



February 22, 2010

**ENGROSSED  
SENATE BILL No. 309**

DIGEST OF SB 309 (Updated February 22, 2010 1:09 pm - DI 109)

**Citations Affected:** IC 6-1.1; IC 20-40; IC 20-46.

**Synopsis:** Education matters. Allows the governing body of a school corporation to adopt a resolution to transfer money for 2010 and 2011 among funds maintained by a school corporation, except to or from the debt service fund, and certifying that the money transferred will be used solely to avoid school employee layoffs and to protect instructional programs. Limits the amount that can be transferred to the amount the school corporation's state tuition support is reduced for 2010 and 2011. Permits transfers only in 2010 and 2011. Delays for one year the changing of the effective date for the school budget year to move from a calendar year to a fiscal year. Allows certain school corporations to make transfers among certain school funds for new facilities.

**Effective:** Upon passage.

**Alting, Miller, Broden,  
Charbonneau, Zakas**  
(HOUSE SPONSORS — PORTER, ESPICH)

January 11, 2010, read first time and referred to Committee on Appropriations.  
January 25, 2010, amended, reported favorably — Do Pass.  
February 1, 2010, read second time, ordered engrossed. Engrossed.  
February 2, 2010, read third time, passed. Yeas 36, nays 14.

**HOUSE ACTION**

February 9, 2010, read first time and referred to Committee on Education.  
February 22, 2010, amended, reported — Do Pass.

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February 22, 2010

Second Regular Session 116th General Assembly (2010)

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 2009 Regular and Special Sessions of the General Assembly.

**ENGROSSED  
SENATE BILL No. 309**



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

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

- 1 SECTION 1. IC 6-1.1-17-5, AS AMENDED BY P.L.182-2009(ss),
- 2 SECTION 116, IS AMENDED TO READ AS FOLLOWS
- 3 [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The officers of political
- 4 subdivisions shall meet each year to fix the budget, tax rate, and tax
- 5 levy of their respective subdivisions for the ensuing budget year as
- 6 follows:
- 7 (1) The board of school trustees of a school corporation that is
- 8 located in a city having a population of more than one hundred
- 9 five thousand (105,000) but less than one hundred twenty
- 10 thousand (120,000), not later than:
- 11 (A) the time required in section 5.6(b) of this chapter; or
- 12 (B) for budget years beginning before July 1, ~~2011~~, **2012**,
- 13 November 1 if a resolution adopted under section 5.6(d) of this
- 14 chapter is in effect.
- 15 (2) The proper officers of all other political subdivisions, not later
- 16 than November 1.
- 17 (3) The governing body of each school corporation (including a

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**ES 309—LS 7072/DI 58+**



1 school corporation described in subdivision (1)), not later than the  
2 time required under section 5.6(b) of this chapter for budget years  
3 beginning after June 30, ~~2011~~ **2012**.

4 Except in a consolidated city and county and in a second class city, the  
5 public hearing required by section 3 of this chapter must be completed  
6 at least ten (10) days before the proper officers of the political  
7 subdivision meet to fix the budget, tax rate, and tax levy. In a  
8 consolidated city and county and in a second class city, that public  
9 hearing, by any committee or by the entire fiscal body, may be held at  
10 any time after introduction of the budget.

11 (b) Ten (10) or more taxpayers may object to a budget, tax rate, or  
12 tax levy of a political subdivision fixed under subsection (a) by filing  
13 an objection petition with the proper officers of the political  
14 subdivision not more than seven (7) days after the hearing. The  
15 objection petition must specifically identify the provisions of the  
16 budget, tax rate, and tax levy to which the taxpayers object.

17 (c) If a petition is filed under subsection (b), the fiscal body of the  
18 political subdivision shall adopt with its budget a finding concerning  
19 the objections in the petition and any testimony presented at the  
20 adoption hearing.

