

Second Regular Session 119th General Assembly (2016)

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 2015 Regular Session of the General Assembly.

SENATE ENROLLED ACT No. 3

AN ACT to amend the Indiana Code concerning education.

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

SECTION 1. IC 20-20-8-8, AS AMENDED BY P.L.213-2015, SECTION 159, AND AS AMENDED BY P.L.220-2015, SECTION 2, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The report must include the following information:

- (1) Student enrollment.
- (2) Graduation rate (as defined in IC 20-26-13-6) *and the graduation rate excluding students that receive a graduation waiver under IC 20-32-4-4.*
- (3) Attendance rate.
- (4) The following test scores, including the number and percentage of students meeting academic standards:
 - (A) ~~ISTEP program test scores.~~ *All state standardized assessment scores.*
 - (B) Scores for assessments under IC 20-32-5-21, if appropriate.
 - (C) For a freeway school, scores on a locally adopted assessment program, if appropriate.
- (5) Average class size.
- (6) *The school's performance category or designation of school improvement assigned under IC 20-31-8.*
- ~~(7)~~ (7) The number and percentage of students in the following

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groups or programs:

- (A) Alternative education, if offered.
 - (B) Career and technical education.
 - (C) Special education.
 - (D) High ability.
 - (E) Remediation.
 - (F) Limited English language proficiency.
 - (G) Students receiving free or reduced price lunch under the national school lunch program.
 - (H) School flex program, if offered.
- ~~(7)~~ (8) Advanced placement, including the following:
- (A) For advanced placement tests, the percentage of students:
 - (i) scoring three (3), four (4), and five (5); and
 - (ii) taking the test.
 - (B) For the Scholastic Aptitude Test:
 - (i) test scores for all students taking the test;
 - (ii) test scores for students completing the academic honors diploma program; and
 - (iii) the percentage of students taking the test.
- ~~(8)~~ (9) Course completion, including the number and percentage of students completing the following programs:
- (A) Academic honors diploma.
 - (B) Core 40 curriculum.
 - (C) Career and technical programs.
- ~~(9)~~ (10) The percentage of grade 8 students enrolled in algebra I.
- ~~(10)~~ *The percentage of graduates who pursue higher education.*
- (11) *The percentage of graduates considered college and career ready in a manner prescribed by the state board.*
- ~~(11)~~ (12) School safety, including:
- (A) the number of students receiving suspension or expulsion for the possession of alcohol, drugs, or weapons;
 - (B) the number of incidents reported under IC 20-33-9; and
 - (C) the number of bullying incidents reported under IC 20-34-6 by category.
- ~~(12)~~ (13) Financial information and various school cost factors, including the following:
- (A) Expenditures per pupil.
 - (B) Average teacher salary.
 - (C) Remediation funding.
- ~~(13)~~ *Technology accessibility and use of technology in instruction.*
- (14) Interdistrict and intradistrict student mobility rates, if that



information is available.

(15) The number and percentage of each of the following within the school corporation:

(A) Teachers who are certificated employees (as defined in IC 20-29-2-4).

(B) Teachers who teach the subject area for which the teacher is certified and holds a license.

(C) Teachers with national board certification.

(16) The percentage of grade 3 students reading at grade 3 level.

(17) The number of students expelled, including the number participating in other recognized education programs during their expulsion, *including the percentage of students expelled by race, grade, gender, free or reduced price lunch status, and eligibility for special education.*

(18) Chronic absenteeism, which includes the number of students who have been absent from school for ten percent (10%) or more of a school year for any reason.

(19) Habitual truancy, which includes the number of students who have been absent ten (10) days or more from school within a school year without being excused or without being absent under a parental request that has been filed with the school.

(20) The number of students who have dropped out of school, including the reasons for dropping out, *including the percentage of students who have dropped out by race, grade, gender, free or reduced price lunch status, and eligibility for special education.*

(21) *The number of out of school suspensions assigned, including the percentage of students suspended by race, grade, gender, free or reduced price lunch status, and eligibility for special education.*

(22) *The number of in school suspensions assigned, including the percentage of students suspended by race, grade, gender, free or reduced price lunch status, and eligibility for special education.*

~~(21)~~ (23) The number of student work permits revoked.

~~(22)~~ *The number of student driver's licenses revoked.*

~~(23)~~ *The number of students who have not advanced to grade 10 due to a lack of completed credits.*

~~(24)~~ *The number of students suspended for any reason.*

~~(25)~~ (24) The number of students receiving an international baccalaureate diploma.

~~(26)~~ (25) *Other indicators of performance as recommended by the education roundtable under IC 20-19-4.*

(b) *This subsection applies to schools, including charter schools,*

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located in a county having a consolidated city, including schools located in excluded cities (as defined in IC 36-3-1-7). The information reported under subsection (a) must be disaggregated by race, grade, gender, free or reduced price lunch status, and eligibility for special education.

