

Adopted	Rejected
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COMMITTEE REPORT

YES:	24
NO:	0

MR. SPEAKER:

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

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 education and to make an appropriation.
- 4 Delete everything after the enacting clause and insert the following:
- 5 SECTION 1. IC 5-2-10.1-10, AS AMENDED BY P.L.2-2006,
- 6 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 7 JULY 1, 2012]: Sec. 10. (a) A county may establish a county school
- 8 safety commission.
- 9 (b) The members of the commission are as follows:
- 10 (1) The school safety specialist for each school corporation
- 11 located in whole or in part in the county.
- 12 (2) The judge of the court having juvenile jurisdiction in the
- 13 county or the judge's designee.
- 14 (3) The sheriff of the county or the sheriff's designee.

- 1 (4) The chief officer of every other law enforcement agency in the
 2 county, or the chief officer's designee.
- 3 (5) A representative of the juvenile probation system, appointed
 4 by the judge described under subdivision (2).
- 5 (6) Representatives of community agencies that work with
 6 children within the county.
- 7 (7) A representative of the Indiana state police district that serves
 8 the county.
- 9 (8) A representative of the Prosecuting Attorneys Council of
 10 Indiana who specializes in the prosecution of juveniles.
- 11 (9) Other appropriate individuals selected by the commission.
- 12 (c) If a commission is established, the school safety specialist of the
 13 school corporation having the largest ADM (as defined in
 14 IC 20-18-2-2), **as determined in the fall count of ADM in the school**
 15 **year ending in the current calendar year**, in the county shall convene
 16 the initial meeting of the commission.
- 17 (d) The members shall annually elect a chairperson.
- 18 (e) A commission shall perform the following duties:
- 19 (1) Perform a cumulative analysis of school safety needs within
 20 the county.
- 21 (2) Coordinate and make recommendations for the following:
- 22 (A) Prevention of juvenile offenses and improving the
 23 reporting of juvenile offenses within the schools.
- 24 (B) Proposals for identifying and assessing children who are
 25 at high risk of becoming juvenile offenders.
- 26 (C) Methods to meet the educational needs of children who
 27 have been detained as juvenile offenders.
- 28 (D) Methods to improve communications among agencies that
 29 work with children.
- 30 (E) Methods to improve security and emergency preparedness.
- 31 (F) Additional equipment or personnel that are necessary to
 32 carry out safety plans.
- 33 (G) Any other topic the commission considers necessary to
 34 improve school safety within the school corporations within
 35 the commission's jurisdiction.
- 36 (3) Provide assistance to the school safety specialists on the
 37 commission in developing and requesting grants for safety plans.
- 38 (4) Provide assistance to the school safety specialists on the

1 commission and the participating school corporations in
 2 developing and requesting grants for school safe haven programs
 3 under section 7 of this chapter.

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

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

9 SECTION 2. IC 20-18-2-2, AS AMENDED BY P.L.2-2006,
 10 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2012]: Sec. 2. "ADM", ~~has the meaning set forth in~~
 12 ~~IC 20-43-1-6.~~ **except as otherwise provided by law, refers to the fall**
 13 **count of eligible pupils under IC 20-43-4-3 conducted in the school**
 14 **year ending in the current calendar year.**

15 SECTION 3. IC 20-18-2-2.7 IS ADDED TO THE INDIANA CODE
 16 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 17 1, 2012]: **Sec. 2.7. "Current ADM" has the meaning set forth in**
 18 **IC 20-43-1-10.**

19 SECTION 4. IC 20-18-2-4.5 IS ADDED TO THE INDIANA CODE
 20 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 21 1, 2012]: **Sec. 4.5. "Fall count" has the meaning set forth in**
 22 **IC 20-43-1-12.3.**

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

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

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

37 **(2) a calendar year ending after December 31, 2012, in the**
 38 **spring count of students in the school year ending in the**

1 **current calendar year.**

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

7 SECTION 7. IC 20-20-13-19, AS ADDED BY P.L.218-2005,
8 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 2012]: Sec. 19. (a) The department shall list all school
10 corporations in Indiana according to assessed valuation for property tax
11 purposes per student in **current** ADM, **as determined in section 17 of**
12 **this chapter**, beginning with the school corporation having the lowest
13 assessed valuation for property tax purposes per student in **current**
14 ADM. For purposes of the list made under this section, the Indiana
15 School for the Blind and Visually Impaired established by IC 20-21-2-1
16 and the Indiana School for the Deaf established by IC 20-22-2-1 shall
17 be considered to have the lowest assessed valuation for property tax
18 purposes per student in **current** ADM during the six (6) year period
19 beginning July 1, 2001.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30 (e) In a school township, a metropolitan school district may be
31 created by complying with this section. A metropolitan school district
32 created under this section shall have the same boundaries as the school
33 township. After a district has been created under this section, the
34 school township that preceded the metropolitan school district is
35 abolished. The procedures or provisions governing the creation of a
36 metropolitan school district under another section of this chapter do not
37 apply to the creation of a district under this section. After a
38 metropolitan school district is created under this section, the district

1 shall, except as otherwise provided in this section, be governed by and
2 operate in accordance with this chapter governing the operation of a
3 metropolitan school district as established under section 2 of this
4 chapter.

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

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

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

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

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

19 (2) On the thirtieth day after the date of the last publication of the
20 notice under subdivision (1) and if a protest has not been filed, the
21 township trustee and a majority of the township board shall
22 confirm their preliminary resolution. If, however, on or before the
23 twenty-ninth day after the date of the last publication of the
24 notice, a number of registered voters of the school township,
25 equal to five percent (5%) or more of the number of votes cast in
26 the school township for secretary of state at the last preceding
27 general election for that office, sign and file with the township
28 trustee a petition requesting an election in the school township to
29 determine whether or not a metropolitan school district must be
30 created in the township in accordance with the preliminary
31 resolution, then an election must be held as provided in
32 subsection (h). The preliminary resolution and confirming
33 resolution provided in this subsection shall both be adopted at a
34 meeting of the township trustee and township board in which the
35 township trustee and each member of the township board received
36 or waived a written notice of the date, time, place, and purpose of
37 the meeting. The resolution and the proof of service or waiver of
38 the notice shall be made a part of the records of the township

1 board.

