

THE SCHOOL BULLETIN

And Uniform Compliance Guidelines

ISSUED BY STATE BOARD OF ACCOUNTS

Vol. No. 222

June 2018

ITEMS TO REMEMBER

June

- 1 Prove the Fund Ledger and Ledger of Receipts for the month of May to the control of all funds and reconcile the control with the depository statement. Prove all receipt accounts for each fund to total receipts for that fund. Prove Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances to the total disbursements of the control account of the Fund Ledger. Prove all expenditure accounts within each program to the total disbursements of that program.
- 20 Last day for Early Filers to report and make payment of state and county income tax withheld during February to the Indiana Department of Revenue. Monthly Filers have until 30 days after prior month's end. For questions on filing status contact the Indiana Department of Revenue.
- 30 Close out all payroll deduction clearing accounts. Balance and close the Fund Ledger and Ledger of Receipts for the school year and reconcile with depositories. Total the Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances (January 1 to June 30). Close the ledger for the school year and prove to the Fund Ledger.
- 30 School board members taking office in July, file certified copy of oath in the circuit court clerk's office of the county containing the greatest percentage of population of the school corporation. (IC 5-4-1-4)
- 30 All local investment officers shall reconcile at least monthly the balance of public funds as disclosed by the records of the local offices, with the balance statements provided by the respective depositories. (IC 5-13-6-1)

July

- 1 Prove all ledgers for the month of June.
- 4 Legal Holiday – Independence Day (IC 1-1-9-1)
- 20 Last day for Early Filers to report and make payment of state and county income tax withheld during March to the Indiana Department of Revenue. Monthly Filers have until 30 days after prior month's end. For questions on filing status contact the Indiana Department of Revenue.
- 30 Last day to file quarterly reports with the Indiana Department of Workforce Development for the quarter ending June 30.
- 31 Last day to file the Biannual Financial Report (Form 9) with the Department of Education, Office of School Finance, for the period January 1, 2018 to June 30, 2018.
- 31 Last day to file Employer's Quarterly Federal Tax Return, Form 941, with the Internal Revenue Service for payment of federal tax withheld.
- 31 All local investment officers shall reconcile at least monthly the balance of public funds as disclosed by the records of the local offices, with the balance statements provided by the respective depositories. (IC 5-13-6-1)

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ITEMS TO REMEMBER
(Continued)

August

- 1 Prove all ledgers for the month of April.
- 15 Deadline for secretary of the school corporation to publish an annual financial report (Not earlier than August 1 or later than August 15) (IC 5-3-1-3)
- 20 Last day for Early Filers to report and make payment of state and county income tax withheld during July to the Indiana Department of Revenue. Monthly Filers have until 30 days after prior month's end. For questions on filing status contact the Indiana Department of Revenue.
- 29 Last day to file the Gateway Annual Report and ECA Risk Reports with the State Board of Accounts. (IC 5-11-1-4)
- 31 Prior to September 1 of each year, the superintendent of each school corporation shall cause to be made to the division of fire and building safety an inspection report of all heating systems and supporting gas, oil, propane or any other fuel lines used for school purposes. (IC 20-26-7-28)
- 31 All local investment officers shall reconcile at least monthly the balance of public funds as disclosed by the records of the local offices, with the balance statements provided by the respective depositories. (IC 5-13-6-1)

2017 HEA 1009 – SCHOOL CORPORATION CHART OF ACCOUNTS

We would like to thank everyone that attended the Chart of Accounts workshops and have provided insightful feedback to the preliminary draft of the Chart of Accounts. As a result of additional research and the feedback we have received, we are releasing a 2nd draft version of the Chart of Accounts. In addition, we have worked with IDOE to release a draft of the Object Code descriptions for reference when reviewing the Chart of Accounts. Both releases can be found on the Schools webpage under the "Hot Topics" section at <https://www.in.gov/sboa/4449.htm>.

As you continue to get familiar with the Chart of Accounts and use it in your budget preparation, please feel free to send additional feedback. We have moved on to working to update the associated chapters of the Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations. So hopefully by the September Bulletin, we will be able to provide a draft version of the descriptions of significant funds, descriptions of receipt account numbers, descriptions of expense account numbers, and descriptions of object codes.