SECTION 2. IC 20-24-13-5, AS ADDED BY P.L.213-2015, SECTION 162, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) This section applies to a charter school that does not qualify for a grant under subsection (c). Each year, such a charter school may apply for an annual grant under this chapter.

(b) The application under subsection (a) must be submitted after July 1 and before September 1 of a state fiscal year for a grant that is requested to be made during that state fiscal year.

(c) The state board shall determine if the charter school is placed in the same or a better category or designation of performance established under IC 20-31-8-3 for the most recently completed school year than the nearest noncharter public school that is configured to teach the same grades of students as the charter school teaches. Except as provided in subsection (d), if the charter school has been placed in the same or a better category or designation of performance, the state board shall make the grant to the charter school.

(d) If a charter school:

- (1) does not qualify for a grant under section 4 of this chapter; and
- (2) for two (2) consecutive years ~~the charter school~~ has not been placed in the same or a better category or designation of performance established under IC 20-31-8-3 for the most recently completed school year than the nearest noncharter public school that is configured to teach the same grades of students as the charter school teaches;

the charter school is not eligible for a grant, unless the charter school is placed in the "C" category or designation of performance or better established under IC 20-31-8-3 for the most recently completed school year.

SECTION 3. IC 20-25-5-7, AS AMENDED BY P.L.233-2015, SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. As used in this chapter, "resolution" of ~~any other~~ a school corporation means a resolution duly adopted by the school corporation's governing body.

SECTION 4. IC 20-25.7-4-3, AS ADDED BY P.L.214-2015, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Two (2) or more teachers and:

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

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

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

- (1) Whether the plan:
 - (A) increases teacher salaries;
 - (B) achieves financial sustainability for teacher salary increases under clause (A) by reallocating other funds, including local, private, state, or federal funds; and
 - (C) develops measures for determining how the innovations or teacher empowerment:
 - (i) improves the quality of classroom instruction; and
 - (ii) increases the attractiveness of teaching.
- (2) Class size and schedule.
- (3) Length of school day or year.
- (4) Use of technology to deliver highly effective instruction.
- (5) Staffing models for teachers, paraprofessionals, and administrators.
- (6) Teacher recruitment, training, preparation, and professional development.
- (7) School governance and the roles, responsibilities, and expectations of principals in ~~freedom to teach schools, zones, and districts.~~ **innovation network schools.**
- (8) Preparation and counseling of students for transition to higher education or careers.
- (9) Whether the plan incorporates a school model that uses job redesign or technology to extend the reach of effective or highly effective teachers to more students for more pay within budget.

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

SECTION 5. IC 20-26-5-4, AS AMENDED BY P.L.213-2015, SECTION 165, AND AS AMENDED BY P.L.233-2015, SECTION 98, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) In carrying out the school purposes of a school corporation, the governing body acting on the

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school corporation's behalf has the following specific powers:

(1) In the name of the school corporation, to sue and be sued and to enter into contracts in matters permitted by applicable law. However, a governing body may not use funds received from the state to bring or join in an action against the state, unless the governing body is challenging an adverse decision by a state agency, board, or commission.

(2) To take charge of, manage, and conduct the educational affairs of the school corporation and to establish, locate, and provide the necessary schools, school libraries, other libraries where permitted by law, other buildings, facilities, property, and equipment.

(3) To appropriate from the school corporation's general fund an amount, not to exceed the greater of three thousand dollars (\$3,000) per budget year or one dollar (\$1) per pupil, not to exceed twelve thousand five hundred dollars (\$12,500), based on the school corporation's ADM of the previous year (as defined in IC 20-43-1-7) to promote the best interests of the school corporation through:

(A) the purchase of meals, decorations, memorabilia, or awards;

(B) provision for expenses incurred in interviewing job applicants; or

(C) developing relations with other governmental units.

(4) To do the following:

(A) Acquire, construct, erect, maintain, hold, and contract for construction, erection, or maintenance of real estate, real estate improvements, or an interest in real estate or real estate improvements, as the governing body considers necessary for school purposes, including buildings, parts of buildings, additions to buildings, rooms, gymnasiums, auditoriums, playgrounds, playing and athletic fields, facilities for physical training, buildings for administrative, office, warehouse, repair activities, or housing school owned buses, landscaping, walks, drives, parking areas, roadways, easements and facilities for power, sewer, water, roadway, access, storm and surface water, drinking water, gas, electricity, other utilities and similar purposes, by purchase, either outright for cash (or under conditional sales or purchase money contracts providing for a retention of a security interest by the seller until payment is made or by notes where the contract, security retention, or note is permitted by applicable law), by exchange, by gift, by



devise, by eminent domain, by lease with or without option to purchase, or by lease under IC 20-47-2, IC 20-47-3, or IC 20-47-5.

(B) Repair, remodel, remove, or demolish, or to contract for the repair, remodeling, removal, or demolition of the real estate, real estate improvements, or interest in the real estate or real estate improvements, as the governing body considers necessary for school purposes.

