

HOUSE BILL No. 1499

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10-8; IC 6-7-1-30.1; IC 20-5-2-2; IC 21-3-1.7-9; IC 36-1-7-2.

Synopsis: School group health plans. Allows active and retired school corporation employees and active and retired employees of other local governmental units to participate in any health care plan offered by the state to state employees. Allows a school corporation and a local governmental entity to elect the coverage. Requires the state to deduct the appropriate amount of money from the school corporation's monthly tuition support distribution and from the local governmental unit's semiannual cigarette tax distribution to cover the cost of the coverage. Prohibits state universities from purchasing or renewing group health insurance after June 30, 1999. Provides that employees of state universities are eligible for coverage under health insurance plans
(Continued next page)

Effective: July 1, 1999.

Smith V

January 19, 1999, read first time and referred to Committee on Public Health.

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Digest Continued

established for state employees. Provides that this coverage begins when the state university's current health insurance program expires. Provides that employees of state universities who retire after June 30, 1999, are entitled to the same type of health insurance coverage as retired state employees.

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Introduced

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

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HOUSE BILL No. 1499

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

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

- 1 SECTION 1. IC 5-10-8-1 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. The following
3 definitions apply in this chapter:
4 (1) "Employee" means:
5 (A) an elected or appointed officer or official, or a full-time
6 employee;
7 (B) if the individual is employed by a school corporation, a
8 full-time or part-time employee;
9 (C) for a local unit public employer, a full-time or part-time
10 employee or a person who provides personal services to the
11 unit under contract during the contract period; or
12 (D) a senior judge appointed under IC 33-2-1-8;
13 whose services have continued without interruption at least thirty
14 (30) days.
15 (2) "Group insurance" means any of the kinds of insurance



- 1 fulfilling the definitions and requirements of group insurance
 2 contained in IC 27-1.
- 3 (3) "Insurance" means insurance upon or in relation to human
 4 life in all its forms, including life insurance, health insurance,
 5 disability insurance, accident insurance, hospitalization
 6 insurance, surgery insurance, medical insurance, and
 7 supplemental medical insurance.
- 8 (4) "Local unit" includes a city, town, county, township, or
 9 school corporation.
- 10 (5) "Public employer" means the state or a local unit, including
 11 any board, commission, department, division, authority,
 12 institution, establishment, facility, or governmental unit under
 13 the supervision of either, having a payroll in relation to persons
 14 it immediately employs, even if it is not a separate taxing unit.
- 15 ~~(6) "Public employer" does not include a state educational~~
 16 ~~institution (as defined under IC 20-12-0.5-1).~~
- 17 ~~(7) (6) "Retired employee" means:~~
- 18 (A) in the case of a public employer that participates in the
 19 public employees' retirement fund, a former employee who
 20 qualifies for a benefit under IC 5-10.3-8;
- 21 (B) in the case of a public employer that participates in the
 22 **Indiana state** teachers' retirement fund under IC 21-6.1, a
 23 former employee who qualifies for a benefit under
 24 IC 21-6.1-5; and
- 25 (C) in the case of any other public employer, a former
 26 employee who meets the requirements established by the
 27 public employer for participation in a group insurance plan
 28 for retired employees.
- 29 ~~(8) (7) "Retirement date" means the date that the employee has~~
 30 ~~chosen to receive retirement benefits from the public employees'~~
 31 ~~retirement fund.~~
- 32 SECTION 2. IC 5-10-8-7 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 7. (a) The state
 34 ~~excluding state educational institutions (as defined by IC 20-12-0.5-1);~~
 35 may not purchase or maintain a policy of group insurance, except life
 36 insurance or long term care insurance under a long term care insurance
 37 policy (as defined in IC 27-8-12-5), for its employees.
- 38 (b) With the consent of the governor, the state personnel
 39 department may establish self-insurance programs to provide group
 40 insurance other than life or long term care insurance for state
 41 employees and retired state employees. **If the state personnel**
 42 **department establishes a self-insurance program for group health**



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1 **care insurance for active and retired state employees, the active**
 2 **and retired employees of:**

- 3 (1) **school corporations, as described in IC 20-5-2-2(14); and**
 4 (2) **other local units;**

5 **may be included within the covered group as determined by the**
 6 **school corporation or other local unit. In this case, the employees**
 7 **of the school corporation or other local unit must comply with the**
 8 **same rules regarding participation as state employees.** The state
 9 personnel department may contract with a private agency, business
 10 firm, limited liability company, or corporation for administrative
 11 services. A commission may not be paid for the placement of the
 12 contract. The department may require, as part of a contract for
 13 administrative services, that the provider of the administrative services
 14 offer to an employee terminating **state qualifying** employment the
 15 option to purchase, without evidence of insurability, an individual
 16 policy of insurance.

