January 20, 2012

SENATE BILL No. 280

DIGEST OF SB 280 (Updated January 19, 2012 3:44 pm - DI 71)

Citations Affected: IC 20-24; IC 20-26; IC 20-33; IC 20-43; IC 20-49; IC 20-51; noncode.

Synopsis: School finance. Provides for the distribution of basic tuition support, honors diploma awards, primetime distributions, special education grants, and career and technical education grants on a state fiscal year basis rather than a calendar year basis, beginning July 1, 2013. Eliminates the specific dollar amounts specified by statute as the maximum amount to be distributed for these purposes. Provides that the maximum amount to be distributed for these purposes in a state fiscal year is the amount appropriated by the general assembly for that state fiscal year. Provides for the counting of students in September and January of each year. Specifies that the September count applies to distributions made in November and December and in the following January and February. Specifies that the January count applies to distributions made in March, April, May, June, July, August, September, and October of the year in which the January count is made. Provides that if a school corporation would have received a greater distribution for the months of July, August, September, and October if the September count of students (instead of the January count) had been used for distributions during this period, the school corporation is entitled to an additional distribution in November equal to the difference. Provides that if a school corporation would have received a lower distribution for the months of July, August,

(Continued next page)

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

Charbonneau, Kruse, Kenley,
Mishler, Rogers, Breaux

January 4, 2012, read first time and referred to Committee on Education and Career Development.
January 19, 2012, amended, reported favorably — Do Pass; reassigned to Committee on Appropriations.

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Digest Continued

September, and October if the September count of students (instead of the January count) had been used for distributions during this period, the school corporation's distributions for November, December, January, and February shall be proportionately reduced so that the total reduction is equal to the difference. Provides that if a school corporation would have received a greater distribution for the months of January and February if the January count of students (instead of the September count) had been used for distributions during this period, the school corporation is entitled to an additional distribution in March equal to the difference. Provides that if a school corporation would have received a lower distribution for the months of January and February if the January count of students (instead of the September count) had been used for distributions during this period, the school corporation's distributions for March, April, May, and June shall be proportionately reduced so that the total reduction is equal to the difference. Provides that the special education grant distributions made in February, March, April, May, and June of a calendar year shall be based on the count of students with disabilities that was made on the immediately preceding December 1. Provides that before February 1 of each calendar year, the department of education shall determine the amount of the special education grant that would have been received since the preceding July 1 if the grant had been based on the count of students with disabilities that was made on the immediately preceding December 1. Provides for a reconciliation of this amount with the amount of the special education grant received by the school corporation during that period. Provides that in January and in September, the department of education must determine the amount of distributions that would have been received by a school corporation if the school corporation's distributions since the most recent count date had accounted for students who: (1) left a charter school or a nonpublic school eligible for the school choice scholarship program, and enrolled in a public school maintained by the school corporation; or (2) left a public school maintained by the school corporation and enrolled in a charter school or a nonpublic school eligible for the school choice scholarship program. Provides for a reconciliation of the school corporation's distributions, based on these determinations by the department of education. Provides that if an individual who was awarded a choice scholarship leaves a nonpublic eligible school for which the individual was awarded the scholarship and enrolls in a public school maintained by a school corporation, the eligible school must pay to the treasurer of state an amount equal to a percentage of the choice scholarship. Requires the department of education to report to the state budget committee: (1) the number of students who left a charter school and enrolled in a public school maintained by a school corporation during the 2011 - 2012 school year; and (2) the number of students who received a choice scholarship for the 2011 - 2012 school year and left a nonpublic school and enrolled in a public school maintained by a school corporation during the 2011 - 2012 school year.

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January 20, 2012

Second Regular Session 117th General Assembly (2012)

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

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

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

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SENATE BILL No. 280

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

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

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

(1) The number of students enrolled in the charter school.

(2) The name and address of each student.

(3) The name of the school corporation in which the student has legal settlement.

(4) The name of the school corporation, if any, that the student attended during the immediately preceding school year.

(5) The grade level in which the student will enroll in the charter school.

The department shall verify the accuracy of the information reported.

(b) This subsection applies after ~~December 31~~ **June 30** of the calendar year in which a charter school begins its initial operation. The

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

SECTION 2. IC 20-24-7-3, AS AMENDED BY P.L.146-2008, SECTION 461, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) This section applies to a conversion charter school.

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

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

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

(A) for students with disabilities; or

(B) for staff services for students with disabilities;

enrolled in the conversion charter school; and

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

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

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

STEP ONE: Determine the ~~result under subsection (d) STEP ONE (A).~~ **number of students who:**

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

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

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school corporation in which the conversion charter school is located.

STEP TWO: Determine the difference between:

(A) the conversion charter school's current ADM; minus

(B) the STEP ONE amount.

STEP THREE: Determine the quotient of:

(A) the STEP TWO amount; divided by

(B) the conversion charter school's current ADM.

STEP FOUR: Determine the product of:

(A) the STEP THREE amount; multiplied by

(B) the quotient of:

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

(ii) two (2).

