

SENATE BILL No. 375

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-20.3-17; IC 20-24-3; IC 20-26-5-40.

Synopsis: Gary Community School Corporation. Provides that the Gary Community School Corporation's school improvement fund may be used for school building construction, including the preservation of historical buildings. Provides that the governing body of a school corporation may enter into a public-private agreement for the construction of new school buildings after review of the agreement by the budget committee. Prohibits an authorizer from granting to an organizer a charter to operate a charter school that is or will be located within the boundaries of the city of Gary.

Effective: Upon passage.

Melton

January 14, 2021, read first time and referred to Committee on Appropriations.



First Regular Session of the 122nd General Assembly (2021)

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 2020 Regular Session of the General Assembly.

SENATE BILL No. 375

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 6-1.1-20.3-17, AS AMENDED BY P.L.154-2020,
2 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 17. (a) If the distressed unit appeal board
4 delays or suspends, for a period determined by the board, any payments
5 on loans or advances from the common school fund under section 6.8
6 of this chapter, the distressed unit appeal board may recommend to the
7 state board of finance that the term of the loans or advances be
8 extended. If the distressed unit appeal board makes a recommendation
9 to extend the term of the loan or advances, the state board of finance
10 may extend the term of the loans or advances for a period of time that
11 is equal to or less than the number of months for which the payments
12 are delayed or suspended.

13 (b) If payments on loans or advances from the common school fund
14 are suspended under section 6.8 of this chapter, the distressed unit
15 appeal board shall require that the school corporation:

- 16 (1) establish a school improvement fund; and
- 17 (2) transfer to the school improvement fund an amount equal to



1 the payments that are delayed or suspended.

2 (c) A school improvement fund established under subsection (b)(1)
3 may be used only for the following purposes:

4 (1) Repair, renovation, or other improvements to school buildings
5 and property being used for education purposes as of July 1, 2020.

6 (2) Demolition of school buildings or other structures on school
7 property in existence as of July 1, 2020.

8 **(3) School building construction, including the preservation of**
9 **historical buildings.**

10 (d) All expenditures from a school improvement fund established
11 under subsection (b)(1) must be approved by the distressed unit appeal
12 board.

13 (e) A school corporation may, on an annual basis, levy a tax in the
14 debt service fund equal to the amount that would have been deducted
15 from the distribution of state tuition support for the payment of loans
16 made under section 6.8 of this chapter during calendar year 2020 if the
17 loans had not been suspended. The amount received from a tax under
18 this subsection must be transferred from the debt service fund to the
19 education fund.

20 (f) With the approval of the distressed unit appeal board, a school
21 corporation may spend other funds of the school corporation for the
22 purposes described in subsection (c) and reimburse the expenditures
23 from a school improvement fund established under subsection (b)(1).

24 (g) This section expires January 1, 2025.

25 SECTION 2. IC 20-24-3-1, AS AMENDED BY P.L.280-2013,
26 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27 UPON PASSAGE]: Sec. 1. **Except as provided in section 1.5 of this**
28 **chapter**, an authorizer may grant a charter to an organizer to operate
29 a charter school under this article.

30 SECTION 3. IC 20-24-3-1.5 IS ADDED TO THE INDIANA CODE
31 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
32 UPON PASSAGE]: **Sec. 1.5. For the purpose of stabilizing student**
33 **enrollment in the Gary Community School Corporation due to a**
34 **decrease in the student population, an authorizer may not grant to**
35 **an organizer a charter to operate a charter school, including a**
36 **conversion charter school, that is or will be located within the**
37 **boundaries of the city of Gary.**

38 SECTION 4. IC 20-26-5-40 IS ADDED TO THE INDIANA CODE
39 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
40 UPON PASSAGE]: **Sec. 40. (a) Subject to subsection (b), the**
41 **governing body of a school corporation may enter into a**
42 **public-private agreement for the construction of new school**



1 **buildings.**
2 **(b) Before the governing body of a school corporation may enter**
3 **into a public-private agreement under this section, the project**
4 **plan, including the:**
5 **(1) terms of the agreement;**
6 **(2) total and annual cost to the school corporation; and**
7 **(3) source of funding for the agreement, which may include**
8 **funds from a school improvement fund established under**
9 **IC 6-1.1-20.3-17;**
10 **must be reviewed by the budget committee.**
11 **SECTION 5. An emergency is declared for this act.**

