

# SENATE BILL No. 305

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-2-10.1-10; IC 20-18-2; IC 20-20-13; IC 20-23-7-12; IC 20-24; IC 20-24.5-2; IC 20-25-12-5; IC 20-26; IC 20-29-6-12.5; IC 20-40-8-1; IC 20-43; IC 20-45; IC 20-49; IC 20-51-4-5; IC 21-7-13-5; IC 21-43.

**Synopsis:** Multiple ADM counts. Provides that: (1) an average daily membership (ADM) count of students enrolled in a public school in grades K-12 must be taken during the school year in September and January; and (2) state tuition support must be distributed based on the latest count of students. Changes the first month that the September count affects distributions from January of the following year to October of the year in which the count is taken. Requires state tuition support distributions to be made every month rather than every 40 days. Calculates charter school startup and other advance loans based on a three month period rather than a six month period. Makes related changes in various calculations to reflect the change in counting procedure.

**Effective:** July 1, 2012.

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**Breaux**

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January 5, 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. 305**



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

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

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



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

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

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

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

12 SECTION 5. IC 20-18-2-18.5 IS ADDED TO THE INDIANA  
 13 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 14 [EFFECTIVE JULY 1, 2012]: **Sec. 18.5. "Spring count" refers to the**  
 15 **second count of ADM in a school year under IC 20-43-4-3, as**  
 16 **finally adjusted under IC 20-43-4-2.**

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

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

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

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

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

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1 School for the Blind and Visually Impaired established by IC 20-21-2-1  
 2 and the Indiana School for the Deaf established by IC 20-22-2-1 shall  
 3 be considered to have the lowest assessed valuation for property tax  
 4 purposes per student in **current** ADM during the six (6) year period  
 5 beginning July 1, 2001.

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

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

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

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

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

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

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

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

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

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

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

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

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

42 had an **current** ADM of at least six hundred (600) students in

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

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

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

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

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

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

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

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

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

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1 subsection (g). The township trustee shall certify the question to the  
2 county election board under IC 3-10-9-3 and give notice of an election:

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

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

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

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

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

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

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

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

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

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

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1 duties of the metropolitan school district or the board or superintendent  
2 of the district provided in this chapter.

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

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

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

19 (b) This subsection applies ~~after December 31 of the calendar year~~  
20 ~~in which to state tuition support distributions made after the initial~~  
21 **fall count of ADM for** a charter school **after the charter school**  
22 begins its initial operation. The department shall distribute **state**  
23 **tuition support payments** to the organizer. ~~the state tuition support~~  
24 ~~distribution.~~ The department shall make a distribution under this  
25 subsection at the same time and in the same manner as the department  
26 makes a distribution of state tuition support under IC 20-43-2 to other  
27 school corporations.

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

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

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

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

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

- 19 STEP ONE: Determine the result under subsection (d) STEP
- 20 ONE (A):
- 21 STEP TWO: Determine the difference between:
- 22 (A) the conversion charter school's current ADM minus
- 23 (B) the STEP ONE amount.
- 24 STEP THREE: Determine the quotient of:
- 25 (A) the STEP TWO amount; divided by
- 26 (B) the conversion charter school's current ADM.
- 27 STEP FOUR: Determine the product of:
- 28 (A) the STEP THREE amount; multiplied by
- 29 (B) the quotient of:
- 30 (i) the subsection (d) STEP TWO amount; divided by
- 31 (ii) ~~two (2)~~.

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

- 40 (1) State tuition support and other state distributions to the school
- 41 corporation.
- 42 (2) Any other amount deposited in the school corporation's

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1 general fund.

2 (b) The total amount that may be transferred under subsection (a) in

3 a calendar year to a particular conversion charter school may not

4 exceed the result determined under STEP FOUR of the following

5 formula:

6 STEP ONE: Determine the result of:

7 (A) the amount of state tuition support that the school

8 corporation is eligible to receive in the calendar year; divided

9 by

10 (B) the **current fall count of ADM** of the school corporation

11 **for conducted in the current** calendar year.

12 STEP TWO: Determine the result of:

13 (A) the amount of state tuition support that the conversion

14 charter school is eligible to receive in the calendar year;

15 divided by

16 (B) the **current fall count of ADM** of the conversion charter

17 school **for conducted in the current** calendar year.

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

19 (A) the STEP ONE amount; minus

20 (B) the STEP TWO amount.

21 STEP FOUR: Determine the result of:

22 (A) the STEP THREE amount; multiplied by

23 (B) the **current fall count of ADM** of the conversion charter

24 school **for conducted in the current** calendar year.

25 SECTION 12. IC 20-24-7-13, AS AMENDED BY P.L.229-2011,

26 SECTION 171, IS AMENDED TO READ AS FOLLOWS

27 [EFFECTIVE JULY 1, 2012]: Sec. 13. (a) As used in this section,

28 "virtual charter school" means any charter school, including a

29 conversion charter school, that provides for the delivery of more than

30 fifty percent (50%) of instruction to students through:

31 (1) virtual distance learning;

32 (2) online technologies; or

33 (3) computer based instruction.

34 (b) ~~Beginning with the 2011-2012 school year~~; A virtual charter

35 school may apply for sponsorship with any statewide sponsor in

36 accordance with the sponsor's guidelines.

