



Reprinted
February 18, 2011

HOUSE BILL No. 1417

DIGEST OF HB 1417 (Updated February 17, 2011 11:38 am - DI 51)

Citations Affected: IC 20-40.

Synopsis: School funds. Provides that the school capital projects fund may be used for utilities and insurance in calendar year 2011, 2012, and 2013. Specifies that 3.5% of the school corporation's 2005 distribution is the maximum amount that may be paid from the capital project fund in a calendar year for utilities and insurance expenditures. Allows the governing body of a school corporation to adopt a resolution to transfer money among the funds held by the school corporation in the 2011-2012 school year.

Effective: July 1, 2011.

**McNamara, Truitt, Dermody,
Pelath, Clere**

January 18, 2011, read first time and referred to Committee on Education.
February 7, 2011, recommitted to Committee on Ways and Means.
February 15, 2011, amended, reported — Do Pass.
February 17, 2011, read second time, amended, ordered engrossed.

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HB 1417—LS 7067/DI 51+



First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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HOUSE BILL No. 1417

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

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

1 SECTION 1. IC 20-40-8-19, AS AMENDED BY P.L.182-2009(ss),
2 SECTION 322, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2011]: Sec. 19. Money in the fund may be used
4 **before January 1, 2014**, to pay for up to one hundred percent (100%)
5 of the following costs of a school corporation:

6 (1) Utility services.
7 (2) Property or casualty insurance.
8 (3) Both utility services and property or casualty insurance.
9 A school corporation's expenditures under this section may not **in a**
10 **calendar year** exceed ~~in 2010 and in 2011~~ three and five-tenths
11 percent (3.5%) of the school corporation's 2005 calendar year
12 distribution.

13 SECTION 2. IC 20-40-17 IS ADDED TO THE INDIANA CODE
14 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2011]:

16 **Chapter 17. Transfer of Money Between Funds In 2011-2012**
17 **School Year**

HB 1417—LS 7067/DI 51+



1 **Sec. 1.** As used in this chapter, "capital projects fund levy", with
2 respect to a particular school corporation, means the maximum
3 levy that the school corporation could impose in calendar year
4 2010 under IC 20-46-6-5 for the school corporation's capital
5 projects fund.

6 **Sec. 2.** As used in this chapter, "wage and salary increase"
7 means an increase in wages or salaries payable for the same or a
8 similar position after subtracting, for all employees, any of the
9 following received by the individual:

10 (1) An increase in wages or salary of an employee from an
11 increment under IC 20-28-9-2 bargained for under a written
12 contract signed before March 1, 2010, that has not expired.

13 (2) An increase in wages or salary of an employee from an
14 increment under IC 20-28-9-2 that does not exceed the
15 increment permitted under an increment schedule in effect
16 during the previous year under a written contract in effect for
17 the previous year or under the status quo provisions in
18 IC 20-29-9-16. However, the increment may not exceed two
19 percent (2%) of the wages and salary of the employee in the
20 previous year.

21 (3) An increase in wages or salary that is paid to an employee
22 as a result of the employee completing licensing requirements.

23 (4) Health care benefit cost increases for the same or an
24 equivalent plan that are shared by the employee and the
25 employer in the same proportion as health care benefit costs
26 are shared in the previous year.

27 **Sec. 3.** Funds transferred under this chapter may not be used to
28 increase an increment schedule from an existing increment
29 agreement or to increase fringe benefits except those under section
30 2(4) of this chapter.

31 **Sec. 4.** Notwithstanding any other law except this chapter, a
32 school corporation may transfer money during the 2011-2012
33 school year to one (1) or more funds held by the school corporation
34 for the purposes of the funds from any fund held by the school
35 corporation other than a debt service fund or a racial balance
36 fund.

37 **Sec. 5.** A transfer is not permitted under this chapter after June
38 30, 2012.

39 **Sec. 6.** Money transferred under this chapter must be used to
40 preserve and protect instructional programs.

41 **Sec. 7.** A transfer under this chapter must be authorized by a
42 resolution adopted by the school corporation's governing body.

