



Reprinted
February 24, 2015

SENATE BILL No. 566

DIGEST OF SB 566 (Updated February 23, 2015 6:34 pm - DI 73)

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 education roundtable may not recommend and the state board of education (state board) may not adopt Common Core Standards or an assessment or test that is produced solely by the United States government or a consortium of states. Specifies that the state board shall ensure that applications for the necessary flexibility waivers under the federal No Child Left Behind Act are filed in a timely fashion and that the applications comply with the educational policies of the state board. Provides for innovation network school programs in school corporations other than the Indianapolis Public Schools. Extends the
(Continued next page)

Effective: Upon passage; June 30, 2015; July 1, 2015; July 1, 2016.

**Mishler, Kenley, Hershman,
Charbonneau, Eckerty, Miller Patricia,
Schneider, Kruse, Bray, Stoops,
Tallian, Young R Michael**

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.
February 23, 2015, read second time, amended, ordered engrossed.

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Digest Continued

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 completion of certain master's degrees. Requires the department of education (department) 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 (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.



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February 24, 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 an
 19 assessment or test that is produced solely by the United States
 20 government or a consortium of states.**

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 shall ensure that applications for obtaining
 42 and renewing necessary flexibility waivers under Section 9401 of**



1 the federal Elementary and Secondary Education Act of 1965, as
 2 amended and reauthorized under the federal No Child Left Behind
 3 Act of 2001 and subsequent federal laws (20 U.S.C. 7861) and
 4 federal regulations promulgated to implement federal law are
 5 timely filed, the appropriate federal agencies have the
 6 documentation and other information needed to grant the
 7 flexibility waivers, and that the applications comply with the
 8 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, **based on presentations from the department:**

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 recommend academic standards that are**
 36 **produced solely by the United States government or a**
 37 **consortium of states.**

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

40 (2) The development of an assessment or test unique to Indiana:
 41 and

42 (3) any combination of assessments or tests described under



- 1 subdivisions (1) and (2).
 2 (1) An assessment or test that does not assess student progress
 3 toward mastery of Indiana academic standards adopted or
 4 proposed by the state board.
 5 (2) An assessment or a test that adopts Common Core
 6 (Common Core State Standards Initiative) or an assessment
 7 or test that is produced solely by the United States
 8 government or a consortium of states.
 9 (c) The roundtable shall consider assessments or tests that
 10 would permit the state to secure renewal of necessary flexibility
 11 waivers under Section 9401 of the federal Elementary and
 12 Secondary Education Act of 1965, as amended and reauthorized
 13 under the federal No Child Left Behind Act of 2001 and subsequent
 14 federal laws (20 U.S.C. 7861) and federal regulations promulgated
 15 to implement federal law.
 16 SECTION 11. IC 20-19-4-12 IS REPEALED [EFFECTIVE UPON
 17 PASSAGE]. Sec. 12. In making recommendations under section 10 of
 18 this chapter, the roundtable shall recommend to the state board only
 19 state tests that when appropriate:
 20 (1) present the content of each test in an interdisciplinary manner;
 21 and
 22 (2) provide each student with the opportunity to meet the
 23 academic standards in an applied manner.
 24 SECTION 12. IC 20-20-8-6, AS AMENDED BY P.L.2-2007,
 25 SECTION 203, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE UPON PASSAGE]: Sec. 6. A report must contain the
 27 following:
 28 (1) The information listed in section 8 of this chapter for each of
 29 the preceding three (3) years.
 30 (2) Additional components determined under section 7(4) of this
 31 chapter.
 32 (3) Additional information or explanation that the governing body
 33 wishes to include, including the following:
 34 (A) Results of nationally recognized assessments of students
 35 under programs other than the ISTEP program **or the BEST**
 36 **program** that a school corporation, including a charter school,
 37 uses to determine if students are meeting or exceeding
 38 academic standards in grades that are tested under the ISTEP
 39 program **or the BEST program**.
 40 (B) Results of assessments of students under programs other
 41 than the ISTEP program **or the BEST program** that a school
 42 corporation uses to determine if students are meeting or



- 1 exceeding academic standards in grades that are not tested
 2 under the ISTEP program **or the BEST program.**
 3 (C) The number and types of staff professional development
 4 programs.
 5 (D) The number and types of partnerships with the
 6 community, business, or postsecondary education.
 7 (E) Levels of parental participation.
- 8 SECTION 13. IC 20-20-8-8, AS AMENDED BY P.L.246-2013,
 9 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 UPON PASSAGE]: Sec. 8. The report must include the following
 11 information:
- 12 (1) Student enrollment.
 13 (2) Graduation rate (as defined in IC 20-26-13-6).
 14 (3) Attendance rate.
 15 (4) The following test scores, including the number and
 16 percentage of students meeting academic standards:
 17 (A) **for school years ending before July 1, 2016**, ISTEP
 18 program test scores, **and for school years beginning after**
 19 **June 30, 2016, BEST program test scores.**
 20 (B) Scores for assessments under IC 20-32-5-21 (**repealed**
 21 **effective July 1, 2016**) for school years ending before July
 22 **1, 2016, and scores for assessments under IC 20-32-5.1-20**
 23 **for school years beginning after June 30, 2016**, if
 24 appropriate.
 25 (C) For a freeway school, scores on a locally adopted
 26 assessment program, if appropriate.
- 27 (5) Average class size.
 28 (6) The number and percentage of students in the following
 29 groups or programs:
 30 (A) Alternative education, if offered.
 31 (B) Career and technical education.
 32 (C) Special education.
 33 (D) High ability.
 34 (E) Remediation.
 35 (F) Limited English language proficiency.
 36 (G) Students receiving free or reduced price lunch under the
 37 national school lunch program.
 38 (H) School flex program, if offered.
- 39 (7) Advanced placement, including the following:
 40 (A) For advanced placement tests, the percentage of students:
 41 (i) scoring three (3), four (4), and five (5); and
 42 (ii) taking the test.



- 1 (B) For the Scholastic Aptitude Test:
 2 (i) test scores for all students taking the test;
 3 (ii) test scores for students completing the academic honors
 4 diploma program; and
 5 (iii) the percentage of students taking the test.
 6 (8) Course completion, including the number and percentage of
 7 students completing the following programs:
 8 (A) Academic honors diploma.
 9 (B) Core 40 curriculum.
 10 (C) Career and technical programs.
 11 (9) The percentage of grade 8 students enrolled in algebra I.
 12 (10) The percentage of graduates who pursue higher education.
 13 (11) School safety, including:
 14 (A) the number of students receiving suspension or expulsion
 15 for the possession of alcohol, drugs, or weapons;
 16 (B) the number of incidents reported under IC 20-33-9; and
 17 (C) the number of bullying incidents reported under
 18 IC 20-34-6 by category.
 19 (12) Financial information and various school cost factors,
 20 including the following:
 21 (A) Expenditures per pupil.
 22 (B) Average teacher salary.
 23 (C) Remediation funding.
 24 (13) Technology accessibility and use of technology in
 25 instruction.
 26 (14) Interdistrict and intradistrict student mobility rates, if that
 27 information is available.
 28 (15) The number and percentage of each of the following within
 29 the school corporation:
 30 (A) Teachers who are certificated employees (as defined in
 31 IC 20-29-2-4).
 32 (B) Teachers who teach the subject area for which the teacher
 33 is certified and holds a license.
 34 (C) Teachers with national board certification.
 35 (16) The percentage of grade 3 students reading at grade 3 level.
 36 (17) The number of students expelled, including the number
 37 participating in other recognized education programs during their
 38 expulsion.
 39 (18) Chronic absenteeism, which includes the number of students
 40 who have been absent from school for ten percent (10%) or more
 41 of a school year for any reason.
 42 (19) Habitual truancy, which includes the number of students who



- 1 have been absent ten (10) days or more from school within a
 2 school year without being excused or without being absent under
 3 a parental request that has been filed with the school.
 4 (20) The number of students who have dropped out of school,
 5 including the reasons for dropping out.
 6 (21) The number of student work permits revoked.
 7 (22) The number of student driver's licenses revoked.
 8 (23) The number of students who have not advanced to grade 10
 9 due to a lack of completed credits.
 10 (24) The number of students suspended for any reason.
 11 (25) The number of students receiving an international
 12 baccalaureate diploma.
 13 (26) Other indicators of performance as recommended by the
 14 education roundtable under IC 20-19-4.
- 15 SECTION 14. IC 20-20-13-9, AS AMENDED BY P.L.133-2012,
 16 SECTION 188, IS AMENDED TO READ AS FOLLOWS
 17 [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) This section applies to the
 18 4R's technology program described in section 6(a)(1) of this chapter.
 19 (b) In addition to any other funds available under this chapter, if
 20 state funds are transferred under IC 20-32-5-19 (**repealed July 1,**
 21 **2016**) to the 4R's technology program:
 22 (1) those funds do not revert to the state general fund;
 23 (2) those funds shall be made available to the 4R's technology
 24 program under this chapter; and
 25 (3) the department, upon approval by the governor and the budget
 26 agency, shall use those funds to award grants under this section.
 27 (c) To be eligible to receive a grant under the program, a school
 28 corporation must comply with the following:
 29 (1) The school corporation must apply to the department for a
 30 grant on behalf of a school within the school corporation to
 31 purchase technology equipment.
 32 (2) The school corporation must certify the following:
 33 (A) That the school will provide every kindergarten and grade
 34 1 student at that school the opportunity to learn reading,
 35 writing, and arithmetic using technology.
 36 (B) That the school will provide daily before or after school
 37 technology laboratories for students in grades 1 through 3 who
 38 have been identified as needing remediation in reading,
 39 writing, or arithmetic.
 40 (C) That the school will provide additional technology
 41 opportunities, that may include Saturday sessions, for students
 42 in other grade levels to use the technology laboratories for



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



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



- 1 (ii) attendance rates;
 2 (iii) graduation rates (if appropriate);
 3 (iv) increased numbers of Core 40 diplomas and other
 4 college and career ready indicators including advanced
 5 placement participation and passage, dual credit
 6 participation and passage, and International Baccalaureate
 7 participation and passage (if appropriate);
 8 (v) increased numbers of academic honors and technical
 9 honors diplomas (if appropriate);
 10 (vi) student academic growth;
 11 (vii) financial performance and stability; and
 12 (viii) governing board performance and stewardship,
 13 including compliance with applicable laws, rules and
 14 regulations, and charter terms.
 15 (B) Evidence of progress toward reaching the educational
 16 goals set by the organizer.
 17 (9) Describe the method to be used to monitor the charter
 18 school's:
 19 (A) compliance with applicable law; and
 20 (B) performance in meeting targeted educational performance.
 21 (10) Specify that the authorizer and the organizer may amend the
 22 charter during the term of the charter by mutual consent and
 23 describe the process for amending the charter.
 24 (11) Describe specific operating requirements, including all the
 25 matters set forth in the application for the charter.
 26 (12) Specify a date when the charter school will:
 27 (A) begin school operations; and
 28 (B) have students attending the charter school.
 29 (13) Specify that records of a charter school relating to the
 30 school's operation and charter are subject to inspection and
 31 copying to the same extent that records of a public school are
 32 subject to inspection and copying under IC 5-14-3.
 33 (14) Specify that records provided by the charter school to the
 34 department or authorizer that relate to compliance by the
 35 organizer with the terms of the charter or applicable state or
 36 federal laws are subject to inspection and copying in accordance
 37 with IC 5-14-3.
 38 (15) Specify that the charter school is subject to the requirements
 39 of IC 5-14-1.5.
 40 (16) *This subdivision applies to a charter established or renewed*
 41 *for an adult high school after June 30, 2014. The charter must*
 42 *require:*