21 (d) This subsection does not apply to a school corporation. Each  
22 year at least two (2) days before the first meeting of the county board  
23 of tax adjustment held under IC 6-1.1-29-4, a political subdivision shall  
24 file with the county auditor:

- 25 (1) a statement of the tax rate and levy fixed by the political
- 26 subdivision for the ensuing budget year;
- 27 (2) two (2) copies of the budget adopted by the political
- 28 subdivision for the ensuing budget year; and
- 29 (3) two (2) copies of any findings adopted under subsection (c).

30 Each year the county auditor shall present these items to the county  
31 board of tax adjustment at the board's first meeting under  
32 IC 6-1.1-29-4.

33 (e) In a consolidated city and county and in a second class city, the  
34 clerk of the fiscal body shall, notwithstanding subsection (d), file the  
35 adopted budget and tax ordinances with the county board of tax  
36 adjustment within two (2) days after the ordinances are signed by the  
37 executive, or within two (2) days after action is taken by the fiscal body  
38 to override a veto of the ordinances, whichever is later.

39 (f) If a fiscal body does not fix the budget, tax rate, and tax levy of  
40 the political subdivisions for the ensuing budget year as required under  
41 this section, the most recent annual appropriations and annual tax levy  
42 are continued for the ensuing budget year.

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1 SECTION 2. IC 6-1.1-17-5.6, AS AMENDED BY  
 2 P.L.182-2009(ss), SECTION 117, IS AMENDED TO READ AS  
 3 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.6. (a) For budget  
 4 years beginning before July 1, ~~2011~~, **2012**, this section applies only to  
 5 a school corporation that is located in a city having a population of  
 6 more than one hundred five thousand (105,000) but less than one  
 7 hundred twenty thousand (120,000). For budget years beginning after  
 8 June 30, ~~2011~~, **2012**, this section applies to all school corporations.  
 9 Beginning in ~~2011~~, **2012**, each school corporation shall adopt a budget  
 10 under this section that applies from July 1 of the year through June 30  
 11 of the following year. In the initial budget adopted by a school  
 12 corporation in ~~2011~~ **2012** under this section, the first six (6) months of  
 13 that initial budget must be consistent with the last six (6) months of the  
 14 budget adopted by the school corporation for calendar year ~~2011~~ **2012**.

15 (b) Before February 1 of each year, the officers of the school  
 16 corporation shall meet to fix the budget for the school corporation for  
 17 the ensuing budget year, with notice given by the same officers.  
 18 However, if a resolution adopted under subsection (d) is in effect, the  
 19 officers shall meet to fix the budget for the ensuing budget year before  
 20 September 30.

21 (c) Each year, at least two (2) days before the first meeting of the  
 22 county board of tax adjustment held under IC 6-1.1-29-4, the school  
 23 corporation shall file with the county auditor:

- 24 (1) a statement of the tax rate and tax levy fixed by the school  
 25 corporation for the ensuing budget year;
- 26 (2) two (2) copies of the budget adopted by the school corporation  
 27 for the ensuing budget year; and
- 28 (3) any written notification from the department of local  
 29 government finance under section 16(i) of this chapter that  
 30 specifies a proposed revision, reduction, or increase in the budget  
 31 adopted by the school corporation for the ensuing budget year.

32 Each year the county auditor shall present these items to the county  
 33 board of tax adjustment at the board's first meeting under  
 34 IC 6-1.1-29-4.

35 (d) This subsection does not apply to budget years after June 30,  
 36 ~~2011~~ **2012**. The governing body of the school corporation may adopt  
 37 a resolution to cease using a school year budget year and return to  
 38 using a calendar year budget year. A resolution adopted under this  
 39 subsection must be adopted after January 1 and before July 1. The  
 40 school corporation's initial calendar year budget year following the  
 41 adoption of a resolution under this subsection begins on January 1 of  
 42 the year following the year the resolution is adopted. The first six (6)

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1 months of the initial calendar year budget for the school corporation  
 2 must be consistent with the last six (6) months of the final school year  
 3 budget fixed by the department of local government finance before the  
 4 adoption of a resolution under this subsection. Notwithstanding any  
 5 resolution adopted under this subsection, beginning in ~~2011~~, **2012**,  
 6 each school corporation shall adopt a budget under this section that  
 7 applies from July 1 of the year through June 30 of the following year.

