



January 31, 2020

SENATE BILL No. 416

DIGEST OF SB 416 (Updated January 30, 2020 11:54 am - DI 120)

Citations Affected: IC 6-1.1; IC 20-26; IC 20-49.

Synopsis: Gary Community School Corporation. Requires that the distressed unit appeal board (DUAB) hold a public hearing on the Gary Community School Corporation's current status as a distressed unit before December 31, 2022. Establishes the distressed political subdivision school improvement fund (fund). Provides that DUAB administers the fund. Provides that the following amount of money withheld from the distribution of state tuition support for common school fund obligations of a school corporation that has been designated a distressed political subdivision must be deposited in the fund: (1) For state fiscal years 2021 through 2023, 100% of the money that the state board of finance withholds from the distribution of state tuition support. (2) For state fiscal years 2024 through 2026, 75% of the money that the state board of finance withholds from the distribution of state tuition support. (3) For state fiscal years 2027 through 2030, 50% of the money that the state board of finance withholds from the distribution of state tuition support. Provides that the deposit of withheld state tuition support amounts into the fund ends July 1, 2030. Requires the state board of finance to extend the term of
(Continued next page)

Effective: July 1, 2020.

Melton

January 14, 2020, read first time and referred to Committee on Appropriations.
January 30, 2020, amended, reported favorably — Do Pass.

SB 416—LS 7061/DI 110



Digest Continued

the common school fund obligations to account for the deposits into the fund. Provides that a school corporation that has been designated as a distressed political subdivision may submit a request to DUAB for money from the fund for projects approved by the DUAB after recommendations from the mayor of the city in which the school corporation is located. 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. Provides that, if the Gary community school corporation sells real property, a building, or other structure owned by the school corporation, the proceeds from the sale must be deposited into the fund.

SB 416—LS 7061/DI 110



January 31, 2020

Second Regular Session of the 121st General Assembly (2020)

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 2019 Regular Session of the General Assembly.

SENATE BILL No. 416

A BILL FOR AN ACT to amend the Indiana Code concerning education and to make an appropriation.

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

- 1 SECTION 1. IC 6-1.1-20.3-6.8, AS AMENDED BY P.L.10-2019,
2 SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2020]: Sec. 6.8. (a) This section applies only to the Gary
4 Community School Corporation.
5 (b) The general assembly finds that the provisions of this section:
6 (1) are necessary to address the unique issues faced by the Gary
7 Community School Corporation; and
8 (2) are not precedent for and may not be appropriate for
9 addressing issues faced by other school corporations.
10 (c) As used in this section, the following definitions apply:
11 (1) "Chief academic officer" means the chief academic officer
12 appointed under subsection (j).
13 (2) "Chief financial officer" means the chief financial officer
14 appointed under subsection (i).
15 (3) "School corporation" refers to the Gary Community School
16 Corporation.
17 (d) The Gary Community School Corporation is designated as a

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1 distressed political subdivision for purposes of this chapter until the
 2 school corporation's designation as a distressed political subdivision is
 3 terminated as provided in section 13(b) of this chapter. This
 4 designation as a distressed political subdivision is effective regardless
 5 of whether the school corporation has submitted a petition requesting
 6 to be designated as a distressed political subdivision. Until the school
 7 corporation's designation as a distressed political subdivision is
 8 terminated as provided in section 13(b) of this chapter, the Gary
 9 Community School Corporation advisory board may not hold a public
 10 meeting more often than once every three (3) months. This limit on the
 11 number of meetings of the advisory board does not apply to the
 12 emergency manager. The emergency manager shall hold a monthly
 13 forum to provide an update on the Gary Community School
 14 Corporation within the school district that is open to the general public.
 15 During the period that the Gary Community School Corporation is
 16 designated as a distressed political subdivision, the advisory board may
 17 vote to:

- 18 (1) fill vacancies;
- 19 (2) select officers; or
- 20 (3) make appointments;

21 of the advisory board, and to present awards, recognition, and
 22 certificates to employees or supporters of the school corporation.

23 (e) Until the school corporation's designation as a distressed
 24 political subdivision is terminated as provided in section 13(b) of this
 25 chapter, the following apply to the emergency manager appointed
 26 under section 7.5 of this chapter for the school corporation:

- 27 (1) The emergency manager has the powers and duties specified
 28 in this chapter.
- 29 (2) The emergency manager shall consider recommendations
 30 from the fiscal management board and the advisory board, but the
 31 emergency manager has full responsibility and authority related
 32 to financial and academic matters of the school corporation, and
 33 the emergency manager may act, as specified in this chapter, on
 34 these financial and academic matters without the approval of the
 35 fiscal management board or the advisory board.
- 36 (3) Notwithstanding section 7.5(d) of this chapter, the distressed
 37 unit appeal board shall:
 - 38 (A) determine the compensation of the emergency manager,
 39 chief financial officer, and chief academic officer; and
 - 40 (B) subject to subsections (i) and (j), pay the emergency
 41 manager's, chief financial officer's, and chief academic
 42 officer's compensation and reimburse the emergency manager,



- 1 chief financial officer, and chief academic officer for actual
 2 and necessary expenses from funds appropriated to the
 3 distressed unit appeal board.
- 4 (4) Before appointing the emergency manager, the distressed unit
 5 appeal board shall interview at least one (1) resident of the city of
 6 Gary as a candidate for the position. If the distressed unit appeal
 7 board is not able to interview a resident of the city of Gary as a
 8 candidate for the position, the distressed unit appeal board shall
 9 interview at least one (1) individual who is a resident of Lake
 10 County or northwest Indiana as a candidate for the position.
- 11 The appointment of the emergency manager for the school corporation
 12 is terminated on the date the school corporation's designation as a
 13 distressed political subdivision is terminated as provided in section
 14 13(b) of this chapter.
- 15 (f) In addition to any other actions that the distressed unit appeal
 16 board may take under this chapter concerning a distressed political
 17 subdivision, for a distressed school corporation, the distressed unit
 18 appeal board may also do any of the following:
- 19 (1) The distressed unit appeal board may delay or suspend, for a
 20 period determined by the board, any payments of principal or
 21 interest, or both, that would otherwise be due from the school
 22 corporation on loans or advances from the common school fund.
- 23 (2) The distressed unit appeal board may recommend to the state
 24 board of finance that the state board of finance make an interest
 25 free loan to the school corporation from the common school fund.
 26 The distressed unit appeal board shall determine the payment
 27 schedule and the commencement date for the loan. If the
 28 distressed unit appeal board makes a recommendation that such
 29 a loan be made, the state board of finance may, notwithstanding
 30 IC 20-49, make such a loan for a term of not more than ten (10)
 31 years. **However, the state board of finance shall extend the
 32 term of a loan made under this subdivision to account for
 33 amounts of the school corporation's withheld state tuition
 34 support that are deposited in the school improvement fund
 35 under IC 20-49-11-5(b)(1) for the school corporation.**
- 36 (3) The distressed unit appeal board may establish benchmarks of
 37 financial improvement for the school corporation.
- 38 (4) The distressed unit appeal board may provide a grant or grants
 39 to the school corporation from funds appropriated to the
 40 distressed unit appeal board, in amounts determined by the
 41 distressed unit appeal board, to assist the school corporation in
 42 overcoming short term financial problems.



