



February 20, 2015

SENATE BILL No. 566

DIGEST OF SB 566 (Updated February 19, 2015 2:21 pm - DI 84)

Citations Affected: IC 20-18; IC 20-19; IC 20-20; IC 20-24; IC 20-24.2; IC 20-25; IC 20-25.7; IC 20-26; IC 20-28; IC 20-29; IC 20-30; IC 20-31; IC 20-32; IC 20-33; IC 20-35; IC 20-36; IC 20-43; IC 20-51.

Synopsis: Education. Replaces ISTEP program testing with BEST testing program for school years beginning after June 30, 2016. Establishes certain procedures related to implementing the BEST program, including budget committee review. Provides that the state board of education may not adopt Common Core Standards or delegate to any higher authority the responsibility of recommending academic standards. Specifies that the state board of education is primarily responsible for assuring that necessary flexibility waivers under the federal No Child Left Behind Act are obtained in a timely fashion. Provides for innovation network school programs in school corporations other than the Indianapolis Public Schools. Extends the school performance grant program through the 2016-2017 school year, and makes changes in the calculation and use of the grant for stipends to teachers. Permits teachers to receive a supplemental amount for
(Continued next page)

Effective: Upon passage; January 1, 2015 (retroactive); June 30, 2015; July 1, 2015; July 1, 2016.

**Mishler, Kenley, Charbonneau,
Eckerty, Miller Patricia, Schneider,
Kruse, Bray**

January 20, 2015, read first time and referred to Committee on Education & Career Development.
February 12, 2015, amended, reported favorably — Do Pass; reassigned to Committee on Appropriations.
February 19, 2015, amended, reported favorably — Do Pass.

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Digest Continued

completion of certain master's degrees. Requires the department of education to establish a program to permit an individual with a major in science, technology, engineering, or mathematics and a minor in education to obtain a teaching license. Provides that a school corporation must consider certain factors in developing a performance evaluation model. Provides that a school corporation shall report its staff performance evaluation plan (plan) to the department of education (which may review the plan for efficacy) and the Indiana education employment relations board (which may review the plan for legality). Requires school employers to bring collective bargaining agreements into conformity with law, provides for oversight by the education employment relations board to bring these agreements into compliance, permits certificated employees to be paid based on adopted salary ranges rather than salary schedules, and makes other changes in collective bargaining. Provides that a school with a low student population (when compared to the average size of the student population at all schools in Indiana) may appeal a performance designation to the state board based on the insufficient size of the test group needed to determine an accurate result. Permits the governing body of a school corporation to specify that less than 50% of a stipend to a teacher from a performance grant becomes, in school years after the school year in which the stipend is awarded, a permanent part of the teacher's annual salary. Indicates that a school corporation may provide supplemental compensation to a teacher who earns a master's degree in a content area directly related to a dual placement course taught by the teacher. Specifies that a collective bargaining agreement may not prohibit a school corporation from reducing expenditures under a contract if actual revenues fall below projected revenues or expenditures exceed projected expenditures.



February 20, 2015

First Regular Session 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

SENATE BILL No. 566

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

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

1 SECTION 1. IC 20-18-2-2.3 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: **Sec. 2.3. "BEST program" refers to the**
4 **benchmarking excellence student testing program developed and**
5 **administered under IC 20-32-5.1.**

6 SECTION 2. IC 20-18-2-6, AS ADDED BY P.L.1-2005, SECTION
7 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON
8 PASSAGE]: Sec. 6. "Graduation examination" means:

9 (1) **for school years ending before July 1, 2016**, the test
10 designated by the board under the ISTEP program; **and**

11 (2) **for school years beginning after June 30, 2016**, the test
12 **designed by the board under the BEST program.**

13 SECTION 3. IC 20-18-2-10, AS ADDED BY P.L.1-2005,
14 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 UPON PASSAGE]: Sec. 10. "ISTEP program" refers to the Indiana
16 statewide testing for educational progress program developed and

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1 administered under IC 20-32-5 (**repealed effective July 1, 2016**).

2 SECTION 4. IC 20-18-2-22, AS AMENDED BY P.L.43-2014,
3 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: Sec. 22. (a) "Teacher" means a professional person
5 whose position in a school corporation requires certain educational
6 preparation and licensing and whose primary responsibility is the
7 instruction of students.

8 (b) For purposes of IC 20-28, the term includes the following:

- 9 (1) A superintendent who holds a license under IC 20-28-5.
10 (2) A principal.
11 (3) A teacher.
12 (4) A librarian.
13 (5) A school counselor.

14 **(c) For purposes of IC 20-43-10-3, the term means a professional**
15 **person whose position with a school corporation or a charter**
16 **school requires a license (as defined in IC 20-28-1-7) and whose**
17 **primary responsibility is the instruction of students. The term**
18 **includes teachers in a school corporation's or charter school's**
19 **special education program or career and technical education**
20 **program, including programs managed under IC 20-35-5,**
21 **IC 20-26-10, IC 20-37, or IC 36-1-7.**

22 SECTION 5. IC 20-19-2-8, AS AMENDED BY P.L.286-2013,
23 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 UPON PASSAGE]: Sec. 8. (a) In addition to any other powers and
25 duties prescribed by law, the state board shall adopt rules under
26 IC 4-22-2 concerning, but not limited to, the following matters:

- 27 (1) The designation and employment of the employees and
28 consultants necessary for the department. The state board shall fix
29 the compensation of employees of the department, subject to the
30 approval of the budget committee and the governor under
31 IC 4-12-2.
32 (2) The establishment and maintenance of standards and
33 guidelines for media centers, libraries, instructional materials
34 centers, or any other area or system of areas in a school where a
35 full range of information sources, associated equipment, and
36 services from professional media staff are accessible to the school
37 community. With regard to library automation systems, the state
38 board may only adopt rules that meet the standards established by
39 the state library board for library automation systems under
40 IC 4-23-7.1-11(b).
41 (3) The establishment and maintenance of standards for student
42 personnel and guidance services.



1 (4) The inspection of all public schools in Indiana to determine
 2 the condition of the schools. The state board shall establish
 3 standards governing the accreditation of public schools.

4 Observance of:

5 (A) IC 20-31-4;

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

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

8 (D) IC 20-28-11.5; and

9 (E) IC 20-31-3, **for school years ending before July 1, 2016,**

10 IC 20-32-4, IC 20-32-5 (**repealed effective July 1, 2016**), **for**

11 **school years beginning after June 30, 2016, IC 20-32-5.1,**

12 and IC 20-32-8;

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

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

22 (6) The state board may not establish an accreditation system for
 23 nonpublic schools that is less stringent than the accreditation
 24 system for public schools.

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

30 (8) The establishment and enforcement of standards and
 31 guidelines concerning the safety of students participating in
 32 cheerleading activities.

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

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

38 SECTION 6. IC 20-19-2-14, AS AMENDED BY P.L.286-2013,
 39 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 UPON PASSAGE]: Sec. 14. The state board shall do the following:

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



- 1 (2) Assess the attainment of the established goals.
 2 (3) Assure compliance with established standards and objectives.
 3 (4) Coordinate with the commission for higher education
 4 (IC 21-18-1) and the department of workforce development
 5 (IC 22-4.1-2) to develop entrepreneurship education programs for
 6 elementary and secondary education, higher education, and
 7 individuals in the work force.
 8 (5) Make recommendations to the governor and general assembly
 9 concerning the educational needs of the state, including financial
 10 needs.
 11 (6) **For school years ending before July 1, 2016**, provide for
 12 reviews to ensure the validity and reliability of the ISTEP
 13 program **and, for school years beginning after June 30, 2016,**
 14 **provide for reviews to ensure the validity and reliability of the**
 15 **BEST program.**
 16 SECTION 7. IC 20-19-2-14.5, AS AMENDED BY P.L.31-2014,
 17 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 UPON PASSAGE]: Sec. 14.5. (a) As used in this section:
 19 (1) "college and career readiness educational standards" means
 20 the **Indiana** standards that a high school graduate must meet to
 21 obtain the requisite knowledge and skill to transition without
 22 remediation to postsecondary education or training, and
 23 ultimately into a sustainable career; and
 24 (2) "cut scores" means the scores that define a student's
 25 performance on an assessment, including passing, failing, or
 26 falling into a performance category.
 27 (b) ~~Before July 1, 2014, The~~ state board shall adopt Indiana college
 28 and career readiness educational standards. ~~voiding the previously~~
 29 ~~adopted set of educational standards.~~ The educational standards must
 30 do the following:
 31 (1) Meet national and international benchmarks for college and
 32 career readiness standards and be aligned with postsecondary
 33 educational expectations.
 34 (2) Use the highest standards in the United States.
 35 (3) Comply with federal standards to receive a flexibility waiver
 36 under 20 U.S.C. 7861, as in effect on January 1, 2014.
 37 (4) Prepare Indiana students for college and career success,
 38 including the proper preparation for nationally recognized college
 39 entrance examinations such as the ACT and SAT.
 40 (5) Maintain Indiana sovereignty.
 41 (6) Provide strict safeguards to protect the confidentiality of
 42 student data.



1 (c) The department shall administer ISTEP assessments under
 2 IC 20-32-5 during the 2013-2015 biennium. During the 2015-2016
 3 school year, subject to subsection (c); the state board shall authorize the
 4 department to administer either the ISTEP assessment under
 5 IC 20-32-5 or a comparable assessment program that is aligned with
 6 the educational standards adopted by the state board under subsection
 7 (b).

8 (d) Before the state board may authorize an assessment program
 9 under subsection (c); the state board shall submit the proposed
 10 assessment program to the budget committee for review.

11 (e) (c) This subsection does not apply to an agreement with the
 12 United States Department of Education concerning a waiver from
 13 federal requirements. After June 30, 2013; The state, or the state board
 14 on behalf of the state, may not enter into or renew an agreement with
 15 any organization, entity, group, or consortium that requires the state to
 16 cede any measure of autonomy or control of education standards and
 17 assessments, including cut scores. **The state board may not adopt
 18 Common Core (Common Core State Standards Initiative) or
 19 delegate to any higher authority the responsibility of setting
 20 academic standards.**

21 (f) (d) The state board may adopt emergency rules in the manner
 22 provided in IC 4-22-2-37.1 to implement this section. As provided in
 23 IC 4-22-2-37.1 for an emergency rule adopted under this section to be
 24 effective after one (1) extension period, the rule must be adopted in
 25 conformity with the procedures under IC 4-22-2-24 through
 26 IC 4-22-2-36.

27 SECTION 8. IC 20-19-2-16, AS ADDED BY P.L.1-2005,
 28 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 UPON PASSAGE]: Sec. 16. (a) The state accepts the provisions and
 30 benefits of laws enacted by the Congress of the United States that
 31 provide for aid to children with disabilities.

32 (b) The state board is designated as the proper authority and may
 33 accept any federal funds appropriated to aid in the education of
 34 children with disabilities. The state board shall comply with all the
 35 requirements of:

- 36 (1) federal law concerning any federal funds relating to special
 37 educational activities; and
- 38 (2) any amendments to those laws or rules and regulations issued
 39 under and in conformity with those laws and not inconsistent with
 40 this chapter.

41 (c) **The state board is primarily responsible for assuring that
 42 applications for obtaining and renewing necessary flexibility**



1 waivers under Section 9401 of the federal Elementary and
 2 Secondary Education Act of 1965, as amended and reauthorized
 3 under the federal No Child Left Behind Act of 2001 and subsequent
 4 federal laws (20 U.S.C. 7861) and federal regulations promulgated
 5 to implement federal law are timely filed, the appropriate federal
 6 agencies have the documentation and other information needed to
 7 grant the flexibility waivers, and that the applications comply with
 8 the educational policies of the state board. The superintendent of
 9 public instruction and the department, under the direction of the
 10 state board, shall carry out the work necessary to obtain and renew
 11 necessary flexibility waivers.

12 SECTION 9. IC 20-19-4-10, AS AMENDED BY P.L.286-2013,
 13 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 UPON PASSAGE]: Sec. 10. The roundtable shall review and
 15 recommend to the state board for the state board's approval the
 16 following:

17 (1) The academic standards under **IC 20-19-2-14.5**, IC 20-31-3,
 18 IC 20-32-4, ~~and IC 20-32-5~~ (**repealed effective July 1, 2016**),
 19 **and IC 20-32-5.1** for all grade levels from kindergarten through
 20 grade 12.

21 (2) The content and format of the ISTEP program **for school**
 22 **years ending before July 1, 2016, and the BEST program for**
 23 **school years beginning after June 30, 2016**, including the
 24 following:

25 (A) The graduation examination.

26 (B) The passing scores required at the various grade levels
 27 tested under the ISTEP program **or the BEST program**.

28 SECTION 10. IC 20-19-4-11, AS ADDED BY P.L.1-2005,
 29 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 UPON PASSAGE]: Sec. 11. (a) In making recommendations under
 31 section 10 of this chapter, the roundtable shall consider

32 (+) a variety of available ~~national and international~~ **nationally**
 33 **recognized** assessments and tests. **The roundtable may not**
 34 **recommend Common Core (Common Core State Standards**
 35 **Initiative) or delegate to any higher authority the**
 36 **responsibility of recommending academic standards.**

37 (b) **The roundtable may not consider or recommend any of the**
 38 **following:**

39 (2) (1) The development of an assessment or a test unique to
 40 Indiana. ~~and~~

41 (3) ~~any combination of assessments or tests described under~~
 42 ~~subdivisions (1) and (2).~~



- 1 **(2) An assessment or test that does not assess student progress**
 2 **toward mastery of Indiana academic standards adopted or**
 3 **proposed by the state board.**
 4 **(3) An assessment or a test that adopts Common Core**
 5 **(Common Core State Standards Initiative).**
 6 **(4) An assessment or test that would prevent the state from**
 7 **obtaining, would terminate, or would prevent renewal of**
 8 **necessary flexibility waivers under Section 9401 of the federal**
 9 **Elementary and Secondary Education Act of 1965, as**
 10 **amended and reauthorized under the federal No Child Left**
 11 **Behind Act of 2001 and subsequent federal laws (20 U.S.C.**
 12 **7861) and federal regulations promulgated to implement**
 13 **federal law.**

14 SECTION 11. IC 20-19-4-12 IS REPEALED [EFFECTIVE UPON
 15 PASSAGE]. Sec. 12. In making recommendations under section 10 of
 16 this chapter, the roundtable shall recommend to the state board only
 17 state tests that when appropriate:

- 18 (1) present the content of each test in an interdisciplinary manner;
 19 and
 20 (2) provide each student with the opportunity to meet the
 21 academic standards in an applied manner.

22 SECTION 12. IC 20-20-8-6, AS AMENDED BY P.L.2-2007,
 23 SECTION 203, IS AMENDED TO READ AS FOLLOWS
 24 [EFFECTIVE UPON PASSAGE]: Sec. 6. A report must contain the
 25 following:

- 26 (1) The information listed in section 8 of this chapter for each of
 27 the preceding three (3) years.
 28 (2) Additional components determined under section 7(4) of this
 29 chapter.
 30 (3) Additional information or explanation that the governing body
 31 wishes to include, including the following:

32 (A) Results of nationally recognized assessments of students
 33 under programs other than the ISTEP program **or the BEST**
 34 **program** that a school corporation, including a charter school,
 35 uses to determine if students are meeting or exceeding
 36 academic standards in grades that are tested under the ISTEP
 37 program **or the BEST program.**

38 (B) Results of assessments of students under programs other
 39 than the ISTEP program **or the BEST program** that a school
 40 corporation uses to determine if students are meeting or
 41 exceeding academic standards in grades that are not tested
 42 under the ISTEP program **or the BEST program.**



- 1 (C) The number and types of staff professional development
 2 programs.
 3 (D) The number and types of partnerships with the
 4 community, business, or postsecondary education.
 5 (E) Levels of parental participation.
- 6 SECTION 13. IC 20-20-8-8, AS AMENDED BY P.L.246-2013,
 7 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 UPON PASSAGE]: Sec. 8. The report must include the following
 9 information:
- 10 (1) Student enrollment.
 11 (2) Graduation rate (as defined in IC 20-26-13-6).
 12 (3) Attendance rate.
 13 (4) The following test scores, including the number and
 14 percentage of students meeting academic standards:
 15 (A) **for school years ending before July 1, 2016**, ISTEP
 16 program test scores, **and for school years beginning after**
 17 **June 30, 2016, BEST program test scores.**
 18 (B) Scores for assessments under IC 20-32-5-21 (**repealed**
 19 **effective July 1, 2016**) for school years ending before July
 20 **1, 2016, and scores for assessments under IC 20-32-5.1-20**
 21 **for school years beginning after June 30, 2016**, if
 22 appropriate.
 23 (C) For a freeway school, scores on a locally adopted
 24 assessment program, if appropriate.
 25 (5) Average class size.
 26 (6) The number and percentage of students in the following
 27 groups or programs:
 28 (A) Alternative education, if offered.
 29 (B) Career and technical education.
 30 (C) Special education.
 31 (D) High ability.
 32 (E) Remediation.
 33 (F) Limited English language proficiency.
 34 (G) Students receiving free or reduced price lunch under the
 35 national school lunch program.
 36 (H) School flex program, if offered.
 37 (7) Advanced placement, including the following:
 38 (A) For advanced placement tests, the percentage of students:
 39 (i) scoring three (3), four (4), and five (5); and
 40 (ii) taking the test.
 41 (B) For the Scholastic Aptitude Test:
 42 (i) test scores for all students taking the test;



- 1 (ii) test scores for students completing the academic honors
 2 diploma program; and
 3 (iii) the percentage of students taking the test.
 4 (8) Course completion, including the number and percentage of
 5 students completing the following programs:
 6 (A) Academic honors diploma.
 7 (B) Core 40 curriculum.
 8 (C) Career and technical programs.
 9 (9) The percentage of grade 8 students enrolled in algebra I.
 10 (10) The percentage of graduates who pursue higher education.
 11 (11) School safety, including:
 12 (A) the number of students receiving suspension or expulsion
 13 for the possession of alcohol, drugs, or weapons;
 14 (B) the number of incidents reported under IC 20-33-9; and
 15 (C) the number of bullying incidents reported under
 16 IC 20-34-6 by category.
 17 (12) Financial information and various school cost factors,
 18 including the following:
 19 (A) Expenditures per pupil.
 20 (B) Average teacher salary.
 21 (C) Remediation funding.
 22 (13) Technology accessibility and use of technology in
 23 instruction.
 24 (14) Interdistrict and intradistrict student mobility rates, if that
 25 information is available.
 26 (15) The number and percentage of each of the following within
 27 the school corporation:
 28 (A) Teachers who are certificated employees (as defined in
 29 IC 20-29-2-4).
 30 (B) Teachers who teach the subject area for which the teacher
 31 is certified and holds a license.
 32 (C) Teachers with national board certification.
 33 (16) The percentage of grade 3 students reading at grade 3 level.
 34 (17) The number of students expelled, including the number
 35 participating in other recognized education programs during their
 36 expulsion.
 37 (18) Chronic absenteeism, which includes the number of students
 38 who have been absent from school for ten percent (10%) or more
 39 of a school year for any reason.
 40 (19) Habitual truancy, which includes the number of students who
 41 have been absent ten (10) days or more from school within a
 42 school year without being excused or without being absent under



- 1 a parental request that has been filed with the school.
- 2 (20) The number of students who have dropped out of school,
- 3 including the reasons for dropping out.
- 4 (21) The number of student work permits revoked.
- 5 (22) The number of student driver's licenses revoked.
- 6 (23) The number of students who have not advanced to grade 10
- 7 due to a lack of completed credits.
- 8 (24) The number of students suspended for any reason.
- 9 (25) The number of students receiving an international
- 10 baccalaureate diploma.
- 11 (26) Other indicators of performance as recommended by the
- 12 education roundtable under IC 20-19-4.
- 13 SECTION 14. IC 20-20-13-9, AS AMENDED BY P.L.133-2012,
- 14 SECTION 188, IS AMENDED TO READ AS FOLLOWS
- 15 [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) This section applies to the
- 16 4R's technology program described in section 6(a)(1) of this chapter.
- 17 (b) In addition to any other funds available under this chapter, if
- 18 state funds are transferred under IC 20-32-5-19 (**repealed July 1,**
- 19 **2016**) to the 4R's technology program:
- 20 (1) those funds do not revert to the state general fund;
- 21 (2) those funds shall be made available to the 4R's technology
- 22 program under this chapter; and
- 23 (3) the department, upon approval by the governor and the budget
- 24 agency, shall use those funds to award grants under this section.
- 25 (c) To be eligible to receive a grant under the program, a school
- 26 corporation must comply with the following:
- 27 (1) The school corporation must apply to the department for a
- 28 grant on behalf of a school within the school corporation to
- 29 purchase technology equipment.
- 30 (2) The school corporation must certify the following:
- 31 (A) That the school will provide every kindergarten and grade
- 32 1 student at that school the opportunity to learn reading,
- 33 writing, and arithmetic using technology.
- 34 (B) That the school will provide daily before or after school
- 35 technology laboratories for students in grades 1 through 3 who
- 36 have been identified as needing remediation in reading,
- 37 writing, or arithmetic.
- 38 (C) That the school will provide additional technology
- 39 opportunities, that may include Saturday sessions, for students
- 40 in other grade levels to use the technology laboratories for
- 41 remediation in reading, writing, arithmetic, or mathematics.
- 42 (D) That the school will provide technology opportunities to



