

SENATE BILL No. 263

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-29.

Synopsis: School corporations and deficit financing. Provides that a school corporation is not considered to be in deficit financing if the sum of the ending respective cash balance on June 30 of the immediately preceding state fiscal year of: (1) the school corporation's rainy day fund; plus (2) the school corporation's education fund; exceeds an amount equal to 25% of the school corporation's most recently adopted annual budget.

Effective: July 1, 2023.

Ford Jon

January 11, 2023, read first time and referred to Committee on Appropriations.



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.

SENATE BILL No. 263

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 20-29-2-6, AS AMENDED BY P.L.272-2019,
2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2023]: Sec. 6. **(a) Subject to subsection (b)**, "deficit
4 financing" for a budget year:
5 (1) means, except as provided in subdivision (2), actual
6 expenditures exceeding the employer's current year actual
7 education fund revenue and, for a school employer for which the
8 voters have passed an operating referendum tax levy under
9 IC 20-46-1 or a school safety referendum tax levy under
10 IC 20-46-9, the amount of revenue certified by the department of
11 local government finance; or
12 (2) means, in the case of any distressed school corporation, the
13 Gary Community School Corporation, or the Muncie Community
14 school corporation, actual expenditures plus additional payments
15 against any outstanding debt obligations exceeding the employer's
16 current year actual education fund revenue, and, for a school
17 employer for which the voters have passed an operating



1 referendum tax levy under IC 20-46-1 or a school safety
2 referendum tax levy under IC 20-46-9, the amount of revenue
3 certified by the department of local government finance.

4 Except as provided in IC 20-29-6-3(c), revenue does not include money
5 estimated to be or actually transferred from the school corporation's
6 operations fund to its education fund.

7 **(b) For purposes of this article, a school corporation is not**
8 **considered to be in deficit financing if the sum of the ending**
9 **respective cash balance on June 30 of the immediately preceding**
10 **state fiscal year of:**

11 **(1) the school corporation's rainy day fund (IC 36-1-8-5.1);**
12 **plus**

13 **(2) the school corporation's education fund (IC 20-40-2);**
14 **exceeds an amount equal to twenty-five percent (25%) of the school**
15 **corporation's most recently adopted annual budget.**

16 SECTION 2. IC 20-29-6-15.1, AS AMENDED BY P.L.219-2015,
17 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JULY 1, 2023]: Sec. 15.1. (a) If an agreement has not been reached on
19 the items permitted to be bargained collectively under section 4 of this
20 chapter, within fifteen (15) days after mediation under section 13 of
21 this chapter has ended, the board shall initiate factfinding.

22 (b) Factfinding must culminate in the factfinder imposing contract
23 terms on the parties. The factfinder must select one (1) party's last best
24 offer as the contract terms. The factfinder's order must be restricted to
25 only those items permitted to be bargained and included in the
26 collective bargaining agreement under section 4 of this chapter and
27 must not put the employer in a position of deficit financing. ~~(as defined~~
28 ~~in IC 20-29-2-6).~~ The factfinder's order may not impose terms beyond
29 those proposed by the parties in their last, best offers.

30 (c) Costs for the factfinder shall be borne equally by the parties.

31 (d) Factfinding may not last longer than thirty (30) days.

32 SECTION 3. IC 20-29-6-18, AS AMENDED BY P.L.239-2015,
33 SECTION 10, AND AS AMENDED BY P.L.219-2015, SECTION 5,
34 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
35 [EFFECTIVE JULY 1, 2023]: Sec. 18. (a) Either party may appeal the
36 decision of the factfinder under ~~IC 20-29-6-15.1.~~ **section 15.1 of this**
37 **chapter.** The appeal must be filed not later than thirty (30) days after
38 receiving the factfinder's decision.

39 (b) The board's decision must be restricted to only those items
40 permitted to be bargained and included in the collective bargaining
41 agreement under section 4 of this chapter and must not put the
42 employer in a position of deficit financing as ~~defined in IC 20-29-2-6~~



1 *or prohibit the employer from making any reductions described in*
2 *section 3(b) of this chapter.* The board's decision may not impose terms
3 beyond those proposed by the parties in their last, best offers.
4 (c) The board must rule on the appeal within ~~thirty (30)~~ *sixty (60)*
5 days after receipt of notice of appeal.

