



January 17, 2012

# HOUSE BILL No. 1189

DIGEST OF HB 1189 (Updated January 17, 2012 10:23 am - DI 116)

**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 20-40; IC 20-43; IC 20-45; IC 20-49; IC 20-51; IC 21-7; IC 21-43.

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

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

**Thompson**

January 9, 2012, read first time and referred to Committee on Education.  
January 17, 2012, amended, reported — Do Pass.

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January 17, 2012

Second Regular Session 117th General Assembly (2012)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2011 Regular Session of the General Assembly.

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## HOUSE BILL No. 1189

A BILL FOR AN ACT to amend the Indiana Code concerning education.

*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 JANUARY 1, 2013]: Sec. 2. (a) Not later than **each of**  
5 **the 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, 2013]: 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 20-24-7-6.5, AS ADDED BY P.L.229-2011,  
 29 SECTION 170, IS AMENDED TO READ AS FOLLOWS  
 30 [EFFECTIVE JULY 1, 2012]: Sec. 6.5. (a) Subject to subsection (b)  
 31 and with the approval of a majority of the members of the governing  
 32 body, a school corporation may distribute any part of the following to  
 33 a conversion school sponsored by the school corporation in the amount  
 34 and under the terms and conditions adopted by a majority of the  
 35 members of the governing body:

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

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

40 (b) The total amount that may be transferred under subsection (a) in  
 41 a calendar year to a particular conversion charter school may not  
 42 exceed the result determined under STEP FOUR of the following

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formula:

STEP ONE: Determine the result of:

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

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

STEP TWO: Determine the result of:

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

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

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

(A) the STEP ONE amount; minus

(B) the STEP TWO amount.

STEP FOUR: Determine the result of:

(A) the STEP THREE amount; multiplied by

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

SECTION 12. IC 20-24-7-9, AS AMENDED BY P.L.146-2008, SECTION 463, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. (a) This section applies if:

(1) a sponsor:

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

(B) does not renew a charter; or

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

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

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

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

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

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1 **IC 20-49-5-7** from the amount appropriated for state tuition support  
2 distributions.

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

- 9 (1) virtual distance learning;  
10 (2) online technologies; or  
11 (3) computer based instruction.

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

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

17 (1) ~~the product of:~~

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

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

22 (d) (c) After December 31, 2011, a virtual charter school is entitled  
23 to receive funding **in a month** from the state in an amount equal to the  
24 sum of:

25 (1) the product of:

26 (A) the number of students included in the virtual charter  
27 school's **current** ADM; multiplied by

28 (B) **the result of:**

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

32 (ii) **twelve (12)**; plus

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

35 After December 31, 2011, a virtual charter school is entitled to receive  
36 special education grants under IC 20-43-7 calculated in the same  
37 manner as special education grants are calculated for other school  
38 corporations.

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

41 (e) Beginning in 2009, the department shall before December 1 of  
42 each year submit an annual report to the budget committee concerning

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1 the program under this section.

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

8 SECTION 14. IC 20-24-7.5 IS REPEALED [EFFECTIVE JULY 1,  
9 2013]. (New Charter School Startup Grant).

10 SECTION 15. IC 20-24.5-2-10, AS AMENDED BY P.L.146-2008,  
11 SECTION 464, IS AMENDED TO READ AS FOLLOWS  
12 [EFFECTIVE JULY 1, 2012]: Sec. 10. A laboratory school that:  
13 (1) is operated without an agreement; and  
14 (2) has an ADM **in the fall count of a school year** of not more  
15 than seven hundred fifty (750);  
16 must be treated as a charter school for purposes of funding under  
17 IC 20-20-33 and IC 20-43.

18 SECTION 16. IC 20-24.5-2-11, AS ADDED BY P.L.2-2007,  
19 SECTION 209, IS AMENDED TO READ AS FOLLOWS  
20 [EFFECTIVE JULY 1, 2012]: Sec. 11. A student who attends a  
21 laboratory school full time may not be counted in **current** ADM or  
22 ADA by any school corporation when the student's attendance is not  
23 regulated under an agreement.

24 SECTION 17. IC 20-25-12-5, AS ADDED BY P.L.1-2005,  
25 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
26 JULY 1, 2012]: Sec. 5. The **initial** approved general fund budget for  
27 each school for a school year must be, as nearly as is reasonable and  
28 practicable, proportionate to the total general fund budget for the  
29 school city in the same ratio as the school's estimated **current** ADM  
30 **for the fall count in the school year** compares to the school city's  
31 estimated **current** ADM for **the fall count for** that school year.

32 SECTION 18. IC 20-26-5-4, AS AMENDED BY P.L.90-2011,  
33 SECTION 11, AND AS AMENDED BY P.L.200-2011, SECTION 1,  
34 IS CORRECTED AND AMENDED TO READ AS FOLLOWS  
35 [EFFECTIVE JULY 1, 2012]: Sec. 4. In carrying out the school  
36 purposes of a school corporation, the governing body acting on the  
37 school corporation's behalf has the following specific powers:  
38 (1) In the name of the school corporation, to sue and be sued and  
39 to enter into contracts in matters permitted by applicable law.  
40 However, a governing body may not use funds received from the  
41 state to bring or join in an action against the state, unless the  
42 governing body is challenging an adverse decision by a state

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agency, board, or commission.  
(2) To take charge of, manage, and conduct the educational affairs of the school corporation and to establish, locate, and provide the necessary schools, school libraries, other libraries where permitted by law, other buildings, facilities, property, and equipment.  
(3) To appropriate from the school corporation's general fund an amount, not to exceed the greater of three thousand dollars (\$3,000) per budget year or one dollar (\$1) per pupil, not to exceed twelve thousand five hundred dollars (\$12,500), based on the school corporation's **ADM of the previous year's ADM, year (as defined in IC 20-43-1-7)** to promote the best interests of the school corporation through:  
    (A) the purchase of meals, decorations, memorabilia, or awards;  
    (B) provision for expenses incurred in interviewing job applicants; or  
    (C) developing relations with other governmental units.  
(4) To:  
    (A) Acquire, construct, erect, maintain, hold, and contract for construction, erection, or maintenance of real estate, real estate improvements, or an interest in real estate or real estate improvements, as the governing body considers necessary for school purposes, including buildings, parts of buildings, additions to buildings, rooms, gymnasiums, auditoriums, playgrounds, playing and athletic fields, facilities for physical training, buildings for administrative, office, warehouse, repair activities, or housing school owned buses, landscaping, walks, drives, parking areas, roadways, easements and facilities for power, sewer, water, roadway, access, storm and surface water, drinking water, gas, electricity, other utilities and similar purposes, by purchase, either outright for cash (or under conditional sales or purchase money contracts providing for a retention of a security interest by the seller until payment is made or by notes where the contract, security retention, or note is permitted by applicable law), by exchange, by gift, by devise, by eminent domain, by lease with or without option to purchase, or by lease under IC 20-47-2, IC 20-47-3, or IC 20-47-5.  
    (B) Repair, remodel, remove, or demolish, or to contract for the repair, remodeling, removal, or demolition of the real estate, real estate improvements, or interest in the real estate