SECTION 3. IC 20-24-7-4, AS AMENDED BY P.L.91-2011, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. (a) Services that a school corporation provides to a charter school, including transportation, may be provided at not more than one hundred three percent (103%) of the actual cost of the services.

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

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

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

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

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

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

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

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

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

SECTION 4. IC 20-24-7-6.5, AS ADDED BY P.L.229-2011, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6.5. (a) Subject to subsection (b) and with the approval of a majority of the members of the governing body, a school corporation may distribute any part of the following to

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

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

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

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

STEP ONE: Determine the result of:

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

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

STEP TWO: Determine the result of:

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

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

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

(A) the STEP ONE amount; minus

(B) the STEP TWO amount.

STEP FOUR: Determine the result of:

(A) the STEP THREE amount; multiplied by

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

SECTION 5. IC 20-24-7-9, AS AMENDED BY P.L.146-2008, SECTION 463, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. (a) This section applies if:

(1) a sponsor:

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

(B) does not renew a charter; or

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

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

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

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

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

SECTION 6. IC 20-24-7-13, AS AMENDED BY P.L.229-2011, SECTION 171, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 13. (a) As used in this section, "virtual charter school" means any charter school, including a conversion charter school, that provides for the delivery of more than fifty percent (50%) of instruction to students through:

(1) virtual distance learning;

(2) online technologies; or

(3) computer based instruction.

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

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

~~(A)~~ **(1)** the number of students included in the virtual charter school's ADM; multiplied by

~~(B)~~ **(2)** eighty percent (80%) of statewide average basic tuition support.

(d) ~~After December 31, 2011,~~ **For state fiscal years beginning after June 30, 2013,** a virtual charter school is entitled to receive funding from the state in an amount equal to the sum of:

(1) the product of:

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

(B) eighty-seven and five-tenths percent (87.5%) of the school's foundation amount determined under IC 20-43-5-4; plus

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

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

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

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

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

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

SECTION 7. IC 20-24-7.5-3, AS ADDED BY P.L.229-2011, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. **If** a charter school ~~is eligible for a one (1) time grant under this chapter~~ **does not receive tuition support** in the first ~~calendar~~ **state fiscal** year immediately following the ~~calendar~~ **state fiscal** year in which the charter school is established and begins enrolling eligible pupils, **the charter school is eligible for a one (1) time grant under section 4 of this chapter**.

SECTION 8. IC 20-24-7.5-4, AS ADDED BY P.L.229-2011, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. A charter school's new charter school startup grant is equal to the result of:

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

(2) three (3).

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

SECTION 9. IC 20-26-11-13, AS AMENDED BY P.L.229-2011, SECTION 173, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 13. (a) As used in this section, the following terms have the following meanings:

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

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technical education, or career education.

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

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

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

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

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

(3) "Student enrollment" means the following:

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

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

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

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

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

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

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

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(B) Property tax levies under IC 20-45-7 and IC 20-45-8 **for the calendar year in which the school year ends.**

(C) The sum of the following excise tax revenue received for deposit in the calendar year in which the school year begins:

(i) Financial institution excise tax revenue (IC 6-5.5).

(ii) Motor vehicle excise taxes (IC 6-6-5).

(iii) Commercial vehicle excise taxes (IC 6-6-5.5).

(iv) Boat excise tax (IC 6-6-11).

(v) Aircraft license excise tax (IC 6-6-6.5).

(D) Allocations to the transferee school under IC 6-3.5.

STEP THREE: Determine the greater of:

(A) zero (0); or

(B) the result of subtracting the STEP TWO amount from the STEP ONE amount.

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

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

(1) capital outlay;

(2) debt service;

(3) costs of transportation;

(4) salaries of board members;

(5) contracted service for legal expenses; and

(6) any expenditure that is made from extracurricular account receipts;

for the school year.

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

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

(2) the product of:

(A) the useful life of the special equipment, as determined under the rules adopted by the state board; multiplied by

(B) the number of students using the special equipment during at least part of the school year.

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

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

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

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

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

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

(1) the total amount of revenues received; by

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

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

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

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

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with an option to renew;

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

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

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

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

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

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

SECTION 10. IC 20-26-11-23, AS AMENDED BY P.L.182-2009(ss), SECTION 317, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 23. (a) If a transfer is ordered to commence in a school year, where the transferor corporation has net additional costs over savings (on account of any transfer ordered) allocable to the ~~calendar~~ **state fiscal** year in which the school year begins, and where the transferee corporation does not have budgeted funds for the net additional costs, the net additional costs may be recovered by one (1) or more of the following methods in addition to any other methods provided by applicable law:

(1) An emergency loan made under IC 20-48-1-7 to be paid, out of the debt service levy and fund, or a loan from any state fund made available for the net additional costs.

(2) An advance in the ~~calendar~~ **state fiscal** year of state funds, which would otherwise become payable to the transferee corporation after such calendar year under law.

(3) A grant or grants in the ~~calendar~~ **state fiscal** year from any funds of the state made available for the net additional costs.