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

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

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

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

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

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

22 (h) An election required under subsection (f) or (g) may, at the
23 option of the township trustee, be held either as a special election or in
24 conjunction with a primary or general election to be held not more than
25 one hundred twenty (120) days after the filing of a petition under
26 subsection (f) or the adoption of the disapproving resolution under
27 subsection (g). The township trustee shall certify the question to the
28 county election board under IC 3-10-9-3 and give notice of an election:

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

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

33 The notice must provide that on a day and time named in the notice, the
34 polls shall be opened at the usual voting places in the various precincts
35 in the school township for the purpose of taking the vote of the
36 registered voters of the school township regarding whether a
37 metropolitan school district shall be created in the township. The
38 election shall be held not less than twenty (20) days and not more than

1 thirty (30) days after the last publication of the notice unless a primary
2 or general election will be conducted not more than six (6) months after
3 the publication. In that case, the county election board shall place the
4 public question on the ballot at the primary or general election. If the
5 election is to be a special election, the township trustee shall give
6 notice not more than thirty (30) days after the filing of the petition or
7 the adoption of the disapproving resolution.

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

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

26 (k) A metropolitan school district shall, subject to section 7 of this
27 chapter, be created on the thirtieth day after the date of the adoption of
28 the confirming resolution under subsection (f) or an election held under
29 subsection (h). If a public official fails to do the official's duty within
30 the time prescribed in this section, the failure does not invalidate the
31 proceedings taken under this section. An action to contest the validity
32 of the creation of a metropolitan school district under this section or to
33 enjoin the operation of a metropolitan school district may not be
34 instituted later than the thirtieth day following the date of the adoption
35 of the confirming resolution under subsection (f) or of the election held
36 under subsection (h). Except as provided in this section, an election
37 under this subsection may not be held sooner than twelve (12) months
38 after another election held under subsection (h).

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

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

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

37 SECTION 9. IC 20-24-7-2, AS AMENDED BY P.L.146-2008,
38 SECTION 460, IS AMENDED TO READ AS FOLLOWS

1 [EFFECTIVE JANUARY 1, 2013]: Sec. 2. (a) Not later than **each of**
 2 ~~the date dates~~ established by the department for determining ADM ~~and~~
 3 ~~after May 31 each year, under IC 20-43-4-3 and IC 20-43-4-3.5,~~ the
 4 organizer shall submit to the department the following information on
 5 a form prescribed by the department:

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

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

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

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

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

- 29 ~~(1) tuition support and other state funding for any purpose for~~
 30 ~~students enrolled in the conversion charter school;~~
- 31 ~~(2) (1) a proportionate share of state and federal funds received:~~
 32 (A) for students with disabilities; or
 33 (B) for staff services for students with disabilities;
 34 enrolled in the conversion charter school; and
- 35 ~~(3) (2) a proportionate share of funds received under federal or~~
 36 ~~state categorical aid programs for students who are eligible for the~~
 37 ~~federal or state categorical aid and are enrolled in the conversion~~
 38 ~~charter school;~~

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

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

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

18 STEP TWO: Determine the difference between:

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

21 STEP THREE: Determine the quotient of:

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

24 STEP FOUR: Determine the product of:

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

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

35 (b) This subsection applies to a sponsor that is a state educational
 36 institution described in ~~IC 20-24-1-7(2)~~; **IC 20-24-1-9(2)**. In a calendar
 37 **state fiscal** year, a state educational institution may receive from the
 38 organizer of a charter school sponsored by the state educational

1 institution an administrative fee equal to not more than three percent
2 (3%) of the total amount the organizer receives during the **calendar**
3 **state fiscal** year from basic tuition support (as defined in
4 IC 20-43-1-8).

5 (c) This subsection applies to the executive of a consolidated city
6 that sponsors a charter school. In a **calendar state fiscal** year, the
7 executive may collect from the organizer of a charter school sponsored
8 by the executive an administrative fee equal to not more than three
9 percent (3%) of the total amount the organizer receives during the
10 **calendar state fiscal** year for basic tuition support.

11 (d) This subsection applies to a sponsor that is a nonprofit college
12 or university that is approved by the state board of education. In a
13 **calendar state fiscal** year, a private college or university may collect
14 from the organizer of a charter school sponsored by the private college
15 or university an administrative fee equal to not more than three percent
16 (3%) of the total amount the organizer receives during the **calendar**
17 **state fiscal** year for basic tuition support.

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

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

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

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

1 to a charter school.

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

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

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

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

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

27 STEP ONE: Determine the result of:

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

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

33 STEP TWO: Determine the result of:

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

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

- 1 STEP THREE: Determine the greater of zero (0) or the result of:
- 2 (A) the STEP ONE amount; minus
- 3 (B) the STEP TWO amount.

- 4 STEP FOUR: Determine the result of:
- 5 (A) the STEP THREE amount; multiplied by
- 6 (B) the ~~current~~ **fall count of** ADM of the conversion charter
- 7 school **for conducted in** the ~~calendar~~ **state fiscal** year.

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

- 11 (1) a sponsor:
- 12 (A) revokes a charter before the end of the term for which the
- 13 charter is granted; or
- 14 (B) does not renew a charter; or
- 15 (2) a charter school otherwise terminates its charter before the end
- 16 of the term for which the charter is granted.

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

- 20 (1) First, to the common school loan fund to repay any existing
- 21 obligations of the charter school under IC 20-49-7 (**repealed**) or
- 22 **IC 20-49-5-7.**
- 23 (2) Second, to the entities that distributed the funds to the charter
- 24 school. A distribution under this subdivision shall be on a pro rata
- 25 basis.

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

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

- 38 (1) virtual distance learning;

- 1 (2) online technologies; or
 2 (3) computer based instruction.
- 3 (b) ~~Beginning with the 2011-2012 school year~~; A virtual charter
 4 school may apply for sponsorship with any statewide sponsor in
 5 accordance with the sponsor's guidelines.
- 6 (c) ~~Before January 1, 2012~~, a virtual charter school is entitled to
 7 receive funding from the state in an amount equal to the sum of:
- 8 (1) the product of:
- 9 (A) the number of students included in the virtual charter
 10 school's ADM; multiplied by
 11 (B) eighty percent (80%) of statewide average basic tuition
 12 support.
- 13 (d) (c) ~~After December 31, 2011~~, **For state fiscal years beginning**
 14 **after June 30, 2012**, a virtual charter school is entitled to receive
 15 funding **in a month** from the state in an amount equal to the sum of:
- 16 (1) the product of:
- 17 (A) the number of students included in the virtual charter
 18 school's **current** ADM; multiplied by
 19 (B) **the result of:**
- 20 (i) eighty-seven and five-tenths percent (87.5%) of the
 21 school's foundation amount determined under IC 20-43-5-4;
 22 **divided by**
 23 (ii) **twelve (12)**; plus
- 24 (2) the total of any special education grants under IC 20-43-7 to
 25 which the virtual charter school is entitled **for the month**.
- 26 ~~After December 31, 2011~~, **For state fiscal years beginning after June**
 27 **30, 2012**, a virtual charter school is entitled to receive special
 28 education grants under IC 20-43-7 calculated in the same manner as
 29 special education grants are calculated for other school corporations.
- 30 (d) The department shall adopt rules under IC 4-22-2 to govern the
 31 operation of virtual charter schools.
- 32 (e) Beginning in 2009, the department shall before December 1 of
 33 each year submit an annual report to the budget committee concerning
 34 the program under this section.
- 35 (f) ~~This subsection does not apply to students who were enrolled in~~
 36 ~~a virtual charter school during the 2010-2011 school year~~. Each school
 37 year, at least sixty percent (60%) of the students who are enrolled in
 38 virtual charter schools under this section for the first time must have

1 been included in the state's **fall count of ADM** ~~count for~~ **conducted in**
2 the previous school year.