- 1 (A) that the school will offer flexible scheduling;
- 2 (B) that students will not complete the majority of instruction
- 3 of the school's curriculum online or through remote
- 4 instruction;
- 5 (C) that the school will offer dual credit or industry
- 6 certification course work that aligns with career pathways as
- 7 recommended by the Indiana career council established by
- 8 IC 22-4.5-9-3; and
- 9 (D) a plan:
 - 10 (i) to support successful program completion and to assist
 - 11 transition of graduates to the workforce or to a
 - 12 postsecondary education upon receiving a diploma from the
 - 13 adult high school; and
 - 14 (ii) to review individual student accomplishments and
 - 15 success after a student receives a diploma from the adult
 - 16 high school.
- 17 (b) A charter school shall set annual performance targets in
- 18 conjunction with the charter school's authorizer. The annual
- 19 performance targets shall be designed to help each school meet
- 20 applicable federal, state, and authorizer expectations.
- 21 SECTION 16. IC 20-24-8-5, AS AMENDED BY P.L.160-2012,
- 22 SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 23 UPON PASSAGE]: Sec. 5. The following statutes and rules and
- 24 guidelines adopted under the following statutes apply to a charter
- 25 school:
 - 26 (1) IC 5-11-1-9 (required audits by the state board of accounts).
 - 27 (2) IC 20-39-1-1 (unified accounting system).
 - 28 (3) IC 20-35 (special education).
 - 29 (4) IC 20-26-5-10 (criminal history).
 - 30 (5) IC 20-26-5-6 (subject to laws requiring regulation by state
 - 31 agencies).
 - 32 (6) IC 20-28-10-12 (nondiscrimination for teacher marital status).
 - 33 (7) IC 20-28-10-14 (teacher freedom of association).
 - 34 (8) IC 20-28-10-17 (school counselor immunity).
 - 35 (9) For conversion charter schools only, IC 20-28-6, IC 20-28-7.5,
 - 36 IC 20-28-8, IC 20-28-9, and IC 20-28-10.
 - 37 (10) IC 20-33-2 (compulsory school attendance).
 - 38 (11) IC 20-33-3 (limitations on employment of children).
 - 39 (12) IC 20-33-8-19, IC 20-33-8-21, and IC 20-33-8-22 (student
 - 40 due process and judicial review).
 - 41 (13) IC 20-33-8-16 (firearms and deadly weapons).
 - 42 (14) IC 20-34-3 (health and safety measures).



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



- 1 IC 20-24-2.2-1.5.
 2 (9) A report summarizing the total amount of administrative fees
 3 collected by the authorizer and how the fees were expended, if
 4 applicable.
 5 (10) Total amount of other fees or funds not included in the report
 6 under subdivision (9) received by the authorizer from a charter
 7 school and how the fees or funds were expended.
 8 (11) The most recent audits for each authorized school submitted
 9 to the authorizer under IC 5-11-1-9.
- 10 SECTION 18. IC 20-24.2-4-3, AS ADDED BY P.L.201-2013,
 11 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 UPON PASSAGE]: Sec. 3. (a) Except as specifically provided in this
 13 article and section 4 of this chapter, the following provisions of this
 14 title and a rule or guideline adopted by the state board under one (1) of
 15 the following provisions of this title do not apply to a qualified district
 16 or qualified high school:
- 17 (1) Provisions that do not apply to school corporations in general.
 18 (2) IC 20-20 (programs administered by the state), except for
 19 IC 20-20-1 (educational service centers) and IC 20-20-8 (school
 20 corporation annual performance report).
 21 (3) IC 20-28 (school teachers), except for IC 20-28-3-4 (teacher
 22 continuing education), IC 20-28-4-8 (hiring of transition to
 23 teaching participants; restrictions), IC 20-28-4-11 (transition to
 24 teaching participants; school corporation or subject area;
 25 transition to teaching permit), IC 20-28-5-8 (conviction of certain
 26 felonies; notice and hearing; permanent revocation of license;
 27 data base of school employees who have been reported),
 28 IC 20-28-6 (teacher contracts), IC 20-28-7.5 (cancellation of
 29 teacher contracts), IC 20-28-8 (contracts with school
 30 administrators), IC 20-28-9 (teacher salary and related payments),
 31 IC 20-28-10 (conditions of employment), and IC 20-28-11.5 (staff
 32 performance evaluations).
 33 (4) IC 20-30 (curriculum), except for IC 20-30-3-2 and
 34 IC 20-30-3-4 (patriotic commemorative observances),
 35 IC 20-30-5-13 (human sexuality instructional requirements),
 36 IC 20-30-5-17 (access to materials relating to personal analysis,
 37 evaluation, or survey of students; consent for participation), and
 38 IC 20-30-5-19 (personal financial responsibility instruction).
 39 (5) IC 20-32 (student standards, assessments, and performance),
 40 except for IC 20-32-4 (graduation requirements), **for school**
 41 **years ending before July 1, 2016**, IC 20-32-5 (Indiana statewide
 42 testing for educational progress) (**repealed effective July 1,**



- 1 **2016), for school years beginning after June 30, 2016,**
 2 **IC 20-32-5.1 (benchmarking excellence student testing), and**
 3 IC 20-32-8 (remediation).
 4 (6) IC 20-36 (high ability students).
 5 (7) IC 20-37 (career and technical education).
 6 (b) Notwithstanding any other law, a school corporation may not
 7 receive a decrease in state funding based upon the school corporation's
 8 status as a qualified district or the status of a high school within the
 9 school corporation as a qualified high school, or because of the
 10 implementation of a waiver of a statute or rule that is allowed to be
 11 waived by a qualified district or qualified high school.
 12 SECTION 19. IC 20-24.2-4-4, AS ADDED BY P.L.201-2013,
 13 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 UPON PASSAGE]: Sec. 4. The following provisions of this title and
 15 rules and guidelines adopted under the following provisions of this title
 16 apply to a qualified district or qualified high school:
 17 IC 20-20-1 (educational service centers).
 18 IC 20-20-8 (school corporation annual performance report).
 19 IC 20-23 (organization of school corporations).
 20 IC 20-26 (school corporation general administrative provisions).
 21 IC 20-27 (school transportation).
 22 IC 20-28-3-4 (teacher continuing education).
 23 IC 20-28-4-8 (hiring of transition to teaching participants;
 24 restrictions).
 25 IC 20-28-4-11 (transition to teaching participants; school
 26 corporation or subject area; transition to teaching permit).
 27 IC 20-28-5-8 (conviction of certain felonies; notice and hearing;
 28 permanent revocation of license; data base of school employees
 29 who have been reported).
 30 IC 20-28-6 (teacher contracts).
 31 IC 20-28-7.5 (cancellation of teacher contracts).
 32 IC 20-28-8 (contracts with school administrators).
 33 IC 20-28-9 (teacher salary and related payments).
 34 IC 20-28-10 (conditions of employment).
 35 IC 20-28-11.5 (staff performance evaluations).
 36 IC 20-29 (collective bargaining for teachers).
 37 IC 20-30-3-2 and IC 20-30-3-4 (patriotic commemorative
 38 observances).
 39 IC 20-30-5-13 (human sexuality instructional requirements).
 40 IC 20-30-5-17 (access to materials relating to personal analysis,
 41 evaluation, or survey of students; consent for participation).
 42 IC 20-30-5-19 (personal financial responsibility instruction).



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



1 **compensation plan**, the board may divide teachers, principals, and
 2 other employees into classes based upon efficiency, qualifications,
 3 experience, and responsibility. Each principal, teacher, or employee in
 4 a class shall receive the same regular salary given to each of the other
 5 members of the same class, subject to the provisions of this article.

6 (e) The board may:

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

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

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

12 (B) the government and management of:

13 (i) the board's schools; and

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

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

18 **ARTICLE 25.7. INNOVATION NETWORK SCHOOLS;
 19 SCHOOL CORPORATIONS OTHER THAN SCHOOL CITIES**

20 **Chapter 1. Applicability**

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

23 **Chapter 2. Definitions**

24 **Sec. 1. The definitions in this chapter apply throughout this
 25 article.**

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

28 **Sec. 3. "Eligible school" means a school that is part of a school
 29 corporation.**

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

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

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

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

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



- 1 **(1) Disability.**
 2 **(2) Race.**
 3 **(3) Color.**
 4 **(4) Gender.**
 5 **(5) National origin.**
 6 **(6) Religion.**
 7 **(7) Ancestry.**
- 8 **Sec. 2. (a) The board may enter into an agreement with a school**
 9 **management team:**
- 10 **(1) to establish an innovation network school, as determined**
 11 **by the board; or**
 12 **(2) to reconstitute an eligible school as an innovation network**
 13 **school.**
- 14 **The school management team for an eligible school that is**
 15 **reconstituted as an innovation network school may consist of or**
 16 **include the principal and other individuals who were employed at**
 17 **the eligible school before the agreement is entered.**
- 18 **(b) The terms of the agreement must specify the following:**
- 19 **(1) A statement that the innovation network school is**
 20 **considered to be part of the school corporation and not**
 21 **considered a separate local educational agency.**
- 22 **(2) A statement that the school management team authorizes**
 23 **the department to include the innovation network school's**
 24 **performance assessment results under IC 20-31-8 when**
 25 **calculating the school corporation's performance assessment**
 26 **under rules adopted by the state board.**
- 27 **(3) The amount of state and federal funding, including tuition**
 28 **support, and money levied as property taxes that will be**
 29 **distributed by the school corporation to the innovation**
 30 **network school.**
- 31 **(4) The performance goals and accountability metrics agreed**
 32 **upon for the innovation network school.**
- 33 **(5) Grounds for termination of the agreement, including the**
 34 **right of termination if the school management team fails to:**
- 35 **(A) comply with the conditions or procedures established**
 36 **in the agreement;**
- 37 **(B) meet generally accepted fiscal management and**
 38 **government accounting principles;**
- 39 **(C) comply with applicable laws; or**
- 40 **(D) meet the educational goals set forth in the agreement**
 41 **between the board and the school management team.**
- 42 **(c) If an agreement is entered into under subsection (a), the**



1 board shall notify the department that an agreement has been
 2 made under this section within thirty (30) days after the agreement
 3 is entered into.

