

HOUSE BILL No. 1531

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-7.5-1; IC 20-7.5-2.

Synopsis: Education personnel issues. Adds final offer mediation-arbitration as an alternative method of collective bargaining for education personnel. Includes certain state educational institutions in school units required to bargain collectively with employees. Authorizes the Indiana education employment relations board to issue certain orders and impose certain requirements on a person who commits an unfair practice.

Effective: July 1, 1999.

Liggett

January 19, 1999, read first time and referred to Committee on Labor and Employment.

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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.

HOUSE BILL No. 1531



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

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

- 1 SECTION 1. IC 20-7.5-1-2 IS AMENDED TO READ AS
- 2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. As used in this
- 3 chapter: **article:**
- 4 (a) "School corporation" means **any the following:**
- 5 (1) **A** local public school corporation established under Indiana
- 6 law. ~~and, in the case of~~
- 7 (2) **A** public vocational ~~schools~~ **school** or ~~schools~~ **school** for
- 8 children with disabilities established or maintained by two (2) or
- 9 more school corporations. ~~shall refer to such schools.~~
- 10 (3) **The board of trustees of Ivy Tech State College**
- 11 **(IC 20-12-61-1.2).**
- 12 (4) **The state of Indiana or a department of the state to the**
- 13 **extent the state or the department employs teachers at any of**
- 14 **the following:**
- 15 (A) **The department of correction, for its academic and**
- 16 **vocational education program under IC 11-10-5.**

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1 **(B) A special institution under IC 16-19-6-5.**

2 **(C) A state institution under IC 12-24-3-4.**

3 (b) "Governing body" shall mean the board or commission charged
4 by law with the responsibility of administering the affairs of the school
5 corporation.

6 (c) "School employer" means the governing body of each school
7 corporation and any person or persons authorized to act for the
8 governing body of the school employer in dealing with its employees.

9 (d) "Superintendent" shall mean the chief administrative officer of
10 any school corporation, or any person or persons designated by the
11 officer or by the governing body to act in the officer's behalf in dealing
12 with school employees.

13 (e) "School employee" means any full-time certificated person in the
14 employment of the school employer. A school employee shall be
15 considered full time even though the employee does not work during
16 school vacation periods, and accordingly works less than a full year.
17 There shall be excluded from the meaning of school employee
18 supervisors, confidential employees, employees performing security
19 work, and noncertificated employees.

20 (f) "Certificated employee" means a person whose contract with the
21 school corporation requires that he hold a license or permit from the
22 **Indiana** state board of education or a commission thereof as provided
23 in IC 20-6.1.

24 (g) "Noncertificated employee" means any school employee whose
25 employment is not dependent upon the holding of a license or permit
26 as provided in IC 20-6.1.

27 (h) "Supervisor" means any individual who has:

28 (1) authority, acting for the school corporation, to hire, transfer,
29 suspend, lay off, recall, promote, discharge, assign, reward, or
30 discipline school employees;

31 (2) responsibility to direct school employees and adjust their
32 grievances; or

33 (3) responsibility to effectively recommend the action described
34 in ~~subsections~~ **subdivisions** (1) through (2);

35 that is not of a merely routine or clerical nature but requires the use of
36 independent judgment. The term includes superintendents, assistant
37 superintendents, business managers and supervisors, directors with
38 school corporation-wide responsibilities, principals and vice principals,
39 and department heads who have responsibility for evaluating teachers.

40 (i) "Confidential employee" means a school employee whose
41 unrestricted access to confidential personnel files or whose functional
42 responsibilities or knowledge in connection with the issues involved in

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1 dealings between the school corporation and its employees would make
2 the confidential employee's membership in a school employee
3 organization incompatible with the employee's official duties.

4 (j) "Employees performing security work" means any school
5 employee whose primary responsibility is the protection of personal
6 and real property owned or leased by the school corporation or who
7 performs police or quasi-police powers.

8 (k) "School employee organization" means any organization which
9 has school employees as members and one (1) of whose primary
10 purposes is representing school employees in dealing with their school
11 employer, and includes any person or persons authorized to act on
12 behalf of such organizations.

13 (l) "Exclusive representative" means the school employee
14 organization which has been certified for the purposes of this chapter
15 by the board or recognized by a school employer as the exclusive
16 representative of the employees in an appropriate unit as provided in
17 section 10 of this chapter, or the person or persons duly authorized to
18 act on behalf of such representative.

19 (m) "Board" means the Indiana education employment relations
20 board provided by this chapter.

