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# SENATE BILL No. 280

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 20-24; IC 20-26-11; IC 20-33-5-9.5; IC 20-43; IC 20-49-7-4; IC 20-51-4-5.

**Synopsis:** School finance. Provides for the distribution of basic tuition support, honors diploma awards, primetime distributions, special education grants, and career and technical education grants on a state fiscal year basis rather than a calendar year basis, beginning July 1, 2012. Eliminates the specific dollar amounts specified by statute as the maximum amount to be distributed for these purposes. Provides that the maximum amount to be distributed for these purposes in a state fiscal year is the amount appropriated by the general assembly for that state fiscal year. Provides for the counting of students in September and January of each year. Specifies that the September count applies to distributions made in November and December and in the following January and February. Specifies that the January count applies to distributions made in March, April, May, June, July, August, September, and October of the year in which the January count is made. Provides that if a school corporation would have received a greater distribution for the months of July, August, September, and October if the September count of students (instead of the January count) had been used for distributions during this period, the school corporation is entitled to an additional distribution in November equal to the difference. Provides that if a school corporation would have received a lower distribution for the months of July, August, September, and October if the September count of students (instead of the January count) had been used for distributions during this period, the school corporation's distributions for November, December, January, and February shall be proportionately reduced so that the total reduction is equal to the difference.

**Effective:** July 1, 2012.

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## Charbonneau

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January 4, 2012, read first time and referred to Committee on Education and Career Development.



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Second Regular Session 117th General Assembly (2012)

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

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

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

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# SENATE BILL No. 280



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

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

1 SECTION 1. IC 20-24-7-2, AS AMENDED BY P.L.146-2008,  
2 SECTION 460, IS AMENDED TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) Not later than the ~~date~~ **dates**  
4 established by the department for determining ADM, ~~and after May 31~~  
5 ~~each year~~, the organizer shall submit to the department the following  
6 information on a form prescribed by the department:  
7 (1) The number of students enrolled in the charter school.  
8 (2) The name and address of each student.  
9 (3) The name of the school corporation in which the student has  
10 legal settlement.  
11 (4) The name of the school corporation, if any, that the student  
12 attended during the immediately preceding school year.  
13 (5) The grade level in which the student will enroll in the charter  
14 school.  
15 The department shall verify the accuracy of the information reported.  
16 (b) This subsection applies after ~~December 31~~ **June 30** of the  
17 calendar year in which a charter school begins its initial operation. The



1 department shall distribute to the organizer the state tuition support  
 2 distribution. The department shall make a distribution under this  
 3 subsection at the same time and in the same manner as the department  
 4 makes a distribution of state tuition support under IC 20-43-2 to other  
 5 school corporations.

6 SECTION 2. IC 20-24-7-3, AS AMENDED BY P.L.146-2008,  
 7 SECTION 461, IS AMENDED TO READ AS FOLLOWS  
 8 [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) This section applies to a  
 9 conversion charter school.

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

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

15 (2) a proportionate share of state and federal funds received:

16 (A) for students with disabilities; or

17 (B) for staff services for students with disabilities;

18 enrolled in the conversion charter school; and

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

23 for the ~~second first~~ six (6) months of the ~~calendar~~ **state fiscal** year in  
 24 which the conversion charter school is established. The department  
 25 shall make a distribution under this subsection at the same time and in  
 26 the same manner as the department makes a distribution to the  
 27 governing body of the school corporation in which the conversion  
 28 charter school is located. A distribution to the governing body of the  
 29 school corporation in which the conversion charter school is located is  
 30 reduced by the amount distributed to the conversion charter school.  
 31 This subsection does not apply to a conversion charter school after  
 32 ~~December 31~~ **June 30** of the ~~calendar~~ **state fiscal** year in which the  
 33 conversion charter school is established.

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

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

40 ONE (A): **number of students who:**

41 (A) **are enrolled in the conversion charter school; and**

42 (B) **were counted in the ADM of the previous year for the**

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**school corporation in which the conversion charter school is located.**

STEP TWO: Determine the difference between:

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

STEP THREE: Determine the quotient of:

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

STEP FOUR: Determine the product of:

- (A) the STEP THREE amount; multiplied by
- (B) the quotient of:
  - (i) the ~~subsection (d) STEP TWO amount~~; **total amount of excise tax revenue and the school corporation's certified distribution of county adjusted gross income tax revenue under IC 6-3.5-1.1 that is to be used as property tax replacement credits, to which the school corporation in which the conversion charter school is located is entitled for the second six (6) months of the calendar year in which the conversion charter school is established;** divided by
  - (ii) two (2).

SECTION 3. IC 20-24-7-4, AS AMENDED BY P.L.91-2011, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4. (a) Services that a school corporation provides to a charter school, including transportation, may be provided at not more than one hundred three percent (103%) of the actual cost of the services.

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

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

(d) This subsection applies to a sponsor that is a nonprofit college

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

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

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

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

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

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

38 SECTION 4. IC 20-24-7-6.5, AS ADDED BY P.L.229-2011,  
 39 SECTION 170, IS AMENDED TO READ AS FOLLOWS  
 40 [EFFECTIVE JULY 1, 2012]: Sec. 6.5. (a) Subject to subsection (b)  
 41 and with the approval of a majority of the members of the governing  
 42 body, a school corporation may distribute any part of the following to

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1 a conversion school sponsored by the school corporation in the amount  
 2 and under the terms and conditions adopted by a majority of the  
 3 members of the governing body:

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

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

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

12 STEP ONE: Determine the result of:

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

16 (B) the current ADM of the school corporation for the ~~calendar~~  
 17 **state fiscal** year.

18 STEP TWO: Determine the result of:

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

22 (B) the current ADM of the conversion charter school for the  
 23 ~~calendar~~ **state fiscal** year.