As communicated at the various meetings, we also plan on providing updated information in the upcoming 2018 School Bulletins, culminating with an updated Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations effective January 1, 2019.

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STATEMENT OF ENGAGEMENT COST

At the end of an audit engagement the State Board of Accounts sends a notice of Statement of Engagement Cost. This statement details a summary of the engagement including the number of days spent on the audit, the daily/hourly rate, and any report processing fees. We would like to point out that this statement is not an invoice that is to be paid. An invoice for payment of these audit costs will be sent to your County for payment in accordance with IC 5-11-4. You should not send any payments for the engagement costs because this amount will be taken out of the school's next distribution from the County. Please keep this statement as documentation.

When your next distribution does arrive, the amount will be reduced by the engagement cost noted in this Statement. We have decided to not take exception to schools using any of the property tax funds to cover State Board of Accounts audit costs. We are also not taking exception to the General fund reimbursing the property tax fund in which it was withheld by the County.

REPORT OF MISAPPROPRIATION

Indiana Code 5-11-1-27(l) requires a public officer who has actual knowledge or reasonable cause to believe that there has been a misappropriation of public funds or assets to immediately send a written notice to the state board of accounts and the prosecuting attorney.

Indiana Code 5-11-1-27(l) states:

(l) A public officer who has actual knowledge of or reasonable cause to believe that there has been a misappropriation of public funds or assets of the public office, including:

- (1) information obtained as a result of a police report;
- (2) an internal audit finding; or
- (3) another source indicating that a misappropriation has occurred;

shall immediately send written notice of the misappropriation to the state board of accounts and the prosecuting attorney serving in the area governed by the political subdivision.

The State Examiner Directive 2015-6 also addresses this statute.

The policy must also consider Ind. Code § 5-11-1-27(l), which requires public officials who have actual knowledge of or reasonable cause to believe that there has been a misappropriation of public funds to immediately send written notice of the misappropriation to the State Board of Accounts and the prosecuting attorney. There is no materiality threshold applicable to Ind. Code § 5-11-1-27(l). Thus, whenever a political subdivision has actual knowledge or is reasonably certain that a misappropriation of public funds has occurred (regardless of the dollar amount), the political subdivision must send written notice of the misappropriation to the State Board of Accounts and the local prosecuting attorney. Misappropriation occurs when an employee or in-house contractor of the political subdivision wrongly takes or embezzles public funds. When there is a known misappropriation or embezzlement of public funds by an internal actor, materiality is irrelevant. Indiana law requires the political subdivision to report the activity to the State Board of Accounts and the local prosecutor. Ind. Code § 5-11-1-27(l).

We are finding that the requirements of this statute are not being followed consistently. If a public official fails to report the misappropriation of funds or assets in a timely manner, this will result in a finding in the audit report. This may also result in additional audit costs. Also, be aware that reporting the misappropriation to a law enforcement agency does not fulfill the requirements of the statute. Even when you have notified law enforcement officials, you must still notify the board of accounts and the prosecutor. If there are any concerns on the response the board of accounts will take after a report is received or how they will liaison with the law enforcement investigation, you can contact our Director of Special Investigations, Mark Mahon at (317) 232-2513 or mmahon@soba.in.gov.

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NONSESSION SCHOOL ACTIVITIES

The program formerly known as the summer recreation program is now titled Nonsession School Activities. IC 20-30-15-6 states "(a) When public schools are not in session, a governing body may employ personnel to supervise the following: (1) Agricultural education club work. (2) Industrial education club work. (3) Home economics education club work. (4) Music activities. (5) Athletics. (b) Activities described in subsection (a) must be open and free to all individuals of school age residing in the attendance unit of the school corporation that is paying all or part of the cost of the activity."

Our Emphasis IC 20-30-15-7 states "An individual employed under this chapter shall enter into a contract with the governing body for the period of employment. The contract must contain the following terms: (1) The amount of work to be performed. (2) The kind of work to be performed. (3) The length of the period of employment. (4) The rate of compensation agreed on by the employee and the governing body. (5) The total amount to be paid. A contract entered into under this section is not a teaching contract or an extension of a teaching contract. An individual with a teaching contract during periods when school is not in session may not be employed under this chapter for any period included in the teaching contract."

