



Reprinted
February 18, 2004

**ENGROSSED
HOUSE BILL No. 1234**

DIGEST OF HB 1234 (Updated February 17, 2004 4:25 pm - DI 52)

Citations Affected: Noncode.

Synopsis: Early learning study commission. Establishes a study commission to develop information needed by the department of education to implement optional full day kindergarten and other early learning programs. Sets forth topics for the commission to consider. Requires the commission to make its report before December 1, 2004.

Effective: Upon passage.

Bauer, Porter

(SENATE SPONSORS — KENLEY, SIMPSON, SERVER, ROGERS)

January 15, 2004, read first time and referred to Committee on Education.
January 20, 2004, reported — Do Pass; reassigned to Committee on Ways and Means pursuant to Rule 127.
January 22, 2004, reported — Do Pass.
January 26, 2004, read second time, amended, ordered engrossed.
January 27, 2004, engrossed.
January 29, 2004, read third time, passed. Yeas 56, nays 40.
SENATE ACTION
February 3, 2004, read first time and referred to Committee on Education and Career Development.
February 12, 2004, amended, reported favorably — Do Pass.
February 17, 2004, read second time, amended, ordered engrossed.

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Second Regular Session 113th General Assembly (2004)

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

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

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1234

A BILL FOR AN ACT concerning education.

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

- 1 SECTION 1. [EFFECTIVE UPON PASSAGE] (a) As used in this
2 SECTION, "commission" refers to the early learning study
3 commission.
4 (b) The early learning study commission is established to
5 develop information needed by the department of education to
6 effectively implement optional full day kindergarten and early
7 learning programs for children in Indiana. The commission has the
8 following members:
9 (1) Four (4) members of the senate, not more than two (2) of
10 whom may be members of the same political party, appointed
11 by the president pro tempore of the senate in consultation
12 with the minority leader of the senate.
13 (2) Four (4) members of the house of representatives, not
14 more than two (2) of whom may be members of the same
15 political party, appointed by the speaker of the house of
16 representatives in consultation with the minority leader of the
17 house of representatives.
18 (3) The state superintendent of public instruction, or the

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1 superintendent's designee, who shall serve as chairperson of
 2 the commission.
 3 (4) The governor or the governor's designee, who shall serve
 4 as vice chairperson of the commission.
 5 (5) A public school superintendent, appointed by the state
 6 superintendent of public instruction.
 7 (6) A public school business official, appointed by the state
 8 superintendent of public instruction.
 9 (c) The commission shall operate under the rules adopted by the
 10 legislative council concerning study committees. Seven (7)
 11 members of the commission constitute a quorum. The affirmative
 12 votes of at least seven (7) members are necessary for the
 13 commission to take action or make a recommendation.
 14 (d) The department of education shall provide:
 15 (1) staff for; and
 16 (2) information and assistance to;
 17 the commission.
 18 (e) The commission shall study full day kindergarten and early
 19 learning programs and report the commission's findings to the
 20 general assembly and the governor before December 1, 2004. The
 21 report must be in an electronic format under IC 5-14-6. In the
 22 study, the commission must include the following:
 23 (1) The development of a sustainable long range funding plan
 24 for full day kindergarten and early learning programs that
 25 does not jeopardize existing classroom funding levels.
 26 (2) The identification and determination of the full costs of
 27 specific early learning programs that would most benefit
 28 children.
 29 (3) A determination of the full costs of full day kindergarten.
 30 (4) A determination of whether a parent should be required
 31 to pay part of the cost of participation in full day
 32 kindergarten.
 33 (5) A determination of whether there is adequate classroom
 34 space to implement full day kindergarten and, if there is not
 35 adequate classroom space, the cost and lead time necessary to
 36 add additional space.
 37 (6) A determination of the impact of full day kindergarten
 38 programs on property taxes.
 39 (7) The identification of funding shortfalls that currently exist
 40 in existing kindergarten through grade 12 programs.
 41 (8) A determination of whether the department of education
 42 or another agency is best able to develop the components of

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1 full day kindergarten and early learning programs.
 2 (9) A consideration of major components that should be
 3 included in full day kindergarten and early learning
 4 programs.
 5 (10) A review of public funding currently dedicated to full day
 6 kindergarten, early learning programs, child development
 7 programs, and child care programs to identify potential
 8 funding efficiencies and to ensure there is no duplication or
 9 overlap in programming or funding.
 10 (11) The establishment of a time line for implementing full
 11 day kindergarten and early learning programs on a statewide
 12 basis.
 13 (12) An exploration of other obstacles or opportunities that
 14 exist with respect to the implementation of full day
 15 kindergarten and early learning programs.
 16 (13) Consideration of a plan to be implemented in conjunction
 17 with full day kindergarten to encourage parental involvement
 18 in long term student achievement.
 19 (f) This SECTION expires December 31, 2004.
 20 SECTION 2. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1234, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

PORTER, Chair

Committee Vote: yeas 10, nays 4.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1234, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

CRAWFORD, Chair

Committee Vote: yeas 17, nays 11.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1234 be amended to read as follows:

Page 1, delete lines 1 through 17.