- 1 (5) The distressed unit appeal board may make a recommendation
 2 to the general assembly concerning the possible restructuring of
 3 advances made to the school corporation from the common school
 4 fund, including forgiveness of principal and interest on those
 5 advances.
- 6 (g) The fiscal management board is established. The fiscal
 7 management board consists of the following members:
- 8 (1) One (1) member appointed by the advisory board.
 9 (2) One (1) member appointed by the mayor of the city of Gary.
 10 (3) One (1) member, who must have experience working with or
 11 for an urban school corporation, appointed by the superintendent
 12 of public instruction.
 13 (4) One (1) member, who must have experience working with or
 14 for an urban school corporation, appointed by the state board of
 15 education.
- 16 (h) The following apply to the fiscal management board and to the
 17 members of the fiscal management board:
- 18 (1) The term of office of a member of the fiscal management
 19 board is four (4) years, beginning on the date of appointment. A
 20 member of the fiscal management board may be reappointed to
 21 the fiscal management board. A member of the fiscal
 22 management board may be removed for cause by the appointing
 23 authority.
- 24 (2) A member of the fiscal management board must have the
 25 following:
- 26 (A) At least three (3) years experience in financial
 27 management.
 28 (B) A meaningful background and work experience in finance
 29 and business.
 30 (C) An understanding of government contracts.
 31 (D) Knowledge and experience in organizational effectiveness,
 32 operations management, and implementing best practices.
 33 (E) Experience in budget development and oversight.
 34 (F) A demonstrated commitment to high professional and
 35 ethical standards and a diverse workplace.
 36 (G) An understanding of tax and other compliance
 37 implications.
- 38 (3) A member of the advisory board may not serve as a member
 39 of the fiscal management board.
- 40 (4) The fiscal management board:
 41 (A) shall make recommendations to the emergency manager;
 42 and



- 1 (B) shall advise the emergency manager as requested by the
 2 emergency manager.
- 3 (5) The members of the fiscal management board are not entitled
 4 to any compensation for their service on the fiscal management
 5 board.
- 6 (6) The fiscal management board is abolished, and the terms of
 7 the members of the fiscal management board are terminated, on
 8 the date the school corporation's designation as a distressed
 9 political subdivision is terminated as provided in section 13(b) of
 10 this chapter.
- 11 (7) Under the supervision of the emergency manager, the fiscal
 12 management board shall serve as a liaison to and shall work
 13 jointly with the distressed unit appeal board, the mayor of the city
 14 of Gary, and the department of education to develop a transition
 15 plan to address issues or questions related to:
- 16 (A) the designation of the school corporation as a distressed
 17 political subdivision and the transfer of powers and duties to
 18 the emergency manager under this chapter; and
- 19 (B) the potential impact of the transition on the community
 20 and the school corporation.
- 21 (8) Under the supervision of the emergency manager, the fiscal
 22 management board shall work jointly with the distressed unit
 23 appeal board, the mayor of the city of Gary, and the department
 24 of education to provide information on a regular basis to parents,
 25 students, employees of the school corporation, and the public on
 26 the status of the transition.
- 27 (i) The emergency manager shall employ a chief financial officer for
 28 the school corporation. The chief financial officer is an employee of the
 29 school corporation. The chief financial officer shall report to the
 30 emergency manager and shall assist the emergency manager appointed
 31 for the school corporation and the fiscal management board in carrying
 32 out the day to day financial operations of the school corporation. Before
 33 July 1, 2019, the compensation of the chief financial officer shall be
 34 determined by the distressed unit appeal board. Before July 1, 2019, the
 35 compensation of the chief financial officer shall be paid from the funds
 36 appropriated to the distressed unit appeal board. After June 30, 2019,
 37 the compensation of the chief financial officer shall be determined by
 38 and paid by the school corporation. The chief financial officer:
- 39 (1) must possess, through both education and experience, an
 40 understanding of finance and financial management; and
- 41 (2) must possess any other experience and must meet any other
 42 requirements as required by the distressed unit appeal board to



- 1 ensure that the chief financial officer is qualified to carry out the
 2 financial restructuring of the school corporation.
 3 Before employing a chief financial officer under this subsection, the
 4 emergency manager shall interview at least one (1) resident of the city
 5 of Gary as a candidate for the position. If the emergency manager is not
 6 able to interview a resident of the city of Gary as a candidate for the
 7 position, the emergency manager shall interview at least one (1)
 8 individual who is a resident of Lake County or northwest Indiana as a
 9 candidate for the position.
- 10 (j) The emergency manager shall employ a chief academic officer
 11 for the school corporation, after consultation with the department of
 12 education, who must have experience working with or for an urban
 13 school corporation. The chief academic officer is an employee of the
 14 school corporation. The chief academic officer shall report to the
 15 emergency manager and shall assist the emergency manager appointed
 16 for the school corporation and the fiscal management board in carrying
 17 out the academic matters of the school corporation. Before July 1,
 18 2019, the compensation of the chief academic officer shall be
 19 determined by the distressed unit appeal board. Before July 1, 2019, the
 20 compensation of the chief academic officer shall be paid from the funds
 21 appropriated to the distressed unit appeal board. After June 30, 2019,
 22 the compensation of the chief academic officer shall be determined by
 23 and paid by the school corporation. The chief academic officer must:
- 24 (1) hold a valid license to teach in a public school under
 - 25 IC 20-28-5;
 - 26 (2) possess, through both education and experience, an
 - 27 understanding of curriculum and academics; and
 - 28 (3) possess any other experience and meet any other requirements
 - 29 as required by the distressed unit appeal board to ensure that the
 - 30 chief academic officer is qualified to carry out the academic goals
 - 31 of the school corporation.
- 32 Before employing a chief academic officer under this subsection, the
 33 emergency manager shall interview at least one (1) resident of the city
 34 of Gary as a candidate for the position. If the emergency manager is not
 35 able to interview a resident of the city of Gary as a candidate for the
 36 position, the emergency manager shall interview at least one (1)
 37 individual who is a resident of Lake County or northwest Indiana as a
 38 candidate for the position.
- 39 (k) The chief financial officer and chief academic officer shall assist
 40 the emergency manager in carrying out the emergency manager's duties
 41 under this chapter.
- 42 (l) The annual budget adopted by the emergency manager for the