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

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

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

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

20 Sec. 3. (a) For as long as the school management team operates
 21 the innovation network school:

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

26 (2) the school corporation may:

27 (A) provide transportation for students attending the
 28 innovation network school; and

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

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

36 (c) For as long as the school management team operates the
 37 innovation network school, the school corporation may distribute
 38 money levied as property taxes to the school management team.
 39 Property taxes distributed to a management team must be used
 40 only for a purpose for which the property taxes could have been
 41 used by the school corporation. Property taxes distributed under
 42 this subsection may supplement services and property provided



1 under subsection (a) or (b). A school corporation may modify an
 2 agreement described in section 2 of this chapter to implement this
 3 subsection.

4 **Sec. 4. (a) The school management team shall have full**
 5 **operational autonomy to run the innovation network school as**
 6 **provided in the agreement described in section 2 of this chapter.**

7 **(b) A school management team that operates an innovation**
 8 **network school under this chapter shall make all personnel**
 9 **decisions in the innovation network school. The certificated**
 10 **employees in an innovation network school may elect, as a group,**
 11 **by majority vote of all certificated employees in the innovation**
 12 **network school, to either:**

13 **(1) have the collectively bargained agreement applicable to**
 14 **other certificated employees in the school corporation outside**
 15 **the innovation network school apply to the certificated**
 16 **employees in the innovation network school; or**

17 **(2) organize and collectively bargain separately under**
 18 **IC 20-29 from other certificated employees in the school**
 19 **corporation outside the innovation network school.**

20 **(c) Individuals employed by an innovation network school are**
 21 **entitled to participate in either:**

22 **(1) the state teachers' retirement fund created under**
 23 **IC 5-10.4; or**

24 **(2) the public employees' retirement fund created under**
 25 **IC 5-10.3.**

26 **Sec. 5. (a) Except as otherwise provided in this article, the**
 27 **following do not apply to an innovation network school:**

28 **(1) An Indiana statute applicable to a governing body or**
 29 **school corporation.**

30 **(2) A rule or guideline adopted by the state board.**

31 **(3) A rule or guideline adopted by the state board concerning**
 32 **teachers, except for those rules that assist a teacher in gaining**
 33 **or renewing a standard or advanced license.**

34 **(4) A local regulation or policy adopted by a school**
 35 **corporation unless specifically incorporated in the agreement**
 36 **described in section 2 of this chapter.**

37 **(b) Except as otherwise provided in this article, the following**
 38 **statutes apply to an innovation network school:**

39 **(1) IC 20-24-8-5 (statutes applicable to charter schools).**

40 **(2) IC 20-30 (curriculum).**

41 **(3) IC 20-24-6 (employment of teachers and other personnel**
 42 **in charter schools).**



1 **(4) IC 20-28-11.5 (staff performance evaluations).**

2 **Sec. 6. (a) Any student who lives in the attendance area served**
 3 **by a school that is operated as an innovation network school under**
 4 **this chapter may attend the innovation network school. The**
 5 **innovation network school may not refuse enrollment to a student**
 6 **who lives in the attendance area.**

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

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

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

19 **Chapter 4. Participation of Charter School as an Innovation**
 20 **Network School**

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

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

28 **(b) The terms of the agreement entered into between the board**
 29 **and an organizer must specify the following:**

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

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

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

41 **(c) If an organizer and the board enter into an agreement under**
 42 **subsection (a), the organizer and the board shall notify the**



1 department that the agreement has been made under this section
2 within thirty (30) days after the agreement is entered into.

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

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

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

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

17 (1) provide transportation for students attending the
18 participating innovation network charter school; and

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

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

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

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

40 SECTION 22. IC 20-26-5-4, AS AMENDED BY P.L.2-2014,
41 SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 UPON PASSAGE]: Sec. 4. (a) In carrying out the school purposes of



1 a school corporation, the governing body acting on the school
2 corporation's behalf has the following specific powers:

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

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

14 (3) To appropriate from the school corporation's general fund an
15 amount, not to exceed the greater of three thousand dollars
16 (\$3,000) per budget year or one dollar (\$1) per pupil, not to
17 exceed twelve thousand five hundred dollars (\$12,500), based on
18 the school corporation's ADM of the previous year (as defined in
19 IC 20-43-1-7) to promote the best interests of the school
20 corporation through:

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

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

25 (C) developing relations with other governmental units.

26 (4) To do the following:

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



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



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

14 (8) To do the following:

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

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

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

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

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

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



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



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



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

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

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

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

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

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

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

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

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

40 SECTION 23. IC 20-26-5-19, AS ADDED BY P.L.1-2005,
 41 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 UPON PASSAGE]: Sec. 19. A governing body under its powers to fix



1 and pay the salaries and compensation of employees of the school
 2 corporation and to contract for services under ~~IC 20-26-5-4(8)~~
 3 **IC 20-26-5-4(a)(8)** may distribute payroll based on contractual and
 4 ~~salary schedule~~ **compensation plan** commitments instead of payroll
 5 estimates approved in advance by the governing body.

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

12 (b) The governing body of a school corporation shall annually
 13 establish:

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

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

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

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

23 (2) report the date to the department.

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

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

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

39 (g) Except as provided in subsections (i), (j), (k), and (m), the
 40 governing body of a school corporation may not deny a request for a
 41 student to transfer into the school corporation based upon the student's
 42 academic record, scores **for school years ending before July 1, 2016,**



1 on ISTEP tests, **for school years beginning after June 30, 2016, on**
 2 **BEST tests**, disciplinary record, or disability, or upon any other factor
 3 not related to the school corporation's capacity.

4 (h) Except as provided in subsections (i), (j), and (k), the governing
 5 body of a school corporation may not deny a request for a student to
 6 transfer into the school corporation if the student requesting to transfer:

7 (1) is a member of a household in which any other member of the
 8 household is a student in the transferee school; or

9 (2) has a parent who is an employee of the school corporation.

10 (i) A governing body of a school corporation may limit the number
 11 of new transfers to a school building or grade level in the school
 12 corporation:

13 (1) to ensure that a student who attends a school within the school
 14 corporation as a transfer student during a school year may
 15 continue to attend the school in subsequent school years; and

16 (2) to allow a student described in subsection (h) to attend a
 17 school within the school corporation.

18 (j) Notwithstanding subsections (g) and (h), a governing body of a
 19 school corporation may deny a request for a student to transfer to the
 20 school corporation, or establish terms or conditions for enrollment that
 21 prevent a student from enrolling in a school, if the student has been
 22 suspended (as defined in IC 20-33-8-7) or expelled (as defined in
 23 IC 20-33-8-3) during the twelve (12) months preceding the student's
 24 request to transfer under this section:

25 (1) for ten (10) or more school days;

26 (2) for a violation under IC 20-33-8-16;

27 (3) for causing physical injury to a student, a school employee, or
 28 a visitor to the school; or

29 (4) for a violation of a school corporation's drug or alcohol rules.

30 For purposes of subdivision (1), student discipline received under
 31 IC 20-33-8-25(b)(7) for a violation described in subdivisions (2)
 32 through (4) shall be included in the calculation of the number of school
 33 days that a student has been suspended.

34 (k) The governing body of a school corporation with a school
 35 building that offers a special curriculum may require a student who
 36 transfers to the school building to meet the same eligibility criteria
 37 required of all students who attend the school building that offers the
 38 special curriculum.

39 (l) The parent of a student for whom a request to transfer is made is
 40 responsible for providing the school corporation to which the request
 41 is made with records or information necessary for the school
 42 corporation to determine whether the request to transfer may be denied



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under subsection (j).

(m) Notwithstanding this section, the governing body of a school corporation may authorize the school corporation to enter into an agreement with an accredited nonpublic school or charter school to allow students of the accredited nonpublic school or charter school to transfer to a school within the school corporation.

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

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

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

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

- (1) a sufficient number of academic credits, or the equivalent of academic credits; and
- (2) the graduation examination or waiver process required under IC 20-32-3 through ~~IC 20-32-5~~; **IC 20-32-5.1**;

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

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

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

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



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



- 1 purpose.
- 2 (3) Replace the budget and accounting system that is required by
- 3 law with a budget or accounting system that is frequently used in
- 4 the private business community. The state board of accounts may
- 5 not go beyond the requirements imposed upon the state board of
- 6 accounts by statute in reviewing the budget and accounting
- 7 system used by a freeway school corporation or a freeway school.
- 8 (4) Establish a professional development and technology fund to
- 9 be used for:
- 10 (A) professional development; or
- 11 (B) technology, including video distance learning.
- 12 However, any money deposited in the professional development
- 13 and technology fund for technology purposes must be transferred
- 14 to the school technology fund.
- 15 (5) Subject to subdivision (4), transfer funds obtained from
- 16 sources other than state or local government taxation among any
- 17 accounts of the school corporation, including a professional
- 18 development and technology fund established under subdivision
- 19 (4).
- 20 (6) Transfer funds obtained from property taxation and from state
- 21 distributions among the general fund and the school
- 22 transportation fund, subject to the following:
- 23 (A) The sum of the property tax rates for the general fund and
- 24 the school transportation fund after a transfer occurs under this
- 25 subdivision may not exceed the sum of the property tax rates
- 26 for the general fund and the school transportation fund before
- 27 a transfer occurs under this subdivision.
- 28 (B) This subdivision does not allow a school corporation to
- 29 transfer to any other fund money from the:
- 30 (i) capital projects fund; or
- 31 (ii) debt service fund.
- 32 (7) Establish a locally adopted assessment program to replace the
- 33 assessment of students **for school years ending before July 1,**
- 34 **2016**, under the ISTEP program established under IC 20-32-5-15
- 35 **(repealed effective July 1, 2016) and for school years**
- 36 **beginning after June 30, 2016, under the BEST program,**
- 37 subject to the following:
- 38 (A) A locally adopted assessment program must be established
- 39 by the governing body and approved by the department.
- 40 (B) A locally adopted assessment program may use a locally
- 41 developed test or a nationally developed test.
- 42 (C) Results of assessments under a locally adopted assessment



1 program are subject to the same reporting requirements **for**
 2 **school years ending before July 1, 2016**, as results under the
 3 ISTEP program **or for school years beginning after June 30,**
 4 **2016, as results under the BEST program.**

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

8 **(i) for school years ending before July 1, 2016**, as set forth
 9 in IC 20-32-5-9 (**repealed July 1, 2016**); and

10 **(ii) for school years beginning after June 30, 2016, as set**
 11 **forth in IC 20-32-5.1-11.**

12 SECTION 28. IC 20-26-15-7, AS ADDED BY P.L.1-2005,
 13 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 UPON PASSAGE]: Sec. 7. The minimum educational benefits that a
 15 freeway school corporation or a freeway school must produce under
 16 this chapter are the following:

17 (1) An average attendance rate that increases:

18 (A) not less than two percent (2%) each school year until the
 19 average attendance rate is eighty-five percent (85%); and

20 (B) one percent (1%) each school year until the average
 21 attendance rate is ninety percent (90%).

