

# HOUSE BILL No. 1372

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 20-43-10-3.

**Synopsis:** School performance and evaluations. Provides that a school's or school corporation's category or designation of performance for the 2015-2016 school year may not be lower than the grade assigned to the school or school corporation by the state board of education for the 2013-2014 school year. Provides that, for a state fiscal year beginning July 1, 2016, and ending June 30, 2017, the amount that a school corporation may receive as part of a performance grant relating to test results shall be calculated using the higher of: (1) the percentage of passing scores on ISTEP program tests for the school for the 2013-2014 school year; or (2) the percentage of passing scores on ISTEP program tests for the school for the 2015-2016 school year. (The current law that applies to this calculation provides for certain limits on the grant amount.) Provides that ISTEP program test scores, from the ISTEP program test taken in the spring of 2016, may not be used by a school corporation as part of an annual performance evaluation of a particular certificated employee unless the use of the ISTEP program test scores would improve the particular teacher's annual performance rating.

**Effective:** July 1, 2016 (retroactive).

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## Smith M

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January 17, 2017, read first time and referred to Committee on Education.

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First Regular Session of the 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

## HOUSE BILL No. 1372

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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 20-43-10-3, AS AMENDED BY P.L.151-2016,  
2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2016 (RETROACTIVE)]; Sec. 3. (a) As used in this section,  
4 "achievement test" means a:  
5 (1) test required by the ISTEP program; or  
6 (2) Core 40 end of course assessment for the following:  
7 (A) Algebra I.  
8 (B) English 10.  
9 (C) Biology I.  
10 (b) As used in this section, "graduation rate" means the percentage  
11 graduation rate for a high school in a school corporation as determined  
12 under IC 20-26-13-10 but adjusted to reflect the pupils who meet the  
13 requirements of graduation under subsection (d).  
14 (c) As used in this section, "test" means either:  
15 (1) a test required by the ISTEP program; or  
16 (2) a Core 40 end of course assessment.  
17 (d) A pupil meets the requirements of graduation for purposes of



- 1 this section if the pupil successfully completed:
- 2 (1) a sufficient number of academic credits, or the equivalent of
- 3 academic credits; and
- 4 (2) the graduation examination required under IC 20-32-3 through
- 5 IC 20-32-5;
- 6 that resulted in the awarding of a high school diploma or an academic
- 7 honors diploma to the pupil for the school year ending in the
- 8 immediately preceding state fiscal year.
- 9 (e) Determinations for a school for a state fiscal year must be made
- 10 using:
- 11 (1) the count of tests passed compared to the count of tests taken
- 12 throughout the school;
- 13 (2) the graduation rate in the high school; and
- 14 (3) the count of pupils graduating in the high school.
- 15 (f) In determining grants under this section, a school corporation
- 16 may qualify for the following two (2) grants each year:
- 17 (1) One (1) grant under subsection (h), (i), or (j).
- 18 (2) One (1) grant under subsection (k), (l), or (m).
- 19 (g) The sum of the two (2) grant amounts described in subsection
- 20 (f), as determined for a school corporation under this section,
- 21 constitutes an annual performance grant that is in addition to state
- 22 tuition support. After review by the budget committee, the annual
- 23 performance grant for a state fiscal year shall be distributed to the
- 24 school corporation before December 5 of that state fiscal year, unless
- 25 an extension of the December 5 deadline is approved for that state
- 26 fiscal year under subsection (o). If the:
- 27 (1) total amount to be distributed as performance grants for a
- 28 particular state fiscal year exceeds the amount appropriated by the
- 29 general assembly for performance grants for that state fiscal year,
- 30 the total amount to be distributed as performance grants to school
- 31 corporations shall be proportionately reduced so that the total
- 32 reduction equals the amount of the excess. The amount of the
- 33 reduction for a particular school corporation is equal to the total
- 34 amount of the excess multiplied by a fraction. The numerator of
- 35 the fraction is the amount of the performance grant that the school
- 36 corporation would have received if a reduction were not made
- 37 under this section. The denominator of the fraction is the total
- 38 amount that would be distributed as performance grants to all
- 39 school corporations if a reduction were not made under this
- 40 section; and
- 41 (2) total amount to be distributed as performance grants for a
- 42 particular state fiscal year is less than the amount appropriated by



1 the general assembly for performance grants for that state fiscal  
2 year, the total amount to be distributed as performance grants to  
3 school corporations for that particular state fiscal year shall be  
4 proportionately increased so that the total amount to be  
5 distributed equals the amount of the appropriation for that  
6 particular state fiscal year.

