

COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Appropriations, 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 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 education and to make an appropriation.
- 4 Page 1, between the enacting clause and line 1, begin a new
- 5 paragraph and insert:
- 6 "SECTION 1. IC 5-2-10.1-10, AS AMENDED BY P.L.2-2006,
- 7 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 8 JULY 1, 2012]: Sec. 10. (a) A county may establish a county school
- 9 safety commission.
- 10 (b) The members of the commission are as follows:
- 11 (1) The school safety specialist for each school corporation
- 12 located in whole or in part in the county.
- 13 (2) The judge of the court having juvenile jurisdiction in the
- 14 county or the judge's designee.
- 15 (3) The sheriff of the county or the sheriff's designee.
- 16 (4) The chief officer of every other law enforcement agency in the
- 17 county, or the chief officer's designee.
- 18 (5) A representative of the juvenile probation system, appointed
- 19 by the judge described under subdivision (2).
- 20 (6) Representatives of community agencies that work with
- 21 children within the county.

- 1 (7) A representative of the Indiana state police district that serves
2 the county.
- 3 (8) A representative of the Prosecuting Attorneys Council of
4 Indiana who specializes in the prosecution of juveniles.
- 5 (9) Other appropriate individuals selected by the commission.
- 6 (c) If a commission is established, the school safety specialist of the
7 school corporation having the largest ADM (as defined in
8 IC 20-18-2-2), **as determined in the fall count of ADM in the school**
9 **year ending in the current calendar year**, in the county shall convene
10 the initial meeting of the commission.
- 11 (d) The members shall annually elect a chairperson.
- 12 (e) A commission shall perform the following duties:
- 13 (1) Perform a cumulative analysis of school safety needs within
14 the county.
- 15 (2) Coordinate and make recommendations for the following:
- 16 (A) Prevention of juvenile offenses and improving the
17 reporting of juvenile offenses within the schools.
- 18 (B) Proposals for identifying and assessing children who are
19 at high risk of becoming juvenile offenders.
- 20 (C) Methods to meet the educational needs of children who
21 have been detained as juvenile offenders.
- 22 (D) Methods to improve communications among agencies that
23 work with children.
- 24 (E) Methods to improve security and emergency preparedness.
- 25 (F) Additional equipment or personnel that are necessary to
26 carry out safety plans.
- 27 (G) Any other topic the commission considers necessary to
28 improve school safety within the school corporations within
29 the commission's jurisdiction.
- 30 (3) Provide assistance to the school safety specialists on the
31 commission in developing and requesting grants for safety plans.
- 32 (4) Provide assistance to the school safety specialists on the
33 commission and the participating school corporations in
34 developing and requesting grants for school safe haven programs
35 under section 7 of this chapter.
- 36 (5) Assist each participating school corporation in carrying out
37 the school corporation's safety plans.
- 38 (f) The affirmative votes of a majority of the voting members of the
39 commission are required for the commission to take action on a
40 measure.

41 SECTION 2. IC 20-18-2-2, AS AMENDED BY P.L.2-2006,
42 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

1 JULY 1, 2012]: Sec. 2. "ADM", has the meaning set forth in
 2 ~~IC 20-43-1-6~~. **except as otherwise provided by law, refers to the fall**
 3 **count of eligible pupils under IC 20-43-4-3 conducted in the school**
 4 **year ending in the current calendar year.**

5 SECTION 3. IC 20-18-2-2.7 IS ADDED TO THE INDIANA CODE
 6 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 7 1, 2012]: **Sec. 2.7. "Current ADM" has the meaning set forth in**
 8 **IC 20-43-1-10.**

9 SECTION 4. IC 20-18-2-4.5 IS ADDED TO THE INDIANA CODE
 10 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 11 1, 2012]: **Sec. 4.5. "Fall count" has the meaning set forth in**
 12 **IC 20-43-1-12.3.**

13 SECTION 5. IC 20-18-2-18.5 IS ADDED TO THE INDIANA
 14 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 15 [EFFECTIVE JULY 1, 2012]: **Sec. 18.5. "Spring count" has the**
 16 **meaning set forth in IC 20-43-1-24.5.**

17 SECTION 6. IC 20-20-13-17, AS ADDED BY P.L.1-2005,
 18 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2012]: Sec. 17. The total technology plan grant amount to a
 20 qualifying school corporation is the amount determined by the
 21 department, with advice from the educational technology council
 22 established by IC 20-20-14-2, multiplied by the school corporation's
 23 **current ADM, as determined in:**

24 **(1) a calendar year ending before January 1, 2013, in the fall**
 25 **count of students in the school year ending in the current**
 26 **calendar year; and**

27 **(2) a calendar year ending after December 31, 2012, in the**
 28 **spring count of students in the school year ending in the**
 29 **current calendar year.**

30 The amount is one hundred dollars (\$100). However, for the purposes
 31 of determining the **current** ADM of a school corporation, students who
 32 are transferred under IC 20-33-4 or IC 20-26-11 shall be counted as
 33 students having legal settlement in the transferee corporation and not
 34 having legal settlement in the transferor corporation.

35 SECTION 7. IC 20-20-13-19, AS ADDED BY P.L.218-2005,
 36 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2012]: Sec. 19. (a) The department shall list all school
 38 corporations in Indiana according to assessed valuation for property tax
 39 purposes per student in **current** ADM, **as determined in section 17 of**
 40 **this chapter**, beginning with the school corporation having the lowest
 41 assessed valuation for property tax purposes per student in **current**
 42 ADM. For purposes of the list made under this section, the Indiana

1 School for the Blind and Visually Impaired established by IC 20-21-2-1
 2 and the Indiana School for the Deaf established by IC 20-22-2-1 shall
 3 be considered to have the lowest assessed valuation for property tax
 4 purposes per student in **current** ADM during the six (6) year period
 5 beginning July 1, 2001.

6 (b) The department must prepare a revised list under subsection (a)
 7 before a new series of grants may begin.

8 (c) The department shall determine those school corporations to be
 9 placed in a group to receive a grant in a fiscal year under sections 13
 10 through 24 of this chapter as follows:

11 (1) Beginning with the school corporation that is first on the list
 12 developed under subsection (a), the department shall continue
 13 sequentially through the list and place school corporations that
 14 qualify for a grant under section 15 of this chapter in a group until
 15 the cumulative total **current** ADM of all school corporations in
 16 the group depletes the money that is available for grants in the
 17 fiscal year.

18 (2) Each fiscal year the department shall develop a new group by
 19 continuing sequentially through the list beginning with the first
 20 qualifying school corporation on the list that was not placed in a
 21 group in the prior fiscal year.

22 (3) If the final group developed from the list contains substantially
 23 fewer students in **current** ADM than available money, the
 24 department shall:

25 (A) prepare a revised list of school corporations under
 26 subsection (a); and

27 (B) place in the group qualifying school corporations from the
 28 top of the revised list.

29 (4) The department shall label the groups with sequential
 30 numbers beginning with "group one".

31 SECTION 8. IC 20-23-7-12, AS AMENDED BY P.L.179-2011,
 32 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2012]: Sec. 12. (a) As used in this section, "county" means the
 34 county in which the school township is located.

35 (b) As used in this section, "school township" means a school
 36 township in Indiana that:

37 (1) for the last full school semester immediately preceding:

38 (A) the adoption of a preliminary resolution by the township
 39 trustee and the township board under subsection (f); or

40 (B) the adoption of a resolution of disapproval by the township
 41 trustee and the township board under subsection (g);

42 had ~~an~~ a **current** ADM of at least six hundred (600) students in

1 kindergarten through grade 12 in the public schools of the school
2 township; or

3 (2) is part of a township in which there were more votes cast for
4 township trustee outside the school township than inside the
5 school township in the general election at which the trustee was
6 elected and that preceded the adoption of the preliminary or
7 disapproving resolution.

8 (c) As used in this section, "township board" means the township
9 board of a township in which the school township is located.

10 (d) As used in this section, "township trustee" means the township
11 trustee of the township in which the school township is located.

12 (e) In a school township, a metropolitan school district may be
13 created by complying with this section. A metropolitan school district
14 created under this section shall have the same boundaries as the school
15 township. After a district has been created under this section, the
16 school township that preceded the metropolitan school district is
17 abolished. The procedures or provisions governing the creation of a
18 metropolitan school district under another section of this chapter do not
19 apply to the creation of a district under this section. After a
20 metropolitan school district is created under this section, the district
21 shall, except as otherwise provided in this section, be governed by and
22 operate in accordance with this chapter governing the operation of a
23 metropolitan school district as established under section 2 of this
24 chapter.

25 (f) Except as provided in subsection (g), a metropolitan school
26 district provided for in subsection (e) may be created in the following
27 manner:

28 (1) The township trustee shall call a meeting of the township
29 board. At the meeting, the township trustee and a majority of the
30 township board shall adopt a resolution that a metropolitan school
31 district shall be created in the school township. The township
32 trustee shall then give notice:

33 (A) by two (2) publications one (1) week apart in a newspaper
34 of general circulation published in the school township; or

35 (B) if there is no newspaper as described in clause (A), in a
36 newspaper of general circulation in the county;

37 of the adoption of the resolution setting forth the text of the
38 resolution.

39 (2) On the thirtieth day after the date of the last publication of the
40 notice under subdivision (1) and if a protest has not been filed, the
41 township trustee and a majority of the township board shall
42 confirm their preliminary resolution. If, however, on or before the

1 twenty-ninth day after the date of the last publication of the
2 notice, a number of registered voters of the school township,
3 equal to five percent (5%) or more of the number of votes cast in
4 the school township for secretary of state at the last preceding
5 general election for that office, sign and file with the township
6 trustee a petition requesting an election in the school township to
7 determine whether or not a metropolitan school district must be
8 created in the township in accordance with the preliminary
9 resolution, then an election must be held as provided in
10 subsection (h). The preliminary resolution and confirming
11 resolution provided in this subsection shall both be adopted at a
12 meeting of the township trustee and township board in which the
13 township trustee and each member of the township board received
14 or waived a written notice of the date, time, place, and purpose of
15 the meeting. The resolution and the proof of service or waiver of
16 the notice shall be made a part of the records of the township
17 board.

18 (g) Except as provided in subsection (f), a metropolitan school
19 district may also be created in the following manner:

20 (1) A number of registered voters of the school township, equal
21 to five percent (5%) or more of the votes cast in the school
22 township for secretary of state at the last general election for that
23 office, shall sign and file with the township trustee a petition
24 requesting the creation of a metropolitan school district under this
25 section.

26 (2) The township trustee and a majority of the township board
27 shall, not more than ten (10) days after the filing of a petition:

28 (A) adopt a preliminary resolution that a metropolitan school
29 district shall be created in the school township and proceed as
30 provided in subsection (f); or

31 (B) adopt a resolution disapproving the creation of the district.

32 (3) If either the township trustee or a majority of township board
33 members vote in favor of disapproving the resolution, an election
34 must be held to determine whether or not a metropolitan school
35 district shall be created in the school township in the same
36 manner as is provided in subsection (f) if an election is requested
37 by petition.

38 (h) An election required under subsection (f) or (g) may, at the
39 option of the township trustee, be held either as a special election or in
40 conjunction with a primary or general election to be held not more than
41 one hundred twenty (120) days after the filing of a petition under
42 subsection (f) or the adoption of the disapproving resolution under

1 subsection (g). The township trustee shall certify the question to the
2 county election board under IC 3-10-9-3 and give notice of an election:

3 (1) by two (2) publications one (1) week apart in a newspaper of
4 general circulation in the school township; or

5 (2) if a newspaper described in subdivision (1) does not exist, in
6 a newspaper of general circulation published in the county.

7 The notice must provide that on a day and time named in the notice, the
8 polls shall be opened at the usual voting places in the various precincts
9 in the school township for the purpose of taking the vote of the
10 registered voters of the school township regarding whether a
11 metropolitan school district shall be created in the township. The
12 election shall be held not less than twenty (20) days and not more than
13 thirty (30) days after the last publication of the notice unless a primary
14 or general election will be conducted not more than six (6) months after
15 the publication. In that case, the county election board shall place the
16 public question on the ballot at the primary or general election. If the
17 election is to be a special election, the township trustee shall give
18 notice not more than thirty (30) days after the filing of the petition or
19 the adoption of the disapproving resolution.

20 (i) On the day and time named in the notice, the polls shall be
21 opened and the votes of the voters shall be taken regarding whether a
22 metropolitan school district shall be created in the school township.
23 IC 3 governs the election except as otherwise provided in this chapter.
24 The county election board shall conduct the election. The public
25 question shall be placed on the ballot in the form prescribed by
26 IC 3-10-9-4 and must state, "Shall a metropolitan school district under
27 IC 20-23-7 be formed in the _____ School Township of
28 _____ County, Indiana?". The name of the school township
29 shall be inserted in the blanks.

30 (j) The votes cast in the election shall be canvassed at a place in the
31 school township determined by the county election board. The
32 certificate of the votes cast for and against the creation of a
33 metropolitan school district shall be filed in the records of the township
34 board and recorded with the county recorder. If the special election is
35 not conducted at a primary or general election, the school township
36 shall pay the expense of holding the election out of the school general
37 fund that is appropriated for this purpose.

