

# COMMITTEE REPORT

---

## MADAM PRESIDENT:

**The Senate Committee on Appropriations, to which was referred House Bill No. 1189, 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:**

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 education and to make an appropriation.
- 4 Page 1, between the enacting clause and line 1, begin a new
- 5 paragraph and insert:
- 6 "SECTION 1. IC 5-2-10.1-10, AS AMENDED BY P.L.2-2006,
- 7 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 8 JULY 1, 2012]: Sec. 10. (a) A county may establish a county school
- 9 safety commission.
- 10 (b) The members of the commission are as follows:
- 11 (1) The school safety specialist for each school corporation
- 12 located in whole or in part in the county.
- 13 (2) The judge of the court having juvenile jurisdiction in the
- 14 county or the judge's designee.
- 15 (3) The sheriff of the county or the sheriff's designee.
- 16 (4) The chief officer of every other law enforcement agency in the
- 17 county, or the chief officer's designee.
- 18 (5) A representative of the juvenile probation system, appointed
- 19 by the judge described under subdivision (2).
- 20 (6) Representatives of community agencies that work with
- 21 children within the county.

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

1 JULY 1, 2012]: Sec. 2. "ADM", has the meaning set forth in  
 2 ~~IC 20-43-1-6~~. **except as otherwise provided by law, refers to the fall**  
 3 **count of eligible pupils under IC 20-43-4-3 conducted in the school**  
 4 **year ending in the current calendar year.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 kindergarten through grade 12 in the public schools of the school  
2 township; or

3 (2) is part of a township in which there were more votes cast for  
4 township trustee outside the school township than inside the  
5 school township in the general election at which the trustee was  
6 elected and that preceded the adoption of the preliminary or  
7 disapproving resolution.

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

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

12 (e) In a school township, a metropolitan school district may be  
13 created by complying with this section. A metropolitan school district  
14 created under this section shall have the same boundaries as the school  
15 township. After a district has been created under this section, the  
16 school township that preceded the metropolitan school district is  
17 abolished. The procedures or provisions governing the creation of a  
18 metropolitan school district under another section of this chapter do not  
19 apply to the creation of a district under this section. After a  
20 metropolitan school district is created under this section, the district  
21 shall, except as otherwise provided in this section, be governed by and  
22 operate in accordance with this chapter governing the operation of a  
23 metropolitan school district as established under section 2 of this  
24 chapter.

25 (f) Except as provided in subsection (g), a metropolitan school  
26 district provided for in subsection (e) may be created in the following  
27 manner:

28 (1) The township trustee shall call a meeting of the township  
29 board. At the meeting, the township trustee and a majority of the  
30 township board shall adopt a resolution that a metropolitan school  
31 district shall be created in the school township. The township  
32 trustee shall then give notice:

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

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

37 of the adoption of the resolution setting forth the text of the  
38 resolution.

39 (2) On the thirtieth day after the date of the last publication of the  
40 notice under subdivision (1) and if a protest has not been filed, the  
41 township trustee and a majority of the township board shall  
42 confirm their preliminary resolution. If, however, on or before the

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 1 duties of the metropolitan school district or the board or superintendent  
2 of the district provided in this chapter."
- 3 Page 1, line 3, after "than" insert "**each of**".
- 4 Page 1, line 4, after "ADM" delete ",".
- 5 Page 1, line 5 after "year," insert "**under IC 20-43-4-3 and**  
6 **IC 20-43-4-3.5**".
- 7 Page 1, line 16, strike "This subsection applies after".
- 8 Page 1, line 16, delete "June 30".
- 9 Page 1, line 16, strike "of the".
- 10 Page 1, line 17, strike "the calendar year in which a charter school  
11 begins its initial operation."
- 12 Page 2, line 1, after "distribute" insert "**state tuition support**  
13 **distributions**".
- 14 Page 2, line 1, after "organizer" insert ".".
- 15 Page 2, line 1, strike "the state tuition support".
- 16 Page 2, line 2, strike "distribution."
- 17 Page 2, line 2, delete "The" and insert "**Subject to IC 20-43-4-9,**  
18 the".
- 19 Page 2, delete lines 6 through 42.
- 20 Delete pages 3 through 31, begin a new paragraph and insert:  
21 "SECTION 10. IC 20-24-7-3, AS AMENDED BY P.L.146-2008,  
22 SECTION 461, IS AMENDED TO READ AS FOLLOWS  
23 [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) This section applies to a  
24 conversion charter school.
- 25 (b) Beginning not more than sixty (60) days after the department  
26 receives the information reported under section 2(a) of this chapter, the  
27 department shall distribute to the organizer:
- 28 ~~(1) tuition support and other state funding for any purpose for~~  
29 ~~students enrolled in the conversion charter school;~~
- 30 ~~(2) (1) a proportionate share of state and federal funds received:~~
- 31 (A) for students with disabilities; or
- 32 (B) for staff services for students with disabilities;  
33 enrolled in the conversion charter school; and
- 34 ~~(3) (2) a proportionate share of funds received under federal or~~  
35 ~~state categorical aid programs for students who are eligible for the~~  
36 ~~federal or state categorical aid and are enrolled in the conversion~~  
37 ~~charter school;~~
- 38 for the second six (6) months of the calendar year in which the  
39 conversion charter school is established. The department shall make a  
40 distribution under this subsection at the same time and in the same  
41 manner as the department makes a distribution to the governing body  
42 of the school corporation in which the conversion charter school is

1 located. A distribution to the governing body of the school corporation  
 2 in which the conversion charter school is located is reduced by the  
 3 amount distributed to the conversion charter school. This subsection  
 4 does not apply to a conversion charter school after December 31 of the  
 5 calendar year in which the conversion charter school is established.

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

11 STEP ONE: Determine the result under subsection (d) STEP  
 12 ONE (A):

13 STEP TWO: Determine the difference between:

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

15 (B) the STEP ONE amount.

16 STEP THREE: Determine the quotient of:

17 (A) the STEP TWO amount; divided by

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

19 STEP FOUR: Determine the product of:

20 (A) the STEP THREE amount; multiplied by

21 (B) the quotient of:

22 (i) the subsection (d) STEP TWO amount; divided by

23 (ii) two (2):

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

30 (b) This subsection applies to a sponsor that is a state educational  
 31 institution described in IC 20-24-1-7(2): **IC 20-24-1-9(2)**. In a **calendar**  
 32 **state fiscal** year, a state educational institution may receive from the  
 33 organizer of a charter school sponsored by the state educational  
 34 institution an administrative fee equal to not more than three percent  
 35 (3%) of the total amount the organizer receives during the **calendar**  
 36 **state fiscal** year from basic tuition support (as defined in  
 37 IC 20-43-1-8).

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

1 **calendar state fiscal** year for basic tuition support.

2 (d) This subsection applies to a sponsor that is a nonprofit college  
3 or university that is approved by the state board of education. In a  
4 **calendar state fiscal** year, a private college or university may collect  
5 from the organizer of a charter school sponsored by the private college  
6 or university an administrative fee equal to not more than three percent  
7 (3%) of the total amount the organizer receives during the **calendar**  
8 **state fiscal** year for basic tuition support.

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

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

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

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

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

40 SECTION 12. IC 20-24-7-6.5, AS ADDED BY P.L.229-2011,  
41 SECTION 170, IS AMENDED TO READ AS FOLLOWS  
42 [EFFECTIVE JULY 1, 2012]: Sec. 6.5. (a) Subject to subsection (b)

1 and with the approval of a majority of the members of the governing  
 2 body, a school corporation may distribute any part of the following to  
 3 a conversion school sponsored by the school corporation in the amount  
 4 and under the terms and conditions adopted by a majority of the  
 5 members of the governing body:

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

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

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

14 STEP ONE: Determine the result of:

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

18 (B) the **current fall count of** ADM of the school corporation  
 19 **for conducted in the current** calendar year.

