

THE SCHOOL ADMINISTRATOR

and Uniform Compliance Guidelines
ISSUED BY STATE BOARD OF ACCOUNTS

Volume 186A

July 2009

NEW LAWS AFFECTING SCHOOL CORPORATIONS

The following is a Digest of some of the laws passed by the 2009 Regular and Special Sessions of the General Assembly affecting school corporations. Please note the effective dates. Some of the laws do not pertain directly to school corporations but are included in the Digest 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 20-20-31-3) (Amends Indiana Code, Title 20, Article 20, Chapter 31, Section 3).

PUBLIC LAW 1 - HOUSE ENROLLED ACT 1198 - EFFECTIVE VARIOUS DATES. TECHNICAL CORRECTIONS. Intended to provide technical corrections to various sections of the Indiana Code.

PUBLIC LAW 4 - HOUSE ENROLLED ACT 1193 - EFFECTIVE JULY 1, 2009. E85 FUELING STATION GRANT PROGRAM. Amends IC 15-11-11-6 to add school corporations to the definition of units.

PUBLIC LAW 9 - HOUSE ENROLLED ACT 1389 - EFFECTIVE JULY 1, 2000. TWENTY-FIRST CENTURY SCHOLARS. Adds IC 20-33-5-15 to provide (a) Each school corporation shall provide each student who applies for free or reduced priced lunches under the national school lunch program with an enrollment form for the twenty-first century scholars program under IC 21-12-6. (b) The department shall provide each school corporation with sufficient application forms under this section. (c) Each school shall give assistance in reading the instructions and completing the enrollment forms for the twenty-first century scholars program.

Public Law 16 - SENATE ENROLLED ACT 346 - Effective JULY 1, 2009. NONCODE STATUTES, FINANCIAL INSTITUTIONS. Amends various sections of the Indiana Code including adding IC 1-1-5-10 to provide the expiration of a statute has the same effect that the repeal of the statute, effective on the date of the expiration of the statute, would have had.

Adds IC 5-13-5-6 to provide in part (b) A financial institution that is a depository for a political subdivision on March 21, 1996, and any successor financial institution continues to be a depository for the political subdivision after March 21, 1996, without reapplying under IC 5-13-10.5 or IC 5-13-8-1, until the earliest of the following occurs: (1) The state board of finance revokes the status of the financial institution as a depository. (2) The financial institution notifies the state board of finance or the local board of finance for the political subdivision that the financial institution is resigning as a depository for the political subdivision. (3) Another law terminates the depository status of the financial institution. A financial institution that qualifies under this subsection as a depository for a political subdivision after March 21, 1996, shall be treated after March 21, 1996, as if the financial institution were designated as a depository under IC 5-13-8. (c) Subject to IC 5-13-8-9, a financial institution that is a depository for the state on March 21, 1996, and any successor financial institution is eligible after March 21, 1996, to become a depository for any political subdivision for which the financial institution is not already a depository without reapplying under IC 5-13-10.5 or IC 5-13-8-1. A financial institution that qualifies under this subsection as a depository for a political subdivision after March 21, 1996, shall be treated after March 21, 1996, as if the financial institution were designated as a depository under IC 5-13-8. (d) The treasurer of state shall add any financial institution that qualifies as a depository for political subdivisions under subsection (b) or (c) to the list of depositories eligible to receive the public funds of political subdivisions under IC 5-13-8-1.

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PUBLIC LAW 20 - HOUSE ENROLLED ACT 1089 - EFFECTIVE JULY 1, 2009. LAW ENFORCEMENT CONTINUING EDUCATION. Amends IC 5-2-8-1 to add (f)(18) to include performing cardiopulmonary resuscitation and the Heimlich maneuver.

PUBLIC LAW 21 - HOUSE ENROLLED ACT 1107 - EFFECTIVE JULY 1, 2009 INTERSTATE COMPACT ON EDUCATIONAL OPPORTUNITY FOR MILITARY CHILDREN. Adds IC 20-38-3 to create the Interstate Compact on Educational Opportunity for Military Children concerning removing barriers for educational success for military children.

PUBLIC LAW 24 - HOUSE ENROLLED ACT 1204 - EFFECTIVE APRIL 20, 2009. CLEAN WATER INDIANA FUND. Amends IC 14-32-8-6 to provide money in the fund at the end of a state fiscal year does not revert to the state general fund or any other fund but remains in the fund to be used for the purposes of the fund.