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

25 (A) the STEP ONE amount; minus

26 (B) the STEP TWO amount.

27 STEP FOUR: Determine the result of:

28 (A) the STEP THREE amount; multiplied by

29 (B) the current ADM of the conversion charter school for the  
 30 calendar year.

31 SECTION 5. IC 20-24-7-9, AS AMENDED BY P.L.146-2008,  
 32 SECTION 463, IS AMENDED TO READ AS FOLLOWS  
 33 [EFFECTIVE JULY 1, 2012]: Sec. 9. (a) This section applies if:

34 (1) a sponsor:

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

37 (B) does not renew a charter; or

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

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

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

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

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

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

- 17 (1) virtual distance learning;  
18 (2) online technologies; or  
19 (3) computer based instruction.

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

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

- 26 ~~(A)~~ **(1)** the number of students included in the virtual charter  
27 school's ADM; multiplied by  
28 ~~(B)~~ **(2)** eighty percent (80%) of statewide average basic tuition  
29 support.

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

- 33 (1) the product of:  
34 (A) the number of students included in the virtual charter  
35 school's ADM; multiplied by  
36 (B) eighty-seven and five-tenths percent (87.5%) of the  
37 school's foundation amount determined under IC 20-43-5-4;  
38 plus  
39 (2) the total of any special education grants under IC 20-43-7 to  
40 which the virtual charter school is entitled.

41 ~~After December 31, 2011,~~ A virtual charter school is entitled to receive  
42 special education grants under IC 20-43-7 calculated in the same

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1 manner as special education grants are calculated for other school  
2 corporations.

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

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

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

13 SECTION 7. IC 20-24-7.5-3, AS ADDED BY P.L.229-2011,  
14 SECTION 172, IS AMENDED TO READ AS FOLLOWS  
15 [EFFECTIVE JULY 1, 2012]: Sec. 3. **If a charter school is eligible for**  
16 **a one (1) time grant under this chapter does not receive tuition**  
17 **support** in the first **calendar state fiscal** year immediately following  
18 the **calendar state fiscal** year in which the charter school is established  
19 and begins enrolling eligible pupils, **the charter school is eligible for**  
20 **a one (1) time grant under section 4 of this chapter.**

21 SECTION 8. IC 20-24-7.5-4, AS ADDED BY P.L.229-2011,  
22 SECTION 172, IS AMENDED TO READ AS FOLLOWS  
23 [EFFECTIVE JULY 1, 2012]: Sec. 4. A charter school's new charter  
24 school startup grant is equal to the result of:

25 (1) the amount of basic tuition support determined for the charter  
26 school under IC 20-43-6-3 for the **calendar state fiscal** year that  
27 immediately follows the **calendar state fiscal** year in which the  
28 charter school is established and begins enrolling eligible pupils;  
29 divided by

30 (2) three (3).

31 The grant shall be paid from the charter school facilities assistance  
32 fund established by IC 20-24-12.

33 SECTION 9. IC 20-26-11-13, AS AMENDED BY P.L.229-2011,  
34 SECTION 173, IS AMENDED TO READ AS FOLLOWS  
35 [EFFECTIVE JULY 1, 2012]: Sec. 13. (a) As used in this section, the  
36 following terms have the following meanings:

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

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1 technical education, or career education.

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

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

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

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

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

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

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

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

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

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

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

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

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

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- 1 (B) Property tax levies under IC 20-45-7 and IC 20-45-8 **for**  
 2 **the calendar year in which the school year ends.**  
 3 (C) The sum of the following excise tax revenue received for  
 4 deposit in the calendar year in which the school year begins:  
 5 (i) Financial institution excise tax revenue (IC 6-5.5).  
 6 (ii) Motor vehicle excise taxes (IC 6-6-5).  
 7 (iii) Commercial vehicle excise taxes (IC 6-6-5.5).  
 8 (iv) Boat excise tax (IC 6-6-11).  
 9 (v) Aircraft license excise tax (IC 6-6-6.5).  
 10 (D) Allocations to the transferee school under IC 6-3.5.  
 11 STEP THREE: Determine the greater of:  
 12 (A) zero (0); or  
 13 (B) the result of subtracting the STEP TWO amount from the  
 14 STEP ONE amount.
- 15 If a child is placed in an institution or facility in Indiana by or with the  
 16 approval of the department of child services, the institution or facility  
 17 shall charge the department of child services for the use of the space  
 18 within the institution or facility (commonly called capital costs) that is  
 19 used to provide educational services to the child based upon a prorated  
 20 per student cost.
- 21 (c) Operating costs shall be determined for each class of school  
 22 where a transfer student is enrolled. The operating cost for each class  
 23 of school is based on the total expenditures of the transferee  
 24 corporation for the class of school from its general fund expenditures  
 25 as specified in the classified budget forms prescribed by the state board  
 26 of accounts. This calculation excludes:  
 27 (1) capital outlay;  
 28 (2) debt service;  
 29 (3) costs of transportation;  
 30 (4) salaries of board members;  
 31 (5) contracted service for legal expenses; and  
 32 (6) any expenditure that is made from extracurricular account  
 33 receipts;  
 34 for the school year.
- 35 (d) The capital cost of special equipment for a school year is equal  
 36 to:  
 37 (1) the cost of the special equipment; divided by  
 38 (2) the product of:  
 39 (A) the useful life of the special equipment, as determined  
 40 under the rules adopted by the state board; multiplied by  
 41 (B) the number of students using the special equipment during  
 42 at least part of the school year.

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

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

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

10 (2) the student enrollment of the class of school in which the  
 11 transfer student is enrolled.

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

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

29 (1) the total amount of revenues received; by

30 (2) the ADM of the transferee school for the school year that ends  
 31 in the calendar year in which the revenues are received.