- 1 students that attend remediation programs under IC 20-32-8 (if
 2 the school corporation is required to do so) or any other
 3 additional summer programs.
 4 (E) That the school corporation, either through its own or the
 5 school's initiative, is able to provide a part of the costs
 6 attributable to purchasing the necessary technology equipment.
 7 (3) The school corporation must include in the application the
 8 sources of and the amount of money secured under subdivision
 9 (2)(E).
 10 (4) The school corporation or the school must:
 11 (A) provide teacher training services; or
 12 (B) use vendor provided teacher training services.
 13 (5) The school corporation must give primary consideration to the
 14 purchase of technology equipment that includes teacher training
 15 services.
 16 (6) The teachers who will be using the technology equipment
 17 must support the initiative described in this chapter.
 18 (d) Upon review of the applications by the department, the
 19 satisfaction of the requirements set forth in subsection (c), and subject
 20 to the availability of funds for this purpose, the department shall award
 21 to each eligible school corporation a grant to purchase technology
 22 equipment under section 6(a)(1) of this chapter.
 23 (e) The department shall monitor the compliance by the school
 24 corporations receiving grants of the matters cited in subsection (c).
 25 SECTION 15. IC 20-24-4-1, AS AMENDED BY THE
 26 TECHNICAL CORRECTIONS BILL OF THE 2015 GENERAL
 27 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 UPON PASSAGE]: Sec. 1. (a) A charter must meet the following
 29 requirements:
 30 (1) Be a written instrument.
 31 (2) Be executed by an authorizer and an organizer.
 32 (3) Confer certain rights, franchises, privileges, and obligations
 33 on a charter school.
 34 (4) Confirm the status of a charter school as a public school.
 35 (5) Be granted for:
 36 (A) not less than three (3) years *or more than seven (7) years*;
 37 and
 38 (B) a fixed number of years agreed to by the authorizer and the
 39 organizer.
 40 (6) Provide for the following:
 41 (A) A review by the authorizer of the charter school's
 42 performance, including the progress of the charter school in



- 1 achieving the academic goals set forth in the charter, at least
 2 one (1) time in each five (5) year period while the charter is in
 3 effect.
 4 (B) Renewal, if the authorizer and the organizer agree to renew
 5 the charter.
 6 (C) The renewal application must include guidance from the
 7 authorizer, and the guidance must include the performance
 8 criteria that will guide the authorizer's renewal decisions.
 9 (D) The renewal application process must, at a minimum,
 10 provide an opportunity for the charter school to:
 11 (i) present additional evidence, beyond the data contained in
 12 the performance report, supporting its case for charter
 13 renewal;
 14 (ii) describe improvements undertaken or planned for the
 15 charter school; and
 16 (iii) detail the charter school's plans for the next charter
 17 term.
 18 (E) Not later than October 1 in the year in which the charter
 19 school seeks renewal of a charter, the governing board of a
 20 charter school seeking renewal shall submit a renewal
 21 application to the charter authorizer under the renewal
 22 application guidance issued by the authorizer. The authorizer
 23 shall make a final ruling on the renewal application not later
 24 than March 1 after the filing of the renewal application. The
 25 March 1 deadline does not apply to any review or appeal of a
 26 final ruling. After the final ruling is issued, the charter school
 27 may obtain further review by the authorizer of the authorizer's
 28 final ruling in accordance with the terms of the charter school's
 29 charter and the protocols of the authorizer.
 30 (7) Specify the grounds for the authorizer to:
 31 (A) revoke the charter before the end of the term for which the
 32 charter is granted; or
 33 (B) not renew a charter.
 34 (8) Set forth the methods by which the charter school will be held
 35 accountable for achieving the educational mission and goals of
 36 the charter school, including the following:
 37 (A) Evidence of improvement in:
 38 (i) assessment measures, including **for school years ending**
 39 **before July 1, 2016**, the ISTEP, **for school years beginning**
 40 **after June 30, 2016**, BEST, and end of course assessments;
 41 (ii) attendance rates;
 42 (iii) graduation rates (if appropriate);



- 1 (iv) increased numbers of Core 40 diplomas and other
 2 college and career ready indicators including advanced
 3 placement participation and passage, dual credit
 4 participation and passage, and International Baccalaureate
 5 participation and passage (if appropriate);
 6 (v) increased numbers of academic honors and technical
 7 honors diplomas (if appropriate);
 8 (vi) student academic growth;
 9 (vii) financial performance and stability; and
 10 (viii) governing board performance and stewardship,
 11 including compliance with applicable laws, rules and
 12 regulations, and charter terms.
- 13 (B) Evidence of progress toward reaching the educational
 14 goals set by the organizer.
- 15 (9) Describe the method to be used to monitor the charter
 16 school's:
- 17 (A) compliance with applicable law; and
 18 (B) performance in meeting targeted educational performance.
- 19 (10) Specify that the authorizer and the organizer may amend the
 20 charter during the term of the charter by mutual consent and
 21 describe the process for amending the charter.
- 22 (11) Describe specific operating requirements, including all the
 23 matters set forth in the application for the charter.
- 24 (12) Specify a date when the charter school will:
- 25 (A) begin school operations; and
 26 (B) have students attending the charter school.
- 27 (13) Specify that records of a charter school relating to the
 28 school's operation and charter are subject to inspection and
 29 copying to the same extent that records of a public school are
 30 subject to inspection and copying under IC 5-14-3.
- 31 (14) Specify that records provided by the charter school to the
 32 department or authorizer that relate to compliance by the
 33 organizer with the terms of the charter or applicable state or
 34 federal laws are subject to inspection and copying in accordance
 35 with IC 5-14-3.
- 36 (15) Specify that the charter school is subject to the requirements
 37 of IC 5-14-1.5.
- 38 *(16) This subdivision applies to a charter established or renewed*
 39 *for an adult high school after June 30, 2014. The charter must*
 40 *require:*
- 41 *(A) that the school will offer flexible scheduling;*
 42 *(B) that students will not complete the majority of instruction*



1 *of the school's curriculum online or through remote*
 2 *instruction;*

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

7 *(D) a plan:*

8 *(i) to support successful program completion and to assist*
 9 *transition of graduates to the workforce or to a*
 10 *postsecondary education upon receiving a diploma from the*
 11 *adult high school; and*

12 *(ii) to review individual student accomplishments and*
 13 *success after a student receives a diploma from the adult*
 14 *high school.*

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

19 SECTION 16. IC 20-24-8-5, AS AMENDED BY P.L.160-2012,
 20 SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 UPON PASSAGE]: Sec. 5. The following statutes and rules and
 22 guidelines adopted under the following statutes apply to a charter
 23 school:

- 24 (1) IC 5-11-1-9 (required audits by the state board of accounts).
 25 (2) IC 20-39-1-1 (unified accounting system).
 26 (3) IC 20-35 (special education).
 27 (4) IC 20-26-5-10 (criminal history).
 28 (5) IC 20-26-5-6 (subject to laws requiring regulation by state
 29 agencies).
 30 (6) IC 20-28-10-12 (nondiscrimination for teacher marital status).
 31 (7) IC 20-28-10-14 (teacher freedom of association).
 32 (8) IC 20-28-10-17 (school counselor immunity).
 33 (9) For conversion charter schools only, IC 20-28-6, IC 20-28-7.5,
 34 IC 20-28-8, IC 20-28-9, and IC 20-28-10.
 35 (10) IC 20-33-2 (compulsory school attendance).
 36 (11) IC 20-33-3 (limitations on employment of children).
 37 (12) IC 20-33-8-19, IC 20-33-8-21, and IC 20-33-8-22 (student
 38 due process and judicial review).
 39 (13) IC 20-33-8-16 (firearms and deadly weapons).
 40 (14) IC 20-34-3 (health and safety measures).
 41 (15) IC 20-33-9 (reporting of student violations of law).
 42 (16) IC 20-30-3-2 and IC 20-30-3-4 (patriotic commemorative



- 1 observances).
- 2 (17) IC 20-31-3, **for school years ending before July 1, 2016,**
- 3 **IC 20-32-4, IC 20-32-5 (repealed effective July 1, 2016), for**
- 4 **school years beginning after June 30, 2016, IC 20-32-5.1,**
- 5 **IC 20-32-8, and IC 20-32-8.5, as provided in IC 20-32-8.5-2(b)**
- 6 **(academic standards, accreditation, assessment, and remediation).**
- 7 (18) IC 20-33-7 (parental access to education records).
- 8 (19) IC 20-31 (accountability for school performance and
- 9 improvement).
- 10 (20) IC 20-30-5-19 (personal financial responsibility instruction).
- 11 SECTION 17. IC 20-24-9-2, AS AMENDED BY P.L.33-2014,
- 12 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 13 UPON PASSAGE]: Sec. 2. An annual report under this chapter must
- 14 contain the following information:
- 15 (1) Results of all standardized testing, including **for school years**
- 16 **ending before July 1, 2016, ISTEP program testing, for school**
- 17 **years beginning after June 30, 2016, BEST program testing,**
- 18 **end of course assessments, and any other assessments used for**
- 19 **each authorized school.**
- 20 (2) Student growth and improvement data for each authorized
- 21 school.
- 22 (3) Attendance rates for each authorized school.
- 23 (4) Graduation rates (if appropriate), including attainment of Core
- 24 40 and academic honors diplomas for each authorized school.
- 25 (5) Student enrollment data for each authorized school, including
- 26 the following:
- 27 (A) The number of students enrolled.
- 28 (B) The number of students expelled.
- 29 (6) Status of the authorizer's charter schools, identifying each of
- 30 the authorizer's charter schools that are in the following
- 31 categories:
- 32 (A) Approved but not yet open.
- 33 (B) Open and operating.
- 34 (C) Closed or having a charter that was not renewed,
- 35 including:
- 36 (i) the year closed or not renewed; and
- 37 (ii) the reason for the closure or nonrenewal.
- 38 (7) Names of the authorizer's board members or ultimate decision
- 39 making body.
- 40 (8) Evidence that the authorizer is in compliance with
- 41 IC 20-24-2.2-1.5.
- 42 (9) A report summarizing the total amount of administrative fees



1 collected by the authorizer and how the fees were expended, if
2 applicable.

3 (10) Total amount of other fees or funds not included in the report
4 under subdivision (9) received by the authorizer from a charter
5 school and how the fees or funds were expended.

6 (11) The most recent audits for each authorized school submitted
7 to the authorizer under IC 5-11-1-9.

8 SECTION 18. IC 20-24.2-4-3, AS ADDED BY P.L.201-2013,
9 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 UPON PASSAGE]: Sec. 3. (a) Except as specifically provided in this
11 article and section 4 of this chapter, the following provisions of this
12 title and a rule or guideline adopted by the state board under one (1) of
13 the following provisions of this title do not apply to a qualified district
14 or qualified high school:

15 (1) Provisions that do not apply to school corporations in general.

16 (2) IC 20-20 (programs administered by the state), except for
17 IC 20-20-1 (educational service centers) and IC 20-20-8 (school
18 corporation annual performance report).

19 (3) IC 20-28 (school teachers), except for IC 20-28-3-4 (teacher
20 continuing education), IC 20-28-4-8 (hiring of transition to
21 teaching participants; restrictions), IC 20-28-4-11 (transition to
22 teaching participants; school corporation or subject area;
23 transition to teaching permit), IC 20-28-5-8 (conviction of certain
24 felonies; notice and hearing; permanent revocation of license;
25 data base of school employees who have been reported),
26 IC 20-28-6 (teacher contracts), IC 20-28-7.5 (cancellation of
27 teacher contracts), IC 20-28-8 (contracts with school
28 administrators), IC 20-28-9 (teacher salary and related payments),
29 IC 20-28-10 (conditions of employment), and IC 20-28-11.5 (staff
30 performance evaluations).

31 (4) IC 20-30 (curriculum), except for IC 20-30-3-2 and
32 IC 20-30-3-4 (patriotic commemorative observances),
33 IC 20-30-5-13 (human sexuality instructional requirements),
34 IC 20-30-5-17 (access to materials relating to personal analysis,
35 evaluation, or survey of students; consent for participation), and
36 IC 20-30-5-19 (personal financial responsibility instruction).

37 (5) IC 20-32 (student standards, assessments, and performance),
38 except for IC 20-32-4 (graduation requirements), **for school**
39 **years ending before July 1, 2016**, IC 20-32-5 (Indiana statewide
40 testing for educational progress) (**repealed effective July 1,**
41 **2016**), **for school years beginning after June 30, 2016,**
42 **IC 20-32-5.1 (benchmarking excellence student testing),** and



- 1 IC 20-32-8 (remediation).
 2 (6) IC 20-36 (high ability students).
 3 (7) IC 20-37 (career and technical education).
 4 (b) Notwithstanding any other law, a school corporation may not
 5 receive a decrease in state funding based upon the school corporation's
 6 status as a qualified district or the status of a high school within the
 7 school corporation as a qualified high school, or because of the
 8 implementation of a waiver of a statute or rule that is allowed to be
 9 waived by a qualified district or qualified high school.
- 10 SECTION 19. IC 20-24.2-4-4, AS ADDED BY P.L.201-2013,
 11 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 UPON PASSAGE]: Sec. 4. The following provisions of this title and
 13 rules and guidelines adopted under the following provisions of this title
 14 apply to a qualified district or qualified high school:
- 15 IC 20-20-1 (educational service centers).
 16 IC 20-20-8 (school corporation annual performance report).
 17 IC 20-23 (organization of school corporations).
 18 IC 20-26 (school corporation general administrative provisions).
 19 IC 20-27 (school transportation).
 20 IC 20-28-3-4 (teacher continuing education).
 21 IC 20-28-4-8 (hiring of transition to teaching participants;
 22 restrictions).
 23 IC 20-28-4-11 (transition to teaching participants; school
 24 corporation or subject area; transition to teaching permit).
 25 IC 20-28-5-8 (conviction of certain felonies; notice and hearing;
 26 permanent revocation of license; data base of school employees
 27 who have been reported).
 28 IC 20-28-6 (teacher contracts).
 29 IC 20-28-7.5 (cancellation of teacher contracts).
 30 IC 20-28-8 (contracts with school administrators).
 31 IC 20-28-9 (teacher salary and related payments).
 32 IC 20-28-10 (conditions of employment).
 33 IC 20-28-11.5 (staff performance evaluations).
 34 IC 20-29 (collective bargaining for teachers).
 35 IC 20-30-3-2 and IC 20-30-3-4 (patriotic commemorative
 36 observances).
 37 IC 20-30-5-13 (human sexuality instructional requirements).
 38 IC 20-30-5-17 (access to materials relating to personal analysis,
 39 evaluation, or survey of students; consent for participation).
 40 IC 20-30-5-19 (personal financial responsibility instruction).
 41 IC 20-31 (accountability for school performance and
 42 improvement).



1 IC 20-32-4, **for school years ending before July 1, 2016,**
 2 IC 20-32-5 (**repealed effective July 1, 2016**), **for school years**
 3 **beginning after June 30, 2016, IC 20-32-5.1,** and IC 20-32-8
 4 (accreditation, assessment, and remediation), or any other statute,
 5 rule, or guideline related to standardized assessments.
 6 IC 20-33 (students: general provisions).
 7 IC 20-34-3 (health and safety measures).
 8 IC 20-35 (special education).
 9 IC 20-39 (accounting and financial reporting procedures).
 10 IC 20-40 (government funds and accounts).
 11 IC 20-41 (extracurricular funds and accounts).
 12 IC 20-42.5 (allocation of expenditures to student instruction).
 13 IC 20-43 (state tuition support).
 14 IC 20-44 (property tax levies).
 15 IC 20-45 (general fund levies).
 16 IC 20-46 (levies other than general fund levies).
 17 IC 20-47 (related entities; holding companies; lease agreements).
 18 IC 20-48 (borrowing and bonds).
 19 IC 20-49 (state management of common school funds; state
 20 advances and loans).
 21 IC 20-50 (homeless children and foster care children).
 22 SECTION 20. IC 20-25-3-6, AS ADDED BY P.L.1-2005,
 23 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 UPON PASSAGE]: Sec. 6. (a) A member of a standing committee of
 25 the board provided for by the board's rules shall be appointed by the
 26 president within three (3) weeks after the president's election to the
 27 office of president.
 28 (b) Subject to the limitations in this chapter, the board may fix the
 29 salaries of each officer and employee of the board.
 30 (c) The board in:
 31 (1) electing and choosing a general superintendent; and
 32 (2) employing agents and employees that the board considers
 33 necessary to conduct the business of the school city;
 34 shall choose individuals whose qualifications peculiarly fit the
 35 positions the individuals will occupy.
 36 (d) The board shall contract for and establish the amount of salary
 37 or compensation to be paid to each officer, agent, and employee chosen
 38 or elected by the board. The board shall adopt a ~~schedule of salaries~~
 39 **compensation plan that specifies the salary range** that the board
 40 considers proper, and for the purpose of establishing a ~~salary schedule;~~
 41 **compensation plan**, the board may divide teachers, principals, and
 42 other employees into classes based upon efficiency, qualifications,



1 experience, and responsibility. Each principal, teacher, or employee in
 2 a class shall receive the same regular salary given to each of the other
 3 members of the same class, subject to the provisions of this article.

4 (e) The board may:

5 (1) by rule fix the time and the number of meetings of the board,
 6 except that one (1) regular meeting must be held in each calendar
 7 month; and

8 (2) make, amend, and repeal bylaws and rules for:

9 (A) the board's own procedure; and

10 (B) the government and management of:

11 (i) the board's schools; and

12 (ii) property under the board's control.

13 SECTION 21. IC 20-25.7 IS ADDED TO THE INDIANA CODE
 14 AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE
 15 UPON PASSAGE]:

16 **ARTICLE 25.7. INNOVATION NETWORK SCHOOLS;
 17 SCHOOL CORPORATIONS OTHER THAN SCHOOL CITIES**

18 **Chapter 1. Applicability**

19 **Sec. 1. This article applies to all school corporations, except a
 20 school city (as defined in IC 20-25-2-12).**

21 **Chapter 2. Definitions**

22 **Sec. 1. The definitions in this chapter apply throughout this
 23 article.**

24 **Sec. 2. "Board" refers to the governing body (as defined in
 25 IC 20-18-2-5) of a school corporation.**

26 **Sec. 3. "Eligible school" means a school that is part of a school
 27 corporation.**

28 **Sec. 4. "Innovation network school" means a school operated by
 29 a school management team under this article.**

30 **Sec. 5. "Participating innovation network charter school"
 31 means a charter school whose organizer enters into an agreement
 32 under IC 20-25.5-5 to have the charter school participate as an
 33 innovation network school.**

34 **Sec. 6. "School management team" means an entity responsible
 35 for the operations of an innovation network school within a school
 36 corporation.**

37 **Chapter 3. Establishment of Innovation Network Schools**

38 **Sec. 1. An innovation network school is subject to all federal and
 39 state laws and constitutional provisions that prohibit
 40 discrimination on the basis of the following:**

41 (1) Disability.

42 (2) Race.



- 1 **(3) Color.**
- 2 **(4) Gender.**
- 3 **(5) National origin.**
- 4 **(6) Religion.**
- 5 **(7) Ancestry.**

6 **Sec. 2. (a) The board may enter into an agreement with a school**
 7 **management team:**

- 8 **(1) to establish an innovation network school, as determined**
 9 **by the board; or**
- 10 **(2) to reconstitute an eligible school as an innovation network**
 11 **school.**

12 **The school management team for an eligible school that is**
 13 **reconstituted as an innovation network school may consist of or**
 14 **include the principal and other individuals who were employed at**
 15 **the eligible school before the agreement is entered.**

16 **(b) The terms of the agreement must specify the following:**

- 17 **(1) A statement that the innovation network school is**
 18 **considered to be part of the school corporation and not**
 19 **considered a separate local educational agency.**
- 20 **(2) A statement that the school management team authorizes**
 21 **the department to include the innovation network school's**
 22 **performance assessment results under IC 20-31-8 when**
 23 **calculating the school corporation's performance assessment**
 24 **under rules adopted by the state board.**
- 25 **(3) The amount of state and federal funding, including tuition**
 26 **support, and money levied as property taxes that will be**
 27 **distributed by the school corporation to the innovation**
 28 **network school.**
- 29 **(4) The performance goals and accountability metrics agreed**
 30 **upon for the innovation network school.**
- 31 **(5) Grounds for termination of the agreement, including the**
 32 **right of termination if the school management team fails to:**
 - 33 **(A) comply with the conditions or procedures established**
 34 **in the agreement;**
 - 35 **(B) meet generally accepted fiscal management and**
 36 **government accounting principles;**
 - 37 **(C) comply with applicable laws; or**
 - 38 **(D) meet the educational goals set forth in the agreement**
 39 **between the board and the school management team.**

40 **(c) If an agreement is entered into under subsection (a), the**
 41 **board shall notify the department that an agreement has been**
 42 **made under this section within thirty (30) days after the agreement**



1 is entered into.

2 (d) Upon receipt of the notification under subsection (c), the
3 department shall, for school years starting after the date of the
4 agreement:

5 (1) include the innovation network school's performance
6 assessment results under IC 20-31-8 when calculating the
7 school corporation's performance assessment under rules
8 adopted by the state board; and

9 (2) treat the innovation network school in the same manner as
10 a school operated by the school corporation when calculating
11 the total amount of state and federal funding to be distributed
12 to the school corporation.

13 A school corporation and an innovation network school are not
14 entitled to any state funding in addition to the amount the school
15 corporation and school would otherwise be eligible to receive if the
16 innovation network school were a public school maintained by the
17 school corporation.

18 **Sec. 3. (a) For as long as the school management team operates
19 the innovation network school:**

20 (1) the school management team may use the school building,
21 the accompanying real property, and the building's contents,
22 equipment, and supplies, as provided in the agreement
23 established in section 2 of this chapter; and

24 (2) the school corporation may:

25 (A) provide transportation for students attending the
26 innovation network school; and

27 (B) maintain and repair the buildings and grounds
28 consistent with the maintenance and repair to the school
29 corporation's other buildings and grounds.