PUBLIC LAW 26 - HOUSE ENROLLED ACT 1432 - EFFECTIVE APRIL 20, 2009. TIMELY DISTRIBUTIONS FROM COUNTY AUDITORS. Adds IC 6-3.5-1.1-11.5 to provide (a) The county auditor shall timely distribute the part of the certified distribution received under section 10 of this chapter that constitutes property tax replacement credits to each civil taxing unit and school corporation that is a recipient of property tax replacement credits as provided by sections 12, 13, and 14 of this chapter. (b) The county auditor shall timely distribute the part of a certified distribution received under section 10 of this chapter that constitutes certified shares to each civil taxing unit that is a recipient of certified shares as provided by section 15 of this chapter. (c) A distribution is considered to be timely made if the distribution is made not later than ten (10) working days after the date the county treasurer receives the county's certified distribution under section 10 of this chapter.

PUBLIC LAW 31 - SENATE ENROLLED ACT 27 - EFFECTIVE JULY 1, 2009. DAVID C. FORD EDUCATIONAL TECHNOLOGY FUND. Amends IC 20-20-13-0.5 to rename the Educational Technology Fund (Fund 3720), the David C. Ford Educational Technology Fund.

PUBLIC LAW 33 - SENATE ENROLLED ACT 533 - EFFECTIVE JULY, 2009. INDIANA OCCUPATIONAL SAFETY AND HEALTH ACT (IOSHA). Amends and adds to IC 22-8-1.1 concerning potential penalties for IOSHA violations.

PUBLIC LAW 41 - SENATE ENROLLED ACT 263 - EFFECTIVE JULY 1, 2009. SCHOOL COMPENSATION PAYMENT SCHEDULES. Adds IC 20-21-4-4; IC 20-22-4-4; and IC 20-26-5-32.2 to provide (a) Notwithstanding IC 22-2-5-1, a school corporation and: (1) an employee if there is no representative described under subdivision (2) or (3) for that employee; (2) the exclusive representative of its certificated employees with respect to those employees; or (3) a labor organization representing its noncertificated employees with respect to those employees; may agree in writing to a wage payment arrangement. (b) A wage payment arrangement under subsection (a) may provide that compensation earned during a school year may be paid: (1) using equal installments or any other method; and (2) over: (A) all or part of that school year; or (B) any other period that begins not earlier than the first day of that school year and ends not later than thirteen (13) months after the wage payment arrangement period begins. Such an arrangement may provide that compensation earned in a calendar year is paid in the next calendar year, so long as all the compensation is paid within the thirteen (13) month period beginning with the first day of the school year. (c) A wage payment arrangement under subsection (a) must be structured in such a manner so that it is not considered: (1) a nonqualified deferred compensation plan for purposes of Section 409A of the Internal Revenue Code; or (2) deferred compensation for purposes of Section 457(f) of the Internal Revenue Code. (d) Absent an agreement under subsection (a), a school corporation remains subject to

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PUBLIC LAW 41 - SENATE ENROLLED ACT 263 - EFFECTIVE JULY 1, 2009. SCHOOL COMPENSATION PAYMENT SCHEDULES. (Continued)

IC 22-2-5-1. (e) Wage payments required under a wage payment arrangement entered into under subsection (a) are enforceable under IC 22-2-5-2. (f) If an employee leaves employment for any reason, either permanently or temporarily, the amount due the employee under IC 22-2-5-1 and IC 22-2-9-2 is the total amount of wages earned and unpaid. (g) Employment with a school corporation may not be conditioned upon the acceptance of a wage payment arrangement under subsection (a). (h) An employee may revoke a wage payment arrangement under subsection (a) at the beginning of each school year.

PUBLIC LAW 45 - SENATE ENROLLED ACT 356 - EFFECTIVE JULY 1, 2009. MILITARY FAMILY LEAVE. Amends and adds, to IC 22-2-13 concerning military family leave provisions.

PUBLIC LAW 46 - SENATE ENROLLED ACT 437 - EFFECTIVE JULY 1, 2009. INSURANCE COVERAGE FOR CHEMOTHERAPY. Adds to IC 27 concerning insurance coverages regarding chemotherapy.

