

“Show Me Your Budget and I Will Tell You What You Value”:¹ Why States Should Require School Districts to Publicize Their Budgets

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ABSTRACT: This Note traces the history of transparency in Anglo-American law, and how well modern American school districts reflect this tradition. In an increasingly digital world, the Internet offers an opportunity for school districts (and governments in general) to post for public view important information on their activities, including their budgets. In most states, finding a school district’s budget on its website and determining how much it spends on its different responsibilities is quite difficult. State laws break down into three groups that regulate school district budget disclosure online: those that require no disclosure, those that require a basic posting of the budget, and those that have specific requirements to post the budget. Iowa and other states should adopt a progressive transparency policy so that school district budgets are easy to find and easy to understand. For an individual school district, this means posting a document on the main page of the website, organizing budget expenditures into comprehensible categories, listing these on a per pupil basis, and comparing the school district to similarly sized school districts as well as an overall state average.

1. Vice President Joseph Biden, Campaign Event Remarks by the Vice President on Seniors at Coconut Creek, Florida (Mar. 23, 2012), <http://www.whitehouse.gov/the-press-office/2012/03/23/campaign-event-remarks-vice-president-seniors> (emphasis added). This is a common line Vice President Joe Biden has used in campaign speeches throughout his career, particularly to criticize the government spending policies of his opponents. He would typically say something like the following: “My dad used to have an expression. He’d say, Joe—when someone would say, this is what I value and my dad would look at him and say, don’t tell me what you value. Show me your budget and I will tell you what you value.” *Id.*

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I. INTRODUCTION & BACKGROUND

Transparency in government is intimately connected with the need for an informed group of citizens. A transparent government is one for which “the open availability of information will facilitate the identification of truth (and falsity) and consequently produce more knowledge and greater progress.”² Without mechanisms for the public to find out what their government does, “[d]emocracy remains a paper procedure if those in power cannot be held accountable in public for their acts and omissions, for their decisions, their policies, and their expenditures.”³ Transparency also helps alleviate information asymmetry occurring when government bodies know the particulars of its administration but the public does not; that is, if government “lower[s] the cost of finding information, transparency allows voters to monitor policymakers more closely.”⁴ Scholars liken democracies to a principal–agent relationship, in that “[w]e hire our elected leaders, and by extension civil servants, to manage the government; as such, we are entitled” to monitor their performance.⁵ However, without appropriate measures, “it is difficult for the people to monitor the actions of government.”⁶ This leads to information asymmetry and an accountability problem.

This Note argues that states should apply transparency principles, particularly fiscal transparency, to public school districts. States should require school districts to make their budgets easy to find and easy to understand. As an introduction and background, this Part traces the tradition and development of transparency theory in the Anglo-American context, from its roots in 17th century England up to the presidency of Barack Obama. This Part will also describe the current position of education in public policy and why states are best equipped to address the issue. Part II.A will describe the problem of school districts failing to publish their budget information—or at least making it hard to find and understand—in the state of Iowa. Part II.B will provide examples of current district websites that illustrate the problem. Part II.C will detail how other states regulate the disclosure of annual budgets. Part III.A will recommend a solution for how states can ensure that members of the public can easily access and understand their school district’s budget. The proposed solution combines elements of state

2. See Frederick Schauer, *Transparency in Three Dimensions*, 2011 U. ILL. L. REV. 1339, 1350. Schauer argues that free speech functions more efficiently when there is a “free availability of information.” *Id.*

3. Mark Bovens, *Public Accountability*, in THE OXFORD HANDBOOK OF PUBLIC MANAGEMENT 182, 182 (Ewan Ferlie et al. eds., 2005).

4. Jerry Brito & Drew Perraut, *Transparency and Performance in Government*, 11 N.C. J.L. & TECH. ONLINE 161, 171 (2010); see also Joseph E. Stiglitz, *Information and the Change in the Paradigm in Economics*, 92 AM. ECON. REV. 460, 487–88 (2002) (describing the information asymmetry problem in detail from an economic perspective).

5. Brito & Perraut, *supra* note 4, at 170.

6. *Id.*

statutes into a unified system of transparency. That system is a “three-legged stool” requiring districts to organize their budget expenses into comprehensible categories, compare each category to the state average on a per pupil basis, and publish the document on the front page of the school district’s website. Finally, Part III.B will address possible objections to the solution.

A. GOVERNMENT TRANSPARENCY IN 17TH AND 18TH CENTURY ENGLAND

The idea of transparency and public access to information has deep roots in the Anglo-American political tradition, growing in fits and starts from the 17th century to today. As the English Parliament gained power, and as the American colonies—and later, states—grew accustomed to republicanism, the need for well-informed voters grew. The tumult of the 17th century led to strident calls for free speech, free information, and a more powerful role for the elected Parliament under the English Bill of Rights.⁷ John Milton, for example, was an early advocate for greater diffusion of knowledge about the government’s activities; he argued against a strict licensing regime for book printing, insisted that censorship was nothing “less than a reproach” to the common people, and posited that when a government restricts the public’s ability to learn and access information, “we but censure [the people] for a giddy, vicious and ungrounded people.”⁸ In other words, a restriction on the public’s access to information reflects an unfair mistrust of “common men” who Milton believed were basically good.⁹

At the other end of the political spectrum, Thomas Hobbes—no friend of the common man—also supported Milton’s free information position because he believed it prevented bad government.¹⁰ While he did not believe in the innate goodness of humankind like Milton, Hobbes agreed that people must have access to information, reasoning that it “was a necessary antidote

7. GEORGE BURTON ADAMS, CONSTITUTIONAL HISTORY OF ENGLAND 357–60 (rev. ed. 1934).

8. JOHN MILTON, AREOPAGITICA 38 (Cambridge Univ. Press 1918) (1644). When Milton and others use terms like “common people,” they were still likely referring to a very small subset of the population, namely elite men. See RICHARD D. BROWN, THE STRENGTH OF A PEOPLE: THE IDEA OF AN INFORMED CITIZENRY IN AMERICA, 1650–1870, at 9–10 (1996) (“Milton’s argument was aimed primarily at liberating elite citizen subjects like himself. . . . Milton did not argue for the general inclusion of common men in local and parliamentary politics. But he did believe that they should not be mired in a political ignorance and superstition that made them indifferent or irresponsible at best, dangerous at worst.”). Since then, in advanced democracies like the United Kingdom and the United States, the definition of “the people” has expanded to include all adults regardless of class, education, property ownership, race, and gender.

9. BROWN, *supra* note 8, at 10.

10. See *id.* Hobbes was a staunch monarchist who “opposed any scheme to expand the active role of common people in politics.” *Id.* His reading of the ancient Greek historian Thucydides convinced him of “how stupid democracy is and by how much one man is wiser than an assembly.” Fritz Levy, *The Background of Hobbes’s Behemoth*, in THE HISTORICAL IMAGINATION IN EARLY MODERN BRITAIN: HISTORY, RHETORIC, AND FICTION, 1500–1800, at 243, 263 (Donald R. Kelley & David Harris Sacks eds., 1997).

to demagoguery.”¹¹ To Hobbes, a mass of uninformed people led to “ignorance and superstition” and was “inimical to peace.”¹² John Locke, perhaps the philosopher most influential on American thought at the time of independence, also emphasized the need for an informed class of citizens to “ensure the welfare of the kingdom.”¹³ Considering that the men of the landed gentry were the ones choosing the members of Parliament, Locke wrote that “[i]t would be strange to suppose an English Gentleman should be ignorant of the Law of his Country” and that “the right way for a Gentleman to study Our Law . . . is to take a view of our English Constitution and Government.”¹⁴ For Locke, informed voters were good voters. The literate men of England took note, because the weekly editions of the *Votes of the House of Commons* became a major influence on “the formation of public opinion.”¹⁵

B. GOVERNMENT TRANSPARENCY IN AMERICA

The tripartite goals of free speech, free access to information, and an educated and knowledgeable decision-making class made their way to English—and later, British—colonies in North America. Upon establishment of the independent states after the Revolutionary War, the Articles of Confederation proved unworkable.¹⁶ A group of statesmen set out to convince the young nation to approve the new Constitution through a series of editorials, known as the *Federalist*.¹⁷ These writings shed light on how the founders viewed the connection between competent government and an informed electorate. Alexander Hamilton stressed the importance of competent and efficient administration, and argued that the public’s

11. BROWN, *supra* note 8, at 10.

12. *Id.*

13. *Id.* at 22.

14. JOHN LOCKE, SOME THOUGHTS CONCERNING EDUCATION § 187, at 239–40 (John W. Yolton & Jean S. Yolton eds., Oxford Univ. Press 1989) (1692) (emphasis omitted). Locke also stressed the importance of travel in one’s education, as a way of comparing England to continental Europe. According to Locke, a proper English gentleman fulfills his duties to himself and his country by demonstrating “a desire to inform himself in the Customs, Manners, Laws, and Government of the Country he is in.” *Id.* § 215, at 264. Comparison to others was critical. This Note will argue for the importance of comparing one school district to others within a state. *See infra* Part III.A.

15. BROWN, *supra* note 8, at 14. *Votes of the House of Commons* “sold thousands of copies weekly” and, together with “expanding newspaper and almanac publication,” increased “the public’s political engagement in the 1680s and beyond.” *Id.*

16. *See* Letter from John Jay to Thomas Jefferson (Oct. 27, 1786), in THE FEDERALISTS—CREATORS AND CRITICS OF THE UNION, 1780–1801, at 27, 28 (Stephen G. Kurtz ed., 1972) (“The inefficacy of our government becomes daily more and more apparent.”).

17. *See* THE FEDERALISTS—CREATORS AND CRITICS OF THE UNION, 1780–1801, *supra* note 16, at 43 (describing the *Federalist* as an “attempt to influence the outcome of the intense struggle for ratification [of the Constitution] in New York State”).

confidence and trust in government depends on it.¹⁸ Implicit in these statements is the idea that the public first must be able to know what the government is doing and then determine “the goodness or badness of its administration.”¹⁹ In one essay arguing in favor of the powers and duties of the Senate, Madison stated that “good government implies two things: first, fidelity to the object of government, which is the happiness of the people; secondly, a knowledge of the means by which that object can be best attained.”²⁰ The clearest statement of support for public information from the founding generation comes from one of Madison’s post-presidency letters, in which he wrote that “[a] popular Government, without popular information, or the means of acquiring it, is but a Prologue to a Farce or a Tragedy; or, perhaps both. Knowledge will forever govern ignorance: And a people who mean to be their own Governors, must arm themselves with the power which knowledge gives.”²¹ Thus, Madison’s principle was that a self-governing people must have access to information if they are to control the government.²²

As the young nation matured, judges and legal scholars began to recognize the benefits of transparency in government and in industries that affected the public interest. According to one scholar, Justice Oliver Wendell Holmes believed in the tendency of “open availability of information . . . [to] produce more knowledge and greater progress.”²³ For example, in his dissent in *Abrams v. United States*, Holmes wrote that “the best test of truth is the power of the thought to get itself accepted in the competition of the market, and

18. See THE FEDERALIST NO. 27, at 132 (Alexander Hamilton) (Lawrence Goldman ed., 2008) (“I believe it may be laid down as a general rule that their confidence in and obedience to a government will commonly be proportioned to the goodness or badness of its administration.”); THE FEDERALIST NO. 68, *supra*, at 336 (Alexander Hamilton) (“For forms of government let fools contest—That which is best administered is best,—[] yet we may safely pronounce that the true test of a good government is its aptitude and tendency to produce a good administration.”).

