

SENATE BILL No. 413

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-24; IC 20-51; P.L.2-2020, SECTION 1.

Synopsis: Education matters. Authorizes either the board of a school corporation or the fiscal body of the county in which the school corporation is located (transferring body) to adopt a resolution to transfer a share of the school corporation's operations fund property tax revenue to certain charter schools according to an allocation formula based on the ADM count of the charter school compared to the total combined ADM count of the school corporation plus the ADM count of all charter schools within the attendance area of the school corporation. However, provides that, in the case of a school corporation that has a charter school within its boundaries whose comparative ADM count under the allocation formula is greater than 5%, the fiscal body of the county in which the school corporation is located is required to place a referendum on the ballot regarding the question of whether the school corporation should be required to transfer a share of the school corporation's operations fund property tax revenue to all eligible charter schools within the boundaries of the school corporation according to the allocation formula. Adds the referendum procedures. Provides that a foster child may qualify to receive a choice scholarship. Amends the maximum amount of the choice scholarship for each eligible choice scholarship student to 90% of state tuition support. Provides that a school's or school corporation's category or designation of school or school corporation performance assigned by the state board of education for the 2020-2021 school year is the higher of the school's or school corporation's: (1) category or designation of school or school corporation performance assigned for the 2019-2020 school year; or (2) category or designation of school or school corporation
(Continued next page)

Effective: Upon passage; July 1, 2020 (retroactive); July 1, 2021.

Raatz

January 25, 2021, read first time and referred to Committee on Education and Career Development.



Digest Continued

performance for the 2020-2021 school year. (Includes adult high schools.) Provides that consequences for school improvement do not apply for the 2020-2021 school year.



Introduced

First Regular Session of the 122nd General Assembly (2021)

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 2020 Regular Session of the General Assembly.

SENATE BILL No. 413

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 20-24-7-6, AS AMENDED BY P.L.154-2020,
2 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 6. (a) ~~With the approval of a majority of the~~
4 ~~members of the governing body, a school corporation may distribute a~~
5 ~~proportionate share of the school corporation's operations fund to a~~
6 ~~charter school.~~ A charter school may elect to distribute a proportionate
7 share of the charter school's operations fund to the school corporation
8 in whose district the charter school is located.
9 (b) A governing body may distribute money that is received as part
10 of a tax levy collected under IC 20-46-1 from the school corporation's
11 education fund to a charter school, excluding a virtual charter school,
12 in the manner provided by IC 20-46-1-8(d).
13 (c) A governing body may distribute money from the school safety
14 referendum tax levy fund to a charter school, excluding a virtual
15 charter school, in the manner prescribed by IC 20-46-9-6(b).



1 SECTION 2. IC 20-24-7-6.2 IS ADDED TO THE INDIANA CODE
 2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 3 UPON PASSAGE]: Sec. 6.2. (a) As used in this section,
 4 "transferring body" means either of the following, but not both:

5 (1) The governing body of the school corporation.

6 (2) The fiscal body of the county in which the school
 7 corporation is located or, if a school corporation is located in
 8 more than one (1) county, the fiscal body of each county in
 9 which the school corporation is located, acting jointly.

10 (b) Subject to subsections (e) through (h), a transferring body
 11 with regard to a school corporation may adopt a resolution to
 12 apportion and transfer a share of the school corporation's
 13 operations fund property tax revenue to a charter school as set
 14 forth in this section.

15 (c) A resolution adopted under this section must include the
 16 following:

17 (1) The name and address of the charter school, which must
 18 be located within the attendance area of the school
 19 corporation.

20 (2) The number of calendar years the transfers to the charter
 21 school will be made, which may not be less than five (5)
 22 consecutive calendar years.

23 (3) The date by which the transfers will be made in each
 24 calendar year in which the resolution applies.

25 (d) If a transferring body adopts a resolution under subsection
 26 (b) with regard to a school corporation, or if a referendum is
 27 approved as set forth under IC 20-24-14 with regard to a school
 28 corporation, the amount of the school corporation's operations
 29 fund property tax revenue that shall be transferred to the charter
 30 school, or each charter school in the case of a referendum
 31 approved under IC 20-24-14, in a calendar year is equal to the
 32 amount determined under STEP FIVE:

33 STEP ONE: Determine the school corporation's operations
 34 fund levy as certified by the department of local government
 35 finance, excluding the school corporation's levy for debt
 36 service.