1 school corporation must dedicate a significant part of the school
2 corporation's budget to eliminating the school corporation's outstanding
3 financial obligations. The emergency manager shall attempt to
4 negotiate with the creditors of the school corporation to establish a plan
5 specifying the schedule for paying each creditor. The emergency
6 manager shall submit the plan to the distressed unit appeal board for
7 approval. The distressed unit appeal board must:

- 8 (1) review the plan submitted by the emergency manager; and
9 (2) not later than sixty (60) days after the plan is submitted,
10 either:

11 (A) approve the plan as submitted by the emergency manager;
12 or

13 (B) modify the plan as submitted by the emergency manager
14 and then approve the modified plan.

15 (m) The emergency manager shall consider any recommendations
16 from the fiscal management board, the advisory board, and the mayor
17 of the city of Gary in developing the school corporation's annual
18 budget. The distressed unit appeal board must review and approve the
19 school corporation's annual budget that is proposed by the emergency
20 manager. When the emergency manager submits the school
21 corporation's proposed annual budget to the distressed unit appeal
22 board, the emergency manager shall provide copies of the proposed
23 annual budget to the fiscal management board and the advisory board.

24 (n) After considering any recommendations from the fiscal
25 management board, the advisory board, and the mayor of the city of
26 Gary, the emergency manager shall do the following:

27 (1) Conduct a financial and compliance audit of the operations of
28 the school corporation.

29 (2) Develop a written financial plan for the school corporation.

30 The object of the plan must be to achieve financial stability for
31 the school corporation, and the plan must include provisions for
32 paying all of the school corporation's outstanding obligations and
33 for paying all future obligations of the school corporation
34 (including any federal, state, or local taxes or assessments) in a
35 timely manner.

36 (o) In addition to the report required by section 8.5(c)(5) of this
37 chapter, the emergency manager, the chief financial officer, and the
38 chief academic officer shall report quarterly to the distressed unit
39 appeal board in a format specified by the distressed unit appeal board.
40 The report must include:

- 41 (1) information concerning the actions that the school corporation
42 is taking to improve the financial condition of the school



- 1 corporation; and
 2 (2) any other information required by the distressed unit appeal
 3 board.
 4 The emergency manager shall report more frequently than quarterly if
 5 requested by the distressed unit appeal board. The emergency manager
 6 shall provide copies of the report to the fiscal management board, the
 7 advisory board, and the mayor of the city of Gary. The emergency
 8 manager shall present each report at a public meeting of the fiscal
 9 management board.
 10 (p) The school corporation shall do the following:
 11 (1) Publish a copy of each report under subsection (o) on the
 12 school corporation's Internet web site, along with a link to the
 13 main page of the Indiana transparency Internet web site
 14 established under IC 5-14-3.7 to provide access to financial data
 15 for local schools.
 16 (2) Make copies of each report available free of charge to the
 17 public upon request.
 18 (3) Provide copies of each report to the mayor of the city of Gary.
 19 The mayor shall make copies of the reports available free of
 20 charge to the public upon request.
 21 (q) The chief academic officer shall develop an education plan to
 22 provide academic services to students in the school corporation and to
 23 achieve academic progress. The education plan must include at least
 24 the following components:
 25 (1) An academic program designed to meet Indiana's academic
 26 standards and to assist students in meeting those academic
 27 standards.
 28 (2) A plan to improve the academic performance of all students,
 29 including improvement in the performance of students on
 30 standardized tests.
 31 (3) A plan to engage parents in school performance and school
 32 activities, including regular meetings at each school involving
 33 administrators, teachers, parents, and interested members of the
 34 community.
 35 (4) A plan to implement performance standards that will attract
 36 students and families to the school corporation.
 37 (5) A plan specifying how the school corporation will work
 38 directly with the city of Gary:
 39 (A) to make the schools a successful component of life within
 40 the city; and
 41 (B) to develop a sense of pride and progress in the operations
 42 and accomplishments of the school corporation.



1 The chief financial officer and the chief academic officer shall submit
 2 a report to the advisory board each quarter. The chief financial officer
 3 and chief academic officer shall meet at least quarterly with the
 4 executive committee of the bargaining unit to inform the executive
 5 committee of the academic progress of the school corporation.

6 SECTION 2. IC 6-1.1-20.3-13, AS AMENDED BY
 7 P.L.213-2018(ss), SECTION 12, IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 13. (a) If an emergency
 9 manager of a distressed political subdivision files a petition with the
 10 board for termination of the political subdivision's status as a distressed
 11 political subdivision, the board shall conduct a public hearing on the
 12 question of whether to terminate the political subdivision's status as a
 13 distressed political subdivision.

14 (b) In the case of a political subdivision designated as distressed
 15 under this chapter, the board shall terminate the political subdivision's
 16 status as a distressed political subdivision if the board finds that the
 17 conditions found in section 6.5 of this chapter are no longer applicable
 18 to the political subdivision and all the following conditions are met:

19 (1) The political subdivision has achieved and maintained
 20 financial solvency for a period of at least two (2) years, including
 21 the following:

22 (A) Maintaining a structurally balanced budget for at least two
 23 (2) years.

