February 13, 2015

SENATE BILL No. 566

DIGEST OF SB 566 (Updated February 11, 2015 3:32 pm - DI 116)

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; noncode.

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 for innovation network school programs in school corporations other than the Indianapolis Public Schools. Extends the school performance grant program through the 2016-2017 school year, and makes changes in the calculation and use of the grant for stipends to teachers. Permits 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. Permits teachers to

(Continued next page)

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

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

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

receive a supplemental amount for completion of certain master's degrees. Requires the department of education to establish a program to permit an individual with a major in science, technology, engineering, or mathematics and a minor in education to obtain a teaching license. 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. Specifies that the state board of education is primarily responsible for assuring that necessary flexibility waivers under the federal No Child Left Behind Act are obtained in a timely fashion. Indicates that a school corporation may provide supplemental compensation to a teacher who earns a master's degree in a content area directly related to a dual placement course taught by the teacher. Specifies that a collective bargaining agreement may not prohibit a school corporation from reducing expenditures under a contract if actual revenues fall below projected revenues or expenditures exceed projected expenditures.

February 13, 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:

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

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

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

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

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

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

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

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

(1) A superintendent who holds a license under IC 20-28-5.

(2) A principal.

(3) A teacher.

(4) A librarian.

(5) A school counselor.

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

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

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

(2) The establishment and maintenance of standards and guidelines for media centers, libraries, instructional materials centers, or any other area or system of areas in a school where a full range of information sources, associated equipment, and services from professional media staff are accessible to the school community. With regard to library automation systems, the state board may only adopt rules that meet the standards established by the state library board for library automation systems under IC 4-23-7.1-11(b).

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

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

(A) IC 20-31-4;

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

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

(D) IC 20-28-11.5; and

(E) IC 20-31-3, **for school years ending before July 1, 2016,** IC 20-32-4, IC 20-32-5 **(repealed effective July 1, 2016), for school years beginning after June 30, 2016, IC 20-32-5.1,** and IC 20-32-8;

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

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

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

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

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

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

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

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

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

(2) Assess the attainment of the established goals.

(3) Assure compliance with established standards and objectives.

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

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

(6) **For school years ending before July 1, 2016,** provide for reviews to ensure the validity and reliability of the ISTEP program **and, for school years beginning after June 30, 2016, provide for reviews to ensure the validity and reliability of the BEST program.**

SECTION 7. IC 20-19-2-14.5, AS AMENDED BY P.L.31-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14.5. (a) As used in this section:

(1) "college and career readiness educational standards" means ~~the~~ **Indiana** standards that a high school graduate must meet to obtain the requisite knowledge and skill to transition without remediation to postsecondary education or training, and ultimately into a sustainable career; and

(2) "cut scores" means the scores that define a student's performance on an assessment, including passing, failing, or falling into a performance category.

(b) ~~Before July 1,~~ 2014, the state board shall adopt Indiana college and career readiness educational standards voiding the previously adopted set of educational standards. The educational standards must do the following:

(1) Meet national and international benchmarks for college and career readiness standards and be aligned with postsecondary educational expectations.

(2) Use the highest standards in the United States.

(3) Comply with federal standards to receive a flexibility waiver under 20 U.S.C. 7861, as in effect on January 1, 2014.

(4) Prepare Indiana students for college and career success, including the proper preparation for nationally recognized college entrance examinations such as the ACT and SAT.

(5) Maintain Indiana sovereignty.

(6) Provide strict safeguards to protect the confidentiality of student data.

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

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

~~(e)~~ **(c)** ~~This subsection does not apply to an agreement with the United States Department of Education concerning a waiver from federal requirements. After June 30, 2013,~~ The state, or the state board on behalf of the state, may not enter into or renew an agreement with any organization, entity, group, or consortium that requires the state to cede any measure of autonomy or control of education standards and assessments, including cut scores.

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

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.

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

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

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

(A) The graduation examination.

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

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:

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

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

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

(3) An assessment or a test that adopts Common Core

(Common Core State Standards Initiative).

(4) 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.~~

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

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

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

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

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

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

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

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

(E) Levels of parental participation.

SECTION 13. IC 20-20-8-8, AS AMENDED BY P.L.246-2013, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. The report must include the following information:

(1) Student enrollment.

(2) Graduation rate (as defined in IC 20-26-13-6).

(3) Attendance rate.

(4) The following test scores, including the number and percentage of students meeting academic standards:

(A) **for school years ending before July 1, 2016,** ISTEP program test scores, **and for school years beginning after June 30, 2016, BEST program test scores.**

(B) Scores for assessments under IC 20-32-5-21 **(repealed effective July 1, 2016) for school years ending before July 1, 2016, and scores for assessments under IC 20-32-5.1-20 for school years beginning after June 30, 2016,** if appropriate.

(C) For a freeway school, scores on a locally adopted assessment program, if appropriate.

(5) Average class size.

(6) The number and percentage of students in the following groups or programs:

(A) Alternative education, if offered.

(B) Career and technical education.

(C) Special education.

(D) High ability.

(E) Remediation.

(F) Limited English language proficiency.

(G) Students receiving free or reduced price lunch under the national school lunch program.

(H) School flex program, if offered.

(7) Advanced placement, including the following:

(A) For advanced placement tests, the percentage of students:

(i) scoring three (3), four (4), and five (5); and

(ii) taking the test.

(B) For the Scholastic Aptitude Test:

(i) test scores for all students taking the test;

(ii) test scores for students completing the academic honors diploma program; and

(iii) the percentage of students taking the test.

(8) Course completion, including the number and percentage of

students completing the following programs:
(A) Academic honors diploma.
(B) Core 40 curriculum.
(C) Career and technical programs.
(9) The percentage of grade 8 students enrolled in algebra I.
(10) The percentage of graduates who pursue higher education.
(11) School safety, including:
(A) the number of students receiving suspension or expulsion for the possession of alcohol, drugs, or weapons;
(B) the number of incidents reported under IC 20-33-9; and
(C) the number of bullying incidents reported under IC 20-34-6 by category.
(12) Financial information and various school cost factors, including the following:
(A) Expenditures per pupil.
(B) Average teacher salary.
(C) Remediation funding.
(13) Technology accessibility and use of technology in instruction.
(14) Interdistrict and intradistrict student mobility rates, if that information is available.
(15) The number and percentage of each of the following within the school corporation:
(A) Teachers who are certificated employees (as defined in IC 20-29-2-4).
(B) Teachers who teach the subject area for which the teacher is certified and holds a license.
(C) Teachers with national board certification.
(16) The percentage of grade 3 students reading at grade 3 level.
(17) The number of students expelled, including the number participating in other recognized education programs during their expulsion.
(18) Chronic absenteeism, which includes the number of students who have been absent from school for ten percent (10%) or more of a school year for any reason.
(19) Habitual truancy, which includes the number of students who have been absent ten (10) days or more from school within a school year without being excused or without being absent under a parental request that has been filed with the school.
(20) The number of students who have dropped out of school, including the reasons for dropping out.
(21) The number of student work permits revoked.

(22) The number of student driver's licenses revoked.
(23) The number of students who have not advanced to grade 10 due to a lack of completed credits.
(24) The number of students suspended for any reason.
(25) The number of students receiving an international baccalaureate diploma.
(26) Other indicators of performance as recommended by the education roundtable under IC 20-19-4.

