

MEMORANDUM

To: Superintendents, Business Managers, and Treasurers

From: Melissa K. Ambre, Director, Office of School Finance

Date: July 17, 2020

Re: House Enrolled Act (HEA) 1113 – Local Government Finance

Background:

House Enrolled Act 1113 (2020) extends the repayment period up to 40 years for bonds issued by a school corporation for a school building construction project and to repay loans made or guaranteed by a federal agency. Second, the Department of Local Government Finance (DLGF) no longer needs to approve the amount of an operating referendum tax levy or a school safety referendum tax levy before negotiating teacher bargaining contracts. Third, a school corporation may increase the maximum permissible operations fund levy if the corporation is unable to provide adequate transportation services and/or to obtain additional buses under the bus replacement plan.

Guidance:

School construction projects -

Except as provided in IC 5-1-14-10, this provision increases from twenty years to forty years, after the date of issuance, the maximum term or repayment period for bonds for a school building construction project and to repay loans made or guaranteed by a federal agency (see IC 20-46-7-12, effective July 1, 2020).

Operating referendum -

IC 20-29-6-12.5 was amended, effective July 1, 2020, to remove the requirement for the DLGF to certify an amount approved for an operating or school safety referendum as part of the collective bargaining notification process.

Transportation appeal -

An amendment to IC 20-46-8-3, effective July 1, 2020, combines previously separate provisions related to a school transportation appeal. Schools are required to establish that an increase in levy is necessary because of one or both of the following provisions: 1) the inability to provide transportation services without an increase or an increase associated with the bus replacement

plan adopted or amended by the school corporation; and/or 2) a need to incur additional reasonable and necessary expense to acquire buses under the school's bus replacement plan.

If you have any questions, please contact DLGF at 317-232-3777 or <https://secure.in.gov/dlgf/index.htm>.

This bill was authored by Representative Dan Leonard. The full bill text can be found [here](#). Information regarding how to contact your legislators can be found [here](#).