

THE SCHOOL ADMINISTRATOR

and Uniform Compliance Guidelines
ISSUED BY STATE BOARD OF ACCOUNTS

Volume 189A

May 2010

NEW LAWS AFFECTING SCHOOL CORPORATIONS

PUBLIC LAW 1 - SENATE ENROLLED ACT 222 – EFFECTIVE - VARIOUS DATES. TECHNICAL CORRECTIONS.

PUBLIC LAW 20 - SENATE ENROLLED ACT 134 – EFFECTIVE JULY 1, 2010. NON CODE REVISIONS, CODIFIES VARIOUS NONCODE STATUTES.

PUBLIC LAW 30 - SENATE ENROLLED ACT 252 - EFFECTIVE JULY 1, 2010. TRANSFER TUITION
Amends IC 20-26-11-6 to provide in part (b) A transfer may be accepted regardless of whether, as a condition of the transfer, the transferee school requires the requesting parents or student to pay transfer tuition in an amount determined under the formula established in section 13 of this chapter for the payment of transfer tuition by a transferor school corporation. However, if the transferee school elects to charge transfer tuition, the transferee school may not offset the amounts described in section 13(b) STEP TWO (B) through section 13(b) STEP TWO (D) of this chapter from the amount charged to the requesting parents or student. (c) When the transferee school elects to charge tuition to the requesting parents or student, the tuition determined under subsection (b) must be paid by the parents or the student before the end of the school year in installments as determined by the transferee corporation. (d) Failure to pay a tuition installment that is agreed to by the parents or student and the transferee school corporation is a ground for exclusion from school. (e) If the transferee school elects not to charge transfer tuition to the parents or student under this section, the transferee school may not charge transfer tuition or fees to the transferor school.

PUBLIC LAW 41 - SENATE ENROLLED ACT 401 – EFFECTIVE JULY 1, 1009. PETITION AND REMONSTRANCE PROCESS FOR LOCAL DEBT; SCHOOL CORPORATION REFERENDUM TAX LEVY.

Amends various sections of IC 6-1.1-20 concerning owners of a mobile home or a manufactured home used as a principal place of residence and which are assessed as personal property within a political subdivision to participate in the petition and remonstrance process for the issuance of debt or execution of a lease on a controlled project by the political subdivision.

Amends IC 20-46-1-7 and IC 20-46-1-8 requiring the governing body of a school corporation to certify a copy of the referendum resolution for a tax levy to the Department of Local Government Finance.

PUBLIC LAW 43 - HOUSE ENROLLED ACT 1005 - EFFECTIVE JULY 1, 2010. INDEFINITE TEACHER CONTRACTS.

Removes the age provision in IC 20-28-6-8.

**THE SCHOOL ADMINISTRATOR
and Uniform Compliance Guidelines**

Volume 189A, Page 2

May 2010

PUBLIC LAW 64 - HOUSE ENROLLED ACT 1083 - EFFECTIVE JULY 1, 2010. UNCLAIMED PROPERTY.

Amends IC 32-34-1-20 reduces from five years to three years the period concerning property under the State's unclaimed property act for a demand, savings, or matured time deposit, including a deposit that is automatically renewable, three (3) years after maturity or three (3) years after the date of the last indication by the owner of interest in the property, whichever is earlier. Property that is automatically renewable is considered matured for purposes of this section upon the expiration of its initial period, unless the owner has consented to a renewal at or about the time of the renewal and the consent is in writing or is evidenced by a memorandum or other record on file with the holder.

PUBLIC LAW 67 - HOUSE ENROLLED ACT 1116 - EFFECTIVE JULY 1, 2010. WORKER'S COMPENSATION.

Amends IC 22-3-3-4 and IC 22-3-7-17 concerning worker compensation to provide in part (e) An employer or employer's insurance carrier may not delay the provision of emergency medical care whenever emergency medical care is considered necessary in the professional judgment of the attending health care facility physician.

PUBLIC LAW 73 - HOUSE ENROLLED ACT 1183 - EFFECTIVE VARIOUS DATES. TAX SALES.

Amends IC 6-1.1-24-9 to provide in part (d) Subject to IC 36-1-11-8, the county executive may assign a certificate of sale held in the name of the county executive to any political subdivision during the life of the certificate. If an assignment is made under this subsection, the period of redemption of the real property under IC 6-1.1-25 is one hundred twenty (120) days after the date of the assignment.

