



February 16, 2018

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# ENGROSSED

## HOUSE BILL No. 1001

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DIGEST OF HB 1001 (Updated February 15, 2018 10:07 am - DI 120)

**Citations Affected:** IC 20-43.

**Synopsis:** Education funding. Requires 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. Expires this provision on June 30, 2019. Expires the provision that limits the maximum state distributions for a state fiscal year to the amount appropriated by the general assembly on June 30, 2019. Specifies the ADM count for kindergarten pupils. Makes conforming changes.

**Effective:** Upon passage.

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**Siegrist, Brown T, Olthoff, Pressel, Bosma, Austin, Aylesworth, Bacon, Baird, Bartels, Bartlett, Bauer, Behning, Beumer, Borders, Brown C, Burton, Candelaria Reardon, Carbaugh, Cherry, Clere, Cook, Culver, Davisson, DeLaney, DeVon, Eberhart, Ellington, Engleman, Errington, Friend, Frizzell, Frye R, GiaQuinta, Goodin, Gutwein, Hamilton, Hamm, Harris, Hatfield, Heaton, Heine, Huston, Jordan, Judy, Karickhoff, Kersey, Kirchhofer, Klinker, Lawson L, Lehe, Lehman, Leonard, Lindauer, Lucas, Lyness, Macer, Mahan, May, Mayfield, McNamara, Miller D, Moed, Morris, Morrison, Moseley, Negele, Nisly, Ober, Pierce, Porter, Pryor, Richardson, Saunders, Schaibley, Shackelford, Slager, Smaltz, Smith M, Smith V, Soliday, Speedy, Stemler, Steuerwald, Sullivan, Summers, Taylor J, Thompson, Torr, VanNatter, Washburne, Wesco, Wolkins, Wright, Young J, Zent, Ziemke**  
(SENATE SPONSOR — MISHLER)

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January 8, 2018, read first time and referred to Committee on Ways and Means.  
January 11, 2018, reported — Do Pass.  
January 16, 2018, read second time, ordered engrossed. Engrossed.  
January 18, 2018, read third time, passed. Yeas 97, nays 0.

SENATE ACTION

February 1, 2018, read first time and referred to Committee on Appropriations.  
February 15, 2018, amended, reported favorably — Do Pass.

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February 16, 2018

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.

## ENGROSSED HOUSE BILL No. 1001

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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 will exceed the amount**  
12 **appropriated for these purposes for the state fiscal year, the budget**  
13 **agency shall transfer money from the state tuition reserve account**  
14 **to the state general fund to cover the difference.**

15 **(c) Any amounts transferred under this section shall be used to**  
16 **augment the appropriation for state tuition support for the state**  
17 **fiscal year and shall be distributed to school corporations to**

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1 restore the distributions for the purposes described in section 3 of  
2 this chapter.

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

6 (e) This section expires June 30, 2019.

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

- 12 (1) as basic tuition support;
- 13 (2) for honors diploma awards;
- 14 (3) for complexity grants;
- 15 (4) for special education grants;
- 16 (5) for career and technical education grants;
- 17 (6) for choice scholarships; and
- 18 (7) for Mitch Daniels early graduation scholarships;

19 **are to be considered** for a particular state fiscal year. ~~exceeds the~~  
20 ~~amounts appropriated by the general assembly for those purposes for~~  
21 ~~the state fiscal year. the total amount to be distributed for those~~  
22 ~~purposes to each recipient during the remaining months of the state~~  
23 ~~fiscal year shall be proportionately reduced so that the total reductions~~  
24 ~~equal the amount of the excess.~~

25 SECTION 3. IC 20-43-2-4 IS REPEALED [EFFECTIVE UPON  
26 PASSAGE]. ~~Sec. 4: The amount of the reduction for a particular school~~  
27 ~~corporation under section 3 of this chapter is equal to the total amount~~  
28 ~~of the excess determined under section 3 of this chapter multiplied by~~  
29 ~~a fraction. The numerator of the fraction is the amount of the~~  
30 ~~distribution for state tuition support that the school corporation would~~  
31 ~~have received if a reduction were not made under this section. The~~  
32 ~~denominator of the fraction is the total amount that would be~~  
33 ~~distributed for state tuition support to all school corporations if a~~  
34 ~~reduction were not made under this section.~~

