

HOUSE BILL No. 1590

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-6-2-1.5; IC 6-3-3-15; IC 6-3.6-8-5; IC 20-18-2; IC 20-19-2; IC 20-20; IC 20-24; IC 20-24.2-4; IC 20-25.7; IC 20-26; IC 20-28; IC 20-29-6-7; IC 20-30; IC 20-31; IC 20-32; IC 20-33-2-13; IC 20-35-8-1; IC 20-43-10-3; IC 20-51-1; IC 20-51-4.

Synopsis: Education matters. Provides a \$1,000 state income tax credit for an individual who is a licensed K-12 classroom teacher with respect to state income taxes on the income earned from the individual's employment as a classroom teacher. Replaces the ISTEP test program with an assessment program developed by the state board of education (state board) and the department of education. Specifies that the assessment program may not include measures or requirements that exceed measures and requirements in the federal Every Student Succeeds Act (ESSA). Changes the definition of a probationary and professional teacher. Expands the definition of an eligible student for purposes of receiving a choice scholarship to include any student who is at least five years of age and less than 22 years of age and has legal settlement in Indiana. Repeals provisions requiring a school corporation to develop and implement an annual teacher performance evaluation plan. Provides that, not later than July 1, 2018, the state board shall establish new categories or designations of school performance. Provides that the new standards of assessing school performance may not: (1) use an "A through F" grading scale; (2) use statewide assessment program test results as the primary means to assess school performance; and (3) include requirements or measures other than requirements or measures authorized under ESSA. Makes conforming and technical amendments.

Effective: Upon passage; July 1, 2017; January 1, 2018.

Lucas

January 23, 2017, read first time and referred to Committee on Education.



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. 1590

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 4-6-2-1.5, AS AMENDED BY P.L.149-2016,
2 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2017]: Sec. 1.5. (a) Whenever any state governmental official
4 or employee, whether elected or appointed, is made a party to a suit,
5 and the attorney general determines that said suit has arisen out of an
6 act which such official or employee in good faith believed to be within
7 the scope of the official's or employee's duties as prescribed by statute
8 or duly adopted regulation, the attorney general shall defend such
9 person throughout such action.
10 (b) Whenever a teacher (as defined in IC 20-18-2-22) is made a
11 party to a civil suit, and the attorney general determines that the suit
12 has arisen out of an act that the teacher in good faith believed was
13 within the scope of the teacher's duties in enforcing discipline policies
14 developed under IC 20-33-8-12, the attorney general shall defend the
15 teacher throughout the action.
16 (c) Not later than July 30 of each year, the attorney general, in
17 consultation with the Indiana education employment relations board



1 established in IC 20-29-3-1, shall draft and disseminate a letter by first
 2 class mail to the residence of teachers providing a summary of the
 3 teacher's rights and protections under state and federal law. ~~including~~
 4 ~~a teacher's rights and protections relating to the teacher's performance~~
 5 ~~evaluation under IC 20-28-11.5.~~

6 (d) The department of education, in consultation with the Indiana
 7 education employment relations board, shall develop a method to
 8 provide the attorney general with the names and addresses of active
 9 teachers in Indiana in order for the attorney general to disseminate the
 10 letter described in subsection (c). Names and addresses collected and
 11 provided to the attorney general under this subsection are confidential
 12 and excepted from public disclosure as provided in IC 5-14-3-4.

13 (e) Whenever a school corporation (as defined in IC 20-26-2-4) is
 14 made a party to a civil suit and the attorney general determines that the
 15 suit has arisen out of an act authorized under IC 20-30-5-0.5 or
 16 IC 20-30-5-4.5, the attorney general shall defend the school corporation
 17 throughout the action.

18 (f) A determination by the attorney general under subsection (a), (b),
 19 or (e) shall not be admitted as evidence in the trial of any such civil
 20 action for damages.

21 (g) Nothing in this chapter shall be construed to deprive any such
 22 person of the person's right to select counsel of the person's own choice
 23 at the person's own expense.

24 SECTION 2. IC 6-3-3-15 IS ADDED TO THE INDIANA CODE
 25 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 26 JANUARY 1, 2018]: **Sec. 15. (a) This section applies to an**
 27 **individual who, during the taxable year:**

28 **(1) holds a license under IC 20-28 to be employed as a teacher**
 29 **in Indiana; and**

30 **(2) has earned income from being employed as a teacher in**
 31 **Indiana, and whose primary duty is providing direct**
 32 **classroom instruction to students in kindergarten through**
 33 **grade 12.**

34 **(b) An individual is entitled to a credit against the individual's**
 35 **state adjusted gross income tax liability for the individual's income**
 36 **described in subsection (a)(2). The amount of the credit is the lesser**
 37 **of:**

38 **(1) one thousand dollars (\$1,000); or**

39 **(2) the amount of the individual's state adjusted gross income**
 40 **tax liability for the taxable year, reduced by the sum of all**
 41 **credits for the taxable year that are applied before the**
 42 **application of the credit provided by this section.**



1 SECTION 3. IC 6-3.6-8-5, AS AMENDED BY P.L.197-2016,
 2 SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JANUARY 1, 2018]: Sec. 5. (a) Except as otherwise provided in
 4 subsection (b) and the other provisions of this article, all provisions of
 5 the adjusted gross income tax law (IC 6-3) concerning:

- 6 (1) definitions;
 7 (2) declarations of estimated tax;
 8 (3) filing of returns;
 9 (4) deductions or exemptions from adjusted gross income;
 10 (5) remittances;
 11 (6) incorporation of the provisions of the Internal Revenue Code;
 12 (7) penalties and interest; and
 13 (8) exclusion of military pay credits for withholding;

14 apply to the imposition, collection, and administration of the tax
 15 imposed by this article.

16 (b) IC 6-3-3-3, IC 6-3-3-5, **IC 6-3-3-15**, and IC 6-3-5-1 do not apply
 17 to the tax imposed by this article.

18 (c) Notwithstanding subsections (a) and (b), each employer shall
 19 report to the department of state revenue the amount of withholdings
 20 attributable to each county. This report shall be submitted to the
 21 department of state revenue:

- 22 (1) each time the employer remits to the department the tax that
 23 is withheld; and
 24 (2) annually along with the employer's annual withholding report.

25 SECTION 4. IC 20-18-2-6, AS ADDED BY P.L.1-2005, SECTION
 26 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON
 27 PASSAGE]: Sec. 6. "Graduation examination" means:

- 28 **(1) for school years ending before July 1, 2017**, the test
 29 designated by the board under the ISTEP program; **and**
 30 **(2) for school years beginning after June 30, 2017, the test**
 31 **designated or purchased by the state board under**
 32 **IC 20-32-5.1.**

33 SECTION 5. IC 20-18-2-10 IS REPEALED [EFFECTIVE JULY 1,
 34 2017]. ~~Sec. 10: "ISTEP program" refers to the Indiana statewide testing~~
 35 ~~for educational progress program developed and administered under~~
 36 ~~IC 20-32-5.~~

37 SECTION 6. IC 20-18-2-20.7 IS ADDED TO THE INDIANA
 38 CODE AS A NEW SECTION TO READ AS FOLLOWS
 39 [EFFECTIVE UPON PASSAGE]: "Statewide assessment program"
 40 refers to:

- 41 **(1) for school years ending before July 1, 2017, the ISTEP**
 42 **program under IC 20-32-5; and**



1 **(2) for school years beginning after June 30, 2017, the**
 2 **statewide assessment program under IC 20-32-5.1.**

3 SECTION 7. IC 20-18-2-16, AS AMENDED BY P.L.233-2015,
 4 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JULY 1, 2017]: Sec. 16. (a) "School corporation", for purposes of this
 6 title (except IC 20-20-33, IC 20-26-1 through IC 20-26-5, IC 20-26-7,
 7 ~~IC 20-28-11.5~~, IC 20-30-8, and IC 20-43), means a public school
 8 corporation established by Indiana law. The term includes a:

- 9 (1) school city;
 10 (2) school town;
 11 (3) consolidated school corporation;
 12 (4) metropolitan school district;
 13 (5) township school corporation;
 14 (6) county school corporation;
 15 (7) united school corporation; or
 16 (8) community school corporation.

17 (b) "School corporation", for purposes of IC 20-26-1 through
 18 IC 20-26-5 and IC 20-26-7, has the meaning set forth in IC 20-26-2-4.

19 (c) "School corporation", for purposes of IC 20-20-33 and
 20 IC 20-30-8, includes a charter school (as defined in IC 20-24-1-4).

21 (d) "School corporation", for purposes of IC 20-43, has the meaning
 22 set forth in IC 20-43-1-23.

23 ~~(e) "School corporation", for purposes of IC 20-28-11.5, has the~~
 24 ~~meaning set forth in IC 20-28-11.5-3.~~

25 ~~(f)~~ (e) "School corporation", for purposes of IC 20-35, has the
 26 meaning set forth in IC 20-35-1-6.

27 SECTION 8. IC 20-19-2-8, AS AMENDED BY P.L.286-2013,
 28 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 UPON PASSAGE]: Sec. 8. (a) In addition to any other powers and
 30 duties prescribed by law, the state board shall adopt rules under
 31 IC 4-22-2 concerning, but not limited to, the following matters:

32 (1) The designation and employment of the employees and
 33 consultants necessary for the department. The state board shall fix
 34 the compensation of employees of the department, subject to the
 35 approval of the budget committee and the governor under
 36 IC 4-12-2.

37 (2) The establishment and maintenance of standards and
 38 guidelines for media centers, libraries, instructional materials
 39 centers, or any other area or system of areas in a school where a
 40 full range of information sources, associated equipment, and
 41 services from professional media staff are accessible to the school
 42 community. With regard to library automation systems, the state



1 board may only adopt rules that meet the standards established by
 2 the state library board for library automation systems under
 3 IC 4-23-7.1-11(b).

4 (3) The establishment and maintenance of standards for student
 5 personnel and guidance services.

6 (4) The inspection of all public schools in Indiana to determine
 7 the condition of the schools. The state board shall establish
 8 standards governing the accreditation of public schools.
 9 Observance of:

10 (A) IC 20-31-4;

11 (B) IC 20-28-5-2;

12 (C) IC 20-28-6-3 through IC 20-28-6-7; **and**

13 ~~(D) IC 20-28-11.5; and~~

14 ~~(E)~~ **(D)** IC 20-31-3, IC 20-32-4 **(for school years ending**
 15 **before July 1, 2017)**, IC 20-32-5 **(for school years beginning**
 16 **after June 30, 2017)**, **IC 20-32-5.1**, and IC 20-32-8;

17 is a prerequisite to the accreditation of a school. Local public
 18 school officials shall make the reports required of them and
 19 otherwise cooperate with the state board regarding required
 20 inspections. Nonpublic schools may also request the inspection
 21 for classification purposes. Compliance with the building and site
 22 guidelines adopted by the state board is not a prerequisite of
 23 accreditation.

24 (5) The distribution of funds and revenues appropriated for the
 25 support of schools in the state.

26 (6) The state board may not establish an accreditation system for
 27 nonpublic schools that is less stringent than the accreditation
 28 system for public schools.

29 (7) A separate system for recognizing nonpublic schools under
 30 IC 20-19-2-10. Recognition of nonpublic schools under this
 31 subdivision constitutes the system of regulatory standards that
 32 apply to nonpublic schools that seek to qualify for the system of
 33 recognition.

34 (8) The establishment and enforcement of standards and
 35 guidelines concerning the safety of students participating in
 36 cheerleading activities.

37 (9) Subject to IC 20-28-2, the preparation and licensing of
 38 teachers.

39 (b) Before final adoption of any rule, the state board shall make a
 40 finding on the estimated fiscal impact that the rule will have on school
 41 corporations.

42 SECTION 9. IC 20-19-2-14, AS AMENDED BY P.L.286-2013,



1 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 UPON PASSAGE]: Sec. 14. The state board shall do the following:

3 (1) Establish the educational goals of the state, developing
4 standards and objectives for local school corporations.

5 (2) Assess the attainment of the established goals.

6 (3) Assure compliance with established standards and objectives.

7 (4) Coordinate with the commission for higher education
8 (IC 21-18-1) and the department of workforce development
9 (IC 22-4.1-2) to develop entrepreneurship education programs for
10 elementary and secondary education, higher education, and
11 individuals in the work force.

12 (5) Make recommendations to the governor and general assembly
13 concerning the educational needs of the state, including financial
14 needs.

15 (6) Provide for reviews to ensure the validity and reliability of the
16 **ISTEP statewide assessment** program.

17 SECTION 10. IC 20-20-8-6, AS AMENDED BY P.L.2-2007,
18 SECTION 203, IS AMENDED TO READ AS FOLLOWS
19 [EFFECTIVE UPON PASSAGE]: Sec. 6. A report must contain the
20 following:

21 (1) The information listed in section 8 of this chapter for each of
22 the preceding three (3) years.

23 (2) Additional components determined under section 7(4) of this
24 chapter.

25 (3) Additional information or explanation that the governing body
26 wishes to include, including the following:

27 (A) Results of nationally recognized assessments of students
28 under programs other than the **ISTEP statewide assessment**
29 program that a school corporation, including a charter school,
30 uses to determine if students are meeting or exceeding
31 academic standards in grades that are tested under the **ISTEP**
32 **statewide assessment** program.

33 (B) Results of assessments of students under programs other
34 than the **ISTEP statewide assessment** program that a school
35 corporation uses to determine if students are meeting or
36 exceeding academic standards in grades that are not tested
37 under the **ISTEP statewide assessment** program.

38 (C) The number and types of staff professional development
39 programs.

40 (D) The number and types of partnerships with the
41 community, business, or postsecondary education.

42 (E) Levels of parental participation.



