



February 29, 2016

ENGROSSED SENATE BILL No. 330

DIGEST OF SB 330 (Updated February 26, 2016 11:47 am - DI 113)

Citations Affected: IC 20-43; noncode.

Synopsis: School funding. Amends the statute allowing transfers from the state tuition reserve account to the state general fund to be made during the state fiscal year beginning in 2015 and in the state fiscal year beginning in 2016 if distributions for choice scholarships cause a reduction in state tuition support. Provides that the budget agency may 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 tuition support distribution for the state fiscal year has been reduced because the amount of the distributions for choice scholarships for the state fiscal year exceeds the amount that the legislative services agency before May 1, 2015, estimated would be made for such distributions for that state fiscal year. Provides for funding for new charter schools using an enrollment estimate. Provides that certain innovation network charter schools are to be treated the same as a charter school for state funding purposes.

Effective: Upon passage; July 1, 2015 (retroactive).

Mishler, Kenley, Charbonneau, Stoops

(HOUSE SPONSOR — BROWN T)

January 7, 2016, read first time and referred to Committee on Appropriations.
January 25, 2016, reported favorably — Do Pass.
January 28, 2016, read second time, ordered engrossed. Engrossed.
February 1, 2016, read third time, passed. Yeas 50, nays 0.

HOUSE ACTION

February 9, 2016, read first time and referred to Committee on Ways and Means.
February 29, 2016, amended, reported — Do Pass.

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February 29, 2016

Second Regular Session 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.

ENGROSSED SENATE BILL No. 330

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 20-43-2-7.5, AS AMENDED BY P.L.213-2015,
2 SECTION 209, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE UPON PASSAGE]: Sec. 7.5. (a) Before July 1 of each
4 year, the budget agency, with the assistance of the department, shall
5 estimate the amount of the distributions that will be made for choice
6 scholarships for the following state fiscal year.
7 (b) ~~In the state fiscal year beginning July 1, 2014, the budget agency~~
8 ~~may transfer money from the state tuition reserve account to the state~~
9 ~~general fund if the budget director, after review by the budget~~
10 ~~committee, makes a determination that the amount of the distribution~~
11 ~~for that state fiscal year for basic tuition support has been reduced~~
12 ~~under section 3 of this chapter because the amount of the distributions~~
13 ~~for the state fiscal year for choice scholarships has exceeded the~~
14 ~~estimated amount of the distributions for choice scholarships for the~~
15 ~~state fiscal year, as determined under subsection (a). The maximum~~
16 ~~amount that may be transferred to the state general fund under this~~
17 ~~subsection for the state fiscal year may not exceed the lesser of:~~

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

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

9 ~~(c)~~ **(b)** In the state fiscal year beginning July 1, 2015, the budget
10 agency may transfer money from the state tuition reserve account to the
11 state general fund if the budget director, after review by the budget
12 committee, makes a determination that the amount of the distribution
13 for that state fiscal year for basic tuition support has been reduced
14 under section 3 of this chapter because the ~~amount of the distributions~~
15 for the state fiscal year for choice scholarships has exceeded the
16 estimated amount of the distributions for choice scholarships for the
17 state fiscal year as ~~determined under subsection (a)~~ **exceeds the latest**
18 **estimate prepared by the legislative services agency and provided**
19 **to members of the general assembly before May 1, 2015,**
20 **concerning the amount of the distributions for choice scholarships**
21 **for the state fiscal year beginning July 1, 2015.** The maximum
22 amount that may be transferred to the state general fund under this
23 subsection for the state fiscal year may not exceed the lesser of:

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

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

32 ~~(d)~~ **(c)** In the state fiscal year beginning July 1, 2016, the budget
33 agency may transfer money from the state tuition reserve account to the
34 state general fund if the budget director, after review by the budget
35 committee, makes a determination that the amount of the distribution
36 for that state fiscal year for basic tuition support has been reduced
37 under section 3 of this chapter because the ~~amount of the distributions~~
38 for the state fiscal year for choice scholarships has exceeded the
39 estimated amount of the distributions for choice scholarships for the
40 state fiscal year as ~~determined under subsection (a)~~ **exceeds the latest**
41 **estimate prepared by the legislative services agency and provided**
42 **to members of the general assembly before May 1, 2015,**



1 **concerning the amount of the distributions for choice scholarships**
 2 **for the state fiscal year beginning July 1, 2016.** The maximum
 3 amount that may be transferred to the state general fund under this
 4 subsection for the state fiscal year may not exceed the lesser of:

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

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

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

16 ~~(f)~~ **(e)** This section expires June 30, 2017.