21 (n) "Bargain collectively" means the performance of the mutual
22 obligation of the school employer and the exclusive representative to
23 meet at reasonable times to negotiate in good faith with respect to items
24 enumerated in section 4 of this chapter and to execute a written
25 contract incorporating any agreement relating to such matters. Such
26 obligation shall not include the final approval of any contract
27 concerning these or any other items. Agreements reached through
28 collective bargaining are binding as a contract only if ratified by the
29 governing body of the school corporation and the exclusive
30 representative. The obligation to bargain collectively does not require
31 the school employer or the exclusive representative to agree to a
32 proposal of the other or to make a concession to the other, **except that**
33 **this obligation is subject to the final offer process if**
34 **mediation-arbitration under IC 20-7.5-2 is elected under section**
35 **11.5 of this chapter.**

36 (o) "Discuss" means the performance of the mutual obligation of the
37 school corporation through its superintendent and the exclusive
38 representative to meet at reasonable times to discuss, to provide
39 meaningful input, to exchange points of view, with respect to items
40 enumerated in section 5 of this chapter. This obligation shall not,
41 however, require either party to enter into a contract, to agree to a
42 proposal, or to require the making of a concession. A failure to reach



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1 an agreement on any matter of discussion shall not require the use of
 2 any part of the impasse procedure, as provided in section 13 of this
 3 chapter, **unless the exclusive representative has elected under**
 4 **section 11.5 of this chapter the mediation-arbitration procedure set**
 5 **forth in IC 20-7.5-2.** Neither the obligation to bargain collectively nor
 6 to discuss any matter shall prevent any school employee from
 7 petitioning the school employer, the governing body, or the
 8 superintendent for a redress of the employee's grievances either
 9 individually or through the exclusive representative, nor shall either
 10 such obligation prevent the school employer or the superintendent from
 11 conferring with any citizen, taxpayer, student, school employee, or
 12 other person considering the operation of the schools and the school
 13 corporation.

14 (p) "Strike" means concerted ~~failure refusal~~ to report for ~~duty,~~
 15 ~~willful absence from one's position; stoppage of work. or abstinence in~~
 16 ~~whole or in part from the full, faithful, and proper performance of the~~
 17 ~~duties of employment; without the lawful approval of the school~~
 18 ~~employer; or in any concerted manner interfering with the operation of~~
 19 ~~the school employer for any purpose.~~

20 (q) "Deficit financing" with respect to any budget year shall mean
 21 expenditures in excess of money legally available to the employer.

22 (r) "**Submission date**" means **the first date for the legal notice**
 23 **of a budget fixed by the school employer under IC 6-1.1-17-5.**

24 SECTION 2. IC 20-7.5-1-9 IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 9. (a) There is created
 26 an Indiana education employment relations board which shall consist
 27 of three (3) members appointed by the governor to serve at the
 28 governor's pleasure. One (1) member shall be designated by the
 29 governor as chairman. Not more than two (2) members of the board
 30 shall be members of the same political party. Each member shall be
 31 appointed for a term of four (4) years. A member appointed to fill a
 32 vacancy shall be appointed for the unexpired term of the member
 33 whom the appointed member is to succeed.

34 (b) Members shall hold no other public office or employment by the
 35 state or other public agency or public employer, or be an officer or
 36 employee of any school employee organization or any of its affiliates,
 37 or represent any school employer or school employee organization, or
 38 its affiliates.

39 (c) Subsection (b) does not apply to persons on the teaching staff of
 40 a university who are knowledgeable in public administration or labor
 41 law so long as they are not actively engaged, other than as a member,
 42 with any labor or employee organization. This subsection shall be



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1 construed liberally to effectuate the intent of the general assembly.

2 (d) The chairman shall give full time to the chairman's duties. The
3 chairman of the board shall not engage in any other business, vocation,
4 or employment. The members of the board other than the chairman
5 receive as compensation payment equal to that of the chairman,
6 computed on a daily rate and paid for every day actually spent serving
7 on the board.

8 (e) A majority of the members of the board constitutes a quorum.

9 (f) To accomplish the objectives and to carry out the duties
10 prescribed in this chapter the board shall have the following powers:

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

13 (2) To hold hearings and make inquiries as it deems necessary to
14 carry out properly its functions and powers.

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

16 (4) To meet and exercise its powers at any other place in Indiana.

17 (5) To conduct in any part of Indiana a proceeding, hearing,
18 investigation, inquiry, or election necessary to the performance of
19 its functions. For any such purpose, the board may designate one

20 (1) of its members, or an agent or agents, as hearing examiners.
21 The board may utilize voluntary and uncompensated services as
22 may be needed.

