

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

# HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that Engrossed Senate Bill 231 be amended to read as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 education and to make an appropriation.
- 4 Page 3, after line 34, begin a new paragraph and insert:
- 5 "SECTION 2. IC 20-10.1-6.5-4 IS AMENDED TO READ AS
- 6 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) The school
- 7 technology advancement account is established within the common
- 8 school fund. ~~On July 1 of each year, there is appropriated to the account~~
- 9 ~~an amount of money equal to:~~
- 10 ~~(1) five million dollars (\$5,000,000); minus~~
- 11 ~~(2) the amount of money in the account on June 30 of the same~~
- 12 ~~year.~~
- 13 (b) Advancements of money from the school technology
- 14 advancement account may be made **before July 1, 2005**, to a school
- 15 corporation to:
- 16 (1) purchase computer hardware and software used primarily for
- 17 student instruction; and
- 18 (2) develop and implement innovative technology projects.
- 19 **Advancements may not be made under this section after June 30,**
- 20 **2005.**
- 21 (c) Money shall be advanced under this section in accordance with
- 22 IC 21-1-5-5, IC 21-1-5-7, and IC 21-1-5-8.
- 23 SECTION 3. IC 21-1-4-1 IS AMENDED TO READ AS
- 24 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) It is the duty of
- 25 the general assembly under the Constitution of the State of Indiana to

1 encourage by all suitable means moral, intellectual, scientific, and  
 2 agricultural improvement and to provide, by law, for a general and  
 3 uniform system of common schools, wherein tuition shall be without  
 4 charge, and equally open to all.

5 (b) It is the intent of the general assembly that:

6 (1) the common school fund should be used to:

7 (A) assist school corporations and school townships in  
 8 financing their school building construction ~~and educational~~  
 9 **technology programs (as defined in IC 21-1-5-3) under**  
 10 **IC 21-1-5 and voluntary full day kindergarten programs**  
 11 **and other early learning programs under IC 21-1-31;** and

12 (B) assist charter schools in financing their operations;

13 as authorized by law and under circumstances such that the  
 14 principal of the fund remains inviolate;

15 (2) to the end described in subdivision (1), the common school  
 16 fund may be used to make advances to:

17 (A) school corporations and school townships under IC 21-1-5  
 18 **and IC 21-1-31;** and

19 (B) charter schools under IC 20-5.5-7-3.5(f) and IC 20-5.5-7.5;  
 20 and

21 (3) this chapter is in furtherance of the duties which are imposed  
 22 exclusively upon the general assembly by the Constitution of the  
 23 State of Indiana in connection with the maintenance of a general  
 24 and uniform system of common schools and the investment and  
 25 reinvestment of the common school fund and shall be liberally  
 26 construed to carry out the purposes of the Constitution of the State  
 27 of Indiana.

28 ~~(c) In addition, the common school fund may be used to make~~  
 29 ~~advances under IC 21-1-5-1.~~

30 SECTION 4. IC 21-1-5-1 IS AMENDED TO READ AS  
 31 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. This chapter applies  
 32 to school corporations ~~organized and formed through reorganization~~  
 33 ~~under IC 20-4-1, IC 20-4-5, or IC 20-4-8 (as defined in IC 20-5-1-3)~~  
 34 and school townships under IC 20-2-8. However, if a school  
 35 corporation or school township sustains loss by fire, wind, cyclone, or  
 36 other disaster, of all or a major portion of its school building or school  
 37 buildings, ~~sections 4 and section 9~~ of this chapter ~~do~~ **does** not apply.