8 (e) A resolution adopted under subsection (d) may be rescinded by  
 9 a subsequent resolution adopted by the governing body. If the  
 10 governing body of the school corporation rescinds a resolution adopted  
 11 under subsection (d) and returns to a school year budget year, the  
 12 school corporation's initial school year budget year begins on July 1  
 13 following the adoption of the rescinding resolution and ends on June  
 14 30 of the following year. The first six (6) months of the initial school  
 15 year budget for the school corporation must be consistent with the last  
 16 six (6) months of the last calendar year budget fixed by the department  
 17 of local government finance before the adoption of a rescinding  
 18 resolution under this subsection.

19 SECTION 3. IC 20-40-8-11, AS ADDED BY P.L.2-2006,  
 20 SECTION 163, IS AMENDED TO READ AS FOLLOWS  
 21 [EFFECTIVE UPON PASSAGE]: Sec. 11. Money in the fund may be  
 22 used to pay for the purchase, lease, repair, or maintenance of  
 23 equipment to be used by the school corporation. However, money in  
 24 the fund may not be used to pay for the purchase, lease, repair, or  
 25 maintenance of the following:

26 (1) ~~Except for maintenance vehicles, vehicles. to be used for any~~  
 27 ~~purpose.~~

28 (2) Except as provided in section 12 of this chapter, equipment to  
 29 be used primarily for interscholastic or extracurricular activities.

30 SECTION 4. IC 20-40-8-16, AS ADDED BY P.L.2-2006,  
 31 SECTION 163, IS AMENDED TO READ AS FOLLOWS  
 32 [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) For purposes of this  
 33 section, maintenance does not include janitorial or comparable routine  
 34 services normally provided in the daily operation of the facilities or  
 35 equipment.

36 (b) Subject to this section, money in the fund may be used to pay for  
 37 services of school corporation employees who are:

38 (1) bricklayers;

39 (2) stone masons;

40 (3) cement masons;

41 (4) tile setters;

42 (5) glaziers;

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- 1 (6) insulation workers;
- 2 (7) asbestos removers;
- 3 (8) painters;
- 4 (9) paperhangers;
- 5 (10) drywall applicators and tapers;
- 6 (11) plasterers;
- 7 (12) pipe fitters;
- 8 (13) roofers;
- 9 (14) structural and steel workers;
- 10 (15) metal building assemblers;
- 11 (16) heating and air conditioning installers;
- 12 (17) welders;
- 13 (18) carpenters;
- 14 (19) electricians; or
- 15 (20) plumbers;

16 as these occupations are defined in the United States Department of  
 17 Labor, Employment and Training Administration, Dictionary of  
 18 Occupational Titles, Fourth Edition, Revised 1991.

19 (c) Payment may be made under this section for employee services  
 20 described in subsection (b) only if:

- 21 (1) the employees perform:
  - 22 (A) construction of;
  - 23 (B) renovation of;
  - 24 (C) remodeling of;
  - 25 (D) repair of; or
  - 26 (E) maintenance on;
- 27 the facilities and equipment specified in sections 10 and 11 of this  
 28 chapter;
- 29 ~~(2) the total of all annual salaries and benefits paid by the school~~  
 30 ~~corporation to employees described in this section is at least six~~  
 31 ~~hundred thousand dollars (\$600,000); and~~
- 32 ~~(3) (2) the payment of the employees described in this section is~~  
 33 ~~included as part of the school corporation's proposed plan.~~

34 (d) ~~The number of employees covered by this section is limited to~~  
 35 ~~the number of employee positions described in this section that existed~~  
 36 ~~in the school corporation on January 1, 1993.~~

37 SECTION 5. IC 20-40-16 IS ADDED TO THE INDIANA CODE  
 38 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 39 UPON PASSAGE]:

40 **Chapter 16. School Fund Transfers**

41 **Sec. 1. As used in this chapter, "fund" means any of the**  
 42 **following funds of a school corporation:**

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- 1           (1) The general fund (IC 20-40-2).
- 2           (2) The school transportation fund (IC 20-40-6).
- 3           (3) The school bus replacement fund (IC 20-40-7).
- 4           (4) The capital projects fund (IC 20-40-8).
- 5           (5) The levy excess fund (IC 20-40-10).
- 6           (6) The repair and replacement fund (IC 20-40-11).
- 7           (7) The self-insurance fund (IC 20-40-12).
- 8           (8) The school technology fund (IC 20-40-15).