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

SECTION 11. IC 20-33-5-9.5, AS ADDED BY P.L.229-2011, SECTION 194, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9.5. (a) This section applies to reimbursements made under this chapter in ~~calendar~~ **a state fiscal** year ~~2012. and thereafter.~~ **beginning after June 30, 2013.**

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

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

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

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

STEP FOUR: Multiply:

(A) the STEP THREE result; by

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

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

SECTION 13. IC 20-43-1-7, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. "ADM of the previous year" means:

(1) for previous years ending before January 1, 2014, the initial computed ADM for the school year ending in the preceding calendar year **(as adjusted under IC 20-43-4-2); and**

(2) for previous years ending after December 31, 2013, the average of the number of eligible pupils counted on each of the count dates in the school year ending in that previous year (as adjusted under IC 20-43-4-2).

SECTION 14. IC 20-43-1-10, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 10. "Current ADM" means:

(1) for distributions made under this article before October 1, 2013, the initial computed ADM for the school year ending in the calendar year; **and**

(2) for distributions made under this article after September

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30, 2013, the most recently computed ADM that under IC 20-43-3-7 is to be used for purposes of calculating a distribution (as adjusted under IC 20-43-4-2).

SECTION 15. IC 20-43-1-18 IS REPEALED [EFFECTIVE JULY 1, 2013]. ~~Sec. 18. "Maximum state distribution" refers to the amount determined under IC 20-43-2-2.~~

SECTION 16. IC 20-43-1-25, AS AMENDED BY P.L.229-2011, SECTION 203, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 25. "State tuition support" means the amount of state funds to be distributed to:

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

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

SECTION 17. IC 20-43-2-1, AS AMENDED BY P.L.146-2008, SECTION 481, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. The department shall distribute the amount appropriated by the general assembly for distribution as state tuition support in accordance with this article. If the appropriations for distribution as state tuition support are more than required under this article, any excess shall revert to the state general fund. The appropriations for state tuition support shall be made each ~~calendar~~ **state fiscal** year under a schedule set by the budget agency and approved by the governor. However, the schedule must provide:

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

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

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

SECTION 18. IC 20-43-2-2, AS AMENDED BY P.L.229-2011, SECTION 204, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. The maximum state distribution for a ~~calendar~~ **state fiscal** year for all school corporations for the purposes described in section 3 of this chapter is

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

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

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

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that state fiscal year.

SECTION 19. IC 20-43-2-3, AS AMENDED BY P.L.229-2011, SECTION 205, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. If the total amount to be distributed:

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

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

SECTION 20. IC 20-43-2-8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 8. (a) Beginning July 1, 2013, distributions for basic tuition support, honors diploma awards, primetime distributions, special education grants, career and technical education grants, choice scholarships, and Mitch Daniels early graduation scholarships shall be made on a state fiscal year basis rather than a calendar year basis.**

(b) The following is the intent of the general assembly:

(1) The distributions for basic tuition support, honors diploma awards, primetime distributions, special education grants, career and technical education grants, choice scholarships, and Mitch Daniels early graduation scholarships that are provided for under this article (as this article exists on January 1, 2012) for calendar year 2012 shall be made only during the first six (6) months of calendar year 2012.

(2) IC 20-43-3-7 and IC 20-43-3-8 apply to the distributions made after June 30, 2013.

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

SECTION 21. IC 20-43-3-4, AS AMENDED BY P.L.229-2011, SECTION 206, IS AMENDED TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2013]: Sec. 4. (a) **This subsection applies to the determination of a school corporation's previous year revenue for purposes of determining distributions under this article before July 1, 2013.** A school corporation's previous year revenue equals the amount determined under STEP TWO of the following formula:

STEP ONE: Determine the sum of the following:

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

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

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

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

(b) This subsection applies to the determination of a school corporation's previous year revenue for purposes of determining distributions under this article after June 30, 2013. A school corporation's previous year revenue equals the amount determined under STEP TWO of the following formula:

STEP ONE: For purposes of making determinations for:

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

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

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

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

(1) the school corporation's state tuition support for special education or career and technical education is reduced as a result of a complaint being filed with the department after December 31, 1988, because the school program overstated the number of children enrolled in special education programs or career and technical education programs; and

(2) the school corporation's previous year revenue has not been

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reduced under this subsection more than one (1) time because of a given overstatement.

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

SECTION 22. IC 20-43-3-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 7. (a) This section applies to distributions under this article that:**

(1) are computed in any part based on a count of students under IC 20-43-4-2 or IC 20-43-4-4.5; and

(2) are made after June 30, 2013.

(b) The number of eligible pupils counted on the September count date of 2012 (as adjusted under IC 20-43-4-2) applies to distributions made in July, August, September, and October of 2013.

(c) After June 30, 2013, the number of eligible pupils counted on the September count date (as adjusted under IC 20-43-4-2) applies to distributions made in November and December of the year in which the September count is made and in January and February of the year following the year in which the September count is made.

(d) Except as provided in subsection (b), the number of eligible pupils counted on the January count date (as adjusted under IC 20-43-4-2) applies to distributions made in March, April, May, June, July, August, September, and October of the year in which the January count is made.

(e) If the state board subsequently adjusts under IC 20-43-4-2 a count used for a distribution under this article, the department shall adjust subsequent distributions to the school corporation that are affected by the adjusted count, on the schedule determined by the department, to reflect the differences between the distribution that the school corporation received and the distribution that the school corporation would have received if the adjusted count had been used.