3 SECTION 15. IC 20-24-7.5 IS REPEALED [EFFECTIVE JULY 1,
4 2013]. (New Charter School Startup Grant).

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

- 8 (1) is operated without an agreement; and
9 (2) has an ADM **in the fall count of a school year** of not more
10 than seven hundred fifty (750);

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

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

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

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

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

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

6 (3) To appropriate from the school corporation's general fund an
7 amount, not to exceed the greater of three thousand dollars
8 (\$3,000) per budget year or one dollar (\$1) per pupil, not to
9 exceed twelve thousand five hundred dollars (\$12,500), based on
10 the school corporation's **ADM of the previous year's ADM, year**
11 **(as defined in IC 20-43-1-7)** to promote the best interests of the
12 school corporation through:

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

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

17 (C) developing relations with other governmental units.

18 (4) To:

19 (A) Acquire, construct, erect, maintain, hold, and contract for
20 construction, erection, or maintenance of real estate, real estate
21 improvements, or an interest in real estate or real estate
22 improvements, as the governing body considers necessary for
23 school purposes, including buildings, parts of buildings,
24 additions to buildings, rooms, gymnasiums, auditoriums,
25 playgrounds, playing and athletic fields, facilities for physical
26 training, buildings for administrative, office, warehouse, repair
27 activities, or housing school owned buses, landscaping, walks,
28 drives, parking areas, roadways, easements and facilities for
29 power, sewer, water, roadway, access, storm and surface
30 water, drinking water, gas, electricity, other utilities and
31 similar purposes, by purchase, either outright for cash (or
32 under conditional sales or purchase money contracts providing
33 for a retention of a security interest by the seller until payment
34 is made or by notes where the contract, security retention, or
35 note is permitted by applicable law), by exchange, by gift, by
36 devise, by eminent domain, by lease with or without option to
37 purchase, or by lease under IC 20-47-2, IC 20-47-3, or
38 IC 20-47-5.

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

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

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

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

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

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

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

14 (8) To:

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

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

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

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

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

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

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

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

34 (11) To provide a lunch program for a part or all of the students
35 attending the schools of the school corporation, including the
36 establishment of kitchens, kitchen facilities, kitchen equipment,
37 lunch rooms, the hiring of the necessary personnel to operate the
38 lunch program, and the purchase of material and supplies for the

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

- 1 to benefit school corporation employees, including accident,
- 2 sickness, health, or dental coverage, provided that a plan of
- 3 self-insurance must include an aggregate stop-loss provision.
- 4 (16) To make all applications, to enter into all contracts, and to
- 5 sign all documents necessary for the receipt of aid, money, or
- 6 property from the state, the federal government, or from any other
- 7 source.
- 8 (17) To defend a member of the governing body or any employee
- 9 of the school corporation in any suit arising out of the
- 10 performance of the member's or employee's duties for or
- 11 employment with, the school corporation, if the governing body
- 12 by resolution determined that the action was taken in good faith.
- 13 To save any member or employee harmless from any liability,
- 14 cost, or damage in connection with the performance, including the
- 15 payment of legal fees, except where the liability, cost, or damage
- 16 is predicated on or arises out of the bad faith of the member or
- 17 employee, or is a claim or judgment based on the member's or
- 18 employee's malfeasance in office or employment.
- 19 (18) To prepare, make, enforce, amend, or repeal rules,
- 20 regulations, and procedures:
- 21 (A) for the government and management of the schools,
- 22 property, facilities, and activities of the school corporation, the
- 23 school corporation's agents, employees, and pupils and for the
- 24 operation of the governing body; and
- 25 (B) that may be designated by an appropriate title such as
- 26 "policy handbook", "bylaws", or "rules and regulations".
- 27 (19) To ratify and approve any action taken by a member of the
- 28 governing body, an officer of the governing body, or an employee
- 29 of the school corporation after the action is taken, if the action
- 30 could have been approved in advance, and in connection with the
- 31 action to pay the expense or compensation permitted under
- 32 IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and
- 33 IC 20-48-1 or any other law.
- 34 (20) To exercise any other power and make any expenditure in
- 35 carrying out the governing body's general powers and purposes
- 36 provided in this chapter or in carrying out the powers delineated
- 37 in this section which is reasonable from a business or educational
- 38 standpoint in carrying out school purposes of the school

1 corporation, including the acquisition of property or the
 2 employment or contracting for services, even though the power or
 3 expenditure is not specifically set out in this chapter. The specific
 4 powers set out in this section do not limit the general grant of
 5 powers provided in this chapter except where a limitation is set
 6 out in IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12,
 7 and IC 20-48-1 by specific language or by reference to other law.

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

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

14 (2) a nonprofit corporation that:

15 (A) is exempt from federal income taxation under Section
 16 501(c)(3) of the Internal Revenue Code;

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

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

21 (D) educates children who:

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

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

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

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

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

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

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

- 1 (1) the transfer tuition costs for the student that otherwise would
- 2 be payable to the transferee corporation; and
- 3 (2) a proportionate amount of any state or local distributions to
- 4 the transferee corporation that are computed in any part using
- 5 **current** ADM or any other student count in which the student is
- 6 included, if the transferee corporation includes the student in the
- 7 transferee corporation's **current** ADM for a ~~school year~~ **the**
- 8 **period in which the student is being educated by the nonprofit**
- 9 **corporation.**

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

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

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

- 27 (1) "Class of school" refers to a classification of each school or
- 28 program in the transferee corporation by the grades or special
- 29 programs taught at the school. Generally, these classifications are
- 30 denominated as kindergarten, elementary school, middle school
- 31 or junior high school, high school, and special schools or classes,
- 32 such as schools or classes for special education, career and
- 33 technical education, or career education.
- 34 (2) "Special equipment" means equipment that during a school
- 35 year:
- 36 (A) is used only when a child with disabilities is attending
- 37 school;
- 38 (B) is not used to transport a child to or from a place where the

1 child is attending school;
 2 (C) is necessary for the education of each child with
 3 disabilities that uses the equipment, as determined under the
 4 individualized education program for the child; and
 5 (D) is not used for or by any child who is not a child with
 6 disabilities.