38 SECTION 5. IC 21-1-5-3 IS AMENDED TO READ AS  
 39 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) The Indiana state  
 40 board of education is authorized to advance money to school  
 41 corporations and school townships from the common school fund  
 42 **before July 1, 2005**, to be used for school building construction and  
 43 educational technology programs as provided in this chapter. **The**  
 44 **maximum aggregate amount of advances that:**

45 **(1) are made under this chapter after June 30, 2005, for school**  
 46 **building construction programs; and**

47 **(2) are outstanding at any time;**

1 **may not exceed thirty million dollars (\$30,000,000).**

2 **(b) The Indiana state board of education may not make**  
 3 **advances from the common school fund under this chapter for**  
 4 **educational technology programs after June 30, 2005.**

5 ~~(b)~~ **(c)** As used in this chapter, "school building construction  
 6 program" means the purchase, lease, or financing of land, the  
 7 construction and equipping of school buildings, and the remodeling,  
 8 repairing, or improving of school buildings by a school corporation or  
 9 school township:

- 10 (1) that sustained loss by fire, wind, cyclone, or other disaster of  
 11 all or a major portion of a school building or school buildings;  
 12 (2) whose assessed valuation per pupil ADA is within the lowest  
 13 forty percent (40%) of the assessed valuation per pupil ADA  
 14 when compared to all school corporation or school township  
 15 assessed valuation per pupil ADA; or  
 16 (3) with an advance under this chapter outstanding on July 1,  
 17 1993, that bears interest at least seven and one-half percent  
 18 (7.5%).

19 However, as used in this chapter, the term does not include facilities  
 20 used or to be used primarily for interscholastic or extracurricular  
 21 activities. **After June 30, 2005, the term does not include a school**  
 22 **corporation or school township that is described in subdivision (2)**  
 23 **or (3).**

24 ~~(c)~~ **(d)** As used in this chapter, "educational technology program"  
 25 means the purchase, lease, or financing of educational technology  
 26 equipment, the operation of the educational technology equipment, and  
 27 the training of teachers in the use of the educational technology  
 28 equipment.

29 SECTION 6. IC 21-1-5-4 IS AMENDED TO READ AS  
 30 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) To qualify for an  
 31 advance under this chapter, the school corporation or school township  
 32 is required to establish a capital projects fund under IC 21-2-15.  
 33 However, the Indiana state board of education, after consulting with the  
 34 department of education and the budget agency, may waive or modify  
 35 this requirement upon a showing of good cause by the school  
 36 corporation or school township.

37 (b) No advance to a school corporation or a school township for any  
 38 school building construction program may exceed the greater of:

- 39 (1) fifteen million dollars (\$15,000,000); or  
 40 (2) the product of fifteen thousand dollars (\$15,000) multiplied by  
 41 the number of pupils accommodated as a result of the school  
 42 construction building program. However, if a school corporation  
 43 or school township has sustained loss by fire, wind, cyclone, or  
 44 other disaster, this limitation may be waived by the Indiana state  
 45 board of education after consulting with the department of  
 46 education and the budget agency.

47 (c) Advances **made before July 1, 2005**, for educational technology

1 programs are without limitation in amount other than the availability of  
 2 funds in the common school fund for this purpose and the ability of the  
 3 school corporation or school township desiring an advance to pay the  
 4 advance in accordance with the terms of the advance. **This subsection**  
 5 **expires July 1, 2005.**

6 SECTION 7. IC 21-1-5-5 IS AMENDED TO READ AS  
 7 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) Money advanced  
 8 to school corporations or school townships for school building  
 9 construction programs may be advanced for periods not exceeding  
 10 twenty-five (25) years, and the school corporations or school townships  
 11 to which money is advanced shall be required to pay interest on the  
 12 advance. For advances made before July 1, 1993, the Indiana state  
 13 board of education may provide, either before an advance is made or  
 14 before an advance is fully paid, that no payment of the advance may be  
 15 prepaid by more than six (6) months. For advances made beginning  
 16 July 1, 1993, for school building construction programs, the Indiana  
 17 state board of education may provide that the advances are prepayable  
 18 at any time. The state board of finance created by IC 4-9.1-1 shall  
 19 periodically establish the rate or rates of interest payable on advances  
 20 for school building construction programs as long as:

21 (1) the established interest rate or rates do not exceed seven and  
 22 one-half percent (7.5%); and

23 (2) the interest rate or rates on advances made to school  
 24 corporations or school townships with advances outstanding on  
 25 July 1, 1993, bearing interest at seven and one-half percent (7.5%)  
 26 or more shall not exceed four percent (4%).

