

HOUSE BILL No. 1405

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-40-2-6.

Synopsis: Education fund transfers. Provides that each school corporation shall make every reasonable effort to transfer not more than 20% (instead of 15%) of the total revenue deposited in the school corporation's education fund from the school corporation's education fund to the school corporation's operations fund during calendar year 2023 and calendar year 2024. Makes conforming changes regarding the excessive education fund transfer list.

Effective: Upon passage.

Carbaugh

January 17, 2023, read first time and referred to Committee on Ways and Means.



First Regular Session of the 123rd General Assembly (2023)

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 2022 Regular Session of the General Assembly.

HOUSE BILL No. 1405

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 20-40-2-6, AS AMENDED BY P.L.139-2022,
2 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 6. (a) Each school corporation shall make
4 every reasonable effort to transfer not more than ~~fifteen percent (15%)~~
5 **the following** of the total revenue deposited in the school corporation's
6 education fund from the school corporation's education fund to the
7 school corporation's operations fund: ~~during a calendar year~~.
8 (1) **Twenty percent (20%) during each of the following:**
9 (A) **Calendar year 2023.**
10 (B) **Calendar year 2024.**
11 **This subdivision expires July 1, 2025.**
12 (2) **Fifteen percent (15%) during any calendar year after**
13 **calendar year 2024.**
14 (b) Only after the transfer is authorized by the governing body in a
15 public meeting with public notice, money in the education fund may be
16 transferred to the operations fund to cover expenditures that are not
17 allocated to student instruction and learning under IC 20-42.5. The



1 amount transferred from the education fund to the operations fund shall
 2 be reported by the school corporation to the department. The transfers
 3 made during the:

4 (1) first six (6) months of each state fiscal year shall be reported
 5 before January 31 of the following year; and

6 (2) last six (6) months of each state fiscal year shall be reported
 7 before July 31 of that year.

8 (c) The report must include information as required by the
 9 department and in the form required by the department.

10 (d) The department must post the report submitted under subsection
 11 (b) on the department's ~~Internet web site:~~ **website.**

12 (e) ~~Beginning in 2020;~~ The department shall track for each school
 13 corporation transfers from the school corporation's education fund to
 14 its operations fund for the preceding six (6) month period. ~~Beginning~~
 15 ~~in 2021;~~

16 (f) Before March 1 of each year, the department shall compile an
 17 excessive education fund transfer list comprised of all school
 18 corporations that transferred **the following:**

19 (1) **More than twenty (20%) of the total revenue deposited in**
 20 **the school corporation's education fund from the school**
 21 **corporation's education fund to the school corporation's**
 22 **operations fund during the immediately preceding calendar**
 23 **year if the immediately preceding calendar year is calendar**
 24 **year 2023 or 2024. This subdivision expires July 1, 2025.**

25 (2) More than fifteen percent (15%) of the total revenue deposited
 26 in the school corporation's education fund from the school
 27 corporation's education fund to the school corporation's operations
 28 fund during the immediately preceding calendar year **for any**
 29 **immediately preceding calendar year that is after calendar**
 30 **year 2024.**

31 (g) A school corporation that is not included on the excessive
 32 education fund transfer list **compiled under subsection (f)** is
 33 considered to have met the education fund transfer target percentage
 34 for the immediately preceding calendar year.

35 **SECTION 2. An emergency is declared for this act.**