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1 or real estate improvements, as the governing body considers  
 2 necessary for school purposes.  
 3 (C) Provide for conservation measures through utility  
 4 efficiency programs or under a guaranteed savings contract as  
 5 described in IC 36-1-12.5.  
 6 (5) To acquire personal property or an interest in personal  
 7 property as the governing body considers necessary for school  
 8 purposes, including buses, motor vehicles, equipment, apparatus,  
 9 appliances, books, furniture, and supplies, either by cash purchase  
 10 or under conditional sales or purchase money contracts providing  
 11 for a security interest by the seller until payment is made or by  
 12 notes where the contract, security, retention, or note is permitted  
 13 by applicable law, by gift, by devise, by loan, or by lease with or  
 14 without option to purchase and to repair, remodel, remove,  
 15 relocate, and demolish the personal property. All purchases and  
 16 contracts specified under the powers authorized under subdivision  
 17 (4) and this subdivision are subject solely to applicable law  
 18 relating to purchases and contracting by municipal corporations  
 19 in general and to the supervisory control of state agencies as  
 20 provided in section 6 of this chapter.  
 21 (6) To sell or exchange real or personal property or interest in real  
 22 or personal property that, in the opinion of the governing body, is  
 23 not necessary for school purposes, in accordance with IC 20-26-7,  
 24 to demolish or otherwise dispose of the property if, in the opinion  
 25 of the governing body, the property is not necessary for school  
 26 purposes and is worthless, and to pay the expenses for the  
 27 demolition or disposition.  
 28 (7) To lease any school property for a rental that the governing  
 29 body considers reasonable or to permit the free use of school  
 30 property for:  
 31 (A) civic or public purposes; or  
 32 (B) the operation of a school age child care program for  
 33 children who are at least five (5) years of age and less than  
 34 fifteen (15) years of age that operates before or after the school  
 35 day, or both, and during periods when school is not in session;  
 36 if the property is not needed for school purposes. Under this  
 37 subdivision, the governing body may enter into a long term lease  
 38 with a nonprofit corporation, community service organization, or  
 39 other governmental entity, if the corporation, organization, or  
 40 other governmental entity will use the property to be leased for  
 41 civic or public purposes or for a school age child care program.  
 42 However, if payment for the property subject to a long term lease

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1 is made from money in the school corporation's debt service fund,  
2 all proceeds from the long term lease must be deposited in the  
3 school corporation's debt service fund so long as payment for the  
4 property has not been made. The governing body may, at the  
5 governing body's option, use the procedure specified in  
6 IC 36-1-11-10 in leasing property under this subdivision.

7 (8) To:

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

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

26 (C) Classify persons or services described in this subdivision  
27 and to adopt schedules of salaries or compensation *that are*  
28 *consistent with IC 20-28-9-1.*

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

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

34 The compensation, terms of employment, and discharge of  
35 teachers are, however, subject to and governed by the laws  
36 relating to employment, contracting, compensation, and discharge  
37 of teachers. The compensation, terms of employment, and  
38 discharge of bus drivers are subject to and governed by laws  
39 relating to employment, contracting, compensation, and discharge  
40 of bus drivers. The forms and procedures relating to the use of  
41 computer and data processing equipment in handling the financial  
42 affairs of the school corporation must be submitted to the state

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- 1 board of accounts for approval so that the services are used by the  
2 school corporation when the governing body determines that it is  
3 in the best interest of the school corporation while at the same  
4 time providing reasonable accountability for the funds expended.  
5 (9) Notwithstanding the appropriation limitation in subdivision  
6 (3), when the governing body by resolution considers a trip by an  
7 employee of the school corporation or by a member of the  
8 governing body to be in the interest of the school corporation,  
9 including attending meetings, conferences, or examining  
10 equipment, buildings, and installation in other areas, to permit the  
11 employee to be absent in connection with the trip without any loss  
12 in pay and to reimburse the employee or the member the  
13 employee's or member's reasonable lodging and meal expenses  
14 and necessary transportation expenses. To pay teaching personnel  
15 for time spent in sponsoring and working with school related trips  
16 or activities.
- 17 (10) To transport children to and from school, when in the  
18 opinion of the governing body the transportation is necessary,  
19 including considerations for the safety of the children and without  
20 regard to the distance the children live from the school. The  
21 transportation must be otherwise in accordance with applicable  
22 law.
- 23 (11) To provide a lunch program for a part or all of the students  
24 attending the schools of the school corporation, including the  
25 establishment of kitchens, kitchen facilities, kitchen equipment,  
26 lunch rooms, the hiring of the necessary personnel to operate the  
27 lunch program, and the purchase of material and supplies for the  
28 lunch program, charging students for the operational costs of the  
29 lunch program, fixing the price per meal or per food item. To  
30 operate the lunch program as an extracurricular activity, subject  
31 to the supervision of the governing body. To participate in a  
32 surplus commodity or lunch aid program.
- 33 (12) To purchase textbooks, to furnish textbooks without cost or  
34 to rent textbooks to students, to participate in a textbook aid  
35 program, all in accordance with applicable law.
- 36 (13) To accept students transferred from other school corporations  
37 and to transfer students to other school corporations in accordance  
38 with applicable law.
- 39 (14) To make budgets, to appropriate funds, and to disburse the  
40 money of the school corporation in accordance with applicable  
41 law. To borrow money against current tax collections and  
42 otherwise to borrow money, in accordance with IC 20-48-1.

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1 (15) To purchase insurance or to establish and maintain a  
 2 program of self-insurance relating to the liability of the school  
 3 corporation or the school corporation's employees in connection  
 4 with motor vehicles or property and for additional coverage to the  
 5 extent permitted and in accordance with IC 34-13-3-20. To  
 6 purchase additional insurance or to establish and maintain a  
 7 program of self-insurance protecting the school corporation and  
 8 members of the governing body, employees, contractors, or agents  
 9 of the school corporation from liability, risk, accident, or loss  
 10 related to school property, school contract, school or school  
 11 related activity, including the purchase of insurance or the  
 12 establishment and maintenance of a self-insurance program  
 13 protecting persons described in this subdivision against false  
 14 imprisonment, false arrest, libel, or slander for acts committed in  
 15 the course of the persons' employment, protecting the school  
 16 corporation for fire and extended coverage and other casualty  
 17 risks to the extent of replacement cost, loss of use, and other  
 18 insurable risks relating to property owned, leased, or held by the  
 19 school corporation. *In accordance with IC 20-26-17, to:*  
 20 (A) participate in a state employee health plan under  
 21 IC 5-10-8-6.6 or IC 5-10-8-6.7;  
 22 (B) purchase insurance; or  
 23 (C) establish and maintain a program of self-insurance;  
 24 to benefit school corporation employees, including accident,  
 25 sickness, health, or dental coverage, provided that a plan of  
 26 self-insurance must include an aggregate stop-loss provision.  
 27 (16) To make all applications, to enter into all contracts, and to  
 28 sign all documents necessary for the receipt of aid, money, or  
 29 property from the state, the federal government, or from any other  
 30 source.  
 31 (17) To defend a member of the governing body or any employee  
 32 of the school corporation in any suit arising out of the  
 33 performance of the member's or employee's duties for or  
 34 employment with, the school corporation, if the governing body  
 35 by resolution determined that the action was taken in good faith.  
 36 To save any member or employee harmless from any liability,  
 37 cost, or damage in connection with the performance, including the  
 38 payment of legal fees, except where the liability, cost, or damage  
 39 is predicated on or arises out of the bad faith of the member or  
 40 employee, or is a claim or judgment based on the member's or  
 41 employee's malfeasance in office or employment.  
 42 (18) To prepare, make, enforce, amend, or repeal rules,

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regulations, and procedures:  
(A) for the government and management of the schools, property, facilities, and activities of the school corporation, the school corporation's agents, employees, and pupils and for the operation of the governing body; and  
(B) that may be designated by an appropriate title such as "policy handbook", "bylaws", or "rules and regulations".