1 SECTION 11. IC 20-20-8-8, AS AMENDED BY THE
 2 TECHNICAL CORRECTIONS BILL OF THE 2017 GENERAL
 3 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 4 UPON PASSAGE]: Sec. 8. (a) The report must include the following
 5 information:

- 6 (1) Student enrollment.
 7 (2) Graduation rate (as defined in IC 20-26-13-6) and the
 8 graduation rate excluding students that receive a graduation
 9 waiver under IC 20-32-4-4.
 10 (3) Attendance rate.
 11 (4) The following test scores, including the number and
 12 percentage of students meeting academic standards:
 13 (A) All state standardized assessment scores.
 14 (B) Scores for assessments under IC 20-32-5-21 (**before its**
 15 **expiration on July 1, 2017**), if appropriate.
 16 (C) For a freeway school, scores on a locally adopted
 17 assessment program, if appropriate.
 18 (5) Average class size.
 19 (6) The school's performance category or designation of school
 20 improvement assigned under IC 20-31-8.
 21 (7) The number and percentage of students in the following
 22 groups or programs:
 23 (A) Alternative education, if offered.
 24 (B) Career and technical education.
 25 (C) Special education.
 26 (D) High ability.
 27 ~~(E) Remediation.~~
 28 ~~(F) (E) Limited English language proficiency.~~
 29 ~~(G) (F) Students receiving free or reduced price lunch under~~
 30 ~~the national school lunch program.~~
 31 ~~(H) School flex program, if offered.~~
 32 (8) Advanced placement, including the following:
 33 (A) For advanced placement tests, the percentage of students:
 34 (i) scoring three (3), four (4), and five (5); and
 35 (ii) taking the test.
 36 (B) For the Scholastic Aptitude Test:
 37 (i) *the average* test scores for all students taking the test;
 38 (ii) *the average* test scores for students completing the
 39 academic honors diploma program; and
 40 (iii) the percentage of students taking the test.
 41 (9) Course completion, including the number and percentage of
 42 students completing the following programs:



- 1 (A) Academic honors diploma.
 2 (B) Core 40 curriculum.
 3 (C) Career and technical programs.
 4 ~~(10) The percentage of grade 8 students enrolled in algebra I.~~
 5 ~~(11) (10) The percentage of graduates considered college and~~
 6 ~~career ready in a manner prescribed by the state board.~~
 7 ~~(12) (11) School safety, including:~~
 8 (A) the number of students receiving suspension or expulsion
 9 for the possession of alcohol, drugs, or weapons;
 10 (B) the number of incidents reported under IC 20-33-9; and
 11 (C) the number of bullying incidents reported under
 12 IC 20-34-6 by category.
 13 ~~(13) (12) Financial information and various school cost factors~~
 14 ~~including the following: required to be provided to the office of~~
 15 ~~management and budget under IC 20-42.5-3-5.~~
 16 ~~(A) Expenditures per pupil.~~
 17 ~~(B) Average teacher salary.~~
 18 ~~(C) Remediation funding.~~
 19 ~~(14) Interdistrict and intradistrict student mobility rates; if that~~
 20 ~~information is available.~~
 21 ~~(15) (13) The number and percentage of each of the following~~
 22 ~~within the school corporation:~~
 23 (A) Teachers who are certificated employees (as defined in
 24 IC 20-29-2-4).
 25 (B) Teachers who teach the subject area for which the teacher
 26 is certified and holds a license.
 27 (C) Teachers with national board certification.
 28 ~~(16) (14) The percentage of grade 3 students reading at grade 3~~
 29 ~~level.~~
 30 ~~(17) (15) The number of students expelled, including the number~~
 31 ~~participating in other recognized education programs during~~
 32 ~~their expulsion, including the percentage of students expelled by~~
 33 ~~race, grade, gender, free or reduced price lunch status, and~~
 34 ~~eligibility for special education.~~
 35 ~~(18) (16) Chronic absenteeism, which includes the number of~~
 36 ~~students who have been absent from school for ten percent (10%)~~
 37 ~~or more of a school year for any reason.~~
 38 ~~(19) (17) Habitual truancy, which includes the number of students~~
 39 ~~who have been absent ten (10) days or more from school within~~
 40 ~~a school year without being excused or without being absent~~
 41 ~~under a parental request that has been filed with the school.~~
 42 ~~(20) (18) The number of students who have dropped out of~~



- 1 school, including the reasons for dropping out, including the
 2 percentage of students who have dropped out by race, grade,
 3 gender, free or reduced price lunch status, and eligibility for
 4 special education.
- 5 ~~(21)~~ (19) The number of out of school suspensions assigned,
 6 including the percentage of students suspended by race, grade,
 7 gender, free or reduced price lunch status, and eligibility for
 8 special education.
- 9 ~~(22)~~ (20) The number of in school suspensions assigned,
 10 including the percentage of students suspended by race, grade,
 11 gender, free or reduced price lunch status, and eligibility for
 12 special education.
- 13 ~~(23)~~ (21) The number of student work permits revoked.
- 14 ~~(24)~~ (22) The number of students receiving an international
 15 baccalaureate diploma.
- 16 (b) *Section 3(a) of this chapter does not apply to the publication of*
 17 *information required under this subsection.* This subsection applies to
 18 schools, including charter schools, located in a county having a
 19 consolidated city, including schools located in excluded cities (as
 20 defined in IC 36-3-1-7). *A separate report including the information*
 21 *reported under subsection (a) must be disaggregated by race, grade,*
 22 *gender, free or reduced price lunch status, and eligibility for special*
 23 *education and must be made available on the Internet as provided in*
 24 *section 3(b) of this chapter.*
- 25 SECTION 12. IC 20-20-13-9, AS AMENDED BY P.L.133-2012,
 26 SECTION 188, IS AMENDED TO READ AS FOLLOWS
 27 [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) This section applies to the
 28 4R's technology program described in section 6(a)(1) of this chapter.
- 29 (b) In addition to any other funds available under this chapter, if
 30 state funds are transferred under IC 20-32-5-19 (**before its expiration**
 31 **on July 1, 2017**) to the 4R's technology program:
 32 (1) those funds do not revert to the state general fund;
 33 (2) those funds shall be made available to the 4R's technology
 34 program under this chapter; and
 35 (3) the department, upon approval by the governor and the budget
 36 agency, shall use those funds to award grants under this section.
- 37 (c) To be eligible to receive a grant under the program, a school
 38 corporation must comply with the following:
 39 (1) The school corporation must apply to the department for a
 40 grant on behalf of a school within the school corporation to
 41 purchase technology equipment.
 42 (2) The school corporation must certify the following:



- 1 (A) That the school will provide every kindergarten and grade
 2 1 student at that school the opportunity to learn reading,
 3 writing, and arithmetic using technology.
 4 (B) That the school will provide daily before or after school
 5 technology laboratories for students in grades 1 through 3 who
 6 have been identified as needing remediation in reading,
 7 writing, or arithmetic.
 8 (C) That the school will provide additional technology
 9 opportunities, that may include Saturday sessions, for students
 10 in other grade levels to use the technology laboratories for
 11 remediation in reading, writing, arithmetic, or mathematics.
 12 (D) That the school will provide technology opportunities to
 13 students that attend remediation programs under IC 20-32-8 (if
 14 the school corporation is required to do so) or any other
 15 additional summer programs.
 16 (E) That the school corporation, either through its own or the
 17 school's initiative, is able to provide a part of the costs
 18 attributable to purchasing the necessary technology equipment.
 19 (3) The school corporation must include in the application the
 20 sources of and the amount of money secured under subdivision
 21 (2)(E).
 22 (4) The school corporation or the school must:
 23 (A) provide teacher training services; or
 24 (B) use vendor provided teacher training services.
 25 (5) The school corporation must give primary consideration to the
 26 purchase of technology equipment that includes teacher training
 27 services.
 28 (6) The teachers who will be using the technology equipment
 29 must support the initiative described in this chapter.
 30 (d) Upon review of the applications by the department, the
 31 satisfaction of the requirements set forth in subsection (c), and subject
 32 to the availability of funds for this purpose, the department shall award
 33 to each eligible school corporation a grant to purchase technology
 34 equipment under section 6(a)(1) of this chapter.
 35 (e) The department shall monitor the compliance by the school
 36 corporations receiving grants of the matters cited in subsection (c).
 37 SECTION 13. IC 20-20-42.2-3, AS ADDED BY P.L.106-2016,
 38 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2017]: Sec. 3. As used in this chapter, "qualified teacher"
 40 refers to a teacher who
 41 (+) is rated as effective or highly effective in the teacher's most
 42 recent annual performance evaluation in a plan established under



1 ~~IC 20-28-11.5-4; and~~
 2 (2) works in the classroom providing instruction and who is not
 3 instructional support personnel.

4 SECTION 14. IC 20-24-2.2-3, AS AMENDED BY P.L.280-2013,
 5 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2017]: Sec. 3. (a) After giving at least thirty (30) days notice,
 7 the state board may require an authorizer to appear at a hearing
 8 conducted by the state board if the authorizer has renewed the charter
 9 of or failed to close a charter school that does not meet the minimum
 10 standards in the charter agreement as provided in section 2 of this
 11 chapter, as posted on the department's Internet web site.

12 (b) After the hearing, the state board may implement one (1) or
 13 more of the following actions unless the state board finds sufficient
 14 justification for the charter school's performance under the state school
 15 accountability system:

16 (1) Transfer the authorization of the charter school identified in
 17 subsection (a) to another authorizer.

18 (2) Order the closure of the charter school identified in subsection
 19 (a) at the end of the 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 (a). 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 other authorizer.

27 (c) In determining whether to impose consequences under
 28 subsection (b), the state board must consider the following:

29 (1) Enrollment of students with special challenges such as drug or
 30 alcohol addiction, prior withdrawal from school, prior
 31 incarceration, or other special circumstances.

32 (2) High mobility of the student population resulting from the
 33 specific purpose of the charter school.

34 (3) Annual improvement in the performance of students enrolled
 35 in the charter school, as measured by IC 20-31-8-1 (**before its**
 36 **expiration on July 1, 2018**), compared with the performance of
 37 students enrolled in the charter school in the immediately
 38 preceding school year.

39 SECTION 15. IC 20-24-4-1, AS AMENDED BY P.L.5-2015,
 40 SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 UPON PASSAGE]: Sec. 1. (a) A charter must meet the following
 42 requirements:



- 1 (1) Be a written instrument.
- 2 (2) Be executed by an authorizer and an organizer.
- 3 (3) Confer certain rights, franchises, privileges, and obligations
- 4 on a charter school.
- 5 (4) Confirm the status of a charter school as a public school.
- 6 (5) Be granted for:
 - 7 (A) not less than three (3) years or more than seven (7) years;
 - 8 and
 - 9 (B) a fixed number of years agreed to by the authorizer and the
 - 10 organizer.
- 11 (6) Provide for the following:
 - 12 (A) A review by the authorizer of the charter school's
 - 13 performance, including the progress of the charter school in
 - 14 achieving the academic goals set forth in the charter, at least
 - 15 one (1) time in each five (5) year period while the charter is in
 - 16 effect.
 - 17 (B) Renewal, if the authorizer and the organizer agree to renew
 - 18 the charter.
 - 19 (C) The renewal application must include guidance from the
 - 20 authorizer, and the guidance must include the performance
 - 21 criteria that will guide the authorizer's renewal decisions.
 - 22 (D) The renewal application process must, at a minimum,
 - 23 provide an opportunity for the charter school to:
 - 24 (i) present additional evidence, beyond the data contained in
 - 25 the performance report, supporting its case for charter
 - 26 renewal;
 - 27 (ii) describe improvements undertaken or planned for the
 - 28 charter school; and
 - 29 (iii) detail the charter school's plans for the next charter
 - 30 term.
 - 31 (E) Not later than October 1 in the year in which the charter
 - 32 school seeks renewal of a charter, the governing board of a
 - 33 charter school seeking renewal shall submit a renewal
 - 34 application to the charter authorizer under the renewal
 - 35 application guidance issued by the authorizer. The authorizer
 - 36 shall make a final ruling on the renewal application not later
 - 37 than March 1 after the filing of the renewal application. The
 - 38 March 1 deadline does not apply to any review or appeal of a
 - 39 final ruling. After the final ruling is issued, the charter school
 - 40 may obtain further review by the authorizer of the authorizer's
 - 41 final ruling in accordance with the terms of the charter school's
 - 42 charter and the protocols of the authorizer.



- 1 (7) Specify the grounds for the authorizer to:
 2 (A) revoke the charter before the end of the term for which the
 3 charter is granted; or
 4 (B) not renew a charter.
- 5 (8) Set forth the methods by which the charter school will be held
 6 accountable for achieving the educational mission and goals of
 7 the charter school, including the following:
 8 (A) Evidence of improvement in:
 9 (i) assessment measures, including ~~the ISTEP and end of~~
 10 ~~course assessments; statewide assessment program~~
 11 ~~measures;~~
 12 (ii) attendance rates;
 13 (iii) graduation rates (if appropriate);
 14 (iv) increased numbers of Core 40 diplomas and other
 15 college and career ready indicators including advanced
 16 placement participation and passage, dual credit
 17 participation and passage, and International Baccalaureate
 18 participation and passage (if appropriate);
 19 (v) increased numbers of academic honors and technical
 20 honors diplomas (if appropriate);
 21 (vi) student academic growth;
 22 (vii) financial performance and stability; and
 23 (viii) governing board performance and stewardship,
 24 including compliance with applicable laws, rules and
 25 regulations, and charter terms.
- 26 (B) Evidence of progress toward reaching the educational
 27 goals set by the organizer.
- 28 (9) Describe the method to be used to monitor the charter
 29 school's:
 30 (A) compliance with applicable law; and
 31 (B) performance in meeting targeted educational performance.
- 32 (10) Specify that the authorizer and the organizer may amend the
 33 charter during the term of the charter by mutual consent and
 34 describe the process for amending the charter.
- 35 (11) Describe specific operating requirements, including all the
 36 matters set forth in the application for the charter.
- 37 (12) Specify a date when the charter school will:
 38 (A) begin school operations; and
 39 (B) have students attending the charter school.
- 40 (13) Specify that records of a charter school relating to the
 41 school's operation and charter are subject to inspection and
 42 copying to the same extent that records of a public school are



1 subject to inspection and copying under IC 5-14-3.