20 STEP TWO: Determine the result of:

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

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

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

27 (A) the STEP ONE amount; minus

28 (B) the STEP TWO amount.

29 STEP FOUR: Determine the result of:

30 (A) the STEP THREE amount; multiplied by

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

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

36 (1) a sponsor:

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

39 (B) does not renew a charter; or

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

42 (b) Any state funds that remain to be distributed to the charter

1 school in the ~~calendar~~ **state fiscal** year in which an event described in  
 2 subsection (a) occurs shall be distributed as follows:

3 (1) First, to the common school loan fund to repay any existing  
 4 obligations of the charter school under IC 20-49-7 (**repealed**) or  
 5 **IC 20-49-5-7**.

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

9 (c) If the funds described in subsection (b) are insufficient to repay  
 10 all existing obligations of the charter school under IC 20-49-7  
 11 (**repealed**) or **IC 20-49-5-7**, the state shall repay any remaining  
 12 obligations of the charter school under IC 20-49-7 (**repealed**) or  
 13 **IC 20-49-5-7** from the amount appropriated for state tuition support  
 14 distributions.

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

- 21 (1) virtual distance learning;  
 22 (2) online technologies; or  
 23 (3) computer based instruction.

24 (b) ~~Beginning with the 2011-2012 school year~~; A virtual charter  
 25 school may apply for sponsorship with any statewide sponsor in  
 26 accordance with the sponsor's guidelines.

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

29 ~~(1) the product of:~~

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

32 ~~(B) eighty percent (80%) of statewide average basic tuition~~  
 33 ~~support.~~

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

37 (1) the product of:

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

40 (B) **the result of:**

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

- 1                   **divided by**  
 2                   **(ii) twelve (12); plus**  
 3                   (2) the total of any special education grants under IC 20-43-7 to  
 4                   which the virtual charter school is entitled **for the month.**  
 5 ~~After December 31, 2011,~~ **For state fiscal years beginning after June**  
 6 **30, 2012,** a virtual charter school is entitled to receive special  
 7 education grants under IC 20-43-7 calculated in the same manner as  
 8 special education grants are calculated for other school corporations.  
 9                   (d) The department shall adopt rules under IC 4-22-2 to govern the  
 10 operation of virtual charter schools.  
 11                   (e) Beginning in 2009, the department shall before December 1 of  
 12 each year submit an annual report to the budget committee concerning  
 13 the program under this section.  
 14                   (f) ~~This subsection does not apply to students who were enrolled in~~  
 15 ~~a virtual charter school during the 2010-2011 school year.~~ Each school  
 16 year, at least sixty percent (60%) of the students who are enrolled in  
 17 virtual charter schools under this section for the first time must have  
 18 been included in the state's **fall count of ADM count for conducted in**  
 19 the previous school year.  
 20                   SECTION 15. IC 20-24-7.5 IS REPEALED [EFFECTIVE JULY 1,  
 21 2013]. (New Charter School Startup Grant).  
 22                   SECTION 16. IC 20-24.5-2-10, AS AMENDED BY P.L.146-2008,  
 23 SECTION 464, IS AMENDED TO READ AS FOLLOWS  
 24 [EFFECTIVE JULY 1, 2012]: Sec. 10. A laboratory school that:  
 25                   (1) is operated without an agreement; and  
 26                   (2) has an ADM **in the fall count of a school year** of not more  
 27 than seven hundred fifty (750);  
 28 must be treated as a charter school for purposes of funding under  
 29 IC 20-20-33 and IC 20-43.  
 30                   SECTION 17. IC 20-24.5-2-11, AS ADDED BY P.L.2-2007,  
 31 SECTION 209, IS AMENDED TO READ AS FOLLOWS  
 32 [EFFECTIVE JULY 1, 2012]: Sec. 11. A student who attends a  
 33 laboratory school full time may not be counted in **current** ADM or  
 34 ADA by any school corporation when the student's attendance is not  
 35 regulated under an agreement.  
 36                   SECTION 18. IC 20-25-12-5, AS ADDED BY P.L.1-2005,  
 37 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 38 JULY 1, 2012]: Sec. 5. The **initial** approved general fund budget for  
 39 each school for a school year must be, as nearly as is reasonable and  
 40 practicable, proportionate to the total general fund budget for the  
 41 school city in the same ratio as the school's estimated **current** ADM  
 42 **for the fall count in the school year** compares to the school city's

1 estimated **current** ADM for **the fall count for** that school year.

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

8 (1) In the name of the school corporation, to sue and be sued and  
9 to enter into contracts in matters permitted by applicable law.  
10 However, a governing body may not use funds received from the  
11 state to bring or join in an action against the state, unless the  
12 governing body is challenging an adverse decision by a state  
13 agency, board, or commission.

14 (2) To take charge of, manage, and conduct the educational affairs of  
15 the school corporation and to establish, locate, and provide the  
16 necessary schools, school libraries, other libraries where  
17 permitted by law, other buildings, facilities, property, and  
18 equipment.

19 (3) To appropriate from the school corporation's general fund an  
20 amount, not to exceed the greater of three thousand dollars  
21 (\$3,000) per budget year or one dollar (\$1) per pupil, not to  
22 exceed twelve thousand five hundred dollars (\$12,500), based on  
23 the school corporation's **ADM of the previous year's ADM, year**  
24 **(as defined in IC 20-43-1-7)** to promote the best interests of the  
25 school corporation through:

26 (A) the purchase of meals, decorations, memorabilia, or  
27 awards;

28 (B) provision for expenses incurred in interviewing job  
29 applicants; or

30 (C) developing relations with other governmental units.

31 (4) To:

32 (A) Acquire, construct, erect, maintain, hold, and contract for  
33 construction, erection, or maintenance of real estate, real estate  
34 improvements, or an interest in real estate or real estate  
35 improvements, as the governing body considers necessary for  
36 school purposes, including buildings, parts of buildings,  
37 additions to buildings, rooms, gymnasiums, auditoriums,  
38 playgrounds, playing and athletic fields, facilities for physical  
39 training, buildings for administrative, office, warehouse, repair  
40 activities, or housing school owned buses, landscaping, walks,  
41 drives, parking areas, roadways, easements and facilities for  
42 power, sewer, water, roadway, access, storm and surface

- 1 water, drinking water, gas, electricity, other utilities and  
2 similar purposes, by purchase, either outright for cash (or  
3 under conditional sales or purchase money contracts providing  
4 for a retention of a security interest by the seller until payment  
5 is made or by notes where the contract, security retention, or  
6 note is permitted by applicable law), by exchange, by gift, by  
7 devise, by eminent domain, by lease with or without option to  
8 purchase, or by lease under IC 20-47-2, IC 20-47-3, or  
9 IC 20-47-5.
- 10 (B) Repair, remodel, remove, or demolish, or to contract for  
11 the repair, remodeling, removal, or demolition of the real  
12 estate, real estate improvements, or interest in the real estate  
13 or real estate improvements, as the governing body considers  
14 necessary for school purposes.
- 15 (C) Provide for conservation measures through utility  
16 efficiency programs or under a guaranteed savings contract as  
17 described in IC 36-1-12.5.
- 18 (5) To acquire personal property or an interest in personal  
19 property as the governing body considers necessary for school  
20 purposes, including buses, motor vehicles, equipment, apparatus,  
21 appliances, books, furniture, and supplies, either by cash purchase  
22 or under conditional sales or purchase money contracts providing  
23 for a security interest by the seller until payment is made or by  
24 notes where the contract, security, retention, or note is permitted  
25 by applicable law, by gift, by devise, by loan, or by lease with or  
26 without option to purchase and to repair, remodel, remove,  
27 relocate, and demolish the personal property. All purchases and  
28 contracts specified under the powers authorized under subdivision  
29 (4) and this subdivision are subject solely to applicable law  
30 relating to purchases and contracting by municipal corporations  
31 in general and to the supervisory control of state agencies as  
32 provided in section 6 of this chapter.
- 33 (6) To sell or exchange real or personal property or interest in real  
34 or personal property that, in the opinion of the governing body, is  
35 not necessary for school purposes, in accordance with IC 20-26-7,  
36 to demolish or otherwise dispose of the property if, in the opinion  
37 of the governing body, the property is not necessary for school  
38 purposes and is worthless, and to pay the expenses for the  
39 demolition or disposition.
- 40 (7) To lease any school property for a rental that the governing  
41 body considers reasonable or to permit the free use of school  
42 property for:

1 (A) civic or public purposes; or  
 2 (B) the operation of a school age child care program for  
 3 children who are at least five (5) years of age and less than  
 4 fifteen (15) years of age that operates before or after the school  
 5 day, or both, and during periods when school is not in session;  
 6 if the property is not needed for school purposes. Under this  
 7 subdivision, the governing body may enter into a long term lease  
 8 with a nonprofit corporation, community service organization, or  
 9 other governmental entity, if the corporation, organization, or  
 10 other governmental entity will use the property to be leased for  
 11 civic or public purposes or for a school age child care program.  
 12 However, if payment for the property subject to a long term lease  
 13 is made from money in the school corporation's debt service fund,  
 14 all proceeds from the long term lease must be deposited in the  
 15 school corporation's debt service fund so long as payment for the  
 16 property has not been made. The governing body may, at the  
 17 governing body's option, use the procedure specified in  
 18 IC 36-1-11-10 in leasing property under this subdivision.

19 (8) To:

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

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

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

41 (D) Determine the number of the persons or the amount of the  
 42 services employed or contracted for as provided in this

1 subdivision.

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

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

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

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

35 (11) To provide a lunch program for a part or all of the students  
36 attending the schools of the school corporation, including the  
37 establishment of kitchens, kitchen facilities, kitchen equipment,  
38 lunch rooms, the hiring of the necessary personnel to operate the  
39 lunch program, and the purchase of material and supplies for the  
40 lunch program, charging students for the operational costs of the  
41 lunch program, fixing the price per meal or per food item. To  
42 operate the lunch program as an extracurricular activity, subject

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

1 (17) To defend a member of the governing body or any employee  
 2 of the school corporation in any suit arising out of the  
 3 performance of the member's or employee's duties for or  
 4 employment with, the school corporation, if the governing body  
 5 by resolution determined that the action was taken in good faith.  
 6 To save any member or employee harmless from any liability,  
 7 cost, or damage in connection with the performance, including the  
 8 payment of legal fees, except where the liability, cost, or damage  
 9 is predicated on or arises out of the bad faith of the member or  
 10 employee, or is a claim or judgment based on the member's or  
 11 employee's malfeasance in office or employment.

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

14 (A) for the government and management of the schools,  
 15 property, facilities, and activities of the school corporation, the  
 16 school corporation's agents, employees, and pupils and for the  
 17 operation of the governing body; and

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

20 (19) To ratify and approve any action taken by a member of the  
 21 governing body, an officer of the governing body, or an employee  
 22 of the school corporation after the action is taken, if the action  
 23 could have been approved in advance, and in connection with the  
 24 action to pay the expense or compensation permitted under  
 25 IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and  
 26 IC 20-48-1 or any other law.

27 (20) To exercise any other power and make any expenditure in  
 28 carrying out the governing body's general powers and purposes  
 29 provided in this chapter or in carrying out the powers delineated  
 30 in this section which is reasonable from a business or educational  
 31 standpoint in carrying out school purposes of the school  
 32 corporation, including the acquisition of property or the  
 33 employment or contracting for services, even though the power or  
 34 expenditure is not specifically set out in this chapter. The specific  
 35 powers set out in this section do not limit the general grant of  
 36 powers provided in this chapter except where a limitation is set  
 37 out in IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12,  
 38 and IC 20-48-1 by specific language or by reference to other law.

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

- 1 (1) a nonprofit corporation that operates a federally approved  
 2 education program; or  
 3 (2) a nonprofit corporation that:  
 4 (A) is exempt from federal income taxation under Section  
 5 501(c)(3) of the Internal Revenue Code;  
 6 (B) for its classroom instruction, employs teachers who are  
 7 certified by the department;  
 8 (C) employs other professionally and state licensed staff as  
 9 appropriate; and  
 10 (D) educates children who:  
 11 (i) have been suspended, expelled, or excluded from a public  
 12 school in that school corporation and have been found to  
 13 have an emotional disturbance;  
 14 (ii) have been placed with the nonprofit corporation by court  
 15 order;  
 16 (iii) have been referred by a local health department;  
 17 (iv) have been placed in a state licensed private or public  
 18 health care or child care facility as described in section 8 of  
 19 this chapter; or  
 20 (v) have been placed by or with the consent of the  
 21 department under IC 20-35-6-2;  
 22 in order to provide a student with an individualized education program  
 23 that is the most suitable educational program available.  
 24 (b) If a school corporation that is a transferee corporation enters into  
 25 an agreement as described in subsection (a), the school corporation  
 26 shall pay to the nonprofit corporation an amount agreed upon that may  
 27 not exceed the total of:  
 28 (1) the transfer tuition costs for the student that otherwise would  
 29 be payable to the transferee corporation; and  
 30 (2) a proportionate amount of any state or local distributions to  
 31 the transferee corporation that are computed in any part using  
 32 **current** ADM or any other student count in which the student is  
 33 included, if the transferee corporation includes the student in the  
 34 transferee corporation's **current** ADM for a ~~school year~~. **the**  
 35 **period in which the student is being educated by the nonprofit**  
 36 **corporation.**  
 37 (c) If a school corporation that is a transferor corporation enters into  
 38 an agreement as described in subsection (a), the school corporation  
 39 shall pay to the nonprofit corporation an amount agreed upon, which  
 40 may not exceed the total of:  
 41 (1) the transfer tuition costs that otherwise would be payable to a  
 42 transferee school corporation; and

1 (2) a proportionate amount of any state or local distributions to  
 2 the transferor corporation that are computed in any part using  
 3 **current** ADM or any other student count in which the student is  
 4 included, if the transferor corporation includes the student in the  
 5 transferor corporation's ADM for a ~~school year~~ **the period in**  
 6 **which the student is being educated by the nonprofit**  
 7 **corporation.**

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

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

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

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

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

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

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

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

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

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

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

42 (b) Each transferee corporation is entitled to receive for each school

1 year on account of each transferred student, except a student  
 2 transferred under section 6 of this chapter, transfer tuition from the  
 3 transferor corporation or the state as provided in this chapter. Transfer  
 4 tuition equals the amount determined under STEP THREE of the  
 5 following formula:

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

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

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

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

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

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

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

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

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

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

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

29 STEP THREE: Determine the greater of:

30 (A) zero (0); or

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

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

39 (c) Operating costs shall be determined for each class of school  
 40 where a transfer student is enrolled. The operating cost for each class  
 41 of school is based on the total expenditures of the transferee  
 42 corporation for the class of school from its general fund expenditures

