



January 21, 2004

## SENATE BILL No. 257

DIGEST OF SB 257 (Updated January 15, 2004 1:12 pm - DI 44)

**Citations Affected:** IC 21-1; IC 21-3; noncode.

**Synopsis:** Correction of school funding formula. Provides that: (1) the at-risk index used in calculating 2003 school tuition support must be calculated using 1990 census data; (2) the complexity index used in calculating school tuition support in 2004 and thereafter must be calculated using education attainment data for persons who are at least 25 years of age; (3) the target pupil teacher ratio used to calculate prime time distributions must be calculated using multipliers that equal a number greater than one; (4) the target revenue per ADM of a charter school in its first year of operation is equal to the target revenue per ADM of the school corporation in which the charter school is located; and (5) a school corporation's share of the state appropriation for full day kindergarten is calculated using the total ADM of the participating schools.

**Effective:** January 1, 2002 (retroactive); January 1, 2003 (retroactive); July 1, 2003 (retroactive); upon passage.

**Kenley**

January 8, 2004, read first time and referred to Committee on Finance.  
January 20, 2004, amended, reported favorably — Do Pass.

C  
o  
p  
y

SB 257—LS 6986/DI 51+



January 21, 2004

Second Regular Session 113th General Assembly (2004)

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 2003 Regular Session of the General Assembly.

C  
O  
P  
Y

## SENATE BILL No. 257

---

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 21-1-30-3, AS AMENDED BY P.L.224-2003,  
2 SECTION 141, IS AMENDED TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2003 (RETROACTIVE)]: Sec. 3. (a) The  
4 amount to be distributed to a school corporation under this chapter is  
5 the amount determined by the following formula:  
6 STEP ONE: For a calendar year ending before January 1, 2004,  
7 determine the applicable target pupil teacher ratio for the school  
8 corporation as follows:  
9 (A) If the school corporation's at-risk index is less than  
10 seventeen hundredths (0.17), the school corporation's target  
11 pupil teacher ratio is eighteen to one (18:1).  
12 (B) If the school corporation's at-risk index is at least  
13 seventeen hundredths (0.17) but less than twenty-seven  
14 hundredths (0.27), the school corporation's target pupil teacher  
15 ratio is fifteen (15) plus the result determined in item (iii):  
16 (i) Determine the result of twenty-seven hundredths (0.27)  
17 minus the school corporation's at-risk index.

SB 257—LS 6986/DI 51+



- 1 (ii) Determine the item (i) result divided by one-tenth (0.1).
- 2 (iii) Determine the item (ii) result multiplied by three (3).
- 3 (C) If the school corporation's at-risk index is at least
- 4 twenty-seven hundredths (0.27), the school corporation's target
- 5 pupil teacher ratio is fifteen to one (15:1).
- 6 STEP TWO: For a calendar year beginning after December 31,
- 7 2003, determine the applicable target pupil teacher ratio for the
- 8 school corporation as follows:
- 9 (A) If the school corporation's complexity index is less than
- 10 **one and one-tenth** (~~0.1~~), **(1.1)**, the school corporation's target
- 11 pupil teacher ratio is eighteen to one (18:1).
- 12 (B) If the school corporation's complexity index is at least **one**
- 13 **and one-tenth** (~~0.1~~) **(1.1)** but less than **one and two-tenths**
- 14 (~~0.2~~); **(1.2)**, the school corporation's target pupil teacher ratio
- 15 is fifteen (15) plus the result determined in item (iii):
- 16 (i) Determine the result of **one and two-tenths** (~~0.2~~) **(1.2)**
- 17 minus the school corporation's complexity index.
- 18 (ii) Determine the item (i) result divided by one-tenth (0.1).
- 19 (iii) Determine the item (ii) result multiplied by three (3).
- 20 (C) If the school corporation's complexity index is at least **one**
- 21 **and two-tenths** (~~0.2~~); **(1.2)**, the school corporation's target
- 22 pupil teacher ratio is fifteen to one (15:1).
- 23 STEP THREE: Determine the result of:
- 24 (A) the ADM of the school corporation, as determined under
- 25 section 2(2) of this chapter, in kindergarten through grade 3
- 26 for the current school year; divided by
- 27 (B) the school corporation's applicable target pupil teacher
- 28 ratio, as determined in STEP ONE or STEP TWO.
- 29 STEP FOUR: Determine the result of:
- 30 (A) the total regular general fund revenue (the amount
- 31 determined in IC 21-3-1.7-8.2(b) STEP ONE or
- 32 IC 21-3-1.7-8.2(c) STEP ONE) multiplied by seventy-five
- 33 hundredths (0.75); divided by
- 34 (B) the school corporation's total ADM.
- 35 STEP FIVE: Determine the result of:
- 36 (A) the STEP FOUR result; multiplied by
- 37 (B) the ADM of the school corporation, as determined under
- 38 section 2(2) of this chapter in kindergarten through grade 3 for
- 39 the current school year.
- 40 STEP SIX: Determine the result of:
- 41 (A) the STEP FIVE result; divided by
- 42 (B) the staff cost amount.

