

# COMMITTEE REPORT

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**MADAM PRESIDENT:**

**The Senate Committee on Education and Career Development, to which was referred House Bill No. 1189, 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:**

- 1           Page 1, delete lines 1 through 17, begin a new paragraph and insert:
- 2           "SECTION 1. IC 20-24-7-2, AS AMENDED BY P.L.146-2008,
- 3           SECTION 460, IS AMENDED TO READ AS FOLLOWS
- 4           [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) Not later than the ~~date~~ **dates**
- 5           established by the department for determining ADM, ~~and after May 31~~
- 6           ~~each year~~, the organizer shall submit to the department the following
- 7           information on a form prescribed by the department:
- 8                 (1) The number of students enrolled in the charter school.
- 9                 (2) The name and address of each student.
- 10                (3) The name of the school corporation in which the student has
- 11                legal settlement.
- 12                (4) The name of the school corporation, if any, that the student
- 13                attended during the immediately preceding school year.
- 14                (5) The grade level in which the student will enroll in the charter
- 15                school.
- 16           The department shall verify the accuracy of the information reported.
- 17                (b) This subsection applies after ~~December 31~~ **June 30** of the
- 18                calendar year in which a charter school begins its initial operation. The
- 19                department shall distribute to the organizer the state tuition support
- 20                distribution. The department shall make a distribution under this
- 21                subsection at the same time and in the same manner as the department

1 makes a distribution of state tuition support under IC 20-43-2 to other  
2 school corporations.

3 SECTION 2. IC 20-24-7-3, AS AMENDED BY P.L.146-2008,  
4 SECTION 461, IS AMENDED TO READ AS FOLLOWS  
5 [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) This section applies to a  
6 conversion charter school.

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

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

12 (2) a proportionate share of state and federal funds received:

13 (A) for students with disabilities; or

14 (B) for staff services for students with disabilities;  
15 enrolled in the conversion charter school; and

16 (3) a proportionate share of funds received under federal or state  
17 categorical aid programs for students who are eligible for the  
18 federal or state categorical aid and are enrolled in the conversion  
19 charter school;

20 for the ~~second~~ **first** six (6) months of the ~~calendar~~ **state fiscal** year in  
21 which the conversion charter school is established. The department  
22 shall make a distribution under this subsection at the same time and in  
23 the same manner as the department makes a distribution to the  
24 governing body of the school corporation in which the conversion  
25 charter school is located. A distribution to the governing body of the  
26 school corporation in which the conversion charter school is located is  
27 reduced by the amount distributed to the conversion charter school.  
28 This subsection does not apply to a conversion charter school after  
29 ~~December 31~~ **June 30** of the ~~calendar~~ **state fiscal** year in which the  
30 conversion charter school is established.

31 (c) This subsection applies during the second six (6) months of the  
32 ~~calendar~~ **state fiscal** year in which a conversion charter school is  
33 established. A conversion charter school may apply for an advance  
34 from the charter school advancement account under IC 20-49-7 in the  
35 amount determined under STEP FOUR of the following formula:

36 STEP ONE: Determine the ~~result under subsection (d)~~ STEP  
37 ~~ONE (A):~~ **number of students who:**

38 (A) **are enrolled in the conversion charter school; and**

39 (B) **were counted in the ADM of the previous year for the**  
40 **school corporation in which the conversion charter school**  
41 **is located.**

42 STEP TWO: Determine the difference between:

- 1 (A) the conversion charter school's current ADM; minus  
 2 (B) the STEP ONE amount.

3 STEP THREE: Determine the quotient of:

- 4 (A) the STEP TWO amount; divided by  
 5 (B) the conversion charter school's current ADM.

6 STEP FOUR: Determine the product of:

- 7 (A) the STEP THREE amount; multiplied by  
 8 (B) the quotient of:

- 9 (i) the ~~subsection (d) STEP TWO amount;~~ **total amount of**  
 10 **excise tax revenue and the school corporation's certified**  
 11 **distribution of county adjusted gross income tax revenue**  
 12 **under IC 6-3.5-1.1 that is to be used as property tax**  
 13 **replacement credits, to which the school corporation in**  
 14 **which the conversion charter school is located is entitled**  
 15 **for the second six (6) months of the calendar year in**  
 16 **which the conversion charter school is established;**  
 17 divided by  
 18 (ii) two (2).

19 SECTION 3. IC 20-24-7-4, AS AMENDED BY P.L.91-2011,  
 20 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 21 JULY 1, 2012]: Sec. 4. (a) Services that a school corporation provides  
 22 to a charter school, including transportation, may be provided at not  
 23 more than one hundred three percent (103%) of the actual cost of the  
 24 services.

25 (b) This subsection applies to a sponsor that is a state educational  
 26 institution described in ~~IC 20-24-1-7(2); IC 20-24-1-9(2)~~. In a **calendar**  
 27 **state fiscal** year, a state educational institution may receive from the  
 28 organizer of a charter school sponsored by the state educational  
 29 institution an administrative fee equal to not more than three percent  
 30 (3%) of the total amount the organizer receives during the **calendar**  
 31 **state fiscal** year from basic tuition support (as defined in  
 32 IC 20-43-1-8).

33 (c) This subsection applies to the executive of a consolidated city  
 34 that sponsors a charter school. In a **calendar state fiscal** year, the  
 35 executive may collect from the organizer of a charter school sponsored  
 36 by the executive an administrative fee equal to not more than three  
 37 percent (3%) of the total amount the organizer receives during the  
 38 **calendar state fiscal** year for basic tuition support.

39 (d) This subsection applies to a sponsor that is a nonprofit college  
 40 or university that is approved by the state board of education. In a  
 41 **calendar state fiscal** year, a private college or university may collect  
 42 from the organizer of a charter school sponsored by the private college

1 or university an administrative fee equal to not more than three percent  
2 (3%) of the total amount the organizer receives during the ~~calendar~~  
3 **state fiscal** year for basic tuition support.

4 (e) This subsection applies to the charter board. In a ~~calendar state~~  
5 **fiscal** year, the charter school board may collect from the organizer of  
6 a charter school sponsored by the charter board an administrative fee  
7 equal to not more than three percent (3%) of the total amount the  
8 organizer receives during the ~~calendar state fiscal~~ year for basic tuition  
9 support.

10 (f) A sponsor's administrative fee may not include any costs  
11 incurred in delivering services that a charter school may purchase at its  
12 discretion from the sponsor. The sponsor shall use its funding provided  
13 under this section exclusively for the purpose of fulfilling sponsoring  
14 obligations.

15 (g) Except for oversight services, a charter school may not be  
16 required to purchase services from its sponsor as a condition of charter  
17 approval or of executing a charter contract, nor may any such condition  
18 be implied.

19 (h) A charter school may choose to purchase services from its  
20 sponsor. In that event, the charter school and sponsor shall execute an  
21 annual service contract, separate from the charter contract, stating the  
22 parties' mutual agreement concerning the services to be provided by the  
23 sponsor and any service fees to be charged to the charter school. A  
24 sponsor may not charge more than market rates for services provided  
25 to a charter school.

26 (i) Not later than ninety (90) days after the end of each fiscal year,  
27 each sponsor shall provide to each charter school it sponsors an  
28 itemized accounting of the actual costs of services purchased by the  
29 charter school from the sponsor. Any difference between the amount  
30 initially charged to the charter school and the actual cost shall be  
31 reconciled and paid to the owed party. If either party disputes the  
32 itemized accounting, any charges included in the accounting, or  
33 charges to either party, either party may request a review by the  
34 department. The requesting party shall pay the costs of the review.

35 SECTION 4. IC 20-24-7-6.5, AS ADDED BY P.L.229-2011,  
36 SECTION 170, IS AMENDED TO READ AS FOLLOWS  
37 [EFFECTIVE JULY 1, 2012]: Sec. 6.5. (a) Subject to subsection (b)  
38 and with the approval of a majority of the members of the governing  
39 body, a school corporation may distribute any part of the following to  
40 a conversion school sponsored by the school corporation in the amount  
41 and under the terms and conditions adopted by a majority of the  
42 members of the governing body:

- 1 (1) State tuition support and other state distributions to the school  
2 corporation.
- 3 (2) Any other amount deposited in the school corporation's  
4 general fund.
- 5 (b) The total amount that may be transferred under subsection (a) in  
6 a **calendar state fiscal** year to a particular conversion charter school  
7 may not exceed the result determined under STEP FOUR of the  
8 following formula:
- 9 STEP ONE: Determine the result of:
- 10 (A) the amount of state tuition support that the school  
11 corporation is eligible to receive in the **calendar state fiscal**  
12 year; divided by
- 13 (B) the current ADM of the school corporation for the **calendar**  
14 **state fiscal** year.
- 15 STEP TWO: Determine the result of:
- 16 (A) the amount of state tuition support that the conversion  
17 charter school is eligible to receive in the **calendar state fiscal**  
18 year; divided by
- 19 (B) the current ADM of the conversion charter school for the  
20 **calendar state fiscal** year.
- 21 STEP THREE: Determine the greater of zero (0) or the result of:
- 22 (A) the STEP ONE amount; minus
- 23 (B) the STEP TWO amount.
- 24 STEP FOUR: Determine the result of:
- 25 (A) the STEP THREE amount; multiplied by
- 26 (B) the current ADM of the conversion charter school for the  
27 **calendar state fiscal** year.
- 28 SECTION 5. IC 20-24-7-9, AS AMENDED BY P.L.146-2008,  
29 SECTION 463, IS AMENDED TO READ AS FOLLOWS  
30 [EFFECTIVE JULY 1, 2012]: Sec. 9. (a) This section applies if:
- 31 (1) a sponsor:
- 32 (A) revokes a charter before the end of the term for which the  
33 charter is granted; or
- 34 (B) does not renew a charter; or
- 35 (2) a charter school otherwise terminates its charter before the end  
36 of the term for which the charter is granted.
- 37 (b) Any state funds that remain to be distributed to the charter  
38 school in the **calendar state fiscal** year in which an event described in  
39 subsection (a) occurs shall be distributed as follows:
- 40 (1) First, to the common school loan fund to repay any existing  
41 obligations of the charter school under IC 20-49-7.
- 42 (2) Second, to the entities that distributed the funds to the charter

1 school. A distribution under this subdivision shall be on a pro rata  
2 basis.

3 (c) If the funds described in subsection (b) are insufficient to repay  
4 all existing obligations of the charter school under IC 20-49-7, the state  
5 shall repay any remaining obligations of the charter school under  
6 IC 20-49-7 from the amount appropriated for state tuition support  
7 distributions.

8 SECTION 6. IC 20-24-7-13, AS AMENDED BY P.L.229-2011,  
9 SECTION 171, IS AMENDED TO READ AS FOLLOWS  
10 [EFFECTIVE JULY 1, 2012]: Sec. 13. (a) As used in this section,  
11 "virtual charter school" means any charter school, including a  
12 conversion charter school, that provides for the delivery of more than  
13 fifty percent (50%) of instruction to students through:

- 14 (1) virtual distance learning;
- 15 (2) online technologies; or
- 16 (3) computer based instruction.

17 (b) Beginning with the 2011-2012 school year, a virtual charter  
18 school may apply for sponsorship with any statewide sponsor in  
19 accordance with the sponsor's guidelines.

20 (c) Before January 1, 2012, a virtual charter school is entitled to  
21 receive funding from the state in an amount equal to the sum of ~~(1)~~ the  
22 product of:

- 23 ~~(A)~~ **(1)** the number of students included in the virtual charter  
24 school's ADM; multiplied by
- 25 ~~(B)~~ **(2)** eighty percent (80%) of statewide average basic tuition  
26 support.

27 (d) ~~After December 31, 2011,~~ **For state fiscal years beginning**  
28 **after June 30, 2012,** a virtual charter school is entitled to receive  
29 funding from the state in an amount equal to the sum of:

- 30 (1) the product of:
  - 31 (A) the number of students included in the virtual charter  
32 school's ADM; multiplied by
  - 33 (B) eighty-seven and five-tenths percent (87.5%) of the  
34 school's foundation amount determined under IC 20-43-5-4;  
35 plus
- 36 (2) the total of any special education grants under IC 20-43-7 to  
37 which the virtual charter school is entitled.

38 ~~After December 31, 2011,~~ A virtual charter school is entitled to receive  
39 special education grants under IC 20-43-7 calculated in the same  
40 manner as special education grants are calculated for other school  
41 corporations.

42 ~~(d)~~ **(e)** The department shall adopt rules under IC 4-22-2 to govern

1 the operation of virtual charter schools.

2 ~~(e)~~ **(f)** Beginning in 2009, the department shall before December 1  
3 of each year submit an annual report to the budget committee  
4 concerning the program under this section.

5 ~~(f)~~ **(g)** This subsection does not apply to students who were enrolled  
6 in a virtual charter school during the 2010-2011 school year. Each  
7 school year, at least sixty percent (60%) of the students who are  
8 enrolled in virtual charter schools under this section for the first time  
9 must have been included in the state's ADM count for the previous  
10 school year.

11 SECTION 7. IC 20-24-7.5-3, AS ADDED BY P.L.229-2011,  
12 SECTION 172, IS AMENDED TO READ AS FOLLOWS  
13 [EFFECTIVE JULY 1, 2012]: Sec. 3. **If a charter school is eligible for**  
14 **a one ~~(1)~~ time grant under this chapter does not receive tuition**  
15 **support** in the first **calendar state fiscal** year immediately following  
16 the **calendar state fiscal** year in which the charter school is established  
17 and begins enrolling eligible pupils, **the charter school is eligible for**  
18 **a one (1) time grant under section 4 of this chapter.**

19 SECTION 8. IC 20-24-7.5-4, AS ADDED BY P.L.229-2011,  
20 SECTION 172, IS AMENDED TO READ AS FOLLOWS  
21 [EFFECTIVE JULY 1, 2012]: Sec. 4. A charter school's new charter  
22 school startup grant is equal to the result of:

- 23 (1) the amount of basic tuition support determined for the charter  
24 school under IC 20-43-6-3 for the **calendar state fiscal** year that  
25 immediately follows the **calendar state fiscal** year in which the  
26 charter school is established and begins enrolling eligible pupils;  
27 divided by  
28 (2) three (3).

29 The grant shall be paid from the charter school facilities assistance  
30 fund established by IC 20-24-12.

31 SECTION 9. IC 20-26-11-13, AS AMENDED BY P.L.229-2011,  
32 SECTION 173, IS AMENDED TO READ AS FOLLOWS  
33 [EFFECTIVE JULY 1, 2012]: Sec. 13. (a) As used in this section, the  
34 following terms have the following meanings:

35 (1) "Class of school" refers to a classification of each school or  
36 program in the transferee corporation by the grades or special  
37 programs taught at the school. Generally, these classifications are  
38 denominated as kindergarten, elementary school, middle school  
39 or junior high school, high school, and special schools or classes,  
40 such as schools or classes for special education, career and  
41 technical education, or career education.

42 (2) "Special equipment" means equipment that during a school

- 1 year:
- 2 (A) is used only when a child with disabilities is attending
- 3 school;
- 4 (B) is not used to transport a child to or from a place where the
- 5 child is attending school;
- 6 (C) is necessary for the education of each child with
- 7 disabilities that uses the equipment, as determined under the
- 8 individualized education program for the child; and
- 9 (D) is not used for or by any child who is not a child with
- 10 disabilities.

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

- 12 (A) The total number of students in kindergarten through
- 13 grade 12 who are enrolled in a transferee school corporation
- 14 on a date determined by the state board.
- 15 (B) The total number of students enrolled in a class of school
- 16 in a transferee school corporation on a date determined by the
- 17 state board.

18 However, a kindergarten student shall be counted under clauses

19 (A) and (B) as one-half (1/2) student. The state board may select

20 a different date for counts under this subdivision. However, the

21 same date shall be used for all school corporations making a count

22 for the same class of school.

23 (b) Each transferee corporation is entitled to receive for each school

24 year on account of each transferred student, except a student

25 transferred under section 6 of this chapter, transfer tuition from the

26 transferor corporation or the state as provided in this chapter. Transfer

27 tuition equals the amount determined under STEP THREE of the

28 following formula:

29 STEP ONE: Allocate to each transfer student the capital

30 expenditures for any special equipment used by the transfer

31 student and a proportionate share of the operating costs incurred

32 by the transferee school for the class of school where the transfer

33 student is enrolled.

34 STEP TWO: If the transferee school included the transfer student

35 in the transferee school's ADM for a school year, allocate to the

36 transfer student a proportionate share of the following general

37 fund revenues of the transferee school: ~~for, except as provided in~~

38 ~~clause (C), the calendar year in which the school year ends:~~

- 39 (A) State tuition support distributions **received during the**
- 40 **calendar year in which the school year ends.**
- 41 (B) Property tax levies under IC 20-45-7 and IC 20-45-8 **for**
- 42 **the calendar year in which the school year ends.**



- 1 (C) The sum of the following excise tax revenue received for  
 2 deposit in the calendar year in which the school year begins:  
 3 (i) Financial institution excise tax revenue (IC 6-5.5).  
 4 (ii) Motor vehicle excise taxes (IC 6-6-5).  
 5 (iii) Commercial vehicle excise taxes (IC 6-6-5.5).  
 6 (iv) Boat excise tax (IC 6-6-11).  
 7 (v) Aircraft license excise tax (IC 6-6-6.5).  
 8 (D) Allocations to the transferee school under IC 6-3.5.

- 9 STEP THREE: Determine the greater of:  
 10 (A) zero (0); or  
 11 (B) the result of subtracting the STEP TWO amount from the  
 12 STEP ONE amount.