SECTION 23. IC 20-43-3-8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 8. Distributions under this article that are computed in any part based on a count of students under IC 20-43-4-2, IC 20-43-4-4, or IC 20-43-4-4.5, and that are made after June 30, 2013, shall be reconciled as follows:**

(1) In October of each year, the department shall determine

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the result of:

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

(i) the count made in September of 2012 (in the case of a determination made in October of 2013); or

(ii) the count made in the preceding January (in the case of a determination made in October of 2014 and each October thereafter); minus

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

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

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

(4) In February of each year, the department shall determine the result of:

(A) the total amount of the distributions that would have been received by the school corporation during the months of January and February if the distributions had been based on the January count of that year instead of the count made in the preceding September; minus

(B) the total amount of the distributions received by a school corporation during the months of January and February of that year.

(5) If the result determined under subdivision (4) is positive, the school corporation shall receive an additional distribution in March equal to the result determined under subdivision (4).

(6) If the result determined under subdivision (4) is negative, the distributions otherwise received by the school corporation in March, April, May, and June of that year shall be proportionately reduced so that the total reduction is equal to the result determined under subdivision (4).

(7) In January of each year, the department shall determine

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the result of:

(A) the total amount of the distributions that would have been received by the school corporation during the months of October, November, and December of the preceding year if the school corporation's ADM for each of those months had included students:

(i) who, after the September count date and before the January count date, left a charter school or nonpublic eligible school (as defined in IC 20-51-1-4.7); and

(ii) were enrolled during the month in a public school maintained by the school corporation; minus

(B) the total amount of the distributions received by a school corporation during the months of October, November, and December of the preceding year.

(8) If the result determined under subdivision (7) is positive, the school corporation shall receive an additional distribution in March equal to the result determined under subdivision (7).

(9) In September of each year, the department shall determine the result of:

(A) the total amount of the distributions that would have been received by the school corporation during the months of February, March, April, May, and June of the year if the school corporation's ADM for each of those months had included students:

(i) who, after the January count date and before the end of the school year, left a charter school or nonpublic eligible school (as defined in IC 20-51-1-4.7); and

(ii) who were enrolled during the month in a public school maintained by the school corporation; minus

(B) the total amount of the distributions received by a school corporation during the months of February, March, April, May, and June of the year.

(10) If the result determined under subdivision (9) is positive, the school corporation shall receive an additional distribution in November equal to the result determined under subdivision (9).

(11) In January of each year, the department shall determine the result of:

(A) the total amount of the distributions that would have been received by the school corporation during the months of October, November, and December of the preceding year if the school corporation's ADM for each of those

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months had not included students:

(i) who, after the September count date and before the January count date, left a public school maintained by the school corporation; and

(ii) who were enrolled during the month in a charter school or nonpublic eligible school (as defined in IC 20-51-1-4.7); minus

(B) the total amount of the distributions received by a school corporation during the months of October, November, and December of the preceding year.

(12) If the result determined under subdivision (11) is negative, the distributions otherwise received by the school corporation in March, April, May, and June of that year shall be proportionately reduced so that the total reduction is equal to the result determined under subdivision (11).

(13) In September of each year, the department shall determine the result of:

(A) the total amount of the distributions that would have been received by the school corporation during the months of February, March, April, May, and June of the year if the school corporation's ADM for each of those months had not included students:

(i) who, after the January count date and before the end of the school year, left a public school maintained by the school corporation; and

(ii) were enrolled during the month in a charter school or nonpublic eligible school (as defined in IC 20-51-1-4.7); minus

(B) the total amount of the distributions received by a school corporation during the months of February, March, April, May, and June of the year.

(14) If the result determined under subdivision (13) is negative, the distributions otherwise received by the school corporation in November and December of that year and January and February of the following year shall be proportionately reduced so that the total reduction is equal to the result determined under subdivision (12).

SECTION 24. IC 20-43-4-2, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. A school corporation's ADM is the number of eligible pupils enrolled in:

(1) the school corporation; or

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(2) a transferee corporation;

on ~~a day to be~~ **the days** fixed ~~annually~~ **in September and in January** by the state board **for a count of students under section 3 of this chapter** and as subsequently adjusted not later than ~~January 30~~ **the date specified** under the rules adopted by the state board. **The state board may adjust the school's count of eligible pupils if the state board determines that the count is unrepresentative of the school corporation's enrollment.**

SECTION 25. IC 20-43-4-3, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. **(a)** The initial day of the ADM count **in a school year** must fall within ~~the first thirty (30) days of the school year.~~ **the month of September each year.**

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

(c) However, if extreme patterns of:

(1) student in-migration;

(2) illness;

(3) natural disaster; or

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

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

SECTION 26. IC 20-43-4-4.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 4.5. (a) This section applies to a count of individuals required under this article that is not described in section 2 or 4 of this chapter.**

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

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

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

SECTION 27. IC 20-43-5-1, AS AMENDED BY P.L.234-2007, SECTION 241, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. A school corporation's transition to foundation revenue per adjusted ADM for a ~~calendar~~ **state fiscal**

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year is the amount determined under section 9 of this chapter.