9           **The term does not include the debt service fund established under**  
 10 **IC 20-40-9.**

11           **Sec. 2. As used in this chapter, "qualified school corporation"**  
 12 **means a school corporation in which no school employees are**  
 13 **terminated for a reason other than:**

- 14           (1) immorality;
- 15           (2) insubordination, which means, for purposes of this
- 16           chapter, a willful refusal to obey the state school laws or
- 17           reasonable rules prescribed for the government of the school
- 18           corporation;
- 19           (3) neglect of duty;
- 20           (4) incompetence;
- 21           (5) justifiable decrease in the number of school employee
- 22           positions, which means, for purposes of this chapter, that:
- 23           (A) the classes taught by a teacher do not have any
- 24           students;
- 25           (B) there is a decline in the number of students in the
- 26           school or school corporation in which the teacher teaches
- 27           and the school corporation will not increase the ratio of
- 28           students to teachers in the classes taught by that teacher
- 29           after the teacher is terminated; or
- 30           (C) after evaluating all funds available under this chapter,
- 31           the school corporation determines that there are not
- 32           sufficient funds available to both:
- 33           (i) avoid termination of the school employee; and
- 34           (ii) protect instructional programs;
- 35           (6) a conviction for an offense listed in IC 20-28-5-8(c); or
- 36           (7) other good and just cause;

37           **for the 2010-2011 school year as set forth in a resolution adopted**  
 38 **by the governing body of the school corporation and as determined**  
 39 **by the department of education.**

40           **Sec. 3. (a) If a school corporation desires to make a transfer**  
 41 **under this chapter, the school corporation must do the following**  
 42 **before August 1, 2010:**

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**(1) The governing board of the school corporation must adopt a resolution:**

**(A) requesting that the department of education permit a transfer from one (1) or more funds to one (1) or more other funds during 2010 or 2011, or both; and**

**(B) certifying that the school corporation will:**

**(1) use the money from the funds transferred under this chapter solely to avoid school employee layoffs and to protect instructional programs; and**

**(2) not terminate any school employees for any reasons other than the reasons described in section 2(1) through 2(7) of this chapter for the 2010-2011 school year.**

**(2) The school corporation must file a notice with the department of education providing a certified copy of the resolution and any other information required by the department of education.**

**(b) The maximum amount that a qualified school corporation may transfer from all funds under this chapter is the amount the qualified school corporation's state tuition support is reduced for 2010 and 2011, as determined by the department of education.**

**(c) If a fund to fund transfer is made during a year, the qualified school corporation shall file a report with the department within three (3) months after the end of the year. The report must include the following:**

**(1) The purpose of the transfer.**

**(2) The funds involved in the transfer.**

**(3) The amount transferred between the funds.**

**(4) The impact of the transfer to the programs that are supported by the fund from which the transfer was made.**

**Sec. 4. A transfer is not permitted under this chapter after December 31, 2011.**

**Sec. 5. (a) This section applies to a school corporation that held a hearing on a new facility under IC 20-26-7-37 and approved the new facility in a school board resolution adopted before July 1, 2009.**

**(b) Before August 1, 2010, a school corporation may file a written appeal to the department of local government finance for approval to transfer money to the school general fund for the new facility.**

**(c) The maximum amount that may be approved for a transfer to the general fund by the department of local government finance under this section is the amount that was approved for the new**

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facility at the hearing held under IC 20-26-7-37.

(d) An approved transfer may be made to the school general fund from one (1) or more of the following funds:

- (1) The school transportation fund (IC 20-40-6).
- (2) The school bus replacement fund (IC 20-40-7).
- (3) The school capital projects fund (IC 20-40-8).
- (4) The school debt service fund (IC 20-40-9).