37 STEP TWO: Determine each charter school that:

38 (A) is located within the geographic boundaries of the
 39 school corporation; and

40 (B) is eligible to receive operations fund revenue from the
 41 school corporation under this section.

42 STEP THREE: Determine the sum of:



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- (A) the ADM count for the school corporation; plus
- (B) the sum of the ADM counts of students with legal settlement under IC 20-26-11-2 in the school corporation identified in clause (A) for all of the charter schools identified in STEP TWO.

STEP FOUR: Determine the result of:

- (A) the ADM count for the charter school of students with legal settlement under IC 20-26-11-2 in the school corporation identified in clause (A) of STEP THREE; divided by
- (B) the combined ADM counts determined under STEP THREE;

expressed as a percentage.

STEP FIVE: Determine the product of:

- (A) the STEP ONE amount; multiplied by
- (B) the STEP FOUR percentage.

(e) The following provisions apply only in the case of a school corporation that has a charter school located within its boundaries whose comparative ADM count as calculated under STEP FOUR of subsection (d) is greater than five percent (5%) in a calendar year:

(1) The fiscal body of the county in which a school corporation described in this subsection is located shall adopt a resolution requiring a voter referendum regarding whether to apportion and transfer a share of the school corporation's operations fund property tax revenue to each charter school located within the boundaries of the school corporation as set forth in IC 20-24-14.

(2) If a transferring body has adopted a resolution under subsection (b) to apportion and transfer a share of a school corporation's operations fund property tax revenue to a charter school that did not meet the description in this subsection at the time the resolution was adopted, but later meets the description in this subsection during a calendar year in which the resolution is in effect, the resolution adopted by the transferring body under subsection (b) may continue in effect notwithstanding subdivision (1), but only until the expiration date contained in the resolution. Upon the expiration or repeal of the resolution adopted under subsection (b), the provisions under subdivision (1) requiring a voter referendum shall apply.

This subsection does not apply with regard to a school corporation



1 that is designated as a distressed political subdivision under
2 IC 6-1.1-20.3.

3 (f) If a referendum is approved as set forth under IC 20-24-14
4 with regard to a school corporation, the county fiscal body may,
5 after July 1 of the calendar year in which the last transfers are
6 required under the referendum, adopt a resolution under
7 subsection (b) to continue to apportion and transfer a share of the
8 school corporation's operations fund property tax revenue to each
9 charter school within the boundaries of the school corporation as
10 set forth in the referendum. However, if the county fiscal body does
11 not adopt a resolution allowed under this subsection before the end
12 of the last calendar year in which the referendum applies, and the
13 school corporation continues to meet the description in subsection
14 (e), the provisions under subsection (e)(1) requiring a voter
15 referendum shall apply the following year.

16 (g) The following schools are not eligible to receive a transfer of
17 operations fund property tax revenue from a school corporation
18 under this section:

19 (1) A virtual charter school.

20 (2) An adult high school.

21 In addition, for purposes of this section, an innovation charter
22 school is considered a part of the school corporation and is not
23 eligible to receive operations fund property tax revenue from a
24 school corporation under this section, but may continue to
25 negotiate property tax revenue under an agreement made pursuant
26 to IC 20-25.7-7-2(b).

27 (h) A charter school that receives a transfer of operations fund
28 property tax revenue from a school corporation under this section
29 shall be ineligible to:

30 (1) lease or purchase a vacant school building as set forth
31 under IC 20-26-7.1-4; or

32 (2) receive a charter and innovation network school grant
33 under IC 20-24-13;

34 in any calendar year in which it receives funds under this section.

35 SECTION 3. IC 20-24-7-6.3 IS ADDED TO THE INDIANA CODE
36 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
37 UPON PASSAGE]: Sec. 6.3. (a) The governing body of a charter
38 school that receives a transfer of property tax revenue from a
39 school corporation under section 6.2 of this chapter shall create an
40 operations fund to be used by the charter school.