PUBLIC LAW 89 - HOUSE ENROLLED ACT 1059 - EFFECTIVE JULY 1, 2010. TAX BILLS; INTEREST ON LATE DISTRIBUTIONS.

Amends IC 5-13-6-3, to add (e) If a county auditor fails to make a distribution of tax collections by the deadline for distribution under subsection (b), a political subdivision that was to receive a distribution may recover interest on the undistributed tax collections under IC 6-1.1-27-1.

Amends various sections of IC 6-1.1-22.5 concerning tax distributions, statements and provisional statements.

Amends IC 6-1.1-27-1 concerning late distributions, including adding (d) The amount of interest to be paid if subsection (b)(2) applies equals the taxing unit's proportionate share of the actual amount of interest that is received from investments of the undistributed tax money from the date the county treasurer receives the taxing unit's request for funds under IC 5-13-6-3(b) to the date the tax money is distributed.

PUBLIC LAW 90 - HOUSE ENROLLED ACT 1065 - EFFECTIVE MARCH 12, 2010. FIREARMS

Adds IC 10-14-3-33.5 concerning firearms restrictions, including references to political subdivisions and school corporations.

**THE SCHOOL ADMINISTRATOR
and Uniform Compliance Guidelines**

Volume 189A, Page 3

May 2010

PUBLIC LAW 99 - SENATE ENROLLED ACT 30 - EFFECTIVE VARIOUS DATES. PERF/TRF MATTERS.

Amends and adds to various sections of IC 5-30 regarding PERF and TRF procedures, including annuity savings accounts.

PUBLIC LAW 107 - HOUSE ENROLLED ACT 1205 - EFFECTIVE VARIOUS DATES. PERF/TRF.

IC 5-10.2; IC 5-10.3 and IC 5-10.4 concerning the Board of Trustees of the Public Employees' Retirement Fund and the Board of Trustees of the Indiana State Teachers' Retirement Fund appointing a common director for the Funds.

PUBLIC LAW 109 - HOUSE ENROLLED ACT 1367 - EFFECTIVE VARIOUS DATES. HEALTH INSURANCE; SCHOOL FUND TRANSFERS

Health Insurance

Amends IC 5-10-8-6.7 to allow school corporations electing to provide coverage under a state employee health plan to active and retired employees without providing coverage to individuals who retire from a school corporation before July 1, 2010. However, this subdivision does not apply to contractual commitments made by a school corporation to individuals who retire before July 1, 2010.

Transfers

Adds IC 20-40-16-1 to provide as used in this chapter, "capital projects fund levy", with respect to a particular school corporation, means the maximum levy that the school corporation could impose in calendar year 2010 under IC 20-46-6-5 for the school corporation's capital projects fund.

Adds IC 20-40-16-2 to provide as used in this chapter, "wage and salary increase" means an increase in wages or salaries payable for the same or a similar position after subtracting, for all employees, any of the following received by the individual: (1) An increase in wages or salary of an employee from an increment under IC 20-28-9-2 bargained for under a written contract signed before March 1, 2010, that has not expired. (2) An increase in wages or salary of an employee from an increment under IC 20-28-9-2 that does not exceed the increment permitted under an increment schedule in effect during the previous year under a written contract in effect for the previous year or under the status quo provisions in IC 20-29-9-16. However, the increment may not exceed two percent (2%) of the wages and salary of the employee in the previous year. (3) An increase in wages or salary that is paid to an employee as a result of the employee completing licensing requirements. (4) Health care benefit cost increases for the same or an equivalent plan that are shared by the employee and the employer in the same proportion as health care benefit costs are shared in the previous year.

Adds IC 20-40-16-3 concerning potential transfers between funds, no funds transferred under this chapter may be used to increase an increment schedule from an existing increment agreement or to increase fringe benefits except those under section 2(4) of this chapter.

Adds IC 20-40-16-4 to provide notwithstanding any other law except this chapter, a school corporation may transfer money during the 2010-2011 school year to one (1) or more funds held by the school corporation for the purposes of the funds from any fund held by the school corporation other than a debt service fund or a racial balance fund.

**THE SCHOOL ADMINISTRATOR
and Uniform Compliance Guidelines**

Volume 189A, Page 4

May 2010

PUBLIC LAW 109 - HOUSE ENROLLED ACT 1367 - EFFECTIVE VARIOUS DATES. HEALTH INSURANCE; SCHOOL FUND TRANSFERS. (Continued)

Adds IC 20-40-16-5 to provide a transfer is not permitted under this chapter after June 30, 2011.

