



Reprinted
February 2, 2000

SENATE BILL No. 489

DIGEST OF SB 489 (Updated February 1, 2000 2:22 PM - DI 73)

Citations Affected: IC 21-3; noncode.

Synopsis: School funding. Increases the tuition support cap for calendar year 2000. Provides that in determining average daily membership, beginning with the September 1999 count, an eligible pupil who is enrolled in a public school and in a nonpublic school shall be counted on a full-time equivalency basis. Phases-in the impact of this change over two years. Provides that this change does not apply to the calculation of 2000 tuition support or 2000 primetime distributions. Provides that these pupils are not considered in the calculation of a school corporation's enrollment adjustment grant. Provides that the definition of "eligible pupil" includes certain students who are placed in a facility located in a transferee school corporation's attendance area by a parent or guardian.

Effective: January 1, 2000 (retroactive); July 1, 2000; January 1, 2001.

Mills

January 10, 2000, read first time and referred to Committee on Finance.
January 28, 2000, amended, reported favorably — Do Pass.
February 1, 2000, read second time, amended, ordered engrossed.

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February 2, 2000

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 *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1999 General Assembly.

SENATE BILL No. 489

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 21-3-1.6-1.1 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JANUARY 1, 2000 (RETROACTIVE)]:
3 Sec. 1.1. As used in this chapter:
4 (a) "School corporation" means any local public school corporation
5 established under Indiana law.
6 (b) "School year" means a year beginning July 1 and ending the next
7 succeeding June 30.
8 (c) "State distribution" due a school corporation means the amount
9 of state funds to be distributed to a school corporation in any calendar
10 year under this chapter.
11 (d) "Average daily membership" or "ADM" of a school corporation
12 means the number of eligible pupils enrolled in the school corporation
13 or in a transferee corporation on a day to be fixed annually by the
14 Indiana state board of education. Such day shall fall within the first
15 thirty (30) days of the school term. If, however, extreme patterns of
16 student in-migration, illness, natural disaster, or other unusual
17 conditions in a particular school corporation's enrollment on the

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1 particular day thus fixed, cause the enrollment to be unrepresentative
2 of the school corporation's enrollment throughout a school year, the
3 Indiana state board of education may designate another day for
4 determining the school corporation's enrollment. The Indiana state
5 board of education shall monitor changes, which occur after the fall
6 count, in the number of students enrolled in programs for children with
7 disabilities and shall, before December 2 of that same year, make an
8 adjusted count of students enrolled in programs for children with
9 disabilities. The superintendent of public instruction shall certify the
10 adjusted count to the budget committee before February 5 of the
11 following year. In determining the ADM, each kindergarten pupil shall
12 be counted as one-half (1/2) pupil. Where a school corporation
13 commences kindergarten in a school year, the ADM of the current and
14 prior calendar years shall be adjusted to reflect the enrollment of the
15 kindergarten pupils. "Current ADM" of a school corporation used in
16 computing its state distribution in a calendar year means the ADM of
17 the school year ending in the calendar year. "ADM of the previous
18 year" or "ADM of the prior year" of a school corporation used in
19 computing its state distribution in a calendar year means the ADM of
20 the school corporation for the school year ending in the preceding
21 calendar year.

22 (e) "Additional count" of a school corporation, or comparable
23 language, means the aggregate of the additional counts of the school
24 corporation for certain pupils as set out in section 3 of this chapter and
25 as determined at the times for calculating ADM. "Current additional
26 count" means the additional count of the school corporation for the
27 school year ending in the calendar year. "Prior year additional count"
28 of a school corporation used in computing its state distribution in a
29 calendar year means the additional count of the school corporation for
30 the school year ending in the preceding calendar year.

31 (f) "Adjusted assessed valuation" of any school corporation used in
32 computing state distribution for a calendar year means the assessed
33 valuation in the school corporation, adjusted as provided in
34 IC 6-1.1-34. The amount of the valuation shall also be adjusted
35 downward by the state board of tax commissioners to the extent it
36 consists of real or personal property owned by a railroad or other
37 corporation under the jurisdiction of a federal court under the federal
38 bankruptcy laws (11 U.S.C. 101 et seq.) if as a result of the corporation
39 being involved in a bankruptcy proceeding the corporation is
40 delinquent in payment of its Indiana real and personal property taxes
41 for the year to which the valuation applies. If the railroad or other
42 corporation in some subsequent calendar year makes payment of the

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1 delinquent taxes, then the state superintendent of public instruction
 2 shall prescribe adjustments in the distributions of state funds pursuant
 3 to this chapter as are thereafter to become due to a school corporation
 4 affected by the delinquency as will ensure that the school corporation
 5 will not have been unjustly enriched under the provisions of
 6 P.L.382-1987(ss).