**Sec. 6. This chapter is an alternative method of transferring money between funds that does not restrict or apply to the powers to transfer and use money that are granted to a school corporation by other laws.**

**Sec. 7. This chapter expires June 30, 2012.**

SECTION 6. IC 20-46-5-6.1, AS ADDED BY P.L.182-2009(ss), SECTION 349, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.1. (a) This section does not apply to a school corporation located in South Bend, unless a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school corporation is in effect.

(b) Before a governing body may collect property taxes for the fund in a particular calendar year, the governing body must, after January 1 and not later than September 20 of the immediately preceding year:

- (1) conduct a public hearing on; and
- (2) pass a resolution to adopt;

a plan.

(c) This section expires January 1, ~~2011~~ **2012**.

SECTION 7. IC 20-46-5-7, AS AMENDED BY P.L.182-2009(ss), SECTION 350, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) Except as provided in subsection (b), this section applies only to a school corporation located in South Bend.

(b) After December 31, ~~2010~~ **2011**, this section applies to all school corporations.

(c) This subsection expires January 1, ~~2011~~ **2012**. This section does not apply to the school corporation if a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school corporation is in effect.

(d) Before the governing body of the school corporation may collect property taxes for the fund in a particular calendar year, the governing body must, after January 1 and on or before February 1 of the immediately preceding year:

- (1) conduct a public hearing on; and
- (2) pass a resolution to adopt;

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1 a plan.  
 2 SECTION 8. IC 20-46-6-8.1, AS ADDED BY P.L.182-2009(ss),  
 3 SECTION 353, IS AMENDED TO READ AS FOLLOWS  
 4 [EFFECTIVE UPON PASSAGE]: Sec. 8.1. (a) This section does not  
 5 apply to a school corporation that is located in South Bend, unless a  
 6 resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of  
 7 the school corporation is in effect.  
 8 (b) Before a governing body may collect property taxes for a capital  
 9 projects fund in a particular year, the governing body must:  
 10 (1) after January 1; and  
 11 (2) not later than September 20;  
 12 of the immediately preceding year, hold a public hearing on a proposed  
 13 or amended plan and pass a resolution to adopt the proposed or  
 14 amended plan.  
 15 (c) This section expires January 1, ~~2011~~ **2012**.  
 16 SECTION 9. **An emergency is declared for this act.**

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COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 309, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to SB 309 as introduced.)

KENLEY, Chairperson

Committee Vote: Yeas 8, Nays 4.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred Senate Bill 309, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete amendment AM030907 as adopted by the House Education Committee on February 17, 2010.

Delete amendment AM030914 as further amended and adopted by the House Education Committee on February 17, 2010.

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-17-5, AS AMENDED BY P.L.182-2009(ss), SECTION 116, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The officers of political subdivisions shall meet each year to fix the budget, tax rate, and tax levy of their respective subdivisions for the ensuing budget year as follows:

(1) The board of school trustees of a school corporation that is located in a city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000), not later than:

- (A) the time required in section 5.6(b) of this chapter; or
- (B) for budget years beginning before July 1, ~~2011~~, 2012, November 1 if a resolution adopted under section 5.6(d) of this chapter is in effect.



(2) The proper officers of all other political subdivisions, not later than November 1.

(3) The governing body of each school corporation (including a school corporation described in subdivision (1)), not later than the time required under section 5.6(b) of this chapter for budget years beginning after June 30, ~~2011~~ **2012**.

Except in a consolidated city and county and in a second class city, the public hearing required by section 3 of this chapter must be completed at least ten (10) days before the proper officers of the political subdivision meet to fix the budget, tax rate, and tax levy. In a consolidated city and county and in a second class city, that public hearing, by any committee or by the entire fiscal body, may be held at any time after introduction of the budget.

(b) Ten (10) or more taxpayers may object to a budget, tax rate, or tax levy of a political subdivision fixed under subsection (a) by filing an objection petition with the proper officers of the political subdivision not more than seven (7) days after the hearing. The objection petition must specifically identify the provisions of the budget, tax rate, and tax levy to which the taxpayers object.

