
HOUSE BILL No. 1484

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-5.5-7-10; IC 21-2-15-4.

Synopsis: Charter school facility funding. Requires a school corporation to transfer part of the school corporation's capital projects fund to a charter school if: (1) a student transfers from a school in the school corporation to the charter school; (2) the school has not demonstrated adequate yearly progress as determined by the department of education; and (3) the charter school demonstrates adequate yearly progress.

Effective: July 1, 2005.

Behning

January 18, 2005, read first time and referred to Committee on Education.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

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HOUSE BILL No. 1484



A BILL FOR AN ACT to amend the Indiana Code concerning education finance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 20-5.5-7-10 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2005]: **Sec. 10. (a) This section applies if a student:**
4 **(1) attended during the preceding school year or currently**
5 **attends a school that:**
6 **(A) is not a charter school; and**
7 **(B) did not meet or exceed the school's adequate yearly**
8 **progress for the preceding school year, as determined by**
9 **the department; and**
10 **(2) transfers to a charter school that demonstrated adequate**
11 **yearly progress during the preceding school year, as**
12 **determined by the department.**
13 **(b) A school corporation described in subsection (a) shall**
14 **determine a proportionate share of the balance of the school**
15 **corporation's capital projects fund under IC 21-2-15 that is**
16 **attributable to the student described in subsection (a). The school**
17 **corporation shall transfer the amount determined under this**



1 subsection to the charter school to which the student transfers. An
2 amount transferred under this subsection is in addition to any
3 other amount that the charter school receives under this chapter
4 or IC 21-3-1.7.

5 (c) The charter school shall use an amount transferred under
6 subsection (b) for any educational purpose, including charter
7 school facilities.

8 SECTION 2. IC 21-2-15-4 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) As used in this
10 subsection, "calendar year distribution" means the sum of:

- 11 (1) all distributions to a school corporation under:
 - 12 (A) IC 6-1.1-19-1.5;
 - 13 (B) IC 21-1-30;
 - 14 (C) IC 21-3-1.7;
 - 15 (D) IC 21-3-2.1; and
 - 16 (E) IC 21-3-12;
- 17 for the calendar year; plus
- 18 (2) the school corporation's excise tax revenue (as defined in
19 IC 21-3-1.7-2) for the immediately preceding calendar year.

20 (b) A school corporation may establish a capital projects fund.

21 (c) With respect to any facility used or to be used by the school
22 corporation (other than a facility used or to be used primarily for
23 interscholastic or extracurricular activities, except as provided in
24 subsection (j)), the fund may be used to pay for the following:

- 25 (1) Planned construction, repair, replacement, or remodeling.
- 26 (2) Site acquisition.
- 27 (3) Site development.
- 28 (4) Repair, replacement, or site acquisition that is necessitated by
29 an emergency.

30 (d) The fund may be used to pay for the purchase, lease, repair, or
31 maintenance of equipment to be used by the school corporation (other
32 than vehicles to be used for any purpose and equipment to be used
33 primarily for interscholastic or extracurricular activities, except as
34 provided in subsection (j)).

35 (e) The fund may be used for any of the following purposes:

- 36 (1) To purchase, lease, upgrade, maintain, or repair one (1) or
37 more of the following:
 - 38 (A) Computer hardware.
 - 39 (B) Computer software.
 - 40 (C) Wiring and computer networks.
 - 41 (D) Communication access systems used to connect with
42 computer networks or electronic gateways.

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- 1 (2) To pay for the services of full-time or part-time computer
- 2 maintenance employees.
- 3 (3) To conduct nonrecurring inservice technology training of
- 4 school employees.
- 5 (4) To fund the payment of advances, together with interest on the
- 6 advances, from the common school fund for educational
- 7 technology programs under IC 21-1-5.
- 8 (5) To fund the acquisition of any equipment or services
- 9 necessary:
- 10 (A) to implement the technology preparation curriculum under
- 11 IC 20-10.1-5.6;
- 12 (B) to participate in a program to provide educational
- 13 technologies, including computers, in the homes of students
- 14 (commonly referred to as "the buddy system project") under
- 15 IC 20-10.1-25, the 4R's technology program under
- 16 IC 20-10.1-25, or any other program under the educational
- 17 technology program described in IC 20-10.1-25; or
- 18 (C) to obtain any combination of equipment or services
- 19 described in clauses (A) and (B).
- 20 (f) The fund may be used to purchase:
- 21 (1) building sites;
- 22 (2) buildings in need of renovation;
- 23 (3) building materials; and
- 24 (4) equipment;
- 25 for the use of vocational building trades classes to construct new
- 26 buildings and to remodel existing buildings.
- 27 (g) The fund may be used for leasing or renting of existing real
- 28 estate, excluding payments authorized under IC 21-5-11 and
- 29 IC 21-5-12.
- 30 (h) The fund may be used to pay for services of the school
- 31 corporation employees that are bricklayers, stone masons, cement
- 32 masons, tile setters, glaziers, insulation workers, asbestos removers,
- 33 painters, paperhangers, drywall applicators and tapers, plasterers, pipe
- 34 fitters, roofers, structural and steel workers, metal building assemblers,
- 35 heating and air conditioning installers, welders, carpenters, electricians,
- 36 or plumbers, as these occupations are defined in the United States
- 37 Department of Labor, Employment and Training Administration,
- 38 Dictionary of Occupational Titles, Fourth Edition, Revised 1991, if:
- 39 (1) the employees perform construction of, renovation of,
- 40 remodeling of, repair of, or maintenance on the facilities and
- 41 equipment specified in subsections (b) and (c);
- 42 (2) the school corporation's total annual salary and benefits paid

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1 by the school corporation to employees described in this
 2 subsection are at least six hundred thousand dollars (\$600,000);
 3 and

4 (3) the payment of the employees described in this subsection is
 5 included as part of the proposed capital projects fund plan
 6 described in section 5(a) of this chapter.