38 (k) A metropolitan school district shall, subject to section 7 of this
39 chapter, be created on the thirtieth day after the date of the adoption of
40 the confirming resolution under subsection (f) or an election held under
41 subsection (h). If a public official fails to do the official's duty within
42 the time prescribed in this section, the failure does not invalidate the

1 proceedings taken under this section. An action to contest the validity
2 of the creation of a metropolitan school district under this section or to
3 enjoin the operation of a metropolitan school district may not be
4 instituted later than the thirtieth day following the date of the adoption
5 of the confirming resolution under subsection (f) or of the election held
6 under subsection (h). Except as provided in this section, an election
7 under this subsection may not be held sooner than twelve (12) months
8 after another election held under subsection (h).

9 (l) A metropolitan school district is known as "The Metropolitan
10 School District of _____ Township, _____ County,
11 Indiana". The first metropolitan board of education in a metropolitan
12 school district created under this section consists of five (5) members.
13 The township trustee and the township board members are ex officio
14 members of the first board, subject to the laws concerning length of
15 their respective terms of office, manner of election or appointment, and
16 the filling of vacancies applicable to their respective offices. The ex
17 officio members serve without compensation or reimbursement for
18 expenses, other than that which they may receive from their respective
19 offices. The township board shall, by a resolution recorded in its
20 records, appoint the fifth member of the metropolitan board of
21 education. The fifth member shall meet the qualifications of a member
22 of a metropolitan board of education under this chapter, with the
23 exception of the board member district requirements provided in
24 sections 4, 5, and 8.1 of this chapter.

25 (m) A fifth board member shall be appointed not more than fifteen
26 (15) days after the date of the adoption of the confirming resolution
27 under subsection (f)(2) or an election held under subsection (h). The
28 first board shall hold its first meeting not more than fifteen (15) days
29 after the date when the fifth board member is appointed or elected, on
30 a date established by the township board in the resolution in which it
31 appoints the fifth board member. The first board shall serve until
32 January 1 following the election of a metropolitan school board at the
33 first general election held more than sixty (60) days following the
34 creation of the metropolitan school district.

35 (n) After the creation of a metropolitan school district under this
36 section, the president of the metropolitan school board of the district
37 shall serve as a member of the county board of education and perform
38 the duties on the county board of education that were previously
39 performed by the township trustee. The metropolitan school board and
40 superintendent of the district may call upon the assistance of and use
41 the services provided by the county superintendent of schools. This
42 subsection does not limit or take away the powers, rights, privileges, or

- 1 duties of the metropolitan school district or the board or superintendent
2 of the district provided in this chapter."
- 3 Page 1, line 3, after "than" insert "**each of**".
- 4 Page 1, line 4, after "ADM" delete ",".
- 5 Page 1, line 5 after "year," insert "**under IC 20-43-4-3 and**
6 **IC 20-43-4-3.5**".
- 7 Page 1, line 16, strike "This subsection applies after".
- 8 Page 1, line 16, delete "June 30".
- 9 Page 1, line 16, strike "of the".
- 10 Page 1, line 17, strike "the calendar year in which a charter school
11 begins its initial operation."
- 12 Page 2, line 1, after "distribute" insert "**state tuition support**
13 **distributions**".
- 14 Page 2, line 1, after "organizer" insert ".".
- 15 Page 2, line 1, strike "the state tuition support".
- 16 Page 2, line 2, strike "distribution."
- 17 Page 2, line 2, delete "The" and insert "**Subject to IC 20-43-4-9,**
18 the".
- 19 Page 2, delete lines 6 through 42.
- 20 Delete pages 3 through 31, begin a new paragraph and insert:
21 "SECTION 10. IC 20-24-7-3, AS AMENDED BY P.L.146-2008,
22 SECTION 461, IS AMENDED TO READ AS FOLLOWS
23 [EFFECTIVE JULY 1, 2013]: Sec. 3. (a) This section applies to a
24 conversion charter school.
- 25 (b) Beginning not more than sixty (60) days after the department
26 receives the information reported under section 2(a) of this chapter, the
27 department shall distribute to the organizer:
- 28 ~~(1) tuition support and other state funding for any purpose for~~
29 ~~students enrolled in the conversion charter school;~~
- 30 ~~(2) (1) a proportionate share of state and federal funds received:~~
31 (A) for students with disabilities; or
32 (B) for staff services for students with disabilities;
33 enrolled in the conversion charter school; and
- 34 ~~(3) (2) a proportionate share of funds received under federal or~~
35 ~~state categorical aid programs for students who are eligible for the~~
36 ~~federal or state categorical aid and are enrolled in the conversion~~
37 ~~charter school;~~
- 38 for the second six (6) months of the calendar year in which the
39 conversion charter school is established. The department shall make a
40 distribution under this subsection at the same time and in the same
41 manner as the department makes a distribution to the governing body
42 of the school corporation in which the conversion charter school is

1 located. A distribution to the governing body of the school corporation
 2 in which the conversion charter school is located is reduced by the
 3 amount distributed to the conversion charter school. This subsection
 4 does not apply to a conversion charter school after December 31 of the
 5 calendar year in which the conversion charter school is established.

6 (c) This subsection applies during the second six (6) months of the
 7 calendar year in which a conversion charter school is established. A
 8 conversion charter school may apply for an advance from the charter
 9 school advancement account under IC 20-49-7 in the amount
 10 determined under STEP FOUR of the following formula:

11 STEP ONE: Determine the result under subsection (d) STEP
 12 ONE (A):

13 STEP TWO: Determine the difference between:

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

15 (B) the STEP ONE amount.

16 STEP THREE: Determine the quotient of:

17 (A) the STEP TWO amount; divided by

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

19 STEP FOUR: Determine the product of:

20 (A) the STEP THREE amount; multiplied by

21 (B) the quotient of:

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

23 (ii) two (2):

24 SECTION 11. IC 20-24-7-4, AS AMENDED BY P.L.91-2011,
 25 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2012]: Sec. 4. (a) Services that a school corporation provides
 27 to a charter school, including transportation, may be provided at not
 28 more than one hundred three percent (103%) of the actual cost of the
 29 services.

30 (b) This subsection applies to a sponsor that is a state educational
 31 institution described in IC 20-24-1-7(2): **IC 20-24-1-9(2)**. In a **calendar**
 32 **state fiscal** year, a state educational institution may receive from the
 33 organizer of a charter school sponsored by the state educational
 34 institution an administrative fee equal to not more than three percent
 35 (3%) of the total amount the organizer receives during the **calendar**
 36 **state fiscal** year from basic tuition support (as defined in
 37 IC 20-43-1-8).

38 (c) This subsection applies to the executive of a consolidated city
 39 that sponsors a charter school. In a **calendar state fiscal** year, the
 40 executive may collect from the organizer of a charter school sponsored
 41 by the executive an administrative fee equal to not more than three
 42 percent (3%) of the total amount the organizer receives during the

1 **calendar state fiscal** year for basic tuition support.

2 (d) This subsection applies to a sponsor that is a nonprofit college
3 or university that is approved by the state board of education. In a
4 **calendar state fiscal** year, a private college or university may collect
5 from the organizer of a charter school sponsored by the private college
6 or university an administrative fee equal to not more than three percent
7 (3%) of the total amount the organizer receives during the **calendar**
8 **state fiscal** year for basic tuition support.

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

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

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

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

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

40 SECTION 12. IC 20-24-7-6.5, AS ADDED BY P.L.229-2011,
41 SECTION 170, IS AMENDED TO READ AS FOLLOWS
42 [EFFECTIVE JULY 1, 2012]: Sec. 6.5. (a) Subject to subsection (b)

1 and with the approval of a majority of the members of the governing
 2 body, a school corporation may distribute any part of the following to
 3 a conversion school sponsored by the school corporation in the amount
 4 and under the terms and conditions adopted by a majority of the
 5 members of the governing body:

6 (1) State tuition support and other state distributions to the school
 7 corporation.

8 (2) Any other amount deposited in the school corporation's
 9 general fund.

10 (b) The total amount that may be transferred under subsection (a) in
 11 a **calendar state fiscal** year to a particular conversion charter school
 12 may not exceed the result determined under STEP FOUR of the
 13 following formula:

14 STEP ONE: Determine the result of:

15 (A) the amount of state tuition support that the school
 16 corporation is eligible to receive in the **calendar state fiscal**
 17 year; divided by

18 (B) the **current fall count of** ADM of the school corporation
 19 **for conducted in the current** calendar year.

20 STEP TWO: Determine the result of:

21 (A) the amount of state tuition support that the conversion
 22 charter school is eligible to receive in the **calendar state fiscal**
 23 year; divided by

24 (B) the **current fall count of** ADM of the conversion charter
 25 school **for conducted in the calendar state fiscal** year.

26 STEP THREE: Determine the greater of zero (0) or the result of:

27 (A) the STEP ONE amount; minus

28 (B) the STEP TWO amount.

29 STEP FOUR: Determine the result of:

30 (A) the STEP THREE amount; multiplied by

31 (B) the **current fall count of** ADM of the conversion charter
 32 school **for conducted in the calendar state fiscal** year.

33 SECTION 13. IC 20-24-7-9, AS AMENDED BY P.L.146-2008,
 34 SECTION 463, IS AMENDED TO READ AS FOLLOWS
 35 [EFFECTIVE JULY 1, 2013]: Sec. 9. (a) This section applies if:

36 (1) a sponsor:

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

39 (B) does not renew a charter; or

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

42 (b) Any state funds that remain to be distributed to the charter

1 school in the ~~calendar~~ **state fiscal** year in which an event described in
 2 subsection (a) occurs shall be distributed as follows:

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

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

9 (c) If the funds described in subsection (b) are insufficient to repay
 10 all existing obligations of the charter school under IC 20-49-7
 11 (**repealed**) or **IC 20-49-5-7**, the state shall repay any remaining
 12 obligations of the charter school under IC 20-49-7 (**repealed**) or
 13 **IC 20-49-5-7** from the amount appropriated for state tuition support
 14 distributions.

15 SECTION 14. IC 20-24-7-13, AS AMENDED BY P.L.229-2011,
 16 SECTION 171, IS AMENDED TO READ AS FOLLOWS
 17 [EFFECTIVE JULY 1, 2012]: Sec. 13. (a) As used in this section,
 18 "virtual charter school" means any charter school, including a
 19 conversion charter school, that provides for the delivery of more than
 20 fifty percent (50%) of instruction to students through:

- 21 (1) virtual distance learning;
 22 (2) online technologies; or
 23 (3) computer based instruction.

24 (b) ~~Beginning with the 2011-2012 school year~~, A virtual charter
 25 school may apply for sponsorship with any statewide sponsor in
 26 accordance with the sponsor's guidelines.

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

29 ~~(1) the product of:~~

- 30 ~~(A) the number of students included in the virtual charter~~
 31 ~~school's ADM; multiplied by~~
 32 ~~(B) eighty percent (80%) of statewide average basic tuition~~
 33 ~~support.~~

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

37 (1) the product of:

- 38 (A) the number of students included in the virtual charter
 39 school's **current** ADM; multiplied by
 40 (B) **the result of:**

41 (i) eighty-seven and five-tenths percent (87.5%) of the
 42 school's foundation amount determined under IC 20-43-5-4;

- 1 **divided by**
 2 **(ii) twelve (12); plus**
 3 (2) the total of any special education grants under IC 20-43-7 to
 4 which the virtual charter school is entitled **for the month.**
 5 ~~After December 31, 2011,~~ **For state fiscal years beginning after June**
 6 **30, 2012,** a virtual charter school is entitled to receive special
 7 education grants under IC 20-43-7 calculated in the same manner as
 8 special education grants are calculated for other school corporations.
 9 (d) The department shall adopt rules under IC 4-22-2 to govern the
 10 operation of virtual charter schools.
 11 (e) Beginning in 2009, the department shall before December 1 of
 12 each year submit an annual report to the budget committee concerning
 13 the program under this section.
 14 (f) ~~This subsection does not apply to students who were enrolled in~~
 15 ~~a virtual charter school during the 2010-2011 school year.~~ Each school
 16 year, at least sixty percent (60%) of the students who are enrolled in
 17 virtual charter schools under this section for the first time must have
 18 been included in the state's **fall count of ADM count for conducted in**
 19 the previous school year.
 20 SECTION 15. IC 20-24-7.5 IS REPEALED [EFFECTIVE JULY 1,
 21 2013]. (New Charter School Startup Grant).
 22 SECTION 16. IC 20-24.5-2-10, AS AMENDED BY P.L.146-2008,
 23 SECTION 464, IS AMENDED TO READ AS FOLLOWS
 24 [EFFECTIVE JULY 1, 2012]: Sec. 10. A laboratory school that:
 25 (1) is operated without an agreement; and
 26 (2) has an ADM **in the fall count of a school year** of not more
 27 than seven hundred fifty (750);
 28 must be treated as a charter school for purposes of funding under
 29 IC 20-20-33 and IC 20-43.
 30 SECTION 17. IC 20-24.5-2-11, AS ADDED BY P.L.2-2007,
 31 SECTION 209, IS AMENDED TO READ AS FOLLOWS
 32 [EFFECTIVE JULY 1, 2012]: Sec. 11. A student who attends a
 33 laboratory school full time may not be counted in **current** ADM or
 34 ADA by any school corporation when the student's attendance is not
 35 regulated under an agreement.
 36 SECTION 18. IC 20-25-12-5, AS ADDED BY P.L.1-2005,
 37 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2012]: Sec. 5. The **initial** approved general fund budget for
 39 each school for a school year must be, as nearly as is reasonable and
 40 practicable, proportionate to the total general fund budget for the
 41 school city in the same ratio as the school's estimated **current** ADM
 42 **for the fall count in the school year** compares to the school city's

1 estimated **current** ADM for **the fall count for** that school year.

