

First Regular Session of the 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE ENROLLED ACT No. 1009

AN ACT to amend the Indiana Code concerning education.

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

SECTION 1. IC 20-25.5 IS REPEALED [EFFECTIVE JULY 1, 2015]. (Innovation Network Schools).

SECTION 2. IC 20-25.7 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

ARTICLE 25.7. INNOVATION NETWORK SCHOOLS

Chapter 1. General Provisions

Sec. 1. This article applies to all school corporations.

Sec. 2. (a) Except as provided in this article, an agreement to establish an innovation network school entered into before July 1, 2015, is governed by IC 20-25.5 (before its repeal) as it existed on June 30, 2015.

(b) The parties to an agreement entered into under IC 20-25.5 (before its repeal) may jointly modify the agreement to provide that one (1) or more sections of this article are applicable to the agreement.

Chapter 2. Findings

Sec. 1. The general assembly recognizes that to further the goals of high quality public education throughout Indiana, each school corporation and public school should have the freedom to create the optimal learning environment. The general assembly finds that

HEA 1009 — CC 1



this can be accomplished by allowing for greater flexibility, innovation, and efficiency. Further, the general assembly recognizes the importance of retaining and attracting the nation's best teachers by allocating significantly more resources into the classroom and giving teachers freedom from burdensome regulations.

Chapter 3. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Board" refers to the governing body (as defined in IC 20-18-2-5) of a school corporation.

Sec. 3. "Eligible school" means a school that is part of a school corporation.

Sec. 4. "Innovation network school" means a school operated by an innovation network team under this article.

Sec. 5. "Innovation network team" means the entity or individuals responsible for the operations of an innovation network school within a school corporation.

Sec. 6. "Participating innovation network charter school" means a charter school whose organizer enters into an agreement under IC 20-25.7-5 to have the charter school participate as an innovation network school.

Chapter 4. Establishment of Innovation Network Schools

Sec. 1. An innovation network school is subject to all applicable federal and state laws and constitutional provisions that prohibit discrimination.

Sec. 2. An innovation network school may be established in the manner provided by:

- (1) section 3 of this chapter; or
- (2) section 4 of this chapter.

Sec. 3. (a) Two (2) or more teachers and:

- (1) a principal;
- (2) a superintendent; or
- (3) any combination of individuals described in either subdivision (1) or (2);

who are currently employed by a school corporation may submit a plan to a board for the establishment of an innovation network school.

(b) In considering whether to approve a plan submitted under this section, the board may consider innovations in the following areas:

- (1) Whether the plan:



- (A) increases teacher salaries;
- (B) achieves financial sustainability for teacher salary increases under clause (A) by reallocating other funds, including local, private, state, or federal funds; and
- (C) develops measures for determining how the innovations or teacher empowerment:
 - (i) improves the quality of classroom instruction; and
 - (ii) increases the attractiveness of teaching.

- (2) Class size and schedule.
- (3) Length of school day or year.
- (4) Use of technology to deliver highly effective instruction.
- (5) Staffing models for teachers, paraprofessionals, and administrators.
- (6) Teacher recruitment, training, preparation, and professional development.
- (7) School governance and the roles, responsibilities, and expectations of principals in freedom to teach schools, zones, and districts.
- (8) Preparation and counseling of students for transition to higher education or careers.
- (9) Whether the plan incorporates a school model that uses job redesign or technology to extend the reach of effective or highly effective teachers to more students for more pay within budget.

(c) A board that approves a plan under this section may request a grant from the state board under IC 20-25.7-7 for costs associated with the development and implementation of a plan developed under this section. The board shall apply for the grant from the state board in a manner prescribed by the state board.

Sec. 4. (a) A board may:

- (1) establish an innovation network school; or
- (2) reconstitute an eligible school as an innovation network school;

as determined by the board.

(b) A board that establishes an innovation network school or reconstitutes an eligible school as an innovation network school under this section is not eligible for a grant from the state board under IC 20-25.7-7 for costs associated with the development and implementation of this section.

Sec. 5. (a) The board shall enter into an agreement with an innovation network team to establish an innovation network school or to reconstitute an eligible school as an innovation network



school under section 3 or 4 of this chapter. An innovation network team may consist of or include teachers, a principal, a superintendent, or any combination of these individuals who were employed at the eligible school before the agreement is entered.

