February 24, 2012

ENGROSSED
SENATE BILL No. 280

DIGEST OF SB 280 (Updated February 22, 2012 9:53 pm - DI 113)

Citations Affected: IC 5-2; IC 20-18; IC 20-20; IC 20-23; IC 20-24; IC 20-24.5; IC 20-25; IC 20-26; IC 20-29; IC 20-33; IC 20-40; IC 20-43; IC 20-45; IC 20-49; IC 20-51; IC 21-7; IC 21-43; noncode.

Synopsis: Provides that: (1) an average daily membership (ADM) count of students enrolled in a public school in grades K-12 must be taken during the school year in September and February; and (2) state tuition support must be distributed based on the latest count of students. Requires state tuition support distributions to be made every month rather than every 40 days. Makes related changes in various calculations to reflect the change in counting procedure. Beginning with the 2013-2014 school year, provides for basic tuition support payments to charter school corporations in the first six months of initial operation. Defines the terms "enrolled" and "attending" for purposes of the tuition support formula. Converts the school funding formula from a calendar year formula to a state fiscal year formula. Adds a fiscal year transition grant to the formula. Makes technical corrections. Repeals the charter school start-up grant and operating advances programs.

Effective: July 1, 2012; January 1, 2013; July 1, 2013.

Charbonneau, Kruse, Kenley,
Mishler, Rogers, Breaux, Miller,
Randolph
(HOUSE SPONSORS — THOMPSON, GOODIN)

January 4, 2012, read first time and referred to Committee on Education and Career Development.
January 19, 2012, amended, reported favorably — Do Pass; reassigned to Committee on Appropriations.
January 26, 2012, amended, reported favorably — Do Pass.
January 30, 2012, read second time, amended, ordered engrossed.
January 31, 2012, engrossed. Read third time, passed. Yeas 50, nays 0.

HOUSE ACTION

February 9, 2012, read first time and referred to Committee on Ways and Means.
February 23, 2012, amended, reported — Do Pass.

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February 24, 2012

Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

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ENGROSSED
SENATE BILL No. 280

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

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

SECTION 1. IC 5-2-10.1-10, AS AMENDED BY P.L.2-2006, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 10. (a) A county may establish a county school safety commission.

(b) The members of the commission are as follows:

(1) The school safety specialist for each school corporation located in whole or in part in the county.

(2) The judge of the court having juvenile jurisdiction in the county or the judge's designee.

(3) The sheriff of the county or the sheriff's designee.

(4) The chief officer of every other law enforcement agency in the county, or the chief officer's designee.

(5) A representative of the juvenile probation system, appointed by the judge described under subdivision (2).

(6) Representatives of community agencies that work with children within the county.

(7) A representative of the Indiana state police district that serves

the county.

(8) A representative of the Prosecuting Attorneys Council of Indiana who specializes in the prosecution of juveniles.

(9) Other appropriate individuals selected by the commission.

(c) If a commission is established, the school safety specialist of the school corporation having the largest ADM (as defined in IC 20-18-2-2), **as determined in the fall count of ADM in the school year ending in the current calendar year,** in the county shall convene the initial meeting of the commission.

(d) The members shall annually elect a chairperson.

(e) A commission shall perform the following duties:

(1) Perform a cumulative analysis of school safety needs within the county.

(2) Coordinate and make recommendations for the following:

(A) Prevention of juvenile offenses and improving the reporting of juvenile offenses within the schools.

(B) Proposals for identifying and assessing children who are at high risk of becoming juvenile offenders.

(C) Methods to meet the educational needs of children who have been detained as juvenile offenders.

(D) Methods to improve communications among agencies that work with children.

(E) Methods to improve security and emergency preparedness.

(F) Additional equipment or personnel that are necessary to carry out safety plans.

(G) Any other topic the commission considers necessary to improve school safety within the school corporations within the commission's jurisdiction.

(3) Provide assistance to the school safety specialists on the commission in developing and requesting grants for safety plans.

(4) Provide assistance to the school safety specialists on the commission and the participating school corporations in developing and requesting grants for school safe haven programs under section 7 of this chapter.

(5) Assist each participating school corporation in carrying out the school corporation's safety plans.

(f) The affirmative votes of a majority of the voting members of the commission are required for the commission to take action on a measure.

SECTION 2. IC 20-18-2-2, AS AMENDED BY P.L.2-2006, SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2. "ADM", ~~has the meaning set forth in~~

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~~IC 20-43-1-6.~~ **except as otherwise provided by law, refers to the fall count of eligible pupils under IC 20-43-4-3 conducted in the school year ending in the current calendar year.**

SECTION 3. IC 20-18-2-2.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 2.7. "Current ADM" has the meaning set forth in IC 20-43-1-10.**

SECTION 4. IC 20-18-2-4.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 4.5. "Fall count" has the meaning set forth in IC 20-43-1-12.3.**

SECTION 5. IC 20-18-2-18.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 18.5. "Spring count" has the meaning set forth in IC 20-43-1-24.5.**

SECTION 6. IC 20-20-13-17, AS ADDED BY P.L.1-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 17. The total technology plan grant amount to a qualifying school corporation is the amount determined by the department, with advice from the educational technology council established by IC 20-20-14-2, multiplied by the school corporation's **current** ADM, **as determined in:**

(1) a calendar year ending before January 1, 2013, in the fall count of students in the school year ending in the current calendar year; and

(2) a calendar year ending after December 31, 2012, in the spring count of students in the school year ending in the current calendar year.

The amount is one hundred dollars ($100). However, for the purposes of determining the **current** ADM of a school corporation, students who are transferred under IC 20-33-4 or IC 20-26-11 shall be counted as students having legal settlement in the transferee corporation and not having legal settlement in the transferor corporation.

SECTION 7. IC 20-20-13-19, AS ADDED BY P.L.218-2005, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 19. (a) The department shall list all school corporations in Indiana according to assessed valuation for property tax purposes per student in **current** ADM, **as determined in section 17 of this chapter,** beginning with the school corporation having the lowest assessed valuation for property tax purposes per student in **current** ADM. For purposes of the list made under this section, the Indiana School for the Blind and Visually Impaired established by IC 20-21-2-1

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and the Indiana School for the Deaf established by IC 20-22-2-1 shall be considered to have the lowest assessed valuation for property tax purposes per student in **current** ADM during the six (6) year period beginning July 1, 2001.

(b) The department must prepare a revised list under subsection (a) before a new series of grants may begin.

(c) The department shall determine those school corporations to be placed in a group to receive a grant in a fiscal year under sections 13 through 24 of this chapter as follows:

(1) Beginning with the school corporation that is first on the list developed under subsection (a), the department shall continue sequentially through the list and place school corporations that qualify for a grant under section 15 of this chapter in a group until the cumulative total **current** ADM of all school corporations in the group depletes the money that is available for grants in the fiscal year.

(2) Each fiscal year the department shall develop a new group by continuing sequentially through the list beginning with the first qualifying school corporation on the list that was not placed in a group in the prior fiscal year.

(3) If the final group developed from the list contains substantially fewer students in **current** ADM than available money, the department shall:

(A) prepare a revised list of school corporations under subsection (a); and

(B) place in the group qualifying school corporations from the top of the revised list.

(4) The department shall label the groups with sequential numbers beginning with "group one".

SECTION 8. IC 20-23-7-12, AS AMENDED BY P.L.179-2011, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 12. (a) As used in this section, "county" means the county in which the school township is located.

(b) As used in this section, "school township" means a school township in Indiana that:

(1) for the last full school semester immediately preceding:

(A) the adoption of a preliminary resolution by the township trustee and the township board under subsection (f); or

(B) the adoption of a resolution of disapproval by the township trustee and the township board under subsection (g);

had ~~an~~ **a current** ADM of at least six hundred (600) students in kindergarten through grade 12 in the public schools of the school

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township; or

(2) is part of a township in which there were more votes cast for township trustee outside the school township than inside the school township in the general election at which the trustee was elected and that preceded the adoption of the preliminary or disapproving resolution.

(c) As used in this section, "township board" means the township board of a township in which the school township is located.

(d) As used in this section, "township trustee" means the township trustee of the township in which the school township is located.

(e) In a school township, a metropolitan school district may be created by complying with this section. A metropolitan school district created under this section shall have the same boundaries as the school township. After a district has been created under this section, the school township that preceded the metropolitan school district is abolished. The procedures or provisions governing the creation of a metropolitan school district under another section of this chapter do not apply to the creation of a district under this section. After a metropolitan school district is created under this section, the district shall, except as otherwise provided in this section, be governed by and operate in accordance with this chapter governing the operation of a metropolitan school district as established under section 2 of this chapter.

(f) Except as provided in subsection (g), a metropolitan school district provided for in subsection (e) may be created in the following manner:

(1) The township trustee shall call a meeting of the township board. At the meeting, the township trustee and a majority of the township board shall adopt a resolution that a metropolitan school district shall be created in the school township. The township trustee shall then give notice:

(A) by two (2) publications one (1) week apart in a newspaper of general circulation published in the school township; or

(B) if there is no newspaper as described in clause (A), in a newspaper of general circulation in the county;

of the adoption of the resolution setting forth the text of the resolution.

(2) On the thirtieth day after the date of the last publication of the notice under subdivision (1) and if a protest has not been filed, the township trustee and a majority of the township board shall confirm their preliminary resolution. If, however, on or before the twenty-ninth day after the date of the last publication of the

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notice, a number of registered voters of the school township, equal to five percent (5%) or more of the number of votes cast in the school township for secretary of state at the last preceding general election for that office, sign and file with the township trustee a petition requesting an election in the school township to determine whether or not a metropolitan school district must be created in the township in accordance with the preliminary resolution, then an election must be held as provided in subsection (h). The preliminary resolution and confirming resolution provided in this subsection shall both be adopted at a meeting of the township trustee and township board in which the township trustee and each member of the township board received or waived a written notice of the date, time, place, and purpose of the meeting. The resolution and the proof of service or waiver of the notice shall be made a part of the records of the township board.

(g) Except as provided in subsection (f), a metropolitan school district may also be created in the following manner:

(1) A number of registered voters of the school township, equal to five percent (5%) or more of the votes cast in the school township for secretary of state at the last general election for that office, shall sign and file with the township trustee a petition requesting the creation of a metropolitan school district under this section.

(2) The township trustee and a majority of the township board shall, not more than ten (10) days after the filing of a petition:

(A) adopt a preliminary resolution that a metropolitan school district shall be created in the school township and proceed as provided in subsection (f); or

(B) adopt a resolution disapproving the creation of the district.

(3) If either the township trustee or a majority of township board members vote in favor of disapproving the resolution, an election must be held to determine whether or not a metropolitan school district shall be created in the school township in the same manner as is provided in subsection (f) if an election is requested by petition.

(h) An election required under subsection (f) or (g) may, at the option of the township trustee, be held either as a special election or in conjunction with a primary or general election to be held not more than one hundred twenty (120) days after the filing of a petition under subsection (f) or the adoption of the disapproving resolution under subsection (g). The township trustee shall certify the question to the

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county election board under IC 3-10-9-3 and give notice of an election:

(1) by two (2) publications one (1) week apart in a newspaper of general circulation in the school township; or

(2) if a newspaper described in subdivision (1) does not exist, in a newspaper of general circulation published in the county.

The notice must provide that on a day and time named in the notice, the polls shall be opened at the usual voting places in the various precincts in the school township for the purpose of taking the vote of the registered voters of the school township regarding whether a metropolitan school district shall be created in the township. The election shall be held not less than twenty (20) days and not more than thirty (30) days after the last publication of the notice unless a primary or general election will be conducted not more than six (6) months after the publication. In that case, the county election board shall place the public question on the ballot at the primary or general election. If the election is to be a special election, the township trustee shall give notice not more than thirty (30) days after the filing of the petition or the adoption of the disapproving resolution.

(i) On the day and time named in the notice, the polls shall be opened and the votes of the voters shall be taken regarding whether a metropolitan school district shall be created in the school township. IC 3 governs the election except as otherwise provided in this chapter. The county election board shall conduct the election. The public question shall be placed on the ballot in the form prescribed by IC 3-10-9-4 and must state, "Shall a metropolitan school district under IC 20-23-7 be formed in the _____ School Township of _____ County, Indiana?". The name of the school township shall be inserted in the blanks.

(j) The votes cast in the election shall be canvassed at a place in the school township determined by the county election board. The certificate of the votes cast for and against the creation of a metropolitan school district shall be filed in the records of the township board and recorded with the county recorder. If the special election is not conducted at a primary or general election, the school township shall pay the expense of holding the election out of the school general fund that is appropriated for this purpose.

(k) A metropolitan school district shall, subject to section 7 of this chapter, be created on the thirtieth day after the date of the adoption of the confirming resolution under subsection (f) or an election held under subsection (h). If a public official fails to do the official's duty within the time prescribed in this section, the failure does not invalidate the proceedings taken under this section. An action to contest the validity

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of the creation of a metropolitan school district under this section or to enjoin the operation of a metropolitan school district may not be instituted later than the thirtieth day following the date of the adoption of the confirming resolution under subsection (f) or of the election held under subsection (h). Except as provided in this section, an election under this subsection may not be held sooner than twelve (12) months after another election held under subsection (h).

