



Reprinted
February 28, 2012

ENGROSSED SENATE BILL No. 280

DIGEST OF SB 280 (Updated February 27, 2012 6:46 pm - DI 51)

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: School finance. 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. Provides: (1) that 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) for state tuition support distributions based on these counts. Provides special procedures for distribution of special
(Continued next page)

Effective: Upon passage; July 1, 2012.

**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.
February 27, 2012, read second time, amended, ordered engrossed.

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education grants. Provides special procedures for the distribution of state tuition support to a school corporation or charter school in the first year the school commences operations, any school corporation or charter school that adds a grade, and any school corporation or charter school that experiences a student population increase of at least 10%. Makes related changes in various calculations to reflect the change in counting procedure. Requires state tuition support distributions to be made every month rather than every 40 days. Defines the terms "enrolled" and "attending" for purposes of the tuition support formula. Makes technical corrections. Repeals the charter school start-up grant and operating advances programs.

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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.

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:

- 1 SECTION 1. IC 5-2-10.1-10, AS AMENDED BY P.L.2-2006,
2 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2012]: Sec. 10. (a) A county may establish a county school
4 safety commission.
5 (b) The members of the commission are as follows:
6 (1) The school safety specialist for each school corporation
7 located in whole or in part in the county.
8 (2) The judge of the court having juvenile jurisdiction in the
9 county or the judge's designee.
10 (3) The sheriff of the county or the sheriff's designee.
11 (4) The chief officer of every other law enforcement agency in the
12 county, or the chief officer's designee.
13 (5) A representative of the juvenile probation system, appointed
14 by the judge described under subdivision (2).
15 (6) Representatives of community agencies that work with
16 children within the county.
17 (7) A representative of the Indiana state police district that serves

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- 1 the county.
- 2 (8) A representative of the Prosecuting Attorneys Council of
- 3 Indiana who specializes in the prosecution of juveniles.
- 4 (9) Other appropriate individuals selected by the commission.
- 5 (c) If a commission is established, the school safety specialist of the
- 6 school corporation having the largest ADM (as defined in
- 7 IC 20-18-2-2), **as determined in the fall count of ADM in the school**
- 8 **year ending in the current calendar year**, in the county shall convene
- 9 the initial meeting of the commission.
- 10 (d) The members shall annually elect a chairperson.
- 11 (e) A commission shall perform the following duties:
- 12 (1) Perform a cumulative analysis of school safety needs within
- 13 the county.
- 14 (2) Coordinate and make recommendations for the following:
- 15 (A) Prevention of juvenile offenses and improving the
- 16 reporting of juvenile offenses within the schools.
- 17 (B) Proposals for identifying and assessing children who are
- 18 at high risk of becoming juvenile offenders.
- 19 (C) Methods to meet the educational needs of children who
- 20 have been detained as juvenile offenders.
- 21 (D) Methods to improve communications among agencies that
- 22 work with children.
- 23 (E) Methods to improve security and emergency preparedness.
- 24 (F) Additional equipment or personnel that are necessary to
- 25 carry out safety plans.
- 26 (G) Any other topic the commission considers necessary to
- 27 improve school safety within the school corporations within
- 28 the commission's jurisdiction.
- 29 (3) Provide assistance to the school safety specialists on the
- 30 commission in developing and requesting grants for safety plans.
- 31 (4) Provide assistance to the school safety specialists on the
- 32 commission and the participating school corporations in
- 33 developing and requesting grants for school safe haven programs
- 34 under section 7 of this chapter.
- 35 (5) Assist each participating school corporation in carrying out
- 36 the school corporation's safety plans.
- 37 (f) The affirmative votes of a majority of the voting members of the
- 38 commission are required for the commission to take action on a
- 39 measure.
- 40 SECTION 2. IC 20-18-2-2, AS AMENDED BY P.L.2-2006,
- 41 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 42 JULY 1, 2012]: Sec. 2. "ADM", has the meaning set forth in

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

4 SECTION 3. IC 20-18-2-2.7 IS ADDED TO THE INDIANA CODE
 5 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**
 6 **1, 2012]: Sec. 2.7. "Current ADM" has the meaning set forth in**
 7 **IC 20-43-1-10.**

8 SECTION 4. IC 20-18-2-4.5 IS ADDED TO THE INDIANA CODE
 9 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**
 10 **1, 2012]: Sec. 4.5. "Fall count" has the meaning set forth in**
 11 **IC 20-43-1-12.3.**

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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1 township; or
 2 (2) is part of a township in which there were more votes cast for
 3 township trustee outside the school township than inside the
 4 school township in the general election at which the trustee was
 5 elected and that preceded the adoption of the preliminary or
 6 disapproving resolution.
 7 (c) As used in this section, "township board" means the township
 8 board of a township in which the school township is located.
 9 (d) As used in this section, "township trustee" means the township
 10 trustee of the township in which the school township is located.
 11 (e) In a school township, a metropolitan school district may be
 12 created by complying with this section. A metropolitan school district
 13 created under this section shall have the same boundaries as the school
 14 township. After a district has been created under this section, the
 15 school township that preceded the metropolitan school district is
 16 abolished. The procedures or provisions governing the creation of a
 17 metropolitan school district under another section of this chapter do not
 18 apply to the creation of a district under this section. After a
 19 metropolitan school district is created under this section, the district
 20 shall, except as otherwise provided in this section, be governed by and
 21 operate in accordance with this chapter governing the operation of a
 22 metropolitan school district as established under section 2 of this
 23 chapter.
 24 (f) Except as provided in subsection (g), a metropolitan school
 25 district provided for in subsection (e) may be created in the following
 26 manner:
 27 (1) The township trustee shall call a meeting of the township
 28 board. At the meeting, the township trustee and a majority of the
 29 township board shall adopt a resolution that a metropolitan school
 30 district shall be created in the school township. The township
 31 trustee shall then give notice:
 32 (A) by two (2) publications one (1) week apart in a newspaper
 33 of general circulation published in the school township; or
 34 (B) if there is no newspaper as described in clause (A), in a
 35 newspaper of general circulation in the county;
 36 of the adoption of the resolution setting forth the text of the
 37 resolution.
 38 (2) On the thirtieth day after the date of the last publication of the
 39 notice under subdivision (1) and if a protest has not been filed, the
 40 township trustee and a majority of the township board shall
 41 confirm their preliminary resolution. If, however, on or before the
 42 twenty-ninth day after the date of the last publication of the

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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1 of the district provided in this chapter.

2 SECTION 9. IC 20-24-7-2, AS AMENDED BY P.L.146-2008,
3 SECTION 460, IS AMENDED TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) Not later than **each of the**
5 **date dates** established by the department for determining ADM ~~and~~
6 ~~after May 31 each year, under IC 20-43-4-3 and IC 20-43-4-3.5~~, the
7 organizer shall submit to the department the following information on
8 a form prescribed by the department:

- 9 (1) The number of students enrolled in the charter school.
10 (2) The name and address of each student.
11 (3) The name of the school corporation in which the student has
12 legal settlement.
13 (4) The name of the school corporation, if any, that the student
14 attended during the immediately preceding school year.
15 (5) The grade level in which the student will enroll in the charter
16 school.

17 The department shall verify the accuracy of the information reported.

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

25 SECTION 10. IC 20-24-7-3, AS AMENDED BY P.L.146-2008,
26 SECTION 461, IS AMENDED TO READ AS FOLLOWS
27 [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) This section applies to a
28 conversion charter school.

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

- 32 ~~(1) tuition support and other state funding for any purpose for~~
33 ~~students enrolled in the conversion charter school;~~
34 ~~(2) (1) a proportionate share of state and federal funds received:~~
35 ~~(A) for students with disabilities; or~~
36 ~~(B) for staff services for students with disabilities;~~
37 ~~enrolled in the conversion charter school; and~~
38 ~~(3) (2) a proportionate share of funds received under federal or~~
39 ~~state categorical aid programs for students who are eligible for the~~
40 ~~federal or state categorical aid and are enrolled in the conversion~~
41 ~~charter school;~~

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

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

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

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

17 STEP TWO: Determine the difference between:

- 18 (A) the conversion charter school's current ADM minus
- 19 (B) the STEP ONE amount.

20 STEP THREE: Determine the quotient of:

- 21 (A) the STEP TWO amount, divided by
- 22 (B) the conversion charter school's current ADM.

23 STEP FOUR: Determine the product of:

- 24 (A) the STEP THREE amount, multiplied by
- 25 (B) the quotient of:
 - 26 (i) the subsection (d) STEP TWO amount, divided by
 - 27 (ii) two (2).

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

34 (b) This subsection applies to a sponsor that is a state educational
 35 institution described in ~~IC 20-24-1-7(2)~~: **IC 20-24-1-9(2)**. In a calendar
 36 **state fiscal** year, a state educational institution may receive from the
 37 organizer of a charter school sponsored by the state educational
 38 institution an administrative fee equal to not more than three percent
 39 (3%) of the total amount the organizer receives during the **calendar**
 40 **state fiscal** year from basic tuition support (as defined in
 41 IC 20-43-1-8).