Adds IC 20-40-16-6 to provide money transferred under this chapter must be used to preserve and protect instructional programs.

Adds IC 20-40-16-7 to provide a transfer under this chapter must be authorized by a resolution adopted by the school corporation's governing body.

Adds IC 20-40-16-8 to provide the total amount that may be transferred under section 4 of this chapter in the 2010-2011 school year may not exceed an amount equal to: (1) five percent (5%) of the school corporation's capital projects fund levy, if the governing body does not comply with section 9 of this chapter; and (2) ten percent (10%) of the school corporation's capital projects fund levy, if the governing body complies with section 9 of this chapter.

Adds IC 20-40-16-9 to provide to authorize, in the aggregate, transfers exceeding five percent (5%) of the school corporation's capital projects fund levy, a governing body must include in the authorizing resolution a certification that the employees of the school corporation will not receive a general wage and salary increase for the 2010-2011 school year. The resolution must be submitted to the department.

Adds IC 20-40-16-10 to provide if a transfer is made under this chapter during the 2010-2011 school year, the school corporation shall file a report with the department before October 1, 2011. The report must include the following: (1) The purpose of the transfer. (2) The funds involved in the transfer. (3) The amount transferred between the funds. (4) The impact of the transfer to the programs that are supported by the fund from which the transfer was made.

Adds IC 20-40-16-11 to provide notwithstanding any other law (including IC 20-28-9), the governing body of a school corporation and an exclusive representative may mutually agree to forego any wage or salary increases that would otherwise be required under IC 20-28-9 for the 2010-2011 school year.

Adds IC 20-40-16-12 to provide this chapter expires October 1, 2011.

The State Board of Accounts is of the audit position school corporations should use Receipt account number 5214, Public Law 109 – 2010 Transfers and Expenditures account number 60114, Public Law 109 – 2010 Transfers

Adds non code section 8 to provide (a) Notwithstanding the effective date of IC 20-40-16, as added by this act, a governing body (as defined in IC 20-18-2-5) of a school corporation (as defined in IC 20-18-2-16(a)) may adopt, before July 1, 2010, the resolutions necessary to implement IC 20-40-16, as added by this act. A resolution described in this subsection is effective to the same extent as if it were adopted after June 30, 2010. (b) This SECTION expires October 1, 2011.

Emergency Matters

Adds IC 20-42.5-4 to provide a school corporation shall take the actions necessary and desirable to preserve and protect instructional programs, including class sizes, curriculum, or program offerings.

**THE SCHOOL ADMINISTRATOR
and Uniform Compliance Guidelines**

Volume 189A, Page 5

May 2010

PUBLIC LAW 110 - SENATE ENROLLED ACT 23 - EFFECTIVE VARIOUS DATES. WORK CONDITIONS, COMPENSATION AND WORKFORCE DEVELOPMENT.

Amends and adds to IC 22 concerning work conditions, compensation, and workforce development.

PUBLIC LAW 111 - SENATE ENROLLED ACT 309 – EFFECTIVE VARIOUS DATES. BUDGET YEAR.

Amends IC 6-1.1-17-5 to provide in part (a) The officers of political subdivisions shall meet each year to fix the budget, tax rate, and tax levy of their respective subdivisions for the ensuing budget year as follows: . . . (2) The proper officers of all other political subdivisions that are not school corporations, not later than November 1. (3) The governing body of a school corporation (other than a school corporation described in subdivision (1)) that elects to adopt a budget under section 5.6 of this chapter for budget years beginning after June 30, 2011, not later than the time required under section 5.6(b) of this chapter for budget years beginning after June 30, 2011. (4) The governing body of a school corporation that is not described in subdivision (1) or (3), not later than November 1.

Amends IC 6-1.1-17-5.6 to provide in part (a) . . . For budget years beginning after June 30, 2011, this section applies to all school corporations. Beginning in 2011, each school corporation may elect to adopt a budget under this section that applies from July 1 of the year through June 30 of the following year. In the initial budget adopted by a school corporation under this section, the first six (6) months of that initial budget must be consistent with the last six (6) months of the budget adopted by the school corporation for the calendar year in which the school corporation elects by resolution to begin adopting budgets that correspond to the state fiscal year. A corporation shall submit a copy of the resolution to the department of local government finance and the department of education not more than thirty (30) days after the date the governing body adopts the resolution. (b) Before February 1 of each year, the officers of the school corporation shall meet to fix the budget for the school corporation for the ensuing budget year, with notice given by the same officers. However, if a resolution adopted under subsection (d) is in effect, the officers shall meet to fix the budget for the ensuing budget year before November 1.