- 1 as specified in the classified budget forms prescribed by the state board  
 2 of accounts. This calculation excludes:
- 3 (1) capital outlay;
  - 4 (2) debt service;
  - 5 (3) costs of transportation;
  - 6 (4) salaries of board members;
  - 7 (5) contracted service for legal expenses; and
  - 8 (6) any expenditure that is made from extracurricular account  
 9 receipts;
- 10 for the school year.
- 11 (d) The capital cost of special equipment for a school year is equal  
 12 to:
- 13 (1) the cost of the special equipment; divided by
  - 14 (2) the product of:
    - 15 (A) the useful life of the special equipment, as determined
    - 16 under the rules adopted by the state board; multiplied by
    - 17 (B) the number of students using the special equipment during
    - 18 at least part of the school year.
- 19 (e) When an item of expense or cost described in subsection (c)  
 20 cannot be allocated to a class of school, it shall be prorated to all  
 21 classes of schools on the basis of the student enrollment of each class  
 22 in the transferee corporation compared with the total student  
 23 enrollment in the school corporation.
- 24 (f) Operating costs shall be allocated to a transfer student for each  
 25 school year by dividing:
- 26 (1) the transferee school corporation's operating costs for the class  
 27 of school in which the transfer student is enrolled; by
  - 28 (2) the student enrollment of the class of school in which the  
 29 transfer student is enrolled.
- 30 When a transferred student is enrolled in a transferee corporation for  
 31 less than the full school year of student attendance, the transfer tuition  
 32 shall be calculated by the part of the school year for which the  
 33 transferred student is enrolled. A school year of student attendance  
 34 consists of the number of days school is in session for student  
 35 attendance. A student, regardless of the student's attendance, is enrolled  
 36 in a transferee school unless the student is no longer entitled to be  
 37 transferred because of a change of residence, the student has been  
 38 excluded or expelled from school for the balance of the school year or  
 39 for an indefinite period, or the student has been confirmed to have  
 40 withdrawn from school. The transferor and the transferee corporation  
 41 may enter into written agreements concerning the amount of transfer  
 42 tuition due in any school year. If an agreement cannot be reached, the

1 amount shall be determined by the state board, and costs may be  
2 established, when in dispute, by the state board of accounts.

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

- 5 (1) the total amount of revenues received **during a period**; by
- 6 (2) the **current** ADM of the transferee school for the ~~school year~~  
7 **that ends in the calendar year period** in which the revenues are  
8 received.

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

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

- 19 (1) be entered into for a period of not more than five (5) years  
20 with an option to renew;
- 21 (2) specify a maximum number of students to be transferred; and
- 22 (3) fix a method for determining the amount of transfer tuition  
23 and the time of payment, which may be different from that  
24 provided in section 14 of this chapter.

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

- 28 (1) be for one (1) year or longer; and
- 29 (2) fix a method for determining the amount of transfer tuition or  
30 time of payment that is different from the method, amount, or  
31 time of payment that is provided in this section or section 14 of  
32 this chapter.

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

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

- 40 (1) operating cost; and
- 41 (2) capital cost.

42 These costs must be allocated on a per student basis separately for each

1 class of school.

2 (b) The operating cost for each class of school must be based on the  
3 total expenditures of the transferee corporation for the class from its  
4 general fund expenditures as set out on the classified budget forms  
5 prescribed by the state board of accounts, excluding from the  
6 calculation capital outlay, debt service, costs of transportation, salaries  
7 of board members, contracted service for legal expenses, and any  
8 expenditure that is made out of the general fund from extracurricular  
9 account receipts, for the school year.

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

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

16 (A) buildings, additions, and remodeling to the buildings,  
17 excluding ordinary maintenance; and

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

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

28 (2) The capital cost must be based on the amount budgeted from  
29 the general fund for capital outlay for physical plant, equipment,  
30 and appurtenances and the amounts levied for the debt service  
31 fund and the capital projects fund for the calendar year in which  
32 the school year ends.

33 (d) If an item of expense or cost cannot be allocated to a class of  
34 school, the item shall be prorated to all classes of schools on the basis  
35 of the ADM of each class in the transferee corporation, **as determined**  
36 **in the fall count of ADM in the school year**, compared to the total  
37 **current** ADM therein, **as determined in the fall count of ADM in the**  
38 **school year**.

39 (e) The transfer tuition for each student transferred for each school  
40 year shall be calculated by dividing the transferee school corporation's  
41 total operating costs and the total capital costs for the class of school  
42 in which the student is enrolled by the ADM of students therein, **as**

1 **determined in the fall count of ADM in the school year.** If a  
 2 transferred student is enrolled in a transferee corporation for less than  
 3 the full school year, the transfer tuition shall be calculated by the  
 4 proportion of such school year for which the transferred student is  
 5 enrolled. A school year for this purpose consists of the number of days  
 6 school is in session for student attendance. A student shall be enrolled  
 7 in a transferee school, whether or not the student is in attendance,  
 8 unless the:

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

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

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

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

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

42 (b) The net additional costs must be certified by the department of

1 local government finance. Repayment of any advance or loan from the  
 2 state shall be made from state tuition support distributions or other  
 3 money available to the school corporation.

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

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

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

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

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

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

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

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

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

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

1 school corporation must obtain the certification before the  
2 commencement of bargaining. These certifications must be the basis  
3 for determinations throughout impasse proceedings under this chapter.

4 SECTION 11. IC 20-33-2-10, AS AMENDED BY P.L.43-2009,  
5 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
6 UPON PASSAGE]: Sec. 10. (a) Each public school shall and each  
7 private school may require a student who initially enrolls in the school  
8 to provide:

9 (1) the name and address of the school the student last attended;  
10 and

11 (2) a certified copy of the student's birth certificate or other  
12 reliable proof of the student's date of birth.

13 (b) Not more than fourteen (14) days after initial enrollment in a  
14 school, the school shall request the student's records from the school  
15 the student last attended.

16 (c) If the document described in subsection (a)(2):

17 (1) is not provided to the school not more than thirty (30) days  
18 after the student's enrollment; or

19 (2) appears to be inaccurate or fraudulent;

20 the school shall notify the Indiana clearinghouse for information on  
21 missing children and missing endangered adults established under  
22 IC 10-13-5-5 and determine if the student has been reported missing.

23 (d) A school in Indiana receiving a request for records shall send the  
24 records promptly to the requesting school. **An accredited nonpublic  
25 school shall send a former student's records that are requested  
26 under subsection (b) regardless of whether the former student of  
27 the accredited nonpublic school or the former student's parent or  
28 guardian owes an outstanding debt to the accredited nonpublic  
29 school. However,** If a request is received for records to which a notice  
30 has been attached under IC 31-36-1-5 (or IC 31-6-13-6 before its  
31 repeal), the school:

32 (1) shall immediately notify the Indiana clearinghouse for  
33 information on missing children and missing endangered adults;

34 (2) may not send the school records without the authorization of  
35 the clearinghouse; and

36 (3) may not inform the requesting school that a notice under  
37 IC 31-36-1-5 (or IC 31-6-13-6 before its repeal) has been attached  
38 to the records.

