

Adopted Rejected

# COMMITTEE REPORT

YES: 12  
NO: 0

## MR. SPEAKER:

Your Committee on Education, to which was referred House Bill 1189, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:

- 1 Page 9, delete lines 2 through 42, begin a new paragraph and insert:
- 2 "SECTION 9. IC 20-24-7-2, AS AMENDED BY P.L.146-2008,
- 3 SECTION 460, IS AMENDED TO READ AS FOLLOWS
- 4 [EFFECTIVE JANUARY 1, 2013]: Sec. 2. (a) Not later than **each of**
- 5 the ~~date dates~~ established by the department for determining ADM ~~and~~
- 6 ~~after May 31 each year, under IC 20-43-4-3 and IC 20-43-4-3.5,~~ the
- 7 organizer shall submit to the department the following information on
- 8 a form prescribed by the department:
- 9 (1) The number of students enrolled in the charter school.
- 10 (2) The name and address of each student.
- 11 (3) The name of the school corporation in which the student has
- 12 legal settlement.
- 13 (4) The name of the school corporation, if any, that the student
- 14 attended during the immediately preceding school year.
- 15 (5) The grade level in which the student will enroll in the charter

1 school.

2 The department shall verify the accuracy of the information reported.

3 ~~(b) This subsection applies after December 31 of the calendar year~~  
 4 ~~in which a charter school begins its initial operation.~~ The department  
 5 shall distribute **state tuition support distributions** to the organizer.  
 6 ~~the state tuition support distribution. Subject to IC 20-43-4-9, the~~  
 7 department shall make a distribution under this subsection at the same  
 8 time and in the same manner as the department makes a distribution of  
 9 state tuition support under IC 20-43-2 to other school corporations.

10 SECTION 10. IC 20-24-7-3, AS AMENDED BY P.L.146-2008,  
 11 SECTION 461, IS AMENDED TO READ AS FOLLOWS  
 12 [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) This section applies to a  
 13 conversion charter school.

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

17 ~~(1) tuition support and other state funding for any purpose for~~  
 18 ~~students enrolled in the conversion charter school;~~

19 ~~(2) (1) a proportionate share of state and federal funds received:~~

20 (A) for students with disabilities; or

21 (B) for staff services for students with disabilities;

22 enrolled in the conversion charter school; and

23 ~~(3) (2) a proportionate share of funds received under federal or~~  
 24 ~~state categorical aid programs for students who are eligible for the~~  
 25 ~~federal or state categorical aid and are enrolled in the conversion~~  
 26 ~~charter school;~~

27 for the second six (6) months of the calendar year in which the  
 28 conversion charter school is established. The department shall make a  
 29 distribution under this subsection at the same time and in the same  
 30 manner as the department makes a distribution to the governing body  
 31 of the school corporation in which the conversion charter school is  
 32 located. A distribution to the governing body of the school corporation  
 33 in which the conversion charter school is located is reduced by the  
 34 amount distributed to the conversion charter school. This subsection  
 35 does not apply to a conversion charter school after December 31 of the  
 36 calendar year in which the conversion charter school is established.

37 ~~(c) This subsection applies during the second six (6) months of the~~  
 38 ~~calendar year in which a conversion charter school is established. A~~

1 conversion charter school may apply for an advance from the charter  
 2 school advancement account under IC 20-49-7 in the amount  
 3 determined under STEP FOUR of the following formula:

4 STEP ONE: Determine the result under subsection (d) STEP  
 5 ONE (A):

6 STEP TWO: Determine the difference between:

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

8 (B) the STEP ONE amount.

9 STEP THREE: Determine the quotient of:

10 (A) the STEP TWO amount; divided by

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

12 STEP FOUR: Determine the product of:

13 (A) the STEP THREE amount; multiplied by

14 (B) the quotient of:

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

16 (ii) two (2):".

17 Page 10, delete lines 1 through 30.

18 Page 11, between lines 23 and 24, begin a new paragraph and insert:

19 "SECTION 12. IC 20-24-7-9, AS AMENDED BY P.L.146-2008,  
 20 SECTION 463, IS AMENDED TO READ AS FOLLOWS  
 21 [EFFECTIVE JULY 1, 2013]: Sec. 9. (a) This section applies if:

22 (1) a sponsor:

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

25 (B) does not renew a charter; or

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

28 (b) Any state funds that remain to be distributed to the charter  
 29 school in the calendar year in which an event described in subsection  
 30 (a) occurs shall be distributed as follows:

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

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

37 (c) If the funds described in subsection (b) are insufficient to repay  
 38 all existing obligations of the charter school under IC 20-49-7

1 **(repealed) or IC 20-49-5-7**, the state shall repay any remaining  
 2 obligations of the charter school under IC 20-49-7 **(repealed) or**  
 3 **IC 20-49-5-7** from the amount appropriated for state tuition support  
 4 distributions."

5 Page 12, delete lines 29 through 40, begin a new paragraph and  
 6 insert:

7 "SECTION 14. IC 20-24-7.5 IS REPEALED [EFFECTIVE JULY  
 8 1, 2013]. (New Charter School Startup Grant)."

