



January 22, 2016

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## HOUSE BILL No. 1109

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DIGEST OF HB 1109 (Updated January 20, 2016 4:54 pm - DI 58)

**Citations Affected:** IC 6-1.1; IC 20-40; IC 20-43.

**Synopsis:** School funding. Extends through 2019 the eligibility of school corporations to allocate circuit breaker credits proportionately. Provides that a school corporation qualifies to allocate these credits proportionately if the school corporation met the criteria in 2014 or a later year. Extends the date to January 1, 2018, for using money in a school's capital projects fund for utility services and property and casualty insurance. Specifies that a school corporation must submit estimates for all data needed to compute state tuition support. Changes the submission date from May to before April 1 for a school corporation's fall average daily membership (ADM) estimates. Requires the department of education (department) to provide its adjusted and updated estimates to the legislative services agency before April 10 each year. Specifies for a school corporation that fails to submit its estimates by the deadline that the department is to compute monthly tuition support distributions using the general assembly's estimates until the fall count is final for that state fiscal year.

**Effective:** Upon passage; July 1, 2016.

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### Huston, Thompson, Errington

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January 7, 2016, read first time and referred to Committee on Ways and Means.  
January 21, 2016, amended, reported — Do Pass.

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HB 1109—LS 6231/DI 58





January 22, 2016

Second Regular Session of the 119th General Assembly (2016)

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 2015 Regular Session of the General Assembly.

## HOUSE BILL No. 1109

A BILL FOR AN ACT to amend the Indiana Code concerning education.

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

- 1 SECTION 1. IC 6-1.1-20.6-9.9, AS ADDED BY P.L.120-2014,  
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2016]: Sec. 9.9. (a) A school corporation is eligible to allocate  
4 credits proportionately under this section for ~~2014, 2015, or 2016,~~  
5 **2017, 2018, and 2019**, if the school corporation's percentage computed  
6 under this subsection is at least ten percent (10%) for its transportation  
7 fund levy for ~~that year, 2014 or thereafter~~, as certified by the  
8 department of local government finance. A school corporation shall  
9 compute its percentage under this subsection as follows:  
10 (1) Compute the amount of credits granted under this chapter  
11 against the school corporation's levy for the school corporation's  
12 transportation fund.  
13 (2) Compute the school corporation's levy for the school  
14 corporation's transportation fund.  
15 (3) Divide the amount computed under subdivision (1) by the  
16 amount computed under subdivision (2) and express it as a  
17 percentage.

HB 1109—LS 6231/DI 58



1 The computation must be made by taking into account the requirements  
 2 of section 9.8 of this chapter regarding protected taxes and the impact  
 3 of credits granted under this chapter on the revenue to be distributed to  
 4 the school corporation's transportation fund for the particular year.

5 (b) A school corporation that desires to be an eligible school  
 6 corporation under this section must, before May 1 of the year for which  
 7 it wants a determination, submit a written request for a certification by  
 8 the department of local government finance that the computation of the  
 9 school corporation's percentage under subsection (a) is correct. The  
 10 department of local government finance shall, not later than June 1 of  
 11 that year, determine whether the percentage computed by the school  
 12 corporation is accurate and certify whether the school corporation is  
 13 eligible under this section.

14 (c) For a school corporation that is certified as eligible under this  
 15 section, the school corporation may allocate the effect of the credits  
 16 granted under this chapter proportionately among all the school  
 17 corporation's property tax funds that are not exempt under section  
 18 7.5(b) or 7.5(c) of this chapter, based on the levy for each fund and  
 19 without taking into account the requirements of section 9.8 of this  
 20 chapter regarding protected taxes.

21 SECTION 2. IC 20-40-8-19, AS AMENDED BY P.L.213-2015,  
 22 SECTION 202, IS AMENDED TO READ AS FOLLOWS  
 23 [EFFECTIVE JULY 1, 2016]: Sec. 19. Money in the fund may be used  
 24 before ~~July 1, 2017~~, **January 1, 2018**, to pay for up to one hundred  
 25 percent (100%) of the following costs of a school corporation:

- 26 (1) Utility services.
- 27 (2) Property or casualty insurance.
- 28 (3) Both utility services and property or casualty insurance.

