



## **ENGROSSED HOUSE BILL No. 1404**

DIGEST OF HB 1404 (Updated April 10, 2019 5:16 pm - DI 110)

**Citations Affected:** IC 20-24; IC 20-30; IC 20-31.

**Synopsis:** School accountability. Provides that a high school may count: (1) an approved work based learning course, program, or experience; or (2) an approved career and technical education course, program, or experience; as satisfying an Indiana diploma with a Core 40 with academic honors designation or another designation requirement. Provides a course, program, or experience: (1) with subject matter that is similar to and rigor that is equal to or greater than the subject matter and rigor of a required course; but (2) that does not fully align with the required course standards; must be augmented with instruction to include the remaining standards of the required course. Provides that the state board of education (state board), a state educational institution, or any other entity designated by the state board may approve a course, program, or experience if certain conditions are met. Provides that, before July 1, 2022, the state board of education shall establish new standards of measuring high school performance. Makes conforming amendments.

**Effective:** Upon passage; July 1, 2019.

# Cook, Behning, Goodin, McNamara

(SENATE SPONSORS — RAATZ, KRUSE, RANDOLPH LONNIE M, ROGERS)

January 14, 2019, read first time and referred to Committee on Education. February 14, 2019, amended, reported — Do Pass. February 18, 2019, read second time, ordered engrossed. February 19, 2019, engrossed. February 20, 2019, read third time, passed. Yeas 58, nays 38.

SENATE ACTION

March 5, 2019, read first time and referred to Committee on Education and Career Development.
April 11, 2019, amended, reported favorably — Do Pass.



First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

### ENGROSSED HOUSE BILL No. 1404

A BILL FOR AN ACT to amend the Indiana Code concerning education.

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

SECTION 1. IC 20-24-2.2-2, AS AMENDED BY P.L.250-2017,
SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
UPON PASSAGE]: Sec. 2. (a) The minimum standard for renewal and
the standard to avoid closure imposed by authorizers on a charter
school is a requirement that the charter school not remain in the lowest
category or designation of school improvement, including any
alternative accountability category or designation, in the third year after
initial placement in the lowest category or designation established
under IC 20-31-8-4.

(b) An authorizer of a charter school that does not meet the minimum standard for charter school renewal described in subsection (a) may petition the state board at any time to request permission to renew the charter school's charter notwithstanding the fact that the charter school does not meet the minimum standard. If timely notification is made, the state board shall hold a hearing to consider the authorizer's request at the state board's next regularly scheduled board meeting.

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1	(c) In determining whether to grant a request under subsection (b),
2	the state board shall consider the following:
3	(1) Enrollment of students with special challenges, such as drug
4	or alcohol addiction, prior withdrawal from school, prior
5	incarceration, or other special circumstances.
6	(2) High mobility of the student population resulting from the
7	specific purpose of the charter school.
8	(3) Annual improvement in the performance of students enrolled
9	in the charter school, as measured by IC 20-31-8-1, under
10	IC 20-31-8, compared with the performance of students enrolled
11	in the charter school in the immediately preceding school year.
12	(d) After the hearing, the state board must implement one (1) or
13	more of the following actions:
14	(1) Grant the authorizer's request to renew the charter of the
15	charter school. The state board may determine the length of the
16	renewal and any conditions of the renewal placed upon either the
17	charter school or the authorizer.
18	(2) Order the closure of the charter school at the end of the
19	current school year.
20	(3) Order the reduction of any administrative fee collected under
21	IC 20-24-7-4 that is applicable to the charter school identified in
22	subsection (b). The reduction must become effective at the
23	beginning of the month following the month of the authorizer's
24	hearing before the state board.
25	A charter school that is closed by the state board under this section may
26	not be granted a charter by any authorizer.
27	SECTION 2. IC 20-30-10-5, AS AMENDED BY P.L.215-2018(ss),
28	SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29	JULY 1, 2019]: Sec. 5. (a) Notwithstanding any other law, a high
30	school may:
31	(1) replace high school courses on the high school transcript with
32	dual credit courses (as defined in IC 21-43-1-2.5), Cambridge
33	International courses, international baccalaureate, or advanced
34	placement courses on the same subject matter with equal or
35	greater rigor to the required high school course; and may
36	(2) count: <del>such</del> a
37	(A) a course described in subdivision (1);
38	(B) a work based learning course, program, or experience
39	that is approved under subsection (c); or
40	(C) a career and technical education course, program, or
41	experience that is approved under subsection (c);
42	as satisfying an Indiana diploma with a Core 40 with academic honors



