



January 15, 2016

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## HOUSE BILL No. 1045

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DIGEST OF HB 1045 (Updated January 14, 2016 9:35 am - DI 116)

**Citations Affected:** IC 20-20.

**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.

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### Frye R, Burton, Goodin

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January 5, 2016, read first time and referred to Committee on Education.  
January 14, 2016, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.

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HB 1045—LS 6091/DI 110





January 15, 2016

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

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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.**

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



1           (3) Increase cost efficiencies relating to the use of school  
2 facilities.

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

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

9           Sec. 7. The state board, in consultation with the department,  
10 may award a school efficiency grant to an applicant that meets the  
11 requirements under this chapter.

12           Sec. 8. (a) The state board, in consultation with the department,  
13 shall establish the terms and conditions for awarding a grant to an  
14 applicant under this chapter, including requirements to ensure that  
15 the applicant complies with the grant terms and conditions.

16           (b) The state board, in consultation with the department, shall  
17 establish parameters or requirements that an applicant must meet  
18 in order for the applicant to use a part of a grant awarded under  
19 this chapter to pay for consulting or fees or charges by a third  
20 party or consultant to develop the applicant's plan.

21           (c) A school corporation is not entitled to a grant under this  
22 chapter for cost efficiencies of the school corporation that are also  
23 included in a guaranteed savings contract under IC 36-1-12.5.

24           Sec. 9. (a) Subject to subsection (b), the state board, in  
25 consultation with the department, shall determine the amount of  
26 each grant awarded under this chapter.

27           (b) The state board, in consultation with the department, shall  
28 establish written guidelines for determining the amount of a grant  
29 awarded to an applicant based on the amount of cost savings to the  
30 applicant as a result of implementing the plan submitted under  
31 section 5 of this chapter. However, a grant awarded under this  
32 chapter for implementation of a plan may not exceed five hundred  
33 thousand dollars (\$500,000).

34           Sec. 10. (a) Except as provided in subsection (b), a school  
35 corporation that receives a grant under this chapter must use the  
36 amount of the grant for the costs associated with implementing the  
37 plan submitted under section 5 of this chapter.

38           (b) A school corporation that receives a grant under this chapter  
39 may use the amount of the grant awarded to pay any costs of  
40 preparing a cost analysis study associated with a plan submitted  
41 under section 5 of this chapter.

42           Sec. 11. The state board, in consultation with the department,



1 shall establish rules under IC 4-22-2 to administer this chapter.



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1045, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, delete lines 2 through 3.

Page 2, line 4, delete "(e)" and insert "**(d)**".

Page 2, line 6, delete "(f)" and insert "**(e)**".

Page 2, line 9, delete "board" and insert "**board, in consultation with the department,**".

Page 2, line 21, delete "board." and insert "**board, in consultation with the department.**".

Page 2, line 26, delete "board" and insert "**board, in consultation with the department,**".

Page 2, line 28, delete "board" and insert "**board, in consultation with the department,**".

Page 2, line 32, delete "board" and insert "**board, in consultation with the department,**".

Page 3, line 7, delete "board" and insert "**board, in consultation with the department,**".

Page 3, line 9, delete "The state board" and insert "**(a) The state board, in consultation with the department,**".

Page 3, between lines 12 and 13, begin a new paragraph and insert:

**"(b) The state board, in consultation with the department, shall establish parameters or requirements that an applicant must meet in order for the applicant to use a part of a grant awarded under this chapter to pay for consulting or fees or charges by a third party or consultant to develop the applicant's plan.**

**(c) A school corporation is not entitled to a grant under this chapter for cost efficiencies of the school corporation that are also included in a guaranteed savings contract under IC 36-1-12.5."**

Page 3, line 13, delete "board" and insert "**board, in consultation with the department,**".



Page 3, line 15, delete "board" and insert "**board, in consultation with the department,**".

Page 3, line 29, delete "board" and insert "**board, in consultation with the department,**".

and when so amended that said bill do pass.

(Reference is to HB 1045 as introduced.)

BEHNING

Committee Vote: yeas 13, nays 0.