19. See THE FEDERALIST NO. 27, *supra* note 18, at 132 (Alexander Hamilton).

20. THE FEDERALIST NO. 62, *supra* note 18, at 307 (James Madison).

21. Letter from James Madison to W.T. Barry (Aug. 4, 1822), <http://press-pubs.uchicago.edu/founders/documents/v1ch18s35.html>. Here, Madison advised a state official in Kentucky on how best to set up the public administration of schools throughout the state. In addition to arguing for public information, Madison suggested that the comparatively new state of Kentucky follow the lead of the “elder States” like his own Virginia, “where there has been the longest experience in plans of popular education.” *Id.* In today’s parlance: copy other states and follow best practices. Locke promoted the comparison of England to other countries as a way to educate the young members of the gentry, who then elected (and served in) the Parliament; Madison urged comparisons between states and following the lead of older ones; later, this Note will argue for accessible comparisons between school districts. See *supra* note 14 and accompanying text (describing Locke’s advocacy for learning about other countries); see also *infra* Part III.A, Appendices 1 & 2 (arguing for comparing school district budgets to similarly sized districts and the statewide average).

22. See Letter from James Madison to W.T. Barry, *supra* note 21.

23. Schauer, *supra* note 2, at 1350 (listing several well-known figures who supported broader transparency, including Milton and John Stuart Mill along with Justice Holmes).

that truth is the only ground upon which their wishes safely can be carried out.”²⁴ Justice Louis Brandeis’s famous maxim that “[s]unlight is said to be the best of disinfectants; electric light the most efficient policeman” aptly summed up the view that government is better when it is more open.²⁵ True enough, Holmes articulated his position in a dissenting opinion and Brandeis wrote his in a book before his nomination to the Supreme Court. But eventually, transparent government gained traction in the courts and in academia. Those institutions came to see transparency as both beneficial and necessary to a flourishing democracy.²⁶

C. THE MODERN OPEN GOVERNMENT MOVEMENT

In the modern era, advocates for transparency in government turn to the Internet as an inexpensive, accessible means of disclosing how governments spend taxpayer money. On the first full day of his presidency, Barack Obama declared his support for “an unprecedented level of openness in Government” and committed his administration to “disclos[ing] information rapidly in forms that the public can readily find and use.”²⁷ He directed the federal government to “harness new technologies to put information about [its] operations and decisions online and readily available to the public.”²⁸ When the American Recovery and Reinvestment Act (“the Stimulus bill”) passed in 2009,²⁹ the Obama administration set up a website that allowed “anyone to track spending on projects funded by the Stimulus bill and to report fraud or waste.”³⁰ In each initiative the government eased the burden for the public to find out where the government spent taxpayer dollars.

24. *Abrams v. United States*, 250 U.S. 616, 630 (1919) (Holmes, J., dissenting).

25. LOUIS D. BRANDEIS, *OTHER PEOPLE’S MONEY AND HOW THE BANKERS USE IT* 92 (1914). Justice Brandeis praised a congressional subcommittee for publicizing the abuses of the “Money Trust,” a group of elite Wall Street bankers, and urged “a further call upon publicity . . . as a continuous remedial measure.” *Id.*; see also Jennifer Shkabatur, *Transparency With(out) Accountability: Open Government in the United States*, 31 YALE L. & POL’Y REV. 79, 83 (2012) (“Public accountability has been inseparably linked to transparency; and transparency is routinely regarded as a necessary precondition of accountability” (quoting Justice Brandeis)).

26. See *Detroit Free Press v. Ashcroft*, 303 F.3d 681, 683 (6th Cir. 2002) (“Democracies die behind closed doors.”); see also Mark Fenster, *Seeing the State: Transparency as Metaphor*, 62 ADMIN. L. REV. 617, 619 (2010) (“To be held accountable and to perform well, [government] must be visible to the public.”).

27. *Transparency and Open Government: Memorandum for the Heads of Executive Departments and Agencies*, 74 Fed. Reg. 4685, 4685 (Jan. 26, 2009).

28. *Id.* On the same day, President Obama also stated in another memorandum to his cabinet that “democracy requires accountability, and accountability requires transparency.” *Freedom of Information Act: Memorandum for the Heads of Executive Departments and Agencies*, 74 Fed. Reg. 4683, 4683 (Jan. 26, 2009).

29. American Recovery and Reinvestment Act of 2009, Pub. L. No. 111–5, 123 Stat. 115 (codified as amended in scattered sections of 1, 6, 15, 19, 20, 26, 29, 31, 38, 42, 47 U.S.C.).

30. K.K. Duvivier, *E-Legislating* 92 OR. L. REV. 9, 36 (2013).

The “taxpayer receipt” is perhaps the most interesting idea on transparency in recent years. Noting that taxpayers are “misinformed about where the federal government spends its money,” and that “[v]oters need to know the choices in the deficit debate,” the center-left think tank, Third Way, devised a proposal that would show people how much of their tax dollars go to various federal programs.³¹ The receipt would serve the same purpose as a typical grocery bill, showing each item and the amount the individual paid for it; but, instead of listing the cost of milk and bread, it would list the costs of the Department of Defense and the National Park Service.³² The cost to the federal government of providing a taxpayer receipt would be “trivial,” since the Internal Revenue Service could simply mail or e-mail the receipt to each household once a year.³³ The Obama administration created and maintains its own taxpayer receipt website, where people can type in the amount of federal taxes they paid and see precisely how much of their money went towards particular programs.³⁴ An important goal of the taxpayer receipt is consumer friendliness, which it meets by “highlighting well-known programs and agencies such as Social Security and [Veterans Affairs]” rather than advanced budget terms most people do not understand, such as “domestic discretionary spending.”³⁵ These modern developments in transparency at the national level continue the long tradition of striving for openness in government. But they stand in contrast to the relative paucity of transparency one finds at the local level—particularly for local school districts.

II. BUDGET TRANSPARENCY AT THE SCHOOL DISTRICT LEVEL

This Note advocates for applying the principles of transparency, as passed down from early modern England to the present day, to the American local

31. DAVID KENDALL & JIM KESSLER, A TAXPAYER RECEIPT 1–2 (2010), http://content.thirdway.org/publications/335/Third_Way_Idea_Brief_-_A_Taxpayer_Receipt.pdf; see also *id.* at 2 (“[P]rogressives might have a better chance of winning greater funding levels for programs that invest in children, education, energy, environment, [and] transportation . . . if taxpaying citizens had a better idea of how their money is spent. . . . At the same time, Americans might encourage Congress to be more fiscally responsible if they saw how much of their actual taxes went for things like interest on the national debt.”).

32. See *id.* at 1–3; see also Ezra Klein, *It’s Time for Taxpayers to Demand a Receipt*, WASH. POST (Mar. 28, 2011), http://www.washingtonpost.com/blogs/wonkblog/post/its-time-for-taxpayers-to-demand-a-receipt/2011/03/28/AFTbaYpB_blog.html (describing the concept of a receipt as something “your grocery store has been hip to . . . for quite some time”).

33. Klein, *supra* note 32.

34. *Your 2014 Taxpayer Receipt*, WHITE HOUSE, <http://www.whitehouse.gov/2014-taxreceipt> (last visited Oct. 27, 2015). For example, a typical person owing \$5601 in federal income taxes in 2014 would have paid \$1339.20 for defense, \$689.48 for Medicaid and The Children’s Health Insurance Program (“CHIP”), \$52.09 for international aid, and \$36.97 for NASA. *Id.*

35. Ethan Porter & David Kendall, *Seeing Where the Money Went*, DEMOCRACY: J. IDEAS, Spring 2011, at 40, 42. This Note argues for requiring school districts to frame their district budgets into categories—like academics, athletics, and transportation—that the average person would recognize and understand. See *infra* Part III.A, Appendix 1.

school district. In the United States, public education developed decades earlier and in a much more localized way than other Western nations.³⁶ Early schools in American towns and cities “had a governmental source of income and, in exchange, were compelled to permit a measure of public oversight.”³⁷ Today, local school districts function as a specialized type of local government; they provide a vital service at taxpayer expense upon which the community depends. School districts are small units of democracy because most states require them to elect their school board members.³⁸ Iowa law, for example, mandates the election of school board members in each district.³⁹ For the 2013–2014 year, the state had 346 public school districts serving nearly half a million elementary and secondary students.⁴⁰ The eligible pool of voters is the same as for any other state or local election (albeit in a much smaller area), so it stands to reason that an informed citizenry that can access basic information about a governmental body’s administration of public policy—such as spending tax revenues—is just as important at a local level as it is at a national level. Surely Madison’s observation that “[a] popular Government, without popular information, or the means of acquiring it, is but a Prologue to a Farce or a Tragedy” still applies.⁴¹

An informed citizenry is especially important in the context of state governments and local school districts because of the enormous responsibility those institutions have in setting the education policy of the country. Compared to the federal government, the states still dominate the field.⁴² In

36. IRA KATZNELSON & MARGARET WEIR, *SCHOOLING FOR ALL: CLASS, RACE, AND THE DECLINE OF THE DEMOCRATIC IDEAL* 28–29 (1985) (“Most of the major industrialized countries achieved almost universal school attendance by World War I, and all others achieved it just after World War II. This goal had been achieved, at least for white American children, in large measure by mid-century and in full by the end of the nineteenth century. . . . Most public schools outside the United States have been founded by central governments. . . . The founding of public school systems [in the United States], accordingly, has been undertaken at the local level within the framework of state laws.”).

37. See *id.* at 34 (describing the first schools in Chicago upon its incorporation in 1833).

38. 1 JAMES A. RAPP, *EDUCATION LAW* § 3.04[6][c] (2012 & Supp. 2013) (“The most common method of selecting board members, other than to fill vacancies, is by election. . . . Elections of board members are subject to the one man, one vote principle . . .”).

39. IOWA CODE § 274.7 (2015) (mandating a board of directors for each school district, elected to terms of four years); *id.* § 277.1 (requiring regular elections within the district).