(C) Provide for conservation measures through utility efficiency programs or under a guaranteed savings contract as described in IC 36-1-12.5.

(5) To acquire personal property or an interest in personal property as the governing body considers necessary for school purposes, including buses, motor vehicles, equipment, apparatus, appliances, books, furniture, and supplies, either by cash purchase or under conditional sales or purchase money contracts providing for a security interest by the seller until payment is made or by notes where the contract, security, retention, or note is permitted by applicable law, by gift, by devise, by loan, or by lease with or without option to purchase and to repair, remodel, remove, relocate, and demolish the personal property. All purchases and contracts specified under the powers authorized under subdivision (4) and this subdivision are subject solely to applicable law relating to purchases and contracting by municipal corporations in general and to the supervisory control of state agencies as provided in section 6 of this chapter.

(6) To sell or exchange real or personal property or interest in real or personal property that, in the opinion of the governing body, is not necessary for school purposes, in accordance with IC 20-26-7, to demolish or otherwise dispose of the property if, in the opinion of the governing body, the property is not necessary for school purposes and is worthless, and to pay the expenses for the demolition or disposition.

(7) To lease any school property for a rental that the governing body considers reasonable or to permit the free use of school property for:

(A) civic or public purposes; or

(B) the operation of a school age child care program for children who are at least five (5) years of age and less than fifteen (15) years of age that operates before or after the school day, or both, and during periods when school is not in session; if the property is not needed for school purposes. Under this



subdivision, the governing body may enter into a long term lease with a nonprofit corporation, community service organization, or other governmental entity, if the corporation, organization, or other governmental entity will use the property to be leased for civic or public purposes or for a school age child care program. However, if payment for the property subject to a long term lease is made from money in the school corporation's debt service fund, all proceeds from the long term lease must be deposited in the school corporation's debt service fund so long as payment for the property has not been made. The governing body may, at the governing body's option, use the procedure specified in IC 36-1-11-10 in leasing property under this subdivision.

(8) To do the following:

(A) Employ, contract for, and discharge superintendents, supervisors, principals, teachers, librarians, athletic coaches (whether or not they are otherwise employed by the school corporation and whether or not they are licensed under IC 20-28-5), business managers, superintendents of buildings and grounds, janitors, engineers, architects, physicians, dentists, nurses, accountants, teacher aides performing noninstructional duties, educational and other professional consultants, data processing and computer service for school purposes, including the making of schedules, the keeping and analyzing of grades and other student data, the keeping and preparing of warrants, payroll, and similar data where approved by the state board of accounts as provided below, and other personnel or services as the governing body considers necessary for school purposes.

(B) Fix and pay the salaries and compensation of persons and services described in this subdivision that are consistent with IC 20-28-9-1.5.

(C) Classify persons or services described in this subdivision and to adopt *schedules of salaries or a compensation plan with a salary range* that ~~are~~ *is* consistent with IC 20-28-9-1.5.

(D) Determine the number of the persons or the amount of the services employed or contracted for as provided in this subdivision.

(E) Determine the nature and extent of the duties of the persons described in this subdivision.

The compensation, terms of employment, and discharge of teachers are, however, subject to and governed by the laws relating to employment, contracting, compensation, and discharge



of teachers. The compensation, terms of employment, and discharge of bus drivers are subject to and governed by laws relating to employment, contracting, compensation, and discharge of bus drivers. *The forms and procedures relating to the use of computer and data processing equipment in handling the financial affairs of the school corporation must be submitted to the state board of accounts for approval so that the services are used by the school corporation when the governing body determines that it is in the best interest of the school corporation while at the same time providing reasonable accountability for the funds expended.*

(9) Notwithstanding the appropriation limitation in subdivision (3), when the governing body by resolution considers a trip by an employee of the school corporation or by a member of the governing body to be in the interest of the school corporation, including attending meetings, conferences, or examining equipment, buildings, and installation in other areas, to permit the employee to be absent in connection with the trip without any loss in pay and to reimburse the employee or the member the employee's or member's reasonable lodging and meal expenses and necessary transportation expenses. To pay teaching personnel for time spent in sponsoring and working with school related trips or activities.

(10) Subject to IC 20-27-13, to transport children to and from school, when in the opinion of the governing body the transportation is necessary, including considerations for the safety of the children. *and without regard to the distance the children live from the school.* The transportation must be otherwise in accordance with applicable law.

(11) To provide a lunch program for a part or all of the students attending the schools of the school corporation, including the establishment of kitchens, kitchen facilities, kitchen equipment, lunch rooms, the hiring of the necessary personnel to operate the lunch program, and the purchase of material and supplies for the lunch program, charging students for the operational costs of the lunch program, fixing the price per meal or per food item. To operate the lunch program as an extracurricular activity, subject to the supervision of the governing body. To participate in a surplus commodity or lunch aid program.

(12) To purchase curricular materials, to furnish curricular materials without cost or to rent curricular materials to students, to participate in a curricular materials aid program, all in



accordance with applicable law.

