

MEMORANDUM

To: Superintendents and Chief Financial Officers
From: Melissa Ambre, Director, Office of School Finance
Date: June 7, 2019
Re: House Enrolled Act 1001 - Biennial Budget (2 of 5)

Background:

The Indiana General Assembly passed legislation concerning the FY2020 and FY2021 State Tuition Support Formula as part of the overall Biennial Budget.

Guidance: State Tuition Support

Distribution for Tuition Support: FY2020 \$7,331,500,000 FY2021 \$7,514,400,000

Traditional public schools, charter schools, and virtual charter schools are eligible for basic, career and technical education, special education, and honors designation funds.

Average Daily Membership

Spring: Current average daily membership (ADM) is the spring count of ADM for distributions for the months of January through June of the calendar year in which the spring count is taken. Effective June 29, 2019 (I. C. 20-43-1-10). The spring count date of eligible students enrolled in a school corporation or charter school is February 3, 2020.

Fall: Current ADM is the fall count of ADM for distributions for the months of July through December of the calendar year in which the fall count is taken. Effective June 29, 2019 (I. C. 20-43-1-10). The fall count date of eligible students enrolled in a school corporation or charter school is September 13, 2019.

Membership Layout

As part of the September and February average daily membership (ME) count submission process, the Indiana Department of Education (IDOE) will add a new field to the ME layout report to require each reporting public corporation and charter school to report as part of the new field 10 - Virtual Student the status of the student.

- The allowable code in length is one character, Y=Yes and N=No. This is a required field for IDOE-ME only and the field note reflects the question: “Is this a student for whom, of the instructional services that the student receives from the school corporation, at least 50 percent is virtual in nature?”

- Students whose student level membership data reflects a “Y” in field 10 will be funded at 85 percent of foundation.

Reserve Amount

Makes available a \$25,000,000 transfer if the budget director, after review by the budget committee, determines the amount of the distribution in a fiscal year for state tuition support exceeds the appropriation. Effective June 29, 2019 (I. C. 20-43-2-2)

Basic Tuition Support

Repeals the complexity grant and makes complexity funding part of the basic tuition support calculation. Effective June 29, 2019 (I.C. 20-43-2-3)

The State Tuition Support Formula will use the fall and spring ADM count of students to determine basic tuition support funds. IDOE will use the fall count to calculate basic tuition support funding for the period of July to December and the spring count to calculate basic tuition support for January to June in fiscal years 2020 and 2021.

Foundation Funding – Virtual and Non-Virtual Students

- Section 225 of the bill provides Basic Tuition Support funding for students for whom, of the instructional services the students receive from the school corporation, at least 50 percent is virtual instruction. The foundation amount for virtual students reported as part of the current ADM is 85 percent of foundation amount in FY2020 and 85 percent of the FY2021 foundation amount. (I.C. 20-43-6-3)
- As part of the September and February ME count submission process, IDOE will add a new field to the ME layout report to require each reporting public corporation and charter school to report as part of field 10 - Virtual Student the status of the student. The allowable code in length is one character Y=Yes and N=No. This is a required field for IDOE-ME only and the field note reflects the question: “Is this a student for whom, of the instructional services that the student receives from the school corporation, at least 50 percent is virtual in nature?”
- Students whose student level membership data reflects “Y” in field 10 will be funded at 85 percent of foundation.
- Students whose student level membership data reflects “N” in field 10 will be funded at foundation.
- The foundation amount for non-virtual students is:
 - \$5,548 for the state fiscal year beginning July 1, 2019; and
 - \$5,703 for the state fiscal year beginning July 1, 2020. Effective June 29, 2019 (I. C. 20-43-3-8)
- The foundation amount for virtual students is 85 percent of the referenced non-virtual amount for the applicable fiscal year.

The complexity multiplier is:

- \$3,650 for the state fiscal year beginning July 1, 2019; and
- \$3,675 for the state fiscal year beginning July 1, 2020. Effective June 29, 2019 (I. C. 20-43-6-3)

The English Language Learner adjustment is:

- \$128 for state fiscal years beginning July 1, 2019 and July 1, 2020. Effective June 29, 2019 (I. C. 20-43-6-3)

Special education grant funding for the applicable fiscal year is:

- For the nonduplicated count of pupils in programs for severe disabilities multiplied by \$9,156 for state fiscal years beginning July 1, 2019 and July 1, 2020;
- For the nonduplicated count of pupils in programs of mild and moderate disabilities multiplied by \$2,300 for state fiscal years beginning July 1, 2019 and July 1, 2020;
- For the cumulative count of pupils in homebound programs and the duplicated count of pupils in programs for communication disorders multiplied by \$500 for state fiscal years beginning July 1, 2019 and July 1, 2020; and
- Special education preschool funding is:
 - \$2,875 for the state fiscal year beginning July 1, 2019; and
 - \$3,000 for the state fiscal year beginning July 1, 2020. Effective June 29, 2019 (I. C. 20-43-7-6).

Career and technical education classifications and funding levels will be:

- For the state fiscal year beginning July 1, 2019:
 - High value \$680
 - Moderate value \$400
 - Low value \$200
 - Apprenticeship, cooperative, foundation, or work-based learning \$150
 - Introductory \$300
 - APC \$150
- For the state fiscal year beginning July 1, 2020:
 - High level 1 \$680
 - High value 2 \$1020
 - Moderate value 1 \$400
 - Moderate value 2 \$600
 - Less than moderate value 1 \$200
 - Less than moderate value 2 \$300
 - Apprenticeship or work-based learning \$500
 - Introductory at \$300
 - College and career course \$150
 - APC \$150
 - (I.C. 20-43-8-15) effective June 29, 2019

There is a cap on career and technical education funding at \$130,000,000 for the state fiscal year beginning July 1, 2020. If the amount distributed exceeds the amount available, IDOE will proportionately reduce the remaining month's distributions to equal the excess for the state fiscal year. Effective June 29, 2019 (I. C. 20-43-8-15).

Guidance: Adult Learner Charter Schools

Distribution for Adult Learner Charter Schools - FY2020 \$40,331,250 FY2021 \$40,331,250

Establishes the total number of students (expressed as full-time equivalents) of all adult learners in charter schools that may be funded. Effective June 29, 2019 (I.C. 20-24-7-13.5).

Adult Learner charter school funding remains at \$6,750 for the state fiscal year beginning July 1, 2019 and the state fiscal year beginning July 1, 2020. Effective June 29, 2019 (I. C. 20-24-7-13.5).

- For the 2019-2020 state fiscal year, the full time equivalency caps are:
 - Christel House DORS centers 825
 - Excel Centers for Adult Learners 4,900; and
 - Gary Middle College charter schools 250
- For the 2020-2021 state fiscal year, the full time equivalency caps are:
 - Christel House DORS centers 825
 - Excel Centers for Adult Learners 4,900; and
 - Gary Middle College Charter School 250.

If you have any questions concerning the state tuition support formula or adult learner funding, please contact Melissa Ambre at mambre@doe.in.gov or by phone at (317) 232-0841.

This bill was authored by Representative Todd Huston. The full bill text can be found [here](#). Information regarding how to contact your legislators can be found [here](#).