Delete page 2.

Page 3, delete lines 1 through 31.

Page 10, line 35, delete "the" and insert "a".

Page 10, line 35, delete "July 1, 2004," and insert "**after June 30, 2004,**".

Page 10, line 36, delete "June 30, 2005," and insert "**before July 1, 2007,**".

Page 10, line 42, delete "2005," and insert "**2007,**".

Page 11, line 4, after "exceed" insert "**the following:**".

Page 11, line 4, delete "thirty-one" begin a new line block indented and insert:

"(1) Thirty-one".

Page 11, line 5, delete "." and insert "**during the state fiscal year beginning July 1, 2004, and ending June 30, 2005.**

(2) Fourteen million five hundred thousand dollars (\$14,500,000) during the state fiscal year beginning July 1, 2005, and ending June 30, 2006.

(3) Eighteen million five hundred thousand dollars (\$18,500,000) during the state fiscal year beginning July 1, 2006, and ending June 30, 2007."

Page 13, line 5, delete "nine" and insert "**twenty-five**".

Page 13, line 5, delete "**five hundred thousand**".

Page 13, line 6, delete "(\$9,500,000)" and insert "**(\$25,000,000)**".

Page 13, line 9, delete "thirteen" and insert "**twenty-five**".

Page 13, line 10, delete "**five hundred thousand**".

Page 13, line 10, delete "(\$13,500,000)" and insert "**(\$25,000,000)**".

Page 13, line 14, delete "eleven" and insert "**twenty-five**".

Page 13, line 15, delete "**five hundred thousand**".

Page 13, line 15, delete "(\$11,500,000)" and insert "**(\$25,000,000)**".

Renumber all SECTIONS consecutively.

(Reference is to HB 1234 as printed January 23, 2004.)

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1234 be amended to read as follows:

Page 4, line 19, reset in roman "their school building construction".

Page 4, line 20, after "technology" insert "**programs (as defined in IC 21-1-5-3) under IC 21-1-5 and**".

Page 4, line 28, delete "IC 21-1-5;" and insert "IC 21-1-5 **and**".

Page 4, between lines 39 and 40, begin a new paragraph and insert:

"SECTION 4. IC 21-1-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. This chapter applies to school corporations ~~organized and formed through reorganization under IC 20-4-1, IC 20-4-5, or IC 20-4-8~~ **(as defined in IC 20-5-1-3)** and school townships under IC 20-2-8. However, if a school corporation or school township sustains loss by fire, wind, cyclone, or other disaster, of all or a major portion of its school building or school buildings, ~~sections 4 and section 9~~ **section 9** of this chapter ~~do~~ **does** not apply."

Page 5, line 3, after "chapter." insert "**The maximum aggregate amount of advances that:**

(1) are made under this chapter after June 30, 2004, for school building construction programs; and

(2) are outstanding at any time;

may not exceed thirty million dollars (\$30,000,000)."

Page 5, line 3, beginning with "The Indiana" begin a new paragraph and insert:

"**(b)**".

Page 5, line 5, delete "section" and insert "**chapter for educational technology programs**".

Page 5, line 6, strike "(b)" and insert "(c)".

Page 5, line 22, after "activities." insert "**After June 30, 2004, the term does not include a school corporation or school township that is described in subdivision (2) or (3).**".

Page 5, line 23, strike "(c)" and insert "**(d)**".

Page 5, between lines 27 and 28, begin a new paragraph and insert:

"SECTION 6. IC 21-1-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 4. (a) To qualify for an advance under this chapter, the school corporation or school township is required to establish a capital projects fund under IC 21-2-15. However, the Indiana state board of education, after consulting with the department of education and the budget agency, may waive or modify this requirement upon a showing of good cause by the school corporation or school township.

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(b) No advance to a school corporation or a school township for any school building construction program may exceed the greater of:

- (1) fifteen million dollars (\$15,000,000); or
- (2) the product of fifteen thousand dollars (\$15,000) multiplied by the number of pupils accommodated as a result of the school construction building program. However, if a school corporation or school township has sustained loss by fire, wind, cyclone, or other disaster, this limitation may be waived by the Indiana state board of education after consulting with the department of education and the budget agency.