(c) If a petition is filed under subsection (b), the fiscal body of the political subdivision shall adopt with its budget a finding concerning the objections in the petition and any testimony presented at the adoption hearing.

(d) This subsection does not apply to a school corporation. Each year at least two (2) days before the first meeting of the county board of tax adjustment held under IC 6-1.1-29-4, a political subdivision shall file with the county auditor:

- (1) a statement of the tax rate and levy fixed by the political subdivision for the ensuing budget year;
- (2) two (2) copies of the budget adopted by the political subdivision for the ensuing budget year; and
- (3) two (2) copies of any findings adopted under subsection (c).

Each year the county auditor shall present these items to the county board of tax adjustment at the board's first meeting under IC 6-1.1-29-4.

(e) In a consolidated city and county and in a second class city, the clerk of the fiscal body shall, notwithstanding subsection (d), file the adopted budget and tax ordinances with the county board of tax adjustment within two (2) days after the ordinances are signed by the executive, or within two (2) days after action is taken by the fiscal body to override a veto of the ordinances, whichever is later.

(f) If a fiscal body does not fix the budget, tax rate, and tax levy of

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the political subdivisions for the ensuing budget year as required under this section, the most recent annual appropriations and annual tax levy are continued for the ensuing budget year.

SECTION 2. IC 6-1.1-17-5.6, AS AMENDED BY P.L.182-2009(ss), SECTION 117, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.6. (a) For budget years beginning before July 1, ~~2011~~, **2012**, this section applies only to a school corporation that is located in a city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000). For budget years beginning after June 30, ~~2011~~, **2012**, this section applies to all school corporations. Beginning in ~~2011~~, **2012**, each school corporation shall adopt a budget under this section that applies from July 1 of the year through June 30 of the following year. In the initial budget adopted by a school corporation in ~~2011~~ **2012** under this section, the first six (6) months of that initial budget must be consistent with the last six (6) months of the budget adopted by the school corporation for calendar year ~~2011~~. **2012**.

(b) Before February 1 of each year, the officers of the school corporation shall meet to fix the budget for the school corporation for the ensuing budget year, with notice given by the same officers. However, if a resolution adopted under subsection (d) is in effect, the officers shall meet to fix the budget for the ensuing budget year before September 30.

(c) Each year, at least two (2) days before the first meeting of the county board of tax adjustment held under IC 6-1.1-29-4, the school corporation shall file with the county auditor:

- (1) a statement of the tax rate and tax levy fixed by the school corporation for the ensuing budget year;
- (2) two (2) copies of the budget adopted by the school corporation for the ensuing budget year; and
- (3) any written notification from the department of local government finance under section 16(i) of this chapter that specifies a proposed revision, reduction, or increase in the budget adopted by the school corporation for the ensuing budget year.

Each year the county auditor shall present these items to the county board of tax adjustment at the board's first meeting under IC 6-1.1-29-4.

(d) This subsection does not apply to budget years after June 30, ~~2011~~. **2012**. The governing body of the school corporation may adopt a resolution to cease using a school year budget year and return to using a calendar year budget year. A resolution adopted under this subsection must be adopted after January 1 and before July 1. The

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school corporation's initial calendar year budget year following the adoption of a resolution under this subsection begins on January 1 of the year following the year the resolution is adopted. The first six (6) months of the initial calendar year budget for the school corporation must be consistent with the last six (6) months of the final school year budget fixed by the department of local government finance before the adoption of a resolution under this subsection. Notwithstanding any resolution adopted under this subsection, beginning in ~~2011~~, **2012**, each school corporation shall adopt a budget under this section that applies from July 1 of the year through June 30 of the following year.

(e) A resolution adopted under subsection (d) may be rescinded by a subsequent resolution adopted by the governing body. If the governing body of the school corporation rescinds a resolution adopted under subsection (d) and returns to a school year budget year, the school corporation's initial school year budget year begins on July 1 following the adoption of the rescinding resolution and ends on June 30 of the following year. The first six (6) months of the initial school year budget for the school corporation must be consistent with the last six (6) months of the last calendar year budget fixed by the department of local government finance before the adoption of a rescinding resolution under this subsection.

