

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6520

BILL NUMBER: HB 1110

NOTE PREPARED: Mar 18, 2013

BILL AMENDED: Mar 14, 2013

SUBJECT: Flexibility in Use of School Funds.

FIRST AUTHOR: Rep. McNamara

FIRST SPONSOR: Sen. Charbonneau

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: (Amended) This bill extends the authority for a school corporation to use money in its capital projects fund to pay the costs of insurance and utilities through 2015.

Effective Date: July 1, 2013.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) The maximum amount of CPF funding statewide that can be used for paying the costs of insurance and utilities is about \$204.5 M each year, or 3.5% of the school corporation's 2005 calendar year school formula revenue. Currently, this provision is only valid through CY 2013. This bill would allow schools to use CPF funds for insurance and utilities costs through CY 2015. In FY 2012, school expenditures from CPF for utilities and property insurance was about \$182.4 M.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Local schools.

Information Sources: Department of Education Databases.

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