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

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

6 (d) This subsection applies to a sponsor that is a nonprofit college
7 or university that is approved by the state board of education. In a
8 **calendar state fiscal** year, a private college or university may collect
9 from the organizer of a charter school sponsored by the private college
10 or university an administrative fee equal to not more than three percent
11 (3%) of the total amount the organizer receives during the **calendar**
12 **state fiscal** year for basic tuition support.

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

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

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

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

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

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1 department. The requesting party shall pay the costs of the review.
 2 SECTION 12. IC 20-24-7-6.5, AS ADDED BY P.L.229-2011,
 3 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 4 [EFFECTIVE JULY 1, 2012]: Sec. 6.5. (a) Subject to subsection (b)
 5 and with the approval of a majority of the members of the governing
 6 body, a school corporation may distribute any part of the following to
 7 a conversion school sponsored by the school corporation in the amount
 8 and under the terms and conditions adopted by a majority of the
 9 members of the governing body:
 10 (1) State tuition support and other state distributions to the school
 11 corporation.
 12 (2) Any other amount deposited in the school corporation's
 13 general fund.
 14 (b) The total amount that may be transferred under subsection (a) in
 15 a **calendar state fiscal** year to a particular conversion charter school
 16 may not exceed the result determined under STEP FOUR of the
 17 following formula:
 18 STEP ONE: Determine the result of:
 19 (A) the amount of state tuition support that the school
 20 corporation is eligible to receive in the **calendar state fiscal**
 21 year; divided by
 22 (B) the **current fall count of** ADM of the school corporation
 23 **for conducted in the current** calendar year.
 24 STEP TWO: Determine the result of:
 25 (A) the amount of state tuition support that the conversion
 26 charter school is eligible to receive in the **calendar state fiscal**
 27 year; divided by
 28 (B) the **current fall count of** ADM of the conversion charter
 29 school **for conducted in the calendar state fiscal** year.
 30 STEP THREE: Determine the greater of zero (0) or the result of:
 31 (A) the STEP ONE amount; minus
 32 (B) the STEP TWO amount.
 33 STEP FOUR: Determine the result of:
 34 (A) the STEP THREE amount; multiplied by
 35 (B) the **current fall count of** ADM of the conversion charter
 36 school **for conducted in the calendar state fiscal** year.
 37 SECTION 13. IC 20-24-7-9, AS AMENDED BY P.L.146-2008,
 38 SECTION 463, IS AMENDED TO READ AS FOLLOWS
 39 [EFFECTIVE JULY 1, 2012]: Sec. 9. (a) This section applies if:
 40 (1) a sponsor:
 41 (A) revokes a charter before the end of the term for which the
 42 charter is granted; or

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- 1 (B) does not renew a charter; or
- 2 (2) a charter school otherwise terminates its charter before the end
- 3 of the term for which the charter is granted.
- 4 (b) Any state funds that remain to be distributed to the charter
- 5 school in the ~~calendar~~ **state fiscal** year in which an event described in
- 6 subsection (a) occurs shall be distributed as follows:
- 7 (1) First, to the common school loan fund to repay any existing
- 8 obligations of the charter school under IC 20-49-7 **(repealed) or**
- 9 **IC 20-49-5-7.**
- 10 (2) Second, to the entities that distributed the funds to the charter
- 11 school. A distribution under this subdivision shall be on a pro rata
- 12 basis.
- 13 (c) If the funds described in subsection (b) are insufficient to repay
- 14 all existing obligations of the charter school under IC 20-49-7
- 15 **(repealed) or IC 20-49-5-7**, the state shall repay any remaining
- 16 obligations of the charter school under IC 20-49-7 **(repealed) or**
- 17 **IC 20-49-5-7** from the amount appropriated for state tuition support
- 18 distributions.
- 19 SECTION 14. IC 20-24-7-13, AS AMENDED BY P.L.229-2011,
- 20 SECTION 171, IS AMENDED TO READ AS FOLLOWS
- 21 [EFFECTIVE JULY 1, 2012]: Sec. 13. (a) As used in this section,
- 22 "virtual charter school" means any charter school, including a
- 23 conversion charter school, that provides for the delivery of more than
- 24 fifty percent (50%) of instruction to students through:
- 25 (1) virtual distance learning;
- 26 (2) online technologies; or
- 27 (3) computer based instruction.
- 28 (b) ~~Beginning with the 2011-2012 school year~~; A virtual charter
- 29 school may apply for sponsorship with any statewide sponsor in
- 30 accordance with the sponsor's guidelines.
- 31 (c) ~~Before January 1, 2012~~; a virtual charter school is entitled to
- 32 receive funding from the state in an amount equal to the sum of:
- 33 (1) the product of:
- 34 (A) the number of students included in the virtual charter
- 35 school's ADM; multiplied by
- 36 (B) eighty percent (80%) of statewide average basic tuition
- 37 support.
- 38 (d) ~~(c) After December 31, 2011~~; **For state fiscal years beginning**
- 39 **after June 30, 2012**, a virtual charter school is entitled to receive
- 40 funding **in a month** from the state in an amount equal to the sum of:
- 41 (1) the product of:
- 42 (A) the number of students included in the virtual charter

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1 school's **current** ADM; multiplied by
 2 **(B) the result of:**
 3 **(i)** eighty-seven and five-tenths percent (87.5%) of the
 4 school's foundation amount determined under IC 20-43-5-4;
 5 **divided by**
 6 **(ii) twelve (12); plus**
 7 (2) the total of any special education grants under IC 20-43-7 to
 8 which the virtual charter school is entitled **for the month.**
 9 **After December 31, 2011, For state fiscal years beginning after June**
 10 **30, 2012,** a virtual charter school is entitled to receive special
 11 education grants under IC 20-43-7 calculated in the same manner as
 12 special education grants are calculated for other school corporations.
 13 (d) The department shall adopt rules under IC 4-22-2 to govern the
 14 operation of virtual charter schools.
 15 (e) Beginning in 2009, the department shall before December 1 of
 16 each year submit an annual report to the budget committee concerning
 17 the program under this section.
 18 (f) ~~This subsection does not apply to students who were enrolled in~~
 19 ~~a virtual charter school during the 2010-2011 school year.~~ Each school
 20 year, at least sixty percent (60%) of the students who are enrolled in
 21 virtual charter schools under this section for the first time must have
 22 been included in the state's **fall count of ADM count for conducted in**
 23 the previous school year.
 24 **(g) In the second six (6) months of calendar year 2012, a virtual**
 25 **charter school is eligible to receive a fiscal year transition grant**
 26 **under IC 20-43-13.**
 27 SECTION 15. IC 20-24-7.5 IS REPEALED [EFFECTIVE JULY 1,
 28 2012]. (New Charter School Startup Grant).
 29 SECTION 16. IC 20-24.5-2-10, AS AMENDED BY P.L.146-2008,
 30 SECTION 464, IS AMENDED TO READ AS FOLLOWS
 31 [EFFECTIVE JULY 1, 2012]: Sec. 10. A laboratory school that:
 32 (1) is operated without an agreement; and
 33 (2) has an ADM **in the fall count of a school year** of not more
 34 than seven hundred fifty (750);
 35 must be treated as a charter school for purposes of funding under
 36 IC 20-20-33 and IC 20-43.
 37 SECTION 17. IC 20-24.5-2-11, AS ADDED BY P.L.2-2007,
 38 SECTION 209, IS AMENDED TO READ AS FOLLOWS
 39 [EFFECTIVE JULY 1, 2012]: Sec. 11. A student who attends a
 40 laboratory school full time may not be counted in **current** ADM or
 41 ADA by any school corporation when the student's attendance is not
 42 regulated under an agreement.

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1 SECTION 18. IC 20-25-12-5, AS ADDED BY P.L.1-2005,
 2 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2012]: Sec. 5. The **initial** approved general fund budget for
 4 each school for a school year must be, as nearly as is reasonable and
 5 practicable, proportionate to the total general fund budget for the
 6 school city in the same ratio as the school's estimated **current ADM**
 7 **for the fall count in the school year** compares to the school city's
 8 estimated **current ADM for the fall count for** that school year.

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

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

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

26 (3) To appropriate from the school corporation's general fund an
 27 amount, not to exceed the greater of three thousand dollars
 28 (\$3,000) per budget year or one dollar (\$1) per pupil, not to
 29 exceed twelve thousand five hundred dollars (\$12,500), based on
 30 the school corporation's **ADM of the previous year's ADM, year**
 31 **(as defined in IC 20-43-1-7)** to promote the best interests of the
 32 school corporation through:

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

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

37 (C) developing relations with other governmental units.

38 (4) To:
 39 (A) Acquire, construct, erect, maintain, hold, and contract for
 40 construction, erection, or maintenance of real estate, real estate
 41 improvements, or an interest in real estate or real estate
 42 improvements, as the governing body considers necessary for

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1 school purposes, including buildings, parts of buildings,
 2 additions to buildings, rooms, gymnasiums, auditoriums,
 3 playgrounds, playing and athletic fields, facilities for physical
 4 training, buildings for administrative, office, warehouse, repair
 5 activities, or housing school owned buses, landscaping, walks,
 6 drives, parking areas, roadways, easements and facilities for
 7 power, sewer, water, roadway, access, storm and surface
 8 water, drinking water, gas, electricity, other utilities and
 9 similar purposes, by purchase, either outright for cash (or
 10 under conditional sales or purchase money contracts providing
 11 for a retention of a security interest by the seller until payment
 12 is made or by notes where the contract, security retention, or
 13 note is permitted by applicable law), by exchange, by gift, by
 14 devise, by eminent domain, by lease with or without option to
 15 purchase, or by lease under IC 20-47-2, IC 20-47-3, or
 16 IC 20-47-5.