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1 **Sec. 8. The total amount that may be transferred under section**
2 **4 of this chapter in the 2011-2012 school year may not exceed an**
3 **amount equal to:**
4 **(1) five percent (5%) of the school corporation's capital**
5 **projects fund levy, if the governing body does not comply with**
6 **section 9 of this chapter; and**
7 **(2) ten percent (10%) of the school corporation's capital**
8 **projects fund levy, if the governing body complies with section**
9 **9 of this chapter.**

10 **Sec. 9. To authorize, in the aggregate, transfers exceeding five**
11 **percent (5%) of the school corporation's capital projects fund levy,**
12 **a governing body must include in the authorizing resolution a**
13 **certification that the employees of the school corporation will not**
14 **receive a general wage and salary increase for the 2011-2012**
15 **school year. The resolution must be submitted to the department.**

16 **Sec. 10. If a transfer is made under this chapter during the**
17 **2011-2012 school year, the school corporation shall file a report**
18 **with the department before October 1, 2012. The report must**
19 **include the following:**
20 **(1) The purpose of the transfer.**
21 **(2) The funds involved in the transfer.**
22 **(3) The amount transferred between the funds.**
23 **(4) The impact of the transfer to the programs that are**
24 **supported by the fund from which the transfer was made.**

25 **Sec. 11. Notwithstanding any other law (including IC 20-28-9),**
26 **the governing body of a school corporation and an exclusive**
27 **representative may mutually agree to forego any wage or salary**
28 **increases that would otherwise be required under IC 20-28-9 for**
29 **the 2011-2012 school year.**

30 **Sec. 12. This chapter expires October 1, 2012.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1417, 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:

Page 1, line 3, after "used" insert "**before January 1, 2014,**".

Page 1, line 9, after "not" insert "**in a calendar year**".

Page 1, delete lines 12 through 17.

Delete page 2.

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1417 as introduced.)

ESPICH, Chair

Committee Vote: yeas 16, nays 0.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1417 be amended to read as follows:

Page 1, after line 12, begin a new paragraph and insert:

"SECTION 2. IC 20-40-17 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]:

Chapter 17. Transfer of Money Between Funds In 2011-2012 School Year

Sec. 1. As used in this chapter, "capital projects fund levy", with respect to a particular school corporation, means the maximum levy that the school corporation could impose in calendar year 2010 under IC 20-46-6-5 for the school corporation's capital projects fund.

Sec. 2. As used in this chapter, "wage and salary increase" means an increase in wages or salaries payable for the same or a similar position after subtracting, for all employees, any of the following received by the individual:

- (1) An increase in wages or salary of an employee from an increment under IC 20-28-9-2 bargained for under a written contract signed before March 1, 2010, that has not expired.**
- (2) An increase in wages or salary of an employee from an**



increment under IC 20-28-9-2 that does not exceed the increment permitted under an increment schedule in effect during the previous year under a written contract in effect for the previous year or under the status quo provisions in IC 20-29-9-16. However, the increment may not exceed two percent (2%) of the wages and salary of the employee in the previous year.

(3) An increase in wages or salary that is paid to an employee as a result of the employee completing licensing requirements.

(4) Health care benefit cost increases for the same or an equivalent plan that are shared by the employee and the employer in the same proportion as health care benefit costs are shared in the previous year.

Sec. 3. Funds transferred under this chapter may not be used to increase an increment schedule from an existing increment agreement or to increase fringe benefits except those under section 2(4) of this chapter.

Sec. 4. Notwithstanding any other law except this chapter, a school corporation may transfer money during the 2011-2012 school year to one (1) or more funds held by the school corporation for the purposes of the funds from any fund held by the school corporation other than a debt service fund or a racial balance fund.

Sec. 5. A transfer is not permitted under this chapter after June 30, 2012.

Sec. 6. Money transferred under this chapter must be used to preserve and protect instructional programs.

Sec. 7. A transfer under this chapter must be authorized by a resolution adopted by the school corporation's governing body.

Sec. 8. The total amount that may be transferred under section 4 of this chapter in the 2011-2012 school year may not exceed an amount equal to:

(1) five percent (5%) of the school corporation's capital projects fund levy, if the governing body does not comply with section 9 of this chapter; and

(2) ten percent (10%) of the school corporation's capital projects fund levy, if the governing body complies with section 9 of this chapter.

Sec. 9. To authorize, in the aggregate, transfers exceeding five percent (5%) of the school corporation's capital projects fund levy, a governing body must include in the authorizing resolution a certification that the employees of the school corporation will not

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receive a general wage and salary increase for the 2011-2012 school year. The resolution must be submitted to the department.

Sec. 10. If a transfer is made under this chapter during the 2011-2012 school year, the school corporation shall file a report with the department before October 1, 2012. 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. 11. Notwithstanding any other law (including IC 20-28-9), the governing body of a school corporation and an exclusive representative may mutually agree to forego any wage or salary increases that would otherwise be required under IC 20-28-9 for the 2011-2012 school year.

Sec. 12. This chapter expires October 1, 2012."

Renumber all SECTIONS consecutively.

(Reference is to HB 1417 as printed February 15, 2011.)

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