2 SECTION 19. IC 20-26-5-4, AS AMENDED BY P.L.90-2011,
3 SECTION 11, AND AS AMENDED BY P.L.200-2011, SECTION 1,
4 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 2012]: Sec. 4. In carrying out the school
6 purposes of a school corporation, the governing body acting on the
7 school corporation's behalf has the following specific powers:

8 (1) In the name of the school corporation, to sue and be sued and
9 to enter into contracts in matters permitted by applicable law.
10 However, a governing body may not use funds received from the
11 state to bring or join in an action against the state, unless the
12 governing body is challenging an adverse decision by a state
13 agency, board, or commission.

14 (2) To take charge of, manage, and conduct the educational affairs
15 of the school corporation and to establish, locate, and provide the
16 necessary schools, school libraries, other libraries where
17 permitted by law, other buildings, facilities, property, and
18 equipment.

19 (3) To appropriate from the school corporation's general fund an
20 amount, not to exceed the greater of three thousand dollars
21 (\$3,000) per budget year or one dollar (\$1) per pupil, not to
22 exceed twelve thousand five hundred dollars (\$12,500), based on
23 the school corporation's **ADM of the previous year's ADM, year**
24 **(as defined in IC 20-43-1-7)** to promote the best interests of the
25 school corporation through:

26 (A) the purchase of meals, decorations, memorabilia, or
27 awards;

28 (B) provision for expenses incurred in interviewing job
29 applicants; or

30 (C) developing relations with other governmental units.

31 (4) To:

32 (A) Acquire, construct, erect, maintain, hold, and contract for
33 construction, erection, or maintenance of real estate, real estate
34 improvements, or an interest in real estate or real estate
35 improvements, as the governing body considers necessary for
36 school purposes, including buildings, parts of buildings,
37 additions to buildings, rooms, gymnasiums, auditoriums,
38 playgrounds, playing and athletic fields, facilities for physical
39 training, buildings for administrative, office, warehouse, repair
40 activities, or housing school owned buses, landscaping, walks,
41 drives, parking areas, roadways, easements and facilities for
42 power, sewer, water, roadway, access, storm and surface

- 1 water, drinking water, gas, electricity, other utilities and
2 similar purposes, by purchase, either outright for cash (or
3 under conditional sales or purchase money contracts providing
4 for a retention of a security interest by the seller until payment
5 is made or by notes where the contract, security retention, or
6 note is permitted by applicable law), by exchange, by gift, by
7 devise, by eminent domain, by lease with or without option to
8 purchase, or by lease under IC 20-47-2, IC 20-47-3, or
9 IC 20-47-5.
- 10 (B) Repair, remodel, remove, or demolish, or to contract for
11 the repair, remodeling, removal, or demolition of the real
12 estate, real estate improvements, or interest in the real estate
13 or real estate improvements, as the governing body considers
14 necessary for school purposes.
- 15 (C) Provide for conservation measures through utility
16 efficiency programs or under a guaranteed savings contract as
17 described in IC 36-1-12.5.
- 18 (5) To acquire personal property or an interest in personal
19 property as the governing body considers necessary for school
20 purposes, including buses, motor vehicles, equipment, apparatus,
21 appliances, books, furniture, and supplies, either by cash purchase
22 or under conditional sales or purchase money contracts providing
23 for a security interest by the seller until payment is made or by
24 notes where the contract, security, retention, or note is permitted
25 by applicable law, by gift, by devise, by loan, or by lease with or
26 without option to purchase and to repair, remodel, remove,
27 relocate, and demolish the personal property. All purchases and
28 contracts specified under the powers authorized under subdivision
29 (4) and this subdivision are subject solely to applicable law
30 relating to purchases and contracting by municipal corporations
31 in general and to the supervisory control of state agencies as
32 provided in section 6 of this chapter.
- 33 (6) To sell or exchange real or personal property or interest in real
34 or personal property that, in the opinion of the governing body, is
35 not necessary for school purposes, in accordance with IC 20-26-7,
36 to demolish or otherwise dispose of the property if, in the opinion
37 of the governing body, the property is not necessary for school
38 purposes and is worthless, and to pay the expenses for the
39 demolition or disposition.
- 40 (7) To lease any school property for a rental that the governing
41 body considers reasonable or to permit the free use of school
42 property for:

1 (A) civic or public purposes; or
 2 (B) the operation of a school age child care program for
 3 children who are at least five (5) years of age and less than
 4 fifteen (15) years of age that operates before or after the school
 5 day, or both, and during periods when school is not in session;
 6 if the property is not needed for school purposes. Under this
 7 subdivision, the governing body may enter into a long term lease
 8 with a nonprofit corporation, community service organization, or
 9 other governmental entity, if the corporation, organization, or
 10 other governmental entity will use the property to be leased for
 11 civic or public purposes or for a school age child care program.
 12 However, if payment for the property subject to a long term lease
 13 is made from money in the school corporation's debt service fund,
 14 all proceeds from the long term lease must be deposited in the
 15 school corporation's debt service fund so long as payment for the
 16 property has not been made. The governing body may, at the
 17 governing body's option, use the procedure specified in
 18 IC 36-1-11-10 in leasing property under this subdivision.

19 (8) To:

20 (A) Employ, contract for, and discharge superintendents,
 21 supervisors, principals, teachers, librarians, athletic coaches
 22 (whether or not they are otherwise employed by the school
 23 corporation and whether or not they are licensed under
 24 IC 20-28-5), business managers, superintendents of buildings
 25 and grounds, janitors, engineers, architects, physicians,
 26 dentists, nurses, accountants, teacher aides performing
 27 noninstructional duties, educational and other professional
 28 consultants, data processing and computer service for school
 29 purposes, including the making of schedules, the keeping and
 30 analyzing of grades and other student data, the keeping and
 31 preparing of warrants, payroll, and similar data where
 32 approved by the state board of accounts as provided below,
 33 and other personnel or services as the governing body
 34 considers necessary for school purposes.

35 (B) Fix and pay the salaries and compensation of persons and
 36 services described in this subdivision *that are consistent with*
 37 *IC 20-28-9-1.*

38 (C) Classify persons or services described in this subdivision
 39 and to adopt schedules of salaries or compensation *that are*
 40 *consistent with IC 20-28-9-1.*

41 (D) Determine the number of the persons or the amount of the
 42 services employed or contracted for as provided in this

1 subdivision.

2 (E) Determine the nature and extent of the duties of the
3 persons described in this subdivision.

4 The compensation, terms of employment, and discharge of
5 teachers are, however, subject to and governed by the laws
6 relating to employment, contracting, compensation, and discharge
7 of teachers. The compensation, terms of employment, and
8 discharge of bus drivers are subject to and governed by laws
9 relating to employment, contracting, compensation, and discharge
10 of bus drivers. The forms and procedures relating to the use of
11 computer and data processing equipment in handling the financial
12 affairs of the school corporation must be submitted to the state
13 board of accounts for approval so that the services are used by the
14 school corporation when the governing body determines that it is
15 in the best interest of the school corporation while at the same
16 time providing reasonable accountability for the funds expended.

17 (9) Notwithstanding the appropriation limitation in subdivision
18 (3), when the governing body by resolution considers a trip by an
19 employee of the school corporation or by a member of the
20 governing body to be in the interest of the school corporation,
21 including attending meetings, conferences, or examining
22 equipment, buildings, and installation in other areas, to permit the
23 employee to be absent in connection with the trip without any loss
24 in pay and to reimburse the employee or the member the
25 employee's or member's reasonable lodging and meal expenses
26 and necessary transportation expenses. To pay teaching personnel
27 for time spent in sponsoring and working with school related trips
28 or activities.

29 (10) To transport children to and from school, when in the
30 opinion of the governing body the transportation is necessary,
31 including considerations for the safety of the children and without
32 regard to the distance the children live from the school. The
33 transportation must be otherwise in accordance with applicable
34 law.

35 (11) To provide a lunch program for a part or all of the students
36 attending the schools of the school corporation, including the
37 establishment of kitchens, kitchen facilities, kitchen equipment,
38 lunch rooms, the hiring of the necessary personnel to operate the
39 lunch program, and the purchase of material and supplies for the
40 lunch program, charging students for the operational costs of the
41 lunch program, fixing the price per meal or per food item. To
42 operate the lunch program as an extracurricular activity, subject

- 1 to the supervision of the governing body. To participate in a
2 surplus commodity or lunch aid program.
- 3 (12) To purchase textbooks, to furnish textbooks without cost or
4 to rent textbooks to students, to participate in a textbook aid
5 program, all in accordance with applicable law.
- 6 (13) To accept students transferred from other school corporations
7 and to transfer students to other school corporations in accordance
8 with applicable law.
- 9 (14) To make budgets, to appropriate funds, and to disburse the
10 money of the school corporation in accordance with applicable
11 law. To borrow money against current tax collections and
12 otherwise to borrow money, in accordance with IC 20-48-1.
- 13 (15) To purchase insurance or to establish and maintain a
14 program of self-insurance relating to the liability of the school
15 corporation or the school corporation's employees in connection
16 with motor vehicles or property and for additional coverage to the
17 extent permitted and in accordance with IC 34-13-3-20. To
18 purchase additional insurance or to establish and maintain a
19 program of self-insurance protecting the school corporation and
20 members of the governing body, employees, contractors, or agents
21 of the school corporation from liability, risk, accident, or loss
22 related to school property, school contract, school or school
23 related activity, including the purchase of insurance or the
24 establishment and maintenance of a self-insurance program
25 protecting persons described in this subdivision against false
26 imprisonment, false arrest, libel, or slander for acts committed in
27 the course of the persons' employment, protecting the school
28 corporation for fire and extended coverage and other casualty
29 risks to the extent of replacement cost, loss of use, and other
30 insurable risks relating to property owned, leased, or held by the
31 school corporation. *In accordance with IC 20-26-17*, to:
- 32 (A) participate in a state employee health plan under
33 IC 5-10-8-6.6 or IC 5-10-8-6.7;
- 34 (B) purchase insurance; or
- 35 (C) establish and maintain a program of self-insurance;
36 to benefit school corporation employees, including accident,
37 sickness, health, or dental coverage, provided that a plan of
38 self-insurance must include an aggregate stop-loss provision.
- 39 (16) To make all applications, to enter into all contracts, and to
40 sign all documents necessary for the receipt of aid, money, or
41 property from the state, the federal government, or from any other
42 source.

1 (17) To defend a member of the governing body or any employee
 2 of the school corporation in any suit arising out of the
 3 performance of the member's or employee's duties for or
 4 employment with, the school corporation, if the governing body
 5 by resolution determined that the action was taken in good faith.
 6 To save any member or employee harmless from any liability,
 7 cost, or damage in connection with the performance, including the
 8 payment of legal fees, except where the liability, cost, or damage
 9 is predicated on or arises out of the bad faith of the member or
 10 employee, or is a claim or judgment based on the member's or
 11 employee's malfeasance in office or employment.

12 (18) To prepare, make, enforce, amend, or repeal rules,
 13 regulations, and procedures:

14 (A) for the government and management of the schools,
 15 property, facilities, and activities of the school corporation, the
 16 school corporation's agents, employees, and pupils and for the
 17 operation of the governing body; and

18 (B) that may be designated by an appropriate title such as
 19 "policy handbook", "bylaws", or "rules and regulations".

20 (19) To ratify and approve any action taken by a member of the
 21 governing body, an officer of the governing body, or an employee
 22 of the school corporation after the action is taken, if the action
 23 could have been approved in advance, and in connection with the
 24 action to pay the expense or compensation permitted under
 25 IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and
 26 IC 20-48-1 or any other law.

27 (20) To exercise any other power and make any expenditure in
 28 carrying out the governing body's general powers and purposes
 29 provided in this chapter or in carrying out the powers delineated
 30 in this section which is reasonable from a business or educational
 31 standpoint in carrying out school purposes of the school
 32 corporation, including the acquisition of property or the
 33 employment or contracting for services, even though the power or
 34 expenditure is not specifically set out in this chapter. The specific
 35 powers set out in this section do not limit the general grant of
 36 powers provided in this chapter except where a limitation is set
 37 out in IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12,
 38 and IC 20-48-1 by specific language or by reference to other law.