27 (b) Money advanced **made before July 1, 2005**, to school  
 28 corporations or school townships for educational technology programs  
 29 may be for periods not exceeding five (5) years and the school  
 30 corporations or school townships to which advances are made shall be  
 31 required to pay interest on the advances. Advances **made before July**  
 32 **1, 2005**, for educational technology programs may be prepaid at any  
 33 time. The state board of finance shall establish periodically the rate or  
 34 rates of interest payable on advances for educational technology  
 35 programs as long as the established interest rate or rates:

36 (1) are not less than one percent (1%); and

37 (2) do not exceed four percent (4%).

38 **This subsection expires July 1, 2010.**

39 (c) To assure timely payment of advances in accordance with their  
 40 terms, the state is authorized in its sole discretion to withhold from  
 41 funds due to school corporations and school townships to which  
 42 advances are made amounts necessary to pay the advances and the  
 43 interest on the advances in accordance with their respective terms. The  
 44 terms of the advances shall be established by the Indiana state board of  
 45 education after consulting with the department of education and upon  
 46 the approval of the budget agency in advance of the time the respective  
 47 advances are made. However, in the case of school corporations or

1 school townships with advances outstanding on July 1, 1993, the  
 2 withholding may be adjusted to conform with this chapter. To the  
 3 extent available, funds shall first be withheld from the distribution of  
 4 state school tuition support. However, if this distribution is not  
 5 available or is inadequate, funds may be withheld from the distribution  
 6 of other state funds to the school corporation or school township to  
 7 which the advance is made.

8 SECTION 8. IC 21-1-5-9 IS AMENDED TO READ AS  
 9 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) Priority of  
 10 advances for school building construction programs shall be made to  
 11 school corporations and school townships which have the least amount  
 12 of adjusted assessed valuation per pupil in average daily attendance.

13 (b) Priority of advances **made before July 1, 2005**, for educational  
 14 technology programs shall be on whatever basis the Indiana state board  
 15 of education, after consulting with the department of education and the  
 16 budget agency, periodically determines. **This subsection expires July**  
 17 **1, 2005.**

18 SECTION 9. IC 21-1-5-10 IS AMENDED TO READ AS  
 19 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. A school  
 20 corporation or school township to which an advance is made for an  
 21 educational technology program **before July 1, 2005**, may annually  
 22 levy a tax in the capital projects fund or the debt service fund to  
 23 produce an amount equal to the amount deducted in the current year  
 24 from the distribution of state school tuition support to pay the advance,  
 25 together with the interest on the advance. The amount received from the  
 26 tax shall be transferred from the capital projects fund or the debt service  
 27 fund, as applicable, to the general fund.

28 SECTION 10. IC 21-1-5.1-2 IS AMENDED TO READ AS  
 29 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. To assist a school  
 30 corporation in providing the school corporation's educational program  
 31 to a student placed in a facility or home as described in  
 32 IC 20-8.1-6.1-5(a) or IC 20-8.1-6.1-5(b) and not later than October 1  
 33 of each school year **ending before July 1, 2005**, the Indiana state board  
 34 of education may advance money from the common school fund to a  
 35 school corporation in anticipation of the school corporation's receipt of  
 36 transfer tuition for students described in IC 20-8.1-6.1-5(a) or  
 37 IC 20-8.1-6.1-5(b) in an amount not to exceed the STEP TWO amount  
 38 of the following formula:

39 STEP ONE: Estimate for the current school year the number of  
 40 students described in IC 20-8.1-6.1-5(a) or IC 20-8.1-6.1-5(b) that  
 41 are transferred to the school corporation.