29 A school corporation's expenditures under this section may not in a  
 30 calendar year exceed three and five-tenths percent (3.5%) of the school  
 31 corporation's 2005 calendar year distribution.

32 SECTION 3. IC 20-43-4-2, AS AMENDED BY P.L.205-2013,  
 33 SECTION 275, IS AMENDED TO READ AS FOLLOWS  
 34 [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A school corporation's  
 35 ADM is the number of eligible pupils enrolled in:

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

38 on the days fixed in September and in February by the state board for  
 39 a count of students under section 3 of this chapter and as subsequently  
 40 adjusted not later than the date specified under the rules adopted by the  
 41 state board. The state board may adjust the school's count of eligible  
 42 pupils if the state board determines that the count is unrepresentative



1 of the school corporation's enrollment. In addition, a school corporation  
 2 may petition the state board to make an adjusted count of students  
 3 enrolled in the school ~~corporation~~ **corporation** if the corporation has  
 4 reason to believe that the count is unrepresentative of the school  
 5 corporation's enrollment.

6 (b) Each school corporation shall, ~~in June of 2013 and in May~~  
 7 **before April 1** of each year, ~~thereafter~~ provide to the department an  
 8 estimate of the school corporation's ADM **and all other data for**  
 9 **determining state tuition support** that ~~will result from the count of~~  
 10 ~~eligible pupils is required to be submitted by the school corporation~~  
 11 in the following September. The department may update and adjust ~~the~~  
 12 ~~estimate a school corporation's estimates~~ as determined appropriate  
 13 by the department. **The department shall provide these updated and**  
 14 **adjusted estimates to the legislative services agency before April 10**  
 15 **of each year.**

16 SECTION 4. IC 20-43-4-9, AS AMENDED BY P.L.213-2015,  
 17 SECTION 215, IS AMENDED TO READ AS FOLLOWS  
 18 [EFFECTIVE JULY 1, 2016]: Sec. 9. (a) Subject to ~~subsection (b);~~  
 19 **subsections (b) and (c)**, this subsection applies to the calculation of  
 20 state tuition support distributions that are based on the current ADM of  
 21 a school corporation. The fall count of ADM, as adjusted by the state  
 22 board under section 2 of this chapter, shall be used to compute state  
 23 tuition support distributions made in the first six (6) months of the  
 24 current state fiscal year, and the spring count of ADM, as adjusted by  
 25 the state board under section 2 of this chapter, shall be used to compute  
 26 state tuition support distributions made in the second six (6) months of  
 27 the state fiscal year.

28 **(b) This subsection applies to a school corporation that does not**  
 29 **provide the estimates required by section 2 of this chapter before**  
 30 **the deadline. For monthly state tuition support distributions made**  
 31 **before the fall count of ADM is finalized, the department shall**  
 32 **determine the distribution amount for such a school corporation**  
 33 **using data that were used by the general assembly in determining:**

34 **(1) for the first state fiscal year of the biennium, the state**  
 35 **tuition support appropriation for the budget act for that state**  
 36 **fiscal year; and**

37 **(2) for the second state fiscal year of the biennium, the most**  
 38 **recent projection of the state tuition support needed for that**  
 39 **state fiscal year.**

40 ~~(b)~~ **(c)** If the state board adjusts a count of ADM after a distribution  
 41 is made under this article, the adjusted count retroactively applies to  
 42 the amount of state tuition support distributed to a school corporation



1 affected by the adjusted count. The department shall settle any  
2 overpayment or underpayment of state tuition support resulting from  
3 an adjusted count of ADM on the schedule determined by the  
4 department and approved by the budget agency.

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



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1109, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 7, strike "that year," and insert "**2014 or thereafter**".

Page 2, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 2. IC 20-40-8-19, AS AMENDED BY P.L.213-2015, SECTION 202, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 19. Money in the fund may be used before ~~July 1, 2017~~, **January 1, 2018**, to pay for up to one hundred percent (100%) of the following costs of a school corporation:

- (1) Utility services.
- (2) Property or casualty insurance.
- (3) Both utility services and property or casualty insurance.

A school corporation's expenditures under this section may not in a calendar year exceed three and five-tenths percent (3.5%) of the school corporation's 2005 calendar year distribution."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1109 as introduced.)

BROWN T

Committee Vote: yeas 20, nays 0.