(l) A metropolitan school district is known as "The Metropolitan School District of _____ Township, _____ County, Indiana". The first metropolitan board of education in a metropolitan school district created under this section consists of five (5) members. The township trustee and the township board members are ex officio members of the first board, subject to the laws concerning length of their respective terms of office, manner of election or appointment, and the filling of vacancies applicable to their respective offices. The ex officio members serve without compensation or reimbursement for expenses, other than that which they may receive from their respective offices. The township board shall, by a resolution recorded in its records, appoint the fifth member of the metropolitan board of education. The fifth member shall meet the qualifications of a member of a metropolitan board of education under this chapter, with the exception of the board member district requirements provided in sections 4, 5, and 8.1 of this chapter.

(m) A fifth board member shall be appointed not more than fifteen (15) days after the date of the adoption of the confirming resolution under subsection (f)(2) or an election held under subsection (h). The first board shall hold its first meeting not more than fifteen (15) days after the date when the fifth board member is appointed or elected, on a date established by the township board in the resolution in which it appoints the fifth board member. The first board shall serve until January 1 following the election of a metropolitan school board at the first general election held more than sixty (60) days following the creation of the metropolitan school district.

(n) After the creation of a metropolitan school district under this section, the president of the metropolitan school board of the district shall serve as a member of the county board of education and perform the duties on the county board of education that were previously performed by the township trustee. The metropolitan school board and superintendent of the district may call upon the assistance of and use the services provided by the county superintendent of schools. This subsection does not limit or take away the powers, rights, privileges, or duties of the metropolitan school district or the board or superintendent

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of the district provided in this chapter.

SECTION 9. IC 20-24-7-2, AS AMENDED BY P.L.146-2008, SECTION 460, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 2. (a) Not later than **each of** the ~~date~~ **dates** established by the department for determining ADM ~~and after May 31 each year,~~ **under IC 20-43-4-3 and IC 20-43-4-3.5,** the organizer shall submit to the department the following information on a form prescribed by the department:

(1) The number of students enrolled in the charter school.

(2) The name and address of each student.

(3) The name of the school corporation in which the student has legal settlement.

(4) The name of the school corporation, if any, that the student attended during the immediately preceding school year.

(5) The grade level in which the student will enroll in the charter school.

The department shall verify the accuracy of the information reported.

(b) ~~This subsection applies after December 31 of the calendar year in which a charter school begins its initial operation.~~ The department shall distribute **state tuition support distributions** to the organizer. ~~the state tuition support distribution.~~ **Subject to IC 20-43-4-9,** the department shall make a distribution under this subsection at the same time and in the same manner as the department makes a distribution of state tuition support under IC 20-43-2 to other school corporations.

SECTION 10. IC 20-24-7-3, AS AMENDED BY P.L.146-2008, SECTION 461, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) This section applies to a conversion charter school.

(b) Beginning not more than sixty (60) days after the department receives the information reported under section 2(a) of this chapter, the department shall distribute to the organizer:

~~(1) tuition support and other state funding for any purpose for students enrolled in the conversion charter school;~~

~~(2)~~ **(1)** a proportionate share of state and federal funds received:

(A) for students with disabilities; or

(B) for staff services for students with disabilities;

enrolled in the conversion charter school; and

~~(3)~~ **(2)** a proportionate share of funds received under federal or state categorical aid programs for students who are eligible for the federal or state categorical aid and are enrolled in the conversion charter school;

for the second six (6) months of the calendar year in which the

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conversion charter school is established. The department shall make a distribution under this subsection at the same time and in the same manner as the department makes a distribution to the governing body of the school corporation in which the conversion charter school is located. A distribution to the governing body of the school corporation in which the conversion charter school is located is reduced by the amount distributed to the conversion charter school. This subsection does not apply to a conversion charter school after December 31 of the calendar year in which the conversion charter school is established.

~~(c) This subsection applies during the second six (6) months of the calendar year in which a conversion charter school is established. A conversion charter school may apply for an advance from the charter school advancement account under IC 20-49-7 in the amount determined under STEP FOUR of the following formula:~~

~~STEP ONE: Determine the result under subsection (d) STEP ONE (A).~~

~~STEP TWO: Determine the difference between:~~

~~(A) the conversion charter school's current ADM minus~~

~~(B) the STEP ONE amount.~~

~~STEP THREE: Determine the quotient of:~~

~~(A) the STEP TWO amount; divided by~~

~~(B) the conversion charter school's current ADM.~~

~~STEP FOUR: Determine the product of:~~

~~(A) the STEP THREE amount; multiplied by~~

~~(B) the quotient of:~~

~~(i) the subsection (d) STEP TWO amount; divided by~~

~~(ii) two (2).~~

SECTION 11. IC 20-24-7-4, AS AMENDED BY P.L.91-2011, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4. (a) Services that a school corporation provides to a charter school, including transportation, may be provided at not more than one hundred three percent (103%) of the actual cost of the services.

(b) This subsection applies to a sponsor that is a state educational institution described in ~~IC 20-24-1-7(2).~~ **IC 20-24-1-9(2).** In a ~~calendar~~ **state fiscal** year, a state educational institution may receive from the organizer of a charter school sponsored by the state educational institution an administrative fee equal to not more than three percent (3%) of the total amount the organizer receives during the ~~calendar~~ **state fiscal** year from basic tuition support (as defined in IC 20-43-1-8).

(c) This subsection applies to the executive of a consolidated city

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that sponsors a charter school. In a ~~calendar~~ **state fiscal** year, the executive may collect from the organizer of a charter school sponsored by the executive an administrative fee equal to not more than three percent (3%) of the total amount the organizer receives during the ~~calendar~~ **state fiscal** year for basic tuition support.

(d) This subsection applies to a sponsor that is a nonprofit college or university that is approved by the state board of education. In a ~~calendar~~ **state fiscal** year, a private college or university may collect from the organizer of a charter school sponsored by the private college or university an administrative fee equal to not more than three percent (3%) of the total amount the organizer receives during the ~~calendar~~ **state fiscal** year for basic tuition support.

(e) This subsection applies to the charter board. In a ~~calendar~~ **state fiscal** year, the charter school board may collect from the organizer of a charter school sponsored by the charter board an administrative fee equal to not more than three percent (3%) of the total amount the organizer receives during the ~~calendar~~ **state fiscal** year for basic tuition support.

(f) A sponsor's administrative fee may not include any costs incurred in delivering services that a charter school may purchase at its discretion from the sponsor. The sponsor shall use its funding provided under this section exclusively for the purpose of fulfilling sponsoring obligations.

(g) Except for oversight services, a charter school may not be required to purchase services from its sponsor as a condition of charter approval or of executing a charter contract, nor may any such condition be implied.

(h) A charter school may choose to purchase services from its sponsor. In that event, the charter school and sponsor shall execute an annual service contract, separate from the charter contract, stating the parties' mutual agreement concerning the services to be provided by the sponsor and any service fees to be charged to the charter school. A sponsor may not charge more than market rates for services provided to a charter school.

(i) Not later than ninety (90) days after the end of each fiscal year, each sponsor shall provide to each charter school it sponsors an itemized accounting of the actual costs of services purchased by the charter school from the sponsor. Any difference between the amount initially charged to the charter school and the actual cost shall be reconciled and paid to the owed party. If either party disputes the itemized accounting, any charges included in the accounting, or charges to either party, either party may request a review by the

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department. The requesting party shall pay the costs of the review.

SECTION 12. IC 20-24-7-6.5, AS ADDED BY P.L.229-2011, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6.5. (a) Subject to subsection (b) and with the approval of a majority of the members of the governing body, a school corporation may distribute any part of the following to a conversion school sponsored by the school corporation in the amount and under the terms and conditions adopted by a majority of the members of the governing body:

(1) State tuition support and other state distributions to the school corporation.

(2) Any other amount deposited in the school corporation's general fund.

(b) The total amount that may be transferred under subsection (a) in a ~~calendar~~ **state fiscal** year to a particular conversion charter school may not exceed the result determined under STEP FOUR of the following formula:

STEP ONE: Determine the result of:

(A) the amount of state tuition support that the school corporation is eligible to receive in the ~~calendar~~ **state fiscal** year; divided by

(B) the ~~current~~ **fall count of** ADM of the school corporation ~~for~~ **conducted in** the **current** calendar year.

STEP TWO: Determine the result of:

(A) the amount of state tuition support that the conversion charter school is eligible to receive in the ~~calendar~~ **state fiscal** year; divided by

(B) the ~~current~~ **fall count of** ADM of the conversion charter school ~~for~~ **conducted in** the ~~calendar~~ **state fiscal** year.

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

(A) the STEP ONE amount; minus

(B) the STEP TWO amount.

STEP FOUR: Determine the result of:

(A) the STEP THREE amount; multiplied by

(B) the ~~current~~ **fall count of** ADM of the conversion charter school ~~for~~ **conducted in** the ~~calendar~~ **state fiscal** year.

SECTION 13. IC 20-24-7-9, AS AMENDED BY P.L.146-2008, SECTION 463, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. (a) This section applies if:

(1) a sponsor:

(A) revokes a charter before the end of the term for which the charter is granted; or

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(B) does not renew a charter; or

(2) a charter school otherwise terminates its charter before the end of the term for which the charter is granted.

(b) Any state funds that remain to be distributed to the charter school in the ~~calendar~~ **state fiscal** year in which an event described in subsection (a) occurs shall be distributed as follows:

(1) First, to the common school loan fund to repay any existing obligations of the charter school under IC 20-49-7 **(repealed) or IC 20-49-5-7.**

(2) Second, to the entities that distributed the funds to the charter school. A distribution under this subdivision shall be on a pro rata basis.

(c) If the funds described in subsection (b) are insufficient to repay all existing obligations of the charter school under IC 20-49-7 **(repealed) or IC 20-49-5-7,** the state shall repay any remaining obligations of the charter school under IC 20-49-7 **(repealed) or IC 20-49-5-7** from the amount appropriated for state tuition support distributions.

SECTION 14. IC 20-24-7-13, AS AMENDED BY P.L.229-2011, SECTION 171, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 13. (a) As used in this section, "virtual charter school" means any charter school, including a conversion charter school, that provides for the delivery of more than fifty percent (50%) of instruction to students through:

(1) virtual distance learning;

(2) online technologies; or

(3) computer based instruction.

(b) ~~Beginning with the 2011-2012 school year,~~ A virtual charter school may apply for sponsorship with any statewide sponsor in accordance with the sponsor's guidelines.

~~(c) Before January 1, 2012, a virtual charter school is entitled to receive funding from the state in an amount equal to the sum of:~~

~~(1) the product of:~~

~~(A) the number of students included in the virtual charter school's ADM; multiplied by~~

~~(B) eighty percent (80%) of statewide average basic tuition support.~~

~~(d)~~ **(c)** ~~After December 31, 2011,~~ **For state fiscal years beginning after June 30, 2012,** a virtual charter school is entitled to receive funding **in a month** from the state in an amount equal to the sum of:

(1) the product of:

(A) the number of students included in the virtual charter

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school's **current** ADM; multiplied by

(B) **the result of:**

(i) eighty-seven and five-tenths percent (87.5%) of the school's foundation amount determined under IC 20-43-5-4; **divided by**

(ii) twelve (12); plus

(2) the total of any special education grants under IC 20-43-7 to which the virtual charter school is entitled **for the month.**

~~After December 31, 2011,~~ **For state fiscal years beginning after June 30, 2012,** a virtual charter school is entitled to receive special education grants under IC 20-43-7 calculated in the same manner as special education grants are calculated for other school corporations.

(d) The department shall adopt rules under IC 4-22-2 to govern the operation of virtual charter schools.

(e) Beginning in 2009, the department shall before December 1 of each year submit an annual report to the budget committee concerning the program under this section.

(f) ~~This subsection does not apply to students who were enrolled in a virtual charter school during the 2010-2011 school year.~~ Each school year, at least sixty percent (60%) of the students who are enrolled in virtual charter schools under this section for the first time must have been included in the state's **fall count of** ADM ~~count for~~ **conducted in** the previous school year.

SECTION 15. IC 20-24-7.5 IS REPEALED [EFFECTIVE JULY 1, 2013]. (New Charter School Startup Grant).

SECTION 16. IC 20-24.5-2-10, AS AMENDED BY P.L.146-2008, SECTION 464, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 10. A laboratory school that:

(1) is operated without an agreement; and

(2) has an ADM **in the fall count of a school year** of not more than seven hundred fifty (750);

must be treated as a charter school for purposes of funding under IC 20-20-33 and IC 20-43.

SECTION 17. IC 20-24.5-2-11, AS ADDED BY P.L.2-2007, SECTION 209, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 11. A student who attends a laboratory school full time may not be counted in **current** ADM or ADA by any school corporation when the student's attendance is not regulated under an agreement.

SECTION 18. IC 20-25-12-5, AS ADDED BY P.L.1-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5. The **initial** approved general fund budget for

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each school for a school year must be, as nearly as is reasonable and practicable, proportionate to the total general fund budget for the school city in the same ratio as the school's estimated **current** ADM **for the fall count in the school year** compares to the school city's estimated **current** ADM for **the fall count for** that school year.

SECTION 19. IC 20-26-5-4, AS AMENDED BY P.L.90-2011, SECTION 11, AND AS AMENDED BY P.L.200-2011, SECTION 1, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4. In carrying out the school purposes of a school corporation, the governing body acting on the school corporation's behalf has the following specific powers:

(1) In the name of the school corporation, to sue and be sued and to enter into contracts in matters permitted by applicable law. However, a governing body may not use funds received from the state to bring or join in an action against the state, unless the governing body is challenging an adverse decision by a state agency, board, or commission.