(c) Advances **made before July 1, 2004**, for educational technology programs are without limitation in amount other than the availability of funds in the common school fund for this purpose and the ability of the school corporation or school township desiring an advance to pay the advance in accordance with the terms of the advance. **This subsection expires July 1, 2004.**

SECTION 7. IC 21-1-5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 5. (a) Money advanced to school corporations or school townships for school building construction programs may be advanced for periods not exceeding twenty-five (25) years, and the school corporations or school townships to which money is advanced shall be required to pay interest on the advance. For advances made before July 1, 1993, the Indiana state board of education may provide, either before an advance is made or before an advance is fully paid, that no payment of the advance may be prepaid by more than six (6) months. For advances made beginning July 1, 1993, for school building construction programs, the Indiana state board of education may provide that the advances are prepayable at any time. The state board of finance created by IC 4-9.1-1 shall periodically establish the rate or rates of interest payable on advances for school building construction programs as long as:

- (1) the established interest rate or rates do not exceed seven and one-half percent (7.5%); and
- (2) the interest rate or rates on advances made to school corporations or school townships with advances outstanding on July 1, 1993, bearing interest at seven and one-half percent (7.5%) or more shall not exceed four percent (4%).

(b) Money advanced **made before July 1, 2004**, to school corporations or school townships for educational technology programs may be for periods not exceeding five (5) years and the school corporations or school townships to which advances are made shall be required to pay interest on the advances. Advances **made before July**

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1, 2004, for educational technology programs may be prepaid at any time. The state board of finance shall establish periodically the rate or rates of interest payable on advances for educational technology programs as long as the established interest rate or rates:

- (1) are not less than one percent (1%); and
- (2) do not exceed four percent (4%).

This subsection expires July 1, 2009.

(c) To assure timely payment of advances in accordance with their terms, the state is authorized in its sole discretion to withhold from funds due to school corporations and school townships to which advances are made amounts necessary to pay the advances and the interest on the advances in accordance with their respective terms. The terms of the advances shall be established by the Indiana state board of education after consulting with the department of education and upon the approval of the budget agency in advance of the time the respective advances are made. However, in the case of school corporations or school townships with advances outstanding on July 1, 1993, the withholding may be adjusted to conform with this chapter. To the extent available, funds shall first be withheld from the distribution of state school tuition support. However, if this distribution is not available or is inadequate, funds may be withheld from the distribution of other state funds to the school corporation or school township to which the advance is made.

SECTION 8. IC 21-1-5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 9. (a) Priority of advances for school building construction programs shall be made to school corporations and school townships which have the least amount of adjusted assessed valuation per pupil in average daily attendance.

(b) Priority of advances **made before July 1, 2004**, for educational technology programs shall be on whatever basis the Indiana state board of education, after consulting with the department of education and the budget agency, periodically determines. **This subsection expires July 1, 2004.**

SECTION 9. IC 21-1-5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 10. A school corporation or school township to which an advance is made for an educational technology program **before July 1, 2004**, may annually levy a tax in the capital projects fund or the debt service fund to produce an amount equal to the amount deducted in the current year from the distribution of state school tuition support to pay the advance, together with the interest on the advance. The amount received from the tax shall be transferred from the capital projects fund or the debt

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service fund, as applicable, to the general fund."

Re-number all SECTIONS consecutively.

(Reference is to HB 1234 as printed January 23, 2004.)

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SENATE MOTION

Madam President: I move that Senator Borst be removed as sponsor of Engrossed House Bill 1234 and that Senator Kenley be substituted therefor.

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COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred House Bill No. 1234, 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:

Delete the title and insert the following:

A BILL FOR AN ACT concerning education.

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1234 as reprinted January 27, 2004.)

KENLEY, Chairperson

Committee Vote: Yeas 6, Nays 4.

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SENATE MOTION

Madam President: I move that Engrossed House Bill 1234 be amended to read as follows:

Page 2, delete lines 14 through 16, begin a new paragraph and insert:

"(d) The department of education shall provide:

(1) staff for; and

(2) information and assistance to;

the commission."

Page 2, line 24, delete "levels or the" and insert "levels."

Page 2, delete line 25.

Page 3, between lines 15 and 16, begin a new line block indented and insert:

"(13) Consideration of a plan to be implemented in conjunction with full day kindergarten to encourage parental involvement in long term student achievement."

(Reference is to EHB 1234 as printed February 13, 2004.)

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