SECTION 14. IC 20-20-13-9, AS AMENDED BY P.L.133-2012, SECTION 188, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) This section applies to the 4R's technology program described in section 6(a)(1) of this chapter.

(b) In addition to any other funds available under this chapter, if state funds are transferred under IC 20-32-5-19 **(repealed July 1, 2016)** to the 4R's technology program:
(1) those funds do not revert to the state general fund;
(2) those funds shall be made available to the 4R's technology program under this chapter; and
(3) the department, upon approval by the governor and the budget agency, shall use those funds to award grants under this section.

(c) To be eligible to receive a grant under the program, a school corporation must comply with the following:
(1) The school corporation must apply to the department for a grant on behalf of a school within the school corporation to purchase technology equipment.
(2) The school corporation must certify the following:
(A) That the school will provide every kindergarten and grade 1 student at that school the opportunity to learn reading, writing, and arithmetic using technology.
(B) That the school will provide daily before or after school technology laboratories for students in grades 1 through 3 who have been identified as needing remediation in reading, writing, or arithmetic.
(C) That the school will provide additional technology opportunities, that may include Saturday sessions, for students in other grade levels to use the technology laboratories for remediation in reading, writing, arithmetic, or mathematics.
(D) That the school will provide technology opportunities to students that attend remediation programs under IC 20-32-8 (if the school corporation is required to do so) or any other additional summer programs.
(E) That the school corporation, either through its own or the

school's initiative, is able to provide a part of the costs attributable to purchasing the necessary technology equipment.

(3) The school corporation must include in the application the sources of and the amount of money secured under subdivision (2)(E).

(4) The school corporation or the school must:

(A) provide teacher training services; or

(B) use vendor provided teacher training services.

(5) The school corporation must give primary consideration to the purchase of technology equipment that includes teacher training services.

(6) The teachers who will be using the technology equipment must support the initiative described in this chapter.

(d) Upon review of the applications by the department, the satisfaction of the requirements set forth in subsection (c), and subject to the availability of funds for this purpose, the department shall award to each eligible school corporation a grant to purchase technology equipment under section 6(a)(1) of this chapter.

(e) The department shall monitor the compliance by the school corporations receiving grants of the matters cited in subsection (c).

SECTION 15. IC 20-24-4-1, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2015 GENERAL ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) A charter must meet the following requirements:

(1) Be a written instrument.

(2) Be executed by an authorizer and an organizer.

(3) Confer certain rights, franchises, privileges, and obligations on a charter school.

(4) Confirm the status of a charter school as a public school.

(5) Be granted for:

(A) not less than three (3) years *or more than seven (7) years;* and

(B) a fixed number of years agreed to by the authorizer and the organizer.

(6) Provide for the following:

(A) A review by the authorizer of the charter school's performance, including the progress of the charter school in achieving the academic goals set forth in the charter, at least one (1) time in each five (5) year period while the charter is in effect.

(B) Renewal, if the authorizer and the organizer agree to renew

the charter.

(C) The renewal application must include guidance from the authorizer, and the guidance must include the performance criteria that will guide the authorizer's renewal decisions.

(D) The renewal application process must, at a minimum, provide an opportunity for the charter school to:

(i) present additional evidence, beyond the data contained in the performance report, supporting its case for charter renewal;

(ii) describe improvements undertaken or planned for the charter school; and

(iii) detail the charter school's plans for the next charter term.

(E) Not later than October 1 in the year in which the charter school seeks renewal of a charter, the governing board of a charter school seeking renewal shall submit a renewal application to the charter authorizer under the renewal application guidance issued by the authorizer. The authorizer shall make a final ruling on the renewal application not later than March 1 after the filing of the renewal application. The March 1 deadline does not apply to any review or appeal of a final ruling. After the final ruling is issued, the charter school may obtain further review by the authorizer of the authorizer's final ruling in accordance with the terms of the charter school's charter and the protocols of the authorizer.

(7) Specify the grounds for the authorizer to:

(A) revoke the charter before the end of the term for which the charter is granted; or

(B) not renew a charter.

(8) Set forth the methods by which the charter school will be held accountable for achieving the educational mission and goals of the charter school, including the following:

(A) Evidence of improvement in:

(i) assessment measures, including **for school years ending before July 1, 2016,** the ISTEP, **for school years beginning after June 30, 2016, BEST,** and end of course assessments;

(ii) attendance rates;

(iii) graduation rates (if appropriate);

(iv) increased numbers of Core 40 diplomas and other college and career ready indicators including advanced placement participation and passage, dual credit participation and passage, and International Baccalaureate

participation and passage (if appropriate);
(v) increased numbers of academic honors and technical honors diplomas (if appropriate);
(vi) student academic growth;
(vii) financial performance and stability; and
(viii) governing board performance and stewardship, including compliance with applicable laws, rules and regulations, and charter terms.
(B) Evidence of progress toward reaching the educational goals set by the organizer.
(9) Describe the method to be used to monitor the charter school's:
(A) compliance with applicable law; and
(B) performance in meeting targeted educational performance.
(10) Specify that the authorizer and the organizer may amend the charter during the term of the charter by mutual consent and describe the process for amending the charter.
(11) Describe specific operating requirements, including all the matters set forth in the application for the charter.
(12) Specify a date when the charter school will:
(A) begin school operations; and
(B) have students attending the charter school.
(13) Specify that records of a charter school relating to the school's operation and charter are subject to inspection and copying to the same extent that records of a public school are subject to inspection and copying under IC 5-14-3.
(14) Specify that records provided by the charter school to the department or authorizer that relate to compliance by the organizer with the terms of the charter or applicable state or federal laws are subject to inspection and copying in accordance with IC 5-14-3.
(15) Specify that the charter school is subject to the requirements of IC 5-14-1.5.
(16) This subdivision applies to a charter established or renewed for an adult high school after June 30, 2014. The charter must require:
(A) that the school will offer flexible scheduling;
(B) that students will not complete the majority of instruction of the school's curriculum online or through remote instruction;
(C) that the school will offer dual credit or industry certification course work that aligns with career pathways as

recommended by the Indiana career council established by IC 22-4.5-9-3; and

(D) a plan:

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

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

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

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

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

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

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

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

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

(6) IC 20-28-10-12 (nondiscrimination for teacher marital status).

(7) IC 20-28-10-14 (teacher freedom of association).

(8) IC 20-28-10-17 (school counselor immunity).

(9) For conversion charter schools only, IC 20-28-6, IC 20-28-7.5, IC 20-28-8, IC 20-28-9, and IC 20-28-10.

(10) IC 20-33-2 (compulsory school attendance).

(11) IC 20-33-3 (limitations on employment of children).

(12) IC 20-33-8-19, IC 20-33-8-21, and IC 20-33-8-22 (student due process and judicial review).

(13) IC 20-33-8-16 (firearms and deadly weapons).

(14) IC 20-34-3 (health and safety measures).

(15) IC 20-33-9 (reporting of student violations of law).

(16) IC 20-30-3-2 and IC 20-30-3-4 (patriotic commemorative observances).