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

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

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

40 (6) To sell or exchange real or personal property or interest in real
 41 or personal property that, in the opinion of the governing body, is
 42 not necessary for school purposes, in accordance with IC 20-26-7,

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1 to demolish or otherwise dispose of the property if, in the opinion
2 of the governing body, the property is not necessary for school
3 purposes and is worthless, and to pay the expenses for the
4 demolition or disposition.

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

8 (A) civic or public purposes; or
9 (B) the operation of a school age child care program for
10 children who are at least five (5) years of age and less than
11 fifteen (15) years of age that operates before or after the school
12 day, or both, and during periods when school is not in session;
13 if the property is not needed for school purposes. Under this
14 subdivision, the governing body may enter into a long term lease
15 with a nonprofit corporation, community service organization, or
16 other governmental entity, if the corporation, organization, or
17 other governmental entity will use the property to be leased for
18 civic or public purposes or for a school age child care program.
19 However, if payment for the property subject to a long term lease
20 is made from money in the school corporation's debt service fund,
21 all proceeds from the long term lease must be deposited in the
22 school corporation's debt service fund so long as payment for the
23 property has not been made. The governing body may, at the
24 governing body's option, use the procedure specified in
25 IC 36-1-11-10 in leasing property under this subdivision.

26 (8) To:

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

42 (B) Fix and pay the salaries and compensation of persons and

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- 1 services described in this subdivision *that are consistent with*
- 2 *IC 20-28-9-1.*
- 3 (C) Classify persons or services described in this subdivision
- 4 and to adopt schedules of salaries or compensation *that are*
- 5 *consistent with IC 20-28-9-1.*
- 6 (D) Determine the number of the persons or the amount of the
- 7 services employed or contracted for as provided in this
- 8 subdivision.
- 9 (E) Determine the nature and extent of the duties of the
- 10 persons described in this subdivision.
- 11 The compensation, terms of employment, and discharge of
- 12 teachers are, however, subject to and governed by the laws
- 13 relating to employment, contracting, compensation, and discharge
- 14 of teachers. The compensation, terms of employment, and
- 15 discharge of bus drivers are subject to and governed by laws
- 16 relating to employment, contracting, compensation, and discharge
- 17 of bus drivers. The forms and procedures relating to the use of
- 18 computer and data processing equipment in handling the financial
- 19 affairs of the school corporation must be submitted to the state
- 20 board of accounts for approval so that the services are used by the
- 21 school corporation when the governing body determines that it is
- 22 in the best interest of the school corporation while at the same
- 23 time providing reasonable accountability for the funds expended.
- 24 (9) Notwithstanding the appropriation limitation in subdivision
- 25 (3), when the governing body by resolution considers a trip by an
- 26 employee of the school corporation or by a member of the
- 27 governing body to be in the interest of the school corporation,
- 28 including attending meetings, conferences, or examining
- 29 equipment, buildings, and installation in other areas, to permit the
- 30 employee to be absent in connection with the trip without any loss
- 31 in pay and to reimburse the employee or the member the
- 32 employee's or member's reasonable lodging and meal expenses
- 33 and necessary transportation expenses. To pay teaching personnel
- 34 for time spent in sponsoring and working with school related trips
- 35 or activities.
- 36 (10) To transport children to and from school, when in the
- 37 opinion of the governing body the transportation is necessary,
- 38 including considerations for the safety of the children and without
- 39 regard to the distance the children live from the school. The
- 40 transportation must be otherwise in accordance with applicable
- 41 law.
- 42 (11) To provide a lunch program for a part or all of the students

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- 1 attending the schools of the school corporation, including the
 2 establishment of kitchens, kitchen facilities, kitchen equipment,
 3 lunch rooms, the hiring of the necessary personnel to operate the
 4 lunch program, and the purchase of material and supplies for the
 5 lunch program, charging students for the operational costs of the
 6 lunch program, fixing the price per meal or per food item. To
 7 operate the lunch program as an extracurricular activity, subject
 8 to the supervision of the governing body. To participate in a
 9 surplus commodity or lunch aid program.
- 10 (12) To purchase textbooks, to furnish textbooks without cost or
 11 to rent textbooks to students, to participate in a textbook aid
 12 program, all in accordance with applicable law.
- 13 (13) To accept students transferred from other school corporations
 14 and to transfer students to other school corporations in accordance
 15 with applicable law.
- 16 (14) To make budgets, to appropriate funds, and to disburse the
 17 money of the school corporation in accordance with applicable
 18 law. To borrow money against current tax collections and
 19 otherwise to borrow money, in accordance with IC 20-48-1.
- 20 (15) To purchase insurance or to establish and maintain a
 21 program of self-insurance relating to the liability of the school
 22 corporation or the school corporation's employees in connection
 23 with motor vehicles or property and for additional coverage to the
 24 extent permitted and in accordance with IC 34-13-3-20. To
 25 purchase additional insurance or to establish and maintain a
 26 program of self-insurance protecting the school corporation and
 27 members of the governing body, employees, contractors, or agents
 28 of the school corporation from liability, risk, accident, or loss
 29 related to school property, school contract, school or school
 30 related activity, including the purchase of insurance or the
 31 establishment and maintenance of a self-insurance program
 32 protecting persons described in this subdivision against false
 33 imprisonment, false arrest, libel, or slander for acts committed in
 34 the course of the persons' employment, protecting the school
 35 corporation for fire and extended coverage and other casualty
 36 risks to the extent of replacement cost, loss of use, and other
 37 insurable risks relating to property owned, leased, or held by the
 38 school corporation. *In accordance with IC 20-26-17, to:*
- 39 (A) participate in a state employee health plan under
 40 IC 5-10-8-6.6 or IC 5-10-8-6.7;
- 41 (B) purchase insurance; or
- 42 (C) establish and maintain a program of self-insurance;

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1 to benefit school corporation employees, including accident,
 2 sickness, health, or dental coverage, provided that a plan of
 3 self-insurance must include an aggregate stop-loss provision.
 4 (16) To make all applications, to enter into all contracts, and to
 5 sign all documents necessary for the receipt of aid, money, or
 6 property from the state, the federal government, or from any other
 7 source.
 8 (17) To defend a member of the governing body or any employee
 9 of the school corporation in any suit arising out of the
 10 performance of the member's or employee's duties for or
 11 employment with, the school corporation, if the governing body
 12 by resolution determined that the action was taken in good faith.
 13 To save any member or employee harmless from any liability,
 14 cost, or damage in connection with the performance, including the
 15 payment of legal fees, except where the liability, cost, or damage
 16 is predicated on or arises out of the bad faith of the member or
 17 employee, or is a claim or judgment based on the member's or
 18 employee's malfeasance in office or employment.
 19 (18) To prepare, make, enforce, amend, or repeal rules,
 20 regulations, and procedures:
 21 (A) for the government and management of the schools,
 22 property, facilities, and activities of the school corporation, the
 23 school corporation's agents, employees, and pupils and for the
 24 operation of the governing body; and
 25 (B) that may be designated by an appropriate title such as
 26 "policy handbook", "bylaws", or "rules and regulations".
 27 (19) To ratify and approve any action taken by a member of the
 28 governing body, an officer of the governing body, or an employee
 29 of the school corporation after the action is taken, if the action
 30 could have been approved in advance, and in connection with the
 31 action to pay the expense or compensation permitted under
 32 IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and
 33 IC 20-48-1 or any other law.
 34 (20) To exercise any other power and make any expenditure in
 35 carrying out the governing body's general powers and purposes
 36 provided in this chapter or in carrying out the powers delineated
 37 in this section which is reasonable from a business or educational
 38 standpoint in carrying out school purposes of the school
 39 corporation, including the acquisition of property or the
 40 employment or contracting for services, even though the power or
 41 expenditure is not specifically set out in this chapter. The specific
 42 powers set out in this section do not limit the general grant of

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1 powers provided in this chapter except where a limitation is set
 2 out in IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12,
 3 and IC 20-48-1 by specific language or by reference to other law.

