
HOUSE BILL No. 1212

DIGEST OF INTRODUCED BILL

Citations Affected: IC 21-3.

Synopsis: School funding formula. Equalizes target property tax rates for school general funds. Provides that local property tax levies statewide for school corporations will increase the same as the statewide average for civil units. Provides that the state tuition support appropriation is to be allocated among all school corporations using an equal state tuition support amount per ADM. Provides an additional amount equal to 50% of the target revenue per ADM (state and local) for each special education and at-risk pupil. Repeals conflicting provisions.

Effective: January 1, 2001.

Steele

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

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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.

HOUSE BILL No. 1212



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 21-3-1.7-6.7, AS AMENDED BY P.L.273-1999,
2 SECTION 134, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JANUARY 1, 2001]: Sec. 6.7. A school corporation's
4 target revenue per ADM for a calendar year is the result determined
5 under ~~STEP SIX~~ of the following formula:
6 ~~STEP ONE: Determine the result under clause (D) of the~~
7 ~~following formula:~~
8 ~~(A) Divide the school corporation's at-risk index determined~~
9 ~~under IC 21-3-1.8-1.1 by three (3):~~
10 ~~(B) Add one (1) to the clause (A) result.~~
11 ~~(C) Multiply the result determined under clause (B) by four~~
12 ~~thousand seventy-nine dollars (\$4,079) in 2000 and four~~
13 ~~thousand two hundred sixty-seven dollars (\$4,267) in 2001.~~
14 ~~(D) Multiply the clause (C) product by the school corporation's~~
15 ~~adjusted ADM for the current year.~~
16 ~~STEP TWO: Divide the school corporation's previous year~~
17 ~~revenue by the school corporation's adjusted ADM for the~~

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- 1 previous year.
- 2 **STEP THREE:** Multiply the sum of one (1) plus the school
- 3 corporation's at-risk index by the following:
- 4 (A) If the STEP TWO result is not more than:
- 5 (i) four thousand one hundred one dollars (\$4,101) in 2000;
- 6 and
- 7 (ii) four thousand two hundred ninety dollars (\$4,290) in
- 8 2001;
- 9 multiply by one hundred dollars (\$100):
- 10 (B) If the STEP TWO result is:
- 11 (i) more than four thousand one hundred one dollars
- 12 (\$4,101) and not more than four thousand eight hundred
- 13 eighty-five dollars (\$4,885) in 2000; or
- 14 (ii) more than four thousand two hundred ninety dollars
- 15 (\$4,290) and not more than five thousand seventy-seven
- 16 dollars (\$5,077) in 2001;
- 17 multiply by the result under clause (C):
- 18 (C) Determine the result of:
- 19 (i) the STEP TWO result minus four thousand one hundred
- 20 one dollars (\$4,101) in 2000 and four thousand two hundred
- 21 ninety dollars (\$4,290) in 2001.
- 22 (ii) Divide the item (i) result by seven hundred eighty-four
- 23 dollars (\$784) in 2000 and seven hundred eighty-seven
- 24 dollars (\$787) in 2001.
- 25 (iii) Multiply the item (ii) result by thirty dollars (\$30).
- 26 (iv) Subtract the item (iii) result from one hundred dollars
- 27 (\$100).
- 28 (D) If the STEP TWO result is more than:
- 29 (i) four thousand eight hundred eighty-five dollars (\$4,885)
- 30 in 2000; and
- 31 (ii) five thousand seventy-seven dollars (\$5,077) in 2001;
- 32 multiply by seventy dollars (\$70):
- 33 **STEP FOUR:** Add the STEP TWO result and the STEP THREE
- 34 result:
- 35 **STEP FIVE:** Determine the greatest of the following:
- 36 (A) Multiply the STEP FOUR result by the school
- 37 corporation's adjusted ADM for the current year.
- 38 (B) If the school corporation's previous year revenue divided
- 39 by the school corporation's previous year ADM is:
- 40 (i) less than five thousand two hundred twenty-seven dollars
- 41 (\$5,227) for 2000 and five thousand five hundred eighteen
- 42 dollars (\$5,518) for 2001, multiply the school corporation's

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1 previous year revenue by one and three-hundredths (1.03);
 2 or
 3 (ii) at least five thousand two hundred twenty-seven dollars
 4 (\$5,227) for 2000 and five thousand five hundred eighteen
 5 dollars (\$5,518) for 2001; multiply the school corporation's
 6 previous year revenue by one and twenty-five thousandths
 7 (1.025):

8 (C) The STEP ONE amount:

9 STEP SIX: Divide the STEP FIVE amount by the school
 10 corporation's adjusted ADM for the current year:

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

12 (A) the amount appropriated for state tuition support for
 13 the year; divided by

14 (B) the sum of all school corporations' adjusted current
 15 ADM.