(17) IC 20-31-3, **for school years ending before July 1, 2016,** IC 20-32-4, IC 20-32-5 **(repealed effective July 1, 2016), for school years beginning after June 30, 2016, IC 20-32-5.1,**

IC 20-32-8, and IC 20-32-8.5, as provided in IC 20-32-8.5-2(b) (academic standards, accreditation, assessment, and remediation).

(18) IC 20-33-7 (parental access to education records).

(19) IC 20-31 (accountability for school performance and improvement).

(20) IC 20-30-5-19 (personal financial responsibility instruction).

SECTION 17. IC 20-24-9-2, AS AMENDED BY P.L.33-2014, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. An annual report under this chapter must contain the following information:

(1) Results of all standardized testing, including **for school years ending before July 1, 2016,** ISTEP program testing, **for school years beginning after June 30, 2016, BEST program testing,** end of course assessments, and any other assessments used for each authorized school.

(2) Student growth and improvement data for each authorized school.

(3) Attendance rates for each authorized school.

(4) Graduation rates (if appropriate), including attainment of Core 40 and academic honors diplomas for each authorized school.

(5) Student enrollment data for each authorized school, including the following:

(A) The number of students enrolled.

(B) The number of students expelled.

(6) Status of the authorizer's charter schools, identifying each of the authorizer's charter schools that are in the following categories:

(A) Approved but not yet open.

(B) Open and operating.

(C) Closed or having a charter that was not renewed, including:

(i) the year closed or not renewed; and

(ii) the reason for the closure or nonrenewal.

(7) Names of the authorizer's board members or ultimate decision making body.

(8) Evidence that the authorizer is in compliance with IC 20-24-2.2-1.5.

(9) A report summarizing the total amount of administrative fees collected by the authorizer and how the fees were expended, if applicable.

(10) Total amount of other fees or funds not included in the report under subdivision (9) received by the authorizer from a charter

school and how the fees or funds were expended.

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

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

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

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

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

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

(5) IC 20-32 (student standards, assessments, and performance), except for IC 20-32-4 (graduation requirements), **for school years ending before July 1, 2016,** IC 20-32-5 (Indiana statewide testing for educational progress) **(repealed effective July 1, 2016), for school years beginning after June 30, 2016, IC 20-32-5.1 (benchmarking excellence student testing),** and IC 20-32-8 (remediation).

(6) IC 20-36 (high ability students).

(7) IC 20-37 (career and technical education).

(b) Notwithstanding any other law, a school corporation may not

receive a decrease in state funding based upon the school corporation's status as a qualified district or the status of a high school within the school corporation as a qualified high school, or because of the implementation of a waiver of a statute or rule that is allowed to be waived by a qualified district or qualified high school.

SECTION 19. IC 20-24.2-4-4, AS ADDED BY P.L.201-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. The following provisions of this title and rules and guidelines adopted under the following provisions of this title apply to a qualified district or qualified high school:

IC 20-20-1 (educational service centers).
IC 20-20-8 (school corporation annual performance report).
IC 20-23 (organization of school corporations).
IC 20-26 (school corporation general administrative provisions).
IC 20-27 (school transportation).
IC 20-28-3-4 (teacher continuing education).
IC 20-28-4-8 (hiring of transition to teaching participants; restrictions).
IC 20-28-4-11 (transition to teaching participants; school corporation or subject area; transition to teaching permit).
IC 20-28-5-8 (conviction of certain felonies; notice and hearing; permanent revocation of license; data base of school employees who have been reported).
IC 20-28-6 (teacher contracts).
IC 20-28-7.5 (cancellation of teacher contracts).
IC 20-28-8 (contracts with school administrators).
IC 20-28-9 (teacher salary and related payments).
IC 20-28-10 (conditions of employment).
IC 20-28-11.5 (staff performance evaluations).
IC 20-29 (collective bargaining for teachers).
IC 20-30-3-2 and IC 20-30-3-4 (patriotic commemorative observances).
IC 20-30-5-13 (human sexuality instructional requirements).
IC 20-30-5-17 (access to materials relating to personal analysis, evaluation, or survey of students; consent for participation).
IC 20-30-5-19 (personal financial responsibility instruction).
IC 20-31 (accountability for school performance and improvement).
IC 20-32-4, **for school years ending before July 1, 2016,** IC 20-32-5 **(repealed effective July 1, 2016), for school years beginning after June 30, 2016, IC 20-32-5.1,** and IC 20-32-8 (accreditation, assessment, and remediation), or any other statute,

rule, or guideline related to standardized assessments.
IC 20-33 (students: general provisions).
IC 20-34-3 (health and safety measures).
IC 20-35 (special education).
IC 20-39 (accounting and financial reporting procedures).
IC 20-40 (government funds and accounts).
IC 20-41 (extracurricular funds and accounts).
IC 20-42.5 (allocation of expenditures to student instruction).
IC 20-43 (state tuition support).
IC 20-44 (property tax levies).
IC 20-45 (general fund levies).
IC 20-46 (levies other than general fund levies).
IC 20-47 (related entities; holding companies; lease agreements).
IC 20-48 (borrowing and bonds).
IC 20-49 (state management of common school funds; state advances and loans).
IC 20-50 (homeless children and foster care children).

SECTION 20. IC 20-25-3-6, AS ADDED BY P.L.1-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) A member of a standing committee of the board provided for by the board's rules shall be appointed by the president within three (3) weeks after the president's election to the office of president.

(b) Subject to the limitations in this chapter, the board may fix the salaries of each officer and employee of the board.

(c) The board in:

(1) electing and choosing a general superintendent; and

(2) employing agents and employees that the board considers necessary to conduct the business of the school city;

shall choose individuals whose qualifications peculiarly fit the positions the individuals will occupy.

(d) The board shall contract for and establish the amount of salary or compensation to be paid to each officer, agent, and employee chosen or elected by the board. The board shall adopt a ~~schedule of salaries~~ **compensation plan that specifies the salary range** that the board considers proper, and for the purpose of establishing a ~~salary schedule,~~ **compensation plan,** the board may divide teachers, principals, and other employees into classes based upon efficiency, qualifications, experience, and responsibility. Each principal, teacher, or employee in a class shall receive the same regular salary given to each of the other members of the same class, subject to the provisions of this article.

(e) The board may:

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

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

(A) the board's own procedure; and

(B) the government and management of:

(i) the board's schools; and

(ii) property under the board's control.

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

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

Chapter 1. Applicability

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

Chapter 2. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

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

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

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

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

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

Chapter 3. Establishment of Innovation Network Schools

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

(1) Disability.

(2) Race.

(3) Color.

(4) Gender.

(5) National origin.

(6) Religion.

(7) Ancestry.

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

(1) to establish an innovation network school, as determined by the board; or

(2) to reconstitute an eligible school as an innovation network school.

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

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

(1) A statement that the innovation network school is considered to be part of the school corporation and not considered a separate local educational agency.

(2) A statement that the school management team authorizes the department to include the innovation network school's performance assessment results under IC 20-31-8 when calculating the school corporation's performance assessment under rules adopted by the state board.

(3) The amount of state and federal funding, including tuition support, and money levied as property taxes that will be distributed by the school corporation to the innovation network school.