(13) To accept students transferred from other school corporations and to transfer students to other school corporations in accordance with applicable law.

(14) To make budgets, to appropriate funds, and to disburse the money of the school corporation in accordance with applicable law. To borrow money against current tax collections and otherwise to borrow money, in accordance with IC 20-48-1.

(15) To purchase insurance or to establish and maintain a program of self-insurance relating to the liability of the school corporation or the school corporation's employees in connection with motor vehicles or property and for additional coverage to the extent permitted and in accordance with IC 34-13-3-20. To purchase additional insurance or to establish and maintain a program of self-insurance protecting the school corporation and members of the governing body, employees, contractors, or agents of the school corporation from liability, risk, accident, or loss related to school property, school contract, school or school related activity, including the purchase of insurance or the establishment and maintenance of a self-insurance program protecting persons described in this subdivision against false imprisonment, false arrest, libel, or slander for acts committed in the course of the persons' employment, protecting the school corporation for fire and extended coverage and other casualty risks to the extent of replacement cost, loss of use, and other insurable risks relating to property owned, leased, or held by the school corporation. In accordance with IC 20-26-17, to:

(A) participate in a state employee health plan under IC 5-10-8-6.6 or IC 5-10-8-6.7;

(B) purchase insurance; or

(C) establish and maintain a program of self-insurance;

to benefit school corporation employees, including accident, sickness, health, or dental coverage, provided that a plan of self-insurance must include an aggregate stop-loss provision.

(16) To make all applications, to enter into all contracts, and to sign all documents necessary for the receipt of aid, money, or property from the state, the federal government, or from any other source.

(17) To defend a member of the governing body or any employee of the school corporation in any suit arising out of the performance of the member's or employee's duties for or employment with, the school corporation, if the governing body

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by resolution determined that the action was taken in good faith. To save any member or employee harmless from any liability, cost, or damage in connection with the performance, including the payment of legal fees, except where the liability, cost, or damage is predicated on or arises out of the bad faith of the member or employee, or is a claim or judgment based on the member's or employee's malfeasance in office or employment.

(18) To prepare, make, enforce, amend, or repeal rules, regulations, and procedures:

(A) for the government and management of the schools, property, facilities, and activities of the school corporation, the school corporation's agents, employees, and pupils and for the operation of the governing body; and

(B) that may be designated by an appropriate title such as "policy handbook", "bylaws", or "rules and regulations".

(19) To ratify and approve any action taken by a member of the governing body, an officer of the governing body, or an employee of the school corporation after the action is taken, if the action could have been approved in advance, and in connection with the action to pay the expense or compensation permitted under IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and IC 20-48-1 or any other law.

(20) To exercise any other power and make any expenditure in carrying out the governing body's general powers and purposes provided in this chapter or in carrying out the powers delineated in this section which is reasonable from a business or educational standpoint in carrying out school purposes of the school corporation, including the acquisition of property or the employment or contracting for services, even though the power or expenditure is not specifically set out in this chapter. The specific powers set out in this section do not limit the general grant of powers provided in this chapter except where a limitation is set out in IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and IC 20-48-1 by specific language or by reference to other law.

(b) A superintendent hired under subsection (a)(8):

(1) is not required to hold a teacher's license under IC 20-28-5; and

(2) is required to have obtained at least a master's degree from an accredited postsecondary educational institution.

SECTION 6. IC 20-26-5-18, AS AMENDED BY P.L.233-2015, SECTION 101, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. For purposes of

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~~IC 20-26-5-1~~ **section 1 of this chapter** and under the powers of ~~IC 20-26-5-4(a)(19)~~; **section 4(a)(20) of this chapter**, the governing body of any school corporation may join and associate with groups of other school corporations within Indiana in regional school study councils to examine common school problems and exchange educational information of mutual benefit, and dues to the study councils shall be paid by the school corporation from the general fund.

SECTION 7. IC 20-26-5-19, AS AMENDED BY P.L.213-2015, SECTION 166, AND AS AMENDED BY P.L.233-2015, SECTION 102, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. A governing body under its powers to fix and pay the salaries and compensation of employees of the school corporation and to contract for services under ~~IC 20-26-5-4(a)(7)~~ ~~IC 20-26-5-4(a)(8)~~ **section 4(a)(8) of this chapter** may distribute payroll based on contractual and *salary schedule compensation plan* commitments instead of payroll estimates approved in advance by the governing body.

SECTION 8. IC 20-26-5-24, AS AMENDED BY P.L.37-2015, SECTION 1, AND AS AMENDED BY P.L.233-2015, SECTION 103, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 24. (a) An agreement under section 23 of this chapter must set out the responsibilities and rights of the public school corporations, the institutions, and the students or persons who supervise the students and who are working jointly for a school corporation and an institution.