37 (c) ~~Before January 1, 2012~~; a virtual charter school is entitled to

38 receive funding from the state in an amount equal to the sum of (1) the

39 product of:

40 (1) the number of students included in the virtual charter school's

41 ADM; multiplied by

42 (2) eighty percent (80%) of statewide average basic tuition

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- 1 support:
- 2 ~~(d)~~ (c) After December 31, 2011, a virtual charter school is entitled
- 3 to receive funding **in a month** from the state in an amount equal to the
- 4 sum of:
- 5 (1) the product of:
- 6 (A) the number of students included in the virtual charter
- 7 school's **current** ADM; multiplied by
- 8 (B) **the result of:**
- 9 (i) eighty-seven and five-tenths percent (87.5%) of the
- 10 school's foundation amount determined under IC 20-43-5-4;
- 11 **divided by**
- 12 (ii) **twelve (12)**; plus
- 13 (2) the total of any special education grants under IC 20-43-7 to
- 14 which the virtual charter school is entitled **for the month.**

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

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

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

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

30 SECTION 13. IC 20-24-7.5-4, AS ADDED BY P.L.229-2011,  
 31 SECTION 172, IS AMENDED TO READ AS FOLLOWS  
 32 [EFFECTIVE JULY 1, 2012]: Sec. 4. A charter school's new charter  
 33 school startup grant is equal to the result of:

- 34 (1) the amount of basic tuition support determined for the charter
- 35 school under IC 20-43-6-3 for **October in** the calendar year ~~that~~
- 36 ~~immediately follows the calendar year~~ in which the charter school
- 37 is established and begins enrolling eligible pupils; ~~divided by~~
- 38 **multiplied by**
- 39 (2) ~~three (3)~~: **four (4).**

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

42 SECTION 14. IC 20-24.5-2-10, AS AMENDED BY P.L.146-2008,

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1 SECTION 464, IS AMENDED TO READ AS FOLLOWS  
 2 [EFFECTIVE JULY 1, 2012]: Sec. 10. A laboratory school that:  
 3 (1) is operated without an agreement; and  
 4 (2) has an ADM **in the fall count of a school year** of not more  
 5 than seven hundred fifty (750);  
 6 must be treated as a charter school for purposes of funding under  
 7 IC 20-20-33 and IC 20-43.

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

14 SECTION 16. IC 20-25-12-5, AS ADDED BY P.L.1-2005,  
 15 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 16 JULY 1, 2012]: Sec. 5. The **initial** approved general fund budget for  
 17 each school for a school year must be, as nearly as is reasonable and  
 18 practicable, proportionate to the total general fund budget for the  
 19 school city in the same ratio as the school's estimated **current** ADM  
 20 **for the fall count in the school year** compares to the school city's  
 21 estimated **current** ADM for **the fall count for** that school year.

22 SECTION 17. IC 20-26-5-4, AS AMENDED BY P.L.90-2011,  
 23 SECTION 11, AND AS AMENDED BY P.L.200-2011, SECTION 1,  
 24 IS CORRECTED AND AMENDED TO READ AS FOLLOWS  
 25 [EFFECTIVE JULY 1, 2012]: Sec. 4. In carrying out the school  
 26 purposes of a school corporation, the governing body acting on the  
 27 school corporation's behalf has the following specific powers:

- 28 (1) In the name of the school corporation, to sue and be sued and  
 29 to enter into contracts in matters permitted by applicable law.  
 30 However, a governing body may not use funds received from the  
 31 state to bring or join in an action against the state, unless the  
 32 governing body is challenging an adverse decision by a state  
 33 agency, board, or commission.
- 34 (2) To take charge of, manage, and conduct the educational affairs  
 35 of the school corporation and to establish, locate, and provide the  
 36 necessary schools, school libraries, other libraries where  
 37 permitted by law, other buildings, facilities, property, and  
 38 equipment.
- 39 (3) To appropriate from the school corporation's general fund an  
 40 amount, not to exceed the greater of three thousand dollars  
 41 (\$3,000) per budget year or one dollar (\$1) per pupil, not to  
 42 exceed twelve thousand five hundred dollars (\$12,500), based on

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- 1 the school corporation's **ADM for the previous year's ADM, year**
- 2 **(as defined in IC 20-43-1-7)** to promote the best interests of the
- 3 school corporation through:
- 4 (A) the purchase of meals, decorations, memorabilia, or
- 5 awards;
- 6 (B) provision for expenses incurred in interviewing job
- 7 applicants; or
- 8 (C) developing relations with other governmental units.
- 9 (4) To:
- 10 (A) Acquire, construct, erect, maintain, hold, and contract for
- 11 construction, erection, or maintenance of real estate, real estate
- 12 improvements, or an interest in real estate or real estate
- 13 improvements, as the governing body considers necessary for
- 14 school purposes, including buildings, parts of buildings,
- 15 additions to buildings, rooms, gymnasiums, auditoriums,
- 16 playgrounds, playing and athletic fields, facilities for physical
- 17 training, buildings for administrative, office, warehouse, repair
- 18 activities, or housing school owned buses, landscaping, walks,
- 19 drives, parking areas, roadways, easements and facilities for
- 20 power, sewer, water, roadway, access, storm and surface
- 21 water, drinking water, gas, electricity, other utilities and
- 22 similar purposes, by purchase, either outright for cash (or
- 23 under conditional sales or purchase money contracts providing
- 24 for a retention of a security interest by the seller until payment
- 25 is made or by notes where the contract, security retention, or
- 26 note is permitted by applicable law), by exchange, by gift, by
- 27 devise, by eminent domain, by lease with or without option to
- 28 purchase, or by lease under IC 20-47-2, IC 20-47-3, or
- 29 IC 20-47-5.
- 30 (B) Repair, remodel, remove, or demolish, or to contract for
- 31 the repair, remodeling, removal, or demolition of the real
- 32 estate, real estate improvements, or interest in the real estate
- 33 or real estate improvements, as the governing body considers
- 34 necessary for school purposes.
- 35 (C) Provide for conservation measures through utility
- 36 efficiency programs or under a guaranteed savings contract as
- 37 described in IC 36-1-12.5.
- 38 (5) To acquire personal property or an interest in personal
- 39 property as the governing body considers necessary for school
- 40 purposes, including buses, motor vehicles, equipment, apparatus,
- 41 appliances, books, furniture, and supplies, either by cash purchase
- 42 or under conditional sales or purchase money contracts providing