(4) The performance goals and accountability metrics agreed upon for the innovation network school.

(5) Grounds for termination of the agreement, including the right of termination if the school management team fails to:

(A) comply with the conditions or procedures established in the agreement;

(B) meet generally accepted fiscal management and government accounting principles;

(C) comply with applicable laws; or

(D) meet the educational goals set forth in the agreement between the board and the school management team.

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

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

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

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

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

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

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

(2) the school corporation may:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) IC 20-30 (curriculum).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) include the participating innovation network charter

school's performance assessment results under IC 20-31-8 when calculating the school corporation's performance assessment under rules adopted by the state board; and

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

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

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

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

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

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

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

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

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

governing body is challenging an adverse decision by a state agency, board, or commission.

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

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

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

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

(C) developing relations with other governmental units.

(4) To do the following:

(A) Acquire, construct, erect, maintain, hold, and contract for construction, erection, or maintenance of real estate, real estate improvements, or an interest in real estate or real estate improvements, as the governing body considers necessary for school purposes, including buildings, parts of buildings, additions to buildings, rooms, gymnasiums, auditoriums, playgrounds, playing and athletic fields, facilities for physical training, buildings for administrative, office, warehouse, repair activities, or housing school owned buses, landscaping, walks, drives, parking areas, roadways, easements and facilities for power, sewer, water, roadway, access, storm and surface water, drinking water, gas, electricity, other utilities and similar purposes, by purchase, either outright for cash (or under conditional sales or purchase money contracts providing for a retention of a security interest by the seller until payment is made or by notes where the contract, security retention, or note is permitted by applicable law), by exchange, by gift, by devise, by eminent domain, by lease with or without option to purchase, or by lease under IC 20-47-2, IC 20-47-3, or IC 20-47-5.

(B) Repair, remodel, remove, or demolish, or to contract for the repair, remodeling, removal, or demolition of the real

estate, real estate improvements, or interest in the real estate or real estate improvements, as the governing body considers necessary for school purposes.

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

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

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

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

(A) civic or public purposes; or

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

if the property is not needed for school purposes. Under this subdivision, the governing body may enter into a long term lease with a nonprofit corporation, community service organization, or other governmental entity, if the corporation, organization, or other governmental entity will use the property to be leased for civic or public purposes or for a school age child care program.

However, if payment for the property subject to a long term lease is made from money in the school corporation's debt service fund, all proceeds from the long term lease must be deposited in the school corporation's debt service fund so long as payment for the property has not been made. The governing body may, at the governing body's option, use the procedure specified in IC 36-1-11-10 in leasing property under this subdivision.

(8) To do the following:

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

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

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

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

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

The compensation, terms of employment, and discharge of teachers are, however, subject to and governed by the laws relating to employment, contracting, compensation, and discharge of teachers. The compensation, terms of employment, and discharge of bus drivers are subject to and governed by laws relating to employment, contracting, compensation, and discharge of bus drivers. The forms and procedures relating to the use of computer and data processing equipment in handling the financial

affairs of the school corporation must be submitted to the state board of accounts for approval so that the services are used by the school corporation when the governing body determines that it is in the best interest of the school corporation while at the same time providing reasonable accountability for the funds expended.

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

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

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

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

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

(14) To make budgets, to appropriate funds, and to disburse the money of the school corporation in accordance with applicable

law. To borrow money against current tax collections and otherwise to borrow money, in accordance with IC 20-48-1.

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

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

(B) purchase insurance; or

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

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

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

(17) To defend a member of the governing body or any employee of the school corporation in any suit arising out of the performance of the member's or employee's duties for or employment with, the school corporation, if the governing body by resolution determined that the action was taken in good faith. To save any member or employee harmless from any liability, cost, or damage in connection with the performance, including the payment of legal fees, except where the liability, cost, or damage is predicated on or arises out of the bad faith of the member or employee, or is a claim or judgment based on the member's or

employee's malfeasance in office or employment.

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

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

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

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

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

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

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

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

SECTION 23. IC 20-26-5-19, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. A governing body under its powers to fix and pay the salaries and compensation of employees of the school corporation and to contract for services under ~~IC 20-26-5-4(8)~~ **IC 20-26-5-4(a)(8)** may distribute payroll based on contractual and ~~salary schedule~~ **compensation plan** commitments instead of payroll estimates approved in advance by the governing body.

SECTION 24. IC 20-26-11-32, AS AMENDED BY P.L.39-2014,

SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 32. (a) This section does not apply to a school corporation if the governing body has adopted a policy of not accepting the transfer of any student who does not have legal settlement within the school corporation.

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

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

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

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

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

(2) report the date to the department.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IC 20-30-2-7
IC 20-30-5-8
IC 20-30-5-9
IC 20-30-5-11
511 IAC 6-7-6
511 IAC 6.1-5-0.5

511 IAC 6.1-5-1
511 IAC 6.1-5-2.5
511 IAC 6.1-5-3.5
511 IAC 6.1-5-4.

(2) The following rule concerning pupil/teacher ratios:
511 IAC 6.1-4-1.

(3) The following statutes and rules concerning curricular materials:
IC 20-26-12-24
IC 20-26-12-26
IC 20-26-12-1
IC 20-26-12-2
511 IAC 6.1-5-5.

(4) 511 IAC 6-7, concerning graduation requirements.

(5) IC 20-31-4, concerning the performance based accreditation system.

(6) **For school years:**

(A) ending before July 1, 2016, IC 20-32-5, concerning the ISTEP program established under IC 20-32-5-15 **(repealed effective July 1, 2016);** ~~if an alternative locally adopted assessment program is adopted under section 6(7) of this chapter;~~ **and**

(B) beginning after June 30, 2016, IC 20-32-5.1, concerning the BEST program.

SECTION 27. IC 20-26-15-6, AS AMENDED BY P.L.2-2006, SECTION 135, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. Except as provided in this chapter and notwithstanding any other law, a freeway school corporation or a freeway school may do the following during the contract period:

(1) Disregard the observance of any statute or rule that is listed in the contract.

(2) Lease school transportation equipment to others for nonschool use when the equipment is not in use for a school corporation purpose, if the lessee has not received a bid from a private entity to provide transportation equipment or services for the same purpose.

(3) Replace the budget and accounting system that is required by law with a budget or accounting system that is frequently used in the private business community. The state board of accounts may not go beyond the requirements imposed upon the state board of accounts by statute in reviewing the budget and accounting

system used by a freeway school corporation or a freeway school.
(4) Establish a professional development and technology fund to be used for:
(A) professional development; or
(B) technology, including video distance learning.
However, any money deposited in the professional development and technology fund for technology purposes must be transferred to the school technology fund.
(5) Subject to subdivision (4), transfer funds obtained from sources other than state or local government taxation among any accounts of the school corporation, including a professional development and technology fund established under subdivision (4).
(6) Transfer funds obtained from property taxation and from state distributions among the general fund and the school transportation fund, subject to the following:
(A) The sum of the property tax rates for the general fund and the school transportation fund after a transfer occurs under this subdivision may not exceed the sum of the property tax rates for the general fund and the school transportation fund before a transfer occurs under this subdivision.
(B) This subdivision does not allow a school corporation to transfer to any other fund money from the:
(i) capital projects fund; or
(ii) debt service fund.
(7) Establish a locally adopted assessment program to replace the assessment of students **for school years ending before July 1, 2016,** under the ISTEP program established under IC 20-32-5-15 **(repealed effective July 1, 2016) and for school years beginning after June 30, 2016, under the BEST program,** subject to the following:
(A) A locally adopted assessment program must be established by the governing body and approved by the department.
(B) A locally adopted assessment program may use a locally developed test or a nationally developed test.
(C) Results of assessments under a locally adopted assessment program are subject to the same reporting requirements **for school years ending before July 1, 2016,** as results under the ISTEP program **or for school years beginning after June 30, 2016, as results under the BEST program.**
(D) Each student who completes a locally adopted assessment program and the student's parent have the same rights to

inspection and rescoring:

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

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

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

(1) An average attendance rate that increases:

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

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

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

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

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

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

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

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

(B) one percent (1%) each school year until the graduation rate is ninety percent (90%).

