Reprinted
February 25, 2010

ENGROSSED
SENATE BILL No. 309

DIGEST OF SB 309 (Updated February 24, 2010 6:14 pm - DI 51)

Citations Affected: IC 2-5; IC 4-12; IC 5-10; IC 5-10.2; IC 5-10.3; IC 5-10.4; IC 6-1.1; IC 20-32; IC 20-40; IC 20-43; IC 20-46; noncode.

Synopsis: Education matters. Transfers supervision of the youth advisory council (council) to the Indiana bar foundation's center. Changes the age of eligibility to be a council member and staggers terms. Permits an appointed member to be removed for cause. Provides that a member who attends a meeting of the council has a lawful excuse to be absent from school. Establishes the youth advisory council fund. Prohibits, for one year, a school corporation from paying any part of the costs of group health insurance provided to a board member. Exempts a school corporation that elects to use a state health care plan to provide health insurance coverage from providing health care coverage to individuals retired from the school corporation before July 1, 2010,
(Continued next page)

Effective: January 1, 2010 (retroactive); upon passage; July 1, 2010.

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.
February 24, 2010, read second time, amended, ordered engrossed.

C o p y

Digest Continued

unless contractual commitments impose a duty on the school corporation to provide group health insurance to these retired individuals. Replaces the requirement that school corporations budget on a school year basis with a provision permitting a school corporation to elect whether to budget on a calendar year or school year basis. 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. Allows certain school corporations to appeal to the department of local government finance to make an additional transfer in 2010 to fund the operation of a new facility. Provides for a special state supplemental tuition support distribution to school corporations, not to exceed $150,000,000, if revenues collected by the state exceed forecasted levels. Imposes a fee on negative political advertisements aired over a broadcast, cable, or satellite medium. Dedicates the revenue from the fees to reading remediation programs in certain kindergarten, grade 1, and grade 2 classes. Limits, for two years, the employer contribution rate that school corporations must pay to the public pension funds covering teachers and other employees. Requires the interim study committee on the school funding formula to study the cost and student achievement benefits of calculating the minimum required school year in minutes rather than days. Makes an appropriation.

C o p y

Reprinted
February 25, 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.

C o p y

ENGROSSED
SENATE BILL No. 309

A BILL FOR AN ACT to amend the Indiana Code concerning education and to make an appropriation.

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

SECTION 1. IC 2-5-29-1.5 IS ADDED TO THE INDIANA CODE AS **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 1.5. As used in this chapter, "fund" means the youth advisory council fund established by section 7.5 of this chapter.**

SECTION 2. IC 2-5-29-1.6 IS ADDED TO THE INDIANA CODE AS **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 1.6. As used in this chapter, "office" means the office of the state superintendent of public instruction.**

SECTION 3. IC 2-5-29-3, AS ADDED BY P.L.69-2008, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 3. (a) The council consists of the following **twenty-two (22)** members, who must be at least ~~fourteen (14)~~ **sixteen (16)** years of age and not more than ~~eighteen (18)~~ **twenty (20)** years of age at the time of appointment:

(1) Five (5) members appointed by the president pro tempore of the senate.

(2) Five (5) members appointed by the minority leader of the

senate.

(3) Five (5) members appointed by the speaker of the house of representatives.

(4) Five (5) members appointed by the minority leader of the house of representatives.

(5) Two (2) members appointed by the governor.

(b) The members of the council shall be selected so as to give representation to the various geographical areas of Indiana.

(c) The members of the council shall annually elect a chairperson of the council from among the members.

(d) Members of the council shall serve for a two (2) year term **or until a successor is appointed** and may be reappointed.

(e) The appointing authority may remove an appointed member of the council for cause. Cause includes the failure to attend at least two (2) meetings within a one (1) year period.

SECTION 4. IC 2-5-29-3.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 3.6. (a) This section applies to a student who attends either a public school or a nonpublic school.**

(b) Attending a meeting of the council as a member is a lawful excuse for a student to be absent from school, when verified by a certificate of the state superintendent of public instruction. A student excused from school attendance under this section may not be recorded as being absent on any date for which the excuse is operative and may not be penalized by the school in any manner.

SECTION 5. IC 2-5-29-4, AS ADDED BY P.L.69-2008, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 4. **(a)** The council has the following duties:

(1) To advise the general assembly concerning proposed and pending legislation, including budget expenditures and policy matters related to youth.

(2) To advise the standing committees and study committees of the general assembly concerning issues related to youth.

(3) To conduct periodic seminars for members of the council concerning leadership, government, and the general assembly.

(4) To report to the general assembly, not later than December 1 of each year, concerning the council's activities, including any proposed legislation to implement recommendations of the council. The report must be in an electronic format under IC 5-14-6.

(b) The council may apply for grants and other funding available to fulfill the purposes of this chapter.

C o p y

SECTION 6. IC 2-5-29-6, AS ADDED BY P.L.69-2008, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 6. (a) The ~~state superintendent of public instruction~~ **Indiana bar foundation's center for civic education** shall supervise the activities of the council.

(b) The ~~department of education~~ **Indiana bar foundation's center for civic education** shall staff the council.

SECTION 7. IC 2-5-29-7.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 7.5. (a) The youth advisory council fund is established as a dedicated fund to be administered by the office. The fund consists of grants, applied for under IC 2-5-29-4(b), gifts, and donations intended for deposit in the fund.**

(b) Expenses of administering the fund shall be paid from money in the fund.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the fund.

(d) Money in the fund at the end of a fiscal year does not revert to the state general fund.

(e) Money in the fund is available, with the approval of the budget agency, to augment and supplement the funds appropriated to the department of education to implement this chapter.

SECTION 8. IC 4-12-1-15.7, AS ADDED BY P.L.146-2008, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 15.7. (a) As used in this section, "fund" refers to the state tuition reserve fund.

(b) The state tuition reserve fund is established for the following purposes:

(1) To fund a tuition support distribution under IC 20-43 whenever the budget director determines that state general fund cash balances are insufficient to cover the distribution.

(2) To meet revenue shortfalls whenever the budget director, after review by the budget committee, determines that state tax revenues available for deposit in the state general fund will be insufficient to fully fund tuition support distributions under IC 20-43 in any particular state fiscal year.

(3) To make distributions to school corporations under subsection (h).

(c) The fund consists of the following:

(1) Money appropriated to the fund by the general assembly.

C o p y

(2) Money transferred to the fund under any law.

(3) Interest earned on the balance of the fund.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the fund.

(e) Money in the fund at the end of a state fiscal year does not revert for any other purpose of the state general fund.

(f) The budget agency shall administer the fund.

(g) This subsection does not apply to the balance in the fund described in subsection (h). Whenever the budget director makes a determination under subsection (b)(1) or (b)(2), the budget agency shall notify the auditor of state of the amount from the fund to be used for state tuition support distributions. The auditor of state shall transfer the amount from the fund to the state general fund. The amount transferred may be used only for the purposes of making state tuition support distributions under IC 20-43. If the amount is transferred under subsection (b)(1), the amount shall be repaid to the fund from the state general fund before the end of the state fiscal year in which the transfer is made.

(h) The budget agency shall separately account for money in the fund that is deposited under IC 20-32-9-10. The amount deposited in the special account under IC 20-32-9-10 is annually appropriated to the department of education for the purpose of providing reading remediation to students who:

(1) are enrolled in kindergarten, grade 1, or grade 2; and

(2) have a substantial deficiency in reading, based upon local or statewide assessments conducted for students in kindergarten, grade 1, and grade 2.