1	designation or another designation requirement.
2	(b) A course, program, or experience described in subsection
3	(a)(2)(B) or $(a)(2)(C)$ :
4	(1) with:
5	(A) subject matter that is similar to; and
6	(B) rigor that is equal to or greater than;
7	the subject matter and rigor of the required course; but
8	(2) that does not fully align with the required course
9	standards;
10	must be augmented with instruction to include the remaining
11	standards of the required course.
12	(c) If a course, program, or experience provider requests that
13	the state board, a state educational institution (as defined in
14	IC 21-7-13-32), or any other entity designated by the state board
15	approve a course, program, or experience described in subsection
16	(a)(2)(B) or (a)(2)(C), the state board, state educational institution,
17	or other entity may approve the course, program, or experience if:
18	(1) the provider provides:
19	(A) a description of the extent to which the course,
20	program, or experience aligns with the required course
21	that the provider is replacing; and
22	(B) an explanation regarding how the remaining standards
23	of the required course, program, or experience will be
24	augmented; and
25	(2) the state board, state educational institution, or other
26	entity determines that the course, program, or experience
27	meets the requirements under subsection (b).
28	(d) A dual credit course described in subsection (a)(1) must be
29	authorized by an eligible institution (as described in IC 21-43-4-3.5)
30	that is a member of a national dual credit accreditation organization, or
31	the eligible institution must make assurances that the final assessment
32	for the course given for dual credit under this section is substantially
33	equivalent to the final assessment given in the college course in that
34	subject.
35	SECTION 3. IC 20-31-8-1, AS AMENDED BY P.L.192-2018,
36	SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37	JULY 1, 2019]: Sec. 1. (a) This subsection expires June 30, 2022.
38	Subject to section 5.5 of this chapter, the performance of a school's
39	students on the statewide assessment program test and other
40	assessments recommended by the department of education and
41	approved by the state board are the primary and majority means of



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assessing a school's improvement.

1	(b) This subsection applies after June 30, 2022. The
2	performance of a school's students on the statewide assessment
3	program test and other assessments recommended by the
4	department of education and approved by the state board are the
5	primary and majority means of assessing an elementary school's
6	improvement. The state board may establish other categories of
7	assessing an elementary school's improvement under rules adopted
8	under IC 4-22-2.
9	(b) (c) The department of education shall examine and make
10	recommendations to the state board concerning:
11	(1) performance indicators to be used as a secondary means of
12	determining school progress;
13	(2) expected progress levels, continuous improvement measures,
14	distributional performance levels, and absolute performance
15	levels for schools; and
16	(3) an orderly transition from the performance based accreditation
17	system to the assessment system set forth in this article.
18	(e) (d) The department of education shall consider methods of
19	measuring improvement and progress used in other states in developing
20	recommendations under this section.
21	(d) (e) The department of education may consider:
22	(1) the likelihood that a student may fail a graduation exam
23	(before July 1, 2022) or fail to meet a postsecondary readiness
24	competency established by the state board under
25	IC 20-32-4-1.5(c) and require a graduation waiver under
26	IC 20-32-4-4, IC 20-32-4-4.1, or IC 20-32-4-5; and
27	(2) remedial needs of students who are likely to require remedial
28	work while the students attend a postsecondary educational
29	institution or workforce training program;
30	when making recommendations under this section.
31	SECTION 4. IC 20-31-8-2, AS AMENDED BY P.L.242-2017,
32	SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33	UPON PASSAGE]: Sec. 2. (a) In addition to scores on the statewide
34	assessment program test and other assessments, The department shall
35	use the performance indicators developed by the state board <b>under this</b>
36	chapter and the benchmarks and indicators of performance in each
37	school corporation's annual performance report as a secondary means
38	of assessing the performance of each school and school corporation.

(b) The department shall assess school performance in the following

(1) Compare the academic performance and growth of the

individual students in each school and each school corporation



manner:

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1	with the prior academic performance and growth of the individual
2	students in the school or school corporation and not to the
3	performance of other schools or school corporations.
4	(2) Compare the results in the annual report under IC 20-20-8

- (2) Compare the results in the annual report under IC 20-20-8 with the benchmarks and indicators of performance established in the plan for the same school.
- (3) Compare the results for a school by comparing each student's results for each grade with the student's prior year results, with an adjustment for student mobility rate.
- (4) Compare the results for a school with the state average and the ninety-fifth percentile level for all assessments and performance indicators.

SECTION 5. IC 20-31-8-3, AS AMENDED BY P.L.86-2018, SECTION 181, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The state board shall establish a number of categories, using an "A" through "F" grading scale, to designate **school** performance. based on the individual student academic performance and growth to proficiency in each school.