41 (b) The fiscal officer of the charter school shall deposit the
42 money received from a school corporation under section 6.2 of this



1 chapter in the charter school's operations fund.

2 (c) The charter school's operations fund must be used only to do
3 the following:

4 (1) Carry out a capital projects plan that is approved in the
5 same manner and subject to the same provisions and
6 procedures that apply to a school corporation's capital
7 projects plan under IC 20-40-18-6.

8 (2) Pay transportation costs, if the charter school provides
9 transportation services.

10 (3) Carry out a school bus replacement plan that is approved
11 in the same manner and subject to the same provisions and
12 procedures that apply to a school corporation's school bus
13 replacement plan under IC 20-40-18-9, if the charter school
14 provides transportation services.

15 (4) Pay expenses that are allocated to overhead and
16 operational expenditures or to nonoperational expenditures
17 under IC 20-42.5.

18 (5) If IC 36-10-13 applies to the school corporation from
19 which the charter school receives a transfer of revenue under
20 section 6.2 of this chapter, provide funds to an art association
21 or a historical society under IC 36-10-13 in the same manner
22 and subject to the same provisions and procedures that would
23 apply to the school corporation.

24 (d) The expenditures that may be made from the charter
25 school's operations fund:

26 (1) for capital projects are the same as those for school
27 corporations under IC 20-40-18-7; and

28 (2) for transportation costs are the same as those for school
29 corporations under IC 20-40-18-8.

30 (e) Before a charter school may issue bonds:

31 (1) for which money received from a school corporation under
32 section 6.2 of this chapter is pledged for the payment of
33 principal and interest; and

34 (2) that have a maturity date beyond the final date on which
35 transfers to the charter school are authorized in the resolution
36 adopted under section 6.2(b) of this chapter or required in a
37 referendum under IC 20-24-14, whichever is applicable;

38 both the governing body of the school corporation and the
39 governing body of the charter school must adopt resolutions to
40 approve the bond issuance.

41 (f) A charter school may transfer money from the charter
42 school's operations fund established under this section to an



1 education fund or similar fund of the charter school to cover
 2 expenditures that are allocated to student instruction and learning
 3 under IC 20-42.5, if the charter school complies with the same
 4 requirements and is subject to the same procedures that apply to
 5 similar transfers from a school corporation's operations fund to its
 6 education fund under IC 20-40-18-11.

7 (g) A charter school that receives a transfer of operations fund
 8 revenue from a school corporation under section 6.2 of this chapter
 9 shall submit a proposed budget for the amount of the school
 10 corporation's operations fund property tax levy it will receive
 11 under section 6.2 of this chapter to the county fiscal body, or the
 12 city or town fiscal body, whichever is applicable, in the same
 13 manner and subject to the same provisions and procedures under
 14 IC 6-1.1-17-20 for taxing units.

15 SECTION 4. IC 20-24-14 IS ADDED TO THE INDIANA CODE
 16 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 17 UPON PASSAGE]:

18 **Chapter 14. Referendum to Apportion and Share Operations**
 19 **Fund Property Tax Revenue**

20 **Sec. 1.** This chapter applies only for the purpose of a
 21 referendum required under IC 20-24-7-6.2(e).

22 **Sec. 2.** As used in this chapter, "county fiscal body" means the
 23 fiscal body of the county in which the school corporation is located
 24 or, if a school corporation is located in more than one (1) county,
 25 the fiscal body of each county in which the school corporation is
 26 located, acting jointly.

27 **Sec. 3.** As used in this chapter, "referendum" refers to a
 28 referendum under this chapter.

29 **Sec. 4. (a)** A county fiscal body with regard to a school
 30 corporation shall adopt a resolution to place a referendum under
 31 this chapter on the ballot to require the governing body of the
 32 school corporation to apportion and transfer a share of the school
 33 corporation's operations fund property tax revenue to all charter
 34 schools described in section 5(b) of this chapter under the
 35 provisions set forth in IC 20-24-7-6.2.

36 **(b)** The county fiscal body shall certify a copy of the resolution
 37 to place a referendum on the ballot to the following:

38 **(1)** The department of local government finance, including the
 39 language for the question required by section 5 of this
 40 chapter. The department shall review the language for
 41 compliance with section 5 of this chapter and either approve
 42 or modify the language. The department shall send its



1 decision to the county fiscal body not more than ten (10) days
 2 after the resolution is submitted to the department. If the
 3 language is approved or modified, the county fiscal body shall
 4 certify a copy of the resolution, including the language for the
 5 question and the department's approval.