The amount deposited in the fund under IC 20-32-9-10 shall be distributed to school corporations under a formula adopted by the state board of education. The state board of education may limit distributions under this subsection for use in kindergarten, grade 1, and grade 2 in schools on a probationary status under IC 20-31-4-12, IC 20-31-4-14, or IC 20-31-4-15. An unexpended and unencumbered amount in the special account at the end of a state fiscal year does not revert for use under subsection (g) or revert to the state general fund at the end of a state fiscal year but remains available in the special account in subsequent state fiscal years for the purposes of this subsection.

SECTION 9. IC 5-10-8-2.6, AS AMENDED BY P.L.182-2009(ss), SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

C o p y

JULY 1, 2010]: Sec. 2.6. (a) This section applies only to local unit public employers and their employees. This section does not apply to public safety employees, surviving spouses, and dependents covered by section 2.2 of this chapter.

(b) A public employer may provide programs of group insurance for its employees and retired employees. The public employer may, however, exclude part-time employees and persons who provide services to the unit under contract from any group insurance coverage that the public employer provides to the employer's full-time employees. A public employer may provide programs of group health insurance under this section through one (1) of the following methods:

(1) By purchasing policies of group insurance.

(2) By establishing self-insurance programs.

(3) By electing to participate in the local unit group of local units that offer the state employee health plan under section 6.6 of this chapter.

(4) If the local unit public employer is a school corporation, by electing to provide the coverage through a state employee health plan under section 6.7 of this chapter.

A public employer may provide programs of group insurance other than group health insurance under this section by purchasing policies of group insurance and by establishing self-insurance programs. However, the establishment of a self-insurance program is subject to the approval of the unit's fiscal body.

(c) A public employer may pay a part of the cost of group insurance, but shall pay a part of the cost of group life insurance for local employees. A public employer may pay, as supplemental wages, an amount equal to the deductible portion of group health insurance as long as payment of the supplemental wages will not result in the payment of the total cost of the insurance by the public employer. **After June 30, 2010, and before July 1, 2011, a public employer that is a school corporation shall not pay any part of the cost of group health insurance provided to a member of the school corporation's governing body.**

(d) An insurance contract for local employees under this section may not be canceled by the public employer during the policy term of the contract.

(e) After June 30, 1986, a public employer shall provide a group health insurance program under subsection (g) to each retired employee:

(1) whose retirement date is:

(A) after May 31, 1986, for a retired employee who was a

C o p y

teacher (as defined in IC 20-18-2-22) for a school corporation; or

(B) after June 30, 1986, for a retired employee not covered by clause (A);

(2) who will have reached fifty-five (55) years of age on or before the employee's retirement date but who will not be eligible on that date for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.;

(3) who will have completed twenty (20) years of creditable employment with a public employer on or before the employee's retirement date, ten (10) years of which must have been completed immediately preceding the retirement date; and

(4) who will have completed at least fifteen (15) years of participation in the retirement plan of which the employee is a member on or before the employee's retirement date.

(f) A group health insurance program required by subsection (e) must be equal in coverage to that offered active employees and must permit the retired employee to participate if the retired employee pays an amount equal to the total of the employer's and the employee's premiums for the group health insurance for an active employee and if the employee, within ninety (90) days after the employee's retirement date, files a written request with the employer for insurance coverage. However, the employer may elect to pay any part of the retired employee's premiums.

(g) A retired employee's eligibility to continue insurance under subsection (e) ends when the employee becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq., or when the employer terminates the health insurance program. A retired employee who is eligible for insurance coverage under subsection (e) may elect to have the employee's spouse covered under the health insurance program at the time the employee retires. If a retired employee's spouse pays the amount the retired employee would have been required to pay for coverage selected by the spouse, the spouse's subsequent eligibility to continue insurance under this section is not affected by the death of the retired employee. The surviving spouse's eligibility ends on the earliest of the following:

(1) When the spouse becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.

(2) When the employer terminates the health insurance program.

(3) Two (2) years after the date of the employee's death.

(4) The date of the spouse's remarriage.

(h) This subsection does not apply to an employee who is entitled

C o p y

to group insurance coverage under IC 20-28-10-2(b). An employee who is on leave without pay is entitled to participate for ninety (90) days in any group health insurance program maintained by the public employer for active employees if the employee pays an amount equal to the total of the employer's and the employee's premiums for the insurance. However, the employer may pay all or part of the employer's premium for the insurance.

(i) A public employer may provide group health insurance for retired employees or their spouses not covered by subsections (e) through (g) and may provide group health insurance that contains provisions more favorable to retired employees and their spouses than required by subsections (e) through (g). A public employer may provide group health insurance to an employee who is on leave without pay for a longer period than required by subsection (h), and may continue to pay all or a part of the employer's premium for the insurance while the employee is on leave without pay.

SECTION 10. IC 5-10-8-6.7, AS ADDED BY P.L.182-2009(ss), SECTION 515, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.7. (a) As used in this section, "state employee health plan" means a:

(1) self-insurance program established under section 7(b) of this chapter; or

(2) contract with a prepaid health care delivery plan entered into under section 7(c) of this chapter;

to provide group health coverage for state employees.

(b) The state personnel department shall allow a school corporation to elect to provide coverage of health care services for active and retired employees of the school corporation under any state employee health plan. If a school corporation elects to provide coverage of health care services for active and retired employees of the school corporation under a state employee health plan, it must provide coverage for all active and retired employees of the school corporation under the state employee health plan (other than any employees covered by an Indiana comprehensive health insurance association policy **or individuals who retire from the school corporation before July 1, 2010)** if coverage was provided for these employees under the prior policies.

(c) The following apply if a school corporation elects to provide coverage for active and retired employees of the school corporation under subsection (b):

(1) The state shall not pay any part of the cost of the coverage.

(2) The coverage provided to an active or retired school corporation employee under this section must be the same as the

C o p y

coverage provided to an active or retired state employee under the state employee health plan.

(3) Notwithstanding sections 2.2 and 2.6 of this chapter:

(A) the school corporation shall pay for the coverage provided to an active or retired school corporation employee under this section an amount not more than the amount paid by the state for coverage provided to an active or retired state employee under the state employee health plan; and

(B) an active or retired school corporation employee shall pay for the coverage provided to the active or retired school corporation employee under this section an amount that is at least equal to the amount paid by an active or retired state employee for coverage provided to the active or retired state employee under the state employee health plan.

However, this subdivision does not apply to contractual commitments made by a school corporation to individuals who retire before July 1, 2010.

(4) The school corporation shall pay any administrative costs of the school corporation's participation in the state employee health plan.

(5) The school corporation shall provide the coverage elected under subsection (b) for a period of at least three (3) years beginning on the date the coverage of the school corporation employees under the state employee health plan begins.

(d) The state personnel department shall provide an enrollment period at least every thirty (30) days for a school corporation that elects to provide coverage under subsection (b).

(e) The state personnel department may adopt rules under IC 4-22-2 to implement this section.

(f) Neither this section nor a school corporation's election to participate in a state employee health plan as provided in this section impairs the rights of an exclusive representative of the certificated or noncertificated employees of the school corporation to collectively bargain all matters related to school employee health insurance programs and benefits.

SECTION 11. IC 5-10.2-2-11, AS AMENDED BY P.L.182-2009(ss), SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]: Sec. 11. (a) Based on the actuarial investigation and valuation in section 9 of this chapter, each board shall determine:

(1) the normal contribution for the employer, which is the amount necessary to fund the pension portion of the retirement benefit;

C o p y

(2) the rate of normal contribution;

(3) the unfunded accrued liability of the public employees' retirement fund, the pre-1996 account, and the 1996 account, which is the excess of total accrued liability over the fund's or account's total assets, respectively; and

(4) the rates of contribution for the state expressed as a proportion of compensation of members, which would be necessary to:

(A) amortize the unfunded accrued liability of the state for thirty (30) years or for a shorter time period requested by the budget agency or the governor; and

(B) prevent the state's unfunded accrued liability from increasing.

