
HOUSE BILL No. 1051

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-47-1.

Synopsis: School corporation donations to foundations. Permits a school corporation to annually donate not more than \$25,000 to a community foundation if the donation is matched by a private donor. (Current law permits school corporations to make matched donations only to public school endowment corporations.)

Effective: July 1, 2008.

Crooks

January 8, 2008, read first time and referred to Committee on Education.

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Second Regular Session 115th General Assembly (2008)

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 2007 Regular Session of the General Assembly.

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HOUSE BILL No. 1051



A BILL FOR AN ACT to amend the Indiana Code concerning education finance.

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

1 SECTION 1. IC 20-47-1-2.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2008]: **Sec. 2.5. As used in this chapter, "qualified foundation"**
4 **means:**

- 5 (1) **a nonprofit charitable community foundation; or**
- 6 (2) **a public school endowment corporation.**

7 SECTION 2. IC 20-47-1-6, AS ADDED BY P.L.45-2007,
8 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 2008]: Sec. 6. (a) The governing body of a school corporation
10 may annually donate an amount not to exceed twenty-five thousand
11 dollars (\$25,000) from the general fund of the school corporation to a
12 ~~public school endowment corporation~~ **qualified foundation** under the
13 following conditions:

- 14 (1) For every dollar that the school corporation donates to the
15 ~~public school endowment corporation~~, **qualified foundation**, a
16 private individual or entity must donate at least one dollar (\$1) to
17 the ~~public school endowment corporation~~: **qualified foundation**:



- 1 (A) for the benefit of the school corporation; and
- 2 (B) for the purposes designated by the school corporation for
- 3 the school corporation's donation.
- 4 (2) The ~~public school endowment corporation~~ **qualified**
- 5 **foundation** retains all rights to the donation, including investment
- 6 powers, except as provided in subdivision (3).
- 7 (3) The ~~public school endowment corporation~~ **qualified**
- 8 **foundation** agrees to do the following:
- 9 (A) Distribute the principal and income from the donation only
- 10 to the school corporation as directed by resolution of the
- 11 governing body of the school corporation.
- 12 (B) Return the donation to the general fund of the school
- 13 corporation if the ~~public school endowment corporation:~~
- 14 **qualified foundation:**
- 15 (i) ceases to operate as a ~~public school endowment~~
- 16 ~~corporation;~~ **qualified foundation;**
- 17 (ii) is liquidated; or
- 18 (iii) violates any condition of the endowment set by the
- 19 governing body of the school corporation.
- 20 (C) Open the books of the ~~public school endowment~~
- 21 ~~corporation~~ **qualified foundation** for examination at the
- 22 request of the state board of accounts to the extent necessary
- 23 for the state board of accounts to determine the manner in
- 24 which the school corporation's donation and any matching
- 25 donations have been held or distributed.
- 26 (b) A school corporation may use distributions from a ~~public school~~
- 27 ~~endowment corporation~~ **qualified foundation** received under a
- 28 resolution referred to in subsection (a)(3)(A) only for programs and
- 29 activities that:
- 30 (1) enhance the quality of education; or
- 31 (2) extend learning opportunities;
- 32 for students of the school corporation.
- 33 (c) This section expires June 30, 2012.

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