24 (B) Having no unpaid or past due critical contractual financial
 25 obligations or vendor payments.

26 (2) The political subdivision has a fiscal plan that maintains
 27 financial solvency for a period of at least five (5) years after the
 28 termination of its distressed status.

29 (3) The political subdivision meets all other conditions identified
 30 by the board.

31 (4) The board determines that the political subdivision is
 32 financially stable.

33 (c) Notwithstanding subsection (b), in the case of a township
 34 designated as distressed under section 6.7 of this chapter, the board
 35 shall terminate the township's status as a distressed political
 36 subdivision if the board finds that the township's township assistance
 37 property tax rate (as defined in section 6.7(a) of this chapter) for the
 38 current calendar year is not more than the result of:

39 (1) the statewide average township assistance property tax rate (as
 40 determined by the department of local government finance) for
 41 property taxes first due and payable in the preceding year;
 42 multiplied by



1 (2) twelve (12).
 2 (d) Notwithstanding any other section of this chapter, not later than
 3 ninety (90) days after taking office, a new executive of a distressed
 4 political subdivision may petition the board for suspension of the
 5 political subdivision's distressed status. In the case of a political
 6 subdivision designated as distressed under section 6.5 of this chapter,
 7 the executive must include in its petition a written plan to resolve the
 8 applicable issues described in section 6.5 of this chapter. In the case of
 9 a township designated as distressed under section 6.7 of this chapter,
 10 the executive must include in its petition a written plan to lower the
 11 township's township assistance property tax rate (as defined in section
 12 6.7(a) of this chapter). If the board approves the executive's written
 13 plan, the board may suspend the political subdivision's distressed status
 14 for one hundred eighty (180) days. Suspension under this chapter
 15 terminates automatically upon expiration of the one hundred eighty
 16 (180) day period. The board may consider a petition to terminate the
 17 political subdivision's distressed status during a period of suspension.

18 (e) **The board shall conduct a public hearing on the current**
 19 **status of the Gary Community School Corporation's status as a**
 20 **distressed unit before December 31, 2022. The board shall seek**
 21 **community input at the public hearing. The public hearing shall be**
 22 **conducted at a location that is within the boundaries of the Gary**
 23 **Community School Corporation.**

24 SECTION 3. IC 20-26-5-40 IS ADDED TO THE INDIANA CODE
 25 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 26 1, 2020]: **Sec. 40. (a) Subject to subsection (b), the governing body**
 27 **of a school corporation may enter into a public-private agreement**
 28 **for the construction of new school buildings.**

29 (b) **Before the governing body of a school corporation may enter**
 30 **into a public-private agreement under this section, the project**
 31 **plan, including the:**

- 32 (1) **terms of the agreement;**
 - 33 (2) **total and annual cost to the school corporation; and**
 - 34 (3) **source of funding for the agreement, which may include**
 35 **revenue from a controlled projects referendum under**
 36 **IC 6-1.1-20-3.6;**
- 37 **must be reviewed by the budget committee.**

38 SECTION 4. IC 20-49-11 IS ADDED TO THE INDIANA CODE
 39 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2020]:

41 **Chapter 11. Distressed Political Subdivision School**
 42 **Improvement Fund**



1 **Sec. 1. (a) This chapter applies only to a school corporation that**
2 **has been designated as a distressed political subdivision under**
3 **IC 6-1.1-20.3.**

4 **Sec. 2. As used in this chapter, "common school fund" refers to**
5 **the common school fund in the custody of the treasurer of state.**

6 **Sec. 3. As used in this chapter, "school corporation" refers to a**
7 **school corporation that has been designated as a distressed**
8 **political subdivision under IC 6-1.1-20.3.**

9 **Sec. 4. As used in this chapter, "school improvement fund"**
10 **means the distressed political subdivision school improvement fund**
11 **established by section 5 of this chapter.**

12 **Sec. 5. (a) The distressed political subdivision school**
13 **improvement fund is established to provide, upon approval by the**
14 **distressed unit appeal board, funds to a school corporation for any**
15 **of the following purposes:**

16 **(1) The demolition of school buildings or other structures on**
17 **school property that exist as of July 1, 2020.**

18 **(2) The remodeling, repairing, or rehabilitation of school**
19 **buildings that exist as of July 1, 2020.**

20 **(b) The school improvement fund consists of the following:**

21 **(1) Amounts deducted from a school corporation's state**
22 **tuition support by the state board of finance as provided**
23 **under section 6 of this chapter.**

24 **(2) Amounts submitted from the sale of any real property, a**
25 **building, or other structure owned by the Gary Community**
26 **School Corporation as provided under section 9 of this**
27 **chapter.**

28 **(c) The distressed unit appeal board shall establish a separate**
29 **account within the fund for each school corporation and deposit in**
30 **each school corporation's account the school corporation's**
31 **amounts described in subsection (b).**

32 **(d) The treasurer of state shall invest the money in the school**
33 **improvement fund not currently needed to meet the obligations of**
34 **the school improvement fund in the same manner as other public**
35 **funds may be invested.**

36 **(e) The distressed unit appeal board shall administer the school**
37 **improvement fund and each account within the fund.**

38 **(f) Money in the school improvement fund and each account**
39 **within the fund is continuously appropriated to carry out the**
40 **purposes of the school improvement fund.**

41 **(g) Money in the school improvement fund at the end of a state**
42 **fiscal year does not revert to the state general fund but remains**



1 available to be used for the purposes of this chapter.

2 **Sec. 6. (a) Beginning July 1, 2020, the state board of finance**
 3 **shall continue to reduce each distribution of state tuition support**
 4 **to a school corporation that has its distribution of state tuition**
 5 **support reduced due to outstanding advances or loans from the**
 6 **common school fund under IC 20-49-4 and IC 6-1.1-20.3 in the**
 7 **amount:**

8 (1) that was agreed upon by the state and the school
 9 corporation; and

10 (2) based on the number or amount of loans from the common
 11 school fund that are outstanding.