13 If a child is placed in an institution or facility in Indiana by or with the  
 14 approval of the department of child services, the institution or facility  
 15 shall charge the department of child services for the use of the space  
 16 within the institution or facility (commonly called capital costs) that is  
 17 used to provide educational services to the child based upon a prorated  
 18 per student cost.

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

- 25 (1) capital outlay;  
 26 (2) debt service;  
 27 (3) costs of transportation;  
 28 (4) salaries of board members;  
 29 (5) contracted service for legal expenses; and  
 30 (6) any expenditure that is made from extracurricular account  
 31 receipts;  
 32 for the school year.

- 33 (d) The capital cost of special equipment for a school year is equal  
 34 to:  
 35 (1) the cost of the special equipment; divided by  
 36 (2) the product of:  
 37 (A) the useful life of the special equipment, as determined  
 38 under the rules adopted by the state board; multiplied by  
 39 (B) the number of students using the special equipment during  
 40 at least part of the school year.

41 (e) When an item of expense or cost described in subsection (c)  
 42 cannot be allocated to a class of school, it shall be prorated to all

1 classes of schools on the basis of the student enrollment of each class  
 2 in the transferee corporation compared with the total student  
 3 enrollment in the school corporation.

4 (f) Operating costs shall be allocated to a transfer student for each  
 5 school year by dividing:

- 6 (1) the transferee school corporation's operating costs for the class  
 7 of school in which the transfer student is enrolled; by
- 8 (2) the student enrollment of the class of school in which the  
 9 transfer student is enrolled.

10 When a transferred student is enrolled in a transferee corporation for  
 11 less than the full school year of student attendance, the transfer tuition  
 12 shall be calculated by the part of the school year for which the  
 13 transferred student is enrolled. A school year of student attendance  
 14 consists of the number of days school is in session for student  
 15 attendance. A student, regardless of the student's attendance, is enrolled  
 16 in a transferee school unless the student is no longer entitled to be  
 17 transferred because of a change of residence, the student has been  
 18 excluded or expelled from school for the balance of the school year or  
 19 for an indefinite period, or the student has been confirmed to have  
 20 withdrawn from school. The transferor and the transferee corporation  
 21 may enter into written agreements concerning the amount of transfer  
 22 tuition due in any school year. If an agreement cannot be reached, the  
 23 amount shall be determined by the state board, and costs may be  
 24 established, when in dispute, by the state board of accounts.

25 (g) A transferee school shall allocate revenues described in  
 26 subsection (b) STEP TWO to a transfer student by dividing:

- 27 (1) the total amount of revenues received; by
- 28 (2) the ADM of the transferee school for the school year that ends  
 29 in the calendar year in which the revenues are received.

30 However, for state tuition support distributions or any other state  
 31 distribution computed using less than the total ADM of the transferee  
 32 school, the transferee school shall allocate the revenues to the transfer  
 33 student by dividing the revenues that the transferee school is eligible  
 34 to receive in a calendar year by the student count used to compute the  
 35 state distribution.

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

- 40 (1) be entered into for a period of not more than five (5) years  
 41 with an option to renew;
- 42 (2) specify a maximum number of students to be transferred; and

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

4 (i) A school corporation may negotiate transfer tuition agreements  
 5 with a neighboring school corporation that can accommodate additional  
 6 students. Agreements under this section may:

- 7 (1) be for one (1) year or longer; and  
 8 (2) fix a method for determining the amount of transfer tuition or  
 9 time of payment that is different from the method, amount, or  
 10 time of payment that is provided in this section or section 14 of  
 11 this chapter.

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

14 SECTION 10. IC 20-26-11-23, AS AMENDED BY  
 15 P.L.182-2009(ss), SECTION 317, IS AMENDED TO READ AS  
 16 FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 23. (a) If a transfer is  
 17 ordered to commence in a school year, where the transferor corporation  
 18 has net additional costs over savings (on account of any transfer  
 19 ordered) allocable to the ~~calendar~~ **state fiscal** year in which the school  
 20 year begins, and where the transferee corporation does not have  
 21 budgeted funds for the net additional costs, the net additional costs may  
 22 be recovered by one (1) or more of the following methods in addition  
 23 to any other methods provided by applicable law:

24 (1) An emergency loan made under IC 20-48-1-7 to be paid, out  
 25 of the debt service levy and fund, or a loan from any state fund  
 26 made available for the net additional costs.

27 (2) An advance in the ~~calendar~~ **state fiscal** year of state funds,  
 28 which would otherwise become payable to the transferee  
 29 corporation after such calendar year under law.

30 (3) A grant or grants in the ~~calendar~~ **state fiscal** year from any  
 31 funds of the state made available for the net additional costs.

32 (b) The net additional costs must be certified by the department of  
 33 local government finance. Repayment of any advance or loan from the  
 34 state shall be made from state tuition support distributions or other  
 35 money available to the school corporation.

36 SECTION 11. IC 20-33-2-10, AS AMENDED BY P.L.43-2009,  
 37 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 38 UPON PASSAGE]: Sec. 10. (a) Each public school shall and each  
 39 private school may require a student who initially enrolls in the school  
 40 to provide:

- 41 (1) the name and address of the school the student last attended;  
 42 and

1 (2) a certified copy of the student's birth certificate or other  
2 reliable proof of the student's date of birth.

3 (b) Not more than fourteen (14) days after initial enrollment in a  
4 school, the school shall request the student's records from the school  
5 the student last attended.

6 (c) If the document described in subsection (a)(2):

7 (1) is not provided to the school not more than thirty (30) days  
8 after the student's enrollment; or

9 (2) appears to be inaccurate or fraudulent;

10 the school shall notify the Indiana clearinghouse for information on  
11 missing children and missing endangered adults established under  
12 IC 10-13-5-5 and determine if the student has been reported missing.

13 (d) A school in Indiana receiving a request for records shall send the  
14 records promptly to the requesting school. **An accredited nonpublic  
15 school is required to send a former student's records that are  
16 requested under subsection (b) regardless of whether the former  
17 student of the accredited nonpublic school or the former student's  
18 parent or guardian owes an outstanding debt to the accredited  
19 nonpublic school.** ~~However,~~ If a request is received for records to  
20 which a notice has been attached under IC 31-36-1-5 (or IC 31-6-13-6  
21 before its repeal), the school:

22 (1) shall immediately notify the Indiana clearinghouse for  
23 information on missing children and missing endangered adults;

24 (2) may not send the school records without the authorization of  
25 the clearinghouse; and

26 (3) may not inform the requesting school that a notice under  
27 IC 31-36-1-5 (or IC 31-6-13-6 before its repeal) has been attached  
28 to the records.

29 **(e) The department may revoke the accreditation of an  
30 accredited nonpublic school that does not send a former student's  
31 records to a requesting school as required under subsection (d).**

32 SECTION 12. IC 20-33-5-9.5, AS ADDED BY P.L.229-2011,  
33 SECTION 194, IS AMENDED TO READ AS FOLLOWS  
34 [EFFECTIVE JULY 1, 2012]: Sec. 9.5. (a) This section applies to  
35 reimbursements made under this chapter in ~~calendar a state fiscal~~ year  
36 ~~2012; and thereafter: beginning after June 30, 2012.~~

37 (b) The amount of reimbursement that a school corporation or an  
38 accredited nonpublic school is entitled to receive under section 7 of  
39 this chapter in a ~~calendar state fiscal~~ year is equal to the amount  
40 determined in the following STEPS:

41 STEP ONE: Determine the amount appropriated to make  
42 reimbursements under this chapter for the state fiscal year. ~~ending~~

1           in the calendar year.  
 2           STEP TWO: Determine the total number of eligible students for  
 3           which reimbursement was requested under either section 7 or 9  
 4           of this chapter before November 1 of the ~~previous calendar state~~  
 5           **fiscal** year by all school corporations and accredited nonpublic  
 6           schools.

7           STEP THREE: Divide the result determined in STEP ONE by the  
 8           number determined in STEP TWO.

9           STEP FOUR: Multiply:

- 10           (A) the STEP THREE result; by  
 11           (B) the number of eligible students for which reimbursement  
 12           was requested under section 7 or 9 of this chapter before  
 13           November 1 of the ~~previous calendar state~~ **fiscal** year by the  
 14           school corporation or the accredited nonpublic school.