30 (b) If the school management team contracts with a school
31 corporation for goods or services, the school corporation may not
32 charge the school management team more for the goods or services
33 than the school corporation pays for the goods or services.

34 (c) For as long as the school management team operates the
35 innovation network school, the school corporation may distribute
36 money levied as property taxes to the school management team.
37 Property taxes distributed to a management team must be used
38 only for a purpose for which the property taxes could have been
39 used by the school corporation. Property taxes distributed under
40 this subsection may supplement services and property provided
41 under subsection (a) or (b). A school corporation may modify an
42 agreement described in section 2 of this chapter to implement this



- 1 subsection.
- 2 Sec. 4. (a) The school management team shall have full
3 operational autonomy to run the innovation network school as
4 provided in the agreement described in section 2 of this chapter.
- 5 (b) A school management team that operates an innovation
6 network school under this chapter shall make all personnel
7 decisions in the innovation network school. The certificated
8 employees in an innovation network school may elect, as a group,
9 by majority vote of all certificated employees in the innovation
10 network school, to either:
- 11 (1) have the collectively bargained agreement applicable to
12 other certificated employees in the school corporation outside
13 the innovation network school apply to the certificated
14 employees in the innovation network school; or
- 15 (2) organize and collectively bargain separately under
16 IC 20-29 from other certificated employees in the school
17 corporation outside the innovation network school.
- 18 (c) Individuals employed by an innovation network school are
19 entitled to participate in either:
- 20 (1) the state teachers' retirement fund created under
21 IC 5-10.4; or
- 22 (2) the public employees' retirement fund created under
23 IC 5-10.3.
- 24 Sec. 5. (a) Except as otherwise provided in this article, the
25 following do not apply to an innovation network school:
- 26 (1) An Indiana statute applicable to a governing body or
27 school corporation.
- 28 (2) A rule or guideline adopted by the state board.
- 29 (3) A rule or guideline adopted by the state board concerning
30 teachers, except for those rules that assist a teacher in gaining
31 or renewing a standard or advanced license.
- 32 (4) A local regulation or policy adopted by a school
33 corporation unless specifically incorporated in the agreement
34 described in section 2 of this chapter.
- 35 (b) Except as otherwise provided in this article, the following
36 statutes apply to an innovation network school:
- 37 (1) IC 20-24-8-5 (statutes applicable to charter schools).
- 38 (2) IC 20-30 (curriculum).
- 39 (3) IC 20-24-6 (employment of teachers and other personnel
40 in charter schools).
- 41 (4) IC 20-28-11.5 (staff performance evaluations).
- 42 Sec. 6. (a) Any student who lives in the attendance area served



1 by a school that is operated as an innovation network school under
 2 this chapter may attend the innovation network school. The
 3 innovation network school may not refuse enrollment to a student
 4 who lives in the attendance area.

5 (b) This subsection applies if the number of applications for a
 6 program, class, grade level, or building exceeds the capacity of the
 7 program, class, grade level, or building. If an innovation network
 8 school receives a greater number of applications than there are
 9 spaces for students, each timely applicant must be given an equal
 10 chance of admission.

11 Sec. 7. The school management team and the board shall hold
 12 a joint public meeting at least two (2) times each year to discuss
 13 issues and progress concerning the innovation network school.

14 Sec. 8. The board shall develop a program to provide support to
 15 teachers and administrators who wish to establish an innovation
 16 network school.

17 Chapter 4. Participation of Charter School as an Innovation
 18 Network School

19 Sec. 1. Except as expressly provided in this article, a
 20 participating innovation network charter school remains subject
 21 to all state laws that govern charter schools.

22 Sec. 2. (a) Notwithstanding IC 20-26-7-1, the board may enter
 23 into an agreement with an organizer to establish a participating
 24 innovation network charter school within a vacant, underutilized,
 25 or underenrolled school building, as determined by the board.

26 (b) The terms of the agreement entered into between the board
 27 and an organizer must specify the following:

28 (1) A statement that the organizer authorizes the department
 29 to include the charter school's performance assessment results
 30 under IC 20-31-8 when calculating the school corporation's
 31 performance assessment under rules adopted by the state
 32 board.

33 (2) The amount of state funding, including tuition support,
 34 and money levied as property taxes that will be distributed by
 35 the school corporation to the organizer.

36 (3) The performance goals and accountability metrics agreed
 37 upon for the charter school in the charter agreement between
 38 the organizer and the authorizer.

39 (c) If an organizer and the board enter into an agreement under
 40 subsection (a), the organizer and the board shall notify the
 41 department that the agreement has been made under this section
 42 within thirty (30) days after the agreement is entered into.



1 **(d) Upon receipt of the notification under subsection (c), the**
 2 **department shall, for school years starting after the date of the**
 3 **agreement:**

4 **(1) include the participating innovation network charter**
 5 **school's performance assessment results under IC 20-31-8**
 6 **when calculating the school corporation's performance**
 7 **assessment under rules adopted by the state board; and**

8 **(2) treat the participating innovation network charter school**
 9 **in the same manner as a school operated by the school**
 10 **corporation when calculating the total amount of state**
 11 **funding to be distributed to the school corporation.**

12 **Sec. 3. (a) For as long as the charter school remains a**
 13 **participating innovation network charter school, the school**
 14 **corporation may:**

15 **(1) provide transportation for students attending the**
 16 **participating innovation network charter school; and**

17 **(2) maintain and repair the buildings and grounds used by the**
 18 **participating innovation network charter school consistent**
 19 **with the maintenance and repair to the school corporation's**
 20 **other buildings and grounds.**

21 **(b) If an organizer contracts with a school corporation for goods**
 22 **or services, the school corporation may not charge the organizer**
 23 **more for the goods or services than the school corporation pays for**
 24 **the goods or services.**

25 **(c) For as long as the charter school remains a participating**
 26 **innovation network charter school, the school corporation may**
 27 **distribute money levied as property taxes to the charter school.**
 28 **Property taxes distributed to a charter school must be used only**
 29 **for a purpose for which the property taxes could have been used by**
 30 **the school corporation. Property taxes distributed under this**
 31 **subsection may supplement services and property provided under**
 32 **subsection (a) or (b). A school corporation may modify an**
 33 **agreement described in section 2 of this chapter to implement this**
 34 **subsection.**

35 **Sec. 4. An employee of a school corporation who provides**
 36 **services to a participating innovation network charter school under**
 37 **this article remains an employee of the school corporation.**

38 SECTION 22. IC 20-26-5-4, AS AMENDED BY P.L.2-2014,
 39 SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 UPON PASSAGE]: Sec. 4. (a) In carrying out the school purposes of
 41 a school corporation, the governing body acting on the school
 42 corporation's behalf has the following specific powers:



- 1 (1) In the name of the school corporation, to sue and be sued and
 2 to enter into contracts in matters permitted by applicable law.
 3 However, a governing body may not use funds received from the
 4 state to bring or join in an action against the state, unless the
 5 governing body is challenging an adverse decision by a state
 6 agency, board, or commission.
- 7 (2) To take charge of, manage, and conduct the educational affairs
 8 of the school corporation and to establish, locate, and provide the
 9 necessary schools, school libraries, other libraries where
 10 permitted by law, other buildings, facilities, property, and
 11 equipment.
- 12 (3) To appropriate from the school corporation's general fund an
 13 amount, not to exceed the greater of three thousand dollars
 14 (\$3,000) per budget year or one dollar (\$1) per pupil, not to
 15 exceed twelve thousand five hundred dollars (\$12,500), based on
 16 the school corporation's ADM of the previous year (as defined in
 17 IC 20-43-1-7) to promote the best interests of the school
 18 corporation through:
- 19 (A) the purchase of meals, decorations, memorabilia, or
 - 20 awards;
 - 21 (B) provision for expenses incurred in interviewing job
 - 22 applicants; or
 - 23 (C) developing relations with other governmental units.
- 24 (4) To do the following:
- 25 (A) Acquire, construct, erect, maintain, hold, and contract for
 - 26 construction, erection, or maintenance of real estate, real estate
 - 27 improvements, or an interest in real estate or real estate
 - 28 improvements, as the governing body considers necessary for
 - 29 school purposes, including buildings, parts of buildings,
 - 30 additions to buildings, rooms, gymnasiums, auditoriums,
 - 31 playgrounds, playing and athletic fields, facilities for physical
 - 32 training, buildings for administrative, office, warehouse, repair
 - 33 activities, or housing school owned buses, landscaping, walks,
 - 34 drives, parking areas, roadways, easements and facilities for
 - 35 power, sewer, water, roadway, access, storm and surface
 - 36 water, drinking water, gas, electricity, other utilities and
 - 37 similar purposes, by purchase, either outright for cash (or
 - 38 under conditional sales or purchase money contracts providing
 - 39 for a retention of a security interest by the seller until payment
 - 40 is made or by notes where the contract, security retention, or
 - 41 note is permitted by applicable law), by exchange, by gift, by
 - 42 devise, by eminent domain, by lease with or without option to



- 1 purchase, or by lease under IC 20-47-2, IC 20-47-3, or
 2 IC 20-47-5.
- 3 (B) Repair, remodel, remove, or demolish, or to contract for
 4 the repair, remodeling, removal, or demolition of the real
 5 estate, real estate improvements, or interest in the real estate
 6 or real estate improvements, as the governing body considers
 7 necessary for school purposes.
- 8 (C) Provide for conservation measures through utility
 9 efficiency programs or under a guaranteed savings contract as
 10 described in IC 36-1-12.5.
- 11 (5) To acquire personal property or an interest in personal
 12 property as the governing body considers necessary for school
 13 purposes, including buses, motor vehicles, equipment, apparatus,
 14 appliances, books, furniture, and supplies, either by cash purchase
 15 or under conditional sales or purchase money contracts providing
 16 for a security interest by the seller until payment is made or by
 17 notes where the contract, security, retention, or note is permitted
 18 by applicable law, by gift, by devise, by loan, or by lease with or
 19 without option to purchase and to repair, remodel, remove,
 20 relocate, and demolish the personal property. All purchases and
 21 contracts specified under the powers authorized under subdivision
 22 (4) and this subdivision are subject solely to applicable law
 23 relating to purchases and contracting by municipal corporations
 24 in general and to the supervisory control of state agencies as
 25 provided in section 6 of this chapter.
- 26 (6) To sell or exchange real or personal property or interest in real
 27 or personal property that, in the opinion of the governing body, is
 28 not necessary for school purposes, in accordance with IC 20-26-7,
 29 to demolish or otherwise dispose of the property if, in the opinion
 30 of the governing body, the property is not necessary for school
 31 purposes and is worthless, and to pay the expenses for the
 32 demolition or disposition.
- 33 (7) To lease any school property for a rental that the governing
 34 body considers reasonable or to permit the free use of school
 35 property for:
- 36 (A) civic or public purposes; or
- 37 (B) the operation of a school age child care program for
 38 children who are at least five (5) years of age and less than
 39 fifteen (15) years of age that operates before or after the school
 40 day, or both, and during periods when school is not in session;
 41 if the property is not needed for school purposes. Under this
 42 subdivision, the governing body may enter into a long term lease



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

12 (8) To do the following:

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

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

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

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

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

39 The compensation, terms of employment, and discharge of
 40 teachers are, however, subject to and governed by the laws
 41 relating to employment, contracting, compensation, and discharge
 42 of teachers. The compensation, terms of employment, and



- 1 discharge of bus drivers are subject to and governed by laws
2 relating to employment, contracting, compensation, and discharge
3 of bus drivers. The forms and procedures relating to the use of
4 computer and data processing equipment in handling the financial
5 affairs of the school corporation must be submitted to the state
6 board of accounts for approval so that the services are used by the
7 school corporation when the governing body determines that it is
8 in the best interest of the school corporation while at the same
9 time providing reasonable accountability for the funds expended.
- 10 (9) Notwithstanding the appropriation limitation in subdivision
11 (3), when the governing body by resolution considers a trip by an
12 employee of the school corporation or by a member of the
13 governing body to be in the interest of the school corporation,
14 including attending meetings, conferences, or examining
15 equipment, buildings, and installation in other areas, to permit the
16 employee to be absent in connection with the trip without any loss
17 in pay and to reimburse the employee or the member the
18 employee's or member's reasonable lodging and meal expenses
19 and necessary transportation expenses. To pay teaching personnel
20 for time spent in sponsoring and working with school related trips
21 or activities.
- 22 (10) Subject to IC 20-27-13, to transport children to and from
23 school, when in the opinion of the governing body the
24 transportation is necessary, including considerations for the safety
25 of the children and without regard to the distance the children live
26 from the school. The transportation must be otherwise in
27 accordance with applicable law.
- 28 (11) To provide a lunch program for a part or all of the students
29 attending the schools of the school corporation, including the
30 establishment of kitchens, kitchen facilities, kitchen equipment,
31 lunch rooms, the hiring of the necessary personnel to operate the
32 lunch program, and the purchase of material and supplies for the
33 lunch program, charging students for the operational costs of the
34 lunch program, fixing the price per meal or per food item. To
35 operate the lunch program as an extracurricular activity, subject
36 to the supervision of the governing body. To participate in a
37 surplus commodity or lunch aid program.
- 38 (12) To purchase curricular materials, to furnish curricular
39 materials without cost or to rent curricular materials to students,
40 to participate in a curricular materials aid program, all in
41 accordance with applicable law.
- 42 (13) To accept students transferred from other school corporations



- 1 and to transfer students to other school corporations in accordance
2 with applicable law.
- 3 (14) To make budgets, to appropriate funds, and to disburse the
4 money of the school corporation in accordance with applicable
5 law. To borrow money against current tax collections and
6 otherwise to borrow money, in accordance with IC 20-48-1.
- 7 (15) To purchase insurance or to establish and maintain a
8 program of self-insurance relating to the liability of the school
9 corporation or the school corporation's employees in connection
10 with motor vehicles or property and for additional coverage to the
11 extent permitted and in accordance with IC 34-13-3-20. To
12 purchase additional insurance or to establish and maintain a
13 program of self-insurance protecting the school corporation and
14 members of the governing body, employees, contractors, or agents
15 of the school corporation from liability, risk, accident, or loss
16 related to school property, school contract, school or school
17 related activity, including the purchase of insurance or the
18 establishment and maintenance of a self-insurance program
19 protecting persons described in this subdivision against false
20 imprisonment, false arrest, libel, or slander for acts committed in
21 the course of the persons' employment, protecting the school
22 corporation for fire and extended coverage and other casualty
23 risks to the extent of replacement cost, loss of use, and other
24 insurable risks relating to property owned, leased, or held by the
25 school corporation. In accordance with IC 20-26-17, to:
- 26 (A) participate in a state employee health plan under
27 IC 5-10-8-6.6 or IC 5-10-8-6.7;
- 28 (B) purchase insurance; or
- 29 (C) establish and maintain a program of self-insurance;
30 to benefit school corporation employees, including accident,
31 sickness, health, or dental coverage, provided that a plan of
32 self-insurance must include an aggregate stop-loss provision.
- 33 (16) To make all applications, to enter into all contracts, and to
34 sign all documents necessary for the receipt of aid, money, or
35 property from the state, the federal government, or from any other
36 source.
- 37 (17) To defend a member of the governing body or any employee
38 of the school corporation in any suit arising out of the
39 performance of the member's or employee's duties for or
40 employment with, the school corporation, if the governing body
41 by resolution determined that the action was taken in good faith.
42 To save any member or employee harmless from any liability,



1 cost, or damage in connection with the performance, including the
 2 payment of legal fees, except where the liability, cost, or damage
 3 is predicated on or arises out of the bad faith of the member or
 4 employee, or is a claim or judgment based on the member's or
 5 employee's malfeasance in office or employment.

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

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

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

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

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

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

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

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

38 SECTION 23. IC 20-26-5-19, AS ADDED BY P.L.1-2005,
 39 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 UPON PASSAGE]: Sec. 19. A governing body under its powers to fix
 41 and pay the salaries and compensation of employees of the school
 42 corporation and to contract for services under ~~IC 20-26-5-4(8)~~



1 **IC 20-26-5-4(a)(8)** may distribute payroll based on contractual and
 2 ~~salary schedule~~ **compensation plan** commitments instead of payroll
 3 estimates approved in advance by the governing body.

4 SECTION 24. IC 20-26-11-32, AS AMENDED BY P.L.39-2014,
 5 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 UPON PASSAGE]: Sec. 32. (a) This section does not apply to a school
 7 corporation if the governing body has adopted a policy of not accepting
 8 the transfer of any student who does not have legal settlement within
 9 the school corporation.

10 (b) The governing body of a school corporation shall annually
 11 establish:

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

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

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

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

21 (2) report the date to the department.

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

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

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

37 (g) Except as provided in subsections (i), (j), (k), and (m), the
 38 governing body of a school corporation may not deny a request for a
 39 student to transfer into the school corporation based upon the student's
 40 academic record, scores **for school years ending before July 1, 2016**,
 41 on ISTEP tests, **for school years beginning after June 30, 2016, on**
 42 **BEST tests**, disciplinary record, or disability, or upon any other factor



- 1 not related to the school corporation's capacity.
- 2 (h) Except as provided in subsections (i), (j), and (k), the governing
- 3 body of a school corporation may not deny a request for a student to
- 4 transfer into the school corporation if the student requesting to transfer:
- 5 (1) is a member of a household in which any other member of the
- 6 household is a student in the transferee school; or
- 7 (2) has a parent who is an employee of the school corporation.
- 8 (i) A governing body of a school corporation may limit the number
- 9 of new transfers to a school building or grade level in the school
- 10 corporation:
- 11 (1) to ensure that a student who attends a school within the school
- 12 corporation as a transfer student during a school year may
- 13 continue to attend the school in subsequent school years; and
- 14 (2) to allow a student described in subsection (h) to attend a
- 15 school within the school corporation.
- 16 (j) Notwithstanding subsections (g) and (h), a governing body of a
- 17 school corporation may deny a request for a student to transfer to the
- 18 school corporation, or establish terms or conditions for enrollment that
- 19 prevent a student from enrolling in a school, if the student has been
- 20 suspended (as defined in IC 20-33-8-7) or expelled (as defined in
- 21 IC 20-33-8-3) during the twelve (12) months preceding the student's
- 22 request to transfer under this section:
- 23 (1) for ten (10) or more school days;
- 24 (2) for a violation under IC 20-33-8-16;
- 25 (3) for causing physical injury to a student, a school employee, or
- 26 a visitor to the school; or
- 27 (4) for a violation of a school corporation's drug or alcohol rules.
- 28 For purposes of subdivision (1), student discipline received under
- 29 IC 20-33-8-25(b)(7) for a violation described in subdivisions (2)
- 30 through (4) shall be included in the calculation of the number of school
- 31 days that a student has been suspended.
- 32 (k) The governing body of a school corporation with a school
- 33 building that offers a special curriculum may require a student who
- 34 transfers to the school building to meet the same eligibility criteria
- 35 required of all students who attend the school building that offers the
- 36 special curriculum.
- 37 (l) The parent of a student for whom a request to transfer is made is
- 38 responsible for providing the school corporation to which the request
- 39 is made with records or information necessary for the school
- 40 corporation to determine whether the request to transfer may be denied
- 41 under subsection (j).
- 42 (m) Notwithstanding this section, the governing body of a school



1 corporation may authorize the school corporation to enter into an
 2 agreement with an accredited nonpublic school or charter school to
 3 allow students of the accredited nonpublic school or charter school to
 4 transfer to a school within the school corporation.

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

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

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

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

19 SECTION 25. IC 20-26-13-5, AS AMENDED BY P.L.286-2013,
 20 SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 UPON PASSAGE]: Sec. 5. (a) As used in this chapter, "graduation"
 22 means the successful completion by a student of:

23 (1) a sufficient number of academic credits, or the equivalent of
 24 academic credits; and

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

27 resulting in the awarding of a high school diploma or an academic
 28 honors diploma.

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

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

39 (1) The following statutes and rules concerning curriculum and
 40 instructional time:

41 IC 20-30-2-7

42 IC 20-30-5-8



- 1 IC 20-30-5-9
 2 IC 20-30-5-11
 3 511 IAC 6-7-6
 4 511 IAC 6.1-5-0.5
 5 511 IAC 6.1-5-1
 6 511 IAC 6.1-5-2.5
 7 511 IAC 6.1-5-3.5
 8 511 IAC 6.1-5-4.
 9 (2) The following rule concerning pupil/teacher ratios:
 10 511 IAC 6.1-4-1.
 11 (3) The following statutes and rules concerning curricular
 12 materials:
 13 IC 20-26-12-24
 14 IC 20-26-12-26
 15 IC 20-26-12-1
 16 IC 20-26-12-2
 17 511 IAC 6.1-5-5.
 18 (4) 511 IAC 6-7, concerning graduation requirements.
 19 (5) IC 20-31-4, concerning the performance based accreditation
 20 system.
 21 (6) **For school years:**
 22 (A) **ending before July 1, 2016**, IC 20-32-5, concerning the
 23 ISTEP program established under IC 20-32-5-15 (**repealed**
 24 **effective July 1, 2016**); if an alternative locally adopted
 25 assessment program is adopted under section 6(7) of this
 26 chapter; and
 27 (B) **beginning after June 30, 2016, IC 20-32-5.1, concerning**
 28 **the BEST program.**
 29 SECTION 27. IC 20-26-15-6, AS AMENDED BY P.L.2-2006,
 30 SECTION 135, IS AMENDED TO READ AS FOLLOWS
 31 [EFFECTIVE UPON PASSAGE]: Sec. 6. Except as provided in this
 32 chapter and notwithstanding any other law, a freeway school
 33 corporation or a freeway school may do the following during the
 34 contract period:
 35 (1) Disregard the observance of any statute or rule that is listed in
 36 the contract.
 37 (2) Lease school transportation equipment to others for nonschool
 38 use when the equipment is not in use for a school corporation
 39 purpose, if the lessee has not received a bid from a private entity
 40 to provide transportation equipment or services for the same
 41 purpose.
 42 (3) Replace the budget and accounting system that is required by



1 law with a budget or accounting system that is frequently used in
 2 the private business community. The state board of accounts may
 3 not go beyond the requirements imposed upon the state board of
 4 accounts by statute in reviewing the budget and accounting
 5 system used by a freeway school corporation or a freeway school.
 6 (4) Establish a professional development and technology fund to
 7 be used for:

- 8 (A) professional development; or
- 9 (B) technology, including video distance learning.