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

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

SECTION 19. IC 20-26-11-11, AS AMENDED BY P.L.159-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 11. (a) A school corporation may enter into an agreement with:

- (1) a nonprofit corporation that operates a federally approved education program; or
- (2) a nonprofit corporation that:
  - (A) is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code;
  - (B) for its classroom instruction, employs teachers who are certified by the department;
  - (C) employs other professionally and state licensed staff as appropriate; and
  - (D) educates children who:
    - (i) have been suspended, expelled, or excluded from a public school in that school corporation and have been found to

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- 1 have an emotional disturbance;
- 2 (ii) have been placed with the nonprofit corporation by court
- 3 order;
- 4 (iii) have been referred by a local health department;
- 5 (iv) have been placed in a state licensed private or public
- 6 health care or child care facility as described in section 8 of
- 7 this chapter; or
- 8 (v) have been placed by or with the consent of the
- 9 department under IC 20-35-6-2;

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

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

- 16 (1) the transfer tuition costs for the student that otherwise would
- 17 be payable to the transferee corporation; and
- 18 (2) a proportionate amount of any state or local distributions to
- 19 the transferee corporation that are computed in any part using
- 20 **current** ADM or any other student count in which the student is
- 21 included, if the transferee corporation includes the student in the
- 22 transferee corporation's **current** ADM for a ~~school year~~ **the**
- 23 **period in which the student is being educated by the nonprofit**
- 24 **corporation.**

25 (c) If a school corporation that is a transferor corporation enters into  
 26 an agreement as described in subsection (a), the school corporation  
 27 shall pay to the nonprofit corporation an amount agreed upon, which  
 28 may not exceed the total of:

- 29 (1) the transfer tuition costs that otherwise would be payable to a
- 30 transferee school corporation; and
- 31 (2) a proportionate amount of any state or local distributions to
- 32 the transferor corporation that are computed in any part using
- 33 **current** ADM or any other student count in which the student is
- 34 included, if the transferor corporation includes the student in the
- 35 transferor corporation's ADM for a ~~school year~~ **the period in**
- 36 **which the student is being educated by the nonprofit**
- 37 **corporation.**

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

- 42 (1) "Class of school" refers to a classification of each school or

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1 program in the transferee corporation by the grades or special  
 2 programs taught at the school. Generally, these classifications are  
 3 denominated as kindergarten, elementary school, middle school  
 4 or junior high school, high school, and special schools or classes,  
 5 such as schools or classes for special education, career and  
 6 technical education, or career education.

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

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

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

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

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

18 (3) "Student enrollment" means the following:

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

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

25 However, a kindergarten student shall be counted under clauses  
 26 (A) and (B) as one-half (1/2) student. The state board may select  
 27 a different date for counts under this subdivision. However, the  
 28 same date shall be used for all school corporations making a count  
 29 for the same class of school.

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

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

41 STEP TWO: If the transferee school included the transfer student  
 42 in the transferee school's **current** ADM, ~~for a school year;~~

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1 allocate to the transfer student a proportionate share of the  
 2 following general fund revenues of the transferee school  
 3 **attributable to the period in which the student is included in**  
 4 **current ADM** for, except as provided in clause (C), the calendar  
 5 year in which the school year ends:

- 6 (A) State tuition support distributions.  
 7 (B) Property tax levies under IC 20-45-7 and IC 20-45-8.  
 8 (C) The sum of the following excise tax revenue received for  
 9 deposit in the calendar year in which the school year begins:  
 10 (i) Financial institution excise tax revenue (IC 6-5.5).  
 11 (ii) Motor vehicle excise taxes (IC 6-6-5).  
 12 (iii) Commercial vehicle excise taxes (IC 6-6-5.5).  
 13 (iv) Boat excise tax (IC 6-6-11).  
 14 (v) Aircraft license excise tax (IC 6-6-6.5).  
 15 (D) Allocations to the transferee school under IC 6-3.5.

16 STEP THREE: Determine the greater of:

- 17 (A) zero (0); or  
 18 (B) the result of subtracting the STEP TWO amount from the  
 19 STEP ONE amount.

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

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

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

39 for the school year.

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

- 42 (1) the cost of the special equipment; divided by

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- 1 (2) the product of:  
 2 (A) the useful life of the special equipment, as determined  
 3 under the rules adopted by the state board; multiplied by  
 4 (B) the number of students using the special equipment during  
 5 at least part of the school year.
- 6 (e) When an item of expense or cost described in subsection (c)  
 7 cannot be allocated to a class of school, it shall be prorated to all  
 8 classes of schools on the basis of the student enrollment of each class  
 9 in the transferee corporation compared with the total student  
 10 enrollment in the school corporation.
- 11 (f) Operating costs shall be allocated to a transfer student for each  
 12 school year by dividing:  
 13 (1) the transferee school corporation's operating costs for the class  
 14 of school in which the transfer student is enrolled; by  
 15 (2) the student enrollment of the class of school in which the  
 16 transfer student is enrolled.
- 17 When a transferred student is enrolled in a transferee corporation for  
 18 less than the full school year of student attendance, the transfer tuition  
 19 shall be calculated by the part of the school year for which the  
 20 transferred student is enrolled. A school year of student attendance  
 21 consists of the number of days school is in session for student  
 22 attendance. A student, regardless of the student's attendance, is enrolled  
 23 in a transferee school unless the student is no longer entitled to be  
 24 transferred because of a change of residence, the student has been  
 25 excluded or expelled from school for the balance of the school year or  
 26 for an indefinite period, or the student has been confirmed to have  
 27 withdrawn from school. The transferor and the transferee corporation  
 28 may enter into written agreements concerning the amount of transfer  
 29 tuition due in any school year. If an agreement cannot be reached, the  
 30 amount shall be determined by the state board, and costs may be  
 31 established, when in dispute, by the state board of accounts.
- 32 (g) A transferee school shall allocate revenues described in  
 33 subsection (b) STEP TWO to a transfer student by dividing:  
 34 (1) the total amount of revenues received **during a period**; by  
 35 (2) the **current** ADM of the transferee school for the **school year**  
 36 **that ends in the calendar year period** in which the revenues are  
 37 received.
- 38 However, for state tuition support distributions or any other state  
 39 distribution computed using less than the total **current** ADM of the  
 40 transferee school, the transferee school shall allocate the revenues to  
 41 the transfer student by dividing the revenues that the transferee school  
 42 is eligible to receive **in a calendar year during the period** by the

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1 student count used to compute the state distribution.