2 (14) Specify that records provided by the charter school to the
3 department or authorizer that relate to compliance by the
4 organizer with the terms of the charter or applicable state or
5 federal laws are subject to inspection and copying in accordance
6 with IC 5-14-3.

7 (15) Specify that the charter school is subject to the requirements
8 of IC 5-14-1.5.

9 (16) This subdivision applies to a charter established or renewed
10 for an adult high school after June 30, 2014. The charter must
11 require:

12 (A) that the school will offer flexible scheduling;

13 (B) that students will not complete the majority of instruction
14 of the school's curriculum online or through remote
15 instruction;

16 (C) that the school will offer dual credit or industry
17 certification course work that aligns with career pathways as
18 recommended by the Indiana career council established by
19 IC 22-4.5-9-3; and

20 (D) a plan:

21 (i) to support successful program completion and to assist
22 transition of graduates to the workforce or to a
23 postsecondary education upon receiving a diploma from the
24 adult high school; and

25 (ii) to review individual student accomplishments and
26 success after a student receives a diploma from the adult
27 high school.

28 (b) A charter school shall set annual performance targets in
29 conjunction with the charter school's authorizer. The annual
30 performance targets shall be designed to help each school meet
31 applicable federal, state, and authorizer expectations.

32 SECTION 16. IC 20-24-8-5, AS AMENDED BY P.L.141-2016,
33 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 UPON PASSAGE]: Sec. 5. The following statutes and rules and
35 guidelines adopted under the following statutes apply to a charter
36 school:

37 (1) IC 5-11-1-9 (required audits by the state board of accounts).

38 (2) IC 20-39-1-1 (unified accounting system).

39 (3) IC 20-35 (special education).

40 (4) IC 20-26-5-10 (criminal history).

41 (5) IC 20-26-5-6 (subject to laws requiring regulation by state
42 agencies).



- 1 (6) IC 20-28-10-12 (nondiscrimination for teacher marital status).
 2 (7) IC 20-28-10-14 (teacher freedom of association).
 3 (8) IC 20-28-10-17 (school counselor immunity).
 4 (9) For conversion charter schools only if the conversion charter
 5 school elects to collectively bargain under IC 20-24-6-3(b),
 6 IC 20-28-6, IC 20-28-7.5, IC 20-28-8, IC 20-28-9, and
 7 IC 20-28-10.
 8 (10) IC 20-33-2 (compulsory school attendance).
 9 (11) IC 20-33-3 (limitations on employment of children).
 10 (12) IC 20-33-8-19, IC 20-33-8-21, and IC 20-33-8-22 (student
 11 due process and judicial review).
 12 (13) IC 20-33-8-16 (firearms and deadly weapons).
 13 (14) IC 20-34-3 (health and safety measures).
 14 (15) IC 20-33-9 (reporting of student violations of law).
 15 (16) IC 20-30-3-2 and IC 20-30-3-4 (patriotic commemorative
 16 observances).
 17 (17) IC 20-31-3, IC 20-32-4 (**for a school year ending before**
 18 **July 1, 2017**), IC 20-32-5 (**for a school year beginning after**
 19 **June 30, 2017**), **IC 20-32-5.1**, IC 20-32-8, and IC 20-32-8.5, as
 20 provided in IC 20-32-8.5-2(b) (academic standards, accreditation,
 21 assessment, and remediation).
 22 (18) IC 20-33-7 (parental access to education records).
 23 (19) IC 20-31 (accountability for school performance and
 24 improvement).
 25 (20) IC 20-30-5-19 (personal financial responsibility instruction).
 26 (21) IC 20-26-5-37.3, before its expiration (career and technical
 27 education reporting).
 28 SECTION 17. IC 20-24.2-4-3, AS AMENDED BY P.L.117-2016,
 29 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2017]: Sec. 3. (a) Except as specifically provided in this
 31 article and section 4 of this chapter, the following provisions of this
 32 title and a rule or guideline adopted by the state board under one (1) of
 33 the following provisions of this title do not apply to a qualified district
 34 or qualified high school:
 35 (1) Provisions that do not apply to school corporations in general.
 36 (2) IC 20-20 (programs administered by the state), except for
 37 IC 20-20-1 (educational service centers) and IC 20-20-8 (school
 38 corporation annual performance report).
 39 (3) IC 20-28 (school teachers), except for IC 20-28-3-4 (teacher
 40 continuing education), IC 20-28-4-8 (hiring of transition to
 41 teaching participants; restrictions), IC 20-28-4-11 (transition to
 42 teaching participants; school corporation or subject area;



1 transition to teaching permit), IC 20-28-5-8 (conviction of certain
 2 felonies; notice and hearing; permanent revocation of license;
 3 data base of school employees who have been reported),
 4 IC 20-28-6 (teacher contracts), IC 20-28-7.5 (cancellation of
 5 teacher contracts), IC 20-28-8 (contracts with school
 6 administrators), IC 20-28-9 (teacher salary and related payments),
 7 **and** IC 20-28-10 (conditions of employment). ~~and IC 20-28-11.5~~
 8 ~~(staff performance evaluations):~~

9 (4) IC 20-30 (curriculum), except for IC 20-30-3-2 and
 10 IC 20-30-3-4 (patriotic commemorative observances),
 11 IC 20-30-5-13 (human sexuality instructional requirements), and
 12 IC 20-30-5-19 (personal financial responsibility instruction).

13 (5) IC 20-32 (student standards, assessments, and performance),
 14 except for IC 20-32-4 (graduation requirements) **for a school**
 15 **year ending before July 1, 2017**, IC 20-32-5 (Indiana statewide
 16 testing for educational progress) **for a school year beginning**
 17 **after June 30, 2017**, **IC 20-32-5.1 (statewide assessment**
 18 **program)**, and IC 20-32-8 (remediation).

19 (6) IC 20-37 (career and technical education).

20 (b) Notwithstanding any other law, a school corporation may not
 21 receive a decrease in state funding based upon the school corporation's
 22 status as a qualified district or the status of a high school within the
 23 school corporation as a qualified high school, or because of the
 24 implementation of a waiver of a statute or rule that is allowed to be
 25 waived by a qualified district or qualified high school.

26 SECTION 18. IC 20-24.2-4-4, AS AMENDED BY P.L.117-2016,
 27 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 UPON PASSAGE]: Sec. 4. The following provisions of this title and
 29 rules and guidelines adopted under the following provisions of this title
 30 apply to a qualified district or qualified high school:

31 IC 20-20-1 (educational service centers).

32 IC 20-20-8 (school corporation annual performance report).

33 IC 20-23 (organization of school corporations).

34 IC 20-26 (school corporation general administrative provisions).

35 IC 20-27 (school transportation).

36 IC 20-28-3-4 (teacher continuing education).

37 IC 20-28-4-8 (hiring of transition to teaching participants;
 38 restrictions).

39 IC 20-28-4-11 (transition to teaching participants; school
 40 corporation or subject area; transition to teaching permit).

41 IC 20-28-5-8 (conviction of certain felonies; notice and hearing;
 42 permanent revocation of license; data base of school employees



1 who have been reported).
 2 IC 20-28-6 (teacher contracts).
 3 IC 20-28-7.5 (cancellation of teacher contracts).
 4 IC 20-28-8 (contracts with school administrators).
 5 IC 20-28-9 (teacher salary and related payments).
 6 IC 20-28-10 (conditions of employment).
 7 ~~IC 20-28-11.5 (staff performance evaluations).~~
 8 IC 20-29 (collective bargaining for teachers).
 9 IC 20-30-3-2 and IC 20-30-3-4 (patriotic commemorative
 10 observances).
 11 IC 20-30-5-13 (human sexuality instructional requirements).
 12 IC 20-30-5-19 (personal financial responsibility instruction).
 13 IC 20-31 (accountability for school performance and
 14 improvement).
 15 IC 20-32-4 (**for a school year beginning before July 1, 2017**),
 16 IC 20-32-5 (**for a school year ending after June 30, 2017**),
 17 **IC 20-32-5.1**, and IC 20-32-8 (accreditation, assessment, and
 18 remediation), or any other statute, rule, or guideline related to
 19 standardized assessments.
 20 IC 20-33 (students: general provisions).
 21 IC 20-34-3 (health and safety measures).
 22 IC 20-35 (special education).
 23 IC 20-36 (high ability students).
 24 IC 20-39 (accounting and financial reporting procedures).
 25 IC 20-40 (government funds and accounts).
 26 IC 20-41 (extracurricular funds and accounts).
 27 IC 20-42.5 (allocation of expenditures to student instruction).
 28 IC 20-43 (state tuition support).
 29 IC 20-44 (property tax levies).
 30 IC 20-45 (general fund levies).
 31 IC 20-46 (levies other than general fund levies).
 32 IC 20-47 (related entities; holding companies; lease agreements).
 33 IC 20-48 (borrowing and bonds).
 34 IC 20-49 (state management of common school funds; state
 35 advances and loans).
 36 IC 20-50 (homeless children and foster care children).
 37 SECTION 19. IC 20-25.7-4-8, AS ADDED BY P.L.214-2015,
 38 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2017]: Sec. 8. (a) Except as otherwise provided in this article,
 40 the following do not apply to an innovation network school:
 41 (1) An Indiana statute applicable to a governing body or school
 42 corporation.



- 1 (2) A rule or guideline adopted by the state board, except for
 2 those rules that assist a teacher in gaining or renewing a standard
 3 or advanced license.
 4 (3) A local regulation or policy adopted by a school corporation
 5 unless specifically incorporated in the agreement established
 6 under this chapter.
- 7 (b) Except as otherwise provided in this article, the following
 8 statutes apply to an innovation network school:
 9 (1) IC 20-24-8-5 (statutes applicable to charter schools).
 10 ~~(2) IC 20-28-11.5 (staff performance evaluations):~~
 11 ~~(3)~~ **(2)** IC 20-24-6 (employment of teachers and other personnel
 12 in charter schools).
- 13 SECTION 20. IC 20-25.7-6-5, AS ADDED BY P.L.214-2015,
 14 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2017]: Sec. 5. (a) Before August 31, 2015, the state board
 16 shall develop the pilot program and establish the duties that are
 17 associated with advanced roles necessary for qualified teachers
 18 consistent with this section.
- 19 (b) A board may apply to the state board to participate in the pilot
 20 program beginning in the 2016-2017 or the 2017-2018 school year by
 21 submitting a proposed plan to the state board in a time frame
 22 prescribed by the state board. A proposed plan may consist of a plan
 23 approved by the board under IC 20-25.7-4-3 as long as it meets the
 24 additional requirements provided in this section. The proposed plan
 25 must focus on the leadership capacity and commitment of the school
 26 corporation to develop career pathways that meet the requirements of
 27 this section and must be widely applicable across Indiana, as
 28 demonstrated by prior efforts to advance:
 29 (1) teaching excellence;
 30 (2) on the job development for teachers;
 31 (3) teacher leadership; or
 32 (4) leadership design.
- 33 (c) A career pathways plan developed under subsection (b) must
 34 meet, at a minimum, the following criteria:
 35 (1) Enable qualified teachers to progress within their career and
 36 become career pathway teachers by doing any of the following:
 37 (A) Assuming advanced roles that include accountability for
 38 student growth across a team of teachers.
 39 (B) Assuming advanced roles that include accountability as
 40 the teacher of record for more students.
 41 (2) Provide information in a form readily accessible to both
 42 teachers and the public concerning the criteria and the procedures



- 1 for selection as a career pathway teacher.
- 2 ~~(3)~~ **(3)** Require a qualified teacher to be rated as highly effective
- 3 under IC 20-28-11.5-4 to be eligible to participate in the pilot
- 4 program.
- 5 ~~(4)~~ **(3)** Increase the amount of time during the school day for a
- 6 career pathway teacher to plan, collaborate on, and participate in
- 7 on the job development or leadership of other teachers.
- 8 ~~(5)~~ **(4)** Establish equally stringent eligibility requirements for a
- 9 career pathway teacher to remain in an advanced role as those
- 10 required to initially attain that role.
- 11 ~~(6)~~ **(5)** Establish a procedure for determining whether a career
- 12 pathway teacher is successfully performing the additional duties
- 13 associated with the career pathway.
- 14 ~~(7)~~ **(6)** Ensure that a career pathway teacher may opt out of the
- 15 career pathways plan by voluntarily relinquishing additional
- 16 duties associated with the career pathway.
- 17 ~~(8)~~ **(7)** Pay career pathway salary supplements in an amount equal
- 18 to at least:
- 19 (A) twenty-five percent (25%) of the career pathway teacher's
- 20 salary based on the state average teacher salary at the time the
- 21 plan is submitted if the career pathway teacher leads teams of
- 22 two (2) or more teachers and is the teacher of record for all the
- 23 students served by the teaching team; or
- 24 (B) ten percent (10%) of the career pathway teacher's salary
- 25 based on the state average teacher salary at the time the plan
- 26 is submitted if the career pathway teacher performs additional
- 27 duties or functions that are specified in the school
- 28 corporation's plan and approved by the state board that enable
- 29 the teacher to effectively serve additional students.
- 30 ~~(9)~~ **(8)** Require that a career pathway teacher who
- 31 ~~(A)~~ fails to maintain a rating of highly effective under
- 32 IC 20-28-11.5-4; or
- 33 ~~(B)~~ is not successfully performing the additional duties
- 34 associated with the career pathway shall be paid only the
- 35 salary applicable to the career pathway teacher based on the
- 36 local salary schedule adopted under IC 20-28-9-1.5 and any
- 37 other local supplements that would otherwise apply to the
- 38 career pathway teacher's compensation.
- 39 ~~(10)~~ **(9)** Require that a career pathway teacher who opts out of the
- 40 career pathways plan shall be paid only the salary applicable to
- 41 the career pathway teacher based on the local salary schedule
- 42 adopted under IC 20-28-9-1.5 and any other local supplements



1 that would otherwise apply to the career pathway teacher's
2 compensation.

3 ~~(H)~~ **(10)** Achieve financial sustainability for career pathway
4 salary supplements by reallocating other funds, including local,
5 private, state, or federal funds.