COPY



1 STEP SEVEN: Determine the greater of zero (0) or the result of:  
 2 (A) the STEP THREE amount; minus  
 3 (B) the STEP SIX amount.  
 4 STEP EIGHT: Determine the result of:  
 5 (A) the STEP SEVEN amount; multiplied by  
 6 (B) the staff cost amount.  
 7 STEP NINE: Determine the greater of the STEP EIGHT amount  
 8 or the school corporation's guaranteed amount.  
 9 STEP TEN: If the amount the school corporation received under  
 10 this chapter in the previous calendar year is greater than zero (0),  
 11 determine the lesser of:  
 12 (A) the STEP NINE amount; or  
 13 (B) the amount the school corporation received under this  
 14 chapter for the previous calendar year multiplied by one  
 15 hundred seven and one-half percent (107.5%).  
 16 (b) The amount received under this chapter shall be devoted to  
 17 reducing class size in kindergarten through grade 3. A school  
 18 corporation shall compile class size data for kindergarten through grade  
 19 3 and report the data to the department of education for purposes of  
 20 maintaining compliance with this chapter.  
 21 SECTION 2. IC 21-3-1.6-1.1, AS AMENDED BY P.L.276-2003,  
 22 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 23 JANUARY 1, 2002 (RETROACTIVE)]: Sec. 1.1. As used in this  
 24 chapter:  
 25 (a) "School corporation" means any local public school corporation  
 26 established under Indiana law. Except as otherwise indicated, the term  
 27 includes a charter school.  
 28 (b) "School year" means a year beginning July 1 and ending the next  
 29 succeeding June 30.  
 30 (c) "State distribution" due a school corporation means the amount  
 31 of state funds to be distributed to a school corporation in any calendar  
 32 year under this chapter.  
 33 (d) "Average daily membership" or "ADM" of a school corporation  
 34 means the number of eligible pupils enrolled in the school corporation  
 35 or in a transferee corporation on a day to be fixed annually by the  
 36 Indiana state board of education and, beginning in the school year that  
 37 ends in the 2005 calendar year, as subsequently adjusted not later than  
 38 January 30 under the rules adopted by the **Indiana** state board of  
 39 education. The initial day of the count shall fall within the first thirty  
 40 (30) days of the school term. If, however, extreme patterns of student  
 41 in-migration, illness, natural disaster, or other unusual conditions in a  
 42 particular school corporation's enrollment on either the day fixed by the