PUBLIC LAW 48 - SENATE ENROLLED ACT 465 - EFFECTIVE JULY 1, 2009. INDIANA MINIMUM-WAGE LAW. Amends IC 22-2-2-8 to provide in part (c) Every employer subject to the provisions of this chapter or to any rule or order issued under this chapter shall post in a conspicuous place in the area where employees are employed a single page poster providing employees notice of the following information: (1) The current Indiana minimum wage. (2) An employee's basic rights under Indiana's minimum wage law. (3) Contact information to inform an employee how to obtain additional information from or to direct questions or complaints to the Indiana department of labor. We understand the minimum wage increases from \$6.55 to \$7.25 per hour on July 24, 2009.

PUBLIC LAW 59 - SENATE ENROLLED ACT 376 - EFFECTIVE JULY 1, 2009. PARKINSON'S DISEASE DISABILITY. Amends and adds to IC 5-10-15 and IC 36-8, concerning disability related to Parkinson's Disease.

PUBLIC LAW 60 - SENATE ENROLLED ACT 414 - EFFECTIVE VARIOUS DATES. CHARITY GAMING. Amends IC 4-32.2 concerning charity gaming procedures including certain Internal Revenue Service reporting requirements.

PUBLIC LAW 63 - HOUSE ENROLLED ACT 1205 - EFFECTIVE JULY 1, 2009. INJURED VOLUNTEER FIREFIGHTERS. Amends IC 36-8-12-10.5, to provide in part (c) The political subdivision employer may not discipline an employee: . . . (3) for: (A) an injury; or (B) an absence from work because of an injury; that occurs while the employee is engaged in emergency firefighting or other emergency response. However, for each instance of emergency firefighting activity or other emergency response that results in an injury to an employee, subdivision (3) applies only to the period of the employee's absence from work that does not exceed six (6) months from the date of the injury. . . . (e) The political subdivision employer may require an employee who is injured or absent from work as described in subsection (c)(3) to provide evidence from a physician or other medical authority showing: (1) treatment for the injury at the time of the absence; and (2) a connection between the injury and the employee's emergency firefighting or other emergency response activities. (f) To the extent required by federal or state law, information obtained under subsection (e) by a political subdivision employer must be: (1) retained in a separate medical file created for the employee; and (2) treated as a confidential medical record.

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PUBLIC LAW 65 - HOUSE ENROLLED ACT 1343 - EFFECTIVE JULY 1, 2009. DROP OUT PREVENTION. Adds IC 20-20-37 to create the Dropout Prevention Program Fund and grants associated therewith.

PUBLIC LAW 67 - HOUSE ENROLLED ACT 1547 – EFFECTIVE JULY 1, 2009. DIVESTMENT OF PUBLIC PENSION INVESTMENTS. Adds IC 5-10.2-10 concerning Divestment of Public Pension Investments divestment procedures related to states which sponsor terror.

PUBLIC LAW 71 - HOUSE ENROLLED ACT 1033 - EFFECTIVE JULY 1, 2009. ENERGY SAVINGS, DESIGN BUILD. Amends IC 36-1-12-1 to provide in part (e) as an alternative to this chapter, the governing body of a political subdivision or its agencies may do the following: (1) Enter into a design-build contract as permitted under IC 5-30.

Amends IC 36-1-12.5 concerning maximum terms of 20 years for energy savings contracts.

PUBLIC LAW 82 - HOUSE ENROLLED ACT 1200 EFFECTIVE JULY 1, 2009. SCHOOL BUS DRIVER PHYSICALS. Amends IC 20-27-8-4 to provide an individual who is or intends to become a school bus driver must obtain a physical examination certificate stating that the individual possesses the physical characteristics required by section 1(a)(7) of this chapter. The certificate shall be made by a physician who is licensed in Indiana or a state bordering Indiana after the physician has conducted a physical examination of the school bus driver or prospective school bus driver. The physician shall be chosen by the school bus driver or prospective driver, who shall pay for the examination.

PUBLIC LAW 88 - HOUSE ENROLLED ACT 1358 - EFFECTIVE JULY 1, 2009. ELIGIBLE EFFICIENCY PROJECTS. Adds IC 36-9-41-1 to provide this chapter applies to the following: (1) A public work project that will cost the political subdivision not more than two million dollars (\$2,000,000). (2) An eligible efficiency project that will cost not more than three million dollars (\$3,000,000).