(b) **Except as provided in IC 5-10.3-6-5 and IC 5-10.4-7-11,** based on the information in subsection (a), each board may determine, in its sole discretion, contributions and contribution rates for individual employers or for a group of employers.

(c) The board's determinations under subsection (a):

(1) are subject to sections 1.5 and 11.5 of this chapter; and

(2) for an employer making a contribution to the Indiana state teachers' retirement fund, may not include an amount for a retired member of the Indiana state teachers' retirement fund for whom the employer may not make contributions during the member's period of reemployment as provided under IC 5-10.2-4-8(d).

SECTION 12. IC 5-10.3-6-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]: Sec. 5. (a) **Except as provided in subsection (e),** annually the board shall certify to each participating political subdivision its employer contribution rate to the fund, computed, as specified in IC 5-10.2-2, including its share of administration expenses.

(b) The board shall determine the amount of unfunded accrued liability of the political subdivision on the effective date of participation. The political subdivision shall pay the amount in a lump sum or elect to amortize the amount over a period determined by the board.

(c) The payments by the participating political subdivisions for the amounts in subsections (a), (b), ~~and~~ (d), **and (e)** are allocated to the political subdivision and not to the state.

(d) If a political subdivision's account shows a deficit, the board may require the political subdivision to make additional payments necessary to eliminate the deficit, in addition to the employer contributions computed under subsections (a) and (b).

(e) This subsection applies to a participating political

C o p y

subdivision that is a school corporation. For a calendar year that begins after December 31, 2009, and before January 1, 2012, the board shall certify to the participating political subdivision an employer contribution rate to the fund that is the lesser of:

(1) the employer contribution rate certified by the board under subsection (a); or

(2) seven percent (7%).

SECTION 13. IC 5-10.4-7-11, AS ADDED BY P.L.2-2006, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]: Sec. 11. (a) **Except as provided in subsection (e),** annually the board shall certify to each school corporation and each school corporation shall pay its employer contribution rate to the fund, computed as specified in IC 5-10.2-2 for the employer contribution for teachers covered by the 1996 account, including the school corporation's share of administration expenses for the 1996 account.

(b) The board shall determine the amount of unfunded accrued liability of the school corporations. The board shall determine the unfunded accrued liability by individual employers or by a group of employers. The school corporations shall pay the amount in a lump sum or amortize the amount over a period determined by the board.

(c) The payments by school corporations for the amounts described in subsections (a), (b), ~~and~~ (d), **and (e)** are allocated to the school corporations and not to the state.

(d) If a school corporation's account shows a deficit, the board may require the school corporation to make additional payments necessary to eliminate the deficit in addition to the employer contributions computed under subsections (a) and (b).

(e) For a calendar year that begins after December 31, 2009, and before January 1, 2012, the board shall certify to each school corporation and each school corporation shall pay an employer contribution rate to the fund that is the lesser of:

(1) the employer contribution rate certified by the board under subsection (a); or

(2) seven percent (7%).

SECTION 14. 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

C o p y

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,~~ 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 **that are not school corporations,** not later than November 1.

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

(4) The governing body of a school corporation that is not described in subdivisions (1) or (3), not later than November 1.

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

C o p y

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 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 15. 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, 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, this section applies to all school corporations. Beginning in 2011, each school corporation ~~shall~~ **may elect to** 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~~ 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 **the** calendar year ~~2011.~~ **in which the school corporation elects by resolution to begin adopting budgets that correspond to the state fiscal year. A corporation shall submit a copy of the resolution to the department of local government finance and the department of education not more than thirty (30) days after the date the governing body adopts the resolution.**

(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.~~ **November 1.**

(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

C o p y

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.~~ 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 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, 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 16. IC 20-32-9 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]:

Chapter 9. Fee on Negative Political Advertising

C o p y

Sec. 1. As used in this chapter, "negative political advertisement" means any false, exaggerated, demeaning, or misleading message, programming material, or other material that is broadcast or otherwise disseminated in Indiana through a public communication in exchange for any remuneration that predominately focuses on the negative aspects of an opponent or policy and that is intended to or attempts to influence:

(1) the:

(A) selection, nomination, election, appointment, or removal of any individual to:

(i) any federal, state, or local public office; or

(ii) office in a political organization; or

(B) election of presidential or vice presidential electors;

whether or not the individual or electors are selected, nominated, elected, or appointed;

(2) the adoption of, the amendment of, the repeal of, the defeat of, the conduct of a hearing on, or the conduct or termination of any other official action related to any legislation, ordinance, resolution, or regulation of a federal, state, or local governmental entity or matter within the legislative jurisdiction of any federal, state, or local governmental entity, including the exercise of the powers of the president, the governor, a mayor, or another chief executive to sign, not sign, or approve legislation, an ordinance, a resolution, or a regulation;

(3) the adoption of or defeat of a public question (as defined in IC 3-5-2-41) or a petition to place a public question (as defined in IC 3-5-2-41) on a ballot; or

(4) the solicitation of contributions to influence conduct described in subdivision (1), (2), or (3).

The term includes a message, programming material, or other material designed to influence public opinion (including the opinion of any segment of the public) or directed, through the medium of a public communication, to one (1) or more members or employees of a governmental legislative body, or to any government official or employee who may participate in an action described in subdivision (1), (2), (3), or (4).

Sec. 2. As used in this chapter, "public communication" means a communication by means of a broadcast, cable, or satellite communication. However, the term does not include communications over the Internet, except for communications placed for a fee on another person's web site.

C o p y

Sec. 3. As used in this chapter, "remuneration" means a transfer (whether characterized as an advance, a deposit, a distribution, a gift, a loan, a payment, a purchase, or a contract or promise to make a disbursement) of property (as defined in IC 35-41-1-23) that is made to prepare, place, broadcast, display, or distribute a political advertisement.

Sec. 4. A fee is imposed on the amount of remuneration that an individual or entity exchanges after June 30, 2010, for negative political advertising.

Sec. 5. The amount of the fee under section 4 of this chapter is equal to fifty dollars ($50) for each time that a negative political advertisement is aired over public communication.

Sec. 6. The department of state revenue shall administer this chapter.

Sec. 7. The fee imposed under this chapter shall be paid to the department of state revenue in the manner prescribed by the department of state revenue before the twentieth day of the month following the date remuneration is transferred to another individual or entity for a negative political advertisement. However, the department of state revenue may permit a longer time in which to remit an amount that does not exceed a threshold amount determined by the department of state revenue.

Sec. 8. Individuals and entities shall file the returns and informational reports that the department of state revenue determines are necessary for the department of state revenue to determine the fee due under this chapter.

Sec. 9. The administrative procedures and penalties for noncompliance under IC 6-8.1 apply to a fee imposed under this chapter.

Sec. 10. The amounts collected by the department of state revenue from the fee imposed by this chapter shall be deposited in a separate account in the state tuition reserve fund established by IC 4-12-1-15.7 for the purposes of providing reading remediation to students who:

(1) are enrolled in kindergarten, grade 1, or grade 2; and

(2) have a substantial deficiency in reading, based upon local or statewide assessments conducted for all students in kindergarten, grade 1, and grade 2.

SECTION 17. 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

C o p y

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 18. 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;
(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;

C o p y

(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.~~

SECTION 19. IC 20-40-16 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 16. School Fund Transfers

Sec. 1. As used in this chapter, "fund" means any of the following funds of a school corporation:
(1) The general fund (IC 20-40-2).
(2) The school transportation fund (IC 20-40-6).
(3) The school bus replacement fund (IC 20-40-7).
(4) The capital projects fund (IC 20-40-8).
(5) The levy excess fund (IC 20-40-10).
(6) The repair and replacement fund (IC 20-40-11).
(7) The self-insurance fund (IC 20-40-12).
(8) The school technology fund (IC 20-40-15).
The term does not include the debt service fund established under IC 20-40-9.