39 SECTION 20. IC 20-26-11-11, AS AMENDED BY P.L.159-2007,
 40 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JULY 1, 2012]: Sec. 11. (a) A school corporation may enter into an
 42 agreement with:

- 1 (1) a nonprofit corporation that operates a federally approved
 2 education program; or
 3 (2) a nonprofit corporation that:
 4 (A) is exempt from federal income taxation under Section
 5 501(c)(3) of the Internal Revenue Code;
 6 (B) for its classroom instruction, employs teachers who are
 7 certified by the department;
 8 (C) employs other professionally and state licensed staff as
 9 appropriate; and
 10 (D) educates children who:
 11 (i) have been suspended, expelled, or excluded from a public
 12 school in that school corporation and have been found to
 13 have an emotional disturbance;
 14 (ii) have been placed with the nonprofit corporation by court
 15 order;
 16 (iii) have been referred by a local health department;
 17 (iv) have been placed in a state licensed private or public
 18 health care or child care facility as described in section 8 of
 19 this chapter; or
 20 (v) have been placed by or with the consent of the
 21 department under IC 20-35-6-2;

22 in order to provide a student with an individualized education program
 23 that is the most suitable educational program available.

24 (b) If a school corporation that is a transferee corporation enters into
 25 an agreement as described in subsection (a), the school corporation
 26 shall pay to the nonprofit corporation an amount agreed upon that may
 27 not exceed the total of:

- 28 (1) the transfer tuition costs for the student that otherwise would
 29 be payable to the transferee corporation; and
 30 (2) a proportionate amount of any state or local distributions to
 31 the transferee corporation that are computed in any part using
 32 **current** ADM or any other student count in which the student is
 33 included, if the transferee corporation includes the student in the
 34 transferee corporation's **current** ADM for a ~~school year~~ **the**
 35 **period in which the student is being educated by the nonprofit**
 36 **corporation.**
 37 (c) If a school corporation that is a transferor corporation enters into
 38 an agreement as described in subsection (a), the school corporation
 39 shall pay to the nonprofit corporation an amount agreed upon, which
 40 may not exceed the total of:
 41 (1) the transfer tuition costs that otherwise would be payable to a
 42 transferee school corporation; and

1 (2) a proportionate amount of any state or local distributions to
 2 the transferor corporation that are computed in any part using
 3 **current** ADM or any other student count in which the student is
 4 included, if the transferor corporation includes the student in the
 5 transferor corporation's ADM for a ~~school year~~ **the period in**
 6 **which the student is being educated by the nonprofit**
 7 **corporation.**

8 SECTION 21. IC 20-26-11-13, AS AMENDED BY P.L.229-2011,
 9 SECTION 173, IS AMENDED TO READ AS FOLLOWS
 10 [EFFECTIVE JULY 1, 2012]: Sec. 13. (a) As used in this section, the
 11 following terms have the following meanings:

12 (1) "Class of school" refers to a classification of each school or
 13 program in the transferee corporation by the grades or special
 14 programs taught at the school. Generally, these classifications are
 15 denominated as kindergarten, elementary school, middle school
 16 or junior high school, high school, and special schools or classes,
 17 such as schools or classes for special education, career and
 18 technical education, or career education.

19 (2) "Special equipment" means equipment that during a school
 20 year:

21 (A) is used only when a child with disabilities is attending
 22 school;

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

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

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

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

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

34 (B) The total number of students enrolled in a class of school
 35 in a transferee school corporation on a date determined by the
 36 state board.

37 However, a kindergarten student shall be counted under clauses
 38 (A) and (B) as one-half (1/2) student. The state board may select
 39 a different date for counts under this subdivision. However, the
 40 same date shall be used for all school corporations making a count
 41 for the same class of school.

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

1 year on account of each transferred student, except a student
 2 transferred under section 6 of this chapter, transfer tuition from the
 3 transferor corporation or the state as provided in this chapter. Transfer
 4 tuition equals the amount determined under STEP THREE of the
 5 following formula:

6 STEP ONE: Allocate to each transfer student the capital
 7 expenditures for any special equipment used by the transfer
 8 student and a proportionate share of the operating costs incurred
 9 by the transferee school for the class of school where the transfer
 10 student is enrolled.

11 STEP TWO: If the transferee school included the transfer student
 12 in the transferee school's **current** ADM, ~~for a school year;~~
 13 allocate to the transfer student a proportionate share of the
 14 following general fund revenues of the transferee school: ~~for;~~
 15 ~~except as provided in clause (C); the calendar year in which the~~
 16 ~~school year ends:~~

17 (A) State tuition support distributions **received during the**
 18 **calendar year in which the school corporation ends.**

19 (B) Property tax levies under IC 20-45-7 and IC 20-45-8 **for**
 20 **the calendar year in which the school corporation ends.**

21 (C) The sum of the following excise tax revenue received for
 22 deposit in the calendar year in which the school year begins:

23 (i) Financial institution excise tax revenue (IC 6-5.5).

24 (ii) Motor vehicle excise taxes (IC 6-6-5).

25 (iii) Commercial vehicle excise taxes (IC 6-6-5.5).

26 (iv) Boat excise tax (IC 6-6-11).

27 (v) Aircraft license excise tax (IC 6-6-6.5).

28 (D) Allocations to the transferee school under IC 6-3.5.

29 STEP THREE: Determine the greater of:

30 (A) zero (0); or

31 (B) the result of subtracting the STEP TWO amount from the
 32 STEP ONE amount.

33 If a child is placed in an institution or facility in Indiana by or with the
 34 approval of the department of child services, the institution or facility
 35 shall charge the department of child services for the use of the space
 36 within the institution or facility (commonly called capital costs) that is
 37 used to provide educational services to the child based upon a prorated
 38 per student cost.

39 (c) Operating costs shall be determined for each class of school
 40 where a transfer student is enrolled. The operating cost for each class
 41 of school is based on the total expenditures of the transferee
 42 corporation for the class of school from its general fund expenditures

- 1 as specified in the classified budget forms prescribed by the state board
 2 of accounts. This calculation excludes:
- 3 (1) capital outlay;
 - 4 (2) debt service;
 - 5 (3) costs of transportation;
 - 6 (4) salaries of board members;
 - 7 (5) contracted service for legal expenses; and
 - 8 (6) any expenditure that is made from extracurricular account
 9 receipts;
- 10 for the school year.
- 11 (d) The capital cost of special equipment for a school year is equal
 12 to:
- 13 (1) the cost of the special equipment; divided by
 - 14 (2) the product of:
 - 15 (A) the useful life of the special equipment, as determined
 - 16 under the rules adopted by the state board; multiplied by
 - 17 (B) the number of students using the special equipment during
 - 18 at least part of the school year.
- 19 (e) When an item of expense or cost described in subsection (c)
 20 cannot be allocated to a class of school, it shall be prorated to all
 21 classes of schools on the basis of the student enrollment of each class
 22 in the transferee corporation compared with the total student
 23 enrollment in the school corporation.
- 24 (f) Operating costs shall be allocated to a transfer student for each
 25 school year by dividing:
- 26 (1) the transferee school corporation's operating costs for the class
 27 of school in which the transfer student is enrolled; by
 - 28 (2) the student enrollment of the class of school in which the
 29 transfer student is enrolled.
- 30 When a transferred student is enrolled in a transferee corporation for
 31 less than the full school year of student attendance, the transfer tuition
 32 shall be calculated by the part of the school year for which the
 33 transferred student is enrolled. A school year of student attendance
 34 consists of the number of days school is in session for student
 35 attendance. A student, regardless of the student's attendance, is enrolled
 36 in a transferee school unless the student is no longer entitled to be
 37 transferred because of a change of residence, the student has been
 38 excluded or expelled from school for the balance of the school year or
 39 for an indefinite period, or the student has been confirmed to have
 40 withdrawn from school. The transferor and the transferee corporation
 41 may enter into written agreements concerning the amount of transfer
 42 tuition due in any school year. If an agreement cannot be reached, the

1 amount shall be determined by the state board, and costs may be
2 established, when in dispute, by the state board of accounts.

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

- 5 (1) the total amount of revenues received **during a period**; by
- 6 (2) the **current** ADM of the transferee school for the ~~school year~~
7 **that ends in the calendar year period** in which the revenues are
8 received.

9 However, for state tuition support distributions or any other state
10 distribution computed using less than the total **current** ADM of the
11 transferee school, the transferee school shall allocate the revenues to
12 the transfer student by dividing the revenues that the transferee school
13 is eligible to receive **in a calendar year during the period** by the
14 student count used to compute the state distribution.

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

- 19 (1) be entered into for a period of not more than five (5) years
20 with an option to renew;
- 21 (2) specify a maximum number of students to be transferred; and
- 22 (3) fix a method for determining the amount of transfer tuition
23 and the time of payment, which may be different from that
24 provided in section 14 of this chapter.

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

- 28 (1) be for one (1) year or longer; and
- 29 (2) fix a method for determining the amount of transfer tuition or
30 time of payment that is different from the method, amount, or
31 time of payment that is provided in this section or section 14 of
32 this chapter.

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

35 SECTION 22. IC 20-26-11-22, AS ADDED BY P.L.1-2005,
36 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 JULY 1, 2012]: Sec. 22. (a) The transferee corporation is entitled to
38 receive from the transferor corporation transfer tuition for each
39 transferred student for each school year calculated in two (2) parts:

- 40 (1) operating cost; and
- 41 (2) capital cost.

42 These costs must be allocated on a per student basis separately for each

1 class of school.

2 (b) The operating cost for each class of school must be based on the
3 total expenditures of the transferee corporation for the class from its
4 general fund expenditures as set out on the classified budget forms
5 prescribed by the state board of accounts, excluding from the
6 calculation capital outlay, debt service, costs of transportation, salaries
7 of board members, contracted service for legal expenses, and any
8 expenditure that is made out of the general fund from extracurricular
9 account receipts, for the school year.

10 (c) The capital cost for each class of school must consist of the
11 lesser of the following alternatives:

12 (1) The capital cost must be based on an amount equal to five
13 percent (5%) of the cost of transferee corporation's physical plant,
14 equipment, and all items connected to the physical plant or
15 equipment, including:

16 (A) buildings, additions, and remodeling to the buildings,
17 excluding ordinary maintenance; and

18 (B) on-site and off-site improvements such as walks, sewers,
19 waterlines, drives, and playgrounds;

20 that have been paid or are obligated to be paid in the future out of
21 the general fund, capital projects fund, or debt service fund,
22 including principal and interest, lease rental payments, and funds
23 that were legal predecessors to these funds. If an item of the
24 physical plant, equipment, appurtenances, or part of the item is
25 more than twenty (20) years old at the beginning of the school
26 year, the capital cost of the item shall be disregarded in making
27 the capital cost computation.

28 (2) The capital cost must be based on the amount budgeted from
29 the general fund for capital outlay for physical plant, equipment,
30 and appurtenances and the amounts levied for the debt service
31 fund and the capital projects fund for the calendar year in which
32 the school year ends.

33 (d) If an item of expense or cost cannot be allocated to a class of
34 school, the item shall be prorated to all classes of schools on the basis
35 of the ADM of each class in the transferee corporation, **as determined**
36 **in the fall count of ADM in the school year**, compared to the total
37 **current** ADM therein, **as determined in the fall count of ADM in the**
38 **school year**.

39 (e) The transfer tuition for each student transferred for each school
40 year shall be calculated by dividing the transferee school corporation's
41 total operating costs and the total capital costs for the class of school
42 in which the student is enrolled by the ADM of students therein, **as**

1 **determined in the fall count of ADM in the school year.** If a
 2 transferred student is enrolled in a transferee corporation for less than
 3 the full school year, the transfer tuition shall be calculated by the
 4 proportion of such school year for which the transferred student is
 5 enrolled. A school year for this purpose consists of the number of days
 6 school is in session for student attendance. A student shall be enrolled
 7 in a transferee school, whether or not the student is in attendance,
 8 unless the:

- 9 (1) student's residence is outside the area of students transferred
- 10 to the transferee corporation;
- 11 (2) student has been excluded or expelled from school; or
- 12 (3) student has been confirmed as a school dropout.

13 The transferor and transferee corporations may enter into written
 14 agreements concerning the amount of transfer tuition. If an agreement
 15 cannot be reached, the amount shall be determined by the state
 16 superintendent, with costs to be established, where in dispute, by the
 17 state board of accounts.

18 (f) The transferor corporation shall pay the transferee corporation,
 19 when billed, the amount of book rental due from transferred students
 20 who are unable to pay the book rental amount. The transferor
 21 corporation is entitled to collect the amount of the book rental from the
 22 appropriate township trustee, from its own funds, or from any other
 23 source, in the amounts and manner provided by law.

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

- 34 (1) An emergency loan made under IC 20-48-1-7 to be paid, out
- 35 of the debt service levy and fund, or a loan from any state fund
- 36 made available for the net additional costs.
- 37 (2) An advance in the **calendar state fiscal** year of state funds,
- 38 which would otherwise become payable to the transferee
- 39 corporation after such **calendar state fiscal** year under law.
- 40 (3) A grant or grants in the calendar year from any funds of the
- 41 state made available for the net additional costs.