15           SECTION 13. IC 20-43-1-1, AS AMENDED BY P.L.229-2011,  
 16           SECTION 199, IS AMENDED TO READ AS FOLLOWS  
 17           [EFFECTIVE JULY 1, 2012]: Sec. 1. This article expires ~~January 1,~~  
 18           ~~2014.~~ **July 1, 2014.**

19           SECTION 14. IC 20-43-1-7, AS ADDED BY P.L.2-2006,  
 20           SECTION 166, IS AMENDED TO READ AS FOLLOWS  
 21           [EFFECTIVE JULY 1, 2012]: Sec. 7. "ADM of the previous year"  
 22           means:

- 23           **(1) for previous years ending before January 1, 2013, the**  
 24           **initial computed ADM for the school year ending in the preceding**  
 25           **calendar year (as adjusted under IC 20-43-4-2); and**  
 26           **(2) for previous years ending after December 31, 2012, the**  
 27           **average of the number of eligible pupils counted on each of**  
 28           **the count dates in the school year ending in that previous year**  
 29           **(as adjusted under IC 20-43-4-2).**

30           SECTION 15. IC 20-43-1-10, AS ADDED BY P.L.2-2006,  
 31           SECTION 166, IS AMENDED TO READ AS FOLLOWS  
 32           [EFFECTIVE JULY 1, 2012]: Sec. 10. "Current ADM" means:

- 33           **(1) for distributions made under this article before October 1,**  
 34           **2012, the initial computed ADM for the school year ending in the**  
 35           **calendar year; and**  
 36           **(2) for distributions made under this article after September**  
 37           **30, 2012, the most recently computed ADM that under**  
 38           **IC 20-43-3-7 is to be used for purposes of calculating a**  
 39           **distribution (as adjusted under IC 20-43-4-2).**

40           SECTION 16. IC 20-43-1-18 IS REPEALED [EFFECTIVE JULY  
 41           1, 2012]. Sec. ~~18:~~ "Maximum state distribution" refers to the amount  
 42           determined under ~~IC 20-43-2-2.~~

1 SECTION 17. IC 20-43-1-25, AS AMENDED BY P.L.229-2011,  
2 SECTION 203, IS AMENDED TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2012]: Sec. 25. "State tuition support" means  
4 the amount of state funds to be distributed to:

- 5 (1) a school corporation other than a virtual charter school in any  
6 **calendar state fiscal** year under this article for all grants,  
7 distributions, and awards described in IC 20-43-2-3; and
- 8 (2) a virtual charter school in any **calendar state fiscal** year under  
9 IC 20-43-6-3.

10 SECTION 18. IC 20-43-2-1, AS AMENDED BY P.L.146-2008,  
11 SECTION 481, IS AMENDED TO READ AS FOLLOWS  
12 [EFFECTIVE JULY 1, 2012]: Sec. 1. The department shall distribute  
13 the amount appropriated by the general assembly for distribution as  
14 state tuition support in accordance with this article. If the  
15 appropriations for distribution as state tuition support are more than  
16 required under this article, any excess shall revert to the state general  
17 fund. The appropriations for state tuition support shall be made each  
18 **calendar state fiscal** year under a schedule set by the budget agency  
19 and approved by the governor. However, the schedule must provide:

- 20 (1) for at least twelve (12) payments;
- 21 (2) that one (1) payment shall be made at least every forty (40)  
22 days; and
- 23 (3) the total of the payments in each **calendar state fiscal** year  
24 must equal the amount required under this article.

25 SECTION 19. IC 20-43-2-2, AS AMENDED BY P.L.229-2011,  
26 SECTION 204, IS AMENDED TO READ AS FOLLOWS  
27 [EFFECTIVE JULY 1, 2012]: Sec. 2. The maximum state distribution  
28 for a **calendar state fiscal** year for all school corporations for the  
29 purposes described in section 3 of this chapter is

- 30 ~~(1) six billion two hundred forty-seven million eight hundred~~  
31 ~~thousand dollars (\$6,247,800,000) in 2011;~~
- 32 ~~(2) six billion two hundred seventy-seven million eight hundred~~  
33 ~~thousand dollars (\$6,277,800,000) in 2012; and~~
- 34 ~~(3) six billion three hundred thirty-nine million six hundred~~  
35 ~~thousand dollars (\$6,339,600,000) in 2013; the amount~~  
36 **appropriated by the general assembly for those purposes for**  
37 **that state fiscal year.**

38 SECTION 20. IC 20-43-2-3, AS AMENDED BY P.L.229-2011,  
39 SECTION 205, IS AMENDED TO READ AS FOLLOWS  
40 [EFFECTIVE JULY 1, 2012]: Sec. 3. If the total amount to be  
41 distributed:

- 42 (1) as basic tuition support;

1 (2) for honors diploma awards;  
 2 (3) for primetime distributions;  
 3 (4) for special education grants; ~~and~~  
 4 (5) for career and technical education grants;  
 5 **(6) for choice scholarships; and**  
 6 **(7) for Mitch Daniels early graduation scholarships;**  
 7 for a particular **state fiscal** year exceeds the ~~maximum state~~  
 8 ~~distribution amounts appropriated by the general assembly for~~  
 9 **those purposes** for a ~~calendar~~ **the state fiscal** year, the amount to be  
 10 distributed for state tuition support under this article to each school  
 11 corporation during each of the last six (6) months of the **state fiscal**  
 12 year shall be proportionately reduced so that the total reductions equal  
 13 the amount of the excess.

14 SECTION 21. IC 20-43-2-8 IS ADDED TO THE INDIANA CODE  
 15 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 16 1, 2012]: **Sec. 8. (a) Beginning July 1, 2012, distributions for basic**  
 17 **tuition support, honors diploma awards, primetime distributions,**  
 18 **special education grants, career and technical education grants,**  
 19 **choice scholarships, and Mitch Daniels early graduation**  
 20 **scholarships shall be made on a state fiscal year basis rather than**  
 21 **a calendar year basis.**

22 **(b) The following is the intent of the general assembly:**  
 23 **(1) The distributions for basic tuition support, honors diploma**  
 24 **awards, primetime distributions, special education grants,**  
 25 **career and technical education grants, choice scholarships,**  
 26 **and Mitch Daniels early graduation scholarships that are**  
 27 **provided for under this article (as this article exists on**  
 28 **January 1, 2012) for calendar year 2012 shall be made only**  
 29 **during the first six (6) months of calendar year 2012.**  
 30 **(2) Except as otherwise provided, the distributions for basic**  
 31 **tuition support, honors diploma awards, primetime**  
 32 **distributions, special education grants, career and technical**  
 33 **education grants, choice scholarships, and Mitch Daniels early**  
 34 **graduation scholarships that were provided for under this**  
 35 **article (as this article existed on January 1, 2012) for calendar**  
 36 **year 2013 shall instead be made during the state fiscal year**  
 37 **2012 beginning July 1, 2012.**  
 38 **(3) IC 20-43-3-7 and IC 20-43-3-8 apply to the distributions**  
 39 **made after June 30, 2012.**

40 **(c) The department shall make any adjustments required to**  
 41 **carry out the change from distributions made on a calendar year**  
 42 **basis to distributions made on a state fiscal year basis.**

1 SECTION 22. IC 20-43-3-4, AS AMENDED BY P.L.229-2011,  
 2 SECTION 206, IS AMENDED TO READ AS FOLLOWS  
 3 [EFFECTIVE JULY 1, 2012]: Sec. 4. (a) **This subsection applies to**  
 4 **the determination of a school corporation's previous year revenue**  
 5 **for purposes of determining distributions under this article before**  
 6 **July 1, 2012.** A school corporation's previous year revenue equals the  
 7 amount determined under STEP TWO of the following formula:

8 STEP ONE: Determine the sum of the following:

9 (A) The school corporation's basic tuition support actually  
 10 received for the year that precedes the current year.

11 (B) For 2012, the restoration grant (IC 20-43-12 (repealed))  
 12 actually received for 2011.

13 (C) For 2012, the small school grant (IC 20-43-12.2  
 14 (repealed)) actually received for 2011.

15 STEP TWO: Subtract from the STEP ONE result an amount equal  
 16 to the reduction in the school corporation's state tuition support  
 17 under any combination of subsection ~~(b)~~ (c) or IC 20-30-2-4.

18 **(b) This subsection applies to the determination of a school**  
 19 **corporation's previous year revenue for purposes of determining**  
 20 **distributions under this article after June 30, 2012. A school**  
 21 **corporation's previous year revenue equals the amount determined**  
 22 **under STEP TWO of the following formula:**

23 **STEP ONE: For purposes of making determinations for:**

24 **(A) the state fiscal year beginning July 1, 2012, determine**  
 25 **the product of the school corporation's basic tuition**  
 26 **support actually received for the first six (6) months of**  
 27 **2012 multiplied by two (2); or**

28 **(B) a state fiscal year beginning after June 30, 2013,**  
 29 **determine the school corporation's basic tuition support**  
 30 **actually received for the state fiscal year that immediately**  
 31 **precedes the current state fiscal year.**

32 **STEP TWO: Subtract from the STEP ONE result an amount**  
 33 **equal to the reduction in the school corporation's state tuition**  
 34 **support under any combination of subsection (c) or**  
 35 **IC 20-30-2-4.**

36 ~~(b)~~ (c) A school corporation's previous year revenue must be  
 37 reduced if:

38 (1) the school corporation's state tuition support for special  
 39 education or career and technical education is reduced as a result  
 40 of a complaint being filed with the department after December 31,  
 41 1988, because the school program overstated the number of  
 42 children enrolled in special education programs or career and



1 technical education programs; and  
 2 (2) the school corporation's previous year revenue has not been  
 3 reduced under this subsection more than one (1) time because of  
 4 a given overstatement.