(b) The terms of the agreement must specify the following:

(1) A statement that the innovation network school is considered to be part of the school corporation and not considered a separate local educational agency.

(2) A statement that the innovation network team authorizes the department to include the innovation network school's performance assessment results under IC 20-31-8 when calculating the school corporation's performance assessment under rules adopted by the state board.

(3) The amount of state and federal funding, including tuition support, and money levied as property taxes that will be distributed by the school corporation to the innovation network school.

(4) The performance goals and accountability metrics agreed upon for the innovation network school.

(5) Grounds for termination of the agreement, including the right of termination if the innovation network team fails to:

(A) comply with the conditions or procedures established in the agreement;

(B) meet generally accepted fiscal management and government accounting principles;

(C) comply with applicable laws; or

(D) meet the educational goals set forth in the agreement between the board and the innovation network team.

(c) If an agreement is entered into under subsection (a), the board shall notify the department that an agreement has been entered into under this section within thirty (30) days after the agreement is entered into.

(d) Upon receipt of the notification under subsection (c), the department shall, for school years starting after the date of the agreement:

(1) include the innovation network school's performance assessment results under IC 20-31-8 when calculating the school corporation's performance assessment under rules adopted by the state board; and

(2) treat the innovation network school in the same manner as a school operated by the school corporation when calculating the total amount of state and federal funding to be distributed



to the school corporation.

A school corporation and an innovation network school are not entitled to any state funding in addition to the amount the school corporation and school would otherwise be eligible to receive if the innovation network school were a public school maintained by the school corporation.

Sec. 6. (a) For as long as an innovation network team operates an innovation network school:

(1) the innovation network team may use the school building, the accompanying real property, and the building's contents, equipment, and supplies, as provided in the agreement established under section 5 of this chapter; and

(2) the school corporation may:

(A) provide transportation for students attending the innovation network school; and

(B) maintain and repair the buildings and grounds consistent with the maintenance and repair to the school corporation's other buildings and grounds.

(b) If an innovation network team contracts with a school corporation for goods or services, the school corporation may not charge the innovation network team more for the goods or services than the school corporation pays for the goods or services.

(c) For as long as an innovation network team operates an innovation network school, the school corporation may distribute money levied as property taxes to the innovation network team. Property taxes distributed to an innovation network team must be used only for a purpose for which the property taxes could have been used by the school corporation. Property taxes distributed under this subsection may supplement services and property provided under subsection (a) or (b). The parties may jointly modify an agreement described in section 5 of this chapter to implement this subsection.

Sec. 7. (a) The innovation network team shall have full operational autonomy to run the innovation network school as provided in the agreement described in section 5 of this chapter.

(b) For any collective bargaining agreement under IC 20-29 entered into after July 1, 2015, a governing body is not bound by its collective bargaining agreement for employees of an innovation network school established under this chapter. Employees of an innovation network team may organize and create a separate bargaining unit to collectively bargain with the innovation network team under IC 20-29.



(c) Individuals employed by an innovation network school are entitled to participate in either:

- (1) the state teachers' retirement fund established under IC 5-10.4; or
- (2) the public employees' retirement fund established under IC 5-10.3.

Sec. 8. (a) Except as otherwise provided in this article, the following do not apply to an innovation network school:

- (1) An Indiana statute applicable to a governing body or school corporation.
- (2) A rule or guideline adopted by the state board, except for those rules that assist a teacher in gaining or renewing a standard or advanced license.
- (3) A local regulation or policy adopted by a school corporation unless specifically incorporated in the agreement established under this chapter.

(b) Except as otherwise provided in this article, the following statutes apply to an innovation network school:

- (1) IC 20-24-8-5 (statutes applicable to charter schools).
- (2) IC 20-28-11.5 (staff performance evaluations).
- (3) IC 20-24-6 (employment of teachers and other personnel in charter schools).

Sec. 9. (a) Any student who lives in the attendance area served by a school that is operated as an innovation network school under this chapter may attend the innovation network school. The innovation network school may not refuse enrollment to a student who lives in the attendance area.

(b) This subsection applies if the number of applications for a program, class, grade level, or building exceeds the capacity of the program, class, grade level, or building. If an innovation network school receives a greater number of applications than there are spaces for students, each timely applicant must be given an equal chance of admission.