42 (b) The net additional costs must be certified by the department of

1 local government finance. Repayment of any advance or loan from the
 2 state shall be made from state tuition support distributions or other
 3 money available to the school corporation.

4 SECTION 24. IC 20-26-11-30, AS ADDED BY P.L.133-2008,
 5 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2012]: Sec. 30. (a) This section applies to a student who
 7 resided in a school corporation where the student had legal settlement
 8 for at least two (2) consecutive school years immediately before
 9 moving to an adjacent school corporation.

10 (b) A school corporation in which a student had legal settlement for
 11 at least two (2) consecutive years as described in subsection (a):

12 (1) shall allow the student to attend an appropriate school within
 13 the school corporation in which the student formerly resided;

14 (2) may not request the payment of transfer tuition for the student
 15 from the school corporation in which the student currently resides
 16 and has legal settlement or from the student's parent; and

17 (3) shall include the student in the school corporation's **current**
 18 ADM;

19 if the principal and superintendent in both school corporations jointly
 20 agree to enroll the student in the school.

21 (c) If a student enrolls under this section in a school described in
 22 subsection (b)(1), the student's parent must provide for the student's
 23 transportation to school.

24 (d) A student to whom this section applies may not enroll primarily
 25 for athletic reasons in a school in a school corporation in which the
 26 student does not have legal settlement. However, a decision to allow a
 27 student to enroll in a school corporation in which the student does not
 28 have legal settlement is not considered a determination that the student
 29 did not enroll primarily for athletic reasons.

30 SECTION 25. IC 20-29-6-12.5, AS ADDED BY P.L.229-2011,
 31 SECTION 179, IS AMENDED TO READ AS FOLLOWS
 32 [EFFECTIVE JULY 1, 2012]: Sec. 12.5. (a) Before August 1 of the
 33 first year of the state budget biennium, the department shall provide the
 34 parties with an estimate of the general fund revenue available for
 35 bargaining in the school corporation from the school funding formula.

36 (b) Within thirty (30) days after the date of the **first state fall count**
 37 **of ADM count date** of the school year in the first year of the state
 38 budget biennium, the department shall provide the parties with a
 39 certification of estimated general fund revenue available for bargaining
 40 from the school funding formula. A school employer that has passed a
 41 general fund operating referendum under IC 20-46-1 must have that
 42 amount certified by the department of local government finance. The

1 school corporation must obtain the certification before the
2 commencement of bargaining. These certifications must be the basis
3 for determinations throughout impasse proceedings under this chapter.

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

9 (1) the name and address of the school the student last attended;
10 and

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

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

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

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

19 (2) appears to be inaccurate or fraudulent;

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

23 (d) A school in Indiana receiving a request for records shall send the
24 records promptly to the requesting school. **An accredited nonpublic
25 school shall send a former student's records that are requested
26 under subsection (b) regardless of whether the former student of
27 the accredited nonpublic school or the former student's parent or
28 guardian owes an outstanding debt to the accredited nonpublic
29 school. However,** If a request is received for records to which a notice
30 has been attached under IC 31-36-1-5 (or IC 31-6-13-6 before its
31 repeal), the school:

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

34 (2) may not send the school records without the authorization of
35 the clearinghouse; and

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

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

42 SECTION 26. IC 20-33-5-9.5, AS ADDED BY P.L.229-2011,

1 SECTION 194, IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2012]: Sec. 9.5. (a) This section applies to
 3 reimbursements made under this chapter in ~~calendar state fiscal~~ year
 4 ~~2012 and thereafter.~~ **beginning after June 30, 2012.**

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

9 STEP ONE: Determine the amount appropriated to make
 10 reimbursements under this chapter for the state fiscal year. ~~ending~~
 11 ~~in the calendar year.~~

12 STEP TWO: Determine the total number of eligible students for
 13 which reimbursement was requested under either section 7 or 9
 14 of this chapter before November 1 of the previous calendar year
 15 by all school corporations and accredited nonpublic schools.

16 STEP THREE: Divide the result determined in STEP ONE by the
 17 number determined in STEP TWO.

18 STEP FOUR: Multiply:

19 (A) the STEP THREE result; by

20 (B) the number of eligible students for which reimbursement
 21 was requested under section 7 or 9 of this chapter before
 22 November 1 of the ~~previous calendar state fiscal~~ year by the
 23 school corporation or the accredited nonpublic school.

24 SECTION 27. IC 20-40-8-1, AS AMENDED BY P.L.229-2011,
 25 SECTION 196, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2012]: Sec. 1. As used in this chapter, "calendar
 27 year distribution" means ~~the sum of the following:~~

28 (1) a school corporation's

29 (A) state tuition support and

30 (B) ~~maximum permissible tuition support levy (as defined in~~
 31 ~~IC 20-45-1-15 before its repeal);~~

32 **determined for the calendar year using the fall count of ADM**
 33 **for the school corporation in the school year ending in the**
 34 **calendar year.**

35 (2) The sum of the following excise tax revenue of the school
 36 corporation for the immediately preceding calendar year:

37 (A) ~~Financial institution excise tax revenue (IC 6-5.5);~~

38 (B) ~~Motor vehicle excise taxes (IC 6-6-5);~~

39 (C) ~~Commercial vehicle excise taxes (IC 6-6-5.5);~~

40 (D) ~~Boat excise tax (IC 6-6-11);~~

41 (E) ~~Aircraft license excise tax (IC 6-6-6.5);~~

42 SECTION 28. IC 20-43-1-1, AS AMENDED BY P.L.229-2011,

1 SECTION 199, IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2012]: Sec. 1. This article expires ~~January July~~
 3 ~~1, 2014.~~ **2013.**

4 SECTION 29. IC 20-43-1-6, AS ADDED BY P.L.2-2006,
 5 SECTION 166, IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE JULY 1, 2012]: Sec. 6. "ADM" refers to average daily
 7 membership determined under ~~IC 20-43-4-2.~~ **IC 20-43-4.**

8 SECTION 30. IC 20-43-1-7, AS ADDED BY P.L.2-2006,
 9 SECTION 166, IS AMENDED TO READ AS FOLLOWS
 10 [EFFECTIVE JULY 1, 2012]: Sec. 7. "ADM of the previous year"
 11 means:

12 **(1) for previous years ending before January 1, 2013, the**
 13 **initial computed ADM for the school year ending in the preceding**
 14 **calendar year (as adjusted under IC 20-43-4-2); and**

15 **(2) for previous years ending after December 31, 2012, the**
 16 **number of eligible pupils counted on the count date that is**
 17 **effective for the month in which a calculation using the term**
 18 **is applied, as subsequently adjusted (if applicable) under**
 19 **IC 20-43-4-2.**

20 SECTION 31. IC 20-43-1-7.5 IS ADDED TO THE INDIANA
 21 CODE AS A NEW SECTION TO READ AS FOLLOWS
 22 [EFFECTIVE JULY 1, 2012]: **Sec. 7.5. "Attending" means physical**
 23 **or virtual presence of a student with the expectation of continued**
 24 **services in the education programs for which the student is**
 25 **registered.**

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

29 **(1) for distributions made under this article before January 1,**
 30 **2013, the initial computed fall count of ADM for the school year**
 31 **ending in the calendar year; and**

32 **(2) for distributions made under this article after December**
 33 **31, 2012, the number of eligible pupils enrolled in a school**
 34 **corporation as:**

35 **(A) determined in the most recent count of eligible pupils**
 36 **in effect (as determined by the department under**
 37 **IC 20-43-4-9); and**

38 **(B) subsequently adjusted (if applicable) under**
 39 **IC 20-43-4-2.**

40 SECTION 33. IC 20-43-1-11.5 IS ADDED TO THE INDIANA
 41 CODE AS A NEW SECTION TO READ AS FOLLOWS
 42 [EFFECTIVE JULY 1, 2012]: **Sec. 11.5. "Enrolled" means to be:**

- 1 **(1) registered with a school corporation to attend educational**
 2 **programs offered by or through the school corporation; and**
 3 **(2) attending these educational programs and receiving**
 4 **educational services.**

5 SECTION 34. IC 20-43-1-12.3 IS ADDED TO THE INDIANA
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS
 7 [EFFECTIVE JULY 1, 2012]: **Sec. 12.3. "Fall count" refers to the**
 8 **first count of ADM in a school year under IC 20-43-4-3, as finally**
 9 **adjusted under IC 20-43-4-2.**

10 SECTION 35. IC 20-43-1-18 IS REPEALED [EFFECTIVE JULY
 11 1, 2012]. ~~Sec. 18. "Maximum state distribution" refers to the amount~~
 12 ~~determined under IC 20-43-2-2.~~

13 SECTION 36. IC 20-43-1-24.5 IS ADDED TO THE INDIANA
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS
 15 [EFFECTIVE JULY 1, 2012]: **Sec. 24.5. "Spring count" refers to the**
 16 **second count of ADM in a school year under IC 20-43-4-3, as**
 17 **subsequently adjusted under IC 20-43-4-2.**

18 SECTION 37. IC 20-43-1-25, AS AMENDED BY P.L.229-2011,
 19 SECTION 203, IS AMENDED TO READ AS FOLLOWS
 20 [EFFECTIVE JULY 1, 2012]: **Sec. 25. "State tuition support" means**
 21 the amount of state funds to be distributed to:

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

27 SECTION 38. IC 20-43-2-1, AS AMENDED BY P.L.146-2008,
 28 SECTION 481, IS AMENDED TO READ AS FOLLOWS
 29 [EFFECTIVE JULY 1, 2012]: **Sec. 1. The department shall distribute**
 30 the amount appropriated by the general assembly for distribution as
 31 state tuition support in accordance with this article. If the
 32 appropriations for distribution as state tuition support are more than
 33 required under this article, any excess shall revert to the state general
 34 fund. The appropriations for state tuition support shall be made each
 35 **calendar state fiscal** year under a schedule set by the budget agency
 36 and approved by the governor. However, **notwithstanding**
 37 **P.L.229-2011, SECTION 9**, the schedule must provide:

- 38 (1) for at least twelve (12) payments;
 39 (2) that one (1) payment shall be made ~~at least every forty (40)~~
 40 ~~days; each month;~~ and
 41 (3) the total of the payments in each **calendar state fiscal** year
 42 must equal the amount required under this article.

1 SECTION 39. IC 20-43-2-2, AS AMENDED BY P.L.229-2011,
 2 SECTION 204, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE JULY 1, 2012]: Sec. 2. The maximum state distribution
 4 for a ~~calendar state fiscal~~ year for all school corporations for the
 5 purposes described in section 3 of this chapter is

- 6 (1) ~~six billion two hundred forty-seven million eight hundred~~
 7 ~~thousand dollars (\$6,247,800,000) in 2011;~~
 8 (2) ~~six billion two hundred seventy-seven million eight hundred~~
 9 ~~thousand dollars (\$6,277,800,000) in 2012; and~~
 10 (3) ~~six billion three hundred thirty-nine million six hundred~~
 11 ~~thousand dollars (\$6,339,600,000) in 2013. the amount~~
 12 **appropriated by the general assembly for those purposes for**
 13 **that state fiscal year.**

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

- 18 (1) as basic tuition support;
 19 (2) for honors diploma awards;
 20 (3) for primetime distributions;
 21 (4) for special education grants; ~~and~~
 22 (5) for career and technical education grants;
 23 **(6) for choice scholarships;**
 24 **(7) for Mitch Daniels early graduation scholarships;**
 25 **(8) for a fiscal year transition grant under IC 20-43-13; and**
 26 **(9) for a school corporation estimated distribution grant**
 27 **under IC 20-43-4-3.5 and IC 20-43-4-9.**

28 for a particular ~~state fiscal~~ year exceeds the ~~maximum state~~
 29 ~~distribution amounts appropriated by the general assembly for~~
 30 **those purposes** for a ~~calendar the state fiscal~~ year, the amount to be
 31 distributed for state tuition support under this article to each school
 32 corporation during each of the last six (6) months of the ~~state fiscal~~
 33 year shall be proportionately reduced so that the total reductions equal
 34 the amount of the excess.