6 ~~(I)~~ **(11)** Develop measures for determining how the career
7 pathways plan must do the following:

8 (A) Improve the quality of classroom instruction.

9 (B) Increase the attractiveness of teaching.

10 (C) Encourage the recognition, effectiveness, and retention of
11 high quality teachers.

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

18 SECTION 21. IC 20-26-5-24, AS AMENDED BY P.L.118-2016,
19 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JULY 1, 2017]: Sec. 24. (a) An agreement under section 23 of this
21 chapter must set out the responsibilities and rights of the public school
22 corporations, the institutions, and the students or persons who
23 supervise the students and who are working jointly for a school
24 corporation and an institution.

25 (b) An agreement must contain:

26 (1) a provision for the payment of an honorarium for consulting
27 services by the postsecondary educational institution directly to
28 the supervisor; **and**

29 (2) a provision that, if the sum paid by the institution to the
30 supervisor should ever be lawfully determined to be a wage rather
31 than an honorarium by an instrumentality of the United States,
32 then the postsecondary educational institution shall be considered
33 under the agreement to be the supervisor's part-time employer.
34 **and**

35 ~~(3)~~ a provision requiring a student to be supervised by a
36 certificated employee who has been rated as either highly
37 effective or effective on the certificated employee's latest annual
38 performance evaluation under IC 20-28-11.5.

39 ~~(c)~~ The provision required by subsection ~~(b)~~(3) must be included in
40 an agreement entered into or renewed under this chapter after June 30,
41 2015. Public school corporations and postsecondary educational
42 institutions shall revise agreements in effect on July 1, 2015, to include



1 the provisions required by ~~subsection (b)~~: **this subsection.**

2 SECTION 22. IC 20-26-11-32, AS AMENDED BY P.L.39-2014,
3 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: Sec. 32. (a) This section does not apply to a school
5 corporation if the governing body has adopted a policy of not accepting
6 the transfer of any student who does not have legal settlement within
7 the school corporation.

8 (b) The governing body of a school corporation shall annually
9 establish:

10 (1) except as provided in subsection (m), the number of transfer
11 students the school corporation has the capacity to accept in each
12 grade level; and

13 (2) the date by which requests to transfer into the school
14 corporation must be received by the governing body.

15 (c) After establishing the date under subsection (b)(2), the
16 governing body shall:

17 (1) publish the date on the school corporation's Internet web site;
18 and

19 (2) report the date to the department.

20 (d) The department shall publish the dates received from school
21 corporations under subsection (c)(2) on the department's Internet web
22 site.

23 (e) A student to whom this section applies may not request to
24 transfer under this section primarily for athletic reasons to a school
25 corporation in which the student does not have legal settlement.

26 (f) If the number of requests to transfer into a school corporation
27 received by the date established for the school corporation under
28 subsection (b)(2) exceeds the capacity established for the school
29 corporation under subsection (b)(1), each timely request must be given
30 an equal chance to be accepted, with the exception that a student
31 described in subsection (h) shall be given priority. The governing body
32 must determine which students will be admitted as transfer students to
33 each school building and each grade level within the school corporation
34 by a random drawing in a public meeting.

35 (g) Except as provided in subsections (i), (j), (k), and (m), the
36 governing body of a school corporation may not deny a request for a
37 student to transfer into the school corporation based upon the student's
38 academic record, scores on ~~ISTEP~~ **statewide assessment program**
39 tests, disciplinary record, or disability, or upon any other factor not
40 related to the school corporation's capacity.

41 (h) Except as provided in subsections (i), (j), and (k), the governing
42 body of a school corporation may not deny a request for a student to



- 1 transfer into the school corporation if the student requesting to transfer:
 2 (1) is a member of a household in which any other member of the
 3 household is a student in the transferee school; or
 4 (2) has a parent who is an employee of the school corporation.
- 5 (i) A governing body of a school corporation may limit the number
 6 of new transfers to a school building or grade level in the school
 7 corporation:
 8 (1) to ensure that a student who attends a school within the school
 9 corporation as a transfer student during a school year may
 10 continue to attend the school in subsequent school years; and
 11 (2) to allow a student described in subsection (h) to attend a
 12 school within the school corporation.
- 13 (j) Notwithstanding subsections (g) and (h), a governing body of a
 14 school corporation may deny a request for a student to transfer to the
 15 school corporation, or establish terms or conditions for enrollment that
 16 prevent a student from enrolling in a school, if the student has been
 17 suspended (as defined in IC 20-33-8-7) or expelled (as defined in
 18 IC 20-33-8-3) during the twelve (12) months preceding the student's
 19 request to transfer under this section:
 20 (1) for ten (10) or more school days;
 21 (2) for a violation under IC 20-33-8-16;
 22 (3) for causing physical injury to a student, a school employee, or
 23 a visitor to the school; or
 24 (4) for a violation of a school corporation's drug or alcohol rules.
 25 For purposes of subdivision (1), student discipline received under
 26 IC 20-33-8-25(b)(7) for a violation described in subdivisions (2)
 27 through (4) shall be included in the calculation of the number of school
 28 days that a student has been suspended.
- 29 (k) The governing body of a school corporation with a school
 30 building that offers a special curriculum may require a student who
 31 transfers to the school building to meet the same eligibility criteria
 32 required of all students who attend the school building that offers the
 33 special curriculum.
- 34 (l) The parent of a student for whom a request to transfer is made is
 35 responsible for providing the school corporation to which the request
 36 is made with records or information necessary for the school
 37 corporation to determine whether the request to transfer may be denied
 38 under subsection (j).
- 39 (m) Notwithstanding this section, the governing body of a school
 40 corporation may authorize the school corporation to enter into an
 41 agreement with an accredited nonpublic school or charter school to
 42 allow students of the accredited nonpublic school or charter school to



1 transfer to a school within the school corporation.

2 (n) A school corporation that has adopted a policy to not accept
3 student transfers after June 30, 2013, is not prohibited from enrolling
4 a:

5 (1) transfer student who attended a school within the school
6 corporation during the 2012-2013 school year; or

7 (2) member of a household in which any other member of the
8 household was a transfer student who attended a school within the
9 school corporation during the 2012-2013 school year.

10 However, if a school corporation enrolls a student described in
11 subdivision (1) or (2), the school corporation shall also allow a student
12 or member of the same household of a student who attended an
13 accredited nonpublic school within the attendance area of the school
14 corporation during the 2012-2013 school year to enroll in a school
15 within the school corporation.

16 SECTION 23. IC 20-26-13-5, AS AMENDED BY P.L.286-2013,
17 SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JULY 1, 2017]: Sec. 5. (a) As used in this chapter, "graduation" means
19 the successful completion by a student of:

20 (1) a sufficient number of academic credits, or the equivalent of
21 academic credits; and

22 (2) the graduation examination or waiver process required under
23 IC 20-32-3 through ~~IC 20-32-5~~; **IC 20-32-5.1**;

24 resulting in the awarding of a high school diploma or an academic
25 honors diploma.

26 (b) The term does not include the granting of a general educational
27 development diploma under IC 20-20-6 (before its repeal) or
28 IC 22-4.1-18.

29 SECTION 24. IC 20-26-15-5, AS AMENDED BY P.L.286-2013,
30 SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 UPON PASSAGE]: Sec. 5. Notwithstanding any other law, the
32 operation of the following is suspended for a freeway school
33 corporation or a freeway school if the governing body of the school
34 corporation elects to have the specific statute or rule suspended in the
35 contract:

36 (1) The following statutes and rules concerning curriculum and
37 instructional time:

38 IC 20-30-2-7

39 IC 20-30-5-8

40 IC 20-30-5-9

41 IC 20-30-5-11

42 511 IAC 6-7-6



- 1 511 IAC 6.1-5-0.5
- 2 511 IAC 6.1-5-1
- 3 511 IAC 6.1-5-2.5
- 4 511 IAC 6.1-5-3.5
- 5 511 IAC 6.1-5-4.
- 6 (2) The following rule concerning pupil/teacher ratios:
- 7 511 IAC 6.1-4-1.
- 8 (3) The following statutes and rules concerning curricular
- 9 materials:
- 10 IC 20-26-12-24
- 11 IC 20-26-12-26
- 12 IC 20-26-12-1
- 13 IC 20-26-12-2
- 14 511 IAC 6.1-5-5.
- 15 (4) 511 IAC 6-7, concerning graduation requirements.
- 16 (5) IC 20-31-4, concerning the performance based accreditation
- 17 system.
- 18 (6) **For school years:**
- 19 **(A) ending before July 1, 2017, IC 20-32-5, concerning the**
- 20 **ISTEP program established under IC 20-32-5-15, if an**
- 21 **alternative locally adopted assessment program is adopted**
- 22 **under section 6(7) of this chapter; and**
- 23 **(B) beginning after June 30, 2017, IC 20-32-5.1, concerning**
- 24 **the statewide assessment program, if an alternative locally**
- 25 **adopted assessment program is adopted under section 6(7)**
- 26 **of this chapter.**
- 27 SECTION 25. IC 20-26-15-6, AS AMENDED BY P.L.2-2006,
- 28 SECTION 135, IS AMENDED TO READ AS FOLLOWS
- 29 [EFFECTIVE UPON PASSAGE]: Sec. 6. Except as provided in this
- 30 chapter and notwithstanding any other law, a freeway school
- 31 corporation or a freeway school may do the following during the
- 32 contract period:
- 33 (1) Disregard the observance of any statute or rule that is listed in
- 34 the contract.
- 35 (2) Lease school transportation equipment to others for nonschool
- 36 use when the equipment is not in use for a school corporation
- 37 purpose, if the lessee has not received a bid from a private entity
- 38 to provide transportation equipment or services for the same
- 39 purpose.
- 40 (3) Replace the budget and accounting system that is required by
- 41 law with a budget or accounting system that is frequently used in
- 42 the private business community. The state board of accounts may



1 not go beyond the requirements imposed upon the state board of
 2 accounts by statute in reviewing the budget and accounting
 3 system used by a freeway school corporation or a freeway school.

4 (4) Establish a professional development and technology fund to
 5 be used for:

6 (A) professional development; or

7 (B) technology, including video distance learning.

8 However, any money deposited in the professional development
 9 and technology fund for technology purposes must be transferred
 10 to the school technology fund.

11 (5) Subject to subdivision (4), transfer funds obtained from
 12 sources other than state or local government taxation among any
 13 accounts of the school corporation, including a professional
 14 development and technology fund established under subdivision
 15 (4).

16 (6) Transfer funds obtained from property taxation and from state
 17 distributions among the general fund and the school
 18 transportation fund, subject to the following:

19 (A) The sum of the property tax rates for the general fund and
 20 the school transportation fund after a transfer occurs under this
 21 subdivision may not exceed the sum of the property tax rates
 22 for the general fund and the school transportation fund before
 23 a transfer occurs under this subdivision.

24 (B) This subdivision does not allow a school corporation to
 25 transfer to any other fund money from the:

26 (i) capital projects fund; or

27 (ii) debt service fund.

28 (7) Establish a locally adopted assessment program to replace the
 29 assessment of students under the ISTEP program established
 30 under IC 20-32-5-15 **(for school years ending before July 1,**
 31 **2017), and under the statewide assessment program**
 32 **established under IC 20-32-5.1 (for school years beginning**
 33 **after June 30, 2017),** subject to the following:

34 (A) A locally adopted assessment program must be established
 35 by the governing body and approved by the department.

36 (B) A locally adopted assessment program may use a locally
 37 developed test or a nationally developed test.

38 (C) Results of assessments under a locally adopted assessment
 39 program are subject to the same reporting requirements as:

40 (i) results under the ISTEP program **(for school years**
 41 **ending before July 1, 2017; and**

42 **(ii) results of the statewide assessment program**



1 **established under IC 20-32-5.1 (for school years**
 2 **beginning after June 30, 2017).**

3 (D) Each student who completes a locally adopted assessment
 4 program and the student's parent have the same rights to
 5 inspection and rescoring:

6 **(i) for school years ending before July 1, 2017, as set forth**
 7 **in IC 20-32-5-9; and**

8 **(ii) for school years beginning after June 30, 2017, as set**
 9 **forth in IC 20-32-5.1.**

10 SECTION 26. IC 20-26-15-7, AS ADDED BY P.L.1-2005,
 11 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 UPON PASSAGE]: Sec. 7. The minimum educational benefits that a
 13 freeway school corporation or a freeway school must produce under
 14 this chapter are the following:

15 (1) An average attendance rate that increases:
 16 (A) not less than two percent (2%) each school year until the
 17 average attendance rate is eighty-five percent (85%); and
 18 (B) one percent (1%) each school year until the average
 19 attendance rate is ninety percent (90%).

20 (2) A successful completion rate of the assessment program by
 21 meeting essential standards under the **ISTEP statewide**
 22 **assessment** program (~~IC 20-32-5~~) or a locally adopted assessment
 23 program established under section 6(7) of this chapter that
 24 increases:

25 (A) not less than two percent (2%) each school year until the
 26 successful completion rate is not less than eighty-five percent
 27 (85%); and
 28 (B) one percent (1%) each school year until the successful
 29 completion rate is not less than ninety percent (90%);

30 of the students in the designated grade levels under the **ISTEP**
 31 **statewide** assessment program (~~IC 20-32-5~~) or the locally adopted
 32 assessment program that are grades contained in the freeway
 33 school corporation or freeway school.

34 (3) Beginning with the class of students who expect to graduate
 35 four (4) years after a freeway school corporation or a freeway
 36 school that is a high school obtains freeway status, a graduation
 37 rate as determined under 511 IAC 6.1-1-2(k) that increases:

38 (A) not less than two percent (2%) each school year until the
 39 graduation rate is not less than eighty-five percent (85%); and
 40 (B) one percent (1%) each school year until the graduation rate
 41 is ninety percent (90%).

42 After a freeway school corporation or a freeway school has achieved



1 the minimum rates required under subdivisions (1) through (3), the
2 freeway school corporation or freeway school must either maintain the
3 minimum required rates or show continued improvement of those rates.