22 (2) A successful completion rate of the assessment program by
 23 meeting essential standards **for school years ending before July**
 24 **1, 2016**, under the ISTEP program (IC 20-32-5 (**repealed**
 25 **effective July 1, 2016**)) **and for school years beginning after**
 26 **June 30, 2016, under the BEST program (IC 20-32-5.1)** or a
 27 locally adopted assessment program established under section
 28 6(7) of this chapter that increases:

29 (A) not less than two percent (2%) each school year until the
 30 successful completion rate is not less than eighty-five percent
 31 (85%); and

32 (B) one percent (1%) each school year until the successful
 33 completion rate is not less than ninety percent (90%);

34 of the students in the designated grade levels **for school years**
 35 **ending before July 1, 2016**, under the ISTEP assessment
 36 program (IC 20-32-5 (**repealed effective July 1, 2016**)) **and for**
 37 **school years beginning after June 30, 2016, under the BEST**
 38 **program (IC 20-32-5.1)** or the locally adopted assessment
 39 program that are grades contained in the freeway school
 40 corporation or freeway school.

41 (3) Beginning with the class of students who expect to graduate
 42 four (4) years after a freeway school corporation or a freeway



1 school that is a high school obtains freeway status, a graduation
2 rate as determined under 511 IAC 6.1-1-2(k) that increases:

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

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

11 SECTION 29. IC 20-28-5-17 IS ADDED TO THE INDIANA
12 CODE AS A NEW SECTION TO READ AS FOLLOWS
13 [EFFECTIVE UPON PASSAGE]: **Sec. 17. (a) The department shall
14 establish a program under which an individual may obtain a
15 license that allows the individual to teach in school corporations
16 and charter schools in Indiana if the individual holds a bachelor's
17 degree or a graduate degree with a grade point average of at least
18 2.5 on a 4.0 point scale from an accredited postsecondary
19 educational institution with both of the following:**

20 (1) A major in any combination of the following:

- 21 (A) Science.
22 (B) Technology.
23 (C) Engineering.
24 (D) Mathematics.

25 (2) An education minor or concentration from an accredited
26 teacher preparation program recognized by the state board
27 of education as preparing educators to meet requirements for
28 licensure.

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

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

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

- 38 (1) be in writing;
39 (2) be signed by both parties; and
40 (3) contain the:

41 (A) beginning date of the school term as determined annually
42 by the school corporation;



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



1 apply:

2 (1) Sections 1, 2, 3, and 8 of this chapter.

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

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

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

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

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

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

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

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

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

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

34 (1) Immorality.

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

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

39 (4) Incompetence, including receiving:

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

42 (B) an ineffective designation or improvement necessary



1 rating in three (3) years of any five (5) year period.

2 (5) Neglect of duty.

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

4 (7) Other good or just cause.

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

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

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

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

21 SECTION 34. IC 20-28-8-5, AS ADDED BY P.L.1-2005,
 22 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 UPON PASSAGE]: Sec. 5. The evaluation of a principal's performance
 24 may not be based wholly **for school years ending before July 1, 2016,**
 25 **on the ISTEP program test scores under IC 20-32-5 (repealed effective**
 26 **July 1, 2016) and for school years beginning after June 30, 2016, on**
 27 **the BEST program test scores** of the students enrolled at the
 28 principal's school. However, **for school years ending before July 1,**
 29 **2016, the ISTEP program test scores under IC 20-32-5 (repealed**
 30 **effective July 1, 2016) and for school years beginning after June 30,**
 31 **2016, the BEST program test scores** of the students enrolled at a
 32 principal's school may be considered as one (1) of the factors in the
 33 evaluation of the principal's overall performance at the school.

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



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

11 (1) education; or

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

14 **A supplement provided under this subsection is not subject to**
 15 **collective bargaining, but a discussion of the supplement must be**
 16 **held. Such a supplement is in addition to any increase permitted**
 17 **under subsection (b).**

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

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

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

24 (B) The attainment of either:

25 (i) additional content area degrees beyond the requirements
 26 for employment; or

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

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

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

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

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

41 (d) A teacher who does not receive a raise or increment under
 42 subsection (c) may file a request with the superintendent or



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

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

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

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

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

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

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

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

31 (1) holds:

32 (A) a professional license;

33 (B) a provisional license;

34 (C) a limited license; or

35 (D) an equivalent license issued by the department; and

36 (2) serves as an occasional substitute teacher;

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

39 (b) An individual who:

40 (1) holds a:

41 (A) professional license; or

42 (B) provisional license; and



1 (2) serves as a substitute teacher in the same teaching position for
 2 more than fifteen (15) consecutive school days;
 3 shall be compensated ~~on~~ **in conformity with** the regular pay ~~schedule~~
 4 **range** for teachers of the school corporation the individual serves.

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

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

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

20 remain intact.

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

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

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

38 (e) All or part of a leave granted for sickness or disability, including
 39 pregnancy related disability, may be charged at the teacher's discretion
 40 to the teacher's available sick days. However, the teacher is not entitled
 41 to take accumulated sick days when the teacher's physician certifies
 42 that the teacher is capable of performing the teacher's regular teaching



1 duties. The teacher is entitled to complete the remaining leave without
2 pay.

3 SECTION 39. IC 20-28-10-16, AS AMENDED BY P.L.2-2006,
4 SECTION 139, IS AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) If a teacher serves in the
6 general assembly, the teacher shall be given credit for the time spent in
7 this service, including the time spent for council or committee
8 meetings. The leave for this service does not diminish the teacher's
9 rights under the Indiana state teachers' retirement fund or the teacher's
10 advancement on the state or a local ~~salary schedule~~. **compensation**
11 **plan**. For these purposes, the teacher is, despite the leave, considered
12 teaching for the school during that time.

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

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

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

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

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

- 40 (1) A plan using master teachers or contracting with an outside
41 vendor to provide master teachers.
42 (2) The System for Teacher and Student Advancement (TAP).



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



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

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

16 **(e) This subsection applies to plans applicable to annual**
 17 **performance evaluations for school years beginning after June 30,**
 18 **2015. The plan must:**

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

27 ~~(f)~~ **(f) The evaluator shall discuss the evaluation with the**
 28 **certificated employee.**

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

- 34 **(1) for school years ending before July 1, 2016, IC 20-32-5-2**
 35 **(repealed effective July 1, 2016); and**
 36 **(2) for school years beginning after June 30, 2016,**
 37 **IC 20-32-5.1-3.**

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

42 (c) If a teacher did not instruct students in the school year



1 immediately before the school year in which students are placed in the
 2 teacher's class, the teacher's rating under this chapter for the most
 3 recent year in which the teacher instructed students, instead of for the
 4 school year immediately before the school year in which students are
 5 placed in the teacher's class, shall be used in determining whether
 6 subsection (b) applies to the teacher.

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

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

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

41 (b) A school corporation annually shall provide the
 42



1 **disaggregated results of staff performance evaluations by teacher**
 2 **identification numbers to the department:**

- 3 (1) **after completing the presentations required under**
 4 **subsection (a) for all schools for the school corporation; and**
 5 **(2) before November 15 of that year.**

6 Before November 15 of each year, each charter school (including a
 7 virtual charter school) ~~and school corporation~~ shall provide the
 8 disaggregated results of staff performance evaluations by teacher
 9 identification numbers to the department.

10 ~~(b)~~ (c) Before August 1 of each year, each charter school and school
 11 corporation shall provide to the department:

- 12 (1) the name of the teacher preparation program that
 13 recommended the initial license for each teacher employed by the
 14 school; and
 15 (2) the annual retention rate for teachers employed by the school.

16 ~~(c)~~ (d) Not before the beginning of the second semester (or the
 17 equivalent) of the school year and not later than August 1 of each year,
 18 the principal at each school described in subsection (a) shall complete
 19 a survey that provides information regarding the principal's assessment
 20 of the quality of instruction by each particular teacher preparation
 21 program located in Indiana for teachers employed at the school who
 22 initially received their teaching license in Indiana in the previous two
 23 (2) years. The survey shall be adopted by the state board and prescribed
 24 on a form developed not later than July 30, 2016, by the department
 25 that is aligned with the matrix system established under
 26 IC 20-28-3-1(i). The school shall provide the surveys to the department
 27 along with the information provided in subsection ~~(b)~~: (c). The
 28 department shall compile the information contained in the surveys,
 29 broken down by each teacher preparation program located in Indiana.
 30 The department shall include information relevant to a particular
 31 teacher preparation program located in Indiana in the department's
 32 report under subsection ~~(f)~~: (g).

33 ~~(d)~~ (e) During the second semester (or the equivalent) of the school
 34 year and not later than August 1 of each year, each teacher employed
 35 by a school described in subsection ~~(a)~~ (b) in Indiana who initially
 36 received a teacher's license in Indiana in the previous three (3) years
 37 shall complete a form after the teacher completes the teacher's initial
 38 year teaching at a particular school. The information reported on the
 39 form must:

- 40 (1) provide the year in which the teacher was hired by the school;
 41 (2) include the name of the teacher preparation program that
 42 recommended the teacher for an initial license;



- 1 (3) describe subjects taught by the teacher;
 2 (4) provide the location of different teaching positions held by the
 3 teacher since the teacher initially obtained an Indiana teaching
 4 license;
 5 (5) provide a description of any mentoring the teacher has
 6 received while teaching in the teacher's current teaching position;
 7 (6) describe the teacher's current licensure status; and
 8 (7) include an assessment by the teacher of the quality of
 9 instruction of the teacher preparation program in which the
 10 teacher participated.

11 The form shall be prescribed by the department. The forms shall be
 12 submitted to the department with the information provided in
 13 subsection ~~(b)~~: **(c)**. Upon receipt of the information provided in this
 14 subsection, the department shall compile the information contained in
 15 the forms and include an aggregated summary of the report on the
 16 department's Internet web site.