Sec. 2. As used in this chapter, "qualified school corporation" means a school corporation in which 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:

Copy

(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;

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

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

(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

C o p y

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 only to a school corporation that would have been eligible to file an appeal under IC 20-43-11.5 (repealed) with the department of local government finance requesting a new facility adjustment to increase the school corporation's tuition support distribution for calendar year 2010 if IC 20-43-11.5 had not been repealed by P.L.182-2009(ss).

(b) Before August 1, 2010, a school corporation may file a written appeal to the department of local government finance to transfer money from one (1) or more funds described in subsection (d) to the school corporation's general fund for the purposes of operating:

(1) a new school facility that was placed in operation after December 31, 2008; or

(2) an existing facility that has not been used for at least three (3) years and that was reopened after December 31, 2008, to provide additional classroom space;

in calendar year 2010.

(c) Upon demonstration by the school corporation to the department of local government finance that:

(1) the school corporation has experienced increased costs as the result of the opening of a facility described in subsection (b);

(2) the amount requested is reasonably necessary to operate the facility described in subsection (b) in calendar year 2010; and

(3) the school corporation has sufficient money in the fund or funds from which the money will be transferred to make a transfer;

the department of local government shall grant the amount of the requested transfer.

(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).

C o p y

(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).

(e) A school corporation may not increase a property tax for a fund described in subsection (d) to raise the amount transferred under this section or to replace the amount lost to the fund from which money is transferred under this section.

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 20. IC 20-43-13 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]:

Chapter 13. Special Supplemental Tuition Support Distribution

Sec. 1. This chapter does not apply to a charter school.

Sec. 2. A school corporation is entitled to a supplemental distribution as provided under this chapter. The budget agency and the department may exceed the calendar year tuition support maximum distribution contained in IC 20-43-2-2 as necessary to implement this chapter.

Sec. 3. The maximum amount that may be distributed to school corporations in all calendar years under this chapter is one hundred fifty million dollars ($150,000,000).

Sec. 4. The department shall make the distributions appropriated under this chapter as soon as practical after the determination of the amount to be distributed is determined by the budget agency.

Sec. 5. On or before July 15, 2010, the budget agency shall calculate whether receipts from actual tax collections for the state fiscal year ending June 30, 2010, exceed the December 2009, adjusted state revenue forecast for that state fiscal year. If actual receipts for the state fiscal year ending June 30, 2010, exceed the December 2009, adjusted state revenue forecast for that state fiscal year, one hundred percent (100%) of the excess revenue is appropriated to the department to be used as a special one (1) time tuition support distribution. Any funds distributed under this section shall be used to increase the foundation amount for each school corporation eligible for a tuition support distribution.

Sec. 6. On or before July 15, 2011, the budget agency shall calculate whether receipts from actual tax collections for the state

C o p y

fiscal year ending June 30, 2011, exceed the December 2010, adjusted state revenue forecast for that state fiscal year. If actual receipts for the state fiscal year ending June 30, 2011, exceed the December 2010, adjusted state revenue forecast for that state fiscal year, one hundred percent (100%) of the excess revenue is appropriated to the department to be used as a special one (1) time tuition support distribution. Any funds distributed under this section shall be used to increase the foundation amount for each school corporation eligible for a tuition support distribution.

Sec. 7. On or before July 15, 2012, the budget agency shall calculate whether receipts from actual tax collections for the state fiscal year ending June 30, 2012, exceed the December 2011, adjusted state revenue forecast for that state fiscal year. If actual receipts for the state fiscal year ending June 30, 2012, exceed the December 2011, adjusted state revenue forecast for that state fiscal year, one hundred percent (100%) of the excess revenue is appropriated to the department to be used as a special one (1) time tuition support distribution. Any funds distributed under this section shall be used to increase the foundation amount for each school corporation eligible for a tuition support distribution.

Sec. 8. Notwithstanding IC 20-43-1-1, this chapter expires June 30, 2020.

SECTION 21. IC 20-46-5-6.1, AS ADDED BY P.L.182-2009(ss), SECTION 349, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 6.1. (a) This section does not apply to a school corporation ~~located in South Bend,~~ **that elects to adopt a budget under IC 6-1.1-17-5.6,** 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.~~

SECTION 22. IC 20-46-5-7, AS AMENDED BY P.L.182-2009(ss), SECTION 350, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 7. (a) ~~Except as provided in subsection (b),~~ This section applies only to a school corporation ~~located in South Bend.~~ **that elects to adopt a budget under IC 6-1.1-17-5.6.**

~~(b) After December 31, 2010, this section applies to all school~~

C o p y

~~corporations.~~

~~(c) This subsection expires January 1, 2011.~~ **(b)** 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)~~ **(c)** 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 23. IC 20-46-6-8.1, AS ADDED BY P.L.182-2009(ss), SECTION 353, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 8.1. (a) This section does not apply to a school corporation that ~~is located in South Bend,~~ **elects to adopt a budget under IC 6-1.1-17-5.6,** 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.

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

SECTION 24. IC 20-46-6-9, AS AMENDED BY P.L.182-2009(ss), SECTION 354, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 9. (a) This section applies only to a school corporation that ~~is located in South Bend.~~ **elects to adopt a budget under IC 6-1.1-17-5.6.** However, 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.

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

(1) after January 1; and

(2) before February 2;

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.

C o p y

SECTION 25. P.L.182-2009(ss), SECTION 512 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: SECTION 512. (a) The legislative council shall establish a two (2) year study committee to study issues related to the school funding formula.

(b) As part of the committee's study related to the school funding formula, the committee shall, in calendar year 2010, study the issue of whether it is more cost efficient and academically effective to permit schools to measure the minimum required school year in terms of minutes rather than days. The committee shall prepare, as part of its final report, a comparison between:

(1) the likely cost of conducting school on a school year based on a minimum number of minutes compared with the cost of conducting a school on a school year based on a minimum number of days; and

(2) the likely effect on academic performance achievable in a school year based on a minimum number of minutes compared with the academic performance achieved in a school year based on a minimum number of days.

(c) The department of education shall assist the committee as requested by the committee to carry out this SECTION.

~~(b)~~ **(d)** The study committee shall operate under the rules of the legislative council. The study committee shall before November 1, 2010, submit a report of its findings and any recommendations to the legislative council.

~~(c)~~ **(e)** This SECTION expires January 1, 2011.

SECTION 26. IC 2-5-29-8 IS REPEALED [EFFECTIVE JULY 1, 2010].

SECTION 27. [EFFECTIVE UPON PASSAGE] **(a) This SECTION applies to a school corporation that has its employer contribution rate certified under IC 5-10.3-6-5 or IC 5-10.4-7-11, both as amended by this act, for a calendar year that begins after December 31, 2009, and before January 1, 2011.**

(b) As used in this SECTION, "board" has the meaning set forth in IC 5-10.2-1-1.

(c) The board shall adjust the payments made by the school corporation after the date its employer contribution rate is certified under IC 5-10.3-6-5 or IC 5-10.4-7-11, both as amended by this act, to take into account the payments made by the school corporation before the date its employer contribution rate is certified under IC 5-10.3-6-5 or IC 5-10.4-7-11, both as amended by this act.

(d) This SECTION expires January 1, 2011.

C o p y

SECTION 28. [EFFECTIVE JULY 1, 2010] **(a) This SECTION applies to members of the youth advisory council appointed under IC 2-5-29-3, as amended by this act, after June 30, 2011.**

(b) Notwithstanding IC 2-5-29-3, as amended by this act, the initial terms of the members are staggered as follows:

(1) The president pro tempore of the senate and the speaker of the house of representatives shall each designate three (3) members to serve two (2) year terms and two (2) members to serve one (1) year terms.