40. *Iowa Public School District Certified Enrollment 2009–2010 to 2013–2014 and Certified Enrollment Projections 2014–2015 to 2018–2019*, IOWA DEPT’ EDUC. (Apr. 24, 2014) [hereinafter *Iowa Certified Enrollment and Projections*], <https://www.educateiowa.gov/documents/district-level-projections/2014/04/iowa-public-school-district-certified-enrollment-2009> (download spreadsheet with school district information).

41. Letter from James Madison to W.T. Barry, *supra* note 21; see also *supra* note 21 and accompanying text (arguing that good government follows a knowledgeable citizenry).

42. See 1 RAPP, *supra* note 38, § 3.02[3][a] (“Although the federal government’s involvement in education has increased substantially in recent years, education is considered to be ‘a governmental obligation of the state.’ The federal government merely supplements, and does not supplant, a state’s education activities and support.” (citation omitted)).

fiscal year 2012, state and local revenue sources combined to make up about 90% of the funding for public elementary and secondary education in the United States, and the federal government funded the remainder.⁴³ State legislatures are also active in regulating schools and school districts. For example, in the two sessions of the most recent general assembly, the Iowa Legislature passed and the governor signed 20 new laws relating to education and schools.⁴⁴ With the state so active in overseeing school districts, any proposed change to the function of local school districts should target state legislative action.

This Part examines how budget transparency in education works at the school district and state levels today. Part II.A will note the laws currently in effect that regulate school district budgets and websites in Iowa. Part II.B will use school district websites as case studies for how these laws play out in the real world. This Note focuses on Iowa, but the themes and recommendations can apply to any other state.⁴⁵ Transparency and its benefits are not unique to Iowa, but are rather a centuries-long tradition in Anglo-American political culture.⁴⁶ Part II.C provides a survey of current state statutes addressing school district budget transparency, demonstrating a range of requirements states impose on their school districts. The survey will discuss states that require a basic posting of a school district's budget online, and states with specific posting requirements.

A. *HOW SCHOOL DISTRICT BUDGET TRANSPARENCY WORKS IN IOWA*

This Subpart examines the current laws impacting school districts in Iowa, and demonstrates that the state already regulates transparency and budgets for public education. School districts are creations of the state government, and thus state legislatures have historically had “plenary control over public education” including the ability to regulate school districts.⁴⁷ Iowa's legislative and executive branches are active in exercising oversight—

43. MARK DIXON, PUBLIC EDUCATION FINANCES: 2012, at xi (2014), <http://www2.census.gov/govs/school/12f33pub.pdf> (illustrating the sources of funding for education among federal, state, and local governments).

44. See 2013 *Enrolled Bills*, IOWA LEGISLATURE, <http://coolice.legis.iowa.gov/CoolHCE/default.asp?Category=BillInfo&Service=Enrolled&year=2013> (last visited Oct. 27, 2015) (including nine bill titles that related to public education); 2014 *Enrolled Bills*, IOWA LEGISLATURE, <http://coolice.legis.iowa.gov/CoolHCE/default.asp?Category=BillInfo&Service=Enrolled&year=2014> (last visited Oct. 27, 2015) (including 11 bill titles that related to public education). State governments “have consistently been held to have plenary control over public education,” and a school district's formation and abolition—indeed, its very existence—depends on the state. 1 RAPP, *supra* note 38, §§ 3.02[3][a], 3.03[3][a].

45. See *infra* Part III.A.

46. See *supra* Part I.

47. See 1 RAPP, *supra* note 38, § 3.02[3][a] (noting the states' power over their school districts).

even outright control—over school districts, including over their annual budgets.⁴⁸

1. Statutory Requirements on School District Budgets

The Iowa Legislature requires two types of disclosure relating to a school district's budget: financial reports and outstanding levies.⁴⁹ The financial report statute states that every year the school board in each district “shall develop, maintain, and distribute a financial report.”⁵⁰ Each report must have information on revenue sources, tax levies, state and federal revenue *per pupil*, employee statistics and salaries, and student enrollment.⁵¹ The goal of the school district's report is “to facilitate public access to a variety of information and statistics relating to the education funding received by the school district, enrollment and employment figures, and additional information.”⁵² The law also requires school districts to post the financial report each year on its website, if the district maintains one.⁵³ The financial report statute thus codifies transparency and online accessibility of a school district's budget. Note, however, that the statute's requirements concern a district's revenue, but not how it spends that revenue.

The outstanding levy statute also requires school districts to publicize other fiscal matters. It requires each school board to “facilitate public access to a complete listing of all outstanding levies within the school district by rate, amount, duration, and the applicable maximum levy limitations.”⁵⁴ Whereas the financial report statute requires disclosure of state and federal revenue, the outstanding levy statute is concerned with local, in-district revenues.⁵⁵ Like the financial report statute, the goal is to require transparency by “facilitat[ing] public access” to fiscal information, and the districts' budget expenditures are beyond the scope of the law.⁵⁶ The statute uses identical language to require publication as the financial report statute, requiring

48. See *supra* note 44 and accompanying text (demonstrating the frequency of new legislation pertaining to education in the Iowa Legislature).

49. IOWA CODE § 279.63 (2015) (“the financial report statute”); *id.* § 298.6 (“the outstanding levy statute”).

50. *Id.* § 279.63(1).

51. *Id.* § 279.63(2). The requirement to disclose funding sources on a per pupil basis is important because this Note argues that school districts ought to disclose their budget expenses on a per pupil basis as well. See *infra* Part III.A.

52. IOWA CODE § 279.63(1).

53. *Id.* § 279.63(3) (“Copies of a school district's financial report for the previous school year shall be posted on an internet site maintained by the school district by January 1 of each school year. If the school district does not maintain or develop an internet site, the school district shall either distribute or post written copies of the financial report at specified locations throughout the school district.”).

54. *Id.* § 298.6. A levy is an “imposition of a fine or tax.” *Levy*, BLACK'S LAW DICTIONARY (10th ed. 2014).

55. IOWA CODE § 298.6.

56. *Id.* (defining school districts' obligations to disclose their levies).

school boards to ensure public accessibility by posting information about the levies on the school districts' websites.⁵⁷ The common thread between these two statutes is that state law subjects school districts to public disclosure and publication requirements regarding revenue, compared with few requirements for their budget spending items.

2. Executive Branch Authority over School District Budgets

In addition to the transparency regulations that the Iowa Legislature imposes directly on school districts, Iowa law grants budget oversight authority to an independent agency in the executive branch. The Legislature established the School Budget Review Committee ("SBRC") which "may recommend the revision of any rules, regulations, directives, or forms relating to school district budgeting and accounting."⁵⁸ It exists "separate from the Department of Education and Department of Management" as an independent and nonpartisan agency.⁵⁹

The SBRC has influence over school districts and the State Board of Education. It can make recommendations to school districts "relating to any budgeting or accounting matters," as well as to order state investigations into "school costs in any school district."⁶⁰ It can review proposed school district budgets, advise the school district on how it ought to amend its budget, and recommend that multiple school districts share "school personnel, . . . classrooms, laboratories, equipment, and facilities."⁶¹ The SBRC can

57. *Id.* ("The information relating to outstanding levies shall be posted on an internet site maintained by the school district by January 1 of each school year, and updated prior to board approval or submission for voter approval of any levy during the school year. If the school district does not maintain or develop an internet site, the school district shall either distribute or post written copies of the listing at specified locations throughout the school district.").

58. *Id.* § 257.31(1). The school budget review committee is a part of the Iowa Department of Education and is composed of the Director of the Department (as "an ex officio, nonvoting" member), the Director of the Department of Management, and four individuals "knowledgeable in the areas of Iowa school finance or public finance issues" who are "appointed by the governor to represent the public" for three years. *Id.* § 257.30(1). The law further requires that at least one member of the public on the committee "shall possess a master's or doctoral degree in which areas of school finance, economics, or statistics are an integral component, or shall have equivalent experience in an executive administrative or senior research position in the education or public administration field." *Id.*

59. *School Budget Review Committee (SBRC)*, IOWA DEP'T EDUC., <https://www.educateiowa.gov/pk-12/school-business-finance/financial-management/school-budget-review-committee/schoolbudget> (last visited Oct. 27, 2015).

60. IOWA CODE § 257.31(1). The SBRC can convene hearings on a school district's budget, with the power to "call in school board members and employees as necessary for the hearings." *Id.* § 257.30(1).

61. *Id.* § 257.31(13). This Note argues that states should require school districts to publicize their budgets online, and presumably some school districts will dispute how much cost each district bears when they share resources or facilities with another. In Iowa, the SBRC acts as an advisory board for cash-strapped districts by recommending they share resources, so the Legislature could also authorize it to resolve disputes between districts. For example, imagine

recommend rules to the State Board of Education relating to school district financial reports—presumably those that the financial report statute requires.⁶² Under this rule, it may be able to recommend that school districts adopt the budget disclosure and transparency measures this Note urges. Finally, the SRBC has the power to grant supplemental aid to school districts that need extra funds due to a special circumstance, like a natural disaster, an unexpected bump in enrollment, or the need to abate an environmental hazard.⁶³ Though the SBRC cannot force school districts to allocate their budget expenditures differently, its recommendations have significant influence in shaping state policy toward school district budgets.⁶⁴ What the financial report statute, the outstanding levy statute, and the SBRC show is that state governments already oversee school district transparency and budgeting. Iowa shows that this oversight in these areas is already quite common. That oversight should be more extensive and more specific.

B. CASE STUDIES ON CURRENT SCHOOL DISTRICT WEBSITES

Perusing a typical school district's website reveals the difficulty of finding comprehensible budget information. This Subpart examines the websites of four Iowa school districts—Exira—Elk Horn—Kimballton (“Exira—EHK”), Allamakee, Pella, and Iowa City—to show how budget transparency requirements fall short and, in the case of Iowa City, provide an example of what a reform could look like.⁶⁵ These districts represent different regions of the state, as well as varying enrollments.⁶⁶

that two neighboring school districts share a football stadium. The SBRC would be well placed to determine how much of the maintenance of the stadium counts towards each school district's budget, particularly if the committee recommended the sharing agreement in the first place.

62. *See id.* § 257.31(4) (“Not later than January 1, 1992, the committee shall adopt recommendations relating to the implementation by school districts and area education agencies of procedures pertaining to the preparation of financial reports in conformity with generally accepted accounting principles and submit those recommendations to the state board of education.”); *see also id.* § 256.3 (establishing a State Board of Education); *id.* § 279.63(1) (requiring school districts to “develop, maintain, and distribute a financial report on an annual basis”).

63. *Id.* § 257.31(5)–(6).

64. The SBRC, and its analogs in other states, may be an avenue to adopt the budgeting and disclosure requirements for which this Note advocates outside of the legislative process. *See infra* Part III.A.