17 ~~(e)~~ **(f)** Before December 15 of each year, the department shall report
 18 the results of staff performance evaluations in the aggregate to the state
 19 board, and to the public via the department's Internet web site for:

- 20 (1) the aggregate of certificated employees of each school and
 21 school corporation;
 22 (2) the aggregate of graduates of each teacher preparation
 23 program in Indiana;
 24 (3) for each school described in subsection ~~(a)~~; **(b)**, the annual
 25 rate of retention for certificated employees for each school within
 26 the charter school or school corporation; and
 27 (4) the aggregate results of staff performance evaluations for each
 28 category described in section 4(c)(4) of this chapter. In addition
 29 to the aggregate results, the results must be broken down:
 30 (A) by the content area of the initial teacher license received
 31 by teachers upon completion of a particular teacher
 32 preparation program; or
 33 (B) as otherwise requested by a teacher preparation program,
 34 as approved by the state board.

35 ~~(f)~~ **(g)** Beginning November 1, 2016, and before September 1 of
 36 each year thereafter, the department shall report to each teacher
 37 preparation program in Indiana for teachers with three (3) or fewer
 38 years of teaching experience:

- 39 (1) information from the surveys relevant to that particular teacher
 40 education program provided to the department under subsection
 41 ~~(e)~~; **(d)**;
 42 (2) information from the forms relevant to that particular teacher



1 preparation program compiled by the department under
2 subsection ~~(d)~~; (e); and

3 (3) the results from the most recent school year for which data are
4 available of staff performance evaluations for each category
5 described in section 4(c)(4) of this chapter with three (3) or fewer
6 years of teaching experience for that particular teacher
7 preparation program. The report to the teacher preparation
8 program under this subdivision shall be in the aggregate form and
9 shall be broken down by the teacher preparation program that
10 recommended an initial teaching license for the teacher.

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

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

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

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

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

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

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

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

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

41 (A) appear before the board; and

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



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

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

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

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

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

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

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

39 **(1) The exclusive school employee organization or exclusive**
 40 **representative representing each unit for the school**
 41 **corporation covered by the collective bargaining agreement.**

42 **(2) The superintendent or other chief executive officer of the**



1 school corporation covered by the collective bargaining
2 agreement.

3 The Indiana education employment relations board's decision is a
4 public document.

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

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

30 SECTION 47. IC 20-29-6-4, AS AMENDED BY P.L.286-2013,
31 SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 UPON PASSAGE]: Sec. 4. (a) A school employer shall bargain
33 collectively with the exclusive representative on the following:

- 34 (1) Salary.
35 (2) Wages.
36 (3) Salary and wage related fringe benefits, including accident,
37 sickness, health, dental, vision, life, disability, retirement benefits,
38 and paid time off as permitted to be bargained under
39 IC 20-28-9-11.

40 (b) Salary and wages include the amounts of pay increases available
41 to employees under the ~~salary scale~~ **compensation plan** adopted under
42 IC 20-28-9-1.5, but do not include the teacher evaluation procedures



1 and criteria, ~~or~~ any components of the teacher evaluation plan, rubric,
 2 or tool, **or any performance stipend or addition to base salary based**
 3 **on a performance stipend to an individual teacher under**
 4 **IC 20-43-10-3.**

5 SECTION 48. IC 20-29-6-4.5, AS ADDED BY P.L.48-2011,
 6 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 UPON PASSAGE]: Sec. 4.5. (a) For a contract entered into after June
 8 30, 2011, a school employer may not bargain collectively with the
 9 exclusive representative on the following:

- 10 (1) The school calendar.
- 11 (2) Teacher dismissal procedures and criteria.
- 12 (3) Restructuring options available to a school employer under
 13 federal or state statutes, regulations, or rules because of the failure
 14 of the school corporation or a school to meet federal or state
 15 accountability standards.
- 16 (4) The ability of a school employer to contract, partner, or
 17 operate jointly with an educational entity that provides
 18 postsecondary credits to students of the school employer or dual
 19 credits from the school employer and the educational entity.
- 20 (5) Any subject not expressly listed in section 4 of this chapter.

21 **(b) For a contract entered into after January 1, 2015, for a**
 22 **school year beginning after June 30, 2015, a school employer may**
 23 **not bargain collectively with the exclusive representative for the**
 24 **following:**

- 25 (1) **A matter described in subsection (a).**
- 26 (2) **A matter that another statute specifies is not subject to**
 27 **collective bargaining, including IC 20-28-9-1.5 and**
 28 **IC 20-43-10-3.**

29 ~~(b)~~ (c) A subject set forth in subsection (a) **or (b)** that may not be
 30 bargained collectively may not be included in an agreement entered
 31 into under this article.

32 SECTION 49. IC 20-29-6-7, AS AMENDED BY P.L.286-2013,
 33 SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 UPON PASSAGE]: Sec. 7. A school employer shall discuss with the
 35 exclusive representative of certificated employees the following items:

- 36 (1) Curriculum development and revision.
- 37 (2) Selection of curricular materials.
- 38 (3) Teaching methods.
- 39 (4) Hiring, evaluation, promotion, demotion, transfer, assignment,
 40 and retention of certificated employees.
- 41 (5) Student discipline.
- 42 (6) Expulsion or supervision of students.



- 1 (7) Pupil/teacher ratio.
 2 (8) Class size or budget appropriations.
 3 (9) Safety issues for students and employees in the workplace,
 4 except those items required to be kept confidential by state or
 5 federal law.
 6 (10) Hours.
 7 **(11) The following nonbargainable items under IC 20-43-10-3:**
 8 **(A) Performance grants.**
 9 **(B) Individual performance stipends to teachers.**
 10 **(C) Additions to base salary based on performance**
 11 **stipends.**
 12 **(12) The reevaluation planning session required under**
 13 **IC 20-28-11.5-4.**
 14 **(13) The superintendent's report to the governing body**
 15 **concerning staff performance evaluations required under**
 16 **IC 20-28-11.5-9.**

17 SECTION 50. IC 20-29-6-12 IS REPEALED [EFFECTIVE UPON
 18 PASSAGE]. Sec. 12: Formal collective bargaining between a school
 19 corporation and the exclusive representative shall not begin before:

- 20 (1) August 1 in the first year of the state budget biennium; or
 21 (2) August 1 in the second year of the state budget biennium if the
 22 parties agreed to a one (1) year contract during the first year of the
 23 state budget biennium or the contract provides for renegotiating
 24 certain financial items the second year of a two (2) year contract.

25 Informal negotiations may be held before August 1.

26 SECTION 51. IC 20-29-6-12.5, AS AMENDED BY P.L.205-2013,
 27 SECTION 254, IS AMENDED TO READ AS FOLLOWS
 28 [EFFECTIVE UPON PASSAGE]: Sec. 12.5. (a) Before August 1 of the
 29 first year of the state budget biennium, the department shall provide the
 30 parties with an estimate of the general fund revenue available for
 31 bargaining in the school corporation from the school funding formula.

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

42 SECTION 52. IC 20-29-6-16, AS AMENDED BY P.L.229-2011,



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

10 (b) Upon the expiration of the current contract that is in effect,
 11 **except for performance stipends and additions to base salary**
 12 **provided under IC 20-43-10-3**, the school employer shall continue
 13 under the terms of the current contract that is in effect, with no increase
 14 or increment in salary, wages, or benefits for any bargaining unit
 15 employee until a new contract is executed, unless continuation would
 16 put the school employer in a position of deficit financing due to a
 17 reduction in the employer's actual general fund revenue or an increase
 18 in an employer's expenditures when the expenditures exceed the
 19 current year actual general fund revenue.

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

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

27 SECTION 53. IC 20-29-6-18, AS AMENDED BY P.L.6-2012,
 28 SECTION 140, IS AMENDED TO READ AS FOLLOWS
 29 [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) Either party may appeal
 30 the decision of the factfinder under IC 20-29-6-15.1. The appeal must
 31 be filed not later than thirty (30) days after receiving the factfinder's
 32 decision.

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

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

42 SECTION 54. IC 20-30-2-2.2, AS AMENDED BY P.L.246-2013,



1 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 UPON PASSAGE]: Sec. 2.2. (a) As used in this section, "eligible
3 student" means a student in grade 11 or 12 who has:

4 (1) **for:**

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

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

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

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

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

16 (5) previously undergone at least a second suspension from school
17 for the school year under IC 20-33-8-14 or IC 20-33-8-15;

18 (6) previously undergone an expulsion from school under
19 IC 20-33-8-14, IC 20-33-8-15, or IC 20-33-8-16; or

20 (7) been determined by the individual's principal and the
21 individual's parent or guardian to benefit by participating in the
22 school flex program.

23 (b) An eligible student who participates in a school flex program
24 must:

25 (1) attend school for at least three (3) hours of instructional time
26 per school day;

27 (2) pursue a timely graduation;

28 (3) provide evidence of college or technical career education
29 enrollment and attendance or proof of employment and labor that
30 is aligned with the student's career academic sequence under rules
31 established by the Indiana bureau of child labor;

32 (4) not be suspended or expelled while participating in a school
33 flex program;

34 (5) pursue course and credit requirements for a general diploma;
35 and

36 (6) maintain a ninety-five percent (95%) attendance rate.

37 (c) A school may allow an eligible student in grade 11 or 12 to
38 complete an instructional day that consists of three (3) hours of
39 instructional time if the student participates in the school flex program.

40 (d) If one (1) or more students participate in a school flex program,
41 the principal shall, on forms provided by the department, submit a
42 yearly report to the department of student participation and graduation



1 rates of students who participate in the school flex program.

2 SECTION 55. IC 20-30-4-2, AS AMENDED BY P.L.140-2008,
3 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: Sec. 2. In consultation with the student's guidance
5 counselor, after seeking consultation with each student's parents, and
6 not later than the date on which the student completes grade 9, each
7 student shall further develop the graduation plan developed in grade 6
8 under section 1.5 of this chapter to also include the following:

- 9 (1) The subject and skill areas of interest to the student.
10 (2) A program of study under the college/technology preparation
11 curriculum adopted by the state board under IC 20-30-10-2 for
12 grades 10, 11, and 12 that meets the interests and aptitude of the
13 student.
14 (3) Assurances that, upon satisfactory fulfillment of the plan, the
15 student:
16 (A) is entitled to graduate; and
17 (B) will have taken at least the minimum variety and number
18 of courses necessary to gain admittance to a state educational
19 institution.
20 (4) An indication of assessments (other than **for school years**
21 **ending before July 1, 2016, ISTEP, for school years beginning**
22 **after June 30, 2016, BEST,** and the graduation examination) that
23 the student plans to take voluntarily during grade 10 through
24 grade 12, and which may include any of the following:
25 (A) The SAT Reasoning Test.
26 (B) The ACT test.
27 (C) Advanced placement exams.
28 (D) College readiness exams approved by the department.
29 (E) Workforce readiness exams approved by the department of
30 workforce development established under IC 22-4.1-2.