(2) The minority leader of the senate and the minority leader of the house of representatives shall each designate two (2) members to serve two (2) year terms and three (3) members to serve one (1) year terms.

(3) The governor shall designate one (1) member to serve a two (2) year term and one (1) member to serve a one (1) year term.

(c) A member may be reappointed.

(d) This SECTION expires July 1, 2013.

SECTION 29. **An emergency is declared for this act.**

C o p y

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.

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.

C o p y

(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

C o p y

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

C o p y

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;

C o p y

(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.

C o p y

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

C o p y

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.

C o p y

(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.

C o p y

(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.

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 309 be amended to read as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning education and to make an appropriation.

Page 8, between lines 12 and 13, begin a new paragraph and insert:

"SECTION 6. IC 20-43-13 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]:

Chapter 13. Special Supplemental Tuition Support Distribution

Sec. 1. This chapter does not apply to a charter school.

Sec. 2. A school corporation is entitled to a supplemental distribution as provided under this chapter. The budget agency and the department may exceed the calendar year tuition support maximum distribution contained in IC 20-43-2-2 as necessary to implement this chapter.

Sec. 3. The maximum amount that may be distributed to school corporations in all calendar years under this chapter is one hundred fifty million dollars ($150,000,000).

Sec. 4. The department shall make the distributions appropriated under this chapter as soon as practical after the determination of the amount to be distributed is determined by the budget agency.

Sec. 5. On or before July 15, 2010, the budget agency shall calculate whether receipts from actual tax collections for the state

C o p y

fiscal year ending June 30, 2010, exceed the December 2009, adjusted state revenue forecast for that state fiscal year. If actual receipts for the state fiscal year ending June 30, 2010, exceed the December 2009, adjusted state revenue forecast for that state fiscal year, one hundred percent (100%) of the excess revenue is appropriated to the department to be used as a special one (1) time tuition support distribution. Any funds distributed under this section shall be used to increase the foundation amount for each school corporation eligible for a tuition support distribution.

Sec. 6. On or before July 15, 2011, the budget agency shall calculate whether receipts from actual tax collections for the state fiscal year ending June 30, 2011, exceed the December 2010, adjusted state revenue forecast for that state fiscal year. If actual receipts for the state fiscal year ending June 30, 2011, exceed the December 2010, adjusted state revenue forecast for that state fiscal year, one hundred percent (100%) of the excess revenue is appropriated to the department to be used as a special one (1) time tuition support distribution. Any funds distributed under this section shall be used to increase the foundation amount for each school corporation eligible for a tuition support distribution.

Sec. 7. On or before July 15, 2012, the budget agency shall calculate whether receipts from actual tax collections for the state fiscal year ending June 30, 2012, exceed the December 2011, adjusted state revenue forecast for that state fiscal year. If actual receipts for the state fiscal year ending June 30, 2012, exceed the December 2011, adjusted state revenue forecast for that state fiscal year, one hundred percent (100%) of the excess revenue is appropriated to the department to be used as a special one (1) time tuition support distribution. Any funds distributed under this section shall be used to increase the foundation amount for each school corporation eligible for a tuition support distribution.

Sec. 8. Notwithstanding IC 20-43-1-1, this chapter expires June 30, 2020.".

Renumber all SECTIONS consecutively.

(Reference is to ESB 309 as printed February 22, 2010.)

PORTER

C o p y

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 309 be amended to read as follows:

Page 1, delete lines 1 through 17, 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,~~ 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 **that are not school corporations,** not later than November 1.

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

(4) The governing body of a school corporation that is not described in subdivisions (1) or (3), not later than November 1.

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 o p y

(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 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, 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, this section applies to all school corporations. Beginning in 2011, each school corporation ~~shall~~ **may elect to** 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~~ 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 **the** calendar year ~~2011.~~ **in which the school corporation elects by resolution to begin adopting budgets that correspond to the state fiscal year. A corporation shall submit**

C o p y

a copy of the resolution to the department of local government finance and the department of education not more than thirty (30) days after the date the governing body adopts the resolution.

(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.~~ **November 1.**

(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.~~ 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 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, 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

C o p y

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.".

Delete pages 2 through 3.

Page 4, delete lines 1 through 18.

Page 8, delete lines 13 through 42, begin a new paragraph and insert:

"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 JULY 1, 2010]: Sec. 6.1. (a) This section does not apply to a school corporation ~~located in South Bend,~~ **that elects to adopt a budget under IC 6-1.1-17-5.6,** 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.~~

SECTION 7. IC 20-46-5-7, AS AMENDED BY P.L.182-2009(ss), SECTION 350, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 7. (a) ~~Except as provided in subsection (b),~~ This section applies only to a school corporation ~~located in South Bend.~~ **that elects to adopt a budget under IC 6-1.1-17-5.6.**

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

~~(c) This subsection expires January 1, 2011.~~ **(b)** 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)~~ **(c)** 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;

C o p y

a plan.

SECTION 8. IC 20-46-6-8.1, AS ADDED BY P.L.182-2009(ss), SECTION 353, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 8.1. (a) This section does not apply to a school corporation that ~~is located in South Bend,~~ **elects to adopt a budget under IC 6-1.1-17-5.6,** 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.

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

SECTION 9. IC 20-46-6-9, AS AMENDED BY P.L.182-2009(ss), SECTION 354, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 9. (a) This section applies only to a school corporation that ~~is located in South Bend.~~ **elects to adopt a budget under IC 6-1.1-17-5.6.** However, 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.

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

(1) after January 1; and

(2) before February 2;

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.".

Page 9, delete lines 1 through 15.

Renumber all SECTIONS consecutively.

(Reference is to ESB 309 as printed February 22, 2010.)

GOODIN

C o p y

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 309 be amended to read as follows:

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

"SECTION 1. IC 5-10.2-2-11, AS AMENDED BY P.L.182-2009(ss), SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]: Sec. 11. (a) Based on the actuarial investigation and valuation in section 9 of this chapter, each board shall determine:

(1) the normal contribution for the employer, which is the amount necessary to fund the pension portion of the retirement benefit;

(2) the rate of normal contribution;

(3) the unfunded accrued liability of the public employees' retirement fund, the pre-1996 account, and the 1996 account, which is the excess of total accrued liability over the fund's or account's total assets, respectively; and

(4) the rates of contribution for the state expressed as a proportion of compensation of members, which would be necessary to:

(A) amortize the unfunded accrued liability of the state for thirty (30) years or for a shorter time period requested by the budget agency or the governor; and

(B) prevent the state's unfunded accrued liability from increasing.

(b) **Except as provided in IC 5-10.3-6-5 and IC 5-10.4-7-11,** based on the information in subsection (a), each board may determine, in its sole discretion, contributions and contribution rates for individual employers or for a group of employers.

(c) The board's determinations under subsection (a):

(1) are subject to sections 1.5 and 11.5 of this chapter; and

(2) for an employer making a contribution to the Indiana state teachers' retirement fund, may not include an amount for a retired member of the Indiana state teachers' retirement fund for whom the employer may not make contributions during the member's period of reemployment as provided under IC 5-10.2-4-8(d).

SECTION 2. IC 5-10.3-6-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]: Sec. 5. (a) **Except as provided in subsection (e),** annually the board shall certify to each participating political subdivision its employer contribution rate to the fund, computed, as specified in IC 5-10.2-2, including its share of administration expenses.

(b) The board shall determine the amount of unfunded accrued

C o p y

liability of the political subdivision on the effective date of participation. The political subdivision shall pay the amount in a lump sum or elect to amortize the amount over a period determined by the board.

(c) The payments by the participating political subdivisions for the amounts in subsections (a), (b), ~~and~~ (d), **and (e)** are allocated to the political subdivision and not to the state.