7 (g) "General fund" means a school corporation fund established
 8 under IC 21-2-11-2.

9 (h) "Teacher" means every person who is required as a condition of
 10 employment by a school corporation to hold a teacher's license issued
 11 or recognized by the state, except substitutes and any person paid
 12 entirely from federal funds.

13 (i) "Teacher ratio" of a school corporation used in computing state
 14 distribution in any calendar year means the ratio assigned to the school
 15 corporation pursuant to section 2 of this chapter.

16 (j) "Eligible pupil" means a pupil enrolled in a school corporation
 17 if:

18 (1) the school corporation has the responsibility to educate the
 19 pupil in its public schools without the payment of tuition;

20 (2) subject to subdivision (5), the school corporation has the
 21 responsibility to pay transfer tuition under IC 20-8.1-6.1, because
 22 the pupil is transferred for education to another school
 23 corporation (the "transferee corporation");

24 (3) the pupil is enrolled in a school corporation as a transfer
 25 student under IC 20-8.1-6.1-3 or entitled to be counted for ADM
 26 or additional count purposes as a resident of the school
 27 corporation when attending its schools under any other applicable
 28 law or regulation;

29 (4) the state is responsible for the payment of transfer tuition to
 30 the school corporation for the pupil under IC 20-8.1-6.1; or

31 (5) all of the following apply:

32 (A) The school corporation is a transferee corporation.

33 (B) The pupil does not qualify as a qualified pupil in the
 34 transferee corporation under subdivision (3) or (4).

35 (C) The transferee corporation's attendance area includes a
 36 state licensed private or public health care facility, child care
 37 facility, or foster family home where the pupil was placed:

38 (i) by or with the consent of the division of family and
 39 children;

40 (ii) by a court order; **or**

41 (iii) by a child placing agency licensed by the division of
 42 family and children; **or**



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1 **(iv) by a parent or guardian under IC 20-8.1-6.1-5.**

2 (k) "General fund budget" of a school corporation means the amount
3 of the budget approved for a given year by the state board of tax
4 commissioners and used by the state board of tax commissioners in
5 certifying a school corporation's general fund tax levy and tax rate for
6 the school corporation's general fund as provided for in IC 21-2-11.

7 SECTION 2. IC 21-3-1.6-1.2 IS ADDED TO THE INDIANA
8 CODE AS A NEW SECTION TO READ AS FOLLOWS
9 [EFFECTIVE JANUARY 1, 2000 (RETROACTIVE)]: **Sec. 1.2. (a)**

10 **This section applies only to a pupil who:**

- 11 **(1) is enrolled in a public school and a nonpublic school;**
12 **(2) has legal settlement in a school corporation; and**
13 **(3) receives instructional services from the school corporation**
14 **for at least one hundred eighty (180) days (as provided in**
15 **IC 20-10.1-2-1).**

16 **(b) A pupil described in subsection (a) may be considered in a**
17 **school corporation's ADM count on a full-time equivalency basis**
18 **as determined under subsection (c).**

19 **(c) For purposes of this section, full-time equivalency is**
20 **calculated by dividing the pupil's public school instructional time**
21 **(as defined in IC 20-10.1-2-1(b)), rounded to the nearest**
22 **one-hundredth (0.01), by the actual public school regular**
23 **instructional day (as defined in IC 20-10.1-2-1(b)), rounded to the**
24 **nearest one-hundredth (0.01).**

25 **(d) If the computation for a pupil under subsection (c) results in**
26 **a fraction, the fraction must be rounded to the nearest**
27 **one-hundredth (0.01).**

28 SECTION 3. IC 21-3-1.7-9, AS AMENDED BY P.L.273-1999,
29 SECTION 138, IS AMENDED TO READ AS FOLLOWS
30 [EFFECTIVE JULY 1, 2000]: **Sec. 9. (a)** Subject to the amount
31 appropriated by the general assembly for tuition support, the amount
32 that a school corporation is entitled to receive in tuition support for a
33 year is the amount determined in section 8 of this chapter.