- (b) The state board, in consultation with the department, shall define "low population schools" and shall determine the criteria for placing low population schools in categories established under subsection (a). In setting the definition and criteria for low population schools, the state board shall not penalize schools based on population. An eligible school (as defined in IC 20-51-1-4.7) may not be penalized under IC 20-51-4-9 for the sole reason that the eligible school is considered a low population school under this subsection. The state board's definition and criteria may include the placement of a school that fits the state board's definition in a "null" or "no letter grade" category.
- (c) In developing metrics for the categories established under subsection (a), the state board, in consultation with the department, to the extent not inconsistent with federal law, shall consider the severity of tested students' disabilities when using statewide assessment scores as a means of assessing school performance.
- (d) In developing metrics for the categories established under subsection (a), the state board shall consider the mobility of high school students who are credit deficient and whether any high school should be rewarded for enrolling credit deficient students or penalized for transferring out credit deficient students.

SECTION 6. IC 20-31-8-4, AS AMENDED BY P.L.213-2015, SECTION 197, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The state board shall place each school in a category or designation of school performance



once annually based on the department's findings from the assessment

2	of performance and academic growth under section 2 of this chapter.
3	from indicators established by the state board under this chapter.
4	(b) The state board may place a school in a category or designation
5	of school performance only if:
6	(1) the department has provided each school the opportunity to
7	review, add to, or supplement the data, and to correct any errors
8	in the data; and
9	(2) the state board's staff has had an opportunity to review and
10	analyze the school corporation, school, and student level data.
11	(c) The state board may obtain assistance from another entity or,
12	with the approval of the legislative council, the legislative services
13	agency, to ensure the validity and reliability of the performance
14	category or designation placements calculated by the department under
15	section 2 of this chapter. The department shall provide all the data
16	necessary to complete those calculations to the legislative services
17	agency or to an entity designated by the state board.
18	SECTION 7. IC 20-31-8-5.4, AS ADDED BY P.L.2-2014,
19	SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20	UPON PASSAGE]: Sec. 5.4. (a) Not later than November 15, 2013, the
21	state board shall establish new categories or designations of school
22	performance under the requirements of this chapter to replace 511
23	IAC 6.2-6. The new standards of assessing school performance:
24	(1) must be based on a measurement of individual student
25	academic performance and growth to proficiency; and
26	(2) may not be based on a measurement of student performance
27	or growth compared with peers.
28	511 IAC 6.2-6 is void on the effective date of the emergency or final
29	rules adopted under this section.
30	(b) After July 1, 2013, the state board:
31	(1) shall adopt rules under IC 4-22-2; and
32	(2) may adopt emergency rules in the manner provided in
33	IC 4-22-2-37.1;
34	to implement this chapter.
35	(c) An emergency rule adopted under subsection (b) expires on the
36	earlier of:
37	(1) November 15, 2014; or
38	(2) the effective date of a rule that establishes categories or
39	designations of school improvement described in this section and
40	supersedes the emergency rule.
41	(d) Before beginning the rulemaking process to establish new

categories or designations of school improvement, the state board shall



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1	report to the general assembly the proposed new categories of
2	designations in an electronic format under IC 5-14-6.
3	(e) This section expires June 30, 2022.
4	SECTION 8. IC 20-31-8-5.5 IS ADDED TO THE INDIANA CODE
5	AS A <b>NEW</b> SECTION TO READ AS FOLLOWS [EFFECTIVE
6	UPON PASSAGE]: Sec. 5.5. (a) Before July 1, 2022, the state board
7	shall establish new categories or designations of high school
8	performance under this section to replace 511 IAC 6.2-10. The new
9	standards of assessing high school performance are limited to the
10	following requirements:
11	(1) Postsecondary preparation indicators aligned to
12	graduation pathways. In developing requirements under this
13	subdivision, the state board shall consider using a school's
14	graduation rate as a postsecondary preparation indicator.
15	(2) An on-track indicator based upon student credits.
16	(3) Postsecondary outcomes as determined by the state board
17	in consultation with the department, the department of
18	workforce development, the commission for higher education,
19	and the governor's workforce cabinet established by
20	IC 4-3-27-3. In developing requirements under this
21	subdivision, the state board shall consider at least the
22	following:
23	(A) Successful admission into a postsecondary educational
24	institution without the need for a remedial college course
25	(B) Successful completion of a high wage, high demand
26	certificate as defined by the department of workforce
27	development.
28	(C) Enlistment in, and continued service in, any branch of
29	the armed forces of the United States or their reserves, the
30	national guard, or a state's national guard.
31	(D) The possibility of establishing a benchmark for the
32	percentage of students who have to obtain a postsecondary
33	outcome for a high school to receive maximum points for
34	the indicator under this subdivision.
35	(b) 511 IAC 6.2-10 is void on the earlier of:
36	(1) the effective date of the emergency or final rules adopted
37	under this section; or
38	(2) July 1, 2022.
39	(c) The state board:
40	(1) shall adopt rules under IC 4-22-2; and
41	(2) may adopt emergency rules in the manner provided in
42	IC 4-22-2-37 1:



1	to implement this section.
2	(d) An emergency rule adopted under subsection (c) expires on
3	the earlier of:
4	(1) July 1, 2022; or
5	(2) the effective date of a rule that establishes categories or
6	designations of school improvement described in this section
7	and supersedes the emergency rule.
8	SECTION 9. An emergency is declared for this act



#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1404, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, delete lines 27 through 42, begin a new paragraph and insert:

"SECTION 2. IC 20-30-10-5, AS AMENDED BY P.L.215-2018(ss), SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 5. (a) Notwithstanding any other law, a high school may:

- (1) replace high school courses on the high school transcript with dual credit courses (as defined in IC 21-43-1-2.5), Cambridge International courses, **international baccalaureate**, or advanced placement courses on the same subject matter with equal or greater rigor to the required high school course; and <del>may</del>
- (2) count: such a
  - (A) a course described in subdivision (1);
  - (B) a:
    - (i) work based learning course (as defined in IC 20-43-8-0.7); or
    - (ii) career and technical education course that is an approved high school course under the rules established by the state board;

whose subject matter is substantially similar to and whose rigor is equal to or greater than that of the required course; or

(C) any career and technical course, program, or educational experience approved by the state board;

as satisfying an Indiana diploma with a Core 40 with academic honors designation or another designation requirement.

(b) A course described in subsection (a)(2)(B) that does not fully align with the required course standards must be augmented with instruction to include the remaining standards of the required course. A parent of a student and the student who intends to enroll in a course described in subsection (a)(2)(B) must provide consent to the high school to enroll in the course. The consent form used by the high school, which shall be developed by the department in collaboration with the commission for higher education, must notify the parent and the student that enrollment in the course may affect the student's ability to attend a particular postsecondary educational institution or enroll in a particular course at a



### particular postsecondary educational institution.

(c) A dual credit course **described in subsection (a)(1)** must be authorized by an eligible institution (as described in IC 21-43-4-3.5) that is a member of a national dual credit accreditation organization, or the eligible institution must make assurances that the final assessment for the course given for dual credit under this section is substantially equivalent to the final assessment given in the college course in that subject.

SECTION 3. IC 20-31-8-1, AS AMENDED BY P.L.192-2018, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 1. (a) **This subsection expires June 30, 2022. Subject to section 5.5 of this chapter,** the performance of a school's students on the statewide assessment program test and other assessments recommended by the department of education and approved by the state board are the primary and majority means of assessing a school's improvement.

- (b) This subsection applies after June 30, 2022. The performance of a school's students on the statewide assessment program test and other assessments recommended by the department of education and approved by the state board are the primary and majority means of assessing an elementary school's improvement. The state board may establish other categories of assessing an elementary school's improvement under rules adopted under IC 4-22-2.
- (b) (c) The department of education shall examine and make recommendations to the state board concerning:
  - (1) performance indicators to be used as a secondary means of determining school progress;
  - (2) expected progress levels, continuous improvement measures, distributional performance levels, and absolute performance levels for schools; and
  - (3) an orderly transition from the performance based accreditation system to the assessment system set forth in this article.
- (c) (d) The department of education shall consider methods of measuring improvement and progress used in other states in developing recommendations under this section.
  - (d) (e) The department of education may consider:
    - (1) the likelihood that a student may fail a graduation exam (before July 1, 2022) or fail to meet a postsecondary readiness competency established by the state board under IC 20-32-4-1.5(c) and require a graduation waiver under IC 20-32-4-4, IC 20-32-4-4.1, or IC 20-32-4-5; and



(2) remedial needs of students who are likely to require remedial work while the students attend a postsecondary educational institution or workforce training program;

when making recommendations under this section.".

Page 3, delete lines 1 through 38.

Page 6, line 11, delete "2020." and insert "2022.".