17 (c) Notwithstanding subsection (a), with the consent of the
 18 governor, the state personnel department may contract for health
 19 services for state employees through one (1) or more prepaid health
 20 care delivery plans. **If the state personnel department contracts for**
 21 **health services for state employees through at least one (1) prepaid**
 22 **health care delivery plan, the active and retired employees of:**

- 23 (1) **school corporations, as described in IC 20-5-2-2(14); and**
 24 (2) **other local units;**

25 **may be included within the covered group as determined by the**
 26 **school corporation or other local unit. In this case, the employees**
 27 **of the school corporation or other local unit must comply with the**
 28 **same rules regarding participation as state employees.**

29 (d) The state personnel department shall adopt rules under
 30 IC 4-22-2 to establish long term and short term disability plans for state
 31 employees (except employees who hold elected offices (as defined by
 32 IC 3-5-2-17)). The plans adopted under this subsection may include
 33 any provisions the department considers necessary and proper and
 34 must:

- 35 (1) require participation in the plan by employees with six (6)
 36 months of continuous, full-time service;
 37 (2) require an employee to make a contribution to the plan in the
 38 form of a payroll deduction;
 39 (3) require that an employee's benefits under the short term
 40 disability plan be subject to a thirty (30) day elimination period
 41 and that benefits under the long term plan be subject to a six (6)
 42 month elimination period;



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- 1 (4) prohibit the termination of an employee who is eligible for
 2 benefits under the plan;
- 3 (5) provide, after a seven (7) day elimination period, eighty
 4 percent (80%) of base biweekly wages for an employee disabled
 5 by injuries resulting from tortious acts, as distinguished from
 6 passive negligence, that occur within the employee's scope of
 7 state employment;
- 8 (6) provide that an employee's benefits under the plan may be
 9 reduced, dollar for dollar, if the employee derives income from:
- 10 (A) Social Security;
- 11 (B) the public employees' retirement fund;
- 12 (C) the Indiana state teachers' retirement fund;
- 13 (D) pension disability;
- 14 (E) worker's compensation;
- 15 (F) benefits provided from another employer's group plan;
- 16 or
- 17 (G) remuneration for employment entered into after the
 18 disability was incurred.
- 19 (The department of state revenue and the department of
 20 workforce development shall cooperate with the state personnel
 21 department to confirm that an employee has disclosed complete
 22 and accurate information necessary to administer ~~subdivision~~
 23 ~~(6)~~ **this subdivision.**)
- 24 (7) provide that an employee will not receive benefits under the
 25 plan for a disability resulting from causes specified in the rules;
 26 and
- 27 (8) provide that, if an employee refuses to:
- 28 (A) accept work assignments appropriate to the employee's
 29 medical condition;
- 30 (B) submit information necessary for claim administration;
- 31 or
- 32 (C) submit to examinations by designated physicians;
 33 the employee forfeits benefits under the plan.
- 34 (e) This section does not affect insurance for retirees under
 35 IC 5-10.3 or IC 21-6.1.
- 36 (f) The state may pay part of the cost of self-insurance or prepaid
 37 health care delivery plans for its employees. **If a school corporation**
 38 **or other local unit elects to participate in the self-insurance or**
 39 **prepaid health care delivery plan under this section:**
- 40 (1) **IC 21-3-1.7-9 applies with regard to school corporations;**
 41 **and**
- 42 (2) **IC 6-7-1-30.1 applies with regard to other local units.**

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1 (g) A state agency may not provide any insurance benefits to its
 2 employees that are not generally available to other state employees,
 3 unless specifically authorized by law.