SECTION 28. IC 20-43-5-2, AS AMENDED BY P.L.234-2007, SECTION 242, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. The following amounts must be determined under this chapter to calculate a school corporation's transition to foundation revenue per adjusted ADM for a ~~calendar~~ **state fiscal** year:

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

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

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

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

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

SECTION 29. IC 20-43-5-5, AS AMENDED BY P.L.182-2009(ss), SECTION 335, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. A school corporation's previous year revenue foundation amount for a ~~calendar~~ **state fiscal** year is equal to the result of:

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

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

SECTION 30. IC 20-43-5-6, AS AMENDED BY P.L.229-2011, SECTION 210, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. (a) A school corporation's transition to foundation amount for a ~~calendar~~ **state fiscal** year is equal to the result determined under STEP TWO of the following formula:

STEP ONE: Determine the difference of:

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

(B) the lesser of:

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

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

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

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

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

(ii) the school corporation's current ADM.

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

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

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

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

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

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

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

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

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

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

(2) the result of:

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

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

SECTION 31. IC 20-43-5-7, AS AMENDED BY P.L.229-2011, SECTION 211, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7. A school corporation's transition to foundation revenue for a ~~calendar~~ **state fiscal** year is equal to the

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product of:

(1) the school corporation's transition to foundation amount for the ~~calendar~~ **state fiscal** year; multiplied by

(2) the school corporation's current ADM.

SECTION 32. IC 20-43-5-9, AS AMENDED BY P.L.234-2007, SECTION 247, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 9. A school corporation's transition to foundation revenue per adjusted ADM for a ~~calendar~~ **state fiscal** year is the quotient of:

(1) the school corporation's transition to foundation revenue for the ~~calendar~~ **state fiscal** year; divided by

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

SECTION 33. IC 20-43-6-1, AS AMENDED BY P.L.182-2009(ss), SECTION 338, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. Subject to the amount appropriated by the general assembly for state tuition support and IC 20-43-2, the amount that a school corporation is entitled to receive in basic tuition support for a **state fiscal** year is the amount determined in section 3 of this chapter.

SECTION 34. IC 20-43-6-3, AS AMENDED BY P.L.229-2011, SECTION 212, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) A school corporation's basic tuition support for a **state fiscal** year is the amount determined under the applicable provision of this section.

(b) The school corporation's basic tuition support for a **state fiscal** year is equal to the school corporation's transition to foundation revenue for the year.

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

SECTION 35. IC 20-43-7-1, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. In addition to the amount a school corporation is entitled to receive in basic tuition support, each school corporation is entitled to receive a grant for special education programs **for the state fiscal year.** The amount of the special education grant is based on the count of eligible pupils enrolled in special education programs on December 1 of the preceding **state fiscal** year in:

(1) the school corporation; or

(2) a transferee corporation.

SECTION 36. IC 20-43-7-6, AS AMENDED BY P.L.182-2009(ss),

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SECTION 340, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. **(a)** A school corporation's special education grant for a ~~calendar~~ **state fiscal** year is equal to the sum of the following:

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

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

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

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

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

(b) Before February 1 of each calendar year, the department shall determine the result of:

(1) the total amount of the special education grant that would have been received by the school corporation during the months of July, August, September, October, November, and December of the preceding calendar year and in January 1 of the current calendar year if the grant had been based on the count of students with disabilities that was made on the immediately preceding December 1; minus

(2) the total amount of the special education grant received by the school corporation during the months of July, August, September, October, November, and December of the preceding calendar year and in January 1 of the current calendar year.

If the result determined under this subsection is positive, the school corporation shall receive an additional special education grant distribution in February equal to the result determined under this subsection. If the result determined under this subsection is negative, the special education grant distributions that otherwise would be received by the school corporation in February, March, April, and May shall be proportionately reduced so that the total reduction is equal to the result determined under this subsection.

(c) The special education grant distributions made in February, March, April, May, and June of a calendar year shall be based on the count of students with disabilities that was made on the

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immediately preceding December 1.

SECTION 37. IC 20-43-8-2, AS AMENDED BY P.L.234-2007, SECTION 137, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) Before December 1 of each year, the department of workforce development shall provide the department with a report, to be used to determine career and technical education grant amounts in the ~~second calendar~~ **state fiscal** year **beginning** after the year in which the report is provided, listing whether the labor market demand for each generally recognized labor category is more than moderate, moderate, or less than moderate. In the report, the department of workforce development shall categorize each of the career and technical education programs using the following four (4) categories:

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

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

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

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

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

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

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

SECTION 38. IC 20-43-8-9, AS AMENDED BY P.L.234-2007, SECTION 139, IS AMENDED TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2013]: Sec. 9. A school corporation's career and technical education grant for a ~~calendar~~ **state fiscal** year is the sum of the following amounts:

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

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

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

(C) the following applicable amount:

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

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

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

(iv) Three hundred seventy-five dollars ($375), in the case of a program described in section 6 of this chapter (moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a high wage.

(v) Three hundred dollars ($300), in the case of a program described in section 6 of this chapter (moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a moderate wage.