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

13 (5) Subject to subdivision (4), transfer funds obtained from
 14 sources other than state or local government taxation among any
 15 accounts of the school corporation, including a professional
 16 development and technology fund established under subdivision
 17 (4).

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

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

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

- 28 (i) capital projects fund; or
- 29 (ii) debt service fund.

30 (7) Establish a locally adopted assessment program to replace the
 31 assessment of students **for school years ending before July 1,**
 32 **2016,** under the ISTEP program established under IC 20-32-5-15
 33 **(repealed effective July 1, 2016) and for school years**
 34 **beginning after June 30, 2016, under the BEST program,**
 35 subject to the following:

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

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

40 (C) Results of assessments under a locally adopted assessment
 41 program are subject to the same reporting requirements **for**
 42 **school years ending before July 1, 2016,** as results under the



- 1 ISTEP program or for school years beginning after June 30,
 2 **2016, as results under the BEST program.**
 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, 2016, as set forth**
 7 **in IC 20-32-5-9 (repealed July 1, 2016); and**
 8 **(ii) for school years beginning after June 30, 2016, as set**
 9 **forth in IC 20-32-5.1-11.**
- 10 SECTION 28. 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 **for school years ending before July**
 22 **1, 2016, under the ISTEP program (IC 20-32-5 (repealed**
 23 **effective July 1, 2016)) and for school years beginning after**
 24 **June 30, 2016, under the BEST program (IC 20-32-5.1) or a**
 25 **locally adopted assessment program established under section**
 26 **6(7) of this chapter that increases:**
 27 (A) not less than two percent (2%) each school year until the
 28 successful completion rate is not less than eighty-five percent
 29 (85%); and
 30 (B) one percent (1%) each school year until the successful
 31 completion rate is not less than ninety percent (90%);
 32 of the students in the designated grade levels **for school years**
 33 **ending before July 1, 2016, under the ISTEP assessment**
 34 **program (IC 20-32-5 (repealed effective July 1, 2016)) and for**
 35 **school years beginning after June 30, 2016, under the BEST**
 36 **program (IC 20-32-5.1) or the locally adopted assessment**
 37 **program that are grades contained in the freeway school**
 38 **corporation or freeway school.**
 39 (3) Beginning with the class of students who expect to graduate
 40 four (4) years after a freeway school corporation or a freeway
 41 school that is a high school obtains freeway status, a graduation
 42 rate as determined under 511 IAC 6.1-1-2(k) that increases:



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

5 After a freeway school corporation or a freeway school has achieved
 6 the minimum rates required under subdivisions (1) through (3), the
 7 freeway school corporation or freeway school must either maintain the
 8 minimum required rates or show continued improvement of those rates.

9 SECTION 29. IC 20-28-5-17 IS ADDED TO THE INDIANA
 10 CODE AS A NEW SECTION TO READ AS FOLLOWS
 11 [EFFECTIVE UPON PASSAGE]: **Sec. 17. (a) The department shall**
 12 **establish a program under which an individual may obtain a**
 13 **license that allows the individual to teach in school corporations**
 14 **and charter schools in Indiana if the individual holds a bachelor's**
 15 **degree or a graduate degree with a grade point average of at least**
 16 **2.5 on a 4.0 point scale from an accredited postsecondary**
 17 **educational institution with both of the following:**

- 18 (1) **A major in any combination of the following:**
 19 (A) **Science.**
 20 (B) **Technology.**
 21 (C) **Engineering.**
 22 (D) **Mathematics.**
 23 (2) **An education minor or concentration from an accredited**
 24 **teacher preparation program recognized by the state board**
 25 **of education as preparing educators to meet requirements for**
 26 **licensure.**

27 (b) **The program established under subsection (a) must allow the**
 28 **individual to teach in a school corporation or charter school while**
 29 **the individual is in the process of obtaining the license.**

30 (c) **The initial program under subsection (a) must be established**
 31 **not later than August 1, 2015.**

32 SECTION 30. IC 20-28-6-2, AS AMENDED BY P.L.6-2012,
 33 SECTION 137, IS AMENDED TO READ AS FOLLOWS
 34 [EFFECTIVE UPON PASSAGE]: **Sec. 2. (a) A contract entered into**
 35 **by a teacher and a school corporation must:**

- 36 (1) **be in writing;**
 37 (2) **be signed by both parties; and**
 38 (3) **contain the:**
 39 (A) **beginning date of the school term as determined annually**
 40 **by the school corporation;**
 41 (B) **number of days in the school term as determined annually**
 42 **by the school corporation;**



- 1 (C) total salary to be paid to the teacher during the school year;
 2 (D) number of salary payments to be made to the teacher
 3 during the school year; and
 4 (E) number of hours per day the teacher is expected to work,
 5 as discussed pursuant to IC 20-29-6-7.
- 6 (b) The contract may provide for the annual determination of the
 7 teacher's annual compensation ~~by based on a local salary schedule;~~
 8 **compensation plan specifying a salary range**, which is part of the
 9 contract. The ~~salary schedule~~ **compensation plan** may be changed by
 10 the school corporation ~~on or before~~ **the later of** May 1 of a year, with
 11 the changes effective the next school year, **or the date specified in a**
 12 **collective bargaining agreement applicable to the next school year.**
 13 A teacher affected by the changes shall be furnished with printed
 14 copies of the changed ~~schedule~~ **compensation plan** not later than thirty
 15 (30) days after the ~~schedule's~~ **adoption of the compensation plan.**
- 16 (c) A contract under this section is also governed by the following
 17 statutes:
- 18 (1) IC 20-28-9-5 through IC 20-28-9-6.
 - 19 (2) IC 20-28-9-9 through IC 20-28-9-11.
 - 20 (3) IC 20-28-9-13.
 - 21 (4) IC 20-28-9-14.
- 22 (d) A governing body shall provide the blank contract forms,
 23 carefully worded by the state superintendent, and have them signed.
 24 The contracts are public records open to inspection by the residents of
 25 each school corporation.
- 26 (e) An action may be brought on a contract that conforms with
 27 subsections (a)(1), (a)(2), and (d).
- 28 SECTION 31. IC 20-28-6-7, AS AMENDED BY P.L.90-2011,
 29 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 UPON PASSAGE]: Sec. 7. (a) As used in this section, "teacher"
 31 includes an individual who:
- 32 (1) holds a substitute teacher's license; and
 - 33 (2) provides instruction in a joint summer school program under
 34 IC 20-30-7-5.
- 35 (b) The supplemental service teacher's contract shall be used when
 36 a teacher provides professional service in evening school or summer
 37 school employment, except when a teacher or other individual is
 38 employed to supervise or conduct noncredit courses or activities.
- 39 (c) If a teacher serves more than one hundred twenty (120) days on
 40 a supplemental service teacher's contract in a school year, the following
 41 apply:
- 42 (1) Sections 1, 2, 3, and 8 of this chapter.



1 (2) IC 20-28-10-1 through IC 20-28-10-5.

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

6 SECTION 32. IC 20-28-7.5-1, AS AMENDED BY P.L.286-2013,
7 SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2015]: Sec. 1. (a) This chapter applies to a teacher in a school
9 corporation (as defined in IC 20-18-2-16(a)).

10 (b) A principal may decline to continue a probationary teacher's
11 contract under sections 2 through 4 of this chapter if the probationary
12 teacher:

13 (1) receives an ineffective designation on a performance
14 evaluation under IC 20-28-11.5;

15 (2) receives two (2) consecutive improvement necessary ratings
16 on a performance evaluation under IC 20-28-11.5; or

17 (3) is subject to a justifiable decrease in the number of teaching
18 positions or any reason relevant to the school corporation's
19 interest.

20 (c) Except as provided in subsection (e), a principal may not decline
21 to continue a professional or established teacher's contract unless the
22 teacher is subject to a justifiable decrease in the number of teaching
23 positions.

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

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

32 (1) Immorality.

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

36 (3) Justifiable decrease in the number of teaching positions.

37 (4) Incompetence, including receiving:

38 (A) an ineffective designation on two (2) consecutive
39 performance evaluations under IC 20-28-11.5; or

40 (B) an ineffective designation or improvement necessary
41 rating in three (3) years of any five (5) year period.

42 (5) Neglect of duty.



1 (6) A conviction for an offense listed in IC 20-28-5-8(c).

2 (7) Other good or just cause.

3 **(f) A principal may decline to continue or cancel the contract**
 4 **only of a teacher who is supervised by the principal.**

5 SECTION 33. IC 20-28-8-3, AS AMENDED BY P.L.253-2013,
 6 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2015]: Sec. 3. (a) Before March 1 of the year during which the
 8 contract of an assistant superintendent, a principal, or an assistant
 9 principal is due to expire, the governing body of the school corporation,
 10 or an **employee attorney acting** at the direction of the governing body,
 11 shall give written notice of renewal or refusal to renew the individual's
 12 contract for the ensuing school year.

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

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

19 SECTION 34. 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 **for school years ending before July 1, 2016,**
 23 **on the ISTEP program test scores under IC 20-32-5 (repealed effective**
 24 **July 1, 2016) and for school years beginning after June 30, 2016, on**
 25 **the BEST program test scores** of the students enrolled at the
 26 principal's school. However, **for school years ending before July 1,**
 27 **2016, the ISTEP program test scores under IC 20-32-5 (repealed**
 28 **effective July 1, 2016) and for school years beginning after June 30,**
 29 **2016, the BEST program test scores** of the students enrolled at a
 30 principal's school may be considered as one (1) of the factors in the
 31 evaluation of the principal's overall performance at the school.

32 SECTION 35. IC 20-28-9-1.5, AS ADDED BY P.L.286-2013,
 33 SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 UPON PASSAGE]: Sec. 1.5. (a) This subsection ~~applies to a contract~~
 35 ~~in effect July 1, 2012, or upon the expiration of a contract in existence~~
 36 ~~on July 1, 2011, whichever is earlier, and governs salary increases for~~
 37 ~~a teacher employed by a school corporation. on or after the date this~~
 38 ~~subsection takes effect.~~ Compensation attributable to additional
 39 degrees or graduate credits earned before the effective date of ~~the a~~
 40 ~~local salary schedule~~ **compensation plan** created under this chapter
 41 **before July 1, 2015, shall continue for school years beginning after**
 42 **June 30, 2015.** Compensation attributable to additional degrees for



1 which a teacher has started course work before July 1, 2011, and
 2 completed course work before September 2, 2014, shall also continue
 3 **for school years beginning after June 30, 2015. For school years**
 4 **beginning after June 30, 2015, a school corporation may provide a**
 5 **supplemental payment to a teacher in excess of the salary specified**
 6 **in the school corporation's compensation plan if the teacher has**
 7 **earned a master's degree from an accredited postsecondary**
 8 **educational institution in:**

9 **(1) education; or**

10 **(2) a content area directly related to an advance placement,**
 11 **dual credit, or other course taught by the teacher.**

12 **A supplement provided under this subsection is not subject to**
 13 **collective bargaining and is in addition to any increase permitted**
 14 **under subsection (b).**

15 (b) Increases or increments in a local salary **scale range** must be
 16 based upon a combination of the following factors:

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

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

21 (B) The attainment of either:

22 (i) additional content area degrees beyond the requirements
 23 for employment; or

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

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

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

30 (4) The academic needs of students in the school corporation.

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

38 (d) A teacher who does not receive a raise or increment under
 39 subsection (c) may file a request with the superintendent or
 40 superintendent's designee not later than five (5) days after receiving
 41 notice that the teacher received a rating of ineffective. The teacher is
 42 entitled to a private conference with the superintendent or



1 superintendent's designee.

2 (e) ~~Not later than January 31, 2012,~~ The department shall publish a
3 model ~~salary schedule~~ **compensation plan with a model salary range**
4 that a school corporation may adopt. **Before July 1, 2015, the**
5 **department may modify the model compensation plan, as needed,**
6 **to comply with subsection (f).**

7 (f) Each school corporation shall submit its local ~~salary schedule~~
8 **compensation plan** to the department. **For a school year beginning**
9 **after June 30, 2015, a local compensation plan must specify the**
10 **range for teacher salaries.** The department shall publish the local
11 ~~salary schedules~~ **compensation plans** on the department's Internet web
12 site.

13 (g) The department shall report any noncompliance with this section
14 to the state board.

15 (h) The state board shall take appropriate action to ensure
16 compliance with this section.

17 (i) This chapter may not be construed to require or allow a school
18 corporation to decrease the salary of any teacher below the salary the
19 teacher was earning on or before July 1, ~~2012,~~ **2015**, if that decrease
20 would be made solely to conform to the new ~~salary scale:~~
21 **compensation plan.**

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

25 SECTION 36. IC 20-28-9-7, AS ADDED BY P.L.246-2005,
26 SECTION 168, IS AMENDED TO READ AS FOLLOWS
27 [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) An individual who:

28 (1) holds:

- 29 (A) a professional license;
- 30 (B) a provisional license;
- 31 (C) a limited license; or
- 32 (D) an equivalent license issued by the department; and

33 (2) serves as an occasional substitute teacher;

34 shall be compensated ~~on~~ **in conformity with the pay schedule range**
35 for substitutes of the school corporation the individual serves.

36 (b) An individual who:

37 (1) holds a:

- 38 (A) professional license; or
- 39 (B) provisional license; and

40 (2) serves as a substitute teacher in the same teaching position for
41 more than fifteen (15) consecutive school days;

42 shall be compensated ~~on~~ **in conformity with the regular pay schedule**



1 **range** for teachers of the school corporation the individual serves.

2 SECTION 37. IC 20-28-9-8, AS ADDED BY P.L.1-2005,
3 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: Sec. 8. An individual who holds a substitute
5 license shall be compensated ~~on~~ **in conformity with** the pay ~~schedule~~
6 **range** for substitutes of the school corporation the individual serves.

7 SECTION 38. IC 20-28-10-2, AS AMENDED BY P.L.90-2011,
8 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 UPON PASSAGE]: Sec. 2. (a) Except as provided in section 1 of this
10 chapter, rights existing at the time a leave commences that arise from
11 a teacher's:

- 12 (1) status as a professional or established teacher;
13 (2) accumulation of successive years of service;
14 (3) service performed under a teacher's contract under
15 IC 20-28-6-8; or
16 (4) status or rights negotiated under IC 20-29;

17 remain intact.

18 (b) During a leave the teacher may maintain coverage in a group
19 insurance program by paying the total premium including the school
20 corporation's share, if any, attributable to the leave period. The school
21 corporation may elect to pay all or part of the cost of the premium as an
22 adopted or negotiated fringe benefit to teachers on leave.

23 (c) During a leave extending into a part of a school year, a teacher
24 accumulates sick leave under IC 20-28-9-9 through IC 20-28-9-12, or
25 ~~a~~ **the salary schedule range** of the school corporation that provides
26 greater sick leave, in the same proportion that the number of days the
27 teacher is paid during the year for work or leave bears to the total
28 number of days for which teachers are paid in the school corporation.

29 (d) Except as provided in section 1 of this chapter, during a leave of
30 a probationary teacher, the period of probationary successive years of
31 service under a teacher's contract that is a condition precedent to
32 becoming a professional or established teacher under IC 20-28-6-8 is
33 uninterrupted for that teacher. However, this probationary period may
34 not include an entire school year spent on leave.

35 (e) All or part of a leave granted for sickness or disability, including
36 pregnancy related disability, may be charged at the teacher's discretion
37 to the teacher's available sick days. However, the teacher is not entitled
38 to take accumulated sick days when the teacher's physician certifies
39 that the teacher is capable of performing the teacher's regular teaching
40 duties. The teacher is entitled to complete the remaining leave without
41 pay.

42 SECTION 39. IC 20-28-10-16, AS AMENDED BY P.L.2-2006,



1 SECTION 139, IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) If a teacher serves in the
 3 general assembly, the teacher shall be given credit for the time spent in
 4 this service, including the time spent for council or committee
 5 meetings. The leave for this service does not diminish the teacher's
 6 rights under the Indiana state teachers' retirement fund or the teacher's
 7 advancement on the state or a local ~~salary schedule~~. **compensation**
 8 **plan**. For these purposes, the teacher is, despite the leave, considered
 9 teaching for the school during that time.

10 (b) The compensation received while serving in the general
 11 assembly shall be included for teachers retiring after June 30, 1980, in
 12 the determination of the teacher's annual compensation to compute the
 13 teacher's retirement benefit under IC 5-10.2-4. A teacher serving in the
 14 general assembly may choose to have deductions made from the
 15 teacher's salary as a legislator for contributions under either
 16 IC 5-10.4-4-11 or IC 5-10.3-7-9.

17 SECTION 40. IC 20-28-11.5-0.5 IS ADDED TO THE INDIANA
 18 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 19 [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. As used in this chapter,**
 20 **"certificated employee" includes the following:**

21 (1) **A certificated employee (as defined in IC 20-29-2-4).**

22 (2) **For purposes of annual performance evaluations**
 23 **conducted for a school year beginning after June 30, 2014, a**
 24 **teacher (as defined in IC 20-18-2-22), regardless of whether**
 25 **the individual is a certificated employee (as defined in**
 26 **IC 20-29-2-4).**

27 SECTION 41. IC 20-28-11.5-4, AS ADDED BY P.L.90-2011,
 28 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 UPON PASSAGE]: Sec. 4. (a) Each school corporation shall develop
 30 a plan for annual performance evaluations for each certificated
 31 employee. ~~(as defined in IC 20-29-2-4)~~. A school corporation shall
 32 implement the plan beginning with the 2012-2013 school year.

33 (b) Instead of developing its own staff performance evaluation plan
 34 under subsection (a), a school corporation may adopt a staff
 35 performance evaluation plan that meets the requirements set forth in
 36 this chapter or any of the following models:

37 (1) A plan using master teachers or contracting with an outside
 38 vendor to provide master teachers.

39 (2) The System for Teacher and Student Advancement (TAP).

40 (3) The Peer Assistance and Review Teacher Evaluation System
 41 (PAR).

42 (c) A plan must include the following components:



- 1 (1) Performance evaluations for all certificated employees,
 2 conducted at least annually.
- 3 (2) Objective measures of student achievement and growth to
 4 significantly inform the evaluation. The objective measures must
 5 include:
- 6 (A) student assessment results from statewide assessments for
 7 certificated employees whose responsibilities include
 8 instruction in subjects measured in statewide assessments;
 9 (B) methods for assessing student growth for certificated
 10 employees who do not teach in areas measured by statewide
 11 assessments; and
 12 (C) student assessment results from locally developed
 13 assessments and other test measures for certificated employees
 14 whose responsibilities may or may not include instruction in
 15 subjects and areas measured by statewide assessments.
- 16 (3) Rigorous measures of effectiveness, including observations
 17 and other performance indicators.
- 18 (4) An annual designation of each certificated employee in one
 19 (1) of the following rating categories:
- 20 (A) Highly effective.
 21 (B) Effective.
 22 (C) Improvement necessary.
 23 (D) Ineffective.
- 24 (5) An explanation of the evaluator's recommendations for
 25 improvement, and the time in which improvement is expected.
- 26 (6) A provision that a teacher who negatively affects student
 27 achievement and growth cannot receive a rating of highly
 28 effective or effective.
- 29 **(7) For annual performance evaluations for school years
 30 beginning after June 30, 2015, provide for a reevaluation
 31 planning session conducted by the superintendent or
 32 equivalent authority for the school corporation with the
 33 principals in the school corporation.**
- 34 **(d) In developing a performance evaluation model, a school
 35 corporation shall consider the following:**
- 36 **(1) Test scores of students (both formative and summative).**
 37 **(2) Classroom presentation observations.**
 38 **(3) Observation of student-teacher interaction.**
 39 **(4) Knowledge of subject matter.**
 40 **(5) Dedication and effectiveness of the teacher through time
 41 and effort on task.**
 42 **(6) Contributions of teachers through group teacher**



1 interactivity in fulfilling the school improvement plan.