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1 for a security interest by the seller until payment is made or by  
 2 notes where the contract, security, retention, or note is permitted  
 3 by applicable law, by gift, by devise, by loan, or by lease with or  
 4 without option to purchase and to repair, remodel, remove,  
 5 relocate, and demolish the personal property. All purchases and  
 6 contracts specified under the powers authorized under subdivision  
 7 (4) and this subdivision are subject solely to applicable law  
 8 relating to purchases and contracting by municipal corporations  
 9 in general and to the supervisory control of state agencies as  
 10 provided in section 6 of this chapter.

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

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

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

- 39 (8) To:
- 40 (A) Employ, contract for, and discharge superintendents,
- 41 supervisors, principals, teachers, librarians, athletic coaches
- 42 (whether or not they are otherwise employed by the school

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1 corporation and whether or not they are licensed under  
 2 IC 20-28-5), business managers, superintendents of buildings  
 3 and grounds, janitors, engineers, architects, physicians,  
 4 dentists, nurses, accountants, teacher aides performing  
 5 noninstructional duties, educational and other professional  
 6 consultants, data processing and computer service for school  
 7 purposes, including the making of schedules, the keeping and  
 8 analyzing of grades and other student data, the keeping and  
 9 preparing of warrants, payroll, and similar data where  
 10 approved by the state board of accounts as provided below,  
 11 and other personnel or services as the governing body  
 12 considers necessary for school purposes.

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

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

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

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

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

37 (9) Notwithstanding the appropriation limitation in subdivision  
 38 (3), when the governing body by resolution considers a trip by an  
 39 employee of the school corporation or by a member of the  
 40 governing body to be in the interest of the school corporation,  
 41 including attending meetings, conferences, or examining  
 42 equipment, buildings, and installation in other areas, to permit the

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- 1 employee to be absent in connection with the trip without any loss  
2 in pay and to reimburse the employee or the member the  
3 employee's or member's reasonable lodging and meal expenses  
4 and necessary transportation expenses. To pay teaching personnel  
5 for time spent in sponsoring and working with school related trips  
6 or activities.
- 7 (10) To transport children to and from school, when in the  
8 opinion of the governing body the transportation is necessary,  
9 including considerations for the safety of the children and without  
10 regard to the distance the children live from the school. The  
11 transportation must be otherwise in accordance with applicable  
12 law.
- 13 (11) To provide a lunch program for a part or all of the students  
14 attending the schools of the school corporation, including the  
15 establishment of kitchens, kitchen facilities, kitchen equipment,  
16 lunch rooms, the hiring of the necessary personnel to operate the  
17 lunch program, and the purchase of material and supplies for the  
18 lunch program, charging students for the operational costs of the  
19 lunch program, fixing the price per meal or per food item. To  
20 operate the lunch program as an extracurricular activity, subject  
21 to the supervision of the governing body. To participate in a  
22 surplus commodity or lunch aid program.
- 23 (12) To purchase textbooks, to furnish textbooks without cost or  
24 to rent textbooks to students, to participate in a textbook aid  
25 program, all in accordance with applicable law.
- 26 (13) To accept students transferred from other school corporations  
27 and to transfer students to other school corporations in accordance  
28 with applicable law.
- 29 (14) To make budgets, to appropriate funds, and to disburse the  
30 money of the school corporation in accordance with applicable  
31 law. To borrow money against current tax collections and  
32 otherwise to borrow money, in accordance with IC 20-48-1.
- 33 (15) To purchase insurance or to establish and maintain a  
34 program of self-insurance relating to the liability of the school  
35 corporation or the school corporation's employees in connection  
36 with motor vehicles or property and for additional coverage to the  
37 extent permitted and in accordance with IC 34-13-3-20. To  
38 purchase additional insurance or to establish and maintain a  
39 program of self-insurance protecting the school corporation and  
40 members of the governing body, employees, contractors, or agents  
41 of the school corporation from liability, risk, accident, or loss  
42 related to school property, school contract, school or school

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1 related activity, including the purchase of insurance or the  
 2 establishment and maintenance of a self-insurance program  
 3 protecting persons described in this subdivision against false  
 4 imprisonment, false arrest, libel, or slander for acts committed in  
 5 the course of the persons' employment, protecting the school  
 6 corporation for fire and extended coverage and other casualty  
 7 risks to the extent of replacement cost, loss of use, and other  
 8 insurable risks relating to property owned, leased, or held by the  
 9 school corporation. *In accordance with IC 20-26-17, to:*

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

12 (B) purchase insurance; or

13 (C) establish and maintain a program of self-insurance;  
 14 to benefit school corporation employees, including accident,  
 15 sickness, health, or dental coverage, provided that a plan of  
 16 self-insurance must include an aggregate stop-loss provision.

