

HOUSE BILL No. 1001

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-43-2.

Synopsis: K-12 funding appropriations. Permits the budget agency to transfer from the K-12 state tuition reserve account to the state general fund the amount necessary to cover the K-12 state tuition distribution amount when it exceeds the appropriated amount. Limits the transfer to \$25,000,000 in state fiscal year 2018 and \$50,000,000 for state fiscal year 2019. Makes conforming changes.

Effective: Upon passage.

Siegrist, Brown T, Olthoff, Pressel

January 8, 2018, read first time and referred to Committee on Ways and Means.



Second Regular Session of the 120th General Assembly (2018)

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

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

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2017 Regular Session of the General Assembly.

HOUSE BILL No. 1001



A BILL FOR AN ACT to amend the Indiana Code concerning education and to make an appropriation.

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

1 SECTION 1. IC 20-43-2-2, AS AMENDED BY P.L.205-2013,
2 SECTION 269, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The maximum state
4 distribution for a state fiscal year for all school corporations for the
5 purposes described in section 3 of this chapter is the amount
6 appropriated by the general assembly for those purposes for that state
7 fiscal year.

8 (b) **If the budget director, after review by the budget committee,**
9 **makes a determination that the amount of the distribution for a**
10 **state fiscal year for all school corporations for the purposes**
11 **described in section 3 of this chapter exceeds the amount**
12 **appropriated for these purposes for the state fiscal year, the budget**
13 **agency may transfer money from the state tuition reserve account**
14 **to the state general fund to cover the difference. However, the**
15 **maximum amount that may be transferred to the state general**
16 **fund for the state fiscal year may not exceed:**

17 (1) **twenty-five million dollars (\$25,000,000) for the state fiscal**



1 year beginning July 1, 2017; and
 2 (2) fifty million dollars (\$50,000,000) for the state fiscal year
 3 beginning July 1, 2018.

4 (c) Any amounts transferred under this section shall be used to
 5 augment the appropriation for state tuition support for the state
 6 fiscal year and shall be distributed to school corporations to
 7 restore the distributions for the purposes described in section 3 of
 8 this chapter.

9 (d) Transfers under this section are in addition to any transfers
 10 made from the state tuition reserve account under IC 4-12-1-15.7
 11 or any other law.

12 (e) To the extent that the amount transferred is less than the
 13 amount that would be distributed under this article, the total
 14 amount to be distributed for the purposes described in section 3 of
 15 this chapter to each recipient during the remaining months of the
 16 state fiscal year shall be proportionately reduced so that the total
 17 reductions equal the amount of the excess for the purposes
 18 described in section 3 of this chapter.

19 SECTION 2. IC 20-43-2-3, AS AMENDED BY P.L.213-2015,
 20 SECTION 208, IS AMENDED TO READ AS FOLLOWS
 21 [EFFECTIVE UPON PASSAGE]: Sec. 3. ~~If the total amount to be~~
 22 ~~distributed:~~ **In determining the total amount to be distributed for**
 23 **purposes of section 2 of this chapter, distributions:**

- 24 (1) as basic tuition support;
 25 (2) for honors diploma awards;
 26 (3) for complexity grants;
 27 (4) for special education grants;
 28 (5) for career and technical education grants;
 29 (6) for choice scholarships; and
 30 (7) for Mitch Daniels early graduation scholarships;

31 ~~are to be considered~~ for a particular state fiscal year. ~~exceeds the~~
 32 ~~amounts appropriated by the general assembly for those purposes for~~
 33 ~~the state fiscal year: the total amount to be distributed for those~~
 34 ~~purposes to each recipient during the remaining months of the state~~
 35 ~~fiscal year shall be proportionately reduced so that the total reductions~~
 36 ~~equal the amount of the excess.~~

37 SECTION 3. IC 20-43-2-4, AS ADDED BY P.L.2-2006, SECTION
 38 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON
 39 PASSAGE]: Sec. 4. The amount of the reduction for a particular school
 40 corporation under section ~~3~~ 2 of this chapter is equal to the total
 41 amount of the excess determined under section ~~3~~ 2 of this chapter
 42 multiplied by a fraction. The numerator of the fraction is the amount of



1 the distribution for state tuition support that the school corporation
 2 would have received if a reduction were not made under this section.
 3 The denominator of the fraction is the total amount that would be
 4 distributed for state tuition support to all school corporations if a
 5 reduction were not made under this section.

6 SECTION 4. IC 20-43-2-7.5 IS REPEALED [EFFECTIVE UPON
 7 PASSAGE]. See: 7-5: (a) Before July 1 of each year, the budget agency,
 8 with the assistance of the department, shall estimate the amount of the
 9 distributions that will be made for choice scholarships for the following
 10 state fiscal year:

11 (b) In a state fiscal year beginning after June 30, 2016, the budget
 12 agency may transfer money from the state tuition reserve account to the
 13 state general fund if the budget director, after review by the budget
 14 committee, makes a determination that the amount of the distribution
 15 for that state fiscal year for basic tuition support has been reduced
 16 under section 3 of this chapter because the amount of the distributions
 17 for choice scholarships for the state fiscal year exceeds the latest
 18 estimate prepared by the legislative services agency and provided to
 19 members of the general assembly before May 1 of the most recent
 20 odd-numbered year concerning the amount of the distributions for
 21 choice scholarships for the state fiscal year beginning July 1 of the
 22 particular state fiscal year. The maximum amount that may be
 23 transferred to the state general fund under this subsection for the state
 24 fiscal year may not exceed the lesser of:

25 (1) the amount of the reduction in basic tuition support
 26 distributions described in this subsection; or

27 (2) twenty-five million dollars (\$25,000,000).

28 Any amounts transferred under this subsection shall be used to
 29 augment the appropriation for state tuition support for the state fiscal
 30 year and shall be distributed to school corporations to restore the
 31 distributions for basic tuition support that are reduced under section 3
 32 of this chapter.

33 (c) Transfers under this section are in addition to any transfers made
 34 from the state tuition reserve account under IC 4-12-1-15.7 or any other
 35 law:

36 (d) This section expires June 30, 2019.

37 SECTION 5. An emergency is declared for this act.