(2) To take charge of, manage, and conduct the educational affairs of the school corporation and to establish, locate, and provide the necessary schools, school libraries, other libraries where permitted by law, other buildings, facilities, property, and equipment.

(3) To appropriate from the school corporation's general fund an amount, not to exceed the greater of three thousand dollars ($3,000) per budget year or one dollar ($1) per pupil, not to exceed twelve thousand five hundred dollars ($12,500), based on the school corporation's **ADM of the** previous ~~year's ADM,~~ **year (as defined in IC 20-43-1-7)** to promote the best interests of the school corporation through:

(A) the purchase of meals, decorations, memorabilia, or awards;

(B) provision for expenses incurred in interviewing job applicants; or

(C) developing relations with other governmental units.

(4) To:

(A) Acquire, construct, erect, maintain, hold, and contract for construction, erection, or maintenance of real estate, real estate improvements, or an interest in real estate or real estate improvements, as the governing body considers necessary for school purposes, including buildings, parts of buildings, additions to buildings, rooms, gymnasiums, auditoriums, playgrounds, playing and athletic fields, facilities for physical

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training, buildings for administrative, office, warehouse, repair activities, or housing school owned buses, landscaping, walks, drives, parking areas, roadways, easements and facilities for power, sewer, water, roadway, access, storm and surface water, drinking water, gas, electricity, other utilities and similar purposes, by purchase, either outright for cash (or under conditional sales or purchase money contracts providing for a retention of a security interest by the seller until payment is made or by notes where the contract, security retention, or note is permitted by applicable law), by exchange, by gift, by devise, by eminent domain, by lease with or without option to purchase, or by lease under IC 20-47-2, IC 20-47-3, or IC 20-47-5.

(B) Repair, remodel, remove, or demolish, or to contract for the repair, remodeling, removal, or demolition of the real estate, real estate improvements, or interest in the real estate or real estate improvements, as the governing body considers necessary for school purposes.

(C) Provide for conservation measures through utility efficiency programs or under a guaranteed savings contract as described in IC 36-1-12.5.

(5) To acquire personal property or an interest in personal property as the governing body considers necessary for school purposes, including buses, motor vehicles, equipment, apparatus, appliances, books, furniture, and supplies, either by cash purchase or under conditional sales or purchase money contracts providing for a security interest by the seller until payment is made or by notes where the contract, security, retention, or note is permitted by applicable law, by gift, by devise, by loan, or by lease with or without option to purchase and to repair, remodel, remove, relocate, and demolish the personal property. All purchases and contracts specified under the powers authorized under subdivision (4) and this subdivision are subject solely to applicable law relating to purchases and contracting by municipal corporations in general and to the supervisory control of state agencies as provided in section 6 of this chapter.

(6) To sell or exchange real or personal property or interest in real or personal property that, in the opinion of the governing body, is not necessary for school purposes, in accordance with IC 20-26-7, to demolish or otherwise dispose of the property if, in the opinion of the governing body, the property is not necessary for school purposes and is worthless, and to pay the expenses for the

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demolition or disposition.

(7) To lease any school property for a rental that the governing body considers reasonable or to permit the free use of school property for:

(A) civic or public purposes; or

(B) the operation of a school age child care program for children who are at least five (5) years of age and less than fifteen (15) years of age that operates before or after the school day, or both, and during periods when school is not in session;

if the property is not needed for school purposes. Under this subdivision, the governing body may enter into a long term lease with a nonprofit corporation, community service organization, or other governmental entity, if the corporation, organization, or other governmental entity will use the property to be leased for civic or public purposes or for a school age child care program. However, if payment for the property subject to a long term lease is made from money in the school corporation's debt service fund, all proceeds from the long term lease must be deposited in the school corporation's debt service fund so long as payment for the property has not been made. The governing body may, at the governing body's option, use the procedure specified in IC 36-1-11-10 in leasing property under this subdivision.

(8) To:

(A) Employ, contract for, and discharge superintendents, supervisors, principals, teachers, librarians, athletic coaches (whether or not they are otherwise employed by the school corporation and whether or not they are licensed under IC 20-28-5), business managers, superintendents of buildings and grounds, janitors, engineers, architects, physicians, dentists, nurses, accountants, teacher aides performing noninstructional duties, educational and other professional consultants, data processing and computer service for school purposes, including the making of schedules, the keeping and analyzing of grades and other student data, the keeping and preparing of warrants, payroll, and similar data where approved by the state board of accounts as provided below, and other personnel or services as the governing body considers necessary for school purposes.

(B) Fix and pay the salaries and compensation of persons and services described in this subdivision *that are consistent with IC 20-28-9-1.*

(C) Classify persons or services described in this subdivision

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and to adopt schedules of salaries or compensation *that are consistent with IC 20-28-9-1.*

(D) Determine the number of the persons or the amount of the services employed or contracted for as provided in this subdivision.

(E) Determine the nature and extent of the duties of the persons described in this subdivision.

The compensation, terms of employment, and discharge of teachers are, however, subject to and governed by the laws relating to employment, contracting, compensation, and discharge of teachers. The compensation, terms of employment, and discharge of bus drivers are subject to and governed by laws relating to employment, contracting, compensation, and discharge of bus drivers. The forms and procedures relating to the use of computer and data processing equipment in handling the financial affairs of the school corporation must be submitted to the state board of accounts for approval so that the services are used by the school corporation when the governing body determines that it is in the best interest of the school corporation while at the same time providing reasonable accountability for the funds expended.

(9) Notwithstanding the appropriation limitation in subdivision (3), when the governing body by resolution considers a trip by an employee of the school corporation or by a member of the governing body to be in the interest of the school corporation, including attending meetings, conferences, or examining equipment, buildings, and installation in other areas, to permit the employee to be absent in connection with the trip without any loss in pay and to reimburse the employee or the member the employee's or member's reasonable lodging and meal expenses and necessary transportation expenses. To pay teaching personnel for time spent in sponsoring and working with school related trips or activities.

(10) To transport children to and from school, when in the opinion of the governing body the transportation is necessary, including considerations for the safety of the children and without regard to the distance the children live from the school. The transportation must be otherwise in accordance with applicable law.

(11) To provide a lunch program for a part or all of the students attending the schools of the school corporation, including the establishment of kitchens, kitchen facilities, kitchen equipment, lunch rooms, the hiring of the necessary personnel to operate the

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lunch program, and the purchase of material and supplies for the lunch program, charging students for the operational costs of the lunch program, fixing the price per meal or per food item. To operate the lunch program as an extracurricular activity, subject to the supervision of the governing body. To participate in a surplus commodity or lunch aid program.

(12) To purchase textbooks, to furnish textbooks without cost or to rent textbooks to students, to participate in a textbook aid program, all in accordance with applicable law.

(13) To accept students transferred from other school corporations and to transfer students to other school corporations in accordance with applicable law.

(14) To make budgets, to appropriate funds, and to disburse the money of the school corporation in accordance with applicable law. To borrow money against current tax collections and otherwise to borrow money, in accordance with IC 20-48-1.

(15) To purchase insurance or to establish and maintain a program of self-insurance relating to the liability of the school corporation or the school corporation's employees in connection with motor vehicles or property and for additional coverage to the extent permitted and in accordance with IC 34-13-3-20. To purchase additional insurance or to establish and maintain a program of self-insurance protecting the school corporation and members of the governing body, employees, contractors, or agents of the school corporation from liability, risk, accident, or loss related to school property, school contract, school or school related activity, including the purchase of insurance or the establishment and maintenance of a self-insurance program protecting persons described in this subdivision against false imprisonment, false arrest, libel, or slander for acts committed in the course of the persons' employment, protecting the school corporation for fire and extended coverage and other casualty risks to the extent of replacement cost, loss of use, and other insurable risks relating to property owned, leased, or held by the school corporation. *In accordance with IC 20-26-17,* to:

(A) participate in a state employee health plan under IC 5-10-8-6.6 or IC 5-10-8-6.7;

(B) purchase insurance; or

(C) establish and maintain a program of self-insurance;

to benefit school corporation employees, including accident, sickness, health, or dental coverage, provided that a plan of self-insurance must include an aggregate stop-loss provision.

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(16) To make all applications, to enter into all contracts, and to sign all documents necessary for the receipt of aid, money, or property from the state, the federal government, or from any other source.

(17) To defend a member of the governing body or any employee of the school corporation in any suit arising out of the performance of the member's or employee's duties for or employment with, the school corporation, if the governing body by resolution determined that the action was taken in good faith. To save any member or employee harmless from any liability, cost, or damage in connection with the performance, including the payment of legal fees, except where the liability, cost, or damage is predicated on or arises out of the bad faith of the member or employee, or is a claim or judgment based on the member's or employee's malfeasance in office or employment.

(18) To prepare, make, enforce, amend, or repeal rules, regulations, and procedures:

(A) for the government and management of the schools, property, facilities, and activities of the school corporation, the school corporation's agents, employees, and pupils and for the operation of the governing body; and

(B) that may be designated by an appropriate title such as "policy handbook", "bylaws", or "rules and regulations".

(19) To ratify and approve any action taken by a member of the governing body, an officer of the governing body, or an employee of the school corporation after the action is taken, if the action could have been approved in advance, and in connection with the action to pay the expense or compensation permitted under IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and IC 20-48-1 or any other law.

(20) To exercise any other power and make any expenditure in carrying out the governing body's general powers and purposes provided in this chapter or in carrying out the powers delineated in this section which is reasonable from a business or educational standpoint in carrying out school purposes of the school corporation, including the acquisition of property or the employment or contracting for services, even though the power or expenditure is not specifically set out in this chapter. The specific powers set out in this section do not limit the general grant of powers provided in this chapter except where a limitation is set out in IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and IC 20-48-1 by specific language or by reference to other law.

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SECTION 20. IC 20-26-11-11, AS AMENDED BY P.L.159-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 11. (a) A school corporation may enter into an agreement with:

(1) a nonprofit corporation that operates a federally approved education program; or

(2) a nonprofit corporation that:

(A) is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code;

(B) for its classroom instruction, employs teachers who are certified by the department;

(C) employs other professionally and state licensed staff as appropriate; and

(D) educates children who:

(i) have been suspended, expelled, or excluded from a public school in that school corporation and have been found to have an emotional disturbance;

(ii) have been placed with the nonprofit corporation by court order;

(iii) have been referred by a local health department;

(iv) have been placed in a state licensed private or public health care or child care facility as described in section 8 of this chapter; or

(v) have been placed by or with the consent of the department under IC 20-35-6-2;

in order to provide a student with an individualized education program that is the most suitable educational program available.

(b) If a school corporation that is a transferee corporation enters into an agreement as described in subsection (a), the school corporation shall pay to the nonprofit corporation an amount agreed upon that may not exceed the total of:

(1) the transfer tuition costs for the student that otherwise would be payable to the transferee corporation; and

(2) a proportionate amount of any state or local distributions to the transferee corporation that are computed in any part using **current** ADM or any other student count in which the student is included, if the transferee corporation includes the student in the transferee corporation's **current** ADM for ~~a school year.~~ **the period in which the student is being educated by the nonprofit corporation.**

(c) If a school corporation that is a transferor corporation enters into an agreement as described in subsection (a), the school corporation

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shall pay to the nonprofit corporation an amount agreed upon, which may not exceed the total of:

(1) the transfer tuition costs that otherwise would be payable to a transferee school corporation; and

(2) a proportionate amount of any state or local distributions to the transferor corporation that are computed in any part using **current** ADM or any other student count in which the student is included, if the transferor corporation includes the student in the transferor corporation's ADM for ~~a school year.~~ **the period in which the student is being educated by the nonprofit corporation.**

SECTION 21. IC 20-26-11-13, AS AMENDED BY P.L.229-2011, SECTION 173, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 13. (a) As used in this section, the following terms have the following meanings:

(1) "Class of school" refers to a classification of each school or program in the transferee corporation by the grades or special programs taught at the school. Generally, these classifications are denominated as kindergarten, elementary school, middle school or junior high school, high school, and special schools or classes, such as schools or classes for special education, career and technical education, or career education.

(2) "Special equipment" means equipment that during a school year:

(A) is used only when a child with disabilities is attending school;

(B) is not used to transport a child to or from a place where the child is attending school;

(C) is necessary for the education of each child with disabilities that uses the equipment, as determined under the individualized education program for the child; and

(D) is not used for or by any child who is not a child with disabilities.

(3) "Student enrollment" means the following:

(A) The total number of students in kindergarten through grade 12 who are enrolled in a transferee school corporation on a date determined by the state board.

(B) The total number of students enrolled in a class of school in a transferee school corporation on a date determined by the state board.

However, a kindergarten student shall be counted under clauses (A) and (B) as one-half (1/2) student. The state board may select

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a different date for counts under this subdivision. However, the same date shall be used for all school corporations making a count for the same class of school.

(b) Each transferee corporation is entitled to receive for each school year on account of each transferred student, except a student transferred under section 6 of this chapter, transfer tuition from the transferor corporation or the state as provided in this chapter. Transfer tuition equals the amount determined under STEP THREE of the following formula:

STEP ONE: Allocate to each transfer student the capital expenditures for any special equipment used by the transfer student and a proportionate share of the operating costs incurred by the transferee school for the class of school where the transfer student is enrolled.

