

First Regular Session 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.

SENATE ENROLLED ACT No. 504

AN ACT to amend the Indiana Code concerning education.

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

SECTION 1. IC 20-20-1-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 0.5. As used in this chapter, "applicable nonpublic school" refers to a nonpublic school that has one (1) or more employees.**

SECTION 2. IC 20-20-1-2, AS AMENDED BY P.L.286-2013, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 2. (a) As used in this chapter, "educational service center" means an extended agency of school corporations, charter schools, and applicable nonpublic schools that:**

- (1) operates under rules established by the state board;
- (2) is the administrative and operational unit that serves a definitive geographical boundary, which, to the extent possible, must be aligned with the boundary of a regional works council's region established under IC 20-19-6; and
- (3) allows school corporations, **charter schools, and applicable nonpublic schools** to voluntarily cooperate and share programs and services that the school corporations, **charter schools, and applicable nonpublic schools** cannot individually provide but collectively may implement.

(b) Programs and services collectively implemented through an educational service center may include, but are not limited to, the

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following:

- (1) Curriculum development.
- (2) Pupil personnel and special education services.
- (3) In-service education.
- (4) State-federal liaison services.
- (5) Instructional materials and multimedia services.
- (6) Career and technical education.
- (7) Purchasing and financial management.
- (8) Needs assessment.
- (9) Computer use.
- (10) Research and development.

SECTION 3. IC 20-20-1-5, AS ADDED BY P.L.1-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 5. An educational service center must be established under rules adopted by the state board to develop, provide, and make available to participating schools, **including participating charter schools and applicable nonpublic schools**, those services requested by the participating school corporations, **participating charter schools, and applicable nonpublic schools** and approved by the state board.

SECTION 4. IC 20-20-1-6, AS ADDED BY P.L.1-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 6. Educational service centers shall be located throughout Indiana to allow each school corporation, **charter school, and applicable nonpublic school** to have an opportunity to:

- (1) be served by; and
- (2) participate in;

an approved center on a voluntary basis by resolution of the governing body **of the school corporation, by the approval of an organizer of a charter school, or by the approval of the governing board or entity of an applicable nonpublic school.**

SECTION 5. IC 20-20-1-7, AS ADDED BY P.L.1-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 7. An educational service center shall be governed in its local administration by a board selected by an assembly comprised of the:

- (1) superintendent or the superintendent's designee from each participating school corporation;
- (2) **organizer of a charter school or the organizer's designee from each participating charter school; and**
- (3) **chief administrative officer of an applicable nonpublic school or the chief administrative officer's designee.**



SECTION 6. IC 20-42.5-2-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 0.5. As used in this chapter, "applicable nonpublic school" has the meaning set forth in IC 20-20-1-0.5.**

SECTION 7. IC 20-42.5-2-1, AS AMENDED BY P.L.286-2013, SECTION 125, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 1.** A school corporation, **charter school, or applicable nonpublic school** individually, in collaboration with other school corporations, **charter schools, or applicable nonpublic schools acting jointly**, and through the educational services centers may undertake action to reduce noninstructional expenditures and allocate the resulting savings to student instruction and learning. Actions taken under this section include the following:

(1) Pooling of resources with other school corporations, **charter schools, or applicable nonpublic schools** for liability insurance, property and casualty insurance, worker's compensation insurance, employee health insurance, vision insurance, dental insurance, or other insurance, whether by pooling risks for coverage or for the purchase of coverage, or by the creation of or participation in insurance trusts, subject to the following:

(A) School corporations, **charter schools, and applicable nonpublic schools** that elect to pool assets for coverage must create a trust under Indiana law for the assets. The trust is subject to regulation by the department of insurance as follows:

- (i) The trust must be registered with the department of insurance.
- (ii) The trust shall obtain stop loss insurance issued by an insurer authorized to do business in Indiana with an aggregate retention of not more than one hundred twenty-five percent (125%) of the amount of expected claims for the following year.
- (iii) Contributions by the school corporations, **charter schools, and applicable nonpublic schools, acting jointly**, must be set at one hundred percent (100%) of the aggregate retention plus all other costs of the trust.
- (iv) The trust shall maintain a fidelity bond in an amount approved by the department of insurance. The fidelity bond must cover each person responsible for the trust for acts of fraud or dishonesty in servicing the trust.
- (v) The trust is subject to IC 27-4-1-4.5 regarding claims



settlement practices.