32 However, for state tuition support distributions or any other state  
 33 distribution computed using less than the total ADM of the transferee  
 34 school, the transferee school shall allocate the revenues to the transfer  
 35 student by dividing the revenues that the transferee school is eligible  
 36 to receive in a calendar year by the student count used to compute the  
 37 state distribution.

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

42 (1) be entered into for a period of not more than five (5) years

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- 1 with an option to renew;
- 2 (2) specify a maximum number of students to be transferred; and
- 3 (3) fix a method for determining the amount of transfer tuition
- 4 and the time of payment, which may be different from that
- 5 provided in section 14 of this chapter.

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

- 9 (1) be for one (1) year or longer; and
- 10 (2) fix a method for determining the amount of transfer tuition or
- 11 time of payment that is different from the method, amount, or
- 12 time of payment that is provided in this section or section 14 of
- 13 this chapter.

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

16 SECTION 10. IC 20-26-11-23, AS AMENDED BY  
 17 P.L.182-2009(ss), SECTION 317, IS AMENDED TO READ AS  
 18 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 23. (a) If a transfer is  
 19 ordered to commence in a school year, where the transferor corporation  
 20 has net additional costs over savings (on account of any transfer  
 21 ordered) allocable to the ~~calendar~~ **state fiscal** year in which the school  
 22 year begins, and where the transferee corporation does not have  
 23 budgeted funds for the net additional costs, the net additional costs may  
 24 be recovered by one (1) or more of the following methods in addition  
 25 to any other methods provided by applicable law:

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

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

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

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

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

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

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

15 STEP FOUR: Multiply:

16 (A) the STEP THREE result; by

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

21 SECTION 12. IC 20-43-1-1, AS AMENDED BY P.L.229-2011,  
 22 SECTION 199, IS AMENDED TO READ AS FOLLOWS  
 23 [EFFECTIVE JULY 1, 2012]: Sec. 1. This article expires ~~January 1,~~  
 24 ~~2014.~~ **July 1, 2013.**

25 SECTION 13. IC 20-43-1-7, AS ADDED BY P.L.2-2006,  
 26 SECTION 166, IS AMENDED TO READ AS FOLLOWS  
 27 [EFFECTIVE JULY 1, 2012]: Sec. 7. "ADM of the previous year"  
 28 means:

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

32 **(2) for previous years ending after December 31, 2012, the**  
 33 **average of the number of eligible pupils counted on each of**  
 34 **the count dates in the school year ending in that previous year**  
 35 **(as adjusted under IC 20-43-4-2).**

36 SECTION 14. IC 20-43-1-10, AS ADDED BY P.L.2-2006,  
 37 SECTION 166, IS AMENDED TO READ AS FOLLOWS  
 38 [EFFECTIVE JULY 1, 2012]: Sec. 10. "Current ADM" means:

39 **(1) for distributions made under this article before October 1,**  
 40 **2012,** the initial computed ADM for the school year ending in the  
 41 calendar year; **and**

42 **(2) for distributions made under this article after September**

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1           **30, 2012, the most recently computed ADM that under**  
 2           **IC 20-43-3-7 is to be used for purposes of calculating a**  
 3           **distribution (as adjusted under IC 20-43-4-2).**

4           SECTION 15. IC 20-43-1-18 IS REPEALED [EFFECTIVE JULY  
 5           1, 2012]. Sec. 18: "**Maximum state distribution**" refers to the amount  
 6           determined under IC 20-43-2-2.

7           SECTION 16. IC 20-43-1-25, AS AMENDED BY P.L.229-2011,  
 8           SECTION 203, IS AMENDED TO READ AS FOLLOWS  
 9           [EFFECTIVE JULY 1, 2012]: Sec. 25. "State tuition support" means  
 10          the amount of state funds to be distributed to:

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

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

16          SECTION 17. IC 20-43-2-1, AS AMENDED BY P.L.146-2008,  
 17          SECTION 481, IS AMENDED TO READ AS FOLLOWS  
 18          [EFFECTIVE JULY 1, 2012]: Sec. 1. The department shall distribute  
 19          the amount appropriated by the general assembly for distribution as  
 20          state tuition support in accordance with this article. If the  
 21          appropriations for distribution as state tuition support are more than  
 22          required under this article, any excess shall revert to the state general  
 23          fund. The appropriations for state tuition support shall be made each  
 24          **calendar state fiscal** year under a schedule set by the budget agency  
 25          and approved by the governor. However, the schedule must provide:

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

27           (2) that one (1) payment shall be made at least every forty (40)  
 28           days; and

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

31          SECTION 18. IC 20-43-2-2, AS AMENDED BY P.L.229-2011,  
 32          SECTION 204, IS AMENDED TO READ AS FOLLOWS  
 33          [EFFECTIVE JULY 1, 2012]: Sec. 2. The maximum state distribution  
 34          for a **calendar state fiscal** year for all school corporations for the  
 35          purposes described in section 3 of this chapter is

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

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

40           (3) ~~six billion three hundred thirty-nine million six hundred~~  
 41           ~~thousand dollars (\$6,339,600,000) in 2013; the amount~~  
 42           **appropriated by the general assembly for those purposes for**

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1           **that state fiscal year.**  
2           SECTION 19. IC 20-43-2-3, AS AMENDED BY P.L.229-2011,  
3           SECTION 205, IS AMENDED TO READ AS FOLLOWS  
4           [EFFECTIVE JULY 1, 2012]: Sec. 3. If the total amount to be  
5           distributed:

- 6           (1) as basic tuition support;
- 7           (2) for honors diploma awards;
- 8           (3) for primetime distributions;
- 9           (4) for special education grants; ~~and~~
- 10          (5) for career and technical education grants;
- 11          **(6) for choice scholarships; and**
- 12          **(7) for Mitch Daniels early graduation scholarships;**