STEP TWO: If the transferee school included the transfer student in the transferee school's **current** ADM, ~~for a school year,~~ allocate to the transfer student a proportionate share of the following general fund revenues of the transferee school: ~~for, except as provided in clause (C), the calendar year in which the school year ends:~~

(A) State tuition support distributions **received during the calendar year in which the school corporation ends.**

(B) Property tax levies under IC 20-45-7 and IC 20-45-8 **for the calendar year in which the school corporation ends.**

(C) The sum of the following excise tax revenue received for deposit in the calendar year in which the school year begins:

(i) Financial institution excise tax revenue (IC 6-5.5).

(ii) Motor vehicle excise taxes (IC 6-6-5).

(iii) Commercial vehicle excise taxes (IC 6-6-5.5).

(iv) Boat excise tax (IC 6-6-11).

(v) Aircraft license excise tax (IC 6-6-6.5).

(D) Allocations to the transferee school under IC 6-3.5.

STEP THREE: Determine the greater of:

(A) zero (0); or

(B) the result of subtracting the STEP TWO amount from the STEP ONE amount.

If a child is placed in an institution or facility in Indiana by or with the approval of the department of child services, the institution or facility shall charge the department of child services for the use of the space within the institution or facility (commonly called capital costs) that is used to provide educational services to the child based upon a prorated per student cost.

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(c) Operating costs shall be determined for each class of school where a transfer student is enrolled. The operating cost for each class of school is based on the total expenditures of the transferee corporation for the class of school from its general fund expenditures as specified in the classified budget forms prescribed by the state board of accounts. This calculation excludes:

(1) capital outlay;
(2) debt service;
(3) costs of transportation;
(4) salaries of board members;
(5) contracted service for legal expenses; and
(6) any expenditure that is made from extracurricular account receipts;

for the school year.

(d) The capital cost of special equipment for a school year is equal to:

(1) the cost of the special equipment; divided by
(2) the product of:
(A) the useful life of the special equipment, as determined under the rules adopted by the state board; multiplied by
(B) the number of students using the special equipment during at least part of the school year.

(e) When an item of expense or cost described in subsection (c) cannot be allocated to a class of school, it shall be prorated to all classes of schools on the basis of the student enrollment of each class in the transferee corporation compared with the total student enrollment in the school corporation.

(f) Operating costs shall be allocated to a transfer student for each school year by dividing:

(1) the transferee school corporation's operating costs for the class of school in which the transfer student is enrolled; by
(2) the student enrollment of the class of school in which the transfer student is enrolled.

When a transferred student is enrolled in a transferee corporation for less than the full school year of student attendance, the transfer tuition shall be calculated by the part of the school year for which the transferred student is enrolled. A school year of student attendance consists of the number of days school is in session for student attendance. A student, regardless of the student's attendance, is enrolled in a transferee school unless the student is no longer entitled to be transferred because of a change of residence, the student has been excluded or expelled from school for the balance of the school year or

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for an indefinite period, or the student has been confirmed to have withdrawn from school. The transferor and the transferee corporation may enter into written agreements concerning the amount of transfer tuition due in any school year. If an agreement cannot be reached, the amount shall be determined by the state board, and costs may be established, when in dispute, by the state board of accounts.

(g) A transferee school shall allocate revenues described in subsection (b) STEP TWO to a transfer student by dividing:

(1) the total amount of revenues received **during a period;** by

(2) the **current** ADM of the transferee school for the ~~school year that ends in the calendar year~~ **period** in which the revenues are received.

However, for state tuition support distributions or any other state distribution computed using less than the total **current** ADM of the transferee school, the transferee school shall allocate the revenues to the transfer student by dividing the revenues that the transferee school is eligible to receive ~~in a calendar year~~ **during the period** by the student count used to compute the state distribution.

(h) Instead of the payments provided in subsection (b), the transferor corporation or state owing transfer tuition may enter into a long term contract with the transferee corporation governing the transfer of students. The contract may:

(1) be entered into for a period of not more than five (5) years with an option to renew;

(2) specify a maximum number of students to be transferred; and

(3) fix a method for determining the amount of transfer tuition and the time of payment, which may be different from that provided in section 14 of this chapter.

(i) A school corporation may negotiate transfer tuition agreements with a neighboring school corporation that can accommodate additional students. Agreements under this section may:

(1) be for one (1) year or longer; and

(2) fix a method for determining the amount of transfer tuition or time of payment that is different from the method, amount, or time of payment that is provided in this section or section 14 of this chapter.

A school corporation may not transfer a student under this section without the prior approval of the child's parent.

SECTION 22. IC 20-26-11-22, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 22. (a) The transferee corporation is entitled to receive from the transferor corporation transfer tuition for each

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transferred student for each school year calculated in two (2) parts:

(1) operating cost; and

(2) capital cost.

These costs must be allocated on a per student basis separately for each class of school.

(b) The operating cost for each class of school must be based on the total expenditures of the transferee corporation for the class from its general fund expenditures as set out on the classified budget forms prescribed by the state board of accounts, excluding from the calculation capital outlay, debt service, costs of transportation, salaries of board members, contracted service for legal expenses, and any expenditure that is made out of the general fund from extracurricular account receipts, for the school year.

(c) The capital cost for each class of school must consist of the lesser of the following alternatives:

(1) The capital cost must be based on an amount equal to five percent (5%) of the cost of transferee corporation's physical plant, equipment, and all items connected to the physical plant or equipment, including:

(A) buildings, additions, and remodeling to the buildings, excluding ordinary maintenance; and

(B) on-site and off-site improvements such as walks, sewers, waterlines, drives, and playgrounds;

that have been paid or are obligated to be paid in the future out of the general fund, capital projects fund, or debt service fund, including principal and interest, lease rental payments, and funds that were legal predecessors to these funds. If an item of the physical plant, equipment, appurtenances, or part of the item is more than twenty (20) years old at the beginning of the school year, the capital cost of the item shall be disregarded in making the capital cost computation.

(2) The capital cost must be based on the amount budgeted from the general fund for capital outlay for physical plant, equipment, and appurtenances and the amounts levied for the debt service fund and the capital projects fund for the calendar year in which the school year ends.

(d) If an item of expense or cost cannot be allocated to a class of school, the item shall be prorated to all classes of schools on the basis of the ADM of each class in the transferee corporation, **as determined in the fall count of ADM in the school year,** compared to the total **current** ADM therein, **as determined in the fall count of ADM in the school year.**

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(e) The transfer tuition for each student transferred for each school year shall be calculated by dividing the transferee school corporation's total operating costs and the total capital costs for the class of school in which the student is enrolled by the ADM of students therein, **as determined in the fall count of ADM in the school year.** If a transferred student is enrolled in a transferee corporation for less than the full school year, the transfer tuition shall be calculated by the proportion of such school year for which the transferred student is enrolled. A school year for this purpose consists of the number of days school is in session for student attendance. A student shall be enrolled in a transferee school, whether or not the student is in attendance, unless the:

(1) student's residence is outside the area of students transferred to the transferee corporation;

(2) student has been excluded or expelled from school; or

(3) student has been confirmed as a school dropout.

The transferor and transferee corporations may enter into written agreements concerning the amount of transfer tuition. If an agreement cannot be reached, the amount shall be determined by the state superintendent, with costs to be established, where in dispute, by the state board of accounts.

(f) The transferor corporation shall pay the transferee corporation, when billed, the amount of book rental due from transferred students who are unable to pay the book rental amount. The transferor corporation is entitled to collect the amount of the book rental from the appropriate township trustee, from its own funds, or from any other source, in the amounts and manner provided by law.

SECTION 23. IC 20-26-11-23, AS AMENDED BY P.L.182-2009(ss), SECTION 317, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 23. (a) If a transfer is ordered to commence in a school year, where the transferor corporation has net additional costs over savings (on account of any transfer ordered) allocable to the ~~calendar~~ **state fiscal** year in which the school year begins, and where the transferee corporation does not have budgeted funds for the net additional costs, the net additional costs may be recovered by one (1) or more of the following methods in addition to any other methods provided by applicable law:

(1) An emergency loan made under IC 20-48-1-7 to be paid, out of the debt service levy and fund, or a loan from any state fund made available for the net additional costs.

(2) An advance in the ~~calendar~~ **state fiscal** year of state funds, which would otherwise become payable to the transferee

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corporation after such ~~calendar~~ **state fiscal** year under law.

(3) A grant or grants in the calendar year from any funds of the state made available for the net additional costs.

(b) The net additional costs must be certified by the department of local government finance. Repayment of any advance or loan from the state shall be made from state tuition support distributions or other money available to the school corporation.

SECTION 24. IC 20-26-11-30, AS ADDED BY P.L.133-2008, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 30. (a) This section applies to a student who resided in a school corporation where the student had legal settlement for at least two (2) consecutive school years immediately before moving to an adjacent school corporation.

(b) A school corporation in which a student had legal settlement for at least two (2) consecutive years as described in subsection (a):

(1) shall allow the student to attend an appropriate school within the school corporation in which the student formerly resided;

(2) may not request the payment of transfer tuition for the student from the school corporation in which the student currently resides and has legal settlement or from the student's parent; and

(3) shall include the student in the school corporation's **current** ADM;

if the principal and superintendent in both school corporations jointly agree to enroll the student in the school.

(c) If a student enrolls under this section in a school described in subsection (b)(1), the student's parent must provide for the student's transportation to school.

(d) A student to whom this section applies may not enroll primarily for athletic reasons in a school in a school corporation in which the student does not have legal settlement. However, a decision to allow a student to enroll in a school corporation in which the student does not have legal settlement is not considered a determination that the student did not enroll primarily for athletic reasons.

SECTION 25. IC 20-29-6-12.5, AS ADDED BY P.L.229-2011, SECTION 179, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 12.5. (a) Before August 1 of the first year of the state budget biennium, the department shall provide the parties with an estimate of the general fund revenue available for bargaining in the school corporation from the school funding formula.

(b) Within thirty (30) days after the date of the ~~first state~~ **fall count of** ADM ~~count date~~ of the school year in the first year of the state budget biennium, the department shall provide the parties with a

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certification of estimated general fund revenue available for bargaining from the school funding formula. A school employer that has passed a general fund operating referendum under IC 20-46-1 must have that amount certified by the department of local government finance. The school corporation must obtain the certification before the commencement of bargaining. These certifications must be the basis for determinations throughout impasse proceedings under this chapter.

SECTION 26. IC 20-33-5-9.5, AS ADDED BY P.L.229-2011, SECTION 194, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 9.5. (a) This section applies to reimbursements made under this chapter in ~~calendar~~ **state fiscal** year ~~2012 and thereafter.~~ **beginning after June 30, 2012.**

(b) The amount of reimbursement that a school corporation or an accredited nonpublic school is entitled to receive under section 7 of this chapter in a ~~calendar~~ **state fiscal** year is equal to the amount determined in the following STEPS:

STEP ONE: Determine the amount appropriated to make reimbursements under this chapter for the state fiscal year. ~~ending in the calendar year.~~

STEP TWO: Determine the total number of eligible students for which reimbursement was requested under either section 7 or 9 of this chapter before November 1 of the previous calendar year by all school corporations and accredited nonpublic schools.

STEP THREE: Divide the result determined in STEP ONE by the number determined in STEP TWO.

STEP FOUR: Multiply:

(A) the STEP THREE result; by

(B) the number of eligible students for which reimbursement was requested under section 7 or 9 of this chapter before November 1 of the ~~previous calendar~~ **state fiscal** year by the school corporation or the accredited nonpublic school.

SECTION 27. IC 20-40-8-1, AS AMENDED BY P.L.229-2011, SECTION 196, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. As used in this chapter, "calendar year distribution" means ~~the sum of the following:~~

~~(1)~~ a school corporation's

~~(A)~~ state tuition support ~~and~~

~~(B) maximum permissible tuition support levy (as defined in IC 20-45-1-15 before its repeal);~~

determined for the calendar year **using the fall count of ADM for the school corporation in the school year ending in the calendar year.**

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~~(2) The sum of the following excise tax revenue of the school corporation for the immediately preceding calendar year:~~

~~(A) Financial institution excise tax revenue (IC 6-5.5).~~

~~(B) Motor vehicle excise taxes (IC 6-6-5).~~

~~(C) Commercial vehicle excise taxes (IC 6-6-5.5).~~

~~(D) Boat excise tax (IC 6-6-11).~~

~~(E) Aircraft license excise tax (IC 6-6-6.5).~~

SECTION 28. IC 20-43-1-1, AS AMENDED BY P.L.229-2011, SECTION 199, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. This article expires ~~January~~ **July** 1, ~~2014.~~ **2013.**

SECTION 29. IC 20-43-1-6, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6. "ADM" refers to average daily membership determined under ~~IC 20-43-4-2.~~ **IC 20-43-4.**

SECTION 30. IC 20-43-1-7, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 7. "ADM of the previous year" means:

(1) for previous years ending before January 1, 2013, the initial computed ADM for the school year ending in the preceding calendar year **(as adjusted under IC 20-43-4-2); and**

(2) for previous years ending after December 31, 2012, the number of eligible pupils counted on the count date that is effective for the month in which a calculation using the term is applied, as subsequently adjusted (if applicable) under IC 20-43-4-2.