(d) If a political subdivision's account shows a deficit, the board may require the political subdivision to make additional payments necessary to eliminate the deficit, in addition to the employer contributions computed under subsections (a) and (b).

(e) This subsection applies to a participating political subdivision that is a school corporation. For a calendar year that begins after December 31, 2009, and before January 1, 2012, the board shall certify to the participating political subdivision an employer contribution rate to the fund that is the lesser of:

(1) the employer contribution rate certified by the board under subsection (a); or

(2) seven percent (7%).

SECTION 3. IC 5-10.4-7-11, AS ADDED BY P.L.2-2006, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]: Sec. 11. (a) **Except as provided in subsection (e),** annually the board shall certify to each school corporation and each school corporation shall pay its employer contribution rate to the fund, computed as specified in IC 5-10.2-2 for the employer contribution for teachers covered by the 1996 account, including the school corporation's share of administration expenses for the 1996 account.

(b) The board shall determine the amount of unfunded accrued liability of the school corporations. The board shall determine the unfunded accrued liability by individual employers or by a group of employers. The school corporations shall pay the amount in a lump sum or amortize the amount over a period determined by the board.

(c) The payments by school corporations for the amounts described in subsections (a), (b), ~~and~~ (d), **and (e)** are allocated to the school corporations and not to the state.

(d) If a school corporation's account shows a deficit, the board may require the school corporation to make additional payments necessary to eliminate the deficit in addition to the employer contributions computed under subsections (a) and (b).

(e) For a calendar year that begins after December 31, 2009, and before January 1, 2012, the board shall certify to each school

C o p y

corporation and each school corporation shall pay an employer contribution rate to the fund that is the lesser of:

(1) the employer contribution rate certified by the board under subsection (a); or

(2) seven percent (7%).".

Page 9, between lines 15 and 16, begin a new paragraph and insert:

"SECTION 12. [EFFECTIVE UPON PASSAGE] **(a) This SECTION applies to a school corporation that has its employer contribution rate certified under IC 5-10.3-6-5 or IC 5-10.4-7-11, both as amended by this act, for a calendar year that begins after December 31, 2009, and before January 1, 2011.**

(b) As used in this SECTION, "board" has the meaning set forth in IC 5-10.2-1-1.

(c) The board shall adjust the payments made by the school corporation after the date its employer contribution rate is certified under IC 5-10.3-6-5 or IC 5-10.4-7-11, both as amended by this act, to take into account the payments made by the school corporation before the date its employer contribution rate is certified under IC 5-10.3-6-5 or IC 5-10.4-7-11, both as amended by this act.

(d) This SECTION expires January 1, 2011.".

Renumber all SECTIONS consecutively.

(Reference is to ESB 309 as printed February 22, 2010.)

DERMODY

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 309 be amended to read as follows:

Page 9, between lines 15 and 16, begin a new paragraph and insert:

"SECTION 9. P.L.182-2009(ss), SECTION 512 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: SECTION 512. (a) The legislative council shall establish a two (2) year study committee to study issues related to the school funding formula.

(b) As part of the committee's study related to the school funding formula, the committee shall, in calendar year 2010, study the issue of whether it is more cost efficient and academically effective to permit schools to measure the minimum required school year in terms of minutes rather than days. The committee shall prepare, as part of its final report, a comparison between:

C o p y

(1) the likely cost of conducting school on a school year based on a minimum number of minutes compared with the cost of conducting a school on a school year based on a minimum number of days; and

(2) the likely effect on academic performance achievable in a school year based on a minimum number of minutes compared with the academic performance achieved in a school year based on a minimum number of days.

(c) The department of education shall assist the committee as requested by the committee to carry out this SECTION.

~~(b)~~ **(d)** The study committee shall operate under the rules of the legislative council. The study committee shall before November 1, 2010, submit a report of its findings and any recommendations to the legislative council.

~~(c)~~ **(e)** This SECTION expires January 1, 2011.".

Renumber all SECTIONS consecutively.

(Reference is to ESB 309 as printed February 22, 2010.)

TRUITT

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 309 be amended to read as follows:

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

"SECTION 1. IC 2-5-29-1.5 IS ADDED TO THE INDIANA CODE AS **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 1.5. As used in this chapter, "fund" means the youth advisory council fund established by section 7.5 of this chapter.**

SECTION 2. IC 2-5-29-1.6 IS ADDED TO THE INDIANA CODE AS **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 1.6. As used in this chapter, "office" means the office of the state superintendent of public instruction.**

SECTION 3. IC 2-5-29-3, AS ADDED BY P.L.69-2008, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 3. (a) The council consists of the following **twenty-two (22)** members, who must be at least ~~fourteen (14)~~ **sixteen (16)** years of age and not more than ~~eighteen (18)~~ **twenty (20)** years of age at the time of appointment:

(1) Five (5) members appointed by the president pro tempore of

C o p y

the senate.

(2) Five (5) members appointed by the minority leader of the senate.

(3) Five (5) members appointed by the speaker of the house of representatives.

(4) Five (5) members appointed by the minority leader of the house of representatives.

(5) Two (2) members appointed by the governor.

(b) The members of the council shall be selected so as to give representation to the various geographical areas of Indiana.

(c) The members of the council shall annually elect a chairperson of the council from among the members.

(d) Members of the council shall serve for a two (2) year term **or until a successor is appointed** and may be reappointed.

(e) The appointing authority may remove an appointed member of the council for cause. Cause includes the failure to attend at least two (2) meetings within a one (1) year period.

SECTION 4. IC 2-5-29-3.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 3.6. (a) This section applies to a student who attends either a public school or a nonpublic school.**

(b) Attending a meeting of the council as a member is a lawful excuse for a student to be absent from school, when verified by a certificate of the state superintendent of public instruction. A student excused from school attendance under this section may not be recorded as being absent on any date for which the excuse is operative and may not be penalized by the school in any manner.

SECTION 5. IC 2-5-29-4, AS ADDED BY P.L.69-2008, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 4. **(a)** The council has the following duties:

(1) To advise the general assembly concerning proposed and pending legislation, including budget expenditures and policy matters related to youth.

(2) To advise the standing committees and study committees of the general assembly concerning issues related to youth.

(3) To conduct periodic seminars for members of the council concerning leadership, government, and the general assembly.

(4) To report to the general assembly, not later than December 1 of each year, concerning the council's activities, including any proposed legislation to implement recommendations of the council. The report must be in an electronic format under IC 5-14-6.

C o p y

(b) The council may apply for grants and other funding available to fulfill the purposes of this chapter.

SECTION 6. IC 2-5-29-6, AS ADDED BY P.L.69-2008, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 6. (a) The ~~state superintendent of public instruction~~ **Indiana bar foundation's center for civic education** shall supervise the activities of the council.

(b) The ~~department of education~~ **Indiana bar foundation's center for civic education** shall staff the council.

SECTION 7. IC 2-5-29-7.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 7.5. (a) The youth advisory council fund is established as a dedicated fund to be administered by the office. The fund consists of grants, applied for under IC 2-5-29-4(b), gifts, and donations intended for deposit in the fund.**

(b) Expenses of administering the fund shall be paid from money in the fund.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the fund.

(d) Money in the fund at the end of a fiscal year does not revert to the state general fund.

(e) Money in the fund is available, with the approval of the budget agency, to augment and supplement the funds appropriated to the department of education to implement this chapter.".

Page 9, between lines 15 and 16, begin a new paragraph and insert:

"SECTION 16. IC 2-5-29-8 IS REPEALED [EFFECTIVE JULY 1, 2010].