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

20           SECTION 20. IC 20-43-2-8 IS ADDED TO THE INDIANA CODE  
21           AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY  
22           1, 2012]: **Sec. 8. (a) Beginning July 1, 2012, distributions for basic**  
23           **tuition support, honors diploma awards, primetime distributions,**  
24           **special education grants, career and technical education grants,**  
25           **choice scholarships, and Mitch Daniels early graduation**  
26           **scholarships shall be made on a state fiscal year basis rather than**  
27           **a calendar year basis.**

- 28           **(b) The following is the intent of the general assembly:**
- 29           **(1) The distributions for basic tuition support, honors diploma**  
30           **awards, primetime distributions, special education grants,**  
31           **career and technical education grants, choice scholarships,**  
32           **and Mitch Daniels early graduation scholarships that were**  
33           **provided for under this article (as this article existed on**  
34           **January 1, 2012) for calendar year 2012 shall be made only**  
35           **during the first six (6) months of calendar year 2012.**
- 36           **(2) Except as otherwise provided, the distributions for basic**  
37           **tuition support, honors diploma awards, primetime**  
38           **distributions, special education grants, career and technical**  
39           **education grants, choice scholarships, and Mitch Daniels early**  
40           **graduation scholarships that were provided for under this**  
41           **article (as this article existed on January 1, 2012) for calendar**  
42           **year 2013 shall instead be made during the state fiscal year**

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1           **beginning July 1, 2013.**

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

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

7           SECTION 21. IC 20-43-3-4, AS AMENDED BY P.L.229-2011,  
 8           SECTION 206, IS AMENDED TO READ AS FOLLOWS  
 9           [EFFECTIVE JULY 1, 2012]: Sec. 4. (a) **This subsection applies to**  
 10           **the determination of a school corporation's previous year revenue**  
 11           **for purposes of determining distributions under this article before**  
 12           **July 1, 2012.** A school corporation's previous year revenue equals the  
 13           amount determined under STEP TWO of the following formula:

14           STEP ONE: Determine the sum of the following:

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

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

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

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

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

29           STEP ONE: For purposes of making determinations for:

30           (A) the state fiscal year beginning July 1, 2013, determine  
 31           the product of the school corporation's basic tuition  
 32           support actually received for the first six (6) months of  
 33           2012 multiplied by two (2); or

34           (B) a state fiscal year beginning after June 30, 2014,  
 35           determine the school corporation's basic tuition support  
 36           actually received for the state fiscal year that immediately  
 37           precedes the current state fiscal year.

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

42           ~~(b)~~ (c) A school corporation's previous year revenue must be

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- 1 reduced if:
- 2 (1) the school corporation's state tuition support for special
- 3 education or career and technical education is reduced as a result
- 4 of a complaint being filed with the department after December 31,
- 5 1988, because the school program overstated the number of
- 6 children enrolled in special education programs or career and
- 7 technical education programs; and
- 8 (2) the school corporation's previous year revenue has not been
- 9 reduced under this subsection more than one (1) time because of
- 10 a given overstatement.
- 11 The amount of the reduction equals the amount the school corporation
- 12 would have received in state tuition support for special education and
- 13 career and technical education because of the overstatement.
- 14 SECTION 22. IC 20-43-3-7 IS ADDED TO THE INDIANA CODE
- 15 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 16 1, 2012]: **Sec. 7. (a) This section applies to distributions under this**
- 17 **article that:**
- 18 (1) are computed in any part based on a count of students
- 19 under IC 20-43-4-2, IC 20-43-4-4, or IC 20-43-4-4.5; and
- 20 (2) are made after June 30, 2012.
- 21 (b) The number of eligible pupils counted on the September
- 22 count date of 2011 (as adjusted under IC 20-43-4-2) applies to
- 23 distributions made in July, August, September, and October of
- 24 2012.
- 25 (c) After June 30, 2012, the number of eligible pupils counted on
- 26 the September count date (as adjusted under IC 20-43-4-2) applies
- 27 to distributions made in November and December of the year in
- 28 which the September count is made and in January and February
- 29 of the year following the year in which the September count is
- 30 made.
- 31 (d) Except as provided in subsection (b), the number of eligible
- 32 pupils counted on the January count date (as adjusted under
- 33 IC 20-43-4-2) applies to distributions made in March, April, May,
- 34 June, July, August, September, and October of the year in which
- 35 the January count is made.
- 36 (e) If the state board subsequently adjusts under IC 20-43-4-2
- 37 a count used for a distribution under this article, the department
- 38 shall adjust subsequent distributions to the school corporation that
- 39 are affected by the adjusted count, on the schedule determined by
- 40 the department, to reflect the differences between the distribution
- 41 that the school corporation received and the distribution that the
- 42 school corporation would have received if the adjusted count had

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1 **been used.**

2 SECTION 23. IC 20-43-3-8 IS ADDED TO THE INDIANA CODE  
3 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
4 1, 2012]: **Sec. 8. Distributions under this article that are computed**  
5 **in any part based on a count of students under IC 20-43-4-2,**  
6 **IC 20-43-4-4, or IC 20-43-4-4.5, and that are made after June 30,**  
7 **2012, shall be reconciled as follows:**

8 **(1) In October of each year, the department shall determine**  
9 **the result of:**

10 **(A) the total amount of the distributions that would have**  
11 **been received by the school corporation during the months**  
12 **of July, August, September, and October if the**  
13 **distributions had been based on the September count of**  
14 **that year instead of:**

15 **(i) the count made in September of 2011 (in the case of a**  
16 **determination made in October of 2012); or**

17 **(ii) the count made in the preceding January (in the case**  
18 **of a determination made in October of 2013 and each**  
19 **October thereafter); minus**