COPY



1 Indiana state board of education or on the subsequent adjustment date,  
 2 cause the enrollment to be unrepresentative of the school corporation's  
 3 enrollment throughout a school year, the Indiana state board of  
 4 education may designate another day for determining the school  
 5 corporation's enrollment. The Indiana state board of education shall  
 6 monitor changes that occur after the fall count, in the number of  
 7 students enrolled in programs for children with disabilities and shall,  
 8 before December 2 of that same year and, beginning in the 2004  
 9 calendar year, before April 2 of the following calendar year, make an  
 10 adjusted count of students enrolled in programs for children with  
 11 disabilities. The superintendent of public instruction shall certify the  
 12 December adjusted count to the budget committee before February 5  
 13 of the following year and the April adjusted count not later than May  
 14 31 immediately after the date of the April adjusted count. In  
 15 determining the ADM, each kindergarten pupil shall be counted as  
 16 one-half (1/2) pupil. Where a school corporation commences  
 17 kindergarten in a school year, the ADM of the current and prior  
 18 calendar years shall be adjusted to reflect the enrollment of the  
 19 kindergarten pupils. In determining the ADM, each pupil enrolled in  
 20 a public school and a nonpublic school is to be counted on a full-time  
 21 equivalency basis as provided in section 1.2 of this chapter.

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  
 25 (repealed) and as determined at the times for calculating ADM.  
 26 "Current additional count" means the initial computed additional count  
 27 of the school corporation for the school year ending in the calendar  
 28 year. "Prior year additional count" of a school corporation used in  
 29 computing its state distribution in a calendar year means the initial  
 30 computed additional count of the school corporation for the school year  
 31 ending in the preceding calendar year.

32 (f) For purposes of this subsection, "school corporation" does not  
 33 include a charter school. "Adjusted assessed valuation" of any school  
 34 corporation used in computing state distribution for a calendar year  
 35 means the assessed valuation in the school corporation, adjusted as  
 36 provided in IC 6-1.1-34. The amount of the valuation shall also be  
 37 adjusted downward by the department of local government finance to  
 38 the extent it consists of real or personal property owned by a railroad  
 39 or other corporation under the jurisdiction of a federal court under the  
 40 federal bankruptcy laws (11 U.S.C. 101 et seq.) if as a result of the  
 41 corporation being involved in a bankruptcy proceeding the corporation  
 42 is delinquent in payment of its Indiana real and personal property taxes

**C**  
**O**  
**P**  
**Y**



1 for the year to which the valuation applies. If the railroad or other  
 2 corporation in some subsequent calendar year makes payment of the  
 3 delinquent taxes, then the state superintendent of public instruction  
 4 shall prescribe adjustments in the distributions of state funds pursuant  
 5 to this chapter as are thereafter to become due to a school corporation  
 6 affected by the delinquency as will ensure that the school corporation  
 7 will not have been unjustly enriched under the provisions of  
 8 P.L.382-1987(ss). The amount of the valuation shall also be adjusted  
 9 downward by the department of local government finance to the extent  
 10 it consists of real or personal property described in IC 6-1.1-17-0.5(b).

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

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

16 (i) For purposes of this subsection, "school corporation" does not  
 17 include a charter school. "Teacher ratio" of a school corporation used  
 18 in computing state distribution in any calendar year means the ratio  
 19 assigned to the school corporation pursuant to section 2 of this chapter.

20 (j) "Eligible pupil" means a pupil enrolled in a school corporation  
 21 if:

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

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

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

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

35 (5) all of the following apply:

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

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

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

42 (i) by or with the consent of the division of family and

**C**  
**O**  
**P**  
**Y**



- 1 children;
- 2 (ii) by a court order;
- 3 (iii) by a child placing agency licensed by the division of
- 4 family and children; or
- 5 (iv) by a parent or guardian under IC 20-8.1-6.1-5.

6 For purposes of IC 21-3-12, the term includes a student enrolled in a  
 7 charter school.

8 (k) "General fund budget" of a school corporation means the amount  
 9 of the budget approved for a given year by the department of local  
 10 government finance and used by the department of local government  
 11 finance in certifying a school corporation's general fund tax levy and  
 12 tax rate for the school corporation's general fund as provided for in  
 13 IC 21-2-11. The term does not apply to a charter school.