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

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

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

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

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

40 (19) To ratify and approve any action taken by a member of the  
 41 governing body, an officer of the governing body, or an employee  
 42 of the school corporation after the action is taken, if the action

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1 could have been approved in advance, and in connection with the  
 2 action to pay the expense or compensation permitted under  
 3 IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and  
 4 IC 20-48-1 or any other law.

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

17 SECTION 18. IC 20-26-11-11, AS AMENDED BY P.L.159-2007,  
 18 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 19 JULY 1, 2012]: Sec. 11. (a) A school corporation may enter into an  
 20 agreement with:

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

23 (2) a nonprofit corporation that:

24 (A) is exempt from federal income taxation under Section  
 25 501(c)(3) of the Internal Revenue Code;

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

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

30 (D) educates children who:

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

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

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

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

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

42 in order to provide a student with an individualized education program

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1 that is the most suitable educational program available.

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

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

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

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

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

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

28 SECTION 19. IC 20-26-11-13, AS AMENDED BY P.L.229-2011,  
29 SECTION 173, IS AMENDED TO READ AS FOLLOWS  
30 [EFFECTIVE JULY 1, 2012]: Sec. 13. (a) As used in this section, the  
31 following terms have the following meanings:

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

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

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

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

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

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

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

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

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

- 38 (A) State tuition support distributions.
- 39 (B) Property tax levies under IC 20-45-7 and IC 20-45-8.
- 40 (C) The sum of the following excise tax revenue received for
- 41 deposit in the calendar year in which the school year begins:
- 42 (i) Financial institution excise tax revenue (IC 6-5.5).

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- 1 (ii) Motor vehicle excise taxes (IC 6-6-5).  
 2 (iii) Commercial vehicle excise taxes (IC 6-6-5.5).  
 3 (iv) Boat excise tax (IC 6-6-11).  
 4 (v) Aircraft license excise tax (IC 6-6-6.5).  
 5 (D) Allocations to the transferee school under IC 6-3.5.  
 6 STEP THREE: Determine the greater of:  
 7 (A) zero (0); or  
 8 (B) the result of subtracting the STEP TWO amount from the  
 9 STEP ONE amount.
- 10 If a child is placed in an institution or facility in Indiana by or with the  
 11 approval of the department of child services, the institution or facility  
 12 shall charge the department of child services for the use of the space  
 13 within the institution or facility (commonly called capital costs) that is  
 14 used to provide educational services to the child based upon a prorated  
 15 per student cost.
- 16 (c) Operating costs shall be determined for each class of school  
 17 where a transfer student is enrolled. The operating cost for each class  
 18 of school is based on the total expenditures of the transferee  
 19 corporation for the class of school from its general fund expenditures  
 20 as specified in the classified budget forms prescribed by the state board  
 21 of accounts. This calculation excludes:  
 22 (1) capital outlay;  
 23 (2) debt service;  
 24 (3) costs of transportation;  
 25 (4) salaries of board members;  
 26 (5) contracted service for legal expenses; and  
 27 (6) any expenditure that is made from extracurricular account  
 28 receipts;  
 29 for the school year.
- 30 (d) The capital cost of special equipment for a school year is equal  
 31 to:  
 32 (1) the cost of the special equipment; divided by  
 33 (2) the product of:  
 34 (A) the useful life of the special equipment, as determined  
 35 under the rules adopted by the state board; multiplied by  
 36 (B) the number of students using the special equipment during  
 37 at least part of the school year.
- 38 (e) When an item of expense or cost described in subsection (c)  
 39 cannot be allocated to a class of school, it shall be prorated to all  
 40 classes of schools on the basis of the student enrollment of each class  
 41 in the transferee corporation compared with the total student  
 42 enrollment in the school corporation.

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

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

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

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

- 24 (1) the total amount of revenues received **during a period**; by
- 25 (2) the **current** ADM of the transferee school for the **school year**
- 26 **that ends in the calendar year period** in which the revenues are
- 27 received.

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

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

- 38 (1) be entered into for a period of not more than five (5) years
- 39 with an option to renew;
- 40 (2) specify a maximum number of students to be transferred; and
- 41 (3) fix a method for determining the amount of transfer tuition
- 42 and the time of payment, which may be different from that

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1 provided in section 14 of this chapter.  
 2 (i) A school corporation may negotiate transfer tuition agreements  
 3 with a neighboring school corporation that can accommodate additional  
 4 students. Agreements under this section may:  
 5 (1) be for one (1) year or longer; and  
 6 (2) fix a method for determining the amount of transfer tuition or  
 7 time of payment that is different from the method, amount, or  
 8 time of payment that is provided in this section or section 14 of  
 9 this chapter.  
 10 A school corporation may not transfer a student under this section  
 11 without the prior approval of the child's parent.  
 12 SECTION 20. IC 20-26-11-22, AS ADDED BY P.L.1-2005,  
 13 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 14 JULY 1, 2012]: Sec. 22. (a) The transferee corporation is entitled to  
 15 receive from the transferor corporation transfer tuition for each  
 16 transferred student for each school year calculated in two (2) parts:  
 17 (1) operating cost; and  
 18 (2) capital cost.  
 19 These costs must be allocated on a per student basis separately for each  
 20 class of school.  
 21 (b) The operating cost for each class of school must be based on the  
 22 total expenditures of the transferee corporation for the class from its  
 23 general fund expenditures as set out on the classified budget forms  
 24 prescribed by the state board of accounts, excluding from the  
 25 calculation capital outlay, debt service, costs of transportation, salaries  
 26 of board members, contracted service for legal expenses and any  
 27 expenditure that is made out of the general fund from extracurricular  
 28 account receipts, for the school year.  
 29 (c) The capital cost for each class of school must consist of the  
 30 lesser of the following alternatives:  
 31 (1) The capital cost must be based on an amount equal to five  
 32 percent (5%) of the cost of transferee corporation's physical plant,  
 33 equipment, and all items connected to the physical plant or  
 34 equipment, including:  
 35 (A) buildings, additions, and remodeling to the buildings,  
 36 excluding ordinary maintenance; and  
 37 (B) on-site and off-site improvements such as walks, sewers,  
 38 waterlines, drives, and playgrounds;  
 39 that have been paid or are obligated to be paid in the future out of  
 40 the general fund, capital projects fund, or debt service fund,  
 41 including principal and interest, lease rental payments, and funds  
 42 that were legal predecessors to these funds. If an item of the