4 SECTION 27. IC 20-28-3-1, AS AMENDED BY P.L.192-2014,
5 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2017]: Sec. 1. (a) As used in this section, "teacher candidate"
7 means an individual recommended for an initial teaching license from
8 a teacher preparation program located in Indiana.

9 (b) As used in this section, "teacher preparation program" includes,
10 but is not limited to, the following:

- 11 (1) A teacher education school or department.
- 12 (2) A transition to teaching program under IC 20-28-4.
- 13 (3) Any other entity approved by the department to offer a course
14 of study leading to an initial teaching license.

15 (c) The department shall:

- 16 (1) arrange a statewide system of professional instruction for
17 teacher education;
- 18 (2) accredit and review teacher preparation programs that comply
19 with the rules of the department;
- 20 (3) approve content area licensure programs for particular kinds
21 of teachers in accredited teacher preparation programs; and
- 22 (4) specify the types of licenses for individuals who complete
23 programs of approved courses.

24 (d) The department shall work with teacher preparation programs to
25 develop a system of teacher education that ensures individuals who
26 complete teacher preparation programs are able to meet the highest
27 professional standards.

28 (e) Before July 1, 2015, the department shall establish standards for
29 the continuous improvement of program processes and the performance
30 of individuals who complete teacher preparation programs. The state
31 board shall adopt rules containing the standards not later than two
32 hundred seventy (270) days after the department finishes the standards.

33 (f) The standards established under subsection (e) must include
34 benchmarks for performance, including test score data for each teacher
35 preparation entity on content area licensure tests and test score data for
36 each teacher preparation entity on pedagogy licensure tests.

37 (g) Each teacher preparation program shall annually report the
38 program's performance on the standards and benchmarks established
39 under this section to the department. The department shall make the
40 information reported under this subsection available to the public on
41 the department's Internet web site. In addition to reporting
42 performance, each teacher education school and department must



1 report attrition, retention, and completion rates of teacher candidates
2 for the previous three (3) calendar years.

3 (h) In making information available to the public on the
4 department's Internet web site, the department shall include in the
5 report under subsection (g), in addition to the matrix ratings described
6 in subsection (i), the following information:

7 (1) Average scaled or standard scores of teacher candidates who
8 complete teacher preparation programs on basic skills, content
9 area, and pedagogy licensure examinations.

10 (2) The average number of times teacher candidates who
11 complete a teacher preparation program take each licensing test
12 before receiving a passing score and the percentage of teacher
13 candidates who receive a passing score on each licensing test on
14 the teacher candidates' first attempts.

15 (i) Not later than July 30, 2016, the department and the commission
16 for higher education, in conjunction with the state board, the
17 Independent Colleges of Indiana, Inc., and teacher preparation
18 programs, shall establish a matrix rating system for teacher preparation
19 programs based on the performance of the programs as demonstrated
20 by the data collected under subsections (g) and (h) and information
21 reported to the department under IC 20-28-11.5-9 (**before its repeal**).
22 The matrix rating system may not rank or compare teacher preparation
23 programs. The matrix rating system must be based on data collected for
24 teachers who initially receive their teaching license during the previous
25 three (3) years. The department shall make the matrix ratings available
26 to the public on the department's Internet web site.

27 (j) Each teacher preparation program shall report to the department,
28 in a manner prescribed by the department, the teacher preparation
29 program's admission practices, in accordance with:

30 (1) the Council for the Accreditation of Educator Preparation
31 standards, for teacher preparation programs accredited by the
32 Council for the Accreditation of Educator Preparation; or

33 (2) rigorous academic entry requirements for admission into a
34 teacher preparatory program that are equivalent to the minimum
35 academic requirements determined by the Council for the
36 Accreditation of Educator Preparation, for teacher preparation
37 programs that are not accredited by the Council for the
38 Accreditation of Educator Preparation.

39 The department shall include information reported to the department
40 on the department's Internet web site.

41 (k) Not later than July 30, 2016, the department and the commission
42 for higher education, in conjunction with the state board, the



1 Independent Colleges of Indiana, Inc., and teacher preparation
 2 programs, shall establish a minimum rating under the matrix rating
 3 system established under subsection (i) that teacher preparation
 4 programs must achieve to avoid referral under subsection (l).

5 (l) Beginning July 1, 2017, and not later than each July 1 thereafter,
 6 the department shall submit a list of teacher preparation programs that
 7 do not meet the minimum rating established under subsection (k) to the
 8 commission for higher education and the Independent Colleges of
 9 Indiana, Inc. for one (1) of the following actions:

10 (1) In the case of a state educational institution, the commission
 11 for higher education shall place the teacher preparation program
 12 on an improvement plan with clear performance goals and a
 13 designated period in which the performance goals must be
 14 achieved.

15 (2) In the case of a proprietary postsecondary educational
 16 institution, the commission for higher education shall recommend
 17 to the teacher preparation program an improvement plan with
 18 clear performance goals and a designated period in which the
 19 performance goals should be achieved.

20 (3) In the case of a nonprofit college or university, the
 21 Independent Colleges of Indiana, Inc., shall coordinate a peer
 22 review process to make recommendations to the peer institution
 23 in achieving the department's performance metrics.

24 SECTION 28. IC 20-28-6-7.5, AS ADDED BY P.L.90-2011,
 25 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2017]: Sec. 7.5. (a) A teacher who is subject to section 8 of
 27 this chapter is not subject to this section.

28 (b) After ~~June 30, 2011~~, **June 30, 2017**, a teacher who:

29 (1) serves under contract as a teacher in a public school
 30 corporation; **and**

31 ~~(2) has not received a rating in an evaluation under IC 20-28-11.5~~
 32 ~~or receives a rating of ineffective in an evaluation under~~
 33 ~~IC 20-28-11.5;~~

34 ~~(3) has not at any time before July 1, 2012, entered into a teaching~~
 35 ~~contract for further service with the school corporation; and~~

36 ~~(4) has not received three (3) ratings in a five (5) year period of~~
 37 ~~effective or highly effective in an evaluation under IC 20-28-11.5;~~

38 **(2) either:**

39 **(A) has taught in the school corporation for less than one**
 40 **(1) school year; or**

41 **(B) has been found to be ineffective by a school**
 42 **corporation, based upon a policy established by the school**



1 **corporation, for two (2) years in a five (5) year period;**
 2 shall be considered a probationary teacher.

3 (c) After ~~June 30, 2011~~, **June 30, 2017**, a teacher who receives a
 4 rating of:

5 (1) effective;

6 (2) highly effective; or

7 (3) a combination of both subdivisions (1) and (2);

8 in an evaluation under IC 20-28-11.5 for at least three (3) years in a
 9 five (5) year or shorter period **is not a probationary teacher under**
 10 **subsection (b)** becomes a professional teacher by entering into a
 11 contract described in section 2 of this chapter.

12 (d) A professional teacher who receives a rating of ineffective in an
 13 evaluation under IC 20-28-11.5 shall be considered a probationary
 14 teacher but is not subject to the cancellation of the teacher's contract
 15 unless at least one (1) of the following criteria applies:

16 (1) The teacher receives a rating of ineffective in an evaluation
 17 under IC 20-28-11.5 in the year immediately following the
 18 teacher's initial rating of ineffective.

19 (2) (1) The teacher's contract cancellation is due to a justifiable
 20 decrease in the number of teaching positions under
 21 IC 20-28-7.5-1(b)(3).

22 (3) (2) The teacher's contract cancellation is due to conduct set
 23 forth in IC 20-28-7.5-1(b).

24 SECTION 29. IC 20-28-7.5-1, AS AMENDED BY P.L.239-2015,
 25 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2017]: Sec. 1. (a) This chapter applies to a teacher in a school
 27 corporation (as defined in IC 20-18-2-16(a)).

28 (b) A contract with a teacher may be canceled immediately in the
 29 manner set forth in sections 2 through 4 of this chapter for any of the
 30 following reasons:

31 (1) Immorality.

32 (2) Insubordination, which means a willful refusal to obey the
 33 state school laws or reasonable rules adopted for the governance
 34 of the school building or the school corporation.

35 (3) Incompetence, including:

36 (A) for probationary teachers, receiving an ineffective
 37 designation on a performance evaluation or receiving two (2)
 38 consecutive improvement necessary ratings on a performance
 39 evaluation under IC 20-28-11.5; or

40 (B) for any teacher, receiving an ineffective designation on
 41 two (2) consecutive performance evaluations or an ineffective
 42 designation or improvement necessary rating under



1 ~~IC 20-28-11.5 for three (3) years of any five (5) year period.~~

2 (4) Neglect of duty.

3 (5) A conviction of an offense listed in IC 20-28-5-8(c).

4 (6) Other good or just cause.

5 (c) In addition to the reasons set forth in subsection (b), a
6 probationary teacher's contract may be canceled for any reason relevant
7 to the school corporation's interest in the manner set forth in sections
8 2 through 4 of this chapter.

9 (d) After June 30, 2012, the cancellation of teacher's contracts due
10 to a justifiable decrease in the number of teaching positions shall be
11 determined on the basis of performance rather than seniority. ~~In cases~~
12 ~~where teachers are placed in the same performance category, any of the~~
13 ~~items in IC 20-28-9-1.5(b) may be considered.~~

14 (e) Only the governing body may terminate, cancel, or otherwise
15 refuse to renew a contract of a superintendent or assistant
16 superintendent. Notice of the contract cancellation or the refusal to
17 renew the individual's contract must be provided in the manner
18 provided in IC 20-28-8-3(a).

19 SECTION 30. IC 20-28-8-5, AS ADDED BY P.L.1-2005,
20 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 UPON PASSAGE]: Sec. 5. The evaluation of a principal's performance
22 may not be based wholly on the **ISTEP statewide assessment** program
23 test scores ~~under IC 20-32-5~~ of the students enrolled at the principal's
24 school. However, the **ISTEP statewide assessment** program test scores
25 ~~under IC 20-32-5~~ of the students enrolled at a principal's school may be
26 considered as one (1) of the factors in the evaluation of the principal's
27 overall performance at the school.

28 SECTION 31. IC 20-28-9-1.5, AS AMENDED BY P.L.106-2016,
29 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 UPON PASSAGE]: Sec. 1.5. (a) This subsection governs salary
31 increases for a teacher employed by a school corporation.
32 Compensation attributable to additional degrees or graduate credits
33 earned before the effective date of a local compensation plan created
34 under this chapter before July 1, 2015, shall continue for school years
35 beginning after June 30, 2015. Compensation attributable to additional
36 degrees for which a teacher has started course work before July 1,
37 2011, and completed course work before September 2, 2014, shall also
38 continue for school years beginning after June 30, 2015. For school
39 years beginning after June 30, 2015, a school corporation may provide
40 a supplemental payment to a teacher in excess of the salary specified
41 in the school corporation's compensation plan if the teacher teaches an
42 advanced placement course or has earned a master's degree from an



1 accredited postsecondary educational institution in a content area
2 directly related to the subject matter of:

- 3 (1) a dual credit course; or
4 (2) another course;

5 taught by the teacher. In addition, a supplemental payment may be
6 made to an elementary school teacher who earns a master's degree in
7 math or reading and literacy. A supplement provided under this
8 subsection is not subject to collective bargaining, but a discussion of
9 the supplement must be held. Such a supplement is in addition to any
10 increase permitted under subsection (b).

11 (b) Increases or increments in a local salary range must be based
12 upon a combination of the following factors:

13 (1) A combination of the following factors taken together may
14 account for not more than thirty-three percent (33%) of the
15 calculation used to determine a teacher's increase or increment:

16 (A) The number of years of a teacher's experience.

17 (B) The attainment of either:

18 (i) additional content area degrees beyond the requirements
19 for employment; or

20 (ii) additional content area degrees and credit hours beyond
21 the requirements for employment, if required under an
22 agreement bargained under IC 20-29.

23 ~~(2) The results of an evaluation conducted under IC 20-28-11.5.~~

24 ~~(3) (2) The assignment of instructional leadership roles, including~~
25 ~~the responsibility for conducting evaluations under IC 20-28-11.5.~~

26 ~~(4) (3) The academic needs of students in the school corporation.~~

27 (c) Except as provided in subsection (d), a teacher rated ineffective
28 or improvement necessary under IC 20-28-11.5 may not receive any
29 raise or increment for the following year if the teacher's employment
30 contract is continued. The amount that would otherwise have been
31 allocated for the salary increase of teachers rated ineffective or
32 improvement necessary shall be allocated for compensation of all
33 teachers rated effective and highly effective based on the criteria in
34 subsection (b).

35 (d) Subsection (c) does not apply to a teacher in the first two (2) full
36 school years that the teacher provides instruction to students in
37 elementary school or high school. If a teacher provides instruction to
38 students in elementary school or high school in another state, any full
39 school year, or its equivalent in the other state, that the teacher provides
40 instruction counts toward the two (2) full school years under this
41 subsection.

42 (e) A teacher who does not receive a raise or increment under



1 subsection (c) may file a request with the superintendent or
 2 superintendent's designee not later than five (5) days after receiving
 3 notice that the teacher received a rating of ineffective. The teacher is
 4 entitled to a private conference with the superintendent or
 5 superintendent's designee.

6 (f) (c) The department shall publish a model compensation plan
 7 with a model salary range that a school corporation may adopt. Before
 8 July 1, 2015, the department may modify the model compensation plan,
 9 as needed, to comply with subsection (g) (d).

10 (g) (d) Each school corporation shall submit its local compensation
 11 plan to the department. For a school year beginning after June 30,
 12 2015, a local compensation plan must specify the range for teacher
 13 salaries. The department shall publish the local compensation plans on
 14 the department's Internet web site.

15 (h) (e) The department shall report any noncompliance with this
 16 section to the state board.

17 (i) (f) The state board shall take appropriate action to ensure
 18 compliance with this section.

19 (j) (g) This chapter may not be construed to require or allow a
 20 school corporation to decrease the salary of any teacher below the
 21 salary the teacher was earning on or before July 1, 2015, if that
 22 decrease would be made solely to conform to the new compensation
 23 plan.