5 The amount of the reduction equals the amount the school corporation  
 6 would have received in state tuition support for special education and  
 7 career and technical education because of the overstatement.

8 SECTION 23. IC 20-43-3-7 IS ADDED TO THE INDIANA CODE  
 9 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 10 1, 2012]: **Sec. 7. (a) This section applies to distributions under this  
 11 article that:**

12 **(1) are computed in any part based on a count of students  
 13 under IC 20-43-4-2 or IC 20-43-4-4.5; and**

14 **(2) are made after June 30, 2012.**

15 **(b) The number of eligible pupils counted on the September  
 16 count date of 2011 (as adjusted under IC 20-43-4-2) applies to  
 17 distributions made in July, August, September, and October of  
 18 2012.**

19 **(c) After June 30, 2012, the number of eligible pupils counted on  
 20 the September count date (as adjusted under IC 20-43-4-2) applies  
 21 to distributions made in November and December of the year in  
 22 which the September count is made and in January and February  
 23 of the year following the year in which the September count is  
 24 made.**

25 **(d) Except as provided in subsection (b), the number of eligible  
 26 pupils counted on the January count date (as adjusted under  
 27 IC 20-43-4-2) applies to distributions made in March, April, May,  
 28 June, July, August, September, and October of the year in which  
 29 the January count is made.**

30 **(e) If the state board subsequently adjusts under IC 20-43-4-2  
 31 a count used for a distribution under this article, the department  
 32 shall adjust subsequent distributions to the school corporation that  
 33 are affected by the adjusted count, on the schedule determined by  
 34 the department, to reflect the differences between the distribution  
 35 that the school corporation received and the distribution that the  
 36 school corporation would have received if the adjusted count had  
 37 been used.**

38 SECTION 24. IC 20-43-3-8 IS ADDED TO THE INDIANA CODE  
 39 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 40 1, 2012]: **Sec. 8. Distributions under this article that are computed  
 41 in any part based on a count of students under IC 20-43-4-2,  
 42 IC 20-43-4-4, or IC 20-43-4-4.5, and that are made after June 30,**

- 1       **2012, shall be reconciled as follows:**
- 2           **(1) In October of each year, the department shall determine**
- 3           **the result of:**
- 4               **(A) the total amount of the distributions that would have**
- 5               **been received by the school corporation during the months**
- 6               **of July, August, September, and October if the**
- 7               **distributions had been based on the September count of**
- 8               **that year instead of:**
- 9                   **(i) the count made in September of 2011 (in the case of a**
- 10                  **determination made in October of 2012); or**
- 11                  **(ii) the count made in the preceding January (in the case**
- 12                  **of a determination made in October of 2013, and each**
- 13                  **October thereafter); minus**
- 14               **(B) the total amount of the distributions received by a**
- 15               **school corporation during the months of July, August,**
- 16               **September, and October of that year.**
- 17       **(2) If the result determined under subdivision (1) is positive,**
- 18       **the school corporation shall receive an additional distribution**
- 19       **in November equal to the result determined under subdivision**
- 20       **(1).**
- 21       **(3) If the result determined under subdivision (1) is negative,**
- 22       **the distributions otherwise received by the school corporation**
- 23       **in November, December, January, and February shall be**
- 24       **proportionately reduced so that the total reduction is equal to**
- 25       **the result determined under subdivision (1).**
- 26       **(4) In February of each year, the department shall determine**
- 27       **the result of:**
- 28               **(A) the total amount of the distributions that would have**
- 29               **been received by the school corporation during the months**
- 30               **of January and February if the distributions had been**
- 31               **based on the January count of that year instead of the**
- 32               **count made in the preceding September; minus**
- 33               **(B) the total amount of the distributions received by a**
- 34               **school corporation during the months of January and**
- 35               **February of that year.**
- 36       **(5) If the result determined under subdivision (4) is positive,**
- 37       **the school corporation shall receive an additional distribution**
- 38       **in March equal to the result determined under subdivision (4).**
- 39       **(6) If the result determined under subdivision (4) is negative,**
- 40       **the distributions otherwise received by the school corporation**
- 41       **in March, April, May, and June of that year shall be**
- 42       **proportionately reduced so that the total reduction is equal to**

- 1 the result determined under subdivision (4).
- 2 **(7) In January of each year, the department shall determine**
- 3 **the result of:**
- 4 **(A) the total amount of the distributions that would have**
- 5 **been received by the school corporation during the months**
- 6 **of October, November, and December of the preceding**
- 7 **year if the school corporation's ADM for each of those**
- 8 **months had included students:**
- 9 **(i) who, after the September count date and before the**
- 10 **January count date, left a charter school or nonpublic**
- 11 **eligible school (as defined in IC 20-51-1-4.7); and**
- 12 **(ii) were enrolled during the month in a public school**
- 13 **maintained by the school corporation; minus**
- 14 **(B) the total amount of the distributions received by a**
- 15 **school corporation during the months of October,**
- 16 **November, and December of the preceding year.**
- 17 **(8) If the result determined under subdivision (7) is positive,**
- 18 **the school corporation shall receive an additional distribution**
- 19 **in March equal to the result determined under subdivision (7).**
- 20 **(9) In September of each year, the department shall determine**
- 21 **the result of:**
- 22 **(A) the total amount of the distributions that would have**
- 23 **been received by the school corporation during the months**
- 24 **of February, March, April, May, and June of the year if**
- 25 **the school corporation's ADM for each of those months**
- 26 **had included students:**
- 27 **(i) who, after the January count date and before the end**
- 28 **of the school year, left a charter school or nonpublic**
- 29 **eligible school (as defined in IC 20-51-1-4.7); and**
- 30 **(ii) who were enrolled during the month in a public**
- 31 **school maintained by the school corporation; minus**
- 32 **(B) the total amount of the distributions received by a**
- 33 **school corporation during the months of February, March,**
- 34 **April, May, and June of the year.**
- 35 **(10) If the result determined under subdivision (9) is positive,**
- 36 **the school corporation shall receive an additional distribution**
- 37 **in November equal to the result determined under subdivision**
- 38 **(9).**
- 39 **(11) In January of each year, the department shall determine**
- 40 **the result of:**
- 41 **(A) the total amount of the distributions that would have**
- 42 **been received by the school corporation during the months**

1 of October, November, and December of the preceding  
 2 year if the school corporation's ADM for each of those  
 3 months had not included students:

4 (i) who, after the September count date and before the  
 5 January count date, left a public school maintained by  
 6 the school corporation; and

7 (ii) who were enrolled during the month in a charter  
 8 school or nonpublic eligible school (as defined in  
 9 IC 20-51-1-4.7); minus

10 (B) the total amount of the distributions received by a  
 11 school corporation during the months of October,  
 12 November, and December of the preceding year.

13 (12) If the result determined under subdivision (11) is  
 14 negative, the distributions otherwise received by the school  
 15 corporation in March, April, May, and June of that year shall  
 16 be proportionately reduced so that the total reduction is equal  
 17 to the result determined under subdivision (11).

18 (13) In September of each year, the department shall  
 19 determine the result of:

20 (A) the total amount of the distributions that would have  
 21 been received by the school corporation during the months  
 22 of February, March, April, May, and June of the year if  
 23 the school corporation's ADM for each of those months  
 24 had not included students:

25 (i) who, after the January count date and before the end  
 26 of the school year, left a public school maintained by the  
 27 school corporation; and

28 (ii) were enrolled during the month in a charter school or  
 29 nonpublic eligible school (as defined in IC 20-51-1-4.7);  
 30 minus

31 (B) the total amount of the distributions received by a  
 32 school corporation during the months of February, March,  
 33 April, May, and June of the year.

34 (14) If the result determined under subdivision (13) is  
 35 negative, the distributions otherwise received by the school  
 36 corporation in November and December of that year and  
 37 January and February of the following year shall be  
 38 proportionately reduced so that the total reduction is equal to  
 39 the result determined under subdivision (13).

40 SECTION 25. IC 20-43-4-2, AS ADDED BY P.L.2-2006,  
 41 SECTION 166, IS AMENDED TO READ AS FOLLOWS  
 42 [EFFECTIVE JULY 1, 2012]: Sec. 2. A school corporation's ADM is

1 the number of eligible pupils enrolled in:  
 2 (1) the school corporation; or  
 3 (2) a transferee corporation;  
 4 on a day to be the days fixed annually in September and in January  
 5 by the state board for a count of students under section 3 of this  
 6 chapter and as subsequently adjusted not later than January 30 the  
 7 date specified under the rules adopted by the state board. The state  
 8 board may adjust the school's count of eligible pupils if the state  
 9 board determines that the count is unrepresentative of the school  
 10 corporation's enrollment.

11 SECTION 26. IC 20-43-4-3, AS ADDED BY P.L.2-2006,  
 12 SECTION 166, IS AMENDED TO READ AS FOLLOWS  
 13 [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) The initial day of the ADM  
 14 count in a school year must fall within the first thirty (30) days of the  
 15 school year: the month of September each year.