Adds IC 36-9-41-1.5 to provide as used in this chapter, "eligible efficiency project" means: (1) a project necessary or useful to carrying out an interlocal cooperation agreement entered into by two (2) or more political subdivisions or governmental entities under IC 36-1-7; or (2) a project necessary or useful to the consolidation of local government services.

Amends IC 36-9-41-3 to provide notwithstanding any other statute, a political subdivision may borrow the money necessary to finance: (1) a public work project; or (2) an eligible efficiency project; from a financial institution in Indiana by executing a negotiable note under section 4 of this chapter. The political subdivision shall provide notice of its determination to issue the note under IC 5-3-1. Money borrowed under this chapter is chargeable against the political subdivision's constitutional debt limitation.

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PUBLIC LAW 99 - HOUSE ENROLLED ACT 1669 – EFFECTIVE JULY 1, 2009. GEOTHERMAL CONVERSION REVOLVING FUND, PUBLIC WORKS, ENERGY SAVINGS. Adds IC 20-20-37.4 to provide in part the geothermal conversion revolving fund is established for the purpose of making loans to school corporations that: (1) install a geothermal heating and cooling system in a new facility; or (2) install a geothermal heating and cooling system that replaces a conventional heating and cooling system. (a) The fund shall be administered by the Indiana bond bank.

Also provides in part in IC 20-20-37.4-8 a school corporation receiving a loan under this chapter shall repay the loan from: (1) the school corporation's general fund; or (2) the school corporation's capital projects fund.

Similar provisions as to Public Law 71, also amends IC 36-1-12-to provide in part: (e) As an alternative to this chapter, the governing body of a political subdivision or its agencies may do the following: (1) Enter into a design-build contract as permitted under IC 5-30.

Also amends various sections of IC 36-1-12.5 to provide maximum terms of twenty (20) years regarding energy savings programs.

PUBLIC LAW 108 - HOUSE ENROLLED ACT 1286 - EFFECTIVE JULY 1, 2009. GAMING MATTERS.

Amends provisions in IC 4 concerning various gaming matters.

PUBLIC LAW 113 - HOUSE ENROLLED ACT 1498 - EFFECTIVE JANUARY 1, 2007 RETROACTIVE. PERF/TRF BENEFITS. Amends IC 5-10.2 including surviving spouse benefits for PERF and TRF.

PUBLIC LAW 115 - HOUSE ENROLLED ACT 1546 – EFFECTIVE JULY 1, 2009 PERF/TRF. Amends various sections of IC 5 concerning PERF/TRF requirements including returned to service dates.

PUBLIC LAW 121 - HOUSE ENROLLED ACT 1462 – EFFECTIVE JULY 1, 2009. EXPANDED CRIMINAL HISTORY CHECKS. Amends IC 20-26-5-10 (b) to provide in part The applicant is responsible for all costs associated with obtaining the expanded criminal history check. An applicant may not be required by a school corporation, charter school, or accredited nonpublic school to obtain an expanded criminal history check more than one (1) time during a five (5) year period.

PUBLIC LAW 141 - HOUSE ENROLLED ACT 1230 - EFFECTIVE JULY 1, 2009. PUBLIC ADVERTISING.

Rates

Amends IC 5-3-1-1 to provide in part (3) after December 31, 2009, a newspaper or qualified publication may, effective January 1 of any year, increase the basic charges by not more than two and three-quarters percent (2.75%) more than the basic charges that were in effect during the previous year. However, the basic charges for the first insertion of a public notice in a newspaper or qualified publication may not exceed the lowest classified advertising rate charged to advertisers by the newspaper or qualified publication for comparable use of the same amount of space for other purposes and must include all multiple insertion discounts extended to the newspaper's other advertisers.

Also amends (c) to provide all public notice advertisements shall be set in solid type that is at least 7 point type, without any leads or other devices for increasing space.

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PUBLIC LAW 141 - HOUSE ENROLLED ACT 1230 - EFFECTIVE JULY 1, 2009. PUBLIC ADVERTISING. (Continued)

Internet Postings

Adds IC 5-3-1-1.5 to provide (a) This section applies after June 30, 2009, to a notice that must be published in accordance with this chapter. (b) If a newspaper maintains an Internet web site, a notice that is published in the newspaper must also be posted on the newspaper's web site. The notice must appear on the web site on the same day the notice appears in the newspaper. (c) The state board of accounts shall develop a standard form for notices posted on a newspaper's Internet web site. (d) A newspaper may not charge a fee for posting a notice on the newspaper's Internet web site under this section.