24 (k) (h) After June 30, 2011, all rights, duties, or obligations
 25 established under IC 20-28-9-1 before its repeal are considered rights,
 26 duties, or obligations under this section.

27 SECTION 32. IC 20-28-11.5 IS REPEALED [EFFECTIVE JULY
 28 1, 2017]. (Staff Performance Evaluations).

29 SECTION 33. IC 20-29-6-7, AS AMENDED BY P.L.106-2016,
 30 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2017]: Sec. 7. A school employer shall discuss with the
 32 exclusive representative of certificated employees the following items:

- 33 (1) Curriculum development and revision.
- 34 (2) Selection of curricular materials.
- 35 (3) Teaching methods.
- 36 (4) Hiring, evaluation, promotion, demotion, transfer, assignment,
 37 and retention of certificated employees.
- 38 (5) Student discipline.
- 39 (6) Expulsion or supervision of students.
- 40 (7) Pupil/teacher ratio.
- 41 (8) Class size or budget appropriations.
- 42 (9) Safety issues for students and employees in the workplace,



- 1 except those items required to be kept confidential by state or
2 federal law.
- 3 (10) Hours.
- 4 (11) Funding for a plan for a remediation program for any subset
5 of students enrolled in kindergarten through grade 12.
- 6 (12) The following nonbargainable items under IC 20-43-10-3:
- 7 (A) Performance grants.
- 8 (B) Individual performance stipends to teachers.
- 9 (C) Additions to base salary based on performance stipends.
- 10 ~~(13) The pre-evaluation planning session required under~~
11 ~~IC 20-28-11.5-4.~~
- 12 ~~(14) The superintendent's report to the governing body concerning~~
13 ~~staff performance evaluations required under IC 20-28-11.5-9.~~
- 14 ~~(15)~~ **(13)** A career pathways and mentorship plan established
15 under IC 20-20-42.2.
- 16 SECTION 34. IC 20-30-2-2.2, AS AMENDED BY P.L.233-2015,
17 SECTION 222, IS AMENDED TO READ AS FOLLOWS
18 [EFFECTIVE UPON PASSAGE]: Sec. 2.2. (a) As used in this section,
19 "eligible student" means a student in grade 11 or 12 who has:
- 20 (1) failed the ~~ISTEP+~~ graduation exam at least twice;
- 21 (2) been determined to be chronically absent, by missing ten
22 percent (10%) or more of a school year for any reason;
- 23 (3) been determined to be a habitual truant, as identified under
24 IC 20-33-2-11;
- 25 (4) been significantly behind in credits for graduation, as
26 identified by an individual's school principal;
- 27 (5) previously undergone at least a second suspension from school
28 for the school year under IC 20-33-8-14 or IC 20-33-8-15;
- 29 (6) previously undergone an expulsion from school under
30 IC 20-33-8-14, IC 20-33-8-15, or IC 20-33-8-16; or
- 31 (7) been determined by the individual's principal and the
32 individual's parent or guardian to benefit by participating in the
33 school flex program.
- 34 (b) An eligible student who participates in a school flex program
35 must:
- 36 (1) attend school for at least three (3) hours of instructional time
37 per school day;
- 38 (2) pursue a timely graduation;
- 39 (3) provide evidence of college or technical career education
40 enrollment and attendance or proof of employment and labor that
41 is aligned with the student's career academic sequence under rules
42 established by the Indiana bureau of child labor;



- 1 (4) not be suspended or expelled while participating in a school
 2 flex program;
 3 (5) pursue course and credit requirements for a general diploma;
 4 and
 5 (6) maintain a ninety-five percent (95%) attendance rate.
- 6 (c) A school may allow an eligible student in grade 11 or 12 to
 7 complete an instructional day that consists of three (3) hours of
 8 instructional time if the student participates in the school flex program.
- 9 SECTION 35. IC 20-30-4-2, AS AMENDED BY P.L.233-2015,
 10 SECTION 224, IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE UPON PASSAGE]: Sec. 2. In consultation with the
 12 student's school counselor, after seeking consultation with each
 13 student's parents, and not later than the date on which the student
 14 completes grade 9, each student shall further develop the graduation
 15 plan developed in grade 6 under section 1.5 of this chapter to also
 16 include the following:
- 17 (1) The subject and skill areas of interest to the student.
 18 (2) A program of study under the college/technology preparation
 19 curriculum adopted by the state board under IC 20-30-10-2 for
 20 grades 10, 11, and 12 that meets the interests and aptitude of the
 21 student.
 22 (3) Assurances that, upon satisfactory fulfillment of the plan, the
 23 student:
 24 (A) is entitled to graduate; and
 25 (B) will have taken at least the minimum variety and number
 26 of courses necessary to gain admittance to a state educational
 27 institution.
 28 (4) An indication of assessments (other than ~~ISTEP~~ **the statewide**
 29 **assessment program** and the graduation examination) that the
 30 student plans to take voluntarily during grade 10 through grade
 31 12, and which may include any of the following:
 32 (A) The SAT Reasoning Test.
 33 (B) The ACT test.
 34 (C) Advanced placement exams.
 35 (D) College readiness exams approved by the department.
 36 (E) Workforce readiness exams approved by the department of
 37 workforce development established under IC 22-4.1-2.
- 38 SECTION 36. IC 20-31-3-1, AS AMENDED BY P.L.239-2015,
 39 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 UPON PASSAGE]: Sec. 1. (a) The state board shall adopt clear,
 41 concise, and jargon free state academic standards that are comparable
 42 to national and international academic standards and the college and



1 career readiness educational standards adopted under IC 20-19-2-14.5.
 2 These academic standards must be adopted for each grade level from
 3 kindergarten through grade 12 for the following subjects:

- 4 (1) English/language arts.
- 5 (2) Mathematics.
- 6 (3) Social studies.
- 7 (4) Science.

8 (b) For grade levels tested under the **ISTEP statewide assessment**
 9 program, the academic standards must be based in part on the results
 10 of the **ISTEP statewide assessment** program.

11 SECTION 37. IC 20-31-4-6, AS AMENDED BY P.L.90-2011,
 12 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2017]: Sec. 6. The department shall determine whether the
 14 school has complied with the following legal standards for
 15 accreditation:

- 16 (1) Health and safety requirements.
- 17 (2) Minimum time requirements for school activity.
- 18 (3) Curriculum offerings.
- 19 ~~(4) Development and implementation of a staff evaluation plan~~
 20 ~~under IC 20-28-11.5.~~
- 21 ~~(5)~~ (4) Completion of a school improvement plan that complies
 22 with requirements developed by the state board and:
 23 (A) focuses on academic performance; and
 24 (B) is consistent with metrics for improvement.

25 SECTION 38. IC 20-31-4-10, AS ADDED BY P.L.1-2005,
 26 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 UPON PASSAGE]: Sec. 10. (a) During its onsite evaluation, a review
 28 panel shall review the following for a school:

- 29 (1) Teaching practices and administrative leadership in
 30 instruction.
- 31 (2) Parental and community involvement.
- 32 (3) Implementation of the **ISTEP** remediation program under
 33 IC 20-32-8 and the educational opportunity program for at-risk
 34 children.
- 35 (4) The homework policy.

36 (b) In addition to its review under subsection (a), the review panel
 37 shall verify compliance with the legal standards for accreditation under
 38 section 6 of this chapter.

39 SECTION 39. IC 20-31-7-4, AS ADDED BY P.L.1-2005,
 40 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 UPON PASSAGE]: Sec. 4. (a) The student educational achievement
 42 fund is established to provide funds to stimulate and recognize



1 improved student performance in meeting academic standards under
 2 the **ISTEP statewide assessment** program. The fund is administered by
 3 the department.

4 (b) The fund consists of appropriations from the general assembly.

5 (c) Money in the fund at the end of a state fiscal year does not revert
 6 to the state general fund.

7 SECTION 40. IC 20-31-7-6, AS AMENDED BY P.L.213-2015,
 8 SECTION 193, IS AMENDED TO READ AS FOLLOWS
 9 [EFFECTIVE UPON PASSAGE]: Sec. 6. The state board shall
 10 establish a system for awarding and distributing grants under this
 11 chapter. A system recommended under this section must be based on
 12 graduated levels of improvement based on **ISTEP statewide**
 13 **assessment** program standards and other assessments approved by the
 14 state board.

15 SECTION 41. IC 20-31-8-1, AS AMENDED BY P.L.213-2015,
 16 SECTION 195, IS AMENDED TO READ AS FOLLOWS
 17 [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The performance of a
 18 school's students on the **ISTEP statewide assessment** program test and
 19 other assessments recommended by the department of education and
 20 approved by the state board are the primary and majority means of
 21 assessing a school's improvement.

22 (b) The department of education shall examine and make
 23 recommendations to the state board concerning:

24 (1) performance indicators to be used as a secondary means of
 25 determining school progress;

26 (2) expected progress levels, continuous improvement measures,
 27 distributional performance levels, and absolute performance
 28 levels for schools; and

29 (3) an orderly transition from the performance based accreditation
 30 system to the assessment system set forth in this article.

31 (c) The department of education shall consider methods of
 32 measuring improvement and progress used in other states in developing
 33 recommendations under this section.

34 (d) The department of education may consider:

35 (1) the likelihood that a student may fail a graduation exam and
 36 require a graduation waiver under IC 20-32-4-4 or IC 20-32-4-5;
 37 and

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

41 when making recommendations under this section.

42 (e) **This section expires July 1, 2018.**



1 SECTION 42. IC 20-31-8-2, AS AMENDED BY P.L.213-2015,
 2 SECTION 196, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) In addition to scores on
 4 the ~~ISTEP~~ **statewide assessment** program test and other assessments,
 5 the department shall use the performance indicators developed by the
 6 state board and the benchmarks and indicators of performance in each
 7 school corporation's annual performance report as a secondary means
 8 of assessing the performance of each school and school corporation.

9 (b) The department shall assess school performance in the following
 10 manner:

11 (1) Compare the academic performance and growth of the
 12 individual students in each school and each school corporation
 13 with the prior academic performance and growth of the individual
 14 students in the school or school corporation and not to the
 15 performance of other schools or school corporations.

16 (2) Compare the results in the annual report under IC 20-20-8
 17 with the benchmarks and indicators of performance established in
 18 the plan for the same school.

19 (3) Compare the results for a school by comparing each student's
 20 results for each grade with the student's prior year results, with an
 21 adjustment for student mobility rate.

22 (4) Compare the results for a school with the state average and the
 23 ninety-fifth percentile level for all assessments and performance
 24 indicators.

25 **(c) This section expires July 1, 2018.**

26 SECTION 43. IC 20-31-8-3, AS AMENDED BY P.L.239-2015,
 27 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 UPON PASSAGE]: Sec. 3. (a) The state board shall establish a number
 29 of categories, using an "A" through "F" grading scale, to designate
 30 performance based on the individual student academic performance
 31 and growth to proficiency in each school. **This subsection expires July
 32 1, 2018.**

33 (b) The state board, in consultation with the department, shall define
 34 "low population schools" and shall determine the criteria for placing
 35 low population schools in categories established under subsection (a).
 36 In setting the definition and criteria for low population schools, the
 37 state board shall not penalize schools based on population. An eligible
 38 school (as defined in IC 20-51-1-4.7) may not be penalized under
 39 IC 20-51-4-9 for the sole reason that the eligible school is considered
 40 a low population school under this subsection. The state board's
 41 definition and criteria may include the placement of a school that fits
 42 the state board's definition in a "null" or "no letter grade" category.



1 (c) In developing metrics for the categories established under
 2 subsection (a) **or (b)**, the state board, in consultation with the
 3 department, to the extent not inconsistent with federal law, shall
 4 consider the severity of tested students' disabilities when using ~~ISTEP~~
 5 **statewide assessment** scores as a means of assessing school
 6 performance.

7 SECTION 44. IC 20-31-8-4, AS AMENDED BY P.L.213-2015,
 8 SECTION 197, IS AMENDED TO READ AS FOLLOWS
 9 [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The state board shall
 10 place each school in a category or designation of school performance
 11 once annually based on the department's findings:

- 12 **(1) for a school year ending before July 1, 2018**, from the
 13 assessment of performance and academic growth under section 2
 14 of this chapter **(before its expiration on July 1, 2018); and**
 15 **(2) for a school year beginning after June 30, 2018, from the**
 16 **indicators described in section 8 of this chapter.**

17 (b) The state board may place a school in a category or designation
 18 of school performance only if:

- 19 (1) the department has provided each school the opportunity to
 20 review, add to, or supplement the data, and to correct any errors
 21 in the data; and
 22 (2) the state board's staff has had an opportunity to review and
 23 analyze the school corporation, school, and student level data.

24 (c) The state board may obtain assistance from another entity or,
 25 with the approval of the legislative council, the legislative services
 26 agency, to ensure the validity and reliability of the performance
 27 category or designation placements calculated by the department under
 28 section 2 of this chapter. The department shall provide all the data
 29 necessary to complete those calculations to the legislative services
 30 agency or to an entity designated by the state board. **This subsection**
 31 **expires July 1, 2018.**

32 SECTION 45. IC 20-31-8-5.4, AS ADDED BY P.L.2-2014,
 33 SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 UPON PASSAGE]: Sec. 5.4. (a) Not later than November 15, 2013, the
 35 state board shall establish new categories or designations of school
 36 performance under the requirements of this chapter to replace 511
 37 IAC 6.2-6. The new standards of assessing school performance:

- 38 (1) must be based on a measurement of individual student
 39 academic performance and growth to proficiency; and
 40 (2) may not be based on a measurement of student performance
 41 or growth compared with peers.