39 **(e) The department may revoke the accreditation of an  
40 accredited nonpublic school that does not send a former student's  
41 records to a requesting school as required under subsection (d).**

42 SECTION 26. IC 20-33-5-9.5, AS ADDED BY P.L.229-2011,

1 SECTION 194, IS AMENDED TO READ AS FOLLOWS  
 2 [EFFECTIVE JULY 1, 2012]: Sec. 9.5. (a) This section applies to  
 3 reimbursements made under this chapter in ~~calendar state fiscal~~ year  
 4 ~~2012 and thereafter. beginning after June 30, 2012.~~

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

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

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

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

18 STEP FOUR: Multiply:

19 (A) the STEP THREE result; by

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

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

28 (1) a school corporation's

29 (A) state tuition support and

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

32 **determined for the calendar year using the fall count of ADM**  
 33 **for the school corporation in the school year ending in the**  
 34 **calendar year.**

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

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

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

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

40 (D) ~~Boat excise tax (IC 6-6-11);~~

41 (E) ~~Aircraft license excise tax (IC 6-6-6.5);~~

42 SECTION 28. IC 20-43-1-1, AS AMENDED BY P.L.229-2011,

1 SECTION 199, IS AMENDED TO READ AS FOLLOWS  
 2 [EFFECTIVE JULY 1, 2012]: Sec. 1. This article expires ~~January July~~  
 3 ~~1, 2014.~~ **2013.**

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

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

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

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

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

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

29 **(1) for distributions made under this article before January 1,**  
 30 **2013, the initial computed fall count of ADM for the school year**  
 31 **ending in the calendar year; and**

32 **(2) for distributions made under this article after December**  
 33 **31, 2012, the number of eligible pupils enrolled in a school**  
 34 **corporation as:**

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

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

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

- 1           **(1) registered with a school corporation to attend educational**  
 2           **programs offered by or through the school corporation; and**  
 3           **(2) attending these educational programs and receiving**  
 4           **educational services.**

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

10          SECTION 35. IC 20-43-1-18 IS REPEALED [EFFECTIVE JULY  
 11          1, 2012]. ~~Sec. 18: "Maximum state distribution" refers to the amount~~  
 12          ~~determined under IC 20-43-2-2.~~

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

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

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

27          SECTION 38. IC 20-43-2-1, AS AMENDED BY P.L.146-2008,  
 28          SECTION 481, IS AMENDED TO READ AS FOLLOWS  
 29          [EFFECTIVE JULY 1, 2012]: Sec. 1. The department shall distribute  
 30          the amount appropriated by the general assembly for distribution as  
 31          state tuition support in accordance with this article. If the  
 32          appropriations for distribution as state tuition support are more than  
 33          required under this article, any excess shall revert to the state general  
 34          fund. The appropriations for state tuition support shall be made each  
 35          **calendar state fiscal** year under a schedule set by the budget agency  
 36          and approved by the governor. However, **notwithstanding**  
 37          **P.L.229-2011, SECTION 9**, the schedule must provide:

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

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

- 6 (1) ~~six billion two hundred forty-seven million eight hundred~~  
 7 ~~thousand dollars (\$6,247,800,000) in 2011;~~  
 8 (2) ~~six billion two hundred seventy-seven million eight hundred~~  
 9 ~~thousand dollars (\$6,277,800,000) in 2012; and~~  
 10 (3) ~~six billion three hundred thirty-nine million six hundred~~  
 11 ~~thousand dollars (\$6,339,600,000) in 2013. the amount~~  
 12 **appropriated by the general assembly for those purposes for**  
 13 **that state fiscal year.**

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

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

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

35 SECTION 41. IC 20-43-2-8 IS ADDED TO THE INDIANA CODE  
 36 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY  
 37 1, 2012]: **Sec. 8. (a) Beginning July 1, 2012, distributions for state**  
 38 **tuition support shall be made on a state fiscal year basis rather**  
 39 **than a calendar year basis.**

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

- 41 **(1) The distributions for state tuition support that are**  
 42 **provided for under this article (as this article exists on**

1           **January 1, 2012) for calendar year 2012 shall be made only**  
 2           **during the first six (6) months of calendar year 2012.**

3           **(2) Except as otherwise provided, the distributions for state**  
 4           **tuition support that were provided for under this article (as**  
 5           **this article existed on January 1, 2012) for calendar year 2013**  
 6           **shall instead be made during the state fiscal year 2012**  
 7           **beginning July 1, 2012.**

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

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

13           SECTION 42. IC 20-43-3-4, AS AMENDED BY P.L.229-2011,  
 14           SECTION 206, IS AMENDED TO READ AS FOLLOWS  
 15           [EFFECTIVE JULY 1, 2012]: Sec. 4. (a) **This subsection applies to**  
 16           **the determination of a school corporation's previous year revenue**  
 17           **for purposes of determining distributions under this article before**  
 18           **July 1, 2012.** A school corporation's previous year revenue equals the  
 19           amount determined under STEP TWO of the following formula:

20           STEP ONE: Determine the sum of the following:

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

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

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

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

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

35           STEP ONE: For purposes of making determinations for:

36           (A) the state fiscal year beginning July 1, 2012, determine  
 37           the product of the school corporation's basic tuition  
 38           support actually received for the first six (6) months of  
 39           2012 multiplied by two (2); or

40           (B) a state fiscal year beginning after June 30, 2013,  
 41           determine the school corporation's basic tuition support  
 42           actually received for the state fiscal year that immediately

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

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

- 8                   (1) the school corporation's state tuition support for special  
 9 education or career and technical education is reduced as a result  
 10 of a complaint being filed with the department after December 31,  
 11 1988, because the school program overstated the number of  
 12 children enrolled in special education programs or career and  
 13 technical education programs; and  
 14                   (2) the school corporation's previous year revenue has not been  
 15 reduced under this subsection more than one (1) time because of  
 16 a given overstatement.

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

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

- 24                   (1) the school corporation; or  
 25                   (2) a transferee corporation;  
 26                   on a ~~day to be the days~~ fixed ~~annually~~ by the state board **under section**  
 27 **3 of this chapter, and** as subsequently adjusted ~~not later than January~~  
 28 ~~30~~ under the rules adopted by the state board. **The state board may**  
 29 **adjust the school's count of eligible pupils if the state board**  
 30 **determines that the count is unrepresentative of the school**  
 31 **corporation's enrollment.**

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

- 39                   **(1) The fall count of ADM shall be made on a day fixed by the**  
 40 **state board during September.**  
 41                   **(2) The spring count of ADM shall be made on a day fixed by**  
 42 **the state board during February.**

- 1           **(b)** However, if extreme patterns of:  
 2           (1) student in-migration;  
 3           (2) illness;  
 4           (3) natural disaster; or  
 5           (4) other unusual conditions in a particular school corporation's  
 6           enrollment;

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

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

17               **(1) In the initial year in which the school corporation begins**  
 18               **operation.**

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

21               **(3) In a year in which a school year begins in which the school**  
 22               **corporation estimates the fall count of ADM will exceed the**  
 23               **immediately preceding spring count of ADM by at least**  
 24               **fifteen percent (15%).**

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

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

38               **(d) After the fall count of ADM, the state board shall adjust the**  
 39               **estimated count of ADM under this section to reflect the actual**  
 40               **count of eligible pupils determined in the fall count. If the state**  
 41               **board adjusts the fall count under section 2 of this chapter, the**  
 42               **state board shall make the same adjustment to the estimated count.**

1 SECTION 46. IC 20-43-4-4, AS ADDED BY P.L.2-2006,  
 2 SECTION 166, IS AMENDED TO READ AS FOLLOWS  
 3 [EFFECTIVE JULY 1, 2012]: Sec. 4. (a) The state board shall monitor  
 4 changes that occur after the fall **count of ADM count** in the number of  
 5 students enrolled in programs for children with disabilities. The state  
 6 board shall:

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

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

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

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

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

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

28 (1) is enrolled in a public school and a nonpublic school;

29 (2) has legal settlement in a school corporation; and

30 (3) receives instructional services from the school corporation.

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

33 **STEP ONE: Determine the result of:**

34 (A) the number of days instructional services will be provided  
 35 to the pupil, not to exceed one hundred eighty (180); divided  
 36 by

37 (B) one hundred eighty (180).