4 (h) The state may pay a part of the cost of group medical and life
 5 coverage for its employees.

6 (i) **After June 30, 1999, a state educational institution (as
 7 defined in IC 20-12-0.5-1) may not:**

8 (1) **purchase or renew a policy of group health insurance for
 9 its employees; or**

10 (2) **establish or renew a prepaid health care delivery plan for
 11 its employees.**

12 **However, a state educational institution may, as provided by
 13 section 8(g) of this chapter, purchase or renew a policy of group
 14 health insurance for its retired employees and their spouses who
 15 are not covered by section 8(b) of this chapter.**

16 (j) **An employee of a state educational institution is eligible for
 17 coverage under each health insurance program and prepaid health
 18 care delivery plan established for state employees under this
 19 section. However, if the state educational institution offers its
 20 employees a group health insurance program or prepaid health
 21 care delivery plan that was established before July 1, 1999, the
 22 employee does not become eligible for state coverage until the
 23 expiration date of the state educational institution's program or
 24 plan.**

25 (k) **If a school corporation or other local unit elects to
 26 participate in the self-insurance or prepaid health care delivery
 27 plan, the state personnel department and the school corporation or
 28 other local unit, whichever applies, shall enter into a contract to
 29 provide for the details of the school corporation's or other unit's
 30 participation in the plan.**

31 SECTION 3. IC 5-10-8-8 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 8. (a) **Before July 1,
 33 1999**, this section applies only to the state and its employees who are
 34 not covered by a plan established under section 6 of this chapter. **After
 35 June 30, 1999, this section also applies to:**

36 (1) **retired employees of state educational institutions (as
 37 defined in IC 20-12-0.5-1); and**

38 (2) **retired employees of a school corporation or other local
 39 unit;**

40 **who meet the criteria set forth in subsection (b).**

41 (b) **After June 30, 1986, the state shall provide a group health
 42 insurance plan to each retired employee:**

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- 1 (1) whose retirement date is:
 2 (A) after June 29, 1986, for a retired employee who was a
 3 member of the field examiners' retirement fund;
 4 (B) after May 31, 1986, for a retired employee who was a
 5 member of the Indiana state teachers' retirement fund; ~~or~~
 6 **(C) after June 30, 1999, for a retired employee of a state**
 7 **educational institution;**
 8 **(D) after June 30, 1999, for a retired employee of a**
 9 **school corporation or other local unit; or**
 10 ~~(E)~~ **(E)** after June 30, 1986, for a retired employee not
 11 covered by ~~clause clauses~~ **clauses (A) or (B); through (D);**
 12 (2) who will have reached fifty-five (55) years of age on or
 13 before the employee's retirement date but who will not be
 14 eligible on that date for Medicare coverage as prescribed by 42
 15 U.S.C. 1395 et seq.;
- 16 (3) who will have completed twenty (20) years of creditable
 17 employment with a public employer on or before the employee's
 18 retirement date, ten (10) years of which shall have been
 19 completed immediately preceding the retirement; and
 20 (4) who will have completed at least fifteen (15) years of
 21 participation in the retirement plan of which the employee is a
 22 member on or before the employee's retirement date.
- 23 (c) The state shall provide a group health insurance program to
 24 each retired employee:
 25 (1) who is a retired judge;
 26 (2) whose retirement date is after June 30, 1990;
 27 (3) who is at least sixty-two (62) years of age;
 28 (4) who is not eligible for Medicare coverage as prescribed by 42
 29 U.S.C. 1395 et seq.; and
 30 (5) who has at least eight (8) years of service credit as a
 31 participant in the Indiana judges' retirement fund, with at least
 32 eight (8) years of that service credit completed immediately
 33 preceding the judge's retirement.
- 34 (d) The state shall provide a group health insurance program to
 35 each retired employee:
 36 (1) who is a retired participant under the prosecuting attorneys'
 37 retirement fund;
 38 (2) whose retirement date is after January 1, 1990;
 39 (3) who is at least sixty-two (62) years of age;
 40 (4) who is not eligible for Medicare coverage as prescribed by 42
 41 U.S.C. 1395 et seq.; and
 42 (5) who has at least ten (10) years of service credit as a

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1 participant in the prosecuting attorneys' retirement fund, with at
 2 least ten (10) years of that service credit completed immediately
 3 preceding the participant's retirement.