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

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

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

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

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

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

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

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

22 SECTION 21. IC 20-26-11-22, AS ADDED BY P.L.1-2005,  
23 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
24 JULY 1, 2012]: Sec. 22. (a) The transferee corporation is entitled to  
25 receive from the transferor corporation transfer tuition for each  
26 transferred student for each school year calculated in two (2) parts:

27 (1) operating cost; and

28 (2) capital cost.

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

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

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

41 (1) The capital cost must be based on an amount equal to five  
42 percent (5%) of the cost of transferee corporation's physical plant,

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- 1 equipment, and all items connected to the physical plant or  
 2 equipment, including:
- 3 (A) buildings, additions, and remodeling to the buildings,  
 4 excluding ordinary maintenance; and
- 5 (B) on-site and off-site improvements such as walks, sewers,  
 6 waterlines, drives, and playgrounds;
- 7 that have been paid or are obligated to be paid in the future out of  
 8 the general fund, capital projects fund, or debt service fund,  
 9 including principal and interest, lease rental payments, and funds  
 10 that were legal predecessors to these funds. If an item of the  
 11 physical plant, equipment, appurtenances, or part of the item is  
 12 more than twenty (20) years old at the beginning of the school  
 13 year, the capital cost of the item shall be disregarded in making  
 14 the capital cost computation.
- 15 (2) The capital cost must be based on the amount budgeted from  
 16 the general fund for capital outlay for physical plant, equipment,  
 17 and appurtenances and the amounts levied for the debt service  
 18 fund and the capital projects fund for the calendar year in which  
 19 the school year ends.
- 20 (d) If an item of expense or cost cannot be allocated to a class of  
 21 school, the item shall be prorated to all classes of schools on the basis  
 22 of the ADM of each class in the transferee corporation, **as determined**  
 23 **in the fall count of ADM in the school year**, compared to the total  
 24 **current** ADM therein, **as determined in the fall count of ADM in the**  
 25 **school year**.
- 26 (e) The transfer tuition for each student transferred for each school  
 27 year shall be calculated by dividing the transferee school corporation's  
 28 total operating costs and the total capital costs for the class of school  
 29 in which the student is enrolled by the ADM of students therein, **as**  
 30 **determined in the fall count of ADM in the school year**. If a  
 31 transferred student is enrolled in a transferee corporation for less than  
 32 the full school year, the transfer tuition shall be calculated by the  
 33 proportion of such school year for which the transferred student is  
 34 enrolled. A school year for this purpose consists of the number of days  
 35 school is in session for student attendance. A student shall be enrolled  
 36 in a transferee school, whether or not the student is in attendance,  
 37 unless the:
- 38 (1) student's residence is outside the area of students transferred  
 39 to the transferee corporation;
- 40 (2) student has been excluded or expelled from school; or
- 41 (3) student has been confirmed as a school dropout.
- 42 The transferor and transferee corporations may enter into written

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1 agreements concerning the amount of transfer tuition. If an agreement  
2 cannot be reached, the amount shall be determined by the state  
3 superintendent, with costs to be established, where in dispute, by the  
4 state board of accounts.

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

11 SECTION 22. 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 23. 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 24. IC 20-40-8-1, AS AMENDED BY P.L.229-2011,  
 12 SECTION 196, IS AMENDED TO READ AS FOLLOWS  
 13 [EFFECTIVE JULY 1, 2012]: Sec. 1. As used in this chapter, "calendar  
 14 year distribution" means the sum of the following:

15 (†) a school corporation's

16 (A) state tuition support and

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

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

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

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

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

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

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

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

29 SECTION 25. IC 20-43-1-6, AS ADDED BY P.L.2-2006,  
 30 SECTION 166, IS AMENDED TO READ AS FOLLOWS  
 31 [EFFECTIVE JULY 1, 2012]: Sec. 6. "ADM" refers to average daily  
 32 membership determined under ~~IC 20-43-4-2~~. **IC 20-43-4.**

33 SECTION 26. IC 20-43-1-7, AS ADDED BY P.L.2-2006,  
 34 SECTION 166, IS AMENDED TO READ AS FOLLOWS  
 35 [EFFECTIVE JULY 1, 2012]: Sec. 7. "ADM of the previous year"  
 36 means:

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

40 (2) for previous years ending after December 31, 2012, the  
 41 number of eligible pupils counted on the count date that is  
 42 effective for the month in which a calculation using the term

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1 is applied, as subsequently adjusted (if applicable) under  
2 IC 20-43-4-2.

3 SECTION 27. IC 20-43-1-7.5 IS ADDED TO THE INDIANA  
4 CODE AS A NEW SECTION TO READ AS FOLLOWS  
5 [EFFECTIVE JULY 1, 2012]: Sec. 7.5. "Attending" means physical  
6 or virtual presence of a student with the expectation of continued  
7 services in the education programs for which the student is  
8 registered.

9 SECTION 28. IC 20-43-1-10, AS ADDED BY P.L.2-2006,  
10 SECTION 166, IS AMENDED TO READ AS FOLLOWS  
11 [EFFECTIVE JULY 1, 2012]: Sec. 10. "Current ADM" means:

12 (1) for distributions made under this article before January 1,  
13 2013, the initial computed fall count of ADM for the school year  
14 ending in the calendar year; and

15 (2) for distributions made under this article after December  
16 31, 2012, the number of eligible pupils enrolled in a school  
17 corporation as:

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

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

23 SECTION 29. IC 20-43-1-11.5 IS ADDED TO THE INDIANA  
24 CODE AS A NEW SECTION TO READ AS FOLLOWS  
25 [EFFECTIVE JULY 1, 2012]: Sec. 11.5. "Enrolled" means to be:

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

28 (2) attending these educational programs.

29 SECTION 30. IC 20-43-1-12.3 IS ADDED TO THE INDIANA  
30 CODE AS A NEW SECTION TO READ AS FOLLOWS  
31 [EFFECTIVE JULY 1, 2012]: Sec. 12.3. "Fall count" refers to the  
32 first count of ADM in a school year under IC 20-43-4-3, as finally  
33 adjusted under IC 20-43-4-2.

34 SECTION 31. IC 20-43-1-24.5 IS ADDED TO THE INDIANA  
35 CODE AS A NEW SECTION TO READ AS FOLLOWS  
36 [EFFECTIVE JULY 1, 2012]: Sec. 24.5. "Spring count" refers to the  
37 second count of ADM in a school year under IC 20-43-4-3, as  
38 subsequently adjusted under IC 20-43-4-2.

