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# HOUSE BILL No. 1045

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 20-43.

**Synopsis:** Formula for choice scholarship transition grants. Changes the formula for distributing choice scholarship transition grants to school corporations and charter schools (other than virtual charter schools) from a distribution based on the school's total tuition support distribution amount to a per capita distribution based on the number of students who were granted choice scholarships. Provides that the grants are distributed in two installments during a year. Indicates that the amount of a grant is not included in the calculation of previous year revenue. Moves the formula from a noncode provision enacted in the 2011 budget to the school formula provisions in the Indiana Code.

**Effective:** January 1, 2012 (retroactive).

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## McNamara

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January 9, 2012, read first time and referred to Committee on Education.

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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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# HOUSE BILL No. 1045



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 20-43-1-8.7 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2012 (RETROACTIVE)]: **Sec. 8.7. "Choice  
4 scholarship transition grant" refers to an amount determined  
5 under IC 20-43-13.**

6 SECTION 2. IC 20-43-1-10.7 IS ADDED TO THE INDIANA  
7 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
8 [EFFECTIVE JANUARY 1, 2012 (RETROACTIVE)]: **Sec. 10.7.  
9 "Eligible individual" has the meaning set forth in IC 20-51-1-4.5.**

10 SECTION 3. IC 20-43-1-23, AS ADDED BY P.L.2-2006,  
11 SECTION 166, IS AMENDED TO READ AS FOLLOWS  
12 [EFFECTIVE JANUARY 1, 2012 (RETROACTIVE)]: **Sec. 23. (a)**

- 13 "School corporation" means the following:  
14 (1) Any local public school corporation established under Indiana  
15 law.  
16 (2) Except as otherwise indicated in this article, a charter school.  
17 **(b) For purposes of IC 20-43-13, the term does not include a**



1 **virtual charter school.**

2 SECTION 4. IC 20-43-2-3, AS AMENDED BY P.L.229-2011,  
3 SECTION 205, IS AMENDED TO READ AS FOLLOWS  
4 [EFFECTIVE JANUARY 1, 2012 (RETROACTIVE)]: Sec. 3. If the  
5 total amount to be distributed:

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

12 for a particular year exceeds the maximum state distribution for a  
13 calendar year, the amount to be distributed for state tuition support  
14 under this article to each school corporation during each of the last six  
15 (6) months of the year shall be proportionately reduced so that the total  
16 reductions equal the amount of the excess.

17 SECTION 5. IC 20-43-13 IS ADDED TO THE INDIANA CODE  
18 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
19 JANUARY 1, 2012 (RETROACTIVE)]:

20 **Chapter 13. Choice Scholarship Transition Grant**

21 **Sec. 1. This chapter applies to school corporations other than**  
22 **virtual charter schools.**

23 **Sec. 2. The special distribution to school corporations that is**  
24 **authorized by P.L.229-2011, SECTION 9 and based on the**  
25 **difference between:**

- 26 **(1) the total amount distributed as choice scholarships under**  
27 **the choice scholarship program under IC 20-51-4 for eligible**  
28 **individuals who enroll in a private school; and**  
29 **(2) the amount that school corporations would have received,**  
30 **in the aggregate, if these eligible individuals had remained**  
31 **enrolled in school corporations and had not enrolled in**  
32 **private schools;**

33 **shall be made in calendar year 2012 and calendar year 2013 in**  
34 **conformity with this chapter and not according to the formula**  
35 **specified in P.L.229-2011, SECTION 9. A school corporation is not**  
36 **entitled to both a grant under this chapter and a special**  
37 **distribution under P.L.229-2011, SECTION 9 for the same**  
38 **purpose.**

39 **Sec. 3. Each year, a school corporation is entitled to a choice**  
40 **scholarship transition grant under this chapter in the amount**  
41 **determined under STEP SEVEN of the following formula:**

42 **STEP ONE: Determine the total number of eligible**

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1 individuals who:

2 (A) were counted in the school corporation's ADM of the  
3 previous year;

4 (B) are not counted in the current ADM of the school  
5 corporation; and

6 (C) would have been counted in the current ADM of the  
7 school corporation if the eligible individuals had not been  
8 awarded choice scholarships under IC 20-51-4 and instead  
9 had remained enrolled in the school corporation.

10 **STEP TWO:** Determine the total amount of choice  
11 scholarships to which the eligible individuals described in  
12 STEP ONE are entitled to receive under IC 20-51-4-4 for the  
13 school year ending in the current calendar year.

14 **STEP THREE:** Determine the total additional amount of  
15 basic tuition support to which the school corporation would  
16 have been entitled in the current year (before any reduction  
17 under IC 20-43-2) if the individuals described in STEP ONE  
18 had not been awarded choice scholarships under IC 20-51-4  
19 and instead had remained enrolled in the school corporation.

20 **STEP FOUR:** Determine the following:

21 (A) The sum of the STEP ONE amounts for all school  
22 corporations.

23 (B) The sum of the STEP TWO amounts for all school  
24 corporations.

25 (C) The sum of the STEP THREE amounts for all school  
26 corporations.

27 **STEP FIVE:** Determine the greater of zero (0) or the result  
28 of:

29 (A) the sum determined under clause (C) of STEP FOUR;  
30 minus

31 (B) the sum determined under clause (B) of STEP FOUR.

32 **STEP SIX:** Determine the result of:

33 (A) the STEP FIVE amount; divided by

34 (B) the sum determined under clause (A) of STEP FOUR.

35 **STEP SEVEN:** Determine the result of:

36 (A) the STEP ONE number; multiplied by

37 (B) the STEP SIX amount.

38 **Sec. 4.** The department shall identify the school corporations  
39 entitled to a grant under this chapter and notify the school  
40 corporations eligible for a grant under this chapter as soon as  
41 practicable after the current ADM of the school corporation is  
42 determined for a calendar year.

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1           **Sec. 5. Fifty percent (50%) of the grant determined under this**  
2 **chapter for a school corporation for a year shall be paid in June of**  
3 **that year and the remaining fifty percent (50%) shall be paid in**  
4 **December of that year.**

5           **Sec. 6. No part of a grant distributed under this chapter shall be**  
6 **treated as part of the previous year revenue of the school**  
7 **corporation in any year.**

8           **SECTION 6. An emergency is declared for this act.**

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