2 **(7) Cooperation of the teacher with supervisors and peers.**

3 **(8) Extracurricular contributions of the teacher.**

4 **(9) Outside performance evaluations.**

5 **(10) Compliance with school corporation rules and**
6 **procedures.**

7 **(11) Other items considered important by the school**
8 **corporation in developing each student to their maximum**
9 **intellectual potential and performance.**

10 **The state board and the department may recommend additional**
11 **factors, but may not require additional factors unless directed to**
12 **do so by the general assembly.**

13 **(e) This subsection applies to plans applicable to annual**
14 **performance evaluations for school years beginning after June 30,**
15 **2015. The plan must:**

16 **(1) be in writing; and**

17 **(2) be explained to the governing body in a public meeting;**
18 **before the evaluations are conducted. Before explaining the plan to**
19 **the governing body, the superintendent of the school corporation**
20 **shall discuss the plan with teachers or the teachers' representative,**
21 **if there is one. This discussion is not subject to the open door law**
22 **(IC 5-14-1.5). The plan is not subject to bargaining, but a**
23 **discussion of the plan must be held.**

24 ~~(d)~~ **(f) The evaluator shall discuss the evaluation with the**
25 **certificated employee.**

26 SECTION 42. IC 20-28-11.5-7, AS ADDED BY P.L.90-2011,
27 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28 UPON PASSAGE]: Sec. 7. (a) This section applies to any teacher
29 instructing students in a content area and grade subject to
30 IC 20-32-4-1(a)(1) **(graduation examination)** and:

31 **(1) for school years ending before July 1, 2016, IC 20-32-5-2**
32 **(repealed effective July 1, 2016); and**

33 **(2) for school years beginning after June 30, 2016,**
34 **IC 20-32-5.1-3.**

35 (b) A student may not be instructed for two (2) consecutive years by
36 two (2) consecutive teachers, each of whom was rated as ineffective
37 under this chapter in the school year immediately before the school
38 year in which the student is placed in the respective teacher's class.

39 (c) If a teacher did not instruct students in the school year
40 immediately before the school year in which students are placed in the
41 teacher's class, the teacher's rating under this chapter for the most
42 recent year in which the teacher instructed students, instead of for the



1 school year immediately before the school year in which students are
 2 placed in the teacher's class, shall be used in determining whether
 3 subsection (b) applies to the teacher.

4 (d) If it is not possible for a school corporation to comply with this
 5 section, the school corporation must notify the parents of each
 6 applicable student indicating the student will be placed in a classroom
 7 of a teacher who has been rated ineffective under this chapter. The
 8 parent must be notified before the start of the second consecutive
 9 school year.

10 SECTION 43. IC 20-28-11.5-8.5 IS ADDED TO THE INDIANA
 11 CODE AS A NEW SECTION TO READ AS FOLLOWS
 12 [EFFECTIVE UPON PASSAGE]: **Sec. 8.5. A plan for performance**
 13 **evaluations under this chapter may be discussed, but is not subject**
 14 **to bargaining. Selection of a performance evaluation model is at**
 15 **the discretion of the school corporation, but the developed plan**
 16 **must be reported to the department and the Indiana education**
 17 **employment relations board in a timely manner, as established by**
 18 **the department. The department may review the plan for efficacy**
 19 **and the Indiana education employment relations board may review**
 20 **the plan for legality, and both may comment to the school**
 21 **corporation. The department shall annually present to the state**
 22 **board of education plans selected by the school corporations. The**
 23 **state board may recommend model plans to school corporations,**
 24 **but shall not mandate any plan.**

25 SECTION 44. IC 20-28-11.5-9, AS AMENDED BY P.L.192-2014,
 26 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 UPON PASSAGE]: Sec. 9. (a) **The principal of a school in a school**
 28 **corporation shall report in the aggregate the results of staff**
 29 **performance evaluations for the school to the superintendent and**
 30 **the governing body for the school corporation before November 15**
 31 **of each year on the schedule determined by the governing body.**
 32 **The report must be presented in a public meeting of the governing**
 33 **body. Before presentation to the governing body, the**
 34 **superintendent of the school corporation shall discuss the report of**
 35 **completed evaluations with the teachers. This discussion is not**
 36 **subject to the open door law (IC 5-14-1.5). The report of completed**
 37 **evaluations is not subject to bargaining, but a discussion of the**
 38 **report must be held.**

39 (b) **A school corporation annually shall provide the**
 40 **disaggregated results of staff performance evaluations by teacher**
 41 **identification numbers to the department:**

42 (1) **after completing the presentations required under**



- 1 **subsection (a) for all schools for the school corporation; and**
 2 **(2) before November 15 of that year.**
 3 Before November 15 of each year, each charter school (including a
 4 virtual charter school) ~~and school corporation~~ shall provide the
 5 disaggregated results of staff performance evaluations by teacher
 6 identification numbers to the department.
- 7 ~~(b)~~ **(c)** Before August 1 of each year, each charter school and school
 8 corporation shall provide to the department:
- 9 (1) the name of the teacher preparation program that
 10 recommended the initial license for each teacher employed by the
 11 school; and
 12 (2) the annual retention rate for teachers employed by the school.
- 13 ~~(c)~~ **(d)** Not before the beginning of the second semester (or the
 14 equivalent) of the school year and not later than August 1 of each year,
 15 the principal at each school described in subsection (a) shall complete
 16 a survey that provides information regarding the principal's assessment
 17 of the quality of instruction by each particular teacher preparation
 18 program located in Indiana for teachers employed at the school who
 19 initially received their teaching license in Indiana in the previous two
 20 (2) years. The survey shall be adopted by the state board and prescribed
 21 on a form developed not later than July 30, 2016, by the department
 22 that is aligned with the matrix system established under
 23 IC 20-28-3-1(i). The school shall provide the surveys to the department
 24 along with the information provided in subsection ~~(b)~~: **(c)**. The
 25 department shall compile the information contained in the surveys,
 26 broken down by each teacher preparation program located in Indiana.
 27 The department shall include information relevant to a particular
 28 teacher preparation program located in Indiana in the department's
 29 report under subsection ~~(f)~~: **(g)**.
- 30 ~~(d)~~ **(e)** During the second semester (or the equivalent) of the school
 31 year and not later than August 1 of each year, each teacher employed
 32 by a school described in subsection ~~(a)~~ **(b)** in Indiana who initially
 33 received a teacher's license in Indiana in the previous three (3) years
 34 shall complete a form after the teacher completes the teacher's initial
 35 year teaching at a particular school. The information reported on the
 36 form must:
- 37 (1) provide the year in which the teacher was hired by the school;
 38 (2) include the name of the teacher preparation program that
 39 recommended the teacher for an initial license;
 40 (3) describe subjects taught by the teacher;
 41 (4) provide the location of different teaching positions held by the
 42 teacher since the teacher initially obtained an Indiana teaching



- 1 license;
- 2 (5) provide a description of any mentoring the teacher has
- 3 received while teaching in the teacher's current teaching position;
- 4 (6) describe the teacher's current licensure status; and
- 5 (7) include an assessment by the teacher of the quality of
- 6 instruction of the teacher preparation program in which the
- 7 teacher participated.
- 8 The form shall be prescribed by the department. The forms shall be
- 9 submitted to the department with the information provided in
- 10 subsection ~~(b)~~ **(c)**. Upon receipt of the information provided in this
- 11 subsection, the department shall compile the information contained in
- 12 the forms and include an aggregated summary of the report on the
- 13 department's Internet web site.
- 14 ~~(e)~~ **(f)** Before December 15 of each year, the department shall report
- 15 the results of staff performance evaluations in the aggregate to the state
- 16 board, and to the public via the department's Internet web site for:
- 17 (1) the aggregate of certificated employees of each school and
- 18 school corporation;
- 19 (2) the aggregate of graduates of each teacher preparation
- 20 program in Indiana;
- 21 (3) for each school described in subsection ~~(a)~~ **(b)**, the annual
- 22 rate of retention for certificated employees for each school within
- 23 the charter school or school corporation; and
- 24 (4) the aggregate results of staff performance evaluations for each
- 25 category described in section 4(c)(4) of this chapter. In addition
- 26 to the aggregate results, the results must be broken down:
- 27 (A) by the content area of the initial teacher license received
- 28 by teachers upon completion of a particular teacher
- 29 preparation program; or
- 30 (B) as otherwise requested by a teacher preparation program,
- 31 as approved by the state board.
- 32 ~~(f)~~ **(g)** Beginning November 1, 2016, and before September 1 of
- 33 each year thereafter, the department shall report to each teacher
- 34 preparation program in Indiana for teachers with three (3) or fewer
- 35 years of teaching experience:
- 36 (1) information from the surveys relevant to that particular teacher
- 37 education program provided to the department under subsection
- 38 ~~(e)~~ **(d)**;
- 39 (2) information from the forms relevant to that particular teacher
- 40 preparation program compiled by the department under
- 41 subsection ~~(d)~~ **(e)**; and
- 42 (3) the results from the most recent school year for which data are



1 available of staff performance evaluations for each category
 2 described in section 4(c)(4) of this chapter with three (3) or fewer
 3 years of teaching experience for that particular teacher
 4 preparation program. The report to the teacher preparation
 5 program under this subdivision shall be in the aggregate form and
 6 shall be broken down by the teacher preparation program that
 7 recommended an initial teaching license for the teacher.

8 SECTION 45. IC 20-29-3-11, AS ADDED BY P.L.1-2005,
 9 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 UPON PASSAGE]: Sec. 11. The board has the following powers:

11 (1) To adopt an official seal and prescribe the purposes for which
 12 the seal may be used.

13 (2) To hold hearings and make inquiries as the board considers
 14 necessary to carry out properly the board's functions and powers.

15 (3) To establish a principal office in Indianapolis.

16 (4) To meet and exercise the board's powers at any other place in
 17 Indiana.

18 (5) To conduct in any part of Indiana a proceeding, a hearing, an
 19 investigation, an inquiry, or an election necessary to the
 20 performance of the board's functions. For this purpose, the board
 21 may designate one (1) member, or an agent or agents, as hearing
 22 examiners. The board may use voluntary and uncompensated
 23 services as needed.

24 (6) To appoint staff and attorneys as the board finds necessary for
 25 the proper performance of its duties. The attorneys appointed
 26 under this section may, at the direction of the board, appear for
 27 and represent the board in court.

28 (7) To pay the reasonable and necessary traveling and other
 29 expenses of an employee, a member, or an agent of the board.

30 (8) To subpoena witnesses and issue subpoenas requiring the
 31 production of books, papers, records, and documents that may be
 32 needed as evidence in any matter under inquiry, and to administer
 33 oaths and affirmations. In cases of neglect or refusal to obey a
 34 subpoena issued to a person, the circuit or superior court of the
 35 county in which the investigations or the public hearings are
 36 taking place, upon application by the board, shall issue an order
 37 requiring the person to:

38 (A) appear before the board; and

39 (B) produce evidence about the matter under investigation.

40 A failure to obey the order may be punished by the court as a
 41 contempt. A subpoena, notice of hearing, or other process of the
 42 board issued under this chapter shall be served in the manner



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prescribed by the Indiana Rules of Trial Procedure.
(9) To adopt, amend, or rescind rules the board considers necessary and administratively feasible to carry out this chapter under IC 4-22-2.
(10) To request from any public agency the assistance, services, and data that will enable the board properly to carry out the board's functions and powers.
(11) To publish and report in full an opinion in every case decided by the board.

(12) To review a collective bargaining agreement as provided in section 15 of this chapter.

SECTION 46. IC 20-29-3-15 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 15. (a) The Indiana education employment relations board shall annually review each collective bargaining agreement in effect for a school employer for a school year beginning with the 2015-2016 school year. The board shall pay for the cost of the review under this subsection.**

(b) The review under this section must evaluate whether the collective bargaining agreement is in compliance with the provisions of IC 20-28 and this article. The Indiana education employment relations board shall issue written findings concerning the results of the evaluation. If the collective bargaining agreement does not comply with IC 20-28 and this article, the Indiana education employment relations board shall also specify contract terms that will bring the collective bargaining agreement into conformity with IC 20-28 and this article. Before the earlier of the date that formal bargaining begins for a new collective bargaining agreement that is intended to apply to a school employer after the school year reviewed by the Indiana education employment relations board or November 1 in the school year reviewed by the Indiana education employment relations board, the Indiana education employment relations board shall distribute written findings and required contract terms (if any) resulting from a review under this section to the following:

- (1) The exclusive school employee organization or exclusive representative representing each unit for the school corporation covered by the collective bargaining agreement.**
- (2) The superintendent or other chief executive officer of the school corporation covered by the collective bargaining agreement.**

The Indiana education employment relations board's decision is a



1 public document.

2 (c) A party to the collective bargaining agreement may appeal
3 findings or terms of a Indiana education employment relations
4 board under this section to the board not later than thirty (30) days
5 after receiving the Indiana education employment relations
6 board's decision. The board must rule on the appeal within thirty
7 (30) days after receipt of the notice of appeal. The board is not
8 restricted to the terms proposed by the parties or the items that are
9 permitted to be bargained. However, the board may not put the
10 employer in a position of deficit financing.

11 (d) This subsection applies if the Indiana education employment
12 relations board determines that contract terms must be amended
13 or added to bring a collective bargaining agreement into
14 conformity with IC 20-28 and this article. The Indiana education
15 employment relations board shall appoint a member of the Indiana
16 education employment relations board ad hoc panel to monitor
17 formal bargaining for the next collective bargaining agreement
18 that is intended to apply to a school employer after the school year
19 reviewed by the Indiana education relations board. The member
20 of the Indiana education employment relations board ad hoc panel
21 may be the same individual who prepared findings under
22 subsection (b). The review must culminate in the review imposing
23 contract terms on the parties that brings the collective bargaining
24 agreement into conformity with IC 20-28 and this article as
25 determined in a final determination of the board under subsection
26 (b) or, if an appeal is taken, under subsection (c).

27 SECTION 47. IC 20-29-6-3, AS AMENDED BY P.L.48-2011,
28 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 UPON PASSAGE]: Sec. 3. (a) It is unlawful for a school employer to
30 enter into any agreement that would place the employer in a position
31 of deficit financing due to:

32 (1) a reduction in the employer's ~~actual~~ general fund revenue for
33 a school year, as calculated based on the initial fall count of
34 ADM determined for the employer under IC 20-43-4-3 for
35 that school year; or

36 (2) an increase in the employer's expenditures when the
37 expenditures exceed the employer's ~~current year actual~~ general
38 fund revenue for the school year, as calculated based on the
39 initial fall count of ADM determined for the employer under
40 IC 20-43-4-3 for that school year.

41 (b) After June 30, 2015, it is unlawful for a school employer to
42 enter into any agreement that would prohibit the employer from



1 **reducing expenditures that otherwise would be required under a**
 2 **contract to eliminate any actual deficit in funding if the**
 3 **employer's:**

4 **(1) actual general fund revenue for a school year is less than**
 5 **the employer's revenues calculated based on the initial fall**
 6 **count of ADM determined for the employer under**
 7 **IC 20-43-4-3 for the school year; or**

8 **(2) actual employer's expenditures payable from general fund**
 9 **revenues exceed the employer's revenues calculated based on**
 10 **the initial fall count of ADM determined for the employer**
 11 **under IC 20-43-4-3 for the school year.**

12 **The contract may include provisions on how any deficit would be**
 13 **allocated to wages and salaries that are bargainable under the**
 14 **contract. The contract may also include provisions on how any**
 15 **surplus in general fund revenues would be allocated among wages**
 16 **and salaries bargainable under the contract.**

17 ~~(b)~~ **(c) A contract that provides for deficit financing or violates**
 18 **subsection (b) is void to that extent, and an individual teacher's**
 19 **contract executed under the contract is void to that extent.**

20 SECTION 48. IC 20-29-6-4, AS AMENDED BY P.L.286-2013,
 21 SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 UPON PASSAGE]: Sec. 4. (a) A school employer shall bargain
 23 collectively with the exclusive representative on the following:

24 (1) Salary.

25 (2) Wages.

26 (3) Salary and wage related fringe benefits, including accident,
 27 sickness, health, dental, vision, life, disability, retirement benefits,
 28 and paid time off as permitted to be bargained under
 29 IC 20-28-9-11.

30 (b) Salary and wages include the amounts of pay increases available
 31 to employees under the ~~salary scale~~ **compensation plan** adopted under
 32 IC 20-28-9-1.5, but do not include the teacher evaluation procedures
 33 and criteria, ~~or~~ any components of the teacher evaluation plan, rubric,
 34 or tool, ~~or any performance stipend or addition to base salary based~~
 35 **on a performance stipend to an individual teacher under**
 36 **IC 20-43-10-3.**

37 SECTION 49. IC 20-29-6-4.5, AS ADDED BY P.L.48-2011,
 38 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JANUARY 1, 2015 (RETROACTIVE)]: Sec. 4.5. (a) For a contract
 40 entered into after June 30, 2011, a school employer may not bargain
 41 collectively with the exclusive representative on the following:

42 (1) The school calendar.



- 1 (2) Teacher dismissal procedures and criteria.
 2 (3) Restructuring options available to a school employer under
 3 federal or state statutes, regulations, or rules because of the failure
 4 of the school corporation or a school to meet federal or state
 5 accountability standards.
 6 (4) The ability of a school employer to contract, partner, or
 7 operate jointly with an educational entity that provides
 8 postsecondary credits to students of the school employer or dual
 9 credits from the school employer and the educational entity.
 10 (5) Any subject not expressly listed in section 4 of this chapter.
 11 **(b) For a contract entered into after January 1, 2015, for a**
 12 **school year beginning after June 30, 2015, a school employer may**
 13 **not bargain collectively with the exclusive representative for the**
 14 **following:**
 15 **(1) A matter described in subsection (a).**
 16 **(2) A matter that another statute specifies is not subject to**
 17 **collective bargaining, including IC 20-28-9-1.5 and**
 18 **IC 20-43-10-3.**
 19 ~~(b)~~ **(c)** A subject set forth in subsection (a) **or** **(b)** that may not be
 20 bargained collectively may not be included in an agreement entered
 21 into under this article.
 22 SECTION 50. IC 20-29-6-7, AS AMENDED BY P.L.286-2013,
 23 SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JANUARY 1, 2015 (RETROACTIVE)]: Sec. 7. A school employer
 25 shall discuss with the exclusive representative of certificated
 26 employees the following items:
 27 (1) Curriculum development and revision.
 28 (2) Selection of curricular materials.
 29 (3) Teaching methods.
 30 (4) Hiring, evaluation, promotion, demotion, transfer, assignment,
 31 and retention of certificated employees.
 32 (5) Student discipline.
 33 (6) Expulsion or supervision of students.
 34 (7) Pupil/teacher ratio.
 35 (8) Class size or budget appropriations.
 36 (9) Safety issues for students and employees in the workplace,
 37 except those items required to be kept confidential by state or
 38 federal law.
 39 (10) Hours.
 40 **(11) The following nonbargainable items under IC 20-43-10-3:**
 41 **(A) Performance grants.**
 42 **(B) Individual performance stipends to teachers.**



1 **(C) Additions to base salary based on performance**
 2 **stipends.**

3 **(12) The reevaluation planning session required under**
 4 **IC 20-28-11.5-4.**

5 **(13) The superintendent's report to the governing body**
 6 **concerning staff performance evaluations required under**
 7 **IC 20-28-11.5-9.**

8 SECTION 51. IC 20-29-6-12 IS REPEALED [EFFECTIVE UPON
 9 PASSAGE]. Sec. 12: Formal collective bargaining between a school
 10 corporation and the exclusive representative shall not begin before:

- 11 (1) August 1 in the first year of the state budget biennium; or
 12 (2) August 1 in the second year of the state budget biennium if the
 13 parties agreed to a one (1) year contract during the first year of the
 14 state budget biennium or the contract provides for renegotiating
 15 certain financial items the second year of a two (2) year contract.

16 Informal negotiations may be held before August 1.

17 SECTION 52. IC 20-29-6-12.5, AS AMENDED BY P.L.205-2013,
 18 SECTION 254, IS AMENDED TO READ AS FOLLOWS
 19 [EFFECTIVE UPON PASSAGE]: Sec. 12.5. (a) Before August 1 of the
 20 first year of the state budget biennium, the department shall provide the
 21 parties with an estimate of the general fund revenue available for
 22 bargaining in the school corporation from the school funding formula.

23 (b) Within thirty (30) days after the date of the fall count of ADM
 24 of the school year in the first year of the state budget biennium, the
 25 department shall provide the parties with a certification of estimated
 26 general fund revenue available for bargaining from the school funding
 27 formula. A school employer that has passed a general fund operating
 28 referendum under IC 20-46-1 must have that amount certified by the
 29 department of local government finance. The school corporation must
 30 obtain the certification before the ~~commencement~~ **conclusion** of
 31 bargaining. These certifications must be the basis for determinations
 32 throughout impasse proceedings under this chapter.

33 SECTION 53. IC 20-29-6-15.1, AS ADDED BY P.L.229-2011,
 34 SECTION 181, IS AMENDED TO READ AS FOLLOWS
 35 [EFFECTIVE UPON PASSAGE]: Sec. 15.1. (a) If an agreement has
 36 not been reached on the items permitted to be bargained collectively
 37 under section 4 of this chapter, within fifteen (15) days after mediation
 38 under section 13 of this chapter has ended, the board shall initiate
 39 factfinding.

40 (b) Factfinding must culminate in the factfinder imposing contract
 41 terms on the parties. The factfinder must select one (1) party's last best
 42 offer as the contract terms. The factfinder's order must be restricted to



1 only those items permitted to be bargained and included in the
 2 collective bargaining agreement under section 4 of this chapter and
 3 must not put the employer in a position of deficit financing (as defined
 4 in IC 20-29-2-6) **or violate IC 20-29-6-3(b)**. The factfinder's order
 5 may not impose terms beyond those proposed by the parties in their
 6 last, best offers.

7 (c) Costs for the factfinder shall be borne equally by the parties.

8 (d) Factfinding may not last longer than fifteen (15) days.

9 SECTION 54. IC 20-29-6-16, AS AMENDED BY P.L.229-2011,
 10 SECTION 182, IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE JULY 1, 2015]: Sec. 16. (a) If an agreement has not been
 12 reached on the items to be bargained collectively by November 1, as
 13 provided in IC 6-1.1-17-5, the parties shall continue the terms of the
 14 current contract that is in effect, and the school employer may issue
 15 tentative individual contracts and prepare its budget on that basis.
 16 During this period, in order to allow the successful resolution of the
 17 dispute, the school employer may not unilaterally change the terms or
 18 conditions of employment that are issues in dispute.