SECTION 17. [EFFECTIVE JULY 1, 2010] **(a) This SECTION applies to members of the youth advisory council appointed under IC 2-5-29-3, as amended by this act, after June 30, 2011.**

(b) Notwithstanding IC 2-5-29-3, as amended by this act, the initial terms of the members are staggered as follows:

(1) The president pro tempore of the senate and the speaker of the house of representatives shall each designate three (3) members to serve two (2) year terms and two (2) members to serve one (1) year terms.

(2) The minority leader of the senate and the minority leader of the house of representatives shall each designate two (2) members to serve two (2) year terms and three (3) members to serve one (1) year terms.

C o p y

(3) The governor shall designate one (1) member to serve a two (2) year term and one (1) member to serve a one (1) year term.

(c) A member may be reappointed.

(d) This SECTION expires July 1, 2013.".

Renumber all SECTIONS consecutively.

(Reference is to ESB 309 as printed February 22, 2010.)

BELL

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 309 be amended to read as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning education and to make an appropriation.

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

"SECTION 1. IC 4-12-1-15.7, AS ADDED BY P.L.146-2008, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 15.7. (a) As used in this section, "fund" refers to the state tuition reserve fund.

(b) The state tuition reserve fund is established for the following purposes:

(1) To fund a tuition support distribution under IC 20-43 whenever the budget director determines that state general fund cash balances are insufficient to cover the distribution.

(2) To meet revenue shortfalls whenever the budget director, after review by the budget committee, determines that state tax revenues available for deposit in the state general fund will be insufficient to fully fund tuition support distributions under IC 20-43 in any particular state fiscal year.

(3) To make distributions to school corporations under subsection (h).

(c) The fund consists of the following:

(1) Money appropriated to the fund by the general assembly.

(2) Money transferred to the fund under any law.

(3) Interest earned on the balance of the fund.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same

C o p y

manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the fund.

(e) Money in the fund at the end of a state fiscal year does not revert for any other purpose of the state general fund.

(f) The budget agency shall administer the fund.

(g) This subsection does not apply to the balance in the fund described in subsection (h). Whenever the budget director makes a determination under subsection (b)(1) or (b)(2), the budget agency shall notify the auditor of state of the amount from the fund to be used for state tuition support distributions. The auditor of state shall transfer the amount from the fund to the state general fund. The amount transferred may be used only for the purposes of making state tuition support distributions under IC 20-43. If the amount is transferred under subsection (b)(1), the amount shall be repaid to the fund from the state general fund before the end of the state fiscal year in which the transfer is made.

(h) The budget agency shall separately account for money in the fund that is deposited under IC 20-32-9-10. The amount deposited in the special account under IC 20-32-9-10 is annually appropriated to the department of education for the purpose of providing reading remediation to students who:

(1) are enrolled in kindergarten, grade 1, or grade 2; and

(2) have a substantial deficiency in reading, based upon local or statewide assessments conducted for students in kindergarten, grade 1, and grade 2.

The amount deposited in the fund under IC 20-32-9-10 shall be distributed to school corporations under a formula adopted by the state board of education. The state board of education may limit distributions under this subsection for use in kindergarten, grade 1, and grade 2 in schools on a probationary status under IC 20-31-4-12, IC 20-31-4-14, or IC 20-31-4-15. An unexpended and unencumbered amount in the special account at the end of a state fiscal year does not revert for use under subsection (g) or revert to the state general fund at the end of a state fiscal year but remains available in the special account in subsequent state fiscal years for the purposes of this subsection.".

Page 4, between lines 18 and 19, begin a new paragraph and insert:

"SECTION 4. IC 20-32-9 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]:

Chapter 9. Fee on Negative Political Advertising

Sec. 1. As used in this chapter, "negative political

C o p y

advertisement" means any false, exaggerated, demeaning, or misleading message, programming material, or other material that is broadcast or otherwise disseminated in Indiana through a public communication in exchange for any remuneration that predominately focuses on the negative aspects of an opponent or policy and that is intended to or attempts to influence:

(1) the:

(A) selection, nomination, election, appointment, or removal of any individual to:

(i) any federal, state, or local public office; or

(ii) office in a political organization; or

(B) election of presidential or vice presidential electors;

whether or not the individual or electors are selected, nominated, elected, or appointed;

(2) the adoption of, the amendment of, the repeal of, the defeat of, the conduct of a hearing on, or the conduct or termination of any other official action related to any legislation, ordinance, resolution, or regulation of a federal, state, or local governmental entity or matter within the legislative jurisdiction of any federal, state, or local governmental entity, including the exercise of the powers of the president, the governor, a mayor, or another chief executive to sign, not sign, or approve legislation, an ordinance, a resolution, or a regulation;

(3) the adoption of or defeat of a public question (as defined in IC 3-5-2-41) or a petition to place a public question (as defined in IC 3-5-2-41) on a ballot; or

(4) the solicitation of contributions to influence conduct described in subdivision (1), (2), or (3).

The term includes a message, programming material, or other material designed to influence public opinion (including the opinion of any segment of the public) or directed, through the medium of a public communication, to one (1) or more members or employees of a governmental legislative body, or to any government official or employee who may participate in an action described in subdivision (1), (2), (3), or (4).

Sec. 2. As used in this chapter, "public communication" means a communication by means of a broadcast, cable, or satellite communication. However, the term does not include communications over the Internet, except for communications placed for a fee on another person's web site.

Sec. 3. As used in this chapter, "remuneration" means a

C o p y

transfer (whether characterized as an advance, a deposit, a distribution, a gift, a loan, a payment, a purchase, or a contract or promise to make a disbursement) of property (as defined in IC 35-41-1-23) that is made to prepare, place, broadcast, display, or distribute a political advertisement.

Sec. 4. A fee is imposed on the amount of remuneration that an individual or entity exchanges after June 30, 2010, for negative political advertising.

Sec. 5. The amount of the fee under section 4 of this chapter is equal to fifty dollars ($50) for each time that a negative political advertisement is aired over public communication.

Sec. 6. The department of state revenue shall administer this chapter.

Sec. 7. The fee imposed under this chapter shall be paid to the department of state revenue in the manner prescribed by the department of state revenue before the twentieth day of the month following the date remuneration is transferred to another individual or entity for a negative political advertisement. However, the department of state revenue may permit a longer time in which to remit an amount that does not exceed a threshold amount determined by the department of state revenue.

Sec. 8. Individuals and entities shall file the returns and informational reports that the department of state revenue determines are necessary for the department of state revenue to determine the fee due under this chapter.

Sec. 9. The administrative procedures and penalties for noncompliance under IC 6-8.1 apply to a fee imposed under this chapter.

Sec. 10. The amounts collected by the department of state revenue from the fee imposed by this chapter shall be deposited in a separate account in the state tuition reserve fund established by IC 4-12-1-15.7 for the purposes of providing reading remediation to students who:

(1) are enrolled in kindergarten, grade 1, or grade 2; and

(2) have a substantial deficiency in reading, based upon local or statewide assessments conducted for all students in kindergarten, grade 1, and grade 2.".

Renumber all SECTIONS consecutively.

(Reference is to ESB 309 as printed February 22, 2010.)

GOODIN

C o p y

HOUSE MOTION

Mr. Speaker: I move that Senate Bill 309 be amended to read as follows:

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

"SECTION 1. IC 5-10-8-6.7, AS ADDED BY P.L.182-2009(ss), SECTION 515, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.7. (a) As used in this section, "state employee health plan" means a:

(1) self-insurance program established under section 7(b) of this chapter; or

(2) contract with a prepaid health care delivery plan entered into under section 7(c) of this chapter;

to provide group health coverage for state employees.

(b) The state personnel department shall allow a school corporation to elect to provide coverage of health care services for active and retired employees of the school corporation under any state employee health plan. If a school corporation elects to provide coverage of health care services for active and retired employees of the school corporation under a state employee health plan, it must provide coverage for all active and retired employees of the school corporation under the state employee health plan (other than any employees covered by an Indiana comprehensive health insurance association policy **or individuals who retire from the school corporation before July 1, 2010)** if coverage was provided for these employees under the prior policies.