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1 physical plant, equipment, appurtenances, or part of the item is  
2 more than twenty (20) years old at the beginning of the school  
3 year, the capital cost of the item shall be disregarded in making  
4 the capital cost computation.

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

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

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

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

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

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

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1 SECTION 21. IC 20-26-11-30, AS ADDED BY P.L.133-2008,  
 2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 2012]: Sec. 30. (a) This section applies to a student who  
 4 resided in a school corporation where the student had legal settlement  
 5 for at least two (2) consecutive school years immediately before  
 6 moving to an adjacent school corporation.

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

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

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

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

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

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

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

27 SECTION 22. IC 20-29-6-12.5, AS ADDED BY P.L.229-2011,  
 28 SECTION 179, IS AMENDED TO READ AS FOLLOWS  
 29 [EFFECTIVE JULY 1, 2012]: Sec. 12.5. (a) Before August 1 of the  
 30 first year of the state budget biennium, the department shall provide the  
 31 parties with an estimate of the general fund revenue available for  
 32 bargaining in the school corporation from the school funding formula.

33 (b) Within thirty (30) days after the date of the **first state fall count**  
 34 **of ADM count date** of the school year in the first year of the state  
 35 budget biennium, the department shall provide the parties with a  
 36 certification of estimated general fund revenue available for bargaining  
 37 from the school funding formula. A school employer that has passed a  
 38 general fund operating referendum under IC 20-46-1 must have that  
 39 amount certified by the department of local government finance. The  
 40 school corporation must obtain the certification before the  
 41 commencement of bargaining. These certifications must be the basis  
 42 for determinations throughout impasse proceedings under this chapter.

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

5 (†) a school corporation's

6 (A) state tuition support and

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

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

12 (‡) The sum of the following excise tax revenue of the school  
 13 corporation for the immediately preceding calendar year:

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

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

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

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

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

19 SECTION 24. IC 20-43-1-6, AS ADDED BY P.L.2-2006,  
 20 SECTION 166, IS AMENDED TO READ AS FOLLOWS  
 21 [EFFECTIVE JULY 1, 2012]: Sec. 6. "ADM" refers to average daily  
 22 membership determined under ~~IC 20-43-4-2~~. **IC 20-43-4.**

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

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

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

35 SECTION 26. IC 20-43-1-10, AS ADDED BY P.L.2-2006,  
 36 SECTION 166, IS AMENDED TO READ AS FOLLOWS  
 37 [EFFECTIVE JULY 1, 2012]: Sec. 10. "Current ADM" means:

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

41 **(2) for distributions made under this article after September**  
 42 **30, 2012, the number of eligible pupils enrolled in a school**

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1           **corporation as:**

2           **(A) determined in the most recent count of eligible pupils**  
 3           **conducted and in effect (as determined by the department**  
 4           **under IC 20-43-4-9) for the school year under**  
 5           **IC 20-43-4-3; and**

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

8           SECTION 27. IC 20-43-1-12.3 IS ADDED TO THE INDIANA  
 9           CODE AS A **NEW SECTION TO READ AS FOLLOWS**  
 10           [EFFECTIVE JULY 1, 2012]: **Sec. 12.3. "Fall count" refers to the**  
 11           **first count of ADM in a school year under IC 20-43-4-3, as finally**  
 12           **adjusted under IC 20-43-4-2.**

13           SECTION 28. IC 20-43-2-1, AS AMENDED BY P.L.146-2008,  
 14           SECTION 481, IS AMENDED TO READ AS FOLLOWS  
 15           [EFFECTIVE JULY 1, 2012]: Sec. 1. The department shall distribute  
 16           the amount appropriated by the general assembly for distribution as  
 17           state tuition support in accordance with this article. If the  
 18           appropriations for distribution as state tuition support are more than  
 19           required under this article, any excess shall revert to the state general  
 20           fund. The appropriations for state tuition support shall be made each  
 21           calendar year under a schedule set by the budget agency and approved  
 22           by the governor. However, **notwithstanding P.L.229-2011, SECTION**  
 23           **9**, the schedule must provide:

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

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

27           (3) the total of the payments in each calendar year must equal the  
 28           amount required under this article.