31 SECTION 56. IC 20-31-3-1, AS ADDED BY P.L.1-2005,
32 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 UPON PASSAGE]: Sec. 1. (a) The state board shall adopt clear,
34 concise, and jargon free state academic standards that are comparable
35 to national and international academic standards **and the college and**
36 **career readiness educational standards adopted under**
37 **IC 20-19-2-14.5.** These academic standards must be adopted for each
38 grade level from kindergarten through grade 12 for the following
39 subjects:

- 40 (1) English/language arts.
41 (2) Mathematics.
42 (3) Social studies.



1 (4) Science.

2 (b) For grade levels tested for school years ending before July 1,
3 2016, under the ISTEP program and for school years beginning after
4 June 30, 2016, under the BEST program, the academic standards
5 must, for school years ending before July 1, 2016, be based in part
6 on the results of the ISTEP program.

7 (c) For school years beginning after June 30, 2016, the content
8 of a nationally recognized assessment approved by the state board
9 under IC 20-32-5.1 must align with Indiana academic standards
10 adopted by the state board. The state board may not adopt
11 Common Core (Common Core State Standards Initiative) or an
12 assessment or test that is produced solely by the United States
13 government or a consortium of states.

14 SECTION 57. IC 20-31-4-10, AS ADDED BY P.L.1-2005,
15 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 UPON PASSAGE]: Sec. 10. (a) During its onsite evaluation, a review
17 panel shall review the following for a school:

18 (1) Teaching practices and administrative leadership in
19 instruction.

20 (2) Parental and community involvement.

21 (3) For school years ending before July 1, 2016,
22 implementation of the ISTEP remediation program under
23 IC 20-32-8 and, for school years beginning after June 30, 2016,
24 implementation of the BEST remediation program under
25 IC 20-32-8, and the educational opportunity program for at-risk
26 children.

27 (4) The homework policy.

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

31 SECTION 58. IC 20-31-5-4, AS AMENDED BY P.L.246-2013,
32 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 UPON PASSAGE]: Sec. 4. (a) A plan must:

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

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

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

38 (c) This subsection does not apply to a school that is designated in
39 the top category or designation of school improvement under
40 IC 20-31-8-4 in the year immediately preceding the year in which the
41 school's initial plan is implemented. These achievement objectives
42 must be consistent with academic standards and include improvement



- 1 in at least the following areas:
- 2 (1) Attendance rate, as set forth in the plan developed under
- 3 IC 20-19-3-12.2.
- 4 (2) The educational needs of students who have been identified to
- 5 be chronically absent or habitually truant from school.
- 6 (3) The percentage of students meeting academic standards:
- 7 **(A) for school years ending before July 1, 2016, under the**
- 8 **ISTEP program (IC 20-31-3 and IC 20-32-5 (repealed**
- 9 **effective July 1, 2016)); and**
- 10 **(B) for school years beginning after June 30, 2016, under**
- 11 **the BEST program.**
- 12 (4) For a secondary school, graduation rate.
- 13 (d) A plan must address the learning needs of all students, including
- 14 programs and services for exceptional learners.
- 15 (e) A plan must specify how and to what extent the school expects
- 16 to make continuous improvement in all areas of the education system
- 17 where results are measured by setting benchmarks for progress on an
- 18 individual school basis.
- 19 (f) A plan must note specific areas where improvement is needed
- 20 immediately.
- 21 SECTION 59. IC 20-31-5-6, AS AMENDED BY P.L.268-2013,
- 22 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 23 UPON PASSAGE]: Sec. 6. (a) This section does not apply to a school
- 24 that is designated in the top category or designation of school
- 25 improvement under IC 20-31-8-4 in the year immediately preceding the
- 26 year in which the school's initial plan is implemented. A plan must
- 27 contain the following components for the school:
- 28 (1) A list of the statutes and rules that the school wishes to have
- 29 suspended from operation for the school.
- 30 (2) A description of the curriculum and information concerning
- 31 the location of a copy of the curriculum that is available for
- 32 inspection by members of the public.
- 33 (3) A description and name of the assessments that will be used
- 34 in the school in addition to:
- 35 **(A) for a school year ending before July 1, 2016, ISTEP**
- 36 **program assessments; and**
- 37 **(B) for a school year beginning after June 30, 2016, BEST**
- 38 **program assessments.**
- 39 (4) A plan to be submitted to the governing body and made
- 40 available to all interested members of the public in an easily
- 41 understood format.
- 42 (5) A provision to maximize parental participation in the school,



1 which may include providing parents with:

2 (A) access to learning aids to assist students with school work
3 at home;

4 (B) information on home study techniques; and

5 (C) access to school resources.

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

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

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

11 (C) Reduce the number of graduation exam waivers granted to
12 graduates.

13 (7) A provision to maintain a safe and disciplined learning
14 environment for students and teachers that complies with the
15 governing body's plan for improving student behavior and
16 discipline developed under IC 20-26-5-32.

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

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

23 SECTION 60. IC 20-31-7-4, AS ADDED BY P.L.1-2005,
24 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 UPON PASSAGE]: Sec. 4. (a) The student educational achievement
26 fund is established to provide funds to stimulate and recognize
27 improved student performance in meeting academic standards:

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

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

32 The fund is administered by the department.

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

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

36 SECTION 61. IC 20-31-7-6, AS ADDED BY P.L.1-2005,
37 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 UPON PASSAGE]: Sec. 6. The education roundtable shall recommend
39 to the state board a system for awarding and distributing grants under
40 this chapter. A system recommended under this section must be based
41 on graduated levels of improvement based on:

42 **(1) for school years ending before July 1, 2016, ISTEP program**



1 standards and other assessments recommended and approved by
 2 the education roundtable;
 3 **(2) for school years beginning after June 30, 2016, through the**
 4 **school year specified by the state board, a transitional metric**
 5 **authorized by the state board based on a combination of**
 6 **improvement under ISTEP program standards and BEST**
 7 **program standards and other assessments recommended and**
 8 **approved by the education roundtable; and**
 9 **(3) for school years beginning after the school year specified**
 10 **by the state board, BEST program standards and other**
 11 **assessments recommended and approved by the education**
 12 **roundtable.**

13 SECTION 62. IC 20-31-8-1, AS AMENDED BY P.L.268-2013,
 14 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 UPON PASSAGE]: Sec. 1. (a) The performance of a school's students
 16 on:

- 17 (1) for school years ending before July 1, 2016, the ISTEP
- 18 program test;
- 19 (2) for school years beginning after June 30, 2016, through the
- 20 school year specified by state board, a transitional metric
- 21 authorized by the state board based on a combination of
- 22 improvement under ISTEP program tests and BEST program
- 23 tests; and
- 24 (3) for school years beginning after the school year specified
- 25 by the state board under subdivision (2), BEST program tests;
- 26 and other assessments recommended by the education roundtable and
- 27 approved by the state board are the primary and majority means of
- 28 assessing a school's improvement.

29 (b) The education roundtable shall examine and make
 30 recommendations to the state board concerning:

- 31 (1) performance indicators to be used as a secondary means of
- 32 determining school progress;
- 33 (2) expected progress levels, continuous improvement measures,
- 34 distributional performance levels, and absolute performance
- 35 levels for schools; and
- 36 (3) an orderly transition from the performance based accreditation
- 37 system to the assessment system set forth in this article.

38 (c) The education roundtable shall consider methods of measuring
 39 improvement and progress used in other states in developing
 40 recommendations under this section.

41 (d) The education roundtable may consider:
 42 (1) the likelihood that a student may fail a graduation exam and



1 require a graduation waiver under IC 20-32-4-4 or IC 20-32-4-5;
2 and

3 (2) remedial needs of students who are likely to require remedial
4 work while the students attend a postsecondary educational
5 institution or workforce training program;
6 when making recommendations under this section.

7 SECTION 63. IC 20-31-8-2, AS AMENDED BY P.L.286-2013,
8 SECTION 102, IS AMENDED TO READ AS FOLLOWS
9 [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) In addition to scores on
10 the ISTEP program test and **BEST program tests** and other
11 assessments, the department shall use the performance indicators
12 developed under section 1 of this chapter and the benchmarks and
13 indicators of performance in each school corporation's annual
14 performance report as a secondary means of assessing the performance
15 of each school and school corporation.

16 (b) The department shall assess school performance in the following
17 manner:

18 (1) Compare the academic performance and growth of the
19 individual students in each school and each school corporation
20 with the prior academic performance and growth of the individual
21 students in the school or school corporation and not to the
22 performance of other schools or school corporations.

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

26 (3) Compare the results for a school by comparing each student's
27 results for each grade with the student's prior year results, with an
28 adjustment for student mobility rate. The education roundtable
29 shall make recommendations concerning the incorporation of a
30 statistical adjustment for student mobility rates into the results.

31 (4) Compare the results for a school with the state average and the
32 ninety-fifth percentile level for all assessments and performance
33 indicators.

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

40 (b) **This subsection applies only to a school with a low student**
41 **population when compared to the average size of the student**
42 **population at all schools in Indiana. An earned letter grade on the**



1 "A" through "F" grading scale shall be given for all schools,
 2 including schools with a low student population to which this
 3 subsection applies. A school to which this subsection applies may
 4 appeal a designation under subsection (a) to the state board based
 5 on the insufficient size of the test group needed to determine an
 6 accurate result for each grade completing the assessment.

7 SECTION 65. IC 20-32-5 IS REPEALED [EFFECTIVE JULY 1,
 8 2016]. (Indiana Statewide Testing for Educational Progress).

9 SECTION 66. IC 20-32-5.1 IS ADDED TO THE INDIANA CODE
 10 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 11 UPON PASSAGE]:

12 **Chapter 5.1. Benchmarking Excellence Student Testing**
 13 **Program**

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

16 (1) To assess the strengths and weaknesses of school
 17 performance.

18 (2) To assess the effects of state and local educational
 19 programs.

20 (3) To compare achievement of Indiana students to
 21 achievement of students on a national basis.

22 (4) To provide a source of information for state and local
 23 decision makers with regard to educational matters, including
 24 the following:

25 (A) The overall academic progress of students.

26 (B) The need for new or revised educational programs.

27 (C) The need to terminate existing educational programs.

28 (D) Student readiness for postsecondary school
 29 experiences.

30 (E) Overall curriculum development and revision
 31 activities.

32 (F) Identifying students who may need remediation under
 33 IC 20-32-8.

34 (G) Diagnosing individual student needs.

35 (H) Teacher education and staff development activities.

36 (5) To use nationally recognized assessments to eliminate
 37 excessive costs related to the development and use of tests.