42 511 IAC 6.2-6 is void on the effective date of the emergency or final



- 1 rules adopted under this section.
- 2 (b) After July 1, 2013, the state board:
- 3 (1) shall adopt rules under IC 4-22-2; and
- 4 (2) may adopt emergency rules in the manner provided in
- 5 IC 4-22-2-37.1;
- 6 to implement this chapter.
- 7 (c) An emergency rule adopted under subsection (b) expires on the
- 8 earlier of:
- 9 (1) November 15, 2014; or
- 10 (2) the effective date of a rule that establishes categories or
- 11 designations of school improvement described in this section and
- 12 supersedes the emergency rule.
- 13 (d) Before beginning the rulemaking process to establish new
- 14 categories or designations of school improvement, the state board shall
- 15 report to the general assembly the proposed new categories or
- 16 designations in an electronic format under IC 5-14-6.
- 17 **(e) This section expires July 1, 2018.**
- 18 SECTION 46. IC 20-31-8-8 IS ADDED TO THE INDIANA CODE
- 19 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
- 20 **UPON PASSAGE]: Sec. 8. (a) Not later than July 1, 2018, the state**
- 21 **board shall establish a statewide accountability system with new**
- 22 **categories or designations of school performance under the**
- 23 **requirements of this chapter. The new standards of assessing**
- 24 **school performance may not:**
- 25 (1) use an "A through F" grading scale;
- 26 (2) use statewide assessment program test results as the
- 27 primary means to assess school performance; and
- 28 (3) include requirements or measures other than
- 29 requirements or measures authorized under the federal Every
- 30 Student Succeeds Act (ESSA) (20 U.S.C. 6311).
- 31 (b) The statewide accountability system established under
- 32 subsection (a) must be aligned to Indiana's academic standards.
- 33 The accountability system must be based on the following
- 34 indicators:
- 35 (1) Proficiency on statewide assessment program tests.
- 36 (2) English language proficiency.
- 37 (3) For:
- 38 (A) a high school, the high school's graduation rate; and
- 39 (B) an elementary school, the academic indicator selected
- 40 by the state board.
- 41 (4) One (1) of the following:
- 42 (A) Student engagement.



1 (B) Teacher engagement.

2 (C) Access to and completion of advanced coursework.

3 (D) Postsecondary readiness.

4 (E) School climate and safety.

5 (F) An indicator established by the state board.

6 (c) The state board may weigh indicators described in this
7 section in a manner determined by the state board, except that the
8 indicators described in subsection (b)(1) through (b)(3) must as a
9 whole be given more weight than an indicator described in
10 subsection (b)(4).

11 SECTION 47. IC 20-32-2-2.3, AS ADDED BY P.L.219-2015,
12 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 UPON PASSAGE]: Sec. 2.3. "ISTEP" "Statewide assessment
14 program test" includes any statewide, national, or international
15 assessment that a student is required to complete.

16 SECTION 48. IC 20-32-5.1 IS ADDED TO THE INDIANA CODE
17 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
18 JULY 1, 2017]:

19 **Chapter 5.1. Indiana Statewide Assessment Program**

20 **Sec. 1. (a) For a school year beginning after June 30, 2017, the**
21 **state board shall, in consultation with the department:**

22 (1) oversee the development and implementation of the
23 statewide assessment program and any other statewide
24 assessment, including:

25 (A) establishment of criteria for requests for proposals;

26 (B) establishment of criteria for membership of evaluation
27 teams; and

28 (C) establishment of criteria for content and format of the
29 statewide assessment program, including the graduation
30 examination;

31 (2) authorize the development and establishment of passing
32 scores; and

33 (3) determine the date on which the statewide testing is
34 administered in each school corporation.

35 (b) A statewide assessment developed by the state board under
36 this chapter may not include measures or requirements that are
37 not required under the federal Every Student Succeeds Act (ESSA)
38 (20 U.S.C. 6311).

39 (c) The state superintendent, in accordance with subsection (a),
40 is responsible for the overall development, implementation, and
41 monitoring of the statewide assessment program.

42 **Sec. 2. (a) To carry out the purposes described in section 1 of**



1 this chapter, the department, in accordance with section 1(a) of this
 2 chapter, shall implement a set of high quality academic
 3 assessments in math, English/language arts, and science. Except as
 4 provided in section 11 of this chapter, assessments in the following
 5 subjects must be administered to all students in grades subject to
 6 the statewide assessment program:

7 (1) Math and English/language arts must be assessed yearly
 8 in grades 3 through 8, and once in grades 9 through 12.

9 (2) Science must be assessed once in grades 3 through 5,
 10 grades 6 through 9, and grades 10 through 12.

11 (b) Statewide assessments must:

12 (1) be used for purposes for which such assessments are valid
 13 and reliable, consistent with relevant, nationally recognized
 14 professional and technical testing standards;

15 (2) objectively measure academic achievement, knowledge,
 16 and skills;

17 (3) not evaluate or assess personal or family beliefs and
 18 attitudes or publicly disclose personally identifiable
 19 information; and

20 (4) involve multiple up-to-date measures of student academic
 21 achievement, including measures of higher-order thinking
 22 skills and understanding, which may include measures of
 23 student academic growth and may be partially delivered in
 24 the form of portfolios, projects, or extended performance
 25 tasks.

26 Sec. 3. (a) The scoring of student responses under a statewide
 27 assessment program test:

28 (1) must measure student achievement relative to the
 29 academic standards established by the state board;

30 (2) must adhere to scoring rubrics and anchor papers; and

31 (3) may not reflect the scorer's judgment of the values
 32 expressed by a student in the student's responses.

33 (b) The scores of student responses under a statewide
 34 assessment program test must be reported to the state board not
 35 later than July 1 of the year in which the statewide assessment
 36 program test is administered.

37 Sec. 4. Reports of student scores on a statewide assessment
 38 program test must be:

39 (1) returned to the school corporation that administered the
 40 test; and

41 (2) accompanied by a guide for interpreting scores.

42 Sec. 5. (a) After reports of student scores are returned to a



1 school corporation under section 4 of this chapter, the school
2 corporation shall promptly do the following:

3 (1) Give each student, and the student's parent, the student's
4 statewide assessment program test scores.

5 (2) Make available for inspection to each student, and the
6 student's parent, the following:

7 (A) A copy of all questions that are not multiple choice,
8 gridded items, tech enhanced items, or true and false and
9 all prompts used in assessing the student.

10 (B) A copy of the student's scored responses.

11 (C) A copy of the anchor papers and scoring rubrics used
12 to score the student's responses.

13 A student's parent may request a rescoring of a student's responses
14 to statewide assessment program test questions, including a
15 student's essay.

16 (b) A student's statewide assessment program test scores may
17 not be disclosed to the public.

18 (c) After the questions described in subsection (a)(2)(A) are
19 released for inspection, the state board and the department shall:

20 (1) post:

21 (A) the questions; and

22 (B) with the permission of the student's parent, student
23 answers that are exemplary responses to the released
24 questions;

25 on the Internet web sites of the state board and the
26 department; and

27 (2) publicize the availability of the questions and answers to
28 school corporations, educators, and the public.

29 **Sec. 6.** Each school corporation shall compile the total results of
30 the school corporation's statewide assessment program tests in a
31 manner that permits evaluation of learning progress in the school
32 corporation. The school corporation shall make the compilation of
33 test results available for public inspection and shall provide the
34 compilation to the parent of each student tested by the school
35 corporation under the statewide assessment program.

36 **Sec. 7.** The department shall develop a format for the
37 publication by school corporations in an annual performance
38 report of academic information as specified by the department,
39 including statewide assessment program test scores, in a manner
40 that a reasonable individual can easily read and understand.

41 **Sec. 8.** A school corporation shall provide statewide assessment
42 program test results on a school by school basis to the department



- 1 upon request.
- 2 **Sec. 9.** Upon request by the commission for higher education,
 3 the department shall provide to the commission statewide
 4 assessment program test results for those students for whom the
 5 commission, under 20 U.S.C. 1232g, has obtained consent.
- 6 **Sec. 10. (a)** The state superintendent shall develop a statewide
 7 assessment program testing schedule. The testing must take place
 8 during the last month of a school's academic year.
- 9 **(b)** The state board shall adopt rules under IC 4-22-2 to
 10 establish when a student is considered to be in grade 10 for
 11 purposes of initially taking the graduation examination.
- 12 **Sec. 11. (a)** A student who is a student with a disability (as
 13 defined in IC 20-35-1-8) shall be tested under this chapter with
 14 appropriate accommodations in testing materials and procedures,
 15 unless the individuals who develop the student's individualized
 16 education program determine that testing or a part of the testing
 17 under this chapter is not appropriate for the student and that an
 18 alternate assessment will be used to test the student's achievement.
- 19 **(b)** Any decision concerning a student who is a student with a
 20 disability (as defined in IC 20-35-1-8) regarding the student's:
 21 (1) participation in testing under this chapter;
 22 (2) receiving accommodations in testing materials and
 23 procedures;
 24 (3) participation in remediation under IC 20-32-8; or
 25 (4) retention at the same grade level for consecutive school
 26 years;
 27 shall be made in accordance with the student's individualized
 28 education program in compliance with the statewide assessment
 29 program manual and federal law.
- 30 **Sec. 12. (a)** If a nonpublic school seeks accreditation as
 31 authorized under IC 20-19-2-8(a)(4), the governing body of the
 32 nonpublic school is entitled to acquire at no charge from the
 33 department:
 34 (1) the statewide assessment program test; and
 35 (2) the scoring reports used by the department.
- 36 **(b)** A nonpublic school seeking accreditation must:
 37 (1) administer the statewide assessment program test to its
 38 students at the same time that school corporations administer
 39 the test; and
 40 (2) make available to the department the results of the
 41 nonpublic school's statewide assessment program testing.
- 42 **Sec. 13.** If state funds appropriated for remediation are



1 available under IC 20-32-8 at the end of a state fiscal year, the
2 funds:

- 3 (1) do not revert to the state general fund; and
4 (2) must be transferred to the 4R's technology program for
5 use under IC 20-20-13-9.

6 **Sec. 14. The state board shall adopt rules under IC 4-22-2 to**
7 **implement this chapter.**

8 SECTION 49. IC 20-32-8-11, AS AMENDED BY P.L.233-2015,
9 SECTION 245, IS AMENDED TO READ AS FOLLOWS
10 [EFFECTIVE UPON PASSAGE]: Sec. 11. Notwithstanding the
11 requirements of this chapter, any decisions made with regard to:

- 12 (1) attendance in a remediation program;
13 (2) **ISTEP statewide assessment** program testing; and
14 (3) the grade level placement;

15 for a student who is a student with a disability (as defined in
16 IC 20-35-1-8) shall be made in accordance with the individualized
17 education program, state law, and federal law.

18 SECTION 50. IC 20-33-2-13, AS AMENDED BY P.L.222-2015,
19 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 UPON PASSAGE]: Sec. 13. (a) A school corporation shall record or
21 include the following information in the official high school transcript
22 for a student in high school:

- 23 (1) Attendance records.
24 (2) The student's latest **ISTEP statewide assessment** program test
25 results. ~~under IC 20-32-5.~~
26 (3) Any secondary level and postsecondary level certificates of
27 achievement earned by the student.
28 (4) Immunization information from the immunization record the
29 student's school keeps under IC 20-34-4-1.
30 (5) Any dual credit courses taken that are included in the core
31 transfer library under IC 21-42-5-4.

32 (b) A school corporation may include information on a student's
33 high school transcript that is in addition to the requirements of
34 subsection (a).

35 SECTION 51. IC 20-35-8-1, AS AMENDED BY P.L.229-2011,
36 SECTION 195, IS AMENDED TO READ AS FOLLOWS
37 [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Except as provided in
38 subsection (b), if a student with legal settlement in a school corporation
39 is transferred to attend school in another school corporation because of
40 a disability or multiple disabilities, the transferor corporation shall:

- 41 (1) either:
42 (A) provide; or



- 1 (B) pay for, in the amount determined under section 2 of this
 2 chapter;
 3 any transportation that is necessary or feasible, as determined
 4 under section 2 of this chapter and the rules adopted by the state
 5 board; and
 6 (2) pay transfer tuition for the student to the transferee
 7 corporation in accordance with IC 20-26-11.
- 8 (b) If the student attends a school operated through:
 9 (1) a joint school service and supply program; or
 10 (2) another cooperative program;
 11 involving the school corporation of the student's legal settlement,
 12 transportation, and other costs shall be made in amounts and at the
 13 times provided in the agreement or other arrangement made between
 14 the participating school corporations.
- 15 (c) Student data, including **ISTEP statewide assessment** program
 16 testing scores, academic progress, grade level, and graduation date, for
 17 a student described in subsection (a) shall be included in
 18 determinations for the school corporation in which the student has legal
 19 settlement.
- 20 SECTION 52. IC 20-43-10-3, AS AMENDED BY P.L.151-2016,
 21 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 UPON PASSAGE]: Sec. 3. (a) As used in this section, "achievement
 23 test" means a:
 24 (1) test required by the **ISTEP statewide assessment** program; or
 25 (2) Core 40 end of course assessment for the following:
 26 (A) Algebra I.
 27 (B) English 10.
 28 (C) Biology I.
- 29 (b) As used in this section, "graduation rate" means the percentage
 30 graduation rate for a high school in a school corporation as determined
 31 under IC 20-26-13-10 but adjusted to reflect the pupils who meet the
 32 requirements of graduation under subsection (d).
- 33 (c) As used in this section, "test" means either:
 34 (1) a test required by the **ISTEP statewide assessment** program;
 35 or
 36 (2) a Core 40 end of course assessment.
- 37 (d) A pupil meets the requirements of graduation for purposes of
 38 this section if the pupil successfully completed:
 39 (1) a sufficient number of academic credits, or the equivalent of
 40 academic credits; and
 41 (2) the graduation examination required under IC 20-32-3 through
 42 IC 20-32-5;



1 that resulted in the awarding of a high school diploma or an academic
2 honors diploma to the pupil for the school year ending in the
3 immediately preceding state fiscal year.

4 (e) Determinations for a school for a state fiscal year must be made
5 using:

6 (1) the count of tests passed compared to the count of tests taken
7 throughout the school;

8 (2) the graduation rate in the high school; and

9 (3) the count of pupils graduating in the high school.

10 (f) In determining grants under this section, a school corporation
11 may qualify for the following two (2) grants each year:

12 (1) One (1) grant under subsection (h), (i), or (j).