19 (b) Upon the expiration of the current contract that is in effect,
 20 **except for performance stipends and additions to base salary**
 21 **provided under IC 20-43-10-3**, the school employer shall continue
 22 under the terms of the current contract that is in effect, with no increase
 23 or increment in salary, wages, or benefits for any bargaining unit
 24 employee until a new contract is executed, unless continuation would
 25 put the school employer in a position of deficit financing ~~due to a~~
 26 ~~reduction in the employer's actual general fund revenue or an increase~~
 27 ~~in an employer's expenditures when the expenditures exceed the~~
 28 ~~current year actual general fund revenue.~~ **or prohibit the employer**
 29 **from making reductions described in IC 20-29-6-3(b).**

30 (c) The only parts of the contract that must continue under this
 31 section are the items contained in the contract and listed in section 4 of
 32 this chapter.

33 (d) This section may not be construed as relieving the school
 34 employer or the school employee organization from the duty to bargain
 35 collectively until a mutual agreement has been reached and a contract
 36 entered as called for in this chapter.

37 SECTION 55. IC 20-29-6-18, AS AMENDED BY P.L.6-2012,
 38 SECTION 140, IS AMENDED TO READ AS FOLLOWS
 39 [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) Either party may appeal
 40 the decision of the factfinder under IC 20-29-6-15.1. The appeal must
 41 be filed not later than thirty (30) days after receiving the factfinder's
 42 decision.



1 (b) The board's decision must be restricted to only those items
 2 permitted to be bargained and included in the collective bargaining
 3 agreement under section 4 of this chapter and must not put the
 4 employer in a position of deficit financing, as defined in IC 20-29-2-6
 5 **or prohibit the employer from making any reductions described in**
 6 **section 3(b) of this chapter.** The board's decision may not impose
 7 terms beyond those proposed by the parties in their last, best offers.

8 (c) The board must rule on the appeal within thirty (30) days after
 9 receipt of notice of appeal.

10 SECTION 56. IC 20-29-8-8, AS AMENDED BY P.L.48-2011,
 11 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 UPON PASSAGE]: Sec. 8. In conducting hearings and investigations,
 13 the factfinder is not bound by IC 4-21.5. The factfinder shall, however,
 14 consider the following factors:

15 (1) Past memoranda of agreements and contracts between the
 16 parties.

17 (2) Comparisons of wages and hours of the employees involved
 18 with wages of other employees working for other public agencies
 19 and private concerns doing comparable work, giving
 20 consideration to factors peculiar to the school corporation.

21 (3) The public interest.

22 (4) The financial impact on the school corporation and whether
 23 any settlement will cause the school corporation to engage in
 24 deficit financing as described in IC 20-29-6-3 **or prohibit the**
 25 **school corporation from making any reductions described in**
 26 **IC 20-29-6-3(b).**

27 SECTION 57. IC 20-30-2-2.2, AS AMENDED BY P.L.246-2013,
 28 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 UPON PASSAGE]: Sec. 2.2. (a) As used in this section, "eligible
 30 student" means a student in grade 11 or 12 who has:

31 (1) **for:**

32 (A) **school years ending before July 1, 2017, failed the**
 33 **ISTEP+ graduation exam at least twice; and**

34 (B) **school years beginning after June 30, 2016, failed any**
 35 **combination of the ISTEP+ graduation exam and the**
 36 **BEST graduation exam at least twice;**

37 (2) been determined to be chronically absent, by missing ten
 38 percent (10%) or more of a school year for any reason;

39 (3) been determined to be a habitual truant, as identified under
 40 IC 20-33-2-11;

41 (4) been significantly behind in credits for graduation, as
 42 identified by an individual's school principal;



- 1 (5) previously undergone at least a second suspension from school
 2 for the school year under IC 20-33-8-14 or IC 20-33-8-15;
 3 (6) previously undergone an expulsion from school under
 4 IC 20-33-8-14, IC 20-33-8-15, or IC 20-33-8-16; or
 5 (7) been determined by the individual's principal and the
 6 individual's parent or guardian to benefit by participating in the
 7 school flex program.
- 8 (b) An eligible student who participates in a school flex program
 9 must:
- 10 (1) attend school for at least three (3) hours of instructional time
 11 per school day;
 12 (2) pursue a timely graduation;
 13 (3) provide evidence of college or technical career education
 14 enrollment and attendance or proof of employment and labor that
 15 is aligned with the student's career academic sequence under rules
 16 established by the Indiana bureau of child labor;
 17 (4) not be suspended or expelled while participating in a school
 18 flex program;
 19 (5) pursue course and credit requirements for a general diploma;
 20 and
 21 (6) maintain a ninety-five percent (95%) attendance rate.
- 22 (c) A school may allow an eligible student in grade 11 or 12 to
 23 complete an instructional day that consists of three (3) hours of
 24 instructional time if the student participates in the school flex program.
- 25 (d) If one (1) or more students participate in a school flex program,
 26 the principal shall, on forms provided by the department, submit a
 27 yearly report to the department of student participation and graduation
 28 rates of students who participate in the school flex program.
- 29 SECTION 58. IC 20-30-4-2, AS AMENDED BY P.L.140-2008,
 30 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 UPON PASSAGE]: Sec. 2. In consultation with the student's guidance
 32 counselor, after seeking consultation with each student's parents, and
 33 not later than the date on which the student completes grade 9, each
 34 student shall further develop the graduation plan developed in grade 6
 35 under section 1.5 of this chapter to also include the following:
- 36 (1) The subject and skill areas of interest to the student.
 37 (2) A program of study under the college/technology preparation
 38 curriculum adopted by the state board under IC 20-30-10-2 for
 39 grades 10, 11, and 12 that meets the interests and aptitude of the
 40 student.
 41 (3) Assurances that, upon satisfactory fulfillment of the plan, the
 42 student:



- 1 (A) is entitled to graduate; and
 2 (B) will have taken at least the minimum variety and number
 3 of courses necessary to gain admittance to a state educational
 4 institution.
- 5 (4) An indication of assessments (other than **for school years**
 6 **ending before July 1, 2016, ISTEP, for school years beginning**
 7 **after June 30, 2016, BEST,** and the graduation examination) that
 8 the student plans to take voluntarily during grade 10 through
 9 grade 12, and which may include any of the following:
- 10 (A) The SAT Reasoning Test.
 11 (B) The ACT test.
 12 (C) Advanced placement exams.
 13 (D) College readiness exams approved by the department.
 14 (E) Workforce readiness exams approved by the department of
 15 workforce development established under IC 22-4.1-2.
- 16 SECTION 59. IC 20-31-3-1, AS ADDED BY P.L.1-2005,
 17 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 UPON PASSAGE]: Sec. 1. (a) The state board shall adopt clear,
 19 concise, and jargon free state academic standards that are comparable
 20 to national and international academic standards **and the college and**
 21 **career readiness educational standards adopted under**
 22 **IC 20-19-2-14.5.** These academic standards must be adopted for each
 23 grade level from kindergarten through grade 12 for the following
 24 subjects:
- 25 (1) English/language arts.
 26 (2) Mathematics.
 27 (3) Social studies.
 28 (4) Science.
- 29 (b) For grade levels tested **for school years ending before July 1,**
 30 **2016,** under the ISTEP program **and for school years beginning after**
 31 **June 30, 2016, under the BEST program,** the academic standards
 32 must, **for school years ending before July 1, 2016,** be based in part
 33 on the results of the ISTEP program.
- 34 (c) **For school years beginning after June 30, 2016, the content**
 35 **of a nationally recognized assessment approved by the state board**
 36 **under IC 20-32-5.1 must align with Indiana academic standards**
 37 **adopted by the state board. The state board may not adopt**
 38 **Common Core (Common Core State Standards Initiative) or**
 39 **delegate to any higher authority the responsibility of setting**
 40 **academic standards.**
- 41 SECTION 60. IC 20-31-4-10, AS ADDED BY P.L.1-2005,
 42 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 UPON PASSAGE]: Sec. 10. (a) During its onsite evaluation, a review
2 panel shall review the following for a school:

3 (1) Teaching practices and administrative leadership in
4 instruction.

5 (2) Parental and community involvement.

6 (3) **For school years ending before July 1, 2016,**
7 implementation of the ISTEP remediation program under
8 IC 20-32-8 **and, for school years beginning after June 30, 2016,**
9 **implementation of the BEST remediation program under**
10 **IC 20-32-8,** and the educational opportunity program for at-risk
11 children.

12 (4) The homework policy.

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

16 SECTION 61. IC 20-31-5-4, AS AMENDED BY P.L.246-2013,
17 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 UPON PASSAGE]: Sec. 4. (a) A plan must:

19 (1) state objectives for a three (3) year period; and

20 (2) be annually reviewed and revised to accomplish the
21 achievement objectives of the school.

22 (b) A plan must establish objectives for the school to achieve.

23 (c) This subsection does not apply to a school that is designated in
24 the top category or designation of school improvement under
25 IC 20-31-8-4 in the year immediately preceding the year in which the
26 school's initial plan is implemented. These achievement objectives
27 must be consistent with academic standards and include improvement
28 in at least the following areas:

29 (1) Attendance rate, as set forth in the plan developed under
30 IC 20-19-3-12.2.

31 (2) The educational needs of students who have been identified to
32 be chronically absent or habitually truant from school.

33 (3) The percentage of students meeting academic standards:

34 **(A) for school years ending before July 1, 2016,** under the
35 ISTEP program (IC 20-31-3 and IC 20-32-5 **(repealed**
36 **effective July 1, 2016)); and**

37 **(B) for school years beginning after June 30, 2016, under**
38 **the BEST program.**

39 (4) For a secondary school, graduation rate.

40 (d) A plan must address the learning needs of all students, including
41 programs and services for exceptional learners.

42 (e) A plan must specify how and to what extent the school expects



1 to make continuous improvement in all areas of the education system
 2 where results are measured by setting benchmarks for progress on an
 3 individual school basis.

4 (f) A plan must note specific areas where improvement is needed
 5 immediately.

6 SECTION 62. IC 20-31-5-6, AS AMENDED BY P.L.268-2013,
 7 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 UPON PASSAGE]: Sec. 6. (a) This section does not apply to a school
 9 that is designated in the top category or designation of school
 10 improvement under IC 20-31-8-4 in the year immediately preceding the
 11 year in which the school's initial plan is implemented. A plan must
 12 contain the following components for the school:

13 (1) A list of the statutes and rules that the school wishes to have
 14 suspended from operation for the school.

15 (2) A description of the curriculum and information concerning
 16 the location of a copy of the curriculum that is available for
 17 inspection by members of the public.

18 (3) A description and name of the assessments that will be used
 19 in the school in addition to:

20 (A) for a school year ending before July 1, 2016, ISTEP
 21 program assessments; and

22 (B) for a school year beginning after June 30, 2016, BEST
 23 program assessments.

24 (4) A plan to be submitted to the governing body and made
 25 available to all interested members of the public in an easily
 26 understood format.

27 (5) A provision to maximize parental participation in the school,
 28 which may include providing parents with:

29 (A) access to learning aids to assist students with school work
 30 at home;

31 (B) information on home study techniques; and

32 (C) access to school resources.

33 (6) For a secondary school, a provision to do the following:

34 (A) Offer courses that allow all students to become eligible to
 35 receive an academic honors diploma.

36 (B) Encourage all students to earn an academic honors
 37 diploma or complete the Core 40 curriculum.

38 (C) Reduce the number of graduation exam waivers granted to
 39 graduates.

40 (7) A provision to maintain a safe and disciplined learning
 41 environment for students and teachers that complies with the
 42 governing body's plan for improving student behavior and



1 discipline developed under IC 20-26-5-32.

2 (8) A provision for the coordination of technology initiatives and
3 ongoing professional development activities.

4 (b) If, for a purpose other than a plan under this chapter, a school
5 has developed materials that are substantially similar to a component
6 listed in subsection (a), the school may substitute those materials for
7 the component listed in subsection (a).

8 SECTION 63. IC 20-31-7-4, AS ADDED BY P.L.1-2005,
9 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 UPON PASSAGE]: Sec. 4. (a) The student educational achievement
11 fund is established to provide funds to stimulate and recognize
12 improved student performance in meeting academic standards:

13 **(1) for school years ending before July 1, 2016,** under the
14 ISTEP program; **and**

15 **(2) for school years beginning after June 30, 2016, under the**
16 **BEST program.**

17 The fund is administered by the department.

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

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

21 SECTION 64. IC 20-31-7-6, AS ADDED BY P.L.1-2005,
22 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 UPON PASSAGE]: Sec. 6. The education roundtable shall recommend
24 to the state board a system for awarding and distributing grants under
25 this chapter. A system recommended under this section must be based
26 on graduated levels of improvement based on:

27 **(1) for school years ending before July 1, 2016,** ISTEP program
28 standards and other assessments recommended and approved by
29 the education roundtable;

30 **(2) for school years beginning after June 30, 2016, through the**
31 **school year specified by the state board, a transitional metric**
32 **authorized by the state board based on a combination of**
33 **improvement under ISTEP program standards and BEST**
34 **program standards and other assessments recommended and**
35 **approved by the education roundtable; and**

36 **(3) for school years beginning after the school year specified**
37 **by the state board, BEST program standards and other**
38 **assessments recommended and approved by the education**
39 **roundtable.**

40 SECTION 65. IC 20-31-8-1, AS AMENDED BY P.L.268-2013,
41 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 UPON PASSAGE]: Sec. 1. (a) The performance of a school's students



- 1 on:
- 2 **(1) for school years ending before July 1, 2016, the ISTEP**
- 3 **program test;**
- 4 **(2) for school years beginning after June 30, 2016, through the**
- 5 **school year specified by state board, a transitional metric**
- 6 **authorized by the state board based on a combination of**
- 7 **improvement under ISTEP program tests and BEST program**
- 8 **tests; and**
- 9 **(3) for school years beginning after the school year specified**
- 10 **by the state board under subdivision (2), BEST program tests;**
- 11 and other assessments recommended by the education roundtable and
- 12 approved by the state board are the primary and majority means of
- 13 assessing a school's improvement.
- 14 (b) The education roundtable shall examine and make
- 15 recommendations to the state board concerning:
- 16 (1) performance indicators to be used as a secondary means of
- 17 determining school progress;
- 18 (2) expected progress levels, continuous improvement measures,
- 19 distributional performance levels, and absolute performance
- 20 levels for schools; and
- 21 (3) an orderly transition from the performance based accreditation
- 22 system to the assessment system set forth in this article.
- 23 (c) The education roundtable shall consider methods of measuring
- 24 improvement and progress used in other states in developing
- 25 recommendations under this section.
- 26 (d) The education roundtable may consider:
- 27 (1) the likelihood that a student may fail a graduation exam and
- 28 require a graduation waiver under IC 20-32-4-4 or IC 20-32-4-5;
- 29 and
- 30 (2) remedial needs of students who are likely to require remedial
- 31 work while the students attend a postsecondary educational
- 32 institution or workforce training program;
- 33 when making recommendations under this section.
- 34 SECTION 66. IC 20-31-8-2, AS AMENDED BY P.L.286-2013,
- 35 SECTION 102, IS AMENDED TO READ AS FOLLOWS
- 36 [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) In addition to scores on
- 37 the ISTEP program test and BEST program tests and other
- 38 assessments, the department shall use the performance indicators
- 39 developed under section 1 of this chapter and the benchmarks and
- 40 indicators of performance in each school corporation's annual
- 41 performance report as a secondary means of assessing the performance
- 42 of each school and school corporation.



1 (b) The department shall assess school performance in the following
2 manner:

3 (1) Compare the academic performance and growth of the
4 individual students in each school and each school corporation
5 with the prior academic performance and growth of the individual
6 students in the school or school corporation and not to the
7 performance of other schools or school corporations.

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

11 (3) Compare the results for a school by comparing each student's
12 results for each grade with the student's prior year results, with an
13 adjustment for student mobility rate. The education roundtable
14 shall make recommendations concerning the incorporation of a
15 statistical adjustment for student mobility rates into the results.

16 (4) Compare the results for a school with the state average and the
17 ninety-fifth percentile level for all assessments and performance
18 indicators.

19 SECTION 67. IC 20-31-8-3, AS AMENDED BY P.L.286-2013,
20 SECTION 103, IS AMENDED TO READ AS FOLLOWS
21 [EFFECTIVE JULY 1, 2015]: Sec. 3. (a) The state board shall
22 establish a number of categories, using an "A" through "F" grading
23 scale, to designate performance based on the individual student
24 academic performance and growth to proficiency in each school.

25 (b) **This subsection applies only to a school with a low student
26 population when compared to the average size of the student
27 population at all schools in Indiana. An earned letter grade on the
28 "A" through "F" grading scale shall be given for all schools,
29 including schools with a low student population to which this
30 subsection applies. A school to which this subsection applies may
31 appeal a designation under subsection (a) to the state board based
32 on the insufficient size of the test group needed to determine an
33 accurate result for each grade completing the assessment.**

34 SECTION 68. IC 20-32-5 IS REPEALED [EFFECTIVE JULY 1,
35 2016]. (Indiana Statewide Testing for Educational Progress).

36 SECTION 69. IC 20-32-5.1 IS ADDED TO THE INDIANA CODE
37 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
38 UPON PASSAGE]:

39 **Chapter 5.1. Benchmarking Excellence Student Testing
40 Program**

41 **Sec. 1. The purposes of the BEST program developed under this
42 chapter are as follows:**

SB 566—LS 7507/DI 51



- 1 (1) To assess the strengths and weaknesses of school
2 performance.
3 (2) To assess the effects of state and local educational
4 programs.
5 (3) To compare achievement of Indiana students to
6 achievement of students on a national basis.
7 (4) To provide a source of information for state and local
8 decision makers with regard to educational matters, including
9 the following:
10 (A) The overall academic progress of students.
11 (B) The need for new or revised educational programs.
12 (C) The need to terminate existing educational programs.
13 (D) Student readiness for postsecondary school
14 experiences.
15 (E) Overall curriculum development and revision
16 activities.
17 (F) Identifying students who may need remediation under
18 IC 20-32-8.
19 (G) Diagnosing individual student needs.
20 (H) Teacher education and staff development activities.
21 (5) To use nationally recognized assessments to eliminate
22 excessive costs related to the development and use of tests.
23 **Sec. 2. (a) In carrying out its responsibilities under this chapter,**
24 **the state board and the department may not delegate to any higher**
25 **authority the responsibility of selecting tests.**
26 **(b) The state board shall determine the content and format of**
27 **the BEST program and the tests, including assessments, used in the**
28 **BEST program. The superintendent of public instruction and the**
29 **department, under the direction of the state board, shall carry out**
30 **the work necessary to carry out this chapter.**
31 **(c) The state board shall select tests for the BEST program that**
32 **are nationally recognized assessment tests.**
33 **(d) The content of a nationally recognized assessment test**
34 **approved by the state board under this chapter must align with**
35 **Indiana academic standards adopted by the state board, including**
36 **standards adopted under the following:**
37 (1) IC 20-19-2-14.5.
38 (2) IC 20-31-3.
39 (3) IC 20-32-4.
40 (4) The assessment program established under IC 20-31-8.
41 **(e) The state board may not consider or adopt any of the**
42 **following:**



- 1 **(1) An assessment or a test that is developed for and is unique**
 2 **to Indiana.**
- 3 **(2) An assessment or a test that adopts Common Core**
 4 **(Common Core State Standards Initiative) or delegates to any**
 5 **higher authority the responsibility of selecting tests or**
 6 **implementing testing.**
- 7 **(3) An assessment or a test that would prevent the state from**
 8 **obtaining, would terminate, or prevent renewal of necessary**
 9 **flexibility waivers under Section 9401 of the federal**
 10 **Elementary and Secondary Education Act of 1965, as**
 11 **amended and reauthorized under the federal No Child Left**
 12 **Behind Act of 2001 and subsequent federal laws (20 U.S.C.**
 13 **7861) and federal regulations promulgated to implement**
 14 **federal law.**
- 15 **Sec. 3. (a) Before:**
- 16 **(1) selecting one (1) or more vendors or changing one (1) or**
 17 **more vendors to provide tests for the BEST program; or**
 18 **(2) selecting the format or changing the format for tests**
 19 **provided by a vendor;**
- 20 **the state board shall comply with the minimum procedures in this**
 21 **section. The state board may supplement the minimum procedures**
 22 **in this section by consulting citizen groups and taking other**
 23 **additional actions to fully consider the issues related to establishing**
 24 **a BEST program based on Indiana academic standards.**
- 25 **(b) The state board shall consider a variety of available**
 26 **nationally recognized assessments and tests and adopt a request for**
 27 **proposals that meets the requirements of this chapter. The**
 28 **department shall carry out the work necessary, under the direction**
 29 **of the state board, in preparing the request for proposals. The**
 30 **department shall submit the request for proposals to the**
 31 **roundtable for review. The state board shall consider any**
 32 **recommendations made by the roundtable and, if a**
 33 **recommendation is not adopted, specify in a writing adopted by the**
 34 **state board the reasons why the recommendation was not adopted.**
- 35 **(c) The state board shall submit the responses to the request for**
 36 **proposals to the roundtable for review and recommendations.**
 37 **After receiving the recommendations of the roundtable, the state**
 38 **board shall:**
- 39 **(1) provisionally select a vendor and the tests to be used in the**
 40 **BEST program;**
 41 **(2) provisionally adopt any necessary modifications in Indiana**
 42 **academic standards to bring the recommended tests into**



1 alignment with Indiana academic standards;

2 (3) conduct at least three (3) public hearings on the
3 provisional determinations of the state board under
4 subdivisions (1) and (2), with one (1) public hearing at a
5 location in northern Indiana, one (1) public hearing at a
6 location in central Indiana, and one (1) public hearing at a
7 location in southern Indiana;

8 (4) submit the determinations under subdivisions (1) and (2),
9 as revised after the public hearings conducted under
10 subdivision (3), to the budget committee for review; and

11 (5) after considering any recommendations made by the
12 budget committee, finally select a vendor and the tests to be
13 used in the BEST program.