PUBLIC LAW 113 HOUSE ENROLLED ACT 1086 - EFFECTIVE VARIOUS DATES. PROPERTY TAX LEVIES.

Referendums

Amends IC 6-1.1-20-3.6 to provide in part If the county election board approves the language of a public question under this subsection after June 30, 2010, the county election board shall submit the language to the department of local government finance for review. The department of local government finance shall review the language of the public question to evaluate whether the description of the controlled project is accurate and is not biased against either a vote in favor of the controlled project or a vote against the controlled project. The department of local government finance may recommend that the ballot language be used as submitted or recommend modifications to the ballot language as necessary to ensure that the description of the controlled project is accurate and is not biased. The department of local government finance shall send its recommendations to the county election board not more than ten (10) days after the language of the public question is submitted to the department for review. After reviewing the recommendations of the department of local government finance under this subsection, the county election board shall take final action to approve ballot language. The finally adopted ballot language may differ from the recommendations made by the department of local government finance.

**THE SCHOOL ADMINISTRATOR
and Uniform Compliance Guidelines**

Volume 189A, Page 6

May 2010

PUBLIC LAW 113 HOUSE ENROLLED ACT 1086 - EFFECTIVE VARIOUS DATES. PROPERTY TAX LEVIES. (Continued)

Adds IC 6-1.1-20-3.8 to provide (a) This section applies to the issuance of bonds or the entering into a lease for a controlled project to which section 3.1 of this chapter applies. (b) If the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease described in subsection (a), the fiscal body of the political subdivision may adopt a resolution specifying that the local public question process specified in section 3.6 of this chapter applies to the issuance of the bonds or the execution of the lease instead of the petition and remonstrance process under section 3.2 of this chapter. (c) The fiscal body must adopt a resolution under subsection (b) not later than the date on which the political subdivision makes a preliminary determination to issue bonds or enter into a lease as described in subsection (a). (d) The fiscal body must certify the resolution to the county election board of each county in which the political subdivision is located, and the county election board shall place the public question on the ballot as provided in section 3.6 of this chapter. (e) Except to the extent it is inconsistent with this section, section 3.6 of this chapter applies to a local public question placed on the ballot under this section.

State Tax Withholdings

Adds IC 6-3-4-16.5 to provide a) This section applies to: (1) Form W-2 federal income tax withholding statements; and (2) Form WH-3 annual withholding tax reports; filed with the department after December 31, 2010. (b) If an employer or any person or entity acting on behalf of an employer files more than twenty-five (25) Form W-2 federal income tax withholding statements with the department in a calendar year, all Form W-2 federal income tax withholding statements and Form WH-3 annual withholding tax reports filed with the department in that calendar year by the employer or the person or entity acting on behalf of the employer must be filed in an electronic format specified by the department.

Amends IC 20-46-1-10 concerning referendum language.

Public Works

Amends IC 36-1-12-4 to provide in part (b) . . . (5) The period of time between the date of the first publication and the date of receiving bids shall be governed by the size of the contemplated project in the discretion of the board. The period of time between the date of the first publication and receiving bids may not be more than: (A) six (6) weeks if the estimated cost of the public works project is less than twenty-five million dollars (\$25,000,000); and (B) ten (10) weeks if the estimated cost of the public works project is at least twenty-five million dollars (\$25,000,000).

Government Reorganizations

Amends IC 36 and IC 36-1.5-4 concerning government reorganization, including dates.

State Constitution

Non code provision provides language for the public question regarding proposed amendment to the State Constitution concerning limitations on property taxes.

**THE SCHOOL ADMINISTRATOR
and Uniform Compliance Guidelines**

Volume 189A, Page 7

May 2010

PUBLIC LAW 115 - HOUSE ENROLLED ACT 1336 - EFFECTIVE VARIOUS DATES. PUBLIC INVESTMENT LAW.

Board of Finance

Amends IC 5-13-7-5 to remove the provision regarding a school corporation determining if an annual board of finance meeting is needed.