65. This Note has no intent to “single out” these districts as doing a particularly poor job of publicizing their budgets online. None of them violate the existing transparency laws. Rather, they represent a small but representative sample of the range of budget disclosure in which school districts engage, and they illustrate how little current law requires. State law could require these districts to change the way they display information on their websites, but until then, one can hardly fault them for failing to do things the state does not require them to do.

66. For those readers familiar with the enrollment size divisions of Iowa high schools for athletic and academic competitions, this Subpart includes an example each from 1A, 2A, 3A, and 4A school districts. When reading the descriptions of each district, putting oneself into the shoes of an average member of the public who accesses the website is helpful. Each district meets its statutory obligations, but imagine a citizen wanting to make an informed choice for an upcoming

1. Exira–EHK Community School District

Exira–EHK Community School District is a newly created school district in rural western Iowa formed by combining the former districts of Exira and Elk Horn–Kimballton.⁶⁷ It is a very small school district, with just over 400 students from pre-kindergarten through high school.⁶⁸ The District has made public accessibility a priority: Its website is modern and easy to use, and has even won an award for its “user-friendly features[] and appealing design.”⁶⁹ Exira–EHK’s website contains links to the financial report as the financial report statute requires—though this link is currently broken—and documents from the original two districts displaying statistics on student achievement on standardized tests.⁷⁰

This information is welcome to anyone seeking quantitative evidence of the school district’s performance, but unfortunately the website has little information on the annual budget. The school board’s page links to board meeting minutes, which include some information on bills and other school district payments; however, the page has no unified document showing where the District spends its budget on an annual basis.⁷¹ Given that school districts often consolidate for financial reasons, the public may have a greater interest in monitoring the budget following Exira–EHK’s consolidation. But the current website does not facilitate that access.

school board election, or a parent considering a move to that town—would that person be able to determine where that school district spends its money, and if that spending is in line with the citizen’s or the parent’s values?

67. *Exira–EHK Communities*, EXIRA–EHK SCH. DISTRICT, <http://www.exira-ehk.k12.ia.us/index.cfm?PID=3809> (last visited Oct. 27, 2015) (“The Exira-Elk Horn-Kimballton Community School District is located between the cities of Des Moines and Omaha, Nebraska. . . . Starting on July 1, 2014, our two districts will become one named Exira-Elk Horn-Kimballton.”). School district consolidations are commonplace in the rural parts of Iowa.

68. *See Iowa Certified Enrollment and Projections*, *supra* note 40 (showing the certified enrollments of every school district). The preconsolidation enrollments during the 2013–2014 school year for the two districts were both just over 200 students. *Id.*

69. *Website Awards*, EXIRA–EHK SCH. DISTRICT, <http://www.exira-ehk.k12.ia.us/index.cfm?PID=4906> (last visited Oct. 27, 2015) (displaying comments from the evaluator from CLL Website Awards, which named the District a recipient of a bronze award winner).

70. *Exira–EHK Communities*, *supra* note 67 (follow the hyperlink to “Exira Financial Report Card”; then follow the hyperlinks to the progress reports of previous years listed under the “District Information” section).

71. *See, e.g.*, EXIRA–EHK SCH. DIST., EH–K BOARD OF DIRECTORS REGULAR MEETING: MARCH 17, 2014 (2014), http://swmcdn.com/site_0244/exiraehk_march17boardminutes_042414.pdf (displaying minutes from a school board meeting in which the board approved various bill payments and voted to pay to join the Rural School Advocate group); EXIRA–EHK SCH. DIST., EH–K BOARD OF DIRECTORS MEETING: JANUARY 20, 2014 (2014), http://swmcdn.com/site_0244/exiraehk_jan20boardminutes_042414.pdf (displaying minutes from a school board meeting in which the board approved various bill payments); EXIRA–EHK SCH. DIST., RECORD OF PROCEEDING OF THE EXIRA COMMUNITY SCHOOL DISTRICT (2014), http://swmcdn.com/site_0244/Exira-ehk_BdMinFeb10_050514.pdf (displaying minutes from a school board meeting in which the board discussed audit proposals and payments out of the District’s General Fund).

2. Allamakee Community School District

Allamakee Community School District, in the northeastern corner of Iowa, draws students from the towns of Waukon, Waterville, Harpers Ferry, and the rural areas throughout Allamakee County.⁷² The District has three elementary schools, a junior high school, and a high school.⁷³ The District homepage includes links to information on items like curriculum, employment opportunities, and common forms for students.⁷⁴ It also links to the *Annual Progress Report*—a mailer to residents in the school district—that includes a wealth of statistics on student performance on standardized tests, early childhood literacy, graduation rates, and other student accomplishments.⁷⁵ The *Annual Progress Report* is informative and helpful for someone attempting to evaluate the quality of education, and is conveniently posted online (in addition to being mailed out to residents) for easy public access.⁷⁶

However, as state law does not require it, the *Annual Progress Report* does not include information on how the District spends its tax revenues.⁷⁷ Likewise, the minutes from school board meetings contain no detailed budget information beyond the result of the votes.⁷⁸ Under the financial report statute, the school board page also links to the District's financial report, but

72. *Allamakee*, IOWA SECRETARY ST., <https://sos.iowa.gov/elections/pdf/schools/maps/2010/Allamakee1.pdf> (last visited Oct. 27, 2015).

73. ALLAMAKEE COMMUNITY SCH. DISTRICT, <http://www.allamakee.k12.ia.us> (last visited Oct. 27, 2015) (place cursor over the “schools” tab to view the schools within this district). Waukon High School received a “Bronze” designation on U.S. News & World Report’s “Best High Schools” list in 2015. *Waukon High School*, U.S. NEWS & WORLD REP., <http://www.usnews.com/education/best-high-schools/iowa/districts/allamakee-comm-school-dist/waukon-high-school-7495> (last visited Oct. 27, 2015). The District faces steadily declining enrollment, and has now fallen below 1200 students. *See Iowa Certified Enrollment and Projections*, *supra* note 40.

74. *See* ALLAMAKEE COMMUNITY SCH. DISTRICT, *supra* note 73 (including links on left-hand side of homepage for “Curriculum,” “Employment Opportunities,” and “District Forms”).

75. ALLAMAKEE CMTY. SCH. DIST., ANNUAL PROGRESS REPORT 2013–2014 (2014), http://www.allamakee.k12.ia.us/APR-ACSD_2014.pdf. The report includes detailed scoring information for students in reading, math, and science on the Iowa Assessments. *Id.* at 5. The “Other Highlights” section includes student accomplishments from the preceding year, such as students placing nationally in Future Farmers of America competitions and a runner-up finish for the Waukon High School football team in the class 2A state championship game. *Id.* at 8.

76. *See id.*

77. *See id.* A search on the website for the term “budget” also yields no results. ALLAMAKEE COMMUNITY SCH. DISTRICT, <http://www.allamakee.k12.ia.us/index.php/component/search/?searchword=budget&searchphrase=all&Itemid=435> (last visited Oct. 27, 2015).

78. ALLAMAKEE CMTY. SCH. DIST., ALLAMAKEE COMMUNITY SCHOOL DISTRICT SPECIAL SCHOOL BOARD MEETING MINUTES: WEDNESDAY, MAY 28, 2014 (2014), http://www.allamakee.k12.ia.us/Board_Minutes_2014/05-28-14_Sp.Minutes.pdf (“Motion by Baxter seconded by Melcher to approve the 2013–2014 Budget Amendment as present. The vote was all ayes. Motion carried.”); *see also School Board*, ALLAMAKEE COMMUNITY SCH. DISTRICT, <http://www.allamakee.k12.ia.us/index.php/administration/school-board> (last visited Oct. 27, 2015) (identifying members of the school board, posting board minutes, and providing a link to the School District’s financial report).

as detailed in Part II.A.1, those requirements focus on district revenues rather than budget expenses.⁷⁹ Allamakee provides helpful information on many aspects of the quality of education, but due to less demanding transparency requirements a visitor to its website will struggle to find more detailed budget information.

3. Pella Community School District

Pella Community School District is southeast of Des Moines, straddling Marion and Mahaska Counties.⁸⁰ As of the 2013–2014 school year, Pella has a little over 2100 students, making it a midsized school district in Iowa.⁸¹ Pella is a prosperous community with excellent schools.⁸² Like Exira–EHK’s website, Pella’s is modern and easy to navigate.⁸³ It has an array of information about the school district, including a video on its extracurricular activities for students,⁸⁴ a progress report on standardized test scores,⁸⁵ and even a page on the 12 logos the school district uses.⁸⁶

Information on the budgets that pay for those activities and that high quality education exists, but is not displayed prominently. For example, the District maintains a Google document with budget information on revenue

79. See *supra* Part II.A.1; see also *Financial Report Filters*, IOWA DEP’T OF EDUC., <http://reports.educateiowa.gov/report/financialReports> (click “Allamakee” from the dropdown menu next to “District”) (last visited Oct. 27, 2015); *School Board*, *supra* note 78 (providing a “School District Financial Report Card” link to the financial report page with the Iowa Department of Education).

80. *About Pella*, PELLA COMMUNITY SCHOOLS, <http://www.pellaschools.org/about-pella> (last visited Oct. 27, 2015) (“Pella is located in central Iowa about 42 miles southeast of the capital city, Des Moines.”); *Pella*, IOWA SECRETARY ST., <https://sos.iowa.gov/elections/pdf/schools/maps/2010/Pella1.pdf> (last visited Oct. 27, 2015) (displaying a district map that covers part of Marion County and part of Mahaska County).

81. See *Iowa Certified Enrollment and Projections*, *supra* note 40 (listing school districts by certified enrollments). Pella is the 39th largest school district in the state out of 346. *Id.* (sort spreadsheet by 2013–2014 certified enrollment).

82. See *Our District*, PELLA COMMUNITY SCHOOLS, <http://www.pellaschools.org/our-district> (last visited Oct. 27, 2015) (“The Pella Community School District is known for being one of the finest in Iowa.”); Press Release, Governor’s STEM Advisory Council, Rigorous Iowa High Schools Rank in Top 10 on International Test (Sept. 2, 2014), http://www.pellaschools.org/wp-content/uploads/2014/09/OECD_STEM_PressRelease_09102014.pdf (including Pella in a group of “[s]ix high-performing Iowa high schools” that scored highly on a test from the Organization for Economic Cooperation and Development (“OECD”)).

83. See PELLA COMMUNITY SCHOOLS, <http://www.pellaschools.org> (last visited Oct. 27, 2015) (showing a clean, well designed homepage of a website).

84. *Activities*, PELLA COMMUNITY SCHOOLS, <http://www.pellaschools.org/activities> (click the “play” button on the lower left corner of the video player) (last visited Oct. 27, 2015).