4 (e) The state shall make available a group health insurance
 5 program to each former member of the general assembly or surviving
 6 spouse of each former member, if the former member:

- 7 (1) is no longer a member of the general assembly;
 8 (2) is not eligible for Medicare coverage as prescribed by 42
 9 U.S.C. 1395 et seq. or, in the case of a surviving spouse, the
 10 surviving spouse is not eligible for Medicare coverage as
 11 prescribed by 42 U.S.C. 1395 et seq.; and
 12 (3) has at least ten (10) years of service credit as a member in the
 13 general assembly, with at least eight (8) years of that service
 14 credit completed immediately preceding the member's retirement
 15 or death.

16 A former member or surviving spouse of a former member who obtains
 17 insurance under this section is responsible for paying both the
 18 employer and the employee share of the cost of the coverage.

19 (f) The group health insurance program required under subsections
 20 (b) through (e) must be equal to that offered active employees. The
 21 retired employee may participate in the group health insurance program
 22 if the retired employee pays an amount equal to the employer's and the
 23 employee's premium for the group health insurance for an active
 24 employee and if the retired employee within ninety (90) days after the
 25 employee's retirement date files a written request for insurance
 26 coverage with the employer. However, the employer may elect to pay
 27 any part of the retired employee's premium.

28 (g) A retired employee's eligibility to continue insurance under this
 29 section ends when the employee becomes eligible for Medicare
 30 coverage as prescribed by 42 U.S.C. 1395 et seq., or when the
 31 employer terminates the health insurance program. A retired employee
 32 who is eligible for insurance coverage under this section may elect to
 33 have the employee's spouse covered under the health insurance
 34 program at the time the employee retires. If a retired employee's spouse
 35 pays the amount the retired employee would have been required to pay
 36 for coverage selected by the spouse, the spouse's subsequent eligibility
 37 to continue insurance under this section is not affected by the death of
 38 the retired employee. The surviving spouse's eligibility ends on the
 39 earliest of the following:

- 40 (1) When the spouse becomes eligible for Medicare coverage as
 41 prescribed by 42 U.S.C. 1395 et seq.
 42 (2) When the employer terminates the health insurance program.



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- 1 (3) Two (2) years after the date of the employee's death.
 2 (4) The date of the spouse's remarriage.
 3 (h) This subsection does not apply to an employee who is entitled
 4 to group insurance coverage under IC 20-6.1-6-1(c). An employee who
 5 is on leave without pay is entitled to participate for ninety (90) days in
 6 any health insurance program maintained by the employer for active
 7 employees if the employee pays an amount equal to the total of the
 8 employer's and the employee's premiums for the insurance.
 9 (i) An employer may provide group health insurance for retired
 10 employees or their spouses not covered by this section and may provide
 11 group health insurance that contains provisions more favorable to
 12 retired employees and their spouses than required by this section. A
 13 public employer may provide group health insurance to an employee
 14 who is on leave without pay for a longer period than required by
 15 subsection (h).
 16 SECTION 4. IC 6-7-1-30.1 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 30.1. (a) Two-thirds
 18 (2/3) of the money in the cigarette tax fund is annually appropriated to
 19 the cities and towns of this state and to certain local governmental
 20 entities.
 21 (b) **Subject to subsection (f)**, the amount which is allocated to
 22 each city or town under this section equals the product of:
 23 (1) the total amount appropriated under subsection (a);
 24 multiplied by
 25 (2) a fraction, the numerator of which is the population of the
 26 city or town, and the denominator of which is the total
 27 population of all the cities and towns of Indiana.
 28 (c) The auditor of state shall calculate and distribute the amount
 29 allocated to each city or town under this section on or before June 1
 30 and December 1 of each year. To make these semiannual distributions,
 31 the auditor of state shall issue warrants drawn on the cigarette tax fund
 32 to the officials designated in subsection (d) or (e).
 33 (d) For a consolidated city, or a city or town which is located in the
 34 same county as the consolidated city, the auditor of state shall issue a
 35 warrant for:
 36 (1) three-fourteenths (3/14) of the money allocated to the city or
 37 town under subsection (b) to the fiscal officer of the city or town;
 38 and
 39 (2) the remaining eleven-fourteenths (11/14) of the money to the
 40 treasurer of that county.
 41 The fiscal officer of the city or town shall deposit the money distributed
 42 to him under this subsection in the city's or town's general fund. The