SUMMER SCHOOL RETIREMENT DEDUCTIONS

IC 20-28-6-7 states in part "The supplemental service teacher's contract shall be used when a teacher provides professional service in evening school or summer school employment, except when a teacher or other individual is employed to supervise or conduct noncredit courses or activities." We understand that deductions for teacher retirement must be made from all payments to teachers who are serving on a supplemental service teacher's contract. These deductions shall be reported and paid to the Teacher's Retirement Fund. We suggest any and all questions pertaining to Teacher's Retirement be directed to INPRS.

ANNUAL REPORT OF EXTRA-CURRICULAR TREASURERS

IC 20-41-1-3 states in part "(a) A person who has charge of the collection, custody, and disbursement of funds collected and expended to pay expenses incurred in conducting any athletic, social, or other school function, the cost of which is not paid from public funds, shall: (1) keep an accurate account of all money received and expended, showing the: (A) sources of all receipts; (B) purposes for which the money was expended; and (C) balance on hand; and (2) file a copy of the account with the township trustee, board of school trustees, or board of school commissioners within two (2) weeks after the close of each school year." Forms SA5-1 to SA5-4 inclusive have been prescribed by the State Board of Accounts for compiling the report. The superintendent of the school corporation should see that each extra-curricular treasurer and principal completes and files the report in accordance with the law. We have also developed the ECA Risk Based report in Gateway to be able to produce the SA-5 forms if the information is inputted into the Gateway application.

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SEVERANCE BENEFITS

IC 20-28-9-19 states "(a) If a governing body of a school corporation agrees to a retirement, savings, or severance pay plan with a teacher or with an exclusive representative under IC 20-29, the benefits may be paid to: (1) the teacher who is eligible under a negotiated retirement, savings, or severance pay plan; or (2) in the case of the teacher's death: (A) the teacher's designated beneficiary; or (B) the teacher's estate, if there is no designated beneficiary. Payments may be made in a lump sum or in installments as agreed upon by the parties or to a savings plan established under IC 5-10-1.1-1(2). (b) Notwithstanding IC 6-1.1-20, the payments under this section shall be made from the general fund of the school corporation and may be made for a period exceeding one (1) year." After January 1, 2019, the payments will be made from the Education fund. Therefore, we are of the audit position that severance payments may be paid in installments. We would suggest that you receive guidance from the Internal Revenue Service when considering deferring any payments beyond the current school year. Furthermore, we would still recommend from an accounting simplification position and from the School Corporation's standpoint, that consideration be given to providing a lump sum payment at the end of the last teacher's contract, which could simplify required withholdings for a treasurer by keeping all earnings in the same contract year.

TRAVEL EXPENSE

The statute which deals with the expense of travel for school corporation personnel, both officers and employees, may be found in IC 20-26-5-4, the General School Powers Act. Section (9) states in part . . . " when the governing body by resolution considers a trip by an employee of the school corporation or by a member of the governing body to be in the interest of the school corporation, including attending meetings, conferences, or examining equipment, buildings, and installation in other areas, to permit the employee to be absent in connection with the trip without any loss in pay and to reimburse the employee or the member the employee's or member's reasonable lodging and meal expenses and necessary transportation expenses. (Our Emphasis)

The State Board of Accounts has been advised of occasions where side trips, excursions, cruises, concerts, etc., are scheduled to immediately precede, succeed or coincide with a meeting, conference or trip authorized by the governing board. We advise all school corporation personnel, as public officials, that the expense of such additional travel is not to be considered payable or refundable from public funds and that an audit exception would be necessary in regard to any such expense paid from public funds. The same is true of any travel expense of the spouse or other relative or friend of a public official. Such expense is considered the personal expense of the individual and must be paid from personal funds. Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit.

We are of the audit position, in relation to authorized travel expense for necessary travel within the school corporation, a person may be provided transportation in school corporation owned vehicles. Alternatively, an individual may be authorized to use a personal vehicle and be paid a mileage allowance upon board approval of a mileage claim (Prescribed General Form 101) to list miles traveled at the rate established by the governing board for all school corporation employees.

