

<p>Adopted Rejected</p>
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COMMITTEE REPORT

YES:	25
NO:	0

MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred House Bill 1222, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 4, delete lines 24 through 42.
- 2 Delete page 5.
- 3 Page 6, delete lines 1 through 33, begin a new paragraph and
- 4 insert:
- 5 "SECTION 4. IC 21-2-11.5-3.1, AS AMENDED BY P.L.6-1997,
- 6 SECTION 190, IS AMENDED TO READ AS FOLLOWS
- 7 [EFFECTIVE JANUARY 1, 1999]: Sec. 3.1. (a) Before a governing
- 8 body may collect property taxes for the school transportation fund's
- 9 school bus replacement account in a particular calendar year, the
- 10 governing body must, after January 1 and not later than September 20
- 11 of the immediately preceding year for all years before ~~1999~~ **2001** and
- 12 not later than January 31 for ~~1999~~ **2001** and all subsequent years:
- 13 (1) conduct a public hearing on; and
- 14 (2) pass a resolution to adopt;
- 15 a plan under this section.
- 16 (b) The state board of tax commissioners shall prescribe the format

1 of the plan. A plan must apply to at least the ten (10) budget years
 2 immediately following the year the plan is adopted. A plan must at
 3 least include the following:

4 (1) An estimate for each year to which it applies of the nature
 5 and amount of proposed expenditures from the transportation
 6 fund's school bus replacement account.

7 (2) A presumption that the minimum useful life of a school bus
 8 is not less than ten (10) years.

9 (3) An identification of:

10 (A) the source of all revenue to be dedicated to the
 11 proposed expenditures in the upcoming budget year; and

12 (B) the amount of property taxes to be collected in that year
 13 and the unexpended balance to be retained in the account
 14 for expenditures proposed for a later year.

15 (4) If the school corporation is seeking to:

16 (A) acquire; or

17 (B) contract for transportation services that will provide;

18 additional school buses or school buses with a larger seating
 19 capacity as compared to the number and type of school buses
 20 from the prior school year, evidence of a demand for increased
 21 transportation services within the school corporation. Clause (B)
 22 does not apply if contracted transportation services are not paid
 23 from the school bus replacement account.

24 (5) If the school corporation is seeking to:

25 (A) replace an existing school bus earlier than ten (10)
 26 years after the existing school bus was originally acquired;

27 or

28 (B) require a contractor to replace a school bus;

29 evidence that the need exists for the replacement of the school
 30 bus. Clause (B) does not apply if contracted transportation
 31 services are not paid from the school bus replacement account.

32 (6) Evidence that the school corporation that seeks to acquire
 33 additional school buses under this section is acquiring or
 34 contracting for the school buses only for the purposes specified
 35 in subdivision (4) or for replacement purposes.

36 (c) After reviewing the plan, the state board of tax commissioners
 37 shall certify its approval, disapproval, or modification of the plan to the
 38 governing body and the auditor of the county. The state board of tax

1 commissioners may seek the recommendation of the school property
 2 tax control board with respect to this determination. The action of the
 3 state board of tax commissioners with respect to the plan is final.

4 (d) The state board of tax commissioners may approve
 5 appropriations from the transportation fund's school bus replacement
 6 account only if the appropriations conform to a plan that has been
 7 adopted in compliance with this section.

8 (e) A governing body may amend a plan adopted under this
 9 section. When an amendment to a plan is required, the governing body
 10 must declare the nature of and the need for the amendment and must
 11 show cause as to why the original plan no longer meets the
 12 transportation needs of the school corporation. The governing body
 13 must then conduct a public hearing on and pass a resolution to adopt
 14 the amendment to the plan. The plan, as proposed to be amended, must
 15 comply with the requirements for a plan under subsection (b). This
 16 amendment to the plan is not subject to the deadline for adoption
 17 described in subsection (a). However, the amendment to the plan must
 18 be submitted to the state board of tax commissioners for its
 19 consideration and is subject to approval, disapproval, or modification
 20 in accordance with the procedures for adopting a plan set forth in this
 21 section.

22 (f) If a public hearing is scheduled under this section, the
 23 governing body shall publish a notice of the public hearing and the
 24 proposed plan or amendment to the plan in accordance with
 25 IC 5-3-1-2(b).

26 SECTION 5. IC 21-2-15-5, AS AMENDED BY P.L.6-1997,
 27 SECTION 192, IS AMENDED TO READ AS FOLLOWS
 28 [EFFECTIVE JANUARY 1, 1999]: Sec. 5. (a) Before a governing body
 29 may collect property taxes for a capital projects fund in a particular
 30 year, the governing body must, after January 1 and not later than
 31 September 20 of the immediately preceding year for all years before
 32 ~~1999~~ **2001** and not later than January 31 for ~~1999~~ **2001** and all
 33 subsequent years hold a public hearing on a proposed plan and then
 34 pass a resolution to adopt a plan.