7 (3) "Student enrollment" means the following:
 8 (A) The total number of students in kindergarten through
 9 grade 12 who are enrolled in a transferee school corporation
 10 on a date determined by the state board.
 11 (B) The total number of students enrolled in a class of school
 12 in a transferee school corporation on a date determined by the
 13 state board.

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

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

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

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

36 (A) State tuition support distributions **received during the**
 37 **calendar year in which the school corporation ends.**
 38 (B) Property tax levies under IC 20-45-7 and IC 20-45-8 **for**

- 1 **the calendar year in which the school corporation ends.**
- 2 (C) The sum of the following excise tax revenue received for
- 3 deposit in the calendar year in which the school year begins:
- 4 (i) Financial institution excise tax revenue (IC 6-5.5).
- 5 (ii) Motor vehicle excise taxes (IC 6-6-5).
- 6 (iii) Commercial vehicle excise taxes (IC 6-6-5.5).
- 7 (iv) Boat excise tax (IC 6-6-11).
- 8 (v) Aircraft license excise tax (IC 6-6-6.5).
- 9 (D) Allocations to the transferee school under IC 6-3.5.
- 10 STEP THREE: Determine the greater of:
- 11 (A) zero (0); or
- 12 (B) the result of subtracting the STEP TWO amount from the
- 13 STEP ONE amount.
- 14 If a child is placed in an institution or facility in Indiana by or with the
- 15 approval of the department of child services, the institution or facility
- 16 shall charge the department of child services for the use of the space
- 17 within the institution or facility (commonly called capital costs) that is
- 18 used to provide educational services to the child based upon a prorated
- 19 per student cost.
- 20 (c) Operating costs shall be determined for each class of school
- 21 where a transfer student is enrolled. The operating cost for each class
- 22 of school is based on the total expenditures of the transferee
- 23 corporation for the class of school from its general fund expenditures
- 24 as specified in the classified budget forms prescribed by the state board
- 25 of accounts. This calculation excludes:
- 26 (1) capital outlay;
- 27 (2) debt service;
- 28 (3) costs of transportation;
- 29 (4) salaries of board members;
- 30 (5) contracted service for legal expenses; and
- 31 (6) any expenditure that is made from extracurricular account
- 32 receipts;
- 33 for the school year.
- 34 (d) The capital cost of special equipment for a school year is equal
- 35 to:
- 36 (1) the cost of the special equipment; divided by
- 37 (2) the product of:
- 38 (A) the useful life of the special equipment, as determined

1 under the rules adopted by the state board; multiplied by
 2 (B) the number of students using the special equipment during
 3 at least part of the school year.

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

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

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

15 When a transferred student is enrolled in a transferee corporation for
 16 less than the full school year of student attendance, the transfer tuition
 17 shall be calculated by the part of the school year for which the
 18 transferred student is enrolled. A school year of student attendance
 19 consists of the number of days school is in session for student
 20 attendance. A student, regardless of the student's attendance, is enrolled
 21 in a transferee school unless the student is no longer entitled to be
 22 transferred because of a change of residence, the student has been
 23 excluded or expelled from school for the balance of the school year or
 24 for an indefinite period, or the student has been confirmed to have
 25 withdrawn from school. The transferor and the transferee corporation
 26 may enter into written agreements concerning the amount of transfer
 27 tuition due in any school year. If an agreement cannot be reached, the
 28 amount shall be determined by the state board, and costs may be
 29 established, when in dispute, by the state board of accounts.

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

- 32 (1) the total amount of revenues received **during a period**; by
- 33 (2) the **current** ADM of the transferee school for the **school year**
 34 **that ends in the calendar year period** in which the revenues are
 35 received.

36 However, for state tuition support distributions or any other state
 37 distribution computed using less than the total **current** ADM of the
 38 transferee school, the transferee school shall allocate the revenues to

1 the transfer student by dividing the revenues that the transferee school
2 is eligible to receive ~~in a calendar year~~ **during the period** by the
3 student count used to compute the state distribution.

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

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

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

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

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

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

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

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

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

29 (1) operating cost; and

30 (2) capital cost.

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

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

1 expenditure that is made out of the general fund from extracurricular
2 account receipts, for the school year.

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

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

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

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

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

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

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

32 (e) The transfer tuition for each student transferred for each school
33 year shall be calculated by dividing the transferee school corporation's
34 total operating costs and the total capital costs for the class of school
35 in which the student is enrolled by the ADM of students therein, **as**
36 **determined in the fall count of ADM in the school year**. If a
37 transferred student is enrolled in a transferee corporation for less than
38 the full school year, the transfer tuition shall be calculated by the

1 proportion of such school year for which the transferred student is
2 enrolled. A school year for this purpose consists of the number of days
3 school is in session for student attendance. A student shall be enrolled
4 in a transferee school, whether or not the student is in attendance,
5 unless the:

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

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

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

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

- 31 (1) An emergency loan made under IC 20-48-1-7 to be paid, out
- 32 of the debt service levy and fund, or a loan from any state fund
- 33 made available for the net additional costs.
- 34 (2) An advance in the ~~calendar~~ **state fiscal** year of state funds,
- 35 which would otherwise become payable to the transferee
- 36 corporation after such ~~calendar~~ **state fiscal** year under law.
- 37 (3) A grant or grants in the calendar year from any funds of the
- 38 state made available for the net additional costs.

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

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

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

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

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

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

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

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

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

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

37 (b) Within thirty (30) days after the date of the **first state fall count**
 38 **of ADM count date** of the school year in the first year of the state

1 budget biennium, the department shall provide the parties with a
 2 certification of estimated general fund revenue available for bargaining
 3 from the school funding formula. A school employer that has passed a
 4 general fund operating referendum under IC 20-46-1 must have that
 5 amount certified by the department of local government finance. The
 6 school corporation must obtain the certification before the
 7 commencement of bargaining. These certifications must be the basis
 8 for determinations throughout impasse proceedings under this chapter.

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

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

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

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

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

27 STEP FOUR: Multiply:

- 28 (A) the STEP THREE result; by
- 29 (B) the number of eligible students for which reimbursement
- 30 was requested under section 7 or 9 of this chapter before
- 31 November 1 of the ~~previous calendar state fiscal~~ year by the
- 32 school corporation or the accredited nonpublic school.