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1 county treasurer shall annually deposit three hundred fifty thousand
 2 dollars (\$350,000) which he receives under this subsection in the
 3 capital improvement bond fund of the county. The remainder of the
 4 money which the county treasurer receives under this subsection is
 5 appropriated to the **Indiana** department of transportation of the
 6 consolidated city. The county treasurer shall serve as custodian of the
 7 money so appropriated to the department.

8 (e) For a city or town which is not located in the same county as
 9 a consolidated city, the auditor of state shall issue a warrant for the
 10 total amount allocated to the city or town under subsection (b) to the
 11 fiscal officer of the city or town. The fiscal officer shall deposit
 12 three-fourteenths (3/14) of the money in the city's or town's general
 13 fund, and he shall deposit the remaining eleven-fourteenths (11/14) of
 14 the money in the city's or town's cumulative capital improvement fund.

15 **(f) If a city or town elects to participate in a health care**
 16 **program or plan for its active and retired employees that is**
 17 **available to state employees as permitted under IC 5-10-8-7, the**
 18 **auditor of state shall:**

19 **(1) deduct from each semiannual distribution described in**
 20 **subsection (b) the appropriate amount to cover the cost of**
 21 **participating in the health care coverage; and**

22 **(2) transfer the amount to the appropriate fund for use**
 23 **under IC 5-10-8-7 as that section applies to the provision of**
 24 **health care coverage for the employees.**

25 SECTION 5. IC 20-5-2-2 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. In carrying out the
 27 school purposes of each school corporation, its governing body acting
 28 on its behalf shall have the following specific powers:

29 (1) In the name of the school corporation, to sue and be sued and
 30 to enter into contracts in matters permitted by applicable law.

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

36 (2.5) To appropriate from the general fund an amount, not to
 37 exceed the greater of three thousand dollars (\$3,000) per budget
 38 year or one dollar (\$1) per pupil, not to exceed twelve thousand
 39 five hundred dollars (\$12,500), based upon the school
 40 corporation's previous year's average daily membership (as
 41 defined in IC 21-3-1.6-1.1) for the purpose of promoting the best
 42 interests of the school corporation by:



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- (A) the purchase of meals, decorations, memorabilia, or awards;
- (B) provision for expenses incurred in interviewing job applicants; or
- (C) developing relations with other governmental units.

(3) To acquire, construct, erect, maintain, hold, and to contract for such construction, erection, or maintenance of such real estate, real estate improvements, or any interest in either, as the governing body deems necessary for school purposes, including but not limited to buildings, parts of buildings, additions to buildings, rooms, gymnasiums, auditoriums, playgrounds, playing and athletic fields, facilities for physical training, buildings for administrative, office, warehouse, repair activities, or housing of school owned buses, landscaping, walks, drives, parking areas, roadways, easements and facilities for power, sewer, water, roadway, access, storm and surface water, drinking water, gas, electricity, other utilities and similar purposes, by purchase, either outright for cash (or under conditional sales or purchases money contracts providing for a retention of a security interest by seller until payment is made or by notes where such contract, security retention, or note is permitted by applicable law), by exchange, by gift, by devise, by eminent domain, by lease with or without option to purchase, or by lease under IC 21-5-10, IC 21-5-11, or IC 21-5-12. To repair, remodel, remove, or demolish any such real estate, real estate improvements, or interest in either, as the governing body deems necessary for school purposes, and to contract therefor. To provide for energy conservation measures through utility energy efficiency programs or under a guaranteed energy savings contract as described in IC 36-1-12.5.

