

PROPOSED AMENDMENT

EH 1009 # 16

DIGEST

Education. Deletes the current provisions in the bill. Replaces ISTEP program testing with BEST testing program for school years beginning after June 30, 2016. Establishes certain procedures related to implementing the BEST program, including budget committee review. Provides that the education roundtable may not recommend and the state board of education (state board) may not adopt Common Core Standards or an assessment or test that is produced solely by the United States government or a consortium of states. Specifies that the state board shall ensure that applications for the necessary flexibility waivers under the federal No Child Left Behind Act are filed in a timely fashion and that the applications comply with the educational policies of the state board. Provides for innovation network school programs in school corporations other than the Indianapolis Public Schools. Extends the school performance grant program through the 2016-2017 school year, and makes changes in the calculation and use of the grant for stipends to teachers. Permits teachers to receive a supplemental amount for completion of certain master's degrees. Requires the department of education (department) to establish a program to permit an individual with a major in science, technology, engineering, or mathematics and a minor in education to obtain a teaching license. Provides that a school corporation must consider certain factors in developing a performance evaluation model. Provides that a school corporation shall report its staff performance evaluation plan (plan) to the department (which may review the plan for efficacy) and the Indiana education employment relations board (which may review the plan for legality). Requires school employers to bring collective bargaining agreements into conformity with law, provides for oversight by the education employment relations board to bring these agreements into compliance, permits certificated employees to be paid based on adopted salary ranges rather than salary schedules, and makes other changes in collective bargaining. Provides that a school with a low student population (when compared to the average size of the student population at all schools in Indiana) may appeal a performance designation to the state board based on the insufficient size of the test group needed to determine an accurate result. Permits the governing body of a school corporation to specify that less than 50% of a stipend to a teacher from a performance grant becomes, in school years after the school year in which the stipend is awarded, a permanent part of the teacher's annual salary. Indicates that a school corporation may provide supplemental compensation to a teacher who earns a master's degree in a content area directly related to a dual placement course taught by the teacher.

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- 1 Page 1, delete lines 1 through 15, begin a new paragraph and insert:
2 "SECTION 1. IC 20-18-2-2.3 IS ADDED TO THE INDIANA
3 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
4 [EFFECTIVE UPON PASSAGE]: **Sec. 2.3. "BEST program" refers**
5 **to the benchmarking excellence student testing program developed**
6 **and administered under IC 20-32-5.1.**
7 SECTION 2. IC 20-18-2-6, AS ADDED BY P.L.1-2005, SECTION
8 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON
9 PASSAGE]: Sec. 6. "Graduation examination" means:

- 1 **(1) for school years ending before July 1, 2016**, the test
 2 designated by the board under the ISTEP program; **and**
 3 **(2) for school years beginning after June 30, 2016, the test**
 4 **designed by the board under the BEST program.**

5 SECTION 3. IC 20-18-2-10, AS ADDED BY P.L.1-2005,
 6 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 UPON PASSAGE]: Sec. 10. "ISTEP program" refers to the Indiana
 8 statewide testing for educational progress program developed and
 9 administered under IC 20-32-5 **(repealed effective July 1, 2016).**

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

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

- 17 (1) A superintendent who holds a license under IC 20-28-5.
 18 (2) A principal.
 19 (3) A teacher.
 20 (4) A librarian.
 21 (5) A school counselor.

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

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

- 35 (1) The designation and employment of the employees and
 36 consultants necessary for the department. The state board shall fix
 37 the compensation of employees of the department, subject to the
 38 approval of the budget committee and the governor under
 39 IC 4-12-2.
 40 (2) The establishment and maintenance of standards and

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

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

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

14 Observance of:

15 (A) IC 20-31-4;

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

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

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

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

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

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

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

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

40 (8) The establishment and enforcement of standards and

1 guidelines concerning the safety of students participating in
2 cheerleading activities.

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

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

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

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

13 (2) Assess the attainment of the established goals.

14 (3) Assure compliance with established standards and objectives.

15 (4) Coordinate with the commission for higher education (IC
16 21-18-1) and the department of workforce development (IC
17 22-4.1-2) to develop entrepreneurship education programs for
18 elementary and secondary education, higher education, and
19 individuals in the work force.

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

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

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

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

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

39 (b) ~~Before July 1, 2014~~; The state board shall adopt Indiana college
40 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 (c); 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. **The state board may not adopt Common Core (Common Core State Standards Initiative) or an assessment or test that is produced solely by the United States government or a consortium of states.**~~

~~(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.~~

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

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

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

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

15 **(c) The state board shall ensure that applications for obtaining**
 16 **and renewing necessary flexibility waivers under Section 9401 of**
 17 **the federal Elementary and Secondary Education Act of 1965, as**
 18 **amended and reauthorized under the federal No Child Left Behind**
 19 **Act of 2001 and subsequent federal laws (20 U.S.C. 7861) and**
 20 **federal regulations promulgated to implement federal law are**
 21 **timely filed, the appropriate federal agencies have the**
 22 **documentation and other information needed to grant the**
 23 **flexibility waivers, and that the applications comply with the**
 24 **educational policies of the state board. The superintendent of**
 25 **public instruction and the department, under the direction of the**
 26 **state board, shall carry out the work necessary to obtain and renew**
 27 **necessary flexibility waivers.**

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

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

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

- 1 (A) The graduation examination.
 2 (B) The passing scores required at the various grade levels
 3 tested under the ISTEP program **or the BEST program.**

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

8 **(1)** a variety of available ~~national and international~~ **nationally**
 9 **recognized** assessments and tests. **The roundtable may not**
 10 **recommend Common Core (Common Core State Standards**
 11 **Initiative) or recommend academic standards that are**
 12 **produced solely by the United States government or a**
 13 **consortium of states.**

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

16 ~~(2) The development of an assessment or test unique to Indiana;~~
 17 ~~and~~

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

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

23 **(2) An assessment or a test that adopts Common Core**
 24 **(Common Core State Standards Initiative) or an assessment**
 25 **or test that is produced solely by the United States**
 26 **government or a consortium of states.**

27 **(c) The roundtable shall consider assessments or tests that**
 28 **would permit the state to secure renewal of necessary flexibility**
 29 **waivers under Section 9401 of the federal Elementary and**
 30 **Secondary Education Act of 1965, as amended and reauthorized**
 31 **under the federal No Child Left Behind Act of 2001 and subsequent**
 32 **federal laws (20 U.S.C. 7861) and federal regulations promulgated**
 33 **to implement federal law.**

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

38 ~~(1) present the content of each test in an interdisciplinary manner;~~
 39 ~~and~~

40 ~~(2) provide each student with the opportunity to meet the~~

1 academic standards in an applied manner.

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

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

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

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

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

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

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

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

27 (E) Levels of parental participation.

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

32 (1) Student enrollment.

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

34 (3) Attendance rate.

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

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

40 (B) Scores for assessments under IC 20-32-5-21 (**repealed**)

- 1 **effective July 1, 2016) for school years ending before July**
2 **1, 2016, and scores for assessments under IC 20-32-5.1-20**
3 **for school years beginning after June 30, 2016, if**
4 appropriate.
5 (C) For a freeway school, scores on a locally adopted
6 assessment program, if appropriate.
7 (5) Average class size.
8 (6) The number and percentage of students in the following
9 groups or programs:
10 (A) Alternative education, if offered.
11 (B) Career and technical education.
12 (C) Special education.
13 (D) High ability.
14 (E) Remediation.
15 (F) Limited English language proficiency.
16 (G) Students receiving free or reduced price lunch under the
17 national school lunch program.
18 (H) School flex program, if offered.
19 (7) Advanced placement, including the following:
20 (A) For advanced placement tests, the percentage of students:
21 (i) scoring three (3), four (4), and five (5); and
22 (ii) taking the test.
23 (B) For the Scholastic Aptitude Test:
24 (i) test scores for all students taking the test;
25 (ii) test scores for students completing the academic honors
26 diploma program; and
27 (iii) the percentage of students taking the test.
28 (8) Course completion, including the number and percentage of
29 students completing the following programs:
30 (A) Academic honors diploma.
31 (B) Core 40 curriculum.
32 (C) Career and technical programs.
33 (9) The percentage of grade 8 students enrolled in algebra I.
34 (10) The percentage of graduates who pursue higher education.
35 (11) School safety, including:
36 (A) the number of students receiving suspension or expulsion
37 for the possession of alcohol, drugs, or weapons;
38 (B) the number of incidents reported under IC 20-33-9; and
39 (C) the number of bullying incidents reported under
40 IC 20-34-6 by category.