6 (2) The governing body of the school corporation to which the
 7 referendum applies.

8 (3) The circuit court clerk of each county in which the school
 9 corporation is located.

10 (c) The resolution described in subsection (a) must indicate the
 11 number of calendar years the transfers to the charter schools will
 12 be made, which may not be less than five (5) consecutive calendar
 13 years.

14 Sec. 5. (a) The question to be submitted to the voters in the
 15 referendum must read as follows:

16 "For the _____ (insert number not less than five (5))
 17 calendar years immediately following the holding of the
 18 referendum, shall the board of the _____ (insert name of
 19 the school corporation) be required to apportion and transfer
 20 a share of the _____'s (insert name of the school
 21 corporation) operations fund property tax revenue to
 22 _____ (insert name of each charter school described in
 23 subsection (b)) under IC 20-24-7-6.2?"

24 (b) The question under subsection (a) must include the name of
 25 each charter school that is:

26 (1) located within the geographic boundaries of the traditional
 27 public school corporation; and

28 (2) eligible to receive operations fund property tax revenue
 29 from the traditional public school corporation under
 30 IC 20-24-7-6.2.

31 Sec. 6. Each circuit court clerk shall, upon receiving the
 32 question certified by the county fiscal body under this chapter, call
 33 a meeting of the county election board to make arrangements for
 34 the referendum.

35 Sec. 7. The referendum shall be held in the next regularly
 36 scheduled election in which all the registered voters who are
 37 residents of the traditional public school corporation are entitled
 38 to vote after certification of the question under IC 3-10-9-3. The
 39 certification of the question must occur not later than noon:

40 (1) seventy-four (74) days before a primary election if the
 41 question is to be placed on the primary or municipal primary
 42 election ballot; or



- 1 (2) August 1 if the question is to be placed on the general or
 2 municipal election ballot.
- 3 **Sec. 8. Each county election board shall cause:**
- 4 (1) the question certified to the circuit court clerk by the
 5 county fiscal body to be placed on the ballot in the form
 6 prescribed by IC 3-10-9-4; and
- 7 (2) an adequate supply of ballots and voting equipment to be
 8 delivered to the precinct election board of each precinct in
 9 which the referendum is to be held.
- 10 **Sec. 9. The individuals entitled to vote in the referendum are all**
 11 **of the registered voters resident in the traditional public school**
 12 **corporation to which the referendum applies.**
- 13 **Sec. 10. Each precinct election board shall count the affirmative**
 14 **votes and the negative votes cast in the referendum and shall**
 15 **certify those two (2) totals to the county election board of each**
 16 **county in which the referendum is held. The circuit court clerk of**
 17 **each county shall, immediately after the votes cast in the**
 18 **referendum have been counted, certify the results of the**
 19 **referendum to the department of local government finance. If a**
 20 **majority of the individuals who voted in the referendum voted**
 21 **"yes" on the referendum question:**
- 22 (1) the department of local government finance shall promptly
 23 notify the:
- 24 (A) county fiscal body;
- 25 (B) the governing board of the traditional public school
 26 corporation to which the referendum applies; and
- 27 (C) each charter school described in section 5(b) of this
 28 chapter;
- 29 that the governing board of the school corporation is required
 30 to apportion and transfer a share of the school corporation's
 31 operations fund property tax revenue to all charter schools
 32 described in section 5(b) of this chapter as set forth in the
 33 referendum for the number of calendar years indicated in the
 34 referendum; and
- 35 (2) the governing body of the school corporation shall
 36 apportion and transfer a share of the school corporation's
 37 operations fund property tax revenue to each and every
 38 charter school described in section 5(b) of this chapter as set
 39 forth in the referendum and under the provisions in
 40 IC 20-24-7-6.2, including the allocation provision in
 41 IC 20-24-7-6.2(d).
- 42 **Sec. 11. (a) If a majority of the persons who voted in the**



1 referendum did not vote "yes" on the referendum question:

2 (1) the governing body of the school corporation is not
3 required to apportion and transfer a share of the school
4 corporation's operations fund property tax revenue to each
5 charter school described in section 5(b) of this chapter as set
6 forth in the referendum;

7 (2) another referendum under this section may not be held
8 earlier than:

9 (A) except as provided in clause (B), seven hundred (700)
10 days after the date of the referendum; or

11 (B) three hundred fifty (350) days after the date of the
12 referendum, if a petition that meets the requirements of
13 subsection (b) is submitted to the county auditor; and

14 (3) the provisions in IC 20-24-7-6.2(e) requiring the county
15 fiscal body to adopt a resolution under this chapter do not
16 apply during the period in subdivision (2).

17 (b) If a majority of the persons who voted in the referendum did
18 not vote "yes" on the referendum question, a petition may be
19 submitted to the county auditor to request that the limit under
20 subsection (a)(2)(B) apply to the holding of a subsequent
21 referendum by the county fiscal body with regard to the school
22 corporation. If such a petition is submitted to the county auditor
23 and is signed by the lesser of:

24 (1) five hundred (500) persons who are either owners of
25 property within the traditional public school corporation or
26 registered voters residing within the traditional public school
27 corporation; or

28 (2) five percent (5%) of the registered voters residing within
29 the traditional public school corporation boundaries;

30 the limit under subsection (a)(2)(B) applies to the holding of a
31 second referendum by the county fiscal body with regard to the
32 school corporation, and the limit under subsection (a)(2)(A) does
33 not apply to the holding of a second referendum by the county
34 fiscal body.

35 SECTION 5. IC 20-51-1-4.3, AS AMENDED BY P.L.184-2017,
36 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 JULY 1, 2021]: Sec. 4.3. "Eligible choice scholarship student" refers
38 to an individual who:

39 (1) has legal settlement in Indiana;

40 (2) is at least five (5) years of age and less than twenty-two (22)
41 years of age on the date in the school year specified in
42 IC 20-33-2-7; and



- 1 (3) meets at least one (1) of the following conditions:
 2 (A) The individual is:
 3 (i) a student with a disability who requires special education
 4 and for whom an individualized education program has been
 5 developed under IC 20-35 or a service plan developed under
 6 511 IAC 7-34; and
 7 (ii) a member of a household with an annual income of not
 8 more than two hundred percent (200%) of the amount
 9 required for the individual to qualify for the federal free or
 10 reduced price lunch program.
 11 (B) The individual is:
 12 (i) an individual who, because of the school corporation's
 13 residency requirement, would be required to attend a
 14 specific public school within a school corporation that has
 15 been placed in the lowest category or designation of school
 16 improvement under IC 20-31-8-4 (has been assigned an "F"
 17 grade); and
 18 (ii) except as provided in IC 20-51-4-2.5, is a member of a
 19 household with an annual income of not more than one
 20 hundred fifty percent (150%) of the amount required for the
 21 individual to qualify for the federal free or reduced price
 22 lunch program.
 23 An individual to whom this clause applies is not required to
 24 attend the public school before becoming eligible for a choice
 25 scholarship, and may not be required to return to the public
 26 school if the public school is placed in a higher category or
 27 designation under IC 20-31-8-4.
 28 (C) Except as provided in IC 20-51-4-2.5, the individual is a
 29 member of a household with an annual income of not more
 30 than one hundred fifty percent (150%) of the amount required
 31 for the individual to qualify for the federal free or reduced
 32 price lunch program and the individual was enrolled in
 33 kindergarten through grade 12, in a public school, including a
 34 charter school, in Indiana for at least two (2) semesters
 35 immediately preceding the first semester for which the
 36 individual receives a choice scholarship under IC 20-51-4.
 37 (D) The individual or a sibling of the individual who, except
 38 as provided in IC 20-51-4-2.5, is a member of a household
 39 with an annual income of not more than one hundred fifty
 40 percent (150%) of the amount required for the individual to
 41 qualify for the federal free or reduced price lunch program and
 42 satisfies either of the following:



1 (i) The individual or a sibling of the individual received
 2 before July 1, 2013, a scholarship from a scholarship
 3 granting organization under IC 20-51-3 or a choice
 4 scholarship under IC 20-51-4 in a preceding school year,
 5 including a school year that does not immediately precede
 6 a school year in which the individual receives a scholarship
 7 from a scholarship granting organization under IC 20-51-3
 8 or a choice scholarship under IC 20-51-4.