Sec. 10. An innovation network team and the board shall hold a joint public meeting at least two (2) times each year to discuss issues and progress concerning the innovation network school.

Sec. 11. The board shall develop a program to provide support to teachers and administrators who wish to establish an innovation network school.

Chapter 5. Participation of Charter School as an Innovation Network School

Sec. 1. Except as expressly provided in this article, a



participating innovation network charter school remains subject to all state laws that govern charter schools.

Sec. 2. (a) Notwithstanding IC 20-26-7-1, the board may enter into an agreement with an organizer to establish a participating innovation network charter school within a vacant, underutilized, or underenrolled school building, as determined by the board.

(b) The terms of the agreement entered into between the board and an organizer must specify the following:

(1) A statement that the organizer authorizes the department to include the charter school's performance assessment results under IC 20-31-8 when calculating the school corporation's performance assessment under rules adopted by the state board.

(2) The amount of state funding, including tuition support, and money levied as property taxes that will be distributed by the school corporation to the organizer.

(3) The performance goals and accountability metrics agreed upon for the charter school in the charter agreement between the organizer and the authorizer.

(c) If an organizer and the board enter into an agreement under subsection (a), the organizer and the board shall notify the department that the agreement has been made under this section within thirty (30) days after the agreement is entered into.

(d) Upon receipt of the notification under subsection (c), the department shall, for school years starting after the date of the agreement:

(1) include the participating innovation network charter school's performance assessment results under IC 20-31-8 when calculating the school corporation's performance assessment under rules adopted by the state board; and

(2) treat the participating innovation network charter school in the same manner as a school operated by the school corporation when calculating the total amount of state funding to be distributed to the school corporation.

Sec. 3. (a) For as long as a charter school remains a participating innovation network charter school, the school corporation may:

(1) provide transportation for students attending the participating innovation network charter school; and

(2) maintain and repair the buildings and grounds used by the participating innovation network charter school consistent with the maintenance and repair to the school corporation's



other buildings and grounds.

(b) If an organizer contracts with a school corporation for goods or services, the school corporation may not charge the organizer more for the goods or services than the school corporation pays for the goods or services.

(c) For as long as a charter school remains a participating innovation network charter school, the school corporation may distribute money levied as property taxes to the charter school. Property taxes distributed to a charter school must be used only for a purpose for which the property taxes could have been used by the school corporation. Property taxes distributed under this subsection may supplement services and property provided under subsection (a) or (b). The parties may jointly modify an agreement described in section 2 of this chapter to implement this subsection.

Sec. 4. An employee of a school corporation who provides services to a participating innovation network charter school under this article remains an employee of the school corporation.

Chapter 6. Career Pathways Pilot Program

Sec. 1. As used in this chapter, "career pathway teacher" means a qualified teacher participating in a school corporation's pilot program.

Sec. 2. As used in this chapter, "pilot program" refers to the career pathways pilot program established by section 4 of this chapter.

Sec. 3. As used in this chapter, "qualified teacher" refers to a teacher who works in the classroom providing instruction and who is not instructional support personnel.

Sec. 4. (a) The career pathways pilot program is established. Only a school that has been established or reconstituted as an innovation network school may participate in the career pathways pilot program. The pilot program is established to provide for, in addition to base salary and other applicable supplements, differentiated pay for qualified teachers based on a qualified teacher's demonstrated effectiveness and additional responsibilities in advanced roles.

(b) The state board shall administer the program.

(c) An innovation network school may be awarded a grant from the innovation network school grant fund established by IC 20-25.7-7-1 for the development and implementation of a career pathways pilot program.

Sec. 5. (a) Before August 31, 2015, the state board shall develop the pilot program and establish the duties that are associated with



advanced roles necessary for qualified teachers consistent with this section.

(b) A board may apply to the state board to participate in the pilot program beginning in the 2016-2017 or the 2017-2018 school year by submitting a proposed plan to the state board in a time frame prescribed by the state board. A proposed plan may consist of a plan approved by the board under IC 20-25.7-4-3 as long as it meets the additional requirements provided in this section. The proposed plan must focus on the leadership capacity and commitment of the school corporation to develop career pathways that meet the requirements of this section and must be widely applicable across Indiana, as demonstrated by prior efforts to advance:

- (1) teaching excellence;
- (2) on the job development for teachers;
- (3) teacher leadership; or
- (4) leadership design.