35 SECTION 4. IC 20-43-2-7.5, AS AMENDED BY P.L.217-2017,  
36 SECTION 118, IS AMENDED TO READ AS FOLLOWS  
37 [EFFECTIVE UPON PASSAGE]: Sec. 7.5. (a) Before July 1 of each  
38 year, the budget agency, with the assistance of the department, shall  
39 estimate the amount of the distributions that will be made for choice  
40 scholarships for the following state fiscal year.

41 (b) In a state fiscal year beginning after June 30, 2016, **and as set**  
42 **forth in section 2 of this chapter,** the budget agency ~~may shall~~



1 transfer money from the state tuition reserve account to the state  
 2 general fund if the budget director, after review by the budget  
 3 committee, makes a determination that the amount of the distribution  
 4 for that state fiscal year for basic tuition support ~~has been reduced~~  
 5 under section 3 of this chapter **will exceed the amount appropriated**  
 6 **for these purposes** because the amount of the distributions for choice  
 7 scholarships for the state fiscal year exceeds the latest estimate  
 8 prepared by the legislative services agency and provided to members  
 9 of the general assembly before May 1 of the most recent odd-numbered  
 10 year concerning the amount of the distributions for choice scholarships  
 11 for the state fiscal year beginning July 1 of the particular state fiscal  
 12 year. The maximum amount that may be transferred to the state general  
 13 fund under this subsection for the state fiscal year may not exceed the  
 14 lesser of:

- 15 (1) the amount of the reduction in basic tuition support  
 16 distributions described in this subsection; or  
 17 (2) twenty-five million dollars (\$25,000,000).

18 Any amounts transferred under this subsection shall be used to  
 19 augment the appropriation for state tuition support for the state fiscal  
 20 year and shall be distributed to school corporations to restore the  
 21 distributions for basic tuition support ~~that are reduced~~ under section 3  
 22 of this chapter.

23 (c) Transfers under this section are in addition to any transfers made  
 24 from the state tuition reserve account under IC 4-12-1-15.7 or any other  
 25 law.

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

27 SECTION 5. IC 20-43-3-1, AS AMENDED BY P.L.146-2008,  
 28 SECTION 483, IS AMENDED TO READ AS FOLLOWS  
 29 [EFFECTIVE UPON PASSAGE]: Sec. 1. If a computation under this  
 30 article results in a fraction and a rounding rule is not specified, the  
 31 fraction shall be rounded as follows:

32 (1) All calculations related to the complexity index shall be  
 33 computed by rounding to the nearest ten thousandth (0.0001).

34 (2) All tuition support distributions shall be computed by  
 35 rounding the levy or tuition support distribution to the nearest  
 36 dollar (\$1) amount.

37 ~~(3) The fraction calculated in IC 20-43-2-4 shall be computed by~~  
 38 ~~rounding to the nearest one millionth (0.000001):~~

39 ~~(3)~~ (3) If a calculation is not covered by subdivision (1) ~~or~~ (2), ~~or~~  
 40 ~~(3)~~; the result of the calculation shall be rounded to the nearest  
 41 one hundredth (0.01).

42 SECTION 6. IC 20-43-4-5, AS AMENDED BY P.L.213-2015,



1 SECTION 213, IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE UPON PASSAGE]: Sec. 5. In determining ADM, each  
3 kindergarten pupil **who is five (5) years of age on or before the day**  
4 **of the fall count of ADM of the school year under section 2 of this**  
5 **chapter** shall be counted as:  
6 (1) one (1) pupil, if the pupil is enrolled in a full-day kindergarten  
7 program; or  
8 (2) one-half (1/2) pupil, if the pupil is enrolled in a half-day  
9 kindergarten program.  
10 If a school corporation commences kindergarten in a school year, the  
11 ADM of the current and prior calendar years shall be adjusted to reflect  
12 the enrollment of the kindergarten pupils.  
13 SECTION 7. **An emergency is declared for this act.**



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1001, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1001 as introduced.)