SECTION 3. IC 20-40-8-11, AS ADDED BY P.L.2-2006, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. Money in the fund may be used to pay for the purchase, lease, repair, or maintenance of equipment to be used by the school corporation. However, money in the fund may not be used to pay for the purchase, lease, repair, or maintenance of the following:

- (1) ~~Except for maintenance vehicles,~~ vehicles. ~~to be used for any purpose.~~
- (2) Except as provided in section 12 of this chapter, equipment to be used primarily for interscholastic or extracurricular activities.

SECTION 4. IC 20-40-8-16, AS ADDED BY P.L.2-2006, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) For purposes of this section, maintenance does not include janitorial or comparable routine services normally provided in the daily operation of the facilities or equipment.

(b) Subject to this section, money in the fund may be used to pay for services of school corporation employees who are:

- (1) bricklayers;
- (2) stone masons;

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- (3) cement masons;
- (4) tile setters;
- (5) glaziers;
- (6) insulation workers;
- (7) asbestos removers;
- (8) painters;
- (9) paperhangers;
- (10) drywall applicators and tapers;
- (11) plasterers;
- (12) pipe fitters;
- (13) roofers;
- (14) structural and steel workers;
- (15) metal building assemblers;
- (16) heating and air conditioning installers;
- (17) welders;
- (18) carpenters;
- (19) electricians; or
- (20) plumbers;

as these occupations are defined in the United States Department of Labor, Employment and Training Administration, Dictionary of Occupational Titles, Fourth Edition, Revised 1991.

(c) Payment may be made under this section for employee services described in subsection (b) only if:

- (1) the employees perform:
  - (A) construction of;
  - (B) renovation of;
  - (C) remodeling of;
  - (D) repair of; or
  - (E) maintenance on;

the facilities and equipment specified in sections 10 and 11 of this chapter;

~~(2) the total of all annual salaries and benefits paid by the school corporation to employees described in this section is at least six hundred thousand dollars (\$600,000); and~~

~~(3) (2) the payment of the employees described in this section is included as part of the school corporation's proposed plan.~~

~~(d) The number of employees covered by this section is limited to the number of employee positions described in this section that existed in the school corporation on January 1, 1993.~~

Page 1, line 3, delete "JULY 1, 2010:" and insert "UPON PASSAGE]:".

Page 1, delete line 8.

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Page 1, line 9, delete "(3)" and insert "(2)".

Page 1, line 10, delete "(4)" and insert "(3)".

Page 1, line 11, delete "(5)" and insert "(4)".

Page 1, line 12, delete "(6)" and insert "(5)".

Page 1, line 13, delete "(7)" and insert "(6)".

Page 1, line 14, delete "(8)" and insert "(7)".

Page 1, line 15, delete "(9)" and insert "(8)".

Page 2, line 2, delete "all of the employees will not" and insert "**no school employees are terminated for a reason other than:**

**(1) immorality;**

**(2) insubordination, which means, for purposes of this chapter, a willful refusal to obey the state school laws or reasonable rules prescribed for the government of the school corporation;**

**(3) neglect of duty;**

**(4) incompetence;**

**(5) justifiable decrease in the number of school employee positions, which means, for purposes of this chapter, that:**

**(A) the classes taught by a teacher do not have any students;**

**(B) there is a decline in the number of students in the school or school corporation in which the teacher teaches and the school corporation will not increase the ratio of students to teachers in the classes taught by that teacher after the teacher is terminated; or**

**(C) after evaluating all funds available under this chapter, the school corporation determines that there are not sufficient funds available to both:**

**(i) avoid termination of the school employee; and**

**(ii) protect instructional programs;**

**(6) a conviction for an offense listed in IC 20-28-5-8(c); or**

**(7) other good and just cause;"**

Page 2, line 3, delete "receive a general compensation increase".