12 (b) The following amount of the money that the state board of
 13 finance withholds from the distribution of state tuition support
 14 under this section must be deposited in the school improvement
 15 fund:

16 (1) For each state fiscal year beginning after June 30, 2020,
 17 and ending before July 1, 2023, an amount equal to one
 18 hundred percent (100%) of the money that the state board of
 19 finance withholds from the distribution of state tuition
 20 support under this section for the state fiscal year.

21 (2) For each state fiscal year beginning after June 30, 2023,
 22 and ending before July 1, 2026, an amount equal to
 23 seventy-five percent (75%) of the money that the state board
 24 of finance withholds from the distribution of state tuition
 25 support under this section for the state fiscal year.

26 (3) For each state fiscal year beginning after June 30, 2026,
 27 and ending before July 1, 2030, an amount equal to fifty
 28 percent (50%) of the money that the state board of finance
 29 withholds from the distribution of state tuition support under
 30 this section for the state fiscal year.

31 (c) This section expires July 1, 2030.

32 **Sec. 7. (a) A school corporation may not submit to the distressed**
 33 **unit appeal board a request for money from the school**
 34 **improvement fund unless:**

35 (1) the mayor of the city in which the school corporation is
 36 located has made recommendations concerning:

37 (A) the demolition of a school building or structure
 38 described in section 5(a)(1) of this chapter;

39 (B) the remodel, repair, or other improvement of a school
 40 building described in section 5(a)(2) of this chapter; or

41 (C) a combination of actions under clauses (A) through
 42 (B); and



- 1 (2) the mayor of the city in which the school corporation is
 2 located submits the recommendations under subdivision (1)
 3 concerning a project plan to the distressed unit appeal board.
- 4 (b) If the distressed unit appeal board receives
 5 recommendations for a project plan submitted under subsection (a)
 6 and approves a project plan, the school corporation may submit to
 7 the distressed unit appeal board a request for money from the
 8 school improvement fund on a form prescribed by the distressed
 9 unit appeal board.
- 10 (c) The request under subsection (b) must include the following:
- 11 (1) A copy of the applicable plan approved under subsection
 12 (b).
- 13 (2) The amount of money the school corporation is requesting.
- 14 (3) The specific project for which the school corporation
 15 intends to use the money.
- 16 (4) A description of how the requested project aligns with the
 17 project plan approved by the distressed unit appeal board
 18 under subsection (b).
- 19 (5) Any other information required by the distressed unit
 20 appeal board.
- 21 (d) The distressed unit appeal board may approve a request
 22 under this section only if the purpose for which the school
 23 corporation intends to use the money is included in the applicable
 24 project plan approved under subsection (b). The distressed unit
 25 appeal board may deny a request under this section.
- 26 Sec. 8. If the distressed unit appeal board approves a request
 27 under section 7 of this chapter, the distressed unit appeal board
 28 shall make payments from the school improvement fund for the
 29 purposes under section 5(a) of this chapter, as approved by the
 30 distressed unit appeal board.
- 31 Sec. 9. If the Gary Community School Corporation sells real
 32 property, a building, or other structure owned by the Gary
 33 Community School Corporation, the net proceeds from the sale
 34 must be submitted to the distressed unit appeal board for deposit
 35 into the school improvement fund.
- 36 Sec. 10. The withholding and deposit of state tuition support
 37 amounts of a school corporation in the school improvement fund
 38 under this chapter shall not prohibit or otherwise limit the
 39 authority of a school corporation to levy a property tax under
 40 IC 20-49-4-21.



COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 416, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-20.3-6.8, AS AMENDED BY P.L.10-2019, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 6.8. (a) This section applies only to the Gary Community School Corporation.

(b) The general assembly finds that the provisions of this section:

- (1) are necessary to address the unique issues faced by the Gary Community School Corporation; and
- (2) are not precedent for and may not be appropriate for addressing issues faced by other school corporations.

(c) As used in this section, the following definitions apply:

- (1) "Chief academic officer" means the chief academic officer appointed under subsection (j).
- (2) "Chief financial officer" means the chief financial officer appointed under subsection (i).
- (3) "School corporation" refers to the Gary Community School Corporation.

(d) The Gary Community School Corporation is designated as a distressed political subdivision for purposes of this chapter until the school corporation's designation as a distressed political subdivision is terminated as provided in section 13(b) of this chapter. This designation as a distressed political subdivision is effective regardless of whether the school corporation has submitted a petition requesting to be designated as a distressed political subdivision. Until the school corporation's designation as a distressed political subdivision is terminated as provided in section 13(b) of this chapter, the Gary Community School Corporation advisory board may not hold a public meeting more often than once every three (3) months. This limit on the number of meetings of the advisory board does not apply to the emergency manager. The emergency manager shall hold a monthly forum to provide an update on the Gary Community School Corporation within the school district that is open to the general public. During the period that the Gary Community School Corporation is designated as a distressed political subdivision, the advisory board may vote to:

- (1) fill vacancies;

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(2) select officers; or
 (3) make appointments;
 of the advisory board, and to present awards, recognition, and certificates to employees or supporters of the school corporation.

(e) Until the school corporation's designation as a distressed political subdivision is terminated as provided in section 13(b) of this chapter, the following apply to the emergency manager appointed under section 7.5 of this chapter for the school corporation:

(1) The emergency manager has the powers and duties specified in this chapter.

(2) The emergency manager shall consider recommendations from the fiscal management board and the advisory board, but the emergency manager has full responsibility and authority related to financial and academic matters of the school corporation, and the emergency manager may act, as specified in this chapter, on these financial and academic matters without the approval of the fiscal management board or the advisory board.

(3) Notwithstanding section 7.5(d) of this chapter, the distressed unit appeal board shall:

(A) determine the compensation of the emergency manager, chief financial officer, and chief academic officer; and

(B) subject to subsections (i) and (j), pay the emergency manager's, chief financial officer's, and chief academic officer's compensation and reimburse the emergency manager, chief financial officer, and chief academic officer for actual and necessary expenses from funds appropriated to the distressed unit appeal board.

(4) Before appointing the emergency manager, the distressed unit appeal board shall interview at least one (1) resident of the city of Gary as a candidate for the position. If the distressed unit appeal board is not able to interview a resident of the city of Gary as a candidate for the position, the distressed unit appeal board shall interview at least one (1) individual who is a resident of Lake County or northwest Indiana as a candidate for the position.