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

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

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

(A) Science.

(B) Technology.

(C) Engineering.

(D) Mathematics.

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

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

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

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

(1) be in writing;

(2) be signed by both parties; and

(3) contain the:

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

(B) number of days in the school term as determined annually by the school corporation;

(C) total salary to be paid to the teacher during the school year;

(D) number of salary payments to be made to the teacher during the school year; and

(E) number of hours per day the teacher is expected to work,

as discussed pursuant to IC 20-29-6-7.

(b) The contract may provide for the annual determination of the teacher's annual compensation ~~by~~ **based on** a local ~~salary schedule,~~ **compensation plan specifying a salary range,** which is part of the contract. The ~~salary schedule~~ **compensation plan** may be changed by the school corporation ~~on or~~ before **the later of** May 1 of a year, with the changes effective the next school year, **or the date specified in a collective bargaining agreement applicable to the next school year.** A teacher affected by the changes shall be furnished with printed copies of the changed ~~schedule~~ **compensation plan** not later than thirty (30) days after the ~~schedule's~~ adoption **of the compensation plan.**

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

(1) IC 20-28-9-5 through IC 20-28-9-6.

(2) IC 20-28-9-9 through IC 20-28-9-11.

(3) IC 20-28-9-13.

(4) IC 20-28-9-14.

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

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

SECTION 31. IC 20-28-6-7, AS AMENDED BY P.L.90-2011, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) As used in this section, "teacher" includes an individual who:

(1) holds a substitute teacher's license; and

(2) provides instruction in a joint summer school program under IC 20-30-7-5.

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

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

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

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

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

compensation plan for the school corporation.

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

SECTION 33. IC 20-28-9-1.5, AS ADDED BY P.L.286-2013, SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.5. (a) This subsection ~~applies to a contract in effect July 1, 2012, or upon the expiration of a contract in existence on July 1, 2011, whichever is earlier, and~~ governs salary increases for a teacher employed by a school corporation. ~~on or after the date this subsection takes effect.~~ Compensation attributable to additional degrees or graduate credits earned before the effective date of ~~the~~ **a** local ~~salary schedule~~ **compensation plan** created under this chapter **before July 1, 2015,** shall continue **for school years beginning after June 30, 2015.** Compensation attributable to additional degrees for which a teacher has started course work before July 1, 2011, and completed course work before September 2, 2014, shall also continue **for school years beginning after June 30, 2015. For school years beginning after June 30, 2015, a school corporation may provide a supplemental payment to a teacher in excess of the salary specified in the school corporation's compensation plan if the teacher has earned a master's degree from an accredited postsecondary educational institution in:**

(1) education; or

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

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

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

(1) A combination of the following factors taken together may

account for not more than thirty-three percent (33%) of the calculation used to determine a teacher's increase or increment:

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

(B) The attainment of either:

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

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

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

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

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

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

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

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

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

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

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

(i) This chapter may not be construed to require or allow a school

corporation to decrease the salary of any teacher below the salary the teacher was earning on or before July 1, ~~2012,~~ **2015,** if that decrease would be made solely to conform to the new ~~salary scale.~~ **compensation plan.**

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

SECTION 34. IC 20-28-9-7, AS ADDED BY P.L.246-2005, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) An individual who:

(1) holds:

(A) a professional license;

(B) a provisional license;

(C) a limited license; or

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

(2) serves as an occasional substitute teacher;

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

(b) An individual who:

(1) holds a:

(A) professional license; or

(B) provisional license; and

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

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

SECTION 35. IC 20-28-9-8, AS ADDED BY P.L.1-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. An individual who holds a substitute license shall be compensated ~~on~~ **in conformity with** the pay ~~schedule~~ **range** for substitutes of the school corporation the individual serves.

SECTION 36. IC 20-28-10-2, AS AMENDED BY P.L.90-2011, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Except as provided in section 1 of this chapter, rights existing at the time a leave commences that arise from a teacher's:

(1) status as a professional or established teacher;

(2) accumulation of successive years of service;

(3) service performed under a teacher's contract under IC 20-28-6-8; or

(4) status or rights negotiated under IC 20-29;

remain intact.

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

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

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

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

SECTION 37. IC 20-28-10-16, AS AMENDED BY P.L.2-2006, SECTION 139, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) If a teacher serves in the general assembly, the teacher shall be given credit for the time spent in this service, including the time spent for council or committee meetings. The leave for this service does not diminish the teacher's rights under the Indiana state teachers' retirement fund or the teacher's advancement on the state or ~~a~~ local ~~salary schedule.~~ **compensation plan.** For these purposes, the teacher is, despite the leave, considered teaching for the school during that time.

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

SECTION 38. IC 20-28-11.5-0.5 IS ADDED TO THE INDIANA

CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. As used in this chapter, "certificated employee" includes the following:**

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

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

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

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

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

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

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

(c) A plan must include the following components:

(1) Performance evaluations for all certificated employees, conducted at least annually.

(2) Objective measures of student achievement and growth to significantly inform the evaluation. The objective measures must include:

(A) student assessment results from statewide assessments for certificated employees whose responsibilities include instruction in subjects measured in statewide assessments;

(B) methods for assessing student growth for certificated employees who do not teach in areas measured by statewide assessments; and

(C) student assessment results from locally developed assessments and other test measures for certificated employees whose responsibilities may or may not include instruction in subjects and areas measured by statewide assessments.

(3) Rigorous measures of effectiveness, including observations and other performance indicators.

(4) An annual designation of each certificated employee in one (1) of the following rating categories:

(A) Highly effective.

(B) Effective.

(C) Improvement necessary.

(D) Ineffective.

(5) An explanation of the evaluator's recommendations for improvement, and the time in which improvement is expected.

(6) A provision that a teacher who negatively affects student achievement and growth cannot receive a rating of highly effective or effective.

(7) For annual performance evaluations for school years beginning after June 30, 2015, provide for a reevaluation planning session conducted by the superintendent or equivalent authority for the school corporation with the principals in the school corporation.

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

(1) be in writing; and

(2) be explained to the governing body in a public meeting; before the evaluations are conducted.

~~(d)~~ **(e)** The evaluator shall discuss the evaluation with the certificated employee.