9 (ii) The individual or a sibling of the individual receives for
 10 the first time after June 30, 2013, a scholarship of at least
 11 five hundred dollars (\$500) from a scholarship granting
 12 organization under IC 20-51-3 or a choice scholarship under
 13 IC 20-51-4 in a preceding school year, including a school
 14 year that does not immediately precede a school year in
 15 which the individual receives a scholarship from a
 16 scholarship granting organization under IC 20-51-3 or a
 17 choice scholarship under IC 20-51-4.

18 (E) Subject to IC 20-51-4-2.7, the individual:

19 (i) received an early education grant under IC 12-17.2-7.2;
 20 (ii) used the grant described in item (i) to attend a
 21 prekindergarten program at an eligible school;
 22 (iii) continues to meet the income eligibility requirements
 23 the individual was required to meet to receive an early
 24 education grant under IC 12-17.2-7.2; and
 25 (iv) continues to attend the eligible school at which the
 26 individual attended a prekindergarten program as described
 27 in item (ii).

28 **(F) The individual is in foster care.**

29 SECTION 6. IC 20-51-1-5.5 IS ADDED TO THE INDIANA CODE
 30 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 31 1, 2021]: **Sec. 5.5. "Parent", for purposes of IC 20-51-4, includes**
 32 **the foster parent of an eligible choice scholarship student.**

33 SECTION 7. IC 20-51-4-2.5, AS AMENDED BY P.L.251-2017,
 34 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JULY 1, 2021]: Sec. 2.5. Notwithstanding IC 20-51-1-4.3(3)(B),
 36 IC 20-51-1-4.3(3)(C), or IC 20-51-1-4.3(3)(D)(ii):

37 (1) an individual who initially meets the income requirements
 38 under IC 20-51-1-4.3(3)(B) or IC 20-51-1-4.3(3)(C); or
 39 ~~IC 20-51-1-4.3(3)(D)(ii)~~

40 (2) an individual or a sibling of an individual who initially
 41 meets the income requirements under IC 20-51-1-4.3(3)(D);
 42 and is a member of a household whose income subsequently increases



1 is considered to meet the income requirements for as long as the
 2 individual **or, if applicable, the sibling of the individual** is enrolled
 3 in an eligible school and is a member of a household with an annual
 4 income of not more than two hundred percent (200%) of the amount
 5 required for the individual **or, if applicable, the sibling of the**
 6 **individual** to qualify for the federal free or reduced price lunch
 7 program.

8 SECTION 8. IC 20-51-4-4, AS AMENDED BY P.L.108-2019,
 9 SECTION 234, IS AMENDED TO READ AS FOLLOWS
 10 [EFFECTIVE JULY 1, 2021]: Sec. 4. (a) The amount an eligible choice
 11 scholarship student is entitled to receive under this chapter for a school
 12 year is equal to the following:

13 (1) The least of the following:

14 (A) The sum of the tuition, transfer tuition, and fees required
 15 for enrollment or attendance of the eligible choice scholarship
 16 student at the eligible school selected by the eligible choice
 17 scholarship student for a school year that the eligible choice
 18 scholarship student (or the parent of the eligible choice
 19 scholarship student) would otherwise be obligated to pay to
 20 the eligible school.

21 (B) An amount equal to

22 (i) ninety percent (90%) of the state tuition support amount
 23 determined under section 5 of this chapter. ~~if the eligible~~
 24 ~~choice scholarship student is a member of a household with~~
 25 ~~an annual income of not more than the amount required for~~
 26 ~~the eligible choice scholarship student to qualify for the~~
 27 ~~federal free or reduced price lunch program;~~

28 (ii) seventy percent (70%) of the state tuition support
 29 amount determined under section 5 of this chapter if the
 30 eligible choice scholarship student is a member of a
 31 household with an annual income of, in the case of an
 32 individual not described in section 2.5 of this chapter or item
 33 (i); not more than one hundred twenty-five percent (125%)
 34 of the amount required for the eligible choice scholarship
 35 student to qualify for the federal free or reduced price lunch
 36 program; and