20 **(B) the total amount of the distributions received by a**  
21 **school corporation during the months of July, August,**  
22 **September, and October of that year.**

23 **(2) If the result determined under subdivision (1) is positive,**  
24 **the school corporation shall receive an additional distribution**  
25 **in November equal to the result determined under subdivision**  
26 **(1).**

27 **(3) If the result determined under subdivision (1) is negative,**  
28 **the distributions otherwise received by the school corporation**  
29 **in November, December, January, and February shall be**  
30 **proportionately reduced so that the total reduction is equal to**  
31 **the result determined under subdivision (1).**

32 SECTION 24. IC 20-43-4-2, AS ADDED BY P.L.2-2006,  
33 SECTION 166, IS AMENDED TO READ AS FOLLOWS  
34 [EFFECTIVE JULY 1, 2012]: **Sec. 2. A school corporation's ADM is**  
35 **the number of eligible pupils enrolled in:**

36 **(1) the school corporation; or**

37 **(2) a transferee corporation;**

38 **on a day to be the days fixed annually in September and in January**  
39 **by the state board for a count of students under section 3 of this**  
40 **chapter and as subsequently adjusted not later than January 30 the**  
41 **date specified under the rules adopted by the state board. The state**  
42 **board may adjust the school's count of eligible pupils if the state**

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1 **board determines that the count is unrepresentative of the school**  
 2 **corporation's enrollment.**

3 SECTION 25. IC 20-43-4-3, AS ADDED BY P.L.2-2006,  
 4 SECTION 166, IS AMENDED TO READ AS FOLLOWS  
 5 [EFFECTIVE JULY 1, 2012]: Sec. 3. **(a)** The initial day of the ADM  
 6 count **in a school year** must fall within ~~the first thirty (30) days of the~~  
 7 ~~school year.~~ **the month of September each year.**

8 **(b) The second day of the ADM count in a school year must fall**  
 9 **within the month of January.**

10 **(c)** However, if extreme patterns of:

- 11 (1) student in-migration;  
 12 (2) illness;  
 13 (3) natural disaster; or  
 14 (4) other unusual conditions in a particular school corporation's  
 15 enrollment;

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

21 SECTION 26. IC 20-43-4-4, AS ADDED BY P.L.2-2006,  
 22 SECTION 166, IS AMENDED TO READ AS FOLLOWS  
 23 [EFFECTIVE JULY 1, 2012]: Sec. 4. The state board shall monitor  
 24 changes that occur ~~after the fall ADM count~~ in the number of students  
 25 enrolled in programs for children with disabilities. The state board:

26 **(1)** shall

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

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

29 ~~make an adjusted a count of students enrolled in programs for~~  
 30 ~~children with disabilities The state superintendent shall certify the~~  
 31 ~~December adjusted count to the budget committee before~~  
 32 ~~February 5 of the following year and the April adjusted count not~~  
 33 ~~later than May 31 immediately after the date of the April adjusted~~  
 34 ~~count: two (2) times per school year on the same days that~~  
 35 **ADM counts are conducted under sections 2 and 3 of this**  
 36 **chapter; and**

37 **(2) may adjust the counts as provided in section 2 of this**  
 38 **chapter.**

39 SECTION 27. IC 20-43-4-4.5 IS ADDED TO THE INDIANA  
 40 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 41 [EFFECTIVE JULY 1, 2012]: **Sec. 4.5. (a) This section applies to a**  
 42 **count of individuals required under this article that is not**

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1 described in section 2 or 4 of this chapter.

2 (b) The state board shall monitor changes that occur in the  
3 number of students counted under this article. The state board:

4 (1) shall require a count of students two (2) times per school  
5 year on the same days that ADM counts are conducted under  
6 sections 2 and 3 of this chapter; and

7 (2) may adjust the counts as provided in section 2 of this  
8 chapter.

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

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

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

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

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

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

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

31 SECTION 30. IC 20-43-5-3, AS AMENDED BY P.L.229-2011,  
32 SECTION 208, IS AMENDED TO READ AS FOLLOWS  
33 [EFFECTIVE JULY 1, 2012]: Sec. 3. A school corporation's  
34 complexity index is determined under the following formula:

35 STEP ONE: Determine the greater of zero (0) or the result of the  
36 following:

37 (1) Determine the percentage of the school corporation's  
38 students who were eligible for free or reduced price lunches in  
39 the school year ending in the later of:

40 (A) 2011 for the purposes of determining the complexity  
41 index in 2012 and ~~2013~~; **the state fiscal year beginning**  
42 **July 1, 2012**; or

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- 1 (B) the first year of operation of the school corporation.
- 2 (2) Determine the quotient of:
- 3 (A) ~~in~~ **for calculating distributions made before July 1,**
- 4 2012:
- 5 (i) two thousand one hundred twenty-nine dollars (\$2,129);
- 6 divided by
- 7 (ii) four thousand two hundred eighty dollars (\$4,280); and
- 8 (B) ~~in 2013~~: **for calculating distributions made in the**
- 9 **state fiscal year beginning July 1, 2012:**
- 10 (i) two thousand one hundred ninety dollars (\$2, 190);
- 11 divided by
- 12 (ii) four thousand four hundred five dollars (\$4,405).
- 13 (3) Determine the product of:
- 14 (A) the subdivision (1) amount; multiplied by
- 15 (B) the subdivision (2) amount.
- 16 STEP TWO: Determine the result of one (1) plus the STEP ONE
- 17 result.
- 18 STEP THREE: This STEP applies if the STEP TWO result ~~in~~ **for**
- 19 **calculating distributions made before July 1, 2012,** is equal to
- 20 or greater than at least one and twenty-eight hundredths (1.28)
- 21 and applies if the STEP TWO result ~~in 2013~~ **for calculating**
- 22 **distributions made in the state fiscal year beginning July 1,**
- 23 **2012,** is at least one and thirty-one hundredths (1.31). Determine
- 24 the result of the following:
- 25 (1) ~~in~~ **for calculating distributions made before July 1,**
- 26 2012, subtract one and twenty-eight hundredths (1.28) and ~~in~~
- 27 ~~2013~~ **for calculating distributions made in the state fiscal**
- 28 **year beginning July 1, 2012,** subtract one and thirty-one
- 29 hundredths (1.31) from the STEP TWO result.
- 30 (2) Determine the result of:
- 31 (A) the STEP TWO result; plus
- 32 (B) the subdivision (1) result.
- 33 The data to be used in making the calculations under STEP ONE must
- 34 be the data collected in the annual pupil enrollment count by the
- 35 department.
- 36 SECTION 31. IC 20-43-5-4, AS AMENDED BY P.L.229-2011,
- 37 SECTION 209, IS AMENDED TO READ AS FOLLOWS
- 38 [EFFECTIVE JULY 1, 2012]: Sec. 4. A school corporation's
- 39 foundation amount for a ~~calendar~~ **state fiscal** year is the result
- 40 determined under STEP THREE of the following formula:
- 41 STEP ONE: The STEP ONE amount is:
- 42 (A) ~~in~~ **for calculating distributions made before July 1,**