38 **STEP TWO: Determine the result of:**

39 (A) the pupil's public school instructional time (as defined in  
 40 IC 20-30-2-1); divided by

41 (B) the actual public school regular instructional day (as  
 42 defined in IC 20-30-2-2).

- 1 STEP THREE: Determine the result of:  
 2 (A) the STEP ONE result; multiplied by  
 3 (B) the STEP TWO result.  
 4 STEP FOUR: Determine the lesser of one (1) or the result of:  
 5 (A) the STEP THREE result; multiplied by  
 6 (B) one and five hundredths (1.05).

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

12 SECTION 49. IC 20-43-4-9 IS ADDED TO THE INDIANA CODE  
 13 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 14 1, 2012]: **Sec. 9. (a) This subsection applies to the calculation of**  
 15 **state tuition support distributions that are:**

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

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

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

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

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

34 (c) **This subsection applies only to the calculation of basic tuition**  
 35 **support distributions to a school corporation, including a**  
 36 **conversion charter school or other charter school, for the first six**  
 37 **(6) months of a school year that begins in the year if section 3.5(a)**  
 38 **of this chapter applies to the school corporation in the year. A**  
 39 **school corporation is entitled to a distribution of basic tuition**  
 40 **support in conformity with this subsection for the first six (6)**  
 41 **months of a school year that begins in a year to which section 3.5(a)**  
 42 **of this chapter applies. The count of students made under section**

1 **3.5 of this chapter, as subsequently adjusted under section 3.5 of**  
 2 **this chapter, shall be treated as the current ADM of the school**  
 3 **corporation for the calculation of the school corporation's basic**  
 4 **tuition support for that period. However, distributions to the**  
 5 **school corporation shall not begin until after the first day the**  
 6 **school corporation conducts regular classes, as determined by the**  
 7 **department. The amount withheld for the school corporation**  
 8 **before that date shall be paid to the school corporation on a**  
 9 **schedule determined under subsection (d).**

10 **(d) If the state board adjusts a count of ADM after a**  
 11 **distribution is made under this article, the adjusted count**  
 12 **retroactively applies to the amount of state tuition support**  
 13 **distributed to a school corporation affected by the adjusted count.**  
 14 **The department shall settle any overpayment or underpayment of**  
 15 **state tuition support resulting from an adjusted count of ADM on**  
 16 **the schedule determined by the department.**

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

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

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

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

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

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

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

39 SECTION 52. IC 20-43-5-4, AS AMENDED BY P.L.229-2011,  
 40 SECTION 209, IS AMENDED TO READ AS FOLLOWS  
 41 [EFFECTIVE JULY 1, 2012]: Sec. 4. A school corporation's  
 42 foundation amount for a **calendar year** is the result determined under

1 STEP THREE of the following formula:

2 STEP ONE: The STEP ONE amount is:

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

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

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

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

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

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

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

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

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

26 SECTION 54. IC 20-43-5-6, AS AMENDED BY P.L.229-2011,  
27 SECTION 210, IS AMENDED TO READ AS FOLLOWS  
28 [EFFECTIVE JULY 1, 2012]: Sec. 6. (a) A school corporation's  
29 transition to foundation amount for a ~~calendar~~ **state fiscal** year is equal  
30 to the result determined under STEP TWO of the following formula:

31 STEP ONE: Determine the difference of:

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

33 (B) the lesser of:

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

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

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

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

- 1 (i) the school corporation's transition to foundation revenue  
 2 for the ~~calendar state fiscal~~ year where the charter school is  
 3 located; divided by  
 4 (ii) the school corporation's current ADM.
- 5 (B) For a charter school located in Marion County that has  
 6 previous year revenue that is not greater than zero (0), the  
 7 charter school's STEP TWO amount is the weighted average  
 8 of the transition to foundation revenue for the school  
 9 corporations where the students counted in the current ADM  
 10 of the charter school have legal settlement, as determined  
 11 under item (iv) of the following formula:
- 12 (i) Determine the transition to foundation revenue for each  
 13 school corporation where a student counted in the current  
 14 ADM of the charter school has legal settlement.
- 15 (ii) For each school corporation identified in item (i), divide  
 16 the item (i) amount by the school corporation's current  
 17 ADM.
- 18 (iii) For each school corporation identified in item (i),  
 19 multiply the item (ii) amount by the number of students  
 20 counted in the current ADM of the charter school that have  
 21 legal settlement in the particular school corporation.
- 22 (iv) Determine the sum of the item (iii) amounts for the  
 23 charter school.
- 24 (C) The STEP TWO amount for a school corporation that is  
 25 not a charter school described in clause (A) or (B) is the  
 26 following:
- 27 (i) The school corporation's foundation amount for the  
 28 ~~calendar state fiscal~~ year if the STEP ONE amount is zero  
 29 (0) or greater.
- 30 (ii) The amount determined under subsection (b), if the  
 31 school corporation's STEP ONE amount is less than zero (0).
- 32 (b) For the purposes of STEP TWO (C)(ii) in subsection (a),  
 33 determine the result of:
- 34 (1) the result determined for the school corporation under STEP  
 35 ONE (B) of subsection (a); minus  
 36 (2) the result of:
- 37 (A) the absolute value of the STEP ONE amount; divided by  
 38 (B) ~~seven (7) in 2012 and six (6) in 2013; the state fiscal year~~  
 39 **beginning July 1, 2012.**
- 40 SECTION 55. IC 20-43-5-7, AS AMENDED BY P.L.229-2011,  
 41 SECTION 211, IS AMENDED TO READ AS FOLLOWS  
 42 [EFFECTIVE JULY 1, 2012]: Sec. 7. A school corporation's transition

1 to foundation revenue for a **calendar state fiscal** year is equal to the  
 2 product of:

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

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

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

14 SECTION 57. IC 20-43-6-1, AS AMENDED BY P.L.182-2009(ss),  
 15 SECTION 338, IS AMENDED TO READ AS FOLLOWS  
 16 [EFFECTIVE JULY 1, 2012]: Sec. 1. Subject to the amount  
 17 appropriated by the general assembly for state tuition support and  
 18 IC 20-43-2, the amount that a school corporation is entitled to receive  
 19 in basic tuition support for a **state fiscal** year is the amount determined  
 20 in section 3 of this chapter.

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

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

28 (1) ~~the~~ school corporation's transition to foundation revenue; ~~for~~  
 29 ~~the year.~~ **divided by**  
 30 (2) **twelve (12).**

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

34 SECTION 59. IC 20-43-7-1, AS ADDED BY P.L.2-2006,  
 35 SECTION 166, IS AMENDED TO READ AS FOLLOWS  
 36 [EFFECTIVE JULY 1, 2012]: Sec. 1. In addition to the amount a  
 37 school corporation is entitled to receive in basic tuition support, each  
 38 school corporation is entitled to receive a grant for special education  
 39 programs **for the state fiscal year**. The amount of the special  
 40 education grant is based on the count of eligible pupils enrolled in  
 41 special education programs on December 1 of the preceding **state**  
 42 **fiscal** year in:

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

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

- 8 (1) The nonduplicated count of pupils in programs for severe  
 9 disabilities multiplied by eight thousand three hundred fifty  
 10 dollars (\$8,350).
- 11 (2) The nonduplicated count of pupils in programs of mild and  
 12 moderate disabilities multiplied by two thousand two hundred  
 13 sixty-five dollars (\$2,265).
- 14 (3) The duplicated count of pupils in programs for communication  
 15 disorders multiplied by five hundred thirty-three dollars (\$533).
- 16 (4) The cumulative count of pupils in homebound programs  
 17 multiplied by five hundred thirty-three dollars (\$533).
- 18 (5) The nonduplicated count of pupils in special preschool  
 19 education programs multiplied by two thousand seven hundred  
 20 fifty dollars (\$2,750).