7 The performance grant received by a school corporation shall be  
8 allocated among and used only to pay cash stipends to all teachers who  
9 are rated as effective or as highly effective and employed by the school  
10 corporation as of December 1. The lead school corporation or interlocal  
11 cooperative administering a cooperative or other special education  
12 program or administering a career and technical education program,  
13 including programs managed under IC 20-26-10, IC 20-35-5, IC 20-37,  
14 or IC 36-1-7, shall award performance stipends to and carry out the  
15 other responsibilities of an employing school corporation under this  
16 section for the teachers in the special education program or career and  
17 technical education program. The amount of the distribution from an  
18 annual performance grant to an individual teacher is determined at the  
19 discretion of the governing body of the school corporation. The  
20 governing body shall differentiate between the amount of the stipend  
21 awarded to a teacher rated as a highly effective teacher and a teacher  
22 rated as an effective teacher and may differentiate between school  
23 buildings. A stipend to an individual teacher in a particular year is not  
24 subject to collective bargaining and is in addition to the minimum  
25 salary or increases in salary set under IC 20-28-9-1.5. In addition, an  
26 amount determined under the policies adopted by the governing body  
27 but not exceeding fifty percent (50%) of the amount of a stipend to an  
28 individual teacher in a particular state fiscal year beginning after June  
29 30, 2015, becomes a permanent part of and increases the base salary of  
30 the teacher receiving the stipend for school years beginning after the  
31 state fiscal year in which the stipend is received. The addition to base  
32 salary under this section is not subject to collective bargaining, is  
33 payable from funds other than the performance grant, and is in addition  
34 to the minimum salary and increases in salary set under IC 20-28-9-1.5.  
35 The school corporation shall distribute all stipends from a performance  
36 grant to individual teachers within twenty (20) business days of the  
37 date the department distributes the performance grant to the school  
38 corporation. Any part of the performance grant not distributed as  
39 stipends to teachers before February must be returned to the  
40 department on the earlier of the date set by the department or June 30  
41 of that state fiscal year.

42 (h) Except as provided in subsection (n), a school qualifies for a



1 grant under this subsection if the school has more than seventy-two and  
 2 five-tenths percent (72.5%) but less than ninety percent (90%) of the  
 3 tests taken in the school year ending in the immediately preceding state  
 4 fiscal year that receive passing scores. The grant amount for the state  
 5 fiscal year is:

6 (1) the count of the school's passing scores on tests in the school  
 7 year ending in the immediately preceding state fiscal year;  
 8 multiplied by

9 (2) twenty-three dollars and fifty cents (\$23.50).

10 (i) Except as provided in subsection (n), a school qualifies for a  
 11 grant under this subsection if the school has at least ninety percent  
 12 (90%) of the tests taken in the school year ending in the immediately  
 13 preceding state fiscal year that receive passing scores. The grant  
 14 amount for the state fiscal year is:

15 (1) the count of the school's passing scores on tests in the school  
 16 year ending in the immediately preceding state fiscal year;  
 17 multiplied by

18 (2) forty-seven dollars (\$47).

19 (j) This subsection does not apply to a school corporation in its first  
 20 year of operation or to a school corporation that is entitled to a  
 21 distribution under subsection (h) or (i). Except as provided in  
 22 subsection (n), a school qualifies for a grant under this subsection if the  
 23 school's school year over school year percentage growth rate of  
 24 achievement tests receiving passing scores was at least five percent  
 25 (5%), comparing the school year ending in the immediately preceding  
 26 state fiscal year to the school year immediately preceding that school  
 27 year. The grant amount for the state fiscal year is:

28 (1) the count of the school corporation's pupils who had a passing  
 29 score on their achievement test in the school year ending in the  
 30 immediately preceding state fiscal year; multiplied by

31 (2) forty-seven dollars (\$47).

32 (k) A school qualifies for a grant under this subsection if the school  
 33 had a graduation rate of ninety percent (90%) or more for the school  
 34 year ending in the immediately preceding state fiscal year. The grant  
 35 amount for the state fiscal year is:

36 (1) the count of the school corporation's pupils who met the  
 37 requirements for graduation for the school year ending in the  
 38 immediately preceding state fiscal year; multiplied by

39 (2) one hundred seventy-six dollars (\$176).

40 (l) A school qualifies for a grant under this subsection if the school  
 41 had a graduation rate greater than seventy-five percent (75%) but less  
 42 than ninety percent (90%) for the school year ending in the



1 immediately preceding state fiscal year. The grant amount for the state  
2 fiscal year is:

- 3 (1) the count of the school corporation's pupils who met the  
4 requirements for graduation for the school year ending in the  
5 immediately preceding state fiscal year; multiplied by  
6 (2) eighty-eight dollars (\$88).