9 Page 13, line 42, delete "for" and insert "**of**".

10 Page 27, between lines 33 and 34, begin a new paragraph and insert:

11 "SECTION 26. IC 20-43-1-7.5 IS ADDED TO THE INDIANA  
 12 CODE AS A **NEW SECTION TO READ AS FOLLOWS**  
 13 [EFFECTIVE JULY 1, 2012]: **Sec. 7.5. "Attending" means physical**  
 14 **or virtual presence of a student with the expectation of continued**  
 15 **services in the education programs for which the student is**  
 16 **registered."**

17 Page 28, between lines 5 and 6, begin a new paragraph and insert:

18 "SECTION 28. IC 20-43-1-11.5 IS ADDED TO THE INDIANA  
 19 CODE AS A **NEW SECTION TO READ AS FOLLOWS**  
 20 [EFFECTIVE JULY 1, 2012]: **Sec. 11.5. "Enrolled" means to be:**

- 21 **(1) registered with a school corporation to attend educational**  
 22 **programs offered by or through the school corporation; and**  
 23 **(2) attending these educational programs."**

24 Page 28, line 15, delete "finally" and insert "**subsequently**".

25 Page 28, delete lines 16 through 25.

26 Page 29, line 20, delete "in" and insert "**after**".

27 Page 29, line 22, delete "in" and insert "**after**".

28 Page 29, line 22, delete "March." and insert "**February.**".

29 Page 29, delete lines 34 through 42, begin a new paragraph and  
 30 insert:

31 "SECTION 34. IC 20-43-4-3.5 IS ADDED TO THE INDIANA  
 32 CODE AS A **NEW SECTION TO READ AS FOLLOWS**  
 33 [EFFECTIVE JANUARY 1, 2013]: **Sec. 3.5. (a) This section applies**  
 34 **only in the initial year in which a charter school begins operation.**

35 **(b) A charter school shall submit to the department an**  
 36 **estimated count of eligible pupils in the form and on the schedule**  
 37 **specified by the state board. The count must estimate as accurately**  
 38 **as possible the anticipated number of eligible pupils who are likely**

1 to be included in the charter school's fall count of ADM for the  
2 school year beginning in the calendar year.

3 (c) Using the estimates submitted by the charter school and any  
4 other information available to the state board, the state board shall  
5 estimate the number of eligible pupils who are likely to be included  
6 in the fall ADM count of the charter school in the school year  
7 beginning in the calendar year. The state board may adjust the  
8 estimate provided by a charter school as the state board  
9 determines necessary.

10 (d) After the fall count of ADM, the state board shall adjust the  
11 estimated count of ADM under this section to reflect the actual  
12 count of eligible pupils determined in the fall count. If the state  
13 board adjusts the fall count under section 2 of this chapter, the  
14 state board shall make the same adjustment to the estimated  
15 count."

16 Page 30, delete lines 1 through 10.

17 Page 31, line 29, delete "IC 20-43-4-2," and insert "**section 2 of this**  
18 **chapter,**".

19 Page 31, line 31, delete "This" and insert "**Subject to subsection**  
20 **(c), this**".

21 Page 31, line 36, delete "IC 20-43-4-2," and insert "**section 2 of this**  
22 **chapter,**".

23 Page 31, line 40, delete "IC 20-43-4-2," and insert "**section 2 of this**  
24 **chapter,**".

25 Page 31, after line 42, begin a new paragraph and insert:

26 "**(c) This subsection applies only to the calculation of tuition**  
27 **support distributions to a charter school, including a conversion**  
28 **charter school, for the first six (6) months in which the charter**  
29 **school begins its initial operation. A charter school is entitled only**  
30 **to a distribution of basic tuition support for the first six (6) months**  
31 **of the school year in which the charter school begins initial**  
32 **operation. The count of students made under section 3.5 of this**  
33 **chapter, as subsequently adjusted under section 3.5 of this chapter,**  
34 **shall be treated as the current ADM of the charter school for the**  
35 **calculation of the charter school's basic tuition support for that**  
36 **period. However, distributions to the school corporation shall not**  
37 **begin until after the first day the charter school conducts regular**  
38 **classes, as determined by the department. The amount withheld for**

1 **the charter school before that date shall be paid to the charter**  
 2 **school on a schedule determined under subsection (d)."**

3 Page 32, line 1, delete "(c)" and insert "**(d)**".

4 Page 38, between lines 21 and 22, begin a new paragraph and insert:

5 "SECTION 50. IC 20-49-3-8, AS AMENDED BY P.L.146-2008,  
 6 SECTION 529, IS AMENDED TO READ AS FOLLOWS  
 7 [EFFECTIVE JULY 1, 2013]: Sec. 8. The fund may be used to make  
 8 advances:

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

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

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

13 Page 38, delete lines 41 through 42, begin a new paragraph and  
 14 insert:

15 "SECTION 51. IC 20-49-5-7 IS ADDED TO THE INDIANA CODE  
 16 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY  
 17 1, 2013]: **Sec. 7. (a) A charter school, including a conversion**  
 18 **charter school, that has received an advance for operational costs**  
 19 **from the common school fund under IC 20-49-7 (before its repeal)**  
 20 **is not required to make principal or interest payments during the**  
 21 **state fiscal years beginning:**

22 (1) July 1, 2011; and

23 (2) July 1, 2012;

24 **notwithstanding contrary terms in the charter school and state**  
 25 **board advance agreement.**

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

30 SECTION 57. IC 20-49-7 IS REPEALED [EFFECTIVE JULY 1,  
 31 2013]. (Charter School Advancement Account)."

- 1 Delete page 39.
- 2 Page 40, delete lines 1 through 6.
- 3 Renumber all SECTIONS consecutively.  
(Reference is to HB 1189 as introduced.)

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

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Representative Behning