39 SECTION 32. IC 20-43-2-1, AS AMENDED BY P.L.146-2008,  
40 SECTION 481, IS AMENDED TO READ AS FOLLOWS  
41 [EFFECTIVE JULY 1, 2012]: Sec. 1. The department shall distribute  
42 the amount appropriated by the general assembly for distribution as

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1 state tuition support in accordance with this article. If the  
 2 appropriations for distribution as state tuition support are more than  
 3 required under this article, any excess shall revert to the state general  
 4 fund. The appropriations for state tuition support shall be made each  
 5 calendar year under a schedule set by the budget agency and approved  
 6 by the governor. However, **notwithstanding P.L.229-2011, SECTION**  
 7 **9**, the schedule must provide:

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

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

- 17 (1) the school corporation; or  
 18 (2) a transferee corporation;

19 ~~on a day to be the days~~ fixed ~~annually~~ by the state board **under section**  
 20 **3 of this chapter, and** as subsequently adjusted ~~not later than January~~  
 21 ~~30~~ under the rules adopted by the state board. **The state board may**  
 22 **adjust the school's count of eligible pupils if the state board**  
 23 **determines that the count is unrepresentative of the school**  
 24 **corporation's enrollment.**

25 SECTION 34. IC 20-43-4-3, AS ADDED BY P.L.2-2006,  
 26 SECTION 166, IS AMENDED TO READ AS FOLLOWS  
 27 [EFFECTIVE JULY 1, 2012]: Sec. 3. **(a) Subject to subsection (b),**  
 28 ~~the initial day of the state board shall make an ADM count must fall:~~  
 29 **of the eligible pupils enrolled in each school corporation two (2)**  
 30 **times each within the first thirty (30) days of the school year, with one**  
 31 **(1) count date occurring in each of the following periods:**

- 32 **(1) The fall count of ADM shall be made on a day fixed by the**  
 33 **state board after the month of September.**  
 34 **(2) The spring count of ADM shall be made on a day fixed by**  
 35 **the state board after the month of February.**

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

- 37 (1) student in-migration;  
 38 (2) illness;  
 39 (3) natural disaster; or  
 40 (4) other unusual conditions in a particular school corporation's  
 41 enrollment;

42 on either ~~the a count~~ day fixed by the state board or ~~on~~ the subsequent

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1 adjustment date cause the enrollment to be unrepresentative of the  
 2 school corporation's enrollment, ~~throughout a school year~~; the state  
 3 board may designate another day for determining the school  
 4 corporation's enrollment.

5 SECTION 35. IC 20-43-4-3.5 IS ADDED TO THE INDIANA  
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 7 [EFFECTIVE JANUARY 1, 2013]: **Sec. 3.5. (a) This section applies**  
 8 **only in the initial year in which a charter school begins operation.**

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

15 **(c) Using the estimates submitted by the charter school and any**  
 16 **other information available to the state board, the state board shall**  
 17 **estimate the number of eligible pupils who are likely to be included**  
 18 **in the fall ADM count of the charter school in the school year**  
 19 **beginning in the calendar year. The state board may adjust the**  
 20 **estimate provided by a charter school as the state board**  
 21 **determines necessary.**

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

27 SECTION 36. IC 20-43-4-4, AS ADDED BY P.L.2-2006,  
 28 SECTION 166, IS AMENDED TO READ AS FOLLOWS  
 29 [EFFECTIVE JULY 1, 2012]: **Sec. 4. (a) The state board shall monitor**  
 30 **changes that occur after the fall count of ADM ~~count~~ in the number of**  
 31 **students enrolled in programs for children with disabilities. The state**  
 32 **board shall:**

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

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

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



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

3           SECTION 37. IC 20-43-4-4.5 IS ADDED TO THE INDIANA  
 4 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 5 [EFFECTIVE JULY 1, 2012]: **Sec. 4.5. IC 20-43-8-1 applies to a**  
 6 **count of students for career and technical education grants.**

7           SECTION 38. IC 20-43-4-6, AS AMENDED BY P.L.234-2007,  
 8 SECTION 239, IS AMENDED TO READ AS FOLLOWS  
 9 [EFFECTIVE JULY 1, 2012]: **Sec. 6. (a) In determining ADM, each**  
 10 **pupil enrolled in a public school and a nonpublic school is to be**  
 11 **counted on a full-time equivalency basis if the pupil:**

- 12           (1) is enrolled in a public school and a nonpublic school;  
 13           (2) has legal settlement in a school corporation; and  
 14           (3) receives instructional services from the school corporation.

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

17           **STEP ONE: Determine the result of:**

- 18           (A) the number of days instructional services will be provided  
 19           to the pupil, not to exceed one hundred eighty (180); divided  
 20           by

21           (B) one hundred eighty (180).

22           **STEP TWO: Determine the result of:**

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

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

27           **STEP THREE: Determine the result of:**

28           (A) the STEP ONE result; multiplied by

29           (B) the STEP TWO result.

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

31           (A) the STEP THREE result; multiplied by

32           (B) one and five hundredths (1.05).

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

38           SECTION 39. IC 20-43-4-9 IS ADDED TO THE INDIANA CODE  
 39 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 40 1, 2012]: **Sec. 9. (a) This subsection applies to the calculation of**  
 41 **state tuition support distributions that are:**

- 42           (1) made before January 1, 2013; and

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1           **(2) based on the current ADM of a school corporation.**  
 2           **The fall count of ADM for the school year ending June 30, 2012, as**  
 3           **adjusted by the state board under section 2 of this chapter, shall be**  
 4           **used to compute state tuition support distributions.**

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

7                   **(1) made after December 31, 2012; and**

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

9           **The fall count of ADM for the school year ending in the current**  
 10           **calendar year, as adjusted by the state board under section 2 of this**  
 11           **chapter, shall be used to compute state tuition support**  
 12           **distributions made in the first six (6) months of the calendar year,**  
 13           **and the spring count of ADM for the school year ending in the**  
 14           **current calendar year, as adjusted by the state board under section**  
 15           **2 of this chapter, shall be used to compute state tuition support**  
 16           **distributions made in the second six (6) months of the calendar**  
 17           **year.**

18           **(c) This subsection applies only to the calculation of tuition**  
 19           **support distributions to a charter school, including a conversion**  
 20           **charter school, for the first six (6) months in which the charter**  
 21           **school begins its initial operation. A charter school is entitled only**  
 22           **to a distribution of basic tuition support for the first six (6) months**  
 23           **of the school year in which the charter school begins initial**  
 24           **operation. The count of students made under section 3.5 of this**  
 25           **chapter, as subsequently adjusted under section 3.5 of this chapter,**  
 26           **shall be treated as the current ADM of the charter school for the**  
 27           **calculation of the charter school's basic tuition support for that**  
 28           **period. However, distributions to the school corporation shall not**  
 29           **begin until after the first day the charter school conducts regular**  
 30           **classes, as determined by the department. The amount withheld for**  
 31           **the charter school before that date shall be paid to the charter**  
 32           **school on a schedule determined under subsection (d).**

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

40           SECTION 40. IC 20-43-5-4, AS AMENDED BY P.L.229-2011,  
 41           SECTION 209, IS AMENDED TO READ AS FOLLOWS  
 42           [EFFECTIVE JULY 1, 2012]: Sec. 4. A school corporation's

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1 foundation amount for a calendar year is the result determined under  
2 STEP THREE of the following formula:

3 STEP ONE: The STEP ONE amount is:

4 (A) in 2012, four thousand two hundred eighty dollars  
5 (\$4,280); and

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

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

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

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

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

16 (C) The result of one hundred fifty thousand dollars  
17 (\$150,000) divided by the school corporation's current ADM,  
18 if the school corporation's current ADM is more than one  
19 thousand (1,000).