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

26 SECTION 62. IC 20-43-8-2, AS AMENDED BY P.L.234-2007,  
 27 SECTION 137, IS AMENDED TO READ AS FOLLOWS  
 28 [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) Before December 1 of each  
 29 year, the department of workforce development shall provide the  
 30 department with a report, to be used to determine career and technical  
 31 education grant amounts in the **second calendar state fiscal** year  
 32 **beginning** after the year in which the report is provided, listing whether  
 33 the labor market demand for each generally recognized labor category  
 34 is more than moderate, moderate, or less than moderate. In the report,  
 35 the department of workforce development shall categorize each of the  
 36 career and technical education programs using the following four (4)  
 37 categories:

- 38 (1) Programs that address employment demand for individuals in  
 39 labor market categories that are projected to need more than a  
 40 moderate number of individuals.
- 41 (2) Programs that address employment demand for individuals in  
 42 labor market categories that are projected to need a moderate

1 number of individuals.

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

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

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

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

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

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

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

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

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

34 (C) the following applicable amount:

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

40 (ii) Three hundred seventy-five dollars (\$375), in the case of  
41 a program described in section 5 of this chapter (more than  
42 a moderate labor market need) for which the average wage

- 1 level determined under section 2(b) of this chapter is a  
 2 moderate wage.
- 3 (iii) Three hundred dollars (\$300), in the case of a program  
 4 described in section 5 of this chapter (more than a moderate  
 5 labor market need) for which the average wage level  
 6 determined under section 2(b) of this chapter is a less than  
 7 moderate wage.
- 8 (iv) Three hundred seventy-five dollars (\$375), in the case  
 9 of a program described in section 6 of this chapter (moderate  
 10 labor market need) for which the average wage level  
 11 determined under section 2(b) of this chapter is a high wage.
- 12 (v) Three hundred dollars (\$300), in the case of a program  
 13 described in section 6 of this chapter (moderate labor market  
 14 need) for which the average wage level determined under  
 15 section 2(b) of this chapter is a moderate wage.
- 16 (vi) Two hundred twenty-five dollars (\$225), in the case of  
 17 a program described in section 6 of this chapter (moderate  
 18 labor market need) for which the average wage level  
 19 determined under section 2(b) of this chapter is a less than  
 20 moderate wage.
- 21 (vii) Three hundred dollars (\$300), in the case of a program  
 22 described in section 7 of this chapter (less than a moderate  
 23 labor market need) for which the average wage level  
 24 determined under section 2(b) of this chapter is a high wage.
- 25 (viii) Two hundred twenty-five dollars (\$225), in the case of  
 26 a program described in section 7 of this chapter (less than a  
 27 moderate labor market need) for which the average wage  
 28 level determined under section 2(b) of this chapter is a  
 29 moderate wage.
- 30 (ix) One hundred fifty dollars (\$150), in the case of a  
 31 program described in section 7 of this chapter (less than a  
 32 moderate labor market need) for which the average wage  
 33 level determined under section 2(b) of this chapter is a less  
 34 than moderate wage.
- 35 STEP TWO: The number of pupils described in section 8 of this  
 36 chapter (all other programs) multiplied by two hundred fifty  
 37 dollars (\$250).
- 38 STEP THREE: The number of pupils participating in a career and  
 39 technical education program in which pupils from multiple  
 40 schools are served at a common location multiplied by one  
 41 hundred fifty dollars (\$150).
- 42 SECTION 64. IC 20-43-9-6, AS AMENDED BY P.L.229-2011,

1 SECTION 217, IS AMENDED TO READ AS FOLLOWS  
 2 [EFFECTIVE JULY 1, 2012]: Sec. 6. A school corporation's primetime  
 3 distribution for a ~~calendar year~~ **month** under this chapter is the **result**  
 4 **of the** amount determined by the following formula **divided by twelve**  
 5 **(12):**

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

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

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

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

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

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

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

22 STEP TWO: Determine the result of:

23 (A) the **current** ADM of the school corporation in  
 24 kindergarten through grade 3; ~~for the current school year;~~  
 25 divided by

26 (B) the school corporation's applicable target pupil/teacher  
 27 ratio, as determined in STEP ONE.

28 STEP THREE: Determine the result of:

29 (A) the basic tuition support for the **year month** multiplied by  
 30 ~~seventy-five hundredths (0.75);~~ **nine (9)**; divided by

31 (B) the school corporation's **current** ADM.

32 STEP FOUR: Determine the result of:

33 (A) the STEP THREE result; multiplied by

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

36 STEP FIVE: Determine the result of:

37 (A) the STEP FOUR result; divided by

38 (B) the staff cost amount.

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

40 (A) the STEP TWO amount; minus

41 (B) the STEP FIVE amount.

42 STEP SEVEN: Determine the result of:

- 1 (A) the STEP SIX amount; multiplied by  
 2 (B) the staff cost amount.
- 3 STEP EIGHT: Determine the greater of the STEP SEVEN amount  
 4 or **zero (0)**.
- 5 (A) for 2012, fifty percent (50%) of the school corporation's  
 6 guaranteed primetime amount; or  
 7 (B) for 2013, zero (0).
- 8 STEP NINE: A school corporation's amount under this STEP is  
 9 the following:
- 10 (A) If the amount the school corporation received under this  
 11 chapter in the previous **calendar state fiscal** year is greater  
 12 than zero (0), the amount under this STEP is the lesser of:
- 13 (i) the STEP EIGHT amount; or  
 14 (ii) the amount the school corporation received under this  
 15 chapter for the previous **calendar state fiscal** year multiplied  
 16 by one hundred seven and one-half percent (107.5%).
- 17 (B) If the amount the school corporation received under this  
 18 chapter in the previous **calendar state fiscal** year is not greater  
 19 than zero (0), the amount under this STEP is the STEP EIGHT  
 20 amount.
- 21 SECTION 41. IC 20-43-10-2, AS AMENDED BY P.L.229-2011,  
 22 SECTION 219, IS AMENDED TO READ AS FOLLOWS  
 23 [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) A school corporation's honors  
 24 diploma award for a **calendar state fiscal** year is the amount  
 25 determined under STEP FOUR of the following formula:
- 26 STEP ONE: Determine the number of the school corporation's  
 27 eligible pupils who successfully completed an academic honors  
 28 diploma program in the school year ending in the previous  
 29 **calendar state fiscal** year.
- 30 STEP TWO: Determine the result of:
- 31 (A) the number of the school corporation's eligible pupils who  
 32 successfully completed a Core 40 diploma with technical  
 33 honors program in the school year ending in the previous  
 34 **calendar state fiscal** year; minus  
 35 (B) the number of eligible pupils who would otherwise be  
 36 double counted under both clause (A) and STEP ONE.
- 37 STEP THREE: Determine the sum of the number of eligible  
 38 students determined under STEP ONE and the number of eligible  
 39 students determined under STEP TWO.
- 40 STEP FOUR: Multiply the STEP THREE amount by nine  
 41 hundred dollars (\$900).
- 42 (b) An amount received by a school corporation as an honors

1 diploma award may be used only for:

2 (1) any:

3 (A) staff training;

4 (B) program development;

5 (C) equipment and supply expenditures; or

6 (D) other expenses;

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

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

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

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

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

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

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

21 **STEP ONE: Determine the sum of the school corporation's**  
22 **state tuition support (excluding the grant under this chapter)**  
23 **actually received for the first six (6) months of calendar year**  
24 **2012.**

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

28 **STEP THREE: Determine the greater of zero (0) or the**  
29 **difference of the STEP ONE amount minus the STEP TWO**  
30 **amount.**