- 1 (12) Financial information and various school cost factors,
2 including the following:
3 (A) Expenditures per pupil.
4 (B) Average teacher salary.
5 (C) Remediation funding.
6 (13) Technology accessibility and use of technology in
7 instruction.
8 (14) Interdistrict and intradistrict student mobility rates, if that
9 information is available.
10 (15) The number and percentage of each of the following within
11 the school corporation:
12 (A) Teachers who are certificated employees (as defined in
13 IC 20-29-2-4).
14 (B) Teachers who teach the subject area for which the teacher
15 is certified and holds a license.
16 (C) Teachers with national board certification.
17 (16) The percentage of grade 3 students reading at grade 3 level.
18 (17) The number of students expelled, including the number
19 participating in other recognized education programs during their
20 expulsion.
21 (18) Chronic absenteeism, which includes the number of students
22 who have been absent from school for ten percent (10%) or more
23 of a school year for any reason.
24 (19) Habitual truancy, which includes the number of students who
25 have been absent ten (10) days or more from school within a
26 school year without being excused or without being absent under
27 a parental request that has been filed with the school.
28 (20) The number of students who have dropped out of school,
29 including the reasons for dropping out.
30 (21) The number of student work permits revoked.
31 (22) The number of student driver's licenses revoked.
32 (23) The number of students who have not advanced to grade 10
33 due to a lack of completed credits.
34 (24) The number of students suspended for any reason.
35 (25) The number of students receiving an international
36 baccalaureate diploma.
37 (26) Other indicators of performance as recommended by the
38 education roundtable under IC 20-19-4.
39 SECTION 14. IC 20-20-13-9, AS AMENDED BY P.L.133-2012,
40 SECTION 188, IS AMENDED TO READ AS FOLLOWS

- 1 [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) This section applies to the
2 4R's technology program described in section 6(a)(1) of this chapter.
- 3 (b) In addition to any other funds available under this chapter, if
4 state funds are transferred under IC 20-32-5-19 (**repealed July 1,**
5 **2016**) to the 4R's technology program:
- 6 (1) those funds do not revert to the state general fund;
7 (2) those funds shall be made available to the 4R's technology
8 program under this chapter; and
9 (3) the department, upon approval by the governor and the budget
10 agency, shall use those funds to award grants under this section.
- 11 (c) To be eligible to receive a grant under the program, a school
12 corporation must comply with the following:
- 13 (1) The school corporation must apply to the department for a
14 grant on behalf of a school within the school corporation to
15 purchase technology equipment.
- 16 (2) The school corporation must certify the following:
- 17 (A) That the school will provide every kindergarten and grade
18 1 student at that school the opportunity to learn reading,
19 writing, and arithmetic using technology.
- 20 (B) That the school will provide daily before or after school
21 technology laboratories for students in grades 1 through 3 who
22 have been identified as needing remediation in reading,
23 writing, or arithmetic.
- 24 (C) That the school will provide additional technology
25 opportunities, that may include Saturday sessions, for students
26 in other grade levels to use the technology laboratories for
27 remediation in reading, writing, arithmetic, or mathematics.
- 28 (D) That the school will provide technology opportunities to
29 students that attend remediation programs under IC 20-32-8 (if
30 the school corporation is required to do so) or any other
31 additional summer programs.
- 32 (E) That the school corporation, either through its own or the
33 school's initiative, is able to provide a part of the costs
34 attributable to purchasing the necessary technology equipment.
- 35 (3) The school corporation must include in the application the
36 sources of and the amount of money secured under subdivision
37 (2)(E).
- 38 (4) The school corporation or the school must:
- 39 (A) provide teacher training services; or
40 (B) use vendor provided teacher training services.

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

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

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

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

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

18 (1) Be a written instrument.

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

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

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

23 (5) Be granted for:

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

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

28 (6) Provide for the following:

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

34 (B) Renewal, if the authorizer and the organizer agree to renew
 35 the charter.

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

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

- 1 (i) present additional evidence, beyond the data contained in
 2 the performance report, supporting its case for charter
 3 renewal;
- 4 (ii) describe improvements undertaken or planned for the
 5 charter school; and
- 6 (iii) detail the charter school's plans for the next charter
 7 term.
- 8 (E) Not later than October 1 in the year in which the charter
 9 school seeks renewal of a charter, the governing board of a
 10 charter school seeking renewal shall submit a renewal
 11 application to the charter authorizer under the renewal
 12 application guidance issued by the authorizer. The authorizer
 13 shall make a final ruling on the renewal application not later
 14 than March 1 after the filing of the renewal application. The
 15 March 1 deadline does not apply to any review or appeal of a
 16 final ruling. After the final ruling is issued, the charter school
 17 may obtain further review by the authorizer of the authorizer's
 18 final ruling in accordance with the terms of the charter school's
 19 charter and the protocols of the authorizer.
- 20 (7) Specify the grounds for the authorizer to:
- 21 (A) revoke the charter before the end of the term for which the
 22 charter is granted; or
- 23 (B) not renew a charter.
- 24 (8) Set forth the methods by which the charter school will be held
 25 accountable for achieving the educational mission and goals of
 26 the charter school, including the following:
- 27 (A) Evidence of improvement in:
- 28 (i) assessment measures, including **for school years ending**
 29 **before July 1, 2016, the ISTEP, for school years beginning**
 30 **after June 30, 2016, BEST**, and end of course assessments;
- 31 (ii) attendance rates;
- 32 (iii) graduation rates (if appropriate);
- 33 (iv) increased numbers of Core 40 diplomas and other
 34 college and career ready indicators including advanced
 35 placement participation and passage, dual credit
 36 participation and passage, and International Baccalaureate
 37 participation and passage (if appropriate);
- 38 (v) increased numbers of academic honors and technical
 39 honors diplomas (if appropriate);
- 40 (vi) student academic growth;

- 1 (vii) financial performance and stability; and
 2 (viii) governing board performance and stewardship,
 3 including compliance with applicable laws, rules and
 4 regulations, and charter terms.
 5 (B) Evidence of progress toward reaching the educational
 6 goals set by the organizer.
 7 (9) Describe the method to be used to monitor the charter
 8 school's:
 9 (A) compliance with applicable law; and
 10 (B) performance in meeting targeted educational performance.
 11 (10) Specify that the authorizer and the organizer may amend the
 12 charter during the term of the charter by mutual consent and
 13 describe the process for amending the charter.
 14 (11) Describe specific operating requirements, including all the
 15 matters set forth in the application for the charter.
 16 (12) Specify a date when the charter school will:
 17 (A) begin school operations; and
 18 (B) have students attending the charter school.
 19 (13) Specify that records of a charter school relating to the
 20 school's operation and charter are subject to inspection and
 21 copying to the same extent that records of a public school are
 22 subject to inspection and copying under IC 5-14-3.
 23 (14) Specify that records provided by the charter school to the
 24 department or authorizer that relate to compliance by the
 25 organizer with the terms of the charter or applicable state or
 26 federal laws are subject to inspection and copying in accordance
 27 with IC 5-14-3.
 28 (15) Specify that the charter school is subject to the requirements
 29 of IC 5-14-1.5.
 30 *(16) This subdivision applies to a charter established or renewed*
 31 *for an adult high school after June 30, 2014. The charter must*
 32 *require:*
 33 *(A) that the school will offer flexible scheduling;*
 34 *(B) that students will not complete the majority of instruction*
 35 *of the school's curriculum online or through remote*
 36 *instruction;*
 37 *(C) that the school will offer dual credit or industry*
 38 *certification course work that aligns with career pathways as*
 39 *recommended by the Indiana career council established by*
 40 *IC 22-4.5-9-3; and*

- 1 (D) a plan:
- 2 (i) to support successful program completion and to assist
- 3 transition of graduates to the workforce or to a
- 4 postsecondary education upon receiving a diploma from the
- 5 adult high school; and
- 6 (ii) to review individual student accomplishments and
- 7 success after a student receives a diploma from the adult
- 8 high school.