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1                   2012, four thousand two hundred eighty dollars (\$4,280); and  
 2                   (B) ~~in 2013~~ **for calculating distributions made in the state**  
 3                   **fiscal year beginning July 1, 2012**, four thousand four  
 4                   hundred five dollars (\$4,405).

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

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

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

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

14                  (C) The result of one hundred fifty thousand dollars  
 15                  (\$150,000) divided by the school corporation's current ADM,  
 16                  if the school corporation's current ADM is more than one  
 17                  thousand (1,000).

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

- 23                   (1) the school corporation's previous year revenue; divided by
- 24                   (2) the school corporation's adjusted ADM for the previous year.

25                  SECTION 33. IC 20-43-5-6, AS AMENDED BY P.L.229-2011,  
 26                  SECTION 210, IS AMENDED TO READ AS FOLLOWS  
 27                  [EFFECTIVE JULY 1, 2012]: Sec. 6. (a) A school corporation's  
 28                  transition to foundation amount for a ~~calendar~~ **state fiscal** year is equal  
 29                  to the result determined under STEP TWO of the following formula:

30                  STEP ONE: Determine the difference of:

- 31                   (A) the school corporation's foundation amount; minus
- 32                   (B) the lesser of:
  - 33                   (i) the school corporation's previous year revenue foundation
  - 34                   amount; or
  - 35                   (ii) the result of the school corporation's foundation amount
  - 36                   multiplied by one and two-tenths (1.2).

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

- 39                   (A) For a charter school located outside Marion County that  
 40                   has previous year revenue that is not greater than zero (0), the  
 41                   charter school's STEP TWO amount is the quotient of:
  - 42                   (i) the school corporation's transition to foundation revenue

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

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- 1 (1) the school corporation's transition to foundation amount for  
 2 the ~~calendar~~ **state fiscal** year; multiplied by  
 3 (2) the school corporation's current ADM.
- 4 SECTION 35. IC 20-43-5-9, AS AMENDED BY P.L.234-2007,  
 5 SECTION 247, IS AMENDED TO READ AS FOLLOWS  
 6 [EFFECTIVE JULY 1, 2012]: Sec. 9. A school corporation's transition  
 7 to foundation revenue per adjusted ADM for a ~~calendar~~ **state fiscal**  
 8 year is the quotient of:  
 9 (1) the school corporation's transition to foundation revenue for  
 10 the ~~calendar~~ **state fiscal** year; divided by  
 11 (2) the school corporation's current adjusted ADM.
- 12 SECTION 36. IC 20-43-6-1, AS AMENDED BY P.L.182-2009(ss),  
 13 SECTION 338, IS AMENDED TO READ AS FOLLOWS  
 14 [EFFECTIVE JULY 1, 2012]: Sec. 1. Subject to the amount  
 15 appropriated by the general assembly for state tuition support and  
 16 IC 20-43-2, the amount that a school corporation is entitled to receive  
 17 in basic tuition support for a **state fiscal** year is the amount determined  
 18 in section 3 of this chapter.
- 19 SECTION 37. IC 20-43-6-3, AS AMENDED BY P.L.229-2011,  
 20 SECTION 212, IS AMENDED TO READ AS FOLLOWS  
 21 [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) A school corporation's basic  
 22 tuition support for a **state fiscal** year is the amount determined under  
 23 the applicable provision of this section.
- 24 (b) The school corporation's basic tuition support for a **state fiscal**  
 25 year is equal to the school corporation's transition to foundation  
 26 revenue for the year.
- 27 (c) This subsection applies to students of a virtual charter school. A  
 28 virtual charter school's basic tuition support for a **state fiscal** year for  
 29 those students is the amount determined under IC 20-24-7-13.
- 30 SECTION 38. IC 20-43-7-1, AS ADDED BY P.L.2-2006,  
 31 SECTION 166, IS AMENDED TO READ AS FOLLOWS  
 32 [EFFECTIVE JULY 1, 2012]: Sec. 1. In addition to the amount a  
 33 school corporation is entitled to receive in basic tuition support, each  
 34 school corporation is entitled to receive a grant for special education  
 35 programs **for the state fiscal year**. The amount of the special  
 36 education grant is based on the count of eligible pupils enrolled in  
 37 special education programs on ~~December 1~~ **the latest ADM count**  
 38 **date** of the preceding **state fiscal** year in:  
 39 (1) the school corporation; or  
 40 (2) a transferee corporation.
- 41 SECTION 39. IC 20-43-7-5, AS ADDED BY P.L.2-2006,  
 42 SECTION 166, IS AMENDED TO READ AS FOLLOWS

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1 [EFFECTIVE JULY 1, 2012]: Sec. 5. (a) In a school corporation's  
 2 cumulative count of pupils in homebound programs, a school  
 3 corporation shall count each pupil who received homebound  
 4 instruction up to and including ~~December~~ **the September ADM**  
 5 **count date** of the current year plus each pupil who received  
 6 homebound instruction after ~~December~~ **the January ADM count**  
 7 **date** of the prior school year.