20 SECTION 41. IC 20-43-5-5, AS AMENDED BY P.L.182-2009(ss),  
21 SECTION 335, IS AMENDED TO READ AS FOLLOWS  
22 [EFFECTIVE JULY 1, 2012]: Sec. 5. A school corporation's previous  
23 year revenue foundation amount for a calendar year is equal to the  
24 result of:

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

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

27 SECTION 42. IC 20-43-5-6, AS AMENDED BY P.L.229-2011,  
28 SECTION 210, IS AMENDED TO READ AS FOLLOWS  
29 [EFFECTIVE JULY 1, 2012]: Sec. 6. (a) A school corporation's  
30 transition to foundation amount for a calendar year is equal to the result  
31 determined under STEP TWO of the following formula:

32 STEP ONE: Determine the difference of:

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

34 (B) the lesser of:

35 (i) the school corporation's previous year revenue foundation  
36 amount; or

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

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

41 (A) For a charter school located outside Marion County that  
42 has previous year revenue that is not greater than zero (0), the

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- 1 charter school's STEP TWO amount is the quotient of:  
 2 (i) the school corporation's transition to foundation revenue  
 3 ~~for the calendar year~~ where the charter school is located;  
 4 divided by  
 5 (ii) the school corporation's current ADM.  
 6 (B) For a charter school located in Marion County that has  
 7 previous year revenue that is not greater than zero (0), the  
 8 charter school's STEP TWO amount is the weighted average  
 9 of the transition to foundation revenue for the school  
 10 corporations where the students counted in the current ADM  
 11 of the charter school have legal settlement, as determined  
 12 under item (iv) of the following formula:  
 13 (i) Determine the transition to foundation revenue for each  
 14 school corporation where a student counted in the current  
 15 ADM of the charter school has legal settlement.  
 16 (ii) For each school corporation identified in item (i), divide  
 17 the item (i) amount by the school corporation's current  
 18 ADM.  
 19 (iii) For each school corporation identified in item (i),  
 20 multiply the item (ii) amount by the number of students  
 21 counted in the current ADM of the charter school that have  
 22 legal settlement in the particular school corporation.  
 23 (iv) Determine the sum of the item (iii) amounts for the  
 24 charter school.  
 25 (C) The STEP TWO amount for a school corporation that is  
 26 not a charter school described in clause (A) or (B) is the  
 27 following:  
 28 (i) The school corporation's foundation amount ~~for the~~  
 29 ~~calendar year~~ if the STEP ONE amount is zero (0) or  
 30 greater.  
 31 (ii) The amount determined under subsection (b), if the  
 32 school corporation's STEP ONE amount is less than zero (0).  
 33 (b) For the purposes of STEP TWO (C)(ii) in subsection (a),  
 34 determine the result of:  
 35 (1) the result determined for the school corporation under STEP  
 36 ONE (B) of subsection (a); minus  
 37 (2) the result of:  
 38 (A) the absolute value of the STEP ONE amount; divided by  
 39 (B) seven (7) in 2012 and six (6) in 2013.  
 40 SECTION 43. IC 20-43-5-7, AS AMENDED BY P.L.229-2011,  
 41 SECTION 211, IS AMENDED TO READ AS FOLLOWS  
 42 [EFFECTIVE JULY 1, 2012]: Sec. 7. A school corporation's transition

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1 to foundation revenue ~~for a calendar year~~ is equal to the product of:

2 (1) the school corporation's transition to foundation amount; ~~for~~

3 ~~the calendar year~~; multiplied by

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

5 SECTION 44. IC 20-43-6-3, AS AMENDED BY P.L.229-2011,  
6 SECTION 212, IS AMENDED TO READ AS FOLLOWS  
7 [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) A school corporation's basic  
8 tuition support for a **year month** is the amount determined under the  
9 applicable provision of this section.

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

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

14 **(2) twelve (12).**

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

18 SECTION 45. IC 20-43-8-1, AS ADDED BY P.L.2-2006,  
19 SECTION 166, IS AMENDED TO READ AS FOLLOWS  
20 [EFFECTIVE JULY 1, 2012]: Sec. 1. Pupil enrollment under this  
21 chapter shall be determined at the same time that a school corporation's  
22 **fall count of** ADM is determined.

23 SECTION 46. IC 20-43-9-6, AS AMENDED BY P.L.229-2011,  
24 SECTION 217, IS AMENDED TO READ AS FOLLOWS  
25 [EFFECTIVE JULY 1, 2012]: Sec. 6. A school corporation's primetime  
26 distribution for a ~~calendar year~~ **month** under this chapter is the **result**  
27 **of the** amount determined by the following formula **divided by twelve**  
28 **(12)**:

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

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

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

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

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

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

42 (C) If the school corporation's complexity index is at least one

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- 1 and three-tenths (1.3), the school corporation's target  
 2 pupil/teacher ratio is fifteen to one (15:1).  
 3 STEP TWO: Determine the result of:  
 4 (A) the **current** ADM of the school corporation in  
 5 kindergarten through grade 3; ~~for the current school year;~~  
 6 divided by  
 7 (B) the school corporation's applicable target pupil/teacher  
 8 ratio, as determined in STEP ONE.  
 9 STEP THREE: Determine the result of:  
 10 (A) the basic tuition support for the ~~year month~~ multiplied by  
 11 ~~seventy-five hundredths (0.75);~~ **nine (9)**; divided by  
 12 (B) the school corporation's **current** ADM.  
 13 STEP FOUR: Determine the result of:  
 14 (A) the STEP THREE result; multiplied by  
 15 (B) the **current** ADM of the school corporation in  
 16 kindergarten through grade 3. ~~for the current school year.~~  
 17 STEP FIVE: Determine the result of:  
 18 (A) the STEP FOUR result; divided by  
 19 (B) the staff cost amount.  
 20 STEP SIX: Determine the greater of zero (0) or the result of:  
 21 (A) the STEP TWO amount; minus  
 22 (B) the STEP FIVE amount.  
 23 STEP SEVEN: Determine the result of:  
 24 (A) the STEP SIX amount; multiplied by  
 25 (B) the staff cost amount.  
 26 STEP EIGHT: Determine the greater of the STEP SEVEN amount  
 27 or:  
 28 (A) for 2012, fifty percent (50%) of the school corporation's  
 29 guaranteed primetime amount; or  
 30 (B) for 2013, zero (0).  
 31 STEP NINE: A school corporation's amount under this STEP is  
 32 the following:  
 33 (A) If the amount the school corporation received under this  
 34 chapter in the previous calendar year is greater than zero (0),  
 35 the amount under this STEP is the lesser of:  
 36 (i) the STEP EIGHT amount; or  
 37 (ii) the amount the school corporation received under this  
 38 chapter for the previous calendar year multiplied by one  
 39 hundred seven and one-half percent (107.5%).  
 40 (B) If the amount the school corporation received under this  
 41 chapter in the previous calendar year is not greater than zero  
 42 (0), the amount under this STEP is the STEP EIGHT amount.