35 SECTION 41. IC 20-43-2-8 IS ADDED TO THE INDIANA CODE
 36 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY
 37 1, 2012]: **Sec. 8. (a) Beginning July 1, 2012, distributions for state**
 38 **tuition support shall be made on a state fiscal year basis rather**
 39 **than a calendar year basis.**

40 **(b) The following is the intent of the general assembly:**

- 41 **(1) The distributions for state tuition support that are**
 42 **provided for under this article (as this article exists on**

1 **January 1, 2012) for calendar year 2012 shall be made only**
 2 **during the first six (6) months of calendar year 2012.**

3 **(2) Except as otherwise provided, the distributions for state**
 4 **tuition support that were provided for under this article (as**
 5 **this article existed on January 1, 2012) for calendar year 2013**
 6 **shall instead be made during the state fiscal year 2012**
 7 **beginning July 1, 2012.**

8 **(3) IC 20-43-3-7 and IC 20-43-3-8 apply to the distributions**
 9 **made after June 30, 2012.**

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

13 SECTION 42. IC 20-43-3-4, AS AMENDED BY P.L.229-2011,
 14 SECTION 206, IS AMENDED TO READ AS FOLLOWS
 15 [EFFECTIVE JULY 1, 2012]: Sec. 4. (a) **This subsection applies to**
 16 **the determination of a school corporation's previous year revenue**
 17 **for purposes of determining distributions under this article before**
 18 **July 1, 2012.** A school corporation's previous year revenue equals the
 19 amount determined under STEP TWO of the following formula:

20 STEP ONE: Determine the sum of the following:

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

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

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

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

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

35 STEP ONE: For purposes of making determinations for:

36 (A) the state fiscal year beginning July 1, 2012, determine
 37 the product of the school corporation's basic tuition
 38 support actually received for the first six (6) months of
 39 2012 multiplied by two (2); or

40 (B) a state fiscal year beginning after June 30, 2013,
 41 determine the school corporation's basic tuition support
 42 actually received for the state fiscal year that immediately

1 **precedes the current state fiscal year.**
 2 **STEP TWO: Subtract from the STEP ONE result an amount**
 3 **equal to the reduction in the school corporation's state tuition**
 4 **support under any combination of subsection (c) or**
 5 **IC 20-30-2-4.**

6 ~~(b)~~ **(c)** A school corporation's previous year revenue must be
 7 reduced if:

- 8 (1) the school corporation's state tuition support for special
 9 education or career and technical education is reduced as a result
 10 of a complaint being filed with the department after December 31,
 11 1988, because the school program overstated the number of
 12 children enrolled in special education programs or career and
 13 technical education programs; and
 14 (2) the school corporation's previous year revenue has not been
 15 reduced under this subsection more than one (1) time because of
 16 a given overstatement.

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

20 SECTION 43. IC 20-43-4-2, AS ADDED BY P.L.2-2006,
 21 SECTION 166, IS AMENDED TO READ AS FOLLOWS
 22 [EFFECTIVE JULY 1, 2012]: Sec. 2. A school corporation's ADM is
 23 the number of eligible pupils enrolled in:

- 24 (1) the school corporation; or
 25 (2) a transferee corporation;
 26 ~~on a day to be the days~~ **fixed annually** by the state board **under section**
 27 **3 of this chapter, and** as subsequently adjusted ~~not later than January~~
 28 ~~30~~ **under the rules adopted by the state board. The state board may**
 29 **adjust the school's count of eligible pupils if the state board**
 30 **determines that the count is unrepresentative of the school**
 31 **corporation's enrollment.**

32 SECTION 44. IC 20-43-4-3, AS ADDED BY P.L.2-2006,
 33 SECTION 166, IS AMENDED TO READ AS FOLLOWS
 34 [EFFECTIVE JULY 1, 2012]: Sec. 3. **(a) Subject to subsection (b),**
 35 ~~the initial day of the state board shall make an ADM count must fall:~~
 36 **of the eligible pupils enrolled in each school corporation two (2)**
 37 **times each within the first thirty (30) days of the school year, with one**
 38 **(1) count date occurring in each of the following periods:**

- 39 **(1) The fall count of ADM shall be made on a day fixed by the**
 40 **state board during September.**
 41 **(2) The spring count of ADM shall be made on a day fixed by**
 42 **the state board during February.**

- 1 **(b)** However, if extreme patterns of:
 2 (1) student in-migration;
 3 (2) illness;
 4 (3) natural disaster; or
 5 (4) other unusual conditions in a particular school corporation's
 6 enrollment;

7 on either ~~the a count~~ day fixed by the state board or ~~on~~ the subsequent
 8 adjustment date cause the enrollment to be unrepresentative of the
 9 school corporation's enrollment, ~~throughout a school year~~, the state
 10 board may designate another day for determining the school
 11 corporation's enrollment.

12 SECTION 45. IC 20-43-4-3.5 IS ADDED TO THE INDIANA
 13 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 14 [EFFECTIVE JANUARY 1, 2013]: **Sec. 3.5. (a) This section applies**
 15 **to a school corporation (including a charter school) only in the**
 16 **following:**

17 **(1) In the initial year in which the school corporation begins**
 18 **operation.**

19 **(2) In the year in which a school year begins in which the**
 20 **school corporation adds another grade.**

21 **(3) In a year in which a school year begins in which the school**
 22 **corporation estimates the fall count of ADM will exceed the**
 23 **immediately preceding spring count of ADM by at least**
 24 **fifteen percent (15%).**

25 **(b) A school corporation shall submit to the department an**
 26 **estimated count of eligible pupils in the form and on the schedule**
 27 **specified by the state board. The count must estimate as accurately**
 28 **as possible the anticipated number of eligible pupils who are likely**
 29 **to be included in the school corporation's fall count of ADM for the**
 30 **school year beginning in the calendar year.**

31 **(c) Using the estimates submitted by the school corporation and**
 32 **any other information available to the state board, the state board**
 33 **shall estimate the number of eligible pupils who are likely to be**
 34 **included in the fall ADM count of the school corporation in the**
 35 **school year beginning in the calendar year. The state board may**
 36 **adjust the estimate provided by a school corporation as the state**
 37 **board determines necessary.**

38 **(d) After the fall count of ADM, the state board shall adjust the**
 39 **estimated count of ADM under this section to reflect the actual**
 40 **count of eligible pupils determined in the fall count. If the state**
 41 **board adjusts the fall count under section 2 of this chapter, the**
 42 **state board shall make the same adjustment to the estimated count.**

1 SECTION 46. IC 20-43-4-4, AS ADDED BY P.L.2-2006,
 2 SECTION 166, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE JULY 1, 2012]: Sec. 4. (a) The state board shall monitor
 4 changes that occur after the fall **count of ADM count** in the number of
 5 students enrolled in programs for children with disabilities. The state
 6 board shall:

7 (1) before December 2 of that same year; and

8 (2) before April 2 of the following calendar year;

9 make an adjusted count of students enrolled in programs for children
 10 with disabilities The state superintendent shall certify the December
 11 adjusted count to the budget committee before February 5 of the
 12 following year and the April adjusted count not later than May 31
 13 immediately after the date of the April adjusted count. **The state board**
 14 **may adjust the school's count of students enrolled in programs for**
 15 **children with disabilities if the state board determines that the**
 16 **count is unrepresentative of the school corporation's enrollment.**

17 (b) **The department shall distribute special education grants**
 18 **under IC 20-43-7 using only the count specified in IC 20-43-7-1.**

19 SECTION 47. IC 20-43-4-4.5 IS ADDED TO THE INDIANA
 20 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 21 [EFFECTIVE JULY 1, 2012]: **Sec. 4.5. IC 20-43-8-1 applies to a**
 22 **count of students for career and technical education grants.**

23 SECTION 48. IC 20-43-4-6, AS AMENDED BY P.L.234-2007,
 24 SECTION 239, IS AMENDED TO READ AS FOLLOWS
 25 [EFFECTIVE JULY 1, 2012]: Sec. 6. (a) In determining ADM, each
 26 pupil enrolled in a public school and a nonpublic school is to be
 27 counted on a full-time equivalency basis if the pupil:

28 (1) is enrolled in a public school and a nonpublic school;

29 (2) has legal settlement in a school corporation; and

30 (3) receives instructional services from the school corporation.

31 (b) For purposes of this section, full-time equivalency is calculated
 32 as follows:

33 **STEP ONE: Determine the result of:**

34 (A) the number of days instructional services will be provided
 35 to the pupil, not to exceed one hundred eighty (180); divided
 36 by

37 (B) one hundred eighty (180).

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

39 (A) the pupil's public school instructional time (as defined in
 40 IC 20-30-2-1); divided by

41 (B) the actual public school regular instructional day (as
 42 defined in IC 20-30-2-2).

- 1 STEP THREE: Determine the result of:
 2 (A) the STEP ONE result; multiplied by
 3 (B) the STEP TWO result.
 4 STEP FOUR: Determine the lesser of one (1) or the result of:
 5 (A) the STEP THREE result; multiplied by
 6 (B) one and five hundredths (1.05).

7 **However, the state board may, by rule adopted under IC 4-22-2,**
 8 **specify an equivalent formula if the state board determines that the**
 9 **equivalent formula would more accurately reflect the instructional**
 10 **services provided by a school corporation during a period that a**
 11 **particular ADM count is in effect for the school corporation.**

12 SECTION 49. IC 20-43-4-9 IS ADDED TO THE INDIANA CODE
 13 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 14 1, 2012]: **Sec. 9. (a) This subsection applies to the calculation of**
 15 **state tuition support distributions that are:**

- 16 (1) made before January 1, 2013; and
 17 (2) based on the current ADM of a school corporation.

18 **The fall count of ADM for the school year ending June 30, 2012, as**
 19 **adjusted by the state board under section 2 of this chapter, shall be**
 20 **used to compute state tuition support distributions.**

21 (b) Subject to subsection (c), this subsection applies to the
 22 calculation of state tuition support distributions that are:

- 23 (1) made after December 31, 2012; and
 24 (2) based on the current ADM of a school corporation.

25 **The fall count of ADM for the school year ending in the current**
 26 **calendar year, as adjusted by the state board under section 2 of this**
 27 **chapter, shall be used to compute state tuition support**
 28 **distributions made in the first six (6) months of the calendar year,**
 29 **and the spring count of ADM for the school year ending in the**
 30 **current calendar year, as adjusted by the state board under section**
 31 **2 of this chapter, shall be used to compute state tuition support**
 32 **distributions made in the second six (6) months of the calendar**
 33 **year.**

34 (c) This subsection applies only to the calculation of basic tuition
 35 support distributions to a school corporation, including a
 36 conversion charter school or other charter school, for the first six
 37 (6) months of a school year that begins in the year if section 3.5(a)
 38 of this chapter applies to the school corporation in the year. A
 39 school corporation is entitled to a distribution of basic tuition
 40 support in conformity with this subsection for the first six (6)
 41 months of a school year that begins in a year to which section 3.5(a)
 42 of this chapter applies. The count of students made under section

1 **3.5 of this chapter, as subsequently adjusted under section 3.5 of**
 2 **this chapter, shall be treated as the current ADM of the school**
 3 **corporation for the calculation of the school corporation's basic**
 4 **tuition support for that period. However, distributions to the**
 5 **school corporation shall not begin until after the first day the**
 6 **school corporation conducts regular classes, as determined by the**
 7 **department. The amount withheld for the school corporation**
 8 **before that date shall be paid to the school corporation on a**
 9 **schedule determined under subsection (d).**

10 **(d) If the state board adjusts a count of ADM after a**
 11 **distribution is made under this article, the adjusted count**
 12 **retroactively applies to the amount of state tuition support**
 13 **distributed to a school corporation affected by the adjusted count.**
 14 **The department shall settle any overpayment or underpayment of**
 15 **state tuition support resulting from an adjusted count of ADM on**
 16 **the schedule determined by the department.**

17 SECTION 50. IC 20-43-5-1, AS AMENDED BY P.L.234-2007,
 18 SECTION 241, IS AMENDED TO READ AS FOLLOWS
 19 [EFFECTIVE JULY 1, 2012]: Sec. 1. A school corporation's transition
 20 to foundation revenue per adjusted ADM for a **calendar state fiscal**
 21 year is the amount determined under section 9 of this chapter.

22 SECTION 51. IC 20-43-5-2, AS AMENDED BY P.L.234-2007,
 23 SECTION 242, IS AMENDED TO READ AS FOLLOWS
 24 [EFFECTIVE JULY 1, 2012]: Sec. 2. The following amounts must be
 25 determined under this chapter to calculate a school corporation's
 26 transition to foundation revenue per adjusted ADM for a **calendar state**
 27 **fiscal year:**

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

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

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

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

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

39 SECTION 52. IC 20-43-5-4, AS AMENDED BY P.L.229-2011,
 40 SECTION 209, IS AMENDED TO READ AS FOLLOWS
 41 [EFFECTIVE JULY 1, 2012]: Sec. 4. A school corporation's
 42 foundation amount for a **calendar year** is the result determined under

1 STEP THREE of the following formula:

2 STEP ONE: The STEP ONE amount is:

3 (A) in 2012, four thousand two hundred eighty dollars
4 (\$4,280); and

5 (B) in 2013, four thousand four hundred five dollars (\$4,405).

6 STEP TWO: Multiply the STEP ONE amount by the school
7 corporation's complexity index.

8 STEP THREE: Determine the sum of the STEP TWO amount and
9 the following:

10 (A) Zero dollars (\$0), if the school corporation's current ADM
11 is less than five hundred (500).

12 (B) One hundred fifty dollars (\$150), if the school
13 corporation's current ADM is at least five hundred (500) and
14 is not more than one thousand (1,000).

15 (C) The result of one hundred fifty thousand dollars
16 (\$150,000) divided by the school corporation's current ADM,
17 if the school corporation's current ADM is more than one
18 thousand (1,000).