SECTION 31. IC 20-43-1-7.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 7.5. "Attending" means physical or virtual presence of a student with the expectation of continued services in the education programs for which the student is registered.**

SECTION 32. IC 20-43-1-10, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 10. "Current ADM" means:

(1) for distributions made under this article before January 1, 2013, the ~~initial computed~~ **fall count of** ADM for the school year ending in the calendar year; **and**

(2) for distributions made under this article after December 31, 2012, the number of eligible pupils enrolled in a school corporation as:

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(A) determined in the most recent count of eligible pupils in effect (as determined by the department under IC 20-43-4-9); and

(B) subsequently adjusted (if applicable) under IC 20-43-4-2.

SECTION 33. IC 20-43-1-11.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 11.5. "Enrolled" means to be:**

(1) registered with a school corporation to attend educational programs offered by or through the school corporation; and

(2) attending these educational programs and receiving educational services.

SECTION 34. IC 20-43-1-12.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 12.3. "Fall count" refers to the first count of ADM in a school year under IC 20-43-4-3, as finally adjusted under IC 20-43-4-2.**

SECTION 35. IC 20-43-1-18 IS REPEALED [EFFECTIVE JULY 1, 2012]. ~~Sec. 18. "Maximum state distribution" refers to the amount determined under IC 20-43-2-2.~~

SECTION 36. IC 20-43-1-24.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 24.5. "Spring count" refers to the second count of ADM in a school year under IC 20-43-4-3, as subsequently adjusted under IC 20-43-4-2.**

SECTION 37. IC 20-43-1-25, AS AMENDED BY P.L.229-2011, SECTION 203, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 25. "State tuition support" means the amount of state funds to be distributed to:

(1) a school corporation other than a virtual charter school in any ~~calendar~~ **state fiscal** year under this article for all grants, distributions, and awards described in IC 20-43-2-3; and

(2) a virtual charter school in any ~~calendar~~ **state fiscal** year under IC 20-43-6-3.

SECTION 38. IC 20-43-2-1, AS AMENDED BY P.L.146-2008, SECTION 481, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. The department shall distribute the amount appropriated by the general assembly for distribution as state tuition support in accordance with this article. If the appropriations for distribution as state tuition support are more than required under this article, any excess shall revert to the state general fund. The appropriations for state tuition support shall be made each

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~~calendar~~ **state fiscal** year under a schedule set by the budget agency and approved by the governor. However, **notwithstanding P.L.229-2011, SECTION 9,** the schedule must provide:

(1) for at least twelve (12) payments;

(2) that one (1) payment shall be made ~~at least every forty (40) days;~~ **each month;** and

(3) the total of the payments in each ~~calendar~~ **state fiscal** year year must equal the amount required under this article.

SECTION 39. IC 20-43-2-2, AS AMENDED BY P.L.229-2011, SECTION 204, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2. The maximum state distribution for a ~~calendar~~ **state fiscal** year for all school corporations for the purposes described in section 3 of this chapter is

~~(1) six billion two hundred forty-seven million eight hundred thousand dollars ($6,247,800,000) in 2011;~~

~~(2) six billion two hundred seventy-seven million eight hundred thousand dollars ($6,277,800,000) in 2012; and~~

~~(3) six billion three hundred thirty-nine million six hundred thousand dollars ($6,339,600,000) in 2013.~~ **the amount appropriated by the general assembly for those purposes for that state fiscal year.**

SECTION 40. IC 20-43-2-3, AS AMENDED BY P.L.229-2011, SECTION 205, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3. If the total amount to be distributed:

(1) as basic tuition support;

(2) for honors diploma awards;

(3) for primetime distributions;

(4) for special education grants; ~~and~~

(5) for career and technical education grants;

(6) for choice scholarships;

(7) for Mitch Daniels early graduation scholarships;

(8) for a fiscal year transition grant under IC 20-43-13; and

(9) for a school corporation estimated distribution grant under IC 20-43-4-3.5 and IC 20-43-4-9.

for a particular **state fiscal** year exceeds the ~~maximum state distribution~~ **amounts appropriated by the general assembly for those purposes** for ~~a calendar~~ **the state fiscal** year, the amount to be distributed for state tuition support under this article to each school corporation during each of the last six (6) months of the **state fiscal** year shall be proportionately reduced so that the total reductions equal the amount of the excess.

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SECTION 41. IC 20-43-2-8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 8. (a) Beginning July 1, 2012, distributions for state tuition support shall be made on a state fiscal year basis rather than a calendar year basis.**

(b) The following is the intent of the general assembly:

(1) The distributions for state tuition support that are provided for under this article (as this article exists on January 1, 2012) for calendar year 2012 shall be made only during the first six (6) months of calendar year 2012.

(2) Except as otherwise provided, the distributions for state tuition support that were provided for under this article (as this article existed on January 1, 2012) for calendar year 2013 shall instead be made during the state fiscal year 2012 beginning July 1, 2012.

(3) IC 20-43-3-7 and IC 20-43-3-8 apply to the distributions made after June 30, 2012.

(c) The department shall make any adjustments required to carry out the change from distributions made on a calendar year basis to distributions made on a state fiscal year basis.

SECTION 42. IC 20-43-3-4, AS AMENDED BY P.L.229-2011, SECTION 206, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4. (a) **This subsection applies to the determination of a school corporation's previous year revenue for purposes of determining distributions under this article before July 1, 2012.** A school corporation's previous year revenue equals the amount determined under STEP TWO of the following formula:

STEP ONE: Determine the sum of the following:

(A) The school corporation's basic tuition support actually received for the year that precedes the current year.

(B) For 2012, the restoration grant (IC 20-43-12 (repealed)) actually received for 2011.

(C) For 2012, the small school grant (IC 20-43-12.2 (repealed)) actually received for 2011.

STEP TWO: Subtract from the STEP ONE result an amount equal to the reduction in the school corporation's state tuition support under any combination of subsection ~~(b)~~ **(c)** or IC 20-30-2-4.

(b) This subsection applies to the determination of a school corporation's previous year revenue for purposes of determining distributions under this article after June 30, 2012. A school corporation's previous year revenue equals the amount determined under STEP TWO of the following formula:

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STEP ONE: For purposes of making determinations for:

(A) the state fiscal year beginning July 1, 2012, determine the product of the school corporation's basic tuition support actually received for the first six (6) months of 2012 multiplied by two (2); or

(B) a state fiscal year beginning after June 30, 2013, determine the school corporation's basic tuition support actually received for the state fiscal year that immediately precedes the current state fiscal year.

STEP TWO: Subtract from the STEP ONE result an amount equal to the reduction in the school corporation's state tuition support under any combination of subsection (c) or IC 20-30-2-4.

~~(b)~~ **(c)** A school corporation's previous year revenue must be reduced if:

(1) the school corporation's state tuition support for special education or career and technical education is reduced as a result of a complaint being filed with the department after December 31, 1988, because the school program overstated the number of children enrolled in special education programs or career and technical education programs; and

(2) the school corporation's previous year revenue has not been reduced under this subsection more than one (1) time because of a given overstatement.

The amount of the reduction equals the amount the school corporation would have received in state tuition support for special education and career and technical education because of the overstatement.

SECTION 43. IC 20-43-4-2, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2. A school corporation's ADM is the number of eligible pupils enrolled in:

(1) the school corporation; or

(2) a transferee corporation;

on ~~a day to be~~ **the days** fixed ~~annually~~ by the state board **under section 3 of this chapter,** ~~and~~ as subsequently adjusted ~~not later than January 30~~ under the rules adopted by the state board. **The state board may adjust the school's count of eligible pupils if the state board determines that the count is unrepresentative of the school corporation's enrollment.**

SECTION 44. IC 20-43-4-3, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3. **(a) Subject to subsection (b),**

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the ~~initial day of the~~ **state board shall make an** ADM count ~~must fall:~~ **of the eligible pupils enrolled in each school corporation two (2) times each** ~~within the first thirty (30) days of the~~ school year, **with one (1) count date occurring in each of the following periods:**

(1) The fall count of ADM shall be made on a day fixed by the state board during September.

(2) The spring count of ADM shall be made on a day fixed by the state board during February.

(b) However, if extreme patterns of:

(1) student in-migration;

(2) illness;

(3) natural disaster; or

(4) other unusual conditions in a particular school corporation's enrollment;

on either ~~the~~ **a count** day fixed by the state board or ~~on~~ the subsequent adjustment date cause the enrollment to be unrepresentative of the school corporation's enrollment, ~~throughout a school year,~~ the state board may designate another day for determining the school corporation's enrollment.

SECTION 45. IC 20-43-4-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: **Sec. 3.5. (a) This section applies to a school corporation (including a charter school) only in the following:**

(1) In the initial year in which the school corporation begins operation.

(2) In the year in which a school year begins in which the school corporation adds another grade.

(3) In a year in which a school year begins in which the school corporation estimates the fall count of ADM will exceed the immediately preceding spring count of ADM by at least fifteen percent (15%).

(b) A school corporation shall submit to the department an estimated count of eligible pupils in the form and on the schedule specified by the state board. The count must estimate as accurately as possible the anticipated number of eligible pupils who are likely to be included in the school corporation's fall count of ADM for the school year beginning in the calendar year.

(c) Using the estimates submitted by the school corporation and any other information available to the state board, the state board shall estimate the number of eligible pupils who are likely to be included in the fall ADM count of the school corporation in the

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school year beginning in the calendar year. The state board may adjust the estimate provided by a school corporation as the state board determines necessary.

(d) After the fall count of ADM, the state board shall adjust the estimated count of ADM under this section to reflect the actual count of eligible pupils determined in the fall count. If the state board adjusts the fall count under section 2 of this chapter, the state board shall make the same adjustment to the estimated count.

SECTION 46. IC 20-43-4-4, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4. **(a)** The state board shall monitor changes that occur after the fall **count of** ADM ~~count~~ in the number of students enrolled in programs for children with disabilities. The state board shall:

(1) before December 2 of that same year; and

(2) before April 2 of the following calendar year;

make an adjusted count of students enrolled in programs for children with disabilities The state superintendent shall certify the December adjusted count to the budget committee before February 5 of the following year and the April adjusted count not later than May 31 immediately after the date of the April adjusted count. **The state board may adjust the school's count of students enrolled in programs for children with disabilities if the state board determines that the count is unrepresentative of the school corporation's enrollment.**

(b) The department shall distribute special education grants under IC 20-43-7 using only the count specified in IC 20-43-7-1.

SECTION 47. IC 20-43-4-4.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 4.5. IC 20-43-8-1 applies to a count of students for career and technical education grants.**

SECTION 48. IC 20-43-4-6, AS AMENDED BY P.L.234-2007, SECTION 239, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6. (a) In determining ADM, each pupil enrolled in a public school and a nonpublic school is to be counted on a full-time equivalency basis if the pupil:

(1) is enrolled in a public school and a nonpublic school;

(2) has legal settlement in a school corporation; and

(3) receives instructional services from the school corporation.

(b) For purposes of this section, full-time equivalency is calculated as follows:

STEP ONE: Determine the result of:

(A) the number of days instructional services will be provided

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to the pupil, not to exceed one hundred eighty (180); divided by

(B) one hundred eighty (180).

STEP TWO: Determine the result of:

(A) the pupil's public school instructional time (as defined in IC 20-30-2-1); divided by

(B) the actual public school regular instructional day (as defined in IC 20-30-2-2).

STEP THREE: Determine the result of:

(A) the STEP ONE result; multiplied by

(B) the STEP TWO result.

STEP FOUR: Determine the lesser of one (1) or the result of:

(A) the STEP THREE result; multiplied by

(B) one and five hundredths (1.05).

However, the state board may, by rule adopted under IC 4-22-2, specify an equivalent formula if the state board determines that the equivalent formula would more accurately reflect the instructional services provided by a school corporation during a period that a particular ADM count is in effect for the school corporation.

SECTION 49. IC 20-43-4-9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 9. (a) This subsection applies to the calculation of state tuition support distributions that are:**

(1) made before January 1, 2013; and

(2) based on the current ADM of a school corporation.

The fall count of ADM for the school year ending June 30, 2012, as adjusted by the state board under section 2 of this chapter, shall be used to compute state tuition support distributions.

(b) Subject to subsection (c), this subsection applies to the calculation of state tuition support distributions that are:

(1) made after December 31, 2012; and

(2) based on the current ADM of a school corporation.

The fall count of ADM for the school year ending in the current calendar year, as adjusted by the state board under section 2 of this chapter, shall be used to compute state tuition support distributions made in the first six (6) months of the calendar year, and the spring count of ADM for the school year ending in the current calendar year, as adjusted by the state board under section 2 of this chapter, shall be used to compute state tuition support distributions made in the second six (6) months of the calendar year.

(c) This subsection applies only to the calculation of basic tuition

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support distributions to a school corporation, including a conversion charter school or other charter school, for the first six (6) months of a school year that begins in the year if section 3.5(a) of this chapter applies to the school corporation in the year. A school corporation is entitled to a distribution of basic tuition support in conformity with this subsection for the first six (6) months of a school year that begins in a year to which section 3.5(a) of this chapter applies. The count of students made under section 3.5 of this chapter, as subsequently adjusted under section 3.5 of this chapter, shall be treated as the current ADM of the school corporation for the calculation of the school corporation's basic tuition support for that period. However, distributions to the school corporation shall not begin until after the first day the school corporation conducts regular classes, as determined by the department. The amount withheld for the school corporation before that date shall be paid to the school corporation on a schedule determined under subsection (d).