Postings

Amends IC 5-3-1-2 (k) If any officer charged with the duty of publishing any notice required by law is unable to procure advertisement: (1) at the price fixed by law; (2) because the newspaper refuses to publish the advertisement; or (3) because the newspaper refuses to post the advertisement on the newspaper's Internet web site (if required under section 1.5 of this chapter); it is sufficient for the officer to post printed notices in three (3) prominent places in the political subdivision, instead of publication of the notice in newspapers and on an Internet web site (if required under section 1.5 of this chapter).

Public Notices

Also amends IC 5-3-1-4 to provide in part (c) This subsection applies to notices published by . . . school corporation officers. If there is only one (1) newspaper published in the . . . school corporation, then publication in that newspaper alone is sufficient. If no newspaper is published in the . . . school corporation, then publication shall be made in a newspaper published in the county in which the school corporation is located and that circulates within the . . . school corporation.

PUBLIC LAW 142 - HOUSE ENROLLED ACT 1285 - EFFECTIVE JULY 1, 2009. GAMING MATTERS.

Amends various articles and chapters of IC 4 concerning gaming matters.

Also amends IC 20-47-1-5 to include an agreement to share revenue received by a political subdivision under IC 4-35-8.5.

Also amends IC 36-1-14-1 concerning gaming revenue definitions.

PUBLIC LAW 151 - HOUSE ENROLLED ACT 1554 – EFFECTIVE JULY 1, 2009. ALTERNATIVE FUEL VEHICLE GRANT PROGRAM FOR LOCAL UNITS. Adds IC 4-4-32.3 to provide for possible grants from Indiana Office of Energy Development to local government units that make qualified purchases concerning alternative fuel after June 30, 2009.

PUBLIC LAW 155 - HOUSE ENROLLED ACT 1603 - EFFECTIVE JULY 1, 2009. SERVICE ANIMALS. Adds IC 16-32-3-1.5 concerning service animals. Amends IC 22-9-5-20 to provide in part (f) A covered entity may not interfere, directly or indirectly, with the use of an animal that has been or is being specially trained as a service animal. (g) A covered entity may not refuse to permit an employee with a disability to keep a service animal with the employee at all times in the place of employment.

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PUBLIC LAW 165 - SENATE ENROLLED ACT 536 - EFFECTIVE JULY 1, 2009. PERF/TRF ANNUITY SAVINGS ACCOUNTS. Amends and adds various sections of IC 5-10.2 concerning annuity savings accounts.

Adds IC 5-10.2-2-12.5 to provide in part (a) This section applies to reports, records, and contributions submitted after December 31, 2009, by an employer. . . (c) Except as provided in subsection (e), an employer shall submit through the use of electronic funds transfer: (1) the employer contributions determined under section 11 of this chapter; and (2) contributions paid by or on behalf of a member under IC 5-10.3-7-9 or IC 5-10.4-4-11. (d) Except as provided in subsection (e), an employer shall submit in a uniform format through a secure connection over the Internet or through other electronic means specified by the board the reports and records described in: (1) IC 5-10.3-7-12.5, for the public employees' retirement fund; or (2) IC 5-10.4-7-6, for the Indiana state teachers' retirement fund. Also provides waiver procedures under certain conditions.

PUBLIC LAW 166 - HOUSE ENROLLED ACT 1014 - EFFECTIVE JULY 1, 2000. AGE DISCRIMINATION. Amends IC 22-9-2-4 to provide in part (b) Any provision in any contract, agreement or understanding entered into after September 30, 1979, and before July 1, 2009, which prevents or tends to prevent the employment of any person solely because of the person's age, who has attained the age of forty (40) years and has not attained the age of seventy (70) years is null and void. (c) Any provision in any contract, agreement, or understanding entered into after June 30, 2009, that prevents or tends to prevent the employment of any person who has attained forty (40) years of age and has not attained seventy-five (75) years of age solely because of the person's age is null and void.