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

- 37 (†) a school corporation's
- 38 (A) state tuition support ~~and~~

1 ~~(B)~~ maximum permissible tuition support levy (as defined in
2 ~~IC 20-45-1-15~~ before its repeal);
3 **determined** for the calendar year **using the fall count of ADM**
4 **for the school corporation in the school year ending in the**
5 **calendar year.**

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

- 8 (A) ~~Financial institution excise tax revenue (IC 6-5.5);~~
- 9 (B) ~~Motor vehicle excise taxes (IC 6-6-5);~~
- 10 (C) ~~Commercial vehicle excise taxes (IC 6-6-5.5);~~
- 11 (D) ~~Boat excise tax (IC 6-6-11);~~
- 12 (E) ~~Aircraft license excise tax (IC 6-6-6.5);~~

13 SECTION 28. IC 20-43-1-1, AS AMENDED BY P.L.229-2011,
14 SECTION 199, IS AMENDED TO READ AS FOLLOWS
15 [EFFECTIVE JULY 1, 2012]: Sec. 1. This article expires ~~January~~ **July**
16 **1, 2014. 2013.**

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

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

- 25 **(1) for previous years ending before January 1, 2013, the**
26 **initial computed ADM for the school year ending in the preceding**
27 **calendar year (as adjusted under IC 20-43-4-2); and**
- 28 **(2) for previous years ending after December 31, 2012, the**
29 **number of eligible pupils counted on the count date that is**
30 **effective for the month in which a calculation using the term**
31 **is applied, as subsequently adjusted (if applicable) under**
32 **IC 20-43-4-2.**

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

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

4 **(1) for distributions made under this article before January 1,**
 5 **2013, the initial computed fall count of ADM for the school year**
 6 **ending in the calendar year; and**

7 **(2) for distributions made under this article after December**
 8 **31, 2012, the number of eligible pupils enrolled in a school**
 9 **corporation as:**

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

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

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

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

20 **(2) attending these educational programs and receiving**
 21 **educational services.**

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

27 SECTION 35. IC 20-43-1-18 IS REPEALED [EFFECTIVE JULY
 28 1, 2012]. Sec. 18: "~~Maximum state distribution~~" refers to the amount
 29 ~~determined under IC 20-43-2-2.~~

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

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

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

6 SECTION 38. IC 20-43-2-1, AS AMENDED BY P.L.146-2008,
 7 SECTION 481, IS AMENDED TO READ AS FOLLOWS
 8 [EFFECTIVE JULY 1, 2012]: Sec. 1. The department shall distribute
 9 the amount appropriated by the general assembly for distribution as
 10 state tuition support in accordance with this article. If the
 11 appropriations for distribution as state tuition support are more than
 12 required under this article, any excess shall revert to the state general
 13 fund. The appropriations for state tuition support shall be made each
 14 ~~calendar state fiscal~~ year under a schedule set by the budget agency
 15 and approved by the governor. However, **notwithstanding**
 16 **P.L.229-2011, SECTION 9**, the schedule must provide:

- 17 (1) for at least twelve (12) payments;
- 18 (2) that one (1) payment shall be made ~~at least every forty (40)~~
- 19 ~~days; each month;~~ and
- 20 (3) the total of the payments in each ~~calendar state fiscal~~ year
- 21 year must equal the amount required under this article.

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

- 27 (1) ~~six billion two hundred forty-seven million eight hundred~~
- 28 ~~thousand dollars (\$6,247,800,000) in 2011;~~
- 29 (2) ~~six billion two hundred seventy-seven million eight hundred~~
- 30 ~~thousand dollars (\$6,277,800,000) in 2012; and~~
- 31 (3) ~~six billion three hundred thirty-nine million six hundred~~
- 32 ~~thousand dollars (\$6,339,600,000) in 2013. the amount~~
- 33 **appropriated by the general assembly for those purposes for**
- 34 **that state fiscal year.**

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

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

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

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

- 23 **(b) The following is the intent of the general assembly:**
- 24 **(1) The distributions for state tuition support that are**
- 25 **provided for under this article (as this article exists on**
- 26 **January 1, 2012) for calendar year 2012 shall be made only**
- 27 **during the first six (6) months of calendar year 2012.**
- 28 **(2) Except as otherwise provided, the distributions for state**
- 29 **tuition support that were provided for under this article (as**
- 30 **this article existed on January 1, 2012) for calendar year 2013**
- 31 **shall instead be made during the state fiscal year 2012**
- 32 **beginning July 1, 2012.**
- 33 **(3) IC 20-43-3-7 and IC 20-43-3-8 apply to the distributions**
- 34 **made after June 30, 2012.**

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

38 SECTION 42. IC 20-43-3-4, AS AMENDED BY P.L.229-2011,

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

7 STEP ONE: Determine the sum of the following:

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

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

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

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

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

22 STEP ONE: For purposes of making determinations for:

23 (A) the state fiscal year beginning July 1, 2012, determine
 24 the product of the school corporation's basic tuition
 25 support actually received for the first six (6) months of
 26 2012 multiplied by two (2); or

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

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

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

37 (1) the school corporation's state tuition support for special
 38 education or career and technical education is reduced as a result

- 1 of a complaint being filed with the department after December 31,
 2 1988, because the school program overstated the number of
 3 children enrolled in special education programs or career and
 4 technical education programs; and
 5 (2) the school corporation's previous year revenue has not been
 6 reduced under this subsection more than one (1) time because of
 7 a given overstatement.

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

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

- 15 (1) the school corporation; or
 16 (2) a transferee corporation;

17 on a day to be the days fixed annually by the state board under section
 18 3 of this chapter, and as subsequently adjusted not later than January
 19 30 under the rules adopted by the state board. **The state board may**
 20 **adjust the school's count of eligible pupils if the state board**
 21 **determines that the count is unrepresentative of the school**
 22 **corporation's enrollment.**

23 SECTION 44. IC 20-43-4-3, AS ADDED BY P.L.2-2006,
 24 SECTION 166, IS AMENDED TO READ AS FOLLOWS
 25 [EFFECTIVE JULY 1, 2012]: Sec. 3. **(a) Subject to subsection (b),**
 26 **the initial day of the state board shall make an ADM count must fall:**
 27 **of the eligible pupils enrolled in each school corporation two (2)**
 28 **times each within the first thirty (30) days of the school year, with one**
 29 **(1) count date occurring in each of the following periods:**

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

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

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

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

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

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

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

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

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

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

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

38 SECTION 46. IC 20-43-4-4, AS ADDED BY P.L.2-2006,

1 SECTION 166, IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2012]: Sec. 4. (a) The state board shall monitor
3 changes that occur after the fall **count of ADM count** in the number of
4 students enrolled in programs for children with disabilities. The state
5 board shall:

- 6 (1) before December 2 of that same year; and
 - 7 (2) before April 2 of the following calendar year;
- 8 make an adjusted count of students enrolled in programs for children
9 with disabilities The state superintendent shall certify the December
10 adjusted count to the budget committee before February 5 of the
11 following year and the April adjusted count not later than May 31
12 immediately after the date of the April adjusted count. **The state board**
13 **may adjust the school's count of students enrolled in programs for**
14 **children with disabilities if the state board determines that the**
15 **count is unrepresentative of the school corporation's enrollment.**

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

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

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

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

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

- 32 STEP ONE: Determine the result of:
 - 33 (A) the number of days instructional services will be provided
 - 34 to the pupil, not to exceed one hundred eighty (180); divided
 - 35 by
 - 36 (B) one hundred eighty (180).