(b) An agreement must contain:

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

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

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

(c) The provisions required by subsection (b) (b)(1) and (b)(2) must be included in an agreement entered into or renewed under this chapter after June 30, 1981. The provision required by subsection

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(b)(3) must be included in an agreement entered into or renewed under this chapter after June 30, 2015. Public school corporations and postsecondary educational institutions shall revise agreements in effect on ~~July 1, 1981~~, July 1, 2015, to include the provisions required by subsection (b).

SECTION 9. IC 20-26-7-18, AS AMENDED BY P.L.184-2015, SECTION 10, AND AS AMENDED BY P.L.233-2015, SECTION 115, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. *Subject to IC 5-3-1-3(h)*, a school corporation may issue and sell bonds under the general statutes governing the issuance of bonds to purchase and improve buildings or lands, or both. All laws relating to approval (if required) in a local public question under IC 6-1.1-20, the filing of petitions, remonstrances, and objecting petitions, giving notices of the filing of petitions, the determination to issue bonds, and the appropriation of the proceeds of the bonds are applicable to the issuance of bonds under ~~sections section 17 through 19~~ of this chapter.

SECTION 10. IC 20-27-14 IS REPEALED [EFFECTIVE UPON PASSAGE]. (Science, Technology, Engineering, and Mathematics Teacher Recruitment Fund).

SECTION 11. IC 20-28-6-2, AS AMENDED BY P.L.213-2015, SECTION 177, AND P.L.233-2015, SECTION 205, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A contract entered into by a teacher and a school corporation must:

- (1) be in writing;
- (2) be signed by both parties; and
- (3) contain the:
 - (A) beginning date of the school term as determined annually by the school corporation;
 - (B) number of days in the school term as determined annually by the school corporation;
 - (C) total salary to be paid to the teacher during the school year;
 - (D) number of salary payments to be made to the teacher during the school year; and
 - (E) number of hours per day the teacher is expected to work, as discussed pursuant to IC 20-29-6-7.

(b) The contract may provide for the annual determination of the teacher's annual compensation ~~under IC 20-29-6~~: *based on a local compensation plan specifying a salary range, which is part of the contract. The ~~salary~~ compensation plan may be changed by ~~subsequent~~ adoption of salary changes under the collective bargaining process.*

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the school corporation before the later of May 1 of a year, with the changes effective the next school year, or the date specified in a collective bargaining ~~process~~ agreement applicable to the next school year. A teacher affected by the changes shall be furnished with printed copies of the changed compensation plan not later than thirty (30) days after the adoption of the compensation plan.

(c) A contract under this section is also governed by the following statutes:

- (1) IC 20-28-9-5 through IC 20-28-9-6.
- (2) IC 20-28-9-9 through IC 20-28-9-11.
- (3) IC 20-28-9-13.
- (4) IC 20-28-9-14.

(d) A governing body shall provide the blank contract forms, carefully worded by the state superintendent, and have them signed. The contracts are public records open to inspection by the residents of each school corporation.

(e) An action may be brought on a contract that conforms with subsections (a)(1), (a)(2), and (d).

SECTION 12. IC 20-28-6-7, AS AMENDED BY P.L.213-2015, SECTION 178, AND AS AMENDED BY P.L.233-2015, SECTION 207, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) As used in this section, "teacher" includes an individual who:

- (1) holds a substitute teacher's license; and
- (2) provides instruction in a joint summer school program under IC 20-30-7-5.

(b) The supplemental service teacher's contract shall be used when a teacher provides professional service in evening school or summer school employment, except when a teacher or other individual is employed to supervise or conduct noncredit courses or activities.

(c) If a teacher serves more than one hundred twenty (120) days on a supplemental service teacher's contract in a school year, the following apply:

- (1) Sections 1, 2, 3, and 8 of this chapter.*
- (2) IC 20-28-10-1 through IC 20-28-10-5.*

~~(d)~~ (c) The salary of a teacher on a supplemental service contract shall be determined by the superintendent. The superintendent may, but is not required to, base the salary on the regular *salary schedule compensation plan* for the school corporation.

SECTION 13. IC 20-28-8-3, AS AMENDED BY P.L.233-2015, SECTION 212, AND AS AMENDED BY P.L.239-2015, SECTION 5, IS CORRECTED AND AMENDED TO READ AS FOLLOWS

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[EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Before March 1 of the year during which the contract of an assistant superintendent, a principal, or an assistant principal is due to expire, the governing body of the school corporation, or an *employee attorney acting* at the direction of the governing body, shall give written notice of renewal or refusal to renew the individual's contract for the ensuing school year.

(b) If notice is not given before March 1 of the year during which the contract is due to expire, the contract then in force shall be reinstated only for the ensuing school year.

(c) (b) This section does not prevent the modification or termination of a contract by mutual agreement of the assistant superintendent, the principal, or the assistant principal and the governing body.

SECTION 14. IC 20-32-4-11, AS ADDED BY P.L.99-2015, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) This section applies to a student who is a **child student** with a disability (as defined in ~~IC 20-35-1-2~~; **IC 20-35-1-8**).