31 SECTION 66. IC 20-45-7-19, AS ADDED BY P.L.2-2006,  
32 SECTION 168, IS AMENDED TO READ AS FOLLOWS  
33 [EFFECTIVE JULY 1, 2012]: Sec. 19. Before July 11 of each year, the  
34 state superintendent shall certify to the county auditor:

35 (1) the consolidated ADA ratio of the qualified school  
36 corporations;

37 (2) the number of pupils in **current** ADM of each qualified  
38 school corporation for the immediately preceding school year, **as**  
39 **determined:**

40 **(A) for a calendar year ending before January 1, 2013, in**  
41 **the fall count of ADM for the school year ending in the**  
42 **calendar year; and**

1                   **(B) for a calendar year ending after December 31, 2012, in**  
 2                   **the spring count of ADM for the school year ending in the**  
 3                   **calendar year; and**

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

5                   SECTION 67. IC 20-45-7-26, AS ADDED BY P.L.2-2006,  
 6                   SECTION 168, IS AMENDED TO READ AS FOLLOWS  
 7                   [EFFECTIVE JULY 1, 2012]: Sec. 26. The entitlement of each  
 8                   qualified school corporation from the fund for each calendar year is the  
 9                   greater of:

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

12                   (2) an amount equal to twenty-seven dollars and fifty cents  
 13                   (\$27.50) times its **current ADM as determined in the fall count**  
 14                   **of ADM conducted in the school year ending in the current**  
 15                   **calendar year.**

16                   SECTION 68. IC 20-45-8-18, AS ADDED BY P.L.2-2006,  
 17                   SECTION 168, IS AMENDED TO READ AS FOLLOWS  
 18                   [EFFECTIVE JULY 1, 2012]: Sec. 18. (a) Before July 11 of each year,  
 19                   the state superintendent shall deliver to the county auditor a certified  
 20                   statement of:

21                   **(1) for a calendar year ending before January 1, 2013, the fall**  
 22                   **count of ADM in grades 1 through 12 residing in each qualified**  
 23                   **school corporation for the immediately preceding school year**  
 24                   **ending in the calendar year; and**

25                   **(2) for a calendar year ending after December 31, 2012, the**  
 26                   **spring count of ADM in grades 1 through 12 residing in each**  
 27                   **qualified school corporation for the school year ending in the**  
 28                   **calendar year.**

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

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

37                   (d) The qualified school corporations and the proper officials and  
 38                   employees of the qualified school corporations shall receive the  
 39                   receipts distributed by the county treasurer in the same manner as other  
 40                   tax receipts are received.

41                   SECTION 69. IC 20-45-8-22, AS ADDED BY P.L.2-2006,  
 42                   SECTION 168, IS AMENDED TO READ AS FOLLOWS

1 [EFFECTIVE JULY 1, 2012]: Sec. 22. (a) The amount to be raised by  
 2 the tax shall be determined in any calendar year by the county auditor  
 3 and certified to by the board of county commissioners before the time  
 4 for making the county budgets in the year.

5 (b) The amount is the total of the entitlements of all qualified school  
 6 corporations.

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

10 STEP ONE: Calculate the quotient of:

11 (A) the total amount deposited in the fund in calendar year  
 12 1979 or the first year in which a deposit was made, whichever  
 13 is later; divided by

14 (B) for:

15 (i) a calendar year ending before January 1, 2013, the  
 16 total ADM of the immediately preceding school year of  
 17 qualified school corporations that received money from the  
 18 fund in 1979, as determined in the fall count of ADM for  
 19 the school year ending in the immediately preceding  
 20 calendar year; and

21 (ii) a calendar year beginning after December 31, 2012,  
 22 the total ADM of the immediately preceding school year  
 23 of qualified school corporations that received money  
 24 from the fund in 1979, as determined in the spring count  
 25 of ADM for the school year ending in the immediately  
 26 preceding calendar year.

27 STEP TWO: Calculate the product of:

28 (A) the STEP ONE result; multiplied by

29 (B) for:

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

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

42 SECTION 70. IC 20-49-3-8, AS AMENDED BY P.L.146-2008,

1 SECTION 529, IS AMENDED TO READ AS FOLLOWS  
 2 [EFFECTIVE JULY 1, 2013]: Sec. 8. The fund may be used to make  
 3 advances:

4 (1) to school corporations, including school townships, under  
 5 IC 20-49-4 and IC 20-49-5; **and**

6 (2) under IC 20-49-6. ~~and~~

7 (3) ~~to charter schools under IC 20-24-7-3(c) and IC 20-49-7.~~

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

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

16 (2) whose adjusted assessed valuation (as determined under  
 17 IC 6-1.1-34-8) per **current** ADM is within the lowest forty  
 18 percent (40%) of the assessed valuation per **current** ADM when  
 19 compared with all school corporation adjusted assessed valuation  
 20 (as adjusted (if applicable) under IC 6-1.1-34-8) per **current**  
 21 ADM; or

22 (3) with an advance under this chapter outstanding on July 1,  
 23 1993, that bears interest of at least seven and one-half percent  
 24 (7.5%).

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

27 SECTION 72. IC 20-49-5-7 IS ADDED TO THE INDIANA CODE  
 28 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 29 1, 2013]: **Sec. 7. (a) A charter school, including a conversion  
 30 charter school, that has received an advance for operational costs  
 31 from the common school fund under IC 20-49-7 (before its repeal)  
 32 is not required to make principal or interest payments during the  
 33 state fiscal years beginning:**

34 **(1) July 1, 2011; and**

35 **(2) July 1, 2012;**

36 **notwithstanding contrary terms in the charter school and state  
 37 board advance agreement.**

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

42 SECTION 73. IC 20-49-7 IS REPEALED [EFFECTIVE JULY 1,

1 2013]. (Charter School Advancement Account).

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

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

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

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

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

27 STEP THREE: Determine the result of:

28 (A) the STEP TWO amount; divided by

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

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

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

41 (1) at an Ivy Tech Community College site; and

42 (2) by a student for whom Ivy Tech Community College has

1           waived tuition under this chapter or IC 21-14-8.  
2           The school corporation in which the student described in subdivision  
3           (2) resides shall pay the individual's tuition to Ivy Tech Community  
4           College for each **year month** the student is included in the school  
5           corporation's **current** ADM.

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

11           (1) at least nineteen (19) years of age and not enrolled in a high  
12           school; or

13           (2) at least seventeen (17) years of age and have consent from the  
14           high school the individual attended most recently.

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

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

25           (1) at least nineteen (19) years of age and not enrolled in a high  
26           school; or

27           (2) at least seventeen (17) years of age and have consent from the  
28           high school the individual attended most recently.

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

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

39           (1) at least nineteen (19) years of age and not enrolled in a school  
40           corporation; or

41           (2) at least seventeen (17) years of age and have consent from the  
42           high school the individual attended most recently.

1 (b) The school corporation in which an individual to whom this  
 2 subdivision applies resides shall pay the individual's tuition for high  
 3 school level courses taken at the state educational institution during  
 4 each year month the individual is included in the school corporation's  
 5 current ADM.

6 SECTION 80. [EFFECTIVE JULY 1, 2012] (a) The department  
 7 of education shall before November 1, 2012, report to the budget  
 8 committee:

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

12 (2) the number of students who:  
 13 (A) received a choice scholarship for the 2011 - 2012 school  
 14 year; and

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

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

19 Page 32, delete lines 1 through 24.

20 Renumber all SECTIONS consecutively.

(Reference is to EHB 1189 as printed February 17, 2012.)

**and when so amended that said bill do pass .**

Committee Vote: Yeas 12, Nays 0.

---

**Senator Kenley, Chairperson**