(d) If the state board adjusts a count of ADM after a distribution is made under this article, the adjusted count retroactively applies to the amount of state tuition support distributed to a school corporation affected by the adjusted count. The department shall settle any overpayment or underpayment of state tuition support resulting from an adjusted count of ADM on the schedule determined by the department.

SECTION 50. IC 20-43-5-1, AS AMENDED BY P.L.234-2007, SECTION 241, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. A school corporation's transition to foundation revenue per adjusted ADM for a ~~calendar~~ **state fiscal** year is the amount determined under section 9 of this chapter.

SECTION 51. IC 20-43-5-2, AS AMENDED BY P.L.234-2007, SECTION 242, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2. The following amounts must be determined under this chapter to calculate a school corporation's transition to foundation revenue per adjusted ADM for a ~~calendar~~ **state fiscal** year:

(1) The school corporation's complexity index for the ~~calendar~~ **state fiscal** year under section 3 of this chapter.

(2) The school corporation's foundation amount for the ~~calendar~~ **state fiscal** year under section 4 of this chapter.

(3) The school corporation's previous year revenue foundation amount for the ~~calendar~~ **state fiscal** year under section 5 of this chapter.

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(4) The school corporation's transition to foundation amount for the ~~calendar~~ **state fiscal** year under section 6 of this chapter.

(5) The school corporation's transition to foundation revenue for the ~~calendar~~ **state fiscal** year under section 7 of this chapter.

SECTION 52. IC 20-43-5-4, AS AMENDED BY P.L.229-2011, SECTION 209, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4. A school corporation's foundation amount ~~for a calendar year~~ is the result determined under STEP THREE of the following formula:

STEP ONE: The STEP ONE amount is:

(A) in 2012, four thousand two hundred eighty dollars ($4,280); and

(B) in 2013, four thousand four hundred five dollars ($4,405).

STEP TWO: Multiply the STEP ONE amount by the school corporation's complexity index.

STEP THREE: Determine the sum of the STEP TWO amount and the following:

(A) Zero dollars ($0), if the school corporation's current ADM is less than five hundred (500).

(B) One hundred fifty dollars ($150), if the school corporation's current ADM is at least five hundred (500) and is not more than one thousand (1,000).

(C) The result of one hundred fifty thousand dollars ($150,000) divided by the school corporation's current ADM, if the school corporation's current ADM is more than one thousand (1,000).

SECTION 53. IC 20-43-5-5, AS AMENDED BY P.L.182-2009(ss), SECTION 335, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5. A school corporation's previous year revenue foundation amount for a ~~calendar~~ **state fiscal** year is equal to the result of:

(1) the school corporation's previous year revenue; divided by

(2) the school corporation's ~~adjusted~~ ADM for the previous year.

SECTION 54. IC 20-43-5-6, AS AMENDED BY P.L.229-2011, SECTION 210, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6. (a) A school corporation's transition to foundation amount for a ~~calendar~~ **state fiscal** year is equal to the result determined under STEP TWO of the following formula:

STEP ONE: Determine the difference of:

(A) the school corporation's foundation amount; minus

(B) the lesser of:

(i) the school corporation's previous year revenue foundation

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amount; or

(ii) the result of the school corporation's foundation amount multiplied by one and two-tenths (1.2).

STEP TWO: A school corporation's STEP TWO amount is the following:

(A) For a charter school located outside Marion County that has previous year revenue that is not greater than zero (0), the charter school's STEP TWO amount is the quotient of:

(i) the school corporation's transition to foundation revenue for the ~~calendar~~ **state fiscal** year where the charter school is located; divided by

(ii) the school corporation's current ADM.

(B) For a charter school located in Marion County that has previous year revenue that is not greater than zero (0), the charter school's STEP TWO amount is the weighted average of the transition to foundation revenue for the school corporations where the students counted in the current ADM of the charter school have legal settlement, as determined under item (iv) of the following formula:

(i) Determine the transition to foundation revenue for each school corporation where a student counted in the current ADM of the charter school has legal settlement.

(ii) For each school corporation identified in item (i), divide the item (i) amount by the school corporation's current ADM.

(iii) For each school corporation identified in item (i), multiply the item (ii) amount by the number of students counted in the current ADM of the charter school that have legal settlement in the particular school corporation.

(iv) Determine the sum of the item (iii) amounts for the charter school.

(C) The STEP TWO amount for a school corporation that is not a charter school described in clause (A) or (B) is the following:

(i) The school corporation's foundation amount for the ~~calendar~~ **state fiscal** year if the STEP ONE amount is zero (0) or greater.

(ii) The amount determined under subsection (b), if the school corporation's STEP ONE amount is less than zero (0).

(b) For the purposes of STEP TWO (C)(ii) in subsection (a), determine the result of:

(1) the result determined for the school corporation under STEP

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ONE (B) of subsection (a); minus

(2) the result of:

(A) the absolute value of the STEP ONE amount; divided by

(B) ~~seven (7) in 2012 and~~ six (6) in ~~2013.~~ **the state fiscal year beginning July 1, 2012.**

SECTION 55. IC 20-43-5-7, AS AMENDED BY P.L.229-2011, SECTION 211, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 7. A school corporation's transition to foundation revenue for a ~~calendar~~ **state fiscal** year is equal to the product of:

(1) the school corporation's transition to foundation amount for the ~~calendar~~ **state fiscal** year; multiplied by

(2) the school corporation's current ADM.

SECTION 56. IC 20-43-5-9, AS AMENDED BY P.L.234-2007, SECTION 247, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 9. A school corporation's transition to foundation revenue per adjusted ADM for a ~~calendar~~ **state fiscal** year is the quotient of:

(1) the school corporation's transition to foundation revenue for the ~~calendar~~ **state fiscal** year; divided by

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

SECTION 57. IC 20-43-6-1, AS AMENDED BY P.L.182-2009(ss), SECTION 338, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. Subject to the amount appropriated by the general assembly for state tuition support and IC 20-43-2, the amount that a school corporation is entitled to receive in basic tuition support for a **state fiscal** year is the amount determined in section 3 of this chapter.

SECTION 58. IC 20-43-6-3, AS AMENDED BY P.L.229-2011, SECTION 212, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) A school corporation's basic tuition support for a ~~year~~ **month** is the amount determined under the applicable provision of this section.

(b) The school corporation's basic tuition support for a ~~year~~ **month** is equal to the **result of:**

(1) the school corporation's transition to foundation revenue; ~~for the year.~~ **divided by**

(2) twelve (12).

(c) This subsection applies to students of a virtual charter school. A virtual charter school's basic tuition support for a ~~year~~ **month** for those students is the amount determined under IC 20-24-7-13.

SECTION 59. IC 20-43-7-1, AS ADDED BY P.L.2-2006,

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SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. In addition to the amount a school corporation is entitled to receive in basic tuition support, each school corporation is entitled to receive a grant for special education programs **for the state fiscal year.** The amount of the special education grant is based on the count of eligible pupils enrolled in special education programs on December 1 of the preceding **state fiscal** year in:

(1) the school corporation; or

(2) a transferee corporation.

SECTION 60. IC 20-43-7-6, AS AMENDED BY P.L.182-2009(ss), SECTION 340, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6. A school corporation's special education grant for a ~~calendar~~ **state fiscal** year is equal to the sum of the following:

(1) The nonduplicated count of pupils in programs for severe disabilities multiplied by eight thousand three hundred fifty dollars ($8,350).

(2) The nonduplicated count of pupils in programs of mild and moderate disabilities multiplied by two thousand two hundred sixty-five dollars ($2,265).

(3) The duplicated count of pupils in programs for communication disorders multiplied by five hundred thirty-three dollars ($533).

(4) The cumulative count of pupils in homebound programs multiplied by five hundred thirty-three dollars ($533).

(5) The nonduplicated count of pupils in special preschool education programs multiplied by two thousand seven hundred fifty dollars ($2,750).

SECTION 61. IC 20-43-8-1, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. Pupil enrollment under this chapter shall be determined at the same time that a school corporation's **fall count of** ADM is determined.

SECTION 62. IC 20-43-8-2, AS AMENDED BY P.L.234-2007, SECTION 137, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) Before December 1 of each year, the department of workforce development shall provide the department with a report, to be used to determine career and technical education grant amounts in the ~~second calendar~~ **state fiscal** year **beginning** after the year in which the report is provided, listing whether the labor market demand for each generally recognized labor category is more than moderate, moderate, or less than moderate. In the report,

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the department of workforce development shall categorize each of the career and technical education programs using the following four (4) categories:

(1) Programs that address employment demand for individuals in labor market categories that are projected to need more than a moderate number of individuals.

(2) Programs that address employment demand for individuals in labor market categories that are projected to need a moderate number of individuals.

(3) Programs that address employment demand for individuals in labor market categories that are projected to need less than a moderate number of individuals.

(4) All programs not covered by the employment demand categories of subdivisions (1) through (3).

(b) Before December 1 of each year, the department of workforce development shall provide the department with a report, to be used to determine grant amounts that will be distributed under this chapter in the ~~second calendar~~ **state fiscal** year **beginning** after the year in which the report is provided, listing whether the average wage level for each generally recognized labor category for which career and technical education programs are offered is a high wage, a moderate wage, or a less than moderate wage.

(c) In preparing the labor market demand report under subsection (a) and the average wage level report under subsection (b), the department of workforce development shall, if possible, list the labor market demand and the average wage level for specific regions, counties, and municipalities.

(d) If a new career and technical education program is created by rule of the state board, the department of workforce development shall determine the category in which the program should be included.

SECTION 63. IC 20-43-8-9, AS AMENDED BY P.L.234-2007, SECTION 139, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 9. A school corporation's career and technical education grant for a ~~calendar~~ **state fiscal** year is the sum of the following amounts:

STEP ONE: For each career and technical education program provided by the school corporation:

(A) the number of credit hours of the program (either one (1) credit, two (2) credits, or three (3) credits); multiplied by

(B) the number of students enrolled in the program; multiplied by

(C) the following applicable amount:

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(i) Four hundred fifty dollars ($450), in the case of a program described in section 5 of this chapter (more than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a high wage.

(ii) Three hundred seventy-five dollars ($375), in the case of a program described in section 5 of this chapter (more than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a moderate wage.

(iii) Three hundred dollars ($300), in the case of a program described in section 5 of this chapter (more than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a less than moderate wage.

(iv) Three hundred seventy-five dollars ($375), in the case of a program described in section 6 of this chapter (moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a high wage.

(v) Three hundred dollars ($300), in the case of a program described in section 6 of this chapter (moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a moderate wage.

(vi) Two hundred twenty-five dollars ($225), in the case of a program described in section 6 of this chapter (moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a less than moderate wage.

(vii) Three hundred dollars ($300), in the case of a program described in section 7 of this chapter (less than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a high wage.

(viii) Two hundred twenty-five dollars ($225), in the case of a program described in section 7 of this chapter (less than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a moderate wage.

(ix) One hundred fifty dollars ($150), in the case of a program described in section 7 of this chapter (less than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a less than moderate wage.

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STEP TWO: The number of pupils described in section 8 of this chapter (all other programs) multiplied by two hundred fifty dollars ($250).

STEP THREE: The number of pupils participating in a career and technical education program in which pupils from multiple schools are served at a common location multiplied by one hundred fifty dollars ($150).

SECTION 64. IC 20-43-9-6, AS AMENDED BY P.L.229-2011, SECTION 217, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6. A school corporation's primetime distribution for a ~~calendar year~~ **month** under this chapter is the **result of the** amount determined by the following formula **divided by twelve (12):**

STEP ONE: Determine the applicable target pupil/teacher ratio for the school corporation as follows:

(A) If the school corporation's complexity index is less than one and one-tenth (1.1), the school corporation's target pupil/teacher ratio is eighteen to one (18:1).

(B) If the school corporation's complexity index is at least one and one-tenth (1.1) but less than one and three-tenths (1.3), the school corporation's target pupil/teacher ratio is fifteen (15) plus the result determined in item (iii) to one (1):

(i) Determine the result of one and three-tenths (1.3) minus the school corporation's complexity index.

(ii) Determine the item (i) result divided by two-tenths (0.2).

(iii) Determine the item (ii) result multiplied by three (3).

(C) If the school corporation's complexity index is at least one and three-tenths (1.3), the school corporation's target pupil/teacher ratio is fifteen to one (15:1).

STEP TWO: Determine the result of:

(A) the **current** ADM of the school corporation in kindergarten through grade 3; ~~for the current school year;~~ divided by

(B) the school corporation's applicable target pupil/teacher ratio, as determined in STEP ONE.

STEP THREE: Determine the result of:

(A) the basic tuition support for the ~~year~~ **month** multiplied by ~~seventy-five hundredths (0.75);~~ **nine (9);** divided by

(B) the school corporation's **current** ADM.

STEP FOUR: Determine the result of:

(A) the STEP THREE result; multiplied by

(B) the **current** ADM of the school corporation in

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kindergarten through grade 3. ~~for the current school year.~~

STEP FIVE: Determine the result of:

(A) the STEP FOUR result; divided by

(B) the staff cost amount.

STEP SIX: Determine the greater of zero (0) or the result of:

(A) the STEP TWO amount; minus

(B) the STEP FIVE amount.

STEP SEVEN: Determine the result of:

(A) the STEP SIX amount; multiplied by

(B) the staff cost amount.