14 (d) The state board may carry out the procedures in this section
15 as part of a rulemaking action under IC 4-22-2 or an emergency
16 rulemaking action under IC 4-22-2-37.1.

17 Sec. 4. BEST program tests shall be administered for school
18 years beginning after June 30, 2016, in the grade levels determined
19 by the state board in the following subject areas:

20 (1) English/language arts.

21 (2) Mathematics.

22 (3) Science.

23 (4) Social studies.

24 The BEST program tests must include a reading component that
25 is administered in grade 3.

26 Sec. 5. The state board shall determine the date in each school
27 year on which statewide BEST program testing is administered in
28 each school corporation.

29 Sec. 6. The state superintendent is responsible for the overall
30 development, implementation, and monitoring of the BEST
31 program authorized by the state board.

32 Sec. 7. The department shall make BEST program scoring
33 rubrics available to the public at least four (4) months before the
34 administration of a test. An essay question, a scoring rubric, or an
35 anchor paper used in the BEST program may not seek or compile
36 information about a student's:

37 (1) personal attitudes;

38 (2) political views;

39 (3) religious beliefs;

40 (4) family relationships; or

41 (5) other matters listed in IC 20-30-5-17(b).

42 Sec. 8. The scoring of student responses under the BEST



- 1 **program test:**
- 2 (1) must measure student achievement relative to the
- 3 academic standards established by the state board, including
- 4 the college and career readiness educational standards
- 5 established under IC 20-19-2-14.5;
- 6 (2) must adhere to scoring rubrics and anchor papers; and
- 7 (3) may not reflect the scorer's judgment of the values
- 8 expressed by a student in the student's responses.
- 9 **Sec. 9. Reports related to tests administered as part of the BEST**
- 10 **program must:**
- 11 (1) provide scores indicating student performance relative to
- 12 each of the academic standards:
- 13 (A) established by the state board; and
- 14 (B) assessed by the test;
- 15 (2) be related to passing scores established by the state board;
- 16 and
- 17 (3) contain the information listed in subdivisions (1) and (2)
- 18 for the following levels:
- 19 (A) Individual student.
- 20 (B) Classroom.
- 21 (C) School.
- 22 (D) School corporation.
- 23 (E) Indiana.
- 24 **Sec. 10. Reports of student scores must be:**
- 25 (1) returned to the school corporation that administered the
- 26 test; and
- 27 (2) accompanied by a guide for interpreting scores.
- 28 **Sec. 11. (a) As used in this section, "BEST program test"**
- 29 **includes any statewide assessment that a student is required to**
- 30 **complete.**
- 31 (b) After reports of student scores for a BEST program test are
- 32 returned to a school corporation, the school corporation shall
- 33 promptly do the following:
- 34 (1) Give each student and the student's parent the student's
- 35 BEST program test scores.
- 36 (2) Make available for inspection to each student and the
- 37 student's parent the following:
- 38 (A) A copy of all questions that are not multiple choice or
- 39 true and false and prompts used in assessing the student.
- 40 (B) A copy of the student's scored responses.
- 41 (C) A copy of the anchor papers and scoring rubrics used
- 42 to score the student's responses.



1 A student's parent may request a rescoring of a student's responses
2 to a BEST program test, including a student's essay.

3 (c) A student's BEST program test scores may not be disclosed
4 to the public.

5 Sec. 12. After a school receives score reports for a BEST
6 program test, the school shall schedule a parent/teacher conference
7 with the following:

8 (1) A parent of a student who requests a parent/teacher
9 conference on the scores of the student.

10 (2) The parent of each student who does not receive a passing
11 score on the test. The conference must include a discussion of:

12 (A) the student's test scores, including subscores on
13 academic standards; and

14 (B) the proposed remediation plan for the student.

15 Sec. 13. Each school corporation shall compile the total results
16 of the BEST program tests in a manner that will permit evaluation
17 of learning progress within the school corporation. The school
18 corporation shall make the compilation of test results available for
19 public inspection and shall provide that compilation to the parent
20 of each student tested under the BEST program.

21 Sec. 14. The department shall develop a format for the
22 publication by school corporations in an annual performance
23 report required by statute of appropriate academic information
24 required by the department, including BEST program test scores
25 and information required to be disaggregated by the department
26 under section 15 of this chapter, in a manner that a reasonable
27 person can easily read and understand.

28 Sec. 15. (a) The school corporation shall provide the BEST
29 program test results on a school by school basis to the department
30 upon request.

31 (b) The department shall disaggregate from the total results of
32 the BEST program test results for a school corporation the
33 percentage of students in each school and each grade in the school
34 corporation that are identified as high ability students (as defined
35 by IC 20-36-1-3) by the school corporation who also achieved a
36 score in the highest performance level designated for the BEST
37 test. However, this disaggregation is not required in a case in which
38 the results would reveal personally identifiable information about
39 an individual student under the federal Family Education Rights
40 and Privacy Act (20 U.S.C. 1232g et seq.).

41 Sec. 16. Upon request by the commission for higher education,
42 the department shall provide BEST program test results to the



1 commission for those students for whom the commission under 20
2 U.S.C. 1232g has obtained consent.

3 Sec. 17. (a) The state superintendent shall develop a BEST
4 program testing schedule in which:

5 (1) each student in the grades approved by the state board
6 must be tested; and

7 (2) each student in grade 10 or grade 11 must take a
8 graduation examination.

9 (b) The state board shall adopt rules to establish when a student
10 is considered to be in grade 10 for purposes of initially taking the
11 graduation examination.

12 Sec. 18. (a) A student who is a child with a disability (as defined
13 in IC 20-35-1-2) shall be tested under this chapter with appropriate
14 accommodations in testing materials and procedures unless the
15 individuals who develop the child's individualized education
16 program determine that testing or a part of the testing under this
17 chapter is not appropriate for the student and that an alternate
18 assessment will be used to test the student's achievement.

19 (b) Any decision concerning a student who is a child with a
20 disability (as defined in IC 20-35-1-2) 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 BEST program manual
29 and federal law.

30 Sec. 19. (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 BEST program test; and

35 (2) the scoring reports used by the department.

36 (b) A nonpublic school seeking accreditation must:

37 (1) administer the BEST program test to its students at the
38 same time that school corporations administer the test; and

39 (2) make available to the department the results of the BEST
40 program testing.

41 Sec. 20. The state board may establish assessments to
42 supplement BEST assessments for secondary school students.



1 **Sec. 21. The state board may adopt rules under IC 4-22-2,**
 2 **including emergency rules under IC 4-22-2-37.1, to implement this**
 3 **chapter.**

4 SECTION 70. IC 20-32-8-11, AS ADDED BY P.L.1-2005,
 5 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 UPON PASSAGE]: Sec. 11. Notwithstanding the requirements of this
 7 chapter, any decisions made with regard to:

- 8 (1) attendance in a remediation program;
 9 (2) ISTEP program testing **or BEST program testing;** and
 10 (3) the grade level placement;

11 for a student who is a child with a disability (as defined in
 12 IC 20-35-1-2) shall be made in accordance with the individualized
 13 education program, state law, and federal law.

14 SECTION 71. IC 20-33-2-13, AS AMENDED BY P.L.43-2014,
 15 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 UPON PASSAGE]: Sec. 13. (a) A school corporation shall record or
 17 include the following information in the official high school transcript
 18 for a student in high school:

- 19 (1) Attendance records.
 20 (2) **For school years ending before July 1, 2016,** the student's
 21 latest ISTEP program test results under IC 20-32-5 (**repealed**
 22 **effective July 1, 2016) and, for school years ending after June**
 23 **30, 2016, the student's latest BEST program test results.**
 24 (3) Any secondary level and postsecondary level certificates of
 25 achievement earned by the student.
 26 (4) Immunization information from the immunization record the
 27 student's school keeps under IC 20-34-4-1.
 28 (5) Any dual credit courses taken that are included in the core
 29 transfer library under IC 21-42-5-4.
 30 (6) The student's latest PSAT program test results.

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

34 SECTION 72. IC 20-35-8-1, AS AMENDED BY P.L.229-2011,
 35 SECTION 195, IS AMENDED TO READ AS FOLLOWS
 36 [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Except as provided in
 37 subsection (b), if a student with legal settlement in a school corporation
 38 is transferred to attend school in another school corporation because of
 39 a disability or multiple disabilities, the transferor corporation shall:

- 40 (1) either:
 41 (A) provide; or
 42 (B) pay for, in the amount determined under section 2 of this



- 1 chapter;
- 2 any transportation that is necessary or feasible, as determined
- 3 under section 2 of this chapter and the rules adopted by the state
- 4 board; and
- 5 (2) pay transfer tuition for the student to the transferee
- 6 corporation in accordance with IC 20-26-11.
- 7 (b) If the student attends a school operated through:
- 8 (1) a joint school service and supply program; or
- 9 (2) another cooperative program;
- 10 involving the school corporation of the student's legal settlement,
- 11 transportation and other costs shall be made in amounts and at the
- 12 times provided in the agreement or other arrangement made between
- 13 the participating school corporations.
- 14 (c) Student data, including ISTEP program testing scores, **BEST**
- 15 **program testing scores**, academic progress, grade level, and
- 16 graduation date, for a student described in subsection (a) shall be
- 17 included in determinations for the school corporation in which the
- 18 student has legal settlement.
- 19 SECTION 73. IC 20-36-5-1, AS AMENDED BY P.L.2-2007,
- 20 SECTION 238, IS AMENDED TO READ AS FOLLOWS
- 21 [EFFECTIVE UPON PASSAGE]: Sec. 1. A student shall receive
- 22 credits toward graduation or an academic honors diploma by
- 23 demonstrating the student's proficiency in a course or subject area
- 24 required for graduation or the academic honors diploma, whether or not
- 25 the student has completed course work in the subject area, by any one
- 26 (1) or more of the following methods:
- 27 (1) Receiving a score that demonstrates proficiency on a
- 28 standardized assessment of academic or subject area competence
- 29 that is accepted by accredited postsecondary educational
- 30 institutions.
- 31 (2) Receiving a high proficiency level score on an end of course
- 32 assessment for a course without taking the course.
- 33 (3) Successfully completing a similar course at an eligible
- 34 institution under the postsecondary enrollment program under
- 35 IC 21-43-4.
- 36 (4) Receiving a score of three (3), four (4), or five (5) on an
- 37 advanced placement examination for a course or subject area.
- 38 (5) Other methods approved by the state board.
- 39 SECTION 74. IC 20-43-10-3, AS ADDED BY P.L.205-2013,
- 40 SECTION 300, IS AMENDED TO READ AS FOLLOWS
- 41 [EFFECTIVE JUNE 30, 2015]: Sec. 3. (a) As used in this section,
- 42 "achievement test" means a



- 1 (1) test required by the ISTEP program or **the BEST program, as**
 2 **applicable.**
- 3 (2) Core 40 end of course assessment for the following:
- 4 (A) Algebra I.
- 5 (B) English 10.
- 6 (C) Biology I.
- 7 (b) As used in this section, "graduation rate" means the percentage
 8 graduation rate for a high school in a school corporation as determined
 9 under IC 20-26-13-10 but adjusted to reflect the pupils who meet the
 10 requirements of graduation under subsection (d).
- 11 (c) As used in this section, "test" means either:
- 12 (1) a test required by the ISTEP program or **the BEST program,**
 13 **as applicable; or**
- 14 (2) a Core 40 end of course assessment;
- 15 in the school year ending in the immediately preceding state fiscal year
 16 or, for purposes of a school year to school year comparison, in the
 17 school year immediately preceding that school year.
- 18 (d) A pupil meets the requirements of graduation for purposes of
 19 this section if the pupil successfully completed:
- 20 (1) a sufficient number of academic credits, or the equivalent of
 21 academic credits; and
- 22 (2) the graduation examination required under IC 20-32-3 through
 23 ~~IC 20-32-6~~; **IC 20-32-5.1**;
- 24 that resulted in the awarding of a high school diploma or an academic
 25 honors diploma to the pupil for the school year ending in the
 26 immediately preceding state fiscal year.
- 27 (e) Determinations for a school for a state fiscal year must be made
 28 using:
- 29 (1) the count of tests passed compared to the count of tests taken
 30 throughout the school;
- 31 (2) the graduation rate in the high school; and
- 32 (3) the count of pupils graduating in the high school.
- 33 (f) In determining grants under this section, a school corporation
 34 may qualify for the following **two (2) grants** each year:
- 35 (1) One (1) grant under subsection (h), (i), or (j).
- 36 (2) One (1) grant under subsection (k), (l), or (m).
- 37 **A school corporation's grant under subdivision (1) is the sum of the**
 38 **grants separately calculated for each school in the school**
 39 **corporation under subsection (h), (i), or (j). A school corporation's**
 40 **grant under subdivision (2) is the sum of the grants separately**
 41 **calculated for each school in the school corporation under**
 42 **subsection (k), (l), or (m).**



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

7 **(1) total amount to be distributed as performance grants for**
 8 **a particular state fiscal year exceeds the amount appropriated**
 9 **by the general assembly for performance grants for that state**
 10 **fiscal year, the total amount to be distributed as performance**
 11 **grants to school corporations shall be proportionately**
 12 **reduced so that the total reduction equals the amount of the**
 13 **excess. The amount of the reduction for a particular school**
 14 **corporation is equal to the total amount of the excess**
 15 **multiplied by a fraction. The numerator of the fraction is the**
 16 **amount of the performance grant that the school corporation**
 17 **would have received if a reduction were not made under this**
 18 **section. The denominator of the fraction is the total amount**
 19 **that would be distributed as performance grants to all school**
 20 **corporations if a reduction were not made under this section;**
 21 **and**

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

30 The performance grant received by a school corporation ~~may~~ **shall** be
 31 **allocated among and** used only to pay a **one-time** cash awards
 32 **stipends to all** teachers who are rated as effective or as highly effective
 33 **and employed by the school corporation as of December 1. The**
 34 **lead school corporation administering a cooperative or other**
 35 **special education program or career and technical education**
 36 **program, including programs managed under IC 20-26-10,**
 37 **IC 20-35-5, IC 20-37, or IC 36-1-7, shall award performance**
 38 **stipends to and carry out the other responsibilities of an employing**
 39 **school corporation under this section for the teachers in the special**
 40 **education program or career and technical education program.**
 41 **The amount of the distribution from an annual performance grant**
 42 **to an individual teacher is determined at the discretion of the**



1 governing body of the school corporation. The governing body may
2 differentiate between the amount of the stipend awarded to a
3 teacher rated as a highly effective teacher and a teacher rated as
4 an effective teacher and may differentiate between school
5 buildings. A stipend to an individual teacher in a particular year is
6 not subject to collective bargaining and is in addition to the
7 minimum salary or increases in salary set under IC 20-28-9-1.5. In
8 addition, an amount determined under the policies adopted by the
9 governing body but not exceeding fifty percent (50%) of the
10 amount of a stipend to an individual teacher in a particular state
11 fiscal year beginning after June 30, 2015, becomes a permanent
12 part of and increases the base salary of the teacher receiving the
13 stipend for school years beginning after the state fiscal year in
14 which the stipend is received. The addition to base salary under
15 this section is not subject to collective bargaining, is payable from
16 funds other than the performance grant, and is in addition to the
17 minimum salary and increases in salary set under IC 20-28-9-1.5.
18 The school corporation shall complete the appropriation process
19 for all stipends from a performance grant to individual teachers
20 before December 31 of the state fiscal year in which the
21 performance grant is distributed to the school corporation and
22 distribute all stipends from a performance grant to individual
23 teachers before the immediately following January 31. Any part of
24 the performance grant not distributed as stipends to teachers
25 before December 31 must be returned to the department on the
26 earlier of the date set by the department or June 30 of that state
27 fiscal year.

28 (h) A school qualifies for a grant under this subsection if the school
29 has more than seventy-two and five-tenths percent (72.5%) but less
30 than ninety percent (90%) of the tests taken in the school year ending
31 in the immediately preceding state fiscal year that receive passing
32 scores. The grant amount for the state fiscal year is:

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

37 (i) A school qualifies for a grant under this subsection if the school
38 has at least ninety percent (90%) of the tests taken in the school year
39 ending in the immediately preceding state fiscal year that receive
40 passing scores. The grant amount for the state fiscal year is:

- 41 (1) the count of the school's passing scores on tests in the school
42 year ending in the immediately preceding state fiscal year;



- 1 multiplied by
 2 (2) forty-seven dollars (\$47).
- 3 (j) This subsection does not apply to a school corporation in its first
 4 year of operation. A school qualifies for a grant under this subsection
 5 if the school's school year over school year percentage growth rate of
 6 achievement tests receiving passing scores was at least five percent
 7 (5%), comparing the school year ending in the immediately preceding
 8 state fiscal year to the school year immediately preceding that school
 9 year. The grant amount for the state fiscal year is:
 10 (1) the count of the school corporation's pupils who had a passing
 11 score on their achievement test in the school year ending in the
 12 immediately preceding state fiscal year; multiplied by
 13 (2) forty-seven dollars (\$47).
- 14 (k) A school qualifies for a grant under this subsection if the school
 15 had a graduation rate of ninety percent (90%) or more for the school
 16 year ending in the immediately preceding state fiscal year. The grant
 17 amount for the state fiscal year is:
 18 (1) the count of the school corporation's pupils who met the
 19 requirements for graduation for the school year ending in the
 20 immediately preceding state fiscal year; multiplied by
 21 (2) one hundred seventy-six dollars (\$176).
- 22 (l) A school qualifies for a grant under this subsection if the school
 23 had a graduation rate greater than seventy-five percent (75%) but less
 24 than ninety percent (90%) for the school year ending in the
 25 immediately preceding state fiscal year. The grant amount for the state
 26 fiscal year is:
 27 (1) the count of the school corporation's pupils who met the
 28 requirements for graduation for the school year ending in the
 29 immediately preceding state fiscal year; multiplied by
 30 (2) eighty-eight dollars (\$88).
- 31 (m) This subsection does not apply to a school in its first year of
 32 operation. A school qualifies for a grant under this subsection if the
 33 school's school year over school year percentage growth in its
 34 graduation rate is at least five percent (5%), comparing the graduation
 35 rate for the school year ending in the immediately preceding state fiscal
 36 year to the graduation rate for the school year immediately preceding
 37 that school year. The grant amount for the state fiscal year is:
 38 (1) the count of the school corporation's pupils who met the
 39 requirements for graduation in the school year ending in the
 40 immediately preceding state fiscal year; multiplied by
 41 (2) one hundred seventy-six dollars (\$176).
- 42 (n) This section expires June 30, ~~2015~~. **2017**.



1 SECTION 75. IC 20-51-1-4.7, AS AMENDED BY P.L.211-2013,
 2 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 UPON PASSAGE]: Sec. 4.7. "Eligible school" refers to a public or
 4 nonpublic elementary school or high school that:

- 5 (1) is located in Indiana;
 6 (2) requires an eligible choice scholarship student to pay tuition
 7 or transfer tuition to attend;
 8 (3) voluntarily agrees to enroll an eligible choice scholarship
 9 student;
 10 (4) is accredited by either the state board or a national or regional
 11 accreditation agency that is recognized by the state board;
 12 (5) **for school years ending before July 1, 2016**, administers the
 13 Indiana statewide testing for educational progress (ISTEP)
 14 program under IC 20-32-5 (**repealed effective July 1, 2016**) and
 15 **for school years beginning after June 30, 2016, administers**
 16 **the benchmarking excellence student testing (BEST) program.**
 17 (6) is not a charter school or the school corporation in which an
 18 eligible choice scholarship student has legal settlement under
 19 IC 20-26-11; and
 20 (7) submits to the department only the student performance data
 21 required for a category designation under IC 20-31-8-3.

22 SECTION 76. IC 20-51-1-6, AS ADDED BY P.L.182-2009(ss),
 23 SECTION 364, IS AMENDED TO READ AS FOLLOWS
 24 [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) "Participating school"
 25 refers to a public or nonpublic school that:

- 26 (1) an eligible student is required to pay tuition or transfer tuition
 27 to attend;
 28 (2) voluntarily agrees to enroll an eligible student;
 29 (3) is accredited by either the state board or a national or regional
 30 accreditation agency that is recognized by the state board; and
 31 (4) administers:

32 **(A) for a school year ending before July 1, 2016**, the tests
 33 under the Indiana statewide testing for educational progress
 34 (ISTEP) program or administers another nationally recognized
 35 and norm-referenced assessment of the school's students; **and**
 36 **(B) for a school year beginning after June 30, 2016, the**
 37 **tests under the benchmarking excellence student testing**
 38 **(BEST) program or another nationally recognized**
 39 **assessment of the school's students.**

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



1 **SECTION 77. An emergency is declared for this act.**



COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred Senate Bill No. 566, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 15, delete "or a paraprofessional person".

Page 4, line 27, delete "The state board shall adopt college and career readiness".

Page 4, line 28, delete "educational standards.".

Page 4, line 28, strike "Before July 1,".