42 STEP TWO: Multiply the STEP ONE amount by the school  
 43 corporation's prior year per student transfer tuition amount.

44 **The Indiana state board of education may not make an advance**  
 45 **under this chapter after June 30, 2005.**

46 SECTION 11. IC 21-1-31 IS ADDED TO THE INDIANA CODE  
 47 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE

1 UPON PASSAGE]:

2 **Chapter 31. Early Learning Trust Fund**

3 **Sec. 1. As used in this chapter, "advance" refers to an advance**  
4 **from the common school fund under section 25 of this chapter.**

5 **Sec. 2. As used in this chapter, "commission" refers to the early**  
6 **learning and school readiness commission established by section 9**  
7 **of this chapter.**

8 **Sec. 3. As used in this chapter, "department" refers to the**  
9 **department of education.**

10 **Sec. 4. As used in this chapter, "parental education program"**  
11 **refers to a parental education program that qualifies as a parental**  
12 **education program under the rules adopted by the commission.**

13 **Sec. 5. As used in this chapter, "preschool program" refers to a**  
14 **preschool program that qualifies as a preschool program under the**  
15 **rules adopted by the commission.**

16 **Sec. 6. As used in this chapter, "reading and family literacy**  
17 **program" refers to a reading and family literacy program that**  
18 **qualifies as a reading and family literacy program under the rules**  
19 **adopted by the commission.**

20 **Sec. 7. As used in this chapter, "school" means any school**  
21 **maintained by a school corporation.**

22 **Sec. 8. As used in this chapter, "school corporation" has the**  
23 **meaning set forth in IC 21-3-1.6-1.1.**

24 **Sec. 9. The early learning and school readiness commission is**  
25 **established to carry out the purposes of this chapter.**

26 **Sec. 10. (a) The governor shall:**

27 **(1) determine the number and terms of office of; and**

28 **(2) appoint;**

29 **the members of the commission.**

30 **(b) The term of a member may not exceed four (4) years.**

31 **Sec. 11. (a) The governor shall designate a member of the**  
32 **commission to serve as chairperson.**

33 **(b) The commission may elect the other officers the commission**  
34 **considers necessary.**

35 **Sec. 12. A quorum of the commission must be present to conduct**  
36 **business. A quorum consists of a majority of the voting members**  
37 **appointed to the commission. The commission may not take an**  
38 **official action unless the official action has been approved by at**  
39 **least a majority of the voting members appointed to serve on the**  
40 **commission.**

41 **Sec. 13. (a) Each member of the commission who is not a state**  
42 **employee is entitled to the minimum salary per diem provided by**  
43 **IC 4-10-11-2.1(b). The member is also entitled to reimbursement**  
44 **for traveling expenses as provided under IC 4-13-1-4 and other**  
45 **expenses actually incurred in connection with the member's duties**  
46 **as provided in the state policies and procedures established by the**

1       **Indiana department of administration and approved by the budget**  
 2       **agency.**

3       **(b) Each member of the commission who is a state employee but**  
 4       **who is not a member of the general assembly is entitled to**  
 5       **reimbursement for traveling expenses as provided under**  
 6       **IC 4-13-1-4 and other expenses actually incurred in connection**  
 7       **with the member's duties as provided in the state policies and**  
 8       **procedures established by the Indiana department of**  
 9       **administration and approved by the budget agency.**

10       **(c) Each member of the commission who is a member of the**  
 11       **general assembly is entitled to receive the same per diem, mileage,**  
 12       **and travel allowances paid to legislative members of interim study**  
 13       **committees established by the legislative council. Per diem, mileage,**  
 14       **and travel allowances paid under this subsection shall be paid from**  
 15       **appropriations made to the legislative council or the legislative**  
 16       **services agency.**

17       **Sec. 14. The department shall provide staff support to the**  
 18       **commission.**

19       **Sec. 15. The commission, in consultation with the department,**  
 20       **shall establish a program to make:**