STEP EIGHT: Determine the greater of the STEP SEVEN amount or **zero (0).**

~~(A) for 2012, fifty percent (50%) of the school corporation's guaranteed primetime amount; or~~

~~(B) for 2013, zero (0).~~

STEP NINE: A school corporation's amount under this STEP is the following:

(A) If the amount the school corporation received under this chapter in the previous ~~calendar~~ **state fiscal** year is greater than zero (0), the amount under this STEP is the lesser of:

(i) the STEP EIGHT amount; or

(ii) the amount the school corporation received under this chapter for the previous ~~calendar~~ **state fiscal** year multiplied by one hundred seven and one-half percent (107.5%).

(B) If the amount the school corporation received under this chapter in the previous ~~calendar~~ **state fiscal** year is not greater than zero (0), the amount under this STEP is the STEP EIGHT amount.

SECTION 65. IC 20-43-10-2, AS AMENDED BY P.L.229-2011, SECTION 219, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) A school corporation's honors diploma award for a ~~calendar~~ **state fiscal** year is the amount determined under STEP FOUR of the following formula:

STEP ONE: Determine the number of the school corporation's eligible pupils who successfully completed an academic honors diploma program in the school year ending in the previous ~~calendar~~ **state fiscal** year.

STEP TWO: Determine the result of:

(A) the number of the school corporation's eligible pupils who successfully completed a Core 40 diploma with technical honors program in the school year ending in the previous ~~calendar~~ **state fiscal** year; minus

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(B) the number of eligible pupils who would otherwise be double counted under both clause (A) and STEP ONE.

STEP THREE: Determine the sum of the number of eligible students determined under STEP ONE and the number of eligible students determined under STEP TWO.

STEP FOUR: Multiply the STEP THREE amount by nine hundred dollars ($900).

(b) An amount received by a school corporation as an honors diploma award may be used only for:

(1) any:

(A) staff training;

(B) program development;

(C) equipment and supply expenditures; or

(D) other expenses;

directly related to the school corporation's honors diploma program; and

(2) the school corporation's program for high ability students.

(c) A governing body that does not comply with this section for a school year is not eligible to receive an honors diploma award for the following school year.

SECTION 66. IC 20-43-13 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]:

Chapter 13. Fiscal Year Transition Grant

Sec. 1. This chapter applies to all school corporations.

Sec. 2. A school corporation's grant under this chapter for the period after June 30, 2012, and before January 1, 2013 is determined by the following formula:

STEP ONE: Determine the sum of the school corporation's state tuition support (excluding the grant under this chapter) actually received for the first six (6) months of calendar year 2012.

STEP TWO: Determine the sum of the school corporation's state tuition support (excluding the grant under this chapter) for the second six (6) months of calendar year 2012.

STEP THREE: Determine the greater of zero (0) or the difference of the STEP ONE amount minus the STEP TWO amount.

SECTION 67. IC 20-45-7-19, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 19. Before July 11 of each year, the state superintendent shall certify to the county auditor:

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(1) the consolidated ADA ratio of the qualified school corporations;

(2) the number of pupils in **current** ADM of each qualified school corporation for the immediately preceding school year, **as determined:**

(A) for a calendar year ending before January 1, 2013, in the fall count of ADM for the school year ending in the calendar year; and

(B) for a calendar year ending after December 31, 2012, in the spring count of ADM for the school year ending in the calendar year; and

(3) an estimate of these statistics for the succeeding school year.

SECTION 68. IC 20-45-7-26, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 26. The entitlement of each qualified school corporation from the fund for each calendar year is the greater of:

(1) the amount of its entitlement for calendar year 2000 from the tax levied under this chapter; or

(2) an amount equal to twenty-seven dollars and fifty cents ($27.50) times its **current** ADM **as determined in the fall count of ADM conducted in the school year ending in the current calendar year.**

SECTION 69. IC 20-45-8-18, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 18. (a) Before July 11 of each year, the state superintendent shall deliver to the county auditor a certified statement of:

(1) for a calendar year ending before January 1, 2013, the **fall count of** ADM in grades 1 through 12 residing in each qualified school corporation for the ~~immediately preceding~~ school year **ending in the calendar year; and**

(2) for a calendar year ending after December 31, 2012, the spring count of ADM in grades 1 through 12 residing in each qualified school corporation for the school year ending in the calendar year.

(b) Upon the receipt of the information, the county auditor shall compute the amount to be distributed to each of the qualified school corporations from the receipts of the tax levy, based on the formula set forth in this chapter.

(c) The county auditor shall annually issue a warrant to the county treasurer ordering the payment to the respective qualified school

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corporations the various amounts in the fund at each semiannual tax settlement period during the year in which the tax has been collected.

(d) The qualified school corporations and the proper officials and employees of the qualified school corporations shall receive the receipts distributed by the county treasurer in the same manner as other tax receipts are received.

SECTION 70. IC 20-45-8-22, AS ADDED BY P.L.2-2006, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 22. (a) The amount to be raised by the tax shall be determined in any calendar year by the county auditor and certified to by the board of county commissioners before the time for making the county budgets in the year.

(b) The amount is the total of the entitlements of all qualified school corporations.

(c) The entitlement of each qualified school corporation calculated in a calendar year is an amount equal to the result determined under STEP TWO of the following formula:

STEP ONE: Calculate the quotient of:

(A) the total amount deposited in the fund in calendar year 1979 or the first year in which a deposit was made, whichever is later; divided by

(B) **for:**

(i) a calendar year ending before January 1, 2013, the total ADM of the immediately preceding school year of qualified school corporations that received money from the fund in 1979, **as determined in the fall count of ADM for the school year ending in the immediately preceding calendar year; and**

(ii) a calendar year beginning after December 31, 2012, the total ADM of the immediately preceding school year of qualified school corporations that received money from the fund in 1979, as determined in the spring count of ADM for the school year ending in the immediately preceding calendar year.

STEP TWO: Calculate the product of:

(A) the STEP ONE result; multiplied by

(B) **for:**

(i) a calendar year ending before January 1, 2013, the ADM of the immediately preceding school year of the qualified school corporation that received money from the fund in 1979, **as determined in the fall count of ADM for the school year ending in the immediately preceding**

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calendar year; and

(ii) a calendar year beginning after December 31, 2012, the total ADM of the immediately preceding school year of qualified school corporations that received money from the fund in 1979, as determined in the spring count of ADM for the school year ending in the immediately preceding calendar year.

SECTION 71. IC 20-49-3-8, AS AMENDED BY P.L.146-2008, SECTION 529, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 8. The fund may be used to make advances:

(1) to school corporations, including school townships, under IC 20-49-4 and IC 20-49-5; **and**

(2) under IC 20-49-6. ~~and~~

~~(3) to charter schools under IC 20-24-7-3(c) and IC 20-49-7.~~

SECTION 72. IC 20-49-4-7, AS AMENDED BY P.L.113-2010, SECTION 99, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 7. As used in this chapter, "school building construction program" means the purchase, lease, or financing of land, the construction and equipping of school buildings, and the remodeling, repairing, or improving of school buildings by a school corporation:

(1) that sustained a loss from a disaster;

(2) whose adjusted assessed valuation (as determined under IC 6-1.1-34-8) per **current** ADM is within the lowest forty percent (40%) of the assessed valuation per **current** ADM when compared with all school corporation adjusted assessed valuation (as adjusted (if applicable) under IC 6-1.1-34-8) per **current** ADM; or

(3) with an advance under this chapter outstanding on July 1, 1993, that bears interest of at least seven and one-half percent (7.5%).

The term does not include facilities used or to be used primarily for interscholastic or extracurricular activities.

SECTION 73. IC 20-49-5-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 7. (a) A charter school, including a conversion charter school, that has received an advance for operational costs from the common school fund under IC 20-49-7 (before its repeal) is not required to make principal or interest payments during the state fiscal years beginning:**

(1) July 1, 2011; and

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(2) July 1, 2012;

notwithstanding contrary terms in the charter school and state board advance agreement.

(b) The repayment term of the advance shall be extended by two (2) years to provide for the waiver described in subsection (a) even though it may make the repayment term for the advance longer than twenty (20) years.

SECTION 74. IC 20-49-7 IS REPEALED [EFFECTIVE JULY 1, 2013]. (Charter School Advancement Account).

SECTION 75. IC 20-51-4-5, AS ADDED BY P.L.92-2011, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5. The state tuition support amount to be used in ~~section 3(2)~~ **section 4(2)** of this chapter for an eligible individual is the amount determined under the last STEP of the following formula:

STEP ONE: Determine the school corporation in which the eligible individual has legal settlement.

STEP TWO: Determine the amount of state tuition support that the school corporation identified under STEP ONE ~~is~~ **would be** eligible to receive under IC 20-43 for the calendar year in which the current school year begins **if:**

(A) for a calendar year ending before January 1, 2013, the fall count of eligible students conducted in the school corporation in the school year ending in the calendar year were used to compute the state tuition support distribution to the school corporation for the entire calendar year; and

(B) for a calendar year beginning after December 31, 2012, the spring count of eligible students conducted in the school corporation in the school year ending in the calendar year were used to compute the state tuition support distribution to the school corporation for the entire calendar year;

excluding amounts provided for special education grants under IC 20-43-7 and career and technical education grants under IC 20-43-8.

STEP THREE: Determine the result of:

(A) the STEP TWO amount; divided by

(B) the current ADM ~~(as defined in IC 20-43-1-10)~~ for the school corporation identified under STEP ONE for the calendar year used in STEP TWO.

SECTION 76. IC 21-7-13-5, AS ADDED BY P.L.2-2007, SECTION 243, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 5. **"Current** ADM" has the

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meaning set forth in ~~IC 20-43-1-6.~~ **IC 20-43-1-10.**

SECTION 77. IC 21-43-5-14, AS ADDED BY P.L.234-2007, SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 14. Ivy Tech Community College is entitled to reimbursement for the costs incurred to deliver courses under this chapter that are taken:

(1) at an Ivy Tech Community College site; and

(2) by a student for whom Ivy Tech Community College has waived tuition under this chapter or IC 21-14-8.

The school corporation in which the student described in subdivision (2) resides shall pay the individual's tuition to Ivy Tech Community College for each ~~year~~ **month** the student is included in the school corporation's **current** ADM.

SECTION 78. IC 21-43-6-2, AS AMENDED BY P.L.3-2008, SECTION 148, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) To be eligible to earn a high school diploma, an individual participating in the program established under this chapter must be either:

(1) at least nineteen (19) years of age and not enrolled in a high school; or

(2) at least seventeen (17) years of age and have consent from the high school the individual attended most recently.

(b) The school corporation in which an individual described in this subdivision has legal settlement shall pay the individual's costs for high school level courses taken at Ivy Tech Community College during each ~~year~~ **month** the individual is included in the school corporation's **current** ADM.

SECTION 79. IC 21-43-7-2, AS AMENDED BY P.L.3-2008, SECTION 150, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) To be eligible to earn a high school diploma, an individual participating in the program established under this chapter must be either:

(1) at least nineteen (19) years of age and not enrolled in a high school; or

(2) at least seventeen (17) years of age and have consent from the high school the individual attended most recently.

(b) The school corporation in which an individual described in this subdivision has legal settlement shall pay the individual's tuition for high school level courses taken at Vincennes University during each ~~year~~ **month** the individual is included in the school corporation's **current** ADM.

SECTION 80. IC 21-43-8-2, AS AMENDED BY P.L.3-2008,

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SECTION 152, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) To be eligible to earn a high school diploma, an individual participating in the program established under this chapter must be either:

(1) at least nineteen (19) years of age and not enrolled in a school corporation; or

(2) at least seventeen (17) years of age and have consent from the high school the individual attended most recently.

(b) The school corporation in which an individual to whom this subdivision applies resides shall pay the individual's tuition for high school level courses taken at the state educational institution during each ~~year~~ **month** the individual is included in the school corporation's **current** ADM.

SECTION 81. [EFFECTIVE JULY 1, 2012] **(a) The department of education shall before November 1, 2012, report to the budget committee:**

(1) the number of students who left a charter school and enrolled in a public school maintained by a school corporation during the 2011 - 2012 school year; and

(2) the number of students who:

(A) received a choice scholarship for the 2011 - 2012 school year; and

(B) left a nonpublic eligible school (as defined in IC 20-51-1-4.7) and enrolled in a public school maintained by a school corporation during the 2011 - 2012 school year.

(b) This SECTION expires January 1, 2013.

SECTION 82. [EFFECTIVE JULY 1, 2012] **(a) For the fiscal year beginning July 1, 2012, and ending June 30, 2013, there is appropriated to the department of education thirty million nine hundred thousand dollars ($30,900,000) from the state general fund for distribution for tuition support, total operating expense, beginning July 1, 2012, and ending June 30, 2013. This appropriation is in addition to the appropriation for tuition support that was made by P.L.229-2011.**

(b) This SECTION expires July 1, 2013.

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COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred Senate Bill No. 280, 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:

Replace the effective dates in SECTIONS 1 through 46 with "[EFFECTIVE JULY 1, 2013]".

Page 6, line 31, delete "2012," and insert "**2013,**".

Page 11, line 42, delete "beginning after June 30,".

Page 11, line 42, strike "2012.".

Page 11, line 42, after "thereafter." insert "**beginning after June 30, 2013.**".

Page 12, line 24, delete "2013." and insert "**2014.**".

Page 12, line 29, delete "2013," and insert "**2014,**".

Page 12, line 32, delete "2012," and insert "**2013,**".

Page 12, line 40, delete "2012," and insert "**2013,**".