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

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

10 (2) a nonprofit corporation that:

11 (A) is exempt from federal income taxation under Section
 12 501(c)(3) of the Internal Revenue Code;

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

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

17 (D) educates children who:

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

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

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

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

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

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

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

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

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

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

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- 1 state board.
- 2 However, a kindergarten student shall be counted under clauses
- 3 (A) and (B) as one-half (1/2) student. The state board may select
- 4 a different date for counts under this subdivision. However, the
- 5 same date shall be used for all school corporations making a count
- 6 for the same class of school.
- 7 (b) Each transferee corporation is entitled to receive for each school
- 8 year on account of each transferred student, except a student
- 9 transferred under section 6 of this chapter, transfer tuition from the
- 10 transferor corporation or the state as provided in this chapter. Transfer
- 11 tuition equals the amount determined under STEP THREE of the
- 12 following formula:
- 13 STEP ONE: Allocate to each transfer student the capital
- 14 expenditures for any special equipment used by the transfer
- 15 student and a proportionate share of the operating costs incurred
- 16 by the transferee school for the class of school where the transfer
- 17 student is enrolled.
- 18 STEP TWO: If the transferee school included the transfer student
- 19 in the transferee school's **current** ADM, ~~for a school year;~~
- 20 allocate to the transfer student a proportionate share of the
- 21 following general fund revenues of the transferee school: ~~for;~~
- 22 ~~except as provided in clause (C); the calendar year in which the~~
- 23 ~~school year ends:~~
- 24 (A) State tuition support distributions **received during the**
- 25 **calendar year in which the school year ends.**
- 26 (B) Property tax levies under IC 20-45-7 and IC 20-45-8 **for**
- 27 **the calendar year in which the school year ends.**
- 28 (C) The sum of the following excise tax revenue received for
- 29 deposit in the calendar year in which the school year begins:
- 30 (i) Financial institution excise tax revenue (IC 6-5.5).
- 31 (ii) Motor vehicle excise taxes (IC 6-6-5).
- 32 (iii) Commercial vehicle excise taxes (IC 6-6-5.5).
- 33 (iv) Boat excise tax (IC 6-6-11).
- 34 (v) Aircraft license excise tax (IC 6-6-6.5).
- 35 (D) Allocations to the transferee school under IC 6-3.5.
- 36 STEP THREE: Determine the greater of:
- 37 (A) zero (0); or
- 38 (B) the result of subtracting the STEP TWO amount from the
- 39 STEP ONE amount.
- 40 If a child is placed in an institution or facility in Indiana by or with the
- 41 approval of the department of child services, the institution or facility
- 42 shall charge the department of child services for the use of the space



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1 within the institution or facility (commonly called capital costs) that is
 2 used to provide educational services to the child based upon a prorated
 3 per student cost.

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

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

17 for the school year.

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

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

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

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

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

37 When a transferred student is enrolled in a transferee corporation for
 38 less than the full school year of student attendance, the transfer tuition
 39 shall be calculated by the part of the school year for which the
 40 transferred student is enrolled. A school year of student attendance
 41 consists of the number of days school is in session for student
 42 attendance. A student, regardless of the student's attendance, is enrolled



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1 in a transferee school unless the student is no longer entitled to be
 2 transferred because of a change of residence, the student has been
 3 excluded or expelled from school for the balance of the school year or
 4 for an indefinite period, or the student has been confirmed to have
 5 withdrawn from school. The transferor and the transferee corporation
 6 may enter into written agreements concerning the amount of transfer
 7 tuition due in any school year. If an agreement cannot be reached, the
 8 amount shall be determined by the state board, and costs may be
 9 established, when in dispute, by the state board of accounts.

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

- 12 (1) the total amount of revenues received **during a period**; by
- 13 (2) the **current** ADM of the transferee school for the ~~school year~~
 14 **that ends in the calendar year period** in which the revenues are
 15 received.

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

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

- 26 (1) be entered into for a period of not more than five (5) years
 27 with an option to renew;
- 28 (2) specify a maximum number of students to be transferred; and
- 29 (3) fix a method for determining the amount of transfer tuition
 30 and the time of payment, which may be different from that
 31 provided in section 14 of this chapter.

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

- 35 (1) be for one (1) year or longer; and
- 36 (2) fix a method for determining the amount of transfer tuition or
 37 time of payment that is different from the method, amount, or
 38 time of payment that is provided in this section or section 14 of
 39 this chapter.

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

42 SECTION 22. IC 20-26-11-22, AS ADDED BY P.L.1-2005,

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1 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2012]: Sec. 22. (a) The transferee corporation is entitled to
3 receive from the transferor corporation transfer tuition for each
4 transferred student for each school year calculated in two (2) parts:

- 5 (1) operating cost; and
6 (2) capital cost.

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

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

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

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

- 23 (A) buildings, additions, and remodeling to the buildings,
24 excluding ordinary maintenance; and
25 (B) on-site and off-site improvements such as walks, sewers,
26 waterlines, drives, and playgrounds;

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

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

40 (d) If an item of expense or cost cannot be allocated to a class of
41 school, the item shall be prorated to all classes of schools on the basis
42 of the ADM of each class in the transferee corporation, **as determined**

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1 **in the fall count of ADM in the school year**, compared to the total
 2 **current ADM** therein, **as determined in the fall count of ADM in the**
 3 **school year.**

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

- 16 (1) student's residence is outside the area of students transferred
 17 to the transferee corporation;
 18 (2) student has been excluded or expelled from school; or
 19 (3) student has been confirmed as a school dropout.

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

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

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

- 41 (1) An emergency loan made under IC 20-48-1-7 to be paid, out
 42 of the debt service levy and fund, or a loan from any state fund

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1 made available for the net additional costs.
 2 (2) An advance in the ~~calendar~~ **state fiscal** year of state funds,
 3 which would otherwise become payable to the transferee
 4 corporation after such ~~calendar~~ **state fiscal** year under law.
 5 (3) A grant or grants in the calendar year from any funds of the
 6 state made available for the net additional costs.
 7 (b) The net additional costs must be certified by the department of
 8 local government finance. Repayment of any advance or loan from the
 9 state shall be made from state tuition support distributions or other
 10 money available to the school corporation.
 11 SECTION 24. IC 20-26-11-30, AS ADDED BY P.L.133-2008,
 12 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2012]: Sec. 30. (a) This section applies to a student who
 14 resided in a school corporation where the student had legal settlement
 15 for at least two (2) consecutive school years immediately before
 16 moving to an adjacent school corporation.
 17 (b) A school corporation in which a student had legal settlement for
 18 at least two (2) consecutive years as described in subsection (a):
 19 (1) shall allow the student to attend an appropriate school within
 20 the school corporation in which the student formerly resided;
 21 (2) may not request the payment of transfer tuition for the student
 22 from the school corporation in which the student currently resides
 23 and has legal settlement or from the student's parent; and
 24 (3) shall include the student in the school corporation's **current**
 25 ADM;
 26 if the principal and superintendent in both school corporations jointly
 27 agree to enroll the student in the school.
 28 (c) If a student enrolls under this section in a school described in
 29 subsection (b)(1), the student's parent must provide for the student's
 30 transportation to school.
 31 (d) A student to whom this section applies may not enroll primarily
 32 for athletic reasons in a school in a school corporation in which the
 33 student does not have legal settlement. However, a decision to allow a
 34 student to enroll in a school corporation in which the student does not
 35 have legal settlement is not considered a determination that the student
 36 did not enroll primarily for athletic reasons.
 37 SECTION 25. IC 20-29-6-12.5, AS ADDED BY P.L.229-2011,
 38 SECTION 179, IS AMENDED TO READ AS FOLLOWS
 39 [EFFECTIVE JULY 1, 2012]: Sec. 12.5. (a) Before August 1 of the
 40 first year of the state budget biennium, the department shall provide the
 41 parties with an estimate of the general fund revenue available for
 42 bargaining in the school corporation from the school funding formula.

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1 (b) Within thirty (30) days after the date of the ~~first state fall count~~
 2 ~~of ADM count date~~ of the school year in the first year of the state
 3 budget biennium, the department shall provide the parties with a
 4 certification of estimated general fund revenue available for bargaining
 5 from the school funding formula. A school employer that has passed a
 6 general fund operating referendum under IC 20-46-1 must have that
 7 amount certified by the department of local government finance. The
 8 school corporation must obtain the certification before the
 9 commencement of bargaining. These certifications must be the basis
 10 for determinations throughout impasse proceedings under this chapter.

11 SECTION 26. IC 20-33-5-9.5, AS ADDED BY P.L.229-2011,
 12 SECTION 194, IS AMENDED TO READ AS FOLLOWS
 13 [EFFECTIVE JULY 1, 2012]: Sec. 9.5. (a) This section applies to
 14 reimbursements made under this chapter in ~~calendar state fiscal year~~
 15 ~~2012 and thereafter. beginning after June 30, 2012.~~

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

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

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

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

29 STEP FOUR: Multiply:

30 (A) the STEP THREE result; by

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

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

39 ~~(+)~~ a school corporation's

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

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

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

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

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

7 (B) Motor vehicle excise taxes (IC 6-6-5);

8 (C) Commercial vehicle excise taxes (IC 6-6-5.5);

9 (D) Boat excise tax (IC 6-6-11);

10 (E) Aircraft license excise tax (IC 6-6-6.5);

11 SECTION 28. IC 20-43-1-1, AS AMENDED BY P.L.229-2011,
 12 SECTION 199, IS AMENDED TO READ AS FOLLOWS
 13 [EFFECTIVE JULY 1, 2012]: Sec. 1. This article expires ~~January~~ **July**
 14 **1, 2014. 2013.**

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

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

23 **(1) for previous state fiscal years ending before July 1, 2013,**
 24 **the initial computed fall count of ADM; for the school year**
 25 **ending in the preceding calendar year; and**

26 **(2) for previous state fiscal years ending after June 30, 2013,**
 27 **the corresponding current ADM count taken in the same**
 28 **month as the current count.**

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

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

38 **(1) for distributions made under this article before July 1,**
 39 **2013, the initial computed fall count of ADM for the school year**
 40 **ending in the calendar year; and**

41 **(2) for distributions made under this article after June 30,**
 42 **2013, the:**