35 (b) The state board of tax commissioners shall prescribe the format
 36 of the plan. A plan must apply to at least the three (3) years
 37 immediately following the year the plan is adopted. A plan must
 38 estimate for each year to which it applies the nature and amount of

1 proposed expenditures from the capital projects fund. A plan must
2 estimate:

3 (1) the source of all revenue to be dedicated to the proposed
4 expenditures in the upcoming calendar year; and

5 (2) the amount of property taxes to be collected in that year and
6 retained in the fund for expenditures proposed for a later year.

7 (c) If a hearing is scheduled under subsection (a), the governing
8 body shall publish the proposed plan and a notice of the hearing in
9 accordance with IC 5-3-1-2(b).".

10 Page 9, between lines 28 and 29, begin a new paragraph and
11 insert:

12 "SECTION 10. IC 21-3-11-6, AS ADDED BY P.L.260-1997(ss),
13 SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JULY 1, 1998]: Sec. 6. (a) A qualifying school corporation is eligible
15 to receive a grant from the state for each full-time equivalent student
16 who is enrolled in an alternative education program conducted for the
17 school corporation. The maximum amount that may be granted to a
18 qualifying school corporation in a school year is seven hundred fifty
19 dollars (\$750) per full-time equivalent student.

20 (b) To receive a grant under this chapter, the school corporation
21 must expend **on alternative education programs** in the school year a
22 matching amount of at least ~~two hundred fifty dollars (\$250)~~ **one-third**
23 **(1/3) of the amount of the state grant** per full-time equivalent
24 student, ~~on alternative education programs~~, as determined under the
25 rules adopted by the Indiana state board of education.

26 SECTION 11. IC 21-3-11-9, AS ADDED BY P.L.260-1997(ss),
27 SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28 JULY 1, 1998]: Sec. 9. The number of full-time equivalent students
29 enrolled in an alternative education program during a reporting period
30 is the result determined under STEP SIX of the following formula:

31 STEP ONE: Determine the number of alternative education
32 program sessions that were conducted in a reporting period for
33 a qualifying school corporation as follows:

34 (A) Determine the number of days on which an alternative
35 education program was conducted for an entire morning, as
36 determined under the rules adopted by the Indiana state
37 board of education.

38 (B) Determine the number of days on which an alternative

1 education program was conducted for an entire afternoon,
2 as determined under the rules adopted by the Indiana state
3 board of education.

4 (C) Determine the number of days on which an alternative
5 education program was conducted for an entire evening, as
6 determined under the rules adopted by the Indiana state
7 board of education.

8 (D) Determine the sum of the clause (A), (B), and (C)
9 amounts.

10 STEP TWO: For each morning, afternoon, and evening session
11 of an alternative education program that is used to determine the
12 STEP ONE result, determine the number of eligible students
13 **attending enrolled in** the sessions.

14 STEP THREE: Determine the sum of the STEP TWO amounts.

15 STEP FOUR: Divide the STEP THREE result by the STEP ONE
16 result.

17 STEP FIVE: Divide the STEP ONE result by three hundred sixty
18 (360).

19 STEP SIX: Multiply the STEP FOUR result by the STEP FIVE
20 result."

21 Page 9, line 30, delete "P.L.50-1996;" and insert "P.L.6-1997,
22 SECTION 86."

23 Page 9, delete lines 31 through 32.

24 Page 9, between lines 32 and 33, begin a new paragraph and
25 insert:

26 "SECTION 11. P.L.50-1996, SECTION 18, IS AMENDED TO
27 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: SECTION
28 18. (a) The department of education and the state board of tax
29 commissioners shall select pilot school corporations under subsection
30 (b). Beginning January 1, 1997, the school corporations selected under
31 subsection (b) shall comply with SECTIONS 1 through 18 of this act
32 as if those SECTIONS were effective January 1, 1997.

33 (b) Before October 1, 1996, the department of education and the
34 state board of tax commissioners shall meet to select ten (10) pilot
35 school corporations. The pilot school corporations shall be selected
36 with the objective that the pilot school corporations collectively
37 represent a broad range of the different types and sizes of school
38 corporations that exist in Indiana. In order to achieve this objective, the

1 department of education and the state board of tax commissioners shall
2 select the pilot school corporations based on the following criteria:

- 3 (1) The size of the student population within the corporation.
4 (2) The size of the geographic territory served by the
5 corporation.
6 (3) The average growth of the property tax assessed valuation
7 within the corporation's district over the preceding three (3)
8 years.
9 (4) The growth or decline of the ADM (as defined in
10 IC 21-3-1.6-1.1) within the corporation over the preceding three
11 (3) years, excluding any year in which there is a general
12 reassessment.
13 (5) The extent of urban development in the corporation.
14 (6) Any other factors the department of education and the state
15 board of tax commissioners determine are necessary to
16 distinguish a group or category of school corporations that
17 deserve representation by a pilot school corporation.