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

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

23 on the days fixed in September and in February by the state board for
 24 a count of students under section 3 of this chapter and as subsequently
 25 adjusted not later than the date specified under the rules adopted by the
 26 state board. The state board may adjust the school's count of eligible
 27 pupils if the state board determines that the count is unrepresentative
 28 of the school corporation's enrollment. In addition, a school corporation
 29 may petition the state board to make an adjusted count of students
 30 enrolled in the school ~~corporation~~ **corporation** if the corporation has
 31 reason to believe that the count is unrepresentative of the school
 32 corporation's enrollment.

33 (b) Each school corporation shall in June of 2013 and in May of
 34 each year thereafter provide to the department an estimate of the school
 35 corporation's ADM that will result from the count of eligible pupils in
 36 the following September. The department may update and adjust the
 37 estimate as determined appropriate by the department.

38 **(c) A new charter school shall submit an enrollment estimate to**
 39 **the department before April 1 of the year the new charter school**
 40 **will be open for enrollment. The department shall use the new**
 41 **charter school's enrollment estimate as the basis for the new**
 42 **charter school's distribution beginning in July and until actual**



1 **ADM is available. However, if the new charter school's enrollment**
2 **estimate is greater than eighty percent (80%) of the new charter**
3 **school's authorized enrollment cap, the department may use that**
4 **enrollment estimate if the department has reviewed other**
5 **enrollment data that support that enrollment estimate.**

6 **SECTION 3. [EFFECTIVE JULY 1, 2015 (RETROACTIVE)] (a)**
7 **This SECTION applies to a participating innovation network**
8 **charter school that entered into an agreement under IC 20-25.7-5-2**
9 **before January 1, 2016.**

10 **(b) Notwithstanding IC 20-25.7-5-2(d)(2), the department of**
11 **education shall treat a participating innovation network charter**
12 **school in the same manner as a charter school under IC 20-43**
13 **when calculating the total amount of state funding to be distributed**
14 **to the school corporation.**

15 **(c) This SECTION expires June 30, 2017.**

16 **SECTION 4. An emergency is declared for this act.**



COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 330, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 330 as introduced.)

KENLEY, Chairperson

Committee Vote: Yeas 8, Nays 0

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 330, 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 3, between lines 16 and 17, begin a new paragraph and insert:

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

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

on the days fixed in September and in February by the state board for a count of students under section 3 of this chapter and as subsequently adjusted not later than the date specified under the rules adopted by the state board. The state board may adjust the school's count of eligible pupils if the state board determines that the count is unrepresentative of the school corporation's enrollment. In addition, a school corporation may petition the state board to make an adjusted count of students enrolled in the school ~~corporation~~ **corporation** if the corporation has reason to believe that the count is unrepresentative of the school corporation's enrollment.

(b) Each school corporation shall in June of 2013 and in May of each year thereafter provide to the department an estimate of the school corporation's ADM that will result from the count of eligible pupils in the following September. The department may update and adjust the estimate as determined appropriate by the department.

(c) A new charter school shall submit an enrollment estimate to the department before April 1 of the year the new charter school

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will be open for enrollment. The department shall use the new charter school's enrollment estimate as the basis for the new charter school's distribution beginning in July and until actual ADM is available. However, if the new charter school's enrollment estimate is greater than eighty percent (80%) of the new charter school's authorized enrollment cap, the department may use that enrollment estimate if the department has reviewed other enrollment data that support that enrollment estimate.

SECTION 3. [EFFECTIVE JULY 1, 2015 (RETROACTIVE)] (a) This SECTION applies to a participating innovation network charter school that entered into an agreement under IC 20-25.7-5-2 before January 1, 2016.

(b) Notwithstanding IC 20-25.7-5-2(d)(2), the department of education shall treat a participating innovation network charter school in the same manner as a charter school under IC 20-43 when calculating the total amount of state funding to be distributed to the school corporation.

(c) This SECTION expires June 30, 2017."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 330 as printed January 26, 2016.)

BROWN T

Committee Vote: yeas 22, nays 0.

