

HOUSE BILL No. 1045

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-20-42.

Synopsis: School efficiency grants. Establishes the school efficiency grant program for the purpose of providing grants to school corporations for costs associated with implementing efficiency and cost effective measures. Establishes the school efficiency grant fund.

Effective: July 1, 2016.

Frye R

January 5, 2016, read first time and referred to Committee on Education.



Second Regular Session of the 119th General Assembly (2016)

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 2015 Regular Session of the General Assembly.

HOUSE BILL No. 1045

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

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

1 SECTION 1. IC 20-20-42 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2016]:

4 **Chapter 42. School Efficiency Grant Program and Fund**
5 **Sec. 1. As used in this chapter, "applicant" means a school**
6 **corporation that applies for a school efficiency grant under this**
7 **chapter.**

8 **Sec. 2. As used in this chapter, "fund" refers to the school**
9 **efficiency grant fund established by section 3 of this chapter.**

10 **Sec. 3. (a) The school efficiency grant fund is established for the**
11 **purpose of providing grants to school corporations for costs**
12 **associated with implementing efficiency and cost effective**
13 **measures.**

14 **(b) The fund consists of:**
15 **(1) appropriations made by the general assembly; and**
16 **(2) gifts, grants, devises, or bequests made to the state to**
17 **achieve the purposes of the fund.**



- 1 (c) The state board shall administer the fund.
- 2 (d) The expenses of administering the fund shall be paid from
3 money in the fund.
- 4 (e) Money in the fund at the end of a state fiscal year does not
5 revert to the state general fund.
- 6 (f) The treasurer of state shall invest the money in the fund not
7 currently needed to meet the obligations of the fund in the same
8 manner as other public funds may be invested.
- 9 **Sec. 4.** The state board shall receive and consider an application
10 from a school corporation for a school efficiency grant under this
11 chapter.
- 12 **Sec. 5.** (a) To qualify for a grant under this chapter, a school
13 corporation must:
- 14 (1) apply for the grant on a form supplied by the state board;
15 (2) submit a plan to the state board that includes:
- 16 (A) information on the efficiency and cost effective
17 measures the school corporation is proposing to
18 implement; and
19 (B) the cost associated with implementing the measures
20 described in clause (A); and
21 (3) meet any other criteria established by the state board.
- 22 (b) Two (2) or more school corporations may apply for a grant
23 together on one (1) application if the plan is proposing to
24 implement efficiency and cost effective measures that would affect
25 the two (2) or more school corporations applying for the grant.
- 26 (c) The state board may require an applicant to include a cost
27 analysis study of the proposed plan.
- 28 (d) The state board shall establish criteria for the:
- 29 (1) selection of plans submitted under subsection (a); and
30 (2) awarding of grants under this chapter.
- 31 **Sec. 6.** In determining whether to award a school efficiency
32 grant to an applicant under this chapter, the state board shall
33 consider whether the plan submitted by the applicant under section
34 5 of this chapter will do one (1) or more of the following:
- 35 (1) Reduce administrative costs by merging or consolidating
36 administrative services within a school corporation or among
37 two (2) or more school corporations.
38 (2) Reduce the duplication of programs or services within a
39 school corporation or among two (2) or more school
40 corporations.
41 (3) Increase cost efficiencies relating to the use of school
42 facilities.



1 **(4) Reduce debt of one (1) or more school corporations.**

2 **(5) Establish any other measure that would significantly**
3 **reduce costs related to the provision of educational services,**
4 **special education services, or any other service provided**
5 **within a school corporation or among two (2) or more school**
6 **corporations.**

7 **Sec. 7. The state board may award a school efficiency grant to**
8 **an applicant that meets the requirements under this chapter.**

9 **Sec. 8. The state board shall establish the terms and conditions**
10 **for awarding a grant to an applicant under this chapter, including**
11 **requirements to ensure that the applicant complies with the grant**
12 **terms and conditions.**

13 **Sec. 9. (a) Subject to subsection (b), the state board shall**
14 **determine the amount of each grant awarded under this chapter.**

15 **(b) The state board shall establish written guidelines for**
16 **determining the amount of a grant awarded to an applicant based**
17 **on the amount of cost savings to the applicant as a result of**
18 **implementing the plan submitted under section 5 of this chapter.**
19 **However, a grant awarded under this chapter for implementation**
20 **of a plan may not exceed five hundred thousand dollars (\$500,000).**

21 **Sec. 10. (a) Except as provided in subsection (b), a school**
22 **corporation that receives a grant under this chapter must use the**
23 **amount of the grant for the costs associated with implementing the**
24 **plan submitted under section 5 of this chapter.**

25 **(b) A school corporation that receives a grant under this chapter**
26 **may use the amount of the grant awarded to pay any costs of**
27 **preparing a cost analysis study associated with a plan submitted**
28 **under section 5 of this chapter.**

29 **Sec. 11. The state board shall establish rules under IC 4-22-2 to**
30 **administer this chapter.**