19 SECTION 53. IC 20-43-5-5, AS AMENDED BY P.L.182-2009(ss),
20 SECTION 335, IS AMENDED TO READ AS FOLLOWS
21 [EFFECTIVE JULY 1, 2012]: Sec. 5. A school corporation's previous
22 year revenue foundation amount for a ~~calendar~~ **state fiscal** year is equal
23 to the result of:

24 (1) the school corporation's previous year revenue; divided by
25 (2) the school corporation's ~~adjusted~~ ADM for the previous year.

26 SECTION 54. IC 20-43-5-6, AS AMENDED BY P.L.229-2011,
27 SECTION 210, IS AMENDED TO READ AS FOLLOWS
28 [EFFECTIVE JULY 1, 2012]: Sec. 6. (a) A school corporation's
29 transition to foundation amount for a ~~calendar~~ **state fiscal** year is equal
30 to the result determined under STEP TWO of the following formula:

31 STEP ONE: Determine the difference of:

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

33 (B) the lesser of:

34 (i) the school corporation's previous year revenue foundation
35 amount; or

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

38 STEP TWO: A school corporation's STEP TWO amount is the
39 following:

40 (A) For a charter school located outside Marion County that
41 has previous year revenue that is not greater than zero (0), the
42 charter school's STEP TWO amount is the quotient of:

- 1 (i) the school corporation's transition to foundation revenue
 2 for the ~~calendar state fiscal~~ year where the charter school is
 3 located; divided by
 4 (ii) the school corporation's current ADM.
- 5 (B) For a charter school located in Marion County that has
 6 previous year revenue that is not greater than zero (0), the
 7 charter school's STEP TWO amount is the weighted average
 8 of the transition to foundation revenue for the school
 9 corporations where the students counted in the current ADM
 10 of the charter school have legal settlement, as determined
 11 under item (iv) of the following formula:
- 12 (i) Determine the transition to foundation revenue for each
 13 school corporation where a student counted in the current
 14 ADM of the charter school has legal settlement.
- 15 (ii) For each school corporation identified in item (i), divide
 16 the item (i) amount by the school corporation's current
 17 ADM.
- 18 (iii) For each school corporation identified in item (i),
 19 multiply the item (ii) amount by the number of students
 20 counted in the current ADM of the charter school that have
 21 legal settlement in the particular school corporation.
- 22 (iv) Determine the sum of the item (iii) amounts for the
 23 charter school.
- 24 (C) The STEP TWO amount for a school corporation that is
 25 not a charter school described in clause (A) or (B) is the
 26 following:
- 27 (i) The school corporation's foundation amount for the
 28 ~~calendar state fiscal~~ year if the STEP ONE amount is zero
 29 (0) or greater.
- 30 (ii) The amount determined under subsection (b), if the
 31 school corporation's STEP ONE amount is less than zero (0).
- 32 (b) For the purposes of STEP TWO (C)(ii) in subsection (a),
 33 determine the result of:
- 34 (1) the result determined for the school corporation under STEP
 35 ONE (B) of subsection (a); minus
 36 (2) the result of:
- 37 (A) the absolute value of the STEP ONE amount; divided by
 38 (B) ~~seven (7) in 2012 and six (6) in 2013; the state fiscal year~~
 39 **beginning July 1, 2012.**
- 40 SECTION 55. IC 20-43-5-7, AS AMENDED BY P.L.229-2011,
 41 SECTION 211, IS AMENDED TO READ AS FOLLOWS
 42 [EFFECTIVE JULY 1, 2012]: Sec. 7. A school corporation's transition

1 to foundation revenue for a **calendar state fiscal** year is equal to the
 2 product of:

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

6 SECTION 56. IC 20-43-5-9, AS AMENDED BY P.L.234-2007,
 7 SECTION 247, IS AMENDED TO READ AS FOLLOWS
 8 [EFFECTIVE JULY 1, 2012]: Sec. 9. A school corporation's transition
 9 to foundation revenue per adjusted ADM for a **calendar state fiscal**
 10 year is the quotient of:

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

14 SECTION 57. IC 20-43-6-1, AS AMENDED BY P.L.182-2009(ss),
 15 SECTION 338, IS AMENDED TO READ AS FOLLOWS
 16 [EFFECTIVE JULY 1, 2012]: Sec. 1. Subject to the amount
 17 appropriated by the general assembly for state tuition support and
 18 IC 20-43-2, the amount that a school corporation is entitled to receive
 19 in basic tuition support for a **state fiscal** year is the amount determined
 20 in section 3 of this chapter.

21 SECTION 58. IC 20-43-6-3, AS AMENDED BY P.L.229-2011,
 22 SECTION 212, IS AMENDED TO READ AS FOLLOWS
 23 [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) A school corporation's basic
 24 tuition support for a **year month** is the amount determined under the
 25 applicable provision of this section.

26 (b) The school corporation's basic tuition support for a **year month**
 27 is equal to the **result of**:

28 (1) ~~the~~ school corporation's transition to foundation revenue; ~~for~~
 29 ~~the year.~~ **divided by**
 30 (2) **twelve (12).**

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

34 SECTION 59. 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 60. 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 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 SECTION 61. IC 20-43-8-1, AS ADDED BY P.L.2-2006,
 22 SECTION 166, IS AMENDED TO READ AS FOLLOWS
 23 [EFFECTIVE JULY 1, 2012]: Sec. 1. Pupil enrollment under this
 24 chapter shall be determined at the same time that a school corporation's
 25 **fall count of ADM** is determined.

26 SECTION 62. IC 20-43-8-2, AS AMENDED BY P.L.234-2007,
 27 SECTION 137, IS AMENDED TO READ AS FOLLOWS
 28 [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) Before December 1 of each
 29 year, the department of workforce development shall provide the
 30 department with a report, to be used to determine career and technical
 31 education grant amounts in the **second calendar state fiscal** year
 32 **beginning** after the year in which the report is provided, listing whether
 33 the labor market demand for each generally recognized labor category
 34 is more than moderate, moderate, or less than moderate. In the report,
 35 the department of workforce development shall categorize each of the
 36 career and technical education programs using the following four (4)
 37 categories:

- 38 (1) Programs that address employment demand for individuals in
 39 labor market categories that are projected to need more than a
 40 moderate number of individuals.
- 41 (2) Programs that address employment demand for individuals in
 42 labor market categories that are projected to need a moderate

1 number of individuals.

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

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

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

15 (c) In preparing the labor market demand report under subsection
16 (a) and the average wage level report under subsection (b), the
17 department of workforce development shall, if possible, list the labor
18 market demand and the average wage level for specific regions,
19 counties, and municipalities.

20 (d) If a new career and technical education program is created by
21 rule of the state board, the department of workforce development shall
22 determine the category in which the program should be included.

23 SECTION 63. IC 20-43-8-9, AS AMENDED BY P.L.234-2007,
24 SECTION 139, IS AMENDED TO READ AS FOLLOWS
25 [EFFECTIVE JULY 1, 2012]: Sec. 9. A school corporation's career and
26 technical education grant for a ~~calendar state fiscal~~ year is the sum of
27 the following amounts:

28 STEP ONE: For each career and technical education program
29 provided by the school corporation:

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

32 (B) the number of students enrolled in the program; multiplied
33 by

34 (C) the following applicable amount:

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

40 (ii) Three hundred seventy-five dollars (\$375), in the case of
41 a program described in section 5 of this chapter (more than
42 a moderate labor market need) for which the average wage

- 1 level determined under section 2(b) of this chapter is a
 2 moderate wage.
- 3 (iii) Three hundred dollars (\$300), in the case of a program
 4 described in section 5 of this chapter (more than a moderate
 5 labor market need) for which the average wage level
 6 determined under section 2(b) of this chapter is a less than
 7 moderate wage.
- 8 (iv) Three hundred seventy-five dollars (\$375), in the case
 9 of a program described in section 6 of this chapter (moderate
 10 labor market need) for which the average wage level
 11 determined under section 2(b) of this chapter is a high wage.
- 12 (v) Three hundred dollars (\$300), in the case of a program
 13 described in section 6 of this chapter (moderate labor market
 14 need) for which the average wage level determined under
 15 section 2(b) of this chapter is a moderate wage.
- 16 (vi) Two hundred twenty-five dollars (\$225), in the case of
 17 a program described in section 6 of this chapter (moderate
 18 labor market need) for which the average wage level
 19 determined under section 2(b) of this chapter is a less than
 20 moderate wage.
- 21 (vii) Three hundred dollars (\$300), in the case of a program
 22 described in section 7 of this chapter (less than a moderate
 23 labor market need) for which the average wage level
 24 determined under section 2(b) of this chapter is a high wage.
- 25 (viii) Two hundred twenty-five dollars (\$225), in the case of
 26 a program described in section 7 of this chapter (less than a
 27 moderate labor market need) for which the average wage
 28 level determined under section 2(b) of this chapter is a
 29 moderate wage.
- 30 (ix) One hundred fifty dollars (\$150), in the case of a
 31 program described in section 7 of this chapter (less than a
 32 moderate labor market need) for which the average wage
 33 level determined under section 2(b) of this chapter is a less
 34 than moderate wage.
- 35 STEP TWO: The number of pupils described in section 8 of this
 36 chapter (all other programs) multiplied by two hundred fifty
 37 dollars (\$250).
- 38 STEP THREE: The number of pupils participating in a career and
 39 technical education program in which pupils from multiple
 40 schools are served at a common location multiplied by one
 41 hundred fifty dollars (\$150).
- 42 SECTION 64. IC 20-43-9-6, AS AMENDED BY P.L.229-2011,

1 SECTION 217, IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2012]: Sec. 6. A school corporation's primetime
 3 distribution for a ~~calendar year~~ **month** under this chapter is the **result**
 4 **of the** amount determined by the following formula **divided by twelve**
 5 **(12):**

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

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

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

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

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

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

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

22 STEP TWO: Determine the result of:

23 (A) the **current** ADM of the school corporation in
 24 kindergarten through grade 3; ~~for the current school year;~~
 25 divided by

26 (B) the school corporation's applicable target pupil/teacher
 27 ratio, as determined in STEP ONE.

28 STEP THREE: Determine the result of:

29 (A) the basic tuition support for the **year month** multiplied by
 30 ~~seventy-five hundredths (0.75);~~ **nine (9)**; divided by

31 (B) the school corporation's **current** ADM.

32 STEP FOUR: Determine the result of:

33 (A) the STEP THREE result; multiplied by

34 (B) the **current** ADM of the school corporation in
 35 kindergarten through grade 3. ~~for the current school year.~~

36 STEP FIVE: Determine the result of:

37 (A) the STEP FOUR result; divided by

38 (B) the staff cost amount.

39 STEP SIX: Determine the greater of zero (0) or the result of:

40 (A) the STEP TWO amount; minus

41 (B) the STEP FIVE amount.

42 STEP SEVEN: Determine the result of:

- 1 (A) the STEP SIX amount; multiplied by
 2 (B) the staff cost amount.
- 3 STEP EIGHT: Determine the greater of the STEP SEVEN amount
 4 or **zero (0)**.
- 5 (A) for 2012, fifty percent (50%) of the school corporation's
 6 guaranteed primetime amount; or
 7 (B) for 2013, zero (0).
- 8 STEP NINE: A school corporation's amount under this STEP is
 9 the following:
- 10 (A) If the amount the school corporation received under this
 11 chapter in the previous **calendar state fiscal** year is greater
 12 than zero (0), the amount under this STEP is the lesser of:
- 13 (i) the STEP EIGHT amount; or
 14 (ii) the amount the school corporation received under this
 15 chapter for the previous **calendar state fiscal** year multiplied
 16 by one hundred seven and one-half percent (107.5%).
- 17 (B) If the amount the school corporation received under this
 18 chapter in the previous **calendar state fiscal** year is not greater
 19 than zero (0), the amount under this STEP is the STEP EIGHT
 20 amount.
- 21 SECTION 41. IC 20-43-10-2, AS AMENDED BY P.L.229-2011,
 22 SECTION 219, IS AMENDED TO READ AS FOLLOWS
 23 [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) A school corporation's honors
 24 diploma award for a **calendar state fiscal** year is the amount
 25 determined under STEP FOUR of the following formula:
- 26 STEP ONE: Determine the number of the school corporation's
 27 eligible pupils who successfully completed an academic honors
 28 diploma program in the school year ending in the previous
 29 **calendar state fiscal** year.
- 30 STEP TWO: Determine the result of:
- 31 (A) the number of the school corporation's eligible pupils who
 32 successfully completed a Core 40 diploma with technical
 33 honors program in the school year ending in the previous
 34 **calendar state fiscal** year; minus
 35 (B) the number of eligible pupils who would otherwise be
 36 double counted under both clause (A) and STEP ONE.
- 37 STEP THREE: Determine the sum of the number of eligible
 38 students determined under STEP ONE and the number of eligible
 39 students determined under STEP TWO.
- 40 STEP FOUR: Multiply the STEP THREE amount by nine
 41 hundred dollars (\$900).
- 42 (b) An amount received by a school corporation as an honors

1 diploma award may be used only for:

2 (1) any:

3 (A) staff training;

4 (B) program development;

5 (C) equipment and supply expenditures; or

6 (D) other expenses;

7 directly related to the school corporation's honors diploma
8 program; and

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

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

13 SECTION 65. IC 20-43-13 IS ADDED TO THE INDIANA CODE
14 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2012]:

16 **Chapter 13. Fiscal Year Transition Grant**

17 **Sec. 1. This chapter applies to all school corporations.**

18 **Sec. 2. A school corporation's grant under this chapter for the**
19 **period after June 30, 2012, and before January 1, 2013 is**
20 **determined by the following formula:**

21 **STEP ONE: Determine the sum of the school corporation's**
22 **state tuition support (excluding the grant under this chapter)**
23 **actually received for the first six (6) months of calendar year**
24 **2012.**

25 **STEP TWO: Determine the sum of the school corporation's**
26 **state tuition support (excluding the grant under this chapter)**
27 **for the second six (6) months of calendar year 2012.**

28 **STEP THREE: Determine the greater of zero (0) or the**
29 **difference of the STEP ONE amount minus the STEP TWO**
30 **amount.**

31 SECTION 66. IC 20-45-7-19, AS ADDED BY P.L.2-2006,
32 SECTION 168, IS AMENDED TO READ AS FOLLOWS
33 [EFFECTIVE JULY 1, 2012]: Sec. 19. Before July 11 of each year, the
34 state superintendent shall certify to the county auditor:

35 (1) the consolidated ADA ratio of the qualified school
36 corporations;

37 (2) the number of pupils in **current** ADM of each qualified
38 school corporation for the immediately preceding school year, **as**
39 **determined:**

40 **(A) for a calendar year ending before January 1, 2013, in**
41 **the fall count of ADM for the school year ending in the**
42 **calendar year; and**

1 **(B) for a calendar year ending after December 31, 2012, in**
 2 **the spring count of ADM for the school year ending in the**
 3 **calendar year; and**

4 (3) an estimate of these statistics for the succeeding school year.