9 (b) A charter school shall set annual performance targets in

10 conjunction with the charter school's authorizer. The annual

11 performance targets shall be designed to help each school meet

12 applicable federal, state, and authorizer expectations.

13 SECTION 16. IC 20-24-8-5, AS AMENDED BY P.L.160-2012,

14 SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

15 UPON PASSAGE]: Sec. 5. The following statutes and rules and

16 guidelines adopted under the following statutes apply to a charter

17 school:

- 18 (1) IC 5-11-1-9 (required audits by the state board of accounts).
- 19 (2) IC 20-39-1-1 (unified accounting system).
- 20 (3) IC 20-35 (special education).
- 21 (4) IC 20-26-5-10 (criminal history).
- 22 (5) IC 20-26-5-6 (subject to laws requiring regulation by state
- 23 agencies).
- 24 (6) IC 20-28-10-12 (nondiscrimination for teacher marital status).
- 25 (7) IC 20-28-10-14 (teacher freedom of association).
- 26 (8) IC 20-28-10-17 (school counselor immunity).
- 27 (9) For conversion charter schools only, IC 20-28-6, IC 20-28-7.5,
- 28 IC 20-28-8, IC 20-28-9, and IC 20-28-10.
- 29 (10) IC 20-33-2 (compulsory school attendance).
- 30 (11) IC 20-33-3 (limitations on employment of children).
- 31 (12) IC 20-33-8-19, IC 20-33-8-21, and IC 20-33-8-22 (student
- 32 due process and judicial review).
- 33 (13) IC 20-33-8-16 (firearms and deadly weapons).
- 34 (14) IC 20-34-3 (health and safety measures).
- 35 (15) IC 20-33-9 (reporting of student violations of law).
- 36 (16) IC 20-30-3-2 and IC 20-30-3-4 (patriotic commemorative
- 37 observances).
- 38 (17) IC 20-31-3, **for school years ending before July 1, 2016,**
- 39 **IC 20-32-4, IC 20-32-5 (repealed effective July 1, 2016), for**
- 40 **school years beginning after June 30, 2016, IC 20-32-5.1,**

- 1 IC 20-32-8, and IC 20-32-8.5, as provided in IC 20-32-8.5-2(b)
 2 (academic standards, accreditation, assessment, and remediation).
 3 (18) IC 20-33-7 (parental access to education records).
 4 (19) IC 20-31 (accountability for school performance and
 5 improvement).
 6 (20) IC 20-30-5-19 (personal financial responsibility instruction).

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

- 11 (1) Results of all standardized testing, including **for school years**
 12 **ending before July 1, 2016**, ISTEP program testing, **for school**
 13 **years beginning after June 30, 2016**, **BEST program testing**,
 14 end of course assessments, and any other assessments used for
 15 each authorized school.
 16 (2) Student growth and improvement data for each authorized
 17 school.
 18 (3) Attendance rates for each authorized school.
 19 (4) Graduation rates (if appropriate), including attainment of Core
 20 40 and academic honors diplomas for each authorized school.
 21 (5) Student enrollment data for each authorized school, including
 22 the following:
 23 (A) The number of students enrolled.
 24 (B) The number of students expelled.
 25 (6) Status of the authorizer's charter schools, identifying each of
 26 the authorizer's charter schools that are in the following
 27 categories:
 28 (A) Approved but not yet open.
 29 (B) Open and operating.
 30 (C) Closed or having a charter that was not renewed,
 31 including:
 32 (i) the year closed or not renewed; and
 33 (ii) the reason for the closure or nonrenewal.
 34 (7) Names of the authorizer's board members or ultimate decision
 35 making body.
 36 (8) Evidence that the authorizer is in compliance with
 37 IC 20-24-2.2-1.5.
 38 (9) A report summarizing the total amount of administrative fees
 39 collected by the authorizer and how the fees were expended, if
 40 applicable.

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

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

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

13 (1) Provisions that do not apply to school corporations in general.
 14 (2) IC 20-20 (programs administered by the state), except for
 15 IC 20-20-1 (educational service centers) and IC 20-20-8 (school
 16 corporation annual performance report).

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

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

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

1 IC 20-32-8 (remediation).

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

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

4 (b) Notwithstanding any other law, a school corporation may not
5 receive a decrease in state funding based upon the school corporation's
6 status as a qualified district or the status of a high school within the
7 school corporation as a qualified high school, or because of the
8 implementation of a waiver of a statute or rule that is allowed to be
9 waived by a qualified district or qualified high school.

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

15 IC 20-20-1 (educational service centers).

16 IC 20-20-8 (school corporation annual performance report).

17 IC 20-23 (organization of school corporations).

18 IC 20-26 (school corporation general administrative provisions).

19 IC 20-27 (school transportation).

20 IC 20-28-3-4 (teacher continuing education).

21 IC 20-28-4-8 (hiring of transition to teaching participants;
22 restrictions).

23 IC 20-28-4-11 (transition to teaching participants; school
24 corporation or subject area; transition to teaching permit).

25 IC 20-28-5-8 (conviction of certain felonies; notice and hearing;
26 permanent revocation of license; data base of school employees
27 who have been reported).

28 IC 20-28-6 (teacher contracts).

29 IC 20-28-7.5 (cancellation of teacher contracts).

30 IC 20-28-8 (contracts with school administrators).

31 IC 20-28-9 (teacher salary and related payments).

32 IC 20-28-10 (conditions of employment).

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

34 IC 20-29 (collective bargaining for teachers).

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

37 IC 20-30-5-13 (human sexuality instructional requirements).

38 IC 20-30-5-17 (access to materials relating to personal analysis,
39 evaluation, or survey of students; consent for participation).

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

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

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

8 (e) The board may:

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

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

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

14 (B) the government and management of:

15 (i) the board's schools; and

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

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

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

22 **Chapter 1. Applicability**

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

25 **Chapter 2. Definitions**

26 **Sec. 1. The definitions in this chapter apply throughout this**
 27 **article.**

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

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

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

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

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

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

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

- 5 **(1) Disability.**
6 **(2) Race.**
7 **(3) Color.**
8 **(4) Gender.**
9 **(5) National origin.**
10 **(6) Religion.**
11 **(7) Ancestry.**

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

- 14 **(1) to establish an innovation network school, as determined**
15 **by the board; or**
16 **(2) to reconstitute an eligible school as an innovation network**
17 **school.**

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

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

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

- 1 **(B) meet generally accepted fiscal management and**
 2 **government accounting principles;**
 3 **(C) comply with applicable laws; or**
 4 **(D) meet the educational goals set forth in the agreement**
 5 **between the board and the school management team.**

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

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

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

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

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

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

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

32 **(2) the school corporation may:**
 33 **(A) provide transportation for students attending the**
 34 **innovation network school; and**
 35 **(B) maintain and repair the buildings and grounds**
 36 **consistent with the maintenance and repair to the school**
 37 **corporation's other buildings and grounds.**

38 **(b) If the school management team contracts with a school**
 39 **corporation for goods or services, the school corporation may not**
 40 **charge the school management team more for the goods or services**

1 than the school corporation pays for the goods or services.