(c) The following apply if a school corporation elects to provide coverage for active and retired employees of the school corporation under subsection (b):

(1) The state shall not pay any part of the cost of the coverage.

(2) The coverage provided to an active or retired school corporation employee under this section must be the same as the coverage provided to an active or retired state employee under the state employee health plan.

(3) Notwithstanding sections 2.2 and 2.6 of this chapter:

(A) the school corporation shall pay for the coverage provided to an active or retired school corporation employee under this section an amount not more than the amount paid by the state for coverage provided to an active or retired state employee under the state employee health plan; and

(B) an active or retired school corporation employee shall pay for the coverage provided to the active or retired school corporation employee under this section an amount that is at

C o p y

least equal to the amount paid by an active or retired state employee for coverage provided to the active or retired state employee under the state employee health plan.

However, this subdivision does not apply to contractual commitments made by a school corporation to individuals who retire before July 1, 2010.

(4) The school corporation shall pay any administrative costs of the school corporation's participation in the state employee health plan.

(5) The school corporation shall provide the coverage elected under subsection (b) for a period of at least three (3) years beginning on the date the coverage of the school corporation employees under the state employee health plan begins.

(d) The state personnel department shall provide an enrollment period at least every thirty (30) days for a school corporation that elects to provide coverage under subsection (b).

(e) The state personnel department may adopt rules under IC 4-22-2 to implement this section.

(f) Neither this section nor a school corporation's election to participate in a state employee health plan as provided in this section impairs the rights of an exclusive representative of the certificated or noncertificated employees of the school corporation to collectively bargain all matters related to school employee health insurance programs and benefits.".

Renumber all SECTIONS consecutively.

(Reference is to ESB 309 as printed February 22, 2010.)

BEHNING

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 309 be amended to read as follows:

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

"SECTION 1. IC 5-10-8-2.6, AS AMENDED BY P.L.182-2009(ss), SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 2.6. (a) This section applies only to local unit public employers and their employees. This section does not apply to public safety employees, surviving spouses, and dependents covered by section 2.2 of this chapter.

C o p y

(b) A public employer may provide programs of group insurance for its employees and retired employees. The public employer may, however, exclude part-time employees and persons who provide services to the unit under contract from any group insurance coverage that the public employer provides to the employer's full-time employees. A public employer may provide programs of group health insurance under this section through one (1) of the following methods:

(1) By purchasing policies of group insurance.

(2) By establishing self-insurance programs.

(3) By electing to participate in the local unit group of local units that offer the state employee health plan under section 6.6 of this chapter.

(4) If the local unit public employer is a school corporation, by electing to provide the coverage through a state employee health plan under section 6.7 of this chapter.

A public employer may provide programs of group insurance other than group health insurance under this section by purchasing policies of group insurance and by establishing self-insurance programs. However, the establishment of a self-insurance program is subject to the approval of the unit's fiscal body.

(c) A public employer may pay a part of the cost of group insurance, but shall pay a part of the cost of group life insurance for local employees. A public employer may pay, as supplemental wages, an amount equal to the deductible portion of group health insurance as long as payment of the supplemental wages will not result in the payment of the total cost of the insurance by the public employer. **After June 30, 2010, and before July 1, 2011, a public employer that is a school corporation shall not pay any part of the cost of group health insurance provided to a member of the school corporation's governing body.**

(d) An insurance contract for local employees under this section may not be canceled by the public employer during the policy term of the contract.

(e) After June 30, 1986, a public employer shall provide a group health insurance program under subsection (g) to each retired employee:

(1) whose retirement date is:

(A) after May 31, 1986, for a retired employee who was a teacher (as defined in IC 20-18-2-22) for a school corporation; or

(B) after June 30, 1986, for a retired employee not covered by clause (A);

C o p y

(2) who will have reached fifty-five (55) years of age on or before the employee's retirement date but who will not be eligible on that date for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.;

(3) who will have completed twenty (20) years of creditable employment with a public employer on or before the employee's retirement date, ten (10) years of which must have been completed immediately preceding the retirement date; and

(4) who will have completed at least fifteen (15) years of participation in the retirement plan of which the employee is a member on or before the employee's retirement date.

(f) A group health insurance program required by subsection (e) must be equal in coverage to that offered active employees and must permit the retired employee to participate if the retired employee pays an amount equal to the total of the employer's and the employee's premiums for the group health insurance for an active employee and if the employee, within ninety (90) days after the employee's retirement date, files a written request with the employer for insurance coverage. However, the employer may elect to pay any part of the retired employee's premiums.

(g) A retired employee's eligibility to continue insurance under subsection (e) ends when the employee becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq., or when the employer terminates the health insurance program. A retired employee who is eligible for insurance coverage under subsection (e) may elect to have the employee's spouse covered under the health insurance program at the time the employee retires. If a retired employee's spouse pays the amount the retired employee would have been required to pay for coverage selected by the spouse, the spouse's subsequent eligibility to continue insurance under this section is not affected by the death of the retired employee. The surviving spouse's eligibility ends on the earliest of the following:

(1) When the spouse becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.

(2) When the employer terminates the health insurance program.

(3) Two (2) years after the date of the employee's death.

(4) The date of the spouse's remarriage.

(h) This subsection does not apply to an employee who is entitled to group insurance coverage under IC 20-28-10-2(b). An employee who is on leave without pay is entitled to participate for ninety (90) days in any group health insurance program maintained by the public employer for active employees if the employee pays an amount equal

C o p y

to the total of the employer's and the employee's premiums for the insurance. However, the employer may pay all or part of the employer's premium for the insurance.

(i) A public employer may provide group health insurance for retired employees or their spouses not covered by subsections (e) through (g) and may provide group health insurance that contains provisions more favorable to retired employees and their spouses than required by subsections (e) through (g). A public employer may provide group health insurance to an employee who is on leave without pay for a longer period than required by subsection (h), and may continue to pay all or a part of the employer's premium for the insurance while the employee is on leave without pay.".

Renumber all SECTIONS consecutively.

(Reference is to ESB 309 as printed February 22, 2010.)

BEHNING

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 309 be amended to read as follows:

Page 7, delete lines 32 through 42, begin a new paragraph and insert:

"Sec. 5. (a) This section applies only to a school corporation that would have been eligible to file an appeal under IC 20-43-11.5 (repealed) with the department of local government finance requesting a new facility adjustment to increase the school corporation's tuition support distribution for calendar year 2010 if IC 20-43-11.5 had not been repealed by P.L.182-2009(ss).

(b) Before August 1, 2010, a school corporation may file a written appeal to the department of local government finance to transfer money from one (1) or more funds described in subsection (d) to the school corporation's general fund for the purposes of operating:

(1) a new school facility that was placed in operation after December 31, 2008; or

(2) an existing facility that has not been used for at least three

(3) years and that was reopened after December 31, 2008, to provide additional classroom space;

in calendar year 2010.

(c) Upon demonstration by the school corporation to the

C o p y

department of local government finance that:

(1) the school corporation has experienced increased costs as the result of the opening of a facility described in subsection (b);

(2) the amount requested is reasonably necessary to operate the facility described in subsection (b) in calendar year 2010; and

(3) the school corporation has sufficient money in the fund or funds from which the money will be transferred to make a transfer;

the department of local government shall grant the amount of the requested transfer.

(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).

(e) A school corporation may not increase a property tax for a fund described in subsection (d) to raise the amount transferred under this section or to replace the amount lost to the fund from which money is transferred under this section.".

Page 8, delete lines 1 through line 7.

(Reference is to ESB 309 as printed February 22, 2010.)

THOMPSON

C o p y