37 (iii) fifty percent (50%) of the state tuition support amount
 38 determined under section 5 of this chapter if the eligible
 39 choice scholarship student is a member of a household with
 40 an annual income of, in the case of an individual not
 41 described in section 2.5 of this chapter or item (i) or (ii); not
 42 more than one hundred fifty percent (150%) of the amount



1 required for the eligible choice scholarship student to
 2 qualify for the federal free or reduced price lunch program
 3 or, in the case of an individual described in section 2.5 of
 4 this chapter, not more than two hundred percent (200%) of
 5 the amount required for the eligible choice scholarship
 6 student to qualify for the federal free or reduced price lunch
 7 program.

8 (2) In addition, if the eligible choice scholarship student has been
 9 identified as eligible for special education services under
 10 IC 20-35 and the eligible school provides the necessary special
 11 education or related services to the eligible choice scholarship
 12 student, any amount that a school corporation would receive
 13 under IC 20-43-7 for the eligible choice scholarship student if the
 14 eligible choice scholarship student attended the school
 15 corporation. However, if an eligible choice scholarship student
 16 changes schools during the school year after the December 1
 17 count under IC 20-43-7-1 of eligible pupils enrolled in special
 18 education programs and the eligible choice scholarship student
 19 enrolls in a different eligible school, any choice scholarship
 20 amounts paid to the eligible choice scholarship student for the
 21 remainder of the school year after the eligible choice scholarship
 22 student enrolls in the different eligible school shall not include
 23 amounts that a school corporation would receive under
 24 IC 20-43-7 for the eligible choice scholarship student if the
 25 eligible choice scholarship student attended the school
 26 corporation.

27 (b) The amount an eligible choice scholarship student is entitled to
 28 receive under this chapter if the eligible student applies for the choice
 29 scholarship under section 7(e) of this chapter shall be reduced on a
 30 prorated basis in the manner prescribed in section 6 of this chapter.

31 SECTION 9. P.L.2-2020, SECTION 1, IS AMENDED TO READ
 32 AS FOLLOWS [EFFECTIVE JULY 1, 2020 (RETROACTIVE)]:
 33 SECTION 1. (a) The definitions in IC 20 apply throughout this
 34 SECTION.

35 (b) Notwithstanding IC 20-31-8 and 511 IAC 6.2-10, a school's or
 36 school corporation's category or designation of school or school
 37 corporation performance assigned by the state board under
 38 IC 20-31-8-4 for the 2018-2019 school year shall be calculated in the
 39 manner provided in 511 IAC 6.2-10, with the exception that a school's
 40 or school corporation's category or designation of school or school
 41 corporation performance for the 2018-2019 school year may not be
 42 lower than the school's or school corporation's category or designation



1 of school or school corporation performance for the 2017-2018 school
2 year.

3 (c) Notwithstanding IC 20-31-8 and 511 IAC 6.2-10, a school's or
4 school corporation's category or designation of school or school
5 corporation performance assigned by the state board under
6 IC 20-31-8-4 for the 2019-2020 school year shall be calculated in the
7 manner provided in 511 IAC 6.2-10, with the exception that a school's
8 or school corporation's category or designation of school or school
9 corporation performance for the 2019-2020 school year is the higher of
10 a school's or school corporation's category or designation of school or
11 school corporation performance:

12 (1) determined under subsection (b); or

13 (2) for the 2019-2020 school year as determined under
14 IC 20-31-8.

15 **(d) Notwithstanding IC 20-31-8 and 511 IAC 6.2-10, a school's**
16 **or school corporation's category or designation of school or school**
17 **corporation performance assigned by the state board under**
18 **IC 20-31-8-4 for the 2020-2021 school year shall be calculated in**
19 **the manner provided in 511 IAC 6.2-10, with the exception that a**
20 **school's or school corporation's category or designation of school**
21 **or school corporation performance for the 2020-2021 school year**
22 **is the higher of a school's or school corporation's category or**
23 **designation of school or school corporation performance:**

24 (1) determined under subsection (c); or

25 (2) for the 2020-2021 school year as determined under
26 IC 20-31-8.