38 **Sec. 2. (a) In carrying out its responsibilities under this chapter,**
 39 **the state board and the department may not delegate the**
 40 **responsibility of selecting tests.**

41 (b) The state board shall determine the content and format of
 42 the BEST program and the tests, including assessments, used in the



1 **BEST program. The superintendent of public instruction and the**
 2 **department, under the direction of the state board, shall carry out**
 3 **the work necessary to carry out this chapter.**

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

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

10 **(1) IC 20-19-2-14.5.**

11 **(2) IC 20-31-3.**

12 **(3) IC 20-32-4.**

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

14 **(e) The state board may not consider or adopt an assessment or**
 15 **a test that adopts Common Core (Common Core State Standards**
 16 **Initiative) or an assessment or test produced solely by the United**
 17 **States government or a consortium of states.**

18 **(f) The state board shall consider assessments or tests that**
 19 **would permit the state to secure renewal of necessary flexibility**
 20 **waivers under Section 9401 of the federal Elementary and**
 21 **Secondary Education Act of 1965, as amended and reauthorized**
 22 **under the federal No Child Left Behind Act of 2001 and subsequent**
 23 **federal laws (20 U.S.C. 7861) and federal regulations promulgated**
 24 **to implement federal law.**

25 **Sec. 3. (a) Before:**

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

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

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

35 **(b) The state board shall consider a variety of available**
 36 **nationally recognized assessments and tests and adopt a request for**
 37 **proposals that meets the requirements of this chapter. The**
 38 **department shall carry out the work necessary, under the direction**
 39 **of the state board, in preparing the request for proposals. The**
 40 **department shall submit the request for proposals to the**
 41 **roundtable for review. The state board shall consider any**
 42 **recommendations made by the roundtable and, if a**



1 recommendation is not adopted, specify in a writing adopted by the
2 state board the reasons why the recommendation was not adopted.

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

7 (1) provisionally select a vendor and the tests to be used in the
8 BEST program;

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

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

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

21 before finally selecting a vendor and the tests to be used in the
22 BEST program.

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

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

29 (1) English/language arts.

30 (2) Mathematics.

31 (3) Science.

32 (4) Social studies.

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

35 Sec. 5. The state board shall determine the date in each school
36 year on which statewide BEST program testing is administered in
37 each school corporation.

38 Sec. 6. The state superintendent is responsible for the overall
39 development, implementation, and monitoring of the BEST
40 program authorized by the state board.

41 Sec. 7. The department shall make BEST program scoring
42 rubrics available to the public at least four (4) months before the



1 administration of a test. An essay question, a scoring rubric, or an
 2 anchor paper used in the BEST program may not seek or compile
 3 information about a student's:

- 4 (1) personal attitudes;
- 5 (2) political views;
- 6 (3) religious beliefs;
- 7 (4) family relationships; or
- 8 (5) other matters listed in IC 20-30-5-17(b).

9 **Sec. 8. The scoring of student responses under the BEST**
 10 **program test:**

- 11 (1) must measure student achievement relative to the
- 12 academic standards established by the state board, including
- 13 the college and career readiness educational standards
- 14 established under IC 20-19-2-14.5;
- 15 (2) must adhere to scoring rubrics and anchor papers; and
- 16 (3) may not reflect the scorer's judgment of the values
- 17 expressed by a student in the student's responses.

18 **Sec. 9. Reports related to tests administered as part of the BEST**
 19 **program must:**

- 20 (1) provide scores indicating student performance relative to
- 21 each of the academic standards:
- 22 (A) established by the state board; and
- 23 (B) assessed by the test;
- 24 (2) be related to passing scores established by the state board;
- 25 and
- 26 (3) contain the information listed in subdivisions (1) and (2)
- 27 for the following levels:
- 28 (A) Individual student.
- 29 (B) Classroom.
- 30 (C) School.
- 31 (D) School corporation.
- 32 (E) Indiana.

33 **Sec. 10. Reports of student scores must be:**

- 34 (1) returned to the school corporation that administered the
- 35 test; and
- 36 (2) accompanied by a guide for interpreting scores.

37 **Sec. 11. (a) As used in this section, "BEST program test"**
 38 **includes any statewide assessment that a student is required to**
 39 **complete.**

40 (b) After reports of student scores for a BEST program test are
 41 returned to a school corporation, the school corporation shall
 42 promptly do the following:



- 1 **(1) Give each student and the student's parent the student's**
 2 **BEST program test scores.**
 3 **(2) Make available for inspection to each student and the**
 4 **student's parent the following:**
 5 **(A) A copy of all questions that are not multiple choice or**
 6 **true and false and prompts used in assessing the student.**
 7 **(B) A copy of the student's scored responses.**
 8 **(C) A copy of the anchor papers and scoring rubrics used**
 9 **to score the student's responses.**
 10 **A student's parent may request a rescoring of a student's responses**
 11 **to a BEST program test, including a student's essay.**
 12 **(c) A student's BEST program test scores may not be disclosed**
 13 **to the public.**
 14 **Sec. 12. After a school receives score reports for a BEST**
 15 **program test, the school shall schedule a parent/teacher conference**
 16 **with the following:**
 17 **(1) A parent of a student who requests a parent/teacher**
 18 **conference on the scores of the student.**
 19 **(2) The parent of each student who does not receive a passing**
 20 **score on the test. The conference must include a discussion of:**
 21 **(A) the student's test scores, including subscores on**
 22 **academic standards; and**
 23 **(B) the proposed remediation plan for the student.**
 24 **Sec. 13. Each school corporation shall compile the total results**
 25 **of the BEST program tests in a manner that will permit evaluation**
 26 **of learning progress within the school corporation. The school**
 27 **corporation shall make the compilation of test results available for**
 28 **public inspection and shall provide that compilation to the parent**
 29 **of each student tested under the BEST program.**
 30 **Sec. 14. The department shall develop a format for the**
 31 **publication by school corporations in an annual performance**
 32 **report required by statute of appropriate academic information**
 33 **required by the department, including BEST program test scores**
 34 **and information required to be disaggregated by the department**
 35 **under section 15 of this chapter, in a manner that a reasonable**
 36 **person can easily read and understand.**
 37 **Sec. 15. (a) The school corporation shall provide the BEST**
 38 **program test results on a school by school basis to the department**
 39 **upon request.**
 40 **(b) The department shall disaggregate from the total results of**
 41 **the BEST program test results for a school corporation the**
 42 **percentage of students in each school and each grade in the school**



1 corporation that are identified as high ability students (as defined
 2 by IC 20-36-1-3) by the school corporation who also achieved a
 3 score in the highest performance level designated for the BEST
 4 test. However, this disaggregation is not required in a case in which
 5 the results would reveal personally identifiable information about
 6 an individual student under the federal Family Education Rights
 7 and Privacy Act (20 U.S.C. 1232g et seq.).

8 Sec. 16. Upon request by the commission for higher education,
 9 the department shall provide BEST program test results to the
 10 commission for those students for whom the commission under 20
 11 U.S.C. 1232g has obtained consent.

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

- 14 (1) each student in the grades approved by the state board
 15 must be tested; and
- 16 (2) each student in grade 10 or grade 11 must take a
 17 graduation examination.

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

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

28 (b) Any decision concerning a student who is a child with a
 29 disability (as defined in IC 20-35-1-2) regarding the student's:

- 30 (1) participation in testing under this chapter;
- 31 (2) receiving accommodations in testing materials and
 32 procedures;
- 33 (3) participation in remediation under IC 20-32-8; or
- 34 (4) retention at the same grade level for consecutive school
 35 years;

36 shall be made in accordance with the student's individualized
 37 education program in compliance with the BEST program manual
 38 and federal law.

39 Sec. 19. (a) If a nonpublic school seeks accreditation as
 40 authorized under IC 20-19-2-8(a)(4), the governing body of the
 41 nonpublic school is entitled to acquire at no charge from the
 42 department:



- 1 **(1) the BEST program test; and**
 2 **(2) the scoring reports used by the department.**
 3 **(b) A nonpublic school seeking accreditation must:**
 4 **(1) administer the BEST program test to its students at the**
 5 **same time that school corporations administer the test; and**
 6 **(2) make available to the department the results of the BEST**
 7 **program testing.**

8 **Sec. 20. The state board may establish assessments to**
 9 **supplement BEST assessments for secondary school students.**

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

13 SECTION 67. IC 20-32-8-11, AS ADDED BY P.L.1-2005,
 14 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 UPON PASSAGE]: Sec. 11. Notwithstanding the requirements of this
 16 chapter, any decisions made with regard to:

- 17 (1) attendance in a remediation program;
 18 (2) ISTEP program testing **or BEST program testing;** and
 19 (3) the grade level placement;

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

23 SECTION 68. IC 20-33-2-13, AS AMENDED BY P.L.43-2014,
 24 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 UPON PASSAGE]: Sec. 13. (a) A school corporation shall record or
 26 include the following information in the official high school transcript
 27 for a student in high school:

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

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



1 SECTION 69. IC 20-35-8-1, AS AMENDED BY P.L.229-2011,
 2 SECTION 195, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Except as provided in
 4 subsection (b), if a student with legal settlement in a school corporation
 5 is transferred to attend school in another school corporation because of
 6 a disability or multiple disabilities, the transferor corporation shall:

7 (1) either:

8 (A) provide; or

9 (B) pay for, in the amount determined under section 2 of this
 10 chapter;

11 any transportation that is necessary or feasible, as determined
 12 under section 2 of this chapter and the rules adopted by the state
 13 board; and

14 (2) pay transfer tuition for the student to the transferee
 15 corporation in accordance with IC 20-26-11.

16 (b) If the student attends a school operated through:

17 (1) a joint school service and supply program; or

18 (2) another cooperative program;

19 involving the school corporation of the student's legal settlement,
 20 transportation and other costs shall be made in amounts and at the
 21 times provided in the agreement or other arrangement made between
 22 the participating school corporations.

23 (c) Student data, including ISTEP program testing scores, **BEST**
 24 **program testing scores**, academic progress, grade level, and
 25 graduation date, for a student described in subsection (a) shall be
 26 included in determinations for the school corporation in which the
 27 student has legal settlement.

28 SECTION 70. IC 20-36-5-1, AS AMENDED BY P.L.2-2007,
 29 SECTION 238, IS AMENDED TO READ AS FOLLOWS
 30 [EFFECTIVE UPON PASSAGE]: Sec. 1. A student shall receive
 31 credits toward graduation or an academic honors diploma by
 32 demonstrating the student's proficiency in a course or subject area
 33 required for graduation or the academic honors diploma, whether or not
 34 the student has completed course work in the subject area, by any one
 35 (1) or more of the following methods:

36 (1) Receiving a score that demonstrates proficiency on a
 37 standardized assessment of academic or subject area competence
 38 that is accepted by accredited postsecondary educational
 39 institutions.

40 (2) Receiving a high proficiency level score on an end of course
 41 assessment for a course without taking the course.