(c) A career pathways plan developed under subsection (b) must meet, at a minimum, the following criteria:

(1) Enable qualified teachers to progress within their career and become career pathway teachers by doing any of the following:

- (A) Assuming advanced roles that include accountability for student growth across a team of teachers.
- (B) Assuming advanced roles that include accountability as the teacher of record for more students.

(2) Provide information in a form readily accessible to both teachers and the public concerning the criteria and the procedures for selection as a career pathway teacher.

(3) Require a qualified teacher to be rated as highly effective under IC 20-28-11.5-4 to be eligible to participate in the pilot program.

(4) Increase the amount of time during the school day for a career pathway teacher to plan, collaborate on, and participate in on the job development or leadership of other teachers.

(5) Establish equally stringent eligibility requirements for a career pathway teacher to remain in an advanced role as those required to initially attain that role.

(6) Establish a procedure for determining whether a career pathway teacher is successfully performing the additional duties associated with the career pathway.



(7) Ensure that a career pathway teacher may opt out of the career pathways plan by voluntarily relinquishing additional duties associated with the career pathway.

(8) Pay career pathway salary supplements in an amount equal to at least:

(A) twenty-five percent (25%) of the career pathway teacher's salary based on the state average teacher salary at the time the plan is submitted if the career pathway teacher leads teams of two (2) or more teachers and is the teacher of record for all the students served by the teaching team; or

(B) ten percent (10%) of the career pathway teacher's salary based on the state average teacher salary at the time the plan is submitted if the career pathway teacher performs additional duties or functions that are specified in the school corporation's plan and approved by the state board that enable the teacher to effectively serve additional students.

(9) Require that a career pathway teacher who:

(A) fails to maintain a rating of highly effective under IC 20-28-11.5-4; or

(B) is not successfully performing the additional duties associated with the career pathway;

shall be paid only the salary applicable to the career pathway teacher based on the local salary schedule adopted under IC 20-28-9-1.5 and any other local supplements that would otherwise apply to the career pathway teacher's compensation.

(10) Require that a career pathway teacher who opts out of the career pathways plan shall be paid only the salary applicable to the career pathway teacher based on the local salary schedule adopted under IC 20-28-9-1.5 and any other local supplements that would otherwise apply to the career pathway teacher's compensation.

(11) Achieve financial sustainability for career pathway salary supplements by reallocating other funds, including local, private, state, or federal funds.

(12) Develop measures for determining how the career pathways plan must do the following:

(A) Improve the quality of classroom instruction.

(B) Increase the attractiveness of teaching.

(C) Encourage the recognition, effectiveness, and retention



of high quality teachers.

(13) Increase the reach of highly effective teachers by requiring, by the third year of implementation of the plan, that at least seventy-five percent (75%) of students in each school included in the school corporation's plan have a teacher of record, in at least language arts, mathematics, social studies, and science, who is rated as highly effective.

Sec. 6. Employees who participate in the pilot program under this chapter are members of the bargaining unit of the innovation network school. However, salary increases may not be collectively bargained for employees who participate in the pilot program under this chapter, but shall be determined according to the plan approved under section 5 of this chapter.

Sec. 7. The state board shall adopt rules under IC 4-22-2 to implement this chapter.

Sec. 8. This chapter expires July 1, 2018.

Chapter 7. Innovation Network School Grant

Sec. 1. (a) The innovation network school grant fund is established to provide grants to:

(1) an innovation network school established under IC 20-25.7-4-3; or

(2) an innovation network school that participates in the career pathways pilot program under IC 20-25.7-6.

(b) The fund shall be administered by the state board.

(c) The fund consists of the following:

(1) Appropriations made by the general assembly.

(2) Gifts, grants, or donations.

(3) Interest accruing from investment of money in the fund.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(e) Interest that accrues from investments of the fund shall be deposited in the fund.

Sec. 2. (a) The state board shall determine the amount of a grant based on the plan submitted by a board.

(b) The state board shall develop criteria for awarding a grant under this section, including documentation requirements that must be included with the plan.

(c) A board shall apply for a grant under this section in a manner prescribed by the state board.

(d) The state board may adopt rules under IC 4-22-2 or guidelines necessary to administer this section.



SECTION 3. An emergency is declared for this act.



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

HEA 1009 — CC 1