14 (l) "At risk index" means the following:

15 (1) For a school corporation that is a not a charter school, the sum  
 16 of:

17 (A) the product of sixteen-hundredths (0.16) multiplied by the  
 18 percentage of families in the school corporation with children  
 19 who are less than eighteen (18) years of age and who have a  
 20 family income below the federal income poverty level (as  
 21 defined in IC 12-15-2-1);

22 (B) the product of four-tenths (0.4) multiplied by the  
 23 percentage of families in the school corporation with a single  
 24 parent; and

25 (C) the product of forty-four hundredths (0.44) multiplied by  
 26 the percentage of the population in the school corporation who  
 27 are at least twenty (20) years of age with less than a twelfth  
 28 grade education.

29 The data to be used in making the calculations under this  
 30 subdivision must be the data from the ~~2000~~ 1990 federal  
 31 decennial census.

32 (2) For a charter school, the index determined under subdivision

33 (1) for the school corporation in which the charter school is  
 34 located.

35 (m) "ADM of the previous year" or "ADM of the prior year" used in  
 36 computing a state distribution in a calendar year means the initial  
 37 computed ADM for the school year ending in the preceding calendar  
 38 year.

39 (n) "Current ADM" used in computing a state distribution in a  
 40 calendar year means the initial computed ADM for the school year  
 41 ending in the calendar year.

42 SECTION 3. IC 21-3-1.7-6.7, AS AMENDED BY P.L.276-2003,

C  
o  
p  
y



1 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
2 JULY 1, 2003 (RETROACTIVE)]: Sec. 6.7. (a) This subsection applies  
3 during the 2003 calendar year. For each school corporation that is not  
4 a charter school, the index used in subsection (d) is determined under  
5 the following STEPS:

6 STEP ONE: Determine the greater of zero (0) or the result of the  
7 following:

8 (1) Multiply the school corporation's at risk index by  
9 twenty-five hundredths (0.25).

10 (2) Divide the result under subdivision (1) by three thousand  
11 seven hundred thirty-six ten-thousandths (0.3736).

12 (3) Subtract three hundred ninety-five ten-thousandths  
13 (0.0395) from the result under subdivision (2).

14 STEP TWO: Determine the greater of zero (0) or the result of the  
15 following:

16 (1) Multiply the percentage of the school corporation's  
17 students who were eligible for free lunches in the school year  
18 ending in 2001 by twenty-five hundredths (0.25).

19 (2) Divide the result under subdivision (1) by seven hundred  
20 twenty-three thousandths (0.723).

21 STEP THREE: Determine the greater of zero (0) or the result of  
22 the following:

23 (1) Multiply the percentage of the school corporation's  
24 students who were classified as limited English proficient in  
25 the school year ending in 2000 by twenty-five hundredths  
26 (0.25).

27 (2) Divide the result under subdivision (1) by one thousand  
28 seven hundred fifteen ten-thousandths (0.1715).

29 STEP FOUR: Determine the result of:

30 (1) the sum of the results in STEPS ONE through THREE;  
31 divided by

32 (2) three (3).

33 STEP FIVE: Determine the result of one (1) plus the STEP FOUR  
34 result.

35 (b) This subsection applies to calendar years beginning after  
36 December 31, 2003. For each school corporation that is not a charter  
37 school, the index used in subsection (e) is determined under the  
38 following STEPS:

39 STEP ONE: Determine the greater of zero (0) or the result of the  
40 following:

41 (1) Determine the percentage of the population in the school  
42 corporation who are at least ~~twenty (20)~~ **twenty-five (25)** years