29           SECTION 29. IC 20-43-4-2, AS ADDED BY P.L.2-2006,  
 30           SECTION 166, IS AMENDED TO READ AS FOLLOWS  
 31           [EFFECTIVE JULY 1, 2012]: Sec. 2. A school corporation's ADM is  
 32           the number of eligible pupils enrolled in:

33           (1) the school corporation; or

34           (2) a transferee corporation;

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

41           SECTION 30. IC 20-43-4-3, 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. 3. **(a) Subject to subsection (b),**  
 2 ~~the initial day of the state board shall make an ADM count must fall:~~  
 3 **of the eligible pupils enrolled in each school corporation two (2)**  
 4 **times each within the first thirty (30) days of the school year, with one**  
 5 **(1) count date occurring in each of the following periods:**

6 **(1) On a day fixed by the state board in the month of**  
 7 **September.**

8 **(2) On a day fixed by the state board in the month of January.**

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

10 (1) student in-migration;

11 (2) illness;

12 (3) natural disaster; or

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

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

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

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

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

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

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

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

42 SECTION 33. IC 20-43-4-6, AS AMENDED BY P.L.234-2007,

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

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

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

10 STEP ONE: Determine the result of:

- 11 (A) the number of days instructional services will be provided
- 12 to the pupil, not to exceed one hundred eighty (180); divided
- 13 by
- 14 (B) one hundred eighty (180).

15 STEP TWO: Determine the result of:

- 16 (A) the pupil's public school instructional time (as defined in
- 17 IC 20-30-2-1); divided by
- 18 (B) the actual public school regular instructional day (as
- 19 defined in IC 20-30-2-2).

20 STEP THREE: Determine the result of:

- 21 (A) the STEP ONE result; multiplied by
- 22 (B) the STEP TWO result.

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

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

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

31 SECTION 34. IC 20-43-4-9 IS ADDED TO THE INDIANA CODE  
 32 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 33 1, 2012]: Sec. 9. (a) **The counts of eligible pupils that applied to**  
 34 **state tuition support distributions in January 2012, as adjusted**  
 35 **under IC 20-43-4-2, shall be used for purposes of distributions of**  
 36 **state tuition support after June 30, 2012, and before the date that**  
 37 **the fall count of ADM conducted in the school year beginning July**  
 38 **1, 2012, takes effect.**

39 (b) **A count of ADM conducted after July 1, 2012, takes effect**  
 40 **and applies to state tuition support distributions made in a month**  
 41 **after the month in which the count is conducted and before the**  
 42 **next count of ADM takes effect.**



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1 (c) If the state board adjusts a count of ADM after the date the  
2 count takes effect, the adjusted count retroactively applies to the  
3 amount of state tuition support distributed to a school corporation  
4 affected by the adjusted count. The department shall settle any  
5 overpayment or underpayment of state tuition support resulting  
6 from an adjusted count of ADM on the schedule determined by the  
7 department.

8 SECTION 35. 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 36. 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 year is equal to the  
34 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 37. IC 20-43-5-6, AS AMENDED BY P.L.229-2011,  
38 SECTION 210, IS AMENDED TO READ AS FOLLOWS  
39 [EFFECTIVE JULY 1, 2012]: Sec. 6. (a) A school corporation's  
40 transition to foundation amount for a calendar year is equal to the result  
41 determined under STEP TWO of the following formula:

42 STEP ONE: Determine the difference of:

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

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

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

5 (2) the result of:

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

7 (B) seven (7) in 2012 and six (6) in 2013.

8 SECTION 38. IC 20-43-5-7, AS AMENDED BY P.L.229-2011,  
9 SECTION 211, IS AMENDED TO READ AS FOLLOWS  
10 [EFFECTIVE JULY 1, 2012]: Sec. 7. A school corporation's transition  
11 to foundation revenue ~~for a calendar year~~ is equal to the product of:

12 (1) the school corporation's transition to foundation amount; ~~for~~  
13 ~~the calendar year~~; multiplied by

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

15 SECTION 39. IC 20-43-6-3, AS AMENDED BY P.L.229-2011,  
16 SECTION 212, IS AMENDED TO READ AS FOLLOWS  
17 [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) A school corporation's basic  
18 tuition support for a **year month** is the amount determined under the  
19 applicable provision of this section.

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

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

24 (2) **twelve (12)**.

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

28 SECTION 40. IC 20-43-8-1, AS ADDED BY P.L.2-2006,  
29 SECTION 166, IS AMENDED TO READ AS FOLLOWS  
30 [EFFECTIVE JULY 1, 2012]: Sec. 1. Pupil enrollment under this  
31 chapter shall be determined at the same time that a school corporation's  
32 **fall count of ADM** is determined.

33 SECTION 41. IC 20-43-9-6, AS AMENDED BY P.L.229-2011,  
34 SECTION 217, IS AMENDED TO READ AS FOLLOWS  
35 [EFFECTIVE JULY 1, 2012]: Sec. 6. A school corporation's primetime  
36 distribution for a **calendar year month** under this chapter is the **result**  
37 **of the** amount determined by the following formula **divided by twelve**  
38 **(12)**:

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

41 (A) If the school corporation's complexity index is less than  
42 one and one-tenth (1.1), the school corporation's target