16 (b) The second day of the ADM count in a school year must fall  
 17 within the month of January.

18 (c) However, if extreme patterns of:

- 19 (1) student in-migration;
- 20 (2) illness;
- 21 (3) natural disaster; or
- 22 (4) other unusual conditions in a particular school corporation's
- 23 enrollment;

24 on either the September count day or January count day fixed by the  
 25 state board or on the subsequent adjustment date, cause the enrollment  
 26 to be unrepresentative of the school corporation's enrollment,  
 27 throughout a school year, the state board may designate another day for  
 28 determining the school corporation's enrollment.

29 SECTION 27. IC 20-43-4-4.5 IS ADDED TO THE INDIANA  
 30 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 31 [EFFECTIVE JULY 1, 2012]: Sec. 4.5. (a) This section applies to a  
 32 count of individuals required under this article that is not  
 33 described in section 2 or 4 of this chapter.

34 (b) The state board shall monitor changes that occur in the  
 35 number of students counted under this article. The state board:

- 36 (1) shall require a count of students two (2) times per school
- 37 year on the same days that ADM counts are conducted under
- 38 sections 2 and 3 of this chapter; and
- 39 (2) may adjust the counts as provided in section 2 of this
- 40 chapter.

41 SECTION 28. IC 20-43-5-1, AS AMENDED BY P.L.234-2007,  
 42 SECTION 241, IS AMENDED TO READ AS FOLLOWS

1 [EFFECTIVE JULY 1, 2012]: Sec. 1. A school corporation's transition  
 2 to foundation revenue per adjusted ADM for a **calendar state fiscal**  
 3 year is the amount determined under section 9 of this chapter.

4 SECTION 29. IC 20-43-5-2, AS AMENDED BY P.L.234-2007,  
 5 SECTION 242, IS AMENDED TO READ AS FOLLOWS  
 6 [EFFECTIVE JULY 1, 2012]: Sec. 2. The following amounts must be  
 7 determined under this chapter to calculate a school corporation's  
 8 transition to foundation revenue per adjusted ADM for a **calendar state**  
 9 **fiscal** year:

10 (1) The school corporation's complexity index for the **calendar**  
 11 **state fiscal** year under section 3 of this chapter.

12 (2) The school corporation's foundation amount for the **calendar**  
 13 **state fiscal** year under section 4 of this chapter.

14 (3) The school corporation's previous year revenue foundation  
 15 amount for the **calendar state fiscal** year under section 5 of this  
 16 chapter.

17 (4) The school corporation's transition to foundation amount for  
 18 the **calendar state fiscal** year under section 6 of this chapter.

19 (5) The school corporation's transition to foundation revenue for  
 20 the **calendar state fiscal** year under section 7 of this chapter.

21 SECTION 30. IC 20-43-5-5, AS AMENDED BY P.L.182-2009(ss),  
 22 SECTION 335, IS AMENDED TO READ AS FOLLOWS  
 23 [EFFECTIVE JULY 1, 2012]: Sec. 5. A school corporation's previous  
 24 year revenue foundation amount for a **calendar state fiscal** year is equal  
 25 to the result of:

26 (1) the school corporation's previous year revenue; divided by

27 (2) the school corporation's adjusted ADM for the previous year.

28 SECTION 31. IC 20-43-5-6, AS AMENDED BY P.L.229-2011,  
 29 SECTION 210, IS AMENDED TO READ AS FOLLOWS  
 30 [EFFECTIVE JULY 1, 2012]: Sec. 6. (a) A school corporation's  
 31 transition to foundation amount for a **calendar state fiscal** year is equal  
 32 to the result determined under STEP TWO of the following formula:

33 STEP ONE: Determine the difference of:

34 (A) the school corporation's foundation amount; minus

35 (B) the lesser of:

36 (i) the school corporation's previous year revenue foundation  
 37 amount; or

38 (ii) the result of the school corporation's foundation amount  
 39 multiplied by one and two-tenths (1.2).

40 STEP TWO: A school corporation's STEP TWO amount is the  
 41 following:

42 (A) For a charter school located outside Marion County that

- 1 has previous year revenue that is not greater than zero (0), the  
 2 charter school's STEP TWO amount is the quotient of:
- 3 (i) the school corporation's transition to foundation revenue  
 4 for the ~~calendar~~ **state fiscal** year where the charter school is  
 5 located; divided by  
 6 (ii) the school corporation's current ADM.
- 7 (B) For a charter school located in Marion County that has  
 8 previous year revenue that is not greater than zero (0), the  
 9 charter school's STEP TWO amount is the weighted average  
 10 of the transition to foundation revenue for the school  
 11 corporations where the students counted in the current ADM  
 12 of the charter school have legal settlement, as determined  
 13 under item (iv) of the following formula:
- 14 (i) Determine the transition to foundation revenue for each  
 15 school corporation where a student counted in the current  
 16 ADM of the charter school has legal settlement.  
 17 (ii) For each school corporation identified in item (i), divide  
 18 the item (i) amount by the school corporation's current  
 19 ADM.  
 20 (iii) For each school corporation identified in item (i),  
 21 multiply the item (ii) amount by the number of students  
 22 counted in the current ADM of the charter school that have  
 23 legal settlement in the particular school corporation.  
 24 (iv) Determine the sum of the item (iii) amounts for the  
 25 charter school.
- 26 (C) The STEP TWO amount for a school corporation that is  
 27 not a charter school described in clause (A) or (B) is the  
 28 following:
- 29 (i) The school corporation's foundation amount for the  
 30 ~~calendar~~ **state fiscal** year if the STEP ONE amount is zero  
 31 (0) or greater.  
 32 (ii) The amount determined under subsection (b), if the  
 33 school corporation's STEP ONE amount is less than zero (0).
- 34 (b) For the purposes of STEP TWO (C)(ii) in subsection (a),  
 35 determine the result of:
- 36 (1) the result determined for the school corporation under STEP  
 37 ONE (B) of subsection (a); minus  
 38 (2) the result of:
- 39 (A) the absolute value of the STEP ONE amount; divided by  
 40 (B) ~~seven (7) in 2012 and six (6) in 2013.~~ **the state fiscal year**  
 41 **beginning July 1, 2012.**
- 42 SECTION 32. IC 20-43-5-7, AS AMENDED BY P.L.229-2011,

1 SECTION 211, IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JULY 1, 2012]: Sec. 7. A school corporation's transition  
3 to foundation revenue for a **calendar state fiscal** year is equal to the  
4 product of:

- 5 (1) the school corporation's transition to foundation amount for  
6 the **calendar state fiscal** year; multiplied by
- 7 (2) the school corporation's current ADM.

8 SECTION 33. IC 20-43-5-9, AS AMENDED BY P.L.234-2007,  
9 SECTION 247, IS AMENDED TO READ AS FOLLOWS  
10 [EFFECTIVE JULY 1, 2012]: Sec. 9. A school corporation's transition  
11 to foundation revenue per adjusted ADM for a **calendar state fiscal**  
12 year is the quotient of:

- 13 (1) the school corporation's transition to foundation revenue for  
14 the **calendar state fiscal** year; divided by
- 15 (2) the school corporation's current adjusted ADM.

16 SECTION 34. IC 20-43-6-1, AS AMENDED BY P.L.182-2009(ss),  
17 SECTION 338, IS AMENDED TO READ AS FOLLOWS  
18 [EFFECTIVE JULY 1, 2012]: Sec. 1. Subject to the amount  
19 appropriated by the general assembly for state tuition support and  
20 IC 20-43-2, the amount that a school corporation is entitled to receive  
21 in basic tuition support for a **state fiscal** year is the amount determined  
22 in section 3 of this chapter.

23 SECTION 35. IC 20-43-6-3, AS AMENDED BY P.L.229-2011,  
24 SECTION 212, IS AMENDED TO READ AS FOLLOWS  
25 [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) A school corporation's basic  
26 tuition support for a **state fiscal** year is the amount determined under  
27 the applicable provision of this section.

28 (b) The school corporation's basic tuition support for a **state fiscal**  
29 year is equal to the school corporation's transition to foundation  
30 revenue for the year.

31 (c) This subsection applies to students of a virtual charter school. A  
32 virtual charter school's basic tuition support for a **state fiscal** year for  
33 those students is the amount determined under IC 20-24-7-13.

34 SECTION 36. IC 20-43-7-1, AS ADDED BY P.L.2-2006,  
35 SECTION 166, IS AMENDED TO READ AS FOLLOWS  
36 [EFFECTIVE JULY 1, 2012]: Sec. 1. In addition to the amount a  
37 school corporation is entitled to receive in basic tuition support, each  
38 school corporation is entitled to receive a grant for special education  
39 programs **for the state fiscal year**. The amount of the special  
40 education grant is based on the count of eligible pupils enrolled in  
41 special education programs on December 1 of the preceding **state**  
42 **fiscal** year in:



- 1 (1) the school corporation; or
- 2 (2) a transferee corporation.