BROWN T

Committee Vote: Yeas 22, Nays 0

## COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred House Bill No. 1001, 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:

Page 1, line 11, delete "exceeds" and insert "**will exceed**".

Page 1, line 13, delete "may" and insert "**shall**".

Page 1, line 14, delete "However, the".

Page 1, delete lines 15 through 17.

Page 2, delete lines 1 through 3.

Page 2, delete lines 12 through 18, begin a new paragraph and insert:

**"(e) This section expires June 30, 2019."**

Page 2, delete lines 37 through 42, begin a new paragraph and insert:

"SECTION 3. IC 20-43-2-4 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 4: The amount of the reduction for a particular school corporation under section 3 of this chapter is equal to the total amount of the excess determined under section 3 of this chapter multiplied by a fraction: The numerator of the fraction is the amount of the distribution for state tuition support that the school corporation would have received if a reduction were not made under this section: The denominator of the fraction is the total amount that would be distributed for state tuition support to all school corporations if a reduction were not made under this section:".

Page 3, delete lines 1 through 36, begin a new paragraph and insert:

"SECTION 4. IC 20-43-2-7.5, AS AMENDED BY P.L.217-2017, SECTION 118, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7.5. (a) Before July 1 of each

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year, the budget agency, with the assistance of the department, shall estimate the amount of the distributions that will be made for choice scholarships for the following state fiscal year.

(b) In a state fiscal year beginning after June 30, 2016, **and as set forth in section 2 of this chapter**, the budget agency ~~may~~ **shall** transfer money from the state tuition reserve account to the state general fund if the budget director, after review by the budget committee, makes a determination that the amount of the distribution for that state fiscal year for basic tuition support ~~has been reduced~~ under section 3 of this chapter **will exceed the amount appropriated for these purposes** because the amount of the distributions for choice scholarships for the state fiscal year exceeds the latest estimate prepared by the legislative services agency and provided to members of the general assembly before May 1 of the most recent odd-numbered year concerning the amount of the distributions for choice scholarships for the state fiscal year beginning July 1 of the particular state fiscal year. The maximum amount that may be transferred to the state general fund under this subsection for the state fiscal year may not exceed the lesser of:

- (1) the amount of the reduction in basic tuition support distributions described in this subsection; or
- (2) twenty-five million dollars (\$25,000,000).

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

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

(d) This section expires June 30, 2019.

SECTION 5. IC 20-43-3-1, AS AMENDED BY P.L.146-2008, SECTION 483, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. If a computation under this article results in a fraction and a rounding rule is not specified, the fraction shall be rounded as follows:

- (1) All calculations related to the complexity index shall be computed by rounding to the nearest ten thousandth (0.0001).
- (2) All tuition support distributions shall be computed by rounding the levy or tuition support distribution to the nearest dollar (\$1) amount.
- (3) ~~The fraction calculated in IC 20-43-2-4 shall be computed by~~





rounding to the nearest one millionth (0.000001):

~~(4)~~ (3) If a calculation is not covered by subdivision (1) or (2), or ~~(3)~~, the result of the calculation shall be rounded to the nearest one hundredth (0.01).

SECTION 6. IC 20-43-4-5, AS AMENDED BY P.L.213-2015, SECTION 213, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. In determining ADM, each kindergarten pupil **who is five (5) years of age on or before the day of the fall count of ADM of the school year under section 2 of this chapter** shall be counted as:

- (1) one (1) pupil, if the pupil is enrolled in a full-day kindergarten program; or
- (2) one-half (1/2) pupil, if the pupil is enrolled in a half-day kindergarten program.

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

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1001 as printed January 12, 2018.)

MISHLER, Chairperson

Committee Vote: Yeas 9, Nays 0.