- 37 STEP TWO: Determine the result of:
 - 38 (A) the pupil's public school instructional time (as defined in

1 IC 20-30-2-1); divided by
2 (B) the actual public school regular instructional day (as
3 defined in IC 20-30-2-2).

4 STEP THREE: Determine the result of:

- 5 (A) the STEP ONE result; multiplied by
- 6 (B) the STEP TWO result.

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

- 8 (A) the STEP THREE result; multiplied by
- 9 (B) one and five hundredths (1.05).

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

15 SECTION 49. IC 20-43-4-9 IS ADDED TO THE INDIANA CODE
16 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
17 1, 2012]: **Sec. 9. (a) This subsection applies to the calculation of**
18 **state tuition support distributions that are:**

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

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

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

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

28 **The fall count of ADM for the school year ending in the current**
29 **calendar year, as adjusted by the state board under section 2 of this**
30 **chapter, shall be used to compute state tuition support**
31 **distributions made in the first six (6) months of the calendar year,**
32 **and the spring count of ADM for the school year ending in the**
33 **current calendar year, as adjusted by the state board under section**
34 **2 of this chapter, shall be used to compute state tuition support**
35 **distributions made in the second six (6) months of the calendar**
36 **year.**

37 (c) **This subsection applies only to the calculation of basic tuition**
38 **support distributions to a school corporation, including a**

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

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

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

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

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

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

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

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

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

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

13 STEP ONE: The STEP ONE amount is:

14 (A) in 2012, four thousand two hundred eighty dollars
15 (\$4,280); and

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

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

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

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

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

26 (C) The result of one hundred fifty thousand dollars
27 (\$150,000) divided by the school corporation's current ADM,
28 if the school corporation's current ADM is more than one
29 thousand (1,000).

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

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

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

37 SECTION 54. IC 20-43-5-6, AS AMENDED BY P.L.229-2011,
38 SECTION 210, IS AMENDED TO READ AS FOLLOWS

1 [EFFECTIVE JULY 1, 2012]: Sec. 6. (a) A school corporation's
2 transition to foundation amount for a ~~calendar~~ **state fiscal** year is equal
3 to the result determined under STEP TWO of the following formula:

4 STEP ONE: Determine the difference of:

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

6 (B) the lesser of:

7 (i) the school corporation's previous year revenue foundation
8 amount; or

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

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

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

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

19 (ii) the school corporation's current ADM.

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

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

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

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

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

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

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

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

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

11 (1) the result determined for the school corporation under STEP
12 ONE (B) of subsection (a); minus

13 (2) the result of:
14 (A) the absolute value of the STEP ONE amount; divided by
15 (B) ~~seven (7) in 2012 and six (6) in 2013~~; **the state fiscal year**
16 **beginning July 1, 2012.**

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

22 (1) the school corporation's transition to foundation amount for
23 the **calendar state fiscal** year; multiplied by
24 (2) the school corporation's current ADM.

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

30 (1) the school corporation's transition to foundation revenue for
31 the **calendar state fiscal** year; divided by
32 (2) the school corporation's current adjusted ADM.

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

1 in section 3 of this chapter.

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

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

9 (1) **the school corporation's transition to foundation revenue; for**
10 **the year: divided by**

11 **(2) twelve (12).**

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

15 SECTION 59. IC 20-43-7-1, AS ADDED BY P.L.2-2006,
16 SECTION 166, IS AMENDED TO READ AS FOLLOWS
17 [EFFECTIVE JULY 1, 2012]: Sec. 1. In addition to the amount a
18 school corporation is entitled to receive in basic tuition support, each
19 school corporation is entitled to receive a grant for special education
20 programs **for the state fiscal year**. The amount of the special
21 education grant is based on the count of eligible pupils enrolled in
22 special education programs on December 1 of the preceding **state**
23 **fiscal year** in:

24 (1) the school corporation; or

25 (2) a transferee corporation.

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

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

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

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

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

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

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

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

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

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

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

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

34 (b) Before December 1 of each year, the department of workforce
35 development shall provide the department with a report, to be used to
36 determine grant amounts that will be distributed under this chapter in
37 the **second calendar state fiscal** year **beginning** after the year in which
38 the report is provided, listing whether the average wage level for each

1 generally recognized labor category for which career and technical
2 education programs are offered is a high wage, a moderate wage, or a
3 less than moderate wage.

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

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

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

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

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

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

23 (C) the following applicable amount:

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

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

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

- 1 (iv) Three hundred seventy-five dollars (\$375), in the case
- 2 of a program described in section 6 of this chapter (moderate
- 3 labor market need) for which the average wage level
- 4 determined under section 2(b) of this chapter is a high wage.
- 5 (v) Three hundred dollars (\$300), in the case of a program
- 6 described in section 6 of this chapter (moderate labor market
- 7 need) for which the average wage level determined under
- 8 section 2(b) of this chapter is a moderate wage.
- 9 (vi) Two hundred twenty-five dollars (\$225), in the case of
- 10 a program described in section 6 of this chapter (moderate
- 11 labor market need) for which the average wage level
- 12 determined under section 2(b) of this chapter is a less than
- 13 moderate wage.
- 14 (vii) Three hundred dollars (\$300), in the case of a program
- 15 described in section 7 of this chapter (less than a moderate
- 16 labor market need) for which the average wage level
- 17 determined under section 2(b) of this chapter is a high wage.
- 18 (viii) Two hundred twenty-five dollars (\$225), in the case of
- 19 a program described in section 7 of this chapter (less than a
- 20 moderate labor market need) for which the average wage
- 21 level determined under section 2(b) of this chapter is a
- 22 moderate wage.
- 23 (ix) One hundred fifty dollars (\$150), in the case of a
- 24 program described in section 7 of this chapter (less than a
- 25 moderate labor market need) for which the average wage
- 26 level determined under section 2(b) of this chapter is a less
- 27 than moderate wage.