Authorized expenses should be reimbursed by using Accounts Payable Vouchers, Form 523 and attaching airplane, bus and train tickets, hotel/motel receipts, and other receipts which detail actual cost of meals, etc. All claims, invoices, receipts, accounts payable vouchers, including those presented to the governing body for approval in accordance with IC 5-11-10, should contain adequate detailed documentation.

All claims, invoices, receipts, and accounts payable vouchers regarding reimbursement for meals and expenses for individuals must have specific detailed information of the names of all individuals for whom amounts are claimed, including the nature, name and purpose of the business meeting, to enable the governing body to authorize payment. Payments which do not have proper itemization showing the business nature of the claim, may be the personal obligation of the responsible official, employee or other person for whom the claim is made.

TRANSFER TUITION

IC 20-26-11-6 provides "(a) A school corporation may accept a transferring student without approval of the transferor corporation under section 5 of this chapter. (b) A transfer may not be accepted unless the requesting parents or student pays transfer tuition in an amount determined under the formula established in section 13 of this chapter for the payment of transfer tuition by a transferor school corporation. However, the transferee school may not offset the amounts described in section 13(b) STEP TWO (B) through section 13(b) STEP TWO (D) of this chapter from the amount charged to the requesting parents or student (c) When the transferee school elects to charge tuition to the requesting parents or student, the tuition determined under subsection (b) must be paid by the parents or the student before the end of the school year in installments as determined by the transferee corporation. (d) Failure to pay a tuition installment that is agreed to by the parents or student and the transferee school corporation is a ground for exclusion from school. (e) If the transferee school elects not to charge transfer tuition to the parents or student under this section, the transferee school may not charge transfer tuition or fees to the transferor school." We have prescribed Transfer Tuition Statement, Form 515, revised 2018. The State Board of Accounts is without authority to advise anyone to ignore a statutory provision. Our audit position is a school corporation should complete the Form 515 based on the local circumstances (ie, local expenditures, date of enrollment, revenues received, etc.) of a situation, the end result of which might dictate a refund up to the amount paid by a parent or a request for additional amounts due for transfer tuition.

PAYMENT OF FUNDS DUE DECEASED PERSON

The State Board of Accounts is often asked the correct method of making payment of money due an official, employee, or other person who has passed away. The following procedure is authorized by IC 29-1-8-1. IC 29-1-8-1 states in part: "(a) Forty-five (45) days after the death of a decedent and upon being presented an affidavit that complies with subsection (b), a person:

- (1) indebted to the decedent; or
- (2) having possession of personal property or an instrument evidencing a debt, an obligation, a stock, or a chose in action belonging to the decedent;

shall make payment of the indebtedness or deliver the personal property or the instrument evidencing a debt, an obligation, a stock, or a chose in action to a distributee claiming to be entitled to payment or delivery of property of the decedent as alleged in the affidavit.

(b) The affidavit required by subsection (a) must be an affidavit made by or on behalf of the distributee and must state the following:

- (1) That the value of the gross probate estate, wherever located (less liens and encumbrances), does not exceed fifty thousand dollars (\$50,000).
- (2) That forty-five (45) days have elapsed since the death of the decedent.
- (3) That no application or petition for the appointment of a personal representative is pending or has been granted in any jurisdiction.
- (4) The name and address of each distributee that is entitled to a share of the property and the part of the property to which each distributee is entitled.
- (5) That the affiant has notified each distributee identified in the affidavit of the affiant's intention to present an affidavit under this section.
- (6) That the affiant is entitled to payment or delivery of the property on behalf of each distributee identified in the affidavit.

...(e) For the purposes of subsection (a), an insurance company that, by reason of the death of the decedent, becomes obligated to pay a death benefit to the estate of the decedent is considered a person indebted to the decedent.

(f) For purposes of subsection (a), property in a safe deposit box rented by a decedent from a financial institution organized or reorganized under the law of any state (as defined in [IC 28-2-17-19](#)) or the United States is considered personal property belonging to the decedent in the possession of the financial institution.

(g) For purposes of subsection (a), a distributee has the same rights as a personal representative under [IC 32-39](#) to access a digital asset (as defined in [IC 32-39-1-10](#)) of the decedent."