PUBLIC LAW 175 - HOUSE ENROLLED ACT 1379 - EFFECTIVE JULY 1, 2009. UNEMPLOYMENT. Amends various provisions within IC 22-4, including IC 22-4-4-2 to provide in part (b) The term "wages" shall not include the following: (1) That part of remuneration which, after remuneration equal to: (A) seven thousand dollars (\$7,000), has been paid in a calendar year to an individual by an employer or the employer's predecessor with respect to employment during any calendar year that begins after December 31, 1982, and before January 1, 2010; or (B) nine thousand five hundred dollars (\$9,500), has been paid in a calendar year to an individual by an employer or the employer's predecessor for employment during a calendar year that begins after December 31, 2009, in certain situations.

PUBLIC LAW 176 - HOUSE ENROLLED ACT 1514 EFFECTIVE JULY 1, 2009. STATE BOARD OF ACCOUNTS AUDITS, BONDS, PUBLIC WORKS.

Bonds

Adds (i) to provide notwithstanding subsection (c), the state board of accounts may fix the amount of the bond for any person who is not described in subsection (h) and is required to file an individual bond at an amount that exceeds fifteen thousand dollars (\$15,000). An increased bond amount may be established under this subsection only if the state examiner issues a report under IC 5-11-5-1 that includes a finding that the person engaged in malfeasance, misfeasance, or nonfeasance that resulted in the misappropriation of, diversion of, or inability to account for public funds.

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PUBLIC LAW 176 - HOUSE ENROLLED ACT 1514 EFFECTIVE JULY 1, 2009. STATE BOARD OF ACCOUNTS AUDITS, BONDS, PUBLIC WORKS. (Continued)

Attorney General

Amends IC 5-11-5-1 and a similar amendment to IC 5-11-6-1 to provide in part (d) If, during an examination under this article, a deputy examiner, field examiner, or private examiner acting as an agent of the state examiner determines that the following conditions are satisfied, the examiner shall report the determination to the state examiner: (1) A substantial amount of public funds has been misappropriated or diverted. (2) The deputy examiner, field examiner, or private examiner acting as an agent of the state examiner has a reasonable belief that the malfeasance or misfeasance that resulted in the misappropriation or diversion of the public funds was committed by the officer or an employee of the office. (e) After receiving a preliminary report under subsection (d), the state examiner may provide a copy of the report to the attorney general. The attorney general may institute and prosecute civil proceedings against the delinquent officer or employee, or upon the officer's or employee's official bond, or both, and against any other proper person that will secure to the state or to the proper municipality the recovery of any funds misappropriated, diverted, or unaccounted for. (f) In an action under subsection (e), the attorney general may attach the defendant's property under IC 34-25-2. (g) A preliminary report under subsection (d) is confidential until the final report under subsection (a) is issued, unless the attorney general institutes an action under subsection (e) on the basis of the preliminary report.

Adds IC 36-1-12-4.9 to provide (a) This section applies to a public work for the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property if the cost of the public work is estimated to be less than one hundred fifty thousand dollars (\$150,000). (b) The board may award a contract for public work described in subsection (a) in the manner provided in IC 5-22.

PUBLIC LAW 178 - HOUSE ENROLLED ACT 1589 - EFFECTIVE JULY 1, 2009. ELECTRONIC WASTE. Adds IC 13-20.5 concerning electronic waste procedures and provides in part any other governmental entity may not require a covered entity to use public facilities to recycle the covered entity's covered electronic devices to the exclusion of other lawful recycling programs available.

HOUSE ENROLLED ACT 1001(SS) - EFFECTIVE JULY 1, 2009 AND VARIOUS DATES.

Funding

Provides for various grants and funding amounts for school operations including full day kindergarten and provides in part "The school corporation or charter school may use any funds otherwise allowable under state and federal law, including the school corporation's general fund, any funds available to the charter school, or voluntary parent fees, to provide full day kindergarten programs."

