

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

**Proceeding No.      Funding 10-072013**

**NOTICE OF RECOMMENDATION AND ADMINISTRATIVE PROCEEDING**

To:    Dr. Peggy Hinckley, Interim Superintendent  
         Indianapolis Public Schools Corporation  
         120 East Walnut  
         Indianapolis, IN 46204

         Bernice A. N. Corley<sup>1</sup>  
         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 Indianapolis Public Schools 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.<sup>2</sup> (EST)**  
**PLACE:          Senate Chambers, Indiana State House**

The Department will present its recommendation (attached as Exhibit "A"), and representatives from the Indianapolis Public Schools 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.

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<sup>1</sup> 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

<sup>2</sup> 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 agenda, but the item may be taken out of order at the Board's discretion.

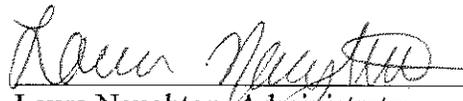
The Board's determination shall be reduced to writing and be distributed to the parties within three business days.

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](mailto:lnaughton@doe.in.gov)  
(317) 232-6617

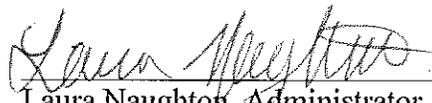
Per I.C. 4-21.5-3-20(c)(8), a party who fails to attend or participate in the proceeding may be held in default or have the proceeding dismissed under I.C. 4-21.5-3-24.

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 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: Hudnall Pfeiffer (email only)  
Jon Laramore (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 IPS Funding – TSO withholding**

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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 – Indianapolis Public Schools (IPS)**

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 IPS from July 1 through December 31, 2013, to be used for operation of the turnaround academies:

Emma Donnan Middle School	<b>\$1,505,239.99</b>
Arlington Community High School	<b>\$2,068,370.88</b>
Emmerich Manual High School	<b>\$1,834,779.76</b>
Thomas Carr Howe High School	<b>\$2,460,620.90</b>

The recommended amounts are based on the following counts for each turnaround academy: December 1, 2012, special education child count multiplied by the applicable categorical amount; September 14,

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# Indiana Department of Education

**Glenda Ritz, NBCT**

Indiana Superintendent of Public Instruction

2012, average daily membership (ADM) count multiplied by the applicable amount for complexity grant and basic tuition support; and the September 14, 2012, career and technical education counts for career and technical education funding.

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 IPS for the first six months of FY 2014 for each 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
Donnan	372	\$1,842,367.21	\$307,740.00	\$860,372.76	-0-	\$3,010,479.97	<b>\$1,505,239.99</b>
Arlington	518	\$2,565,446.81	\$373,249.00	\$1,198,045.94	-0-	\$4,136,741.76	<b>\$2,068,370.88</b>
Manual	457	\$2,263,338.21	\$235,433.00	\$1,056,963.31	\$113,825.00	\$3,669,559.53	<b>\$1,834,779.76</b>
Howe	639	\$3,164,711.42	\$260,257.00	\$1,477,898.38	\$ 18,375.00	\$4,921,241.79	<b>\$2,460,620.90</b>



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