received by the school for the year. The audit must be performed by a person qualified to perform examinations under IC 5-11.

(2) A statement sworn or affirmed to under the penalties for perjury, setting forth that the school was in compliance with all state laws and all rules governing the use of choice

- 1 **scholarships under this article for the year."**
- 2 Renumber all SECTIONS consecutively.
(Reference is to HB 1028 as printed February 10, 2015.)

Representative Porter