

**BEFORE THE INDIANA STATE BOARD OF EDUCATION
NOTICE OF HEARING AND ADMINISTRATIVE PROCEEDING**

Proceeding No. Funding 11-072013

NOTICE OF RECOMMENDATION AND ADMINISTRATIVE PROCEEDING

To: Dr. Cheryl Pruitt, Superintendent
 Gary Community School Corporation
 620 East 10th Place
 Gary, IN 46402

 Bernice A. N. Corley¹
 Indiana Department of Education
 200 West Washington Street, Ste. 225
 Indianapolis, IN 46204

Notice is hereby provided that the Indiana State Board of Education ("State Board"), pursuant to IC 20-31-9.5-3(c), shall conduct an administrative proceeding to determine the amount of state tuition support that the Indiana Department of Education ("Department") shall withhold from state tuition support otherwise to be distributed to the Gary Community School Corporation that is necessary to fund the option for improvement implemented by the State Board, specifically, the operation of the turnaround academy from July 1, 2013 through December 31, 2013.

The administrative proceeding will occur and the determination made during the regularly scheduled meeting of the State Board.

DATE: July 19, 2013
TIME: 9:00 a.m.² (EST)
PLACE: Senate Chambers, Indiana State House

The Department will present its recommendation (attached as Exhibit "A"), and representatives from the Gary Community School Corporation will have the opportunity to be heard and present information regarding the Department's recommendation. **Any documents to be presented for the Board's consideration must be provided to and received by the State Board Deputy Administrator no later than 12:00 p.m. EST on July 16, 2013.** All information will be provided under oath, and the proceeding will be recorded. Board members may ask questions. The Board will make its determination subsequent to the presentation of information. The

¹ Pursuant to I.C. 4-21.5-3-20(c)(2), Lisa Acobert designated as the individual who will be presenting the recommendation on behalf of the Department. Ms. Corley telephone number is 317.232.9153

² The Board meeting begins at 9:00 with a study session. The business meeting will begin upon adjournment of the study session. This proceeding is delineated as an adjudication under the business meeting genda, but the item may be taken out of order at the Board's discretion.

Board's determination shall be reduced to writing and be distributed to the parties within three business days.

Questions about the schedule or administrative procedures may be directed to:

Laura Naughton, Administrator
State Board of Education
115 West Washington Street
South Tower #600
Indianapolis, IN 46204
lnaughton@doe.in.gov
(317) 232-6617

Per I.C. 4-21.5-3-20(c)(8), a party who fails to attend or participate in the proceeding may be held in default or have the proceeding dismissed under I.C. 4-21.5-3-24.

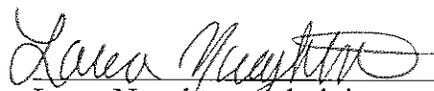
Dated: 7/8/13



Laura Naughton, Administrator
Indiana State Board of Education

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing was sent to Dr. Cheryl Pruitt by certified first class mail and was hand delivered to Ms. Corley on this the 8 day of July, 2013.



Laura Naughton, Administrator
Indiana State Board of Education

cc: Tracy Coleman (via email only)
Robert L. Lewis (via email only)
file



Glenda Ritz, NBCT

Indiana Superintendent of Public Instruction

TO: State Board of Education

FROM: Lisa Acobert, Executive Director of Finance and Building Operations

DATE: July 8, 2013

RE: Recommendation for GCSC Funding – TSO withholding

Pursuant to I.C. 20-31-9.5-3(c) and 511 IAC 6.2-9-4(b), the State Board of Education (“Board”) is charged with determining the amounts of tuition support and federal funds that are necessary to fund each turnaround academy. However, the timing of tuition support payments and withholdings are controlled by statute, and with respect to withholdings, by contract. Pursuant to I.C. 20-43-2-1, the Department must make state tuition support payments every 40 days. In furtherance of I.C. 20-43-2-1, The State Budget Director, each year, publishes a tuition support payment schedule. For the month of July, the schedule requires state tuition support be paid on July 15, 2013. With respect to withholdings, the contract to which, Indiana Department of Education (“Department”), and turnaround operators (“TSO”) are parties, requires payment to the TSOs be made in accordance with the schedule established by the State Budget Director.

The Department, in an effort to meet its obligation to make timely tuition support payments to both school corporations and TSOs, made tuition support payments. Below is the methodology for payments made to the TSOs. The Department asks the Board to adopt its recommendations. However, if the Board does not accept the Department’s recommendations, the Department is prepared to adjust the payments made to be consistent with the determination of the Board.

Recommendation for State Tuition Support Withholding – Gary Community Schools Corporation (GCSC)

Pursuant to I.C. 20-31-9.5-3(c) and 511 IAC 6.2-9-4(b), the Department recommends the following amounts be withheld from the state tuition support grant to be distributed to Gary Community School Corporation (GCSC) from July 1 through December 31, 2013, to be used for operation of the turnaround academy:

Theodore Roosevelt Career Academy \$2,681,159.63

The recommended amount is based on the following counts for the turnaround academy: December 1, 2012, special education child count multiplied by the applicable categorical amount; September 14, 2012, average daily membership (ADM) count multiplied by the applicable amount for the complexity grant and basic tuition support grants; and the September 14, 2012, career and technical education counts multiplied by the applicable amounts for career and technical education funding.



Indiana Department of Education

Glenda Ritz, NBCT

Indiana Superintendent of Public Instruction

The Indiana General Assembly recently passed a fiscal year funding formula which took effect July 1, 2013 and requires the use of current average daily membership (ADM) in the calculations. The initial estimates for withholding are based on the September 2012 ADM counts for the turnaround operators for tuition support, complexity, and career and technical education. Special education funding is based on the December 1, 2012 counts.

For complexity and basic tuition support, the Department will use a fall (September 2013) and spring (February 2014) count of ADM to determine funding for each six month period within the fiscal year. For special education, the Department will use the December 1, 2013, to determine funding for the state fiscal year. For career and technical education funding, the Department will use the fall (September 2013) count information to determine state fiscal year funding.

I.C. 20-43-4-9 requires the use of the fall count of ADM for the first six months of state fiscal year funding and the spring count of ADM for the second six months of the state fiscal year tuition support funding. Accordingly, the Department will reconcile any over or underpayments in withholding and payments resulting from the use of the fall and spring counts within the applicable six month period or state fiscal year.

The total amount of state tuition support to be withheld from GCSC for the first six months of FY 2014 for the turnaround academy is as follows:

| School | 09/2012 ADM count | Annual Tuition Support | Annual Special Education Grant | Annual Complexity Grant | Annual Voc. Education Grant | Annual Total | Six-month Total |
|-----------|-------------------|------------------------|--------------------------------|-------------------------|-----------------------------|----------------|-----------------------|
| Roosevelt | 678 | \$3,531,417.18 | \$353,879.00 | \$1,477,023.08 | -0- | \$5,362,319.26 | \$2,681,159.63 |