(4) To acquire such personal property or any interest therein as the governing body deems necessary for school purposes, including but not limited to buses, motor vehicles, equipment, apparatus, appliances, books, furniture, and supplies, either by outright purchase for cash, or under conditional sales or purchase money contracts providing for a security interest by the seller until payment is made or by notes where such contract, security, retention, or note is permitted by applicable law, by gift, by devise, by loan, or by lease with or without option to purchase and to repair, remodel, remove, relocate, and demolish such personal property. All purchases and contracts delineated under the powers given under subdivision (3) and this

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1 subdivision shall be subject solely to applicable law relating to
 2 purchases and contracting by municipal corporations in general
 3 and to the supervisory control of agencies of the state as
 4 provided in section 3 of this chapter.
 5 (5) To sell or exchange any of such real or personal property or
 6 interest therein, which in the opinion of the governing body is
 7 not necessary for school purposes, in accordance with IC 20-5-5,
 8 to demolish or otherwise dispose of such property if, in the
 9 opinion of the governing body, it is not necessary for school
 10 purposes and is worthless, and to pay the expenses for such
 11 demolition or disposition.
 12 (6) To lease any school property for a rental which the governing
 13 body deems reasonable or to permit the free use of school
 14 property for:
 15 (A) civic or public purposes; or
 16 (B) the operation of a school age child care program for
 17 children aged five (5) through fourteen (14) years that
 18 operates before or after the school day, or both, and during
 19 periods when school is not in session;
 20 if the property is not needed for school purposes. Under this
 21 subdivision, the governing body may enter into a long term lease
 22 with a nonprofit corporation, community service organization, or
 23 other governmental entity, if the corporation, organization, or
 24 other governmental entity will use the property to be leased for
 25 civic or public purposes or for a school age child care program.
 26 However, if the property subject to a long term lease is being
 27 paid for from money in the school corporation's debt service
 28 fund, then all proceeds from the long term lease shall be
 29 deposited in that school corporation's debt service fund so long
 30 as the property has not been paid for. The governing body may,
 31 at its option, use the procedure specified in IC 36-1-11-10 in
 32 leasing property under this subdivision.
 33 (7) To 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 20-6.1-3), business managers, superintendents of buildings
 38 and grounds, janitors, engineers, architects, physicians, dentists,
 39 nurses, accountants, teacher aides performing noninstructional
 40 duties, educational and other professional consultants, data
 41 processing and computer service for school purposes, including
 42 but not limited to the making of schedules, the keeping and

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1 analyzing of grades and other student data, the keeping and
2 preparing of warrants, payroll, and similar data where approved
3 by the state board of accounts as provided below, and such other
4 personnel or services, all as the governing body considers
5 necessary for school purposes. To fix and pay the salaries and
6 compensation of such persons and such services. To classify
7 such persons or services and to adopt schedules of salaries or
8 compensation. To determine the number of such persons or the
9 amount of services thus employed or contracted for. To
10 determine the nature and extent of their duties. The
11 compensation, terms of employment, and discharge of teachers
12 shall, however, be subject to and governed by the laws relating
13 to employment, contracting, compensation, and discharge of
14 teachers. The compensation, terms of employment, and
15 discharge of bus drivers shall be subject to and shall be governed
16 by any laws relating to employment, contracting, compensation,
17 and discharge of bus drivers. The forms and procedures relating
18 to the use of computer and data processing equipment in
19 handling the financial affairs of such school corporation shall be
20 submitted to the state board of accounts for approval to the end
21 that such services shall be used by the school corporation when
22 the governing body determines that it is in the best interests of
23 the school corporation while at the same time providing
24 reasonable accountability for the funds expended.

25 (8) Notwithstanding the appropriation limitation in subdivision
26 (2.5), when the governing body by resolution deems a trip by an
27 employee of the school corporation or by a member of the
28 governing body to be in the interest of the school corporation,
29 including but not limited to attending meetings, conferences, or
30 examining equipment, buildings, and installation in other areas,
31 to permit such employee to be absent in connection with such
32 trip without any loss in pay and to refund to such employee or to
33 such member his reasonable hotel and board bills and necessary
34 transportation expenses. To pay teaching personnel for time
35 spent in sponsoring and working with school related trips or
36 activities.

37 (9) To transport children to and from school, when in the opinion
38 of the governing body such transportation is necessary, including
39 but not limited to considerations for the safety of such children
40 and without regard to the distance they live from the school, such
41 transportation to be otherwise in accordance with the laws
42 applicable thereto.