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

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

35 SECTION 64. IC 20-43-9-6, AS AMENDED BY P.L.229-2011,
 36 SECTION 217, IS AMENDED TO READ AS FOLLOWS
 37 [EFFECTIVE JULY 1, 2012]: Sec. 6. A school corporation's primetime
 38 distribution for a ~~calendar year~~ **month** under this chapter is the **result**

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

1 STEP SEVEN: Determine the result of:
2 (A) the STEP SIX amount; multiplied by
3 (B) the staff cost amount.
4 STEP EIGHT: Determine the greater of the STEP SEVEN amount
5 or **zero (0)**.
6 ~~(A) for 2012, fifty percent (50%) of the school corporation's~~
7 ~~guaranteed primetime amount; or~~
8 ~~(B) for 2013, zero (0).~~
9 STEP NINE: A school corporation's amount under this STEP is
10 the following:
11 (A) If the amount the school corporation received under this
12 chapter in the previous ~~calendar state fiscal~~ year is greater
13 than zero (0), the amount under this STEP is the lesser of:
14 (i) the STEP EIGHT amount; or
15 (ii) the amount the school corporation received under this
16 chapter for the previous ~~calendar state fiscal~~ year multiplied
17 by one hundred seven and one-half percent (107.5%).
18 (B) If the amount the school corporation received under this
19 chapter in the previous ~~calendar state fiscal~~ year is not greater
20 than zero (0), the amount under this STEP is the STEP EIGHT
21 amount.
22 SECTION 41. IC 20-43-10-2, AS AMENDED BY P.L.229-2011,
23 SECTION 219, IS AMENDED TO READ AS FOLLOWS
24 [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) A school corporation's honors
25 diploma award for a ~~calendar state fiscal~~ year is the amount
26 determined under STEP FOUR of the following formula:
27 STEP ONE: Determine the number of the school corporation's
28 eligible pupils who successfully completed an academic honors
29 diploma program in the school year ending in the previous
30 ~~calendar state fiscal~~ year.
31 STEP TWO: Determine the result of:
32 (A) the number of the school corporation's eligible pupils who
33 successfully completed a Core 40 diploma with technical
34 honors program in the school year ending in the previous
35 ~~calendar state fiscal~~ year; minus
36 (B) the number of eligible pupils who would otherwise be
37 double counted under both clause (A) and STEP ONE.
38 STEP THREE: Determine the sum of the number of eligible

1 students determined under STEP ONE and the number of eligible
2 students determined under STEP TWO.

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

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

7 (1) any:

8 (A) staff training;

9 (B) program development;

10 (C) equipment and supply expenditures; or

11 (D) other expenses;

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

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

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

18 SECTION 65. IC 20-43-13 IS ADDED TO THE INDIANA CODE
19 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
20 JULY 1, 2012]:

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

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

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

26 **STEP ONE: Determine the sum of the school corporation's**
27 **state tuition support (excluding the grant under this chapter)**
28 **actually received for the first six (6) months of calendar year**
29 **2012.**

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

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

36 SECTION 66. IC 20-45-7-19, AS ADDED BY P.L.2-2006,
37 SECTION 168, IS AMENDED TO READ AS FOLLOWS
38 [EFFECTIVE JULY 1, 2012]: Sec. 19. Before July 11 of each year, the

- 1 state superintendent shall certify to the county auditor:
- 2 (1) the consolidated ADA ratio of the qualified school
- 3 corporations;
- 4 (2) the number of pupils in **current** ADM of each qualified
- 5 school corporation for the immediately preceding school year, **as**
- 6 **determined:**
- 7 **(A) for a calendar year ending before January 1, 2013, in**
- 8 **the fall count of ADM for the school year ending in the**
- 9 **calendar year; and**
- 10 **(B) for a calendar year ending after December 31, 2012, in**
- 11 **the spring count of ADM for the school year ending in the**
- 12 **calendar year; and**
- 13 (3) an estimate of these statistics for the succeeding school year.
- 14 SECTION 67. IC 20-45-7-26, AS ADDED BY P.L.2-2006,
- 15 SECTION 168, IS AMENDED TO READ AS FOLLOWS
- 16 [EFFECTIVE JULY 1, 2012]: Sec. 26. The entitlement of each
- 17 qualified school corporation from the fund for each calendar year is the
- 18 greater of:
- 19 (1) the amount of its entitlement for calendar year 2000 from the
- 20 tax levied under this chapter; or
- 21 (2) an amount equal to twenty-seven dollars and fifty cents
- 22 (\$27.50) times its **current** ADM **as determined in the fall count**
- 23 **of ADM conducted in the school year ending in the current**
- 24 **calendar year.**
- 25 SECTION 68. IC 20-45-8-18, AS ADDED BY P.L.2-2006,
- 26 SECTION 168, IS AMENDED TO READ AS FOLLOWS
- 27 [EFFECTIVE JULY 1, 2012]: Sec. 18. (a) Before July 11 of each year,
- 28 the state superintendent shall deliver to the county auditor a certified
- 29 statement of:
- 30 **(1) for a calendar year ending before January 1, 2013, the fall**
- 31 **count of ADM in grades 1 through 12 residing in each qualified**
- 32 **school corporation for the immediately preceding school year**
- 33 **ending in the calendar year; and**
- 34 **(2) for a calendar year ending after December 31, 2012, the**
- 35 **spring count of ADM in grades 1 through 12 residing in each**
- 36 **qualified school corporation for the school year ending in the**
- 37 **calendar year.**
- 38 (b) Upon the receipt of the information, the county auditor shall

1 compute the amount to be distributed to each of the qualified school
2 corporations from the receipts of the tax levy, based on the formula set
3 forth in this chapter.

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

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

12 SECTION 69. IC 20-45-8-22, AS ADDED BY P.L.2-2006,
13 SECTION 168, IS AMENDED TO READ AS FOLLOWS
14 [EFFECTIVE JULY 1, 2012]: Sec. 22. (a) The amount to be raised by
15 the tax shall be determined in any calendar year by the county auditor
16 and certified to by the board of county commissioners before the time
17 for making the county budgets in the year.