27 (e) **Notwithstanding IC 20-31-8 and 511 IAC 6.3-1, an adult high**
28 **school's category or designation of school performance assigned by**
29 **the state board under IC 20-31-8 for the 2020-2021 school year**
30 **shall be calculated in the manner provided in 511 IAC 6.3-1, with**
31 **the exception that an adult high school's category or designation of**
32 **school performance for the 2020-2021 school year may not be**
33 **lower than the adult high school's category or designation of school**
34 **or school corporation performance for the 2019-2020 school year.**

35 ~~(d)~~ (f) Notwithstanding IC 20-31-9, and except as otherwise
36 provided in this subsection, a school's category or designation of school
37 performance assigned by the state board under subsection (b), ~~or~~ (c),
38 **or (d)** may not be used in the determination of consequences under
39 IC 20-31-9. The school's category or designation of school performance
40 for the ~~2020-2021~~ **2021-2022** school year shall be considered the
41 category or designation for the school year immediately following the
42 2017-2018 school year for purposes of applying consequences under



1 IC 20-31-9 for a school that has been placed in the lowest category or
 2 designation of school performance under subsections (b), ~~and~~ (c), **and**
 3 **(d)**. However, a school may petition the state board, and the state board
 4 shall grant the school's petition to use the grade assigned to the school
 5 under subsection (b), ~~or~~ (c), **or (d)** for purposes of applying IC 20-31-9.

6 ~~(e)~~ **(g)** Notwithstanding IC 20-51-4-9, and except as otherwise
 7 provided in this subsection, an eligible school's (as defined in
 8 IC 20-51-1-4.7) category or designation of school performance under
 9 subsection (b), ~~or~~ (c), **or (d)** may not be used in the determination of
 10 consequences under IC 20-51-4-9 if the eligible school is placed in
 11 either of the two (2) lowest categories or designations of school
 12 performance under subsection (b), ~~or~~ (c), **or (d)**. The eligible school's
 13 category or designation of school performance for the ~~2020-2021~~
 14 **2021-2022** school year shall be considered the category or designation
 15 for the school year immediately following the 2017-2018 school year
 16 for purposes of applying consequences under IC 20-51-4-9 for an
 17 eligible school that has been placed in the two (2) lowest categories or
 18 designations of school performance under subsections (b), ~~and~~ (c), **and**
 19 **(d)**. However, an eligible school may petition the state board, and the
 20 state board shall grant the eligible school's petition to use the eligible
 21 school's category or designation of school performance assigned under
 22 subsection (b), ~~or~~ (c), **or (d)** for purposes of applying IC 20-51-4-9.

23 ~~(f)~~ **(h)** Notwithstanding IC 20-24-2.2-2, a charter school's category
 24 or designation of school performance for the ~~2020-2021~~ **2021-2022**
 25 school year shall be considered the category or designation for the
 26 school year immediately following the 2017-2018 school year for
 27 purposes of applying IC 20-24-2.2-2(a) for a charter school that has
 28 been placed in the lowest category or designation of school
 29 performance under subsection (b), ~~or~~ (c), **or (d)**. However, a charter
 30 school may petition the state board, and the state board shall grant the
 31 charter school's petition to use the charter school's category or
 32 designation of school performance assigned under subsection (b), ~~or~~
 33 (c), **or (d)** for purposes of applying IC 20-24-2.2-2(a).

34 **(i)** Notwithstanding IC 20-24-2.2-2, an adult high school's
 35 category or designation of school performance for the **2021-2022**
 36 school year shall be considered the category or designation for the
 37 school year immediately following the **2019-2020** school year for
 38 purposes of applying IC 20-24-2.2-2(a) for an adult high school that
 39 has been placed in the lowest category or designation of school
 40 performance under subsection (e). However, an adult high school
 41 may petition the state board, and the state board shall grant the
 42 adult high school's petition to use the adult high school's category



1 **or designation of school performance assigned under subsection (e)**
2 **for purposes of applying IC 20-24-2.2-2(a).**
3 ~~(g)~~ **(j)** This SECTION expires January 1, ~~2023~~. **2024.**
4 **SECTION 10. An emergency is declared for this act.**