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

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

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

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

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

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

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

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

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

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

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

39 (3) A rule or guideline adopted by the state board concerning
40 teachers, except for those rules that assist a teacher in gaining

- 1 or renewing a standard or advanced license.
- 2 (4) A local regulation or policy adopted by a school
3 corporation unless specifically incorporated in the agreement
4 described in section 2 of this chapter.
- 5 (b) Except as otherwise provided in this article, the following
6 statutes apply to an innovation network school:
- 7 (1) IC 20-24-8-5 (statutes applicable to charter schools).
8 (2) IC 20-30 (curriculum).
9 (3) IC 20-24-6 (employment of teachers and other personnel
10 in charter schools).
11 (4) IC 20-28-11.5 (staff performance evaluations).
- 12 **Sec. 6. (a) Any student who lives in the attendance area served
13 by a school that is operated as an innovation network school under
14 this chapter may attend the innovation network school. The
15 innovation network school may not refuse enrollment to a student
16 who lives in the attendance area.**
- 17 (b) This subsection applies if the number of applications for a
18 program, class, grade level, or building exceeds the capacity of the
19 program, class, grade level, or building. If an innovation network
20 school receives a greater number of applications than there are
21 spaces for students, each timely applicant must be given an equal
22 chance of admission.
- 23 **Sec. 7. The school management team and the board shall hold
24 a joint public meeting at least two (2) times each year to discuss
25 issues and progress concerning the innovation network school.**
- 26 **Sec. 8. The board shall develop a program to provide support to
27 teachers and administrators who wish to establish an innovation
28 network school.**
- 29 **Chapter 4. Participation of Charter School as an Innovation
30 Network School**
- 31 **Sec. 1. Except as expressly provided in this article, a
32 participating innovation network charter school remains subject
33 to all state laws that govern charter schools.**
- 34 **Sec. 2. (a) Notwithstanding IC 20-26-7-1, the board may enter
35 into an agreement with an organizer to establish a participating
36 innovation network charter school within a vacant, underutilized,
37 or underenrolled school building, as determined by the board.**
- 38 (b) The terms of the agreement entered into between the board
39 and an organizer must specify the following:
- 40 (1) A statement that the organizer authorizes the department

- 1 to include the charter school's performance assessment results
2 under IC 20-31-8 when calculating the school corporation's
3 performance assessment under rules adopted by the state
4 board.
- 5 (2) The amount of state funding, including tuition support,
6 and money levied as property taxes that will be distributed by
7 the school corporation to the organizer.
- 8 (3) The performance goals and accountability metrics agreed
9 upon for the charter school in the charter agreement between
10 the organizer and the authorizer.
- 11 (c) If an organizer and the board enter into an agreement under
12 subsection (a), the organizer and the board shall notify the
13 department that the agreement has been made under this section
14 within thirty (30) days after the agreement is entered into.
- 15 (d) Upon receipt of the notification under subsection (c), the
16 department shall, for school years starting after the date of the
17 agreement:
- 18 (1) include the participating innovation network charter
19 school's performance assessment results under IC 20-31-8
20 when calculating the school corporation's performance
21 assessment under rules adopted by the state board; and
- 22 (2) treat the participating innovation network charter school
23 in the same manner as a school operated by the school
24 corporation when calculating the total amount of state
25 funding to be distributed to the school corporation.
- 26 Sec. 3. (a) For as long as the charter school remains a
27 participating innovation network charter school, the school
28 corporation may:
- 29 (1) provide transportation for students attending the
30 participating innovation network charter school; and
- 31 (2) maintain and repair the buildings and grounds used by the
32 participating innovation network charter school consistent
33 with the maintenance and repair to the school corporation's
34 other buildings and grounds.
- 35 (b) If an organizer contracts with a school corporation for goods
36 or services, the school corporation may not charge the organizer
37 more for the goods or services than the school corporation pays for
38 the goods or services.
- 39 (c) For as long as the charter school remains a participating
40 innovation network charter school, the school corporation may

1 **distribute money levied as property taxes to the charter school.**
 2 **Property taxes distributed to a charter school must be used only**
 3 **for a purpose for which the property taxes could have been used by**
 4 **the school corporation. Property taxes distributed under this**
 5 **subsection may supplement services and property provided under**
 6 **subsection (a) or (b). A school corporation may modify an**
 7 **agreement described in section 2 of this chapter to implement this**
 8 **subsection.**

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

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

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

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

28 (3) To appropriate from the school corporation's general fund an
 29 amount, not to exceed the greater of three thousand dollars
 30 (\$3,000) per budget year or one dollar (\$1) per pupil, not to
 31 exceed twelve thousand five hundred dollars (\$12,500), based on
 32 the school corporation's ADM of the previous year (as defined in
 33 IC 20-43-1-7) to promote the best interests of the school
 34 corporation through:

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

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

39 (C) developing relations with other governmental units.

40 (4) To do the following:

- 1 (A) Acquire, construct, erect, maintain, hold, and contract for
2 construction, erection, or maintenance of real estate, real estate
3 improvements, or an interest in real estate or real estate
4 improvements, as the governing body considers necessary for
5 school purposes, including buildings, parts of buildings,
6 additions to buildings, rooms, gymnasiums, auditoriums,
7 playgrounds, playing and athletic fields, facilities for physical
8 training, buildings for administrative, office, warehouse, repair
9 activities, or housing school owned buses, landscaping, walks,
10 drives, parking areas, roadways, easements and facilities for
11 power, sewer, water, roadway, access, storm and surface
12 water, drinking water, gas, electricity, other utilities and
13 similar purposes, by purchase, either outright for cash (or
14 under conditional sales or purchase money contracts providing
15 for a retention of a security interest by the seller until payment
16 is made or by notes where the contract, security retention, or
17 note is permitted by applicable law), by exchange, by gift, by
18 devise, by eminent domain, by lease with or without option to
19 purchase, or by lease under IC 20-47-2, IC 20-47-3, or
20 IC 20-47-5.
- 21 (B) Repair, remodel, remove, or demolish, or to contract for
22 the repair, remodeling, removal, or demolition of the real
23 estate, real estate improvements, or interest in the real estate
24 or real estate improvements, as the governing body considers
25 necessary for school purposes.
- 26 (C) Provide for conservation measures through utility
27 efficiency programs or under a guaranteed savings contract as
28 described in IC 36-1-12.5.
- 29 (5) To acquire personal property or an interest in personal
30 property as the governing body considers necessary for school
31 purposes, including buses, motor vehicles, equipment, apparatus,
32 appliances, books, furniture, and supplies, either by cash purchase
33 or under conditional sales or purchase money contracts providing
34 for a security interest by the seller until payment is made or by
35 notes where the contract, security, retention, or note is permitted
36 by applicable law, by gift, by devise, by loan, or by lease with or
37 without option to purchase and to repair, remodel, remove,
38 relocate, and demolish the personal property. All purchases and
39 contracts specified under the powers authorized under subdivision
40 (4) and this subdivision are subject solely to applicable law

1 relating to purchases and contracting by municipal corporations
2 in general and to the supervisory control of state agencies as
3 provided in section 6 of this chapter.

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

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

14 (A) civic or public purposes; or

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

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

32 (8) To do the following:

33 (A) Employ, contract for, and discharge superintendents,
34 supervisors, principals, teachers, librarians, athletic coaches
35 (whether or not they are otherwise employed by the school
36 corporation and whether or not they are licensed under
37 IC 20-28-5), business managers, superintendents of buildings
38 and grounds, janitors, engineers, architects, physicians,
39 dentists, nurses, accountants, teacher aides performing
40 noninstructional duties, educational and other professional

- 1 consultants, data processing and computer service for school
 2 purposes, including the making of schedules, the keeping and
 3 analyzing of grades and other student data, the keeping and
 4 preparing of warrants, payroll, and similar data where
 5 approved by the state board of accounts as provided below,
 6 and other personnel or services as the governing body
 7 considers necessary for school purposes.
- 8 (B) Fix and pay the salaries and compensation of persons and
 9 services described in this subdivision that are consistent with
 10 IC 20-28-9-1.5.
- 11 (C) Classify persons or services described in this subdivision
 12 and to adopt ~~schedules of salaries or a~~ compensation **plan**
 13 **with a salary range** that ~~are is~~ consistent with IC 20-28-9-1.5.
- 14 (D) Determine the number of the persons or the amount of the
 15 services employed or contracted for as provided in this
 16 subdivision.
- 17 (E) Determine the nature and extent of the duties of the
 18 persons described in this subdivision.
- 19 The compensation, terms of employment, and discharge of
 20 teachers are, however, subject to and governed by the laws
 21 relating to employment, contracting, compensation, and discharge
 22 of teachers. The compensation, terms of employment, and
 23 discharge of bus drivers are subject to and governed by laws
 24 relating to employment, contracting, compensation, and discharge
 25 of bus drivers. The forms and procedures relating to the use of
 26 computer and data processing equipment in handling the financial
 27 affairs of the school corporation must be submitted to the state
 28 board of accounts for approval so that the services are used by the
 29 school corporation when the governing body determines that it is
 30 in the best interest of the school corporation while at the same
 31 time providing reasonable accountability for the funds expended.
- 32 (9) Notwithstanding the appropriation limitation in subdivision
 33 (3), when the governing body by resolution considers a trip by an
 34 employee of the school corporation or by a member of the
 35 governing body to be in the interest of the school corporation,
 36 including attending meetings, conferences, or examining
 37 equipment, buildings, and installation in other areas, to permit the
 38 employee to be absent in connection with the trip without any loss
 39 in pay and to reimburse the employee or the member the
 40 employee's or member's reasonable lodging and meal expenses

1 and necessary transportation expenses. To pay teaching personnel
2 for time spent in sponsoring and working with school related trips
3 or activities.