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

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

23 STEP ONE: Calculate the quotient of:

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

27 (B) for:

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

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

- 1 **preceding calendar year.**
- 2 STEP TWO: Calculate the product of:
- 3 (A) the STEP ONE result; multiplied by
- 4 (B) for:
- 5 (i) **a calendar year ending before January 1, 2013, the**
- 6 ADM of the immediately preceding school year of the
- 7 qualified school corporation that received money from the
- 8 fund in 1979, **as determined in the fall count of ADM for**
- 9 **the school year ending in the immediately preceding**
- 10 **calendar year; and**
- 11 (ii) **a calendar year beginning after December 31, 2012,**
- 12 **the total ADM of the immediately preceding school year**
- 13 **of qualified school corporations that received money**
- 14 **from the fund in 1979, as determined in the spring count**
- 15 **of ADM for the school year ending in the immediately**
- 16 **preceding calendar year.**

17 SECTION 70. IC 20-49-3-8, AS AMENDED BY P.L.146-2008,
 18 SECTION 529, IS AMENDED TO READ AS FOLLOWS
 19 [EFFECTIVE JULY 1, 2013]: Sec. 8. The fund may be used to make
 20 advances:

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

25 SECTION 71. IC 20-49-4-7, AS AMENDED BY P.L.113-2010,
 26 SECTION 99, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2012]: Sec. 7. As used in this chapter, "school building
 28 construction program" means the purchase, lease, or financing of land,
 29 the construction and equipping of school buildings, and the
 30 remodeling, repairing, or improving of school buildings by a school
 31 corporation:

- 32 (1) that sustained a loss from a disaster;
- 33 (2) whose adjusted assessed valuation (as determined under
- 34 IC 6-1.1-34-8) per **current** ADM is within the lowest forty
- 35 percent (40%) of the assessed valuation per **current** ADM when
- 36 compared with all school corporation adjusted assessed valuation
- 37 (as adjusted (if applicable) under IC 6-1.1-34-8) per **current**
- 38 ADM; or

1 (3) with an advance under this chapter outstanding on July 1,
2 1993, that bears interest of at least seven and one-half percent
3 (7.5%).

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

6 SECTION 72. IC 20-49-5-7 IS ADDED TO THE INDIANA CODE
7 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
8 1, 2013]: **Sec. 7. (a) A charter school, including a conversion
9 charter school, that has received an advance for operational costs
10 from the common school fund under IC 20-49-7 (before its repeal)
11 is not required to make principal or interest payments during the
12 state fiscal years beginning:**

13 (1) July 1, 2011; and

14 (2) July 1, 2012;

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

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

21 SECTION 73. IC 20-49-7 IS REPEALED [EFFECTIVE JULY 1,
22 2013]. (Charter School Advancement Account).

23 SECTION 74. IC 20-51-4-5, AS ADDED BY P.L.92-2011,
24 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JULY 1, 2012]: **Sec. 5. The state tuition support amount to be used in
26 section 3(2) section 4(2) of this chapter for an eligible individual is the
27 amount determined under the last STEP of the following formula:**

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

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

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

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

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

10 STEP THREE: Determine the result of:

11 (A) the STEP TWO amount; divided by
 12 (B) the current ADM (~~as defined in IC 20-43-1-10~~) for the
 13 school corporation identified under STEP ONE for the
 14 calendar year used in STEP TWO.

15 SECTION 75. IC 21-7-13-5, AS ADDED BY P.L.2-2007,
 16 SECTION 243, IS AMENDED TO READ AS FOLLOWS
 17 [EFFECTIVE JULY 1, 2012]: Sec. 5. "**Current** ADM" has the
 18 meaning set forth in ~~IC 20-43-1-6~~: **IC 20-43-1-10**.

19 SECTION 76. IC 21-43-5-14, AS ADDED BY P.L.234-2007,
 20 SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2012]: Sec. 14. Ivy Tech Community College is entitled to
 22 reimbursement for the costs incurred to deliver courses under this
 23 chapter that are taken:

24 (1) at an Ivy Tech Community College site; and
 25 (2) by a student for whom Ivy Tech Community College has
 26 waived tuition under this chapter or IC 21-14-8.

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

31 SECTION 77. IC 21-43-6-2, AS AMENDED BY P.L.3-2008,
 32 SECTION 148, IS AMENDED TO READ AS FOLLOWS
 33 [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) To be eligible to earn a high
 34 school diploma, an individual participating in the program established
 35 under this chapter must be either:

36 (1) at least nineteen (19) years of age and not enrolled in a high
 37 school; or
 38 (2) at least seventeen (17) years of age and have consent from the

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

7 SECTION 78. IC 21-43-7-2, AS AMENDED BY P.L.3-2008,
 8 SECTION 150, IS AMENDED TO READ AS FOLLOWS
 9 [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) To be eligible to earn a high
 10 school diploma, an individual participating in the program established
 11 under this chapter must be either:

- 12 (1) at least nineteen (19) years of age and not enrolled in a high
- 13 school; or
- 14 (2) at least seventeen (17) years of age and have consent from the
- 15 high school the individual attended most recently.

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

21 SECTION 79. IC 21-43-8-2, AS AMENDED BY P.L.3-2008,
 22 SECTION 152, IS AMENDED TO READ AS FOLLOWS
 23 [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) To be eligible to earn a high
 24 school diploma, an individual participating in the program established
 25 under this chapter must be either:

- 26 (1) at least nineteen (19) years of age and not enrolled in a school
- 27 corporation; or
- 28 (2) at least seventeen (17) years of age and have consent from the
- 29 high school the individual attended most recently.

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

35 SECTION 80. [EFFECTIVE JULY 1, 2012] (a) **The department**
 36 **of education shall before November 1, 2012, report to the budget**
 37 **committee:**

- 38 (1) **the number of students who left a charter school and**

- 1 enrolled in a public school maintained by a school corporation
- 2 during the 2011 - 2012 school year; and
- 3 (2) the number of students who:
 - 4 (A) received a choice scholarship for the 2011 - 2012 school
 - 5 year; and
 - 6 (B) left a nonpublic eligible school (as defined in
 - 7 IC 20-51-1-4.7) and enrolled in a public school maintained
 - 8 by a school corporation during the 2011 - 2012 school year.
- 9 (b) This SECTION expires January 1, 2013.
- 10 SECTION 81. [EFFECTIVE JULY 1, 2012] (a) For the fiscal year
- 11 beginning July 1, 2012, and ending June 30, 2013, there is
- 12 appropriated to the department of education thirty million nine
- 13 hundred thousand dollars (\$30,900,000) from the state general
- 14 fund for distribution for tuition support, total operating expense,
- 15 beginning July 1, 2012, and ending June 30, 2013. This
- 16 appropriation is in addition to the appropriation for tuition
- 17 support that was made by P.L.229-2011.
- 18 (b) This SECTION expires July 1, 2013.
- (Reference is to SB 280 as reprinted January 31, 2012.)

and when so amended that said bill do pass.

Representative Espich