The affidavit furnished should be similar to the following:

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STATE OF INDIANA)
COUNTY OF _____) SS:

AFFIDAVIT FOR TRANSFER OF ASSETS WITHOUT ADMINISTRATION

_____, being first duly sworn upon _____oath deposes and says:

1. That _____ died on the _____ day of _____, 20 (testate),(intestate) while domiciled in _____ County, Indiana.
2. That no petition for the appointment of a personal representative of his estate is pending or has been granted.
3. That forty-five days have elapsed since the death of said decedent.
4. The value of the gross probate estate less liens and encumbrances thereon does not exceed fifty thousand dollars (\$50,000).
5. That this affiant is entitled to receive without administration the following listed property from the person, firm or corporation listed opposite said property subject to the items and encumbrances thereon.

KIND OF PROPERTY	WHERE LOCATED	VALUE LIEN OR ENCUMBRANCES IF ANY	NAME AND ADDRESS OF PERSON, FIRM OR CORPORATION HOLDING PROPERTY OR DECEDENT
_____	_____	_____	_____
_____	_____	_____	_____

This affidavit is made for the purpose of inducing the above named holders of said decedent's property to turn said property over to this affiant as provided by law.

AFFIANT

ADDRESS

Subscribed and sworn to before me this _____ day of _____, 20 . _____

Notary Public

My Commission Expires: _____

NEW LAWS AFFECTING SCHOOLS

The following is a Digest of some of the laws passed by the 2018 Regular and Special Sessions of the General Assembly affecting Schools. Please note the effective dates. Some of the laws do not pertain directly to Schools but are included for ready reference to the covered subject matter.

The Digest is not intended as an expression of legal interpretation. The Digest is also not intended to be all inclusive. References in the Digest will be to the Indiana Code in the following form (Amends IC 20-26-1-4) (Amends Indiana Code, Title 20, Article 26, Chapter 1, Section 4). The final version of each Public Law can be found on the Indiana General Assembly website (<http://iga.in.gov/>). If you have any questions regarding legal interpretation, please consult your School attorney.

Public Law 140-2018, House Enrolled Act 1167 – Effective Upon Passage and January 1, 2019
School Corporation financial management

Amends IC 6-1.1-19-1; IC 6-1.1-20.3-6; IC 20-23-6-8; IC 20-24.2-4-4; IC 20-26-7-1; IC 20-26-11-13;
IC 20-26-15-5; IC 20-26-15-6; IC 20-26-15-7; IC 20-32-8-4; IC 20-40-2-4; IC 20-40-9-7;
IC 20-40-18-4; IC 20-40-18-6; IC 20-40-18-9; IC 20-41-2-5; IC 20-46-1-19; IC 20-46-7-8;
IC 20-46-8-1; IC 20-46-8-3; IC 20-46-8-4; IC 36-1-8-5.1; IC 36-10-13-5

Repeals IC 20-40-8-1; IC 20-46-4-10; IC 20-46-8-5; IC 20-46-8-6; IC 20-46-8-7; IC 20-46-8-8; IC 36-10-13-4

Permits money in a school corporation's operations fund at the end of a year to be transferred to the school corporation's rainy day fund. Combines various levies into a single operations fund levy beginning in 2019. Changes provisions concerning the education fund and operations fund. Specifies the items to be included in a school corporation's capital projects plan. Changes the reasons for which a school corporation may appeal to increase the school corporation's operations fund levy for transportation purposes. Requires an appeal to increase or a petition to adjust the maximum operations fund levy for a year to be filed before October 20 of the preceding year. Resolves conflicts among various 2017 acts that take effect before the education funding and accounting changes made by HEA 1009-2017. Provides that the governing body of a school corporation may transfer amounts that are levied for the debt service fund to cover unreimbursed costs of certain curricular materials to the curricular materials rental fund, the extracurricular account, or the education fund. Provides that in carrying out a curricular materials rental program, the governing body may control the program through the school corporation's curricular materials rental fund or education fund. Make technical changes

Public Law 15-2018, House Enrolled Act 1001 – Effective Upon Passage
School funding

Adds IC 20-19-3.6

Amends IC 20-43-2-2; IC 20-43-2-3; IC 20-43-2-4; IC 20-43-4-5

Requires the budget agency to transfer from the K-12 state tuition reserve account to the state general fund the amount necessary to cover the K-12 state tuition distribution amount if it exceeds the appropriated amount. Limits the transfer to \$25,000,000 in state fiscal year 2017-2018 and \$75,000,000 for state fiscal year 2018-2019. Requires school corporations to report information about virtual education programs to the department of education. Requires a pupil to be at least five years of age on August 1 of the school year to be included in the ADM count for kindergarten pupils.

