

HOUSE BILL No. 1266

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-1.2-8-26; IC 36-1.5-6.

Synopsis: Education building and transportation authorities. Requires the Indiana finance authority to issue a request for information concerning the possible establishment of educational building authorities and educational transportation authorities that would operate kindergarten through grade 12 school buildings, or other educational experience centers, and kindergarten through grade 12 transportation respectively. Provides that if all school corporations located in a particular county or two or more contiguous counties jointly establish a transportation hub, the schools are eligible to receive a school efficiency grant. Defines "transportation hub" as a either a third party contractor hired, or an entity formed, jointly by all school corporations within the particular county or contiguous counties to provide transportation services. Provides that a school corporation must submit a joint application to the department of education. Provides that the transportation hub must be maintained for a period of five years. Provides that applicants guarantee that they will repay the grant amount if the transportation hub is not maintained for the five year period. Provides that the applicants jointly establish a board to oversee the operation of the transportation hub consisting of specified members. Provides that the grant amount is equal to the lesser of \$5,000,000 or the expected amount of transportation cost savings approved by the department of education for each applicant school corporation transportation hub.

Effective: Upon passage; July 1, 2021.

Clere, Behning

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



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.

HOUSE BILL No. 1266

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

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

1 SECTION 1. IC 5-1.2-8-26 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: **Sec. 26. (a) In order to improve the efficiency of**
4 **school services and increase dollars to teachers, before July 1,**
5 **2021, the authority shall issue a request for information in**
6 **compliance with IC 5-23-4.5 regarding the possibility of**
7 **establishing:**
8 (1) **education building authorities, or similar entities, that**
9 **would manage the operation of kindergarten through grade**
10 **12 school buildings or other educational experience centers;**
11 **and**
12 (2) **education transportation authorities, or similar entities,**
13 **that would manage the operation of kindergarten through**
14 **grade 12 transportation.**
15 (b) **The request for information must include questions related**
16 **to the following:**
17 (1) **The governance structure of the entities managing the**



1 operations of the school buildings and the transportation.

2 (2) The funding streams necessary to cover the cost of
3 operating the school buildings and the transportation.

4 (3) The strategies for addressing existing debt related to the
5 school buildings and the transportation.

6 (4) The optimal geographic groupings for the operation of the
7 school buildings and the transportation.

8 (5) The strategies that could limit the impact of any changes
9 affecting current employees.

10 (c) The authority shall set the deadline for submissions of
11 responses to the request for information under this section, which
12 may not be later than November 30, 2021.

13 SECTION 2. IC 36-1.5-6-1.2 IS ADDED TO THE INDIANA
14 CODE AS A NEW SECTION TO READ AS FOLLOWS
15 [EFFECTIVE JULY 1, 2021]: **Sec. 1.2. As used in this chapter,**
16 **"school corporation" has the meaning set forth in IC 20-18-2-16.**

17 SECTION 3. IC 36-1.5-6-1.5 IS ADDED TO THE INDIANA
18 CODE AS A NEW SECTION TO READ AS FOLLOWS
19 [EFFECTIVE JULY 1, 2021]: **Sec. 1.5. As used in this chapter,**
20 **"transportation hub" means either:**

21 (1) a third party contractor hired; or

22 (2) an entity formed;

23 **jointly by every school corporation located in a particular county**
24 **or every school corporation located within two or more contiguous**
25 **counties to provide transportation services for each school**
26 **corporation located in the particular county or contiguous**
27 **counties.**

28 SECTION 4. IC 36-1.5-6-2, AS ADDED BY P.L.217-2017,
29 SECTION 160, IS AMENDED TO READ AS FOLLOWS
30 [EFFECTIVE JULY 1, 2021]: **Sec. 2. (a) A:**

31 (1) school corporation that is formed from a reorganization of two

32 (2) or more school corporations under IC 36-1.5-4 after June 30,
33 2017; or

34 (2) transportation hub established under section 2.5 of this
35 chapter;

36 is eligible for a one (1) time school corporation efficiency incentive
37 grant under this chapter after satisfying all the requirements of
38 IC 36-1.5-4 (in the case of a school corporation under subdivision
39 (1)) or section 2.5 of this chapter (in the case of a transportation
40 hub under subdivision (2)).

41 (b) The grant program shall be administered by the department of
42 education. Grants made under this chapter shall be paid from money



1 appropriated to the department of education from the general assembly
2 for that purpose.

3 (c) The state board of education may adopt rules under IC 4-22-2
4 necessary to administer the grant program.

5 SECTION 5. IC 36-1.5-6-2.5 IS ADDED TO THE INDIANA
6 CODE AS A NEW SECTION TO READ AS FOLLOWS
7 [EFFECTIVE JULY 1, 2021]: **Sec. 2.5. (a) After June 30, 2021, each**
8 **school located in a particular county or each school located in two**
9 **or more contiguous counties that jointly establishes a**
10 **transportation hub is eligible to receive a school efficiency grant**
11 **under this chapter. To receive the grant the school corporation**
12 **must submit a joint application to the department of education, in**
13 **a manner prescribed by the department of education.**

14 (b) The application submitted under subsection (a) must include
15 the following:

16 (1) A detailed description of the transportation hub.

17 (2) The amount of any cost savings for each of the applicants
18 anticipated from the establishment of the transportation hub.

19 (3) A copy of an agreement signed by each applicant stating
20 the following:

21 (A) That the transportation hub will be maintained for a
22 period of at least five (5) years.

23 (B) That the applicants jointly established a board to
24 oversee the operation of the transportation hub consisting
25 of the following members:

26 (i) A school superintendent from an applicant school
27 corporation.

28 (ii) Two (2) members that have experience in public
29 finance or transportation logistics.

30 (iii) A county commissioner or the designee of the county
31 commissioner, selected by the county board of
32 commissioners.

33 (iv) A parent of a school age child.

34 (v) A commissioner or commissioner's designee from
35 each participating county.

36 (C) The board established under clause (B) will adopt a
37 plan of organization, administration, and support for the
38 transportation hub.

39 (4) A guarantee that the applicants will repay the grant
40 amount if the transportation hub is not maintained for the
41 period described in subdivision (3)(A).

42 (5) Any other information requested by the department.



1 SECTION 6. IC 36-1.5-6-3, AS ADDED BY P.L.217-2017,
2 SECTION 160, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2021]: Sec. 3. **(a) This subsection applies to**
4 **a grant for a school reorganization under section 2(a)(1) of this**
5 **chapter.** The grant amount is:

- 6 (1) two hundred fifty dollars (\$250); multiplied by
7 (2) the sum of the most recent ADMs of the reorganized school
8 corporations.

9 **(b) This subsection applies to a grant for the establishment of a**
10 **transportation hub under section 2(a)(2) of this chapter. The grant**
11 **amount is equal to the lesser of:**

- 12 **(1) five million dollars (\$5,000,000); or**
13 **(2) the expected amount of transportation cost savings**
14 **approved by the department for each applicant school**
15 **corporation transportation hub.**

16 **(c) The grant may be proportionately reduced based on the**
17 **amount of money available to the department under section 2(b) of**
18 **this chapter.**

19 SECTION 7. An emergency is declared for this act.