34 **(b) If the total amount to be distributed as tuition support under this**
35 **chapter, for enrollment adjustment grants under section 9.5 of this**
36 **chapter, for at-risk programs under section 9.7 of this chapter, for**
37 **academic honors diploma awards under section 9.8 of this chapter, and**
38 **as special and vocational education grants under IC 21-3-1.8-3 or**
39 **IC 21-3-10 for a particular year, exceeds:**

- 40 **(1) two billion nine hundred thirty-nine million two hundred**
41 **thousand dollars (\$2,939,200,000) in 1999;**
42 **(2) three billion one hundred ~~forty-four~~ **ninety** million **five****



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1 ~~hundred thousand~~ dollars (~~\$3,144,500,000~~) **(\$3,190,000,000)** in
2 2000; and

3 (3) three billion three hundred twenty-one million dollars
4 (\$3,321,000,000) in 2001;

5 the amount to be distributed for tuition support under this chapter to
6 each school corporation during each of the last six (6) months of the
7 year shall be reduced by the same dollar amount per ADM (as adjusted
8 by IC 21-3-1.6-1.1) so that the total reductions equal the amount of the
9 excess.

10 SECTION 4. IC 21-3-1.7-9.5, AS AMENDED BY P.L.273-1999,
11 SECTION 139, IS AMENDED TO READ AS FOLLOWS
12 [EFFECTIVE JANUARY 1, 2000 (RETROACTIVE)]: Sec. 9.5. (a) In
13 addition to the distribution under sections 8, 9.7, and 9.8 of this
14 chapter, a school corporation is eligible for an enrollment adjustment
15 grant if the school corporation's:

16 (1) current ADM minus the school corporation's previous year
17 ADM is at least two hundred fifty (250); or

18 (2) current ADM divided by the school corporation's previous
19 year ADM is at least one and five-hundredths (1.05).

20 (b) The amount of the enrollment adjustment grant is the amount
21 determined in STEP THREE of the following formula:

22 STEP ONE: Determine the school corporation's target revenue per
23 ADM divided by three (3).

24 STEP TWO: Determine the result of the school corporation's
25 current ADM minus the school corporation's previous year ADM.

26 STEP THREE: Multiply the STEP ONE result by the STEP TWO
27 result.

28 **(c) Notwithstanding any other provision, for purposes of**
29 **computing the amount of a grant under this section, "ADM" does**
30 **not include an eligible pupil who is described in IC 21-3-1.6-1.2(a).**

31 SECTION 5. [EFFECTIVE JANUARY 1, 2000 (RETROACTIVE)]

32 **(a) Not later than May 1, 2000, each school corporation shall do the**
33 **following:**

34 (1) **Adjust its September 1999 ADM count to take into**
35 **consideration the provisions of IC 21-3-1.6-1.2, as added by**
36 **this act.**

37 (2) **Report the adjusted ADM count to the department of**
38 **education.**

39 (b) **The provisions of IC 21-3-1.6-1.2, as added by this act, do**
40 **not apply to the 2000 calculation of tuition support for school**
41 **corporations under IC 21-3-1.7-8 or the 2000 calculation of**
42 **primetime under IC 21-1-30.**

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1 (c) This SECTION expires July 1, 2002.

2 SECTION 6. [EFFECTIVE JANUARY 1, 2001] (a)
3 Notwithstanding IC 21-3-1.6-1.2, as added by this act, and
4 IC 21-3-1.7, the tuition support determined under IC 21-3-1.7-8 for
5 a school corporation shall be reduced as follows:

6 (1) For 2001, the previous year revenue determined without
7 regard to IC 21-3-1.6-1.2, as added by this act, shall be
8 reduced by an amount determined under the following
9 STEPS:

10 STEP ONE: Determine the difference between:

11 (i) the school corporation's average daily membership
12 count for 2000, without regard to IC 21-3-1.6-1.2, as
13 added by this act; minus

14 (ii) the school corporation's average daily membership
15 count for 2000, as adjusted by the school corporation
16 under this act after applying IC 21-3-1.6-1.2, as added by
17 this act.

18 STEP TWO: Determine the result of:

19 (i) the school corporation's previous year revenue under
20 IC 21-3-1.7-3.1, without regard to IC 21-3-1.6-1.2, as
21 added by this act; divided by

22 (ii) the school corporation's average daily membership
23 for 2000, without regard to IC 21-3-1.6-1.2, as added by
24 this act.

25 STEP THREE: Multiply the STEP ONE result by the
26 STEP TWO result.

27 STEP FOUR: Multiply the STEP THREE result by fifty
28 percent (50%).

29 (2) For 2002, the previous year revenue determined without
30 regard to IC 21-3-1.6-1.2, as added by this act, shall be
31 reduced by an amount equal to the result under STEP FOUR
32 of subdivision (1) multiplied by one and three hundredths
33 (1.03).