SECTION 40. IC 20-28-11.5-7, AS ADDED BY P.L.90-2011, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) This section applies to any teacher instructing students in a content area and grade subject to IC 20-32-4-1(a)(1) **(graduation examination)** and:

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

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

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

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

placed in the teacher's class, shall be used in determining whether subsection (b) applies to the teacher.

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

SECTION 41. IC 20-28-11.5-9, AS AMENDED BY P.L.192-2014, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) **The principal of a school in a school corporation shall report in the aggregate the results of staff performance evaluations for the school to the superintendent and the governing body for the school corporation before November 15 of each year on the schedule determined by the governing body. The report must be presented in a public meeting of the governing body.**

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

(1) after completing the presentations required under subsection (a) for all schools for the school corporation; and

(2) before November 15 of that year.

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

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

(1) the name of the teacher preparation program that recommended the initial license for each teacher employed by the school; and

(2) the annual retention rate for teachers employed by the school.

~~(c)~~ **(d)** Not before the beginning of the second semester (or the equivalent) of the school year and not later than August 1 of each year, the principal at each school described in subsection (a) shall complete a survey that provides information regarding the principal's assessment of the quality of instruction by each particular teacher preparation program located in Indiana for teachers employed at the school who initially received their teaching license in Indiana in the previous two (2) years. The survey shall be adopted by the state board and prescribed on a form developed not later than July 30, 2016, by the department

that is aligned with the matrix system established under IC 20-28-3-1(i). The school shall provide the surveys to the department along with the information provided in subsection ~~(b).~~ **(c).** The department shall compile the information contained in the surveys, broken down by each teacher preparation program located in Indiana. The department shall include information relevant to a particular teacher preparation program located in Indiana in the department's report under subsection ~~(f).~~ **(g).**

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

(1) provide the year in which the teacher was hired by the school;

(2) include the name of the teacher preparation program that recommended the teacher for an initial license;

(3) describe subjects taught by the teacher;

(4) provide the location of different teaching positions held by the teacher since the teacher initially obtained an Indiana teaching license;

(5) provide a description of any mentoring the teacher has received while teaching in the teacher's current teaching position;

(6) describe the teacher's current licensure status; and

(7) include an assessment by the teacher of the quality of instruction of the teacher preparation program in which the teacher participated.

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

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

(1) the aggregate of certificated employees of each school and school corporation;

(2) the aggregate of graduates of each teacher preparation program in Indiana;

(3) for each school described in subsection ~~(a),~~ **(b),** the annual

rate of retention for certificated employees for each school within the charter school or school corporation; and

(4) the aggregate results of staff performance evaluations for each category described in section 4(c)(4) of this chapter. In addition to the aggregate results, the results must be broken down:

(A) by the content area of the initial teacher license received by teachers upon completion of a particular teacher preparation program; or

(B) as otherwise requested by a teacher preparation program, as approved by the state board.

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

(1) information from the surveys relevant to that particular teacher education program provided to the department under subsection ~~(c);~~ **(d);**

(2) information from the forms relevant to that particular teacher preparation program compiled by the department under subsection ~~(d);~~ **(e);** and

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

SECTION 42. IC 20-29-2-6, AS AMENDED BY P.L.48-2011, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. "Deficit financing" for a ~~budget~~ **school** year **beginning after June 30, 2015,** means ~~actual~~ expenditures **projected for the school year by the employer** exceeding the employer's ~~current year actual~~ **estimated** general fund revenue **for the school year, based on the initial fall count of ADM determined for the employer under IC 20-43-4-3 for that school year.**

SECTION 43. IC 20-29-3-15 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 15. (a) The board shall annually provide for a factfinder to review each collective bargaining agreement in effect for a school employer for a school year beginning with the 2015-2016 school year. The board shall**

pay for the cost of the review under this subsection.

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

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

(2) The superintendent or other chief executive officer of the school corporation covered by the collective bargaining agreement.

The factfinder's decision is a public document.

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

(d) This subsection applies if the factfinder determines that contract terms must be amended or added to bring a collective bargaining agreement into conformity with IC 20-28 and this article. The board shall appoint a factfinder to monitor formal bargaining for the next collective bargaining agreement that is intended to apply to a school employer after the school year reviewed by the factfinder. The factfinder may be the same individual who prepared findings under subsection (b). The factfinding must culminate in the factfinding imposing contract terms on the parties that brings the collective bargaining agreement into conformity with IC 20-28 and this article as determined in a final determination of the board under subsection

(b) or, if an appeal is taken, under subsection (c). Costs for the factfinder under this subsection shall be borne equally by the parties.

SECTION 44. IC 20-29-6-3, AS AMENDED BY P.L.48-2011, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) It is unlawful for a school employer to enter into any agreement that would place the employer in a position of deficit financing due to:

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

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

(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.

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

SECTION 45. IC 20-29-6-4, AS AMENDED BY P.L.286-2013, SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) A school employer shall bargain collectively with the exclusive representative on the following:

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

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

SECTION 46. IC 20-29-6-4.5, AS ADDED BY P.L.48-2011, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015 (RETROACTIVE)]: Sec. 4.5. (a) For a contract entered into after June 30, 2011, a school employer may not bargain collectively with the exclusive representative on the following:

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

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

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

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

SECTION 47. IC 20-29-6-7, AS AMENDED BY P.L.286-2013, SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

JANUARY 1, 2015 (RETROACTIVE)]: Sec. 7. A school employer shall discuss with the exclusive representative of certificated employees the following items:

(1) Curriculum development and revision.

(2) Selection of curricular materials.

(3) Teaching methods.

(4) Hiring, evaluation, promotion, demotion, transfer, assignment, and retention of certificated employees.

(5) Student discipline.

(6) Expulsion or supervision of students.

(7) Pupil/teacher ratio.

(8) Class size or budget appropriations.

(9) Safety issues for students and employees in the workplace, except those items required to be kept confidential by state or federal law.

(10) Hours.

(11) The following nonbargainable items under IC 20-43-10-3:

(A) Performance grants.

(B) Individual performance stipends to teachers.

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

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

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

SECTION 48. IC 20-29-6-12 IS REPEALED [EFFECTIVE UPON PASSAGE]. ~~Sec. 12. Formal collective bargaining between a school corporation and the exclusive representative shall not begin before:~~

~~(1) August 1 in the first year of the state budget biennium; or~~

~~(2) August 1 in the second year of the state budget biennium if the parties agreed to a one (1) year contract during the first year of the state budget biennium or the contract provides for renegotiating certain financial items the second year of a two (2) year contract.~~

~~Informal negotiations may be held before August 1.~~

SECTION 49. IC 20-29-6-12.5, AS AMENDED BY P.L.205-2013, SECTION 254, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12.5. (a) Before August 1 of the first year of the state budget biennium, the department shall provide the parties with an estimate of the general fund revenue available for bargaining in the school corporation from the school funding formula.

(b) Within thirty (30) days after the date of the fall count of ADM

of the school year in the first year of the state budget biennium, the department shall provide the parties with a certification of estimated general fund revenue available for bargaining from the school funding formula. A school employer that has passed a general fund operating referendum under IC 20-46-1 must have that amount certified by the department of local government finance. The school corporation must obtain the certification before the ~~commencement~~ **conclusion** of bargaining. These certifications must be the basis for determinations throughout impasse proceedings under this chapter.