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

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

29 (8) To subpoena witnesses and issue subpoenas requiring the
30 production of books, papers, records, and documents which may
31 be needed as evidence in any matter under inquiry, and to
32 administer oaths and affirmations. In cases of neglect or refusal
33 to obey a subpoena issued to any person, the circuit or superior
34 court of the county in which the investigations or the public
35 hearings are taking place, upon application by the board, shall
36 issue an order requiring the person to appear before the board and
37 produce evidence about the matter under investigation. A failure
38 to obey the order may be punished by the court as a contempt.
39 Any subpoena, notice of hearing, or other process of the board
40 issued under this chapter shall be served in the manner prescribed
41 by the Indiana Rules of Trial Procedure.

42 (9) To adopt, promulgate, amend, or rescind rules it deems

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1 necessary and administratively feasible to carry out this chapter
2 in accordance with IC 4-22-2.

3 (10) To request from any public agency the assistance, services,
4 and data as will enable the board properly to carry out its
5 functions and powers.

6 (11) To publish and report in full an opinion in every case decided
7 by it.

8 (g) The board shall organize its staff to provide for the functions of
9 unit determination, unfair labor practice processing, conciliation and
10 mediation, factfinding, **mediation-arbitration under IC 20-7.5-2**, and
11 research. In connection with any conciliation and mediation, ~~or~~
12 factfinding, **it or mediation-arbitration under IC 20-7.5-2**, the board
13 may use either full-time employees or appoint employees for specific
14 cases from a panel which it establishes. Its research division shall be
15 organized to provide statistical data on the resources of each school
16 corporation, the substance of any agreements reached by each school
17 corporation, and other relevant data.

18 SECTION 3. IC 20-7.5-1-11 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 11. (a) Unfair practices
20 shall be remediable in the manner provided in this section. Any school
21 employer or any school employee who believes he is aggrieved by an
22 unfair practice may file a complaint under oath to such effect, setting
23 out a summary of the facts involved and specifying the section of this
24 chapter alleged to have been violated.

25 (b) ~~Thereafter~~, The board shall give notice to the person or
26 organization against whom the complaint is directed and shall
27 determine the matter raised in the complaint, and appeals may be taken
28 in accordance with IC 4-21.5-3.

29 (c) Testimony may be taken and findings and conclusions may be
30 made by a hearing examiner or **an** agent of the board who may be a
31 member ~~thereof~~: **of the board**.

32 (d) The board, but not a hearing examiner or **an** agent ~~thereof~~, **of**
33 **the board**, may enter ~~such an~~ interlocutory ~~orders~~ **order** after
34 summary hearing ~~as it deems necessary in carrying to carry~~ out the
35 intent of this chapter.

36 (e) **If, at the conclusion of the hearing, the board, hearing**
37 **examiner, or agent of the board determines, based on a**
38 **preponderance of the evidence admitted at the hearing, that the**
39 **person named in the complaint has engaged in an unfair practice**
40 **under section 7 of this chapter, the board:**

41 (1) shall:

42 (A) state its findings of fact and conclusions of law; and



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- 1 (B) issue an order requiring the person to cease the unfair
 2 practice; and
 3 (2) may:
 4 (A) take other appropriate action, including ordering the
 5 reinstatement with back pay of an employee; and
 6 (B) require the person who has engaged in the unfair
 7 practice to report to the board concerning compliance with
 8 the board's order.
- 9 (f) If, at the conclusion of the hearing, the board, hearing
 10 examiner, or agent of the board determines, based on a
 11 preponderance of the evidence admitted at the hearing, that the
 12 person named in the complaint has not engaged in an unfair
 13 practice under section 7 of this chapter, the board shall:
 14 (1) state its findings of fact and conclusions of law; and
 15 (2) dismiss the complaint.
- 16 (g) If, at the conclusion of the hearing, the board, hearing
 17 examiner, or agent of the board determines that an employee was
 18 dismissed or suspended for cause, an order reinstating the
 19 employee or awarding the employee back pay may not be issued.
- 20 SECTION 4. IC 20-7.5-1-11.5 IS ADDED TO THE INDIANA
 21 CODE AS A NEW SECTION TO READ AS FOLLOWS
 22 [EFFECTIVE JULY 1, 1999]: **Sec. 11.5.** An exclusive representative
 23 may begin collective bargaining by notifying the board and the
 24 employer on or before one hundred eighty (180) days before the
 25 submission date that the exclusive representative intends to use
 26 either of the following procedures:
 27 (1) The collective bargaining procedure set forth in section 12
 28 of this chapter.
 29 (2) The mediation and final offer selection procedure set forth
 30 in IC 20-7.5-2.
- 31 SECTION 5. IC 20-7.5-2 IS ADDED TO THE INDIANA CODE
 32 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 1999]:
 34 **Chapter 2. Mediation; Final Offer Selection**
 35 **Sec. 1.** An alternative method of collective bargaining is
 36 provided by this chapter because experience has demonstrated that
 37 harmonious and cooperative relationships between school
 38 employers and their employees can best be accomplished by a
 39 collective bargaining and discussion impasse procedure that ends
 40 in binding resolution of disputes. The public interest will be served
 41 by an effective, efficient resolution of disputes within the public
 42 schools of Indiana.