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

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

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

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

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

31 (15) To purchase insurance or to establish and maintain a
32 program of self-insurance relating to the liability of the school
33 corporation or the school corporation's employees in connection
34 with motor vehicles or property and for additional coverage to the
35 extent permitted and in accordance with IC 34-13-3-20. To
36 purchase additional insurance or to establish and maintain a
37 program of self-insurance protecting the school corporation and
38 members of the governing body, employees, contractors, or agents
39 of the school corporation from liability, risk, accident, or loss
40 related to school property, school contract, school or school

1 related activity, including the purchase of insurance or the
2 establishment and maintenance of a self-insurance program
3 protecting persons described in this subdivision against false
4 imprisonment, false arrest, libel, or slander for acts committed in
5 the course of the persons' employment, protecting the school
6 corporation for fire and extended coverage and other casualty
7 risks to the extent of replacement cost, loss of use, and other
8 insurable risks relating to property owned, leased, or held by the
9 school corporation. In accordance with IC 20-26-17, to:

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

12 (B) purchase insurance; or

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

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

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

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

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

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

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

40 (19) To ratify and approve any action taken by a member of the

1 governing body, an officer of the governing body, or an employee
 2 of the school corporation after the action is taken, if the action
 3 could have been approved in advance, and in connection with the
 4 action to pay the expense or compensation permitted under
 5 IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and
 6 IC 20-48-1 or any other law.

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

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

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

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

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

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

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

40 (1) except as provided in subsection (m), the number of transfer

1 students the school corporation has the capacity to accept in each
2 grade level; and

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

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

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

9 (2) report the date to the department.

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

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

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

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

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

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

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

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

1 (1) to ensure that a student who attends a school within the school
2 corporation as a transfer student during a school year may
3 continue to attend the school in subsequent school years; and
4 (2) to allow a student described in subsection (h) to attend a
5 school within the school corporation.

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

13 (1) for ten (10) or more school days;
14 (2) for a violation under IC 20-33-8-16;
15 (3) for causing physical injury to a student, a school employee, or
16 a visitor to the school; or
17 (4) for a violation of a school corporation's drug or alcohol rules.

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

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

27 (l) The parent of a student for whom a request to transfer is made is
28 responsible for providing the school corporation to which the request
29 is made with records or information necessary for the school
30 corporation to determine whether the request to transfer may be denied
31 under subsection (j).

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

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

40 (1) transfer student who attended a school within the school

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

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

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

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

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

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

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

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

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

33 IC 20-30-2-7

34 IC 20-30-5-8

35 IC 20-30-5-9

36 IC 20-30-5-11

37 511 IAC 6-7-6

38 511 IAC 6.1-5-0.5

39 511 IAC 6.1-5-1

40 511 IAC 6.1-5-2.5

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

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

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

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

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

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

13 (1) An average attendance rate that increases:

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

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

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

25 (A) not less than two percent (2%) each school year until the
 26 successful completion rate is not less than eighty-five percent
 27 (85%); and

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

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

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

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

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

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

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

- 19 (A) **Science.**
 20 (B) **Technology.**
 21 (C) **Engineering.**
 22 (D) **Mathematics.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36 (1) Immorality.

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

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

1 (4) Incompetence, including receiving:

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

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

6 (5) Neglect of duty.

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

8 (7) Other good or just cause.

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

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

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

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

25 SECTION 34. IC 20-28-8-5, AS ADDED BY P.L.1-2005,
26 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27 UPON PASSAGE]: Sec. 5. The evaluation of a principal's performance
28 may not be based wholly **for school years ending before July 1, 2016,**
29 **on the ISTEP program test scores under IC 20-32-5 (repealed effective**
30 **July 1, 2016) and for school years beginning after June 30, 2016, on**
31 **the BEST program test scores** of the students enrolled at the
32 principal's school. However, **for school years ending before July 1,**
33 **2016, the ISTEP program test scores under IC 20-32-5 (repealed**
34 **effective July 1, 2016) and for school years beginning after June 30,**
35 **2016, the BEST program test scores** of the students enrolled at a
36 principal's school may be considered as one (1) of the factors in the
37 evaluation of the principal's overall performance at the school.

38 SECTION 35. IC 20-28-9-1.5, AS ADDED BY P.L.286-2013,
39 SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 UPON PASSAGE]: Sec. 1.5. (a) This subsection **applies to a contract**

1 in effect July 1, 2012, or upon the expiration of a contract in existence
 2 on July 1, 2011, whichever is earlier, and governs salary increases for
 3 a teacher employed by a school corporation. ~~on or after the date this~~
 4 ~~subsection takes effect.~~ Compensation attributable to additional
 5 degrees or graduate credits earned before the effective date of ~~the a~~
 6 local salary schedule **compensation plan** created under this chapter
 7 **before July 1, 2015**, shall continue **for school years beginning after**
 8 **June 30, 2015**. Compensation attributable to additional degrees for
 9 which a teacher has started course work before July 1, 2011, and
 10 completed course work before September 2, 2014, shall also continue
 11 **for school years beginning after June 30, 2015. For school years**
 12 **beginning after June 30, 2015, a school corporation may provide a**
 13 **supplemental payment to a teacher in excess of the salary specified**
 14 **in the school corporation's compensation plan if the teacher has**
 15 **earned a master's degree from an accredited postsecondary**
 16 **educational institution in:**

17 (1) education; or

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

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

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

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

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

30 (B) The attainment of either:

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

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

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

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

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

40 (c) A teacher rated ineffective or improvement necessary under

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

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

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

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

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

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

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

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

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

39 (1) holds:

40 (A) a professional license;

1 (B) a provisional license;
 2 (C) a limited license; or
 3 (D) an equivalent license issued by the department; and
 4 (2) serves as an occasional substitute teacher;
 5 shall be compensated ~~on~~ **in conformity with** the pay ~~schedule~~ **range**
 6 for substitutes of the school corporation the individual serves.

7 (b) An individual who:
 8 (1) holds a:
 9 (A) professional license; or
 10 (B) provisional license; and
 11 (2) serves as a substitute teacher in the same teaching position for
 12 more than fifteen (15) consecutive school days;

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

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

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

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

30 remain intact.

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

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

1 number of days for which teachers are paid in the school corporation.

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

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

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

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

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

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

1 **IC 20-29-2-4).**

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

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

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

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

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

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

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

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

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

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

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

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

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

37 (A) Highly effective.

38 (B) Effective.

39 (C) Improvement necessary.

40 (D) Ineffective.

- 1 (5) An explanation of the evaluator's recommendations for
2 improvement, and the time in which improvement is expected.
- 3 (6) A provision that a teacher who negatively affects student
4 achievement and growth cannot receive a rating of highly
5 effective or effective.
- 6 **(7) For annual performance evaluations for school years
7 beginning after June 30, 2015, provide for a reevaluation
8 planning session conducted by the superintendent or
9 equivalent authority for the school corporation with the
10 principals in the school corporation.**
- 11 **(d) In developing a performance evaluation model, a school
12 corporation shall consider the following:**
- 13 **(1) Test scores of students (both formative and summative).**
- 14 **(2) Classroom presentation observations.**
- 15 **(3) Observation of student-teacher interaction.**
- 16 **(4) Knowledge of subject matter.**
- 17 **(5) Dedication and effectiveness of the teacher through time
18 and effort on task.**
- 19 **(6) Contributions of teachers through group teacher
20 interactivity in fulfilling the school improvement plan.**
- 21 **(7) Cooperation of the teacher with supervisors and peers.**
- 22 **(8) Extracurricular contributions of the teacher.**
- 23 **(9) Outside performance evaluations.**
- 24 **(10) Compliance with school corporation rules and
25 procedures.**
- 26 **(11) Other items considered important by the school
27 corporation in developing each student to their maximum
28 intellectual potential and performance.**
- 29 **The state board and the department may recommend additional
30 factors, but may not require additional factors unless directed to
31 do so by the general assembly.**
- 32 **(e) This subsection applies to plans applicable to annual
33 performance evaluations for school years beginning after June 30,
34 2015. The plan must:**
- 35 **(1) be in writing; and**
- 36 **(2) be explained to the governing body in a public meeting;
37 before the evaluations are conducted. Before explaining the plan to
38 the governing body, the superintendent of the school corporation
39 shall discuss the plan with teachers or the teachers' representative,
40 if there is one. This discussion is not subject to the open door law**

1 **(IC 5-14-1.5). The plan is not subject to bargaining, but a**
 2 **discussion of the plan must be held.**

3 ~~(d)~~ (f) The evaluator shall discuss the evaluation with the
 4 certificated employee.

