

HOUSE BILL No. 1219

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-24-7-3; IC 20-26-11; IC 20-43-4-5.

Synopsis: Full-day kindergarten. Provides that for purposes of computing the average daily membership and other pupil counts of school corporations, pupils enrolled in a full-day kindergarten program shall be counted as one pupil. Limits any increase in funding resulting from the recalculation of average daily membership to the part of the increase that is distributed from the state.

Effective: July 1, 2007.

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January 11, 2007, read first time and referred to Committee on Education.

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First Regular Session 115th General Assembly (2007)

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 2006 Regular Session of the General Assembly.

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HOUSE BILL No. 1219



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

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

1 SECTION 1. IC 20-24-7-3, AS AMENDED BY P.L.2-2006,
2 SECTION 107, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) This section applies to a
4 conversion charter school.

5 (b) Not later than the date established by the department for
6 determining ADM and after July 2, the organizer shall submit to a
7 governing body on a form prescribed by the department the information
8 reported under section 2(a) of this chapter for each student who:

- 9 (1) is enrolled in the organizer's conversion charter school; and
- 10 (2) has legal settlement in the governing body's school
- 11 corporation.

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

- 15 (1) tuition support and other state funding for any purpose for
- 16 students enrolled in the conversion charter school;
- 17 (2) a proportionate share of state and federal funds received:



- 1 (A) for students with disabilities; or
- 2 (B) staff services for students with disabilities;
- 3 enrolled in the conversion charter school; and
- 4 (3) a proportionate share of funds received under federal or state
- 5 categorical aid programs for students who are eligible for the
- 6 federal or state categorical aid and are enrolled in the conversion
- 7 charter school;

8 for the second six (6) months of the calendar year in which the
 9 conversion charter school is established. The department shall make a
 10 distribution under this subsection at the same time and in the same
 11 manner as the department makes a distribution to the governing body
 12 of the school corporation in which the conversion charter school is
 13 located. A distribution to the governing body of the school corporation
 14 in which the conversion charter school is located is reduced by the
 15 amount distributed to the conversion charter school. This subsection
 16 does not apply to a conversion charter school after December 31 of the
 17 calendar year in which the conversion charter school is established.

18 (d) This subsection applies beginning with the first property tax
 19 distribution described in IC 6-1.1-27-1 to the governing body of the
 20 school corporation in which a conversion charter school is located after
 21 the governing body receives the information reported under subsection
 22 (b). Not more than ten (10) days after the governing body receives a
 23 property tax distribution described in IC 6-1.1-27-1, the governing
 24 body shall distribute to the conversion charter school the amount
 25 determined under STEP THREE of the following formula:

26 STEP ONE: Determine the quotient of:

- 27 (A) the number of students who:
 - 28 (i) are enrolled in the conversion charter school; and
 - 29 (ii) were counted in the ADM of the previous year for the
 - 30 school corporation in which the conversion charter school is
 - 31 located; divided by
- 32 (B) the current ADM of the school corporation in which the
- 33 conversion charter school is located.

34 In determining the number of students enrolled under clause
 35 (A)(i), each kindergarten student shall be counted as one-half
 36 (1/2) student **if the student is not enrolled in a full-day**
 37 **kindergarten program. However, each kindergarten student**
 38 **shall be counted as one (1) student if the student is enrolled in**
 39 **a full-day kindergarten program.**

40 STEP TWO: Determine the total amount of the following
 41 revenues to which the school corporation in which the conversion
 42 charter school is located is entitled for the second six (6) months

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1 of the calendar year in which the conversion charter school is
 2 established:

3 (A) Revenues obtained by the school corporation's:
 4 (i) general fund property tax levy; and
 5 (ii) excise tax revenue (as defined in IC 20-43-1-12).
 6 (B) The school corporation's certified distribution of county
 7 adjusted gross income tax revenue under IC 6-3.5-1.1 that is
 8 to be used as property tax replacement credits.

9 STEP THREE: Determine the product of:
 10 (A) the STEP ONE amount; multiplied by
 11 (B) the STEP TWO amount.

12 (e) Subsection (d) does not apply to a conversion charter school
 13 after the later of the following dates:
 14 (1) December 31 of the calendar year in which the conversion
 15 charter school is established.
 16 (2) Ten (10) days after the date on which the governing body of
 17 the school corporation in which the conversion charter school is
 18 located receives the final distribution described in IC 6-1.1-27-1
 19 of revenues to which the school corporation in which the
 20 conversion charter school is located is entitled for the second six
 21 (6) months of the calendar year in which the conversion charter
 22 school is established.

