

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS  
FISCAL IMPACT STATEMENT**

**LS 6952**  
**BILL NUMBER: SB 292**

**NOTE PREPARED:** Jan 7, 2026  
**BILL AMENDED:**

**SUBJECT:** Loans from the Common School Fund.

**FIRST AUTHOR:** Sen. Spencer  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **X DEDICATED**  
                              **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill reinstates retroactively provisions that apply with regard to an extension of the term of loans or advances from the common school fund for the Gary Community School Corporation, which expired January 1, 2025. It also extends the expiration date to January 1, 2028.

**Effective Date:** January 1, 2025 (retroactive).

**Explanation of State Expenditures:**

**Explanation of State Revenues:** Provisions in this bill allow the Distressed Unit Appeal Board (DUAB) to suspend Gary Community School Corporation's (GCSC) Common School Loan payments until January 1, 2028. DUAB would be able to suspend payments retroactively dating back to January 1, 2025. To the extent DUAB chooses to suspend payments, Common School Fund revenue would be delayed.

**Additional Information** - Nine of GCSC's 13 Common School Fund loans were suspended through January 1, 2025. The suspended payments resulted in a short-term revenue decrease to the Common School Fund of \$5.5 M annually. However, the impact to state revenue under the bill is ultimately dependent on which, if any, of GCSC's Common School Fund loan payments are suspended and the length of the suspensions.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** The Department of Education withholds a portion of a school corporation's state tuition support distribution to pay off the school's Common School Fund loans. The bill may provide a short-term increase to GCSC's state tuition support revenue if DUAB suspends any of GCSC's Common School Fund loan payments. The impact to GCSC's revenue is dependent on state action. [See *Explanation of State Revenues*.]

**State Agencies Affected:** Distressed Unit Appeal Board.

**Local Agencies Affected:** Gary Community School Corporation.

**Information Sources:** Distressed Unit Appeal Board; Department of Education; Indiana Gateway.

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