(b) During the annual case review (~~as defined in IC 20-35-7-1~~) held when the student is in grade 8, the case conference committee (as defined in ~~IC 20-35-7-2~~) **IC 20-35-9-3**) shall, as a part of the annual case review, discuss with the student's parent and the student, if appropriate:

- (1) the types of diplomas available for students to receive in the state of Indiana;
- (2) the course requirements for each type of diploma; and
- (3) employment and career options for the student and the type of academic, technical, and vocational preparation necessary to achieve the employment or career.

The student's individualized education program must include the type of diploma the student will seek and courses that allow the student to progress toward the diploma in a timely manner.

(c) Beginning in grade 9 and in addition to the annual case review, the student's teacher of record shall communicate at least one (1) time each grading period with the student's parent concerning the student's progress toward the selected diploma. If the parent requests a meeting with the teacher of record to discuss the student's progress, the teacher must meet with the parent in a timely manner. A meeting under this subsection does not constitute a case conference committee meeting, and a request for a meeting under this subsection does not abrogate a parent's right to call for a meeting of the case conference committee at any time.

SECTION 15. IC 20-40-12-5, AS AMENDED BY P.L.233-2015,

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SECTION 290, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. The fund may be used to provide money for the following purposes:

- (1) The payment of a judgment rendered against the school corporation, or rendered against an officer or employee of the school corporation for which the school corporation is liable under IC 34-13-2, IC 34-13-3, or IC 34-13-4 (or IC 34-4-16.5, IC 34-4-16.6, or IC 34-4-16.7 before their repeal).
- (2) The payment of a claim or settlement for which the school corporation is liable under IC 34-13-2, IC 34-13-3, or IC 34-13-4 (or IC 34-4-16.5, IC 34-4-16.6, or IC 34-4-16.7 before their repeal).
- (3) The payment of a premium, management fee, claim, or settlement for which the school corporation is liable under a federal or state statute, including IC 22-3 and IC 22-4.
- (4) The payment of a settlement or claim for which insurance coverage is permitted under ~~IC 20-26-5-4(a)(14)~~. **IC 20-26-5-4(a)(15).**

SECTION 16. IC 20-40-12-8, AS AMENDED BY P.L.233-2015, SECTION 291, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. Subject to ~~IC 20-26-5-4(a)(14)~~ **IC 20-26-5-4(a)(15)** and this chapter and notwithstanding any other law, a self-insurance program must comply with this chapter.

SECTION 17. IC 20-41-2-4, AS AMENDED BY P.L.233-2015, SECTION 295, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. A governing body in operating a school lunch program under ~~IC 20-26-5-4(a)(10)~~ **IC 20-26-5-4(a)(11)** may use either of the following accounting methods:

- (1) It may supervise and control the program through the school corporation account, establishing a school lunch fund.
- (2) It may cause the program to be operated by the individual schools of the school corporation through the school corporation's extracurricular account or accounts in accordance with IC 20-41-1.

SECTION 18. IC 20-41-2-5, AS AMENDED BY P.L.233-2015, SECTION 296, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) A governing body in operating a curricular materials rental program under ~~IC 20-26-5-4(a)(11)~~ **IC 20-26-5-4(a)(12)** may use either of the following accounting methods:

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(1) The governing body may supervise and control the program through the school corporation account, establishing a curricular materials rental fund.

(2) If curricular materials have not been purchased and financial commitments or guarantees for the purchases have not been made by the school corporation, the governing body may cause the program to be operated by the individual schools of the school corporation through the school corporation's extracurricular account or accounts in accordance with IC 20-41-1.

(b) If the governing body determines that a hardship exists due to the inability of a student's family to purchase or rent curricular materials, taking into consideration the income of the family and the demands on the family, the governing body may furnish curricular materials to the student without charge, without reference to the application of any other statute or rule except IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and IC 20-48-1.

SECTION 19. IC 20-43-10-3, AS AMENDED BY HEA 1003-2016, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) As used in this section, "achievement test" means a:

- (1) test required by the ISTEP program; or
- (2) Core 40 end of course assessment for the following:
 - (A) Algebra I.
 - (B) English 10.
 - (C) Biology I.

(b) As used in this section, "graduation rate" means the percentage graduation rate for a high school in a school corporation as determined under IC 20-26-13-10 but adjusted to reflect the pupils who meet the requirements of graduation under ~~subsection (c)~~: **subsection (d)**.

(c) As used in this section, "test" means either:

- (1) a test required by the ISTEP program; or
- (2) a Core 40 end of course assessment.

(d) A pupil meets the requirements of graduation for purposes of this section if the pupil successfully completed:

- (1) a sufficient number of academic credits, or the equivalent of academic credits; and
- (2) the graduation examination required under IC 20-32-3 through IC 20-32-5;

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

(e) Determinations for a school for a state fiscal year must be made

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using:

- (1) the count of tests passed compared to the count of tests taken throughout the school;
- (2) the graduation rate in the high school; and
- (3) the count of pupils graduating in the high school.