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- 1 **(A) fall count of ADM for distributions in the months of**
- 2 **January through June of the calendar year immediately**
- 3 **following the calendar year in which the fall count is taken;**
- 4 **and**
- 5 **(B) the spring count of ADM for distributions in the**
- 6 **months of July through December of the calendar year in**
- 7 **which the spring count is taken.**

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

- 11 **(1) registered with a school corporation to attend educational**
- 12 **programs offered by or through the school corporation; and**
- 13 **(2) attending these educational programs or receiving**
- 14 **educational services.**

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

20 SECTION 35. IC 20-43-1-18 IS REPEALED [EFFECTIVE JULY
 21 1, 2012]. **Sec. 18. "Maximum state distribution" refers to the amount**
 22 **determined under IC 20-43-2-2.**

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

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

- 32 **(1) a school corporation other than a virtual charter school in any**
- 33 **calendar state fiscal year under this article for all grants,**
- 34 **distributions, and awards described in IC 20-43-2-3; and**
- 35 **(2) a virtual charter school in any calendar state fiscal year under**
- 36 **IC 20-43-6-3.**

37 SECTION 38. IC 20-43-2-1, AS AMENDED BY P.L.146-2008,
 38 SECTION 481, IS AMENDED TO READ AS FOLLOWS
 39 [EFFECTIVE JULY 1, 2012]: **Sec. 1. The department shall distribute**
 40 **the amount appropriated by the general assembly for distribution as**
 41 **state tuition support in accordance with this article. If the**
 42 **appropriations for distribution as state tuition support are more than**

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1 required under this article, any excess shall revert to the state general
 2 fund. The appropriations for state tuition support shall be made each
 3 **calendar state fiscal** year under a schedule set by the budget agency
 4 and approved by the governor. However, **notwithstanding**
 5 **P.L.229-2011, SECTION 9**, the schedule must provide:

- 6 (1) for at least twelve (12) payments;
 7 (2) that one (1) payment shall be made ~~at least every forty (40)~~
 8 ~~days; each month;~~ and
 9 (3) the total of the payments in each **calendar state fiscal** year
 10 year must equal the amount required under this article.

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

- 16 ~~(1) six billion two hundred forty-seven million eight hundred~~
 17 ~~thousand dollars (\$6,247,800,000) in 2011;~~
 18 ~~(2) six billion two hundred seventy-seven million eight hundred~~
 19 ~~thousand dollars (\$6,277,800,000) in 2012; and~~
 20 ~~(3) six billion three hundred thirty-nine million six hundred~~
 21 ~~thousand dollars (\$6,339,600,000) in 2013; the amount~~
 22 **appropriated by the general assembly for those purposes for**
 23 **that state fiscal year.**

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

- 28 (1) as basic tuition support;
 29 (2) for honors diploma awards;
 30 (3) for primetime distributions;
 31 (4) for special education grants; ~~and~~
 32 (5) for career and technical education grants;
 33 **(6) for choice scholarships;**
 34 **(7) for Mitch Daniels early graduation scholarships;**
 35 **(8) for a fiscal year transition grant under IC 20-43-13; and**
 36 **(9) for a school corporation estimated distribution grant**
 37 **under IC 20-43-4-3.5 and IC 20-43-4-9.**

38 for a particular **state fiscal** year exceeds the ~~maximum state~~
 39 ~~distribution amounts appropriated by the general assembly for~~
 40 **those purposes** for a **calendar the state fiscal** year, the amount to be
 41 distributed for state tuition support under this article to each school
 42 corporation during each of the last six (6) months of the **state fiscal**



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1 year shall be proportionately reduced so that the total reductions equal
2 the amount of the excess.

3 SECTION 41. IC 20-43-2-8 IS ADDED TO THE INDIANA CODE
4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
5 1, 2012]: **Sec. 8. (a) Beginning July 1, 2012, distributions for state
6 tuition support shall be made on a state fiscal year basis rather
7 than a calendar year basis.**

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

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

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

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

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

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

30 **STEP ONE: Determine the sum of the following:**

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

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

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

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

40 **(b) This subsection applies to the determination of a school
41 corporation's previous year revenue for purposes of determining
42 distributions under this article after June 30, 2012. A school**

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1 corporation's previous year revenue equals the amount determined
2 under STEP TWO of the following formula:

3 STEP ONE: For purposes of making determinations for:

4 (A) the state fiscal year beginning July 1, 2012, determine
5 the product of the school corporation's basic tuition
6 support actually received for the first six (6) months of
7 2012 multiplied by two (2); or

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

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

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

18 (1) the school corporation's state tuition support for special
19 education or career and technical education is reduced as a result
20 of a complaint being filed with the department after December 31,
21 1988, because the school program overstated the number of
22 children enrolled in special education programs or career and
23 technical education programs; and

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

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

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

34 (1) the school corporation; or

35 (2) a transferee corporation;

36 on a day to be the days fixed annually by the state board under section
37 3 of this chapter, and as subsequently adjusted not later than January
38 30 under the rules adopted by the state board. The state board may
39 adjust the school's count of eligible pupils if the state board
40 determines that the count is unrepresentative of the school
41 corporation's enrollment.

42 SECTION 44. IC 20-43-4-3, AS ADDED BY P.L.2-2006,

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1 SECTION 166, IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2012]: Sec. 3. **(a) Subject to subsection (b),**
 3 ~~the initial day of the state board shall make an ADM count must fall:~~
 4 **of the eligible pupils enrolled in each school corporation two (2)**
 5 **times each within the first thirty (30) days of the school year, with one**
 6 **(1) count date occurring in each of the following periods:**

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

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

11 **(b) However, if extreme patterns of:**

12 (1) student in-migration;

13 (2) illness;

14 (3) natural disaster; or

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

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

22 SECTION 45. IC 20-43-4-3.5 IS ADDED TO THE INDIANA
 23 CODE AS A NEW SECTION TO READ AS FOLLOWS
 24 [EFFECTIVE UPON PASSAGE]: Sec. 3.5. **(a) This section applies to**
 25 **a school corporation (including a charter school) only in the**
 26 **following:**

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

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

31 **(3) In a year in which a school year begins in which the school**
 32 **corporation estimates the fall count of ADM will exceed the**
 33 **immediately preceding fall count of ADM by at least ten**
 34 **percent (10%).**

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

41 **(c) Using the estimates submitted by the school corporation and**
 42 **any other information available to the state board, the state board**

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1 shall estimate the number of eligible pupils who are likely to be
 2 included in the fall ADM count of the school corporation in the
 3 school year beginning in the calendar year. The state board may
 4 adjust the estimate provided by a school corporation as the state
 5 board determines necessary.

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

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

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

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

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

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

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

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

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

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

40 (3) receives instructional services from the school corporation.

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



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- 1 STEP ONE: Determine the result of:
 2 (A) the number of days instructional services will be provided
 3 to the pupil, not to exceed one hundred eighty (180); divided
 4 by
 5 (B) one hundred eighty (180).
 6 STEP TWO: Determine the result of:
 7 (A) the pupil's public school instructional time (as defined in
 8 IC 20-30-2-1); divided by
 9 (B) the actual public school regular instructional day (as
 10 defined in IC 20-30-2-2).
 11 STEP THREE: Determine the result of:
 12 (A) the STEP ONE result; multiplied by
 13 (B) the STEP TWO result.
 14 STEP FOUR: Determine the lesser of one (1) or the result of:
 15 (A) the STEP THREE result; multiplied by
 16 (B) one and five hundredths (1.05).

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

22 SECTION 49. IC 20-43-4-9 IS ADDED TO THE INDIANA CODE
 23 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 24 1, 2012]: **Sec. 9. (a) This subsection applies to the calculation of**
 25 **state tuition support distributions that are:**

- 26 (1) made before January 1, 2013; and
 27 (2) based on the current ADM of a school corporation.

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

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

- 33 (1) made after December 31, 2012; and
 34 (2) based on the current ADM of a school corporation.

35 **The fall count of ADM for the school year ending in the current**
 36 **calendar year, as adjusted by the state board under section 2 of this**
 37 **chapter, shall be used to compute state tuition support**
 38 **distributions made in the first six (6) months of the following**
 39 **calendar year, and the spring count of ADM for the school year**
 40 **ending in the current calendar year, as adjusted by the state board**
 41 **under section 2 of this chapter, shall be used to compute state**
 42 **tuition support distributions made in the second six (6) months of**

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1 the calendar year.

2 (c) This subsection applies only to the calculation of basic tuition
 3 support distributions to a school corporation, including a
 4 conversion charter school or other charter school, for the first six
 5 (6) months of a school year that begins in the year if section 3.5(a)
 6 of this chapter applies to the school corporation in the year. A
 7 school corporation is entitled to a distribution of basic tuition
 8 support in conformity with this subsection for the first six (6)
 9 months of a school year that begins in a year to which section 3.5(a)
 10 of this chapter applies. The count of students made under section
 11 3.5 of this chapter, as subsequently adjusted under section 3.5 of
 12 this chapter, shall be treated as the current ADM of the school
 13 corporation for the calculation of the school corporation's basic
 14 tuition support for that period. However, distributions to the
 15 school corporation shall not begin until after the first day the
 16 school corporation conducts regular classes, as determined by the
 17 department. The amount withheld for the school corporation
 18 before that date shall be paid to the school corporation on a
 19 schedule determined under subsection (d).