34 (b) This SECTION expires January 1, 2003.

35 SECTION 7. [EFFECTIVE JANUARY 1, 2001] (a)
36 Notwithstanding IC 21-3-1.6-1.2, as added by this act, and
37 IC 21-3-1.7-6.6, for 2001 a school corporation's "adjusted ADM"
38 for purposes of IC 21-3-1.7 is determined under the following
39 STEPS:

40 STEP ONE: Determine the school corporation's adjusted
41 ADM under IC 21-3-1.7-6.6, without regard to
42 IC 21-3-1.6-1.2, as added by this act.



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- 1 **STEP TWO: Determine the difference between:**
 2 (A) the school corporation's average daily membership
 3 count for 2000, without regard to IC 21-3-1.6-1.2, as added
 4 by this act; minus
 5 (B) the school corporation's average daily membership
 6 count for 2000, as adjusted by the school corporation
 7 under this act after applying IC 21-3-1.6-1.2, as added by
 8 this act.
- 9 **STEP THREE: Multiply the STEP TWO result by eighty**
 10 **percent (80%).**
- 11 **STEP FOUR: Determine the result of:**
 12 (A) the STEP ONE result; minus
 13 (B) the STEP THREE result.
- 14 **(b) This SECTION expires January 1, 2002.**
- 15 SECTION 8. [EFFECTIVE JANUARY 1, 2001] (a)
 16 Notwithstanding IC 21-3-1.6-1.2, as added by this act, and
 17 IC 21-1-30, the primetime distribution determined under
 18 IC 21-1-30 for a school corporation shall be reduced as follows:
 19 (1) For 2001, the primetime amount under IC 21-1-30 the
 20 school corporation received for the previous year without
 21 regard to IC 21-3-1.6-1.2, as added by this act, shall be
 22 reduced by an amount determined under the following
 23 STEPS:
 24 **STEP ONE: Determine the difference between:**
 25 (i) the school corporation's primetime distribution for
 26 2000, without regard to IC 21-3-1.6-1.2, as added by this
 27 act; minus
 28 (ii) the school corporation's primetime distribution for
 29 2000, after applying IC 21-3-1.6-1.2, as added by this act.
 30 **STEP TWO: Multiply the STEP ONE result by fifty**
 31 **percent (50%).**
- 32 (2) For 2002, the primetime amount under IC 21-1-30 the
 33 school corporation received for the previous year without
 34 regard to IC 21-3-1.6-1.2, as added by this act, shall be
 35 reduced by an amount equal to the result under STEP TWO
 36 of subdivision (1).
- 37 **(b) This SECTION expires January 1, 2003.**
- 38 SECTION 9. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred Senate Bill No. 489, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 4, line 21, after "IC 20-10.1-2-1(b)" insert ")", **rounded to the nearest one-hundredth (0.01)**,".

Page 4, line 22, after "IC 20-10.1-2-1(b))" insert ")", **rounded to the nearest one-hundredth (0.01)**".

Page 4, between lines 22 and 23, begin a new paragraph and insert:
"(d) If the computation for a pupil under subsection (c) results in a fraction, the fraction must be rounded to the nearest one-hundredth (0.01).

SECTION 3. IC 21-3-1.7-9, AS AMENDED BY P.L.273-1999, SECTION 138, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 9. (a) Subject to the amount appropriated by the general assembly for tuition support, the amount that a school corporation is entitled to receive in tuition support for a year is the amount determined in section 8 of this chapter.

(b) If the total amount to be distributed as tuition support under this chapter, for enrollment adjustment grants under section 9.5 of this chapter, for at-risk programs under section 9.7 of this chapter, for academic honors diploma awards under section 9.8 of this chapter, and as special and vocational education grants under IC 21-3-1.8-3 or IC 21-3-10 for a particular year, exceeds:

- (1) two billion nine hundred thirty-nine million two hundred thousand dollars (\$2,939,200,000) in 1999;
- (2) three billion one hundred ~~forty-four~~ **ninety** million ~~five hundred thousand~~ **five hundred thousand** dollars (~~\$3,144,500,000~~) **(\$3,190,000,000)** in 2000; and
- (3) three billion three hundred twenty-one million dollars (\$3,321,000,000) in 2001;

the amount to be distributed for tuition support under this chapter to each school corporation during each of the last six (6) months of the year shall be reduced by the same dollar amount per ADM (as adjusted by IC 21-3-1.6-1.1) so that the total reductions equal the amount of the excess."