16 **STEP TWO: Determine the result of:**

17 (A) the school corporation's tuition support levy for the
 18 year; divided by

19 (B) the school corporation's adjusted current ADM.

20 **STEP THREE: Determine the result of:**

21 (A) the STEP ONE amount; plus

22 (B) the STEP TWO amount.

23 SECTION 2. IC 21-3-1.7-6.8, AS AMENDED BY P.L.273-1999,
 24 SECTION 135, IS AMENDED TO READ AS FOLLOWS
 25 [EFFECTIVE JANUARY 1, 2001]: Sec. 6.8. A school corporation's
 26 target general fund property tax rate for purposes of IC 6-1.1-19-1.5 is:
 27 the result determined under STEP THREE of the following formula:

28 STEP ONE: This STEP applies only if the amount determined in
 29 STEP FIVE of the formula in section 6.7 of this chapter minus the
 30 result determined in STEP ONE of the formula in section 6.7 of
 31 this chapter is greater than zero (0). Determine the result under
 32 clause (E) of the following formula:

33 (A) Divide the school corporation's current assessed valuation
 34 by the school corporation's current ADM:

35 (B) Divide the clause (A) result by ten thousand (10,000):

36 (C) Determine the greater of the following:

37 (i) The clause (B) result:

38 (ii) Eleven dollars and fifty cents (\$11.50) in 2000 and
 39 twelve dollars and fifty cents (\$12.50) in 2001:

40 (D) Determine the result determined under item (ii) of the
 41 following formula:

42 (i) Subtract the result determined in STEP ONE of the

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1 formula in section 6.7 of this chapter from the amount
 2 determined in STEP FIVE of the formula in section 6.7 of
 3 this chapter:

4 (ii) Divide the item (i) result by the school corporation's
 5 current ADM:

6 (E) Divide the clause (D) result by the clause (C) result:

7 (F) Divide the clause (E) result by one hundred (100):

8 STEP TWO: This STEP applies only if the amount determined in
 9 STEP FIVE of the formula in section 6.7 of this chapter is equal
 10 to STEP ONE of the formula in section 6.7 of this chapter and the
 11 result of clause (A) is greater than zero (0). Determine the result
 12 under clause (G) of the following formula:

13 (A) Add the following:

14 (i) An amount equal to the annual decrease in federal aid to
 15 impacted areas from the year preceding the ensuing calendar
 16 year by three (3) years to the year preceding the ensuing
 17 calendar year by two (2) years:

18 (ii) The original amount of any excessive tax levy the school
 19 corporation imposed as a result of the passage, during the
 20 preceding year, of a referendum under IC 6-1.1-19-4.5(c) for
 21 taxes first due and payable during the year:

22 (iii) The portion of the maximum general fund levy for the
 23 year that equals the original amount of the levy imposed by
 24 the school corporation to cover the costs of opening a new
 25 school facility during the preceding year:

26 (B) Divide the clause (A) result by the school corporation's
 27 current ADM:

28 (C) Divide the school corporation's current assessed valuation
 29 by the school corporation's current ADM:

30 (D) Divide the clause (C) result by ten thousand (10,000):

31 (E) Determine the greater of the following:

32 (i) The clause (D) result:

33 (ii) Eleven dollars and fifty cents (\$11.50) in 2000 and
 34 twelve dollars and fifty cents (\$12.50) in 2001:

35 (F) Divide the clause (B) result by the clause (E) amount:

36 (G) Divide the clause (F) result by one hundred (100):

37 STEP THREE: Determine the sum of:

38 (A) two dollars and sixty-nine and five-tenths cents (\$2.695)
 39 in 2000; and

40 (B) two dollars and seventy-one and seven-tenths cents
 41 (\$2.717) in 2001; and

42 if applicable; the STEP ONE or STEP TWO result.