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

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

12 **(2) for school years beginning after June 30, 2016,**
 13 **IC 20-32-5.1-4.**

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

18 (c) If a teacher did not instruct students in the school year
 19 immediately before the school year in which students are placed in the
 20 teacher's class, the teacher's rating under this chapter for the most
 21 recent year in which the teacher instructed students, instead of for the
 22 school year immediately before the school year in which students are
 23 placed in the teacher's class, shall be used in determining whether
 24 subsection (b) applies to the teacher.

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

31 SECTION 43. IC 20-28-11.5-8.5 IS ADDED TO THE INDIANA
 32 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 33 [EFFECTIVE UPON PASSAGE]: **Sec. 8.5. A plan for performance**
 34 **evaluations under this chapter may be discussed, but is not subject**
 35 **to bargaining. Selection of a performance evaluation model is at**
 36 **the discretion of the school corporation, but the developed plan**
 37 **must be reported to the department and the Indiana education**
 38 **employment relations board in a timely manner, as established by**
 39 **the department. The department may review the plan for efficacy**
 40 **and the Indiana education employment relations board may review**

1 the plan for legality, and both may comment to the school
 2 corporation. The department shall annually present to the state
 3 board of education plans selected by the school corporations. The
 4 state board may recommend model plans to school corporations,
 5 but shall not mandate any plan.

6 SECTION 44. IC 20-28-11.5-9, AS AMENDED BY P.L.192-2014,
 7 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 UPON PASSAGE]: Sec. 9. (a) **The principal of a school in a school
 9 corporation shall report in the aggregate the results of staff
 10 performance evaluations for the school to the superintendent and
 11 the governing body for the school corporation before November 15
 12 of each year on the schedule determined by the governing body.
 13 The report must be presented in a public meeting of the governing
 14 body. Before presentation to the governing body, the
 15 superintendent of the school corporation shall discuss the report of
 16 completed evaluations with the teachers. This discussion is not
 17 subject to the open door law (IC 5-14-1.5). The report of completed
 18 evaluations is not subject to bargaining, but a discussion of the
 19 report must be held.**

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

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

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

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

- 32 (1) the name of the teacher preparation program that
- 33 recommended the initial license for each teacher employed by the
- 34 school; and
- 35 (2) the annual retention rate for teachers employed by the school.

36 ~~(c)~~ **(d)** Not before the beginning of the second semester (or the
 37 equivalent) of the school year and not later than August 1 of each year,
 38 the principal at each school described in subsection (a) shall complete
 39 a survey that provides information regarding the principal's assessment
 40 of the quality of instruction by each particular teacher preparation

1 program located in Indiana for teachers employed at the school who
 2 initially received their teaching license in Indiana in the previous two
 3 (2) years. The survey shall be adopted by the state board and prescribed
 4 on a form developed not later than July 30, 2016, by the department
 5 that is aligned with the matrix system established under
 6 IC 20-28-3-1(i). The school shall provide the surveys to the department
 7 along with the information provided in subsection ~~(b)~~: (c). The
 8 department shall compile the information contained in the surveys,
 9 broken down by each teacher preparation program located in Indiana.
 10 The department shall include information relevant to a particular
 11 teacher preparation program located in Indiana in the department's
 12 report under subsection ~~(f)~~: (g).

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

- 20 (1) provide the year in which the teacher was hired by the school;
- 21 (2) include the name of the teacher preparation program that
- 22 recommended the teacher for an initial license;
- 23 (3) describe subjects taught by the teacher;
- 24 (4) provide the location of different teaching positions held by the
- 25 teacher since the teacher initially obtained an Indiana teaching
- 26 license;
- 27 (5) provide a description of any mentoring the teacher has
- 28 received while teaching in the teacher's current teaching position;
- 29 (6) describe the teacher's current licensure status; and
- 30 (7) include an assessment by the teacher of the quality of
- 31 instruction of the teacher preparation program in which the
- 32 teacher participated.

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

39 ~~(e)~~ (f) Before December 15 of each year, the department shall report
 40 the results of staff performance evaluations in the aggregate to the state

- 1 board, and to the public via the department's Internet web site for:
- 2 (1) the aggregate of certificated employees of each school and
- 3 school corporation;
- 4 (2) the aggregate of graduates of each teacher preparation
- 5 program in Indiana;
- 6 (3) for each school described in subsection ~~(a)~~; **(b)**, the annual
- 7 rate of retention for certificated employees for each school within
- 8 the charter school or school corporation; and
- 9 (4) the aggregate results of staff performance evaluations for each
- 10 category described in section 4(c)(4) of this chapter. In addition
- 11 to the aggregate results, the results must be broken down:
- 12 (A) by the content area of the initial teacher license received
- 13 by teachers upon completion of a particular teacher
- 14 preparation program; or
- 15 (B) as otherwise requested by a teacher preparation program,
- 16 as approved by the state board.
- 17 ~~(f)~~ **(g)** Beginning November 1, 2016, and before September 1 of
- 18 each year thereafter, the department shall report to each teacher
- 19 preparation program in Indiana for teachers with three (3) or fewer
- 20 years of teaching experience:
- 21 (1) information from the surveys relevant to that particular teacher
- 22 education program provided to the department under subsection
- 23 ~~(c)~~; **(d)**;
- 24 (2) information from the forms relevant to that particular teacher
- 25 preparation program compiled by the department under
- 26 subsection ~~(d)~~; **(e)**; and
- 27 (3) the results from the most recent school year for which data are
- 28 available of staff performance evaluations for each category
- 29 described in section 4(c)(4) of this chapter with three (3) or fewer
- 30 years of teaching experience for that particular teacher
- 31 preparation program. The report to the teacher preparation
- 32 program under this subdivision shall be in the aggregate form and
- 33 shall be broken down by the teacher preparation program that
- 34 recommended an initial teaching license for the teacher.
- 35 SECTION 45. IC 20-29-3-11, AS ADDED BY P.L.1-2005,
- 36 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 37 UPON PASSAGE]: Sec. 11. The board has the following powers:
- 38 (1) To adopt an official seal and prescribe the purposes for which
- 39 the seal may be used.
- 40 (2) To hold hearings and make inquiries as the board considers

- 1 necessary to carry out properly the board's functions and powers.
- 2 (3) To establish a principal office in Indianapolis.
- 3 (4) To meet and exercise the board's powers at any other place in
4 Indiana.
- 5 (5) To conduct in any part of Indiana a proceeding, a hearing, an
6 investigation, an inquiry, or an election necessary to the
7 performance of the board's functions. For this purpose, the board
8 may designate one (1) member, or an agent or agents, as hearing
9 examiners. The board may use voluntary and uncompensated
10 services as needed.
- 11 (6) To appoint staff and attorneys as the board finds necessary for
12 the proper performance of its duties. The attorneys appointed
13 under this section may, at the direction of the board, appear for
14 and represent the board in court.
- 15 (7) To pay the reasonable and necessary traveling and other
16 expenses of an employee, a member, or an agent of the board.
- 17 (8) To subpoena witnesses and issue subpoenas requiring the
18 production of books, papers, records, and documents that may be
19 needed as evidence in any matter under inquiry, and to administer
20 oaths and affirmations. In cases of neglect or refusal to obey a
21 subpoena issued to a person, the circuit or superior court of the
22 county in which the investigations or the public hearings are
23 taking place, upon application by the board, shall issue an order
24 requiring the person to:
- 25 (A) appear before the board; and
- 26 (B) produce evidence about the matter under investigation.
- 27 A failure to obey the order may be punished by the court as a
28 contempt. A subpoena, notice of hearing, or other process of the
29 board issued under this chapter shall be served in the manner
30 prescribed by the Indiana Rules of Trial Procedure.
- 31 (9) To adopt, amend, or rescind rules the board considers
32 necessary and administratively feasible to carry out this chapter
33 under IC 4-22-2.
- 34 (10) To request from any public agency the assistance, services,
35 and data that will enable the board properly to carry out the
36 board's functions and powers.
- 37 (11) To publish and report in full an opinion in every case decided
38 by the board.
- 39 **(12) To review a collective bargaining agreement as provided**
40 **in section 15 of this chapter.**