(vi) Two hundred twenty-five dollars ($225), in the case of a program described in section 6 of this chapter (moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a less than moderate wage.

(vii) Three hundred dollars ($300), in the case of a program described in section 7 of this chapter (less than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a high wage.

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(viii) Two hundred twenty-five dollars ($225), in the case of a program described in section 7 of this chapter (less than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a moderate wage.

(ix) One hundred fifty dollars ($150), in the case of a program described in section 7 of this chapter (less than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a less than moderate wage.

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

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

SECTION 39. IC 20-43-9-6, AS AMENDED BY P.L.229-2011, SECTION 217, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. A school corporation's primetime distribution for a ~~calendar~~ **state fiscal** year under this chapter is the amount determined by the following formula:

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

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

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

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

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

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

(C) If the school corporation's complexity index is at least one and three-tenths (1.3), the school corporation's target pupil/teacher ratio is fifteen to one (15:1).

STEP TWO: Determine the result of:

(A) the ADM of the school corporation in kindergarten through grade 3 for the current school year; divided by

(B) the school corporation's applicable target pupil/teacher

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ratio, as determined in STEP ONE.

STEP THREE: Determine the result of:

(A) the basic tuition support for the year multiplied by seventy-five hundredths (0.75); divided by

(B) the school corporation's ADM.

STEP FOUR: Determine the result of:

(A) the STEP THREE result; multiplied by

(B) the ADM of the school corporation in kindergarten through grade 3 for the current school year.

STEP FIVE: Determine the result of:

(A) the STEP FOUR result; divided by

(B) the staff cost amount.

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

(A) the STEP TWO amount; minus

(B) the STEP FIVE amount.

STEP SEVEN: Determine the result of:

(A) the STEP SIX amount; multiplied by

(B) the staff cost amount.

STEP EIGHT: Determine the greater of the STEP SEVEN amount or:

(A) for 2012, fifty percent (50%) of the school corporation's guaranteed primetime amount; or

(B) for 2013, zero (0).

STEP NINE: A school corporation's amount under this STEP is the following:

(A) If the amount the school corporation received under this chapter in the previous ~~calendar~~ **state fiscal** year is greater than zero (0), the amount under this STEP is the lesser of:

(i) the STEP EIGHT amount; or

(ii) the amount the school corporation received under this chapter for the previous ~~calendar~~ **state fiscal** year multiplied by one hundred seven and one-half percent (107.5%).

(B) If the amount the school corporation received under this chapter in the previous ~~calendar~~ **state fiscal** year is not greater than zero (0), the amount under this STEP is the STEP EIGHT amount.

SECTION 40. IC 20-43-10-2, AS AMENDED BY P.L.229-2011, SECTION 219, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. (a) A school corporation's honors diploma award for a ~~calendar~~ **state fiscal** year is the amount determined under STEP FOUR of the following formula:

STEP ONE: Determine the number of the school corporation's

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eligible pupils who successfully completed an academic honors diploma program in the school year ending in the previous ~~calendar~~ **state fiscal** year.

STEP TWO: Determine the result of:

(A) the number of the school corporation's eligible pupils who successfully completed a Core 40 diploma with technical honors program in the school year ending in the previous ~~calendar~~ **state fiscal** year; minus

(B) the number of eligible pupils who would otherwise be double counted under both clause (A) and STEP ONE.

STEP THREE: Determine the sum of the number of eligible students determined under STEP ONE and the number of eligible students determined under STEP TWO.

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

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

(1) any:

(A) staff training;

(B) program development;

(C) equipment and supply expenditures; or

(D) other expenses;

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

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

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

SECTION 41. IC 20-49-7-4, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. As used in this chapter, "operational costs" means costs other than construction costs incurred by:

(1) a charter school other than a conversion charter school during the second six (6) months of the ~~calendar~~ **state fiscal** year in which the charter school begins its initial operation; or

(2) a charter school, including a conversion charter school, during the second six (6) months of a ~~calendar~~ **state fiscal** year in which the charter school's most recent enrollment reported under IC 20-24-7-2(a) divided by the charter school's previous year's ADM is at least one and fifteen-hundredths (1.15).

SECTION 42. IC 20-51-4-5, AS ADDED BY P.L.92-2011,

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SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. The state tuition support amount to be used in ~~section 3(2)~~ **section 4(2)** of this chapter for an eligible individual is the amount determined under the last STEP of the following formula:

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

STEP TWO: Determine the amount of state tuition support that the school corporation identified under STEP ONE is eligible to receive under IC 20-43 for the ~~calendar~~ **state fiscal** year in which the current school year begins, excluding amounts provided for special education grants under IC 20-43-7 and career and technical education grants under IC 20-43-8.

STEP THREE: Determine the result of:

(A) the STEP TWO amount; divided by

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

SECTION 43. IC 20-51-4-6, AS ADDED BY P.L.92-2011, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6. (a) If an eligible individual enrolls in an eligible school for less than an entire school year, the choice scholarship provided under this chapter for that school year shall be reduced on a prorated basis to reflect the shorter school term.