C  
o  
p  
y



- 1 of age with less than a twelfth grade education.  
 2 (2) Determine the quotient of:  
 3 (A) eight hundred seventy dollars (\$870) in 2004 and nine  
 4 hundred seventy dollars (\$970) in 2005; divided by  
 5 (B) four thousand three hundred fifty dollars (\$4,350) in  
 6 2004 and four thousand three hundred sixty-eight dollars  
 7 (\$4,368) in 2005.  
 8 (3) Determine the product of:  
 9 (A) the subdivision (1) amount; multiplied by  
 10 (B) the subdivision (2) amount.  
 11 STEP TWO: Determine the greater of zero (0) or the result of the  
 12 following:  
 13 (1) Determine the percentage of the school corporation's  
 14 students who were eligible for free lunches in the school year  
 15 ending in 2003.  
 16 (2) Determine the quotient of:  
 17 (A) one thousand one hundred dollars (\$1,100) in 2004 and  
 18 one thousand two hundred dollars (\$1,200) in 2005; divided  
 19 by  
 20 (B) four thousand three hundred fifty dollars (\$4,350) in  
 21 2004 and four thousand three hundred sixty-eight dollars  
 22 (\$4,368) in 2005.  
 23 (3) Determine the product of:  
 24 (A) the subdivision (1) amount; multiplied by  
 25 (B) the subdivision (2) amount.  
 26 STEP THREE: Determine the greater of zero (0) or the result of  
 27 the following:  
 28 (1) Determine the percentage of the school corporation's  
 29 students who were classified as limited English proficient in  
 30 the school year ending in 2003.  
 31 (2) Determine the quotient of:  
 32 (A) three hundred ten dollars (\$310) in 2004 and four  
 33 hundred thirty dollars (\$430) in 2005; divided by  
 34 (B) four thousand three hundred fifty dollars (\$4,350) in  
 35 2004 and four thousand three hundred sixty-eight dollars  
 36 (\$4,368) in 2005.  
 37 (3) Determine the product of:  
 38 (A) the subdivision (1) amount; multiplied by  
 39 (B) the subdivision (2) amount.  
 40 STEP FOUR: Determine the greater of zero (0) or the result of the  
 41 following:  
 42 (1) Determine the percentage of families in the school

**C**  
**O**  
**P**  
**Y**



- 1 corporation with a single parent.
- 2 (2) Determine the quotient of:
- 3 (A) four hundred forty dollars (\$440) in 2004 and five
- 4 hundred thirty dollars (\$530) in 2005; divided by
- 5 (B) four thousand three hundred fifty dollars (\$4,350) in
- 6 2004 and four thousand three hundred sixty-eight dollars
- 7 (\$4,368) in 2005.
- 8 (3) Determine the product of:
- 9 (A) the subdivision (1) amount; multiplied by
- 10 (B) the subdivision (2) amount.
- 11 STEP FIVE: Determine the greater of zero (0) or the result of the
- 12 following:
- 13 (1) Determine the percentage of families in the school
- 14 corporation with children who are less than eighteen (18) years
- 15 of age and who have a family income level below the federal
- 16 income poverty level (as defined in IC 12-15-2-1).
- 17 (2) Determine the quotient of:
- 18 (A) two hundred twenty dollars (\$220) in 2004 and three
- 19 hundred thirty dollars (\$330) in 2005; divided by
- 20 (B) four thousand three hundred fifty dollars (\$4,350) in
- 21 2004 and four thousand three hundred sixty-eight dollars
- 22 (\$4,368) in 2005.
- 23 (3) Determine the product of:
- 24 (A) the subdivision (1) amount; multiplied by
- 25 (B) the subdivision (2) amount.
- 26 STEP SIX: Determine the sum of the results in STEPS ONE
- 27 through FIVE.
- 28 STEP SEVEN: Determine the result of one (1) plus the STEP SIX
- 29 result.
- 30 STEP EIGHT: This STEP applies if the STEP SEVEN result is
- 31 equal to or greater than one and twenty-five hundredths (1.25).
- 32 Determine the result of the following:
- 33 (1) Determine the STEP TWO (1) amount for the school
- 34 corporation.
- 35 (2) Determine the quotient of:
- 36 (A) one hundred fifty dollars (\$150); divided by
- 37 (B) four thousand three hundred fifty dollars (\$4,350) in
- 38 2004 and four thousand three hundred sixty-eight dollars
- 39 (\$4,368) in 2005.
- 40 (3) Determine the product of:
- 41 (A) the subdivision (1) amount; multiplied by
- 42 (B) the subdivision (2) amount.

