

Second Regular Session of the 122nd General Assembly (2022)

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 2021 Regular Session of the General Assembly.

HOUSE ENROLLED ACT No. 1094

AN ACT to amend the Indiana Code concerning education.

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

SECTION 1. IC 5-22-1-2, AS AMENDED BY P.L.268-2017, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 2. Except as provided in this article, this article does not apply to the following:

- (1) The commission for higher education.
- (2) A state educational institution. However, IC 5-22-5-9 and IC 5-22-15 apply to a state educational institution.
- (3) Military officers and military and armory boards of the state.
- (4) An entity established by the general assembly as a body corporate and politic. However, IC 5-22-15 applies to a body corporate and politic.
- (5) A local hospital authority under IC 5-1-4.
- (6) A municipally owned utility under IC 8-1-11.1 or IC 8-1.5.
- (7) Hospitals established and operated under IC 16-22-1 through IC 16-22-5, IC 16-22-8, IC 16-23-1, or IC 16-24-1.
- (8) A library board under IC 36-12-3-16(b).
- (9) A local housing authority under IC 36-7-18.
- (10) Tax exempt Indiana nonprofit corporations leasing and operating a city market owned by a political subdivision.
- (11) A person paying for a purchase or lease with funds other than public funds.
- (12) A person that has entered into an agreement with a



governmental body under IC 5-23.

(13) A municipality for the operation of municipal facilities used for the collection, treatment, purification, and disposal in a sanitary manner of liquid and solid waste, sewage, night soil, and industrial waste.

(14) The department of financial institutions established by IC 28-11-1-1.

(15) The insurance commissioner in retaining an examiner for purposes of IC 27-1-3.1-9.

(16) The department of natural resources for the procurement of supplies purchased for resale at properties owned or managed by the department of natural resources.

(17) The Indiana horse racing commission in making an expenditure under IC 4-31-3-15(b).

(18) An entity that has entered into a memorandum of understanding with the department of education under IC 20-20-38.5-2(a)(2).

SECTION 2. IC 20-20-38.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]:

Chapter 38.5. Insurance Coverage for Work Based Learning

Sec. 1. As used in this chapter, "work based learning course" has the meaning set forth in IC 20-43-8-0.7.

Sec. 2. (a) Not later than December 31, 2022, the department shall:

(1) issue a request for proposals in the manner set forth under IC 5-22-9 for the purpose of contracting with a company to provide; or

(2) enter into a memorandum of understanding:

(A) with a statewide entity that represents business interests in multiple industries; and

(B) that provides that the entity agrees to facilitate the procurement of;

adequate employer liability and worker's compensation insurance coverage for an employer described in section 3 of this chapter.

(b) The total amount of funds that the department may expend to implement this section must be less than one hundred thousand dollars (\$100,000).

Sec. 3. (a) Subject to subsection (b), an employer that employs a student in a work based learning course may purchase employer liability and worker's compensation insurance coverage described in section 2 of this chapter for the student.



(b) An employer is responsible for any costs associated with the purchase of employer liability and worker's compensation insurance coverage under this chapter.

Sec. 4. If the department:

(1) does not receive a satisfactory response to a request for proposals under section 2(a)(1) of this chapter; and

(2) is unable to enter into a memorandum of understanding under section 2(a)(2) of this chapter;

the department is not required to contract with a company or enter into a memorandum of understanding as provided under section 2 of this chapter.

Sec. 5. The employer liability and worker's compensation insurance coverage provided under this chapter must be approved by the department of insurance.

Sec. 6. The department may adopt rules under IC 4-22-2 to implement this chapter.

SECTION 3. IC 20-31-9.5-9.5, AS AMENDED BY P.L.211-2021, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 9.5. (a) The governing body of a school that has been placed in the lowest two (2) categories or designations may submit a plan to the state board to create a transformation zone within the school corporation. A plan may be developed with the assistance of the department. After June 30, 2021, the state board may not use the establishment of a transformation zone under this section as an intervention in a particular school corporation to improve school performance.

(b) The state board shall grant the designation as a transformation zone unless the state board concludes that the submitted plan does not substantially meet the criteria set forth in this section. All plans must be submitted to the state board not later than April 15, 2016, or April 15 each year thereafter. All plans must be approved or denied by the state board not later than July 1 of the first year of implementation.

(c) Each plan must include the following information:

(1) An organizational chart that demonstrates that the leader of the transformation zone reports directly to the school corporation's superintendent.

(2) A description of the innovations the school corporation will implement, which may include:

(A) innovations in school staffing;

(B) curriculum and nonmandated assessments;

(C) class scheduling;

(D) the length of the school day or year;



- (E) the use of financial and other resources;
- (F) teacher recruitment, employment, and compensation; and
- (G) other innovations.

(3) The objective annual student performance and growth or improvement performance gains that the school corporation expects to achieve over the next five (5) years.

(4) A budget demonstrating financial sustainability of the transformation zone.

(5) A description of any regulatory or district policy requirements, subject to the state board's approval, that would need to be waived for the school corporation to implement the transformation zone.

(d) Subject to subsection (e), a school within the transformation zone is not subject to IC 20-29 unless the school corporation voluntarily recognizes an exclusive representative under IC 20-29-5-2. If the school corporation voluntarily recognizes an exclusive representative under IC 20-29-5-2, the school corporation may authorize a school within the transformation zone to opt out of bargaining allowable subjects or discussing discussion items by specifying the excluded items on the notice required under IC 20-29-5-2(b). Such notice must be provided to the education employment relations board at the time of the notice's posting.

(e) Subsection (d) applies only to a school that has been designated as a transformation zone following the third consecutive year in the lowest performance category or designation.

(f) For any collective bargaining agreement under IC 20-29 entered into after June 30, 2022, a governing body is not bound by its collective bargaining agreement for employees of a transformation zone established under this section. Employees of a transformation zone may organize and create a separate bargaining unit to collectively bargain with the entity operating the transformation zone under IC 20-29. The entity operating the transformation zone is considered the school employer for purposes of IC 20-29.

(g) All plans approved under this chapter shall be sent by the state board to the education employment relations board not later than fifteen (15) days after the plan's approval.

SECTION 4. IC 20-31-9.5-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: **Sec. 12. (a) This section applies to a transformation zone granted designation by the state board under section 9.5 of this chapter after June 30, 2022.**

(b) If the state board grants the designation of a transformation



zone within a school corporation under section 9.5 of this chapter, the governing body of the school corporation may enter into an agreement with a nonprofit organization to manage and operate all of the schools included in the transformation zone.

(c) An agreement entered into under subsection (b) must:

- (1) provide that the nonprofit organization has managerial and operational autonomy over the schools included in the transformation zone; and
- (2) include details regarding the funding structure of the transformation zone.

SECTION 5. IC 20-31-9.5-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: **Sec. 13. (a) If a governing body of a school corporation has entered into an agreement with an entity to manage and operate schools included in a transformation zone of the school corporation, the entity that is a party to the agreement may submit a request in writing and participate in a meeting with the governing body or the superintendent for the purposes of resolving an alleged violation of the agreement.**

(b) If the alleged violation of the agreement is not resolved through the process in subsection (a), within fifteen (15) days of the meeting described in subsection (a) an entity may submit a complaint to the department on a form established by the department for an alleged violation of the agreement.

(c) Not later than fifteen (15) days after the date an entity submits a complaint under subsection (b), the department shall issue a decision concerning the complaint.



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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