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NEW LAWS AFFECTING SCHOOLS (continued)

**Public Law -2018, House Enrolled Act 1315 – Effective Upon Passage; July 1, 2018; and January 1, 2019
School Corporation financial management**

Adds	IC 6-1.1-20.3-16; IC 20-19-7; IC 20-23-18; IC 34-30-2-84.8
Amends	IC 5-14-3.7-3; IC 6-1.1-20.3-2; IC 6-1.1-20.3-5; IC 6-1.1-20.3-6.8; IC 6-1.1-20.3-7.1; IC 6-1.1-20.3-7.5; IC 6-1.1-20.3-8.5; IC 6-1.1-20.3-8.7; IC 6-1.1-20.3-9.9; IC 6-1.1-20.3-13; IC 6-1.1-20.3-15; IC 20-23-12-3; IC 20-23-12-5; IC 20-23-12-6; IC 20-23-12-8; IC 20-23-12-10; IC 20-23-12-11; IC 20-28-7.5-2; IC 20-29-2-6;
Repeals	IC 5-14-3.7-16; IC 6-1.1-20.3-6.9;

Specifies restrictions on school corporations that are designated distressed. Specifies that waivers regarding the allocation of protected taxes apply only to distressed school corporations and not other distressed units. Authorizes the emergency manager of a distressed school corporation to cancel any employee's contract or terminate an employee's employment as part of a reduction in force. Provides that notification for a reduction in force of: (1) certificated employees may be delivered after September 30 and before November 1 of the contract year; and (2) noncertificated employees may be delivered at any time. Specifies that the maximum reduction in force of certificated employees under this provision may not exceed 5% of the full-time equivalency for all employees for the school corporation as of September 1. Requires the emergency manager to provide any certificated employee whose contract is being canceled with notice at least 90 days before the effective date of the cancellation. Permits only the emergency manager to petition the DUAB to terminate a political subdivision's distressed status. Establishes a fiscal and qualitative indicators committee (committee) to make determinations about the fiscal and qualitative factors to be used in analyzing the financial condition of school corporations. Specifies certain factors that may be used. Requires the committee to make determinations about the presentation of the factors to the public and the frequency of updates. Requires the DUAB to present school financial condition information on its Internet web site or the management performance hub Internet web site. Sets minimum standards for presenting the information. Requires the committee to publish before January 1, 2019, the fiscal and qualitative indicators for each school corporation on the DUAB's Internet web site or the management performance hub's Internet web site. Requires the DUAB executive director to present a report to the state budget committee concerning the processes that will be used by the DUAB and the executive director to do the following: (1) Identify school corporations that demonstrate signs of financial distress. (2) Determine when a corrective action plan is necessary for a school corporation. (3) Determine the conditions that must be satisfied before a school corporation will no longer be subject to a corrective action plan and will be considered as financially healthy. Provides that before June 1, 2019, the executive director shall prepare and submit to the DUAB an initial report identifying those school corporations for which a corrective action plan may be appropriate, based on the fiscal and qualitative indicators. Requires the DUAB to consider the report and make a determination concerning which school corporations the executive director shall contact for purposes of conducting an assessment of the school corporation's financial condition. Provides that if the DUAB makes a determination that a corrective action plan is necessary for the school corporation, the DUAB shall notify the governing body and the superintendent of the school corporation that the school corporation must develop and submit a corrective action plan within 90 days. Provides that upon the request of a school corporation that is required to submit a corrective action plan, the executive director and other appropriate state departments and agencies shall assist the school corporation in developing the corrective action plan and provide technical assistance to the school corporation. Specifies that the DUAB shall place the school corporation on a watch list if: (1) the executive director determines that the school corporation is not in compliance with the school corporation's corrective action plan; (2) the executive director notifies the superintendent and governing body of the school corporation that the school corporation is not in compliance with the school corporation's corrective action plan and the school corporation must achieve compliance with the school corporation's corrective action plan within a period specified by the executive director; and (3) the executive director determines that the school corporation has not achieved compliance with the school corporation's corrective action plan within that period. Provides that all reports, correspondence, and other records related to a school corporation's corrective action plan and the placement of a school corporation on the watch list are excepted from public disclosure at the discretion of the DUAB or the school corporation unless and until the school corporation is placed on the watch list and the state budget committee has reviewed the school corporation's placement on the watch list. Amends the definition of "deficit financing" for a budget year to mean, in the case of any distressed school corporation, the Gary Community School Corporation, or the Muncie Community school corporation: (1) actual expenditures; plus (2) additional payments against any outstanding debt obligations; exceeding the employer's current year actual education fund revenue.