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- 1 **(1) the statewide average tuition support levy tax rate for the**
 2 **previous year; multiplied by**
 3 **(2) the statewide average assessed value growth quotient for**
 4 **the current year under IC 6-1.1-18.5.**

5 SECTION 3. IC 21-3-1.7-9.7, AS AMENDED BY P.L.273-1999,
 6 SECTION 140, IS AMENDED TO READ AS FOLLOWS
 7 [EFFECTIVE JANUARY 1, 2001]: Sec. 9.7. In addition to the
 8 distributions under sections 8, 9.5, and 9.8 of this chapter for 1997 and
 9 thereafter, a school corporation is eligible for an amount for at-risk
 10 programs in the amount determined in ~~STEP SIX~~ of the following
 11 formula:

12 STEP ONE: Determine the greater of the following:

13 (A) The result determined under item (ii) of the following
 14 formula:

15 ~~(i)~~ (i) Determine the result of the school corporation's at-risk
 16 index minus two-tenths (0.2).

17 (ii) Multiply the item ~~(i)~~ (i) result by seven-hundredths
 18 (0.07).

19 (B) Zero (0).

20 STEP TWO: Determine the greater of the following:

21 (A) The result determined under item (ii) of the following
 22 formula:

23 ~~(i)~~ (i) Determine the result of the school corporation's at-risk
 24 index minus fifteen-hundredths (0.15).

25 (ii) Multiply the item ~~(i)~~ (i) result by eighteen-hundredths
 26 (0.18).

27 (B) Zero (0).

28 STEP THREE: Add the STEP ONE result and the STEP TWO
 29 result.

30 STEP FOUR: Multiply the STEP THREE sum by the school
 31 corporation's current ADM. Round the result to the nearest
 32 one-hundredth (0.01).

33 STEP FIVE: Multiply the STEP FOUR product by ~~three thousand~~
 34 ~~three hundred fifty-four dollars (\$3,354) in 2000 and three~~
 35 ~~thousand five hundred twenty-two dollars (\$3,522) in 2001: the~~
 36 **result of:**

37 **(A) the school corporation's target revenue per ADM;**
 38 **multiplied by**

39 **(B) fifty percent (50%).**

40 SECTION 4. IC 21-3-10-8, AS AMENDED BY P.L.273-1999,
 41 SECTION 148, IS AMENDED TO READ AS FOLLOWS
 42 [EFFECTIVE JANUARY 1, 2001]: Sec. 8. The amount of the grant

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1 that a school corporation is entitled to receive for special education
2 programs is equal to **the school corporation's target revenue per**
3 **ADM multiplied by fifty percent (50%) and further multiplied by**
4 **the sum of:**

- 5 (1) the nonduplicated count of pupils in programs for severe
6 disabilities; **multiplied by:**
 - 7 (A) seven thousand five hundred sixty-one dollars (\$7,561) in
8 2000; and
 - 9 (B) seven thousand eight hundred forty-nine dollars (\$7,849)
10 in 2001; plus
- 11 (2) the nonduplicated count of pupils in programs of mild and
12 moderate disabilities; **multiplied by:**
 - 13 (A) two thousand fifty-two dollars (\$2,052) in 2000; and
 - 14 (B) two thousand one hundred thirty dollars (\$2,130) in 2001;
15 plus
- 16 (3) the duplicated count of pupils in programs for communication
17 disorders; **multiplied by:**
 - 18 (A) four hundred eighty-six dollars (\$486) in 2000; and
 - 19 (B) five hundred five dollars (\$505) in 2001; plus
- 20 (4) the cumulative count of pupils in homebound programs.
21 **multiplied by**
 - 22 (A) four hundred eighty-six dollars (\$486) in 2000; and
 - 23 (B) five hundred five dollars (\$505) in 2001.

24 SECTION 5. THE FOLLOWING ARE REPEALED [EFFECTIVE
25 JANUARY 1, 2001]: IC 21-3-1.7-2; IC 21-3-1.7-3.1; IC 21-3-1.7-9.5.

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