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- 1 (10) To provide a lunch program for a part or all of the students
- 2 attending the schools of the school corporation, including but not
- 3 limited to the establishment of kitchens, kitchen facilities,
- 4 kitchen equipment, lunch rooms, the hiring of the necessary
- 5 personnel to operate such program, and the purchase of any
- 6 material and supplies therefor, charging students for the
- 7 operational costs of such lunch program, fixing the price per
- 8 meal or per food item. To operate such lunch program as an
- 9 extracurricular activity, subject to the supervision of the
- 10 governing body. To participate in any surplus commodity or
- 11 lunch aid program.
- 12 (11) To purchase textbooks, to furnish them without cost or to
- 13 rent them to students, to participate in any textbook aid program,
- 14 all in accordance with applicable law.
- 15 (12) To accept students transferred from other school
- 16 corporations and to transfer students to other school corporations
- 17 in accordance with applicable law.
- 18 (13) To levy taxes, to make budgets, to appropriate funds, and to
- 19 disburse the money of the school corporation in accordance with
- 20 the laws applicable thereto. To borrow money against current tax
- 21 collections and otherwise to borrow money, in accordance with
- 22 IC 20-5-4.
- 23 (14) To purchase insurance or to establish and maintain a
- 24 program of self-insurance relating to the liability of the school
- 25 corporation or its employees in connection with motor vehicles
- 26 or property and for any additional coverage to the extent
- 27 permitted and in accordance with IC 34-13-3-20. To purchase
- 28 additional insurance or to establish and maintain a program of
- 29 self-insurance protecting the school corporation and members of
- 30 the governing body, employees, contractors, or agents of the
- 31 school corporation from any liability, risk, accident, or loss
- 32 related to any school property, school contract, school or school
- 33 related activity, including but not limited to the purchase of
- 34 insurance or the establishment and maintenance of a
- 35 self-insurance program protecting such persons against false
- 36 imprisonment, false arrest, libel, or slander for acts committed
- 37 in the course of their employment, protecting the school
- 38 corporation for fire and extended coverage and other casualty
- 39 risks to the extent of replacement cost, loss of use, and other
- 40 insurable risks relating to any property owned, leased, or held by
- 41 the school corporation. To:
- 42 (A) participate in the group health insurance available

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to active and retired state employees under IC 5-10-8-7 (either through the state's self-insurance program under IC 5-10-8-7(b) or through prepaid health care delivery plans under IC 5-10-8-7(c));

(B) purchase insurance, which may include accident, sickness, health, or dental coverage, to benefit school corporation employees; or to

(C) establish and maintain a program of self-insurance to benefit school corporation employees, which may include accident, sickness, health, or dental coverage, provided that any plan of self-insurance shall include an aggregate stop-loss provision.

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

(16) To defend any member of the governing body or any employee of the school corporation in any suit arising out of the performance of his duties for or employment with, the school corporation, provided the governing body by resolution determined that such action was taken in good faith. To save any such member or employee harmless from any liability, cost, or damage in connection therewith, including but not limited to the payment of any legal fees, except where such liability, cost, or damage is predicated on or arises out of the bad faith of such member or employee, or is a claim or judgment based on his malfeasance in office or employment.

(17) To prepare, make, enforce, amend, or repeal rules, regulations, and procedures for the government and management of the schools, property, facilities, and activities of the school corporation, its agents, employees, and pupils and for the operation of its governing body, which rules, regulations, and procedures may be designated by any appropriate title such as "policy handbook", "bylaws", or "rules and regulations".

(18) To ratify and approve any action taken by any member of the governing body, any officer of the governing body, or by any employee of the school corporation after such action is taken, if such action could have been approved in advance, and in connection therewith to pay any expense or compensation permitted under IC 20-5-1 through IC 20-5-6 or any other law.

(19) To exercise any other power and make any expenditure in carrying out its general powers and purposes provided in this

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1 chapter or in carrying out the powers delineated in this section
 2 which is reasonable from a business or educational standpoint in
 3 carrying out school purposes of the school corporation, including
 4 but not limited to the acquisition of property or the employment
 5 or contracting for services, even though such power or
 6 expenditure shall not be specifically set out herein. The specific
 7 powers set out in this section shall not be construed to limit the
 8 general grant of powers provided in this chapter except where a
 9 limitation is set out in IC 20-5-1 through IC 20-5-6 by specific
 10 language or by reference to other law.