5 SECTION 67. IC 20-45-7-26, AS ADDED BY P.L.2-2006,
 6 SECTION 168, IS AMENDED TO READ AS FOLLOWS
 7 [EFFECTIVE JULY 1, 2012]: Sec. 26. The entitlement of each
 8 qualified school corporation from the fund for each calendar year is the
 9 greater of:

10 (1) the amount of its entitlement for calendar year 2000 from the
 11 tax levied under this chapter; or

12 (2) an amount equal to twenty-seven dollars and fifty cents
 13 (\$27.50) times its **current ADM as determined in the fall count**
 14 **of ADM conducted in the school year ending in the current**
 15 **calendar year.**

16 SECTION 68. IC 20-45-8-18, AS ADDED BY P.L.2-2006,
 17 SECTION 168, IS AMENDED TO READ AS FOLLOWS
 18 [EFFECTIVE JULY 1, 2012]: Sec. 18. (a) Before July 11 of each year,
 19 the state superintendent shall deliver to the county auditor a certified
 20 statement of:

21 **(1) for a calendar year ending before January 1, 2013, the fall**
 22 **count of ADM in grades 1 through 12 residing in each qualified**
 23 **school corporation for the immediately preceding school year**
 24 **ending in the calendar year; and**

25 **(2) for a calendar year ending after December 31, 2012, the**
 26 **spring count of ADM in grades 1 through 12 residing in each**
 27 **qualified school corporation for the school year ending in the**
 28 **calendar year.**

29 (b) Upon the receipt of the information, the county auditor shall
 30 compute the amount to be distributed to each of the qualified school
 31 corporations from the receipts of the tax levy, based on the formula set
 32 forth in this chapter.

33 (c) The county auditor shall annually issue a warrant to the county
 34 treasurer ordering the payment to the respective qualified school
 35 corporations the various amounts in the fund at each semiannual tax
 36 settlement period during the year in which the tax has been collected.

37 (d) The qualified school corporations and the proper officials and
 38 employees of the qualified school corporations shall receive the
 39 receipts distributed by the county treasurer in the same manner as other
 40 tax receipts are received.

41 SECTION 69. IC 20-45-8-22, AS ADDED BY P.L.2-2006,
 42 SECTION 168, IS AMENDED TO READ AS FOLLOWS

1 [EFFECTIVE JULY 1, 2012]: Sec. 22. (a) The amount to be raised by
 2 the tax shall be determined in any calendar year by the county auditor
 3 and certified to by the board of county commissioners before the time
 4 for making the county budgets in the year.

5 (b) The amount is the total of the entitlements of all qualified school
 6 corporations.

7 (c) The entitlement of each qualified school corporation calculated
 8 in a calendar year is an amount equal to the result determined under
 9 STEP TWO of the following formula:

10 STEP ONE: Calculate the quotient of:

11 (A) the total amount deposited in the fund in calendar year
 12 1979 or the first year in which a deposit was made, whichever
 13 is later; divided by

14 (B) for:

15 (i) a calendar year ending before January 1, 2013, the
 16 total ADM of the immediately preceding school year of
 17 qualified school corporations that received money from the
 18 fund in 1979, as determined in the fall count of ADM for
 19 the school year ending in the immediately preceding
 20 calendar year; and

21 (ii) a calendar year beginning after December 31, 2012,
 22 the total ADM of the immediately preceding school year
 23 of qualified school corporations that received money
 24 from the fund in 1979, as determined in the spring count
 25 of ADM for the school year ending in the immediately
 26 preceding calendar year.

27 STEP TWO: Calculate the product of:

28 (A) the STEP ONE result; multiplied by

29 (B) for:

30 (i) a calendar year ending before January 1, 2013, the
 31 ADM of the immediately preceding school year of the
 32 qualified school corporation that received money from the
 33 fund in 1979, as determined in the fall count of ADM for
 34 the school year ending in the immediately preceding
 35 calendar year; and

36 (ii) a calendar year beginning after December 31, 2012,
 37 the total ADM of the immediately preceding school year
 38 of qualified school corporations that received money
 39 from the fund in 1979, as determined in the spring count
 40 of ADM for the school year ending in the immediately
 41 preceding calendar year.

42 SECTION 70. IC 20-49-3-8, AS AMENDED BY P.L.146-2008,

1 SECTION 529, IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2013]: Sec. 8. The fund may be used to make
 3 advances:

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

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

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

8 SECTION 71. IC 20-49-4-7, AS AMENDED BY P.L.113-2010,
 9 SECTION 99, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2012]: Sec. 7. As used in this chapter, "school building
 11 construction program" means the purchase, lease, or financing of land,
 12 the construction and equipping of school buildings, and the
 13 remodeling, repairing, or improving of school buildings by a school
 14 corporation:

15 (1) that sustained a loss from a disaster;

16 (2) whose adjusted assessed valuation (as determined under
 17 IC 6-1.1-34-8) per **current** ADM is within the lowest forty
 18 percent (40%) of the assessed valuation per **current** ADM when
 19 compared with all school corporation adjusted assessed valuation
 20 (as adjusted (if applicable) under IC 6-1.1-34-8) per **current**
 21 ADM; or

22 (3) with an advance under this chapter outstanding on July 1,
 23 1993, that bears interest of at least seven and one-half percent
 24 (7.5%).

25 The term does not include facilities used or to be used primarily for
 26 interscholastic or extracurricular activities.

27 SECTION 72. IC 20-49-5-7 IS ADDED TO THE INDIANA CODE
 28 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 29 1, 2013]: **Sec. 7. (a) A charter school, including a conversion
 30 charter school, that has received an advance for operational costs
 31 from the common school fund under IC 20-49-7 (before its repeal)
 32 is not required to make principal or interest payments during the
 33 state fiscal years beginning:**

34 **(1) July 1, 2011; and**

35 **(2) July 1, 2012;**

36 **notwithstanding contrary terms in the charter school and state
 37 board advance agreement.**

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

42 SECTION 73. IC 20-49-7 IS REPEALED [EFFECTIVE JULY 1,

1 2013]. (Charter School Advancement Account).

2 SECTION 74. IC 20-51-4-5, AS ADDED BY P.L.92-2011,
3 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2012]: Sec. 5. The state tuition support amount to be used in
5 ~~section 3(2)~~ **section 4(2)** of this chapter for an eligible individual is the
6 amount determined under the last STEP of the following formula:

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

9 STEP TWO: Determine the amount of state tuition support that
10 the school corporation identified under STEP ONE ~~is~~ **would be**
11 eligible to receive under IC 20-43 for the calendar year in which
12 the current school year begins **if:**

13 **(A) for a calendar year ending before January 1, 2013, the**
14 **fall count of eligible students conducted in the school**
15 **corporation in the school year ending in the calendar year**
16 **were used to compute the state tuition support distribution**
17 **to the school corporation for the entire calendar year; and**
18 **(B) for a calendar year beginning after December 31, 2012,**
19 **the spring count of eligible students conducted in the**
20 **school corporation in the school year ending in the**
21 **calendar year were used to compute the state tuition**
22 **support distribution to the school corporation for the**
23 **entire calendar year;**

24 excluding amounts provided for special education grants under
25 IC 20-43-7 and career and technical education grants under
26 IC 20-43-8.

27 STEP THREE: Determine the result of:

28 (A) the STEP TWO amount; divided by

29 (B) the current ADM ~~(as defined in IC 20-43-1-10)~~
30 school corporation identified under STEP ONE for the
31 calendar year used in STEP TWO.

32 SECTION 75. IC 21-7-13-5, AS ADDED BY P.L.2-2007,
33 SECTION 243, IS AMENDED TO READ AS FOLLOWS
34 [EFFECTIVE JULY 1, 2012]: Sec. 5. **"Current ADM"** has the
35 meaning set forth in ~~IC 20-43-1-6~~ **IC 20-43-1-10**.

36 SECTION 76. IC 21-43-5-14, AS ADDED BY P.L.234-2007,
37 SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JULY 1, 2012]: Sec. 14. Ivy Tech Community College is entitled to
39 reimbursement for the costs incurred to deliver courses under this
40 chapter that are taken:

41 (1) at an Ivy Tech Community College site; and

42 (2) by a student for whom Ivy Tech Community College has

1 waived tuition under this chapter or IC 21-14-8.
2 The school corporation in which the student described in subdivision
3 (2) resides shall pay the individual's tuition to Ivy Tech Community
4 College for each **year month** the student is included in the school
5 corporation's **current** ADM.

6 SECTION 77. IC 21-43-6-2, AS AMENDED BY P.L.3-2008,
7 SECTION 148, IS AMENDED TO READ AS FOLLOWS
8 [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) To be eligible to earn a high
9 school diploma, an individual participating in the program established
10 under this chapter must be either:

11 (1) at least nineteen (19) years of age and not enrolled in a high
12 school; or

13 (2) at least seventeen (17) years of age and have consent from the
14 high school the individual attended most recently.

15 (b) The school corporation in which an individual described in this
16 subdivision has legal settlement shall pay the individual's costs for high
17 school level courses taken at Ivy Tech Community College during each
18 **year month** the individual is included in the school corporation's
19 **current** ADM.

20 SECTION 78. IC 21-43-7-2, AS AMENDED BY P.L.3-2008,
21 SECTION 150, IS AMENDED TO READ AS FOLLOWS
22 [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) To be eligible to earn a high
23 school diploma, an individual participating in the program established
24 under this chapter must be either:

25 (1) at least nineteen (19) years of age and not enrolled in a high
26 school; or

27 (2) at least seventeen (17) years of age and have consent from the
28 high school the individual attended most recently.

29 (b) The school corporation in which an individual described in this
30 subdivision has legal settlement shall pay the individual's tuition for
31 high school level courses taken at Vincennes University during each
32 **year month** the individual is included in the school corporation's
33 **current** ADM.

34 SECTION 79. IC 21-43-8-2, AS AMENDED BY P.L.3-2008,
35 SECTION 152, IS AMENDED TO READ AS FOLLOWS
36 [EFFECTIVE JULY 1, 2012]: Sec. 2. (a) To be eligible to earn a high
37 school diploma, an individual participating in the program established
38 under this chapter must be either:

39 (1) at least nineteen (19) years of age and not enrolled in a school
40 corporation; or

41 (2) at least seventeen (17) years of age and have consent from the
42 high school the individual attended most recently.

1 (b) The school corporation in which an individual to whom this
 2 subdivision applies resides shall pay the individual's tuition for high
 3 school level courses taken at the state educational institution during
 4 each year month the individual is included in the school corporation's
 5 current ADM.

6 SECTION 80. [EFFECTIVE JULY 1, 2012] (a) The department
 7 of education shall before November 1, 2012, report to the budget
 8 committee:

9 (1) the number of students who left a charter school and
 10 enrolled in a public school maintained by a school corporation
 11 during the 2011 - 2012 school year; and

12 (2) the number of students who:
 13 (A) received a choice scholarship for the 2011 - 2012 school
 14 year; and

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

18 (b) This SECTION expires January 1, 2013."

19 Page 32, delete lines 1 through 24.

20 Renumber all SECTIONS consecutively.

(Reference is to EHB 1189 as printed February 17, 2012.)

and when so amended that said bill do pass .

Committee Vote: Yeas 12, Nays 0.

Senator Kenley, Chairperson