85. *Annual Progress Report Summary for 2013–2014*, PELLA COMMUNITY SCHOOLS, https://docs.google.com/document/d/1Rnc5OnMB9DRwfyuZ4Rh7QGhap1TJ_g45ieCKLfzNj18/edit (last visited Oct. 27, 2015) (demonstrating Pella students’ performance on Iowa Assessments).

86. *Logos*, PELLA COMMUNITY SCHOOLS, <http://www.pellaschools.org/our-district/logos> (last visited Oct. 27, 2015) (displaying the 12 “approved logo images” for use by the School District).

and expenditures.⁸⁷ This information has comprehensible expenditure categories like “Nursing Services” and “Office of Superintendent.”⁸⁸ The problem is that this information is difficult to find. From the homepage of the website, one would have to find the “Our District” tab along the top of the screen, select the “School Board” option, click the “Meeting Archives” tab on the right side, click “Minutes” of one of the meetings, then find a blue hyperlink to “General Fund Balance Report” and click it to find the budget information.⁸⁹ Pella does a good job of producing budget information for the public, but without a requirement to display that information prominently, the average person who visits the website could still have difficulty finding it.

4. Iowa City Community School District

Iowa City is home to The University of Iowa and one of the largest school districts in the state.⁹⁰ It boasts two main high schools, one alternative high school, three junior high schools, and nineteen elementary schools.⁹¹ The District performs well academically.⁹² Compared to the other school districts analyzed for this Note, Iowa City’s website provides much more budget information. In addition to the annual financial reports,⁹³ it also has links to

87. *General Fund Budget Report: April 2014 & 2013*, PELLA COMMUNITY SCHOOLS, https://docs.google.com/spreadsheets/d/1TMug4L23vRXTwyXV_tmOQgZ7vbVzeFDgso6K4DsY5Es/edit#gid=1659156351 (last visited Oct. 27, 2015). This page also has revenue information, which satisfies the requirement of the financial report statute. See IOWA CODE § 279.63(3) (2015); see also *supra* notes 51–53 and accompanying text (requiring revenue information and some employee information to be submitted to the state and linked to on the school district’s website).

88. *General Fund Budget Report: April 2014 & 2013*, *supra* note 87.

89. See PELLA COMMUNITY SCHOOLS, *supra* note 83 (displaying the main page of the school district’s website).

90. See *Iowa Certified Enrollment and Projections*, *supra* note 40 (showing school district enrollments). At just over 13,000 students, Iowa City is the fifth largest school district in Iowa, following Des Moines, Cedar Rapids, Davenport, and Sioux City. *Id.* (sort spreadsheet by 2013–2014 certified enrollment). The disparity in district enrollments is dramatic. The ten largest districts in the state comprise about 30% of the state’s elementary and secondary school students. See *id.* (showing that the combined enrollment of the top ten districts is about 142,000, out of an approximate statewide total of 478,000).

91. *Schools*, IOWA CITY COMMUNITY SCH. DISTRICT, <http://www.iowacityschools.org/pages/ICCSA/Schools> (last visited Oct. 27, 2015). The District will open a third main high school in the next few years. Holly Hines, *District to Open Liberty High as Full School in 2017*, IOWA CITY PRESS-CITIZEN (Jan. 27, 2015, 10:36 PM), <http://www.press-citizen.com/story/news/education/k-12/2015/01/27/district-open-liberty-full-school/22448041>.

92. *Quick Facts*, IOWA CITY COMMUNITY SCH. DISTRICT, http://www.iowacityschools.org/files/_sJHqs_/6c985253f657b9923745a49013852ec4/Quick_facts_2013.pdf (last visited Oct. 27, 2015) (displaying graduation and demographic statistics).

93. *Annual Financial Reports*, IOWA CITY COMMUNITY SCH. DISTRICT, http://www.iowacityschools.org/pages/ICCSA/Departments/Business_Office/Iowa_City_Community_School_Dis (last visited Oct. 27, 2015) (displaying financial reports in the “Comprehensive Annual Financial Report” section).

a budget blueprint document for the next five years,⁹⁴ the next year's certified budget,⁹⁵ a summary of fiscal year 2014's budget cuts,⁹⁶ and a "Budget at a Glance" link directly on its homepage.⁹⁷ Additionally, the "Business Office" page linked at one time to the fiscal year 2015's budget—which includes per pupil spending in defined categories, compares Iowa City to similarly sized school districts, and demonstrates how its per pupil spending ranks among all districts in the state.⁹⁸

Despite the prodigious amount of budget information on its website, a visitor may not be able to find or understand it. By putting the "Budget at a Glance" page link on the website's main page, the budget information occupies a prominent spot that is easily accessed, but the information on the page lacks some key details. For example, the document shows about three-fourths of the District's budget goes toward the General Fund.⁹⁹ While the General Fund reflects the fact that it comes from the state for specific purposes, this does not give a visitor to the site meaningful information on how much of the District budget is allocated to academics versus, say,

94. See generally IOWA CITY CMTY. SCH. DIST., FY2015 BUDGET BLUEPRINT: A MACRO LEVEL BUDGET ANALYSIS FOR PROJECTED REVENUE AND EXPENDITURES FROM FY2014 THROUGH FY2019 (n.d.), http://www.iowacityschools.org/files/_zJIoX_/85aaf7b3886fcd223745a49013852ec4/Budget_Book.pdf (explaining the District's budget, revenue, and enrollment projections over the next five years).

95. See generally CRAIG HANSEL, IOWA CITY COMMUNITY SCHOOL DISTRICT 2014–2015 CERTIFIED BUDGET (n.d.), https://www.edline.net/files/_yMH2b_/eo1713820e43536a3745a49013852ec4/2014-15_Budget_Booklet_Web_ready.pdf (providing detailed information on revenues and expenditures).

96. See generally IOWA CITY CMTY. SCH. DIST., DISTRICT BUDGET ADJUSTMENT SUMMARY (2014), http://www.iowacityschools.org/files/_zJlra_/4447fab38ef5f86c3745a49013852ec4/District_Budget_Adjustment_Summary.pdf (showing what parts of the District's budget decreased and by how much).

97. See IOWA CITY COMMUNITY SCH. DISTRICT, <http://www.iowacityschools.org/pages/ICCSd> (last visited Oct. 27, 2015) (providing a "Budget at a Glance" link under the "Overview" tab along the top of the main page of the website); see also IOWA CITY CMTY. SCH. DIST., IOWA CITY COMMUNITY SCHOOLS DISTRICT BUDGET AT A GLANCE (n.d.), http://www.iowacityschools.org/files/_zJlly_/bece3af1b7350b5f3745a49013852ec4/Budget_at_a_Glance_2014-15.pdf (showing the "District Budgeted Expenditures by Fund" for items like "Capital Projects" and "Management").

98. See *Business Office*, IOWA CITY COMMUNITY SCH. DISTRICT, http://www.iowacityschools.org/pages/ICCSd/Departments/Business_Office (last visited Oct. 27, 2015). The material under the "Contents" section on the right side of the page is updated periodically, and the author found the direct link to the 2015 fiscal year budget on February 4, 2015. The link has since been removed as the school district has updated the "Contents." *Id.* However, the link to the document is still active; it just cannot be accessed from the "Contents" section anymore. See generally IOWA CITY CMTY. SCH. DIST., FY2015 BUDGET CONVERSION: A MACRO LEVEL BUDGET ANALYSIS FOR PROJECTED REVENUE AND EXPENDITURES FROM FY2014 THROUGH FY2019 (n.d.), http://www.iowacityschools.org/files/_zXLGk_/6284f32a1b388cfa3745a49013852ec4/5_year_Budget_projections_FY14-FY19.pdf (showing expenses in each budget category as well as a spreadsheet comparing Iowa City to other large districts). The District breaks its categories down into General Fund, Administration, Instruction, Support Staff, Operations, and Transportation. *Id.*

99. IOWA CITY CMTY. SCH. DIST., *supra* note 97, at 1. This money comes mostly from the state government and is "categorical" revenue, or revenue "that must be used for specific purposes." *Id.*

transportation or administration costs.¹⁰⁰ The “Budget at a Glance” page also neglects to put the District’s spending into context by comparing it to others on a per pupil basis, as the fiscal year 2015 budget document does.¹⁰¹ Iowa City demonstrates a commitment to transparency by making budget information available somewhere on its website, particularly in comparison to other districts analyzed for this Note; however, it could make its budget transparency effective through a more user-friendly website.

C. HOW OTHER STATES REGULATE SCHOOL DISTRICT BUDGETS

Most states are like Iowa: They do not require their school districts to post annual budgets online for the public to access. This Subpart focuses on those states that *do* require some form of disclosure, and the variation among them. These states are in two groups: (1) those that require a basic posting of the school district’s budget on the school district’s website; and (2) those that require a more detailed posting. The latter, for example, may require posting a budget that has been organized into certain spending categories and may require that the budget is located in a specific area of the school district’s website for ease-of-access.¹⁰² These statutes enjoy support across the political spectrum; each group includes both liberal and conservative bastions, as well as “swing” states where both major parties are usually competitive.

1. Basic Posting Requirement States

The first group of states requires school districts to post their budgets online, without other specifications. This group includes Arizona,¹⁰³

100. See *infra* Part III.A (arguing that school districts should have to organize their spending categories into specific items the public understands).

101. Compare IOWA CITY CMY. SCH. DIST., *supra* note 97, with IOWA CITY CMY. SCH. DIST., *supra* note 98. Also, remember that there is no currently listed link on the School District’s website to the 2015 budget document, even though the document may still be accessed online. See *supra* note 98.

102. In Part III.A, this Note will argue that states should require a form of online budget disclosure even more specific and user-friendly than those that currently exist in either group. See *infra* Part III.A.

103. ARIZ. REV. STAT. ANN. § 15-904(A) (2014) (“If the school district maintains a website, the school district shall post a link to the website of the department of education where this [budget] information about the school district is posted.”).

Delaware,¹⁰⁴ the District of Columbia,¹⁰⁵ Hawaii,¹⁰⁶ Michigan,¹⁰⁷ Oregon,¹⁰⁸ and Utah.¹⁰⁹ For example, Utah’s statute states that each school district “shall adopt a budget,” and then “post the proposed budget on the school district’s [i]nternet website.”¹¹⁰ Some states require school districts to submit information to the state department of education, the district prepares the budget document itself, and then the school district posts or links to the department-prepared document on its website.¹¹¹ Despite variation within the group, the salient feature is that the laws require only a basic posting somewhere on the website—nothing about a prominent spot so it is easy to find or simpler language so it is easy to understand.