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NEW LAWS AFFECTING SCHOOLS (continued)

Public Law -2018, House Enrolled Act 1230 – Effective Upon Passage and July 1, 2018

School safety

Adds IC 5-2-10.1-13; IC 10-21-1-6.5; IC 10-21-1-8; IC 20-19-3-11.5; IC 20-19-3-11.7; IC 20-28-3-7;
 IC 20-34-3-23; IC 20-49-10;
Amends IC 5-2-10.1-11; IC 10-21-1-5; IC 20-33-8-13.5; IC 20-46-7-7; IC 20-49-3-8; IC 22-11-17-2;

Provides that curriculum for the school safety specialist training and certification program must include training in identifying, preventing, and intervening in actions by a person who is present on school property with the intent to harm another person. Provides that a school corporation, a charter school, or a coalition of public schools applying jointly may receive an advance from the common school fund in order to make improvements to school security. Provides that the total amount of advances that the state board may make during the state biennium beginning July 1, 2017, and ending June 30, 2019, may not exceed \$35,000,000. Provides that the state board of finance shall periodically establish the rate or rates of interest payable on advances made as long as the established interest rate or rates are not less than 1% and do not exceed 4%. Provides that the term of the advance may not exceed 10 years after the date of the advance. Provides that the maximum amount of the advance that the state board may approve is the lesser of: (1) \$500,000 for a school corporation or charter school; or (2) the amount needed to cover costs approved by the secured school safety board that are in excess of the amount awarded by the secured school safety board and the amount committed as a match by the school corporation or charter school (or coalition of public schools filing jointly) that applied for the secured school fund matching grant. Provides that a school corporation may levy a property tax for its debt service fund and transfer those revenues to the school corporation's general fund (before January 1, 2019) or education fund (after December 31, 2018). Requires the department of education (department) to maintain a link on the department's Internet web site providing parents and school officials with resources or best practices regarding the prevention and reporting of bullying and cyberbullying. Requires the state board and school corporations to maintain an Internet link to the department's Internet web site on their Internet web sites. Requires certain employees of a school corporation or an accredited nonpublic school to receive at least one hour of inservice training every two years pertaining to the identification and reporting of human trafficking. Provides that a school corporation's disciplinary rules pertaining to bullying must prohibit bullying through the use of data or computer software that is accessed through a computer or through a cellular telephone or other wireless or cellular communications device. (Current law provides that a school corporation's disciplinary rules pertaining to bullying must prohibit bullying through the use of data or computer software that is accessed through a computer.) Requires the department to conduct a statewide needs assessment survey concerning student service providers and how schools are addressing the social and emotional needs of students. Provides that a school that has one or more employees may barricade or block a door for a period not to exceed three minutes in the event of an unplanned fire alarm activation in order for a designated school official to investigate the alarm. Provides that the period may be extended in the event that an active shooter has been verified to be on the school's property. Provides that not later than August 1, 2019, an audit should be conducted for each school corporation that includes a review of each school's safety plan and an onsite review of the school corporation. Provides that the department's division of school building physical security and safety (division) is primarily responsible for overseeing the audits. Provides that the division may request the voluntary assistance of the department of homeland security, the state police department, and any appropriate state or local law enforcement agency necessary to complete the audits. Provides that, with the approval of the governor and the budget agency, the amount appropriated by HEA 1001-2017 for the Indiana safe schools fund for the state fiscal year beginning July 1, 2018, and ending June 30, 2019, may be augmented from the state general fund in an amount specified by the budget agency, but not to exceed \$1,000,000 and the Indiana criminal justice institute shall transfer an amount equal to the amount augmented by the budget agency to the department for the purpose of providing training to school safety specialists and conducting the audits. Provides that, on or before August 1, 2018, the state fire marshal, in consultation with the department, shall send written guidance to each school that has one or more employees that describes how a school may apply current fire safety requirements for an unplanned fire alarm activation in order to provide security to students and school staff in the event of a potential manmade disaster situation. Provides that, with the approval of the governor and the budget agency, the amount appropriated by HEA 1001-2017 for the Indiana secured school fund may be augmented from the state general fund in an amount not to exceed \$5,000,000.

