
SENATE BILL No. 357

DIGEST OF INTRODUCED BILL

Citations Affected: IC 21-3-3.2; IC 21-3-3.3.

Synopsis: Education finance. Provides state distributions to partially equalize school corporation capital projects fund levies and school corporation debt service fund levies. Provides that the state capital projects fund distribution will guarantee that the amount a school corporation can raise from the first \$0.55 of its capital projects fund tax rate is the amount that could be raised from an assessed valuation of \$70,000 per pupil. Provides that the state debt service fund distribution will guarantee that the amount a school corporation can raise from the first \$1 of its debt service fund tax rate is the amount that could be raised from an assessed valuation of \$70,000 per pupil. Makes an appropriation from the state general fund sufficient to make the distributions.

Effective: July 1, 2000; January 1, 2001.

Bowser

January 10, 2000, read first time and referred to Committee on Finance.

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Second Regular Session 111th General Assembly (2000)

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 1999 General Assembly.

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SENATE BILL No. 357



A BILL FOR AN ACT to amend the Indiana Code concerning education finance and to make an appropriation.

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

1 SECTION 1. IC 21-3-3.2 IS ADDED TO THE INDIANA CODE
2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2001]:

4 **Chapter 3.2. Distribution for Capital Projects Support**

5 **Sec. 1. Subject to section 2 of this chapter, the state distribution**
6 **for a calendar year for capital projects support for each school**
7 **corporation equals the result determined using the following**
8 **formula:**

9 **STEP ONE: Determine the result of:**

10 (A) the school corporation's ADM (as defined in
11 IC 21-3-1.6-1.1) for the current year multiplied by seventy
12 thousand dollars (\$70,000); divided by

13 (B) the school corporation's most recent adjustment factor,
14 as determined by the state board of tax commissioners
15 under IC 6-1.1-34.

16 **STEP TWO: Determine the greater of zero (0) or the result**
17 **of:**



- 1 (A) the STEP ONE result; minus
 2 (B) the school corporation's assessed valuation for the
 3 current year.
 4 **STEP THREE: Determine the lesser of fifty-five ten**
 5 **thousandths (0.0055) or the result of:**
 6 (A) the school corporation's proposed capital projects fund
 7 levy for the current year, before the reduction under this
 8 chapter; divided by
 9 (B) the STEP ONE result.
 10 **STEP FOUR: Multiply the STEP THREE result by the STEP**
 11 **TWO result.**
 12 **Sec. 2. (a) Subject to the total amount appropriated by the**
 13 **general assembly for capital projects support under this chapter,**
 14 **the amount that a school corporation is entitled to receive as a**
 15 **capital projects support distribution for a year is the amount**
 16 **determined in section 1 of this chapter.**
 17 (b) If the total amount to be distributed as capital projects
 18 support under this chapter for a particular year exceeds
 19 seventy-five million eight hundred thousand dollars (\$75,800,000)
 20 in 2001, the amount to be distributed for capital projects support
 21 under this chapter to each school corporation during the last six (6)
 22 months of the year shall be reduced by the same dollar amount per
 23 ADM (as adjusted under IC 21-3-1.6-1.1) so that the total
 24 reductions equal the amount of the excess.
 25 **Sec. 3. This chapter expires January 1, 2002.**
 26 SECTION 2. IC 21-3-3.3 IS ADDED TO THE INDIANA CODE
 27 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 28 JANUARY 1, 2001]:
 29 **Chapter 3.3. Distribution for Debt Service Support**
 30 **Sec. 1. Subject to section 2 of this chapter, the state distribution**
 31 **for a calendar year for debt service support for each school**
 32 **corporation equals the result determined using the following**
 33 **formula:**
 34 **STEP ONE: Determine the result of:**
 35 (A) the school corporation's ADM (as defined in
 36 IC 21-3-1.6-1.1) for the current year multiplied by seventy
 37 thousand dollars (\$70,000); divided by
 38 (B) the school corporation's most recent assessment
 39 adjustment factor, as determined by the state board of tax
 40 commissioners under IC 6-1.1-34.
 41 **STEP TWO: Determine the greater of zero (0) or the result**
 42 **of:**

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- 1 (A) the STEP ONE result; minus
 2 (B) the school corporation's assessed valuation for the
 3 current year.
 4 **STEP THREE: Determine the lesser of one hundredth (0.01)**
 5 **or the result of:**
 6 (A) the sum of:
 7 (i) the school corporation's proposed debt service fund
 8 levy for the current year before reductions under this
 9 chapter; plus
 10 (ii) the amount of the average daily attendance flat grant
 11 that the school corporation will receive under
 12 IC 21-3-4.5-1 during the year; divided by
 13 (B) the STEP ONE result.
 14 **STEP FOUR: Multiply the STEP THREE result by the STEP**
 15 **TWO result.**
 16 **Sec. 2. (a) Subject to the total amount appropriated by the**
 17 **general assembly for debt service support under this chapter, the**
 18 **amount that a school corporation is entitled to receive as a debt**
 19 **service support distribution for a year is the amount determined in**
 20 **section 1 of this chapter.**
 21 (b) If the total amount to be distributed as debt service support
 22 under this chapter for a particular year exceeds seventy million
 23 two hundred thousand dollars (\$70,200,000) in 2001, the amount
 24 to be distributed for debt service support under this chapter to
 25 each school corporation during the last six (6) months of the year
 26 shall be reduced by the same dollar amount per ADM (as adjusted
 27 under IC 21-3-1.6-1.1) so that the total reductions equal the
 28 amount of the excess.
 29 **Sec. 3. This chapter expires January 1, 2002.**
 30 **SECTION 3. [EFFECTIVE JULY 1, 2000] (a) There is**
 31 **appropriated from the state general fund to the department of**
 32 **education an amount sufficient to make the distributions under**
 33 **IC 21-3-3.2 and IC 21-3-3.3, both as added by this act.**
 34 (b) This SECTION expires June 30, 2001.

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