2. Specific Posting Requirement States

The second group of states requires school districts to post their budgets online in a specific way to facilitate ease of access and comprehension. This group includes Arkansas,¹¹² Florida,¹¹³ Kansas,¹¹⁴ New Jersey,¹¹⁵ Oklahoma,¹¹⁶ and Texas.¹¹⁷ These statutes more explicitly tie the goals of transparency to the regulation. Florida’s statute, for example, begins by noting:

104. DEL. CODE ANN. tit. 14, § 122(b)(11) (2007) (“[School] district and charter school financial reports . . . shall include, but not be limited to, the current budget with expenditures, encumbrances and remaining balances by budget component. District and charter school financial reports shall be posted monthly on the district or charter school website and shall be provided in writing upon request.”).

105. D.C. CODE § 38-2831(c) (2001 & Supp. 2015) (“No later than 21 days before the Mayor’s submission of the District’s budget and financial plan to the Council, the Chancellor shall, annually, make available on the DCPS website and post at each school a detailed estimate, in accordance with this section, of the amount of money required to operate the public schools for the ensuing year, including preliminary school-by-school budgets.”). The District of Columbia has only one school district. *See id.* § 38-171.

106. HAW. REV. STAT. § 302A-1004(d) (2007). Hawaii has only one school district, so the state department of education and the school district are essentially one entity. *See id.* § 302A-1101(a) (2007 & Supp. 2013).

107. MICH. COMP. LAWS ANN. § 380.620(1) (West 2013) (“Not later than December 31 of each year, each intermediate school district shall post on its website a report containing . . . [t]he amount of the intermediate school district’s total budget.”).

108. OR. REV. STAT. § 184.483(2)–(3) (2013) (requiring “education service districts”—school districts—to submit its revenues and expenditures to the state for publication on “the Oregon transparency website”).

109. UTAH CODE ANN. § 53A-19-102 (West 2013).

110. *Id.* § 53A-19-102(1)(a), -102(2)(b)(iv).

111. *See* ARIZ. REV. STAT. § 15-904(A) (2014); OR. REV. STAT. § 184.483(2)–(3).

112. ARK. CODE ANN. § 6-11-129 (2013).

113. FLA. STAT. § 1011.035 (2013).

114. KAN. STAT. ANN. § 72-8254 (Supp. 2014).

115. N.J. STAT. ANN. § 18A:22-8a (West 2013); N.J. ADMIN. CODE § 6A:23A-8.1 (2009).

116. OKLA. STAT. tit. 70, § 5-135.4 (2011).

117. TEX. EDUC. CODE ANN. §§ 39.084, 44.0041 (West 2012).

It is important for school districts to provide budgetary transparency to enable taxpayers, parents, and education advocates to obtain school district budget and related information in a manner that is simply explained and easily understandable. Budgetary transparency leads to more responsible spending, more citizen involvement, and improved accountability. A budget that is not transparent, accessible, and accurate cannot be properly analyzed, its implementation thoroughly monitored, or its outcomes evaluated.¹¹⁸

In substance, the statutes have three items in common. First, they require school districts to post the budget in a specific, prominent part of the website (usually the main page) to make it easy for a website visitor to find.¹¹⁹ Second, they require a plain language format so the average person can understand it.¹²⁰ Third, the statutes require school districts to break down their budget expenditures into specific categories.¹²¹

These states are further along the transparency spectrum and are closer to accessibility. They make the information easy to find and relatively easy to understand. For a person trying to evaluate school districts—perhaps a parent moving to a new area with the choice of settling in one of many school districts, or a citizen researching how the district spends taxpayer money before a school board election—a uniform approach means they can easily find important information on how the district prioritizes different parts of its mission. However, even these statutes lack a requirement to provide

118. FLA. STAT. § 1011.035(1).

119. See, e.g., ARK. CODE ANN. § 6-11-129(2) (2013) (“Information and data required to be made available and easily accessible on the school district’s website under this section shall . . . [b]e easily accessible through the homepage of the website under a link titled ‘State-Required Information’ to a page on the website where the information may be found . . .”); FLA. STAT. § 1011.035(2) (“This information must be prominently posted on the school district’s website in a manner that is readily accessible to the public.”); KAN. STAT. ANN. § 72-8254(i)(3) (“Publications required by this subsection shall be published with an easily identifiable link located on such district’s website homepage.”).

120. See, e.g., FLA. STAT. § 1011.035(2) (“Each district school board shall post on its website a plain language version of each proposed, tentative, and official budget which describes each budget item in terms that are easily understandable to the public.”); OKLA. STAT. tit. 70, § 5-135.4(B) (“Data shall be made available in an open-structured data format that may be downloaded by the public and that allows the user to systematically sort, search, and access all data without any fee or charge for access.”); N.J. ADMIN. CODE § 6A:23A-8.1(c)(3) (“The plain language budget summary shall include an abbreviated version of the formal budget adopted by the school district and such statistical information as the Commissioner determines to be useful for the public’s understanding of the school district’s fiscal matters . . .”).

121. See KAN. STAT. ANN. § 72-8254(i)(1)(B) (requiring budget summaries to show per pupil funding for “instruction,” “student support,” “administration,” “transportation,” and “food service,” among others); TEX EDUC. CODE ANN. § 44.0041(b)(1) (requiring budget summaries to include “per student and aggregate spending” for “instruction,” “instructional support,” “central administration,” “district operations,” “debt service,” and “any other category designated by the commissioner”).

context by giving a citizen the ability to see what spending means for the individual student and how that district stacks up against others.¹²² While the specific posting approach is preferable to the basic posting requirement and the absence of a requirement, it remains an imperfect solution.

III. HOW STATES CAN REQUIRE GREATER TRANSPARENCY FROM SCHOOL DISTRICTS

To make school districts more democratically accountable and accessible to citizens, states should strive for greater measures of transparency. Depending on the state, this would probably entail the legislature passing a statute, but it could also mean the state department of education or an independent body, like the SBRC in Iowa, recommending or promulgating a regulation based on its existing powers.¹²³ States have mostly regulated school district budget disclosure by statute, but implementing these reforms through the existing administrative structure may be possible.¹²⁴ Part III.A will lay out the attributes of a truly transparent budget-posting system, and will include a sample budget report of a fictional school district and state in Appendix 1. Part III.B will address potential objections to the ideas presented in Part III.A.

A. WHAT BUDGET TRANSPARENCY WOULD LOOK LIKE

This Subpart details what transparency would look like for school districts in the 21st century. States ought to require a school district to disclose its budget, to do so in terms people can understand, and to put it in a place where people can find it easily. The idea is a “three-legged stool” of public disclosure, comprehensible spending categories, and comparison to other school districts. After explaining what it would look like and why each leg is necessary, the end of this Note also includes Appendices 1 and 2. Appendix 1 is a sample of what a fictional school district could link to on its website and mail out to its residents, and Appendix 2 is a sample statute that would activate the reforms this Note proposes.

122. While a budget item for, say, \$15 million may sound like a lot or a little depending on the purpose and the district’s size, what a parent really wants to know is, “How much of that amount will benefit my child?” and “Is that per student amount more or less than what other districts spend on this?” This Note argues for a display of budget expenditures on a per pupil basis and a comparison of the district in question’s spending to average spending by other school districts. *See infra* Part III.A.

123. In Iowa, the legislature could pass a statute, though the SBRC and the State Board of Education might be able on their own to require school districts to do this. *See supra* Part II.A.2. A state may or may not have an existing body with the power to require or even recommend changes to school district budget transparency, so for that reason this Subpart focuses primarily on reform by statute. Every state has a state legislature that could pass the reforms for which this Note advocates. For a sample statute, *see infra* Appendix 2.

124. For an example of a transparency requirement within the administrative, rather than the statutory, code of a state, see N.J. ADMIN. CODE § 6A:23A-8.1.

First, school districts should publish their budget expenditure information on the main page of their websites. Putting the information online is important because people turn to the Internet more and more when looking for something they want to know. Mailing this information to residents in the district would help too, but putting it online is best because people can always access the information (avoiding the risk of accidentally throwing it away), and because posting a document once is easier and cheaper than mailing it to thousands or, in the case of very large urban districts, millions of households. The language of the law itself could mirror that of New Jersey's administrative regulation: "The budget shall be maintained on the district's [i]nternet site, if one exists, with a visible link off the main page"¹²⁵ However, with only a requirement that school districts post their budget on the main page of their website, the average citizen is left without a safeguard to make sure the information is understandable. For the transparency stool, one leg is not enough.

Second, the posted budget information should break down into categories the average person can comprehend. States with specific posting requirements have statutes that attempt to do this, with some success.¹²⁶ However, the different categories are sometimes too vague. For example, one could imagine any number of varied expenditures that could be included in Texas' "district operations" budget line.¹²⁷ In this sense, budget disclosures should be more like the "taxpayer receipt": They should give examples of what the government does, and those examples should be things with which most people already have some familiarity.¹²⁸ In Appendices 1 and 2, this Note suggests some basic categories on which virtually all school districts spend money in some way.¹²⁹ Most people are familiar with what a school district does for academics, athletics, arts, student activities, administration, food, transportation, building and land maintenance, building construction, debt, and other miscellaneous expenses.¹³⁰ Funding for these come from different

125. *Id.* § 6A:23A-8.1(c)(1).

126. *See supra* note 121 and accompanying text (giving examples of state statutes that require school districts to divide their budgets into defined categories).

127. *See* TEX EDUC. CODE ANN. § 44.0041(b)(1) (West 2012) (listing the various budget categories for Texas school districts).

128. *See supra* notes 31–35 and accompanying text. While a taxpayer receipt for a school district may be helpful as well, the burdens of producing that document would be next to impossible. School district revenues come from many different sources, some of which the district could not trace back to an individual taxpayer. Finding out how much one individual paid in local, state, and federal taxes would be tremendously difficult, given the various sales and excise taxes at the state and local level that leave no record like one's income tax payments do.

129. *See infra* Appendices 1 & 2 (showing, respectively, a sample budget summary and sample statute).

130. This Note recommends each category include the necessary personnel costs. Academics would include the cost of teacher salaries and benefits, administration would include the superintendent and secretaries, building maintenance would include the custodians, and so on. Districts should include salaries and benefits within each category for two reasons. First, the

revenue sources and, in some cases, that revenue may be tied to a specific type of spending, but the average citizen should at least be able to look at the document and take stock of where the school district's money goes.¹³¹ These first two requirements still come up short, because the typical parent, taxpayer, and voter will have no way to know what each area of spending means for an individual child. They would have no way to know how efficient the school district is with its money or how much the district truly prioritizes a given category. Two legs are not enough.