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1 **Sec. 2.** This chapter applies to collective bargaining in which the
2 exclusive representative has elected to proceed under this chapter
3 and has so notified the employer and the board as provided in
4 IC 20-7.5-1-11.5.

5 **Sec. 3.** A school corporation and the exclusive representative
6 shall begin to bargain collectively at least ninety (90) days before
7 the submission date, unless the exclusive representative has elected
8 to proceed under IC 20-7.5-1-12.

9 **Sec. 4.** In addition to the impasse procedures specified in this
10 chapter, a school employer and an exclusive representative may
11 agree in writing to a dispute settlement procedure. A copy of the
12 agreement shall be filed by the parties with the board. If the parties
13 agree to a form of binding arbitration, the arbitrator shall give
14 weight to the factors listed in section 12 of this chapter. The
15 arbitration award is subject to appeal under sections 16 through 19
16 of this chapter.

17 **Sec. 5.** If the parties have not reached an agreement at least
18 sixty (60) days before the submission date, the parties shall notify
19 the board that an impasse exists, and the board shall initiate
20 mediation-arbitration.

21 **Sec. 6.** Not later than fifteen (15) days after the receipt of a
22 notice of an impasse, each party shall submit to the board and
23 exchange with the other party its final offer on each item
24 remaining at impasse that is also an item listed in IC 20-7.5-1-4 and
25 IC 20-7.5-1-5. The parties shall also file with the board a joint
26 stipulation with respect to all matters that have been previously
27 agreed on for inclusion in the new or amended collective
28 bargaining agreement. All final offers and joint stipulations filed
29 with the board are open to public inspection.

30 **Sec. 7. (a)** Not later than three (3) days after the receipt of a
31 notice of an impasse from the parties, the board shall submit to the
32 parties a list of five (5) competent and experienced
33 mediator-arbitrators who must be representatives of the interests
34 of the public, but who may not be employees of the board.

35 **(b)** Not later than five (5) days after the receipt of the list, the
36 parties shall agree on a name or alternately strike a name from the
37 list until one (1) name remains. The parties shall determine by lot
38 who strikes the first name. The parties shall notify the board of the
39 mediator-arbitrator chosen.

40 **(c)** If a mediator-arbitrator has not been chosen through
41 agreement or striking names within the five (5) day limit, the board
42 shall select a mediator-arbitrator from the list.

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1 (d) Upon receipt of notice from the parties or after the board
2 makes a selection, the board shall formally appoint the
3 mediator-arbitrator and submit to the mediator-arbitrator the
4 final offers and joint stipulation of the parties.

5 Sec. 8. A mediator-arbitrator shall begin mediation not later
6 than ten (10) days after appointment. The final offers of the
7 parties, as transmitted by the board to the mediator-arbitrator,
8 must serve as the mutual basis for mediation and continued
9 negotiations between the parties with regard to issues in dispute
10 that have not been agreed upon by the parties. All mediation
11 sessions must be private.

12 Sec. 9. (a) For seven (7) successive days after the first mediation
13 session, the mediator-arbitrator shall mediate the dispute and
14 encourage a voluntary and mutual settlement by the parties.
15 During the first five (5) days of the seven (7) successive day period,
16 either party may unilaterally modify in writing any item in its final
17 offers. At the end of the five (5) day period, each party shall certify
18 in writing to the board the changes that have been made in its final
19 offers during mediation, with a copy sent to the
20 mediator-arbitrator and to the other party. During the last two (2)
21 days of the seven (7) successive day period, a modification of either
22 party's final offer may be made only with the consent of the other
23 party.

24 (b) Any modifications made shall be certified by the parties to
25 the board, with a copy sent to the mediator-arbitrator.

26 Sec. 10. (a) If the parties have failed to reach a voluntary and
27 mutual settlement during the seven (7) successive day mediation
28 period, the dispute shall be resolved by final offer item by item
29 selections.

30 (b) Not later than five (5) days after the end of the mediation
31 period and before selecting the final offers, the mediator-arbitrator
32 shall conduct a public hearing for the purpose of providing an
33 opportunity to both parties to present evidence and argument in
34 support of their final offers.