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- 1 pupil/teacher ratio is eighteen to one (18:1).  
 2 (B) If the school corporation's complexity index is at least one  
 3 and one-tenth (1.1) but less than one and three-tenths (1.3), the  
 4 school corporation's target pupil/teacher ratio is fifteen (15)  
 5 plus the result determined in item (iii) to one (1):  
 6 (i) Determine the result of one and three-tenths (1.3) minus  
 7 the school corporation's complexity index.  
 8 (ii) Determine the item (i) result divided by two-tenths (0.2).  
 9 (iii) Determine the item (ii) result multiplied by three (3).  
 10 (C) If the school corporation's complexity index is at least one  
 11 and three-tenths (1.3), the school corporation's target  
 12 pupil/teacher ratio is fifteen to one (15:1).  
 13 STEP TWO: Determine the result of:  
 14 (A) the **current** ADM of the school corporation in  
 15 kindergarten through grade 3; ~~for the current school year;~~  
 16 divided by  
 17 (B) the school corporation's applicable target pupil/teacher  
 18 ratio, as determined in STEP ONE.  
 19 STEP THREE: Determine the result of:  
 20 (A) the basic tuition support for the ~~year month~~ multiplied by  
 21 ~~seventy-five hundredths (0.75);~~ **nine (9)**; divided by  
 22 (B) the school corporation's **current** ADM.  
 23 STEP FOUR: Determine the result of:  
 24 (A) the STEP THREE result; multiplied by  
 25 (B) the **current** ADM of the school corporation in  
 26 kindergarten through grade 3. ~~for the current school year.~~  
 27 STEP FIVE: Determine the result of:  
 28 (A) the STEP FOUR result; divided by  
 29 (B) the staff cost amount.  
 30 STEP SIX: Determine the greater of zero (0) or the result of:  
 31 (A) the STEP TWO amount; minus  
 32 (B) the STEP FIVE amount.  
 33 STEP SEVEN: Determine the result of:  
 34 (A) the STEP SIX amount; multiplied by  
 35 (B) the staff cost amount.  
 36 STEP EIGHT: Determine the greater of the STEP SEVEN amount  
 37 or:  
 38 (A) for 2012, fifty percent (50%) of the school corporation's  
 39 guaranteed primetime amount; or  
 40 (B) for 2013, zero (0).  
 41 STEP NINE: A school corporation's amount under this STEP is  
 42 the following:

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1 (A) If the amount the school corporation received under this  
 2 chapter in the previous calendar year is greater than zero (0),  
 3 the amount under this STEP is the lesser of:

4 (i) the STEP EIGHT amount; or

5 (ii) the amount the school corporation received under this  
 6 chapter for the previous calendar year multiplied by one  
 7 hundred seven and one-half percent (107.5%).

8 (B) If the amount the school corporation received under this  
 9 chapter in the previous calendar year is not greater than zero  
 10 (0), the amount under this STEP is the STEP EIGHT amount.

11 SECTION 42. IC 20-45-7-19, AS ADDED BY P.L.2-2006,  
 12 SECTION 168, IS AMENDED TO READ AS FOLLOWS  
 13 [EFFECTIVE JULY 1, 2012]: Sec. 19. Before July 11 of each year, the  
 14 state superintendent shall certify to the county auditor:

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

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

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

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

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

27 SECTION 43. IC 20-45-7-26, AS ADDED BY P.L.2-2006,  
 28 SECTION 168, IS AMENDED TO READ AS FOLLOWS  
 29 [EFFECTIVE JULY 1, 2012]: Sec. 26. The entitlement of each  
 30 qualified school corporation from the fund for each calendar year is the  
 31 greater of:

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

34 (2) an amount equal to twenty-seven dollars and fifty cents  
 35 (\$27.50) times its **current** ADM **as determined in the fall count**  
 36 **of ADM conducted in the school year ending in the current**  
 37 **calendar year.**

38 SECTION 44. IC 20-45-8-18, AS ADDED BY P.L.2-2006,  
 39 SECTION 168, IS AMENDED TO READ AS FOLLOWS  
 40 [EFFECTIVE JULY 1, 2012]: Sec. 18. (a) Before July 11 of each year,  
 41 the state superintendent shall deliver to the county auditor a certified  
 42 statement of:

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1           **(1) for a calendar year ending before January 1, 2013, the fall**  
 2           **count of ADM in grades 1 through 12 residing in each qualified**  
 3           **school corporation for the immediately preceding school year**  
 4           **ending in the calendar year; and**  
 5           **(2) for a calendar year ending after December 31, 2012, the**  
 6           **spring count of ADM in grades 1 through 12 residing in each**  
 7           **qualified school corporation for the school year ending in the**  
 8           **calendar year.**

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

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

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

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

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

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

32               STEP ONE: Calculate the quotient of:

33                   (A) the total amount deposited in the fund in calendar year  
 34                   1979 or the first year in which a deposit was made, whichever  
 35                   is later; divided by

36                   **(B) for:**

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

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

7 STEP TWO: Calculate the product of:

8 (A) the STEP ONE result; multiplied by

9 (B) for:

10 (i) a calendar year ending before January 1, 2013, the  
11 ADM of the immediately preceding school year of the  
12 qualified school corporation that received money from the  
13 fund in 1979, as determined in the fall count of ADM for  
14 the school year ending in the immediately preceding  
15 calendar year; and

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

22 SECTION 46. IC 20-49-4-7, AS AMENDED BY P.L.113-2010,  
23 SECTION 99, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
24 JULY 1, 2012]: Sec. 7. As used in this chapter, "school building  
25 construction program" means the purchase, lease, or financing of land,  
26 the construction and equipping of school buildings, and the  
27 remodeling, repairing, or improving of school buildings by a school  
28 corporation:

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

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

36 (3) with an advance under this chapter outstanding on July 1,  
37 1993, that bears interest of at least seven and one-half percent  
38 (7.5%).