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1 SECTION 47. IC 20-45-7-19, AS ADDED BY P.L.2-2006,  
 2 SECTION 168, IS AMENDED TO READ AS FOLLOWS  
 3 [EFFECTIVE JULY 1, 2012]: Sec. 19. Before July 11 of each year, the  
 4 state superintendent shall certify to the county auditor:

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

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

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

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

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

17 SECTION 48. IC 20-45-7-26, AS ADDED BY P.L.2-2006,  
 18 SECTION 168, IS AMENDED TO READ AS FOLLOWS  
 19 [EFFECTIVE JULY 1, 2012]: Sec. 26. The entitlement of each  
 20 qualified school corporation from the fund for each calendar year is the  
 21 greater of:

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

24 (2) an amount equal to twenty-seven dollars and fifty cents  
 25 (\$27.50) times its **current** ADM **as determined in the fall count**  
 26 **of ADM conducted in the school year ending in the current**  
 27 **calendar year.**

28 SECTION 49. IC 20-45-8-18, AS ADDED BY P.L.2-2006,  
 29 SECTION 168, IS AMENDED TO READ AS FOLLOWS  
 30 [EFFECTIVE JULY 1, 2012]: Sec. 18. (a) Before July 11 of each year,  
 31 the state superintendent shall deliver to the county auditor a certified  
 32 statement of:

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

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

41 (b) Upon the receipt of the information, the county auditor shall  
 42 compute the amount to be distributed to each of the qualified school

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1 corporations from the receipts of the tax levy, based on the formula set  
2 forth in this chapter.

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

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

11 SECTION 50. IC 20-45-8-22, AS ADDED BY P.L.2-2006,  
12 SECTION 168, IS AMENDED TO READ AS FOLLOWS  
13 [EFFECTIVE JULY 1, 2012]: Sec. 22. (a) The amount to be raised by  
14 the tax shall be determined in any calendar year by the county auditor  
15 and certified to by the board of county commissioners before the time  
16 for making the county budgets in the year.

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

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

22 STEP ONE: Calculate the quotient of:

23 (A) the total amount deposited in the fund in calendar year  
24 1979 or the first year in which a deposit was made, whichever  
25 is later; divided by

26 (B) for:

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

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

39 STEP TWO: Calculate the product of:

40 (A) the STEP ONE result; multiplied by

41 (B) for:

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

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1 ADM of the immediately preceding school year of the  
 2 qualified school corporation that received money from the  
 3 fund in 1979, **as determined in the fall count of ADM for**  
 4 **the school year ending in the immediately preceding**  
 5 **calendar year; and**  
 6 **(ii) a calendar year beginning after December 31, 2012,**  
 7 **the total ADM of the immediately preceding school year**  
 8 **of qualified school corporations that received money**  
 9 **from the fund in 1979, as determined in the spring count**  
 10 **of ADM for the school year ending in the immediately**  
 11 **preceding calendar year.**

12 SECTION 51. IC 20-49-3-8, AS AMENDED BY P.L.146-2008,  
 13 SECTION 529, IS AMENDED TO READ AS FOLLOWS  
 14 [EFFECTIVE JULY 1, 2013]: Sec. 8. The fund may be used to make  
 15 advances:

- 16 (1) to school corporations, including school townships, under
- 17 IC 20-49-4 and IC 20-49-5; **and**
- 18 (2) under IC 20-49-6. ~~and~~
- 19 ~~(3) to charter schools under IC 20-24-7-3(c) and IC 20-49-7.~~

20 SECTION 52. IC 20-49-4-7, AS AMENDED BY P.L.113-2010,  
 21 SECTION 99, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 22 JULY 1, 2012]: Sec. 7. As used in this chapter, "school building  
 23 construction program" means the purchase, lease, or financing of land,  
 24 the construction and equipping of school buildings, and the  
 25 remodeling, repairing, or improving of school buildings by a school  
 26 corporation:

- 27 (1) that sustained a loss from a disaster;
- 28 (2) whose adjusted assessed valuation (as determined under
- 29 IC 6-1.1-34-8) per **current** ADM is within the lowest forty
- 30 percent (40%) of the assessed valuation per **current** ADM when
- 31 compared with all school corporation adjusted assessed valuation
- 32 (as adjusted (if applicable) under IC 6-1.1-34-8) per **current**
- 33 ADM; or
- 34 (3) with an advance under this chapter outstanding on July 1,
- 35 1993, that bears interest of at least seven and one-half percent
- 36 (7.5%).

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

39 SECTION 53. IC 20-49-5-7 IS ADDED TO THE INDIANA CODE  
 40 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 41 1, 2013]: **Sec. 7. (a) A charter school, including a conversion**  
 42 **charter school, that has received an advance for operational costs**

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1 from the common school fund under IC 20-49-7 (before its repeal)  
 2 is not required to make principal or interest payments during the  
 3 state fiscal years beginning:

4 (1) July 1, 2011; and

5 (2) July 1, 2012;

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

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

12 SECTION 54. IC 20-49-7 IS REPEALED [EFFECTIVE JULY 1,  
 13 2013]. (Charter School Advancement Account).

14 SECTION 55. IC 20-51-4-5, AS ADDED BY P.L.92-2011,  
 15 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 16 JULY 1, 2012]: Sec. 5. The state tuition support amount to be used in  
 17 ~~section 3(2)~~ **section 4(2)** of this chapter for an eligible individual is the  
 18 amount determined under the last STEP of the following formula:

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

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

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

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

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

39 STEP THREE: Determine the result of:

40 (A) the STEP TWO amount; divided by

41 (B) the current ADM ~~(as defined in IC 20-43-1-10)~~  
 42 school corporation identified under STEP ONE for the

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1 calendar year used in STEP TWO.  
2 SECTION 56. IC 21-7-13-5, AS ADDED BY P.L.2-2007,  
3 SECTION 243, IS AMENDED TO READ AS FOLLOWS  
4 [EFFECTIVE JULY 1, 2012]: Sec. 5. "**Current** ADM" has the  
5 meaning set forth in ~~IC 20-43-1-6~~. **IC 20-43-1-10**.  
6 SECTION 57. IC 21-43-5-14, AS ADDED BY P.L.234-2007,  
7 SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
8 JULY 1, 2012]: Sec. 14. Ivy Tech Community College is entitled to  
9 reimbursement for the costs incurred to deliver courses under this  
10 chapter that are taken:  
11 (1) at an Ivy Tech Community College site; and  
12 (2) by a student for whom Ivy Tech Community College has  
13 waived tuition under this chapter or IC 21-14-8.  
14 The school corporation in which the student described in subdivision  
15 (2) resides shall pay the individual's tuition to Ivy Tech Community  
16 College for each **year month** the student is included in the school  
17 corporation's **current** ADM.  
18 SECTION 58. IC 21-43-6-2, AS AMENDED BY P.L.3-2008,  
19 SECTION 148, IS AMENDED TO READ AS FOLLOWS  
20 [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) To be eligible to earn a high  
21 school diploma, an individual participating in the program established  
22 under this chapter must be either:  
23 (1) at least nineteen (19) years of age and not enrolled in a high  
24 school; or  
25 (2) at least seventeen (17) years of age and have consent from the  
26 high school the individual attended most recently.  
27 (b) The school corporation in which an individual described in this  
28 subdivision has legal settlement shall pay the individual's costs for high  
29 school level courses taken at Ivy Tech Community College during each  
30 **year month** the individual is included in the school corporation's  
31 **current** ADM.  
32 SECTION 59. IC 21-43-7-2, AS AMENDED BY P.L.3-2008,  
33 SECTION 150, IS AMENDED TO READ AS FOLLOWS  
34 [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) To be eligible to earn a high  
35 school diploma, an individual participating in the program established  
36 under this chapter must be either:  
37 (1) at least nineteen (19) years of age and not enrolled in a high  
38 school; or  
39 (2) at least seventeen (17) years of age and have consent from the  
40 high school the individual attended most recently.  
41 (b) The school corporation in which an individual described in this  
42 subdivision has legal settlement shall pay the individual's tuition for