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

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

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

- 38 (1) The school corporation's complexity index for the **calendar**
- 39 **state fiscal** year under section 3 of this chapter.
- 40 (2) The school corporation's foundation amount for the **calendar**
- 41 **state fiscal** year under section 4 of this chapter.
- 42 (3) The school corporation's previous year revenue foundation



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- 1 amount for the **calendar state fiscal** year under section 5 of this
 2 chapter.
- 3 (4) The school corporation's transition to foundation amount for
 4 the **calendar state fiscal** year under section 6 of this chapter.
- 5 (5) The school corporation's transition to foundation revenue for
 6 the **calendar state fiscal** year under section 7 of this chapter.
- 7 SECTION 52. IC 20-43-5-4, AS AMENDED BY P.L.229-2011,
 8 SECTION 209, IS AMENDED TO READ AS FOLLOWS
 9 [EFFECTIVE JULY 1, 2012]: Sec. 4. A school corporation's
 10 foundation amount for a **calendar year** is the result determined under
 11 STEP THREE of the following formula:
- 12 STEP ONE: The STEP ONE amount is:
- 13 (A) in 2012, four thousand two hundred eighty dollars
 14 (\$4,280); and
- 15 (B) in 2013, four thousand four hundred five dollars (\$4,405).
- 16 STEP TWO: Multiply the STEP ONE amount by the school
 17 corporation's complexity index.
- 18 STEP THREE: Determine the sum of the STEP TWO amount and
 19 the following:
- 20 (A) Zero dollars (\$0), if the school corporation's current ADM
 21 is less than five hundred (500).
- 22 (B) One hundred fifty dollars (\$150), if the school
 23 corporation's current ADM is at least five hundred (500) and
 24 is not more than one thousand (1,000).
- 25 (C) The result of one hundred fifty thousand dollars
 26 (\$150,000) divided by the school corporation's current ADM,
 27 if the school corporation's current ADM is more than one
 28 thousand (1,000).
- 29 SECTION 53. IC 20-43-5-5, AS AMENDED BY P.L.182-2009(ss),
 30 SECTION 335, IS AMENDED TO READ AS FOLLOWS
 31 [EFFECTIVE JULY 1, 2012]: Sec. 5. A school corporation's previous
 32 year revenue foundation amount for a **calendar state fiscal** year is equal
 33 to the result of:
- 34 (1) the school corporation's previous year revenue; divided by
 35 (2) the school corporation's ~~adjusted~~ ADM for the previous year.
- 36 SECTION 54. IC 20-43-5-6, AS AMENDED BY P.L.229-2011,
 37 SECTION 210, IS AMENDED TO READ AS FOLLOWS
 38 [EFFECTIVE JULY 1, 2012]: Sec. 6. (a) A school corporation's
 39 transition to foundation amount for a **calendar state fiscal** year is equal
 40 to the result determined under STEP TWO of the following formula:
- 41 STEP ONE: Determine the difference of:
- 42 (A) the school corporation's foundation amount; minus

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- 1 (B) the lesser of:
- 2 (i) the school corporation's previous year revenue foundation
- 3 amount; or
- 4 (ii) the result of the school corporation's foundation amount
- 5 multiplied by one and two-tenths (1.2).
- 6 STEP TWO: A school corporation's STEP TWO amount is the
- 7 following:
- 8 (A) For a charter school located outside Marion County that
- 9 has previous year revenue that is not greater than zero (0), the
- 10 charter school's STEP TWO amount is the quotient of:
- 11 (i) the school corporation's transition to foundation revenue
- 12 for the **calendar state fiscal** year where the charter school is
- 13 located; divided by
- 14 (ii) the school corporation's current ADM.
- 15 (B) For a charter school located in Marion County that has
- 16 previous year revenue that is not greater than zero (0), the
- 17 charter school's STEP TWO amount is the weighted average
- 18 of the transition to foundation revenue for the school
- 19 corporations where the students counted in the current ADM
- 20 of the charter school have legal settlement, as determined
- 21 under item (iv) of the following formula:
- 22 (i) Determine the transition to foundation revenue for each
- 23 school corporation where a student counted in the current
- 24 ADM of the charter school has legal settlement.
- 25 (ii) For each school corporation identified in item (i), divide
- 26 the item (i) amount by the school corporation's current
- 27 ADM.
- 28 (iii) For each school corporation identified in item (i),
- 29 multiply the item (ii) amount by the number of students
- 30 counted in the current ADM of the charter school that have
- 31 legal settlement in the particular school corporation.
- 32 (iv) Determine the sum of the item (iii) amounts for the
- 33 charter school.
- 34 (C) The STEP TWO amount for a school corporation that is
- 35 not a charter school described in clause (A) or (B) is the
- 36 following:
- 37 (i) The school corporation's foundation amount for the
- 38 **calendar state fiscal** year if the STEP ONE amount is zero
- 39 (0) or greater.
- 40 (ii) The amount determined under subsection (b), if the
- 41 school corporation's STEP ONE amount is less than zero (0).
- 42 (b) For the purposes of STEP TWO (C)(ii) in subsection (a),

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- 1 determine the result of:
- 2 (1) the result determined for the school corporation under STEP
- 3 ONE (B) of subsection (a); minus
- 4 (2) the result of:
- 5 (A) the absolute value of the STEP ONE amount; divided by
- 6 (B) ~~seven (7) in 2012 and six (6) in 2013~~; **the state fiscal year**
- 7 **beginning July 1, 2012.**
- 8 SECTION 55. IC 20-43-5-7, AS AMENDED BY P.L.229-2011,
- 9 SECTION 211, IS AMENDED TO READ AS FOLLOWS
- 10 [EFFECTIVE JULY 1, 2012]: Sec. 7. A school corporation's transition
- 11 to foundation revenue for a ~~calendar~~ **state fiscal** year is equal to the
- 12 product of:
- 13 (1) the school corporation's transition to foundation amount for
- 14 the ~~calendar~~ **state fiscal** year; multiplied by
- 15 (2) the school corporation's current ADM.
- 16 SECTION 56. IC 20-43-5-9, AS AMENDED BY P.L.234-2007,
- 17 SECTION 247, IS AMENDED TO READ AS FOLLOWS
- 18 [EFFECTIVE JULY 1, 2012]: Sec. 9. A school corporation's transition
- 19 to foundation revenue per adjusted ADM for a ~~calendar~~ **state fiscal**
- 20 year is the quotient of:
- 21 (1) the school corporation's transition to foundation revenue for
- 22 the ~~calendar~~ **state fiscal** year; divided by
- 23 (2) the school corporation's current adjusted ADM.
- 24 SECTION 57. IC 20-43-6-1, AS AMENDED BY P.L.182-2009(ss),
- 25 SECTION 338, IS AMENDED TO READ AS FOLLOWS
- 26 [EFFECTIVE JULY 1, 2012]: Sec. 1. Subject to the amount
- 27 appropriated by the general assembly for state tuition support and
- 28 IC 20-43-2, the amount that a school corporation is entitled to receive
- 29 in basic tuition support for a **state fiscal** year is the amount determined
- 30 in section 3 of this chapter.
- 31 SECTION 58. IC 20-43-6-3, AS AMENDED BY P.L.229-2011,
- 32 SECTION 212, IS AMENDED TO READ AS FOLLOWS
- 33 [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) A school corporation's basic
- 34 tuition support for a **year month** is the amount determined under the
- 35 applicable provision of this section.
- 36 (b) The school corporation's basic tuition support for a **year month**
- 37 is equal to the **result of**:
- 38 (1) ~~the~~ school corporation's transition to foundation revenue; ~~for~~
- 39 ~~the year~~; **divided by**
- 40 (2) ~~twelve~~ (12).
- 41 (c) This subsection applies to students of a virtual charter school. A
- 42 virtual charter school's basic tuition support for a **year month** for those

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1 students is the amount determined under IC 20-24-7-13.

2 SECTION 59. IC 20-43-7-1, AS ADDED BY P.L.2-2006,
3 SECTION 166, IS AMENDED TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2012]: Sec. 1. **(a)** In addition to the amount a
5 school corporation is entitled to receive in basic tuition support, each
6 school corporation is entitled to receive a grant for special education
7 programs **for the state fiscal year. Subject to subsections (b) and (c),**
8 the amount of the special education grant is based on the count of
9 eligible pupils enrolled in special education programs on December 1
10 of the preceding **state fiscal** year in:

- 11 (1) the school corporation; or
12 (2) a transferee corporation.