Municipal Securities

Amends IC 5-13-9-2 to provide (a) Each officer designated in section 1 of this chapter may invest or reinvest any funds that are held by the officer and available for investment in any of the following: . . . (3) Municipal securities issued by an Indiana local governmental entity, a quasi-governmental entity related to the state, or a unit of government, municipal corporation, or special taxing district in Indiana, if the issuer has not defaulted on any of the issuer's obligations within the twenty (20) years preceding the date of the purchase.

Money Market Mutual Funds

Amends IC 5-13-9-2.5 to eliminate the fifty percent (50%) limitation concerning, investments in certain money market mutual funds which used to provide in part (b) The investments described in subsection (a) may not exceed fifty percent (50%) of the funds held by the officer and available for investment.

CD Quotes

Amends IC 5-13-9-4 concerning procedures to obtain quotes on certificates of deposits to now provide in part (b): The investing officer making a deposit in a certificate of deposit shall obtain quotes of the specific rates of interest for the term of that certificate of deposit that each designated depository will pay on the certificate of deposit. Quotes may be solicited and taken by telephone. A memorandum of all quotes solicited and taken shall be retained by the investing officer as a public record of the political subdivision under IC 5-14-3. If the deposit is not placed in the designated depository quoting the highest rate of interest the investing officer shall: (1) place the deposit in the depository quoting the second or third highest rate of interest; and (2) note the reason for placing the deposit on the memorandum of quotes.

Amends IC 5-13-9-5 concerning quote procedures under the section, changing (c) If a deposit is not placed in the designated depository quoting the highest rate of interest, the investing officer shall follow the procedures and priority for placing deposits that are set forth in section 4 of this chapter and note the reason for placing the deposit on the memorandum of quotes.

**THE SCHOOL ADMINISTRATOR
and Uniform Compliance Guidelines**

Volume 189A, Page 8

May 2010

PUBLIC LAW 115 - HOUSE ENROLLED ACT 1336 - EFFECTIVE VARIOUS DATES. PUBLIC INVESTMENT LAW. (Continued)

CD's Selected Depositories

Adds IC 5-13-9-5.3 to provide in part (a) In addition to the authority to invest in certificates of deposit under section 5 of this chapter, and notwithstanding any other law, . . . the fiscal body of each political subdivision . . . may by . . . resolution authorize the investing officer . . . to invest public funds in certificates of deposit in accordance with the following conditions: (1) The funds are initially invested through a depository that is selected by the investing officer. (2) The selected depository arranges for the deposit of the funds in certificates of deposit in one (1) or more federally insured banks or savings and loan associations, wherever located, for the account of the . . . political subdivision. (3) The full amount of the principal and any accrued interest of each certificate of deposit are covered by insurance of any federal deposit insurance agency. (4) The selected depository acts as a custodian for the . . . political subdivision with respect to the certificates of deposit issued for its account. (5) At the same time that the . . . political subdivision's funds are deposited and the certificates of deposit are issued, the selected depository receives an amount of deposits covered by insurance of any federal deposit insurance agency from customers of other institutions, wherever located, at least equal to the amount of the funds invested by the . . . political subdivision through the selected depository. (b) Public funds invested in accordance with subsection (a) are not subject to any security or pledging requirements that may otherwise be applicable to the deposit or investment of public funds.

Joint Investment Fund

Amends IC 5-13-9-10 to provide in part (d) A joint investment fund must be invested and reinvested as a separate and individual fund. A joint investment fund may be invested or reinvested only in investments that are permitted for political subdivisions by this chapter.

State Board of Depositories

Amends IC 5-13-12-2 concerning the makeup of the Board for Depositories.

Amends and adds to various other sections of IC 5-13-12 and IC 5-13-13 concerning operation of the Board for Depositories.

Amends IC 5-13 concerning appointments to the Board. Provides regarding the PDIF the warrants outstanding and unpaid must not at any time exceed the sum of three hundred million dollars (\$300,000,000) (up from one million five hundred thousand dollars (\$1,500,000)). Also adds a section in 5-13-13-7 to provide (f) If the fund balance is zero (0), each depository shall pledge and deliver collateral to the board equal to the depository's pro rata share of total deposit accounts of public funds based on an average of the depository's total deposit accounts of public funds for the previous four (4) quarters, as reported under this article, as determined by the board from time to time, with at least fifteen (15) days notice to the depository, to secure the safekeeping and prompt payment of public funds.