ARRA

Provides in part (a) As used in this SECTION, "ARRA" refers to the federal American Recovery and Reinvestment Act of 2009. (b) As used in this SECTION, "Title I" refers to Title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.). (c) With respect to ARRA funds that are specifically designated for subgrants to local education agencies based on Title I or incentive grants, the following apply: (1) The governor and the department of education may take any actions necessary to qualify the state for the ARRA funds related to Title I. If permitted by the ARRA, school corporations shall submit plans to the department of education for approval before spending the ARRA funds related to Title I. (2) To the extent it does not conflict with federal law or rules or guidelines that would make Indiana ineligible to receive ARRA funds related to Title I, the ARRA funds must be used to support Title I eligible

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HOUSE ENROLLED ACT 1001(SS) - EFFECTIVE JULY 1, 2009 AND VARIOUS DATES. (Continued)

ARRA (Continued)

students for the following: (A) Repair and rehabilitation of facilities. (B) Upgrading technology or equipment. (C) Training or professional development. (D) Summer school or other remediation programs and purposes for which the expenses are one (1) time in nature and do not increase the base operating expenses of schools to a level that would be difficult to maintain. (d) The department of education shall review the use of all Title I expenditures to ensure the proper use of Title I funds under federal laws and regulations.

(a) As used in this SECTION, "ARRA" refers to the federal American Recovery and Reinvestment Act of 2009. (b) With respect to ARRA funds under Division A, Title VIII of the ARRA for special education, the following apply: (1) The governor and the department of education may take any actions necessary to qualify the state for the ARRA funds under Division A, Title VIII of the ARRA. If permitted by the ARRA, school corporations shall submit plans to the department of education for approval before spending the ARRA funds under Division A, Title VIII of the ARRA. (2) To the extent it does not conflict with federal law or rules or guidelines that would make Indiana ineligible to receive ARRA funds under Division A, Title VIII of the ARRA, the ARRA funds must be used to support special education students for the following: (A) Repair and rehabilitation of facilities.(B) Upgrading technology or equipment, including adaptive technology. (C) Training or professional development. (D) Programs and purposes for which the expenses are one (1) time in nature and do not increase the base operating expenses of school corporations to a level that would be difficult to maintain. (c) The department of education shall review the use of all special education to ensure the proper use of special education funds under federal laws and regulations.

Debt

Amends IC 5-1-14-16 concerning debt to provide in part (E) provide for a repayment schedule that will result in the same or a lower amount of interest being paid on obligations that would be issued using nearly equal payment amounts.

Health Insurance

Amends IC 5-10-8-2.2 to provide in part concerning group health insurance (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.

Adds a similar provision to IC 5-10-8-2.6.

Adds IC 5-10-8-6.7 concerning school corporations participation in the State employee health plans under certain circumstances.

Budgets

(Please see directives from the Department of Local Government Finance).

Amends various sections of IC 6-1.1 concerning dates and deadlines for review and approval of budgets, levies and tax rates. Changes the advertisement deadlines of the first and second publications of budgets, to September 2 and September 9. Last date for budget adoption November 1. Requires tax adjustment boards to meet before November 2 each year. Reduces the notice from 14 days to 10 days for 1782 notices.

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HOUSE ENROLLED ACT 1001(SS) - EFFECTIVE JULY 1, 2009 AND VARIOUS DATES. (Continued)

Budgets (Continued)

Eliminates the school property tax control board.

Amends IC 6-1.1-17 concerning fiscal year budgets after June 30, 2011.

Controlled Projects

Amends IC 6-1.1-20 concerning referenda on debt issues for controlled projects, including IC 6-1.1-20-10 to provide (f) An elected or appointed public official of the political subdivision may personally advocate for or against a position on the petition or remonstrance so long as it is not done by using public funds.

Also adds to IC 6-1.1-20-10.1 (f) to provide an elected or appointed public official of the political subdivision may personally advocate for or against a position on the local public question so long as it is not done by using public funds. (g) A student may use school equipment or facilities to report or editorialize about a local public question as part of the news coverage of the referendum by student newspaper or broadcast.

Late Distributions

Adds IC 6-1.1-27-9 to provide (a) This section applies if: (1) a school corporation did not receive a property tax distribution that was at least the amount of the school corporation's actual general fund property tax levy for a particular year because of property taxes not being paid when due, as determined by the department of local government finance; and (2) delinquent property taxes are paid that are attributable to a year referred to in subdivision (1). (b) The county auditor shall distribute to a school corporation the school corporation's proportionate share of any delinquent property taxes paid that are attributable to a year referred to in subsection (a) in the amount that would have been distributed to the school corporation with respect to the school corporation's general fund. The school corporation shall deposit the distribution in the school corporation's general fund. (c) This section expires January 1, 2015.