Page 2, line 3, beginning with "for the" begin a new line blocked left.

Page 2, line 6, delete "A general compensation increase:".

Page 2, delete lines 7 through 13.

Page 2, line 22, delete " will not provide" and insert "**will:**

**(1) use the money from the funds transferred under this chapter solely to avoid school employee layoffs and to protect instructional programs; and**

**(2) not terminate any school employees for any reasons other**

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**than the reasons described in section 2(1) through 2(7) of this chapter".**

Page 2, line 23, delete "any general compensation increases to any employees".

Page 2, line 24, delete "year and will permanently eliminate" and insert "year."

Page 2, delete lines 25 through 26.

Page 2, line 31, delete "may be transferred" and insert "**a qualified school corporation may transfer**".

Page 2, line 32, after "amount the" insert "**qualified**".

Page 2, line 35, after "the" insert "**qualified**".

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

**"Sec. 5. (a) This section applies to a school corporation that held a hearing on a new facility under IC 20-26-7-37 and approved the new facility in a school board resolution adopted before July 1, 2009.**

**(b) Before August 1, 2010, a school corporation may file a written appeal to the department of local government finance for approval to transfer money to the school general fund for the new facility.**

**(c) The maximum amount that may be approved for a transfer to the general fund by the department of local government finance under this section is the amount that was approved for the new facility at the hearing held under IC 20-26-7-37.**

**(d) An approved transfer may be made to the school general fund from one (1) or more of the following funds:**

- (1) The school transportation fund (IC 20-40-6).**
- (2) The school bus replacement fund (IC 20-40-7).**
- (3) The school capital projects fund (IC 20-40-8).**
- (4) The school debt service fund (IC 20-40-9).**

**Sec. 6. This chapter is an alternative method of transferring money between funds that does not restrict or apply to the powers to transfer and use money that are granted to a school corporation by other laws."**

Page 3, line 4, delete "5." and insert "7."

Page 3, after line 4, begin a new paragraph and insert:

"SECTION 5. IC 20-46-5-6.1, AS ADDED BY P.L.182-2009(ss), SECTION 349, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.1. (a) This section does not apply to a school corporation located in South Bend, unless a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school corporation is in effect.

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(b) Before a governing body may collect property taxes for the fund in a particular calendar year, the governing body must, after January 1 and not later than September 20 of the immediately preceding year:

- (1) conduct a public hearing on; and
- (2) pass a resolution to adopt;

a plan.

(c) This section expires January 1, ~~2011~~; **2012**.

SECTION 6. IC 20-46-5-7, AS AMENDED BY P.L.182-2009(ss), SECTION 350, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) Except as provided in subsection (b), this section applies only to a school corporation located in South Bend.

(b) After December 31, ~~2010~~; **2011**, this section applies to all school corporations.

(c) This subsection expires January 1, ~~2011~~; **2012**. This section does not apply to the school corporation if a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school corporation is in effect.

(d) Before the governing body of the school corporation may collect property taxes for the fund in a particular calendar year, the governing body must, after January 1 and on or before February 1 of the immediately preceding year:

- (1) conduct a public hearing on; and
- (2) pass a resolution to adopt;

a plan.

SECTION 7. IC 20-46-6-8.1, AS ADDED BY P.L.182-2009(ss), SECTION 353, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8.1. (a) This section does not apply to a school corporation that is located in South Bend, unless a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school corporation is in effect.

(b) Before a governing body may collect property taxes for a capital projects fund in a particular year, the governing body must:

- (1) after January 1; and
- (2) not later than September 20;

of the immediately preceding year, hold a public hearing on a proposed or amended plan and pass a resolution to adopt the proposed or amended plan.

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(c) This section expires January 1, ~~2011~~ **2012**.

**SECTION 8. An emergency is declared for this act."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 309 as printed January 26, 2010, as amended by amendment AM030907 as adopted by the House Education Committee on February 17, 2010, and as amended by amendment AM030914 as further amended and adopted by the House Education Committee on February 17, 2010.)

PORTER, Chair

Committee Vote: yeas 9, nays 3.

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