3 SECTION 37. IC 20-43-7-6, AS AMENDED BY P.L. 182-2009(ss),  
 4 SECTION 340, IS AMENDED TO READ AS FOLLOWS  
 5 [EFFECTIVE JULY 1, 2012]: Sec. 6. **(a)** A school corporation's special  
 6 education grant for a ~~calendar~~ **state fiscal** year is equal to the sum of  
 7 the following:

- 8 (1) The nonduplicated count of pupils in programs for severe  
 9 disabilities multiplied by eight thousand three hundred fifty  
 10 dollars (\$8,350).
- 11 (2) The nonduplicated count of pupils in programs of mild and  
 12 moderate disabilities multiplied by two thousand two hundred  
 13 sixty-five dollars (\$2,265).
- 14 (3) The duplicated count of pupils in programs for communication  
 15 disorders multiplied by five hundred thirty-three dollars (\$533).
- 16 (4) The cumulative count of pupils in homebound programs  
 17 multiplied by five hundred thirty-three dollars (\$533).
- 18 (5) The nonduplicated count of pupils in special preschool  
 19 education programs multiplied by two thousand seven hundred  
 20 fifty dollars (\$2,750).

21 **(b) Before February 1 of each calendar year, the department**  
 22 **shall determine the result of:**

- 23 **(1) the total amount of the special education grant that would**  
 24 **have been received by the school corporation during the**  
 25 **months of July, August, September, October, November, and**  
 26 **December of the preceding calendar year and January of the**  
 27 **current calendar year if the grant had been based on the**  
 28 **count of students with disabilities that was made on the**  
 29 **immediately preceding December 1; minus**
- 30 **(2) the total amount of the special education grant received by**  
 31 **the school corporation during the months of July, August,**  
 32 **September, October, November, and December of the**  
 33 **preceding calendar year and January of the current calendar**  
 34 **year.**

35 **If the result determined under this subsection is positive, the school**  
 36 **corporation shall receive an additional special education grant**  
 37 **distribution in February equal to the result determined under this**  
 38 **subsection. If the result determined under this subsection is**  
 39 **negative, the special education grant distributions that otherwise**  
 40 **would be received by the school corporation in February, March,**  
 41 **April, and May shall be proportionately reduced so that the total**  
 42 **reduction is equal to the result determined under this subsection.**

1           **(c) The special education grant distributions made in February,**  
 2 **March, April, May, and June of a calendar year shall be based on**  
 3 **the count of students with disabilities that was made on the**  
 4 **immediately preceding December 1.**

5           SECTION 38. IC 20-43-8-2, AS AMENDED BY P.L.234-2007,  
 6 SECTION 137, IS AMENDED TO READ AS FOLLOWS  
 7 [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) Before December 1 of each  
 8 year, the department of workforce development shall provide the  
 9 department with a report, to be used to determine career and technical  
 10 education grant amounts in the ~~second calendar~~ **state fiscal** year  
 11 **beginning** after the year in which the report is provided, listing whether  
 12 the labor market demand for each generally recognized labor category  
 13 is more than moderate, moderate, or less than moderate. In the report,  
 14 the department of workforce development shall categorize each of the  
 15 career and technical education programs using the following four (4)  
 16 categories:

17           (1) Programs that address employment demand for individuals in  
 18 labor market categories that are projected to need more than a  
 19 moderate number of individuals.

20           (2) Programs that address employment demand for individuals in  
 21 labor market categories that are projected to need a moderate  
 22 number of individuals.

23           (3) Programs that address employment demand for individuals in  
 24 labor market categories that are projected to need less than a  
 25 moderate number of individuals.

26           (4) All programs not covered by the employment demand  
 27 categories of subdivisions (1) through (3).

28           (b) Before December 1 of each year, the department of workforce  
 29 development shall provide the department with a report, to be used to  
 30 determine grant amounts that will be distributed under this chapter in  
 31 the ~~second calendar~~ **state fiscal** year **beginning** after the year in which  
 32 the report is provided, listing whether the average wage level for each  
 33 generally recognized labor category for which career and technical  
 34 education programs are offered is a high wage, a moderate wage, or a  
 35 less than moderate wage.

36           (c) In preparing the labor market demand report under subsection  
 37 (a) and the average wage level report under subsection (b), the  
 38 department of workforce development shall, if possible, list the labor  
 39 market demand and the average wage level for specific regions,  
 40 counties, and municipalities.

41           (d) If a new career and technical education program is created by  
 42 rule of the state board, the department of workforce development shall

1 determine the category in which the program should be included.

2 SECTION 39. IC 20-43-8-9, AS AMENDED BY P.L.234-2007,  
3 SECTION 139, IS AMENDED TO READ AS FOLLOWS  
4 [EFFECTIVE JULY 1, 2012]: Sec. 9. A school corporation's career and  
5 technical education grant for a **calendar state fiscal** year is the sum of  
6 the following amounts:

7 STEP ONE: For each career and technical education program  
8 provided by the school corporation:

9 (A) the number of credit hours of the program (either one (1)  
10 credit, two (2) credits, or three (3) credits); multiplied by

11 (B) the number of students enrolled in the program; multiplied  
12 by

13 (C) the following applicable amount:

14 (i) Four hundred fifty dollars (\$450), in the case of a  
15 program described in section 5 of this chapter (more than a  
16 moderate labor market need) for which the average wage  
17 level determined under section 2(b) of this chapter is a high  
18 wage.

19 (ii) Three hundred seventy-five dollars (\$375), in the case of  
20 a program described in section 5 of this chapter (more than  
21 a moderate labor market need) for which the average wage  
22 level determined under section 2(b) of this chapter is a  
23 moderate wage.

24 (iii) Three hundred dollars (\$300), in the case of a program  
25 described in section 5 of this chapter (more than a moderate  
26 labor market need) for which the average wage level  
27 determined under section 2(b) of this chapter is a less than  
28 moderate wage.

29 (iv) Three hundred seventy-five dollars (\$375), in the case  
30 of a program described in section 6 of this chapter (moderate  
31 labor market need) for which the average wage level  
32 determined under section 2(b) of this chapter is a high wage.

33 (v) Three hundred dollars (\$300), in the case of a program  
34 described in section 6 of this chapter (moderate labor market  
35 need) for which the average wage level determined under  
36 section 2(b) of this chapter is a moderate wage.

37 (vi) Two hundred twenty-five dollars (\$225), in the case of  
38 a program described in section 6 of this chapter (moderate  
39 labor market need) for which the average wage level  
40 determined under section 2(b) of this chapter is a less than  
41 moderate wage.

42 (vii) Three hundred dollars (\$300), in the case of a program

1 described in section 7 of this chapter (less than a moderate  
 2 labor market need) for which the average wage level  
 3 determined under section 2(b) of this chapter is a high wage.  
 4 (viii) Two hundred twenty-five dollars (\$225), in the case of  
 5 a program described in section 7 of this chapter (less than a  
 6 moderate labor market need) for which the average wage  
 7 level determined under section 2(b) of this chapter is a  
 8 moderate wage.

9 (ix) One hundred fifty dollars (\$150), in the case of a  
 10 program described in section 7 of this chapter (less than a  
 11 moderate labor market need) for which the average wage  
 12 level determined under section 2(b) of this chapter is a less  
 13 than moderate wage.

14 STEP TWO: The number of pupils described in section 8 of this  
 15 chapter (all other programs) multiplied by two hundred fifty  
 16 dollars (\$250).

17 STEP THREE: The number of pupils participating in a career and  
 18 technical education program in which pupils from multiple  
 19 schools are served at a common location multiplied by one  
 20 hundred fifty dollars (\$150).

21 SECTION 40. IC 20-43-9-6, AS AMENDED BY P.L.229-2011,  
 22 SECTION 217, IS AMENDED TO READ AS FOLLOWS  
 23 [EFFECTIVE JULY 1, 2012]: Sec. 6. A school corporation's primetime  
 24 distribution for a ~~calendar~~ **state fiscal** year under this chapter is the  
 25 amount determined by the following formula:

26 STEP ONE: Determine the applicable target pupil/teacher ratio  
 27 for the school corporation as follows:

28 (A) If the school corporation's complexity index is less than  
 29 one and one-tenth (1.1), the school corporation's target  
 30 pupil/teacher ratio is eighteen to one (18:1).

31 (B) If the school corporation's complexity index is at least one  
 32 and one-tenth (1.1) but less than one and three-tenths (1.3), the  
 33 school corporation's target pupil/teacher ratio is fifteen (15)  
 34 plus the result determined in item (iii) to one (1):

35 (i) Determine the result of one and three-tenths (1.3) minus  
 36 the school corporation's complexity index.

37 (ii) Determine the item (i) result divided by two-tenths (0.2).

38 (iii) Determine the item (ii) result multiplied by three (3).

39 (C) If the school corporation's complexity index is at least one  
 40 and three-tenths (1.3), the school corporation's target  
 41 pupil/teacher ratio is fifteen to one (15:1).