23 (f) This subsection applies during the second six (6) months of the
 24 calendar year in which a conversion charter school is established. A
 25 conversion charter school may apply for an advance from the charter
 26 school advancement account under IC 20-49-7 in the amount
 27 determined under STEP FOUR of the following formula:
 28 STEP ONE: Determine the result under subsection (d) STEP
 29 ONE (A).
 30 STEP TWO: Determine the difference between:
 31 (A) the conversion charter school's current ADM; minus
 32 (B) the STEP ONE amount.
 33 STEP THREE: Determine the quotient of:
 34 (A) the STEP TWO amount; divided by
 35 (B) the conversion charter school's current ADM.
 36 STEP FOUR: Determine the product of:
 37 (A) the STEP THREE amount; multiplied by
 38 (B) the quotient of:
 39 (i) the subsection (d) STEP TWO amount; divided by
 40 (ii) two (2).
 41 SECTION 2. IC 20-26-11-13, AS AMENDED BY P.L.2-2006,
 42 SECTION 130, IS AMENDED TO READ AS FOLLOWS

COPY



1 [EFFECTIVE JULY 1, 2007]: Sec. 13. (a) As used in this section, the
2 following terms have the following meanings:

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

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

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

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

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

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

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

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

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

28 ~~However~~, A kindergarten student shall be counted under clauses
29 (A) and (B) as one-half (1/2) student **if the student is not**
30 **enrolled in a full-day kindergarten program. However, a**
31 **kindergarten student shall be counted as one (1) student if the**
32 **student is enrolled in a full-day kindergarten program.** The
33 state board may select a different date for counts under this
34 subdivision. However, the same date shall be used for all school
35 corporations making a count for the same class of school.

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

42 STEP ONE: Allocate to each transfer student the capital

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1 expenditures for any special equipment used by the transfer
2 student and a proportionate share of the operating costs incurred
3 by the transferee school for the class of school where the transfer
4 student is enrolled.

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

- 10 (A) State tuition support distributions.
- 11 (B) Property tax levies.
- 12 (C) Excise tax revenue (as defined in IC 20-43-1-12) received
13 for deposit in the calendar year in which the school year
14 begins.
- 15 (D) Allocations to the transferee school under IC 6-3.5.

16 STEP THREE: Determine the greater of:

- 17 (A) zero (0); or
- 18 (B) the result of subtracting the STEP TWO amount from the
19 STEP ONE amount.

20 If a child is placed in an institution or facility in Indiana under a court
21 order, the institution or facility shall charge the county office of the
22 county of the student's legal settlement under IC 12-19-7 for the use of
23 the space within the institution or facility (commonly called capital
24 costs) that is used to provide educational services to the child based
25 upon a prorated per student cost.

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

- 32 (1) capital outlay;
- 33 (2) debt service;
- 34 (3) costs of transportation;
- 35 (4) salaries of board members;
- 36 (5) contracted service for legal expenses; and
- 37 (6) any expenditure that is made out of the general fund from
38 extracurricular account receipts;

39 for the school year.

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

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

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- 1 (2) the product of:
- 2 (A) the useful life of the special equipment, as determined
- 3 under the rules adopted by the state board; multiplied by
- 4 (B) the number of students using the special equipment during
- 5 at least part of the school year.
- 6 (e) When an item of expense or cost described in subsection (c)
- 7 cannot be allocated to a class of school, it shall be prorated to all
- 8 classes of schools on the basis of the student enrollment of each class
- 9 in the transferee corporation compared with the total student
- 10 enrollment in the school corporation.
- 11 (f) Operating costs shall be allocated to a transfer student for each
- 12 school year by dividing:
- 13 (1) the transferee school corporation's operating costs for the class
- 14 of school in which the transfer student is enrolled; by
- 15 (2) the student enrollment of the class of school in which the
- 16 transfer student is enrolled.
- 17 When a transferred student is enrolled in a transferee corporation for
- 18 less than the full school year of student attendance, the transfer tuition
- 19 shall be calculated by the part of the school year for which the
- 20 transferred student is enrolled. A school year of student attendance
- 21 consists of the number of days school is in session for student
- 22 attendance. A student, regardless of the student's attendance, is enrolled
- 23 in a transferee school unless the student is no longer entitled to be
- 24 transferred because of a change of residence, the student has been
- 25 excluded or expelled from school for the balance of the school year or
- 26 for an indefinite period, or the student has been confirmed to have
- 27 withdrawn from school. The transferor and the transferee corporation
- 28 may enter into written agreements concerning the amount of transfer
- 29 tuition due in any school year. If an agreement cannot be reached, the
- 30 amount shall be determined by the state board, and costs may be
- 31 established, when in dispute, by the state board of accounts.
- 32 (g) A transferee school shall allocate revenues described in
- 33 subsection (b) STEP TWO to a transfer student by dividing:
- 34 (1) the total amount of revenues received; by
- 35 (2) the ADM of the transferee school for the school year that ends
- 36 in the calendar year in which the revenues are received.
- 37 However, for state tuition support distributions or any other state
- 38 distribution computed using less than the total ADM of the transferee
- 39 school, the transferee school shall allocate the revenues to the transfer
- 40 student by dividing the revenues that the transferee school is eligible
- 41 to receive in a calendar year by the student count used to compute the
- 42 state distribution.