Page 4, line 28, reset in roman "2014,".

Page 4, line 28, delete "2016,".

Page 4, line 29, delete "the initial".

Page 4, line 30, delete "that meet the requirement described in subdivision (7),".

Page 4, line 38, delete "7861." and insert "7861,".

Page 4, line 38, reset in roman "as in effect on January 1, 2014,".

Page 5, delete lines 3 through 7.

Page 5, line 18, after "(e)" insert "(c)".

Page 5, line 20, after "2013," delete "the" and insert "The".

Page 5, line 20, reset in roman "state, or the state board on".

Page 5, reset in roman lines 21 through 24.

Page 5, line 25, delete "(c)" and insert "(d)".

Page 5, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 8. IC 20-19-2-16, AS ADDED BY P.L.1-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) The state accepts the provisions and benefits of laws enacted by the Congress of the United States that provide for aid to children with disabilities.

(b) The state board is designated as the proper authority and may accept any federal funds appropriated to aid in the education of children with disabilities. The state board shall comply with all the requirements of:

(1) federal law concerning any federal funds relating to special educational activities; and

(2) any amendments to those laws or rules and regulations issued under and in conformity with those laws and not inconsistent with this chapter.

(c) The state board is primarily responsible for assuring that applications for obtaining and renewing necessary flexibility



waivers under Section 9401 of the federal Elementary and Secondary Education Act of 1965, as amended and reauthorized under the federal No Child Left Behind Act of 2001 and subsequent federal laws (20 U.S.C. 7861) and federal regulations promulgated to implement federal law are timely filed, the appropriate federal agencies have the documentation and other information needed to grant the flexibility waivers, and that the applications comply with the educational policies of the state board. The superintendent of public instruction and the department, under the direction of the state board, shall carry out the work necessary to obtain and renew necessary flexibility waivers."

Page 5, line 36, after "under" insert "IC 20-19-2-14.5,".

Page 6, between lines 3 and 4, begin a new paragraph and insert:

"SECTION 10. IC 20-19-4-11, AS ADDED BY P.L.1-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) In making recommendations under section 10 of this chapter, the roundtable shall consider

(1) a variety of available ~~national and international~~ **nationally recognized** assessments and tests. **The roundtable may not delegate to any higher authority the responsibility of recommending assessments or tests.**

(b) **The roundtable may not consider or recommend any of the following:**

(1) ~~The development of an assessment or a test unique to Indiana. and~~

(2) ~~any combination of assessments or tests described under subdivisions (1) and (2).~~

(3) **An assessment or test that does not assess student progress toward mastery of Indiana academic standards adopted or proposed by the state board.**

(4) **An assessment or a test that adopts Common Core (Common Core State Standards Initiative).**

(5) **An assessment or test that would prevent the state from obtaining, would terminate, or would prevent renewal of necessary flexibility waivers under Section 9401 of the federal Elementary and Secondary Education Act of 1965, as amended and reauthorized under the federal No Child Left Behind Act of 2001 and subsequent federal laws (20 U.S.C. 7861) and federal regulations promulgated to implement federal law.**

SECTION 11. IC 20-19-4-12 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 12. ~~In making recommendations under section 10 of~~



this chapter; the roundtable shall recommend to the state board only state tests that when appropriate:

- (1) present the content of each test in an interdisciplinary manner; and
- (2) provide each student with the opportunity to meet the academic standards in an applied manner."

Page 11, line 22, delete "for school years ending".

Page 11, line 23, delete "before July 1, 2015,".

Page 14, line 1, delete "for school years ending before July 1, 2015,".

Page 33, line 8, delete "2016)," and insert "**2016)**;".

Page 33, line 8, strike "if an alternative locally adopted".

Page 33, strike line 9.

Page 33, line 10, strike "chapter;".

Page 33, line 11, after "concerning" insert "**the BEST program.**".

Page 33, delete lines 12 through 14.

Page 38, line 25, delete "placement" and insert "**placement, dual credit,**".

Page 48, between lines 7 and 8, begin a new paragraph and insert:

"(b) After June 30, 2015, it is unlawful for a school employer to enter into any agreement that would prohibit the employer from reducing expenditures that otherwise would be required under a contract to eliminate any actual deficit in funding if the employer's:

- (1) actual general fund revenue for a school year is less than the employer's revenues calculated based on the initial fall count of ADM determined for the employer under IC 20-43-4-3 for the school year; or**
- (2) actual employer's expenditures payable from general fund revenues exceed the employer's revenues calculated based on the initial fall count of ADM determined for the employer under IC 20-43-4-3 for the school year.**

The contract may include provisions on how any deficit would be allocated to wages and salaries that are bargainable under the contract. The contract may also include provisions on how any surplus in general fund revenues would be allocated among wages and salaries bargainable under the contract."

Page 48, line 8, strike "(b)" and insert "(c)".

Page 48, line 8, after "financing" insert "**or violates subsection (b)**".

Page 49, line 36, delete "(D)", begin a new line block indented and insert:

"(12)".



Page 49, line 38, delete "(E)", begin a new line block indented and insert:

"(13)".

Page 50, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 50. IC 20-29-6-15.1, AS ADDED BY P.L.229-2011, SECTION 181, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15.1. (a) If an agreement has not been reached on the items permitted to be bargained collectively under section 4 of this chapter, within fifteen (15) days after mediation under section 13 of this chapter has ended, the board shall initiate factfinding.

(b) Factfinding must culminate in the factfinder imposing contract terms on the parties. The factfinder must select one (1) party's last best offer as the contract terms. The factfinder's order must be restricted to only those items permitted to be bargained and included in the collective bargaining agreement under section 4 of this chapter and must not put the employer in a position of deficit financing (as defined in IC 20-29-2-6) **or violate IC 20-29-6-3(b)**. The factfinder's order may not impose terms beyond those proposed by the parties in their last, best offers.

(c) Costs for the factfinder shall be borne equally by the parties.

(d) Factfinding may not last longer than fifteen (15) days."

Page 50, line 40, delete "financing." and insert "financing".

Page 51, line 1, after "revenue." insert "**or prohibit the employer from making reductions described in IC 20-29-6-3(b)**".

Page 51, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 52. IC 20-29-6-18, AS AMENDED BY P.L.6-2012, SECTION 140, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) Either party may appeal the decision of the factfinder under IC 20-29-6-15.1. The appeal must be filed not later than thirty (30) days after receiving the factfinder's decision.

(b) The board's decision must be restricted to only those items permitted to be bargained and included in the collective bargaining agreement under section 4 of this chapter and must not put the employer in a position of deficit financing, as defined in IC 20-29-2-6 **or prohibit the employer from making any reductions described in section 3(b) of this chapter**. The board's decision may not impose terms beyond those proposed by the parties in their last, best offers.

(c) The board must rule on the appeal within thirty (30) days after receipt of notice of appeal.

SECTION 53. IC 20-29-8-8, AS AMENDED BY P.L.48-2011,



SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. In conducting hearings and investigations, the factfinder is not bound by IC 4-21.5. The factfinder shall, however, consider the following factors:

- (1) Past memoranda of agreements and contracts between the parties.
- (2) Comparisons of wages and hours of the employees involved with wages of other employees working for other public agencies and private concerns doing comparable work, giving consideration to factors peculiar to the school corporation.
- (3) The public interest.
- (4) The financial impact on the school corporation and whether any settlement will cause the school corporation to engage in deficit financing as described in IC 20-29-6-3 **or prohibit the school corporation from making any reductions described in IC 20-29-6-3(b).**"

Page 53, delete lines 16 through 21, begin a new paragraph and insert:

"(c) For school years beginning after June 30, 2016, the content of a nationally recognized assessment approved by the state board under IC 20-32-5.1 must align with Indiana academic standards adopted by the state board. The state board may not adopt Common Core (Common Core State Standards Initiative) or delegate to any higher authority the responsibility of setting academic standards."

Page 58, line 29, delete "and norm referenced".

Page 58, line 32, after "2." insert "(a)".

Page 58, between lines 34 and 35, begin a new paragraph and insert:

"(b) The state board shall determine the content and format of the BEST program and the tests, including assessments, used in the BEST program. The superintendent of public instruction and the department, under the direction of the state board, shall carry out the work necessary to carry out this chapter.

(c) The state board shall select tests for the BEST program that are nationally recognized assessment tests.

(d) The content of a nationally recognized assessment test approved by the state board under this chapter must align with Indiana academic standards adopted by the state board, including standards adopted under the following:

- (1) IC 20-19-2-14.5.**
- (2) IC 20-31-3.**
- (3) IC 20-32-4.**



(4) The assessment program established under IC 20-31-8.

(e) The state board may not consider or adopt any of the following:

(1) An assessment or a test that is developed for and is unique to Indiana.

(2) An assessment or a test that adopts Common Core (Common Core State Standards Initiative) or delegates to any higher authority the responsibility of selecting tests or implementing testing.

(3) An assessment or a test that would prevent the state from obtaining, would terminate, or prevent renewal of necessary flexibility waivers under Section 9401 of the federal Elementary and Secondary Education Act of 1965, as amended and reauthorized under the federal No Child Left Behind Act of 2001 and subsequent federal laws (20 U.S.C. 7861) and federal regulations promulgated to implement federal law.

Sec. 3. (a) Before:

(1) selecting one (1) or more vendors or changing one (1) or more vendors to provide tests for the BEST program; or

(2) selecting the format or changing the format for tests provided by a vendor;

the state board shall comply with the minimum procedures in this section. The state board may supplement the minimum procedures in this section by consulting citizen groups and taking other additional actions to fully consider the issues related to establishing a BEST program based on Indiana academic standards.

(b) The state board shall consider a variety of available nationally recognized assessments and tests and adopt a request for proposals that meets the requirements of this chapter. The department shall carry out the work necessary, under the direction of the state board, in preparing the request for proposals. The department shall submit the request for proposals to the roundtable for review. The state board shall consider any recommendations made by the roundtable and, if a recommendation is not adopted, specify in a writing adopted by the state board the reasons why the recommendation was not adopted.

(c) The state board shall submit the responses to the request for proposals to the roundtable for review and recommendations. After receiving the recommendations of the roundtable, the state board shall:

(1) provisionally select a vendor and the tests to be used in the



BEST program;

(2) provisionally adopt any necessary modifications in Indiana academic standards to bring the recommended tests into alignment with Indiana academic standards;

(3) conduct at least three (3) public hearings on the provisional determinations of the state board under subdivisions (1) and (2), with one (1) public hearing at a location in northern Indiana, one (1) public hearing at a location in central Indiana, and one (1) public hearing at a location in southern Indiana;

(4) submit the determinations under subdivisions (1) and (2), as revised after the public hearings conducted under subdivision (3), to the budget committee for review; and

(5) after considering any recommendations made by the budget committee, finally select a vendor and the tests to be used in the BEST program.

(d) The state board may carry out the procedures in this section as part of a rulemaking action under IC 4-22-2 or an emergency rulemaking action under IC 4-22-2-37.1."

Page 58, line 35, delete "3." and insert "4."

Page 58, between lines 41 and 42, begin a new line blocked left and insert:

"The BEST program tests must include a reading component that is administered in grade 3."

Page 58, delete line 42.

Page 59, delete lines 1 through 8.

Page 59, delete lines 25 through 27.

Page 62, delete lines 29 through 32.

Page 64, line 21, delete "Before July 1, 2015, receiving" and insert "Receiving".

Page 64, line 34, reset in roman "(1)".

Page 64, reset in roman lines 36 through 39.

Page 65, line 2, delete "means: either:" and insert "means either:".

Page 65, line 4, after "applicable;" insert "or".

Page 65, reset in roman line 5.

Page 65, delete lines 6 through 9.

Page 65, line 12, delete "For purposes of".

Page 65, delete lines 13 through 15.

Page 66, line 20, after "effective." insert **"The lead school corporation administering a cooperative or other special education program or 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."

Page 66, line 29, after "addition," insert **"an amount determined under the policies adopted by the governing body but not exceeding"**.

Page 66, line 35, delete "bargaining" and insert **"bargaining, is payable from funds other than the performance grant,"**.

Page 66, line 37, delete "distribute" and insert **"complete the appropriation process for"**.

Page 66, line 40, delete "corporation." and insert **"corporation and distribute all stipends from a performance grant to individual teachers before the immediately following January 31."**

Page 69, line 12, delete "and".

Page 69, line 13, delete "norm referenced".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass and be reassigned to the Senate Committee on Appropriations.

(Reference is to SB 566 as introduced.)

KRUSE, Chairperson

Committee Vote: Yeas 7, Nays 3.

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 566, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 4, line 27, strike "2014,".

Page 4, line 27, delete "the" and insert **"The"**.

Page 4, line 28, after "standards" insert ".".

Page 4, line 28, strike "voiding the previously".

Page 4, line 29, strike "adopted set of educational standards.".

Page 5, line 17, after "." insert **"The state board may not adopt Common Core (Common Core State Standards Initiative) or delegate to any higher authority the responsibility of setting academic standards."**

Page 6, delete lines 31 through 32 and insert **"recommend**

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Common Core (Common Core State Standards Initiative) or delegate to any higher authority the responsibility of recommending academic standards."

Page 39, between lines 1 and 2, begin a new paragraph and insert:
 "SECTION 32. IC 20-28-7.5-1, AS AMENDED BY P.L.286-2013, SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 1. (a) This chapter applies to a teacher in a school corporation (as defined in IC 20-18-2-16(a)).

(b) A principal may decline to continue a probationary teacher's contract under sections 2 through 4 of this chapter if the probationary teacher:

- (1) receives an ineffective designation on a performance evaluation under IC 20-28-11.5;
- (2) receives two (2) consecutive improvement necessary ratings on a performance evaluation under IC 20-28-11.5; or
- (3) is subject to a justifiable decrease in the number of teaching positions or any reason relevant to the school corporation's interest.

(c) Except as provided in subsection (e), a principal may not decline to continue a professional or established teacher's contract unless the teacher is subject to a justifiable decrease in the number of teaching positions.

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

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

- (1) Immorality.
- (2) Insubordination, which means a willful refusal to obey the state school laws or reasonable rules adopted for the governance of the school building or the school corporation.
- (3) Justifiable decrease in the number of teaching positions.
- (4) Incompetence, including receiving:
 - (A) an ineffective designation on two (2) consecutive performance evaluations under IC 20-28-11.5; or
 - (B) an ineffective designation or improvement necessary rating in three (3) years of any five (5) year period.
- (5) Neglect of duty.
- (6) A conviction for an offense listed in IC 20-28-5-8(c).



(7) Other good or just cause.

(f) A principal may decline to continue or cancel the contract only of a teacher who is supervised by the principal.

SECTION 33. IC 20-28-8-3, AS AMENDED BY P.L.253-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: 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) 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."

Page 40, line 30, delete "shall" and insert "**may**".

Page 44, between lines 16 and 17, begin a new paragraph and insert:

"(d) In developing a performance evaluation model, a school corporation shall consider the following:

- (1) Test scores of students (both formative and summative).**
- (2) Classroom presentation observations.**
- (3) Observation of student-teacher interaction.**
- (4) Knowledge of subject matter.**
- (5) Dedication and effectiveness of the teacher through time and effort on task.**
- (6) Contributions of teachers through group teacher interactivity in fulfilling the school improvement plan.**
- (7) Cooperation of the teacher with supervisors and peers.**
- (8) Extracurricular contributions of the teacher.**
- (9) Outside performance evaluations.**
- (10) Compliance with school corporation rules and procedures.**
- (11) Other items considered important by the school corporation in developing each student to their maximum intellectual potential and performance.**

The state board and the department may recommend additional factors, but may not require additional factors unless directed to do so by the general assembly."

Page 44, line 17, delete "(d)" and insert "(e)".



Page 44, line 22, after "." insert **"Before explaining the plan to the governing body, the superintendent of the school corporation shall discuss the plan with teachers or the teachers' representative, if there is one. This discussion is not subject to the open door law (IC 5-14-1.5). The plan is not subject to bargaining, but a discussion of the plan must be held."**

Page 44, line 23, delete "(e)" and insert "(f)".

Page 45, between lines 8 and 9, begin and new paragraph and insert:
"SECTION 41. IC 20-28-11.5-8.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8.5. A plan for performance evaluations under this chapter may be discussed, but is not subject to bargaining. Selection of a performance evaluation model is at the discretion of the school corporation, but the developed plan must be reported to the department and the Indiana education employment relations board in a timely manner, as established by the department. The department may review the plan for efficacy and the Indiana education employment relations board may review the plan for legality, and both may comment to the school corporation. The department shall annually present to the state board of education plans selected by the school corporations. The state board may recommend model plans to school corporations, but shall not mandate any plan."

Page 45, line 17, after "." insert **"Before presentation to the governing body, the superintendent of the school corporation shall discuss the report of completed evaluations with the teachers. This discussion is not subject to the open door law (IC 5-14-1.5). The report of completed evaluations is not subject to bargaining, but a discussion of the report must be held."**

Page 47, delete lines 29 through 36, begin an new paragraph and insert:

"SECTION 43. IC 20-29-3-11, AS ADDED BY P.L.1-2005, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. The board has the following powers:

- (1) To adopt an official seal and prescribe the purposes for which the seal may be used.
- (2) To hold hearings and make inquiries as the board considers necessary to carry out properly the board's functions and powers.
- (3) To establish a principal office in Indianapolis.
- (4) To meet and exercise the board's powers at any other place in Indiana.
- (5) To conduct in any part of Indiana a proceeding, a hearing, an



investigation, an inquiry, or an election necessary to the performance of the board's functions. For this purpose, the board may designate one (1) member, or an agent or agents, as hearing examiners. The board may use voluntary and uncompensated services as needed.

(6) To appoint staff and attorneys as the board finds necessary for the proper performance of its duties. The attorneys appointed under this section may, at the direction of the board, appear for and represent the board in court.

(7) To pay the reasonable and necessary traveling and other expenses of an employee, a member, or an agent of the board.

(8) To subpoena witnesses and issue subpoenas requiring the production of books, papers, records, and documents that may be needed as evidence in any matter under inquiry, and to administer oaths and affirmations. In cases of neglect or refusal to obey a subpoena issued to a person, the circuit or superior court of the county in which the investigations or the public hearings are taking place, upon application by the board, shall issue an order requiring the person to:

(A) appear before the board; and

(B) produce evidence about the matter under investigation.

A failure to obey the order may be punished by the court as a contempt. A subpoena, notice of hearing, or other process of the board issued under this chapter shall be served in the manner prescribed by the Indiana Rules of Trial Procedure.

(9) To adopt, amend, or rescind rules the board considers necessary and administratively feasible to carry out this chapter under IC 4-22-2.

(10) To request from any public agency the assistance, services, and data that will enable the board properly to carry out the board's functions and powers.

(11) To publish and report in full an opinion in every case decided by the board.

(12) To review a collective bargaining agreement as provided in section 15 of this chapter."

Page 47, line 39, after "The" insert "**Indiana education employment relations**".

Page 47, line 40, delete "provide for a factfinder to".

Page 48, line 4, delete "factfinder" and insert "**Indiana education employment relations board**".

Page 48, line 7, delete "factfinder" and insert "**Indiana education employment relations board**".



Page 48, line 12, delete "factfinder" and insert "**Indiana education employment relations board**".

Page 48, line 13, delete "factfinder," and insert "**Indiana education employment relations board,**".

Page 48, line 13, after "the" insert "**Indiana education employment relations**".

Page 48, line 22, delete "factfinder's" and insert "**Indiana education employment relations board's**".

Page 48, line 24, delete "factfinder" and insert "**Indiana education employment relations board**".

Page 48, line 25, delete "factfinder's" and insert "**Indiana education employment relations board's**".

Page 48, line 31, delete "factfinder" and insert "**Indiana education employment relations board**".

Page 48, line 34, after "The" insert "**Indiana education employment relations**".

Page 48, line 34, delete "factfinder" and insert "**member of the Indiana education employment relations board ad hoc panel**".

Page 48, line 37, delete "by the factfinder." and insert "**by the Indiana education employment relations board.**".

Page 48, line 37, after "The" delete "factfinder" and insert "**member of the Indiana education employment relations board ad hoc panel**".

Page 48, line 39, delete "factfinding must" and insert "**review must**".

Page 48, line 39, after "the" delete "factfinding" and insert "**review**".

Page 48, line 39, strike "the factfinding".

Page 49, line 1, delete "Costs for the".

Page 49, delete lines 2 through 3.

Page 60, between lines 37 and 38, begin a new paragraph and insert:
 "SECTION 64. IC 20-31-8-3, AS AMENDED BY P.L.286-2013, SECTION 103, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 3. **(a)** The state board shall establish a number of categories, using an "A" through "F" grading scale, to designate performance based on the individual student academic performance and growth to proficiency in each school.

(b) This subsection applies only to a school with a low student population when compared to the average size of the student population at all schools in Indiana. An earned letter grade on the "A" through "F" grading scale shall be given for all schools, including schools with a low student population to which this subsection applies. A school to which this subsection applies may



appeal a designation under subsection (a) to the state board based on the insufficient size of the test group needed to determine an accurate result for each grade completing the assessment."

Page 70, line 10, after "If the" insert ":

(1)".

Page 70, line 23, delete "." and insert "; 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."

Page 70, line 23, beginning with "The" begin a new line blocked left.

Page 70, line 25, after "pay" insert "**a one-time**".

Page 70, line 26, after "highly effective" delete "." and insert "**and employed by the school corporation as of December 1.**".

Page 70, line 39, after "teacher" delete "." and insert "**and may differentiate between school buildings.**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 566 as printed February 13, 2015.)

KENLEY, Chairperson

Committee Vote: Yeas 11, Nays 2.