21               **(1) advances from the common school fund to school**  
 22               **corporations for full day kindergarten programs under**  
 23               **section 25 of this chapter;**

24               **(2) grants from the early education trust fund to school**  
 25               **corporations for full day kindergarten programs under**  
 26               **section 30 of this chapter; and**

27               **(3) grants from the early learning trust fund to school**  
 28               **corporations and other entities to establish one (1) or more**  
 29               **pilot projects for any combination of:**

30                       **(A) preschool programs;**

31                       **(B) reading and family literacy programs; and**

32                       **(C) parental education programs;**

33                       **under section 32 of this chapter.**

34       **Sec. 16. The program must provide for an application**  
 35       **procedure. An application for an advance or grant must:**

36               **(1) be on a form prescribed by the department;**

37               **(2) be signed by:**

38                       **(A) the superintendent of the school corporation applying**  
 39                       **for the advance or grant; or**

40                       **(B) if, for an application under section 32 of this chapter,**  
 41                       **the applicant is not a school corporation, the chief**  
 42                       **executive officer of the applicant; and**

43               **(3) include the following information:**

44                       **(A) A detailed description of the proposed program or**  
 45                       **programs.**

46                       **(B) Evidence supporting the applicant's need for the**

- 1           program or programs.
- 2           (C) Other pertinent information required by the
- 3           commission, including evidence guaranteeing the applicant
- 4           has developed a plan to evaluate the effect and results of
- 5           the applicant's program or programs.
- 6           Sec. 17. The department shall present all applications for an
- 7           advance or grant under this chapter to the commission for review
- 8           and approval.
- 9           Sec. 18. The commission may approve an application only if the
- 10          commission determines that the application complies with:
- 11          (1) the requirements set forth in this chapter; and
- 12          (2) the standards established in the rules adopted by the
- 13          commission.
- 14          Sec. 19. The program must provide that the recipient of the
- 15          advance or grant is required to enter into a written agreement with
- 16          the department to:
- 17          (1) use the advance or grant only for the purposes specified in
- 18          the agreement or an amendment to the agreement; and
- 19          (2) comply with the other terms established by the commission
- 20          as a condition of receiving the advance or grant.
- 21          Sec. 20. The commission shall provide the budget agency with:
- 22          (1) a list of all approved applicants that includes the amount
- 23          approved for distribution; and
- 24          (2) a copy of each approved application.
- 25          Sec. 21. An agreement for an advance must include a provision
- 26          allowing the state to withhold funds due to a school corporation to
- 27          reimburse the common school fund for an advance, including
- 28          interest accrued on the advance, if repayment is not made in
- 29          conformity with the terms of the agreement.
- 30          Sec. 22. An agreement for an advance or a grant for a voluntary
- 31          full day kindergarten program must prohibit the imposition of a
- 32          fee for students who participate in the program and qualify for a
- 33          free or reduced lunch program.
- 34          Sec. 23. The department shall:
- 35          (1) provide for the distribution of the approved amount of an
- 36          advance or a grant; and
- 37          (2) administer and enforce the agreement made with the
- 38          recipient.
- 39          Sec. 24. (a) If the number of eligible students exceeds the amount
- 40          of money available under this chapter for distribution in a state
- 41          fiscal year, the commission shall provide for distributions to school
- 42          corporations based on a ranking of schools. For purposes of
- 43          subsections (b) and (c), schools shall be ranked in the following
- 44          order:
- 45          (1) Schools for which a state full day kindergarten program
- 46          grant or advance was received:

- 1                   **(A) under this chapter; or**  
 2                   **(B) another law;**  
 3                   **in the immediately preceding school year or calendar year,**  
 4                   **ranked from highest to lowest percentage of students eligible**  
 5                   **for free or reduced lunch enrolled in the school relative to all**  
 6                   **other qualified schools for which an application is made under**  
 7                   **this chapter.**
- 8                   **(2) Schools that are not described in subdivision (1) and**  
 9                   **qualify as Title I schools under federal law, ranked from**  
 10                   **highest to lowest percentage of students eligible for free or**  
 11                   **reduced lunch enrolled in the school relative to other qualified**  
 12                   **schools for which an application is made under this chapter.**
- 13                   **(3) Schools that are not described in subdivision (1) or (2),**  
 14                   **ranked from highest to lowest percentage of students eligible**  
 15                   **for free or reduced lunch enrolled in the school relative to**  
 16                   **other qualified schools for which an application is made under**  
 17                   **this chapter.**
- 18                   **(b) Subject to the funding limitations in this subsection, the**  
 19                   **commission shall give first priority to making distributions for**  
 20                   **schools that received a state full day kindergarten grant or advance**  
 21                   **in the immediately preceding year. The amount that a school is**  
 22                   **eligible to receive under this subsection is equal to the amount**  
 23                   **determined under STEP THREE of the following formula:**
- 24                   **STEP ONE: For each school, determine the lesser of the**  
 25                   **following:**
- 26                   **(A) the number of students in the school who are enrolled**  
 27                   **in full day kindergarten in the current school year, as**  
 28                   **determined under the rules of the commission; or**  
 29                   **(B) the number equal to the number of students in the**  
 30                   **school who were counted in the immediately preceding**  
 31                   **year for the purposes of distributing state grants or**  
 32                   **advances to the school corporation for full day**  
 33                   **kindergarten.**
- 34                   **STEP TWO: Multiply the number determined under STEP**  
 35                   **ONE by one thousand five hundred dollars (\$1,500).**
- 36                   **STEP THREE: Determine the lesser of:**
- 37                   **(A) the amount determined under STEP TWO; or**  
 38                   **(B) the amount remaining under sections 26 and 31 of this**  
 39                   **chapter after making distributions for students in all**  
 40                   **qualified schools that have a higher priority ranking as**  
 41                   **determined under subsection (a).**
- 42                   **(c) After making distributions under subsection (b), the**  
 43                   **commission shall make distributions for schools under this**  
 44                   **subsection. The amount that a school is eligible to receive under**  
 45                   **this subsection is equal to the amount determined under STEP**  
 46                   **THREE of the following formula:**

- 1           **STEP ONE: Determine the number of students enrolled in the**  
 2           **school's full-time kindergarten program in the current school**  
 3           **year who were not counted in making a distribution under**  
 4           **subsection (b), as determined under the rules adopted by the**  
 5           **commission.**
- 6           **STEP TWO: Multiply the STEP ONE number by one**  
 7           **thousand five hundred dollars (\$1,500).**
- 8           **STEP THREE: Determine the lesser of:**
- 9                   **(A) the amount determined under STEP TWO; or**  
 10                   **(B) the amount remaining under sections 26 and 31 of this**  
 11                   **chapter after making distributions for students in all**  
 12                   **qualified schools that have a higher priority ranking as**  
 13                   **determined under subsection (a).**
- 14           **(d) For a state fiscal year beginning after June 30, 2005, and**  
 15           **ending before July 1, 2008, the commission shall make distributions**  
 16           **as grants until the amount available for grants in that year under**  
 17           **section 31 of this chapter is exhausted. After the amount under**  
 18           **section 31 of this chapter is exhausted, the commission shall make**  
 19           **distributions as advances under section 25 of this chapter.**
- 20           **Sec. 25. The commission may, after June 30, 2005, and before**  
 21           **July 1, 2007, make an advance to a school corporation from the**  
 22           **common school fund for the purpose of establishing, continuing, or**  
 23           **expanding voluntary kindergarten programs.**
- 24           **Sec. 26. The total of all advances made under section 25 of this**  
 25           **chapter may not exceed the following:**
- 26                   **(1) Fourteen million five hundred thousand dollars**  
 27                   **(\$14,500,000) during the state fiscal year beginning July 1,**  
 28                   **2005, and ending June 30, 2006.**
- 29                   **(2) Eighteen million five hundred thousand dollars**  
 30                   **(\$18,500,000) during the state fiscal year beginning July 1,**  
 31                   **2006, and ending June 30, 2007.**
- 32           **Sec. 27. An advance to a school corporation under this section**  
 33           **is not an obligation of the school corporation within the meaning of**  
 34           **any constitutional limitation on or prohibition against**  
 35           **indebtedness.**
- 36           **Sec. 28. (a) To ensure timely payment of an advance under this**  
 37           **section according to the terms of the advance, the state may**  
 38           **withhold from funds due to the school corporation to which the**  
 39           **advance is made an amount necessary to pay the advance and the**  
 40           **interest on the advance.**
- 41                   **(b) If the state withholds funds under subsection (a), the state**  
 42                   **first shall withhold funds from the distribution of state tuition**  
 43                   **support to the school corporation to which the advance is made. If**  
 44                   **the tuition support distribution is unavailable or inadequate, the**  
 45                   **state may withhold funds from any other distribution of state funds**  
 46                   **to the school corporation.**