Page 13, line 1, delete "2012," and insert "**2013,**".

Page 14, line 22, delete "2012," and insert "**2013,**".

Page 14, line 32, delete "were" and insert "**are**".

Page 14, line 33, delete "existed" and insert "**exists**".

Page 14, delete lines 36 through 42.

Page 15, delete line 1.

Page 15, line 2, delete "(3)" and insert "**(2)**".

Page 15, line 3, delete "2012." and insert "**2013.**".

Page 15, line 12, delete "2012." and insert "**2013.**".

Page 15, line 26, delete "2012." and insert "**2013.**".

Page 16, line 19, delete ", IC 20-43-4-4,".

Page 16, line 20, delete "2012." and insert "**2013.**".

Page 16, line 22, delete "2011" and insert "**2012**".

Page 16, line 24, delete "2012." and insert "**2013.**".

Page 16, line 25, delete "2012," and insert "**2013,**".

Page 17, line 7, delete "2012," and insert "**2013,**".

Page 17, line 15, delete "2011" and insert "**2012**".

Page 17, line 16, delete "2012);" and insert "**2013);**".

Page 17, line 18, delete "2013" and insert "**2014**".

Page 17, between lines 31 and 32, begin a new line block indented and insert:

"**(4) In February of each year, the department shall determine the result of:**

(A) the total amount of the distributions that would have

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been received by the school corporation during the months of January and February if the distributions had been based on the January count of that year instead of the count made in the preceding September; minus

(B) the total amount of the distributions received by a school corporation during the months of January and February of that year.

(5) If the result determined under subdivision (4) is positive, the school corporation shall receive an additional distribution in March equal to the result determined under subdivision (4).

(6) If the result determined under subdivision (4) is negative, the distributions otherwise received by the school corporation in March, April, May, and June of that year shall be proportionately reduced so that the total reduction is equal to the result determined under subdivision (4).

(7) In January of each year, the department shall determine the result of:

(A) the total amount of the distributions that would have been received by the school corporation during the months of October, November, and December of the preceding year if the school corporation's ADM for each of those months had included students:

(i) who, after the September count date and before the January count date, left a charter school or nonpublic eligible school (as defined in IC 20-51-1-4.7); and

(ii) were enrolled during the month in a public school maintained by the school corporation; minus

(B) the total amount of the distributions received by a school corporation during the months of October, November, and December of the preceding year.

(8) If the result determined under subdivision (7) is positive, the school corporation shall receive an additional distribution in March equal to the result determined under subdivision (7).

(9) In September of each year, the department shall determine the result of:

(A) the total amount of the distributions that would have been received by the school corporation during the months of February, March, April, May, and June of the year if the school corporation's ADM for each of those months had included students:

(i) who, after the January count date and before the end of the school year, left a charter school or nonpublic

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eligible school (as defined in IC 20-51-1-4.7); and

(ii) who were enrolled during the month in a public school maintained by the school corporation; minus

(B) the total amount of the distributions received by a school corporation during the months of February, March, April, May, and June of the year.

(10) If the result determined under subdivision (9) is positive, the school corporation shall receive an additional distribution in November equal to the result determined under subdivision (9).

(11) In January of each year, the department shall determine the result of:

(A) the total amount of the distributions that would have been received by the school corporation during the months of October, November, and December of the preceding year if the school corporation's ADM for each of those months had not included students:

(i) who, after the September count date and before the January count date, left a public school maintained by the school corporation; and

(ii) who were enrolled during the month in a charter school or nonpublic eligible school (as defined in IC 20-51-1-4.7); minus

(B) the total amount of the distributions received by a school corporation during the months of October, November, and December of the preceding year.

(12) If the result determined under subdivision (11) is negative, the distributions otherwise received by the school corporation in March, April, May, and June of that year shall be proportionately reduced so that the total reduction is equal to the result determined under subdivision (11).

(13) In September of each year, the department shall determine the result of:

(A) the total amount of the distributions that would have been received by the school corporation during the months of February, March, April, May, and June of the year if the school corporation's ADM for each of those months had not included students:

(i) who, after the January count date and before the end of the school year, left a public school maintained by the school corporation; and

(ii) were enrolled during the month in a charter school or

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nonpublic eligible school (as defined in IC 20-51-1-4.7); minus

(B) the total amount of the distributions received by a school corporation during the months of February, March, April, May, and June of the year.

(14) If the result determined under subdivision (13) is negative, the distributions otherwise received by the school corporation in November and December of that year and January and February of the following year shall be proportionately reduced so that the total reduction is equal to the result determined under subdivision (12).".

Page 18, delete lines 21 through 38.

Page 19, delete lines 31 through 42.

Delete page 20.

Page 21, delete lines 1 through 17.

Page 23, line 37, reset in roman "December 1".

Page 23, line 37, delete "the latest ADM count".

Page 23, line 38, delete "date".

Page 23, delete lines 41 through 42.

Page 24, delete lines 1 through 16.

Page 24, line 19, after "6." insert "**(a)**".

Page 24, between lines 34 and 35, begin a new paragraph and insert:

"**(b) Before February 1 of each calendar year, the department shall determine the result of:**

(1) the total amount of the special education grant that would have been received by the school corporation during the months of July, August, September, October, November, and December of the preceding calendar year and in January 1 of the current calendar year if the grant had been based on the count of students with disabilities that was made on the immediately preceding December 1; minus

(2) the total amount of the special education grant received by the school corporation during the months of July, August, September, October, November, and December of the preceding calendar year and in January 1 of the current calendar year.

If the result determined under this subsection is positive, the school corporation shall receive an additional special education grant distribution in February equal to the result determined under this subsection. If the result determined under this subsection is negative, the special education grant distributions that otherwise would be received by the school corporation in February, March,

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April, and May shall be proportionately reduced so that the total reduction is equal to the result determined under this subsection.

(c) The special education grant distributions made in February, March, April, May, and June of a calendar year shall be based on the count of students with disabilities that was made on the immediately preceding December 1.".

Page 30, after line 8, begin a new paragraph and insert:

"SECTION 46. IC 20-51-4-6, AS ADDED BY P.L.92-2011, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6. (a) If an eligible individual enrolls in an eligible school for less than an entire school year, the choice scholarship provided under this chapter for that school year shall be reduced on a prorated basis to reflect the shorter school term.

(b) An eligible individual is entitled to only one (1) choice scholarship for each school year. If the eligible individual leaves the eligible school for which the eligible individual was awarded a choice scholarship and enrolls in another eligible school, the eligible individual is responsible for the payment of any tuition required for the remainder of that school year.

(c) If an eligible individual who was awarded a choice scholarship leaves the nonpublic eligible school for which the eligible individual was awarded a choice scholarship and in that school year enrolls in a public school maintained by a school corporation, the eligible school shall pay to the treasurer of state for deposit in the state general fund an amount determined in the following STEPS:

STEP ONE: Determine the amount of the choice scholarship awarded to the eligible individual for the school year.

STEP TWO: Determine the result of:

(A) the eligible school's total number of school days in that school year minus the number of days in that school year in which the eligible individual was enrolled in the eligible school; divided by

(B) the eligible school's total number of school days in that school year.

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

SECTION 47. [EFFECTIVE JULY 1, 2012] **(a) The department of education shall before November 1, 2012, report to the state budget committee:**

(1) the number of students who left a charter school and enrolled in a public school maintained by a school corporation

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during the 2011 - 2012 school year; and

(2) the number of students who:

(A) received a choice scholarship for the 2011 - 2012 school year; and

(B) left a nonpublic eligible school (as defined in IC 20-51-1-4.7) and enrolled in a public school maintained by a school corporation during the 2011 - 2012 school year.

(b) This SECTION expires January 1, 2013.".

Renumber all SECTIONS consecutively.

and when so amended that said bill be reassigned to the Senate Committee on Appropriations.

(Reference is to SB 280 as introduced.)

KRUSE, Chairperson

Committee Vote: Yeas 7, Nays 1.

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 280, 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:

Delete the title and insert the following:

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

Replace the effective dates in SECTIONS 1 through 42 with "[EFFECTIVE JULY 1, 2012]".

Page 5, line 9, strike "calendar" and insert "**state fiscal**".

Page 5, line 30, strike "calendar" and insert "**state fiscal**".

Page 6, line 31, delete "2013," and insert "**2012,**".

Page 7, line 3, strike "(d)" and insert "**(e)**".

Page 7, line 5, strike "(e)" and insert "**(f)**".

Page 7, line 8, strike "(f)" and insert "**(g)**".

Page 11, line 42, delete "2013." and insert "**2012.**".

Page 12, line 29, delete "2014," and insert "**2013,**".

Page 12, line 32, delete "2013," and insert "**2012,**".

Page 12, line 40, delete "2013," and insert "**2012,**".

Page 13, line 1, delete "2013," and insert "**2012,**".

Page 14, line 22, delete "2013," and insert "**2012,**".

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Page 14, between lines 35 and 36, begin a new line block indented and insert:

"**(2) Except as otherwise provided, the distributions for basic tuition support, honors diploma awards, primetime distributions, special education grants, career and technical education grants, choice scholarships, and Mitch Daniels early graduation scholarships that were provided for under this article (as this article existed on January 1, 2012) for calendar year 2013 shall instead be made during the state fiscal year 2012 beginning July 1, 2012.**".

Page 14, line 36, delete "(2)" and insert "**(3)**".

Page 14, line 37, delete "2013." and insert "**2012.**".

Page 15, line 4, delete "2013." and insert "**2012.**".

Page 15, line 18, delete "2013." and insert "**2012.**".

Page 15, line 22, delete "2013," and insert "**2012,**".

Page 15, line 26, delete "2014," and insert "**2013,**".

Page 16, line 12, delete "2013." and insert "**2012.**".

Page 16, line 14, delete "2012" and insert "**2011**".

Page 16, line 16, delete "2013." and insert "**2012.**".

Page 16, line 17, delete "2013," and insert "**2012,**".

Page 16, line 41, delete "2013," and insert "**2012,**".

Page 17, line 7, delete "2012" and insert "**2011**".

Page 17, line 8, delete "2013);" and insert "**2012);**".

Page 17, line 10, delete "2014" and insert "**2013,**".

Page 19, line 37, delete "(12)." and insert "**(13).**".

Page 22, line 38, strike "seven (7) in 2012 and".

Page 22, line 38, strike "2013." and insert "**the state fiscal year beginning July 1, 2012.**".

Page 24, line 23, delete "in".

Page 24, line 23, delete "1".

Page 24, line 30, delete "in".

Page 24, line 30, delete "1".

Page 28, line 20, delete ":" and insert "**zero.**".

Page 28, strike lines 21 through 23.

Page 31, after line 18, begin a new paragraph and insert:

"SECTION 45. [EFFECTIVE JULY 1, 2012] **(a) For the fiscal year beginning July 1, 2012, and ending June 30, 2013, there is appropriated to the department of education thirty million nine hundred thousand dollars ($30,900,000) from the state general fund for distribution for tuition support, total operating expense, beginning July 1, 2012, and ending June 30, 2013. This appropriation is in addition to the appropriation for tuition**

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support that was made by P.L.229-2011.

(b) This SECTION expires July 1, 2013.".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 280 as printed January 20, 2012.)

KENLEY, Chairperson

Committee Vote: Yeas 12, Nays 0.

SENATE MOTION

Madam President: I move that Senate Bill 280 be amended to read as follows:

Delete the title and insert the following:

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

Page 11, between lines 38 and 39, begin a new paragraph and insert:

"SECTION 11. IC 20-33-2-10, AS AMENDED BY P.L.43-2009, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) Each public school shall and each private school may require a student who initially enrolls in the school to provide:

(1) the name and address of the school the student last attended; and

(2) a certified copy of the student's birth certificate or other reliable proof of the student's date of birth.

(b) Not more than fourteen (14) days after initial enrollment in a school, the school shall request the student's records from the school the student last attended.

(c) If the document described in subsection (a)(2):

(1) is not provided to the school not more than thirty (30) days after the student's enrollment; or

(2) appears to be inaccurate or fraudulent;

the school shall notify the Indiana clearinghouse for information on missing children and missing endangered adults established under IC 10-13-5-5 and determine if the student has been reported missing.

(d) A school in Indiana receiving a request for records shall send the records promptly to the requesting school. **An accredited nonpublic school is required to send a former student's records that are requested under subsection (b) regardless of whether the former**

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student of the accredited nonpublic school or the former student's parent or guardian owes an outstanding debt to the accredited nonpublic school. ~~However,~~ If a request is received for records to which a notice has been attached under IC 31-36-1-5 (or IC 31-6-13-6 before its repeal), the school:

(1) shall immediately notify the Indiana clearinghouse for information on missing children and missing endangered adults;

(2) may not send the school records without the authorization of the clearinghouse; and

(3) may not inform the requesting school that a notice under IC 31-36-1-5 (or IC 31-6-13-6 before its repeal) has been attached to the records.

(e) The department may revoke the accreditation of an accredited nonpublic school that does not send a former student's records to a requesting school as required under subsection (d).".

Page 31, after line 37, begin a new paragraph and insert:

"SECTION 47. **An emergency is declared for this act.**".

Renumber all SECTIONS consecutively.

(Reference is to SB 280 as printed January 27, 2012.)

SIMPSON

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 280, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

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

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to SB 280 as reprinted January 31, 2012.)

ESPICH, Chair

Committee Vote: yeas 24, nays 0.

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