(b) An eligible individual is entitled to only one (1) choice scholarship for each school year. If the eligible individual leaves the eligible school for which the eligible individual was awarded a choice scholarship and enrolls in another eligible school, the eligible individual is responsible for the payment of any tuition required for the remainder of that school year.

(c) If an eligible individual who was awarded a choice scholarship leaves the nonpublic eligible school for which the eligible individual was awarded a choice scholarship and in that school year enrolls in a public school maintained by a school corporation, the eligible school shall pay to the treasurer of state for deposit in the state general fund an amount determined in the following STEPS:

STEP ONE: Determine the amount of the choice scholarship awarded to the eligible individual for the school year.

STEP TWO: Determine the result of:

(A) the eligible school's total number of school days in that school year minus the number of days in that school year in which the eligible individual was enrolled in the eligible

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school; divided by

(B) the eligible school's total number of school days in that school year.

STEP THREE: Multiply the STEP ONE result by the STEP TWO result.

SECTION 44. [EFFECTIVE JULY 1, 2012] **(a) The department of education shall before November 1, 2012, report to the state budget committee:**

(1) the number of students who left a charter school and enrolled in a public school maintained by a school corporation during the 2011 - 2012 school year; and

(2) the number of students who:

(A) received a choice scholarship for the 2011 - 2012 school year; and

(B) left a nonpublic eligible school (as defined in IC 20-51-1-4.7) and enrolled in a public school maintained by a school corporation during the 2011 - 2012 school year.

(b) This SECTION expires January 1, 2013.

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COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred Senate Bill No. 280, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Replace the effective dates in SECTIONS 1 through 46 with "[EFFECTIVE JULY 1, 2013]".

Page 6, line 31, delete "2012," and insert "**2013,**".

Page 11, line 42, delete "beginning after June 30,".

Page 11, line 42, strike "2012.".

Page 11, line 42, after "thereafter." insert "**beginning after June 30, 2013.**".

Page 12, line 24, delete "2013." and insert "**2014.**".

Page 12, line 29, delete "2013," and insert "**2014,**".

Page 12, line 32, delete "2012," and insert "**2013,**".

Page 12, line 40, delete "2012," and insert "**2013,**".

Page 13, line 1, delete "2012," and insert "**2013,**".

Page 14, line 22, delete "2012," and insert "**2013,**".

Page 14, line 32, delete "were" and insert "**are**".

Page 14, line 33, delete "existed" and insert "**exists**".

Page 14, delete lines 36 through 42.

Page 15, delete line 1.

Page 15, line 2, delete "(3)" and insert "**(2)**".

Page 15, line 3, delete "2012." and insert "**2013.**".

Page 15, line 12, delete "2012." and insert "**2013.**".

Page 15, line 26, delete "2012." and insert "**2013.**".

Page 16, line 19, delete ", IC 20-43-4-4,".

Page 16, line 20, delete "2012." and insert "**2013.**".

Page 16, line 22, delete "2011" and insert "**2012**".

Page 16, line 24, delete "2012." and insert "**2013.**".

Page 16, line 25, delete "2012," and insert "**2013,**".

Page 17, line 7, delete "2012," and insert "**2013,**".

Page 17, line 15, delete "2011" and insert "**2012**".

Page 17, line 16, delete "2012);" and insert "**2013);**".

Page 17, line 18, delete "2013" and insert "**2014**".

Page 17, between lines 31 and 32, begin a new line block indented and insert:

"**(4) In February of each year, the department shall determine the result of:**

(A) the total amount of the distributions that would have

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been received by the school corporation during the months of January and February if the distributions had been based on the January count of that year instead of the count made in the preceding September; minus

(B) the total amount of the distributions received by a school corporation during the months of January and February of that year.

(5) If the result determined under subdivision (4) is positive, the school corporation shall receive an additional distribution in March equal to the result determined under subdivision (4).

(6) If the result determined under subdivision (4) is negative, the distributions otherwise received by the school corporation in March, April, May, and June of that year shall be proportionately reduced so that the total reduction is equal to the result determined under subdivision (4).

(7) In January of each year, the department shall determine the result of:

(A) the total amount of the distributions that would have been received by the school corporation during the months of October, November, and December of the preceding year if the school corporation's ADM for each of those months had included students:

(i) who, after the September count date and before the January count date, left a charter school or nonpublic eligible school (as defined in IC 20-51-1-4.7); and

(ii) were enrolled during the month in a public school maintained by the school corporation; minus

(B) the total amount of the distributions received by a school corporation during the months of October, November, and December of the preceding year.

(8) If the result determined under subdivision (7) is positive, the school corporation shall receive an additional distribution in March equal to the result determined under subdivision (7).

(9) In September of each year, the department shall determine the result of:

(A) the total amount of the distributions that would have been received by the school corporation during the months of February, March, April, May, and June of the year if the school corporation's ADM for each of those months had included students:

(i) who, after the January count date and before the end of the school year, left a charter school or nonpublic

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eligible school (as defined in IC 20-51-1-4.7); and

(ii) who were enrolled during the month in a public school maintained by the school corporation; minus

(B) the total amount of the distributions received by a school corporation during the months of February, March, April, May, and June of the year.