Third, school districts should have to display their budgets on a per pupil basis, and then compare their spending on each category to the average for similarly sized school districts and to the overall state average. Listing budget expenditures on a per pupil basis is the only way to have a true apples-to-apples comparison between districts of varying enrollments.¹³² Some states already do this.¹³³ Likewise, requiring the comparison to similarly sized school districts and the state average gives a person more context when they look at the budget. A person may find it helpful to know that the given amount is much lower or much higher than the state average or the average for school districts of a similar enrollment; from there, she can certainly decide for herself if a given amount per student is too much, too little, or just right. Depending on what the individual is trying to find out about school finances, spending well below the average on, say, academics or transportation may be evidence of that district's efficiency or evidence of a failure to prioritize those

quality of a school district in each of the categories depends so much on the employees, and therefore including these costs together makes sense. Any organization is only as strong as its people. A shiny new science laboratory is useless without an excellent teacher in the room, and an athletics program is more than uniforms and basketballs—it is also the coach who teaches and encourages. Second, to have a single, enormous category for all personnel costs would shed little light on how much of its resources a school district truly invests in each budget category.

131. Some expenditures may fall under multiple budget categories, especially for athletics. For example, a teacher who also coaches a sport earns one salary, even though her responsibilities are in both the academic and athletic categories. The solution is simple: determine how much the school district would spend on her compensation if she were a teacher only, count that amount for the academics category, then attribute the remainder to the athletics budget. For nonpersonnel spending, like buying free weights for a high school weight room that students use for physical education classes during the day and sports teams use after school, the school district could divide the cost among academics and athletics according to the items' approximate use for each category, or just split the cost in half and attribute to each category an equal share.

132. As a hypothetical, consider a parent who wants to send his child to a school district with a strong arts program. If his two choices are a large district with an arts budget of \$1 million and an enrollment of 25,000 students, and a smaller district with an arts budget of \$300,000 and an enrollment of 3000 students, it would be much easier to look up the districts' per pupil spending documents and see that the large district with the bigger budget spends \$40 per student on the arts, while the smaller district spends \$100 per student. His choice, most likely, is now easier.

133. See *supra* note 121 and accompanying text (using Kansas and Texas as examples of states that require school districts to list their budgets on a per pupil basis).

items.¹³⁴ Figuring out per pupil spending and the averages would be easy: Each school district would send its budget to the state department of education by a specified date, and the state would calculate the per pupil expenditure for the statewide average and for each cohort of districts based on enrollment size.¹³⁵ The state would send the information back to the district, and the district would post the information onto its website. Alternatively, the department of education could compile the information from each district, publish it on its own website, and school districts would then have to put a link on their websites to the department's.

B. POTENTIAL OBJECTIONS TO THE PROPOSAL

At this point, a reader may have developed several objections and questions, and this Subpart aims to answer them. One objection could be to ask whether an open records request, under one of the open records laws in each state, might be sufficient to inform oneself of a school district's spending practices.¹³⁶ While initiating an open records request could yield the same result, the odds of a typical parent or school board election voter doing so are remote.¹³⁷ This assumes, of course, that the school district already has compiled the sought-after information into a single document the average person can understand, which is far from likely. Any impactful system of transparency will not just make it theoretically possible to get information, but positively easy.

Another objection may be that these requirements would be too burdensome and too costly for school districts. As one scholar pointed out, "disclosure requirements also undeniably raise the fiscal costs of government."¹³⁸ However, school districts would not face excessive "administrative and adjudicatory costs" because the requirement only rearranges the process of formulating and presenting a budget—something

134. In this sense, this Note is policy-neutral. It takes no position on how much school districts should spend on different budget categories. Rather, the purpose of this Note is to provide citizens the tools for informed advocacy for their point of view.

135. A state could divide school districts into cohorts based on their enrollments. For example, a school district with an enrollment of 700 could be compared to districts between 501 and 1000 students, and a district with 2200 students could be compared to districts between 2001 and 3000 students.

136. See *State Public Record Laws*, FOIADVOCATES, <http://www.foiadvocates.com/records.html> (last visited Oct. 27, 2015) (providing background on and listing the public record laws of every state).

137. For example, a person requesting public records in Iowa may have to pay fees, examine documents according to rules and times set by the custodian of records, and even argue successfully against an injunction that would halt the records request. See IOWA CODE § 22.3 (2015) ("The lawful custodian may adopt and enforce reasonable rules regarding the examination and copying of the records . . . All expenses of the examination and copying shall be paid by the person desiring to examine or copy."); *id.* § 22.8(1) ("The district court may grant an injunction restraining the examination, including copying, of a specific public record or a narrowly drawn class of public records.").

138. Mark Fenster, *The Opacity of Transparency*, 91 IOWA L. REV. 885, 907 (2006).

that school districts already do each year.¹³⁹ The district and state would calculate per pupil spending on each category via simple addition and division, and the cost of uploading a document to the Internet is negligible.

A third objection may posit that the supposed benefits of transparency will not come to fruition—that the democracy dividends to the school district will not pay out. Skeptics of transparency argue that advocates overpromise and under-deliver, offering “transcendental escape, utopian perfection . . . and boundless prosperity”¹⁴⁰ through information technology without proof that “the public is incrementally more informed about government and its performance than in the pre-digital era.”¹⁴¹ Amusing hyperbole aside, this is a valid objection given the myriad “silver bullets” offered for various areas of public policy. However, this Note does not argue that the proposal will cure the ills of an uninformed local democracy, and that citizens will have nuanced, factually accurate conversations about their local school district’s budget. Rather, it posits the humble hope that basic, accessible information might start new conversations about our schools, and give context to some existing ones.¹⁴²

Finally, advocates of local control of schools may object on principle to yet another imposition from the state upon school districts. In many states, local control of schools is a prized goal across the political spectrum.¹⁴³ Local control is important, but these objectors would do well to remember that states create the school districts and may exercise plenary control over them,

139. *Id.*

140. Mark Fenster, *The Transparency Fix: Advocating Legal Rights and Their Alternatives in the Pursuit of a Visible State*, 73 U. PITT. L. REV. 443, 488 (2012) (quoting Philip E. Agre, *Cyberspace as American Culture*, 11 SCI. AS CULTURE 171, 173–74 (2002)).

141. *Id.* at 489 (“The wired general public has not (yet, at least) been transformed into the satisfied, enlightened, collaborative polis that digital transparency promises.”).

142. This Note also does not argue that budget transparency would lead directly to better (or worse) outcomes in education for children. Posting a document on a website will not raise a test score or teach a child to play the trumpet. But it could stir a local debate that leads to a budget that reflects the priorities of the people who live in the school district. It could lead a parent or a voter to print out the budget document, come to a school board or PTA meeting, point to a chart, and ask why a dollar amount is what it is. For this author, that is democracy and a good thing.

143. See, e.g., Alan J. Borsuk, *With Shots Called from Above, What’s Left of Local Control of Schools?*, MILWAUKEE–WISC. J. SENTINEL (Jan. 24, 2015), <http://www.jsonline.com/news/education/with-shots-called-from-above-whats-left-of-local-control-of-schools-b99430881z1-289676631.html> (describing the appeal and difficulty of maintaining local control of schools in Wisconsin); Todd Erzen, *Ankeny Group Objects to Iowa Core Standards*, DES MOINES REG. (Oct. 20, 2014, 11:05 PM), <http://www.desmoinesregister.com/story/news/local/ankeny/2014/10/21/iowa-core-ankeny-school-parents/17604483> (reporting on the efforts of a group of politically conservative citizens opposing statewide standards in Iowa schools on the grounds that they erode local control); Dale Mezzacappa, *New Education Secretary Outlines Priorities, Obstacles*, NOTEBOOK (Feb. 3, 2015, 2:32 PM), <http://thenotebook.org/blog/158189/new-education-secretary-outlines-priorities-obstacles> (listing local control of schools as a top priority for the Democratic Governor of Pennsylvania); Motoko Rich, *Reviewing Federal Education Law, Senator Seeks More Local Control*, N.Y. TIMES (Jan. 13, 2015), <http://www.nytimes.com/2015/01/14/us/reviewing-federal-education-law-senator-seeks-more-local-control.html> (profiling a Republican U.S. Senator from Tennessee’s efforts to return control to local school districts).

not the other way around.¹⁴⁴ Second, and more importantly, the requirement that a school district post its budget in the way described above is more likely to *enhance* local control, not detract from it. School boards and district administrators would have the same powers to pass budgets, enact new rules, and carry out the schools' missions. The only difference is that the local population would no longer be in the dark, and could more easily lessen the information asymmetry between the government and the citizens it serves.¹⁴⁵

IV. CONCLUSION

The tradition of transparency in Anglo-American governments stretches back several centuries. Over the same period, our society has become progressively more educated, largely thanks to taxpayer-funded public schools. A land once inhabited by a mostly illiterate population is now a modern, democratic nation in which knowledge and education are the keys to a prosperous life, and in which an informed citizenry is more important than ever. The local public school district is the smallest, but by no means the least important, institution of democracy we have. However, in most parts of the country, figuring out what that institution does with its revenues is exceedingly difficult. Thanks to modern innovations like the Internet, government can now share with its citizens important, basic information on its activities at a low cost. States should require school districts to post their budgets online in a convenient, accessible format. Make it easy to find and easy to understand. “[D]on’t *tell* me what you value. Show me your budget, and *I* will tell you what you value.”¹⁴⁶