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

- (1) One (1) grant under subsection (h), (i), or (j).
- (2) One (1) grant under subsection (k), (l), or (m).

(g) The sum of the two (2) grant amounts described in subsection (f), as determined for a school corporation under this section, constitutes an annual performance grant that is in addition to state tuition support. The annual performance grant for a state fiscal year shall be distributed to the school corporation before December 5 of that state fiscal year. If the:

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

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

The performance grant received by a school corporation shall be allocated among and used only to pay cash stipends to all teachers who are rated as effective or as highly effective and employed by the school corporation as of December 1. The lead school corporation or interlocal cooperative administering a cooperative or other special education

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program or administering a career and technical education program, including programs managed under IC 20-26-10, IC 20-35-5, IC 20-37, or IC 36-1-7, shall award performance stipends to and carry out the other responsibilities of an employing school corporation under this section for the teachers in the special education program or career and technical education program. The amount of the distribution from an annual performance grant to an individual teacher is determined at the discretion of the governing body of the school corporation. The governing body shall differentiate between the amount of the stipend awarded to a teacher rated as a highly effective teacher and a teacher rated as an effective teacher and may differentiate between school buildings. A stipend to an individual teacher in a particular year is not subject to collective bargaining and is in addition to the minimum salary or increases in salary set under IC 20-28-9-1.5. In addition, an amount determined under the policies adopted by the governing body but not exceeding fifty percent (50%) of the amount of a stipend to an individual teacher in a particular state fiscal year beginning after June 30, 2015, becomes a permanent part of and increases the base salary of the teacher receiving the stipend for school years beginning after the state fiscal year in which the stipend is received. The addition to base salary under this section is not subject to collective bargaining, is payable from funds other than the performance grant, and is in addition to the minimum salary and increases in salary set under IC 20-28-9-1.5. The school corporation shall complete the appropriation process for all stipends from a performance grant to individual teachers before December 31 of the state fiscal year in which the performance grant is distributed to the school corporation and distribute all stipends from a performance grant to individual teachers before the immediately following January 31. Any part of the performance grant not distributed as stipends to teachers before February must be returned to the department on the earlier of the date set by the department or June 30 of that state fiscal year.

(h) Except as provided in subsection (n), a school qualifies for a grant under this subsection if the school has more than seventy-five percent (75%) but less than ninety percent (90%) of the tests taken in the school year ending in the immediately preceding state fiscal year that receive passing scores. The grant amount for the state fiscal year is:

- (1) the count of the school's passing scores on tests in the school year ending in the immediately preceding state fiscal year; multiplied by
- (2) twenty-three dollars and fifty cents (\$23.50).

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

- (1) the count of the school's passing scores on tests in the school year ending in the immediately preceding state fiscal year; multiplied by
- (2) forty-seven dollars (\$47).

(j) This subsection does not apply to a school corporation in its first year of operation or to a school corporation that is entitled to a distribution under subsection (h) or (i). Except as provided in subsection (n), a school qualifies for a grant under this subsection if the school's school year over school year percentage growth rate of achievement tests receiving passing scores was at least one percent (1%), comparing the school year ending in the immediately preceding state fiscal year to the school year immediately preceding that school year. The grant amount for the state fiscal year is:

- (1) the count of the school corporation's pupils who had a passing score on their achievement test in the school year ending in the immediately preceding state fiscal year; multiplied by
- (2) one hundred sixty dollars (\$160).

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

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

(l) A school qualifies for a grant under this subsection if the school had a graduation rate greater than seventy-five percent (75%) but less than ninety percent (90%) for the school year ending in the immediately preceding state fiscal year. The grant amount for the state fiscal year is:

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

(m) This subsection does not apply to a school in its first year of operation or to a school corporation that is entitled to a distribution under subsection (k) or (l). A school qualifies for a grant under this



subsection if the school's school year over school year percentage growth in its graduation rate is at least one percent (1%), comparing the graduation rate for the school year ending in the immediately preceding state fiscal year to the graduation rate for the school year immediately preceding that school year. The grant amount for the state fiscal year is:

- (1) the count of the school corporation's pupils who met the requirements for graduation in the school year ending in the immediately preceding state fiscal year; multiplied by
- (2) one thousand dollars (\$1,000).

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

- (1) the percentage of passing scores on ISTEP program tests for the school for the 2013-2014 school year; or
- (2) the percentage of passing scores on ISTEP program tests for the school for the 2014-2015 school year.

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

(o) This section expires June 30, 2017.

SECTION 20. IC 20-49-3-8, AS AMENDED BY P.L.213-2015, SECTION 231, AND AS AMENDED BY P.L.233-2015, SECTION 309, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. The fund may be used to make advances:

- (1) to school corporations, including ~~school townships and~~ school corporation career and technical education schools described in IC 20-37-1-1, under IC 20-49-4 and IC 20-49-5; ~~and~~

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(2) under IC 20-49-6; and

(3) to charter and innovation network schools under IC 20-49-9.