1 (c) An agreement with the commission to collect and pay over  
 2 amounts deducted from state tuition support for the benefit of  
 3 another party is not a debt of the state within the meaning of any  
 4 constitutional limitation on or prohibition against state  
 5 indebtedness.

6 Sec. 29. (a) The early learning trust fund is established. The  
 7 early learning trust fund shall be administered by the department.

8 (b) The treasurer of state shall invest money in the early  
 9 learning trust fund not currently needed to meet the obligations of  
 10 the early learning trust fund in the same manner as other public  
 11 money may be invested. Interest that accrues from these  
 12 investments shall be deposited in the early learning trust fund.

13 (c) Money in the early learning trust fund is annually  
 14 appropriated to the purposes of the early learning trust fund.

15 (d) Money in the early learning trust fund at the end of a state  
 16 fiscal year does not revert to the state general fund.

17 Sec. 30. The commission may, after June 30, 2005, make a grant  
 18 to a school corporation from the early learning trust fund for the  
 19 purpose of establishing, continuing, or expanding voluntary  
 20 kindergarten programs.

21 Sec. 31. The total of all grants made under section 30 of this  
 22 chapter may not exceed the following:

23 (1) Forty million dollars (\$40,000,000) during the state fiscal  
 24 year beginning July 1, 2005, and ending June 30, 2006.

25 (2) Forty million dollars (\$40,000,000) during the state fiscal  
 26 year beginning July 1, 2006, and ending June 30, 2007.

27 Sec. 32. The commission may, after June 30, 2006, and before  
 28 July 1, 2008, make a grant to a school corporation or another entity  
 29 from the fund to implement pilot projects for any combination of  
 30 the following:

31 (1) Preschool programs.

32 (2) Reading and family literacy programs.

33 (3) Parental education programs.

34 Sec. 33. The total of all grants made under section 32 of this  
 35 chapter may not exceed the following:

36 (1) Eight million dollars (\$8,000,000) during the state fiscal  
 37 year beginning July 1, 2005, and ending June 30, 2006.

38 (2) Twelve million dollars (\$12,000,000) during the state fiscal  
 39 year beginning July 1, 2006, and ending June 30, 2007.

40 Sec. 34. The applications selected for grants under section 32 of  
 41 this chapter must, to the extent possible, do the following:

42 (1) Represent a geographic balance throughout Indiana and  
 43 include urban, suburban, and rural providers.

44 (2) Reward school corporations and other entities that  
 45 propose programs that demonstrate the greatest potential for  
 46 replication and implementation in Indiana.