42 (3) Successfully completing a similar course at an eligible



- 1 institution under the postsecondary enrollment program under
 2 IC 21-43-4.
- 3 (4) Receiving a score of three (3), four (4), or five (5) on an
 4 advanced placement examination for a course or subject area.
- 5 (5) Other methods approved by the state board.
- 6 SECTION 71. IC 20-43-10-3, AS ADDED BY P.L.205-2013,
 7 SECTION 300, IS AMENDED TO READ AS FOLLOWS
 8 [EFFECTIVE JUNE 30, 2015]: Sec. 3. (a) As used in this section,
 9 "achievement test" means a:
- 10 (1) test required by the ISTEP program or **the BEST program, as**
 11 **applicable.**
- 12 (2) Core 40 end of course assessment for the following:
- 13 (A) Algebra I.
 14 (B) English 10.
 15 (C) Biology I.
- 16 (b) As used in this section, "graduation rate" means the percentage
 17 graduation rate for a high school in a school corporation as determined
 18 under IC 20-26-13-10 but adjusted to reflect the pupils who meet the
 19 requirements of graduation under subsection (d).
- 20 (c) As used in this section, "test" means either:
- 21 (1) a test required by the ISTEP program or **the BEST program,**
 22 **as applicable; or**
- 23 (2) a Core 40 end of course assessment;
- 24 in the school year ending in the immediately preceding state fiscal year
 25 or, for purposes of a school year to school year comparison, in the
 26 school year immediately preceding that school year.
- 27 (d) A pupil meets the requirements of graduation for purposes of
 28 this section if the pupil successfully completed:
- 29 (1) a sufficient number of academic credits, or the equivalent of
 30 academic credits; and
- 31 (2) the graduation examination required under IC 20-32-3 through
 32 ~~IC 20-32-6~~; **IC 20-32-5.1**;
- 33 that resulted in the awarding of a high school diploma or an academic
 34 honors diploma to the pupil for the school year ending in the
 35 immediately preceding state fiscal year.
- 36 (e) Determinations for a school for a state fiscal year must be made
 37 using:
- 38 (1) the count of tests passed compared to the count of tests taken
 39 throughout the school;
- 40 (2) the graduation rate in the high school; and
- 41 (3) the count of pupils graduating in the high school.
- 42 (f) In determining grants under this section, a school corporation



1 may qualify for the following **two (2) grants** each year:

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

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

4 **A school corporation's grant under subdivision (1) is the sum of the**
 5 **grants separately calculated for each school in the school**
 6 **corporation under subsection (h), (i), or (j). A school corporation's**
 7 **grant under subdivision (2) is the sum of the grants separately**
 8 **calculated for each school in the school corporation under**
 9 **subsection (k), (l), or (m).**

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

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

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

39 The performance grant received by a school corporation ~~may~~ **shall be**
 40 **allocated among and** used only to pay **one-time** cash awards stipends
 41 to **all** teachers who are rated as effective or as highly effective **and**
 42 **employed by the school corporation as of December 1. The lead**



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

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

42 (1) the count of the school's passing scores on tests in the school



- 1 year ending in the immediately preceding state fiscal year;
2 multiplied by
3 (2) twenty-three dollars and fifty cents (\$23.50).
- 4 (i) A school qualifies for a grant under this subsection if the school
5 has at least ninety percent (90%) of the tests taken in the school year
6 ending in the immediately preceding state fiscal year that receive
7 passing scores. The grant amount for the state fiscal year is:
8 (1) the count of the school's passing scores on tests in the school
9 year ending in the immediately preceding state fiscal year;
10 multiplied by
11 (2) forty-seven dollars (\$47).
- 12 (j) This subsection does not apply to a school corporation in its first
13 year of operation. A school qualifies for a grant under this subsection
14 if the school's school year over school year percentage growth rate of
15 achievement tests receiving passing scores was at least five percent
16 (5%), comparing the school year ending in the immediately preceding
17 state fiscal year to the school year immediately preceding that school
18 year. The grant amount for the state fiscal year is:
19 (1) the count of the school corporation's pupils who had a passing
20 score on their achievement test in the school year ending in the
21 immediately preceding state fiscal year; multiplied by
22 (2) forty-seven dollars (\$47).
- 23 (k) A school qualifies for a grant under this subsection if the school
24 had a graduation rate of ninety percent (90%) or more for the school
25 year ending in the immediately preceding state fiscal year. The grant
26 amount for the state 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) one hundred seventy-six dollars (\$176).
- 31 (l) A school qualifies for a grant under this subsection if the school
32 had a graduation rate greater than seventy-five percent (75%) but less
33 than ninety percent (90%) for the school year ending in the
34 immediately preceding state fiscal year. The grant amount for the state
35 fiscal year is:
36 (1) the count of the school corporation's pupils who met the
37 requirements for graduation for the school year ending in the
38 immediately preceding state fiscal year; multiplied by
39 (2) eighty-eight dollars (\$88).
- 40 (m) This subsection does not apply to a school in its first year of
41 operation. A school qualifies for a grant under this subsection if the
42 school's school year over school year percentage growth in its



1 graduation rate is at least five percent (5%), comparing the graduation
 2 rate for the school year ending in the immediately preceding state fiscal
 3 year to the graduation rate for the school year immediately preceding
 4 that school year. The grant amount for the state fiscal year is:

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

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

9 (n) This section expires June 30, ~~2015~~; **2017**.

10 SECTION 72. IC 20-51-1-4.7, AS AMENDED BY P.L.211-2013,
 11 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 UPON PASSAGE]: Sec. 4.7. "Eligible school" refers to a public or
 13 nonpublic elementary school or high school that:

14 (1) is located in Indiana;

15 (2) requires an eligible choice scholarship student to pay tuition
 16 or transfer tuition to attend;

17 (3) voluntarily agrees to enroll an eligible choice scholarship
 18 student;

19 (4) is accredited by either the state board or a national or regional
 20 accreditation agency that is recognized by the state board;

21 (5) **for school years ending before July 1, 2016**, administers the
 22 Indiana statewide testing for educational progress (ISTEP)
 23 program under IC 20-32-5 (**repealed effective July 1, 2016**) and
 24 **for school years beginning after June 30, 2016, administers**
 25 **the benchmarking excellence student testing (BEST) program.**

26 (6) is not a charter school or the school corporation in which an
 27 eligible choice scholarship student has legal settlement under
 28 IC 20-26-11; and

29 (7) submits to the department only the student performance data
 30 required for a category designation under IC 20-31-8-3.

31 SECTION 73. IC 20-51-1-6, AS ADDED BY P.L.182-2009(ss),
 32 SECTION 364, IS AMENDED TO READ AS FOLLOWS
 33 [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) "Participating school"
 34 refers to a public or nonpublic school that:

35 (1) an eligible student is required to pay tuition or transfer tuition
 36 to attend;

37 (2) voluntarily agrees to enroll an eligible student;

38 (3) is accredited by either the state board or a national or regional
 39 accreditation agency that is recognized by the state board; and

40 (4) administers:

41 (A) **for a school year ending before July 1, 2016**, the tests
 42 under the Indiana statewide testing for educational progress



1 (ISTEP) program or administers another nationally recognized
2 and norm-referenced assessment of the school's students; **and**
3 **(B) for a school year beginning after June 30, 2016, the**
4 **tests under the benchmarking excellence student testing**
5 **(BEST) program or another nationally recognized**
6 **assessment of the school's students.**
7 (b) The term does not include a public school in a school
8 corporation where the eligible student has legal settlement under
9 IC 20-26-11.
10 **SECTION 74. 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.

SENATE MOTION

Madam President: I move that Senate Bill 566 be amended to read as follows:

Replace the effective dates in SECTIONS 49 through 50 with "[EFFECTIVE UPON PASSAGE]".

Page 4, line 27, reset in roman "The".

Page 5, line 18, after "or" insert "**an assessment or test that is produced solely by the United States government or a consortium of states.**".

Page 5, delete lines 19 through 20.

Page 5, line 41, delete "is primarily responsible for assuring" and

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insert "**shall ensure**".

Page 6, line 16, after "following" delete ":" and insert ", **based on presentations from the department:**".

Page 6, line 35, delete "delegate to any higher authority the" and insert "**recommend academic standards that are produced solely by the United States government or a consortium of states.**".

Page 6, delete line 36.

Page 6, line 39, delete "(1)".

Page 6, line 39, strike "The development of an assessment or".

Page 6, line 39, delete "a".

Page 6, line 39, strike "test unique to".

Page 6, line 40, strike "Indiana".

Page 7, line 1, delete "(2)" and insert "(1)".

Page 7, line 4, delete "(3)" and insert "(2)".

Page 7, line 5, delete "." and insert "**or an assessment or test that is produced solely by the United States government or a consortium of states.**".

Page 7, delete lines 6 through 13, begin a new paragraph and insert:

"(c) The roundtable shall consider assessments or tests that would permit the state to secure 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."

Page 41, line 13, delete "and" and insert ", **but a discussion of the supplement must be held. Such a supplement**".

Page 52, line 3, delete "a" and insert "**the**".

Page 52, line 23, delete "brings" and insert "**bring**".

Page 52, delete lines 27 through 42.

Page 53, delete lines 1 through 19.

Page 55, delete lines 33 through 42.

Page 56, delete lines 1 through 8.

Page 56, line 25, reset in roman "due to a".

Page 56, reset in roman lines 26 through 27.

Page 56, line 28, reset in roman "current year actual general fund revenue".

Page 56, line 28, delete "or prohibit the employer".

Page 56, delete line 29.

Page 57, delete lines 10 through 26.

Page 59, line 38, after "or" insert "**an assessment or test that is produced solely by the United States government or a consortium**".



of states."

Page 59, delete lines 39 through 40.

Page 65, line 24, delete "to any higher".

Page 65, line 25, delete "authority".

Page 65, line 32, after "are" insert "**considered**".

Page 65, line 41, delete "any of the" and insert "**an assessment or a test that adopts Common Core (Common Core State Standards Initiative) or an assessment or test produced solely by the United States government or a consortium of states.**

(f) The state board shall consider assessments or tests that would permit the state to secure 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."

Page 65, delete line 42.

Page 66, delete lines 1 through 14.

Page 67, line 7, after "Indiana;" insert "**and**".

Page 67, line 10, delete "and".

Page 67, delete lines 11 through 13, begin a new line blocked left and insert:

"before finally selecting a vendor and the tests to be used in the BEST program."

Page 72, line 42, after "a" insert ":".

Page 74, line 31, delete "a".

Page 74, line 34, after "corporation" insert "**or interlocal cooperative**".

Page 74, line 35, after "or" insert "**administering a**".

Renumber all SECTIONS consecutively.

(Reference is to SB 566 as printed February 20, 2015.)

MISHLER