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.

SECTION 51. IC 20-29-6-16, AS AMENDED BY P.L.229-2011, SECTION 182, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 16. (a) If an agreement has not been reached on the items to be bargained collectively by November 1, as provided in IC 6-1.1-17-5, the parties shall continue the terms of the current contract that is in effect, and the school employer may issue tentative individual contracts and prepare its budget on that basis. During this period, in order to allow the successful resolution of the dispute, the school employer may not unilaterally change the terms or conditions of employment that are issues in dispute.

(b) Upon the expiration of the current contract that is in effect, **except for performance stipends and additions to base salary provided under IC 20-43-10-3,** the school employer shall continue under the terms of the current contract that is in effect, with no increase or increment in salary, wages, or benefits for any bargaining unit

employee until a new contract is executed, unless continuation would put the school employer in a position of deficit financing ~~due to a reduction in the employer's actual general fund revenue or an increase in an employer's expenditures when the expenditures exceed the current year actual general fund revenue.~~ **or prohibit the employer from making reductions described in IC 20-29-6-3(b).**

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

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

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).**

SECTION 54. IC 20-30-2-2.2, AS AMENDED BY P.L.246-2013, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.2. (a) As used in this section, "eligible student" means a student in grade 11 or 12 who has:

(1) **for:**

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

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

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

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

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

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

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

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

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

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

(2) pursue a timely graduation;

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

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

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

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

(c) A school may allow an eligible student in grade 11 or 12 to complete an instructional day that consists of three (3) hours of

instructional time if the student participates in the school flex program.

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

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

(1) The subject and skill areas of interest to the student.

(2) A program of study under the college/technology preparation curriculum adopted by the state board under IC 20-30-10-2 for grades 10, 11, and 12 that meets the interests and aptitude of the student.

(3) Assurances that, upon satisfactory fulfillment of the plan, the student:

(A) is entitled to graduate; and

(B) will have taken at least the minimum variety and number of courses necessary to gain admittance to a state educational institution.

(4) An indication of assessments (other than **for school years ending before July 1, 2016,** ISTEP, **for school years beginning after June 30, 2016, BEST,** and the graduation examination) that the student plans to take voluntarily during grade 10 through grade 12, and which may include any of the following:

(A) The SAT Reasoning Test.

(B) The ACT test.

(C) Advanced placement exams.

(D) College readiness exams approved by the department.

(E) Workforce readiness exams approved by the department of workforce development established under IC 22-4.1-2.

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

subjects:

(1) English/language arts.

(2) Mathematics.

(3) Social studies.

(4) Science.

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

(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.

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

(1) Teaching practices and administrative leadership in instruction.

(2) Parental and community involvement.

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

(4) The homework policy.

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

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

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

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

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

(c) This subsection does not apply to a school that is designated in

the top category or designation of school improvement under IC 20-31-8-4 in the year immediately preceding the year in which the school's initial plan is implemented. These achievement objectives must be consistent with academic standards and include improvement in at least the following areas:

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

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

(3) The percentage of students meeting academic standards:

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

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

(4) For a secondary school, graduation rate.

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

(e) A plan must specify how and to what extent the school expects to make continuous improvement in all areas of the education system where results are measured by setting benchmarks for progress on an individual school basis.

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

SECTION 59. IC 20-31-5-6, AS AMENDED BY P.L.268-2013, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) This section does not apply to a school that is designated in the top category or designation of school improvement under IC 20-31-8-4 in the year immediately preceding the year in which the school's initial plan is implemented. A plan must contain the following components for the school:

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

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

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

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

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

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

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

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

(B) information on home study techniques; and

(C) access to school resources.

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

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

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

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

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

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

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

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

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

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

The fund is administered by the department.

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

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

SECTION 61. IC 20-31-7-6, AS ADDED BY P.L.1-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. The education roundtable shall recommend

to the state board a system for awarding and distributing grants under this chapter. A system recommended under this section must be based on graduated levels of improvement based on:

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

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

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

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

(1) for school years ending before July 1, 2016, the ISTEP program test;

(2) for school years beginning after June 30, 2016, through the school year specified by state board, a transitional metric authorized by the state board based on a combination of improvement under ISTEP program tests and BEST program tests; and

(3) for school years beginning after the school year specified by the state board under subdivision (2), BEST program tests;

and other assessments recommended by the education roundtable and approved by the state board are the primary and majority means of assessing a school's improvement.

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

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

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

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

(c) The education roundtable shall consider methods of measuring

improvement and progress used in other states in developing recommendations under this section.

(d) The education roundtable may consider:

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

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

when making recommendations under this section.

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

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

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

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

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

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

SECTION 64. IC 20-32-5 IS REPEALED [EFFECTIVE JULY 1, 2016]. (Indiana Statewide Testing for Educational Progress).

SECTION 65. IC 20-32-5.1 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 5.1. Benchmarking Excellence Student Testing Program

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

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

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

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

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

(A) The overall academic progress of students.

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

(C) The need to terminate existing educational programs.

(D) Student readiness for postsecondary school experiences.

(E) Overall curriculum development and revision activities.

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

(G) Diagnosing individual student needs.

(H) Teacher education and staff development activities.

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

Sec. 2. (a) In carrying out its responsibilities under this chapter, the state board and the department may not delegate to any higher authority the responsibility of selecting tests.

(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.

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

(1) English/language arts.

(2) Mathematics.

(3) Science.

(4) Social studies.

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

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

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

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

(1) personal attitudes;

(2) political views;

(3) religious beliefs;
(4) family relationships; or
(5) other matters listed in IC 20-30-5-17(b).

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

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

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

(1) provide scores indicating student performance relative to each of the academic standards:
(A) established by the state board; and
(B) assessed by the test;
(2) be related to passing scores established by the state board; and
(3) contain the information listed in subdivisions (1) and (2) for the following levels:
(A) Individual student.
(B) Classroom.
(C) School.
(D) School corporation.
(E) Indiana.

Sec. 10. Reports of student scores must be:

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

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

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

(1) Give each student and the student's parent the student's BEST program test scores.
(2) Make available for inspection to each student and the student's parent the following:
(A) A copy of all questions that are not multiple choice or

true and false and prompts used in assessing the student.

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

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

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

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

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

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

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

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

(B) the proposed remediation plan for the student.

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

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

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

(b) The department shall disaggregate from the total results of the BEST program test results for a school corporation the percentage of students in each school and each grade in the school corporation that are identified as high ability students (as defined by IC 20-36-1-3) by the school corporation who also achieved a score in the highest performance level designated for the BEST test. However, this disaggregation is not required in a case in which the results would reveal personally identifiable information about

an individual student under the federal Family Education Rights and Privacy Act (20 U.S.C. 1232g et seq.).

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

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

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

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

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

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

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

(1) participation in testing under this chapter;

(2) receiving accommodations in testing materials and procedures;

(3) participation in remediation under IC 20-32-8; or

(4) retention at the same grade level for consecutive school years;

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

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

(1) the BEST program test; and

(2) the scoring reports used by the department.