**C**  
**O**  
**P**  
**Y**



- 1 (4) Determine the STEP FIVE (1) amount for the school
- 2 corporation.
- 3 (5) Determine the product of:
- 4 (A) the subdivision (4) amount; multiplied by
- 5 (B) the subdivision (2) amount.
- 6 (6) Determine the result of:
- 7 (A) the subdivision (3) result; plus
- 8 (B) the subdivision (5) result.
- 9 (7) Determine the result of:
- 10 (A) the STEP SEVEN result; plus
- 11 (B) the subdivision (6) result.

12 The data to be used in making the calculations under STEP ONE,  
 13 STEP FOUR, and STEP FIVE of this subsection must be the data from  
 14 the 2000 federal decennial census.

15 (c) For each charter school, the index used in section (d) or (e) is the  
 16 index determined under subsection (a) or (b) for the school corporation  
 17 in which the charter school is located.

18 (d) This subsection applies to calendar years ending before January  
 19 1, 2004. A school corporation's target revenue per ADM for a calendar  
 20 year is the result determined under STEP SIX of the following formula:

21 STEP ONE: Determine the result under clause (B) of the  
 22 following formula:

- 23 (A) Determine the result of:
- 24 (i) four thousand five hundred sixty dollars (\$4,560);
- 25 multiplied by
- 26 (ii) the index determined for the school corporation under
- 27 subsection (a) or (c), as applicable.

28 (B) Multiply the clause (A) result by the school corporation's  
 29 adjusted ADM for the current year.

30 STEP TWO: Divide the school corporation's previous year  
 31 revenue by the school corporation's adjusted ADM for the  
 32 previous year.

33 STEP THREE: Multiply the index determined under subsection  
 34 (a) or (c), as applicable, by the following:

- 35 (A) If the STEP TWO result is not more than four thousand
- 36 five hundred sixty dollars (\$4,560), multiply by ninety dollars
- 37 (\$90).
- 38 (B) If the STEP TWO result is more than four thousand five
- 39 hundred sixty dollars (\$4,560) and not more than five
- 40 thousand eight hundred twenty-five dollars (\$5,825), multiply
- 41 by the result under clause (C).
- 42 (C) Determine the result of the following:

**C**  
**O**  
**P**  
**Y**



1 (i) The STEP TWO result minus four thousand five hundred  
 2 sixty dollars (\$4,560).  
 3 (ii) Divide the item (i) result by one thousand two hundred  
 4 sixty-five dollars (\$1,265).  
 5 (iii) Multiply the item (ii) result by forty dollars (\$40).  
 6 (iv) Subtract the item (iii) result from ninety dollars (\$90).  
 7 (D) If the STEP TWO result is more than five thousand eight  
 8 hundred twenty-five dollars (\$5,825), multiply by fifty dollars  
 9 (\$50).  
 10 STEP FOUR: Add the STEP TWO result and the STEP THREE  
 11 result.  
 12 STEP FIVE: For:  
 13 (A) a charter school, multiply the STEP SIX amount for  
 14 the school corporation where the charter school is located  
 15 by the adjusted ADM for the current year for the charter  
 16 school; and  
 17 (B) a school corporation other than a charter school,  
 18 determine the greatest of the following:  
 19 ~~(A)~~ (i) Multiply the STEP FOUR result by the school  
 20 corporation's adjusted ADM for the current year.  
 21 ~~(B)~~ (ii) Multiply the school corporation's previous year  
 22 revenue by one and two-hundredths (1.02).  
 23 ~~(C)~~ (iii) The STEP ONE amount.  
 24 STEP SIX: Divide the STEP FIVE amount by the school  
 25 corporation's adjusted ADM for the current year.  
 26 (e) This subsection applies to calendar years beginning after  
 27 December 31, 2003. A school corporation's target revenue per ADM  
 28 for a calendar year is the result determined under STEP NINE of the  
 29 following formula:  
 30 STEP ONE: Determine the result under clause (B) of the  
 31 following formula:  
 32 (A) Determine the result of:  
 33 (i) four thousand three hundred fifty dollars (\$4,350) in  
 34 2004 and four thousand three hundred sixty-eight dollars  
 35 (\$4,368) in 2005; multiplied by  
 36 (ii) the index determined for the school corporation under  
 37 subsection (b) or (c), as applicable.  
 38 (B) Multiply the clause (A) result by the school corporation's  
 39 adjusted ADM for the current year.  
 40 STEP TWO: Determine the result under the following formula:  
 41 (A) Determine the quotient of:  
 42 (i) the school corporation's previous year revenue; divided