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1 high school level courses taken at Vincennes University during each  
2 **year month** the individual is included in the school corporation's  
3 **current** ADM.  
4 SECTION 60. IC 21-43-8-2, AS AMENDED BY P.L.3-2008,  
5 SECTION 152, IS AMENDED TO READ AS FOLLOWS  
6 [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) To be eligible to earn a high  
7 school diploma, an individual participating in the program established  
8 under this chapter must be either:  
9 (1) at least nineteen (19) years of age and not enrolled in a school  
10 corporation; or  
11 (2) at least seventeen (17) years of age and have consent from the  
12 high school the individual attended most recently.  
13 (b) The school corporation in which an individual to whom this  
14 subdivision applies resides shall pay the individual's tuition for high  
15 school level courses taken at the state educational institution during  
16 each **year month** the individual is included in the school corporation's  
17 **current** ADM.

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1189, 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:

Page 9, delete lines 2 through 42, begin a new paragraph and insert:

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

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

The department shall verify the accuracy of the information reported.

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

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

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

- ~~(1) tuition support and other state funding for any purpose for students enrolled in the conversion charter school;~~
- ~~(2) (1) a proportionate share of state and federal funds received:~~
  - (A) for students with disabilities; or
  - (B) for staff services for students with disabilities;



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

for the second six (6) months of the calendar year in which the conversion charter school is established. The department shall make a distribution under this subsection at the same time and in the same manner as the department makes a distribution to the governing body of the school corporation in which the conversion charter school is located. A distribution to the governing body of the school corporation in which the conversion charter school is located is reduced by the amount distributed to the conversion charter school. This subsection does not apply to a conversion charter school after December 31 of the calendar year in which the conversion charter school is established.

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

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

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

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

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

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

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

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

Page 10, delete lines 1 through 30.

Page 11, between lines 23 and 24, begin a new paragraph and insert:  
 "SECTION 12. IC 20-24-7-9, AS AMENDED BY P.L.146-2008, SECTION 463, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. (a) This section applies if:

- (1) a sponsor:
  - (A) revokes a charter before the end of the term for which the charter is granted; or
  - (B) does not renew a charter; or

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

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

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

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

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

Page 12, delete lines 29 through 40, begin a new paragraph and insert:

"SECTION 14. IC 20-24-7.5 IS REPEALED [EFFECTIVE JULY 1, 2013]. (New Charter School Startup Grant)."

Page 13, line 42, delete "for" and insert "of".

Page 27, between lines 33 and 34, begin a new paragraph and insert:

"SECTION 26. IC 20-43-1-7.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 7.5. "Attending" means physical or virtual presence of a student with the expectation of continued services in the education programs for which the student is registered.**"

Page 28, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 28. IC 20-43-1-11.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 11.5. "Enrolled" means to be:**

- (1) registered with a school corporation to attend educational programs offered by or through the school corporation; and**
- (2) attending these educational programs."**

Page 28, line 15, delete "finally" and insert "subsequently".

Page 28, delete lines 16 through 25.

Page 29, line 20, delete "in" and insert "after".

Page 29, line 22, delete "in" and insert "after".

Page 29, line 22, delete "March." and insert "February."

Page 29, delete lines 34 through 42, begin a new paragraph and

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insert:

"SECTION 34. IC 20-43-4-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JANUARY 1, 2013]: **Sec. 3.5. (a) This section applies only in the initial year in which a charter school begins operation.**

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

**(c) Using the estimates submitted by the charter school and any other information available to the state board, the state board shall estimate the number of eligible pupils who are likely to be included in the fall ADM count of the charter school in the school year beginning in the calendar year. The state board may adjust the estimate provided by a charter school as the state board determines necessary.**

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

Page 30, delete lines 1 through 10.

Page 31, line 29, delete "IC 20-43-4-2," and insert "**section 2 of this chapter,**".

Page 31, line 31, delete "This" and insert "**Subject to subsection (c), this**".

Page 31, line 36, delete "IC 20-43-4-2," and insert "**section 2 of this chapter,**".

Page 31, line 40, delete "IC 20-43-4-2," and insert "**section 2 of this chapter,**".

Page 31, after line 42, begin a new paragraph and insert:

**"(c) This subsection applies only to the calculation of tuition support distributions to a charter school, including a conversion charter school, for the first six (6) months in which the charter school begins its initial operation. A charter school is entitled only to a distribution of basic tuition support for the first six (6) months of the school year in which the charter school begins initial operation. The count of students made under section 3.5 of this chapter, as subsequently adjusted under section 3.5 of this chapter,**



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shall be treated as the current ADM of the charter school for the calculation of the charter school's basic tuition support for that period. However, distributions to the school corporation shall not begin until after the first day the charter school conducts regular classes, as determined by the department. The amount withheld for the charter school before that date shall be paid to the charter school on a schedule determined under subsection (d)."

Page 32, line 1, delete "(c)" and insert "(d)".

Page 38, between lines 21 and 22, begin a new paragraph and insert:  
"SECTION 50. IC 20-49-3-8, AS AMENDED BY P.L.146-2008, SECTION 529, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 8. The fund may be used to make advances:

- (1) to school corporations, including school townships, under IC 20-49-4 and IC 20-49-5; **and**
- (2) under IC 20-49-6. ~~and~~
- (3) to charter schools under IC 20-24-7-3(c) and IC 20-49-7."

Page 38, delete lines 41 through 42, begin a new paragraph and insert:

"SECTION 51. IC 20-49-5-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. (a) A charter school, including a conversion charter school, that has received an advance for operational costs from the common school fund under IC 20-49-7 (before its repeal) is not required to make principal or interest payments during the state fiscal years beginning:

- (1) July 1, 2011; and
- (2) July 1, 2012;

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

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

SECTION 57. IC 20-49-7 IS REPEALED [EFFECTIVE JULY 1, 2013]. (Charter School Advancement Account)."

Delete page 39.

C  
O  
P  
Y



Page 40, delete lines 1 through 6.  
Re-number all SECTIONS consecutively.  
and when so amended that said bill do pass.  
(Reference is to HB 1189 as introduced.)

BEHNING, Chair

Committee Vote: yeas 12, nays 0.

C  
o  
p  
y