13 (2) One (1) grant under subsection (k), (l), or (m).

14 (g) The sum of the two (2) grant amounts described in subsection
15 (f), as determined for a school corporation under this section,
16 constitutes an annual performance grant that is in addition to state
17 tuition support. After review by the budget committee, the annual
18 performance grant for a state fiscal year shall be distributed to the
19 school corporation before December 5 of that state fiscal year, unless
20 an extension of the December 5 deadline is approved for that state
21 fiscal year under subsection (o). If the:

22 (1) total amount to be distributed as performance grants for a
23 particular state fiscal year exceeds the amount appropriated by the
24 general assembly for performance grants for that state fiscal year,
25 the total amount to be distributed as performance grants to school
26 corporations shall be proportionately reduced so that the total
27 reduction equals the amount of the excess. The amount of the
28 reduction for a particular school corporation is equal to the total
29 amount of the excess multiplied by a fraction. The numerator of
30 the fraction is the amount of the performance grant that the school
31 corporation would have received if a reduction were not made
32 under this section. The denominator of the fraction is the total
33 amount that would be distributed as performance grants to all
34 school corporations if a reduction were not made under this
35 section; and

36 (2) total amount to be distributed as performance grants for a
37 particular state fiscal year is less than the amount appropriated by
38 the general assembly for performance grants for that state fiscal
39 year, the total amount to be distributed as performance grants to
40 school corporations for that particular state fiscal year shall be
41 proportionately increased so that the total amount to be
42 distributed equals the amount of the appropriation for that



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

37 (h) Except as provided in subsection (n), a school qualifies for a
38 grant under this subsection if the school has more than seventy-two and
39 five-tenths percent (72.5%) but less than ninety percent (90%) of the
40 tests taken in the school year ending in the immediately preceding state
41 fiscal year that receive passing scores. The grant amount for the state
42 fiscal year is:



- 1 (1) the count of the school's passing scores on tests in the school
 2 year ending in the immediately preceding state fiscal year;
 3 multiplied by
 4 (2) twenty-three dollars and fifty cents (\$23.50).
- 5 (i) Except as provided in subsection (n), a school qualifies for a
 6 grant under this subsection if the school has at least ninety percent
 7 (90%) of the tests taken in the school year ending in the immediately
 8 preceding state fiscal year that receive passing scores. The grant
 9 amount for the state fiscal year is:
 10 (1) the count of the school's passing scores on tests in the school
 11 year ending in the immediately preceding state fiscal year;
 12 multiplied by
 13 (2) forty-seven dollars (\$47).
- 14 (j) This subsection does not apply to a school corporation in its first
 15 year of operation or to a school corporation that is entitled to a
 16 distribution under subsection (h) or (i). Except as provided in
 17 subsection (n), a school qualifies for a grant under this subsection if the
 18 school's school year over school year percentage growth rate of
 19 achievement tests receiving passing scores was at least five percent
 20 (5%), comparing the school year ending in the immediately preceding
 21 state fiscal year to the school year immediately preceding that school
 22 year. The grant amount for the state fiscal year is:
 23 (1) the count of the school corporation's pupils who had a passing
 24 score on their achievement test in the school year ending in the
 25 immediately preceding state fiscal year; multiplied by
 26 (2) forty-seven dollars (\$47).
- 27 (k) A school qualifies for a grant under this subsection if the school
 28 had a graduation rate of ninety percent (90%) or more for the school
 29 year ending in the immediately preceding state fiscal year. The grant
 30 amount for the state fiscal year is:
 31 (1) the count of the school corporation's pupils who met the
 32 requirements for graduation for the school year ending in the
 33 immediately preceding state fiscal year; multiplied by
 34 (2) one hundred seventy-six dollars (\$176).
- 35 (l) A school qualifies for a grant under this subsection if the school
 36 had a graduation rate greater than seventy-five percent (75%) but less
 37 than ninety percent (90%) for the school year ending in the
 38 immediately preceding state fiscal year. The grant amount for the state
 39 fiscal year is:
 40 (1) the count of the school corporation's pupils who met the
 41 requirements for graduation for the school year ending in the
 42 immediately preceding state fiscal year; multiplied by



1 (2) eighty-eight dollars (\$88).

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

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

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

15 (n) This subsection applies to the state fiscal year beginning July 1,
16 2015, and ending June 30, 2016. Notwithstanding subsection (h), (i),
17 or (j), the amount of the grant described in subsection (h), (i), or (j)
18 shall be calculated using the higher of:

19 (1) the percentage of passing scores on ISTEP program tests for
20 the school for the 2013-2014 school year; or

21 (2) the percentage of passing scores on ISTEP program tests for
22 the school for the 2014-2015 school year.

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

37 (o) The department, after review by the budget committee, may
38 waive the December 5 deadline to distribute an annual performance
39 grant to the school corporation under subsection (g) for that state fiscal
40 year and approve an extension of that deadline to a later date within
41 that state fiscal year, if the department determines that a waiver and
42 extension of the deadline is in the public interest.



1 (p) This section expires June 30, 2017.

2 SECTION 53. IC 20-51-1-4.3, AS AMENDED BY P.L.233-2015,
3 SECTION 313, IS AMENDED TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2017]: Sec. 4.3. "Eligible choice scholarship
5 student" refers to an individual who:

6 (1) has legal settlement in Indiana; **and**

7 (2) is at least five (5) years of age and less than twenty-two (22)
8 years of age on the date in the school year specified in
9 IC 20-33-2-7. **and**

10 (3) meets at least one (1) of the following conditions:

11 (A) The individual is:

12 (i) a student with a disability who requires special education
13 and for whom an individualized education program has been
14 developed under IC 20-35 or a service plan developed under
15 511 IAC 7-34; and

16 (ii) a member of a household with an annual income of not
17 more than two hundred percent (200%) of the amount
18 required for the individual to qualify for the federal free or
19 reduced price lunch program.

20 (B) The individual is:

21 (i) an individual who, because of the school corporation's
22 residency requirement, would be required to attend a
23 specific public school within a school corporation that has
24 been placed in the lowest category or designation of school
25 improvement under IC 20-31-8-4 (has been assigned an "F"
26 grade); and

27 (ii) except as provided in IC 20-51-4-2.5, is a member of a
28 household with an annual income of not more than one
29 hundred fifty percent (150%) of the amount required for the
30 individual to qualify for the federal free or reduced price
31 lunch program.

32 An individual to whom this clause applies is not required to
33 attend the public school before becoming eligible for a choice
34 scholarship; and may not be required to return to the public
35 school if the public school is placed in a higher category or
36 designation under IC 20-31-8-4.

37 (C) Except as provided in IC 20-51-4-2.5, the individual is a
38 member of a household with an annual income of not more
39 than one hundred fifty percent (150%) of the amount required
40 for the individual to qualify for the federal free or reduced
41 price lunch program and the individual was enrolled in
42 kindergarten through grade 12, in a public school; including a



1 charter school; in Indiana for at least two (2) semesters
 2 immediately preceding the first semester for which the
 3 individual receives a choice scholarship under IC 20-51-4.

4 (D) The individual or a sibling of the individual who, except
 5 as provided in IC 20-51-4-2.5, is a member of a household
 6 with an annual income of not more than one hundred fifty
 7 percent (150%) of the amount required for the individual to
 8 qualify for the federal free or reduced price lunch program and
 9 satisfies either of the following:

10 (i) The individual or a sibling of the individual received
 11 before July 1, 2013, a scholarship from a scholarship
 12 granting organization under IC 20-51-3 or a choice
 13 scholarship under IC 20-51-4 in a preceding school year;
 14 including a school year that does not immediately precede
 15 a school year in which the individual receives a scholarship
 16 from a scholarship granting organization under IC 20-51-3
 17 or a choice scholarship under IC 20-51-4.

18 (ii) The individual or a sibling of the individual receives for
 19 the first time after June 30, 2013, a scholarship of at least
 20 five hundred dollars (\$500) from a scholarship granting
 21 organization under IC 20-51-3 or a choice scholarship under
 22 IC 20-51-4 in a preceding school year; including a school
 23 year that does not immediately precede a school year in
 24 which the individual receives a scholarship from a
 25 scholarship granting organization under IC 20-51-3 or a
 26 choice scholarship under IC 20-51-4.

27 SECTION 54. IC 20-51-1-4.7, AS AMENDED BY P.L.211-2013,
 28 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 UPON PASSAGE]: Sec. 4.7. "Eligible school" refers to a public or
 30 nonpublic elementary school or high school that:

- 31 (1) is located in Indiana;
- 32 (2) requires an eligible choice scholarship student to pay tuition
 33 or transfer tuition to attend;
- 34 (3) voluntarily agrees to enroll an eligible choice scholarship
 35 student;
- 36 (4) is accredited by either the state board or a national or regional
 37 accreditation agency that is recognized by the state board;
- 38 (5) administers the **Indiana statewide testing for educational**
 39 **progress (ISTEP) statewide assessment** program; under
 40 IC 20-32-5;
- 41 (6) is not a charter school or the school corporation in which an
 42 eligible choice scholarship student has legal settlement under



1 IC 20-26-11; and
 2 (7) submits to the department only the student performance data
 3 required for a category designation under IC 20-31-8-3.

4 SECTION 55. IC 20-51-1-6, AS ADDED BY P.L.182-2009(ss),
 5 SECTION 364, IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) "Participating school"
 7 refers to a public or nonpublic school that:

- 8 (1) an eligible student is required to pay tuition or transfer tuition
 9 to attend;
 10 (2) voluntarily agrees to enroll an eligible student;
 11 (3) is accredited by either the state board or a national or regional
 12 accreditation agency that is recognized by the state board; and
 13 (4) administers the tests under the **Indiana statewide testing for**
 14 **educational progress (ISTEP) statewide assessment** program or
 15 administers another nationally recognized and norm-referenced
 16 assessment of the school's students.

17 (b) The term does not include a public school in a school
 18 corporation where the eligible student has legal settlement under
 19 IC 20-26-11.

20 SECTION 56. IC 20-51-4-2.5 IS REPEALED [EFFECTIVE JULY
 21 1, 2017]. ~~Sec. 2.5. Notwithstanding IC 20-51-1-4.3(3)(B);~~
 22 ~~IC 20-51-1-4.3(3)(C); or IC 20-51-1-4.3(3)(D)(ii); an individual who~~
 23 ~~initially meets the income requirements under IC 20-51-1-4.3(3)(B);~~
 24 ~~IC 20-51-1-4.3(3)(C); or IC 20-51-1-4.3(3)(D)(ii) and is a member of~~
 25 ~~a household whose income subsequently increases is considered to~~
 26 ~~meet the income requirements for as long as the individual is enrolled~~
 27 ~~in a participating school and is a member of a household with an~~
 28 ~~annual income of not more than two hundred percent (200%) of the~~
 29 ~~amount required for the individual to qualify for the federal free or~~
 30 ~~reduced price lunch program.~~

31 SECTION 57. IC 20-51-4-4, AS AMENDED BY P.L.106-2016,
 32 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2017]: Sec. 4. (a) The amount an eligible choice scholarship
 34 student is entitled to receive under this chapter for a school year is
 35 equal to the following:

- 36 (1) The least of the following:
 37 (A) The sum of the tuition, transfer tuition, and fees required
 38 for enrollment or attendance of the eligible choice scholarship
 39 student at the eligible school selected by the eligible choice
 40 scholarship student for a school year that the eligible choice
 41 scholarship student (or the parent of the eligible choice
 42 scholarship student) would otherwise be obligated to pay to



1 the eligible school.

2 (B) An amount equal to

3 (i) ninety percent (90%) of the state tuition support amount
 4 determined under section 5 of this chapter. if the eligible
 5 choice scholarship student is a member of a household with
 6 an annual income of not more than the amount required for
 7 the eligible choice scholarship student to qualify for the
 8 federal free or reduced price lunch program; and

9 (ii) fifty percent (50%) of the state tuition support amount
 10 determined under section 5 of this chapter if the eligible
 11 choice scholarship student is a member of a household with
 12 an annual income of, in the case of an individual not
 13 described in section 2.5 of this chapter, not more than one
 14 hundred fifty percent (150%) of the amount required for the
 15 eligible choice scholarship student to qualify for the federal
 16 free or reduced price lunch program or, in the case of an
 17 individual described in section 2.5 of this chapter, not more
 18 than two hundred percent (200%) of the amount required for
 19 the eligible choice scholarship student to qualify for the
 20 federal free or reduced price lunch program.

21 (2) In addition, if the eligible choice scholarship student has been
 22 identified as eligible for special education services under
 23 IC 20-35 and the eligible school provides the necessary special
 24 education or related services to the eligible choice scholarship
 25 student, any amount that a school corporation would receive
 26 under IC 20-43-7 for the eligible choice scholarship student if the
 27 eligible choice scholarship student attended the school
 28 corporation. However, if an eligible choice scholarship student
 29 changes schools during the school year after the December 1
 30 count under IC 20-43-7-1 of eligible pupils enrolled in special
 31 education programs and the eligible choice scholarship student
 32 enrolls in a different eligible school, any choice scholarship
 33 amounts paid to the eligible choice scholarship student for the
 34 remainder of the school year after the eligible choice scholarship
 35 student enrolls in the different eligible school shall not include
 36 amounts that a school corporation would receive under
 37 IC 20-43-7 for the eligible choice scholarship student if the
 38 eligible choice scholarship student attended the school
 39 corporation.

40 (b) The amount an eligible choice scholarship student is entitled to
 41 receive under this chapter if the eligible student applies for the choice
 42 scholarship under section 7(e)(2) of this chapter shall be reduced on a



1 prorated basis in the manner prescribed in section 6 of this chapter.
2 SECTION 58. [EFFECTIVE JANUARY 1, 2018] **(a) IC 6-3-3-15,**
3 **as added by this act, applies only to taxable years beginning after**
4 **December 31, 2017.**
5 **(b) This SECTION expires June 30, 2019.**
6 SECTION 59. **An emergency is declared for this act.**