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And Uniform Compliance Guidelines

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NEW LAWS AFFECTING SCHOOLS (continued)

Public Law 125-2018, Senate Enrolled Act 347 – Effective July 1, 2018
Bonding Procedures

Amends IC 5-1-11-1; IC 5-11-1-2; IC 5-11-1-6; IC 14-27-6-40; IC 20-48-1-4; 36-3-5-8; 36-7-18-31;
36-10-3-24; IC 36-10-3-42; IC 36-10-8-16; IC 36-10-9-15; IC 36-10-10-20; IC 36-10-11-21;

Permits the following political subdivisions to sell bonds at a negotiated sale after June 30, 2018, and before July 1, 2021: (1) A consolidated city. (2) A second class city. (3) A school corporation located in a consolidated city or a second class city. (Current law requires a public sale of bonds.) Provides that this change does not apply to refinancing bonds and some revenue bonds that are dedicated to a limited purpose. Makes technical corrections.

Public Law 132-2018, Senate Enrolled Act 172 – Effective Upon Passage
Computer Science

Adds IC 20-20-45; IC 20-30-5-23
Amends IC 20-30-5-7;

Establishes the next level computer science grant program (program) and the next level computer science fund (fund) to award grants, after June 30, 2019, to eligible entities to implement teacher professional development programs for training in teaching computer science. Requires the department of education (department) to: (1) administer the program and fund; and (2) develop, in consultation with the governor's office, guidelines to award grants from the fund to eligible entities. Requires, not later than August 1, 2018, the state superintendent of public instruction to enter into a contract for professional development services. Requires the department to biannually submit a progress report to the governor regarding the: (1) development and administration of the program and fund; and (2) status of public schools in meeting computer science curriculum requirements. Provides that, if the department does not comply with the requirements regarding the program and fund, the state board of education shall assume the department's duties. Requires (beginning July 1, 2021) each public school to offer a computer science course as a one semester elective course in its curriculum at least once each school year to high school students. Requires (beginning July 1, 2021) each public school to include computer science in the public school's science curriculum for students in kindergarten through grade 12.

Additional Public Laws affecting Schools passed during 2018 session:

P.L. 5	SEA 24	Student possession and use of sunscreen
P.L. 19	HEA 1024	Heat preparedness training for coaches
P.L. 42	HEA 1412	Libraries
P.L. 56	SEA 230	Suicide prevention
P.L. 70	SEA 376	Unclaimed property
P.L. 72	HEA 1004	Various state and local government matters
P.L. 83	HEA 1536	Bullying
P.L. 105	SEA 428	Department of child services
P.L. 108	SEA 354	Freeway school corporations and schools
P.L. 117	HEA 1262	Tax refund intercepts for debt owed to local units
P.L. 136	HEA 1031	Cleanup of certain terms in Indiana Code
P.L. 148	HEA 1399	Elementary school teacher content area licenses
P.L. 151	HEA 1421	School discipline
P.L. 154	SEA 65	Instruction on human sexuality
P.L. 167	SEA 303	Various education matters
P.L. 170	SEA 387	Teacher licensing
P.L. 182	HEA 1245	Occupational licensing
P.L. 188	HEA 1323	Motorized equipment vehicle rental excise tax
P.L. 190	HEA 1398	Coalition of school corporations
P.L. 192	HEA 1426	Education matters