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

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

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

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

31 **The Indiana education employment relations board's decision is a**
32 **public document.**

33 **(c) A party to the collective bargaining agreement may appeal**
34 **findings or terms of the Indiana education employment relations**
35 **board under this section to the board not later than thirty (30) days**
36 **after receiving the Indiana education employment relations**
37 **board's decision. The board must rule on the appeal within thirty**
38 **(30) days after receipt of the notice of appeal. The board is not**
39 **restricted to the terms proposed by the parties or the items that are**
40 **permitted to be bargained. However, the board may not put the**

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

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

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

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

34 SECTION 48. IC 20-29-6-4.5, AS ADDED BY P.L.48-2011,
 35 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 UPON PASSAGE]: Sec. 4.5. (a) For a contract entered into after June
 37 30, 2011, a school employer may not bargain collectively with the
 38 exclusive representative on the following:

- 39 (1) The school calendar.
 40 (2) Teacher dismissal procedures and criteria.

- 1 (3) Restructuring options available to a school employer under
 2 federal or state statutes, regulations, or rules because of the failure
 3 of the school corporation or a school to meet federal or state
 4 accountability standards.
- 5 (4) The ability of a school employer to contract, partner, or
 6 operate jointly with an educational entity that provides
 7 postsecondary credits to students of the school employer or dual
 8 credits from the school employer and the educational entity.
- 9 (5) Any subject not expressly listed in section 4 of this chapter.
- 10 **(b) For a contract entered into after January 1, 2015, for a**
 11 **school year beginning after June 30, 2015, a school employer may**
 12 **not bargain collectively with the exclusive representative for the**
 13 **following:**
- 14 **(1) A matter described in subsection (a).**
- 15 **(2) A matter that another statute specifies is not subject to**
 16 **collective bargaining, including IC 20-28-9-1.5 and**
 17 **IC 20-43-10-3.**
- 18 ~~(b)~~ **(c)** A subject set forth in subsection (a) **or (b)** that may not be
 19 bargained collectively may not be included in an agreement entered
 20 into under this article.
- 21 SECTION 49. IC 20-29-6-7, AS AMENDED BY P.L.286-2013,
 22 SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 UPON PASSAGE]: Sec. 7. A school employer shall discuss with the
 24 exclusive representative of certificated employees the following items:
- 25 (1) Curriculum development and revision.
- 26 (2) Selection of curricular materials.
- 27 (3) Teaching methods.
- 28 (4) Hiring, evaluation, promotion, demotion, transfer, assignment,
 29 and retention of certificated employees.
- 30 (5) Student discipline.
- 31 (6) Expulsion or supervision of students.
- 32 (7) Pupil/teacher ratio.
- 33 (8) Class size or budget appropriations.
- 34 (9) Safety issues for students and employees in the workplace,
 35 except those items required to be kept confidential by state or
 36 federal law.
- 37 (10) Hours.
- 38 **(11) The following nonbargainable items under IC 20-43-10-3:**
- 39 **(A) Performance grants.**
- 40 **(B) Individual performance stipends to teachers.**

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

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

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

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

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

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

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

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

33 SECTION 52. IC 20-29-6-16, AS AMENDED BY P.L.229-2011,
 34 SECTION 182, IS AMENDED TO READ AS FOLLOWS
 35 [EFFECTIVE JULY 1, 2015]: Sec. 16. (a) If an agreement has not been
 36 reached on the items to be bargained collectively by November 1, as
 37 provided in IC 6-1.1-17-5, the parties shall continue the terms of the
 38 current contract that is in effect, and the school employer may issue
 39 tentative individual contracts and prepare its budget on that basis.
 40 During this period, in order to allow the successful resolution of the

1 dispute, the school employer may not unilaterally change the terms or
2 conditions of employment that are issues in dispute.

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

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

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

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

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

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

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

39 (1) **for:**

40 (A) **school years ending before July 1, 2017**, failed the

- 1 ISTEP+ graduation exam at least twice; **and**
 2 **(B) school years beginning after June 30, 2016, failed any**
 3 **combination of the ISTEP+ graduation exam and the**
 4 **BEST graduation exam at least twice;**
 5 (2) been determined to be chronically absent, by missing ten
 6 percent (10%) or more of a school year for any reason;
 7 (3) been determined to be a habitual truant, as identified under
 8 IC 20-33-2-11;
 9 (4) been significantly behind in credits for graduation, as
 10 identified by an individual's school principal;
 11 (5) previously undergone at least a second suspension from school
 12 for the school year under IC 20-33-8-14 or IC 20-33-8-15;
 13 (6) previously undergone an expulsion from school under
 14 IC 20-33-8-14, IC 20-33-8-15, or IC 20-33-8-16; or
 15 (7) been determined by the individual's principal and the
 16 individual's parent or guardian to benefit by participating in the
 17 school flex program.
- 18 (b) An eligible student who participates in a school flex program
 19 must:
 20 (1) attend school for at least three (3) hours of instructional time
 21 per school day;
 22 (2) pursue a timely graduation;
 23 (3) provide evidence of college or technical career education
 24 enrollment and attendance or proof of employment and labor that
 25 is aligned with the student's career academic sequence under rules
 26 established by the Indiana bureau of child labor;
 27 (4) not be suspended or expelled while participating in a school
 28 flex program;
 29 (5) pursue course and credit requirements for a general diploma;
 30 and
 31 (6) maintain a ninety-five percent (95%) attendance rate.
- 32 (c) A school may allow an eligible student in grade 11 or 12 to
 33 complete an instructional day that consists of three (3) hours of
 34 instructional time if the student participates in the school flex program.
- 35 (d) If one (1) or more students participate in a school flex program,
 36 the principal shall, on forms provided by the department, submit a
 37 yearly report to the department of student participation and graduation
 38 rates of students who participate in the school flex program.
- 39 SECTION 55. IC 20-30-4-2, AS AMENDED BY P.L.140-2008,
 40 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

1 UPON PASSAGE]: Sec. 2. In consultation with the student's guidance
 2 counselor, after seeking consultation with each student's parents, and
 3 not later than the date on which the student completes grade 9, each
 4 student shall further develop the graduation plan developed in grade 6
 5 under section 1.5 of this chapter to also include the following:

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

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

- 37 (1) English/language arts.
- 38 (2) Mathematics.
- 39 (3) Social studies.
- 40 (4) Science.

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

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

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

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

19 (2) Parental and community involvement.

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

26 (4) The homework policy.

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

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

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

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

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

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

1 must be consistent with academic standards and include improvement
2 in at least the following areas:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

40 (4) A plan to be submitted to the governing body and made

- 1 available to all interested members of the public in an easily
 2 understood format.
- 3 (5) A provision to maximize parental participation in the school,
 4 which may include providing parents with:
- 5 (A) access to learning aids to assist students with school work
 6 at home;
- 7 (B) information on home study techniques; and
 8 (C) access to school resources.
- 9 (6) For a secondary school, a provision to do the following:
- 10 (A) Offer courses that allow all students to become eligible to
 11 receive an academic honors diploma.
- 12 (B) Encourage all students to earn an academic honors
 13 diploma or complete the Core 40 curriculum.
- 14 (C) Reduce the number of graduation exam waivers granted to
 15 graduates.
- 16 (7) A provision to maintain a safe and disciplined learning
 17 environment for students and teachers that complies with the
 18 governing body's plan for improving student behavior and
 19 discipline developed under IC 20-26-5-32.
- 20 (8) A provision for the coordination of technology initiatives and
 21 ongoing professional development activities.
- 22 (b) If, for a purpose other than a plan under this chapter, a school
 23 has developed materials that are substantially similar to a component
 24 listed in subsection (a), the school may substitute those materials for
 25 the component listed in subsection (a).
- 26 SECTION 60. IC 20-31-7-4, AS ADDED BY P.L.1-2005,
 27 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 UPON PASSAGE]: Sec. 4. (a) The student educational achievement
 29 fund is established to provide funds to stimulate and recognize
 30 improved student performance in meeting academic standards:
- 31 **(1) for school years ending before July 1, 2016,** under the
 32 ISTEP program; **and**
- 33 **(2) for school years beginning after June 30, 2016, under the**
 34 **BEST program.**
- 35 The fund is administered by the department.
- 36 (b) The fund consists of appropriations from the general assembly.
- 37 (c) Money in the fund at the end of a state fiscal year does not revert
 38 to the state general fund.
- 39 SECTION 61. IC 20-31-7-6, AS ADDED BY P.L.1-2005,
 40 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

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

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

6 (d) The education roundtable may consider:

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

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

13 when making recommendations under this section.