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Renumber all SECTIONS consecutively.
and when so amended that said bill do pass.

(Reference is to SB 489 as introduced.)

BORST, Chairperson

Committee Vote: Yeas 12, Nays 1.

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SENATE MOTION

Mr. President: I move that Senate Bill 489 be amended to read as follows:

Page 5, line 32, delete "March" and insert "**May**".

Page 5, between lines 38 and 39, begin a new paragraph and insert:

"(b) The provisions of IC 21-3-1.6-1.2, as added by this act, do not apply to the 2000 calculation of tuition support for school corporations under IC 21-3-1.7-8 or the 2000 calculation of primetime under IC 21-1-30."

Page 5, line 39, delete "(b)" and insert "(c)".

Page 5, between lines 39 and 40, begin a new paragraph and insert:

"SECTION 6. [EFFECTIVE JANUARY 1, 2001] (a) Notwithstanding IC 21-3-1.6-1.2, as added by this act, and IC 21-3-1.7, the tuition support determined under IC 21-3-1.7-8 for a school corporation shall be reduced as follows:

(1) For 2001, the previous year revenue determined without regard to IC21-3-1.6-1.2, as added by this act, shall be reduced by an amount determined under the following STEPS:

STEP ONE: Determine the difference between:

- (i) the school corporation's average daily membership count for 2000, without regard to IC 21-3-1.6-1.2, as added by this act; minus**
- (ii) the school corporation's average daily membership count for 2000, as adjusted by the school corporation under this act after applying IC 21-3-1.6-1.2, as added by this act.**

STEP TWO: Determine the result of:

- (i) the school corporation's previous year revenue under IC21-3-1.7-3.1, without regard to IC 21-3-1.6-1.2, as added by this act; divided by**
- (ii) the school corporation's average daily membership for 2000, without regard to IC 21-3-1.6-1.2, as added by this act.**

STEP THREE: Multiply the STEP ONE result by the STEP TWO result.

STEP FOUR: Multiply the STEP THREE result by fifty percent (50%).

(2) For 2002, the previous year revenue determined without regard to IC21-3-1.6-1.2, as added by this act, shall be reduced by an amount equal to the result under STEP FOUR of subdivision (1) multiplied by one and three hundredths



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(1.03).

(b) This SECTION expires January 1, 2003.

SECTION 7. [EFFECTIVE JANUARY 1, 2001] (a) Notwithstanding IC 21-3-1.6-1.2, as added by this act, and IC 21-3-1.7-6.6, for 2001 a school corporation's "adjusted ADM" for purposes of IC 21-3-1.7 is determined under the following STEPS:

STEP ONE: Determine the school corporation's adjusted ADM under IC21-3-1.7-6.6, without regard to IC 21-3-1.6-1.2, as added by this act.

STEP TWO: Determine the difference between:

(A) the school corporation's average daily membership count for 2000, without regard to IC 21-3-1.6-1.2, as added by this act; minus

(B) the school corporation's average daily membership count for 2000, as adjusted by the school corporation under this act after applying IC21-3-1.6-1.2, as added by this act.

STEP THREE: Multiply the STEP TWO result by eighty percent (80%).

STEP FOUR: Determine the result of:

(A) the STEP ONE result; minus

(B) the STEP THREE result.

(b) This SECTION expires January 1, 2002.

SECTION 8. [EFFECTIVE JANUARY 1, 2001] (a) Notwithstanding IC 21-3-1.6-1.2, as added by this act, and IC 21-1-30, the primetime distribution determined under IC 21-1-30 for a school corporation shall be reduced as follows:

(1) For 2001, the primetime amount under IC 21-1-30 the school corporation received for the previous year without regard to IC 21-3-1.6-1.2, as added by this act, shall be reduced by an amount determined under the following STEPS:

STEP ONE: Determine the difference between:

(i) the school corporation's primetime distribution for 2000, without regard to IC 21-3-1.6-1.2, as added by this act; minus

(ii) the school corporation's primetime distribution for 2000, after applying IC 21-3-1.6-1.2, as added by this act.

STEP TWO: Multiply the STEP ONE result by fifty percent (50%).

(2) For 2002, the primetime amount under IC 21-1-30 the



school corporation received for the previous year without regard to IC 21-3-1.6-1.2, as added by this act, shall be reduced by an amount equal to the result under STEP TWO of subdivision (1).

(b) This SECTION expires January 1, 2003."

Renumber all SECTIONS consecutively.

(Reference is to SB 489 as printed January 28, 2000.)

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