(b) A nonpublic school seeking accreditation must:

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

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

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

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

SECTION 66. IC 20-32-8-11, AS ADDED BY P.L.1-2005, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. Notwithstanding the requirements of this chapter, any decisions made with regard to:

(1) attendance in a remediation program;

(2) ISTEP program testing **or BEST program testing;** and

(3) the grade level placement;

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

SECTION 67. IC 20-33-2-13, AS AMENDED BY P.L.43-2014, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) A school corporation shall record or include the following information in the official high school transcript for a student in high school:

(1) Attendance records.

(2) **For school years ending before July 1, 2016,** the student's latest ISTEP program test results under IC 20-32-5 **(repealed effective July 1, 2016) and, for school years ending after June 30, 2016, the student's latest BEST program test results.**

(3) Any secondary level and postsecondary level certificates of achievement earned by the student.

(4) Immunization information from the immunization record the student's school keeps under IC 20-34-4-1.

(5) Any dual credit courses taken that are included in the core transfer library under IC 21-42-5-4.

(6) The student's latest PSAT program test results.

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

SECTION 68. IC 20-35-8-1, AS AMENDED BY P.L.229-2011, SECTION 195, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Except as provided in subsection (b), if a student with legal settlement in a school corporation is transferred to attend school in another school corporation because of

a disability or multiple disabilities, the transferor corporation shall:

(1) either:

(A) provide; or

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

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

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

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

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

(2) another cooperative program;

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

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

SECTION 69. IC 20-36-5-1, AS AMENDED BY P.L.2-2007, SECTION 238, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. A student shall receive credits toward graduation or an academic honors diploma by demonstrating the student's proficiency in a course or subject area required for graduation or the academic honors diploma, whether or not the student has completed course work in the subject area, by any one (1) or more of the following methods:

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

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

(3) Successfully completing a similar course at an eligible institution under the postsecondary enrollment program under IC 21-43-4.

(4) Receiving a score of three (3), four (4), or five (5) on an advanced placement examination for a course or subject area.

(5) Other methods approved by the state board.

SECTION 70. IC 20-43-10-3, AS ADDED BY P.L.205-2013, SECTION 300, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 30, 2015]: Sec. 3. (a) As used in this section, "achievement test" means a

(1) test required by the ISTEP program or **the BEST program, as applicable.**

(2) Core 40 end of course assessment for the following:

(A) Algebra I.

(B) English 10.

(C) Biology I.

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

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

(1) a test required by the ISTEP program or **the BEST program, as applicable; or**

(2) a Core 40 end of course assessment;

in the school year ending in the immediately preceding state fiscal year or, for purposes of a school year to school year comparison, in the school year immediately preceding that school year.

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

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

(2) the graduation examination required under IC 20-32-3 through ~~IC 20-32-6;~~ **IC 20-32-5.1;**

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

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

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

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

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

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

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

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

A school corporation's grant under subdivision (1) is the sum of the grants separately calculated for each school in the school

corporation under subsection (h), (i), or (j). A school corporation's grant under subdivision (2) is the sum of the grants separately calculated for each school in the school corporation under subsection (k), (l), or (m).

(g) The sum of the **two (2)** grant amounts **described in subsection (f), as** determined for a school corporation under this section constitutes an annual performance grant that is in addition to state tuition support. The annual performance grant for a state fiscal year shall be distributed to the school corporation before December 5 of that state fiscal year. **If the total amount to be distributed as performance grants for a particular state fiscal year exceeds the amount appropriated by the general assembly for performance grants for that state fiscal year, the total amount to be distributed as performance grants to school corporations shall be proportionately reduced so that the total reduction equals the amount of the excess. The amount of the reduction for a particular school corporation is equal to the total amount of the excess multiplied by a fraction. The numerator of the fraction is the amount of the performance grant that the school corporation would have received if a reduction were not made under this section. The denominator of the fraction is the total amount that would be distributed as performance grants to all school corporations if a reduction were not made under this section.** The performance grant received by a school corporation ~~may~~ **shall** be **allocated among and** used only to pay cash ~~awards~~ **stipends** to **all** teachers who are rated as effective or as highly effective. **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. The amount of the distribution from an annual performance grant to an individual teacher is determined at the discretion of the governing body of the school corporation. The governing body may differentiate between the amount of the stipend awarded to a teacher rated as a highly effective teacher and a teacher rated as an effective teacher. A stipend to an individual teacher in a particular year is not subject to collective bargaining and is in addition to the minimum salary or increases in salary set under IC 20-28-9-1.5. In addition, an amount determined under the**

policies adopted by the governing body but not exceeding fifty percent (50%) of the amount of a stipend to an individual teacher in a particular state fiscal year beginning after June 30, 2015, becomes a permanent part of and increases the base salary of the teacher receiving the stipend for school years beginning after the state fiscal year in which the stipend is received. The addition to base salary under this section is not subject to collective bargaining, is payable from funds other than the performance grant, and is in addition to the minimum salary and increases in salary set under IC 20-28-9-1.5. The school corporation shall complete the appropriation process for all stipends from a performance grant to individual teachers before December 31 of the state fiscal year in which the performance grant is distributed to the school corporation and distribute all stipends from a performance grant to individual teachers before the immediately following January 31. Any part of the performance grant not distributed as stipends to teachers before December 31 must be returned to the department on the earlier of the date set by the department or June 30 of that state fiscal year.

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

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

(2) twenty-three dollars and fifty cents ($23.50).

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

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

(2) forty-seven dollars ($47).

(j) This subsection does not apply to a school corporation in its first year of operation. A school qualifies for a grant under this subsection if the school's school year over school year percentage growth rate of achievement tests receiving passing scores was at least five percent (5%), comparing the school year ending in the immediately preceding state fiscal year to the school year immediately preceding that school

year. The grant amount for the state fiscal year is:

(1) the count of the school corporation's pupils who had a passing score on their achievement test in the school year ending in the immediately preceding state fiscal year; multiplied by

(2) forty-seven dollars ($47).

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

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

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

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

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

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

(m) This subsection does not apply to a school in its first year of operation. A school qualifies for a grant under this subsection if the school's school year over school year percentage growth in its graduation rate is at least five percent (5%), comparing the graduation rate for the school year ending in the immediately preceding state fiscal year to the graduation rate for the school year immediately preceding that school year. The grant amount for the state fiscal year is:

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

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

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

SECTION 71. IC 20-51-1-4.7, AS AMENDED BY P.L.211-2013, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.7. "Eligible school" refers to a public or nonpublic elementary school or high school that:

(1) is located in Indiana;

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

(3) voluntarily agrees to enroll an eligible choice scholarship

student;

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

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

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

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

SECTION 72. IC 20-51-1-6, AS ADDED BY P.L.182-2009(ss), SECTION 364, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) "Participating school" refers to a public or nonpublic school that:

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

(2) voluntarily agrees to enroll an eligible student;

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

(4) administers:

(A) for a school year ending before July 1, 2016, the tests under the Indiana statewide testing for educational progress (ISTEP) program or administers another nationally recognized and norm-referenced assessment of the school's students; **and**

(B) for a school year beginning after June 30, 2016, the tests under the benchmarking excellence student testing (BEST) program or another nationally recognized assessment of the school's students.

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

SECTION 73. **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:

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

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

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

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

(4) 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.