7 (m) This subsection does not apply to a school in its first year of  
8 operation or to a school corporation that is entitled to a distribution  
9 under subsection (k) or (l). A school qualifies for a grant under this  
10 subsection if the school's school year over school year percentage  
11 growth in its graduation rate is at least five percent (5%), comparing  
12 the graduation rate for the school year ending in the immediately  
13 preceding state fiscal year to the graduation rate for the school year  
14 immediately preceding that school year. The grant amount for the state  
15 fiscal year is:

- 16 (1) the count of the school corporation's pupils who met the  
17 requirements for graduation in the school year ending in the  
18 immediately preceding state fiscal year; multiplied by  
19 (2) one hundred seventy-six dollars (\$176).

20 (n) This subsection applies to the state fiscal year beginning July 1,  
21 ~~2015~~, **2016**, and ending June 30, ~~2016~~, **2017**. Notwithstanding  
22 subsection (h), (i), or (j), the amount of the grant described in  
23 subsection (h), (i), or (j) shall be calculated using the higher of:

- 24 (1) the percentage of passing scores on ISTEP program tests for  
25 the school for the 2013-2014 school year; or  
26 (2) the percentage of passing scores on ISTEP program tests for  
27 the school for the ~~2014-2015~~ **2015-2016** school year.

28 If a grant amount for a school is calculated using the percentage  
29 described in subdivision (1), the ISTEP data from the 2013-2014  
30 school year shall be used in the calculation of the grant amount, and the  
31 grant amount may not exceed the grant amount that the school received  
32 for the state fiscal year beginning July 1, 2014, and ending June 30,  
33 2015, or in the case of a currently eligible school that was ineligible for  
34 a grant in the state fiscal year beginning July 1, 2014, and ending June  
35 30, 2015, because the school had not completed the required teacher  
36 evaluations, the grant amount that the school would have been entitled  
37 to receive for the state fiscal year beginning July 1, 2014, and ending  
38 June 30, 2015, if the school had been eligible. The school corporation  
39 shall distribute all stipends from a performance grant to individual  
40 teachers within twenty (20) business days of the date the department  
41 distributes the performance grant to the school corporation.

42 (o) The department, after review by the budget committee, may



1 waive the December 5 deadline to distribute an annual performance  
 2 grant to the school corporation under subsection (g) for that state fiscal  
 3 year and approve an extension of that deadline to a later date within  
 4 that state fiscal year, if the department determines that a waiver and  
 5 extension of the deadline is in the public interest.

6 (p) This section expires June 30, ~~2017~~ **2019**.

7 SECTION 2. [EFFECTIVE JULY 1, 2016 (RETROACTIVE)] (a)

8 **The definitions in IC 20 apply throughout this SECTION.**

9 (b) **Notwithstanding IC 20-31-8 and 511 IAC 6.2-10, and subject**  
 10 **to the requirements necessary to receive a flexibility waiver under**  
 11 **20 U.S.C. 7861, a school's or school corporation's category or**  
 12 **designation of school or school corporation performance assigned**  
 13 **by the state board under IC 20-31-8 for the 2015-2016 school year**  
 14 **shall be calculated in the manner provided in 511 IAC 6.2-10 with**  
 15 **the exception that a school's or school corporation's category or**  
 16 **designation of school or school corporation performance may not**  
 17 **be lower than the school's or school corporation's category or**  
 18 **designation of school or school corporation performance for the**  
 19 **2013-2014 school year.**

20 (c) **This SECTION expires January 1, 2018.**

21 SECTION 3. [EFFECTIVE JULY 1, 2016 (RETROACTIVE)] (a)

22 **The definitions in IC 20 apply throughout this SECTION.**

23 (b) **Notwithstanding IC 20-28-11.5-4 or 511 IAC 10-6-4, ISTEP**  
 24 **program test scores from the ISTEP program test taken in the**  
 25 **spring of 2016 may not be used by a school corporation as part of**  
 26 **an annual performance evaluation of a particular certificated**  
 27 **employee under a performance plan developed under**  
 28 **IC 20-28-11.5-4 unless the use of the ISTEP program test scores**  
 29 **would improve the particular certificated employee's annual**  
 30 **performance rating. If ISTEP program test scores are not used in**  
 31 **a particular certificated employee's annual performance**  
 32 **evaluation, the weight of all other measures used in the certificated**  
 33 **employee's annual performance evaluation must be**  
 34 **proportionately increased to replace measures based on the ISTEP**  
 35 **program test.**

36 (c) **This SECTION expires July 1, 2017.**

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