(vi) The trust shall file an annual financial statement in the form required by IC 27-1-3-13 not later than March 1 of each year.

(vii) The trust is not covered by the Indiana insurance guaranty association created under IC 27-6-8. The liability of each school corporation, **charter school, and applicable nonpublic school** is joint and several.

(viii) The trust is subject to examination by the department of insurance. All costs associated with an examination shall be borne by the trust.

(ix) The department of insurance may deny, suspend, or revoke the registration of a trust if the commissioner finds that the trust is in a hazardous financial condition, the trust refuses to be examined or produce records for examination, or the trust has failed to pay a final judgment rendered against the trust by a court within thirty (30) days.

(B) The department of insurance may adopt rules under IC 4-22-2 to implement this subdivision.

(2) Electing, as an individual school corporation, **charter school or applicable nonpublic school, or** as more than one (1) school corporation, **charter school, or applicable nonpublic school** acting jointly, to aggregate purchases of natural gas commodity supply from any available natural gas commodity seller for all schools included in the aggregated purchases. A rate schedule that is:

(A) filed by a natural gas utility; and

(B) approved by the Indiana utility regulatory commission; must include provisions that allow a school corporation, ~~or school corporations,~~ **charter school, or applicable nonpublic school, or more than one (1) school corporation, charter school, or applicable nonpublic school** acting jointly, to elect to make aggregated purchases of natural gas commodity supplies. Upon request from a school corporation, **charter school, or applicable nonpublic school**, a natural gas utility shall summarize the rates and charges for providing services to each school in the school corporation, **to the charter school, or to the applicable nonpublic school, or to each school in a school corporation, charter school, and applicable nonpublic school that are acting jointly**, on one (1) summary bill for remitting payment to the utility.

(3) Consolidating purchases with other school corporations,



charter schools, applicable nonpublic schools, or units of government of the following:

- (A) School buses and other vehicles and vehicle fleets.
- (B) Fuel, maintenance, or other services for vehicles or vehicle fleets.
- (C) Food services.
- (D) Facilities management services.
- (E) Transportation management services.
- (F) Curricular materials, technology, and other school materials and supplies.
- (G) Any other purchases a school corporation, **charter school or applicable nonpublic school** may require.

Purchases may be made by contiguous school corporations, **including charter schools or applicable nonpublic schools in the contiguous school corporations,** as part of regional consolidated purchasing arrangements, or from consolidated sources under multistate cooperative bidding arrangements.

SECTION 8. IC 20-42.5-2-2, AS ADDED BY P.L.2-2007, SECTION 240, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 2. A school corporation, **charter school, or applicable nonpublic school** may use shared services arrangements with other school corporations, **charter schools, applicable nonpublic schools,** and units of government, including:

- (1) the use of shared administrative services overseeing transportation, food service, facilities, or other operations;
- (2) the use of shared administrative services to manage finance, payroll, human resources, information technology, purchasing, or other administrative services; and
- (3) the use of shared resources to provide instruction, supplemental services, extracurricular activities, or other student services.

School corporations, **charter schools, and applicable nonpublic schools** are not required to merge schools, consolidate, or otherwise relinquish control of curriculum, instruction, or student activities to use shared services arrangements.

SECTION 9. IC 20-42.5-2-4, AS ADDED BY P.L.2-2007, SECTION 240, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4. (a) Educational service centers established under IC 20-20-1 shall support and facilitate actions by school corporations **and charter schools** under this article, including by the use of an educational service center's existing cooperative agreements.

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(b) School corporations, **charter schools**, and educational service centers may use the division of finance of the department and the office of management and budget to provide technical assistance under this article.

(c) Not later than August 31 of each year, the educational service centers shall report to the state board the results of the efforts of the educational service centers under this article during the preceding school year.



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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