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

- 15 **(1) the total amount of the special education grant that would**
16 **have been received by the school corporation during the**
17 **months of July, August, September, October, November, and**
18 **December of the preceding calendar year and January of the**
19 **current calendar year if the grant had been based on the**
20 **count of students with disabilities that was made on the**
21 **immediately preceding December 1; minus**
22 **(2) the total amount of the special education grant received by**
23 **the school corporation during the months of July, August,**
24 **September, October, November, and December of the**
25 **preceding calendar year and January of the current calendar**
26 **year.**

27 **If the result determined under this subsection is positive, the school**
28 **corporation shall receive an additional special education grant**
29 **distribution in February equal to the result determined under this**
30 **subsection. If the result determined under this subsection is**
31 **negative, the special education grant distributions that otherwise**
32 **would be received by the school corporation in February, March,**
33 **April, and May shall be proportionately reduced so that the total**
34 **reduction is equal to the result determined under this subsection.**

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

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

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- 1 the following:
- 2 (1) The nonduplicated count of pupils in programs for severe
- 3 disabilities multiplied by eight thousand three hundred fifty
- 4 dollars (\$8,350).
- 5 (2) The nonduplicated count of pupils in programs of mild and
- 6 moderate disabilities multiplied by two thousand two hundred
- 7 sixty-five dollars (\$2,265).
- 8 (3) The duplicated count of pupils in programs for communication
- 9 disorders multiplied by five hundred thirty-three dollars (\$533).
- 10 (4) The cumulative count of pupils in homebound programs
- 11 multiplied by five hundred thirty-three dollars (\$533).
- 12 (5) The nonduplicated count of pupils in special preschool
- 13 education programs multiplied by two thousand seven hundred
- 14 fifty dollars (\$2,750).

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

20 SECTION 62. IC 20-43-8-2, AS AMENDED BY P.L.234-2007,
 21 SECTION 137, IS AMENDED TO READ AS FOLLOWS
 22 [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) Before December 1 of each
 23 year, the department of workforce development shall provide the
 24 department with a report, to be used to determine career and technical
 25 education grant amounts in the **second calendar state fiscal** year
 26 **beginning** after the year in which the report is provided, listing whether
 27 the labor market demand for each generally recognized labor category
 28 is more than moderate, moderate, or less than moderate. In the report,
 29 the department of workforce development shall categorize each of the
 30 career and technical education programs using the following four (4)
 31 categories:

- 32 (1) Programs that address employment demand for individuals in
- 33 labor market categories that are projected to need more than a
- 34 moderate number of individuals.
- 35 (2) Programs that address employment demand for individuals in
- 36 labor market categories that are projected to need a moderate
- 37 number of individuals.
- 38 (3) Programs that address employment demand for individuals in
- 39 labor market categories that are projected to need less than a
- 40 moderate number of individuals.
- 41 (4) All programs not covered by the employment demand
- 42 categories of subdivisions (1) through (3).

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

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

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

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

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

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

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

28 (C) the following applicable amount:

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

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

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

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- 1 moderate wage.
- 2 (iv) Three hundred seventy-five dollars (\$375), in the case
- 3 of a program described in section 6 of this chapter (moderate
- 4 labor market need) for which the average wage level
- 5 determined under section 2(b) of this chapter is a high wage.
- 6 (v) Three hundred dollars (\$300), in the case of a program
- 7 described in section 6 of this chapter (moderate labor market
- 8 need) for which the average wage level determined under
- 9 section 2(b) of this chapter is a moderate wage.
- 10 (vi) Two hundred twenty-five dollars (\$225), in the case of
- 11 a program described in section 6 of this chapter (moderate
- 12 labor market need) for which the average wage level
- 13 determined under section 2(b) of this chapter is a less than
- 14 moderate wage.
- 15 (vii) Three hundred dollars (\$300), in the case of a program
- 16 described in section 7 of this chapter (less than a moderate
- 17 labor market need) for which the average wage level
- 18 determined under section 2(b) of this chapter is a high wage.
- 19 (viii) Two hundred twenty-five dollars (\$225), in the case of
- 20 a program described in section 7 of this chapter (less than a
- 21 moderate labor market need) for which the average wage
- 22 level determined under section 2(b) of this chapter is a
- 23 moderate wage.
- 24 (ix) One hundred fifty dollars (\$150), in the case of a
- 25 program described in section 7 of this chapter (less than a
- 26 moderate labor market need) for which the average wage
- 27 level determined under section 2(b) of this chapter is a less
- 28 than moderate wage.
- 29 STEP TWO: The number of pupils described in section 8 of this
- 30 chapter (all other programs) multiplied by two hundred fifty
- 31 dollars (\$250).
- 32 STEP THREE: The number of pupils participating in a career and
- 33 technical education program in which pupils from multiple
- 34 schools are served at a common location multiplied by one
- 35 hundred fifty dollars (\$150).
- 36 SECTION 64. IC 20-43-9-6, AS AMENDED BY P.L.229-2011,
- 37 SECTION 217, IS AMENDED TO READ AS FOLLOWS
- 38 [EFFECTIVE JULY 1, 2012]: Sec. 6. A school corporation's primetime
- 39 distribution for a **calendar year month** under this chapter is the **result**
- 40 **of the** amount determined by the following formula **divided by twelve**
- 41 **(12):**
- 42 STEP ONE: Determine the applicable target pupil/teacher ratio

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- 1 for the school corporation as follows:
- 2 (A) If the school corporation's complexity index is less than
- 3 one and one-tenth (1.1), the school corporation's target
- 4 pupil/teacher ratio is eighteen to one (18:1).
- 5 (B) If the school corporation's complexity index is at least one
- 6 and one-tenth (1.1) but less than one and three-tenths (1.3), the
- 7 school corporation's target pupil/teacher ratio is fifteen (15)
- 8 plus the result determined in item (iii) to one (1):
- 9 (i) Determine the result of one and three-tenths (1.3) minus
- 10 the school corporation's complexity index.
- 11 (ii) Determine the item (i) result divided by two-tenths (0.2).
- 12 (iii) Determine the item (ii) result multiplied by three (3).
- 13 (C) If the school corporation's complexity index is at least one
- 14 and three-tenths (1.3), the school corporation's target
- 15 pupil/teacher ratio is fifteen to one (15:1).
- 16 STEP TWO: Determine the result of:
- 17 (A) the **current** ADM of the school corporation in
- 18 kindergarten through grade 3; ~~for the current school year;~~
- 19 divided by
- 20 (B) the school corporation's applicable target pupil/teacher
- 21 ratio, as determined in STEP ONE.
- 22 STEP THREE: Determine the result of:
- 23 (A) the basic tuition support for the ~~year month~~ multiplied by
- 24 ~~seventy-five hundredths (0.75);~~ **nine (9)**; divided by
- 25 (B) the school corporation's **current** ADM.
- 26 STEP FOUR: Determine the result of:
- 27 (A) the STEP THREE result; multiplied by
- 28 (B) the **current** ADM of the school corporation in
- 29 kindergarten through grade 3. ~~for the current school year.~~
- 30 STEP FIVE: Determine the result of:
- 31 (A) the STEP FOUR result; divided by
- 32 (B) the staff cost amount.
- 33 STEP SIX: Determine the greater of zero (0) or the result of:
- 34 (A) the STEP TWO amount; minus
- 35 (B) the STEP FIVE amount.
- 36 STEP SEVEN: Determine the result of:
- 37 (A) the STEP SIX amount; multiplied by
- 38 (B) the staff cost amount.
- 39 STEP EIGHT: Determine the greater of the STEP SEVEN amount
- 40 or **zero (0)**.
- 41 (A) for 2012; fifty percent (50%) of the school corporation's
- 42 guaranteed primetime amount; or

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- 1 **(B) for 2013; zero (0):**
 2 STEP NINE: A school corporation's amount under this STEP is
 3 the following:
 4 (A) If the amount the school corporation received under this
 5 chapter in the previous **calendar state fiscal** year is greater
 6 than zero (0), the amount under this STEP is the lesser of:
 7 (i) the STEP EIGHT amount; or
 8 (ii) the amount the school corporation received under this
 9 chapter for the previous **calendar state fiscal** year multiplied
 10 by one hundred seven and one-half percent (107.5%).
 11 (B) If the amount the school corporation received under this
 12 chapter in the previous **calendar state fiscal** year is not greater
 13 than zero (0), the amount under this STEP is the STEP EIGHT
 14 amount.
- 15 SECTION 65. IC 20-43-10-2, AS AMENDED BY P.L.229-2011,
 16 SECTION 219, IS AMENDED TO READ AS FOLLOWS
 17 [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) A school corporation's honors
 18 diploma award for a **calendar state fiscal** year is the amount
 19 determined under STEP FOUR of the following formula:
 20 STEP ONE: Determine the number of the school corporation's
 21 eligible pupils who successfully completed an academic honors
 22 diploma program in the school year ending in the previous
 23 **calendar state fiscal** year.
 24 STEP TWO: Determine the result of:
 25 (A) the number of the school corporation's eligible pupils who
 26 successfully completed a Core 40 diploma with technical
 27 honors program in the school year ending in the previous
 28 **calendar state fiscal** year; minus
 29 (B) the number of eligible pupils who would otherwise be
 30 double counted under both clause (A) and STEP ONE.
 31 STEP THREE: Determine the sum of the number of eligible
 32 students determined under STEP ONE and the number of eligible
 33 students determined under STEP TWO.
 34 STEP FOUR: Multiply the STEP THREE amount by nine
 35 hundred dollars (\$900).
 36 (b) An amount received by a school corporation as an honors
 37 diploma award may be used only for:
 38 (1) any:
 39 (A) staff training;
 40 (B) program development;
 41 (C) equipment and supply expenditures; or
 42 (D) other expenses;

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- 1 directly related to the school corporation's honors diploma
- 2 program; and
- 3 (2) the school corporation's program for high ability students.
- 4 (c) A governing body that does not comply with this section for a
- 5 school year is not eligible to receive an honors diploma award for the
- 6 following school year.