11 SECTION 6. IC 21-3-1.7-9 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 9. (a) Subject to the
 13 amount appropriated by the general assembly for tuition support **and**
 14 **to subsection (c)**, the amount that a school corporation is entitled to
 15 receive in tuition support for a year is the amount determined in section
 16 8 of this chapter.

17 (b) If the total amount to be distributed as tuition support under
 18 this chapter, for enrollment adjustment grants under section 9.5 of this
 19 chapter, for at-risk programs under section 9.7 of this chapter, for
 20 academic honors diploma awards under section 9.8 of this chapter, and
 21 as special and vocational education grants under IC 21-3-1.8-3 or
 22 IC 21-3-10 for a particular year, exceeds:

- 23 (1) two billion six hundred fourteen million eight hundred
 24 thousand dollars (\$2,614,800,000) for 1997;
- 25 (2) two billion seven hundred seventy-one million six hundred
 26 thousand dollars (\$2,771,600,000) in 1998; and
- 27 (3) two billion nine hundred thirty-nine million two hundred
 28 thousand dollars (\$2,939,200,000) in 1999;

29 the amount to be distributed for tuition support under this chapter to
 30 each school corporation during each of the last six (6) months of the
 31 year shall be reduced by the same dollar amount per ADM (as adjusted
 32 by IC 21-3-1.6-1.1) so that the total reductions equal the amount of the
 33 excess.

34 (c) **If the governing body of a school corporation elects to**
 35 **participate in a health care program or plan for its active and**
 36 **retired employees that is available to state employees as described**
 37 **in IC 5-10-8-7, the auditor of state shall:**

- 38 (1) **deduct from each semiannual distribution described in**
 39 **subsection (b) the appropriate amount to cover the cost of**
 40 **participating in the health care coverage; and**
- 41 (2) **transfer the amount to the appropriate fund for use**
 42 **under IC 5-10-8-7 as that section applies to the provision of**



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- 1 **health care coverage for the employees.**
 2 SECTION 7. IC 36-1-7-2 IS AMENDED TO READ AS
 3 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. (a) A power that may
 4 be exercised by an Indiana political subdivision and by one (1) or more
 5 other governmental entities may be exercised:
 6 (1) by one (1) or more entities on behalf of others; or
 7 (2) jointly by the entities.
 8 Entities that want to do this must, by ordinance or resolution, enter into
 9 a written agreement under section 3 or 9 of this chapter.
 10 (b) Notwithstanding subsection (a), Indiana governmental entities
 11 that want only to buy, sell, or exchange services, supplies, or
 12 equipment between or among themselves may enter into contracts to
 13 do this and follow section 12 of this chapter.
 14 (c) **This section permits local units (as defined in IC 5-10-8-1)**
 15 **to elect to participate in a group health coverage plan for their**
 16 **active and retired employees under IC 5-10-8-7.**
 17 SECTION 8. [EFFECTIVE JULY 1, 1999] (a) **Notwithstanding**
 18 **IC 5-10-8-7, IC 20-5-2-2(14), and IC 36-1-7-2, all as amended by**
 19 **this act, a school corporation or other local unit (as defined in**
 20 **IC 5-10-8-1) may not elect to participate in the group health**
 21 **insurance coverage as authorized by this act if:**
 22 (1) **the state is a party to a contract with a health care**
 23 **coverage provider that does not permit additional classes of**
 24 **employees to enroll in the program or plan; and**
 25 (2) **the contract described in subdivision (1) is in effect on**
 26 **July 1, 1999.**
 27 (b) **Upon the expiration of a contract described in subsection**
 28 **(a)(1), the state may not enter into a contract with a health care**
 29 **coverage provider for state employees under IC 5-10-8-7, as**
 30 **amended by this act, that does not permit the inclusion of**
 31 **employees of school corporations or employees of other local units**
 32 **of government as permitted under IC 5-10-8-7, as amended by this**
 33 **act.**
 34 (c) **This SECTION expires July 1, 2003.**

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