7 However, the number of employees that are covered by this subsection
 8 is limited to the number of employee positions described in this
 9 subsection that existed on January 1, 1993. For purposes of this
 10 subsection, maintenance does not include janitorial or comparable
 11 routine services normally provided in the daily operation of the
 12 facilities or equipment.

13 (i) The fund may be used to pay for energy saving contracts entered
 14 into by a school corporation under IC 36-1-12.5.

15 (j) Money from the fund may be used to pay for the construction,
 16 repair, replacement, remodeling, or maintenance of a school sports
 17 facility. However, a school corporation's expenditures in a calendar
 18 year under this subsection may not exceed five percent (5%) of the
 19 property tax revenues levied for the fund in the calendar year.

20 (k) Money from the fund may be used to carry out a plan developed
 21 under IC 20-10.1-33.

22 (l) This subsection applies during the period beginning January 1,
 23 2004, and ending December 31, 2005. Money from the fund may be
 24 used to pay for up to one hundred percent (100%) of the following
 25 costs of a school corporation:

26 (1) Utility services.

27 (2) Property or casualty insurance.

28 (3) Both utility services and property or casualty insurance.

29 In the 2004 calendar year, a school corporation's expenditures under
 30 this subsection may not exceed one percent (1%) of the school
 31 corporation's 2003 calendar year distribution. In the 2005 calendar
 32 year, a school corporation's expenditures under this subsection may not
 33 exceed two percent (2%) of the school corporation's 2003 calendar year
 34 distribution.

35 (m) Notwithstanding subsection (l), a school corporation's
 36 expenditures under subsection (l) in the 2004 calendar year may exceed
 37 one percent (1%) of the school corporation's 2003 calendar year
 38 distribution if the school corporation's 2004 calendar year distribution
 39 is less than the school corporation's 2003 calendar year distribution.
 40 The amount by which a school corporation's expenditures under
 41 subsection (l) in the 2004 calendar year may exceed one percent (1%)
 42 of the school corporation's 2003 calendar year distribution is the least

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- 1 of the following:
- 2 (1) One percent (1%) of the school corporation's 2003 calendar
- 3 year distribution.
- 4 (2) The greater of zero (0) or the difference between:
- 5 (A) the sum of:
- 6 (i) the school corporation's calendar year distribution;
- 7 (ii) the amount determined for the school corporation under
- 8 subsection (1); plus
- 9 (iii) the amount determined for the school corporation under
- 10 this subsection, if any;
- 11 for the immediately preceding calendar year; minus
- 12 (B) the school corporation's calendar year distribution for the
- 13 calendar year.
- 14 (3) The difference between:
- 15 (A) one hundred percent (100%) of the school corporation's
- 16 costs for utility services and property or casualty insurance;
- 17 minus
- 18 (B) the amount determined for the school corporation under
- 19 subsection (1) for the calendar year.
- 20 (n) Notwithstanding subsection (l), a school corporation's
- 21 expenditures under subsection (l) in the 2005 calendar year may exceed
- 22 two percent (2%) of the school corporation's 2003 calendar year
- 23 distribution if the school corporation's 2005 calendar year distribution
- 24 is less than the school corporation's 2003 calendar year distribution.
- 25 The amount by which a school corporation's expenditures under
- 26 subsection (l) in the 2005 calendar year may exceed two percent (2%)
- 27 of the school corporation's 2003 calendar year distribution is the least
- 28 of the following:
- 29 (1) Two percent (2%) of the school corporation's 2003 calendar
- 30 year distribution.
- 31 (2) The greater of zero (0) or the difference between:
- 32 (A) the sum of:
- 33 (i) the school corporation's calendar year distribution;
- 34 (ii) the amount determined for the school corporation under
- 35 subsection (1); plus
- 36 (iii) the amount determined for the school corporation under
- 37 this subsection, if any;
- 38 for the immediately preceding calendar year; minus
- 39 (B) the school corporation's calendar year distribution for the
- 40 calendar year.
- 41 (3) The difference between:
- 42 (A) one hundred percent (100%) of the school corporation's

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1 costs for utility services and property or casualty insurance;
 2 minus
 3 (B) the amount determined for the school corporation under
 4 subsection (l) for the calendar year.
 5 **(o) The fund may be used for transfers to charter schools under**
 6 **IC 20-5.5-7-10.**
 7 SECTION 3. [EFFECTIVE JULY 1, 2005] **(a) If the United States**
 8 **Department of Education makes available federal matching funds**
 9 **for state charter school facilities, the department of education**
 10 **shall, in consultation with the Indiana state board of education and**
 11 **the education roundtable, apply for the matching funds.**
 12 **(b) The department of education may use existing capital**
 13 **funding and money transferred under IC 20-5.5-7-10, as added by**
 14 **this act, as state matching funds for purposes of receiving federal**
 15 **matching funds under subsection (a).**
 16 **(c) This SECTION expires June 30, 2007.**

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