8 (b) A school corporation may include a pupil in the school  
 9 corporation's cumulative count of pupils in homebound programs even  
 10 if the pupil also is included in the school corporation's:

- 11 (1) nonduplicated count of pupils in programs for severe  
 12 disabilities;  
 13 (2) nonduplicated count of pupils in programs for mild and  
 14 moderate disabilities; or  
 15 (3) duplicated count of pupils in programs for communication  
 16 disorders.

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

- 22 (1) The nonduplicated count of pupils in programs for severe  
 23 disabilities multiplied by eight thousand three hundred fifty  
 24 dollars (\$8,350).  
 25 (2) The nonduplicated count of pupils in programs of mild and  
 26 moderate disabilities multiplied by two thousand two hundred  
 27 sixty-five dollars (\$2,265).  
 28 (3) The duplicated count of pupils in programs for communication  
 29 disorders multiplied by five hundred thirty-three dollars (\$533).  
 30 (4) The cumulative count of pupils in homebound programs  
 31 multiplied by five hundred thirty-three dollars (\$533).  
 32 (5) The nonduplicated count of pupils in special preschool  
 33 education programs multiplied by two thousand seven hundred  
 34 fifty dollars (\$2,750).

35 SECTION 41. IC 20-43-8-2, AS AMENDED BY P.L.234-2007,  
 36 SECTION 137, IS AMENDED TO READ AS FOLLOWS  
 37 [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) Before December 1 of each  
 38 year, the department of workforce development shall provide the  
 39 department with a report, to be used to determine career and technical  
 40 education grant amounts in the **second calendar state fiscal** year  
 41 **beginning** after the year in which the report is provided, listing whether  
 42 the labor market demand for each generally recognized labor category

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1 is more than moderate, moderate, or less than moderate. In the report,  
 2 the department of workforce development shall categorize each of the  
 3 career and technical education programs using the following four (4)  
 4 categories:

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

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

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

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

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

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

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

32 SECTION 42. IC 20-43-8-9, AS AMENDED BY P.L.234-2007,  
 33 SECTION 139, IS AMENDED TO READ AS FOLLOWS  
 34 [EFFECTIVE JULY 1, 2012]: Sec. 9. A school corporation's career and  
 35 technical education grant for a **calendar state fiscal** year is the sum of  
 36 the following amounts:

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

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

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

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- (C) the following applicable amount:
  - (i) Four hundred fifty dollars (\$450), in the case of a program described in section 5 of this chapter (more than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a high wage.
  - (ii) Three hundred seventy-five dollars (\$375), in the case of a program described in section 5 of this chapter (more than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a moderate wage.
  - (iii) Three hundred dollars (\$300), in the case of a program described in section 5 of this chapter (more than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a less than moderate wage.
  - (iv) Three hundred seventy-five dollars (\$375), in the case of a program described in section 6 of this chapter (moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a high wage.
  - (v) Three hundred dollars (\$300), in the case of a program described in section 6 of this chapter (moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a moderate wage.
  - (vi) Two hundred twenty-five dollars (\$225), in the case of a program described in section 6 of this chapter (moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a less than moderate wage.
  - (vii) Three hundred dollars (\$300), in the case of a program described in section 7 of this chapter (less than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a high wage.
  - (viii) Two hundred twenty-five dollars (\$225), in the case of a program described in section 7 of this chapter (less than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a moderate wage.
  - (ix) One hundred fifty dollars (\$150), in the case of a program described in section 7 of this chapter (less than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a less

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- 1 than moderate wage.
- 2 STEP TWO: The number of pupils described in section 8 of this
- 3 chapter (all other programs) multiplied by two hundred fifty
- 4 dollars (\$250).
- 5 STEP THREE: The number of pupils participating in a career and
- 6 technical education program in which pupils from multiple
- 7 schools are served at a common location multiplied by one
- 8 hundred fifty dollars (\$150).
- 9 SECTION 43. IC 20-43-9-6, AS AMENDED BY P.L.229-2011,
- 10 SECTION 217, IS AMENDED TO READ AS FOLLOWS
- 11 [EFFECTIVE JULY 1, 2012]: Sec. 6. A school corporation's primetime
- 12 distribution for a **calendar state fiscal** year under this chapter is the
- 13 amount determined by the following formula:
- 14 STEP ONE: Determine the applicable target pupil/teacher ratio
- 15 for the school corporation as follows:
- 16 (A) If the school corporation's complexity index is less than
- 17 one and one-tenth (1.1), the school corporation's target
- 18 pupil/teacher ratio is eighteen to one (18:1).
- 19 (B) If the school corporation's complexity index is at least one
- 20 and one-tenth (1.1) but less than one and three-tenths (1.3), the
- 21 school corporation's target pupil/teacher ratio is fifteen (15)
- 22 plus the result determined in item (iii) to one (1):
- 23 (i) Determine the result of one and three-tenths (1.3) minus
- 24 the school corporation's complexity index.
- 25 (ii) Determine the item (i) result divided by two-tenths (0.2).
- 26 (iii) Determine the item (ii) result multiplied by three (3).
- 27 (C) If the school corporation's complexity index is at least one
- 28 and three-tenths (1.3), the school corporation's target
- 29 pupil/teacher ratio is fifteen to one (15:1).
- 30 STEP TWO: Determine the result of:
- 31 (A) the ADM of the school corporation in kindergarten
- 32 through grade 3 for the current school year; divided by
- 33 (B) the school corporation's applicable target pupil/teacher
- 34 ratio, as determined in STEP ONE.
- 35 STEP THREE: Determine the result of:
- 36 (A) the basic tuition support for the year multiplied by
- 37 seventy-five hundredths (0.75); divided by
- 38 (B) the school corporation's ADM.
- 39 STEP FOUR: Determine the result of:
- 40 (A) the STEP THREE result; multiplied by
- 41 (B) the ADM of the school corporation in kindergarten
- 42 through grade 3 for the current school year.