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

5 (1) be entered into for a period of not more than five (5) years
 6 with an option to renew;

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

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

11 (i) If the school corporation can meet the requirements of
 12 IC 20-43-9-8, it may negotiate transfer tuition agreements with a
 13 neighboring school corporation that can accommodate additional
 14 students. Agreements under this section may:

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

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

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

22 (j) If a school corporation experiences a net financial impact with
 23 regard to transfer tuition that is negative for a particular school year as
 24 described in IC 20-45-6-8, the school corporation may appeal for an
 25 excessive levy as provided under IC 20-45-6-8.

26 SECTION 3. IC 20-26-11-20, AS AMENDED BY P.L.2-2006,
 27 SECTION 131, IS AMENDED TO READ AS FOLLOWS
 28 [EFFECTIVE JULY 1, 2007]: Sec. 20. (a) As used in sections 19
 29 through 29 of this chapter, "class of school" refers to a classification of
 30 each school in the transferee corporation by the grades taught therein
 31 (generally denominated as elementary schools, middle schools or junior
 32 high schools, high schools, and special schools such as schools for
 33 special education, vocational training, or career education). Elementary
 34 schools include schools containing kindergarten. ~~but~~ For purposes of
 35 this chapter, a kindergarten student shall be counted as:

36 (1) one-half (1/2) student, **if the student is not enrolled in a**
 37 **full-day kindergarten program; or**

38 (2) **one (1) student, if the student is enrolled in a full-day**
 39 **kindergarten program.**

40 (b) As used in sections 19 through 29 of this chapter, "transferee
 41 corporation" means the school corporation receiving students under a
 42 court order described in section 19 of this chapter.

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1 (c) As used in sections 19 through 29 of this chapter, "transferor
2 corporation" means the school corporation transferring students under
3 a court order described in section 19 of this chapter.

4 (d) As used in sections 19 through 29 of this chapter, "transferred
5 student" means any student transferred under a court order described
6 in section 19 of this chapter.

7 SECTION 4. IC 20-43-4-5, AS ADDED BY P.L.2-2006, SECTION
8 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY
9 1, 2007]: Sec. 5. In determining ADM, each kindergarten pupil shall be
10 counted as:

11 (1) one-half (1/2) pupil, if the pupil is not enrolled in a full-day
12 kindergarten program; or

13 (2) one (1) pupil, if the pupil is enrolled in a full-day
14 kindergarten program.

15 If a school corporation commences kindergarten in a school year, the
16 ADM of the current and prior calendar years shall be adjusted to reflect
17 the enrollment of the kindergarten pupils.

18 SECTION 5. [EFFECTIVE JULY 1, 2007] (a) The definitions in
19 IC 20-43-1 apply throughout this SECTION.

20 (b) As used in this SECTION, "student count law" refers to the
21 following:

22 (1) IC 20-24-7-3, as amended by this act.

23 (2) IC 20-26-11-13, as amended by this act.

24 (3) IC 20-26-11-20, as amended by this act.

25 (4) IC 20-43-4-5, as amended by this act.

26 (c) A student count law applies only to:

27 (1) school years beginning; and

28 (2) state tuition support made to school corporations;
29 after June 30, 2007.

30 (d) For purposes of state tuition support made to school
31 corporations after June 30, 2007, and before January 1, 2008, the
32 department of education shall recalculate ADM, current ADM,
33 ADM of the previous year, and other pupil counts used in
34 calculating state tuition support for school corporations in 2007 in
35 conformity with the student count laws, as amended by this act.

36 (e) In applying student count laws and this SECTION:

37 (1) no additional ad valorem property tax levy or excise tax
38 distribution is authorized for the period beginning after June
39 30, 2007, and ending before January 1, 2007;

40 (2) a school corporation is not required to pay the locally
41 funded component of any additional transfer tuition that
42 would otherwise be due for student enrollment after June 30,

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1 2007, and before January 1, 2008, to another school
 2 corporation or entity under the relevant student count law, as
 3 amended by this act; and
 4 (3) a school corporation is entitled only to fifty percent (50%)
 5 of any additional state funding to which the school
 6 corporation would be entitled in 2007 if the relevant student
 7 count law, as amended by this act, had been in effect for the
 8 entire calendar year.
 9 **In applying subdivision (3), the state funding component shall be**
 10 **calculated as if any additional property tax levy that would have**
 11 **been authorized if the student count laws, as amended by this act,**
 12 **had been imposed for the calendar year, related excise tax**
 13 **distributions had been made to the school corporation, and any**
 14 **locally funded component of transfer tuition had been paid.**

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