Page 6, delete lines 12 through 42, begin a new paragraph and insert:

"SECTION 8. IC 20-31-8-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.5. (a) Before July 1, 2022, the state board shall establish new categories or designations of high school performance under this section to replace 511 IAC 6.2-10. The new standards of assessing high school performance are limited to the following requirements:

- (1) Postsecondary preparation indicators aligned to graduation pathways.
- (2) An on-track indicator based upon student credits.
- (3) Postsecondary outcomes as determined by the state board, in consultation with the department, the department of workforce development, the commission for higher education, and the governor's workforce cabinet established by IC 4-3-27-3. In developing requirements under this subdivision, the state board shall consider at least the following:
  - (A) Successful completion of at least twelve (12) credit hours at a higher education institution and a student's continued enrollment and status of good standing at a higher education institution.
  - (B) Successful completion of a high wage, high demand certificate as defined by the department of workforce development.
  - (C) Enlistment in, and continued service in, any branch of the armed forces of the United States or their reserves, the national guard, or a state's national guard.
  - (D) How to account for adverse life experiences or other unique circumstances that occur after graduation.
- (b) 511 IAC 6.2-10 is void on the earlier of:
  - (1) the effective date of the emergency or final rules adopted under this section; or
  - (2) July 1, 2022.
- (c) The state board:



- (1) shall adopt rules under IC 4-22-2; and
- (2) may adopt emergency rules in the manner provided in IC 4-22-2-37.1;

to implement this section.

- (d) An emergency rule adopted under subsection (c) expires on the earlier of:
  - (1) July 1, 2022; or
  - (2) the effective date of a rule that establishes categories or designations of school improvement described in this section and supersedes the emergency rule.".

Delete page 7.

Page 8, delete lines 1 through 19.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1404 as introduced.)

**BEHNING** 

Committee Vote: yeas 9, nays 4.

#### COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred House Bill No. 1404, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, delete lines 27 through 42, begin a new paragraph and insert:

"SECTION 2. IC 20-30-10-5, AS AMENDED BY P.L.215-2018(ss), SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 5. (a) Notwithstanding any other law, a high school may:

- (1) replace high school courses on the high school transcript with dual credit courses (as defined in IC 21-43-1-2.5), Cambridge International courses, **international baccalaureate**, or advanced placement courses on the same subject matter with equal or greater rigor to the required high school course; and <del>may</del>
- (2) count: such a
  - (A) a course described in subdivision (1);



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- (B) a work based learning course, program, or experience that is approved under subsection (c); or
- (C) a career and technical education course, program, or experience that is approved under subsection (c);

as satisfying an Indiana diploma with a Core 40 with academic honors designation or another designation requirement.

- (b) A course, program, or experience described in subsection (a)(2)(B) or (a)(2)(C):
  - (1) with:
    - (A) subject matter that is similar to; and
    - (B) rigor that is equal to or greater than;

the subject matter and rigor of the required course; but

(2) that does not fully align with the required course standards;

must be augmented with instruction to include the remaining standards of the required course.

- (c) If a course, program, or experience provider requests that the state board, a state educational institution (as defined in IC 21-7-13-32), or any other entity designated by the state board approve a course, program, or experience described in subsection (a)(2)(B) or (a)(2)(C), the state board, state educational institution, or other entity may approve the course, program, or experience if:
  - (1) the provider provides:
    - (A) a description of the extent to which the course, program, or experience aligns with the required course that the provider is replacing; and
    - (B) an explanation regarding how the remaining standards of the required course, program, or experience will be augmented; and
  - (2) the state board, state educational institution, or other entity determines that the course, program, or experience meets the requirements under subsection (b).
- (d) A dual credit course described in subsection (a)(1) must be authorized by an eligible institution (as described in IC 21-43-4-3.5) that is a member of a national dual credit accreditation organization, or the eligible institution must make assurances that the final assessment for the course given for dual credit under this section is substantially equivalent to the final assessment given in the college course in that subject."

Page 3, delete lines 1 through 27.

Page 7, line 5, after "pathways." insert "In developing requirements under this subdivision, the state board shall consider



using a school's graduation rate as a postsecondary preparation indicator.".

Page 7, delete lines 14 through 17, begin a new line double block indented and insert:

"(A) Successful admission into a postsecondary educational institution without the need for a remedial college course.".

Page 7, delete lines 24 through 25, begin a new line double block indented and insert:

"(D) The possibility of establishing a benchmark for the percentage of students who have to obtain a postsecondary outcome for a high school to receive maximum points for the indicator under this subdivision.".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1404 as printed February 15, 2019.)

RAATZ, Chairperson

Committee Vote: Yeas 9, Nays 1.