C  
o  
p  
y



- 1 by
- 2 (ii) the school corporation's ADM for the previous year.
- 3 (B) Determine the product of:
- 4 (i) the clause (A) amount; multiplied by
- 5 (ii) one and two-hundredths (1.02).
- 6 (C) Determine the product of:
- 7 (i) the clause (B) amount; multiplied by
- 8 (ii) the school corporation's current ADM.
- 9 STEP THREE: Determine the result under the following formula:
- 10 (A) Determine the product of:
- 11 (i) the STEP TWO clause (A) amount; multiplied by
- 12 (ii) ninety-eight hundredths (0.98).
- 13 (B) Determine the product of:
- 14 (i) the clause (A) amount; multiplied by
- 15 (ii) the school corporation's current ADM.
- 16 STEP FOUR: Determine the lesser of:
- 17 (A) the STEP ONE amount; or
- 18 (B) the STEP TWO amount.
- 19 STEP FIVE: Determine the greater of:
- 20 (A) the STEP THREE amount; or
- 21 (B) the STEP FOUR amount.
- 22 STEP SIX: Divide the school corporation's previous year revenue
- 23 by the school corporation's adjusted ADM for the previous year.
- 24 STEP SEVEN: Determine the product of:
- 25 (A) the STEP SIX result; multiplied by
- 26 (B) the school corporation's current adjusted ADM.
- 27 STEP EIGHT: **For:**
- 28 **(A) a charter school that has previous year revenue that is**
- 29 **not greater than zero (0), multiply the STEP NINE amount**
- 30 **for the school corporation where the charter school is**
- 31 **located by the current adjusted ADM for the charter**
- 32 **school; and**
- 33 **(B) a school corporation, other than a charter school**
- 34 **described in clause (A), determine the greatest of the**
- 35 **following:**
- 36 ~~(A)~~ **(i)** The product of
- 37 ~~(i)~~ the school corporation's previous year revenue multiplied
- 38 by
- 39 ~~(ii)~~ one and one-hundredth (1.01).
- 40 ~~(B)~~ **(ii)** The STEP FIVE amount.
- 41 ~~(C)~~ **(iii)** The STEP SEVEN amount.
- 42 STEP NINE: Determine the quotient of:

COPY



1 (A) the STEP EIGHT amount; divided by

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

3 SECTION 4. P.L.276-2003, SECTION 37 IS AMENDED TO  
4 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003  
5 (RETROACTIVE)]: SECTION 37. (a) This SECTION applies only to  
6 Campagna Academy Charter School.

7 (b) Notwithstanding **the version of IC 21-3-1.6-1.1(l)**, as amended  
8 by **P.L.276-2003, SECTION 23, and the version of**  
9 **IC 21-3-1.6-1.1(l)**, as amended by this act, the at risk index for  
10 Campagna Academy Charter School equals the weighted average of the  
11 at risk indices for the school corporations in which the students who  
12 attend Campagna Academy Charter School have legal settlement.