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

41 SECTION 47. IC 20-49-7-4, AS ADDED BY P.L.2-2006,  
42 SECTION 172, IS AMENDED TO READ AS FOLLOWS

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1 [EFFECTIVE JULY 1, 2012]: Sec. 4. As used in this chapter,  
 2 "operational costs" means costs other than construction costs incurred  
 3 by:

- 4 (1) a charter school, other than a conversion charter school,  
 5 during the ~~second six (6) months~~ **third quarter** of the calendar  
 6 year in which the charter school begins its initial operation; or  
 7 (2) a charter school, including a conversion charter school, during  
 8 the ~~second six (6) months~~ **third quarter** of a calendar year in  
 9 which the charter school's most recent enrollment reported under  
 10 IC 20-24-7-2(a) divided by the charter school's **ADM for the**  
 11 **third quarter of the previous year's ADM year** is at least one  
 12 and fifteen-hundredths (1.15).

13 SECTION 48. IC 20-49-7-10, AS AMENDED BY  
 14 P.L.182-2009(ss), SECTION 361, IS AMENDED TO READ AS  
 15 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 10. The amount of an  
 16 advance for operational costs may not exceed the amount determined  
 17 under STEP THREE of the following formula:

18 STEP ONE: Determine the product of:

- 19 (A) the charter school's enrollment reported under  
 20 IC 20-24-7-2(a) **for the fall count of eligible pupils;**  
 21 multiplied by  
 22 (B) the charter school's transition to foundation amount.

23 STEP TWO: Determine the quotient of:

- 24 (A) the STEP ONE amount; divided by  
 25 (B) ~~two (2):~~ **four (4).**

26 STEP THREE: Determine the product of:

- 27 (A) the STEP TWO amount; multiplied by  
 28 (B) one and fifteen-hundredths (1.15).

29 SECTION 49. IC 20-49-7-11, AS AMENDED BY  
 30 P.L.182-2009(ss), SECTION 362, IS AMENDED TO READ AS  
 31 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 11. The amount of an  
 32 advance for operational costs may not exceed the amount determined  
 33 under STEP FOUR of the following formula:

34 STEP ONE: Determine the ~~quotient result~~ of:

- 35 (A) the charter school's transition to foundation amount;  
 36 divided by  
 37 (B) ~~two (2):~~ **four (4).**

38 STEP TWO: Determine the difference between:

- 39 (A) the charter school's current ADM **based on the fall count**  
 40 **of ADM for the year of the distribution;** minus  
 41 (B) the charter school's ~~current ADM of the~~ **based on the fall**  
 42 **count of ADM in the** previous year.

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1 STEP THREE: Determine the product of:

2 (A) the STEP ONE amount; multiplied by

3 (B) the STEP TWO amount.

4 STEP FOUR: Determine the product of:

5 (A) the STEP THREE amount; multiplied by

6 (B) one and fifteen-hundredths (1.15).

7 SECTION 50. IC 20-51-4-5, AS ADDED BY P.L.92-2011,  
8 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
9 JULY 1, 2012]: Sec. 5. The state tuition support amount to be used in  
10 ~~section 3(2)~~ **section 4(2)** of this chapter for an eligible individual is the  
11 amount determined under the last STEP of the following formula:

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

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

18 **(A) for a calendar year ending before January 1, 2013, the**  
19 **fall count of eligible students conducted in the school**  
20 **corporation in the school year ending in the calendar year**  
21 **were used to compute the state tuition support distribution**  
22 **to the school corporation for the entire calendar year; and**  
23 **(B) for a calendar year beginning after December 31, 2012,**  
24 **the spring count of eligible students conducted in the**  
25 **school corporation in the school year ending in the**  
26 **calendar year were used to compute the state tuition**  
27 **support distribution to the school corporation for the**  
28 **entire calendar year;**

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

32 STEP THREE: Determine the result of:

33 (A) the STEP TWO amount; divided by

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

37 SECTION 51. IC 21-7-13-5, AS ADDED BY P.L.2-2007,  
38 SECTION 243, IS AMENDED TO READ AS FOLLOWS  
39 [EFFECTIVE JULY 1, 2012]: Sec. 5. **"Current ADM"** has the  
40 meaning set forth in ~~IC 20-43-1-6~~. **IC 20-43-1-10.**

41 SECTION 52. IC 21-43-5-14, AS ADDED BY P.L.234-2007,  
42 SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JULY 1, 2012]: Sec. 14. Ivy Tech Community College is entitled to  
2 reimbursement for the costs incurred to deliver courses under this  
3 chapter that are taken:

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

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

11 SECTION 53. IC 21-43-6-2, AS AMENDED BY P.L.3-2008,  
12 SECTION 148, IS AMENDED TO READ AS FOLLOWS  
13 [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) To be eligible to earn a high  
14 school diploma, an individual participating in the program established  
15 under this chapter must be either:

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

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

25 SECTION 54. IC 21-43-7-2, AS AMENDED BY P.L.3-2008,  
26 SECTION 150, IS AMENDED TO READ AS FOLLOWS  
27 [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) To be eligible to earn a high  
28 school diploma, an individual participating in the program established  
29 under this chapter must be either:

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

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

39 SECTION 55. IC 21-43-8-2, AS AMENDED BY P.L.3-2008,  
40 SECTION 152, IS AMENDED TO READ AS FOLLOWS  
41 [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) To be eligible to earn a high  
42 school diploma, an individual participating in the program established

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1 under this chapter must be either:  
2 (1) at least nineteen (19) years of age and not enrolled in a school  
3 corporation; or  
4 (2) at least seventeen (17) years of age and have consent from the  
5 high school the individual attended most recently.  
6 (b) The school corporation in which an individual to whom this  
7 subdivision applies resides shall pay the individual's tuition for high  
8 school level courses taken at the state educational institution during  
9 each ~~year~~ **month** the individual is included in the school corporation's  
10 **current** ADM.

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