42 STEP TWO: Determine the result of:

- 1 (A) the ADM of the school corporation in kindergarten  
 2 through grade 3 for the current school year; divided by  
 3 (B) the school corporation's applicable target pupil/teacher  
 4 ratio, as determined in STEP ONE.
- 5 STEP THREE: Determine the result of:  
 6 (A) the basic tuition support for the year multiplied by  
 7 seventy-five hundredths (0.75); divided by  
 8 (B) the school corporation's ADM.
- 9 STEP FOUR: Determine the result of:  
 10 (A) the STEP THREE result; multiplied by  
 11 (B) the ADM of the school corporation in kindergarten  
 12 through grade 3 for the current school year.
- 13 STEP FIVE: Determine the result of:  
 14 (A) the STEP FOUR result; divided by  
 15 (B) the staff cost amount.
- 16 STEP SIX: Determine the greater of zero (0) or the result of:  
 17 (A) the STEP TWO amount; minus  
 18 (B) the STEP FIVE amount.
- 19 STEP SEVEN: Determine the result of:  
 20 (A) the STEP SIX amount; multiplied by  
 21 (B) the staff cost amount.
- 22 STEP EIGHT: Determine the greater of the STEP SEVEN amount  
 23 or **zero (0)**.  
 24 ~~(A) for 2012, fifty percent (50%) of the school corporation's~~  
 25 ~~guaranteed primetime amount; or~~  
 26 ~~(B) for 2013, zero (0).~~
- 27 STEP NINE: A school corporation's amount under this STEP is  
 28 the following:  
 29 (A) If the amount the school corporation received under this  
 30 chapter in the previous ~~calendar~~ **state fiscal** year is greater  
 31 than zero (0), the amount under this STEP is the lesser of:  
 32 (i) the STEP EIGHT amount; or  
 33 (ii) the amount the school corporation received under this  
 34 chapter for the previous ~~calendar~~ **state fiscal** year multiplied  
 35 by one hundred seven and one-half percent (107.5%).  
 36 (B) If the amount the school corporation received under this  
 37 chapter in the previous ~~calendar~~ **state fiscal** year is not greater  
 38 than zero (0), the amount under this STEP is the STEP EIGHT  
 39 amount.
- 40 SECTION 41. IC 20-43-10-2, AS AMENDED BY P.L.229-2011,  
 41 SECTION 219, IS AMENDED TO READ AS FOLLOWS  
 42 [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) A school corporation's honors

1 diploma award for a **calendar state fiscal** year is the amount  
 2 determined under STEP FOUR of the following formula:

3 STEP ONE: Determine the number of the school corporation's  
 4 eligible pupils who successfully completed an academic honors  
 5 diploma program in the school year ending in the previous  
 6 **calendar state fiscal** year.

7 STEP TWO: Determine the result of:

8 (A) the number of the school corporation's eligible pupils who  
 9 successfully completed a Core 40 diploma with technical  
 10 honors program in the school year ending in the previous  
 11 **calendar state fiscal** year; minus

12 (B) the number of eligible pupils who would otherwise be  
 13 double counted under both clause (A) and STEP ONE.

14 STEP THREE: Determine the sum of the number of eligible  
 15 students determined under STEP ONE and the number of eligible  
 16 students determined under STEP TWO.

17 STEP FOUR: Multiply the STEP THREE amount by nine  
 18 hundred dollars (\$900).

19 (b) An amount received by a school corporation as an honors  
 20 diploma award may be used only for:

21 (1) any:

22 (A) staff training;

23 (B) program development;

24 (C) equipment and supply expenditures; or

25 (D) other expenses;

26 directly related to the school corporation's honors diploma  
 27 program; and

28 (2) the school corporation's program for high ability students.

29 (c) A governing body that does not comply with this section for a  
 30 school year is not eligible to receive an honors diploma award for the  
 31 following school year.

32 SECTION 42. IC 20-49-7-4, AS ADDED BY P.L.2-2006,  
 33 SECTION 172, IS AMENDED TO READ AS FOLLOWS  
 34 [EFFECTIVE JULY 1, 2012]: Sec. 4. As used in this chapter,  
 35 "operational costs" means costs other than construction costs incurred  
 36 by:

37 (1) a charter school other than a conversion charter school during  
 38 the second six (6) months of the **calendar state fiscal** year in  
 39 which the charter school begins its initial operation; or

40 (2) a charter school, including a conversion charter school, during  
 41 the second six (6) months of a **calendar state fiscal** year in which  
 42 the charter school's most recent enrollment reported under

1 IC 20-24-7-2(a) divided by the charter school's previous year's  
2 ADM is at least one and fifteen-hundredths (1.15).

3 SECTION 43. IC 20-51-4-5, AS ADDED BY P.L.92-2011,  
4 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
5 JULY 1, 2012]: Sec. 5. The state tuition support amount to be used in  
6 ~~section 3(2)~~ **section 4(2)** of this chapter for an eligible individual is the  
7 amount determined under the last STEP of the following formula:

8 STEP ONE: Determine the school corporation in which the  
9 eligible individual has legal settlement.

10 STEP TWO: Determine the amount of state tuition support that  
11 the school corporation identified under STEP ONE is eligible to  
12 receive under IC 20-43 for the ~~calendar~~ **state fiscal** year in which  
13 the current school year begins, excluding amounts provided for  
14 special education grants under IC 20-43-7 and career and  
15 technical education grants under IC 20-43-8.

16 STEP THREE: Determine the result of:

17 (A) the STEP TWO amount; divided by

18 (B) the current ADM (as defined in IC 20-43-1-10) for the  
19 school corporation identified under STEP ONE for the  
20 ~~calendar~~ **state fiscal** year used in STEP TWO.

21 SECTION 44. IC 20-51-4-6, AS ADDED BY P.L.92-2011,  
22 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
23 JULY 1, 2012]: Sec. 6. (a) If an eligible individual enrolls in an eligible  
24 school for less than an entire school year, the choice scholarship  
25 provided under this chapter for that school year shall be reduced on a  
26 prorated basis to reflect the shorter school term.

27 (b) An eligible individual is entitled to only one (1) choice  
28 scholarship for each school year. If the eligible individual leaves the  
29 eligible school for which the eligible individual was awarded a choice  
30 scholarship and enrolls in another eligible school, the eligible  
31 individual is responsible for the payment of any tuition required for the  
32 remainder of that school year.

33 **(c) If an eligible individual who was awarded a choice**  
34 **scholarship leaves the nonpublic eligible school for which the**  
35 **eligible individual was awarded a choice scholarship and in that**  
36 **school year enrolls in a public school maintained by a school**  
37 **corporation, the eligible school shall pay to the treasurer of state**  
38 **for deposit in the state general fund an amount determined in the**  
39 **following STEPS:**

40 **STEP ONE: Determine the amount of the choice scholarship**  
41 **awarded to the eligible individual for the school year.**

42 **STEP TWO: Determine the result of:**

1           **(A) the eligible school's total number of school days in that**  
 2           **school year minus the number of days in that school year**  
 3           **in which the eligible individual was enrolled in the eligible**  
 4           **school; divided by**

5           **(B) the eligible school's total number of school days in that**  
 6           **school year.**

7           **STEP THREE: Multiply the STEP ONE result by the STEP**  
 8           **TWO result.**

9           SECTION 45. [EFFECTIVE JULY 1, 2012] **(a) The department**  
 10          **of education shall, before November 1, 2012, report to the state**  
 11          **budget committee:**

12           **(1) the number of students who left a charter school and**  
 13           **enrolled in a public school maintained by a school corporation**  
 14           **during the 2011 - 2012 school year; and**

15           **(2) the number of students who:**

16           **(A) received a choice scholarship for the 2011 - 2012 school**  
 17           **year; and**

18           **(B) left a nonpublic eligible school (as defined in**  
 19           **IC 20-51-1-4.7) and enrolled in a public school maintained**  
 20           **by a school corporation during the 2011 - 2012 school year.**

21           **(b) This SECTION expires January 1, 2013.**

22           SECTION 46. [EFFECTIVE JULY 1, 2012] **(a) For the fiscal year**  
 23          **beginning July 1, 2012, and ending June 30, 2013, there is**  
 24          **appropriated to the department of education thirty million nine**  
 25          **hundred thousand dollars (\$30,900,000) from the state general**  
 26          **fund for distribution for tuition support, total operating expense,**  
 27          **beginning July 1, 2012, and ending June 30, 2013. This**  
 28          **appropriation is in addition to the appropriation for tuition**  
 29          **support that was made by P.L.229-2011.**

30           **(b) This SECTION expires July 1, 2013.**



- 1 SECTION 47. **An emergency is declared for this act.**
- 2 Delete pages 2 through 42.
- 3 Renumber all SECTIONS consecutively.  
(Reference is to HB 1189 as printed January 17, 2012.)

**and when so amended that said bill do pass and be reassigned to the Senate Committee on Appropriations.**

Committee Vote: Yeas 9, Nays 0.

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**Senator Kruse, Chairperson**