(10) If the result determined under subdivision (9) is positive, the school corporation shall receive an additional distribution in November equal to the result determined under subdivision (9).

(11) In January of each year, the department shall determine the result of:

(A) the total amount of the distributions that would have been received by the school corporation during the months of October, November, and December of the preceding year if the school corporation's ADM for each of those months had not included students:

(i) who, after the September count date and before the January count date, left a public school maintained by the school corporation; and

(ii) who were enrolled during the month in a charter school or nonpublic eligible school (as defined in IC 20-51-1-4.7); minus

(B) the total amount of the distributions received by a school corporation during the months of October, November, and December of the preceding year.

(12) If the result determined under subdivision (11) is negative, the distributions otherwise received by the school corporation in March, April, May, and June of that year shall be proportionately reduced so that the total reduction is equal to the result determined under subdivision (11).

(13) In September of each year, the department shall determine the result of:

(A) the total amount of the distributions that would have been received by the school corporation during the months of February, March, April, May, and June of the year if the school corporation's ADM for each of those months had not included students:

(i) who, after the January count date and before the end of the school year, left a public school maintained by the school corporation; and

(ii) were enrolled during the month in a charter school or

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nonpublic eligible school (as defined in IC 20-51-1-4.7); minus

(B) the total amount of the distributions received by a school corporation during the months of February, March, April, May, and June of the year.

(14) If the result determined under subdivision (13) is negative, the distributions otherwise received by the school corporation in November and December of that year and January and February of the following year shall be proportionately reduced so that the total reduction is equal to the result determined under subdivision (12).".

Page 18, delete lines 21 through 38.

Page 19, delete lines 31 through 42.

Delete page 20.

Page 21, delete lines 1 through 17.

Page 23, line 37, reset in roman "December 1".

Page 23, line 37, delete "the latest ADM count".

Page 23, line 38, delete "date".

Page 23, delete lines 41 through 42.

Page 24, delete lines 1 through 16.

Page 24, line 19, after "6." insert "**(a)**".

Page 24, between lines 34 and 35, begin a new paragraph and insert:

"**(b) Before February 1 of each calendar year, the department shall determine the result of:**

(1) the total amount of the special education grant that would have been received by the school corporation during the months of July, August, September, October, November, and December of the preceding calendar year and in January 1 of the current calendar year if the grant had been based on the count of students with disabilities that was made on the immediately preceding December 1; minus

(2) the total amount of the special education grant received by the school corporation during the months of July, August, September, October, November, and December of the preceding calendar year and in January 1 of the current calendar year.

If the result determined under this subsection is positive, the school corporation shall receive an additional special education grant distribution in February equal to the result determined under this subsection. If the result determined under this subsection is negative, the special education grant distributions that otherwise would be received by the school corporation in February, March,

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April, and May shall be proportionately reduced so that the total reduction is equal to the result determined under this subsection.

(c) The special education grant distributions made in February, March, April, May, and June of a calendar year shall be based on the count of students with disabilities that was made on the immediately preceding December 1.".

Page 30, after line 8, begin a new paragraph and insert:

"SECTION 46. IC 20-51-4-6, AS ADDED BY P.L.92-2011, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6. (a) If an eligible individual enrolls in an eligible school for less than an entire school year, the choice scholarship provided under this chapter for that school year shall be reduced on a prorated basis to reflect the shorter school term.

(b) An eligible individual is entitled to only one (1) choice scholarship for each school year. If the eligible individual leaves the eligible school for which the eligible individual was awarded a choice scholarship and enrolls in another eligible school, the eligible individual is responsible for the payment of any tuition required for the remainder of that school year.

(c) If an eligible individual who was awarded a choice scholarship leaves the nonpublic eligible school for which the eligible individual was awarded a choice scholarship and in that school year enrolls in a public school maintained by a school corporation, the eligible school shall pay to the treasurer of state for deposit in the state general fund an amount determined in the following STEPS:

STEP ONE: Determine the amount of the choice scholarship awarded to the eligible individual for the school year.

STEP TWO: Determine the result of:

(A) the eligible school's total number of school days in that school year minus the number of days in that school year in which the eligible individual was enrolled in the eligible school; divided by

(B) the eligible school's total number of school days in that school year.

STEP THREE: Multiply the STEP ONE result by the STEP TWO result.

SECTION 47. [EFFECTIVE JULY 1, 2012] **(a) The department of education shall before November 1, 2012, report to the state budget committee:**

(1) the number of students who left a charter school and enrolled in a public school maintained by a school corporation

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during the 2011 - 2012 school year; and

(2) the number of students who:

(A) received a choice scholarship for the 2011 - 2012 school year; and

(B) left a nonpublic eligible school (as defined in IC 20-51-1-4.7) and enrolled in a public school maintained by a school corporation during the 2011 - 2012 school year.

(b) This SECTION expires January 1, 2013.".

Renumber all SECTIONS consecutively.

and when so amended that said bill be reassigned to the Senate Committee on Appropriations.

(Reference is to SB 280 as introduced.)

KRUSE, Chairperson

Committee Vote: Yeas 7, Nays 1.

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