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

10 **Chapter 13. Fiscal Year Transition Grant**

11 **Sec. 1. This chapter applies to all school corporations, including**
 12 **virtual charter schools.**

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

16 **STEP ONE: Determine the sum of the school corporation's**
 17 **state tuition support (excluding the grant under this chapter)**
 18 **actually received for the first six (6) months of calendar year**
 19 **2012.**

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

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

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

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

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

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

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

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

42 SECTION 68. IC 20-45-7-26, AS ADDED BY P.L.2-2006,

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1 SECTION 168, IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2012]: Sec. 26. The entitlement of each
 3 qualified school corporation from the fund for each calendar year is the
 4 greater of:

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

7 (2) an amount equal to twenty-seven dollars and fifty cents
 8 (\$27.50) times its **current ADM as determined in the fall count**
 9 **of ADM conducted in the school year ending in the current**
 10 **calendar year.**

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

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

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

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

28 (c) The county auditor shall annually issue a warrant to the county
 29 treasurer ordering the payment to the respective qualified school
 30 corporations the various amounts in the fund at each semiannual tax
 31 settlement period during the year in which the tax has been collected.

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

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

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

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1 corporations.

2 (c) The entitlement of each qualified school corporation calculated

3 in a calendar year is an amount equal to the result determined under

4 STEP TWO of the following formula:

5 STEP ONE: Calculate the quotient of:

6 (A) the total amount deposited in the fund in calendar year

7 1979 or the first year in which a deposit was made, whichever

8 is later; divided by

9 (B) for:

10 (i) a calendar year ending before January 1, 2013, the

11 total ADM of the immediately preceding school year of

12 qualified school corporations that received money from the

13 fund in 1979, as determined in the fall count of ADM for

14 the school year ending in the immediately preceding

15 calendar year; and

16 (ii) a calendar year beginning after December 31, 2012,

17 the total ADM of the immediately preceding school year

18 of qualified school corporations that received money

19 from the fund in 1979, as determined in the spring count

20 of ADM for the school year ending in the immediately

21 preceding calendar year.

22 STEP TWO: Calculate the product of:

23 (A) the STEP ONE result; multiplied by

24 (B) for:

25 (i) a calendar year ending before January 1, 2013, the

26 ADM of the immediately preceding school year of the

27 qualified school corporation that received money from the

28 fund in 1979, as determined in the fall count of ADM for

29 the school year ending in the immediately preceding

30 calendar year; and

31 (ii) a calendar year beginning after December 31, 2012,

32 the total ADM of the immediately preceding school year

33 of qualified school corporations that received money

34 from the fund in 1979, as determined in the spring count

35 of ADM for the school year ending in the immediately

36 preceding calendar year.

37 SECTION 71. IC 20-49-3-8, AS AMENDED BY P.L.146-2008,

38 SECTION 529, IS AMENDED TO READ AS FOLLOWS

39 [EFFECTIVE JULY 1, 2012]: Sec. 8. The fund may be used to make

40 advances:

41 (1) to school corporations, including school townships, under

42 IC 20-49-4 and IC 20-49-5; and

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

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

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

10 (1) that sustained a loss from a disaster;

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

17 (3) with an advance under this chapter outstanding on July 1,
18 1993, that bears interest of at least seven and one-half percent
19 (7.5%).

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

22 SECTION 73. IC 20-49-5-7 IS ADDED TO THE INDIANA CODE
23 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
24 1, 2012]: **Sec. 7. (a) A charter school, including a conversion
25 charter school, that has received an advance for operational costs
26 from the common school fund under IC 20-49-7 (before its repeal)
27 is not required to make principal or interest payments during the
28 state fiscal years beginning:**

29 **(1) July 1, 2011; and**

30 **(2) July 1, 2012;**

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

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

37 SECTION 74. IC 20-49-7 IS REPEALED [EFFECTIVE JULY 1,
38 2012]. (Charter School Advancement Account).

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

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1 amount determined under the last STEP of the following formula:

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

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

8 **(A) for a calendar year ending before January 1, 2013, the**
9 **fall count of eligible students conducted in the school**
10 **corporation in the school year ending in the calendar year**
11 **were used to compute the state tuition support distribution**
12 **to the school corporation for the entire calendar year; and**
13 **(B) for a calendar year beginning after December 31, 2012,**
14 **the spring count of eligible students conducted in the**
15 **school corporation in the school year ending in the**
16 **calendar year were used to compute the state tuition**
17 **support distribution to the school corporation for the**
18 **entire calendar year;**

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

22 STEP THREE: Determine the result of:

23 (A) the STEP TWO amount; divided by

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

27 SECTION 76. IC 21-7-13-5, AS ADDED BY P.L.2-2007,
28 SECTION 243, IS AMENDED TO READ AS FOLLOWS
29 [EFFECTIVE JULY 1, 2012]: Sec. 5. "**Current ADM**" has the
30 meaning set forth in ~~IC 20-43-1-6~~: **IC 20-43-1-10**.

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

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

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

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



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

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

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

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

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

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

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

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

29 SECTION 80. IC 21-43-8-2, AS AMENDED BY P.L.3-2008,
30 SECTION 152, IS AMENDED TO READ AS FOLLOWS
31 [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) To be eligible to earn a high
32 school diploma, an individual participating in the program established
33 under this chapter must be either:

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

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

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

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1 SECTION 81. [EFFECTIVE JULY 1, 2012] (a) The department
 2 of education shall before November 1, 2012, report to the budget
 3 committee:
 4 (1) the number of students who left a charter school and
 5 enrolled in a public school maintained by a school corporation
 6 during the 2011 - 2012 school year; and
 7 (2) the number of students who:
 8 (A) received a choice scholarship for the 2011 - 2012 school
 9 year; and
 10 (B) left a nonpublic eligible school (as defined in
 11 IC 20-51-1-4.7) and enrolled in a public school maintained
 12 by a school corporation during the 2011 - 2012 school year.
 13 (b) This SECTION expires January 1, 2013.
 14 SECTION 82. [EFFECTIVE JULY 1, 2012] (a) For the fiscal year
 15 beginning July 1, 2012, and ending June 30, 2013, there is
 16 appropriated to the department of education thirty million nine
 17 hundred thousand dollars (\$30,900,000) from the state general
 18 fund for distribution for tuition support, total operating expense,
 19 beginning July 1, 2012, and ending June 30, 2013. This
 20 appropriation is in addition to the appropriation for tuition
 21 support that was made by P.L.229-2011.
 22 (b) This SECTION expires July 1, 2013.
 23 SECTION 83. An emergency is declared for this act.

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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."

Re-number 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."

Re-number 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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HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 280 be amended to read as follows:

Replace the effective dates in SECTIONS 9 through 10 with "[EFFECTIVE JULY 1, 2012]".

Replace the effective date in SECTION 13 with "[EFFECTIVE JULY 1, 2012]".

Replace the effective date in SECTION 15 with "[EFFECTIVE JULY 1, 2012]".

Replace the effective date in SECTION 45 with "[EFFECTIVE UPON PASSAGE]".

Replace the effective date in SECTION 71 with "[EFFECTIVE JULY 1, 2012]".

Replace the effective dates in SECTIONS 73 through 74 with "[EFFECTIVE JULY 1, 2012]".

Page 14, between lines 23 and 24, begin a new paragraph and insert:

"(g) In the second six (6) months of calendar year 2012, a virtual charter school is eligible to receive a fiscal year transition grant under IC 20-43-13."

Page 23, line 22, delete "corporation" and insert "year".

Page 23, line 24, delete "corporation" and insert "year".

Page 30, delete lines 20 through 27, begin a new line block indented and insert:

"(1) for previous state fiscal years ending before July 1, 2013, the initial computed fall count of ADM; for the school year ending in the preceding calendar year; and

(2) for previous state fiscal years ending after June 30, 2013, the corresponding current ADM count taken in the same month as the current count."

Page 30, line 37, delete "January" and insert "July".

Page 30, line 40, delete "December" and insert "June 30, 2013, the:

(A) fall count of ADM for distributions in the months of January through June of the calendar year immediately following the calendar year in which the fall count is taken; and

(B) the spring count of ADM for distributions in the months of July through December of the calendar year in which the spring count is taken."

Page 30, delete lines 41 through 42.

Page 31, delete lines 1 through 5.

Page 31, line 11, delete "and" and insert "or".

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Page 33, line 14, delete "2012".

Page 35, line 31, delete "spring" and insert "fall".

Page 35, line 32, delete "fifteen" and insert "ten".

Page 35, line 32, delete "(15%)." and insert "(10%)."

Page 37, line 36, before "calendar" insert "following".

Page 42, line 2, after "1." insert "(a)".

Page 42, line 5, delete "The" and insert "Subject to subsections (b) and (c), the".

Page 42, between lines 10 and 11, 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 January 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 January 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, 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 47, line 25, after "corporations" delete "." and insert ", including virtual charter schools."

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Page 53, after line 35, begin a new paragraph and insert:

"SECTION 83. **An emergency is declared for this act.**".

Renumber all SECTIONS consecutively.

(Reference is to ESB 280 as printed February 24, 2012.)

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