35 (c) Not later than ten (10) days after the completion of the
36 hearing, the mediator-arbitrator shall in writing select the final
37 offer that, in the mediator-arbitrator's judgment, is the more
38 reasonable and shall in writing state reasons for the selection. The
39 mediator-arbitrator's selection and the reasons shall be delivered
40 to the board and to each party. The final offers selected, along with
41 the stipulation of items already agreed to, become the agreement
42 between the parties and are final and binding upon the parties,



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subject to sections 11 and 16 through 19 of this chapter.

Sec. 11. The parties may voluntarily and mutually agree upon the terms and conditions of a contract at any time.

Sec. 12. In making a decision under the final offer selection procedures authorized by section 10 of this chapter, a mediator-arbitrator shall give weight to the following factors:

- (1) Past memoranda of agreement and contracts between the parties.
- (2) Comparison of wages, hours, terms of employment, and conditions of employment of the school employees involved with those of other employees doing comparable work, giving consideration to factors peculiar to the work involved.
- (3) Comparison of wages, hours, terms of employment, and conditions of employment with similar employment in private business and industry.
- (4) The average consumer prices for goods and services, commonly known as the cost of living.
- (5) The impact on the educational atmosphere or environment.

Sec. 13. (a) A mediator-arbitrator may not be employed on a full-time or part-time basis by:

- (1) a public school employer that is a school corporation;
- (2) an organization of public employees, public employers, or their affiliates; or
- (3) a firm that represents employers or employees in the implementation of this article.

(b) The board shall pay the compensation and expenses of a mediator-arbitrator.

Sec. 14. (a) If an agreement has not been reached on the items to be bargained collectively fourteen (14) days before the submission date, the parties shall continue the status quo, and the employer may issue tentative individual contracts and prepare a budget based on the individual contracts.

(b) During the status quo period, in order to permit the successful resolution of the dispute, the employer may not unilaterally change the terms or conditions of employment that are issues in dispute.

(c) This section does not relieve the school employer or the school employee organization from the duty to follow the procedures set forth in this chapter.

Sec. 15. The board shall adopt rules under IC 4-22-2 to implement this chapter.

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1 **Sec. 16. Not later than fifteen (15) days after the**
 2 **mediator-arbitrator's final offer selection, either party may**
 3 **petition the circuit or superior court of Marion County to set the**
 4 **final offer selection aside. Any time after the fifteen (15) day**
 5 **period, either party may petition the circuit or superior court of**
 6 **Marion County to enforce a final offer selection. The court shall**
 7 **hear these matters on an expedited basis and not later than thirty**
 8 **(30) days after the filing of a petition. The court must enforce the**
 9 **final offer selection unless the court finds by a preponderance of**
 10 **the evidence that the decision is:**

- 11 (1) **illegal;**
 12 (2) **in excess of the mediator-arbitrator's power; or**
 13 (3) **procured by fraud, bribery, or corruption.**

14 **Sec. 17. If a court sets aside a final offer selection because of**
 15 **illegality or excess of power, the selection shall be remanded to the**
 16 **same mediator-arbitrator who heard the selection the first time,**
 17 **subject to the right of a party to appeal an adverse ruling of the**
 18 **court. The mediator-arbitrator has the following choices on**
 19 **remand:**

- 20 (1) **Affirm the earlier final offer selection minus any items set**
 21 **aside by the court.**
 22 (2) **Make a new determination on the original final offers**
 23 **proposed by the parties after a new hearing or argument, at**
 24 **the discretion of the mediator-arbitrator.**

25 **Sec. 18. If a court sets aside a final offer selection because of**
 26 **fraud, bribery, or corruption, the selection shall be remanded to**
 27 **the board for an expedited hearing before a new**
 28 **mediator-arbitrator, selected in the same manner as the original**
 29 **mediator-arbitrator, subject to the right of a party to appeal an**
 30 **adverse ruling of the court.**

31 **Sec. 19. An appeal under section 17 or 18 of this chapter shall be**
 32 **taken in the manner and to the same extent as orders or judgments**
 33 **are taken in a civil action. Because of the appeal's public**
 34 **importance, the appeal shall be advanced on the docket for the**
 35 **consideration of the court.**

36 **Sec. 20. A party who:**

- 37 (1) **fails to implement a final offer selection; or**
 38 (2) **appeals a final offer selection and does not ultimately**
 39 **prevail in court;**

40 **is liable for reasonable attorney's fees, interest on delayed**
 41 **monetary benefits, and other costs incurred in the action.**



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