The appointment of the emergency manager for the school corporation is terminated on the date the school corporation's designation as a distressed political subdivision is terminated as provided in section 13(b) of this chapter.

(f) In addition to any other actions that the distressed unit appeal board may take under this chapter concerning a distressed political subdivision, for a distressed school corporation, the distressed unit appeal board may also do any of the following:



(1) The distressed unit appeal board may delay or suspend, for a period determined by the board, any payments of principal or interest, or both, that would otherwise be due from the school corporation on loans or advances from the common school fund.

(2) The distressed unit appeal board may recommend to the state board of finance that the state board of finance make an interest free loan to the school corporation from the common school fund. The distressed unit appeal board shall determine the payment schedule and the commencement date for the loan. If the distressed unit appeal board makes a recommendation that such a loan be made, the state board of finance may, notwithstanding IC 20-49, make such a loan for a term of not more than ten (10) years. **However, the state board of finance shall extend the term of a loan made under this subdivision to account for amounts of the school corporation's withheld state tuition support that are deposited in the school improvement fund under IC 20-49-11-5(b)(1) for the school corporation.**

(3) The distressed unit appeal board may establish benchmarks of financial improvement for the school corporation.

(4) The distressed unit appeal board may provide a grant or grants to the school corporation from funds appropriated to the distressed unit appeal board, in amounts determined by the distressed unit appeal board, to assist the school corporation in overcoming short term financial problems.

(5) The distressed unit appeal board may make a recommendation to the general assembly concerning the possible restructuring of advances made to the school corporation from the common school fund, including forgiveness of principal and interest on those advances.

(g) The fiscal management board is established. The fiscal management board consists of the following members:

(1) One (1) member appointed by the advisory board.

(2) One (1) member appointed by the mayor of the city of Gary.

(3) One (1) member, who must have experience working with or for an urban school corporation, appointed by the superintendent of public instruction.

(4) One (1) member, who must have experience working with or for an urban school corporation, appointed by the state board of education.

(h) The following apply to the fiscal management board and to the members of the fiscal management board:

(1) The term of office of a member of the fiscal management



board is four (4) years, beginning on the date of appointment. A member of the fiscal management board may be reappointed to the fiscal management board. A member of the fiscal management board may be removed for cause by the appointing authority.

(2) A member of the fiscal management board must have the following:

(A) At least three (3) years experience in financial management.

(B) A meaningful background and work experience in finance and business.

(C) An understanding of government contracts.

(D) Knowledge and experience in organizational effectiveness, operations management, and implementing best practices.

(E) Experience in budget development and oversight.

(F) A demonstrated commitment to high professional and ethical standards and a diverse workplace.

(G) An understanding of tax and other compliance implications.

(3) A member of the advisory board may not serve as a member of the fiscal management board.

(4) The fiscal management board:

(A) shall make recommendations to the emergency manager; and

(B) shall advise the emergency manager as requested by the emergency manager.

(5) The members of the fiscal management board are not entitled to any compensation for their service on the fiscal management board.

(6) The fiscal management board is abolished, and the terms of the members of the fiscal management board are terminated, on the date the school corporation's designation as a distressed political subdivision is terminated as provided in section 13(b) of this chapter.

(7) Under the supervision of the emergency manager, the fiscal management board shall serve as a liaison to and shall work jointly with the distressed unit appeal board, the mayor of the city of Gary, and the department of education to develop a transition plan to address issues or questions related to:

(A) the designation of the school corporation as a distressed political subdivision and the transfer of powers and duties to the emergency manager under this chapter; and



(B) the potential impact of the transition on the community and the school corporation.

(8) Under the supervision of the emergency manager, the fiscal management board shall work jointly with the distressed unit appeal board, the mayor of the city of Gary, and the department of education to provide information on a regular basis to parents, students, employees of the school corporation, and the public on the status of the transition.

(i) The emergency manager shall employ a chief financial officer for the school corporation. The chief financial officer is an employee of the school corporation. The chief financial officer shall report to the emergency manager and shall assist the emergency manager appointed for the school corporation and the fiscal management board in carrying out the day to day financial operations of the school corporation. Before July 1, 2019, the compensation of the chief financial officer shall be determined by the distressed unit appeal board. Before July 1, 2019, the compensation of the chief financial officer shall be paid from the funds appropriated to the distressed unit appeal board. After June 30, 2019, the compensation of the chief financial officer shall be determined by and paid by the school corporation. The chief financial officer:

- (1) must possess, through both education and experience, an understanding of finance and financial management; and
- (2) must possess any other experience and must meet any other requirements as required by the distressed unit appeal board to ensure that the chief financial officer is qualified to carry out the financial restructuring of the school corporation.

Before employing a chief financial officer under this subsection, the emergency manager shall interview at least one (1) resident of the city of Gary as a candidate for the position. If the emergency manager is not able to interview a resident of the city of Gary as a candidate for the position, the emergency manager shall interview at least one (1) individual who is a resident of Lake County or northwest Indiana as a candidate for the position.

(j) The emergency manager shall employ a chief academic officer for the school corporation, after consultation with the department of education, who must have experience working with or for an urban school corporation. The chief academic officer is an employee of the school corporation. The chief academic officer shall report to the emergency manager and shall assist the emergency manager appointed for the school corporation and the fiscal management board in carrying out the academic matters of the school corporation. Before July 1, 2019, the compensation of the chief academic officer shall be



determined by the distressed unit appeal board. Before July 1, 2019, the compensation of the chief academic officer shall be paid from the funds appropriated to the distressed unit appeal board. After June 30, 2019, the compensation of the chief academic officer shall be determined by and paid by the school corporation. The chief academic officer must:

- (1) hold a valid license to teach in a public school under IC 20-28-5;
- (2) possess, through both education and experience, an understanding of curriculum and academics; and
- (3) possess any other experience and meet any other requirements as required by the distressed unit appeal board to ensure that the chief academic officer is qualified to carry out the academic goals of the school corporation.

Before employing a chief academic officer under this subsection, the emergency manager shall interview at least one (1) resident of the city of Gary as a candidate for the position. If the emergency manager is not able to interview a resident of the city of Gary as a candidate for the position, the emergency manager shall interview at least one (1) individual who is a resident of Lake County or northwest Indiana as a candidate for the position.