1           **Sec. 35. The commission may adopt rules under IC 4-22-2 to**  
 2 **implement this chapter, including rules establishing standards that**  
 3 **must be met by voluntary full day kindergarten programs,**  
 4 **preschool programs, reading and family literacy programs, and**  
 5 **parental education programs in order to be eligible for grants or**  
 6 **advances under this chapter.**

7           **SECTION 12. [EFFECTIVE JULY 1, 2005] (a) The appropriation**  
 8 **of eight million five hundred thousand dollars (\$8,500,000) made**  
 9 **to the department of education for total operating expense for full**  
 10 **day kindergarten by HB 1001-2005, SECTION 9, for the state fiscal**  
 11 **year beginning July 1, 2005, and ending June 30, 2006, is canceled.**

12           **(b) There is appropriated to the early learning trust fund from**  
 13 **the state general fund eight million five hundred thousand dollars**  
 14 **(\$8,500,000) for use in carrying out the purposes of IC 21-1-31, as**  
 15 **added by this act, during the state fiscal year beginning July 1,**  
 16 **2005, and ending June 30, 2006.**

17           **(c) The appropriation of eight million five hundred thousand**  
 18 **dollars (\$8,500,000) made to the department of education for total**  
 19 **operating expense for full day kindergarten by HB 1001-2005,**  
 20 **SECTION 9, for the state fiscal year beginning July 1, 2006, and**  
 21 **ending June 30, 2007, is canceled.**

22           **(d) There is appropriated to the early learning trust fund from**  
 23 **the state general fund eight million five hundred thousand dollars**  
 24 **(\$8,500,000) for use in carrying out the purposes of IC 21-1-31, as**  
 25 **added by this act, during the state fiscal year beginning July 1,**  
 26 **2006, and ending June 30, 2007.**

27           **(e) This SECTION expires July 1, 2007.**

28           **SECTION 13. [EFFECTIVE JULY 1, 2005] (a) Notwithstanding**  
 29 **IC 32-34-1-34, after June 30, 2005, and before July 1, 2006, the**  
 30 **treasurer of state shall transfer twenty-five million dollars**  
 31 **(\$25,000,000) from the abandoned property fund to the early**  
 32 **learning trust fund established by IC 21-1-31-29, as added by this**  
 33 **act.**

34           **(b) Notwithstanding IC 32-34-1-34, after June 30, 2006, and**  
 35 **before July 1, 2007, the treasurer of state shall transfer twenty-five**  
 36 **million dollars (\$25,000,000) from the abandoned property fund to**  
 37 **the early learning trust fund established by IC 21-1-31-29, as added**  
 38 **by this act.**

39           **(c) Notwithstanding IC 32-34-1-34, after June 30, 2007, and**  
 40 **before July 1, 2008, the treasurer of state shall transfer twenty-five**  
 41 **million dollars (\$25,000,000) from the abandoned property fund to**  
 42 **the early learning trust fund established by IC 21-1-31-29, as added**  
 43 **by this act.**

44           **(d) The treasurer of state shall make twenty-five hundredths**  
 45 **(0.25) of the amount of a transfer required under subsection (a),**  
 46 **(b), or (c) on a quarterly basis in the state fiscal year in which the**

1 transfer is required. If insufficient money is available in the  
2 abandoned property fund to make the required transfer, the  
3 treasurer of state shall make the required transfer as soon as  
4 practicable after money becomes available in the fund.

5 (e) This SECTION expires July 1, 2008.

6 SECTION 14. [EFFECTIVE UPON PASSAGE] (a) The early  
7 learning and school readiness commission may adopt temporary  
8 rules in the manner provided for the adoption of emergency rules  
9 under IC 4-22-2-37.1 to implement IC 21-1-31, as added by this act.  
10 A temporary rule adopted under this subsection expires on the  
11 earliest of the following:

12 (1) The date that another temporary rule adopted under this  
13 subsection supersedes the prior temporary rule.

14 (2) The date that permanent rules adopted under IC 4-22-2  
15 supersede the temporary rule.

16 (3) January 1, 2007.

17 (b) This SECTION expires January 1, 2007.

18 SECTION 15. An emergency is declared for this act."

19 Renumber all SECTIONS consecutively.

(Reference is to ESB 231 as printed March 18, 2005.)

---

Representative Porter