18 (c) All state and local governmental officials whose official
19 functions relate to this act shall cooperate with the department of
20 education, the state board of tax commissioners, and the pilot school
21 corporations to implement this act.

22 (d) This SECTION expires July 1, ~~1999~~ **2001**.

23 SECTION 12. P.L.50-1996, SECTION 19, IS AMENDED TO
24 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: SECTION
25 19. (a) The initial school year budget adopted by a pilot school
26 corporation selected under SECTION 18 of this act and fixed by the
27 state board of tax commissioners under this act is for the period
28 beginning July 1, 1997, through June 30, 1998. The first six (6) months
29 of the initial budget for a pilot school corporation must be consistent
30 with the last six (6) months of the budget fixed by the state board of tax
31 commissioners for calendar year 1997 under the procedures effective
32 in 1996.

33 (b) The initial school year budget adopted by a school corporation,
34 other than a pilot school corporation selected under SECTION 18 of
35 this act, and fixed by the state board of tax commissioners under this
36 act, is for the period beginning July 1, ~~1999~~ **2001**, through June 30,
37 ~~2000~~ **2002**. The first six (6) months of the initial budget must be
38 consistent with the last six (6) months of the budget fixed by the state

1 board of tax commissioners for calendar year ~~1999~~ **2001** under the
 2 procedures effective in ~~1998~~: **2000**.

3 (c) This SECTION expires July 1, ~~2000~~: **2002**.

4 SECTION 13. P.L.50-1996, SECTION 20, IS AMENDED TO
 5 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999]: SECTION
 6 20. (a) The department of education, with the assistance of the state
 7 board of tax commissioners, shall submit to the budget committee the
 8 following concerning all pilot school corporations selected under
 9 SECTION 18 of this act:

10 (1) Before October 1, 1998, a written report that:

11 (A) specifies positive and negative aspects experienced in
 12 formulating a budget under this act;

13 (B) makes recommendations on how to remedy any
 14 perceived inadequacies in the provisions of this act; and

15 (C) analyzes the long term benefits of this act.

16 (2) Before October 1, 1999, a written report that:

17 (A) updates the report made under subdivision (1);

18 (B) outlines adjustments the school corporation made in the
 19 process of converting to formulating a budget under this act;
 20 and

21 (C) provides any other information related to the school
 22 corporation's experiences as a pilot school corporation
 23 under this act that the school corporation believes important
 24 to be made known to the general assembly or other school
 25 corporations before this act takes effect for all school
 26 corporations.

27 **(3) Before October 1, 2000, a written report that:**

28 **(A) updates the report made under subdivision (2);**

29 **(B) outlines adjustments the school corporation made in**
 30 **the process of converting to formulating a budget under**
 31 **this act; and**

32 **(C) provides any other information related to the school**
 33 **corporation's experiences as a pilot school corporation**
 34 **under this act that the school corporation believes**
 35 **important to be made known to the general assembly or**
 36 **other school corporations before this act takes effect for**
 37 **all school corporations.**

38 **(4) Before October 1, 2001, a written report that:**

- 1 **(A) updates the report made under subdivision (3);**
 2 **(B) outlines adjustments the school corporation made in**
 3 **the process of converting to formulating a budget under**
 4 **this act; and**
 5 **(C) provides any other information related to the school**
 6 **corporation's experiences as a pilot school corporation**
 7 **under this act that the school corporation believes**
 8 **important to be made known to the general assembly or**
 9 **other school corporations before this act takes effect for**
 10 **all school corporations.**

11 Each pilot school corporation shall provide the department of education
 12 with the information necessary for the department of education to
 13 complete the reports required under this subsection.

14 (b) The department of education shall send copies of the reports
 15 required by this SECTION to the following:

- 16 (1) The county auditor.
 17 (2) The state board of tax commissioners.
 18 (3) Each pilot school corporation.
 19 (4) The Indiana School Boards Association.
 20 (c) This SECTION expires July 1, ~~2000~~ **2002**."
 21 Renumber all SECTIONS consecutively.
 22 (Reference is to HB 1222 as introduced.)

and when so amended that said bill do pass.

Representative Bauer