(k) The chief financial officer and chief academic officer shall assist the emergency manager in carrying out the emergency manager's duties under this chapter.

(l) The annual budget adopted by the emergency manager for the school corporation must dedicate a significant part of the school corporation's budget to eliminating the school corporation's outstanding financial obligations. The emergency manager shall attempt to negotiate with the creditors of the school corporation to establish a plan specifying the schedule for paying each creditor. The emergency manager shall submit the plan to the distressed unit appeal board for approval. The distressed unit appeal board must:

- (1) review the plan submitted by the emergency manager; and
- (2) not later than sixty (60) days after the plan is submitted, either:
 - (A) approve the plan as submitted by the emergency manager;
 - or
 - (B) modify the plan as submitted by the emergency manager and then approve the modified plan.

(m) The emergency manager shall consider any recommendations from the fiscal management board, the advisory board, and the mayor of the city of Gary in developing the school corporation's annual budget. The distressed unit appeal board must review and approve the



school corporation's annual budget that is proposed by the emergency manager. When the emergency manager submits the school corporation's proposed annual budget to the distressed unit appeal board, the emergency manager shall provide copies of the proposed annual budget to the fiscal management board and the advisory board.

(n) After considering any recommendations from the fiscal management board, the advisory board, and the mayor of the city of Gary, the emergency manager shall do the following:

- (1) Conduct a financial and compliance audit of the operations of the school corporation.
- (2) Develop a written financial plan for the school corporation. The object of the plan must be to achieve financial stability for the school corporation, and the plan must include provisions for paying all of the school corporation's outstanding obligations and for paying all future obligations of the school corporation (including any federal, state, or local taxes or assessments) in a timely manner.

(o) In addition to the report required by section 8.5(c)(5) of this chapter, the emergency manager, the chief financial officer, and the chief academic officer shall report quarterly to the distressed unit appeal board in a format specified by the distressed unit appeal board. The report must include:

- (1) information concerning the actions that the school corporation is taking to improve the financial condition of the school corporation; and
- (2) any other information required by the distressed unit appeal board.

The emergency manager shall report more frequently than quarterly if requested by the distressed unit appeal board. The emergency manager shall provide copies of the report to the fiscal management board, the advisory board, and the mayor of the city of Gary. The emergency manager shall present each report at a public meeting of the fiscal management board.

(p) The school corporation shall do the following:

- (1) Publish a copy of each report under subsection (o) on the school corporation's Internet web site, along with a link to the main page of the Indiana transparency Internet web site established under IC 5-14-3.7 to provide access to financial data for local schools.
- (2) Make copies of each report available free of charge to the public upon request.
- (3) Provide copies of each report to the mayor of the city of Gary.



The mayor shall make copies of the reports available free of charge to the public upon request.

(q) The chief academic officer shall develop an education plan to provide academic services to students in the school corporation and to achieve academic progress. The education plan must include at least the following components:

- (1) An academic program designed to meet Indiana's academic standards and to assist students in meeting those academic standards.
- (2) A plan to improve the academic performance of all students, including improvement in the performance of students on standardized tests.
- (3) A plan to engage parents in school performance and school activities, including regular meetings at each school involving administrators, teachers, parents, and interested members of the community.
- (4) A plan to implement performance standards that will attract students and families to the school corporation.
- (5) A plan specifying how the school corporation will work directly with the city of Gary:
 - (A) to make the schools a successful component of life within the city; and
 - (B) to develop a sense of pride and progress in the operations and accomplishments of the school corporation.

The chief financial officer and the chief academic officer shall submit a report to the advisory board each quarter. The chief financial officer and chief academic officer shall meet at least quarterly with the executive committee of the bargaining unit to inform the executive committee of the academic progress of the school corporation."

Delete pages 2 through 14.

Page 15, delete lines 1 through 5, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-20.3-13, AS AMENDED BY P.L.213-2018(ss), SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 13. (a) If an emergency manager of a distressed political subdivision files a petition with the board for termination of the political subdivision's status as a distressed political subdivision, the board shall conduct a public hearing on the question of whether to terminate the political subdivision's status as a distressed political subdivision.

(b) In the case of a political subdivision designated as distressed under this chapter, the board shall terminate the political subdivision's status as a distressed political subdivision if the board finds that the



conditions found in section 6.5 of this chapter are no longer applicable to the political subdivision and all the following conditions are met:

- (1) The political subdivision has achieved and maintained financial solvency for a period of at least two (2) years, including the following:
 - (A) Maintaining a structurally balanced budget for at least two (2) years.
 - (B) Having no unpaid or past due critical contractual financial obligations or vendor payments.
- (2) The political subdivision has a fiscal plan that maintains financial solvency for a period of at least five (5) years after the termination of its distressed status.
- (3) The political subdivision meets all other conditions identified by the board.
- (4) The board determines that the political subdivision is financially stable.

(c) Notwithstanding subsection (b), in the case of a township designated as distressed under section 6.7 of this chapter, the board shall terminate the township's status as a distressed political subdivision if the board finds that the township's township assistance property tax rate (as defined in section 6.7(a) of this chapter) for the current calendar year is not more than the result of:

- (1) the statewide average township assistance property tax rate (as determined by the department of local government finance) for property taxes first due and payable in the preceding year; multiplied by
- (2) twelve (12).

(d) Notwithstanding any other section of this chapter, not later than ninety (90) days after taking office, a new executive of a distressed political subdivision may petition the board for suspension of the political subdivision's distressed status. In the case of a political subdivision designated as distressed under section 6.5 of this chapter, the executive must include in its petition a written plan to resolve the applicable issues described in section 6.5 of this chapter. In the case of a township designated as distressed under section 6.7 of this chapter, the executive must include in its petition a written plan to lower the township's township assistance property tax rate (as defined in section 6.7(a) of this chapter). If the board approves the executive's written plan, the board may suspend the political subdivision's distressed status for one hundred eighty (180) days. Suspension under this chapter terminates automatically upon expiration of the one hundred eighty (180) day period. The board may consider a petition to terminate the



political subdivision's distressed status during a period of suspension.

(e) The board shall conduct a public hearing on the current status of the Gary Community School Corporation's status as a distressed unit before December 31, 2022. The board shall seek community input at the public hearing. The public hearing shall be conducted at a location that is within the boundaries of the Gary Community School Corporation.