Special Education Preschool Fund

Amends IC 6-3.5-1.1-14 removing the Special Education Preschool Fund from consideration of property tax replacement credits.

Reorganization

Adds IC 20-23-6-18 to provide (a) Before January 1, 2011, Prairie Township School Corporation shall reorganize by consolidating with an adjacent school corporation under this chapter. (c) If the governing body of Prairie Township School Corporation does not comply with this section before January 1, 2011, the state board shall, after December 31, 2010, develop a reorganization plan for the school corporation and require the governing body to implement the plan.

Charters

Adds IC 20-24-7-13 concerning "virtual charter schools".

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HOUSE ENROLLED ACT 1001(SS) - EFFECTIVE JULY 1, 2009 AND VARIOUS DATES. (Continued)

Teacher Notifications

Amends IC 20-28-7-9 to provide in part on or before June 1 in an even-numbered year and the later of June 15 or the date a budget act is enacted by the general assembly in an odd-numbered year, the school corporation shall notify the teacher that the governing body will consider nonrenewal of the contract for the next school term.

CPF

Amends IC 20-40-8-19 EFFECTIVE JANUARY 1, 2010, money in the fund may be used to pay for up to one hundred percent (100%) of the following costs of a school corporation: (1) Utility services. (2) Property or casualty insurance. (3) Both utility services and property or casualty insurance. A school corporation's expenditures under this section may not exceed in 2010 and in 2011 three and five-tenths percent (3.5%) of the school corporation's 2005 calendar year distribution.

Scholarship Rules

Adds a noncode section SECTION 487 to provide (a) The department of education and the state department of revenue may adopt temporary rules in the manner provided in IC 4-22-2-37.1 for the adoption of emergency rules to implement IC 20-51, as added by this act. A temporary rule adopted under this SECTION expires on the earliest of the following: (1) The date another temporary rule is adopted under this SECTION that supersedes or repeals the previously adopted temporary rule. (2) The date that a permanent rule adopted under IC 4-22-2 supersedes or repeals a temporary rule adopted under this SECTION. (3) The date specified in the temporary rule. (4) June 30, 2011. (b) This SECTION expires July 1, 2011.

Adds IC 20-46-5-6.1 concerning school bus replacement plans.

Adds IC 20-46-6-8.1 concerning capital projects plans.

Charter – Common School

Adds IC 20-49-7-21 to provide (a) A charter school, including a conversion charter school, that has received an advance for operational costs from the common school fund under this chapter does not have to make principal or interest payments during the state fiscal years beginning: (1) July 1, 2009; and (2) July 1, 2010; notwithstanding contrary terms in the charter school and state board advance agreement. (b) The repayment term of the advance shall be extended by two (2) years to provide for the waiver described in subsection (a) even though it may make the repayment term for the advance longer than twenty (20) years.

School Scholarship Program

Adds IC 20-51 concerning school scholarships.

Public Works borrowing

Amends IC 36-9-41-4 to provide a political subdivision borrowing money under section 3 of this chapter shall execute and deliver to the financial institution the negotiable note of the political subdivision for the sum borrowed. The note must bear interest, with both principal and interest payable in equal or approximately equal installments on January 1 and July 1 each year over a period not exceeding ten (10) years.

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HOUSE ENROLLED ACT 1001(SS) - EFFECTIVE JULY 1, 2009 AND VARIOUS DATES. (Continued)

School Construction And Gaming.

Adds IC 36-4-8-15.5 to provide (a) This section applies to: (1) a city or county in which a riverboat (as defined in IC 4-33-2-17) is docked or located or gambling games (as defined in IC 4-35-2-5) are located; and (2) a school corporation that is located in any part in a county described in subdivision (1) or in a county in which a city described in subdivision (1) is located. (b) A city or county may do any of the following: (1) Enter into one (1) or more agreements or leases with the school corporation or another public or private entity to provide for the construction or renovation of a school building that will be used by the school corporation. The agreements and leases may provide for the financing of the construction or renovation of the school building. (2) A school building constructed or renovated as provided in subdivision (1) may be donated, sold, or leased to the school corporation under the conditions determined by the school corporation and the city or county. (3) The city or county may use any revenues (including any gaming revenues) to pay for the construction or renovation of the school building or to finance the construction or renovation of the school building.