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- 1 STEP FIVE: Determine the result of:  
 2 (A) the STEP FOUR result; divided by  
 3 (B) the staff cost amount.
- 4 STEP SIX: Determine the greater of zero (0) or the result of:  
 5 (A) the STEP TWO amount; minus  
 6 (B) the STEP FIVE amount.
- 7 STEP SEVEN: Determine the result of:  
 8 (A) the STEP SIX amount; multiplied by  
 9 (B) the staff cost amount.
- 10 STEP EIGHT: Determine the greater of the STEP SEVEN amount  
 11 or:  
 12 (A) for 2012, fifty percent (50%) of the school corporation's  
 13 guaranteed primetime amount; or  
 14 (B) for 2013, zero (0).
- 15 STEP NINE: A school corporation's amount under this STEP is  
 16 the following:  
 17 (A) If the amount the school corporation received under this  
 18 chapter in the previous **calendar state fiscal** year is greater  
 19 than zero (0), the amount under this STEP is the lesser of:  
 20 (i) the STEP EIGHT amount; or  
 21 (ii) the amount the school corporation received under this  
 22 chapter for the previous **calendar state fiscal** year multiplied  
 23 by one hundred seven and one-half percent (107.5%).  
 24 (B) If the amount the school corporation received under this  
 25 chapter in the previous **calendar state fiscal** year is not greater  
 26 than zero (0), the amount under this STEP is the STEP EIGHT  
 27 amount.
- 28 SECTION 44. IC 20-43-10-2, AS AMENDED BY P.L.229-2011,  
 29 SECTION 219, IS AMENDED TO READ AS FOLLOWS  
 30 [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) A school corporation's honors  
 31 diploma award for a **calendar state fiscal** year is the amount  
 32 determined under STEP FOUR of the following formula:  
 33 STEP ONE: Determine the number of the school corporation's  
 34 eligible pupils who successfully completed an academic honors  
 35 diploma program in the school year ending in the previous  
 36 **calendar state fiscal** year.  
 37 STEP TWO: Determine the result of:  
 38 (A) the number of the school corporation's eligible pupils who  
 39 successfully completed a Core 40 diploma with technical  
 40 honors program in the school year ending in the previous  
 41 **calendar state fiscal** year; minus  
 42 (B) the number of eligible pupils who would otherwise be

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- 1 double counted under both clause (A) and STEP ONE.  
 2 STEP THREE: Determine the sum of the number of eligible  
 3 students determined under STEP ONE and the number of eligible  
 4 students determined under STEP TWO.  
 5 STEP FOUR: Multiply the STEP THREE amount by nine  
 6 hundred dollars (\$900).  
 7 (b) An amount received by a school corporation as an honors  
 8 diploma award may be used only for:  
 9 (1) any:  
 10 (A) staff training;  
 11 (B) program development;  
 12 (C) equipment and supply expenditures; or  
 13 (D) other expenses;  
 14 directly related to the school corporation's honors diploma  
 15 program; and  
 16 (2) the school corporation's program for high ability students.  
 17 (c) A governing body that does not comply with this section for a  
 18 school year is not eligible to receive an honors diploma award for the  
 19 following school year.  
 20 SECTION 45. IC 20-49-7-4, AS ADDED BY P.L.2-2006,  
 21 SECTION 172, IS AMENDED TO READ AS FOLLOWS  
 22 [EFFECTIVE JULY 1, 2012]: Sec. 4. As used in this chapter,  
 23 "operational costs" means costs other than construction costs incurred  
 24 by:  
 25 (1) a charter school other than a conversion charter school during  
 26 the second six (6) months of the ~~calendar~~ **state fiscal** year in  
 27 which the charter school begins its initial operation; or  
 28 (2) a charter school, including a conversion charter school, during  
 29 the second six (6) months of a ~~calendar~~ **state fiscal** year in which  
 30 the charter school's most recent enrollment reported under  
 31 IC 20-24-7-2(a) divided by the charter school's previous year's  
 32 ADM is at least one and fifteen-hundredths (1.15).  
 33 SECTION 46. IC 20-51-4-5, AS ADDED BY P.L.92-2011,  
 34 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 35 JULY 1, 2012]: Sec. 5. The state tuition support amount to be used in  
 36 ~~section 3(2)~~ **section 4(2)** of this chapter for an eligible individual is the  
 37 amount determined under the last STEP of the following formula:  
 38 STEP ONE: Determine the school corporation in which the  
 39 eligible individual has legal settlement.  
 40 STEP TWO: Determine the amount of state tuition support that  
 41 the school corporation identified under STEP ONE is eligible to  
 42 receive under IC 20-43 for the ~~calendar~~ **state fiscal** year in which

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1 the current school year begins, excluding amounts provided for  
2 special education grants under IC 20-43-7 and career and  
3 technical education grants under IC 20-43-8.  
4 STEP THREE: Determine the result of:  
5 (A) the STEP TWO amount; divided by  
6 (B) the current ADM (as defined in IC 20-43-1-10) for the  
7 school corporation identified under STEP ONE for the  
8 **calendar state fiscal** year used in STEP TWO.

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