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

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

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

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

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

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

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

7 **(b) This subsection applies only to a school with a low student**
 8 **population when compared to the average size of the student**
 9 **population at all schools in Indiana. An earned letter grade on the**
 10 **"A" through "F" grading scale shall be given for all schools,**
 11 **including schools with a low student population to which this**
 12 **subsection applies. A school to which this subsection applies may**
 13 **appeal a designation under subsection (a) to the state board based**
 14 **on the insufficient size of the test group needed to determine an**
 15 **accurate result for each grade completing the assessment.**

16 SECTION 65. IC 20-32-5 IS REPEALED [EFFECTIVE JULY 1,
 17 2016]. (Indiana Statewide Testing for Educational Progress).

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

21 **Chapter 5.1. Benchmarking Excellence Student Testing**
 22 **Program**

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

- 25 **(1) To assess the strengths and weaknesses of school**
 26 **performance.**
 27 **(2) To assess the effects of state and local educational**
 28 **programs.**
 29 **(3) To compare achievement of Indiana students to**
 30 **achievement of students on a national basis.**
 31 **(4) To provide a source of information for state and local**
 32 **decision makers with regard to educational matters, including**
 33 **the following:**
 34 **(A) The overall academic progress of students.**
 35 **(B) The need for new or revised educational programs.**
 36 **(C) The need to terminate existing educational programs.**
 37 **(D) Student readiness for postsecondary school**
 38 **experiences.**
 39 **(E) Overall curriculum development and revision**
 40 **activities.**

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

3 **(G) Diagnosing individual student needs.**

4 **(H) Teacher education and staff development activities.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

39 Sec. 4. BEST program tests shall be administered for school
40 years beginning after June 30, 2016, in the grade levels determined

1 by the state board in the following subject areas:

- 2 (1) English/language arts.
 3 (2) Mathematics.
 4 (3) Science.
 5 (4) Social studies.

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

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

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

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

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

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

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

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

- 35 (1) provide scores indicating student performance relative to
 36 each of the academic standards:
 37 (A) established by the state board; and
 38 (B) assessed by the test;
 39 (2) be related to passing scores established by the state board;
 40 and

1 **(3) contain the information listed in subdivisions (1) and (2)**
 2 **for the following levels:**

- 3 **(A) Individual student.**
 4 **(B) Classroom.**
 5 **(C) School.**
 6 **(D) School corporation.**
 7 **(E) Indiana.**

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

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

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

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

- 18 **(1) Give each student and the student's parent the student's**
 19 **BEST program test scores.**
 20 **(2) Make available for inspection to each student and the**
 21 **student's parent the following:**
 22 **(A) A copy of all questions that are not multiple choice or**
 23 **true and false and prompts used in assessing the student.**
 24 **(B) A copy of the student's scored responses.**
 25 **(C) A copy of the anchor papers and scoring rubrics used**
 26 **to score the student's responses.**

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

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

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

- 34 **(1) A parent of a student who requests a parent/teacher**
 35 **conference on the scores of the student.**
 36 **(2) The parent of each student who does not receive a passing**
 37 **score on the test. The conference must include a discussion of:**
 38 **(A) the student's test scores, including subscores on**
 39 **academic standards; and**
 40 **(B) the proposed remediation plan for the student.**

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

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

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

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

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

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

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

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

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

40 **Sec. 18. (a)** A student who is a child with a disability (as defined

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

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

- 9 (1) participation in testing under this chapter;
- 10 (2) receiving accommodations in testing materials and
 11 procedures;
- 12 (3) participation in remediation under IC 20-32-8; or
- 13 (4) retention at the same grade level for consecutive school
 14 years;

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

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

- 22 (1) the BEST program test; and
- 23 (2) the scoring reports used by the department.

24 (b) A nonpublic school seeking accreditation must:

- 25 (1) administer the BEST program test to its students at the
 26 same time that school corporations administer the test; and
- 27 (2) make available to the department the results of the BEST
 28 program testing.

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

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

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

- 38 (1) attendance in a remediation program;
- 39 (2) ISTEP program testing or BEST program testing; and
- 40 (3) the grade level placement;

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

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

9 (1) Attendance records.

10 (2) **For school years ending before July 1, 2016**, the student's
 11 latest ISTEP program test results under IC 20-32-5 (**repealed**
 12 **effective July 1, 2016**) **and, for school years ending after June**
 13 **30, 2016, the student's latest BEST program test results.**

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

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

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

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

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

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

30 (1) either:

31 (A) provide; or

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

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

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

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

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

1 (2) another cooperative program;
 2 involving the school corporation of the student's legal settlement,
 3 transportation and other costs shall be made in amounts and at the
 4 times provided in the agreement or other arrangement made between
 5 the participating school corporations.

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

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

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

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

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

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

30 (5) Other methods approved by the state board.

31 SECTION 71. IC 20-43-10-3, AS ADDED BY P.L.205-2013,
 32 SECTION 300, IS AMENDED TO READ AS FOLLOWS
 33 [EFFECTIVE JUNE 30, 2015]: Sec. 3. (a) As used in this section,
 34 "achievement test" means a:

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

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

38 (A) Algebra I.

39 (B) English 10.

40 (C) Biology I.

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

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

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

8 (2) a Core 40 end of course assessment;

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

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

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

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

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

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

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

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

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

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

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

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

31 **A school corporation's grant under subdivision (1) is the sum of the**
 32 **grants separately calculated for each school in the school**
 33 **corporation under subsection (h), (i), or (j). A school corporation's**
 34 **grant under subdivision (2) is the sum of the grants separately**
 35 **calculated for each school in the school corporation under**
 36 **subsection (k), (l), or (m).**

37 (g) The sum of the **two (2) grant amounts described in subsection**
 38 **(f), as** determined for a school corporation under this section
 39 constitutes an annual performance grant that is in addition to state
 40 tuition support. The annual performance grant for a state fiscal year

1 shall be distributed to the school corporation before December 5 of that
2 state fiscal year. **If the:**

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

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

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

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

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

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

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

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

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

1 multiplied by

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

3 (j) This subsection does not apply to a school corporation in its first
4 year of operation. A school qualifies for a grant under this subsection
5 if the school's school year over school year percentage growth rate of
6 achievement tests receiving passing scores was at least five percent
7 (5%), comparing the school year ending in the immediately preceding
8 state fiscal year to the school year immediately preceding that school
9 year. The grant amount for the state fiscal year is:

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

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

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

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

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

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

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

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

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

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

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

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

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

7 (1) is located in Indiana;

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

10 (3) voluntarily agrees to enroll an eligible choice scholarship
11 student;

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

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

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

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

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

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

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

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

33 (4) administers:

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

38 (B) **for a school year beginning after June 30, 2016, the**
39 **tests under the benchmarking excellence student testing**
40 **(BEST) program or another nationally recognized**

- 1 **assessment of the school's students.**
- 2 (b) The term does not include a public school in a school
- 3 corporation where the eligible student has legal settlement under
- 4 IC 20-26-11."
- 5 Delete pages 2 through 9.
- 6 Page 10, delete lines 1 through 26.
- 7 Renumber all SECTIONS consecutively.
- 8 (Reference is to EHB 1009 as printed April 3, 2015.)