Unless the context clearly requires otherwise, a reference to a school corporation in this chapter includes a school corporation career and technical education school described in IC 20-37-1-1. However, an advance to a school corporation career and technical education school described in IC 20-37-1-1 is not considered an advance to a school corporation for purposes of determining if the school corporation career and technical education school described in IC 20-37-1-1 qualifies for an advance.

SECTION 21. IC 20-49-9-1, AS ADDED BY P.L.213-2015, SECTION 232, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. ~~(a)~~ This chapter applies to the following:

- (1) A charter school that does not receive a pro rata share of local property tax revenue.
- (2) An innovation network school located in a school city, as defined in IC 20-25-2-12, that existed on January 1, 2015, that does not receive a pro rata share of local property tax revenue (referred to as an innovation network school in this chapter).

SECTION 22. IC 20-49-9-8, AS ADDED BY P.L.213-2015, SECTION 232, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) A school qualifies for an advance under this chapter if the school is one (1) of the following:

- (1) A charter school in its first or second year of operation.
- (2) A charter school that was placed in the "A", "B", or "C" category or designation of performance established under IC 20-31-8-3 for the most recently completed school year.
- (3) A charter school that does not receive a category or designation of performance established under IC 20-31-8-3 for the most recently completed school year.
- (4) A school that has a majority of students with developmental, intellectual, or behavioral challenges.
- (5) An innovation network school described in section ~~1(a)(2)~~ **1(2)** of this chapter.

(b) If a charter school does not qualify for an advance under subsection (a), the state board shall determine if the charter school is placed in the same or a better category or designation of performance established under IC 20-31-8-3 for the most recently completed school year than the nearest noncharter public school that is configured to teach the same grades of students as the charter school teaches. Except as provided in subsection (c), if the charter school has been placed in



the same or a better category or designation of performance, the state board shall make the advance to the charter school.

(c) If a charter school:

- (1) does not qualify for an advance under subsection (a); and
- (2) for two (2) consecutive years ~~the charter school~~ has not been placed in the same or a better category or designation of performance established under IC 20-31-8-3 for the most recently completed school year than the nearest noncharter public school that is configured to teach the same grades of students as the charter school teaches;

the charter school is not eligible for an advance, unless the charter school is placed in the "C" category or designation of performance or better established under IC 20-31-8-3 for the most recently completed school year.

SECTION 23. IC 21-13-11 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]:

Chapter 11. Science, Technology, Engineering, and Mathematics Teacher Recruitment Fund

Sec. 1. (a) After June 30, 2016, all rights, duties, or obligations established under IC 20-27-14 before its repeal are considered rights, duties, or obligations under this chapter.

(b) Any money in the science, technology, engineering, and mathematics teacher recruitment fund under IC 20-27-14-3 (before its repeal) on June 30, 2016, is considered money of the fund established under section 3 of this chapter.

Sec. 2. As used in this chapter, "fund" refers to the science, technology, engineering, and mathematics teacher recruitment fund established by section 3 of this chapter.

Sec. 3. The science, technology, engineering, and mathematics teacher recruitment fund is established. The commission shall administer the fund.

Sec. 4. The fund consists of:

- (1) appropriations made to the fund by the general assembly; and**
- (2) grants, gifts, and donations intended for deposit in the fund.**

Sec. 5. Expenses of administering the fund must be paid from money in the fund.

Sec. 6. The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that



accrues from these investments must be deposited in the fund.

Sec. 7. Money in the fund at the end of a fiscal year does not revert to the state general fund.

Sec. 8. The commission may use money in the fund to provide grants to Indiana organizations that recruit science, technology, engineering, and mathematics teachers for employment by Indiana school corporations.

Sec. 9. The commission shall establish two (2) grant programs as follows:

(1) A grant program to encourage the growth of existing organizations that recruit science, technology, engineering, and mathematics teachers.

(2) A grant program to support the establishment of programs that increase the pool of high-quality science, technology, engineering, and mathematics teachers in Indiana.

Sec. 10. The commission shall develop an application process for grants under this chapter that identifies recruiting organizations and programs:

(1) that produce high student achievement and effective and highly effective teachers; and

(2) that match science, technology, engineering, and mathematics teachers with Indiana school corporations that would otherwise encounter a shortage of qualified teachers in science, technology, engineering, and mathematics.

Sec. 11. The commission shall develop standards for evaluating recipients of grants under this chapter.

Sec. 12. A recipient of a grant under this chapter shall submit to the commission a written report concerning the recipient's compliance with the evaluation standards developed under section 11 of this chapter on the following dates:

(1) December 1 of each year.

(2) July 1 of each year.

Sec. 13. The commission shall consider the information submitted under section 12 of this chapter when evaluating a subsequent application from a recruiting organization or program. An applicant may be denied a grant under this chapter based on the information submitted under section 12 of this chapter.

SECTION 24. An emergency is declared for this act.



President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Governor of the State of Indiana

Date: _____ Time: _____

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