SECTION 2. IC 20-26-5-40 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: **Sec. 40. (a) Subject to subsection (b), the governing body of a school corporation may enter into a public-private agreement for the construction of new school buildings.**

(b) Before the governing body of a school corporation may enter into a public-private agreement under this section, the project plan, including the:

- (1) terms of the agreement;**
- (2) total and annual cost to the school corporation; and**
- (3) source of funding for the agreement, which may include revenue from a controlled projects referendum under IC 6-1.1-20-3.6;**

must be reviewed by the budget committee."

Page 15, line 9, delete "Gary Community School Corporation Loan" and insert "**Distressed Political Subdivision**".

Page 15, line 10, delete "Forgiveness and".

Page 15, line 11, delete "the Gary Community" and insert "**a school corporation that has been designated as a distressed political subdivision under IC 6-1.1-20.3.**".

Page 15, delete lines 12 through 18.

Page 15, delete lines 21 through 28.

Page 15, line 29, delete "5." and insert "3."

Page 15, line 29, after "refers to" insert "**a school corporation that has been designated as a distressed political subdivision under IC 6-1.1-20.3.**".

Page 15, delete line 30.

Page 15, line 31, delete "6." and insert "4."

Page 15, line 32, delete "Gary Community School Corporation" and insert "**distressed political subdivision**".

Page 15, line 33, delete "8" and insert "5".

Page 15, delete lines 34 through 42, begin a new paragraph and insert:

"Sec. 5. (a) The distressed political subdivision school improvement fund is established to provide, upon approval by the



distressed unit appeal board, funds to a school corporation for any of the following purposes:

- (1) The demolition of school buildings or other structures on school property that exist as of July 1, 2020.
- (2) The remodeling, repairing, or rehabilitation of school buildings that exist as of July 1, 2020.
- (b) The school improvement fund consists of the following:
 - (1) Amounts deducted from a school corporation's state tuition support by the state board of finance as provided under section 6 of this chapter.
 - (2) Amounts submitted from the sale of any real property, a building, or other structure owned by the Gary Community School Corporation as provided under section 9 of this chapter.
- (c) The distressed unit appeal board shall establish a separate account within the fund for each school corporation and deposit in each school corporation's account the school corporation's amounts described in subsection (b).
- (d) The treasurer of state shall invest the money in the school improvement fund not currently needed to meet the obligations of the school improvement fund in the same manner as other public funds may be invested.
- (e) The distressed unit appeal board shall administer the school improvement fund and each account within the fund.
- (f) Money in the school improvement fund and each account within the fund is continuously appropriated to carry out the purposes of the school improvement fund.
- (g) Money in the school improvement fund at the end of a state fiscal year does not revert to the state general fund but remains available to be used for the purposes of this chapter.

Sec. 6. (a) Beginning July 1, 2020, the state board of finance shall continue to reduce each distribution of state tuition support to a school corporation that has its distribution of state tuition support reduced due to outstanding advances or loans from the common school fund under IC 20-49-4 and IC 6-1.1-20.3 in the amount:

- (1) that was agreed upon by the state and the school corporation; and
- (2) based on the number or amount of loans from the common school fund that are outstanding.
- (b) The following amount of the money that the state board of finance withholds from the distribution of state tuition support



under this section must be deposited in the school improvement fund:

(1) For each state fiscal year beginning after June 30, 2020, and ending before July 1, 2023, an amount equal to one hundred percent (100%) of the money that the state board of finance withholds from the distribution of state tuition support under this section for the state fiscal year.

(2) For each state fiscal year beginning after June 30, 2023, and ending before July 1, 2026, an amount equal to seventy-five percent (75%) of the money that the state board of finance withholds from the distribution of state tuition support under this section for the state fiscal year.

(3) For each state fiscal year beginning after June 30, 2026, and ending before July 1, 2030, an amount equal to fifty percent (50%) of the money that the state board of finance withholds from the distribution of state tuition support under this section for the state fiscal year.

(c) This section expires July 1, 2030.

Sec. 7. (a) A school corporation may not submit to the distressed unit appeal board a request for money from the school improvement fund unless:

(1) the mayor of the city in which the school corporation is located has made recommendations concerning:

(A) the demolition of a school building or structure described in section 5(a)(1) of this chapter;

(B) the remodel, repair, or other improvement of a school building described in section 5(a)(2) of this chapter; or

(C) a combination of actions under clauses (A) through (B); and

(2) the mayor of the city in which the school corporation is located submits the recommendations under subdivision (1) concerning a project plan to the distressed unit appeal board.

(b) If the distressed unit appeal board receives recommendations for a project plan submitted under subsection (a) and approves a project plan, the school corporation may submit to the distressed unit appeal board a request for money from the school improvement fund on a form prescribed by the distressed unit appeal board.

(c) The request under subsection (b) must include the following:

(1) A copy of the applicable plan approved under subsection (b).

(2) The amount of money the school corporation is requesting.



(3) The specific project for which the school corporation intends to use the money.

(4) A description of how the requested project aligns with the project plan approved by the distressed unit appeal board under subsection (b).

(5) Any other information required by the distressed unit appeal board.

(d) The distressed unit appeal board may approve a request under this section only if the purpose for which the school corporation intends to use the money is included in the applicable project plan approved under subsection (b). The distressed unit appeal board may deny a request under this section.

Sec. 8. If the distressed unit appeal board approves a request under section 7 of this chapter, the distressed unit appeal board shall make payments from the school improvement fund for the purposes under section 5(a) of this chapter, as approved by the distressed unit appeal board.

Sec. 9. If the Gary Community School Corporation sells real property, a building, or other structure owned by the Gary Community School Corporation, the net proceeds from the sale must be submitted to the distressed unit appeal board for deposit into the school improvement fund.

Sec. 10. The withholding and deposit of state tuition support amounts of a school corporation in the school improvement fund under this chapter shall not prohibit or otherwise limit the authority of a school corporation to levy a property tax under IC 20-49-4-21."

Delete pages 16 through 20.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 416 as introduced.)

MISHLER, Chairperson

Committee Vote: Yeas 12, Nays 0.