144. See *supra* text accompanying note 47 (noting evidence of state control over school districts).

145. See *supra* notes 4–6 and accompanying text (explaining the information asymmetry problem).

146. Biden, *supra* note 1 (emphasis added).

APPENDIX 1. SAMPLE BUDGET SUMMARY

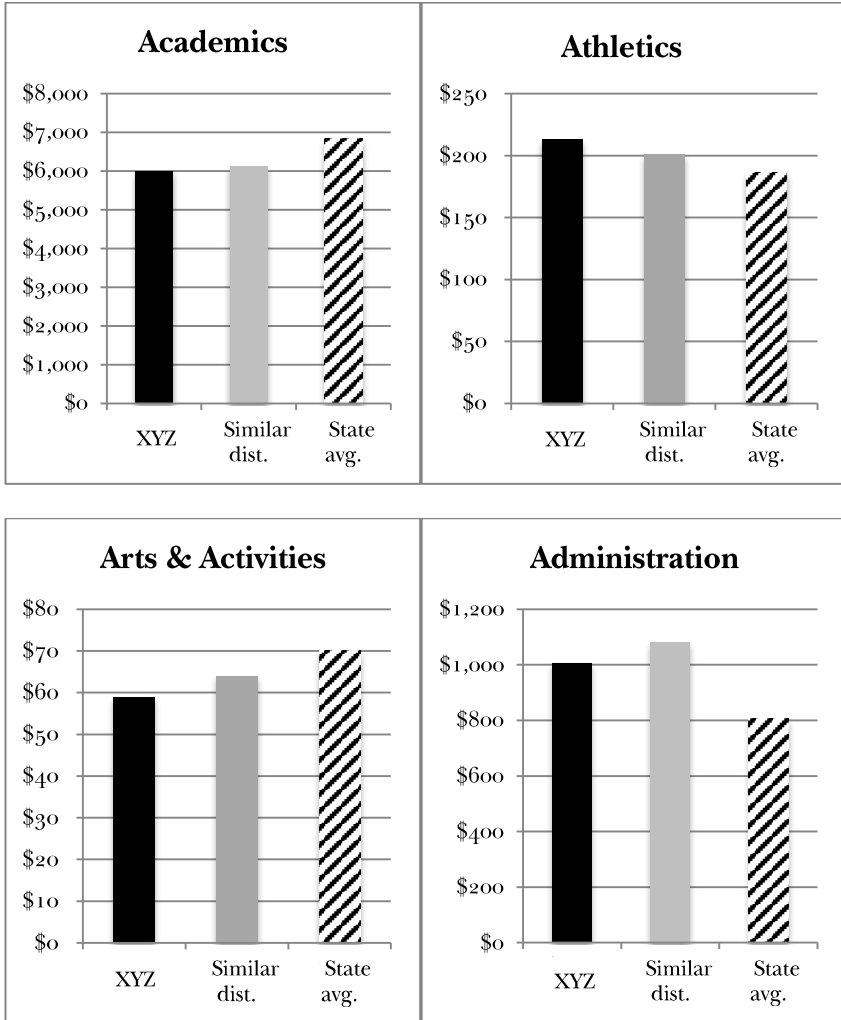
XYZ School District Budget 2014–2015

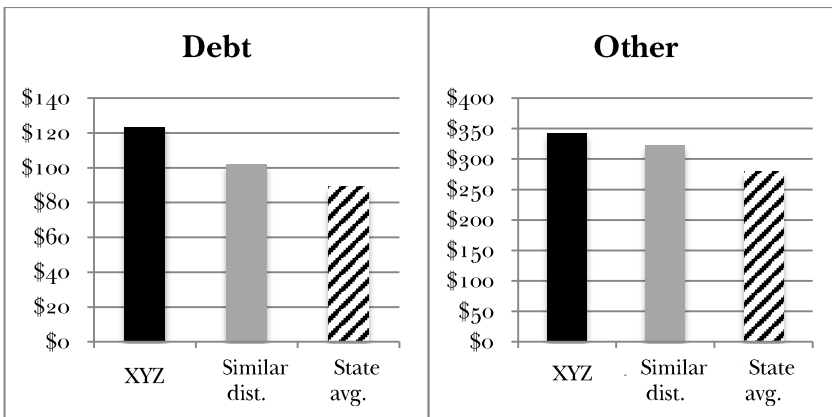
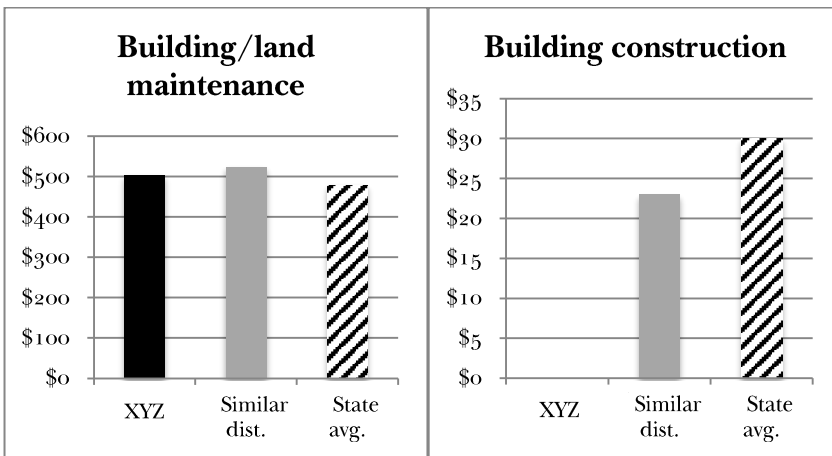
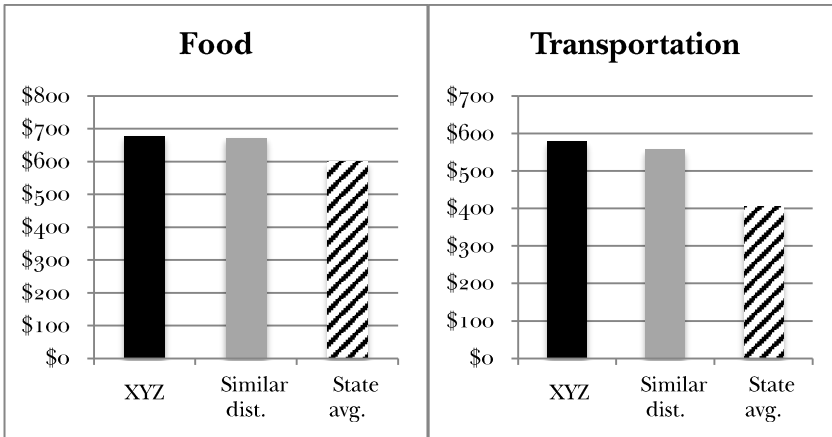
(All amounts are per pupil spending)¹⁴⁷

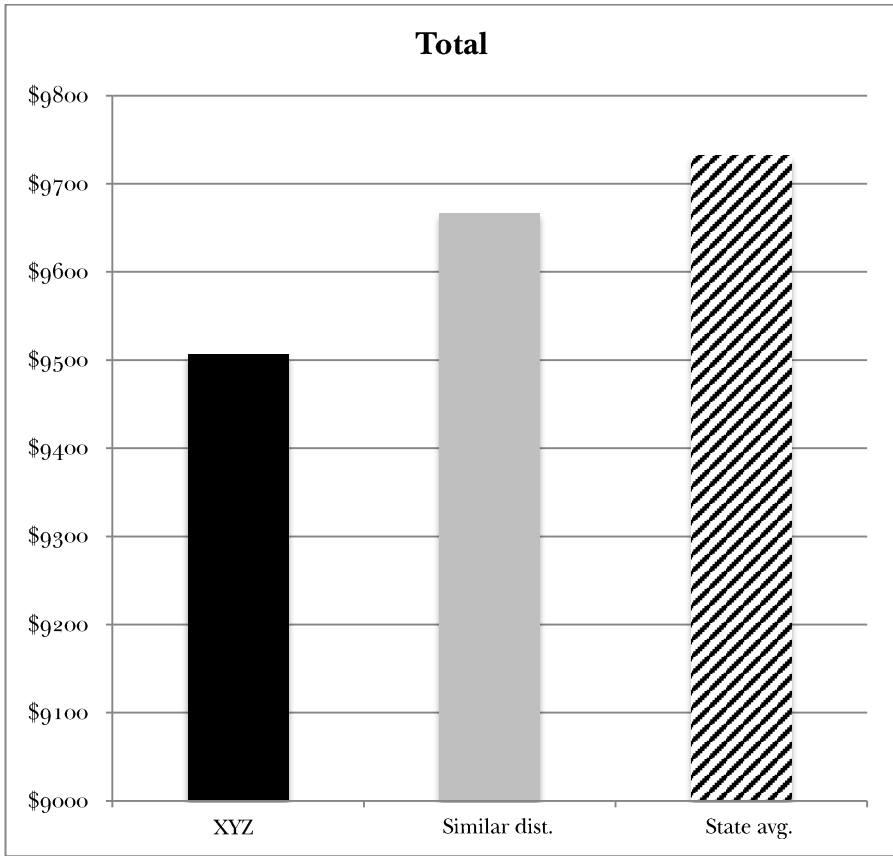
Budget Category	XYZ School District	Similarly Sized District Avg.	Statewide Avg.
Academics	\$6002	\$6120	\$6836
Athletics	\$213	\$201	\$186
Arts & Activities	\$59	\$64	\$70
Administration	\$1006	\$1081	\$807
Food	\$678	\$672	\$601
Transportation	\$579	\$557	\$404
Building/land maintenance	\$504	\$524	\$479
Building construction	\$0	\$23	\$30
Debt	\$123	\$102	\$89
Other	\$342	\$322	\$280
Total	\$9506	\$9666	\$9782

147. All amounts are also entirely fictional and likely not reflective of what school districts spend. However, based off the table and charts, a fictional person may determine that the XYZ school district is either efficient or stingy in paying for its academics, or may note that XYZ and other districts like it tend to spend more than the average on items like transportation and administration.

XYZ School District Budget 2014-2015 (cont'd)







APPENDIX 2. SAMPLE SCHOOL DISTRICT BUDGET TRANSPARENCY STATUTE

1. Each school district shall display on its website a statement of the school district's budget summary, subject to the following specifications—
 - a. The budget summary shall be maintained on the school district's website, with a visible link off the main page;
 - b. The budget summary shall be displayed in the following budget categories:
 - i. Academics;
 - ii. Athletics;
 - iii. Arts and activities;
 - iv. Administration;
 - v. Food;
 - vi. Transportation;
 - vii. Building and land maintenance;
 - viii. Building construction;
 - ix. Debt;
 - x. Other; and
 - xi. Total;
 - c. The budget categories described in subsection (b) shall be listed on a per pupil basis, as calculated according to sections 2 and 3 of this statute;
 - d. The budget summary shall include a comparison of the school district's expenses on each budget category as listed in subsection (b) to the statewide averages and the similarly sized school district averages as provided by the state department of education pursuant to section 3 of this statute;
 - e. The budget summary may include additional budget categories not listed in subsection (b), provided the school district has received permission from the state department of education to do so;
 - f. The budget summary may include a comparison to the school district's budget summaries from recent school years. The school district may include this without requesting to do so from the state department of education.
2. By November 1 of each school year, each school district shall submit its budget summary of the current school year to the state department of education. The budget summary shall allocate all expenses into the budget categories as listed in section 1(b) of this statute and divide the total of each budget category by the certified enrollment of the school district for that school year. By January 1 of each school year, each school district shall post its final budget summary on the school district's website, including the information from the state department of education as described in section 3 of this statute.

3. The state department of education shall compile the school district budget summaries and calculate the per pupil average for each budget category as listed in section 1 (b) of this statute for all school districts in the state and the per pupil averages on each budget category as listed in section 1 (b) of this statute for cohorts of similarly sized school districts based on certified enrollment. By December 1 of each school year, the state department of education shall send the calculated figures to each school district.
4. If a school district elects not to maintain a website, the school district shall make the budget summary required in sections 1, 2, and 3 available to the public at meetings of the school board and in an annual mailing to each household in the school district.
5. The state department of education shall have the authority to—
 - a. define each of the budget categories listed in section 1 (b) of this statute and what type of activities qualify for each budget category;
 - b. issue appropriate penalties for school districts that do not comply with the requirements of this statute;
 - c. promulgate other administrative regulations as necessary to carry out the requirements of this statute.