13 (c) Notwithstanding **the version of IC 21-3-1.7-6.7(b)**, as amended  
14 by **P.L.276-2003, SECTION 29 and the version of**  
15 **IC 21-3-1.7-6.7(b)**, as amended by this act, the index for purposes of  
16 IC 21-3-1.7-6.7(c) for Campagna Academy Charter School equals the  
17 weighted average of the indices determined under IC 21-3-1.7-6.7(a)  
18 for the school corporations in which the students who attend Campagna  
19 Academy Charter School have legal settlement.

20 (d) This SECTION expires ~~June 30~~; **December 31, 2005.**

21 SECTION 5. [EFFECTIVE JULY 1, 2003 (RETROACTIVE)] (a)  
22 **Notwithstanding the effective date of the amendment made by this**  
23 **act to IC 21-3-1.7-6.7, the amendments made by this act to**  
24 **IC 21-3-1.7-6.7(d) apply to the calculation of a school corporation's**  
25 **target revenue per ADM for the entire calendar year of 2003.**

26 (b) Notwithstanding P.L.224-2003, SECTION 9, the amount  
27 available to a school corporation from the appropriation for FULL  
28 DAY KINDERGARTEN equals the amount appropriated for the  
29 state fiscal year divided by the total ADM (as defined in  
30 IC 21-3-1.6-1.1) of participating school corporations for the  
31 current year, and then multiplied by the school corporation's ADM  
32 (as defined in IC 21-3-1.6-1.1) for the current year.

33 (c) An action taken by the department of education before April  
34 **30, 2004, that complies with subsection (b) or IC 21-3-1.6-1.1,**  
35 **IC 21-3-1.7-6.7, or IC 21-1-30-3, all as amended by this act, is**  
36 **legalized and validated to the same extent as if this act had been**  
37 **enacted before the date the action was taken by the department of**  
38 **education.**

39 SECTION 6. [EFFECTIVE UPON PASSAGE] (a)  
40 **Notwithstanding the expiration of the time under IC 21-2-4-7,**  
41 **IC 21-2-11.5-5, and IC 21-2-15-13.1 during which a school**  
42 **corporation is authorized to transfer money from a debt service**

C  
o  
p  
y



1 fund, a transportation fund, or a capital projects fund to the  
 2 general fund for use for a general fund purpose, a school  
 3 corporation that:  
 4 (1) adopted a resolution in conformity with IC 21-2-4-7,  
 5 IC 21-2-11.5-5, or IC 21-2-15-13.1 after December 31, 2002,  
 6 and before July 1, 2003; and  
 7 (2) failed before July 1, 2003, to transfer the amount specified  
 8 in the resolution;  
 9 may, without readopting the resolution, transfer, after July 1, 2003,  
 10 and before July 1, 2005, from the fund specified in the resolution  
 11 to the general fund the lesser of the amount authorized for transfer  
 12 under IC 21-2-4-7, IC 21-2-11.5-5, or IC 21-2-15-13.1, as  
 13 appropriate, or the amount specified in the resolution.  
 14 (b) A transfer made under this SECTION shall be treated as if  
 15 it were made within the time allowed by IC 21-2-4-7,  
 16 IC 21-2-11.5-5, and IC 21-2-15-13.1.  
 17 (c) This SECTION expires July 1, 2005.  
 18 SECTION 7. An emergency is declared for this act.

C  
o  
p  
y



COMMITTEE REPORT

Madam President: The Senate Committee on Finance, to which was referred Senate Bill No. 257, 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 12, line 33, after "corporation" insert ",".

Page 12, line 33, delete "that" and insert "**described in clause (A)**".

Page 12, delete line 34.

and when so amended that said bill do pass.

(Reference is to SB 257 as introduced.)

BORST, Chairperson

Committee Vote: Yeas 13, Nays 0.

**C**  
**O**  
**P**  
**Y**

